MANAGEMENT SOFTWARE FOR LOCAL GOVERNMENT LEGAL OFFICES:

WHAT'S OUT THERE, HOW IT WORKS,

AND HOW TO FIND THE RIGHT SOFTWARE FOR YOUR OFFICE

by Barbara Drake

Law firms, corporate law departments, and government legal offices increasingly are implementing office management software applications to automate office operations. No matter how simple or how complex an application is, or to what extent it computerizes office functions, knowledgeable use of management software will reduce costs and increase efficiency and effectiveness in an office. As such, it is virtually inevitable that every local government legal office will implement some type of management software application at some point. Because of advances in the sophistication of these applications, it is also likely that offices that already have some type of automated system will upgrade all or part of it to include newly available functionalities.

While most offices have knowledgeable IT experts to assist with the process of finding the right software and putting it to use, lawyers and other legal staff should have substantial input into the decision-making process. For that input to be effective, an understanding about what types office of management software are available, how different applications and systems work, and how to analyze a particular product and vendor is essential.

Types of Office Management Software

There is seemingly an endless list of types and brands of software that will manage tasks in a legal office. Some products perform a single function. Others have the ability to perform an array of functions. Some applications are designed specifically for private law firms or corporate legal departments and will not work well in a government legal office. Others are designed to work in any legal office environment. Still others are designed specifically for government legal offices.

Regardless of the configuration of a specific product, the functionality of office management software generally falls into one of these classifications: document management, records management, timekeeping and billing, financial management litigation support, and matter management.

Two of the major types of applications used in legal offices to manage information are ***Document Management Systems*** (often referred to as DM or DMS) and ***Records Management Systems*** (commonly called RM or RMS). While these two classes share certain attributes, each type has its own special purpose and set of features. The real difference between DM and RM systems lies in their purpose: DM products are intended

primarily to facilitate the creation of documents and otherwise allowing re-use of valuable prior work product, while RM applications are designed hold records in a secure, unalterable, and organized system and to control retention and disposition of those records. Each type of system has its unique functionality.

A ***Document Management*** (DM) or ***Electronic Document Management*** (EDM) system enables an office to control documents from creation to archiving and generally includes the ability to profile documents and search and navigate the database, as well as access and share documents. DM products are designed primarily to simplify and facilitate management and control of the creation, drafting, and collaboration processes for electronic documents. They are probably the most frequently-found type of office management software in law offices of all types.

Document management applications are a relatively new concept. While development of systems to manage paper-based documents began in the 1980s, it was not until the mid-1990s that the developing technology was recognized as a major advancement in information management. By the early 2000s, the content-based networking framework made possible by document management systems had become a new communication infrastructure. It has become increasingly apparent that effective that use of a document management system can dramatically change the way people communicate, improve the dissemination of information, increase efficiency, and decrease costs and time for information search and retrieval and by avoiding the need to "reinvent the wheel."

A DM system provides a central database, usually accessible to everyone in an office, for tracking and storing electronic data generated by an office, including word processing, text files, spreadsheets, images, e-mail, and multimedia. Common attributes of a document management system include:

- Storage of metadata about documents: Stored data includes information such as date of creation or storage and identity of the user. It may include user-added data, such as descriptions or key words.

- Document capture: In addition to storing electronic documents created by users, some systems provide for storage of images of paper documents.

- Integration with other applications: Most document management products support integration directly into other applications, such as office suites, e-mail programs, or collaboration/groupware software.

- Document indexing and tracking: One of the key attributes of a DMS is the creation of an index for the database, which is used primarily to support document retrieval. Different systems have different levels of indexing sophistication, ranging from simply tracking unique document identifiers to classification from metadata of documents or extracted word indexes.

- Document search and retrieval: An essential component of a DMS is the functionality for retrieving documents from the system. In addition to providing for retrieval using unique document identifiers, systems generally have a more flexible search tool that enables retrieval based on parts of a document identifier, specific metadata, and/or key words and phrases.

- Drafting, version control and collaboration functionality: A good DM system manages access to documents to insure that multiple users cannot access and modify a document simultaneously, to protect against inconsistent results as well as lost changes. Most systems are set up to manage multiple versions of a single document.

- Storage criteria: Management tools for documents stored in the system generally include classification according to the area where documents are stored, control over the period for which they are stored, moving documents from one storage media to another, and controlling document retention and destruction.

- Security features: All systems have security features relating to the documents users can access, as well as the functions that can be performed by individual users. The security features vary among products.

In contrast to document management systems, ***Records Management*** (RM) (may also be referred to as ***File Room Management*** or ***Electronic Records Management***) are administrative applications that classify, store and archive physical and electronic documents and files. RM systems include the ability manage records retention; track legal holds and access of files; control, search and report on records. RM systems generally have the following capabilities:

- Document capture: An RM system must have multiple methods for capturing documents, such as e-mail integration, browser-based and desktop capture, as well as application integration similar to DM.

- Retention and disposition: A critical attribute of an RM system is the management of record life cycles. Retention rules can include time-based schedules, event-based criteria, or a combination of both. In addition, the system should provide for the ability to "hold" or override disposition of specific records.

- Search, review and export functionality: RM searches are generally performed to find all documents and files relating to a specific case or matter. The system should include the capability to search based on categories, metadata, and full text. RM products generally have robust search ability and support review and export of large sets of documents based on the search criteria and thereby support discovery and disclosure requirements.

- Management of records: The system should ensure that documents of record are not capable of being edited, since files placed in RM as documents of record must

be provable, uneditable originals. Some systems do provide the ability to modify documents, which can then be saved as new versions or new records.

- Security: Security features of RM systems differ among products. Most applications include the ability to limit access to specific records as well as the functions that individual users can perform.

- Physical records management: Some RM products provide the ability to manage not only electronic documents but also the physical location of files and boxes, by using a bar code system or radio frequency identification (RFID) tags. The ability to manage both physical and electronic records with a single application is critical to insuring that retention, search, and disposition are consistent for all records of an office.

While DM and RM products share attributes such as search, document capture and application integration, their purposes are very different. DM systems are intended to make the process of creating documents more efficient, where as RM systems are designed to manage large volumes of uneditable records and control the retention or destruction of those records. In other words, document management involves work in progress, while records management is applicable to documents that have become actual records.

Systems that address ***Matter Management, Case Management,*** or ***Practice Management*** are multi-functional, comprehensive management tools that go beyond capturing and storing information. In addition to providing the capability to manage a case, matter, or project from beginning to end (both litigation and non-litigation matters), these applications include detailed information tracking, matter type classification, calendar interfaces, and time tracking, as well as document and file management. Primary features that are common to matter management products include:

- Information capture and tracking: A matter management system has the ability to capture a broad range of information about a matter, including descriptions, people involved, as well as budgeting and financial information. This information can be created, tracked, and managed through analysis and review, according to criteria that are developed within the system.

- Docketing and calendaring: Systems typically include scheduling functionality for dates and deadlines pertinent to a matter or case.

- Third party tracking and management: Virtually every matter management system provides the ability to track and manage entities external to the office, such as client officials and agencies, outside counsel, and third-party vendors.

- Financial management: A key component in most systems is functionality to manage budgets, including handling of invoice and payment processes. The degree of sophistication of these tools varies among products.

- Document management integration: Most products provide capability to link documents directly to a specific matter, and many include integration with existing document management systems.

- Analysis and reporting: The characteristic that sets a matter management system apart from other classes of products is the functionality to review and analyze information that is in the system. The extensive tracking and reporting capabilities of these systems, which are often customizable, enable performance monitoring of virtually any attribute of office or individual performance. This functionality helps managers manage the office, helps lawyers and paralegals manage their caseloads, and allows for efficient status reporting to clients.

- Timekeeping: This functionality is often customizable and provides for tracking, analysis and reporting of virtually any work-related activity, as well as matter specific time tracking.

- Document Management and Records Management: Most matter management products include DM and RM capabilities as part of the system.

Matter management products are often designed in "modules," so that only those capabilities that are needed by an office are included in a system. In addition, the functionalities of matter management systems generally are adaptable to address unique needs of an office; however, products vary greatly in the degree of flexibility and adaptability.

Other types of legal office management software include:

- ***Litigation Support*** systems are database products that are designed to manage all documents that are created, collected, discovered, and produced in the course of litigation. In addition to the document management aspect of litigation, applications are available that provide evidence management for complex litigation, as well as case analysis services.

- ***Timekeeping and Billing (eBilling)*** applications provide time and expense tracking and processing and timekeeping capability for both office staff and outside counsel.

- ***Collaboration software (groupware)*** applications are the foundation of an office's communication infrastructure, supporting collaborative work on e-mail, calendars, tasks, and contacts. Applications such as Outlook, GroupWise, and LotusNotes fall into this category.

Any specific office management software product – no matter what it is called – may well have a combination of features reflecting the various types of applications discussed

above. Understanding those classifications of software will be indispensable in evaluating products and assessing whether they meet your needs.

When searching for software, in addition to understanding the types of applications that are available, other important considerations include the following:

- Products are generally either stand-alone or customizable. The extent to which products can be adapted or modified varies greatly among products.

- Many products are available directly from the vendor/manufacturer, as well as from a third-party re-sellers or consultants.

- Applications are either client-based (the system is on the user's server) or web-based (the system operates on an outside server). Some products are available in either form.

Finding the Right Software

When an office decides to find software to automate some or all of its management functions, the first step is assembling a team to evaluate software needs and handle the process of selecting the vendor and product. Having the right group of people is critical to the success of choosing office management applications that will improve office efficiency and effectiveness.

The composition of the team should reflect the multiple interests and areas of expertise that play a role in office management. Obviously, the project team needs to include senior and staff attorneys, who will rely on the software to do their work. Paralegals and other support personnel will use the system as much – and possibly more – than the attorneys; their interests should also be represented on the team. In terms of non-legal interests, it is essential to have people knowledgeable and responsible for IT and budget matters as part of the team.

Identifying an appropriate project and team manager is likely to determine whether or not the effort succeeds. The manager's enthusiasm and dedication (or lack thereof) will set the tone for the effort and the group, as well as substantially affect the pace of the decision making and implementation processes. The project leader should be someone with enough authority, influence, and knowledge to ensure that the project gets done – and gets done right.

The first task that the team should undertake is making a thorough needs assessment. The evaluation should take into account the needs and wants of every group involved in the effort –- lawyers, paralegals, secretaries, IT personnel, and budget personnel. Members of the team should be responsible for surveying their respective interest groups and sharing the results with the team. The assessment should include a complete inventory and review of existing hardware and software.

The purpose of the needs assessment is to enable the team to identify the driving needs for software deployment, e.g. better service, access to information, ability to generate reports, etc. Identifying those needs will enable the team to establish goals and determine the scope of the project. Particularly when an office is undertaking selection and implementation of management software for the first time, it is important to set realistic, reasonable goals. It may be appropriate to use a system of tiered goals, since one software product will not address all management concerns immediately. After the needs assessment is complete, the group should develop prioritized strategies for both the short term and long term. The strategies should include hardware and software needs, including upgrades, as well as implementation and training plans.

After the scope of the project has been firmly established, detailed criteria for software attributes and capabilities should be drawn up. These criteria should be used to develop a list of possible products, vendors, and consultants, as well as draft a request for proposals. In addition to software, hardware, functional, and interface requirements, the criteria should call for a detailed implementation plan that specifies system testing criteria, training plans, data conversion, and phase-in schedules.

After the proposals have been received, the team should thoroughly evaluate each proposal based on product criteria, integration considerations, and vendor (and, if applicable, consultant/reseller) qualifications.

Product review criteria should include detailed analysis of the features, flexibility, and functionality of each product or system, as well as its hardware requirements. The extent of standard and customizable features is an important characteristic, as is the extent of flexibility of the database in adapting to specific office needs. It is also essential to consider the connection options (client-server based, WAN-based, web-based, wireless) and whether users have the ability to connect from outside the office. Onsite demonstrations of specific products are an important part of the product analysis process.

Integration considerations are critical to each product evaluation. If the office currently uses collaboration software, which most offices do, integration can be a central issue to be addressed. Any potential third party integrations with the new product need to be thoroughly considered. Selection of an “all-in-one” product can avoid integration issues; however, other products may provide more needed functionality while requiring integration with other applications.

In evaluating vendors, resellers, and consultants, several factors should be examined, including: Experience with similar situations, as well as longevity and track record; communication skills (indicative of ability to understand needs); accessibility of technical support, installation team, and sales people; adequacy of resources for development, integration, and testing. References should include both new clients and established clients. It can be helpful to talk with new clients about why the vendor/product was selected, as well as how the provider handled initial implementation issues. Established clients can give insight into the quality of ongoing operation and support, as well as

handling upgrades. It is also important to speak directly with a prospective provider's technical support and installation personnel.

Every product will have shortcomings. Selection should be based on which system will meet the greatest number of requirements, as well as on reputation and stability of the vendor/reseller/consultation. Budgetary considerations are also relevant. The initial and ongoing costs of products vary greatly. Cost often depends on the extent of customization and data conversion that will be involved in implementation.

Why go to all this trouble?

Choosing a management software product is a substantial undertaking in terms of time, energy, and cost. If the selection and implementation processes are handled well, the payoffs can be enormous.

Benefits include substantial cost savings for both expenses and personnel. Legal staff will find that collaboration on specific matters and cases becomes noticeably more efficient and effective. Legal work gets done in less time but more thoroughly, which improves service to clients. Outside counsel management can be vastly improved, and expenses for outside counsel can be reduced. Performance of the office and of individual staff can be more effectively evaluated. Adoption of and reporting on performance measures becomes more meaningful.

Regardless of whether an office is starting with a single application product or implementing a more complex multi-function matter management system, the move forward in office automation will yield considerable benefits to everyone in the office, as well as their clients.

APPENDIX

Resources – Software Vendors

The Appendix, which provides descriptions and contact information for vendors of management software products for local government legal offices, will be included in registration packets for the IMLA 2007 Annual Conference and be available on the IMLA website following the meeting. Distribution is being delayed so that all meeting exhibitors and sponsors can be included in the resource list.