

REPORT REPRINT

# MINDSEYE SEES A UNIFIED E-DISCOVERY REPOSITORY IN ITS FUTURE

NICK PATIENCE

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By gathering together commonly used data in a unified repository, Mindseye hopes to make the e-discovery process more efficient while making itself more integral to its customers. Can it fend off much larger rivals?

## SECTORS

ALL / INFORMATION MANAGEMENT / INFO RETRIEVAL / E-DISCOVERY



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As a software vendor, when you see a business problem recurring for your clients, the sensible thing to do is try to find a way to resolve it with a product or service. That's what happened to e-discovery vendor Mindseye Solutions in the past few quarters and is the driving force behind a forthcoming product update, including a new unified repository for litigators.

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## THE 451 TAKE

Mindseye's unified repository isn't a new idea - nor does it pretend it to be. But it makes sense because the company intends to build out a litigator's e-discovery toolkit. It will appeal to the serial litigators out there; although of course, those are the primary targets of the larger and more well-resourced e-discovery vendors also. But overall, a multi-matter repository does scratch a fairly common itch for litigators and so represents a good opportunity to retain existing customers as well as finding new opportunities.

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## CONTEXT

Our previous report on Mindseye gave the details of the company's origins. But briefly, it is a seven-year-old e-discovery software vendor founded by veterans of Onsite3, the e-discovery managed services provider acquired by Integreon in 2009.

The company is still at about 20 employees, with seven open positions and has slightly more than 40 customers. Although growth this year won't be the 80% or so of 2014, it claims to be growing well. The company is almost entirely employee owned but has taken on a small amount from unnamed angel investors. It is starting to build out a field sales team, having previously relied on inside sales and the executives.

The customer split is about 20% corporations, 40% law firms and 40% legal service providers, with corporate clients rising from 10% a year ago. Examples include a major European investment bank, Freddie Mac and Navigant and AlixPartners in the legal services provider bucket.

Revenue in 2014 grew 52%, following 83% growth in 2013. The average deal size picture has changed a bit for Mindseye since our last report in 2014. There's now a wider spread, from about \$45,000 through to \$500,000 if all the analytics are thrown in. That's due to a shift from a pay-as-you-go model to a license model as well as a short-term on-demand offering.

## PRODUCTS

Mindseye's product line currently comprises the eDiscovery appliance (previously called the TunnelVision eDiscovery appliance). It's a Dell box with 17TB of storage, Microsoft SQL Server 2014, Windows Datacenter, 384 GB RAM and five virtual workstations. The Mindseye software on board comprises a Processing Engine and the Decision Engine. As the name implies, the Processing Engine is the processing component of the product, while the Decision Engine is the analytics and early case assessment (ECA) component, using technology licensed from Content Analyst Company. The company gives an example of the power of the analytics in the current product whereby at an Am Law 200 law firm it ingested 2.7 million emails down to 684 responsive ones in a matter of days so it could move on to the next stage of the process.

Mindseye offers this appliance in the hardware configuration above, but also as a virtual appliance for those that want to use their own hardware. The company sells this on a license basis, but also on-demand, where it might be dropped into a company legal department or a law firm for engagements lasting 30, 90 or 180 days for a flat rate with unlimited data included.

## ROADMAP

The business problem Mindseye identified is one of clients using the same data in e-discovery across multiple cases and thus duplicating effort because they have to gather that data together each time. It's not only the gathering; it's the cleaning of the data to remove non-relevant (or non-responsive in the legal jargon) data before the evidence is handed over to the other side. Mindseye has noticed this particularly in financial services, but it is known to occur in any industry where litigation is common - tobacco, energy and pharmaceuticals are other industries where this problem is part of the cost of doing business.

This is not a new problem; indeed, it was largely the basis of Clearwell Systems' success in the market (it was acquired by Symantec in 2011). But Mindseye is able to take advantage of the advances in computing power since those days and believes it can offer customers considerably better value for money than did Clearwell.

So the company is planning to offer a legal repository on a physical or virtual (software) appliance to work on multiple matters with the same data. In front of that will be an application to add a layer of intelligence to provide visibility into the data and will use machine learning to better understand what data is relevant to the cases as each case is processed.

Mindseye is evaluating connectors to some of the most popular repositories used in e-discovery, including Microsoft Office 365, OneDrive and SharePoint as well as Box and Dropbox.

The company is also branching out to the right side of the EDRM with 'Review Lite' features included in the Decision Engine product. It also intends to expand the use of Content Analyst's machine learning technology to improve its analytics and is working on a tool to identify Personally Identifiable Information (PII).

One of Mindseye's current strengths is its reporting – it has more than 40 canned reports already, but plans more and will also add business intelligence features so users can do their own digging. The unified repository will ship at the end of 2015, with the review tool following at the end of first quarter 2016.

## COMPETITION

Mindseye's principal competition comes from Nuix, which has been growing from its origins doing work for the Australian government in the last decade to a company now with more than 300 employees but still expecting to grow by 60% this year. Its focus is on discovery of various types – e-discovery in litigation but also investigations by regulated companies as well as the regulators themselves.

As well as fast-charging Nuix, Mindseye also runs into processing and ECA/EDA products from IPRO Tech, Lexis-Nexis (LAW PreDiscovery), and the Symantec-Clearwell installed base. Now that Symantec has sold its Veritas unit to the Carlyle Group and is in the last throes of separating the two companies, the resulting Veritas Technologies Corp – the information management business spun off from Symantec, which houses the e-discovery tools among a bunch of storage-related assets – may once again become a force in e-discovery. However, that is far from clear at this stage and almost all of the Clearwell staff has been gone for a while now. Mindseye, not surprisingly, finds most success when Clearwell customers are making their renewal decisions.

## SWOT ANALYSIS

### STRENGTHS

A focus on litigators and the teams that support them means the company doesn't get distracted by other opportunities, unlike some of its larger competitors.

### WEAKNESSES

The company is relatively small in this market and is trying a new strategy that has been tried before by others. It is slowly branching out into areas such as PII scanning and investigations, so a loss of focus is a danger.

### OPPORTUNITIES

A multi-matter repository does scratch a fairly common itch for litigators and so represents a good opportunity to retain existing customers as well as finding new opportunities.

### THREATS

Nuix is much larger and better resourced than Mindseye and already focuses on most of the things Mindseye is planning, except the unified repository.