What now for LexisOne?

The sale in January of legal ERP LexisOne by LexisNexis to SAGlobal inevitably caused a few shockwaves in the market and sparked a fairly lively debate on the Legal IT Insider website over the future direction of the practice management system market.

We spoke to SAGlobal’s CEO for the Americas, Whit McIsaac, about the Microsoft partner’s strategy, roadmap and why customers should feel reassured that the LexisOne IP is in good hands.

Whit tell us about SAGlobal, both from a technical and legal perspective

“I merged my companies into SAGlobal last year - Legal360 and also AEC360, and I’ve been working with the guys there for four years. We’re close friends and we’ve worked on a bunch of projects - we bring CRM and they ERP, and we have built some integration tools and BI functionality together. Ultimately, we felt we wanted to take our solutions global. They wanted to move more into CRM and front office solutions (they were in with the accounting, media, architect, engineering and consultant sector). We work with architects, engineers and the legal sector. So there was a lot of synergy and they wanted to go into legal and we wanted to move into media and accounting.

“We talked about JVs and all sorts of idea and we decided it was best to merge together. In 2017 we were Microsoft’s global partner of the year and the following year it was SAGlobal. Between us we own nine Partner of the Year awards and there’s a lot of similarity in the way we do business. So, we merged groups and integrated our IT.”

How did you get to know Lexis and how will you integrate LexisOne?

“There was a project that about two years ago we worked on with SAGlobal. A very large regional tax advisory firm was on Elite and they wanted to get to Dynamics for CRM and ERP and practice management. SAGlobal brought a company in to see if their IP was ready for this group. That company was called LexisNexis. So ultimately it was during Microsoft’s transition year [from AX to 365] that’s how long ago this relationship started getting forged.

“In the end we didn’t use the Lexis functionality but SAGlobal built what this accounting firm needed - referred to as Projects+.

“While LexisOne was doing its thing, SAGlobal were building their professional services project matter engagement system, which is what we were integrating Legal360 with. So, the objective is to take the IP that Lexis has invested in and the IP that SAGlobal has with Projects+ and to merge that functionality. Projects+ has about 40-45 clients globally. We’ll let the market tell us what they think but we think it’s a pretty compelling offering.

“What we’re looking to do is infuse a massive amount of law firm expertise to combine that with the team already in place at SAGlobal. We also want to integrate Legal360 CRM and the experience management tools we’ve built on Dynamics into this package, so it becomes an end-to-end solution.”

What didn’t work out for Lexis and how will things be different at SAGlobal?

“A bit more history may help us answer this. 45% of the projects that SAGlobal does are projects where another partner was involved, so we come in as the second partner and take what’s already been built, extend it, reimplement it, reconfigure it. Not that those partners are bad, or their technology is not good. The SAGlobal team has been working with this Dynamics product for over 20 years and are very highly skilled. They have built software for Microsoft and some of the largest professional services firms around the world. There’s one going in right now that has 47,000 users in the advertising/marketing space that is using Dynamics 365 with Projects+.”
What is more important, the tech experience or deep legal knowledge and experience?

“There was a significant reason that we’re bringing the team across from Lexis and that’s because not only did we want legal expertise, but we wanted it on this side of the pond. We want to be a major player in the legal market and have a platform to drive Legal360 into the market place and having that team on board is huge.”

What changes will you make to the product?

“We’re going to let the clients help guide us with that. We’ve also got a Power BI team under our umbrella and I’m sure we’re going to extend the business intelligence capability. The other thing we’re going to do is that the integration from the CRM with the back office now becomes the same database, so once I do a client plan and manage all the activity and the information surrounding that new client or new instruction, I don’t have to do anything other than open a new matter via the system.

“The idea of a massively complicated integration between front and back office doesn’t then exist any longer: data flows back and forth between the systems. So, when I’m out pursuing work I have the luxury of knowing how much work we’ve done for which client and who the time keepers were and if we were successful and who the outside parties are – it’s an extension of the CRM that law firms haven’t had historically.”

Who are your target firms?

“Microsoft has a block of about 750 law firms that fit on their premier client list - their major law firms that have invested heavily with Microsoft. Our go-to-market strategy is really closely tied to those top 750 firms that Microsoft is engaged with and that have invested in Microsoft technology and from a business strategy point of view, that puts us in a good position because Microsoft already has good relations with those firms. But what we’re planning to do with this platform makes it very easy to go down market. I don’t know how far down we can get with a cost-effective solution but I’m thinking 100 timekeepers on the lower end. And then Microsoft has some technology called Business Central for smaller businesses.”

What has been the customer reaction to your acquisition?

“They are curious. They needed clarity. They had lots of questions. And some of those questions we’re still in the process of answering. One thing that is clear from everybody is that having this IP in the hands of SAGlobal is very reassuring. It’s a large, stable, reliable professional services organisation that has a large footing.”

Change inevitably makes people nervous, how can you reassure customers that you are in it for the long-term?

“The company continues to enjoy significant controlled growth, profitability, zero debt and a relationship with Microsoft that very few other organisations have anywhere in the globe.

“Vendors in this space need to do something architecturally significant to move to the next generation. The market is going to be demanding more state-of-the-art platforms and a cloud platform that offers the security that law firms need to have.”

Quote/Unquote

“Well it’s really well attended, but then legal ops people come to the opening of a paper bag, don’t they?”

A delegate at CLOC gives a not complimentary compliment to the well-attended event.

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