



# A Buyer's Guide to Law Firm Software



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# Introduction

Effectively managing your law firm's operations can often be a balancing act. Whether you're a solo practitioner or a lawyer at a large law firm, you are likely involved in various aspects of your practice. From document management and case management to billing and time tracking, keeping track of so many tasks and details can be challenging.

While not impossible, manually keeping track of multiple cases and deadlines can lead to stacks of paperwork, gaps in communication, and clerical errors. These inefficiencies can lead to unsatisfied clients and financial losses. Because of these challenges, many law firms are looking for specialized software to help avoid headaches and provide a better experience for clients.

Law firm software provides myriad benefits to firms, including improved collaboration between teams, enhanced security for client information, and more effective case management. In a Bloomberg Law 2022 survey of 190 legal professionals, 88% of the respondents agreed that legal technology is essential to their ability to meet clients' demands, while 86% agreed legal tech helps improve the legal services they provide. Legal technology, such as law firm software, can help automate repetitive or administrative tasks to free up time and resources that can be dedicated to focusing on clients.

Whether your firm is new to law firm software or looking to upgrade its existing software, choosing the right software for your firm can be overwhelming. That's why we put together this buyer's guide to help you understand the different types of law firm software and what to look for. By the end of this guide, you will have all the information you need to make an informed decision that guarantees satisfaction with your choice. Let's dive in!

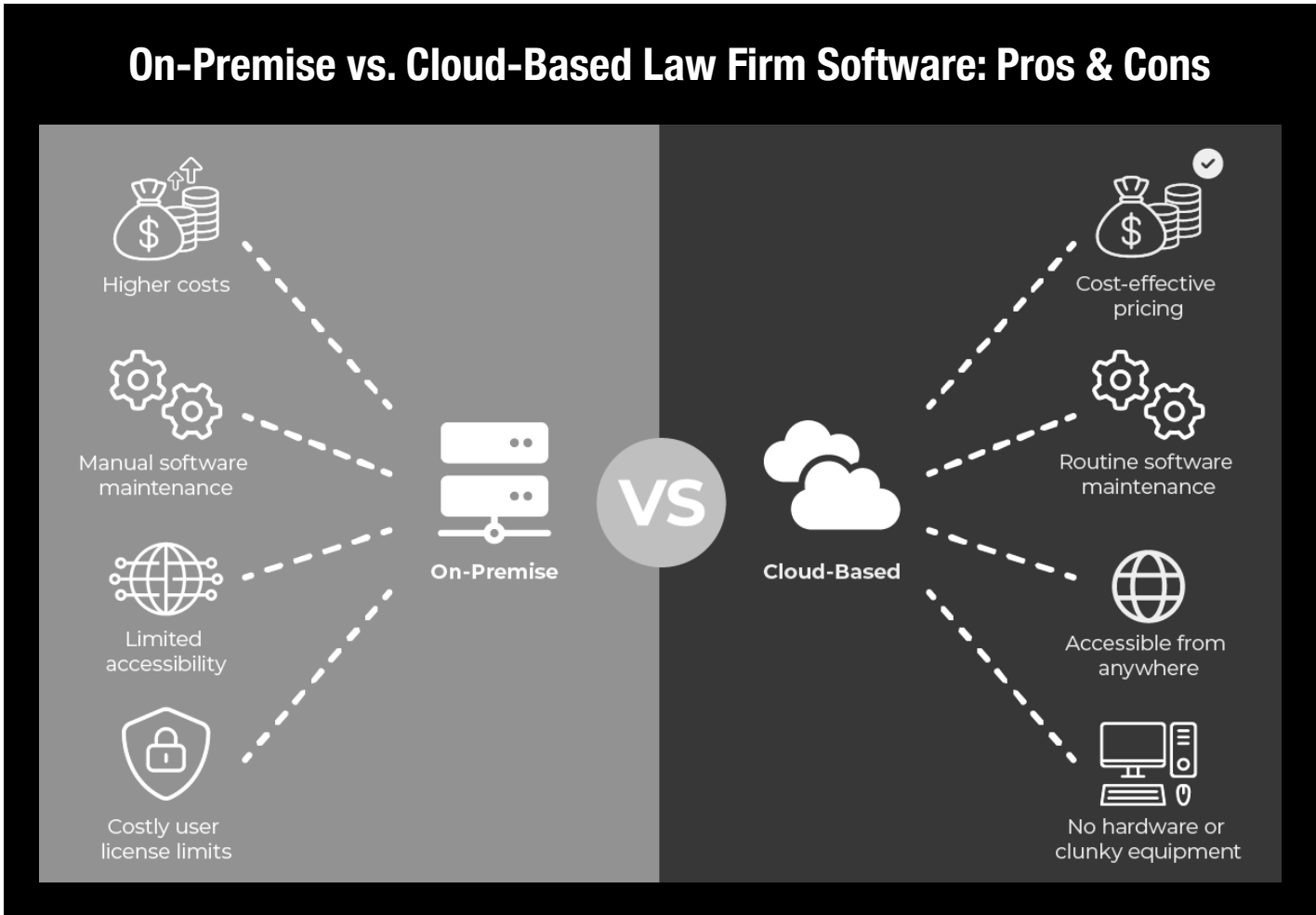


# What is a Law Firm Software?

what

Law firm software is a type of software that helps law firms manage their business operations, case files, and daily workflows more efficiently. Sophisticated law firm software can help firms streamline everything from document management and data security to Client Relationship Management (CRM) and client experience.

The idea isn't to make your firm overly complicated with new, complex technology that requires an IT department to manage; it's to streamline your day-to-day functions, so you can focus on more important things—like practicing law.



Now that you have a solid understanding of what legal software is and its purpose, let's explore two common types of law firm software you will encounter in your search: on- premise vs. cloud-based software. In this section, we will highlight the pros and cons of both deployment methods to help you better understand which one fits your firm's needs.

# On-Premise Law Firm Software

On-premise software is installed directly on the law firm's computers and local network. When a user needs to access the software, they will need to use a computer that has the software locally installed and is connected to the local network. In 2018, Gartner predicted the "death of on-premise software" by 2025. However, the COVID-19 pandemic in 2020 became the catalyst for this trend. As businesses everywhere were forced to adapt to a remote workforce overnight, the difficulty of accessing data and operating remotely exposed the limitations of on-premise data centers and hardware.

Despite this shift, there are still benefits to using on-premise software. Let's take a look at the pros and cons.

## Pros:

- **Greater control over security & access:** In some cases, an on-premise solution can allow firms greater control over who can access the data and the security measures surrounding how the data is stored. This added level of security helps firms safeguard their clients' personal information and prevent unauthorized access to confidential data.
- **Eliminated dependency on the internet:** On-premise software programs don't require internet access, making it possible for firms to continue working without interruptions in the event of an internet outage. Firms can ensure they continue providing their clients with the level of service they expect without missing a beat.

Software can be customized to your needs: On-premise software can sometimes accommodate customizations to the software more easily than with a cloud-based solution. This can be useful for law firms that want to incorporate specific rules or workflows into their document management system.

## Cons:

- **Limitations on user licenses:** Generally, on-premise software has a usage license set to a certain number of users. Once this limit is reached, your firm will be required to purchase additional licenses. Depending on the size of your firm and its plans for the future, this could be expensive and frustrating.
- **Ongoing software maintenance:** With on-premise software, your law firm is responsible for upgrades or updates, routine maintenance, or technical problems. This responsibility might mean hiring a full-time IT professional to manage and maintain on-premise software for a larger law firm.
- **Higher up-front costs:** Law firms can expect the upfront costs of on-premise software to be higher due to the license fees, implementation and setup fees, and the required hardware and infrastructure. Some of the ongoing costs associated with on-premise software include in-house IT personnel, hardware, data storage, and network upgrades, energy consumption, and the potential costs from failed backups and cyber threats, to name a few.

# Cloud-Based Law Firm Software

Cloud-based software is hosted on third-party servers and can be accessed over the internet. Users who want to access the software can use any internet-enabled device, such as a laptop, phone, or tablet, using their username and password. Some cloud-based solutions also offer mobile apps, giving users the full power of the software in a mobile-optimized format.

The use of cloud-based software in the legal industry has grown significantly, in no small part due to COVID-19 and the shift to remote work. In the 2022 ABA Legal Technology Survey Report, 70% of lawyers surveyed confirmed using cloud-based software at their firm. Of these, 84% of solo practitioners reported cloud usage, followed by 75% of small and medium-sized law firms.

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Let's take a look at the pros and cons of cloud-based software for law firms.



## Pros:

- **Cost-effective pricing:** Cloud-based software is typically subscription-based and offers tiered pricing to meet the varying needs of law firms of all sizes. Additionally, there is no need to purchase hardware and other infrastructure. The nature of a cloud-based model also allows firms greater flexibility when they are ready to scale and add users or pay for additional features.
- **Accessible from anywhere:** The most significant value to law firms that use this kind of software is that users can access it from anywhere. Cloud-based software supports remote working; your legal team can get the information they need and work on cases from anywhere as long as they have an internet connection and the proper login credentials.
- **Ongoing technical support:** A significant benefit of cloud-based software is that regular upgrades and updates, along with technical support for problems and concerns, are generally included. That means a law firm that uses cloud-based law practice management software will not need to budget for upgrade costs, additional maintenance, or related expenses.

## Cons:

- **Reliance on internet connectivity:** Cloud-based software must be connected to the internet to work. In the event of an internet outage, your law office could temporarily lose access to data stored on the software. However, your team will be able to relocate to any location with internet connectivity and resume working.
- **Concerns over data security:** Law firms with strict and particular security requirements may be uncomfortable with this type of remote storage and access. Some firms require more substantial control over the data they collect and store. For firms with this dilemma, it's essential to look for a cloud-based solution equipped with high- security features like ABA and IOLTA compliance, 256-bit military-grade encryption, and customizable security level and access settings.
- **Limited customization:** In some cases, cloud-based software is less customizable to each firm's specific needs. Firms must rely on the software provider to roll out new features and updates on their own schedule.



# Types of Law Firm Software

types

We just gave you the low-down on cloud-based vs. on-premise software. Now let's get into the different types of software law firms have to choose from. In this section, we'll break down each type of legal software and its key features. Armed with this information, you will be able to confidently select the software that fits your needs and provides the most significant benefit to your firm.

## Legal Practice Management Software

Firms that choose legal management software are looking for a comprehensive solution that can tackle a multitude of tasks. Essentially, they are looking for all-in-one software to streamline all their processes into a centralized system. Practice management software helps firms automate administrative and financial tasks, like appointment scheduling, billing and invoicing, client relationship management, and more. It's an excellent choice for larger firms with a lot to keep track of and small firms or solo practitioners where one person may be unable to do everything.

## Legal Case Management Software

Legal case management software focuses on tracking all the specific details, deadlines, and progress of individual cases. Common features include document management, contact management, and automated workflows for routine processes like client intake.

## Legal Document Management Software

A legal document management system helps firms manage the collection, storage, organization, and retrieval of their documents. Advanced features include document version control, remote collaboration, and template libraries, to name a few.

Document management is vital to keeping the information you need easily accessible while securing your clients' confidential information safe. This software also helps your law firm comply with data security laws and regulations.

## eSignature Software

E-signature software enables parties to electronically sign legally-binding documents from any location. This software eliminates the need for manual printing, scanning, and mailing legal documents, reducing the time wasted going back and forth and following up with third parties and clients for document signatures.

Additionally, a robust eSignature solution will use authentication to verify the signer's identity and encryption to secure the document's integrity. With the right eSignature software, a firm can keep cases moving forward smoothly and securely.

## Legal Calendaring & Scheduling Software

Scheduling and calendaring software is designed to help firms manage schedules and case deadlines effectively. This software allows lawyers and legal professionals to schedule appointments, track court dates, and keep tabs on other important dates. Scheduling and calendaring software can solve many headaches for teams that struggle to coordinate their schedules.

Legal calendaring software is a more comprehensive alternative to docketing software, offering a way to centralize day-to-day tasks, events, appointments, and deadlines in addition to case-related dates and deadlines the typical docketing software can track. The main benefits of this software include improved collaboration between teams, increased organization, and improved time management— all of which result in better service to your clients.

## Legal Billing & Payments Software

Legal billing and payments software helps firms automate their manual billing process to reduce time spent on administrative tasks like generating invoices and following up on payments. This software helps firms view their billing and payment activities at a glance, providing a bird's eye view of where the firm can improve its financial performance and where they excel. Additionally, legal payments software helps firms process payments in compliance with ABA and IOLTA rules and receive payments up to 70% faster.

## Legal Accounting & Bookkeeping Software

Law firm financial management takes time, effort, and understanding. Many firms hire a bookkeeper and work with an accounting firm to ensure everything from billing to taxes is handled correctly. When firms use legal accounting & bookkeeping software, law firms can more easily provide information to their accounting professionals come audit season.

## Trust Accounting

Trust accounting is a legal practice where the law firm manages its client's funds in a secure account. This account stores client funds that have not yet been used but are intended for legal fees. Law firms must take precautions to keep the money separate from the law firm's funds and use it only for its intended purpose. Trust accounting software can assist you in maintaining accurate financial records, effective account management, and compliance with state bar laws and regulations.

## Client Relationship Management (CRM) Software

Attorney-client relationship management is a massive part of the success of any law firm. When a firm takes on a new client, they need to know all the pertinent details about the client and their case. Without CRM software, it can be easy to overlook information about a client that could be very valuable to the case. This software helps law firms automate client intake forms and onboarding to ensure that all the critical questions are asked.

## Legal Time & Expense Tracking Software

The right time-tracking software can help law firms track billable hours and expenses accurately across every case, making it easier to bill clients without error. Automating time and expense tracking saves your team time on administrative tasks and helps you recover lost revenue from unbilled tasks discovered through custom reporting features.

## Legal Reporting & Insights Software

Real-time data from legal management reporting and insights software helps law firms understand what is working and what might need to be adjusted. It can show whether there has been a reduction in client numbers, a shift in the types of cases taken, or other trends in performance. With this information, law firms can make informed decisions on pricing strategy, service offerings, client service, and more.

## Legal Contact & Matter Management Software

Attorneys and legal professionals interact with various external parties, including expert witnesses, their local court system, police, and other types of law enforcement. These routine interactions require tracking all the information about these interactions in a centralized location. Legal contact management software helps law firms keep track of contact information and communications with external parties. With every interaction logged in one place, contact and matter management software makes it easier for law firms to find the information they need and reduces the chances of overlooking a critical interaction.

## Legal Task Management Software

Task management software helps law firm teams stay on track to meet deadlines by organizing daily schedules and to-do lists into one user-friendly dashboard. This software helps lawyers see their pending tasks at a glance to prioritize their day and get more done. By meeting deadlines and ensuring tasks aren't overlooked, lawyers can build trust and strengthen their client relationships.

# 6 Benefits of Using Law Firm Software

benefits

We've shown you the various types of law firm software available on the market and shared some technical knowledge you'll need when evaluating different solutions. Now let's get to the good stuff: the real reason so many practices are adopting a software solution in the first place. In this section, we'll share six ways (although there are many more) law firm software can enhance your team's performance and help you better serve your clients.

## Benefits of Using Law Firm Software



### 1. Improved Productivity and Organization

Law firm software helps automate routine administrative tasks and improve your team's productivity, saving you up to eight hours a week. Automating areas such as scheduling, time tracking, and file organization gives your team time back in their day that can be spent on their cases and developing client relationships.

### 2. Greater Transparency and Collaboration

Coordinating deadlines and tasks between team members can be a challenging feat. Law firm software can improve your team's workflow by providing greater visibility into task status, team member availability, and upcoming deadlines.

Team members can hold themselves and each other accountable, communicate using real-time data, and identify any potential setbacks before they happen. This visibility is especially important for teams with remote employees or multiple offices.

## 3. Streamlined Invoicing and Billing Processes

Let's be honest. Time tracking, expense reports, invoicing, and billing are probably the least glamorous parts of practicing law and the most time-consuming. Law firm software can ease this burden by reducing payment times and increasing your cash flow. From the client-facing side, you will be able to provide a better client experience with consistent and on-time billing.

## 4. Higher Level of Profitability

We've already established that legal software automates your administrative workload. But what does this mean for your firm's bottom line? Let's look at client intake as an example. Client intake is one of the most critical activities to the growth and profitability of your firm. However, it can also be a bottleneck if there are delays in your client's schedule and they can't fill out an intake form in person.

Law firm software allows you to automate the process with online client intake forms that your clients can access anytime from any location. This feature lets you quickly qualify prospective clients and take on new business.

This is just one of many ways law firm software increases your profitability by reducing the amount of time you or your team spends on non-billable tasks.

## 5. Enhanced Client Satisfaction

We've talked a lot about the improvements you'll see in your internal processes when you implement law firm software. These improvements won't go unnoticed by your clients. Law practice management software helps firms provide a more efficient, frictionless client experience that builds a positive reputation for your firm. When your clients are satisfied with their experience, they are more likely to come back to you for repeat business and recommend your services to others.

## 6. Increased Capacity for Remote or Hybrid Work

Remote work is much more common (and in demand) than it used to be. From an employer's perspective, developing remote work capabilities is critical for employee recruitment and retention.

With cloud-based practice management software, firms can better support remote and hybrid working arrangements to provide flexibility for existing employees and remain competitive with prospective employees.

# When Is The Right Time To Invest in Law Firm Software

time to invest



As you've seen, legal software provides a slew of benefits that can help improve your practice's financial performance, streamline collaboration and workflows, and help you provide a superior client experience.

You might be wondering — when is the right time to invest in law firm software? Law firm software can be a sizable investment, and timing can make all the difference when it comes to realizing its full potential and seeing a return on your investment. In this section, we'll walk you through how to determine whether your practice is ready for law firm software.

- 1. Consider your firm's size and growth:** If your law firm is experiencing rapid growth and high client volume, it's the perfect time to consider law firm software to help you handle an increased workload while maintaining a high level of customer service.
- 2. Assess your existing workflow challenges:** If manual processes are taking up too much of your firm's time, it might be time to implement a software solution that can streamline these processes. In the same vein, if your manual processes are causing missed deadlines, inaccurate information, or hindering your firm's growth, it might be time to implement law firm software.
- 3. Determine your available budget:** It's important to determine how much budget your firm has available for legal software. The right software should bring you a positive ROI through improved productivity and reduced non-billable hours. Consider the costs of the software and weigh them against the benefits to help decide whether the time is right.

The short answer to whether it is the right time for a firm to invest in software would be that it depends. Ultimately, the firm's specific circumstances and needs are what matters most.



# How To Choose The Best Law Firm Software

*(Step-by-Step)*

how to choose

As you've seen, legal software provides a slew of benefits that can help improve your practice's financial performance, streamline collaboration and workflows, and help you provide a superior client experience.

Once you've determined that your firm is ready to invest in a software program, it's important to choose the right solution.

Choosing the right legal practice management software boils down to what will satisfy your firm's needs the most. Sure, there are plenty of options—but you want your money to bring in the best value.

Here are the most critical steps for any firm to follow when choosing law practice management software.

## Step 1: Identify Your Firm's Needs and Goals

Before you start your search for a software solution, you need to determine the needs and goals of your firm. Ask yourself, "What tasks and functions should the software perform to benefit the firm?"

Think about specific pain points in your current workflow that software can resolve. Maybe your firm needs better document management or help to handle scheduling conflicts. Whatever the case, make sure you know what features are essential for your firm. Consider the specific practice areas your firm services and whether your software will need to offer special capabilities. For example, if your firm specializes in estate planning, you will need software with trust accounting capabilities.

Gather data on how many cases your firm handles and the number of clients you serve to determine the level of automation your firm needs. Small firms that cater to a limited number of clients might not need the same software features as larger firms with a larger client base.

Once you have a clearer picture of what you need from your legal software, you're ready to start your search.

## Step 2: Determine Your Law Firm's Budget

Next, you must determine what your firm can and should spend on software. You should evaluate the firm's financial standing, growth rate, and software's importance in realizing your long-term goals.

As mentioned previously, it's crucial to account for the total cost of the software and not just the initial cost. Consider long-term costs like subscription fees and upgrades since these will increase the total cost of your software over time.

Determine whether your firm wants to make a one-time purchase or several payments over time, and budget accordingly. Remember that software is an investment that will benefit your firm in the long run through increased efficiency and profitability.

## Step 3: Research and Compare Software Options

Now, you're ready to create a list of software options that fit your needs and budget. Research each option's features and capabilities and compare the price and terms each software option offers. Consider the technical requirements and whether the software is compatible with current systems.

## Step 4: Look for Customer Reviews and Ratings

With your list in hand, look for customer reviews and ratings written by actual software users on independent sites where reviews will not be biased. Read through positive and negative reviews, keeping the reviewer's needs and context in mind. These reviews can help you get a more accurate understanding of a software's strengths and weaknesses. Additionally, it can be helpful to reach out to firms and legal professionals currently using the software to get additional feedback.

## Step 5: Start a Free Trial or Book a Demo

Look for free trials or demos of the software you are evaluating; these are great ways to experience the software first-hand and see if it fits your needs and workflow.

Use the demo period to ask questions or address concerns with the software vendor. This can also help you get a feel for how the software provider treats their customers and the level of support you can expect.



# Law Firm Software Checklist

checklist

If you followed the steps above, you've probably narrowed your list down to a few solid options for law practice management software.. We've put together this checklist to help you evaluate your options and make an informed decision.

-  Software Security & Compliance
-  Compatibility With Existing Systems and Processes
-  Software User-Friendliness
-  Ability To Scale As You Grow
-  Pricing and Subscription Options

## Software Security & Compliance

Law firms must ensure their practice management software is compliant with security and privacy standards. Your firm has access to a lot of confidential information and sensitive data every day. This includes information clients provide about themselves and their finances and information about your firm and its proprietary practices.

Data breaches and unauthorized access could cause harm to clients and to the firm itself, so

minimizing the risk is extremely important. Make sure your solution has security measures in place, like two-factor authentication, to prevent unauthorized access to your account.

Additionally, you must ensure your software of choice is legally compliant with HIPAA and applicable state bar rules.

## Compatibility With Existing Systems and Processes

Make sure the software you choose is compatible with your current systems and practices. If the software does not work with your existing technology stack, that compatibility issue could be very costly.

If you already use law firm software, think through your current workflow and account for all the information you rely on your software to manage. Make sure your new solution can provide you with a similar or improved alternative. A smooth transition from one software to another is critical to reducing disruptions in your workflow.

Software providers should enable automatic data transfer from your existing software to your new software to mitigate the risk of errors or data loss. Some software providers offer migration. In this case, it's essential to understand the service's cost and expected completion timeline.

## Software User-Friendliness

Evaluate the solutions you are considering for user-friendliness. Your legal software should be easy to navigate and intuitive to use. Your goal should be to choose a solution your team will be able to learn quickly, regardless of how tech-savvy they are.

Research the training and support offered by the software provider to ensure your firm will be supported throughout the transition. A steep learning curve without adequate support can not only cause frustration among your team but can result in a lengthy training period.

## Ability To Scale As You Grow

Your software solution needs to meet your needs throughout every stage of your firm's growth so that you don't have to switch to a new solution as you scale your firm. By looking ahead and ensuring your software can accommodate growth, you can protect the financial investment you're making.

Look for software that offers scalability in terms of the number of users, complexity of features, and availability of data storage. Your software provider should also have reliable technical support to guide you through any technical issues that arise as your firm continues to grow.

## Pricing and Subscription Options

At the end of the day, you want to choose a solution that fits your budget without sacrificing functionality. When evaluating the price point of software, think about the total price. This includes the cost of hardware, software licensing fees, time spent on implementation and training, and ongoing maintenance.

Consider the type of subscription model you prefer, whether it's monthly, annual, or a one-time fee, and choose the one that best fits your needs. Look for flexibility in pricing, allowing you to pay for only the features you need without paying for any you don't.

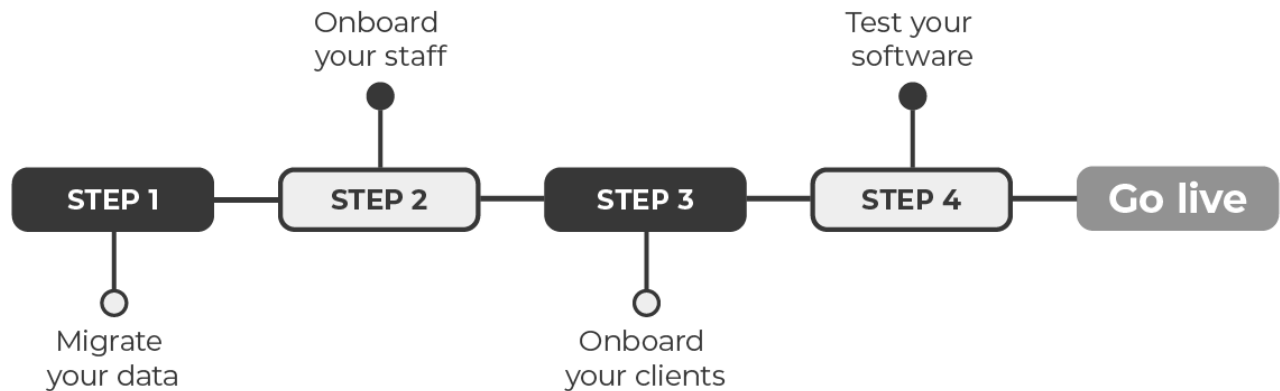
# How To Implement Law Firm Software

*5 Best Practices*

implement



# How to Implement Law Firm Software



You've made it through the research process and decided on the software that works best for you. Congratulations! Now it's time to implement your law practice management software. Here's what you need to consider to get your software set up and running as quickly as possible.

- 1. Migrate your data:** Migrating data is the first step in new software implementation. Firms need to make sure everything transfers over properly and nothing is getting lost during the process.
- 2. Onboard your staff:** After all data has been migrated, you must ensure your team is properly trained on how to use the new software. Make sure every team member understands the importance of adopting the new software and how it will improve your firm's processes. Depending on the level of support from your provider, this might involve scheduling a live training or sharing user guides and instructional materials. Make sure your team is fully prepared for the switch to minimize any interruptions to their workflow.
- 3. Onboard your clients:** Once all staff members have appropriate training, it is time to turn your attention to your clients. Make sure you communicate clearly how the new software will benefit them and reassure them that you will be there to answer any questions they might have. Make sure your clients understand how to use any client-facing features, such as a client portal, and can readily access their information.
- 4. Test your software:** Before any new software goes fully live, you need to test it and ensure it is working correctly and has no issues. Test all features and functionality, assign appropriate access levels, and ensure proper connectivity with other systems in your workflow. If any issues arise during testing, ensure they are addressed before your software goes live.
- 5. Go live:** Once your software has been tested and any issues resolved, you're ready to make the switch. Make sure to give everyone advance notice of the go-live date. Switch to your new solution and monitor its performance and your team's happiness to identify whether any adjustments need to be made.

Implementing new software can be seamless for law firms with the proper planning, training, and testing. If you follow the steps outlined above, you'll be one step closer to ensuring a smooth transition for your firm.

# Summary

You've reached the end of our Buyer's Guide to Law Firm Software. By now, you should have all the information you need to decide on law firm software confidently.

Whether you're investing in software for the first time or switching to a new solution, we hope we have provided you with valuable insights to find the perfect solution for your firm. Here's a quick recap of the main takeaways from this guide:

You learned how law firm software could be a game changer for firms of any size by helping to streamline their day-to-day operations. By automating routine administrative tasks, your firm can focus on what really matters: your clients.

Next, you learned about the types of law firm software available to automate various areas of practice management, from client intake to invoicing and payments. You also gained an understanding of the differences between on-premise and cloud-based software and the pros and cons of each.

But why should you invest in law firm software? We explored the many benefits of implementing law firm software and how to determine if the time is right to invest in a practice management solution.

If you've decided the time is right for your firm, you saw step-by-step how to evaluate your firm's needs to determine what you need from a software solution, how to evaluate the various options available, and how to ensure you choose the best solution for your firm. Last but not least, you learned the importance of planning a smooth transition to your new software. By providing adequate training for all users, you can ensure your entire firm is on board and ready to take advantage of your new system.



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