



## Knowledge Is Power

### *KM Remains Vital to Firm Success*

by Nina Platt

**K**nowledge management became a buzzword in law firms throughout the world in the 1990s. As firms learned how acquiring and leveraging knowledge effectively within client organizations contributed to their successes, many firms began to embrace KM with full force. But in the current weakened economy, law firms are cutting back on KM initiatives in order to control expenses. Despite the retreat from the knowledge management arena, many firms still recognize that KM is not just a passing trend — it is an integral information-management tool for law firm operations now and in the

future, according to a recent informal survey.

In his article “Maximizing Return in Your Knowledge Management Investment” in the October 2002 issue of *Managing Partner*, Byron Sabol defines knowledge management as “a systematic method to identify, capture and leverage the knowledge of individual lawyers so that this knowledge becomes an organizational resource benefiting clients, firm lawyers and the law firm.” KM is an idea with some similarities to socialism: The theory of sharing is good, but the implementation fails when you add people. And KM is a concept that has been adopted by some law firms, treated with suspicion by others and understood by few.

Yet in an informal survey conducted in January by e-mail, 12 knowledge management managers from firms across the country maintained that KM is here to stay. They provided a sketch of current KM practices and future directions in knowledge management.

- **Staff allocation depends on firm size.** Most firms of 500 and fewer attorneys have one to two staff members working on KM along with other duties in the library and information technology areas. Firms with more than 500 attorneys have one to five or more staff members dedicated to KM work.
- **KM work is carried out in various departments.** A respondent from one firm of 70 attorneys has both a knowledge services director and the firm’s law librarian working collaboratively on KM initiatives.
- **Both have M.L.I.S. degrees.** In the five firms with 101-500 attorneys, KM work is done collaboratively between departments. One firm employs a director of knowledge management, who is also an attorney. Other firms rely on librarians who have library science degrees; one of those firms employs a librarian with both an M.L.I.S. and a J.D. In the six firms with more than 501 attorneys, three firms have KM directors with J.D.s and KM staffs, while the other three firms support their KM initiatives with librarians and resource attorneys.
- **Most KM managers report to an executive director or managing partner.** Of the 12 respondents, five report to the firm’s executive director, three report to the managing partner, two report to the chief information officer, one reports to the chief operating officer and one reports to the chair of the information technology committee.
- **KM staff size will be maintained — or increased.** No firms who responded to the survey predicted a reduction in staffing in the near future. Two of the large firms with 500 or more attorneys predicted that the KM staff would increase. “We continue to expand KM services within our practice groups and offices,” one survey respondent said.
- **New initiatives focus on software, intranet and training.** Respondents reported that the current KM initiatives at their firms included integrating InterAction, a client-relationship-management software, with the firm’s intranet; launching a new intranet or releasing a new version of the firm’s intranet, using portal software; developing various systems, including an internal expertise directory, alert system for client news, docket and litigation support information via portals, collections of model precedents, legal memoranda and pleadings, moderated threaded discussions, and deal-tracking databases; and implementing training programs.
- **KM is going enterprise-wide — but is tailored to practice groups.** All firms in the survey reported that they have developed or plan on creating enterprise-wide KM systems. At the same time, they are also implementing

these systems within communities of practice either one practice group or department at a time. “[Our firm’s KM system is] enterprise-wide, but the new intranet will provide each community of practice with its own Web page,” one respondent said.

- **Technology expenditure is minimal.** Other than use of Lotus Notes, Microsoft SharePoint and a few other less expensive products like DBTextworks, responding firms’ costs on KM technology has been minimal. Several of the firms in the survey use Docs Open for management of document collections. A couple of the firms reported developing in-house applications.
- **KM staff and incentives spur attorney participation.** Smaller firms rely on less tangible incentives to encourage participation, such as “recognition, praise, positive results,” as one respondent put it. On the other hand, larger firms rely on KM staff to extract KM information from their personnel. “We use knowledge managers to gather from the lawyers the kind of information they don’t otherwise volunteer, and we try to design our processes and systems to integrate into the natural activities of the lawyers,” a respondent replied. Two of the larger firms also said they’ve developed billing numbers with billable status to which lawyers can charge KM time.
- **Measurement tools tend to be inexact.** Predictors and measures of the success of KM initiatives were largely anecdotal, including usage levels, feedback, documents collected and observations of productive lawyers. The larger the firm, the more difficult it is to measure success. “We don’t rely on metrics or artificial measures of return on investment,” one respondent said. “We attempt to identify areas of need, usually based on lawyers coming to us and asking for support.”
- **Future KM trends include greater integration and detail.** Upcoming KM initiatives for responding firms include: management of firm documentation; expertise tracking;

greater integration of client-relationship knowledge; integration among intranet, extranet and Internet sites; automatic categorization of documents; associate training; personalization; and integration of nonlegal information and knowledge.

In spite of the faltering economy and downsizing in many firms, the survey respondents agreed that KM is vital to a law firm’s efficiency and competitiveness. “It seems to be gaining speed and interest as people understand how useful it can be,” one respondent said.

“[KM] is essential in a large firm to share in-house knowledge,” another participant in the survey explained. “I envision a day when all information is shared and more easily accessible.”

“Eventually all major law firms will have, to varying degrees, central collections and systems for searching and retrieving documents,” a survey respondent replied, “and the most progressive firms will also be integrating other firm knowledge (not limited to legal matters).”

The most upbeat respondent saw current economic challenges as an opportunity to extend a KM foundation: “With a downturn in the economy, there is a little room right now for people to work on this type of project, so we are getting great cooperation. What we do now will really help in training, best practices and efficiency.”

### Legal Vendors See Rosier KM Future

Based on the increasing number of knowledge management tools making its way into the legal market, many vendors also forecast a permanent future for KM in law firms.

In 2001, LexisNexis™ teamed up with a company called DolphinSearch to provide a search engine that retrieves concepts instead of simple keywords. The DolphinSearch technology on the LexisNexis portal is powered by Plumtree software, which provides searching capability using the same legal taxonomy within LexisNexis. Using DolphinSearch on the LexisNexis portal, law firms can organize, search and share documents stored in any software application, making it unnecessary to search each application separately.

## For More Information

Want to read more? Check out the following articles for additional information on the use and future of knowledge management in law firms:

Bond, Tricia. “KM and the Law Firm Librarian,” *AALL Spectrum*, December 2002.

Canfield, Curt A. “Knowledge Management: Making it Work,” *Hildebrandt International Web Site*, <http://www.hildebrandt.com/international/publications/>.

Cowan, Ian. “Knowledge Management ... Success or Failure?” *In Brief*, April 2002.

Gonzalez, Sally R. “KM — Myths and Realities,” *Hildebrandt International Web Site*, <http://www.hildebrandt.com/international/publications/>.

Kay, Stuart. “Benchmarking Knowledge Management in U.S. and U.K. Law Firms,” *LLRX.com*, August 15, 2002, [http://www.llrx.com/features/benchmarking\\_km.htm](http://www.llrx.com/features/benchmarking_km.htm).

Nathanson, Alan and Andrew Levison. “Differentiate Your Firm with Knowledge Management,” *Legal IT*, June 2002.

“We have started using DolphinSearch for categorizing and finding work product,” one respondent of the survey said. “I would like to see us develop this program so we could categorize documents more efficiently and make it possible to retrieve them more effectively.”

Last year, West followed suit by introducing a new product called West km, a knowledge management software that organizes, indexes, searches and retrieves documents from a firm’s work product repository using Westlaw’s search functionality. Firm staff can access and search both the firm’s documents and Westlaw using the same syntax and search strategies they learned for searching on Westlaw. Because West km allows the firm’s

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staff to use its existing search skills, law firms do not have to dedicate additional time and expense to train users on the software.

Linda Will, director of the Research Center at Greenberg Traurig LLP in Miami, predicts that her firm will improve its productivity even further when West releases its new version of West km this year.

“West’s next step with its KM product, coming in the second quarter of 2003, is going to be incredible,” Will said. “Full key-number searching will revolutionize legal research. Users will be able to set their queries in two tiers: the first with West auto classification tools (CARE, the classification and routing engine) that will classify documents by an existing taxonomy with queries created by the West editors, combined with the full-text query created

by the end user. Success hits of docs found by both methods that are identical are about 92 percent. Plus, you can dissect the searches to look at those found solely by the CARE method and those found by full-text searching. Genius stuff.”

While many in the legal community see a future for KM in law firms, KM may bear little resemblance to how it is implemented now. For KM to be universally successful, it must work with existing processes to capture knowledge, rather than create new processes to organize and disseminate information, said Tricia Bond, reference librarian at Alston and Bird LLP in Atlanta.

“A good KM initiative will streamline processes and ultimately save a firm some money. Law firms will see that KM is more project-driven than concept-driven. By that,

I mean that when clients, attorneys and staff members identify processes that work well or identify a need, then a KM project can be developed and implemented, and it will be more readily adopted,” Bond said. “But going out and identifying raw knowledge, harnessing that raw knowledge and then trying to apply it in some way for the benefit of the whole organization isn’t going to work.”

No matter what form it takes, KM is here for the long haul. Managing the ever-growing body of legal documents and work product efficiently means knowledge management will indeed be in the future of most law firms’ strategic operations.

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