

JANUARY 2023

LPM

LEGAL PRACTICE MANAGEMENT

Clients in focus

How close is legal to matching service delivery levels of other sectors?

EASY PAYMENTS, HAPPY CLIENTS

A journey to more efficient client service delivery

THE CHAT BOTS ARE COMING

Is ChatGPT a real disruptor for legal services?

STRUGGLE AND PROSPECTS

Insolvency regulations for firms feeling the economic squeeze

Welcome

The journey towards delivering a modernised client experience continues for SME law firms

The turn of a new year tends to bring with it a temptation to reflect – in the world of legal, it's a good time to take stock of how the industry is progressing on its journey of modernisation. The much-coveted ideal of legal services that match the 'Amazon' model of digital prowess and efficiency remains elusive, though firms continue to take incremental steps in that direction.

While client portals are widely popular (p6), there is some way to go before they deliver their promised value. In this issue, we hear the story of how **Debenhams Ottaway** made significant improvements to its client service delivery by leveraging **Legl's** payments solutions (p5).

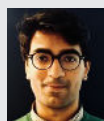
We also examine some of the tools that can help firms make life easier and better for employees, which also feeds into a better client experience. Read about integrating core systems (p4), optimising virtual work (p4), leveraging automation (p6), and achieving all this in a cost-crunching environment (p3). And, for firms that are struggling to cope with costs as a whole, learn about some of the insolvency regulations that apply to a variety of situations (p3).

A very Happy New Year from everyone here at LPM – looking forward to chatting with many of you in the months to come!

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HOT TOPICS THIS MONTH

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>03

Struggles and prospects

Financial options abound for SME law firms struggling with the economic squeeze, says professor Rebecca Parry of **Nottingham Law School**

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Struggles and prospects



Professor Rebecca Parry of Nottingham Law School details the insolvency processes for SME law firms of various shapes

There are tough times ahead for SME law firms. Many will have weathered the pandemic through nimble shifts to remote working and helping clients to navigate government assistance schemes. Still, many are now struggling with the downturn in the economy, increases in cost of living and a looming recession and repayment of liabilities accrued during the pandemic, with the restrictions on insolvency procedures that applied during this time also now being lifted. This article will review current challenges, options for law firms to survive, as well as insolvency options, with some brief international comparisons.

Staff retention, tech upgrades, the ending of covid relief and generating new client business are all top challenges on the SME law firms agenda this year. Together with a worsening financial climate, these may tip the balance for some firms. A drop in business can lead to cash flow problems and there may be demands from creditors including HMRC. The repayment of government backed covid loans has started and bounce back loans to small and medium businesses must be repaid within six years. Rental

arrears will have accumulated during the pandemic, although they are subject to a code of practice under the Commercial Rent (Coronavirus) Act 2022, including negotiation and arbitration.

Lenders may raise concerns around overdrafts and may request further security and/or the provision of a surety or guarantor. Under the Insolvency Act 1986, insolvency arises where the firm becomes unable to pay its debts or if its balance sheet shows a deficit.

Not only current liabilities but also prospective ones should be considered in assessing the ability of the firm to pay its debts or the state of its balance sheet, as highlighted by the Supreme Court's judgment of BNY Corporate Trustee Services Ltd v Eurosail (2013) UKSC 28.

Cybersecurity risks also loom large. A shift to hybrid working can potentially increase cybersecurity risks and incidents can be financially damaging and can compromise the security of client data. **LPM**

Continue reading about challenges facing the SME legal sector on the LPM website

Tech-powered balancing act



Firms have to work smarter while cutting costs, and tech can help – says Adam Bullion, general manager of marketing, PracticeEvolve

2023 looks to be a challenging year for many of us. Although we are through the worst of the pandemic, we are now suffering the after effects and I'm sure many of us will already be experiencing the stark reality of increasing fuel, energy and shopping bills. The increasing costs and challenging environment is also being felt by businesses.

Against this backdrop, it's clear businesses are going to have to work smarter. To do so, we are going to have to consider how technology can help us but also attract and retain talent.

We conducted market research in 2022 and the general challenges law firms face in 2023 remain consistent. Firms want and need better technology to manage processes and integrates with the software they use, while there is an ongoing focus on retaining talent. However, to succeed, legal technology providers must help by investing in what clients need.

At PracticeEvolve, we are committed to investing in three categories: competency, cloud and connectivity – all designed to ensure that both firms' and individuals' needs are met.

It is imperative for firms to ensure they have a satisfied team of users who are fully competent in the software they

are using, in order to maximise their returns on investment (ROI). It's one of the many reasons PracticeEvolve have introduced EvolveLearning (alongside EvolveCommunity). Designed to offer users a platform to interact and learn at a pace to suit their needs, EvolveLearning will improve user competence and, in turn, allow law firms the accessibility to receive the most from their chosen product (PracticeEvolve, SOS or Linetime).

Equally, as firms look to reduce the costs and the risks associated with infrastructure, we see more of an onus on Cloud solutions. Fully native Cloud solutions, for example, eliminate the need for maintenance of physical servers, and allow users to operate on any device. **LPM**

Read more about the tech-powered balancing act for SME law firms on the LPM website

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Systematic combinations



Practice management and document management systems make a valuable combination, says Kaden Smith of NetDocuments

Among the many tools SME law firms rely on are solutions for practice management and document management. While some practice management systems (PMSs) come with a document management component, they cannot provide the complex security and governance features required for critical client documents and emails or the productivity boosters that can elevate your firm's work.

That's where a powerful document management system (DMS) comes in. And while some smaller firms are still discovering the overall benefits of a DMS, other firms have both a PMS and DMS but have yet to connect them to experience more efficiencies and realise even greater value from their technology investments. Our recent eBook on combining the power of a PMS and DMS for small and midsize law firms is here to help. It provides a deep dive into why you need both systems, benefits of integrating these tools, best features to leverage in each, and case studies of firms finding success by integrating their PMS and DMS. Here is a sneak peek into some of what gets covered.

TOP BENEFITS OF INTEGRATING YOUR PMS AND DMS

Individually, legal practice management and document management platforms offer substantial benefits for law firms. But believe it or not, these two systems are better when connected and used together. Here are a few key advantages your firm can expect when you integrate a legal PM software and DMS.

FIND THE INFORMATION YOU NEED QUICKLY

How much time do you and your team spend looking for files, emails, and documents each day? [LPM](#)

Read more about the benefits of integrating your firm's PMS with a DMS on the LPM website

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Scalability is Azure thing



Azure Virtual Desktop can help firms be more secure, scalable and integrated, says Nick Hayne, head of professional services at Quiss

While much has been written about the future of law firms in the UK and their acceptance or otherwise of a hybrid working environment, the emphasis has been on work-life balance, smaller offices and ongoing employee wellbeing, rather than the technology that makes it possible.

But switching from the traditional office environment, with desktop computers connected by physical network cabling, requires an IT solution that allows employees to work, communicate and collaborate efficiently and securely when they are not physically in the office.

To address the issue, there are any number of reasons why a UK law firm should consider using Azure Virtual Desktop (AVD), which allows employees to access the applications and data they need from any device with an internet connection.

They can work from any location, including the office, home, or even a client's office, while retaining a secure connection to the firm's systems and data. And here are what we here at Quiss believe are the most compelling reasons to consider AVD:

1. Security. AVD has a number of security features in place to protect data,

including encryption, authentication, and monitoring, which can be important for a law firm handling sensitive client data.

2. Compliance. AVD is compliant with various data protection regulations and standards, including GDPR and HIPAA, which can help a UK law firm meet its own compliance obligations.

3. Scalability. AVD allows you to scale your applications up or down based on your needs, so you only pay for what you use. This can be beneficial for a law firm that needs to be able to handle fluctuating workloads.

4. Integration. AVD integrates with a wide range of tools and services. [LPM](#)

Read more about the advantages of Azure Virtual Desktop on the LPM website

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Easy payments, happy clients

Debenhams Ottaway's director of client services, Julia Taylor, explains how Legl helped the firm cultivate an improved level of client service by streamlining payments

As Director of Client Services, Julia Taylor ensures the Debenhams Ottaway client experience is seamless from initial contact through to matter completion and beyond: "My role in the firm is to deliver that excellent first impression, uphold client expectations, and support the lawyers to be as accessible and responsive as possible."

Julia explains, "My overarching goal is to oversee and understand how people choose us, how they use us, how they pay us, and why they stay with us." As Director of Client Services, Julia was

"Clients could only ring up and pay their invoices with cards between 9am and 5pm, Monday to Friday, which wasn't offering them a convenient way to pay."

JULIA TAYLOR, DIRECTOR OF CLIENT SERVICES, DEBENHAMS OTTAWAY

unwavering in her approach to ensure the Debenhams Ottaway' 100-person-strong, multi-service law firm set its focus on the client experience. From a background of working in law firms for over 30 years, Julia's role at Debenhams Ottaway is to form and maintain the foundations of exceptional client service across the firm.

The aims for Debenhams Ottaway included:

- Having the majority of client payments made online
- Allowing clients to make payments without involving admin time, and allowing the client to pay when it suited them
- Improving cash flow for invoices and monies on account

Debenhams Ottaway pride themselves on being accessible to their clients, but it meant that the team were spending too much time taking an old-fashioned approach to client payments – "We still had people wanting to pay their invoices at reception or by cheque."



Prior to using Legl, the firm took client payments via BACS or card payments over the phone, often taking 5-7 minutes to take each phone payment. These un-client friendly methods meant the finance team and receptionists were spending time handling manual finance transactions, rather than adding value to clients and the business."

Julia explains, "Clients could only ring up and pay their invoices with cards between 9am and 5pm, Monday to Friday, which wasn't offering them a convenient way to pay."

Julia received a letter from a healthcare provider which offered a link to click and pay. Although Julia had been considering the idea of a digital payments solution for some time, this was the pivotal point that prompted the change, "I knew we needed this for our law firm."

Although Julia was sold, she faced concerns from the law firm's partners that a tech-enabled payments solution would potentially cause clients to pay incorrect amounts. **LPM**

Read more about Debenham Ottaway's journey to improved client service on the LPM website

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Clients to customers



Lauren Colbeck of Access Legal explains why client experience is one of the most important parts of a successful law firm's strategy

THE EVOLUTION OF CLIENT EXPECTATIONS

How to improve the client experience is a question we often get from our law firm customers and one that's top of the agenda for many senior partners and managers in the legal sector. Law firm clients, like most other sector consumers, always change, though the rate of this change more recently has been particularly pronounced. We all spend an inordinate amount of time online with so much of our everyday lives using a phone or tablet. The 'digital economy' that we now live in and the way we interact online and with our providers has shaped the way many of us expect services to be delivered to us. The following stats evidence the scale of change to online purchasing and activity in recent times.

- In 2022, an estimated 93% of the UK adult population will be using some form of online banking
- By the end of 2022, ecommerce sales are expected to reach \$5.42 trillion worldwide.
- In 2022, the mobile share of the overall web traffic market share is at 46.41%

- Two-thirds of adults worldwide now make or receive a digital payment.
- More than 41% of customers expect live chat on your website.

Law firm clients are influenced by their experiences in other aspects of their life and while many still want the option to see solicitors and lawyers face to face, they also want to be able to interact with firms online. Engaging, consumer-friendly websites, live chat functionality, client portals, mobile applications, online instant quotations and online payments are all technologies which have long been used in other sectors. **LPM**

Read more about the state of client experience in the legal sector on the LPM website

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The chat bots are coming



Artificial intelligence is making tremendous strides, though is it ready to take on more legal work? Jack Shepherd, legal practice lead at iManage, investigates

There's no doubt that the uncannily human-sounding AI chatbot ChatGPT is impressive. It spits out incredibly accurate answers in a slightly unnerving conversational tone. But is this a mere party trick, or should lawyers be afraid? Having posed some questions on specialist subjects (including law) and shared the output with a few experts, each one of them revealed to me that the response is impressive if negligent but for the caveats at the end.

Will ChatGPT make lawyers obsolete, poses Reuters? For now, it's unlikely. Executives at Google (who it's suggested could have released a similarly accomplished model if they so wanted) say the technology is still too immature for them to release a working model. There are issues with bias, toxicity, and a propensity for simply making information up. Maybe AI could replace a lawyer, but it would do a really terrible job. So, what are the top use cases for Chat GPT for legal right now? First drafts of letters and short contracts perhaps. Ghostwriting articles for LPM? Indeed, there's a risk here of looking for problems through the lens of a particular solution. This is always dangerous.

ONE SIZE DOES NOT FIT ALL

Modernisation isn't always about implementing new technology. Adoption of tech is often touted as more of a priority than standardising processes but really, improving use of technology is based on standardising processes.

Looking to external industries for inspiration, the legal sector is finally catching-on to the benefits of project management. I still hear a lot of reference to 'legal project management' – personally, I'd prefer to lose the "legal" prefix and actually accept that the stuff lawyers do isn't too fundamentally different from other professions. Project management in law is a new trend. **LPM**

Read more about the role of artificial intelligence in legal services on the LPM website

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