



Corporate counsel hot on outsourcing but cool on social media

There is some fascinating data to be found in Deloitte's latest survey of Australian corporate counsel. The survey – *Corporate Counsel Survey 2012: Embracing a changing world* – looked at three key issues: what impact is globalisation and the current economic climate having on inhouse lawyers; are corporate counsel embracing outsourcing and offshoring; and, what experience do inhouse counsel have with social media?

On the economic front, the survey found that where demand for legal services remained the same, 49% of corporate counsel budgets had not changed in the past year and 24% had seen a reduction. Deloitte partner and legal sector group head David Lombe said corporate counsel faced the difficult juggling act of having to deliver more for less, while still providing high quality but cost effective legal services.

Turning to outsourcing, 96% of respondents already outsource legal tasks to external providers – 58% said they primarily outsourced complex tasks, while 41% outsource both routine and complex tasks. Satisfaction rates were also relatively high – 63% were moderately satisfied and 30% were highly satisfied.

The survey also detected an emerging trend for corporate counsel outsourcing work to legal process outsourcing providers (LPOs) rather than traditional law firms. However 95% said they did not believe the firms to which they outsourced their work were, themselves, outsourcing work to third party providers such as LPOs. Clearly ➔

➔ they haven't read Richard Susskind's new book which suggests outsourcing to LPOs is the only way many law firms can hope to survive!

Finally, social media. This is a divisive topic all across the legal world and probably owes more to being a generational rather than technological issue. Or, to put it another way, older lawyers are uncomfortable living in the 'connected age' and the working methods of Generation X, Y and Z lawyers and executives. This probably explains why in the 2012 survey only 19% of corporate counsel said they used social media to assist them in providing legal services but 84% expect its use to increase over the next five years.

David Lombe of Deloitte's take on the subject is that while corporate counsel are heavily involved when it comes to their own organisations' social media activities, ironically their own use of it to assist in the provision of legal services is very low. "This is a real paradox that raises some interesting questions. For example, with corporate counsel so immersed in risk management and handling confidential or privileged material, is this affecting their general lack of interest in social media?"

Comment: This issue is not going away. Corporate counsel would never sleep at night if they realised the full extent of all the company confidential information now floating around the internet in insecure Dropbox, FaceBook and iCloud folders. They need to embrace not ignore social media.

Our first issue gets a warm welcome

Many thanks for all the compliments we received about the launch issue of this newsletter, best summed up in the words of an IT director from Perth "What a great idea. Just what I have been waiting for." We are interested in all aspects of the APAC legal IT scene, including new product launches, trends, wins and deals, and people. Just email the details of any news stories to news@legaltechnology.com

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Review: the Melbourne ACLA conference

by Allison Walton, Ediscovery Counsel, Symantec

This year the Australian Corporate Lawyers Association conference took place on 15th March at Melbourne Cricket Ground, with approximately 300 inhouse counsel from varied organisations attending. Symantec made its legal debut at ACLA and is approaching the market from an information governance (*proactive holistic solutions to manage data for a variety of purposes*) perspective rather than a strict ediscovery perspective (*reactive tools to search, cull, process and review data for a specific event*). Because Australia and New Zealand are not compelled by litigation in the same way the US has historically been, barring global businesses and law firms, the main business drivers in Asia Pacific are compliance, regulatory, and statutorily driven.

For example, for governments the Official Information Act in New Zealand, and the Freedom of Information in Australia, necessitate compliance with privacy and transparency laws. The requirements to produce public records that are appropriately redacted alone will justify the use of technology to provide the ability to manage large volumes of data. This is true regardless of litigation, and consequently the technology organizations employ for information governance will also enable them to be litigation prepared. Additionally in the private sector, there are now cases like *DuPont* that legitimize the risk of litigation with the US for businesses operating globally and implementing an information governance product suite will also enable a company to be prepared for litigation as a beneficial by-product. In essence, the same capabilities are achieved at the end of the day, regardless of the impetus for implementing a solution.

Ediscovery is not entirely foreign to the APAC markets however, as evidenced by the Australian Royal Commission. An RC is an adhoc, formal, public inquiry into a defined issue with considerable discovery powers. These powers can be greater than those of a judge and are restricted to the scope and terms of reference of the Commission. RCs are called to look into matters of great importance, usually have large budgets and are charged with researching the issues, ➡

➡ consulting experts both within and outside of government and developing findings to recommend changes to the law or other courses of actions. RCs have immense investigatory powers, including summoning witnesses under oath, offering of indemnities, seizing of documents and other evidence (sometimes including those normally protected, such as classified information), holding hearings in camera if necessary and – in a few cases – compelling government officials to aid in the execution of the Commission.

These expansive powers give the RC the opportunity to employ state of the art technology and to skip the slow bureaucratic decision making processes typically found within governments when it comes to implementing technological change. Uniquely though and the opposite of the US, APAC governments may be more motivated to adopt technologies than their private sector counterparts. For this reason, initially, ediscovery will continue to increase in the government sector at a more rapid pace than in the private in the Asia Pacific region. This is because litigation is less prevalent in the Asia Pacific, and because the RC is a unique investigatory vehicle with the most far-reaching authority for discovering information. Moreover, the timeframes for RCs are tight and their scopes are broad, making them hair-on-fire situations that move quickly.

The prediction for the APAC legal technology market is quite optimistic as there is an opportunity to bypass the hard lessons learned abroad, specifically in the US. These hard lessons include the purchasing and deployment of varied technologies that don't all necessarily work together efficiently today, and large bills for the processing and review of vast amounts of data. In the US, many corporations have historically relied on their outside law firms for the technology required for litigation. APAC can skip this step from a reactive ediscovery framework as the domestic threat of litigation is not as imminent, and begin to attack the information challenges presented by the 21st century by employing a broader information governance model.

Some law firms in the US and in APAC have developed a robust litigation support practice, while others rely on outside service providers. This trend began to change in the US roughly five years ago, and corporations began to take ownership of their own ediscovery processes to drive down cost and to create efficiencies ➡

March's wins, deals swapouts and rollouts

Perth-based **Lavan Legal** has become the first Australian law firm to go live on the new **Aderant Expert 8.0** financial and practice management system, which was only released in December last year. The firm's IT director Marco Marcello said the upgrade path was seamless and the firm was already enjoying productivity and efficiency gains.

It's been another good month for **Phoenix Business Solutions**, with **DLA Piper Australia** awarding the company a contract to implement, train and support **Autonomy iManage** Worksite. Phoenix will be deploying the Worksite 8.5 DMS to over 1000 users in the firm's Australian offices.

ACLA conference review

⇒ *continued from previous page...* across business units other than legal. This is not to say some functions should not be outsourced, but it is to say that: the majority of information governance responsibilities cannot be achieved by an outside provider, are unique to each organisation, and that cost savings and efficiencies cannot be realized unless these functions are brought inhouse. These functions at a minimum include archiving and search capabilities. Moreover, the interrelationship between storage, compliance, privacy and other regulatory requirements has made evident that many of these data responsibilities cannot effectively be outsourced.

APAC is poised to embrace robust and streamlined systems that are available on the market today that did not exist even five years ago. If the US history repeats in APAC, organisations will rely on outside counsel for the next ten years for legal technology services and continue to accomplish their other requirements manually. If inhouse counsel in APAC embraces bringing technology in-house for their data across all business units now, including security, they can skip the Frankenstein-like deployments that exist in many of the organizations that have gone before them. They can embrace information governance holistically inhouse for the other business drivers that exist in the region. ⇒

⇒ Inhouse counsel play a crucial role in these information governance decisions and increasingly do so in the APAC region. The risks associated with non-compliance and data breach inevitably raise legal questions that are capturing the Australian inhouse lawyers' attention. The explosion of the amount and sources of data are increasingly complex issues that require of C-level executives to meet and develop actions plans to address. This is also an area of opportunity for the inhouse lawyer to initiate plans regarding increased efficiency and cutting risk within an organisation.

While the APAC information management environment does not have the exact same drivers the US market does, it definitely has the same archiving, ediscovery and technology needs for different reasons. Another key point is that the APAC archiving and ediscovery market will likely be driven by the government as records, search and production requirements are the main compliance needs in Australia and New Zealand. APAC organisations would be well served by beginning to modularly implement key elements of an information governance plan, as globalisation is driving us all to a more common and automated approach to data management.



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Christian UnCut : who will speak for digital dictation ?

In the beginning there was magnetic tape and law firms found it a pain to deal with so, over the last 15 years, more and more of them switched over to digital dictation. Then along came digital dictation workflow (DDS) systems and there was even greater rejoicing throughout the land for this verily was a no-brainer system for lawyers to use.

Coinciding with this, there was a vicious turf war taking place among DDS suppliers, which over the last decade has seen the number of serious players plummet to just two global organisations, namely Bighand and Winscribe, plus some local heroes. (In Australia, one such local player is Howard Hutchins of Diversified Dictation Systems/Grundig Dictation Machines.)

And, if this were not bad enough, the dictation hardware market is in turmoil. Not only is nobody buying magnetic tape these days, but the demand for portable recorders is falling as more users switch to dictating on smartphones, such as the Blackberry, iPhone and Android. Why take two devices with you when one will do? True, Philips and Grundig are still holding on in the 'tethered' speech-mike market – and no doubt taking some consolation from the corporate scandals at Olympus – but for how much longer?

Then there is the resurgence of speech recognition. Will this mean further dramatic changes in this sector? If the software can adequately transcribe the dictation, does this mean the end to the traditional law firm fee earner -to-secretary paradigm?

And what about Generations X, Y and Z? Are we going to see a move away from lawyers doing any dictating? Will future generations of fee earners do their own typing because they have grown up computer literate?

Finally, if we did not have enough future possibilities to permutate, what are we to make of recent consumer-sector voice technology innovations, such as SIRI in the Apple iPhone or the introduction of speech-to-text functionality ➡

➡ on the new iPad3?

One trend we have detected over the last 18 months has been a growing focus on mobile working and tools lawyers can use when they are out of the office. In such circumstance, nobody is going to type a long document on either an iPhone or a Blackberry however they may use their voices, if only to send instructions back to the office. As one American law firm IT director recently commented "lawyers have always dictated, we just call it voice mail!"

As for the new iPad, according to Bighand's CEO Jon Ardron, the inclusion of an embedded dictation and transcription tool will raise interest in voice and dictation generally and be the perfect introduction to robust, scaleable voice productivity solutions.

News in brief

Cogence open in Singapore Cogence Search, one of the UK's best-known legal IT recruitment consultancies, has now opened a Singapore-based subsidiary to serve the Singapore and South-East Asia law firms market. The team there includes managing director Mark Husband, senior consultant Charlene Pereira, who was previously with Duane Morris, and former district judge HHJ Sarjit Singh. The switchboard is +65 6622 5475.

www.cogencesearch.com

Sign of the times Blake Dawson has changed its name to Ashurst Australia and, as part of the change, out goes the old Blake Dawson URL and in comes ashurst.com. Emails will be formatted as firstname.surname@ashurst.com although emails to old addresses will be forwarded for a time.

E-billing in beta Kestrel Business Solutions, which has its APAC office based in Perth, is now in the beta-testing stage with its new e-billing system.

www.kestrel-bs.com

Red Rain get Results The Sydney-based legal IT consultancy Red Rain Corporation has completed the implementation of its Web Collaborator add-on for the LEAP Office system at Brisbane-based law firm Results Legal. The Web Collaborator app provides a cloud-based portal to access LEAP data. *This story came in too late to be included in our wins & deals section.*

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TCS planning to bring SAP ERP to legal

Tata Consultancy Services (TCS) has announced its intention to become a major player in the global legal systems market with its LMS (Legal Management System). TCS global head of legal services PS 'Ranga' Ranganathan said that following the completion of its LMS implementation at Shoosmiths in the UK and more recent work with the Portuguese law firm Abreu Advogados, it could now offer a templated solution to mid-tier/national law firms

Ranganathan said despite being based on an SAP platform, the LMS product would be competitively priced, making it a viable alternative to both Elite and Aderant. TCS say one of the benefits of the new template model is firms will be able to rollout LMS in six months (Abreu took just 24 weeks) compared with two-and-a-half years at Shoosmiths. LMS will offer a choice of inhouse client/server or cloud/SaaS platforms.

TCS add that following the expected completion of the Baker & McKenzie SAP implementation later this year, they hope to be able to launch a similar templated model for global law firms.

New look website

This month saw the launch of Legal Technology Insider's new *LegalTechnology.com* website. This brings together the latest legal IT news and comment from *The Orange Rag* blog, plus resources and free services (including a self service jobsboard) all in one location, making it the first and best place to find succinct legal IT intelligence relevant to law office management ➔

➔ and to you and your business. And stay tuned as we will be announcing a number of other exciting digital publishing initiatives over the next few weeks.

www.legaltechnology.com

10 years ago today

The top stories in the world of legal IT in March 2002 included the news Solution 6 was buying Keystone Solutions in a deal worth £13.5 million, despite the fact Keystone anticipated making a £4.2 million loss in the trading year to 31st March 2002. The two businesses – now all part of Aderant – talked about product “synergies.” Elsewhere, Hummingbird said its new DM 5.0 system was a “seminal product, a quantum leap” that would help it win back the DMS market from iManage.

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