Executive Summary

Technology has changed law firms in many ways. However, the legal profession still remains reliant on paper documents. That likely won’t change overnight. But firms are benefitting from digitizing paper documents, automating workflows and providing for remote access to information.

Workflow automation replaces manual processes while improving version control and security. It involves the intelligent routing and tracking of information flow centered on predefined organizational policies. The idea is to facilitate optimal workflows in order to collect data from salient sources, which is then used to determine the subsequent routing.

Advances in technology have made state-of-the-art workflow automation solutions available to small and midsized firms. These solutions can improve productivity in a number of ways including reduction in paperwork and processing, error reduction, less lost data, facilitating relevant tasks, generation of important reports and less dependence on clerical staff.
The Situation for Law Firms

The legal profession, like just about every other industry, has felt the effects of a long–lasting economic downturn. The industry also has experienced a fair amount of consolidation in recent years – mostly acquisitions rather than mergers, as small firms try to survive.

For individual lawyers, the lingering recession has not been kind. Hiring dropped sharply in 2008 and 2009 and remains below pre–recession levels, according to the Association for Legal Career Professionals.

And with pressure from clients to maintain rates and minimize hours, law firms of every size and scope are focusing on profitability, cost-cutting and productivity.

Workflow automation begins by rendering documents digitally. That allows them to be edited, signed and transmitted to clients and courts – and eventually stored electronically. Movement of documents is automated thanks to intelligence in the system about where a document goes next. For law firms, time equals money – and workflow automation saves time.

Bonus savings come from a decrease in paper consumption, which can reduce a firm’s need for office supplies, file cabinets and even real estate.

New Ways to Work

Law firms aren’t new to automation or productivity software. However, the very software they are running now might hamper efforts to further increase productivity. Many firms use disparate software for document creation and handling, billing, accounting, case management and human resources.

Often, these stovepiped systems reside on multiple servers and require IT professionals to configure and maintain them. Plus, IT administrators must track multiple sets of software licenses.

These factors add complexity and cost, placing a drag on operations and driving up non-billing headcount. Firms can realize significant time and system maintenance savings as well as operational improvements by integrating these systems, and by automating the flow not merely of paper, but of the work itself. Such efficiencies can come in several forms:

* Better use of professionals’ time: Properly configured workflow automation can place all of a case’s documents in a single electronic file, regardless of where or how they originate. The most up–to–date tools can compile documents and other files (such as voice recordings) from mobile devices while enhancing productivity for lawyers on the go.

* More effective collaboration: By including email, scanned documents, voice messages and other related material along with legal documents themselves, meetings in person or online become more efficient because all users have access to the same information.

* Reduced consumption of paper and other resources: The more automated an enterprise becomes, the less often users need hard copies of essential documents. The more document-intensive the organization, the greater the savings.

* Smaller real estate footprint: Paper and filing cabinets take up space for which a firm pays rent. Paying to house and air condition cabinets full of paper is utterly inefficient. A firm that reduces its use of paper minimizes this cost.

No single piece of software does everything, but as firms implement workflow automation applications, they should consider solutions that can handle a number of tasks, including electronic document management (EDM). A firm looking to maximize its investment in automation technology should aim for a unified workflow environment.

Why Workflow Automation?

Law firms are, first and foremost, businesses. Recently, a prolonged economic downturn and a highly competitive legal environment have been tough on profits. The result? Firms are cutting costs in any way they can to retain their legal and financial viability. Workflow automation helps in several ways.

So what is workflow automation? Workflow itself is the process of performing a series of tasks with a specific purpose. In the legal world, this series of tasks involves creating, editing, approving and transmitting documents. Tasks take place in the context of specific clients, cases or legal matters.

Automating workflow requires electronic documents, whether they begin digitally or are converted by scanning. The workflow is rendered as software on the firm’s network that lets users perform their tasks electronically. Documents move to the next person or task according to the rules configured into the automation package.

Examples of law firm processes that could be ripe for workflow automation include:

1. Entering new cases and clients
2. Managing filing timelines
3. Coordinating staff timesheets
4. Staff performance reviews
5. Project budgeting
6. Opening a case (from a lawyer’s focus, not only from an administrative focus)
7. Contract drafting, review and approval
8. Processing of time–dependent documents
9. Collaborative document drafting and control
10. Processes for case closure

Beyond cutting costs directly, workflow automation improves operations. Solutions can take individual task automation, such as client on–boarding or billing, and integrate it at the data layer. This eliminates gaps between the automated processes
that require physically moving media and rekeying information. Documents are created or scanned into the workflow automation system, and from there they are routed to the appropriate individuals for editing, approval and submission to necessary parties.

Other capabilities that law firms should look for as they consider workflow automation include:

- **Document tracking**: An automation package should create a separate file that, in effect, logs activities. This allows administrators to know who touched a document and when, whether they were authorized to, and what specific actions they took. This capability can help a firm avoid unauthorized alteration, whether inadvertent or intentional.

- **Version control**: Workflow automation ensures that the correct version of a document is flowing through the system and that users are working on it. Editing tools should preserve alteration history and thereby give the firm a way of rolling back documents to see how they changed over time.

- **Electronic capture (or origination) of documents**: This capability ensures business continuity should a catastrophic loss of paper occur. Backing up electronic files in a secondary location – whether online or with media moved daily to a secondary location – is far less expensive than copying paper and storing it elsewhere.

- **Legal requirements**: Many legal requirements mandate that law firms retain paper documents with watermarks or original signatures. But an automated workflow package should create facsimiles of these and include them in the routing.

- **Paper storage facilities**: Provide a low-cost, long-term way to store paper, but they can suffer fires and catastrophic losses. Paper records can be stolen, ruined in floods or even damaged by pests. Paper can’t be recreated, but the backup and recovery function of workflow automation means the information itself isn’t lost.

Ultimately, an effective workflow automation system will eliminate much of the typing, filing and hand carrying that a law firm’s clerical staff must do. This frees staff members to focus on more important tasks and enables the firm to deliver better service with its existing resources.

**Challenges Facing Law Firms**

Cybersecurity is a critical concern for law firms. A recent survey by The American Lawyer found that law firms’ tech staffs are growing more worried about security breaches by the day. Such breaches can result in loss of confidential client and case information.

Document loss can cause business discontinuity and, therefore, financial loss. Fire, flood and theft can all claim large volumes of documents. A well-architected workflow automation system can guard against the loss of paper and electronic documents. For nearly a decade, the ABA has been advising firms to remove backup media daily for offsite storage.

A law firm’s records retention policy must have an element of risk management that takes into account the possibility of paper loss. With sound electronic storage management, even if irreplaceable paper is lost, the firm can at least recover the information on it.

Some firms have expressed concern about the security of cloud backup. And the ABA’s Professional Conduct Rule 5.3, with regard to client confidentiality, requires lawyers to be responsible for the conduct of employees or companies retained by the law firm. Modern cloud providers are acutely aware of concerns about data loss issues. Encryption and properly designed service level agreements (SLAs) can lower the risk of data loss and give law firms a pathway to legal recovery should a breach occur.

**Components of Electronic Document Management**

Law firms frequently convert paper documents to electronic format. This chore places document scanning at the front end of a workflow automation system. Scanning creates either an image of a document (typically, a PDF) or a searchable file. A fully integrated workflow management system combines the control of legal documents with other domains within a law firm, such as billing, finance and business development.

Workflow automation works most efficiently when all of a firm’s documents reside in a single database. It encompasses:

- **Document search and retrieval**: These capabilities are based on indexing for client, case, type of document and the specific matter.

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**How Workflow Automation Works: Accepting a New Client**

Whenever a law firm takes on a new client, a number of processing steps must be completed. These include:

- Doing checks to determine if a client poses a conflict of interest
- Coordination with accounting and other systems
- Case management setup
- Processing letters
- Obtaining signatures

At many firms, administrative staff still use paper forms to carry out these tasks. Often, different staff members carry out different client on-boarding tasks as separate functions, requiring numerous employees to handle various documents multiple times.

A workflow automation solution can simplify this process and greatly reduce the burden on staff members. When a lawyer begins working on a case, he or she knows that these responsibilities have been taken care of.
Electronic Document Management: Processes and Components

• **Document management, including edit tracking**: Document management acts in some ways like content management, in that it ensures only authorized users can change documents and that when someone calls for a document, he or she receives the most current version. Document management also timestamps retrieval and identifies who has handled a document.

• **Workflow integration**: Firms have established procedures for the orderly handling of documents — from creation through final disposition — such as sending to clients as a work product or to courts as a filing.

• **Lifecycle management**: Once a document is retired — for example, when a case is settled — the system still must retain it as an archive. An administrator can configure the workflow system to save the document on optical media and erase it from more expensive disk or solid-state memory.

Hardware requirements for workflow management, besides the basic network of servers and computers, include scanners and printers capable of running legal stationery in high volume. Because workflow management takes paper handling largely out of the process, many firms invest in high-resolution monitors that give a paper-like viewing experience.

Software requirements for workflow management consist of several point solutions. Many advanced scan packages — for example, Kofax Express — deliver high image quality and indexing automation. Other solutions aid in e-discovery, file management, indexing and database management.

**Workflow Automation Solutions**

Several highly effective tools can bring workflow automation to law firms both large and small — any everywhere in between.

**BigHand**: The company has its roots in digital dictation and routing sound files either to a voice recognition conversion system or traditional transcriptionist. With the acquisition of Esquire Innovations earlier this year, the company moved deeper into document management with a template system for style and numbering consistency and a wide range of editing tools. It also now supports use of smartphones as dictation devices.

**Omtool AccuRoute MAINSTREET**: This solution specializes in the capture of paper documents and handles workflow for all documents, regardless of whether they originated as paper or digital files. It supports docketing for a variety of court systems, billing, matter-centric and legal documents, and integration with litigation support systems. It also supports mobile clients and firms that prefer a cloud-hosted option.

**LexisNexis Firm Manager**: The software provides case management, billing support, calendaring and task management, as well as the easy addition of documents to matters management files. Designed for small and midsized firms, Firm Manager is a cloud application that users can access via a web browser or a mobile device.

**EMC Documentum**: This enterprise content management database conforms to the Content Management Interoperability Services standard. EMC offers its own suite of case management and content management applications.

To learn more about CDW’s workflow automation solutions, contact your CDW legal sales account manager, call 888.631.4239 or visit CDW.com/legal-solutions