

3 Reasons Cloud Legal Practice Management Software Makes Sense For Your Small Firm



cloud practice management software

Do you need it?

The 2017 ABA Legal Technology Survey shows that law firms need help with a specific set of practice management tasks. The [report](#) states the majority of firms need help with management tasks as opposed to more specialized items.

What does *that* mean?

It means attorneys need help managing the day to day aspects of their firm.

- Billing and invoicing
- Document storage, management and retention
- Project, people and task management
- Managing calendars, meetings and events

Here's the problem...

Most firms don't have the help that they need

Many firms are bogged down by the minutia of running their law firm *manually* when they should be rainmaking, attracting outstanding and profitable clients.

This is optional.

We're obviously biased here but I'm about to show you why it makes sense for your small firm. In fact, with the right practice management software, you'll be able to focus your attention on the details that matter most to your firm – like winning more clients.

Here's why it makes sense for your firm.

Reason #1: Your software enforces firm-wide standards

Benjamin Lieber, managing partner of Potomac law firm and a Bill4Time customer [talks about](#) what it was like to receive timesheets on a monthly basis from the attorneys in his firm.

Lawyers would send me their time every month by email and would come in all different formats and all different conventions and levels of granularity. And even the units would vary somewhat. Some would use a tenth of an hour or some would use quarter hours, some would use a third of an hour, it was a mess...

–[Benjamin Lieber](#), Managing Partner

It's tiny details like these that erode profitability.

From this one paragraph, we can intuit the following about his old setup:

- Firm [utilization](#) rates weren't where he wanted them to be
- Associates were spending too much time [filling out their time sheets](#) manually, billable time lost
- He spent a significant amount of time wrangling spreadsheets, time he wanted to use to grow his firm

So, how does practice management software fix this?

Your software enforces firm-wide standards. Your timekeeping employees are unified under one consistent standard. They bill using the same increments,

conventions and distinctions. There's no guesswork involved. When attorneys try to change things up, to do things differently, the system enforces the pre-determined standards you've sent.

Reason #2: Immediate revenue boost of 50%

It's no secret.

[Firm utilization](#) is a struggle for most firms. The vast majority of associates at law firms, collect only 1.6 to 2.3 hours of billable time per day.

It's frustrating, isn't it?

[Firms are losing](#) a significant amount of time to nonbillable work. When combined with spreadsheets for time tracking, firms stand to *lose* an estimated **\$86,294** to **\$106,294** per person, per year. This figure doesn't even include the financial fallout from leakage/overbilling.

Factor in reconstructive time entries and the losses grow to an uncomfortable level.

- **You lose 10%** of billables if you record time *the day of, once a day*
- **You lose 25%** if you wait 24 hours to record your time
- **You lose 50%** if you wait one week

I break this down in detail [here](#).

The solution?

With the right practice management software, your time tracking should be automatic. **Imagine making 50% more money *instantly* by** simply relying on practice management software and recording your time as-it-happens?

- This dramatically reduces billable leakage since [40% of firms surveyed](#) **did not** track time spent reading and responding to client emails
- Reduces overbilling since firms who wait till the end of the month [overbill by 23 percent](#)
- Practice management software, when combined with adequate protocols dramatically improves your firm's utilization rates *almost immediately*.
Which immediately improves firm billables
- Gives you a consistent way to analyze and improve team performance across your firm

Why though?

Can't on-premise software achieve these results?

Not typically.

Cloud software comes with an important distinction. It enables employees and enforces firmwide standards regardless of device or environment. Desktop, tablet or smartphone, it doesn't matter. [Online or offline](#) the results are the same.

It's a difficult thing to provide.

It's tough for on-premise software to deliver this kind of consistency. Yet it's a native component of [cloud-based practice management software](#). Precisely the kind of performance firm employees need.

Reason #3: Security and disaster recovery is built-in

Cyber attacks against law firms are on the rise.

[Several sources](#) state that law firms are now prime candidates for attack. In fact, 80 percent of the largest law firms have been victims of a data breach. This trickles down the chain to smaller, less protected firms. [The risks to law firms are severe](#).

But why?

- **Law firms have valuable data.** In 2016, cybercriminals [stole](#) confidential M&A data from a bevy of firms including *Cravath Swaine & Moore LLP* and *Weil Gotshal & Manges LLP*. Attackers were able to sell the data for \$4 million.
- **Law firms have money.** Cybercriminals [stole a large six-figure sum](#) from a firm's trust account. They used a combination of malware and social engineering to extract passwords from the firm's bookkeeper.
- **Law firms are unprotected and unprepared.** According to the 2017 Logicforce [Law Firm Cyber Security Scorecard](#), **62 percent** of firms don't have a dedicated IT professional. **Less than 33 percent** have cybersecurity training programs and **only 41 percent** of firms have formally documented security policies. Firms are attractive targets because they don't have the policies and protocols needed to defend their firm.

Small firms are easier targets.

They have fewer defenses and protections against a sophisticated attacker. What's worse, attackers know these small firms have little defense against data loss. This makes them prime targets for ransomware.

How do we know?

The data tells us. The ABA published [Cybersecurity in Small Law Firms: A Survey](#).

The results were sobering.

*"When assessing their law firms' preparedness on a scale of 1 to 10, with 10 being fully prepared and 1 being not prepared at all, the **average response was 3.5**. In general, firms are not feeling prepared to deal with the threats facing them."*

Cloud-based practice management software solves this complex problem. It *improves* your firm's ability to protect itself, your data and your client's data.

Why?

Your provider's interests are aligned with your own. If they fail to protect your data word will spread and *their* ability to attract new customers *will diminish*. In short, cloud computing [improves your security posture](#) and disaster recovery efforts, especially when combined with a defense in depth strategy.

What if you can protect your own data?

It's not as easy as it sounds. Myron LaRowe, a partner at La Rowe Gerlach Taggart LLP found his firm under a foot of water. [His firm was in danger](#) of losing all of their files to the 100-year flood that returned 10 years later.



Here's the problem with on-premise software.

It's all on you.

You'll have to protect your firm from criminal activity, freak accidents and acts of God. From negligence and mistakes. From everything.

Can you?

Cloud-based practice management software makes sense for small and medium firms because it means firms are instantly able to recover from the inevitable disasters headed their way.

Cloud legal practice management software delivers what growing firms need

Firms need help.

The data shows firms need help with practice management. They need help with billing and invoicing. With practice, calendar, document, and project management.

Now's your chance.

If you're running a small firm, you're nimble. You're able to outmaneuver and outperform larger competitors. The cloud is the missing key. With the right practice management software and a bit of up-front preparation, your firm will have the resources you need to attract, win and retain profitable clients.

[Try Bill4Time for free.](#)