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Rupert Collins-White
Head of content, Legal Support Network

Security should be much higher up most firms' agendas than it is. That's not to say they don't care – many firms care a lot. But law firms are high-risk targets for hackers, organised crime and corporate espionage – they are easier to get into than their clients, without a doubt.

But security is also about the more mundane things, like teleconferencing. In fact, following our research, in conjunction with ComXo, we discovered that there may be many more instances of people listening in on conference calls and lax security around 'endless access' to conferencing than I believed possible.

Some firms seem to have best practice and behaviours around conferencing, and to have bolted conferencing to their risk and compliance. Some do not. Clients don't expect this, and they won't much care for it if they find out it's happening at your firm.

Firms also don't seem to be on top of turning conference calls automatically into revenue, something that might be an easy win for some – especially the near half of firms whose conferencing is spent half the time or more with clients.

Some people might be surprised that 47% of firms said they spend half their conferencing time or more with clients – but I think this is just the beginning. I'm surprised it's not higher, and the influx of Gen Y lawyers and clients into the market will change this utterly. Those used to speaking to people on Skype and in Hangouts, and who grew up in a world of Facebook and instant messaging, will want to conference – and more – with clients all the time. Firms that wake up to this and enable conferencing in more ubiquitous ways, and ensure they are secure and chargeable, will be doing what their clients and their people want.

For those firms that continue to fly by the seat of their pants where conferencing security is concerned, I can only conclude that a rude – and embarrassing, possibly expensive – awakening awaits them. It is easy to say: "Don't be one of them."

Andrew Try
CEO, ComXo

Conference calling is becoming a standard business practice in the legal sector and, as this report verifies, the use of conferencing in legal is being significantly expanded from internal meetings into the outside world, both as a way to cut travel and enhance client engagement.

As one of the leading providers of conferencing services to the legal sector, ComXo commissioned this in-depth insight into the area following reports from our relationship managers that conferencing security, at even the largest firms, was being overlooked.

Stories we've heard of employees' wallet cards being in circulation for years, with PIN numbers in general circulation, suggest a lack of best practice in an area where highly sensitive information and market moving conversations were occurring. Best practice in audio conferencing from a technological and managed service perspective is clearly lacking and this report underlines the importance of a clear policy on it.

Despite phone tapping, corporate espionage and compliance making the headlines, this report establishes that voice conferencing has slipped under the radar of compliance officers and the security audit. It also verifies our belief that compromised conference calls are likely to be more prevalent than anyone has thought up to now.

Within this report, words such as 'devastating' and 'catastrophic' are used to describe the risk to top 100 UK and US legal brands if clients found out that security was compromised. Compliance officers questioned about security confirmed that 'there is no policy regarding this at the moment'. And, with fines for non-compliance around an obvious security area potentially resulting in fines of up to £50m for an individual in an ABS and 2.5% of an ABS's turnover – not to mention brand damage were such a breach to come to light – the penalties of getting conferencing wrong are indeed severe.

Some firms show a sophisticated understanding of how such a technology can be used to leverage their working practices and be integrated into their case management systems and billed to their clients, transferring the cost to others. But this report also highlights that, for many firms, conferencing is a headache to administer.

It is clear that law firms recognise that audio conferencing is an essential tool, and that the use of conferencing will become more prevalent. It is clear, too, that around strategic security and best practice there is serious thought required by those responsible.

Executive summary

What role does teleconferencing play in today's legal business, and what are the challenges behind its now almost ubiquitous adoption?

In conjunction with telephone answering and conferencing experts ComXo, we researched business services leaders to find out where firms are on the key issues in teleconferencing: what do firms use conferencing for; how secure is conferencing; what best practice exists in firms around it; and do firms work hard enough to recover the cost of conferencing?

There's a mix of drivers behind the rise of teleconferencing and future 'virtual' meeting technologies. Firms are looking ever more to maximise efficiency and deliver more for less, so teleconferencing has become a daily tool because it delivers group communication on a budget.

When we surveyed 92 law firm business services people at manager and director level across a range of departments about teleconferencing, half of them said conferencing is now "an essential facility", used daily by lawyers or business services. A further quarter of respondents said conferencing is made regular use of on a weekly basis. Less than a quarter of respondents said 'very few' of their conference calls are client-facing.

For many firms, conferencing offers improved value for clients, flexibility (where people are when the meeting is held), availability and the power to reinforce the client relationship in a cost-efficient way.

That's probably why conference calls in law firms are now generally client-facing – for one-fifth of firms, most (>75%) are with clients. Responding to a growing internationalisation of legal services, 24-hour accessibility and support is now also highly important.

And as use of conferencing has grown, so has firms' reliance on it. When we asked people to rank some qualities of conferencing services for importance, they put reliability and security top, closely followed by

call quality/clarity and customer service of the provider – price came last as an 'important' concern.

Firms must change their ways over conferencing security

But when we delved into how firms are using conferencing services and whether they have best practice around using conferencing, these priorities aren't matched by behaviour. Our research shows that firms vary greatly in how secure their current conferencing services are, and in their approaches to security and best practice.

With the number of security compromises in law firms rising, and the impacts on the firm and its COLP of failures around conferencing a real threat, conferencing security is an area that now demands review.

One third of respondents said they didn't know what security their conferencing provider offers – and more than a fifth use systems that are inherently insecure: reservationless walletcards.

The conferencing security challenge facing firms was cemented by our qualitative research, in which we interviewed eight senior managers in a mix of firms. We found that there is a large knowledge gap when it comes to security and best practice. Law firms' conferencing facilities are not as secure as they should be.

This has serious potential consequences, and raises serious questions. Are staff being briefed in conferencing security and data protection? Is there solid best practice for their current procedures?

Profitability is another challenge. Just a third of respondents were able to say their firm can matter tag conference calls to allow for re-charging.

Much, therefore, needs to change in law firms' approach to conferencing – both in security and best practice and when it comes to being able to connect conferences properly to billing mechanisms.

1

Teleconferencing is now a daily essential, and is a central client contact tool

Teleconferencing is a large part of the way law firms now work, most likely because as a service it can deliver on all those pressure points – when it's done properly. The drive for efficiency and the pressures of those 'more for less' needs are strongly reflected in both our survey results and our qualitative research.

Improving client satisfaction through value is one way in which firms are differentiating from their competitors. "What I want to be able to do is offer [teleconferencing] as a value-added part of our service," said one practice director of a 175-200 firm in our qualitative research interviews.

Another interviewee, an IT director at a top 51-75 firm, considers teleconferencing "an extension of our business". Our survey's respondents considered teleconferencing an "essential facility", with exactly half rating it at the highest level of usage on our survey: daily use in the firm.

How often do people (lawyers or business services) use teleconferencing in your firm?

- Daily
- Weekly
- Monthly
- Irregularly

50%
26%
9%
15%
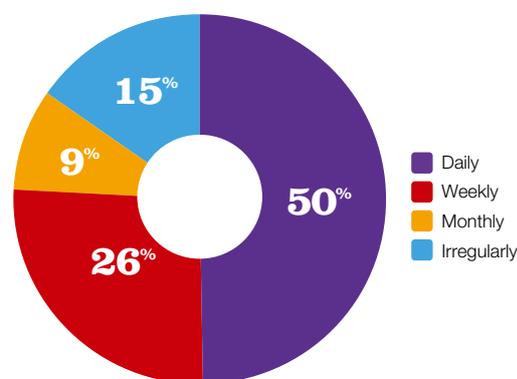
Conferencing: the last open door?

The greatest proportion of conference contact seems now to be directly with clients. Combined, just under half of those polled (46.74%) said the majority of their calls were client-facing.

Our interviewees are often teleconferencing in "business critical" situations, such as "completing a property deal or approaching expiration of a key date", according to a director at a 175-200 firm. But "everything we do is fraught with the possibility of being catastrophic, and very expensive to the client, if something were to go wrong". Outcomes hinge on a teleconferencing provider's delivery, which may not be how those running and buying such services see things (yet).

With such heavy use of teleconferencing, it seems surprising that in many cases firms seem not to have fully disseminated the features of their providers' service, or to see the need to ensure that conferencing matches the increased needs of today. The implications of this could be deep and far-reaching.

What percentage of your conference calls, roughly, are client facing?

- Over half
- Under half
- Don't know

47%
39%
14%

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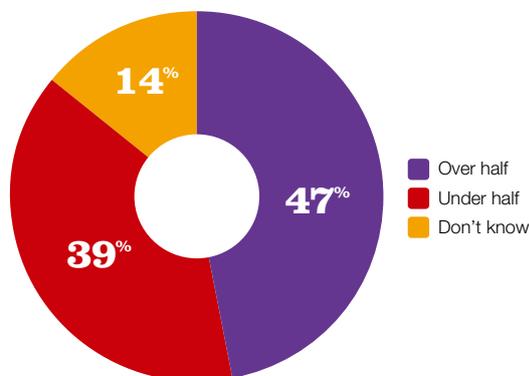
2   Security and reliability – essential concerns, but not always turned into behaviours

> "With a recent experience of someone getting hold of a task code who shouldn't have, we now all need to be more aware of who we're expecting there and making sure that no one else has used a task code, as happened previously."
>
> A risk and compliance director at a top 25 firm

Today's legal businesses need a secure, robust service, and the impact in a changed regulatory landscape of a failure to ensure top-class conferencing could create lasting damage to both firm and client. As one director at a top 100 AmLaw firm put it: "Confidentiality is everything."

Weaknesses in conferencing could expose a firm to a number of undesirable situations. Under the new OFR system, firms and key individuals face punishment for material breaches and non-compliance – and failing to ensure conferencing complies with the new system has a much greater impact on compliance officers than in the past. Liable individuals in ABSs, such as COLPs, COFAs and partners, could face fines of up to £50m. Legal services providers with a £2m or higher turnover could be fined up to 2.5% of revenue (though law firms are, for now, saved by the £2,000 limit). That's a lot of liability for poor conferencing practice. (Though traditional law firms currently only face fines of £2,000, it's almost certain that this will be equalised with the fines that can be levied against ABSs.)

Are the appropriate safeguards currently in place, when it comes to conferencing? For a number of firms, the answer is no. This might have many impacts, from brand perception to compliance failure. If calls fail or become compromised, a firm will have real concern for retaining exposed clients and winning new business. What could be more damaging to a client-lawyer relationship than a breach of trust, especially one so seemingly simple to achieve – like conferencing?

Security is, for many reasons, a significant talking point in legal services – but when it comes to conferencing, perhaps firms need to move from talk to action.

Security and reliability came top of respondents' concerns when asked to rank a set of five pain points around conferencing (security, reliability, call quality/clarity, customer service of the provider and price). If the responses for 'very important' and 'important' are combined, security and reliability both scored 95.65%. But

2

Security cont.

if we look at which conferencing pain points people rated 'very important', a different picture emerges.

Just in terms of people assigning 'very important' to one of the five pain points, security came third, behind reliability and call quality/clarity. Perhaps this explains why, elsewhere in the survey, we found that a significant proportion of those we polled (35%) were unaware of the conferencing security features available to them – security is 'important', for sure... but it should be very important for everyone. Firms may be, at their own risk, therefore neglecting security and putting themselves in the SRA's sights for potential non-compliance.

Over a third (34.78%) answered "don't know" when asked what features are available to them in regards to their service provider. For client-facing contact, this attitude toward security is among a firm's biggest communications threats, and a vulnerability in terms of both corporate espionage and accidental intrusion.

For one head of IT at a top 75 firm, this is something that must be tackled. "The biggest challenge is just to use your education and have employees know what's available to them, as well as what the features do. [Teleconferencing] is relatively new to our users, so it's possible that some might not be aware of its capabilities."

Do you use reservationless conferencing via walletcards?

22%
46%
32%

■ Yes
■ No
■ Don't know

Teleconferencing providers offer a handful of services targeted at the protection of client calls from unwanted, outside parties. In-house systems directly operated by employees, such as Microsoft Lync, cannot offer the same level of options and heightened security.
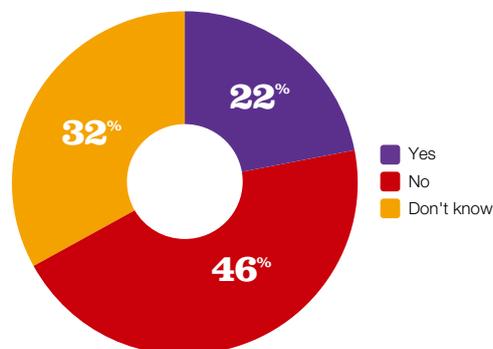
How secure is conferencing in most firms?

Security breaches put reputations at risk. They also impact on revenue, resulting in "loss of client trust and custom", according to one top five firm director – as well as potential litigation.

A director at a top 100 AmLaw firm said that "to be on a call when someone is on that we don't know about would be absolutely horrendous" – and this will happen if security isn't taken as or more seriously than any other element of conferencing. We found a story of an unknown party being discovered on a conference call in just our eight qualitative interviews – so it must be happening on a regular basis.

How important is conferencing security vs reliability for law firms?

Please rank the following areas on a scale of 1-5 as to how important they are when choosing a conferencing provider
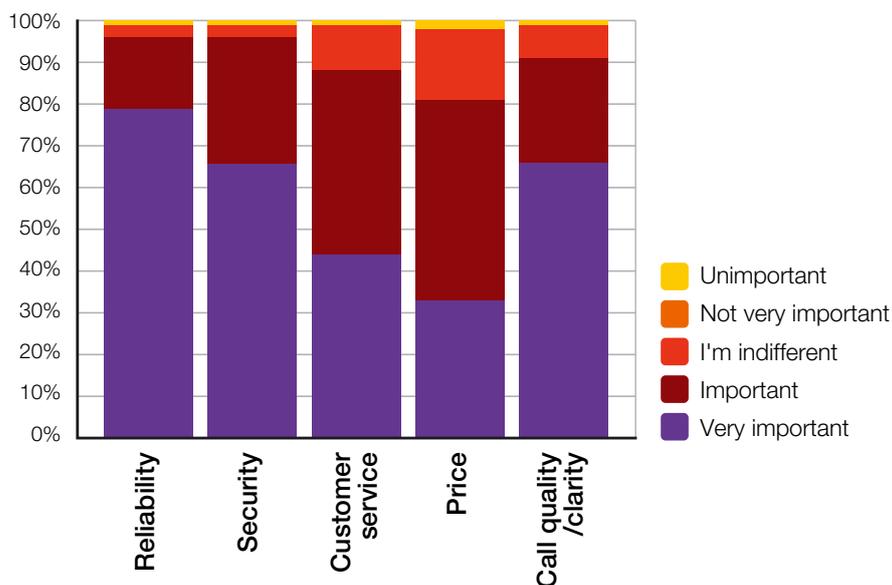
A particularly vulnerable conferencing method is reservationless conferencing using 'walletcards'. Just over one in five respondents' firms use reservationless conferencing via walletcards (21.74%). Use of reservationless walletcards exposes the call to outside intrusion – its system of using permanent access codes is prone to misuse. But firms continue to use them – a worryingly accurate mirror of our importance question: firms are still putting reliability and quality above security.

One top 25 firm director said that having this happen spurs a firm to do what probably should have been done before. "With a recent experience of someone getting hold of a task code who shouldn't have, we now all need to be more aware of who we're expecting there and making sure that no one else has used a task code as happened previously."

A top 125 firm CEO said that understanding the vulnerability is a new thing for firms. "One thing we didn't think about before this is that someone can pass on their task code to someone else and they can sit on the call as well. This is something we now need to think about more."

2

Security cont.

The reality around this is that hackers and corporate spies are more likely to target and gain unauthorised access to firms than their clients, because of this lack of attention to security.

The best practice gap

Most firms seem to lack proper best practice to follow when a call is compromised. "There is no policy regarding this at the moment – and if there is I am unaware of it," said one risk and compliance officer in a top 25 firm.

Prevalence of internet conferencing, from services such as Skype and MeetingZone, is also widespread, according to our research. Despite the security issues inherent in that, "we accept that both the sites aren't as secure as we need them to be," said a practice director for a 175-200 firm.

"We have a procedure in place in which we don't give out any confidential information during a Skype call," the practice director added. "If any details change or someone leaves the firm, we email MeetingZone – and we have a practice in place where we do this straight away. MeetingZone then reissue or block the cards of those who have left the firm. All employees, if and when they leave, have to give their cards back to us. Then we block them."

One CEO said his firm's best practice covered only "some guidelines on making sure we know whom we're speaking to and what we are saying – particularly when you're handling client confidentiality". Best practice is a growing concern, as staff "think they only need to phone somebody up and get people to join [the call]".

Internal solutions such as Microsoft Lync are being increasingly used – an international director of implementation of a top five firm said it is "used now for executive meetings with participants around the world" at their firm.

Systems like Microsoft Lync offer a firm capability to add people to calls as and when the need arises, but though they provide a flexible approach to conferencing, this approach exposes lawyers and operational staff to security breaches almost as much as walletcard reservationless calls do. And, as these systems are also subject to bandwidth capacity limitations, they also present further reliability issues.

So, how secure is your firm's conferencing? If our research is indicative, the answer may be 'not as secure as you'd think – or like'.

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3 # A systemic failure to recoup revenue from conferencing

36%

of law firms questioned don't have the ability to tag a conference call to a matter

Every element covered in this report impacts revenue and profitability in some way. But even if firms have formidable best practice and security, might they still be losing money on conferencing – a technology they probably adopted to be more efficient?

Those firms that do not have the ability to tag conference calls to matters are probably losing revenue unnecessarily – it's a double hit of 'actual call costs' and 'time spent on-call'.

Over a third (35.87%) answered "no" to the question: "Do you currently have a facility that allows you to matter tag conference calls to enable you to re-charge clients effectively?" A further 33.7% answered "Don't know". Therefore, less than a third of firms seem likely to be connecting conferencing directly to matters – despite, as we found earlier in the report, half of them now conducting the majority of conference calls on client time.

As an example, one top 125 firm's CEO told us that their firm "manually tags calls after it has taken place – there is no automatic process in place". Capturing revenue/cost this way is not only time consuming, it is also unreliable, possibly inaccurate and not transparent.

In the firms that do connect conferencing to matters, users are reaping the benefits. "It's a two second process," said a top 51-75 IT director.

"When everything's working and meetings aren't changed or broken, it's brilliant. Not only is setting up [calls] automated, it also provides an automatic tag that is chargeable for clients. It does all of it automatically, so no one else needs to get involved, ie accounts and so on.

"It is so valuable – revenue isn't lost and people in the firm don't have to go through any other procedures. It is just easier."

Do you currently have a facility that allows you to matter tag conference calls to enable you to re-charge clients effectively?

- 30% Yes
- 36% No
- 34% Don't know
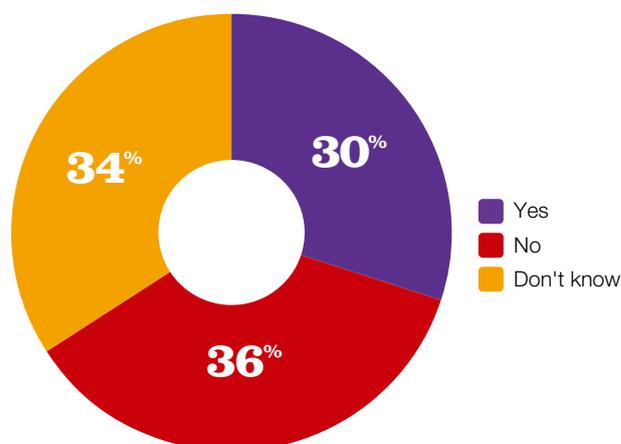
4 # The future's bright – and it's collaborative, online and about group communication

> "We are putting the infrastructure in so that people can work from home as if they're in the office and that, to me, is going to be quite revolutionary when we get there. I think in 5-10 years' time, video and teleconferencing will be like email – we'll be struggling to remember when we didn't use it."
>
> A practice director at a top 200 firm

With conference call quality fast improving with certain providers and new products being rolled out regularly, users are excited about the future of teleconferencing.

"[The recently announced] Dolby 3G effect would make [calls] sound miles better. I know there have been developments in the technology around all of this and it would be nice to see," said one interviewee.

For one practice director at a top 200 firm, it's about driving mobility and enabling a more distributed firm. "I want [staff] to start using [teleconferencing] remotely and setup calls remotely, too. Internal meetings are becoming a bigger feature as time goes on. We also need a completely electronic matter file to facilitate that, which is something I am aiming for."

"We are putting the infrastructure in so that people can work from home as if they're in the office and that, to me, is going to be quite revolutionary when we get there. I think in 5-10 years' time, video and teleconferencing will be like email – we'll be struggling to remember when we didn't use it."

But for many firms, there's not enough recognition of the need to increase their conferencing capability – as one top 51-75 firm IT director put it, there's "no pressure to change; no issues". This is, of course, not true – security is a far more serious issue in conferencing for firms without good provider understanding, knowledge and capability in the area, and some firms are losing money on calls unnecessarily. Poor conferencing practice can also destroy a client relationship.

Conferencing is a huge boon to firms, enabling mobility, driving up availability, creating easier, better ways to talk to clients and enabling internal communications. But it is also a security vulnerability and a brand reputation risk, and firms must ensure they have a system or provider that can attend to these vital concerns.

5

Who, what, why

A short explanation of the survey

Between June and August 2013 we polled 128 people of whom 92 people carried out our survey in full – to whom we refer in this report as our 'respondents'.

Our respondents were made up predominantly of executive/director/C-level people (34%) and managers (45%). partners, supervisor-level staff and solicitor/ other levels made up the rest of respondents.

Our respondents represented a spread of business services in legal, the highest proportion being IT (28%), then finance (23%), operations (18%) and HR (10%). The remaining 21% work in risk/compliance, KM and facilities.

About ComXo

ComXo is a specialist provider of bespoke, value-added managed telephony services to organisations with global footprints and complex needs, particularly in the professional, financial and legal services sectors.

Combining talented people with our own proprietary technologies, we provide a range of virtual switchboard, multivoice conferencing, business continuity (BCP) and telephony solutions that mitigate against risk and enhance revenue opportunities.

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LSN is a publishing, media and events company wholly focused on business services and support staff in law firms, whatever role they're in.

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92

respondents representing firms from the top 5 to the top 200, in the UK and the US

79%

of respondents are manager, executive, director or C-level management in legal businesses

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