

***Forecast: Increasing
Cloudiness in Your Law
Practice: Moving
Everything to the Web Cloud
and Never Looking Back –
Practice Management, Billing,
Document Generation and the
Ethics Traps (and
How to Avoid Them)***



Colorado CLE Seminar
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- ◆ Marquette Univ. Law School, 1986 (Law Review)
- ◆ Founded MicroLaw, Inc. in 1985
- ◆ Legal Technologist, Educator, Author
- ◆ Technolawyer Legal Technology Consultant of the Year 1999, Contributor of the Year 2001, 2002, 2005, 2006
- ◆ Founder/National Coordinator, HelpKatrinaLawyers.org (2005)
- ◆ Over 1400 law offices assisted across North America
- ◆ Frequent author and speaker nationwide on legal technology subjects
- ◆ Chair, Wisconsin Law & Technology Conference 2002-2006; Founder / Chair, Wisconsin Solo & Small Firm Conference 2007
- ◆ Founder / Co-Chair, National Solo & Small Firm Conference 2006-2007, Honorary Chair 2008
- ◆ Chair, Milwaukee Bar Association Technology Committee, 2002-2007
- ◆ Chair, ABA LPM Section Computer & Technology Division and Member, TECHSHOW 1997- 2001 Board, Co-Chair, LegalTech CLE Planning Board
- ◆ Author – “How Good Lawyers Survive Bad Times” (ABA LPM Publishing, 2009 – tinyurl.com/how-good-lawyers)



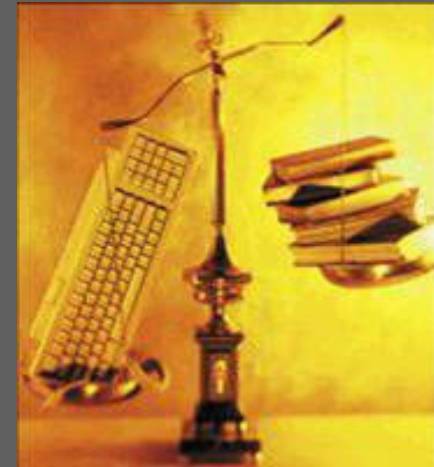
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***Download the PDFs of
all my programs at:***

microlaw.com/cle-downloads.html



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What the Heck is “the Cloud?”

◆ We’ve all heard about “the cloud” or in the Microsoft commercials – “let’s go to the cloud.” But what does it actually mean?

- **It’s Not Just One Thing:** The cloud can mean several different things, but the idea generally is that it means accessing information and/or running apps or programs across the internet.
- **SaaS:** Stands for “Software as a Service.” This means running program functions from a website. Programs in this category include practice managers, billing systems, and some e-discovery products.



What the Heck is “the Cloud?”

- **Cloud Hosting:** This means storing your data (documents, email, etc.) on a remote system owned by a third party and accessing it across the internet through some secure method such as Windows Remote Desktop (RDP) or Citrix.
- **Cloud Self-Hosting:** Same as Cloud Hosting with a difference – it’s your cloud. In other words, you setup a Windows Terminal Server or Citrix Server and then access all your applications over your internal network and over the web when you’re out of the office.



Cloud Computing offers the ability to access software or information that can be delivered on-demand, over the internet, without the need to store it locally.



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Totally Overcast

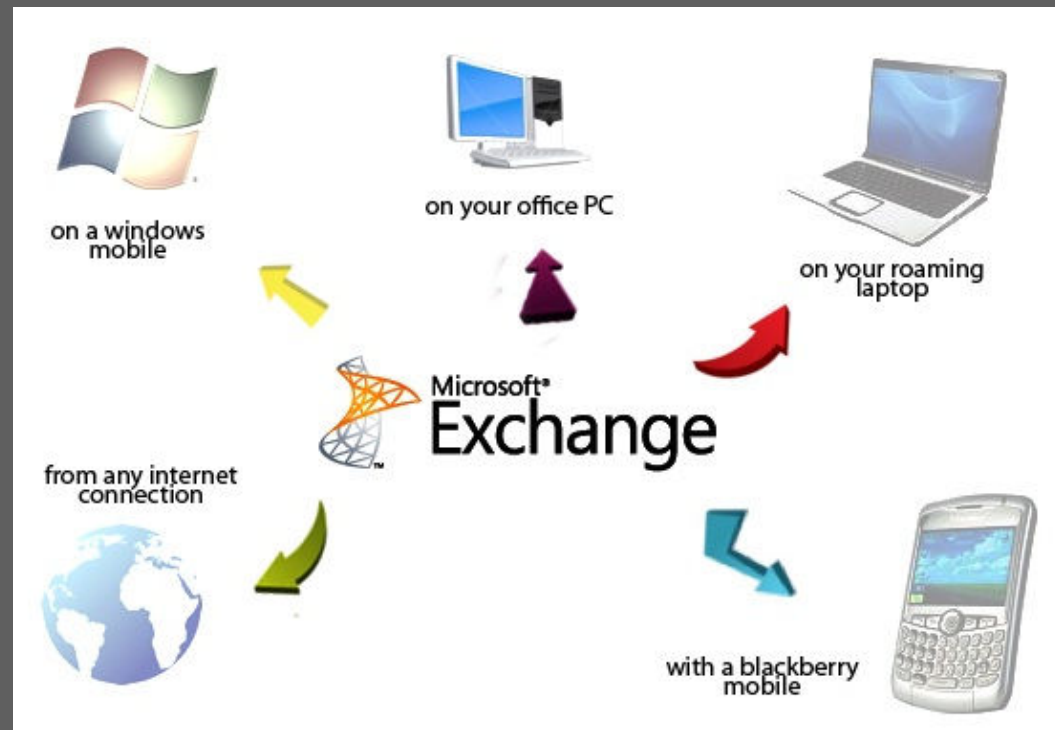
- ◆ **Totally overcast** is what I refer to as a fully hosted situation – where a third party hosting provider hosts all the applications and all the data
 - **Larger v. Smaller Hosts:** Larger hosts such as Rackspace.com, GoDaddy.com and Amazon Elastic Cloud Services – large hosts can go down too! Small hosts may outsource their storage to one of the large players – find out where your information will be and watch out for the lack of privacy rules if your data is offshore!
 - **It's All in Someone Else's Hands:** Totally overcast means you just remotely connect to all your applications and all your data.
 - **Costs:** All over the place
 - **Partially Totally Overcast:** Huh? This is where a key application is totally overcast. The perfect example is hosting Microsoft Exchange Server and having it integrate with Outlook locally which in turn connects to all your local applications such as document and practice managers.



Partially Overcast

◆ Partially overcast is what I refer to as having one or more of your applications hosted – but not everything

- **Some, But Not All:** This is where a key application is totally overcast. The perfect example is hosting Microsoft Exchange Server and having it integrate with Outlook locally which in turn connects to all your local applications such as document and practice managers. **Costs:** Exchange Server hosting ranges from \$5-\$15 per user per month with storage per user mailbox ranging from 1 Gb to 4 Gb typically



Cloud Myths and Realities

- ◆ SaaS (Software as a Service, web-based applications with web-based data storage) Concerns are:
 - **Ethics**: Is it ethically permissible to give control of active client information to a third party?
 - **Practical Continuity**: What happens if you lose internet connectivity – how do you work if your entire case management system is online?
 - **Permanent Continuity**: What happens to all your data if the SaaS provider goes out of business? How do you get access to your data in some sort of usable form?
- ◆ SaaS Case Management systems should not be automatically discounted as an idea, but the practical reality is that you need to VERY carefully consider the concerns raised – with that said, I'm now comfortable with this option, particularly with the Clio offering which I'm now recommending to clients (www.goclio.com)



Cloud Myths and Realities

- ◆ Cloud myths abound – thank you Microsoft and others for creating the perception that everything works better from the “cloud” and that it’s the answer to problems ranging from data access to hair loss.
 - **Myth:** The cloud is much less expensive than having your own server hardware.
 - **Reality:** Usually wrong – the difference is that for subscription-based services, there may be less upfront cost, but you pay FOREVER, so over the long-run, cloud-based systems tend to be less expensive. You can also achieve the same kind of “monthly subscription” by using commercial leasing for a traditional acquisition – but with payments stopping in 3 or 4 years instead of continuing perpetually.



Cloud Myths and Realities

- **Myth:** The cloud is safer and more reliable than any internal computer network you could have because high-end professionals and industrial strength equipment is used.
- **Reality:** Just read the news about outages among the highest end cloud providers such as Google and Amazon – anyone can trip over a power cord – the big guns just as you could. However, there are advantages in terms of things like automated data backup – an area traditionally weak especially in small law practices.



A Cloud Cost Case Study

- **Situation:** A California firm I work with wanted me to compare replacing their aged traditional network with either a new traditional network or outsourcing everything – going totally overcast – their expectation and the cloud sales pitch? MUCH CHEAPER!
- **So what did that mean in reality?**
- **Fact:** 15 users in this firm, typical general practice apps including time/billing, practice and document management, Outlook, Microsoft Office and the CaseSoft Suite



A Cloud Cost Case Study

- **Reality:** the four year cost of a fully hosted approach including all new workstations and all the same software they'd use internally was \$395,000 including fully managed services
- **How about the traditional system (which still created a private cloud for remote/home users)?**
- **Reality:** This approach, using commercial leasing to approximate a fair comparison of monthly subscription costs totaled \$280,000 over the same four year period and then becomes much less expensive as lease payments end

The Cost Winner?

Traditional System – can be cheaper in the long-run and even less per month when using commercial leasing . . .



Web-Based Pluses / Minuses

- ◆ SaaS practice management systems have pluses and minuses v. “terrestrial” systems:
 - **Pluses**: Always up-to-date, always backed up, lower startup costs, simpler (generally) interfaces
 - **Minuses**: What happens if you lose internet connectivity – how do you work if your entire case management system is online? You pay monthly, forever so more costly over the long haul, fewer features especially in billing/bookkeeping and document assembly
 - **Bottom-Line**: These services have come of age and have proven themselves – for smaller or virtual practices, they merit serious consideration, especially the two leaders: Clio and RocketMatter.



Web-Based Case Mgmt Options

- ◆ Clio is a leading Canadian-produced web case manager

www.goclio.com



Start/Stop	Title	Description	Time Total	Rate	Dollar Total	Edit
	0000-Meeting	Purchase of 1000 75 Am / Meeting	2.75	\$30.00	\$82.50	[X] [Y]
	0000-Meeting	Ship and Fall Order: Toys Etc Shopping Centre / Meeting	1.50	\$60.00	\$90.00	[X] [Y]
	0000-Meeting	Purchase of 1000 50 St / Waste Call	2.50	\$60.00	\$150.00	[X] [Y]
	0000-Meeting	Purchase of 1000 50 St / Letter Writing	1.75	\$60.00	\$105.00	[X] [Y]
			8.50		\$487.50	

Add New Time Entry for John Smith

Title	Purchase of 1000 100 St	Duration	1.00
Task	Letter Writing (1000 / 100 St) <small>(This label will come to set up your time sheet.)</small>	Rate	<input type="checkbox"/> Default <input type="checkbox"/> Custom 100.00
Note	<input type="text"/>		
	Reminder (optional)	Date	<input type="text"/>
		Category	<input type="text"/>

Clio includes practice management with time and billing functionality.





Web-Based Case Mgmt Options

[Home](#) | [Timer](#) | [Preferences](#) | [Manage Users](#) | [Sign out](#)

enter name or matter

Upcoming Calendar Events

Today	Tomorrow	Upcoming	Flagged	
<p>What</p> <p>Breakfast meeting with Robb at Ogle ...</p> <p>Call to discuss new evidence ...</p> <p>Teleconference to schedule evidentiary hearing ...</p> <p>Meeting to discuss events of the matter ...</p> <p>Response to Complaint Due</p> <p>Check in office discuss events on case ...</p>	<p>Matter</p> <p>Star Bros. v. B&W Systems, Inc.</p> <p>Star Bros. v. B&W Systems, Inc.</p> <p>Clark v. Verizon</p> <p>Nissa Design v. Zedok Industries</p> <p>Clark v. Verizon</p> <p>Clark v. Verizon</p>	<p>Case</p> <p>2/15/2008</p> <p>2/22/2008</p> <p>2/15/2008</p> <p>2/22/2008</p> <p>2/15/2008</p> <p>2/22/2008</p>	<p>Time</p> <p>07:30 AM</p> <p>12:00 AM</p> <p>11:00 AM</p> <p>12:30 PM</p> <p>09:00 PM</p> <p>02:00 PM</p>	<p>End</p> <p>09:00 AM</p> <p>12:00 AM</p> <p>12:00 PM</p> <p>02:12 PM</p> <p>02:00 PM</p> <p>04:00 PM</p>

view more of my calendar events

Pending To-Do's

- Call Ben regarding re CLE courses. Edit Delete
- Call Duke employment office re law clerk position. Edit Delete
- Pick up new folder and legal pad. Edit Delete
- Send Shultz a thank-you note for gift basket. Edit Delete
- Get airline tickets for ABA Techshow. Edit Delete
- Review Yellow Book 2008. Edit Delete
- Update firm web site with new contact info. Edit Delete
- Purchase Getting Things Done as bookwork. Edit Delete
- Read ABA Journal article. Edit Delete
- Call in to lawyer's podcast. Edit Delete

[View My Dashboard](#)
[View My Calendar](#)
[View My To-Do's](#)
[View Pending Bills](#)
[View Contacts](#)
[Create New Contact](#)
[Create Event](#)
[Add Matter](#)

◆ RocketMatter
www.rocketmatter.com

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Other Web- Based Practice Managers

Advologix.com
developers of the world's greatest applications...
in the cloud



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Web-Based Legal Billing and Bookkeeping



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Web Storage and Syncing / Backup Systems



The image is a screenshot of the SugarSync website homepage. At the top left is the SugarSync logo with a bird icon and the tagline "SYNC WITH BENEFITS". To the right are navigation links: "Product", "Sync", "Downloads", "Blog", and "Press & Awards". Below the navigation is a purple banner with the headline "Sync Different." and a list of features: "Sync your computers (PC & Mac) and phone", "Remotely access files from any web browser or phone", and "Backup files automatically and securely". The banner also features images of a desktop monitor, a laptop, and a smartphone, all connected by green lines to a central globe icon. On the right side of the banner are two buttons: "Sign up Free" (orange) and "Watch Video" (green). At the top right of the banner, it says "Already a member? Login".

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Web Suites: Microsoft Office Alternative



**Microsoft
is in the
Cloud!**
(you've seen the
commercials
right?)



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Your Own Private Cloud: Hosting

- ◆ Another way to have “from anywhere” access is to build your own private “cloud” with hosting
- ◆ This is done via using a third party provider who will host YOUR applications or common applications such as Tabs 3, PracticeMaster and Worldox on their own servers – they maintain them, they store the data, they protect the data
- ◆ Then you access your software usually via over-the-Internet technologies such as Remote Desktop Protocol (RDP), Terminal Services or Citrix – from any system, from anywhere



The Advantages of Hosting

Advantages: You get the advantages of SaaS:

- Significantly lower IT investment (no server, etc.)
- Anytime, anywhere access to the products you use today
- Integration between the full featured products from different vendors that you know and use today
- Multiple-Office firms covered. The desktop in the next city works the same as the desktop in the next cubicle.
- Remove hassles of operating system patches, anti-virus Updates, etc. - hosting co. takes care of it.
- No more backup worries - host takes care of it.
- Mac users can utilize the technology to run the same software.
- Pay by the month – less cash upfront.



More Advantages of Hosting

- Use mature applications that have the features you need. (Office, Tabs3, Acrobat, Worldox, HotDocs, QuickBooks, etc.)
- While there are web versions or replacements for some of these programs, that's like saying you can replace Windows with Linux. Technically true, but not a real replacement.
- Better integration and more choices with 3rd party applications than with SaaS programs.
- Instead of dealing with various SaaS providers (Google, NetDocuments, Clio, QB Online, etc) you have one hosting firm (still have the various application vendors though).

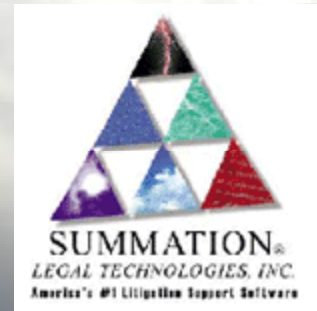


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Disadvantages of Hosting

- **Same issues as with SaaS systems:**
 - Possible ethical grayness – can you give control of your entire practice’s ability to function to a third party, especially one in a possibly unknown jurisdiction.
 - How do you get your data back ASAP in the event of host business failure or when changing hosting services
 - Long-term costs may be higher than traditional Sec. 179-expenses traditional purchases with a pay-it-forever approach.
 - You’ll need more internet bandwidth than you typically would otherwise – this can be a hidden cost factor.
 - What happens when you’re just having a bad internet day – does the service allow local “mirroring” of data for offline access?
 - Need to provide secure mobile internet access as a necessity, not an option and hope you are ALWAYS in a solid access service/reception zone.



Prospective Hosting Costs

- **Worldox offers a third party hosted solution using a service called CloudBank.**
- CloudBank could host Worldox, Microsoft Office Professional 2010 including Exchange Server, as well as all your documents and financial / practice management systems such as Tabs 3 / Tabs PracticeMaster.
- For Worldox customers on maintenance, the cost would be **APPROXIMATELY \$115 per month per user plus the cost of the Tabs 3 / Tabs PracticeMaster software and approximately \$300 per month for enough data storage to be useful along with local data mirroring. For 14 users, the expected approximate costs, excluding the Tabs software and professional services related to implementation and training/project management would be about \$1610/month or \$19,320 per year**



Prospective Hosting Costs

- **SaaS Services like Clio in comparison would cost \$615/month for the practice manager and billing, but nothing else (for 10 lawyers, 5 staffers)**



The Cloudy Bottom-Line: Should You Be in the Cloud?

- The answer is an absolute, unequivocal . . .



The Cloudy Bottom-Line: Should You Be in the Cloud?

• MAYBE . . .

- Seriously, it all depends on the programs you need to run and a hard-core multi-year cost analysis, as well as your ability to provide your own IT support (or have a capable local IT firm to help)
- A mix of cloud and “terrestrial” systems is likely sensible, especially for redundancy and continuity, keeping you practicing.



Thank You – For Help in Moving to the Cloud, Let's Talk!



Colorado CLE Seminar
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