



Six Ways Law Firms Can Cut Computer Costs in a Down Economy

By Tim Coco

Whether you're preparing documents, corresponding with clients, opposing counsel or tracking billable hours, it's virtually impossible to run a profitable legal practice without current technology in today's business environment. However, our use and dependence on technology can get expensive and, if not controlled, can take on a life of its own. The down economy underscores this reality, but the following suggestions can help your firm's performance and profitability during robust economic times as well.

Here are six simple but effective ways to control technology costs for nearly every law firm, regardless of size or specialization.

1 *Don't do it yourself.*

I've talked to countless attorneys who try the do-it-yourself approach to deploy and manage technology. The result is usually a limited return on IT investment and large scale frustration. Given your billable rates and hours, this is a false assumption to think you'll save money by doing it yourself. In addition, what it takes you a couple of hours or more to accomplish, a reputable IT professional can address in a few minutes. I tried writing a legally binding contract once. When I showed it to my attorney he laughed—out loud—and suggested that my legal skills were as wanting as his IT skills.

2 *Reduce overall support costs.*

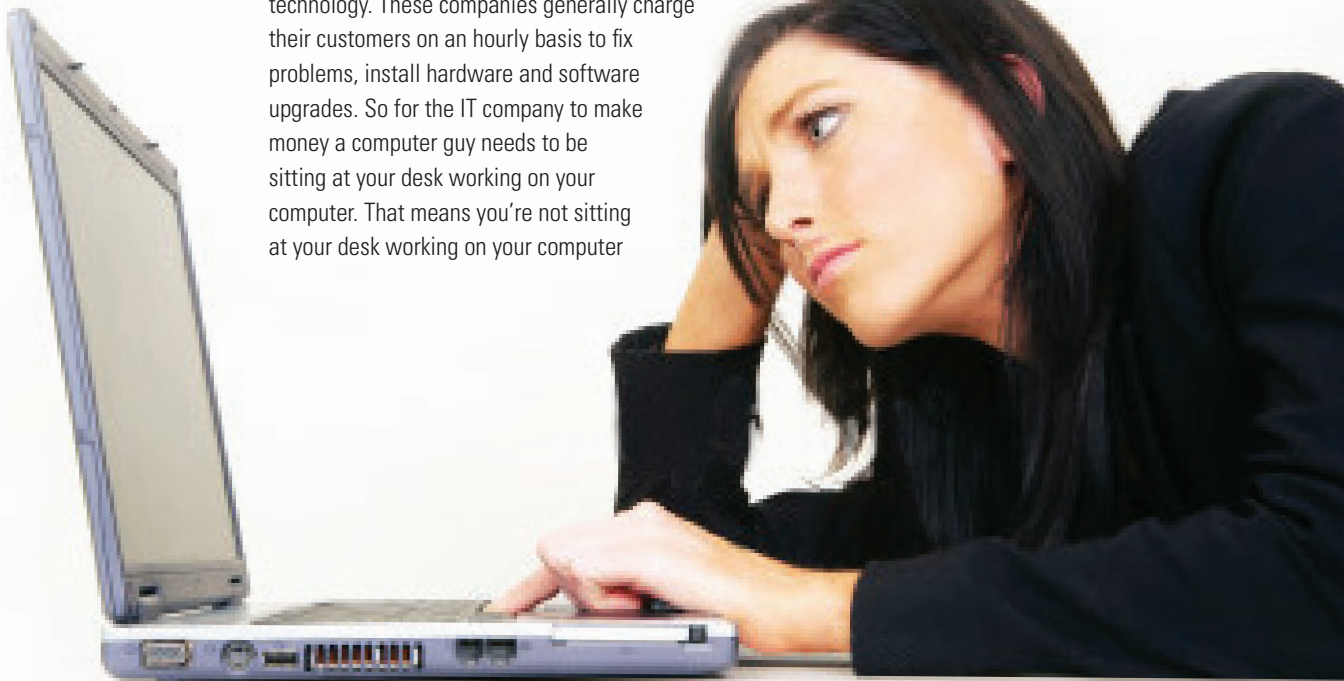
Most law firms use an outside information technology company to manage their technology. These companies generally charge their customers on an hourly basis to fix problems, install hardware and software upgrades. So for the IT company to make money a computer guy needs to be sitting at your desk working on your computer. That means you're not sitting at your desk working on your computer

billing time. It also means your IT company has no incentive to prevent problems which can be costly.

For example, let's say the central file server goes down in a ten person firm. No one can access documents, send or receive e-mail, etc. Although there are some things you can do without access to your computers, there are limits. Conservatively, it could cost \$2000 in billable time for each hour of downtime.

The bottom line is that you're much better off switching to a flat rate service plan where you pay a fixed amount each month for unlimited support. This will ensure your IT firm has the same goal you do — to reduce down time and business disruptions.

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3 *Limit upgrades.*

Hardware and software companies love to sell upgrades. According to most software publishers the product lifecycle for most software is less than two years. You can enjoy considerable savings by lengthening the upgrade cycle from two to four years. Also, when purchasing new hardware don't get the latest high-end computers. You never recoup the premium you pay for the latest and greatest. Instead, purchase mid-level equipment that will last you four to five years.

4 *Get more from what you have.*

A frequent but uncounted technology cost is not getting the full benefit from the dollars you've already invested in technology. Can you fax from your desktop? A recent productivity study suggests that sending a fax, regardless of length takes an average of 10 minutes. You and your staff should be able to open a document and fax it without leaving your desk. In addition, you should receive an automatic notification indicating a successful or failure transmission. Can you access documents, e-mails and other resources from home or when traveling? There are many times it is necessary to update documents, reply to e-mail, fax or print documents when you're out of the office. All too often this means a late night or weekend trip to the office. Using

remote desktop technology, you can connect to your office computer and update or print documents, catch up on e-mail, send faxes and bill time from wherever you are.

Another technology you should be taking advantage of is using a smart phone. Smart Phones are devices like the Blackberry Storm, Apple iPhone or Palm Pre. These devices can be wireless synchronized with your office calendar, contacts and e-mail in near real-time. If you add an appointment to your calendar on the smart phone it will automatically be synced to your office calendar. This is very useful if you share your calendar with others in your office.

5 *Plan for the future*

Plan to invest in future IT efficiency and performance before something breaks. Too often we don't replace something until it stops working. The problem with this approach is now that something not working it needs to be replaced immediately. This leaves little time to investigate a solution that will provide long term reliability and low cost of ownership. Meet with your IT professional annually to discuss what upcoming technology would benefit your firm.

For example, permanent e-mail archiving has a number of benefits. Since most e-mail systems have a limit of how much they can store users are required to periodically delete older e-mail. An e-mail archive allows you to quickly and easily retrieve old messages even if they've been deleted.

Many Errors and Omissions insurance carriers are asking firms what their e-mail retentions policies are. Another example is

the use of off-site backup systems. These devices backup all of your files, e-mail, etc... locally and send copies to secure off site locations for redundancy. If you experience a catastrophic system failure your data can be retrieved from the local backup device or from the off-site location.

6 *Don't be first and don't be last.*

Generally, the newest technology is not without problems. New hardware and software can have bugs, performance problems as well as not being compatible with existing hardware or software. For example, Microsoft received a number of complaints from customers who upgraded to Windows Vista only to find out their existing printers were not Vista compatible. The solution: purchase a new printer.

Being the first to deploy new technology can be time-consuming and frustrating for you and your staff. Being last can mean lost productivity and opportunities. Deploy proven solutions with measureable benefits that will ultimately save you money in the long run.

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