

LITE BUILETIN

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IT and the Law, an uneasy partnership

For too long in a law firm IT, certainly as it relates to that firm, has been seen as a problem rather than an opportunity. A cost necessary to get the lawyers work product out and to get the accounting done. As a managing partner you are regaled with stories from your partners of the inadequacy of your firm's systems, its unreliability and how it almost stuffed up the closing of a major deal. The complainant forgets that five years ago he couldn't have even hoped to do the deal in the time available with the office systems then available. Indeed I often think that an IT professional in a law firm is rather like a bodyguard. The bodyguard has to get it right 100% of the time, the assassin only has to get it right once!

So how can we break down this rather adversarial approach to the IT team? Inevitably much of this relates to a failure to communicate and the maintenance of unreasonable expectations. Given the insecurity of lawyers especially of areas in which they have no knowledge some have a tendency to be technophobic. They don't understand how it operates, don't want to know but they do know and say (loudly) when it doesn't work for them. This communication and expectation management takes time. The tecnologists need to understand how the legal business operates, what is really important (rather than never ending wish lists) and then consider how matters can be improved. The lawyers need to spend time to explain what is needed and why (preferably without shouting). This approach needs to be encouraged from the top of the firm, the managing partner. It is unacceptable for a managing partner to wash his or her hands of IT issues. The managing partner needs to know what the systems do and can do, what best practice is, how much it costs and what new expenditure can deliver. The managing partner must then support the IT professional in the performance of their roles and, when required, provide air cover to withstand the inappropriate demands or unwarranted criticism of individual partners.

The changing legal market is producing real opportunities for IT to demonstrate how it can add value to a firm rather than be an inevitable cost of business. Client panel reviews are continuing at the rate of about two a week. These are driven by the need of the clients to rationalise the number of firms used and to apply some effective cost control. Given the rigorous approach to cost control in most corporations it is surprising that the legal function has been left alone for so long. These reviews often still focus on discounted hourly rates but the smarter clients are looking for more fixed price work and even conducting online Dutch auctions for new instructions. If this move from hourly rates is sustained, for the first time ever law firms will have a real incentive to work smarter rather than longer. Using technology to drive efficiency by online drafting, document assembly, file management, readily accessible and relevant know how systems will be seen as valuable rather than destroying value, which it does for so long as clients are willing to pay on an hourly rate basis.

The areas which are really close to client service are ripe for a three way partnership, the IT professionals, the lawyers and the client. Some firms have already made progress here but in general development has been slow and spasmodic IT departments often suffer because they do not know what is expected of them and the lawyers do not know what they can deliver. This is clearly demonstrated when looking at practice management systems. These systems themselves do not generate a single penny of extra client income. However, if used effectively they can be a substantial boost to the business. But without credible measures how can the success or otherwise of the eight figure spend on the new system be justified, especially if the first impact the partners see is bills being delayed or partner drawings deferred? Again there is a clear need for a new system to be explained and made accessible to those who will use it. A tool is only of use if it is used. It is of great concern to see that functions added to a practice management system (or any other system for that matter) at considerable cost are either unused or used by such a small number of users that the additional cost of this 'global' solution was unjustified. Managing Partners should apply proper rigour and measures when looking at technology spend. IT professionals should welcome this approach as it gives a real opportunity to over perform in relation to clearly agreed criteria.

This may raise the concern that if these criteria can be prepared then certain functions can be outsourced. If this is so then so be it. The senior IT professionals, if the classic back office roles are outsourced will be responsible for managing performance of the contractor but more importantly will be able to focus time and attention on the development of products and services that are of direct and immediate relevance to the client and to the lawyers. The services that really differentiate that law firm. The roles that really add value and are seen to add value.

The Government has made it clear that it is going to overhaul the regulation of the legal profession. It is conceivable that in the future we will see Mega Law PLC, for some a frightful and frightening prospect. The provision of legal services has changed and hopefully will change rapidly over the next 10 years. IT will be central to these developments. IT professionals will have an opportunity to demonstrate the value that they bring to a law firm and to be real partner in the development of the firm. Indeed they may even become real equity partners in their firms.

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