

# The ‘Case’ for Law Firm IT Administrative Tracking

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October 05, 2021

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Technology is not the core business of law firms, but its role in empowering and enhancing law firm operations is increasing at a significant rate. More specifically, an oft-cited Gartner study of legal technology spend from Q1 2021 forecasted a threefold increase by 2025, with corporate law department tech spending exploding from three to twelve percent in the same epoch.

The lion’s share of the buzz in tech relates not to administrative spend, but areas like the cloud, AI, BI, workflow, no/low code, and other burgeoning technologies. But, not unlike an offensive lineman in football, there’s a pressing need for “below the radar” functions like asset management and financial tracking within legal technology. And these needs will increase in importance as the forecasted spend uptick comes to fruition.

To restate our premise, there is considerable impetus for law firms to manage IT assets, infrastructure, and projects. Put simply, it saves money, reduces rework, and tightens security.

To put it another way, it makes questions like these and many others easier to efficiently address:

- *“How many desktops/laptops do we have, and when do the leases expire?”*
- *“What’s our network / communications costs today, and are we comfortable we’re receiving value for our investment?”*
- *Have our mobile plans been optimized to ensure we’re minimizing costs?*
- *“Have our vendors documented their security practices such that we’re compliant with the client security requirements?”*

To sum up, the suggestion is that technology investment, not unlike human capital, lease/real estate, etc., should be closely managed to maximize the value delivered by a firm’s considerable investment in increasingly sophisticated tools.

What types of elements should be managed?

**Infrastructure and assets.** Computers, devices, servers, network gear, remote access devices, cloud instances, and SaaS subscriptions are all ripe for cost overruns and should be managed within a holistic IT expense management program.

**Invoices.** Tying IT assets to invoices and contracts is the only way to track usage and understand if you are getting what you pay for, if assets are going unused, or if you’re incurring costs due to over use. IT invoice management provides accuracy tracking spend and is a strong tactic to ensure your IT inventory is accurate.

**Vendors.** Tracking of contact info, agreements, amendments, certifications, security reviews, billings, etc. This information needs to be managed in one place to permit cross-referencing and ensure the vendor is delivering as promised.

**Applications and subscriptions.** Logging what versions are used, license agreement details, costs, locations, patches/versions, contact information, service portal details. The average company uses many entities to run their business and lack of proper management can spell disaster.

**Projects.** Tracking all a law firm's tech projects, including project specifics, assigned resources, costs/timelines, latest happenings, next steps, project plans, etc. is a must to ensure that the firm's tech needs are strategically integrated into larger corporate goals.

What are some of the front and backend benefits to dedicating technology management resources to oversight on this area via automated tools?

On the front-end, solid decision making is supported by providing law firms with deep subject matter expertise and a time-saving process for procuring the services/assets that are needed. For firms with small IT departments, running a Request For Proposal (RFP) process can be crippling and take months without the help of outside SMEs who can run the project and ensure focus remains on the needs of the firm.

To express this thought focused on the budgeting process from the perspective of a law firm chief financial officer, Ed Aguero of Cole, Scott & Kissane P.A, shares the following:

“There are two major requirements that prevent business goals from being achieved. These roadblocks are time, financial obligations or a combination of both. As CFO, I focus heavily on the monetary values and the importance of budgeting (more specifically zero-based budgeting). This process tasks leaders with accountability for every possible dollar needed for operating and or capital expenditures (IT projects), which in turn leads to best practice analysis such as cost-benefit, return-on-investment and total cost of ownership.”

A second thought-leader in the law firm financial management area, Fish & Richardson chief financial officer Daniel Lasman, offers these thoughts starting from the genesis of the legal tech process, the RFP.

“Tracking IT assets should be woven into your budgeting and reporting processes. We start at the RFP stage of every major IT purchase, examining the total cost of ownership regardless of whether the asset is bought or purchased as a service. Once identified, costs are included in our annual budget process, and in-year cost estimates are refreshed based on actual expenditures throughout the year. This process ensures we are on top of changes in costs before they occur and leads to a more accurate in-year forecast and budget for the next fiscal year.”

Once incurred, the allocation of costs helps firm leadership make informed, defensible determinations regarding the profitability of partners and practices, and provides a framework for a review of technology spend to validate which investments add the most value to a law firm.

With us now understanding the benefits of technology asset and resource management, what are some common implementation paths?

- First, a commitment to a sophisticated process to manage spend is required. Tracking on an Excel sheet may have worked yesterday, but in today's environment, that falls short of the mark.
- Some law firms have the capabilities, presumably via no/low code build skillsets, to construct applications to manage I.T. assets, projects, change management, spend, etc. For those select few, an internal approach works.
- But most law firms don't have this capability. Engaging with a leading vendor in this space—either directly or via their managed services provider—helps law firms efficiently manage their tech investment.

To expand on this from with a practical perspective, industry expert Ann McGuire, director of marketing for vCom, a leading software vendor in this space, offers the following.

“Managing a firm’s IT spend calls for a focus on each individual asset—every device, connection, license, or subscription that the firm maintains. Why do you have it? What does it do? Where is it located? How long is the contract? What is the cost?

With that information, a law firm can not only see and understand spend, but also make better decisions about how assets are utilized. The many legal firms we work with use our centralized software platform to capture every detail about every asset and ties it to EVERY action that is taken around the asset, whether that's putting in an order, a trouble ticket, or paying an invoice. Plus, it's all supported by a team of subject matter experts that act as an extension of the IT team to help law firms

manage their assets. We call it ‘doing the heavy lifting’ so technology workers can focus on more important things.”

In conclusion, it is vital for law firms to commit resources to the management of technology spend, assets, and projects. Failure to do so is a significant risk management issue (wasted money, security issues, poor business decisions). Conversely, appropriately managing tech assets empowers improved ROI from a law firm’s technology investment, contributing to the good financial health of a well-managed law firm.

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Original post: <https://www.law.com/legaltechnews/2021/10/05/the-case-for-law-firm-it-administrative-tracking/>