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What's the Value of Clean Data for Your Law Firm?

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A robust data classification system is a must for your law firm. You've been entrusted by clients to not only zealously represent them but also to do no harm. To accomplish these goals, you must protect their sensitive data through a comprehensive and secure data classification system — one where you review and purge data regularly.

By having a carefully constructed data classification system, your law firm can protect itself against a possible data breach, make sure that it is properly compliant with the ethical rules regarding client record management, and better evaluate your firm's performance and bottom line.

In this article, we'll cover all of this and more while sharing a roadmap to help you start cleansing your law firm's data.

What is clean data?

Data cleansing is the process of detecting and then correcting or removing defective, duplicate, or incomplete data.

To determine what data might need purging or correcting, think both big and small: your firm's client records, filing records, document databases, scheduling books, emails, contact information, and employee information, to name a few data sources. Think about any potential data repository, both in your firm's servers and computers and other electronic equipment as well as on your staff's mobile devices.

Basically, this process means recognizing what is missing, incorrect, or unnecessary in your law firm's data and then rectifying it. It's a process that requires forethought and one that is best

handled with a bit of [help](#).

How can clean data benefit my law firm?

Cleaning your firm's data is important to protect your firm. Sound data classification and cleansing practices can transform your law firm by reducing risks and improving profitability. With cleaner, error-free data, your law firm can protect itself against possible data breaches, make sure that it complies with the ethical rules regarding client record management, and better evaluate its own bottom line.

Clients entrust their sensitive, confidential data with your law firm. To fulfill your ethical responsibility to your clients, you must go the extra mile to keep only the data you need. Organizing and cleaning your data regularly helps to protect your clients. Data retention schedules and auto-deletion features can ensure you purge client files, emails, and other data once they are no longer useful to your firm.

This is important because protecting your clients and their information is a fundamental ethical responsibility — and it's also just a good business practice. Lawyers are required to protect all client information from disclosure, including in a data breach. The American Bar Association has issued ethics opinions on [securing communication of protected client information](#), and numerous states have their own data protection laws (e.g., New York's [SHIELD law](#)). Because your license and practice are at stake, it's critical to establish [data security measures](#).

Clean data is also good for your bottom line. With cleaner data on your law firm's performance, you'll have better analytics, thus allowing your law firm to make more informed business decisions. Clean data ([along with the right legal practice management software](#)) makes for more accurate tracking. So, you'll be able to keep a clear eye on practice area performance, monthly revenue, cash flow, and work-in-progress reports.

With cleaner (read: better) data, your firm can compile more useful reports and respond and adjust intelligently. You'll also just keep better internal systems and records with clean data. It'll be easier to run payroll, order supplies, and run your law office.

What is a data classification system?

To maintain clean data, it's crucial that your firm establish a data classification system. Without one, your law firm will be poorly positioned to both avoid data breaches and respond effectively if one happens. Classifying data is the first step to protecting it, and a well-planned data classification system is essential.

The basics of data classification

Classifying your law firm's data is not always an intuitive process. As your law firm grows, this process only becomes harder and more time-consuming. Our advice is to start organizing now and put repeatable processes in place so it's easy for you to maintain clean data.

Begin by identifying your firm's data and taking inventory of all the data held by your firm. Be methodical and ruthless in your analysis.

Then consider your collection processes. Do you actually need to collect all of the data that your

firm is housing? Consider whether you can cut certain things and, if so, update your client information forms as needed. Minimizing unneeded data collection will benefit your firm in the long run.

We also recommend putting a data retention policy into place and setting automatic deletion features after a set period, particularly for certain sensitive information.

Once you've completed the identification stage, you can move on to actual classification. Most law firms (and businesses more generally) use tiered levels of confidentiality: public, sensitive, and classified. By having clear classifications, your law firm can set strong policies based on the different categories. When classifying data, remember to also keep in mind who owns the data, where it might be stored, and what the substance of the data is. [With the right software](#), you'll be able to organize and create controls to best organize and protect your client's data (and your law firm's data too).

This process may sound overwhelming. But it's worth the trouble and will help your law firm to optimize your systems. When your data is categorized and controlled, your staff can find the information they need faster. As you know, optimization means higher productivity, which means more revenue.

Out with the old

We recommend starting with something easy like subscriber information. It's okay to cleanse the contact information for folks who haven't interacted with your law firm in years. Especially if your law firm has [an active online presence](#), these clients will be able to find you anytime in the future. Set your own policy for contact retention, and be sure to follow it.

Also, keep an eye out for bounced emails and update or delete your contact records as needed. The same goes for document recordkeeping. Don't hesitate to delete non-priority records that have been inactive for years. Chances are that the information you have is outdated. Plus, if your law firm has [an active online presence](#), these clients will be able to find you with ease.

This holds true for the information your law firm has been collecting on itself. The cleaner your performance and financial data, the more accurate your [analytical financial reports](#) will be.

In with the new

Next, figure out which data is worth retaining. For example, if you're looking to update your current client contact records, you'll want to put resources into identifying which clients have incomplete records and start reaching out to gather the missing information.

The same goes for ongoing client matters. It's worth ensuring that you have fully executed documents for recent transactions and complete records for matters that might turn litigious and be subject to a litigation hold.

By recognizing which data is necessary to complete and hold on to, you'll be able to better use your firm's resources.

Do it again

Once your firm has figured out its priorities and established a system of data cleansing, it'll benefit from putting policies in place and establishing good data entry habits. If your law firm relies on manual data entry, it's important to have firmwide guidelines. For example, you should specify whether your firm spells out or abbreviates certain terms and what spacing and punctuation should be used. And you should make sure to enter names and addresses following a consistent protocol.

And, unfortunately, you'll need to cleanse your data again, and again, and again (and again). Your firm should regularly review newly added records for consistency and completeness, which can also help to catch spam or incomplete data. To keep your law firm's data clean, you'll need to assess and purge as a matter of course.

Start your journey to cleaner data now

Clean data is the foundation for a sound data classification process. The cleaner your data and the more consistently your firm follows your data classification system, the less your firm's risk of data compromise, the stronger your law firm's performance will be, and the better you'll be able to forecast your finances, manage your client matters, and build your client pipeline.

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