MOVING YOUR INFRASTRUCTURE TO THE CLOUD:

What are you waiting for?

Legal IT Insider and enterprise cloud provider Nutanix gathered with law firm IT leaders from some of the UK’s leading firms to discuss where they are on the journey towards moving their infrastructure to the cloud, what the barriers are, and what the roadmap looks like.

Despite wide adoption in other sectors, most law firms are still at the very beginning of their journey towards moving their infrastructure to the cloud, albeit that public consensus and, you could argue, sheer common sense suggest that is the direction of travel.

Much centres on the client: financial institutions, for one, are positively allergic to the word cloud when it comes to their legal advisers, although internally the picture is often less clear.

In something of a volte-face, security is now mostly a driver rather than inhibitor, and wherever they currently sit on the cloud roadmap, most big law firms are looking seriously at their cloud options.

But with a mishmash of case management systems and a legitimate fear over performance and cost issues, the real question is not just when but precisely what arrangement to put in place.
The Current State of Play

If you take our group of seven respected top 50 UK law firms from magic circle down to mid-market as a highly informal metric for gauging cloud uptake among law firms, you get a fairly representative insight into the wide spread of experiences across the sector, with only one, Cripps, fully in the cloud, and the majority at the start of their journey.

Speaking at the roundtable, which was chaired by former Clyde & Co global CIO Chris White (now at HFW), CIO Jo Owen said: “We are fully infrastructure as a service with AWS, we’ve moved the lot.”

Cripps opted to move to AWS prior to Owen’s arrival in October 2017, thanks to the firm moving from three different offices to one. Owen said: “We needed an IT strategy to back that up. The firm had a couple of options: to stay on prem and invest in hardware or move to the cloud. They had a beauty parade of various suppliers and chose what they felt was the best supplier to do that.”

Cripps doesn’t play in the financial institutions markets unlike magic circle firm Slaughter and May, where head of systems and infrastructure Mark Sawyer said: “We have a very small amount of infrastructure in the cloud. I’m interested to see what we can move to the cloud but our banking clients are hyper cautious about their data and quite insistent that cloud is not the thing to be done at the moment.”

If firms are using the cloud in any meaningful way it is likely to be private cloud, and that is the case at Charles Russell Speechlys, where infrastructure and security manager Andrew Wilson said: “We’ve invested significantly in our own private cloud as opposed to public cloud and while we’re keeping an eye on the market to move our infrastructure and services into the cloud we do have some services applications already in the cloud.”

The private cloud decision was borne out of the merger between Charles Russell and Speechly Bircham and the need to merge those two firms’ infrastructure. There were different infrastructures and platforms on both sides and some of them were in need of a refresh, Much like at Cripps, ‘there was a decision to be made on a technology whatever that technology happened to be,” said Wilson.

But many firms are at the stage of actively looking at their options and Jeff Wright, operations director at TLT, told the group: “We’ve got no infrastructure in the cloud and are currently looking at our options as part of a major change programme.”

Neither Freeths or Gateley have a cloud strategy but both are looking at options and at Freeths, which is on the hunt for a CIO, senior implementation manager Kathryn Gray said: “We don’t have a particular cloud strategy but are midway through a massive transformation plan and keen to learn what the key considerations are in moving to the cloud.”

And from Gateley (we have to stress speaking in a personal capacity as Gateley is listed), IT solutions delivery manager Jas Bassi said: “We haven’t yet moved to the cloud, although I’d imagine like most firms we’re looking at our options.”
The Barriers

It feels as though cloud has been on the agenda forever and once upon a time law firms cited security as a major barrier. That has, particularly since the cyber-attack that temporarily felled DLA Piper, largely been flipped on its head as law firms increasingly recognise that cloud providers, who invest millions in their security arrangements, represent a safer bet for client information than the basement.

Wilson said: “The questionnaires come in and one of the first questions is some form of compliance: are you ISO compliant and where is our data. Some of our clients are surprised we’re not already in the cloud. So, at some point we’ll have to use a hybrid solution because clients like the idea that it’s in the cloud because their perception is that it’s more safe secure and flexible.”

Speaking at the roundtable White said: “Putting the client to one side, I’m interested to understand if there are any other blockages to moving. What is stopping people moving? Round about 2009, I spent a while working for Mimecast and in those days people had real concerns about moving the cloud. They cited security, they cited data sovereignty, they cited ownership of data and IP and by and large most of those are concerns that any cloud provider worth their salt these days can overcome. Even Microsoft have overcome data residency issues by putting data centres in various jurisdictions around the world. I’m just interested as to what resistance we find in law firms to moving to the cloud. I think one of them is probably IT people who want to keep power themselves.”

Owen said: “We have challenges around service delivery and our internal IT team say, ‘we still want to have control’. We have a Citrix environment which has turned out to be a success but because our service provider delivers Citrix front end in to our hosted environment our IT department find it quite scary because it’s outside of their control and they don’t like it. Which I understand because if it goes wrong they can’t fix it.”
Performance

For many firms the big concerns revolve around performance and cost.

TLT is a mid-size law firm with a mix of transactional volume work and more complex advisory work, Wright said: “We’ve got more than our fair share of case management systems and have grown massively in the last ten years by organic and inorganic growth, and with the inorganic growth we’ve acquired some more case management systems.

“One of the massive barriers is the technical achievability and the fear about performance when you see what you’ve got left. That’s because what we spent the last 15 years doing is buying best of breed apps and putting massive amounts of effort into bolting them together. So now we have a million things plugged in to our document management system and Outlook, and reverse plug ins to our case management systems and what stuff goes into the cloud? Can you stick it all into the cloud? And what does that performance look like when you look at all the handoff points between the systems and the complexity and ugliness of what you’ve actually built.

“So that’s a huge barrier certainly for mid-size law firms and I would imagine has some applicability for small and large.”

“I understand the complexities around the integration of all the system but is it not getting easier to integrate?” White asked.

“It’s not so much the ease of integration but what does performance look like,” said Wright. “Does it all go out? Do you keep some of it in and put some of it out? Can you put it all out and into the same place and get the same performance, it’s that kind of conundrum that we need to break through if we’re to make that transition.”

For Cripps this wasn’t such an issue because, Owen says: “We put everything in the cloud: we had the same integration in the cloud as we had on prem. It was the skills and the processes behind it we had the challenge with.

“The only performance issue we had was we put everything in AWS except for email, which we put in Intermedia. So, there were some challenges with things like scanning to email which went from Dublin to Reading and back again, so that had a performance issue other than that we didn’t have an issue,” she said.

The real lessons at Cripps were around licensing and service delivery. Owen says: “There’s a lot we have learned along the way particularly around licensing. We are fully multi-tenancy environment and our licensing doesn’t support that so the total cost of ownership of that is far higher than it should be and we’re looking at our options for that.”

Conversely, one of the biggest lessons Cripps learned is that the infrastructure “is not that hard - it’s just tin.” Security similarly. “We had a few hefty security SLAs and we went to the clients and said, ‘how do you feel about us moving to the cloud?’ and they said ‘What, you’re not already in the cloud?’” Owen said.
Questions about the cloud are a fixed feature of most RFPs whether your clients are financial institutions or not.

Speaking at the roundtable, Legal IT Insider editor Caroline Hill said: “The client issue comes up time and time again. I spoke to Neil Davison at Farrers - they are moving their infrastructure to the cloud - and I asked how he had addressed the client issue. He simply said: ‘We have used Mimecast for years.’ I think firms are starting to be more confident in the way they approach the client.

Wright said: “We’ve been called out on that very point by a client in the last few months. We’ve just gone through an extensive client audit as part of an enormous tendering process. We answered the question very honestly on what cloud services we use and explained that our relationship with Mimecast is twice as long as our one with the client, and we got castigated for not asking permission even though the security question came long after. We’ve had to retrospectively gain permission.”

Sawyer said: “People are saying ‘we’re already in the cloud because we use Mimecast’ but we’re not using Mimecast. So, we’ve got to go through the process now of going back to the client and going through that whole process of ‘this is what we’re going to offer.’

“I know Slaughter and May is known as very traditional, do you think if the partners were different they’d be likely to say ‘don’t be so silly?’” asked White.

Sawyer replied: “It’s really the banking clients, which have massive procurement functions, and we have teams of auditors who come in for a week and a half or two weeks and they come away happy but they say do not put our data in the cloud.”

“How does this reconcile with the fact that we hear that fintech makes lawtech look so behind when it’s financial services causing the problem?” asked Hill.

Bassi said: “The investment banks are a bit more advanced but the retail banks, unless they are challenger banks like Metro, many of them are still using legacy technology, legacy platforms and legacy processes around that.”

Sawyer added: “But they are also using cloud - we know they are using the cloud to try to cut costs.”

In fact, cloud is hard to avoid, and Nutanix regional director, enterprise James Kenny said: “Everybody uses SaaS services everybody uses Office 365 we are all using some form of cloud service. We might be backing up into an environment which is ultimately offloaded into a public cloud but everyone is using it.”

Sawyer said: “I think eventually [banks] will flip round and say ‘we aren’t paying for all this expensive on premise stuff.’

“I think the solution is going to be hybrid. You’re going to get the 80/20 rule. The majority goes into the public cloud because it’s sensible, secure and you’ve got the full availability. But you Mr Client if you want your stuff in the basement we can do it.”
Cost

Cost is where the practicalities start to bite, and Kenny said: “Our experience with public cloud is that security is just fine; data sovereignty - fine; service levels - fine. Our experience is, wrong workloads, pigging expensive.”

Nutanix, which is something of a hybrid cloud broker, melds private, public and distributing cloud operating environments, with predictable workloads kept on premises in Nutanix and elastic in the cloud.

Kenny said: “IDC says 80% of workload in most businesses are predictable and for those workloads it’s typically half the price to have those services on premises. For the remaining 20% which are elastic workloads it’s about 25% of the cost to have them in the public cloud. We adopt that ourselves. We have Salesforce and ServiceNow and a whole load of other providers so we see cloud as the Big C rather than just private or just public. It’s multi cloud/hybrid cloud. That’s what we’re helping our customers with.

He adds: “Have you heard the car analogy for cloud? If you go to work every day in your car you should probably buy the car. You wouldn’t rent a car. But you go on holiday to the US for two or three weeks are you going to buy a car? No. You’ll rent. It’s horses for courses. And at Nutanix we’re trying to help customers where it makes sense to have on prem IT requirement to help them to do that and to assess if it should be on prem or not.”

Cowan said: “Our CIO came from an interesting background at Yahoo and then GoPro; she’s not part of the engineering team and she’s not part of the sales team and she inherited a mixed bag of technologies and had to make sure that our hybrid cloud model was best suited to enable the likes of myself, James and everyone else to be as efficient as we can be.

“So our website is hosted on AWS; we use O365; Salesforce and Workday where it makes sense but all the on prem stuff - Oracle, SQL and predictable workloads in our datacentre on Nutanix and that was the first thing we did because she said if we’re not eating our own dog food or as she says drinking our own champagne then why should anyone else be. And the cost savings she has delivered as a global CIO of a scalable company are incredible, because she’s accepted the fact that the end goal is hybrid.”

Nutanix acquired Indian SaaS company Minjar in March whose focus is to optimise public cloud utilisation. Cowan says: “You enter your AWS credentials and they go out and scan all the instances associated with that account and tell you you’re spending XYZ million and if you did this that and the other, with one click to improve that optimisation you could be saving this amount.”

What’s interesting is that law firm IT departments don’t appear to be on the hook for delivering cost savings in the same way as teams in other sectors are.

Cowan asked: “Are law firm IT departments being challenged to take the cost out of the business? Because outside of legal, in financial services, insurance, property and even the accountancy firms, most of our first conversations we have are ‘what does the cloud mean to you’; and ‘what are your objectives for the next 12-18 months because we have to save 5-10% of costs’ and so far I haven’t heard any of that as an objective.”

Wilson said: “Over the last few years investment in IT has increased but the business is looking to IT to deliver cost savings, whether that’s going agile and reducing office space.”

White asked: “So am I right in thinking we’re required to drive down day to day operational costs, so we can spend a large % of our IT budget on investment in the business to provide a better service at a lower cost?”

Wright said: “That’s part of it but not all - most is investment to drive efficiency in the way we deliver services to increase profitability.”
The Roadmap

In real terms, what are the next steps for people in terms of moving to the cloud?

Well, vendors may be forcing change, as Sawyer observed: “We’re getting to the stage where only SaaS will be available and they will do the knitting together, the disaster recovery, they’ll do everything.”

White added: “Most providers are going down that path and their future roadmap is all SaaS and pretty soon they won’t provide any on premises services.”

Wilson said: “Although we’re focusing on infrastructure where we see the two strands of the cloud are infrastructure as the cloud and what that means to the IT department but there’s also cloud service offerings from an application perspective to the business. So our business units are going out and demanding new platforms, new services from their vendors or vendors that we work with and there is no on prem version of some of these services. Some accounting systems and HR systems are becoming cloud only.”

“So you wouldn’t be averse to using the public cloud?” asked White.

“No but also aversion implies choice,” Wilson said, “and with some of these things, if the business has defined the scope of the application it needs to support its own internal processes and the only offering happens to be a cloud service offering, then we have to link up with that.”

Is the future hybrid? Sawyer said: “I’m sceptical that the future isn’t just public cloud. We have problems using it but I don’t know that won’t flip. At home I don’t have to pay for any infrastructure: I use Google and O365 why is that different when I come into the office and why does a partner have to pay?”

Cowan said: “The boomerang effects we’re seeing is that public cloud isn’t that new and people are coming back to us to save money. The end goal will be a split because of legislative; regulatory; cost; mindset; process. “There won’t be one solution for all.”