

Software as a Service: Can You Say Goodbye to Upgrade Headaches with SaaS?

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April 2-4, 2009
www.techshow.com

Software as a Service

Can You Say Goodbye to Upgrade Headaches with SaaS?

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The lure of technology has always been offset by the technical know-how and maintenance required to keep it running. When you are practicing law, practicing technology can be a distraction that costs you time and money. Yet modern law practice relies on a variety of technologies, and they offer the opportunity to practice more efficiently and with an eye to supporting your professional responsibilities.

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THIN IS IN

Software-as-a-service is an innovative way to find balance between practice and support, cost and resources. It is the latest iteration of the “thin client”. Software that is developed using this model, known as SaaS, is accessed through your Web browser and nothing is installed on your computer. When you start up Microsoft’s Internet Explorer or Mozilla’s Firefox, you browse over to a Web site, type in your username and password, and use that particular SaaS application.

If your SaaS application needs to be upgraded or fixed, your SaaS provider does the work on their servers, and you see the changes when you next visit the site with your Web browser. The SaaS concept may sound a bit revolutionary, even a bit risky. In fact, most lawyers have been using some sort of SaaS technology since the late 1990s when Thomson-Westlaw and LexisNexis moved their legal research services to the Web. Instead of upgrading to the latest version of the Lexis or Westlaw research software, you started to visit their Web sites. As new features were added to the research systems, you would see them in your Web browser. But you no longer installed any new software.

- A number of characteristics differentiate SaaS legal technology from more traditional client-based legal applications. They include:
- a payment model to match the software model. Most SaaS applications can be licensed on a monthly basis. No annual commitments, nothing to own. Remember that the cost includes more than a box of software, but also the support and upgrades during your license;
- the transition of Windows-based practice management functionality – calendaring, billing, document management, matter management – to entirely Web-based applications;
- rapid release of improvements, because there is no need to wait for a software release and lawyers aren't installing any upgrades;

OFFICE IN THE CLOUDS

Perhaps the most significant difference with new SaaS applications is that lawyers can now store and save information on the Internet that they would otherwise store in their office, on paper or computers. Client documents, work product, and privileged communications exist on computers in remote locations, even outside the country in which you practice. Lawyers who use SaaS applications are considered to be working in “the cloud”, a metaphor for the Internet that describes the amorphous, disconnected environment of Web-based applications.

Lawyers have been moving in this direction but the momentum has started to grow. Have you ever used UPS.com and stored your contacts for easier package delivery scheduling? How about using Web-based e-mail from your Internet Service Provider (ISP), AOL, or Google? Some of your e-mail may be stored on remote e-mail servers so that you can access it from your Web browser. E-mail? What about the personal information suite that most online providers now integrate into your e-mail, including a calendar, address book, and other information storage? The growth of Web-enabled business and communication applications has enabled the emergence of applications designed for lawyers.

WHY NOW?

Hosted applications have remained on the fringe for a number of reasons. Thin client or application service provider (ASP) hosting has required a lot of Internet bandwidth in the past. Without a fast Internet connection, lawyers could not use hosted applications with anywhere near the same speed as they could on a desktop computer in the office. The peak of ASP offerings

occurred during the dot-com bust and left behind it stories of lawyers who lost access to their hosted data.

The technology world has changed significantly in the last few years. For one thing, more lawyers have fast Internet. The ABA's 2008 Legal Technology Survey reported that nearly half of lawyers had either DSL or cable broadband Internet access, and more than 42% of firms had T1 or faster connections. Only 1% reported still using dial-up; in 2001, the survey reported over 35% used dial-up connections for Internet access.

Lawyers are also more mobile than ever. While just over 50% of lawyers had access to a firm or personal laptop when they were out of the office in 2001, 86% of the respondents to the 2008 ABA Legal Technology Survey were able to use a laptop while on the road. This trend mirrors what is happening more broadly in the computer market. According to a story by eWeek in December 2008, laptop sales rose 40% over 2007, and outsold desktop PCs.¹ The advent of inexpensive laptops known as netbooks may contribute to lawyers thinking more about SaaS applications. These netbooks are designed specifically for cloud computing, delivering Web-based applications fast while costing less than a truly business-oriented laptop.

At the same time, Web applications have matured. Developers are better at creating user interfaces, the applications are designed to be fast in a Web browser, and they are designed for the business user. With maturity comes acquisition, and the last few years has seen a number of innovative Web-based technologies purchased by larger, more established companies. For example, Mozy online backup (<http://www.mozy.com>) enables you to remotely backup your office files to their Internet-based servers. EMC, one of the leading hardware and network storage companies, bought them. Google acquired Writely and turned it into Google Documents, which itself became an integral component of the Google Apps set of business applications. Even in the legal world, there has been a significant run of software acquisitions. Applied Discovery (<http://www.applieddiscovery.com>) started as an independent, hosted e-discovery site that has been acquired by Lexisnexis. Lexisnexis also partnered with Netdocuments (<http://www.netdocuments.com>), a hosted document management application for lawyers.

WHERE DOES SAAS FIT?

The question then is why lawyers should be assessing the place of SaaS applications within their practice. There are two practice areas that where SaaS is a particularly advantageous fit: the solo and small firm and the mobile lawyer.

SOLOS AND SMALL FIRMS

One of the benefits of SaaS is that it reduces the software that you have to self-support or hire a consultant or IT specialist to support for you. 80% of solos and 60% of law firms with 2 to 5 lawyers responded to the 2008 ABA Legal Technology Survey that they had no technical support. This means that a lawyer, staff person, or family member is likely providing the tech support on which your practice relies.

The benefit of hosting pays off in a number of ways. First, you are not tied to an upgrade path set by your software application developer. If you were to purchase a software application and install it, you may find that a year later you need to go through an upgrade that impacts both how

¹ <http://tinyurl.com/more-laptops>

the software looks and how it works in your office. An upgrade may require you to purchase new computers or parts like memory in order to continue to work efficiently.

The SaaS provider takes care of the upgrades for you, and they are designed specifically to minimize interruptions to your service. This also means that you do not have to worry about how your SaaS application will impact your operating system or other practice software. SaaS relies on your Web browser, and this means that lawyers can use most SaaS applications from any new Windows, Macintosh, or even Linux computer with a current Web browser. When you research a SaaS application, you should inquire about which Web browsers are supported, and whether there are any plug-ins, small applications you will need to download but that work as part of the Web browser, that you will need to use.

Web-based applications have their own, inherent value. In order to work quickly and flexibly in the Web browser, they are written in a way that does not require a great deal of computing resources. Lawyers who have blended their home and office technology purchases may find that their computers are not up to running modern word processors or even operating systems.

Computers designed for home users, consumer rather than corporate users, are not always configured or do not use hardware that is optimized for business use. SaaS applications built on Web technology will be less demanding of your hardware and Internet bandwidth than some applications that have to be installed on your local computer.

STAYING MOBILE

Mobile lawyers can take advantage of the same benefits of SaaS from the perspective of a laptop user. Instead of carrying around a computer loaded with specialized software, some or all of the software you use can be left “in the cloud.” Fast Internet access using 3G wireless cards or free or paid Wi-Fi wireless networking means that you are almost never out of reach of your software and, more importantly, your data.

This is particularly true in light of attorney-client privilege, data disclosure laws, and professional responsibility. Client data and work product that you store on your laptop needs to be encrypted as a first step to protecting it if your laptop is lost or stolen. Lawyers who enter the U.S. with their laptops are also subject to search and data can be accessed.² A lawyer working “in the cloud”, using secure and encrypted SaaS applications, can leave most sensitive information with the SaaS host.

THE LAW FIRM SAAS

The SaaS breakthrough for lawyers is coming in the form of legal- and business-specific applications. These online applications have matured and built on the development of more consumer or small business hosted applications which were not powerful enough for the law office.

As document intensive as law practice is, online hosted word processors like Zoho Writer (<http://www.zoho.com>).

or Google Documents (<http://www.google.com/documents>) pale in comparison to the features in Microsoft Word or OpenOffice (<http://www.openoffice.org>) The reality may be that mobility is more important than some of the more advanced features, and a hosted word processor is useful. But it is not as compelling for a law practice where e-mail software like Microsoft Outlook and a word processor like Microsoft Word handle most functions.

² <http://tinyurl.com/cbp-laptop-search>

But what if it was more than word processing? What about practice management capabilities and administrative functions like payroll, invoicing, and billing? These are areas where hosted applications are now emerging or maturing and are realistic alternatives for lawyers.

FRONT OFFICE

There are some basic applications in the lawyer's technology toolkit. Document creation is a necessity as is communication. Lawyers will probably use a Microsoft e-mail program, like Outlook or Outlook Express, if they have a program installed on their computer. Other programs include Mozilla's Thunderbird (<http://www.mozilla.com/thunderbird>) or Evolution for Windows (<http://www.dipconsultants.com/evolution/>) They are most likely using Microsoft Word and other parts of the Office Suite, if they're not using Corel WordPerfect, Abiword, or OpenOffice. Both of these areas are mature in the SaaS world, where many lawyers already use hosted e-mail with Microsoft Live, AOL, Yahoo! or Google Mail. Online word processors like Google Documents or Zoho Writer provide free, entry level document creation although they lack some of the special functionality, like tables of authorities, which Microsoft Word and Corel Wordperfect offer.

Another area that has been successful in the SaaS world – probably before the term was coined – are online electronic discovery resources. These sites load up your discovery content and provide tools for you to manage and search the content of large discovery matters. The site you use is secure and located externally to your law firm. Like other SaaS applications, they are designed to do a relatively narrow set of actions very quickly and through a Web browser.

LIMITED FUNCTIONALITY

Google Documents is an excellent example of a SaaS application but it also highlights the tension of hosting your work product on the Internet. You may have created a motion and have a filing deadline coming up and suddenly be unable to access the Internet. What then? Many of the SaaS hosts are anticipating the need for so-called "offline" access to your content. Google Documents offers the ability to download your documents to your local computer so that, if your Internet access is unavailable, you can still get work done. Microsoft has done something similar with its Word program. It is not available in a SaaS version – yet – but Word users can upload their documents to a Web site called Microsoft Office Live Workspace (<http://workspace.officelive.com/>). Workspace actually offers Web-enabled versions of Word, Excel and PowerPoint and a limited amount of storage space.

Another area of legal technology is case or practice management. Lawyers often report that they manage their cases through their e-mail or personal information management (PIM) software: 40% of respondents to the 2008 ABA Legal Technology Survey identified Microsoft Outlook as their case management software; the most popular legal-specific case management application came in a distant second at 20%.

CAN'T DIS INTEGRATION

There is strong growth in SaaS case management. Lawyers can now choose from a variety of offerings, including Rocket Matter (<http://www.rocketmatter.com>), Clio (<http://www.goclio.com>), and AdvologixPM (<http://www.advologixpm.com>). There is even an open source case management application, called Caseload and offered by BlackletterLLC (<http://www.blackletterllc.com>).

These applications are all very similar and tend to be based around calendar, to do, and contact management. As stand-alone software applications that you install on your own computer, they would not be particularly innovative. As online, licensed applications, they are already starting to develop beyond their relatively basic beginnings. They are adding document storage and management, invoice creation and billing, as well as client timers to keep track of your work. They have all been developed during the discussions about the billable hour, and attempt to provide lawyers with flexibility in choosing how to bill their clients.

The iterative design pattern of SaaS applications means that their users are likely to see regular, small improvements, in real-time. Rather than waiting until a batch of improvements are ready, SaaS developers can quickly make small improvements and roll out new features as they hear from their customers and see needs.

This batch of case management applications also take advantage of Web technology found on sites like Google or Facebook. Rocket Matter users can create a matter and organize it in the normal way – client name, matter information – but they can also use a social networking concept called tagging. When you create the matter, you can attach additional information as a set of tags – keyword relating to the type of matter (employment contract), or type of client (non-profit) for example – that might not otherwise be captured in your intake or matter management system. Once tagged, you can now search on traditional matter information or bring up matters that match your keyword tags.

Similarly, most of the case management SaaS applications are incorporating “look ahead” search. In more traditional search, you type in a search term and wait for the results before you know if you have a match. Now you can start to type in your search term, and your case management system will start to return contacts, matters, tags, or documents that include your search terms. This speeds up your searching but also helps you quickly link in a client to a bill or a matter to an appointment without having to start in the client’s electronic file. Like Web search, these are available wherever you are in your case management system.

Where these applications are most different from their client/server counterparts is in their integration. When you work “in the cloud”, your applications will not necessarily share information. Like Google Documents, you give up some features in order to have the flexibility of a Web application and having someone else take care of your technology support. Lawyers wanting to track their e-mail correspondence with a client will not necessarily be able to upload it to their SaaS case management system and integrate it into their matter.

SMALL PIECES, LOOSELY JOINED

It’s early days, though. The Web concept of “small pieces, loosely joined” coined by David Weinberger seems to be driving the development of these systems. Rather than creating a monolithic suite of tools, they are looking for ways to integrate with other technologies using Web standards that have already been adopted by lawyers. This is similar to what client/server case management software has done with Microsoft Outlook. An early example is Rocket Matter’s integration with calendar software that supports the iCal standard, like Microsoft Outlook or Google Calendar. You can display your Rocket Matter calendar in your primary calendar application, getting the best of both: software you know and use as well as a SaaS application that can better support your practice.

ENCRYPT THIS

As this integration develops, it will be important to know how secure these connections are. Your SaaS case management provider should provide secure sockets layer (SSL) encryption when you access your client files online. Similarly, you will want to make sure any integration remains encrypted. Data integrity, availability, and security are among the most important concerns with SaaS. Have your SaaS provider show you their “service level agreement” (SLA) to outline who owns the data, under what circumstances you can access your data and take it with you, and how they are securing it.

A typical Web host will place its servers in a secure location and provide disaster recovery support. This will handle most business disruptions but it does not deal with the issue of the company going out of business. Clio offers third party data storage, so that your data is replicated in an encrypted format to a third party who holds it, as it were, in escrow. If Clio were to shutter, you would be able to recover your data from the third party. They are storing the data in a common data format (comma separated value, CSV) to make it as portable as possible.

THE BACK OFFICE

The SaaS case management applications are attempting to put some of the back office into their applications and they may be successful. The more you move towards more general business applications, the more SaaS providers you’ll find.

A notable development is hosted Microsoft Exchange services. While Microsoft Outlook is one of the most common e-mail program in law firms, much of its power remains untapped without Microsoft Exchange. Normally, you have to purchase and manage this complex communications software in order to get the additional functionality. Now you can license Exchange and someone else takes care of the server management. Like other SaaS offerings, you can license Exchange month-to-month.³

As mentioned above, online backup has gained momentum and the attention of the large storage companies. As more lawyers have broadband Internet access and can transfer large files quickly across the Internet, online backup becomes a realistic option. Like any SaaS product, it is worth looking at what offline options there are – your online backup should not be your only backup. Products like Mozy Online are supported by large companies like EMC who create a greater likelihood that the product will continue to be accessible and provide the level of service you require.

Although the SaaS case management applications provide invoice, billing and some account management, there are other alternatives though for handling your finances and accounting over the Internet. If your firm uses a common program like Intuit’s Quickbooks

(<http://www.intuit.com>)

or Sage’s Peachtree accounting software (<http://www.peachtree.com>) , Quickbook Online edition or ePeachtree may be simple migrations of your current data to the Internet. Once you are using the online edition, you can access your books from home or the office. If you have ever had to send your accountant an electronic copy of your books – or would have liked to – now you can provide them with electronic access to your data.

Payroll and benefits administration are available from companies like SurePayroll (<http://www.paycycle.com>) , Intuit 9 (<http://www.surepayroll.com>) or PayCycle

³ <http://www.microsoft.com/hosting/solutions/catalog.aspx>

(<http://payroll.intuit.com>). These companies offer simple payroll reporting and often provide additional services, like handling your payroll tax payments.

CONCLUSION

SaaS represents the latest attempt at shifting the technology support burden off your desk and out onto a broader network, in this case the Internet. Many of the legal-specific applications lack the features of the more traditional, established client/server applications. Many of the general business productivity SaaS applications are also “light” versions of their desktop-based counterparts. The feature set is rich enough, though, and the additional benefits to a lawyer to reduce technology self-support should not be underestimated. While the SaaS applications are continuing to mature, there has never been a better time to move part of your law practice out into the cloud.