

Magic Quadrant for E-Discovery Software

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The e-discovery landscape continues to change, with end-to-end functionality, shifts in buying patterns, technology-assisted reviews and acquisitions dominating the market. Gartner evaluates 23 vendors of e-discovery software to help buyers pick the right one for their needs.

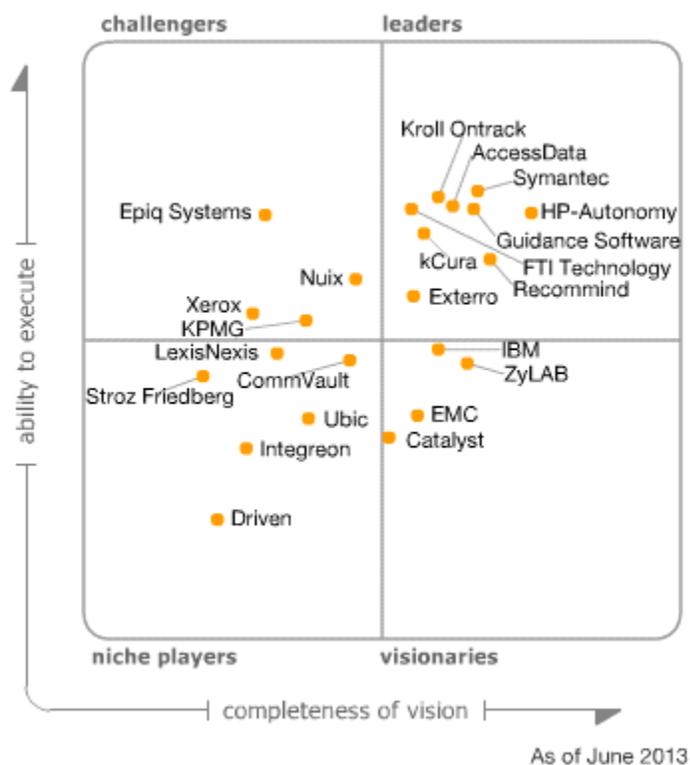
Market Definition/Description

The market covered by this Magic Quadrant contains vendors of e-discovery software for the identification, preservation, collection, processing, review, analysis and production of electronically stored information (ESI) in support of the common-law discovery process for litigation, regardless of deployment method.

To understand this market, readers should also refer to the [Electronic Discovery Reference Model](#) (EDRM), a framework for e-discovery to which technologies should be mapped.

Magic Quadrant

Figure 1. Magic Quadrant for E-Discovery Software



Source: Gartner (June 2013)

Vendor Strengths and Cautions

AccessData

Founded in 1987, [AccessData Group](#) is a privately held company with a workforce of over 520 people, an increase of over 20% from 2012. AccessData offers coverage of the EDRM from the identification to production stages, plus early case assessment (ECA, see Note 1) via its AD eDiscovery software platform and litigation support services arm. AccessData's eDiscovery and Summation solutions are built on the company's forensics processing and collection technology, Forensic Toolkit (FTK), which enables targeted forensic collection of data from an ever-widening variety of sources, including desktops, mobile devices, servers and structured data stores. The Summation suite is available in two rearchitected, Web-based multitenancy versions: Summation Pro and, for smaller user group deployments, Summation Express. Available as part of the Access Data eDiscovery product or as a stand-alone software platform, the Summation suite covers the processing, review, analysis and production stages of the EDRM. AccessData recently received \$45 million in funding from Silicon Valley Bank and Sorensen Capital Partners.

Strengths

- Identification, preservation and collection are difficult and technically complex parts of the e-discovery process, so the ease of use of AccessData's software in these areas is a differentiator, as is its method of collecting electronic material without disturbing metadata.
- Summation is an important asset for AccessData, as it is one of the most widely known litigation support applications and offers full-spectrum EDRM coverage.

Cautions

- Reference customers reported that new releases have resulted in product instability and that they have had difficulty integrating AccessData's various products. But they also noted that AccessData is quick to address these problems when they arise.
- AccessData's litigation hold functions are not rated highly by its customers in comparison with those of competitors.

Catalyst

[Catalyst](#) is a privately held company with over 170 employees, an increase of over 20% from last year. Catalyst's platform allows for automated loading of data, and covers processing through review and production. Catalyst's XML-based (No SQL) technical architecture combines metadata and text into a unified searchable data repository, enabling the company to respond exceptionally well to ever-increasing demands for scale and speed. Catalyst also has OnRamp, an enterprise connector that enables corporations to load raw or processed files automatically into the Catalyst e-discovery platform. Catalyst's predictive coding tool, Insight Predict, has proved successful with Asian languages (especially Chinese, Japanese and Korean), and this success has enhanced the company's reputation as a leader in multilanguage e-discovery software. Catalyst partners with BIA, Exterro, C2C and Proofpoint to round out its platform and information management capabilities. Catalyst provides specialized consulting for its products and services, notably including expert assistance with large-volume data searching, analytics and information retrieval using subject matter experts. Catalyst's project management skills, technical expertise and responsiveness are rated highly by its clients.

Strengths

- Catalyst offers a multiparty, multilanguage, highly scalable solution that has performed well for large and demanding clients, both corporations and law firms. Its technical architecture is designed for the high-volume, Web-scale applications that companies now require, especially those with significant legal exposure.
- Catalyst's products for uploading and processing data and for producing data as a business process utility are highly scalable and cost-effective. A focus on cloud-based self-service is a key differentiator, as is Catalyst's ability to provide single-instance multimatter capabilities to significantly reduce duplicate storage and review costs for clients with multiple cases.

Cautions

- Catalyst has strong partnerships with various vendors on the left-hand side of the EDRM (archiving for information management, identification, collection and preservation), but it relies on them for all left-hand-side capabilities.
- Catalyst needs to improve its visibility and ability to sell in the corporate market.

CommVault

[CommVault](#) is a publicly traded company (New York Stock Exchange [NYSE]:CVLT) that entered the e-discovery market in 2007. It came from a content archiving and unified data management background, and moved into the information governance and management market with a set of product capabilities that address the needs of legal and compliance archiving buyers. Its current product, Simpana 10, is sold with modules for electronically stored information (ESI) collection, including cloning (backup) and archiving, and content indexing for search and e-discovery. Simpana 10's content index and search capabilities are based on Apache Lucene and Apache Solr indexing technology (updated from Fast Search & Transfer indexing in prior versions). Simpana's archiving technology focuses on retention life cycle management, enterprise search, information workflow, records declaration, privacy and security, e-discovery and compliance, drawing on the core platform features. CommVault's key differentiators are deduplication across all managed data, whether archive or backup (metadata is stored in a single repository called the ContentStore), and an information governance message; together, these give it a larger technological and strategic footprint than other vendors.

Strengths

- CommVault's unique vision of the market — which encompasses archiving, backup and a proactive approach to information management as the ultimate solution for e-discovery requirements — is emphasized in its marketing efforts and resonates with IT customers.
- Customers identify CommVault's search capabilities as strong in terms of ease of use and robustness.

Cautions

- CommVault is seen as a market leader in backup, but is not generally viewed as an e-discovery vendor.
- CommVault is often selected as an e-discovery tool vendor in environments where Simpana is already used for backup and the primary use case is for limited indexing, collection and legal-hold needs.

Driven

[Driven](#) is a private company that was founded in 2001. Its business comprises an e-discovery practice, a forensics practice and a consulting group. Driven uses customer experiences to influence software development directly. Its platform is a solution for the right-hand side of the

EDRM, covering processing through production. Driven has four components to its business: forensics and collection, custom data processing, Driven One (the e-discovery platform), and consulting, including litigation support consulting. Driven One is an integrated e-discovery platform for data processing, ECA, review, production and project management. Driven is working to expand its software suite into enterprise identification and collection.

Strengths

- Driven One is designed to allow clients to customize it and administer it locally, which is advantageous for those wishing to do so.
- Driven's pricing is competitive, and its pricing, sales methods and strategies are rated highly by its clients.

Cautions

- Driven is competing for attention without clear differentiation in a crowded market.
- Driven relies too much on custom software development to power its product development process.

EMC

[EMC](#), a publicly traded company (NYSE:EMC), claims over 500 e-discovery customers, 70% of them corporate clients, and over 10PB of data under management. Its e-discovery offering is EMC Kazeon eDiscovery, which is packaged as an appliance and offers functionality focused on ECA and identification, collection and processing. The product can capture data from various data sources, including file shares, Microsoft SharePoint, EMC Documentum and EMC SourceOne archiving, and Symantec Enterprise Vault archive repositories; it also supports collection from endpoint devices, with APIs for additional data sources. Data can be held in place or collected into one of the Kazeon eDiscovery-supported repositories (such as Documentum and SharePoint). Kazeon eDiscovery also supports processing functionality, including deduplication, ingestion of native files, classification and categorization using rule-based methodologies. Kazeon eDiscovery provides dozens of ready-made report templates for use "out of the box," which help guide decisions, actions and policies for key stakeholders, including IT, compliance and legal personnel. EMC also offers SourceOne, which is sold through its backup and recovery solutions division, as a solution for the information management (archiving) component of the EDRM. EMC has worked to improve its partner ecosystem, and its partners can deliver a variety of services, including implementation, e-discovery consulting, product training and continuing education.

Strengths

- Kazeon eDiscovery has been designed for large enterprises and is highly scalable in performance and capacity. A single 64-bit appliance provides 6TB of storage and can manage hundreds of cases, accelerating collection and time-to-review.

- Users identify scalability, reporting and ease of use as positive product features; sales and support are deemed responsive; and professional services are highly rated. Kazeon eDiscovery deployments take place within a very short time and start demonstrating business value in just a few days.

Cautions

- EMC is slow to add new functionality; customers say they need a richer API, support for more data sources and additional workflow capabilities.
- Kazeon eDiscovery suffers from a lack of clear branding and market positioning, and customers report that they are unsure about EMC's vision for Kazeon eDiscovery.

Epiq Systems

[Epiq Systems](#) is a public company (Nasdaq:EPIQ) that offers software and services for legal document processing and review, along with services relating to forensics, collection, hosting, consulting and analysis. Epiq's software offerings include Epiq Portal, eDataMatrix, DocuMatrix and DMX. eDataMatrix is Epiq's own processing engine, which is highly scalable and supports over 400 file types. DocuMatrix is Epiq's workflow-based review platform. In addition to offering its own proprietary technology, Epiq offers third-party software to perform application and data hosting for clients that use other products. This arrangement suits law firms particularly well, as they tend to use different products for different cases, or are asked by their clients to use particular products. Epiq provides hosted, on-site and managed services. It is a global player in the e-discovery market, with operations and data centers in the U.S., Canada, Japan, China and the U.K.

Strengths

- Epiq's predictive document prioritization technology has the potential to reduce the cost of attorney review, the most expensive part of the e-discovery process.
- Epiq's project managers are tenured employees, which ensures deep and wide expertise in attorney review, the most important aspect of e-discovery.

Cautions

- Although Epiq's client base is divided between law firms and corporations, law firms represent a larger percentage of its client base than is the case with most other e-discovery software providers.
- Being a brand-name legal services provider is no longer enough — Epiq needs better differentiation as its target customers are similar to those of FTI Technology, Integreon, Ipro, Kroll Ontrack, Xerox and others.

Exterro

[Exterro](#) is a privately held enterprise software development company that was founded in 2004 and entered the e-discovery market in 2005 with workflow software. The company's primary offering is

the Exterro Fusion e-discovery software suite, which is built on a single platform that offers well-regarded support for workflow management, in-house litigation holds and project management. It is one of the few platforms that includes data mapping, which enables tracking of ESI at an organizational level. Exterro's Fusion Integration Hub allows integration of existing legal, e-discovery and other systems, such as archiving and content management systems, and the company works with a very broad range of partners. Exterro has expanded the applications in the Fusion suite to span the EDRM, including identification, legal hold, in-place ECA, collection from a wide variety of data sources, predictive intelligence, processing, categorization, culling, review and production capabilities; this gives it the range of functions most often requested by organizations wanting to bring e-discovery tasks in-house.

Strengths

- Exterro's flexibility and willingness to work with a wide variety of partners, coupled with excellent project management and technical support, underpin its very high customer satisfaction ratings.
- Exterro now has full-spectrum EDRM capability, its products score highly for ease of use, and its customers report that pricing is very reasonable.

Cautions

- Some customers identify the design and maturity of the Fusion e-discovery suite as areas that need further improvement.
- Exterro must ensure it articulates its product direction and invests in marketing to make the market aware of its full-spectrum capabilities, if it is to keep growing.

FTI Technology

[FTI Technology](#) is a separately reported business unit of FTI Consulting (NYSE:FCN), a publicly traded company founded in 1982. FTI has acquired two well-known companies in the e-discovery market: Ringtail Solutions and Attenex. In 2010, FTI released a version of Ringtail that combines familiar features from both companies' well-known products in a simplified and modernized product set. It performs functions from processing to production — including ECA, review and analysis — and is available via software as a service (SaaS, see Note 2) and on-premises enterprise models, both of which are offered on a per-user pricing basis. Ringtail software is also the foundation of FTI's e-discovery services. FTI also provides a broad range of complementary e-discovery and consulting services. Examples are international data collection and on-site analysis and review (with its Investigate offering), managed review (with its Acuity offering), technology-assisted review (with its Predictive Discovery offering), and Harvester for Microsoft SharePoint for the collection of SharePoint data.

Strengths

- FTI has powerful technology and a leading platform for technology-assisted document review that pushes the limits of scalability and performance. A recently revamped user interface has made Ringtail even stronger, and FTI's commitment to software research and development (R&D) is substantial.
- The breadth and depth of FTI's expertise make it a leading global provider for large, litigious companies that frequently need expert assistance, global evidence-gathering teams and productivity-enhancing products. FTI performs well all over the world, which is what many corporations need, whereas other providers in its class do not necessarily have the presence or staff numbers to cover the globe.

Cautions

- FTI's pricing models can be difficult to understand, especially when services are required. Some clients have concerns about whether the solution will be the right size for their environments.
- FTI has many advanced features but must invest in educating the market about the power of its solution, as many end users still perceive it as complex — and therefore that it requires significant training to use — or that it relies on a managed services model. FTI expects that the most recent release of its software will solve usability issues.

Guidance Software

[Guidance Software](#) is a publicly traded company (NYSE:GUID) that was founded in 1997 with a focus on forensic data collection and analysis. In early 2012, it acquired CaseCentral. Guidance's offering is now called EnCase eDiscovery Review, a secure Web-hosted offering for e-discovery document review. Guidance provides coverage for the full range of EDRM functionality, including an auditable repository-based means of identifying, collecting, preserving and processing data for e-discovery, along with a SaaS-based review and analysis platform. There are three EnCase products: EnCase Enterprise for internal investigations and small-scale e-discovery collection and processing; EnCase eDiscovery for small- to large-scale e-discovery; and EnCase Cybersecurity for information management, such as data auditing and cleanup. The EnCase eDiscovery Review platform is used for ECA, analysis, review and production of documents. EnCase eDiscovery Review offers multimatter management, along with sophisticated semantic analysis capabilities for legal review and analysis, workflow and reporting features to track and manage the progress of review, and a range of configurable options. The latest release includes technology-assisted document review features. EnCase is an open platform that enables third-party developers to build applications that extend its capabilities; these are available from EnCase App Central.

Strengths

- Guidance offers a full range of e-discovery coverage, including robust forensics capabilities and automated integration between the left- and right-hand sides of the EDRM.
- Customers identify Guidance's pricing as easy to understand in an industry where pricing is not often transparent; also, its prices for enterprise software deals are very reasonable.

Cautions

- Guidance's review functionality has not been marketed well, and EnCase eDiscovery Review rarely appears on shortlists for review tools.
- EnCase Enterprise's ease of use and functionality continue to receive lower marks than some of its competitors, although Guidance is addressing these concerns. Users also report performance issues when using EnCase for remote collection, an intrinsically bandwidth- and resource-dependent task.

HP-Autonomy

HP (NYSE:HPQ) runs [Autonomy](#) as a business unit within HP Software. E-discovery remains a strategic focus for both the business unit and the software group. Autonomy has adopted HP Software's best practices, which has resulted in many positive changes, including a rationalization of the Autonomy product portfolio and more defined product road maps. Autonomy's key e-discovery offerings are Autonomy eDiscovery (which combines preservation, collection, ECA, processing, review and production capabilities) and Autonomy Legal Hold. Three legacy offerings (Autonomy Early Case Assessment, Introspect and Stratify) have been consolidated into Autonomy eDiscovery, which is available on both a cloud-based and an on-site basis. A set of information management products, including records management, archiving and data protection features, is also available. Buyers like Autonomy's broad set of full-spectrum e-discovery capabilities, its vision and its historical market leadership. Now that Autonomy is part of HP's software division, we also see more synergy with other software assets — for example, in the integration of Autonomy and ArcSight security technologies.

Strengths

- The rationalization of Autonomy's product portfolio has been largely a positive development. Although Stratify customers are finding that their product lines have been assigned end-of-life status, HP is supporting them through the transition to Autonomy eDiscovery.
- Autonomy offers a full range of products covering every aspect of the EDRM, including enterprise information archiving (EIA) and other information management software. This positions it well to meet current client demands and enables it to have a strategic vision for information governance, which is where many leading-edge customers would like to move.

Cautions

- Clients report that they need deployment support during the startup phase of Autonomy projects and that software documentation needs improvement.
- Although HP has taken positive, proactive steps, Autonomy's reputation is still questioned by existing and prospective customers. But HP's top-level management have offered strong reassurance that they are committed to making the Autonomy portfolio successful.

IBM

[IBM](#) (NYSE:IBM) supports e-discovery as part of its "information lifecycle governance" (ILG) strategy. The ILG portfolio is divided into the following solution areas, which offer functions spanning the following aspects of the EDRM: defensible disposal, e-discovery, value-based archiving, and records and retention management. IBM delivers a solid set of e-discovery functions, including legal-hold management and enforcement, collection coordination and execution across legal and IT teams, early data analysis, and ECA. In early 2013, IBM completed the acquisition of StoredIQ, which is now part of the ILG portfolio, and the functionality added by StoredIQ enhances IBM's ability to support heterogeneous scenarios. The e-discovery solution area includes IBM Atlas eDiscovery Process Management for both legal and IT teams, IBM Atlas eDiscovery Cost Forecasting and Management, and IBM Atlas eDiscovery Policy Federation Framework. The Atlas portfolio provides APIs that support a wide variety of connections to other systems. IBM eDiscovery Manager and eDiscovery Analyzer are also part of this solution set. IBM Content Collector for Email, IBM Content Collector for File Systems and IBM Content Collector for Microsoft SharePoint are among the company's archiving solutions. Analytical capabilities include cost forecasting, along with dynamic reforecasting as data is collected and production decisions are made. Although IBM's approach is very portfolio-based, all components of its e-discovery solution are available as separate modules. IBM does not have products that support the right-hand side of the EDRM, which includes document review and analysis.

Strengths

- IBM's brand and marketing power, along with its deep customer relationships, enable it to reach a large number of potential clients. It is a natural choice for the shortlists of organizations that use IBM for other areas of their information infrastructure. IBM's recent personnel additions underline its commitment to sell to non-IT buyers and enterprises with highly diverse environments.
- Clients report that Content Collector, eDiscovery Analyzer and eDiscovery Manager are easy to use and have improved dramatically in the past few years. IBM's expanded retention and hold policy syndication functionality now includes InfoSphere Optim's structured data archive repositories. This enables retention and hold policies to be used for both structured and unstructured data. IBM's StoredIQ technology deploys rapidly, delivering fast time-to-value.

Cautions

- Some customers report lengthy deployment times, especially when policy alignment across different functional roles is necessary. IBM's e-discovery solution is powerful but complex, which presents difficulties for some infrequent users.
- Total cost of ownership for IBM's e-discovery solution can be high — cost and functionality were the most frequently cited reasons why organizations purchased alternatives. IBM must work to overcome the perception that its products are only for "IBM shops."

Integreon

[Integreon](#) is a private company, founded in 1998, that specializes in providing support services for law firms and corporate legal departments. Integreon has made significant investments in its e-discovery business since entering the market in 2005, including acquisitions of Bowne's litigation support business in 2006, Datum Legal in 2008 and Onsite3 in 2009. Integreon has invested in defensible process capabilities and software to create an integrated end-to-end e-discovery solution, from collection to global managed document review, with a mix of its own products and those of a wide range of third parties. Integreon's collection product (Seek & Collect), hosted review product (eView) and enterprise processing product (E3) were evaluated for this analysis. These products focus on the collection, processing, review, analysis and production of ESI, and they are available under SaaS and enterprise software licensing models. Integreon made fundamental changes to the structure of its business in 2012, including a change of management, which should position it well for future expansion.

Strengths

- Integreon has a strong brand and reputation in the legal community, and the ability to access legal buying centers.
- Integreon has deep client relationships and provides a range of services, including concierge-style offerings, to a select client base. It is very highly regarded by its clients for its support and responsiveness, especially in pressured litigation situations.

Cautions

- Integreon differentiates itself on the basis of its service offerings, but although it rates very highly in this respect, it needs more of a software focus if it is to continue to compete in this market. Integreon must also invest in marketing to raise its visibility.
- As a major provider of legal process outsourcing solutions, Integreon is a diversified company that also provides other legal products and services. This means that software development may have to compete for resources internally, resulting in less frequent or less expansive software releases.

kCura

A privately held company founded in 2001, [kCura](#) entered the e-discovery market in 2006. It focuses on the processing, review, analysis and production of documents, and its Relativity product is now considered "best in class" by many legal end users, particularly legal solution providers. Earlier in 2013, kCura introduced processing functionality, which is now part of the Relativity offering sold directly to enterprises, law firms and solution providers. The Relativity team at kCura focuses on technology development. Relativity is sold directly to enterprises and is also available as a SaaS offering from a wide range of well-known service providers and hosting partners. Historically, the attorney review application market has been dominated by three or four products, which sufficed before the huge increase in the volume and variety of electronic information that lawyers now have to deal with. Relativity is a product designed in, and for, the present age of ever-

increasing volume, velocity and variety of data. kCura's legal-hold management solution, Method, is available on-premises and in the cloud.

Strengths

- kCura focuses on legal end users with Relativity, a product widely used for the review through production stages of the e-discovery process. By extending Relativity to the processing step of e-discovery, kCura now has a way of addressing corporate IT buyers directly.
- kCura's technology is flexible and open, which enables customers easily to customize workflows and integrate it with other software.

Cautions

- kCura must enhance its technology-assisted review capabilities, as these have become an essential feature for many legal end users.
- The flexibility and openness of Relativity mean that users see different implementations of what they believe to be the same product, which leads to some dissatisfaction.

KPMG

[KPMG](#) has moved decisively from being primarily a service provider to fielding a robust technology suite that covers the identification to production phases of the EDRM. Identification, collection and upfront processing capabilities are included in the product called Discovery Radar Collector. Additional processing, review, analysis and production capabilities are offered via the SaaS-delivered Discovery Radar. Key differentiators for KPMG include its Global Evidence Tracking System (GETS) and its software-assisted review, which includes software-based, integrated, flexible sampling methodologies, along with a review cost estimator. KPMG's clients report that they find its expertise in technology-assisted review very helpful and that its staff are highly knowledgeable, which in turn gives them the confidence to apply predictive coding to their review processes. KPMG is also rated highly for industry expertise and technical expertise across the board. It does particularly well in cases of large-scale litigation and makes appropriate and flexible use of third-party solutions.

Strengths

- KPMG's Discovery Radar employs software-assisted review technology and statistical sampling functionality that supports process validation and control. KPMG has demonstrated that it can dramatically reduce the time and cost involved in successfully completing a document review with a stated level of statistical confidence in the review results.
- KPMG has learned from its experiences as an e-discovery service and software provider in very difficult and high-stakes cases. Its expertise shows in the approach it takes to building scalable software for process efficiency and flexibility.

Cautions

- KPMG's business model relies on deep and long-standing relationships with a select client base, which contrasts with many of the other vendors that aim at the mass market with large sales forces. This approach may not favor smaller customers with less complex litigation needs.
- KPMG's stated intention is to develop and license its e-discovery software assets in the Discovery Radar suite (GETS, Discovery Radar Collector and Discovery Radar). Given its historical business model, this change will be difficult. Unless it continues to invest in e-discovery product development, KPMG will be unable to keep up in a fast-moving market.

Kroll Ontrack

[Kroll Ontrack](#), a private company founded in 1985, offers Ontrack PowerControls for identification, preservation and collection. It also offers an outsourced review platform (Ontrack Inview), early data assessment (EDA) (Ontrack Advanceview), and a SaaS-based processing, review and EDA version of these platforms called Verve. In 2012, Kroll Ontrack made the strategic decision to exit the ESI consulting services business and reduce its number of document review centers to focus more on software development — a decision that has been well received by customers. As a dominant review platform player, Kroll's Ontrack's support for identification, collection and preservation through Ontrack PowerControls and partners is currently minimal, but it can be augmented via global collection services. EDA and technology-assisted review capabilities are available in Ontrack Advanceview and Ontrack Inview, respectively; both capabilities are also available in Verve. Kroll Ontrack has the brand, experience and scalability to provide support for customers with widely distributed, high-volume e-discovery workloads.

Strengths

- Kroll Ontrack has a compelling vision, supported by a solid product road map, including additional support for differentiated technology-assisted review, simplified Web service and mobile support, and support for an on-premises appliance.
- Kroll Ontrack's heightened focus on software draws on the company's industry and technology experience to provide flexible and reliable solutions.

Cautions

- Some customers report problems with customer service, including project management issues relating to communication and product updates.
- Ease of use, user interface and pricing models are identified by customers as areas for improvement.

LexisNexis

[LexisNexis](#), a private subsidiary of a public company, Reed Elsevier (NYSE:ENL, NYSE:RUK), entered the e-discovery market in 2003. In this Magic Quadrant, we evaluate only the company's

traditional Concordance and Law PreDiscovery software offerings. Concordance is a document review tool covering review, analysis and production on the right-hand side of the EDRM. It has a long history and very strong brand recognition within the legal industry, being familiar to many lawyers. Concordance has long been the mass-market tool of the legal profession for document review. Law PreDiscovery is a processing and culling tool that allows all documents to be processed ahead of legal review, allowing for ECA. Concordance and Law PreDiscovery work together to cover processing, review, analysis and production, in addition to ECA. LexisNexis has made significant investments in its products.

Strengths

- LexisNexis is a strong and trusted brand in the legal profession, for which it offers a range of products and services.
- Pricing for both Concordance and Law PreDiscovery software is deemed very reasonable by users, and there is solid and responsive customer support.

Cautions

- LexisNexis lacks a differentiated product strategy.
- LexisNexis appears on many shortlists but is frequently discounted for its lack of functionality, although Law PreDiscovery remains a popular product for legal-solution providers and law firms.

Nuix

[Nuix](#) is a privately held company, founded in 2000, that entered the e-discovery market in 2007. It is based in Sydney, Australia, and its geographical expansion has been from Asia/Pacific to EMEA and on to North America. Nuix's biggest strength and most proven technology lies in the fast processing of data and the enabling of early assessment of data for any given matter. It is also particularly strong in its support for multiple languages, especially double-byte character set ones, and in its ability directly to support and index difficult container file types, such as major archives and entire email and workplace collaboration systems (for example, EMC EmailXtender, Symantec Enterprise Vault, IBM Lotus Notes, Microsoft Exchange and Microsoft SharePoint) and all major forensic collection formats. Nuix's capabilities across major enterprise systems and formats support progress toward its stated vision of information governance. Nuix has software to carry out litigation holds and can collect data from a variety of sources. Nuix's modules are Nuix e-Discovery, Nuix Enterprise Collection, Nuix Integrated Review and Nuix Legal Hold. Nuix clients report that processing tasks can often be accomplished more rapidly than with competitive products because of the technical architecture. This makes the Nuix toolset popular with legal-discovery service providers, many of which use the product as part of their own workflow systems.

Strengths

- Nuix's capabilities extend beyond e-discovery, and clients report that, although they buy Nuix software for its processing and data analysis capabilities for litigation, they use it for information governance, data categorization and cleanup as well.
- Nuix has an outstanding feature set, transparent and affordable pricing, and a clear strategic vision.

Cautions

- Nuix needs to increase its direct sales presence to complement its strong indirect sales performance through service providers.
- Nuix must expand its functionality and improve its ease of use to meet growing client demand for full-spectrum EDRM, both inside and outside IT departments.

Recommind

[Recommind](#), a privately held company founded in 2000, has competed in the e-discovery market since 2007. Its strong background in providing search, knowledge management and information retrieval capabilities to law firms positioned it well for the surge in demand for e-discovery software. Recommind's Axcelerate e-discovery suite can perform litigation holds, collection, processing, review, analysis and production. With a heritage in enterprise software, Recommind's pricing is straightforward for all deployment options, including on-premises and in the cloud. Recommind has long been known for its effective approach to search, and it has used its engineering knowledge of semantic analysis to launch predictive coding, which helps reduce the manual labor required in the initial stages of a document review exercise. As review is the most expensive part of the discovery process, predictive coding has the potential to reduce costs dramatically. Based on its range of functionality, Recommind should be on the shortlist of any company with a high caseload that aims to bring e-discovery in-house or use a hybrid/hosted model to cut costs.

Strengths

- Recommind has developed and helped popularize predictive coding or technology-assisted document review, and has garnered market attention and market share with its patented predictive-coding workflow. Its predictive-coding solution is used by many corporate clients.
- Recommind has full-spectrum EDRM functionality and offers multiple deployment options, including on-premises, cloud-based and hybrid.

Cautions

- Recommind is generally regarded as a relatively expensive option, and although it appears on customer shortlists quite frequently, it is sometimes discounted because of its prices. The company took steps in 2012 to offer more pricing options, but it is still considered somewhat pricey.

- Recommind is considered to offer a complex solution. It must educate the market about its full-spectrum capabilities and comprehensive deployment options, as it is still perceived as a behind-the-firewall, right-hand-side solution.

Stroz Friedberg

[Stroz Friedberg](#), a privately held company founded in 2000, is headquartered in the U.S. but also has operations in the U.K. and Hong Kong. Its software portfolio includes data collection and digital forensics capabilities, First Glance, which is for ECA, and Stroz Review. Stroz Friedberg's review tools have the capabilities that the market expects, such as data extraction, predictive coding and foreign-language support. First Glance is a relatively powerful ECA tool that includes visual mapping and interpretation, keyword suggestion, and foldering and document culling that is a form of technology-assisted document review. Stroz Friedberg is a well-known e-discovery provider and is most frequently seen on the shortlists of companies looking for a hybrid provider of software plus services. The majority of Stroz Friedberg's clients are law firms, but the company also works with corporate clients to design defensible legal-hold strategies, provide efficient solutions, and test and assess relevant third-party software solutions. It partners with Pangea3 to provide document review services.

Strengths

- Stroz Friedberg's clients rate it highly for industry knowledge and legal expertise. The company can also provide managed services for every aspect of legal and investigatory matters.
- Stroz Friedberg has innovative software offerings, some of which are bundled with its licensed offerings. Some of them are used by its own consultants in its forensics and investigation practice.

Cautions

- Stroz Friedberg is a software-plus-services vendor that uses its own software to differentiate itself in the services market. The ratio of development personnel to service personnel suggests that the majority of the company's revenue comes from billable services.
- Stroz Friedberg licenses information governance software offerings, but does not sell software for collection, litigation hold or processing requirements. It does, however, cater to these needs with services, using both its own proprietary and third-party tools.

Symantec

[Symantec](#), a publicly traded security, storage and information management company (NYSE:SYMC), offers the Clearwell eDiscovery Platform. This platform covers the identification, preservation, collection, processing, review, analysis and production stages of the EDRM, along with ECA. Clearwell has recently been tightly integrated with Symantec's Enterprise Vault archiving product, and integration with Enterprise Vault.cloud is scheduled for early 2014. The Clearwell platform is feature-rich, including strong semantic analysis, native file format review for over 500 file types, and predictive coding (released late in 2012). iClearwell provides access to the e-discovery

platform from an Apple iPhone or iPad. The solution is offered as an appliance, and is available through a network of partners and via legal services providers as hosted SaaS. Symantec's recent reorganization under a new CEO has ensured continued commitment to the e-discovery market, with a focus on improved support and services for its many Clearwell, Enterprise Vault and Enterprise Vault.cloud customers.

Strengths

- The Clearwell eDiscovery Platform offers good functionality across all phases of the EDRM. Further integration with other products in the information management portfolio should enhance the technology's appeal for broader information governance use cases.
- Customers identify as strengths the product's ease of use, especially for nontechnical legal users, simple deployment and time-to-value.

Cautions

- Some reference clients expressed dissatisfaction with Symantec's prices and pricing models, and some saw the company's support as a "work in progress."
- Clearwell's performance and scalability are often identified as areas for improvement. Symantec must increase investment in its products in order to retain market leadership.

Ubic

[Ubic](#) is a publicly traded company on the Tokyo Stock Exchange, and on 16 May 2013 it was publicly listed on the Nasdaq (Nasdaq:UBIC). It has a suite of products for e-discovery called Lit i View. The majority of Ubic's business involves Japanese, Chinese and South Korean companies involved in common-law litigation, and the company is well suited to supporting this business. Ubic has extensive experience of, and expertise in, handling hundreds of international matters, with its focus on Asian languages and its facilities and staff in Asian countries being strong differentiators. Ubic can handle both audio and video files, in any language, which is also a differentiator. Its software supports the two distinct clusters of e-discovery functionality: preservation and collection behind the firewall on the left-hand side of the EDRM; and processing, review and analysis via hosted SaaS, with data centers around the globe.

Strengths

- Ubic's support for multiple Asian languages is very strong, including Japanese, Korean and Chinese. Its Asian developers and support personnel are especially responsive to customers that speak these languages.
- Ubic is willing to negotiate pricing, and customers identify good prices coupled with good service as a strength.

Cautions

- Although Ubic has increased its presence in the U.S., it remains less well known outside Asia, and clients identify its English-language support as an area for improvement.
- Ubic is slow to release new versions of its software, and needs to exhibit thought leadership beyond support for international matters in order to stay competitive with other providers with similar offerings.

Xerox

[Xerox](#) (NYSE:XRX) entered the e-discovery market in 2006 with a managed services e-discovery business, Xerox Litigation Services, through the acquisition of Amici, a company founded in 2002. This acquisition enabled Xerox to offer OmniX as a wholly cloud-based e-discovery solution. In 2012, Xerox acquired Lateral Data, which enabled it to offer an on-premises, behind-the-firewall e-discovery solution, Viewpoint. Viewpoint can be accessed via a hosted cloud-based model from Xerox or deployed as a physical or virtual appliance. Both products offer collection, processing and hosting capabilities, along with review, analysis and production functions. Xerox also offers CategoriX, its proprietary technology-assisted review solution, as a service. Xerox covers the collection, processing, review, analysis and production phases of the EDRM. Its targets are Fortune 100 companies with large litigation portfolios. Xerox believes in the traditional e-discovery service provider model, which relies on reasonable software for review and analysis, and excellent project managers and e-discovery consultants, along with deep customer relationships. Xerox's acquisition of Affiliated Computer Services (ACS), a business process outsourcing and IT services consultancy, has added depth and breadth to its sales and delivery capabilities in the e-discovery market.

Strengths

- The acquisition of Lateral Data has strengthened Xerox's ability to sell directly to corporate IT and legal teams, and in doing so has expanded the company's opportunities in the most important buying center in the e-discovery market. Given the strength of Xerox's overall brand, this has made a positive difference to the way it approaches the market and resulted in an increased customer base.
- Xerox's commitment to R&D is a differentiator that will help it address clients' most urgent needs, which concern large data volumes and the need for increasingly automated methods of document review.

Cautions

- Xerox is still not a vendor that immediately springs to mind in the e-discovery market. It must significantly enhance its marketing efforts in order to grow its business.
- In its core business of review and analysis, Xerox competes against the strongest brands in the market and must do more to differentiate its offering.

ZyLAB

[ZyLAB](#) is a privately held company that was founded in 1983. It offers the ZyLAB eDiscovery and Production System, which is based on the ZyLAB Information Management Platform. ZyLAB's capabilities include identification, collection, preservation, processing, review, production and ECA, based on strong textual analytics and other semantic technologies. The company offers its products through a software licensing and installation model and as SaaS. ZyLAB is highly referenceable, is extremely stable and enjoys a loyal client following, despite its low-key approach to marketing. Its ability to recruit and retain talented personnel is key to its success, and its recruitment of thought leaders demonstrates this commitment. ZyLAB has improved its marketing messaging, and is focusing heavily on information governance, legacy data cleanup and defensible deletion, though this messaging has not led to appreciable growth. ZyLAB's functionality is equal to any of the market's Leaders.

Strengths

- ZyLAB is very well known to, and represented in, national, state and local government bodies; legal teams and courts; corporate counsels and executive boards; and law enforcement, security, intelligence and investigative agencies.
- ZyLAB has full-spectrum EDRM coverage, information governance components and capabilities, and a robust approach to predictive coding, based on its expertise in semantic technologies.

Cautions

- ZyLAB's growth is failing to keep pace with that of a market in which many of its competitors have made investments in marketing and sales that have paid off in terms of growth.
- ZyLAB lacks the name recognition and presence on customers' shortlists that other vendors with similar capabilities have.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in a Magic Quadrant or MarketScope may change over time. A vendor's appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market, and therefore of changed evaluation criteria, or of a change of focus by that vendor.

Added

- Driven
- Epiq Systems
- Stroz Friedberg

Dropped

The following vendor has been dropped because it did not meet the revenue criteria for inclusion:

- Daegis

Inclusion and Exclusion Criteria

To be included in this Magic Quadrant, a vendor had to sell enterprise software licenses, a software appliance, or SaaS conforming to Gartner's definition of SaaS (see Note 2). This Magic Quadrant contains *only* vendors that sell software licenses, software appliances or software subscriptions, although some of these vendors also provide services — indeed, in some cases that is their main business in financial terms.

To be included, a vendor also had to address at least two of three broad functional areas relating to the EDRM that we chose to reflect the clustering of users' wants and needs and the process of e-discovery. Although we have seen an increase in the number of buyers requesting end-to-end functionality, a significant number still want left-hand-side or right-hand-side functions only:

- **Left-hand side of the EDRM:** Identification, collection, preservation and processing vendors that have either a workflow-based system for attorneys to track custodian-led collection, or a search and information access system for IT and legal departments to use. Vendors that focus on this functionality should also have ECA, or what some are calling EDA, functionality. More are adding processing capability. The target end users for left-hand-side e-discovery software are IT and legal professionals inside corporations.
- **Right-hand side of the EDRM:** Vendors focused on processing, reviewing, analyzing and producing documents, either in ECA or at a later stage of review, whose products include features such as document categorization and redaction and mechanisms to mark documents as privileged or to categorize and process them in other ways. This category includes vendors of the attorney review platforms that the legal community has used for over 10 years to perform document review (it encompasses the older term "litigation support database"). Many vendors that offer right-hand-side review capabilities are increasingly also offering some form of technology-assisted review. Broadly speaking, this is the application of machine-learning and analytical techniques to enable document prioritization for human review or to enable a focus on a reduced set of potentially responsive documents. The target end users for this kind of e-discovery software are legal professionals working for corporations, law firms or legal solution providers.
- **Information management:** Vendors offering information management or repository functionality plus e-discovery functions on the left-hand side of the EDRM, typically functions for litigation holds, and the collection and export of data from a repository for review. Vendors must have components that allow for ad hoc collection of data outside the archive, conforming to what is described in the first bullet point above. If the software does not include components for identification, custodian-led collection tracking, preservation and collection outside the normal archiving process, it is not included in this Magic Quadrant. The target end users for this kind of software are IT and legal professionals.

Vendors with end-to-end functionality covering the whole EDRM are also included. More and more buyers are asking for these all-in-one solutions to simplify their purchasing and contracting processes and avoid moving data in and out of various systems.

In addition, vendors must satisfy quantitative requirements for market penetration and customer base. Specifically, they must:

- Generate at least \$20 million in revenue per year from the sale of e-discovery software
- Own the intellectual property and copyright to the software
- Have at least 50 customers in production

The vendors shown in this Magic Quadrant have met these inclusion criteria. However, there are many other vendors in the market that Gartner tracks. The following list (which is purely representative) details e-discovery vendors that Gartner tracks but that did not meet one or more of the inclusion criteria for this Magic Quadrant.

Daegis

Daegis is a publicly traded company (Nasdaq:DAEG) that has competed in the e-discovery market since 2003. Its software offering spans the EDRM from archiving/information management and collection to processing, analysis, review and production. Daegis Edge is the company's hosted e-discovery and review platform. In 2012, Daegis introduced Acumen, a technology-assisted review feature fully embedded in the Edge Review workflow, which is built on a Hadoop framework. Daegis Edge is designed to be a self-service cloud offering that gives clients complete control over their matters, including remote self-service ingestion to load and process custodian data and export of productions. Daegis Edge has cross-matter management functions to eliminate redundant processing and review across matters. Daegis can provide fully managed or self-directed e-discovery.

Ipro

Ipro is a private company that was founded in 1989 as an e-discovery specialist. It has evolved over the years and enjoys a strong reputation among law firms and service providers. It now offers full-spectrum EDRM coverage. It supports SaaS and concurrent-user pricing. Ipro has focused its efforts on software engineering to produce robust code that can be deployed in different ways. The software is easy to use, the company offers transparent pricing, and it is willing to work with other vendors in collaborative partnerships. Ipro thoroughly understands the changing market landscape for e-discovery and has a good road map for meeting the evolving market conditions. It must acquire channel partners and other means of addressing the corporate e-discovery market. Ipro has demonstrated more vision than many competitors in the e-discovery market in terms of functionality and acknowledgment of changing market conditions by seeking partnerships with corporate software providers. It has a strong brand, a sterling reputation in the legal community and the ability to access legal buying centers.

Orange Legal Technologies

Founded in 1995 as The Litigation Document Group, this company rebranded itself as Orange Legal Technologies in 2008 with the introduction of its proprietary e-discovery technology, the OneO Discovery Platform. This is an integrated and Web-accessible platform that provides online ECA, processing and review of unstructured data from a hosted centralized repository. In late 2012, the company introduced One Decision, its proprietary technology to identify documents that are near-duplicates. Additionally, the company has strong partnerships that allow for the integration of emerging technologies, including predictive coding and legal-hold technologies, into its offerings.

ZL Technologies

ZL's Unified Archive provides a highly scalable platform for archiving, e-discovery, records management and compliance, which can support billions of messages and documents within one repository, with fast ingestion and search. It provides a complete suite of e-discovery functions in the archive, including preservation/legal hold, collection, processing, case management, review, analytics, data visualization, redaction and production, in a unified platform, thereby eliminating the need to move data and the associated cost.

Evaluation Criteria

Ability to Execute

Product/Service: The core goods and services offered by the vendor that compete in the defined market. Vendors that address the left-hand side of the EDRM must have some instantiation of identification, preservation or litigation hold, collection and processing ("culling") functionality. First-pass review, preliminary document categorization and tagging, or what some vendors term ECA, is a highly desirable function, but there is significant variation in how vendors implement it. Vendors addressing the right-hand side of the EDRM must offer some processing, review and analysis features, such as search, categorization and tagging. Ease of use, intuitive user interfaces, attorney-focused workflow, advanced but transparent semantic analysis features, native file format review and foreign-language support are desirable features from the end user's point of view. Vendors were also evaluated by customers' ratings for ease of use, platform support, support for emerging technologies and overall satisfaction with product functionality. Our ratings also took into account the number of times each vendor appeared on prospective customers' shortlists but was not selected because of a lack of product functionality.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the business unit will continue to invest in the product, offer the product and advance the state of the art within the organization's product portfolio. Gartner has a standard financial-rating methodology that we used to rate the vendors. It is based on publicly reported numbers for public companies, and on numbers supplied by private companies to Gartner and verified by us, for their past business year. It does not depend on absolute values but on relative ones, and thus seeks to remove the disparities that exist in a market where a vendor the size of HP or IBM competes with startups. These ratings, plus relative growth, provide us with our

final rating. This rating is not just numeric, but also takes into account factors such as whether there is a strong management team, employee retention and longevity. We forecast that revenue in the worldwide market for enterprise e-discovery software will grow from \$1.7 billion in 2013 to \$2.9 billion in 2017 (see "Forecast: Enterprise E-Discovery Software Revenue, Worldwide, 2012-2017").

Sales Execution/Pricing: This criterion covers a vendor's capabilities in all sales and presales activities, and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall size and effectiveness of the sales channel. One of the major demands of today's corporate market is transparent, predictable and flexible pricing. Vendors that do not address, or are not trying to address, this demand are demonstrating that they do not understand the direction in which the market is moving. Other factors considered include the fielding of legal overlay sales teams to champion the company, act as thought leaders and close deals, if necessary. This is an especially important consideration for technology companies. Transparent, flexible and predictable pricing is essential to address the increasing influence of corporate buying centers over the terms of many e-discovery purchases. All vendors had to document their deployment and pricing models — that is, whether their software was available as an appliance, through a standard enterprise software license or as SaaS. The experience, professionalism and responsiveness of a company's sales teams is important, and we evaluated these factors on the basis of input from clients and reference customers. A vendor's ability and willingness to perform proofs of concept (POCs) is also important, and reference customers told us that, with certain vendors, "try before you buy" arrangements or POCs were so successful that they did not even open their tendering process to competitive bids. For smaller vendors, having service providers, technology-focused system integrators or larger technology vendors as channels is particularly important. There was also a customer rating component to this criterion, which was based on survey responses and telephone interviews.

Market Responsiveness and Track Record: The ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customers' needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness. It concerns the organization's ability to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently. Track record is determined by how quickly a company can respond to changing market needs. Here, we looked at the company's overall customer numbers and accounts, along with how frequently they were mentioned as potential providers on prospective customers' shortlists. This data came from reference customers and Gartner's inquiry service.

Marketing Execution: The consistency, clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and the business, increase awareness of products, and establish a positive identification with the products, brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities. For vendors that come from technology markets, presence in legally focused publications and at tradeshows, and membership of professional and trade associations, is important. Equally, for vendors that come from legal markets, presence in technology-focused publications and at tradeshows, and membership of professional associations, is important. All vendors will benefit

from an ability to attract and retain industry thought leaders, especially those known in legal circles. Finally, and perhaps most importantly, vendors must have a clearly articulated product set that clients can quickly understand and purchase. Execution was also evaluated on the basis of the number of customer references the vendor had, other than those it explicitly provided to us.

Customer Experience: Relationships, products and services or programs that enable clients to succeed with the products evaluated. Specifically, this criterion includes implementation experience, and the ways customers receive technical support or account support. It can also include ancillary tools, the existence and quality of customer support programs, availability of user groups, service-level agreements and so on. We judge these factors on the basis of written and oral interviews with reference customers, as well as Gartner's client inquiry data. Evidence of vendor displacement, poor client service and incompetent or overly aggressive sales techniques was taken into account. Additionally, reports of "shelfware" or displacement were taken into account when checking customer references, as software that ends up not being deployed, or that is displaced, is clearly not meeting users' basic needs. Customer experience was rated on a numeric scale provided by reference customers on support and sales, along with a count of how many times reference customers reported that vendors were being replaced and the numbers of negative comments Gartner received about the vendor both in reference surveys and through our inquiry service.

Operations: Not rated, but we include operational criteria within Marketing Responsiveness and Track Record, rating the organization's ability to deliver on its stated aims as a direct result of operational effectiveness.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	Standard
Overall Viability (Business Unit, Financial, Strategy, Organization)	High
Sales Execution/Pricing	Standard
Market Responsiveness and Track Record	Standard
Marketing Execution	High
Customer Experience	Standard
Operations	No Rating

Source: Gartner (June 2013)

Completeness of Vision

Market Understanding: A vendor's ability to understand buyers' wants and needs and to translate that understanding into products and services. Vendors that show the highest degree of vision

listen to and understand buyers' wants and needs, and can shape or enhance them. In the e-discovery market, vendors demonstrate understanding through their interpretation of existing and emergent case law and the timing of responses to that case law, and by whether and how they address the market's three segments (law firms, corporations and service providers), and two buying centers (IT and legal end users). We used customers' numeric ratings of a vendor's legal and technical expertise as one component when determining a score for this criterion, as well as a customer-generated score for whether they would recommend that vendor. We also used a correlation between what various vendors said about each other to determine whether they had an independently verifiable view of the competitive landscape, which every vendor must understand in order to perform with maximum effectiveness. Everyone has competitors, and a realistic understanding and recognition of the strengths and weakness of one's competitors is a large component of market understanding.

Marketing Strategy: A clear, differentiated set of messages, communicated consistently throughout the organization and externalized through a website, advertising, customer programs and positioning statements. In the e-discovery market, vendors must understand the dual buying centers of legal and IT departments and create appropriate marketing programs to reach them. They should understand and use the EDRM in their marketing communications; have a clear statement of differentiation — for example, forensically sound collection, advanced search, and predictive coding functions, or full EDRM coverage; and demonstrate thought leadership by hiring appropriate legal personnel to champion them in industry forums. Effectiveness of marketing strategy was gauged by how frequently vendors appeared on customers' shortlists and how existing and potential customers rated their road maps. Numbers and growth of marketing staff were also considered. In our evaluation of vendors' marketing strategies, Gartner evaluated each company's goals (whether there is a vision that can be expressed in a single declarative sentence), objectives (whether there are quantitative targets), audience (whether the company clearly understands its current and prospective clients), strategy (whether there is a road map tying goals, objectives and audience together) and tactics (whether the company is doing the right things to achieve its objectives).

Sales Strategy: The strategy for selling products that uses an appropriate network of direct and indirect sales, marketing, service and communication affiliates to extend the scope and depth of market reach, skills, expertise, technologies, services and customer base. Vendors selling to enterprises' legal departments or law firms must have legal expertise to champion their services and close deals. Gartner also looks for consistency in sales techniques, and for willingness and ability to perform POCs and other demonstrations that their software can do what they claim. All vendors had to document their deployment and pricing models — that is, whether their software was available as an appliance, through a standard enterprise software license or as SaaS. Although POCs are impossible in some cases, the number of vendors that offer them is substantial. The ability to sell and deploy tools quickly is important because of the sometimes unforgiving deadlines that regulators and investigators impose on organizations. Number and quality of channel partners was also considered in this year's evaluation.

Offering (Product) Strategy: We considered a number of factors in rating a vendor's product strategy. These included whether a vendor is an e-discovery "pure play," how reliant it is on selling services in addition to software, its unique value proposition and differentiation, and who its

competitors are. Although, theoretically, all the vendors in this market compete directly with each other, in practice customers tend to focus on distinct clusters of vendors. We also used a correlation between what various vendors said about each other to determine whether they had an independently verifiable view of the competitive landscape, which every vendor must understand in order to perform with maximum effectiveness. Everyone has competitors, and a realistic understanding and recognition of their strengths and weaknesses is important for formulating a product strategy. Differentiators included broad functionality, encompassing both left- and right-hand sides of the EDRM, the presence or absence of technology-assisted review techniques, support for mobile platforms and multimatter review capabilities.

Business Model: The soundness and logic of a vendor's underlying business proposition. A business model is the rationale for how an organization creates, delivers and captures value. A number of factors were considered. A vendor's mix of corporate, law firm and solution provider clients was an important factor. Buying decisions, even for attorney review platforms, are increasingly made by corporations, not law firms. Although a vendor can address all three segments, and some do, being too ambitious here, or failing to match products, marketing and sales resources to these segments, indicates a lack of market understanding and therefore an unworkable business model. The second key consideration was the number of service and project management personnel a vendor has in its e-discovery group, as compared with the number of software developers, with a software development model being favored over a service delivery model. In the e-discovery market it is also important that companies that combine products and services differentiate the two clearly, and that incentives for their sales forces do not rely on using software to sell services. Because this Magic Quadrant has a software focus, Gartner has paid particular attention to the ways in which vendors earn money and subsequently invest it.

Innovation: Gartner's formal definition of innovation is not "product innovation" but "direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes." Considerations for innovation were technology and partnership strategies, acquisitions, and future company and product directions, in light of users' wants and needs in the e-discovery market.

We exclude two vision-related criteria from our evaluation of the e-discovery market:

- **Vertical/Industry Strategy:** This is not important at this stage in the market's development. If a company has such a strategy, it is covered by the Market Understanding criterion with its three segments of law firms, corporations and service providers.
- **Geographic Strategy:** There was not enough data to address this criterion. Next year, depending on the data received from the various geographical markets, we will add this to our evaluation criteria.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Standard
Marketing Strategy	Standard
Sales Strategy	Standard
Offering (Product) Strategy	Standard
Business Model	High
Vertical/Industry Strategy	No Rating
Innovation	Standard
Geographic Strategy	No Rating

Source: Gartner (June 2013)

Quadrant Descriptions

Leaders

The Leaders in this year's Magic Quadrant have four primary characteristics.

First, they have functionality that meets one or more requirements of the left-hand side of the EDRM — identification, preservation or litigation hold, collection and processing, plus ECA (which although not on the EDRM is a widely recognized category of functionality in this market) — and one or more aspects of the right-hand side — processing, review, analysis and production. A presence in the EIA market, as evidenced by inclusion in "Magic Quadrant for Enterprise Information Archiving," and functionality known in the market as technology-assisted review or predictive coding, were also factors we considered, although having these features or products was not enough on its own to get a vendor into the Leaders quadrant. While Gartner recognizes that not all enterprises — or even the majority — will want to perform legal-review work in-house, more and more are dictating what review tools will be used by their outside counsel or legal-service providers. As practitioners become more sophisticated, they are demanding that data change hands as little as possible, to reduce cost and risk. This is a continuation of a trend we saw developing last year, and it has grown again in importance, as evidenced both by inquiries from Gartner clients and reports from vendors about the priorities of current and prospective customers.

The second characteristic is that Leaders' business models clearly demonstrate that their focus is software development and sales, as opposed to the provision of services. There are several vendors with mixed software and service models in the Leaders quadrant, but their commitment to software

development, as evidenced by the size of their development teams, compares favorably with their professional-services personnel. Although the market for services in the e-discovery market is strong, this Magic Quadrant evaluates software, which is why this criterion is important. Corporate buyers and even law firms are tending to bring as much of the e-discovery process as they can in-house, for reasons of risk management and cost control. In addition, the vendor landscape for services in this area is consolidating. A strong software offering, which can be exploited for growth and especially profitability, is what we looked for and what we evaluated.

Leaders must also show a good mix of corporate and law firm buying centers among their clients. Vendors that derive the majority of their revenue from the legal-solution provider channel may have good businesses at present, but we see this market becoming ever smaller, so it is not a good long-term strategy. Relying too much on law firms is also a problem. There has been a dramatic shift in terms of buying center, with law firms being dictated to by corporations in terms of what review software they use — a development we hear about from both corporate purchasing departments and law firms. Having said that, a vendor needs some law firm clients, as they are thought leaders and influencers in this market, and corporate legal buyers will often ask their advice.

The final characteristic is that Leaders perform well both financially and from a growth perspective. This does not favor only large companies, but takes into account a number of factors, including overall average market growth (see "Forecast: Enterprise E-Discovery Software, Worldwide, 2012-2017"). We expect Leaders to at least keep pace with the overall market's growth.

There are nine Leaders this year, five of which were also Leaders in 2012.

AccessData and Guidance Software both have strong forensic collection tools, having evolved from that space. Both have also acquired attorney review products — Guidance bought CaseCentral and AccessData bought Summation — and both focus on software development and sales, rather than professional services. Both have grown and performed well financially.

HP-Autonomy has strong vision and a large installed base. Under HP's leadership, the Autonomy business unit has started dealing with some long-standing issues of reputation and customer relationship management. It is rationalizing its product portfolio. It appears on fewer shortlists these days, but this is actually a positive development as the business unit changes and sharpens its focus. It remains well positioned to capitalize on demand for full-spectrum EDRM as customers migrate from its legacy Introspect and Stratify offerings to its flagship Autonomy eDiscovery offering, in which it is investing. It also has functionality on the left-hand side of the EDRM via its EIA product.

Recommind is a full-spectrum EDRM vendor. Its attorney review tool features well-developed predictive coding functionality, which Recommind led the market in developing and marketing.

Symantec still appears on almost all shortlists and is identified by many of its competitors as among their top-three threats. Clearwell software is still chosen by many for its ease of use and product features. Existing clients and prospective customers report that Symantec's sales teams provide clear, straightforward product explanations and demonstrations, which are especially useful for legal decision makers. Symantec continues to invest in product integration and advanced e-discovery features, such as technology-assisted review.

Three vendors have moved from the Challengers quadrant to the Leaders quadrant: FTI Technology, kCura and Kroll Ontrack.

FTI Technology has a good blend of software and services, as well as being one of the largest vendors in terms of revenue. FTI is one of the most technically capable vendors, as it turns its field experience into high-quality review software that is well regarded. It has a very high proportion of developers and a favorable mix of corporate clients, as compared with law firms, as law firms are increasingly dictated to by their corporate clients in terms of which review software to buy. The sophistication of the Ringtail processing, review, analysis and production engine as a review tool is rated very highly by users. The product has advanced visualization capabilities and very solid technology-assisted review features. To maintain its position in the Leaders quadrant, FTI must address clients' desire to move the upfront part of the e-discovery process in-house, by addressing the left-hand side of the EDRM.

kCura has strong market penetration among law firms and service providers. It has demonstrated leadership characteristics in the market for attorney review platforms or the right-hand side of the EDRM. kCura has expanded its software portfolio to include processing, and is now investing in marketing and sales efforts to reach corporate clients. Its ascendancy in and domination of the review software market, along with its strong focus on software development and fresh inroads into the corporate world, qualify it as a Leader.

Kroll Ontrack is a large and powerful competitor in the e-discovery software and services market. Like FTI, it is a good example of a provider that customers can turn to for both software and services. Kroll Ontrack has recently revamped its software offerings, and this change has been well received. Kroll Ontrack has a strong vision of where it wants to go in the market, and it has made the necessary changes to its business model to achieve this. It has also made significant progress in making its pricing and provisioning strategies more transparent. Kroll Ontrack appears on many shortlists, has a large corporate customer base, and offers technology (Ontrack PowerControls) that is used behind corporate firewalls for email identification, restoration and collection.

One vendor, Exterro, has moved from the Visionaries quadrant to the Leaders quadrant. Exterro's Fusion e-discovery software suite is alone in being built on a general-purpose workflow engine and integration hub. This means it can not only handle the e-discovery process across departmental and complex organizational structures, but can also serve as a platform for integrating IT systems (for example, archiving, content management, enterprise legal-matter management, HR and cloud-based storage), as well as other e-discovery applications. The company has expanded its offerings to include more EDRM functions, which now extend from identification to production. Although still a relatively small company, Exterro has grown substantially in terms of revenue, staff and accounts, and this qualifies it for the Leaders quadrant.

Challengers

Challengers score strongly for their ability to execute, but fall short in some aspects of their vision. One of the primary features of the e-discovery market is that many large, litigious companies continue to pursue hybrid strategies when it comes to managing their litigation burdens — that is, they use both in-house and outsourced capabilities. Many of the Challengers address this aspect of

the market very well — that is, they offer legal-process outsourcing with good software solutions that clients can buy in several ways, or they serve the still very large legal-solution provider channel.

There are four Challengers this year: Epiq Systems, Nuix, KPMG and Xerox.

Epiq Systems is a new entrant to the Magic Quadrant and one of the largest companies in this market. Epiq's DocuMatrix is a highly scalable workflow-based review platform. Epiq relies heavily on law firms for business, and although it does employ a significant number of developers, it is a hybrid software-and-services company, a business model that will hinder its progress toward the Leaders quadrant. Nevertheless, its size, global presence and commitment to software development make it a strong Challenger.

Nuix offers strong choices for preservation, collection and processing, along with ECA, and is frequently seen on shortlists. It must continue to increase its market share and expand its functionality. Nuix's vision ultimately reaches into information governance, and because the market is heading in that direction, it is well positioned to continue doing well. Nuix was also a Challenger in the previous Magic Quadrant.

KPMG has moved from the Visionaries quadrant to the Challengers quadrant. It continues to invest in its software, but is still too reliant on services revenue to be a Leader. KPMG's strong corporate relationships give it a very good platform on which to grow its business — they make it a Challenger.

Xerox has moved from the Niche Players quadrant to the Challengers quadrant due to its acquisition of Lateral Data, which will enable it to perform preservation, collection and processing tasks behind the firewall. Xerox has also achieved a substantial increase in its number of accounts and has expanded its marketing and sales operations.

Visionaries

Visionaries are either on a par with or ahead of the market in terms of product offerings. This year's Visionaries share several characteristics, the first of which is that they offer complete left-hand-side or right-hand-side capabilities. We also looked at their business models, in terms of their mix of corporate clients to other types, such as law firms and service providers. Possession of EIA capabilities and technology-assisted review or predictive-coding capabilities was also instrumental in earning a position in the Visionaries quadrant. Visionaries show a strong commitment to continued innovation, as evidenced by their investment in technical development resources. A vendor that can help clients with information governance — itself part of the EDRM — stands a better chance of being a Visionary.

There are four Visionaries this year: Catalyst, EMC, IBM and ZyLAB.

Catalyst has moved from the Niche Players quadrant to the Visionaries quadrant. With the stated intention of remaining a right-hand-side player, Catalyst's technical capabilities and suitability to large corporate litigants have moved it into the Visionaries quadrant. The company remains true to its vision of a highly scalable, multimatter, cloud-based repository, which it sees as the long-term future of legal document review. By creating high-quality partnerships with left-hand-side vendors,

Catalyst is able to position itself more effectively to win business. It has grown across the board, and it appears that the market is catching up with what it has to offer. To remain successful, Catalyst must continue to increase its corporate marketing and sales efforts.

EMC remains in the Visionaries quadrant. Kazeon e-Discovery does have review capabilities, but EMC does not seem to be making effective use of this asset to gain traction in the market; nor do we see the necessary investment in this offering. Based on our reference survey and inquiry service data, EMC is on far fewer shortlists than its main rivals and overall has less of an impact on the market. Its presence in adjacent markets, such as archiving and records management, its matter management partnership to extend functionality to case and contract management, and its overall information governance orientation make it a Visionary. It must demonstrate more sales and marketing effectiveness to fulfill the promise of its vision, in addition to acting on its road map that includes technology-assisted document review capabilities, which its competitors have already achieved.

IBM has a strong information management offering and is often the first choice for its existing customers. IBM appears on many shortlists of both existing and potential customers, but it is sometimes identified as expensive. Although IBM does have a breadth of functionality, some clients perceive purchasing from it to be complicated. IBM is reaching beyond e-discovery and talking to its clients about the upstream challenges of information governance and excess data. This strategy has gained traction and is becoming a buying driver, with some large enterprises speaking publicly about savings, including lower e-discovery costs. IBM provides first-pass review and analysis with its ECA solution, although it does not have a review analysis and production toolset. IBM partners with several review solution vendors and "point" solution providers with its Atlas eDiscovery Process Management application.

ZyLAB has moved from the Leaders quadrant to the Visionaries quadrant because it has failed to keep pace with the market's growth, although the company has grown year on year. ZyLAB is a privately held company that has been in business for many years, serving the enterprise search, government forensics and law enforcement markets. In 2012, it changed strategy to focus solely on the e-discovery market. It has extremely high customer satisfaction ratings for both functionality and support. It covers the full EDRM and also has information governance components.

Niche Players

Niche Players do well in a single segment of the market, or have limited ability or willingness to innovate or outperform other vendors. This may be because they focus on a particular function, or they may be struggling to remain relevant in a market that is moving away from them. Niche Players may have reasonably broad functionality but limited implementation and support capabilities and relatively limited customer bases.

Some Niche Players have very large customer bases but have been slow to respond to rapid changes in the market — changes they must address if they are to remain relevant. Note that while several of the Niche Players have strong legal-process outsourcing offerings and reputations, the focus of this Magic Quadrant favors vendors with software-focused models. In terms of business model, these vendors have chosen one that they believe in and that they regard as sustainable over

the long term. By retaining their positioning here, they seek to differentiate themselves in the part of the market they have chosen to focus on. Potential clients should consider using these vendors, as their offerings may be the "best in class" for certain project or company requirements. Several of these vendors offer full-spectrum EDRM coverage, but some focus on only parts of the EDRM, mainly the right-hand side for processing, review, analysis and production. They remain true to their vision of the market, and this commitment and focus will help to ensure their continued viability.

One vendor has moved from the Visionaries quadrant to the Niche Players quadrant. Ubic specializes in Asian languages and has a strong presence in Japan, South Korea and China, with local data centers and skilled staff. It offers full-spectrum EDRM coverage, which in 2012 qualified it for the Visionaries quadrant. Its recent listing on the Nasdaq and increase in sales outside Asia position it well for the future, but it has yet to figure in many companies' e-discovery strategies.

There are two new entrants to the Niche Players quadrant: Stroz Friedberg and Driven.

Stroz Friedberg is well known in the law firm market and among corporate clients for its provision of services. However, its lack of presence in the e-discovery survey data indicates that it has more work to do to penetrate the corporate market with its software message, which is important as buyers in this market are moving away from services and instead buying software.

Although a relatively small company, Driven merits inclusion both for its software, which covers the processing, review, analysis and production stages of the EDRM, and its vision, which includes expanding its software offerings to cover left-hand-side capabilities.

Context

E-discovery is a well-established fact in the legal and judicial worlds. In national and supranational organizations, legal and regulatory systems depend on digital information to function. They require software to assist them, due to the volume, variety, velocity and complexity of the information they have to deal with. The growth of the e-discovery market is thus inevitable, as is the acceptance of technological assistance, even in professions with long-standing paper-based traditions.

The growth of digital information has resulted in changes to the way judicial and regulatory matters are investigated. In the U.S. and the U.K., the procedural rules have been changed to account for this change. This, in turn, has caused massive disruption in the legal solution provider market. Once characterized by many small providers and some large ones, which were mostly employed by law firms on behalf of corporate clients, the emphasis has shifted to software and managed services. Manual processes and custom systems have increasingly given way to commercial off-the-shelf solutions.

The e-discovery software market is still in a phase of high growth, increasing maturity and consolidation (on which, see Note 3). Buyers therefore need to be informed when selecting providers.

This Magic Quadrant will help CIOs, general counsel, IT professionals, lawyers, compliance staff and legal service providers understand the dynamics and landscape of the market for e-discovery software and make the right choice of vendor.

Market Overview

Market Size and Growth

Gartner forecasts that revenue in the enterprise e-discovery software market will grow from \$1.7 billion in 2013 to \$2.9 billion in 2017 (see "Forecast: Enterprise E-Discovery Software, Worldwide, 2012-2017"). Double-digit revenue growth of approximately 15% is expected because of increasing volumes of litigation and regulatory investigation, and the ever-expanding amount of content and data that must be searched in support of these activities. Corporations continue to move from relying on service providers for the identification, preservation, collection and processing of data to managing the discovery process themselves, in-house.

Growing awareness of e-discovery issues in Europe and Asia will drive growth in these regions. While vendor revenue will remain concentrated in the U.S., the U.S.'s share of total revenue will decline from 81% in 2012 to less than 70% in 2017 (see "Market Trends: Automated, Analytical Approaches Drive the Enterprise e-Discovery Market, 2013").

There are a number of adjacent software markets, including EIA, enterprise content management, enterprise search and content analytics. We expect to see vendors in these areas extend their offerings to include e-discovery functions, and vendors already in the e-discovery market to acquire additional capabilities from the content analytics or workflow sectors, for example.

The Electronic Discovery Reference Model and Market Demand Use Cases

The [EDRM](#) is a framework for e-discovery to which technologies should be mapped.

Four groups of buyers of e-discovery products and services, distinguished by use case, may be defined in relation to the EDRM:

- First are buyers who wish to take the initial phases of the e-discovery process in-house, either for the first time or to supplement or replace existing tools. In this use case, IT managers are the decision makers, with the legal department being a strong influencer, typically with the power of veto.
- Second are buyers who want to take greater control of the process and cost of document review. They begin with the processing phase of discovery, functionality for which is typically bundled with some form of ECA capability (see "Early Case Assessment: E-Discovery Beyond Judges and Regulators Is About Risks, Costs and Choices" [*Note: This document has been archived; some of its content may not reflect current conditions.*]). These buyers may also wish to purchase enterprise software or SaaS that facilitates the review, analysis and production of relevant documents. In this use case, legal staff are the decision makers (or at least strong

influencers) and may come to the IT department with a shortlist of vendors that have targeted them specifically. In this case, the IT department will be asked to help in the evaluation and maybe even pay for the application, but since the end user is ultimately a legal professional, IT managers can only influence the decision.

- Third are buyers who wish to consolidate the functionality of the left- and right-hand sides of the e-discovery process. Although corporations do not necessarily want to do their own document review and analysis, they do want to make the process as cost-effective as possible, with as few handoffs of data from one system or group to another. These are buyers looking for platform solutions, and interestingly this requirement often comes from legal departments, which are looking to reduce the risk of data handoffs and the costs imposed on them by allowing software decisions to be made by others, particularly external law firms. Even if the legal department does not ask for an integrated platform solution, it dictates the terms to its law firm, requesting that specific review technology be used. Of course, IT personnel may also drive this consolidation decision, but both groups will certainly be involved in both the specification and selection of the system, should an integrated solution be what the corporation is looking for. We have seen a large upsurge in user requests for full-spectrum EDRM functionality. Whether that functionality will be used initially, or at all, remains to be seen. Corporate buyers seem minded to future-proof their investments in this way, by anticipating what they may wish to do with the software and the vendor in the future.
- Fourth are buyers focused on information governance or information management who already own archiving or content management systems and want to use them as the basis of an e-discovery strategy. These are generally IT buyers influenced by legal, records and information management, and compliance professionals. It is clear from Gartner's inquiry service that the desire to bring e-discovery under control by bringing data under control with retention management is a strategy that both legal and IT departments are pursuing to control costs and reduce risks. Sometimes the archiving solution precedes the e-discovery solution, and sometimes it follows it, but Gartner clients that feel the most comfortable with their e-discovery processes and most in control of their data are those that have put archiving systems in place or undertaken information governance programs that are technology-independent. However, the EIA and e-discovery markets remain separate. Many EIA vendors offer enough functionality to satisfy a company's requirements to hold and search data for legal or regulatory investigations, at least initially. It cannot be assumed that all who want EIA software will go on to buy some other kind of e-discovery product.

The Future of the E-Discovery Market

Consolidation in the service provider market is under way and likely to continue. This is mainly being driven by the disintermediation of law firms, pricing pressure and the need to develop economies of scale in data management. We expect that the number of firms claiming to have e-discovery products and services will shrink by 25% during the next two years, with most of the attrition among service providers and the legal solution channel, not software vendors.

The remaining legal-services firms will take one of two routes by becoming either large firms that are "one-stop shops" but not technology developers, or large firms that are one-stop shops with proprietary technology for all aspects of the EDRM, not just the traditional hosting and review

capabilities that have long sustained the industry. Although there is room for regional and specialist players, this is the part of the market that is consolidating and shrinking fastest. The larger players will need international presence in the form of data centers and local legal personnel to be competitive as the market opens up geographically.

Software vendors are responding to several new buyer requirements (described above): full EDRM functionality, ever more sophisticated ways of understanding very large datasets and focusing on what is important, and the corporate desire to have as few vendors (whether of software or services) as possible. Pricing transparency and simplicity remain a nonnegotiable client demand.

The amount of non-U.S. business continues to grow for e-discovery vendors. Although legal and regulatory systems differ across the world, they all face the challenge of dealing with a growing volume of ESI, so that they can fulfill their obligations and enforce laws and regulations. We have noticed increasing interest from non-U.S. clients in e-discovery and e-disclosure, as well as in other categories of investigation that might require similar software tools. Additionally, vendors' revenue figures suggest a slow trend toward increasing adoption in Europe.

Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

Acronym Key and Glossary Terms

ECA	early case assessment
EDA	early data assessment
EDRM	Electronic Discovery Reference Model
EIA	enterprise information archiving
ESI	electronically stored information
POC	proof of concept
SaaS	software as a service

Evidence

For this Magic Quadrant we analyzed vendor reference surveys, phone interviews and Gartner's inquiry service data, along with briefings and demonstrations from vendors regarding their product functionality and business position.

Note 1 Early Case Assessment

ECA software products and services are intended to facilitate informed decision-making during the early stages of a dispute. They may estimate how much ESI must be evaluated for a case, where it resides, and what software, outside services and resources will be necessary to evaluate it in a compliant and credible fashion. They may also facilitate investigation of data that represents risks or rewards to the parties involved in the case or compliance action.

There is another term — early data assessment (EDA) — that the EDRM group has defined as part of the identification process. This process is one of simply identifying what the relevant data is and where it might be located, and any policies pertaining to it.

For further information, see the [EDRM description of ECA and EDA](#).

Note 2 Software as a Service

SaaS is a delivery model more than 10 years old. In its early days, it was called the "application service provider" model, but SaaS has since grown in scope and acceptance.

Gartner defines SaaS as "software that is owned, delivered and managed remotely by one or more providers."

In a pure SaaS model, the provider delivers software based on a single set of common code and data definitions that is consumed in a one-to-many model by all contracted customers at any time, on a pay-for-use basis, or as a subscription based on usage metrics.

During the past few years, vendors have taken multiple approaches that meet our definition of SaaS (see "Four Components Define Software as a Service").

Note 3 Mergers and Acquisitions

In the following list, the vendor named before the dash acquired the vendor or vendors named after the dash:

- AccessData — CT Summation (July 2010)
- Altegrity — Kroll (June 2010)
- Anacomp — CaseLogistix (May 2007)
- Autonomy — Zantaz (July 2007), Interwoven (March 2009), CA's information governance assets (June 2010), Iron Mountain (May 2011)
- CA — iLumin (October 2005), MDY Group (June 2006), Orchestra (January 2009)
- Doar Litigation Consulting — Inference Data (April 2010)
- Document Technologies, Inc. (DTI) — Daticon EED (September 2010), Fios (November 2012)
- EED — Daticon (June 2008)
- EMC — Kazeon (September 2009)

- Epiq Systems — Encore Discovery Solutions (May 2011)
- FTI Technology — Ringtail Solutions (February 2005), Attenex (July 2008)
- Guidance Software — CaseCentral (February 2012)
- HP — Autonomy (October 2011)
- Huron Consulting — Aaxis Technologies (August 2006), Trilantic (November 2010)
- IBM — FileNet (August 2006), PSS Systems (October 2010), StoredIQ (February 2013)
- Integreon — Bowne's litigation support business (January 2006), Datum Legal (June 2008), Onsite3 (May 2009)
- Interwoven — Discovery Mining (July 2008)
- Iron Mountain — Stratify (October 2007), Mimosa Systems (February 2010)
- Kroll — TrialGraphix (September 2007)
- LexisNexis — CourtLink (December 2001), Applied Discovery (July 2003), CaseSoft (July 2006), Dataflight Software (July 2006)
- Marsh & McLennan Companies — Kroll (July 2004)
- Océ Business Services — CaseData (October 2006)
- Pitney Bowes — Ibis Consulting (April 2006)
- ProofPoint — Fortiva (June 2008), NextPage (January 2011)
- RenewData — Digital Mandate (August 2009)
- Seagate — MetaLINCS (December 2007) [Has since exited the market]
- Symantec — Veritas (July 2005), Vontu (December 2007), Clearwell Systems (May 2011), LiveOffice (January 2012)
- Thomson Reuters — CaseLogistix, from Anacomp (July 2010)
- Unify — AXS-One (June 2009); merged with Daegis (June 2010)
- Wolters Kluwer — Summation Legal Technologies (December 2004)
- Xerox — Amici (June 2006), Lateral Data (July 2012)
- Xiotech — Daticon (January 2006) [Daticon was later sold to EED]

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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