

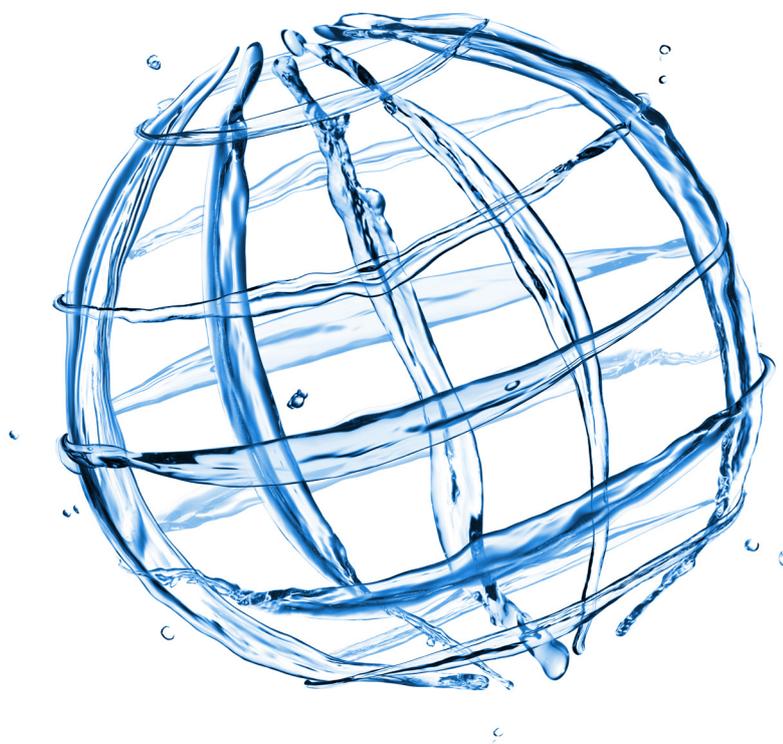


encompass

the full picture, fast

LEAN LEGAL

Visualisation – a smart way to
achieve operational efficiencies in
the legal industry



WHITE PAPER

OVERVIEW

The legal industry in Australia has traditionally enjoyed a consistent demand for its services. However, low business confidence and increasing market saturation in the past five years has seen the industry undergo extensive changes. Despite a generally positive outlook and some matters maintaining a healthy profit margin, the industry continues to experience several challenges. These include high operational costs, changing client expectations, declining demand for some of its services, tightening business budgets, and increasing competition from management consultants and IT professionals. Given the ever growing haystack of information now available to lawyers, these market forces play a big part in compounding another significant and often overlooked challenge - the cost of commercial information management.

Many law firms go through restructuring to try and fill the value gap caused by the changing legal landscape, many larger firms are seeking additional revenue streams through offshore partnerships and mergers. This is making it harder to achieve cross-departmental and cross-border knowledge sharing and collaboration, on top of existing difficulties in effective control and management of critical commercial information.

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This white paper demonstrates how Encompass offers an information visualisation solution to significantly improve the way law firms manage commercial information, enabling them to respond more effectively to market forces while continuing to increase client value and productivity. The Encompass solution provides the means to achieve a lean data management vision to drive operational efficiencies in this highly competitive industry.

Commercial information: Information about the commercial circumstances of people, companies and other entities. Often sourced from official registries and authorities such as ASIC, Land Title Offices, PPSR in Australia.



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THE LEGAL PARADIGM SHIFT

Facing up to the challenges

From a traditionally high paying, high margin and high demand industry, the legal profession is now faced with a new reality that is changing the status quo. Increasing price pressures and competition from management consultancies and IT professionals in the past five years have resulted in slow industry growth at 0.9 per cent¹, shifting the priorities and work processes of this saturated and mature industry.

Filling the Value Gap

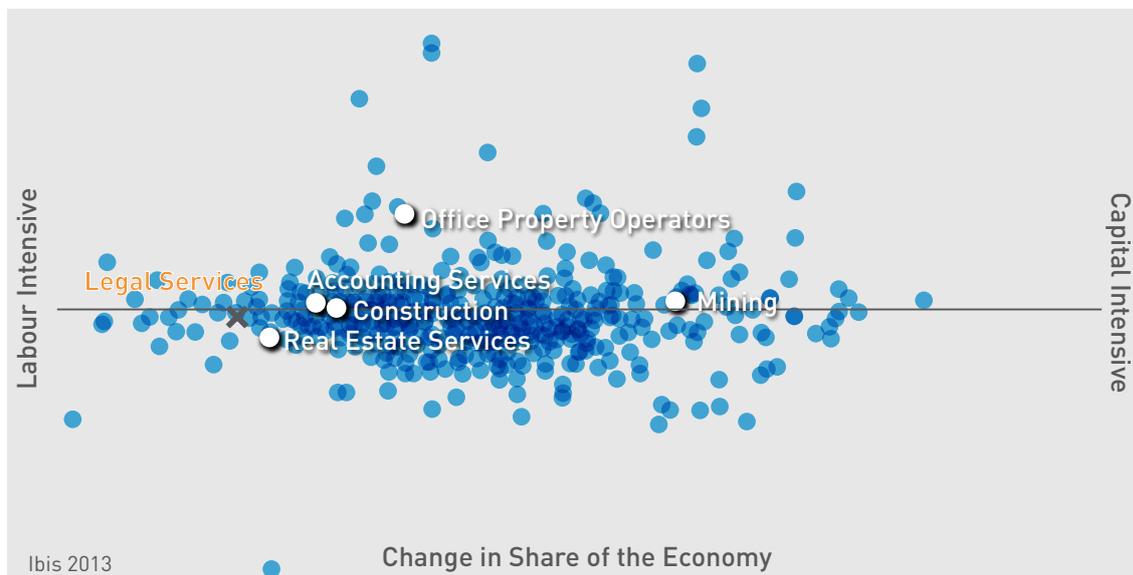
Filling the value gap to retain high value work has now become a key driver of success for law firms. They are seeking ways to offer clients a better service experience. For example tailored approaches such as the introduction of alternative fee arrangements and increased specialisation

reflect the industry's recognition of the value gap.

Achieving operational efficiencies

Reduction of labour costs in this labour, knowledge and skills intensive industry is critical in order to drive higher profits per partner. A bulk of a law firm's labour costs account for an estimated 38.7% of industry revenue².

In most litigation cases, 70-90 per cent of costs are associated with routine legal tasks such as search and discovery. In an attempt to reduce labour costs, many fee earners have to work longer hours and for lower remuneration or such work is being outsourced offshore. However a sustainable solution that enables legal professional to improve the quality of their hours is needed.



Traditional Service Economy

Wholesale and Legal Industry reliant on labour rather than capital to sell goods. Functions cannot be outsourced therefore firms must use new technology or improve staff training to increase revenue growth.

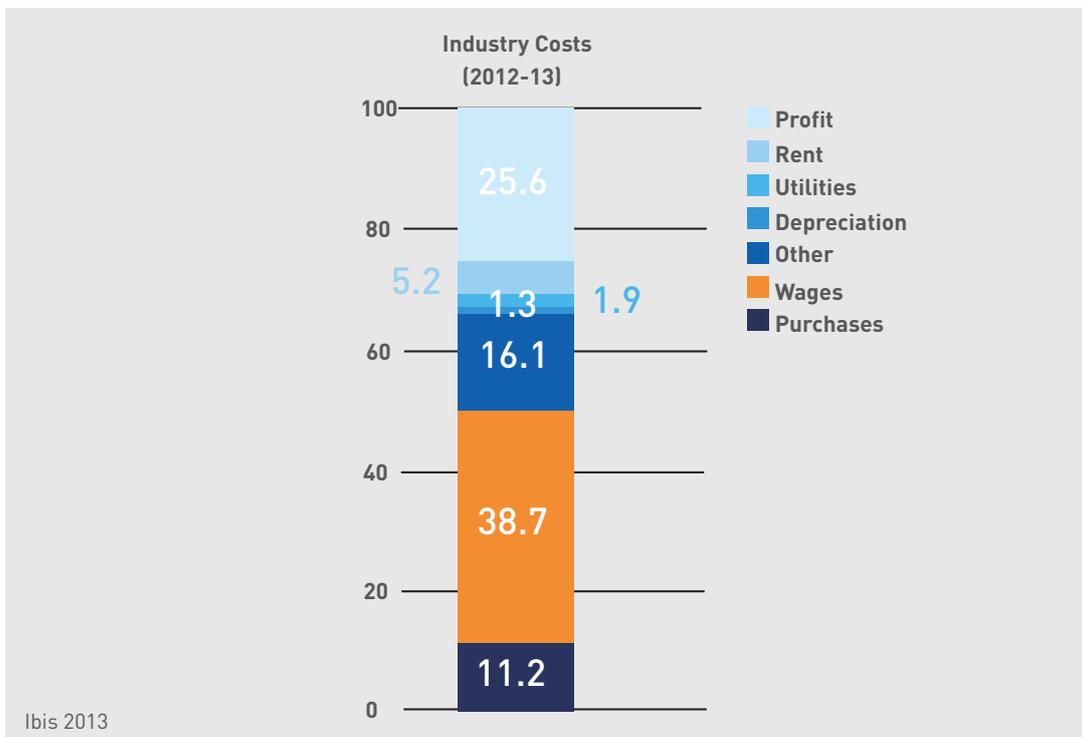
¹Ibis World Report – Legal Services 2013

²Ibis World Report – Legal Services 2013

Global expansion

As the larger Australian firms seek to expand across the Asia-Pacific region, UK and US, cross-border communication and collaboration is also becoming an issue. Local firms have also now become a takeover target for firms in the US and the UK as Australia is seen as a gateway to the emerging markets of Asia. With bi-directional offshore expansion set to intensify over the next five years, local firms need to differentiate their services, stay in step with changing legislation and engage in clear articulation of their advice to clients, because clarity pays.

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THE AGE OF INFORMATION OVERLOAD

A constant challenge in the changing landscape

At the same time as addressing the challenges and priorities presented by a new legal landscape, law firms need to be able to cope with a persistent and interrelated problem of information overload.

The law is changing all the time, creating barriers to productivity improvements. Between 2009 and 2013, a total of 721 bills have been passed in the senate, which is only a fraction of the information lawyers need to be across. The commercial information that they need to search and analyse on an hourly basis is even more daunting. Every day, lawyers grapple with the ability to absorb, understand, extract, manage and identify relevant information amidst the data explosion and the problem of information overload.

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For instance, while the new Personal Property Securities Act (PPSA) has replaced over 195 pieces of legislation, and the new Personal Property Securities Register (PPSR) replaced over 70 Commonwealth and State registers³ the number of registrations on this register have exploded. Statistics on the activity of the PPSR as at 30 June 2013 show that it has had 7,366,053 current registrations with over 6,108,064 searches conducted in 2012-13⁴. The trend in registrations shows that this number is going to continue to rise



further compounding the increasing workload of the legal staff.

Given this magnitude of available data, it is critical for lawyers to have processes that will facilitate lean data management practices. Lean implies getting the most out of a process with the least amount of time and effort spent, eliminating waste of any kind. A primary reason for implementation

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of lean practices is to ensure more effective use of commercial information in order to gain most value out of it with minimum time spent in the search process. Technologies that help understand, analyse and manage linear data by creating visual roadmaps, can work towards overcoming the problem of information overload, creating differentiation and enhancing competitive strength.

³See http://www.aph.gov.au/Parliamentary_Business/Statistics/Senate_StatsNet/legislation/passed

⁴June 2013 PPSR Quarterly Statistics Commentary

THE HIDDEN COSTS OF INFORMATION OVERLOAD

The inherent risk of human error

When the 'human' factor is introduced to the complex task of extraction, consolidation and interpretation of data, errors are inevitable. Research by Carnegie Mellon University has shown that human performance tends to degrade when undertaking repetitive tasks, when stress levels are raised and a when situation becomes more complex (Shelton, C. 1999). In the world of law where support and professional staff are either conducting repetitive searches, experiencing high stress levels, facing increased work hours and in some cases also facing reduced remuneration, ensuring correct interpretation and analysis of information has become more important and challenging than ever before. When it comes to legal advice, near enough is just not good enough.



Relevance in the information haystack

Data interpretation is only as good as the inherent human effort to determine what is relevant. Furthermore, in order to achieve operational efficiencies, it is imperative that relevant information can be identified from a haystack of available data in the shortest possible timeframe. This is not an easy task when faced with pages and pages of linear data from various data captures in a diverse range of formats.

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Review, rework and duplication

As law firms experience geographical diversification and legal process outsourcing, there is reduced transparency in the processes across borders and across departments. This can result in reduced collaboration leading to inadequate work review, doubling up of tasks and increasing rework due to missed errors.

HARNESSING THE POWER OF INFORMATION WITH VISUALISATION

Technology to the rescue

Many top-tier and mid-tier law firms have turned to the latest technologies in order to minimise the time spent on mundane search and discovery tasks. Technology, including databases, intranet, or the latest communication equipment that can seamlessly link lawyers to their clients, are all becoming mainstream. It's widely accepted that technology delivers distinct benefits such as enhanced fee earner productivity, improved multi-tasking and increased profit margins per partner.

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A recent study by Reuters shows that while 32 per cent of lawyers expected to work even longer hours in 2013 than the year before, 78 per cent of them claimed to have benefited from better workflow and efficient work practices due to the introduction of legal search technology .



THE POWER OF PICTURES

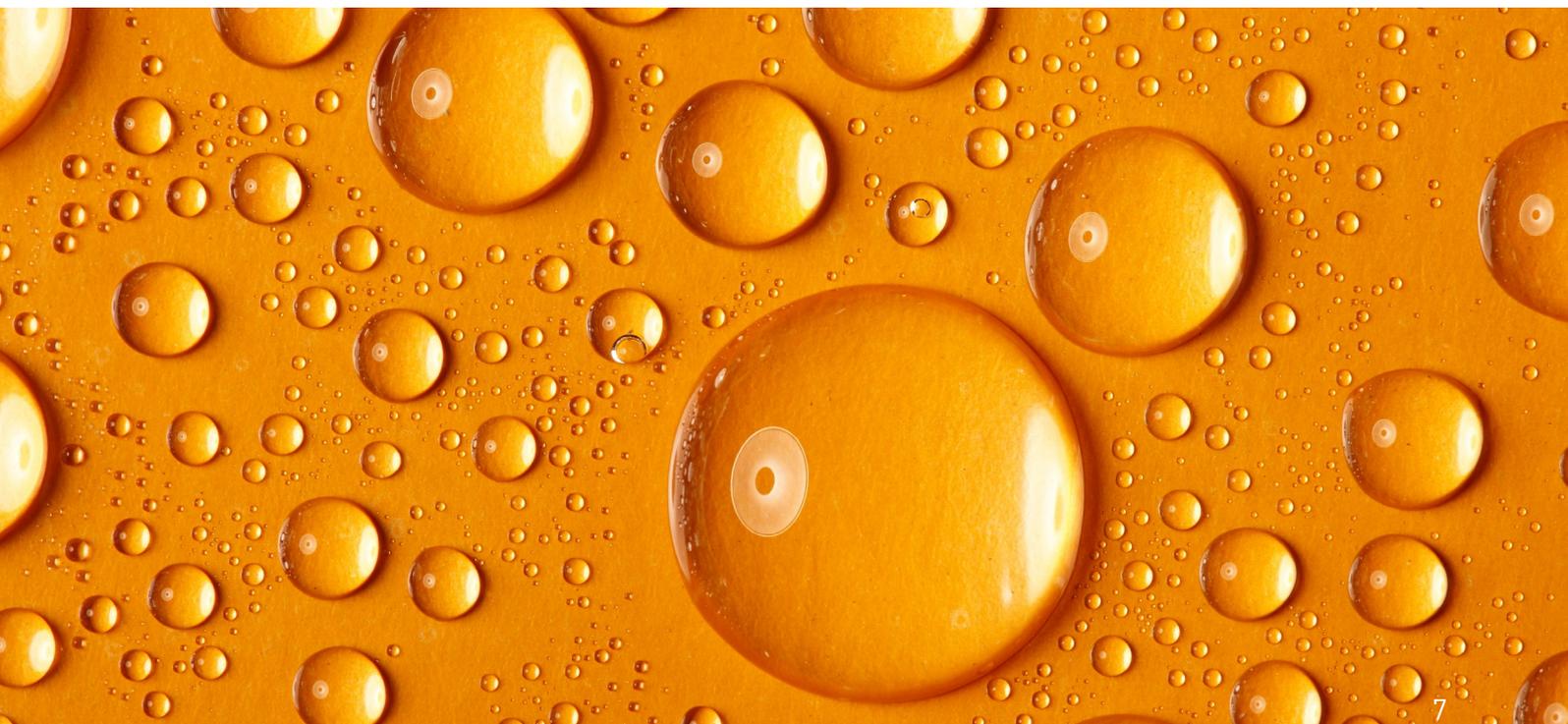
Clarity pays

Humans are wired for visuals. Pictures speak a universal language that is not limited by geographical boundaries. Visualisation is neither a frill nor a novel phenomenon. It is no surprise that it is gaining popularity amongst lawyers. It is becoming increasingly important for lawyers to create powerful persuasion and influence when preparing their advices in order to monetise information.

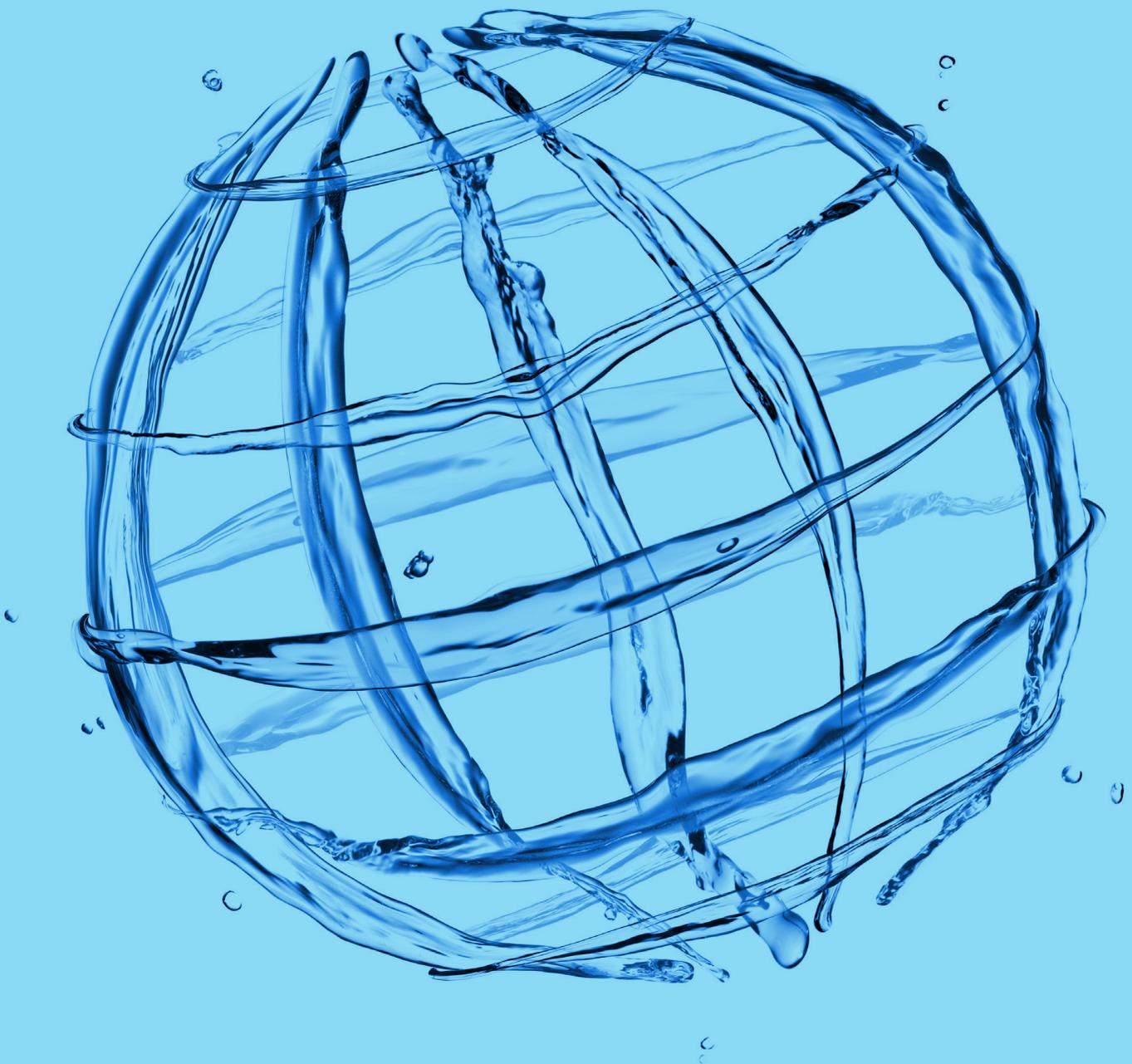
a data visualisation solution plays a big part by turning static information into actionable insights.

While the law is becoming more complex, the good news is that legal information can be simplified by software that can extract relevant information

with the ease of point and click functionality. This is where a data visualisation solution plays a big part by turning static information into actionable insights reducing the time spent in search and discovery and helping to close the value gap. Information visualisation solutions ensure that lawyers across multiple geographical zones are on a level playing field for seamless cross-border communication, collaboration and workflow. While visualisation is not a substitute for common sense or expert knowledge, a lawyer can use it to clearly communicate in a universal language with a client as well as with his or her work teams. This not only helps achieve real time results, but it also creates a distinct differentiation against competitors.



LEAN LEGAL WITH ENCOMPASS



Trimming the fat

Encompass is a unique and innovative visual information management solution that is revolutionising the way lawyers consolidate, review and manage commercial data that is essential to their everyday work. In essence it is enabling law firms to apply a lean methodology to the way they work with commercial information, and visualisation is key to achieving this.

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As a web-based application, Encompass powerfully and securely combines corporate, personal, property and other data from a growing list of regulatory, information provider and credit bureau sources. In Australia, these include ASIC, PPSR, ITSA, Land Titles, GDC personal verification, RP Data property and Experian credit reports.

Encompass can become an integral part of a lean data management methodology by shaping the commercial information into a structured format. By providing a full and accurate picture of any company's or person's commercial circumstances and security position, Encompass enables lawyers to make faster, more informed decisions, helping law firms reduce their costs and risks while increasing productivity and profit margins. Encompass helps uncover clear links between shareholders, directors and their past and present activities with simple point and click functionality. The resulting intelligence can be saved, refreshed and shared between teams. The added benefit of visualising linear, single-dimensional data into an interactive multi-dimensional picture is that users are able to clearly see links that would otherwise be difficult to see in an information haystack uncovering possible new business opportunities.

With visualisation at its core, Encompass assists processes such as sharing, managing and optimising the usage of data across teams, departments and borders. It puts data into perspective by extracting, consolidating and displaying links instantly. This search, review and manage ecosystem enables organisations to get more done in shorter time frames with minimum effort minimising waste and maximising efficiencies.

FROM LINEAR DATA REPORT

The screenshot shows a 'Registration Number Search Certificate' from the Australian Government's Personal Property Securities Register (PPSR). The report is dated 07/08/2013 and provides details for a search certificate number 121448993960002. It identifies the grantor as JULMIC PTY LTD (ACN: 001445343) and lists search criteria such as 'All collateral classes' and 'All registration kinds'. Registration details include a registration number of 201207250000184, a security interest, and a registration start time of 25/07/2012 15:09:26 (Canberra Time).

Search Criteria Details	Registration Details
Grantor type: Organisation	Registration number: 201207250000184
ACN: 001445343	Change number: 687040
Registration state: Current	Registration kind: Security interest
Collateral class: All collateral classes	Registration start time: 25/07/2012 15:09:26 (Canberra Time)
PMSI: Registrations that are either a PMSI or not a PMSI	Registration end time: 25/07/2012 23:59:59 (Canberra Time)
Transitional: Not Transitional	Registration last changed: 25/07/2012 15:09:26 (Canberra Time)
Transitional - non migrated	Subordinate registration: Not stated
Transitional - migrated	Transitional: No
All registration kinds	Registration State: Current
Ascending	

TO ENCOMPASS REPORT - THE FULL PICTURE

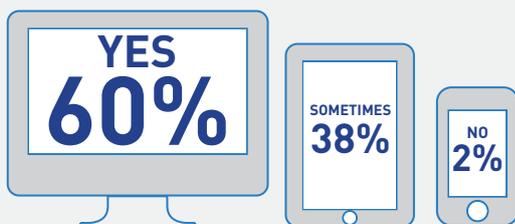
The screenshot displays the Encompass web application interface. At the top, there is a navigation bar with 'SAI GLOBAL' and 'encompass' logos. The main area features a complex network diagram with nodes representing various entities and their relationships. A search bar is visible at the top right. The bottom of the screen shows a user interface with a name 'User', a date '13/08/2013 15:36:11', and several document thumbnails including 'Purchase History', 'PPSR Summary', 'Search Certificate', and 'Car Asset.pdf'.

While visualisation brings a new and powerful paradigm to the consolidation and review of commercial information, Encompass adds additional benefits that extend the data management continuum. These include

- » [Management and integration to external workflow](#)
- » [Document collaboration](#)
- » [Information refresh over the duration of the case](#)
- » [Case management](#)

This unique Software-as-a-Service (SaaS) visualisation solution, apart from being easy to use and understand, is also easy to integrate within current business practices since Encompass generates hyperlinks for each workspace that can be copied and pasted into existing practice management systems and workflow software. Operational efficiencies can be significantly enhanced with this agile and scalable solution that can be rolled out across the organisation with secure transaction storage, secure data submission and central access to documents preventing accidental data corruption and duplication.

Does the role of technology help professionals work more efficiently?



Legal Practice Intelligence 2013

How does technology help make professional's roles easier?



78%

- Easier/Quicker legal research**
- 54% Quicker admin**
- 37% More effective workflow**
- 33% Easier to read around the subject**
- 12% less networking to do**

CONCLUSION

In the world of information overload, Encompass can provide the means to consolidate, manage and review commercial data effectively. Adoption of smarter and lean data management practices via solutions such as Encompass, is essential for building a sustained competitive advantage for law firms, which translates into higher profit margins and enhanced client experience. The pictures and link charts produced by Encompass not only allow organisations to reduce the laborious and costly search, review and manage functions associated with commercial information, but also improve the quality of actual legal service. The extensive visual cues also help identify new business opportunities and provide a universal language, enhancing team work and cross-border communication and collaboration. With greater collaboration, commercial opportunities can be realised across departments and geographical zones and help create consistent workflows that are paramount to business continuity.

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In addition to the internal organisational value that Encompass can deliver, it also brings a host of external benefits for firms such as the ability to create service differentiation by improving customer perception, building strong customer relationships, building positive brand value and enhancing customer experience.



ABOUT ENCOMPASS

Encompass Corporation is the developer of Encompass software based in Sydney with over 40 employees and growing fast. Encompass is a web-based application that powerfully and securely consolidates corporate, personal, property, asset and other disparate data sets from a growing list of regulatory, information provider and credit bureau sources. In Australia, these include the company's regulator - ASIC, Bankruptcy and Secured Interests Registers, Land Title information and other Government Regulatory data, GDC personal verification data, RP Data/ Core Logic property AVMs and reports and Experian commercial and consumer credit reports.

Encompass displays people, property and

assets as symbols on an interactive visual chart in your web browser. This visualisation can then be used to uncover relationships, access legal documents and find out more about different entities in the picture. The resulting intelligence can be saved, refreshed and shared to reduce costs and increase productivity.

Encompass Corporation has recently established offices in the UK, Asia and Europe and has its sights firmly set on North America and other international markets.

For more information visit www.encompasscorporation.com

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