



KEYNOTE ADDRESS

BRUCE OLSON, CHAIR OF ABA TECHSHOW 2004: Ladies and gentlemen, it's a great pleasure today to introduce our speakers for our keynote. We have two of the foremost leaders in the legal profession dealing with technology on a day-to-day basis who are here to share their visions of the future of legal technology.

We have with us today Mike Wilens who's the president of West. Mike holds an MBA and an MS in Computer Science from the University of Michigan and an SB and SM in Electrical Engineering from MIT. He's active in the community in the Twin Cities and is on the Board of Advisors for the University of Minnesota Journalism Center.

He works for West headquartered in St. Paul, and of course is part of the Thompson legal and regulatory group of companies, and he'll be speaking with us in a moment.

In addition we have to my far right Lou Andreozzi. He's president and Chief Executive Officer of LexisNexis North American Legal Markets. He was named president and Chief Executive Officer of North American Legal Markets in May of 2000, and he has responsibility for all of the company's products and services that are marketed to legal professionals in North America.

In addition he has recently been assigned additional responsibilities as the global officer for marketing and technology for the LexisNexis Group.

We have agreed among us that we're going to do a coin flip to see who gets to go first, and we'll let Mike because he's closer to me call it.

MR. WILENS: Heads.

BRUCE OLSON: Tails.

MR. ANDREOZZI: So that means I have to --

BRUCE OLSON: You get to pick.

MR. ANDREOZZI: OK, I'll go first.

I'm sorry. I don't like to give speeches from the podium, so you'll have to have me amongst you.

It's really a pleasure to be here in Chicago and to talk to you all. If you're expecting a speech from a technologist about technology, that's more of Mike's expertise.

We didn't go through my background but basically I'm a lawyer by trade. I've been out of law school for 20 years. The first ten years I spent actually practicing law. And now I'm earning an honest living! I run a legal publishing company, and so I have a deep understanding of the practice of law.

If you accept one premise, then you're going to agree with what I have to say today. And that basically is that for the last hundred years really the practice of law hasn't changed all that much. We still file documents in courthouses. We still do legal research. We still have trials. We still check public records. We still go through boxes of discovery documents. What lawyers do is what lawyers have been doing for decades and decades and decades. That has not changed.

What has changed in some ways is the sort of infrastructure of the back offices of law. But even the business of law, as law firms, they've gone global, yes. They have gotten a little more sophisticated. They've hired marketing directors and accountants. But generally the business of law is pretty simple. They get clients and they try to keep clients, they bill, and despite everything we hear they still bill by the hour. They still have the hourly billing rate.

So much of what has happened in the profession has been not changing these rituals of how a law firm has been doing business for centuries. It really is about how they automate the practices. The practice and its automation is what the technology in law is all about. No one will ever say attorneys are early adopters. I guess those of you in here who are CTO's or CIO's, you know that's true. But lawyers will automate when they see the benefit. But what we've noticed over time is that the benefit has to be compelling and the solutions have to be simple. And basically that's what we're all about at LexisNexis. We have a mix of a bunch of different companies -- traditional companies, the Shepards of the world, the Matthew Benders of the world, Martindale-Hubbell.

Then we have a mix of new stuff. We have Applied Discovery, which is an electronic discovery tool. We have CourtLink, which is electronic filing and electronic docket access. We have our newest addition -- Time Matters -- time and billing and matter management for smaller law firms. We have products that run the whole gamut.

But attorneys will only automate at their own pace. I'm going to bash both sides with this. We're not allowed to talk too much, Mike and I, because obviously we have people who say that it's collusion, anti trust. Our lawyers have told us, "Don't talk to Mike about anything but family and kids, that kind of stuff. No super secret settlement agreements." We never talk about pricing, right? None of these things we talk about.

But Mike and I did talk about the fact that this is one of the few presentations that we actually had to prepare for. Because usually what we do is we just get in front of our sales forces or the stockholders or investors, we throw the presentations up in the air and we start trashing the other side. Out of my great respect for Mike, I can't do that today.

If there were other people from West up here I might be inclined to do it, but not Mike. Okay. So I'm bashing both sides. Shepard's -- if anybody's seen Shepard's in book form, it is the worst product in the world to use. We still sell probably about \$25 million worth of Shepard's in books, arguably mostly to prisons, but we still sell Shepard's in books.

Mike has case law reporters. He's got hundreds of millions of dollars in case law reporters. I'm sorry. I have to find one for my side now to bash. Can I talk about the key number system? Everybody does terms and connectors. Who uses the key number system, but lawyers like that. Why not sell 20,000 sets of Martindale-Hubbell books? Have you ever tried to look up a lawyer in Martindale-Hubbell? You have to know what city they're in, or you have to go to this big volume index which even I, who can bench press 385 pounds, can't lift up to find out what lawyer is where.

So there's a lot of elements to the practice of law that are still done the old-fashioned way.

Filing in courts -- I mean, how easy would it be to serve someone just by the click of a button? But courts aren't really receptive or early adopters of E-filing. So the profession has moved very slowly,

but the profession is moving. Now, me being a curmudgeon who just practiced law and had to dig through all those boxes and do all the research and all those types of things, I luckily have a group of technologists -- developers, technologists -- people who keep us honest on technology.

And what we've seen and what's pretty clear to us at LexisNexis is that you all, as the professionals, are very ready, willing, and able to accept technology that meets your needs and is easy to use. And most importantly for the larger firms, something that can easily be rolled out to a bunch of partners and associates who don't like to change anything in a way that doesn't require you to do too much work.

So what we've seen here is -- and I think the best example of technology and its movement into the law firm is really these catch phrases that I have no clue what they mean. I can't tell you what knowledge management is. We have a product -- it's a knowledge management product -- but I don't know what knowledge management means. I have no clue what imbedding in the workflow means, and I certainly could not tell you what metadata is. But we have people who deal with those issues who are all behind the scenes. What you will want to see on the front end, at the professional level, what you want to see is something that makes the practice of law or the business of law better.

Now, we saw with, I think knowledge management is something that has many meanings to many people. We at LexisNexis, we sort of have this sort of strategy which is really we sit back and watch what happens. We're resourced enough that we can go in very quickly, and we're flexible and fast enough.

And also as Bob Butler, owner of Time Matters can tell you, when we find something that's good, we'll come out and pay for it rather than try to build it ourselves. Because what we see is that as these products come out there's a time period where I think Mike calls it the slinky effect. I actually read some of your articles. Called the slinky effect where some people go out in the beginning; some people go out in the end.

I'm not sophisticated enough to have a slinky effect theory. What I basically figure out is this: Things go out to the customers and it's created by technologists. The technologists say we have all these bells and whistles. It needs to be rolled up for a while. The bugs need to be worked out. And what needs

to then happen after the bugs are worked out is you got to find out what customers really want. And for us knowledge management was that type of product. There's a lot of products out there in the knowledge management field, a lot of buzz about them, but not a lot of implementation.

We waited a year, year and a half. I had to hold my boss back who was constantly saying, "When are we going to have a knowledge management product?" I said, "I don't know what knowledge management is. I can't have a product that I don't know what it is."

What we ended up doing is we waited, we let the products go out there in the marketplace, then we did a lot of customer research. Everything about LexisNexis, and I think the one thing that sort of separates us apart is our ability to do customer research and make sure that we are customer focused.

Knowledge management -- there's a thousand bells and whistles. Four themes came up constantly. All people really wanted from knowledge management is they wanted, one, the ability to search in a familiar way, which quite frankly is the way they've either searched Lexis or Westlaw which is rather similar. Number two, they wanted the ability to be able to search their documents and our documents -- the firm's documents and our documents at the same time, to do one search. Fine. Pretty simple to do. Third, they wanted the ability to update their research so if something was done three, four, five years ago, they wanted to see a Shepard or a Keycite signal that said, hey, this is good law -- see, I did mention Keycite. I do get extra pay with that. They wanted to see the signal and whether or not the case was still good or bad or that research was still good or bad.

And fourth they wanted to be able to implement it fairly easily. We sat back, we waited, we saw what the customers wanted and we rolled out this product. The product and the pilots have been extremely successful, and I'm telling you all that because if any of you who want to jump in, I can cut the salesmen's commission out if you sign up through me here today. So I can give you a good ten percent discount on our total search product.

But generally that's our view of technology. The theme that I keep going back to is, it is law has been practiced the same way; the business has been done the same way. I think the key theme for me is the volume of data. I think firms research customer data, client data. It's all -- the volume of research has

gotten and the volume of data has gotten so large over the last few years. So what's really happening there is that firms just can't handle the data that they have. It's not that the practice is different. It's not that the business is different. They just can't manage the information they have.

We bought Time Matters. Why do we buy Time Matters? Because it was simple. You put it in once, it's in your contact list, it's in your calendar, it's in your matter management, your case management, and it bills for you. Simple, easy -- this is not -- I wouldn't say cutting edge technology. You know, I sell it every time we would try to do an investment and every time we try to buy a company, I'd say it's cutting edge. It's really not cutting edge. It's just automating and really understanding how law is practiced, and finding those hot buttons. We call it pain points. And there are pain points in the workflow of every attorney.

And those pain points might be, I mean, my particular pain point and my favorite story is that up until about two, three years ago when you had to do discovery of documents, -- one of the last things I worked on was an anti trust case that lasted for two years when I was a corporate counsel. Just so happened to be the merger of Thompson and West. But that has nothing to do with anything.

So the last thing that I worked on as an attorney was really this merger of Thompson and West. I mean, we both had to produce every document that existed -- and, I mean, I have a photographic memory so I was able to flip through and understand pretty much where things were. But we had 50 lawyers looking over 500 boxes of documents. I mean just not an efficient way to do things.

I decided to stay in-house and remain with LexisNexis and take a nice decent salary for doing what I do, and somebody who was doing the same thing out in Seattle, Washington who was about 15 years younger than me, he basically said, "You know what? The practice of law is screwed up. How can people look at documents this way?"

E-mail -- here's what's happening now. 95% of your day is now filled with e-mail. You probably get about 5% of it which is actually real letters. So nothing really comes out in paper. So people are doing it. Not only do you have these 500 boxes, and of those 500 boxes of documents about 400 of them were never in paper form to start off with. So what you were doing is you were taking these documents,

you were printing them out, you were binding them, and people were flipping through them. I mean, the waste of time, effort and energy.

This guy came up with the idea of a real good system for electronic discovery. What they did was three guys got together. Guy number one was an attorney who had the idea. Guy number two was a technologist. You see a pattern here. You and I can make this work. Guy number three put guy number one and guy number two together. And basically what they did was in a year they built a company called Applied Discovery, which had created conversion programs to take everything that was electronic and put it into a standard format to be a standard database. They had the ability obviously to scan in documents so they created a fully searchable database of discovery documents.

See how much easier it is to go through discovery documents and to look at it and say okay, I can now search on whether -- let's say it's a Microsoft case. You know, there's always a Microsoft case. So it's a Microsoft case. Everything that says Bill Gates. Everything that says monopoly. Everything that says predatory pricing. You could fully search -- I didn't mean that for Microsoft. I can see the law students descending on me right now. Where are my lawyers when I need them?

But basically what it did was it created a fully searchable database on discovery documents. Not a profound idea, not technology that had to be created using some, you know, fancy system. It was off-the-shelf hardware; it was customized software; it was thought on the workflow process.

Another great example is how you get clients, how attorneys get clients. It used to be the Yellow Pages, right? Everybody used to put their ad in the Yellow Pages or they used to put an ad in the Martindale directory, right? Obviously I had to put that plug in there. But basically that's how lawyers got business. But how many of you have actually been in the phone book in the last -- I mean have actually looked in the phone book in the last six months? You don't go there anymore.

I mean we had a business that was a directory publishing business that we looked at and we said, "How is this business going to survive five years from now? How are attorneys going to get customers?" Well, they're going to get customers by still being in the Yellow Pages because they're not early adopters, but they're also going to want to get customers from the web.

So what we did was we took Martindale from being a directory that was in print form to a directory that was on the web. We got a fancy name. We spent \$50,000 back in 1996 for this name called lawyers.com. Everybody thought I was crazy. I was actually running -- it was my first business job and I said, "Uh, spend \$50,000, buy the name."

So we buy the name and we create a database. Now, the big rub from a technology standpoint, from a business standpoint, was that we were actually charging people -- attorneys were paying to be in the directory and we were charging people on Lexis -- we were charging people to access the Martindale-Hubbell directory information.

And so we had about a \$5 million revenue stream from people who were searching for an attorney when we said, "Let's go to the web." We had a whole bunch of crazy people at Lexis, because at that time Martindale and Lexis were sister companies. They were separate. They said, "Oh, you can't cannibalize that revenue stream." But we said we had hundreds of millions of dollars worth of advertising that's in Martindale-Hubbell that we can't get out to people because the only way we let them access it electronically is by putting it on the web, is by charging them for it at LexisNexis. We have to put it on the web.

So we put it on the web; we cannibalized those revenue streams. But what it did was it created a business that would have died. Every other directory, publisher, has been in disarray or has bad business models have been under attack except for Martindale and other companies who didn't -- who took their business model and shifted it. It wasn't about the technology. It was about the same element of the practice of law. It was, how do you get a customer? And they got the customer, whether it was in a phone book, whether it was on the web. It's just where people were looking for that information on the lawyer.

So at the end of the day we've created an environment where -- my view of technology, and it's again basically simple. I'm not a visionary. I think our company has a lot of great visionaries. But the vision is not to take and create different elements of the business of the practice of law. It's to look at those elements to see where are the hot spots, where are the pain points for the attorneys, and to take those

pain points and make them easier and come up with a solution that actually works.

So that was the lawyer's view of technology. Those of you who are CTO's are probably sitting there saying, "That's why nobody ever understands because all they care about is how they used to practice law." But at the end of the day that's what it really is all about at LexisNexis.

Now, it's not that we're not innovative. LexisNexis was created, had an online searchable database or dial-up database ten years before the personal computer was created. But it is about again understanding that the workflow of the attorney is not changing. What is actually changing is how they access it, where they access it, and how easy it is to access. So as these technologies emerge, I mean, let's be serious here. For many people, books are about as technology savvy as people want to be. There's other places where a CD-ROM is the cutting edge, and it's based on geography; it's based on area of practice. There is no cookie cutter approach to technology.

And our goal at LexisNexis and our view on technology is that we will be in every media and we will provide every product that the attorneys want that will lead us to a situation where it will make real solutions for real problems by the lawyer on a daily basis.

So thank you, and Mr. Wilens, I leave it up to you now to explain technology.

MR. WILENS: Thanks. Well, when I was preparing for this we met in the hallway and the coin flip which you don't really know is the coin flip was really about who got to tell the jokes first. So I have to go to my second layer of jokes, because they're all gone.

It is interesting though as we get started that it's ironic in this industry -- just think about this for a second. It's ironic and I think extremely positive for this industry that I would argue -- arguably Lou and I have a lot of effect on sort of the way this works, and you've got a lawyer leading the company whose roots could arguably be technological. And you've got a technologist leading a company whose roots came from editor/lawyers, and we're meeting in the middle, which tells you the way this converges.

It is true that we usually have a lot of fun at the expense of each other, and today we decided, you know, we won't do this in front of a big audience. However, we are selling tickets--

Anyway, what I'm going to talk about, and I'm going to hit this button now -- I hope this all

works. I did bring Power Point. I didn't, you know, I thought about going Power Point free but I decided I needed a net today, so -- but I'm coming at this a lot differently as you would expect. And I'm going to talk about sort of three things that I find interesting in terms of trends that I think will affect us as we look out over the next five or ten years.

It has a little bit to do with West and the industry in general, but a whole lot that has nothing to do with West whatsoever.

Now, you know, a lot of you have seen this before but I bring this up -- predicting the future is just really fraught with peril. And probably the most famous line around that is Alan Kay's is the best way to predict the future is invent it, and those of you who don't know Alan Kay I'll remind you he was a Xerox PARC researcher, invented the laptops, Small Talk, sort of a bon vivant of technology. And this is probably truer than you know, because I think it's one thing to observe that, yes, we will pave cow paths. As technologists a lot of our energy is making things work better but fundamentally the same way. But some proportion of our work -- 10% or 20% is paving whole new roads, and that's what I'm going to talk about.

So let me just sort of -- I've picked three things. I could have picked a whole bunch of things, but I know I got about 20 minutes, so I'm talking about the velocity of communications and what that means to us. Then I'm going to talk about another fundamental shift, I think. It's happened in business, and the question is will it happen in the practice of law, and that's the migration of the back office to the front office.

And finally I'm going to talk about something I'll call the emergence of integrated information and solutions, and here I'm right alongside Lou in saying I don't really have a clue of what I'm talking about here, but I thought I'd share it with you anyway. I didn't mean it that way actually.

As you know, everything's getting faster, bigger. This is a chart on the last of communication bandwidth. For those of you who have to know the details, it's actually (indiscernible) bandwidth. It's a measure. I found it on the web someplace. All right, and it's growing exponentially. I did put the chart on the bottom right. That's an AT&T tariff for a T-1. I do notice even though everything's going up, the

price hasn't dropped. You know, that's sort of an interesting thing.

But the point of the bandwidth is, when things grow geometrically, when things have that curve in them, what happens intrinsically in societal systems is that you do things the old way and then something happens that causes a disruptive shift in the way things occur. And particularly what I'm going to talk about is time to respond to clients.

I called some of my friends who have been in the practice of law a long time. We were talking about the increasing velocity at which you have to respond to clients. You know, if you read the Benjamin Franklin book, you find out in those days when they negotiated treaties, you know, you'd work really hard with a quill pen. You'd make maybe one copy. You'd send it on a ship. Six months later something would come back and there'd be two changes because that's it. You had six months and you could work on a lot of things.

Then of course in 1900 the phone got involved, and in the 1900's the phone basically means people could get to you but you had secretaries and mail. So things went from months to weeks. And then as we get near 2000 e-mail came into existence, and not just e-mail. About the same time the BlackBerry came into existence. Now, the BlackBerry probably has ruined more lives -- there's a lot of other names for the BlackBerry, but I mean I carry one, and it basically somehow has convinced society that if you don't answer within an hour you're no longer responsive to the needs of the people trying to get a hold of you. All right. And if you go into 2000 I'm going to tell you that velocity is going to increase even further.

So let me introduce sort of one big trend changer, and I'm going to do some instant polling in the audience. That sort of gives me an idea of how obsolete I am. The first one is instant messaging. Now, you all know about instant messaging. Anybody who has kids knows about instant messaging. Basically as you know it's a little box that you leave open, but what it essentially is instant group messaging. I have a nine-year-old daughter who gets on at night and she talks to like nine people simultaneously. Used to be done on phones, but it's all done now on this instant messaging thing.

Now, here's the problem. Not only is instant messaging a new technology, but it's got a

completely different vocabulary. On the right side of that screen, when you type in instant messaging, and I took about ten words. I went up to get these words. I went to the West customer support and reference attorneys, and I'll talk about that in a second. And they give you -- they have a list published of how you type these words, because it's a shorthand because you're typing. My favorites are BFO. Okay. My daughter said that to me several times. I just figured out what she was saying.

MR. ANDREOZZI: I hear BFD a lot.

MR. WILENS: To give you an example, we started, and I think you folks do that, too, which is we support law students using instant messaging. And we started that a couple years ago. This is when they have a question with our on-line service. And in two years we have gone from essentially 100% of it being phone support to under 20% being phone support. 80% of our interaction with law students is through instant messaging.

Now just as, poll number one. How many people here actually use instant messaging in any real way? All right. So that's maybe 10%.

How many people here have kids that use instant messaging? All right. Well, here's the interesting thing. We had a productivity problem because we noticed that the amount of call throughput was dropping dramatically. And when we did the search and went upstairs and watched the actual reference attorneys -- now, these are attorneys, trained as attorneys that specialize in the various practice areas -- the ones that were under 25 -- I'm sorry -- 28, just brand new attorneys and have used this, could do four to six sessions simultaneously. The ones that were over that age would do one session just like they were handling a phone call.

Now, I personally said, "Okay, we got to get into this instant messaging thing," and we had it installed in a bunch of computers at West, because I heard from IBM. They did it and everybody used it. Well, for about two weeks I'd get an instant message, and then they'd immediately call me on the phone and say, "Did you get my message?"

So I concluded there is some disruptive thing that's happening, and that old statement of "If it was invented before you were born, it's an appliance; otherwise, it's technology," really applies here. And I

think instant messaging will wash through over the next 15 years, and the velocity of communication will ratchet up to an unbelievable -- I think that will have to change the way we do things. And since the practice of law is so interactive, it will change that. I can't tell you exactly how, but trust me, this will change things.

The second communication thing -- this one I love -- blogs. Okay. Now, for those of you like me who are not in the know, blogs is really a web log. And what's a web log? A web log is really a personal diary that you put on a website. There's lots of software that allows you to record your intimate thoughts or what you think of a rock or whatever things you think of. But that's not the key thing. That was done on websites forever. By using standards XML and RSS and a few things like that, these blogs can be interlinked, indexed, researched, and hold tools to bring them together. And in fact, many blogs are getting more prominence than mainstream media in certain areas, and it's becoming a personal publishing platform that's emerging as a power in what they call the blogosphere.

Now, instant poll. How many people here read blogs? Well, for the rest of us, that concept of personal publishing has already geometrically grown. If you go to any number -- just type "blog" into Google and you'll find at least a thousand sites, each of which have a hundred thousand blogs in them, and you can construct your own personal awareness. If nothing else, it will become a standard for companies like us, information providers, to provide current awareness. But I think it has far more to do with what you can do for knowledge sharing and interaction in a law firm.

Now, let me switch a little bit to migration of the back office to the front office. It's interesting. We both use client pain points, because at the end of the day when I put my general management hat on, that's really what it's all about is identifying client pain points. But let's look at the client's client in this case, the person who's using the attorney, and what do you find? You usually say, when we've actually monitored phone calls in several law firms, the kind of calls they were getting is, "What's the status of the matter?" "How much have we spent so far?" "How should I handle this particular issue?" And "Do I have a problem?"

Usually by the time you get to the bottom, you have a problem. Okay. But if you actually look at

the number of phone calls coming in that's handled in a particular practice area, a lot of these will reappear all the time.

And what's the standard practice today? Call my lawyer; call my lawyer; call my lawyer. This is how you handle it. There's only one answer to handle it. In the future I'm thinking that as law firms become more sophisticated they're going to adopt many of the technologies and approaches that are used by companies such as West and Lexis and other large companies. What's the status of this matter? There'll be an extranet or a blog or something like that do to it. Check the web view of my account. Publish selectively to these firms, and of course some things will never -- the whole point of it is to focus on "call my lawyer."

What does that really mean, though, when we talk about that? Lou spoke about the whole move now to start the harness, the firm work product, with knowledge management. I think firm accounting is going to be absolutely as critical.

I'll tell you a little bit of a story. It's about West and not the law firm, but I think the message is clear. Oh, about four years we sent off and replaced all of our back-end billings systems with SAP. If you really want an interesting life, by any means, try that. It must have been five years ago. You know, about \$80 million later, and most of the time during that period I was called to Stanford for my monthly beating.

But we got through it, and it was not about replacing legacy systems. What it was about was enabling our customers to have complete visibility on everything that they ordered from West, what was going on at West. And it turns out that as we've been releasing the ability for customers to come in and see these things, customer satisfaction has completely risen through the roof.

People want to be able to do simple things themselves without going through intermediaries. I think what you're going to see in the future of law firms, particularly larger ones, is a melding of firm work products that's produced for those agencies, firm accounting through a lens that customers can see.

Another thing that's happening is it depends on the Web and flow of the economy, but large corporations who pay a lot of the legal bills in this country are insisting on standards so that they can

manage the multitude of law firms that they have in a more rational fashion. And I'll tell you when they insist, the law firms will do it. And the trick is either we're going to do it first or we're going to get it forced down us, and I think that's going to be a trend you'll see in the next five years.

I'd like to finish the back office to front office though with one sort of provocative statement. There's been a lot of interesting CRM's -- customer relationship management -- at law firms. We've done a lot of research in this space, and I'm here to tell you right now I'm saying the future is very questionable as it exists today.

And there's two reasons and it has all nothing to do with technology, because the technologies for CRM out there -- there's a variety of products -- are excellent. They're as good as anything I've seen. It has everything to do with culture. You look on the left and on the right. What you find out with the CRM is it requires two fundamental culture changes in a law firm for this to work. One, sharing actionable client data.

Now, if you've read articles in the Economist recently, you'll see that foreign law firms trying to come into the United States have very serious problems because their compensation schemes aren't aligned with American "eat what you kill." That's probably not the kind way to say it, but that's sort of what it is. They're very, very different, and as a result the culture's mismatched and there's a lot of problems.

CRM's require you to believe that giving all of your secret sauce to the firm is a good thing. That's culture change one. Culture change two is the real point of CRM is to create a closed feedback loop so that every time someone touches that customer they record what was said so it can go into the soup, and the next time you touch a customer you're a little bit better.

From my knowledge management short of getting people to put documents in, getting them to record even a matter number is a major challenge, let alone a transcription of what happened every time you talk to a client.

CRM won't work there. Now, again I'll give you an example from West which isn't exactly the same but something we've learned. We're rolling out a CRM system. We did it in inside sales first.

Why? Because we can make them do what we want because they're right there. We can get our hands on their throat. We're terrified about putting it into a sales force because this is exactly the problem that the sales force has had, and in fact no matter who you talk to these are the problems, so --

Back office to front office, I think that's the right way to go. CRM -- it will be interesting to see where that happens.

I'd like to end this sort of with the emergence of what I call this integrated information solutions. Everybody wants to analyze workflow. Now, lawyers in this respect are no different than other knowledge workers in our society. And you come back with these really nice workflows. You know, they work on Matter A for the three steps of Matter A. Then they work on Matter B for the three steps of Matter B.

Well, you actually go out and watch them work, okay? It has nothing to do with any linear process. It's extraordinarily non-linear. In fact, with permission we worked with some law firms to watch their web tracks to see if we could improve their research. And what we found was it would go pull a case, read a case, pull a case, go to ESPN, see score, go to -- check TV, back to case. Different matter, and it was all over the map, because knowledge workers like to sort of graze on information. And actually tracking them through the process is a much more sophisticated and complicated process.

So trying to come up with a workflow product that does step-wise or enforces any rigid paradigm on knowledge workers is fraught with peril. We've learned this to our -- we've tried watching products like that and we have not been very successful.

One area is extensive document assembly. If you move very much out of simple documents it gets very hard to sell that to sophisticated lawyers.

So what we think the answer is is the strategy that's quite different, which is we take client development kind of tools, Martindale-Hubbell's or the (indiscernible), we take software, we take information assets, educational and training assets are in there as well. And if you overlay all those assets what you find out and you start to look between software and information and client development and education, interesting applications. I'll give you just two quick ones.

The red dot is sort of the space between information and software. The KM solutions that are being fielded by Lexis and West I think fit right there. What you're doing is using technology that was developed and honed for big information services and you're applying it sort of to firm work product. But it does take software technology; it takes software service capability; it takes software installation capability. It takes a lot of software to pull this off.

Those two things create an entirely new category of product and offerings that attack pieces of the workflow but attack it from a different dimension than laying it out and trying to solve it in a linear fashion.

The second opportunity I put up there turns out to be where all of these things come together and it turns out just in time training. One of the things I found out is knowledge workers are increasingly loathe to sit through training courses. You know, for the longest time everybody would go to on-line training courses, and we're finding it less and less true. We have big centers in downtown locations across the United States which are basically empty because no one will come out of their office and go to those centers anymore. What they want is the training for eight minutes, just-in-time, when they need it, exactly applicable to the point right now.

And what do you have to do to pull that off is you have to analyze those work flows, break them down into the modules, create training modules that work there. It's a lot of information that comes in, and the whole thing is software-enabled. And by the way, the client development comes into this whole thing because knowing what that person is like in their own educational learning profiles matters. This is whole new product categories that you can come up with when you start to overlap these various circles. And that's what you'll be seeing, I think, in the next five years.

Well, let me just sort of finish up with my own final thoughts which is I think new modalities of communications will change everything over the next five years because I don't think the velocity of it is sustainable. I think when these instant messaging things start showing up on your phone, we'll just have to change the way we do it. All the protocols, how we answer calls, all of that sort of stuff.

I think back office technologies will be harnessed to better client needs, but I'm not sure where

CRM is going to end up in this whole thing. And integrated information solutions which is to me the overlap of those things -- I'm just giving you a definition -- will allow us to address more portions of the workflow.

I'd like to sort of just finish up my formal comments with an observation. A few years ago when I was trying to get West to move into new directions from the pure, you know, West was a big print publisher that went online and now we've gone into other things. I was trying to explain to them all these things and come up with a motivational speech. And I saw this painting because my daughter was writing a report on Washington, and I said to her, you know, "Here's Washington, and he's taking these troops and they're going across a frozen river to found a new nation, you know, inspiration, vision." I said, "You know, what do you think he said to his men to get them to come into that boat and go across this really, you know, to found a new nation?" And what she did is she said -- she looked at me like with a BFO and she said, "Get in the boat."

Thank you very much.

BRUCE OLSON: Well, thank you to both of you. It was a wonderful opportunity to hear from each of you. Each of our speakers will be downstairs at the reception in their respective booths to have an opportunity to meet with you. But before we leave, we obviously want to give you an opportunity to ask some questions if you are interested, so if anybody has a question they want to ask, feel free to raise it right now.

(Question asked - not near microphone)

MR. WILENS: Is this on? Okay. ProLaw was folded into the Elite software unit. It has become their product lines for the small and medium account sizes, and it's being extended and it will continue to run. It's a very healthy product line. That's sort of the plans.

BRUCE OLSON: Anybody else? Okay. Over here.

(Question asked – why can't either of you create simple pricing plans?)

MR. WILENS: I'll take it. If you don't like my answer, then it's his turn. You know, I look at those pricing systems and I don't disagree that they are the most complicated things I have ever seen. But

every time we put out simple pricing systems, our customer base comes back to us and says, “That’s great, except for me I’d like this in, that out, turn it on at site, paint that brown and that pink,” and what happens is in responding to our customer base the things get very baroque again. All right.

So there are places where we have the market power to keep it simple and we try. In the low ends, for example, on subscriptions, but as we get into the larger accounts in responding to customers I suppose we could get -- hang tough and say, “No, we’re going to keep it simple.” But most of those come about because of customer desire to customize the pricing plans to fit their specific needs.

MR. ANDREOZZI: I have nothing substantive to say that disagrees with you. I just have a little story that should go with this. I’m sort of a little embarrassed to say that I worked my way through law school doing a various bunch of different and odd jobs. One of them was selling shoes. And I always loved high-priced women’s shoes. I always loved the fact that a woman would walk in, she’d pick up the shoe off the display and she’d say, “I want exactly this shoe with a nine-inch heel, an open back, an open toe, and in green -- lime green. But this exact shoe.” And that’s what we found with pricing.

No matter how we tried to make it simple and we say this is the simple most basic pricing model, a lot is dictated by how an individual attorney wants to charge their customer. And it ends up being a customized system anyway, and that’s what we do. So what it’s become is really a negotiated pricing system. And we put in all these menus, and believe me, we would all love -- it would save us tens of millions of dollars to have simple pricing plans that we could implement and that would be transparent to the customers, but the customers just don’t want it unfortunately.

BRUCE OLSON: Other questions? Bill?

(Question asked – What acquisitions are each of you looking at?)

MR. WILENS: Well, given that we’re both looking at buying stuff in each other’s territory, I’m not sure we’re going to answer all of that. I think, you know, one of the comments we were talking about at the very beginning of this is the legal technology’s a very interesting niche. All right. It’s large enough to support an infrastructure like this show and other shows like it and specialty things, but it’s small enough that actually it doesn’t get on a lot of radar screens. Some of the big enterprise vendors aren’t in

it.

Microsoft, as you know -- I don't want to speak for them, but they have a guy who's their segment guy and then he's gone the next year and then, you know, they alternate every five years or something like that. So it's sort of one of these segments. And I think we're all, certainly from West's perspective, we're feeling our way through -- where can we bring enough value to make money? All right. And I think it's early days. We're still learning. You can see our company's buying and trying things, see how we do it, see what synergies are there. So unfortunately it's not a great answer for you but that's sort of how it's going. Lou?

MR. ANDREOZZI: Yeah. I'm going to think -- are there any vendors in the room? From our perspective, I mean, the number one acquisition target for us is the West group, but they're just not willing to sell. But seriously, I mean, all you have to do is walk around either LegalTech or the ABA TECHSHOW to see that there's not a heck of a lot new out there.

I mean I've been walking around these shows for at least six, seven, eight years and it's all the same stuff. Usually what happens is we sort of have -- I think both West and Lexis have sort of the blessing and the curse. The blessing is that our organizations are large enough that if we find products that are either research or beyond research that we could sell in through our sales forces, the economies of scale work and it's real successful.

The curse is that both of us occupy such a premium spot in the legal profession that we can't afford to put things out there that are sub par. It hurts our credibility; it hurts our brands. So we have to have the best products. I mean what we've found is from our acquisition standpoint, you know, we saw our customers were asking for certain things. In some instances like with Time Matters we allied with them for three years. Probably cost twice as much money to buy the company because we helped grow it. But we gave our customers the best time and billing software.

From the standpoint of electronic discovery, to be honest with you, I thought I paid a huge premium for the company I bought until I came to last year's ABA TECHSHOW and found that every single company in the world was doing electronic discovery now. Its companies that do sheet metal work

and electronic discovery; they do trial work and electronic discovery. I think there are – Joe’s bar and grill do electronic discovery. So electronic discovery is the hot place to be.

But generally I mean, I think, you know, you walk around and you see all the same stuff. And what we look at is how we can take those entities, how we can have the best products that meet the credibility requirement that our customers are looking for, and how we can really make money with it driving it through our sales channel. And you know, typically we do, you know, we both do a series of fold and acquisitions during the course of a year where we’ll buy an Anderson Publishing that has Ohio law. You’ll buy a Harrison that has Georgia law. And whoever can afford to pay more in that state because they’re behind -- is able to, you know, pay a little more. And we go back and forth with those sorts of things.

But I think beyond the technology front, I mean, if you look around it sort of goes with my theme of in the last hundred years a lot hasn’t changed. You know, there used to be eight legal texts and now there’s two, because there’s just not a lot of new stuff out there. I think the market is fairly saturated, but there are some good properties out there which I’m not going to let Mike know what they are. I’m sure we’re both beating on the same doors. And then, you know, we joke about it. Everybody thinks we’re in collusion which is absolutely positively not the case because neither Mike or I would do very well in prison.

But it’s actually all of our customers, and most importantly all the people we’re trying to sell. Everyone comes to me and says, “Well, if we really came to you first, but of course we’re going to go to LexisNexis.” They try to, you know, play us against each other all the time. And so we get see all these acquisitions. And I hate to say it but every company is for sale. I mean, no company says we will not consider an acquisition. So if we wanted to buy something we would.

But I think right now, you know, we’re very strategically looking at things that tie into our sales channel. We could really add value. So as those show up and as people come to us we’ll look at them. So will Mike and we’ll bid against each other and everybody will be happy and we’ll pay more for it.

MR. WILENS: There’s one other thing that I think that’s happening is as we edge out of core

research products, you know, certainly West's culture is learning to adapt, and I'll give you specific examples.

The -- we purchased Elite which is a large complicated installation and it has a lot of things in common with SAP installations for law firms, as you know. You hate them terribly while you're going through this, and if you survive then on the other side you're all friends again. So the value of (indiscernible), you know, well, at West, we are used to topnotch service, never a frown, right? And getting our organizations, our support organizations to understand the difference, yes, they're going to hate us for a while we're doing this Elite thing, but then they'll love us. Right? And our West people are going completely bananas over this. "Are you kidding? You know, they're unhappy. You know, fly in thousands of paratroopers and then start shoveling, okay?" Which is the normal response in those cases. And trying to learn how to do it and not to do it, and the law firms are learning, too, because where they can push us. So all of this has to be done very carefully as we start to explore these other things. So you're changing cultures on both side of the fence here.

BRUCE OLSON: Any other questions? Okay. Let's thank Mike and Lou again for taking time out of their busy day. Enjoy the reception. We'll adjourn down to the exhibit floor.

Thank you.

(Proceedings concluded)