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Technology Trends in the Legal Community: Software as a Service (SaaS) eDiscovery Solutions

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White Paper

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ABSTRACT
This paper provides an overview of the recently emerging Software as a Service (SaaS) alternatives and explains how they can address the technical and business challenges surrounding electronic data management in general, and ediscovery in particular. The overview describes the benefits of SaaS relative to the unique requirements of the litigation world and compares them with other models for the delivery and management of ediscovery solutions.

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Software as a Service: a Budget-Friendly eDiscovery Platform and Process Improvements

Analysts predicted and reality reflects that the world of litigation has embraced the move from paper to electronic discovery (ediscovery). Technology has become a competitive differentiator, and the majority of today's law firms and in-house counsel employ IT staff or on-call IT experts to take advantage of the latest advances.

This paper provides an overview of the recently emerging Software as a Service (SaaS) alternatives and explains how they can address the technical and business challenges surrounding electronic data management in general, and ediscovery in particular. The overview describes the benefits of SaaS relative to the unique requirements of the litigation world and compares them with other models for the delivery and management of ediscovery solutions.

The success of any litigation team requires careful consideration of SaaS and other data management platform choices. Increased domestic and global competition and an uncertain U.S. economy pressure firms and corporations to lower costs and increase efficiencies; technology can help respond to these pressures. However, several technology trends complicate matters:

- eDiscovery data continues to grow in volume, stressing storage systems, networks, and the professionals that rely on them. Technology providers race to provide increased capacity, faster access, and lower cost of ownership. In turn, businesses must habitually evaluate, choose, and deploy the latest and best products.

- Computer hardware steadily evolves, with roadmaps often difficult to navigate in terms of compatibilities, upgrade paths, and impact on applications.

- Data center complexity threatens to overwhelm even the most proficient IT teams, forcing the adoption of sophisticated virtualization, consolidation, and collaboration architectures to control costs and deal with power, cooling, and space limitations.

- Technology experts are increasingly scarce, both in-house and in the IT industry at large. This limited pool of expertise drives up costs at a time when budgets are fixed or shrinking.

To assist law firms and corporate law departments that are currently evaluating SaaS, this paper details the major benefits of the service-oriented approach. It also summarizes the overall market acceptance of SaaS across all industries to provide perspective on the trend. Finally, a brief overview of the CT Summation ediscovery product line—with a choice of traditionally hosted or SaaS solutions—exemplifies how technology providers can help legal teams employ applications in the way that best suits their environment and work style.

Choosing an eDiscovery Platform: What to Consider?

Because ediscovery applications have been in use for some time now, technology providers offer solutions that can overcome the unique data-management challenges associated with ediscovery. Law firms and their clients continually refine procedural controls surrounding ediscovery and work to reduce expenses, avoid risks, and gain efficiencies with the adoption of ediscovery applications. As a result, law firms and corporate law departments now face a choice of many evolving and newly emerging review platforms.

Evaluating the most appropriate ediscovery platform requires the consideration of many factors, including:

- Reliability and 24x7 availability. To prevent the loss or corruption of data, ediscovery platforms must build in server and network reliability and security. The IT team (for in-house solutions) or third-party service provider (for out-sourced solutions) must introduce storage backup-and-restore solutions that can meet the service-level agreements (SLAs) dictated by project teams.

- Unlimited access to data. Litigation teams require flexible access in the office, at home, and on the road with consistent, easy-to-use interfaces.

- Consolidation of data. The inherent data management capabilities of the ediscovery platform must address data in a broad range of formats and from multiple, disparate sources, including a variety of operating systems and networks.

- Collaboration. Today's litigation teams consist of complex groups of people with unique roles and different needs for accessing ediscovery. The review platform must allow the project manager (i.e., paralegals in most cases) to organize the data and assign access permission to fit case requirements.

- Security. Sensitive data must be protected to ensure privacy. Access controls require flexibility for dynamic project teams, with the ability to adjust access and capabilities for the different groups and team members.

- Assignable data control. Because impartial third-party control is often required, ediscovery platforms must provide configuration choices. Data must sometimes "virtually" reside with a neutral third-party management firm to guarantee security and ensure that protocols are followed.

- Broad range of functionality. The platform must enable a continually enhanced set of discovery capabilities (importing, storing, retrieving, analyzing, reviewing, producing, and redacting discovery data).

- Integration into the enterprise. eDiscovery platforms must coexist with other applications within the infrastructure.

- Ease of use and support. The platform must minimize or alleviate any burden placed on the users and the in-house technical staff.

Many firms and corporations rank ease of support as a top priority. As with any technology solution, the total cost of ownership for an ediscovery solution directly relates to the amount of time imposed on the support team that must keep it updated and operating optimally. However, consumers must consider all of the above requirements to overcome the challenges presented and ensure the successful adoption of an ediscovery platform. Ultimately, the value of any ediscovery solution comes down to the total cost of ownership compared to the improvements in efficiency and productivity that are enabled across the entire litigation team.

In-House or Hosted: Delivery Models for Different Business Needs

For decades, IT and data center service providers have given businesses the ability to meet their needs with either in-house or outsourced technologies. Application Service Providers (ASPs) initiated the trend toward remotely managed solutions for the benefit their customers. These service providers originally emerged to help small and medium businesses alleviate the upfront cost and the day-to-day management of critical business applications.

Differentiation from Previous Outsourcing Models

The more recent SaaS model for application hosting quickly gained popularity across many industries. SaaS uniquely combines infrastructure, software ownership, and user access. In this multi-client delivery model, the vendor or ASP owns and hosts the application in a centralized data center, and each subscriber pays a monthly use fee in lieu of licensing the application itself. Clients retain complete ownership of their data, while the common application platform is leveraged across multiple subscribers to enable a more cost-effective arrangement for both the provider and the user base. Unlike the traditional ASP model in which businesses still rely on in-house software, users access SaaS solutions over a network and leverage the Internet and standard web browsers with little or no impact on their office systems.

One-to-Many

With a SaaS model, the application provider invests in the data center, server hardware, and application software. Consequently, the provider also assumes complete responsibility for the ongoing support of both hardware and software and offer clients service level assurances such as 24x7x365 availability and "five nines" reliability (or 99.999% up time).

Companies that develop and market ediscovery applications also benefit from the SaaS model. By offering a SaaS version of an ediscovery solution, the software vendor can simplify research and development. Rather than supporting multiple code bases across different hardware platforms, the vendor can create and develop a single native-web version. This translates into lower incremental R&D costs and more competitive licensing. New releases and updates reach the market more frequently, which ultimately benefits the customer base by providing faster access to new technology and advancements.

"Pay-as-you-Go" Subscriptions

SaaS enables service providers to structure pricing in a variety of ways. Today, most offer SaaS solutions on a "pay-as-you-go" basis, with monthly fees based on the number of users, access time, service levels (based on performance or other metrics), and the amount of storage resources consumed. Beside pricing flexibility, the SaaS model introduces service level agreements (SLAs) that help providers plan and allocate resources and while helping businesses gain application performance and availability assurances that lower risk.

Trade-Offs

The customer trade-offs with the SaaS model include relinquishing control or ownership of the actual application and the inability to directly customize their solution themselves. Solution providers weigh all feature requests and ultimately choose the enhancements based on their total customer base. As explained in the following sections, many industries and markets find that the benefits far outweigh these compromises, and adoption rates are consequently soaring.

SaaS: First in Business, Now in Law

A review of the existing markets that employ SaaS proves the hosted model to be a mature, low-risk alternative. Surveyed SaaS subscribers report that they experience a high level of customer satisfaction with SaaS compared to on-premise software. The combination of shortened application deployment times, reduced up-front investments, and simplified administration yield lower total cost of ownership for appropriately priced SaaS solutions, making it an attractive choice for businesses that are pressured to lower operating costs. Industry watchers indicate that SaaS momentum continues to build:

- THINKstrategies reports high rates of adoption for SaaS solutions, with 32% of surveyed companies having already adopted SaaS and another 36% indicating that they are considering SaaS[1].

- Gartner predicts that the SaaS market will continue to experience strong growth (22% CAGR through 2011, or twice the rate of the overall enterprise software market[2]).

- Burton Group and Ziff Davis Enterprise Research report that 76% of SaaS customers plan to expand their use of SaaS[3].

The broad range of markets that have already embraced SaaS lends further credibility to the software model. Wall Street, for example, has been an early adopter of web technology with many back-office applications migrated to Java-based systems. The SaaS model works in this and other risk-averse industries, and even during periods of peak demand and high system usage the overall IT industry is very satisfied with SaaS.

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[1] Source: THINKstrategies/Cutter Consortium 2007

[2] Gartner/Dataquest Insight: "SaaS Demand Set to Outpace Enterprise Application Software Market Growth", 08/03/07.

[3] Source: "Software as a Service," Baseline, July 2008.

The healthy market and increasing numbers of SaaS solutions give the legal community a new option for ediscovery, with proven benefits including:

- Flexibility. Easy start up even when case requirements are not fully known.

- Neutrality. SaaS providers act as neutral hosts for shared data, and help firms prove compliance with ediscovery best practices.

- Minimized risks. Take advantage of the latest ediscovery tools without up-front investment in hardware and ongoing IT support costs. The provider assumes the responsibility of keeping the system up to date.

- Predictable costs. Low entry cost (no on-site hardware required) and pay-as-you-go subscriptions. No in-house IT costs.

- Long-term stability. No need to continually evaluate new platform technologies and no risk of dead-end solutions that become costly to maintain and impossible to evolve.

- Focus on the law. Leave the technology issues to the solution provider and stay focused on the case at hand and satisfying the clients.

SaaS: Benefits Unique to the Legal Community

The subscription-based SaaS model offers many benefits to law firms and corporate legal departments, regardless of size. For large firms, the SaaS model simplifies global deployments by having the service provider manage the initial configuration and set up of the software. For small organizations, SaaS review platforms eliminate the need for an in-house support team and avoid capital expenditures and application purchases prior to receiving any project revenues. In fact, SaaS puts small teams in a position to successfully compete with much larger firms, leveling the playing field from a capability standpoint. Just as contract attorneys allow one litigator to manage a large project, SaaS allows a firm without adequate in-house technology to cost-effectively manage cases with very large ediscovery archives.

This section highlights the main areas of value for ediscovery and the legal community.

Gain More Flexibility for Case Planning

Although a legal team can sometimes identify project needs up front, the majority of cases are not easily scoped in terms of ediscovery costs and requirements. SaaS offers significantly increased flexibility because the litigation team avoids add-on storage systems, servers, and application licenses as ediscovery expands or new parties join the case. The SaaS, pay-as-you-go subscription model introduces predictable budgeting and eliminates the need to overestimate or build in extra capacity.

SaaS also provides flexibility in terms of IT staffing. A limited IT staff may not be ready to take on a new case when the opportunity arises, but a month-to-month subscription can fill the immediate need without taking IT away from other business-critical tasks.

Increase Confidence in the Data

Within the legal community, the SaaS solution provider acts as a neutral host, bringing impartiality to the discovery process. Additionally, the provider keeps the data management platform up to date with seamless roll-outs of new technology enabled by dedicated, proven experts in the fields of ediscovery and data center technology.

Today's SaaS ediscovery solutions bring powerful capabilities within the reach of any litigation firm, introducing a higher level of confidence in case data and the ability to prove compliance with the constantly evolving best practices surrounding ediscovery.

Minimize Risks

SaaS service providers integrate advanced security technologies within multiple layers of the infrastructure. The service provider's data center builds mature and standardized authentication, authorization, and accounting (AAA) technologies into the network, server, and application layers. This relieves the litigation team of yet another aspect of technical responsibility while increasing overall data security.

To protect firms and corporations from data loss, a SaaS model also makes it easy for the service provider to introduce automated backups at subscriber-defined intervals, and to offer fast failover or hot-standby capabilities[4] for those subscribers that require the highest levels of data availability. Today's service providers also bring leading-edge disaster recovery facilities (out-of-area back-up data center capabilities) to the legal community.

As with security, backups, and disaster recovery, many other technology advancements can be more cost-effectively and rapidly introduced across the multi-client subscriber bases for a SaaS service. Customers gain a higher level of business agility and can lower business risk with the ability to respond to any market or business change.

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[4] A hot spare or hot standby is used as a failover mechanism to provide reliability in system configurations. The hot spare is active and connected as part of a working system. When a key component fails, the hot spare is switched into operation. More generally, a hot standby can be used to refer to any device or system that is held in readiness to overcome an otherwise significant start-up delay when a failure occurs.

Control Costs

Up front, the SaaS model lowers the barriers to entry by eliminating the need for additional on-site hardware and software. (This advantage also yields a quicker time-to-value for the ediscovery application.) During the life of the service, as the business grows or discovery workloads fluctuate, law firms can adjust without the expense of adding, reconfiguring, or decommissioning hardware or software.

Since the service provider manages all day-to-day tasks, such as updates and performance tuning, law firms gain a "zero administration" option with a SaaS solution. Beside avoiding these operational costs, the pay-as-you-go subscriptions sidestep hidden costs associated with under-utilized resources and simplify cost accounting with a predictable on-going charge and a single invoice for the total service. Futhermore, these fees are case specific and can be passed directly on to the client as billable service costs.

The flexible pricing model lets service providers align price points with the budgets of different-sized firms, and the pay-as-you-go model easily accommodates decentralized organizations and any spikes in staff size associated with temporary project-based hiring.

Gain Long-Term Stability

Unlike in-house software solutions, SaaS solutions shift the long-term technology ownership risks on the service provider. The service provider must continually upgrade and enhance servers and system software to remain competitive, while providing the end users with a stable user interface and experience. The service provider industry has migrated to standardized interfaces that offer this consistent, stable "look and feel." As a result, users have gained access to a broad range of compatible third-party tools and solutions.

For law firms and corporate law departments, the SaaS model eliminates the need to continually reevaluate platform technologies. Because poor choices often lead to technology dead-ends—with a platform that can no longer be updated and must be replaced entirely—leaving the technology roadmap to the service provider makes sense for businesses that lack in-house technology experts or can't afford to assume that burden.

Focus on Law, Not Technology

The main benefit of a SaaS solution comes down to the ability to ignore technology and just get down to business. Even smaller firms that lack on-site IT can take advantage of the newest and most advanced tools without making time to become computer, network, and software experts. The in-house IT staff at larger firms can avoid having to find, hire, and train experts on every new application and can stay focused on other in-house projects that directly contribute to the firm's profitability.

By leaving the applications to the application experts, litigators and corporate counsel alike can focus on serving their own clients. SaaS models make it easier to maintain a competitive edge without losing this vital focus on the law.

Bottom line, both demand for and availability of SaaS solutions is growing faster than the technology market as a whole. SaaS ediscovery solutions will continue to increase in number, allowing legal teams to apply SaaS review platforms on a project-by-project basis, when it fits the immediate and unique needs of the team or case.

CT Summation: On-Premise and SaaS Solutions

CT Summation is committed to giving customers a choice of either in-house or hosted versions of its industry-leading ediscovery solutions. For those teams and projects that need the fast start-up and monthly pay-as-you-go access subscription to litigation tools, CT Summation offers:

- CaseVault Services -- our industry recognized, full-service offering that includes a uniform platform for collaboration among litigation groups, particularly when cooperating or adversarial parties want shared data hosted at a reputable, neutral site. CaseVault is a subscription-based hosting service that lets teams store case data and access it, anywhere, anytime using an Internet connection and a standard browser. Additionally, CaseVault Services provide a one-stop, project manager who can organize and coordinate all your service needs for Collection, Processing, Review, Evaluation, Production, and Portability.

- CaseVantage – a comprehensive subscription-based solution for online discovery hosting, including all of the tools required to prepare a case, manage litigation review, and work smarter on any ediscovery-related tasks. Documents can be seamlessly ported to other CT Summation review platforms, to provide complete access even when you're not connected to the Internet.

Some larger firms or corporations with the ability to manage their own review platforms and those teams that continually handle document- or ediscovery-intensive cases will still prefer in-house solutions. For these teams, CT Summation offers:

• CT Summation Enterprise combines the award-winning technology and time-tested functionality of our integrated CT Summation iBlaze and CT Summation WebBlaze litigation solutions with the scalability of a Microsoft® SQL Server database to master the massive amounts of information generated by today's voluminous cases.

• CT Summation iBlaze provides you with a comprehensive set of case tools and the simplicity of an all-in-one solution. America's #1 litigation support software, iBlaze features intuitive toolbars that streamline discovery review and case preparation. Color highlighting improves the already robust set of transcript management tools, which include Realtime instantaneous transcript feeds, easy creation of digests and witness examination outlines, quick exhibit and evidence linking, and the ability to search across multiple transcripts simultaneously.

• CT Summation WebBlaze, our robust Web-based litigation support application, allows you to securely access cases via the Internet. Search and organize transcripts, electronic evidence, documents and notes hosted in CT Summation iBlaze or Enterprise. Use WebBlaze to share information with members of the litigation team, experts, outside counsel and key witnesses.

Conclusions

The professionals at CT Summation draw on decades of experience in the ediscovery field to help you choose the right platform—or combination of platforms—for your needs. Regardless of the platform model—hosted, or in-house—the CT Summation solutions provide a common look and feel for litigation teams, and make it easy to migrate to a different platform model if business or project changes require.

For more information about CT Summation solutions, please refer to the overviews at: www.ctsummation.com/solutions.

If you have questions or would like the assistance of a CT Summation solution sales representative, please call +1 (800) 735-7866 or send email to sales@ctsummation.com.

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