

## Development of an IT infrastructure strategy

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*In today's modern jargon, "knowledge is power". Apart from the enthusiasts, generally speaking when it comes to technology matters, lawyers have little knowledge therefore little power.*

If a law firm is to develop an IT strategy as opposed to simply contracting someone else to develop a strategy, it has to develop knowledge.

In 1995, our firm came to the conclusion that it was imperative we begin the process of developing a strategy whereby we would replace our current IT equipment with an industry standard up-to-date system.

These were the steps we took.

### Background

In 1995, the firm established an IT Committee made up of the CEO, a partner responsible for IT matters, a senior solicitor/associate and a senior administrative staff member. This make up of the committee represented each major area of the firm.

The first thing the committee did was to learn. It approached the NSW Law Society and obtained the literature that they make available or offer to you. It discussed IT systems with other law firms. Most are prepared to give you time to tell you what they have done (especially those who really love their new IT system, who usually give more time!!).

The committee spoke to people they



*Plaintiff Managing Editor, Geoff Coates, exploring the world of technology for this issue.*

had met either through client networking or independently who are in the field.

As a result, we were able to prepare a document we called a "Strategy". This document was virtually a wish list of features that we wished to see in our new IT environment. The list was made up of suggestions from all staff members in the firm, legal and administrative, from the Committee and from the literature available.

A solution was determined after an extensive program of education, consultation, analysis and a selective tender

process with ongoing presentations. Budgetary constraints prevented us from proceeding at that time. With the wisdom of hindsight, the firm indeed benefitted from those cost constraints for, in most areas of the IT world, costs have come down considerably and there is more value for money.

### Current Project

In the light of renewed budgetary considerations, the IT Committee was set the task to recommence a review of the ..... Continued on page **4**

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introduction of a new IT system. Pressures were mounting more than at the time of the original review 2 years ago, primarily because of the Y2K issue facing the firm. Our accounting package, even if it did last for some years, would have serious problems with Y2K and it was expected that the whole system would fold.

The process that was followed was somewhat different to the previous process which was almost exclusively in-house. The steps taken were divided into two areas:

- (a) The accounting/practice management system; and
- (b) the overall IT strategy.

## **The accounting/practice management package**

About a year before, tenders were called for a review of the accounting services provided to the firm, one of the items a successful tenderer had to satisfy was the ability to provide IT consultancy. The firm was satisfied that the successful tenderer (whom we will call WT) could provide the service, and shortly after its appointment, the IT Partner and CEO met with WT's IT Consultants to determine the best way to proceed.

We revisited the accounting practice management package and WT arranged for presentations by 4 of the major products available in the market place. WT attended those presentations along with the IT Committee. The 4 were reduced to 2.

After further presentations were made in our board room, discussions with other law firms that had used both systems, demonstrations and (most importantly) visits to sites and discussions with those who had made the decision to introduce the systems or have been working with them for some time, the Committee recommended and the Partnership accepted the use of one particular package.

The package was the same as selected

previously but now it has been significantly upgraded in the 2 years since first inspected and it will undergo further upgrades over the next few years.

## **IT strategy in general**

The IT Committee reviewed the strategy prepared in September 1995 with regard to the needs of the firm as a whole. Subject to some minor changes, based on advances in some of the applications we sought, it was confirmed the strategy was still valid.

The strategy was presented to WT who confirmed its currency and validity.

To progress the strategy, a project management plan was sought from WT which set out a timetable, a division of roles between the IT Committee and WT and a costing for the assistance it would provide.

This was settled, referred back to management, approved and the process set in place.

Requests for tenders were published in local newspapers over 2 days. The IT section was utilised for this purpose.

As a result, 27 individuals, firms and companies contacted WT to express interest in tendering. Tenders were sent out to most of those and at the cut off date for replies, 12 firms had submitted tenders.

Following on from that process, WT prepared a matrix of all of the submissions ranking each of the providers in order.

The IT Committee then met to examine the 12 proposals and selected 4 solution providers to move forward as a further short list.

Consequently, in a report of 12 November 1998, WT prepared a further briefing paper on the 4 contenders.

In the light of the specifications of the tender and the compliance of the responses to that tender, it was agreed that 2 should be invited to make presentations to the IT Committee and WT.

On 23 November 1998 those presentations took place.

An interesting commentary about presentations, as many of us no doubt have been involved in tenders anyway, is that different people have different approaches. The successful tenderer in this case, presented a very professional audio visual presentation and demonstrated keenness. The approach by the second place getter was lower key, designed to explain areas of enquiries we had, based on their written tender.

## **Recommendation**

Both organisations appeared to provide solutions that would work. The advantages of the successful tender over its second place getter was seen by the Committee to be:

1. A detailed and well thought out proposal;
2. The presenter was the technical director of the team putting together the proposal
3. A healthy sized office (20 staff members of whom 10 are technical) in our city to provide support; and
4. The solution was in keeping with the tender document. For example, it included a CD Rom and internet solution (whereas in the second place getter's proposal these were both options which would have to be added to their price)

The nature of the presentation was such as to instil a great deal of confidence in their ability to deliver.

Included in the tender was a time frame for delivery which included a 2 month installation program. It was timed to begin in early January 1999 as indicative. It was made clear after questioning by us, that the first quarter of 1999 would be the best period between now and 1 July 2000 to start installing because of the demands on all IT resources with respect to Y2K issues for the last 18 months prior to 1 July 2000.

Finally, there was a willingness to discuss any issues regarding the tender,



options and "fundamental" issues that could be resolved.

To date, we have further refined the proposal to now include certain "options" in the tender and redefine some of the items. For example, we have changed the style and brand of printers, we have introduced a broader band width for Internet access and we have reduced the scanning capacity. The successful tenderer will now refine its processes.

The final steps to be taken are that the committee, accounting/practice management solution provider and the overall integrator, need to get together to determine the processes and timing from here on in.

As to financing, prices have reduced significantly so that for example, a PC which provides something like 4 times random access memory (RAM), 4 times hard disk space, much faster processor times and 4 times the speed of CD Rom access, is actually cheaper than the equivalent 2 years ago. It is not that you

are paying as much to get more, you are actually paying less and still getting more. What will happen in the future, we don't know, but to progress the firm, one has to call a halt and say now is the time to proceed.

**Financial considerations**

These were based on what we could afford if a 48 months to 54 months lease was arranged. Shopping around was important, as many people are prepared to lend solicitors the money and interest rates are at an acceptable low level. For the purpose of financing this project, we have assumed:

- (i) A maximum cost;
- (ii) The maximum effective life of the hardware and software will be 5 years
- (iii) The maximum financing lease period is 54 months.

Financial analysis of profitability and cash flow were undertaken by the CEO to determine that the firm could afford to implement this proposal.

**Conclusion**

We began this article by saying "knowledge is power". We conclude by saying democratic principles work very well in the IT area and one of the things that we are driven to do is to ensure that people feel that their views are being sought and considered.

We did not want to introduce a brand new system only to have people say later on, why did you do it this way or that way etc.

Fortunately our approach has confirmed that being willing to listen and spend a lot of time in consultation with all affected personnel, ensures you own your own IT strategy and not someone's imposed solution. ■

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