FIRST LAW BECOMES FIRST WEB-ONLY FIRM

In yet another “first” within the UK’s burgeoning legal e-business market (see also page 6), London-based FirstLAW has become the first fully constituted, Law Society certified and regulated, professional-indemnity insured solicitors’ practice to operate entirely - and only - on the Internet.

Created by Davies Arnold Cooper partner Anthony Armitage (although DAC has a small equity shareholding, FirstLAW is not a DAC spin-off) the new firm aims to act as an online intermediary (the nearest equivalent in the bricks and mortar world is a travel agency) referring clients to the law firms best qualified to handle their matters.

Staying with the travel agency analogy, FirstLAW’s services are free to the client, with the firm making its living out of a commission-based “success fee” paid by the law firm selected to handle the work.

FirstLAW reckons it is a viable option for any client - private or commercial - with legal work likely to generate fees in excess of £500. This inevitably prompts the question: won’t the commission element result in higher fees, as law firms factor it into their pricing structure? But, Armitage says this is “extremely unlikely” as FirstLAW has been constructed as an auction site, with firms having to submit competitive bids (in effect an online beauty parade) in order to win a particular set of instructions.

COMMENT - It was originally predicted that the rise of the Internet would lead to “disintermediation”, with conventional lawyers at risk of being squeezed out of business as clients increasingly turned to online legal service providers. But, with FirstLAW in the legal field and similar services in other markets, it looks instead as if we could see the emergence of a new class of cyber-middlemen and digital information brokers who can all input their own slice of added-value into an online transaction.

VIRTUAL CHAMBERS IS ACTUAL SCL WINNER

The Peterborough-based Virtual Solicitors Chambers, a project which seeks to create a “clicks and mortar” virtual reality alternative to the conventional “bricks and mortar” solicitor’s practice, last week became the winner of the Society for Computers & Law’s annual IT award.

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STOP PRESS

- First Big Y2K Orders Reported
The legal market’s first major IT orders of the 21st century have been announced by Hummingbird Communications, the parent of PC Docs, and Solution 6, the new owners of CMS Open. Hummingbird has sold an additional 1100 licences for its DOCS Open document management system to Clifford Chance - the firm already has DOCS on 3500 seats. And both Clayton Utz, one of Australia’s biggest law firms, and UK accountants Pannell Kerr Forster have placed orders for CMS practice management systems.

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GOODBYE SOLEX - HELLO LEGAL TECH

Imark, the organiser of the Solicitors & Legal Office Exhibition at the Barbican, has just announced it is dropping the SOLEX brand name and linking up with American Lawyer Media to relaunch the event as LegalTech London.

As part of the biggest shake-up in its 15 year history, the show dates have been brought forward from June and the exhibition will now run for just two days (17th & 18th May). Imark say the event will feature up to 50 international exhibitors, including a number of leading US suppliers.

As in the USA, LegalTech London will also feature a conference organised by accountants PricewaterhouseCoopers. Programme details have still to be announced but the sessions will be held in the Barbican Exhibition Hall area, so there should be no risk of delegates getting lost within the Barbican complex.

Imark will announce details of its media sponsors, conference speakers, programme and pricing information, and what plans it has for the SOLEX North exhibition at the Manchester GMEX over the next couple of weeks.

GT MOVES INTO PM

UK management consultancy Grant Thornton is expanding its implementation team to handle the growing volume of project management work coming its way. Recent projects include involvement with the Lovell White Durrant merger with Boesebeck Droste in Germany (both firms run Elite PMS systems) and work on three major CMS Data installations. Grant Thornton plans to expand its operations to include Axxia, Norwel and Keystone project management work.

BUZZWORD CORNER

404 (adjective)
Clueless, derived from the “404 Not Found” error message displayed by web browsers when an Internet URL address cannot be found. Used in the context of “The new trainee is so 404 that he thinks the CD-Rom tray is a coffee mug holder.”

RAMESYS TAKES OVER AT THE DATA BASE

Nottingham-based intranet and legal systems integration specialist The Data Base has been acquired by the software group Ramesys Holdings.

Although Ramesys main board director Mike Bradley has now taken over as acting managing director at The Data Base, the company’s best known face in the legal market - Ed Hodgson - is remaining with the business and will now head what is planned to be an expanded presence within the legal systems world.

Hodgson says in the short term, apart from a possible name change, the only difference customers will notice is that the company will be able to offer a far wider range of products and services. Longer term plans include opening a London office and widening the product portfolio to include more legal e-business and fee earner support products. The company will also be focussing heavily on “infrastructure services” based around the upcoming Microsoft 2000 and Exchange 2000 products and has not ruled out the acquisition of other legal systems suppliers.

BAR LOSES INTEREST IN IT

As a result of its latest administrative re-organisation, the Bar Council has wound-up its practice management and development committee, which previously had responsibility for promoting the use of technology by barristers and sets of chambers.

The “official” explanation is that with so many young, computer-literate barristers now in practice and earlier initiatives, such as the video conferencing project, now signed off, the Bar Council no longer needs to devote specific resources to IT matters. However one senior judge, who is a member of ITAC (IT & the Courts Committee), told the Insider he felt the decision was a mistake as it gave the impression that the Bar Council no longer regarded IT as an important topic.

SALES STAFF WANTED

Legal software developer Practitce Ltd is looking for an experienced sales professional to handle sales of its Osprey practice management system. The salary is OTE £50,000, for details call Matthew Garrett on 01432 372100 or email: mattg@pracitce.com
AIM READY TO SHIP E-BUSINESS SYSTEMS

Having widely previewed the software over the past nine months and run a live pilot at Tinsdills in Stoke on Trent, legal systems supplier AIM is now ready to roll-out its next generation of web-enabled, desktop solutions for law firms.

Going under the E-volution Lawdesk brand name, the system contains five separate modules. These are: Lawdesk Document Manager - a browser-based “electronic client file” integrated with a firm’s practice management software to ensure client/matter details are consistent across the system, Lawdesk Intranet - a ready to go intranet, Lawdesk Portal - a browser-based user interface to a firm’s PMS system and Lawdesk Knowledge Management - which combines the DMS, intranet and portal elements.

The fifth and final element - Lawdesk Client Connect - is the module likely to attract the most interest as it offers e-business facilities, including allowing clients to log in to monitor progress on matters or obtain quotations.

HAS AIM CRACKED CASE MANAGEMENT LOG JAM?

In a separate initiative AIM, working in conjunction with Allan Carton’s Practical Solutions consultancy, has been addressing a problem that appears to affect most case management software suppliers, namely how to get new installations up and running as quickly as law firms (who often have wildly over optimistic expectations) would like.

Carton’s view is the best implementations are at firms that are already well organised, understand where they are going with technology and have the right people and sufficient time allocated to the project. Based on Carton’s recommendations, AIM is introducing a series of pre-defined case management procedures, that will help firms build a framework for case projects, and adopting what it describes as a “six meeting model” for implementation work.

www.aim.co.uk

OXFORD LAW PUSH MATTER BASED PRICING

In what it hopes will be the first litigation support system to bring the benefits of electronic disclosure to smaller law firms, Oxford Law & Computing (01235 203690) last week launched version 2.0 of its Openlaw software.

Although the new release contains major enhancements to the original 1993 Openlaw product, Oxford Law director Richard Brockbank believes the big attraction for smaller firms is the matter-based pricing structure, with each disclosure list treated as a free standing application, as it avoids the high capital outlay and major infrastructure implications associated with most other litigation support packages. Prices start at £500 for up to 1000 documents, with substantial discounts for large volumes of work.

www.oxfordlaw.co.uk

NEWS IN BRIEF

LAMB BROOKS in Basingstoke has gone live with a new NT-based Wisdom case and practice management system supplied and installed by AVENUE LEGAL SYSTEMS. The 13 partner, 60 staff-strong firm estimates it spent in the region of £150,000 on the project.

TEXT SYSTEMS has moved from Marshalsea Road to new offices at 1 Long Lane, London SE1 4PG (0171 940 1030).

MANAGEMENT INTERFACE (MIL) has completed accounts system update projects for LAWSON BUENO & CO in North London, POWLEYS of Lowestoft and MAHESON & CO in South London.

The SIFT GROUP, which specialises in the development of web-based virtual communities - including AccountingWeb and LawZone - has moved to new offices 100 Victoria Street, Bristol BS1 6HZ. The phone number remains 0117 915 9600.

www.sift.co.uk

The US DEPARTMENT OF JUSTICE has just concluded a multi-million dollar licensing deal with COREL that will see the DoJ rolling out WordPerfect Office 2000 to over 55,000 employees over the next three years. The site licence includes the Dragon NaturallySpeaking speech recognition system which is bundled in with the latest version of the WordPerfect wordprocessing package.

As part of Corel’s latest strategy to beef up its sales and marketing activities, NORM McCONKEY has been appointed vice president with responsibility for European sales - he will be based at the company’s Slough offices - while SANDIE OVERTVELD has moved from the UK to Sydney, Australia, to be vice president of Corel’s Asia-Pacific operations.

BRYAN KING, previously the senior development manager at CLIFFORD CHANCE, London, has just been appointed international IT development director for the whole of the new Clifford Chance/Rogers & Wells/Puender global practice. He will report to BRIAN COLLINS, the firm’s recently appointed international director of IT.
SUN, SAND AND SADDLE SORES

In just under a fortnight John Burrill, the chairman of legal systems supplier Linetime, will be on his bike, literally, as he heads off on a 300 mile cycle ride along the banks of the River Nile. The inevitable saddle sores are all in a good cause - raising money for the charity MENCAP - and he has already attracted over £6000 in donations. Good luck John - and don’t forget the sun-screen.

HOT TIP FOR AOL FREE DISKS

We are all familiar with those CD-Roms, offering free 30-day trial offers of Internet e-mail and web access with AOL, that fall out of almost every computer magazine we open. But, apart from turning them into coasters for coffee mugs, is there anything more useful that can be done with them?

One reader suggests that if you are out of the office - or even out of the country - with your laptop and unable to access your firm’s e-mail server or normal Internet service provider because your dial-up settings are not being recognised, instead of tearing your hair out in frustration, just insert the AOL disk and sign-up for the trial offer. That way you will be able exchange e-mails and attached documents - and still have a coffee mug coaster!
**IT JOBS - NO BUST BUT MINI BOOM**

Received wisdom suggested that after the rush to complete Y2K compliance projects, the recruitment market would head into recession as law firm IT departments shed staff and returned to their normal workloads. How wrong we all were. Or, as one IT recruitment consultant put it: “We are experiencing a mini boom. Firms are beginning to loosen their belt buckles, blowing the dust off projects shelved in the lead up to Y2K and kicking off new developments.”

This view is echoed by Wendy Phillips of Law & Finance International: “In terms of post Y2K projects, the majority of firms are already full steam ahead on a number of new projects and consequently looking to recruit IT staff across the board. There is certainly no indication of any lay-offs.”

Phillips adds that the recruits in greatest demand are people with e-commerce, online service and web skills. But, with these skills currently in short supply - LFi has 14 vacancies at seven practices - firms are having to pay market competitive rates to compete with financial sector companies who are also actively recruiting in this field.

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**TRAINING AND CPD NEWS**

- **LEGAL TECH RECRUITMENT** (0207 481 6126) is offering free top up training on popular legal software applications, including DOCS Open, Carpe Diem and InterAction, to ensure job candidates can meet the particular IT skills requirements of a law firm.

- **BUTTERWORTHS TOLLEY** is to offer free CPD-approved training courses for subscribers to its online and CD-Rom products. Training will be available for all Butterworths’ digital products, including *Halsbury’s Laws, All England Direct* and Lexis-Nexis, on courses taking place in central London and locations throughout the UK. For details call the Training Hotline on 01932334 836 or email: training@butterworths.co.uk

- **DELIA VENABLES** has produced a new *Advanced Internet Studies for Lawyers* course covering legal research, online information sources and selling legal services online. The courses, which qualify for 5 CPD hours in the “distance learning” category so users can follow them in their own time, are based around online material accessed through a password protected web site. The cost is £40 (+VAT) for an individual licence or £100 (+VAT) for an intranet licence. For details phone 01273 472424 or email: delia@venables.co.uk

- **REBECCA PEARCE** has joined SELECT LEGAL SYSTEMS with responsibility for developing and delivering a range of training courses on both Select software and Microsoft Office applications.

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**LEGAL TECHNOLOGY DIARY DATES**

- **FEBRUARY 22 & 23, LONDON** - Information Systems for Lawyers. The annual Lawyer conference at the Marriott Hotel this year looks at putting IT into the heart of the legal business. Speakers include Tim Hyman of Olswang on being client focussed and Clare Wardle of the Post Office on what clients really want in terms of direct access to law firm know-how. Andrew Levison will unveil the results of Grant Thornton’s survey into the use of IT by law firms and there will also be a small exhibition. Fee £797 (+VAT) with discounts for additional delegates. (10.5 CPD hours.) To book a place call Centaur on 0207 970 4770.

- **FEBRUARY 23, BIRMINGHAM** - Law Office IT Awareness Day. The Institute of Legal Cashiers’ annual conference and exhibition at the Botanical Gardens, Edgbaston. From 9.30am to 5.00pm. (6 CPD hours.) Fee: members £110, non-members £140, with discounts for additional delegates. For details call the ILCA on 0181 294 2887.

- **MARCH 13 & 14, BIRMINGHAM** - AIM Computer Users Association annual conference at the Marriott Forest of Arden. Speakers include Philip Hamer, consultants Delia Venables and Allan Carton and Robert “I hacked into the Duke of Edinburgh’s e-mail” Schifreen. Full delegate fee, including hotel, £340 (+VAT) but with various deals available. Up to 12 CPD hours, for details call ACUA on 01789 296096.

- **MARCH 14-to-16, BIRMINGHAM NEC** Solicitors - the National Legal Office & Legal Services Exhibition. Now in its third year, the NEC show has already become the best-attended event in the UK. The organisers say the March 2000 show, which is once again sponsored by the Law Society Gazette, will feature more IT suppliers than ever before. The event includes a programme of free seminars and supplier presentations. Admission is free, to pre-register for tickets call Nationwide on 0117 907 1000.

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http://www.legaltechnology.co.uk

Wednesday 2 February 2000
SITES TO BOOKMARK

- ANOVA GROUP has an interesting web site carrying information about the latest frauds and hoaxes being operated on the Internet. Just the thing for checking if any e-mail begging letters you receive are genuine. The site will also be bookmarked on the Insider web site. www.anovagroup.com/scam.html

- In the eight weeks after its launch last autumn, the MILLS & REEVE divorce advice web site attracted over 52,000 visitors. The site, which was designed by the STRATEGIC THOUGHT consultancy, also provides links to legal resources, mediation and counselling services within an individual's local area. www.divorce.co.uk www.strategicthought.co.uk

- To coincide with his review of the criminal courts system, LORD JUSTICE AULD has established a supporting web site. Anyone wanting to comment on the workings of the criminal courts can make their submissions via e-mail. crimcourtsreview@lcdhq.gsi.gov.uk www.criminal-courts-review.org.uk

HOW E-BUSINESS INITIATIVES CAN DIE

Elsewhere in this issue we report on the latest legal e-business and online service initiatives but not all such ventures will succeed. The biblical apocalypse has four horseman but, according to PA Consulting, when it comes to e-business projects there are three main causes of failure.

PA has christened the first of these death by misadventure. Typically this is where an Internet-related project dies because from the outset it was never allowed sufficient resources to succeed.

Next comes death by heart failure, where the fatal weakness is trying to work miracles - perhaps because the project had unrealistic objectives.

And, finally, there is the death by a thousand cuts. PA say this is the most frequent fate of e-business projects: to be killed off by vested inhouse interests fighting to protect their traditional, non digital ways of operating.

VIRTUAL DEAL ROOM MANIA HITS CITY

Last week saw the 21st century’s first major e-business initiative by a commercial law firm when Allen & Overy launched its Newchange online deal room and document drafting service.

A&L’s announcement was promptly followed by news that Clifford Chance was about to launch a similar virtual deal room system called FruitNet and by the end of the week Linklaters, Slaughter & May and Freshfields had all confirmed that they too were rolling out similar services.

What is Newchange? In fact it falls into two distinct products. Newchange Dealroom is a secure web browser-based extranet providing teams of lawyers and managers from A&L and their clients with an online forum in which to exchange information, documents and progress reports on a specific deal. Each project is assigned its own virtual deal room, with data (including a transaction archive and library of past drafts) available on a 24/7 basis. Authorised users are notified by e-mail of any new postings to the site (A&L reckon having downloadable documents is more efficient than attaching large documents to e-mails) and the whole service will be offered at zero cost to the client.

Although the deal room element has attracted the most headlines, arguably the most exciting part of the A&L service is the Newchange Documents facility. This is a document drafting system developed by A&L - at an estimated cost of between £1.5-to-£2.5 million - by deconstructing complex banking and capital markets documentation into stand-alone component clauses that can be amended and re-assembled into new documents at short notice. A&L estimate drafting times could be cut by as much 95 percent, with a document that previously took 75 minutes to prepare now taking just seven minutes.

For the client there is the benefit of speed, while for Allen & Overy there are the benefits of freeing fee earners from relatively routine work to concentrate on value adding advice, being able to meet tight deadlines and differentiating their services from the rest of the legal pack.

- COMMENT - What about the accountants? Although the current round of online deal room mania focuses on the City of London’s five “magic circle” law firms, the big challenge could actually come from major accountancy firms who are now building up substantial legal practices.

For example Tony Williams, who recently quit as managing partner of Clifford Chance to head Arthur Andersen’s global legal practice, has been described by Richard Susskind as one of the few major law firm managing partners who really “got it” when it came to the Internet - both the FruitNet and NextLaw initiatives were started under his regime. We should therefore not be surprised if Anderson Legal announces some major legal e-business initiatives in the months to come.
DISASTER RECOVERY? NO THANK YOU

In the last issue we reported that according to the initial findings of Grant Thornton's legal IT survey, nearly one quarter of law firms in the sample did not have a Y2K contingency plan in place by December 1999.

Equally worrying - or more worrying given that Y2K proved to be a non-event - the survey also found that 54 percent of firms had no disaster policy to cover IT disasters generally, such as fire or computer viruses. And, of the 46 percent who did have some form of back-up strategy, over half them had never tested their disaster recovery plans!

Clearly there is a gap in the market but is there a market in that gap? Axxia, which recently set up a secure back-up facility at its new Sheffield offices, thinks there is mileage in offering law firms a range of disaster recovery (DR) services but Mike Quinn (ex-AIM and sales director of DR specialist Guardian since 1993) takes a different view.

He says that in 10 years working within the legal IT market he never encountered any law firms wanting such a service and that since then “although Guardian has had some success, especially with large commercial firms in London and Edinburgh, elsewhere the message doesn’t appear to have got through. Given the investment firms now make in IT, it is a shame the majority regard disaster recovery services as an expense they either do not need or are not prepared to pay for.”

Quinn believes the market for professional DR is about 150 firms out of the top 500 but adds that it is actually the smaller firms, with minimal IT skills and no contingency plans, who are in greatest need of such services. “The cost of a DR policy would be in the region of 10 percent per annum of the cost of the tin (ie hardware). We are talking peanuts compared with the cost to firms of prolonged downtime - that is if they can recover at all,” says Quinn.

SECURITY NEWS IN BRIEF

- KEEP UPDATING THE ANTI-VIRUS SOFTWARE
  Anti-virus software specialist Sophos warns that IT users need to keep regularly updating their virus scanning software. According to the company’s latest figures, two of the 10 most frequently reported viruses in 1999 were XM/Laroux, a spreadsheet macro virus first seen in 1996, and the Form boot sector virus first detected a decade ago.

- EVEN THE BUFFET HAS EARS
  It now appears the reason why news of the Time Warner and AOL merger first appeared on some Internet bulletin boards over 12 hours before the formal announcement was that one of the outside caterers, serving lunch to the negotiating team at New York law firm Cravath Swaine & Moore, saw what was happening and told an uncle, who promptly posted the report onto Yahoo!

READER SERVICES

- INSIDER E-ZINES
  Legal Technology Insider also publishes two current awareness e-zines (e-mail newsletters). These are: New Media Lawyer, covering all aspects of the Internet and new media law industries, and Watching Brief Online, carrying comment on recent local government law cases. Subscription is free. To be added to the distribution list send a note of your e-mail address to:
  info@legaltechnology.co.uk
  Copies of the latest issues, plus a full archive, can also be found on the web:
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  www.watchingbrief.com

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VIRTUAL CHAMBERS
STEP INTO SPOTLIGHT

It sounds an anorak’s dream - plenty of hi-tech wizardry and no people - but there is a serious side to this if you are one of the Virtual Solicitors Chambers’ target audience: sole practitioners and firms just starting out in business.

One of the biggest headaches new firms face is they must invest in office space, support staff and IT systems. If they do not, they will never be able to win or handle the volumes of work they need to survive. But, if they do, they are saddled from the outset with huge ongoing liabilities for wages, rent, loans and leasing repayments.

In 1991, when Neil Davidson founded the original Solicitors Chambers, the project was a relatively low tech venture, offering local lawyers serviced offices where they could meet clients and share secretarial facilities. With the growth of intranet, electronic archiving and relatively low cost “telecommuting” technologies, the concept was expanded into a bureau/facilities management operation offering access to accounts software, case management systems and legal information services, either from within the chambers’ building or remotely from a solicitor’s home.

The project, now being marketed under the LAWeb trademark, involves a number of IT suppliers including Pericom (replacing Lexology who worked on the pilot) and legal ISP Lawyers Online. LAWeb’s practice management software is based on the FWBS Epitome system. Over the next few months LAWeb will be creating a new computer services centre with the power to support a countrywide network of chambers and “local legal centres”.

Davidson reckons that by joining LAWeb, the average sole practitioner could reduce overheads by the equivalent of 20 percent of their gross fees, while at the same time reducing time spent on administration by 20 percent. But, he is keen to stress that along with economies of scale, there are other benefits. For example, Solicitors Chambers can negotiate with the Legal Aid Board on behalf of their members seeking franchises, while the centralised IT function means LAWeb can handle LAFQAS and LEXCEL quality management on behalf of its members.

www.solicitorschambers.co.uk

THE LAST WORD ON Y2K?

In what is hopefully the Insider’s last reference to the Millennium Bug, we are grateful to the reader who passed on the following quotation: “Trust the computer industry to shorten the term ‘Year 2000’ to ‘Y2K’. It was precisely that kind of thinking that got us into this situation in the first place.” (Author unknown)

NEXT ISSUE

The next issue of Legal Technology Insider - No. 95 - will be published on Wednesday 16th February 2000.