

In-House Predictive Analytics Software Reduces Costs and Improves Outcomes

Predictive analytics software, when properly utilized by experienced attorneys, makes e-discovery faster, cheaper, and more accurate. Few law firms have demonstrated the chutzpah required to bring this technology in-house. Bassi Edlin Huie & Blum (BEHB) is different. In 2014 the firm decided to invest in predictive analytics when confronted with a high-stakes Superfund case involving over 11 million pages of documents.

BEHB, at the time a 27-lawyer firm, was defending the City of Fort Bragg against Georgia-Pacific (GP), a multinational conglomerate with very deep pockets represented by 700-lawyer firm Hunton & Williams. The suit alleged the City was responsible for tens of millions of dollars in clean-up costs at GP's Fort Bragg lumber mill. GP was demanding millions in past and future remediation costs. The case was notable because the lumber mill had been in operation for more than 120 years, multiple parties were involved over time, and discovery entailed reviewing over 11 million pages of records and taking numerous depositions in locations throughout the country. Because of this large document cache and other complexities, it made particular sense to use predictive analytics.

Predictive analytics helped the BEHB team efficiently prioritize the right documents, find key facts and players, and build a strong case for the City. In the end, both parties agreed to a settlement by a joint stipulation filed in federal court to dismiss the entire case without the City paying a dime to GP.

Bringing predictive analytics in-house empowered our team to exercise better control over the document review process and to ensure the documents we were seeking were actually those needed to prevail in the case. Successful quality assurance, which is a prerequisite for the effective use of predictive analytics, was carried out by talented professionals who were familiar with the intricacies of this case.

As the GP case demonstrates and as Big Data increasingly dominates the e-discovery process, the legal profession will soon have no choice but to embrace the use of predictive analytics. When used effectively as part of an overall litigation strategy, this technology empowers smaller firms to not just keep up with but to defeat much larger firms. Under the traditional document review model, firms with the greatest number of document reviewers and paralegals, and the biggest budget to burn, had an advantage in document-intensive cases. But, as demonstrated by BEHB, when predictive analytics software is effectively employed by smart lawyers, then the sheer number of reviewers and the amount of money in a firm's coffers becomes irrelevant. BEHB boldly embraced predictive analytics at a time when most law firms thought this

BASSI EDLIN HUIE & BLUM

technology was too new and esoteric to warrant such an investment. The BEHB lawyers leading the GP case and firm management took the time to learn how the software worked, and how to take advantage of its strengths and minimize its weaknesses.

Following is comparison showing how much less it would cost AIG to use BEHB's in-house predictive analytics software when compared to the highly marked-up fees charged by third-party vendors.

Cost Comparison

Firm	Storage Cost	Software Cost	Personnel Cost
BEHB	\$0	\$0	\$110/hour Level 1 Litigation Support \$200/hour Level 3 Technical Support
Wind (windlegal.com)	\$25 GB free \$100 per additional 25 GB	\$299 per month for 1 user license, \$99 per month for each additional user	\$175/hour
United Litigation Discovery	\$30 per GB	\$90 per user for Relativity Additional costs: Native File Review \$249 per GB, Tiff Conversion & Natives are \$349 per GB, OCR is \$0.02/page	\$150 per hour for technical support, 4 hours of free training

To further illustrate the point, while researching costs for using predictive analytics in the GP case one software company quoted a figure of approximately \$110,000 to run 10 searches on the City's ESI. Opposing counsel added 18 more searches, which would have increased the costs by about \$200,000. These costs were similar to those quoted by other companies. Software companies also charged a separate fee for the original data migration. Our client agreed to pay \$25,000 for data migration, a small sum compared to the more than \$300,000 a third-party vendor would have charged. Not only did our in-house predictive analytics solution help us win the case, it also earned BEHB a 2015 LegalTech Innovation Award in the category of "Most Innovative Use of Technology in a Law Firm." With our predictive analytics capabilities, we can help AIG to achieve positive results with similar cost-savings during e-discovery.