



Knowledge Management Survey

Analysis by Firm Size

KM Survey Analysis: Executive Summary



This is the second survey conducted by ILTA's Knowledge Management peer group, the previous one from 2008. The survey gives us the opportunity to look at trends and hot topics in the KM legal space and provides members of the peer group with information against which to measure their own KM initiatives. The following summarizes the results of the survey and any trends and changes of significance since the 2008 survey. The full survey results, with a summary of additional responses to

some questions, are provided in this report. We hope you find them useful.

ABOUT THE SURVEY AND RESPONDENTS

The survey was provided to the members of ILTA's Knowledge Management Peer Group, various local KM groups, and was also sent out through social networking channels by several KM bloggers and tweeters.

We received 141 responses, which is a marginal increase over the 131 we received in 2008. The breakdown of respondents this year was similar to

2008, with 87% being from law firms and 11% from corporate law departments. We did have four more law department respondents this year, which is a statistically significant increase of 36%, from 11 to 15. However, we believe this figure still under-represents the actual number of law departments that have KM initiatives. Since KM in corporate law departments does seem to be growing, we have filtered out the results for this group and have included below a separate short summary of key results.

We had fewer large firms (over 500 lawyers) respond this year with 53 respondents representing 40% of the total, down from 74 representing 57% of respondents in 2008. However, we had double the number of responses from smaller organizations (51-250 lawyers), representing 28% of respondents. While we are not sure why we got fewer responses from large organizations, it is encouraging to see KM growing in smaller to mid-sized organizations.

THE KM ORGANIZATION

Indicators of maturity of the KM organization in law firms and legal departments could include the extent to which there is a separate budget for KM, the existence of a KM vision or strategy, which department KM reports to, and the title of the person responsible for KM. In the last two years, not too much has changed regarding these parameters, with 54% of organizations not having a separate KM department and 61% not having a separate KM budget. However, the significance and independence of KM within the legal organization seem to be reflected in the fact that the majority of respondents indicated that KM reports directly to senior management rather than through another department. We also saw an increase in the number of organizations that have, or are working on,

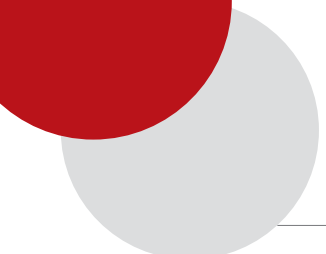
a KM strategy this year. This could be a reflection of the economic downturn and related changes in legal environments as well as an indication that firms generally are viewing KM as part of their strategic planning. It is certainly not surprising that organizations are also looking at their KM strategies to ensure their investments appropriately reflect the changing legal environment and economy.

It should be noted that the size of the organization is not necessarily a determining factor for a mature KM program, according to the survey data. While the large law organizations (>500) seem to be slightly more likely to have a KM strategy, more than half of them still don't, though many are working on it. Similarly, almost half do not have a separate KM budget.

IMPACT OF THE ECONOMY ON KM

We know that many firms and law departments were hit hard by the economic downturn, and we heard numerous stories of layoffs and cost-cutting programs. The survey indicates that KM managed to hold its own in this environment. Two-thirds of respondents indicated that their budgets and KM staff levels have stayed the same. Budgets increased for 21% of respondents, and 10% saw staff levels increase. Certainly, during this period, much was written about how KM can help organizations flourish in difficult economic times. It would appear that KM has had some success in demonstrating its value. Size of the organization doesn't seem to have played a factor in whether the KM budget was impacted.

The most prevalent trends in the changing legal environment are the move to fixed fees



and alternative fee arrangements, and a stronger focus on project/matter management. We believe that KM can play a valuable role in helping firms address these challenges. You will find other articles in this white paper and sessions at this year's ILTA conference on this topic. While the survey indicates that some KM teams are supporting these initiatives, it is still a small number. The majority of firms and law departments don't have any tools relating to fee estimates, AFAs or matter management. In the majority of firms that are looking at these issues, KM does not yet seem to have any involvement. However, from 12 to 22% of KM teams are involved in these initiatives, particularly in project/matter planning tools. This is likely a significant increase from two years ago when we didn't even include such initiatives on the list of KM functions and responsibilities we inquired about. You can see from the survey summary results that KM is supporting these initiatives through budgeting tools, tools to mine fee information about past matters, project plan templates, task-based billing, document assembly, education programs and more.

WEB 2.0

The implementation of Web 2.0 collaboration tools in the legal environment has been another hot topic in KM over the past two years. So how are law organizations meeting the challenge of getting lawyers to use these tools? Almost 70% of respondents indicated that their organizations are using Web 2.0 tools to some extent (see question 17), however when asked about specific tools (see question 22), the responses indicate that most organizations are limiting usage to one or two tools. It also appears that use is still primarily on the administrative side of the business. The most popular tool among lawyers seems to be team sites, the next most popular is

discussion forums, then wikis. The most common use is for collecting legal knowledge and resources on a topic or precedent, and the next for administrative committees. Quite a few organizations are using wikis and blogs for project management. SharePoint is, by far, the most commonly used technology. A number of firms are starting to use social networking tools similar to Facebook or LinkedIn for internal networking.

PRIORITIES

The priorities of KM organizations seem to be spread out across a number of areas. The most common priority seems to be implementing new (or upgrading) portals. The next most common is enterprise search, followed closely by development of a KM strategy and DMS implementation. Breaking results down by size of organization, we see that small organizations (<50) have a slightly higher priority on DMS and e-mail management; mid-sized (51-250) on DMS. Priorities for large mid-sized (251-500) are spread evenly across all possibilities. Large firms (501-1,000) are focusing on enterprise search. Priorities for mega firms (>1,000) are spread out pretty evenly, with a slightly higher focus on new portal implementation.

CORPORATE LAW DEPARTMENT KM

The size of law department respondents spanned the spectrum with 5 respondents coming from being small departments (less than 50), 9 from mid-sized (51-250) and one from large (501-1000). Regarding whether they have a formally articulated strategic plan or vision, the breakdown is about the same as for law firm KM, with approximately 27% with, 27% without, and 46% working on it. However, a higher percentage of corporate law department KM initiatives do not have a separate KM budget (80% vs. 61%). This is not

particularly surprising as, in most instances, funding is likely rolled into the law department's general budget.

Looking at the KM functions and responsibilities within corporate law departments, the functions that had the highest level of KM involvement (either full or shared responsibility) were the document management system, the intranet or portal, and collaboration tools. More than 50% of law department respondents said their organizations didn't have model/precedent or research collections. Two departments reported having enterprise search, and KM is fully responsible for it. The other initiatives that the corporate law departments are involved in are particularly specific to the organization's

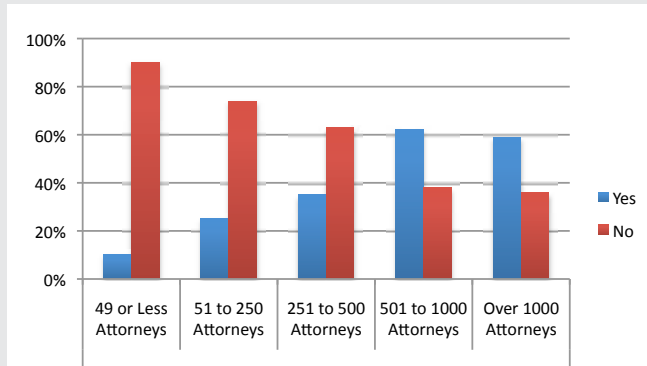
business, including a rights management system, patent and trademark system, e-billing, intra-company legal function website for internal clients and a Salesforce contact management system.

Looking at current priorities (question 28), one-third of law department respondents said they are focusing on internal collaboration using Web 2.0 tools. In-house law departments seem to be trying to "walk the walk," as they increasingly look for external law firms willing to work collaboratively with them. KM strategy and DMS were the next highest priorities, then matter management, new portal implementation and enterprise search. **ILTA**

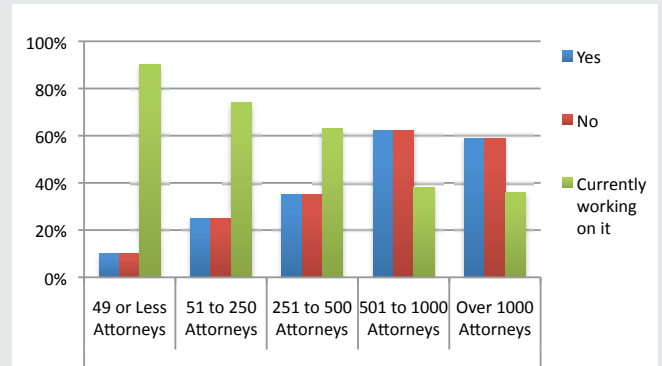
Click here to view the KM White Paper



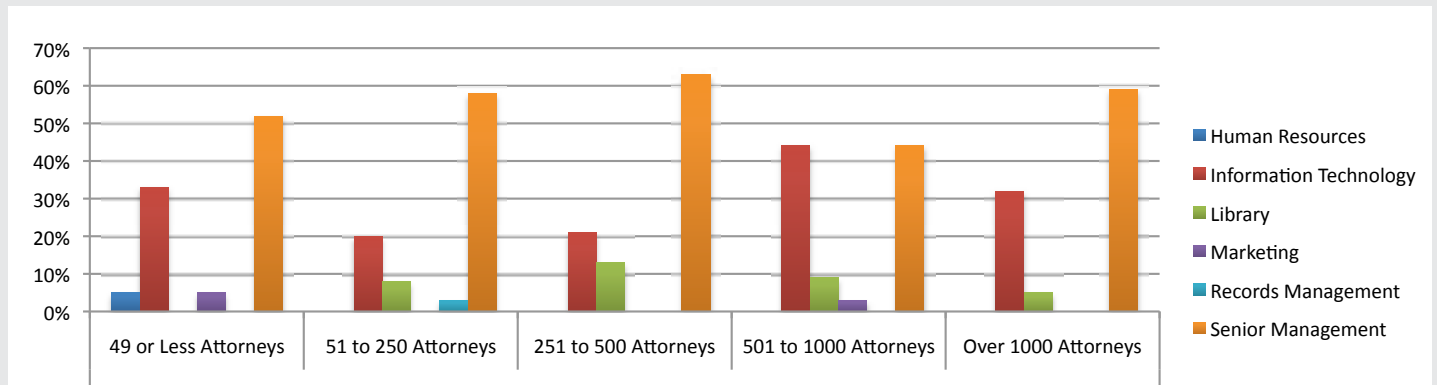
Is KM a separate department at your firm/law department?



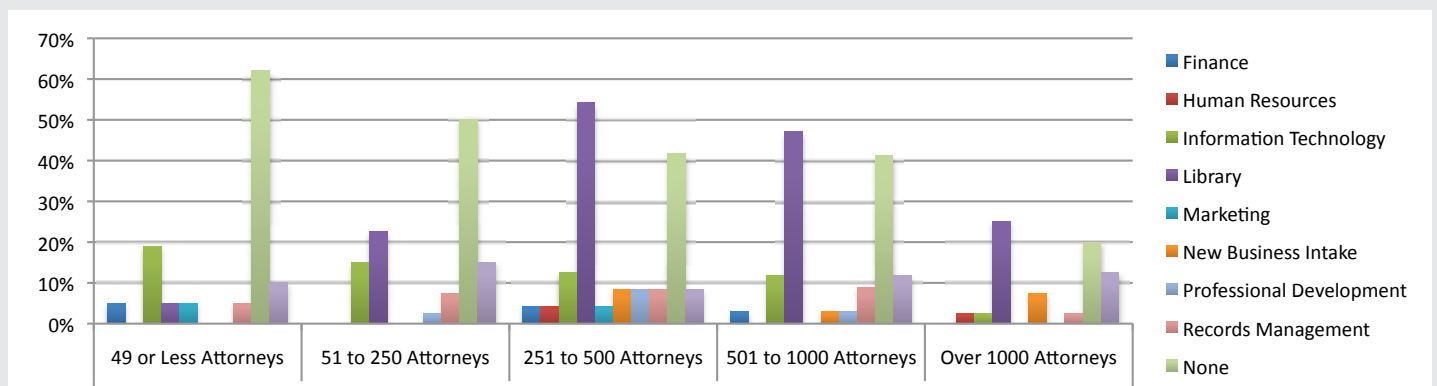
Does your firm/law department have a formally articulated KM Strategic Plan or vision?



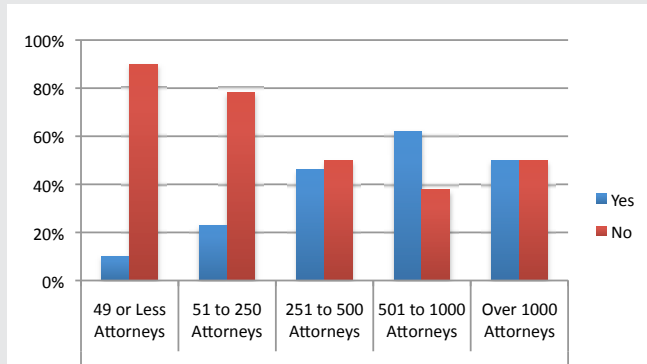
What department does KM report into?



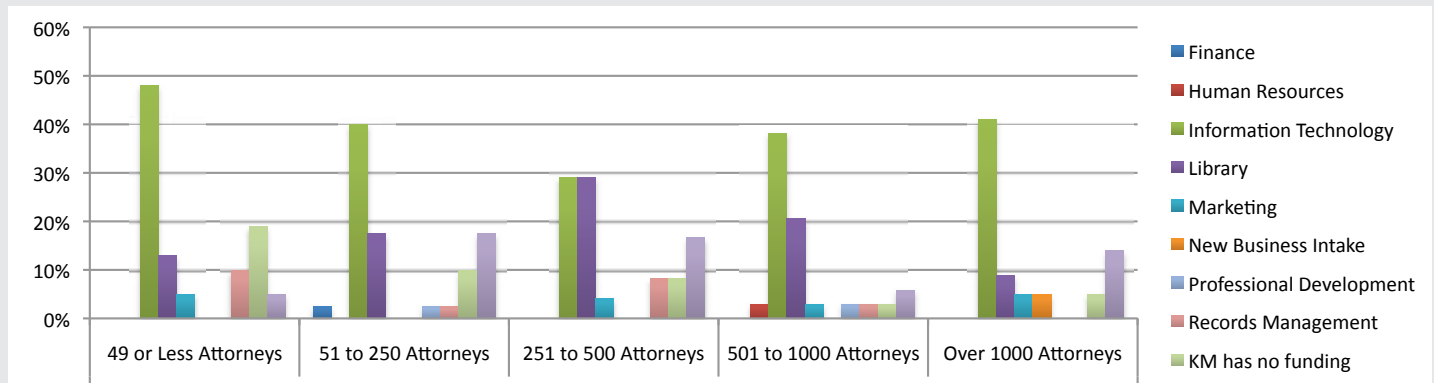
What departments report into KM? (multiple responses allowed)



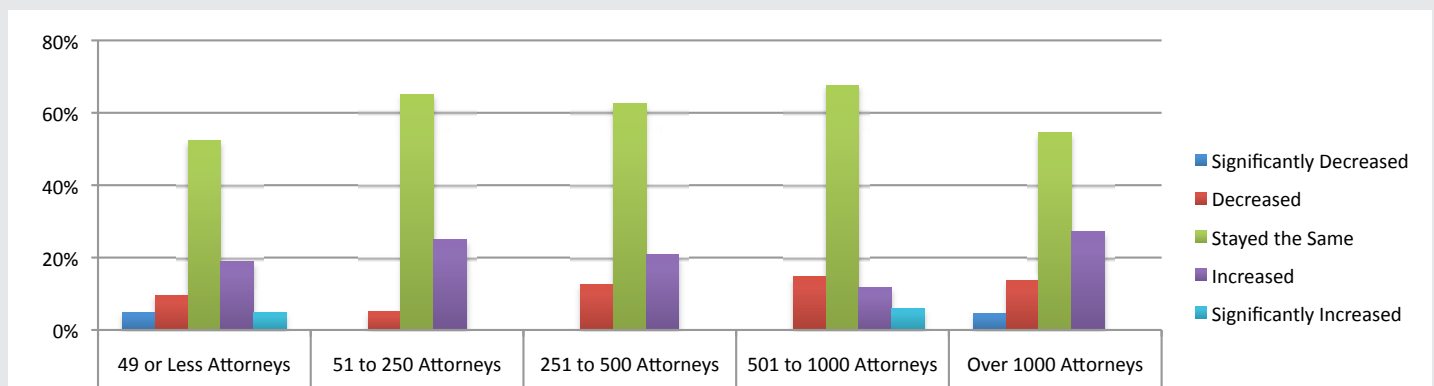
Does your firm/law department have a separate KM budget?



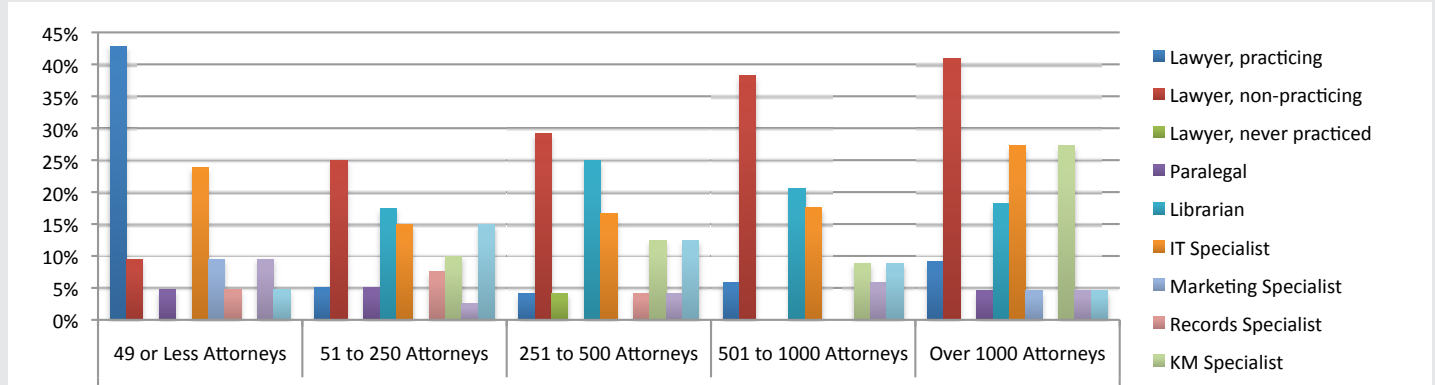
Which department, if any, is KM funding included in? (multiple responses allowed)



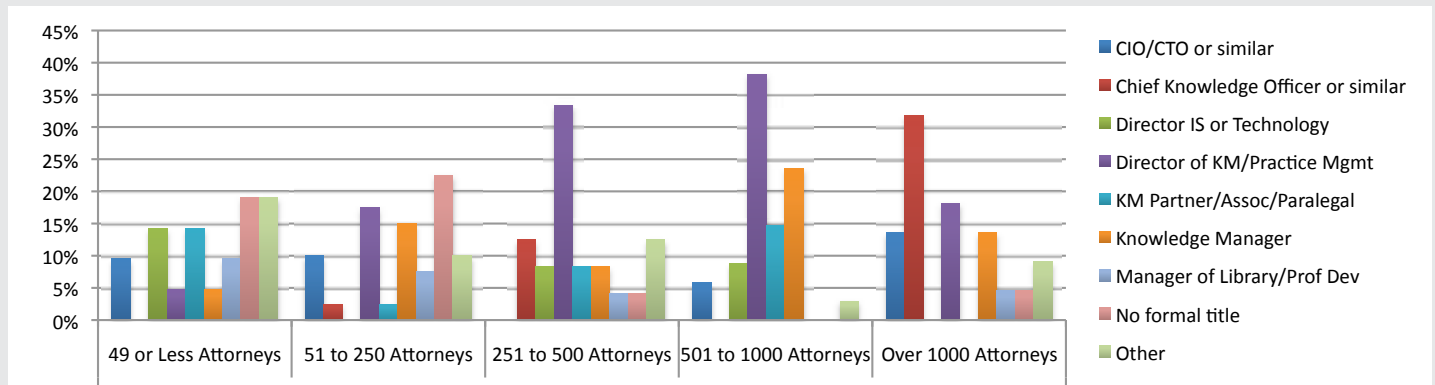
For the 2010 budget year, the budget for KM has:



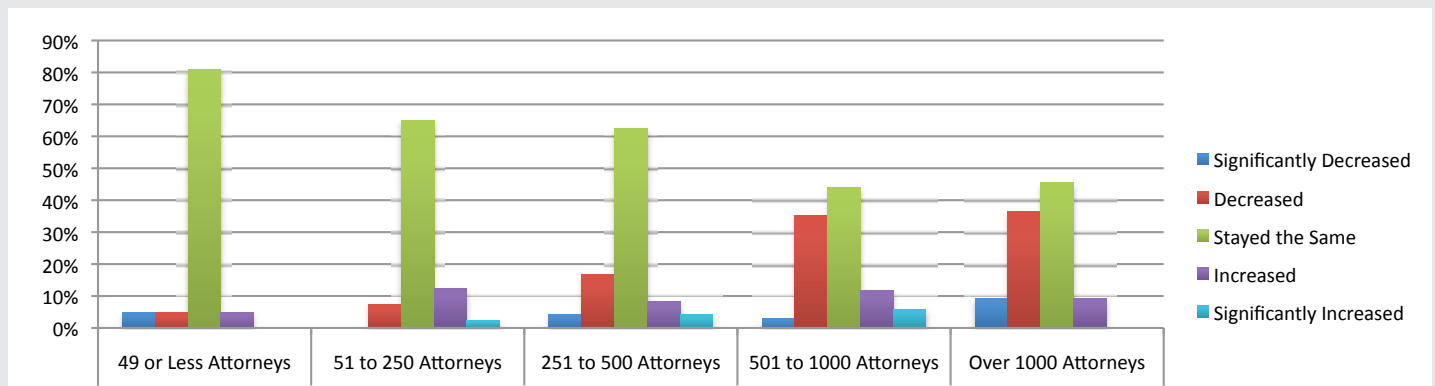
What is the background of the primary person managing KM efforts/projects on a day-to-day basis?



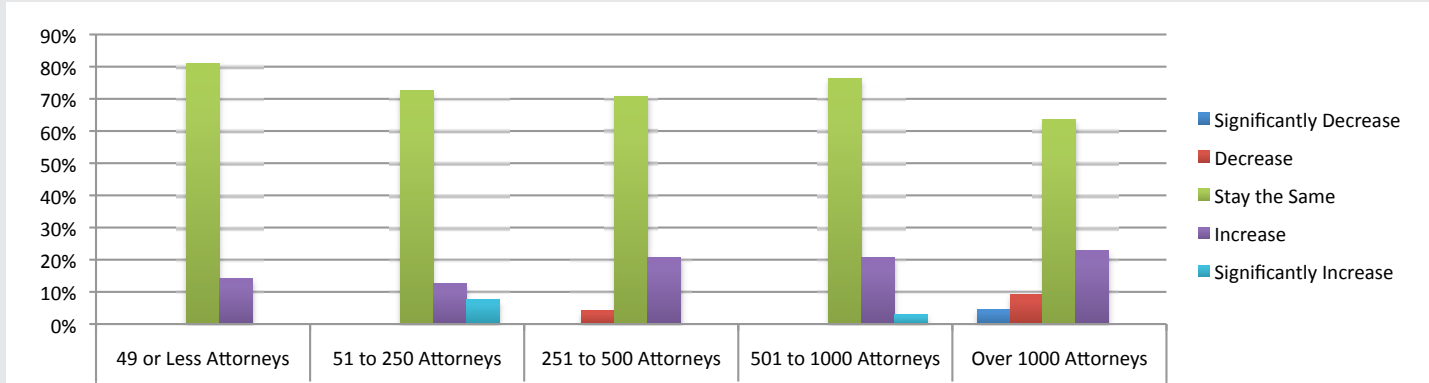
Identify the category of title into which the person responsible for KM (the person referred to in the previous question) falls:



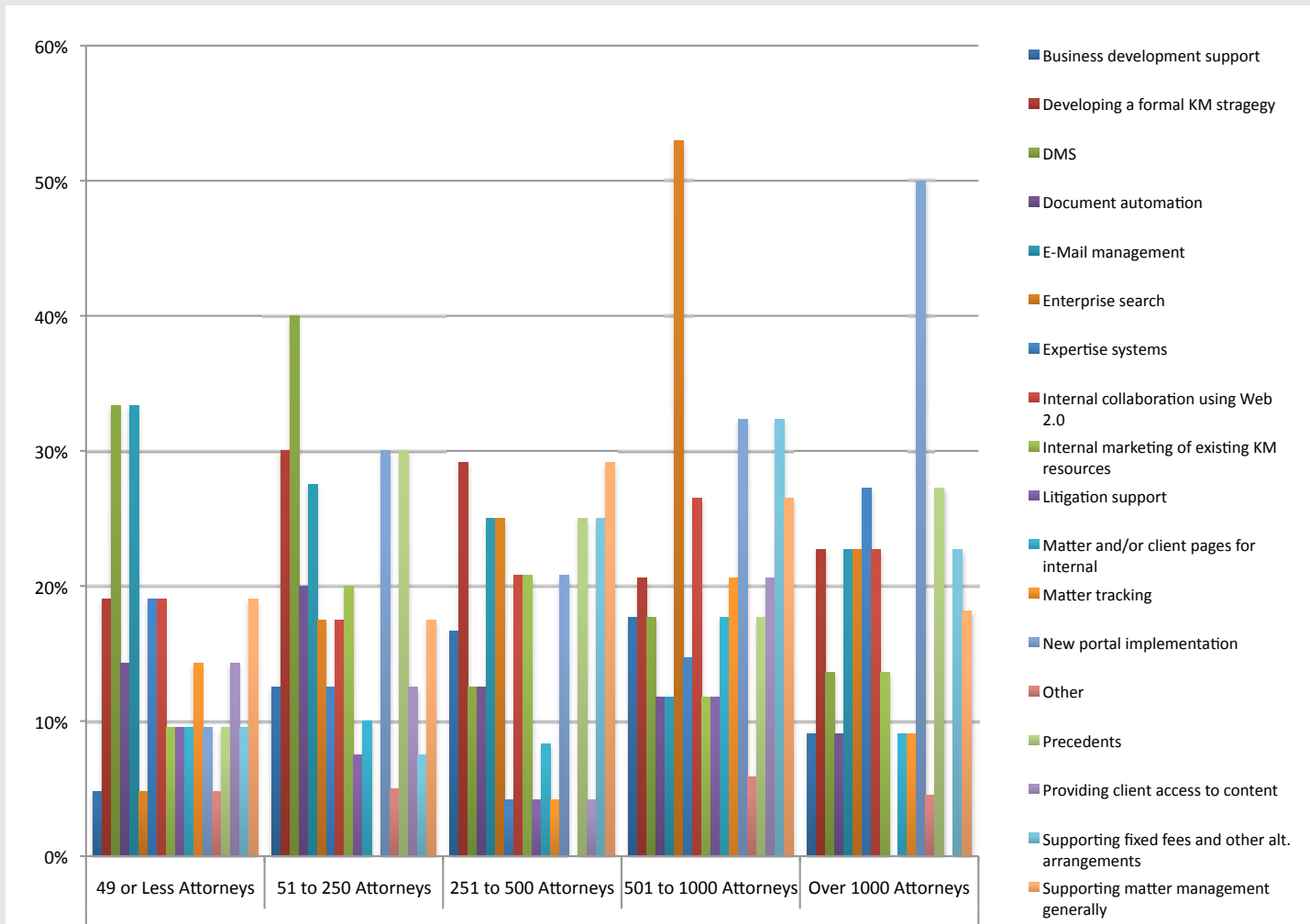
Since the economic downturn in September 2008 the number of FTEs focused on KM has:



Over the next 12 months do you expect the number of FTEs focused on KM to:



What is KM's primary focus at your firm for 2010? Indicate up to 3 categories of focus below:



Which systems, processes and resources does your firm have, and what is KM's role? (<50 attorneys)

| Firm size: <50 attorneys | Have it and KM is fully responsible | Have it and KM has shared responsibility | Have it but KM has no responsibility | Don't have it |
|--|-------------------------------------|--|--------------------------------------|---------------|
| Document management system (DMS) | 5 24% | 6 29% | 4 19% | 5 24% |
| Matter-centric DMS | 4 19% | 4 19% | 4 19% | 8 38% |
| Records management system | 4 19% | 4 19% | 8 38% | 4 19% |
| Conflicts process | 2 10% | 5 24% | 9 43% | 4 19% |
| Enterprise-wide search | 0 0% | 0 0% | 2 10% | 18 86% |
| Intranet or portal | 3 14% | 8 38% | 5 24% | 4 19% |
| Extranets | 2 10% | 2 10% | 6 29% | 10 48% |
| On-line new business intake | 1 5% | 1 5% | 4 19% | 14 67% |
| CRM system | 1 5% | 4 19% | 4 19% | 11 52% |
| ERM system | 1 5% | 1 5% | 2 10% | 16 76% |
| Deal lists | 3 14% | 3 14% | 7 33% | 7 33% |
| Matter pages on Intranet | 2 10% | 2 10% | 5 24% | 11 52% |
| Competitive intelligence | 1 5% | 1 5% | 1 5% | 17 81% |
| Legal research | 5 24% | 4 19% | 3 14% | 9 43% |
| Models/precedents collection | 2 10% | 6 29% | 2 10% | 10 48% |
| Document assembly | 3 14% | 7 33% | 5 24% | 6 29% |
| Expertise location | 1 5% | 2 10% | 2 10% | 15 71% |
| Experience management | 0 0% | 2 10% | 0 0% | 18 86% |
| After-action reviews | 1 5% | 0 0% | 3 14% | 17 81% |
| Concept-based search | 0 0% | 1 5% | 0 0% | 19 90% |
| Fee Estimate tools | 0 0% | 2 10% | 2 10% | 16 76% |
| Tools to support fixed-price offerings | 2 10% | 2 10% | 3 14% | 13 62% |
| Project/Matter planning tools | 2 10% | 2 10% | 3 14% | 13 62% |
| Web 2.0 collaboration tools | 3 14% | 4 19% | 2 10% | 12 57% |
| Other | 1 5% | 4 19% | 2 10% | 13 62% |

Which systems, processes and resources does your firm have, and what is KM's role? (51-250 attorneys)

| Firm size: 51-250 attorneys | Have it and KM is fully responsible | | Have it and KM has shared responsibility | | Have it but KM has no responsibility | | Don't have it | |
|--|-------------------------------------|-----|--|-----|--------------------------------------|-----|---------------|-----|
| Document management system (DMS) | 4 | 10% | 16 | 40% | 14 | 35% | 5 | 13% |
| Matter-centric DMS | 7 | 18% | 9 | 23% | 11 | 28% | 5 | 13% |
| Records management system | 4 | 10% | 5 | 13% | 20 | 50% | 5 | 13% |
| Conflicts process | 0 | 0% | 5 | 13% | 24 | 60% | 4 | 10% |
| Enterprise-wide search | 4 | 10% | 3 | 8% | 3 | 8% | 22 | 55% |
| Intranet or portal | 8 | 20% | 15 | 38% | 9 | 23% | 2 | 5% |
| Extranets | 2 | 5% | 10 | 25% | 11 | 28% | 9 | 23% |
| On-line new business intake | 1 | 3% | 3 | 8% | 7 | 18% | 21 | 53% |
| CRM system | 4 | 10% | 3 | 8% | 17 | 43% | 9 | 23% |
| ERM system | 1 | 3% | 2 | 5% | 10 | 25% | 19 | 48% |
| Deal lists | 2 | 5% | 4 | 10% | 9 | 23% | 17 | 43% |
| Matter pages on Intranet | 2 | 5% | 8 | 20% | 5 | 13% | 17 | 43% |
| Competitive intelligence | 4 | 10% | 2 | 5% | 10 | 25% | 16 | 40% |
| Legal research | 10 | 25% | 5 | 13% | 13 | 33% | 5 | 13% |
| Models/precedents collection | 15 | 38% | 7 | 18% | 5 | 13% | 5 | 13% |
| Document assembly | 4 | 10% | 7 | 18% | 8 | 20% | 12 | 30% |
| Expertise location | 3 | 8% | 3 | 8% | 7 | 18% | 19 | 48% |
| Experience management | 2 | 5% | 0 | 0% | 7 | 18% | 23 | 58% |
| After-action reviews | 1 | 3% | 2 | 5% | 7 | 18% | 22 | 55% |
| Concept-based search | 3 | 8% | 4 | 10% | 1 | 3% | 24 | 60% |
| Fee Estimate tools | 1 | 3% | 1 | 3% | 4 | 10% | 26 | 65% |
| Tools to support fixed-price offerings | 1 | 3% | 1 | 3% | 4 | 10% | 26 | 65% |
| Project/Matter planning tools | 1 | 3% | 2 | 5% | 10 | 25% | 18 | 45% |
| Web 2.0 collaboration tools | 6 | 15% | 7 | 18% | 7 | 18% | 13 | 33% |
| Other | 9 | 23% | 5 | 13% | 1 | 3% | 16 | 40% |

Which systems, processes and resources does your firm have, and what is KM's role? (251-500 attorneys)

| Firm size: 251-500 attorneys | Have it and KM is fully responsible | Have it and KM has shared responsibility | Have it but KM has no responsibility | Don't have it |
|--|-------------------------------------|--|--------------------------------------|---------------|
| Document management system (DMS) | 0 0% | 4 17% | 18 75% | 0 0% |
| Matter-centric DMS | 0 0% | 4 17% | 15 63% | 4 17% |
| Records management system | 1 4% | 0 0% | 19 79% | 3 13% |
| Conflicts process | 1 4% | 4 17% | 17 71% | 1 4% |
| Enterprise-wide search | 5 21% | 5 21% | 2 8% | 11 46% |
| Intranet or portal | 9 38% | 8 33% | 6 25% | 0 0% |
| Extranets | 3 13% | 6 25% | 11 46% | 3 13% |
| On-line new business intake | 1 4% | 5 21% | 11 46% | 6 25% |
| CRM system | 1 4% | 2 8% | 16 67% | 4 17% |
| ERM system | 0 0% | 1 4% | 8 33% | 14 58% |
| Deal lists | 4 17% | 4 17% | 11 46% | 3 13% |
| Matter pages on Intranet | 6 25% | 3 13% | 5 21% | 9 38% |
| Competitive intelligence | 4 17% | 3 13% | 7 29% | 7 29% |
| Legal research | 13 54% | 6 25% | 2 8% | 1 4% |
| Models/precedents collection | 15 63% | 4 17% | 3 13% | 1 4% |
| Document assembly | 2 8% | 3 13% | 8 33% | 10 42% |
| Expertise location | 3 13% | 4 17% | 5 21% | 11 46% |
| Experience management | 2 8% | 5 21% | 3 13% | 13 54% |
| After-action reviews | 1 4% | 0 0% | 5 21% | 16 67% |
| Concept-based search | 5 21% | 1 4% | 3 13% | 13 54% |
| Fee Estimate tools | 0 0% | 1 4% | 2 8% | 18 75% |
| Tools to support fixed-price offerings | 1 4% | 1 4% | 4 17% | 17 71% |
| Project/Matter planning tools | 2 8% | 3 13% | 6 25% | 12 50% |
| Web 2.0 collaboration tools | 7 29% | 4 17% | 3 13% | 9 38% |
| Other | 11 46% | 3 13% | 1 4% | 6 25% |

Which systems, processes and resources does your firm have, and what is KM's role? (501-1000 attorneys)

| Firm size: 501-1000 attorneys | Have it and KM is fully responsible | Have it and KM has shared responsibility | Have it but KM has no responsibility | Don't have it |
|--|-------------------------------------|--|--------------------------------------|---------------|
| Document management system (DMS) | 1 3% | 17 50% | 15 44% | 0 0% |
| Matter-centric DMS | 0 0% | 10 29% | 10 29% | 13 38% |
| Records management system | 1 3% | 5 15% | 23 68% | 4 12% |
| Conflicts process | 0 0% | 4 12% | 29 85% | 0 0% |
| Enterprise-wide search | 13 38% | 10 29% | 1 3% | 9 26% |
| Intranet or portal | 16 47% | 12 35% | 5 15% | 0 0% |
| Extranets | 7 21% | 14 41% | 10 29% | 1 3% |
| On-line new business intake | 0 0% | 7 21% | 20 59% | 5 15% |
| CRM system | 2 6% | 9 26% | 19 56% | 4 12% |
| ERM system | 0 0% | 5 15% | 10 29% | 18 53% |
| Deal lists | 10 29% | 6 18% | 14 41% | 4 12% |
| Matter pages on Intranet | 12 35% | 7 21% | 4 12% | 10 29% |
| Competitive intelligence | 0 0% | 14 41% | 13 38% | 7 21% |
| Legal research | 16 47% | 12 35% | 6 18% | 0 0% |
| Models/precedents collection | 19 56% | 9 26% | 5 15% | 0 0% |
| Document assembly | 9 26% | 7 21% | 6 18% | 11 32% |
| Expertise location | 6 18% | 16 47% | 2 6% | 10 29% |
| Experience management | 9 26% | 10 29% | 3 9% | 11 32% |
| After-action reviews | 3 9% | 5 15% | 5 15% | 18 53% |
| Concept-based search | 9 26% | 5 15% | 1 3% | 19 56% |
| Fee Estimate tools | 0 0% | 5 15% | 13 38% | 15 44% |
| Tools to support fixed-price offerings | 3 9% | 6 18% | 11 32% | 12 35% |
| Project/Matter planning tools | 3 9% | 9 26% | 8 24% | 13 38% |
| Web 2.0 collaboration tools | 14 41% | 8 24% | 6 18% | 6 18% |
| Other | 18 53% | 4 12% | 1 3% | 10 29% |

Which systems, processes and resources does your firm have, and what is KM's role? (>1,000 attorneys)

| Firm size: >1,000 attorneys | Have it and KM is fully responsible | Have it and KM has shared responsibility | Have it but KM has no responsibility | Don't have it |
|--|-------------------------------------|--|--------------------------------------|---------------|
| Document management system (DMS) | 1 5% | 11 50% | 10 45% | 0 0% |
| Matter-centric DMS | 0 0% | 9 41% | 12 55% | 1 5% |
| Records management system | 1 5% | 6 27% | 14 64% | 1 5% |
| Conflicts process | 2 9% | 6 27% | 14 64% | 0 0% |
| Enterprise-wide search | 12 55% | 4 18% | 2 9% | 3 14% |
| Intranet or portal | 10 45% | 10 45% | 2 9% | 0 0% |
| Extranets | 4 18% | 7 32% | 11 50% | 0 0% |
| On-line new business intake | 3 14% | 3 14% | 13 59% | 0 0% |
| CRM system | 0 0% | 4 18% | 14 64% | 1 5% |
| ERM system | 0 0% | 5 23% | 5 23% | 10 45% |
| Deal lists | 4 18% | 11 50% | 6 27% | 1 5% |
| Matter pages on Intranet | 6 27% | 9 41% | 3 14% | 3 14% |
| Competitive intelligence | 4 18% | 2 9% | 8 36% | 7 32% |
| Legal research | 11 50% | 5 23% | 3 14% | 2 9% |
| Models/precedents collection | 10 45% | 9 41% | 2 9% | 0 0% |
| Document assembly | 8 36% | 4 18% | 4 18% | 5 23% |
| Expertise location | 8 36% | 7 32% | 4 18% | 2 9% |
| Experience management | 9 41% | 7 32% | 1 5% | 5 23% |
| After-action reviews | 0 0% | 7 32% | 5 23% | 9 41% |
| Concept-based search | 10 45% | 3 14% | 3 14% | 5 23% |
| Fee Estimate tools | 2 9% | 5 23% | 8 36% | 6 27% |
| Tools to support fixed-price offerings | 1 5% | 6 27% | 7 32% | 6 27% |
| Project/Matter planning tools | 2 9% | 5 23% | 9 41% | 5 23% |
| Web 2.0 collaboration tools | 10 45% | 7 32% | 4 18% | 1 5% |
| Other | 7 32% | 9 41% | 2 9% | 1 5% |