

Cover Story: How a venture launched by a law firm in Winston-Salem is driving growth, innovation

Katie King doesn't believe one has to be a technology specialist to work in e-discovery.

But one does have to be able to pivot and have a desire to be on the cutting edge, she said.

"One thing that's neat about e-discovery is you're always working alongside someone who has that technical expertise," she said. "So I think it's important to be open-minded, able to pivot quickly, and have a broad array of interests. And you need to have an insatiable desire to learn, because we're learning new things every day."

King is project management leader at LitSmart E-Discovery, a Winston-Salem-based venture of law firm Kilpatrick Townsend. LitSmart was started in 2013 and provides discovery counsel, document review and consulting on information governance, privacy and data security.

In five years' time, it has grown into a segment generating \$16 million annually in revenues, a figure that is projected to grow 25 percent in the next year. After launching with about 10 professionals, it now has about 30 full-time employees and 100 contractors.

"We've also expanded our footprint into Houston," King said. "We had so many cases coming out of Houston that we decided we need to have a team member there. We also have a lot of work in Denver, so it made sense to have someone there. Seattle is quite busy as well. And globally we will continue to bring in new team members or partner with certain organizations as needed or as the workload dictates."

About 40 percent of the team is based in Winston-Salem.

Craig Cannon, who serves as LitSmart's team leader, joined the venture at its inception, after having worked as global discovery counsel for Bank of America.

At the time, he said, Kilpatrick Townsend was looking to build a team that addressed e-discovery and cybersecurity issues full time.

"We had some pieces of the team in place already, some project managers, but we didn't really have the technology to do full-service e-discovery work," he said. "And over the course of the next year or so, we purchased all the technology and began to expand the team to include the skill sets that were necessary."

Cannon, who said the venture was profitable from the beginning, noted that the initial investment from Kilpatrick Townsend was



minimal "because we have grown the team strategically and deliberately."

King, who joined LitSmart in 2014, said Kilpatrick Townsend also wanted to keep its e-discovery work in house, rather than contracting it to outside vendors.

"They wanted to internalize some of that revenue," she said. "We wanted to develop the expertise here, and have all the services fall under the attorney-client privilege. And because we had been using so many outside vendors, the quality of service was not what it could be."

A hybrid approach

What LitSmart does, Cannon said, is really a hybrid of technical and legal services, a one-stop shop of sorts.

"We're able to assist our clients not only on the processing of data and hosting of data, but also advise them on the federal rules and state rules that govern the e-discovery process, help them narrow down the data. We're able to assist with everything from start to finish, and assist with things like deposition prep, handling motions. Our team is very broad."

Working in e-discovery, King said, allows attorneys a window into many types of cases.

"When I worked in litigation, I concentrated on one case, or one large class-action type of matter, or a couple of them over a period of months or years," she said. "But we see cases from IP, construction, labor and employment, environmental. We work in all the practice areas served by (Kilpatrick Townsend). The top telecommunications companies, and the top tech companies, we get to interact with them. It makes it exciting."

Many of the contractors who work with the

team, King said, are attorneys who've taken some time off to raise families or start a business and are looking to get back into the legal realm.

"They maybe don't want the crazy lawyer hours; they want more of a set schedule," she said. "They know how many hours they're going to work, and they like that, so they can do other things."

Award-winning innovation

For the past four years, LitSmart has been a finalist for a national Relativity Innovation Award, which recognizes technological achievement in the legal profession.

One of the innovations the team has worked on in recent years that Cannon is most excited about it is the Exhibit Sticker.

"It might sound like a basic thing," he said. "But our review platform did not have a tool that allowed you to put exhibit stickers electronically on documents. And there was a big request for our case teams when they were going to trial, to put those on. So we put in place a LitSmart Exhibit Sticker application. And we have been approached hundreds of times by other law firms to sell it. But we haven't since it's proprietary to us."

LitSmart has also developed an application that allows the tracking of media sent to the firm. And among the projects the team is working on right now is an effort to more efficiently notify attorneys when a lawsuit has been filed against one of their clients.

"This will position them to be able to reach out to those clients immediately and offer assistance," Cannon said.

One area Cannon wants to focus is "high-volume, low-dollar projects."

"Clients are not looking to pay big firm rates for small projects," he said. "They want to bring in resources that are competent to handle what they need done in an efficient way at a lower rate. And that type of work can be done in a streamlined way using the attorneys and technology we have here."

He also sees plenty of growth opportunities internationally. He was recently in China and Singapore for discussions about how LitSmart can be a data steward for clients that have U.S.-based litigation.

"We want to be the No. 1 e-discovery team in the world," he said. "It's just a matter of building out the infrastructure and the team."