



Planning for the Leap into New Technology

Mention computer technology and most lawyers' eyes glaze over. Technology is not something that easily fits into the average lawyer's mind space. We are too busy with managing cases to learn geek-speak. When we do decide to adopt new technology we often do it because other firms have done so.

Technology can enhance profitability and increase the value of your business. But technology is merely a means to an end. It is not an end of itself. For most of us the benefits of introducing new technology must outweigh the costs.

This article explains how you can ensure the technology works for you, rather than you working to pay for the technology!

The Rationale for Adopting New Technology

The first rule you should apply is "...will it save money, make money, or just cost money"? This is the first rule that most lawyers tend to forget when considering new technology.

This leads to my second rule; "...do you have a plan?" Never spend money on office technology unless you have a clear idea of what you ultimately want to achieve and how the technology will enable you to attain that goal.

The difference between *buying* technology, and being *sold* technology, is making a decision based on your own needs and goals. If you don't know what these needs and goals are, then you may be sold a pup!



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Leveraging Work

Computer technology is just a tool. Tools are designed to enhance the capacity of individuals for productive work. The goal is to improve the work output produced by staff, premises, and equipment. If you are successful then you can achieve any of the following:

- Maintain the same turnover with less staff;
- Provide the same services with smaller premises and less equipment;
- Increase output without adding staff or investing in new premises, etc;
- Open thinly staffed branch offices servicing many lawyers without loss of productivity;
- Enable key staff to work productively from home;
- Add professional staff without adding extra support staff.

Ad Hoc Technology Rarely Pays Dividends

Many firms introduce office technology in an ad hoc way. These firms often view technology as a convenience to individuals rather than as components in a larger machine that is composed of all the equipment, staff, and work procedures that make up an office.

An overly individualistic focus permits technology to infiltrate offices as a means of doing the same work in the same way but with different tools. That is an undesirable outcome.

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In this scenario typewriters are replaced by computers, but continue to be used as typewriters. Staff continue to perform the same work in the same manner but with new computers. Productivity and profitability does not really change because the work practices themselves have not changed to take strategic advantage of the new technology.

This is why some firms encounter difficulty in identifying productivity following the introduction of new technology.

It is always useful, when considering new technology, to follow a process which forces you to widen the focus to encompass the entire office as it is now and how you hope to develop it in the medium term.

If your firm has a business plan then the first step is to carefully review that plan and then ask yourself, "...what type of technology will best implement our 5 year goals?" If you do not have a business plan then your first step is to develop one!

The Information Technology (IT) Plan & Budget

Every business should have an IT Strategic Plan. This plan should clearly articulate the goals the business seeks to achieve by implementing the plan. Always remember that Information Technology is a means to an end, it is not an end by itself. The IT Strategic Plan should form part of the strategy to implement the firm's Business Plan.

The sensible course is to identify what you hope to achieve and then select technology that will best achieve your goals.

Major technology projects involve a significant investment. The cost must be paid for from somewhere. Always identify what economic benefits you need to justify the costs of introducing the technology. While this does not have to be a precise calculation it should be both realistic and achievable.

Uncoupling Administrative Support from Professional Services

The range of support services required by lawyers is small. It commonly involves no more than the following:

- Telephone;
- Legal Accounting;
- Appointment & Critical Date Management;
- Document Production;
- Document Delivery;
- Legal Research;
- File Information;
- File Archives.

In the last 10 years a revolution has occurred in the way that technology can deliver these services over distance.

This has enabled careful managers to uncouple the historic link between core administrative services to professionals on the one hand and the professional's services to the ultimate consumer on the other.

It is no longer necessary for a lawyer to be in close proximity to assistants, secretaries, receptionists, accounting, and other staff. The functions provided by these staff, with careful planning, can now be packaged in a way that enables them to

be supplied over the computer network.

Services supplied via a network can be supplied anywhere at any time. Support staff need not be on the same floor, in the same building, or even the same city!

Information Technology is a Means to an End

I have mentioned that IT is merely a means to an end rather than an end in itself. Some examples may assist to illustrate the significance of this point:

Scenario 1:

Hedging Against Changes in the Legal Market Place

A CBD firm of 10 lawyers with 25 support staff wishes to reduce the high cost of their floor space at the expiration of their premises lease. They have a good Worker's Compensation practice but realise this area of work will become less profitable over time due to government intervention. They wish to ensure their future profitability and decide that the easiest way to secure this is to reduce overheads to preserve their profit margins.

Technology can assist them to do this, if it is implemented correctly, by enabling them to either:

- Perform the same turnover with less staff and smaller premises; or
- Shift some or all of their support staff to cheaper premises in the suburbs while maintaining a much smaller but very high quality CBD presence for clients.

Scenario 2:

Expanding Into New Geographic Markets

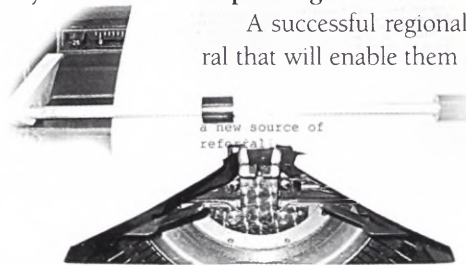
A successful regional firm acquires a new source of referral that will enable them to significantly expand their practice.

But to take advantage of the new client they need to have permanent CBD presence and offices in several regional centres. They know it is too expensive to open fully staffed offices in each location. They also know that other

firms that have tried similar strategies have undergone fragmentation as former employees in the branches opened competing businesses and cannibalised their clientele.

Technology can assist them to achieve their goals by enabling them to:

- Open multiple thinly staffed branches that provide their full range of services to local clientele;



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- Continue to manage all core office functions from the head office, thereby ensuring consistent product quality and greater protection of their core intellectual property and clientele.

Managing the People Technology Interaction

Often the technology issue is the easiest one to manage. The more difficult issue invariably involves re-training staff and re-defining roles to ensure the technology will be used to maximum effect.

Individuals are often very poor at knowing when they are working productively and when they are not. Managers need to constantly question the "conventional" wisdom about the functions that lawyers and support staff should perform. Often new technology requires fundamental changes to the functions, systems, and procedures that make an office work. Often these changes can have a greater impact on office productivity than the technology itself.

This is why it is important never to view technology as a tool to enable the same people to do the same jobs in the same way as they have always done. It is also important to understand that inappropriate use of technology can slow productivity rather than enhance it.

For example, it is quite common for lawyers to use their technology in unproductive ways. A lawyer with a workstation may feel it is more productive to personally type a document

rather than dictate it and wait for it to return from a word processing department. The gratification is immediate, and no doubt the document will issue earlier in this way. The problem is that lawyers are not typists and cannot accomplish these tasks as efficiently as word processing operators do.

In this process the lawyer becomes less productive while, at the same time, feeling more productive! The mismatch between feelings and reality can lead to a dramatic decline in output. Eventually the lawyer hits a wall where he or she realises they are working longer and accomplishing less. Sadly, they often have little insight into what has occurred.

Another common example involves secretaries. Secretaries are very good at performing many different tasks. Unfortunately, this can make them unproductive as a work unit and a poor target for technology. Their roles nearly always need to be redefined if they are to become productive users of technology. This reality needs to be appreciated when deciding where to get best "bang for your IT buck".

Many lawyers become dependant on secretaries for all those menial tasks that the lawyer either cannot, or cannot be bothered, to perform for him or her self. This dependence enables the secretaries to command, sometimes demand, new technology such as new computers, personal printers, personal faxes, etc. Often their technology needs, which regularly have more to do with preserving their status and power than increasing productivity, are met while other more crucial IT needs in a firm are ignored.

I commonly see real life examples of one of Scott Adams' Dilbert cartoons:

Dilbert, "Knowledge is power, Dogbert. Someday, the people who know how to use computers will rule over those who don't. And they will have a special name for us..."

Dogbert, "Secretaries".

Humans are resistant to change so all changes to work systems take time to implement. Work systems must be modified to accommodate the requirements of new technology. The technology and systems have to be implemented in advance of any change in the staffing or premises arrangements. All this requires careful planning and supervision to ensure the vision becomes a reality.

Every house requires a solid foundation. Only a fool would attempt to build a house without a foundation, or build a foundation without having a clear plan for the house.

Conclusion

If you are about to make a major investment in new technology then pause, take stock, and ensure you are ready for the leap. If you have done your homework and are willing to work to make your vision a reality then your decision will pay dividends in the future. If, on the other hand, you do not have a very clear idea of where you are taking the firm, then employ someone who can assist you to develop a clear plan. Money spent on planning could save your firm from making a very expensive mistake. **PL**



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