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WHITE PAPER

# A New Approach to Enterprise Legal Management (ELM)

The logo for Onit, featuring the word "onit" in a lowercase, white, sans-serif font. The logo is positioned in the bottom left corner of the page, partially overlapping the glass facade of a building. The background of the entire page is a low-angle, upward-looking photograph of several modern skyscrapers with glass facades, set against a clear blue sky with some light clouds. The perspective creates a sense of height and architectural scale.

# Functionality Over Feature Lists:

## Modernizing ELM

When asked about business software usage and what drives the selection of software, people generally fall into two camps: the first group looks for the offering with the largest list of features; while the latter group favors ease of use, flexibility and adoptability. In general, selecting software based simply on the number of features it offers is perilous.

Software that is feature-rich will typically have a number of features that are rarely, if ever, used — making it harder to use, harder to train users and very difficult to get them to fully adopt technology in their daily workflows.

The Enterprise Legal Management (ELM) space has historically been dominated by feature-packed yet hard-to-use solutions.

As Aaron Levie, CEO of box.net, says of the current enterprise software market, “This [environment] has created an oddly perverse dynamic where the vendors with the most feature-rich solutions win the contracts, but the users lose due to the complexity of the technology.”

Rather than wasting hours training users on complicated software and then having to “encourage” adoption, organizations are beginning to realize that there are better, more strategic uses of their employees’ time. Now they understand what they really need above all else is software that works.

While outside consultants and project managers see an extensive feature set as the paramount concern when evaluating software, this focus does not mesh with the organization’s operational realities. An extensive list of functions looks great on paper, but hampers user acceptance. In some cases, greater complexity of use is a serious barrier to adoption in and of itself.

# Doing More:

## Technology Curves and Adoption Lifecycles

The ELM market as it exists today can be traced back to 1978, when Equitable Life's law department saw the potential for their new WANG VS word processing system to do more. It could be used to manage the details of each legal matter, details regarding outside counsel, and many other things that Equitable Life needed to monitor about their day-to-day legal operations.

Partnering with ComplInfo, Equitable developed a matter management system, that ultimately became a product called Corporate LawPack. Over the next two decades, Corporate LawPack was ported to a variety of hardware and software platforms, leading to its eventual adoption by the legal departments of many Fortune 100 companies, as well as within many government agencies and financial institutions.

The 1980s through the mid-1990s saw the broad adoption of matter management software, designed to facilitate the administration of corporate legal practices. These solutions, while providing a robust matter database, did not really affect lawyers or law department efficiency; they primarily served as reporting tools.

These databases required a tremendous amount of data to be manually entered to drive any meaningful value. For this reason, these systems were not widely used by lawyers themselves and instead relied heavily on support staff to operate.

In the mid-1990s to the early years of the 2000s, matter management's twin sister, legal spend management, made its entrance – driven, in great part, by DuPont's implementation of the DuPont Legal Model in 1992. DuPont helped embed the notion that focusing on partnering with outside counsel and managing the rich data provided on legal invoices would lead to significant operational efficiencies and reduced legal spend. This led to the Uniform Task Based Management System (UTBMS) initiative and spawned the new class of spend management software.

Legal spend management systems gave clients visibility into the details of what law firms were billing and it became the primary means of exercising more control over how matters were managed by outside counsel. This transparency began a shift in the way legal business is conducted that continues today, with clients having more power to require alternative fee arrangements and enforce billing guidelines and affect cost reduction.

## The Beginning of the End

The inevitable followed: spend and matter management systems provided by different vendors required costly and complex integrations. Customers found themselves managing one vendor relationship for matter management and another for spend management. Ultimately, a number of spend management vendors were acquired by matter management vendors or vice-versa, along with the development of spend management capabilities being built into existing matter management systems.

In either case, the new integrated matter and spend management systems created even more complexity and even steeper learning curves. So much time figuring out how to build an integrated matter and spend management platform was invested during this period that innovation – particularly around the user experience and actual legal department work process – essentially stalled.

When coupled with migrating their platforms from multiple operating systems, databases and supporting the introduction of cloud-based or Software as a Service (SaaS) platforms and other more agile technologies, vendors now find themselves struggling under the weight of their legacy technologies with little focus on real innovation in supporting the broader notion of legal operations and process management. Customers wrestle with software built upon a decades old concept that ELM is essentially a database problem.

## But what if the database is only one side of the problem?

According to Gartner<sup>1</sup>, that's exactly the case: ELM is no longer just about matter and spend management. In addition to the responsibility of managing documents, e-billing, matters and outside counsel, it's equally important for corporate legal departments to be involved in business processes themselves.

Gartner states: "In an enterprise legal management context, BPM [business process management] includes the automation of manual processes through methods such as workflow and collaboration functionality. Examples of these include the distribution and approval of legal documents, assignment of tasks and legal resources, as well as the monitoring of alternative fee agreements."

These are roles that existing ELM vendors were not built for or prepared to fulfill. Gartner goes on to state that businesses must "continuously optimize the organization's processes to improve business performance against goals and objectives." This goal is unachievable with monolithic and complicated ELM solutions.

<sup>1</sup> Gartner: "Magic Quadrant for Enterprise Legal Management," 23 Oct 2013

## ELM Code Words to Fear

ELM vendors soon found themselves in a precarious situation. Their software was complex and difficult to implement. They insisted that the problem wasn't the complexity of the software, but rather the recalcitrance of management and users to adjust their behaviors to ensure a successful implementation and rollout.

*Below are some examples of corporate statements used during ELM rollouts and the "translated" meaning for business users.*

**Corporate Statement**  
"Senior management has to champion the idea."

▶ **Translation**  
People won't use this software unless they are forced to.

**Corporate Statement**  
"Change management is essential for success."

▶ **Translation**  
The benefit to your business and legal users is illusory.

**Corporate Statement**  
"Strong training program is critical to adoption."

▶ **Translation**  
This software is exceptionally hard to use.

**Corporate Statement**  
"We release new versions once or twice a year."

▶ **Translation**  
Plan to spend a lot of time and money staying current.

## The New Technology Curve

Over the last two decades, the software industry has rapidly evolved. *Vendors across all industries have come to see the benefit of the Software as a Service (SaaS) model, drastically changing the way individuals and companies interact with software.* A high level of end user support has become integral to almost every serious enterprise software solution, and user interfaces and UX design have received the serious attention they deserved. People have become accustomed to certain design philosophies that support usability and efficiency.

### Why then has the ELM market not matched this trend?

Instead, ELM as of yet still holds to its old axiom of "more is better." And while more is great, what has that meant in practice? ELM vendors bolt new tools and functionalities onto existing database architectures.

This adherence to the "old" way of doing things achieves little more than to complicate the implementation and does not support the reality of the way lawyers and law departments work and support their enterprises. This architecture also comes up short in supporting the transactional kinds of legal services requests and processes that are the primary focus of corporate legal departments.

Traditional matter and spend management solutions, repackaged by marketing departments as "ELM solutions," simply can't support the integrated, collaborative work streams that law departments increasingly are required to accommodate in order to achieve their goals and support the overall enterprise's business goals.

**The database-centric philosophy of Enterprise Legal Management will inevitably be supplanted by intuitive, process-centric Apps that have already become the norm in many other markets.**

## Indicators of the Future

Cloud-based Apps are increasingly making their way into the enterprise, but it's more than the notion of taking an existing enterprise App and porting it to a SaaS platform. Salesforce has revolutionized the CRM space by thinking about CRM in a far different way than Siebel systems and others did. Companies such as Box and Dropbox provide convenient storage and sharing capabilities, making collaboration within organizations easier than ever believed possible. Amazon's cloud web service provides on-demand content distribution with incredible scalability at a price point that was completely impossible a few decades ago.

And how did these companies do this? One common theme is that they abandoned the concept that the server / data / document lies at the center of the process.

While Salesforce stores client data centrally, it makes the sales representative the focus of how that data is employed — however he or she approaches customer information, availability and usability within that context. Box and Dropbox have eliminated the problem of inaccessible or misplaced data by allowing users to bring it to themselves as they see fit, fundamentally changing how people store, retrieve and share information. Amazon leveraged their capacity to amass a huge number of servers so that they could provide a responsive and reliable service that adapts to fluxes in network capacity and demand as needed.

The common thread among these organizations is their commitment to success by devising a solution that is accessible, performs well, and is designed with the needs of the user at the forefront.

## The Challenge

In the ELM space, the challenge to the database-centric status quo comes in the form of enterprise Apps, such as those offered by Onit.

*Enterprise Apps are simple-to-configure and easy-to-deploy solutions that aim to address complex and everyday processes that require a high degree of collaboration between knowledge workers.*

Where the old market wants to “serve the data,” these new solutions learn from other new success stories in the enterprise software market and instead strive to make it easier for lawyers and other law department staff to effectively support their business partners and get their work done. Functionality, adaptability and adoptability supplant feature lists for the sake of feature lists, and simple accessibility is made obsolete by tools that allow users to collaborate simply, easily and as part of their normal workstreams.

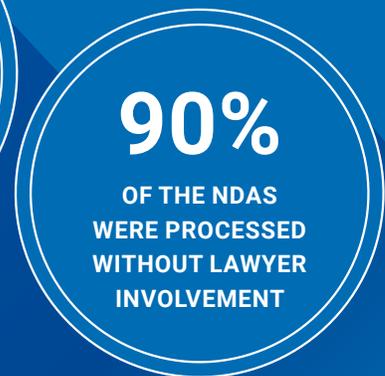
Thanks to their flexible, configurable architecture, enterprise Apps can be built to serve both large and small companies, while the older ELM solutions are simply too complex and costly for law departments of all sizes — large and small. For this same reason, deployments can also be executed very quickly — typically in weeks instead of up to or more than a year as is required of many traditional ELM systems.

## Case Study:

### Transforming the Way Legal Works

Enterprise Apps can help your legal department transform the way it works. In one example, Onit partnered with a large Fortune 500 client to deploy an NDA App. The company's in-house legal department processed upwards of 10,000 NDAs annually, with an average turnaround time of 16 days. Onit developed and deployed within a month, a prototype App to handle global submission, negotiation and electronic signature of NDAs that supported the existing demand.

The company processed over 1,000 NDAs in the first month of deployment, with the completion time reduced to just 24 hours (that's a 95% reduction from the previous average.) 90% of the NDAs were processed without lawyer involvement.



## Leaving the Past Behind

With the proliferation of enterprise Apps that respond to the full range of business needs, it has become increasingly hard for organizations to justify selecting or retaining an aging ELM system. Legal departments no longer need to account for wasteful time investments in order to keep their practices and businesses running. With enterprise Apps from Onit, innovative legal teams can define their own processes to aid in the pursuit of a more cost and time-effective business structure.

# The Benefits of Enterprise Apps

Enterprise Apps, such as those from Onit, are flexible, lightweight, easy-to-use, and directly provide an excellent return on investment in the form of increased operational efficiency and decreased IT labor. The features provided, as well as the architectural philosophy in itself, lend themselves to a wide array of benefits.

## Compatibility

Enterprise Apps can also be configured to work with older ELM systems that are already in place, allowing legal departments to both supplement the capabilities of what they have or to ease their transition to a more modern system.

## Minimal IT Involvement

While traditional ELM systems require constant IT maintenance and attention, enterprise Apps are lean and nimble and tend to work in a more straightforward manner. In many cases, users can configure, deploy and support enterprise Apps with no corporate IT involvement. This is because they are designed and built in an intuitive, “no code” environment that can be learned without the need for a training session.

## An App For Every Workflow

Apps for standard processes like contract review and approval, NDAs, alternative fee arrangements, and matter or legal spend management are generally prebuilt. For more esoteric needs particular to a business, Apps can be created from scratch with minimal delay in deployment.

## Drive Operational Improvements Easily

Unlike the development and implementation process for a large enterprise legal management system, which can take several months or years, the average time it takes to implement an enterprise App is less than 20 days. While the most complex implementations can take up to 90 days, this still beats the average for ELM systems by months.

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# Get Onit!

Modernize your ELM process today. Email us at [sales@onit.com](mailto:sales@onit.com) or call us at 1-800-281-1330 to see a demo of our Apps. We'll also share best practices about what other innovative legal teams are doing to get "ahead" of the technology curve.

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## About Onit

Onit was formed by legal software industry experts Eric M. Elfman and Eric A. Smith, co-founders of Datacert, a leading provider of enterprise spend management software. Launched in early 2011, Onit deploys Onit Apps to simplify business process automation and improve business productivity across all departments and industries. The Onit App Builder allows business users to drive efficiency and productivity by combining business process management, project management and information management into one easy-to-use tool so the user can create their own Onit Apps without having to rely on IT for support.

Businesses have processes for everything – whether it's hiring a vendor or law firm, terminating an employee, submitting a contract for review, requesting a trademark request, obtaining an NDA, etc. Most of these processes are manual, paper intensive and cumbersome. With Onit Apps, processes are automated in a few clicks, responsible parties are notified immediately, and data collection is centralized. Onit doesn't require any software to download or resources from IT. For more information, visit [www.onit.com](http://www.onit.com) or contact 1-800-281-1330.