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CM Feature

COMMUNICATION AND ORGANIZATIONAL MANAGEMENT

Getting Comfortable in the Cloud

How to tell if moving to cloud-based applications is right for your firm

A few months ago, while sharing drinks with some fellow "legal-ites," we got on the topic of future technologies in the legal market. Conversations about wearable technologies, artificial intelligence-driven big data technologies, and the Internet of Things were quickly replaced with discussions about cloud computing.

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We joked about the cloud still being the hottest trend in annual legal technology surveys and benchmarking studies. After all, Microsoft launched Hotmail (AKA email in the cloud) in 1996.

We've been living in a hosted, cloud-based, as-a-service world for nearly two decades, so the conversation made me think "working in the cloud" should just be called "working" at this point — the norm of doing business. Shouldn't I assume that law firms of all sizes are embracing the cloud for everything from email and case management to e-discovery, online storage, disaster recovery and marketing?

Not so fast. What's really happening in the cloud in law firms? Are we ready to get past the data security and information privacy questions? Can we really work freely in the cloud? What should we know? Who can we trust?

SURVEY SAYS

Industry analysts, legal associations and publishers have been taking a close look at the legal market's attitude toward cloud applications and services for some time. Our legal technology and legal research site, InsideLegal, in collaboration with the International Legal Technology Association (ILTA), has been doing the same as part of the annual _ILTA/InsideLegal Technology Purchasing Survey_.

In 2009, we first asked ILTA member firms (with 50 or more attorneys) about their cloud computing strategy. At that time, only 9 percent of respondents reported they are currently implementing a cloud strategy, while another 30 percent said they are "actively considering future use."

Compare that to 2013 results, which found that "34 percent were currently implementing a cloud strategy, while another 36 percent were actively considering future use" in 2013, the final year of the survey's cloud computing questions. Cloud-specific survey results in 2014 showed an overall lack

of innovation and movement in terms of law firm users adopting newer technologies, such as mobility and cloud computing.

David Houlihan, Principal Analyst at Blue Hill Research, describes legal's general cloud attitude as being split between two extreme positions. One is "I can't trust it — keep it away," and the other is "It seems like everything is on the cloud — I guess it's fine."

CARRY ON THE CONVERSATION

Migrating to new technologies is not without concern. Check out ALA's podcast *Efficiencies & Risks of New Technology Tools*, with Kurt Highducheck, Head of Technology, Intellectual Property Solutions at Thomson Reuters. He discusses the legal and ethical risks of these changes.

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STACY GITTLEMAN
Chief Executive Officer and Founder, Encoretech

"Neither is a very good place to be, but that seems to be changing a bit. The industry at large has done enough education to acknowledge that there is value in the cloud and that there are risks. Firms know they should be asking questions of cloud providers," says Houlihan.

Nicole Black, an attorney in Rochester, New York, and the Legal Technology Evangelist at cloud-based *MyCase.com*, says solo and small firms are the true innovators when it comes to cloud computing.

"These firms are more agile and have the ability to adapt and integrate new technologies into their practices more quickly than midsized and larger law firms," Black says. "Solo and small-firm attorneys can make decisions without running them by committees or IT personnel."

Houlihan tends to agree with Black regarding the small firm cloud value proposition.

"Cloud/software-as-a-service (SaaS) models create deployment and pricing options that put software capabilities within reach of the limited financial and IT resources of small firms. I think for that reason, practice management becomes one of the more established cloud applications," says Houlihan.

WHEN THE CLOUD FITS

For some firms, like Houston-based Bracewell & Giuliani, the timing is right to place its bets on — and in — the cloud. The firm recently targeted three separate business applications as good candidates for implementing *Microsoft's Azure* cloud computing platform.

"A few years back, we determined the most critical requirements for these applications: security, with high availability and industry-accepted operating system (OS) standards; deep, secure integration with existing Active Directory Network; and simple setup and configuration on a next-generation web design platform and database server (SharePoint 2013 and MS SQL 2014)," shares Sean Luman, Senior Director of Knowledge Management at Bracewell & Giuliani.

Microsoft Office 365 and Azure gave Luman and the firm's network/infrastructure team an easy, cost-effective platform to build out the desired applications, including a firm alumni and emergency site as well as a client extranet solution.

Azure also provided the ability to securely tie back into the firm's network, saving internal users from providing multiple logins and passwords.

"After discussing benefits, costs and limitations of each, we opted for the Azure solution. We quickly — in hours, not days or weeks — set up the virtual machines in the cloud, allocated storage, and configured network authentication back to our internal domain," says Luman.

"The demand for modern technology, user-friendly interfaces, and integration with other applications will beat out archaic software every time."

MATT DUNCAN
Chief Executive Officer,
NetDocuments

TO CLOUD OR NOT TO CLOUD

Recently, legal technologist Dennis Kennedy stated on an episode of the Legal Talk Network's Kennedy-Mighell Report podcast that the question of "to cloud or not to cloud" is actually passing us by …

"So many people are using the cloud whether they realize it or not, especially with mobile apps," says Kennedy.

Skip Lohmeyer is no stranger to making decisions about the cloud. As Jackson Kelly's Chief Information Officer, he's responsible for the strategic leveraging of technology, information security, business continuity/disaster recovery planning, and user support/training. He has served in technology leadership positions within the legal industry for more than 17 years.

"The core competency of a law firm is not to purchase and maintain a bunch of software and hardware," says Lohmeyer. "Purchasing and maintaining makes perfect sense if there is a competitive or operational advantage. However, if a service company has commoditized the same functional service in the cloud and the cost is about equal, it stands to reason the firm should be looking at those as serious alternatives."

EASE OF USE: A TRAINING MATTER

For all the market noise about cloud applications being bigger, better and faster than their on-premises, client-server counterparts, there is a learning curve to factor into subsequent cloud software roll-outs.

Stacy Gittleman, Chief Executive Officer and Founder of Encoretech, a nationally recognized technology training, learning and development organization, looks at cloud computing from a firm user and overall training impact perspective.

"Clients moving to SaaS and cloud-based software tend to underestimate the need and importance of training … maybe it's due to the lack of upfront investment in hardware and software, or maybe because it's the cloud, there is a perception the software is somehow easier or less feature-rich," says Gittleman.

Gittleman and other leading training providers contend that this is not always the case. In fact, the opposite is often true, leaving cloud adoption potentially lagging. As with traditional deployments, firms should invest in full user training and support adoption programs to effectively transition the users to the new cloud applications.

"Until recently, users have had a lifetime of experience navigating drop-down menus, toolbars and right-click functionality with relative minor change to the user interface and application workflow for each new version of software," Gittleman says. "That all changes with a move to the cloud."

A recent development that might play well into cloud application-specific training is the availability of actual cloud-based training and e-learning. The _**training-as-a-service model**_ gives law firms the option of outsourcing complete training programs to third-party specialists or offering specific courses online.

WHAT'S NEXT? BIGGER CLOUDS?

According to Doug Horton, Chief Executive Officer of Handshake Software, the next big thing for computing in law firms will be a service-as-a-service model.

"For example, rather than mid- to large-sized firms hiring full-time SharePoint-skilled staff, they will be able to rent them as needed for discrete projects, just as they can rent data space and computing power," he says. "The advantage to the law firm is that they do not have to carry excess capacity and are able to staff up accordingly based on specific projects."

Houlihan believes on-demand is the next cloud chapter, providing solutions that can be deployed with firms on an individual-by-individual basis and as needed, rather than on a perpetual license.

Ask Matt Duncan, Chief Executive Officer of NetDocuments, one of legal's "original clouds," and he'll say the future of the cloud will rely on an increasing focus on system integration and customization to the firms' unique technology landscape.

"Firms are looking for simplicity in their mission-critical applications in order to increase user adoption for their sanctioned technology, increasing their ability to be secure and compliant with their content," he says. "The demand for modern technology, user-friendly interfaces, and integration with other applications will beat out archaic software every time."

So where does that leave the legal profession with respect to cloud computing?

While an all-in approach is unlikely, the previous wait-and-see attitude is just as uncommon. Firms are more comfortable than ever with the idea of cloud applications and are jumping in at their

own pace — sometimes based on firm strategy and direction, sometimes by accident and sometimes because their clients demand it. Whatever the motivation, the technology and the market are ready to accept the challenge.

ABOUT THE AUTHOR

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SHOULD YOUR FIRM HEAD TO THE CLOUD?

Security, compliance, continuity, functionality and performance all top the list when considering cloud services vs. in-house/firm-owned and -operated solutions. Skip Lohmeyer, Jackson Kelly's Chief Information Officer, urges firms to consider the following:

- **Security.** No doubt it is critical. Bar Associations, states, the federal government, client demands and other countries have really ramped up what should be considered when someone else is responsible for keeping or working with your data.

- **Continuity.** Be clear on the disaster recovery scope. Understand retentions for backups and what it takes to restore from those backups should you need the data.

- **Switching providers.** Consider how you would divorce the online service. For example, if you choose to contract with a cloud-based email service, all copies of emails are only at that online service's data center. What if you decide to go with another provider down the road? You'll need to know how to do that and how much it costs.

- **Staffing.** Cloud providers claim you don't need as many IT folks with their online services. While you may be able to reduce workload, it is really hard to measure the time saved.

- **Performance.** For the end users, performance and functionality are everything. Robust testing and proofs of concepts are an important step to successful cloud-based solution implementation.

- **Functionality.** Online services might not have all the bells that an on-premises solution can offer, and not all firms will be OK with losing those. Functionality may be directly related to what other software you use, as every law firm is unique.

- **Transition/migration.** The conversion or transition from the on-premises solution to the cloud solution can be challenging, and even the best plans don't have everything known. To be safe, budget for more time or costs than originally thought.

ADDITIONAL RESOURCES

MORE FROM THE EXPERTS

Want more cloud computing-specific commentary and interviews from technology experts? Read InsideLegal's "*Legal Tech Influencers Weigh In On the Legal Cloud*" by Jobst Elster.