



The Evolution and Next Generation of Document Comparison

What You Need to Know About Document
Comparison with Native Word 2007/2010

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Executive Summary

Document comparison in Word 2007 and 2010 is a major enhancement to previous versions of Word; so much so, it has the potential to completely revolutionize the way legal documents are compared and managed throughout the document lifecycle. Comparison output was simply a way to communicate to the reviewer of a document that something had changed. Today, it continues to do that, but also creates a resulting document, more easily able to become a document's next version. It is a different way of producing work product and providing high quality legal services to clients.

Whether you are ready or not, Microsoft Word Compare will likely become a tool in your firm's comparison suite. It may arise because your clients prefer their documents with track changes or based on lawyer preference. Either way, it is time to consider how you are going to adopt it into your document production environment: will it be the sole solution or will it complement your current comparison product?

There are certainly some challenges to transitioning the entire firm to a new document comparison solution, not the least of which is the introduction of change. But for users or clients who do not demand Microsoft Word Compare, this change can be gradually introduced to ease the lawyers into a new way of comparing documents. Word Compare provides an early experience, not too dissimilar from their current approach, yet offers an opportunity to improve upon their current collaboration process.

Benefits of using native Word Compare include:

- Cost
- Efficiency
- Consistency
- Client familiarity
- Reduced complexity

Native Word Compare changes the workflow and facilitates the collaboration with colleagues and clients; it is transformative to the practice of law. Using Word Compare makes the process simpler, helps lawyers deliver better client service, and accommodates the way your lawyers and their clients collaborate.

The productivity gains will improve profitability and client service. Additionally, native Word Compare will reduce the complexity of the often crowded desktop and lower maintenance costs.

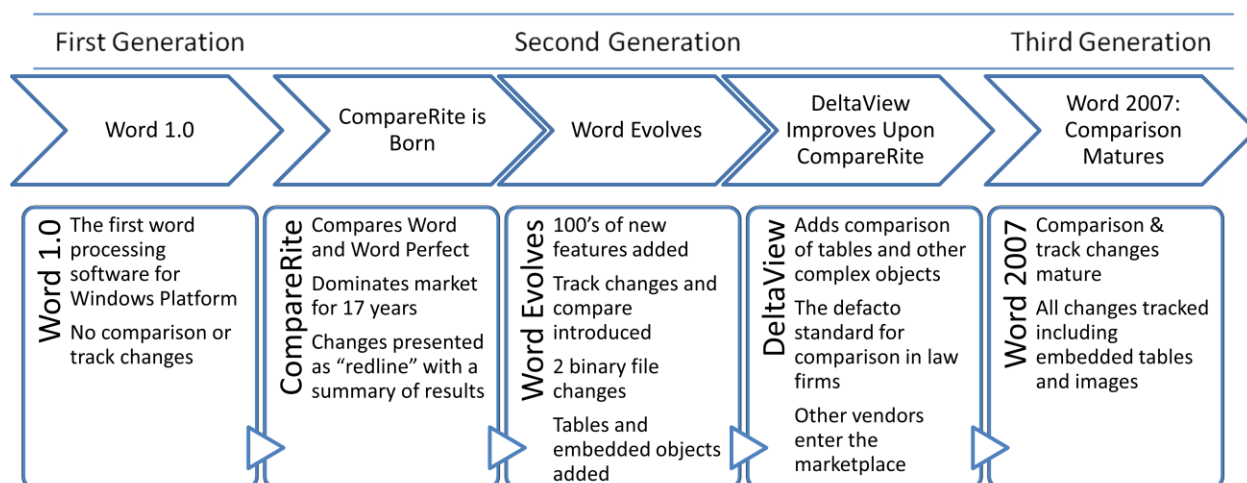
Vendor product lines often combine comparison with metadata functionality, driving the need to consider both solutions as you evaluate how you will accommodate both the improvements in Word functionality and in metadata functionality. The second generation of metadata removal software is available and is simplifying the technology footprint on the user's desktop.

The Evolution of Legal Document Comparison

From Rulers and Red Pens to Word 2007

The Introduction of Word Processing and Document Comparison

The term Redlining, as it relates to the legal industry, refers to the process of comparing two versions of the same document and manually marking changes with a red pen and ruler. This was the professional standard until the introduction of the personal computer and word processing software. Since then, much has changed as illustrated below.



Document Comparison Today

In Microsoft Word 2007, the compare and track changes features have finally matured to the point where they address the major issues found in previous versions of Word. All changes are tracked, including the troublesome challenges of table changes (individual cells or the entire table), tables of content (TOC), cross references and footnotes.

Key improvements Microsoft made to comparison include:

- Comparison of images, is at least, if not more reliable than third-party solutions
- Comparison of tables including merged, inserted and deleted columns and rows
- Comparison of embedded Excel tables
- Comparison of text boxes, previously treated as a single entity

Workshare still maintains the dominant share of the market; perhaps as much as 90% of the Am Law 200, with the other 10% of firms using solutions from DocsCorp or Litéra. All available third-party solutions have trouble accurately comparing some corrupt documents. In 1998, Microsystems added comparison intervention functionality to DocXtools and it has since become the primary solution to support law firms and third-party comparison vendors with

failed comparisons. Microsystems integrates with all three third-party comparison applications and native Word to provide a familiar user interface to launch a comparison and to automatically analyze and fix documents that won't compare.

Is Word 2007 / 2010 Equivalent?

In a head-to-head evaluation of Word Compare 2007 and 2010 (pre-release) versus the dominant players, the answer is simply "yes." Certainly, there are differences. But all in all, the comparison results are equivalent and avoid the failures third-party vendors may experience. At times, Microsoft handles some situations better and at other times third-party solutions are better. But in all cases, the results are usable.

The notable differences are:

- Microsoft tends to show changes as deletes and inserts vs. changes. Visually it is represented the same. It only shows differently when looking at the list of changes in the reviewing pane.
- Depending on the tool used to create the TOC, change results may not be completely clear. If field codes are used, the change is marked as an inserted and deleted field code. If the TOC is generated as text, the change displays as expected. To avoid confusion, the user can turn off the comparison of field codes.
- Word Compare more accurately detects deletes of split or merged cells and other table structure changes that do not affect the entire row.
- Other tools have inherent thresholds regarding the number of changes necessary before a changed table will be rendered as deleted, then inserted. Whereas Microsoft Word tracks each cell as having been changed.
- When viewing the comparison output, the applied Style Set displays that of the original document. However, upon closing of the comparison panes, the style display is refreshed, and accurately broadcasts the Style Set associated to the revised document.
- Microsystems customers, using a third-party compare solution, submit documents that can't be compared or have comparison issues to the Microsystems Document Emergency Room. Using Word 2007 to compare those same documents proves to be far more reliable than the third-party solutions.

Microsoft made tremendous strides in making the Word Compare feature ready for prime time and capable of meeting the discerning needs of the legal industry. Investment in both the base product as well as the compare feature contributed to this improvement.

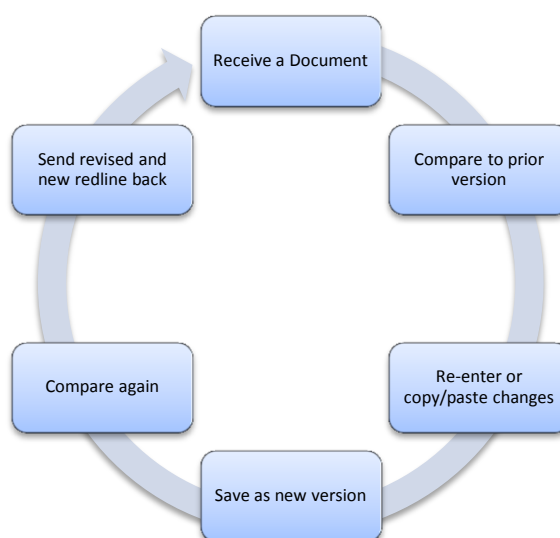
Opportunities Available With Native Word Compare

Is the Compare Output a Report or an Active Document?

A redline document is a redline document right? Wrong. Most comparison tools, including Workshare Professional and Litera Change-Pro, present the comparison output as a “report” of sorts. They mark changes using either styles or directly applied font formatting. The output is intended to be a report used to communicate changes between versions of a document.

In reality, lawyers need both a report to communicate changes and a means to incorporate those changes into their live, active document. The comparison products recognize this and have added tools to transform a comparison output to an active document and/or accept and reject their marked changes. Still, the typical process, and one that has been regularly enforced during training, is represented in graphic 1.

What users need is a means both to produce the redline report and to use the output without extra work or creating document problems. They need to communicate and collaborate with their clients, co-counsel or third parties. If the comparison output can be presented both as a report and also as a document with changes marked as track changes, the user can accept and reject each change building the next version of the document as they review the changes. This will make them more efficient and collaborative, as well as reduce errors. It will produce better output and reduce document corruption. This is the opportunity presented with native Word Compare. It is also a shift in approach both for firm leadership and the lawyers.



Graphic 1

Two Main Hurdles to Adopting Word Compare

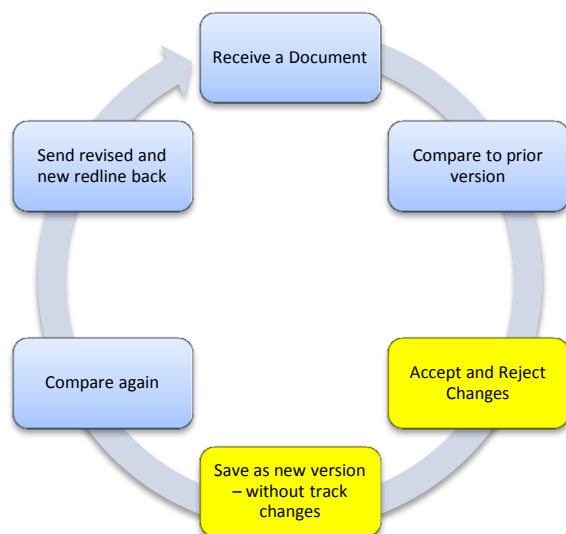
The shift introduced by Word Compare is that the comparison output can be used as an active document. However, there are two other common hurdles to firms adopting this new approach. Both of these can be overcome.

1. Historically, track changes was BAD! (no longer true)

If you grew up being told that walking on the right side of the street was bad, that you might get hit by a car, as an adult you would feel uncomfortable walking on the right side of the street. Even if you knew in your head it was okay.

Similarly, users have been told time and time again that track changes are bad. Word 2007 Compare and track changes have reached maturity and the issues have been eliminated, provided that users follow a slightly revised workflow for using track changes.

The process is the key. The process must ensure that in all working versions of a document the track changes are removed. Also, on the comparison output, ensure that the track changes are only created as an output of the comparison. The new process is illustrated in graphic 2 with the differences marked in yellow.



Graphic 2

2. Change is hard

Native Word Compare is a slightly different way of managing the collaboration lifecycle of a document. The key to this change is to ease the users into it. There is no reason that they have to treat the comparison output as an active document initially. They can save it as PDF and never edit the document. They can still proceed as before. However, by using Word Compare they now have a choice. Younger associates may find this as

Taking track changes from BAD to viable

Track changes didn't track every change. This meant that not every change would be communicated; a result unacceptable in a legal context.

- Microsoft Word 2007 added tracking for all changes.

Track changes revealed the author who made the change. There are real life examples where embarrassing metadata was revealed in the history of the document.

- Metadata removal on email attachments has mitigated this risk.

You only want to reveal the exact changes between the version you received and the version you are returning, not all of the interim changes.

- Save a version of the document without track changes and use the comparison output to represent changes.

It is not always apparent that track changes are on. Thus, it is possible to mistakenly return a document with hidden track changes revealed.

- Metadata removal on email attachments has mitigated this risk.

Track changes showed changes by author, but not in the traditional redline rendering sets.

- The format options for track changes can be modified to emulate traditional redline standards.

the most comfortable approach. Older lawyers may never change. Users will likely fall into one of the following categories:

- Immediately grasp the implications and welcome the change
- Resist the change
- Only care if their client cares

In the end, it is each firm's and each individual's choice as to how to handle this change. It is certainly making some people think about the opportunities. The benefits of working with a comparison output that is also an active Word document will grow over time.

Benefits of Using Word Compare

There are a number of reasons beyond those discussed above to consider using native Word for comparison. As you evaluate Word Compare, consider the following:

1. **Complexity.** The desktop has become a very crowded place. Between Office, Document Management, CRM, template packages, and other add-ins, a lot of opportunity for problems exists. By using Word compare, there is one less software product to configure, deploy and support.
2. **Money.** Budgets have become tight. Microsoft Office is a must-have. It already includes comparison without any additional outlay or expense.
3. **Speed.** Desktop refreshes are performed on average, every three years. Microsoft releases major versions in line with this schedule. The complexity of these refreshes lies in waiting for the other vendors to certify their software on the new platform. Using Word Compare eliminates the wait time and the dependency on a third-party application vendor.
4. **Client Familiarity.** Clients regularly use track changes and expect changes coming from their legal counsel to follow this standard approach for marking changes. Since Word Compare marks the differences as track changes, clients will be able to work on documents using a familiar approach.
5. **Consistency.** Users tend to work on multiple workstations, including their home computers. Lawyers are hard-working and many spend hours working outside of their office on laptops, notebooks and home computers. Those computers may not have another comparison software solution making it likely they will use Word Compare. Providing a consistent approach for your users improves productivity.

Insights from Firms Using Native Word Compare

Clifford Chance LLP

"We've been relying on DocXtools comparison intervention for years to support documents that fail comparison. As we have moved to native Word compare in Office 2007, DocXtools has evolved with us.

In addition to fixing documents that fail comparison, DocXtools now enhances our workflow process issues by filling the gaps in native Word."

- Darshna Dave, Functional Analyst, Clifford Chance LLP

Nixon Peabody LLP

"As part of Nixon Peabody's decision to participate in the Microsoft Office 2010 Rapid Deployment Program we defined several key objectives. Namely, reduce complexity of the desktop, maximize investment in Office and improve risk management.

The team at Microsystems and the introduction of DocXtools 6.1 provided us with an opportunity to accomplish all three. We simplified the desktop, reducing third party applications by adopting more native capabilities of Office 2010 such as Word compare and moved metadata cleaning to a server based solution.

DocXtools is filling gaps, allowing us to deliver a packaged solution for the firm that actually exceeds the experience and usability of our previous desktop."

- Mike Green, Chief Information Officer, Nixon Peabody LLP

Why you can't ignore Word

Every firm has to take into account a native Word Compare workflow and plan for it. Even if you retain your third-party product, you still must be prepared to support Word Compare. Lawyers collaborate with clients on documents and those clients often request track changes. They often don't have a third-party solution to compare documents, thus they use track changes to show differences. Clients expect documents to be sent to them so they can work more efficiently with track changes. Behavior today is evidence: they will take a comparison output and make edits directly in the document, ultimately creating an unstable document.

Conversely, even if you want to eliminate your third-party comparison product, you may encounter unique circumstances or particularly slow-to-change lawyers that require you to support two comparison approaches.

Examples include:

- Comparison of more than one document at the same time
- Comparison of Excel documents
- Comparison of PowerPoint presentations (PowerPoint Compare is coming with Office 2010)

The Challenges of Word Compare

The discussion so far has been around the comparison itself. However, comparison is more than producing a comparison output. It is as much a process as it is an output. Comparisons are launched from email, the DMS, the file system and Word. Comparison output needs to be saved, sent, printed and reviewed. There are time-saving options to which users are accustomed that will be required of any comparison solution.

Using native Word, how will this be done? In native Word, these tasks are all possible, albeit using more steps. In fact, it is not as efficient as third-party solutions unless extended with DocXtools.

Microsystems Position and Recommendation

We believe that the method of producing a redline document will change over the next one to three years; your clients will require your lawyers to use native Word Compare and Track Changes and the lawyers will embrace the technology shift. It will become the new defacto standard for comparison. Firms will be remiss if they don't begin to provide the tools to ease into this new paradigm without forcing the change.

Our recommendation is to follow one of the following two approaches:

Retain your current solution, but embrace Microsoft Word Compare as needed. We have a single front-end solution for all the major comparison vendors. For users using your current solution, in which document corruption is introduced during the collaboration process, DocXtools can clean your documents before comparing and ensure the comparison completes accurately and without error. For users using Word Compare, DocXtools can support the total comparison workflow. And by using DocXtools as the interface to both, users will have a consistent starting point whether using your current solution or Word Compare.

Switch to Word Compare for all users. DocXtools better supports the total comparison workflow using Word Compare throughout the document lifecycle. Whether launching from an email attachment or the Document Management System; printing changed pages only or producing a summary report; using DocXtools to supplement Word Compare makes the transition simpler for your users.

If needed, you may have to maintain your current third-party provider for Excel and PowerPoint comparison until Microsoft provides a more complete solution. PowerPoint Compare will be available in Office 2010.

Metadata Removal

As firms consider their compare options, metadata removal is another module of the document lifecycle that requires review. It is an essential component of the collaboration workflow and typically supplied by the same third-party vendor as compare software. Metadata removal has evolved since its early desktop approach to manage the evolving mobile workforce as mobile technology continues to grow in use and relevance. To complement the DocXtools comparison capabilities, Microsystems has partnered with 3BView to provide server-based metadata removal with a front-end interface in DocXtools.

Summary

A law firm's culture and clients will impact the speed and thoroughness with which Word Compare functionality is adopted; but it will be adopted, sooner rather than later. Moving forward, determine if your firm will provide native Word Compare as the sole solution or as a complement to a third-party solution. Once decided, strive to deliver a workflow that fills the gaps in native Word Compare making it easy for a lawyer to use.

Native Word Compare will be accepted by the lawyer when the interface is familiar, the functionality is at least similar to the current solution and the workflow or process is easy to incorporate.

Using native Word Compare firm-wide will reduce costs and complexity while improving efficiency and consistency. In terms of strategic goals, native Word Compare aligns technology with the needs of the firm.

About Microsystems

Microsystems software and services extend Microsoft Word, accelerating the application to meet the unique demands and tempo of a legal document production workflow. Founded in 1995, Microsystems provides automation and expertise to enable firms to rapidly format, compare and troubleshoot complex documents.

Office 2007/2010 Planning Engagement

Microsystems has helped guide the planning and deployment of Office 2007 and Office 2010 at dozens of the world's leading law firms. The Office 2007/2010 Planning engagement unlocks the keys to achieving the improved user experience that is critical to your deployment's success, through informed design, definition and planning.

DocXtools

A combination of software, support and services, DocXtools improves the efficiency with which lawyers and their support staff can draft legal work product by at least 80%. An easy and quick resolution to both common and uncommon document issues is often just one-click away for the DocXtools customer.

Contact Us

Learn how Microsystems clients are maximizing the Word environment for their lawyers, secretaries, legal assistants and Word experts. Call 630.598.1100 or e-mail info@microsystems.com to learn more.

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