

Practice Management Systems – Making the Right Choice

Much more than an accounting system that handles your office and client accounts, Practice Management Software ("PMS") adds on an entire suite of other functionality to your accounting system - eg, case / matter management which involves tracking matter information and status from the opening of the file until it is closed and archive; automated workflow integrates with diary functions to provide group calendaring and task allocation; even generating documents and key performance indicators.

The proliferation of lower-cost PMS software means that such systems are now readily accessible to even solo and small practices. By implementing a robust and scalable PMS, a start-up law firm is putting in place a sound infrastructure to support its future growth and expansion.

Due to the investment in terms of cost and resources, the consequences of choosing an unsuitable PMS for your law firm are monumental. Yet selection decisions are often made after a couple of sales calls and a few hours of software demonstration in your conference room. In discussions over functionality and price, we tend to forget issues that concern the underlying technology platform which impacts on scalability, support and maintenance, future development; and even the continued viability of the Vendor. Such considerations are important because they relate to the long-term investment in your PMS.

Most competing PMS products in the market today will be able to perform the functions described above to differing levels of competence. The best ones have more than enough bells and whistles to impress the most tech-savvy office managers. However, how high up each product appears in the popularity stakes is less important than how it fits into your law firm and business goals.

To narrow down your search, you need to -

1. Identify the best opportunities for improvements specific to your organisation
2. Evaluate how different software performs the functions most vital to you
3. Understand how the software integrates with your current technology setup.

Even before you meet the Vendors and launch into an evaluation of the relative merits of different PMS software, you need to be very clear about - **what it is that you want the PMS to achieve**.

I have set down below some guidelines on the issues that should be addressed when choosing the right PMS software for your practice.

CHOOSING THE SOFTWARE

The answer to your question - what do you want the PMS to achieve? - will depend largely in part on practice size, nature of legal service and business directions. Larger practices with several branch offices and a complicated management-equity structure will demand more sophisticated reporting functions than a smaller practice. Electronic Time Recording and its seamless integration with the backend accounting system will be more important to a firm that charges by time instead of fixed fees. The ability to generate documents quickly and accurately from matter specific data is more important to a firm that derives most of its revenue from delivering resource-intensive documentation such as housing loan mortgages or debt recovery. The ability to track matter progress (key dates) is essential to a firm that specialises in high volume transactional services such trade mark registrations or corporate secretarial services.

The first thing to do is to make a wish list and prioritise the items appearing on it. That way, if you are unable to find a PMS that delivers only 90% of your list, you can at least decide what trade-offs are acceptable and whether you can live with the absence of the remaining 10% at the bottom of your list. Better yet, you will save valuable time nixing those PMS software that are unable to deliver the top 5 wishes on your list!

Once your wish list is established, you can begin to examine the different PMS software available in the market with these other considerations in mind -

Technology Platform

Due to the size of the investment, an average law firm is not likely to change its PMS for the next 5 -8 years. Consider the need to protect your investment from changing or volatile technology. When a technology environment fails or loses its prominence, software built on that platform begins to lose market share because the marketplace will no longer buy products designed for a defunct platform. An example of this is software written for Wang or non-Windows versions of PC-DOS. No matter how successful or well liked the software is, existing users are likely to suffer integration and support issues as the Vendor will find that it cannot afford to expend further resources for the continued support for a product that the marketplace no longer wants. Furthermore, as new hardware / software will not integrate with or run on networks/workstations built on an obsolete platform, a progressive and forward-looking law firm will feel frustrated at not being able to take advantage of emergent technologies in office automation.

Database

Law Firms require information about their clients, contacts and matters; progress of their cases; and financial information in order to thrive. The PMS must not only manage this vast storehouse of information but also render it accessible so that it presents an accurate and comprehensive picture to the Managers.

To ensure respect for the integrity of your database there should be only one point of entry and all other applications should integrate with that core database to eliminate duplication of effort and inconsistent information. If your PMS system does not store "one version of the truth", it translates to costly and time-wasting manual validation outside of the system.

The database should be an "Open System" relational database that complies with industry standards as opposed to a proprietary custom-built database developed in isolation from other systems. PMS designed on a proprietary database is more likely to require "system down-time" for housekeeping routines (for rebuilding and re-indexing of the database).

An open system database offers ready support and maintenance from IT Professionals anywhere (not merely those employed or trained by your Vendor), ease of reporting and inquiry, ease of migration of data; and more importantly, robust and stable to ensure long term data integrity.

An isolated PMS operating on its own proprietary environment may be cheap at first glance, but the restricted access to qualified and experienced support resources may make you feel held by ransom by your Vendor and more costly in the long term.

Integration

For your PMS to be an effective productivity tool, it may have to integrate with existing systems - eg, Outlook / Lotus Notes for email, Copitrac / Softlog for disbursement recovery, Worldox / iManage for Document Management. Integration eliminates wasted time and effort. An example of this is email integration. As email increasingly becomes the default method of routine communication with associates and clients, your PMS system should have the ability to integrate your e-mail system into your natural workflows - so that you have access to emails related to a matter when you are looking at relevant information for that matter.

Ease of Use

How high up "ease of use" and "operability" appears on your wish list depends largely on how savvy or computer phobic your lawyers and staff are. However, given the pressures of operating a thriving law firm on limited resources, a PMS system that is intuitive, user-friendly and requires a shorter training period to master will win more support from your staff over one that isn't. The good news is that the current generation of PMS software are likely to have a "Windows" graphical user interface. Conformity to "Windows" standards such as "file" "edit" "tools" and scroll bars makes the software less daunting to the uninitiated.

Security

Law Firms will have their own specific requirements on security and restricted access, but most proprietors would like to lock-out associate lawyers and clerical staff from access to financial-sensitive information contained in the management reports or pay-roll. Important questions to ask the Vendor are – Can security be applied selectively to specific functionality? How many levels of security does the PMS support?

Scalability

Even if you do not have specific expansion plans for your firm, scalability (ie, the ability of the PMS to support a growing number of users without prohibitive upgrades and additional cost) is an issue that should be addressed from the outset. This is especially so when law firms today are allowed more flexibility in structure, and we find mergers or fluid associations of practice groups becoming increasingly frequent.

Remote / Web Access

In this era of greater mobility and the internationalisation of law firms, any firm with plans to set up a branch office in future (whether at home or abroad), to join a “global” network of associated law firms; or even to allow lawyers to work from home will require the PMS to offer browser based access to lawyers working remotely. In the same way, client’s demand for immediate access to real time matter status and other information online may drive the selection process in favour of a PMS that has such functionality..

CHOOSING THE VENDOR

As important as the functionality of the PMS software, consider that you are also choosing the Vendor. The quality of the professional services rendered by the Vendor, the strength of its support, development and research programmes are important concerns if you view the PMS as a long term investment.

Vendor Services - Customisation & Implementation

Due to the complexity of its functions and the need to integrate with your existing systems, you should recognise from the outset that you are not buying a “shrink wrap” product; no PMS will work “out of the box”. The issue that must be put to the Vendor is - whether the PMS can be customised to the degree that ensures a satisfactory degree of integration with your existing systems and processes. Do you want to make the PMS jump through hoops or are you content with minimum customisation? In terms of cost, you can expect to pay more for a higher degree of customisation.

If you need to migrate accounting data from existing systems to the new PMS, then in addition to understanding the database structure of the new PMS, the data migration expert must also have a good understanding of CPA auditing requirements and an obsession with accuracy! To check if your Vendor is able to provide this level of expertise, you may want to make checks on the Vendor's past experience in data migration and obtain some references.

Programmers who designed and built the PMS software do not necessarily have the same skills to implement it in your office environment. The Vendor’s implementation team should comprise skilled business process analysts who possess in-depth knowledge law practice management; including client/trust accounting rules, matter management and specific workflow processes in a law practice.

Another indication of the Vendor's implementation expertise is whether their professionals deploys a structured project management methodology that establishes clear lines of communication between the Project Manager and the Partner appointed to take charge of the implementation process in your office. To find out more, you should request your Vendor to give an account of implementations in law firms similar to yours in size and practice specialisations; and follow up with client references.

Training

No matter which PMS you decide upon, the key to a successful implementation is support from the staff. The return on investment for any PMS is so spectacular that you can expect it to pay for itself within 3-6 months through savings in time and increased efficiency. However lack of adequate training in the use of a complex productivity tool induces frustration and anxiety. Users that have been poorly trained will be poor users. The lack of support for a PMS perceived by its users to be more problematic than helpful will lead to under use.

Most PMS vendors recognise the importance of providing adequate training. Some will even require mandatory training hours when you purchase the software. However it is frequently left to the Law Firm to ensure that commitment and weight is put behind the Vendor's training programme as an integral component of its implementation and roll out plan.

Support & Maintenance

A comprehensive support and maintenance plan is crucial to ensure that any problems arising can be swiftly and proactively dealt with. More importantly, if you want your investment in a PMS to last the next 5 to 8 years, it is important to know that your Vendor is committed to supporting the software for that time and has dedicated resources to its continued development.

In your support contract, you should look out for –

1. Scope of Post-Installation Support - does it include a Helpdesk? Onsite Support? (If your Vendor is located abroad) is support available in your time-zone?
2. Quality of the Support Personnel - is the Helpdesk staffed by trained Professionals? Is support Generic (eg, concerning technical problems only) or Function-specific (eg, covering law office accounting / business process issues / database management issues)?
3. Software Updates - Vendors who are committed to ongoing research and development generally update their software once or twice a year. Your support contract should state clearly if such "version upgrades" are included in the support programme; or whether it comprises only software "patches" that take care of "bugs" arising from the version of the software you purchased.

Any Vendor committed to long-term service to their clients will have a continuing "support programme" that includes - dissemination of information relating to software updates; training workshops on the use of new features; a dedicated website for users that is focused on product information and user-feedback. Some dynamic companies will even hold User Group Meetings for Users to find out more about the Vendor's plans for product development plans; and even an opportunity to influence its direction.

Conclusion

In summary, an intelligent choice on a Practice Management System requires several levels of probing and analysis beyond the software's functionality and features. You need to know what your needs and goals are to help you narrow down your choice; and then evaluate its technology platform and database structure; with considerations of security, scalability and ease of use. Finally, consideration of the Vendor's ability to lead a successful implementation and provide long-term support ensures that your investment is a sound one.

Bizibody Technology Pte Ltd provides Business Process & Practice Management Consultancy for Law Firms. Bizibody Consultants are former lawyers and IT professionals with in depth knowledge of practice management, accounting, document assembly and legal process workflows. Our clients include law firms of different sizes, legal institutions and the Singapore Law Courts.

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CHECKLIST FOR LAW FIRMS PLANNING TO INVEST IN A PRACTICE MANAGEMENT SYSTEM

(A) What Goals?

1. What is your overall Business Objective

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Better Organisation | <input type="checkbox"/> Expand into new Areas of Practice | <input type="checkbox"/> Expand Client Network | <input type="checkbox"/> Lower Cost of Production |
|--|--|--|---|

2. Which Areas do you identify as most in need of Improvement

- | | | | |
|--|--|---|---|
| <input type="checkbox"/> Preparation of standard documents | <input type="checkbox"/> Financial Management (accounts, billing, etc) | <input type="checkbox"/> Monitoring File Status & Key Dates | <input type="checkbox"/> Supervising work output of staff |
| <input type="checkbox"/> Time Recording | <input type="checkbox"/> Client Care - mailouts, events, newsletters | <input type="checkbox"/> Document Management | |

3. Integration Issues – What technology tools are currently in use for

<u>Word Processing</u>	<u>Email</u>	<u>Client/ Matter Database</u>	<u>Accounting</u>
MS Word <input type="checkbox"/>	MS Outlook <input type="checkbox"/>	MS SQL <input type="checkbox"/>	None (Excel) <input type="checkbox"/>
Word Perfect <input type="checkbox"/>	MS Exchange <input type="checkbox"/>	MS Access <input type="checkbox"/>	LegalPac <input type="checkbox"/>
Others -	Others -	Oracle <input type="checkbox"/>	MYOB <input type="checkbox"/>
		Others -	Quicken <input type="checkbox"/>
			Customised <input type="checkbox"/>

(B) Which Software?

- | | |
|---|--|
| <input type="checkbox"/> Functionality | <input type="checkbox"/> Ease of Use & Operability |
| <input type="checkbox"/> Technology Platform | <input type="checkbox"/> Scalability – No Limit on Users |
| <input type="checkbox"/> Database Structure – should be Open (not proprietary), Relational Database | <input type="checkbox"/> Security – Different levels of Access across specific functionality |
| <input type="checkbox"/> Ability to Integrate with Existing Systems | <input type="checkbox"/> Future Strategic Development |

(C) Which Vendor?

- | | |
|---|---|
| <input type="checkbox"/> Integration Skills and Experience | <input type="checkbox"/> Training Programme |
| <input type="checkbox"/> Past Projects in Law Firm / Legal Industry (ask for References and Testimonials) | <input type="checkbox"/> Support & Maintenance (What type? – Helpdesk / Onsite Technical Support; By whom?) |
| <input type="checkbox"/> Legal Industry knowledge (Familiarity and Understanding of Work Processes in a Law Firm) | <input type="checkbox"/> Continuing Research & Development (What plans? How much resources? How many updates? Size of User Base?) |
| <input type="checkbox"/> Project Implementation Methodology & Documentation (ask to see Project Schedule / Project Documents) | <input type="checkbox"/> Data Migration Expertise (if data migration is required) |