



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.

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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 (Credit: winui/Shutterstock.com)

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 \(http://www.legaltechnews.com/id=1202782328666\)](http://www.legaltechnews.com/id=1202782328666), information governance was a natural area for data classification automation technology. Farid Vij, lead information governance specialist at ZL Technologies, [explained to Legaltech News](#)

(<http://www.legaltechnews.com/id=120275884193>) 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](http://www.legaltechnews.com/id=1202782667648) (<http://www.legaltechnews.com/id=1202782667648>) 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](http://www.legaltechnews.com/home/id=1202783333614) (<http://www.legaltechnews.com/home/id=1202783333614>), 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.

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