

The Role of Technology in Today's Law Practice

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I. Introduction

Technological predictions for the profession intrigue some lawyers. But many view them with suspicion. Will the changes really happen as quickly as the visionaries claim?

Here we take a pragmatic look at two categories of legal technology: required and advanced. Without the former, a law office is less profitable and less competitive; without the latter, its future is at risk.

II. Required Technologies – The Bare Minimum

A. Document Systems

1. Document Retrieval

Though almost all lawyers store documents in electronic form in computers, practices for maintaining and using these collections vary widely. Many use the tried-and-true approach that reigned when all work product was stored in manila folders and three-ring binders. Documents are stored in folders organized by client. When an opportunity for reuse arises, lawyers search their memories, either individually or collectively, trying to think of similar matters they have handled. Then they check the old client folders for reusable text.

If a firm's work product is not accessible by topic and cannot be searched for words and phrases, the firm is missing important opportunities to deliver higher quality and more cost-effective service to clients.

Even a one-lawyer, one-assistant office should connect the computers and store documents in a single hierarchy of folders. The hierarchy should include not only a client-matter-subfolder set of folders for each client, but also a tree of folders for frequently used forms, templates, and language.

Every firm should also have a full-text search program. A full-fledged document management application, like Worldox at \$350 per user, is ideal. <http://www.worldox.com> - World Software Inc. But short of a full system, a small firm can use an open source

program, Wilbur. It contains no advertising and both finds and indexes text in seconds. <http://wilbur.redtree.com> - RedTree Development Inc.

Though some lawyers use the Corel's QuickFinder or Microsoft's FastFind, these utilities are not shared across a network. Each user must index all the documents, an impractical approach when the documents are stored in a set of shared folders. Worldox makes the use of document management features straightforward. To search with "and" and "or" using Wilbur, users must remember to use the & and | characters. A drawback is that Wilbur does not have electronic "3 by 5" cards for recording keywords, author, notes and other metadata on each document and it does not index text entered in a documents Properties screens.

2. Document Creation

Too many law practices currently use "Save As" as the primary method of reusing existing work product. The lawyer or assistant finds an old document that is somewhat similar to the new one needed by the client. After it is opened in the word processor, a copy is made using "Save As." Then the copy is painstakingly edited to change all the client-specific information and to adjust the language.

A lawyer should at least have a well-organized electronic set of folders containing model letters, legal memoranda, contracts for various purposes, pleadings and the like. These documents should be edited once to remove specific client information and may contain alternative paragraphs that are clearly marked.

The next best thing to a good document assembly system is a refined set of merge forms. These document templates contain merge codes for variables. Client information is entered once in a data file, and then reused many times in the appropriate places in any client document.

B. Case Management Systems

The case management software category has evolved into practice management software that serves not as a case information manager but also as system for documents, time tracking, client information, calendaring, and most recently electronic communication and research. All these added features should not obscure each law practice's need for an efficient way of keeping track of the status and important dates for each legal matter in the office. The case management features need to be adapted to each of the types of matters that the firm handles.

In order for a firm to plan strategically, it needs a case management system that can supply statistics on the volume of legal matters in various practice areas and different time periods. In offices with multiple lawyers, the system sheds light on who is doing what and how the mix of work changes over time.

If a firm proceeds on a day-to-day basis, guided by the intuition of the managing lawyers, it is missing out on opportunities to learn from the past and to avoid trouble in the future using statistics and reports from a good case management system.

C. Communication Systems

Though some practice areas have not embraced e-mail, most practitioners have clients who would prefer to be able to communicate at least occasionally via e-mail. At best, lawyers risk looking hopelessly old-fashioned if they do not offer e-mail addresses to clients and arrange to respond promptly to client messages. At worst, they will lose clients to more progressive firms.

Certainly many professionals enthusiastic about technology spend too much time reading and sending e-mails, but this inefficient use of the tool does not justify putting up barriers to client e-mail. Too many firms today do not deliver e-mail directly to and from the computers on all the lawyers' desks.

D. Financial Systems

1. Timekeeping

Paper timesheets cost lawyers too much in lost billings and support staff burden. Timekeeping programs expose the unbilled holes in daily and weekly schedules. They link time entries to clients and matters quickly and accurately, cutting down on the time spent on on this essential but non-billable function.

The better practice management programs link to or include a timekeeping system, cutting down on double work. Timekeepers can create a time entries from appointments on the calendar just by adding some narrative, if required, and pressing a "bill it" button.

Palm organizers and other handheld devices let record time entries while lawyers are away from their desks. They offer the same advantages of the desktop system, allowing the user to select clients and matters instead of typing or writing them.

The Palm portable keyboard is a surprisingly powerful, \$99 addition to a lawyer's timekeeping tools, enabling entry of long

narratives anywhere while away from the office. Far handier than carrying and firing up a laptop computer, a handheld and keyboard weigh under one pound together. They set up and turn on in seconds.

2. Billing

A surprising number of small firms and solo practitioners are still using their word processors to produce invoices. Part of the problem has been an equally surprising lack of good, solid time and billing software for small organizations. The market leader, Timeslips, has suffered from unstable upgrades and conversion problems. That has discouraged some lawyers from making better use of time and billing systems in their practices.

At a minimum, lawyers should be able to produce printed invoices ready for mailing directly from their time and billing systems. Also required are good methods for tracking payments received from clients, the amount of work in progress, accounts receivable balances, and productivity reports.

While more and more clients appreciate receiving invoices in electronic form, those these preferences vary widely by area of practice. Firms should now be prepared at least to send an invoice as a PDF document. Adobe Acrobat's PDF format, though proprietary, is widely used on the Internet for the distribution of forms and documents in a format that faithfully reproduces the appearance of the original all the major computer operating systems.

III. Advanced Technologies

This discussion highlights the leading technologies that, when well implemented, can give law firms a competitive edge, improving profitability and client satisfaction. What is more, these technologies can make life in law firms more enjoyable by automating repetitious and tedious aspects of the work.

A. Document Systems

The practice management system containing case and client information can be linked to the firm's word processing software, automating the process for creating new documents. Beginning at the electronic matter record, the user selects one of the firm's forms. Information is merged automatically into a new client document.

For example, Time Matters software offers three ways to do this. The simplest method does not require the creation of a full library of merge forms. Rather, the Windows clipboard can be used to insert both

boilerplate text and variable client information into any document using Copy and Paste functions. In addition, merge templates can be created. They permit the merging of client and matter data directly into electronic forms in the firm's library. Finally, information in client and matter records can be merged into HotDocs templates, offering more power and flexibility in handling document variations. For more information, see: Time Matters - <http://www.timematters.com>; HotDocs – <http://www.capsoft.com>

Another approach to document generation involves the Internet. Self-serve Web pages in the law firm's Web site can be created for clients to input information needed for the preparation of client documents. As large consumer-oriented legal sites offer more and more legal information and forms, even small practices may find that they need to provide Web-based offerings in order to compete.

B. Case Management Systems

While many firms still have not caught up in the area of applying case management software to their internal operations, other firms are actively forging links to clients with their systems. Protected by strong security methods, firms are opening up selected case information to their important clients, giving them direct access to case status and documents.

Leveraging the synchronization features of case management systems, lawyers can take comprehensive electronic files with them in laptop computers. For meetings with clients, trial preparation, and trial support this information can be invaluable. Using secure connections over the Internet, project and trial teams can use matter and case management systems to update and coordinate their efforts.

C. Communications Systems

E-mail, though popular and hailed as a boon to productivity, can be overused. Often it is the wrong tool for the job. E-mail centers on the individual, not the team of people involved in a matter. Copies of messages proliferate, leaving each person to organize a flood of communications into separate e-mail folders.

For many purposes, collaborative applications that use the Internet as a communications channel are superior to e-mail. At this point, a bewildering range of choices and prices exist. Lotus Notes stands as an example of an effective tool for promoting the productivity of groups, but many other choices are available. Watch for the leading case management companies to incorporate collaborative features into their applications as this year progresses.

Video over the Internet is gaining in importance. Today's expensive video conferencing systems will begin to give way to less expensive, more widely available video conferencing over the Internet as more and more offices get high-speed access.

D. Financial Systems

1. Timekeeping

Legal technology prophets have foreseen the move to value-based billing for years, but most legal services are still billed by the hour. This will change. Fixed fee legal services delivered over the Web will put pressure on traditional practitioners to quote flat fees for various services.

Timekeeping by lawyers will continue, but increasingly it will be used to track lawyers' time as a cost component, something to be reduced in the interest of profitability, not as a source of profits. We will begin to treat time the way it is treated in other professions and industries.

Already voice recognition software like Dragon NaturallySpeaking and IBM ViaVoice let you dictate into timekeeping programs. In the coming years, watch for voice features in handheld units that will capture time records. The information will transfer automatically and via wireless connections in the office or via the wireless Internet access within metropolitan areas.

2. Billing

Sending invoices as PDF documents is just the beginning. Growing numbers of clients will want the ability to bring legal expense information directly into their financial systems.

At the consumer level, clients will appreciate the opportunity to budget for paying off their legal bills over time, tracking their progress with common financial software such as Intuit's Quicken. Clients may want to set up automatic payments from their credit cards using Web-based bill paying systems. Law firms will need to make it easy for clients to pay using the arrangements they prefer.

Larger clients will want to receive legal billing information that imports directly into their internal financial and matter management systems.

IV. Conclusion

Technology cannot salvage a mismanaged law practice. But a well-managed law practice cannot help but consider the critical role of technology. It can make crucial contributions to the goals of the firm. Client satisfaction, profitability, and job satisfaction all may benefit or suffer from the application of technology. Much depends on the quality of the firm's planning and implementation processes.

It is easy to make dire pronouncements about the fate of firms that fail to embrace technology. And it is all too easy, amid the day-to-day pressures of practicing law, to write off such pronouncements as overblown.

As is often the case, the truth may fall somewhere between these two extremes. Dire consequences most likely will not follow as quickly as some predict, but those who do not invest time and money in technological improvements can expect to pay a price for their lack of action.