

Valora Has a Secret Code: Automation

TALK ABOUT A PAPER-induced panic attack. In mid-May Judy Ercolini, a senior paralegal at Boston's Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, received 64 banker boxes filled with discovery documents that needed to be coded before an anticipated bankruptcy filing at the end of the month. Coding is the process of creating a database that organizes discovery documents by author, creation date, subject, and other fields.



Hiring temps or a domestic coding vendor would have been prohibitively expensive given the rushed deadline. Mintz, Levin attorneys, citing confidentiality concerns, were uncomfortable sending images of the documents to an overseas facility. "Attorneys don't like sending [their case information] out of town, let alone offshore," she says. In stepped Valora Technologies, Inc., an automated document coding service that was able to scan, sort, and code the 64 boxes in less than two weeks, allowing the Mintz, Levin team to make its deadline. The coding was nearly 100 percent accurate. "I was pleasantly surprised," Ercolini says.

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Many technology chiefs say the initial time savings aren't worth the imperfect results. "The technology isn't mature enough in terms of accuracy," says Skadden, Arps, Slate, Meagher & Flom technology chief Harris Tilevitz. Plus, many lawyers are distrustful of automating any part of their work.

Valora supplements its automated technology with human reviews of each document. Valora's software codes ten thousand documents an hour, handling the bulk of the work, says Sandy Serkes, Valora's chief executive. The staff just has to review its results for inconsistencies and glitches, often caused by hard-to-read fonts or poor copies. For example, a manual review will catch when the software can't distinguish between "Jane Smith" and "Janet Smith."

Valora's pitch appears to be attracting attention in the legal community. The Waltham, Massachusetts-based company was established in 2000 and has only 41 employees, but it already has several impressive clients. The company won a three-year contract with the U.S. Department of Justice, a government agency notorious among vendors for its strict accuracy requirements. Aspen Systems Corporation, the prime contractor of the Department of Justice contract, says that it spent over 60 days testing Valora. Valora was turning around documents with a 98-100 percent accuracy, says Allan Kalkstein, vice president and general manager of Aspen.

Valora has its share of competitors, each with a slightly different technology and strategy. For example, ALCoder offers clients a standalone software application instead of an outsourced service. Docuity, Inc., offers a service, but has an optional manual quality control, which is outsourced to offshore shops, a negative for some lawyers. Docuity, however, advertises a cheaper rate of 10-13 cents per page with a manual review, compared with Valora's 85 cents per document (an average document is four to five pages). Both companies undercut domestic and offshore coders who typically charge between 90 cents and \$2.50 per document.

Automated coding competitors may ultimately be the least of Valora's worries. Search technologies from companies like Dallas-based Syngence LLC could allow lawyers to forgo coding altogether someday. But litigators suspicious of automation may be even more reluctant to trust the blind results of a search engine. "There's never going to be a replacement for someone going through and reading a document and making sure that they don't have a smoking gun on their hands," concedes Serkes. "All we're trying to do is organize it for them."

-A.K.