

Legal Practice Management Buyer's Guide

How to Make the Best Decision
for Your Law Firm



rocket matter

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Before You Start

Congratulations! If you're reading this guide to legal practice management software, you're clearly interested in running a law firm that:

- Is organized
- Runs efficiently
- Facilitates collaboration across individuals and teams
- Introduces fewer errors into work product
- Offers excellent client service
- Stays on top of financial information and other key performance indicators

This is a succinct, up-front guide for busy lawyers and legal professionals to use to help them figure out their practice management journey. Because we at Rocket Matter have been in the legal practice management software game for so long, we're used to seeing what law firms encounter - when they first start looking all the way through implementation and established usage.

At Rocket Matter, we recognize that no one solution is perfect for everyone. While many readers of this guide will end up using our particular flavor of legal practice management software, our goal is not convince everyone to join our tribe. It's much better for you and for us if you find the right fit.

Along those lines, you're going to have the best outcome if you involve your staff in the decision-making process. The worst outcomes happen when attorneys and their billing

department are not aligned. In those instances, and after selection and implementation (and dollars spent), the firm simply cannot work together on the software and have to abandon their efforts.

For a successful journey, incorporate your team and think through and discuss the issues we highlight here. We wish you the best of luck!

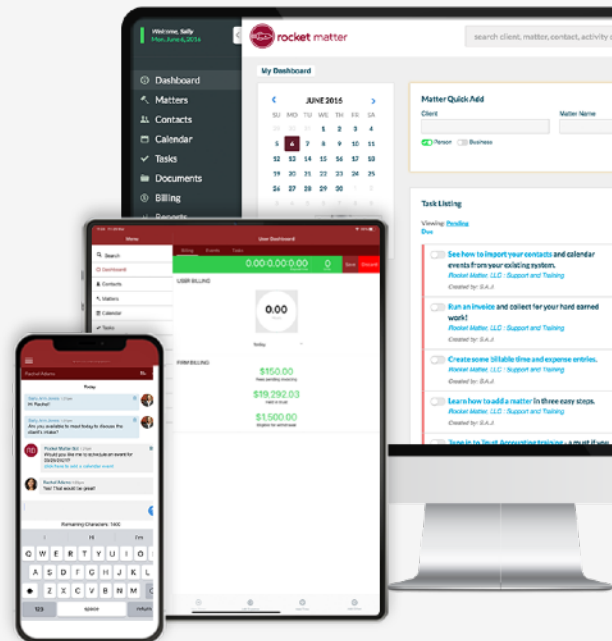


About Rocket Matter

Rocket Matter helps law firms offer better client service and also increase revenues by more than 20%. The company was the first cloud-based legal practice management software on the market, landing its first client in 2007. It has been a leader ever since.

Rocket Matter has the most powerful, easy-to-use time and billing software in the industry. Also, when law firms want to make more money, go paperless, or increase confidence in their trust accounting, Rocket Matter helps them achieve those goals. With award-winning customer service based in the United States, it's no wonder thousands of law firms swear by Rocket Matter.

For more information about how Rocket Matter can help you run a more productive and profitable law firm, visit www.rocketmatter.com today.

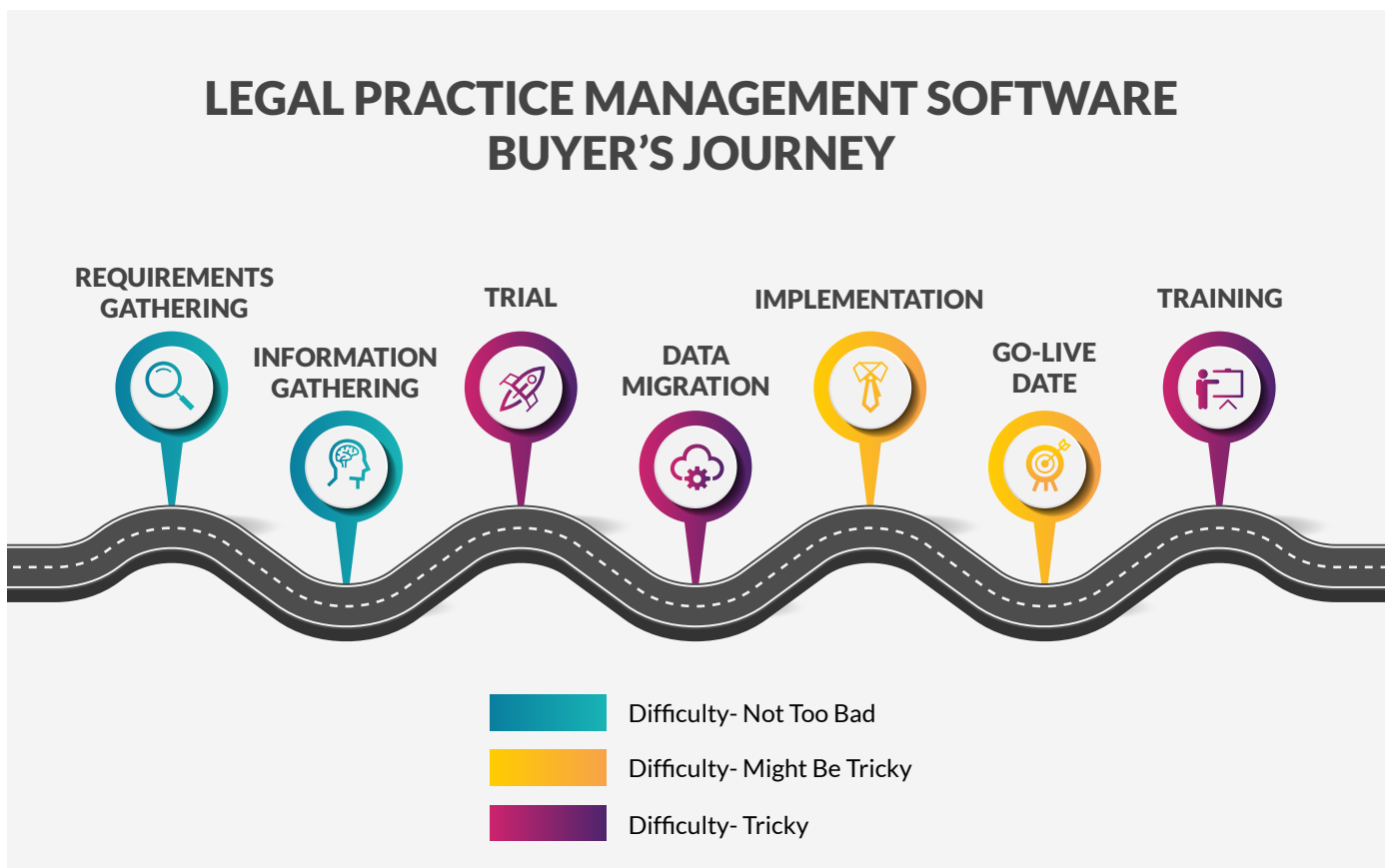




What to Expect in Your Buyer's Journey

Part of having a successful software adoption process is having proper expectations about the steps along the way. Some steps, like data migration, are trickier than others. If you're a small firm moving to new legal practice management software, your journey is going to be shorter and less complex. But for larger firms, you're going to have more stakeholders, will need more input from different departments, have more software systems to think about, and will likely need to consider how to shield data from one team to another.

The stages of your buyer's journey can be broken down as follows:



1. **Requirements gathering:** Determine what the firm's needs are.
Difficulty: Not too bad.
2. **Information gathering:** See what software is out there and available to match your firm's needs.
Difficulty: Not too bad.
3. **Trial:** See if the features of the software live up to the promise. Get feedback from your team to see which software they prefer.
Difficulty: Tricky, depending on your team's willingness to break out of their comfort zones and try new processes.
4. **Data Migration:** Purpose: Move data from your old system to your new legal practice management software.
Difficulty: Tricky, depending on the age of your system and the software itself.
5. **Implementation:** Getting your system set up the way you want and mapping new processes.
Difficulty: Depending on the flexibility of your new software – and the flexibility of your staff to adopt new ways of doing things.
6. **Go Live Date:** The day when you start using the new system and no longer use the old, aside from referral purposes.
Difficulty: Day one is tricky if you're not prepared. If you've done a good job in the previous steps, there should be no surprises.
7. **Training:** Protect your technology investment by getting staff to use the software in the correct way.
Difficulty: Tricky, depending on the willingness of the staff to adopt new ways of doing things.

Based on our experience working with thousands of law firms, the two toughest parts of a legal practice management software adoption process are migrating your data and adoption. For this reason, we devote two chapters of this book to these respective topics.

Also, note that training should 100% not be an afterthought. You will get the most use out of your software if you invest time and money in proper training. Many firms skip this step and end up paying for it later because of improper usage, failed adoption, and other pitfalls that arise when the team is not comfortable with the software.



Cloud vs. On-Premise Legal Practice Management Software

Software comes in two varieties: Cloud and On-Premise.

Cloud software does not require you to own and maintain a server at your office. You access it through phones and Internet browsers like Chrome or Safari, similar to Gmail or Facebook. Rocket Matter is an example of cloud-based legal practice management software.

The advantages of cloud software include:

- No servers means no server maintenance, and backup machines, which means lower upfront and ongoing internal IT spend.
- You do not have to worry about software upgrades - or ransomware - on the machines that host your mission-critical business data.
- Adding or removing users is easy and does not require installing or removing more software on new computers.
- You are able to access your law firm's information from anywhere.
- Cloud legal software is generally newer and features more modern interfaces.
- The neutral, web-based interface of cloud software means it can be accessed on Macs, PCs, or even Linux, so lawyers can run any type of computer they choose.

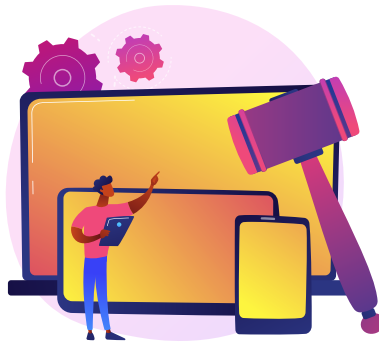
Another reason to consider cloud-based software is if you are already using tools like Dropbox, Quickbooks Online, or other common cloud-based tools. Cloud softwares are designed to communicate with other cloud softwares, so you're often able to connect your systems together via an integration. For example, from within Rocket Matter, you can upload documents to Dropbox, associate a folder with a matter, add billable time to your Dropbox documents, and perform other integrated functions.

On-Premise software is named so because you need to run and install it at your place of business. You access it through other computers at the office, and if you're not at the office, you need to configure and use remote desktop software to access your information. An example of market-leading on-premise legal practice management software is Tabs3.

The advantages of on-premise software include:

- Some lawyers feel more comfortable having their servers reside in their residences.
- On-premise software is able to integrate more tightly with other desktop-based software, such as email or accounting software.
- Some brands of on-premise legal practice management software, like Tabs3, have been around for 30+ years. This means they might have rich or specialized functionality absent in cloud software.
- The more traditional, Windows-based interfaces of on-premise software may be more comfortable to some veteran legal professionals.

On-Premise software can be hosted at remote computing location known as a data center. This configuration is referred to as a "hosted solution", although for marketing purposes the term "cloud" is often used, which can make things confusing for lawyers struggling to get their head around the difference. Hosted solutions eliminate the need for you to run a server and manage the corresponding security updates. You access your software through remote desktop software. Hosted solutions are thus good options for people who want on-premise without the burden of running a server at their office.



Benefits of Legal Practice Management Software

Some small law firms use a duct-taped system of Word, Excel, and Quickbooks to manage their cases. Compared with a platform dedicated to running a law firm, these systems are very inefficient. They don't, for example, allow you to search for custom fields across your matters. They don't flow the time you spent on your calendar or tasks directly onto your invoice. They don't keep running billable time totals, trust balances, pending invoicing, and receivables up-to-date as users perform actions.

Legal practice management software can wildly vary in function and style, but fundamentally there are commonality across different applications. Most platforms offer some version of the following:

The Basics

- Keeping on top of your clients and matters
- Creating and managing documents
- Capturing time
- Running invoices
- Tracking trust account balances
- Checking for conflicts
- Managing your firm with analytics

- Calendaring and managing deadlines
- Tracking your emails

Some platforms, like TimeSolv, focus mostly on time capture and invoicing. Others, like Cosmolex, include features such as full back-end accounting for the firms that don't want to use Quickbooks. Others, like Rocket Matter, specialize in rich practice management features like project management, business intelligence, and Kanban boards that go beyond what most law firm software offer.

We'll get into economics later on – but the big picture is that legal practice management systems help law firms not just become more organized, they help them become more efficient.

Beyond the Basics: Additional Value-Adds You Should Consider

Matter Templates allow you quickly setup matters without a lot of manual configuration. Imagine you're setting up an estate plan, an H1B visa, or an uncontested divorce. You probably have to do the same things over and over again, some of which are governed by firm policy, others by rules of procedure. Matter templates allow you to define billing arrangements, tasks, calendar events, deadlines, and data fields. Once these are setup, you can instantly create a matter with all of those items ready to go, sparing you the time wasted and human error of manual setup.

Document Assembly (or Document Automation) gives you the ability to create a document with the push of a button. The way it works is this: you take a document you use over and over again (fee agreements, hearing notices, wills, etc..) and transform it into a fill-in-the-blank template. You can even incorporate if-then-else logic. Then, you can merge the document with data stored in your legal practice management software. It's a massive time and error-saver and a much improved version of copying-a-document-and-using-find-and-replace.

Electronic Invoices saves you the burden of printing invoices, stuffing them into envelopes, addressing them, stamping them, and sending them. With electronic billing, your legal time and billing software generates PDF invoices and shares them with your clients. Invoices can be shared via emails or secure client portals.

When electronic invoices are combined with **Electronic Payments**, the firm no longer must wait 30-60-90 or more days to receive a check in the mail. The client will sometimes even pay their bills online on the same day. The firm is able to charge the client whenever they want, because they can keep client payment information on file in a secure manner. Billing personnel also don't need to manually update their ledgers by typing in the received amounts – this happens automatically when an electronic payment is received.

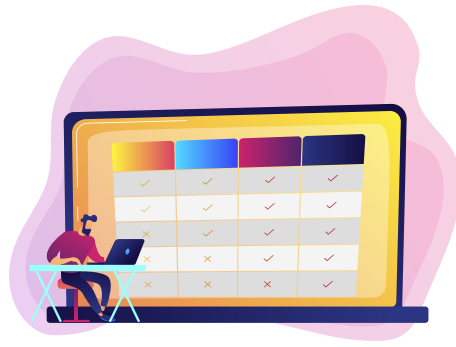
Recurring Billing and Payment Plans enable law firms to establish alternative payment methods with clients. Payment Plans are often popular with family lawyers, criminal defense attorneys, and other consumer-facing law offices. These allow you to keep payment information securely on file and whittle down a large amount in smaller, digestible amounts, on weekly, monthly, or even a daily basis. Recurring Billing is similar, although you are not chipping away at a large amount. Corporate lawyers sometimes like this option, providing monthly service in return for a monthly fee.

Kanban Boards are great for visually-minded lawyers. They help law firms see the status of all of their cases at a glance. They depict matters as virtual index cards, traveling from left to right through different stages of a matter. For example, a lawyer can glance at a Kanban board and see how many of her cases are in discovery, pre-trial, or whatever status she defines. Additionally, when there are too many matters clogging one stage of a Kanban board, this is a signal that this stage of work is a bottleneck and needs to be optimized. For more information about Kanban boards, please see the Rocket Matter e-book [*Lean Law Firm Basics*](#).

E-Signature is now commonly integrated with legal practice management software. If you're late to the party, documents as wide-ranging as routine contracts to multi-million-dollar mergers and acquisitions are being signed with electronic signatures. Several states

now even have guidelines for *wills* via e-signature. When an e-signature product is integrated with a legal practice management system, any documents you created via document assembly (see above) or stored for whatever purpose can be easily sent out for signatures.

Reporting, Business Intelligence, and Analytics are critically helpful to the management of the law firm when reviewing performance or conceiving strategy. It's critical to take a look at the reporting capabilities of your candidate software and match them up with the information you need to have on a regular basis. You don't want to move forward with a software and find out a month or two into your usage that it doesn't have the key report you rely on. Some legal practice management software has more capabilities than other when it comes to reporting, and some, like Rocket Matter, allow users to design their own reports.



Beware the Feature Grid: Not All Features are the Same

If you're an educated consumer, one thing you may stumble across when investigating legal practice management is a grid that compares features from one system to the next. There will be rows with features, like "conflict check" and green checkboxes or red x's in the columns under the corresponding vendors.

Many software vendors publish feature comparison grids, as does the ABA as well as websites that cater to attorneys (like Lawyerist and others).

Example Feature Grid				
	SOFTWARE A	SOFTWARE B	SOFTWARE C	SOFTWARE D
FEATURE 1	✓	✓	✓	✓
FEATURE 2	✓	✓	✓	✓
FEATURE 3	✗	✓	✓	✓
FEATURE 4	✗	✗	✓	✓
FEATURE 5	✗	✗	✗	✓

Beware of the grid. Take each with a grain a salt. Here's why:

1. Feature grids are misleading

Legal practice management software is a competitive field. There are lots of options out there. No company wants to be ruled out because they don't have a critical feature. So they rush out a feature so they can check off the box on the grid. You end up with a green checkbox next to that feature, but it is poorly done and frustrating to use and/or incomplete.

For example, you might see a green checkbox next to "customizable rates". What does this mean? Are the rates customizable on the client level? The matter level? The line item level? Or you might see "Quickbooks Integration". Again, what does this mean? What data is brought over to Quickbooks from the legal software or vice-versa, and does the integration suit the needs of your bookkeeper or accountant?

Feature grids published by software vendors themselves are worse than worthless. Those grids paint the authoring vendor in the most favorable light while publishing erroneous or misleading information about their competitors.

2. Grids are not up to date

Most software vendors, especially those in the cloud, update their software continually. Rocket Matter, for example, pushes out new functionality on a quarterly basis or more. Even with well-intentioned, neutral third-party review sites, it's unlikely that their information is current.



Data Migration: Moving Information From One System to Another

Here's the good news: successful data migrations are achievable. However, they are typically not easy. Or fun.

When you move data from one system to another, you should end up with a set of information that's cleaner than what you had in your old system.

For small firms with little history and considerable tech-savviness, you might be able to take a do-it-yourself approach, but that's the exception to the rule (and is a waste of your billable time). For most firms with any significant operating history, you need to approach the migration with respect. You need strategy, professional help, and time and resources to make it happen.

Question: Exactly how hard is it to pull off a successful data migration?

When we assist firms with botched data migrations (what we refer to as a rescue operation), they typically tell us that their legal software vendor told them that the migration would be simple. So here's a good rule to follow: the more a vendor insists that your transition will be easy, the more likely they are to screw it up.

As Jeff White, our Chief Revenue Officer, stated on a recent episode of the 10 Minute Law Firm Podcast, "If anybody sells you on an easy transition, they're selling you on something that's just not a fact. This is like changing the oil on a running car."

When you're switching to a new practice management system, imagine that you're moving into a new office. It's a great time to get rid of stuff you don't need and make sure everything's nice and clean in your new setup. Data works the same way. Over the years, you've built up duplicate records. You have a field in your Time Matters database for a middle initial, and someone put a semicolon there. First names and last names are reversed for certain clients by the temp employee you had working for you in '09. And you have cases so old, it no longer makes sense to refer to them at all.

The cleaner your data is, the easier your transition will be (and the less it will cost). As the old saying goes, "garbage in, garbage out." So it's a good idea, if possible, to get your old system in shape before the move. It will certainly reduce costs.

Question: We have 10+ years of data! Can (or should) we move all of our data over?

Typically, we advise migrating only active clients and matters with existing balances. Information related to those matters can be brought over as well, including documents, tasks, notes, and calendar events. We also suggest bringing over all contact records in order to perform background checks. Keep the older stuff in one copy of your legacy system for archival purposes.

What you should be very careful with is bringing over individual billable items and invoicing history. The reason for this is that migrating accounting information from one system to the next, unless they are straightforward balances, results in extremely complicated situations and much head-scratching. To avoid the time delays, endless time in excel spreadsheets reconciling two different systems, we recommend either engaging a highly qualified data consultant to extract and import this information, or simply leaving this data be and referring back to your original system when needed.

For more information on data migration, feel free to contact a Rocket Matter account executive at 888-432-1529.



Cybersecurity and Legal Practice Management Software

Cybersecurity is more critical now than ever. Not only are law firms storing more data, but as we all become increasingly mobile it's even more of a challenge keeping clients' sensitive information safe.

So what can you do? There's a saying in the computer security business that you can live in a concrete house with no doors and no windows, but it's not going to be very useful. Well, it turns out this is a perfect analogy for what's going on with computer cybersecurity: If you wanted to ensure that your computing environments were 100% safe, then you wouldn't have very useful tools at your disposal. Think about it: You wouldn't be connected to networks. You couldn't use email or the internet. You couldn't attach to any drives used by any other system.

Obviously, this isn't an option. So, the question then becomes, "How do you pragmatically live in a digital world with appropriate levels of safety, but still not reduce your ability to work?"

Just remember your firm is only as strong as your weakest link. So if you've got ten employees, then all ten people need to be on board with adopting all security measures.

If You're Thinking of Using On-Premise Legal Practice Management Software:

When you host critical client information on your own, you must ensure that your IT staff is capable of guarding your trove of confidential data from malicious actors. And by malicious actors, we mean state-sponsored activity or wealthy and highly organized cyber-criminal organizations.

For the on-premise-leaning law firms, the biggest concern at the writing of this e-book is ransomware, which is when your computers get held hostage for a ransom. Pay the ransom your data will (hopefully) get unlocked. Don't pay it and your data will be destroyed. Most ransomware attacks can be prevented by applying security updates immediately.

If You're Thinking of Using Cloud-Based Legal Practice Management Software:

The biggest risk for users of cloud-based systems is that something happens to the cloud provider – a breach or security lapse of some kind. That's why when you're doing your due diligence, you have an ethical obligation to make sure the cloud provider you choose is not some fly-by-night operation.

Find out from the vendor what their security practices are, how long they've been around, and what their policy is in case of a data breach.

Also, it's a good idea to check the security [standards established by the Legal Cloud Computing Association](#) to see if your provider is in compliance with these critical data practices.

Whether you chose on-premise or cloud-based software, you're best served if you cast a skeptical eye at member benefits from bar associations. These arrangements often are governed by revenue share arrangements in which the bar makes additional revenue from software sales. Some state bar associations are even locked into exclusive agreements with technology vendors in return for large amounts of money.

Regardless, any time you invest in new software is a good time to take another look at your cybersecurity practices. For more information, please see our aforementioned e-book on the subject.



Dollars and Sense: Legal Practice Management Software and Return on Investment

We could fill a volume of how much time legal professionals waste when they are not using a consolidated system, not to mention the lack of insight into key firm operations.

Furthermore, most law practice management systems are very inexpensive, ranging from \$30 to \$90 per attorney per month. If an attorney bills \$300 an hour, they pay for a \$30 system in 6 minutes, a \$60 system in 12 minutes, and a \$90 system in 18 minutes.

If this same attorney can save that same 12 minutes of time each day because of increased efficiency, then every week they can convert an hour of administrative work into billable work. At \$300 an hour for 48 weeks, the attorney adds \$14,400 in additional billable time.

This return on investment calculator can help you determine the cost of your legal practice management software and helps you estimate how much billable time you'd get back.

Before you fill out the fields, consider how much more efficient you would be if you had all of your client information in one place: emails, documents, financial information (including invoices and receivables), notes, and more. Imagine having a task tracking system for a matter and project management that keeps things organized and can help you anticipate approaching deadlines.



ROI Calculator

Note: This calculator works best if viewed in Adobe Acrobat PDF reader or within Google Chrome browser.

First, fill out your billable rate:

It will take you minutes to pay for a \$30 solution,

minutes for a \$60 solution, and for a \$90 solution.

Next, fill out how many minutes you think you might be able to save every day

by using an organized system:

How many weeks do you typically work in a year?

At minutes a day, you will be able to earn an additional

\$ per year.



Adoption and Continued Success

The saddest thing for a legal practice management software vendor like ours is to see a law firm unable to adopt our software once the hard work of selection, data migration, and implementation occurs. But it does happen, and usually for the following reasons:

1) Not all stakeholders in the firm had input into the purchasing process.

This happens all the time with back-office accounting personnel: they don't see the software until it's been adopted, because the only people in the selection process were attorneys and paralegals. If you don't get sign-off and agreement from different personnel in various departments, adoption will be much harder if not impossible.

2) Firm did not invest in training

Legal practice management software is not like using Word(r). It has aspects of accounting which need to be understood. There are features, like custom fields, configurable permissions, and effectively dated rates, which are designed for maximum flexibility but increase complexity. We've seen instances where one person used the system incorrectly and caused massive amounts of rework for other people at the firm. Investing in training, compared to the cost of not doing so, is relatively cheap.

3) Data migration was botched or problematic

We have controls in place to prevent a bad data migration when firms use our help to do so. But when they do it themselves to save money, they make mistakes. This is understandable, as law firm employees are not data experts. If a data import is done incorrectly, you can get inconsistencies in billing information, switching first and last

names around, or importing garbage data from an old system. When migrating data, it's critical to take a very methodical approach with the assistance of the team from the legal practice management software or one of their certified consultants.

Continued Success Once You're Up and Running

Once we had a firm call us up to cancel their Rocket Matter subscription because they wanted a solution that had document storage built in. The problem here was that we offered built-in document storage. The firm just didn't ever glance at our emails or pay attention to our blog – understandably. These are busy people, but it illustrates a point. Keep in mind that whatever legal practice management software you decide to go with will continue to evolve (unless it's PC Law or Time Matters). If you're using cloud software, it updates itself. If you're using on-premise software, you perform the updates yourself.

Either way, you're going to inherit new functionality and features that you should stay up to date with. It's worth reading communications from your provider, or reaching out to them on a continual basis to see if they have webinars on their new benefits. If they offer custom training packages, it's worth investing time and resources on an ongoing basis to keep up with all the new stuff.

After all, anything your software vendor develops and releases is stuff you're already paying for. Might as well get all your money's worth!

For more information on adoption, please refer to the chapter on Adoption from [*The Lean Law Firm: Run Your Firm Like the World's Most Efficient and Profitable Businesses*](#).

For more information about missteps along the way and other manners in which you can get tangled up, see Rocket Matter's e-book [*How Managing Partners Get Bad Advice when Choosing Legal Software*](#).



Wrap-Up: The Do's and Don'ts when Buying Legal Practice Management Software

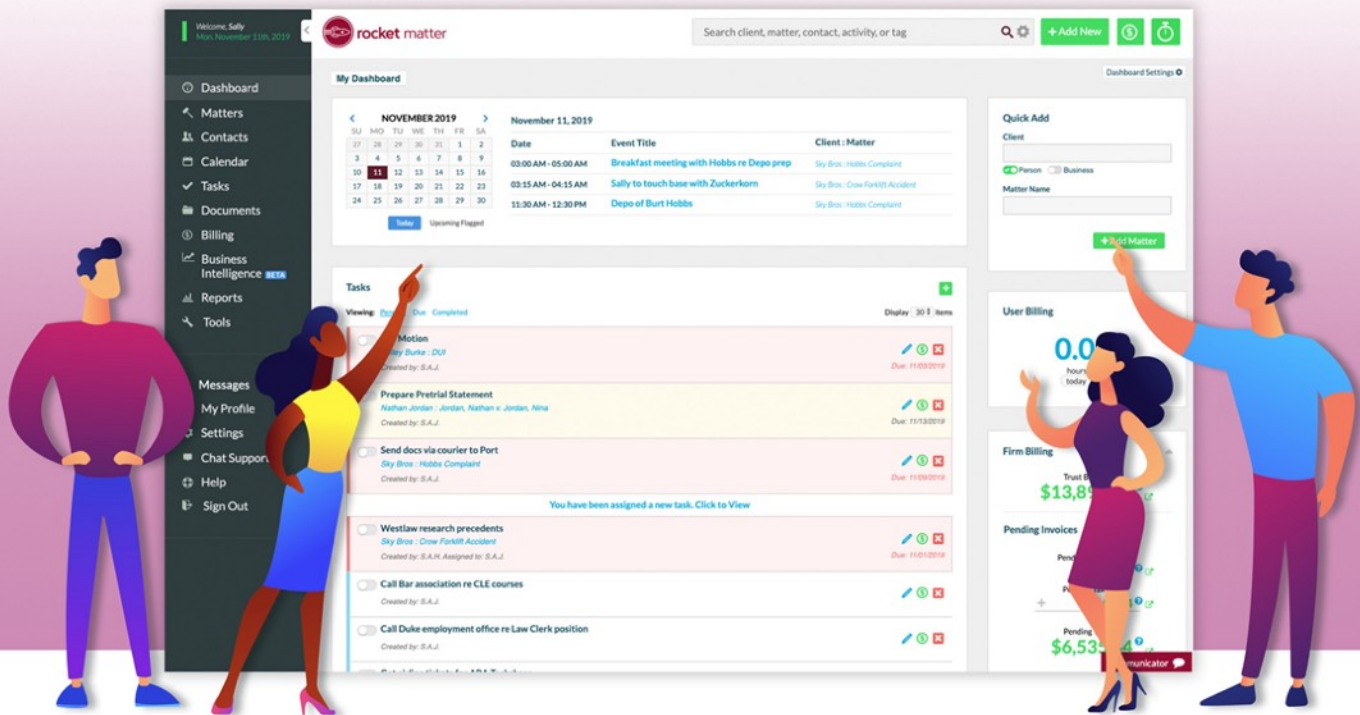
- ✓ **Do:** Familiarize yourself with the Buyer's Journey above and understand each of the steps, its purpose, and level of difficulty.
- ✓ **Do:** Include as many people as you can that will use the software in the buying process. At a minimum, make sure you have a representative sample from both the front-office side (lawyers, paralegals) and the back-office side (bookkeepers, accountants).
- ✗ **Don't:** Only think of the lawyers when evaluating legal practice management software.
- ✓ **Do:** Invest in training anyone who will be using the software.
- ✗ **Don't:** Rely on published comparison feature grids, especially those published by the software vendors themselves.
- ✓ **Do:** Understand that data migration and user adoption will be the two biggest challenges during your transition process.
- ✗ **Don't:** Perform the data migration yourself. Leave the data extraction and import to the experts.

- ✔ **Do:** Make sure you consider security when looking at implementing a new system. Make sure cloud providers are the real deal, and if you're using on-premise systems, have the proper protections against ransomware.
- ✘ **Don't:** Be penny-wise and pound foolish. When evaluating system cost, compare it against hourly rates and consider the amount of time saved by using a legal practice management system.
- ✔ **Do:** Make sure you gather functionality requirements, your must-have reports, and any other considerations from your firm stakeholders prior to investigating software. This saves a lot of time and heartache.
- ✘ **Don't:** Assume that because a software vendor says they perform a function that it works well. Make sure you try before you buy.
- ✔ **Do:** Consider technologies you are not using that can help automate and streamline your firm, like matter templates, electronic invoicing, electronic collections, and document assembly.
- ✔ **Do:** Pick a program and stick with it for a few years. No single program is going to be perfect.
- ✘ **Don't:** Be a perennial tire-kicker. You gain nothing by tinkering and moving back and forth between software providers.



Rocket Matter Makes The Lives of Lawyers a Whole Lot Easier

Run your law firm from anywhere with the most comprehensive cloud-based legal practice management and time and billing software in the industry. Rocket Matter helps law firms save time, offer better client service, and increase revenues by more than 20%.



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