3 BASICS FOR CHOOSING LAW FIRM PRACTICE MANAGEMENT SOFTWARE

Posted by: Frank Strong March 3, 2014 in Small Law 1 Comment

Practice management software has existed for the better part of 20 years. Traditionally, the software required firms to purchase servers and install software locally, which in technology parlance we call premise-based.

Although also not new, cloud-based practice management software has risen in popularity in the last few years. Our own research suggests 2014 will bring substantial adoption of cloud-based tools specifically designed for the legal industry.

For those new to the industry, or just beginning to research software solutions to manage the business of law, we offer these three questions as a baseline for getting started.

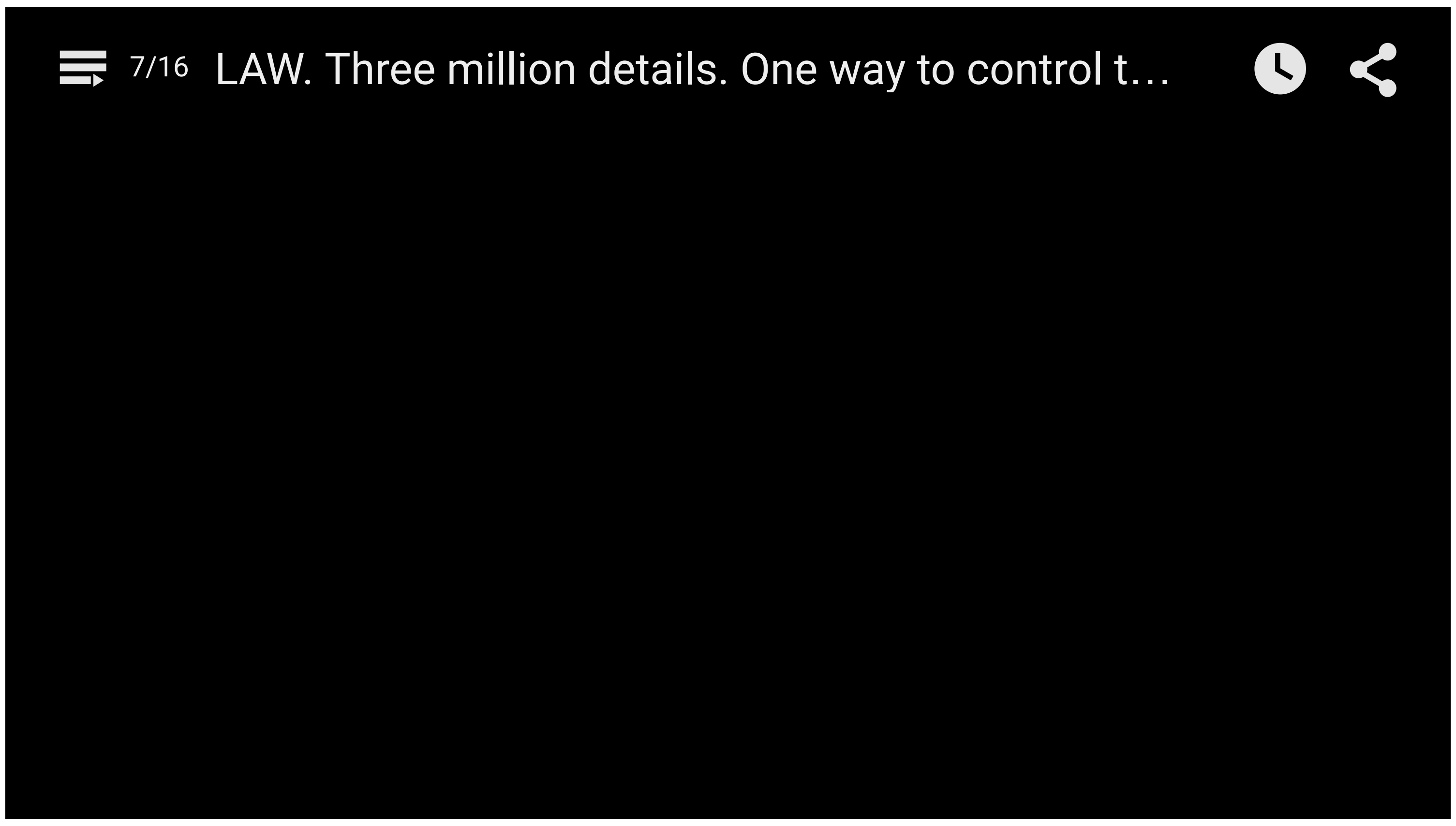
1. What is practice management software?

In a 2011 post in Attorney at Work, Senior Law Practice Advisor Jared Correia, who works for the Massachusetts Law Office Management Assistance Program, defined practice management software this way:

> *A law practice management software system can be the principal organizing feature of your law firm, a full-scale repository and collaboration tool and a hedge against malpractice.*

A repository is frequently cited technology term that simply stated means storage. The traditional filing cabinet, it could be argued, is a repository; however, the collaboration features are quite limited. The ABA's Legal Technology Resource Practice Center breaks down the definition this way:

> *Practice and case management software provides attorneys with a convenient method of effectively managing client and case information, including contacts, calendaring, documents, and other specifics by facilitating automation in law practices. It can be used to share information with other attorneys in the firm and will help prevent having to enter duplicate data in conjunction with billing programs and data processors.*



2. What features should a law firm practice management system have?

Specific needs may vary from firm-to-firm, which is a good spot to point out that technology should support the business, rather than force fitting a business to fit a technology. Certainly the automation of tasks that software frequently does forces changes the way work is completed, but it comes with the promise of doing things more efficiently.

Typical features included in law firm practice management solutions include:

1. Calendaring. From suspense dates to court hearings, practicing attorneys often live by their calendars; calendaring an essential feature in practice management software. Features for docketing and a reminder alerts are useful tools for avoiding missed deadlines.

2. Contact management. Just like you'd expect in a conventional email address book, contact management provides central access and management to relevant client and third-party contacts. From client intake to conflict checking, practice management systems should provide the ability to link those contacts to specific cases or matters.

3. Case or matter management. From notes from phone calls to record and documents, matter management allows legal professionals to associate all the relevant information about a case, or matter in a single view.

4. Time capture. While billing practices can vary, many firms still operate on a billable hour model, which means the ability to document, track and manage time is a fundamental feature of practice management. Some software programs offer plugins to popular email programs to have features that flag documents stored in the matter management system for which not billing code has been assigned.

5. Billing. The ability to document hours worked is one part of the equation; the other part is the ability to generate an invoice to submit to clients. In some circles, a professional billing system can have a lasting impact – as the saying goes – an effective billing system is a good marketing technique. For electronic billing, it's important to ensure the practice management solution is LEDES-compliant.

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6. Trust accounting. Trust accounting tends to be unique to the legal field, but a software program with built-in rules provides an accurate record of transactions – and prevent an overdraw on an account. It is often this aspect of accounting in law firms that separates product designed for the legal industry, from conventional multi-purpose application for the general business market.

7. Accounting. Practice management solutions with accounting features enable a firm to manage accounts payable and accounts receivable from the same program. Such tools are useful for reconciling expenses, balancing a ledger or cutting a check.

There are a range of other features practice management solutions can offer – for example secure file sharing or even secure online portals – this list is a minimum standard that will serve the needs of most attorneys in small law firms.

3. What are some other considerations for practice management solutions?

Most vendors offer demos or free trials – it's certainly useful to try a product before buying it – but there are also considerations before you even get to that point.

a) Define the objective. Finding the best practice management means defining the core problem you are trying to solve.

b) Review the support. This is especially true for premise-base solutions you are managing on your own – you'll want access to support and experts who can help solve a challenge you are facing in minutes, rather than struggle through the issue on your own.

c) Integrations. If you've been practicing law for any period of time, you've probably developed preferences for the types of document formats. This means it's important to understand if the practice management software you are considering integrated with the email or word processing application you prefer to use.

d) Future proof and flexibility. This is especially true for small firms, but as a business grows, its needs change and evolve. It's important to consider what future needs you might have for adding users or additional functionality to the software you choose.

e) Employee buy-in. Humans are funny creatures that resist changes to routine. Certainly it's important to have executive buy-in for a new technology project, but it's equally important to have buy-in at all levels. For small law firms, paralegal or administrative assistants are likely to also be users of practice management software, so ensuring they have a part in choosing the solution is an important part of the process.

In a future post, we're aiming to aggregate a number of resources for choosing practice management software. If you have a post, or a link to a resource you think would be valuable to include, please let us know in the comments. In the meantime, if you think there's an important feature or function that should be included in any of these lists, please do let us know.

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ABOUT FRANK STRONG

Frank Strong is the communications director with the LexisNexis software division located on NC State's Centennial Campus in Raleigh. In this capacity he leads communications efforts in support of software products for law practice and law department management and also litigation tools – across large law, small law and corporate counsel segments. With more than 15 years of experience in the high-tech sector, Strong previously served as director of public relations for Vocus, which developed marketing, PR and media monitoring software. He has held multiple roles both in-house with corporations, ranging from startups to global organizations, and has also endured the rigors of billable hours, having completed gigs at PR firms including the top 10 global firm Hill & Knowlton. A veteran of two year-long deployments, Strong has concurrently served in uniform in reserve components of the military for more than 20 years, initially as an enlisted Marine and currently as an infantry officer in the Army National Guard. Strong holds a BA in Film and TV production from Worcester State University, an M.A. in Public Communication from American University, and an M.B.A. from Marymount University.

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