

A man with dark hair and glasses, wearing a dark blue suit jacket over a white shirt, is seated at a desk. He is looking down at a document on the desk with a slight smile. His right hand is resting on the desk, holding a blue pen. In the background, a computer monitor displays a blurred image of a building. Two vertical red bars are positioned on the left side of the image, one near the top and one near the bottom.

The integrated and modern law firm

INTRODUCTION



While law firms have transformed a great deal over the past two years, many still need to create a more integrated workplace.

Trends preceding the pandemic were fast-tracked as lawyers and law firms had to adjust to a new way of working along with the rest of the world. Current economic challenges, technology, labour shortages, and client demands combined with different expectations and work styles from younger lawyers are helping law firms realize they cannot continue with the status quo. What operational challenges is your law firm facing in today's digital world?

This report will focus on the workplace issues impacting the law firm industry and how we can help create a more connected working environment—saving your law firm both time and money.

CHALLENGES FACING LAW FIRMS

Law firms struggle when it comes to transforming and modernizing their workplace, from billing issues to how they leverage technology. There are significant administrative burdens and issues with chargeable resources due to:



- ▶ Disconnected processes and systems resulting in substantial administrative time to enter and update data in various systems



- ▶ Time-consuming monthly billing tasks—impacting the time lawyers can dedicate to their file work



- ▶ Data inconsistencies between systems leading to insufficient reporting and visibility on key performance indicators (KPIs), practice performance, and profitability



- ▶ Low visibility for locating available resources with the appropriate skill sets or knowledge to service engagements

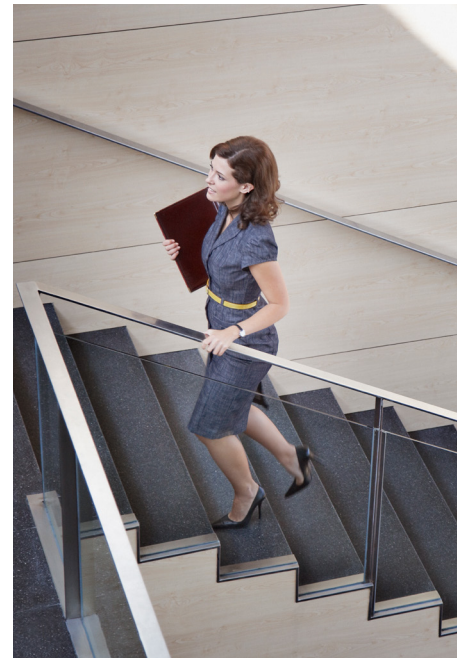


- ▶ Document management handled at the local levels—not centralized or standardized



- ▶ Lack of dedicated administrative support as client facing team must spend more time on a task that could be automated or eliminated with integrations between systems and tools

MANUAL WORKFLOWS, MULTIPLE DATABASES



Many partners and lawyers end up doing the administrative work themselves because they don't have the tools they need.

This creates inefficiencies in their productivity because they could instead be focused on billable work, cultivating client relationships, driving more business, and professional development activities. Many law firms also take a manual approach when it comes to managing their workflow, collaborating within the firm, knowledge sharing, and storing information.

Law firms usually have multiple aging systems with information, data, and documents spread across the environment without an accessible way for lawyers and staff to find what they need. Many emails are exchanged to find information already in the system, which cannot be located efficiently—instead of being able to do a quick search in one database. This results in a lack of proper security on data and information, unnecessarily exposing sensitive information. Retention of information also becomes a problem as sensitive information is either retained for too long, or not long enough. Law firms tend to be behind the curve compared with other firms outside the legal space.

COMMUNICATION AND COMPLIANCE ISSUES



There are challenges maintaining compliance with local rules and regulations especially when lawyers are traveling, which has become a more prevalent issue throughout the remote work situation during the pandemic.

Lawyers will travel outside of Canada and continue to work in other countries without the proper work visas. Communicating these rules and risks to partners and lawyers and implementing training is difficult for some law firms. There are also issues with partner compliance when reporting income taxes. Are they filing properly and on time? Is there a system in place to monitor for compliance? There is a lack of transparency and visibility as to whether partners are properly reporting and paying their taxes.

There is great potential for compliance matters and risk within law firm operations as well. The data inconsistency contributes to not having clear financial visibility into their practice. What is working for the firm? Where can the firm be more profitable? Where can they drive operational efficiencies? Law firms need to be able to answer these questions.

They're also facing risk compliance when onboarding new clients. Law firms likely have a manual process to onboard a client following antiquated risk management protocols. There are more integrated solutions and automated workflows to help onboard clients.

LACK OF VISIBILITY WITH RESOURCING



The capability to have visibility into your resourcing, such as who is assigned to what file, how those files are progressing, and task management can also be pain points for lawyers.

The right tool can provide the necessary visibility while also offering the ability to forecast and project financials.

Another aspect some might not consider is onboarding new partners and transitioning partners as they retire. The law firm still needs to provide retired partners with documents each year. There's an opportunity to modernize all aspects of the legal practice management.

“BDO partnered with us to modernize one of our business processes. They created a solution that works extremely well for our law firm and partners, and it was easy to implement. We look forward to working with BDO on future projects focused on increasing efficiency,”

—BDO client, National Canadian Law Firm.

TOOLS TO MODERNIZE YOUR LAW FIRM

As a professional services firm, BDO understands many of the challenges facing law firms today because we deal with them as well.

We built our own internal tool to fill a need within the firm and we have experienced these complications through our own growth.

You might not even know where to start when it comes to modernizing your law firm, but BDO can help identify the tools you need to solve your challenges. Consolidating and ensuring everyone is using the same tools creates a positive domino effect. Even training adoption and change management can improve if everyone is using the same tools. We offer specific tools to help in the following areas and can assist in determining which ones might be applicable to your situation.

ENGAGEMENT MANAGEMENT



- ▶ Plan for engagements as opportunities progress in the sales stages
- ▶ Facilitate proactive hiring decisions
- ▶ Automate client and engagement setup
- ▶ Support task management capabilities to assign engagement task
- ▶ Drive profitability discussions in early sales stages
- ▶ Provide engagement health indicators and reporting

DOCUMENT MANAGEMENT



- ▶ Automate client and engagement site/file setup
- ▶ Automate Microsoft Teams setup for engagement collaboration and engagement document sharing
- ▶ Embed SharePoint engagement site into tools—giving partners and managers information at their fingertips so they can be more efficient

AUTOMATION



- ▶ Automate workflows and processes as opportunities progress through the sales cycle
- ▶ Automate client and engagement setup from data in CRM and ResourceMe
- ▶ Execute key risk management and compliance task at specific sales stages from CRM via notifications, workflows, and approvals

PLANNING & REPORTING



- ▶ Provide firm leaders and managers with a high-level overview of key information and highlight the specific areas they need to address
- ▶ Create Power BI reports and embed them into our tools to help provide reporting consistency
- ▶ Drive financial planning and forecasting to provide leadership with full visibility on firm financials by analyzing data

Leveraging data from all systems and tools can help law firms assess their maturity in the market. This can help lead to optimal financial performance, provide visibility into underperforming areas, and facilitate proactive decision making.

WHAT DOES AN INTEGRATED LAW FIRM LOOK LIKE?

There are many opportunities when it comes to automation, whether it's using a bot to complete a task or establishing workflow through your systems.

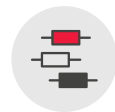
INTEGRATIONS



Develop connections between other tools to improve workflows and build efficiencies

- ▶ Drive consistent process
- ▶ Improve reporting
- ▶ Enhance collaboration

AUTOMATION



Automate workflows and task to reduce administrative burden on Partners and staff in areas such as:

- ▶ Risk Management/Governance
- ▶ Client and Engagement setup/creation
- ▶ Billings

DATA GOVERNANCE



Strong data governance to ensure quality and reliability of data and improve reporting ability

SIMPLICITY



Easy to use solution that is not overly complicated

Automation can also assist with onboarding a new client, working with specific files, and offboarding staff or retiring partners.

Data governance is key for law firms especially if you want visibility into your practice. Ensuring systems are connected, communicating with each other, and include a strong data governance process will go a long way when it comes to visibility. This will provide solid reporting, allowing your people to find the information they need quickly and efficiently.

We can offer an end-to-end experience for partners to distribute their tax forms. It simplifies the experience for partners to get their tax files with one click and it's also very secure. It's paired with back-end automation for the finance department, so they can simply drag and drop the tax forms. Most do not think about automating this because it only happens once a year, but there is a lot of value in streamlining the process. We are building multiple partner experiences for BDO that translate to law firms including annual partner confirmations, retirement processes, and rotations.

A tool like Onboard Me can also improve the onboarding process for law firms. There are specific modules for the role you're onboarding—whether it's a junior lawyer or an administrative assistant. It combines human resources, training, and other relevant processes that employees encounter during those first few weeks of onboarding.

HOW CAN BDO HELP YOU?



We have deep industry knowledge, which we combine with leading tools.

Through our own growth, we have experienced many of the same challenges facing law firms. We have tailored systems to work within a business like ours, which is a business like yours—a law firm. Our best-in-class solutions can modernize how professional services firms operate. And it would be highly applicable to law firms, capable of adoption among staff, lawyers, and partners.

BDO can take you along the entire journey no matter where you are currently—or where you want to go as a law firm. We can start with the required discovery work where we determine your challenges, the opportunities, and then outline what is possible. We will work with you to develop recommendations and a roadmap for the next three to five years—which includes identifying short-, medium-, and long-term goals and the key areas to address. We will keep partners and the team informed along the way to help with change management.

Every single edge counts in today's environment. There's an enormous amount of competition for business and talent while margins are eroding. The ability to modernize your law firm

compared to your peers could give you an advantage whether it's retaining talent, winning business, or recovering the margins that have decreased over the past few years.

BDO can help you transform into a firm of the future

Some of the processes and technology that used to work over the past decade are not going to help law firms grow in the best possible way. The BDO solution is modular and provides the much-needed flexibility that law firms need. We recognize that law firms are unique and need a tailored approach.

Our professionals can provide practical implementation and strategy. You won't have to wait two years to see the benefits from our solutions as you could start to see improvements as soon as the next quarter. We will help you discover the right tools for what you want to accomplish—guiding you through your journey of modernization. Reach out today to learn how your law firm can maximize efficiencies, better leverage reporting, increase visibility, drive consistent processes, and enhance collaboration.



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ABOUT BDO

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