THE DEFINITIVE GUIDE TO DOCUMENT MANAGEMENT

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Contents

INTRODUCTION TO DMS

Whether you're a lawyer or IT professional in a law firm, you have a natural understanding of the threats that surround you. Threats of competition, mistakes in compliance, potential human error, and the overall stressful nature of maintaining a successful practice and delivering exceptional value to your clients. **Perhaps the biggest threat law firms face today, however, is the possibility of a security breach.**

> **"Cyber criminals have begun to target lawyers to access client information, including trade secrets, business plans, and personal data. Lawyers can no longer assume that their document systems are of no interest to cyber-crooks."**
>
> New York Ethics Opinion 1019

An American Bar Association (ABA) technology survey revealed that nearly 25% of law firms have experienced a data breach.[1] Another study found over 100 examples of security breaches within law firms and signs of the challenges around protecting data only growing as cybercriminals continue to target sensitive information.[2]

It's clear that if your firm is fortunate enough to not have been the target of cybercrime, it is only a matter of time. This is especially true as lawyers seek out more flexible ways of accessing work to accommodate current customer demands.

The Growing Demand for Digital Documentation

Since 2009 the amount of individuals with access to the internet has doubled worldwide.[3] Just as this increased connectivity has changed how we function in our day-to-day personal lives, it has also changed the way clients expect lawyers and their firms to communicate.

Specifically, clients have lost patience with slow, laborious communication. They demand the convenience and pace of digital correspondence, requiring more insight into the services a law firm is providing.

Since many firms do not provide remote access and document sharing capabilities, lawyers in recent years have been forced to find creative ways to serve and communicate with their clients — which, unfortunately, often results in documents being removed from the safety of a firm's network.

Luckily, there are Document Management Systems (DMS) that provide the robust safety measures law firms require to defend against cyberattacks while giving lawyers the features they need to work effectively with clients.

In this paper, you'll learn what a DMS is, its importance, how to select right solution for your firm, and how to measure its success.

WHAT IS A DMS?

A document management system (DMS) for law firms has traditionally involved many cabinets, printed paper, and storage space. More recently, firms have turned away from paper dependency and relied on technology for a solution - typically with on-premise DMS.

Today, firms are turning to a cloud-based DMS to continue to reduce paper dependency while adding flexibility and enabling remote work.

According to the Association for Intelligent Information Management, a DMS "incorporates document and content capture, workflow, document repositories, output systems, and information retrieval systems," in addition to storing, controlling, and tracking documents.[4] As firms seek to protect their information without impeding their team's ability to complete work, it's clear why a strong DMS is the backbone of any firm.

A forward-looking DMS solution goes above and beyond this standard definition, expanding to provide greater collaboration and work productivity.

The Benefits of a DMS

While a seemingly straightforward piece of software, it's important to note that a DMS offers substantial benefits. Depending on the service, organizations can look forward to cost savings, increased productivity, and streamlined operations.

MANAGE INTERNAL COSTS

By digitally organizing a firm's files in a single, central location a DMS not only reduces paper and storage costs but also decreases the labor required to file and store important information.

> Depending on the service, organizations can look forward to **cost savings, increased productivity, and streamlined operations.**

A cloud-based DMS offers additional cost savings as it removes hardware needs and reduces the strain on IT resources. A cloud-based DMS also enables more flexibility in where and how people work (e.g. remote and mobile work).

INCREASE PRODUCTIVITY

A DMS makes it much easier for staff to locate and govern documents through sophisticated search, tagging, and profiling. These features dramatically decrease the time staff spend locating documents.

Robust DMS typically offer secure internal and external collaboration tools that make it easier to work on content within a firm and across clients.

STREAMLINE SECURITY AND COMPLIANCE OPERATIONS

As documents are organized in a single, secure location it becomes significantly easier for IT and compliance professionals to protect content and mitigate internal and external risks to the firm.

Storage and organization processes may also be standardized across the firm, helping knowledge management professionals keep files organized, including retention policies or other industry and region-specific laws or regulations.

4 Unique Benefits of a Cloud-Based DMS

While on-premises solutions have some good qualities, cloud-based solutions are becoming the increasingly preferred route as it provides greater flexibility with improved security while reducing the strain on IT resources. In fact, the 2019 ILTA survey predicts that in the next 3-5 years, cloud technology will be a driving factor in the legal profession. Below are the top four reasons why:

1. **A cloud-based DMS improves your security and compliance.** Hardware and internal networks are both costly and complex to maintain and update, and they are often not flexible enough to quickly protect against the latest threats. Cloud-based DMS can quickly pivot security measures to protect against these evolving threats without disrupting work.

2. **A cloud-based DMS reduces hardware and maintenance costs.** Without expensive equipment to maintain or experts to pay, cloud-based systems are essential to a modern IT team looking for ways to effectively transition to predictable budgeting as firms increasingly look for them to operate within a predictable, monthly cost.

3. **A cloud-based DMS makes flexible work a reality.** With a cloud-based DMS, you open the possibility of working remotely. No longer do you have to return to the office for documents or worry about losing a key file. Many cloud-based systems offer built-in mobility which usually means there are native applications on iOS/Android to enable you and your team to work anytime, anywhere, and on any device.

4. **A cloud-based DMS increases collaboration.** A cloud-based DMS increases collaboration by nature. You can interact with documents in real-time as a team, with the ability to leave and return as needed.

To learn more about why firms everywhere are adopting cloud-based DMS, download this guide.
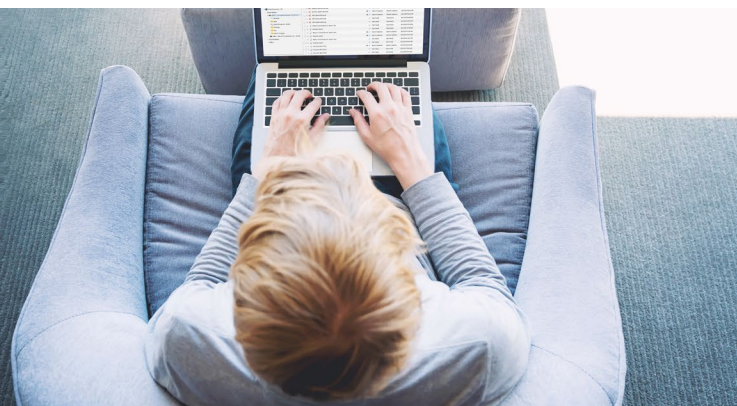
3 KEY IMPACTS OF A DMS ON YOUR FIRM

As the backbone of any firm, a DMS has far-reaching impacts across the business including client relationships, information governance, and workflows. Below are the three key impacts.

1. **Improved client relationships.** While lawyers view clients as their livelihood, lawyers and clients have historically existed in precarious, unbalanced relationships where lawyers dictated client needs and wants. However, since the economic recession in 2008, that imbalance of power has tilted towards clients who now expect to work more collaboratively with their legal providers.

2. **Enhanced information governance.** One of the most crucial functions a DMS will support is that of information governance. In fact, a recent report found that due to the costs of storage, control, and compliance, poor data management can cost a business $2.1 million each year on average.[5]

As lawyers work to deepen client relationships through communication, it's important to ensure that sensitive information remains safely stored and organized in secure locations to avoid exposing your firm to incredible financial risk. Consider the fees these major organizations were forced to pay after data breaches uncovered poor data management:[6]

- British Airways: $230 million
- Marriott: $124 million
- Equifax: $575 million

According to IDC, 85% of enterprise decision-makers understand how document management plays a role in lasting client relationships, and say they have "two years to make significant inroads into digital transformation or they will fall behind their competitors and suffer financially."[7]

Robust DMS will provide solutions for tracking, managing, and controlling both access and actions on information stored within the system, in addition to standardizing the organization and profiling of documents. These features combine to make it easier to manage information across the firm and comply with current information governance standards.

3. **Improved workflows.** As the backbone of your firm, your DMS determines how efficiently lawyers and staff can work independently, across practice areas, or with clients. This efficiency is often determined by the features available within a DMS. To have the maximum impact on efficiency, search for DMS solutions that provide:

- Always available: anytime, anywhere access
- Mobility
- Creating, editing, saving, and versioning documents
- Organizing documents to support legal workflows
- Locating/searching for documents
- Custom meta-data that powers search and organization
- Integration with productivity tools and applications
- Matter and document access: create security groups and apply access rights (VESA)

These features will support lawyers as they strive to deliver quality services faster and cheaper to clients by helping them locate, re-use, and organize content quickly.

DMS SELECTION BEST PRACTICES

The best DMS will take basic document organization a step further, incorporating additional features such as email management, real-time messaging and chat solutions, document compilation and PDF conversation tools, and AI and machine learning for process automation, advanced search options, and robust security and compliance measures. Each additional feature will likely benefit a certain role within your firm, which is why it's important to involve key stakeholders early on and communicate to departments often.

The implementation of new system will have far-reaching impacts on every department, which is why it's essential that key players across departments and functions be involved in the selection process.

Let's take a look at this six-step process for a smooth DMS selection and implementation:

1. **Appoint a project leader.** In large law firms, it's common practice for IT leadership to spearhead the implementation of a new DMS — researching features, capabilities, and providing a clear point of contact to check in with regarding progress.

2. **Involve key stakeholders.** The implementation of new system will have far-reaching impacts on every department, which is why it's essential that key players across departments and functions be involved in the selection process. Consider including paralegals, assistants, partners, knowledge management professionals, and even representatives from the finance team.

3. **Determine scope.** Working with the key stakeholders, the project leader should determine which gaps and processes a new DMS could facilitate, automate, and improve across the firm. Knowing this information will inform which key features to assess during the research and evaluation phases.

4. **Select a DMS solution.** Once initial prospecting is complete, it's crucial for the project leader and stakeholders to dig into demos and ask detailed questions of how DMS solutions can help the firm save money, increase productivity, and protect data. Many firms often create a scorecard outlining their most important concerns for use during demos.

5. **System implementation.** Depending on the size of your firm and the service selected, implementing a DMS can take about six months with key phases including data mapping, in-depth training, system builds, and data migration.

6. **Hold the team accountable.** Change can be difficult, especially if your firm has a long-standing, traditional process that has been unchanged for years. Even after initial training and implementation, get ahead of lingering resistance by offering additional training sessions, scheduling frequent check-ins, and monitoring status reports to ensure lawyers and staff are maximizing the full suite of capabilities in the DMS.

MEASURING IMPLEMENTATION SUCCESS

Implementing a new DMS is about more than simply providing a new system. Instead, success means lawyers are utilizing the system to not only complete work faster, but to also strengthen their relationships with customers.

To ensure adoption and identify roadblocks of the firm's new DMS, you may want to monitor a set of key performance indicators (KPIs).

Monitoring the following metrics can help you catch problem areas early and continue to train late adopters.

- Number of active users. This data will help you determine if there are late adopters or those refusing to utilize the new system in order to provide further training and help.
- Increases in billable hours. This will help you determine if lawyers and staff are still spending time on administrative tasks or can spend time on what truly matters.
- Client retention and satisfaction. It's safe to say that if your DMS is helping lawyers be more efficient, client satisfaction should steadily improve over time.
- Compliance and security updates. Monitor if it's easier for your firm to stay up-to-date with compliance and security requirements since implementing your DMS.
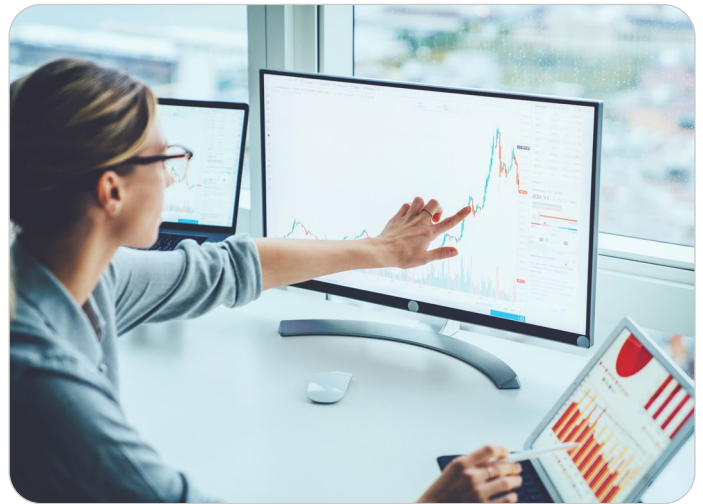
Apart from the data collected above, you can also collect opinion surveys from those who use the DMS. This includes your team, as well as your clients. Ask them:

- What do they think about your document management process?
- Are they happy with the correspondence?
- Is it easy for them to use?
- In what ways would they change the system?

TAKE ACTION TODAY

The threat of a cyberattack is very real and has enormous consequences. But this does not have to cripple you with fear or force you to stop everything you're doing to focus on security.

The more streamlined your processes are, and the lower your risk of a data breach is, the more comfortable your clients will be. By protecting yourself and differentiating yourself from the competition, you'll also experience benefits like increased productivity, lower internal costs, and decreased stress.

This starts with defining where your single source of truth is - your DMS. Without a DMS, you have a scattered network of information that's impossible to secure and difficult to manage. By bringing your critical data into one place, you can secure with confidence without slowing down your firm.

Secure a DMS for your law firm today.

ABOUT NETDOCUMENTS

NetDocuments is the leading cloud-based document and email management solution to securely store and organize documents on one platform. With NetDocuments, users can work securely on documents and file emails anywhere in the world on any device while collaborating with internal and external stakeholders alike—which makes it an ideal solution for remote work.

Backed by 20 years of experience in cloud innovation, over 2,750 companies worldwide trust us to secure their data while increasing productivity and team collaboration.

Make the Move to the NetDocuments cloud to get the speed, mobility, and industry-leading security companies worldwide are already taking advantage of today.

To learn more about maximizing productivity, mitigating risk, and building collaboration: Contact us at **(866) 638-3627** or visit **www.NetDocuments.com** to learn more today.

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