

LAW FIRM DIGITALISATION



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Is your firm preparing for the future? The right technology will be essential in this preparation. Yet, for as long as the legal profession has been around, lawyers have lacked effective technological applications to help shape the future of their practice.

That's the driving force behind this report. TIQ wants to ready law firms for the future by equipping them with accurate knowledge about legal technology.

Working with law firms of varying sizes, we have encountered strengths and weaknesses within each organisation. In this ebook we share the best practices for legal technology from our findings, in order to provide you and your firm with valuable insights.

Practice management

If you want to be able to track all important data throughout your firm, you need a Practice Management System (PMS). However, the types of systems available vary greatly. One system might have an extensive range of features but lack in terms of speed. Another system may be light and quick but lose points when it comes to functionality. In this article we will outline the attributes you'll need in a PMS.

All-in-one or specialised?

It's always advisable to do your research and consider different options when it comes to selecting a PMS. You may find that your first choice system on paper is not the right fit once you test it, and the importance of trying a system out cannot be overstated. You wouldn't purchase a new car without test driving it first. The same should go for any product which could have such a significant impact on your law firm.

You might be considering an all-in solution which has a lot of features. While this may seem like the ideal system, with more surface benefits than a light and specialised PMS, having a lot of features does not automatically ensure they will all work for you. It could be that you find the time tracking module unnecessarily complex or that another feature is not as specialised as you would like it to be. A light system with less features may appear to lack some functionality, but often these solutions offer a vast array of plug and play integrations with other tools, which do their jobs very well.

Features and roles

Make a list of the features you want from your law firm management software. Think about the core functions like billable time tracking, client databases and document management, but also consider additional features that might be important to your workflow. If you spend a little time at the outset to identify your priorities, your practice will greatly benefit in the long run. Come up with specific scenarios you would like to see in reality, like how practice management software would generate a client relationship for a specific period, or how you could view two lawyers' calendars at the same time.



Another consideration is how different roles within your law firm might have differing needs in terms of features. The managing partner might want a total overview of what is happening in the firm, whereas lawyers may be concerned mainly with the development of their own matters and day to day operations. Therefore, always check if there is some sort of role management included in the system, so that you can tailor it for the needs of each role.

Implementation and training

Installing a brand new program on your law firm's network can be a daunting operation. Both your firm and the software supplier want the software to be used firmwide and to its full potential. To avoid users stumbling along on their own and potentially wasting a lot of time trying to find their way about the system, third party vendors can teach your organisation how to get the most out of the application and help customise the software to your law firm's specific needs. Consultants facilitate the transition period and get your organisation back up to speed more rapidly.

Some lawyers will be resistant to the new practice management software. Routine tasks can suddenly seem more challenging since they are not familiar with the new system. They might be tempted to find ways around the new technology and hold on to their old methods. Distributing written policies to make it clear that all tasks must be carried out with the new firm management system can help to avoid this pitfall.

The first day of training is essential in many ways. However, it is very important to schedule further training after two weeks of use. At this point the staff will have experienced points of friction which can be addressed to prevent workarounds in using the system.

"I think it is important that all layers of the organization are involved in the early stages of selecting the software. This way you can ensure early commitment throughout the organisation and identify potential disadvantages for specific user roles."

Eva Peeters
Partner at L-IME

Main takeaways

Focus on the basics

It's important that the core functions of a Practice Management System are in check.

Increase security

Make sure your Practice Management System is protected against the increasing cyber-threats.

Continuous technological training

Educate lawyers on the tools they have to use and continue this throughout the years. This ensures effective usage and an increase in productivity.



Document management

Often legal documents are subject to stringent regulatory oversight by various statutes. Data security is essential in order to prevent confidential information being stolen or accessed by unauthorised individuals. Therefore, when choosing a Document Management System (DMS), data security should be of paramount importance.

For law firms, a DMS aims to increase data security in several ways. Often a centralized portal is used and a two-step authentication method required to ensure that new logins are validated.

Features

Digitising your entire law firm is not necessary and would take a lot of time and expense to do. Instead, you could review business matters that generate the most documents and paperwork and then employ a DMS to improve the process in those areas.

As your law firm expands, the need for different functions will change, and it is important to bear that in mind when purchasing a DMS. The core features of a DMS are listed below:

Search: It should be easy to locate documents based on tags/matters, search by text strings or even by metadata.

Version control: Older versions of the document will be available for review so that you can track and control changes that are made.

Functionality with PDF: As most legal documents are stored as PDF files, it is important to know what the DMS can handle in terms of these file formats.

Document scanning tools: How easy it is to digitise documents.

User access control: Controls file access for a legal document by assigning view, edit, or write permissions. Keeps a log of individuals who access files in reports.



One more thing to factor in is how well the DMS integrates with other systems, such as Practice Management Systems, time tracking tools and more.

So, what are the best options out there?

There are multiple vendors to consider when selecting a DMS. TIQ, for example, has live integrations with four of the most prominent providers: Worksite, NetDocuments, DMS4Legal and Contentworker. Contentworker and DMS4Legal are SharePoint based and are therefore able to leverage the power of SharePoint to their advantage, while iManage Worksite and NetDocuments have developed their own specialised infrastructure in order to build a solid foundation for document management in legal services.

Finally, because all the Document Management Systems discussed above—both the stand-alone and built-in options—are cloud-based, mobile document access is available no matter which software solution you choose. Once your firm's documents are stored in the cloud, you can easily and securely access those documents from any location via the mobile app of your chosen software program using any internet-enabled device.

With modern document management software, gone are the days of scrambling to locate documents. Instead, you'll be able to quickly and easily access, share and collaborate on your firm's documents no matter where you are. Another bonus is that with cloud-based document management software, you'll be well on your way to digitising your firm's documents, allowing you to easily transition to e-filing once it's required in your jurisdiction.

So, if you aren't already using document management software in your law firm, what better time to make the move than now?

It happens often that lawyers lose sight of their daily activities and therefore don't track every billable activity. Small tasks like sending an email, a quick phone call or making an adjustment to a document often slip through the cracks when filling in the timesheet.

Main takeaways

Data security

When selecting a vendor for your DMS, consider which system offers the best security.

Get add-ons

Give your document management system more power with specialised add-ons such as automated time tracking.

Advancements of features

Enhanced search and comparison functions, as well as faster document digitisation and increased security, will be rolled out in the next few years.



Insights on case management

12%

of billable time is lost

12% of billable time is lost

Lawyers often lose sight of their daily activities and therefore don't track every billable activity. Small tasks like sending an email, a quick phone call or making an adjustment to a document often slip through the cracks when filling in the timesheet.

50

minutes spent on time tracking each week

Lawyers lose a lot of time

Every lawyer knows that accurately measuring billable activities is a necessary evil. On average lawyers spend 50 minutes each week on keeping their timesheet updated.

28%

of all cases have AFAs

Alternative Fee Arrangements (AFAs) are on the rise

Whilst the hourly model is still the most common way of billing a client, we cannot negate the increasing popularity of the AFA. Our research shows that 28% of all cases have AFAs.

36%

of all cases have a budget

Set budgets in AFAs

Furthermore, respondents have indicated that 36% of their cases have a budget.

Want to see all of the results from our research?

[Download the white paper on case management here](#)



27%

of all cases go over budget

81%

of firms don't use data

Cases go over budget

Law firms will need to look at their budget management in order to ensure costs do not spiral out of control. 27,5% of all cases with a budget fail to remain within the allotted spend. Furthermore, 61% of hours recorded as over budget, are not billed in their entirety.

Firms don't use their data enough

Only 13% of firms use historical data when setting a budget for a case. In contrast, an average of 81% set their budgets according to personal experience. Often this results in the budget allocation being too low.

“Tools to improve time tracking and budget management could boost firm revenue significantly.”

Tips for better case management

1

Make time tracking simple

Aside from loss through undeclared hours, firms will find accurate and regular time declaration improves budget oversight and management. Ensure your time tracking software is user friendly and simple to encourage this.

2

Divide cases into phases

By dividing up your case into phases, and allocating budget accordingly, firms can avoid situations where 80% of the budget is used up within the first two weeks of work.

3

Use historical data

Use existing time tracking data to determine accurate budgets. In this manner you can be certain not only of staying in budget, but also that the budget set is representative of the work needed.

4

Use the right tools

It is difficult to set and manage budgets without the right tools. We advise firms to actively seek out time tracking and budget management solutions to save them time and energy throughout the case lifecycle.

Billing methods



Reports from the past decade would have you believe that the hand of the doomsday clock is just seconds away from midnight for the billable hour. It has been labelled 'unsustainable' and 'outdated' and rebranded by the media as the billing method of legal dinosaurs. More than ten years have passed since reports began to herald the billable hour lawyer's impending and inevitable end. In that time, the trickle of articles predicting a brighter future without the billable hour turned into a flood. Yet, tracking billable time remains the most popular method for calculating fees in the legal industry and the 'unkillable' billable hour lawyer is showing no sign of taking their dying breath.

So, is the billable hour really on its last legs? In short, not at all. Whilst recent reports indicate that the popularity of alternative fee arrangements is growing within the legal sector, tracking billable time remains the dominant method used to bill clients. The billable hour promotes transparency in legal fees and requires the lawyer to justify the amount that they charge, as opposed to putting a dollar figure on a complete service. Anecdotes telling of clients choosing the billable hour over a fixed fee arrangement are a dime a dozen. It's easy to imagine the difficulties that would arise for a sophisticated client attempting to negotiate an alternative billing arrangement whilst simultaneously seeking to guarantee that they would receive the same expertise and attention. Fixed-fee arrangements not only promote efficiency and dispute resolution, but also delegation. Moreover, alternative billing arrangements can reward inexperience.

Advantages of the billable hour

The billable hour arrangement also allows for a different risk allocation profile than those of the fixed-fee and other alternative billing arrangements. The billable hour works to protect the billable hour lawyer against client error (for example: searching for the correct entities) and an abundance of other external influences. What's more is that it's convenient for firms who don't want to bear the risk of unforeseen events or incorrect estimates.

Non-billable activities

Most firms require a certain number of billable hours from their fee earners, which makes it important for these fee earners to streamline their non-billable activities as much as possible. In fixed fee arrangements particularly, it is essential to keep track of these activities, as it will tell you how you can save time on the next matter and therefore increase profitability and productivity.

Tracking may, for example, reveal that administrative tasks take up a lot of time. If you can streamline this process for the next case, it will increase productivity for you and your staff and ultimately increase your bottom line.

The days of the billable hour lawyer are not yet nigh. Alternative billing arrangements have chiselled themselves a market within the legal industry. But in the absence of any fool proof and flawless billing method that allows for flexible allocation of risk, transparency and convenience, the billable hour will endure.

“We believe that more efficient time tracking can provide numerous benefits - more billable hours, for example, which in turn impacts a law firm’s bottom line. Extensive historical data regarding both non-billable and billable activities also enables law firms to make Alternative Fee Arrangements work for both parties. Finally, clear insight into billable activities leads to improved transparency and trust, which has a positive knock-on effect when it comes to client relationships.”

Nick Schils
CEO at TIQ Time

Main takeaways

Be transparent

Clients are demanding more transparency, this can also be achieved when working with billable hours.

The billable hour will endure

This method of billing still has some advantages over Alternative Fee Arrangements, which are gaining popularity.

Track your activities - billable or not

Tracking all activities will give invaluable insights into operational inefficiencies.



Artificial Intelligence

The subject of Artificial Intelligence (AI) is a fearsome one amongst lawyers, especially the unknown implications and what the future will hold for legal services. But what is likely to trigger adoption of applications powered by AI? Maybe the bigger firms will lead the way, as they have the budgets to invest in solid AI applications. Perhaps law firms are looking to automate chunks of their business in order to compete. Moreover, in what manner will clients benefit from AI? No matter who is leading the way for AI in the legal profession, there are still some unanswered questions.

Adoption by law firms

The key to the adoption of AI lies not within its power to automate lawyers' tasks. Instead, the impetus will likely come from peer and market pressure. If other law firms thrive on automation and AI and are able to set lower prices as a result, then this is likely to have a domino effect. Even if AFAs are on the rise, many lawyers still bill by the hour. Therefore, it wouldn't be wise in terms of revenue to automate all of the (non-billable) routine tasks, as it might bring some resistance from legal professionals. AI applications could, however, improve the relationship between lawyer and client, as they take work off the lawyer's hands, meaning the client gets more attention.

Value to clients

AI will also enable lawyers to provide higher quality services to their clients by reducing errors to a minimum, as well as automating a large amount of the organisation and referencing involved with documents. It will become an invaluable assistant to every lawyer, and once adoption of AI starts to rise, firms who don't implement it will get left behind. Lower costs and more freedom to practice law, what's not to like?



Replaced by AI?

The big question, which has arisen in articles on this subject, remains: will computers eventually replace lawyers? In a word: no. We firmly believe that there will always be human elements in law which cannot be carried out by a computer. While there may be less need for legal analysis, there will be an increased demand for roles such as negotiator or business consultant. For this to happen, legal professionals need to be able to trust these applications completely.

While Artificial Intelligence is transforming ethics in the legal profession, there might be some teething problems when working with AI-powered tools. Because these relatively new technologies are evolving rapidly, new challenges are being created regarding lawyers' ethical duties. The three most prominent challenges are:

Competence and diligence – Lawyers must understand the basics of how their AI-powered tools work. When a query is submitted to a legal AI-powered tool, the algorithm works its magic and the tool provides an answer. It is crucial for lawyers to know what is going on.

Supervision – Delegating certain tasks to paralegals or junior lawyers requires the lawyer in question to check if the work has been done competently. The same goes for an AI-powered tool. While some tasks simply can't be delegated to a tool, some can but need the output to be checked.

Client confidentiality and privilege – If confidence is to be placed in AI-powered tools then the system needs to be bulletproof to data breaches and other risks related to client confidentiality.

Main benefits of AI

You have probably heard both good and bad things about AI in the legal profession. In this section we will outline the main benefits of AI for law firms:

- Saves time
- Early risk assessment
- Improves organizational and logical structure
- Enhances creative analysis and identification of persuasive precedents
- Improves client relations

Not only will lawyers reap the benefits of AI, but clients too are set to benefit a great deal from this upcoming technology. AI will enhance the quality of lawyers' output, reducing errors and allowing them to be more creative in the way they approach a matter, while clients will receive more attention and develop a better relationship with their lawyers.

The buzz about AI and its ability to replace lawyers is undoubtedly excessive. As a matter of fact, new roles for legal professionals will be generated, as they have a vital part to play in the drafting of new regulations and laws regarding AI – especially in relation to the ethical implications both within law firms and outside of them.

Main takeaways

Lawyers will always be human

There will always be human elements in law which cannot be carried out by a computer.

Prepare for the ethical implications

Lawyers should be well aware of the risks are involved when working with these rapidly evolving technologies.

Adoption of AI-powered tools will rise

Innovative law firms will set themselves apart from the competition by leveraging AI. This market pressure will push other law firms to board the rocket as well.



Best-of-breed and the cloud



Best-of-breed is often welcomed by users accustomed to existing software, as it is designed specifically to allow the solutions you already have in place to work seamlessly together. This means you don't need to discard software which is already up and running and suits your needs perfectly well, making best-of-breed an easier sell to those who may be sceptical about switching from systems they're comfortable with.

For large law firms only?

While it often seems to be widely accepted that best-of-breed is the most suitable software type for larger law firms, one of the factors which may currently be putting smaller firms off – that best-of-breed is the more expensive option – is something of a myth. If you take into account the cost in terms of both money and time required for customisations, integrations and support, best-of-breed soon starts to look like the most cost-effective choice – and all-in-one may turn out to be false economy anyway if you later discover it doesn't adequately meet your needs and you have to switch to best-of-breed after all. There are also various payment options available, from subscription to annual to usage-based plans, meaning that costs could be much lower than you might think.

Are all-in-one systems sufficient?

While all-in-one solutions are intended to be a one-stop-shop for all your legal management requirements, when viewed in balance, they quickly start to look more like a jack of all trades – meeting many needs superficially while truly mastering very few. In contrast, best-of-breed solutions are far more tightly focused, so that it feels as though they are working for your company's needs at an individual level. So, while all-in-one may be a viable option for sole practitioners or very small firms with single practice areas, for most law firms – from small and specialised to large multi-practice area – best-in-breed is the only choice to meet your specific needs, both now and as you grow.

Why the cloud?

Your law firm could reap the benefits of the cloud. Let's examine some of the pitfalls and advantages of cloud computing. Possibly the single largest benefit of the cloud is that it could save your firm a lot of money. It's a common misconception that only big companies can afford to utilize the cloud, as cloud solutions are also affordable for smaller companies. With a service platform, cloud computing systems are more reliable than in-house IT systems. Furthermore, most providers offer a Service Level Agreement which guarantees your law firm 24/7/365 and 99.99% availability.

Increasing computing resources gives you a competitive advantage over rival law firms. Your law firm can implement mission critical applications that offer significant business advantages, with no upfront costs and minimum implementation time. Cloud computing allows you to forget about technology and concentrate on your key business activities and goals.

Disadvantages

Of course, there are some disadvantages that need to be acknowledged too. If you don't have an internet connection, you will not be able to access any of the applications or data from the cloud. Even though cloud service suppliers implement the best security standards and industry certificates, you should double check if your cloud partner is reliable and reputable before making the switch.

Software-as-a-service

If you haven't heard of SaaS or the phrase Software-as-a-Service, it's about time you did, as it's quickly becoming the technology of choice to replace conventional on-premise software. There has been a steady growth of such solutions due to enhanced mobile networks and faster connectivity. The SaaS model gives you instant business benefits with shorter installation times, updates and independence. The applications can be accessed from multiple devices, from anywhere in the world.

“Working with leading law firms and other professional services companies in the Nordics for a long time, we see that modern integration solutions and technology can finally give firms the freedom to choose the best of breed solutions for each critical business process. The time tracking solutions included with most ERP systems do not live up to the expectations of the modern knowledge workers.”

Martin Flatsetø

Managing Partner at PSA Consulting

Main takeaways

Best-of-breed is the future

Having the best specialised applications working together seamlessly will beat any other all-in-one system.

The cloud is the way to go

It's reliable, scalable and accessible. On top of that it could save you money and implement legal technology faster.

Financial advantages

With fast implementation periods and stellar support, SaaS grows as you grows, meaning financial gains.



Tracking time at your firm?

Time tracking has long held its place on the list of 'least favourite' activities of lawyers around the world. Whilst it's easy to harbour the ill-will felt towards billing, especially in light of the inefficiencies it is known to cause, developments in automated time tracking technologies mean that capturing time is now easier than ever. Here we offer some food for thought to guide your decision as to whether automated time tracking will benefit your business.

Time and billing are causing inefficiencies

On average, 12% of billable time is lost. Small tasks, like one-liner emails or quick phone conversations are often missed, as lawyers who don't bill contemporaneously scramble to reconstruct their days. Add into the mix a tendency to juggle matters – taking a phone call on one case whilst reviewing advice on another – along with the fact that out-of-office functionality is incomplete or entirely absent in traditional timekeeping software, and it's easy to see how time can be overlooked. The more time that passes between an event occurring and it being billed, the more likely it is that it will be lost entirely. You don't need to be a genius to realise just how expensive missing 12% of billable time could be for a firm. Integrated automated time tracking technologies can help minimise the leakage by making entries at the time they occur.

You lack the data for accurate pricing

It's short-sighted to consider the billable hour's sole purpose as billing. Time tracking also allows for inefficiencies to be identified and addressed. It empowers businesses in a competitive market in terms of pricing, decision making, and analytics. The importance of this cannot be overstated in times where clients are increasingly aware of alternative fee arrangements and lawyers are more frequently required to consider how to price AFAs. Pricing should ideally be based on accurate historical data, but in circumstances where this isn't available, time-sheets are key. Relying on inaccurate data when determining pricing for AFAs is likely to result in drops in profitability. Realisation of captured time increases when time capture is fast and accurate, resulting not only in increased revenues, but also more accurate data that can be used to inform pricing.



You wish to attract and retain talent by providing them with the best legal technology.

There's no doubt that technology plays a role in attracting and retaining the new generation of legal talent. Mobile time entry was a game changer when it entered the market but it is no longer enough. Lawyers want the billing process to be as streamlined as possible, freeing up time for them to focus on building and maintaining client relationships and practicing the law. Sophisticated mobile time tracking apps with intuitive functionality and automated time entry are one tool that HR can take advantage of in the competitive legal marketplace. These technologies act as a support for legal staff, ultimately promoting staff retention and assisting with recruitment.

You want to promote value and transparency towards clients and reduce rejection of bills.

Clients are evermore demanding in terms of value for money and billing accuracy. Detailed time entries offer reassurance to clients who are looking to cut costs and those hoping to ensure that your services are adding value to their business. Contemporaneous time entry has been heralded as the antidote to inaccuracies in billing but is known to eat into lawyers' valuable time. Automated time tracking helps ease the burden here on two fronts. Firstly, it intuitively notes time spent on matters as it happens so that it can later be approved or added to by the file operator. Secondly, it promotes appropriate detail being included in each billing entry. When you consider how much time and effort fielding client queries can take up, the value of detailed billing becomes apparent.

You've got capacity to collect the data, but you aren't sure how to use it.

Time capture is actually quite simple if the technologies available are used to organise the data in a meaningful way. If you already use a DMS or programs like Microsoft Office or Online Meetings, you are creating useable data that could promote in-office efficiencies whilst allowing for compliant and effective billing.

The benefits of automated time tracking software are immediately tangible and grow over time as a result of the software's ability to learn from your activities. It's now possible to intuitively capture and enter time with minimal intervention required on the lawyer's part. Time spent inputting entries can be slashed to just minutes a day whilst the overall picture of time spent on matters improves and becomes more detailed. This facilitates better communications with clients, promotes transparency, pleases staff and reduces rejection of bills.

“More often than not, days and weeks were being reconstructed by going through sent emails and phone logs. We couldn't help but think that there must be a better way to do this.”

Nick Schils
CEO at TIQ Time

Main takeaways

Know your business through data

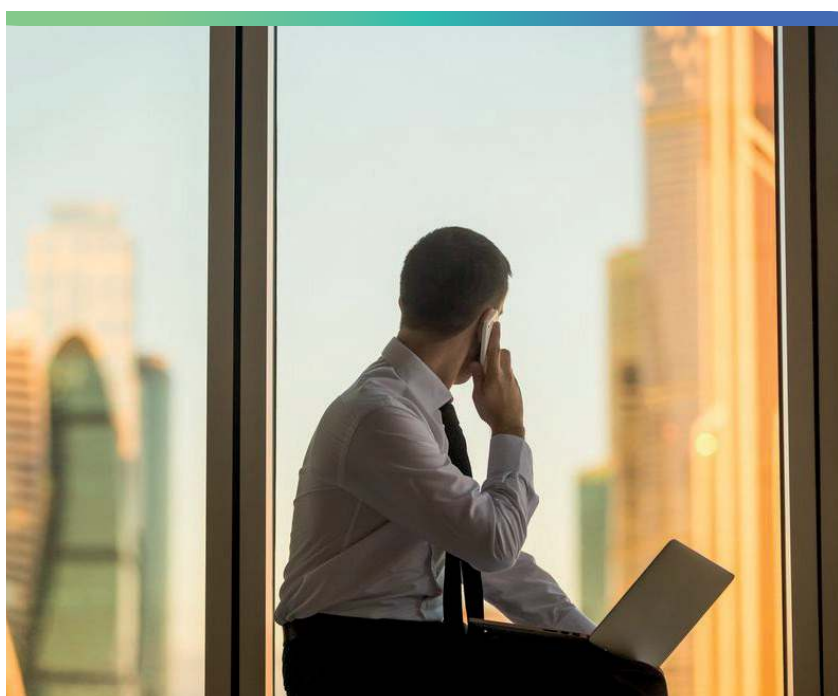
Accurate data about time spent can be leveraged in almost every aspect of your firm, use it to your advantage.

Make your clients happy

Gain the trust of your clients – and therefore increase your business – by being transparent and specific about their bill.

Tracking time is simple

When you allow for innovative technologies to aid you in the process, time tracking can be very simple.





Main takeaways

1. Data and analytics

Identify weaknesses and strenghts in your law firm by setting up solid data and analytics.

2. Partners and technology

Seek out the right partners and technology to aid your weaknesses and exploit your strengths.

3. Commit

Plot a course and get commitment from the whole firm to move in that direction. If your analytics are right, you can evaluate the advancement in an adequate manner.

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No matter what your role within a law firm, we hope you got value from this ebook. Technology is one of the most overlooked aspects in firms and those who do take on board the technological changes, will prosper in the future. Embrace change and you will find yourself ahead of your competitors.

The world around us is dynamic in nature, just like practicing law. We have put together this ebook to guide you and your firm in the dynamic world of Legal Technology. The first step is to gain data about your business, insights into the most important aspects of matters, finance and operations as a whole. When you have identified the pain points and strengths, plot a course and seek out partners and technology to shore up your weaknesses and enhance your strengths. Readjust the goals and targets of the law firm if necessary and get all of your colleagues on board for this new course.

If you already know that a lack of data, a lack of transparency, and the leaking of billable hours are pain points your firm is experiencing right now, we would be happy to have an open conversation regarding what measures would benefit you and if TIQ Time could help track your time in an effortless manner. Please get in contact with us by clicking the button below.

Get started

[Schedule a demo](#)

