Technology
in trying times

To innovate or not innovate? When times get tough, firms often succumb to economic pressures and ignore technology issues when they should be doing just the opposite. Some are just trying to save a buck. But often firms put technology issues on the back burner because the decision makers don't understand technology and its potential to increase firm profitability.

So the question is not whether you can afford to innovate with technology – it's whether you can you afford not to. Technology is (or at least should be) an integral part of the operations of every firm and individual law practice – and with the broader use of remote and web-based technologies it will become even more fundamental.

Technology ROI

So, if technology innovation is an imperative, how do you select and implement the right legal technologies when money is tight? Start by considering costs and return on investment (ROI), and what the technology will accomplish for you.

First analyze what return (ROI) you will derive from the investment using this simple three step analysis:

1. **Can you afford the investment?** If an innovation compromises your ability to keep your doors open, walk away – no matter how revolutionary or game-changing the innovation may be. If you can afford it, ask yourself:

2. **Is the investment going to make you and your firm more profitable?** Increasing profitability means either increasing your revenues or decreasing your costs. Your technological innovation needs to do one or the other (ideally, both). If you can't demonstrate how a new iPhone will increase your revenues or decrease your costs, you don't need it. Walk away. If it will make your more profitable, consider:

3. **Is the investment going to facilitate greater lawyer/client communication and intimacy, and improve the service you deliver to clients?** Keeping your best clients close and getting them even closer is mission critical. If the technology won't accomplish this, consider spending your money elsewhere. But remember, over the long haul, investing to improve the service you deliver to your clients is almost always money well-spent. It may not make a difference in next quarter's revenues, but over time your satisfied clients are your most cost-effective marketing. Investing for their benefit pays dividends, even if it doesn't show up on balance sheets.

What do you postpone? Gadgets that are mere conveniences or fun toys are a waste of money that could be better spent elsewhere (be prepared for differences of opinion here as different people will analyze necessity and "need to have" in very different ways). Anything involving a big capital expenditure (e.g. setting up a co-location facility) can be postponed, but be careful here; you can't delay capital expenditures forever, and it may be even harder to pay for them next year than it is now.

Specific technologies to consider

So, with a bigger picture perspective in place, what are some of the specific technologies you should consider to facilitate better client service and greater profitably in tight economic times?

DO MORE WITH WHAT YOU ALREADY HAVE

Most law off staff are using only some of the features in the software that they already have. Now is the time to spend a bit of time and money on technology training to get more return on your existing technology investment.

When it comes to training, remember that different people have different learning styles. For those who prefer a structured learning environment, community colleges have reasonably priced courses on many widely used software programs. Those who prefer self-study can learn from a book or multi-media tool such as those offered by **Keystone Learning Systems** (www.keystonelearning.com). These tools provide training sessions right on the computers in your office and are very affordable. For example, a set of three DVDs for Microsoft Word 2007 covering beginner, intermediate and advanced levels costs US$159 for a single user license, and US$459 for a licence that lets multiple people use the product.

For WordPerfect users and others who are struggling with Word, *Microsoft Word for Law Firms* by Donna Payne is great book for learning both the basic and more advanced features of Word.

If you have a tech-savvy person in your office, encourage and reward him or her for helping to increase the technology skill and comfort level of the rest of the people in the firm.

AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

Tempting as it may be to cut IS expenses and staff in tough times, it's a huge mistake to do so. By failing to keep anti-virus, anti-spyware and system patches up-to-date, a firm is exposing itself to catastrophic and costly systems failures.

Don't skimp when you are replacing hardware. When you consider the time required to configure a new laptop, buying the cheap no-name laptop that lasts for 12 months doesn't really save you anything when the slightly more expensive brand-name laptop will last three years.

Remember that hardware costs continue to decline and there are false economies when you overspend on fixing older hardware when cheaper new hardware will do. You can save several hundred dollars on a desktop or laptop that is three or four steps behind the latest and greatest, and a less powerful computer will be satisfactory for many of the people in your office.

VIRTUAL MEETING TOOLS

Some of the new virtual meeting tools that let you collaborate across the web are just as, if not more, effective than a face-to-face meeting, and offer several benefits including savings in time and costs and the ability to hold meetings on an *ad hoc* basis.

GoToMeeting (www.gotomeeting.com) is a widely used product that allows you to show the contents of your computer screen with multiple people. Starting a meeting takes only a minute or two: Simply send a link via e-mail to the people you want to have attend. A click on that link opens a browser window displaying your desktop. Participants can instantly see everything you type, and you can give control of the keyboard and mouse to them if they want to type something.

You can create a document much more quickly when everyone can simultaneously view and comment on the draft as it evolves. In one phone call you can draft and finalize a document that normally would have taken many e-mails and redrafts over days or weeks to create.

WebEx (www.webex.com) and **Acrobat Connect** (www.adobe.com/acrobatconnect) are other widely used virtual meeting products. Pricing for the basic versions of these products is extremely reasonable at around $50 per month. If you avoid just one in-person meeting a month you are more than paying for them.

DOCUMENT COLLABORATION TOOLS

Technology also makes it easy to involve several people in drafting documents. It is challenging and time consuming to collect and reconcile edits from multiple people, even if you are using the document comparison features of your word processor, or one of the specialized document comparison products such as **DeltaView** (www.workshare.com).

But technology comes to the rescue: It can let you can collaborate on the drafting of a document in other ways. The commenting feature in **Adobe 9** (www.adobe.com) allows you to e-mail people a PDF document which they can annotate and add comments. They then e-mail the document back to you and **Adobe** will combine all the comments into a single document.

And you can take it a step further: How about collaborating on the same document concurrently on an asymmetric basis? That is, work on the same document at different times. Free tools such as **Google Docs** (http://docs.google.com), **Zoho Writer** and **Zoho Sheet** (www.zoho.com), and **Writeboard** (www.writeboard.com) let multiple people edit the same document or spreadsheet, at the same time or separately. Changes are tracked, and you can easily see deletions and different versions of the document.

VoIP

Voice over Internet Protocol, also called VoIP, is a new way to make phone calls by routing voice conversations over the Internet. A VoIP system can give you all the calling features you are accustomed to on your land-line phone, including voicemail, call-waiting, and so on. It also lets you avoid long distance charges, easily add extra phone lines, and receive calls on the same number anywhere in the world.

A VoIP system can also give you Unified Messaging: Your voice-mail messages can be delivered to your inbox as an e-mail with an attached audio file. Although prices are falling, a full blown VoIP system can be expensive to implement – about $1,000 per person.

However, if you have a high-speed Internet connection and your computer has a soundcard and microphone, you can try VoIP for free with **Skype** (www.skype.com) or **Google Talk** (www.google.com/talk) – but you can only talk to people who have the same software installed on their computer. Some lawyers are using **Skype** or **Google Talk** to avoid long-distance charges, improving the bottom line for both their office and for their clients.

SPEECH RECOGNITION SOFTWARE

Speech recognition software (SRS) finally is ready for the mainstream computer user. Out of the box you will get about 95 per cent accuracy, and with training and practice you can get 99 per cent plus accuracy. While still not accurate enough for final client or court documents, it is quite useful for creating draft documents, internal e-mails or memos to file. Speech recognition software can also make you more efficient by speeding up routine tasks on your computer. Among lawyers, **Dragon Naturally Speaking** is the most widely used product.

DIGITAL DICTATION

Digital dictation devices are roughly the same size as traditional tape-based machines, but have numerous advantages over them. They have a much greater recording capacity and let you work on several items at the same time. You can plug them into your computer and e-mail the recordings to your assistant. This eliminates the necessity of physically giving someone a tape and allows work from remote locations. And when coupled with speech recognition software, your assistant could use SRS to transcribe your dictation on his or her machine.

FINDING OUT WHAT CLIENTS ARE THINKING

Surveys are not only a great way to get close to clients, but also can help you identify specific areas for improving your client service. LAWPRO's *Managing a better professional services firm* booklet, includes a sample post-matter client survey that you can adapt for your firm (www.practicepro.ca/servicesbooklet).

Some firms have an online survey form on their website. Others use online tools such as **Zoomerang** (www.zoomerang.com) or **SurveyMonkey** (www.surveymonkey) which allow you to do professional-looking online surveys easily and quickly at little or no cost.

WEB 2.0 – A NEW WAY TO MARKET YOURSELF

The internet has created all sorts of new ways to market a law practice, many of which are very inexpensive or even free. One of the most cost effective marketing tools is a blog – a website that allows even a non-tech-savvy lawyer to publish articles and other content about her practice area on the web.

Publishing a blog allows a lawyer to demonstrate expertise in a particular area of the law and provide useful information to potential clients. High visibility, demonstrated expertise and helpful information combine into a very powerful marketing tool – by the time your potential clients call you, they have already decided that you have the skills and experience to help them.

You can create and maintain a blog on sites such as **Wordpress** (wordpress.org), for free; and for next to nothing, you can create a polished and professional blog on your own domain.

Social networking sites offer yet another cost-effective online marketing option. **LinkedIn**, a social networking site designed for purely professional networking, is most popular among lawyers. Law firms and lawyers are beginning to find their way to creating presences on **Facebook**, the social networking behemoth that now boasts well over 100 million users around the world. **Legal OnRamp** is a social networking site designed specifically to help in-house counsel and lawyers from corporate law firms connect.

REDUCING FRICTION IN THE SALES PROCESS

Consider technology investments that make it easier to do business with you. Evaluate your entire sales process – or better yet, ask a trusted friend or family member to go through the process and report back to you. Analyze the results to determine where there are sticking points that make it harder to do business with you. For example:

- Can you find your firm's main number on your website in the first five seconds? If not, create a prominent "contact us" button at the top of the page.

- Do you have a telephone system that efficiently routes calls so that no caller gets a busy signal or voicemail box? If not, consider a virtual PBX system so that all incoming calls are answered by a person – not a busy signal or a voicemail box.

- Do you have a shared calendaring system so that potential initial consultations can be calendared with the lawyer with the soonest possible vacancy? If you can't calendar an initial consultation within 24 hours, someone else can. There are many free or cost effective web-based calendar products that don't require a server to share information such as **Google Calendar** (calendar.google.com), **30 Boxes** (30boxes.com) and **Yahoo Calendar**.

- Do you perform initial consultations or communicate with existing clients over the telephone? By e-mail? Instant messenger? Video chat? Learn the technologies that your clients are comfortable using and start using them as well. You don't need to blaze new trails, but at a minimum your firm should not be the least tech-savvy business with which your clients do business.

- Do you accept credit card payments for initial consultations and retainers? This is a no-brainer. There are few if any ways that make it easier to collect a retainer or consultation fees.

REDUCING INTERNAL FRICTION/CREATING SYSTEMS

In addition to looking for sticking points in your sales process, you should perform a similar analysis on the work flow of your office. Is your office performing as efficiently as possible? For example:

- Do you have document automation or assembly programs for your most commonly used documents and forms? If not, consider investing in off-the-shelf document generation software, or purchase a program such as **HotDocs** which will allow you to build your own custom automated documents. The time spent in creating the templates (remember things have slowed down and people have time on their hands) for either type of program is more than made up by the time saved in using them.

- Is your office paperless? Going paperless means less time spent looking for mis-filed documents, less overhead in storing thousands of cases worth of documents, and less staff time spent on filing and retrieving documents. Add the convenience of accessing your case files from anywhere you have an internet connection with a document management system or practice management software and you have an innovation that you cannot afford to ignore.

- Do you have a smartphone? A smartphone (e.g. BlackBerry, iPhone or Treo) gives you the ability to respond to e-mail, access your calendar and contacts, surf the Internet and more, regardless of where you are. If you consider the lost time that a smartphone will eliminate given that you can do more things while waiting at an airport or courthouse, the investment in a smartphone is a worthwhile expense.

- Do you have a knowledge management scheme? If knowledge management (KM) in your firm means sending around e-mails asking, "does anybody remember that case where I wrote that great brief on that important thing?" you need a better strategy. It can be as simple as a shared drive on a server that everyone in the office can access (you can do this for free in a few minutes), or as cutting edge as a wiki such as **PB Wiki** (Pbwiki.com) which provides a free hosted wiki site that people can access and edit.

UNDERSTANDING CASH FLOW

To assess how you are really doing, you must look beyond billable hours and billings. The key is cash flow management – what monies are coming into your practice, and where money is flowing out. Most modern law office accounting packages have built-in reports that slice and dice your firm finances in many different ways that will really help you see how your practice and firm is doing, and whether the trends are positive or negative.

As was detailed in practicesPRO's *Managing the finances of your practice* booklet (www.practicepro.ca/financesbooklet), on a monthly basis you should review the following ten reports:

#1 Overall and projected monthly billings

#2 Projected billings versus cash flow

#3 Actual versus budgeted costs

#4 WIP and whether is it increasing or decreasing?

#5 Unbilled disbursements

#6 Receivables

#7 Realization rates

#8 Unbilled fees and disbursements by lawyer, client and area of law

#9 Daily individual lawyer time summaries

#10 Client trust account balances for each and every client

Check if your accounting software will generate these reports for you, and spend some time reviewing them. They can help identify small problem areas before they get to be big problems.

CAPTURE MORE TIME WITH ELECTRONIC DOCKETING

All law office accounting software and practice management software products allow you to directly make your own time entries right on your computer. The efficiency, extra speed and greater accuracy of electronic dockets makes electronic time entry far better than the traditional handwritten timesheet.

Many accounting software programs have standard billing codes, for example, "conference with client", or "review of correspondence." These codes are convenient, but they don't include enough detail. A detailed time entry should look something like this: "telephone conference with client re details of weekend access problems."

Detailed time entries serve as a record of the work you did on a file and communicate to the client the details of that work on a billing statement. Detailed accounts will reduce client complaints and help you defend your account in the event you end up before an assessment officer.

Trying to create time entries for work done in the distant past is very time-consuming, and not likely to be very accurate or complete. It is universally recognized that lawyers who contemporaneously create dockets end up capturing a significantly greater portion of the work they have done – up to 20 per cent more. Also, spend a few minutes at the end of the day reviewing your dockets, and make any necessary corrections or additions while things are still fresh in your mind.

Conclusion

Rise to the challenge of tough times by using technology to innovate in how your firm operates and serves your clients. When implemented properly, technology can help you firm be more profitable while at the same time providing better service to your clients.

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Essential free websites

Here are some of the best free websites that are helpful for lawyers:

- **CanLii** – Canadian Legal Information Institute (www.Canlii.org): Amazing collection of legislation and case law.

- **Microsoft Office Online Clipart page** (http://office.microsoft.com/clipart/): High quality clipart, animations or photos.

- **Google News Alerts** (www.google.ca/alerts): Get e-mail news alerts based on queries or topics that you specify.

- **Gmail** (www.gmail.com): Free web-based e-mail.

- **Google Translate** (http://translate.google.com): Reasonably accurate (but not perfect) text translation to/from many languages.

- **Kayak** (www.kayak.com): Find all your flight options for departure and arrival at specific times on specific dates.

- **YouSendIt** (www.yousentit.com) or **DropIO** (www.drop.io): Send e-mail attachments of up to 100 megabytes.

- **practicePRO** (www.practicePRO.ca): Resources on how to avoid a malpractice claim.

- **Canadian e-discovery portal** (www.lexum.umontreal.ca/e-discovery): The Sedona Canada E-discovery Guidelines and a digest of Canadian cases that have dealt with e-discovery issues.

- **ABA Law Practice Today webzine** (www.lawpracticetoday.org): Hundreds of articles on law practice management issues.