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Shying away from technology has never been L. Ann Zdansky's style.

When she started an oil and gas consulting company in 1989, she bought one of the first laptop computers — a clunky, 14-pound model equipped with early versions of WordPerfect and Lotus 1-2-3, the word-processing and spreadsheet programs du jour at the time.

"I've always used computers — ever since PCs first came out — and had to learn on my own," she says.

Becoming a self-taught techie paid off. Today Zdansky heads The Common Source LP, a Houston company that provides litigation support and document management, including electronic discovery and document scanning and coding.

L. Ann Zdansky
turned a knack for
troubleshooting
and organizing
information into a
thriving business

She says it was one of the first companies to offer online hosting, which gives litigants secure access — from any computer with an Internet connection — to millions of pages of electronic discovery items, including exhibits, e-mails, deposition transcripts and other evidence shared by a lawsuit's parties.

For Zdansky, success came from identifying an industry need and experimenting with technology to meet that need.

Sometimes an industry doesn't even realize what it needs. When Zdansky founded The Common Source in 1997, law firms and in-house counsels were reluctant to trade actual paper for a common electronic database.

"The challenge was trying to get attorneys to put their documents in a shared environment and get them to (consider) electronic instead of paper-based," she says. "Getting people to see

The Common Source: Online and on the case



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L. Ann Zdansky of The Common Source Inc.: 'We just keep looking at new applications, new ways to help our clients cut costs.'

SOURCE: First trademarked software will help speed up the document-review process

that as an option was the hardest thing.”

But Zdansky learned early that she had a knack for troubleshooting and organizing reams of data. After earning a bachelor’s degree in finance from Oklahoma City University in 1986, she specialized in gas balancing audits as a partner and owner of consulting firms in Oklahoma and Houston.

“I would take boxes and boxes of credit reports and accounting and production history and would merge it all together,” she says. “So I was used to taking ‘junk’ and making a final report out of it.”

Zdansky also got used to working with the legal community, as some of her clients became enmeshed in litigation over gas imbalances and other issues. One such client was involved in a mammoth class-action lawsuit that involved oil royalties and spanned six different states.

“They anticipated having to produce 5 million pages in litigation,” she says. “So they said, ‘How are we going to keep up with this?’ — because this was 1995 — and I said, ‘Well, we’re not going to kill that many trees.’”

Instead, Zdansky arranged to scan the documents and code those files for easy electronic searching. Since no companies at the time were hosting discovery materials online, she did it herself, setting up a hosting program on her client’s server.

“(It allowed) all the counsels to access the data from one common database — and share — because they all needed the same documents anyway,” she says. “It saved the client a lot of money because they didn’t have to photocopy all that paper six times.”

The experience led her to start The Common Source. Zdansky secured a \$50,000 bank loan, dipped into her savings — of which she would use about \$250,000 over the first few years — and leased a 600-square-foot office on Beltway 8.

Her first employee was her mother, Lois Sharp, who still works as the company’s receptionist.

In fact, when Zdansky’s grandmother was alive, the company employed up to five generations of the family’s women at various times, including Zdansky’s daughter — now Chief Operations Officer Shannon Reed — and granddaughter.

Few family businesses can make that dynamic succeed, but The Common Source has, says William Kellermann, electronic-discovery manager for the law firm Wilson Sonsini Goodrich & Rosati, based in Palo Alto, Calif. He has known Zdansky since she consulted for Mobil and he worked with a company developing evidence management software.

“(A family business) can only work when you have quality people,” he says. “She got what she has — her strong character — as a result of strong women in the family. Family businesses can be an extension of family drama, and I just don’t think they have that. They’ve made it work because they don’t have that.”

Today, The Common Source has established itself as an industry pioneer, luring clients like the Texas Attorney General’s Office, Siemens Westinghouse and the New York-based law firm Garwin Gerstein & Fisher LLP.

Expanding step by step allowed Zdansky to perfect each service she offers. Initially, she only provided electronic hosting.

“She was one of the first to actually provide a tool and an environment to host the information in a secure way, so law firms didn’t have to do that for themselves,” Kellermann says.

Three years later, she added paper-document scanning and coding. In 2003, she began offering electronic discovery, or eDiscovery, which handles only electronic documents such as e-mails and computer files.

She even tackled small-but-significant details, such as how to extract and process an electronic document without compromising its integrity. For example, in handling a Microsoft Word file, eDiscovery providers must ensure they don’t inadvertently change properties such as “Created,” “Modified” or “Accessed” — all dates that could be key information in a lawsuit.

After years of renting office spaces, Zdansky finally bought the company’s current location — a 10,000-square-foot building in the North Houston-Greenspoint area — for \$1.2 million in 2006.

“We just keep looking at new applications, new ways to help our clients cut costs,” she says.

Law firms and corporations can now hire contract attorneys through Common Source. For \$50 to \$75 an hour, the independent attor-

THE COMMON SOURCE LP

TYPE OF BUSINESS: Litigation support and document management service provider

YEAR FOUNDED: 1997

TOP EXECUTIVE: Ann Zdansky, president and CEO

NUMBER OF EMPLOYEES: 12

WEB SITE: www.commonsource.com

Revenue:

2007: \$2.7 million

2008: \$3 million

neys parachute in during big cases and dedicate themselves to poring over millions of discovery pages. In-house associates typically bill hundreds of dollars an hour for the same work, Zdansky says, while still juggling their other responsibilities.

The Common Source is also developing its first trademarked software. Scheduled to debut in March, the database program Gabriel Docs will help expedite the document-review process.

Looking back, Zdansky wishes she had hired a sales staff sooner. In 2007, she brought on Nita Brinkman as salesperson, director of business development and general counsel. Until then, clients were usually referred by word-of-mouth.

Investors might have been helpful, too. “I had a lot of people want to invest in my company, but I didn’t want to have to answer to somebody,” she says.

Zdansky wanted to chart her own path, and that included obtaining important certifications — such as her Black Belt in the management strategy Six Sigma — and providing a full breadth of litigation support services.

“A lot of our competitors have some kind of a hosting tool,” she says. “There’s not that many that do everything — scanning, electronic discovery — (and who are) certified woman-owned and HIPAA-compliant, as well as ISO (International Organization for Standardization)-certified. I think we’re one of the only ones with all those certifications.”

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