

Askew Network Solutions

Legal IT Integration Survey Results

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About the Author: Jerry Askew



Jerry Askew possesses over 17 years of IT experience, including CIO and Director-level positions in top AmLaw firms. His technical expertise includes process automation and optimization, workflow, application integration and network security.

Jerry has been deeply involved with the International Legal Technology Association (ILTA) for many years, where he served as chair of the Elite Information Systems peer group and as a member of the steering committee for the Linux/Open Source peer group. He is a frequent conference speaker at ILTA events and has contributed several articles to ILTA publications and white papers.

He has a broad technology appetite, being both a Microsoft Certified Systems Engineer as well as an acknowledged expert in Linux and Open Source software. He is the creator and primary developer of Acrophobia (<http://acrophobia.sourceforge.net/>), a widely-used network-based PDF printing/email application.

As the principal consultant of Askew Network Solutions, Jerry now delivers his legal expertise on an even broader scale. His clients include firms with as few as 40 and as many as 3,000 attorneys.

Methodology

This survey was conducted over a two week period in July, 2005. 284 respondents were randomly selected from a pool of ILTA members and referred contacts. Respondents were offered an incentive for their participation in the form of a modest gift certificate, as well as access to a complementary copy of the published survey results. Responses were collected using a third-party hosted survey provider (www.hostedsurvey.com). Results were then imported into Microsoft Excel for analysis. Free-form responses presented herein may have been edited for grammar or length, but no substantive changes have been made to these comments.

Plans are in place to conduct a follow-on survey in 2007. To participate or to suggest additional related areas for inquiry, please contact: surveys@askew.net

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Executive Summary

No one can dispute the fact that IT infrastructure and specialized legal software applications have streamlined and vastly improved the practice of law. However, as the scope and scale of legal software grows, so does the quantity of data and information in legal environments. And while digital technology has improved the productivity of timekeepers and support staff, it has also created new challenges for IT and data management within most firms.

In modern legal environments, people, applications and data are all interrelated, forming an intricate, interdependent ecosystem. These environments continue to grow in complexity as firms move aggressively to take advantage of emerging technologies such as portals and Voice over IP (VoIP). Additionally, the consumers of technology within the organization are becoming more technology savvy, demanding more capability and performance from new and old tools alike.

As elements in the ecosystem increasingly rely on one another, the impact of disruption or inefficiency in one local area has potential repercussions across the others. For example, in order for business processes to flow smoothly or applications to operate effectively, accurate information must flow between resources in a timely manner.

However, not all applications and systems have been designed to operate in an interconnected manner. Most legal IT organizations focus on continuous improvement, but many struggle with inefficiencies, inadequate tools, and process gaps that prevent them from achieving the desired level of interoperability.

Thus, the ecosystem is powerful, but areas of risk and fragility remain.

But like a natural ecosystem, legal IT environments evolve. As explored in greater detail within this report, most organizations are employing a variety of tools and strategies to overcome the challenges of disconnected systems and better manage internal data. This report is an attempt to measure the state of this evolution, to provide insight to firms currently wrestling with and evaluating data management strategies and to create a benchmark for future research.

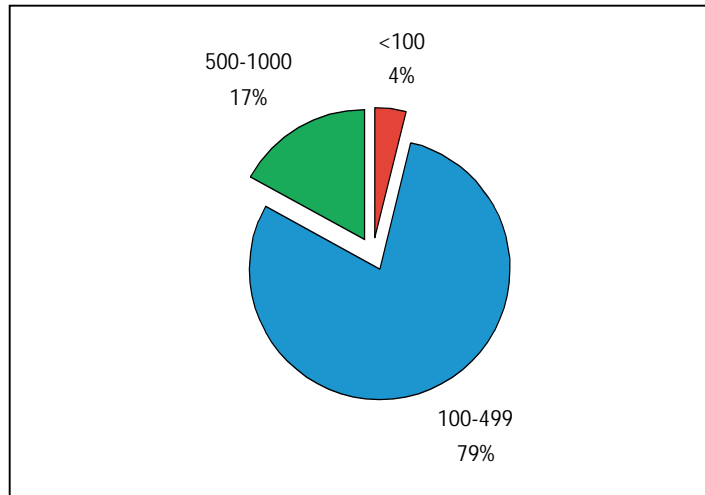
Key Findings

1. Most legal IT applications lack sufficient native support for integration and data sharing
2. Most IT organizations use manual or ad hoc approaches to work around shortcomings
3. Many organizations wrestle with inefficiencies, errors, delays and other pain resulting from these shortcomings and the efforts required work around them
4. Most organizations loosely track and rarely budget for the effort and investment made in integration
5. A trend is emerging as more organizations are moving to define more coherent, comprehensive data sharing and integration strategies
6. Disaster recovery represents a high legal IT priority and key risk area highlighted by the lack of consistent approaches to integration infrastructure

Demographic Data

Firm size

The majority of respondents in this report are from mid-sized firms (over three-fourths), with close to one-fifth of respondents from larger firms with 500 to 1000 attorneys.



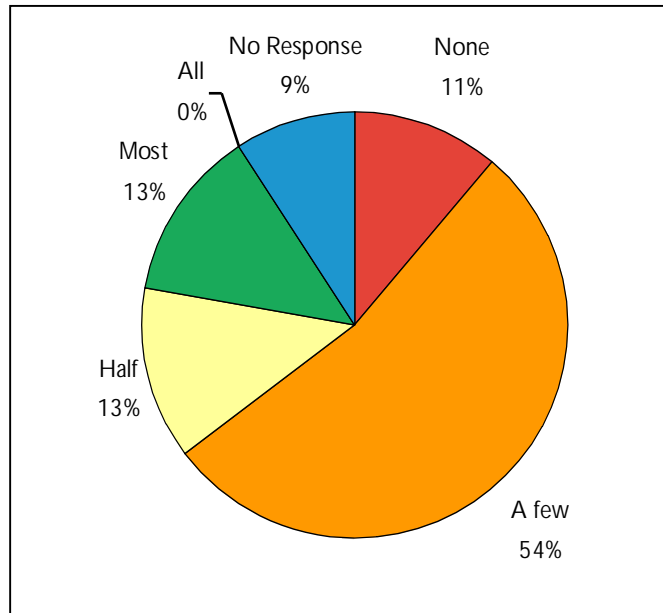
IT staffing ratio

The majority of respondents, mid-sized firms with 100 to 500 attorneys, indicated an average IT staff ratio of 1 IT staff member for every 15 attorneys. Larger firms demonstrate larger staff ratios, most likely an expression of greater resources and an expanded portfolio of projects and responsibilities.

Attorneys	IT Staff Ratio
<100	13
100-499	15
500-1000	10

Survey Response Data

Trend 1: Most legal IT applications lack sufficient native support for integration and data sharing
By far, the majority, nearly two-thirds of respondents, indicated that “none” or only “a few” of their applications provide sufficient native support for data sharing and integration with their peer applications. Of import, no respondents suggested that all of their applications provide such support, and only 4 in 30 respondents indicated that “most” of their applications are able to interconnect adequately.



Responses to an open-ended, follow-up question (“Describe your key data integration challenges”) provide greater insight into specific areas of difficulty. While a number of organizations expressed unique issues, in general, most organizations expend efforts to synchronize client and matter data across relevant systems. Other challenges arising from integration problems include:

- Report generation across applications
- User account creation
- Barriers and data challenges associated with application upgrades
- Errors and uncertainty about which data is accurate and which data source is authoritative
- Mobilizing sufficient internal resources to build integration and data sharing solutions

“Most vendors do not provide a viable API to program against.” – Sr. Software Developer

“Distributing updates throughout the day, not just on a nightly basis.” – Director of IT

“Data from legacy systems is very messy. Also, we have to connect many systems.” – Systems Application Analyst

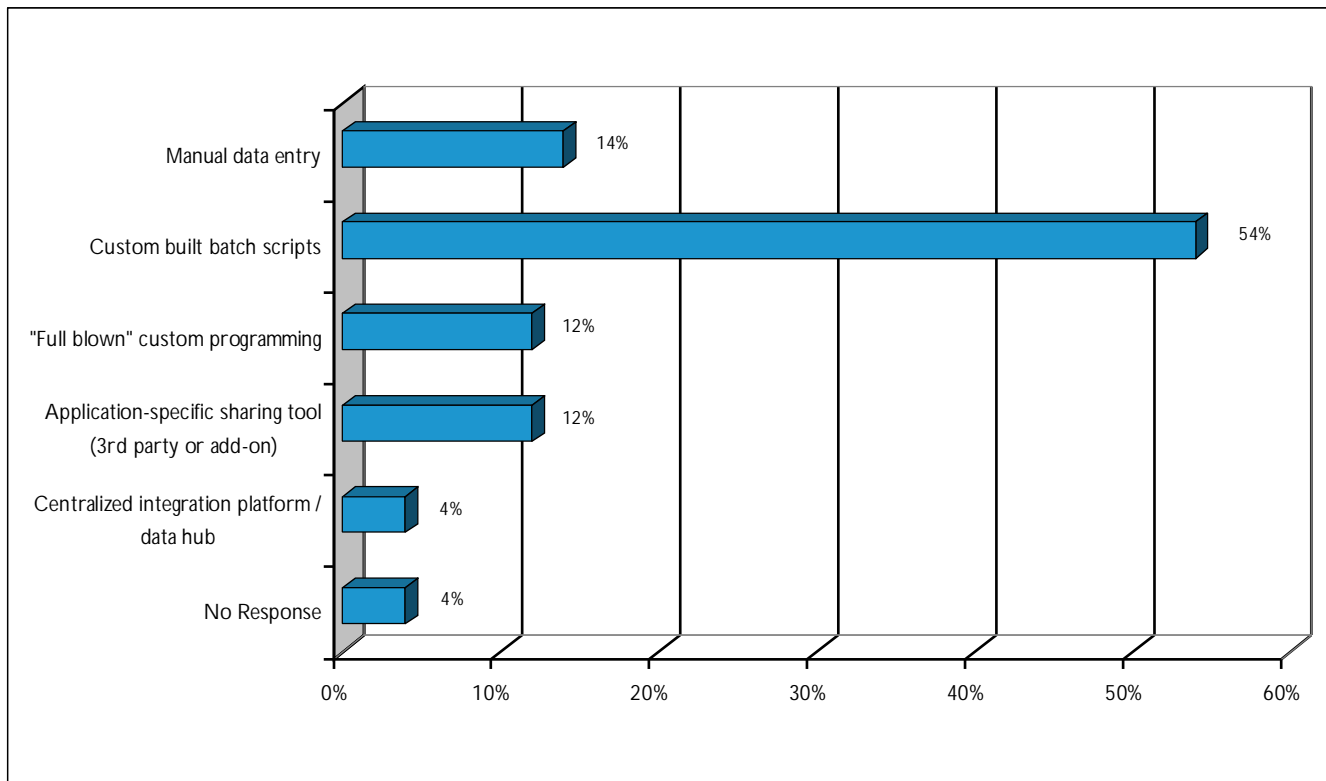
“The most complex data integration challenges come from auditing and cleansing. Integrating multiple disparate data sources and coming out with the desired end-result to meet varying expectations is difficult as well.” – IT Director

Trend 2: Most IT organizations use manual or ad hoc approaches to work around shortcomings

Close to 70% of respondents rely on manual data entry or custom-built batch scripts to work around the inability of their legal applications to share data natively.

Less than one quarter of firms surveyed indicated that they use in-house application development teams to build more sophisticated solutions to data communications or implement third-party tools to connect specific applications.

Significantly, only 4% of respondents have a centralized integration platform or data hub in place to centralize sharing and management of internal data across their environment.



Organizations were also asked to list specific third-party tools they used to ease data communication activities (either between specific applications or generally within their environment).

The vast majority of respondents (over two-thirds) use Microsoft Data Transformation Services (DTS) and custom Microsoft Visual Basic (VB) scripts or applications to address data sharing issues.

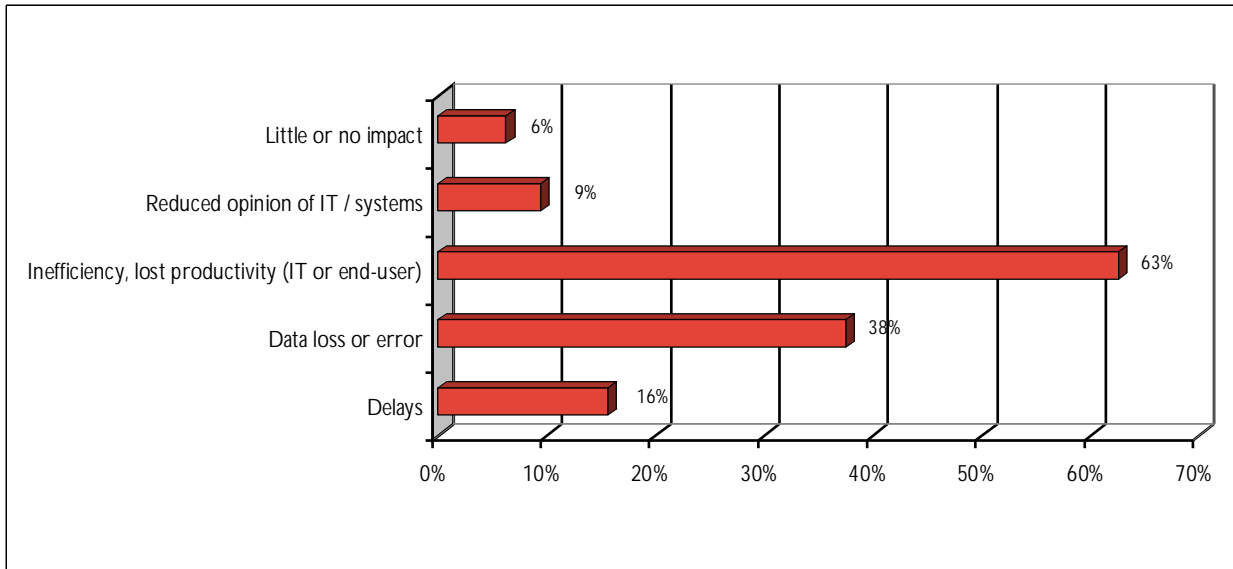
Other responses included application-specific tools such as Application Collaboration from Interface, SQLSync from Advanced Productivity Software for connecting DTE to financial billing systems, and Prism Deploy by New Boundary Technologies for automating software distribution.

Additionally some organizations describe more sophisticated, homegrown data hubs or warehouses (script and SQL-driven) the use of Ardent Data Stage, a product made by Ascential (now IBM), and several respondents described their use of Tsunami (now "Integration Appliance / IntApp") as a centralized data management technology.

Trend 3: Many organizations wrestle with inefficiencies, errors, delays and other pain resulting from these shortcomings and the efforts required work around them

The infrastructure gaps and workarounds described in Trend 2 naturally have implications and side effects:

Survey Question: What impact does the lack of integration/data sharing between applications have on your productivity or efficiency? What key examples would you highlight?



Of course, there is a logical connection between bad, outdated or missing data and lost productivity and efficiency. A sampling of some specific comments from respondents reveals greater detail and insight into the impact of poor integration and data sharing in legal environments:

“Most processes take much longer than needed. There is little error checking. The way that the integration was accomplished is easily forgotten or misunderstood at a later date - even with documentation.” – IT Director

“It takes a lot of time to assure data integration is properly working between systems, then troubleshooting it when it is not working. This also causes a lack of faith among our end-user community.” – Manager of Systems Operations

“Re-inventing the wheel, trapped in legacy processes.” – Associate Director of IT

“Inconsistent data is the biggest problem. That often results in redundant effort by different groups. It also contributes to a lack of trust in our systems' data at times, particularly when one system shows 'X' and another shows 'Y.'” –Systems Manager

“IS is always blamed when an import to FMS is late or incorrect. Batches aren't always perfect.” – IS Director

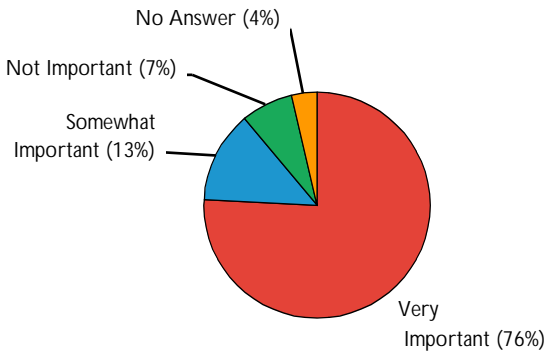
“Significant time loss to administrative functions. Redundant data entry to accommodate disparate systems. Disjointed workflow.” Director of IT

Data Management Priorities

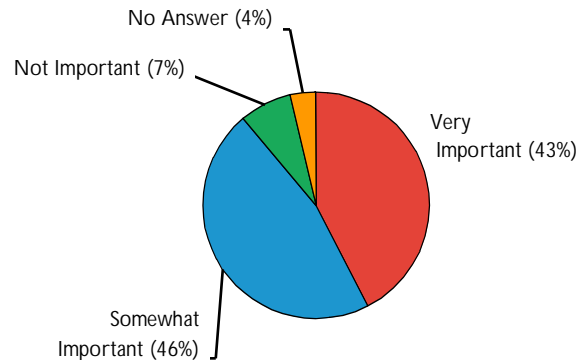
Respondents were also asked to prioritize several common legal initiatives or projects with a high reliance on connected data and systems:

Very Important Priorities

Propagating client / matter data across applications
(89% Very-to-Somewhat Important, heavily skewed to "very")

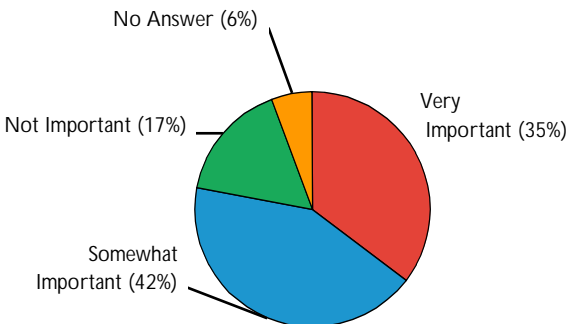


Automating user account provisioning
(89% Very-to-Somewhat Important, evenly distributed)

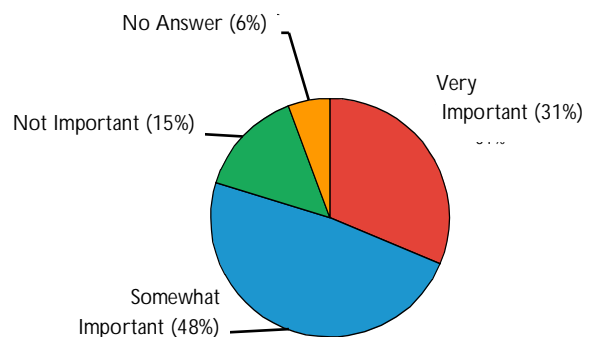


Somewhat Important Priorities

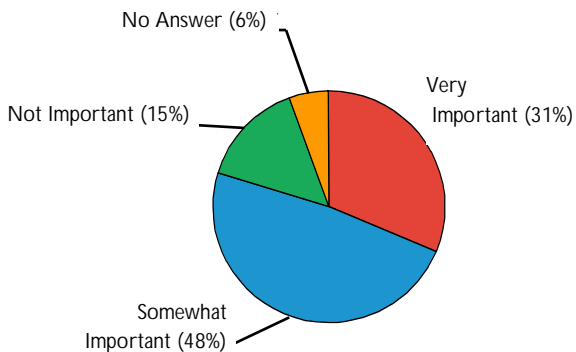
Creating and maintaining ethical walls within DM systems
(77% Very-to-Somewhat Important, skewed to "somewhat")



Deploying unified portals or intranet web sites
(75% Very-to-Somewhat Important, skewed to "somewhat")



Improving data audit and cleansing processes
(83% Very-to-Somewhat Important, skewed to "somewhat")



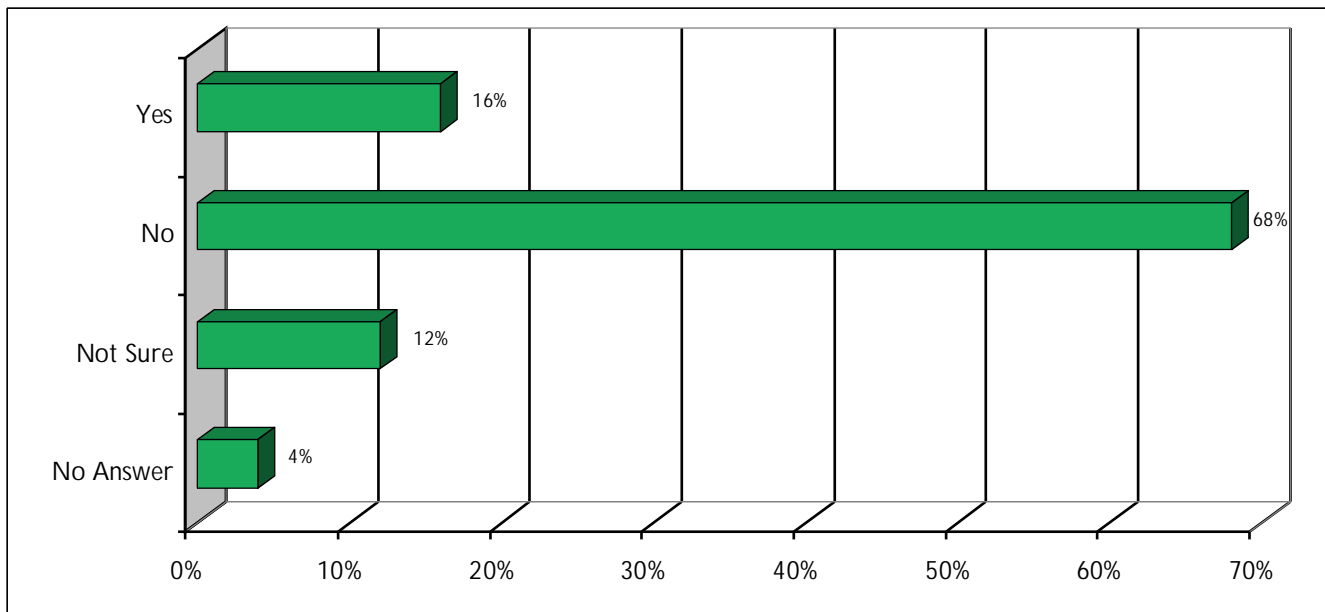
Projects of Lower Priority

	Very	Somewhat	Not	N/A
Integrating or extending Voice Over IP (VoIP) infrastructure	22%	37%	35%	6%
Integrating legacy applications	7%	50%	37%	6%
Establishing a data warehouse	15%	48%	31%	6%

Trend 4: Most organizations loosely track and rarely budget for the effort and investment made in integration

It is apparent on both quantitative and qualitative levels that legal IT organizations understand and react to the data challenges they face. Reactions typically take the form of manual processes, custom-built workarounds or third-party software (of varying scope and capability). However most firms do not closely track the costs associated with responding to and eliminating barriers to data communication, and few consolidate integration activities as a budget-level line item in order track true costs across the enterprise.

Survey Question: Does your IT organization have a budget line item for integration?



Most organizations do not treat integration and data communication as a central resource or capacity to be managed and leveraged. Instead, as the data show, organizations either treat integration work as a soft cost or overhead of general operations or make specific allocations on a per-project basis.

“Thrown in as a line item on individual projects/purchases that require integration.”
– IT Manager

“Included as anticipated consulting costs.”
– Director of Information Systems

“Buried in ‘soft costs.’ IT time is considered ‘free,’ so hours spent by IT resources to build custom integration routines is not looked at as an expense in the way that other budget line items (software, hardware, licensing...) typically are.”
– Systems Manager

“Included as consulting costs on a per-project basis.”
– Director of IT

“All costs charges to individual projects.” – CIO

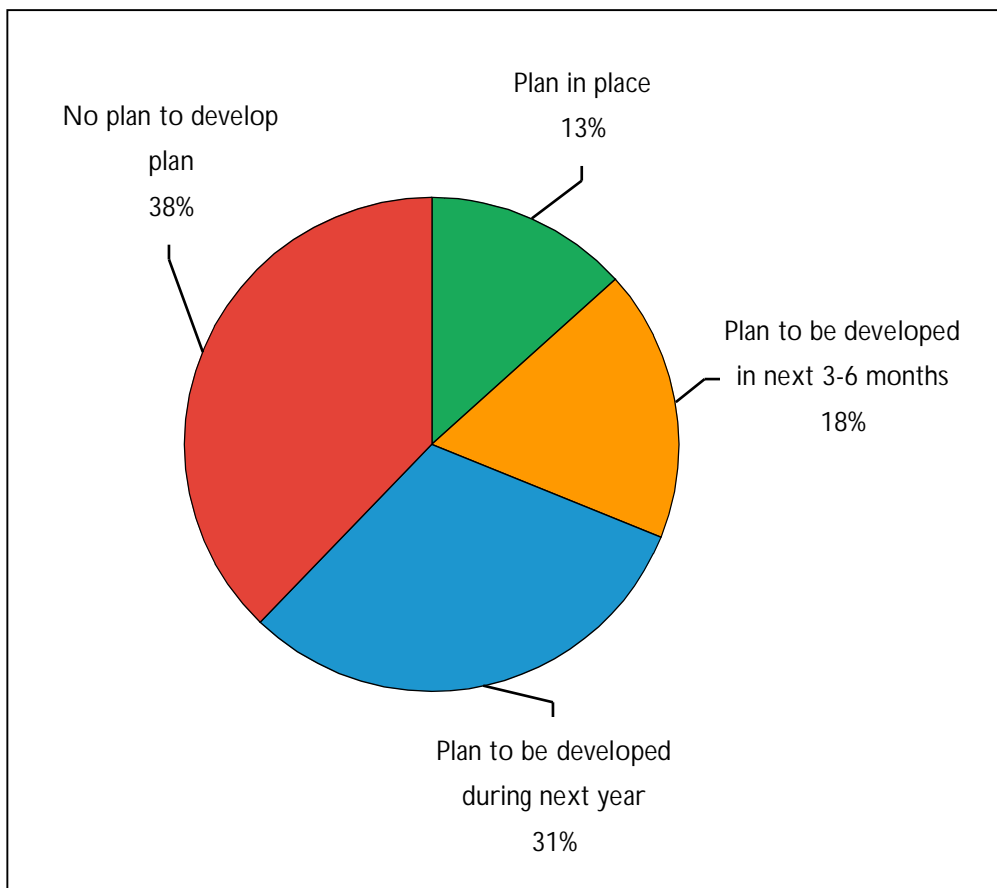
“We don’t really pay much attention.”
– IS Manager

Trend 5: A trend is emerging as more organizations are moving to define more coherent, comprehensive data sharing and integration strategies

While less than a fifth of law firms track integration as a budget-level line item, nearly two-thirds (63%) have or plan to develop a unified integration and data sharing plan within the next year.

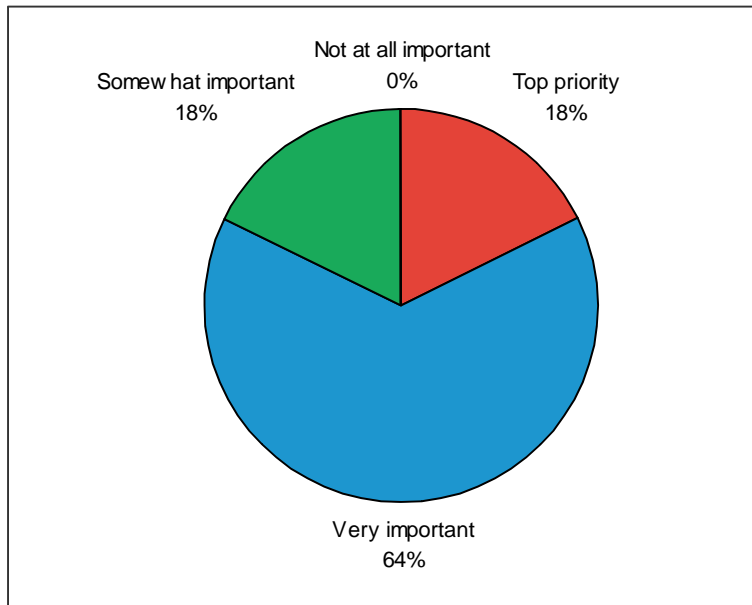
Of curious note, 38% of respondents indicated no intention to develop a plan. As respondents were not asked to clarify their answers to this question, explanations for this disinterest in planning can only be hypothesized. These may include a lack of organizational desire, the inability for IT leaders or organizations to gain the necessary buy-in from their peers or business management to create such a strategy, or the lack of resources necessary to support such a process

Survey Question: Does your IT organization have a unified integration / data management strategy? If not, is it developing one?

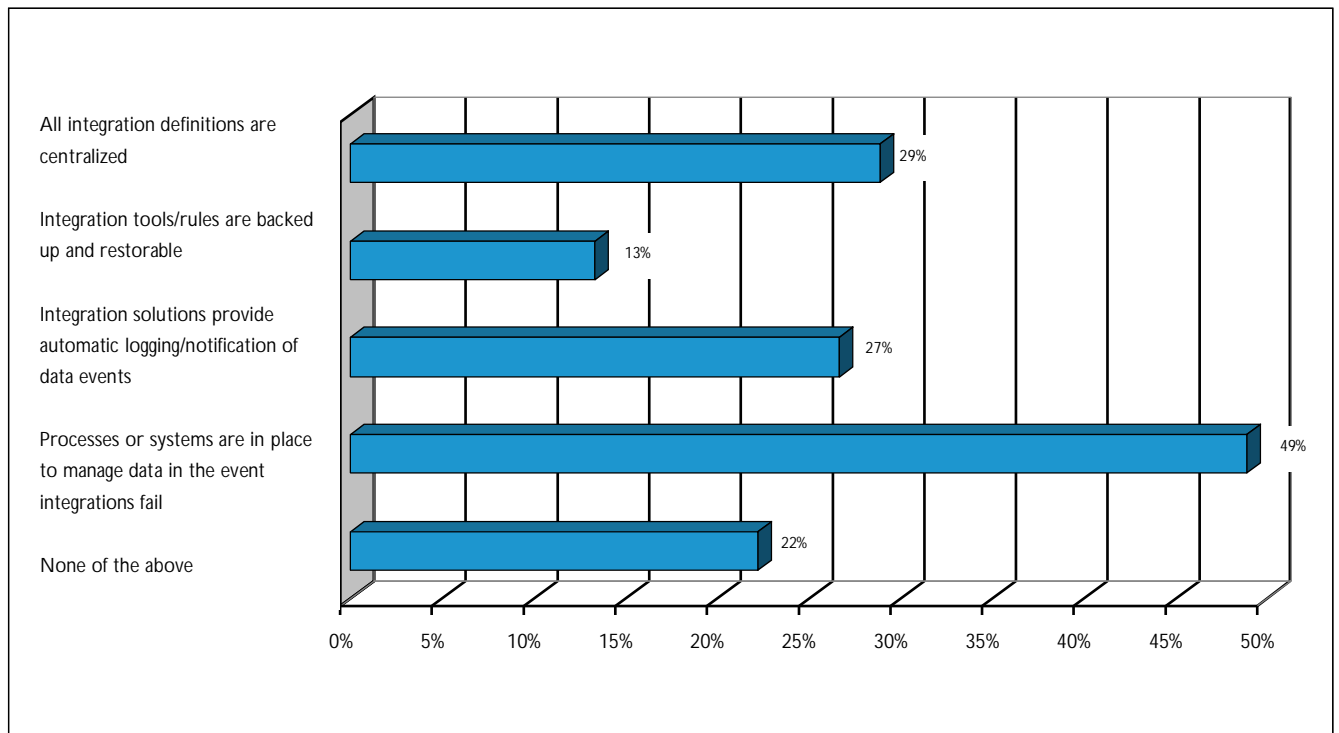


Trend 6: Disaster recovery represents a high legal IT priority and key risk area highlighted by the lack of consistent approaches to integration infrastructure

Given the importance of information to a law firm, it is self evident that disaster recovery is a key priority. 82% of respondents indicated that DR is a “top” or “very important” priority.



However, while organizations may prioritize disaster recovery and address DR issues across their application portfolio, many firms are failing to tackle or only partially addressing DR issues associated with the connections between their systems. Specifically, only 13% of organizations maintain backups of the tools, scripts or configuration rules they use to communicate information between applications. This means that in the event of disaster, many systems may be restored, but the ties between systems that keep the legal data ecosystem functioning, ensure that information stays current and enable internal processes to run smoothly may be lost.



Conclusion

While law firms continue to struggle with complex data management challenges in a complex information ecosystem, the response to this survey suggests several progressive trends. For one, there is a universal acknowledgement of the data integration challenge. Similarly, more and more firms are looking at the entire data problem in context of the dependencies, relationships, costs and benefits of addressing these issues. Finally, there is an emerging understanding of the risks associated with forgoing a strategic data management and integration plan.

As law firms move towards a more holistic approach to data management and integration they stand to reap benefits in efficiency, control and capability.

It will be for future surveys to assess the continuing evolution of the legal data ecosystem...