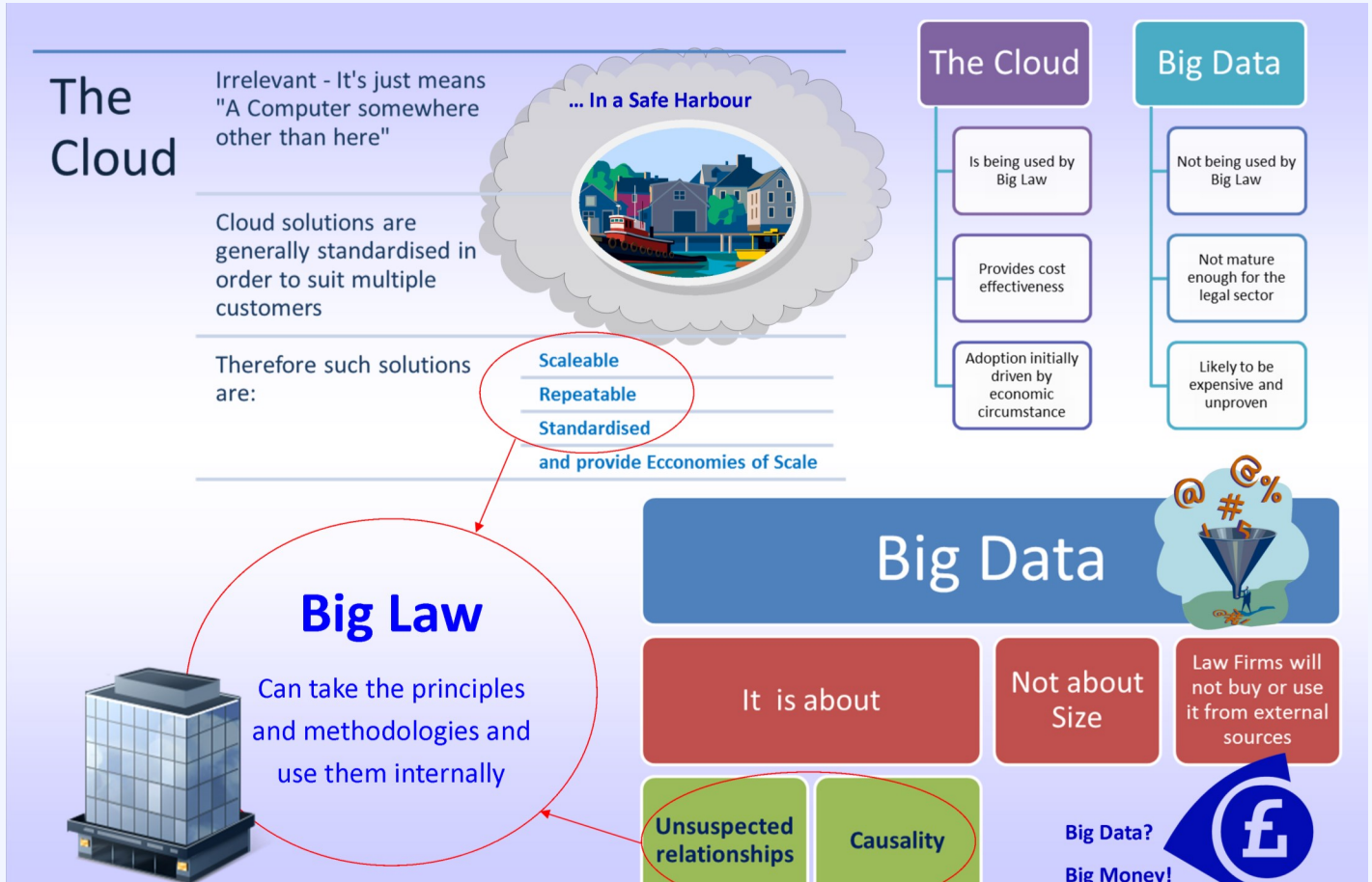## What Law Firms can learn from The Cloud and Big Data
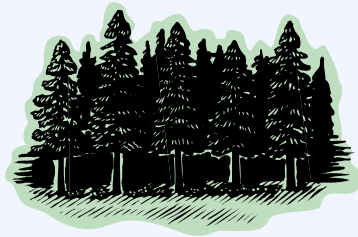

The Cloud and Big Data – What have they got to do with Law Firms?

Firstly, let's define a few things and bust open some hype shall we, starting with

'The Cloud'. ..

Getting back to basics, IT has 2 modes of operation. Number 1 – Computer 'does something'; Number 2 – Computer communicates with other computers and together they 'do something'. Now how many of us can actually say where those other computers are? OK, we might know that they are outside our network (the internet) or they might be inside our network (our intranet – which, marketing departments please note, is not the name for a corporate web-site; that's called 'the corporate web-site', which runs on the intranet). We might even be aware about trusts and forests, but in truth not many end users know, or even care about where these other computers are situated. They just want them to work. So, The Cloud – it's just a way of saying "It's not here, it's out (vague waving of arms) …there …somewhere". Nothing special or mystical about it, it's just somewhere at the end of a piece of string called TCP/IP … though hopefully in a 'safe harbour'.

Big Data …

well it's nothing to do with big data, as in the size of data. There are huge and ever growing volumes of data all around us. I bet NSA/GCHQ has a terabyte or two on me, and I'm harmless! Databases can be massive, but they are not Big Data. There are many definitions of Big Data, but I like to think of it as 'The intersection of disparate data sets so that unsuspected relationships and causality can be identified as new information'. A key differentiator is that traditional data relationships are known (matter X belongs to client Y, whose client partner is Z), whereas Big Data relationships are derived and should be thoroughly tested before declaring them to be 'known'.

So what has this to do with law firms?

Well given The Cloud is just 'a location out there' as opposed to 'in here' then how does this make a difference? I think the difference is in us and our attitudes. To examine this we need to cast our minds back to the mid-noughties, before the recession. Back then law firms were very obsessive, nay almost anal, about keeping things in house. (continued …)

Andy Stokes Consulting

What Law Firms can learn from The Cloud and Big Data

… And keeping things in-house makes it very (in fact too) easy to be 'unique' – to customise the heck out of everything just because we can and a partner insisted on doing it, and because 'we're special'. And being such a 'special one' leads to large amounts of money being spent catering for all the trivial demands that can arise in law-firms. That is until there came the last recession and falling PEP … suddenly slashing overheads became important. The previously unthinkable became the thing to do; out-sourcing, moves to remote data-centres, SaaS and hosted solutions in something called The Cloud. And guess what? It was cost-effective. Why? Because we could no longer afford the expense of being unique. Standardised, off the shelf, repeatable solutions hosted in a technical environment that leveraged economies of scale could work for us. We didn't need to be so precocious and expensive after all.

And Big Data and law firms?

 I've read about law firms theoretically being able to use this approach to derive information and hidden insight about their clients, using this to provide better understanding and service to the client, to figure out opportunities for cross selling into the client base etc.

Well, being polite … Poppycock! If law firms are now willing, and wanting, to use 'The Cloud' to save money and accept standardised processes then I hardly think it likely that they will pay large sums of money to the likes of Google and Facebook for Big Data Insights which have yet to be proven of any value ("18% of In-House counsel in the Aerospace industry shop at Aldi, of whom 14% buy socks and have a cat called Fred"). And if such alleged insight were to be provided exclusively to a law firm in order to give them competitive advantage then the costs would be likely to be astronomical. No, I think we'll stick to more traditional methods for the moment.

Lessons Learned

So, are The Cloud and Big Data all just hype and myth and of no benefit for law firms? Actually I do think we can learn some lessons. Certainly we've realised that being unique and precocious is very expensive, but I think we can take the principles of standardisation, repeatability and acceptance of what we see as less than perfect and make use of them.

For example, a new billing or client matter intake process might not be 100% perfect for everyone or every team, but if it can benefit 90% of the firm and make us mostly more efficient, then why let the noisy 10% stop it from happening at all?

In a similar manner we can learn lessons from the Big Data approach. No, we're not going to pay for the external rubbish, but we can use the principle within our own datasets. For example by leveraging PMS financial data against attributes in our CRM system - person X left the client, a new business instruction lag followed. By querying metadata from the DMS to discover who is writing the good documents that everyone else keeps reading and copying - in order to find the real, rather than self-proclaimed, 'experts' in the firm, then we can make better use of the data we already have rather than keeping them is disparate silos.

So, in summary …

In short then, the phrases The Cloud and Big Data are pretty meaningless and can be safely ignored whenever a sales person uses them.

However the methodologies and principles behind them can be used by law firms internally to achieve efficiency and insight.

And hopefully we're no longer so precocious that we cannot learn from sources outside our own industry.

Andy

Andy Stokes