

Total Cost of Review (TCR)

Driving down eDiscovery review costs using the Stratify Legal Discovery® service

Major corporations use Total Cost of Ownership (TCO) to evaluate the total cost of important projects. TCO takes into account not only the purchase price and initial startup costs, but the recurring and “hidden” costs, as well. In a similar way, General Counsel and law firms need to assess the Total Cost of Review (TCR) when evaluating electronic discovery matters.

TCR includes a number of factors, such as storage, document conversion, processing, and hosting costs, but is primarily driven by the aggregate number of attorney billable hours needed to complete the review. Recognizing that reducing the number of billable hours has the biggest impact on TCR, attorneys and legal professionals are rethinking their approach to electronic discovery.

TOTAL COST OF REVIEW (TCR) AND THE STRATIFY LEGAL DISCOVERY SERVICE

Typically, the largest expense associated with document review and analysis is the billable time required for attorneys to find and review documents. In-house and traditional in-house or online search-based systems exhibit low rates of review, and as a result require large numbers of reviewers. To better control eDiscovery costs, General Counsel and AmLaw 200 law firms are turning to solutions with advanced productivity capabilities that significantly reduce the amount of time needed to complete the review.

Stratify’s clients achieve low TCR with the advanced review and analysis features of the Stratify Legal Discovery service. These include a highly contextual review environment that supports concept-based review, issue-based review, document analytics, thread analysis, and email mapping – all within an intuitive interface that can be easily customized to maximize effectiveness and streamline the overall workflow.

While each document review varies based on type of matter, documents and size, Stratify clients have reported review rates of 300-500 documents per hour, with rates reaching as high as 1,000 documents per hour. In some matters, individual attorneys have reviewed as many as 10,000-15,000 documents in just one day – the equivalent of 60 “bankers boxes” of hard copy pages – while improving tagging accuracy and subject matter comprehension.



Drive down Total Cost of Review (TCR) by maximizing review rates with the Stratify Legal Discovery service

As one of the leading providers of eDiscovery services to the AmLaw 200 and Fortune 500, Stratify provides a cost-effective solution for managing electronic discovery. The Stratify Legal Discovery service drives down TCR by helping clients minimize the number of billable attorney hours needed to complete the review.

MAXIMIZE REVIEW RATES

The Stratify Legal Discovery service interface is easy to learn and intuitive to use. Unlike other electronic discovery service providers that require extensive training, reviewers can be productive immediately by taking advantage of the familiar Microsoft Outlook®-like interface. The application is flexible and highly configurable, enabling case managers and reviewers to vary the workflow for different types of matters.

The Stratify Legal Discovery service maximizes attorney review rates with a number of advanced capabilities including:

Concept-based review. The Stratify Legal Discovery service automatically organizes documents and emails by concepts. Rather than reviewing documents in a linear fashion, which forces attorneys to shift gears to try to understand documents on a wide range of topics, attorneys can review related documents together in automatically generated concept folders. This enables reviewers to identify relevant documents more quickly, accurately and consistently. At the same time, irrelevant documents such as spam emails or IT memos are segregated for later review.

Issue-based review. The Stratify Legal Discovery service lets attorneys group documents together the way they want, not the manner in which they were stored or collected. Attorneys can organize the entire document collection according to specific criteria or “issues” pertinent to the matter, such as custodian, date range, or search term. Documents sorted by issue are collected in Smart Issue Folders and get updated automatically as new batches are loaded for review.

Near-duplicate detection. The Stratify Legal Discovery service automatically identifies and groups near-duplicate documents (such as versions of a contract in Word or a report in Excel) together. This grouping of near-duplicate documents accelerates review and helps ensure more consistent tagging, as well. By contrast, in a traditional (linear) review, different attorneys routinely review similar or related documents and make inconsistent judgment calls about relevance and privilege. According to one recent study, lawyers miss as many relevant documents as they find using this inefficient linear approach. (see Anne Kershaw, “Automated Document Review Proves its Reliability,” *Digital Discovery and E-Evidence*, Nov. 2005).

Document and Email analytics. Stratify Document Analytics™ identifies, locates and reports on more than 30 different types of hidden, embedded metadata in business documents to enable attorneys to quickly focus on documents and optimize the review workflow. Stratify Visual Email Analytics™, a fully integrated component of the Stratify Legal Discovery service, automatically analyzes and maps complex email collections. Attorneys can visually explore email relationships and follow message threads to uncover hidden relationships and identify critical messages.

Total Cost of Review (TCR) Case Study

The following case study illustrates the advantages of the Stratify Legal Discovery service compared to in-house or traditional ASP tools. Since TCR is primarily driven by aggregate attorney review time, the case study focuses on review rates, and uses industry standards and metrics reported by our customers.

Assume a law firm needs to review 100 GB of data, or roughly 1.5 million documents (i.e. 3,000 “bankers’ boxes” of hard copy pages), in four weeks. The blended hourly rate for review attorneys is \$200 per hour. How can the firm achieve significant cost, time, and labor savings for the matter while improving the quality of its work product?

TCR Case Study Analysis

COST SAVINGS

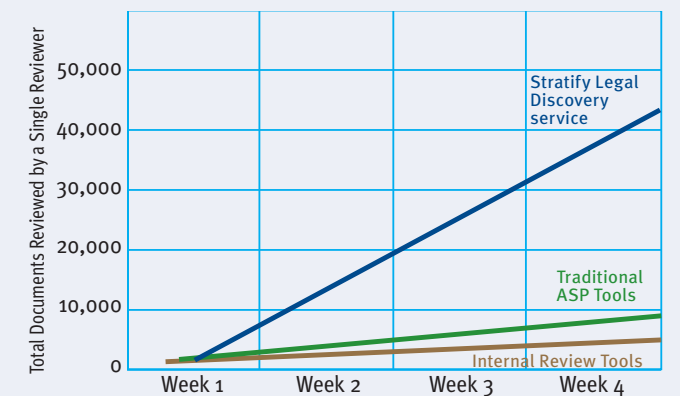
Using an internal review tool or traditional ASP-based search solution, the firm would incur between \$5M and \$10M to review the document collection, not including processing costs. This is primarily due to the low-review rates expected from these linear review tools. However, if the firm leveraged the Stratify Legal Discovery service it could expect much higher review rates and save between \$4M and \$9M – just in billable hours alone.

	Internal Review Tools	Traditional ASP Tools	Stratify Legal Discovery® service
Documents Reviewed	1,500,000	1,500,000	1,500,000
Attorney Review Rate/Hour	30	60	300
Hours Needed to Review	50,000	25,000	5,000
Attorney Billing Rate/Hour	\$200	\$200	\$200
Total Costs	\$10,000,000	\$5,000,000	\$1,000,000

Attorney review savings comparison

LABOR SAVINGS

Both in-house and traditional ASP systems require a significant number of reviewers. But a firm can dramatically reduce that number – without sacrificing accuracy – by taking advantage of the efficiencies of the Stratify Legal Discovery service. Firms can complete the review with 75 to 85% fewer reviewers in the same amount of time, or, alternatively, complete the review 75 to 85% faster using the same number of reviewers. Either way, the time and cost savings are significant.



Attorney review time comparison

TIME SAVINGS

While internal review tools and traditional ASP systems may appear faster, the Stratify Legal Discovery service outperforms them in just one week. Setting up the Stratify review site and processing the first batch of data takes a few more days than with traditional tools, but by the end of the first week, Stratify reviewers will have examined many thousands of documents more than the traditional reviewers. Over time, this gap widens even further.

37

Stratify Legal Discovery® service

157

Traditional ASP Tools

313

Internal Review Tools

Attorney review labor comparison

ADDITIONAL SAVINGS

The Stratify Legal Discovery service works with documents in their native (original) electronic format, thereby eliminating the need for expensive and time-consuming conversion costs. Many traditional systems must convert documents to TIFF from their native formats, unnecessarily adding time and money to a project. Handling over 390 types of native file formats with full review and production capabilities, the Stratify Legal Discovery service enables clients to meet the native production requirements of the recently revised Federal Rules of Civil Procedure without additional re-conversion costs.

The Stratify Legal Discovery service is an online SaaS (Software-as-a-Service) solution that eliminates the costs associated with data storage space and hosting costs. Many law firms that use in-house solutions find themselves pressed for storage space and forced to increase their IT-related capital expenses. Since the Stratify Legal Discovery service is a web-based application it requires no software installation or maintenance and is accessible anywhere at any time.

Conclusion

By assessing the Total Cost of Review (TCR) when evaluating electronic discovery matters, General Counsel and law firms can avoid the common mistake of selecting an eDiscovery vendor based on initial processing and hosting costs alone. Typically, the largest expense associated with document review and analysis is the billable time required for attorneys to find and review documents. This has led attorneys and legal professionals to rethink their approach to electronic discovery and focus more intently on maximizing their overall review rates.

The Stratify Legal Discovery service offers significantly higher review rates than both in-house and traditional ASP service tools. A number of advanced capabilities, including concept-based organization, issue-based review, near-duplicate detection, and email analytics, combine to maximize attorney review rates and help lower TCR.

As the case study illustrates, a law firm can achieve significant cost, time, and labor savings while improving the quality of its work product using the advanced capabilities of the Stratify Legal Discovery service. With reported review rates for trained users reaching 300-500 documents per hour and exceeding, in bursts, 1,000 documents per hour, the Stratify Legal Discovery service provides the most efficient, cost-effective eDiscovery solution.



For additional information about the Stratify Legal Discovery service, please call Stratify at 866.400.8484 or send an email to sales@stratify.com.

Stratify, 501 Ellis St., Mountain View CA 94043
866.400.8484 | sales@stratify.com | www.stratify.com