

Ediscovery tools underutilized and misunderstood in Hong Kong

Electronic discovery (ediscovery) tools can be used beyond traditional ediscovery from identifying suspect employees involved in an internal fraud investigation, to supporting an M&A, to using it as a risk management tool. According to a recent survey Kroll Ontrack conducted in Hong Kong, companies here have a limited understanding of how to effectively utilize ediscovery tools, and companies are deterred by the fact that they still don't truly understand what it is.

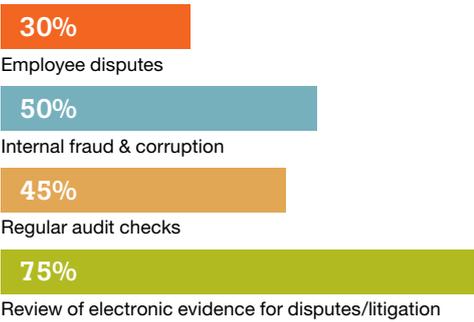
Below are views of 72 in-house counsel that were polled in April 2016 who were asked about the application and importance of ediscovery.

Ediscovery platforms in simple terms enables you to reduce vast volumes of data so that you focus on the relevant data sets in order to get to the facts fast and respond to stakeholders in time – whether that's in relation to a regulatory investigation or just an internal review for a department"

Have you used ediscovery services in the past 12 months?



In what situation was ediscovery applied to?



Ediscovery can assist in a number of areas, which situation/s do you believe it could be applied to?



"With ediscovery at a nascent stage in Hong Kong and no practice direction in place yet, it is not surprising to see that only 28% of respondents have used ediscovery services in the past 12 months. At a global level we are increasingly seeing savvy clients utilizing ediscovery technology to gain a strategic edge, even before actual litigation."

Kate Chan, Regional Managing Director for Kroll Ontrack APAC

About 50% indicated that ediscovery was applied to or can be used to support fraud & corruption investigations. In Asia we are seeing a growing interest in utilizing ediscovery technology to support internal investigations – which may or may not lead to litigation. In the first instance of suspecting employee wrong doing, ediscovery consultants work with in-house counsel to collect, process and review relevant email communications and

company data onsite. Onsite review of employee communications using a mobile solutions platform enables the client to instantaneously confirm if allegations made against a suspect are true, and also provides in-house counsel with necessary intelligence to support subject interviews. All of this is done within the security of the client's office.

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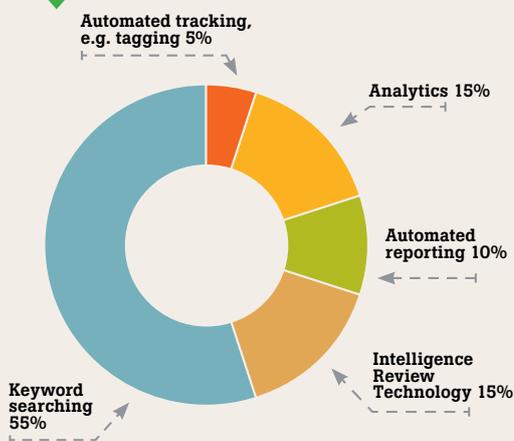
Mobile technology can be used in a wide variety of investigative scenarios involving the examination of data, including ediscovery, internal investigations and proactive compliance reviews.

Kroll Ontrack's mobile solution enables you to:

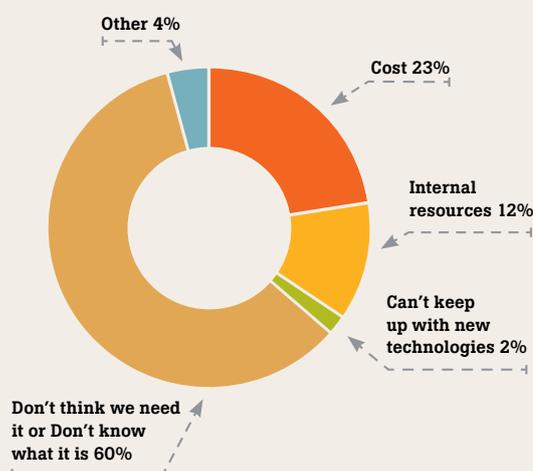
- Conduct full-scale investigative work without removing data from the organization or country

- Access key information needed to define case strategy and determine if further investigation is warranted
- Identify potential wrong-doing and people of interest
- Leverage forensic expertise to discern specific user behavior to support investigations

In terms of an ediscovery review tool, which feature is most important to you?



What is stopping you from utilizing ediscovery?



60% of those that have not used ediscovery technology in the last 12 months indicated that they felt they didn't need it or they don't know what it is. Across Europe and the USA, many lawyers use ediscovery technology for internal investigations, competition matters and much more.

Of those who have recently used ediscovery, 55% noted that keyword searching functionality is the most important tool for them.

Keyword searching is a somewhat outdated tool and is eclipsed in function by newer developments such as predictive coding which offers quicker and more accurate results. Kroll Ontrack recently assisted a client with an internal compliance review across their European subsidiaries. On average each country had 1,235,498 documents, with an initial review set of 614,005. Once our consultants had examined the data and used

predictive coding's machine learning techniques, we were able to reduce the number of documents requiring review to just 36,776.

In contrast, another client who chose to use traditional review methods ended up taking around 5 months to complete their review, employing 12 full-time reviewers and analyzing 54% of the whole data set and 103% of the initial review set.

Predictive coding has been widely adopted in the USA and is growing in popularity in Europe due to a swathe of judicial approval.

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