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Legal Market Software Vendors, Concerned about the Investment in Your Accounting Software?

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The shake out and consolidation that has been occurring in other vertical markets has already affected the legal arena. The time and billing market has been reeling from major announcements in the last year and many firms are concerned about their current investments. This may point to a "changing of the guard" for time and billing vendors serving the mid-large law firm market. History tends to repeat itself and yesterday's top market leaders are usually replaced by new leaders. We've seen it happen before. Who ever thought that Wang, IBM/Manac, TMC and Barrister would just dissolve? Where were the zebra stripes at the last big trade show?

The top-end players, struggling for real growth in the US law firm market, have shifted their focus into markets outside of legal and into the wide-reaching international professional services market. What impact will this have on future legal-specific functionality in their products?

One can see three distinct problems emerging in the legal arena:

1. Many law firms are disenchanted because their existing vendor is providing poor service, dropping support for their products or simply not keeping pace with current technology.
2. Vendors are experiencing a decline in their client bases from which they rely on revenue.
3. An unfortunately large number of firms continue to pay high support fees for declining value.

One major vendor, recently purchased by a venture capital firm, has starting reducing costs, closing offices and laying off key people in an attempt to satisfy the expected return on investment for the new owners. Some of their clients are concerned that they will continue to both support and enhance multiple product lines.

Another top vendor has been pressing their clients on older technology platforms to upgrade to the latest enterprise-wide system. Unfortunately, some of these firms are only mid-size and do not need a mega-firm type of product at a mega-firm cost of ownership.

A well-known vendor in the mid-smaller firm market indicated they would stop supporting their DOS version in 2005, sending their clients out into the market looking for replacements. Unfortunately, this may not be an opportune time for these firms to replace an entire system.

So where does this leave you?

New leaders are emerging. They emerge because they have a focus on what really counts; things like quality client support, new technology, real product integration, and value pricing models. These companies will lead because they have vision and leadership for the next generation of time and billing products.

Law firm managers need to make tough choices:

- How do we evaluate our needs?
- How will our needs change in the next few years?
- What system will be right for our firm?
- How do we balance features with total cost of ownership value?
- Where can we find integrated products instead of a mix of third-party products?
- Should we invest in old technology or move to .Net standards?
- Which vendors have a track record of superior client services?

Independent consultants that specialize in the legal market will be able to assist your firm in analyzing your business issues and then matching your needs to a vendor and product based on technology planning and return on investment.

About the Author

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