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LPM

LEGAL PRACTICE MANAGEMENT

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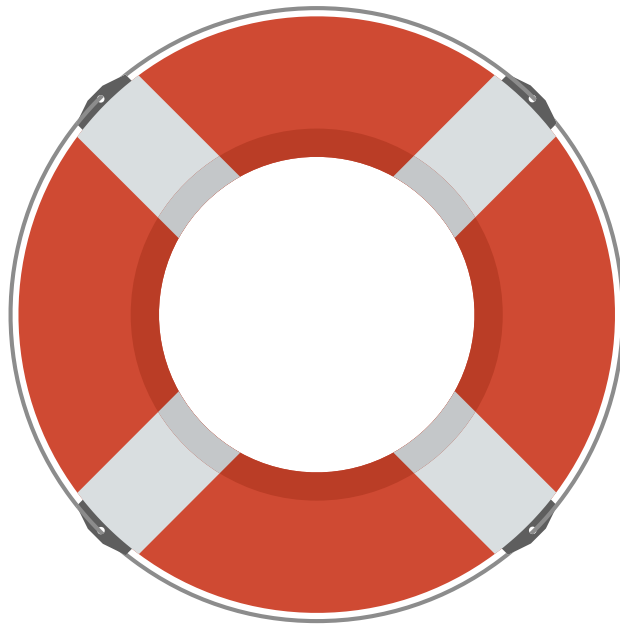
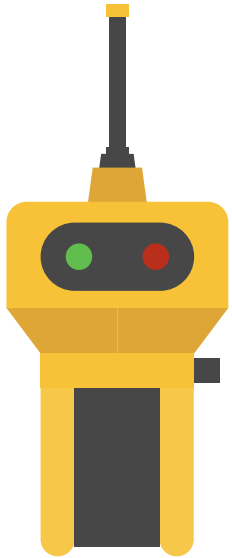
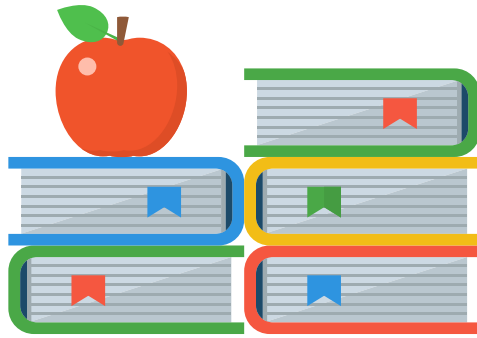
HARD KNOCKS

Morton Fraser's CEO on facing a data ransom attack

BRAIN TRAINING

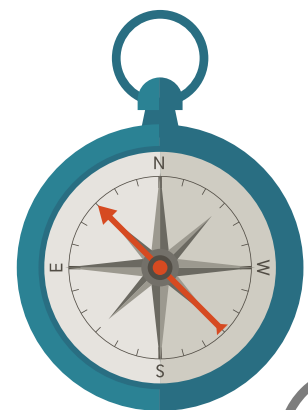
Stephens Scown's managing partner on setting up a shared ownership model

EXPERT
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Survival guides

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WIN THE DATA

GRAHAM MOORE, THE DATA GURU



“ We’re told the future of legal services is AI: AI means machine learning and that’s all about data. ”

Does your firm have a data strategy? According to a study conducted by Harvard Business Review, less than half of an organisation’s structured data was actively used in making decisions and less than 1% of its unstructured data was analysed or used at all. Perhaps more shockingly, more than 70% of employees had access to data that they shouldn’t. Based on my experience with law firms, those figures actually seem quite good.

While talk of big data is everywhere and machine learning (which relies on data) is apparently the future of legal, the GDPR is making everyone jittery about what data they hold. So, do you need a data strategy, do you know the value of the data you currently hold, and how can you generate business value from that data?

The value of data can be assessed from two opposite angles: what to do with it to derive extra value for business owners, and the potential cost to the business of losing or corrupting it. We can use data to learn about the past and to gain understanding and insight – for example, all of our historic transactional data regarding time spent and bills paid should provide insight into potential pricing strategies for future work. We can also use data to help predict the future. Is there a trend in our new instructions when we analyse monthly by postcode, or by sector? Identifying such trends is the first step to understanding the drivers, which can then feed into predictions about future changes.

And we can use data to identify current problems, such as where the most significant risks facing the firm today are. Analysing transactional data from practice and case management systems can identify exceptions to the rules and provide early warnings to those responsible for risk.

These simple examples all have one thing in common – they rely on good-quality data. In conversations I have with law firms, the most commonly voiced reason for not making better use of data is that the data quality is too poor. What can be done? Well, the first action is to recognise the value of data and the potential it holds. A well-implemented GDPR compliance programme would be a good start here – the process of identifying what data a firm holds and why is mandatory. But the real value should come from treating this as a strategic task, not an administrative one.

To help you gain better value from your data, here are a few simple recommendations to get you started. First, capture data in the right form. Structured data (such as databases) is so much easier for systems to interpret than unstructured data, such as Word documents. When you write to your client informing them of a fee estimate, record it in the database first and automate that into the document, rather than just burying a figure in a document that will never be accessible for reporting.

Don’t use spreadsheets. Spreadsheets are loved by accountants, but they are prone to manual error and difficult to manage, and create silos of information owned by different teams. Then, start exposing and reporting on your data, however poor the quality currently is, to drive improvements in data collection and entry.

We’re told the future of legal services is AI – AI means machine learning and that’s all about data. But right now, today, your firm has data with significant potential value and you should have a strategy to exploit that. [LPM](#)

ABOUT

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