WHITE PAPER

ADVANCING LAW FIRM EFFICIENCY WITH I.T. AND NETWORK TECHNOLOGY

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Table of contents

ADVANCING LAW FIRM EFFICIENCY WITH I.T. AND NETWORK TECHNOLOGY

EXECUTIVE SUMMARY

Information technology has been a key driver of change in the field of legal services over the last decade, bringing greater efficiency to the industry while disrupting convention and increasing competition.

This rapid pace of change means that the skillful adoption of new technology is no longer a secondary concern for law firms. Increasingly, it is a key factor in determining a firm's long-term success.
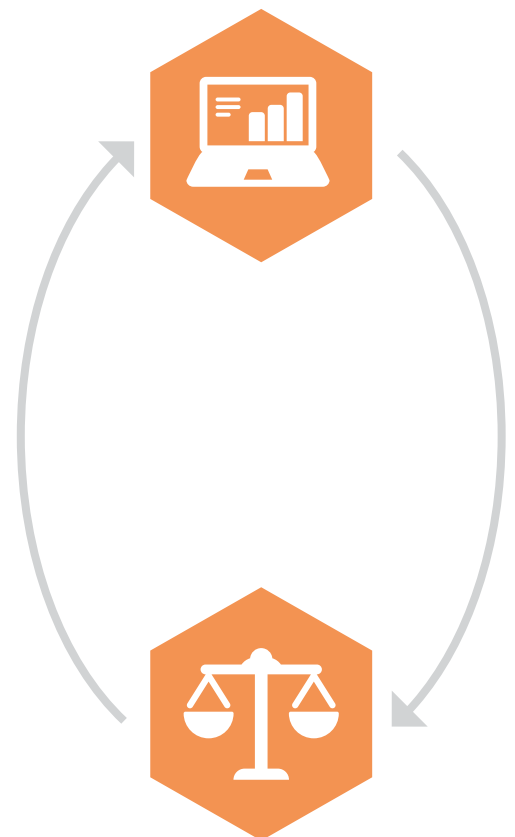
This white paper will explore how managed I.T. service providers help law firms seize the opportunities this paradigm shift presents, and deliver better, customer-centric legal services to a demanding market.

Proper I.T. management and strategy are crucial to competing in the current legal services market and ensuring continued success in the future.

A CHALLENGING MARKET FOR LEGAL SERVICES

Offering legal services has become an increasingly difficult proposition. According to the *Thomson Reuters Peer Monitor*, demand for legal services has remained essentially flat since the Great Recession of 2008. In addition to flat demand, other factors such as a fiercely competitive market and an increasing number of non-traditional service providers are applying downward pressure on the rates for legal services.

Compounding these challenges are the rising expectations of clients. Purchasers of legal services are losing interest in the billable-hour pricing model in favor of more predictable, flat-fee based price structures. In many cases, they're also looking for law firms that have greater industry expertise and familiarity with new technologies, such as global data and cyber security regulations.

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I.T. DRIVES SUCCESS IN THE NEW ERA

The majority of law firms now acknowledge that better technology is an integral part of this new, client-focused approach to providing legal services. According to a report from the International Legal Technology Association entitled, *Legal Technology Future Horizons*, 73% of respondents — representing more than 440 firms worldwide — agree or strongly agree that, "the capacity for rapid, I.T. -enabled innovation will be a critical differentiator for law firms in the future."

Despite this trends toward greater efficiency, many law firms have been slow to effectively meet the challenges this new landscape presents. According to Altman Weil's 2016 *Law Firms in Transition* survey, 93% of law firm leaders admit that the emphasis on improved efficiency is a permanent feature of the legal market, but less than half of them (44%) report having implemented a strategy in order to deal with this new reality. In order to stay relevant and profitable in this new landscape, it's important that law firms formulate a strategy to integrate current and future technologies into their operations. This new era of I.T. shouldn't be confined to back-office operations alone, it should be considered a core part of a firm's capabilities that helps it offer customized insights, increased responsiveness, and an overall enhanced experience for their clients. Integrating these new technologies into a law firm's operations takes great expertise, which can be acquired in one of two ways.

73%
of Respondents* Agree:

"*the capacity for rapid, I.T.-enabled innovation will be a critical differentiator for law firms in the future.*"

Legal Technology Future Horizons

*Representing more than 440 firms worldwide

93%

<44%

Agree   **Implemented**

"*emphasis on improved efficiency is a permanent feature of the legal market.*"

Respondents - Altman Weil's 2016 *Law Firms in Transition* survey

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4

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INTERNAL I.T. STAFF – CONVENIENT AND COSTLY

There are many benefits to having a fully-staffed IT department. They have deep knowledge of your network and operations, and their sole job is to keep your IT systems and services running smoothly. They also fully understand your company and its needs, and getting creative input is as easy as a quick chat around the water cooler. But the disadvantages can be significant as well. Is your company looking for networking generalists? Perhaps it wants someone who has experience with a specific application or system? IT engineers with specialist skillsets can be difficult to find, even in a major city like New York, where competition for experienced IT professionals has left many positions vacant.

When high-quality talent can be found, it comes with a steep price tag. According to Robert Half's Salary Guide for Technology Professionals, which tracks the salaries of IT staff at employers across the country, the average network engineer's salary is between $99,000 and $146,250, while the cost of retaining a Director of Technology is even greater, between $108,000 and $193,000 annually. This base salary, along with the other added costs associated with carrying an employee (retirement and healthcare contributions, vacation pay, etc.), means a minimum of $110- to $150-thousand-dollars per employee.

The price tag associated with staffing an IT department is especially high for organizations that want to pursue an aggressive technology strategy. After all, your in-house IT department may not be familiar with latest services or platforms, or have the time to roll these systems out while maintaining your existing infrastructure. Saddling a small, in-house IT staff with excessive responsibility is a bad option that can result in burnout or increased turnover, which further drives up costs and may even result in IT service irregularities.

Robert Half's Salary Guide

$99,000 - $146,250

Avg. salary of a Network Engineer

$108,000 - 193,000

Cost of retaining a Director of Technology

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5

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MANAGED I.T. SERVICES PROVIDERS – SCALABLE EXPERTISE FOR A FLAT FEE

Fixed rate service

Lower I.T. costs

The benefits of hiring an MSP fall into four major categories.

Forward-thinking strategy

Operational efficiency

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6
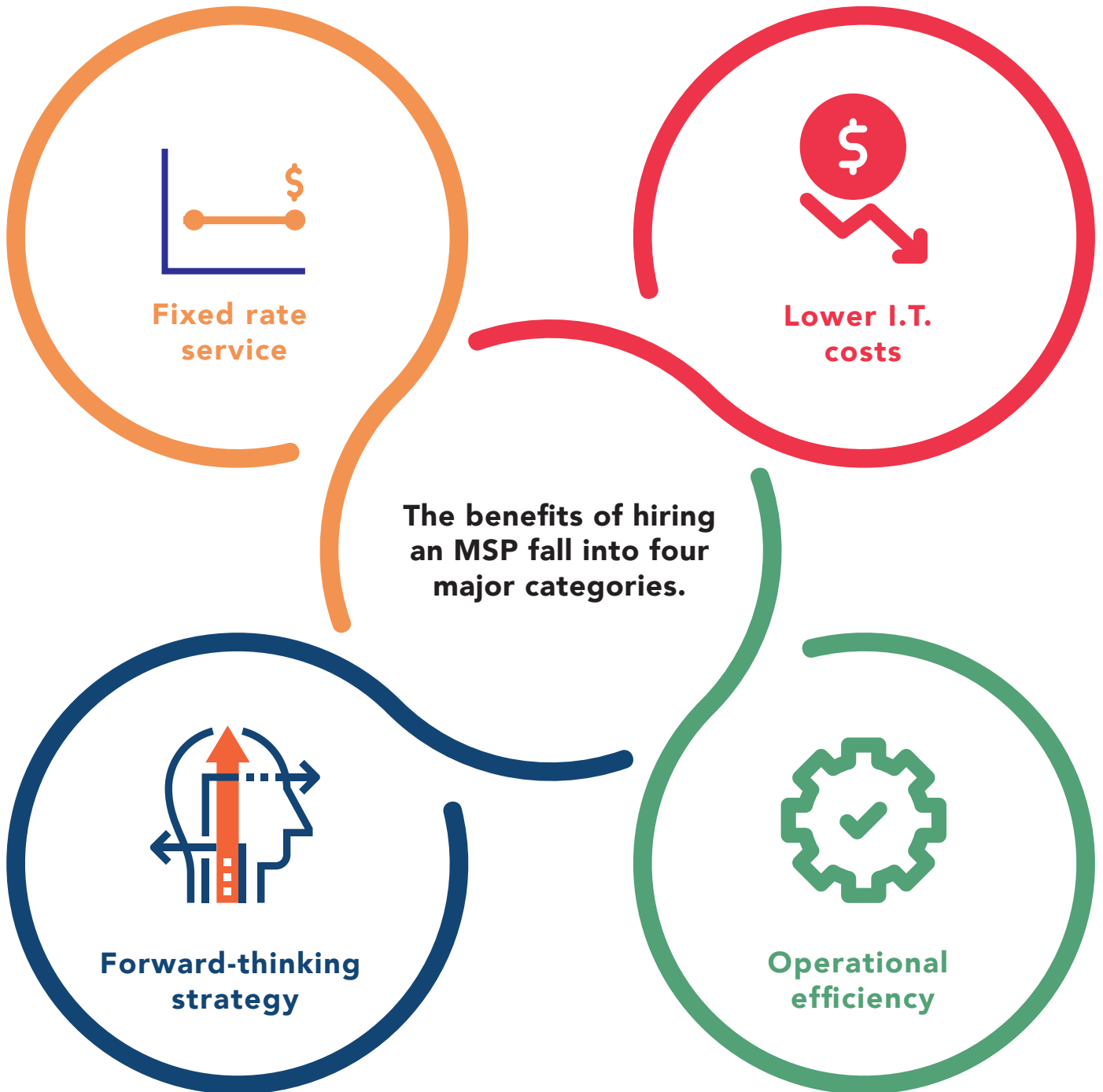
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FIXED RATE SERVICE

The managed service model provides predictable, flat-rate pricing that helps law firms plan their I.T. spend in advance and prevent cost over-runs. In this model, the service provider has a vested interest in keeping infrastructure and applications running smoothly, as it reduces their own workload. By aligning the interests of the law firm and I.T. service provider, both parties achieve smoother operations, more productivity, and greater profitability.

LOWER I.T. COSTS

Many firms that hire an MSP to handle their I.T. needs find an immediate cost savings. According to CompTIA's Annual Trends in Managed Services, 46% of businesses are able to cut their yearly I.T. budget by 25% or more by utilizing the services of a managed services provider. In addition to these immediate savings, leveraging areas of MSP expertise can improve critical areas of service, such as cybersecurity protection and business continuity processes, which help prevent costly disasters that could harm or even shutter a law firm.

FORWARD-THINKING STRATEGY

Having immediate access to a strategic technology partner is another important reason why enlisting an MSP is reliably a good move. A high-quality MSP will go beyond offering individual services, they'll work with you to develop a progressive I.T. strategy that keeps your infrastructure and systems ahead of the rapidly shifting legal I.T. environment, while also helping you achieve your overall business objectives.

OPERATIONAL EFFICIENCY

By having an external team of I.T. experts optimize their network infrastructure and perform routine maintenance, law firms are able to better focus on their own areas of expertise - practicing the law. Many MSPs bring a deep familiarity with time-saving I.T. tools and applications to enhance the quality of law firm workflows, such as managed print services, indexed document libraries and Voice over Internet Protocol (VoIP), thus providing levels of efficiency and value unanticipated by the client.

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7

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In the following sections we'll explore some of the key services that MSPs offer, and how these services help law firms stay competitive and better serve their clients.

BETTER INTEGRATED HARDWARE AND APPLICATIONS

One of the first things a reputable MSP will do for you is to audit your existing network infrastructure and applications to identify areas for optimization. Part of this process is looking for what's known as "data silos" or "stovepipes," which are independent, poorly connected systems or applications within your organization. These "siloes," which are unable to smoothly interwork with other applications at your law firm, often waste countless man-hours and can significantly hurt affect your firm's overall efficiency.

The legal services field is particularly susceptible to these issues, as many proprietary line-of-business applications, such as document management systems, billing systems, eDiscovery systems, and other software applications, may not be completely compatible with your other business applications. These poorly integrated systems, which often require time-consuming maintenance by in-house I.T. staff, can be a major source of headaches for a growing law firm. The inefficiency they cause can be particularly egregious in law firms that are still over-reliant on paper, or else have poorly implemented a hybrid digital-paper record system.

By ensuring that all aspects of your I.T. systems are working in harmony, with each individual system properly accounted for, managed service providers can help you remove these productivity killers and work more efficiently.

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8

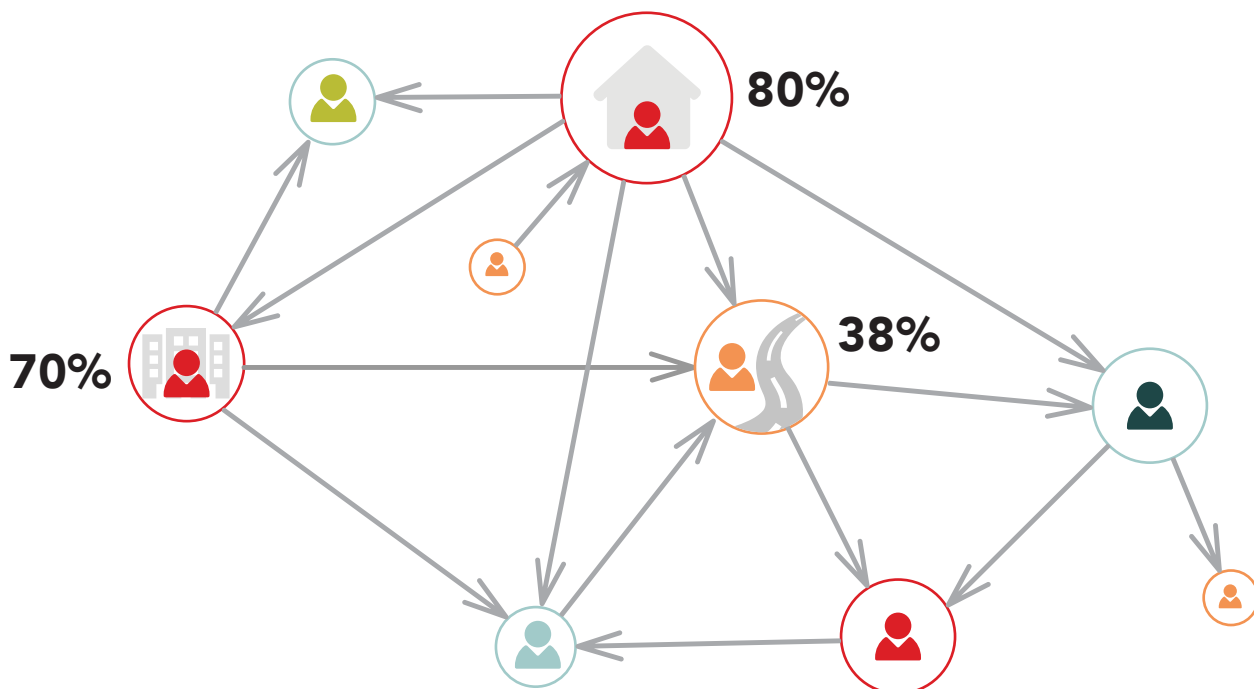# ADVANCING LAW FIRM EFFICIENCY WITH I.T. AND NETWORK TECHNOLOGY

INCREASED LAW FIRM MOBILITY

Following the general trend in business today, law firms are embracing mobile technology and allowing for more flexible work arrangements. According to the American Bar Association's 2016 TECHREPORT, 70% of lawyers work primarily from a traditional law office, but nearly 80% of them report having performed legal services from home as well. An additional 38% report having worked from the road.

As a key part of your long-term I.T. strategy, you'll want to ensure that your attorneys are positioned for success in the era of increased mobility. This means having a clear enterprise mobility management (EMM) strategy that ensures all smartphones, tablets, and laptops are synchronized and secure, so that your staff can access and edit sensitive documents, client records, legal briefs, and billing data from anywhere they need to.

Proper EMM service includes a synthesis of three separate but equally important disciplines — mobile device management (MDM), mobile application management (MAM), and mobile information management (MIM). Each of these areas requires specialized skills to ensure service quality and security.

Finding an MSP to help with the management of your mobile devices will have a positive effect on your operations, and can save your firm up to 47% per device, based on information from enterprise mobility expert Runzheimer's report, Total Employee Mobility. This efficiency translates into better and happier employees. According to a study by research group IDG, organizations that implement technologies like EMM to support mobility report a 50% increase in productivity and a 39% boost in employee morale.

American Bar Association's 2016 TECHREPORT

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9

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CYBERSECURITY VIGILANCE

The threat of a cyberattack has been growing rapidly over the last decade, with law firms being a particular area of focus for these criminals. The spread of cybercrime has affected law firms big and small. Based on their collected data of nearly 50 billion cybersecurity events, I.T. security firm TruShield has identified the legal industry as the third most targeted sector for cybercrime, after retail and finance.

Comprehensive cybersecurity for law firms must be based on a holistic view of all company I.T. hardware and software assets, as well as company data. The resulting security posture should include multi-layered information access controls, file encryption, incident response, and enterprise-grade firewalls and anti-virus protection. In order for a cyber security plan to be effective, it's vital that it not just cover the internal company network, but also includes the proper management and security of all mobile and remote access devices as well.

Achieving optimal cybersecurity for law firms is an area that is difficult to achieverealize in-house. Across the country, there's an industry-wide lack of cybersecurity talent. By 2021, there'll be an estimated 3.5 million unfilled jobs in the cyber security field. This highly-competitive job market has made it difficult to attract and keep qualified employees.
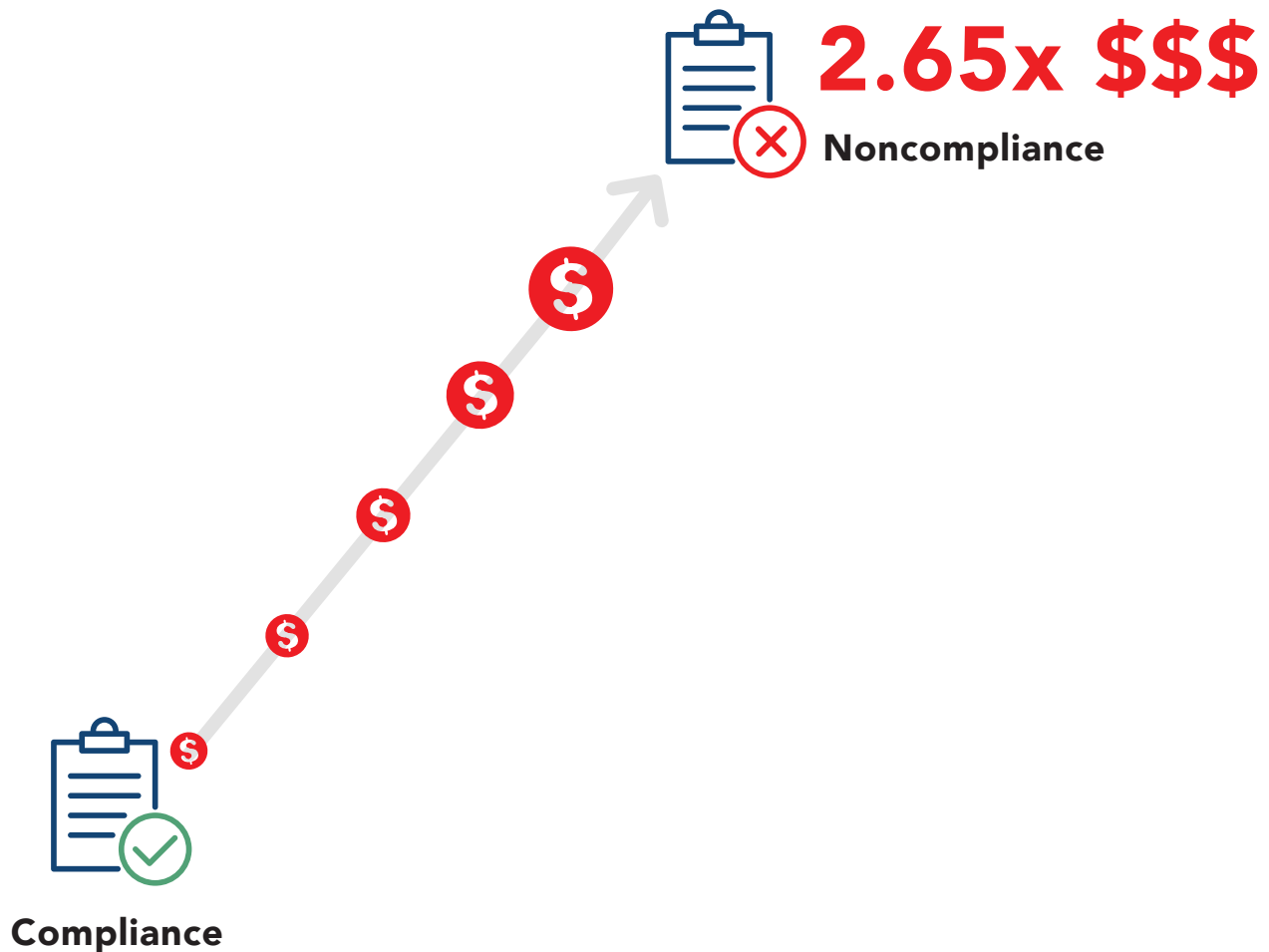

Outsourcing your cybersecurity needs to a managed security provider, or strategically augmenting the efforts of in-house staff with one, gives you immediate access to the latest tools, and up-to-date knowledge of cybersecurity best practices. Having this expertise at hand will keep your law firm safer from cyber threats, reduce overall costs, and help save management and internal I.T. staff from sleepless nights.

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COMPLIANCE EXPERTISE

Regulatory compliance is yet another area where law firms feel an increased pressure. According to Tripwire's The True Cost of Compliance, noncompliance ends up costing firms and business more than 2.65 times the cost of staying in line with regulations. But compliance requires strategically thinking about the flow of data at each and every level of your firm, which is no simple task.

Most law firms are required to remain compliant with regulations like the Federal Rules of Civil Procedure (FRCP) and the State Bar Rules, which stipulate that electronic communications are subject to the same regulations as paper correspondence. Law firms may also, depending on their particular situation, contend with other standards including PCI, CMR, HIPPA, GLBA, or GRC. Outsourcing your firm's compliance needs to a team of professionals can bring deep expertise and regulatory knowledge, and close a skills gap that allows you to better focus on your core business.

2.65x $$$
Noncompliance

Compliance

Tripwire's The True Cost of Compliance

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11

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RELIABLE BUSINESS CONTINUITY AND DISASTER RECOVERY
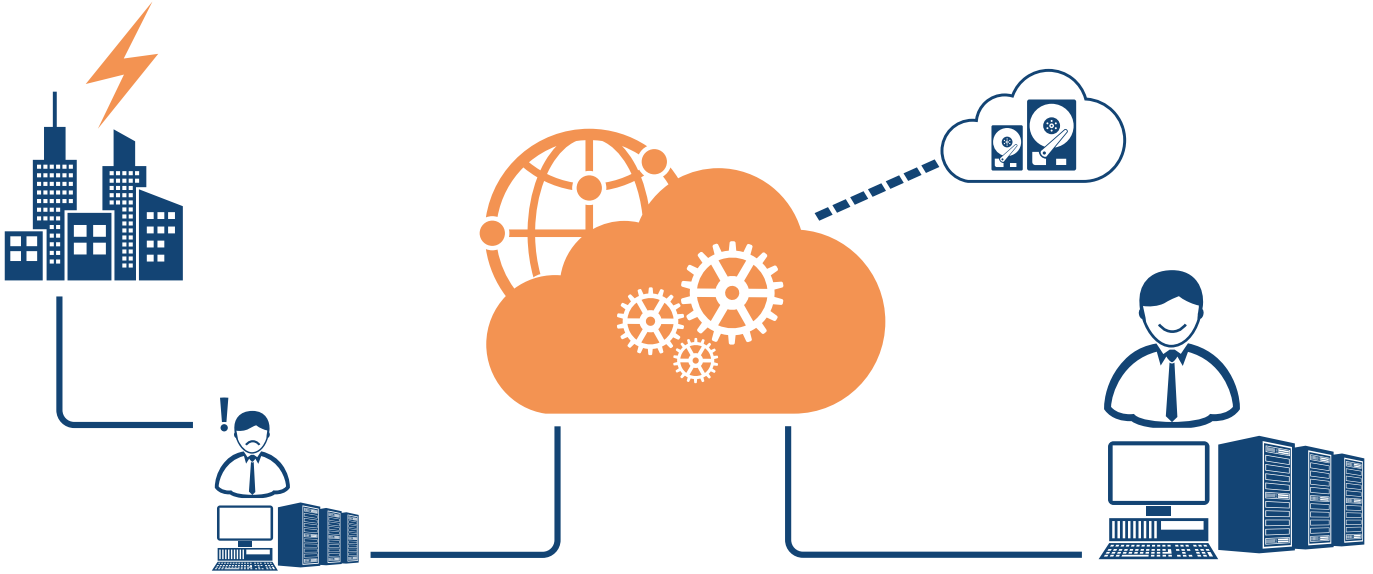
Business continuity means having a comprehensive strategy to deal with I.T. service disruptions, ranging from losing access to a hard-drive or server, to contingencies for natural disaster and other critical failures that can disable your I.T. systems. According to the U.S. Department of Labor, 40% of businesses close within 24 months after dealing with such a catastrophe, which means that avoiding downtime is a mission critical objective that must be handled with great care.

For nearly a decade the American Bar Association (ABA) has been advising that law firms back up their data daily to an off-site location, but off-site backup is just one small part of building a comprehensive business continuity plan. Effective disaster recovery means assessing mitigating risk byrisk, performing a business impact assessments, developing a thorough backup and recovery plans, and then testing and maintaining that plan on a regular basis to ensure its efficacy.

Because of the consistent effort they require, business continuity and disaster recovery services are often very difficult for in-house I.T. departments to implement reliably. This is why, according to the Computer Economics I.T. Outsourcing Statistics 2017/2018, they're among the services that companies most confidently outsource to a managed I.T. service provider. MSPs are not only able to offer specialized expertise in the field of disaster recovery, they often have access to tools and applications that wouldn't make sense for a law firm to purchase for itself. This combination of specialized skills and resources often leads to a significant savings, especially when the costs of potential downtime are factored in. According to the report mentioned above, 92% of organizations that outsource disaster recovery to an external provider have equal or lower costs when compared to running these services internally.

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12

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ABOUT

Manhattan TechSupport.com

ManhattanTechSupport.com is a managed I.T. service provider with decades of experience helping law firms throughout the five boroughs of New York City plan and deploy technology solutions. We combine our expertise in computer and network technology with our intimate knowledge of the legal services field to deliver outstanding I.T. services to our clients, empowering them to achieve higher levels of efficiency and success.

To learn more about how services and solutions from ManhattanTechSupport.com can help law firms stay competitive:

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