



## **The Year Ahead: Top Time Capture Trends to Increase Firm Profitability**

The legal landscape continues to undergo dramatic changes. In the past year, law firms have taken a closer look at expenditures and reevaluated business priorities. To cut operational costs, many firms decreased technology spending significantly—or halted technology spending completely.

According to the 2010 ILTA Technology Purchasing Survey, IT spending by law firms is still down significantly, but technology budgets are rebounding—up 33 percent from 2009. In the year ahead, firms will only open their wallets for necessary upgrades or software that truly recovers costs or generates revenue.

In 2011, upgrading mission-critical software will be one of the first technology purchase decisions made by law firms. Forty-three percent of firms indicated upgrading Microsoft Office is their main priority next year (2010 ILTA Technology Purchasing Survey). Other top priorities include investing in SharePoint or new hardware such as laptops and servers.

Although these technology investments are important to increase firm profitability, time capture software will also be a technology priority moving forward. Considered an IT mainstay by partners, time capture technology is one of the few tools that can significantly increase firm productivity and profitability—all while maintaining client satisfaction. With the growing importance of accurate invoicing and cost reduction in lean times, key trends in time capture have emerged that, if capitalized, will increase profitability in the year ahead.

### **On-the-Go Time Capture for Greater Accountability and Transparency**

Today's ubiquitous smartphones have enabled attorneys and paralegals to record and bill time outside the office. While legal professionals are on-the-go, such as travelling, in court, at depositions or in client meetings, time can now be recorded away from the office. In a recent article by the co-founder of Raymond & Bennett, there are reportedly more than 70 mobile applications designed specifically for law firms, allowing more attorneys, paralegals and office staff to bill from smartphones and spend less working hours creating time entries.

In addition to greater accountability and transparency, on-the-go time capture also offers increased flexibility and a healthier work-life balance in a traditionally high-stress industry.

Although flexible billing is an important trend, efficient time capture goes beyond being on-the-go. With time capture technology, legal professionals can recreate time from system breadcrumbs of work activities from anywhere in the world. By tracking sent/received emails, edited documents or attended meetings in a given time period, attorneys are able to account for every hour billed in real-time and spot billable and non-billable time gap trends. As a result, greater transparency is achieved internally and externally, which is key when an opposing party is paying the legal fees and needs accurate time records.

### **Manage Time Globally to Centralize Systems and Reporting**

More law firms are going global—either by opening intercontinental offices or working with international clients. Firms that centralize systems and reporting by using technology with multilingual functionality and automated translation support will be the most profitable in 2011. Small international branch offices can now become "regional profit centers," doing more with less, because centralized systems require fewer managers and less money to operate and maintain.



One example of how a global firm reduced costs by upgrading to a centralized system is White and Case, an international law firm with offices in five continents. White and Case switched 39 offices over to one centralized server earlier this year. Previously, the firm installed local databases in each office to maximize software speed and performance. However, each server required individual licensing fees and yearly maintenance costs for software upgrades, security measures and basic hardware maintenance. By moving to one centralized system that used cache architecture, White and Case was able to significantly reduce operating expenses and increase profitability without sacrificing the speed their global firm required.

### **Profitability in the Cloud**

In 2009, virtualization was one well-documented and exciting technology trend, yet it is slowly maturing. More recently, cloud-based productivity solutions have become an up-and-coming trend in the legal industry. According to the 2010 ILTA Technology Purchasing Survey, seventeen percent of law firms plan to implement a cloud strategy in 2011—up from nine percent only a year ago.

Most firms have not yet implemented widespread cloud computing technology, but they are beginning to use cloud solutions in areas such as email exchange, document management and time capture. Using cloud computing for time capture can significantly reduce costs if data is housed in a state-of-the-art co-location facility with appropriate security procedures.

### **The Year Ahead**

In an economic recovery, reliable time tracking is essential for a firm to ensure client satisfaction and profitability. Although belt tightening will be inevitable in the year ahead, the firms who upgrade mainstay software—such as Microsoft Office and time capture programs—will keep pace in the competitive legal landscape. In lean times, client satisfaction is vital, and by capitalizing on time capture trends in a complex, global environment, firms can eliminate errors, capture more time and improve the bottom line.

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