

The Legal Intelligencer

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Addressing the IT Challenges of a Startup Firm Cost Effectively

“You know things are bad when even lawyers are getting laid off,” introduced a November 2008 *International Herald Tribune* article exploring the influence of the worsening economy on the legal sector. Tracing back to December 2007 – the “birth” of the current recession – the legal industry has cut 14,500 jobs, according to the U.S. Department of Labor statistics. And the dismal trend is expected to continue.

Despite these difficult financial times, many attorneys are finding a silver lining and are opening their own law firms. Whether these legal professionals are forced into startup ventures as an alternative to unemployment, leaving their high-profile, large law firms because they see the writing on the wall or simply seizing the opportunity to become their own bosses, there is no doubt today’s economy is driving the surge of law firm startups.

For any attorney starting his or her own law firm, it is essential to think about all the peripherals involved, especially the young law firm’s information technology infrastructure, which will house and protect the lifeblood of the firm: its data. But how do startup entrepreneurs replicate the quality of a large firm’s IT infrastructure with the limited budget and resources of a small firm?

Understanding that there are countless technology decisions to make in the early stages of planning a startup firm, many attorneys are taking advantage of the IT support and consultation which managed services providers, or MSPs, can offer to help ease the technology growing pains.

Small Firm Size with a Large Firm Mentality

The professionals who take on the great task of opening a law firm many times have at least one large law firm name on their resume. Essentially, they come into this new small-firm setting with a large-firm mentality.

These attorneys, and their clients, are usually accustomed to reliable, enterprise-level technologies, the most up-to-date software applications, full remote access, a secure Exchange environment, a document management system, complete PDA/network/desktop support and a team of IT experts available at a moment’s notice.

But as a startup, it may be prohibitive for the firm’s partners and small staff to manage the firm’s IT environment themselves. Many startups are finding that it is simply too costly to maintain internal IT staff. And as a result, organizations are embracing managed IT services – IT resources such as e-mail management or help desk support,

which are accessed as services – to help lower the total cost of ownership and reduce system downtime.

A Best-Kept Secret

Possible managed services scenarios include the management of: one infrastructure operation, such as disaster recovery; all infrastructure operations, including e-mail, the network, security, servers, desktops, laptops and mobile devices; or all software, as with “software-as-a-service.”

Startup firms, just like mature firms, need to identify whether they should keep their IT management and support in-house or consolidate some or all their IT functions to an MSP. Once firms have a full understanding of how MSPs can eliminate the need to handle network maintenance, troubleshooting and technology upgrades, they usually find that managed services is a best-kept secret that can help them in good and bad economies alike.

Besides saving money, managed IT services provides startup firms several other benefits. This approach to managing a young firm’s IT infrastructure can enable a startup firm to “get more with less,” improve data security, increase the quality and accessibility of the firm’s network and, ultimately, save employees time without having to worry about technology.

The Push to Get More with Less

Startup firms do not have a large cash outlay to purchase hardware and software, and they can’t wait for their budget to play catch up. With managed services, firms can take advantage of the industry’s most advanced technologies, often not in the budget of a young law firm.

Managed services can result in tangible and significant IT cost savings. This type of savings can go a long way toward investment in other areas of a startup or simply as a way to lower overall expenses in a down economy. For a startup firm, it may appear to be more cost effective to hire a consultant or a full-time employee for IT. But in the long run, this may actually end up costing a firm more.

Looking to a managed services organization to provide IT support and management helps firms to avoid not only hiring internal IT staff but also maintaining expensive IT infrastructures in-house. Startups can save money in areas such as office space, staff, equipment, training and hardware and software upgrades.

In the managed services model, organizations typically pay a fixed monthly fee, instead of the fluctuating, unpredictable costs associated with a “pay-as-you-go” external IT provider. This can be a much more cost-effective means of managing a startup firm’s IT infrastructure, as no extra costs are incurred in the event that something goes wrong.

Data Security – A Must Have

Everyone knows that a disaster, such as a flood or blackout, can cause data loss and prevent employees from accessing e-mail or work applications. Power outages and

similar business interruptions cause servers to shut down, making e-mail and other critical applications inaccessible to employees.

Managed services backup solutions can prevent data loss. And disaster recovery solutions can enable firm employees to continue working and preserve e-mail and data access. A disaster recovery solution that either backs up servers off-site, or co-locates them off-site, would provide: business continuity, off-site server hosting and data storage, disaster avoidance and no single point of failure, because of redundant power, network and environmental systems.

Reliance on Network Quality and Accessibility

Since attorneys work odd hours to keep up with their clients' needs, especially in the case of a startup where the firm is feverishly building a client base, continuous and secure remote access to documents and software applications is essential.

Because MSPs are immersed in technology every day, typically they are better skilled in any one area of IT than a firm's partners or staff can ever be. MSPs usually have teams of highly experienced, fully trained professionals who are experts across the technology spectrum, including e-mail, security, the network, servers, desktops, laptops, and mobile devices including the BlackBerry, Treo, and iPhone.

When a startup firm employs its own IT staff, there are challenges around vacations, training and time off because of illness. MSPs offer around-the-clock monitoring, management and support 24/7/365. Vacations, illness and even off-hours coverage do not adversely impact an organization's technology infrastructure or support levels.

A Proven Approach to IT

With advances in technology, especially the Internet, the concept of having an MSP manage a startup firm's IT environment from a remote location can not only reduce IT staffing needs, but can also give startups the opportunity to leverage more sophisticated technologies than if they had to run the functionality in-house.

Already embraced by firms of all sizes nationwide, managed IT services can offer startup firms significant benefits that will help them grow a lot easier, and a lot more quickly. In an economy where cash is king, startup firms should consider working with a managed IT services provider who can offer predictable computing costs that are much lower than managing a network in-house.

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