


Optimize law department processes & lower spend  
 Custom analysis, recommendations, a prioritized action plan and check-ups to reduce spend on external legal services between 10-15%. [Learn More >](#)

**Consilio**  
 Together. Stronger.

- [SECTIONS](#)

## Legaltech news

- Search  
- [MY ACCOUNT](#)
  - [My Account](#)
  - [Manage Newsletters](#)
  - [Manage Alerts](#)
  - [Sign Out](#)
- [Home](#)
- [News](#)
- [From The Experts](#)
- [Events](#)
- [The Magazine](#)
- [Legal Marketplace](#)

SPONSORED BY 

[READ EVENT COVERAGE](#)

## Machines Are Organizing Legal's Data, But Not Fast Enough

Machine-learning powered data classification is providing better insight into internal and operational data, but it has yet to spread to all areas of legal work.

Rhys Dipshan, Legaltech News

April 11, 2017 | [0 Comments](#)

[share](#)

- [share by mail](#)
- [share on linkedin](#)
- [Facebook](#)
- [share on twitter](#)
- [share on google+](#)

Share With Email

RECIPIENT, SEPARATE MU

Add a comment...

Thank you for sharing!

Your article was successfully shared with the contacts you provided.

[print](#)  
[reprints](#)



Credit: winui/Shutterstock.com

The advancements of many legal technologies have rested on their ability to better understand the data they ingest and automatically categorize and classify it. Such is the basis for data analytics, but only recently has classification become so accurate and able to be leveraged for so many purposes, spurred by the advancements in artificial intelligence's (AI) machine-learning capabilities.

Today, data classification automation is being leveraged more broadly to help legal teams meet new demands, such as organizing and protecting the data they store, and traditional responsibilities, such as managing spend. But despite the wider applications of this automation, it still has yet to reach every corner of the legal world.

Given its growing [integration with e-discovery](#), information governance was a natural area for data classification automation technology. Farid Vij, lead information governance specialist at ZL Technologies, [explained to Legaltech News](#) that legal teams often need to leverage such technology internally to gain analytical insights and tag unruly data.

Classifying and understanding such in-house data, he said, "isn't about creating a basic data map. Today, we have to get down to the content level of the document to identify things like personally identifiable information, personal health information, and payment card information."

While identifying sensitive data is usually the most urgent task for any legal team, there is still a significant amount of other unformatted data that needs to be organized. Alex Kelly, co-founder and president at legal spend analytics platform Brightflag, noted that law firms and legal departments also have "unstructured time entry data in their e-billing content."

Though Kelly said that UTBMS codes were meant to bring some structure and standardization to legal spend and invoice data, "what we see in practice is that lawyers and law firms are not particularly good at [manually classifying data], and what they do is 'block bill' to include multiple costs" under one code.

Kelly's company aims to automate this task by using machine learning to read "the content of the narrative detail" of invoices in order to categorize them properly. While saving many lawyers and administrators hours of manually entering data, the solution is not completely self-sufficient; legal invoices still need some written descriptive content in order to be classified.

But with well-classified legal spend data, Kelly added, legal departments cannot only understand their average transaction costs, but also "understand what the costs are with a particular law firm" or vendor per transaction.

As Kelly and others such as [Wolters Kluwer](#) are harnessing data classification automation to bring analytics to legal spend, such other areas of legal work as matter management are, for the time being, still left in the dark.

"In my experience, most companies don't do a good job of correctly profiling matters," said [Reese Arrowsmith](#), vice president and head of legal operations at Campbell Soup Co. "We know that good process and relying on statistics can lead to better decision-making over time. It can be very difficult to make firm hiring decisions and case settlement decisions when matters are not profiled correctly and even the matter type may not be correct."

Arrowsmith added, "A huge win for the industry would be for vendors who deliver matter management systems to incorporate artificial intelligence that takes information from the matter—court documents, descriptions, summaries—and automatically profiles it."

When such automation will modernize matter management, however, is anyone's guess. But given that the technology is well developed and slowing permeating throughout the legal world, one thing is certain: It is only a matter of time.

*Copyright [Legaltech News](#). All rights reserved. This material may not be published, broadcast, rewritten, or redistributed.*

Contact Rhys Dipshan at [rdipshan@alm.com](mailto:rdipshan@alm.com). On Twitter: [@R\\_Dipshan](#).

[VIEW COMMENTS \(0\)](#)

external spend optimization

Optimize law department processes & lower spend

Custom analysis, recommendations, a prioritized action plan and check-ups to reduce spend on external legal services between 10-15%.

LEARN MORE >

**Consilio**  
Together. Stronger.

SPONSORED BY **Consilio**

**2017 CLOC SPECIAL CONFERENCE COVERAGE**

3 Tips to Consider When First Implementing Knowledge Management  
(<http://www.law.com/sites/almstaff/2017/05/10/3-tips-to-consider-when-first-implementing-knowledge-management/>)

How Yahoo's Patent Team Uses 'Moneyball' Strategy in the Legal Department  
(<http://www.law.com/sites/almstaff/2017/05/10/how-yahoos-patent-team-uses-moneyball-strategy-in-the-legal-department/>)

Corporate Legal's Evolution Is Possible: Now it's Your Turn  
(<http://www.law.com/sites/almstaff/2017/05/10/corporate-legals-evolution-is-possible-now-its-your-turn/>)

Performance Analytics: How They Work in Theory and Sections

- [Big Data](#)
- [Information Governance and Compliance](#)
- [Law Department Management](#)
- [Law Firm Management](#)
- [Legal Operations](#)
- [Legal Practice Management](#)
- [Legal Services](#)

**More From Legaltech News**

- [What You Need to Know About Emoji Law \(Yes, That's a Thing\)](#)
- [Who Got Those Social 'Influencer' Letters From the FTC? Read the Full List.](#)
- [3 Ways Big Data Will Change the Lawyer's Role](#)
- [To Patent or Not to Patent: Legal Tech Takes on IP](#)

**More from the ALM Network**

Previous Next



- [Cybersecurity Madness: 3 Things that Really Matter and 3 That Don't](#)

Corporate Counsel



- [New Florida House Speaker Wants Crackdown on Lobbyists](#)

Daily Business Review



- [Pence and His Big Law Counsel Wage Their Own Email Secrecy Fight](#)

The Litigation Daily



- [FDA's Expanded Zika-Testing Guidance Will Test Blood Centers](#)

The National Law Journal



- [Uber's 'Greyball' Program Puts New Focus on Legal Dept.](#)

The Recorder



- [53 Companies Back Transgender Teen in SCOTUS Fight](#)

The National Law Journal



- [After Yahoo, Are In-House Counsel Jobs at Risk Over Cybersecurity?](#)

Corporate Counsel



- [Covington Pays to End 3M Conflicts Row](#)

The Am Law Daily



- [As Law Prof. Gorsuch Banned Laptops, Garnered Respect](#)

The National Law Journal



- [Behind the \\$500M Curtain: How Skadden Handed Wilkinson Her First Trial Loss](#)

The Litigation Daily



- [Davis Polk Partner Says Bio-Rad GC Kept Pushing Flimsy Claims](#)

The Recorder



- [Exxon Insists Its Free Speech Case Against Attorneys General Be Heard in Texas Court](#)

Texas Lawyer

- [Beyonce, Tebow for Prez? Invalid Votes Spiked in Florida](#)

Daily Business Review



- [Three Things to Know About Neil Gorsuch, SCOTUS Front-Runner](#)

The National Law Journal



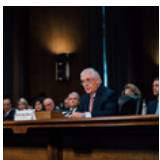
- [New Goodwin Procter Partner a Transgender Trailblazer in Big Law](#)

The Am Law Daily



- [Outside Counsel Complained About Bio-Rad GC, CEO Says](#)

The Recorder



- [Lawyers Spar Over Rex Tillerson Depo in Climate Change Suit](#)

The Recorder



- ['I Beg You to Recuse Me': Anna Nicole Smith Judge Finally Gets His Wish](#)

Texas Lawyer



- [Lawyer Gets Green Light to Sue Gawker Over Rape Comments](#)

The National Law Journal



- [Law School Classmates Call Priebus a 'Voice of Reason' for Trump White House](#)



- [Cybersecurity Madness: 3 Things that Really Matter and 3 That Don't](#)

Corporate Counsel



- [New Florida House Speaker Wants Crackdown on Lobbyists](#)

Daily Business Review



- [Pence and His Big Law Counsel Wage Their Own Email Secrecy Fight](#)

The Litigation Daily



- [FDA's Expanded Zika-Testing Guidance Will Test Blood Centers](#)

The National Law Journal



- [Uber's 'Greyball' Program Puts New Focus on Legal Dept.](#)

The Recorder



• [53 Companies Back Transgender Teen in SCOTUS Fight](#)

The National Law Journal



• [After Yahoo, Are In-House Counsel Jobs at Risk Over Cybersecurity?](#)

Corporate Counsel



• [Covington Pays to End 3M Conflicts Row](#)

The Am Law Daily

LexisNexis®

**REIGNMAKER**  
 RULE NEW BUSINESS WITH  
 COURTLINK® BREAKING COMPLAINTS

See How >

**CROSS THE BORDER  
 WITH BLAKES.**

*Blakes*  
 CANADIAN LAWYERS

Blake, Cassels & Graydon (U.S.) LLP  
 Practicing Exclusively Canadian Law | [blakes.com](http://blakes.com)

## Resources



### [An In-House Counsel's Guide to eDiscovery](#)

For practiced in-house counsel, managing eDiscovery can be like suddenly living in country where nobody speaks your language.

[MORE RESOURCES](#)

- [About Legaltech News](#)
- [Contact Legaltech News](#)
- [Advertise With Us](#)
- [Sitemap](#)

- Connect With Us
- [Facebook](#)
- [LinkedIn](#)
- [Twitter](#)
- [Google+](#)
- [RSS](#)

ALM Publications ▼

- [About ALM](#)
- [Product Solutions](#)
- [Events & Conferences](#)
  - [CLE](#)
- [Law Catalog](#)
  - [Reprints](#)
  - [Lawjobs.com](#)
- [Mobile App](#)
- [Customer Support](#)
- [ALM User License Agreement](#)
  - [Privacy Policy \[New\]](#)
  - [Terms of Use](#)

Copyright 2017. ALM Media Properties, LLC. All rights reserved.