

## Solution 6 & Keystone false alarm

Last week's temporary suspension of trading in Solution 6 shares, pending a company announcement, proved not to be a prelude to the long rumoured deal with Keystone. Instead it related to a share issue to two major corporate investors, which also raised \$15.5 million for Solution 6. Trading has now resumed and no further announcements are expected until after Solution 6 issues its half year results on 7 March.

### Tikit in deal with SV

Tikit, the legal IT services provider, has been appointed the exclusive UK reseller for San Francisco-based SV Technology's LawPort legal portal system. LawPort is a knowledge management application that provides law firms with the ability to not only manage their current information but also access data held on legacy systems and share it across an intranet or a client extranet. One user site, Gibson Dunn & Crutcher in Los Angeles, recently won the KM World magazine's 2001 best practice award for its use of LawPort in a knowledge management application.

### The Insider web site

For the latest news plus legal technology resources - including IT jobs, events diary, industry links and web traffic reports - visit the award winning Insider web site.

www.legaltechnology.com

# Mills & Reeve win GMC via FirstLAW tender

Other dotcom legal business concepts may have come and gone but one that still seems to be delivering the goods is the legal services online tendering model developed by FirstLAW.

Although FirstLAW is itself a fully constituted solicitors practice, its main business is acting as an impartial - and online - clearing house for large organisations wanting to find suitable law firms to handle their work.

In its most recent project, it has just helped the General Medical Council appoint a firm to advise on the investigation, preparation and presentation of professional conduct cases against doctors at the GMC's second national hearing centre, which opens in Manchester next month. In November a total of 15 firms submitted their tenders electronically via FirstLAW. Seven were subsequently short listed and in January Mills & Reeve won the tender and was appointed by the GMC.

## Governments shoots own plans for e-conveyancing in the foot

In a bizarre short-sighted move, the British government has rejected a proposal in the House of Commons for an amendment to the Land Registration Bill that would have indemnified solicitors against any claims arising from the use of fraudulently held digital signatures in conveyancing transactions.

For the last couple of years the English Law Society has not only argued that it would be unacceptable if solicitors had to carry the risk of electronic signatures being fraudulently obtained and misused by third parties but also warned that without such an indemnity, law firms would have little confidence in the benefits of switching from the current paper based approach to an electronic conveyancing system.

However the *Hansard* report for 11 February reveals that Michael Wills, the junior minister at the Lord Chancellor's Department, rejected the amendment tabled by the Tory MP Bill Cash, because he believed the present system the Land Registry uses to handle disputes over paper-based conveyancing would be equally adequate for dealing with e-conveyancing disputes. He also made the point that the government wanted to avoid creating a dual system with one set of rules for paper-based conveyancing and another for electronic conveyancing.

- The Society for Computers & Law is discussing digital signatures at its London group meeting next week (13 March). The event starts at 6:30pm at Berwin Leighton Paisner's London Bridge offices. To book a place call the SCL on 01179 237393.
- In another blow for e-conveyancing, at last week's National Association of Estate Agents conference Jane Pridgeon, managing director of Halifax Estate Agents the UK's second largest chain, warned that although 'sellers' packs' must be introduced if the "home buying and selling process is to be overhauled and improved," even if enabling legislation was reintroduced now, it was unlikely sellers' packs would be in use before 2005.

#### **News in brief**

#### ■ LIBERATE OFF TO GOOD START

Linetime's recently launched Liberate integrated case and practice management system has got off to a flying start in the North-East of England, clocking up three major orders in the last month. The first came from Hewitts in Durham, a former Miles 33 site, followed by Gordon Brown Associates in Chester le Street, who are migrating from TFB to Liberate running on a Windows 2000 platform. The first site to upgrade to Liberate from Linetime's old Practice II character-based accounts system is Punch Robson in Middlesborough. The firm is also installing the Liberate conveyancing case management module.

#### ■ CARYDAN HAS NEW HOME

Jonathan Beck Associates, the company behind the Carydan integrated accounts and case management system, has changed its trading name to the more logical Carydan and moved into new offices at Unit 1, Theatre Court, London Road, Northwich, Cheshire CW9 5HB. The phone number is 01606 3333333. David Phillips is no longer with Carydan however non-exec director John Wilde has increased his involvement with the company.

#### ■ SYNERGY DEVELOPERS KIT

Workshare Technology has released a software development kit (SDK) for its Synergy "document change management" software. The kit allows users to construct a web portal providing external users with access to share documents and collaborate on their drafting (in effect a virtual dealroom) while still protecting the integrity of the original documents. Each SDK includes an API library plus sample code in Visual Basic and C++. Users also receive extensive documentation and 10 hours of dedicated technical support.

www.workshare.com

#### ■ HIGH HOPES FOR NEW GHOSTFILL

Syscorp, the UK distributor for Korbitec's GhostFill document automation software, has high hopes for the latest version of the system. According to document automation consultant Terry Lawley, with its support for XML, PDF and a browser interface, the new Ghostfill 4.1 potentially outclasses all its competitors in the UK market.

## Bar ahead of law firms in the legal web site stakes

New research carried out by Infolaw, the UK legal portal, while reviewing and updating its *Lawyers on the Web* directory, has produced some perhaps surprising results...

- Barristers in England & Wales are the most active profession on the web, with over 36% of chambers having a web presence.
- Law firms in Scotland, where over 30% of firms have a web site, lead over law firms in England & Wales, where only about 20% of firms have got their internet act together.
- Some 5% of top 500 UK law firms appear not to have web sites.
- More than 13% of sole practitioners in England & Wales have sites not far below the average for the profession as a whole.
- Many firms have abandoned former domain names yet do not redirect requests to their old URLs to their new web addresses.

Commenting on the results, Infolaw's managing director (and co-author of *Researching the Legal Web*) Nick Holmes said: "As more than 50% of the UK is now connected to the internet, the absence of a web presence will surely fail to impress any potential client. The 'High Street' law firm has always been slow to adopt new technology and our research confirms this conservatism. There are however notable exceptions, with some very small firms leading the way with legal e-commerce. Time will surely demonstrate that that £200 - all it takes to set up a simple site - would have been well spent."

#### THE LAWYERS ON THE WEB RESEARCH STATISTICS

The figures show the number of principal web sites listed (some firms also have specialist sites) - total number of firms or chambers by principal offices - sites as a percentage of the total.

Barristers chambers: England & Wales: 215 - 595 - 36%

Solicitors firms: Scotland: 370 - 1250 - 30%

Solicitors firms: England & Wales: 1695 - 8306 - 20%

Solicitors firms: Northern Ireland: 57 - 450 - 13%

Solicitors firms: Ireland: 98 - 1900 - 5%

■ The Lawyers on the Web directory can be accessed free of charge at www.infolaw.co.uk/lawyers/lawyers.asp

## New EMIS system on track for June launch

EMIS Legal (08701 225525), part of Egton Medical Information Systems whose services are widely used in the medical world, reports that it is on track for launching its new Seneca case and knowledge management system later this summer. Product development director (and solicitor) Chris Spencer says the thinking behind Seneca is "to move on from the conventional procedural approach to case management by combining it with tacit legal knowledge". This will include giving users access to the EMIS range of electronic legal publishing products.

Seneca, which is now in final beta testing, is aimed at 2-to-10 partner sized firms and by the autumn will be complemented by an accounts plus time recording module.

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# Probate market shows signs of returning to life

Nothing may be certain in life except death and taxes however to lawyers that means a potentially healthy probate practice but what about the software to help process this work? With many of the older systems, including some DOS offerings, now no longer being sold or supported, the last few months have seen a flurry of activity with at least three new probate accounts and case/workflow management systems making their debut.

As previously reported, first off the mark was Isokon Systems (020 7482 6555) with its **Isokon 2** product. This is very much aimed at the top end of the trust and probate market, with typical installations selling for between £16,000 and £70,000.

The second system is the unusually named **Paula for Probate** (020 8940 3798) whose development team includes solicitor James Mackintosh, who was also involved in the development of the Troika trust accounting and Laserform Probate Case Control products. Paula (Professional Accounting User LAnguage) offers small firms trust and probate accounts facilities - based around Microsoft Word - from £650 + VAT. Paula is also being sold as a workflow system in conjunction with Amicus Attorney.

Finally, Solicitec last week announced details of its new **SolCase Probate** system. This has full probate accounts facilities however its primary focus will be on workflow and file management. It also has an interesting pricing structure, with an entry level of £2450 (including training and set-up) followed by a usage charge of between £70 and £100 for each matter processed.

What makes these launches all the more interesting is the market is already well served, given that it is potentially so small. For example STEP (the Society of Trust & Estate Practitioners) currently has about 5300 individual members in the UK but Insider research suggests there are only 350 firms handling probate work in any real volume.

Along with the three suppliers already mentioned, a number of mainstream accounts and case management systems vendors offer probate modules. Then there stand-alone products from Lawbase, which seems to be the main competition at the Isokon end of the market, plus DPS, Excelsior LawDesk and Cognito with its Custodiens system. Finally, there are the current volume market leaders - the Probate Plus system (developed by Law Systems but now sold exclusively by Sweet & Maxwell) catering for the small firms sector and Laserform's Probate Case Control, which sits mid-way between Probate Plus and Isokon.

## Legal IT shows - no decision yet

Alan Richardson, the chairman of the Legal Software Suppliers Association, said that after meeting with representatives from Imark and Cordial, the UK's two main legal technology event organisers, "the jury was still out on which events to endorse". Members of LSSA have deferred taking a decision until early April, so they have an opportunity to evaluate the effectiveness of next week's Solicitors 2002 exhibition at the Birmingham NEC.

### **News in brief**

#### ■ EMSYS WINS SECOND UK DEAL London firm Memery Crystal has become the second UK site to install ICG Research's recently launched EMSys Pro cost recovery system. EMSys Pro, sold and supported in the UK by Tikit - the account manager is Nathan Ott on 020 7400 3737 - is based on the Partner Cost Recovery System which is widely used in North American law firms.

#### ■ NEW CASE & VBA CONSULTANCY

Paul Ryan, a former case management consultant with Pilgrim Systems, has formed his own consultancy - Mayflower Solutions (0141 583 4741) - offering a range of advisory and training services relating to case management and Word VBA-based process automation macros. Mayflower can also develop bespoke VBA macros for law firms.

#### ■ FIRST STOP EMC VAR DEAL

Legal systems integrator First Stop Computer Group (020 8974 3545) has been awarded value added reseller partner status by data storage systems manufacturer EMC.

#### ■ WATCHING FOR DIRTY MONEY

Risk Values (0709 233 2269) has launched a new application - called RV1 - that company founder (and solicitor) Nigel Morris-Cotterill describes as "an alternative or supplement for transaction monitoring software in relation to financial crime." In otherwords, its a new tool to help detect attempted money laundering. RV1 uses an algorithm that compares the data obtained from new client questionnaires to existing known data and then checks for anomalous results.

www.riskvalues.com

## Looking for IT staff?

If you are a law firm or supplier looking for legal IT related staff, including positions in sales, development, know-how, support, management and training, you can post your vacancies free of charge to the Jobs Board on the Insider web site. Email details to jobs@legaltechnology.com

■ This week's top job: Tired of the British winter but have experience of DOCS Open, NT and the Elite PMS? Then you could be working for a law firm in St Louis, Missouri.

#### **News in brief**

#### ■ LATEST CRM OFFERS GREATER ROI Interface Software last week launched InterAction 4.5, the latest version of its client relationship management (CRM) system. New features include a data quality facility that will make it easier for firms to decrease the potential for duplicate entries. Interface says firms that have also implemented IRIS (InterAction Relationship Intelligence Server) will now be able to enjoy a greater return on investment (ROI) as a result of 4.5's enhanced integration with Microsoft Outlook as lawyers can now access InterAction data directly from the familiar Outlook contact manager environment. Other changes included improved Palm synchronisation and data mining facilities for marketing staff.

#### Recently merged Manchester firm Brabners Chaffe Street has gone live with a new IT infrastructure implemented by Ramesys Professional Services (01788 822133). Along with upgrading existing hardware and adding another 36 PCs to the network, the firm has migrated to MS Office 2000 and has

■ MANCHESTER FIRM USES RAMESYS

adding another 36 PCs to the network, the firm has migrated to MS Office 2000 and ha improved web access and email facilities based on Exchange 5.5, Mailsweeper plus proxy and firewall servers.

#### ■ LEE CROWDER VISUALFILES FIRST

Birmingham law firm Lee Crowder has become the first practice to go live with Solicitec's new Visualfiles system. Designed as a brower based 'next generation' case and workflow management system, Visualfiles encompasses matter and knowledge management facilities along with a CRM capability. Lee Crowder, who are running it in conjunction with an Elite PMS, will be using Visualfiles to help cope with increasing workloads, provide client extranet links and to create a firm wide knowledge solution for both procedural and non-procedural work.

#### ■ STILL FAST AFTER ALL THESE YEARS

Congratulations to Mountain Software which has just made it into the Deloitte & Touche Fast 50 awards - at number 29 - for the fastest growing IT companies in the Midlands region. Given the competition in the Midlands, this is a respectable placing in its own right but what is even more remarkable is that this is the fourth consecutive year Mountain has made it into the Fast 50 awards.

# Vrisko aims to integrate subscription services

Speaking at Osney Media's recent knowledge management E-Law Symposium in London, legal KM methodology guru Derek Sturdy, of Granite & Comfrey, said that third-party publishers' online information sources, such as Westlaw, PLC, Lawtel and Lexis, suffered from two main problems.

The first was that they each had their own bespoke metadata and user interfaces - thus making cross referencing difficult and requiring users to learn different search techniques. While the second was proliferation of event driven news alerts being generated by these systems was in danger of deluging lawyers with information and actually making their lives more stressful.

One company that aims to address this problem is Vrisko (020 7891 2628) with its "brokered searching" software. This plugs into a firm's intranet or portal - it sits on the user's desktop - and uses what Vrisko call 'intelligent site agents' to search the databases and information services (Vrisko works with financial services, such as Standard & Poors and Perfect Information as well as legal sites) to which the user has subscriptions.

Along with eliminating duplication and saving time and money by the standardisation and automation of routine research tasks, Vrisko sales director Stuart Pocock says the system comes into it own when used in its 'News Tracker' format as it allows email alerts from multiple sources to be consolidated on one browser page or Outlook message.

■ Vrisko software is already in use at Baker & McKenzie and the company has also recently entered into a joint marketing initiative with legal systems integrator Tikit. In case you were wondering, the word "vrisko" is modern Greek for "I find".

www.vrisko.com

## Hummingbird shifts emphasis onto portals and KM

At last month's Hummingbird Summit annual user conference in Florida the company, still best known for its DOCS Open software, unveiled its new Enterprise "integrated enterprise information management system" (or EIMS) strategy. This moves the company away from its traditional document management roots and more firmly into the portals and knowledge management arena.

Echoing a recent Gartner group report that "the criticality of information exploitation in business means that intellectual assets, collaboration and knowledge management are moving to the forefront of investment," Hummingbird president Barry Litwin said the new systems "would help organizations leverage their intellectual assets by creating a 360 degree view of their information and knowledge content."

The company also used the event to announce new versions of its software and completion of a rebranding exercise, so good-bye DOCS and hello Hummingbird DM 5.0. The new software will start shipping in the second quarter of this year.

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# Solicitors 2002 exhibition preview - the NEC show

Solicitors 2002, the new name for the National Legal Office Exhibition, opens its doors for business next week at the Birmingham NEC. With the event now under new ownership, it is unclear how this exhibition will compare with previous shows. However in previous years the NEC has attracted most of its visitors from small-to-medium sized firms and anyone attending from this sector of the market will not be disappointed by the new products on show this year.

Along with a second chance to see some of the new systems launched at last month's Legal IT in London (space constraints mean they cannot be included here) MSS is launching its AlphaLAW Pocket Partner - this is a handheld case activity and tracking system that runs on a Compaq iPAQ pocket PC. The law firm network LawGroup UK is unveiling a series of extranet based knowledge management and business development products, and Peapod Solutions is showing its new CASEDocs document printing and filing system for larger (50+) networks.

There are also a number of new faces making their legal market debut at the event: **DeltaSeal Software** is launching an email tracking and security system called SoliciTrack. Unlike some of the other email security products available, this is fully compatible with Microsoft Outlook and requires no special software on the recipient's computer. **Winslow New Limited**, in conjunction with **Pedmore Medical**, are demonstrating a new office and case management system, for medical and PI cases, called wnlOFFICE, and **Ishirosoft Ltd** will be showing its new Law Master 2000 law firm management software. The next issue of the Insider will carry further reports on all the new systems.

Along with the exhibition, the event also has an excellent programme of seminars lined up - the lunchtime sessions from John Miller of the Law Society on the latest Software Solutions Guide and from Steve Orchard of the Legal Services Commission on the e-commerce initiatives for legal aid firms are essential viewing. And, if you are still not convinced, it is also worth noting that although it may only be early March, this is actually the last major legal IT show in the UK until October.

■ Admission to both the exhibition and the keynote seminars is free of charge. The opening times are 9:30am to 5:00pm on Wednesday 13 and 9:30am to 4:00pm on Thursday 14 March. For more details or to pre-register call 070000 763896 or visit

www.solicitors-legal.com

### KM show to have legal focus

This year's Knowledge Management Conference & Exhibition, at the Novotel in Hammersmith (not to be confused with this week's Knowledge Management in the Legal Profession event) will include a session on KM in the legal sector with speakers from Macfarlanes and KM systems supplier Solcara on 16 April. A full programme for the event can be found on the web.

www.knowledge-management.co.uk

## Legal technology events diary

- MARCH 14-16, CHICAGO. American Bar Association ABA TechShow 2002 at the Sheraton Hotel & Towers www.abanet.org
- MARCH 18-19, WEST MIDLANDS. AIM Computer Users Association annual conference at the Belfry. The ACUA has the best user group conferences in the UK and this year is no exception with a full programme on IT, marketing and law firm management topics (qualifying for upto 11 CPD hours). Price (inc accommodation) £370. Call Roger Hancock on 01789 296096.
- MARCH 20 & 21, LONDON. Law Firm Global Management & Marketing Forum 2002 at the Hilton London Metropole. Organised by US conference company Glasser LegalWorks and sponsored by Hildebrandt International. Sessions include a keynote from David Maister plus an afternoon devoted to technology, including its use in service delivery and marketing.

  www.legalwks.com
- MARCH 26, LEEDS. The next, twice yearly Videss User Group Conference takes place at the Royal Armouries Museum. The event features a series of presentations for Videss Legal Office users, outlining new software features and developments in the legal IT industry. For details email Darren Gower at dgower@videss.co.uk
- APRIL 17, LONDON. CLT 2002 Law Firm Management Conference. Includes a session by Janet Day of Berwin Leighton Paisner on challenges in IT including email and security. Takes place at the Berners Hotel with prices from £315 + VAT for CLT subscribers. 6 CPD hours. For details call Central Law Training on 0121 355 0900.
- MAY 14 & 15, PARIS. Legal Solutions Europe 2002 at Le Palais des Congres de Paris. Keynote sessions from Richard Susskind and John Hokkenan of Latham & Watkins. The workshops include a session on web enabled legal practice from Insider editor Charles Christian. The event qualifies for upto 14 CPD hours. The delegate rate is from £695, For details call 020 8785 2700.

www.lseurope.com

### Online news in brief

#### ■ 24/7 CONVEYANCING REPORTS

Colemans in Maidenhead has gone live with a new 'Property Progress' facility on its web site that allows conveyancing clients to view progress reports on property transactions on a 24/7 basis. Authorised estate agents can also access the system, so they can pass on progress reports to clients who may not have access to the internet. Colemans' service is based on DPS Software's new Progress web enabled case management software.

www.colemans.co.uk

#### ■ STAMPING OUT EXTRA DUTIES

NLIS channel licence holder Searchflow has linked up with e-conveyancing services provider Easy Convey to provide a new service allowing users to check a property's status for stamp duty. The service has been launched in the wake of new rules, which came into effect from 30 November 2001, exempting properties in designated disadvantaged areas from stamp duty where the consideration or lease premium does not exceed £150,000. The stamp duty search service is free of charge and can be found on the front page of the Searchflow web site. A second phase of stamp duty exemption is expected to be rolled out later this year.

www.searchflow.co.uk www.easyconvey.com

#### ■ FIRM ADDS AI TO WEB SEARCHES

Leicestershire firm Lawson-West is using the new Metafaq system from Transversal (01223 723388) to help manage and answer the legal queries it receives via its web site. When a visitor submits a question - such as how much does it cost to make a will - Metafaq uses a form of artificial intelligence to find the appropriate response from a knowledge base of frequently asked questions (FAQs).

Questions that cannot be answered automatically are forwarded to the relevant member of staff and their response is both emailed back to the visitor and added to the knowledge base, so it can be used to answer similar inquiries in the future. Metafaq was developed by a couple of Cambridge academics and is based on probability theory. In this case the 80:20 rule - namely 80% of the questions sent to the law firm will have been asked and answered before.

www.lawson-west.co.uk www.transversal.com

# "Mavis" to help Clifford Chance web presence

Volantis Systems has developed a "Multi-channel assessment and visioning programme" (or MAVis) for Clifford Chance to help the firm model and redesign the delivery of its web based services via alternative internet access devices, including mobile phones, iDTV, PDAs, public kiosks, voicemail systems and even games consoles with online links, in addition to a conventional PC web browser interface.

The firm's client technology solutions manager Mark Boggis said the object of the exercise is optimise the delivery of web services, regardless of the technology platform used to access them, rather than merely translate the PC site for devices with vastly different display, security and keyboard constraints.

Volantis say that with an emerging multi-channel market, law firms need to be able to offer a consistent web presence to clients whatever form of web-enabled device they favour, without the cost and complication of designing bespoke services for each, while avoiding a 'one size fits all' approach.

www.volantis.com

## New auto hyperlinking software

Electronic publishing specialist Context (020 7267 8989) has launched a new publishing application that automatically creates hypertext links within documents. Called Link Studio, it converts references, such as legal citations that appear within the text of documents, into hyperlinks to the full text of the cited documents but without the need for any manual editing or document markup.

Link Studio is delivered as a standalone Windows application that allows users to specify the types of references they wish to convert into links and the destination URLs to which they should point. The software then processes selected documents, either individually or in batches, and adds appropriate links to them.

Link Studio, which uses the same reference recognition technology as Context's J-Link system for end users, has been designed as a pre-production tool for legal publishers and law firms with large volumes of content that needs tagging before publishing on a CD or intranet/extranet. Further information about Link Studio can be found on the web site belonging to Context's technology division Syntalex.

www.syntalex.com/solutions/linkstudio.html

## Legal resources in black & white

The company behind the Premier Legal agency has launched a new online directory of legal services, including expert witnesses. Called LAWinblackandwhite, the site is offering advertisers a 200 word plus hyperlink directory listing for just £95 pa + VAT.

www.lawinblackandwhite.com

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# Halliwells turn to ASP for virtual dealroom

Halliwell Landau has chosen Projectplace, the Swedish based ASP (application service provider) to supply the infrastructure to support the firm's new virtual dealrooms facility. The dealrooms will include all the usual security, collaboration, document sharing and online discussion features but will be provided on an outsourced basis by Projectplace (01895 876122) rather than developed and supported inhouse by Halliwells.

Commenting on the deal, Projectplace UK managing director Dak Liyanearachchi says that "in a time when businesses across the board are looking to achieve more with less, ASP solutions are increasingly being recognised as the sensible solution."

■ Halliwell's approach reflects a newer, more realistic approach to dealrooms by lawyers. This is in sharp contrast to the pioneering days of just a couple of years' ago when some firms were throwing cartloads of money at their own bespoke projects. Not only was this expensive but it was also frequently ineffective. One firm had a dealroom where the security was so poor that anyone with access could also amend any document. Another had a system so complex that prospective users had first to go on a two day training course in Reading.

Interestingly, we are now hearing suggestions that the real value of these systems may not lie in facilities that give both sides to a "deal" access to an online forum. Instead, where they are coming into their own is as virtual "project rooms" where just the parties - typically the law firm, its client and any related advisers - on one side can collaborate on a matter.

www.projectplace.co.uk

### Ramesys unveil extranet systems

The systems house Ramesys (01788 822133) has launched two new products to assist firms wanting to develop client extranets.

The first is Assimilate, which Ramesys originally developed for Lincolnshire County Council. This provides a range of secure content publishing and management tools for lawyers, including an online discussion facility so participants can collaborate on the review of a document. The second element is Crystal Enterprise, an interactive data distribution, analysis and reporting system from the developers of Crystal reports.

One of the first firms to go live with a system based around Assimilate was DWF (previously Davies Wallis Foyster) who are using it to support their HR Horizons employment law extranet.

### **SCL sets EGM date**

The Society for Computers & Law is to hold an extraordinary general meeting to approve plans to restructure the organisation on Wednesday 20 March (see last issue for background). The EGM, necessary because the SCL is a charity, starts at 5:30 pm and takes place at the London offices of Field Fisher Waterhouse.

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# Insurers to use IT to check law firm bills

Zurich Financial Services (ZFS) has become the first major UK insurer to contract for a new service from the systems house CSC (Computer Sciences Corporation) that allows insurance companies to manage the expenditure incurred by their law firm panel members more efficiently. ZFS is to use CSC's Legalgard outsourced bill review service in conjunction with CSC's Litigation Advisor software (this streamlines the compilation of billing and costs information within a single database) as an alternative to Zurich's own claims handlers spending their days analysing "thousands of paper based legal bills".

ZFS group claims managing director Roger Day said Zurich was concerned that legal fees were likely to "mushroom" over the next few years and recognised steps had to be taken to increase its control over legal costs 'leakage' (which can result in lawyers' fees accounting for 20% of the money paid out on some claims) "so reducing costs whilst at the same time strengthening business relationships with its panel of external law firms".

CSC estimates that legal expenses incurred in connection with the processing of claims could be costing UK general insurers over £1.6 billion per year, or over 10% of the industry's total net incurred claims.

■ Zurich's move coincides with the publication of the results of a new survey, in the latest edition of *Legal Director* newsletter, which found that nearly a quarter of the inhouse lawyers in the sample were dissatisfied with the bills they had received from their external legal advisers during the past twelve months.

## User revolt looming over prices?

Are law firm IT departments and IS/library services finally starting to revolt against what a senior manager at one top 10 firm recently described as the "extortionate" prices currently being charged by legal systems suppliers and law publishers?

For IT departments a major concern is the huge slice of their budgets - as much as 25% - now automatically swallowed up by annual licence fees associated with best-of-breed projects. With IT budgets still frozen, or at least under tight rein in many firms, once IT salaries and routine maintenance work are deducted, the burden of licence fees leaves little money left to spend on new projects or even, in some instances, implement already purchased best-of-breed applications sitting on shelves awaiting roll-out.

Among library and information services staff, legal publishers are coming in for criticism for the cost of their print and online publications, as well as their associated update services, which have also escalated in recent years. The head of IS at another top 10 firm last week told the Insider his firm would be spending a "seven figure sum" with legal publishers over the next year.

Not surprisingly IT and IS departments are looking at ways to reduce this financial burden - and a number of firms that were previously planning to go best-of-breed now seem to be having second thoughts about the economics of this option.

# Pilgrim - much ado about nothing

Tales of widespread blood letting at Pilgrim Systems owe more to wishful thinking by competitors than reality. That was the verdict of Pilgrim CEO Benny Placido on the reaction to the company's announcement of redundancies last week.

The Insider understands the number of redundancies is less than 10, that not all are with immediate effect and that the position is further clouded by the fact these figures also include what is in effect a management buyout by a team led by Ronnie Paton, who are developing a new low cost system, code named LawPro, for small firms. A formal announcement on this has still to be made.

The other redundancies are described as a corporate "tidy up" reflecting wider changes in the company, including the closure of the Aberdeen office, winding down hardware maintenance for Vax and PDP-11 kit and a new "channel strategy" that means third-party companies will now handle projects, such as Crystal reports training, that were previously handled inhouse.

The changes bring the total number of staff at Pilgrim down to 55 and Placido says the reaction of the company's customers, who were all informed of the redundancies, "has been universally positive".

Placido predicts the current economic climate will force all Pilgrim's competitors to reassess their own cost structures and make similar cut-backs in the near future, if they hope to remain competitive.

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