



The challenges and current situation of law firms

Solutions to tackle them with solvency



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Law firms need the best technology to support their growing and ever changing activity. The regulatory framework, competition, the digital economy and the pressure to reduce costs are challenges that can only be solved with comprehensive, flexible and secure management.

Sectoral and technological challenges

Law firms today face many challenges, both professional and technological. Amongst professionals, we could mention **internationalization**, which not only involves the entry of foreign firms into our local markets, but also the possibility of expanding our own business towards new and more ambitious frontiers.

This new competence informs current and potential customers, who, in addition to the pressure to reduce costs, want a closer and more personalized treatment, in such a way that we provide them with the most effective solution possible in the shortest period of time. This requires agile firms to adapt to the continuous changes required by our environment.

One of these changes in the short term is the adoption of the European regulation GDPR (**General Data Protection Regulation**), which will mean for all public and private companies (including law firms), a review of the procedures for processing and circulating personal data to address this new European framework.

Its entry into force on 25 May 2018 will not only mean taking measures in all areas of the business, but also setting in motion **monitoring mechanisms**, as the LOPD already did at the time. New procedures, more transparency, training and audits.

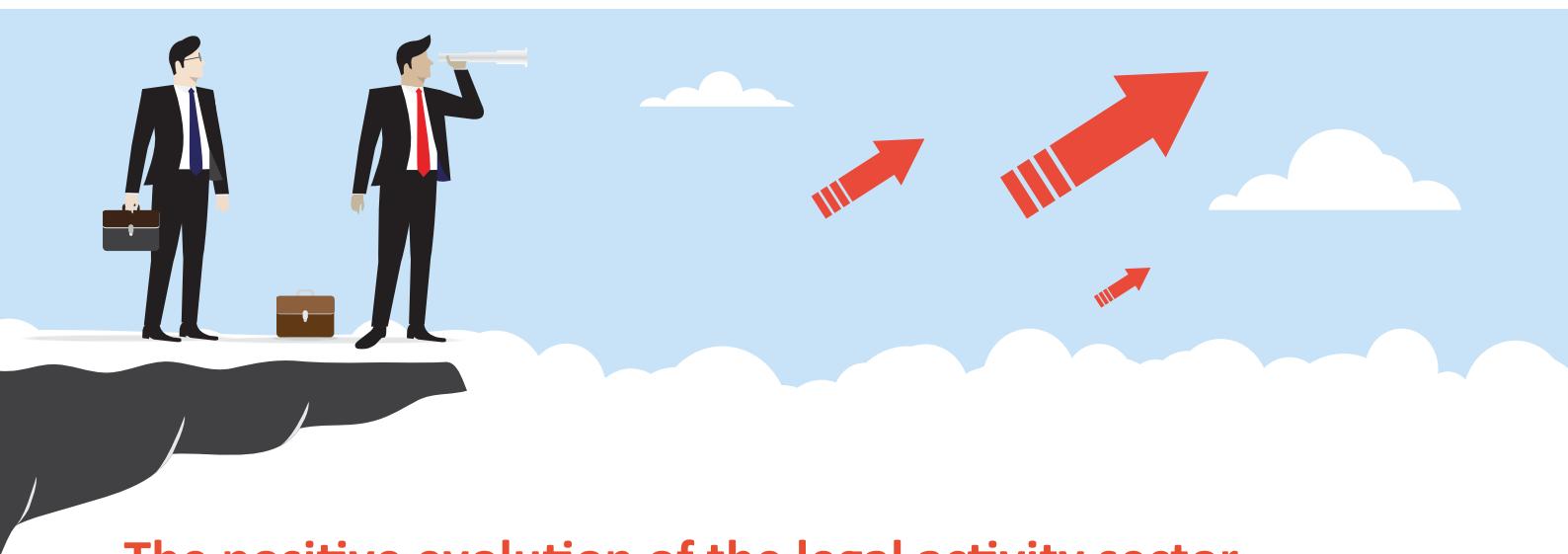
In fact, as indicated by **IDC Research España** in a study published in December 2017, the challenge of applying the GDPR is going to mean for 36% of Spanish companies a **competitive advantage** or an opportunity to improve the efficiency of information governance and its security. That is the vision that we must adopt in this new regulatory context.

Another challenge that is more sectoral has to do with the irruption of the concept of **Legaltech** and the new digital economy, which is nothing else than the use of technology in the provision of legal services to create **software or online services** that reduce or eliminate the need to resort to the legal sector in its more traditional form. This accelerates the procedures and the task management of the lawyers themselves (reducing the time a professional must invest in many of their tasks, and with it the cost), or those that simplify and modify the method of contact between professionals in the legal sector and their potential clients.

On the other hand, the new professionals who join firms are part of the generation of millennials, accustomed from their academic stage to new technologies, mobility and greater collaboration. If we want our firm not only to be attractive for its reputation, we must also be able to attract new talent due to our **capacity for innovation**.

And for all companies, and perhaps more so for law firms because of the quality and sensitivity of the information they manage, **cybersecurity** is also a challenge. Because the legal profession holds information that has been given to it under full confidence, therefore losing it would break the relationship between client and lawyer, with the reputation being deteriorated that this entails.

This environment marked by the increase in the number of devices connected to the Internet, the governance of the Internet and the omnipresence of the digital world requires knowing and implementing technical and organizational measures aimed at protecting the information that is managed.



The positive evolution of the legal activity sector

These are good times for the legal practice business. At least that is what the National Institute of Statistics (INE) tells us in its last report of November 2017, in which, after analysing the first nine months of the year, it was reflected that the turnover of legal activities, of accounting and business management consulting have experienced an increase of 11.2% from January to September 2017, 3.7% corresponding only to the month of September. Legal activity leads the turnover of the service sector.

According to Deloitte, the specific areas of growth are legal and regulatory compliance (49%), acquisitions and mergers (42%), and litigation (39%), and the change in hiring patterns implies the need for integrated services that go beyond what is strictly legal.

To cement this growth, customers need fixed quotes, a price adjustment and, as we mentioned earlier, greater transparency. All this is not possible without a better and greater use of technology.

Solutions that meet the needs

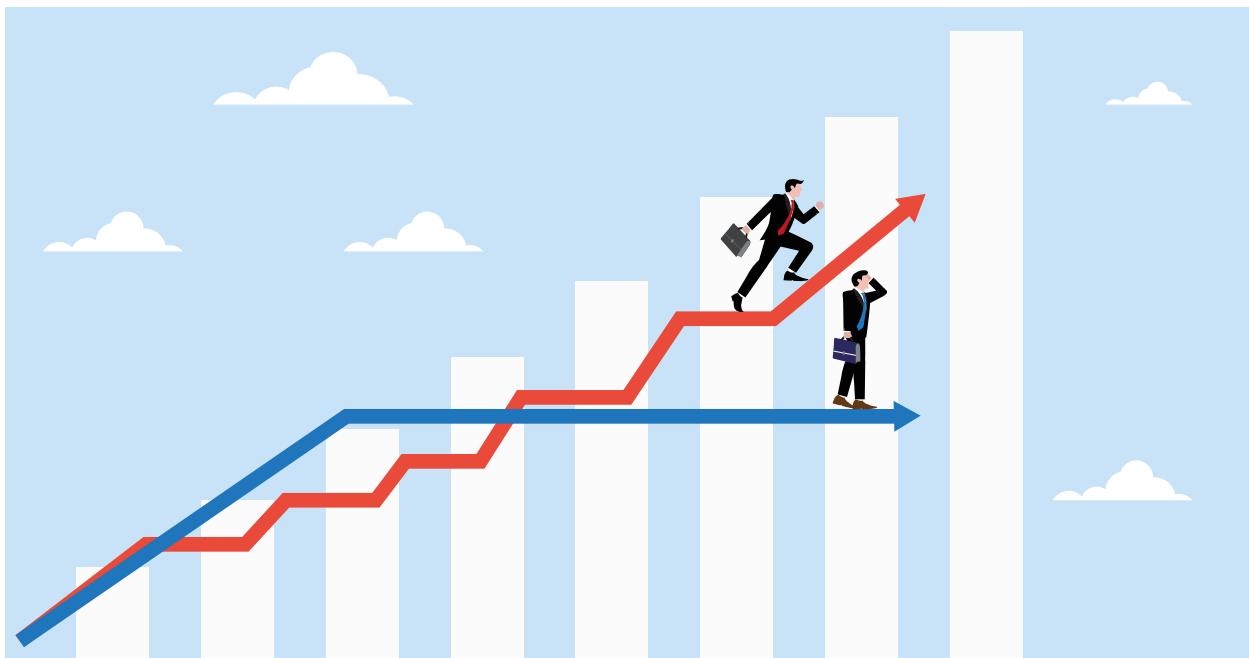
In order to successfully face all these challenges in the legal sector, it is more necessary than ever for a reliable technological support, on which we base the **digital transformation** of the business. For 16% of professionals, this transformation is undoubtedly the biggest challenge, according to a survey of 200 leaders in the legal sector at the recent **ESADE Alumni Aptíssimi Awards**. This is followed by the internationalization previously mentioned (12.5%), business knowledge (10.4%) and the efficiency of the firm (10.4%).

In practice, what worries firms is to **improve the management of cases**, and specifically in the economic plan everything that has to do with the disbursements, provisions, resources and employees involved in each case. And of course the parties and counterparties, relationships and networks of contacts. It is necessary to be able to detect possible **conflicts of interest** when accepting new cases. Nor should we forget the necessary processes of validation, to detect risks in money laundering, terrorism, or conflicting interests, to name a few that affect independence, loyalty, integrity and professional secrecy. Only a 360° vision can offer the quality that is needed to analyse all these links.

Returning to the economic field, when disbursements are paid on behalf of the client, we must be aware of the corresponding management of their collection at the time of issuing the invoices. And that is a task that does not add any value to the firm's own daily management. Ideally, the task should be delegated to a management system that does not leave any amount pending, no matter how small. The same could be said with the other items mentioned above; provisions and perfectly identified resources that will be charged according to the agreements that are made with each specific client.

The positive evolution of the legal activity sector

But before arriving at the management of the matter, it is necessary to capture the client and the business opportunity that may arise in the commercial activity. The best thing in these cases is to have a CRM system for client relationship management, in which we register both current and potential clients. It is precisely from there where it makes more sense to open the cases, which will then go to the management system or ERP.



The business management solution is now in charge of controlling the resources, the imputation of hours of the lawyers and partners in each case, the control of work done and invoiced, and the analysis of its profitability. With specific rates for seniority, category or position. But before invoicing, it is often necessary to validate the pre-invoice by means of a pre-established workflow, so that only if it is authorized will it become compliant to be presented to the client.

To round off the technological proposal, it should be complemented with reporting and data analysis tools for decision making. And to deepen the data based on the practice, region, delegation, client, subject, project, resource, etc.

This is what is known as Business Intelligence, providing managers with dashboards, statistics, production analysis, work control in progress (WIP), profit and loss statements, reports by teams and the main KPIs for monitoring the achievement of goals. All this in real time, with all the information integrated into a single system.

This analysis, applying modern machine learning techniques and algorithms, can help us in the preparation of new sales budgets, both in hours and in invoicing and employee data

Tangible benefits to promote efficiency and growth

At IFR we propose a global solution under the name of **Dynamics 365 Lawyers**, based on Microsoft products and services that are fully **integrated** with each other. With this tool you can cover all the activities and tasks of law firms, covering the areas of marketing, customer relations, sales, accounting and finance. Thus allowing a **strict control of the business**.

Based on Dynamics 365 Finance and Operations, it is a **completely flexible and modular** solution in the cloud, 100% adapted to the specific needs of each firm and budget. And prepared to **grow** as the business does, being scalable and **profitable**.

Microsoft's cloud is precisely one of the safest in the market, with the largest collection of regulatory compliance certifications.

Another aspect to take into account is that it is a fully prepared solution for mobility, regardless of the device used. Together with ease and speed of implementation, making it a tool with a **quick return on investment** (ROI).

About the IFR Group

We are a leading organization in providing consulting services, implementation and development of global business solutions based on Microsoft Dynamics 365, with the highest performance and quality.

We have over 30 years of experience and a track record of sustained growth, which has placed the IFR Group as a benchmark technology consulting company in global business management solutions, becoming one of the main partners in Microsoft Dynamics 365 solutions for large organizations in Spain.

Offering solutions to achieve the maximum benefit of our clients, our vision is clear: to give a global service to companies, prioritizing their sustained growth and incorporating changes for the digital transformation they need, with solutions to reach their maximum potential.



Dynamics 365 Lawyers: The global, comprehensive and scalable solution for professional law firms

