

Database basics *in the technology age*

The benefits of recent improvements in database technology are there for the taking. And rather than not being able to afford the new systems, lawyers can't afford to ignore them, argues **Richard Hugo-Hamman**

The past decade has seen a soaring in standards and expectations as a result of the benefits of technology, and all our expectations continue to rise. We expect and demand accuracy. We expect and demand immediacy. The Quality Industry may be quiet at present, but the need for quality has not gone away. On the contrary, it is greater than ever. It is our standard expectation. The legal profession is not immune from these pressures, and with the maturation of the Internet as a vehicle for doing business, a new range of pressures will come to the fore.

These pressures all crystallise in the financial "end game" for most professionals – the recoverable hourly charge-out rate. It is true to say that the market – both corporate and private clients – is no longer prepared to pay for inefficient service, for service that does not use available technology effectively.

which is true? Respect for the integrity of both databases is gone and the user is likely to perform a manual validation external to your system. This is costly and inaccurate. A modern practice management solution allows you to implement an effective strategy where your practice has one reliable database of information for all purposes.

2 Have flexibility in the data

One of the historical causes of multiple databases was the inflexibility of older systems. Duplication was the only way to meet needs. The challenge today is that charge rates are no longer sufficiently high to allow you to fund this inefficiency and retain your margins. The good news is that modern technology makes this duplication unnecessary. All legal firms have unique database requirements. Today, you should

inefficiency. It also introduces very high risks of practice. With electronic mail looking to become a major area of concern in the discovery process in future litigation, the integrity of all your e-mail data is critical. Issues of confidentiality and security and your business rules for data retention all require careful risk analysis. No business can afford to manage this risk in two separate systems. Modern solutions will incorporate your mainstream email system into your natural workflows, whether using case management, practice management, or document management systems.

It should always be remembered that charge rates are fixed by market forces but the cost of generating the fees is controlled by you. The less time it takes to perform a routine task, the lower the cost, and the higher your margin.

rebuilding and re-indexing requirements. The modern system must be available every working day. The "cost of licensing" argument raised by some just does not hold water. The Gartner Group reports that the cost of software typically accounts for just 3% of the cost of a networking project's lifecycle. Technical labour is by far the largest expense, so minimised down-time and the availability of support resources is critical to maintaining costs.

5 Be internet ready

The Internet is now a standard tool for conducting business, whether you are using it only for email, or are working collaboratively with your clients in online deal rooms. Again, these internet systems cannot be isolated from, or placed in parallel to, your core applications. This means that

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Practices that have not balanced their human and technological resources in a way that recognises modern technological efficiencies find themselves in a cycle of pre- and post-matter discounting and ongoing pressure on margins. Equally, firms that have successfully incorporated technology into their daily workflows find themselves among the most profitable.

What then are the key technology drivers to productivity and maximised recoverable hourly charge-out rates? As is so often the case, the solution lies in getting the basics right. Central to all fee-earning activity is the accuracy of the information stored in your database. The rules for maximising that accuracy are, simply, as follows.

1 Create a central database

There should be one point of entry for all data, for all applications – one central database for your firm. If you have more than one database with purportedly the same data,

expect your practice management system to be flexible enough to allow you to extend the data to cater for your unique needs, and also to be able to receive data from the other systems used in your office.

3 Integrate all applications

Once a central database is established, all your other applications should integrate with that database. The integration eliminates wasted time and enables your office to function smoothly and effectively. An excellent example of this is e-mail. Many practice management systems include their own internal messaging or mail systems. However, the last five years have seen a fundamental change in communication methods. E-mail has become the default method for routine communication, using industry standard e-mails products such as Outlook, GroupWise or Lotus Notes. For some, this has resulted in duplicate e-mail systems. This breeds uncertainty and

4 Select the right infrastructure

Infrastructure selection is critical. What can sometimes seem to be the most economical solution can often be the most costly in the long term. For example, an isolated practice management system, operating in its own proprietary environment in isolation from your other systems, may appear economical at first blush, but when you carefully analyse the long-term costs your very real business needs can turn out to be very costly indeed. For one, it will effectively prevent you from ever achieving the "one version of the truth" that is so critical to quality and productivity.

Fortunately, relational database technology has matured dramatically in recent years and is now affordable by all businesses. The stability, high up-time, and quick recovery capabilities of the modern relational database eliminates the frustrating and costly consequences of using old proprietary file structures with their time-consuming

both your applications and your infrastructure must treat internet access as a standard part of your business model – not as something that you "go off to do" on some isolated system. Internet access should be a natural extension of how you work, with remote access for staff and clients as easy as access to a PC connected to the internet.

If you address the above five issues, you will be very well positioned to have the infrastructure in place that correctly balances your human and technological resources. When the correct balance is achieved, you will join the most profitable firms, without compromising on quality service in any way. Profitability requires productivity, productivity requires quality, and quality requires "one version of the truth". Modern practice management systems allow you to achieve that.

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