

Data Analytics in the Legal Community: 2015-2016 Trends

CTRL 2015-2016 Survey
Executive Summary

CTRL

Coalition of Technology Resources for Lawyers

About This Research

In 2015 the Coalition of Technology Resources for Lawyers (CTRL) commissioned the Information Governance Initiative to conduct a survey regarding in-house legal departments' use of data analytics. This document was prepared by CTRL to summarize the key results of this research. More information about this research and its results are available from CTRL at www.ctrlinitiative.com.

About CTRL

The Coalition of Technology Resources for Lawyers (CTRL) is an industry education and research group committed to the development of practical and proactive guidance for lawyers as they attempt to leverage various technologies in practice. More information about CTRL is available online at www.ctrlinitiative.com.

How Legal Departments Are Using Data Analytics

Introduction

There is a growing movement toward the use of data analytics in many industries, including the legal profession. A discussion about the potentially revolutionary role of data analytics in the future of law can be heard at almost any event where lawyers gather. As with any new technology, the uncertainty about data analytics in the practice of law paradoxically seems to drive both optimism and concern. Despite all the discussion, it has remained unclear how legal departments are actually using or planning to use these emerging capabilities.

To paint a clearer picture, CTRL engaged a think tank (the Information Governance Initiative) to conduct a survey regarding the use of data analytics by in-house legal departments across these six use cases:

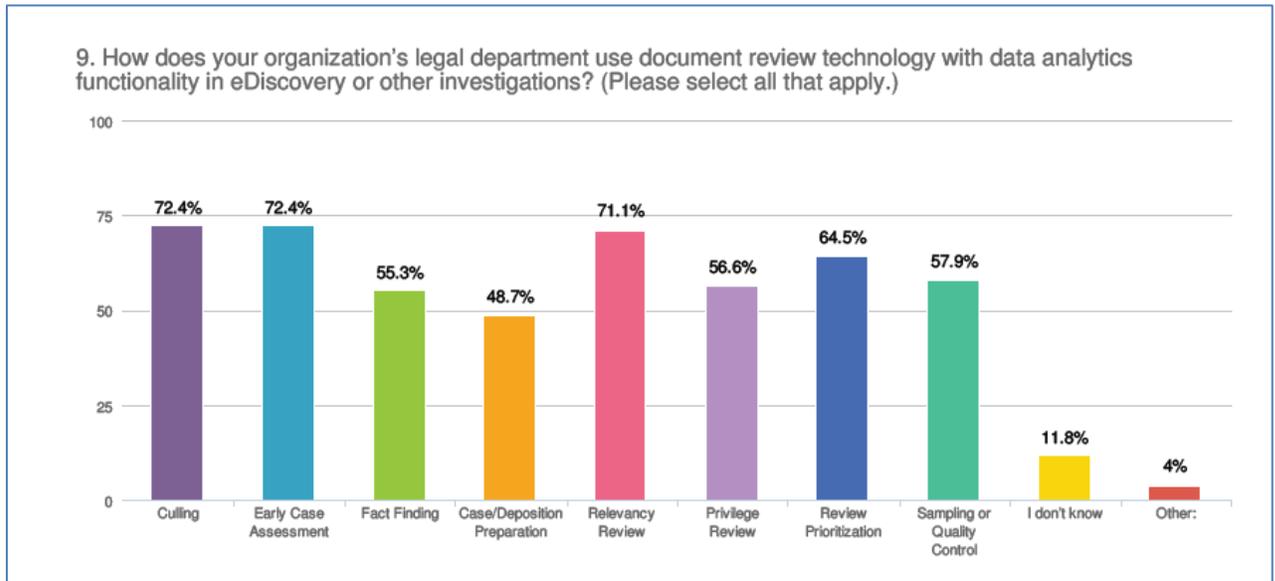
1. **eDiscovery/Other Investigations** - For activities such as document review using technology with functionality like auto-classification, predictive coding, TAR (technology assisted review), etc.
2. **Legal Matter Management, Billing, & Budgeting** - For activities such as assessing and allocating money and people.
3. **Information Governance** - For activities such as content categorization, data migration, defensible disposition, records management, extraction of business insights from data, and so on.
4. **Outcome Analysis or Risk Assessment** - For activities such as evaluating the effectiveness of a legal strategy taken, to assess and/or compare the potential outcomes of legal strategies, to analyze overall exposure, and so on.
5. **Contract Review** - For activities such as automating the analysis, review and management of contracts to drive better control as well as business and negotiation strategies, for example.
6. **Selection of Outside Counsel** - For activities such as evaluating and choosing outside counsel.

Survey Population

A majority of survey respondents were attorneys (around two-thirds), with most holding senior-level positions. Around one third of respondents were non-attorneys, including IT, analytics, and other professionals within or providing support for the in-house legal team. Most respondents were from the United States (89%). The survey attracted respondents from a range of organization sizes and industry verticals, including: Financial Services, Government/Military, Pharmaceutical/Chemical, Manufacturing, and others.

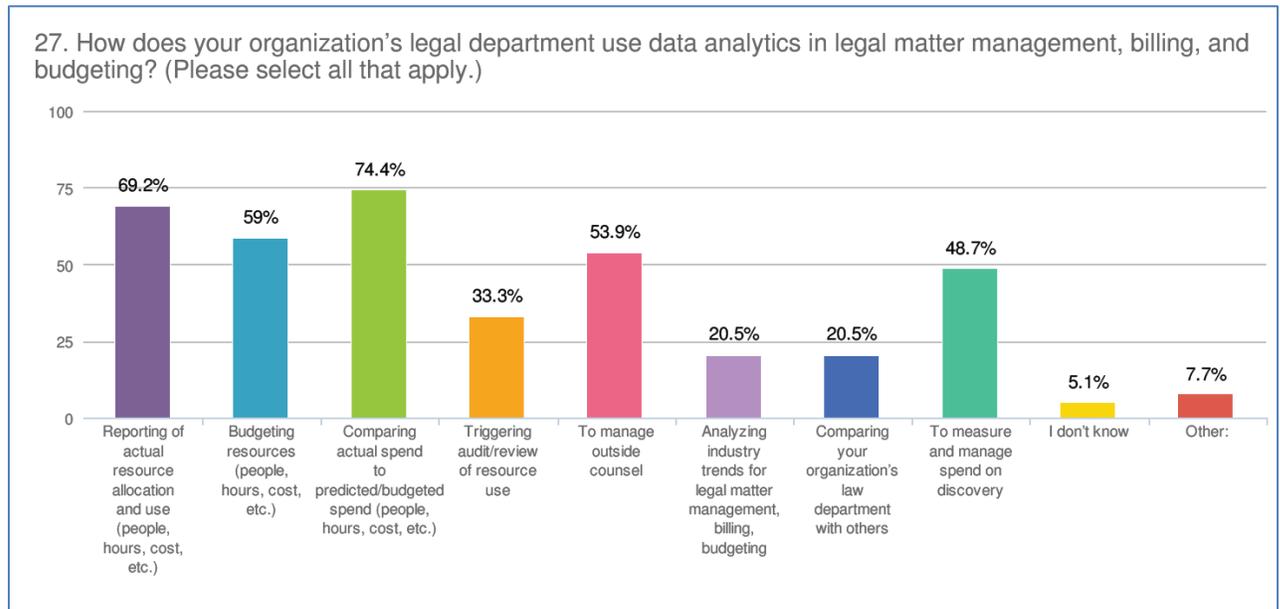
Assessing Data Analytics: The Top Three Use Cases

1. eDiscovery/Other Investigations



This was the only use case for which a majority of legal departments (56%) reported that they were using data analytics. The predominance of eDiscovery was fairly predictable. The legal profession has been doing eDiscovery work for well over a decade now, and data analytics have become a critical part of the toolbox for advanced practitioners. Legal departments reported that their top three uses for data analytics in this area were culling, early case assessment, and relevancy review, with each identified by over 70% of respondents. Finally, 71% of legal departments indicated that their spending on analytics for eDiscovery would increase or stay the same next year.

2. Legal Matter Management, Billing, and Budgeting

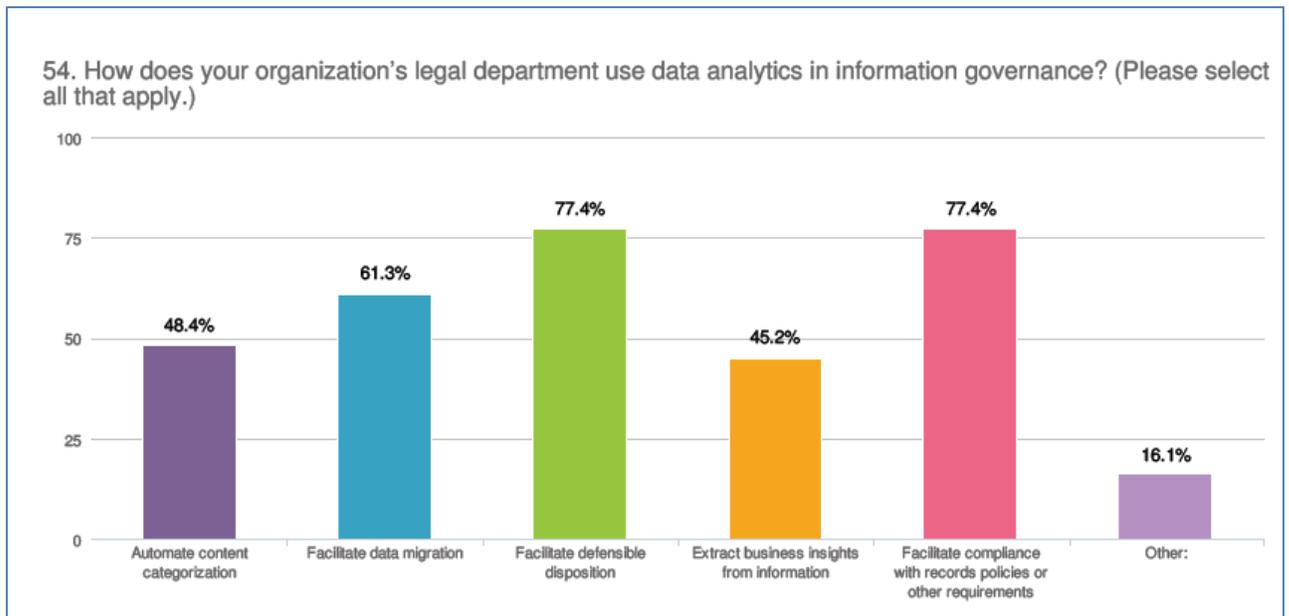


This category was the next most common use case, with around one third of legal departments reporting they used data analytics for this purpose. This use case was more common than the other operationally-focused scenarios (outcome analysis/risk assessment, contract review and selection of outside counsel). While each of these more novel use cases showed some traction (ranging from 18-13% adoption rates), many legal departments are still trying to understand how data analytics can address their business challenges.

This theme was quite consistent throughout, demonstrating that practitioners need to understand how the technology might help more immediate challenges before moving on to more advanced uses. For example, more than 50% of practitioners not using analytics for this purpose said it was either because analytics are “unnecessary,” “there is no perceived value-add from its use at this time,” or “we have never considered it.” Clearly, better education and business case development is needed for these emerging use cases.

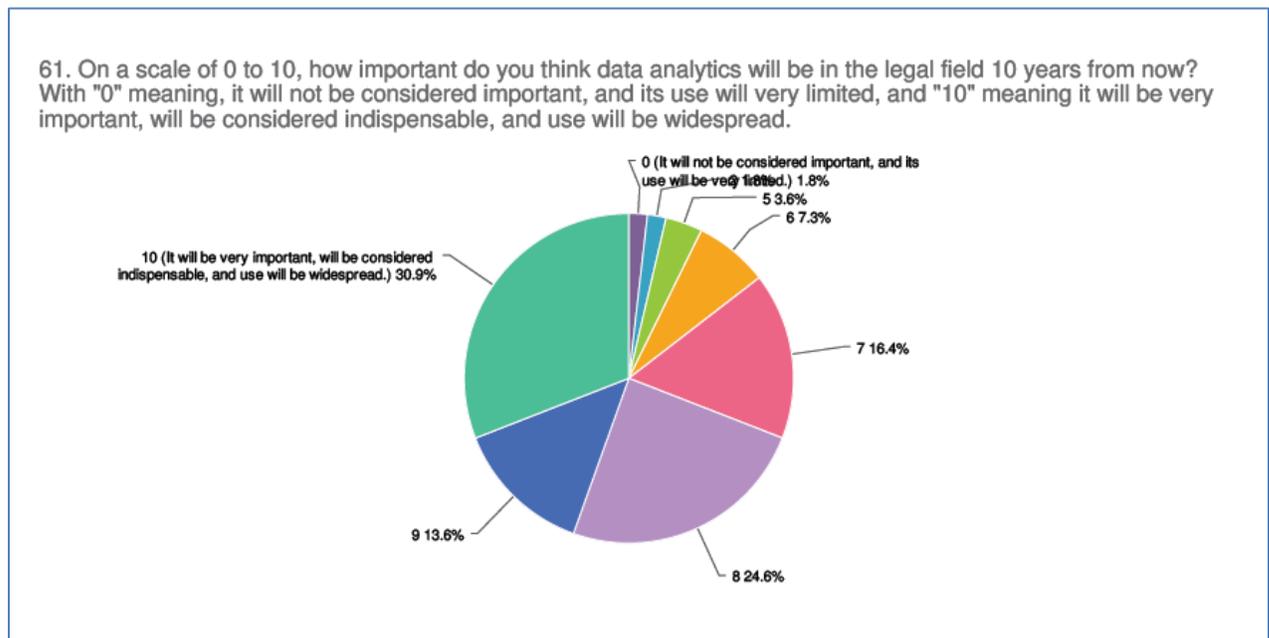
3. Information Governance

Information Governance (IG) was the third most common use case. It is striking that almost one third of legal departments are using analytics for IG given the relative immaturity of IG as a discipline—a sign that IG may be advancing more quickly than expected. The particular use cases were insightful here, too. Of those using data analytics for IG, over three quarters said they were used to “facilitate defensible disposition” and to “facilitate compliance with records policies or other requirements.”



Research Conclusion: The Use of Data Analytics by Legal Departments Will Only Accelerate

As data analytics professionals, even we were surprised by how extensively legal departments were using advanced data analytics. These technologies are relatively new, best practices are nascent, and legal departments are notably conservative and technology-averse. We were also surprised (perhaps, because we spend so much time in the data analytics realm) that so many legal departments seem virtually unaware of the potential benefits of advanced data analytics across these six use cases. The benefits that legal departments are achieving, coupled with a relatively low level of current awareness, strongly suggests that adoption of data analytics will only accelerate as lawyers and their IT staff become increasingly exposed to these technologies and their benefits.



Finally, almost every legal department seems to agree that analytics will become important to the legal profession. We asked legal departments to rank how important they thought data analytics would be in the legal profession ten years from now. The vast majority (93%) of practitioners told us that they thought data analytics would be more important and the use more common. **Stunningly, nearly a third (31%) of respondents predicted that data analytics would be very important, "considered indispensable" and the use widespread within the legal profession in the next decade.**

Endnotes

Note that we have used the following numeric convention for survey data throughout this document: results that included half a percentage point or more were rounded up, and results below half a percentage point were rounded down. As such, in some cases aggregated results for particular questions do not add up to 100%. This work should be cited as: Coalition of Technology Resources for Lawyers, “Data Analytics in the Legal Community: 2015-2016 Trends (October 2015).

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About The Information Governance Initiative

The Information Governance Initiative (IGI) is a cross-disciplinary consortium and think tank dedicated to advancing the adoption of information governance practices and technologies through research, publishing, advocacy, and peer-to-peer networking. The IGI publishes research, benchmarking surveys, and guidance for practitioners that is freely available on its website. More information about IGI is available online at iginitiative.com.