Another year, another LegalTech, another missive from the generous host of people who contribute to this document, with a light editing touch from yours truly. It's the ninth year of this report, and as in previous years I was accompanied my partner in New York "crime", ACH Legal's Ann Hemming (aka Mrs Haslam), which means you get a double bonus of input on the Knowledge Management and Learning & Development side of things, as well reports on the meetings I had with some fascinating (non-eDisclosure) people. Of course it wouldn't be LegalTech without a focus on the litigation support side, with its equal share of interesting and thought provoking individuals. I have had a good crop of real world, occasionally spikey, comment, some of it attributable and some of it off the record, all coming together to form a powerful mix of comment and news interleaved with personal viewpoints. I have had to filter a bit more sales blurb than normal this year, but even that has the occasional nugget of insight, or corroboration of trends. As ever, my most grateful thanks to all contributors, any errors are mine and mine alone.

Each year I try to identify a theme for the article to bind the different strands together. This year I found that LegalTech crystallised a lot of my thinking around the emerging trends in our industry. Before I arrived at LegalTech, I'd read this excellent article by Peter McCann on the reasons for attending, which contains this paragraph (The bold text is his highlight):

*"Recognize that you are in a hive of activity. Power through awkward social moments. Understand that the people around you have insights to your practice, to your business and to your mind. **Ideas surf through conversations, building energy along the way until they crash into to a completed form in the mind of a lucky person at end of the discussion chain."***

This article contains several "completed forms of thought" that came together over the course of the three days. Foremost of these is the undeniable evidence of the consolidation that has occurred in the eDisclosure/Discovery marketplace. There is also commentary on the move to the Cloud, Data Privacy, Information Governance, AI and the Law and puppies. Yes, puppies, but more about that in a little while.

Here we go.

After two years of disruption caused by snow, the "Snowmageddon" that does seem to be an almost annual occurrence in the United States around this time of year had the good grace to hit New York the weekend before the event, shutting the city until Tuesday. Unlike the UK, the US really is prepared for these kinds of things and by the time we arrived on the Saturday, all the snow was in manageable piles in Central park, and the conference itself passed off in almost UK-like weather of warm rain interspersed with sunny intervals. Unsurprisingly, that means we have no comments about moving either the show's location or date. It is worth reprising why we are there at all, from 2015, an anonymous source says; *"The reason why Legal Tech takes place when it does is because it's the quiet period for the hotel business in New York and it's before the hoo-hah that is the Super Bowl. That's why there are always lots of good restaurant deals in town. I also happen to know that the reason why it still continues to take place is at the Hilton Hotel is that there are no other comparably-sized venues in the centre of town that could host such a large event. I know that they have looked for alternatives. The other key factor is that attendees will not go to some off-island hotel in New Jersey for a conference."*

Let's start with our usual look at the hotel. Having lambasted the Hilton last year, they did seem to have tried harder this time around. The main bar was back and the restaurant was open to unreserved seating at lunchtime, meaning you did have somewhere to eat your expensive sandwich. What was noticeable was that the open space at the front of the hotel, previously used as a drop-off / taxi rank area, had gone, being replaced by two (currently empty) retail outlets. The impact on the traffic flow outside the hotel was fairly horrific, but it is outside most of the New York hotels, so possibly that's why the planners agreed to it.

Having said that, the few sofas that used to be tucked discreetly around the sides of the main lobby had gone, the Hilton seems to prefer to keep people moving.

There are some paragraphs of this article that feel I can almost cut and paste from year to year under the heading of "plus ça change", in the interests of full transparency for my readers the following is one of them.

For regular readers of this report I can pass on the good news that the octogenarian trio who run the single coat check facility on the conference lobby area are still alive (I hesitate to use the word "well" as that would imply some improved alacrity or movement on their part). With the queues regularly reaching the 20 minute wait point, I followed a good bit of pre-show advice and either braved the cold, or used my light weight walking jacket, which I could stuff into my conference bag.

The real gripes were saved for the exhibition area.

In the UK at the moment, there is a whimsical advert from a price comparison site that starts with the premise of High Definition Electricity, derived from unicorn horns, that makes light's brighter, cooks food faster, and powers everything better…. "Hang on, there's no such thing as HD electricity, so why pay more?" is the dénouement.

I think the Hilton has got the same delusions about their power supply, as one vendor confided that, after booking four conference rooms for three days to use for client briefings, they had originally been quoted $1,000 per day, per socket to plug in their computers and monitors. Needless to say, there was a full and frank exchange of views on what the vendor was already contributing to the Hilton coffers and eventually the charge was waived.

Perhaps it's a New York thing? When Ann and I checked into our room at Le Parker Meriden (and to scrupulously fair, we had a free, unasked for, upgrade to a very nice suite, albeit without the view we'd paid extra for) we were surprised to find that what we had taken to be a fridge, what looked like a fridge and was stocked as a fridge, was an "unpowered storage cupboard" and if that we needed to chill any medicines or other personal items (like say, the tonic we'd bought to go with our duty free gin), we should "call housekeeping". We made do with the ice machine.

In previous reports someone commented that; "*The complaint was that all trade shows are expensive, but that LegalTech (and more specifically I suspect, the Hilton) was worse. I also suspect NYC unions are stronger than many other American cities and that drives costs up even further.*" Last year I reported on how Handshake had refused to pay the rate of $600 to rent a 40" TV for three days, bought one for $200 from Amazon Prime, had it delivered to the hotel and raffled it off a prize afterwards.

This year I was involved in organising a launch party for the LTC4 eDiscovery Competency Standard (more on that in a while) and we used a room in Le Parker Meridian. Again to be fair to the hotel, the room and charges for the drinks were within the spectrum we expected, but the sting was when we asked about the provision of a microphone for a 5 minute presentation; ($400 for the equipment plus $300 in admin charges and taxes). (One of the LTC4 members from New York confirmed this was the going rate for the provision of Audio Visual equipment.). We bought a very nifty Tailgater speaker (with microphone) from Amazon for $120 including delivery, used it, raffled it, and it went home with a very happy Mum, to be used by her two teenage boys.

The same organisation that fought the $1,000 socket charge also passed on a rumour that the Hilton was claiming that the reason why the conference floor Wi-Fi was so bad was because one of the exhibitors was trying to ruin everyone else's demonstrations by putting a blocker on the network. The general consensus was that this was the Hilton trying yet again to justify the prices paid for an atrocious service.

The Warwick hotel across the road came under fire as well, mainly from people who had (this time around) booked into The Sheraton. Poor service, expensive rooms and, above all, slow and squeaky lifts, were the triumvirate of most repeated reasons why they had moved

One of the background questions I always have, is if the show will end. I think it is certainly getting smaller, and if it gets small enough, though it might not end, it might change venue. We shall see.

I always compare LegalTech to the Edinburgh Festival, where the real action is in the Fringe events. You need the Hilton to act as the anchor for all the off-site meetings, demos and interesting stuff, but its flagrant disregard for the "punters" is building a deep sense of resentment. We need the conference, do we really need the aggravation. Both during and after the event, I spoke with people who were so busy with all the off-site activities (i.e. the ones where they justified their existence and made most effective use of their time) that they did not visit the exhibition halls at all.

During my time walking around I noticed that there were less booths at the perimeters of the floor, along with no training firms in the area normally allocated to them. I thought that the number of delegates seemed to be down as well.

Litsavant's Mark Dingle; *"I spoke to a company who were operating their first Legaltech booth. They told me a little about the costs involved (for the booth and also for ancillary "services" such as tables, chairs, electricity, barely functional Wi-Fi). I must admit to a little shock – no wonder booth presences are getting lighter."*

Yerra Solutions had this to say; "*Two takes on LegalTech from a 12 year veteran and a newbie staffing the Yerra Solutions booth. Newbie: "How many eDiscovery companies can there possibly be?" Veteran: "There seem to be fewer eDiscovery companies here this year.*"

Control Risks' Satinder Soni added; *"….But if I had a booth, I would have been disappointed as there didn't seem to be enough prospects / potential buyers – just more suppliers."* Whilst DTI's Lorraine Medcraft noted; *"A notable absence of some big players in the market from a booth perspective, ourselves included. I suspect this is the shape of things to come as the more established vendors opt to network and host outside of the actual conference. Not necessarily a bad thing if that means that the event becomes more accessible for new and emerging technologies and firms. And it was refreshing to see fewer ED providers and more variety of offerings."*

TRU Staffing Partners' Jared Coseglia on the volume; *"Booth patronage was down 30% (because of consolidation and price compression there are less actual vendors in legal technology than ever before; and smaller companies yet to be acquired spent their money on suites, not on the showroom floor)".*

Consilio's Matthew Davis, can normally be counted on for a pithy insight or two, this time like the cat Macavity, he wasn't there; *"Although I was in New York, I barely made it into LegalTech as I was busy with various external meetings. As such, I don't really have any feedback to give this year. I am sure that others will fill the gap!"* I had a similar response from long-time collaborator Jonathan Maas at Huron (now joined with Consilio), external meetings kept him away from the show itself.

I'll leave the final word to CloudNine's Doug Austin; *"It seems to me that LTNY has become almost more about the meetings that are conducted at the show than the show itself. ALM always does a great job of providing informative sessions and, based on the sessions that I attended, the content was as strong as ever. At the exhibit hall, it was definitely noticeable that there were less exhibitors than there have been (on our eDiscovery Daily blog, I noted that the number has dropped 30% over the past four years). It also seemed that most of the people that I spoke to had either not been to the exhibit hall at all or had only been there briefly. Many of them were so booked with meetings in and around the show that they hardly spent any time at the show itself. Nonetheless, as the biggest show of the year, LTNY is useful in bringing everybody together for those meetings."*

Let's explore the conference itself.

In, what has become over the past six years, a regular element of the show, Inside Legal do an excellent job in creating a word cloud from the agenda and musing upon what topics are "hot" in 2016, and what has changed from previous years. See their full article here. I've shown below the clouds for last year and this.

LegalTech New York 2015   Agenda Word Cloud

Legaltech New York 2016   Agenda Word Cloud

To my eyes, eDiscovery dominates as ever, but Information Governance has been supplanted in second place by Data Risk (I'm discounting the words Discussion and Sponsored), whilst Analytics is still in fourth place (or thereabouts). Bear in mind this is a pre-show analysis using the agenda as input, and I think this time around it's slightly misleading as to the main takeaways from the conference as far as I'm concerned. These clouds make no real mention of the Cloud, and I think that is missing a significant trick.

What did my contributors think?

Mark Dingle thought; *"There seemed to be two dominant themes for this year – eDiscovery finally taking its metaphorical place as the "tail on the Information Governance dog" and data privacy."*

There were very conflicting views on data privacy.

kCura's David Horrigan; *"Of course, American and European negotiators made the end of the Safe Harbor Framework and the new Privacy Shield a big topic by announcing their agreement during Legaltech."*

Consilio's MD Drew Macaulay; *"The big change since my last visit to Legaltech was the number of corporations and law firms that seemed genuinely interested in how to achieve their eDiscovery goals while remaining compliant with these restrictions, rather than just interested in whether fines were really likely to be applied for moving data to the US for processing and review. This interest manifested itself in the form of detailed questions about the subject from almost every sit down meeting I took while at the event. This change in attitude is likely to have been influenced by the EU cancelling Safe Harbor, and the introduction of fines for contravention running to percentages of group turnover."*

However, an anonymous voice complained; *"I was disappointed in how the SH/shield was debated and the fact GDPR came up in only one sessions and even then it is seen as 'an EU regulation' - seems like US is just waking up to how other places do privacy."*

There was even more debate about using the Cloud and what you hosted in it.

Ricoh USA's David Greetham observed; *"I passionately believe that leveraging the cloud for eDiscovery is an inevitable transition and one that should be welcomed by those tasked with managing complex data hosting matters."*

Zapproved CEO and Founder, Monica Enand commented; *"2016 is the year that the cloud has become mainstream for corporations. The advantage of cost and accessibility has lured corporate data into cloud repositories and systems, and now corporations need a cost-effective and efficient way to manage that data from an e-discovery perspective."*

Venio Systems' Babs Deacon confidently stated; *"We are going to the Cloud, the only debate is when"*, as well as; *"Cloud-based/On Demand is obviously very exciting."*

CloudNine's Doug Austin; *"I would agree that this year's most notable trend was the influence of cloud based, self-service, eDiscovery automation oriented platforms. A number of providers either made announcements shortly before the show or had a much stronger presence at the show due to VC investment in their technology."*

Also with CloudNine, the well know commentator Rob Robinson; *"During this year's event, the technologies and services that seemed to elicit the most emphatic responses from leading vendors, commentators, and consumers of eDiscovery software appeared to be focused on the increasing desire for eDiscovery automation, the growing acceptance of SaaS-delivery of eDiscovery, and the emerging affinity for self-service eDiscovery offerings."*

Finally there were a few other topics people were interested in.

FTI's JR Jenkins postulated that; *"With new types of data being pulled into litigation, e-discovery is truly converging with big data, forcing innovation in response to emerging challenges. The most important technology innovations at this year's show were the ones that can actually make big data tangible for the legal world."*

Anonymous; *"In 2016, the big trend seemed to be that Relativity has won the war. No longer are consumers competing over whether to use Relativity, or a different review portal. Instead, people are focused on what unique plug-ins are being offered to use Relativity in different ways (e.g. BrainSpace)."*

So that makes the focus of the conference: data privacy, on-demand Cloud based processing, new technology and the domination by Relativity in the eDisclosure marketplace. Hold those strands in place as we go through the next few pages.

As well as all the other competing demands on my time, one of the main reasons I was in New York was to be part of the launch of what I think will be a significant step forward in the world of eDisclosure training. The event was the unveiling by the Legal Technology Core Competencies Certification Coalition (LTC4) of the draft eDiscovery/eDisclosure Core Competency (ECC) Learning Plan. I need a moment of your time to explain what this is all about, let's start by explaining who LTC4 are and what a Core Competency Learning Plan is.

LTC4 is a not-for profit organization with over a 100 members from global law firms, legal departments, law schools and suppliers who have established industry standard core competencies for legal technology. The core competencies lead to individual and/or firm wide certification that is recognized internationally with the aim of improving legal practice efficiency via better use of technology.

The LTC4 Core Competency Learning Plans are a set of scenario-based skills that define the competencies an individual (be they legal or support staff) should demonstrate in order to achieve the standard. The plans are developed by suitably qualified individuals drawn from the LTC4 membership who work in "Pods" to draft the plans. Once complete, the standard is subject to LTC4 member peer group review, before being publically released for use by member law firms and training organisations. LTC4 members then use the standard to develop and benchmark their training and assessments to offer accreditation to those taking part. The delivery of the training and testing is validated separately, ensuring standards are consistently applied.

So what does this have to do with me and eDisclosure? For the past 18 months I've been part of the US and UK Pod that has been drafting the competency for eDisclosure/Discovery. We had reached a point at which the document was ready for the peer group review, so what better place to launch it than the premier Legal IT event that is LegalTech. The launch was the start of a three month review period and we hoped to attract sufficient publicity to kick start the peer group assessment of our work to date.

The ECC learning plan is comprehensive and follows the EDRM stages using a modular approach. The plan

- Is applicable to both US and UK jurisdictions as it focuses on universally required skills, not legal practice.
- Can be learnt in a modular basis, using in-house or LTC4 trainers, with the means of competence certification determined by user organisation.
- Has streams for legal staff (Attorneys/Lawyers/Paralegals), Litigation Support and/or IT professionals.
- Is an industry recognised standard that can offer individual accreditation.

If you are interested in reviewing the document you will need to join LTC4, and can find out more details at www.ltc4.org.

The party itself was a great success and we achieved our objectives. I've already mentioned the shenanigans that went on with the provision of the PA, what the whole launch experience also gave me was an even greater appreciation for the poor souls that look after the organisation of the bigger events at LegalTech.

Let's move onto the conference itself.

There has been mention of the quality of the educational sessions, though here I have to admit I only ever go to the free ones, and this year I was even more pressed for time. I managed one and half of the three keynotes with Day 1 being the session I skipped, as it was a panel of United States judges discussing what they were currently seeing in their courts regarding big data, analytics, eDiscovery and other technologies.

However some of my commentators did attend.

DTI's Lorraine Medcraft had this take on it; *"Tuesday's opening keynote on Technology in the Courtroom. Very interesting to hear that in the US, the availability and uptake of technology in the hearing environment is limited, providing an opportunity for the right vendor, not just from a technology provision stand point but the education and training of the Judiciary and associated potential users. Watch this space!?"*

City Docs' James Merritt explained one of the reasons he was in New York was; *"To attend the first day's key note session, which was excellent. The judges were very good both individually and as a panel. I thoroughly enjoyed their session."*

I think it was just the way the sessions and interviews panned out, but on a personal level, Day 1 ended up with a focus on Cloud based solutions (of which more in a minute), whilst Day 2 was mainly about cybersecurity. This started with an excellent keynote entitled **Cybersecurity and Data Espionage: Spy Stories for Lawyers,** in which Eric O'Neill, a former FBI agent, described how he helped bring down Robert Hanssen (the US's worst ever case of espionage) as well as categorise threats to organisations from spies, hackers, hacktivists, and trusted insiders. Eric's story was the inspiration for the 2007 film Breach in which Eric was played by Ryan Phillipe. It is with no disrespect to Mr Phillipe that I though Eric was Hollywood attractive enough to have played himself. Smart, good looking and well off, you could really dislike some people. I wasn't the only one to enjoy this session. Lorraine Medcraft again; *"Wednesday's keynote speech on cyber security hosted by Eric O'Neill. Although not my field of work, it was a fascinating account of the capture of FBI spy Robert Hanssen, as portrayed in the film Breach. A touch of Hollywood glamour came to LegalTech! Perhaps the most worrying take-away was that we all tend to focus on external threats and hacks when the biggest potential risk is from rogue employees, those already inside your firewalls and security standards..!"*

As I listened to Eric describe various cybersecurity breaches in the US and the impact they were having upon its citizens, one of those crystallisation moments came upon me. This was yet another manifestation of the gulf between the two cultures of the US and Europe over data privacy. In Europe (possibly driven by our too-recent memories of the Nazi's with their use of personal data) we have embraced governmental oversight via their data protection authorities, and we have a very strict view on what you can and cannot do with personal information. In my opinion the US has stuck to its cultural roots and let market forces dictate what happens to data. As the cost and impact of having your information hacked increases, so slowly (very slowly by EU eyes) attitudes to protecting it are changing.

According to Eric, the going rate for a valid digital identity is $250, rising to £350 if you can supply a utility bill to back it up. Why do people buy an ID? So they can get a mortgage, sell the property, take the proceeds and run. Or, more prosaically, upgrade to a premium cable package, *"so you can watch Homeland and Game of Thrones"*. Only now is the US Supreme court defining the concept of future harm, in that if you have your ID stolen, it's not just that you need a new credit card, but that downstream you might suffer financial damage (estimated in 2014 as an average $1,343). It took a meeting with a Brit ex-pat

later on in the week to fully explain how important your individual credit score is in the US, even more so than the UK. The higher your score, the lower a "risk" you are, meaning you get cheaper rates on mortgages, insurances, utility charges, etc. As the concept of damage is firming up, so will the class actions as people sue organisations that have been carless with their data, with the threat of financial penalties (hopefully) leading to better security inside firms. This begs the question of what do you do when a US government department such as OPM is hacked by the Chinese, who stole around 22 Million identities including 1.1 Million fingerprints. When you find out how to re-set your fingerprint, please let me know.

I give my views on the Privacy Shield a little later on in this article, let's go back to the keynotes.

I could only catch the first 30 minutes of the Day 3 keynote, which looked at **Private Network Servers, Deleted Emails & Texts and Other Controversies in the News.** I was interested in this session as it had a potentially fascinating panel consisting of **Daniel J. Capra**, Reed Professor of Law, Fordham Law School, **Jason R. Baron**, from the Information Governance and eDiscovery Group, **Edward B. MacMahon,** Jr. Attorney and Hon. **Shira A. Scheindlin**, United States District Judge (of the Zubbalake case fame). Sadly the panel was a little late in starting and by the time they had introduced themselves I only had 10 minutes to hear their thoughts on their first topic of public officials using private emails servers. As their opening statement was a declaration they would be maintaining political neutrality and thus would not be commenting on Hilary Clinton, the subject quickly became parochial and I left for my appointment.

Poor timekeeping seemed to bedevil some of the other sessions I attended (though this might also be the ex-military man in me railing against sloppy civilians). The "legal press only" briefing on Wednesday started 15 minutes late and took another 10 to introduce its panel. As they had the decency to finish on time for people to get to the keynote, their 60 minutes was truncated to 35. Much of the material was only germane to the domestic audience, but there were some interesting bon mots. Some US firms are making a business out of in-house eDiscovery, but for the majority it is only the pressure from clients that causes them to embrace legal technology at all, let alone the specifics of disclosure. As with the rest of the world, clients were increasingly focused on the cybersecurity of law firms, and their suppliers (we will return to this pressure, when we discuss reasons for going to the Cloud). I have written about the fear of maths amongst UK lawyers, it seems this reaction is shared by the senior lawyers in the US, leading to the exhortation that in order to sell to that audience, you need to tell a story, not present a spreadsheet.

I can see that the way forward for in-house litigation support departments, is to become profit centres in their own right, with their main priority to offer professional services to their internal clients as well as managing the technology side of disclosure. This thought was echoed by the press panel who foresaw in-house legal departments becoming much more of a profit centre, rather than the department that traditionally said "No" to everything. They were seeing the evolution of departments into data hubs that provided the fuel for process change. This observation was corroborated by Yerra solutions who thought; "*Whatever it was, a big takeaway was that large companies are employing operations-focused people in their legal departments and sending them to the show in numbers we haven't seen in the past. More proof that working in the GC office is no longer a law firm relationship management gig. In-house professionals are taking control of their own destinies.*"

In the final takeaway from this session, there was an observation that in-house legal needs to understand and collaborate much more with Legal IT, and that they are at danger of being considered ethically "negligent" if they don't keep up with technology or have the knowledge concentrated in one or two people.

The other session I attended was by Nuix on **The Future of eDiscovery**, delivered by Stephen Stewart and Angela Bunting They reinforced a number of the points made by Eric O'Neill, introducing the concept of how you coped with being "hacked for life", that is to say once an organisation (such as a government department) has lost your personal data; not just name, address and back account details, but Social Security number and fingerprints, there is not much you can do to re-claim it. You have to adjust to living with credit monitoring services in perpetuity, which brought home to me again, just how significant an individual's credit score is in the US, and how the relentless attacks upon it, might start to germinate a change in attitudes towards both the US and EU data privacy standards.

Angela talked about how today's workforce had embraced different ways of remote working that effectively created a "shadow IT" network. Her team alone used tools such as Dropbox, net suite, Salesforce, Slack, Confluence, Hip Chat, asana, Evernote, Allassian, WebEx, and Hangouts. With the flexibility and enhanced productivity that came with these tools, there was also an increase in complexity for information governance and security. She noted that more national data centres were starting to appear in response to jurisdictional concerns, specifically in Australia. (I have noted elsewhere that Amazon, Google and Microsoft are all exploring siting data centres for their cloud services in Germany, UK and Ireland. Expect this trend to continue.)

Her prediction (which seemed to have an excellent analytical base) was that the next round of eDiscovery focus will be on Cybersecurity breaches and that the various eDiscovery tools (including, you would be unsurprised to learn, Nuix) would provide functionality to make controlling this type of information easier. There is a lot of emphasis on the ability to find and manage sensitive personal data. More on this here.

Part of my time at LegalTech is now spent meeting various technology firms to hear their latest and greatest announcements. This is me acting as roving reporter for Charles Christian, whilst he avoids the weather and chaos and stays home to tend to more immediate matters. I met with a number of firms as well as having a session organised by Edge where I managed six 15 minute interviews in a 90 minute span, so there's a lot to get through in this section. I've decided to put all the meetings together as there were a number of themes that emerged from them, that I will explore after this part of the report.

My LegalTech formally started at 9 AM on the Tuesday morning when I met with a team of people from CloudNine who were the first of many organisations to talk about using the Cloud to offer Software as a Service (SaaS). In a minute I'll explore why there has been a move towards Cloud based solutions, but for

now let's review the technologies I saw, the implications of their existence and what it might mean for a UK audience.

Doug Austin and Brad Jenkins from CloudNine, articulated what was to become a familiar theme over the next few days. They had seen a need for lawyers to get a quick and cost effective "handle" on electronically stored information (ESI). This "on-demand" early case/data assessment (ECA) needed to be simple enough for lawyers to run themselves, but powerful enough to cope with the exceptions that you get from processing ESI in any kind of volume. My question at this point was why they expected to succeed when Kroll's 2011 version of this, "Verve" did not (though I got a very slick water bottle out of the Kroll marketing campaign that I'm still using today). Their response (and that of everyone else) was that Verve was a great concept, but the technology was not up to the task and that within a short time of loading data into the product, users were ringing Kroll for assistance with processing. That was then. Processing technology has improved, as has the software automation controlling the products, plus the requirement has somewhat reduced in complexity as the scale of eDiscovery rolls every further outwards. CloudNine works by a client logging onto their website, downloading a small footprint client and then loading data for processing/ECA. With three levels of pricing and an average of 40-50 GB per client upload, they were seeing significant amounts of information being processed, including some vendors using them for overnight "burst" processing when they had an overload of their normal capacity. Sadly there are no plans for expansion into the UK.

Onto the Edge suite, where I started by talking to Andrew Goodman from [QuisLex](#) for the third year in a row. Last time he was explaining about the moves the company was making to provide an improved "product" offering, this year he was able to report solid progress. QuisLex had used Six Sigma Black Belt techniques to implement a set of Quality Assurance / Control processes that they had actually been able to [patent](#), such was the rigour of their development approach. Alongside this impressive achievement they had continued to build a legal project team with expertise in applying analytic techniques to projects (irrespective of the actual technology used) in order to improve efficiency, speed and (coupled with their patented QA/QC methodology) defensible reductions in review volumes. One of my "soap box" topics has been to ask Legal Process Outsourcers (LPO's) like QuisLex how they would react to the threats and opportunities provided by analytical tools, they seem to have found a viable way forward.

Next up was Rick Clark promoting the [Fox](#) product from TCDI, which, when I checked out their booth on the main concourse, did come with some very nifty stuffed toy foxes to promote it. What is Fox? Why it's a self-service, Cloud based, automated processing tool for ECA. Why had Rick developed it? Because he'd spent his first 6 months at TCDI working out what was the most pressing need for US lawyers, and then the next 6 developing a solution. How did he develop it? By using Lean Six Sigma to identify the required processes and then build the necessary technology from a combination of existing TCDI elements along with software to bring it all together. (It was at this point I made a note of one of the minor points that came out of this year's LegalTech, the process analysis/project management tool that has become the de facto standard in Legal IT and is slowly gaining acceptance within law firms themselves, is Six Sigma, with or without the Lean pre-fix). Fox, like CloudNine, had a very competitively priced charging model, but it is not the intent of this article to be diverted into a feature/price comparison table for all of these types of products. Sadly, also like CloudNine, no plans from Fox to launch in the UK.

I then spent 15 minutes talking with Dave Barrett the CEO of a company called [QDiscovery](#) who were just about to make a bid for increased market share by a leap to Relativity 9.3. Not of any real interest to my UK audience, except it was one of the increasingly strong markers of the dominance of Relativity within the eDiscovery/Disclosure marketplace. What was significant was that up until now QDiscovery had used an "all in one" tool called Viewpoint, but now felt that the Relativity Processor software gave sufficient functionality in front of the Review element kCura is built on, to make Relativity also an "end to end" solution. Dave was confident that he had issues of physical and cyber security squared away, and that his infrastructure and project management team were both solid enough. He foresaw potential bottlenecks in sales and marketing, but was certain he would be able to surmount them. There was a brief mention of "Cloud issues being some way off", we will return to those in a page or two. What stuck with me was one of his core strategic factors for growth was the leapfrog straight to 9.3 as this (in his mind) gave him a competitive edge over other Relativity suppliers who had to support legacy systems. All interesting stuff, but not really of that much relevance to the UK, but what follows is. During the course of the show I met with

two London based eDisclosure firms who are also joining the Relativity fold; CityDocs and London Legal, showing the degree of market penetration kCura has managed in the UK.

Next were Phi Tran and Bill Millican from Xact Data Discovery, who had just merged with Orange Technologies to provide a US wide service. An event not of direct interest to the UK, but one of a number of deals in the United States that reflect the marketplace consolidation that is happening there as well as over here. One of their selling points was that they had a detailed integration plan that they had developed over the course of a number of acquisitions, and that the very existence of the plan was of comfort to companies joining them, as it showed the depth and breadth of the thought that had gone into making the integration work. Again as an indicator for the UK, one of the growth areas Xact was seeing, was in the provision of managed review services.

In the last session at the Edge suite, I renewed my acquaintance with Babs Deacon now at Venio Systems, whose opening line was; *"we are going to the cloud, the only debate is on how fast"*. I have used her other comments on the Cloud in my focused paragraphs on that topic, coming up in a little while. Why was Babs so knowledgably about the Cloud? Because Venio offer a self-service, on-demand Cloud based ECA product with workflow embedded throughout the software. Spotting the trend yet?

Graham Smith-Bernal the founder and CEO of Opus 2 International is next in this interview section. He was understandably full of the success that the Magnum product is enjoying, with an office opening in Singapore during 2015 (another example of the fast growing eDiscovery functionality being "baked into" the courts in that region). From the beginning of 2016, Magnum was available as an Enterprise tool, and was seeing a lot of take up in the world of M&A and deal rooms. The product was also now fully integrated with Relativity. It is good to see a UK software company doing so well in both the US, and throughout the world.

My last talk of the day was over in The Sheraton with kCura's Jeff Gosling and Jacque Flaherty where I caught up on Relativity's seemingly inexorable progress within eDisclosure (of which more in a minute), as well as discussing their potential involvement in the LTC4 initiative, (also coming soon).

My interviews the following day started with a fascinating conversation with Mark Noel and Jeremy Pickens, respectively the MD for Professional Services and the Chief Scientist at Catalyst, who provided an update on how their software was continuing to improve its iterative approach to review, and was gaining traction in the world of Information Governance.

I have spoken of Catalyst in previous articles, as they produce and champion a form of analytics known as Technology or Computer Assisted Review (TAR/CAR), or in their case, TAR version 2.0, as they have a product that continuously learns from the start of a review, rather than the batch based approach of, say, Relativity's analytics. It was not my intent to rehash last year's debate on this, instead I posed a question which could be summarised as "Will we ever see IBM's Watson driving a CAR?"

In fact, what had triggered the question was not the march of AI into law and other professions, as exemplified by IBM's Watson, but that the previous week, AlphaGo the computer created by Google's AI division DeepMind had thrashed European Go champion Fan Hui 5-0 – the first time a computer program had beaten a professional player of the ancient Chinese game. This was an achievement many people had thought was 10 years away and in light of that could we see the whole process of litigation being subsumed by computers? I took as a given that each case is unique, but I postulated that lawyers surely developed a framework of logic and strategy that they employed each time to derive the key particulars of each case. Would it be possible for a Watson/AlphaGo to learn that approach and thus be able to guide the Assisted Review part of TAR/CAR.

Jeremy and Mark smiled, like an indulgent professor being asked an interesting question from a cheeky, but enquiring student, and then demolished my argument, with the short version being "No, not now, and not for a long time to come". Why not?

The longer version is that (at a very simplistic level of explanation) both Watson and AlphaGo are driven by pattern matching algorithms. Couple the pattern matching with access to a set of structured data such as thousands of games of Jeopardy, the law statutes of 50 states, medical textbooks, recipe books, etc. then these machines can "learn" to find answers within the structure. AlphaGo actually has two AI "brains" one to pattern match and one to play and learn against itself. All of this means when you ask anything about a cat, the computer can pattern match pictures and information to give you a fair response. Ask a question about a concept and the underpinning approach fails. As Mark explained "there are no pictures of the concept of

irony". So, for now and the foreseeable future, we will still need lawyers, but only for the tasks that truly require human intervention.

Invigorated by this stimulating conversation, I moved on to chat with Christine Alemany the Head of Marketing at UnitedLex whose main point was that her company was offering a Total Project Cost Guarantee – a single price for collections, data hosting and document review established prior to ingestion. If UnitedLex is unable to meet its estimate, the project is free. She was able to do this, because within its Questio product, UnitedLex had built a layer of proprietary management software over LAW and Relativity, thus controlling all the EDRM processes in a way that enabled effort/prices to be accurately forecast and controlled. The good news is that they are coming to the UK soon, so well worth keeping in mind during 2016.

Next up were Charles Choe, Michael Harris, and Roger Angarita from Guidance, who are known for their EnCase forensic collection software. Like Recommind they have their sights on the information governance market, inside the corporate firewall, and their weapon of choice is their new EnForce Risk Manager product. Given their background, you will not be surprised that their focus is on data risk and privacy with a three stage process to; 1) identify sensitive and aged data, 2) categorise and report on location 3) remediate it into an authorised location. All of this with a tag line of forensically sound information governance. There is a lot of competition in this space and I don't know if they are a little bit late to the party, but it seemed a sound enough product from the very brief demonstration I saw. Time will tell if they can leverage their strong position in the collection area upward into information governance.

My final interview of Wednesday was with Drew Macaulay the MD of Consilio, who took me through the rationale and advantages of the merger with Huron Legal, as well as the acquisition of Proven Legal Technology, with the latter giving them a UK Relativity and forensics capability. The Consilio / Huron merger was one of the big events at LegalTech with a mass advertising campaign around the Star Wars theme of "The Force Awakens" (goodness knows what the licensing rights cost). Ann and I were fortunate enough to attend the launch party and can testify it was a very fine do indeed. Though we are getting old, and once we had said our hello's we escaped from what was shaping up to be a rammed venue. Anyway, back to Drew.

As well as the US/UK connections, both Consilio and Huron provide managed review services and Drew saw this area as one that would continue to expand, particularly as the kind of clients they worked with felt their data was more secure with suppliers than the law firms. Increasingly the end clients were setting up panels of eDiscovery/Disclosure suppliers and by-passing the law firms, which is a trend throughout business and not just in the areas Consilio/Huron work in.

Even more interestingly, Drew was one of the few voices resisting the siren call of the Cloud. His kind of clients wanted suppliers to own their own infrastructure and for certain financial clients, the mention of Microsoft or Amazon Cloud was a sure fire way to be shown the door. Unprompted, he suggested that Relativity as a Cloud based service would be a very tough sale in his marketplace.

Thursday started with a conversation with David Greetham the VP of eDiscovery operations at Ricoh, who discussed a number of their offerings, including Ricoh on Demand, a (yes you've guessed) Cloud based, self-service, on-demand, automated workflow ECA tool, based on the Venio offering. Obviously Babs Deacon knew what she was talking about. In stark contrast to Drew the day before, David was a passionate advocate of using the Cloud, precisely because of the security and encryption advantages it offered, including the ability to have data encryption both at rest and during processing. We are very close to discussing the pro's and con's of the Cloud, I promise you.

Next was a catch up with Mark Giles of edt (formally eDiscovery tools) with a demonstration of the latest version of their eponymous software. Some interesting improvements, all of which added up to an impressive toolkit for the professional user, and for the less skilled amongst us? Edt Blue, a cloud based, self-service, on-demand, automated workflow ECA tool.

My final appointment for LegalTech was with Kate Holmes (Senior Director of Marketing) and JR Jenkins (Senior Director) at FTI Consulting who, for a change, did not have a self-service product to promote. Instead we caught up with the result of the efforts over the past few years of Eddie O'Brien the originator of Ringtail (FTI's flagship eDiscovery product). FTI bought and integrated Attenex visual analytics into Ringtail a while back, so it was no real surprise that Eddie had led a team to push the boundaries of this type of technology, resulting in the LegalTech launch of Radiance Analytics. I have to admit my notes say

"processing plus for ECA on steroids", which I feel is a fair summary of the power and reach of the tools. It's worth a look, whether it can help Ringtail in its bid to be the best "not Relativity" option remains to be seen.

And with that, there was just enough time to get back to the hotel, collect both wife and luggage, hail an Uber and get to JFK. I've trailed the next topics for long enough, let's get into some of the detailed analysis.

As well as the organisations I met with, there were a number of others offering Cloud based self-service on-demand processing ECA, in no particular order I think the following were at LegalTech (and my deep apologies if I've missed anyone off this list);

IPro's ADD, CloudNine, edt Blue, Ricoh on Demand, TCDI's Fox, Venio and Zapproved (who announced at LegalTech that they had broken the terabyte-per-hour processing barrier).

My normal rule of thumb for new technologies is that I wait until they have made it to a second year at LegalTech before I acknowledge them, but such was the volume of similar offerings that I have broken that "rule". As yet there is nothing similar within the UK, and it might be some time before a product makes it across the pond. Why do I say this? For all these are self-service, automated workflow offerings, they all start from an assumption that the end user does have an idea what they can do with the tool, and certainly understand what the need is in the first place. I would suggest that such a demand doesn't exist in the UK. The foundation for this hypothesis is one of the other facts I picked up in New York. In the US there are some 2,000 law firms with in-house litigation support teams, in the UK there are roughly 20. With only 1% of the US demand, we are still educating people in why they need in-house support in the first place, let alone making them self-sufficient. Yet this is the way the market is going, so I think this is a trend worth noting. One of the strands of the offerings also leads into my next topic; Why so much emphasis on the Cloud?

Microsoft and Amazon have made significant inroads into the Cloud marketplace, to the extent that a significant number of top companies are entrusting their IT to Azure or AWS. There are many reasons for this, amongst them being the tremendous savings in delivery costs, flexibility and above all security. Whilst there are jurisdictional issues about where the Cloud farm is physically located, these are being addressed by the organisations siting servers within the "problem" countries such as Germany, France, Ireland and England. Cloud enables you to, as one person put it; *"own the valleys and rent the peaks"*, that is have control over the infrastructure you need for day to day operations, but with the capability to spin up new virtual servers, as and when you need them. There was a lot of comment on this topic.

David Greetham, VP of eDiscovery Operations at Ricoh USA; *"I passionately believe that leveraging the cloud for eDiscovery is an inevitable transition and one that should be welcomed by those tasked with managing complex data hosting matters. During my panel presentation (Choosing the Cloud: Ethical Considerations in Cloud-Based E-Discovery), the security benefits of the cloud over those of traditional data centres was a topic that garnered interest from the audience. One key benefit discussed is the advantage of using advanced encryption technologies, which can move information fully encrypted, end-to-end throughout the review cycle. This security measure simply isn't achievable in a traditional data centre environment and the benefit of it makes the transition to the cloud easier to embrace."*

Zapproved CEO and Founder, Monica Enand; *"2016 is the year that the cloud has become mainstream for corporations. The advantage of cost and accessibility has lured corporate data into cloud repositories and systems, now corporations need a cost-effective and efficient way to manage that data from an e-discovery perspective."*

Babs Deacon, Venio Systems; *"Cloud-based/On Demand is obviously very exciting. Venio will be all-in with On Demand in 2016. The almost instantaneous implementation and virtually infrastructure-free stage makes it easy to "have a taste" so to speak, of applications that tackle the more daunting tasks or fill a very focused niche."*

Rob Robinson, CloudNine; *"During this year's event, the technologies and services that seemed to elicit the most emphatic responses from leading vendors, commentators, and consumers of eDiscovery software appeared to be focused on the increasing desire for eDiscovery automation, the growing acceptance of SaaS-delivery of eDiscovery, and the emerging affinity for self-service eDiscovery offerings. It also appears that differentiation of features is no longer the centre of gravity for comparative discussions about competing offerings, as the centre of gravity for comparisons seems to have shifted to the differences in delivery models (direct vs. indirect, on premise vs. SaaS) and business models (pricing).*

With all this being said, it appears that fourth generation eDiscovery offerings that provide simplified eDiscovery automation and are delivered via SaaS and available with predictable pricing models will be at the forefront of both verbal and non-verbal eDiscovery conversations in the coming year. Whether it be delivered from emerging technology upstarts like CloudNine, Everlaw, and Logikcull or from established eDiscovery entities like DTI, kCura, Thomson Reuters, its appears this will be the year that automated self-service SaaS-delivered eDiscovery will move from 'being asked about' to 'being asked for'."

Doug Austin, CloudNine; *"I would agree that this year's most notable trend was the influence of cloud based, self-service, eDiscovery automation oriented platforms. A number of providers either made announcements shortly before the show or had a much stronger presence at the show due to VC investment in their technology. Because of those investments in other providers and the strong potential for the "big boys" (e.g., Google, IBM and Microsoft) to influence the market, I think it's too early to say that Relativity is "untouchable" in the market. Consider this analogy: Blockbuster Video (who once rejected Netflix's offer to be acquired by Blockbuster) was once the undisputed number one for movie rentals until Netflix redefined the market with streaming capabilities. Technology can always be a game changer in the market."*

Let's pause it there and hold that thought about kCura and Relativity as we are going to return to that topic in a while.

Whilst the show was running, there were developments in the long running debate between the US and the EU on data privacy. To very briefly re-cap, in October 2015 in the eponymous *Schrems* ruling, the EU brought the existing Safe Harbour agreement for the transfer of data between the two countries to an unexpected (for some) halt. The picture is of Pearl Harbour seems appropriate. There has been an ongoing debate about the next steps as the two sides worked to a pre-arranged timetable, which took negotiations to the wire.

During LegalTech, it was announced that Safe Harbour had become a US/EU Privacy Shield, with very mixed forecasts as to how effective an outcome this was. There are some excellent summary articles on the topic, here and here. Though there is an agreement, expect it to be challenged in the same way that Safe Harbour was, the jury is out on how well the Shield will resist that attack. My personal view is that it will not withstand the pressure and we will be looking at a period of data "fudges" as companies scrabble around to continue to do business.

One of the ways in which issues with data jurisdictions can be avoided is by keeping the information in-country; this has been an additional driver in the move to consolidation as US companies look to buy UK suppliers with locally hosted data centres (or centers as they like to call them).

There were a couple of noticeable quotes from the panel sessions on this topic.

Robert Brownstone, technology and e-discovery counsel and EIM group chair at Fenwick & West, on U.S. data privacy: *"EU law prohibits sending personal data to 'uncivilized' nations—such as the U.S."*

Amie Taal, VP of security and investigations at Deutsche Bank, on differing views of data privacy: *"Europeans are very anal-in a good way-about data privacy. It's sort of like the way Americans feel about guns."*

David Horrigan, Director of Legal Content at kCura; *"However, electronic discovery remained the topic du jour once again, especially the e-discovery aspects of cybersecurity. Of course, American and European negotiators made the end of the Safe Harbor Framework and the new Privacy Shield a big topic by announcing their agreement during Legaltech."*

At this point I'm handing over to ACH Legal's Ann Hemming who has the following to say about both the conference and the knowledge management event she attended on the Thursday. I'll return when we look at eDisclosure.

Away from the main conference each year, KM professionals get together to look back on progress over the past year, share plans for the coming year and look at new initiatives and trends. Looking at responses to the pre-meeting survey, it seems that most firms are firmly working on their efficiency initiatives. Yet

again the main focus is on matter profitability, with an equally strong emphasis on improving project management and financial planning. The need for KM professionals to stimulate cultural change in an economic climate where markets are volatile and growth is relatively flat is stronger than ever.

This volatility is also reflected in the need to attract and retain an organisation's "star players" through a greater emphasis on creating management structures and rewards that move away from a traditional route to partnership. Along with retaining talent, there is also a trend towards creating a more "agile" workforce by using contractors to ramp up both legal and back office services when needed, without incurring the overheads of managing permanent staff. Encouraging innovation was another key theme, with many KM professionals looking at how AI and big data analytics can support innovation in both service delivery and the development of new routes to market.

For my section, I'll touch on 3 main discussions that kept cropping up throughout the event.

The first is process and profitability. Many firms had embarked on initiatives to analyse matter profitability over the years, with some success. However now it is recognised that the skills for analysing and process reengineering need to be formalised into a specific role within the organisation and not just pushed to "the guy in finance who is good with spreadsheets". The availability of tools that can support financial analytics are becoming more sophisticated, resulting opportunities for firms to get a much better view of their most profitable business and to identify inefficiencies and areas at risk.

This leads me on to automation. Sitting alongside the increased sophistication in process analysis, firms are investing more time and effort in both document automation and workflow management. Cloud based services and tools now make it much easier for firms to invest incrementally and deliver results quickly and easily. For many years, projects of this kind were daunting, you needed to invest a hefty sum in licensing of the software, embedding it into your infrastructure and then training staff to develop and maintain your automated suites of documents. Now it's easier to invest in automation as a service offering, meaning that firms can concentrate on developing the content and embedding the new process without all these up-front costs.

Following on from Automation, many firms are also testing out ways that AI can help build up new services and automate processes. Most of the firms represented were still piloting projects (a few had systems in production), but I suspect that by next year we will have examples of fully functioning AI initiatives in mainstream legal services. I think that many of these so-called AI initiatives are still "automation on steroids", but there is growing evidence that AI will support client service and offer "triage" services for clients looking for legal advice, as well as offering managers new tools for analysing their business, identifying risks and opportunities.

This brings me on to my final theme, use of big data analytics. For the first time the delegates seemed to have lost some confidence in their Enterprise search initiatives. I noticed that there was a certain amount of uneasiness in the room about how much benefit some of these projects had delivered. Interestingly there was a discussion around how e-disclosure technologies could in the future bring more benefits to KM searching. As the e-disclosure vendors focus more on information governance, I think the time is ripe for new tools to be offered to support KM as well. Predictive modelling of enterprise data can be used for KM. One case study at the event for example showed how data analytics could be used to support HR initiatives, such as managing talent retention and predicting "at risk" attorneys.

Everyone recognised that innovation was vital for survival in the current economic climate, yet how easy is it to encourage innovation in an industry that is based on tradition, precedent and avoidance of risk? The problem being that law firms tend to benchmark themselves against each other, this was compared to the taxi industry, where for many years such benchmarking lead to complacency and very little change. Then along came Uber a complete market disruptor. So far market disruptors are still quite small, but there was a feeling that maybe the time had come for a completely new model for the delivery of legal services.

Thanks Ann, now let's look at the eDisclosure part of the show.

The first thing is to update you on what Microsoft has done with the Equivio product, having bought it just before last year's LegalTech. The answer is that, as predicted, they have created a bolt-on to Office 365 that is an Early Case Assessment tool called Advanced eDiscovery. The aim of the product is to enable you to review the data you have created within Office 365 in order to assess if you have a case to answer. If the provided functionality is not enough the product comes with "pre-cooked" export routes to; kCura's Relativity, iCONECT Xera, Epiq's Documatrix, and Recommind's Axcelerate. A cloud based ECA tool that

plugs into a cloud based version of Office, I wonder what Microsoft might want to buy next to offer from the cloud?

Mark Dingle again; *"Microsoft have integrated Equivio into their Office 365 offering for business as a "no cost" part of the whole IG suite. As this platform gains traction this has the potential to change the landscape of eDiscovery. At the least, it shows what can be done for corporate data "in place" and provides a model for larger corporations to work towards. At the most it means that corporations could "do" eDiscovery in house from end to end – although the tech isn't quite that advanced yet."*

As a side observation, during the show I heard from one legal IT person who noted that whilst lawyers were paranoid about cloud security and generally very leery about trialling such cloud based products, they had fallen over themselves to take up subscriptions to Office 365. The combination of a low fixed fee, easy country wide access to the latest versions of the software and the removal of the need to invest in their own infrastructure and support, was proving to be a very heady combination. Little wonder that Microsoft are investing so much in various products to enhance the Office 365 experience. We will return to this topic in a little while.

Let's look at my next crystallisation of thought, which was all about the consolidation of the eDisclosure/ Discovery marketplace during 2015.

Last year I reported that I'd had a couple of conversations with US eDiscovery firms who had complemented me on my Buyer's Guide as they had *"used it to help them work out which UK company to buy"*. I therefore felt fairly confident about predicting a consolidation of the UK marketplace, with at least two firms being acquired. It turned out I'd set my bar way too low. I think 2015 was the year in which there was irrevocable change in the UK market and seismic movements among US suppliers.

In the end there were two bursts of activity, with 12 days of mergers in March/April as Unified were bought by Inventus, Merrill eDisclosure by DTI Global and IRIS by Epiq (though that was mainly a US focused sale). In the summer, Consilio took investment capital from Shamrock and then used it to buy two early Christmas presents in December as they snapped up Proven Legal Technology and Huron Legal. The year ended with Inventus themselves being bought by RPX, whilst 2016 started with Advanced Discovery adding Millnet to their family.

At one level, you might think that this burst of activity is a reaction to the *Schrems* ruling on data privacy which effectively killed off the concept of Safe Harbour, meaning US eDiscovery firms need to find a way of storing and processing data inside the UK and the rest of Europe. Though this is a factor, I think there are other forces at play as well.

To my knowledge there are roughly 30 large US eDiscovery firms who want to expand outside their home borders and look to the UK as the logical first step in this strategy. What they have quickly found is; 1) You can't transplant your US employees over here (the work visas for this area were all used up in the first 4 months of the year), 2) You can't buy significant quantities of UK people (There is a relatively limited pool of the level of talent you need and most of them are locked into current firms), 3) Organic growth is slow, though possible (both IRIS and Lighthouse have gone down this route). So, what's left? Buy an existing firm. What's the long term strategy of most UK eDisclosure suppliers? Hit the jackpot and be bought by a US firm.

Having said that, there are not that many firms left to buy in the UK, which means 2016 will be a very interesting year for the few that are around.

I started this article with a quotation about the manner in which ideas gestate at LegalTech, and the following analysis was one which definitely crystallised as I passed amongst the various stands and listened to the presentations. These musings were triggered before the event by a couple of very thoughtful articles by Casey Flaherty on the eDiscovery marketplace which you can read here and here. In these articles he looks at both the large "players" in this space as well as the smaller offerings, and comes to some interesting conclusions.

My contention is that the eDisclosure/Discovery marketplace is in the same place as the earlier days of personal computing. Relativity is the equivalent of the IBM PC which is dominating the market, whilst there are still people using other types of computer such as the Commodore Pet, Wang terminals, BBC micro's, the ZX Spectrum and even Amstrad Word Processing. As the market developed, the focus became who could be the better supplier of the IBM PC, with IBM themselves dropping out of the race. Over the years the initial large numbers of people who would build you a PC was whittled down as the processes became

more and more commoditised, margins dropped and one by one inefficient (or even unlucky) suppliers went to the wall. Some carved themselves out a niche providing high end gaming machines, but the bulk of the market came to be dominated by a small number of large slick suppliers such as Dell, Hewlett Packard and Levano. Fast forward to today's eDiscovery market and I think there are a number of organisations who are trying to become the "Dell" of Relativity, whilst other offerings are going to go the way of Amstrad and all the rest.

I'd extend the analogy to say that the market is ripe for someone to take on the role of Apple and provide a totally different technology that has a lucrative niche, but isn't the market leader. As to who that will be, time will tell, but I think the changes in the supplier space in 2015, herald a change in the software space in 2016/17. The winners will be those suppliers of Relativity who have the size, efficient processes and support mechanisms in place to grow, I suspect the rest will wither away. The big question is who will be the "not Relativity" offering and I think that one is much more difficult to call.

I asked my contributors what they thought about Relativity with the following feedback (and bear in mind, some of this is from direct competitors, but could be valid comment, nonetheless).

Babs Deacon; *"The industry is always evolving and eDiscovery tools have to keep pace with that evolution. We have all seen applications that have had huge market share during a time period, their "day in the sun" so to speak, and then they are overshadowed by newer technology."*

James Merritt, City Docs (a newly appointed UK Relativity re-seller); *"My second reason to visit LegalTech was to spend some time with kCura to see how they were road mapping the forthcoming year and what I could expect from Relativity. This time with my channel manager and development team was very useful, it was a great two way session and I was able to address some requests for enhancements to the application. My suggestions were well received and time will tell just how well!!"*

A repeat of our anonymous contributor; *"In 2016, the big trend seemed to be that Relativity has won the war. No longer are consumers competing over whether to use Relativity, or a different review portal. Instead, people are focused on what unique plug-ins are being offered to use Relativity in different ways (e.g. BrainSpace)."* With another anonymous voice chipping in; *"Depends what part of the EDRM, but they are certainly dominating"*.

Control Risks' Satinder Soni; "*Relativity is like a weird cult, it seems to own LegalTech and has monopolised the eDiscovery market. I feel people have no other choice but to use it. It's not a criticism as we are providers of Relativity too, just an observation. If I was a client, I would like to have a choice."*

Mark Dingle; "*Having said that, Relativity is still the "gold standard" against which any market player is measured. I'm not sure that there are likely to be any emerging competitors in the same space (i.e. "shrink wrapped" software installed in your location and operated by you). Instead the future competition looks likely to be coming from those offering more of a SAAS model. Relativity's advantage is that it has a wide client base who install it into their own environment beat it up, criticise it, dig under the hood and by doing so help to improve it and keep it honest and up to date. When you're buying into something designed, operated and built by the same people, clients don't have the same insight into what's going on under the hood (and what's holding it all together). Whether the SAAS style people will topple Relativity is an interesting question!"*

Finally, a word from Shawn Gaines, Director of Communications at kCura; *"One trend we're noticing a lot more this year is folks using software for processes outside of their traditional use cases. We've seen and heard a lot of groups talking about how they're making the most of their software investments by getting creative with their workflows. In Relativity, we've seen uses beyond traditional e-discovery for everything from internal investigations to information governance to contract comparisons / review"*.

We are not done with kCura. Before the show I received an email from one of Relativity's competitors which said; *"Your boys in Chicago are moving Relativity to the cloud in May or June. So much for the channel network!".* Jared Coseglia, from TRU Staffing Partners had this to say; *"the new SaaS service kCura plans to roll-out created huge waves of concern/opportunity for 3rd party licensers, many of whom already felt strong-armed into using Relativity's processing engine".*

What's all this about?

I had a number of other off-the record conversations that I have attempted to sift through to arrive at the realities. The issue is that it is a shifting pattern and decisions have yet to be made. What do we know?

Last year kCura took $125 million in investment capital. It looks as though they have used the majority of this to prepare a cloud based offering and thus offer a cheaper, more secure way of using Relativity to end users. The big unknown is how they plan on executing this vision. As a slight hiatus before we examine their options, let's consider why they might want to do this? In a word, Microsoft. I've already discussed how Microsoft have embedded Equivio within their Advanced eDiscovery option and the options that gives them for their clients, why not go the whole hog and bolt on the most popular Review tool as well? Microsoft like to buy the dominant force within a marketplace, kCura have the product, but, not as yet, the Software as a Service expertise (SaaS). Why then are the current suppliers of Relativity worried, what's the message behind the sardonic *"So much for the channel network"*?

The problem is that kCura have two options. On the one hand they could work with their current partners, with whom they have a long and productive history. They can resolve the inevitable bugs in the Cloud based version of the software, enabling their suppliers to share in the increased margins SaaS brings and arrive at a much more saleable product far quicker. It is the other alternative which is causing sleepless nights amongst the Relativity community. In this scenario, kCura go it alone and essentially compete against their own channel partners. In this Civil War approach, they have the potential to keep more of the margins, but are on their own in sorting out problems, etc. If you were on the kCura board and had that war chest to see you through some initial stormy waters, with an ultimate prize of the jackpot of a Microsoft buyout, what option would you push upon the Chairman?

I haven't used the words Civil War lightly, as you can imagine the current kCura partners would not take this lying down. What follows are my own speculations. Do you find a "not Relativity" product and rally around that? I've always said that Relativity is an excellent product, but not necessarily the absolute best. Referring back to my earlier analogy, where is the Apple equivalent that you can push as an alternative? Do you start to cannibalise your own margins on hosting and processing? These have been shrinking for some time, and a number of suppliers are in the process of evolving to a much more consultancy based business model, with the processing and hosting being almost regarded as an overhead cost, so that you can sell your professional services. Though suppliers were going down this route, it was over a 3-5 year period, not 1-2. The acceleration could be brutal, with some firms going under as a consequence. It will be the bigger organisations with the deeper pockets that can weather this forthcoming storm.

Whatever happens the eDiscovery marketplace is about to undergo a seismic change, and 2016 will reflect the Chinese curse "*May you live in interesting times*".

Nearly at the end now. Puppies! came the cry from the audience, you mentioned puppies. Ah yes, the marketing ploy that generated most feedback of all. A firm of consultants who provide management expertise to lawyers was working on a theme of "happy lawyers", and decided that one of the ways to get their message over was to provide a pen of puppies that people could cuddle, thus making themselves happy. Before we get to the comments, I did ask some questions and the hours the puppies could work were strictly controlled so they had enough sleep time, they came from an organisation that specialises in this type of thing and that fully complies with all regulations, and homes the puppies once their petting "career" is over. I didn't hold a puppy, but every time I went past the booth and the puppies were there, it was crowded with people who were cuddling them. What did my contributors think of this? Fair to say, they were unanimous in their response.

Babs Deacon set the tone for the majority of responses; *"I thought crowding young puppies into a crate on the exhibit floor of a hot hotel to be groped by strangers was a real shame. I don't know who the exhibitor was but I can't imagine why they thought that was appropriate. If the dogs were there to be adopted that might have made sense but I wouldn't think that busy e-discovery professionals would be in the right frame of mind to adopt a new pet."* Yerra Solutions was slightly more whimsical; *"Newbie: "Puppies? Seriously?" Veteran: "Puppies! Amazing!" ……. Prediction for 2017…more in-house attendees and someone will try to one-up the puppies with ponies!"*

However, DTI's Lorraine Medcraft was on Babs' page; *"Puppies!!??? My personal opinion is that it was crass. There seemed to be a crowd around their booth, so it must have achieved the objective of increasing foot-through, but can I tell you the firm's name or what they sold!?!?"* As was Ann Hemming; *"Not happy about the puppies. No matter what you say Andrew, not happy at all"* and even anonymous contributors; *"Did not think it was good"*

I feel I would also be remiss if I didn't update you on the shoe shine situation. To recap from last year;

Ah yes, the shoe shines. Two booths had the full on, sit on a high chair and get your shoes shined for free, (well free, except you tipped the person doing the work) experience. Huron Legal had two mature gentlemen (straight from central casting in terms of their shone shine appearance). OmniVere had a pair of young blonde ladies in tight red skirts and white blouses (which gradually got dishevelled with shoe polish as the day wore on) who make their living working shoe shine at conferences the length and breadth of the USA. I found this out when, in the true spirit of investigative journalism, I had my rather mucky shoes relieved of their London dirt and given a true New York glossy patina. I do these things so you don't have to, dear reader. Mind you, you could also get a quick manicure at the Huron stand, so I think they win on equality, but OmniVere always had the 10 minute queue.

Huron Legal are now part of Consilio and had dispensed with their shoeshine, but OmniVere were going for the "If it ain't broke, don't fix it" approach, in that their stall was back, this time with both a male and female option. There seemed to be an equal queue for both chairs, I passed this time around.

There was the usual range of after-hours activities, with all evenings having at least two, if not more, alternatives. Events start on Sunday for us Brits with the long established Commonwealth Brunch organised by Nigel Murray, this year we returned to the Tavern in the Green in Central Park for a very pleasant meeting with old and new friends. There is a tremendous amount of networking and catching up at these kinds of events, for me it always seems like a film preview, as I get to identify the faces I'll be seeing a lot off over the course of the next few days.

Last year we went to an amazing Burlesque party (PG version) arranged by Jo Sherman from edt. This year we returned to the edt party which was in a perfectly respectable bar near the Hilton, and had Michael Cunio the amazing singer from last year's venue as the entertainment, you can find out more about him by following this link, but be careful when you do so as it verges on Not Safe For Work (NSFW) because of the Burlesque connection. One of edt's guests rang home to enthuse to his wife about Michael (who is out of this world superb), she Googled the name, followed the link, saw the adverts for the Burlesque club, and rang her husband back to demand to know just what kind of fun was he enjoying?

I've already mentioned the Star Wars themed Consilio/Huron Legal party, which was excellent. Our final night in New York was spent at the Recommind party which is best described in the words of our host Amie Rogers; "***Best party and why***. *I may be biased but Recommind of course! Hopefully as you can attest, it was a great success and totally different from everything else I saw at LTNY. The Cirque de Soleil style entertainment with stilt walkers, contortionists and acrobatics was a refreshing change from your standard party and we had some great feedback about the entertainment, food and venue. It was also very exciting as the party was intended to kick off and celebrate the new Deloitte Recommind partnership that we announced at LTNY (Deloitte will now be offering Axcelerate for document review across their global eDiscovery practice)".*

Over the past couple of years our time at LegalTech has coincided with film premieres at a smallish Ziegfeld cinema nearly opposite the Hilton, which can result in some starry eyed encounters with the stars of the movie. In 2014 it was George Clooney and Matt Damon appearing for the launch of The Monuments Men, 2015 was the cast of 50 Shades of Grey, I was idly wondering who it would be this year, only to have my hopes dashed when we found the cinema was closing down. Why do I mention this? In a city as fast moving and competitive as New York, nothing lasts for ever, and market forces can overwhelm seemingly invulnerable institutions. As for New York, so for legal IT, and both LegalTech and kCura might do well to keep this in mind.

Tune in next year to see how it all played out, or, of even more value to yourself, join our "family" at LegalTech 2017.

Babs Deacon; *"I love Legaltech! It's like a high school reunion. The best parties are those small dinners where you catch up with old colleagues and are reminded why you like them even if you only see them once a year".*

Satinder Soni; "*everyone from London seems to be one dysfunctional family that all get along, probably because we all know at one point or another we'll work with one another".*

Lorraine Metcalfe; *"..the best part for me was catching up with friends, my US DTI colleagues and the friendliest bunch of competitors I've ever known. We shared gossip (who is next on the DTI or Consilio*

acquisition list!) we drank too much, discussed our experiences, sense-checked our salaries and market value, and cemented some of the best working relationships I've experienced."

Perhaps we will see you next year?