

## Put Technology In Its Place ... and Deliver Results To The Bottom Line

By Tom Gelbmann

When lawyers discuss the role of information technology in their practice, a phrase often heard is "it's a necessary evil." Regardless of firm size or practice area, complaints regarding information technology (IT) are unfortunately all too common: large investments ... disappointing results.

The underlying details vary and may involve equipment upgrades, case management system, document management system, or database software. Results are often the same: wasted resources, lost productivity, frustrated attorneys and staff, cost overruns, and few results to show for the effort. Many firms that invested heavily 3 to 4 years ago (remember Y2K?) continue to use outdated, poor performing technology, and as they realized marginal benefits, are now hesitant to invest again, fearing similar outcomes. Consequently, many law practices are experiencing depressed attorney and staff productivity, steadily rising operational costs, and a legacy of lease payments for technology that has fallen into disuse.

This real life scenario may sound all too familiar:

- Obsolete equipment and systems (Windows 98!);

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- PCs freezing 4 to 5 times per day resulting in lost data and productivity;
- File server(s) on overload and delivering substandard performance;
- Sporadic backup — causing the loss of months of historical data;
- 3 scanners on site and none in working order;
- Attorneys and staff struggling with inadequate technology tools at the expense of important client work;
- Case management system fallen into disuse ... and there is still a full year remaining on the 4-year lease.

In this scenario, the impact of the frozen PCs is a minimum of one half hour daily in lost productivity per person. A conservative estimate of the annual financial impact on the firm in lost productivity is in the neighborhood of \$5,000 per staff member and \$10,000 per attorney.

### LEARN FROM THE PAST

The lesson to be learned is that technology is not the problem. After all, technology is simply a tool. Properly positioned, technology can be a very powerful and valuable tool that contributes to the bottom line. Poorly positioned, technology can be disruptive and expensive, and a serious impediment to the success of the law practice.

The fundamental cause of a lack of success with technology is too much attention given to raw technology and too little attention to business planning and management. Firms that have focused far too much attention on the flash and glitter of technology at the

expense of a sound business approach to managing technology have paid dearly in terms of the impact on staff, resources and productivity and learned a difficult lesson. As the saying goes "those who refuse to learn from history are doomed to repeat it."

Breaking out of this cycle of techno-failure requires a pragmatic, common sense approach that puts decisions regarding investments in IT in its proper place — **LAST**. The proper approach is defined by a process that includes each of the following steps:

VISION – STRATEGY  
PROCESS/WORKFLOW  
TECHNOLOGY

Getting the sequence right is critical and will mean the difference between actually realizing a significant return on IT investments and just wasting time and money. Those that reverse this sequence will continue to find disappointment by repeating a failed history of purchasing technology (eg, new system, new equipment) and expecting the new system to provide the missing pieces — vision, strategy and process/workflow. Like going to court with a new briefcase and hoping to pick up a legal strategy on the way — it simply doesn't work.

Let's take a look at the key steps involved in the appropriate sequence.

### VISION

Successful businesses and vibrant legal practices start with a clear vision of goals and objectives — in other words, the value proposition. Successful law firms know their practice area,

their target clients, and their value proposition. A clear vision for the practice sets the proper framework for business plans, strategies, guiding principles and targeted results.

It is no different with IT. Firms that are successful with IT have defined a vision for the role of IT in the practice and have closely linked business goals and objectives with IT plans. When properly designed and managed, systems and technologies can provide significant value to a firm both in terms of operational effectiveness and client service. This translates into strengthening the firm's financial health and positioning the firm to achieve real competitive advantage.

#### **STRATEGY**

A clear vision for IT describes how the firm will apply IT to the practice. With a clear vision defined, the next critical step in the process is to define effective strategies for moving from the current environment with all of the associated problems, opportunities, and concerns to a place where the vision is realized. In other words, your IT strategy provides a navigational map for realizing your goals.

A comprehensive set of strategies will define the path to take in terms of approach, resources, manageable steps, levels of involvement, degree of sophistication, client facing and internal facing initiatives.

#### **PROCESS/WORKFLOW**

This is where the rubber meets the road. The firm must define how it wants to operate and how the essential law office processes will function. This includes the practice related areas such as client intake and file opening, case management, legal research, electronic communication, document production, trial preparation as well as administrative functions including fee and expense tracking and billing, collections, accounting, and records management.

This process and workflow analysis addresses data and information flow, accountabilities, security, volumes, and expected productivity. In other words, how the IT strategy will implemented

in the day-to-day functioning of the law practice.

#### **TECHNOLOGY**

With the proper foundation in place — vision, strategy, and process/workflow — fully informed decisions can now be made relative to the proper level of investment in IT. These decisions will focus on the most appropriate systems and software tools to enable cost effective and operationally efficient execution of the processes and workflow, as well as the most appropriate equipment.

Most importantly, the direct linkage between the business plan and the IT plan will provide a clear view of the value of any IT purchase and a realistic, achievable, tangible return on each investment. Partners/owners can now make fully informed decisions on critical aspects of the IT infrastructure:

- *Equipment* — file servers, network, desktop PCs, laptops, PDAs
- *Systems* — front office, back office
- *Security* — firewalls, virus defense, encryption
- *Communications* — e-mail, ISP's, intranet, extranet
- *Practice tools* — litigation support and trial technology

With the proper context in place for evaluating each aspect of IT investment, discussion should focus on the expected results of each investment:

- Does it move us toward the IT vision?
- Is it in line with IT strategies and business plans?
- Does it help streamline process and workflow?
- What return on this investment can be expected?

If you do not have satisfactory answers to these questions — do not invest!

#### **MANAGEMENT**

Management oversight is the critical component that ensures results. This is not to say that a layer of bureaucracy is necessary. Rather, it means that after the check is written, the process cannot be left unattended. Just like other aspects of the legal practice there is a need for regular review and assessment of IT plans and activities. If you are on target,

stay the course. If not, course corrections must be made or else anticipated returns will not be realized. Remember, technology is just a tool, albeit a very powerful tool. The success of your investment in this powerful tool depends on how well you manage it.

#### **TANGIBLE RESULTS**

Take this common sense approach to IT. Put it in its proper place as a tool, and concentrate attention on how IT can help achieve business goals and objectives. The result can have a very real and powerful effect on the firm:

- *Productive attorneys* — focused on clients with faster access to information, better collaboration with internal and external resources. More attorney time for substantive legal work and less time for administrative, non-billable activities.
- *Profitable, competitive law practice* — productive staff focused on attorney support and client service as well as operational efficiencies and controlled administrative costs.
- *Controlled, predictable IT costs* — lower overall technical administration and support costs.
- *Quality staff* — attract and retain the best qualified and committed staff as a result of the firm's reputation for a commitment to doing things right with efficient operations and intelligent use of IT tools.

#### **CONCLUSION**

IT can be a valuable tool that can offer law firms a competitive advantage and positively contribute to enhanced client service and firm profitability. A common sense approach that places business planning and management ahead of technology selection will lead to successful investment in information technology resources and deliver tangible results.



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