



Why do we push for Real Cloud (SaaS) Solutions? Here's why!

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It may seem like we are beating a dead horse. We are constantly pushing for SaaS, the real thing! (Definition: software-as-a-service, hosted in major data centers, serviced by the original software developers, upgraded automatically by the original software authors, using full disaster recovery/fail-over and using Web-based design) True SaaS operates without the compromise of Citrix. Here is my response to the naysayers:

The established legal IT software vendors who are pushing their in-house based solutions are facing major threats to their customer bases. These vendors, in essence, will need to rewrite their applications to effectively move their solutions into true Cloud Design, browser-based applications. Many of these traditional legal IT software vendors, and a handful of new ones, have been successful in moving their products into the *Real SaaS* market: Rippe & Kingston's LMS (time & billing and financial), kCura's Relativity 8 (litigation support), NetDocuments (Document and E-mail Management), Microsoft's 365 (Outlook/Exchange Services), Selah Legal Technology (client/matter management, workflow, docketing and cloud integration services), and Filetrail (records management).

These forward-thinking vendors, new and old alike, are driving real innovation and forcing the established software development vendors, i.e. Thomson (Elite), Aderant (Expert), Lexis Nexis (Juris), iManage (document and email management), Worldox (document and email management) and OpenText/Legal Key (records management, conflict avoidance) to rethink their software delivery strategies.

These traditional development organizations are coping with old assets, obsolete platforms, client in-house systems and upgrades, a stream of expensive maintenance and upgrades and more. The motivations are delicate and causing angst because SaaS goes against their traditional models for being profitable. Of course the newer firms and those that have started early and gradually moved to the bold new world are now reaping substantial market growth because of SaaS. The software establishment will have to jump in fast in order to keep pace and maintain their market share.

The legal market *has not* been a breeding ground for IT innovation and has often lagged behind

their commercial counterparts by as much as five years. The legal market innovators have led the way into the Cloud via SaaS. Let me be clear. Movement into the Cloud does not mean hosting of Legacy Windows® applications via Citrix/Terminal Server or Virtualization. SaaS requires the rewriting of core legal applications using an Internet-based platform. These legal software applications are Web-browser-based and often are created with open source development and provide the provisioning for multi-tenant software upgrades. This approach creates a brave and bold new world of legal application capabilities. The truth about legal applications is that Legacy/Windows® applications can't be placed into a data center via Virtual Desktop hosting using Citrix and Terminal Server and called "Cloud Computing". These applications need to be rewritten in order to create this Real SaaS application capability.

Law firms can't expect a true technology difference using SaaS unless the following technologies are included in their design:

- "Multi-tenancy" is critical to saving real dollars. The SaaS vendor shouldn't have to maintain separate software pools for each user law firm client. Users are all on the same application release level. Software improvements just come automatically as users provide feedback. Software is upgraded continuously or at least on a predictable or scheduled basis for all users.
- Users should be able to customize their own use of these systems (screens, fields, etc.) without affecting the core shared software pool. These changes are only user preferences, not software modifications. This is necessary in order to accommodate the needs of different practice groups within their Firms.
- Open Source Web Tools are critical to lowering the cost of licensing for middleware, i.e. Web tools, SQL databases, Data Warehousing, Portals and other software prerequisites. Getting rid of the middleware costs can lower the end-user costs by up to 35-40%. Hosting of a legacy Windows® application still doesn't address the costs related to middleware and will usually increase overall costs to the end-user firm because of the cost of Citrix/Terminal Server and the Virtualization related costs.
- Also, the hosting vendor is not the Windows® legal application vendor causing split support and finger pointing between the hosting vendor and the software application company. With SaaS, the hosting vendor *is* also the software vendor maximizing support and *optimizing* how the software should run in that specific data center.
- Real SaaS is safer for your data because the "software as a service" is usually co-located in a major SAS70 certified data center or later certification. Most of the time, the quality SaaS vendor also provides real-time disaster recovery across multiple data centers. So your data really is more protected compared to in-house or even compared to the hosting of legacy Windows® application on Virtual Servers

(Citrix/Terminal Server) provided by third-party hosting services. You should ask: "Does live failover come with this SaaS application?"

- With SaaS, the key to legal application development strategies is not being driven by software vendors that depend on the recurring licensing and maintenance fees, i.e. traditional mainline vendors like Aderant or Thomson Reuters.

According to Fortune Magazine's 500 issue of May 2013, the traditional Windows® share of the development market has dropped from 97% in the year 2000 when PCs ruled to only 15% in the year 2012. The use of smart phones, tablets and SaaS are now driving the development market. Since Droids, iPhones, tablets and SaaS are also driven by social, mobile and Web development, the new development world is being driven by Linux or Unix on the operating system side, along with open source foundation code for their middleware. These realities are also driving down the costs for the law firm end-users. If we were still in a Windows® world, why aren't we using a Windows® smart phone? The legal market will, of course, co-exist with Outlook/Exchange and also Microsoft Office for some time into the future. But even that is slowly changing.

In Summary, SaaS is the new reality for law firm applications delivery and should be our first priority for IT implementation. SaaS data centers are the processing utilities for our software applications going forward. It solves the disaster recovery issues, the security/virus protection issues, upgrades and maintenance issues, establishes a new quality standard in legal application software and substantially manages the cost. The real SaaS market creates a level playing field between small and large firms. SaaS-based applications delivery is only getting bigger each year and the available solutions are growing at the rate of 18% per year according to the Gartner Group. Windows® based applications are declining as evidenced by a decline in Wintel PC sales.

The major data centers in our future, the utilities for our legal applications, going forward are shaping up to be:

- Google
- Amazon AWS
- Salesforce/force.com
- Cincinnati Bell/Cyrus One
- IBM Data Center and Facilities Strategy Services
- Oracle Forums Data Centers
- Hewlett Packard Data Center Solutions
- Microsoft Global Foundation Services
- LexisNexis Data Center (Legal and Financial Markets Only)

The software solution providers for law firms are rapidly moving their rewritten legal applications to these multi-million dollar and even billion dollar processing facilities. The commercial banking community, hospitals, airlines and even major insurance companies are rapidly moving to this processing model. Most of us don't generate our own electric power for our homes. We use major power utilities. Computing Power is moving quickly in the same direction.