



INVESTING IN TECHNOLOGY — WHERE THE RUBBER MEETS THE ROAD

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Probably sixty to sixty-five percent of what I “do” at PBA involves technology. Writing about it. Creating and presenting seminars about it. Giving daily advice on the hot line about it. People are not always happy with the message I deliver, but gratefully most are mindful of the phrase “don’t kill the messenger.”

I recently prepared seminars for the ABA TechShow and the PBA Solo & Small Firm Section Retreat on essentially the same topic: tips on shortcuts and time savers. I was amazed at the wealth of new tools which have become available in the past year. At about the same time, the January/February edition of ABA’s Law Practice Management Section electronic magazine came out. It featured the results of a brief technology survey which was sent to all ABA members practicing in firms with six or fewer lawyers, as well as to the members of the General Practice, Solo and Small Firm Section’s SOLOSEZ discussion listserv.

The demographics of the 1,350 respondents are somewhat typical of the general demographics in PA; 51% were from solo firms, and 79% overall were from firms of three or fewer attorneys. I’d expect only about a 65% overall response in PA from firms of three or fewer attorneys. So this is perhaps a more insightful look at the role of technology at small firms.

Budgeting for technology is the first issue which stands out. Whereas virtually all large firms and most mid-size firms budget for technology, an amazing 88% of respondents indicated that they have no formal budgeting process for technology. I interpret that to mean that there is also no technology plan. Most solos and smalls still haven’t “gotten it” that technology planning and budgeting are essential tools to ensure that

- § what you buy today will work with what you buy tomorrow;
- § you get a reasonable return on your investment;
- § you invest proactively instead of reactively; and
- § you purchase based on need and quality, rather than price alone.

Another area of the survey which stands out is regarding the use of legal-specific software for accounting and case management. A startling 54% of respondents indicate they use a generic program, and 12% admit they use no accounting program at all. For solo attorneys, 20% use no accounting program. Over the years I've visited a large number of offices which have not automated the accounting function. And not all are solo practices, I might add. What I find without exception is

- § a lot of wasted time each calendar quarter and especially at year end tallying up information manually
- § a total lack of meaningful information on which to base good business decisions
- § poor billing and collection habits
- § poor profitability
- § inflated accountant bills

I can't help but wonder why any law firm, whether a solo or larger, would not automate the back office functions when tried-and-true legal-specific software is so readily available. Yes, there is an initial investment both in software and training. But that investment is quickly returned in saved time and accounting fees. Thereafter additional benefits continue to flow from the use of improved and readily available information, better billing and collection habits, and so forth.

The best choice for software is one which combines both accounting and time & billing into one integrated package. It eliminates double entry, which often results in error and inconsistency. It eliminates the need to establish "links" between packages. For most attorneys the maintenance of links becomes problematic over time, because as soon as one of the linked packages upgrades, it can create problems, and often the links must be established all over again; great news for private consultants, not great for the law firm.

Computer support and maintenance is another area where the solo respondents were at a severe disadvantage. More than half of the solo respondents provide their own technical support. Only 10% of lawyers in firms with three or more attorneys do it all themselves. Since technical issues comprises such a large part of what I do, I know that there are two distinct factors at work here. First, the cost of obtaining decent technical support can be daunting. Second, the ability to find reliable technical support is also an issue. However, there are decent and affordable technicians out there. It takes some effort to find them, but it can make all the difference in the world. Better to pay someone to fix, upgrade, install,



diagnose (the most time consuming), and otherwise deal with the technical issues while you continue to produce billable time, than waste it dealing with issues you're not equipped to handle.

Now I know some of you are very technically adept. In fact, I am amazed at the skill level of many of you. And you may even enjoy the technical support role. But is that what puts bread and butter on your table at home? Is anyone paying you to be a techie? Corporations have shown us for many years the result of concentrating on core business activity, and outsourcing the rest. Lawyers need to pay some attention in this area. Don't kid yourself that this is just "extra" time you invest because you like messing with the technology. The truth is that you have only so many hours in each day, and you're not miraculously going to find more hours when a technical problem occurs. That means you are not paying attention to your core business, whether it is the professional side (client work) or the business side (marketing and administrative management) which is pushed aside. There are things that *only* you can do on the business side. And you are already feeling like there are too many demands on your time as it is. Why are you adding to the load with chores which *can* be adequately outsourced?

I hate to use the clichéd phrase, but when it comes to technical support for a solo or small firm, you may need to think outside the box a little. Perhaps you can "share" a person with several non-competitive firms. In some counties a call to your local bar's executive director can provide the name of a reliable and affordable vendor or two. Remember, they have to keep things running on as tight a budget as you do. Ask the other vendors you deal with who they would recommend for technical support. If you have a key client with a big tech department, perhaps you can make an arrangement to purchase some hours of technical support from them.

Ok, if I can't dissuade you from doing it all yourself, at least get the proper tools to get the job done efficiently. That means upgraded technical support contracts with your software and hardware suppliers. It means investing in some software utilities to make your life as easy as possible when problems arise. And it means getting some training so you know what the heck you're doing with your software, instead of floundering around wasting your valuable time.

For those of you who heard my presentation entitled *Electronic Brain Power: Knowledge Management in the Law Firm* at the Solo & Small Firm Section Retreat, you know that the number one software package for you to invest in, in my not-so-humble opinion, is case management. And if I had my way, every one of you, with rare exception, would be using a case management package which integrates time & billing and accounting functions. Out of approximately 50 in attendance at the session, only a few hands went up when I asked who used case management



software. Why would you *not* want to use a tool that will increase your productivity, profitability, and pay for itself in short order?

A fair number of you have called me on the hot line for additional information and guidance following the conference. But not nearly enough of you. My sense is that Pennsylvania attorneys are slightly ahead of the technology curve compared to the attorneys who completed the ABA survey. I take it as my personal mission to widen the gap. So as Clint Eastwood would say, "Make my day!" Call me on the hot line and let's get you better organized and automated. I promise to make it as painless as possible.

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