ILTA's 2017

TECHNOLOGY SURVEY

analysis and results

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THANK YOU!

I am pleased to introduce ILTA's 2017 Technology Survey. From 2016 to 2017, organization participation increased to 46 percent. Each year, the data provides deeper and deeper insights into the decision points and landscape across the legal technology profession. Thank you to all the technology leaders who contributed their time completing the survey and providing their details.

We give a special nod of praise to our survey project team: **Todd Corham** of Saul Ewing LLP has once again led the team this year and provides hours of his time and tremendous insight and energy to the project. A huge thanks to ILTA member leader **Jim McCue** of the Rodey Law Firm who provided a wealth of input, time and his introductory insights; ILTA's own Philip Graybeal did much of the technical review and advised in critical areas; a big thanks to survey guru June Ragone at the Bench Survey Group; and on ILTA's graphics team, Julia Muchard did significant project management and graphics help. Thanks to all who contributed their time and energy across the ILTA membership.

Dan Liutikas
ILTA's CEO

ABOUT ILTA

Technology solutions for law organizations and legal departments gets more complex every day. Connecting with your peers to exchange ideas with those who have "been there done that" has never been more valuable. For over three decades, the International Legal Technology Association (ILTA) has led the way in sharing knowledge and experience for those faced with challenges in their organizations and legal departments. ILTA members include organizations of all sizes and all areas of practice, all sharing a common need to have access to the latest information about products and support services that impact the legal profession.

STATEMENT OF PURPOSE

ILTA provides the premier environment for peer connections, education and collective intelligence to leverage the strategic advantages of technology in the legal profession.

DISCLAIMER

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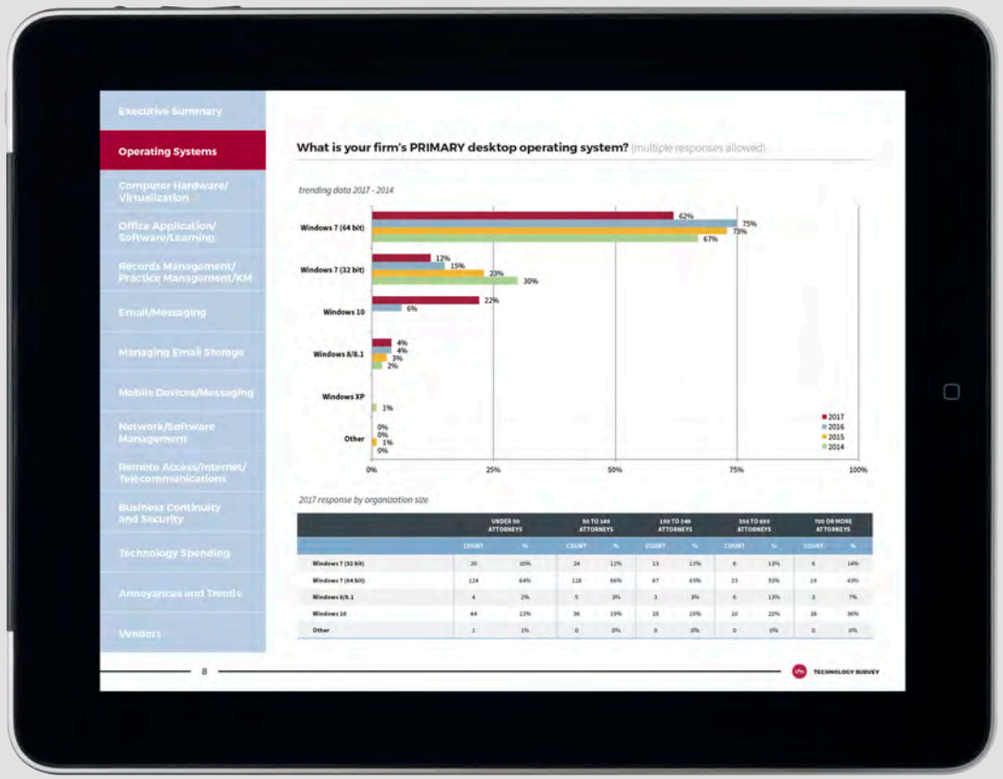
International Legal Technology Association

WE'RE PLEASED TO PRESENT THIS YEAR'S TECHNOLOGY SURVEY IN A FORMAT THAT IS OPTIMIZED FOR DIGITAL USE.



The sidebar on each page will provide direct links to each section of the survey. Click a heading to jump to the beginning of that section. Each section begins with an index page that lists all questions within the section.

Browse page-by-page or click on a question to navigate to the corresponding graph.

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ILTA Members Look Into the Crystal Ball:
Results of the ILTA 2017 Tech Survey

by Jim McCue, Director of Information Systems for the Rodey Law Firm

Welcome to ILTA's 2017 Technology Survey. Thank you for the excellent response this year! From 2016 to 2017, firm participation increased from 36 percent to 46 percent, with a total of 579 firms responding this year - 139 more than last year. We spend lots of time designing questions and answers and afterwards analyzing results, but we know that the most valuable work is done by survey respondents who take the time to give us great feedback. Kudos to all of you!

NUMBER OF ATTORNEYS	NUMBER OF FIRMS	PERCENT OF RESPONDENTS
Under 50	193	33%
50 to 149	193	33%
150 to 349	104	18%
350 to 699	45	8%
700 and Over	44	8%

THE GAME CHANGERS

Back in college, I can remember the excitement we felt in the Computer Science department when we changed from stacked computer punch cards to using terminals with keyboards. In the late 80s many of us remember when we emptied out rooms of mini-computers and replaced them with a small rack of PC servers. On the survey we are always on the lookout for that kind of game changing moment, so for the last several years we have asked you to try and identify what that technology might be: "Thinking about the next three to five years, is there a technology or trend you believe will create significant change or be a major factor in the legal technology profession?"

This year an overwhelming number of responses focused on artificial intelligence, cloud and security. Out of 316 total responses to this question, 106 included artificial intelligence or machine learning, 101 included cloud and 43 included security. Let's take a deeper look at each technology.

Artificial Intelligence: Could a Robot Replace Me?

While artificial intelligence (AI) has been a hot topic in legal technology of late, we are just starting to see a few products hit the legal market. There seems to be a natural progression from technologies like predictive coding and automated document review to AI-based research, with steps along the way such as AI that recognizes relationships between disparate storage systems, security that uses AI to identify threat combination patterns and AI-based contract analysis and case result prediction. If the question is when this will all happen, the answer seems to be soon.

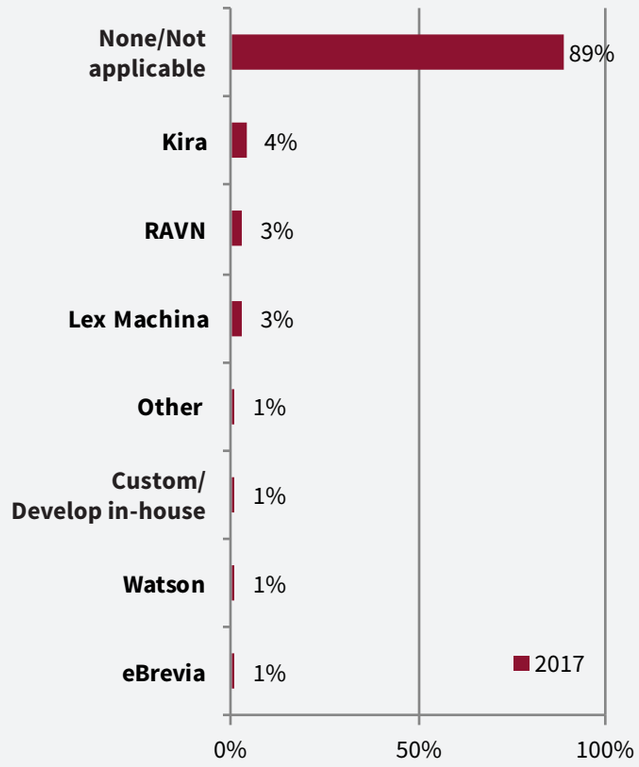
Many of your comments from the survey suggest a concern about whether the advent of AI in legal will replace jobs or augment the jobs we are doing. One respondent thinks AI will replace personnel: "AI is going to make the biggest change to how attorneys work. With AI, research will be a thing of the past. Our attorneys will use AI like they would an Associate or Paralegal."

Another respondent suggests that AI will trigger new job areas in legal that need to be filled by new people or current employees gaining new skills. "Artificial Intelligence & Machine Learning together with the consumerization of law will have a significant impact in legal technology where legal technology skills and solutions will need to dramatically change to meet the demand."

As we implement more and more AI systems, we need to be careful that our assumptions about the decisions AI is making for us are good ones based on solid information. As one member commented, "AI will play a major role, but it has to be implemented and used wisely. It can be of significant benefit, but those using it have to better understand how to ask/use it. Getting the right answer depends on asking the right questions."

Our AI systems will be dependent on the knowledge and information that we provide and we will need expertise in training these systems. To that end, the 2017 Survey has our first machine learning question. While the number of firms using machine learning products is limited so far, look for that use to increase in coming years.

If you make use of tools for machine learning, which ones do you use?

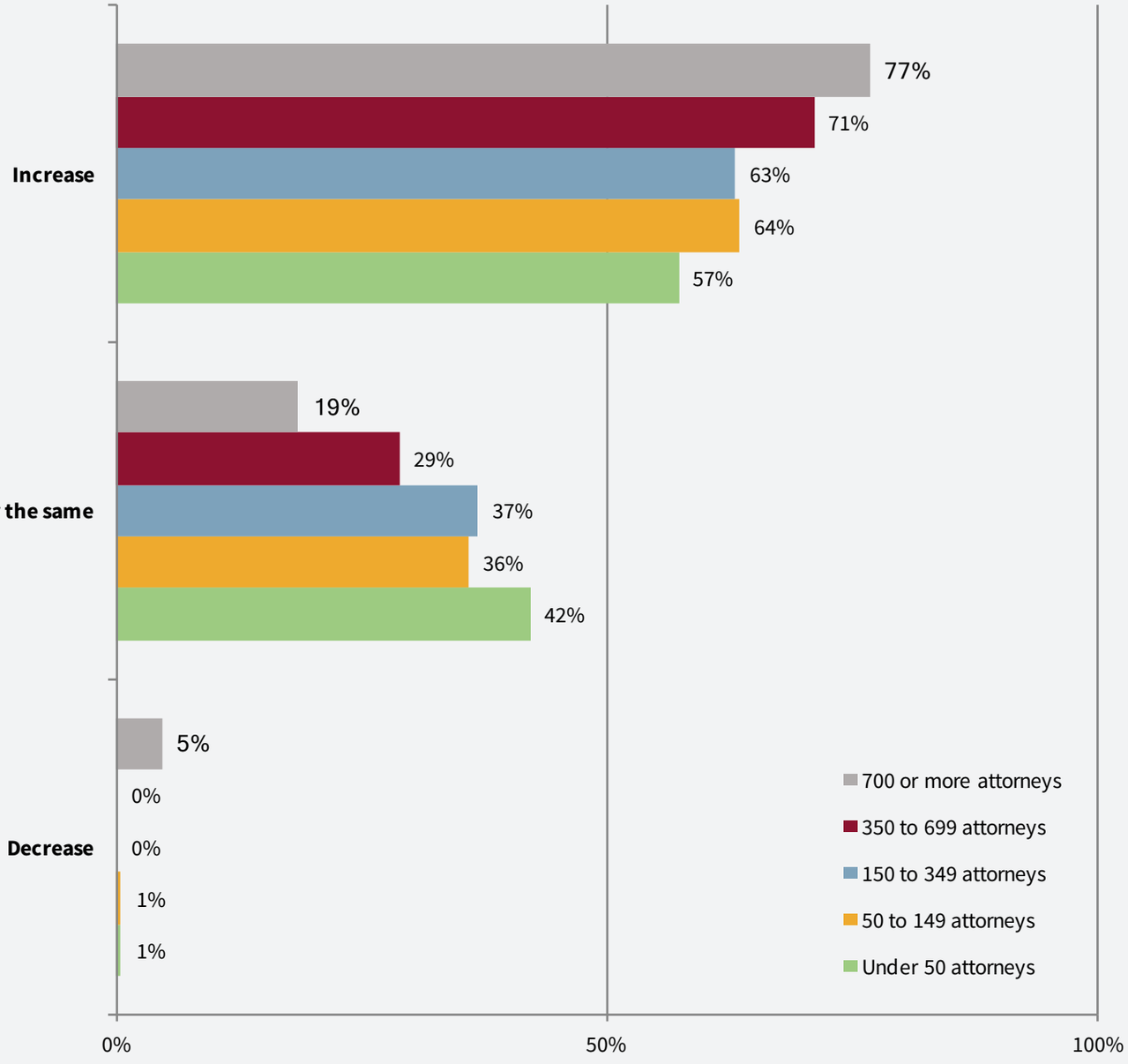


City in the Clouds

Conversations about cloud use have moved from "will we" to "when will we" for a lot of firms. Firms predict that their adoption of cloud-based solutions will continue to increase, rising from 51 percent in 2016 to 63 percent in 2017. While firms of all sizes predict a trend of increasing cloud adoption, the percentage gets higher the larger the firm.

Security, which firms considered to be the number one barrier to moving technology to the cloud in 2016, has been passed in 2017 by cost as the number

For the upcoming year, how do you predict your firm's adoption of cloud-based solutions will change?



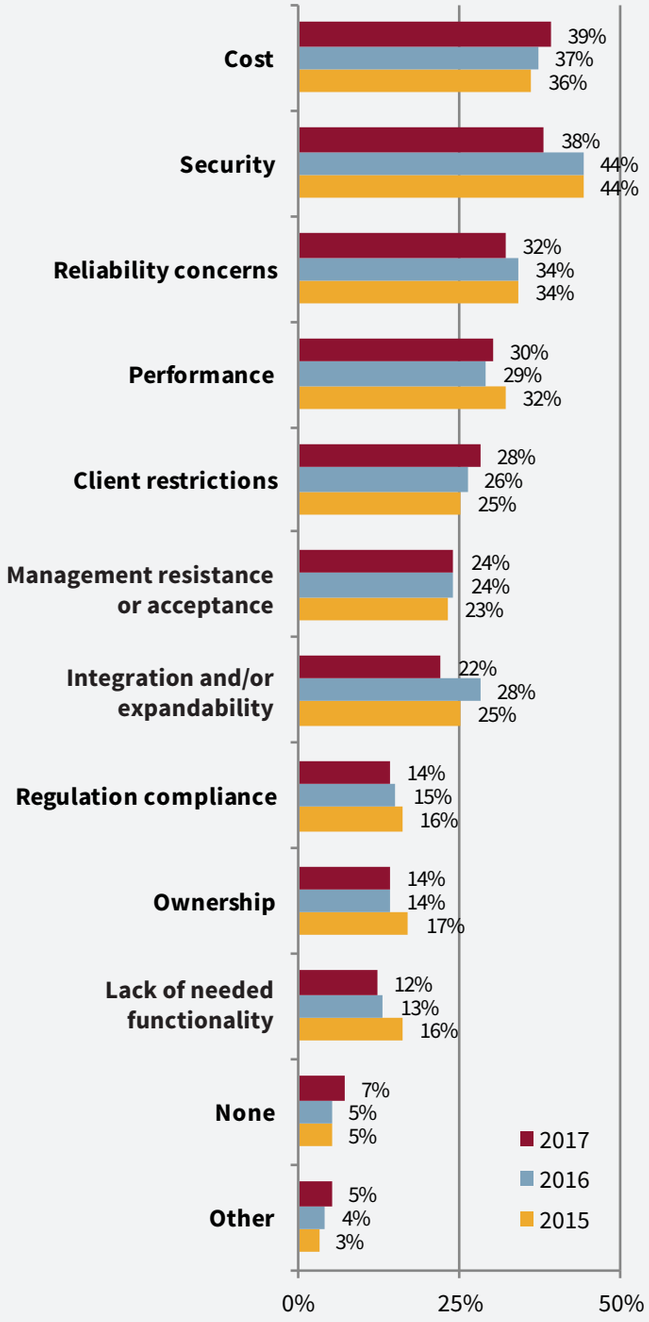
one concern. Perhaps firms' concerns with security have been somewhat alleviated by the process of vetting cloud companies using the same security requirements our clients request of us. With this reliance on cloud providers to provide better security also comes the responsibility of auditing these companies more thoroughly. As one respondent put it, "The cloud continues to be the biggest factor affecting change in IT. The need to offload/share the security responsibility with the large cloud players will continue to drive this initiative."

Some technologies are well on their way to being fully in the cloud. Fourteen percent of our firms are using cloud-based solutions for document management. With high availability for email, 40 percent of our firms use a cloud-based solution alone with another 12 percent using a hybrid onsite/cloud solution. Eleven percent of our firms have moved to Office 365 for email hosting in the past year; look for that number to increase in 2018.

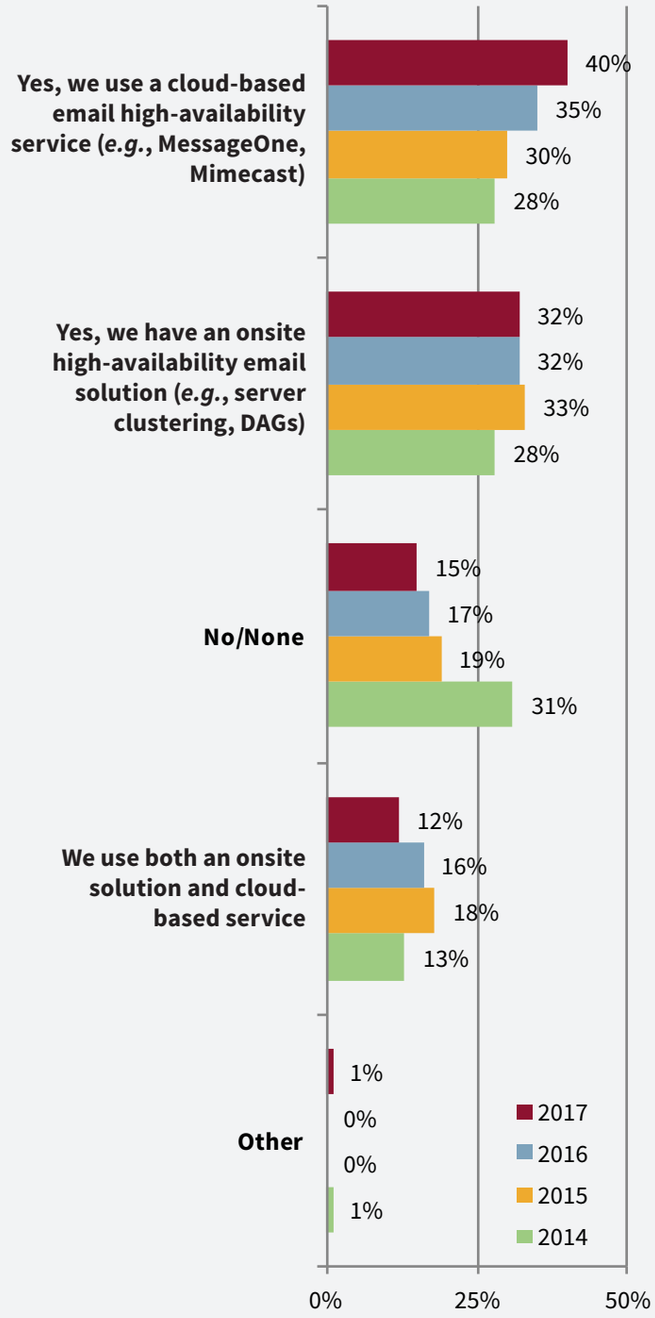
As we move more technology to the cloud, legal IT can focus more on supporting the practice of law and less on keeping things running. As one respondent put it, "I am hopeful that increased use of the cloud will decrease the amount of resource time currently spent on keeping computers, servers, routers, switches and other devices running and up to date. IT could then focus on system function to business need analysis to improve technology's support of the firm business needs and client requirements."

Perhaps in a few more years we will be asking the opposite questions, about whether firms are planning to move any of their services from the cloud back to internal infrastructure.

What do you feel are the top three biggest barriers to moving your firm's technology to the cloud?



Does your firm use a high-availability email solution?



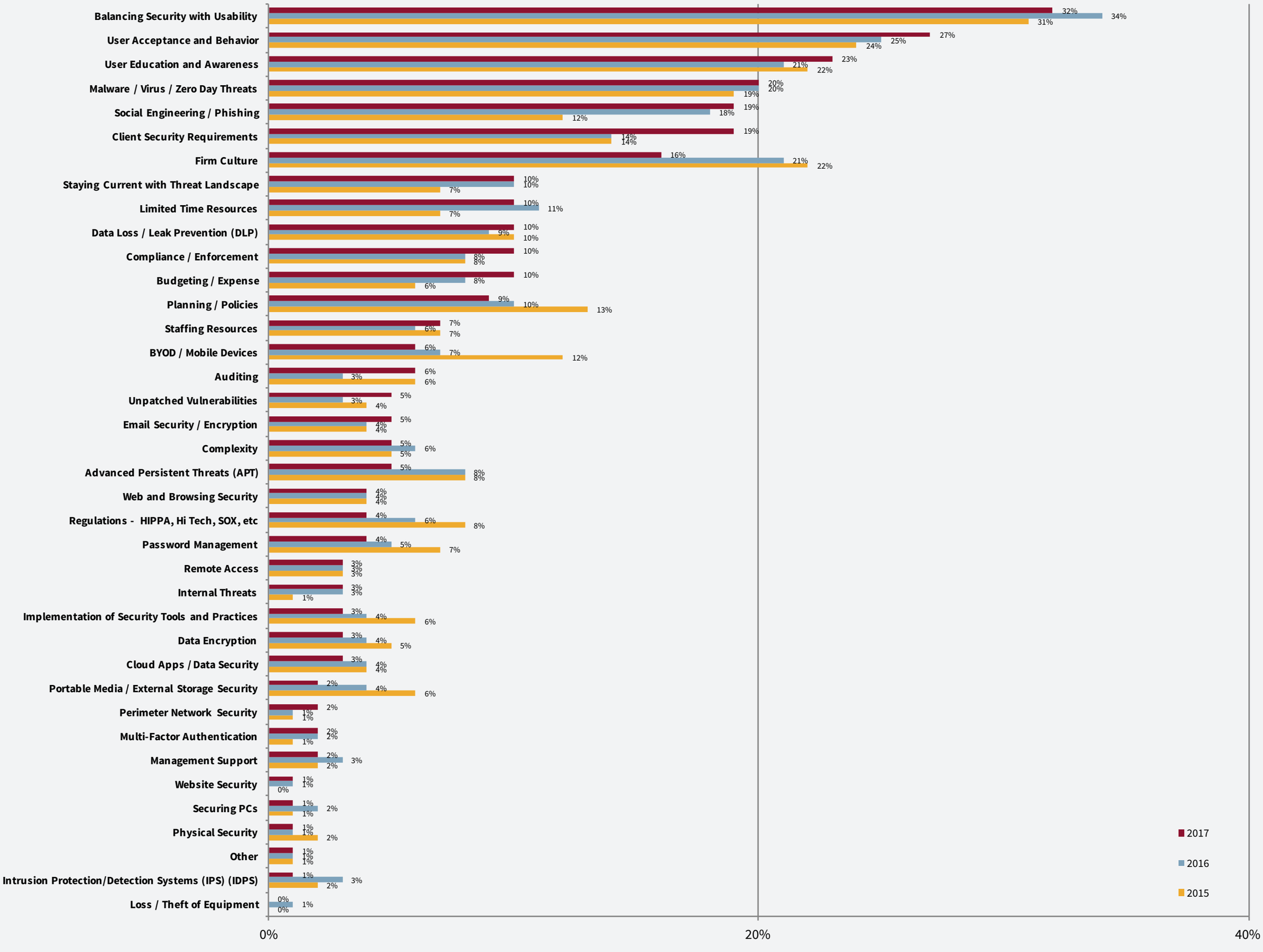
Do We Have Security Under Control?

Security has been a major focus in the past few years, with client requirements, regulatory changes and even the news being driving forces. Have we reached the point where we think we have a good handle on security? We asked, "What are the top three technology issues or annoyances within your firm?" This year security compliance/risk management has dropped from 39 to 34 percent. So while it is still the leading concern, perhaps firms are becoming more comfortable with their security posture. Looking at the breakdown by firm size, security was a much larger concern for firms with more than 150 attorneys than for smaller firms.

Balancing security with usability (32 percent), user acceptance and behavior (27 percent) and user education and awareness (23 percent) were the three largest security challenges and concerns facing firms. Client security requirements went up quite a bit from 14 percent to 19 percent. The three biggest security challenges are pretty consistent across all firm sizes, although client security requirements seem to be a more pressing issue for larger firms.

Seeing that two of the top three concerns involve the user, it is good to see security awareness training firmly rooted at our firms. Seventy percent of firms now have a program in place, compared to 45 percent back in 2014. A lot of firms have moved from using in-house programs to commercial products: home-grown programs dropped from 86 percent in 2014 to 44 percent in 2017. In coordination with awareness training, firms are starting to use gamification to motivate users. Of the 16 percent of

What are your three biggest law firm security challenges?



firms using gamification as a motivator, eight percent were using it for awareness training.

While ILTA firms have made a lot of progress in security, stories in the news like the Panama Papers and similar breaches continue to be alarming. As one respondent wrote, “Increased client demand and auditing of security practices in law firms will drive decision making around technology investments and how we manage lawyer expectations.”

Firms are improving and adding many additional security measures, such as removing desktop admin rights, adding two-factor authentication for remote access, intrusion detection and prevention systems, DLP and phish testing of users.

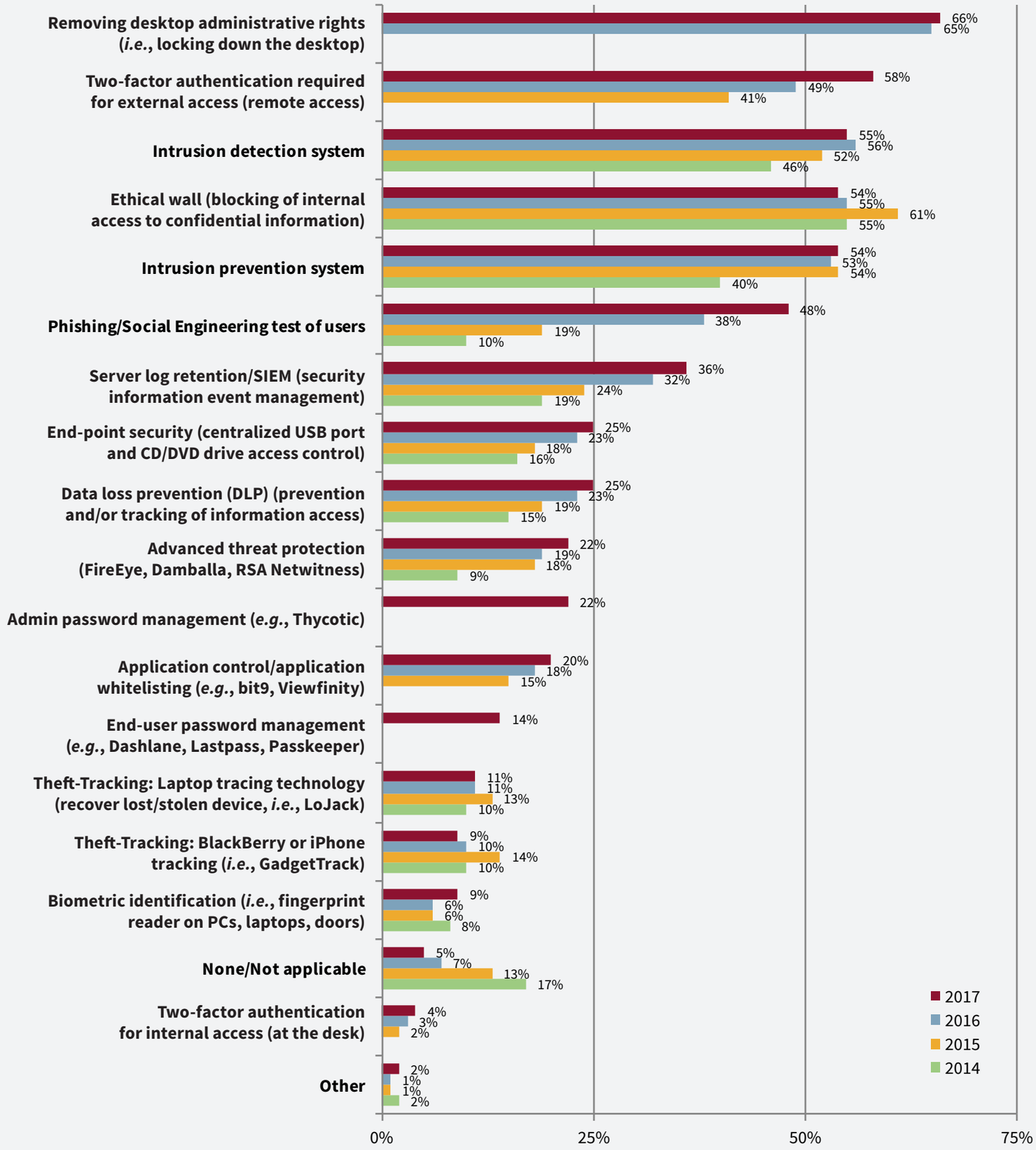
Firms are increasing the use of outside security resources, such as outside security assessors. A full 50 percent of our firms now get an assessment done annually. While only 28 percent of our firms are currently using a managed service provider, look for that number to go up as firms work around the limited employee resources they have for security.

One great security resource provided by ILTA is LegalSEC and the LegalSEC Summit Conference that takes place each June. When firms were asked, “If you make use of threat intelligence resources, which ones do you use?” LegalSEC was chosen number one, at 61 percent!

SERVERS, BECAUSE YOU ASKED

The predominant server operating system (O/S) is Windows 2012 Server, which is used by 67 percent

Besides encryption and common anti-virus software, which of the following security measures does your firm use?



of our firms. When asked what server they are currently deploying, 45 percent reported they are now rolling out Windows Server 2016. It seems a good bet to say that 2016 will be the predominant server O/S by the 2018 survey.

Looking at the correlation of firm size and server operating system, smaller firms tended to trail larger firms by a version for their server O/S. Forty percent of firms with less than 50 attorneys have Windows Server 2008 as their predominant O/S; this number goes steadily down to 16 percent for firms with over 700 attorneys. The same trend is true for new server O/S: 37 percent of firms under 50 attorneys are installing Server 2016, with that number gradually increasing to 57 percent of the over 700 attorney firms.

HYPERCONVERGED – TREND OR FAD?

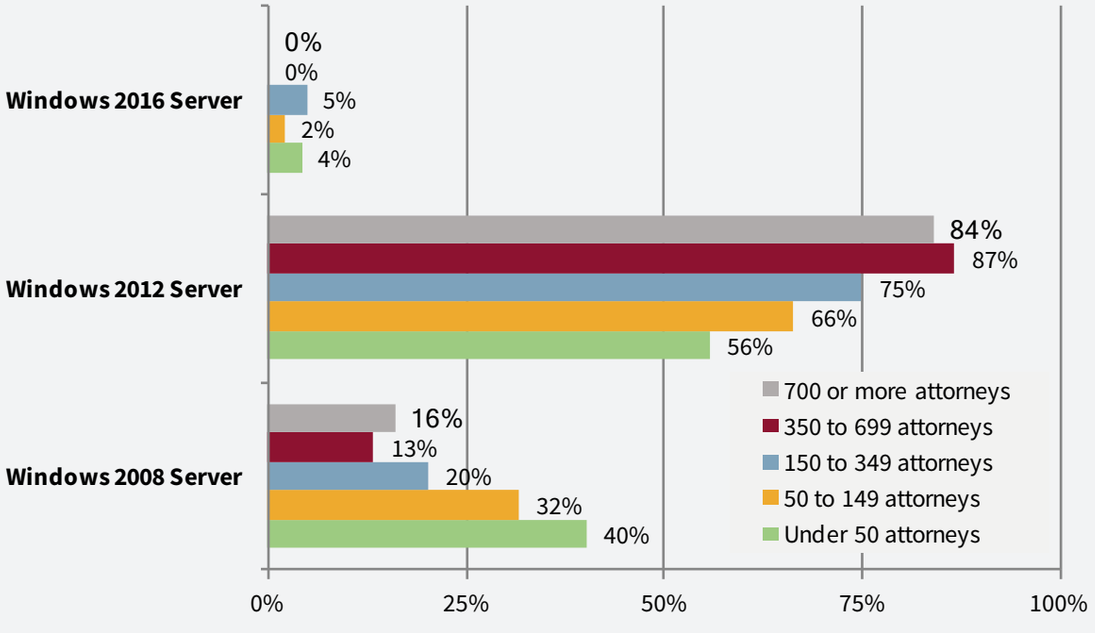
Another area of change in the server arena is the increased use of hyperconverged systems: software-defined integrated server, storage, networking and virtualization resources. Firms using some form of hyperconverged systems grew from nine percent to 15 percent. In particular, larger firms have been experimenting with this technology. Twenty-seven percent of firms from 350 to 699 attorneys are using a hyperconverged system, and 31 percent of over 700 attorney firms.

THE STATE OF THE DESKTOP

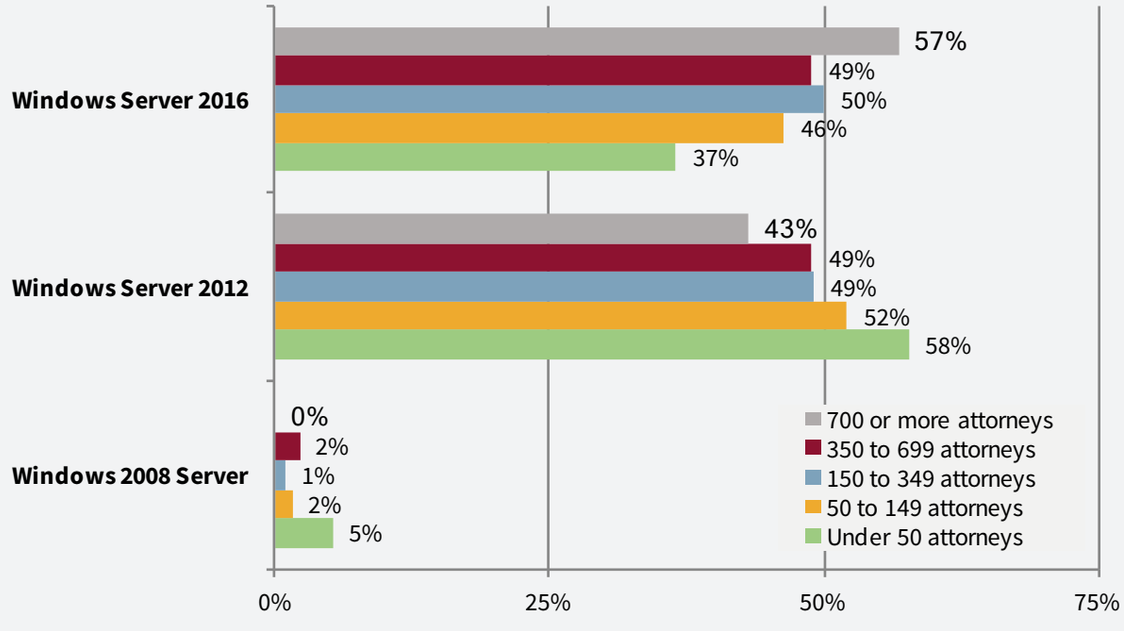
2018 looks to be a big year for Windows 10 and Office 2016 desktops. Windows 10 deployment went from six to 22 percent on this year's survey, and when asked, "What desktop operating system are you deploying on new computers as of today?" a whopping 47 percent said Windows 10. I think it is fair to say that Windows 10 has been very successful compared to the limited acceptance of Windows 8.

An interesting trend with the Windows desktop is the consistent window of three years between release date and majority implementation, ignoring the disaster

What is your firm's PRIMARY or PREDOMINANT server operating system?



What server operating system are you deploying on new servers as of today?



that was Windows 8. Windows XP was released in October 2001 and was on a majority of firm desktops in 2004; Windows 7 was released in October 2009 and was a majority by 2012. Windows 10 has followed suit, being released in July 2015 and becoming nearly the most popular operating system for new desktops (47 percent vs. 49 percent for Windows 7). We would predict that Windows 10 will be the most prevalent by the 2018 Tech Survey.

Looking at the versions of Office firms are currently using, Microsoft Office 2016 went from three percent in 2016 to 17 percent in 2017. When asked "What version of word processing software do you expect to be your PRIMARY 12 months from now?" 75 percent of our firms said they would be on Word 2016. So there appears to be a pretty clear path to Office 2016 and Windows 10 next year.

BIG FIRM, SMALL FIRM

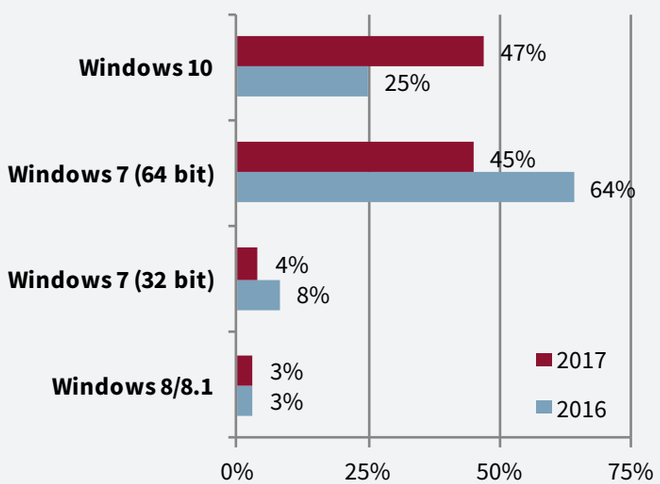
One of the key technology trends we like to follow is how the size of a firm affects answers. The charts that come with each set of graphs can be valuable in seeing how firms of similar sizes compare in technology and processes.

For example, if you are a firm over 700 attorneys, you are much more likely to have blade servers (83 percent) and use a NetApp (37 percent) or Dell EMC SAN (21 percent). You likely have an email management policy (70 percent), formal eDiscovery procedures (74 percent) and information governance policies (67 percent). You are probably using a time capture product (70 percent) and a managed print service provider (62 percent).

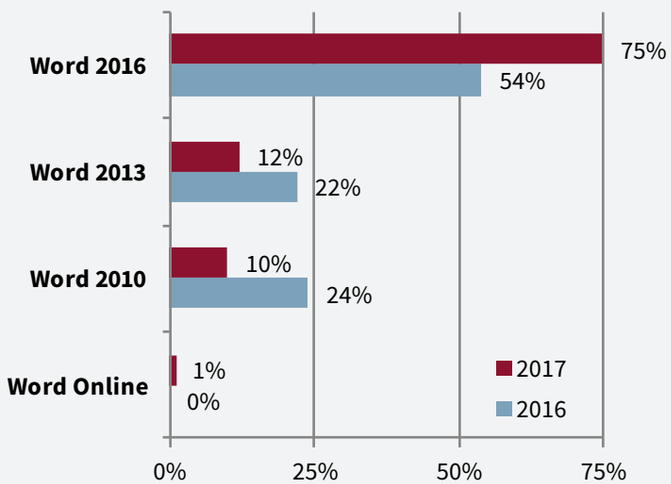
If you are a firm with less than 50 attorneys, you are less likely to have a blade server (22 percent), more likely to either not have a SAN (28 percent) or to be using a Dell EqualLogic (14 percent) or Nimble (12 percent) SAN. You are often using native Word for numbering (43 percent), document comparison (56 percent) and metadata removal (16 percent). You are possibly using a cloud-based DMS system (18 percent).

Accounting systems and document management systems often vary depending on firm size. While there are a lot of differences, firms of all sizes face similar challenges and share top concerns, and they tend to be on about the same version of Office and Windows desktop.

What desktop operating system are you deploying on new computers as of today?



What version of word processing software do you expect to be your PRIMARY 12 months from now?



WHAT WILL THE FUTURE HOLD?

We believe that 2018 will be a very interesting year, , with new products in AI and security and a significant move of IT resources to the cloud. Stay informed, stay networked and good things will come with these changes.

One of the great measures of these changes are the responses we get to the ILTA survey, so we encourage you to continue to fill it out. If you did not respond this year, please do so next year and eventually we will get half or more of ILTA firms! ILTA

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