



## **Business Intelligence: Are Your Attorneys Flying Without a Radar Screen?**

Jim Hammond, President, RainMaker Software, Inc.

Could you imagine what it would be like to fly a commercial plane without radar and other key gauges? Most of us wouldn't think of taking such a risk. There's no need to. Thankfully, we have planes that are fully equipped to fly, they have gauges and instruments to help the pilot get to the desired destination. The gauges provide the pilot with precise information in a highly intuitive format.

Flying is like managing clients, practice areas and productivity; attorneys need navigational aids to make the right financial decisions, steer the proper course of the firm and prevent potential mishaps.

Business Intelligence software allows firms to equip their attorneys with "radar screens and gauges" that are easy-to-read; as precise and intuitive as their airplane counterparts. The radar screens and gauges are called Digital Scorecards and they allow attorneys to better plan, manage and control their business. Just a quick click of the mouse gives them the information they need.

Business Intelligence has become the latest buzz in legal technology, especially in the financial management arena. But what exactly does it mean? What are the bottom line benefits to your attorneys?

Simply put, Business Intelligence software proactively pulls information from your existing financial management system and then pushes it to end users in a practical format for analysis, supporting business decisions and strategy development. The practical format may be spreadsheets, PivotTables, email alerts or Digital Scorecards.

Sounds simple, right? Well, it hasn't always been that way. How many times have you needed specific information from your financial management system only to be told the information wasn't available? This scenario represents a common problem typically experienced in firms because traditional systems (i.e., time and billing) are built to be used as powerful transactional databases, not analysis tools. As a result of the millions of transactions in the system's history, extracting data can be a very time consuming process, not to mention the fact that it often results in reams of flat sheet reporting instead of targeted analysis.

Business Intelligence software, which enables firms to tap into the wealth of information that resides in their databases with no custom programming required. The three major components of Business Intelligence software are: data warehouse, user interface, and the presentation layer (i.e., information output). The data warehouse is a database that is separate from the time and billing system and designed specifically to provide fast analysis of data cube-type information. In a law firm, this "cube" typically contains information about clients, attorneys, billings, cash receipts and expenses in the lowest form of detail. Since the data warehouse is built to store and retrieve information in these categories, even the most complex information can be provided in seconds. The user interface provides access to the information stored in the data warehouse and may contain several screens or options for customizing information retrieval according to both firm and user-specific needs.

Attorneys are typically not interested in these first two components of Business Intelligence, only in the final component, the presentation layer. The presentation layer or output is where the attorney acts as the pilot, reading the radar screen or gauges allows them to manage the business side of a client relationship or the firm's

profitability. Business Intelligence software is built for the business person needing information at his/her fingertips, not for the programmer. It doesn't require custom programming, complex report writing or IT involvement. A quick glance at the gauges will help tell you:

- How individuals measure up as working attorneys
- Which attorneys or departments have the highest percent of firm write-off's
- How total firm investments (unbilled, plus AR) compare month to month over the last year
- How profitable clients actually are
- Which new files were opened during the week or month

### Conclusion

Attorneys need answers to their questions, not excuses. Critical business decisions need supporting facts; facts that are not always available in traditional time and billing systems, without custom programming. Business Intelligence using radar screens and gauges help keep attorneys informed, without extensive training beyond clicking a mouse. This cost-effective technology is now available for all mid-large law firms.

### Working Attorney Analysis

Timekeeper: Allenby, A. Robert. Avg Std Rate: 228.35

Active  Fiscal  Calendar Database date: 5/15/2002

  

### Firm Investment

Firm Investment by Practice Area Office: --All--

Month: Jan Year: 2002 156 Entries Database Date: 5/15/2002

Practice Area	Unbilled Fees	Unbilled Costs	Unapplied Retainers	A/R	Invested Hours	Invested Value	% of Total
<b>**Firm Totals**</b>	\$5,371,181	\$268,670	\$619,221	(\$692,400)	29,874.5	\$6,942,418	100.0
<a href="#">204 INSURANCE COVERAGE-INSURED-CONTINGENT</a>	\$1,067,146	\$27,011	\$20,668	(\$1,246,534)	5,887.4	\$1,091,071	15.7
<a href="#">201 BUSINESS LITIGATION-HOURLY</a>	\$535,079	\$25,643	\$66,608	\$190,409	2,857.9	\$889,899	12.8
<a href="#">202 BUSINESS LITIGATION-CONTINGENT</a>	\$618,693	\$7,068	\$17	\$327	3,630.8	\$629,347	9.1
<a href="#">102 ENTITY REPRESENTATION (GENERAL)</a>	\$212,168	\$8,533	\$35,876	\$110,526	1,036.9	\$420,570	6.1
<a href="#">305 MOTOR VEHICLE/PEDESTRIAN INJURY (PLTF/CONT)</a>	\$329,987	\$53,743	\$17,882	(\$2,184)	1,776.8	\$374,896	5.4
<a href="#">125 ESTATE ADMINISTRATION</a>	\$380,590	\$12,313	\$121,210	(\$78,410)	2,501.6	\$335,973	4.8
<a href="#">904 OFFICE ADMINISTRATION</a>	\$243,456	\$522	\$232	(\$58)	1,294.5	\$243,804	3.5
<a href="#">308 PREMISES LIABILITY (PLTF/CONT)</a>	\$183,072	\$26,395	\$637	(\$59)	1,013.3	\$209,148	3.0
<a href="#">314 WORK INJURIES/WORKER'S COMP (PLTF/CONT)</a>	\$169,101	\$15,329	\$1,661	(\$14,548)	936.3	\$183,600	2.6
<a href="#">404 COMMERCIAL REAL ESTATE-SALE OR PURCHASE</a>	\$88,699	\$2,389	\$345	\$21,618	413.0	\$181,934	2.6

### About the Author

Jim Hammond, President of RainMaker Software Inc., has more than 24 years of law firm software experience. RainMaker provides mid-large law firms with proven, practical and progressive financial management, practice management and business intelligence software. He can be reached at [jhammond@rainmakerlegal.com](mailto:jhammond@rainmakerlegal.com).

RainMaker Software, Inc. provides proven, practical and progressive Financial and Practice Management systems designed to help mid-to-large sized law firms and legal departments effectively and profitably manage and grow their business. With more than 36 years of legal-specific development experience, RainMaker has consistently delivered stable and feature-rich, yet easy to use solutions.

For more information regarding RainMaker's products, interested parties can contact the sales department at 1.800.341.4012 x3413 or via email at [legalinfo@rainmakerlegal.com](mailto:legalinfo@rainmakerlegal.com).