LAW OFFICE TECHNOLOGY

The Value of Exiting the IT Business Completely

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Special to the Legal

It is astounding how many business lawyers still handle their firms' computer and networking resources. Instead of leaving technology to the technology experts, some business lawyers manage it themselves, wasting valuable time and losing opportunities to drive growth and profitability.

For a long time, I was doing the same thing, but five years ago, my firm, Huntingdon Valley, Pa.-based Semanoff Ormsby Greenberg & Torchia, wised up. We got out of the information technology business. The lessons we have learned along the way can prove valuable to any lawyer who questions the way his or her firm is managing its computing resources.

THE RACE TO KEEP UP WITH TECHNOLOGY

No matter how you currently handle IT, there is no question business law firms rely heavily on technology. Our clients are businesses, many of whom use technology to create new business models or revolutionize existing ones. Consequently, business clients expect the speed and efficiency technology helps facilitate, and they expect their legal providers to meet the standards they have set for themselves. Quite simply, for business lawyers, technology is an essential requirement for successful and profitable client relationships.

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The first reason is the exploding complexity of the systems themselves. Across industries, many organizations have transitioned from the traditional, mainframe-based architecture to distributed systems. With distributed systems, every workstation is a point of management and a point of failure. What software programs are users downloading from the Internet? Are users wasting time or compromising security with spam, spyware and phishing? How many e-mail messages is each user saving in his or her personal folder, and how many of those are duplicates of what another user has retained?

The second reason is the rising price tag for technology support. Even as some technology costs, namely server and desktop hardware, have declined in recent years, total cost of ownership has increased due to software and IT support expenses. In fact, experts estimate that IT has now grown to be the third largest operating expense after facilities and employee salaries.

To be sure, keeping servers, operating systems, software and network resources up and running smoothly is not a one-time endeavor. It involves ongoing upgrades and patch management, as well as a keen eye to information security and disaster recovery. Indeed, new security threats and vulnerabilities continue to emerge, making it more difficult, and more importantly, to adequately protect the security and privacy of a firm's systems. Meanwhile, evolving electronic discovery requirements are putting pressure on firms to optimize their approaches to backup and recovery while increasing the need for more flexible, digital storage solutions.

In short, managing technology correctly takes an abundance of time, not only to maintain the systems, but also to remain current with knowledge and expertise about the latest upgrades, security threats and more. If your business law firm is like mine, you want your lawyers to focus on the intricacies of the law, not the ins and outs of the latest antivirus software or network-monitoring tool.

IT INFRASTRUCTURE IN NEED OF A MAKEOVER

Until 2003, Semanoff Ormsby Greenberg & Torchia was handling all of that on its own, with only the occasional help of some third-party consultants. In other words, we were very much in the IT business. We were handling procurement, management and most of the day-to-day troubleshooting for our base of 20 users.

All told, I estimate that managing technology was consuming five to 10 hours of

my time and five to 10 hours of another partner's time on a weekly basis. What's more, it was eating up even more of my administrative assistant's time — hours she could not use to support other needs, such as personnel and accounting, two of the most important aspects of her job and the health and success of our firm.

In addition to the recurring downtime and other problems, we had nagging doubts that we were not taking full advantage of IT's potential; we suspected we could be handling technology better and smarter. For instance, were there new or emerging technologies we should investigate? Were there better software packages to meet our needs for time and billing, case management or document management? Could we enhance our approach to e-mail storage and management? Was our approach to information security and disaster recovery providing adequate levels of protection? Could we further improve our responsiveness and service to our clients?

Faced with mounting tactical headaches and our strategic concerns, we recognized that something needed to change.

EXPLORING THE ALTERNATIVES

As the need for a major hardware and software upgrade loomed, we decided to explore other alternatives. We knew that many large firms have a team of in-house IT resources responsible for maintaining server and desktop hardware, along with the software applications and networks that support day-to-day operations.

However, our firm could not justify that kind of expense. Small and midsized firms more commonly rely on hybrid approaches — hiring one full-time employee and/or engaging contractors to handle specific responsibilities. We felt that such an approach would still produce less than optimal results, as it is nearly impossible for one person to be an expert in all aspects of an IT environment.

OFFSITE, FULLY MANAGED IT SOLUTION

Ultimately, we identified Fairfax, Va.-headquartered mindSHIFT Technologies Inc., a managed services provider, or MSP, which offers a software-as-a-service, or SaaS, solution, OASIS. This model transfers responsibility for server and operating system maintenance, software installation and upgrades, and network monitoring and security from the law firm to mindSHIFT.

With this SaaS approach, all of our systems and applications are hosted at a remote location and are fully managed by the provider. Instead of investing in new hardware and software, we simply purchased cost-effective thin-client devices, roughly akin to the mainframe "dumb terminals" of yesteryear, with high-speed Internet connections. Positively no data are stored locally; all of our firm's information is housed in our provider's top-of-the-line data center. This data center offers redundant back-end systems, redundant heating and cooling, redundant power and even redundant back-up, helping to ensure that we never lose critical business information. What's more, the SaaS model can be configured to include virtually any kind of software application: electronic mail, word processing, spreadsheet, presentation, database, time and billing, case management, litigation support, document management, etc.

CUTTING EDGE IN 2003, BUSINESS CRITICAL IN 2008

Reflecting on 2003, our firm was undoubtedly an early adopter of the SaaS approach for managing law firm technology. Now, five years after our transition to the fully managed OASIS environment, the SaaS concept is no longer deemed as cutting edge, but instead, viewed as a proven, reliable method for firms to manage their business technology. Yet to this day, many firms, particularly small and midsized firms, still do not have a secure IT infrastructure in place and do not take advantage of the affordable solutions that MSPs are able to provide for them such as SaaS.

THE BOTTOM LINE

Our firm now enjoys convenient, reliable access to all systems and applications from the main office to lawyers' home offices and even while traveling. In fact, our uptime is now in excess of 99.9 percent, a tremendous improvement over our do-it-yourself days.

It is no coincidence that since we embarked on this new approach to IT, our firm has grown healthily from a staff of 20 to more than 40 employees. We are simply devoting more time to practicing law and not maintaining PCs, servers, software applications or networks and worrying about spam, viruses and worms. We are able to meet or exceed our business clients' expectations for responsiveness and efficiency. And we always

have cost-effective access to the latest technologies.

We probably could not cost-justify some of these tools and systems if we were buying them on our own, but as part of the "pool" of mindSHIFT's SaaS clients, we benefit from mindSHIFT's economies of scale. Most notably, because the SaaS model is based on fixed monthly fees, our technology budgeting process has become simpler, and more predictable. This type of pricing structure gives us the best of both worlds: the ongoing operational flexibility without the capital expense and ongoing resource investment.

Further, we rest easy knowing we have best-in-class security protecting our systems safeguarding our firm against viruses, spam and other threats. Just as important, our provider includes triple backup as part of our monthly subscription fee. It would be difficult, if not impossible, for us to deliver that level of security and recoverability on our own. But with our provider, we do not have to think twice; we know we simply will not lose data.

Perhaps most importantly, we are confident that we are prepared for continued growth and profitability. In fact, we recently had our annual retreat where, in years past, a significant part of the agenda was devoted to technology problems and issues. Since we moved to the managed IT services approach, we have dedicated more of our agenda to discussions on growing the firm and evolving our capabilities, not keeping our PCs up and running. We know that as our needs evolve, our SaaS solution can quickly adapt without the upfront costs and potential headaches of addressing those needs on our own.

Business lawyers are not experts in technology; nor should we be. Based on the experience of Semanoff Ormsby, I highly suggest you apply the old adage: "Use the right tool for the right job," and find an MSP who can take over the management of your IT systems. That is what we did, and we have never looked back. •

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