6 Tips To Stabilize and Reduce Out-of-Control IT Costs

If you feel like your IT costs have spun out of control, you are not alone. According to the "2016 ILTA/InsideLegal Technology Purchasing Survey," firms of all sizes spend up to 10 percent of their budgets on technology.

by Joe Kelly

A majority of the firms polled said that they spend between $5,000 and $11,000 in technology (software, hardware, maintenance and support) per attorney each year. Fifty-three percent of the respondents said that their technology budgets increased over the last year, a 12 percent increase from the year before.

Costs continue to grow as technology becomes increasingly important in every aspect of how attorneys practice law. Yesterday's luxuries have become today's pricey necessities. As IT infrastructure and technology eat away at the bottom line, many are seeking ways to control and stabilize IT budgets. You need not be at the mercy of rising hardware and software expenses or sacrifice the support needed and the services clients expect. Here are six tips to help your firm tame IT costs right away and stabilize them in the future.

Tip 1: Determine IT Spend

Before you can get IT costs under control, you need to know how much you are currently spending. Whether you manage your IT at the local office level or under a partner's supervision, or you work with a team in charge of budgets, spending insight is the benchmark for your savings initiatives.

For midsize or smaller firms, pinning down spending can be more complicated. If your office functions without anyone with the primary job of overseeing IT and budgets regularly, someone should scrutinize the firm's general ledger to identify all IT-related expenses for hardware, software, vendor services, consultants, connectivity, warranties, upgrade expenses and more.

Tip 2: Identify Duplicate Systems

In today's mobile world, people often need the same programs on several devices. If you are not careful, unnecessary software purchases can proliferate.

Consider Microsoft Office. Every professional in every industry needs it. Attorneys most likely have it on their laptops, tablets and smartphones, and they may have a separate Office account at home that their organization pays for. While this extra expense might seem minimal, doubling up on costs adds up quickly.

Issues can also arise from underutilized systems. Organizations often have multiple applications that can accomplish the same tasks. Why? Perhaps because attorneys and staff use only a fraction of one solution

and then supplement with additional systems. If one of your apps includes document management, do you need to purchase another document management app and incur additional hits to the IT budget?

You might also have several programs designed to serve the same function. It is not unheard of for large organizations to have three client relationship management tools, five different PDF readers and multiple document management solutions. These different systems affect the IT budget and can lead to a lack of coordination between departments and offices. Offering safeguards to control this phenomenon will help keep a tight rein on IT costs both immediately and over time.

Tip 3: Engage with a Technology Advisor

A technology advisor takes a holistic look at the organization, its current technologies and total costs. An advisor focuses on determining the right systems to move the firm forward in the most efficient, cost-effective way. A knowledgeable advisor might also offer tips on how to curb costs based on best practices.

When considering advisors, identify one that has experience with organizations similar to yours in size and structure and is familiar with legal applications. This enables advisors to relate to your daily struggles, user adoption challenges and big picture strategies. Highly experienced advisors also understand the unique professional and ethical obligations that law firms and legal departments face and can recommend safeguards to maintain the privacy and security of privileged information.

Tip 4: Keep Current Systems Up to Date

Technology is a "living" thing and requires attention. When you ignore routine maintenance, patches and upgrades, your organization risks spending a great deal of money repairing systems when something goes wrong. It is comparable to ignoring routine oil changes for a car. Drivers who pay thousands to an auto repair shop for a thrown rod are certainly regretful when they realize it could have been prevented with a standard oil change.

Tip 5: Establish a Technology Committee

Creating another committee isn't always the best way to improve efficiencies and reduce costs. Yet, for managing IT costs, a technology committee can ensure everyone's perspectives are considered both short- and long-term. To be effective, the committee should include representatives from each business unit in the firm. This not only establishes buy-in from multiple stakeholders in different roles, it also creates a top-down approach for technology acceptance, guideline enforcement, road mapping and future planning.

Tip 6: Move to the Cloud and Reduce IT Infrastructure

As the Technology Purchasing Survey notes: "Cloud computing continues to be one of the hottest topics in legal IT." Law firm respondents ranked multiple benefits from the cloud, including versatility/mobility (62 percent), flexibility (53 percent), efficiencies and cost savings (34 percent), and security (25 percent).

Cloud acceptance has evolved from exploration to execution. Many organizations are migrating IT and workstations fully to the cloud, shunning the need for onsite hardware, excessive IT and physical workstation access. This movement can offer considerable savings both for budgets and personnel time.

One item to consider: The market is replete with cloud technology providers; however, not all are ideal for law firms. A provider that doesn't understand the unique needs and applications required by law firms can jeopardize productivity and drain budgets. Other things to consider include how easy it is to use, the ability to scale, support staff experienced in legal and vendor agnosticism.

Looking Forward

As new technologies and devices proliferate, it might seem inevitable that IT costs will keep climbing. But using these tips will help you stabilize and reduce future costs while benefiting from a more cohesive, consistent approach to your organization's hardware and software. **P2P**

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