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## Determining the Right Time to Evaluate New Technology

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Timing is everything, right? The old adage holds true when thinking about upgrading technology.

Maybe you've been on legacy software for years. Maybe you work entirely on paper. Perhaps you're still dipping a fountain pen into an inkwell (by the way, if that's the case – cool). Wherever you're at, how do you know when it's time to start evaluating new technology? Is there ever a bad time? And why do you need to make a change anyway? If you can't give sound answers to these questions, then figuring out where to begin is going to be considerably more difficult.

When firms begin to think about evaluating new software, two distinct mindsets come into play: reactive and proactive. Which one your firm holds will set the stage for how you kick off this process.



### Reactive Mindset

For firms with a reactive mindset, one of five primary motivations tends to drive them to reevaluate their legal technology.

## 1. A Dying Server

Just like car batteries, servers don't last forever and eventually need to be replaced.

Picture this: Your server is on the fritz but still operational. The IT guy says it's got six months to a year. You hold off on any major moves and it dies unexpectedly three months later. Now you're looking at anywhere between **\$1,000–\$30,000** to replace it (depending on server size, payment plan, configuration, and duration of use). Maybe you're a midsize firm and you need an even bigger server to replace the old one, maybe you even need two. So not only do you have to buy a server or two, you also have to get all the required software and networking – and you have to have someone or some way to monitor it for security and performance. We won't go down the dark hole of law firm data breaches, but that is not something to take lightly.

A reactive firm will wait until their server is at the end of its life, which forces them into making a sudden choice to either buy a new one or move everything to the cloud. Since buying and maintaining a server is such a big capital expenditure, the firm often realizes at this point that the costs associated with replacing the server do not outweigh the benefits of going with cloud-based technology.

## 2. A Struggling VPN

Virtual Private Networks (VPN) are common in most legacy software; without them, users wouldn't be able to access their data remotely.

Traditionally, most firms set up a VPN only for those individuals who may work from outside of the office. In these cases, its capacity is only set to be operationally functional for about 20–25% of the firm's workforce. The more people who need to rely on the VPN to work from different locations, the more the functionality of the private network will suffer. VPNs were not made to host 100% of your workforce.

A VPN is dated technology, especially when looked at alongside cloud computing. In some ways, you can think of it as the first version of the cloud. With teams all over the world shifting toward remote or hybrid models, the timing has never been worse for you to feel the burden of a struggling VPN's impact on productivity. A reactive firm will wait until sluggish functionality forces them to consider other options.

### 3. SaaS Deficiencies

Many firms already use some form of cloud-based technology, but that doesn't automatically mean they're happy with the software they chose. There are a number of reasons that may cause a firm to think about making a sudden switch from one cloud-based technology to another. The most predominant reason is that the current system lacks features that the firm needs. This is the unfortunate result of either poor communication from the vendor or the firm not being explicit enough about their needs during the initial discussions with the sales team.

Another pain point that often leads firms to switch software is how their data is distributed. If their current software doesn't have the necessary integrations they need to manage their day-to-day operations (think document management, court deadline scheduling, etc.), they have to rely on additional third-party programs. At first, firms may not feel that this is an issue. However, as time goes by, they realize how inefficient their operations are becoming as a result of their data being spread across several programs. Working out of multiple systems makes it significantly harder to utilize the data effectively enough to make sound business decisions. Firms end up having to train their staff on each new program, all while dealing with the human errors that commonly arise from working piecemeal with large quantities of information.

Think about a software program that only has billing features and lacks accounting functionality. In this case, firms have to rely on outside technology for all of their accounting needs, which leads to copious manual work and, subsequently, more chances for human error (because let's face it, none of us are perfect). If you've ever had to enter information into multiple systems like this before, you know very well the pain we are talking about here. Firms also sometimes overlook the importance of a mobile app. In the fast-paced, on the-go environment of today, a mobile app is essential. And just because a vendor offers cloud-based software, it doesn't mean they also have a mobile app, leaving some firms with buyers' remorse as they remain glued to their desktops unless they switch to new software.

### 4. Annual Maintenance Plans

Another reason firms consider making the switch to cloud-based software is that they're late on their annual maintenance plan (AMP) fees.

Many legacy software programs have this annual maintenance fee to provide users with an annual software update. Sometimes it may get you additional help from the support team, but you're really paying this fee to get the latest software update.

When firms purchased software 20 years ago, it meant they were also getting the latest and greatest features and fixes every year. Nowadays, the model is to shell out for the software, watch as new bugs and performance issues emerge, and then, come the end of your year (whether that is calendar-based or not), pay for those bugs to get fixed. Naturally, many firms have found themselves asking, “Why would I pay thousands of dollars every year for fixes to problems I didn’t create?”

After about five minutes of soul-searching, firms typically respond by refusing to pay the AMP. And then what happens? Firms fall so far behind on their payments that they are left with outdated and bug-ridden software until they pay back everything they owe for their years of update neglect.

Once again, a reactive firm will find itself forced into a decision. Paying the AMP certainly isn’t appealing at this point since they won’t even get better software. When they look at the burden of paying all that money back, they start to wonder if it would be a better use of their money to ditch the software entirely and go with something new.

## 5. Malware and Security Breaches

Did you know that one out of every four law firms has been a victim of [data breach](#)? In 2020, there were 3,932 publicly reported data breaches, comprising over [37 billion records](#). If your jaw didn’t just drop, it should have.

At one point in time, cloud technology was viewed as a security hazard compared to on-premise servers. Today, however, that reality has changed. On-premise servers are at significantly greater risk for breaches because they are exposed to way more physical elements. If you have on-premise hardware, think about where it is. Who has access to it? How securely locked up is it? What would happen if there were a natural disaster? Unfortunately, at the end of the day, if a firm has on-premise hardware, it’s the firm’s job to manage and protect that technology. The simple truth is if a firm is hacked even once, it needs to react quickly and decisively to make a change.

The easiest way to take server security off your plate is by working with a cloud-based provider. Ask yourself what you can do better to protect your firm and your clients and how you would react to a breach. The data you handle is sensitive and hackers today<sup>9</sup> use sophisticated techniques to gain access to it. If you aren’t relying on companies who protect data for a living to keep yours secure, you are exposing your firm to significant risk. As soon as a security breach happens – a very real risk when you look at the numbers – a reactive firm is pushed to evaluate new cloud-based software.

If any of those scenarios resonated with you, it is time to start looking at new legal technology while you have the leisure to do so.

## Proactive Mindset

Now, firms with a proactive mindset are intent on staying ahead of any problems and motivated by a desire to improve. Instead of waiting for issues to occur, these firms pursue action-driven solutions to maximize their operations. This road often leads them to consider cloud-based software much earlier than a reactive firm.

Any number of areas of improvement may serve as motivation for a proactive firm. Here are five of the most common ones.

### 1. New Goals

Proactive firms are motivated to meet the current state of technology. They take active steps to adopt modern solutions that may not have existed five years ago, taking note of their current pain points and strategically planning how they can alleviate them. Generally, they set out to improve current processes, become more efficient, and implement software that allows them to be agile, grow, and develop.

### 2. Talent Recruitment

Younger attorneys view technology as a means to push themselves ahead. They see the modernization of old practices as a way for them to do a better job.

When younger attorneys evaluate firms, they are also evaluating the tech stack each firm has in place. Proactive firms realize that buying that new technology allows them to more easily recruit top talent. Think of your tech stack as part of your benefits, right alongside the number of PTO days you provide and the strength of your healthcare plan. The technology you offer can be a deciding factor for whether an up-and-coming attorney wants to work for your firm, just like those traditional factors. The difference it makes might be the competitive edge you need. And if you have yet to notice that difference, you will soon.

Many of the more established attorneys do not see the importance and value of legal software.

They see it as an unneeded change to a successful career they've managed without digitization and automation tools. However, you shouldn't turn a blind eye to the younger generations because one day they will be the dominant force within your firm.

### 3. Better Client Services

Your clients are expecting three basic things from you:

1. Their information is locked up and secure.
2. They are able to access that information at any time without having to jump through hoops.
3. They are able to reach you.

We call the need for immediacy the “Amazon Effect,” where people need things yesterday. Obviously, that type of speed is not feasible in the legal industry, but proactive firms look for ways to emulate that type of service.

To start, your firm needs to be available. No one hits a panic button faster than a client who either doesn't feel heard or can't quickly get the information they need. And you have no idea when your client may or may not need something from their files. On a related note, your staff does not have time to be on the phone constantly. Utilizing software with advantages like a client portal not only helps reduce the number of client calls, it also helps your firm stand out by getting your clients what they need faster. You should always be striving for transparency, not just because it is good for your clients but because it also frees up your time. Today, your clients and potential new clients (PNCs) are looking for that white-glove service. If you cannot offer that, another firm can.

And if you don't believe us, a study by BTI Consulting Group showed that 80% of participating clients expected **immediate responses to texts and emails**. But don't worry, “immediate” in this study was defined as between 1–2 hours. Unfortunately, when firms were evaluated, attorneys considered “immediate” to be between 4–8 hours. With that big of a time discrepancy between attorney and client expectations, clients can get anxious, grow impatient, and become less likely to refer service post-matter. Although you may be juggling many clients at once, the goal is to treat each client like they're your only client. A client portal helps you achieve that by giving clients autonomous accessibility, which has the added perk of reducing the time you spend answering their questions.

This responsiveness can be translated into how successful your business is as well. When people are searching for representation, oftentimes it is the firm that responds to their call or email first that wins the business. Not only are these firms setting the tone right off the bat, they are also

making the client feel prioritized – a huge factor when it comes to converting potential new clients into billable clients.

An ABA Benchmark study on intake process found that 42% of the time law firms took three or more days to reply to a voicemail or web-generated form from a prospective client. That's a long time! Firms spend time and money to collect new leads, yet are slow to capitalize when new leads come due to responding inefficiently. Your availability, response rate, and transparency all contribute to the client experience. Legal software is the best place to start if you want to improve these aspects.

## **4. Revenue Goals**

If a firm's goal is to increase revenue, the initial reflex for many is to try to hire more attorneys. But if you leverage technology, you can increase that revenue by capitalizing on features that allow you to capture more billable time.

This can be as simple as entering time on the go, whether it's on the train, at a dinner event, or in line at a grocery store – or it can be complex like being able to instantly track and create billable events for text messages, calls, and emails as the conversations occur. On average, attorneys only capture 2.3 billable hours a day, so automatically capturing your time as it happens is the easiest way to grow your business without hiring more staff.

## **5. Remote Work**

If your firm has plans to move to a more distributed workspace, it has a huge reason to invest in technology. Leveraging the connectivity that legal tech provides minimizes the negative aspects of working remotely (such as communication problems, connection issues, organization lapses, etc.). On top of that, it improves overall productivity by giving everyone access to resources that were built to enable agility and efficiency away from the office.

It shouldn't matter where your staff or attorneys are. They need to have access to their work and your firm is going to lose money if they don't. Firms that are proactively seeking flexibility inevitably pursue legal software because that is exactly what it gives them.

## **The Takeaway**

There are many reasons why your firm may need to evaluate new technology and depending on that reason, your journey into the buying process could look very different. Knowing why your team is evaluating new technology will help you stay prepared and give you better insight into what you ultimately need.

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