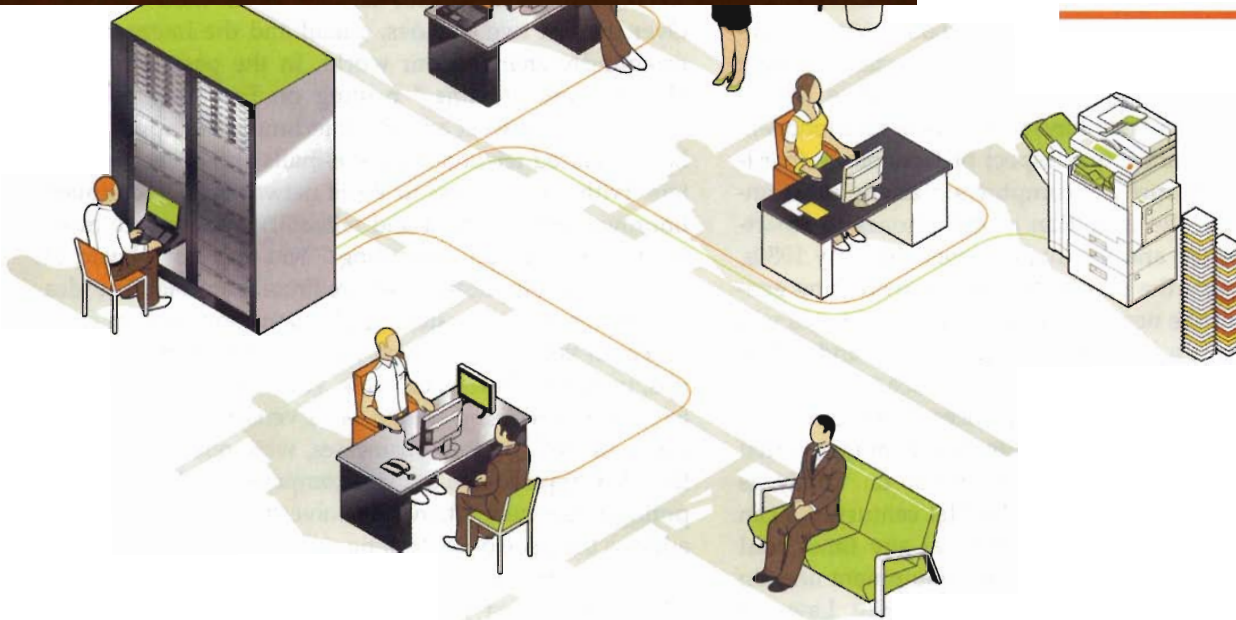




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Smartphones, Laptops, Clouds and Tweets

The Reluctant Entrepreneur Builds an Office

By Carol L. Schlein

The “Great Recession” has transformed and restructured the practice of law. Over the last year, the largest law firms have downsized and let many attorneys and support staff go while hiring fewer new graduates or delaying their start. As the clients of law firms have either gone out of business, merged or moved more of their legal functions in house, law firms of all sizes have seen changes in their client mix, the services they offer and their revenue.

Even before this recession, the ratio between the number of lawyers and the number of clients for them to serve has been shrinking as the number of lawyers increased. Over the next year few new jobs will be available for the lawyers who were laid off or recently graduated from law school, so many of them will strike out on their own or form small practices with colleagues.

Lawyers coming from large firms are used to having a cadre of staff to help with many of the administrative functions, including selecting and supporting equipment

and applications, as well as invoicing clients and taking care of all the firm’s finances. Recent grads have little or no experience in either the practice of law or the management of a firm. Technology will be key to building a viable, efficient practice. If you are not an unemployed lawyer but have read this far, you may realize that this influx of competition from new firms will put a strain on already established but financially precarious firms whose clients have cut back on their services. You too will be looking for ways to operate your practice more effectively and efficiently.

Plan Like It’s 2039

Plan how you want to deploy today’s technology while thinking about the changes coming in the next few decades – today’s profession wasn’t even imagined when I was growing up. Gordon Moore, the founder of Intel, once noted that each generation of computer chips will be geometrically faster than its predecessor. Predictions

are that technology generally will follow Moore's Law. Think about the changes in the last 100 years and expect similar changes over the next decade. This has profound implications for every profession, including law. I had a conversation with a colleague recently about what the computer profession might look like when computers are using artificial intelligence (think "Hal" from the movie *2001: A Space Odyssey* and put that functionality on a smartphone). Think about almost any aspect of technology (hard-drive storage and speed of computers; size and functionality of laptops; the evolution of cell phones to smart-phones and so on) and its progress since the early 1980s, and then imagine the pace of technology increasing geometrically over the next few decades. These changes will continue to have a profound impact on how and where we work. Lawyers who opened a practice in the 1980s needed bookcases for printed references, wires to connect computers, desks that could accommodate monitors that had large extensions off the back, and so on. Today, as we begin the second decade of the 21st century, we can and do work from almost anywhere at any time, hold video conferences using inexpensive equipment and do our research and get our data electronically. Lawyers and clients may still meet face-to-face, but it isn't hard to imagine that in a few years we may be able to conduct virtual video meetings through cellphone-sized devices. I can't help wondering what will happen to all the office space we use now.

Investment Strategies

This does not mean that no initial investment will be needed to start a new firm; instead, different investments will be required. For example, getting your firm started will require computers not only for yourself, but for everyone on your staff. You will probably want to equip your lawyers with laptops rather than desktops. Get them each a larger monitor and any accessories such as an external keyboard and mouse if it makes them more comfortable and productive. For those who don't need to be mobile, consider dual monitors. While your initial impression may be "this is only for geeks," you might be surprised to see how dual monitors will improve productivity by allowing users to have different applications on each screen. For example, the browser window could be open on one monitor while the word processor is open on the other to draft a legal pleading or other document.

The size of your firm will determine the size, capacity and functions you need from your printer/copier/scanner device. If you are determined to go (more) paperless, you may want to deploy a number of smaller desktop scanners to make it easy for everyone to scan their papers. In all but the smallest of firms, you should purchase a server unless you are setting up a virtual environment with "cloud" applications. Disaster planning means having a backup scheme as well as a plan to reach your staff. Remember, not long ago, when few if any commercial included "www dot something" in their ad copy? Over the last two decades, e-mail and the Internet have profoundly changed our world. In the past few years, "IMing" and "texting," posting on Facebook, sending or following a tweet and other technological applications have replaced telephone calls, e-mails and client newsletters. With wider access to Wi-Fi networks and continued improvements in speed and reliability, vendors are moving towards "cloud computing." You may have heard of the "ASP" or Application Service Provider model. The idea was that, rather than store applications and data on computers in your office, which required maintenance, backups, updates and replacements, you could, for a monthly fee, have everything hosted on a vendor's servers. Law firms, as well as other businesses, were reluctant to trust their key applications to these companies and cloud computing is the new attempt to solve this (see sidebar). To address the issue of controlling your own data, but having it accessible through an Internet connection, many vendors allow you to host your own data as well as have them serve as a backup in a remote location in case of a natural or man-made disaster.

The More Things Change . . .

While many things have changed over the years, many aspects of establishing a law practice are the same as they have been for eons.

- You still need to market your practice and obtain and retain clients, although the tools you use may be dramatically different than those of previous generations. For example, your online presence will be much more important than having an ad in the phone book.
- You still have to be careful about ethics and client confidentiality, even in these new arenas.
- You still get what you pay for. Don't skimp on equipment, training or getting the technical assistance you need to set up your applications and to streamline your workflow. Setting up your office efficiently from the beginning will pay off, especially if you plan to grow your firm. Working with the right legal technology consultant who understands your firm and can help you to select the right combination of hardware and applications and to plan for the future, will in the long run save your firm money by preventing expensive mistakes.
- You still need to choose the right mix of hardware and software that best meets your firm's current and future needs.
- You still need to surround yourself with the best people you can find but remember to build in controls and checks to avoid malpractice. Law firms often hold substantial amounts of money for their clients, mak-

ing it tempting for an unscrupulous employee. At a minimum, as a business owner, you should review the firm's bank and credit card statements monthly to ensure there are no unauthorized charges.

Setting Up Your Office – A Few Specifics

Most law firms (and their clients) are PC-based, although this may shift as we move towards more Web-based products which do not require Windows. If you plan to have more than three or four people who work physically within your firm or you want to perform functions remotely, you are well advised to invest in a server to store your data and applications. For small firms, the Windows Small Business Server bundles the operating system along with licenses for Exchange, terminal services for remote access and SQL, which is increasingly used to manage billing and practice management programs. If you plan on growing, you may want to consider having a second server to separate the e-mail functions of Exchange from your other applications. Lawyers who need to be mobile should have laptops or possibly even a netbook or tablet PC, depending on the nature of their work, although you may want to equip them with an external monitor and keyboard. As noted, dual monitors can be very useful. Being able to search the Web and manage e-mail on one screen while editing a document, tracking your time or taking notes during a phone conference on a second screen, means that your staff is more efficient (and possibly a little more distracted?).

While it is tempting to use a wireless network, your office applications should run on a wired network. You might consider having a wireless option for occasional access such as doing a presentation for a client in a conference room or sitting quietly checking e-mail. For database applications like practice management and billing systems, though, you are best off connecting to your network directly. High-speed digital copiers that also serve as printers, scanners and fax machines have become the norm in most firms. Desktop scanners like the Fujitsu Scan Snap can make it easier for everyone in your office to scan their papers directly into your system and create a more paper-less environment.

Consider a Voice Over Internet (VOIP) phone system when selecting your Internet connection. Make sure you have backup options that include both remote storage and local storage that can be taken off site regularly. Smartphones like the iPhone, Blackberry Tour and Palm Pre allow us to carry much of our office with us (with the prospect of being available to clients 24/7). We're just beginning to see applications that let us view our office desktop from our phone. You can expect that trend to continue.

Most firms purchase the Microsoft Office suite to create documents, spreadsheets and slide shows. Some firms still use WordPerfect, but they are a distinct minority today. Law firms should also maintain software to man-

Cloud Computing

Cloud computing refers to the software-as-a-service (SAAS) model of providing software applications. If you've ever used online banking you've done cloud computing. In cloud computing the end user accesses the services they need through their Web browser – the software is not resident on the user's specific computer. There are plenty of advantages to cloud computing (cost savings and convenience to name two) but there are things to be aware of as well. Many legal experts have concerns over security in the cloud and there are numerous opinions on where cloud computing fits in to e-discovery.

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age timekeeping, billing and accounting. There are many products, designed specifically for law firms, to choose from that will do the different types of billing arrangements needed by lawyers. Many of these programs either include or can be linked to practice management systems, enabling you to keep track of your matters and calendar as well as performing many other functions, depending on the specific product. If you are establishing a new firm, you would be well advised to either select a practice management system that includes document management or purchase a stand-alone document management program that can be tied to your other applications.

Depending on the nature of your practice, there may also be practice-specific programs that can assist with the preparation of documents or perform the calculations needed to manage your clients' work. In choosing your software, focus first on the functions you need to accomplish your tasks rather than the category of software. Many products cross over and perform functions from other categories. For example, a practice management system may have built-in document management or document assembly functions for merging documents from data within them.

Conclusion

For today's solo and small-firm practitioners, an efficient business and effective client service depends on smart use of the available technologies. Find a vendor you can trust to help create an approach that's best for you and help you choose the best tools for your practice. Don't skimp on equipment, setup, customization or training. This will help you prepare for the changes that are coming – and coming at an ever-faster pace.

Don't be alarmed. Yes, it can be hard, even frustrating, to build a business in this day and age, especially if you do not consider yourself as "tech-savvy." But, if you made it through law school and at least one bar exam, you are not the type of person to throw up your hands and give up. You are ready for the type of challenge that can inspire creative solutions. ■



Excerpts From the Report of the Special Committee on Solo and Small Firm Practice, June 2009¹

Executive Summary

On August 6, 2008, NYSBA President Bernice K. Leber appointed Past President Robert L. Ostrtag to Chair a Special Committee on Solo and Small Firm Practice (the "Committee") to research, consider and report on this important area of concern. Mr. Ostrtag has extensive experience and involvement at state and national levels with issues of particular concern to solo and small firm practice. His committee comprised a select representative group from solo and small firm, academic and judicial settings, all well acquainted in one way or another with the unique problems that confront solos and small firms. Of the Association's approximately 74,000 members from all areas of New York, every state in the nation and 108 countries, the majority of them – some 55% – practice in solo or small firms of fewer than 10 attorneys. If firms of up to 20 attorneys are included, that figure increases to 64%.² The concerns, interests and everyday challenges faced by this significant portion of our membership are of

primary importance to this Association; their needs must comprehensively be addressed. A thorough consideration of NYSBA's role in providing support to solo and small firm practitioners raises important questions: For example, what programs and services does NYSBA offer to its members? What programs and services does NYSBA offer that may not be familiar to its members? What initiatives can we undertake to improve NYSBA's direct services? How can we better coordinate our activities and resources with other associations and the courts of our state, and perhaps other entities as well, to enhance the practice environment for solo and small firm practitioners? The mission of the Committee created by President Leber was to recommend ways by which NYSBA, alone or in collaboration with local bar associations, courts and other relevant entities, might better assist solo and small firm attorneys in meeting the practice and lifestyle challenges they face. To do so, the Committee was charged