Digital transformation (DX), the integration of digital technology into all areas of a business that fundamentally changes how organizations operate and deliver value to customers, will impact all business’ success over the next five years. Law firms are no exception to the digital transformation imperative, especially because their clients are already well on the way to DX. IDC predicts that by 2020, 90% of the organizations that law firms serve will be “digitally determined” with fully integrated enterprise-wide architectures. DX will drive the kinds of efficient legal services that clients will demand of their law firms.

In leading law firms, simplifying the delivery of vast digital information, frequently referred to as knowledge management (KM) is playing a transformative role on the path to digital transformation. AI-based knowledge management solutions combined with a firm’s focused KM vision and IT architecture redesign are changing how lawyers work, find information, and leverage firm-wide wisdom to deliver improved legal services.

Until now, KM has often been considered a luxury buy – like a yacht or a vacation/holiday home. However, the digital transformation has made KM a necessity for modern law firms that want to compete for new business, increase business from existing clients, and attract and retain top talent. In this Legal Business Report, we explore the three new ways KM technology is responding to the digital transformation.

In the next two years the number of ‘digitally determined’ organizations with a fully integrated enterprise-wide technology architecture will grow from 46% to over 90%.  

- IDC Third Platform
A key theme in this KM shift is presenting data to the place where lawyers work: their workspace. Another element in the new KM landscape is an emerging gold standard of creating a search experience for lawyers that gives them accurate results, as well as rich, multi-dimensional information for their new cases and matters. The KM digital transformation is also helping law firm leadership tap into their entire data ecosystem to run the business.

KM needs to deliver a consumer-like experience. Lawyers, like other people, have grown accustomed to searching for and buying goods on Amazon.com. When one searches for products on Amazon, the expectation is the technology returns an exhaustive list of the desired product and something more. The results contain not only a list of products, but also pricing, sales, ratings, reviews, editor’s suggestions, and additional items related to, or associated with the search. Imagine giving lawyers this experience when they are searching for firm-wide knowledge and experience.

Law firms have vast amounts of information on past matters, successful strategies, expertise, and business intelligence that can streamline new matters. Chances are, whatever matter a lawyer is working on, another lawyer or group of lawyers at the firm has done something similar, often multiple times before, that can be instructive. This principle is the heart of knowledge management. Understanding what was successful or unsuccessful is invaluable to firms and their clients. The problem is there’s no easy way to find and mine all the information inside law firms.
Many firms have a patchwork of isolated, non-connected systems with valuable information locked inside. When lawyers attempt to garner firmwide knowledge and expertise that may help them in a new case, lawyers, and often their assistants, end up spending inordinate amounts of time logging in and out of document management systems (DMS), CRMs, financial, matter, timekeeping, experience, and other systems in the hunt for useful firm knowledge. Then there’s the challenge of sourcing insight from third-party content or news service subscriptions and PACER. Even when stalwart lawyers crawl through this laborious process and find useful data, wading through it takes more time as the data is not in a common format. This is usually non-billable time. Consider the number of times this happens, multiplied by the number of lawyers affected, and it can amount to a large amount of potential lost revenue.

As document management systems (DMS) have evolved in law firms, they have become the place where lawyers spend a lot of their time. DMS alone doesn’t surface all the rich related knowledge and information that may be instructive for new matters. The question becomes, how can one funnel relevant information into the DMS workspace? Law firms are creating a single digital workspace from a DMS system enriched with information from AI-based search software. Many firm’s DMS are becoming more valuable because data can be pulled, aggregated, and displayed by new KM solutions.

“The best thing I could do for our lawyers was to put information they need to do their job closer to the digital environment they work in. We don’t see it as a DMS anymore, it’s where they work.”

– GENE D’AVERSA , Director of Project Management IT, Husch Blackwell LLP
The other place lawyers “work” often is Microsoft Outlook™. For example, law firms and lawyers rely heavily on Outlook for email as well as a rules-based calendaring and docketing system. It’s a widespread habit to send an email to a colleague if a lawyer thinks they may have worked on a similar matter or appeared before the same court in a current case. In earlier times, one would walk down the hall to seek peer or partner knowledge. In today’s firms, with offices and lawyers all over the globe, working in different time zones, Outlook alone is insufficient.

Firms building out the single digital workspace concept are integrating conversations previously done in Outlook or offices into a conversation stream right inside the DMS workspace. KM software also makes it possible for a lawyer who comes across something interesting in search results to click a button to video conference with the colleague who authored that content.

Litigation practice group productivity improves when the DMS is connected to PACER. Firms have built connectors to this court filing system to stop manually recording pleadings, filings, parties, and dates in spreadsheets. After viewing PACER information within their single workspace, lawyers can push another button to connect to their rules-based calendaring and docketing system to check their deadlines and court appearances. All these actions can now be taken from within the digital workspace when firms layer on APIs and new enterprise search capabilities that pull everything into the enhanced DMS environment.
The experience is now available in leading KM solutions. Amazon-like search experience is helping firms aggregate information from siloed sources, including third-party content and research services like Bloomberg and Wolters Kluwer, to present a lawyer with the collective, relevant firm experience in a simple format. The search results are richer and broader than ever before. A lawyer that types in a client name, for example, no longer gets a single list of documents containing that name. Associative coding finds everything, and anyone related to that client and presents the basic search results, along with additional information that contains hints of that topic. That richer “associative” information might be articles, memos, financial reports, and team members of similar matters.

This ability to easily explore and dive deeper into this multi-dimensional world of digital data helps lawyers efficiently and comprehensively find answers to the question: how can I leverage prior firm work and expertise to deliver high-quality services in my case?

Associative search is a breakthrough in search and knowledge management. The algorithms bring lawyers content and allows them to refine the data with a constellation of customizable facets – matter dollar size, documents authored only by partners, or similar-matter pricing models—putting actionable data in a lawyer’s hands faster than anything used in the past.

It’s People, Too

The designers of the new KM technologies also recognize that knowledge comes from more than data and documents. The best KM platforms locate and connect lawyers with the people in the firm who might offer insight for their case. Going beyond biographical information on a home page, new KM software reveals what contacts that colleague has at the “searched client,” relevant documents they authored, and the outcome of their matters.

A partner looking to staff a new matter with specialized expertise and capabilities can explore to find relevant associates with things like niche technology experience, foreign language abilities, or insights on a state court judge. A simple click takes the partner to the firm’s project management system where they can check on a lawyer’s bandwidth. Associative search moves law firms along the digital transformation path that will help the firm differentiate itself in the global legal services market.
Successful law firms in the digital economy will harness their data for competitive advantage. Every partner and associate must run their practice like a business, leveraging information, and metrics to stay on track. Modern KM solutions index and aggregate information from across the enterprise to accelerate decision-making on matters, talent, and strategy. Leveraging their entire data ecosystem with exceptional search and data analytics is central to the business future of all law firms.

Leading organizations in every industry are wielding data and analytics as competitive weapons, operational accelerants and innovation catalysts.

– Why Data and Analytics are Key to Digital Transformation, Gartner, 2019
From an enterprise perspective, there are multiple ways leadership can leverage leading KM enterprise search. For one, the ability to pull rich data from across the enterprise puts powerful analytics and metrics into the hands of decision-makers. The comprehensive data populates highly accurate analytics to accelerate decisions.

CFOs can track WIP, A/R, and realization rates to keep a steady hand on the firm’s finances. The days of practice group leaders or managing partners waiting for a spreadsheet report from finance to manage their business are quickly becoming an artifact of the past. Leadership can search and see multi-dimensional performance data on a practice group or a single attorney, in an instant, using powerful KM tools.

Managers have begun leveraging the rich data available from powerful KM solutions to monitor and track their associates’ progress, prepare for associate reviews, and teach/mentor their associates. While every lawyer sees their billable hours metric, imagine how productive it is to see WIP and case status as well, to keep their eye on their objectives.

The new solutions offer firms an out-of-the-box portal that can sit inside their DMS workspace. Alternatively, firms can leverage KM engines in their intranet or extranets. KM and IT leaders can build out applications that mine different sources and render content for easy review in their platform. Also, firms with active M&A plans are using KM solutions to share systems and data faster post-merger. The results are faster data migrations and synchronization for the business. Extranets foster improved collaboration and transparency between firms and clients.

Building law firm culture is extremely important for talent retention and a cohesive business. Large firms are especially challenged in reinforcing a “one firm” attitude with lawyers far-flung across the globe. Leaders are integrating KM artificial intelligence and data mining capabilities to strengthen the impact of their intranet as a unifying hub. When a lawyer turns on their computer every day, the first thing they see is social media-like visuals on the firm’s intranet site. Lawyers around the globe learn about recent wins, new lateral hires, or an updated parental leave policy to stay connected with the firm overall. This kind of information and experience builds culture.
The ABA comments that the primary role of law firm leaders over the next five years will be to lead their firms through the early stages of digital transformation. Clients and millennial lawyers, who will constitute the majority of law firm partners in 2023, are demanding that law firms respond faster than they have during past technology disruptions. As firms take on the digital transformation journey, KM solutions are helping them zoom data to lawyer’s digital workspaces, enhance firm-wide learning and knowledge sharing with Amazon-like search experience, and leverage their entire ecosystem to improve business performance.

Many technologies start out as luxury buys – television, the Internet, smart phones. At some point they shift to a necessity, be it for business or personal reasons, or both. In the early days of knowledge management technology, with its shiny bells and whistles, it is reasonable to see why it was seen as a luxury. With the digital transformation, law firms will come to understand the necessity of knowledge management technology.

**SOURCES**

[https://www.lawtechnologytoday.org/2019/05/digital-transformation-key-implications-for-law-firm-technology-services-and-offerings/](https://www.lawtechnologytoday.org/2019/05/digital-transformation-key-implications-for-law-firm-technology-services-and-offerings/)


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