



Expert Opinion Editorial: Reduce E-Discovery Costs: Organize Data Before Litigation Starts

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Companies should consider encouraging, or even requiring, employees to organize their e-mails and other electronic data in folders corresponding with the transactions in which they relate.

PR9.NET September 04, 2007 - CHARLOTTE, N.C. - Annually, the lack of policies and procedures assuring easy discovery of all pertinent electronic records is costing companies tens of thousands of dollars in this litigious society. In today's world, the details of business transactions and negotiations are recorded electronically through e-mails and text messages. Companies of old had clerical staff and warehouses of dedicated to document storage and cross indexing. Today, individual hard drives and network servers perform the function of storage, but lack the ability to properly cross index correspondence.

Companies should consider encouraging, or even requiring, employees to organize their e-mails and other electronic data in folders corresponding with the transactions in which they relate. Organizing e-mails and other data can make it much easier for counsel to retrieve, filter and evaluate data related to transactions at issue reducing costs.

To understand how this works in practice, consider the following scenario: Company A has five employees involved in a transaction that becomes litigious. None of the employees organize their e-mails or electronic data in a way that makes it easy to separate out the data related to the transaction at issue. The lawyers for Company A thus have to pull all of the data off hard and shared drives, and then apply search terms to find the data in question. It would not be unusual for this data to be in the range of 5-10 gigabytes of information. Law firms typically hire a vendor to filter the data and eliminate duplicates at a rate of \$1,000 per gigabyte. Thus, the company could easily pay \$5,000 to \$10,000 prior to data review.

By contrast, suppose Company B (another defendant in the same case) also has five employees involved in the transaction. Company B's employees, however, have saved the relevant e-mails and electronic data into identifiable folders on their hard drives and on a shared drive. The lawyers for Company B only retrieve those folders related to the transaction at issue, which amount to less than 1 gigabyte of data. The lawyers for Company B still conduct de-duplication at \$1,000 per gigabyte, but because the data set is much smaller, the process costs less than \$1,000. In addition, the company saves attorney time, as the attorneys do not have to review "false hits," and instead review only the relevant data pulled from the appropriate folders.

In summary, if companies encourage their employees to organize their data before litigation starts, they can substantially reduce litigation costs later.

The information in this E-Discovery article should not be interpreted as legal advice with respect to specific situations.

For additional information on this or any other e-discovery topic, please contact any member of the E-Discovery Practice Group listed above.

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