

Helping To Ensure The Success Of A Legal Department's Technology Solutions

The Editor interviews **Afshin Behnia**, President & CEO, Mitrastech; **Cathi Collins**, Vice President – Sales Operations, Bridgeway Software, Inc.; **Joe Fantuzzi**, CEO and President, Workshare, Inc.; **Eric Korb**, Managing Partner, LawyerLinks; **Jeff Lipsman**, founder of Dataflight Software; **Cole Morgan**, Director of Sales Engineering, DataCert, Inc.; **James A. Veraldi**, Executive Vice President, Micro Strategies, Inc.; and **Debra E. Weaver**, Vice President, Marketing and Sales, TrialNet, Incorporated.

Editor: What strategies do you recommend when a legal department is considering whether to extend its existing technology or to acquire new systems?

Behnia: Assessing your existing solution is critical to your legal technology strategy. If your current technology is home-grown, chances are it is at least a few years old. In that case, there are a couple of essential questions you need to consider: First, is your technology still current and innovative, and does it continue to deliver the value you require? Second, is its cost of ownership in check, or has it increased to unreasonable proportions?

Solutions purchased from software vendors also need to be reassessed. I recommend evaluating your vendor's past performance as well as his future outlook. Vendors need to demonstrate a true partnership approach in their relationship with you, and there are several key questions you can ask to determine whether this is the case: Do your vendors listen to you? Do they improve their products and services based on your feedback? Do they turn around support issues in a timely manner and provide quality services in the time-frame agreed upon? What value have you received from your engagement?

Your vendors' future outlook is equally important for your peace-of-mind. Clients need to feel confident that they will continue to receive future innovations, support, and services, in the long-term, from a mature and well-established organization. In order to protect your technology investment, you should validate your vendors' companies' health. Are they around today; are they likely to be there for you in the future? Have they gone through one or more acquisitions? What is their financial viability and their long-term strategy? Is their product roadmap in line with your future needs? What is the maturity of their engineering organization and processes? These questions will help you determine whether it makes sense to continue investing in your existing solution or to start looking at alternatives.

Collins: I would recommend a thorough review of the existing processes. Interviewing each member of the department is the best way to uncover undocumented processes that should be considered regardless of whether the department extends its current system or acquires a new one. Documenting all the current (As Is) processes makes it easier to compare industry best practices and establish baselines. The next step is determining the long term goals of the department and whether the existing technology can meet

those goals efficiently. The final consideration is the cost of extending vs. acquiring over the long term.

Fantuzzi: I think three strategies are essential for any IT solution consideration in a legal department:

- Learn from law firms
- Access analyst and press reviews
- Study competitor legal departments

Learn from law firms. Law firms and legal departments have similar business scenarios and technology needs. Many of their needs are your needs in areas of litigation support, data privacy protection, document management and information archival and retrieval. Your GC's law firm Partner will gladly give you the name of his or her IT Directors to keep you happy.

Access analyst and press reviews. Many legal-centric, application-centric and broader IT media regularly review software and systems products that are needed for legal departments. Major media include *Law Technology News*, *Legal Week*, *EContent Magazine*, *Sarbanes-Oxley Journal*, *Secure Computing Magazine*, *Information Week* and *InfoWorld*.

Study competitor legal departments. It is not necessarily easy, but learning what your competitors are doing is not only a defensive move, but can also be an offensive one. Ask around and you will find what other law firms are and are not doing. Use this knowledge to determine what is best for your organization both internally and in a competitive world.

Korb: Through my experiences in helping legal departments evaluate their technological strategies, particularly when it comes to their methods of research, I would have to say the answer to this predicament lies within the answers to these simple questions: "Is our existing technology reliable?"; "Is it scalable?"; "Is it extensive?"; "Is it measurable?"; "Is it replicable?" If your answer is "No" to any of these questions, then you need to evaluate your existing technology versus buying new technology and ultimately consider the costs of getting "Yes" to all questions. Also, when considering new technology, don't forget to add in the costs for transitioning and training.

Another consideration should be deciding if your existing technology affects the core part of your business, like billing and word processing. If not, consider outsourcing the technology and service. The legal department's resources should focus on what they know best or what mission is critical to the firm.

For example, legal research for corporate attorneys is LawyerLinks' core business, while case research is Lexis' and Westlaw's core business. Research plays a big part in the day-to-day transactions of information between corporate counsel and clients, and the more a firm or department is technologically advanced in this respect, the better the lawyers can service their clients. If a firm attempted to build the systems and content that we maintain on a daily basis, the costs would be extremely prohibitive.

So, as it often does, the answer comes down to economics. If your existing technology is critical to your business, make sure it passes the "Yes Test" above. Any

"No" can be very expensive in the long run. Make sure you consider all the costs related to getting to each "Yes," including alternate paths, like outsourcing, and then you'll have your answer.

Lipsman: Questions should be asked about pricing. Is an enterprise-wide license available? Does it offer both flexibility and cost-per-user savings?

Next, ask about scalability. Will the proposed solution be able to handle future, exponentially larger, projects as well as small ones?

Also ask whether there is a broad user community. Is the proposed solution used in many law firms or in-house legal departments? Are paralegals and legal assistants familiar with its use?

The cost of training for any new technology is always an issue. How long does it take an average user to become adept in using the proposed solution?

Consider implementation and operation. Is an informed and responsive technology support team always available to help?

Don't forget to ask about ease of administration. For example, Dataflight Software's FYI 3.0 provides access to a powerful central repository which clearly displays databases, case relationships and user access rights, while making overall management easy and visual.

Assess the system's security features. Is the system "invisible" to hackers? Is a firewall incorporated? Does the system have robust user security that includes client configuration settings to control


how authorized users log in and to limit what they can view?

Finally, think about the future. Does the proposed solution build on proven technology while anticipating the ever changing needs of your enterprise?

Morgan: The decision to extend an existing investment in current technology versus seeking out a new system is never an easy one. Cost conscious organizations certainly want to derive the most value possible from their technology purchases, and extending the life of an incumbent technology can very often minimize costs over the long term. Issues like implementation effort, training and general disruption of business often motivate legal departments to continue to invest in existing systems. However, accurately estimating these costs and trade-offs is essential to making the right decision for your organization.

In some instances, the actual costs associated with continued investment in an existing system far outweigh the costs of acquiring a new system to replace it. Both technology solutions and the business environments in which they operate are continuously evolving. Oftentimes this evolution results in the use of systems that are simply no longer a compatible fit for the organization. Correctly estimating the true costs and benefits of re-investing in an existing system is an essential part of the decision-making process.

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