



DELIVERING STRATEGIC SOLUTIONS ACCA'S 2000 ANNUAL MEETING

KNOWLEDGE MANAGEMENT: BENEFITS OF IT PARTNERING WITH OUTSIDE COUNSEL

I. THE GOALS OF USING TECHNOLOGY TO PARTNER

A. From The Corporate Counsel's Perspective

1. Reduce costs
2. Evaluate firm efficiency
3. Monitor progress in real time without interrupting outside counsel
4. Coordinate multi-jurisdictional efforts
5. Overcome distance, time-zone, and scheduling constraints
6. Stimulate ideas and strategy
7. Improve written work product
8. Enhance case management

B. From Outside Counsel's Perspective

1. Add value
2. Build relationship
3. Share information
4. Gain in-roads to other potential areas of representation

II. KNOWLEDGE MANAGEMENT:

- A. Clients and outside counsel are relying and depending on one another to handle a wellspring of legal issues.
- B. To accomplish this, there is a constant supply of information to be exchanged and reacted to.
- C. Simultaneously, technology has improved our ability to meet the demands of the flow of information.
- D. Knowledge management is therefore the convergence of 2 perspectives
 1. Technical perspective: from information gathering to information synthesis (combines information and process)
 - a. From sorting, organizing, retrieving information to linking, incorporating workflow, and synthesizing new information
 1. Human perspective: from internal focus to external sharing — the partnership aspect
 - a. Difficult to achieve — cultural resistance must be overcome
 - b. Requires a shift in attitude — understand the value-add of technology and sharing the information.

I. WAYS TO USE TECHNOLOGY TO PARTNER:

A. Video Conferencing (Phone/Internet)

1. Replaces costly trips
2. Use to monitor and approve staffing
3. Use as communication tool

B. Partnering By E-Mail

1. Benefits
 - a. Easy to send and store (hard copy and electronic)
 - b. Timely apprise clients of deadlines and status of matters
 - c. Schedule conference calls
 - d. Means to communicate with multiple persons on different schedules
 - e. Enclose documents to be reviewed and edited
 - f. Helps in recruitment (resumes can be quickly forwarded)
2. Drawbacks
 - a. Privilege Concerns: watch what you say, to whom you say it, and use appropriate headings to preserve the privilege
 - b. Uncertainty of Delivery
 - c. Difficulties in opening attachments
 - d. Security concerns

C. Electronic Billing and Budget

1. Win/win for all
 - a. Corporate Counsel receives bill in a format they can "massage" — to obtain billing to budget data.
 - b. Outside Counsel potentially is paid more quickly
 - c. Can compare firm efficiencies
2. Task Based Billing
 - a. Tracks Firm efficiency
 - b. Aids in budgeting for cases

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- c. Can be labor-intensive for both sides
- d. Not always accurate

D. On-Line Document Repositories

1. Images, database of underlying discovery materials
 - a. Depositions (transcript and/or video)
 - b. Document Images and/or Coded Data
 - c. Hot Documents
 - d. Chronologies
2. Document Management Procedures
 - a. Understand first hand the procedures (what are they, why use them)
 - b. Don't duplicate electronic documents, and costs
 - c. Not appropriate for all cases (timeliness, cost, knowledge base)
 - d. Use of database versus use of legal assistants — decrease cost, increase efficiency.
3. The Virtual File Room: File Transfer Protocol ("FTP")
 - a. Stores of data available 24 by 7
 - b. No paper, no floppy disks, no CD-ROMs, no courier
 - c. Collaboration on demand

E. Extranet (see Section IV Below)

II. EXTRANET

- A. Definition: Information made available to a select group of individuals, usually accessed using a web browser.
- B. Benefits
 - a. More robust alternative to Email —
 - b. Always accessible
 - c. Easy to use
 - d. A "virtual " workspace
 - e. An organized workspace —all participants view the information in the same organized fashion.
 - f. Common interface — web browser — gets us beyond the limitations of the application-centric PC
 - g. No "client" PC piece to administer
 - h. Cross platform, scalable — not tied to any specific hardware/OS platform
- C. Potential Components of an Extranet
 - a. Content — Full Text Search Capability
 - b. Sample documents (must be updated regularly)
 - c. Research materials
 - d. Private conferencing/Chat rooms
 - e. Organizational information about the legal department
 - f. Newsletters reporting ongoing legal matters
 - g. News about noteworthy corporate developments
 - h. Expert database
 - i. Group contact lists
 - j. Group calendars
 - k. Case/Project management — particularly effective in matters involving multiple parties and/or joint representations
 - l. Document drafting and revisions — multi-authorship or comment tracking real-time
- D. Extranets — Things to Consider
 1. Practical Considerations
 - a. Requires a solid infrastructure to host — translation = expensive
 - b. Who is the hub?
 - c. Ongoing maintenance and support — content and technology— can be a significant commitment of time and resources
 - d. High level of commitment required — the cultural component
 2. Technical Concerns and Requirements (Lois to fill in)
 - a. Availability — must be as close to 24X7 as possible
 - b. Redundancy — to achieve availability
 - c. Functionality — there is no "off-the-shelf" solution to fit all requirements
 - d. Administration and Maintenance — is the IS Department properly staffed?
 3. Security Concerns
 - a. 4 Areas of Concern:
 1. Authentication: gaining access to the Extranet
 - a. Authentication layers
 - b. Secure ID and digital certificates
 2. Access Control: What users can see and do once they are there.
 - a. Permissions granted and controlled via software
 3. Data Confidentiality: Encryption
 - a. SSL Browser Encryption
 4. Audit/Log: Monitor access and usage
 4. Additional Features that Promote Collaboration

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- a. Notification of changes via EMail
- b. Paging
- c. Integration with Whiteboard/visual communications
- d. Integration with PDA's

I. HOW TO IMPLEMENT AN EXTRANET: OPTIONS

A. The Corporate-Centric Extranet

1. The Corporation is the "hub" - controls content, functionality, access.
2. Uniform way of working with all outside counsel
3. Customized to the specifications of in-house counsel
4. BUT who supports it? Dependent upon corporate IS?

B. Firm Sponsored Extranet

1. No investment necessary on the part of the company — outside counsel bears the burden
2. Probably addresses exact needs of the relationship.
3. BUT potentially accessibility issues, and learning curves to overcome

C. The ASP Model

1. Outsource the maintenance of the common platform between in-house and outside counsel.
2. Competitively priced, a subscription pricing model
3. Neutral site houses the data and documents
4. Potential for "unnormalized", out of sync data between internal systems and ASP platform.
5. Be certain you know what you are getting — security, availability, disaster recovery

D. Negotiate with Outside counsel to have counsel build and support a Client Extranet

1. Very successful model — requires strong "cultural" partnership

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