

LEGAL MANAGEMENT

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Advice for Purchasing Cloud Technologies

Our last column focused on cloud security and governance. Since we published, this topic has again grabbed national headlines with the latest law firm cybersecurity breaches.



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While the publicized hacks did not specifically involve cloud applications or vendors, they did raise questions about vendor trust regarding sensitive information and their willingness and duty to report breaches.

To that end, according to a recent [Ponemon Institute survey](#), 37 percent of U.S. businesses believe that, in the event of a breach involving “sensitive and confidential information,” their primary third-party vendors wouldn’t notify them. When it comes to fourth parties and beyond, that number skyrockets to 73 percent.

So, “Who can you trust?” starts within the law firm walls and apparently extends well into external solution provider relationships. I can’t remember a recent law firm breach that was first reported (AKA admitted) by the affected firm, so raising the breach notification bar for outside vendors seems mighty hypocritical.

We’ll leave you with this sobering reality for now, and venture into something a lot happier and optimistic ... the upcoming [ALA Annual Conference & Expo](#) at the LA Convention Center, May 22–25.

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CONFERENCE AND THE CLOUD

First, some numbers. Of the 168 registered ALA exhibitors (as of April), 60 of them are technology companies, and 20 of those are offering cloud technologies and/or cloud computing consulting services. A closer look reveals that almost half of these fall into the case and practice management category — a combination of tools, apps, features and functions that address the financial/accounting, timekeeping, new business, case and contact management needs of the modern firm. Other cloud technologies represented at this year’s conference include e-discovery tools, document and email management services, docketing/calendaring and digital dictation.

While Microsoft is not exhibiting per se, you can rest assured ALA firms’ cloud initiatives are intertwined with the technology giant’s cloud strategies. According to Microsoft’s latest earnings

reports, Office 365 offerings are surging, with commercial seats up 57 percent year-on-year; consumer subscribers have nearly doubled, from 12.4 million to 22.2 million.

BEFORE YOU BUY

Without a doubt, navigating the cloud computing seas can be extremely choppy. Having a game plan is a good place to start. Here's a list of some things you need to know before you shop around:

1. What's in a Name?

Let's start by defining *cloud-based* (native) versus *cloud-hosted*. Native cloud applications are designed and deployed specifically for cloud environments, hosted in a true cloud infrastructure and delivered in a software-as-a-service (SaaS) model. They are designed to take advantage of all the advertised promises of cloud computing.

In contrast, a *cloud-hosted* environment is generally the on-premises software hosted on dedicated server(s) managed by the vendor on behalf of the customer. Basically, these are on-premises applications that are available remotely. Therefore, they may follow different software upgrade/maintenance and security protocols than true SaaS apps.

2. Security and Compliance

One of the top priorities for any law firm investing in cloud technology is, of course, security. Remember the Legal Cloud Computing Association's (LCCA) [*cloud security standards*](#) we discussed last column? Revisit them. These draft standards address a range of security-related issues, including geographic data location, data redundancy and disclosure requirements; encryption and data integrity best practices; and data loss prevention measures and data retention policies, among others.

Compliance with regulations and legal requirements governing law firms and their clients' industries is equally critical. Often, cloud companies are best equipped to interpret and comply with global security standards addressing cryptography, flexible storage options for data sovereignty and information governance, and security certifications.

3. Cloud Performance

This often comes down to cloud infrastructure and resource utilization. In other words, should the firm adopt a public cloud approach (off-premises IT capabilities or applications, provided by others), opt for a private cloud (on-premises enablement of cloud capabilities with existing IT), or use a hybrid model?

4. Reliability

Cloud providers specify minimum uptime guarantees for their services through service-level agreements (SLAs). It is vital to fully understand the differences in guarantees and potential impact on availability. An SLA offering 99.9 percent availability is far different from one offering 99.99 percent uptime.

5. Risk Assessment

While rare, data loss within a cloud happens, so firms need to be familiar with their cloud provider's policies covering such occurrences and how they would rectify the situation. Check for

provisions in the provider's SLA that address potential data loss, and compare backup and disaster recovery plans.

6. Third-Party Integration

Embarking on a cloud project with a new partner raises questions about integration and partner cloud readiness. Most cloud service providers offer application program interfaces (APIs) allowing clients to automatically provision, manage and monitor cloud resources.

7. Cost

Cloud-based solutions are generally sold through a subscription model (versus paying initial software licenses and annual support/maintenance fees) and follow a metered approach where clients only pay for resources they consume.

ABOUT THE AUTHOR

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The advertisement features a woman in a dark suit standing in a modern office setting. Overlaid on the image are several data visualization elements: a pie chart labeled 'Total WIP' with segments for 'Top 10' (14.7%), 'Other' (85.3%), and 'Total AR' (79%); another pie chart labeled 'Total AR' with segments for 'Top 10' (14.2%) and 'Other' (85.8%); and a bar chart on the right side. The background shows a blurred office environment with people walking.