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LEGAL PRACTICE MANAGEMENT



Major modernisation

Successful SME law firms of the future need to work smarter, not harder, to stay ahead



TECH SMARTS

Paul Walker, technology director, EMEA at iManage, tells LPM why law firm clients of all sizes and specialism are taking inspiration from the consumer world and demanding smarter working

It's no surprise that the way clients consume goods and services has changed drastically in the last few years, and will continue to do so. More social and cultural ideas are meeting up with technology, which is changing the way firms adapt to the marketplace - how they deliver services back to their clients and, fundamentally, how they look at their own talent-base.

And Paul Walker, technology director, EMEA at iManage, says he's seeing some significant changes, not just in the SME market but in the legal sector and wider professional services market as a whole.

"Of these big technological changes, the advent and acceptance of cloud has been at the forefront. It's not just a platform anymore, it's a means of delivery - and it enables SME firms to get a hold of new technologies and services earlier in their evolutionary cycle."

With the technology and cloud capability available today, Walker says anyone could spin up a firm, hire 40 lawyers and within a matter of weeks have a set of technologies that the big firms have taken 10-20 years to build. There's no longer a need to go out and acquire all of these solutions and stitch them together.

"That's really what is to be leveraged from cloud technology - getting hold of services and functionality faster and more efficiently. And for a firm looking to become more agile and work smarter, being able to use technology at the drop of a hat has huge advantages," he says.

PRACTICAL AI

Businesses that offer flexible and mobile working are attracting and retaining talent because it gives them the lifestyle benefits that many now come to expect. And mobility is a central capability of the cloud, Walker says - there's no need to go to the same office and sit at the same desk every day.

"With the right technology in place, virtual users are able to perform the services that their firm requires anytime from anywhere. Smarter working isn't just a benefit to a firm's processes, it benefits the client and the law firm staff."

There are multiple cost pressures on just about every type of firm, and SME firms are often expected to be more cost-efficient than top-tier firms, Walker says.

"We've seen the way our law firm clients have been able to deliver services in smarter ways and

WHY AGILITY MATTERS

1 **AGILITY FOR THE CLIENT** How are services delivered to your clients? Your customers' requirements could change on a daily basis, their business will shift, their matter types and areas they need assistance on will change. If you're a trusted adviser, then they want to see that you are going to change as their business does. The same is to be said for private clients - if not more so, as these individuals are more likely to seek out firms that are as easy to work with as ordering shopping online.

2 **AGILITY FOR THE END-USER** Employees are demanding more flexible working environments. They're less tied to an office and want a business to be able to provide them with the means to be flexible and work wherever, in a secure and easy manner.

3 **AGILITY FOR THE TECHNOLOGY TEAM** Technology can enable small and stretched IT teams to be more responsive and proactive in the service they deliver to the business. Using cloud technologies not only gives them access to awesome technology but also means they can be agile and better meet the changing needs of the business.

apply technology to problems rather than having multiple humans processing the data. Why put 50 paralegals in a room reading through thousands of leases on behalf of a client when you can get a machine to process some of that information, extract data points, prioritise and sift through it and then assign tasks to a smaller number of users to review high priority content?"

Walker adds that this drive to deliver greater value to clients is requiring IT directors and COOs to focus less on the basic requirements and more on operational and process efficiencies.

And there's a lot to be leveraged from automation and artificial intelligence. "If you look at how AI is delivered in consumer tech today, you don't really know it's there and you don't go and ask for it. The vision we are aiming for is quicker cycles, for example to speed up the drafting of documents and also the pace of responses."

NEED TO KNOW SECURITY

Walker says the idea of opening up access to make it more secure is counter-intuitive in most people's minds. "The irony is that it's actually more secure."

He says that when technology departments lock down access to the firm's systems while outside the office or from mobile devices, there are more leakages of data into non-vetted repositories - things like staff's personal email accounts, Dropbox and so on. People will find a way - and more likely than not, they do.

The perception that security means removing access when out of office needs to stop, he says - and there have been a number of evolutionary steps in cloud technologies that have enabled more security.

For example, customer-managed encryption keys is a particular kind of reassurance for firms to protect client data even though it's sitting in a third-party cloud data centre. The cloud vendor can't read that data, and they can't hand it off to a regulator. The only person who can read that data is the person with the key.

"Particularly in the UK SME market, some clients are very hesitant to go to cloud. A remedy for this is a data escrow service, which is a full replica of data being stored in the cloud, going out to another provider for storage - it could be with Microsoft or Amazon.

"It means that if there was an 'end of days' event for the cloud vendor, the firm still has access to their data. It gives law firms back the control over their data, should they need it."

In the last 12 to 18 months, Walker has seen a shift in the entire legal industry's mentality from a previously open security model to a 'need to know' security model.

"This has been mainly driven by client demands - due to a growing perception in the outside world about what firms are doing with data, and also with regulatory pressures such as GDPR and news around the big consumer data scandals."

It's about having a circle of trust, he says - only those who need access to certain documents or areas of interest are given it and nothing more.

"It's quite easy to set up a phishing attack and procure someone's credentials. And hackers are clever. They don't do what's called a smash-and-grab, where they go in, steal data and get out.

"Instead, they do what I call a low-touch operation - they come in and live in your network with you quietly. They occasionally touch different nodes on the network looking for pieces of information."

Walker says iManage can track how users interact with certain files and pick up on unusual activity. And the software constantly learns from changes in staff working patterns and adapts accordingly.

As demands increase for smarter working from staff and clients alike, security and best practice will continue to be challenged - now more than ever SME firms need to learn to become more operationally nimble and responsive to client demands. And adopting a platform that brings together these core capabilities will provide significant competitive advantage - and it is no longer out of reach. **LPM**

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iManage combines AI, security and information governance, and market-leading document and email management to transform legal businesses.

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