



Interview:

LexisNexis putting business

into practice (management)

A portrait of Alan Fraser, a middle-aged man with grey hair and blue eyes, wearing a dark suit jacket over a blue and yellow striped shirt. He is smiling slightly and looking directly at the camera against a solid blue background.

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BY JOANNA GOODMAN

Alan Fraser, who joined LexisNexis as general manager of LexisNexis Enterprise Solutions in August 2012, is best known in legal IT circles as the former CEO of Workshare. Having spent 19 years in pivotal roles at Nortel before moving to Silicon Valley where he successfully ran six companies before transforming Workshare, he brings a devastating blend of big company and entrepreneurial experience, not least in legal IT, to LexisNexis.



Fraser's current big project is the development and roll-out of Nimbus, LexisNexis' new business management system – or BMS – based on the Microsoft Dynamics AX platform and designed specifically for the legal sector. Nimbus is still in development, with the first roll-outs going live later this year. I caught up with Fraser in London to find out more.

You have an impressive record of bringing products to market. What underpins this success?

First, it's about customer focus. In 18 months at Workshare I saw 270 customers. Workshare was my first experience working with legal specific software and I discovered that legal services are more open than other industries about the software they use and about giving feedback. It's also about doing things differently. For example, Workshare sponsored two 'scholarships' to ILTA every year.

What was the rationale behind Nimbus?

The legal industry is poorly served by software vendors in that many mid-market firms have cobbled together a selection of bespoke solutions. Nimbus brings together practice management, financial management and HR management. It is being developed in partnership with Microsoft, the number one provider of enterprise-grade software to the legal sector. However, although the Microsoft Dynamics AX platform is used by 14,000 companies, it has not yet gained a serious foothold in the legal sector. So the rationale is to bring Microsoft Dynamics AX to legal and to bring law firms the enterprise-grade business management system they have been waiting for.

What stage have you reached in the development process?

LexisNexis relationship with Microsoft started two years ago. The first phase of software development is 80% complete. We started working with three early adopters at the end of 2012. These should be live by the end of 2013. Six more early adopters signed up in 2013 with the aim of going live in 2014. We have deliberately limited the numbers so that we can focus on each firm and make sure the product meets their needs.

Where does Nimbus fit into the legal IT market in terms of its target customers?

Nimbus is scalable. Looking at the early adopters, the smallest is about 80 users; the biggest is about 300 users and the new ones we're bringing on board this year are between 200 and 300 users. Nimbus is focused on the top 250 law firms in the UK.

Is your target market limited to UK firms?

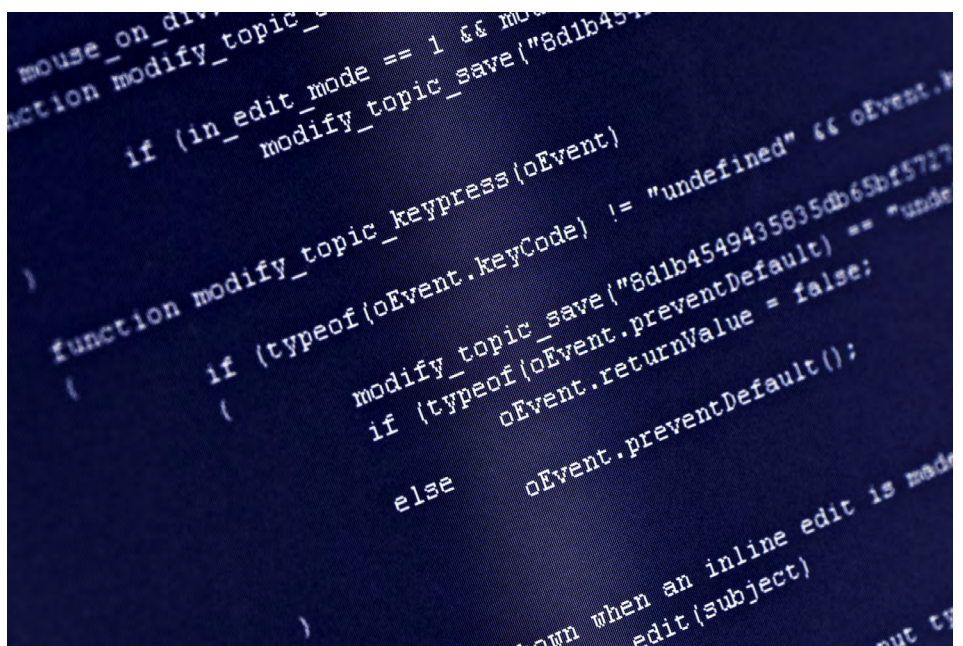
No, that is not our intention. We started developing Nimbus in the UK because the business of law is changing faster in the UK than elsewhere. The reforms here are pushing law firms to operate more like enterprises as they face new competition from alternative

business structures. Consequently, UK legal service providers are adopting new ways of thinking about business. We have a large base of mid-market customers as well as relationships with most of the top 50 law firms who deploy our InterAction CRM and our Redwood business intelligence products. Additionally, the content publishing side of our business deals with virtually every law firm/business in the UK.

How does Nimbus work with other popular LexisNexis systems? Does it replace them?

It can replace them or work alongside them. For example, Nimbus includes CRM and business intelligence capability, but not to the level of InterAction and Redwood. This might be sufficient for a ►

'This is the first time a multi-billion dollar organisation is bringing organically grown partnership enterprise software to the legal industry' – Alan Fraser, LexisNexis



smaller firm, but not for a larger firm, so we are integrating our Nimbus platform for Microsoft with InterAction, Redwood and our case management products, such as VisualFiles.

How does Nimbus work with SharePoint? Does it integrate with popular document management systems?

SharePoint is a requirement for running Nimbus. Most law firms use some version of SharePoint. In terms of document management, Nimbus will be fully integrated with iManage. A couple of firms in the UK are using SharePoint as a document management system. I do not believe that SharePoint is ready for law firms' document management requirements, but at some point in the future it may well be. Nimbus is fully integrated with SharePoint from day one, so that would support what we are trying to accomplish.

Which products is it designed to compete with or replace?

The two incumbents at the high end of the market are Elite and Aderant. Our focus in the next ten or 15 years is to compete with them head on and capture our fair share of the market.

However, many mid-market firms do not have dedicated HR or supplier management systems – because they cannot justify the cost, or because it involves managing yet another separate piece of technology. So in many

cases we are introducing mid-market firms to a new set of capabilities that they've never used before as well as replacing their existing accounting, time management and billing systems. So Nimbus may be replacing four or five discrete systems as well as adding and enhancing capabilities such as HR and supplier management.

What do you think will persuade firms to swap out of familiar products like Aderant and Elite?

Firms regularly supplement Aderant or Elite with various bolt-on products. This is costly and inefficient and is not necessarily fully integrated with Microsoft, whereas Nimbus is built on the Microsoft Dynamics AX platform.

External pressures are moving the legal industry away from capturing and billing time towards fixed fees. This requires them to manage their resources differently – including acquiring resources and managing their deployment – and means that they will need more sophisticated tools.

Nimbus includes global budgeting and managing costs on a per-project, per-account basis, and, importantly it has built-in global capability. One of the big challenges Aderant and Elite have faced in recent years is taking a local product and trying to add in elements that allow it to become global. Those elements are basic, built-in components of the Microsoft platform. It is already in 38

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languages and can incorporate the tax regimes in numerous jurisdictions. Those capabilities are inherent in the product because the bulk of customers using Microsoft Dynamics AX customers are global entities. The changes in the way law firms are thinking and the fact that they have to operate much more like business enterprises means that they will need enterprise grade software such as Nimbus.



What is your view on other Microsoft-based platforms, such as Peppermint?

I wish Peppermint every success. We are not looking for 100% market share, but to win our fair share of the market. The more players that bring Microsoft capabilities to the legal space, the more likely it is that incumbent players in the legal IT market will address the issue of moving to a Microsoft platform more easily and providing firms with more options – and that is good for everybody.

Where would you like to see Nimbus in the next two years, when the early adopters have all gone live?

I'd like to see it become a global platform that we could take to market through our subsidiaries in the rest of the world, for instance the US and Australia. I would like it to have made a significant mark in our mid-market customer bases here and in the US, and to have captured new business

opportunities so that we were attaining at least a 40% market share in new sales into large law firms. That for me would be success.

Do you anticipate selling Nimbus into in-house legal departments and alternative business structures?

Nimbus is not designed for corporate legal departments because large enterprises generally have some kind of big ERP system from Oracle, SAP or IBM, in which case it is unlikely that the legal department will want to use a separate platform. However our US subsidiary is focusing specifically on tools for general counsel to use.

On the other hand, we are absolutely going into the ABS market, not just with Nimbus, but with our core products, notably our case management products which are very competitive in that space. We are focusing Nimbus on law firms immediately because they are our core business.

What are the key issues selling a new concept – the BMS – into the legal sector given the tendency towards conformity in firms' technology deployment?

The big game here – the 50,000ft view, if you like – is that this is the first time a multi-billion dollar organisation is bringing organically grown partnership enterprise software to the legal industry. Historically, in terms of practice management systems, mid-market law firms have been serviced by organic small businesses, but because the requirements of the legal industry are changing so dramatically, it is time for that to change. I'm looking forward to making an impact on this marketplace to the next two to three years in terms of supporting legal service providers in a way that treats them like the enterprises they need to become. ■