

Magic Quadrant for E-Discovery Software

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The e-discovery software market continues to evolve, with analytics for early case assessment and data reduction, predictive coding, and information governance as the dominating trends in the market. Gartner evaluates 22 e-discovery software vendors to help buyers pick the right one for their needs.

Market Definition/Description

The market covered by this Magic Quadrant contains vendors of electronic discovery (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 2014)

Vendor Strengths and Cautions

AccessData

Founded in 1987, [AccessData Group](#) is a privately held company. AccessData Group offers coverage of the EDRM — from the identification to production stages — and early case assessment

(ECA; see Note 1) and legal hold in the AD eDiscovery platform. Its newly branded ResolutionOne additionally offers cybersecurity and internal investigation functions on a common platform. AccessData's AD eDiscovery and Summation solutions are built on its forensics processing and collection technology, Forensic Toolkit (FTK). The FTK engine enables AD eDiscovery to perform targeted forensic collection of data from a variety of sources, including desktops, mobile devices, servers and structured data stores, and it enables both AD eDiscovery and Summation to perform e-discovery processing. The Summation suite is available in two Web-based multitenancy versions: Summation Pro and, for smaller user group deployments, Summation Express. Available as part of the AD eDiscovery product or as a stand-alone software platform, the Summation suite covers the processing, review, analysis and production stages of the EDRM. AccessData has a balanced base of clients — from corporations and law firms to the government. Its go-to-market is equally through direct sales and the company's large pool of channel partners. AccessData invests in technologies that broaden collection coverage for new data sources and third-party review platform load files.

Strengths

- AccessData specializes in preservation and collection. The ease of use offered by its software in these areas and the capability of collecting data from a variety of endpoint devices are differentiators.
- Customers cite that AccessData's solutions are more affordable than other products with comparable functionalities.

Cautions

- Some customers report that initial deployment of AccessData's software or upgrades to new releases can be challenging; these challenges are due to the lack of industry expertise and project management rather than due to the software itself.
- The competition on cybersecurity and forensic investigation, in which AccessData gathers synergy, is intensifying. Larger vendors in those spaces will put more pressure on AccessData.

Catalyst

[Catalyst](#) is a privately held company with approximately 150 employees. Catalyst's Insight allows for automated loading of data, and it covers processing through search, analytics, review and production. Catalyst's XML-based/NoSQL technical architecture combines metadata and text into a unified searchable cloud-delivered data repository, enabling the company to respond to increasing demands for scale and speed. Catalyst also has OnRamp, an enterprise connector that allows corporations to load raw or processed files automatically into the Catalyst e-discovery platform. Catalyst's predictive ranking tool, Insight Predict, has the ability to continuously rank documents across the review process, to rank large volumes of data, to handle rolling uploads and to train the system without requiring a subject matter expert. Insight Predict is capable of handling Asian languages (especially Chinese, Japanese and Korean), and this specialty has enhanced the company's reputation as a leader in multilanguage e-discovery software. Catalyst partners with vendors of left-hand-side EDRM capabilities to round out its platform and information management

capabilities. It licenses a NoSQL engine from MarkLogic for its search and analytics functionality. In January 2014, Catalyst released new subscription pricing in an effort to simplify its pricing structure.

Strengths

- Catalyst's big data engine, its unique approach to predictive analytics and its multimatter capabilities has proved to be attractive for larger corporate clients and law firms.
- Insight continues Catalyst's leadership in multilanguage e-discovery, through its support for 280 languages (including Chinese, Japanese and Korean), its multilanguage UI and its success with multilanguage predictive coding.

Cautions

- Catalyst relies on partners for all left-hand-side capabilities within EDRM.
- Catalyst is rated unfavorably by some customers in terms of its pricing model and options.

CommVault

[CommVault](#) is a publicly traded company that entered the e-discovery market in 2007. CommVault has enhanced its core enterprise information archiving (EIA) and unified data management functionality 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 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 technologies. As a result of its archiving focus, CommVault is capable of importing and searching a wide variety of file types and storing them in native format. It supports both machine-driven and custodian-led data collection. It has native ECA functionality that can be used both precollection and postcollection by partners.

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 it usually is selected only as an e-discovery tool vendor in environments in which Simpana is already used for backup and the primary use case is for basic e-discovery, collection and legal-hold needs.
- CommVault has limited usage among legal end users and is mostly viewed as a tool for the IT department to carry out functions for the legal department.

EMC

[EMC](#) is a publicly traded company. At the end of 2012, EMC claimed more than 500 e-discovery customers, 70% of them corporate clients, and more than 10PB of data under management. Its e-discovery offering is EMC Kazeon eDiscovery, which is packaged as an appliance and also offered as licensed software. It offers functionality focused on ECA and identification, collection and processing. The product can capture data from various sources (including file shares, Microsoft SharePoint, EMC Documentum and Symantec Enterprise Vault), and it can process email from EMC SourceOne archive repositories. It also supports collection from endpoint devices, with open 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. EMC also offers SourceOne, which is sold through its Data Protection and Availability 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. EMC has incorporated Kazeon eDiscovery into its overarching information governance strategy, which includes records management, compliance and archiving. Organizations looking for e-discovery software outside of an overall information governance initiative should evaluate if Kazeon and EMC's strategy is right for them. EMC did not supply new information for this year's Magic Quadrant evaluation and customer references. The information that is contained in this report is thus based on incoming information from Gartner clients rather than being directly reported by the vendor or new references.

Strengths

- Kazeon eDiscovery has been designed for large enterprises and is highly scalable in performance and capacity.
- Kazeon users identify scalability, reporting and ease of use as positive product features; furthermore, deployments take place within a very short time.

Cautions

- EMC does not have review capabilities or any predictive coding technology.
- Gartner believes Kazeon has declining revenue, although revenue figures are not publicly available. News and events about Kazeon are sporadic.

Epiq Systems

[Epiq Systems](#) is a public company 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 Epiq Analytics. eDataMatrix is Epiq's own processing engine, which is built for scalability and can support more than 400 file types. DocuMatrix is Epiq's workflow-based review platform, and the newly released Epiq Analytics supports ECA. 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. Epiq has a global appearance 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 demonstrated the ability to reduce the total cost of attorney review.
- Epiq's customers rate it very highly for document review.

Cautions

- Compared with other vendors in this analysis, Epiq is more oriented toward working with law firms than corporate buyers.
- Epiq takes a more solution-based approach than other e-discovery vendors, and it utilizes a number of third-party technologies, which can increase complexity.

Exterro

[Exterro](#) is a privately held software development company that was founded in 2004. It entered the e-discovery market in 2005 with workflow-centric software. The company's primary offering is the Exterro Fusion e-discovery software suite, which is built on a single and open platform. The suite's main application consists of Fusion Project Management (workflow management), Fusion Genome (data mapping), Fusion Legal Hold (in-house legal hold), and Fusion Zeta (in-place ECA, predictive coding, collection, processing, review and production). Additional applications available include Fusion Comprehensive Interview (automated survey), Fusion Compliance Portal (custodian compliance tool), Fusion In-Place Preservation (preservation of data at the source) and Fusion Employee Monitor (automatic tracking of employment changes). The Fusion suite is one of the few platforms that include 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. With FusionNow, all Exterro Fusion applications are also available in a software as a service (SaaS) model. In addition to direct sales, Exterro sells through channel partners and service providers.

Strengths

- Exterro's continued commitment to improving its technology maintains the continuity and quality of its software. Its ease of "plugging into" existing IT infrastructure is a differentiator.
- Exterro's legal-hold product scores highly for ease of use among its customers and has become one of the most popular legal-hold solutions in the market.

Cautions

- Customers cite that the configuration of the Fusion portal could be more simplified for ease of use and more tightly integrated with Fusion Zeta.
- Despite its backbone strength of workflow, Exterro's e-discovery solution is not well-adopted by law firm users.

FTI Technology

[FTI Technology](#) is a separately reported business unit of FTI Consulting, a publicly traded company founded in 1982. FTI Technology acquired two well-known software companies in the e-discovery market — Ringtail Solutions and Attenex — and combined them in a redesigned and integrated document review platform as Ringtail. The Ringtail solution performs functions from processing to production — including ECA, review and analysis — and is available via SaaS (see Note 2) and on-premises enterprise models. FTI provides clients with a range of pricing options based on users and data volumes. In 2013, FTI Technology released new versions of Ringtail with additional hosting and SaaS options, enhanced visualization for ECA, and predictive coding. FTI Technology 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 (TAR), with its Predictive Discovery offering; and Harvester for Microsoft SharePoint for the collection of SharePoint data.

Strengths

- FTI Technology has a leading platform for document review and TAR. Its software is suitable for modern e-discovery projects, whereby a variety of data and jurisdictions is a common theme.
- The breadth and depth of FTI Technology'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.

Cautions

- FTI Technology's world-class professional services can come at a cost. Organizations need to understand their needs of project management and industry expertise to avoid overspending on professional services.
- Understanding the advanced features and power of Ringtail is critical prior to purchase to avoid overinvestment.

Guidance Software

[Guidance Software](#) is a publicly traded company that was founded in 1997 with a focus on forensic data collection and analysis. In early 2012, it acquired CaseCentral. Its review product is offered either through the on-premises version (EnCase eDiscovery) or the SaaS model (EnCase eDiscovery Review). Guidance Software provides full coverage for the 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 four 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; and Encase Analytics for data mapping and analysis. The EnCase eDiscovery and Encase eDiscovery Review offer multimatter management and are used for ECA, analysis, review and production of documents. The new release of EnCase Forensic 7 has enhanced capabilities to support a variety of endpoint devices, as well as cloud file repositories, such as Box. EnCase is an open platform that enables third-party developers to build applications that extend its capabilities; these are available from EnCase App Central. Guidance Software has been investing in a new generation of review technology — Linked Review — a concept that could potentially improve the review efficiency.

Strengths

- Guidance Software offers a full range of e-discovery coverage, including robust forensics capabilities and automated integration between the left-hand and right-hand sides of the EDRM.
- Customers speak highly of Guidance's ESI identification capability, which Guidance continues to invest in and innovate.

Cautions

- Guidance Software's right-hand-side capabilities are less adopted by the market.
- TAR functionality in general and the integration of the EnCase platform to third-party predictive coding tools are mentioned by customers as areas for improvement.

HP Autonomy

HP runs [HP Autonomy](#) as a business unit within HP Software. E-discovery remains a strategic focus for both the business unit and the software group. HP Autonomy's key e-discovery offerings are HP eDiscovery (which combines preservation, collection, ECA, processing, review and production capabilities) and HP Legal Hold. The consolidation of the legacy offerings (Autonomy Early Case Assessment, Introspect and Stratify) into HP eDiscovery is near completion. A set of adjacent technologies to e-discovery, including data mapping, records management, archiving and data protection features, is also available. HP Autonomy continues to consolidate the various components of its e-discovery offering by applying HP Software's best practices and drawing the synergies of different HP storage software solutions, such as ControlPoint, StoreOnce and StoreAll. In addition to its consolidation effort, HP Autonomy has been working to simplify the manageability of its software. Buyers can benefit from HP Autonomy's broad set of full-spectrum e-discovery capabilities, its vision, its historical market leadership and HP's reputation as a trusted technology provider. In early 2014, HP Autonomy launched HP eDiscovery OnDemand, a SaaS offering that is hosted in HP's worldwide private clouds. HP eDiscovery OnDemand is based on HP eDiscovery 8.1 and is targeted primarily at small or midsize businesses (SMBs).

Strengths

- HP underpins Autonomy's e-discovery technology by providing rich R&D resources, worldwide presence, synergies of its different product lines and industry standard sales, implementation, and customer support.
- HP Autonomy has a clear product road map and appears frequently on shortlists due to its appeal to a broad number of buying centers and industries.

Cautions

- Customers report that they have experienced challenges in integrating HP Autonomy with their third-party tools either for collection or for review.
- HP Autonomy's overall e-discovery offering may be too complex for many organizations.

IBM

[IBM](#) supports e-discovery as part of its Information Lifecycle Governance (ILG) portfolio of product offerings. The ILG portfolio is divided into defensible disposal, e-discovery, archiving, records and retention management, and data cleanup. IBM delivers e-discovery functions, including legal-hold management and enforcement, collection coordination and execution across legal and IT teams, early data analysis, and ECA. The e-discovery solution 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. Analytical capabilities include cost forecasting, along with dynamic reforecasting as data is collected and production decisions are made. IBM also offers collection technology through its StoredIQ technology, which provides centralized collection and early data assessment (EDA) capabilities from sources such as email, file shares, SharePoint, enterprise content management solutions, archives and desktops. Although IBM's approach is very portfolio-based, all components of its e-discovery solution are available as separate modules. IBM works through partners for capabilities on the right-hand side of the EDRM.

Strengths

- IBM's collection and identification capabilities, through its acquisition of StoredIQ in 2013, are strong and enable organizations to proactively classify information as well as respond to e-discovery needs.
- The IBM Atlas portfolio's reliability and usability are favorable attributions.

Cautions

- Ease of use is commonly cited as an area for improvement.
- Total cost of ownership for IBM's e-discovery solution can be high.

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 & Co.'s litigation support business, Datum Legal and Onsite3. 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 differentiates itself on the basis of its service offerings.

Strengths

- Integreon has a strong brand and reputation in the legal community, and it has the ability to access legal buying centers and is best known as a full-service legal process outsourcing company.
- Integreon has a select client base and is very highly regarded by those clients for its support and responsiveness, especially in pressured litigation situations.

Cautions

- Integreon might not be an appropriate choice for end users who prefer a focus on software development and quick release of new proprietary features and functions, as well as more self-sufficiency in the development of software.
- 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 ESI, with a newly added focus on collection. Its Relativity product is now considered "best in class" by many legal end users, particularly legal managed service providers. 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. In June and November 2013, kCura released Relativity 8 and 8.1, which have enhanced processing capability, among other things. kCura's legal-hold management solution, Relativity Legal Hold (formerly known as Method), has a revamped UI for supporting custodian-centric workflows and ease of communication management. The new Relativity Binders, an iPad app that is also accessible via the Web, serves mobile users — especially senior lawyers who want to organize and annotate their case documents on the go. Due to the increasing adoption by both end users and

legal managed service providers, kCura's growth outpaces the market by several folds. To support this growth, kCura has brought market-facing functions in-house and continues to expand in total company size.

Strengths

- The ecosystem of Relativity users, partners, developer community and managed service providers continues to grow.
- kCura has a clear understanding of the legal market's needs and how the company will develop the Relativity platform to support these needs. Its technology is strongly supported by kCura's commitment to deliver ease of use and quality of software.

Cautions

- Customer satisfaction with kCura's ECA, visualization and processing capabilities is not as high as its competitors.
- Pricing models and options are identified by its customers as areas for improvement.

KPMG

[KPMG](#) delivers a technology suite through KPMG's Forensic Technology Services group that covers the identification to production phases of the EDRM. This group also offers services in areas such as records and information management and forensic data analytics. Identification, collection and upfront searching 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), which serves as a case manager for analog and digital evidence, its software-assisted review, and a review cost estimator. KPMG's Discovery Radar employs TAR that supports process validation and control.

Strengths

- KPMG clients indicate that they have significantly reduced their time and costs on document review by using the Discovery Radar suite.
- KPMG brings a wealth of project management knowledge and high-stakes case experience that can help clients who are involved in frequent high-volume and resource-consuming litigation.

Cautions

- Customers cite ease of use as an area for improvement.
- KPMG needs to invest in e-discovery product development to keep up with user demands.

Kroll Ontrack

[Kroll Ontrack](#) is a private company founded in 1985. Through its ediscovery.com software platform launched in 2013, it offers ediscovery.com Collect (powered by Ontrack PowerControls) for identification, preservation and collection; ediscovery.com Review (formerly known as Ontrack Inview and Ontrack Advanceview) for ECA, review and predictive coding; and ediscovery.com Manage, a new product that consolidates projects, provides interactive dashboards, and aggregates financial metrics. For e-discovery matters requiring behind-the-firewall technology, Kroll Ontrack offers ediscovery.com Onsite, a self-contained, on-premises appliance that can be deployed to different locations. Kroll Ontrack also offers collection, processing, document review and consulting services. With data centers and case management professionals in the U.S., EMEA and Asia/Pacific, Kroll Ontrack offers a global network of support. In 2013, Kroll Ontrack simplified its pricing structure with bundled and subscription models. The early adopters of ediscovery.com portfolio are attracted by the potential benefits of price flexibility and cost predictability. In early 2014, Kroll Ontrack — with the goal of further expanding its reach within the market — announced it would offer Relativity as another review option for its customers.

Strengths

- Kroll Ontrack has a compelling vision, supported by a clear product road map, including additional support for differentiated TAR features, simplified Web service, flexible price, deliverable model and mobile support, and support for an on-premises appliance.
- Kroll Ontrack's heightened focus on software and support for third-party platforms draws on the company's industry and technology experience to provide flexible and reliable solutions.

Cautions

- Some customers report Kroll Ontrack's forceful marketing and difficulty in terms of working with account executives in understanding pricing options and product updates as challenges.
- Product functionality specific to forensics and collection and browser-based remote access are cited by customers as areas for improvement.

LexisNexis

[LexisNexis](#), a private subsidiary of a public company, Reed Elsevier, 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 Evolution is an enterprise document review tool covering review, analysis and production on the right-hand side of the EDRM. Concordance has a long history and very strong brand recognition within the legal industry, being familiar to many lawyers. The traditional Concordance offering has long been the mass-market tool of the legal profession for document review; Concordance Evolution is the next-generation tool that is specifically designed for large-scale complex litigation. Early Data Analyzer is LexisNexis' culling and ECA tool. Law PreDiscovery is a processing and production tool that allows documents to be processed ahead of legal review and produced after review. Concordance Evolution, Early Data Analyzer and Law PreDiscovery work together to cover processing, review, analysis and production,

in addition to ECA. Law PreDiscovery remains a popular product for legal solution providers and law firms.

Strengths

- LexisNexis is a strong and trusted brand in the legal profession.
- Pricing for both Concordance and Law PreDiscovery software is reasonable, and there is responsive customer support, making the software a popular choice in the small to midsize law firm market.

Cautions

- LexisNexis lacks a differentiated product strategy.
- LexisNexis appears on many shortlists but is frequently discounted for its lack of integrated TAR functionality.

Nuix

[Nuix](#), a privately held company that is based in Sydney, Australia, entered the e-discovery market in 2007. Nuix's most proven technology strength lies in its patented unstructured data processing engine, which enables fast collection, identification, processing and ECA for small and large volumes of data. It supports multiple languages, including those with double-byte character sets. Nuix can index difficult container file types, such as enterprise archives and entire email and workplace collaboration systems, which are essential for information governance. Nuix's modules are Nuix eDiscovery, Nuix Director, Nuix Collector Suite, Nuix Web Review & Analytics, and Nuix Legal Hold, the latter provided through a partnership with Zapproved's Legal Hold Pro. Nuix has worked to separate the functions of the processing engine from the traditional Workbench interface. By making the engine accessible through application programming interfaces, Nuix has developed Web applications, including Nuix Director and Nuix Web Review & Analytics, and it has opened its capabilities to OEM partners. Nuix's clients report that processing tasks can often be accomplished more rapidly than with competitive products because of the technical architecture. The Nuix toolset is used by major legal discovery service providers, many of which use the product as part of their own workflow systems, including some of the vendors appearing in this Magic Quadrant.

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 data cleanup as well.
- Nuix has a strong feature set, with transparent pricing.

Cautions

- Nuix's strategic vision has not translated into a series of clear product road maps.

- Nuix must further develop its review functionality to capitalize on the shift from a service provider model to an insourced model for corporate customers.

Recommind

[Recommind](#), a privately held company founded in 2000, has competed in the e-discovery market since 2007. Recommind's Axcelerate eDiscovery suite can perform legal hold, collection, processing, review, analysis and production. Recommind has a heritage in enterprise software, and its pricing is straightforward for all deployment options, including on-premises and SaaS. Recommind has been known for its homegrown search and machine learning technology, and it has used its engineering knowledge of semantic analysis to pioneer predictive coding, which helps reduce the manual labor required in the initial stages of a document review exercise. In early 2014, Recommind released Axcelerate 5, with additional features for visualization, email analytics and workflow automation that all target ease of use and achieving review efficiency and accuracy via advanced predictive coding technologies.

Strengths

- Recommind has strong predictive coding functionality.
- Recommind has full-spectrum EDRM functionality and offers multiple deployment options, including on-premises, cloud-based and hybrid.

Cautions

- Some customers still identify Recommind as priced toward the high end of the market, despite simplification of the price list and reduced prices.
- Recommind's on-premises solution is considered to be complex, with ease of use still raised as an issue by some customers.

Stroz Friedberg

[Stroz Friedberg](#), a privately held company founded in 2000, is headquartered in New York, New York, with nine offices across the U.S. It also has operations in the U.K., Switzerland and Hong Kong, with data centers located in New York and the U.K. Its software portfolio includes First Glance, Stroz Friedberg Review, Privilege Analytics and WarmTouch. Stroz Friedberg's ECA tool, First Glance, includes visual analysis of concepts, communications, domains and keywords, as well as document culling that is a form of TAR. Its document review tool, Stroz Review, has the capabilities that the market expects, such as native file review, data extraction, predictive coding, email thread mapping, advanced proprietary near duplicate detection, automated foreign language translation and full production capabilities. It also offers the Nomad, a transportable and scalable data processing and document review center. Stroz Friedberg is a well-known e-discovery service 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 in the areas of data collection and digital forensics, and designing defensible legal-hold strategies, among other services. It partners with Pangea3 to provide

document review services. Stroz Friedberg is a software-plus-services vendor that uses its own software to differentiate itself in the service market.

Strengths

- Stroz Friedberg's clients rate it highly for industry knowledge and legal expertise.
- Stroz Friedberg has innovative software offerings, with some particularly unique capabilities around the psycholinguistic analysis of data.

Cautions

- Stroz Friedberg is a choice well-suited to clients that are looking for a combination of software and services offering, rather than a stand-alone software choice.
- Stroz Friedberg does not sell software for collection, litigation hold or processing requirements.

Symantec

[Symantec](#), a publicly traded security, storage and information management company, offers the Symantec eDiscovery Platform powered by Clearwell. This platform covers the identification, preservation, collection, processing, review, analysis and production stages of the EDRM, along with ECA. Alongside existing integration with Symantec's on-premises archiving solution, Enterprise Vault, the eDiscovery Platform now provides direct integration with Symantec's cloud-based archiving solution, Symantec Enterprise Vault.cloud, for direct integration, regardless of the archiving deployment model. The eDiscovery Platform is full-featured, including legal hold, semantic analysis, native file format review for more than 500 file types, ECA and predictive coding. The solution is offered as an appliance with different capacity configurations, and it is available through a network of partners and via legal service providers as a hosted SaaS offering. The eDiscovery Platform, along with Symantec's data protection software (NetBackup and Backup Exec), archiving (Enterprise Vault and Enterprise Vault.cloud), and data mapping and file analysis (Data Insight) solutions will benefit from Symantec's new Information Fabric technology, which aims to automatically share metadata across information silos.

Strengths

- The Symantec eDiscovery Platform powered by Clearwell offers 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 eDiscovery Platform's ease of use, especially for nontechnical legal users, simple deployment and time to value.

Cautions

- The innovation pipeline for the eDiscovery Platform has slowed during Symantec's acquisition and integration of Clearwell Systems, resulting in the product's lack of growth and new releases.
- Some of the large customers identify performance and scalability as areas for improvement. Some customers cite that extracting production data out of the Clearwell system can be challenging.
- The recent departure of Symantec's CEO may cause disruption and impact the company's strategy and priorities.

Ubic

[Ubic](#) is a publicly traded company on the Tokyo Stock Exchange, and on 16 May 2013, it was publicly listed on the Nasdaq. It has a suite of products for e-discovery called "Lit i View." The majority of Ubic's business originates from 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. 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 delivers its own unique artificial-intelligence-based predictive coding software that is integrated with end-to-end support for e-discovery.
- Ubic is willing to negotiate pricing, and customers identify good prices, coupled with good service, as a strength.

Cautions

- Ubic seems to be focusing on a perceived market direction and advanced semantic and other features, while making less traction with current market needs.
- Ubic is slow to release new versions of its software.

Xerox

[Xerox](#) Litigation Services offers a suite of e-discovery solutions — from on-premises software to outsourced managed services — providing legal hold, collection, processing, review, analysis and production phases of the EDRM. Viewpoint is an on-premises, behind-the-firewall e-discovery solution that also can be accessed via a hosted cloud-based model from Xerox or deployed as a service using the physical or virtual appliance. Viewpoint features fully integrated functionality, including collection, preprocessing and processing, review, analysis (including TAR), and

production. Xerox Litigation Services' wholly cloud-based hosted solution, OmniX, is supported by collection and processing capabilities, along with review, analysis and production functions. Xerox also offers CategoriX, its proprietary TAR solution, as a service. Xerox targets global enterprises with large litigation portfolios. 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

- Xerox offers a full spectrum of capabilities to support most e-discovery use cases, including support for predictive coding.
- Xerox is cited by customers as having strong legal-hold capabilities through its OmniX platform.

Cautions

- Xerox must make its product road map clearer and more understandable for customers.
- Some users cite the need to bring in Xerox to help with TAR as an area for improvement.

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 advanced textual analytics and other semantic technologies. The company offers its products through a software licensing and installation model and as SaaS. The firm has a wide array of loyal references spanning corporate, public-sector and law firm buyers, despite a lack of overall awareness in the industry. ZyLAB takes a low-key approach to marketing and is refining its messaging, focusing heavily on information governance, legacy data cleanup and defensible deletion, although this messaging has not led to appreciable growth. ZyLAB's functionality is comparable with that of any of the market's Leaders.

Strengths

- ZyLAB has an extensive background working with national, state and local government bodies, as well as law enforcement, security, intelligence and investigative agencies.
- ZyLAB has full-spectrum EDRM coverage, including strong language support and integrated predictive coding, based on its expertise in semantic technologies.

Cautions

- Some customers cite the legal-hold module as labor-intensive and time-consuming.
- ZyLAB may not be the best fit for heterogeneous e-discovery environments in which integration with other toolsets is required.

Vendors Added and 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 any 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. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

No vendors were added to this 2014 Magic Quadrant.

Dropped

The following vendor has been dropped because it did not meet one or more of the inclusion criteria:

- Driven

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 vendors that only sell software licenses, software appliances or software subscriptions, although some of these vendors also provide services — 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. From Gartner's client inquiries, we have seen an increasing interest in the number of clients seeking end-to-end functionality; however, the majority is still focusing on 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, along with legal service providers that perform this service for client companies.
- 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. The vendors' 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 to perform document review (it encompasses the older term "litigation support"). Many vendors that offer right-hand-side review capabilities are increasingly also offering some form of TAR (see section on predictive coding in the "Hype Cycle for Smart Machines, 2014"). Predictive coding 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 legal hold, 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 left-hand side of the EDRM bullet 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 to 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
- Have demonstrated active market participation, including, but not exclusive to, inbound customer inquiries from Gartner customers and prospects
- Have a "significant" presence in at least two geographical regions (note that significant presence refers to revenue and installed base)
- Market and sell in at least two major geographic regions — for example, North America and Latin America or EMEA and Asia/Pacific

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 that has competed in the e-discovery market since 2003. Its software offering spans the EDRM, from archiving/information management, collection, processing,

analysis and review through production. Daegis Edge is the company's hosted e-discovery processing and review platform that is tightly integrated to Daegis' AXS-One Archive for direct ingestion of case data. Acumen, its TAR function, is fully embedded in the Daegis Edge workflow and 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 production. Daegis Edge has cross-matter management functionality that eliminates redundant processing and review across matters. Daegis provides fully managed or self-directed e-discovery.

Driven

Driven is a private company that was founded in 2001. Its business is composed of an e-discovery practice, a software development practice and a consulting group. Its One eDiscovery Platform is a solution that offers full support across the EDRM, covering litigation readiness through processing, production and case management. Driven has four components to its business: forensics and collection; custom data processing; Driven's One eDiscovery Platform; and consulting, including litigation support consulting. Driven's One eDiscovery is an integrated e-discovery platform for litigation readiness, data processing, ECA, review, production and project management.

iCONNECT

Founded in 1999, iCONNECT is a private legal service company. Its software offering covers review and ECA functionality. Its main product is the Xera review platform and is offered as a hosted solution. Customers can use Xera directly through iCONNECT host services or other legal service providers. The software is built on HTML5 and supports Oracle and SQL environments. Xera Advanced Analytics accommodates concept clustering, email threading and batch tagging. Customers adopt iCONNECT for its ease of use, collaboration and workflow features.

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. According to the customer survey conducted for this research, Ipro shows up more frequently than other smaller players in the shortlist. Ipro's vision is to match its e-discovery software to new IT trends — high-volume data and cloud.

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. In early 2013, the company released One Decision Document Review Accelerator, with enhanced near-deduplication capability. Additionally, the company has partnerships that allow for

the integration of emerging technologies, including predictive coding and legal-hold technologies, into its offerings.

OrcaTec

Founded in 2006 and privately held, OrcaTec offers software and services that support e-discovery and information management. Its product, the OrcaTec Document Decisioning Suite includes OrcaCluster, OrcaSearch, OrcaPredict and OrcaReview, as well as Echo, an electronic repository management system that enables automated collection, analysis, search and legal hold and manages real-time communications. Its predictive coding and contextual analysis technologies are increasingly attracting attention and are also the areas in which the company focuses on and where its investments are emphasized. It targets projects that have large unstructured datasets.

ZL Technologies

ZL's Unified Archive provides a highly scalable platform for archiving, e-discovery, records management and compliance. The platform supports billions of documents per repository, while retaining one data copy across the enterprise. ZL provides a full suite of e-discovery functions, including records retention, legal hold, collection, processing, case management, predictive coding, review, analytics, data visualization, redaction and production, in a unified platform, thereby eliminating the need to move data between e-discovery tools, while enabling growth paths from reactive to proactive e-discovery.

Evaluation Criteria

Ability to Execute

Product or Service: This criterion includes the core goods and services offered by the vendor that competes in the defined market. Vendors that address the left-hand side of the EDRM must have instantiation of identification, preservation or legal 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. Scalability is added to measure how well an offering can quickly process large volumes of diversified data. Vendors addressing the right-hand side of the EDRM must offer some processing, review and analysis features, such as search, categorization and tagging. Predictive coding, features of TAR, visualization, workflow and reporting are folded into criteria to measure the functionality supporting the right-hand side of the EDRM. Ease of use, intuitive user interfaces, attorney-focused workflow, advanced but transparent semantic analysis features, native file format review, predictive coding 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: 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 (that is, company expansion rate), 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, as well as 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 \$1.8 billion in 2014 to \$3.1 billion in 2018, with a compound annual growth rate (CAGR) of 14%.

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. 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 are 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. However, we were also told that vendors were ruled out if they were not even willing to conduct POCs. 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/Record: This criterion examines the vendor's 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 considers 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: This criterion evaluates 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 tradeshow, and membership of professional and trade associations, is important. Equally, for vendors that come from legal markets, presence in technology-focused publications and at tradeshow, 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: This criterion considers the 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 number of negative comments that Gartner received about the vendor both in reference surveys and through our inquiry service.

Operations: This criterion evaluates the ability of the vendor to meet its goals and commitments. Factors include the quality of the organization structure, including skills, experiences, programs, systems and other vehicles that enable the vendor to operate effectively and efficiently on an ongoing basis. In addition, the experience of the leadership team in areas such as engaging legal communities, educational problems and software development are considered.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	Medium
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (June 2014)

Completeness of Vision

Market Understanding: This criterion evaluates 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 to perform with maximum effectiveness. Everyone has competitors, and a realistic understanding and recognition of the strengths and weaknesses of one's competitors is a large component of market understanding.

Marketing Strategy: This criterion includes 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: This criterion considers 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. The number and quality of channel partners were 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 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, data mapping, scalability, encompassing both left- and right-hand sides of the EDRM, the presence or absence of TAR techniques, visualization, support for mobile platforms and multimatter review capabilities.

Business Model: This criterion includes 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, rather, "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.

Geographic Strategy: This criterion considers 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. A vendor's ability to generate significant level of revenue outside its native geography is considered a key factor in rating this criterion.

We excluded one vision-related criterion from our evaluation of the e-discovery market:

- **Vertical/Industry Strategy:** This criterion 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.

Table 2. Completeness of Vision Evaluation Criteria

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

Source: Gartner (June 2014)

Quadrant Descriptions

Leaders

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

First, they have solid functionality that meets one or more requirements of the left-hand side of the EDRM — identification, preservation or legal 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. Gartner used market adoption, customer experience and the frequency of appearance on shortlists to validate the strength of an offering. Adjacent technologies, such as information management, analytics, archiving and the functionality known in the market as TAR or predictive coding also were 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 situation 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 and technology innovation, as evidenced by the size of their development teams and product road maps, compares favorably with their professional-services personnel. 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. A strong software offering, which can be exploited for growth and especially profitability, is what we evaluated and emphasized.

Leaders must also show a good mix of corporate, law firm and global jurisdiction 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. Litigation and other types of investigative requests (that is, Freedom of Information Act [FOIA] request, HR complaints and fraud complaints) have increasingly become global; local support and global revenue distribution are new factors we use to measure the Leaders.

The final characteristic is that Leaders perform well financially in terms of market share and from a growth perspective. To be able to continue to grow revenue — primarily technology revenue rather than service revenue — is a critical factor for measuring market adoption and the ability of a company's effectiveness in execution. This characteristic does not favor only large companies, and it 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: AccessData, Exterro, FTI Technology, Guidance Software, HP Autonomy, kCura, Kroll Ontrack, Recommind and Symantec.

Challengers

Challengers score strongly for their Ability to Execute, but they fall short in some aspects of their vision or current product offering. 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, KPMG, Nuix and Xerox.

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 information management capabilities, analytics 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 level of enthusiasm and investment in technical development resources.

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

Niche Players

Niche Players do well in a single segment of the market, or they 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.

There are five Niche Players: CommVault, EMC, Integreon, LexisNexis and Stroz Friedberg.

Context

E-discovery is a well-established practice 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. Today, organizations increasingly leverage the e-discovery process and technologies for secondary requests (that is, FOIA requests, fraud complaints and HR complaints).

Although the market was 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 rapid growth of digital information has resulted in changes to the way judicial and regulatory matters are investigated. A new set of changes on Federal Rules of Civil Procedure (FRCP) were proposed in early 2013 and have caught much debate in the U.S. Among these proposed changes, the ones most relevant to e-discovery are proportionality and sanction on willful evidence spoliations. These changes, once approved, will trigger a wave of disruption in the e-discovery practice and, in turn, on the e-discovery technology market.

The e-discovery software market is still in a phase of double-digit growth. 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 \$1.8 billion in 2014 to \$3.1 billion in 2018. Double-digit revenue growth of approximately 15% is expected because of increasing volumes of litigation and regulatory investigation, and the ever-expanding amount of ESI 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/Pacific 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 in proportion.

There are a number of adjacent software markets, including information governance, EIA, enterprise content management, file analysis, enterprise search and data analytics. We expect that vendors in these areas will extend their offerings to include e-discovery functions and that vendors already in the e-discovery market will add further capabilities, for example, from the content analytics or workflow sectors.

The EDRM 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. This type of buyers focuses on system integration and prefers technologies that are OS- and browser-agnostic. Capabilities that support a variety of file formats, scale well and offer flexible deployment options are desired features.
- 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 in which some form of ECA capability is typically bundled (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 members 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 because the end user is ultimately a legal professional, IT managers can only influence the decision. Workflow automation, search capability and flexibility to handle occasional spikes of case loads are important for this type of buyer.
- 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 and predictable 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 desire 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 is still occurring in the e-discovery software market. This consolidation is driven mainly by the disintermediation of law firms, pricing pressure and the need to develop economies of scale in data management. However, the level of mergers and acquisitions (M&As) for software vendors has slowed, and only a couple of noticeable acquisitions took place in 2013 (see Note 3). The overall e-discovery market is in a state of "wait and see" mode after being overhyped through 2012.

The consolidation of the legal service firms continue. It is driven mainly by organizations' desire to bring e-discovery in-house and to improve the control of cost, data and processes. The remaining legal service 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, they are 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: 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 software or service providers) as possible. Pricing transparency and simplicity remain a nonnegotiable client demand.

Two highly publicized data privacy and data breach events in the U.S. (the National Security Agency's Planning Tool for Resource Integration, Synchronization, and Management [PRISM] surveillance program and Target's massive credit card information fraud case) have led to increasing interest in incidence- or event-triggered discovery processes. Several vendors (for example, AccessData, FTI Technology, Guidance Software and Symantec) have been building synergy between their cybersecurity and data protection solutions with their e-discovery offerings.

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 organizations 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.

Gartner Recommended Reading

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

"How Gartner Evaluates Vendors and Markets in Magic Quadrants and MarketScopes"

Acronym Key and Glossary Terms

CAGR	compound annual growth rate
DTI	Document Technologies Inc.
ECA	early case assessment
EDA	early data assessment
EDRM	Electronic Discovery Reference Model
EIA	enterprise information archiving
ESI	electronically stored information
FOIA	Freedom of Information Act
FRCP	Federal Rules of Civil Procedure
GETS	Global Evidence Tracking System
M&A	merger and acquisition
POC	proof of concept
SaaS	software as a service
TAR	technology-assisted review

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 or an investigation. 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 that is 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: This document has been archived; some of its content may not reflect current conditions.)

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).
- Alteryx — Kroll (June 2010).
- Anacomp — CaseLogistix (May 2007).
- Autonomy — Zantaz (July 2007), Interwoven (March 2009), CA Technologies' Information Governance assets (June 2010) and Iron Mountain Digital assets (May 2011).
- CA Technologies — iLumin (October 2005), MDY Group (June 2006) and Orchestra (January 2009).
- Doar Litigation Consulting — Inference Data (April 2010).
- Document Technologies Inc. (DTI) — Daticon EED (September 2010) and Fios (November 2012).
- EED — Daticon (June 2008).
- EMC — Kazeon (September 2009).
- Epiq Systems — Encore Discovery Solutions (May 2011).
- FTI Technology — Ringtail Solutions (February 2005) and Attenex (July 2008).
- Guidance Software — CaseCentral (February 2012).
- HP — Autonomy (October 2011).
- Huron Consulting — Axis Technologies (August 2006) and Trilantic (November 2010).

- IBM — FileNet (August 2006), PSS Systems (October 2010) and StoredIQ (February 2013).
- Integreon — Bowne & Co.'s litigation support business (January 2006), Datum Legal (June 2008) and Onsite3 (May 2009).
- Interwoven — Discovery Mining (July 2008).
- Iron Mountain — Stratify (October 2007) and Mimosa Systems (February 2010).
- Kroll — TrialGraphix (September 2007).
- LexisNexis — CourtLink (December 2001), Applied Discovery (July 2003), CaseSoft (July 2006) and Dataflight Software (July 2006).
- Marsh & McLennan Companies — Kroll (July 2004).
- Novitex Enterprise Solutions — Pitney Bowes Management Services (July 2013).
- Océ Business Services — CaseData (October 2006).
- Pitney Bowes — Ibis Consulting (April 2006).
- ProofPoint — Fortiva (June 2008) and NextPage (January 2011).
- RenewData — Digital Mandate (August 2009).
- Seagate — MetaLINCS (December 2007); Seagate has since exited the market.
- Symantec — Veritas (July 2005), Vontu (December 2007), Clearwell Systems (May 2011) and 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) and Smart Data Consulting (April 2014).
- 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 for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: 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 presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/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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