A service of the ABA General Practice, Solo & Small Firm Division

Technology eReport

MARCH 2010
Vol. 9, No. 1

- **Home**
- **Features**
- **Columns**
- **About GPSolo**
- **Feedback**

- **Download** 📄
- **Past Issues**

Features

- ### New Technology Puts Jury Research at Your Fingertips »

  Online jury research can provide a powerful, sophisticated, quick and cost-efficient tool for attorneys to get the answers they need to the pressing questions they have about their cases.

- ### Moving Your Practice Into the Cloud »

  What considerations should be taken into account prior to opening a law office in "the cloud."

- ### Cold and Dead, From My Hands »

  Love means never having to use new gadgets.

-

Moving Your Practice Into the Cloud

By Jack Newton and Jay Foonberg

Web-based technologies are part of an exciting new frontier aimed at delivering efficient, accessible, and affordable products and services to their clients. The rapid advance of web- or cloud-based technologies has opened up a wealth of opportunities that weren't available to lawyers just one generation ago; chief among these is the ability to open and operate a completely cloud-based or virtual law office.

The following article will discuss what technologies help make this new way of working possible, and what considerations should be taken into account prior to opening a law office in "the cloud."

What Is "The Cloud"?

One of the hottest technology trends of 2009 is what is referred to as "cloud computing" or, simply, "the cloud." The concept of cloud computing is that computing will increasingly be delivered as a service over the Internet. The shift to "the cloud" will mean you'll need less software on your desktop computer and, increasingly, it will matter less and less which computer you're sitting down at to get your work done: your documents, emails, pictures, and all other types of information will be stored and securely accessed online. The shift to cloud-based services typically offers increased security and dramatically reduced overhead and IT costs as compared to on-premises servers and software. Although much of the concept of practicing in the cloud may seem novel, most web-savvy computer users have, perhaps unknowingly, been using cloud-based technologies for a number of years via longstanding services such as Hotmail, Gmail, or Yahoo Mail among others. These technologies were among the very first to pioneer the idea of centralized services delivered efficiently over the web, and they've succeeded in laying the groundwork for a software revolution that's gradually resulting in most applications evolving toward a web-based mode of delivery.

Moving Your Practice Into the Cloud

The profound shift away from hosting on-premises servers and software to web-based service delivery via "the cloud" offers begs the question: why can't legal service delivery undergo a similar revolution? Why are lawyers meeting with clients in expensive downtown offices, printing off reams of paper, and otherwise conducting business in a fashion that is not much different than what they did 200 years ago? Can't all of this be done faster, more efficiently, and more securely via the web? The answer is that, although some of the essential parts of operating a law practice may never lend themselves to full digitization, many of the frequent transactional elements of legal practice can be accomplished with reduced friction by adopting the appropriate complement of technologies. Although "the cloud" may not be the silver bullet in terms of total practice efficiency, for many practitioners, a move toward greater integration of online technology can yield opportunities to significantly reduce overhead, gain unprecedented mobility, and afford access to technology that offers security and availability typically only available to peers in large firms.

What Is a Cloud-Based Law Office?

A cloud-based law office parallels a traditional bricks-and-mortar law office with several key differences. First, most, if not all, client communications will be performed online via the lawyer's secure website—the "virtual law office." Client interactions, from client intake to questionnaires to work product delivery to billing, are all mediated via a single, online website. Lawyers and clients can communicate asynchronously via a secure online messaging system. Phone calls and in-person meetings are rarely, if ever, needed.

The benefits of moving to a cloud-based law office are numerous:

Competitive Advantage

Consumers are increasingly researching and seeking legal services online. Google has replaced the Yellow Pages. Although an increasing number of lawyers have a website, in some cases supplemented with a blog or other social media tools, relatively few lawyers offer a true cloud-based law office. The demand for online legal service delivery will soon outstrip supply that the relatively few cloud-based law offices can provide. Migrating into the cloud offers an opportunity to stand at the forefront of a technology evolution that could serve to set your practice apart from the competition, and establish you as an innovator in your field—something that could provide significant competitive advantage in what is a fast-growing market.

Efficiency

A cloud-based law office delivers many efficiencies. Cost efficiencies are realized in the form of reduced overhead—expensive trappings of a primarily bricks-and-mortar office can be dispensed with; regular costs of IT maintenance and upgrades can be minimized, if not eliminated altogether; and much work product such as letters, bills, and other collateral are delivered electronically, which not only reduces material costs, but is also better for the environment.

Communicating with clients online can often be more efficient and focused than in-person meetings, realizing substantial time savings. Your cloud-based law office can be run out of your home or a convenient, lower-cost office location, delivering both cost and time savings. Virtual practitioners can recover more hours in the day lost to long commutes, insufficient access to appropriate technologies, and time-consuming transactions that could be more efficiently communicated online.

Security

Unlike unencrypted e-mail communications, all communications through a

virtual law office are typically secured using 256-bit SSL encryption. This is the same grade of encryption employed by banks and e-commerce sites to ensure secure, confidential transmission of sensitive data. Some jurisdictions, such as Massachusetts, have implemented strict secure communication standards that will deprecate insecure communication methods such as email in favor of more secure, web-based communication portals.

Synergy With Other "Virtuals"

As you move your practice into the cloud, you'll notice other areas of your practice that could be made more efficient via cloud-based service providers. Rather than finding extra office space and hiring an on-premise assistant, why not choose one of the many "virtual assistant" firms to help. Moreover, many leading attorneys in small firms are competing more effectively with their "big firm" counterparts by choosing to virtually collaborate with colleagues online in the form of transient partnerships. A practice that exists in the cloud can be more easily shared and collaborated on, which allows virtual practices to rapidly involve necessary resources on an on-demand basis.

Freedom

The freedom associated with running a cloud-based law office may be something you only truly appreciate once you've taken the plunge. You'll realize you can get your work done anywhere. You'll be able to provide responsive, professional service to your clients on a schedule that works for you, regardless of your location. If an urgent situation with a client comes up while you're on vacation, you're only an Internet cafe away from being able to meet their needs. This not only means that you're no longer required to support much of the overhead that accompanies a more traditional law practice, but it also creates an opportunity to gain more control over your time, and often more freedom to enjoy time away from the job.

Preflight Checklist

Before taking your practice into the cloud, consider the following:

1. Check With Your State Bar

While some state bars have issued ethics opinions or other guidance on opening a cloud-based or virtual law practice, it is advisable to seek formal approval from your state bar prior to opening a cloud-based law office. Rules regarding information storage, protection, and archival are receiving a great deal of current attention, and the law in this regard is evolving rapidly. Ensure you're aware of, and compliant with, your bar rules as they apply to the use of web-

based technologies.

2. Be Aware of Jurisdictional Issues

A virtual law office blurs the geographic boundaries a typical bricks-and-mortar law office imposes. While this can be a huge benefit if an attorney is licensed in multiple jurisdictions, it can present a potential problem if a cloud-based law office is seen to be soliciting clients from a jurisdiction in which the attorney is not licensed to practice. Ensure your virtual law office prominently displays what jurisdictions you're licensed to practice in, and ensure appropriate client screening measures are in place. Moreover, as detailed above, because the bar rules regarding the use of web-based technologies may vary between jurisdictions, we advise that you consult each local and state authority for a formal opinion on approved information management practices prior to accepting clients from any of your licensed jurisdictions.

3. Clearly Define the Attorney-Client Relationship

As with traditional bricks-and-mortar law offices, it is important to clearly define the attorney-client relationship with a cloud-based virtual law office. This can be accomplished via a click-through agreement that defines the scope and nature of the attorney-client relationship. Given that many cloud technologies sit at the leading-edge of technology adoption, ensuring client comfort with the use of these technologies is paramount. In many cases clients should be made aware of the standards of communication, the web-based services being used to host their information, and the security measures in place to ensure that client confidentiality and privacy protection are maintained to the highest standard available.

Jack Newton is president and founder of Themis Solutions, Inc., which created Clio, *a SaaS product for solo and small firm attorneys. He can be reached at* jack@goclio.com.

Jay Foonberg has served in the ABA House of Delegates; he is on the Advisory Council for the ABA Commission on Evaluation of the Rules of Professional Conduct, and he was a founder of the ABA Law Practice Management Section. His book, How To Start and Build a Law Practice *(5th edition), is the book that is most frequently stolen from law libraries in the United States. It has earned more than $2 million for the ABA, and has been their best seller every year since 1977. Mr. Foonberg is the author of three other important books, all available from the ABA:* How to Get and Keep Good Clients *(3rd edition);* Finding the Right Lawyer; and The ABA Guide to Lawyer Trust Accounts. *A much sought-after speaker, Jay has led seminars and taught client relations, malpractice prevention, ethics, and client development in every one of the 50*

states and every one of the 6 U.S. territories (the only person ever to have done so) and as far afield as Europe, South America, and Asia in English, Spanish, and Portuguese. Jay earned his JD from UCLA Law School, has done advanced studies at Harvard Law School, Cambridge University, England, and Duke University School of Law. He has received the prestigious Harrison Tweed Award, CLE's highest honor. He lives and practices in Beverly Hills, California. He is the only person ever to receive four Lifetime Achievement Awards from the ABA Sections. His hobby is running marathons. He ran his 36th marathon in March 2010 at age 75.