
Whitepaper

The cloud-based law firm



Introduction

A lawyers' market in transition

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The lawyers' market is in a continual state of rapid change due to advancing digitalisation. The continuous development of new technologies has led to changing expectations of clients. More and more private individuals and companies seek professional assistance in legal matters. On the other hand, the costs of legal services are coming in for more critical consideration; alternative models such as legal tech, artificial intelligence and online legal advice are gaining in importance. Clients expect speedier, more efficient and more cost-effective advisory services. Employees expect jobs and processes featuring up-to-date technologies and efficient working conditions that comprise working from home or remotely. At the same time, competition among law firms is increasing. Consequently, law firms have to distinguish themselves and specialise more and more.

Demand for cloud-based solutions is increasing

For many years, law firms have taken a rather critical view of the use of the cloud due to legal framework conditions and reservations about security. Meanwhile, however, more and more law firms are coming to rely on the benefits that a cloud solution has to offer. They simply can no longer afford to be dependent on local IT systems.



Modern law firms need future-proof IT – they need the cloud

Many law firms have come to realise that the effort to remain competitive means that they need to adapt to changes in the market. This is where a future-proof IT infrastructure has a decisive and empowering role to play. This kind of infrastructure helps successfully master challenges and optimise workflows within the firm. Accordingly, many law firms are gearing their work approach to a future driven by technology. This is also shown by the results of the Wolters Kluwer study, 'Future Ready Lawyer', which was published in 2022 and was based on interviews of some 751 lawyers in Europe and the USA:

91%

of corporate legal departments reported that it will be important for a law firm to make full use of technology.

82%

of law firms anticipate greater use of new technologies in the effort to increase productivity.

57%

of law firms want to boost productivity by investing in new technologies.

63%

of technology-leading law firms reported that their profitability had increased – a higher percentage than among other law firms.

Good reasons to invest in modern IT solutions

- ✓ **Competitiveness**
- ✓ **Client requirements**
- ✓ **Requirements instituted by the authorities**
- ✓ **Ensuring IT and data security**
- ✓ **Applicants' and employees' expectations**
- ✓ **Making work efficient and cost-effective**
- ✓ **Improving the quality of work**
- ✓ **Image enhancement**

Increased revenues or improved profitability are just two of the reasons motivating more and more law firms to investing in modern IT – and in cloud-based solutions in particular. The following factors are also especially important:

Competitiveness

Boosting competitiveness is a key driver behind changing a law firm's IT. Law firms can work faster and more efficiently by applying modern IT systems and architectures and making use of the cloud. Solid IT equipment also helps them stay up to date and hold their own against the competition. After all, those who use outdated technologies run the risk of losing touch and falling behind the competition.

Client requirements

Law firms can use digital tools to optimise their work processes and save time. This way, they can devote their undivided attention to their clients' needs. Fast and effective communication ranks among clients' leading needs. With the aid of the latest IT systems, law firms can not only offer their clients quick and easy access to information (e.g. via online portals), but also effectuate client transactions with greater speed, thanks to optimised processes. Another important aspect that touches upon client needs involves data security. As law firms have access to sensitive information, they must take steps to ensure that it is protected against unauthorised access. Modern IT solutions offer numerous possibilities in this regard, including encrypted data transmission and cloud storage that meets the strictest standards in security.

Requirements instituted by the authorities

Not only are interfaces with clients increasingly shifting into the virtual area, but the same is true of interactions with authorities and the courts. With many processes increasingly being handled online, data need to be transmitted

quickly and securely. This makes it very important for all systems to be compatible with each other, with smooth sharing of data ensured. Electronic channels are also increasingly used to communicate with authorities and courts. This makes it indispensable for law firms to make the necessary investments.

Apart from the procedural advantages that modern IT has to offer in dealings with authorities and courts, law firms are subject to strict legal regulations. Modern IT systems can help to meet these requirements and simplify the work of lawyers. One example of this is the General Data Protection Regulation (GDPR), which has been in force since May 2018. This regulation governs the handling of personal data and institutes high requirements in terms of data protection. Law firms must ensure that they comply with the regulations and protect their clients' personal data. Modern software solutions can help ensure data protection and secure data storage. E-mail encryption or the use of secure cloud solutions can also help protect personal data.

Ensuring IT and data security

It goes without saying that the legal regulations in place are not the only reason why law firms attach great importance to IT and data security. Attorneys work with clients' files and personal data, their contracts and sensitive information, on a daily basis. These data not only need to be available at all times for the sake of optimal workflows, but they also need maximum protection. Certainly, law firms must and want to keep these data from going missing or falling into the wrong hands. After all, the consequences of a successful cyberattack, or the theft or misuse of data, can be fatal. Cyberattacks can lead to the blackmailing or incapacitation of the law firm, or to the theft or deletion of important information – to name just a few scenarios. For clients, failure to



guarantee data security is an absolute no-go. When placing their sensitive data in a law firm's hands, they expect it to be well protected. This trust immediately vanishes the moment a security problem comes to light. The consequence: The incident damages the law firm's reputation, and potential clients no longer place their faith in the law firm's performance and professionalism. An incident is also upsetting to current clients. In the worst case, this can even lead to a loss of clients. These effects are quite apart from the occasionally horrendous amount of ransom money that criminals demand, for example, to release maliciously encrypted data or refrain from publishing stolen data. Last but not least, there is a threat of high penalties – potentially threatening a law firm's continuation as a going concern – if, for example, clients' personal data are stolen. This makes investing in IT security a way to protect not just against cybercrime but also against in-house misuse of customer data, against reputational harm, and against payments of ransom and penalty fees.

Applicants' and employees' expectations
An aspect of growing importance concerns the expectations that young employees and applicants have with regard to their working environment. Many attorneys who go to work in a law firm after graduating from law school are members of the 'digital natives' generation and thus expect their employer to provide an environment that features modern technology. Powerful IT infrastructure that ensures speedy processing times and a high level of availability helps improve a firm's own positioning in the competition for talented applicants. Cloud-based solutions are a particularly important part of this appeal. These solutions are an asset to even smaller law firms competing with large law firms that have vast budgets to devote to the competition for the best talent. As the time it takes to acquaint oneself with cloud-based solutions is brief, even career changers can quickly and effectively contribute to a law firm's success. Providers of cloud solutions ensure that their systems are always up to date and that all necessary updates are installed. As a result, law

firms do not need to worry about the upkeep of their IT systems and can fully concentrate on their work instead.

Making work efficient and cost-effective
Introducing state-of-the-art technologies can simplify and automate workflows. This saves time and money – both of which are valuable resources to a law firm. Contract templates and other documents can be created at the touch of a button, for instance, making the lawyers' and employees' work that much more efficient. It also means an end to long searches for documents in the firm's archives. The cloud makes archives available at all times. Searching within case files is also much simpler than it was in the past: The search function can be used to target certain search terms such as names, files, proceedings, etc. This saves time-consuming research in existing files. These are just a few of the reasons why cloud-based solutions are making considerable gains in popularity: They permit straightforward data exchange and processing while reducing the risk of problems with data security at the same



time. Using cloud solutions gives lawyers access to important information at all times, from any location; this shortens the time they need to respond to enquiries. Modern IT systems facilitate team collaboration as well. Shared calendars, task lists, and project-management tools can help improve organisation and boost productivity. Cloud solutions are also often more cost-effective than traditional IT systems, as they do not require high investment costs and instead are paid for in the form of a monthly subscription. Law firms can benefit from considerable cost savings as a result.

Improving the quality of work

Leveraging powerful technology can not only boost efficiency and cut costs, but it can also improve the quality of work performed. Many law firms see this factor as an important reason to update their IT. Using modern software and hardware means that lawyers can work faster and more efficiently, for example. It makes documents easier to manage and edit, and state-of-the-art IT solutions facilitate communication with clients and colleagues alike. E-mails can be answered quickly, and with videoconferencing communication is possible even over long distances. With cloud solutions, employees can access their data from anywhere, so they are no longer confined to their desks. The greater flexibility and savings of time bring greater freedom and

independence to their everyday work. The time saved can be devoted less to routine tasks and more to strategic projects. Cloud solutions also make it easier for new employees and career changers to familiarise themselves with intuitive and user-friendly applications.

Image enhancement

Last but not least, state-of-the-art IT solutions and systems contribute to image enhancement. If law firms have the capability of offering clients online appointments, providing electronic signature and transmission of documents or conducting virtual meetings, clients' dealings with them will certainly be favourable. Because all of this saves time and effort to all parties involved and demonstrates that the law firm has the benefit of state-of-the-art technology. This boosts the likelihood of referrals. But the ambassadors to the outside world are not limited to clients; they include employees as well. They, too, convey their experience of day-to-day work in this environment, and they can use ratings platforms to let others know if a firm's IT is rather outdated. A law firm that looks after its technological infrastructure is viewed as professional and progressive. This can help attract new clients and top job talent while retaining existing clients at the same time.

As all of these motivations illustrate, it is essential for law firms to use up-to-date, fully integrated and secure platforms to boost productivity, improve the law firm's image, ensure the security of client data and create a unified working environment and user experience. Consequently, law firms that seek to 'get in shape' for the future should invest in modern IT equipment. Going forward, technological developments are set to become much more of a key driver of business success.

The challenges of digitalisation in law firms



Employees' reservations

Clients' high service expectations

Regulatory specifications and requirements of the authorities

Financial issues

Lack of a strategy or culture for the digitalisation of processes

Lack of IT skills and human resources

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Many law firms recognise the benefits of technology and choose to update their IT and processes, but others are still reluctant to take these steps. One reason for this is that many law firms lack the IT expertise required to manage the process. While law firms have excellent jurists on staff, they often lack the necessary human resources and experience to plan and implement projects in IT. 47% of the lawyers surveyed in the 'Future Lawyer Study 2022' reported that new technologies were not in use, or were being adopted only slowly, due to a lack of resources, technological knowledge and understanding or skills.

Lack of a strategy or culture for the digitalisation of processes

Frequently, there is no specific plan in place to make such a transformation succeed. Many law firms have no concrete answer to the question of how to convert analogue, paper-based workflows into digital ones. But the absence of a clear strategy can make it difficult to select the right technologies and tools and effectively integrate these into the law firm's workflows. There is also a risk of wasting resources by investing in technologies that do not really help improve work processes.

Since successful digitalisation also requires a rethinking of the way the law firm operates, the lack of such a mindset or culture also often slows developments in IT. This could also be seen in the 'Future Ready Lawyer Study 2022': 43% stated that strategy was lacking and that there was a culture that is apprehensive about change. This is compounded by a lack of change management, and by resistance to change at the management level.

Financial issues

A main reason for hesitancy in law-firm digitalisation stems from concerns about the costs involved. Many law firms fear that introducing new technologies will lead to high investment costs, and they cannot prove that the investments will be profitable. Smaller firms in particular often have the feeling that they lack the necessary budgetary resources. Rather than invest in modern IT, they continue working with the existing solutions. What they fail to consider, however, is that the long-run costs of manual processes and inefficient workflows can be much higher than the costs of investing in digital solutions. There are also many cost-effective solutions on the market today that have been developed especially with law firms in mind. These can help save time and money while boosting efficiency at the same time. The frequent fear that a high degree of automation might reduce the number of billable hours is understandable, but it does not reflect reality. Optimising and automating quantitative routine tasks creates an important level of freedom that can be invested in qualified, billable tasks that bring higher returns.

Regulatory specifications and requirements of the authorities

The reluctance of many law firms is also attributed to regulatory stipulations. Strict guidelines are thought to require more cost and effort for law firms to integrate innovative technologies into their business model. Naturally, law firms must also satisfy all the official specifications where new IT systems are concerned. What this approach often overlooks, however, is that state-of-the-art IT solutions make these challenges easier to overcome. Solutions – and cloud solutions in particular – that have been specially developed for use in the legal sector, and that meet stringent requirements for data protection and data security, offer the necessary support in this area. It is important for law firms to learn about these options, and to conduct careful analyses to ensure that they will come up with the best solutions for their needs.



So why haven't all law firms and all corporate legal departments already instituted state-of-the-art IT?

Law firms have actually been working with IT and software for a long time, and this simplifies their everyday work.

Still, many law firms have difficulty keeping track of digital advances and keeping their IT up to date.

This is the result of a variety of factors.

Clients' high service expectations

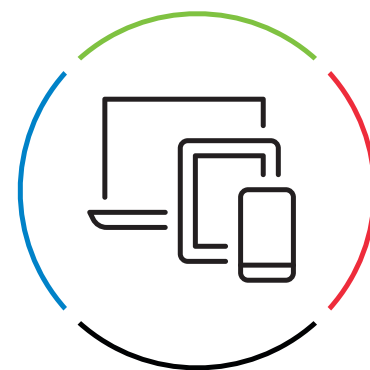
Some law firms shy away from changes in IT because they do not want to actively augment or change the services their clients have come to expect. Under the motto 'Everyone is satisfied with the current level of service and with the usual procedures', work carries on as before, disregarding the fact that this can lead to a competitive disadvantage in the medium to long term, as other law firms invest in service improvements. Some lawyers also worry that digitalisation will cause them to lose personal contact with their clients. What is overlooked is that digital solutions should be viewed as supplemental to personal consultation – as a way to deliver the services clients expect even more effectively.

Employees' reservations

Law firms typically have stable and experienced teams of employees. Not all of these team members are members of the 'digital native' generation. Many attorneys and employees have worked in the profession for years and have grown accustomed to certain working methods. But because introducing new technologies calls for a change in these working methods, there may be resistance on the part of some employees. Some might also be hesitant because they might lack the skills and experience required to deal efficiently and effectively with digital technologies. For others, however, a defensive attitude might be rooted in fears that the use of cloud-based applications could cost them their jobs. This fear is unjustified. There is usually more than enough work to be done. Law firms are far more likely to suffer from a shortage of skilled staff than from surplus personnel.

Ignoring or delaying digitalisation can have negative consequences

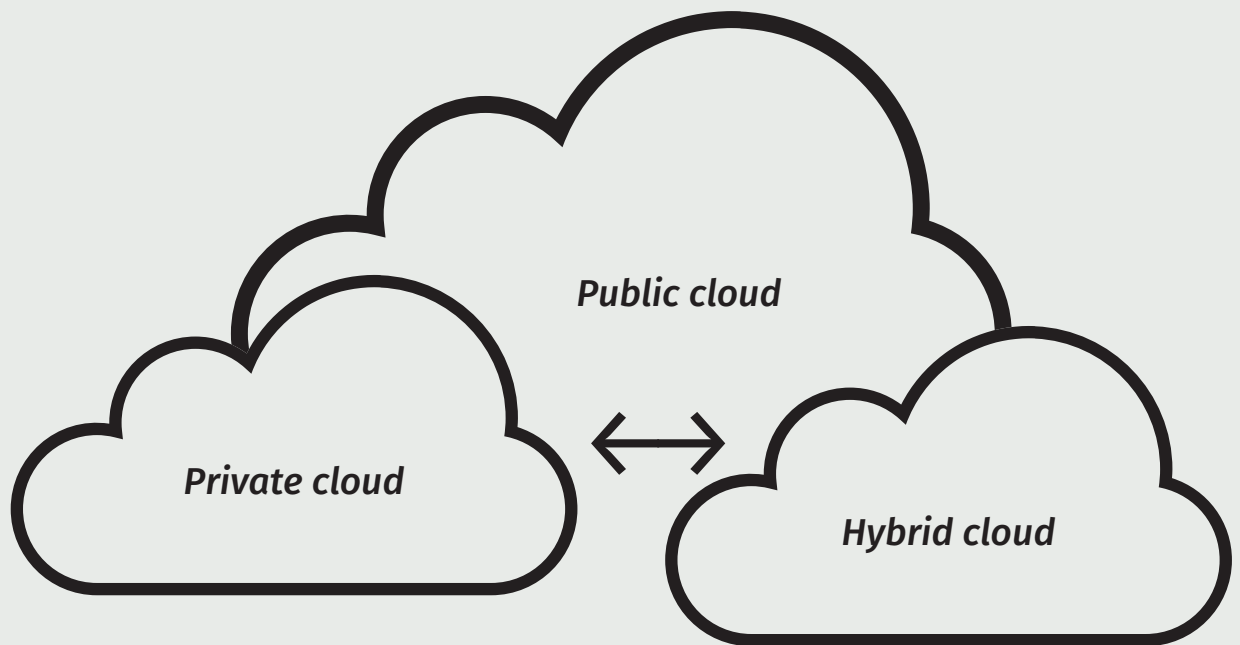
There are many reasons to remain within, or only hesitantly step outside of, one's current comfort zone. But this attitude can have serious consequences. An absence of modern IT systems can make it hard to keep up with the competition or work efficiently. Law firms may also have difficulties attracting or retaining clients who may be put off by a lack of technological expertise. This can also make it more difficult to recruit new employees. After all, attorneys would prefer to work in tech-savvy law firms. 83% of the lawyers surveyed in the 'Future Ready Lawyer Study 2022' found it extremely or very important for them to work for a law firm that uses state-of-the-art technology. Moreover, poor IT infrastructure can jeopardise data security – a problem that is particularly relevant in this day and age. Cyberattacks on companies are constantly growing more frequent, and cybercriminals are not hesitant to attack law firms, either. A successful attack can have a massive negative impact – both on the law firm itself and on its clients. In addition, cybercriminals are not always to blame for economic setbacks. A fire in the office, for instance, would be all it takes – leading to the destruction of files still on paper or of the server housed there.



All roads lead to the cloud

In spite of all of the reservations put forward, digitalisation is ultimately a necessity for any law firm that wishes to stay competitive. This is a trend that neither small law firms nor their larger counterparts can afford to ignore. The smart advice has to be: The sooner the better! Law firms thus have to define the kinds of solutions they intend to choose: Is it really the best idea simply to replace the old, outdated in-office server with a new one? For a law firm to have its own server infrastructure means not just high investment costs but also running costs for maintenance and operation. In addition, the firm must carry out regular updates and keep up with the necessary security measures. Similar costs and expenses are incurred even if servers are located outside the law firm. It is also no longer enough to limit server access to remote users. In an era of cloud-based solutions, running one's own servers is simply an old-fashioned approach to take. The benefits of the cloud are clear: No high investment costs for hardware and software, no maintenance and repair costs, greater flexibility in scaling IT infrastructure and, above all, the option of using applications that are always up-to-date without a need for physical intervention. Cloud solutions also offer greater data security and availability than when law firms maintaining dedicated servers of their own. Without servers of their own, law firms no longer have to worry about backups, hardware and version controls or updates of operating systems. All these functions are typically already integrated in the digital solution. This way, law firms can concentrate on their work without having to deal with issues such as protection against cyberattack, overruns of storage space, speed or maintenance, not to mention matters of the physical safety and security of the servers themselves (e.g. protection from fire or burglary).

Still, once a decision has been taken to invest in a cloud solution, many law firms face a problem: There are differences in what constitutes the cloud. With different cloud models to choose from, finding the right solution for one's own law firm requires knowledge of the differences involved.



What are the different cloud models that exist?

An investment in a cloud solution presents a host of benefits to law firms, including the benefit of greater flexibility and scalability. But an informed decision must be based on necessary familiarity with the different cloud models available. What are the different cloud models that exist? As a rule, there are three types of cloud model: public, private, and hybrid.

Public cloud

The public cloud involves an approach to cloud computing in which the infrastructure is provided by a third party. Here, the law firm uses the provider's resources, such as server capacities or software applications. These are made accessible through the Internet and can be used from anywhere. One major advantage of the public cloud is its scalability. This gives the law firm flexibility in its access of additional resources as needed, which they can also return when they are no longer needed. This spares the needless cost of unused capacities. Another benefit is the high level of availability of data and applications. The use of redundant hardware and networks ensures nearly 100% availability. Even in the event of a failure at one location, the data and applications can still be accessed via other locations.

Private cloud

Unlike the public cloud, this is a closed infrastructure reserved for the exclusive use of a single enterprise. As a rule, the private cloud is hosted by a third party and made available via the Internet and other networks. As data are stored on dedicated servers, access to them is limited to authorised persons. Its high security level makes the private cloud particularly well-suited for sensitive data. Still, there are also drawbacks to using a private cloud. Integration it into existing systems and processes can be complicated, and upkeep involves higher costs than with a public cloud. Staff with special training are also required to resolve any issues quickly. In addition, it can be difficult to deploy new features or services as needed, or to interconnect multiple cloud services.

Hybrid cloud

A hybrid cloud combines locally hosted and cloud-hosted services. It enables law firms to combine private and public clouds with one another to benefit from both systems. A hybrid cloud gives attorneys access to the services and storage capacity they need to perform their work more efficiently and cost-effectively. As resources can be customised as needed, lawyers have greater flexibility in broaching projects or trying out new ideas. The disadvantage of this approach, however, is that these solutions are costlier than public clouds, as the greater resources that they require also involve higher costs. There may also be issues of compatibility between the different systems. Not least, the security standards involved in a hybrid cloud must be particularly high, as both internal and external systems are interconnected.



Four key decision criteria

Choosing the cloud solution that is the right one for your own law firm is an important step in the direction of realising the full potential of this technology. Different criteria need to be taken into account in this regard. The most important ones are security (the security of data and information should be a top priority), cost, scalability and availability. Ultimately, the choice of cloud solution depends on the needs and requirements specific to the individual law firm. To make the best decision, it is important to carefully weigh all the factors and consider the pros and cons of each option.

Indispensable: Software specially designed for law firms

Digitalisation in law firms involves more than the fundamental move into the cloud, however. Digitalisation also means a shift to efficient workflows (e.g. document management, case management, document creation, time recording, payment transactions, management of location and court data, financial accounting, etc.) and to optimum client support. In the course of changes towards digitalisation, then, one is always confronted with the question of introducing software specially designed for law firms, unless such software is already in use. Software for law firms has become an integral part of the modern legal-services sector. Law firms can automate and standardise many tasks if they have the right software for the purpose. This frees them up to concentrate on the most important aspects of their work – their cases and interactions with clients – while reaping the benefits of digitalisation.

Against this backdrop, the question is often asked whether a cloud-native solution should be used, or whether it is better to opt for one of the other variations of office software available on the market. Law firms in search of a solution that truly offers everything they need should opt for cloud-native software designed for use by law firms. Why? One benefit of cloud-native solutions is that they are developed especially for the cloud; this makes them perfectly tailored to the needs of a modern law firm.

What exactly does 'cloud-native' mean?

'Cloud-native' is an approach optimised specifically for developing and deploying applications in the cloud environment. It makes full use of the advantages of cloud infrastructure – such as scalability, flexibility and automation. Law firms that use cloud-native solutions can tailor IT environments to the requirements specific to their business processes. This gives them much more effective control over their infrastructure and data, which in turn bolsters flexibility and scalability. Cloud-native applications are broken down into smaller components that can be run and managed independently of one another. This way, law firms can easily swap, update or extend individual functions to meet different business needs. One of the greatest benefits of the cloud-native approach is that it permits quick implementation times. Cloud-native also offers a number of other benefits, including security, reliability and cost efficiency.



The benefits of cloud-based legal software

The office software available on the market is wide-ranging and can often be confusing for people who are less IT-savvy. Decision-makers in law firms often focus exclusively on the functions that the software offers while failing to consider the form in which the software is provided. But the manner of the deployment is quite important, as it influences factors such as data protection, security, flexibility and costs.

Cloud-based provision

Office software is not installed on employees' own computers or on the office server, but instead is deployed on a server in the cloud. It is used via the Internet. A major advantage of cloud-based solutions is their flexibility. This software can be used from anywhere. Its scalability is an asset as well: If need be, users can be added or functions extended. A factor of particular importance for law firms that lack IT managers of their own is the fact that the software is updated automatically.

Updates are carried out centrally and are immediately made available to all users. Data security plays an important role in cloud solutions as well: Data are stored on servers specially designed for the purpose and built to the highest security standards. And not least: Solutions developed natively for the cloud are provided in return for just a service fee that covers use of software along with the relevant infrastructure and services.



On-premises versus cloud

With the on-premises solution, software is installed directly on the server in the law firm's offices. While on-premises solutions have a long tradition of use in law firms, there are some drawbacks that should be considered when deciding on software for law firms. One key aspect is the cost structure involved. On-premises solutions typically require a high investment in hardware and IT infrastructure to operate the system. Maintenance must be performed at regular intervals as well, in order to ensure that the system will remain up to date. A further disadvantage of on-premises solutions is their limited flexibility. As software is installed on local servers, users can access data from this location alone. This can pose a problem if lawyers want to work away from the office, or if there are multiple locations that need to communicate with each other. This is where cloud-based solutions offer a clear advantage. The cost structure is typically more flexible and scalable, as there is no need to invest in hardware or infrastructure. Instead, the software is provided over the Internet and can be accessed from anywhere. Cloud-based solutions also offer greater flexibility and mobility. Users can access and work with their data from wherever they happen to be. This also facilitates collaboration between and among different locations, or with clients.


Virtualised application versus cloud


In this case, the law-firm software is installed on a central server, which in turn operates several terminals remotely. As users access the software through a remote desktop connection, they can work from wherever they happen to be. This solution entails some drawbacks, however. For one, performance is often not as good as with a cloud-based solution. This is because virtualised workstations often require more bandwidth and are more susceptible to latency issues. In addition, maintenance can be more complex and time-consuming, as each virtual desktop must be updated individually. By contrast, as cloud-native solutions have been developed specifically for the cloud, they offer better performance and scalability. They are easier to maintain and typically offer more features than virtualised workstations.


Terminal-server environments versus cloud

Terminal-server environments were long considered a popular choice for deploying office software. Under this scenario, software is installed on a central server and can then be used by all employees via the network. The application runs on the server and is transferred to the workplace by means of a remote connection. One of the biggest drawbacks of this arrangement, however, is that terminal-server environments often involve higher costs. Terminal-server environments require that all users needing access to the application must be connected through a local network. In some cases, this can be difficult to achieve. This approach also requires system administrators to install updates at regular intervals, along with patches to ensure security. Access to the office software via a terminal server is also limited as a result of performance limitations. The use of multiple applications or performance ramp-ups can lead to heavy levels of utilisation that in turn lead to lumbering response times and unpleasant waiting times for users. Cloud solutions, on the other hand, offer flexibility in scaling and run independently of the locally installed system and network. This allows users to access their application from anywhere – without needing to be in a specific place. Cloud solutions are also typically more powerful than terminal-server environments. As computing power is not limited to hardware, it can be scaled quickly to permit more users to work with the application at the same time without having to accept slower performance in return. Nor is there a need to commission administrators or install updates or patches by hand – this is taken care of automatically by the provider firm.

 **On-premises versus cloud**

 **Virtualised application versus cloud**

 **Terminal-server environments versus cloud**

 **Pure datacentre offers versus the cloud**

Pure datacentre offers versus the cloud

Even pure datacentre solutions are no match for cloud-based solutions. Generally speaking, pure datacentre solutions are costlier than cloud-based applications. This is because they require more hardware and IT staff to operate and maintain them. They also tend to be less flexible than cloud-based solutions. They can be more difficult to customise and may entail additional customisation costs. If the law firm grows, additional hardware may need to be purchased, or the IT team expanded, to keep pace with the growth. A cloud-based solution, on the other hand, makes it easier to add more resources as the need to do so arises. Not least, pure datacentre solutions present a higher risk of downtime. With a cloud-based solution, law firms typically enjoy a greater level of guaranteed availability and a lower risk of downtime.

Cloud-based or cloud-native legal software offers unbeatable advantages

Cloud-based – and especially cloud-native – legal software offers many advantages over traditional solutions. This primarily includes:



Scalability

One of the biggest challenges law firms face is that of keeping pace with growth. If a law firm grows, so do its IT systems and infrastructures. This can be a very costly undertaking, however, and it often requires additional staff to manage the systems. Cloud-native legal software, on the other hand, can be scaled quickly and easily as needed. This means that law firms can augment or reduce capacity as required at any time, without having to worry about the hardware. The law firm always only pays for what it actually needs.



Flexibility

With cloud-native software for law firms, data and applications can be accessed from anywhere. Whether in the office, at home or on the go – all key information is available all the time. This permits a quick response to client queries and efficient collaboration within the team.



Security

Cloud solutions usually offer greater security than on-premises systems do. For one thing, data are regularly backed up in the cloud and stored redundantly in order to permit speedy recovery in the event of a downed system or a malfunction. In addition, the servers on which data are stored often have better protections than local servers in law firms do. A further security advantage of cloud-based legal software is its ability to assign access rights on an individual basis. This way, for instance, only certain employees or clients can access certain data, while other areas remain invisible to them. This augments data security while minimising the risk of misuse or theft. Updates and patches are also installed automatically to close any vulnerability gaps and bolster software security.



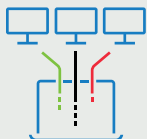
Cost savings

Unlike traditional software solutions, which often require expensive licenses and incur additional hardware and maintenance costs, cloud-based legal software is usually far more cost-effective.



Automation

Cloud solutions often provide automated processes and workflows that can save time and minimise the risk of error. These solutions can automate repetitive tasks and generate considerable savings of time. This includes, for example, the automatic creation of documents and contracts. The software can generate individual documents from templates by extracting relevant information from a database and inserting it into the respective documents. This not only saves time but also minimises the risk of error. The software can also automate deadline and appointment management. The software recalls key dates and deadlines, and that helps see to it that no deadlines are missed.



Compatibility

Of course, cloud-native software solutions can also interact with other solutions through appropriate interfaces (API) to increase productivity and create a seamless working environment.

All in all, cloud-native solutions for law firms offer a host of benefits over other solutions. They are easy to implement and use, they are flexible to customise and they offer greater security. By integrating these solutions with other tools and systems, law firms can optimise workflows and work more efficiently. Cloud-native software for law firms gives every law firm the ability to automate its processes and optimise its business. Personalisation is only possible to a limited extent, however. In exchange, cloud-native solutions score points for their simplicity and user-friendliness.

Cybersecurity

Security – the most important aspect of cloud-native software for law firms

Cybercriminals are increasingly targeting law firms for their attacks. On the one hand, they are attracted to sensitive data the loss or publication of which on the darknet is particularly critical; and on the other hand, companies are often inadequately protected but usually willing to pay the required ransom to keep financial and reputational damage to a minimum. According to Cybersecurity Ventures, by the year 2025 the world is expected to suffer a loss of \$10.5 trillion annually due to cybercrime¹. Cyberattacks on law firms have increased sharply in recent years – including successful ones, as revealed by some of the cases that have come to light:

- Cravath, Swaine & Moore, Weil Gotshal & Ranges, Wiley Rein – these are not just some of the largest law firms in the United States; they are also victims of cybersecurity breaches.
- In 2017, the IT department at the law firm of DLA Piper stood still for six days all over the world – 9,000 employees were prevented from working in an attack that caused considerable financial and reputational damage.
- In January 2023 it hit the law firm of Grubman Shire Meiselas & Sacks. The attackers had gained access to 756 gigabytes of data, including contracts, non-disclosure agreements, telephone numbers and e-mail addresses, as well as ‘personal correspondence’ from the firm’s clients. These clients include Madonna, Lady Gaga, Drake, Priyanka Chopra, Robert DeNiro and many others.
- In February 2023, the law firm of Kapellmann und Partner Rechtsanwälte mbB in Germany fell victim to a ransomware attack that shut down the firm’s IT systems in all locations and encrypted company data.

No company, no law firm is safe. One thing that is absolutely certain, however, is that better IT security can keep a law firm from falling victim to cybercrime.

¹ <https://s3.ca-central-1.amazonaws.com/esentire-dot-com-assets/assets/resourcefiles/2022-Official-Cybercrime-Report.pdf>



A firewall alone is far from enough

Often-inadequate IT security and a high concentration of confidential data make law firms a particular target for hackers. Standard security measures such as a firewall are not enough. Because the number of attacks is infinitely high, and the methods and forms of attack are perfidious.

- ✓ **Social-engineering attacks**
- ✓ **Ransomware attacks**
- ✓ **Malware attacks**
- ✓ **Botnets**
- ✓ **DDoS attacks**
- ✓ **Back-door attacks**
- ✓ **Advanced persistent threats (APTs)**
- ✓ **Doxing attacks**

These include:

Social-engineering attacks

With social-engineering attacks, attackers try to gain access to sensitive data such as passwords or credit card information, for example by sending a trustworthy-looking e-mail or SMS. A distinction is made among the following types of social-engineering attacks: Browser-in-browser phishing, clone phishing, voice phishing, SMS phishing, search-engine phishing, pretexting, watering-hole attacks, scareware, DNS spoofing, bait attacks, quid-pro-quo attacks, tailgating and piggybacking.

Ransomware attacks

This type of attack installs malicious software on the computer that encrypts data and renders access to these data impossible. The only way to regain access to the data is to pay a ransom to the attacker.

Malware attacks

A malware attack is a malicious attack on a computer or network with the intention of causing damage or stealing data. 'Malware' is the term commonly used to describe malicious software that is usually downloaded over the Internet and installed on the computer. There are many different types of malware, with viruses and trojans the most frequent among them.

Botnets

Botnets are networks of computers or other devices controlled by an external owner (typically a cybercriminal). These networks can be used, for example, to distribute malware to computers and mobile devices, steal information, or carry out denial-of-service attacks against websites. Botnets can also be used as a means of spreading spam or phishing e-mails.

DDoS attacks

DDoS attacks (distributed-denial-of-service attacks) are a type of cyberattack that seeks to overload a network or server in an effort to prevent communication between users and the network. Hackers often use DDoS attacks to harm businesses by crippling their systems. This can hamper business operations and lead to considerable financial losses.

Back-door attacks that exploit software and hardware vulnerabilities

Cybercriminals use these attacks in an attempt to gain unauthorised access to computers or networks. They use a 'back door' that has been installed or created in the system. This allows hackers to enter a system without the owners noticing. Back-door attacks can lead to the theft of sensitive data, such as credit card information, passwords or personal information.

Advanced persistent threats (APTs)

Advanced persistent threats constitute a very serious and growing security risk for businesses. APTs are not merely viruses that accidentally make their way into a system; instead, they are a targeted cyberthreat aimed at penetrating networks and potentially stealing confidential information or money. These threats can be difficult to identify and require specialised techniques and tools to effectively combat. In addition, it can be difficult to identify all affected systems, as APTs are often distributed across multiple networks.

Doxing attacks

The term 'doxing' generally refers to the publication of private or personal information about someone without their consent. This type of cyberattack is often used as a means to blackmail, threaten or even harm its victim. As the Internet offers such a wealth of information, it is easy for criminals to create extensive profiles about their victims in a short amount of time and then use this information to take action against them.

Comprehensive protection concepts require a vast amount of expertise, effort and upkeep, and the costs they generate reflect this. For law firms, however, it is of the utmost importance that they protect their systems and the highly sensitive data in the best way possible. After all, a successful attack not only can paralyse operations and have financial impacts, but it can have legal consequences as well. The law firm could be found liable if, for example, personal or business-critical data was stolen from clients, or if intellectual property were to be lost as the result of a hack. Not to mention the threat of penalties by authorities in the event that laws such as data-protection laws are found to have been violated. This makes it essential, not just for legal and ethical reasons, but for economic reasons as well, to implement efficient security measures and compliance policies.

Solid IT security must extend all areas of the law firm. It begins with the selection of the right law-firm software, as this, too, contains sensitive data. Because these data must not fall into the wrong hands, they must be carefully protected. Law firms should depend on solutions that meet the highest security standards and are regularly updated. To this extent, the way in which the law-firm software is purchased plays a critical role. Cloud-native law-firm software solutions, for example, offer higher security than conventional on-premises products. This is mainly due to the fact that, because the software is hosted in the cloud, it has no local security gaps. In addition, the law firm's data is usually transmitted and stored in encrypted form, and this keeps it safe from unauthorised access. And last but not least, cloud-native software for law firms satisfies the requirements of authorities and regulatory agencies – a not-insignificant aspect for law firms.

Comprehensive IT security must extend to all areas of the law firm

To ensure IT security across the board, law firms should take all aspects into account. These include:

- Notebooks, tablets and external storage media
- Workstation computers
- Servers
- Printers
- Login and authentication solutions
- The handling of passwords
- Remote access protections
- Protection of public areas, such as waiting rooms, corridors, reception area
- Wi-Fi, guest Wi-Fi
- Network and network ports
- Website
- Administrator rights
- Disposal of data media
- Employees' personal devices
- Remote maintenance
- Disaster and backup concept
- IT security rules and awareness measures for employees
- Backups and updates
- Virus protection and firewalls
- Detection and response systems

As already pointed out, a firewall is a good first step towards shielding a law firm's IT from cyberattacks. But a firewall alone cannot safeguard all of the vulnerabilities that exist. External service providers or partner companies, for example, often lack the protection of this firewall; this can make them a gateway for criminals.

As many law firms have neither the expertise nor the appropriate specialists on staff it would take to implement all of the necessary IT security measures, it makes sense to invest in a cloud-native solution to provide software for the law firm. This is less elaborate and more cost-effective, and it also enables higher IT security and easier administration of the IT infrastructure.

What security features should a cloud-native software for law firms offer?

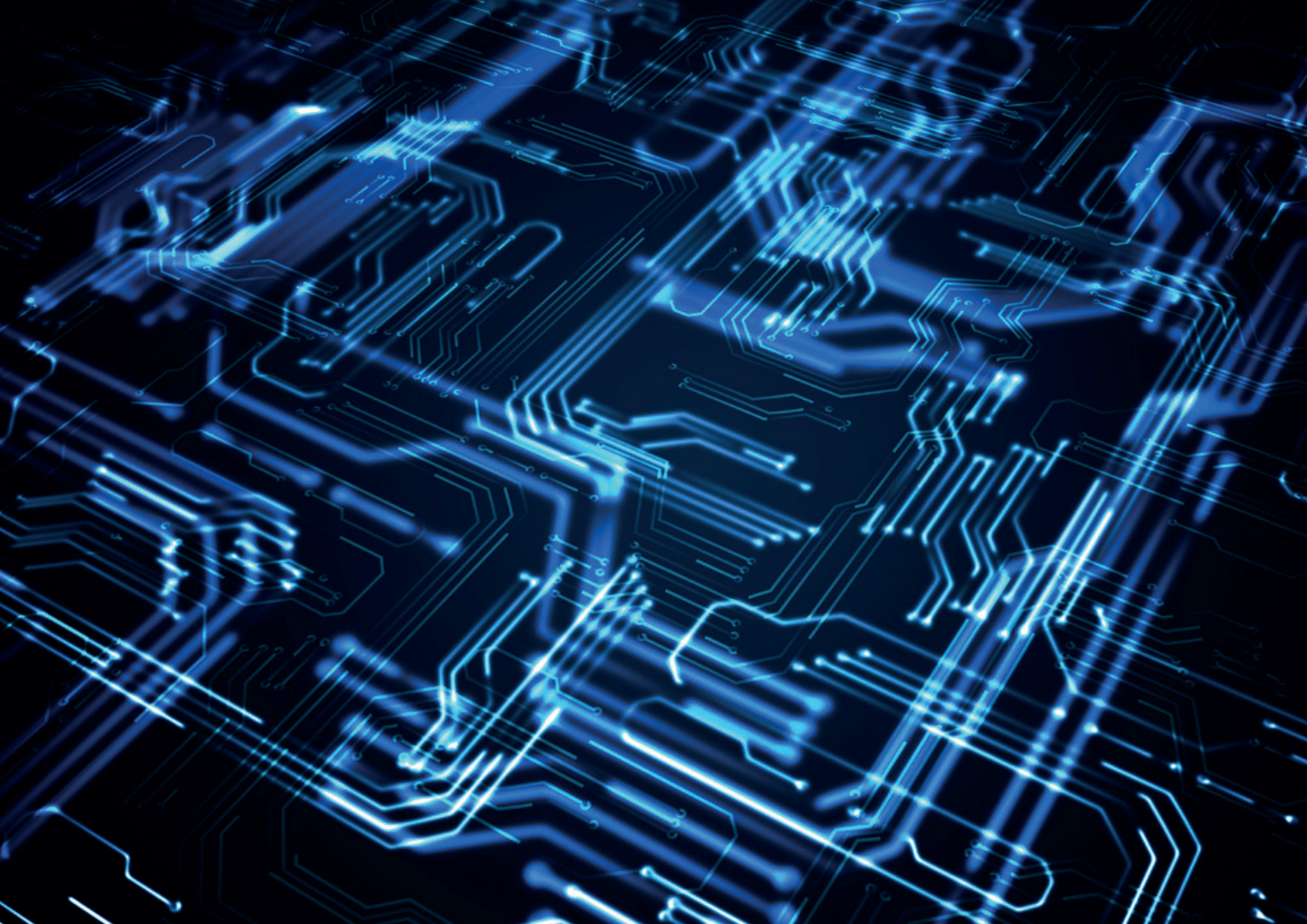
In order to meet the high expectations of law firms, cloud software for law firms should offer the following security features:

- Hosted in the EU
- Round-the-clock datacentre monitoring
- Audit-proof monitoring whenever the software is accessed
- Encrypted data transfer
- Secure file sharing
- A separate data instance for the law firm
- Secure, private cloud for sensitive data and documents
- Redundant data storage
- GDPR compliance as well as notification and reporting functionalities
- Full control over user roles and access rights

Worry-free data protection – with cloud-native software for law firms

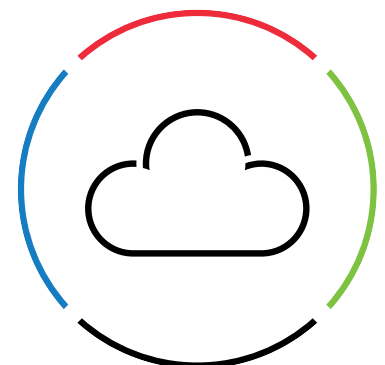
Cloud-native software for law firms offers an invaluable way of helping safeguard data. With all data and applications concentrated in the cloud, attorneys can rest assured that their data are protected at all times. By using the cloud, law firms can automatically keep their infrastructure up to date, ensuring that the latest security precautions are in place at all times. This also gives law firms flexibility in their reaction to changes and helps them respond quickly to new threats. One thing to bear in mind, however: Not all clouds are equally secure, and not all providers offer the same security features. So before a law firm decides for a particular product, it should carefully consider the safeguards it offers.





This is what Kleos offers you – the cloud-native software for law firms, by Wolters Kluwer

With Kleos, law firms get time to process their mandates together with a variety of innovative functions that facilitate the organisation of the law firm.





- ✓ **A quick and easy changeover**
- ✓ **Multiple safeguards**
- ✓ **Seamless collaboration**
- ✓ **Mobile without limitations**
- ✓ **Comprehensive range of functions**
- ✓ **Fully digital law-firm management**

A quick and easy changeover

A modern user interface in conjunction with a well-thought-out operating concept simplifies familiarisation with and use of the software. Interactive learning elements, video tutorials and FAQs, as well as on-site and live online training sessions, ensure needs- and situation-based support. Switching from another software is easy to do, and adding new users is easy as well. Thanks to our software, you can save valuable time and devote your undivided attention to what matters most: your clients.

Multiple safeguards

The important documents and sensitive data to be found in your law firm are exposed to a variety of risks. Fire damage, water damage, burglary and theft can occur at any time, with serious consequences for your work. With Kleos, you can significantly reduce all these risks. Thanks to automatic, multiple backups and regular security updates, you can rest assured that your clients' and your law firm's data are always protected; you can work in the peace of mind that the latest software version is in place. And the best part about it: Kleos is so user-friendly that you do not need an elaborate IT network or even an IT manager; you can simply work with standard desktops and laptops instead. This way, you can devote your full attention to your work, with no further need to worry about data loss or other imponderables.

Seamless collaboration

Kleos offers you the capability of sharing created documents with clients and third parties, securely and encrypted, using Kleos Connect, the integrated portal for file sharing and communication. This eliminates the additional cost of a separate application and the risk of unprotected e-mail attachments. Thanks to a sophisticated authorisation system, access to the documents is granted only to legitimated persons.

Mobile without limitations

Kleos offers you the perfect mobile solution for your law firm by giving you access to your business data – any time, anywhere. Our app provides you with comprehensive functionality and real-time data, all tailored with your needs in mind. Make productive use of travel or waiting times and gain more time in which to offer your clients excellent legal advice and continue collaborating seamlessly with colleagues.

Comprehensive range of functions

With Kleos, you can count on an innovative solution that combines all of the law firm's tasks under a single roof and seamlessly integrates all of the functions required. You will have the benefit of a centralised system that permits unparalleled efficiency and productivity through an interlocking of all components. Just take a look and convince yourself of these functions:

- Client management
- File management with flexible number ranges
- File account
- Document management
- Template-based document creation
- CRM functions
- Time recording
- Financial accounting incl. interfaces
- Law firm controlling
- Open items
- Payment transactions
- Schedule and deadline management
- Multilingual program interface
- Location and court data
- Flexibly assignable additional fields
- Conflict check
- Site management
- Electronic interface for the communication with local courts
- Maximum configurability
- Differentiated rights management

Fully digital law-firm management

With Kleos, you can handle all processes in your law firm digitally – from mandate recording to invoicing. And yet you only pay for what you really need. With Kleos, costs for servers, backups and IT personnel belong to the past, as Kleos is easy to use via a conventional Internet browser.

Kleos

Digitalisation has also changed law firms' requirements and the way they are organised. To rise to these challenges, law firms need to engage with cutting-edge technologies that permit them to work more efficiently and productively. Kleos software for law firms offers you a solution that helps you manage your law firm completely digitally. With Kleos, you can handle all of the processes in your law firm digitally. This way, you can spend more time on value-adding work and invest your capacities in growing your law firm.

To find out more about Kleos, visit our website:

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Wolters Kluwer Deutschland GmbH
Geschäftsbereich Legal Software

→ Tel.: +49 (2233) 3760-6000
→ Fax: +49 (2233) 3760-16000
→ vertrieb.software-recht@wolterskluwer.com