

Law Firm Cloud Strategy: More Than “Cloud First”



Introduction

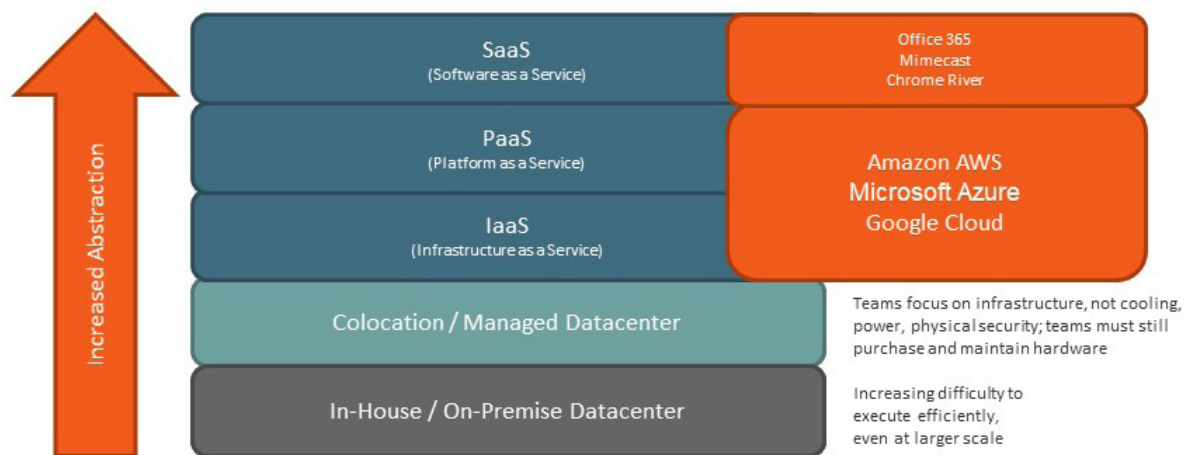
Law firm cloud adoption continues to rise, with 72% of firms reporting they expect their adoption of cloud-based solutions to increase in the coming year, according to the [2019 ILTA Technology Survey](#). The potential economic benefits of the cloud have always been attractive: the substitution of operating expenses for traditional capital intensity; the scalability of consumption-based pricing; and the ability to allow core IT to innovate. The current adoption trend in legal appears to be driven by improved understanding of security models and mitigation of risk concerns, as well as increased client willingness to use cloud solutions themselves. (See HBR's whitepaper, [Forecast: Law Firms Will Be Cloud Ready By 2021](#).)

As adoption has increased, so has the complexity of available options. The cloud is different from traditional legal applications. It is not an application – it cannot be purchased, configured and deployed. It is not a discrete piece of software. It is at once a platform, a mechanism for scaling processing power, a data management channel and an ecosystem of related, distributed solutions. These constructs necessitate process, organization and governance changes to be able to leverage cloud solutions effectively across a firm (enterprise). A cloud strategy orients the IT organization to the opportunities and sets the road-map for cloud adoption, integration and management. The purpose of this white paper is to explain the key considerations and best practices for defining an enterprise cloud strategy.

The Evolving Complexity of Law Firm Cloud

Within the cloud ecosystem, there is now a wider array of cloud-based “As a Service” options than ever: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS) are the primary options. These have increasing levels of abstraction, enabling outsourced maintenance and support of the associated IT stack.

THE CLOUD EVOLUTION

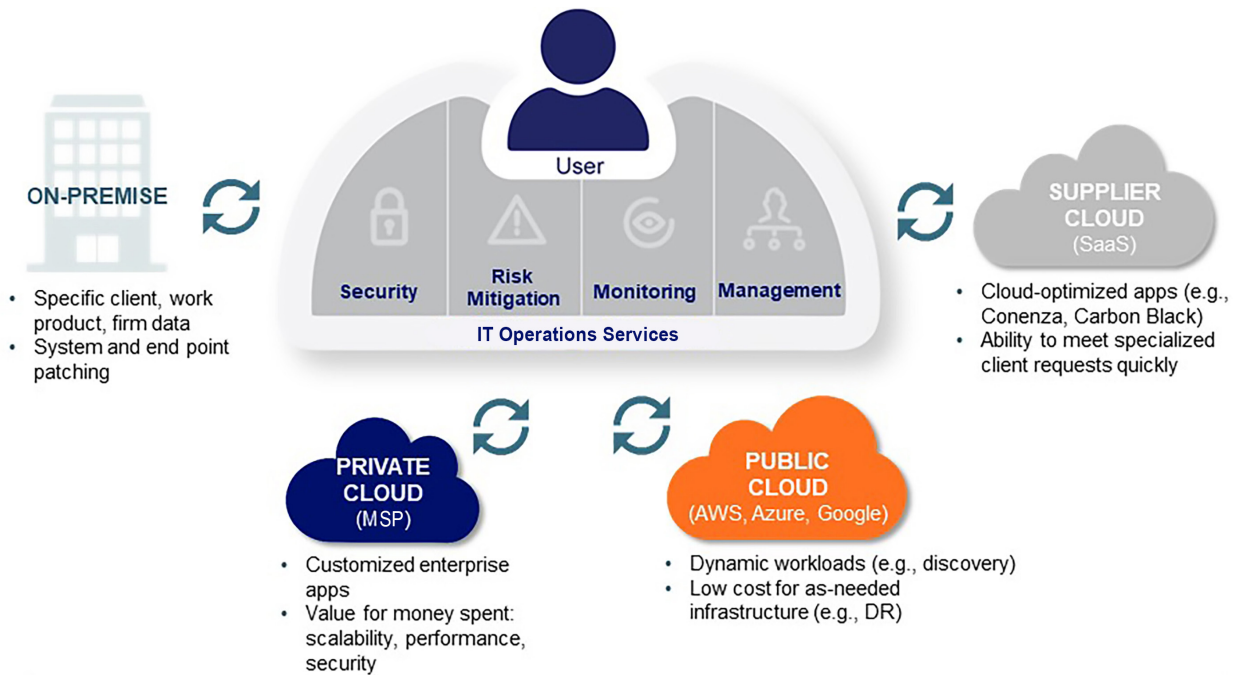


Beyond these, point “As a Service” solutions have evolved, such as the following:

- **Disaster Recovery as a services (DRaaS)** enables disaster recovery hosted in the cloud.
- **Unified Communications (UCaaS)** is a cloud-enabled service for unified communications over an IP network.
- **“xPaaS”** is the set of tools that allows users to build applications in the cloud and to scale them to the enterprise.
- **Integration Platform (iPaaS)** is a service that integrates cloud solutions and on-premises data and applications.

Additionally, multiple models also exist: public cloud, private cloud, vendor and hybrid cloud all leverage various levels of investment, security and accessibility.

CLOUD MODELS



This range of options creates both complexity and confusion when trying to align to firm requirements for data access, sensitivity and cost.

Without a cohesive cloud strategy, this complexity, along with the additional changes necessary across IT management, governance, organization and process, can result in inefficient technology decisions, incomplete and inefficient adoption and possibly greater fragmentation and data silos, all of which will adversely affect any benefit realization. Most firms do not have a defined strategy they can rely upon to guide their technology planning. “Cloud first,” “cloud only” and “cloud ready” represent valid but simplified views of adoption approaches. Given the complexity and nuances of individual firms, the creation of a comprehensive cloud strategy that does not align to a singular approach guides the future state, helping law firms mitigate their challenges and adopt cloud technologies efficiently and effectively.

Defining a Cloud Strategy

Before creating a cloud strategy, it is helpful to understand the elements and considerations for a more comprehensive strategy.

Elements of an Effective Cloud Strategy

A cloud strategy should:

- Identify the approach and framework for implementation.
- Map first to the business need and the overall IT strategy.
- Identify the broad range of concepts that will be used to provide the necessary services and outcomes, with both financial and security consideration.
- Be flexible enough to change as business objectives and technology changes.

A cloud strategy should not be an implementation plan or a migration plan and does not need to identify detailed design concepts. Companion documents can address these areas based on the cloud strategy.

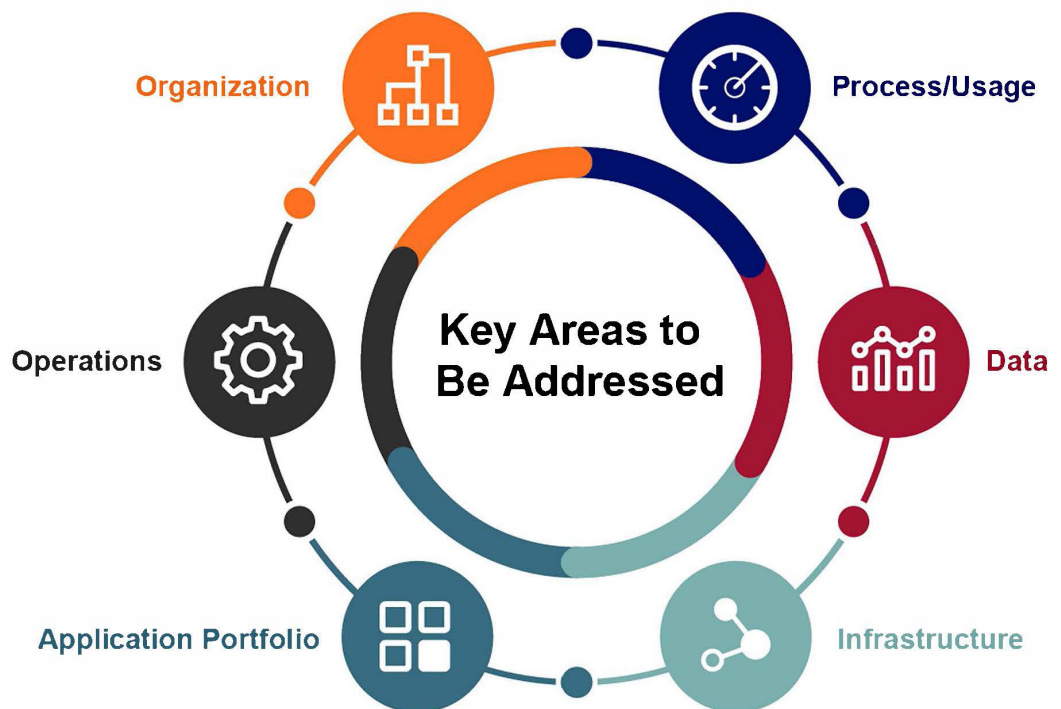
CLOUD STRATEGY REALITY

Area	Misconception	Reality
Organization alignment	A technical IT document, built by IT for IT	Blended team effort to create, including practice, operations, and technology
Impacts	Change management document that defines technology impacts	Guidelines for technology choice based on practice, operations, and technology strategy
Details	Long and detailed for full technical coverage across technologies	Focused on frameworks and criteria to guide decisions
Migration	A migration plan for applications to the cloud	Identifies the criteria for application migration
Evolution	A standard to be upheld and enforced	A modifiable document that changes with business strategy
Planning	A work plan defining detailed activities	A road map for high-level goals

Key Considerations

Key areas to address when developing a cloud strategy include the relevant process and usage; the organization's structure, operations and infrastructure; the firm's application portfolio; and the location of relevant data.

KEY AREAS TO BE ADDRESSED



A Note on Business Context

Firms often skip over the business and economic components of the cloud strategy. To gain the support of firm leadership, it is critical to tie the cloud strategy to the firm's business strategy and goals. Accordingly, the cloud strategy should:

1. Align investments with strategic objectives of the firm;
2. Deliver perceived high value to clients;
3. Encompass opportunities to transform service delivery and business operations;
4. Include a sound business case to support the investments; and
5. Incorporate measurements to assess the value delivered to the firm and its clients.

Critical to a law firm's strategy development is definition of the firm's cloud priorities, taking into consideration key issues such as data sensitivity, access, cost, supported workflows and integration. An understanding of the following components can help the firm define its priorities and approach:

1. **Economics.** Necessary investments aligned to the firm's overall technology strategy including the business value and adjustable measurements
2. **Guidance.** Standards and models for determining potential cloud solutions based on data integration, sensitivity, and access
3. **Architecture and Platform(s).** The preferred foundational cloud technology provider, including any selected managed cloud provider(s) if appropriate
4. **Organization.** Organizational structure and processes necessary for seamless cloud planning, adoption, and management
5. **Operational Architecture.** The tools and processes that can be extended or updated for incorporating cloud technologies into current operations and software development
6. **Integration.** Key considerations for required data integration across platforms, across applications, regardless of location
7. **Migration.** Priorities for migrating all or part of the application portfolio to the cloud in public, private, vendor, and/or hybrid models; not a full migration plan for applications

With an understanding of its priorities and overall approach, a firm can begin creating its strategy.

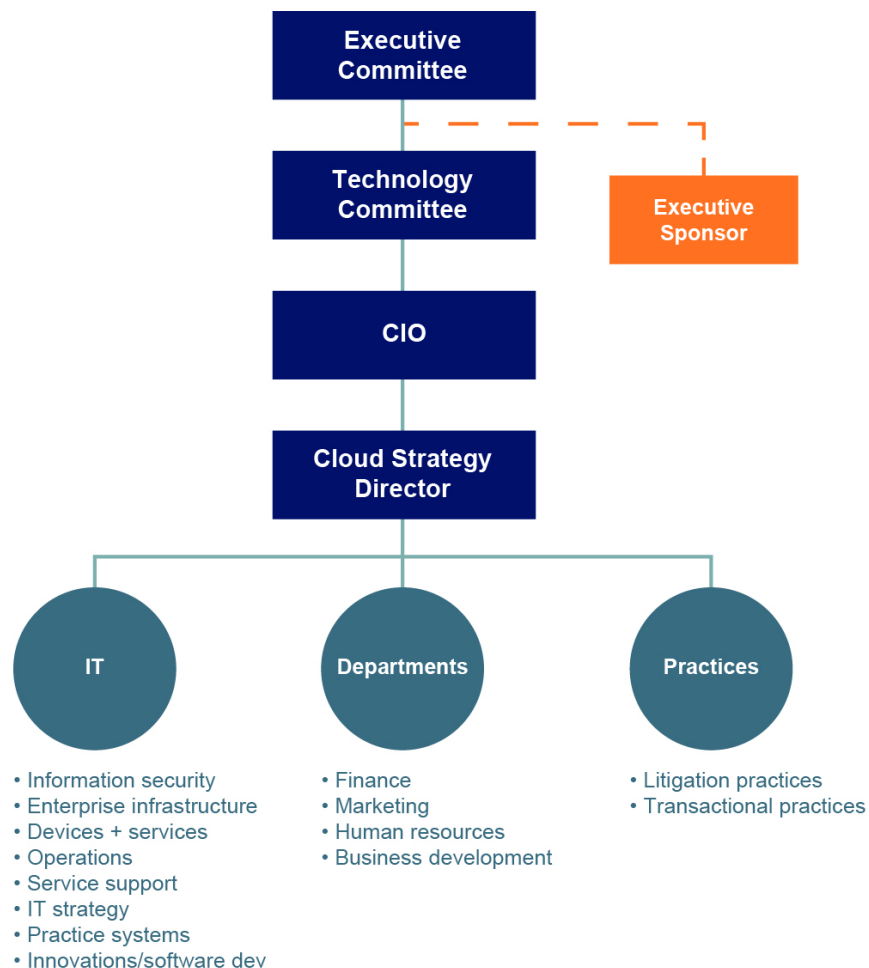
Best Practices in Creating a Cloud Strategy

To create an effective cloud strategy, it is important to include the right mix of stakeholders and use a structured approach.

The Cloud Strategy Team

The strategy needs to support technology, practice processes, business processes and, ultimately, clients. As a result, the development team should include a broader set of inputs beyond the technology team and have oversight from the CIO, Technology Committee and Executive Committee. An identified executive sponsor should serve as the primary contact for executive input and oversight.

MULTI-DISCIPLINARY STRATEGY TEAM



Cloud Strategy Approach

An effective approach for developing a firm’s cloud strategy includes three phases: assessment, development and ongoing evolution.

Assessment

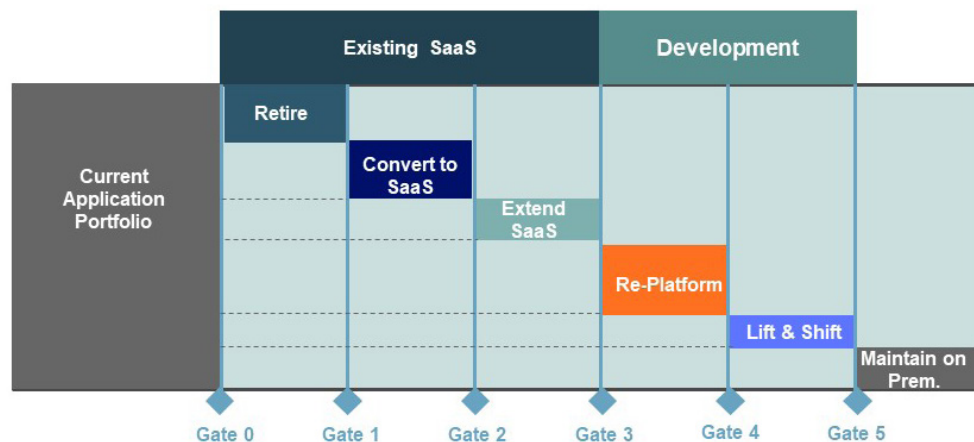
In the initial assessment phase, start by reviewing IT operations. This includes a review of technology infrastructure, disaster recovery plans, systems networks, data center, software applications, vendor contracts and data storage capabilities. Also, conduct a review of the IT organization’s structure and skills. A cloud operational model demands different IT skill sets than those required for an on-premise model. This review will help evaluate the firm’s requirements and needs before proceeding to assess the currently available cloud offerings.

Development

Begin developing the new strategy by identifying the key performance, recoverability and operational requirements. Then, define the cloud models for the following areas and determine whether the firm will own and operate them itself, work with an expert service provider (“As a Service”) or use a hybrid approach:

- Infrastructure
- Disaster recovery
- Network and security operations
- Data and integration
- Monitoring

SAMPLE PRIORITIZATION FRAMEWORK FOR APPLICATION MIGRATION

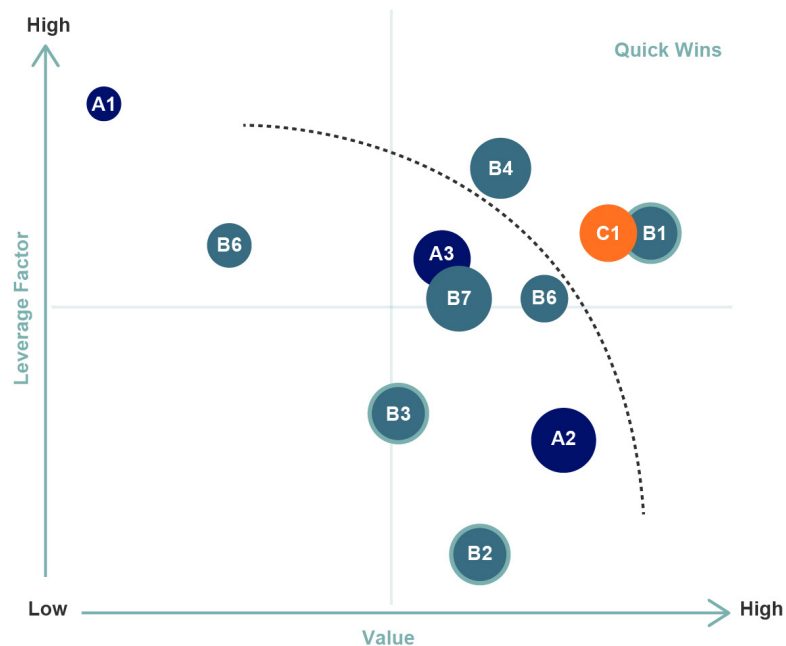


While developing the cloud strategy, be sure to account for important operational areas such as data management/warehousing, information governance, and litigation support data and platforms.

An important element of the strategy is determining priorities for migration of the current application portfolio. A prioritization framework can assist with assessing whether and how to migrate specific applications. The example on page nine illustrates a framework that leverages existing solutions before developing solutions to run in the cloud.

Some applications may be eliminated due to duplication with existing SaaS applications. Others can be converted to existing SaaS applications. Existing SaaS applications can also be extended to support the functional needs. Applications may need to be re-platformed or moved to cloud platforms. Finally, some applications will not be candidates for the cloud.

CLOUD MIGRATION (ILLUSTRATIVE)



Additionally, applications need to be prioritized based on their value to the firm, as well as their leverage factor. Leverage factor is determined by considering technology fit and level of effort. The illustration above shows prioritization across applications (i.e., A1, A2, B1, etc.) to identify which ones can be considered for migration or conversion first.

Evolution

The cloud strategy is a living document that should be reviewed on a regular basis to account for changes in technology, updates to firm strategy, merger/divestiture and overall firm growth.

Sample Cloud Strategy Table of Contents

- Introduction – purpose and goals
- Executive Summary – summary outcomes
- Definitions – industry and internal
- Guiding Principles - supported by business strategy
- Current State – general architecture, cost footprint, strategy, current cloud solutions
- Opportunity – benefits, risks, mitigations, goals
- Operational Structure – architecture, staffing needs, security, governance
- Migration framework – priorities and gates
- Financial Models – pricing opportunity, ranges
- Contingency – platform exit strategies

Conclusion

Thanks to increasing acceptance and understanding of the security of cloud model, the legal industry has passed the tipping point on progressing to cloud adoption. The good news is that this shift delivers financial, operational, and risk benefits to firms that effectively adopt cloud solutions. But the challenge that law firms are now encountering is the proliferation of models, the complexity of the options and the necessary organizational and process changes that come into play when developing their approach to the cloud.

It is not enough to declare “we are moving to the cloud,” switch to cloud based applications and then realize full benefits. Rather, it is essential to develop a sound strategy to establish the foundation on which a firm can make related organizational, technology and process changes that will reduce costs and risk over the long run.

Connect With an Expert

For more information about developing or enhancing your firm’s cloud strategy or to discuss your firm’s evolution to the cloud, please contact:



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