

Is Legal Tech Reluctance to Share Usage Data Hampering Adoption?

By Victoria Hudgins | June 30, 2020 at 12:00 PM | [Legaltech news](#)

Low adoption rates, losing a competitive advantage and clients preventing disclosures hinders many legal tech companies from sharing usage data. But as data-driven tech purchases become the norm, the silent approach to metrics could backfire.

Legal tech companies largely decline to publicly share usage data. But some say continuing the status quo may have long-term effects that stifle startups and hinder greater legal tech adoption.

Many legal tech company won't share usage data details to avoid losing a competitive advantage. While every company must decide what information they are willing to share, they should provide some metrics, argued PacerPro COO Anna McGrane.

"There will be an ongoing question of where the line of secret sauce comes in," McGrane said of a company's competitive advantage. "[However,] just because you don't want to reveal everything doesn't mean you don't have to reveal anything."

To be sure, PacerPro released user metrics on Monday. In its white paper, it highlighted the usage of 21 Big Law and boutique law firm clients.

The report, for example, noted DLA Piper became a partner in 2016 with a goal to "automate data capture; eliminate delay in notifications; [and] standardize process." What's more, PacerPro noted DLA Piper obtained 419,607 PDF2Go files and saved 6,308 hours, according to the report.

McGrane noted that the company didn't share what the firms do with the documents. Instead, the data shared focused on simplicity and was straightforward to understand its impact, McGrane explained.

When asked if the white paper could serve as another form of marketing, McGrane said, "My argument would be good marketing is educational in nature. This is education, so is good marketing."

She added that the release of the document is part of a larger push to encourage more legal tech companies to publicly share usage data to improve the industry.

"Given how relatively small our profession is—just looking at the number of firms and professionals—there's a unique opportunity for those of us in this space to speak up and effect a sea change where providing data becomes business as usual," she said.

To be sure, PacerPro isn't the first legal tech company to release client usage metrics. In March, Everlaw released a report describing review time per project, what type and how much data was shared through its platform and other behaviors and trends. Clio also provides an annual legal trends report that analyzes aggregated and anonymized data from its platform to determine broader U.S. legal trends.

Despite some efforts, many legal tech companies say protecting clients' privacy blocks them from sharing data. But legal sector-focused management consulting firm Fireman & Co. president Joshua Fireman, who wrote the PacerPro case study, noted more lawyers are making data-driven tech decisions that require data usage figures.

"In respect of most technology initiatives and particularly data initiatives in firms, when you have a chance to say here's a product that can bring about tangible change and quantify change that was really exciting," he said. "We're better off when it's transparent information."

To be sure, the recent push for data-driven decisions is causing some legal tech companies to publicly announce its usage metrics.

"This is a key initiative for ContractPodAi over the next 12 months," wrote ContractPod Technologies CEO Sarvarth Misra in an email. "We want to start publishing benchmarking metrics data, which will help general counsel better understand the key metrics which are critical for them to achieve their business outcomes."

Still, while the legal market's tech-purchasing process is evolving, legal tech companies may remain reluctant to share usage data because of low adoption rates, argued Nicolas Leroux, managing director of legal services provider Kalexius. Leroux explained that it's an "uphill battle" to persuade clients to use all of its software bundle and points to a slow tech adoption rate.

"Based on [that] and anecdotal evidence from competitors and clients, I think the adoption is really low and that's the reason why they don't want to share its usage data," he said. "And of course there's more standard considerations of protecting and not sharing too much information about your business."