



WHITE PAPER

# Rethinking your firm's tech strategy: Uninterrupted productivity with cloud-based services

Discussions around how best to drive productivity, delivering maximum value to clients in the most efficient manner and improving the bottom line, have been hotly debated by law firms for some time. However, this year more than ever, the issue has taken on even greater significance.

After a standout financial year in 2021, growing geopolitical and economic turbulence in 2022 caused a significant decline in transactional work, while headcount and hiring remained high, hitting both productivity and profits. According to the [Thomson Reuters Institute Law Firm Financial Index \(LFFI\)](#), productivity fell 7% in Q4 of 2022 compared with the same quarter the previous year.

Today, despite the LFFI showing some bright spots on the horizon, the challenges remain acute. As law firms navigate a global economic downturn of uncertain depth and duration, where inflation and interest rates remain high, several other factors are feeding into this ongoing macro-instability. These include considerations around talent acquisition and retention, ongoing adjustment to working practices, and the impacts of ongoing market segmentation.

In such an environment, the solution is not to simply hope for the best but to take action to find ways to help boost your firm's productivity. If it wasn't already your priority, it may be time now to rethink your firm's tech strategy and reevaluate your tech stack — and particularly to consider expanding your investments in technologies like the cloud.

In this white paper, we explore how cloud-based services for law firms enable continuous productivity, and we demonstrate why the cloud is no longer simply “nice to have”: it is essential to law firm competitiveness and success. We will focus on some of the key productivity considerations firms should include in their strategic planning and how legal tech — specifically a comprehensive [cloud-based financial and practice management solution](#) — plays a critical role.

## The marriage of tech and productivity

Productivity is all about doing a good job faster, increasing lawyers' effectiveness while keeping operational costs contained, enabling them to do more in less time. And while it may be possible to generate some efficiency gains by tinkering with day-to-day working practices in the general office environment, it can be hard to make a significant difference that way. What's needed to maximize all the potential efficiency gains is a radical shift in the way lawyers do their work and how law firms manage their practices.

Typically, that requires technology that can eliminate unnecessary manual processes, automating them where possible to streamline workflows, and that can deliver valuable insights via real-time data analytics while creating visibility over matters. It also needs to make collaboration with colleagues and clients easier and enable lawyers to respond to questions or issues faster, facilitate secure 24/7 access to files and data from anywhere, and integrate easily with other systems and third-party technologies, just to name a few. And — increasingly — that means technology that's cloud-based.

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*“Current economic challenges are making it imperative for law firms to improve their operational efficiencies. Law firms should look at either maintaining or expanding their investments in technology, putting themselves in stronger competitive positions to support clients and win new business as they navigate the uncertain year ahead.”*

**Paul Fischer, president**

Legal Professionals, Thomson Reuters

## Benefits of the cloud

There are many advantages of moving to the cloud that all touch, in some way, on productivity; from safeguarding business continuity, to reducing service and maintenance requirements, to enhancing the security of sensitive firm and client data, to streamlining the way people are able to work remotely.



### Business continuity

The pandemic demonstrated starkly how important it is to keep people securely connected no matter where they are working. In order to ensure secure accessibility to everything lawyers and other law firm staff need to do their jobs wherever they are and whenever they want, the solution in most cases is to host systems in the cloud.



### Enhanced security

In the early stages of cloud computing, security was often a concern. Today's cloud solutions, however, offer vastly improved security, and they frequently form a key part of organizations' cybersecurity measures. Given the increasing reports of ransomware attacks on law firms, the security of the cloud offers the superior level of protection that firms need and clients demand.



### Support and hardware costs

By decreasing the space needed to house servers on-premises — and the support requirements that come with them — firms can save considerable time and money using the cloud, reducing their reliance on in-house resources. In addition, firms can add new software, roll out updates, and troubleshoot issues more easily and seamlessly via the cloud compared to an on-premises network.



### Scalability

Perhaps one of the most attractive benefits of a cloud-based solution is its scalability. The move to the cloud does not need to happen all at once. Firms can prioritize their most important functions and choose which ones to move to the cloud first. The ability to take a more modular approach to building a cloud-based solution makes it much easier to budget, plan rollouts, minimize disruption, and ensure full adoption.



### Collaboration and communication

With information for all aspects of the firm's business on a single platform, all contributors to a matter have equal and immediate access to everything they need to keep the entire workflow moving. Whether you need to work on a shared document with other people on your litigation team, work with a client on document preparation and review, or connect with someone in accounting about a billing question, it can all be done via the cloud.

## Why the cloud? Insights for law firm leaders at every level

When it comes to finding ways to maintain productivity across the entire firm, it is hard to find fault in a comprehensive cloud-based solution. No matter what type of work you handle for the firm, there are cloud-based tools to accommodate it. The cloud can positively impact your firm's business at any level, regardless of which part of the business you're focused on.



### Firm business leaders

When leadership considers any proposed tech investment, cost can be a concern. Frequently coming in a close second is how it will improve the delivery of legal services to clients. Can it help to improve efficiency? Can it contribute to increased productivity and profitability? Can it help the firm meet or exceed clients' increasing demands? By equipping people throughout the firm with a comprehensive cloud-based solution, leaders can be assured that the answer will be 'yes' to all those questions.



### Finance professionals

Perhaps one of the greatest advantages of the cloud is that it can provide connectivity across the entire firm. There are comprehensive financial solutions designed specifically for law firms that allow finance professionals to track every facet of a firm's business easily and quickly — from collections and accounts payable to time tracking and data management — all delivered through a consistent and intuitive user experience.





### IT leaders

IT leaders' roles go far beyond addressing the day-to-day technology needs of the firm. They must constantly keep an eye on where the firm is headed in terms of practice areas, office locations, firm growth, and other considerations. Running a firm's entire tech stack from a single, remotely accessible platform can make managing technology much easier, including troubleshooting, upgrades, and rollouts. In addition, the scalability of a cloud-based solution completely streamlines the process of managing the firm's tech stack.



### Lawyers

Lawyers are evaluated primarily on their billed time. So, minimizing the time they spend on administrative tasks is critical to their productivity and the profitability of the firm. Cloud-based solutions that provide immediate access to reliable, current information allow lawyers to get the answers they need, complete the task at hand, and get on with other work without delay.

## Firsthand insight

The COVID-19 pandemic is perhaps history's most compelling use case for a move to the cloud. Many firms rose to the challenge when they were thrust into the unknown at the beginning of the pandemic. At that time, there was no playbook they could use and no precedent they could refer to for help developing a plan. The vast majority were left to find a solution on their own, and they found that having the right technology in place was key to keeping business operations running smoothly.

Warren Hua is a member of the Management Committee in charge of IT at [JunHe LLP](#). He works in the firm's Beijing head office. He saw firsthand the impact of the pandemic on the legal profession and the strategies that helped get his firm through it all. As Hua explained, "Having a good IT system has been the lifeblood of our firm." The firm uses a combination of cloud- and web-based solutions to ensure that staff members can stay connected and have access to the technology they need to get their work done.

## How a cloud-based financial and practice management solution supports the key pillars of your firm's business

If you're still thinking that all of this sounds like a nice-to-have rather than a must-have, let's take a closer look at some of the key elements of your firm's business and how a cloud-based solution can help support each of these pillars to deliver tangible benefits.

### Conflict management

When a prospective client comes your way, it's important to know whether the new relationship could conflict with any current clients. From both a business and a client service perspective, you want to get a quick and accurate answer to that question. There are solutions on the market designed to streamline the client intake and review process, but you'll only get the benefits if you can access the solutions when and where you need them. 3E® — the first cloud-native financial and practice management solution from Thomson Reuters — provides robust search capabilities that help you identify potential risks so you can protect your firm's interests and those of your clients

### Client communication

Clients keep a close eye on the costs they incur over the course of a matter. When they have questions about invoices, budgets, and other related issues, it is essential that all stakeholders have access to timely and accurate information with which to respond. A comprehensive cloud-based solution can provide easy access to everything you need. The intuitive interface of 3E makes it easy to find the information you need in no time to confidently answer any client query.

## Time and billing

Streamlining your firm's time and billing functions increases efficiency and improves profitability. Using a cloud-based time and billing solution allows timekeepers to enter time from anywhere—even from a smartphone or tablet. Cloud-based billing functionality facilitates smoother invoicing that shortens the proforma review process as well as the work-to-pay cycle. And all of this is accomplished with greater accuracy and immediate visibility to other stakeholders. Some time and billing solutions reside on disparate systems. With 3E, you can manage all your firm's time and billing functions, and much more in one place.

## Data-driven insights

Of all the tools law firms have at their disposal to drive business, their data may be the most important. The ability to glean actionable insights from their data helps firms spot trends that could impact the business and adjust course as needed. On the business development side, persona-based analytics can help to inform strategies for establishing relationships with new clients and enhancing relationships with existing ones. The data insights tools in 3E help you inform strategic decisions that protect the financial health of your firm.

## Four key considerations as you advocate for your firm's move to the cloud

If law firm decision makers remain hesitant after all these arguments, then reinforcing the broader business case should convince them. Here are four talking points that will help you strengthen the case for investing in a cloud-based solution.

### **1** What is the cost of maintaining an on-premises solution vs. a cloud-based one?

Firms that use on-premises financial and practice management systems store everything on physical servers, which require regular maintenance and periodic replacement. More storage space is also

needed as the firm grows, requiring the purchase of additional servers or server space. With a cloud-based solution, all the requirements of maintaining a physical network are removed, which saves the firm money and frees up its IT professionals to focus on more important priorities.

### **2** Make change as easy as possible

If there is one constant that comes with launching and implementing new technology, it's the discomfort of change. Many on-premises version upgrades feel more like a completely new launch that comes with a full complement of bugs, relearning, and related disruptions. Enhancements to cloud-based solutions tend to come in smaller, more manageable packages that are easier for users to understand and implement. This approach is much less disruptive and helps to keep people focused on the job at hand and not be distracted by the change.

### **3** Get a solution you can configure to your needs

With the implementation of any new tech solution, there are always a couple of key features missing from the provider's standard offering. When implementing an on-premises solution, any type of customization can dramatically increase the implementation timeline and quickly get very expensive. Cloud-based solutions are configurable, meaning that there are pre-programmed modules you can choose to add without going to the time and expense of a standard customization.

### **4** Get the same level of performance compared to on-premises

There has been an ongoing discussion at firms evaluating cloud-based solutions about whether they perform as well as on-premises ones. In short, there is no difference in performance if you have a reliable internet connection. Add in the benefits associated with decreased overhead and maintenance costs, anytime and anywhere accessibility, scalability, and security, and the case for a move to the cloud almost sells itself.

## The first steps

With the extensive capabilities available via the cloud, it can be difficult to know where to start in the process of finding the right solution. While every firm's situation will be different, a good starting point might be to find the gaps in your current capabilities. For example, what are the critical functions at the firm that cannot currently be performed remotely? Where is there the greatest scope for efficiency savings and/or process enhancements? Where can technology help add value to clients and/or enhance firm profitability?

Consider the key pillars of your practice discussed earlier, as well as all other functions deemed essential to the day-to-day operation of the firm. Make a list of the tasks you need to perform, and rank them red, yellow, or green to indicate how essential they are, keeping the need for efficiency front of mind:



**Red:** Can't function without it  
**Yellow:** Challenging, but manageable  
**Green:** Nice to have, but not critical

It is important to involve a cross-functional team in this discussion to ensure that all sections of the firm have a voice and their needs included in the assessment. Doing so ensures the right solution is selected to meet all the firm's various requirements

## Now is the time

Given the recent drop-off in productivity, many law firms will doubtlessly be under pressure to find efficiency gains wherever they reasonably can. The ability to streamline processes and workflows, remotely collaborate with clients and team members, securely access firm and client information from anywhere, and do it all from a single platform are high on the list of priorities as firms strive to do more with less.

Lawyers need to be freed from the burden of mundane, repetitive tasks, so they can focus on high-value work. IT teams could put their resources

to better use if they didn't have to focus on the time-consuming and costly maintenance and servicing of on-premises systems. And with constant visibility over all parts of the business, law firm leaders would be empowered to make better decisions, faster.

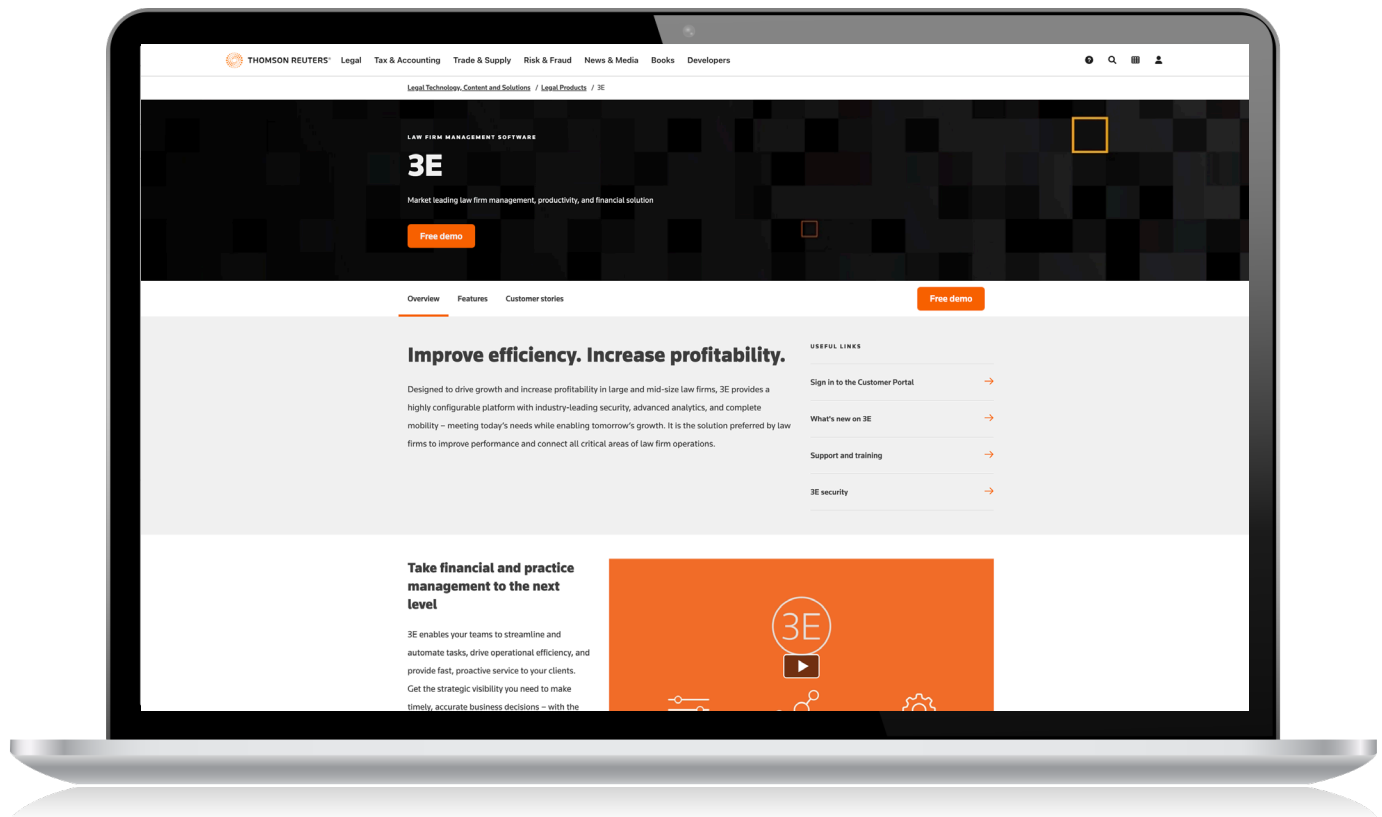
Law firms can eliminate manual processes and increase efficiency with the embedded process models, automated workflows, pre-built templates, and real-time insights available with 3E, which have been built by leveraging 40+ years working with more than 3,000 firms. And even better, they can access all this uninterrupted productivity in the cloud.

Research from [Gartner, Inc.](#) indicates that, by 2025, more than 85% of enterprises will migrate entirely away from on-premises data centers to some type of cloud-based solution. Forward-thinking law firms will almost certainly be among them. As part of a broader plan to change the way the firm functions, the benefits of the cloud to law firms are numerous and undeniable.

Perhaps even more importantly, law firms' clients will also be among the organizations moving to the cloud. It has been well-documented that clients expect their outside law firms to use technology that is at least as advanced as their own, helping them to deliver legal work cost-effectively. Firms that continue to treat the cloud as a nice-to-have could find themselves on the losing side of RFPs when competing for business.

After all the recent challenges, law firms still have much to contend with, but they can remain forward-thinking through the uncertainty by expanding their investments in technologies like the cloud. 3E has been designed by legal experts for the legal industry to allow firms to do more in less time in a secure, accessible cloud environment. It's what we call being '3E Productive.'

To learn about the difference a **move to the cloud** can make for your firm, or to find out more about 3E, the legal industry's first cloud-native SaaS enterprise financial and practice management solution, contact a 3E representative to **request a demo** today.



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