

## EVENT FLASH

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### **PwC and Stratify Partner to Offer Forensic Investigation and Advanced eDiscovery Services**

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#### IN THIS EVENT FLASH

This IDC Flash discusses the recently announced joint business relationship between Stratify, an Iron Mountain Corp. business unit, and PricewaterhouseCoopers LLP (PwC).

#### SITUATION OVERVIEW

On August 4, Stratify, a subsidiary of Iron Mountain, and PricewaterhouseCoopers, the global assurance, tax, and business advisory services organization, announced a joint business relationship for forensic investigations and eDiscovery.

Iron Mountain offers storage, content archiving, and data protection applications as well as records management, media/tape restoration, and extraction services. Stratify offers legal electronic discovery services as well as document analytics, visual email analytics, and production software. The Stratify Legal Discovery service is a hosted solution delivering advanced review, analysis, and production capabilities. Stratify/Iron Mountain and PwC senior management indicated that Stratify is investigating providing an on-premise version of the review application in the future that the PwC team might utilize to assist clients.

PwC employs over 146,000 individuals across 150 countries and has three main service lines — assurance, tax, and advisory consulting. The PwC Forensic Technology Services practice, which is aligned with the advisory consulting service line, has a team of specialists who provide fact finding, data identification and collection, complex analysis and project management for transactional data analysis, discovery readiness consulting, and discovery response services. PwC's Forensic Technology Services has integrated global network and reach, with over 300 professionals in 39 countries.

This joint business relationship enables PwC to utilize the Stratify Legal Discovery service for use in investigations, regulatory matters, and litigation for advisory clients. Its Forensic Technology Services practice will perform the analysis of unstructured content on the Stratify hosted analytics, review, and production platform. PwC will continue to utilize the relational database tools for the analysis and review of transactional and structured data. PwC is exploring an approach that could facilitate investigation and analysis across structured and unstructured data, using a combination of the Stratify Legal Discovery application, relational software, and proprietary tools developed by PwC. In addition, the relationship enables Stratify to leverage PwC's global forensics investigations capabilities on Stratify client matters.

In addition to formalizing their joint marketing and sales activities, PwC consultants will be trained and certified in the Stratify application. These trained forensic specialists will also capture the business process workflow and technical requirements and help drive the future product road map of the Stratify platform. Product development and engineering will be done primarily by the Stratify and Iron Mountain Digital team.

#### FUTURE OUTLOOK

Although the announced joint business relationship primarily calls out the complementary services across PwC's Forensics Technology Services unit and Stratify, it also opens up opportunities for the broader Iron Mountain and PwC portfolio. Corporations, especially serial litigants, are in a better position to prepare for the Rule 26(f) conference, regulatory audits, and investigations if they have executed policies, processes, and technical procedures for information management, data retention, and legal holds, and have a solid eDiscovery response plan. Iron Mountain and Stratify could fulfill the information management (including records management and archiving) and data collection needs of corporate litigants. PwC could provide the front-end forensic consulting and project management. PwC's Discovery Readiness and Discovery Response Consulting practices would precede Stratify's Legal Discovery services.

There are also overlaps in both organizations' addressable markets — the large geographically distributed enterprises that are involved in multiple legal matters and investigations involving multilanguage processing. This relationship enables the organizations to provide services to mutual customers.

Although the majority of media attention focuses on eDiscovery from the plaintiff bar, there is a significant opportunity for end-to-end forensic analysis and review solutions arising from second request, white-collar criminal investigations, regulatory inquiries, and fraud investigations. Corporate investigations and regulatory inquiries oftentimes precede a civil litigation. There are benefits for service and application providers such as PwC and Stratify to get their foot in the door as early as possible, and eventually extend these relationships into the later stages of the legal discovery value chain. IDC estimates that the review and analytics software

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attach rate for vendors that also provide front-end litigation consulting and forensics services ranges from 45% to 70%. Corporations that have these integrated offerings, which encompass forensic consulting and analysis, litigation consulting, and project management as well as document analysis, review, and production applications have certainly benefited from this strategy. FTI Consulting and Kroll Ontrack are prime examples of corporations that have benefited from having these vertically integrated solution offerings. The relationship between PwC's Forensic Technology Services and Iron Mountain-Stratify's solutions portfolio will compete directly with these firms.

Global litigant corporations are looking to mitigate information (mis)management risks in the earlier stages of a litigation event, as well as leverage emerging search and analytics technologies to accelerate case assessment and drive their legal strategy. At the later stages, costs containment becomes the primary focus. These corporations view the standardization of key processes and technical procedures in the review and analysis as critical to realizing these objectives. The combined PwC-Stratify solution framework is intended to address this need.

IDC anticipates more vertically integrated offerings and partnerships across the EDRM value chain. Litigant corporations should expect the Big 4 with strategic advisory, risk management, and forensic services to come up with similar business relationships or acquisitions with the information management, collection and text analytics, search, and categorization vendors.