



ilta09

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Legal Technology Strategy in a Downturn

--Necessity Is the Mother of Invention

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Agenda

- **Economic Overview**
- **Overall Strategies**
- **Accounting & Finance**
- **Wide Area Networks**
- **Servers & Virtualization**
- **Backup**
- **Email**

The Big Picture

The current recession is significantly different from prior ones and could result in some fundamental changes in the law firm business model.

Shift from a decade of growth and expansion to an extended period of reduced demand and resistance to increases in costs of legal services.

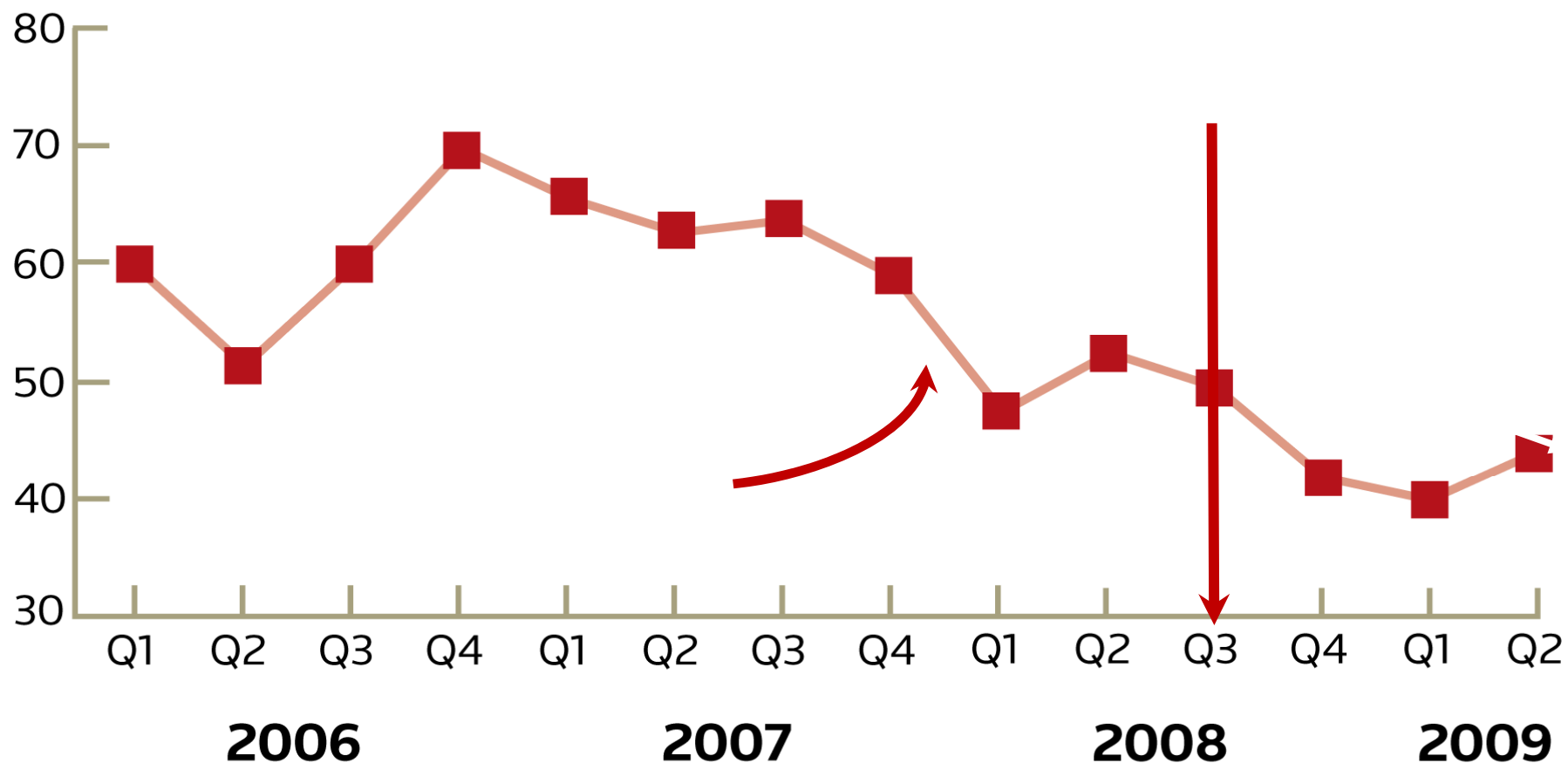
Mounting pressure on the one driver of profitability that worked consistently in the 2001-2007 period.

Challenges a business model that has been untested for essentially the last 17 years.

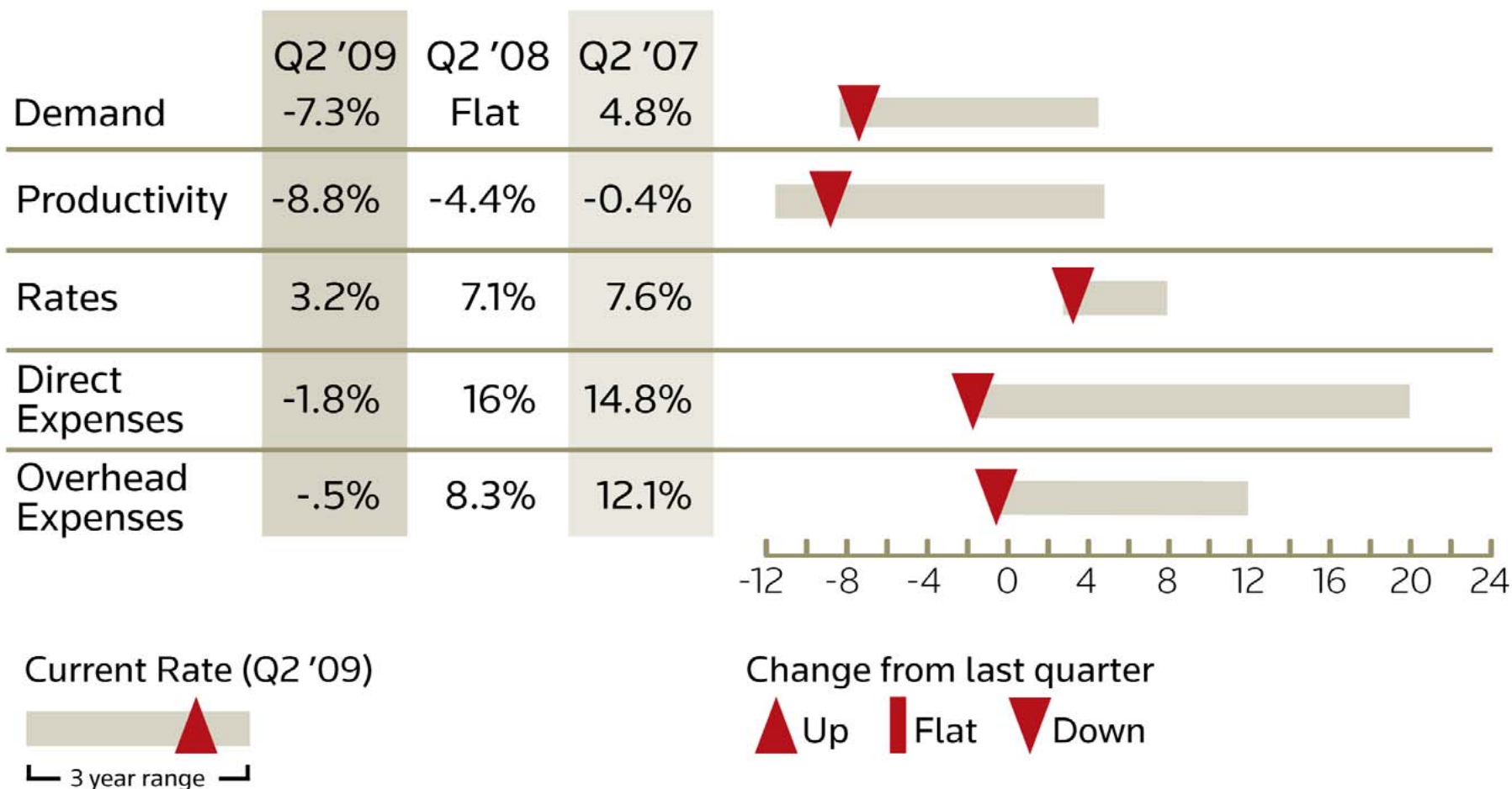
But the present crisis also offers opportunities for meaningful change in the business model for law firms.

Peer Monitor Economic Index (PMI)

Q2 '09 PMI Score: 44

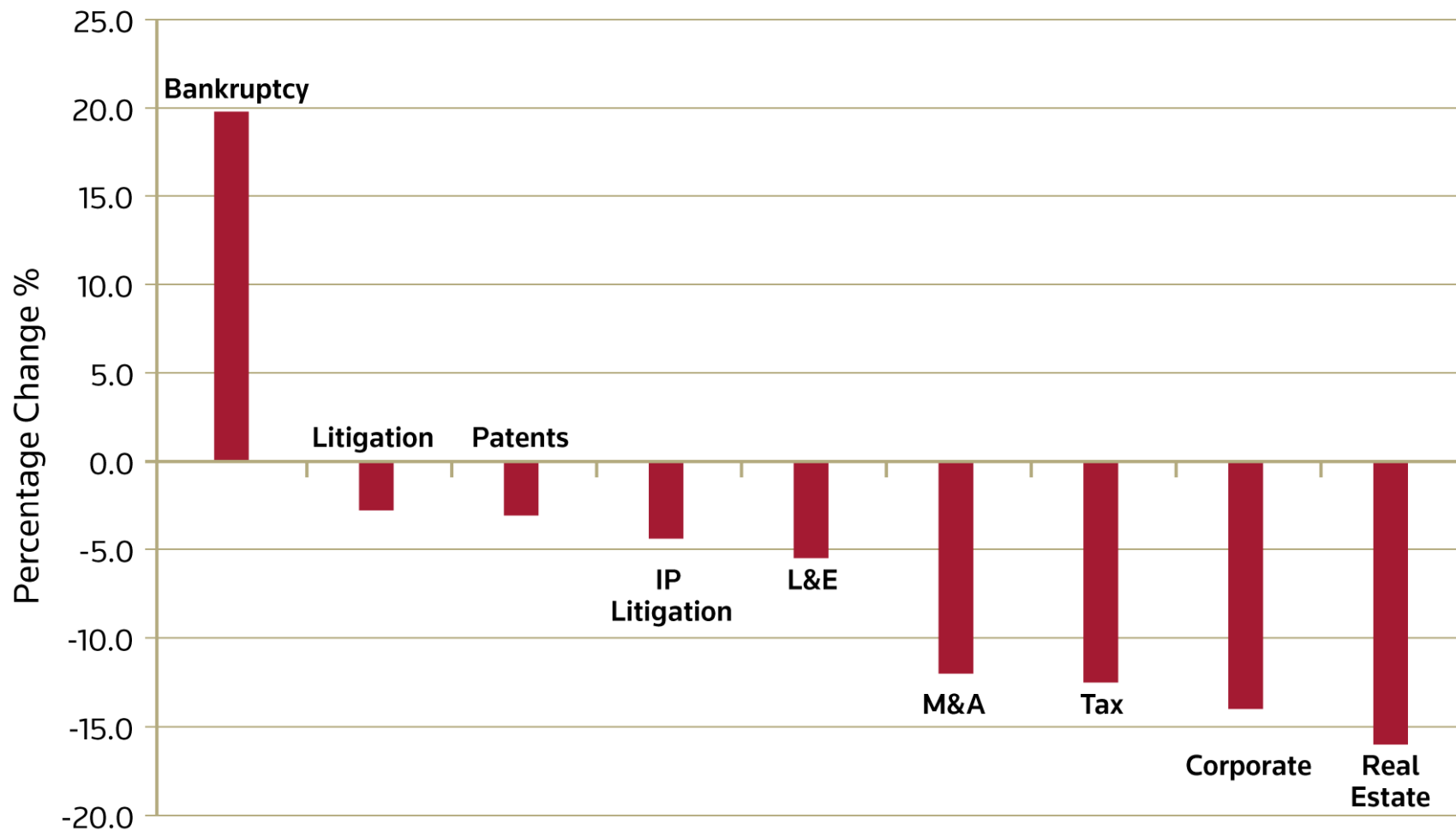


PMI Key Factors



Demand Growth by Practice

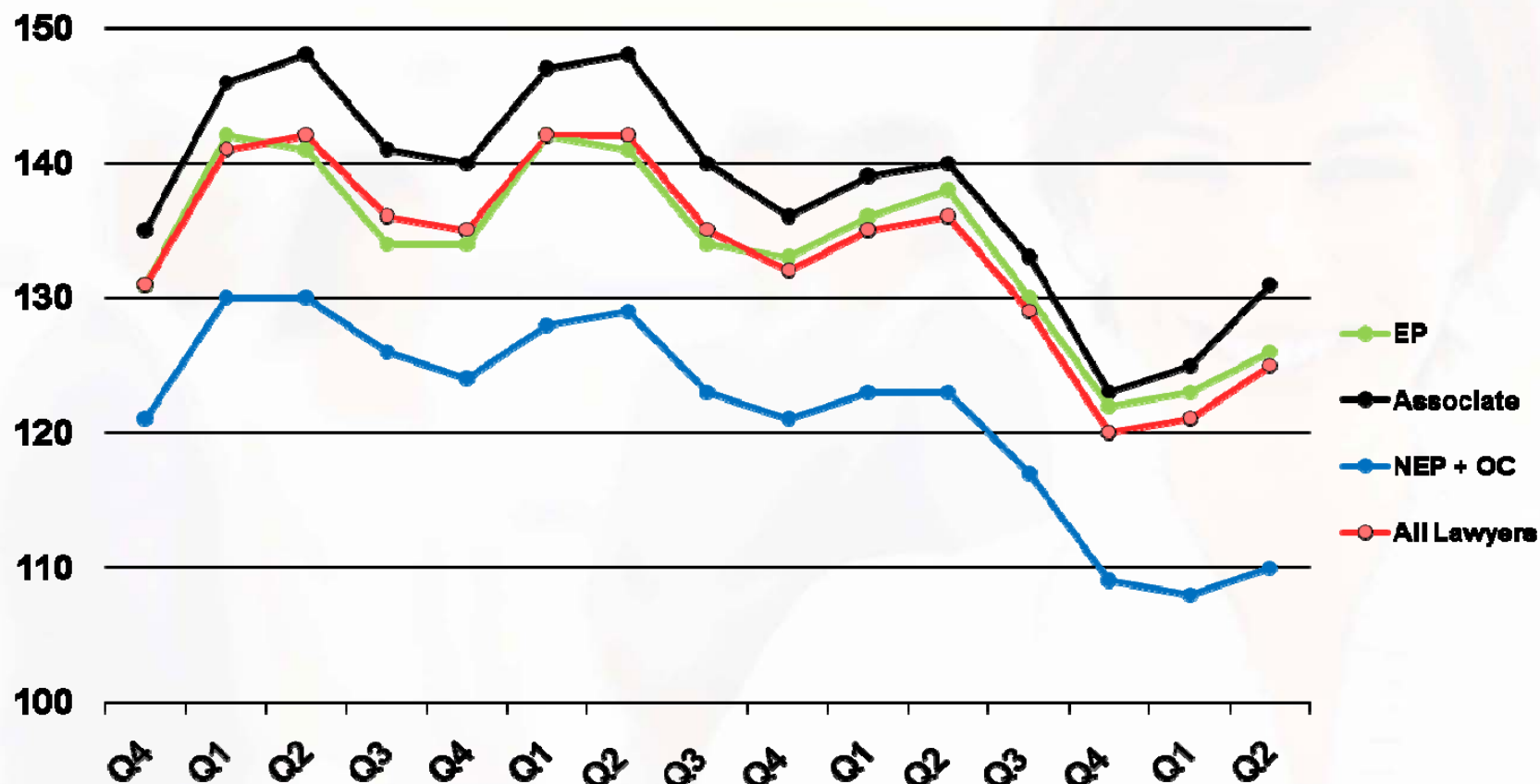
1H 2009 YTD 2009 vs. 1H 2008 YTD 2008



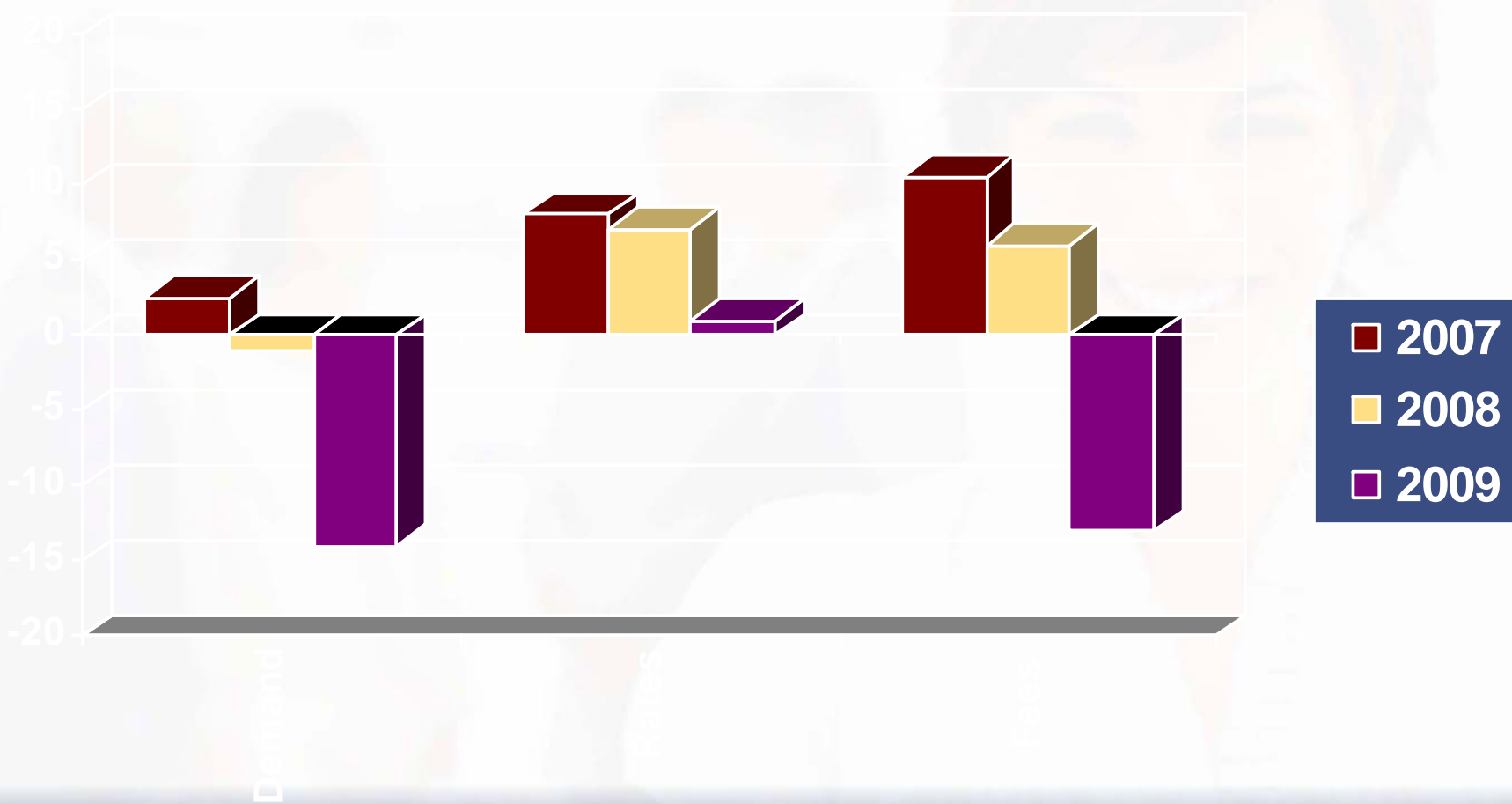
Source: Thompson Reuters' Peer Monitor and Hildebrandt
Used with Permission

Capacity to Demand Cycle

(Productivity (Average Billable Hours))

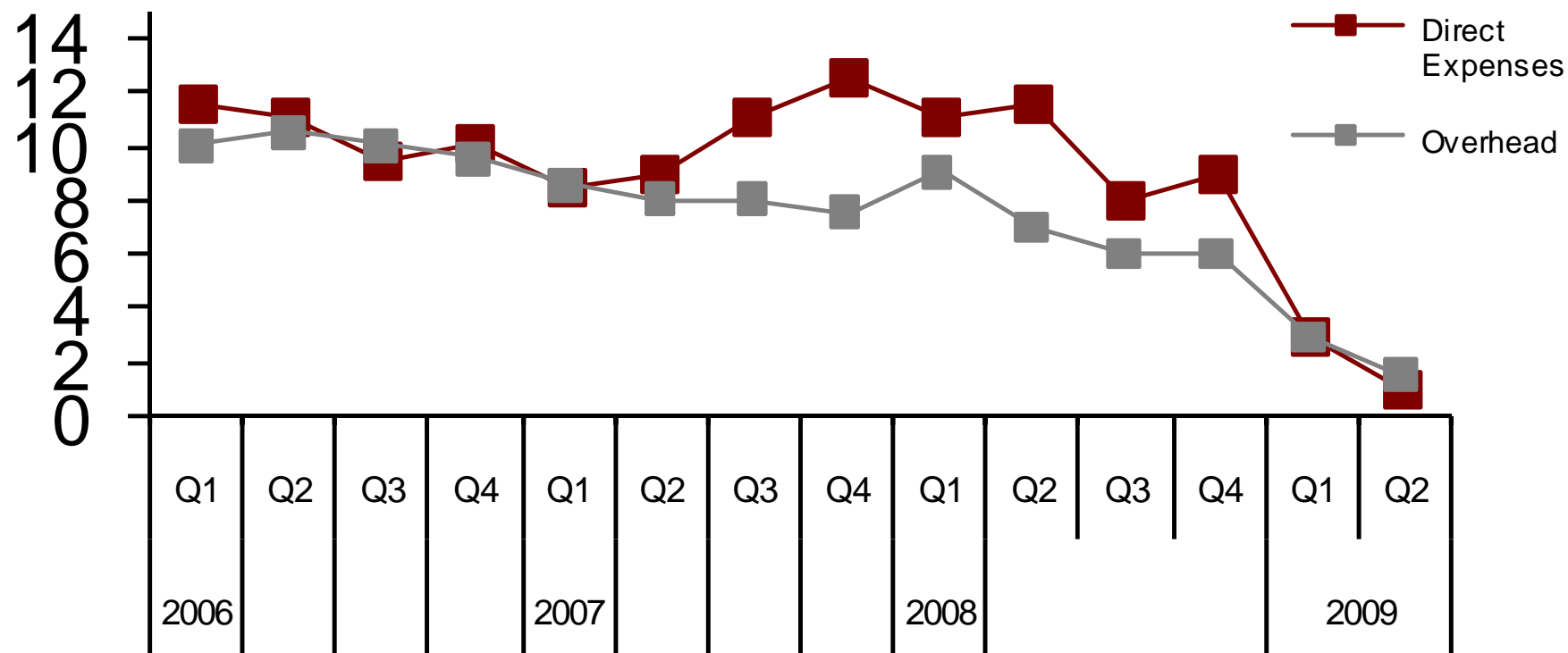


1H 2009 Demand, Rates, Fees, and Productivity General Corporate

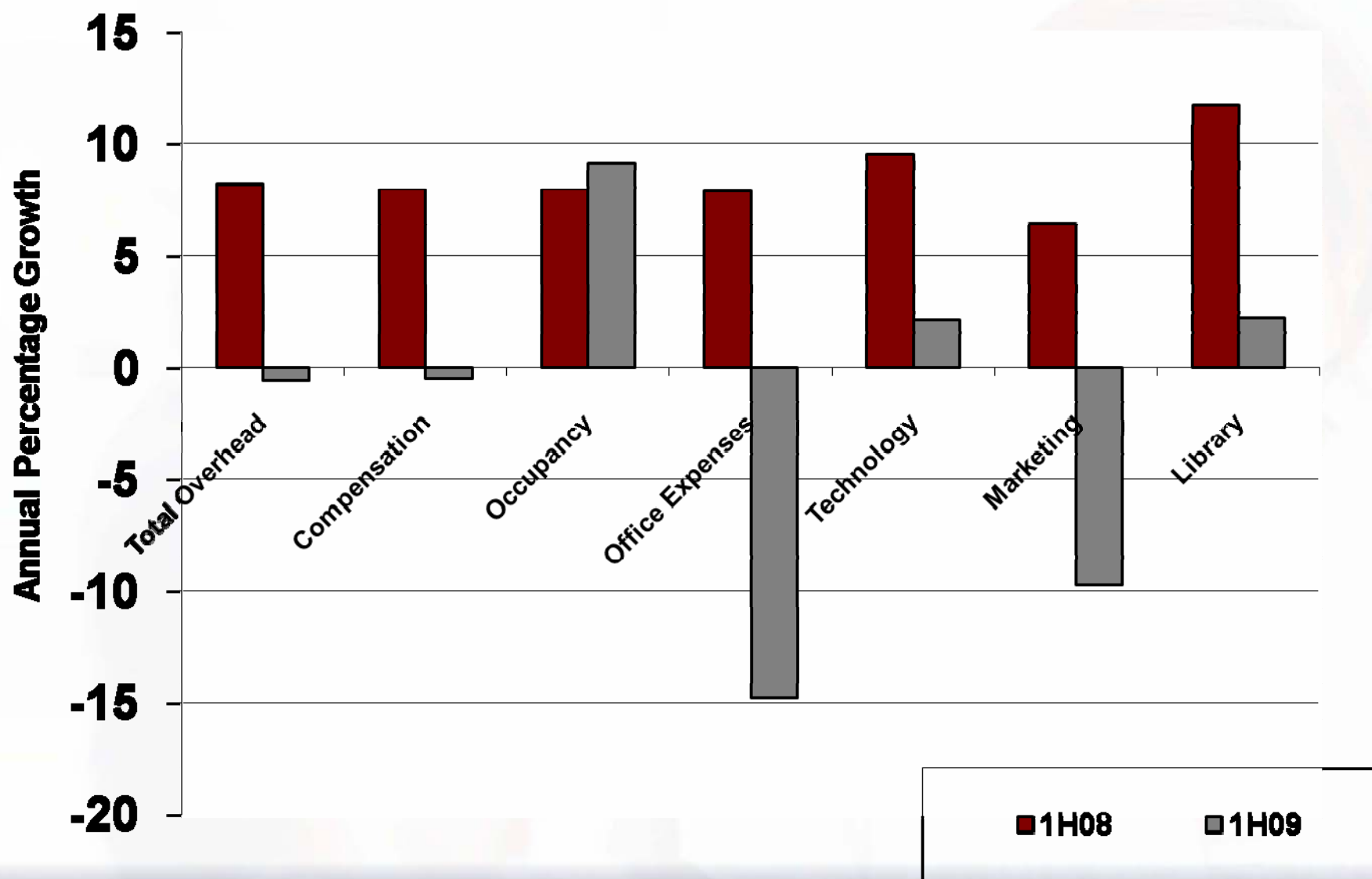


Source: Thompson Reuters' Peer Monitor and Hildebrandt
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Peer Monitor Economic Index (PMI) Expense Growth Analysis



Overhead Expenses – 1H09 (Rolling 12) v. 1H08



Source: Thompson Reuters' Peer Monitor and Hildebrandt
 Used with Permission

Reduce Complexity

- Law firm networks are very complex
 - Often underestimated
- Eliminate applications if possible
- Avoid customizations if possible
- Reduce number of hardware platforms:
 - Desktops, laptops, PDA's, Servers

Reduce Complexity (2)

- Internal development – reduce or avoid
 - Focus on integration, not solution building
- Consolidate vendors
- Learn to say “no”
 - “Just because you can, does not mean you should”
- Put a strategy in place to guide investments

Use What You Already Have

- Review features of your existing systems
- Ask vendors for ideas and approaches they see
- Review old help desk tickets / requests
 - Do you have better solutions today?
 - Does someone have time to investigate properly?
- Look for tools that are underutilized
 - Promote them or eliminate them

Focus on Service

- Review help desk procedures
 - Are calls being answered by a person?
 - Are calls being closed properly?
 - 1) Get person back to work
 - 2) Take action to prevent this call from reoccurring

Visit 2 people you helped each day

- Invest time in status updates (by phone or email)
 - They are as good as solving the problem at times

Accounting & Finance

- Plan customizations carefully
 - Tools are not solutions.
 - Don't underestimate work to get a solution in place.

- Carefully assess value of customizations

Top priority items:

- Provide timekeepers with more billable time
- Make it easier for timekeepers to capture and bill time

Accounting & Finance (2)

- Time capture technologies are growing
 - Element55, IntApp
- Review information being provided by accounting
 - Reduce number of reports
 - Packages of reports are usually a waste
 - Eg: Create a 1-page WIP and A/R report
 - Standardize on key metrics that should be monitored
 - Educate lawyers on significance of key metrics
 - Actionable facts vs. Information

Accounting & Finance (3)

- Reduce number of billing templates
- Distribute billing to secretaries
 - or -
- Consolidate billing managers to one location

SharePoint

- SharePoint is a development platform
- SharePoint is not a solution
- A basic version of SharePoint is free. SharePoint solutions are not free.
- They require planning, design, development, hardware, storage, software licensing, network resources, project management, testing, monitoring, backup, enhancements, troubleshooting, support.

Wide Area Network (WAN)

- **WAN Acceleration tools boost performance**
 - Can delay or eliminate increase to monthly line costs
- **Carefully review bandwidth and latency needs**
- **Consider VPN over Internet (site to site) vs. Fiber or T1 links (point to point)**
- **Consider MPLS solutions: managed, costs have come down**

Server Hardware

- Look carefully at Blade server technology
 - Flexible designs
 - Reduce server space needs
 - Reduce power and cooling costs

Virtualization Technologies

- Use it to reduce hardware costs –
Dramatic
- Reduce upgrade and management costs
- Improve Disaster Recover abilities and options
- Free and low cost “Hypervisors” available from Microsoft, VMware and Citrix
- Free capacity planner tool available

Virtualization Technologies (2)

- Start small and grow.
- Do proper Cost Benefit Analysis
- VDI Case Study
 - VMWareView
 - XenDesktop
 - Re-use existing
 - Publish Remote Desktop MSTSC.

Backup Technologies

- If replacement systems are needed, consider Microsoft Data Protection Manager (DPM)
- Less expensive than competition
- Strong Microsoft platform support
- Very functional
 - Disk to tape, disk to disk, Snapshots

Email Solutions (MS Exchange)

- **Consider migration to Microsoft Exchange 2007**
 - Worthwhile even without Outlook 2007
- **Better performance on existing hardware**
- **Cluster Continuous Replication (CCR)**
 - Very valuable for smaller firms
 - Protects email for a hardware failure
 - Benefits of clustering without need for a SAN
 - Built into Exchange 2007 - no cost
 - Key Microsoft direction

Email Solutions (MS Exchange)

(2)

- **Standby Continuous Replication (SCR)**
 - Low cost remote site protection for Exchange 2007
 - Allows remote server to replace primary server
 - Not automatic - a few commands required
 - Built into Exchange 2007
 - Preferred to 3rd party solutions like DoubleTake
- **Email archiving solutions**
 - Improve Exchange performance
 - Reduce need for high-end storage

Email Solutions (MS Exchange)

(3)

- **Hosted email solution providers**
(Eg:Mimecast)
 - Spam and virus protection
 - Email continuity services (like MessageOne)
 - Hosted archiving
- **Consider hosted Exchange services**
 - Available now
 - More robust with Exchange 14
 - Key is integration you will require
 - Back-end Exchange server integration will be tough
 - Outlook integration possible

Other Ideas

- Targeted PC upgrades vs. wholesale replacements
- Power save technologies (www.faronics.com)
- HD video conferencing, reduce travel costs
- Cut toner costs (www.preton.com)
- Review Microsoft EA agreements for unused credits and other potential savings



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