centerbase.com

Centerbase CloudBased Law Firm Management & Growth Platform

3 Types of Legal Practice Management Software to Consider for Your Law Firm

developers · Friday, April 24th, 2020

[vc_row type="in_container" full_screen_row_position="middle" column_margin="default" scene_position="center" text_color="dark" text_align="left" overlay_strength="0.3" shape_divider_position="bottom" bg_image_animation="none"][vc_column column_padding="no-extra-padding" column_padding_position="all" background_color_opacity="1" background_hover_color_opacity="1" column_link_target="_self" column_shadow="none" column_border_radius="none" width="1/1" tablet_width_inherit="default" tablet_text_alignment="default" phone_text_alignment="default" overlay_strength="0.3" column_border_width="none" column_border_style="solid" bg_image_animation="none"][vc_column_text]

A few years back, I was at a conference discussing legal practice management software with a payment processing vendor. She was on their partnership team, which focused on developing relationships with legal software vendors. I was shocked when she told me she had 90 new practice management products to evaluate…90!

With so many legal practice management software applications in the marketplace, it's hard for any law firm to know where to start when deciding to change from their existing platform. To make this easier, I put together an article to help you better understand the types of options on the market, so you can quickly eliminate the categories of legal practice management software that wouldn't work for your firm.

1. Standard practice management software

The first category of legal practice management software is your standard practice management software.

Typically, these packages include your main features like:

- Matter Management
- Calendaring/Task Management
- Legal Timekeeping
- Legal Billing
- Trust Accounting
- Reporting
- Mobile App

Benefits

The biggest benefit to a standard practice management software is a low barrier to entry. Most of the software packages that fall in this category allow you to sign up for a free trial, enter information about your firm (address and billing rates), and then you're off to the races.
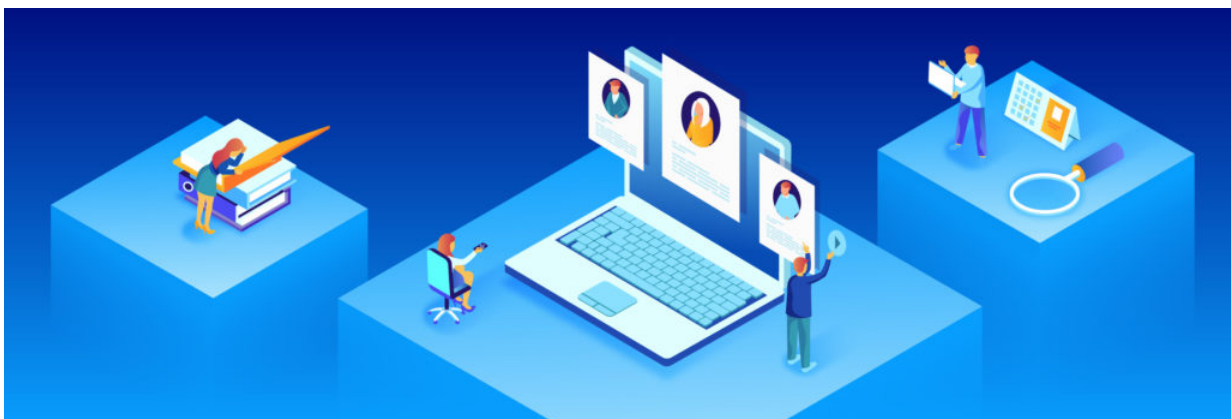
Drawbacks

Although standard practice management software works for some firms, it doesn't work for all. I find they require a lot of integrations, whether it's with a document storage software application like Google Drive or Dropbox, an accounting application like Quickbooks or Xero, or a third party application that does anything outside of the main features I listed above.

These types of packages tend to have limited importing and exporting capabilities, especially around your billing data. This means you're starting with a limited billing history and again if you switch off a standard practice management software application.

Best For

Standard practice management software is best for solo or small firms. A small firm can easily adapt to how the software works and most likely doesn't have clients that require complex billing arrangements. Additionally, the firm itself probably doesn't need compensation reporting or have enough accounts payable to require an integrated accounting system.

2. Specialized practice management software

Specialized practice management software tends to serve boutique firms that are highly-specialized in a specific practice area. These firms tend to only have one practice area (or run on their own inside a larger firm) and don't require traditional law firm billing.

Benefits

Specialized practice management software means the vendor is only creating features that are needed specifically by that practice area. For general practice management vendors, they're having to constantly add features that serve the majority of their client base, so you miss the very specific but helpful features one or two practice areas might need.

Because the package is specialized, it also requires less tailoring to fit your firm than a general package would require.
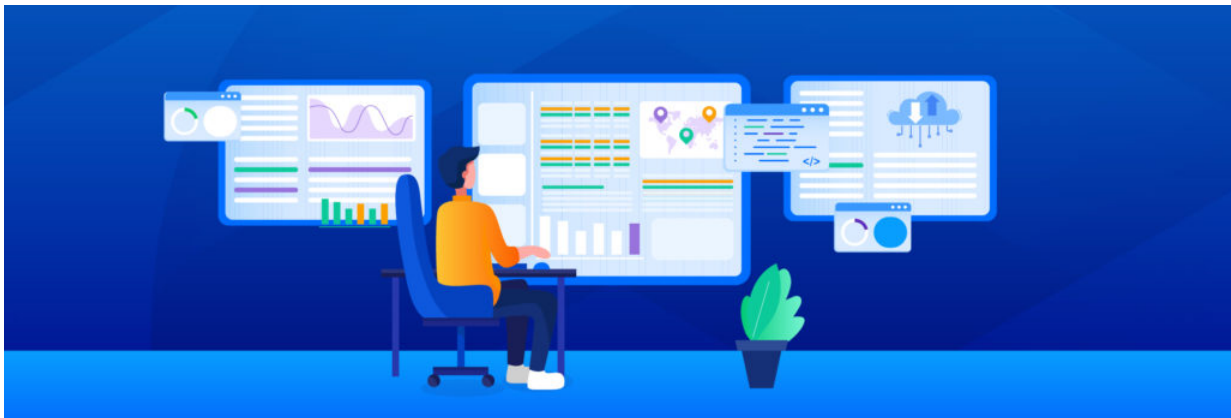
Drawbacks

The drawback of a specialized practice management system is the exact same as the benefit – it's specialized. This means it can only serve a certain practice area, so it won't work as well for a general practice firm or even a larger firm with multiple practice areas.

Best For

The majority of the specialized practice management packages I see on the market are geared toward personal injury and bankruptcy firms.

3. All-in-one practice management, billing, and accounting software

All-in-one practice management software gives you the majority of what you need in one product.

Benefits

These products are built for firms that expect to evolve over time, meaning their features are robust and deep and can change with the firm as it grows.

These packages also don't require multiple software packages for your billing and accounting, eliminating the need for double entry. This is helpful for firms who receive a high volume of client billing and accounts payable. The elimination of this extra click ends up saving a firm a lot of time in the long run.

Finally, most of the all-in-one packages allow you to import billing data (some also allow for accounting data), which makes the transition much more tolerable for larger firms that simply can't start from scratch.

Drawbacks

Powerful software tends to require more upfront setup, which can have high costs associated with it. This means your firm has to decide whether they want to invest in a product upfront that will serve the firm for the next 10-20 years, or if they'd prefer fewer upfront costs.

Best For

An all-in-one practice management, billing, and accounting software package is best for a midsize firm with multiple practice areas. The ideal firm for this type of software values the ability to save time by doing everything in one platform.

If you still need more guidance, check out: What Should Be Imported Into Your New Legal Billing Software and What Features Do I Need In a Legal Practice Management Software. If you know you want to pursue a cloud-based system, definitely read, 10 Mistakes to Avoid When Choosing Cloud-Based Software.

If you're still unsure as to which box your firm fits in, feel free to reach out to us for a free demo. We would love to help you figure out the best solution for you.

[/vc_column_text][/vc_column][/vc_row]

This entry was posted on Friday, April 24th, 2020 at 12:00 am and is filed under Practice Management
You can follow any responses to this entry through the Comments (RSS) feed. Both comments and pings are currently closed.