

FTI takes another big step in bringing Ringtail and Attenex together for e-discovery

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In the years since its 2005 purchase of Ringtail and its 2008 acquisition of Attenex, FTI Consulting has used elements of both to create an integrated e-discovery platform for its FTI Technology unit. With this week's release of Ringtail 8.2, FTI is taking an important step in giving Ringtail the attributes of Attenex, most notably the conceptual clustering capacities adapted from Attenex Patterns Document Mapper. With 8.2, FTI has redesigned Document Mapper as part of Ringtail to visualize search results while enhancing the user interface. In addition, to continue its game plan of being a coast-to-coast e-discovery provider, FTI is focusing on Ringtail's production capabilities and enabling predictive coding while adding color to the process with custom color hit highlighting and quick codes for tracking review progress and consistency.

The 451 Take

Ringtail 8.2 represents another important step in FTI's continuing effort to match its rivals in making its software both robust and easy-to-use. We think it's done a good job. This success is more than just a pretty interface - sure, document mapping and color coding look good, but when reviewing terabytes and even petabytes of data in major litigation, every efficiency built into e-discovery software saves time and money. Concept clusters and colored coding do more than give a lawyer's computer screen an aesthetically pleasing look - they speed the e-discovery process and make it more efficient. At the same time, FTI's competitors are rushing to provide coast-to-coast e-discovery spanning the EDRM (Electronic Discovery Reference Model), and we think FTI is smart to make production a focus of the update. As service providers and low-cost options continue to enter the market, FTI's challenge is to find

new ways to differentiate its offerings. By bundling its consulting with its software in Acuity, along with flexible pricing and these latest enhancements to Ringtail, we think FTI is well on its way.

Context

Since its 1982 founding as Forensic Technologies International, FTI Consulting has built a legal business both organically and through acquisition. It obtained the most important parts of its e-discovery software through its \$35m purchase of Australia's Ringtail Solutions Group in 2005 and its \$88m acquisition of Attenex in 2008. Other acquired pieces of the puzzle have included G3 Consulting, Strategic Discovery and TSC Brasil.

The acquired applications, Ringtail Legal and Attenex Patterns, have provided the backbone of FTI Technology's e-discovery software platform. FTI has taken an incremental approach to their integration, starting with a major blending of the products the company announced at LegalTech New York 2009.

Although both Ringtail and Attenex occupied the middle to right of e-discovery's EDRM, the two applications brought different things to the table. Ringtail Legal offered traditional case management, review and production capabilities, while Attenex added modern visual analytics to speed the process. Together, Ringtail and Attenex have given FTI a processing, analysis, review and production platform, and today Ringtail has one of the largest groups of end users in e-discovery. Both Ringtail and rival review tool Relativity, by kCura, have approximately 60,000 end users.

In 2010, FTI launched its managed services offering, Acuity. Acuity was the glue that brought the whole process together, tapping into what is arguably the global consulting firm's greatest strength in e-discovery: its army of consultants across the world, giving clients expert advice and assistance in conducting e-discovery. In addition, Acuity provided the important component of bundled pricing, where clients could obtain software and services together with volume-based pricing by GB or number of documents instead of by the billable hour, an important consideration given FTI's reputation as an excellent – but expensive – e-discovery option.

The company credited Acuity for a successful 2011 in its FTI Technology unit, where revenue was up 24% to \$218.7m as company-wide revenue reached \$1.56bn. Although Technology unit revenue was down slightly to \$49.7m for Q1 2012 – an unsurprising occurrence for the company in a US

election year, when government spending decreases – the company expects the release of Ringtail 8.2 to have a positive impact on the bottom line.

Technology

When FTI released Ringtail 8 at LegalTech New York 2011, the company focused on streamlining e-discovery workflow with a more intuitive user interface, improved production and integrated processing. This week's release of Ringtail 8.2 takes these enhancements a step further, once again focusing on the UI and production, but also adding a fully integrated Document Mapper and a master repository.

It's hard to overemphasize the importance of the improvements to Ringtail's user interface. Like Ringtail's longtime competitors, AccessData's Summation and LexisNexis' Concordance, Ringtail was sometimes seen as an application lawyers would have a difficult time using. Part of this perception was due to the nature of the legal profession and e-discovery itself. Ringtail, Concordance and Summation have been traditional leaders in the review market, and they date back to the days when lawyers relied on IT staffs to prepare documents for review. As attorneys have taken a more active role in e-discovery, newer applications with easy-to-use UIs have entered the market, and FTI has met the challenge with Ringtail's new UI featuring customizable displays, visually appealing graphics and color coding.

Ringtail Document Mapper represents not only integration of Attenex Patterns Document Mapper into Ringtail, but an improvement to Document Mapper itself, which has been redesigned for use in a browser in tandem with Ringtail's other features, including visualized graphic search results and concept summaries similar to tag clouds. In addition, dual-monitor support allows review attorneys to use Document Mapper at the same time they use Ringtail working lists. In essence, Document Mapper allows attorneys to speed the e-discovery process because it gives them a bird's-eye, helicopter overview of their documents presented in a concept-clustered visual display instead of a mind-numbing, seemingly endless list of documents.

Ringtail 8.2's visualization of e-discovery continues with its color-coding. Multi-color hit highlighting makes it easier for review attorneys to spot smoking guns, including 'hot docs' and those documents subject to the attorney-client privilege or the work product doctrine. For instance, with 8.2's custom color hit highlighting, general search terms can be highlighted in green, while privileged items can be displayed in red. In addition, Quick Codes can be used in list view, document view and in Document Mapper visual clusters, allowing lawyers to see which documents have yet to be reviewed and spot inconsistencies. For instance, if a Document Mapper cluster has

multiple colors, it could indicate inconsistencies in the coding of documents.

Cross-matter management is an important consideration in e-discovery. With the explosion of data requiring review, the last thing the legal teams can afford to do is reinvent the wheel with each production. Ringtail 8.2's ability to create master repositories preserves attorney work product by enabling responsiveness and privilege calls to be retained across multiple matters.

Software vendors sometimes allow production and presentation to become the forgotten or neglected steps of the EDRM as they focus on processing, analysis and review, but FTI has made production an important part of Ringtail 8.2 with enhanced production features, such as improved searching of metadata, the ability to clone productions across multiple matters, a more flexible template builder, native and text file productions, and batch printing with production options.

FTI offers predictive coding in Ringtail 8.2, using both supervised machine learning with attorney-created seed sets and unsupervised machine learning where the system groups similar documents itself. Advanced analytics drive the process along with document mapping and color coding.

Competition

FTI's competition in the attorney review market is vast. As noted above, the traditional competitors to Ringtail have been AccessData's Summation and LexisNexis' Concordance. Like FTI with Ringtail, AccessData has made substantial enhancements to Summation and expanded its pricing structure. At the same time, LexisNexis has made a move to add presentation to its e-discovery arsenal with the recent announcement of its acquisition of Sanction Solutions. A relative newcomer, kCura's Relativity has made major in-roads into the attorney review market, but the enhancements to Ringtail 8.2 should continue to make FTI a formidable competitor.

Additional attorney review competitors include AlphaLit's E-Direct, Applied Discovery's Leverage, Daegis' eDiscovery Platform, Epiq Systems' IQ Review, GGO's Digital WarRoom, Huron Consulting's V3locity, Guidance Software's CaseCentral, HP's Autonomy, iCONNECT's XERA, Kroll Ontrack's Verve, Lateral Data's Viewpoint, Merrill Corp's Lextranet, Nuix's Fast Review, Orange Legal Technologies' OneO, OrcaTec's OrcaReview, Recommind's Axcelerate, RenewData's DART, Symantec's Clearwell eDiscovery Platform and ZyLAB's eDiscovery and Production system.

On the consulting side, FTI faces traditional competitors Kroll Ontrack and the Big Four accounting firms: Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers. In addition, as service providers

acquire software, FTI will face competition from the likes of AlphaLit and Planet Data.

SWOT Analysis

Strengths

Ringtail has always been a robust e-discovery platform. Now the continuing UI enhancements and the integration of Document Mapper make Ringtail robust and easy to use, with analytics for 21st century e-discovery.

Opportunities

As software companies add services and service providers add software, FTI has a natural advantage – it's been doing it for years, and it's been doing it on a large scale. In addition, with cross-border litigation and international regulatory matters becoming commonplace, FTI's position as a global consulting firm gives it the ability to handle many matters other vendors simply cannot.

Weaknesses

FTI and its Ringtail and Attenex products are often perceived as excellent top-of-the-line products... with top-of-the-line prices. The Acuity bundled offering with flexible pricing options helps address the issue, but FTI still faces the challenge of countering the perception that it is Mercedes-Benz e-discovery when some clients have only the budget for a Chevy.

Threats

As e-discovery service providers add software, they provide additional competition for a market in which FTI has had a stronghold. FTI's challenge is to convince clients of the added value of its global reach and consulting expertise.

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