

Top 10 Tips for Staffing E-Discovery in California



(As originally published on Law.com at <http://www.law.com/sites/lawcomteam/2015/07/31/top-10-tips-for-staffing-e-discovery-in-california/>)

California is notorious for having unique laws and practices relating to employment and e-discovery. The convergence of California culture and geography with e-discovery and litigation support staffing requires a calculated approach coupled with a deep understanding of the nuances of the talent marketplace out West. Every wonder why salary metrics do not equate to their East Coast counterparts? Curious why some roles are harder to fill than others? Here are 10 mission critical things any aspiring e-discovery professional or hiring manager needs to know, whether at an Am Law 200, Fortune 1000 or legal technology service provider, in order to successfully maneuver, manage, hire and retain the right e-discovery talent for their organization in California:

1. 3x longer to hire. Placement cycles and hiring timelines are three to four times as long for staffing e-discovery roles in California than in New York or Washington, D.C. Why? It could be the glorious weather or the unbearable traffic slowing everything down, but the sense of urgency to make decisions and hire is simply not the same in California as it is on the East Coast. The lack of urgency is also largely a result of a continued scarcity of talent and thus a delay in hiring. For traditional e-discovery project manager and analyst hires, most law firms and vendors in New York and D.C. can and will fill said roles in three to six weeks. California law firms and vendors can take three to six months to fill the exact same roles. The factors that contribute to this are articulated below and throughout.

2. Los Angeles is three cities. Make no mistake, hiring talent in LA means knowing the lay of the land. Los Angeles has three geographic hotbeds for e-discovery hiring: Century City, downtown LA and Orange County (Irvine). Know now that the traffic situation in LA is real and makes the commute from one of these locations to another nearly impossible in under an hour. Talent living in OC won't want jobs in Century City, and people living in downtown LA won't want to commute to Orange County. This makes staffing even more challenging in LA because talent is scarcer when divided by three. This creates a chain reaction of compensation acceleration as firms and vendors succumb to the need to pay more money to entice people into braving the commute or poach from a more limited talent pool within their specific Los Angeles fiefdoms.

3. San Francisco is not Silicon Valley. Just as LA is divided geographically, so too is Palo Alto from downtown San Francisco. Talent will make career decisions based on geographic accessibility, cost of living and culture. There is a distinct culture divide between companies and firms in Palo Alto and San Francisco. Silicon Valley cultures pride themselves on creativity, modern workspaces, a more casual dress code, Uber accessibility and technology-focused community work-mosphere. Working downtown may provide a more professional, structured, formalized, independent, public transit/bicycle accessible culture. The separation of these two cities within a city has led to a thinning

of available talent, extension of timelines for filling jobs and a notable increase in compensation demands from talent at the top.

4. Corporate DIY. One unique characteristic of California, especially Silicon Valley, is that many technology and pharmaceutical companies are staffing up in-house or converting existing talent in-house into e-discovery professionals. Out East you will find a massive influx of consultants (sometimes outside counsel's eData/e-discovery group) and service providers (with managed service contracts) embedded in-house at large banks and financial institutions using a wide variety of third-party technology tools to support the organizations' e-discovery needs. Corporations in California trend toward doing it themselves, often converting existing IT or paralegal talent into e-discovery experts. This does not mean corporations are paying top dollar for e-discovery talent out West – quite the contrary. In-house jobs are so coveted that top technology companies can pay below market and still attract A players.

5. Fewer local vendors. The ratio of geographically localized regional vendors between the East and West Coasts is 3:1. The abundance of so many local vendors out East contributes to a less erratic compensation landscape among peers in the space, as well as an abundance of up-and-coming talent saturating the market and preventing unhealthy salary acceleration. The lack of as many local service providers in LA, San Francisco and San Diego means that salaries can rise quickly as talent matriculates from vendor to law firm and back again. Furthermore, when staff with two to five years' experience leave, their replacements are often entry-level trainees because there isn't enough lateral replacement talent available at a reasonable price in California. This phenomenon has created a gap in California between the entry-level and the high-end of the talent market. Professionals in e-discovery don't stay in the "middle" long. The middle, from a compensation standpoint, is 75-100K base salary. That is the compensation range with the most demand, but the least supply in California.

6. High priced means priced out. There are very few jobs above 200k base salary anywhere in e-discovery but especially in California. These jobs, when available, will likely be in sales, consulting (consultancies) and at a director level within Am Law. The latter constitutes less than 2 percent of the global market, and the former two will likely be with very big brands and expect significant amounts of experience (7-15 years). It is challenging in California, as it is everywhere, to make a move north of a 200K base salary.

7. No noncompetes here! One of the reasons you find fewer local vendors out West is that there is a drought of available experienced e-discovery sales talent. Perhaps because other technology offerings appear "sexier" and are in great abundance in California, e-discovery sales reps are very hard to attract. But California labor laws are firm on never enforcing a noncompete within the state. So, e-discovery providers would be wise to hunt for talent here, and will often pay above and beyond market to attract experienced sales talent, knowing that they will not be forced into a battle over a noncompete and hoping their new hire's clients will follow.

8. The outskirts are not viable. Outside of LA and SF, there are very few cities with steady opportunities for e-discovery professionals. Sacramento, San Diego and San Jose get less than handfuls of open jobs each year, and this will not likely change. San Diego suffers from "musical chairs" e-discovery staffing, as the limited pool gets tapped again and again by the same local players. Companies and firms setting up shop or headquarters in these and other nonmajor California cities would be wise to relocate talent from other geographies. The good news is that these cities on "the outskirts" are places that people strongly desire to relocate to! This alone will attract talent. But the talent should be savvy enough to know that if that opportunity does not work out, there may not be a lot of other options in these cities.

9. WFH on the rise. There has been a notable uptick in service providers hiring e-discovery project managers and analysts in "remote" or work-from-home (WFH) positions. This trend is a result of great talent being too far to commute daily, a need for East Coast businesses to have West Coast

time zone coverage, a lack of local talent and a greater acceptance of the idea of building a WFH culture. Vendors would be wise to seriously consider augmenting their staff with remote workers. Many seasoned e-discovery professionals in California will take pay cuts, make lateral moves, work more overtime and other things they would otherwise be unwilling to compromise on for the opportunity to work from home.

10. Gateway to Asia. California is the legal gateway to Asia, and many law firms and vendors in California are doing work with Chinese, Korean and Japanese-based clientele. If you are staffing foreign language review, California is a great resource for legal talent that speaks the languages. Additionally, if you wish to do business with Asian-based corporations, it would be advantageous to have a location in California. Work in character-based languages has and will likely always command a premium, and as e-discovery becomes more commoditized, there is an opportunity to increase margins by handling this kind of work.

Jared Michael Coseglia (jared@trustaffingpartners.com) is the founder and president of TRU Staffing Partners (www.trustaffingpartners.com). He is an active speaker and published author on trends in the legal technology job market.

Read more: <http://www.law.com/sites/lawcomteam/2015/07/31/top-10-tips-for-staffing-e-discovery-in-california/>