

Practice management or just accounting?

All law firms, and indeed most other professional service firms, will tell you that they have a practice management system (PMS). But what is a PMS, and what should you expect it to do for your firm? Does it really help with the management of the practice as its name suggests, or is the name simply away of making an accounts system sound more exciting?

As with most sectors, the first part of the business in a law firm to be computerised was the accounts function. Many law firms were early adopters of technology in this area, although rarely did this spread into the fee earning departments. The second group of people to get widespread access to computers was the secretarial team. Unlike the accounts department, this was a gradual change as typewriters got more sophisticated and then evolved into terminals such as the Wang system that allowed typing onto a screen and storage of electronic files in a central system. Finally, these systems were replaced by PC based word processors.

While some lawyers adopted PCs, it was not until the arrival of email and the internet that computers became a standard feature for every desk in the firm. To a lawyer, a computer is primarily a communications tool; to the secretaries, it is a production tool, and in finance it provides management information.

With a PC in front of every partner, the practice management system started to evolve. Time recording and access to work in progress figures were the first and most widespread new features to make it to the fee earner's PC. Some PMS's had already started to appear that integrated the secretarial document management into the same system as the accounts data. These also added in contact information, and as they became available to fee earners started to provide case management features such as tasks and reminders.

But is this truly a *practice* management system? In most cases, I think not. Almost all firms have the core systems of accounts, document management, HR and more recently CRM. Alongside this normally sit one or more knowledge systems, both internal and external. Rarely are all these provided by a single vendor, although smaller firms using an integrated system may get close. What has happened is that the support departments such as accounts or marketing have all computerised their systems, and provided a module to the fee earners to allow them the access that they need. Far from ending up with a system to help partners manage their work and the practice, we have ended up with a situation where the only people *without* a consistent system to support their job are the fee earners. A practice management system should provide the facilities that the lawyers need, and this is far more than accounting information. It is time for lawyers to reclaim the term practice management and insist on software suited to their needs, not a collection of add-ons to everyone else's systems. Most importantly, it needs to be recognised that the practice management system is

no longer the domain of the accounts department, and is the primary line of business application for the firm as a whole.

With recent changes to the regulation of law firms, such as new money laundering procedures, most firms have now realised that workflow tools and online forms are vital to ensure that procedures are followed both quickly and accurately. They are also looking to remove duplication of effort, and are not prepared to enter clients' details once into the accounts system and a second time into the marketing database.

So is the answer for firms to pick a single supplier for all their needs, rather than taking a best of breed approach? Not necessarily. Common sense as well as best practice suggests that spreading the risk rather than putting all your eggs in one basket is a better option. Having said that, limiting the number of vendors to two or three and choosing vendors who can meet more than one requirement is likely to become the norm, as firms strive to get systems that work well together, and to contain their costs.

What we will start to see is winners in the battle for the desktop. In other words, fee earners will dispense with the multitude of systems in front of them in favour of a single system. This may well be simply providing a view of multiple systems underneath; no firm will be throwing away investment unnecessarily. At first these desktop systems will just be a winner within a firm, as one of the many systems already installed is chosen to be the only front end. As software is replaced, and in particular as workflow and online forms become much more important requirements on the desktop, we will see the creation of specific applications and modules for this purpose. Once this happens, the market is likely to settle on a handful of applications for this space, possibly as few as two if other mature markets in legal systems are considered as an example. Existing PMS vendors have a good grip on the financial aspects of this requirement, but the knowledge management portal vendors also have a good claim. In addition to these, old and new case management systems are making the natural move into more general workflow, ideally positioning them to be the prime application. Most importantly, the companies behind the current integrated systems for small and medium sized firms have experience in providing a single line of business application to the legal market, which cannot be ignored.

So can we define a practice management system? In the past, the term has been synonymous with an accounts system. We are now in an intermediate stage, but in the future the practice management system will be the line of business application for a law firm sitting on the desktop of every fee earner, secretary and all other support staff. It may or may not come from the same vendor as the accounts system, but will certainly become regarded as a system in its own right.

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