2014 ILTA/InsideLegal Technology Purchasing Survey

Purchasing Trends of ILTA Member Law Firms

This summer ILTA, in partnership with InsideLegal, developed and administered the annual ILTA/InsideLegal Technology Purchasing Survey. The 2014 survey marks the 9th edition of this ILTA/InsideLegal collaboration and, for the second year running, included responses from ILTA member firms with '1-49 attorneys' (referred to as Under50) in addition to the '50+ attorneys' (referred to as Over50) respondents featured in previous years. The 31 question web-based survey was distributed to 1,407 ILTA member law firms and garnered a 20% response rate. 86% of all responses came from the U.S., 8% from Canada, and the remaining 6% a mix of the U.K., Europe, Australia and South America.

The 2014 survey has been enhanced to include a more comprehensive breakout of past and future technology purchases and implementations; legal technology budget and purchasing influence questions; updated information on participants' social media, publication and blog preferences; an in-depth analysis of mobility trends including tablet usage and governance; insight into how legal IT will deal with and capitalize on big data; and the role of technology consultants and industry/research analysts in legal.

Notables and Quotables in 2014

- The 2014 survey yielded 281 unique responses including 64% from ILTA member law firms with more than 50 attorneys; 41% of all respondents represent firms with more than 100 attorneys.
- 54% of all respondents, including 72% of Over50 firms, spend 2-4% of total firm revenue on technology.
- 62% of all responding firms spend more than $8K on technology per attorney; 61% of Under50 firms spend less than $8K on technology per attorney.
- Top technology purchases in 2014 include: laptops/notebooks (64%), desktop hardware/PCs (63%), network upgrade/servers (50%), printers/multifunctional devices (47%) and antivirus/antispam/spyware software (41%).
- Over50 firms dominated purchases in several application areas including analytics software; docketing/calendaring; electronic discovery software; HR management software; mobile device management; and workflow automation.
- Based on survey responses, internet research, peer recommendations and consultants are the top influencers for legal IT purchasing decisions. 90% of respondents reported that they use outside technology consultants to assist with implementations, software and hardware recommendations/advice among others.
- Top five favorite legal/technology publications are ILTA Whitepapers (86%), ILTA's Peer to Peer quarterly magazine (80%), Law Technology News (57%), ABA Journal (26%) and ALA's Legal Management (24%).
- 76% of survey respondents have not worked with an industry/research analyst.
- 65% of survey respondents indicated they already have a mobile device security policy in place; 21% are currently establishing one.
- Big data planning: 10% of all respondents are working on formalizing their big data strategy and an additional 6% already have a big data plan in place.

The 2014 survey yielded a record number of responses with 281 unique ILTA firm members completing the survey, equal to a 20% response rate.

ILTA member firms with 1-49 attorneys were added to the survey for the first time in 2013.

86% of all survey responses came from U.S. ILTA member firms; 8% from Canada and the remaining 6% from the U.K., Europe, Australia and South America.

EXECUTIVE SUMMARY

The 2014 ILTA/InsideLegal Technology Purchasing Survey yielded 281 unique responses from ILTA member firms - 101 responses from firms with 1-49 attorneys (referred to as Under50) and 180 from '50+ attorneys' respondents (referred to as Over50). 86% of all responses came from the U.S., 8% from Canada, and the remaining 6% a mix of the U.K., Europe, Australia and South America.

The 2014 survey revealed notable findings relating to IT purchasing patterns; budgets; per attorney technology spend; technology decision making and influences; future technology trends; big data; and the popularity of tablets and smartphones in the law office and how this has impacted security concerns. The analysis also included more insight into who is signing off on purchases; what influences them; the role of social media, law firm peers, clients and consultants in the purchasing process; the use of independent technology consultants and industry/research analysts; and the level of client service provided by legal technology vendors.

Budgets & Approvals

Overall law firm technology spend - as a percentage of total revenue and per attorney - is up in 2014. 54% of all respondents spend between 2-4% of total firm revenue on technology, with 72% of Over50 firms in that 2-4% range compared to 63% in 2012. While it is safe to say that the 2-4% range has established itself as the 'new IT budget normal' among firms with Over50 attorneys, 83% of Under50 firms spend 4% or less on technology.

The 'sweet spot' for per attorney technology spend, $8K-$17K, accounts for 38% while overall 62% of respondents spend more than $8K on technology per attorney. 49% of all responding firms indicated their technology budgets increased in 2014, 6% more than last year. In fact, 53% of Over50 respondents had increased technology budgets, an 8% increase compared to 2013, while reduced budgets were down 14% from last year.

Technology Purchases

The top five purchases in 2014 include: laptops/notebooks (up 15% from last year), desktop hardware/PCs (up 5%), network upgrades/servers (up 6%), printers/multifunctional devices (up 17%) and antivirus/antispam/spyware software or service (up 19%). Three of the top five were in the top five last year as well, but in each instance, 'percentages of purchase' is up. SAN and disaster recovery solutions have been replaced with printers/multifunctional devices and antivirus/antispam/spyware software or service.

There also seems to be a definite cooling off (purchase period) as far as Microsoft applications/solutions are concerned: 18% of all respondents upgraded Microsoft Office within the last 12 months compared to 42% in 2012; and Microsoft SharePoint purchases are down 14% this year compared to two years ago.

Purchase Influences

Based on survey respondents, aside from IT, 80+% of all technology purchase requests come from attorneys in the firm followed by Firm Administration (53%), Practice/Litigation Support (31%) and Marketing (25%).

The top sources for product buying influences are internet research, peers/law firm recommendations and consultant recommendations. According to the 2014 survey results, the number one reason law firms hire outside consultants is to assist with implementations, followed by assistance with hardware and software selection.

This year, the survey looks at the influence/activity level of industry and research analyst firms in the legal space. While 76% of all respondents have not worked with analysts, Gartner is by far the most frequently engaged firm (20%) followed by Forrester (7%).

Social Media Use & Publication Popularity

LinkedIn is still the overwhelming professional connectivity tool of choice for legal professionals with an 85% response rate across all firms. 50% use ILTA's Connected Community, up 8% from 2013.

The most notable increase in readership compared to 2013 is the ABA Journal (+9%) while ILTA's Peer to Peer maintained its steady readership. In terms of non-legal technology publications, the top five favorite are CIO/CIO.com (57%), InformationWeek (47%), Computerworld (35%), PC Magazine (34%) and Wired (30%).

Mobility Trends & Policies

In 2012, we added a question about what specific mobile devices ILTA members are purchasing for their firm and were surprised that 49% of respondents still purchased BlackBerry devices. This year, 28% indicated purchasing BlackBerry phones while 63% are purchasing iPhones, down 9% from 2013. When surveying tablet purchases, 44% chose Apple iPads (down 15% from 2013) followed by Microsoft Surface (17%, up 7%) and Android devices (10%, down 3%). 65% indicated they have a formal mobile device security policy in place, up 30% from 2013.

Big Data

The 2014 survey includes three new big data questions specifically focused on big data plans, big data technology use and big data project/initiative ownership within law firms.

While 62% of all respondents don't have a big data plan in place, 10% are working on formalizing their big data strategy and 6% already have a big data plan in place.

When asked how they would use or leverage big data technologies, more than half of the respondents indicated using business intelligence/analytics; 39% would engage in data mining; and 31% cited managing legal spend and leveraging predictive coding technology.

IT Challenges

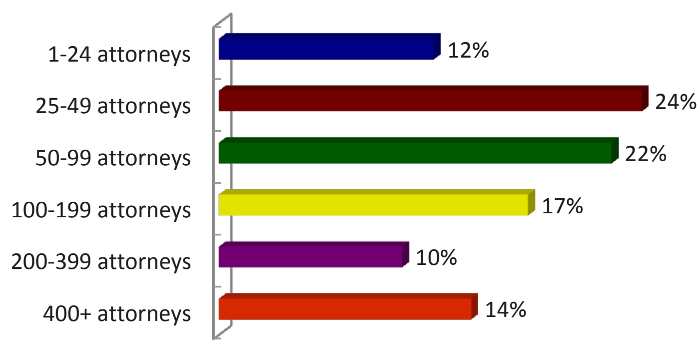
Email management tops the legal IT issue lists and has been named the biggest challenge facing IT departments for the 7th consecutive year. Cloud-related security risks are not far behind followed by risk management and compliance.

The influence of outside consultants continues to grow: 90% of respondents rely on outside consultants to assist with some aspect of firm operations, technology and infrastructure.

PART I - FIRM DEMOGRAPHICS

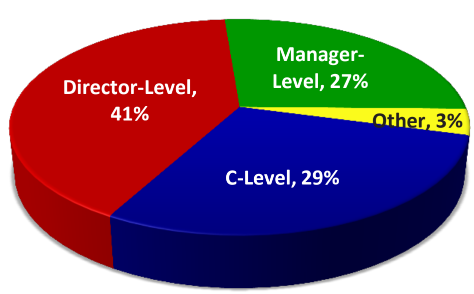
What is your firm size?

36% of the 281 responses came from Under50 firms, while the remaining 64% represented the Over50 segment. The single largest response, 24%, came from firms with 25-49 attorneys, followed by the 50-99 attorney segment with 22%. Just like in 2013, 41% of all responses represent 100+ attorney firms.



What is your position at the firm?

70% of all respondents are C-Level or Director-level executives, while 27% are managers. 51% of all C-Level responses came from firms with more than 200 attorneys. Manager-Level survey participation is up 15% from 2012, primarily due to the addition of the Under50 firm category. 63% of all Manager-Level respondents come from this segment.



PART II - IT BUDGETING AND PURCHASING

What role do you have in your firm's technology buying decisions?

77% of total survey respondents either make the final purchasing decisions or serve on the purchasing committee. The largest percentage of participants (46%) serves on the final decision-making committee.

What approximate percentage of total firm revenue do you spend on technology?

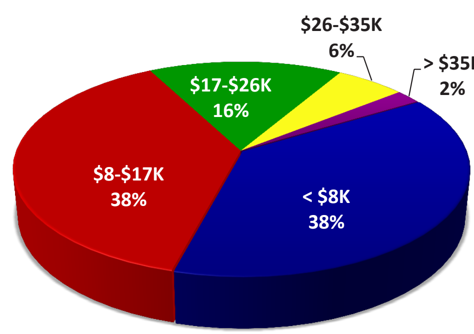
(excluding IT staff salaries/benefits and training)

		Breakdown by Firm Size					
% of Revenue	TOTAL	1-24 attys	25-49 attys	50-99 attys	100-199 attys	200-399 attys	400+ attys
< 2%	24%	22%	41%	15%	7%	8%	7%
2-4%	54%	8%	21%	21%	21%	9%	21%
5-6%	14%	15%	12%	24%	30%	12%	6%
7-10%	6%	7%	21%	21%	21%	21%	7%
> 10%	2%	25%	25%	50%	0%	0%	0%

54% of all respondents, including 72% of Over50 firms (compared to 56% in 2013), spend 2-4% of total firm revenue on technology. This is up 6% from 2013 and indicates a leveling-off of budget ranges compared to previous years. If you add in firms who spend less than 2% on technology, it brings the total of firms spending less than 4% to 78%, up 3% from last year's results. 83% of Under50 firms spend 4% or less on technology, an uptick of 7% compared to 2013. Roughly 33% of firms who spend 5-6% on technology have 100-199 attorneys.

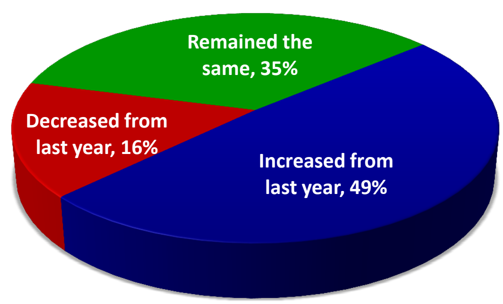
What is your annual technology spend per attorney? *(including software, hardware, support maintenance, etc.)*

A majority of respondents (76%) spend either less than $8K or between $8K-17K on technology, per attorney. 54% of firms spending $17K-26K per attorney have 100+ attorneys. 74% of firms spending more than $26K per attorney on technology have 100+ attorneys.



Did your technology budget increase, decrease or remain the same from last year?

49% of all responding firms indicated their technology budgets increased in 2014, 6% more than last year. In fact, 53% of Over50 respondents had increased tech budgets, an 8% increase compared to 2013, while reduced budgets were down 14% from last year. 43% of Under50 firms indicated their budgets increased versus 39% in 2013.



54% of all respondents spend 2-4% of total firm revenue on technology, a 6% increase compared to 2013 findings.

PART III - TECHNOLOGY PURCHASES: PAST AND FUTURE

What major technology purchases have you made in the LAST year? *(see table page 6)*

Three of the top five technology purchases made by survey respondents 'in the last year' are computer and office hardware-specific indicating that purse strings for staple PC hardware/equipment are loosening considerably compared to previous years. Remarkably, software, in this case antivirus/antispam/spyware made the top five, the first time that has happened since Microsoft Office upgrades topped the list a few years ago.

The top five purchases in 2014 include: laptops/notebooks, desktop hardware/PCs, network upgrades/servers, printers/multifunctional devices, and antivirus/antispam/spyware software/service. Three of these are the same categories as in 2013 but in each instance 'percentages of purchase' is up. Storage area network (SAN) and disaster recovery solutions have been replaced with printers/multifunctional devices and antivirus/antispam/spyware software or service.

There also seems to be a cooling off (purchase period) as far as Microsoft applications/solutions are concerned: 18% of all respondents upgraded Microsoft Office within the last 12 months compared to 28% in 2013 and 39% in 2012. When compared to two years ago, Microsoft Office add-on purchases are down 7% (only 5% plan to make any related purchases next year) and Microsoft SharePoint purchases are down 14%.

In terms of what firms purchased within the last 12 months, Over50 firms dominated in the following application areas: analytics software (90% of all purchases); docketing/calendaring (76% of all purchases); electronic discovery software (84% of all purchases); HR management software (91% of all purchases); mobile device management (81% of all purchases); workflow automation (100% of all purchases). While Under50 firms purchased their fair share of applications/hardware/services, the one area their buying power stood out was in the OS upgrade category.

What technology purchases will you make within the NEXT year (12 months)?

(see table page 6)

Survey respondents revealed that many of their planned purchases for the next 12 months are similar to what was implemented last year by other ILTA firms. However, here are some major fluctuations: antivirus/antispam software planned purchases are down 31% from what was purchased last year; cloud storage planned purchases are down 18%; planned purchases for combined dictation software/hardware solutions is down 38% and SAN purchases the last 12 months are 22% higher than planned purchases for the next year.

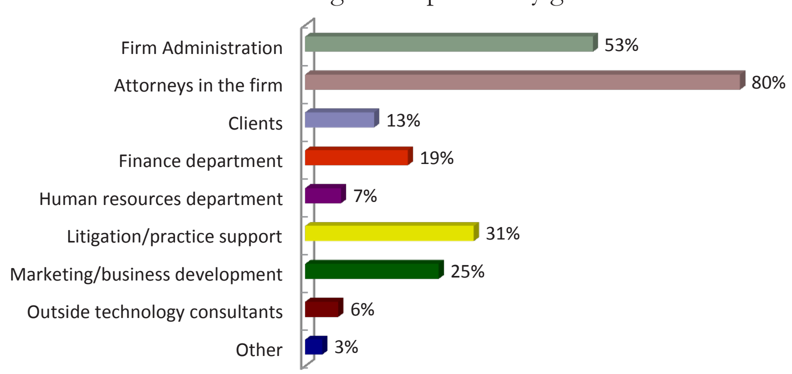
By contrast, we counted 16 application categories with more growth for future purchases than what was reported as purchased last year (compared to 7 categories in 2013):

- Accounting systems (+3%)
- Analytics software (+1%)
- Budgeting software (+1%)
- Business Intelligence software (+1%)
- Document assembly/automation (+4%)
- Enterprise search systems (+2%)
- Helpdesk applications (+2%)
- HR management (+2%)
- Intranet/extranet solutions (+4%)
- KM software (+2%)
- Records management software (+5%)
- Security/network security/security assessment (+4%)
- SharePoint (+1%)
- Telephone system upgrade (non-VoIP) (+1%)
- Unified messaging (+1%)
- Workflow automation (+5%)

PART IV - IT PURCHASING INFLUENCES

Who most frequently requests technology purchases outside of the IT department?

The 2014 question focused on purchase requests that don't originate from IT to get a better sense of where internal demand begins. Based on respondents, 80+% of all technology purchase requests come from attorneys in the firm followed by Firm Administration (53%), Practice/Litigation Support (31%) and Marketing (25%). Beyond attorney requests (up 5% from 2013), the biggest increase came from Marketing which previously garnered less than 3%. Clients only accounted for 13% of technology requests, down from 28% in 2013. Of the client technology purchase requests, 55% came from clients with 50-200 attorney firms.



90% of all analytics software purchases were made by Over50 firms.

84% of all electronic discovery software purchases were made by Over50 firms.

Cloud storage was one of the most mentioned technologies, but planned purchases for the next 12 months are down.

2014 Survey Results		***Past & Present Law Firm Technology Purchases***	*2013 Survey Results*		*2012 Survey Results*	
Purchased LAST 12 mos	*Planned Purchases NEXT 12 mos*		*Purchased LAST 12 mos*	*Planned Purchases NEXT 12 mos*	*Purchased LAST 12 mos*	*Planned Purchases NEXT 12 mos*
10%	13%	Accounting system	7%	13%	9%	14%
9%	10%	Analytics software	*new category*		*new category*	
41%	10%	Antivirus/antispam/spyware software or service	22%	10%	24%	9%
3%	4%	Budgeting software	4%	3%	10%	5%
8%	9%	Business intelligence software	6%	6%	8%	10%
13%	7%	Case management software	8%	6%	11%	10%
35%	17%	Cloud storage (e.g., Dropbox, Box, ShareFile, OneDrive)	*new category*		*new category*	
6%	3%	Collections software	4%	1%	5%	3%
6%	5%	Cost recovery system	7%	4%	9%	1%
12%	5%	Courtroom technology/trial presentation software	9%	1%	12%	6%
11%	10%	CRM/contact management software	11%	10%	8%	11%
14%	10%	Database systems (e.g., SQL, Oracle)	15%	5%	28%	6%
63%	50%	Desktop hardware/PCs	58%	37%	75%	44%
29%	12%	Dictation hardware	20%	9%	26%	8%
31%	10%	Dictation software	22%	10%	21%	11%
34%	26%	Disaster recovery (includes business continuity) software/services	33%	24%	38%	31%
11%	9%	Docketing/calendaring software	9%	5%	9%	5%
6%	10%	Document assembly/document automation software	8%	5%	8%	8%
10%	7%	Document comparison software	9%	1%	12%	0%
12%	11%	Document mgmt system (DMS)/enterprise content mgmt (ECM)	11%	9%	17%	11%
13%	12%	Electronic discovery software	15%	8%	17%	11%
4%	4%	Electronic/digital signature software	*new category*		*new category*	
16%	11%	Email add-ons (e.g., Outlook plugins, productivity enhancers)	14%	4%	19%	10%
13%	10%	Email archival system (email storage outside of main system)	14%	9%	15%	11%
9%	7%	Email system (e.g., Microsoft Exchange, Lotus Notes)	10%	8%	14%	6%
4%	6%	Enterprise search system	5%	5%	*new category*	
removed		ERM/relationship management software	0%	1%	2%	1%
9%	11%	Helpdesk applications	6%	3%	17%	4%
9%	11%	Human resources management	7%	3%	13%	10%
16%	13%	Imaging/scanning/OCR	17%	9%	16%	11%
removed		Internet (backup, redundancy, etc.)	18%	7%	23%	11%
11%	15%	Intranet/extranet system or solution	8%	12%	14%	16%
3%	5%	Knowledge management software	2%	6%	7%	11%
64%	49%	Laptops/notebooks	49%	38%	62%	40%
26%	22%	Litigation support software	21%	13%	35%	29%
14%	9%	Metadata scrubbing software	8%	3%	11%	8%
12%	5%	Microsoft Office add-ons (macros/templates, numbering, etc.)	9%	3%	19%	7%
18%	16%	Microsoft Office upgrade	28%	17%	39%	20%
14%	14%	Mobile device management (MDM) solution	20%	14%	*new category*	
50%	33%	Network upgrade/servers	44%	29%	59%	32%
16%	13%	Offsite backup system	19%	10%	20%	11%
16%	8%	Onsite backup system	17%	6%	17%	7%
19%	6%	OS upgrade (e.g., Windows upgrade)	19%	6%	35%	12%
11%	5%	Patch management software	7%	1%	8%	7%
24%	14%	Photocopiers	19%	7%	27%	6%
47%	34%	Printers/multifunctional devices	30%	14%	38%	18%
4%	3%	Project management software	2%	3%	4%	4%
2%	7%	Records management software	4%	8%	11%	8%
17%	12%	Remote access technology	13%	8%	22%	15%
27%	31%	Security/network security/security assessment	23%	22%	47%	46%
8%	9%	SharePoint	12%	5%	20%	22%
36%	23%	Smartphones	26%	16%	33%	17%
40%	18%	Storage area network (SAN)	48%	23%	53%	32%
24%	19%	Tablets	20%	15%	23%	15%
30%	25%	Telephone systems/upgrades (VoIP)	25%	17%	39%	18%
2%	3%	Telephone systems/upgrades (non-VoIP)	5%	1%	4%	4%
12%	18%	Time entry/remote time entry software	13%	6%	5%	5%
17%	8%	Training/e-learning	14%	7%	16%	13%
7%	8%	Unified messaging	6%	5%	19%	13%
24%	18%	Videoconferencing	21%	19%	34%	22%
11%	10%	Virtualization (desktop-based)	9%	8%	10%	17%
28%	16%	Virtualization (server-based)	31%	12%	42%	20%
5%	3%	Voice recognition	5%	2%	6%	3%
30%	18%	Wireless network	24%	13%	32%	17%
8%	13%	Workflow automation	6%	11%	12%	13%

What legal/legal technology publications do you read?

According to 2014 survey participants, the top five favorite legal/technology publications are ILTA Whitepapers (86%), ILTA's Peer to Peer quarterly magazine (80%), Law Technology News (57%), ABA Journal (26%) and ALA's Legal Management (24%). Most notable percentage increases this year, and likely linked to the survey expansion to smaller ILTA member firms and a growing global survey audience, include the ABA Journal (+9%), ALA's Legal Management (+4%) and Legal IT Insider (+3%). ILTA's Peer to Peer, Litigation Support Today and LJN's Legal Technology Newsletter maintained their steady readership from 2013.

2014 %	Publications Legal	2013 %
26%	ABA Journal	17%
7%	Corporate Counsel (ALM)	*n/a*
86%	ILTA Whitepapers	92%
80%	ILTA's Peer to Peer	81%
3%	Inside Counsel	*n/a*
10%	Law Practice (ABA LPM)	10%
57%	Law Technology News (ALM)	55%
17%	Legal IT Insider	14%
13%	Legal IT Today	16%
24%	Legal Management (ALA)	20%
14%	Litigation Support Today	15%
19%	Legal Technology newsletter (LJN)	19%
3%	Managing Partner (Wilmington)	*n/a*
18%	TechnoLawyer	23%
17%	The American Lawyer (ALM)	15%
2014 %	**Publications Non-Legal**	**2013 %**
57%	CIO/cio.com	47%
35%	Computerworld	36%
25%	eWeek	24%
15%	Information Management	19%
47%	InformationWeek	48%
15%	InfoWorld	20%
6%	KM World	5%
22%	Network Computing	30%
29%	PC Magazine	34%
13%	Redmond Magazine	12%
30%	Wired	29%

What non-legal technology publications do you read?

The popularity of non-legal technology publications continues to increase so we divided legal and non-legal into separate questions. The top five favorite technology publications are CIO/CIO.com (57%), InformationWeek (47%), Computerworld (35%), PC Magazine (29%) and Wired (30%).

What blogs/online communities/sites do you follow?

In 2014, 93% of all survey respondents indicated reading a legal or legal technology blog or site. Legal IT news aggregators, online sites and especially ILTA-specific online communities and communication channels continue to thrive. ILTA's Connected Community (59%), ILTA blogs (53%), Above the Law (26%), PinHawk Law Technology Daily (25%) and Engadget (24%) were the five readers' favorites. ILTA blogs (+21%), ILTA's Connected Community (+11%) and PinHawk Law Technology Daily (+8%) registered the biggest readership gains compared to 2013.

2014 %	Blogs/Communities	2013 %
22%	3 Geeks and a Law Blog	18%
26%	Above the Law	22%
6%	Dennis Kennedy.com	4%
24%	Engadget	26%
20%	Gizmodo	23%
23%	Google News	19%
59%	ILTA Connected Community	48%
53%	ILTA Blogs	32%
8%	InsideLegal.com	5%
23%	Law.com	19%
14%	Law Technology Today (ABA LTRC I	*new*
19%	Legal IT Professionals	17%
4%	LegalSupportNetwork	4%
15%	Lifehacker	18%
25%	PinHawk Law Technology Daily	17%
9%	Slashdot	19%
3%	Slaw	3%
15%	TechCrunch	16%
7%	The Orange Rag	10%
20%	Wired	19%
7%	None	16%

What social media sites do you use for professional purposes?

LinkedIn is still the overwhelming professional connectivity tool of choice for legal professionals with an 85% response rate across all firms. 50% use ILTA's Connected Community, up 8% from 2013. 11% indicated they don't utilize any of the listed sites while Google Alerts lost 5% readers since last year, coming in at only 4%.

Outside of the IT department, attorneys (80%) most frequently request technology purchases followed by Firm Administration (53%) and Practice/ Litigation Support (31%).

LinkedIn is still the overwhelming professional connectivity tool of choice for legal professionals with an 85% response rate across all firms.

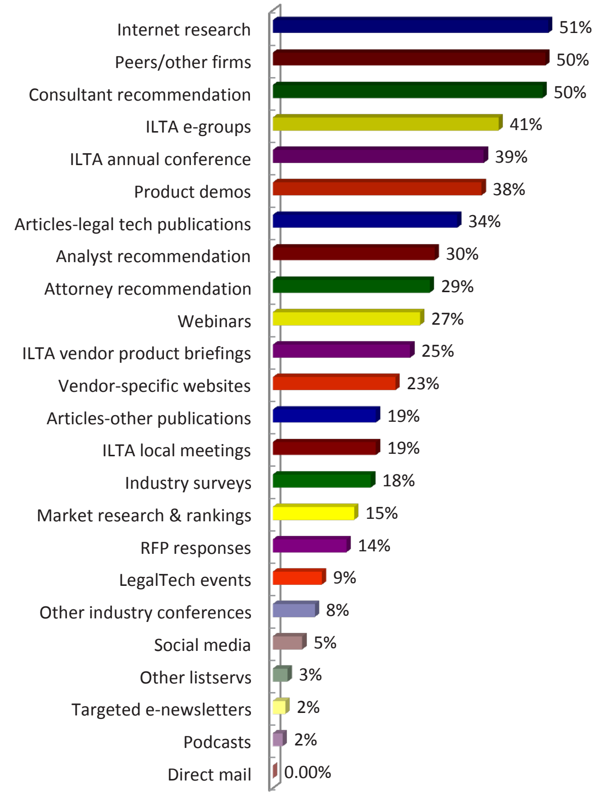
How do you use Twitter?

Fueled by the increased use of Twitter among legal professionals, we added this question in 2009 to better understand specific uses of the '140 characters or less' communication tool. 47% of survey respondents, down 1% from 2013, don't use Twitter, while 25% use it mainly to track, follow and monitor topics. 5% mentioned posting frequently, up 1% from 2013.

Which of the following has influenced you to make an IT purchasing decision last year?

Based on survey responses, internet research, peer recommendations, and consultant recommendations are the top three influences when it comes to making legal IT purchasing decisions. ILTA's annual educational conference and ILTA e-groups round out the top five. New categories added in 2014 include analyst recommendations (30%), webinars (27%) and industry surveys (18%).

Respondents from Under50 firms generally mirrored their larger firm counterparts except when it came to consultant recommendations (36% response rate vs. 64% for Over50 firms) and analyst recommendations (26% vs. 74% for Over50 firms). Also, while 61% of Over50 firms are influenced by peers and other law firms, only 39% of Under50 firms indicated relying on peers/other law firms when making IT purchasing decisions.



PART V - TECHNOLOGY TRENDS AND IT CHALLENGES

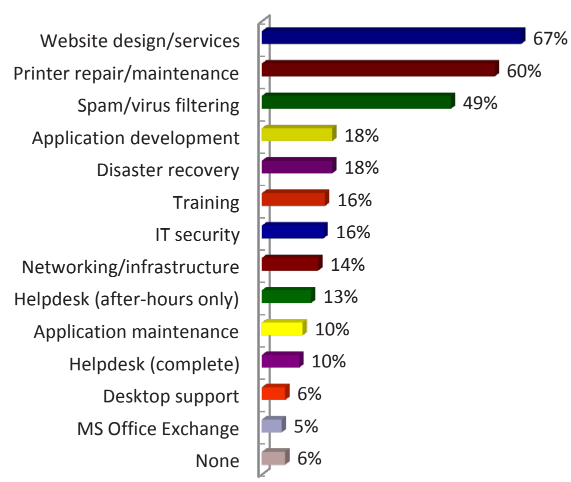
What is the most exciting technology or trend you have seen?

While getting insights on exciting technologies does not necessarily reflect what is being implemented or currently purchased, it does provide good technology futures information. In response to our open-ended question of the most exciting technology or trend, the top answers were: mobility (including tablets; mobile device management; Microsoft Surface Pro; enhanced mobility because of cloud services); cloud services, specifically *-as-a-Service models including analytics, disaster recovery, security, and DMS-as-a-Service namely NetDocuments and Microsoft Azure; virtualization; and artificial intelligence and wearables (internet of things).

'New' IT purchasing influences added to the 2014 survey include analyst recommendations (30%), webinars (27%) and industry surveys (18%).

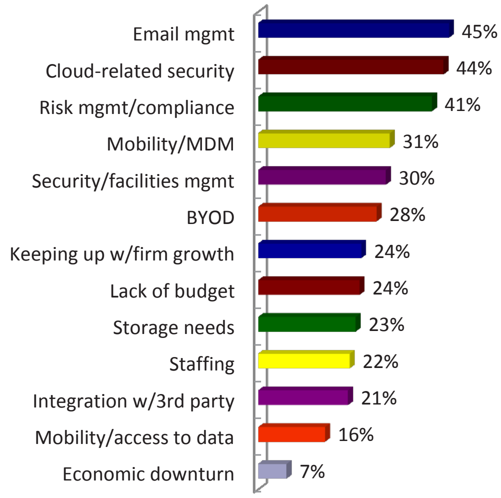
What aspects of your technology infrastructure do you currently outsource?

67% of all survey respondents outsource website design and services (up 6% from 2012), followed by printer repair/maintenance (60%). Spam/virus filtering was added to our list last year and garnered a 49% response rate, 6% higher than in 2013.



What is the biggest issue or challenge facing your department?

Email management tops the legal IT issue lists and has been named the biggest challenge facing IT departments for the 7th consecutive year. Cloud-related security risks are not far behind followed by risk management and compliance, mobility/mobile devices and security/facilities. Particularly email management, risk management/compliance and lack of budget are bigger challenge areas for Under50 firms.



PART VI - BIG DATA

Does your firm have a big data plan? *NEW*

While 62% of all respondents don't have a big data plan in place, the remaining 38% are either evaluating the need to establish one (22%), are working on formalizing their big data strategy (10%) or have a plan in place (6%).

How will your firm utilize big data technologies most? *NEW*

When asked how they would use or leverage big data technologies, more than half of the respondents indicated using business intelligence/analytics; 39% would engage in data mining and 31% would leverage predictive coding technology. Pricing is also a major challenge with 31% indicating they would leverage big data technologies to help manage clients' legal spend.

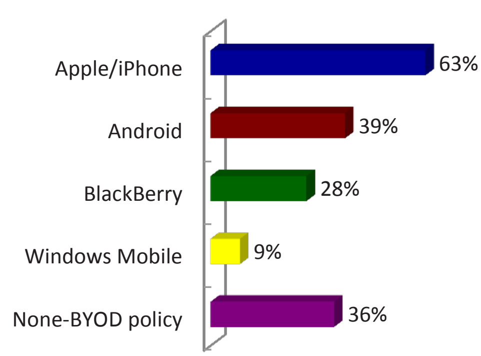
Who should "own" big data within your firm? *NEW*

The variety of responses to this question indicates that while there is no magic answer for who's in charge of big data, all firm departments and functions can potentially play an integral role. 60% of respondents indicated that IT should own big data (perhaps biased by the survey audience), followed by practice support (38%) – makes sense if big data is primarily deemed an e-discovery challenge (or opportunity); and administration (36%). 32% said the C-Suite should lead the big data charge and 30% feel it's a finance function.

PART VII - MOBILE TRENDS & POLICIES

What smartphones are you purchasing within your firm?

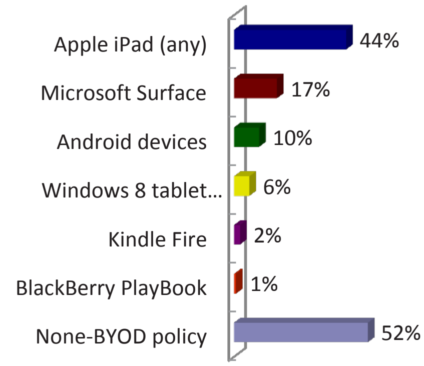
In 2012, we added a question about what specific devices ILTA members are purchasing for their firm and were surprised that 49% of all respondents still purchased BlackBerry devices. This year, 28% indicated purchasing BlackBerry phones while iPhones lost 9% share versus 2013 as did Android (-5%) and Windows Mobile devices (-4%). 35% did not purchase any devices, either based on BYOD policies or pure saturation.



When asked about most exciting new technology trends, answers ranged from virtualization to artificial intelligence to iThings to holographic imaging.

What tablets are you purchasing within your firm?

Half of all respondents did not purchase new tablets while 44% chose Apple iPads (down 22% from 2012) followed by Microsoft Surface (up 7% from 2013) and Android devices (down 3%).



Does your firm have a formal security policy when it comes to mobile devices?

86% indicated that they either have a formal mobile device security policy in place or are establishing one. 65% said they already have a policy, up 30% from respondents in 2013. 69% of Over50 firms currently have a formal security policy in place.

What percentage of your firm's attorneys use tablets in their day-to-day work?

91% of surveyed firms' attorneys use tablets as part of their day-to-day work, up 5% from 2013. 61% of the surveyed firms indicated less than a quarter of their attorney pool uses tablets for daily work compared to 10% (up 3% from 2013) who indicated more than half of their attorneys use tablets work daily.

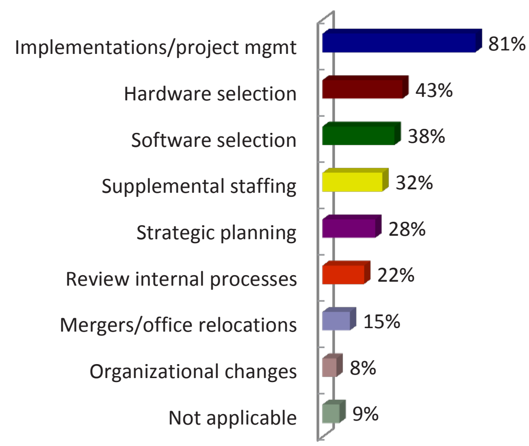
PART VIII-BUSINESS PARTNERS & OUTSIDE CONSULTANTS

Does your firm use outside technology consultants?

90% of this year's respondents reported that they use outside technology consultants to assist with some aspect of firm operations, technology and infrastructure. This represents a 9% surge from 2013.

Why did you hire an outside technology consultant?

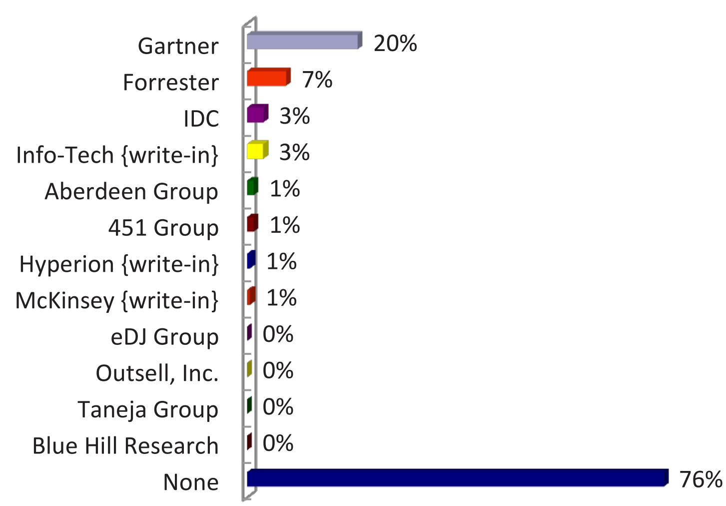
According to the 2013 survey results, the top three reasons law firms hire outside consultants are to assist with implementations/project management (81%) and aid in the hardware (43%) and software (38%) selection process. 32% indicated they retain outside consultants to assist with supplemental staffing and 28% seek assistance with strategic planning.



Big data ownership: 60% of respondents indicated that IT should own big data, followed by practice support (38%) and firm administration (36%).

What industry/research analysts have you worked with? *NEW*

This question is new in 2014 and looks at the influence/activity level of industry and research analyst firms in the legal space. While 76% of all respondents have not worked with an analysts, Gartner is by far the most frequently engaged firm (20%) followed by Forrester (7%), IDC (3%) and Info-Tech Research Group (write-in at 3%).



What technology consultants have you worked with?

This open-ended question yielded 122 unique responses with 9 consultancies receiving at least 5 mentions (show in bold). *Note: This question addresses which consultancies ILTA member firms have worked with only. It is not an endorsement or ranking based on service or quality of experience.*

• AAC • Abacus • Accenture • Accudata • Adaptive Solutions (ASI) • Affinity • Alexander Open Systems • All Covered • Appsense • Arraya • Atomic Data • Avtex • Bedroc • Berbee Associates • Capgemini • Carm Consulting • Catapult • CCC Macro Pro • CDI • **CDW** • Chaney Systems • Choice Solutions • Cisco • ClearPath • Concurrency • Copitrak • CoreBTS • Cornerstone IT • Corporate Technologies • CPA Global • D4 Discovery • Data#3 • Datalink • DBI Strategies • Dell • Dell SecureWorks • Deloitte • Dimension Data • DocAuto • DocMan Technologies • Don Holland • Duff & Phelps • **EIM International** • Esquire • Fireman & Co. • Fusionet • FusionStorm • G2 Inc. • Gartner • General DataTech • Gotham • Handshake • Hartman Consultants • **HBR Consulting** • Helient • HP • HSV Consulting • Hyperion • IBM • IBS Consulting • ICS • Infront • Innovative Computing Systems • Insight • IntApp • IntraSystems • IPM • ISS • iVision • Janders and Dean • **Keno Kozie** • Knowlogy • KPMG • **Kraft Kennedy** • Lights-On Consulting • Longview • Lydia Ferro • McGladrey • Mimecast • **mindSHIFT** • MTM • N4matic • Navantis • Netrix • Network Solutions Group • Optimal Networks • OutsourceIT • Park Place Technologies • Phoenix Business Solutions • **PLA** • Plan B • **Presidio** • Protek • Protiviti • PwC • Quest • RBRO • RedLevel • Right!Systems • Sagiss • SmartSolutions • Softchoice • Sogeti USA • Something Digital • SourcePanel • Stalwart • Stridon Limited • Suntel • Symantec • Synercomm • Synergy Global Solutions • Telecom • The Frayman Group • Thomson Elite • Traveling Coaches • UDT • Valcom • VCSi • VLCM • WAMS • William Ives Consulting • **Younts Consulting** •

What legal vendors have provided exceptional customer service to you in the last year?

Every year we include an open-ended question about technology vendors that provide exceptional customer support. 124 different vendors were mentioned this year, up from 105 in 2013 and 90 in 2012. Vendors receiving 4 or more mentions are in bold below.

• AccessData • Adaptive Solutions • Advanced Systems (ASI) • Afinety • ARG • Arraya • Autonomy/HP • Avtex • BEC • Bellefield • **BigHand** • Bit9 • Blackbox • Capitol Copy Service • CaseLogistix • Catalyst IT • CDI • **CDW** • Commonwealth Legal • Commvault • Compulaw • Computer Brokers • Copitrak • Cornerstone IT • CPI • CTI Logic • Dell • Dell Secureworks • Dimension Data • DocAuto • DocMan Technologies • DocsCorp • **EIM International** • EMC • EMI • Ethan Group • Executive Training Solutions • Fusionet • Guidance Software • **HBR Consulting** • Helient • **HP** • Hyperion • iManage • **Innovative Computing Systems (ICS)** • IntApp • Integration Appliance • **IPM** • Iris • iVision • JD Supra • Jenlor Integrations • Juris-LexisNexis • Keno Kozie • KEY Discovery • **Kraft Kennedy** • L&J Technology • L3 Legal Solutions • LANSolutions • Legal Anywhere • Legal Software Connection • LexisNexis • Linex • Litera • Livewire Technologies • Luminate • MicroAge • Microsystems • Mimecast • **mindSHIFT** • **NetDocuments** • Network Solutions • NightOwl • Nimble • nScaled • Olson Consulting • OneNeck • Onward Technologies • OpenText • Orion • Park Place Technologies • PayneGroup • PC Connection • Phoenix Business Solutions • PLA • Plan B • Presidio • Premier Technology Solutions • Priory Solutions • Profiscience • Profit Recovery Partners • Protiviti • RBRO • Relativity • Renew Data • Sagiss • Service Now • Softchoice • Softmart • Software One • Something Digital • Stalwart • Stridon Limited • Syndet • Synergy • Thomson Reuters • Total Networks • Traveling Coaches • TW Telecom • Valcom • Veritrak • Verizon • ViaWest • viDesktop • Vision Solutions • VLCM • Vmware • WAMS • Westlaw • William Ives Consulting • Workshare • **Worldox** • **Younts Consulting** •

International Legal Technology Association
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About ILTA

ILTA is the premier peer networking organization, providing information to members to maximize the value of technology in support of the legal profession. For more information on ILTA, visit ILTA's website or contact Peggy Wechsler at (512) 795-4662 or peggy@iltanet.org.

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Survey Methodology

This survey was commissioned by ILTA and administered among its membership. InsideLegal was responsible for development of the final survey instrument, data analysis and the final presentation. The 2014 survey marks the 9th edition of this joint ILTA/InsideLegal collaboration and, for the second time since 2013, included responses from ILTA member firms with 1-49 attorneys (referred to as Under50) in addition to the '50+ attorneys' (referred to as Over50) respondents featured in previous years. The 31 question web-based survey was distributed to 1,407 ILTA member law firms and garnered a 20% response rate.

The survey consisted of eight sections, each with a subset of unique questions: Part I covered Firm Demographics including firm size, location, department and role. Part II focused on IT Budgeting and Purchasing spanning next year vs. last year budget variances, budget approvals, spend per attorney, spend as a percentage of firm revenue and purchasing authority questions. Part III, Technology Purchases: Past and Future, included past technology purchases and planned future purchases. Part IV, IT Purchasing Influences, drilled down into influences for technology purchases (e.g., publications and consultants) and social media. Part V, Technology Trends and IT Challenges, took a closer look at legal technology trends and common challenges. Part VI, Big Data, took a closer look at big data's role in legal technology and across the law firm. Part VII, Mobile Trends & Policies, reviews smartphone, tablet and app purchasing patterns as well as related security trends. Part VIII, Business Partners & Outside Consultants, highlights respondents' use of outside consultants and industry analysts, as well as vendors that have been reported by ILTA members as giving exceptional customer support. Response percentages are based on total responses per question, not overall survey participation.

To download/link to the survey visit InsideLegal.com