

The eDJ Group 1-Step Report

RFP Response Comparison Method

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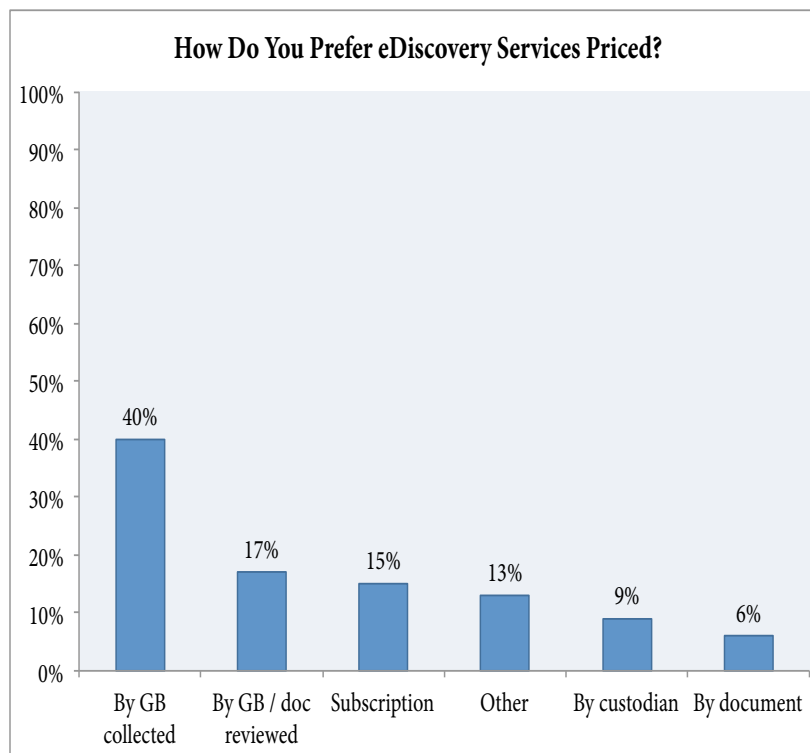
One of the more common complaints we hear from clients is that comparing the prices of solution providers is more challenging than it should be. There are few fans of the overly complex pricing models and hidden fees that seem to dominate the industry. There are a seemingly infinite number of ways to formulate eDiscovery pricing and some vendors may not feel it is in their best interest to be transparent about pricing; therefore, the onus falls on the solution consumer to come up with a comparison method.

What is the easiest way to compare eDiscovery service provider pricing? Use an apples-to-apples RFP spreadsheet and reference each vendor's response without the risk of inadvertently modifying original information and without needing to paste each vendor's pricing into a comparison table. An apples-to-apples RFP has the following features that lead to success:

- Pricing questions in a spreadsheet provided by the customer
- The spreadsheet contains all units and assumptions
- Respondents must respond in the format provided without modifications

An easy way to show a pricing comparison is with a very simplified RFP example that uses a gigabyte volume unit. In a recent eDJ lightning webinar poll, 40% of the 40 law firm and corporate respondents preferred to price eDiscovery services by the gigabyte. This response supports additional informal polls conducted at eDJ events showing that customers choose per GB or GB in / out pricing most often.

Per GB Pricing Is Preferred Model



Source: eDJ Group Lightning Webinar Poll, October 2013 N = 47

Using a 500 gigabyte scenario as an example:

- Each Vendor’s spreadsheet file must have a unique name or it should be stored in its own, uniquely name folder
- Open a copy of the RFP spreadsheet that translates the pricing into costs
 - Include a number of units column (not shown) that provides the number of gigabytes related to each phase of discovery based on ingestion, cull rates, etc.
 - Reserve two columns for each vendor’s responses, one for the service price and one for the cost for that service based on the volumes in the scenario
 - Create formulae in the cost columns that multiply the price column by the unit column
- Populate each price column with a formula referencing the price cell in each vendor’s response
- Price comparisons will be readily apparent as will any inconsistencies or failure of respondents to adhere to the spreadsheet format
- Multiple scenarios can be deployed by using a different spreadsheet tab for each scenario – with respondents filing in different pricing in each tab. Or by showing multiple volume ranges in the same tab: 1-500 GB and 500-2 TB in parallel columns, for example.

Scenario 1: 500 GB	Vendor01		Vendor02	
Service	Price	Cost	Price	Cost
PreProcessing	\$100	\$1,000	\$90	\$45,000
Processing: 50% Culled	\$200	<code>= [c:\rfp01.xls][RFP01]![E3]</code>		\$68,750
Review Host GB / Month / 3 Mo	\$25	\$3,750	\$30	\$22,500
Tiff 10%	\$100	\$2,500	<code>= [c:\rfp02.xls][RFP01]![E7]</code>	
Captions	\$0.01	\$2,000	\$0.00	\$0
Totals		\$123,250		\$138,500

Comparing eDiscovery pricing can be time consuming and confusing. Providing a scenario-based spreadsheet with all volumes, units and assumptions clearly stated and referencing each response from the original file assures a correct apples-to-apples comparison as well as selection transparency.

For additional information on eDiscovery service provider selection please refer to the following eDJ Research Reports: www.eDJGroupInc.com/research

- Ten Components Of An Effective Vendor Selection Process
- How To Select an eDiscovery Service Provider: Writing an RFI with the eDJ Matrix Services Framework

About The eDJ Group

eDJ Group is a new kind of research firm – our analysts are “working analysts” that cycle between consulting engagements and research projects in order to keep a real-world perspective. eDJ’s analysts all have 10-25 years of experience in detailed eDiscovery and information governance projects. Our analysts research, analyze, and write based on a combined one hundred (100) years in the legal technology community.

We operate with the utmost integrity and commitment to our clients on these guiding principles:

- Independence – All research, reports, advice and services are agnostic and conducted independently without influence by solution providers.
- Highest Ethical standards – All content is honest perspective based on real experience and interactions with thousands of practitioners; detailing both successes and failures without favoritism.
- Pragmatic, Experienced Expertise – All services are conducted by industry experts with decades of experience and strictly vetted by the eDJ Group founders.

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