

KNOWLEDGE MANAGEMENT FOR LAW FIRMS

Introduction – What is Knowledge Management?

A law firm's business involves charging their clients for the use of their intellectual resources. Being in the pure knowledge business, law firms readily accept that their sole sustainable advantage is the expertise and knowledge of their lawyers. Knowledge Management ("KM") is both a business process and a professional discipline aimed at enabling an organisation to achieve maximum advantage from its most important asset – its knowledge.

The concept of recording and transmitting knowledge in Law Firms is not new – every lawyer who has ever worked with its law firm's precedents or consulted an opinion given by the firm in a previous matter can vouch for this.

What is new and exciting is the potential for using modern information technology to support KM efforts in Law Firms today. The low cost of computers, scanners and networks, and the easy availability of software applications that support knowledge sharing has been a crucial "enabler" of effective knowledge management in even the smallest organisations. The Internet (browser based data access through intranets and extranets), document management systems, document assembly and expert systems are the technology tools available today for helping you to collect, structure, disseminate and use valuable information within your law firm and in your service to clients

Knowledge Management for Law Firms is a series of articles on how law firms can leverage on their intellectual resources to gain a competitive advantage.

The series begins with the technology angle –

Part I is an introduction to the basic component of the KM Process and the role of Technology;

Part II offers a discussion on the Technology Infrastructure that facilitates knowledge capture and dissemination within your law firm and an introduction to some of the Technology Tools for effective KM;

Part III considers the "human factor" and cultural change as the underlying force for overcoming the barriers to effective KM in your law firm.

PART I – The Role of Technology in Knowledge Management

The KM process requires technology to support the capture and sharing of knowledge, promote collaboration and provide unhindered access to the information. Michael Zack, Associate Professor in Knowledge Management at University College, describes the role of technology as providing a seamless pipeline for the flow of explicit knowledge through the following four stages –

1. Capturing Knowledge;
2. Storing Knowledge
3. Defining, Categorising & Indexing Knowledge;
4. Searching & Retrieving Knowledge

Stage 1 – Acquisition and Capture

Knowledge is either created within an organisation or it is acquired from external sources. 90% of knowledge in a law firm resides in the heads and experience of its lawyers – in KM terminology; this is called “tacit” knowledge. As a lawyer’s “tacit” knowledge is put to use in the service of a client, his advice rendered in writing, in a telephone conversation or an email becomes “explicit” knowledge to be added to the Law Firm’s collective knowledge base. Technology which supports the process of capturing tacit knowledge and converting it into a digital format that can be stored, indexed and shared across the enterprise encompasses – word processing tools and spreadsheets, scanners and scanning software, email and fax server software. Emergent technologies in voice dictation software and video conferencing also perform this function of “coding” knowledge.

Although this point seems obvious, it bears repeating that information stored in a digital format offers the following advantages over “hard” (ie, printed) copies – 1. Electronic keyword searches enables quick access and retrieval of relevant information; 2. Ease of sharing and dissemination through email or the intranet; 3. Sensitive data can be given different levels of security access (eg, read only, read and print etc); 4. Digital information can be hyperlinked or cross-referenced to other digital objects of a similar or related matter; 5. Digital Information can be easily copied (ie, “back-ups” created) and additional copies stored in an off-site location in case of fire, sabotage by a disgruntled employee or other damage.

Stage 2 – Storage

The knowledge repository acts as a bridge between the capture and retrieval processes. Generally, knowledge repositories are your file servers, database, or intranet. Although each may comprise a distinct and separate physical tool, together they form a single, virtual knowledge repository.

All Client / Matter and Financial information should be stored in a “core” or centralised database and rendered easily accessible in the form of management reports and performance indicators that present an accurate, comprehensive and up-to-date picture of your firm’s financial position or client profile at any time.

There should be only one point of entry to eliminate duplication of effort and inconsistent information. If your database does not store “one version of the truth”, this lack of respect for the integrity of your database is likely to result in time-wasting manual validation outside the system (eg, references to manual records such as payment vouchers and client notes).

Your database should be an “Open System” database that complies with industry standards (eg, MS SQL, Oracle) as opposed to a proprietary custom-built database for these reasons – An open system database offers – 1. Ready support and maintenance from IT Professionals anywhere (not merely those employed or trained by the developer of a proprietary system); 2. Ease of reporting and inquiry as the requisite skills for designing customised reports will be readily available without the need for assistance from the proprietor; 3. Ease of migration of data when required – in this age of globalisation, mergers and formation of group practices are commonplace.

To put it simply, if you choose to a Practice Management System that is built on a customised database, you may find yourself held to ransom by its Developer for technical support and migration issues in the future. More significantly, the Developer's continued viability then becomes integral to accessing your data.

Stage 3- Organisation

To enable users to find relevant information quickly, all data stored in your repositories must be indexed and categorised in a way that facilitates its retrieval by the end-users. The "knowledge map" as defined by KM specialists is the primary means of representing the entirety of your knowledge base and the primary means of navigating the system.

To be useful across the enterprise, its structure must accommodate multiple content views so that users can examine the stored knowledge according to their own contextual needs and understanding. Your KM must be structured to coincide with the way users think about and retrieve information

Maintenance - The knowledge base is bound to change and grow over time and knowledge becomes redundant as it is superceded by new knowledge. If the information stored in your knowledge banks is outdated and unreliable, it will take considerable effort on the part of the user to glean the wheat from the chaff; the end result being that your knowledge bank will soon become irrelevant in your office.

One way to ensure the currency of the information in your knowledge banks is to require the contributor and subsequent users to profile the information - by whom and when it was created; who has used it again; when and how it was used, changes (if any) that have been added to it; and even what they thought of it. A "living" precedent where commentary is readily input by users and which allows users to track its "evolution" over usage is one way to ensure that your users themselves invest in the maintenance and currency of your knowledge base.

Depending on the rate of growth of your knowledge banks, it is probably at risk of becoming cumbersome without routine housekeeping involving archiving and purging. You can automate the application of a few intelligent archiving rules to stored information, but quite likely human intervention will be required at some point to ensure that the rules being applied are current for the specific information.

Stage 4- Retrieval

To be useful and valuable, the data in your knowledge base must be rendered easily accessible through good search capabilities.

However, a well-designed and efficient technology tool for carrying out a search function is only as good as the database it is searching. To ensure that your search tool throws up positive results to your searches, your database should have a well developed indexing and classification scheme, covering data in different file formats, and disparate data sources; and even incorporating content from external sources. If the search can't provide an answer, it should at least point the user in the direction of an answer – this may be achieved through links and cross-referencing as well as direct access to external sources of information.

Lawyers are often required to solve problems and recommend solutions across different disciplines, complex work which demands more of your KM system. Typically there are 2 ways to index digital information – "full text indexing" which automatically indexes every word and "structured indexing" which indexes the data based on pre-specified attributes such as title, date, author and specific words in the text. A full text search without limiting parameters potentially delivers high volumes of irrelevant material; on the other hand structured index searches are limited to retrieving information that complies with the pre-specified data fields. An optimal answer lies in a combination of both methods .

Retrieval tools may comprise the front-end of a document management or practice management system, or the user-interface in your law firm intranet.

This user-interface to your firm's knowledge base represents the workspace in which the user inhabits from day to day. From these screens the Managers generate management reports and performance indicators ; and your lawyers retrieve research and precedents. The success of your KM efforts may well depend on the responsiveness and ease of use of the user interface. In today's fast paced business world, there is little time for extensive training or for reading manuals – if any system is intended for day to day use, ease of use and navigation is critical to its adoption.

Bizibody Technology Pte Ltd provides Business Process & Practice Management Consultancy for Law Firms. Bizibody Consultants are former lawyers and law firm knowledge managers with in depth knowledge of practice management and legal process workflows.

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