

A LEGAL SERVICES TRANSFORMATION: WHY LEAVING TRADITIONAL DISCOVERY PRACTICES BEHIND AND MOVING TO MANAGED SERVICES NOW MAKES SENSE

Legal costs have skyrocketed in recent years, as have the risks associated with recent data breaches at major AmLaw law firms. These developments are forcing corporate legal departments to reevaluate how their discovery is handled. Traditionally, corporations have allowed outside law firms to manage the discovery process. However, corporations are now discovering that this practice is extremely inefficient, risky and expensive for companies routinely involved in litigation. By allowing individual law firms to manage the process, corporations are allowing their data to be moved to various locations, which is incredibly difficult to control. Also, there is no way of properly vetting the security of the data if the outside law firm is controlling where the company's data goes. Finally, by allowing firms to individually handle discovery, the corporation loses out on its ability to consolidate this work with a dedicated, outsourced provider with whom the corporation can negotiate lower, volume-based discounts for the work.

Corporations are now freeing themselves from this traditional model and turning to a managed service model, where a third-party provider creates a discovery management program and a client services team of experts dedicated to your corporation. This allows inside counsel to return to their day job, instead of worrying about data and discovery management. Furthermore, there is a significant cost break associated with managed services compared to outside law firms, along with the ability to leverage cutting edge technology, put repeatable processes in place across matters, and ensure that the company's data security requirements are in place.

The Managed Services Model

Managed service providers should present a full suite of legal service offerings, which includes performing on-site or off-site custodian interviews, legal hold verification, collections, search and analysis, document review, production, deposition and trial preparation, and database management. A provider should be able to deliver highly structured review management and supporting trained review attorneys as needed. Managed service providers should also have the



“This allows inside counsel to return to their day job, instead of worrying about data and discovery management.”

ability to quickly scale staffing resources up and down to meet fluctuating litigation demands. In addition, a managed service solution ensures that the managed service team is responsible for closely monitoring the scope and costs of discovery throughout the life of a matter.

The Investment

Once a corporation commits to the managed services model, the services can be handled using two options: (1) either the company can invest in the infrastructure and technology and have the provider run the operation from behind the company's firewall, or (2) the provider can host and maintain all of the company's data on the provider's servers. In either option, that provider should offer a dedicated team that works with you to develop and implement a tailored in-house discovery process. These processes should be developed by the provider's case management attorneys, project managers and technology teams. With this model, outside counsel no longer has to play the role it once did in managing the company's data, and instead can focus on representing the company and provide strategy for the company's in-house team in handling the substance of any case.

Critical in the process are metrics-driven budgeting and reporting both within and across legal matters. This enables you and your outside counsel to better predict costs at the outset of a matter, and identify ways to reduce cost by leveraging metrics-based information derived from work on prior matters.

The Delivery

Another key element to consider when looking for the right provider is whether they can deliver a turn-key, repeatable process management solution. The end result of the repeatable processes and procedures put in place is the tight integration of the managed services attorneys and supporting project management and technology staff. As a result, the in-house legal team and outside counsel are able to engage themselves much more quickly on matters by leveraging a highly structured and documented process driven by the managed services team. By using one dedicated provider your company receives policies and procedures tailored to your internal dynamics and infrastructure. This ensures consistency in the way in which the discovery process is managed across matters. As mentioned, in traditional outsourcing, each outside law firm uses procedures and workflows that are different from the company's processes, creating inherent inefficiencies and risks of inconsistent handling of the company's information.

The Technology

Technology is also a critical part of a managed service solution and serves an integrated function across matters. Companies should consider using technology to mitigate areas of particular risk, such as the enforcement of legal holds and preservation obligations in general. For any company routinely involved in litigation, in-house collection and searching technology eliminates the cost, inefficiencies, and security and operational risks of sending corporate data to a wide variety of outside law firms.

Technology can also be used to search and analyze data, facilitating in-house review to support both internal investigations and initial stages of discovery review. This is critically important because of the expanding



World-class service. Local commitment.
Visit DTIGlobal.com to learn more.

volume of information and increased demand for electronically stored information during litigation and investigations. Outsourcing these functions to various providers compromises the company's ability to access and evaluate information quickly, and understand risks and make strategic decisions early in a matter.

By moving into a managed services model and engaging a dedicated team to manage the process, companies can eliminate redundancy and minimize the cost premiums associated with using different technology solutions and various service providers across cases. Each solution carries its own cost and profit margin. Fixed costs can be leveraged more efficiently when a company enters into one-time technology subscriptions and then is able to benefit from the discounts associated with those subscriptions repeatedly across matters.

Having one team manage the company's information in an environment dedicated to the client ensures that the company's information is more secure and stays within the company's control. Conversely, when a company selects separate providers for document review and database hosting, each of the providers stores the company's information on their own which can fall outside the company's control. This creates an inherent risk that the company's information will be distributed externally.

The Benefit

There is generally a cost premium associated with using multiple providers. By having a managed services provider create and oversee a repeatable in-house business process, it is priced lower than traditional consulting or outsourcing services.

The managed services model is different and beneficial because it is grounded in a repeatable process created with and tailored for each client according to the client's internal dynamics and infrastructure. As such, the model ensures consistency in the way in which the discovery process is managed across matters. With traditional outsourcing, each provider uses processes that are different from the company's processes, which creates inherent inefficiencies and risks of inconsistent handling of the company's information. To save costs, better secure your systems and promote defensibility. Now is time to break with tradition and explore the managed services route.



“The managed services model is different and beneficial because it is grounded in a repeatable process created with and tailored for each client according to the client's internal dynamics and infrastructure.”

About DTI

DTI is a leading legal process outsourcing (LPO) company serving law firms and corporations and government entities around the globe. The extensive experience in eDiscovery, managed services, litigation support and court reporting is unmatched in the industry. To learn more about the DTI global footprint, flexibility, capacity and world-class project management, visit www.DTIGlobal.com.

About the Author

Don McLaughlin

Don McLaughlin is Senior Vice President, Corporate Managed Services with DTI, where he spearheads a professional services team that delivers groundbreaking in-house e-discovery consulting and managed services for corporate legal departments. DTI's long-standing Managed Service clients have received national recognition, including selection as Best Law Department of Year and Top Ten Most Innovative Law Departments. Prior to joining DTI, Don founded Falcon Discovery, a consulting and professional services firm, and before that, practiced commercial litigation at Sherman & Howard LLC in Denver. He also served as a Deputy District Attorney in Colorado's 8th Judicial District. Mr. McLaughlin presents regularly at national legal and technology conferences, general counsel roundtables and educational events in the areas of in-house e-discovery technology, litigation risk management and cost containment. Mr. McLaughlin earned his J.D. from the University of Denver, graduated magna cum laude with a Bachelor of Arts from the University of Vermont, and studied internationally at the University of London and the Université de Grenoble.

