The Case for Taking Your Firm Paperless in 2016 (Part 1)

By JoAnn L. Hathaway

Law firms are drowning in paper. Members of the legal profession generate paper and attract even more. While many might argue—and rightfully so—that it is wishful thinking for a law firm to be totally paperless, it's certainly possible for firms to be less reliant on paper.

The benefits of going paperless

Once firms jump on the paperless bandwagon, their only regret is that they didn't do it sooner. Here are some of the numerous benefits of going paperless.

Lower expenses

Lower overhead is a huge benefit of going paperless. It's also a persuasive talking point when seeking buy-in from partners and support staff. Who doesn't want to save money?

Going paperless will save money on the cost of paper. It will also save on printer and copier costs (less wear and tear, less toner) and human resource outlay, since staff time spent copying documents is minimized.

Many firms house their client files in manila or red-rope folders. Maintaining client files in digital format alleviates (or greatly reduces) the need to maintain a stock of costly folders.

Another advantage to a paperless office is the reduced expense associated with file storage. Going digital eliminates the need to maintain costly real estate for both open and closed files.

Enhanced efficiency

Having digital files at your fingertips enables you to be much more efficient than with paper files. You can access documents from any location at any time. It also provides greater peace of mind compared to being location-reliant on accessing your files and minimizes the risk of losing paper files in the event of a fire, natural disaster, illness, or any other number of issues that might make it difficult or impossible to access files.

More income

Imagine how much time you could save, and therefore bill, if you didn't have to physically locate and review client files. Historically, when clients called, you advised them you would pull their files and call back, easily resulting in 15 minutes of administrative time that could otherwise have been billed. As an example, if you could bill an additional 15 minutes a day at a rate of $300 per hour, that would be an additional $19,500 in income each year.

Better client service

Having files at your fingertips enables you to quickly access client information. This not only allows you to bill more time in a day, but also enables you to immediately get to information your client needs. Having immediate access to their files impresses clients and shows you are up to speed on their matters.

Getting started

Getting commitment from your team is key to embarking on your paperless journey. But before you do, you must first have an understanding of the processes needed to develop a paperless environment. Here are the steps to put your plan in action.

Goals and workflows

Define your goals

Clearly identify what it is you hope to accomplish by going paperless. Goals should be specific and measurable. Do you want to eliminate client files altogether or simply minimize paper usage?

Analyze your workflows

Once you have defined what you hope to achieve from your paperless (or "less-paper") practice, determine how to get where you want to go. Review and analyze your current processes and workflows. How could you do things differently? Which areas need improvement? Which processes could be more efficient?

Your entire team needs to be involved. Your staff has valuable insight into what works and what doesn't. Encourage their input during every stage of planning.

Getting commitment from your team

Your colleagues and staff must buy in to your plan for it to work. People are attached to paper—it's tangible, familiar, and most people don't want to give it up. The idea of change often provokes anxiety. Resistance from even one person can seriously lessen your chances of success.

Be a role model

The paperless leaders in your firm must be positive role models and should be in a position of authority within the firm. They should acknowledge that while the process may be bumpy, the final outcome will be worth the transition.

Involve your staff

Staff should be part of the process from start to finish; their opinions should be solicited and heard. It's no secret that people with an ownership stake in something are

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much more likely to push for a successful outcome than those who are merely told what to do.

Ensure complete compliance

You have your paperless implementation plan in place and your firm is humming along like a well-oiled machine. Now is not the time to be complacent. It's important to measure your new system's effectiveness and ensure everyone is complying with your paperless plan. There are many ways to do this.

One method of measuring the effectiveness of your processes and staff compliance is to establish a team from your law firm to meet regularly to provide feedback on what works, what doesn't, and what needs to be changed. This input opens the line of communication, ensures your processes and workflows are revised as needed, keeps everyone engaged, and results in better service to your clients.

Prepare to deal with negativity

It's inevitable that at some point, change will lead to negativity. People deal with change in different ways; some thrive on constancy. Resistance to process changes can be based in fear. Often, there is one person in a firm who believes that processes and procedures should never change, saying, "We've always done it this way!" Meeting negativity or skepticism with thoughtful responses allows you to deal with naysayers.

Eliminate physical files and file cabinets

Once you have implemented your paperless process and are confident it's working, you should eliminate physical files and file cabinets. The plan to go paperless was based on your goal to get rid of paper and overhead. Keeping paper files and storage units only entices those wedded to paper to deviate from the plan.

Building a chain with no weak links

Too many firms approach their paperless office as a work in progress, which is extremely dangerous. Retrieval and security issues are the primary risks for those planning the paperless leap.

Naming files

While digitizing documents is a fairly easy process, finding them usually isn't. It's essential to have a formalized policy for naming files. In many firms, individual practice areas develop their own protocols, and many have no protocols at all. While a few people within a team may be able to find files, others are unlikely to do so—at least not easily. When both a paper file and a digital file are maintained, the digital file may not be accessed as often as it would in a paperless world. Take away the paper, and the need for digital access increases tenfold.

Search functionality

Another key component of a paperless system is incorporating excellent search software (one of my favorites is dtSearch) that will immediately produce all digital documents associated with keywords. Notably, document management software includes excellent search functionality along with many other features.

Timing is everything

Staff should understand the importance of ensuring that everything associated with a matter is properly and timely scanned and digitally saved. If certain staff involved in a matter believe that all documents have been digitally saved but additional paper documents exist in the office, it can be a recipe for disaster. Unknowingly relying on an incomplete file can, at best, cause duplication of work and confusion and could easily result in a breach of the standard of practice, laying the groundwork for a malpractice action.

Document destruction

A paperless policy must include processes for prompt document destruction that maintain client confidence. Where will the documents be stored before and after scanning? When will your computer systems be backed up? (Always maintain the documents until your system has been backed up, which should occur nightly.) Which notifications will be placed on documents verifying they have been scanned and can be destroyed? Answers to these questions are just a few of the components that should be included in a paperless policy.

Calendar management

Another paperless risk factor is calendaring important dates and deadlines before digitizing and destroying documents. If a document containing an important date or deadline has been digitized without being entered into the calendaring system, it is unlikely the date will *ever* make it into the system. Conversely, when maintaining paper files, one might continually run across a document while working on a matter and realize that an important date has not been captured. The old saying, "out of sight, out of mind" certainly applies to a paperless practice, making good date-capture processes important.

Encryption

There are many security issues associated with going paperless. Specifically, with mobile lawyering, maintaining client confidentiality is not always easy and can be compromised. With the common practice of keeping digital information on various modes of technology, there are many instances where confidentiality could be compromised: lost laptops, flash drives, tablets, smartphones…the list goes on. If the information contained on a mobile device is not encrypted and the device is stolen or lost, this scenario could quickly become a nightmare.

Back it up

Consideration must also be given to system backup procedures. A system crash, fire, water damage, or any other scenario resulting in lost data sets the stage for not just one possible malpractice action, but several.

Conclusion

With proper planning and the right policies and procedures, a paperless practice can become your reality. Stay tuned for part two of this series in next month's *Bar Journal* when I discuss hardware and software considerations for your paperless practice. ■

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