

# Internet-Based Practice Management Solutions

By D. TODD SMITH

Illustration by Gilberto Saucedo

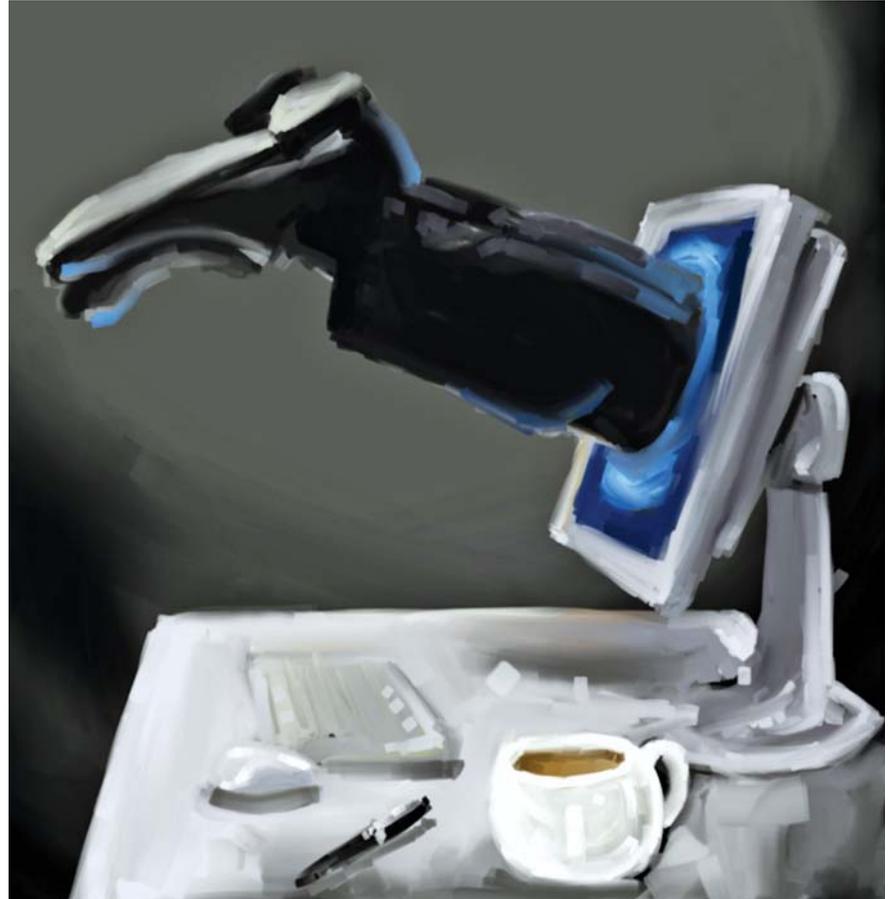
**F**aster computers and increased Internet bandwidth have led enterprising companies to develop Web 2.0 applications that meet consumers' needs. For some time, the business world has used "software as a service" (SAAS) — secure, hosted programs accessed over the Internet rather than through a hard drive or in-house server — for such functions as time-keeping, billing, and project management. Lawyers have lagged behind the curve, with many firms continuing to invest in clumsy, bug-prone software that runs on native computer networks. Meanwhile, web-based practice management solutions have emerged that are specifically geared toward sole practitioners and small firms.

## Traditional Management Tasks

The leading SAAS applications offering what we traditionally think of as practice management functions are Rocket Matter ([rocketmatter.com](http://rocketmatter.com)) and Clio ([goclio.com](http://goclio.com)), both of which recently completed beta testing. For a monthly fee, both services allow a subscriber to manage tasks, contacts, time tracking, billing, and basic accounting through a secure online interface. Both Rocket Matter and Clio keep the subscriber's data on redundant storage servers, effectively backing it up immediately. Unlimited technical support, maintenance, and upgrades come with a subscription.

Rocket Matter lacks Clio's document management functionality — which includes unlimited document storage — although that feature is apparently in development. As for cost, Clio runs \$49 for an attorney user and an additional \$25 per non-attorney support staff, each on a month-to-month basis. Rocket Matter charges a monthly rate of \$59.99 for the first user, \$49.99 for the second through sixth user, and \$39.99 per user after that. Firms of 20 or more employees can call for a quote. No yearly contract is required.

Both Rocket Matter and Clio roll out new features regularly. So far, though, neither offers project management func-



tionality on par with Basecamp, a product of 37Signals ([37signals.com](http://37signals.com)). Originally designed for business people, Basecamp is popular among tech-savvy lawyers because it integrates task management, document storage, and a built-in messaging system that interfaces with email. Those features are nice, but what truly distinguishes Basecamp from Rocket Matter and Clio at this phase of their development is the ability to share documents with multiple users over the Internet and provide clients access to their online files. If you work with a virtual assistant, these elements are a real plus.

Although its time-tracking function is rudimentary by lawyer standards, Basecamp now works with Freshbooks, a time-keeping and billing SAAS provider that allows users to publish invoices to clients online and accept payments over the web.

Freshbooks has other capabilities, such as automated invoicing and credit card processing, that some practitioners and clients would find useful. Basecamp pricing depends primarily on the document storage required, with 10 gigabytes going for \$49 month per month.

## Virtual Law Offices

Some developers are taking the idea of legal SAAS even further and helping practitioners set up virtual law offices (VLOs). This is not the same concept as a "virtual office" arrangement by which a lawyer contracts for periodic use of a physical office or meeting space and other benefits such as a mailing address. Rather, VLOs are professional law practices that exist online through a secure portal and are accessible to the client and the attorney anywhere they have Internet access.

A VLO provides attorneys and clients the ability to securely discuss matters online, download and upload documents for review, and handle other business transactions in a secure digital environment. The basic interface is a customized web portal integrated into an existing website or blog and is compatible with other legal and office software products. Following the trend of providing unbundled legal services, some attorneys use VLO technology as the primary point of delivery. Others integrate the technology into existing law practices to generate online revenue in addition to what they earn running a traditional brick-and-mortar office.

The market leader in this area is Virtual Law Office Technology, L.L.C., which offers a service it calls VLOTech ([vlotech.com/product](http://vlotech.com/product)). As with Rocket Matter and Clio, VLOTech is constantly being updated to accommodate functions its subscribers have requested. In addition to a \$500 one-time setup fee, VLOTech runs \$260 per attorney user and \$180 per staff user on a month-to-month basis. Thus far, one Texas attorney has opened a VLO through this provider ([texasstateandtrustlaw.com](http://texasstateandtrustlaw.com)). Others Texas VLOs are in development.

### Guiding Factors

**Portability.** Anyone reading this feature knows that portability is a key factor in evaluating new products and services for law firms of all sizes. A major advantage to legal SAAS is the ability to log in and view your data anywhere you have an Internet connection. Access through an iPhone, BlackBerry, or other smartphone is not as uniform, so be sure that you verify that capability with the provider based on the equipment you intend to use.

**Better collaboration.** A major advantage to SAAS is its ability to bring several people together on a case or project regardless of their location or their preferred operating system. As noted above, project management packages like Base-

camp accomplish this purpose better than legal SAAS systems, but that gap is likely to close. Subscribers are pressuring providers to add features, so the functionality of legal SAAS should only get better.

**Cost.** This factor cuts both ways. On one hand, the subscription rates for legal SAAS may considerably offset what solos and small firms could expect to pay for IT assistance with maintaining network servers and supporting legacy software. On the other, traditional packages like Abacus, Timeslips, TimeMatters, Quickbooks, and PCLaw are generally purchased for a fixed price and can be used for many years at relatively little additional expense. Some practitioners view the cost of legal SAAS as too high to justify switching from a collection of paid-for software packages used to meet the same ends.

**Safety and Security.** Whether law practice data is backed up safely and who has access to it are paramount concerns. Other than for local documents and programs, each product mentioned here effectively reduces the need for in-office or online backup systems. Each also uses encryption technology that renders the data indecipherable without the appropriate credentials. Not everyone who implements SAAS technology will give up traveling with a laptop, but storing data in a remote location with the opportunity to access it virtually anywhere alleviates some concerns about lost equipment and simplifies the disaster recovery process.

**Ethical Concerns.** Sharing information over the Internet and relying on third parties to store client data raise confidentiality issues. Those concerns appear to be adequately addressed by the security measures SAAS providers have put in place. Because they are tied to firm websites, VLOs face the additional issue of whether they comply with the State Bar advertising rules, a case-by-case determination best resolved by submitting the site for approval before taking it live.

### Conclusion

Technology helps level the playing field for solos and small firms and is changing the way we all practice law. Legal SAAS providers are developing all-in-one practice management solutions, but in the end, whether any of them will benefit your practice depends on the specific circumstances involved. Those of us currently using traditional software should consider these solutions as a means of simplifying our practices, increasing productivity, and enhancing our ability to match up with larger competitors.



#### D. TODD SMITH

is a sole practitioner based in Austin who is certified in civil appellate law by the Texas Board of Legal Specialization. He is creator and publisher of the Texas

Appellate Law Blog, [texasappellatelawblog.com](http://texasappellatelawblog.com).

*Landex Research, Inc.*  
PROBATE RESEARCH



**MISSING & UNKNOWN  
HEIRS LOCATED  
NO EXPENSE TO ESTATE**

Domestic & International  
Services for:  
Courts  
Lawyers  
Trust Officers  
Administrators  
Executors

1345 Wiley Road, Suite 121  
Schaumburg, Illinois 60173  
847-519-3600/800-844-6778  
Fax: 800-946-6990

[www.landexresearch.com](http://www.landexresearch.com)