

# Letting Lawyers Work the Way They Want to Work

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Law firms operate in an increasingly competitive environment. First, globalization requires firms to reach beyond their traditional boundaries, forge alliances internationally and practice in multiple specialized areas of the law. Secondly, the pressure to improve realization rates has never been more intense.

To meet these challenges, firms must use their intellectual capital as a strategic resource. This means firms must provide lawyers with a single interface to all client and matter information. Systems such as document management, legal research, records management, financial reporting and collaborative tools must be integrated. Moreover, know-how must be systematically captured, managed, shared and re-used.

Firms should integrate previously disparate systems and capture know-how in the context of “matter lifecycle” management, as illustrated below. Upon intake, a new matter must be reviewed for possible conflicts. If cleared, it is assigned to a practice area, categorized by topic and a matter folder is created.

The matter folder contains all related documents, e-mail correspondence and billing information. Ideally, it should be pre-populated with key dates (docketing data) and relevant precedents. There should also be an easy way to designate documents for re-use (knowledge management) or for retention (records management). Partner

views of the folders should include financial reports about the client and the matter. In many instances, information will be shared with clients or co-counsel and must therefore be accessible via collaborative technologies.

Managing the work explicitly in its natural lifecycle, providing access to all the information about a matter in a single interface and capturing re-usable know-how all contribute to better client service and higher realization rates.

## The Matter-Centric Attorney Desktop

The old paradigm of the application-centric desktop is fading; instead, firms must provide a *content*-centric view. Lawyers do not care that e-mail systems manage messages and document management systems manage documents—they want to see all related information in a single, logically organized interface. Consequently, many firms use a portal or Web browser-based solution. Others view Microsoft Outlook as the key, because lawyers use it so much and it is now easy to include in the Outlook folder tree documents or folders from the document management and other systems.

UK-based Allen & Overy LLP, one of the world’s top global law firms with 4,800 fee-earners and staff in 23 countries, is implementing a global virtual file called “Omnia”

using the Hummingbird Enterprise portal, document and knowledge management capabilities. Dave Burwell, A&O’s CIO says, “Omnia offers our attorneys an interactive matter-centric view of the firm’s matter, know-how and client information within a single browser interface. Fee-earners anywhere in the world can interact with the virtual file that contains all information related to a particular matter including documents, e-mail and paper correspondence, time, billing and contact information. As a result, our fee-earners and staff are better able to manage work in progress, improve productivity and service our global client base more efficiently.”

The matter-centric view is especially useful for managing work in progress, including documents, e-mail and financial data. This view is also a natural way to facilitate collaboration outside the organization because co-counsel and client permission to access information is generally determined at the matter level.

Another benefit of the matter-centric and lifecycle approach is the potential to automate tasks. This may include “workflows” that automatically create certain documents and that pre-populate new items with matter metadata. For example, client information created during the matter intake may be automatically populated to the client matter folder once the firm completes the conflicts check. Once the client matter folder is generated, the assigned lawyers are notified of the new matter and have immediate access to critical information.

## Managing Firm Know-How

Commonly referred to as knowledge management, firms are recognizing the importance of fostering a knowledge-sharing culture as a means toward better client service and improved realization rates. Many firms today consider knowledge management as a “cost of doing business” rather than an optional achievement.

By organizing and categorizing firm work product into practice areas or topical



Law firms can be more effective and efficient by dealing with all of their information on a matter lifecycle basis.

categories, a firm can gain several benefits. For example:

- ◆ Quicker ramp-up of new lawyers via access to a library of best practices;
- ◆ Faster delivery of services, particularly standard commercial transactions by re-using precedents; and
- ◆ Preserving and protecting the collective firm know-how as lawyers leave the firm.

There are two approaches to capturing firm know-how. One is an automated approach that uses software to identify and find useful documents. Another is to rely on a more manual, human-driven editorial process. The two are not mutually exclusive and a blend is often best.

Automated tools can sift very large document collections to find a small subset, but the subsets returned are often too large and contain too many false hits, or the results do not provide any context.

In the human approach, dedicated workers identify useful documents, save them to a separate database, and describe the context in which they were used. Many law firms, especially in the United Kingdom and Australia, have “practice support lawyers” or “knowledge managers” whose primary job this is.

At Allen & Overy LLP, the firm designed its know-how system to encourage information sharing among the staff. The know-how system contains more than 20,000 items including precedents, best practices, advice and templates. In addition, Dr. Burwell says, “We have streamlined our process in order to ensure documents are classified correctly. The key to the implementation is to ensure that the knowledge management tools and practices are tightly integrated into the day-to-day business of the fee earners.”

One specialized legal-market product, AdvanceKnowledge by ii3, Inc. of Toronto, offers an approach that greatly facilitates the manual approach. Tight integration with the Hummingbird Enterprise document management system and a built-in workflow make it easy to submit documents to a separate repository. Moreover, during the submission process, a lawyer or knowledge manager can easily enter contextual information, associate related documents and information (e.g., key contacts) and categorize the material into a taxonomy. The system even identifies expertise based on the number of submissions by category, which in turn, provides an incentive to submit documents.

McCarthy Tetrault, the largest law firm in Canada, has used AdvanceKnowledge and Hummingbird Enterprise document management for several years. In the course of rolling out the product, the firm also took many measures to motivate lawyers to submit doc-

uments. George Takach, the McCarthy partner who spearheaded this effort, says that “using AdvanceKnowledge has made a huge difference for our firm. We no longer talk KM—we really do it. Between the software and work practices we established around it, lawyers regularly contribute content and, more importantly, describe the context of deals, cases and other matters. This makes it easy for other lawyers to find valuable know-how quickly, which means better service and greater efficiency for our clients. The use of ‘broadcast’ e-mail to find documents or expertise has fallen off dramatically. AdvanceKnowledge allows us to extract much more value from our document management and CRM systems.”

## Preserving Records

Managing firm records has several dimensions: ensuring business continuity, complying with legislative mandates relating to records retention and planning for the potential discovery of digital data in litigation.

Records management should be an integral component of a matter-centric attorney desktop. The client-matter folder should have embedded rules by which documents are classified in accordance with pre-defined retention practices. Automated triggers or workflows that declare a document a record invoke these retention rules. Declaring a document a record means that it cannot be modified (it is an authentic record) and it must be maintained for a specified period of time.

E-mail management is a special challenge for law firms because lawyers rely on it so heavily for substantive, client-related issues. Which messages should be preserved and which ones not? Increasingly, automated techniques allow classifying and categorizing messages into client-matter folders that meet predefined classification criteria. Rules engines can infer in which matter folder the message belongs and how it should be classified for retention purposes.

Effective records management practices mean less onerous discovery expenses should litigation occur. The absence of a formal document retention policy can result in dire consequences. For example, there have been cases in which exculpatory evidence was not allowed into evidence because of problems in how documents were retained. Automated approaches do not eliminate the need for human review, but they do help in the initial process of distinguishing between irrelevant and vital records.

## Business Implications

The days of law as a genteel profession are over—firms now run as businesses.

Recent mergers and failures of large firms have surprised even long-time observers. Growth and profitability are the new mantras. Many firms now take marketing and business management seriously, hiring highly compensated Chief Marketing Officers, emphasizing cross-selling, tracking profit and loss at the practice group level and shifting from low-margin to high-margin work.

Leveraging firm know-how is an effective tool to promote the firm. Client-matter information is often re-purposed around practice-centric content that links the firm’s domain expertise to precedents. Legal research content then is published to the firm extranet as a service to existing clients and as a marketing tool for attracting prospective clients.

The challenge for law firms is to generate incremental value from an inherently scarce resource—time. Application-centric computing is giving way to a data-centric model; at the same time, firms are capturing matter-specific work to create shareable and re-usable knowledge bases. This transformation may change the way firms generate value and maximize realization rates. Hourly billing may give way to value-based billing (for example, fixed fees). Partners have the potential to scale their practices by having junior lawyers deliver the high quality service by re-using precedents and best practices.

Viewed in the competitive context and pressure to generate profits, the matter-centric way of working is not just a desirable model, but an imperative. Conventional wisdom once held that firms should not invest in knowledge-enabling processes unless there is cost recovery for these initiatives. This premise is no longer valid. Such investments ought to be considered as a cost of doing business. ■

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Hummingbird recognizes that firms have different ways of working and different infrastructures to support. Hummingbird strategy is to provide a flexible environment that supports how lawyers work, based on configurable matter and practice-centric views of firm work product and know-how, accessible from a wide range of user interfaces. The architectural foundation of Hummingbird Enterprise is to provide single point of access to a suite of applications that are highly integrated. For more information visit us at [http://www.hummingbird.com/legal\\_kmw04](http://www.hummingbird.com/legal_kmw04)