Westlaw & Lexis

Path to Commoditization

Feit CONSULTING

2016 Market Trends

Legal Information Series™

The **Market Trends Legal Information Series** has been developed with the intention of providing objective guidance to large and medium law firm administrators on best practices relating to the management of legal information resources. The series provides important analysis and guidance not available elsewhere. Making informed decisions regarding legal information options is nearly impossible without outside advisement, largely due to the secretive nature of legal information pricing.

To create the reports in this series, Feit Consulting continually conducts telephone interviews and online surveys to obtain data from a majority of midsize and large law firms.

In each report, the collected data is synthesized with knowledge from leaders in the legal information market, with a goal of providing clear, reasoned counsel. Each report will arm law firms with pertinent information and best practices relating to the management of legal information. Collectively, the Market Trends Legal Information Series explores the most important components integral to a large law firm's legal information strategy.

The reports in the 2016 Series are:

Westlaw & Lexis: Path to Commoditization

The Sole Provider Playbook: Success and Best Practices in the Elimination of Lexis or Westlaw

Evaluating Westlaw and Lexis Pricing: Optimizing Pricing in an Evolving Market

Beyond Virtualization: Transforming the Law Library – Outsourcing & Digitalization

WESTLAW & LEXIS:
PATH TO COMMODITIZATION

Confidentiality

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About the Author

Michael Feit brings over 25 years of experience and deep knowledge of the legal information industry.

After a brief stint as an attorney, Michael found his true calling in legal information, joining Westlaw in 1990 as an Account Representative. A diehard Westlaw enthusiast, he quickly advanced in the company. By 1995, he was Westlaw's Regional Director for the Midwest, achieving the highest revenue growth in the US from 1995 to 1998.

In 1998, Michael became Senior Director of Large Law for Westlaw. He managed a portfolio of nearly half a billion dollars and, through an array of strategies, achieved double-digit revenue growth. In his role, Michael had access to all of Westlaw's law firm contracts, for each product. With a keen ability to understand both corporate and client needs, Michael successfully developed and implemented strategies to achieve balanced vendor-client relationships.

The Thomson purchase of West Publishing in 1996 shifted the primary focus at Westlaw from customer satisfaction to profitability. Pricing became random and highly disparate. The increasing disparity in price and varying contract terms amongst large law firms, along with a heavy emphasis on profitability, led Michael to leave Westlaw.

In 2001, Michael founded Feit Consulting, providing law firms with services related to the management of their online legal information vendors. Since it's founding, the secretive nature of each legal information product (whether from Westlaw or Lexis) has been the main reason firms have sought Feit Consulting's counsel.

From 2008 to 2009, coinciding with the Recession, Feit Consulting was engaged exclusively by LexisNexis Large Law Strategy Group, to assist them in developing a tailored approach to customer retention for large law firms which Lexis deemed "at-risk." The engagement provided Michael with a global view of all Lexis brand product pricing across US law firms.

Since its inception, Feit Consulting has worked with over 100 law firms, assisting each one in better understanding best practices in legal information. In the process, Feit Consulting's clients have benefited from increased efficiencies and savings totaling in excess of $150 million. (*Learn more about Feit Consulting on page 57*).

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Section I
Introduction & Purpose

This report follows the progression of Westlaw and Lexis through their respective product life cycles, viewed through the lens of my experience in the midsize and large law firm markets.

A product has been commoditized when there is no unique value that distinguishes it from competitors. More simply put, a commodity is a product that can be substituted by another. Made by different companies, commodity products are similar in quality and results, and are viewed as essentially interchangeable.

Even once-innovative products and services ultimately find themselves on the path to commoditization as they mature. Fierce competition motivates products to adopt their rival's successful features, and therefore become more similar. While there may be preference for one or another, just like that of Coke and Pepsi, unique product benefits become less obvious.

In the world of legal information, Westlaw and Lexis have been and remain the market leaders. Until recently, midsize and large law firms universally believed that Westlaw and Lexis were complementary products. Each vendor had enough demonstrable unique content to support the notion that firms should retain contracts with both, particularly firms with diverse practice groups.

Over time, more firms began eliminating either Westlaw or Lexis and the sole provider trend emerged. Today, the percentage of large law firms with just one of these two providers is essentially 50%. The proverbial genie is out of the bottle. The market is demonstrating with its actions that Westlaw and Lexis are rapidly becoming interchangeable. Eliminating a vendor creates a great opportunity for firms to free up a large amount of resources and to enhance their legal information infrastructure with new products.

To quantify the extent and motivation behind the sole provider trend, Feit Consulting conducted a comprehensive analysis of the entire large law firm market. This report concludes that Westlaw and Lexis are no longer complementary products. Rather, the retention of both of these vendors is an unnecessary luxury that most firms should forego.

Michael Feit, June 2016

Section II
Report Process/Methodology

To provide a comprehensive and detailed view of the current market, Feit Consulting collected and analyzed data from midsize and large law firms.

For the purposes of this report, midsize law firms are defined as firms with 40-99 attorneys. Large law firms are defined as firms having more than 100 attorneys.

Firms who retain both Westlaw and Lexis are referred to as *dual provider firms*. Firms who have chosen to retain only one of these legal information providers are referred to as *sole provider firms*.

Market Research Approaches

Data was collected through the following methods:

- *Phone Interviews:* Conducted from March 2015 through April 2016, with 179 firms. These interviews revolved around the firm's current legal information strategy and sentiments toward vendors.

- *Surveys:*
  - *Associate Westlaw/Lexis Preference Survey* - Conducted in April 2016, with 238 respondents. Survey responses are located in Appendix I.

  - *Westlaw/Lexis Sentiment Survey* - Conducted from March 2016 through April 2016, with 127 firms responding, including 46 Am Law 200 firms. Survey questions and responses are located in Appendix II.

Via the combination of methods described above, Feit Consulting was able to collect data on roughly 98% of the large law firm market (see the table below). Additionally, data was collected from 141 midsize firms.

Large Law Firm Market

Firm Size	Firms in Segment*	Firms in Report**	% Coverage
100-199	206	196	95.1%
200-499	115	115	100.0%
>500	92	92	100.0%
Total Firms >100	413	403	97.6%

Accuracy

In the table above, the 'Firms in Segment'* was captured from Leadership Directories[1] and has been updated with changes in firm size that Feit Consulting has been able to track. The number of 'Firms in Report'** represents the number of firms on which Feit Consulting has captured data through the various methods described above.

Feit Consulting has taken additional steps to ensure accuracy through random verification checks. In the *verification*, Feit Consulting followed up with firms who had previously been interviewed or surveyed. Any discrepancy was reviewed and corrected.

The legal information market is in a state of constant flux. With new contracts being negotiated monthly, data will change continually over time. Allowing for these changes in contracts and other inconsistencies in survey results, the data provided in this report, as it relates to firms that have chosen a sole provider, is as accurate as possible.

Confidentiality of Clients

To protect the confidentiality of all our clients, data has only been included using the methods described above. No data was utilized directly from any specific Feit Consulting engagement, although clients of Feit Consulting were offered the opportunity to participate.

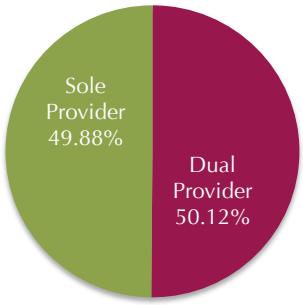
[1] Leadership Directories: https://www.leadershipdirectories.com/.

Section III
Current Snapshot 2016

The roles of Westlaw and Lexis in the legal information market have reached a tipping point. Until 2008, an overwhelming majority, approximately 85% of large and 58% of midsize law firms had both vendors. Since then, the number of firms that have eliminated either Westlaw or Lexis has grown significantly. Today nearly 50% of large law firms are choosing a sole provider for their legal information needs.

Dual Provider vs. Sole Provider

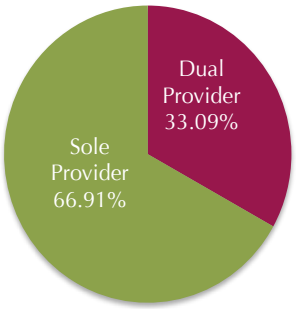
Large Law: Firms >100



The smaller the firm, the more likely it is to have chosen a sole provider. As illustrated below, 67% of midsize firms currently have a sole provider. Typically, these firms are more homogeneous with fewer practice groups. Therefore, the need to retain both vendors is substantially less than at larger firms.

Dual Provider vs. Sole Provider

Midsize Law: Firms <100



The tables below portray the detailed landscape of the sole provider status in the law firm market.

In the **large law firm market**, 201 firms currently have just one vendor, 202 firms have both. Westlaw dominates amongst firms with less than 200 attorneys. In contrast, Westlaw and Lexis retention is more evenly split in firms with more than 200 attorneys. Similar to the smallest of the large-law-firm segments (100-199 attorneys), Westlaw is dominating over Lexis in the **midsize law firm market** as well, 39% versus 28%.

Sole Provider Adoption Rate: Midsize & Large Law Firm

	Firm Size	Firms*	Dual Provider	% Dual Provider	Sole Provider	% Sole Provider	Sole Provider: Westlaw	% Sole Provider: Westlaw	Sole Provider: Lexis	% Sole Provider: Lexis
Midsize Law	*40-99*	141	46	32.6%	95	**67.4%**	55	39.0%	40	28.4%
	100-199	196	71	36.2%	125	**63.8%**	85	43.4%	40	20.4%
	200-499	115	57	49.6%	58	**50.4%**	29	25.2%	29	25.2%
	>500	92	74	80.4%	18	**19.6%**	11	12.0%	7	7.6%
Large Law	*Total >100*	403	202	50.1%	201	**49.9%**	125	31.0%	76	18.9%

*Firms = Total number of firms data was collected on through Feit's market research.

In viewing the large law firm market by detailed segment size, there is a direct and very interesting correlation between size and sole provider adoption. As firm size increases, the adoption rate slows. More than 60% of firms with less than 300 attorneys have chosen a sole provider.

Sole Provider Adoption Rate: Large Law Segments

Firm Size	% Sole Provider
100-199	**63.8%**
200-299	**60.7%**
300-399	**42.4%**
400-499	**33.3%**
500-749	**28.2%**
>750	**13.2%**

The **Am Law 200** is often the group of firms the market looks to as leaders. As illustrated below, 33% of all Am Law 200 firms are currently sole provider. Of the firms that comprise the Am Law 101-200, 52% are sole provider. The split between Westlaw and Lexis at Am Law 200 sole provider firms is relatively even.

Sole Provider Adoption Rate: Am Law 200

	Firms*	Dual Provider	% Dual Provider	Sole Provider	% Sole Provider	Sole Provider: Westlaw	% Sole Provider: Westlaw	Sole Provider: Lexis	% Sole Provider: Lexis
Am Law Top 100	97	84	86.6%	13	**13.4%**	6	6.2%	7	7.2%
Am Law 101-200	98	47	48.0%	51	**52.0%**	28	28.6%	23	23.5%
Total	195	131	67.2%	64	**32.8%**	34	17.4%	30	15.4%

*Firms = Total number of firms data was collected on through Feit's market research.

The number of firms who currently have one legal information provider does not truly depict the extent of the sole provider trend. Through our phone interviews and our Westlaw/Lexis Sentiment survey, we discovered several *reinstators* - firms who eliminated a vendor in the past, and then decided to bring that vendor back.

Of the forty-six Am Law 200 firms that participated in our Westlaw/Lexis Sentiment Survey, twelve were reinstators. These firms indicated that they had eliminated a vendor but then reinstated that vendor in the last three years.

Through our market analysis, Feit Consulting has estimated roughly 5-10% of large law firms with dual providers had been sole providers in the last three years. Most of these firms reinstated a vendor with exceptional pricing. In doing so, these firms obtained a reduction in combined online costs ranging between 25% and 75%. A small number of firms in our survey noted the challenges of having a sole provider as the reason they decided to reinstate the eliminated vendor.

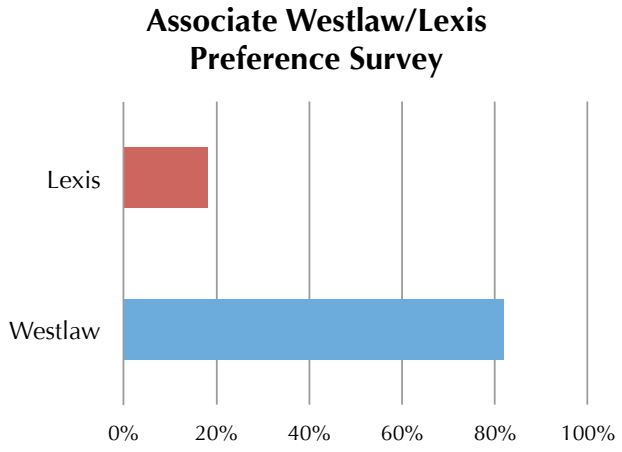
In contract negotiations, there are also dual provider firms who leveraged the threat to eliminate, but ultimately decided to retain both Westlaw and Lexis. While the outcome was not a sole provider, these firms gained substantial improvement in pricing from this strategy.

While the sole provider trend has emerged, there are many librarians who believe retaining both Westlaw and Lexis is necessary. For others, work-arounds have worked and firms have been able to transition to a sole provider. Both of these views were evident in Feit Consulting's Westlaw/Lexis Sentiment Survey.

Section IV
Market Sentiment

Market share does not always equate to preference. Responses in Feit Consulting's Associate Westlaw/Lexis Preference Survey and the Westlaw/Lexis Sentiment Survey quantify the current preference and sentiment of Westlaw and Lexis. It is interesting to see the current respective views of each vendor.

Of the 238 associates surveyed, 81% who indicated a preference - prefer Westlaw.



In Feit Consulting's Westlaw/Lexis Sentiment Survey, firms were asked to provide three words to describe each vendor. Responses are depicted in word clouds on the following page. Only words mentioned more than once are captured. The more often a word was mentioned, the larger the font size. These word clouds illustrate a colorful composite view of each vendor today.

Lexis

Westlaw

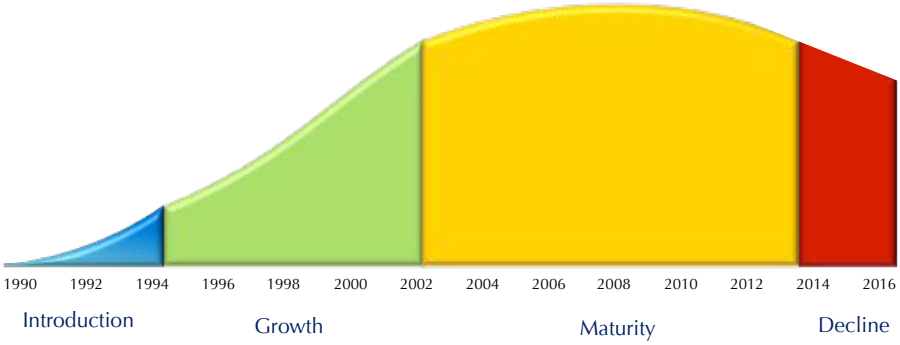
Section IV
Path to Commoditization
Product Life Cycle

There are four stages in the **product life cycle: Introduction, Growth, Maturity and Decline**. As a product or service evolves over its life cycle so does its business strategies. The *Path to Commoditization* depicts how Westlaw and Lexis have progressed through their respective life cycles and the corresponding impact on pricing strategies. It examines the various strategies and tactics deployed by the vendors at each different stage.

The charts below illustrate Feit Consulting's respective representations of Westlaw and Lexis, in relation to the timeline of their product life cycles since 1990.

Lexis Product Life Cycle

Westlaw Product Life Cycle



Introduction Stage

When a product launches into the market, it enters the introduction stage. The goal is to build product awareness. Pricing is low to cultivate a customer base.

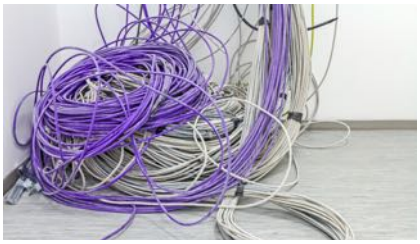
When I began my career in legal information as an Account Representative for Westlaw in 1990, Lexis - being the first product to market - was dominating the legal information scene. At this time, 65% of the large law firm market had Lexis. Westlaw, on the other hand, was only utilized at approximately 25% of law firms. The sole purpose of Westlaw account management was to train and acquire users.

West executives had just gotten over their fear that Westlaw would cannibalize West Publishing's very important, large and still rapidly growing print revenue. The excitement and buzz about Lexis in the market was impossible to ignore. The enormous potential of Westlaw became clear to the executives, and it was imperative that Westlaw become a viable competitor to Lexis and do so quickly. West began investing heavily in Westlaw with the goal of dethroning Lexis.

At that time, both products were in their infant stages, shadows of what they are today. Despite this, both products were brilliant. They were essentially the Internet in a pre-Internet world. Nevertheless, they were clunky, with Boolean searching and unintuitive search commands. Moreover, content was incomplete - yet still tremendously beneficial. It was a thrilling time to watch these vendors develop and fiercely compete to become the all-encompassing products we know today.

Flashback

In the 90's, I recall crawling on the floor to find available phone lines for clients. This was before desktop computers and long before firms were networked.



Both vendors' strategies were focused on indoctrination and penetration, with little attention paid to revenue. Free trials were frequently offered to firms. Pricing was completely transparent and the same for everyone. For Lexis, costs were incurred on a transactional basis, while Westlaw costs were based on the amount of time a user spent in a database. While this 'pay go' pricing was then at its simplest, it was still too confusing to explain to most associates.

Penetration of the law firm market was fast and furious for these two vendors, despite numerous obstacles that should have impeded this progression. Senior partners were not yet buying the value proposition of these products. They were skeptical, debating the merits of online research and warning of the potential pitfalls and mistakes.

Connectivity in the early 90's was primitive and access points were somewhat limited. From dial-up to slowly improving baud rates, getting on-line tended to be frustrating.

Even with these obstacles, these two relatively similar products simultaneously penetrated the law firm market. Their mutual success can perhaps be attributed to a brilliant strategy these vendors executed. The sales pitch was simple: "net-zero" cost to law firm. Proper implementation and utilization of client pass-through tools would shield law firms from any direct costs. Both vendors created tools allowing usage to be tracked by the user, and in turn directly passed through to the appropriate clients.

The battles being fought at this time between the vendors mostly had to do with positioning within the firm. For example, a huge impact on new associates' preference was which vendor training was scheduled first. Displaying marketing materials and determining how often vendor representatives would be allowed to visit were also critical to product success.

Typical Goal Offer

Usage goal for January:
10 hours

~If usage for January exceeds 10 hours, the firm receives free offline print the following month.

Connectivity issues, pricing concerns and the newness of on-line research all impeded usage. The vendors needed a tool to stimulate law firm adoption and usage, and special offer pricing was born as a catalyst. The original special offers at Westlaw were known as *goal offers*. They were absolutely risk-free to the law firm. Contracts at this time were short-term, typically 3 or 6 months, the longest being a year.

Goal offers were extremely successful and by 1993, things started to quickly improve for Westlaw and Lexis in terms of connectivity.

Both vendors started bringing in their own dedicated terminals, improving access everywhere. Simultaneously, both vendors rapidly and tremendously improved their products year over year. Natural language searching was in play and both vendors built successful, strong law school programs. Growth began to explode beyond expectations.

Photo courtesy of Cooper Hewitt, Smithsonian Design Museum.

Growth Stage

In the growth stage of the product life cycle, revenue is growing and brand preference is developed.

With access points to Westlaw and Lexis becoming abundant and connectivity issues dissipating, both vendors entered into a period of mind-blowing and ever-accelerating growth. By 1994, 95% of large law firms had both Lexis and Westlaw. Usage and revenue increased 20-75% annually.

Firms enjoyed the 'customer is always right' philosophy that both vendors embraced. Customer feedback was respected and encouraged. With costs being passed-through to firms' clients, it was a period of mutual admiration.

The competition between Westlaw and Lexis was fierce on all fronts. Both products were continually and rapidly enhancing with tremendous ongoing innovation. The products also became more complete, with deeper and more archival content sets.

Flashback

The online legal information market was so much fun to be a part of during this incredible growth stage, for both vendors and law firms. Law firms loved their vendors. In the go-go 90's, everything was great. The market was super-charged everywhere.

Healthy competition spurred each vendor to strive to match and surpass the other in content and functionality. Lexis was favored for *News and Information*, while Westlaw was favored for *Litigation*. One vendor would announce a new feature, only to be matched and out-done by the other.

As growth accelerated and prices increased, the vendors worked even harder to ensure costs would not become a concern to law firms. Vendors created very successful programs to instruct firms on how best to develop and maintain strong online cost recovery.

With "pay go" pricing available, usage could be turned off or stifled at anytime by a law firm. In the mid-90's, vendors began to seek extended commitments from law firms to further stimulate vendor revenue growth. *Goal offers* were beneficial in growing usage but didn't secure any meaningful commitment by the firm to the vendor. Both Westlaw and Lexis developed an array of confidential special offers to provide firms with obvious value when compared to 'pay go' retail rates and *goal offers*.

At Westlaw, firms were transitioned from retail rates and *goal offers* to *variable rate contracts*. *Variable rate contracts* came with affirmative obligations to the firm that included a requirement to promote the vendor. The monthly costs to the firm in *variable rate contracts* varied based on usage. Firms were enticed by these contracts because of the potential 20-40% discount off of retail rates.

Variable rate contracts yielded greater revenue for vendors compared to fixed fee arrangements. While usage was still growing quickly, both vendors discouraged fixed fee arrangements that would prematurely cap their revenue.

Contract renewals typically provided genuine savings above the previous contracts, with escalating discounts year over year. For the firm, there was no reason not to renew, as second and third generation contracts typically improved the discount the firm enjoyed. With exponential usage growth, the vendors were able to increase discounts to law firms in each cycle by greater than 10%, while still managing to achieve record revenue growth.

Usage continued to ramp up through the late 90's. Both vendors' law school programs were top-notch, turning out graduates that became loyal users. Additionally, firms still had associates and partners that were late adopters to online research. The final and most important accelerant was the availability of Westlaw and Lexis on the desktop.

During this growth period, firms could ask for almost any term they wanted in negotiations; out-clauses were commonly provided. Contract terms varied anywhere from three months to ten years. Special offers were uncharted waters. As they evolved over time, it became clear to both vendors that, when executed properly, special offers were a valuable tool that would ensure a growing revenue stream over a fixed time period.

Flashback

In 1998, when I became Director of Large Law Strategy for Westlaw, 45% of large law firms had special offer pricing with Westlaw. One of the very first initiatives I had in this capacity was to substantially grow the number of firms with special offers.

In 1998, a new emerging concern of large law strategy at Westlaw was that usage might start to slow down within the next 3-5 years. The number of available users accessing both systems was nearing capacity. After ten years of comprehensive servicing of law firms, both vendors had reached almost all existing attorneys, and desktop access was becoming universal.

At this time, 55% of firms were still paying retail rates and 45% were on special offer pricing. While Westlaw had the ability to alter retail pricing to achieve increased revenue, the more important strategy at this time was to secure long-term commitments through special offers. Committing firms to long-term *special offers* secured long-term revenue for Westlaw.

The importance of migrating all law firms to special offers resulted in huge incentives being given to the remaining retail pricing/'pay go' customers.

An unfortunate outcome of special offer pricing was the birth of non-transparent pricing. Every law firm's online contract was unique with vastly different terms, including, but not limited to, price, contract type and length, content inclusions, out-clauses, organic growth clauses, merger clauses, and duty to promote. Confidentiality clauses were included in special offer contracts, creating a new secretive pricing system. Contracts became snowflakes, no two were alike. The days of known retail rates were coming to an end.

In my two years in strategy at Westlaw, firms with special offers increased dramatically from 45% of firms to 80%. 1999 to 2000 was a celebratory time at Westlaw strategy, as the company had matched Lexis on top measures including revenue, preference and usage.

Maturity Stage

In the maturity stage of the product life cycle, as sales peak, the primary objective is maximizing profit and maintaining market share.

In 2001, more than 95% of large law firms had both vendors, and roughly 80% of midsize and large firms had special offer pricing. Westlaw and Lexis' market share on usage, revenue and preference was essentially equal.

From the law firm's perspective, life seemed good in relation to legal information costs. Recovery rates were at their highest - roughly 97%. Some firms even turned Westlaw, Lexis and other product expenses into profit centers, up-charging these costs to clients. For the most part, law firm clients were covering the online legal information costs of the law firm, and therefore the cost of Westlaw and Lexis was not a concern.

By 2002 and 2003, annual usage growth was beginning to slow from its peak of >50% to 10-15%. Due to this, both vendors were motivated to move away from their traditional variable rate contracts based on usage, which was causing their revenue to vary monthly. The vendors decided to incentivize firms to move toward fixed fee contracts. While these new contracts yielded deeper discounts for firms in months when usage was average or greater, they committed the firms to paying the same price even in months when usage was low.

Contracts negotiated in the 90's routinely included out-clauses that allowed a firm to provide 30, 60, or 90-day notice of cancellation. As firms began using out-clauses, this became problematic to the vendors. Use of out-clauses had the potential to severely cut into revenue. In at attempt to eradicate out-clauses from the market, vendors persuaded firms to trade their out-clauses for free additional content or products.

Lexis was being disintermediated somewhat by the Internet which was making news and information content widely available. From Feit Consulting's view, Lexis appeared to cut back on its law school programs, resulting in summer and fall associates joining law firms predisposed to Westlaw.

In 2004, recovery rates of online contracts took a slight hit when the American Bar Association issued a ruling that costs to firms could not be marked up when passed through to clients[2]. Previously, any discrepancy in recovery and contract cost could be recouped by charging clients more. Despite this change, large law firms still managed to recover nearly 85% of their online costs until 2008.

[2] American Bar Association, Model Rules of Professional Conduct, Rule 1.5: Fees, effective 1/1/2004.

With slowing usage, both vendors needed a new method to grow revenue. Both Westlaw and Lexis initiated excluded/outside contract cost strategies. When new content was acquired, the vendors would typically exclude new content from already-existing contracts. Additionally, the vendors created new out-of-contract libraries/databases by combining excluded new content with previously included content. This shell game tactic trapped and lured innocent users into surprisingly high excluded/out-of-contract charges. Feit Consulting observed an increase of out-of-contract/excluded charges on average 15-20% annually.

The unpredictability in ongoing, new outside contract costs made special offers feel much less special than they used to. Both vendors were successful in upselling additional content add-ons, and just as a firm plugged one leak, a new outside contract cost would emerge. The unexpected, excluded charges firms had been encountering due to vendor's out of contract tactics began to undercut brand loyalty.

Decline Stage

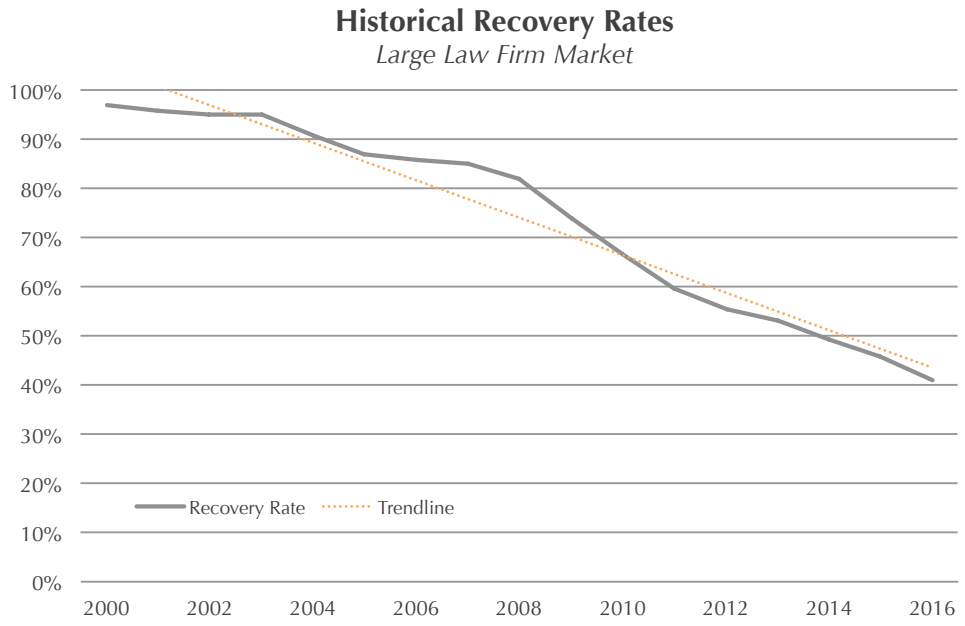
In the decline stage of the product life cycle, revenue begins to fall.

Lexis hit the decline phase first. In 2008, Lexis was about to implode, even before the hit of the Great Recession. When Feit Consulting was engaged by Lexis' Large Law Strategy team to develop tactics to prevent loss of revenue from firms they deemed at-risk, 61% of the 104 firms up for renewal that year fell into the at-risk classification. Use of Lexis exclusive content was rapidly declining at these firms, overall use was down and discounts were dissipating nearly everywhere.

At-risk firms were concerning to Lexis account management due to the potential risk for a down-sell. A down-sell meant Lexis' revenue would decrease greater than 20% if a firm negotiated a substantially lower rate, or if a firm went off contract and returned to transactional or retail pricing. This was the beginning of a monumental downturn at Lexis.

Recovery Rates

Beyond Lexis' internal issues, the Recession forever changed the dynamics of the online legal information market for both vendors and firms. Sophisticated corporate clients began closely scrutinizing costs, refusing to pay for online legal research. Law firms could no longer easily pass through their online legal information costs to clients, leading to the demise of legal research cost recovery. As a result, legal information became a significant cost that law firms needed to absorb. **Recovery rates have tanked since 2008, falling from over 80% to roughly 40% today.**



Key points in the decline of legal information recovery rates:

2004: ABA Model Rules of Professional Conduct states firms should not mark-up online legal information research costs to clients.

2008: Recession causes corporate clients to begin refusing to pay for online legal information research costs.

2016: Feit Consulting Westlaw/Lexis Sentiment Survey respondents reported 41% for online recovery rates.

The chart above only captures firms that pass through costs and their average recovery rate. Of the 127 firms that responded to Feit Consulting's Westlaw/Lexis Sentiment Survey, 18% have already decided to treat online costs as overhead, and an additional 26% plan to move these costs to overhead in the next couple of years.

To illustrate the tremendous impact of declining recovery rates on cost exposure to law firms, consider this hypothetical scenario:

> A firm has combined Westlaw and Lexis costs of $400K in 2008 and 2016. Costs are kept flat for this scenario.
> - In 2008, the average recovery rate was 83%. The actual costs to the firm after passing through costs to the client was $68K.
> - Today, the average recovery rate has been cut in half, to 41%. The actual costs to the firm have increased nearly 4x to $236K.

The table below shows the impact of declining recovery costs on the actual costs to the firm.

Cost Exposure: 2008 & 2016

Year	Recovery Rates	Combined Vendor Costs	Costs Passed-thru	Costs to Firm
2008	83.0%	$400,000	$332,000	$68,000
2016	41.0%	$400,000	$164,000	$236,000
			Change in Costs to Firm:	$168,000
			% Cost Change to Firm:	247%

With declining recovery rates, a firm today can anticipate a significantly greater cost exposure from online legal information going forward.

Pricing

As the Recession progressed, more firms opted for transactional or 'pay go' pricing, which often meant a substantial revenue loss for vendors. As a result, both Westlaw and Lexis decided to retire retail rates or 'pay go' pricing. Vendors moved to an environment whereby only special offer pricing was available. Law firms began rejecting this change, and the sole provider trend was born.

Usage

Further indication of decline for both Westlaw and Lexis was their changing position on usage. Usage was once deemed the most important metric in valuing contracts. As firms' overall usage slowly declined, the continued use of this metric left vendors vulnerable. Consequently, usage became an irrelevant metric in vendor pricing going forward. With slowing usage, both vendors relinquished their connection to usage and pushed the responsibility of usage management to the firm.

Lexis was first to take this position, however Westlaw eventually adopted it as well. Both vendors pivoted away from the usage metric to new pricing metrics such as attorney count, number of litigators in the firm, geographic location, etc. The new

metrics do not relate to value for the firm. It is unknown how these metrics are used in the contract pricing formula, and they vary greatly from firm to firm.

In 2010, Lexis' already bleak usage took another severe blow with the release of WestlawNext. WestlawNext's platform provided a superior interface, greatly enhancing functionality. Since 2010, Feit Consulting has observed that 85% of summer and fall associates arrive at their firms preferring Westlaw, compared to a 15% preference for Lexis. An inability to competitively respond to WestlawNext proved devastating to Lexis.

WestlawNext was initially sold as an add-on to firms, and its adoption rate was gradual. Ironically, despite the success of WestlawNext, its price structure and additional efficiencies deflated overall Westlaw usage. This declining usage contributed to Westlaw sharing Lexis' position that usage is no longer relevant in pricing.

The Sole Provider Trend

Sole provider became a trend due to the elimination of retail pricing, redundant content and most importantly the rapid decline of recovery rates. Initially more firms were eliminating Lexis partially due to its high price points and the success of WestlawNext.

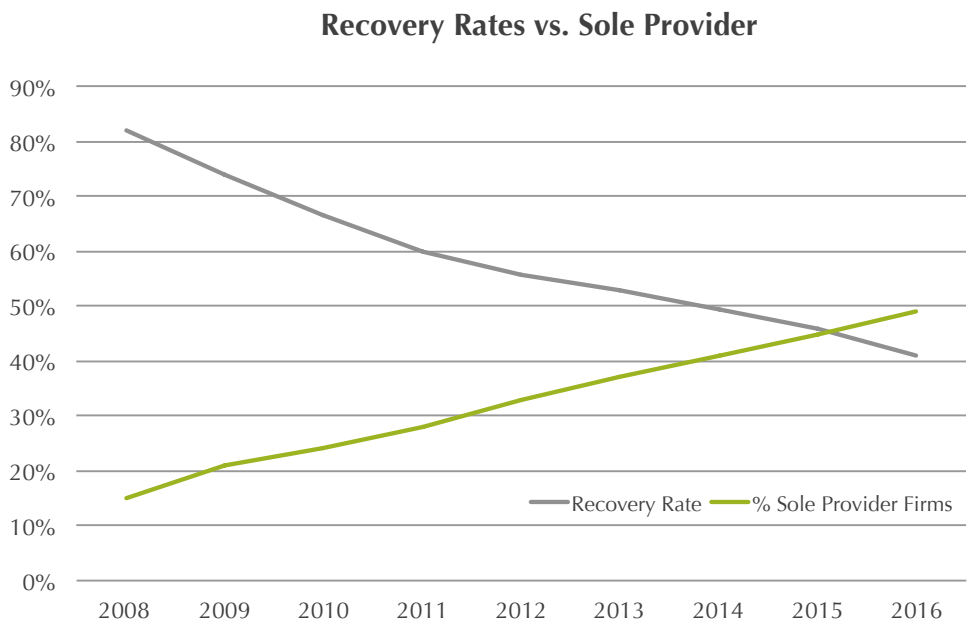
Eventually, Lexis began offering more reasonable and greatly reduced pricing. Lexis' pricing strategy caused the disparity in price between the two products to grow significantly. This provided firms the incentive to consider eliminating Westlaw rather than Lexis to achieve the greatest savings. By 2012, the sole provider trend was gaining momentum.

The table below shows the growth of sole provider firms from 2008 to 2016, increasing 18% every four years for the large law firm market and 13% for the midsize law firm market.

Historical Sole Provider Adoption Rate

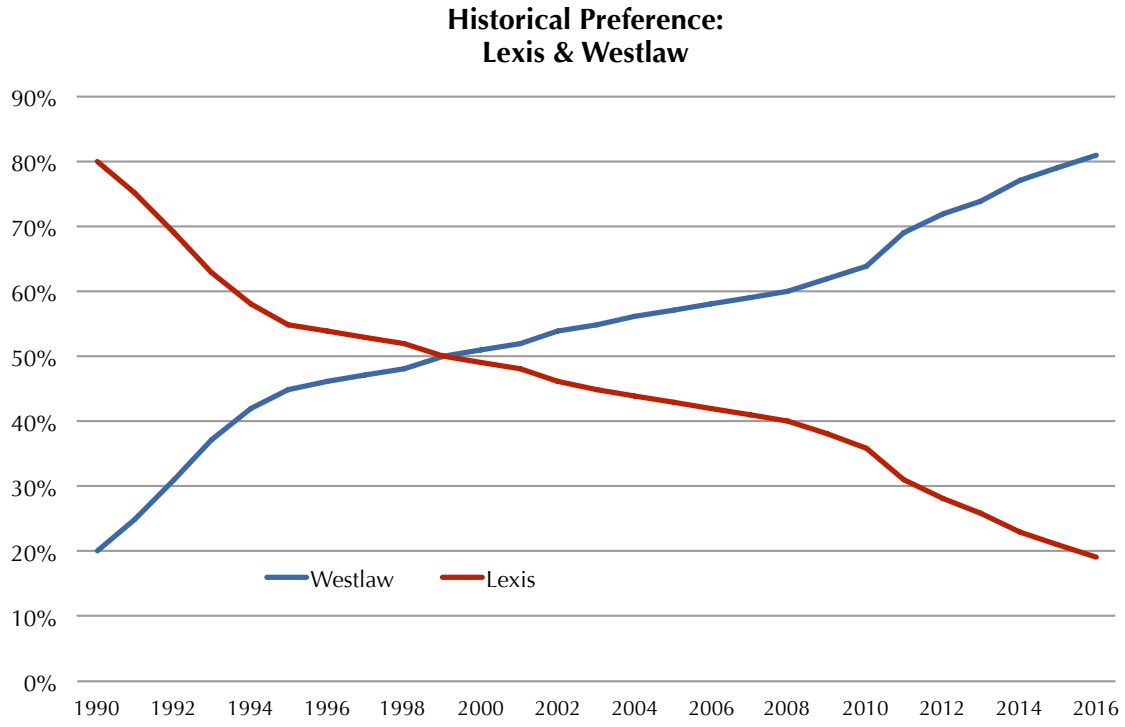
	Firm Size	2008 Sole Provider	2012 Sole Provider	2016 Sole Provider
Midsize Law	*40-99*	42%	55%	67%
	100-199	25%	51%	64%
	200-499	14%	36%	50%
	>500	8%	14%	20%
Large Law	*Total >100*	14%	32%	50%

Although there are likely several factors driving firms to choose a sole provider, there is a clear inverse relationship between the diminishing ability to recover online legal information costs and the movement to sole provider. Since recovery rates began decreasing in 2008, the percentage of sole provider firms has been increasing correspondingly. The chart below illustrates this trend.



Section V
The Future: What to Expect

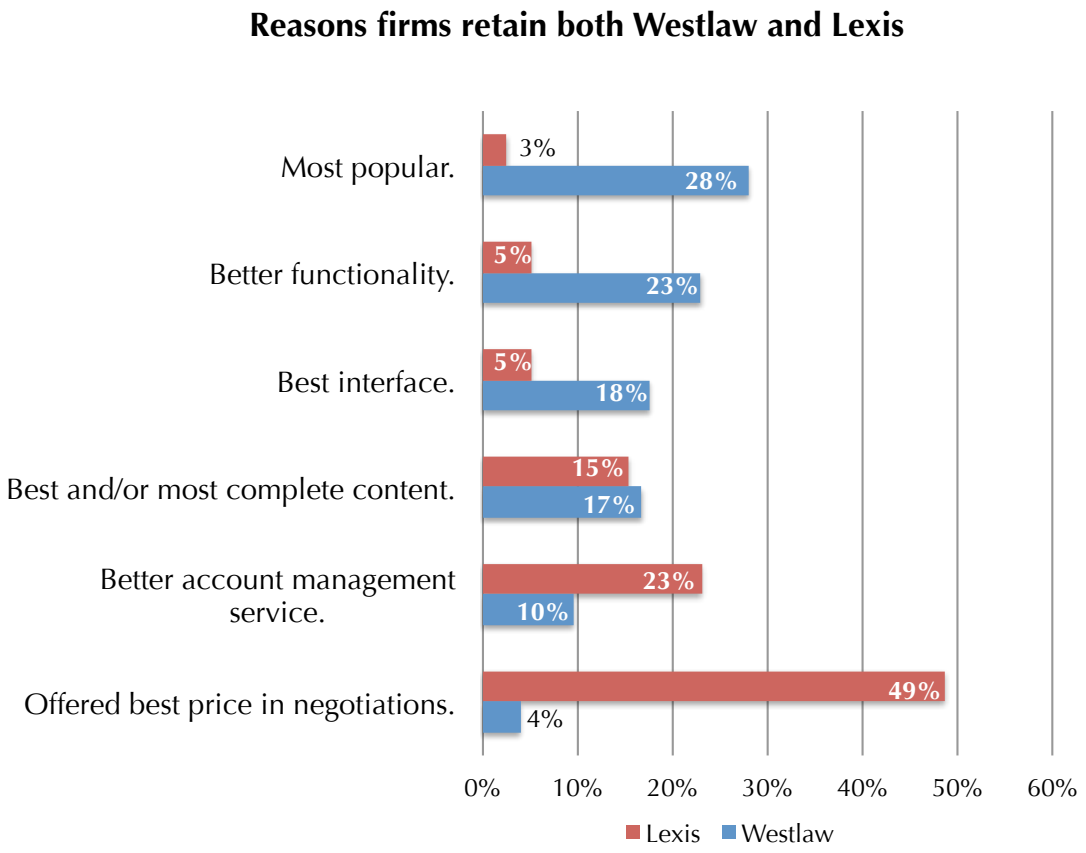
Westlaw has dethroned Lexis as the leader in the legal information market. Westlaw is the most preferred vendor mostly due to its superior functionality. The chart below shows how the preference for Westlaw and Lexis has reversed over the last 26 years.



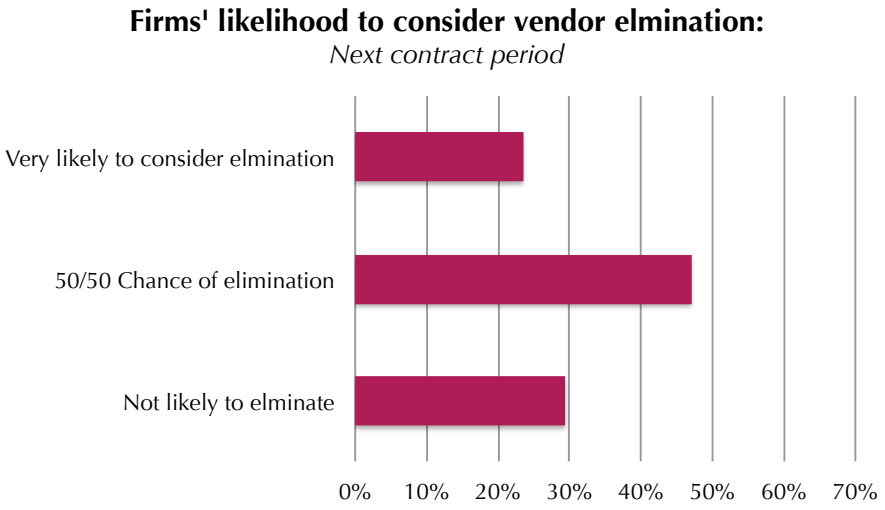
Points of Reference:
1990, Westlaw indicated an 80:20 preference for Lexis.
1999, Westlaw Strategy determined Westlaw had finally matched Lexis in preference and revenue.
2008 Stanford Law School Survey stated 60% preference for Westlaw[3].
2016 Feit Consulting's Associate Survey reports 81.6% Westlaw preference.

[3] Lomino, J. Paul and Wayne, Erika. "Law Librarians and LexisNexis vs. Westlaw: Survey Results." Stanford Law School Legal Research Paper Series: Research Paper No. 23, Revised Edition, July 2008.

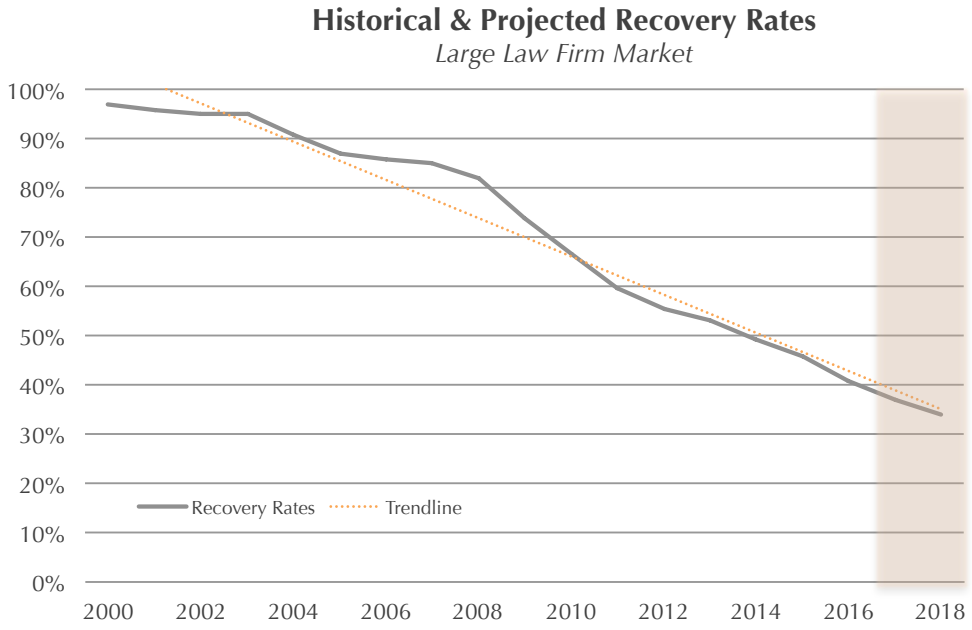
Feit Consulting's Westlaw/Lexis Sentiment Survey clearly depicts the reasons firms retained Westlaw and Lexis, and these reasons could not be more different from one another. Popularity and functionality are the main reasons Westlaw is retained. Conversely, these are the lowest ranked reasons firms retained Lexis. Nearly 50% of survey respondents stated that their reason for retaining Lexis is lower pricing.



Going forward, it is expected that a majority of law firms that have not yet taken advantage of the opportunity to reduce their online legal information research costs by eliminating a vendor, will evaluate the option in their next contract cycle. Feit Consulting's Westlaw/Lexis Sentiment Survey found that only 30% of law firms that currently have both vendors are unlikely to consider eliminating one.

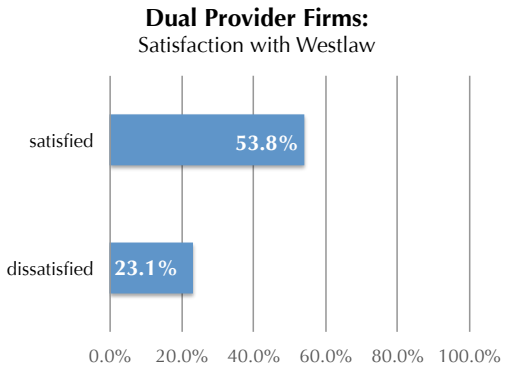


One of the main reasons the sole provider trend is expected to continue is the deterioration of recovery rates. The current market average recovery rate is 41%. Feit Consulting projects recovery rates will continue to decline ~4% annually. By 2018, recovery rates will have fallen to 34%.

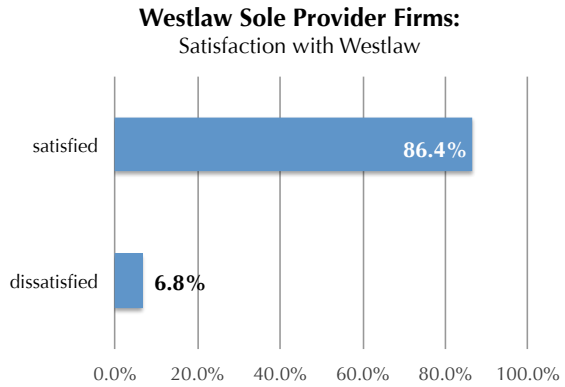


There are a large and growing number of firms enjoying the sole provider experience. Feit Consulting's Westlaw/Lexis Sentiment Survey overwhelmingly shows sole provider firms are happier, with higher vendor satisfaction than firms who retain both vendors. On average, sole provider firms have a satisfaction rate of 85%. In contrast, only 54% of dual provider firms reported satisfaction with Westlaw and 61% with Lexis.

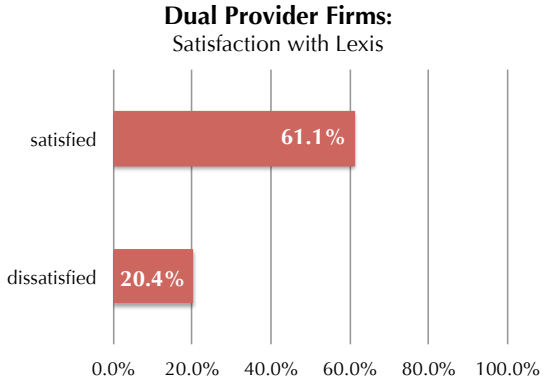
Perhaps this higher level of satisfaction is in part due to the spirit of partnership that develops in a sole provider relationship. The fact that firms are demonstratively happy with one vendor lends credence to the likelihood that firms will continue to go sole provider.



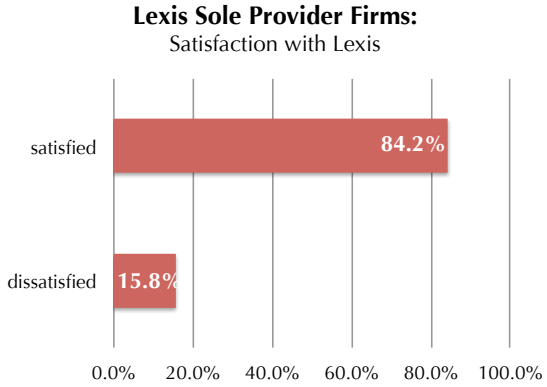
23.1% of respondents answered neutral for this question.



6.8% of respondents answered neutral for this question.



18.5% of respondents answered neutral for this question.



0% of respondents answered neutral for this question.

Barring any meaningful enhancements to distinguish Westlaw or Lexis, the sole provider trend will continue to grow. The table below depicts Feit Consulting's projections of what sole provider statistics will look like in 2018, taking into consideration the fact that typically just 25% of vendor contracts are up for renewal each year.

Projected Sole Provider Adoption Rate

	Firm Size	2008 Sole Provider	2012 Sole Provider	2016 Sole Provider	2018 Sole Provider
Midsize Law	*40-99*	42%	55%	67%	**74%**
	100-199	25%	51%	64%	71%
	200-499	14%	36%	50%	62%
	>500	8%	14%	20%	34%
Large Law	*Total >100*	14%	32%	50%	**58%**

By 2018, Feit Consulting projects that it will be clear and obvious that a majority of large law firms will have chosen only one vendor, at 58%. For midsize law firms, the adoption rate is projected to come close to its ceiling, at 74%. Nearly 65% of large law firms with less than 500 attorneys will have only one vendor.

Firms with more than 500 attorneys have been the slowest to adopt the sole provider trend. Feit Consulting expects Westlaw and Lexis to continue to aggressively woo back their largest lost clients, curtailing the number of sole providers. Some will be enticed with excellent pricing and will agree to reinstate the vendor previously deleted. However, Feit Consulting estimates this segment's sole provider rate will grow the fastest to 34% by 2018.

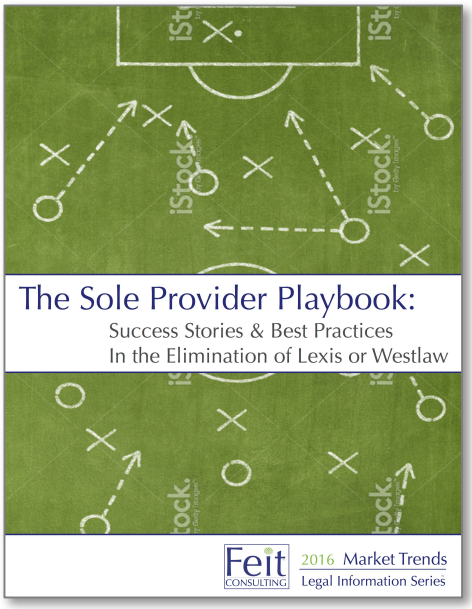
Section VI
Conclusion

Unless Westlaw or Lexis gain new "must-have" advantages, most firms will have only one vendor going forward. Too many large law firms have already eased the fear that elimination of one of these vendors will cripple a firm or expose it to malpractice. Feit Consulting projects that more than half of the remaining dual provider firms will move to a sole provider in their next contract cycle.

Declining online recovery rates will increase law firms' costs even further. The elimination of a vendor provides firms with a rare opportunity to utilize savings to purchase other complementary tools that better enhance their legal information infrastructure. The cost exposure to the firms who retain both vendors is no longer justifiable.

Firms will continue to balance the overwhelming preference for Westlaw versus the low pricing of Lexis. Westlaw's extreme popularity and better interface is a challenge to overcome for many firms, but the potential savings of eliminating Westlaw is too great to ignore. Lexis' sole provider satisfaction rates illustrate they are a worthy option.

In conclusion, Westlaw and Lexis have become interchangeable to a large degree. Without innovation or change in price strategies (such as reviving retail pricing), these products will continue to move toward complete commoditization.



If you enjoyed ***Path to Commoditization***, reserve your copy of our next report now. ***The Sole Provider Playbook*** is the second report in Market Trends Legal Information Series.

Synopsis:

The Sole Provider Playbook provides step-by-step guidance for firms to assess whether a sole provider option makes sense for the firm, and if so, how to successfully execute the transition. Eliminating a vendor can be challenging and isn't for every firm.

The initial step in the process is a cost/benefit sole provider viability analysis. If the firm determines vendor elimination is a viable option, the next step in the process is to understand the potential hurdles in the elimination, and develop strategies to address these. The final and perhaps the most difficult component of a successful transition to sole provider is buy-in from both management and associates.

The Playbook walks a firm through each one of these steps, providing specific direction and best practices. The knowledge gained going through this process will allow a firm to be in the best position when negotiating with Westlaw and Lexis. *The Playbook* teaches firms how to achieve and maximize efficiencies without sacrificing work-product.

Visit *feitconsulting.com/trend-reports/* to purchase this report today!

APPENDIX I
Associate Survey Results

Total Respondents: 238 Associates

Conducted April 2016

Demographics of Survey Respondents

Survey Respondents	
Firm Size	%
<100	24%
100-199	35%
200-499	21%
>500	19%

Survey Respondents by Segment	
Firm Size	#
Midsize (40-99)	58
Large (>100)	180
Total	238

Am Law 200 Firms	
Category	#
Am Law Top 100	44
Am Law 101-200	36
Total	80

Survey Question: Do you prefer Westlaw or Lexis?

Firm Size	Firms in Survey	Westlaw	%	Lexis	%
40-99	48	43	89.6%	5	10.4%
100-199	68	58	85.3%	10	14.7%
200-499	41	34	82.9%	7	17.1%
>500	36	23	63.9%	13	36.1%
Total	193	158	81.9%	35	18.1%

Of the 238 total respondents, 45 shared "no preference".

APPENDIX II
Westlaw/Lexis Sentiment Survey Results

Total Respondents: 127 Firms*

**Answers were combined for firms having multiple survey participants.*

Conducted from March 2016 through April 2016.

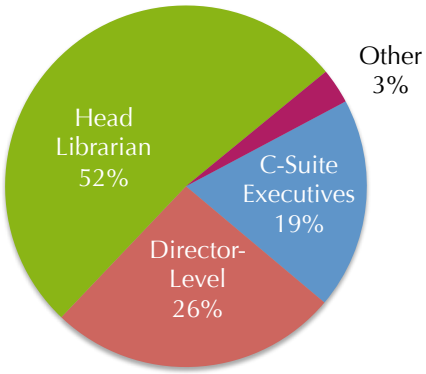
Demographics of Survey Respondents

Survey Respondents	
Firm Size	%
<100	28%
100-199	34%
200-499	22%
>500	17%

Survey Respondents by Segment	
Firm Size	#
Midsize (40-99)	35
Large (>100)	92
Total	127

Am Law 200 Firms	
Category	#
Am Law Top 100	22
Am Law 101-200	24
Total	46

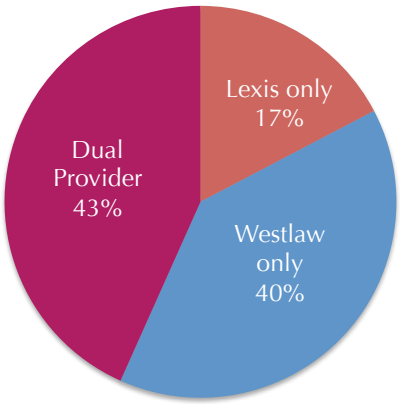
Westlaw/Lexis Sentiment Survey
Respondents by Position



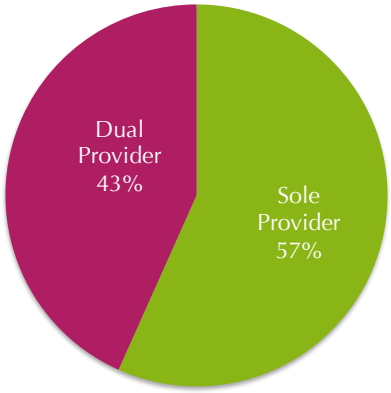
C-Suite Executives who participated in the Westlaw/Lexis Sentiment Survey comprise the following types of positions: Chief Financial Officer, Chief Information Officer, Chief Operating Officer, Executive Director, Partner, and Director of Information Technology; and account for 19% of the survey respondents.

Survey Question: Which legal information vendor(s) is the Firm using?

Total by Vendor
All firm segments



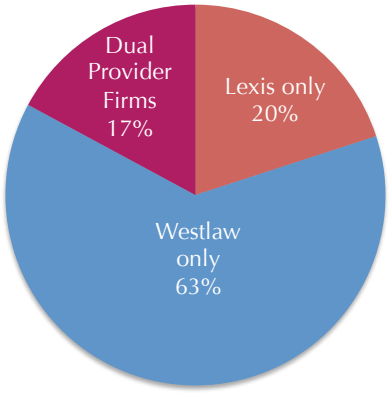
Dual Provider Firms vs. Sole Provider Firms
All firm segments



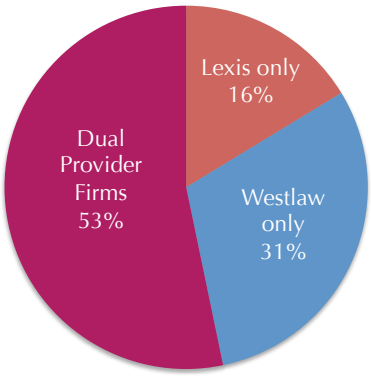
Respondents by Legal Information Vendor		
Firm List	#	%
Lexis only	22	17%
Westlaw only	50	39%
Both Westlaw and Lexis	55	43%
Total	127	

Midsize and Large Law Firms by Legal Information Vendor

Dual Provider vs. Sole Provider Firms
Midsize Firms

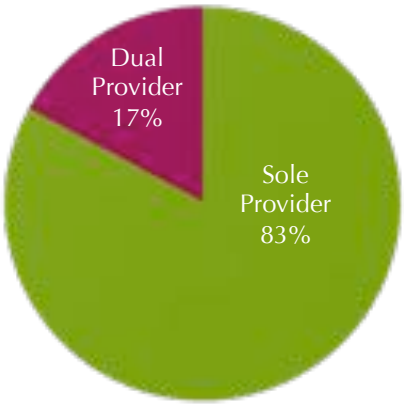


Dual Provider vs. Sole Provider Firms
Large Law Firms

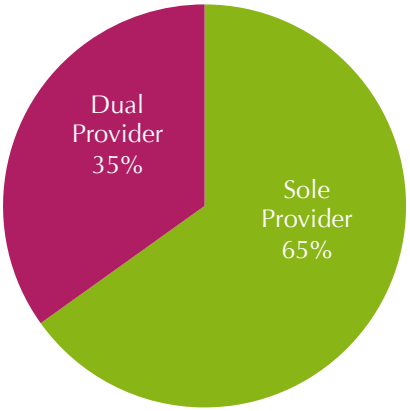


Law Firm Segments by Legal Information Vendor

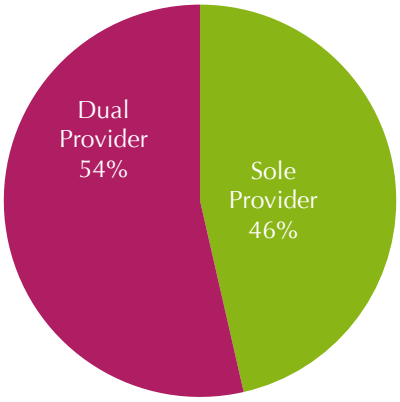
Dual Provider vs.
Sole Provider Firms
Firms with <100 Attorneys



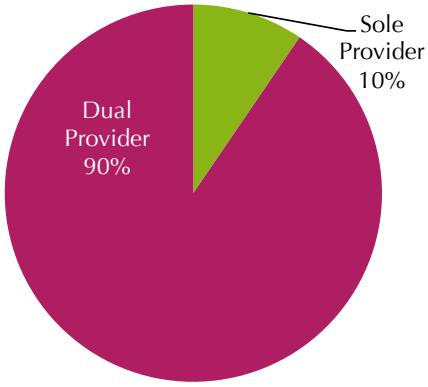
Dual Provider vs.
Sole Provider Firms
Firms with 100-199 Attorneys



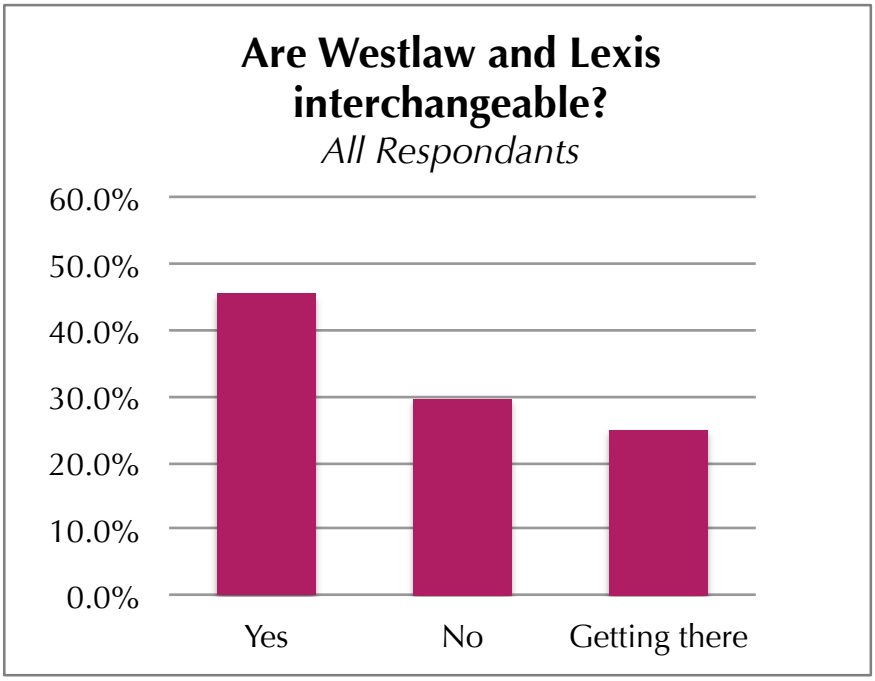
Dual Provider vs.
Sole Provider Firms
Firms with 200-499 Attorneys



Dual Provider vs.
Sole Provider Firms
Firms with >500 Attorneys



Survey Question: Do you believe the two services to be interchangeable?



Comments

"Attorneys prefer Westlaw. I thought that over time we could transfer to Lexis, but it does not seem that it will happen."

"Both have some unique resources that is needed to practice law."

"We eliminated Westlaw and we're doing fine."

"Cases and codes are interchangeable but treatises and ancillary information are not."

"Each service has some proprietary material that is difficult to access through other means. Because of this, affiliations with law school libraries that do have access to that other material are a must."

"Following a recent change from West to Lexis, our end users continue to miss HeadNotes, etc."

"I believe Westlaw to be "better," but also more expensive."

"Interchangeable but not fully equal for all content or resources."

"Westlaw's cost is out of line with reality pushed us to eliminate, Lexis has been decent."

"It comes down to content."

"It depends what you want the service for. It is probably interchangeable for primary law but there are differences in litigation materials (trial court orders; briefs, etc) and secondary sources (Lexis vs. West titles). There are also some other very specific differences which might make one better than the other in a given situation."

"Costs of having both is crazy. Librarians can source lost content easily."

"It largely depends upon the areas of law and the jurisdictions in which a firm practices. For certain states, West publications dominate. For others, Matthew Bender. For subject-specific treatises, Thomson Reuters may be the predominant and most-cited. In other cases, Matthew Bender. In small, local practice and boutique firms, there may be a clear favorite. The West platform remains superior; Lexis advance has a way to go to match. For transactional work, Practical Law wins over Lexis Practice adviser."

"Lexis still has the advantage with news"

"Litigation still prefers West but Business Development is more effective with Lexis."

"May be for some people's needs like if you just use caselaw. But many differences in content."

"Nearly interchangeable on primary law resources, but not on secondary legal resources and still a way to go on state agency materials."

"Not quite interchangeable, do not see how firms could deal without Lexis/ALM materials."

"On a content basis, they are pretty close (though litigators are loyal to Westlaw)."

"Usability varies by platform for both providers."

"primary sources are essentially identical"

"roughly 3/4 (?) duplicate coverage but each service has unique offerings."

“The offerings of secondary material are very different”

“There too much proprietary information that each has to let us walk away from one or the other.”

“They are almost interchangeable. There are pieces missing from each, but there are workarounds for getting those missing pieces. ”

“They are pretty much interchangeable in terms of primary law content, but there are differences when it comes to secondary law content, news, company information, and search features. ”

“Too much content that we need is unavailable on one or the other service”

“We maintain a strategic advantage to having both services. In years past we explored the idea of single provider only to discover significant content differences in multiple key areas. ”

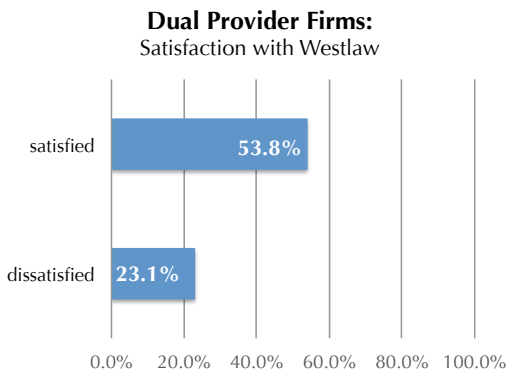
“Westlaw doesn't have a lot of information that Lexis has. ”

“Westlaw superior, but Lexis nearly interchangeable. ”

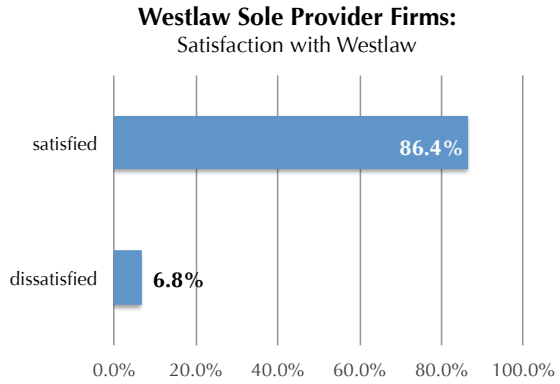
“While there is unique content on both, virtually 'the same' information can be found on both. ”

“Yes, but complicated. ”

Survey Question: How satisfied are you with your vendor arrangement with Westlaw?

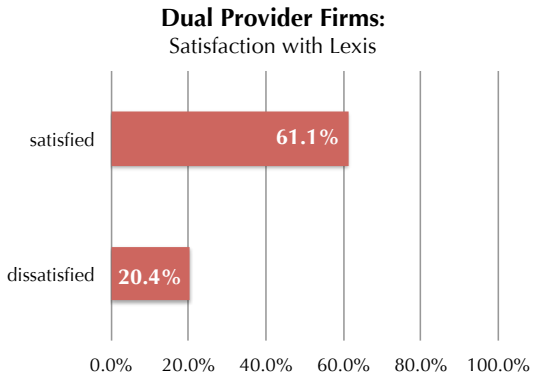


23.1% of respondents answered neutral for this question.

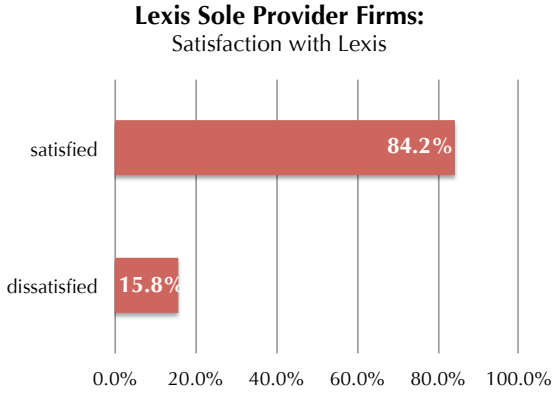


6.8% of respondents answered neutral for this question.

Survey Question: How satisfied are you with your vendor arrangement with Lexis?



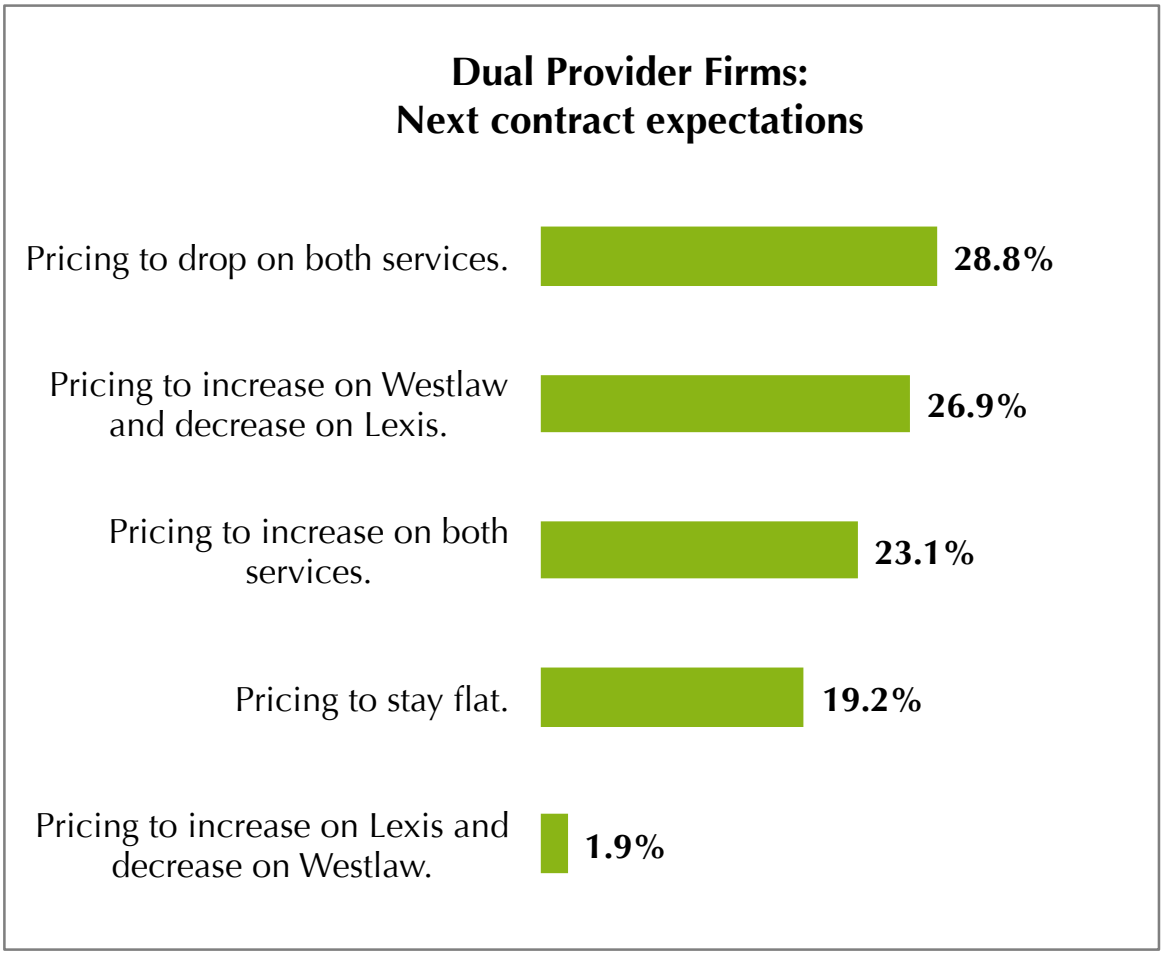
18.5% of respondents answered neutral for this question.



0% of respondents answered neutral for this question.

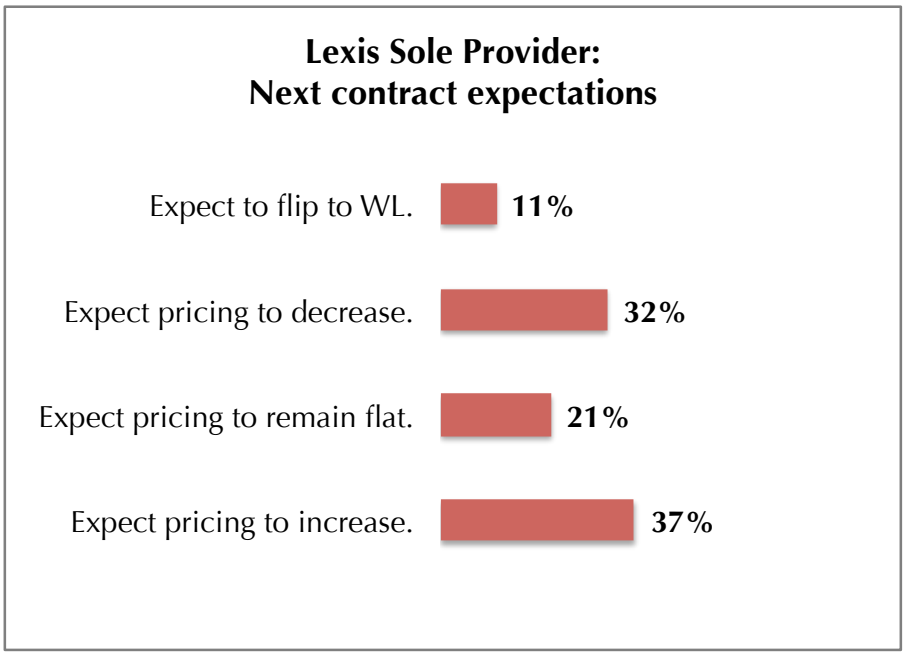
Survey Question: When you negotiate your next online contract, what do you expect regarding pricing?

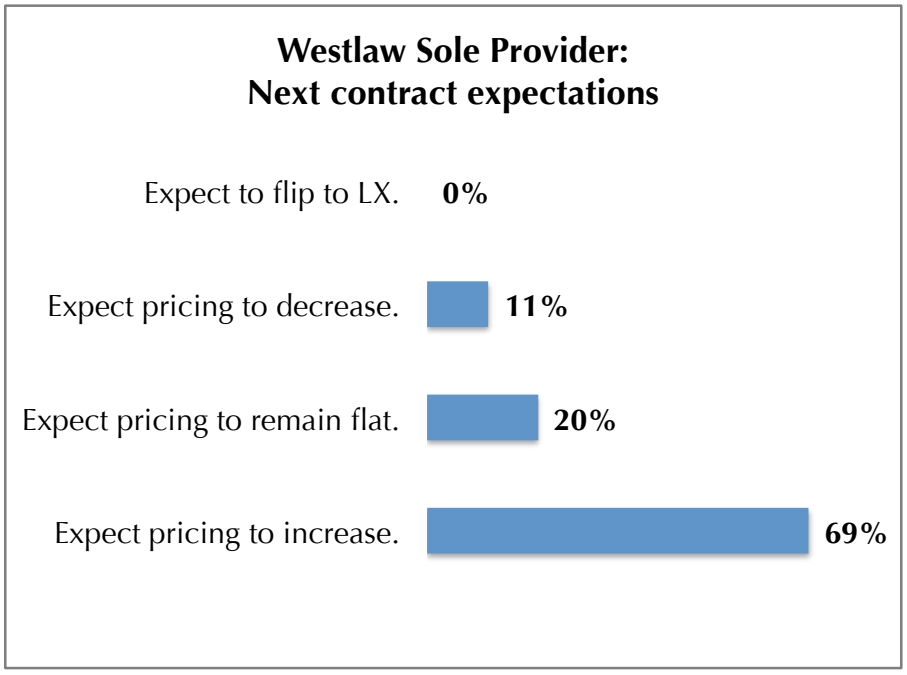
(Question posed to only Dual Provider Firms)



Survey Question: When you negotiate your next online contract, what do you expect regarding pricing?

(Question posed to Sole Provider Firms only)





Survey Question: In the past 3 years, has your Firm changed vendors? If so, which option best describes that change.

(Question posed to only Dual Provider Firms)

Response	#	%
No change in past 3 years.	41	85.4%
We deleted Westlaw, and then brought them back at a later date.	5	10.4%
We deleted Lexis, and then brought them back at a later date.	2	4.2%
Total	48	

Survey Question: What three words would you use to describe Westlaw? Number of responses?

Westlaw Word Descriptive	#
Expensive	23
Reliable	14
Comprehensive	11
Intuitive	7
Efficient	7
Easy To Use	6
Arrogant	6
Easy	5
User-Friendly	5
Innovative	4
Accurate	3
Good	3
Key Numbers	3
Overpriced	3
Quality	3
Costly	2
Comfortable	2
Complete	2
Dependable	2
Effective	2
Familiarity	2
Headnotes	2
Integrated	2
Pricey	2
Responsive	2
Sophisticated	2
Thorough	2
Robust	2
Accessible	1

Westlaw Word Descriptive	#
Adequate	1
Adversarial	1
Aggressive	1
Ambitious	1
Authoritative	1
Best In Class	1
Best Research Service For Lawyers	1
Best User Interface	1
Better	1
Billable	1
Bottom-Line	1
Broad	1
Classification	1
Competitive	1
Consistent Upgrades And Improvements	1
Constant Pressure to Increase Term of Contract	1
Convenient	1
Corporate	1
Deep	1
Doesn't Drive Thomsonreuters	1
Dominates Market	1
Effective	1
Encompassing	1
Excellent Support	1
Expansive	1
Fast	1
Forwardthinking	1
Frustrating	1
Growing	1

Top Ten Westlaw Descriptors

Survey Question: What three words would you use to describe Westlaw? *(continued)*

Westlaw Word Descriptive	#
Helpful	1
Inclusive	1
Incompetent	1
Increasing	1
Informative	1
Ingrained In Firm Culture	1
Innovation	1
Interface	1
Keycite	1
Large Firm Oriented	1
Leader	1
Legal Information	1
Liked	1
Litigation	1
Love It	1
Manipulative	1
Monopoly	1
Most Popular (More than twice as many users as Lexis)	1
Multifaceted Information Service	1
Navigable	1
Necessary	1
Okay	1
Overconfident	1
Overrated	1
Pain	1
PLC	1
Proficient	1
Quality	1
Reputable	1

Westlaw Word Descriptive	#
Research	1
Rigid	1
Rutter Group Practice Guide	1
Sales-Driven	1
Scale	1
Scholarly	1
Scope	1
Sensible	1
Service	1
Sleek	1
Smart	1
Sole Provider Firms	1
Stingey	1
Strong	1
Strong Search Capabilities	1
Superior Customer Service	1
Superior Platform And Content	1
The Borg From Star Trek	1
They Own Content.	1
Thousand Pound Gorilla	1
Tone-Deaf	1
Traditional	1
Treatises	1
Trustworthy	1
Unethical	1
Unrealistic	1
Unyielding	1
Up-To-Date	1
Westnotes	1

Survey Question: What three words would you use to describe Lexis?

Lexis Word Descriptive	#
Good	6
Cheaper	5
Expensive	5
Unreliable	5
Public Records	4
News	4
Cumbersome	4
Behind	3
Comprehensive	3
Flexible	3
Improving	3
Not as Easy to Use	3
Useful	3
Accommodating	2
Clunky	2
Competitive	2
Confusing	2
Customer-Focused	2
Easy	2
Frustrating	2
Growing	2
Partner	2
Poor Customer Service	2
Problematic	2
Reliable	2
Second-Tier	2
Struggling	2
Unresponsive	2
"Tries Harder"	1
2nd-String	1
3rd Party Content	1
Academic	1
Acceptable	1
Accessible	1
Adequate	1

Lexis Word Descriptive	#
Affordable	1
Aggressive	1
ALM	1
Alternative	1
Analytics (Lex Machina)	1
Anxious	1
Archival	1
Arrogant	1
Authoritative	1
Bender	1
Busy	1
Caring	1
Challenging	1
Competitively	1
Competitor	1
Conglomerate	1
Content	1
Copycat	1
Cost-Efficient	1
Costly	1
Customer Service	1
Customer Support Is Inferior	1
Decreasing	1
Developing	1
Dockets	1
Eager	1
Earnest	1
Efficient	1
Essential	1
Exclusive	1
Failed User Interfaces	1
Familiarity	1
Flexible	1
Follower	1
Friendly	1

Top Ten Lexis Descriptors

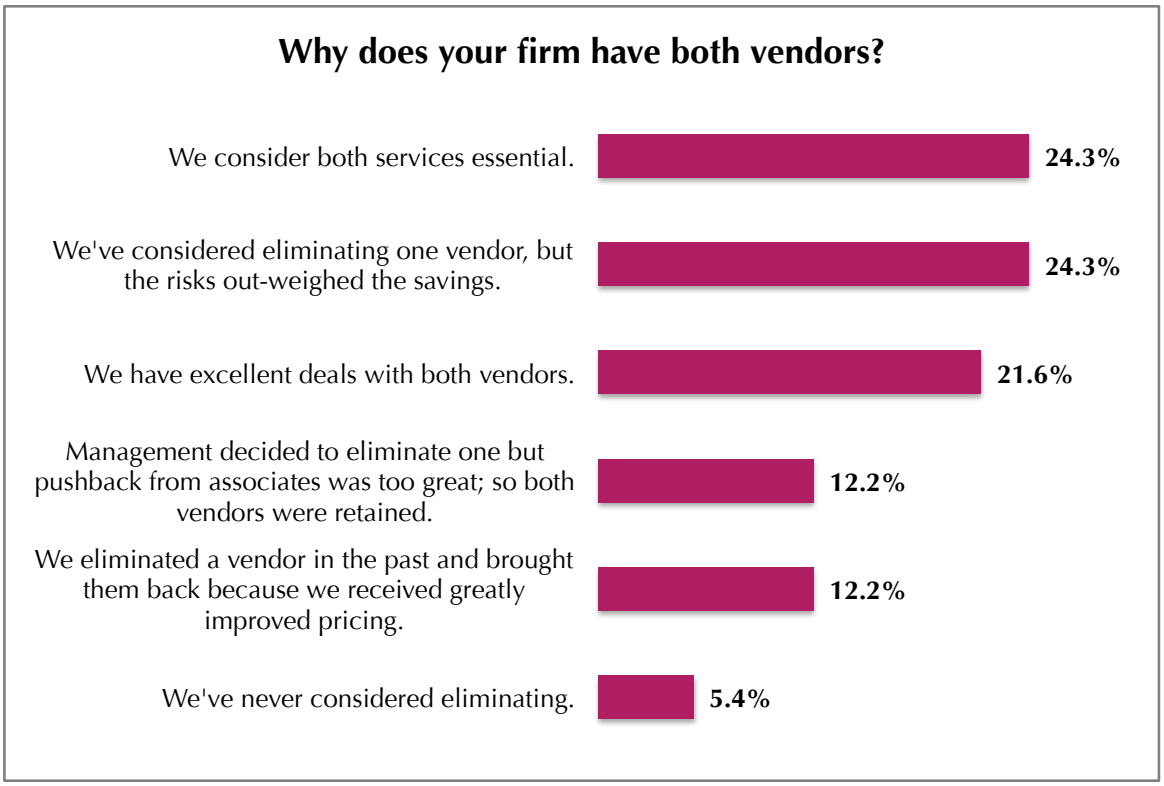
Survey Question: What three words would you use to describe Lexis? *(continued)*

Lexis Word Descriptive	#
Great Information For The Money	1
Hard-Working	1
Helpful	1
Helpful Always Improving	1
High Maintenance	1
Hopeful	1
Improved	1
Improvements	1
Inaccurate	1
Incomplete	1
Inconsistent	1
Inefficient	1
Inexpensive	1
Inferior	1
Informational	1
Innovative	1
Lacking	1
Lagging	1
Less Costly	1
Less Forward Thinking Than Wl	1
Less Robust Platform Than Westlaw	1
Limited	1
Local rep is good.	1
Look Small	1
Lost	1
Manageable	1
Nearly Like WestlawNext	1
Necessary	1
Needs Improvement	1
New Service	1
Nexis	1
Non-Operational	1
Not As Good	1
Lexis Advance adoption at our Firm)	1
Firm	1
Old	1

Lexis Word Descriptive	#
Overrated	1
Partner With Us	1
level	1
Poor Interface	1
Poor Service	1
Priced	1
Public Records	1
Quirky	1
Reasonable	1
Reasonable Pricing	1
Redundant	1
Responsive	1
Robust	1
Satisfactory	1
Science	1
Scrappy	1
Secondary	1
Shepards	1
Short-Sighted	1
Slow	1
Smaller	1
Straight-forward	1
Too Aggressive	1
Treatises	1
Uncreative	1
Uneven	1
Unimpressive	1
Unintegrated	1
Unintuitive	1
Unnecessary	1
Unreliable	1
Updated	1
User-Friendly	1
Value For The Money	1
Vendor Relationship Deteriorated	1

Survey Question: Why does your firm have both vendors?

(Question posed to Dual Provider Firms only)



Comments

"Another reason why we keep both is for negotiation purposes and not just for the basic Wexis, but other features such as the digital libraries that are growing, PLC/Practical Advisor, etc."

"It used to be that a firm like ours could get away with one vendor but with the increase in the firm's footprint, practice areas, etc that's no longer an option.
We eliminated one service but had to bring it back due to coverage issues uncovered by our attorneys with state regulatory decisions on the provider we had kept. "

"The firm has not been open to the discuss of going to a Sole Provider Firms. Associates demand Westlaw, Lexis gave us a fair deal for much broader content. "

“Unfortunately the days of having to vendors is coming to an end at my firm. I never thought we’d make this choice”

“Traditional - eliminating one has never been explored or considered officially. ”

“Committed to eliminating one of the vendors in our next contract cycle.”

“They are not the same and there are strengths and weaknesses with each that make having both necessary. ”

“Keeping both services has allowed the firm to significantly reduce print. When a firm drops a provider, the librarians must often beg for documents from colleaques who have retained the service. ”

“We can no longer justify keeping two, next contract we will have beauty pageant to decide”

“Content between the two are not equal thus going to a single vendor isn't fully realistic. ”

“Until this past year, we haven't considered eliminating either service. However, our cost recovery with Lexis has steadily declined over the past few years, while we continue to have excellent Westlaw cost recovery... leading us to make the decision to drop Lexis for financial/economic reasons. ”

“This situation is evolving at my firm even as I type. ”

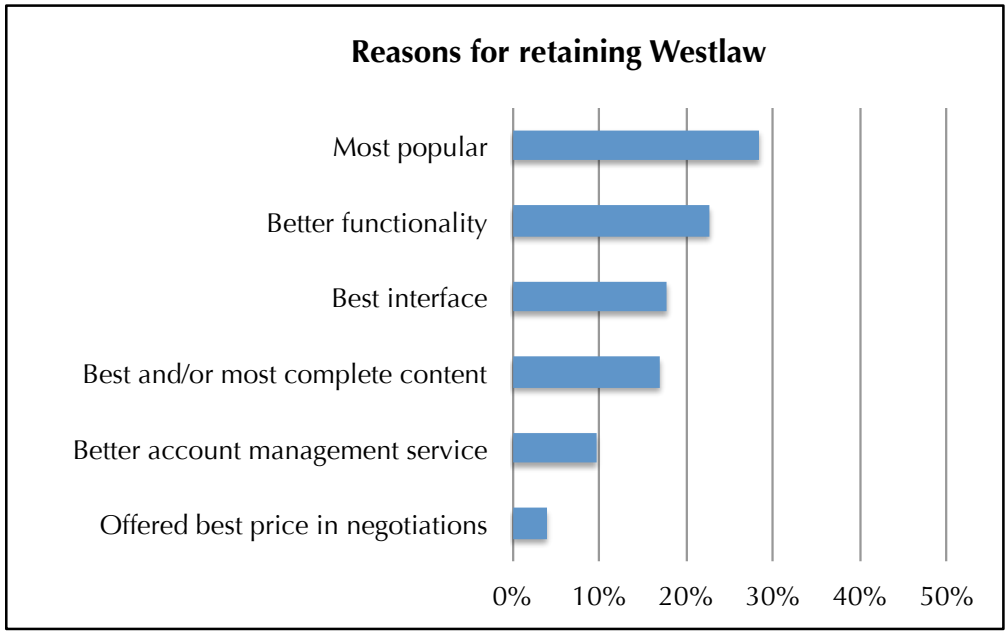
“It is in the firm's best interest to maintain contracts with both vendors. Competition is always good in "free market" economy, in terms of pricing for everyone and for our specific use when negotiating contract renewals. However, what works for us may not be the same for all firms of our size. There is not a one-size-fits-all solution for all firms. ”

“We have both vendors because both have exclusive content that is valuable to our firm. ”

“There are certain treatises provided by Lexis that are essential to our firm's practice areas. ”

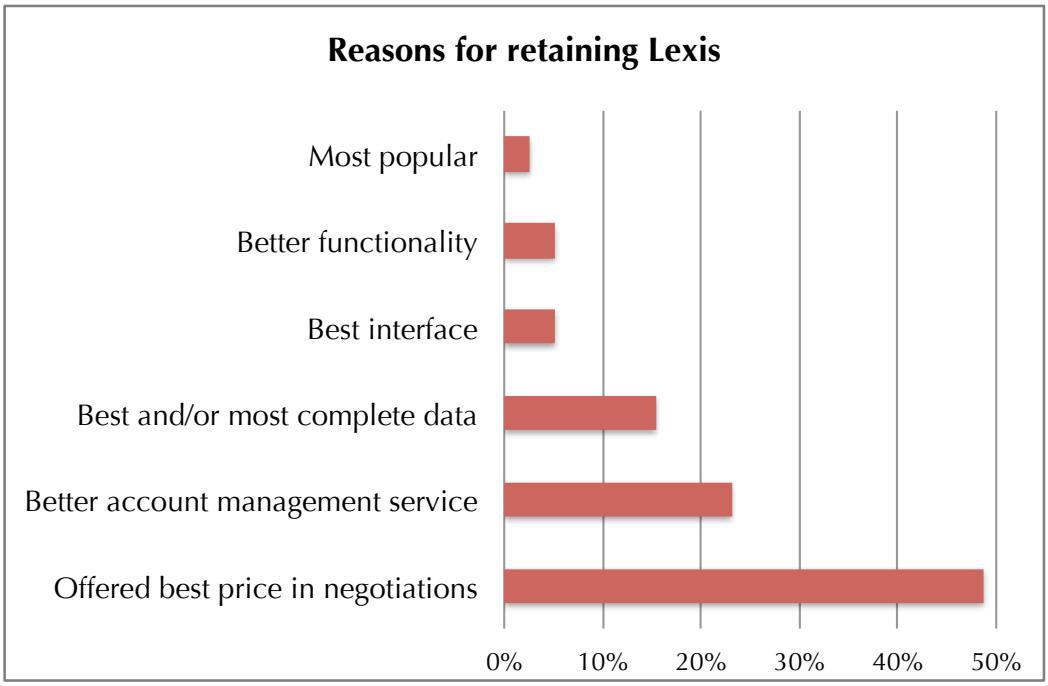
Survey Question: Select the reason(s) that describe(s) your rationale for retaining Westlaw.

(Question posed to Dual Provider Firms and Westlaw Sole Provider Firms only)

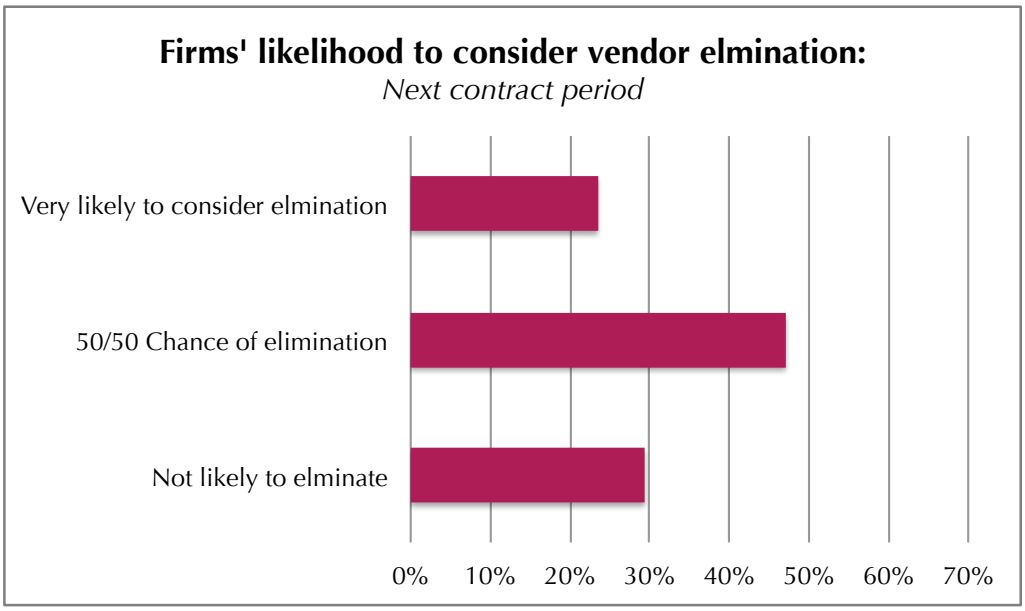


Survey Question: Select the reason(s) that describe(s) your rationale for retaining Lexis.

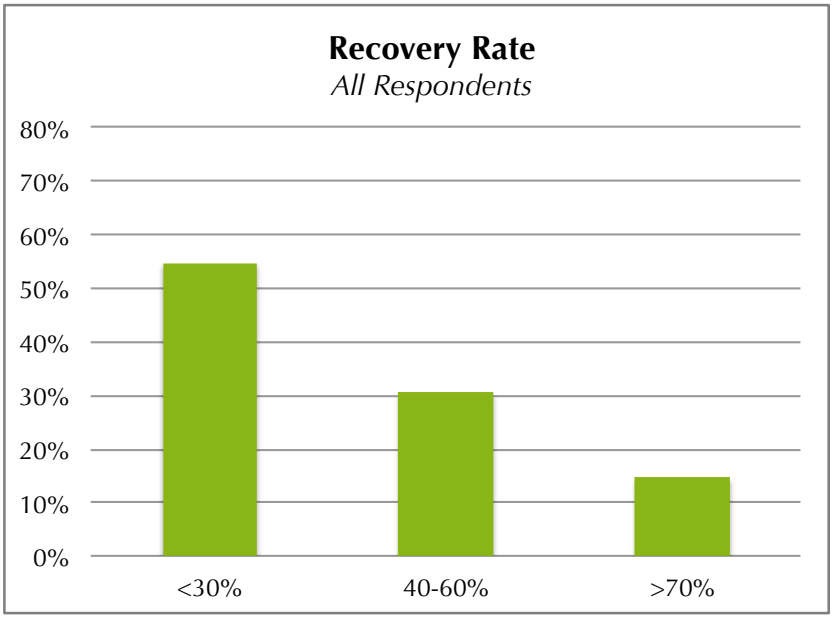
(Question posed to Dual Provider Firms and Lexis Sole Provider Firms only)



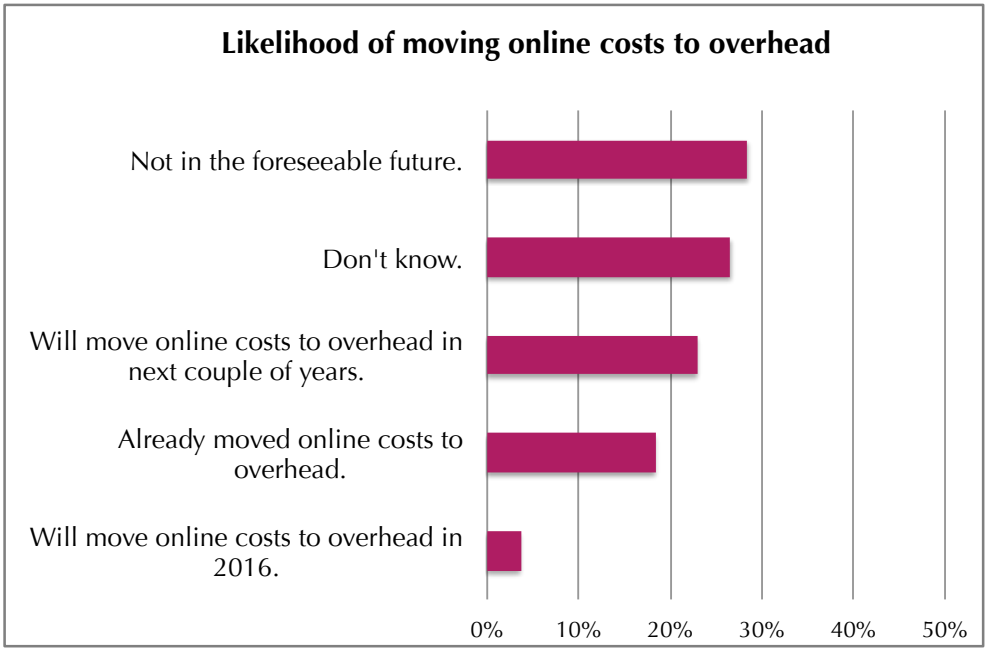
Survey Question: How likely is it that you will consider eliminating either vendor when the current contract expires?



Survey Question: How much of your online contract does your firm recover?



Survey Question: How likely is your firm to move online costs to overhead?



Comments

"Once it's overhead, each vendor will be examined VERY closely with regard to cost and content. "

"The firm will bill back the usage it can, however clients do challenge billing. "

"Moved to overhead 20 years ago. "

"Only when there is zero chance of recovering. "

"In contention. "

"Lexis is already essentially overhead due to the poor cost recovery - that's the main reason we are not planning to renew. "

"Would like to move to overhead but not sure feasible. "

"Charges outside our fixed monthly rate contract, to the extent incurred, are generally chargeable to the client. "

“Too much money (potentially) to be left on the table. ”

“I would like them to move this cost to overhead, but I don't think they are ready to do it. ”

“I don't see us not trying to recover some of the cost. ”

“Would love it to happen. ”

“More likely the move will come in 4-5 years. ”

“It's at least been verbally allowed for as a potential solution. ”

“Most online costs will be or already are moved to overhead for 2016, except in rare instances. ”

“We talk about it, but haven't made the move yet.”

Feit Consulting

In addition to the 2016 Legal Information Trend Series, Feit Consulting advises law firms directly on all issues related to legal information. Services are customized uniquely to fit a firm's needs, short-term or long-term. Feit Consulting helps firms look at the full picture, not just the financial costs associated with their decisions.

A selection of services Feit Consulting offers is below:

Online Legal Information Contract Services:

- Legal information contract advising.
- Online vendor audits.
- Contract negotiators.
- Negotiation coaching.
- Market overview.

Full Vendor Elimination Services:

- Cost/benefit analysis.
- Gap analysis.
- Developing workarounds.
- Addressing attorney push-back.
- Obtaining firm management buy-in.
- Transition assistance.

Law library Services:

- Library audit.
- Library modernization.
- Outsourcing.
- Library relocation and virtualization.

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