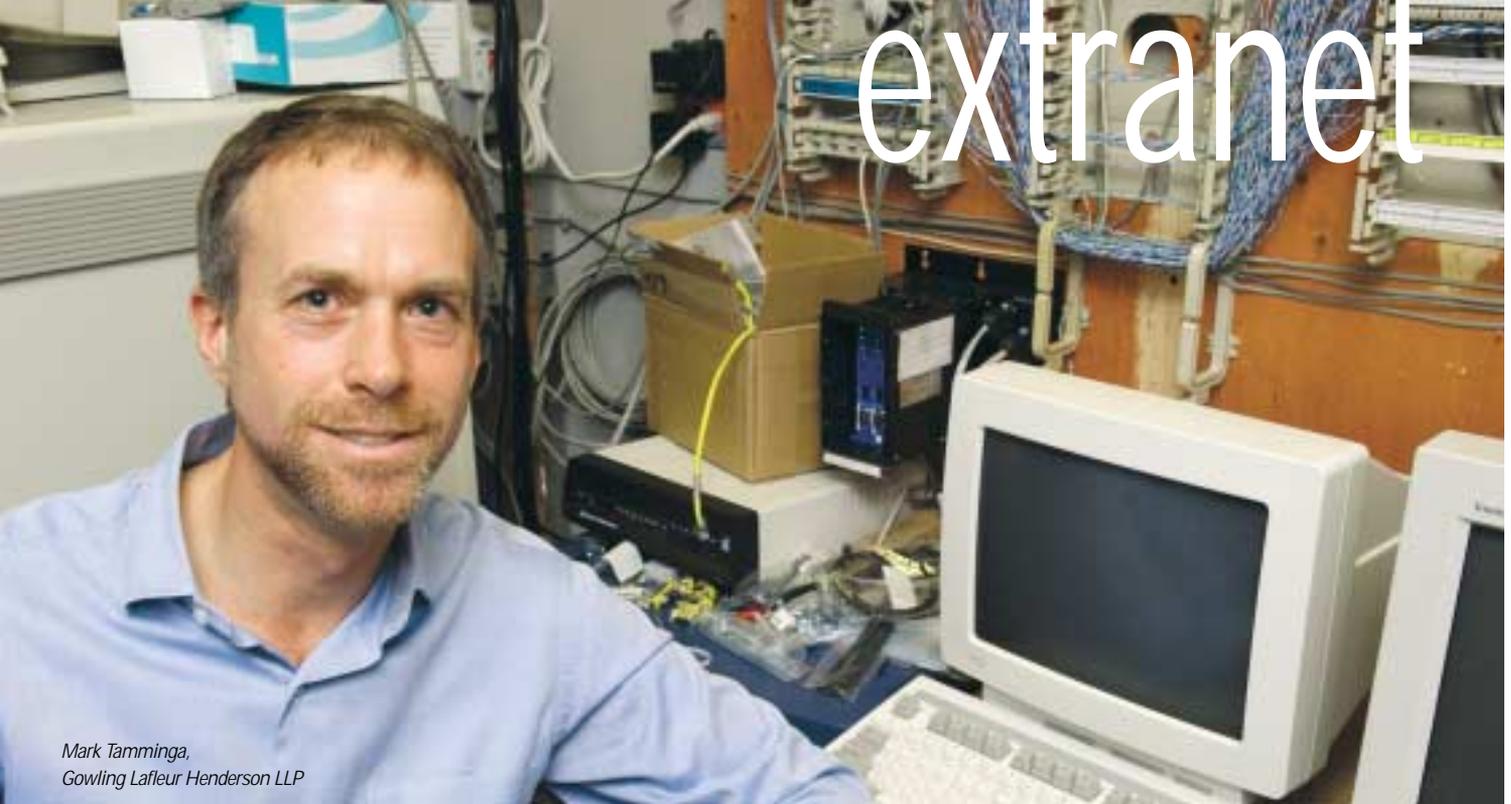


Tapping the potential of the

extranet



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Improved client communication with less effort

There's something about new technologies that makes people give them awkward and contrived labels.

Extranets are no exception.

First, there was the *Internet*, a reasonable enough name for a wonderful basket of technologies. Then came *intranets* as a play on the Internet name. An intranet is like a small private Internet living within the confines of an organization. Employee manuals, access to accounting and a variety of similar internal matters are all now frequently entrusted to a company's intranet.

However, when early adapters began giving selected outsiders access to parts of their intranets and creating private online communications tools for visitors, customers and clients, some intranets stopped looking all that, well, *intra*. Inevitably, someone coined the word "extranet" to describe these new tools and techniques, and the name stuck.

Big deal. Just another addition to the opaque jargon of the computer world.

True, but if you dig into the concept a bit, there emerges a promising idea of real utility to law firms: the reduction or elimination of barriers between clients and lawyers, or in other words – the ability to communicate better with clients with much less effort. Where time is increasingly at a premium, it only makes sense for lawyers to learn a little something about what extranets can do for their practices.

Extranets: the basics

So here's the first thing to understand. Extranets are not really a thing so much as they are a service – the service of creating novel and effective ways of communicating and sharing information with a client.

At its most basic an extranet is a means of networking two or more entities so they can securely share information. In some cases an extranet is simply an extension of a law firm's intranet to include a connection to a client. In other cases an extranet makes use of the public Internet combined with security features to create a new, more private, environment.

Extranets generally have the following features:

- *The use of internet technologies and standards.* These include the standardized techniques for transmitting and sharing information and the methods for encrypting and storing information, otherwise known as the Internet Protocol, or IP.
- *The use of Web browsers.* Users access extranet information using a Web browser such as Microsoft Internet Explorer, Netscape Navigator or, more recently, Mozilla's Firefox. Browser software uses relatively small amounts of memory and resources on a computer. The great thing about browsers

A client service tool for BLG



When Borden Ladner Gervais first began providing extranet sites to clients several years ago, it used fairly simple technology to create portals where clients could access release documents. These days, the firm has become a leader in what Joel Alleyne, Chief Financial Officer and Chief Knowledge Officer calls the "mass customization" of client extranets. BLG now creates extranet sites that share a basic template and functionality; for the most part, they provide access to case documents, financial information, contacts within the firm and a vehicle for online discussion and collaboration.

According to Alleyne, it's now the clients who are asking for extranets as a means to improve access to information. "Collaboration is really what's innovative about extranets," he says. "It's not a broadcast forum as much as a two-way medium." Once the clients become familiar with the technology,

they realize what an effective tool it can be. In addition, because extranets are Web-based and have a familiar interface, they give the user a sense of familiarity.

The extranets built by BLG are managed by content management systems, allowing practice groups to control their own content. According to Alleyne, extranets are part of the firm's overall risk management strategy by improving client communication and documentation.

As BLG develops its expertise in this area, it is working toward developing even higher levels of personalization, interaction and security. "We are at the point where we can set them up for almost any client," says Alleyne. "You don't have to invest millions. Firms should approach extranets on the basis of: build, try, and prototype."

Blakes' class action database



*Bill Horton
Blakes Cassels & Graydon*

Blakes Cassels & Graydon has recently developed an extranet site with a very narrow focus for one of its clients, the Canadian Bankers Association (CBA). It is a class action database that resides on the CBA system and is accessible through any computer with Web access. While the site is password-protected and accessible only by CBA members and Blakes' staff, security is not a serious concern as all material in the database is publicly available. The benefit to the client is that the database is designed as a one-stop portal for CBA members to search legislation, case summaries and copies of pleadings in specific proceedings. The database is cross-referenced and completely searchable.

The database and software were developed in-house by Blakes over the course of 18 months. A team of about six or seven associates, partners, clerks and students provide content. The impetus for the database came from the lawyers at Blakes, who wanted to provide their client with a tool to help them in class action litigation. The database has been up for a few months now, and, despite some challenges, the firm has been able to achieve its vision. "It works well, but it is a work in progress," says Bill Horton, a partner at Blakes who has been overseeing the development of the database. "It's always going to take time for new users to become comfortable."

Horton found that developing the project involved a high level of resources and client support. He advises that will likely be the case for anyone building a database similar to the CBA's site. An ideal situation would be building a database in an emerging area: "Unless you start up a project in a fairly new field, it's going to be very resource heavy in getting it up. That's when you want to do it, not ten years into the legislation."

It's hard to overestimate the potential of the Internet, says Horton. Blakes looks at its new client database as giving clients one more tool to have at their disposal. "After all, you can never have too many tools," he says. "What you're basically doing is enhancing the quality of representation for the client."

is that an application written for a browser can be read on almost any computer without regard to operating system or manufacturer. That makes an application developed for a browser a snap to deploy. A browser on a user's machine is all the software he or she needs to take full advantage of the extranet application. No messy and confounding installation disks; fewer clogged hard drives.

- **Security.** By their very nature, extranets are embroiled in concerns about security. To protect the privacy of the information that is being transmitted, most extranets use either secure communication lines or proven security and encryption technologies that have been developed for the internet.
- **Central server/repository.** Extranets usually have a central server where documents or data reside. Members can access this information from any computer that has internet access.

While these are the broad attributes shared by most extranets, extranets vary dramatically in their design and implementation. They can be employed in a wide variety of environments and for very different purposes, such as:

- Sharing case information
- Sharing of case-related documents – many extranets contain document repositories that can be searched and viewed by both lawyer and client on-line
- Calendaring – key dates and scheduling of hearings and trials can be shared on-line
- Providing firm contact information
- Acting as a “work flow engine” for various suppliers
- Providing access to firm resources remotely
- Sharing time and expense information

Is there a point? Why extranets matter

Extranets have a high risk/reward factor. A successfully implemented extranet can result in significant expansion in clientele and profitability for a law firm. An extranet that is poorly designed or badly executed can be an endless headache. The *failure* to implement or join an extranet can also have a negative impact on a law firm if it means that a more willing, entrepreneurial or adventurous competitor gains a significant advantage.

Let's look at some of reasons why extranets matter to lawyers:

1. Improved communications

The most common reason for building an extranet is improved communication between lawyer and client. An extranet can eliminate telephone tag, or worse, the failure of a lawyer to respond to calls and the delays involved with traditional correspondence. An extranet is available 24 hours a day; both lawyers and clients can update or review information whenever it is convenient for them to do so. This can greatly reduce the friction between lawyers and clients and make life easier for both.

From the client's perspective, an extranet can make the arduous task of monitoring and following up with a roster of law firms much easier. Many clients decry the deeply frustrating process of chasing law firms for status information on the matters assigned to them. Extranets liberate the status information (“where are you on the Bloggs matter?”) from the physical file (a memo on the correspondence spike confirming that discoveries are scheduled for next Friday) by making that information open to review by the client online at any time.

2. Client retention and integration

High on the list of law firm motives for participating in or creating an extranet is the desire to retain clients. Many law firms will create an extranet around a key client or practice area where they have a significant volume of work. To enhance and solidify the relationship, an extranet can build and reinforce deep links between the lawyer and client. Taken to the extreme, an extranet can make it hard to tell where the law firm ends and the client begins.

3. Client marketing

Extranets can attract new clients or gain additional business from existing clients. A law firm that builds an extranet can differentiate itself from those that don't. What you are saying to the client is: “Not only do we provide excellent legal services and advice, but we do so in a way that makes it much more convenient for you to use, consume and monitor those services”. And never underestimate the “wow” reaction that technology creates: The simple viewing of a computer screen with all of their file information available at a point and a click can seduce even the most cynical of clients.

4. Improved workflow management

Many legal matters involve a complex series of steps that must be completed in a specific order to get a file done properly. Some steps must be completed by the lawyer; other steps by the client or third parties. These steps can often be defined by a series of rules often referred to as the “workflow”. An extranet can be designed to incorporate and manage the workflow for handling a wide variety of legal matters. If properly designed, the workflow management built into an extranet can be a boon to all parties. Done poorly, it can become a rigid straightjacket that does not conform to the realities of legal practice. Flexibility must be an inherent part of the design.

5. Higher quality

Implementation of an extranet can significantly raise the level of quality control within an organization. Extranets can be built with real-time status reporting on the progress of matters. In other cases, information from the client's or law firm's core systems can be transferred automatically into the extranet, eliminating the error-prone task of transcribing information or re-keying data. It all adds up to better product.

6. Community building

Something quite interesting happens when a well-designed extranet gets properly implemented. In a very real sense, you have just built a new kind of community, a community where a shared set of values and purposes is given a new forum.

Gowlings' eLitigation Solutions a litigation tool



*Daniel Teranishi, left; Pam Fontaine, right;
Alan Butcher, front;
Gowlings Laffleur Henderson LLP*

Gowlings has been creating client extranets in some form since 1989, when the firm developed an online database system to manage mortgage recovery portfolios for financial institutions that was updated daily through modems and phone lines. Since then, Gowlings has led the way in pioneering extranet technologies to both improve client access to documents and to facilitate online collaboration. Gowlings is now embarking on a new initiative, called eLitigation Solutions (eLS), that will standardize litigation technology across its seven Canadian offices.

This ambitious project will give lawyers in different jurisdictions access to the same cutting edge tools across the board. A central team worked with the Information Systems departments in all the offices to create a support program that encompasses case management, e-discovery, presentation

tools, collaboration, document management and extranet resources. ELS gives litigators across the country real-time access to extranet services, technology and support.

According to Alan Butcher, the Gowling's partner who manages eLS, the number of litigation cases that involve multiple jurisdictions has increased significantly in recent years. Using extranet technology allows lawyers and clients in different locations and time zones to access documents and exchange information 24 hours, seven days a week. As with most firms, Gowlings builds extranet sites according to client needs. These can range from a simple ftp site (file transfer protocol, allows uploading and downloading of files from the Internet), to sites for IP clients where they can check the status of their patents, to sophisticated sites with interactive Web interfaces. "Extranets give clients real control: they can find the information they want, when they want it. Providing these electronic tools is no longer optional, we have to provide this service. Requests for Proposals will ask exactly how we intend to leverage technology."

Butcher believes extranets can help manage risk by making clients more aware of what's going on, and creating a real partnership between the lawyer and client. "When you have an extranet where everything is available to both sides, you can track exactly what the client has provided, and what you have provided. Clients can come to you with their concerns before it's too late," says Butcher. "An informed client is less likely to file a claim."

According to Butcher, Gowlings is "getting to the point where the use of litigation technology tools is limited almost only by imagination." He believes small firms are in many ways well-positioned to use these technologies: They have fewer issues with networking and licensing, for example. "A law firm that doesn't have an IT department can get providers to host its sites. There are plenty of companies in the U.S. that can host extranets with full security; you just need to get on the Internet and surf around. It doesn't matter how big or small you are, you can find solutions. Just keep in mind what you want to achieve. It's a lot easier than you think."

The members of the extranet community normally include the client but can include other law firms, suppliers, government offices or the courts. Rather than each of these community members working through or around each other with the benefit of only partial or third hand instructions, they can all be brought into the same circle and work toward the common goal by the very structure of the extranet itself.

7. The client wants it so

Some clients mandate participation in an extranet as the cost of doing business with them. For this reason alone, it behooves the law firm to familiarize itself with the technology and to indicate a willingness to participate. Remarkably, many law firms, when confronted by a client who wants to introduce an extranet, will raise objections and complain loudly about the costs of doing so. These objections often ignore the benefits that can accrue to the client and pessimistically ignore potential savings and benefits to the law firm. All talk of savings and benefits aside, if a client wants an extranet, then a client will have an extranet. The law firm that drags its heels will quickly lose that client.

Build or buy?

Extranets are still novel tools. So most law firms approach the world of extranets gingerly and do so primarily at the behest of clients. Increasingly, however, leading law firms are taking steps to get in front of these things and have begun considering whether to build or buy their own extranet applications.

If you or your firm are heading in this direction, the first task is to research whether there are existing extranets that meet your requirements. It may be that the vendor or service provider for an extranet could tailor an extranet to meet your needs. Here are some things to keep in mind as you go through your planning.

Buy?

If there is an existing application that meets most of your requirements and it can be customized with a modest amount of effort, you will be hard pressed not to choose this option. Here is why buying is generally considered the most effective solution:

- An existing application may be far less expensive than designing your own. The vendor will likely have developed a series of extranets using tools that it has developed specifically for that purpose. It can license the application on a one-time or periodic charge. The vendor can spread the development costs over a greater number of users, meaning the cost is lower for each user.
- The vendor may host the solution on its Web servers so that you do not have to build and maintain the hardware/software infrastructure internally.
- Where an extranet is developed by a third party or on behalf of more than one law firm/one client, the features developed by or at the request of one company can benefit all users of the extranet.

- Law firms specialize in practicing law and, generally speaking, not developing software. So it may make most sense to work with an organization that specializes in extranet development and implementation.

BUILD?

On the other hand, you may not find what you are looking for on the open market and so may have no choice but to construct your own tools. This has some real benefits:

- You can specify the application to precisely meet your needs. You can accommodate the wishes of the law firm and client and the solution can have a unique look and feel.
- You would have free reign over subsequent changes or modifications to meet the needs of users. You are not dependent on a third party's willingness to update the application.
- You have the ability to support the application internally, meaning you can determine the level of support and training required.
- You can show your client something proprietary that other law firms cannot offer.

And some real disadvantages:

- It's generally quite costly, even with the contemporary design tools that have gone a great distance to simplify the job.
- If you don't have the resources and expertise internally, you may have to hire them or contract with a third party to provide them.
- If you do not have existing Web servers you will have to invest in additional hardware and software.
- If you host it yourself, then you alone are responsible for all security issues and the risk of any breaches.
- It may also take a substantial amount of time to construct your own extranet from scratch. There is usually a considerable learning curve associated with creating an extranet. It takes time to assemble the hardware and resources. If you are doing a custom "design and build" it will take time to develop the Web pages and features and test them thoroughly. Usually, there is a pilot phase where users test and provide feedback. It may take months before the application is ready for full implementation.

Whether you build or buy, those firms that have taken an aggressive approach to extranet development and deployment are beginning to see some reward for their efforts. What is clear is that extranets are not a passing technological fancy. They matter and, increasingly, clients want them.

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