The Paper2Digital™ Law Firm Master Plan

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Paper2Digital Law Firm *(P2D) (noun, new):*

1. A transforming law firm, decidedly on a journey to remove the cost, risk and inefficiencies of paper-based records in the legal practice.

2. A multi-year journey that measures and hits ROI milestones along the way, accommodates attorneys who have a preference for working with paper, and arrives at the destination of a fully digital matter file.

<u>(Not</u>: a "paperless law firm" – which is a mythical, distracting pursuit)

Introduction

In a law firm, keeping paper records is a major expense, and a relentless cause of inefficiency and risk. About half of all attorneys still prefer to work with paper, so most law firms continue to accept the precedent of files, folders, boxes, file rooms and offsite records storage. For those who want scanning, well, there's a decathlon you can perform at the copier to get that done, if you can stand it.

We need to fix this. We need a fully digital matter file. We need a Plan to get there. This whitepaper provides guidance for that Plan.

Let's first get motivated by the universe of paper records problems in front of us, and the benefits we will achieve by gradually overcoming them.

> *"We exceeded our ROI goal in less than one year – 33% sooner than we had projected – and spent approximately half of our budget to complete the program. Initially, the expected benefit was cost savings for managing paper. But going paperless improves our ability to respond quickly to clients, providing more efficient service. A true win-win."*
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> Suzette Allaire, COO Lindquist & Vennum

Table 1 – Paper2Digital Benefits

P2D BENEFITS	DESCRIPTION
Cost Reduction	Real estate costs are driven up by onsite and offsite file storage. Labor and services costs to manage the movement of paper are significant. Likewise, significant cost reductions are obtained by scanning and shredding paper records.

Risk Reduction	Paper is impossible to secure, and easy to lose. It cannot fall under the same security regime built for electronic information. When paper is turned into a digital asset, it is absorbed by the existing digital security system.
Productivity Gains	Paper impedes matter centricity, mobility, collaboration and information access. All of these essential work methods are advanced by making paper records digital and available from the document management system (DMS).
Compliance	Law firms must now meet or exceed their client's standards of Information Governance, retention and disposition for records. By making paper records digital as a best practice, compliant paper records disposition is enabled.
Quality of Work	Electronic tools continuously improve the legal work product, but those improvements don't apply to paper records. A P2D best practice enables a fully digital matter file, and can still serve users who like to work with paper.

As you see in Table 1, the Paper2Digital (P2D) benefits are far reaching – and right in line with law firms' strategic objectives. But the P2D project is also far reaching, and it needs to be carefully planned and staged, to align with prioritized objectives. Let's not forget we have a precedent of paper documents to deal with in the Plan. Adoption, productivity and change management need to be addressed. Your P2D Plan needs to define a starting point, a progression with ROI milestones, and an end point that rolls out the solution and rolls up those benefits.

Key P2D Planning Elements

For a P2D initiative, there are some particular elements of the Plan that are different from other types of firm-wide projects. These elements form the unique basis of a P2D Master Plan.

Prioritized Objectives

Though formal objective setting should be part of any project initiation, it is important to prioritize objectives for a P2D initiative because the benefits and impacts are so extensive, and are achieved in stages. If the Managing Partner sees the principle P2D benefit as enabling matter collaboration, but the COO is prioritizing the shrinking of file storage as part of a real estate reduction project, these objectives must be prioritized and aligned, then applied to the P2D project timeline.

The broad benefits shown in Table 1 provide game-changing ROI, but they are achieved in varying measures at different stages of this multi-year project. The hard cost savings of reduced real estate footprint for paper are measured differently in a spreadsheet than the soft, but massive productivity gains achieved by working digitally, firm-wide. To harness project progress, DocSolid's Scanbition Consulting practice begins with a set of exercises with the firm's leadership sponsors for the P2D initiative, clarifying and prioritizing objectives, sequencing them, then applying them to a project strategy and timeline.

Ongoing Leadership Support

Ongoing impetus for this project must be driven by a shared executive vision. Once set by the firm's leadership, prioritized objectives and related ROI milestones need to be published. A firm-wide project to move the firm toward a fully digital matter file will encounter distractions, resistance, and roadblocks. Work culture, adoption and change management are stretched. Such a set of challenges requires top-down support - constant, aligned and clear - from the Partners, the C-suite, and the managers.

Project Plan

The key variable in a P2D project plan is how to get started. Often, the startup portion of the project is selected to build momentum or competencies for the larger undertakings ahead. For example, a firm could begin by building out scan capture technology and process in the Records Department, in order to scan, quality control check (QC) and shred closed matters instead of boxing them and sending them to offsite storage. Although this implementation doesn't yet focus on the active matter file, it can build competency, DMS integration, and proven workflows that can then be extended to the practice groups. It's more than a pilot.

This particular start-up approach is discussed in our *Scanbition Frameworks* whitepaper. Calculating the benefits and potential ROI is considered in our unbiased white paper, *Scan v Store.* Regardless of the Framework chosen to start the P2D initiative, follow-on projects must be staged behind it to constantly advance through the overall P2D objectives.

"Our New York City office is now operating with a fully digital matter file for new matters—making our timekeepers more effective in addressing our clients' needs. Our project was driven by our ambition for efficiency, and a real estate relocation initiative. Key factors for the success of our project were: 1) strong IT and Records project coordination, 2) executive sponsorship, and 3) technology that provides productivity, process integrity, and ease of use for our staff."

Rovindra Budhu, Director of Regional IT Infrastructure, Baker & McKenzie LLP

Attorneys Choose Whether or Not to Work with Paper

55% of the attorneys in law firms today would choose to work with a paper file even if all its contents were digitally available from the DMS. Unless this factor is treated affirmatively, it will impede a P2D project, because this group will strongly resist. Treated positively, given their paper file *and* a digital alternative, this group of attorneys will gradually move to digital behaviors, by choice instead of imposition. Mobile access to imaged documents, text search of OCR'd content, and fast access to a complete matter file are some of the experiences known to move paper-loving attorneys towards a more digital orientation. But that takes time.

A P2D Plan must have policy, workflow and consideration for those attorneys not yet ready to be digital. Essentially, the workflow must scan, capture and QC incoming paper uniformly, but have a best practice to identify attorneys who still keep a paper file, and maintain availability of that paper file, using the following principles:

- The paper file is a convenience copy, and all contents are also maintained digitally in the DMS
- Paper that lands in the convenience file is marked, to denote it has been scan-captured
- The convenience file can be shredded when the matter closes

P2D Supporting Policy

In law firms, they say "culture eats policy for breakfast." That tradition needs to be overcome for a P2D initiative. Certain policies will need to be in place and followed to support the workflows and operations of the project. Table 2 outlines a policy list to support a P2D initiative.

Table 2 - P2D Policy

POLICY	RELEVANCE
Records and Information Governance Policy	A comprehensive Records and Information Governance Policy is foundational to the P2D initiative, and should consider the unique requirements of each legal practice group.
Retention-Destruction-Disposition	Paper records retention and destruction policy must be updated to include scanning and shredding considerations in the P2D initiative. Disposition of paper after scanning is a key component of this policy.
Original / Intrinsic Paper Document Retention	There is a limited, but defined set of paper documents that must be physically retained. Ironically, these are also the most important documents to scan. Policy must control how and when to keep or return client originals.
Scan Operation Quality Controls (QC) and Audits	An enterprise scanning best practice needs formal QC policy and process to ensure the integrity of the operation, including tracking the document inventory through its lifecycle, image quality and page count review standards, DMS write verification, and paper disposition after scanning.
Job Descriptions	To the extent that a P2D project changes the work responsibilities of Legal Assistants, Paralegals, Records Workers, Attorneys or other staff, job descriptions need to reflect it as a matter of policy.

Workflows

Most of the workflows in a P2D initiative involve a new set of best practices for a firm-wide approach to capturing paper digitally. Mapping these workflows is critical to the P2D Plan. Think about paper flowing into each practice group, and a uniform method to ensure it is inventoried and run through a scan-capture-QC-disposition process. Additionally, if existing 'on-the-shelf' active matter files are going to be scanned, a related bulk process is needed for that initial conversion. That type of conversion scanning, and even regular daily scanning, QC and disposition operations, are optimally performed in the Records Department.

Table 3 - P2D Workflows

WORKFLOWS	GUIDELINES
Practice Group – front office workflow, capture of day-forward inbound paper documents	• The work of managing incoming paper and profiling it to the DMS generally belongs with the Legal Assistant, as the subject matter expert. To optimize adoption and efficiency, so that this new work is not perceived as burdensome or excessive, it needs to be simple and productive. • Actual scanning, quality controls and paper disposition work are best passed to the Records Department or clerical staff, who have a more aligned pay rate, availability, and job focus. A workflow must be available for passing these jobs forward, away from the Legal Assistant. • A front office scanning option should be available using existing MFPs or copiers in the practice areas, for scan jobs requiring an immediate turnaround.
Practice Group & Records Department - handoffs of paper documents, in both directions	• Workflow and logistics to pass the work of scanning, quality controls and paper disposition to the Records Department are created. • Records needs a process for returning paper documents to attorneys who work with a paper file, after scanning it to the DMS.
Records Department – back office workflows for daily and project-based scanning, QC, and DMS integration	• The Records Department should be the competency and daily production center for active matter scanning to the DMS, quality controls, and paper disposition. • The Records Department also should be the capacity center for large scan capture jobs. Closed matter, office moves or Lateral Attorney on-boarding scan capture projects are examples of such jobs, which are more conversion oriented and require assembly-line oriented workflows. • Use of dedicated production scanners is preferable for Records Department scanning.
Records Department - Quality Control and Disposition	• A formal quality control process workflow ensures the integrity of firm-wide scan capture. Ultimately this QC enables shredding of most scanned paper by establishing audits, accountability and confidence for the overall process. This includes tracking the document inventory through the process, image quality and page count review, DMS write verification, and paper disposition. Each step has its own workflow. Ideally the same workflow operation is applied to all firm scanning.
Administrative	• Custom workflows are needed for scan capture in Accounting, HR, New Client Intake, Mail room and other operations.

Supporting Technology

The technology required for a P2D initiative should employ the existing infrastructure and DMS implementation, to the extent possible. The scan capture software and related process must be evaluated against these standards:

- **Productivity** – scan capture of inbound paper is repetitive work. The software-driven process needs to enable throughput without excessive new labor, and push the work to the appropriate staff.
- **Simplicity** – users are engaged by a simple process, and discouraged by complexity. User adoption is a critical element in a P2D initiative.
- **Integrity** – automated process audits and software driven quality controls provide confidence in the operation, firm-wide.

Table 4 - P2D Technology Selection

TECHNOLOGY	GUIDELINES
Software	- Tight and comprehensive DMS integration is required, for profiling, and loading images and indexes of scanned documents - Allow desktop document profiling of paper from the existing DMS user interface; allow scanning at front office copiers and back office production scanners - Allow separation of overall work process (profiling, scanning, QC, disposition) to match the job to the worker and to the pay grade - Built-in software quality controls (QC) for the scan capture operation (image quality, page count, DMS write affirmation, document inventory controls, paper document disposition) - Powerful core image processing server(s): OCR, image file creation, job prioritization, multi-thread/processor/server coordination, scan-to-email distribution, sending of links or attachments - Hardware independent – accept scan input from any copier, MFP or scanner; use them all by a uniform 'one-button' approach and enable stack scanning of multiple documents at any device - Extensions: maintain a separate repository for non-DMS storage, custom application builder for non-DMS file-retrieve systems, API and SDK for custom work, system utilities, strong administrative controls, customizable workflow
Hardware	- Ideally the existing fleet of MFP's and copiers is usable; if this hardware is being replaced, the new devices should complement the chosen software and P2D Plan - Production scanners for use in Records Department or centralized scanning – large feed hoppers, image quality adjustments, simple software controls, heavy duty cycles, strong SLAs for service - Specialized scan device controls for production scanners: dual side scanning with blank page dropout, auto-color detect, auto page count, centralized administration of device set-up
Vendors	- Legal market focus and P2D expertise - P2D consulting offered as a standard service - References from clients engaged in P2D initiatives (not casual scanning)

Conclusion

A fully digital matter file liberates the practice of law from the chains of paper records. The cost savings, efficiencies and risk reductions are vital in order to produce, profit and compete in today's legal practice. A Paper2Digital initiative to make this happen is a multi-year project, with ROI milestones along the way. It requires a comprehensive *Plan*, envisioned and championed by the firm's leadership, supported by policy, and executed by the practice groups and staff that steadily advance to a better workplace and work product.

We need to create the digital matter file now for the half of the attorneys who are demanding it, while accommodating the other half who still want their paper. Those with a paper preference today will migrate to the digital world over time. Meanwhile, a new P2D system emerges, a fully digital matter file becomes the Official Matter File, and powerful benefits are delivered every day.

"At the end of the day, having the electronic file as the official file enhances the attorney's experience, knowing they have information at their fingertips. The service to our clients will continue to be of the highest standard as the attorneys can quickly get to the right information without the wait time required to retrieve a paper file. It is also something the attorneys are hungry for, and a differentiating selling point we discuss when recruiting laterals."

Deb Rifenbark, Director of Records and Compliance, Stinson Leonard Street LLP

A P2D project plan is not unusually complex, but it is new thinking. It takes vision, leadership, a formal Master Plan, and a team to run it. It takes vendors with technology and expertise for this new game. And it takes time. So the sooner you start, the sooner you stop paying for the unsustainable costs of paper records.

More Information and About the Author

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