

Legal I.T. Leadership Summit 2006



N a v i g a t i n g N e w F r o n t i e r s

Technology Governance - Challenges and Leadership

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Interwoven Confidential

Agenda



- **Introduction**
- **Law Firm Trends and Challenges That Can Impact Governance**
 - Issues to address
 - Where senior management should be focused
- **The Realities of Our World**
- **How to Deal With Our Challenges – Leadership Principles**
- **Q & A and Discussion**

Law Firm Industry Trends and Challenges

- **Mergers**
- **Globalization**
- **Increased Client Expectations and Pressures**
- **Increased Competition for Clients**
- **Increased Competition for Talent**
- **Increasing Operating Costs – Bottom Line Pressures**
- **Lawyer Turnover – Lawyers Coming and Going at Firms**
- **Increased focus on litigation in large law firms**

Our Role Is To Understand These Challenges and to Work With Other Members of Firm Management To Address Them

Law Firm Industry Trends and Challenges

- **These Trends Create Challenges for Law Firms, Including:**
 - Developing effective working relationships with clients – partnering with clients
 - Maintaining the one firm culture and appearance
 - Working more efficiently – commoditizing routine work, automating tasks
 - Improving internal collaboration
 - Addressing Litigation Support Issues
 - Improving internal administrative and management processes (e.g., new matter opening, financial management)

These all relate to process improvement

The Realities of Our World



- **Lawyers are skeptics**
- **Law Firms tend to be “Low trust environments” – David Maister in an article “Are Law Firms Manageable”**
- **The “As long as we are no worse than our competitors” syndrome**
- **The “What Are Other Firms Doing” syndrome**
- **Over investment in decision making – the “paralysis through analysis” syndrome**
- **There may be disincentives for process innovation in law firms**
- **An impression (fair or unfair) that technology projects do not produce the results that were expected**

The Realities of Our World



- **Every Firm Defines Governance Differently**
- **“The decision making and accountability framework to encourage the best and highest return from technology investments.”**
- **In order to achieve this IS must be aligned with the business objectives of the firm, and**
- **IT leadership must partner with Firm leadership**

The Realities of Our World



- **Governance structural models in law firms**
- **Technology Committees**
- **Technology Advisory Groups**
- **Management Committees**
- **Project Oriented Committees**

The Realities of Our World



- **Technology Committees Are Not Always Functional**
 - Gadget Committee
 - The Let's Just Talk and Take No Action Committee
 - Same as the above but Also Run for Cover Committee

The Realities of Our World



- **These Challenges and Realities Impact Us as We Navigate the World of Governance In Our Firms**



How to Deal With These Challenges and Realities— Leadership Principles

Leadership Principles



**Encourage Your Firm To Listen To
Your Clients – Few Firms Do
Technology or Otherwise**

Leadership Principles



**According to a recent BTI survey
– 70% of clients do not
recommend their primary law
firms. The three major reasons
cited were:**

- 1. Not keeping up with changing client needs**
- 2. Doing a poor job of delivering value**
- 3. Less than adequate communications**

Leadership Principles



According to the 2005 AmLaw survey of law firm leaders - approximately 50% of AmLaw 200 firms met with more than five of their twenty largest clients to discuss client satisfaction

Leadership Principles



- **Technology Investment Priorities –
What Do Your Clients Want?**
 - BTI Survey – What GCs Want Re Technology From Their Outside Counsel (This Tracks With Our Findings)
 - Collaboration
 - Access to Substantive Content Such As
 - Recent Cases
 - Legal Research
 - Business Process Improvements
 - Best Practices Documents
 - EDD
 - Decision Support Systems
 - E-Billing

In other word – Process Improvement for You and for Them

Leadership Principles



Don't Just Think and Communicate like a Technologist – Think and Communicate Like a Firm Business Manager and Strategist – One Way to Categorize Projects Into The Three Key Areas Of Firm Management

- Client Service
- Firm Profitability and Operations
- Risk Management

Leadership Principles



Client Service

- Client Service (Design, Evaluate, Plan, Implement, Enhance Upgrade)
 - Document Management System
 - Matter Centricity
 - Matter Life-Cycle Management
 - Extranet And Other Collaboration Capabilities
 - E-Mail Management
 - Practice Support Systems, Including Litigation Support And E-Discovery
 - Client/Matter Solutions Related To Client Relationship Management, Practice Management, And Intranet/Portal Solutions
 - Work-Product Retrieval Program Including Best Practices/Precedent Documents
 - Enterprise Search Solutions
 - Client, Industry, And Topic Websites
 - Document Assembly Solutions
 - Enterprise Search
 - Expert Systems
 - Document Assembly
 - Remote Access Capabilities
 - Electronic Billing

Leadership Principles



Firm Profitability and Operations

- Project Management Office
- Business Processes And Internal Workflow Improvement
- Attorney Mobility, Including Offline Access To E-Mail And Documents
- End-User Training
- End-User Support
- Data Warehousing
- Desktop Management Best Practices
- System Consolidation And Centralization
- Practice And Matter Management Systems
- Business Intelligence Capabilities
- Desktop Refresh And Upgrades
- Help Desk Effectiveness
- Voice Over IP (VoIP) Implementation
- Telephone System Replacements/Upgrades
- WAN-LAN Infrastructure Optimization
- Data Communications Optimization
- Financial System Upgrades, Including Time & Billing Components
- IT Best Practices (Technology And Business)
- System Data Storage Optimization

Leadership Principles



Risk Management

- Business Continuity Strategies And Plans, Including Disaster Recovery
- E-Mail Management And Archiving
- Records Management Policies
- System And Business Security Policies And Practices
- Docketing

Leadership Principles



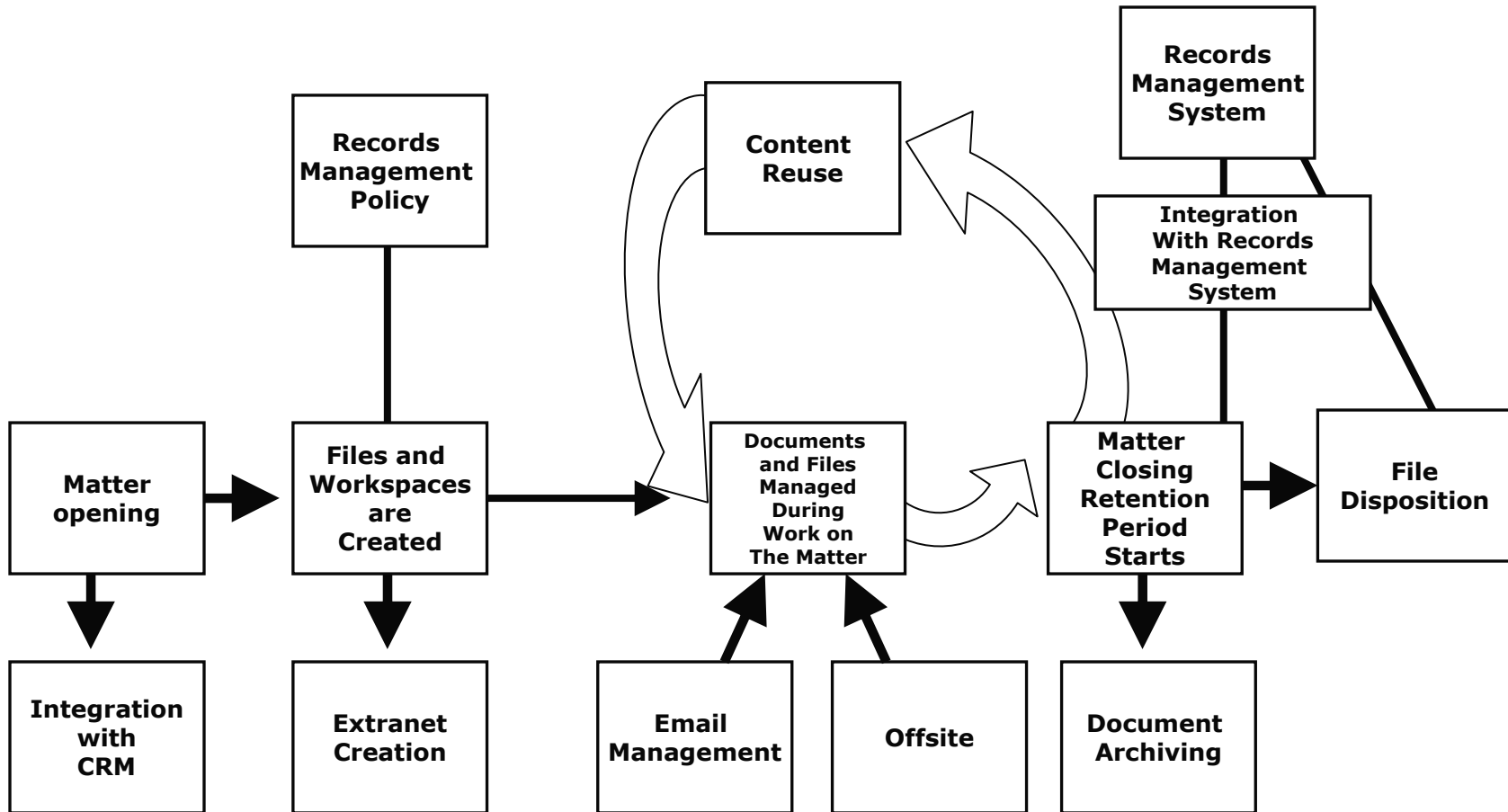
**Don't Just Speak The Language of Attorneys – Learn
The Business**

Leadership Principles



Think About Technology and Process Improvement Less In Silo Terms – Develop and Communicate a Firm Vision

Leadership Principles



Leadership Principles



Focus on Process Not Just Content

Leadership Principles



<p>Full ECM – Content, Processes and Systems</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Content Management</p>	<p>One Firm Focus But Inward Facing</p>	<p>One Firm – Client Facing</p>
	<p>Individual Lawyers – Individual Practices</p>	<p>Client Facing, Limited Focus on the One firm Collaboration Concept</p>
<p>Individual Files and Content</p>	<p>Internal</p>	<p>External</p>

Collaboration

Leadership Principles



Identify metrics and other measures that can better demonstrate the value of technology for process improvement, client service and profitability

Leadership Principles



- **Metrics to assess – financial and staffing**
 - Technology related spending on client service delivery vs. maintenance and operations
 - Technology related spending on process change vs. other reasons
 - Technology related spending on
 - Client service delivery
 - Firm management and operations
 - Risk Management
 - Staff focused on client service delivery vs. maintenance and operations – this is a relative metric – you need both

Leadership Principles



- **Metrics and benchmarks to assess - management**
 - How CIOs spend their time (Estimates)
 - How firm management spends their time addressing technology issues

Leadership Principles



- **Metrics and benchmarks to assess - clients**
 - **Client satisfaction rates**

Leadership Principles



- **Measuring Success - Develop a technology scorecard – which should include:**
 - Client satisfaction
 - User satisfaction
 - Assessment of spending metrics
 - Assessment of staffing metrics and benchmarks including;
 - Technology
 - Near Technology (e.g., practice support and litigation support)
 - Other functions
 - Research librarians
 - Accounting and finance

Leadership Principles



- **Develop a technology scorecard**
 - Comparison of process benchmarks such as
 - Matter opening
 - Timing
 - Number of steps
 - Legal research
 - Use of electronic research vs. traditional
 - Use of Business and Market intelligence capabilities
 - Preparation of standard documents
 - Overall process

Leadership Principles



- **Governance Objectives Include:**
 - **Determining the appropriate amount to spend on technology**
 - **Determining which business processes should be enhanced**
 - **Determining priorities for IT spending**
 - **Help the Firm determine how good IT services really need to be**
 - **Reducing the Firm's technology failures (real or perceived)**

Leadership Principles



- **Ensure That Key Governance Concepts are Addressed In Your Firm – How?**
 - Advise
 - Prioritize
 - Provide Direction
 - Approve Strategies and Initiatives
 - Challenge IT on Technology
 - Challenge Attorneys on Technology
 - Collaborate with IT and Attorneys on Process Improvement and Technology Initiatives
 - Educate
 - Support

Leadership Principles



- **Gain a better understanding of why there is a perception that IT projects do not always meet expectations and fix the issues in your firm**
 - Lack of real understanding of the expected benefits – not aligned with the Firm’s strategic vision - **manage expectations**
 - Over focus on technology reasons for projects rather than business or process reasons
 - Under budgeting for the projects
 - Unrealistic deadlines
 - Over commitment to projects – trying to fit ten pounds of something into a five pound bag

- **Implement an agreed upon approach to setting priorities – the approach can be simple**



Q & A and Discussion