

INSIGHT LEGAL

S O F T W A R E

WHITEPAPER

A guide to choosing the right legal software for your firm

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A guide to choosing the right legal software for your firm

1. INTRODUCTION

If you're reading this then you won't need us to tell you about the changes affecting the legal landscape. In short, it seems everyone is expecting twice as much to be done, in half the time for no more money! The expectations of clients in relation to time scales and fees, the requirements of the regulators and the rise of the 'volume' provider are akin to a perfect storm affecting many firms' financial performance.

If efficiency, productivity and profitability are important to your firm, then a modern legal IT system meeting the needs of the practice will help to deliver improvements in these three areas.

The challenge for Practice Managers tasked with scouring the supplier market, is whittling down a long list of 'possible' IT suppliers to a sensible short-list of 'suitable' IT suppliers. Only by finding the right supplier for your firm will the efficiency, productivity and profitability benefits be unlocked.

Sadly, unscrupulous suppliers do exist in the legal IT market. Sales tactics and retention strategies can be at the sharper end of what law firms are used to. Some suppliers see firms as soft targets; they are perceived to have deep pockets and are not as IT savvy as 'real' businesses.

This paper is designed to help guide IT Directors and Practice Managers through the process of identifying a short-list of suitable suppliers and then how to select the right partner.

2. PLANNING TO LEAVE YOUR EXISTING SUPPLIER

It's always sensible to understand first what is involved in moving away from your existing IT supplier. Points to consider include:

- What are the reasons for leaving?
- What are the termination and renewal/notice terms to be aware of?
- Is the firm able to retrieve its full dataset when the contract ends or is terminated?
- Will there be any charge to return the firm's data to us?
- In what format will data be returned? Data returned through report formats may not provide a complete 'data dump' and hinder migration issues and/or leave pools of data locked up and inaccessible in the old system.
- What happens to any remaining data left on computer servers or in the cloud? GDPR regulations place conditions on data owners for the management or disposal of information.

2.1. Act in haste – repent at leisure

Having made the decision to leave, be realistic about the scope of the project. As with any important business decision, choosing a legal IT supplier takes time and planning. With contractual considerations and onboarding periods to consider, firms should typically start this process no less than six months before they want to introduce a new system. Don't be rushed by a short deadline such as a contract expiry, or regulatory changes. Nor be won over by eager suppliers promising they can

meet your self-imposed deadlines of less than six months. Whoever the project leader / decision maker is, may want to appraise the software market initially, so they have a good overview. Then, form a project team so all necessary stakeholders are invested in the process and the subsequent decisions. Draw up a list of necessary system functionality, perhaps using a traffic light system of red = must have, amber = important to have and green = nice to have. Be realistic about the time needed to be set aside to assess different suppliers and their offerings.

3. THE TRAITS OF A REPUTABLE SUPPLIER

Improving the use of technology remains one of the top three priorities amongst UK law firms¹ when it comes to supporting their business. There are some specific traits of reputable IT systems suppliers and others are common sense (insofar as you would apply them when spending your own money). Here is our list of the likely indicators of a reputable supplier.

3.1. The sales process and buying experience

Expect that suppliers will be able to give demonstrations of their systems to you over the internet. You can arrange for the project team to 'attend' these demos and each can be assessed against the key criteria for your firm. It's right and proper that potential suppliers showcase their solutions to you. How you feel about your initial interaction and subsequent follow-ups with them may be instructive as to the type of relationship you may experience going forwards. A good salesperson can get results without the buyer feeling under duress. Gut feel can be a useful guide if a supplier appears to prioritise sales over customer experience. Offers and discounts that are 'strictly' time limited are common tactics, but whose interest do they really serve?

3.2. Prices

If the pricing is easy to understand, that's a good early sign. Expect to see the product being sold as a regular subscription (known in the IT industry as Software-as-a-Service or SaaS). This means you pay a monthly fee for a license to run the software. For those who have been around a bit longer, this has taken over from the traditional way of purchasing which was to buy the software upfront and pay an annual support fee. This has been hugely to the benefit of the customer, as barriers to exit are lower in the event of dissatisfaction or organisational changes at the firm.

It's good to be aware of some sharp practices regarding pricing, and here are three.

- To counter the lack of a large payment upfront for software, some suppliers will recommend firms consider a finance agreement (often over three years). The effect being that a firm is paying a monthly fee (as with SaaS), but the supplier has been paid in full at the beginning, and the firm has a repayment agreement with the finance provider. Firms will not have anything like the same leverage to exit these types of agreements. Ask yourself the question - there has to be a reason why the supplier needs all of the money up front.
- Low-balling is the practice of keeping the price artificially low in Year 1, only to recoup revenue in subsequent years via price hikes. Ask about the likelihood of price increases during the contract. That said, inflation makes price rises inevitable eventually. Ask any supplier about their plans for price rises and check the small print in the contract.
- Money back guarantees are something that are seen occasionally as a way to get a deal over the line. Whilst these can sound appealing, in reality you still need to go through the process again (which costs time and money), and if the only way out of the money back guarantee is to get data from reports, you may well be stuck, and never actually ever get money back.

¹ <https://www.pwc.co.uk/industries/business-services/law-firms/survey/business-support-and-tax.html>

3.3. Contract terms

There's something ironic writing about contract terms to an audience of people working in law firms! We are not telling 'grandmothers how to suck eggs,' but we have seen some incidents over the years where contract terms have caught firms out. Beware of long-term contracts; the world at large, and IT in particular, moves too fast for firms to be tied to five or even three year agreements. You can ask for a sample copy of the supplier's agreement. If it's the size of a booklet you might ask yourself what's squirrelled-away in all that small print!

Note as a rule of thumb that the more reputable suppliers will be comfortable offering shorter contracts, knowing it is in your best interest and that they believe their software and service will earn your loyalty. Before you enter into any contract, you need to understand what happens at the end. If there is no clause stating the cost to get data back or how you get data back then you may be getting yourself into a difficult situation if you decide to leave. The commercial lawyer in the firm will be delighted to help you!

3.4. Ongoing support

As with pricing, a reputable supplier will share with you the service levels you can expect in the event you need their help.

- What level of training and support is provided during the onboarding process and what length of time does onboarding constitute?
- What, if any, exclusions or limits exist to support and training during onboarding?
- Are all levels of support included in the monthly subscription or are there add-ons to be aware of?
- Within any support framework, what response times can be expected and what different levels of support exist e.g. beyond chat-box and help forums?
- What escalation procedures exist in the event of a serious issue e.g. out of hours, month-end / year-end etc.
- With many legal IT systems providing services to both the fee earning and finance parts of the firm, is the support provided in equal strength?

3.5. Levels of customer satisfaction

Evidence of high levels of existing customer satisfaction can be a useful indicator when sifting through possible suppliers. These include:

- Online review platforms – A good indicator is a supplier that shows a track record of positive reviews being added incrementally over time. Rather than a supplier that adds 20 five-star reviews on the same day! Remember, none of us is perfect, so don't always dismiss a promising provider whose scores look on the low side.
- Web-site testimonials and case studies. Does the supplier's website have enough independent feedback to suggest happy customers? Does the feedback come from firms with a similar profile to your own?
- Referrals. Is there a similar firm that a supplier is happy to put you in touch with so that you can ask questions independently about the issues that are most relevant to your firm's purchasing criteria?
- Beware a provider who cites GDPR as a legitimate reason for not being able to provide independent client feedback to you. It may suggest they have little or none to share!
- Word on the street. What are you hearing from other Practice Managers? The legal market is quite 'tight-knit' and the grapevine can be a useful source of information.

Other useful indicators which might suggest a positive track record include: VAT registration, number of years trading, business ownership model, market knowledge and longevity of the directors and shareholders, awards / accreditations and whether the software is HMRC API compatible.

3.6. Investing in technology

Technology is at the heart of any legal IT system. It is crucial that suppliers continue to invest in the development of their product, to support customers as their needs continue to evolve. Ask the supplier when the current software was written? If it needs 3rd party software to operate in the cloud, then its heritage is at least 20 years old, and may need to rely on old technology. It is also wise to ask what the plans are for the development of the software and the direction of the company.

The rise in mobile working means it's important to ask how the system helps people on-the-go or who work from a place other than the office.

4. YOU'VE FOUND THE RIGHT SUPPLIER FOR YOUR PRACTICE

Congratulations! Next, you need to understand how the data in the existing system will move across (known as migration) to the new system.

4.1. Data transfer

The process of transferring software suppliers will always involve some degree of migrating data over to a new system, and firms should expect new suppliers to charge a fee to carry out this transfer. Some will charge a set fee to complete this.

Ask your new supplier if they have experience of migrating from your current supplier and how many times this has been achieved. A reputable supplier with time in the market will have migrated from many systems including yours and therefore will understand the challenges of that particular migration.

Make sure that you understand and are comfortable with each of the steps involved in moving from the old system to the new one. You may want to ask for a project plan.

5. SUMMARY

In summary, here are the key points again to bear in mind to ensure a smooth transition to a new legal IT supplier.

- Understand clearly what is involved exiting the existing supplier and that leaving is the correct decision.
- Know the key deliverables needed from a new system and create an assessment template so that you can properly compare the offerings from different suppliers.
- Create a project team if needed and set realistic project timescales.
- Ask for evidence from suppliers about customers they have whose profile and legacy system matches your own.
- Be comfortable with the process involved in, and the expectations of migrating from the old system to the new one.
- Understand the levels of support that will be provided so that you can reassure users in the firm that the new system will help them in their jobs.
- Make sure you have all the information you need to make the right choice. Never be afraid to go back to a supplier to ask as many questions as you need to get to this point.
- Whoever you choose, the relationship should feel like a partnership rather than that of a customer and a supplier.

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ABOUT US

With 800 law firms currently using our service and our experience of integrating from 41 different systems to date, Insight Legal can provide law firms with the support needed to seamlessly transition to a supplier that they can trust.

Launched in 2011, Insight Legal Software is a Legal Accounts, Practice Management and Case Management system designed specifically to meet the needs of UK and Irish Law Firms. It is a modern system for today's legal practices unencumbered by legacy technology and thinking.

Insight Legal brings together experience with Solicitors' practices to provide firms with a system that meets their needs. With no prohibitive upfront software costs and a simple 30 day or 12 month rolling contract, Insight Legal is quick, easy and hassle-free for firms.

Go to someone who has credibility and time within the market.

To discuss this topic further or the services we can offer, call 01252 518939, email info@insightlegal.co.uk

For more information visit: www.insightlegal.co.uk



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