



# Legally Overweight?

## Optimising a law firm's filing environment

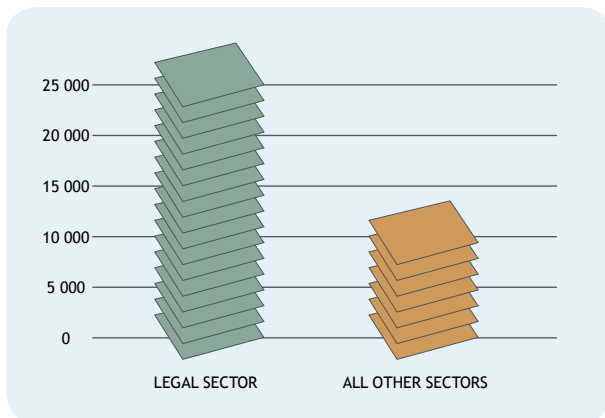
By Geoff Hogg  
Senior Consultant, NewField IT

## LAW FIRMS & PAPER: A LIFE OF EXCESS

For the human body to work at its full potential, it needs to be in good shape.

Carrying excess fat, as we all know, leads to poor physical and mental performance, and the same could be said to be true of our workplaces. A healthy - and happy - office is one that is lean and fit, where the job in hand can be carried out with energy and efficiency, and where each part of the overall system functions effectively.

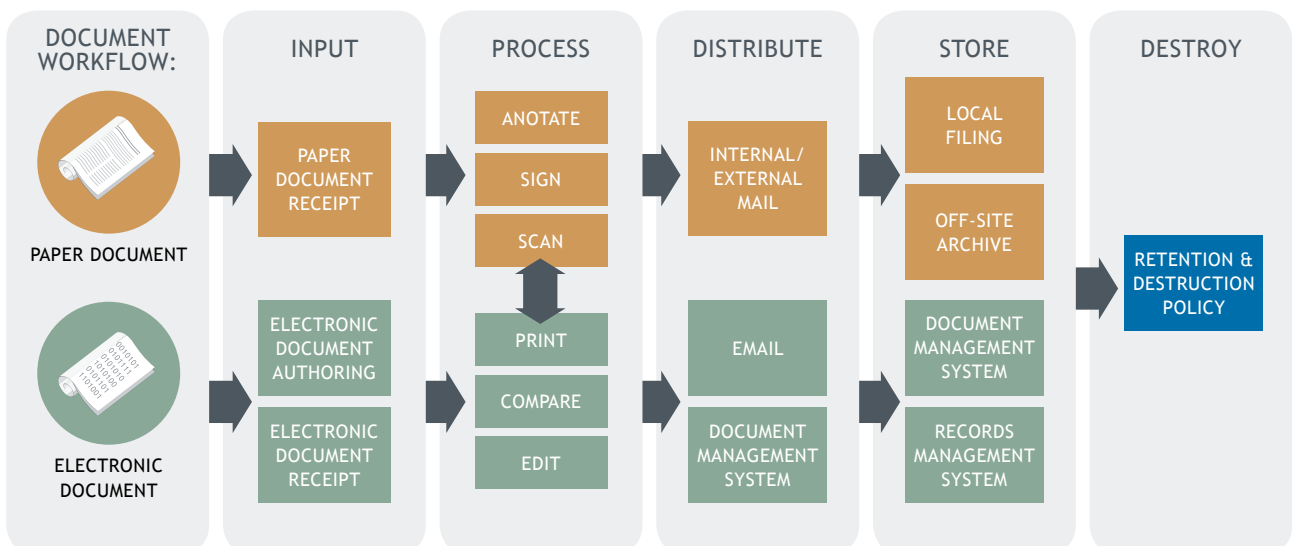
So why is it that, despite the rapid development of electronic means of communication and record keeping, the UK's paper-addicted law firms still find themselves on the flabby - or even obese - side of the business population? We have used our own recent audit data from 46 different organisations and have discovered that the amount of paper information created per employee per annum is nearly three times higher in the legal sector than across other sectors, and many law firms are suffocating under the mountain of paper filing they create.



It's data which is also reflected in terms of cost: law firms spend nearly 80% more per employee on printing each year than other organisations.

The excessive use of paper information causes problems right across a firm. For example, a policy of maintaining hardcopies of all client emails, common in many law firms, has the knock-on effect of filling up offices with paper filing and leaving secretaries in despair as they try to keep up with ever-increasing print volumes.

Law firms will typically have both paper-based and electronic-based workflows as shown below, but unlike many other types of organisation the paper based workflows still dominate.



So why is this? Law firms have historically worked with large quantities of information, but so have organisations in other sectors, such as financial services. The difference is that financial services organisations have a requirement to exchange this information with their millions of customers and with each other around the globe in a highly efficient manner, then to act on it in real time to maintain their competitiveness. In other words, it's in their competitive interest to get into shape.

Paper workflows are simply unable to support these information exchanges, so electronic systems have played a key role in banking and other financial processes since the early days of computing in the 1960s. Massive investments have been made over the years to provide the modern financial infrastructures with which we are all familiar, whether it is settling an insurance claim online or conducting banking transactions from the comfort of our own home.

Law firms have not been forced to embrace such radical and expensive change to maintain their competitive advantage so, not surprisingly, change has been much slower. So we still see huge quantities of paper filing in the offices of most law firms. Our audits show an average of 14 linear metres of filing per employee; in the case of one major global law firm this means they have enough A4 sheets of paper in their London office to completely cover the City of London twice over!

OUR CLIENTS ARE SPENDING AN AVERAGE OF £1,400 PER EMPLOYEE EACH YEAR FOR THE SPACE OCCUPIED BY THEIR ONSITE FILING.

## OVERWEIGHT AND UNFIT: FACING THE IMPLICATIONS

The excessive creation of paper documentation causes problems that most law firms have accepted they need to address:

1. Staff spend large amounts of time on filing-related activities, up to 20%-30% of all working hours. This is expensive and also leads to low morale.
2. The inability to efficiently file and retrieve documents has security and compliance implications, important factors in an increasingly regulated environment.
3. Paper filing takes up large amounts of expensive office space.
4. Paper filing has a greater impact on the environment, which many firms find unacceptable in a world which is becoming more sensitive to corporate and social responsibility.

## GETTING IN SHAPE: MEETING THE CHALLENGE

So what needs to be in place to enable a firm to break this addiction to paper and become more streamlined and efficient? A successful electronic-based system will be achieved through a number of linked elements:

### A RECOGNITION THAT CHANGE IS NEEDED

The following steps will require time and money to implement so senior recognition of, and support for, the need to change will be essential. Have your senior partners bought in to the changes you want to make? Will they make available the necessary resource and budget?

### A CULTURE EMBRACING CHANGE

You may well find that this already exists: one thing that has surprised us in our consultancy work amongst law firms is just how much interest, even passion, is generated when we start talking to staff about their current filing issues. They are desperate to tell their stories and make suggestions. The big issue is that each individual will be happy to embrace changes that directly benefit them; what is much harder to create is a consensus for consistent firm-wide changes.

### WIDESPREAD CONSULTATION

You must ensure that everyone has a voice in influencing this project. Lawyers are trained to argue their case convincingly but this project will have equal or greater impact on secretaries and other support staff so they must also have a chance to provide input.

### RECORDS MANAGEMENT POLICIES

A clearly defined set of records management policies will provide the framework for both the actual processes to be implemented and the ongoing governance of the environment. These policies should cover the following:

- The primacy of electronic rather than paper-based records
- Classification and indexing of electronic records
- Document scanning

- Retention and destruction of records
- Linkage between paper and electronic filing processes
- Security and compliance
- Governance of the environment

Details on each of these policies is beyond the scope of this white paper; however NewField IT has a wealth of experience in helping law firms to define their own set of policies.

#### USER-FRIENDLY COMPUTING SYSTEMS

The selection of specific electronic document and records management systems (EDRMS) is a topic in itself. However, an EDRMS is the fundamental building block for reducing paper filing. Despite the importance of an EDRMS we have encountered widespread user dissent for systems from different vendors, for a number of reasons:

- The latest, feature rich, version of software is yet to be implemented.
- Users haven't been properly trained in how to use the systems to their full potential.
- Poor handling of email filing. This has become far more important as email volumes have mushroomed.

ONE SENIOR PARTNER CALCULATED THAT AN EXTRA FIVE SECONDS SPENT FILING EACH EMAIL IN AN EDRMS WOULD EQUATE TO A LOSS OF FEE-EARNING TIME WORTH £34,000 PER MONTH.

- Poor system and network performance causing slow response times.
- Lack of integration with Blackberry/ remote email access.

### SEVEN STEPS TO A LEANER, FITTER FUTURE

You have decided that your filing environment needs to be improved. So how do you go about planning and implementing a filing optimisation project? The following checklist provides a guideline:

#### 1 Document the current state

This is often the hardest part, but just as with any fitness programme, a clear and honest evaluation of your current state is essential. Questions to answer include the following:

- How much space is occupied by filing?
- Where are the printers and copiers, how old are they and how much are they being used?
- What are the total costs associated with filing and printing?
- How is paper managed through the firm? Are your current filing policies and processes consistently and rigorously implemented?
- What are your staff's attitudes to filing? What do they think needs addressing as a priority?

#### 2 Establish a steering group

A steering group with a senior sponsor and representatives from each part of the firm - partners, other lawyers, secretaries and admin, IT, Facilities - is an essential requirement.

#### 3 Win the hearts & minds of your staff

Consult widely before defining your filing strategy. Use face-to-face meetings, online questionnaires, information posted on your intranet and other communication methods appropriate to your firm to ensure that everyone feels they have contributed their views. This will help to prevent negative attitudes later in the project.

#### 4 Leverage from a compelling event

Nearly all successful filing optimisation projects we have worked on have coincided with a major office change: either a reorganisation with an existing office or a move to a new site. If such an event is forthcoming in your firm then make sure you use it as an opportunity to make sweeping and positive changes to your filing, rather than introduce "business as usual" processes in your new environment.

#### 5 Define the scope

We recommend that a project is focused on records rather than documents, which can be defined as follows:

**RECORDS:** information created, received, and maintained as evidence by an organization or person in the transaction of business, or in the pursuance of legal obligations, regardless of media. (Source: ISO 15489, Records Management)

**DOCUMENTS:** information with no operational, legal, fiscal, or historical value. This will include, for example, electronic documents that are printed for easier reading, to be destroyed when they have been read. Duplicates and copies of existing, maintained records are also not records.

Records are “managed” units of information, documents are not. Once you have optimised the management of records you can then tackle the amount of document printing in general, but trying to run too many projects at once may lead to a lack of focus on any of them.

## 6 Be realistic about resources & timescales

Anyone who has ever tried to lose weight and get fit will warn of the dangers of expecting too much too soon. Realistic expectations are essential if you - and your team - are to stay motivated. Remember, you will be implementing significant changes in your firm to achieve the objectives of a filing project. You will therefore need very strong change and project management resources to implement them. You will also need subject experts in filing, and document and records management systems. These resources may exist within your firm, but are they available for the duration of the project? If not you may need to consider using external resources.

If you need to make changes to the core electronic document and records management systems then you should be realistic about the time it will take. Due to its wide impact a filing optimisation project, like any large IT project, needs a great deal of planning to minimise the risks.

## 7 Communicate, communicate, communicate

Clear and positive communication to all relevant staff at each stage of the project is an essential requirement for success. During the planning phase staff will need to be re-assured that changes will not have a detrimental effect on their working methods. Prior to implementation more detailed communication will be required to ensure that all changes are implemented in an efficient and consistent manner. Post-implementation you will need to get staff feedback to make sure that the benefits have been realised and to help you assess what further changes are required.

## REAPING THE REWARDS: A HEALTHY NEW OUTLOOK

Getting - and keeping - the filing system in shape has many advantages, some more obvious than others:

### COST SAVING

A filing optimisation project can save money in the following ways:

- A reduction in the number of staff hours spent performing filing activities
- Transference of filing tasks from expensive fee earners to their immediate support staff, and from support staff to dedicated filing staff
- A reduction in the amount of expensive office space devoted to hardcopy filing
- A reduction in offsite archiving costs
- A reduction in the amount of information that is printed

### USER SATISFACTION

The sheer drudgery of filing tasks, and the fact that they prevent staff from undertaking more interesting work, can have a damaging effect on morale. An optimised environment will reduce filing time and ensure that staff are undertaking relevant and stimulating work. It will also help with the retention and acquisition of high quality staff.

### ENVIRONMENTAL BENEFITS

The carbon footprint of the filing environment can be significantly reduced by implementing more efficient policies and processes. Much of this benefit will come from a reduction in the number of pages printed.

### SECURITY AND COMPLIANCE

If records are not properly managed then a firm leaves itself wide open to security breaches. Implementation of policies and processes that prevent unauthorised access to information and track the usage and location of files will deliver a much more secure environment. Compliance to the SRA code of conduct and standards such as the data protection act can only be guaranteed in a well managed environment.

## SUMMARY

Carrying excess paper weight is debilitating for any company - whatever its core business - but it remains a particular problem for many of the UK's law firms. This need not be the case. Embracing a fitter future will require a great deal of planning, expertise and resource. However we know that the effort is worthwhile. A number of our clients are at various stages of filing optimisation projects; in one case we will see hardcopy filing cut by over 35%; in another, a reduction in floor space cost of over £300,000 per annum. Add to this the further benefits of streamlined workflows, tidier offices and happier staff, makes a filing optimisation a lean activity!

## NewField IT

■■■■ Information Management Architects

About the author: Author: Geoff Hogg is a Senior Consultant at NewField IT, having previously worked as Enterprise Marketing Manager for a major hardware vendor.

NewField IT is vendor independent, specialist print management software and services provider and has carried out print reviews at over 40 different organisations employing more than 120,000 people.

For more information on how NewField IT unique document methodology can help you with your filing and document management projects please visit NewField IT's website [www.newfieldit.com](http://www.newfieldit.com) or call 0208 948 9565.