


Briefing

CLOUD & OUTSOURCED IT

ISSUE 06 | NOVEMBER 2010



What law firms are really doing in the cloud

Interview

Shoosmiths' information chief

David Bason on cloud computing, how outsourcing isn't the end of the world, and why law firms need SAP

Feature

Cloud: the reality behind the myth

What firms are really doing with outsourced IT and cloud computing, and what it means for your law firm

Plus

Cloud computing from the companies doing it: how law firms can benefit from moving their systems onto the web, and a case study on how it's done

pilgrim
SYSTEMS

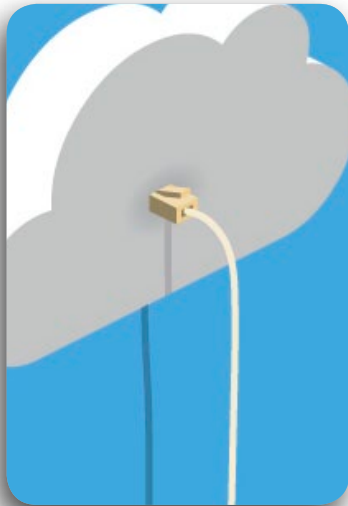
K-Cloud

www.

legalsupportnetwork

.co.uk

Can the O-word be good for your firm?



I remember writing about cloud computing, managed service provision and suchlike when I was a reporter on a technology trade magazine. That was 10 years ago.


So it does make me laugh to hear cloud being touted as ‘new’ – but cloud has come of age, and its advantages are as undeniable as they were

then. Now, however, cloud works, because the internet has matured to match its potential. Let us explain how.

In this month’s Briefing you can read about how law firms can use cloud and outsourced services to deliver more value for less outlay, how Shoosmiths is leveraging these services to gain differentiation in a competitive market, and

what works (and what doesn’t) in outsourcing.

We’re also delighted to welcome Joanna Goodman, ex-editor of *Legal Technology Journal*, as this issue’s guest writer – we hope you enjoy the mix. If you have any comments, suggestions or rants, click my name below to email me.

Rupert White, head of content and community 

“ The often-overused cliché of ‘Tesco Law’ scares some people, but what does that really mean? It means we have to work properly and consistently. ”

David Bason, IS director, Shoosmiths

Interview: David Bason

Shoosmiths’ IS director talks to Rupert White about cloud IT, outsourcing and why law firms have supply chains, and how to manage them



Feature: cloud hits and myths

Joanna Goodman finds out how firms are really using cloud IT, and what lies behind the outsourcing myths



Hosts with the most

Colin Kennedy, chief operating officer at Pilgrim Systems, on delivering law firm software in a more flexible way



Remote control

Malcolm Simms of K-Cloud on how firms are turning to cloud solutions to deliver more value



Case study: Temple Bright

How a niche Bristol law firm has removed every infrastructural barrier between the partners and the clients



How Briefing works

Briefing features editorially independent interviews and feature articles alongside sponsored editorial. All sponsored editorial is marked as such in the bottom left of the pages on which it appears.

Become a Briefing sponsor

Want to get involved in Briefing? Click on the purple W to find out more, or just call us on 0870 112 5058



This issue of Briefing was sponsored by:



Our interview with David Bason was transcribed by:



Rise above the competition with LawSoft10



 **LawSoft**10

The Complete Legal Software Solution

0131 555 9700

www.pilgrimsystems.com

pilgrim
SYSTEMS

INTERVIEW

Differentiation game



David Bason, Shoosmiths' IS director, talks to Rupert White about cloud, outsourcing and why law firms are getting more like other businesses every day

For an IT director in legal, David Bason certainly speaks the language of 'normal business'. Over the five years he's been in the sector, he's kept the nous he learned in his previous roles in the metals industry, IT and the biotechnology game. Now he's applying that knowledge to keep Shoosmiths one step ahead of tomorrow's competition.

Shoosmiths has decided to be forward-thinking in terms of IT. It currently uses a mix of managed services, and Bason has a good idea of how cloud and similar services can help law firms deliver value, differentiation and better practice management in the future.

First, to cloud. Bason says it's really just a new way of talking about an established service – which is actually a good thing, because it means selling cloud to partners should be about selling in an established technology, not something unknown. "It is just about how you deliver a

managed service and the nature of the delivery. I just see it as another option – I don't see anything too scary about it." Bason says cloud is a great way to achieve economies of scale by sharing the resources of the cloud provider with other businesses.

The biggest issue for a law firm, he says, is where the data lives. "That's the [question] that's been thrown at me – if you use this cloud thing, and it's not a dedicated service, where does our data go?" Shoosmiths' data has to stay within Europe because of regulations governing data, but "everything else", he says, "is what is right for that solution at that particular time".

In terms of cloud services, Shoosmiths uses Live Meeting, which Bason describes as "basically a cloud managed service provision from Microsoft". "I haven't a clue where that service is coming from, we just buy into it and use it – we don't have any data stored in a shared environment."

The firm also uses Mimecast's managed, hosted email service (more on Mimecast in our feature on page 9). "That provides a great service," he says. "We haven't got to worry about it and it just provides the service – switch it on and there it is." He says that once you start extrapolating what else could be done outside the firm, "you can see the benefit of buying into the shared service".

But, echoing the reports in our feature article (see page 9), Bason says that many of the benefits of cloud are more applicable to start-ups with an opportunity to bypass capital spend on IT, whereas "those firms that have made quite an investment in their own infrastructure will take a while to shift that [IT function] over".

Cloud bound

So, what's changed in law firms to even have people like Bason considering grander shifts to cloud services, and lauding the advantages of it in the law firm? Working outside legal before 2005, Bason says

he was familiar with managed services, "so maybe it has just taken a while for this sector to catch up". Networks have also become far more robust and reliable, he says, and that's vital. The network is key, he says, because every part of the firm's outsourced function is on the network. Shoosmiths went to InTechnology for that network capability in 2009 – another managed service by an outside company.

Another thing that's changed is that IT directors like him, he says, now feel the push to be more flexible, to think about how they can deliver a flexible service to the firm regardless of whether it's going to affect their department's resourcing.

Cloud holds definite advantages, Bason says, but it'll be adopted differently depending on the 'type' of firm.

There are some applications and functions, he says, that firms would "happily" see being provided by an application service provider, such as email and dictation. But shifting a firm's core applications out, such as practice management systems (PMSs)

INTERVIEW DAVID BASON cont.



is different because you may need more tailoring than an outsourced set-up can provide. Bason sees a firm's core set-up as a potential differentiator – how you do business determines the business you can do, and how much better you can do it than the competition. So PMSs will probably always be a mix of tailored and stock systems, except for very big firms. This doesn't mean outsourced/cloud services won't be used in the PMS mix, he says, but they're likely to be dedicated managed services.

The other kind of law firms to take up managed services will be the smaller law firms, he says, which may well buy into the ASP shared service model because they'll be happy sharing a big application with others as long as their data is ringfenced, because taking generic processes and generic services will be fine for their needs.

"It will be a commercial decision," Bason says, which demonstrates that he sees managed services and outsourcing as being commercial, not cultural, decisions.

Much more important than worrying about whether cloud or outsourced services 'fit' law firms is whether law firms understand that they are building supply chains, and therefore becoming much more like other businesses. Many firms are now using other firms to do their commoditised work, and offshoring some business functions as well as outsourcing others. In the past, law firms did everything themselves – they

didn't have a supply chain to speak of. But this is changing, and firms will need the same IT systems other businesses need to manage them.

Bason agrees "absolutely" with the notion that firms are growing supply chains, he says. This isn't surprising, considering his background, but it's also because Shoosmiths hands on some of its legal work to a 'panel' of other firms already and uses many outside services – it's operat-

end of the day the customer is the key relationship."

A law firm's brand is, fundamentally, all it has – and outsourcing its work, or outsourcing support functions, can have negative brand impacts. The legal news in 2010 has featured several large firms feeling the chill from unpopular outsourcing moves, and they won't be the last.

Bason says Shoosmiths counters this by having a "very

chain. This requires a long-term view.

"If I'm choosing a major supplier, I want them to know I am committed to them long-term, if they are committed to me. This is the way we work, and I want [the outside company] to operate in a similar way. [And the internal brand] has to be exhibited and demonstrated for people to believe that it is real, and if you see it happening, then it lives."

THE BASON WAY

"I want to make sure there is consistency of process and quality of delivery, from whoever I'm using, to my customer, because at the end of the day the customer is the key relationship."

ing a real supply chain.

What's vitally important when a firm starts to spread its provision like this, he says, is maintaining brand. "We want to make sure that the quality of the delivery that [those firms] do is in line with our brand. I want to make sure there is consistency of process and quality of delivery, from whoever I'm using, to my customer, because at the

clear set of values that we live by" and ensuring they're kept to, both inside the firm and by outside providers. If you can keep to these with all your outsourcers, he says, you won't see negative brand impact from outsourcing. And how the customers see the brand, the Shoosmiths brand, depends on how the Shoosmiths values transfer throughout the firm's supply

Dealing with the O-word

When it comes to outsourcing generally, Bason reckons "anything can work, it depends on the mindset and how you go about doing it". But, he says, "at the moment there is a reluctance in law firms to outsource any or part of their process, they are all very protective". He knows first-hand about process outsourcing that doesn't work after the firm offshored some legal process (scanned document checking), but ended up pulling it back in-house. "We found that it would be cheaper for our own staff to do that. It doesn't mean it will not work in a different way."

But in terms of IT outsourcing, anything can be done, as long as it's done with the right level of thought. "In a law firm they demand very high levels of service from the internal help desk departments," Bason explains. "When I first joined they told me it would

INTERVIEW DAVID BASON cont.

be impossible to centralise the function. Now I have nobody in the offices – it is a centralised service and we provide people who go out to site regularly.

“They told me that the partners would not accept it, but as long as I demonstrate that they have the level of service they need, then to them that is what they wanted. Whether I had it in-house or had it outsourced then it would not matter to them. It matters if the quality of service is different and poor, absolutely. I could outsource my help desk but I would have to be very careful on who would be delivering that service and in what way.”

While in a previous role, Bason says he outsourced his whole department, including himself, to a managed service provider. “I was like a turkey voting for Christmas,” he says – but he did it because otherwise the business couldn’t afford the kind of staff he knew it needed. “We achieved exactly what we wanted to do and the individuals got pay rises and more projects to work on, so everybody benefited.”

It’s often hard to believe anyone saying that outsourcing a function can be good for the workers as well as the firm, but, Bason says, when the function is outsourced those people can work on one firm for two days and another for any other part of the week – it’s the economy of shared

services. This is the thinking behind [the Camerons-Integreon move](#), to pick a recent industry example.

Fundamentally, Bason says, he’s expected to deliver value to the firm and if that means examining outsourcing, even in his own department, he has to do it. “[The lawyers] expect me to say [whether outsourcing something] is the right thing or the wrong thing, what we should do, and put up a defence. I tell my team they have to perform at a level

competition. You cannot just sit back, which has happened in law firms for many years.”

Supply chain management

Bason has an incisive view on outsourcing and the vital importance of highly efficient supply chain management: as firms (and all businesses) tour the world in search of lower costs resources, “eventually you are going to have a very common cost of resource”.

systems. These systems reach business-wide to measure, enable and report on all parts of a firm’s supply chain.

Bason once worked for one of the premier suppliers of this ERP technology: SAP. Now he’s implementing it at Shoosmiths. And doing it comes from shifting the mindset at the firm towards process. To deliver more reporting and inter-office consistency to Shoosmiths gold-plated clients – like HP, Ikea and Daimler Chrysler –

Bason says, the firm has to be more efficient, and has to know how it works, especially as it moves into things like fixed-price work – “we need to know what we are doing every time, and learn from what we have done”.

This is vital, he says, when clients look to a future in which they will be choosing between

“It will not take long, 10 years maybe, and once that point is reached, the shortest supply chain, or the most efficient supply chain, will win.”

David Bason, IS director, Shoosmiths



[at which the lawyers] don’t want to get another firm to take over their job.”

That’s a fairly hard conversation to have, isn’t it? “They panic as soon as I use the O-word,” Bason admits. “Every time I have used it in any presentation, the feedback I get is a bit of a concern, but hopefully now I have used it enough times so they start to realise it is a way of life. I make sure they are aware of what is going on in the market so they themselves are aware that there is

“It will not take long, 10 years maybe, and once [that point is reached] the shortest supply chain, or the most efficient supply chain, will win through.”

This means a total concentration on process optimisation, and process management. Process is the basis of offshoring but it’s also the basis of IT systems and, when it comes to putting supply chains and process management together, in IT terms we’re in the realms of what’s called ‘enterprise resource planning’ (ERP)

traditional firms and ‘Tesco Law’ – “they have process, they have it all sorted and look what they do already in terms of other sectors and how efficient they are”, says Bason, “and what is the client going to choose?”.

“When it comes to price competitiveness, we have got to be very efficient and very cost-effective.”

Because this has been accepted by the business, Bason says, moving to SAP, with “one common way of working, one version of the

INTERVIEW DAVID BASON cont.

truth", has become a reality. There was lots of client and internal demand for more reporting, he says, and though he will continue to have a clutch of legacy systems in play, "the only way I can [create consistency] is if we have one common way of working, with one common platform".

SAP has tried to 'crack' legal before and failed - Linklaters is its only UK legal client of note, with a bespoke set-up. Shoosmiths is trying SAP in a new, more made-to-measure way, with base systems by SAP and templates adjusted by Tata Consultancy Services (TCS). Shoosmiths already runs SAP customer relationship management, and Bason says he expects to move the whole firm over to SAP in Q1 2011.

"Obviously [SAP] are watching us very closely," Bason says. "Once it goes live here and it is a success, there [will be] is an acceptance [of] this type of product." Bason says he thinks "there is a realisation which has happened, not just in SAP but across markets generally, that you have got to put the customer at the centre of what you do. You've got to listen to what they say and you've got to be responsive. [SAP] have been very supportive in what we are doing, because obviously they see us as the major first customer in the sector, so if we are not a success SAP fail, TCS fail. So far they have produced the goods when we needed".

At a more general level, Bason says the legal industry has learned valuable lessons from the recession.

"It's been tough, but I think it has done very well in terms of responding to the recession. Obviously we did lose a few people and people took pay cuts, and we sort of re-gearred the business to make sure we would see ourselves through that recession. We've now come through that and we've had a very strong six months. I think it has been a good challenge to law firms to make them more efficient."

Something the recession

from the words written so far, is not to do the same thing.

Bason says his firm's move to cloud, outsourcing and SAP "is all about making a customer unique". "That is what we are gearing all our systems to do, the reason why SAP is there and the non-lawyer account managers that we have in place."

And because Bason sees IT as a key differentiator, he's part of creating Shoosmiths' 'difference'. It hasn't been

very much on margin and efficiencies, and I think that we carried on with the investment in systems realising that it was a way to deliver more efficiency in future."

One more thing is changing in legal, Bason says – the traditionally open, almost guild-like relationship between IT chiefs and their peers. Legal business peers have always shared what looks to those outside legal like a startlingly large amount of ideas and information about what they're doing – but no more.

"I think the days of that real openness are gone. In the past there could be firms that did not see each other as competitors, but as the number of law firms reduces you are going to come across the other law firms in more competitive situations more often, and the IT side of things is going to be more and more of a differentiator. So you are going to be a little bit more protective.

"You only have an advantage for a short period of time, because people can take on the similar product in a similar way. So it is how you make the most of that particular lead. We recognise that with SAP we will have a window where we are very different to the rest of the sector, but we fully expect other people to start adopting it.

"But we will always be first, and we will always have the edge." ●

Interview transcribed by Voicepath: fast, secure, onshore legal transcription for over 200 clients nationwide



“There is a realisation in law firms now that they have got to start operating more as a business.”

David Bason, IS director, Shoosmiths

has done, he says, is embed a customer-focused thinking in firms, "and that will now carry on, because the customers have seen prices cut and customers are not going to want prices put back up".

Legal's competitive future

This leaves the twin spectres of markets future to deal with: protecting margin as a result of that shift, how to differentiate a law firm "from everybody else who is doing the same thing".

The answer, as you can see

easy – moving to SAP when almost no other firms use it was a hard sell, he says, because legal has traditionally only bought what other law firms buy. But, he says, it's easier now that firms are seeing the world through a more businesslike prism.

"I think there is a realisation in law firms now that they have got to start operating more as a business. The often-overused cliché of 'Tesco Law' scares some people, but what does that really mean? It means we have to work properly and consistently. The recession made [firms] focus

K-Cloud

Your Cloud
is Ready



+44 (0)20 7060 9030
www.k-cloud.com

david.fazakerley@k-cloud.com
malcolm.simms@k-cloud.com

FEATURE

Cloud: the hit, and the myths

Is legal IT moving to the cloud, or is the revolution just hot air? Joanna Goodman explores what's really happening in law firms

Much has been written about law firms moving into the cloud – in other words, shared services delivered via an internet connection and paid for by subscription, replacing onsite systems and applications.

Cloud is a new way of describing 'software as a service' (SaaS), which has been around for some time. Much of the hype around cloud is down to the big global providers – Amazon, Google and Microsoft – having invested heavily in cloud services. This in turn is driven by the exponentially increasing amount of data that businesses have to deal with, and interactive media requiring more capacity.

Transferring applications to the cloud has some key business advantages: it reduces onsite requirements, capital investment in infrastructure

and ongoing maintenance.

Another important factor behind the push for cloud computing is the well-documented rise in outsourcing. Managed IT services, including the help desk, are a popular choice, and cloud computing is a natural progression from that for firms used to service level agreements and working in partnership with third-party suppliers. The 'pay monthly' subscription model is also a major benefit in uncertain times, as it supports business agility, enabling firms to adjust their IT resources to expansion and downsizing as they merge, split and move in and out of different regions.

Cloud and the larger firm

Larger firms that have invested in their IT architecture are less

likely to undertake a wholesale shift to the cloud. However, many have discovered the value of standalone cloud services.

A popular strategic use of cloud services is driven by data volume and compliance. Many firms are transferring their email management, including anti-virus, anti-spam and archiving to the cloud. Mimecast, one of the biggest cloud providers to the legal sector, is a popular choice among law firms of all sizes as a stand-alone cloud service that interfaces with Exchange and Outlook.

Mimecast CEO Peter Bauer explains that the advantages of the cloud computing model are derived from the fact that it involves businesses sharing computing resources instead of having separate dedicated resources, and that this shared experience can be

used to drive collaboration. Cloud-based systems involve different application architecture from in-house systems, although the end user technology might be the same.

"Law firms may use cloud services because their clients expect them to use these technologies," Bauer says. "But email services are introduced by a firm's IT department to solve a specific set of problems." Mimecast's online archive cuts storage and maintenance needs, and the firm's IT department doesn't have to deal with routine maintenance, anti-spam, anti-virus, disaster recovery and business continuity issues.

Mimecast has sold its solutions to around a quarter of the top 20 UK firms, such as Ashurst, Bird & Bird and Osbourne Clarke. But why are large firms willing to entrust their email to a cloud

Cloud: the hit and the myths cont.

supplier? After all, email is a business critical application that includes important, confidential data.

“It could be that larger firms are more ready to use tried and tested cloud technology, or it could be their faith in a popular vendor,” observes Bauer. It could also be that cloud email management is an easy sell to users and the IT department alike. Mimecast also has tight integration with Microsoft, using Active Directory as the key point of integration, as well as with the BlackBerry environment, adds Bauer, which means lawyers have a familiar user interface and don’t have to change the way they work. Mimecast is a stand-alone offering that works in tandem with a firm’s onsite resources, and does not require firms to change other parts of their system. It offers built-in business continuity and removes routine maintenance operations from the IT team.

Driving cultural change

For an idea of how larger law firms could do a lot more in the cloud, we probably have to turn our gaze to the US.

One innovative US firm has made cloud computing central to a deliberate strategy to change behaviours and processes. Eric Hunter, director

of knowledge management and technology at Californian firm Bradford & Barthel, is integrating a cloud-hosted collaboration platform across the firm’s 12 state offices.

“We are rebuilding our technology department to focus on knowledge management and we introduced the Google Apps collaboration platform to bring people and processes together across departments and offices,” he explains.

As part of a two-year ongoing project, the firm transferred

– guaranteeing 99.9% uptime. As it can be accessed via any device and any internet connection, this set-up supports the growing technology trend towards device neutrality.

Although Bradford & Barthel is innovative in using the public cloud to bring together knowledge and information management, Hunter’s strategy is focused on discrete elements of the firm’s IT architecture, while the rest remains in-house. The firm uses OpenOffice for document



resource integration, which are transforming how the firm is run. Another critical benefit is the ability to keep pace with rapidly developing technology. “Google is constantly evolving its cloud offering, and that forces our users to change,” he says. “It is changing our internal dynamic.”

As firms reap the advantages of cloud computing

and pass these on to their clients in improved efficiency and competitive fees, Hunter says the move to the cloud will become ever more driven by client expectations.

“Google is constantly evolving its cloud offering, and that forces our users to change. It is changing our internal dynamic.”

Eric Hunter, KM and technology director, Bradford & Barthel



The big picture

Key considerations when contemplating a move to the cloud include the size and profile of the firm, the role of

email, calendars, intranet and extranet services and litigation support to the Google platform. According to Hunter, Google Apps “is a unique tool for collaboration and information sharing. The interface works well, and document management and unified communications systems will follow in 2011”.

In the past, issues over security and downtime have been levelled at the Google service, but Google has gone a long way to address these

production – no MS Word at Bradford & Barthel – accessed from the desktop, so lawyers and staff can produce documents offline and share them securely with select groups of colleagues and clients through Google Apps.

As well as saving money on licence fees, infrastructure and maintenance, Hunter emphasises the operational benefits of real-time collaboration – video and voice alongside email and documents – and process and

its IT function and the complexity and sophistication of its existing IT system – are applications ‘out of the box’, customised to suit the firm’s specific needs, or developed from scratch?

Global firms with multiple offices generally invest heavily in their core IT systems, so their use of cloud computing tends to be limited to stand-alone services.

At Allen & Overy (A&O), for example, cloud services fulfil two business support func-

Cloud: the hit and the myths cont.

tions: speed to market and a medium for offering clients innovative online knowledge resources.

CIO Gareth Ash says data security and jurisdictional issues – where data is held and who can access it – are mission critical issues for A&O, as many of its clients are global banks and financial institutions.

“Our most precious asset is our client data,” he says, adding that A&O’s internal IT resources are heavily integrated into its global matter management system. “I do not envisage moving our core systems to the cloud in the near future, as we need to retain control over security, performance and service levels,” he says. “But when it comes to new, innovative tools, we are increasingly looking at standalone cloud applications, especially those that support research and knowledge management. We have already invested heavily in offsite data centres.”

For many law firms, especially large firms such as A&O, the business cycle is relatively static, making the agility features of cloud services tertiary advantages. On top of that, the financial structure of a large global law firm means the subscription model does not always represent a major

advantage, either. “Unlike a start-up, major firms are happier with capital outlay than operational expense,” says Ash, “so loading up their operational expense with cloud solutions doesn’t always make business sense.”

A&O’s eBusiness department provides many online client-facing services including portal pages, deal rooms, an e-library, research, analysis and other knowledge resources. But many of these services have been available before the term ‘cloud computing’ was coined.

swayed by peer or vendor pressure.”

A launch platform

One effect of the downturn on larger law firms has been an uptick in the number of new, smaller firms being established. Because they have no IT legacy, the cloud is a sensible option for them, providing comprehensive IT resources without requiring upfront capital investment.

Damian Blackburn, one-time

integrator [K-Cloud](#) to provide hosted time recording and BigHand digital dictation. He then set up Microsoft SharePoint and Exchange via Microsoft Online Services. “Cloud computing can give a new start-up the equivalent IT capability to a large organisation without any capital

outlay or onsite infrastructure.” Blackburn has built a document management system around SharePoint and added SharePoint connectors to partners’ iPads, which gives them access to the entire system, wherever they are.

Archerfield’s technology was soon up and running – once

“When it comes to new, innovative tools, we are increasingly looking at standalone cloud applications, especially those that support research and knowledge management.”

Gareth Ash, CIO, Allen & Overy



Instead, Ash looks to cloud computing for the opportunity to tap into innovative solutions and to keep up with the latest developments. “Standalone solutions and those that are required for a limited time can offer genuine value, but it is equally important to take a strategic approach and turn to the cloud where it makes business sense, and not to be

IT director for Davenport Lyons and now a consultant at Slftech, works with small and mid-sized firms. He recently set up a completely cloud-based IT base for two-partner start-up Archerfield Partners.

“The cloud was the obvious platform, as it gives them access to IT resources from any location and any device.” Blackburn worked with

Blackburn had addressed the unexpected challenge of establishing a reliable internet connection. “This is generally considered a given, but Archerfield Partners’ new office had no telephone connection and we needed to set up 3G connectivity,” he says. “Microsoft Office was also loaded onto individual devices to give partners the option



Cloud: the hit and the myths cont.

of working offline in areas of limited or no connectivity.”

Cloud computing also supports the development of new law firm business models. Mark Wilson recently established Wilson & Fish in Glasgow, which operates a chambers-type model for self-employed lawyers to work under the firm’s brand and IT umbrella. They work from their own premises, and are linked to Wilson & Fish with Pilgrim’s Lawsoft practice management system (PMS), hosted by K-Cloud.

The system also allows sole practitioners who want to stay independent, as it were, have arranged to use the firm’s online PMS, giving them document management, time recording and billing in the cloud. Wilson & Fish has also outsourced the firm’s client management and bookkeeping to The Cash Room, which is linked into the PMS.

A cost-effective upgrade

Software in the cloud was also the solution chosen by Thomson Snell & Passmore, a mid-sized firm looking for a

cost-effective upgrade.

IT director Dave Bennett chose K-Cloud’s cloud-based legal IT system, consisting of Pilgrim’s LawSoft, Microsoft Office 2010, Microsoft SharePoint, Microsoft Exchange and Centurion’s BreatheHR solution, alongside the firm’s continued use of BigHand digital dictation and Mimecast email management. ([Bennett explains the drivers behind the move on page 14.](#))



The monthly subscription model behind the solution means that Thomson Snell & Passmore can afford a PMS beyond its reach in capital terms – “punching slightly above our weight”, as Bennett would have it.

This way of negating capital outlay in austere times applies to any firm, says K-Cloud’s CEO, Malcolm Simms – it allows “firms that have postponed investing in IT to update without upfront capital investment”, and “mid-sized firms are not encumbered by the need to run and maintain IT onsite”. Bennett agrees with this, adding that cutting the vendor relationships down to one means he and his in-house team are free to

concentrate on advisory and value-added activities.

Is security an issue with doing things in the cloud? Bennett is confident that it is not: “The vendors we use all have security clearance, which is more than most law firms do,” he says. Simms says K-Cloud uses “tier-three data centres that are ISO27001

Upsides, downsides

<h3 style="color: #0070c0;">Key benefits of cloud computing</h3>  <ul style="list-style-type: none"> • Online access via any device to the equivalent of a large firm’s IT infrastructure • Flexible pricing model/no capital outlay • Scalable solution – pay as you go/per user • Unlimited storage • Built-in security, business continuity and disaster recovery • Automatic upgrades to the latest version of all applications • Potential for collaboration and knowledge sharing • Hosted service frees up the IT team from routine maintenance to concentrate on value-added activities 	<h3 style="color: #0070c0;">Challenges and issues</h3>  <ul style="list-style-type: none"> • Requires a robust internet connection • Service level agreements – choosing a provider that delivers your business requirements • Integration – integrating standalone cloud applications with each other and with onsite resources • Existing infrastructure and legacy systems – switchover costs could be prohibitive unless they are due for renewal • Control over data and access – how much do you need to retain? • Cultural change – this is a benefit and a challenge
--	---



compliant, so we make sure we tick the boxes before security becomes an issue”. Cloud vendors’ business model depends on security, so any supplier should have this as a primary deliverable.

Bennett agrees with Blackburn at [Siftech](#) that integration is an important consideration when moving core applications to the cloud. “Some firms invest time and effort trying to customise document production tools into lawyer apps. A straightforward approach is to deploy standard products that work together,” he says. “K-Cloud

has brought together the tools we need into a simple application layer.” For Thomson Snell & Passmore, it turned out that the main challenge to moving to the cloud has been cultural: convincing people to change the way they work.

Clouds on the horizon

Cloud computing seems to be changing the global legal IT landscape, but the picture of its real adoption is mixed.

In emerging markets, for example, it holds huge promise. Simon Hill, profes-

Cloud: myths and realities cont.

sional services director at Tikit, chaired the second day of ILTA's recent conference in China, where law firms that are independent from the state are a relatively new development. "Most Chinese firms do not have a formal IT infrastructure or support staff," he says, having discovered that only 10% of the audience at ILTA had used Outlook. The rest use Google or a local provider, and sync contacts to their iPhone.

Hill says Chinese law firms, many of which are large firms

for these resources.

But despite the cloud's advantages, the rate of adoption among law firms has not yet lived up to the hype. According to a recent ILTA survey, only 19% of US law firms are using cloud services. In the UK, there is a significant movement to the cloud for start-ups and mid-size firms, but larger firms are outsourcing non-core services and using the cloud for specific applications. This is sometimes driven by innovation and client expectations, but the

systems and applications. There is also a general interest in [Microsoft's shift of focus to the cloud](#).

Hunter sees the challenge in terms of smaller suppliers' ability to keep up with Google and Microsoft, which can rapidly roll out new services and upgrades. "Law firms need to partner with vendors to help them develop



tenanted so that resources are actually shared rather than simply delivered online to individual clients. Hill says the subscription model may prove a challenge to move to for smaller IT suppliers, as it reduces the opportunity to channel up-front capital expenditure by law firms into developing new products.

What clearly needs to happen is a sea-change in supplier-client relationships, and collaboration between firms and suppliers. To compete effectively in the cloud marketplace, legal IT suppliers need to work more closely with each other and with their clients. As Blackburn puts it: "Cloud computing requires a more holistic approach, with consultants and suppliers working in partnership with firms to develop and deliver the solutions that meet their requirements."

If the IT players can do this, the adoption of cloud services in legal may well still come to pass. ●



"Some firms invest time and effort trying to customise document production tools into lawyer apps. A straightforward approach is to deploy standard products that work together."

Dave Bennett, IT director, Thomson Snell & Passmore

with multiple offices, are still considering whether to emulate western firms and combine onsite and cloud resources, or whether to jump straight to the cloud – which seems more likely. There is also significant interest in China in legal applications such as time recording, which just weren't required when lawyers were civil servants. Because of the lack of available infrastructure, Chinese firms might look to the cloud

size of their operations and the level of customisation of their IT services mean they are likely to be slower to move core services to the cloud – though standalone applications, such as Mimecast, are carving out an ever-widening niche.

What does the future hold for cloud computing? Bauer at Mimecast welcomes what he describes as "the democratisation of software", where business of all sizes can access enterprise-grade

and deliver cloud solutions," he says. Working with multiple vendors and effectively integrating their products is another challenge, which to some extent is addressed by cloud aggregators, such as K-Cloud.

There seems to be broad agreement that niche legal IT suppliers need to develop better cloud-based services and deliver them effectively. Simms at K-Cloud highlights the need to make applications multi-

Discuss cloud with your peers on our LinkedIn group



ANALYSIS SOFTWARE AS A SERVICE

Hosts with the most

Colin Kennedy, chief operating officer at Pilgrim Systems, on delivering law firm software in a more flexible way

The legal IT community is becoming more comfortable talking about cloud computing. There are articles, slots at conferences and all sorts of other outlets covering the cloud, but this is the slow-burn stage in a shift in habits. Firms are attracted to the pay-monthly model and the ability to access technology in a new way, but most are waiting for others to take the first step.

Acceptance of the cloud concept is not universal within law firms. While managers of legal businesses see the real advantages the cloud brings, such as cost savings, standardisation and risk management, those in the IT function often perceive it as a threat to the traditional legal IT department.

But firms that adopt cloud IT now could enjoy definable financial and business advantages. We, for example, have partnered with K-Cloud to provide our market-leading LawSoft software through the cloud. *(For more on how cloud can deliver more flexibility as resourcing changes and in remote working see [K-Cloud's article on page 15.](#))*

As a software developer, working with a cloud supplier means LawSoft's full practice management functionality can be provided as a 'software as a service' (SaaS) model

– LawSoft, the initial project services, data conversion, software support and all product updates are delivered as an operational package. This set-up also gives firms access to a full range of complementary software applications, which include MS Office, MS Exchange, BigHand digital dictation and Mimecast email management – in the same SaaS cloud mode.

Cloud is more secure

A common concern with cloud is data security. But cloud offers greater security than traditional in-house systems can generally achieve.

K-Cloud's platform, for example, offers blue-chip infrastructure provided by 2e2, which provides managed services for many of its clients and hosts the financial system that initiates the interbank settlement of over \$3 trillion transactions daily. 2e2 are ISO27001 and ISO20000 certified and can provide GSI clearance for govt agencies. They are audited by the FSA and US Federal Reserve.

We are working with various clients that have experienced a variety of business benefits from working in the cloud.

David Bennett, head of information systems at Thomson Snell & Passmore,

says: "Like the majority of other mid-tier firms, we made a conscious decision to delay upgrading core components of our infrastructure. We knew we would need to upgrade our Microsoft Office environment [from 2003 to 2010], but we recognised that we could introduce real efficiencies across the firm if we took the opportunity to re-evaluate the IT systems we used. This included our practice management system.

"Moving to the cloud has provided us with an opportunity to build an infrastructure based on best practice, and the inclusion of the new practice management system effectively allows us to take advantage of recent software and hardware advances and simplified business processes, without having to compromise their implementation by incorporating them into the existing infrastructure.

"The changes we are making provide us with the opportunity to make significant business change in a fraction of the time it would take us in the more traditional implementation – it makes perfect business and economic sense."

Another client, David Calder, managing partner at MBM Commercial, has this to say: "The SaaS offering now allows us to take advantage of

advanced enterprise standard software delivered over the internet, paid for via an affordable subscription model."

First steps to the cloud

If your firm wants to move to the cloud, what is involved?

The first step is to agree which applications the firm wants to use – usually the practice management system plus, most likely, MS Office, then additional applications like digital dictation and email management. Logistical requirements are then confirmed, such as the appropriate bandwidth of communication links.

Similarly to an on-premise implementation, a project plan will be agreed covering roles, responsibilities and timescales. Once a contract is agreed and a firm has made the necessary internal preparations, the cloud service can usually be implemented very quickly.

Cloud computing will become prevalent across all industry sectors in the next few years. The real risk for law firms might be to sit still and not analyse the advantages it offers.

Click here for more on Pilgrim's LawSoft SaaS solutions



ANALYSIS HOSTED SERVICES

Remote control

Malcolm Simms of K-Cloud on how firms are turning to cloud solutions to deliver value

Cloud computing offers many advantages and is becoming more prevalent.

Law firms use a vast array of software to deliver their services, and employ sizeable amounts of IT infrastructure to deliver it. We at K-Cloud think firms need a way to run the latest software without running the system to deliver it from – a hosted, outsourced model that allows law firms to ‘rent’ software by subscription, rather than buying it. This delivers flexibility, as well as letting firms expand and collapse the use of the IT to cope with what is likely to be a volatile market.

It's not just the generic advantages of cloud-based software delivery that firms need. Their requirements can only be completely matched by a tailored solution from a legal industry-specific cloud software supplier.

We have deep partner relationships with legal software vendors, so we understand the software and how law firms use it. We think best-of-breed software and tight integration of the software a modern law firm needs, backed up with comprehensive service level agreements, is a mix that can deliver a range of advantages to law firms, such as:

- A ‘pay monthly’ model that gives better cashflow management to firms;

- Reduction or elimination of capital spend – moving IT solutions to the operational budget;
- A wide portfolio of applications – choice, in other words;
- A single UK IT service desk for all service and support enquiries;
- A single, consistent service level agreement for all applications and infrastructure;
- Improved business continuity and disaster recovery – something now required by the regulators;
- UK-based data centres that are compliant with the highest security standards;
- Reduced internal admin;
- Remote and home working as standard.

Cloud benefits for firms

K-Cloud's first client, Scott-Moncrieff Harbour & Sinclair (Scom), went live with our service in October 2009 with new email and practice management systems.

Scom's virtual network of solicitors has since increased in size by 25%, but the firm has the peace of mind of knowing the precise monthly cost of adding in a new user. The hassle of administrating these new user accounts is also taken care of by us.

This provides Scom with solid cost prediction for IT – something a lean firm needs



more than most.

Our experience of providing virtual software services to law firms has allowed us to adapt and evolve our deployment models to suit what they need:

- Software as a service (SaaS) – individual applications or combinations of them, delivered over the internet;
- Desktop as a service – all the features of SaaS, within an integrated virtual desktop;
- A choice of the physical environment where software and data is held;
- Legacy application hosting – ensuring system continuity for clients and optimum migration and transition.

With a multi-vendor cloud supplier, clients can mix and match applications and delivery to exactly suit their business needs, and the environment in which they run.

This flexibility has allowed us to provide a solution for Archerfield Partners, which uses core K-Cloud legal applications, including TimeKM and BigHand (backed onto Voicepath transcription services), paired with Microsoft BPOS hosted Exchange and SharePoint.

The ability to deliver a combination of solutions in this way, under one agreement, is

perfect for smaller firms.

We also recently signed an agreement to supply a solution to Thomson Snell and Passmore, a 200-user firm. TS&P are taking a complete ‘desktop as a service’, including Pilgrim's LawSoft, which allows the law firm to gain a technology refresh without the usual accompanying infrastructure work and capital outlay on software licences and infrastructure. (For more on this, see [Pilgrim Systems' article on page 14.](#))

Finally, while cloud's benefits are often described in pure IT terms, they shouldn't be. Moving to a monthly billing basis for some IT delivery makes a lot of financial sense, especially in terms of maintenance fees and forecasting upgrade costs. And for management, a single service level agreement contract negates the need for dialogue with multiple suppliers, easing the administrative burden on the firm.

The concept of cloud delivery of software services for law firms has, we think, been effectively proven.

Click here for more on K-Cloud's cloud computing solutions



CASE STUDY TEMPLE BRIGHT LLP

Outsourced, but completely in touch**How a niche Bristol law firm has removed every infrastructural barrier between the partners and the clients****Temple Bright is not a virtual firm, but neither is it a traditional firm.**

Based in Bristol, the firm serves a specific niche: SMEs and entrepreneurs in the south-west. The ex-City founders have grown the firm into a group of five well-qualified lawyers. But beyond that, Temple Bright starts to look very different.

As partner Tim Summers outlines, the firm keeps its overheads low and well-understood by outsourcing as much as it can. Everything from legal cashiering to the firm's practice and case management system (CMS) is hosted and run as a monthly service, which means Temple Bright knows its monthly costs well – they're outsourcing bills. The firm employs no secretaries and has no HR needs – because everyone there is a partner.

"Having advised in the SME sector, we knew that a firm's infrastructure can be reduced – that's what's driving Temple Bright," he says. "In the SME context, the traditional law firm infrastructure – with equity partners, seniors, juniors, a big infrastructure and buildings – isn't the best way of providing legal advice."

When Summers and co-founders Justyn McIlhinney and James Howell set up Temple Bright, they didn't even cost out doing things the traditional way – so obvious

was it that it would be cheaper to outsource.

"We wanted to create a structure where it's possible to have only senior people, working efficiently," Summers explains. "The clients we were working for didn't want and didn't need juniors. We wanted to do what we were doing in our previous day-to-day roles, but without the structure and management – and our clients benefit from

sure accounts comply with the SRA regulations.

In the past, risk and regulation has sometimes been a reason law firms have shied away from putting all their documents into the cloud – but there's nothing irregular about it at all, as long as documents are available, owned by the firm and safe.

"There are two things to watch," explains Summers. "Make sure it's secure and

the relationship – and so, Summers says, "everyone benefits". Also, because Temple Bright has a tight idea of its monthly costs, and does without an internal firm structure to pay for and manage, the team can give their clients cost certainty and better value for money. This allows the firm to deliver alternative fee arrangements, such as fixed fees, while making sure it can turn a profit.

"We're offering a better service for a lower and more certain price," explains Summers. "Better service because you're getting lawyers who generally have at least a decade of experience for what is probably a lower price, and certainly a more certain price. But also we can spend more time with the client, getting to know them without constantly being on the clock.

"We're the people who meet clients at the start of the job, but we're also the people who do the work. That's a common complaint from clients – you get the senior person, the grey hair as they say, at the start, but you never see that person again until the end. With us, they get senior people throughout – even if I can't yet offer them the grey hair."

"We can offer a better service for a lower and more certain price, and spend more time with the client."



the savings."

When they started, McIlhinney took up the challenge to find an IT provider that could do almost everything, and decided on [Virtual Practices](#), a hosting business offering SOS Connect in the cloud. This gives the Temple Bright team a hosted CMS that the firm pays for on a monthly subscription basis.

The firm also uses Virtual Practices' outsourced legal cashiering service, which takes bookkeeping out of partners' hands while making

make sure everything is backed up for the purposes of disaster recovery, and SOS take care of all that for us. They host the documents, and everything belongs to us, so if we move provider we can have all our data and load it on to whatever we like." In fact, the firm gets a risk-management boost from running lean – no juniors means minimal need for supervision and little to no risk of schoolboy errors.

Running lean means being close to clients throughout

Click here for more on Virtual Practices' hosted solutions

