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US & Global Legal IT News

## What will Autonomy and HP do next ?

Although the events of late last week (the news that Leo Apothekar was 'stepping down' as CEO of HP 'with immediate effect' after just 358 days in the corporate seat) has once again put the limelight on the announcement five weeks ago that HP was buying Autonomy for \$10 billion, this is nothing like the buzz surrounding the deal at last month's ILTA event. Almost everyone we met at ILTA had their own theory of what would happen next and what the implications were for the iManage document management software business, so here is a quick summary of the main options...

Among the skeptics, a popular theory was this was entirely about HP wanting to reinvent itself and needing to buy a global software business. As to why Mike Lynch of Autonomy chose to sell, this was because he knew he was not going to win the Autonomy IDOL versus Microsoft FAST search engine war and the HP deal was likely to be the best offer on the table for a long time.

If you accept this argument then, given the ruthless way HP is already spinning off businesses it no longer regards as core, it would not be surprising to see the iManage DMS division being spun off in the near future. An alternative view is that in the chaos of the corporate restructuring following the acquisition, it may take a couple of years before HP spots iManage and starts to question its place.

However there were also some positive interpretations on the acquisition. These included

↳ the arguments that not only does iManage provide both Autonomy and now HP with an entry into the legal vertical market for selling other products and services, including universal search, but also generates a steady flow of maintenance revenue.

We also heard an alternative scenario from one Autonomy insider, who reported there was no freeze on development budgets within iManage and that both IT and Autonomy are set to become the software development arm of HP, so far from cutbacks, we can expect bigger and better things from iManage in terms of products.

Interestingly, both sides agree that iManage customers will get a better and more helpful sales service if either the business is spun off back to an independent iManage or else becomes something sold by HP people, as distinct from Autonomy staff. We (and no doubt OpenText and Microsoft Sharepoint) look forward to the next developments.

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## September's wins & deals

**Clifford Chance**, one of the largest law firms on the planet, has deployed **IntApp Inc's** Wall Builder system to provide information barriers both on the ground, to secure its OpenText DM5 DMS infrastructure, as well as on Microsoft Sharepoint Server 2010 to support the firm's ongoing cloud DMS initiative.

Florida-based **Johnson Pope Bokor Ruppel & Burns** has become the latest law firm to adopt **Aderant StarLaw** as its enterprise DMS.

- In related news **Doug Geller**, the founder of Geller Data Solutions (now part of iEnvision Technology) has been appointed the managing director of Aderant StarLaw.

Another legal world giant – **DLA Piper**, with 76 offices in 30 countries – has bought the **Litéra** suite of document productivity apps including Metadact-e and Change-Pro.

Global law firm **Hunton & Williams** has launched its new website and 19 micro-sites on the **Hubbard One** (part of Thomson Reuters) Web Center platform. Along with micro-sites, Web Center also supports content globalization, blogging, email marketing plus alumni and career sites.

**Select Associates** has won new orders for its Star\* range of financial software from **Paul Hastings Janofski & Walker** as well as **Wiley Rein LLP** in Washington DC.

**Womble Carlyle Sandridge & Rice** has selected the Electronic File Room system from **First To File** to provide a web-based SaaS platform to support IP dispute workflow and collaboration in a virtual environment.

**Microsystems** is continuing to clean up the metadata removal and .docx tools market with recent wins at **Debevoise & Plimpton, Moore &**

**Van Allen, Sullivan & Worcester, Seyfarth Shaw, O'Melveny & Myers, Husch Blackwell** and the offshore firm **Maples & Calder** among others.

- **Microsystems** is now also shipping v3.0 of its 3BClean server-based metadata cleaning product.

San Francisco law firm **Howard Rice Nemerovski Canady Falk & Rabkin** is using a CS240 converged data storage and backup solution from **Nimble Storage** to help 'tame' its 4.5 terabytes and growing store of unstructured case information data held on Microsoft Sharepoint.

[www.nimblestorage.com](http://www.nimblestorage.com)

**TCDI** has been selected by US District Judge Alvin K Hellerstein, of the US District Court, Southern District of New York, to manage and provide access to data associated with the **World Trade Center Disaster Site Litigation** (21 MC 102).

**Pullman & Comley** has bought Office 2010 technology training rollout materials from **Traveling Coaches**, while **Mayer Brown** has purchased the company's CLASSe content.

- In case you missed it, Loretta Wagner and the staff at Traveling Coaches' rendition of Michael Jackson's *Thriller* at ILTA Nashville, complete with synchronized dancing zombies, was one of the social events program highlights of the show.

**Thomson Reuters Westlaw** has implemented a shared storage infrastructure provided by **NetApp** and built on Cisco and VMWare that has cut power consumption by 25% and can return search results 64% faster.

E-learning specialist **Capensys** has signed 'blended' learning contracts with **Lewis Brisbois, Dewey & LeBoeuf, Kramer Levin and Littler Mendelson**, among others.

**Mattern & Associates** has conducted an open RFP process for **Thompson Coburn** that has resulted in **Pitney Bowes** being selected to handle the firm's document and office services.

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## The New Normal - the clients are in charge

Guest article by Cary Burch, COO Elite

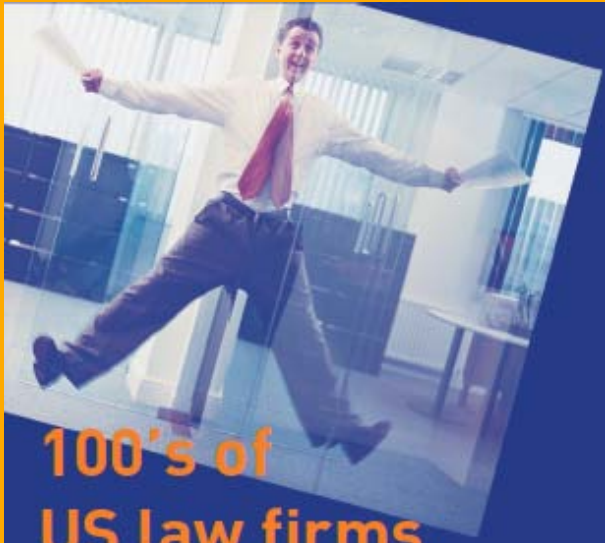
The economic downturn has hit the legal industry in one very remarkable way: for the first time in the modern era, clients are in charge. The billable hour is no longer the basis of the relationship as *cost containment* becomes the new mantra. As the dynamic between lawyers and corporate counsel changes, one trend reflects this new relationship: Alternative fee arrangements (AFAs). While more law firms now offer AFAs, there are challenges and risks alongside the benefits. There are many different types of AFAs and each requires data and organizational controls for maximum benefit.

- Fixed fees, the most common type of AFA, gives clients a known cost up-front. An alternate is the capped fee, in which the firm bills by the hour until an agreed amount is reached. The scope must be written out clearly in the client agreement, and the firm must manage the matter according to the tenets of professional project management. A poorly written agreement or poorly managed matter can expose a firm to significant liability.
- Contingency fees are often used when there is limited or no ability for the client to pay. However, these are often regulated and are risky, so matters should be carefully vetted. Typical contingency fee matters involve third parties, so firms need to budget for anticipated disbursements before entering into an agreement with the client.
- The simplest form of AFA is the volume discount, this involves discounting the standard hourly rate based on the overall volume. Discount targets are often tiered, and the highest tier should be reserved for new billing targets. In many cases, the volume discount is applied to a large portfolio of matters. All stakeholders must monitor and manage the entire portfolio in a single system.
- Value-based billing is based on the value to the client, who must reveal the value of the services and the firm must agree on fair compensation, regardless of the effort involved. While these are built on attractive incentives, they often contain penalties for missing critical milestones or exceeding the agreed-upon budget ➔

### ➔ Leveraging AFAs for Success

- Metrics: Mine financial system for metrics and information on similar matters, gather statistics, and understand what standard deviations occur.
- Tracking: Tools must be in place to track AFA matters, establish budgets and track actual progress .
- Accountability: Partners must be held accountable and firms must have clear policies on how to manage challenges such as cost over-runs.

Clearly many variables must be considered and statistics and activities tracked. Fortunately a new class of software: Engagement Planning and Management solutions (or EPM, such as Thomson Reuters Engage) has emerged to allow firms to run scenarios, manage single matters or entire portfolios, and incorporate principles of legal project management. Most importantly, they let a firm set profitability metrics according to its own rules. Even in the 'New Normal' remaining profitable while meeting client expectations is still the definition of success.



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## Career over for CIOs ?

One of the under-currents that broke the surface from time to time at this year's ILTA conference (and I'm also hearing similar sentiments in the UK) is the suggestion that

the glory days of law firm IT directors are over.

A number of issues are at work here, including the fact that in the post-recession environment the levers of power in law firms are increasingly being pulled by finance directors and CFOs, with CIOs finding themselves marginalized. As one software vendor lamented "We spent months preparing a proposal for a firm's Head of IT, only to learn that before it could be green-lighted we'd have to re-pitch to the CFO. Next time we'll deal direct with the finance department."

There is also a feeling many IT directors are out of touch with the real business needs of law firms. A common criticism is they were singularly short of inspiration and strategic ideas when the recession hit. Then there is their reaction to change and emerging trends. Take consumerization: why are IT departments devoting themselves to finding more reasons why the iPad is an unsuitable device, when the rest of the firm is just grateful to have found a computer lawyers actually want to use? As one consultant commented "The idea of IT directors as 'thought leaders' is an oxymoron, they just follow what other firms are doing. Most of the challenges in legal IT today are not technology but are leadership related."

So is there a future for IT directors in law firms? The answer is yes but they are going to have to engage far more with the business if they are not to be relegated to the guys who keep the lights on. Or, as another consultant put it "In some law firms the title CIO now means Career is Over!"

## Global news in brief

**Elite 3E win in Hong Kong** Elite, part of Thomson Reuters, reports that ONC Lawyers (with 90 lawyers and support staff it is one of the largest locally based law firms in Hong Kong) has selected Elite 3E for its new financial and practice management platform.

**AAR select Recommind** Allens Arthur Robinson, one of the largest law firms based in Australia, has picked Recommind's Decisiv Search system, as well as the company's Matter & Expertise module and QwikFind toolbar, as part of a complete overhaul of the firm's knowledge management and enterprise search infrastructure. The system will be rolled out to 1800 staff in 14 offices across Australia and Asia.

**BigHand wins swapout** Australian law firm Slater & Gordon, which has had its shares listed on the Australian Stock Exchange (ASX) since May 2007 (and trades under the code SGH) has signed-up to replace its legacy Winscribe digital dictation system with BigHand 4 voice productivity technology. The switch brings the number of Top-25 Australian and New Zealand law firms running BigHand technology to 17.

**Merged DMS in two weeks** Following the recent merger of Australian law firm Gilbert + Tobin with Blakiston Crabb, Phoenix Business Solutions won the contract to consolidate two separate Autonomy iManage Worksite document management systems. Phoenix completed the project in two weeks with less than 8 hours system offline time.

## RPost sues Adobe

The trend for vendors rigorously defending their IP rights continues, with registered email specialist RPost now suing Adobe EchoSign, DocuSign, Rightsignature and Farmers Insurance for alleged infringement of its electronic signature patents.



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## People & Places

Congratulations to **Lance Waagner**, the CEO of **Intelliteach**, who won the *Distinguished Peer Award* for outstanding achievements in the category of *Vendor Thought Leadership* at this year's ILTA conference in Nashville.

And yet more winners... The Colorado-based **College of Law Practice Management** has announced the three winners of its *2011 Innovation Awards*, with the honors going to international law firm **Berwin Leighton Paisner** for its Lawyers On Demand initiative; the **University of Toronto Faculty of Law** for its Internationally Trained Lawyers Program; and the **University of Miami School of Law** for its LawWithoutWalls initiative.

[www.colpm.org](http://www.colpm.org)

Following the shake-up of consultancy operations at Thomson Reuters, what used to be the **Hildebrandt Baker Robbins** Financial Systems & Operational Group has been spun-off to become the **Source Consulting Group LLC**. Headed by former Hildebrandt senior executive **Sonnie Yoon**, Source is positioning itself as an independent consultancy providing product-neutral services to legal and accountancy practices.

[www.sourcegroup.com](http://www.sourcegroup.com)

Nice gesture by **Iridium Technology**: last year they shipped 1.3 tons of care packages to **US Marines** deployed in Afghanistan. This year, as part of the company's *Operation Sam's Club*, Iridium is on target to ship three tons of donations to the Marines by mid-October.

Risk management software specialist the **Frayman Group** has strengthened its executive management team with the appointment of **Mohit Thawani** as senior VP products, with responsibility for the company's product management and R&D teams. Thawani's background includes co-founding LegalKey Technologies and holding senior management roles at Hummingbird and OpenText.

The **PayneGroup** has hired **Tracy Whitcombe** as a senior project manager for the Forms & Numbering Assistant product team. As well as working for law firms since the late 1980s, Whitcombe was co-chair of the Northwest Legal Training Professionals from 2007 to 2010. She is also fluent in Japanese! ➔

➔ **Document Technologies Inc** (DTI) has opened another new office, this time in Palo Alto. The move follows a 200% increase in DTI's ediscovery business in Northern California over the past year. The company has also hired **Luigi Lacson** as an account executive to serve the Palo Alto market.

**Jennifer Brennan** and **Patrick Grobbel** have joined the ediscovery and litigation support services company **Intelligent Discovery Solutions**. Brennan, who has worked with law firms for over 16 years, joins as director of the iDS project management office, while Grobbel, most recently a senior manager in a Washington DC accounting firm, becomes the director of the company's business and engagement management team.

Finally, on a sadder note, earlier this autumn **Kevin Reifler**, who worked with Tracie McFadden Burns at the old **LegalVoice** PR and marketing consultancy until it closed in 2006, finally succumbed to the cancer he had been suffering from for a number of years.



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## What Aderant did next...

Along with the Autonomy saga (see front page) undoubtedly the other main talking point at last month's ILTA event was Aderant's acquisition of two CompuLaw (and its subsidiary Deadlines.com) and Client Profiles (including its CRM4Legal division).

The CompuLaw deal is a no-brainer as it involves a great product of potential relevance to every law firm in the United States. Add in the Client Profiles case management dimension, with its obvious synergy with CompuLaw, and it takes Aderant into a wider sector of the market than it has previously operated. Then there is CRM4Legal, the Microsoft CRM Dynamics-based client relationship management system. This is another excellent but under-rated product that has not enjoyed the success it deserves. The acquisition could change all this as Aderant is a truly global legal software provider with a blue-chip customer-base, thereby almost instantly giving CRM4Legal better reach, scalability and credibility as a global CRM platform.

For Aderant it is a win, win situation. It gets a greatly enhanced product set. More importantly, in a legal IT world where consolidation is the name of the game, the company is clearly saying: we are one of the big beasts in this market and we're here to stay. The fact a VC-owned company is making acquisitions only adds to its longer-term credibility. It's also worth noting Aderant is one of the few major players in the market that is a software provider and not primarily a content provider.

## Acquisitions news in brief

**Wolters Kluwer** Corporate Legal Services has completed the acquisition of National Registered Agents Inc, which has been providing registered agent services to small and mid-sized businesses and the legal community that supports them since 1995. The terms of the deal were not disclosed.

**Document Technologies Inc** has purchased selected assets of Esquire Litigation Solutions (primarily its Southern California ediscovery and litigation support operations including the San Diego and Costa Mesa offices) from Alexander Gallo Holdings. The deal's terms were not disclosed.

## American Legal Technology Insider

American Legal Technology Insider is available free of charge as a PDF. To subscribe email [altisubs@legaltechnology.com](mailto:altisubs@legaltechnology.com)

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**The next issue** (No.39) will be published on Thursday 13 October. To keep up with the latest legal IT news visit the [www.theorangerag.com](http://www.theorangerag.com) blog  
 ISSN 1758-5023 © American Legal Technology Insider 2011

