

This month:

- **Now a serious consideration for all**
 - **Has even hit the big boys**
 - **Done the right way**
 - **Inertia won't help**
- **Protection of Selves and Private Clients**
- **More info to support Conveyancing, Private Clients and Cyber/Security**

Not Such a Big Step Anymore – A Serious Consideration for All

I have written about the findings of the PWC Survey 2017 where even the big firms - Top 150 are now having to face more challenges – competitiveness, profit challenges, high property and staff costs in main cities – London and Manchester leading the way, working capital challenges, risk – Cyber and continuity, support teams under pressure. To help sort this firms need resource capacity management, mobility, more from IT and more information.

With regards to IT security - *Real life examples include the high profile hack of a top 10 firm and the fraud case surrounding a top 50 firm both of which demonstrate that it doesn't matter the size of the firm, it's more important than ever to take IT security seriously.*

A great case for the consideration of outsourcing but a great deal of inertia is in place as many still do not see the challenges for a few years.

It is inevitable that over the next year or so these firms will be considering a lot more seriously the benefits offered by services from MLS Advantage providers <https://www.money penny.com/uk> - reception and PA <http://www.documentdirect.co.uk> – document production and <https://www.nasstar.com> – hosted IT and security as well as seriously looking at their desktop efficiencies.

Medium sized and smaller firms with revenue of £1m - £20m have had to deal with these issue for much longer but many are already much more automated then larger firms but needing a lot of confidence in their suppliers. They are however heavily into mobility (more people than desks).

Back in 2013, when outsourcing and IT hosting had been around for maybe 10 years it was just a growing trend, I wrote a paper on why and how to buy hosted IT. It was also at a time when some pundits thought there would be 40% less firms by now because of mergers and acquisitions – yes they happened but new businesses and break-aways have kept the numbers up and many of the break-aways and new business such a virtual firms have really capitalised on the outsourcing concept and are efficient, productive, secure and successful.

Some pundits now are speculating that 50-60% of firms will have hosted IT within the next five years as inertia gets challenged more and more. I have been involved with c50 taking the step.

The reasons are still valid but to many more firms now

- **Business continuity, Disaster Recovery and Compliance**
 - **Essential for commercial clients, panel participation and minimalising downtime**

- Data Security – protected data centres physically and massive investments in anti-spam and anti-virus systems
- One stop IT support shop for infrastructure and other software suppliers support
- Service level expectation in place with prioritisation
- Infrastructure staffing support challenges removed
- Remaining IT staff dedicated to added value through process and MI
- Partners can focus on running the business – not distracted
- Obvious and scalable pricing – per user per month – easy to forecast for growth or decline – no capital outlay – contributor to working capital management
- Saves costs
 - It's green, no servers on site being powered and air conditioned
 - More space for a fee earner or two
 - Extended life for desktop kit because of thin client
 - Less staff costs
 - More mobility and agility for fee earning and support staff

Having said all of this we have to be careful in supplier selection

- Experience and track record with infrastructure but also peripheral application products
- Strong financials – steady growth in recurring revenue – sometimes too fast is challenging
- Compliance – personally I would settle just for UK data centres for main site and DR. There are plenty and it is not worth the global risk.

Demonstration and Proof

- Client references are useful to confirm the supplier has experiences of challenges and overcome them – not just those referred by the supplier
- Third party validations ISO 27001 a minimum – having an endorsement for MLS Advantage Supplier <https://www.xyonecybersecurity.co.uk> wouldn't go amiss.
- Ability of the supplier to work well with other vendors such as <https://www.matrix247.com> for data and telecomms
- The ability for the vendor to work with other providers is key. Sometimes it has been pathetic

Contractual and Commercial Issues

- Absolute clarity of support hours within the contract – although 24 hours not always necessary some out of hours for priorities needed
- Absolute definition of response and fix SLAs dependent on call prioritisation
- Support desk needs to be a one stop shop for all IT related calls with regular causal analysis reports and feedbacks
- Contract cancellation options need to be available and very clear – along with defined collaboration for a new vendor
- Clarity around the full process at the end of a 3 or 5 year contract so that should a change be wanted it can be done seamlessly with support
- The ability to negotiate with reasonable terms should business circumstance changes – such as being acquired or merging with a larger firm
- Pricing can be concurrent. Yes each individual need Microsoft licensing but there is flexibility for the rest of the PUPM pricing. Law firms are generally 70-75% concurrent – ie people on their machines and any point in time

- Growth in data storage needs to be thought about at the time of contract negotiation – save surprises later. One can potentially negotiate for 2 to 3 times initial storage. Also a good incentive to get data storage reviewed along with policy for document storage
- Ensure in the contract that the data in the data centre is your and can be accessed at any time with defined time perimeters. Many firms arrange for a copy of their data to be made available for local storage on a regular basis

Protect your Clients (even maybe yourselves) and Enhance your Service

I have got a Will and a couple of LPAs and I am sure as lawyers that is replicated unlike unfortunately the majority of the population which means when marketed properly a significant area of business for the firms. Case management systems and process are a great help but I have recently been made aware of major issues around access to required mental capacity evaluations both at the time of the LPA creation but also through the process.

Traditionally reference would be made to GPs but increasingly they are taking longer to respond - on average four months - if they are going to respond at all - because of fears of retribution, lack of time, knowledge and increasingly adequate insurance.

I have become aware in the last few weeks of www.tsfconsultants.co.uk and an increasing use of this service by Private Client firms, Court of Protection teams and litigation firms. I checked the service out with a number of Private Client HODs.

We need to ensure the process is smooth and efficient for the firms benefit – speed and Pii - and that of the client and we want to avoid situations like this;

“Mrs Smith has made an LPA for property and financial affairs. She is widowed with 3 children. She has appointed her eldest child as sole attorney as the other two live abroad. Her attorney is the only one that is married with children. Mrs Smith has specified in her LPA that she only wants it to come into effect when she loses her capacity. She has recently had a stroke which has impacted upon her speech and memory.

Her family approach the GP for an assessment of capacity who after several weeks of silence agrees to see Mrs Smith the following month. During this time Mrs Smith starts spending erratically, including giving a local charity a cheque for £2000. The GP sees Mrs Smith for 15 minutes and decides Mrs Smith has capacity to manage her property and finances, arguing her donation to the local charity was at best ‘an unwise decision’.

The following day, Mrs Smith pays the window cleaner £750 whilst also deciding to re-mortgage her house to pay for ‘a friend’ to go on a round the world trip.

The family have Mrs Smith reassessed and she is deemed to lack the capacity to manage her property and finances. There is a further 12 week delay while the LPA is now registered during which time the attorneys are unable to take control of Mrs Smith’s finances and further misappropriation of her funds occur”.

More relevant information for Conveyancing, Private Client and now Security

Solve Legal Marketing (Practical Vision Group) who publish <https://www.todaysconveyancer.co.uk> and <https://www.todayswillsandprobate.co.uk> has added a new publication today called <https://www.todayslegalcyberrisk.co.uk> – very relevant information for much of our sector and planning to provide daily alerts, news and practical advice on how to prevent and protect you and your company from cyber-crime. Free subscription to weekly newsletters.

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