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# Overcoming Stakeholder Objections When Moving Your DMS to the Cloud

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# Executive Summary

Big law firms have been racing to adopt cloud computing over the past decade, and the pandemic years accelerated this shift. Yet today, whether through inertia or misconceptions about the cloud, many small and midsize law firms continue to run their DMS on premises.

This paper explores some of the most common internal barriers that small and midsize law firms face in moving to the cloud and provides practical advice on how to make the shift. For firms wondering why they should take this step, the paper shows that small and midsize law firms can save money, run more efficiently, and store their data more securely in the cloud than on premises.



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# Why Do Small and Midsize Law Firms Keep Their DMS On Premises?

Many, if not most, small and midsize law firms continue to run their document management systems (DMS) on premises. These firms buy, install, and run servers, storage devices, and business software applications on-site.

That was standard practice for over 20 years, yet larger law firms and the business world have recently been moving at pace to cloud-based services, removing the need to host hardware and software on their premises. Indeed, this trend continues to accelerate, with only niche use cases identified as needing to run on premises. Moving the firm's DMS to the cloud offers significant advantages and allows firms of any size to compete on the same playing field; still, many remain reluctant to make a move. Our research at Deep Analysis has uncovered three key objections that are usually cited:

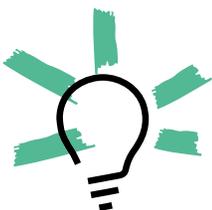
1. Moving to the cloud is a risky proposition.
2. We will have less control of our client data, and the cloud will be expensive.
3. Our clients won't like it or trust us if we move to the cloud.

We explore and answer these objections below.

## **Objection #1: Moving to the cloud is a risky proposition.**

Over the years, your law firm has built a solid and trustworthy reputation with clients. You may be concerned about the ethical and legal implications of moving to the cloud, and you may have concerns regarding privacy and retaining attorney-client privilege. You also need to feel confident that your work product will be both safe and accessible in the cloud.

It is important to recognize that tens of thousands of businesses, large and small, have moved sensitive data to the cloud and kept it secure. Indeed, many have moved to the cloud to *reduce* their risk exposure. Much of the concern about cloud security arises from a fundamental misunderstanding of cloud computing: simply put, there is a world of difference between enterprise and consumer clouds. You would – and should – be rightly



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cautious about sharing any information with, for example, cloud-based consumer-focused phone apps, because they do not always use adequate security measures. But enterprise clouds are a different beast and much more secure; they are like Fort Knox compared to the consumer cloud, which is more like a piggy bank. Enterprise-class cloud computing is highly secure, reliable, and compliant because it is extremely well engineered and managed. Standard in enterprise cloud services are dedicated 24/7 expert security staff, best-of-breed network and security tools, and sophisticated algorithms that continuously monitor and protect data at every layer. No legal firm has that on premises. Nor is there a risk that your client data can be shared and accessible to third parties in the cloud. As your information is tightly sectioned, encrypted, and separated from all other data, only you can access it; not even the cloud service provider can read or access it.

It is essential to vet any potential cloud service provider to ensure they meet these high standards and have the requisite understanding of your requirements, good references, and extensive experience working with legal firms.

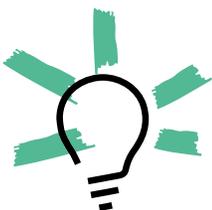
***Moving to the cloud can reduce, rather than increase, your firm's exposure to risk.***

## **Objection #2: We will have less control of our client data, and the cloud will be expensive.**

Your law firm has been using a DMS without any significant problems for decades, you have complete control over your client data, and you have budgeted for what these services will cost your firm each year. You may be concerned about losing control over client data and costs.

In reality, though, you can have the same control over your client data in the cloud as on premises. If you want to move the data, restructure it, add new users, or, for that matter, delete files or users, nothing will change. The level and granularity of your controls will be identical in the cloud and on premises. Furthermore, as cloud-based legal applications are modern and regularly updated with simpler-to-use controls over client data, they are typically easier for your IT and legal staff to use than dated on-premises systems.

Controlling costs is always a critical factor in any business decision, whether hiring a new staff member or deciding where to run your DMS. And many still believe that a move to cloud computing will be expensive and complex and result in a lock-in, meaning that if you move to the cloud, you can't move back out and will be held hostage on pricing. This does not have to be the case, for two reasons: 1) moving to the cloud should not cost more than on-premises computing, and 2) your computing costs will become more predictable and manageable.



*In reality, though, you can have the same control over your client data in the cloud as on premises.*

Rather than paying irregular upfront costs (CapEx) for software and hardware renewals, you'll pay a predictable and adjustable annual fee (OpEx) based on your needs. So if your firm grows, it can expand its use, and if for some reason your needs decline, you can similarly reduce your payments.

***Your cost structure may shift, but cloud options should not be more expensive and should provide modern capabilities unavailable to you on premises.***

### **Objection #3: Our clients won't like it or trust us if we move to the cloud.**

Your law firm rightly prides itself on the deep and trusted relationships it has built with clients over the years. You don't want to test or compromise those relationships by adopting new approaches that clients won't like, such as (you believe) cloud data storage. Clients might worry that their confidential data will be less secure.

In reality, most of your clients, be they individuals or corporations, are already running without problem or concern in the cloud. Moreover, your clients increasingly expect secure access to their data anytime and on any device. The pandemic accelerated this expectation because nearly everyone was forced to adapt to remote and hybrid working. Easy yet secure access, anytime, anywhere, to both staff and clients is not something that an on-premises system can provide securely or

efficiently, or without a great deal of work, cost, and added complexity. Rather than object to your use of the cloud, many of your clients will welcome your move to a more modern, easy-to-use, and accessible computing environment. Larger law firms that have already moved to the cloud report seeing significant benefits and increased business over those still on premises.

***Rather than object to your firm adopting cloud applications, your clients increasingly expect and demand the 24/7 easy-to-use service that only the cloud can provide.***



# How to Move a Firm's DMS to the Cloud

If your law firm has run its DMS on premises for many years, moving to the cloud is a significant and strategic decision that requires thought and preparation. But the reality is that most firms will move to the cloud over the next few years, so we recommend that you start exploring and discussing this possibility.

Even if you ultimately decide not to move now, you will at least be more informed and ready to formulate a sensible and low-risk plan to start a transition in the future. We say “transition” because although moving to the cloud may sound like a sudden shift, it is really more of a gentle and low-risk process. Below, we outline a well-tested, step-by-step approach to moving your firm's DMS services and applications to the cloud (illustrated in Figure 1). Note that whether you decide to move or not, the first step is risk-free and valuable.

## Practical Steps

**Step 1: Assess.** It's good practice to assess and inventory your current situation regularly, but most firms don't do this. We strongly recommend that you inventory and evaluate your current situation whether you are considering a move to the cloud or not.

Here's how:

First, make a list of all the applications currently in use within your law firm. Though this may feel redundant, in our experience this list, even in smaller firms, is considerably longer than most expect. For example, you likely have a standard document or practice management system at a practice level. However, you may find that some staff members are also using

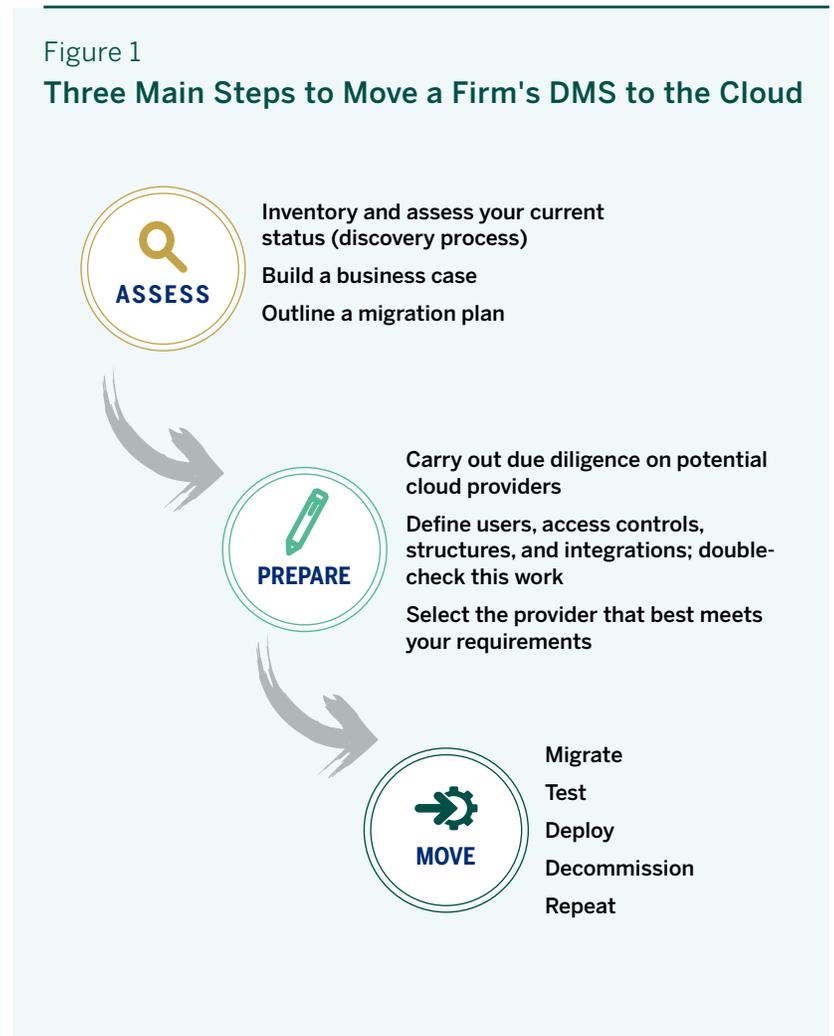
third-party cloud applications like Google Drive, Box, or Dropbox to store client information. You will also commonly find that many sensitive and case-specific files are stored within personal email folders. Though every firm will be different, simply finding out what is in place, or as we like to say, assessing the “as-is” situation, is often a wake-up call that triggers the need to consider some reorganization.

Next, it's valuable to discover how often these systems are being used. A quick visit to IT should reveal how much storage is used within each system, and therefore the volume of files. Again, in our experience, though the bulk of your files should be stored in a DMS, most often, the largest volume will actually be stored in your email system. If you find that is the case, then you have a problem that needs to be resolved with or without a move to the cloud.

It is a simple exercise to inventory your current “as-is” situation; it can be done quickly by almost any team member, and it's always worth the effort. Upon completion, you will be able to assess what changes need to be made, forming the basis for a business plan.

**Step 2: Prepare.** The second phase is critical and will involve your IT staff. Again, it's not difficult work, but in our experience many tend to gloss over or undervalue it. In this phase, you undertake thorough due diligence on your potential cloud provider to ensure they meet or exceed your requirements and understand the legal world well. Experience and knowledge go a long way, as a well-grounded legal cloud provider or partner will manage the implementation and can share best practices. Next, define who will have access to what information, how they will access that information, and how your information assets will be structured in the cloud. It may be that you lift and shift your existing file structures, but many firms take this as an opportunity to remove some historical complexities and tidy things up. Finally, you need to identify integration points to other systems and test and check that everything is in place. This is your opportunity to figure out which data will be controlled, and how, and who will have access to it. It potentially allows you to bring more structure, control, and automated security to data-sharing in the process.

**Step 3: Migrate to the cloud.** This step is, surprisingly, the most straightforward. File migration today is typically automated and should take little more than a day for most midsize law firms. Some firms will migrate in one go, while others will do so in bite-sized chunks; that decision depends on the firm's size and the complexity and distribution of the file stores. Once the file migration is complete,



you can test the new system with your staff and clients. You can expect to test and tweak the UI and, of course, test and evaluate the user access controls, structures, and integrations to ensure that they are optimized. Finally, once the data has been migrated and the new system is up and running, you can start decommissioning legacy infrastructure and canceling maintenance payments and upgrade schedules.

# Recommendations

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We recommend to all our clients to undertake a simple discovery process within their law firm to ensure they have a grasp of everything that is running on their servers and across their network.

You may believe you already have this information, but it's worth talking to junior, senior, and administrative staff to ensure you have the complete picture. In our experience, this work almost always reveals surprises. Undertaking such a discovery process gives you a basis to calculate the actual costs, value, and risk in terms of dollars and time spent supporting these operations. It should be noted, however, that such an exercise, or for that matter a decision to move to the cloud, will likely not reduce your need to retain any skilled in-house IT staff or outsourced support firms you currently use. Although moving software to the cloud reduces the need for in-house hardware, patches, and upgrades, the software still needs to be professionally configured, monitored, and managed. The goal is not to move your DMS from place A to place B; rather, it is to modernize, control costs, and improve your firm's practice.

Deciding to move your on-premises operations to the cloud should always be a strategic and carefully considered decision. It should be well planned, and it should never resemble a sudden rip and replace operation. Instead, any move should be taken in several low-risk steps in order to ensure little to no disruption for your law firm. Over time, such a shift will increasingly add value to your firm's operations.

The move to the cloud has been underway for years, and for most large law firms the benefits are so clear-cut that legal cloud applications will soon dominate the legal sector. If nothing else, if you are a small or midsize law firm that has not considered moving to the cloud, now is a good time to reassess that position.



# Practical Checklist: Moving Your DMS to the Cloud

Cloud-based document management systems (DMS) offer significant advantages to legal firms and allow them to compete on a level playing field. Still, many law firms hesitate to make the move to the cloud. This quick guide offers practical steps for moving a DMS to the cloud.

A successful move to the cloud requires strategic thought and preparation. Before moving anything, you need to figure out your business case – your “why.” The cloud offers a range of measurable benefits, such as more predictable costs, increased security, scalability, access to files anywhere on any device, no more patching and upgrades, etc.

Every firm and every DMS implementation is different, so first figure out your “why,” then we recommend you follow these steps:

## 1. Assess and inventory your current DMS to see how it is truly being used

- Audit and list all applications your law firm currently uses. This includes third-party cloud applications like Google Drive, Box, or Dropbox. This step will typically uncover surprises, both in terms of what is really being used in your firm and, often, a lack of governance and security surrounding the applications.
- Work with IT to determine how often these systems are being used and the volume of files stored in them, and how they are being secured and governed.
- Find out what sensitive or case-specific files are stored in email instead of the DMS.
- Assess what process changes need to be made based on what you discover, especially for any content or communications stored outside of secure and governed systems.

## 2. Prepare

- With your IT staff's involvement, undertake thorough due diligence on potential enterprise-grade cloud providers.
- Ensure that they understand and have documented the unique workflows, security, and compliance requirements of the legal vertical.
- Working with shortlisted providers, define how information will be accessed in the new system, and by whom. Define how it will be structured in the cloud, including integration points to other systems.
- Identify the provider that best meets your requirements.

## 3. Migrate the system to the cloud

- Decide whether to migrate all at once or in chunks, depending on your firm's size and file complexity.
- After the migration, test the new system with your staff and clients.
- Any migration represents a change to your business, so be sure to communicate the changes clearly and work with the business directly to ensure a high level of adoption as well as to obtain the full benefits of increased security, governance, and productivity from the move.
- Expect to tweak the UI and ensure that the user access controls, structures, and integrations are optimized.
- Decommission legacy infrastructure and cancel maintenance payments and upgrade schedules for the old system.

# About Deep Analysis

## We Research Innovation



**Deep Analysis** is an advisory firm that helps organizations understand and address the challenges of innovative and disruptive technologies in the enterprise software marketplace.

Its work is built on decades of experience in advising and consulting to global technology firms large and small, from SAP, Oracle, and HP to countless start-ups.

Led by Alan Pelz-Sharpe, the firm focuses on Information Management and the business application of Cloud, Artificial Intelligence, and Blockchain. Deep Analysis recently published the book “Practical Artificial Intelligence: An Enterprise Playbook,” co-authored by Alan Pelz-Sharpe and Kashyap Kompella, outlining strategies for organizations to avoid pitfalls and successfully deploy AI.

Deep Analysis works with technology vendors to improve their understanding and provide actionable guidance on current and future market opportunities.

Yet, unlike traditional analyst firms, Deep Analysis takes a buyer-centric approach to its research and understands real-world buyer and market needs versus the “echo chamber” of the technology industry.

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