



MOVING TO THE CLOUD

Ellen Freedman, CLM
© 2013 Freedman Consulting, Inc.

According to the *2012 ABA Legal Technology Survey Report*, the largest demographic segment of law firms to move into the cloud this past year consisted of solo and small firms. They are migrating into the stratosphere at just over twice the rate of large firms. In the past year, increases in solo lawyers who reported having used cloud-based software increased 6% (to 29%); lawyers in small firms of 2-9 lawyers also increased 6% (to 26%). Compare that to lawyers in firms of 100 or more, where there has been no increase in cloud use from the previous year, and total usage is just 11%.

You are probably curious about what all those lawyers are using in the cloud. Based on the referenced survey, 46+% are using Google Docs, 16+% are using practice management (Clio 12% and Rocket Matter 5+%) and 8+% are using data storage (iCloud 4+% and Dropbox 3+%).

Many firms, especially solos, smalls, and mid-size firms of up to about 20 or so lawyers, are currently grappling with the same issues:

- A general unhappiness with their back-office and/or practice management software. With so many acquisitions over the past 5-10 years, many excellent products have gone by the wayside, or suffered degradation in quality and/or support since acquisition.
- Looming necessary infrastructure upgrades. We have had a number of consecutive economically-challenging years. For most firms, this meant delaying cyclic upgrades to equipment. The typical 3 – 5 year cycle for a file server or PC, for example, has been extended to as much as 7 years at many firms. But realistically, there's a limit as to how long the hardware can perform to the level current software requires, let alone how long costly components will continue to operate reliably.
- A need to provide remote access on a secure basis. More lawyers need and want to be able to work while at home, on the road, and from a variety of devices. In addition, they want and expect performance to be comparable to working at the office.

- Reliance upon such tools as GoToMyPC or LogMeIn are great for the infrequent user. But for the constant user, they are slower, less reliable, and require leaving on equipment at the office to enable access. That is a waste of energy that weighs heavily on environmentally-conscious individuals. More importantly, it requires additional security measures in terms of the strength of a firm's firewall and router configuration.

Large firms definitely have the advantage in remote access options without having to move to the cloud. They can economically create a VPN (virtual private network), create a private cloud, or deploy their own Citrix-server environment so that remote users can log in from most devices and get the same experience as being at the office. All without giving up many of the bells and whistles one must do when using cloud-based software.

- A common concern among lawyers is that too great a share of each dollar earned is being spent on and in support of the firm's technology infrastructure. In addition, for small and solo firms, too much otherwise billable time is being diverted to the care and feeding of the firm's technology. Technology management in all respects is increasingly outsourced by lawyers, so that they can concentrate on what they do best: practice law.

The most pressing question, even before the who, what, and how of best utilizing technology through the cloud, is *can* I? Understanding the ethical issues, and the lawyer's obligations, is the overriding concern. The cloud is scary. And largely misunderstood. Equally unclear is how obligations may be met in a simple to understand, pragmatic, best-practices way.

Different states have different ethical opinions regarding cloud computing. Start by looking on the web site of your State Bar Association. If your own state hasn't already published specific information on its web site, then search the ABA web site for cloud computing. You will find there are almost 2500 hits. Many deal specifically with ethics, and some are seminar materials and available books. You can use this link (<http://bit.ly/YRQGfu>) to start searching the ABA site for information. In PA we are fortunate to have Formal Opinion 2011-200 on this topic, which clearly spells out the attorney's obligations when utilizing cloud computing.

My experience reveals that use of case management and/or time & billing software is one of the primary motivators for many firms moving to the cloud.

Freedman Consulting, Inc.
(215) 628-9422



Faced with hefty Annual Maintenance Plan (AMP) fees, and costly software upgrades, many small and mid-size firms have reached the breaking point.

Keep in mind that conversions can be pretty stressful, and are not without their own costs. Normally you can't pull over all of your historical accounting data. So you will have to determine whether to print important historical information to paper or PDF, or export to Excel if possible.

Be sure to ask as many questions about the conversion process as possible. Be particularly vigilant if you plan on integrating more than one package; for example, case management and accounting. There will probably be some very confining limitations on both sides, without which your integration will fail. For example, if linking Clio with QuickBooks, you cannot change any of the default law firm chart of account names in QuickBooks, or your integration will fail. Make sure each vendor has at least one available support person involved who has knowledge of the other software.

Check with your state bar's practice management advisor for recommendations on packages suitable to your firm's size, clientele and practice areas. One size does not fit all.

A version of this article originally appeared in the April 2013 issue of the American Bar Association GPSolo, Small Firm and General Practice Division eReport.

© 2013 Freedman Consulting, Inc. The contents of this article are protected by U.S. copyright.. Visitors may print and download one copy of this article solely for personal and noncommercial use, provided that all hard copies contain all copyright and other applicable notices contained in the article. You may not modify, distribute, copy, broadcast, transmit, publish, transfer or otherwise use any article or material obtained from this site in any other manner except with written permission of the author. The article is for informational use only, and does not constitute legal advice or endorsement of any particular product or vendor.

