

The “Cloud’s” Silver Lining

A brief explanation of “Cloud Computing” and its application to the law office

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Most computer users already utilize Cloud Computing to one extent or another. Upon logging onto your computer, one might check the local weather, browse the headlines, use a search engine, or view the latest YouTube video. These are all non-secure “Cloud” applications, void of personal information and available to anybody.

Cloud Computing shifts processing away from your local computer to the “Cloud”, which consists of secure servers located throughout the Internet world. Cloud Computing runs applications directly from these Internet servers instead of from your local computer. “Cloud” applications are accessed through any standard Internet browser such as Internet Explorer, Firefox or Safari, eliminating the need to locally load software, configure networks, add disk drives, or backup data.

Secure Cloud Computing sites reference personal information and require the use of a user ID and password for access. Typical sites include web-based email, on-line banking, investment services, legal research, and social networking. Sites referencing personal, private, or sensitive information use Secure Socket Layer (SSL) technology which encrypts all transmissions between your browser and the “Cloud”.

Full implementation of Cloud Computing can virtually eliminate the need for any application software on your local computer. Required law office applications vary based on the specific needs of individual users, but common law office functions include word processing, email, calendar, time, billing, and accounting.

Google Docs, Zoho Writer, and Adobe Buzzword are a sampling of word processing programs available through the “Cloud”. They offer a wide variety of formatting and functionality which satisfy the great majority of users. All documents are securely stored within the “Cloud” making them available to the user from any computer or location. Many providers, such as Google and Zoho, also offer additional “Cloud” functions such as email, calendar, contact management, spreadsheets, and presentation software.

“Cloud” based legal Time, Billing, and Accounting applications are less prevalent, but readily available. DeskTop Business Solutions offers LAWS/Pro, a fully integrated web-based legal application, including calendar, time, billing, accounts receivable, check writing, general ledger and a document repository. The subscription charge for “Cloud” applications vary with function but tend to be relatively inexpensive – often a fraction of a billable hour per month per subscriber.

Users benefit from Cloud Computing for many reasons.

Ease of Accessibility: Cloud Computing utilizes applications through the Internet. There is no need to purchase, load, or maintain applications or data on your local computer. Subscribers simply log onto a website, with secure identification, and utilize the application. Cloud Computing is machine independent, allowing users to access their data from any computer from anyplace – office, home, laptop, clients office, library, court, or anywhere else offering Internet access.

Automatic Seamless Updates: Users no longer need to be concerned with conflicts arising from upgrading any aspect of a computer system. There is no application software loaded on the local computer which must be updated or can cause a conflict. Enhancements to “Cloud” applications are implemented by the application service provider and immediately available to the subscriber by simply logging on.

Data Security: In a typical solo practitioner firm, all applications, documents, email, work in process, and accounting data are usually stored on a single computer. In many cases backup may be performed sporadically or not at all. Even when done, the backup may never be verified, restored, or tested for completeness. If a calamity occurs without a complete backup, such as by a virus attack, hard disk failure, fire, or theft; a law practice could be left with nothing, and very possibly be forced out of business.

Conversely, data within the “Cloud” is typically stored in highly secure hosting facilities managed by IT professionals. Multiple levels of firewalls and security virtually eliminate any breach from non-authorized users. These facilities have redundant power sources and multiple avenues of Internet accessibility. All user data is securely encrypted while in transit. Backed up data is most often stored redundantly within the hosting facility in addition to being housed off site. Backups occur on a frequent basis, in most cases hourly or minute by minute.

Cost: A major benefit of Cloud Computing is the elimination of upfront software costs. More significant is the time and cost savings associated with the elimination of installation, routine maintenance, and backup, of local applications. Many commonly used “Cloud” programs, such as email, word processing, spreadsheets, etc., are free, and specialized programs such as legal research, or time and billing, are provided via a subscription.

The cost savings of Cloud Computing can be significant. For the purposes of illustration, we will evaluate the typical costs incurred by a solo practitioner in a law practice using locally installed applications compared to Cloud Computing. Within this comparison, the locally installed applications include a combination of Timeslips for time and billing; QuickBooks for accounting; and Microsoft Office and Outlook for word processing, email, and office products. The corresponding Cloud Computing configuration includes the web-based applications of LAWS/Pro for time, billing and accounting; and Zoho for word processing, email, and office products.

As noted in the accompanying example, Cloud Computing reduces the solo practitioner's initial start up costs by \$1,556 and recurring monthly charges by \$247 per month.

First year savings exceed \$4,500 with annual savings of about \$3,000 every year thereafter.

The products depicted within this comparison are well known legal applications.

Other products and charges may be substituted yielding similar results.

Initial and Recurring Costs Associated with Locally Installed Software

Locally Installed Software Description	Initial Cost	Monthly Support
Purchase Single User License Timeslips: <i>Includes Time, Billing, Accounts Receivable (www.timeslips.com)</i>	\$499.00	\$22.00
Single User QuickBooks Pro: <i>Includes Full Accounting, Check Writing, General Ledger (quickbooks.intuit.com)</i>	\$199.00	\$24.00
Single User Microsoft Office/Outlook: <i>Includes Word, Excel, PowerPoint, Email (office.microsoft.com)</i>	\$258.00	\$0.00
System Management: <i>Installation and configuration of software; Configuration of backup system; Physical process of verifying that a daily backup is performed; managing offsite backup storage; Installing system upgrades; Managing storage devices (defragmenting disks, compacting databases, etc)</i>	\$600.00	\$300.00
<i>Monthly support is estimated at 5-6 minutes per day, or 2 hours per month, valued at \$150/hour representing lost billable time or actual charges paid to an IT technician.</i>		
Total:	\$1,556.00	\$346.00

Initial and Recurring Costs Associated with Cloud Computing

Cloud Computing Software Description	Initial Cost	Monthly Support
Single User License Laws/Pro: <i>Includes Calendar, Time, Billing, Accounts Receivable, Check Writing, Trust, General Ledger, Document Repository (www.dtbusiness.com)</i>	\$0.00	\$99.00
Single User Zoho Products: <i>Includes Writer (Word Processing), Sheet (Spread Sheet), Show (PowerPoint type product) Mail (Email) (www.zoho.com)</i>	\$0.00	\$0.00
System Management :	\$0.00	\$0.00
Total:	\$0.00	\$99.00
Cloud Computing Savings:	<u>\$1,556.00</u>	<u>\$247.00</u>

Cloud Computing may not be the best solution for everyone, such as established firms well satisfied with the cost and function of their existing applications. But for many it's perfect.

Consider:

- Firms wanting to conserve resources can eliminate all their initial software licensing fees and a significant percentage of on-going maintenance and support fees.
- Attorneys can redirect time spent on performing routine system maintenance to the providing of billable client services.
- A single attorney working from multiple locations— office, home, or while traveling; or several individuals working from decentralized offices; can all seamlessly access common data.
- If a local computer is rendered useless, the Cloud Computing user can simply use any other available computer for immediate access to all their data, documents, email, and any other information stored within the “Cloud”.

For a host of justifiable reasons, the trend has been away from local computing towards the “Cloud”. Now is the time to take a closer look at Cloud Computing, review the various “Cloud” applications, and evaluate whether they meet your needs. You, like so many others, may realize significant benefits by utilizing this new technology.

Peter D. Konetchy is President of DeskTop Business Solutions. DTBusiness has been in business for over 30 years offering time, billing, and accounting software to the legal profession. In 2001 DTBusiness introduced their 100% Internet-based LAWS/Pro application which includes calendar, time, billing, accounts receivable, general ledger and a document repository. Further information can be obtained from their website at www.dtbusiness.com