Matter Management for Legal Departments

Essential Features to Maximize Your Return on Investment

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Legal Files

Managing what matters to you.

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Introduction

Legal departments seek to take advantage of the latest technology in order to better manage the growing diversity of elements which comprise their matters: email, documents, calendars, to-dos, contacts, litigation, contracts, vendor management, e-billing for outside counsel fees, etc. Matter management software, when properly selected and implemented, can help legal departments increase effectiveness and reduce costs by taking all these separate "pieces" and integrating them into a single, matter-centric collaboration tool.

Commercially available, corporate matter management systems have existed since the 1980s. Since then, the number of software providers offering a commercial, off-the-shelf (COTS) legal matter management solution has increased substantially. Today, law departments looking for an in-house legal matter management solution could easily develop a list of dozens of packages to consider by searching for "matter management software."

While some packages are easy to eliminate because they were designed specifically for a law firm or a law firm that deals only in personal injury, bankruptcy or immigration, a long list still remains from which to choose the correct system for your legal department. To complicate matters further, the maturity of the products makes a feature-by-feature comparison of two or more programs a time-consuming task that reveals no clear "winner" in the contest.

While very few law department matter management COTS software providers will admit it, the simple fact is that all these systems perform about 80 percent of the same functions. Differences in user interfaces and the number of clicks it takes to perform a given task are clearly important aspects to consider when selecting a system since these two items alone can determine the fate of a matter management implementation. However, these items alone should not formulate your decision to purchase one product over another. A portion of your evaluation time should be spent on the 20 percent of the "not-so-obvious" functionality that can provide an enormous return on investment in both time and internal information technology resource savings.

This paper will attempt to highlight several of these important features that, more often than not, are overlooked during the software evaluation process. Some of these items are features, both simple and advanced, while some are

probably more appropriately categorized as technical traits of a software system. Whether functional or technical, these features are by no means an inclusive list of everything that should be considered when selecting a matter management system. Instead, items listed in this document that are appropriate for your legal department should be combined with your own unique matter management requirements to help you purchase the solution that will provide the largest return on investment for your department over the long run.

The features discussed are arranged into sections by categories. The end of each section includes a checklist of the items discussed that can be used as part of a software evaluation form. A complete checklist is included at the end of this paper for convenience.

System Scalability and Reliability

While being a software vendor's largest customer may have benefits when things are going well, the tradeoff in headaches from a performance and reliability standpoint are hardly worth it. The extra money a legal department might save by going with a system originally built for the small-to-medium law firm market can be wiped out the first time the system goes down or the entire system runs poorly after the 25th concurrent user logs in. The second time it happens, it simply costs the legal department money in lost productivity.

One of the biggest "unseen" differences in matter management products is the efficiency of the application's programming. Inefficient programs will require a much larger database server, workstations, and network throughput or bandwidth in order for the application to operate with reasonable response times. All these inefficiencies translate into additional costs that a legal department must incur in order to utilize the application, and can evolve into much larger issues as the system is rolled out to additional users.

While it is difficult to tell how efficient a program is during a software demonstration, there are several things to look for and ask about when evaluating a program. One of the most obvious is to ask each vendor for the recommended server and workstation configurations that would realistically support the number of users being considered. Large workstation and server requirements should raise a flag. Applications that require a separate dedicated server should raise another flag as this could signal a non-standard implementation of standard programming techniques that could cause future support headaches and compatibility problems.

Another not-so-obvious question that should be asked is the development history of the application being considered. Many legal matter management applications began as a desktop application that ran against a desktop database. The lack of scalability and inefficiencies of these applications forced some of these vendors to offer a version of their application that will run against a true SQL relational database system such as Microsoft SQL Server. While a vendor may tell you that these "new" systems were a completely new development effort, chances are code was "borrowed" from their old desktop applications, carrying forward some of the inherent problems of their old systems.

In short, legal departments need to consider applications that were designed specifically for a SQL relational database management system from vendors with proven installations much larger than the number of users that will be deployed. In order to ensure the matter management system will be able to grow with the department, a good rule of thumb is to insist that the vendor provide a reference for an established customer with a least four to five times the total number of users needed at the legal department. If this reference can confirm an acceptable performance of the application with no considerable down time or system crashes, the application should perform equally well or even better in an installation only 20 to 25 percent as large and minimize the information technology costs associated with poorly designed systems.

The following checklist includes important questions to ask all vendors pertaining to the scalability and reliability of the system being considered.

**Scalability and Reliability
Checklist**

Feature	Vendor A	Vendor B	Vendor C
Recommended database server for an installation with _____ users.			
Recommended workstation specifications including CPU, RAM and hard disk requirements.			
Was the product ORIGINALLY developed to run on a SQL relational database management system?			
Size of the vendor's largest installation.			
Is the vendor willing to provide this installation as a reference? If so, please provide a contact name and phone number.			

Note: Additional references of similar size legal departments should also be requested from each vendor.

Email and Calendar Integration

Microsoft Outlook/Exchange has significant market share in the legal marketplace. In legal departments that have chosen this platform for email, calendaring and even contact management, Outlook is most likely the primary application the legal department's staff utilizes to perform their duties and communicate with clients. The good news for these legal departments is that most COTS matter management applications include some level of integration with Outlook and/or Exchange so users do not have to abandon Outlook in order to use a new system. If your legal department uses Gmail, IBM Notes or GroupWise, be sure that the matter management systems you consider integrate with these email systems.

While most matter management vendors offer integration with Outlook, how this integration is programmatically accomplished, and the level of integration varies greatly from vendor to vendor. For instance, most vendors offer integration between the matter management system's calendar and the Outlook calendar. However, fewer vendors offer true, two-way integration between calendaring systems that enables users to continue to use their Outlook calendar as their primary calendar. While functional items such as this should become apparent during a vendor's software demonstration, other items surrounding the integration may not be discovered until after a product selection has been made and a contract executed.

The Exchange email server is an organization's information technology hub. If there is any doubt to this statement, try and remember the loss in productivity the last time email was not available, and internal and external communication was interrupted. For this reason, legal departments should avoid products that require direct integration with the Exchange server. In many instances, integration with the Exchange server creates an additional workload and storage requirement on this vital resource that can cost the organization significant money in upgrades. More importantly, however, is that integration directly with the Exchange server often means bypassing or disabling important security settings in Exchange that would expose the entire organization to viruses or hackers. The potential costs to a legal department for lost communications and work product, in addition to the time lost because the email server is down would be difficult to quantify. As such, this type of integration should be avoided, and legal departments should never allow third-party applications to integrate directly with their Exchange server.

Instead, email, calendar, contact and task integrations with the matter management system should all take place within the Outlook desktop. This minimizes the security risk for the entire organization, while still achieving the integration needed by the end users. As an added benefit, this type of integration is often easier to install and maintain, in addition to the peace of mind it will provide.

Another item to consider is how the matter management system stores case/matter related emails and email attachments. Since some solutions simply create a "link" to the message stored in Outlook or Exchange, the message can never be deleted (purposefully or accidentally) from within Outlook or this link will be broken. Additionally, legal departments can find themselves having capacity and performance problems on the Exchange server since emails are never removed from the system. Ideally, your matter management system should store email and all associated attachments in its own data store in their native formats.

The following checklist includes important questions to ask all vendors pertaining to their softwares' integrations with Microsoft Outlook.

Email and Calendar Integration Checklist

Feature	Vendor A	Vendor B	Vendor C
Does vendor's application require integration directly with the Exchange server?			
Does the vendor offer true, two-way integration between calendaring systems (Can appointments be created and updated from either application)?			
Does the vendor offer true, two-way integration between task/reminder systems (Can tasks and reminders be created and updated from either application)?			

Does the vendor offer true, two-way integration between contact systems (Can contacts be created and updated from either application)?			
If an email is "saved" to a case/matter, does it have to remain on the Exchange server?			

Document Management

Many organizations and their legal departments have already invested in a dedicated document management system (DMS) to manage, organize and protect the legal department's work product and documents. For departments that have not yet invested in this technology, many COTS matter management systems include a document management feature. Additionally, legal departments considering a DMS implementation should also consider a matter management system that offers this functionality, since matter management can provide a number of useful tools for little or no difference in cost.

If a document management component offered by a matter management vendor is going to be considered, several important items must be considered during the evaluation process. First and foremost is how the matter management system stores and manages documents. Legal departments should make sure the matter management system actually "manages" the storage of the document and does not simply maintain a link to the related document.

Applications that simply maintain a link to a document that has already been saved in a user-specified location do not provide the legal department with enough control over these documents. If one user saves documents to a network drive and another user saves documents to her local drive, a matter management system that maintains links to documents does provide a method to access these documents, independent of where they are stored. However, the availability of documents will most certainly become an issue because if the user who stores documents locally does not turn on his/her computer on for the day, or if he/she utilizes a laptop computer and happens to be out of the office, these documents will be unavailable for every user of the system.

In order to solve this problem, a document management system should take the responsibility of saving the physical file away from the end user. Documents should be stored in a central location on a network drive or as actual records inside the relational database management system. An easy-to-use interface should allow users to "profile" the document by relating it to a case/matter and categorizing the document according to legal department policies. The matter management system should also programmatically

manage all document saves and accesses—independent of the document type (Word, PDF, etc.).

For organizations that have an existing investment in a document management system, many matter management vendors offer integrations with these programs. This makes it possible to access case/matter related documents stored in the third-party DMS application directly from the matter management system's user interface. If this approach is selected, legal departments must be sure that the selected matter management vendor has an official partnership agreement with their DMS vendor so your integration will continue to work with new releases of the DMS solution. Additionally, an official partnership relationship also means that your matter management vendor has built their integration using approved methods and tools provided by the DMS vendor, and document security is not compromised.

A legal department's specific document management requirements will expand beyond the items covered in this section. The following checklist includes important questions to ask all vendors pertaining to their softwares' document management capabilities. Selecting a vendor who meets these basic requirements will provide a greater return on your matter management investment.

Document Management Checklist

Feature	Vendor A	Vendor B	Vendor C
Does vendor's application include a complete document management component OR integrate with the existing DMS application?			
If integration with the existing DMS is desired, is the vendor an official partner with the DMS vendor?			
If the matter management system will be utilized as a DMS, does the application			

manage the storage of documents?			
If the matter management system will be utilized as a DMS, can the application store any document/file type along with a document profile (metadata)?			

Advanced Features

Many matter management systems have become very feature rich, and it's these added features, the 20 percent discussed earlier in this paper, which truly sets one vendor's product apart from the others. Since it would require an unrealistic amount of time in order to fully understand every single feature offered in every COTS product you are evaluating, this section highlights some of the more important "advanced" features that have a high return on investment but are not included in all products.

While a simple and direct user interface will be apparent during software demonstrations, having a program that is easy to navigate does not always insure the implementation will be a success. A legal department that deals with many types of issues has a wide range of needs that must be met by a single matter management software program. As an example, a legal department's contract matters will have different business and information requirements than its employment or litigation matters. Therefore, it is vital to purchase a system that provides enough flexibility to manage all matter types. This is especially important as legal departments seek ways to track an increasing variety of compliance and regulatory issues.

A matter management system should be viewed through the eyes of all users. This includes users from every group in the department that will be utilizing the application. To minimize the risk that a particular group or team will not utilize the application, the matter management system should be flexible enough to allow for customization of the interface and all case/matter types for each group. This will mean that users will view unique information screens, depending on the matter type (i.e., contracts, leases, M&A, IP, trademark, securities etc.). This will simplify the system for all users, reduce the training time required, and increase the user adoption rate of the matter management application.

When an application does not provide a means to capture all the data needed for employees to do their jobs, employees get creative. They turn to Word documents, spreadsheets or pen and paper, and grow frustrated with the application since it does not do what the users need. This significantly impacts productivity, limits the usage of this data and often means that the data is not being backed up on a regular basis, further exposing the legal department to losses. The selected matter management system should be flexible enough to allow for the creation of customized screens that can be used to capture all

data and information required by the user. Ideally, the vendor will offer a tool so this task can be accomplished by non-technical staff, so the task of customizing and maintaining the system does not fall 100 percent on IT personnel.

Some corporate legal software systems include modules for tracking outside counsel fees. During your evaluation process, look for a matter management program that can easily tailor the invoice review process to match your law department's workflow requirements for entering electronic invoices and invoice approval.

Another feature that is often overlooked during the initial evaluation and selection process is how well the application can deal with the "exceptions" to the normal business processes. These can be as simple as re-assigning workload when an employee resigns from the organization to handling last-minute requests for information or a report.

If the selected matter management system does not include functionality to quickly re-assign workload from one user to another, or it takes an employee an entire day or more to manually update the application, the true cost of the matter management system just increased. Likewise, if the matter management system does not have an easy way to export information in the desired format to create a report a particular individual requested, the amount of time it will take to produce this report using some other means could be significant.

While it is impossible to predict every possible exception that may arise, a matter management system should be advanced enough to handle a majority of these items. The following checklist includes important features to consider during your selection process.

Advanced Features Checklist

Feature	Vendor A	Vendor B	Vendor C
Can the vendor's application be "customized" to meet the needs of each group or matter type?			

Does the vendor's application allow for "customized" windows or screens?			
Can all "customization" be performed by non-technical staff with minimal training?			
Does the vendor's application include the ability to easily re-assign workload between users?			
Does the vendor's application include the ability to easily export data into other applications?			

Software Evaluation Checklist

The following checklist can be utilized during the software evaluation process to ensure the items discussed in this paper are not overlooked. A legal department's own unique requirements should be added to this list in order to provide a complete evaluation process.

Scalability and Reliability Checklist			
Feature	Vendor A	Vendor B	Vendor C
Recommended database server for an installation with _____ users.			
Recommended workstation specifications including CPU, RAM and hard disk requirements.			
Was the product ORIGINALLY developed to run on a SQL relational database management system?			
Size of the vendor's largest installation.			
Is the vendor willing to provide this installation as a reference? If so, please provide a contact name and phone number.			
Email and Calendar Integration Checklist			
Feature	Vendor A	Vendor B	Vendor C
Does vendor's application require integration directly with the Exchange server?			
Does the vendor offer true, two-way integration between calendaring systems (Can appointments be created and updated from either application)?			

Feature	Vendor A	Vendor B	Vendor C
Does the vendor offer true, two-way integration between task/reminder systems (Can tasks and reminders be created and updated from either application)?			
Does the vendor offer true, two-way integration between contact systems (Can contacts be created and updated from either application)?			
If an email is "saved" to a case/matter, does it have to remain on the Exchange server?			

Document Management Checklist

Feature	Vendor A	Vendor B	Vendor C
Does vendor's application include a complete document management component OR integrate with the existing DMS application?			
If integration with the existing DMS is desired, is the vendor an official partner with the DMS vendor?			
If the matter management system will be utilized as a DMS, does the application manage the storage of documents?			
If the matter management system will be utilized as a DMS, can the application store any document/file type along with a document profile (metadata)?			

Advanced Features Checklist			
Feature	Vendor A	Vendor B	Vendor C
Can the vendor's application be "customized" to meet the needs of each group or matter type?			
Does the vendor's application allow for "customized" windows or screens?			
Can all "customization" be performed by non-technical staff with minimal training?			
Does the vendor's application include the ability to easily re-assign workload between users?			
Does the vendor's application include the ability to easily export data into other applications?			

About Legal Files Software, Inc.

Legal Files Software, Inc. develops case and matter management software applications. Legal Files matter management software has undergone thorough, hands-on testing to produce peerless, real-world matter management and workflow management applications. Thousands of users across many industries and around the world rely on Legal Files to store case information and track office workflow. Legal Files is designed to work seamlessly in legal departments, law firms, insurance companies, public sector agencies and legal aid organizations. For more information, visit LegalFiles.com.