

Profitability for legal firms in a post COVID world.



Problem solved



Introduction.

Encouraging legal firms to adopt technology and IT best practices is no new concept, nor is it the silver bullet to disrupting the legal industry; however, it initiates the evolution needed and can go some way to driving client experience and bottom line growth that will help senior partners sleep at night.

Amid a softening economy and an uncertain future, Australia's \$20 billion¹ legal sector is finding itself under increasing amounts of pressure. Although, COVID-19 has ensured that pressure has been spread across most professional services.

Many legal firms have clients that have significantly reduced their operations and put longer-term plans on hold.

In the current environment, striving to provide firstclass legal services while at the same time keeping a lid on operational costs is a tough task. Not to mention the definition of first-class legal service is continuously evolving and merging outside of traditional legal knowledge, to be inclusive of risk mitigation, resourcing, efficiency and innovative delivery.

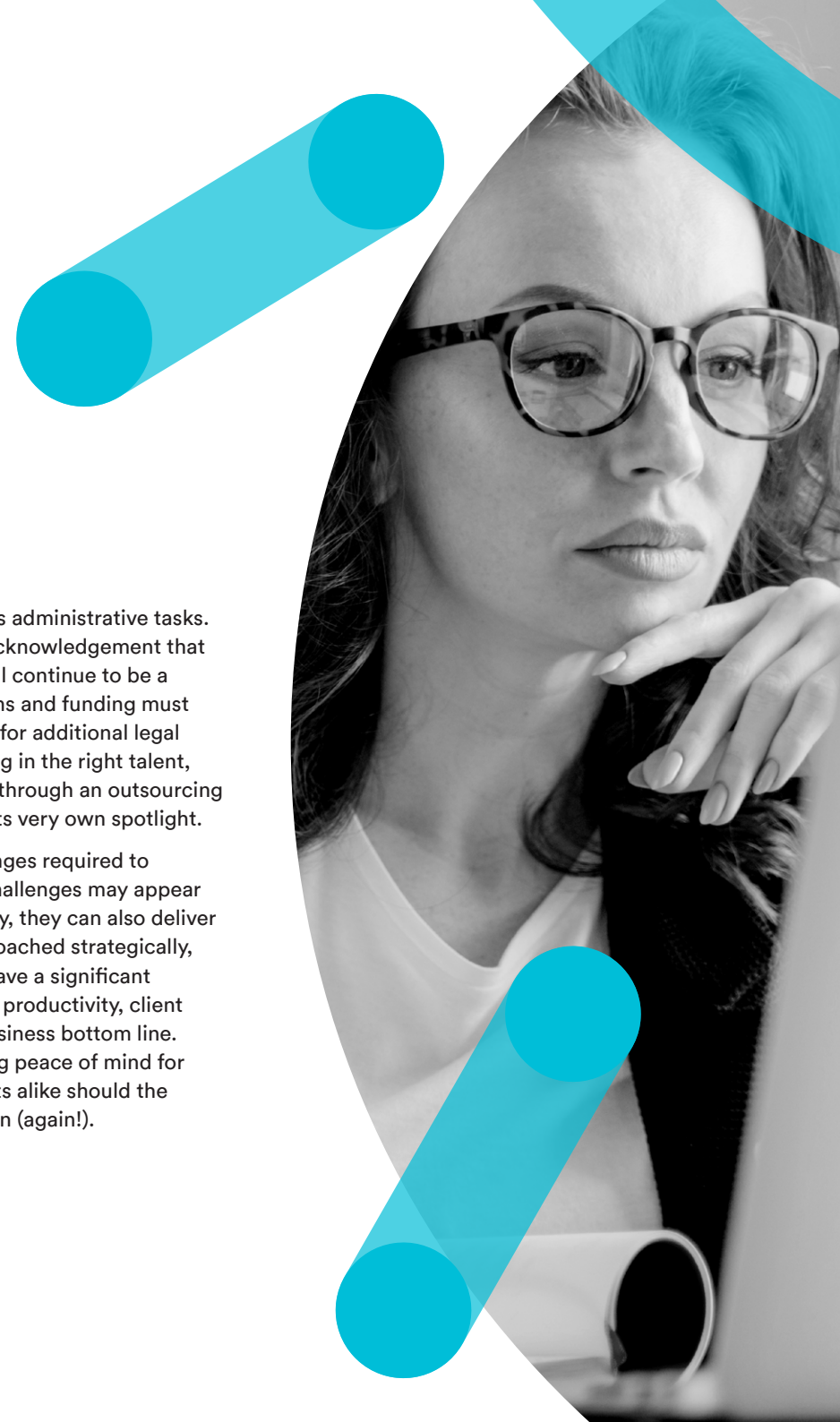
It is a challenge that has been exacerbated by the prolific pandemic we find ourselves in. Like businesses in other sectors, legal firms had just days (or some cases, hours) to move away from office-based activity and equip staff to work from home.

In many cases, these circumstances and the initial quickfire changes now require a rethink of exactly how legal firm's function. Paper-based workflows and bulging filing cabinets need to be replaced with digital equivalents. Information needs to be made available to staff who require access regardless of their physical location.

There is also pressure to maintain and increase billable hours. Lawyers should be spending their time servicing their clients rather than hunting down files or

completing tedious administrative tasks. There is also the acknowledgement that IT support staff will continue to be a cost centre for firms and funding must be made available for additional legal resources. Investing in the right talent, both in house and through an outsourcing strategy now has its very own spotlight.

Yet, while the changes required to overcome these challenges may appear daunting and costly, they can also deliver big benefits. Approached strategically, the changes can have a significant positive impact on productivity, client service and the business bottom line. Not least forgetting peace of mind for partners and clients alike should the unthinkable happen (again!).



Digital enablement.

Growing numbers of legal firms are adopting an IT strategy that maps to their firms' objectives. By harnessing appropriate technologies and services, firms can evolve their operations to meet business and economic challenges whilst being prepared for future opportunities.

There are five ways in which a revitalised digital and IT strategy can help to improve productivity and profitability within a legal firm.



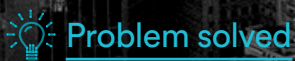
One. **Lower operational costs with no surprises.**

Paper-based workflows are an expensive and limiting feature within many law firms today. They usually comprise of lengthy manual processes and only function best when all those in the respective department are in the same office – something COVID-19 is working hard to restrict.

Replacing these workflows with appropriate digital equivalents can make a significant difference. Digital files can be stored centrally and then accessed by staff when needed from any location. Approval processes can

be streamlined and archived documents quickly found thanks to online search tools.

Reviewing which of these 'files' and applications to keep on prem, versus migrating to a cloud-based platform can immediately reduce capital expenditure. Once your IT strategy has an OPEX model in play, working with the right partner can offer transparent monthly billing. Leading providers will also offer the ability to scale your resources as needed, with payment on a usage basis.



Two. Your reputation is valuable.

Reputation much like brand can be difficult to financially quantify. The importance of security and its correlation to a company's brand and reputation is well known, however organisations are now faced with an era where breaches regularly feature in mainstream media.

Legal teams rely on having access to a range of information sources. There could be regulations pertaining to their area of speciality, previous judicial rulings and client data. Accessing and storing this data, needs to be secure and safely available from any location.

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**Steve Ferhad, CTO,
Holman Webb**



Three. Increased face time with clients.

Today's clients expect to be able to interact with their chosen legal firm in a variety of ways. The traditional face-to-face meeting in the office followed with email exchanges has now been somewhat replaced with video conferencing solutions.

Whatever the process, investing in a technology platform underpinned with a resilient network to make these interactions as seamless as possible will simplify interactions and improve the client experience.

Whilst the client engagement model has altered, so has the potential market reach for firms. In the wake of COVID-19, the perceived correlation between geographical proximity a firm and a positive experience for the client has been challenged.

Ambitious legal firms proactively updating their tools and systems can not only serve existing client needs and demands but also drive new business that historically may have been beyond that proximity. COVID19 has raised many questions of the impact and fallout of globalisation, but with a digitally driven experience legal firms may be able to reap the benefits of utilising some of these technology concepts.



Four. **Reduced number of suppliers.**

The outsourcing strategy for your digital journey is important and could be low hanging fruit to reduce expenditure. As with most things in life quality over quantity is the prescribed solution here. Seek a partner that can deliver a broad portfolio of support services. Take the time to meet and consult with providers that can be transparent, offer second to none customer service, scale with your needs and be the trusted advisor to driving your firms' goals.



Five. **Resilience.**

In the current and uncertain business climate, being able to withstand challenges and rapidly respond to opportunities is vital. Equal to this responsibility is the resilience of your IT systems and infrastructure. Protecting and securing from disruption and threats requires an always-on infrastructure that ensures your firm can continue to operate should unexpected events occur. The cost to your business for weaknesses in your disaster recovery, failover or back-up solutions could be significant.

Testing your solution is just one way to ensure your firm does not fall short when it really matters. Knowing where to instil resilience in your operation can act as a true differentiator when prospecting for clients and should be a stand-out feature for you, when choosing a digital partner.



It's a journey, not a destination.

Digital transformation, seemingly the academic, catch all phrase used when discussing anything that may include upgrading from pen and paper to digital files and servers. Whilst the phrase is over-used, the benefits should not be overlooked.

It can be challenging to know where to start, especially if you don't know where you are or where you want to be.

A solid first step is to select a trusted partner who can explain the technology options and assess what would be the best fit for your requirements. Every legal firm is different, look for a partner that has experience in the legal sector and who understands the challenges you face.

Developing a long-term relationship with this partner also means your new digital footprint can be created without the need for additional internal IT resources. Software and hardware can be managed externally and readily scaled up as demands change.

Another important element is the use of cloud-based resources. Existing, on-premise IT equipment can be replaced or complimented

with hosted resources. It can also ensure that staff have access from any location, this approach can streamline functions such as data backups and disaster recovery capabilities.

Finally, it should be remembered that digital transformation is not a destination, but rather an ongoing journey. New technologies and services that can add value to your firm will continue to emerge and can be added to the mix.

By following a path of constant evolution and improvement, with the right partner by your side, you can be confident your digital presence will support your staff and clients both today and into the future.

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