



Jean Bédard

# Technology opens doors to new thinking

## Outsourcing IT

When Jean Bédard struck out on his own in 2006 after 31 years as general counsel and practitioner in a law firm, he knew he wanted technology comparable to what was available at his most recent firm. This included remote access so he could keep up with work while on the road, contact management and calendaring functions; integrated time and billing software, a professional web presence and the regular suite of office software programs.

What he did not know is that he could get some of this functionality for a fraction of the expected cost by outsourcing it. "Outlook has features that are only available if you are running it with Exchange Server, which requires a separate server computer. So the question I faced was: Do I invest in a server or do I free up that capital by using a hosting service," explains Bédard. The upfront cost of \$3,000 for buying a server plus the time and cost

of running it on an ongoing basis compared to the \$30 he now pays each month in server, software and maintenance costs made the decision easy.

The mainstay of Bédard's time and billing when he's in the office is PCLaw; outside the office, he uses MS Outlook Web Access to access emails and other Outlook functions and LogMeIn Pro to access his documents. In the office, he and his assistant share the features Outlook offers through the Exchange Server. LogMeIn Backup allows him to regularly back up his Outlook and other files and store them on a computer that he owns and which is in another location – a must given his decision to limit the amount of server space he's willing to pay for monthly. "To manage costs, I decided that I would archive regularly and keep only a minimum amount of files on the server. You learn to work within the limitations of what you are paying for on your server."

Bédard advises lawyers in the same boat as he was to invest in a knowledgeable IT consultant – not only because he or she can put the right technology solution in place, but also because the consultant can troubleshoot when things go awry. “We tell our clients to come to us, the expert, at the outset. Sometimes we need to take that advice ourselves,” says Bédard. “Your IT consultant will make sure your systems are tested, current and a good fit; and because they speak the language, they’re more likely to get to the right people who can fix your technology problems than you are.

“With the right approach, you can have secure and effective technology solutions without extensive capital investment – and still get the results you need.”

### A new type of business model

When Mike McArthur embarked on a major technology upgrade for his firm, Cline, Backus, Nightingale, McArthur LLP, he never thought that the new administrative system being built would become a driving force for a very different and innovative business model for the Simcoe-based firm.

But it did not take long for the firm partners to realize that with a solid backbone in place, they had the capacity to “bolt on other practices and practitioners.” At about the same time, a seasoned practitioner looking to continue to practice without investing in technology and other office overhead costs asked about joining the firm.

The result: A type of “co-op” arrangement in which the lawyer and the firm split the lawyer’s billings, while Cline, Backus covers the lawyer’s expenses.

Over the last eight years, the firm has worked on similar arrangements with two lawyers and with a retiring partner. For lawyers looking to ease into retirement, this arrangement has allowed them to wind down their practices without risk, and ensure their client files are attended to. It’s also allowed new young lawyers to develop their practices without the upfront investment in technology that is essential to successful law practice today.

Cline, Backus too has seen numerous benefits – the most obvious being the opportunity to spread the costs of technology infrastructure between more lawyers, explains Mike.

“Working with lawyers who are winding down their practices has also helped us build a new client base for our younger lawyers,” explains McArthur. “Moreover, it’s allowed us to recruit and hire junior lawyers and articling students – something that would have been unheard of for us a few years earlier.”

Less expected were benefits of mentoring juniors – and the levity and level of relaxation that senior practitioners added to the

practice. “They are a touchstone for practice – a reminder of what the practice of law needs to maintain as its fundamental character,” says McArthur.

His advice to others looking at different practice models: Make known everyone’s expectations at the outset, and deal up front with issues that could create problems. “The goal is to capitalize on each other’s expertise, learning, and resources.” Most important he says, is that all parties share a commitment to develop each other’s practices.



# A checklist for using a Software as a Service (SaaS) vendor

Under the *Software as a Service* or SaaS model (formerly called the *application service provider* or ASP model) you do not install the software you use on your own computer. Instead, you use an Internet browser to access the SaaS provider's website and you "run" the program and access your data across the web.

Almost all traditional law office software programs are now available in SaaS form. There are several benefits to SaaS. First, you can access your data and work from anywhere in the world as long as you have an Internet connection. Second, SaaS gives you access to powerful functionality for a low monthly fee. You avoid the large upfront and ongoing maintenance costs for hardware and software.

But there are potential drawbacks to the SaaS model: For example, your data is on a computer outside your physical control. Thus, before using a SaaS service, you should understand how SaaS works and complete adequate due diligence on your SaaS provider. The following checklist outlines some of the issues you should consider. It is an abbreviated version of a more detailed checklist that you can find on our website at [www.practicepro.ca/saaschecklist](http://www.practicepro.ca/saaschecklist).

## SERVICES AND OPERATION

- What functionality does the SaaS provide and how does it compare to traditional software programs?
- Is there a working demo you can try?
- How will the SaaS integrate with your other software?

## PRICING

- What are the costs and are there different levels of service or pricing plans? Can you change plans?
- Is pricing based on usage and/or storage and can you accurately predict what your costs will be?
- What are payment terms: monthly, before or after service, payment by credit card etc?
- Is there a minimum contract period and are there long-term discounts?
- Are there extra charges for backup, restoring data or other services?

## VENDOR DUE DILIGENCE

- What reviews and other information about the SaaS vendor can you find?
- How long has the vendor been in business, is he financially healthy, will he provide references?
- Does the vendor have experience with working with law firms and the special needs lawyers have for handling confidential information?
- Does the vendor's website give you confidence and are there support or customer forums? Are they active and generally positive?
- Does the vendor use a Tier 1 data center? Does the vendor own the data center or is hosting it outsourced?
- How much detail will the vendor provide about data center security, including employee screening and certifications for privacy and security?
- What forms of insurance does the vendor have?

## CONTRACT ISSUES

- Is the vendor willing to negotiate contract terms or are you given only the choice of a "clickthrough" agreement?
- Do you understand what user rights you have and are they adequate to cover what you need?
- What warranties are provided (and not provided)?
- What disclaimers and limitations of liability are in the contract?
- Is there a Service Level Agreement (SLA) specifying uptime, response times, help desk and escalation procedures, and other technical requirements in detail?
- Are there remedies and/or penalties for failure to meet SLA requirements?
- Is there a named single point of contact to handle your account?
- Does the contract clearly spell out
  - Security, backup and similar requirements?
  - How and in what format your data will be returned to you if you request or the contract is terminated?
  - That the vendor will provide reasonable transition services in case you move to another SaaS vendor or decide to move the data back in-house?
  - What training and consulting services are provided?
- Are dispute resolution, choice of law and similar provisions acceptable to you?
- How and when must the contract be renewed and what will happen to pricing?
- When and how can you or the vendor terminate the contract? Are there termination fees?
- What rights, especially unilateral rights, does the vendor have to change or eliminate the services or to change the contract terms?

## TECH SUPPORT

- What are the options for tech support? Is it 24x7x365? Are these in the SLA?
- What support is free and what requires extra fees?
- Are e-mail addresses, phone and pager numbers for support available and easy to find?
- Is tech support handled by the vendor or outsourced?
- Does vendor notify you about interruptions or downtime, including scheduled maintenance?

## SECURITY AND OTHER TECHNICAL DETAILS.

- Does the vendor use Secure Socket Layer (SSL) or other security measures?
- Does the vendor encrypt data during transmission and when stored?
- Are there policies and procedures in place for security breaches, data theft, privacy and other concerns?
- Are the vendor's servers in the U.S. or elsewhere in the world? With regard to the data you will store on those servers, are there any issues under PIPEDA, The Sarbanes-Oxley or Homeland Security acts?