

Cloud9 Real Time

Cloud Solutions for Legal Professionals

White Paper

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Executive Summary

Law firms are moving to the Cloud at increasingly high rates for numerous reasons; The influx in multiple office firms, remote locations, principals needing to have access to documents and client information away from their desk, and the stringent document retention requirements are just to name a few. Legal professionals have a unique requirement in their data storage needs, as many records are considered permanent and have an infinite retention compliance to meet while others must be kept at minimum for 7 years. The amount of data grows daily and with that, so does the liability and cost. This conundrum has led to many questions that will be addressed here, but first lets answer the most important question, what is Cloud Computing and how can it help.

Cloud is used as a metaphor for the internet, when you combine the “Cloud” with Computing, you get a virtualized IT infrastructure that is hosting your services and software online. One of the great benefits of Cloud Computing is that users don’t need the knowledge of, expertise in, or control over the technology infrastructure that supports them. IT is being transformed to a utility based service rather than a traditional client-server infrastructure. Cloud Computing provides users with a highly scalable solution with resources and security that could not be replicated by a legal firm without an investment at minimum of \$250k. Providing common business applications online that are accessed via the Internet while the software and data are stored on servers at a remote data center, Cloud Computing has caused a shift in IT to be *on demand*.

It is important to note that while Cloud Computing is used by businesses of all industries and sizes, this research and analysis will be focused on the *Cloud Solutions for Legal Professionals*. Because of this, the focus and special attention needed by Lawyers, Paralegals, Partners and their staff in technology solutions should not be minimized.

IT Needs

Most legal firms purchase a Cloud server to replace their in-house server or give them an online edition of a product that they need anytime, anywhere access to. Their Cloud hosts the firms' data, applications and internal users thereby reducing their costs in IT expenditures. Data storage, application access and file sharing between users at multiple locations are all key factors of Cloud Computing.

In addition to the different types of applications, the firm may need to have multi-user mode access so that the Partners, Attorneys, employees, owners and the Accountant can all be working in the same files at the same time. Dealing with real-time financial data is crucial to the end result.

Business owners must also consider Security as one of the most highly prioritized choices in selecting a Cloud provider. The firm's financial information and confidential client records will be hosted on their Cloud which cannot be at risk for a security breach at any time. Research into the physical location of the hosts' data center as well as the redundancies and precautionary measures taken to secure data is of great importance. It is obvious that a business cannot re-create the physical or intellectual security that an enterprise level hosting company can, but the details in which that host delivers their security protocols needs to be researched as well. A typical standard of any Cloud Computing provider is that they are at a SAS70 Type II data center that is highly secure as well as staffed with on-site security at all times. Many Cloud Computing companies outsource their data storage to the Middle East or Asia to save on costs. While this may be perfectly acceptable to the Firm, they need to ensure that their local, state and federal guidelines on record retention allow for that data to be sent outside US borders. The technical support team may also be outsourced and this is something to be sure to ask about when researching the proper provider of Cloud services if it is a concern for your company.

Now that the Cloud has been distinguished as needing some specialization and is not cookie-cutter virtualization, let's discuss the benefits of the Cloud to this specific industry and why a Legal Firm would want to take the leap.

Benefits of Cloud Computing

There truly is a myriad of reasons that businesses move to the Cloud, here are the most popular:

- **Cost Savings:** Many businesses don't realize exactly how much they spend in IT each year. When you combine the cost of purchasing large hardware to support the max usage you *could* have, the cost of an IT consultant to come and network, setup, maintain, update and service the equipment and software, the licenses for the operating system etc, the backups, anti-virus protection, and security protocols – the Cloud can save businesses on average 30-50% on IT costs annually.
- **Security:** It is a common misconception that the Cloud is less secure than having a traditional client-server setup. In reality, the Cloud service providers have created a secure environment with enterprise solutions and physical security that no firm could replicate without spending hundreds of thousands of dollars.
- **Data Retention:** With the stringent rules on record retention, the cost of buying file cabinets, paper and other office supplies is astounding. If a business is digital and has moved to a paperless office, that is great but also draws the question of how much are they spending on their current server setup to host those records, backup the data and the IT consultants to maintain it. Also, what type of access do they have to it and when?
- **Disaster Recovery:** If a firm has local servers and something happens to the facility, the hardware or a break-in, there is no recovery of that data. Additionally, the backups created are usually not stored offsite and often times on tapes which are outdated technology. The Cloud resolves both of these as it not only provides automatic offsite backups but also a secure facility with redundancies on all systems and hardware.
- **Convenience:** The Cloud provides anytime, anywhere access. The staff no longer has to have their applications or data files installed on their local PC that they are working on, they just need internet connectivity.

- Scalability: Think of Cloud Computing like a power grid, you use what you need and pay for what you use. The era of buying huge servers and maintaining them are gone; virtualization has created an environment that is more cost effective than a traditional IT managed infrastructure.
- Shift the Focus: Attorneys did not go to school to spend their days managing a server or focusing on updating their software to the new release. Moving to the Cloud allows Legal Professionals to shift their focus from IT (non billable hours) to their chosen profession and billable work time.
- Collaboration: A multi-user environment gives all needed users and parties access to the same files at the same time. This gives the decision makers and the accounting professionals' real-time numbers and financial data to collaborate on in making important decisions for their business before it's too late.
- Customization: Having a customized Cloud built specific for your needs is important as cookie cutter models often limit what you can do and how.
- Transforming IT: Moving away from a traditional hardware infrastructure to IT as a utility where you buy as you go and for what you need.
- New Service Offerings: Cloud services offer Legal Professionals a new revenue streams by creating new service offerings for their clients. They can charge their clients for "e-services" like an online portal, document management and storage, disaster recovery plan and much more.

In Conclusion

It is easy to throw the word Cloud around as a buzz word and there are a lot of company's out there that offer Cloud services. What is not so easy is being able to relate to your individual firms' needs, deliver a specialized product that acts as an all in one virtual office solution. Going to three different sites to access your different applications and data is not convenient, going to a centralized portal that is built specifically for your firm is. It is important for the modern company to research their options when selecting a vendor and choose one that is secure, adaptable, has

experience in their profession as well as an understanding of how to deliver. The benefits of moving to the Cloud are evident, the timing and the selection of who to provide those services is more complex.