



THE TRANSPARENT LAW FIRM

PART 1: AN INTRODUCTION TO CLIENT ACCESS TECHNOLOGY

By Stephen Butler, CEO of Red Rain

In a recent report, The International Legal Technology Association (ILTA) found that 91% of respondents expect transparency of legal processes to increase as a result of client needs.

This series of white papers is designed to assist your law firm in understanding and meeting these needs – helping reduce costs and improve your firm’s capacity, regardless of its size.

INTRODUCTION: THE PAPER PARADOX

A law firm is an information business. Put simply, lawyers provide information – in the form of advice – protecting their clients.

This advice is always communicated in writing. And traditionally, this writing was physical – on paper. This method of delivery obviously has a number of pitfalls. Paper documents have to be produced, sent, signed for and then filed away.

Email made short work of paper documents. Information, a lawyer's 'product', can now be sent and received instantly, at next to no cost. However, this modern method has its own set of problems.

Paper documents are almost always filed away, often under lock and key. But because digital documents can so easily be accessed, reproduced and sent, they can be treated carelessly by the client. Digital documents are often used just once and are then discarded.

For law firms, this has meant two major issues:

1. REDUNDANCY

Despite an obvious improvement over paper, digital documents are growing increasingly less efficient. When clients can't find a document they ask for it to be resent (often multiple times) adding costs firms cannot charge for.

The pace of processes in the modern world and standards set by other industries are exacerbating this issue (as will be discussed in the next section).

2. SECURITY

While files sent over email are unencrypted and technically vulnerable to interception, this doesn't affect most law firms. Unless you're sending government documents or confidential trade secrets, it is unlikely (but not impossible) that someone is trying to intercept your emails.

However, emails do have a security flaw which is much simpler and much more common – human error. We've seen instances where somebody addresses the wrong person because of a small typo, where an email is forwarded with a sensitive document accidentally attached, or even where someone remained logged into their email on a public computer.

This is the paper paradox. While email is obviously much more efficient, it is lacking in crucial areas – areas that are compounding as society transfers more and more data.

DATA CULTURE

Cisco's recent report on global data consumption revealed that total internet traffic grew 800% between 2007 and 2014. It's now projected to triple between 2015 and 2019.

This growth is largely driven by improved access to technology (particularly mobile devices, see Cisco's report) and shifting expectations regarding online services.

Businesses such as Spotify, Netflix, YouTube and any social media platform, provide on-demand access to their services. This 'on-demand' trend is also being replicated in the B2B space, with the increase of online banking and cloud-based business solutions such as Xero.

The legal profession is not immune to this movement. The International Legal Technology Association recently published their Future Horizons Report, in which they claim clients should be the primary focus of future IT investment.

"We must focus IT investments on securing and enhancing customer relationships. Strategic priorities must include quality of insight and advice, speed, responsiveness, and flexibility – enhancing the capability and efficiency of professional staff and the capacity for innovation.

Operationally, client demand is expected to focus on clarity of progress and budget reporting, providing real-time visibility of legal workflow, improving collaboration, integrating with client systems and building intelligence ... to add insight and value ... reduc[ing] the level of human involvement required."

This expectation of on-demand service, as well as improved access to technology, is exacerbating the inefficiencies outlined previously. Despite new technologies such as instant messaging and social media, the average number of business emails sent and received per user, per day is 122 (see Radicati's report).

Clients increasingly want information at the touch of a button, and ease of communication means they will ask about the status of matters more often – they don't want to wait for a lawyer to call back and they don't want to worry about document management.

ENTER CLIENT ACCESS TECHNOLOGY

Client access technology is the legal profession's response to client's on-demand needs.

So what is client access technology?

Like any online service, client access technology is simply a collection of wires and servers that store information.

However, to use an analogy for how it's used – it's a digital folder that both you and your client can access via the internet. This is, of course, an oversimplification. But we can build from this to demonstrate the many opportunities it presents

Our folder can hold any manner of information – documents, contracts, or any structured data such as financials, dates, names and addresses. On top of this, the folder can act as a channel for communication. You and your client can send messages purely in relation to that folder's assigned matter.

The beauty of this folder is that it becomes part of your current systems. It's not a separate interface you have to manually enter information into – it sits with your existing data and documentation. Instead of moving files you simply set 'sharing' rules, which then allow different parties to access information you deem appropriate.

Finally, because this folder is stored online, both lawyers and clients can access information from wherever they have internet access, on any device – which is of increasing importance as mobile adoption continues to grow.

While this technology may seem simple, it's been used to transform a number of different industries and professions.

WHO IS USING CLIENT ACCESS?

While client access is relatively new to the legal profession, it has already become a standard amongst a number of different professions and government departments.

BANKING

Online banking was first introduced around 2000. Although if you consider ATMs, banks have been using client access technology in Australia since 1969.

Internet banking has become the modern standard for banking – very rarely do customers receive bank statements in the post, ring the bank to check their balance or apply for a credit card in person.

All these functions, and more, have been entrusted to the bank's client access portal. Customers can receive secure messages, access their statements, transfer money, apply for a loan, and practically access the bank's complete services, online. Increasingly, these functions are accessible via a mobile app.

FINANCIAL SERVICES

Companies that manage investment funds or facilitate trading host a wealth of information. Detailed business reports, performance indexes and personalised user data all need to be instantly accessible and often updated in real-time.

Client access technology ensures this information is always available and kept secure. Without it, these services would be limited to fewer customers (those who can afford to pay a staff member to manage their account). By reducing their client-based costs, financial services are available to a much broader customer base.

GOVERNMENT

In 2014 the Australian Government launched 'myGov', an online portal where you can access multiple government services, including the Tax Office, Medicare, and Centrelink.

Despite attracting criticism for extended periods of down time, the website allows you to apply for financial support, submit your tax return, check your super and more – without having to wait in a phone queue or fill out physical paperwork.

SUMMARY

Despite an obvious advantage over paper, digital communication – particularly email – has its own set of issues. As data consumption and creation continues to grow, these issues will only be exacerbated.

Client access technology provides a solution for these problems – solutions already utilised in other contexts to reduce client-service costs and develop on-demand customer service.

ABOUT REDVIEW

RedView helps law firms and their clients access relevant information from any device. RedView Connect is a client access portal that reduces the costs of communicating with your clients and improves customer service. You can give clients access to information from any device, secure messaging, a client-facing conveyancing app, and more – all with your branding.

For more information visit redview.com.au

ABOUT STEPHEN BUTLER

Stephen Butler is CEO of Red Rain, creators of RedView. He has been providing software solutions for professional service firms for over 30 years – over 25 of which were spent with law firms. He has an extensive background in software operations, professional services sales, and marketing leadership. He also has an intimate knowledge of legal firm's business requirements, as well as the needs of the practitioner.

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