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EVERYTHING OLD IS NEW AGAIN:

a discussion with Neil Araujo, CEO of iManage

"I'm extremely optimistic," says Neil Araujo, as we sit down to talk about the latest chapter in the story of iManage. He chooses his words carefully, but that does not hide his excitement about regaining control of the company he co-founded 20 years ago. Araujo is once again the CEO of iManage, after leading the company through a buyout from Hewlett-Packard (HP).

TRANSITION FROM HP

When HP purchased Autonomy (which owned the iManage brand at the time) in 2011, the press release contained the typical platitudes about the "opportunity to accelerate our strategic vision to decisively and profitably lead a large and growing space." Ultimately, Araujo feels that it was not a good fit. "HP has its areas of focus," he says, "and HP does not focus on niche markets. It's a very big company that focuses on markets in the billions of dollars. To run a place like iManage, which has between 200 and 250 employees, you need flexibility on whom you can hire and fire, how you spend your budget, and how you provide support."

"Within a larger organization, iManage as a business might have been focused on something, but our support was being run like the support for the rest of HP's software. For the 800 people selling the product, this was just one product in the bag with a hundred other products. It's really about the focus, not necessarily the size."

THE NEW IMANAGE

"That's why, as the founders," Araujo continued, "we've always viewed iManage as a stakeholder business, not a shareholder business. You've got the employees, the customers, the shareholders and the partners, and they're all stakeholders in this idea called iManage. Having gone through going public, then being bought multiple times, I've seen how this alignment between the stakeholders can break." Araujo believes that spinning off the company allows it to properly align with those stakeholders. He is also quick to point out that management has a controlling interest

in the new company, which allows it to focus on the market it currently serves, rather than looking to grow by expanding outside that market. "This buyout doesn't guarantee the future, but it puts the right structure in place to align these stakeholders. Of course, now we need to execute."

EXECUTING ON THE VISION

iManage has remained a market leader in the document management space over the years, and its software is still a common part of the legal desktop. Although the branding has changed, lawyers have come to embrace — or at least learned to live with — its hierarchical folder methodology.

But a lot has changed in the last 20 years. Technology has evolved and so has the practice of law. Araujo sees the biggest change coming from the advent of mobile phones and tablets. "The consumer companies have figured out how to hook the user, how to make things really simple, to drive adoption, to drive zero training," he says. "If you ask me, it's that paradigm that will create applications that users will love, and, as a result, will drive productivity. That's the secret. How it's delivered is one mechanism, but to get to that level of awesomeness in a product, you need to focus on design."

It is almost surprising to hear Araujo use words like "awesomeness" and "design," but these terms reflect the way his thinking has evolved about the market and the way users interact with technology. "Doing magic behind the scenes is about using the computational power of the cloud to gain insight from previous behavior, insight from the data and to do things automatically. That

shift is coming from the consumer world.” Araujo understands that focusing on its consumers is critical to iManage’s pursuit of awesomeness. “We start out now with design — using designers before you get to coders — to really think through that user experience even before a single line of code is written. It’s a fundamental change.”

Araujo and his team have learned that users are looking for three things from their enterprise software: simplicity, consistency and flexibility. “They’re willing to invest time once to learn something. But if a folder works one way in FileSite, another way in your mobile app and yet another way in your Web app, that’s what trips users up, and they don’t have the patience to deal with that. If you have a folder in Outlook, it needs to be consistent and work like a folder in Outlook. And you need more flexibility to organize and work based on specific context. With matter centricity, firms have spent a lot of time defining folder structures. What lawyers tell us is, if they have just one document, they don’t want a folder structure — they just want to put it in the system. If that one document becomes 10, I might create one folder; if it becomes 100, I might need more. But when you put this whole thing in front of me, it’s confusing. Lawyers need flexibility for the system to evolve organically as the work evolves.”

WHITE RABBIT

These lessons have become the foundation of iManage’s “next-generation” interface, code-named “White Rabbit.” White Rabbit is an HTML5-based adaptive interface that allows users to file documents on desktop or mobile interfaces. The hierarchical folder tree is one example of an interface element that needed to be redesigned. “As we asked users to do certain tasks, we really saw them struggle with the tree. It works great in our demos, and it works great in the way I use iManage,” Araujo said, smiling, but he acknowledged that users can struggle with this paradigm when folder names get lengthy. He also noted that this convention did not lend itself to working on mobile devices where screen real estate is at a premium. “We took the tree and flipped it and put it as bread crumbs at the top, so now the navigation paradigm has changed.”

“The response when we’ve shown this to people has been extremely positive. We are, from an R-and-D standpoint, absolutely doubling down on the resources behind it, and we are trying to accelerate the whole White Rabbit program. The path that we’re setting is that if you know how to find a book on Amazon, you should be able to work on a document in Worksite. It’s a new user interface, but we’ve also done a lot of work all the way down to the core of the engine. It’s not the COM API; there’s a new API, which is much faster. We’ve simplified the architecture so you don’t need multiple servers to support the Web experience. The Worksite server now natively supports HTTPS, so it’s simplified architecture at the back. And it will be exciting to see whether we’ve cracked that adoption [problem], because if we have, we move the ball forward.”

CHANGES IN THE MARKET

When a company has enjoyed the kind of success iManage has, there are bound to be competitors nipping at its heels.

NetDocuments has made some high-profile announcements recently, and Microsoft has generated some interest in Matter Center, indicating that the market could be ready for a change. “When you have 3,000 customers,” Araujo says, “it’s easy to get picked on. It’s easier for the competition to create this buzz, a sense of momentum,” but he remains unfazed. He is more concerned with the competition from the consumer space, rather than the enterprise space. “The threat is people not adopting this class of software because there are easier alternatives, and those easier alternatives might not give the firm everything it needs from a governance and security standpoint. That’s the real threat. That’s what we need to solve.”

iManage’s competitors contend that security is a game-changing issue. NetDocuments in particular has made a name for itself by focusing on the security of its cloud offering. Araujo is keenly aware of the competition, but offers a different take on the situation. “The way I see it is that the way lawyers work has changed. What we are trying to do is adapt to that change. That change has been driven by mobility, by consumerization, by the expectations of the lawyer and by clients being more cautious about security. The market wants to see a response to that change. And that change is not about taking what’s done on-premises and putting it in the cloud and saying ‘here’s [the technological equivalent of] iManage from 2003, except that it runs in the cloud.’ I don’t think that’s the change [that needs to happen] — it doesn’t address the business issue. And I don’t think anyone addresses that business issue. You have to ask the question ‘what does it give me?’ I see the cloud as important, but I don’t see it as a reason to fundamentally disrupt your business unless you’re getting some business benefit that moves the needle.”

Araujo also takes issue with the notion that storing documents in the cloud makes them any more secure than storing them in a company’s own data center. “The reality from a security standpoint is that if somebody wants your documents, they don’t come in through the front door. It’s typically some end user’s credentials that get compromised, and then it doesn’t matter what your back-end is. You can’t outsource security.”

THE FUTURE OF IMANAGE

Neil Araujo has brought iManage back to its roots as a company focused on document management for professionals. With its level of funding and its seasoned management, it can hardly be considered a start-up, but there is certainly a sense of a new beginning shared by employees and customers. Araujo is “getting the band back together” by hiring back many of the company’s original engineers and support staff. The market will need to decide whether the group can continue to crank out the hits, or if the audience has moved on.

“For me, if we are sitting here in 2025 having this chat, I’d love to see that we’ve had a big influence on how lawyers practiced — not in terms of the content of the law itself, but how the sausage is made — how documents ultimately get delivered. Can we make that significantly easier? Can we drive substantially more insight based on the data you have to make our customers more productive? At the end of the day, that’s what it’s about.” 