CMS SAY UK IS PROFITABLE AND SELF SUSTAINING

CMS Data, the company behind the CMS Open practice management system that is now making inroads into the UK legal market, say the recent departure of vice-president of sales Tom Platt to rival Elite will not weaken the company’s commitment to developing its business in the UK.

Platt was headhunted from Elite to join the CMS team in 1995 and was rated by many of the law firms who met him in the UK as the man who had “the vision thing” as to the direction in which the new CMS Open product should be developed. However six weeks ago he resigned from CMS (which is part of the PC DOCS group) and subsequently rejoined Elite to head their operations in Australia.

The suddenness of his departure (partly influenced by personal reasons) took many people by surprise, with one leading IT consultant initially refusing to believe the reports. It also clearly unsettled CMS prospects in the UK – not least because they learned of it from third-parties – and caused at least one firm to temporarily put its decision to buy CMS on hold.

But, is it a real problem or just a passing cloud that will soon be forgotten?

Legal Technology Insider has spoken to Doug Horton, the president and CEO of CMS Data in North America, who takes a very phlegmatic view of Platt’s departure. “Tom did a good job ➩ for us but now he has moved on. The impact is minimal because we now have a strong team under Mike Bailey in the UK and are structured so as not to be reliant on particular individuals. We don’t intend to be one of those one person companies that grows and then dies when that individual leaves.”

As to the company’s commitment to the UK, Horton admits it got it wrong when it first came over to London and worked with Freshfields in the mid-1990s and “has no intention of making the same mistakes again.”

Along with Mike Bailey’s team in the City of London (which has recently been joined by John Keane, previously with Ymijs/Valid, who has a reputation for being one of the most effective salesmen in the legal market) and PC DOCS Group Europe in Basildon (a sister company created by the Quintec takeover) Horton says CMS is budgeting to put more people and resources into the UK.

Horton is particularly bullish about the CMS Open system: “We’ve got a good system that is above and beyond anything else available. In the United States Coopers & Lybrand will shortly be implementing a 16,000 user project. I think that speaks well for both the product and the technology.”

As for involvement in the UK, Horton says all the development work to adapt the system to handle VAT and English accounting rules is complete and the company’s first site, Reynolds Porter Chamberlain, is due to go “live” this week, followed by Bird & Bird in the autumn.

“We’ve made the investment, the UK market is now self-sustaining and profitable. Of course we are committed, we are here to stay,” said Horton.
LAW SOCIETY STUDY ALSO FINDS SMALL FIRMS IT TROUGH

The results of a survey carried out for the English Law Society’s Research & Policy Planning Unit (RPPU) have echoed the findings of a recent Grant Thornton Inter Firm Comparison, which found that the poorest take up of technology is among the smaller “traditional” High Street practices.

Both studies found that, as a rule of thumb, the bigger the firm, the greater the percentage of lawyers with personal computers on their desks. And, both studies also found that sole practitioners and very small firms were enthusiastic users of technology, as it gave them the ability to increase productivity without having to employ additional support staff.

But when it came to slightly bigger practices in what might be termed the High Street sector, their use of IT fell into a trough that was not only lower than that of larger firms (which is probably only to be expected) but also substantially lagged behind that of far smaller firms.

Comment... Saddled with relatively high overheads (in terms of fee earner to support and secretarial staff ratios, as well as the larger office accommodation needed to support long administrative “tails”) while at the same time being most heavily hit by the collapse of legal aid and, until recently, conveyancing work, (as well as soaring SIF premiums) these firms are in the invidious position of having the greatest need to invest in IT but being least able to afford to do so.

What next for Chancery Lane

The RPPU study also asked solicitors if they thought the Law Society should provide practitioners with assistance on IT matters and, again as might be expected, although there was considerable support for it from smaller firms, this enthusiasm waned among larger, more technologically self-reliant practices.

Along with IT products to help tackle specific problems, such as self assessment under the new income tax regime, the greatest demand for Law Society aid was with case management software, including property selling and conveyancing systems. (Interestingly, exhibitors at the Barbican also said case management systems attracted the most interest.)

But what assistance can the Law Society offer in the wake of the High Street Starter Kit (HSSK) debacle?

Currently Chancery Lane is investigating a number of options, ranging from doing nothing and leaving it to market forces through to outsourcing the whole project to a third-party, with some form of “kite marked” product approval or “badging” deal (so third-party party software is sold under the “Law Society” brand name) as alternatives.

In fact the Law Society already sells a debt collection package developed by The Beaver Corporation under a badging deal and products such as Gavel & Gown’s Amicus Attorney would certainly lend themselves to packaging as a basic case and document management system for smaller firms. However with another contentious presidential election campaign now underway, it is probably safe to assume no decisions will be finalised until the autumn.

LASERFORM WINS MAJOR EVERSHEDS ORDER

Laserform Law has won a major order that over the next couple of years will see the Laserform CaseControl case management software installed on every fee earner’s desktop within the Eversheds group. Eversheds currently has 12 UK and two overseas offices employing a total of nearly 1100 fee earners.

Barry Hawley-Green of Laserform says one of the factors helping them win the order was that CaseControl was written using Microsoft development tools and thus was fully compatible with Eversheds’ “best of breed” IT strategy.
LAW FIRMS’ INVESTMENT IN IT SOARS

On average, solicitors practices are investing twice as much on computers and other aspects of IT than they were three years ago. This is one of the conclusions Avenue Legal Systems draws from an analysis of its sales and latest financial results.

According to Avenue sales director Michael Belas, although the company has won a steady stream of £100,000+ orders over the last six months, the big increase in business is among High Street firms in the two-to-five partner size range: “In 1994 firms of this size were investing an average £30,000 on computers and office automation, today the same size of firm is spending £60,000.

“What makes these figures really significant,” says Belas, “is over the last three years hardware and software prices have fallen, so solicitors’ investment in IT is substantially increasing at a time when they are already able to buy more technology for each pound of their money.”

Avenue’s own experiences suggest the extra is primarily being used to buy case management, document management and similar support systems for legal staff, as firms recognise commercial survival depends upon increasing the productivity of fee earners, while at the same time cutting back on the number of non-fee earning support staff.

As a guide for budgeting, Belas suggests that firms are spending between £3000 and £5000 per fee earner terminal – this figure includes hardware, software licences, maintenance and training.

For its recently closed 1996/7 trading year, Avenue is reporting a 25% increase in turnover to £3.3 million (compared with £2.7 million in 1995/6) and predicting a further 33% increase in turnover during its current trading year.

As well as being the company’s ninth consecutive profitable year, Belas says the figures reflect a significant change in business patterns: “Two years ago 95% of Avenue’s turnover came from hardware sales, today over 50% is generated by software sales.”

BEAVER IN LEGAL MARKET EXPANSION MOVES

As part of its expansion strategy for the legal market, The Beaver Corporation has acquired the intellectual property rights to the ICAS case management system.

The original ICAS system was a Progress 4GL development that ran under Unix and Novell and was distributed by F&F Systems. Although Beaver intends to keep the functionality of the old ICAS, including its key date management system and workflow engine, the product is being redeveloped to run on the latest 32-bit Windows 95/NT platforms and will form part of the litigation management software the company will be releasing in the New Year.

Coinciding with the ICAS deal, Brian Pittaway (part of the design team on a number of debt recovery systems and co-author of the original ICAS software) has joined Beaver as major accounts manager with specific responsibility for solicitors’ practices.

Ongoing support services for users of the original ICAS product continue to be supplied by Ultima Computing, which was set up by the partners of Manchester law firm Antony Hodari & Co following last year’s closure of F&F Systems. Beaver and Ultima are discussing licensing options.

Shoosmiths & Harrison, which runs one of the largest debt recovery departments of any law firm in the UK, has ordered Beaver’s Legal Arms system to replace the Debtco software it has been using since the late 1980s. As part of the deal, Beaver will be involved in the electronic conversion of the Debtco files and porting them from a Unix platform to the new Windows NT environment Shoosmiths has selected.

Elite to support SQL Server
US-based Elite Information Systems, whose products have taken major UK law firms by storm in recent years, has announced that Elite for Windows NT will now support Microsoft’s SQL Server database.

Elite is taking orders now for shipping in September. For details call 0171 330 3504 or check http://www.elite.bsisc.com

Comment...
Traditionally associated with Unix and the Informix database in particular (although there is also an Oracle option) this move looks set to substantially widen the appeal of Elite, as well as scare the competition. It is probably also going to worry Informix as such a defection does nothing for the database company’s already battered credibility.
Document outsourcing bureau
Kodak’s Business Imaging Systems division has launched what is effectively a pay-as-you-go document management bureau for law firms who want to outsource the transfer of paper documents to a digital archiving system.

Processing costs around £65 per 1000 documents and in return the user receives a CD-Rom disk containing both the scanned images of the documents and a copy of Kodak’s own Windows-based document management storage and retrieval software. The software allows documents to be printed off or faxed, as well as viewed on a PC.

For further details call Simon Stannars at Kodak BIS on 01442 845104.

BUYERS GUIDE... CHILD SUPPORT ACT SOFTWARE
When the provisions of the 1991 Child Support Act first came into force, family law practitioners rapidly found that the maintenance assessment calculations required more than a sheet of paper and a good head of figures. A number of software programs were launched to address this problem in 1993 but four years later are any of them still available?

Of the seven products available in December 1993, Eleetix Software has dropped its Child Support program for lack of demand and Nottinghamshire solicitors Fidler & Pepper are no longer selling the Abacus program they originally developed for their own inhouse use.

Although MCS is no longer acting as its distributor, Class Publishing (0171 371 2119) is still selling and providing regular upgrades to its Child’s Pay software plus textbook guide. The price is £299. (Add VAT to all prices.)

Also still available is PayAway from Paradigm Software (01424 212021) which is part of the Temple Lectures group. The software application costs £295, the annual maintenance an additional £96.

Dodona Ltd (01222 644131) part of Ferret Information Systems, offers two versions of its Child Support (formerly Cradle) product: a PC program (price £237) and a version that runs on a Psion Series 3 handheld computer. The combined price for the program and the Psion hardware is £414.50. The annual update service for either product is £185.

Finally MSS Management Support Systems (01252 371121) still sells and supports the AlphaLaw Child Support Calculator. This PC application costs £125 plus £30 for updates.

At the time of going to press, LTI was still trying to track down the seventh supplier PDQ Publications and its Child Support Act Survivors Guide.

EVERYTHING MUST GO
A nine-partner law firm in central London, that is currently in the process of being dissolved, has contacted LTI to say it is selling off its entire computer installation, including LaserJet-5 printers and over 30 Pentium P100 PCs with 16Mb of Ram and 1Gb hard disks with ready-to-run Windows NT network cards.

As most of the hardware was only installed in the first part of 1996, much of it is still under warranty. The firm is looking for £700 ono per PC. Subject to the transfer of licences, the firm also has copies of Microsoft Office to sell. Call Indira on 0171 405 4400 for details.

MILLENNIUM COUNTDOWN
Microsoft has posted information on its web site about the impact of Year 2000 problems on PC users. The site is at http://www.microsoft.com/cio/articles/year2000faq.htm and takes the form of a question and answer document. Microsoft says all its current products are now “Year 2000-ready”.

Quill Systems has begun a campaign to promote its new millennium-proof Quantum 2000 software which it says will help users get the best from Unix “or any other early operating system” without having to upgrade computer hardware. For further details call 0161 236 2910.

Steve Parry-Langdon of Loosemores says the software company SageSoft seems to have had a change of heart over its Year 2000 upgrade policy for users of its Sterling Payroll package. According to Sage, Year 2000 compliance “is just one of many enhancements” included in the new version of the software.

Furthermore, while there is a charge for this upgrade, Sage now say the company has “no intention of charging” users on SageCover support contracts for Year 2000 compatibility and that this problem will be addressed in 1998.

See also Diary Dates on page 7.
SUPPLIER CALLS FOR IT TRAINING FOR LAWYERS

Electronic legal publishers Context are calling for the Law Society and the Bar Council to introduce some form of basic IT training within the legal profession to overcome the “can’t learn, won’t learn” mentality of some lawyers.

Context’s marketing director Michelle Green says they first became aware of the scope of the problem when support desk staff began complaining about the rudeness they encountered from some of the subscribers to the company’s CD-Rom products. “By rude,” says Green, “I mean senior members of the Bar shouting and swearing at staff”.

What upsets Green is that when these problems are investigated, the cause almost always has nothing to do with Context but is instead attributable to the hardware being used.

Green says that although more lawyers now have PCs on their desks, few seem prepared to take the trouble to learn how to operate them properly, so when the system crashes they blame the last application they were using. Green cites one recent incident when a QC phoned to complain a Context disk was causing his 32Mb RAM PC to throw up “out of memory” warnings.

Context discovered he actually had 20 applications open but when they suggested he could avoid the problem by closing some of them, he told the help desk: “I don’t want to do that, I want you to fix it.”

Faced with this combination of rudeness and unreasonableness Context say they are going to take a harder line and will in future cancel contracts and refund subscriptions rather than tolerate such behaviour, not least because it is bad for the morale of their support staff.

Green adds there is a particular problem with barristers chambers where networks but don’t have the systems administrators to maintain them. “What you find,” says Green, “is enthusiasts who fiddle about with them but are not capable of properly installing CD-Roms across a network. Often the problems are relatively straightforward to fix but we are the ones who are expected to do it.”

Green believes the Bar Council and the Law Society should introduce foundation courses in IT skills for their members, so they can take advantage of technology. “We try to be constructive but some lawyers still have this ‘won’t take advice and are smug with it’ culture”.

“BEST EVER” SOLEX CLAIM

According to some of the exhibitors LTi has spoken to, the recent Solicitors & Legal Office Exhibition at the Barbican was “the best ever” in terms of both the quantity and quality of visitors attending.

Alby Smith of Mercury Computing said the company obtained more good leads in one day than it did during the whole of last year’s show, while Bill Kirby of Axxia noted a “considerable increase” in numbers to the extent the company’s 25 staff and nine workstations were kept busy throughout the three days.

Ronnie Paton of Pilgrim Systems described the 1997 visitors as “very tuned… they knew what they were looking for whereas in recent years they have just been tyre kickers.” This view was echoed by John Burrill of Linetime, who felt people visiting the stand had clearly done their homework before coming to the event and had drawn up shopping lists of systems they wanted to buy.

Lisa Sanderson of Solicitec said a factor that impressed her was the level of understanding displayed by visitors: “It is not just techies but even quite elderly partners who are now familiar with concepts such Windows and integration.”

Statistics released by organisers Truemist reveal that of the 6,600 visitors who attended the three day event over 40% were partners in private practice.

John Wilde ill

Contrary to some preposterous rumours currently doing the rounds, J ohn Wilde is still the managing director of AIM Professional and he really is “very poorly” and in hospital undergoing tests.

AIM chairman Mike Booth told LTi that he hoped J ohn would “be back in harness shortly” and that the planned reorganisation of the group’s three operating companies in the legal market would be headed by Wilde.
COMMUNICATIONS FUTURES

TRADEMARKS SEARCH NOW AVAILABLE ON THE WEB

Waterlow Information Services’ electronic trademark searching system Signature is now available on the internet. The system uses a form-based enquiry screen and an “intelligent” search facility that allows phonetic matching across both UK and EU trademark databases. Search results, including colour images, can then be displayed and printed off from users’ PCs.

The basic Signature services runs under Windows 3.1 and requires a modem with a speed of 9600 bps or faster. For web access browser software is also needed. Signature is available on a pay-as-you-go or subscription basis and Waterlow is also offering an obligation free two week trial.

For further information call Sinead Atherton on 0800 181377 or check http://www.waterlow.com

SHARP PRICE CUTS

Sharp Electronics has announced a series of prices cuts in its basic fax machine and handheld computer ranges.

Fax prices have been cut by around 10-20% – the entry level UX-70 thermal fax now has an RRP of £209 (down from £249) and the entry level FO-1450 plain paper fax has an RRP of £382 (down from £425). Add VAT to all prices.

Faced with increased competition from the new Microsoft CE Windows operating system for handheld computers and the imminent launch of the new Psion Series 5 range (which will also feature improved Windows compatibility) Sharp has slashed the prices of its ZR “personal communicator” range of hand held computers, with the 1Mb ZR-5700 now priced at £299 (previously £429) and the 2Mb backlit ZR-5800 now selling at £399 (previously £529). These prices are inclusive of VAT.

NKT GETS CLIENT APPEAL

Client Appeal, the Thames Valley-based PR and marketing consultancy for law firms, has become an authorised agent for the new NKT Interactive Internet scheme that allows solicitors practices to promote their services and receive client instructions directly from their pages on the World Wide Web.

Client Appeal proprietor Lawrence McNulty says he believes Internet should help small-to-medium sized practices “reach new business opportunities other marketing initiatives cannot reach and without the credibility hurdles such firms often encounter.” Client Appeal can be reached on 01724-776775.

Comment... The NKT system has now been sold to a total of six firms around the UK. Further details will be released when their respective Web sites go “live” later this summer.

Michael Kaye, whose own firm Kaye Tesler & Co was the original pilot for NKT, says his firm’s site at http://www.kt.uklaw.net is already generating enough new business, including instructions from overseas clients, to pay for itself. “We are now receiving an average of 120 hits per day although the record is 279 hits in one 24-hour period,” said Kaye.

NO SUCH THING AS A FREE DIRECTORY ENTRY

Lawrence McNulty has also passed a useful warning about a new CD-Rom business directory that is being compiled and intended to be distributed free on the cover of PC magazines.

The promotional blurb says all entries are free and invites submissions by fax. However when he read the small print carefully and watched the transmit speed on his fax software, McNulty realised he was being charged 150p a minute and that their fax was only receiving at 2400 bps. Had he not stopped transmission, the total phone bill for his “free” entry would have cost him £15.
If you are still using an older 14.4 kbps modem, then it is worth buying one of the new models to take advantage of the faster 33.6 kbps speed. You can also, to an extent, future-proof your investment by purchasing a model with either a flash ROM (which can be upgraded by a software download) or a replaceable Eprom chip (allowing a hardware upgrade) so the modem can be adapted to meet any changes to the 56 kbps communications standard.

**DIARY DATES**

**J une 18-20** - Year 2000 Expo Conference and exhibition at the Royal Lancaster Hotel, London looking at different aspects of the millennium computing crisis. Mark O’Conor of Bird & Bird will be delivering a paper on the 19th. Call ☎ 0171 351 4488 for details.

**J une 24** - Internet Conference for Lawyers One day conference looking at practical aspects of delivering legal services across the web. Speakers include Clive Whitfield-Jones of Jeffrey Green Russell. Fee £330 (+ VAT) or £220 (+ VAT) for Central Law Training members. Accredited for 6 hours CPD points. At Gloucester Hotel, London, starts 9.00am. Call CLT Conferences on ☎ 0121 355 0900 for details.

**Practical Use of the Internet Workshops** In conjunction with NKT Computer Consultants, Michael Kaye, senior partner of Kaye Tesler & Co, will be giving presentations on how solicitors can use interactive internet services to generate new business and expand their practices on: 25th J une & 2nd J uly (Central London – Royal Scott Hotel, 15th J uly (Glasgow – Ingram Hotel) and 16th J uly (Edinburgh – Grosvenor Hotel). Admission is £40 (+VAT). There will be morning and afternoon sessions, followed by workshops. Attendance attracts 2 CPD points. Call ☎ 0181 809 6756 for details.
MARKETING IT MATTERS

A dress-down Barbican

Elsewhere in this issue we report on the serious side of the recent Solicitors & Legal Office Exhibition at the Barbican in London but what about the marketing angle? How did the assembled suppliers fare in trying to promote their companies and their products to visitors?

Thankfully the tackler gimmicks of earlier years have gone. Linetime had the best competition: an electronic lottery game offering the chance to win a decent bottle of champagne. Mercury Computing had the best attraction – a juggler balancing balls – which neatly tied in with the stand’s theme that the company’s software would help you juggle your firm’s caseload.

Sartorially speaking, 1997 will go down as the year English legal suppliers – well at least two of them Axxia and Linetime – finally took a leaf out of the Capsoft/Carpe Diem book and clad their staff in a “dress-down Friday” look of chino slacks and monogrammed polo shirts. For the record, the Linetime team had the most dapper colour scheme.

Given that the Barbican once more managed to coincide with a heatwave, these outfits were not only smart but also highly practicable.

Needless to say gossip was rife. Some pointlessly malicious – why do some salesmen still think slagging off the competition in front of new business prospects is going to win them brownie points? Some hopelessly inaccurate – I had to ask the finance director of one supplier how he felt about the news he had been sacked a fortnight ago. And some right on the button.

Another aspect of the Barbican not always mentioned is that it provides suppliers with an ideal opportunity to send their backroom staff round the exhibition to check out the competition. This year the product that drew the most spies was Mercury Computing’s InControl Legal case management system.

A land of missed opportunity

There again, if legal IT suppliers are now becoming more sophisticated in their marketing, how come so many have apparently overlooked the Irish market?

One of Insider’s Irish subscribers was lamenting to me that despite the fact there are more law firms in the Republic per thousand head of the population than anywhere else on the planet, with the possible exception of Washington DC, this huge potential market is virtually ignored by UK suppliers, with the result that she had to fly over from Shannon Airport at the crack of dawn to come and visit them.