

# 7 Reasons Why Law Firms are Moving to the Cloud



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In today's economic environment, the prime directive for law firms and Information Technology (IT) departments is to do *more with less*--more functionality, more computing power, better security, higher availability and business continuity, better global accessibility, and more storage capacity. And, yes, don't forget meeting compliance regulations as it relates to the firm's management and storage of client-related information. The need to have more predictability with the overall IT costs is a must as well.

Just as these demands are being expressed, the next meeting is about cutting IT expenses as it relates to the demands of less maintenance, less hardware and software purchases, reducing the overall total costs of ownership, consulting services and capital investments. The firm desires fewer surprises. The partners require you, as an IT organization, to make it work, meet the demands of the client and the market--providing *more with less*.

### What is Cloud Computing?

The answer to these challenges is *Cloud Computing*. [Cloud Computing](#) is a process in which Internet users' access shared third-party computing resources located in a massive, almost endless network of interconnected servers. It lets you run your firms' computer applications over the Internet, without having to buy, install or manage your own servers. You can run your company's IT operations with nothing more than a browser and an Internet connection.

By using this cloud of resources, businesses of all sizes can reduce IT costs, manage data-storage needs more effectively, and improve overall flexibility. With the world's economy dropping faster, it makes sense that cloud computing has surfaced in the last 12 to 18 months as one of the most meaningful innovations in technology.

[Gartner Group states](#), "By 2012, 20 percent of businesses will own no IT assets, a trend driven by such technologies as cloud computing, virtualization and employees using their personal PCs on their corporate networks."

[UC Berkeley RAD LAB defines Cloud Computing](#) as follows, "Cloud Computing refers to both the applications delivered as services over the Internet and the hardware and systems software in the datacenters that provide those services. The services themselves have long been referred to as *Software as a Service (SaaS)*, so we use that term. The datacenter hardware and software is what we will call a Cloud. When a Cloud is made available in a pay-as-you-go manner to the public, we call it a *Public Cloud*; the

service being sold is *Utility Computing*. ... We use the term *Private Cloud* to refer to internal datacenters of a business or other organization that are not made available to the public. Thus, Cloud Computing is the sum of SaaS and Utility Computing, but does not normally include Private Clouds.”

[Dan Farber of CNET](#) gives a few more specifics: "It's the notion that you can use the Internet—the cloud—to store a lot of data and applications and other things...there are three basic computing platforms today: the desktop, mobile applications, and the cloud.”

[Kevin Marks](#), Developer Advocate at Google, states "The idea of cloud computing comes from the early days of the Internet, where we drew the network as a cloud. We didn't care where the messages went—they came in one side and out the other, and we didn't have to worry about the network [because] the cloud hid it from us. [It's] a 'cloud' around [network] buckets."

## 7 Reasons Why Cloud Computing Works for Law Firms

1. **Elasticity.** The ready access to vast cloud resources eliminates the need for complex procurement cycles in continually purchasing more and more hardware, thus improving the time-to-value for the firm. Many organizations have deployment cycles that are counted in weeks or months, while cloud resources such as NetDocuments takes minutes and days to deploy.

While virtualization efforts have tremendous benefits towards server consolidation, it by itself is not sufficient to give the benefits of the cloud. While it may appear to the users that you have increased efficiency—temporarily at best—at the firm level you still own all the capital expense of the IT infrastructure. Imagine eliminating the need for hardware and related software for the firm altogether. Some firms have eliminated upwards of 60 servers—and that is just for running their DMS!

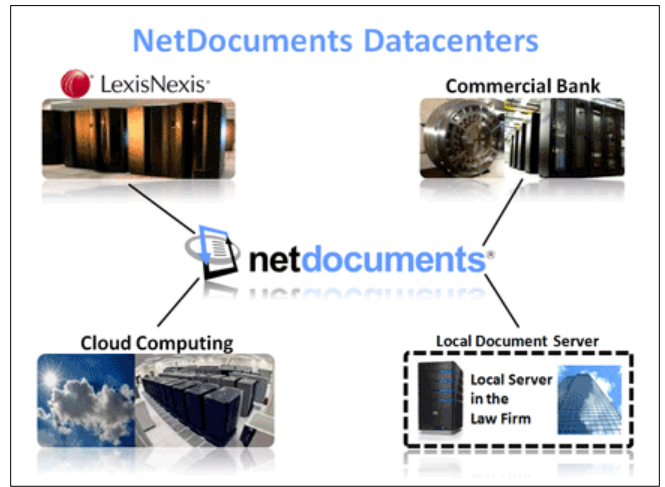
2. **Reduction of Costs.** SaaS applications and the cloud changes capital expense to variable expense and lowers operating costs. The utility-based pricing model of the cloud combined with its on-demand access to resources eliminates the needs for capital investments in IT infrastructure. And because resources can be released when no longer needed, effective utilization rises dramatically with our NetDocuments customers seeing a significant reduction in operational costs.

Economies of scale provided by the cloud can get you a real deal as compared with the economics of running applications in-house, not to mention continually dealing with sharp-clawed hardware, software and maintenance vendors. It also avoids the underestimating of related IT costs such as power and cooling limits within the firm's facilities, while at the same time “greening” your IT department.

By spreading costs over time, partners can more effectively allocate costs across existing and future law partners as they come on board.

3. **Removes IT Heavy Lifting.**

SaaS applications and the cloud allow IT to focus on delivering differentiating business value instead of wasting valuable resources on the heavy lifting that makes up most of the *undifferentiating* IT infrastructure. IT's focus shifts to the users' requirements, wishes and needs, and not belabored with tasks such as



provisioning and management of servers. Focus can be applied to innovation in how to apply cloud-based services with the needs of the firm.

Over time, NetDocuments has invested millions of dollars in developing technologies that could deliver security, reliability and performance at tremendous scale and at low cost. A service like NetDocuments is highly automated. Updates become consistent and automatic, and NetDocuments can maintain and ensure the latest in technologies are being deployed—all to your benefit without you lifting a finger.

Combined with the data center expertise of LexisNexis, and a commercial bank (both data center partners of NetDocuments) there exists a culture of operational excellence that is not available with any given firm—a reason why many of the largest firms in America are either co-locating or using SaaS applications such as NetDocuments at the LexisNexis Data Centers.



These data centers have better processing power, management and administration tools than a typical law firm data center would ever have. And the technology in the cloud can spread applications across thousands of servers and scale them quickly. Redundant servers, geographically dispersed data centers, and continuous monitoring and detection help ensure NetDocuments services are always available with a 99.9% uptime guarantee.

All of this expertise is instantly available to customers through NetDocuments as a cloud service.

4. **Competitive Advantage.** Cloud computing levels the playing field for law firms to remain competitively viable and better service the larger clients who have themselves world-class IT infrastructures (or in fact use the Cloud)—without the pressures of continued purchases of upfront capital requirements. You eliminate the Catch-22: *You have vowed to keep up with the business, but "just adding another server" doesn't cut it anymore, because IT must at the same time control spending.*

Cloud computing also gives smaller firms a chance to play on a more level playing field with the big firms, and it helps the big firms cut costs and trim technology needed to compete on a more personal level with clients, and have the agility typical of small firms.

5. **Business Continuity.** With catastrophic events regularly on the news, creating ownership and internalizing the processes for business continuity should be a way of doing business not an adjunct to the business. The variables as to what may happen are too many and too complex that any firm, of any size, should be prepared against any potential impacts that threaten the firm and provide a framework for building resilience in safeguarding the firm's assets. Business continuity planning is also expensive and has always been something only large corporate and the very largest of law firms, with large budgets, could afford.

There may be no single benefit to migrate to the Cloud and SaaS applications than the simple need to ensure your documents are protected and secured from disaster. Being seen to be a resilient organization represents a competitive advantage in dealing with clients and should so increase the expected return. With cloud computing, even small law firms can put a plan in place to ensure they are able to continue their business in the face of a radical environment change. By deploying NetDocuments, business continuity is built-in with no additional costs. All your intellectual assets are now protected, available and secure. Just simply go to any Internet-connected device and you have not lost a step in continued client service.

6. **Mobility.** Analysts at The Yankee Group point out that in Europe, high degrees of worker mobility tend to correlate with higher degrees of use of hosted applications that people can access from anywhere using a Web browser and broadband. About 37 percent of enterprises currently use SaaS in some form, says [Sheryl Kingstone, Yankee Group director](#). Enterprises with a more than 40 percent mobile workforce have adopted SaaS at a 51 percent rate.

The combination of lawyers' need to have their technology mobile and available for them, and the cloud infrastructure to support them, has the potential to transform the way firms share work product, innovate, and operate. No longer does one think that 'my work' is only within the office. It is anywhere the attorney is. It is available anytime the attorney wishes to work. Ubiquitous

connectivity coupled with NetDocuments takes advantage of the innovative technologies available today.

Firms are only scratching the surface when they begin to seriously consider the potential social media trends and benefits that can further enhance their collaborative and knowledge sharing on multi-party litigations with clients, co-counsel and others. But then again, a service as NetDocuments will probably enhance and expand into these new areas before a typical law firm would grasp the technology ramifications, resource limitations and costs if purchased or determined to build in-house.

7. **Additional services.** Cloud service providers, too, can offer services that an IT department otherwise wouldn't be able to afford, like added security measures, redundancy, global internet accelerators and bandwidth, and staff with cloud expertise. When a firm migrates to NetDocuments as their document management, there comes with it automatically built-in services for collaboration, Extranets/data rooms, records management, email management and imaging services.



The *power of one* repository serviced in the cloud avoids the connecting, fixing and wiring of multiple applications all with their own disparate repositories.

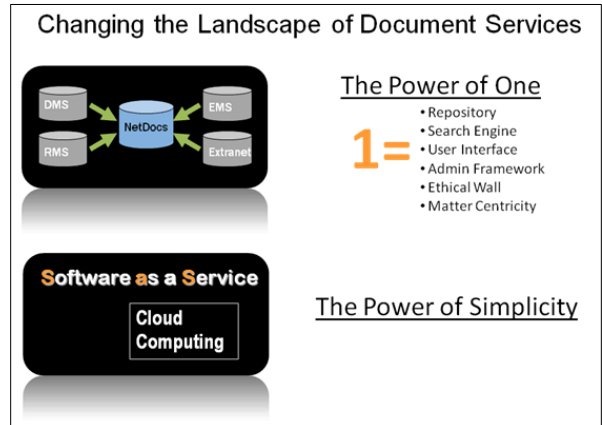
Take the rich functionality of enterprise-level searching for example. NetDocuments spent over two years building the FAST searching technology into NetDocuments. This sophisticated enterprise-level search with powerful features of snippets, proximity and phrase searching, entity extraction, find similar docs, etc., all become instantly available to its customers just by signing up for the service. For a firm to deploy an in-house search engine with similar functionality would spend into the tens to hundreds of thousands of dollars, require the same efforts and require the ongoing maintenance and servicing of such a major undertaking—let alone take them away from other innovative activities.

These additional benefits and services once the firm has adopted cloud computing incrementally increase the value of cloud services to the firm over time. What about hosted document comparing services, imaging services, metadata scrubbing services, and email hosting services...the list can go on and on...as the market evolves.

## A Review of NetDocuments – A Software-as-a-Service (SaaS) in the Cloud

NetDocuments, as a SaaS, cloud-based document and email management service, allows you the freedom to access and work on your documents anywhere and anytime, 24x7x365. Organize into matter-centric workspaces. Search the content of your Word, Excel, PowerPoint, PDF's, and emails. Have the peace of mind knowing your work is backed up and secured in world-class data centers.

A firm who deploys NetDocuments immediately has a document management, email management, collaboration, and digital records management—all within a single repository. It becomes the **Power of One**. One set of services across all your content, one set of searching services across all your content, one set of authentication and security across all of your content, and one user interface and global access across all of your offices and content.



The NetDocuments service has been in operation since September 1999. It is a very seasoned application with a rich set of features and functionality. Managing over 100 million documents one would think that the performance would degrade over time. The opposite has been the case. The ability of the company to continually enhance performance, and develop within a single cloud model infrastructure, the company has achieved record results in reducing response times in Internet based document work performance. During the past four years from 2009, NetDocuments has seen a 608% document growth yet has experienced a 47% faster response time for users in accessing and processing their documents. These results attest to the value of a SaaS application fully optimized for the Internet and to service customers of all sizes across 144 countries worldwide.

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