

Thank you everybody for
joining us today for our first session.

We have a number of sessions today as you're aware of.

This first session today is more of
a kickoff session for the program today.

We have two guests with us today.

We have Steve Townsend and Jim Cudahy,
and we'll be talking about in general,
some changes they're seeing in
the industry and we'll get started with it.

Before I do that,

I'd like to have our panelists
today introduce themselves.

Steve, can we start with you?

Can you tell us a little bit about
your background, and we are.

Steve, you're on mute, sir.

How about if I unmute then.

Perfect. Thank you very much

My name is Steve Townsend.

I'm CEO of the RecordXchange.

I am also currently serving as president of STTI,
the Speech To Text Institute.

I've been in the industry on
the digital recording side for a little over 30 years.

Previously, CEO of For The Record.

Then I've owned a couple of

transcription firms over the years.

My focus is primarily on the courts, less on depositions.

But I do have experience in

all segments of the total marketplace.

Thank you very much. Jim, can

you tell us a little bit about

yourself and your background?

Sure. Thanks. Great to be with everyone today.

My name's Jim Cudahy.

I am currently the executive director

of the Speech To Text Institute,

an organization that we launched,

and as Steve suggested he is the volunteer president.

But it is a new organization

that has come into being to address

the marketplace realities that all of us are

facing as we deal with the shortage of stenographers,

as well as the arrival of new technologies,

including the technologies that

have been displayed to the market.

I previously served as

Executive Director for the

National Court Reporters Association.

Some of you, I met in that capacity.

I'll also say that my background

with court reporting goes back to

1992 when I answered an ad for

a marketing specialist position at NCRA.

I had to do tours of duty there.

In any case, I'll be eager to

share some information about STTI,

as well as to share any info and intel that I might have

gathered as we've embarked

on the development of this new organization.

Great. Thank you very much. I'm looking forward to this.

Can we go to the next slide please.

A couple of questions to start off with.

I think we've all

understood the impact of COVID and it's been

discussed much at great length

obviously because it was the forefront

of everybody's lives.

But now we're at a period where we're moving beyond this,

at least in many parts of the country.

Now the time is to think

about what's happening in the market today.

This is somewhat behind us.

I guess my question for the both of you,

because you have two very different

perspectives in the market,

in the industry, is what changes are you seeing, if any.

What key points would you like to bring up now that

we are back to

this normalcy again. Steve, I'll start with you.

Again. Thank you. Back to normalcy.

I'm not sure exactly what that means,
and I also believe that we don't yet
understand the full impact of the pandemic.

That may be a few years before we
really get our head around how big of
an influence this has been on
adoption of technologies and changes that might occur.

Again, I'm speaking primarily about the courts,
but certainly we're seeing these changes
in the deposition market
and all segments of court recording.

The disruption that we're
seeing right now has been coming on for a long time.

I think Jim has documented this
really well with a couple of reports
issued by STTI regarding
the numbers of stenographic reporters which has
driven quite a bit of
technology adoption within the courts over the
last 10, 20 years.

COVID has simply accelerated the adoption of technology,
not just digital recording,
but remote proceedings and other technologies.

It's also allowed courts to change rules,
to allow under emergency status,
to allow for remote proceedings, remote swearing in,

and different types of strategies for completing the capture of the record that we simply would not have seen before.

Certainly, the conversations that I'm having right now is that many of the changes that were adopted on an emergency basis during the pandemic are going to be adopted full-time permanently.

Because judges, lawyers, and others found the technology to be effective, more convenient in many cases.

It by no means indicates that we're not going back to some of what we might call normal operations, in-court operations that happened before, but the percentage of proceedings that are going to occur using new processes, new technologies, is going to increase dramatically and will probably stay that way.

What we'll see over the next three to five years will just be a permanent adoption of many of these changes.

That's how I'm seeing it right now.

Thank you. Jim do you have a few points you want to add?

Yeah. Probably more than a few, but I'll try to keep it to a few.

I'd say we did some version of this right at the beginning of the pandemic and some

of us were hypothesizing

what was going to take place with

regard to remote and

I'll speak more to the deposition side.

When law firms started engaging with remote depositions,

would they be reluctant to return on mass to

in-person depositions and fly

to Los Angeles from New York

for a morning deposition and so forth.

In some of the polling,

albeit ad hoc polling that we've done,

the court reporting firm owners are telling

us that they're expecting 50,

60 percent of proceedings

that used to take place in person to move to remote.

I think that that predominantly will be

the most significant outcome of COVID.

I think the resilience of

the industry to adapt to that was a surprise

to a lot of people and the willingness of

law firms to forgo the in-person depositions,

and some were saying, it's going to

want to have that intimidation factor

of being in the room with people you're cross examining,

but it's been interesting to see that development.

I think another developments

Steve alluded to this a little bit, I think,

is that we have
this acute and exacerbating shortage of stenographers.

Certainly there are some attorneys
that would be reluctant
to embrace other technologies
just because of what they know,
that out of sight is out of
mind when things are done remote.

I think it's only brought along
with it a willingness to embrace
new realities and an industry that moved
on mass to remote proceedings.

I think has seen that
adopting new technologies for
capturing the spoken word and
converting it to text
probably isn't as big a
stretch as everything moving remote.

I suspect that I've
heard the word accelerate
a lot and I think that's the case.

I think that acceleration of change
within this industry will
be helped along significantly
by what has transpired over the past 14, 15 months.

Thank you both for that. Go to the next slide. Thank you.

Steve, this is more for you because

obviously we talk a lot about depositions,
but there's a whole other piece of this which is
the courts themselves and they've
been disrupted considerably.

You touched it before,
and you touched upon some temporary changes.

But as a service provider to the courts,
what do you see happening?

What do you see becoming permanent now?

There's a push to get back to in-room depositions.

There's a push to get back to in-room proceedings
in courts but there's also an interest in

maintaining some type of

either hybrid or remote model

for motion hearings, for example.

Given the technology you provide in the services,

what are some specific things you

see your client requesting at this point?

Again, I think we will see.

First of all, to be clear about one of

the disruptions in the court that may

not have been experienced so much in

the deposition market is

the huge backlog that got created.

Depositions in many ways,

we're able to keep going.

They did move to remote in most cases,

but they were able to continue operating.

We have courts around the country that were effectively shut down for months, and that backlog that was created is not something that can be resolved easily.

Jury trials, other matters that just were put on hold for awhile creates a stress that's slightly different than what we see in other market segments.

The second part of this, which I think does also apply to the deposition market is we were already seeing the stress on the workforce in terms of the number of stenographic reporters declining.

In the case of the courts, the official court reporters declining.

On the digital recording side, we were already seeing stress on needing more transcription, qualified transcription resources that we didn't have.

This has all exacerbated that situation, we're now seeing coming out of this.

Certainly, in my experiences, I'm seeing retirements that were probably earlier than they might have been otherwise.

The demand because of the backlog is much larger than we might have

anticipated two years ago at this point.

All of that creates a situation

where some of the strategies they developed,

I think specifically remote hearings,

they simply cannot stop.

When I say retirements,

retirements might include judges, and commissioners,

and magistrates who not everybody's

all that thrilled to be coming back into

the court room and putting it on there,

taking a shower in the morning and making that commute.

These courts need to ramp up

their workflow in a way that they weren't anticipating.

Certainly, technology is going to have

a big influence on how we go forward.

Remote proceedings, we are probably seeing.

I'm hearing for the first time interests in audio,

and video distribution without a transcript.

Automated transcription, that is now being accepted.

That would have been more difficult to accept earlier,

simply because they're trying to

solve the backlog problem and as they do that,

we started seeing adoption of these technologies and

these methods that a lot

of people are now quite happy with.

Again, I think accelerate,

gems-worth of accelerate is pretty a good word for that.

Jim just briefly,

what about the depo market? Steve touched upon it.

You, your constituents,

your association members are

very much involved in the depo market.

Study was done by PWC.

It was a survey of owners and

about 50 percent of respondents a few months ago,

thought that you'd see

a continuation of some type of remote and

hybrid from 40 - 50 percent

of the time but fundamentally,

it's up to the attorneys and how they want to practice.

Obviously, the attorneys that

want to do same, that's how they're trained.

Just briefly, what's your take on

what will happen with the depo market?

It's not as disrupted as much industry,

as much as the courts and the fact that

things were shut down because you conduct them remotely,

what change do you see becoming?

Well, I think some of what I talked about already,

which is that the clients' recognition

that they can do things remotely themselves,

that the workforce as

a whole across all industries to a large degree,

when we see things like schools and courts

move en masse to remote,

the possibilities are obviously evident.

I'm sorry, grandfather clock next to me going off.

Steve, why don't you jump in

for a second and I'll come back.

Sorry, go ahead. Grandfather clock got on the way.

On the deposition side,

again a lot of what I'm doing

right now does provide input on what's going on there.

Many of the same changes that we talked

about on the court side

or occurring on the deposition side,

again the declining number of stenographic reporters,

the demand for trying to build

a scalable workforce for digital recording,

that effort is continuing

the expansion of remote depositions

as Jim mentioned earlier,

all of our survey indicates

that a much higher percentage of those will

stay remote in the future and I expect

that is going to be true.

I think we're going to touch on this,

then you get into a whole range of

what's going on with

rural changes and legislative changes,

not necessarily in specific states,

we don't need to go there
but just the attitude about the lawmakers,
and the courts across the country coming out of this,
I think we can talk about that in a minute.

Okay.

Let me pivot back quick and
say what just happened with my parents.

I'm visiting my parents and
my grandfather clock that drove me nuts
when I was young is
also saying that it's 10 o'clock, which is not.

Everyone has embraced the realities of dogs barking
and kids in the background and so
forth, that has occurred.

What I'll add quickly is in speaking with a firm owner
a month ago or so and what she told me was
that they did a survey of their freelance market,
and half of them want things to stay remote.

It's not just the clients,
some of those reporters,
as we know the stenographer workforce in particular
has aged and some of them indicated I'm staying
remote and if you
don't keep me rolling, I'm going to retire.

There's on the client side of course,
as we talked about, and also go
back to the pandemic or I'm sorry,

not the pandemic, the recession of 2008, 2009, 2010.

When that occurred, several years later,

long after the effects of the recession had abated,

there was still this cost containment function that

had arrived during the recession that stayed with firms.

I think in that regard,

that there is going to be

this long-term interest in trying to find ways to reduce

costs and improve quality of life for employees

by letting them work remote from a depo standpoint,

from a court perspective,

and then also from a workforce perspective

when we think about court orders.

Great. Thank you. Next slide, please.

We have about 10 minutes left.

I'll just take this one directly.

In terms of updates and court

reporting and what they're adopting,

I think we addressed this earlier.

There's a couple of things

that I think we're seeing Jim and Steve,

and obviously we know some of

the temporary orders relating to

remote notary may become

permanent rules within the states themselves.

Some of them actually require people

conducting remote to register with the state,

I know that's happening in one of the [inaudible 00:18:42].

In addition to that,

some states may explicitly

allow more digital than they had before.

We're not explicitly prevented from doing it.

I think the states,

they've had to respond very quickly.

They responded with the emergency orders.

There's been a push to adopt some of

these changes and to make them permanent.

We don't have any specific state examples to talk about,

but particularly when you look at some

particularly large state and

litigation market down in Texas,

they have from what I read

about 2-3 years of potential backlog within court cases.

They're very well aware of the challenges they have.

Let's go to the next slide, please.

This is an interesting one.

There is a shortage,

we know of some states are moving

faster than others, other states aren't.

In general, Jim or Steve,

how do you feel states will

look to adopt legislation or change

legislation to address the shortage and also have an all

of the above approach going forward? Steve.

Well, I'll start by just saying that it's inevitable.

I know that there are some courts trying to put up roadblocks to prevent the arrival of new types of practitioners and new technologies to the market.

But the shortage, that the Dukkha Report that we commissioned while I was at NCRA, there was going to be a shortage of 5,500 stenographers by 2018.

That's three years in our review mirror and the number is more like 10,000 plus.

Over the next, as we've calculated in a study that Steve referenced earlier that's on our website, it's [inaudible 00:20:36] org.

that we call the tipping point because that's really where we are.

The shortage will, I'll say accelerate and they'll do so linearly but every year we're going to have 1,120, on average, stenographers retire and 200 or fewer enter the market.

The arrival of new technologies, new types of practitioners [inaudible 00:20:59] absolutely inevitable.

I think that the laws and policies are going to be adapted on a state-by-state basis,

but people who get in the way of
those realities are really
shooting themselves in the foot.

Because rather than embrace
the changes that are taking place,
figure out how to take the standards
that have existed and best practices within court
reporting over time and
adapting them to the new marketplace reality,
that's where our time needs to be spent.

Our time needs to be spent on figuring out
how we can together as a community,
deal with the significant
workforce development issues that we have.

Our conversation needs to be
about reporting firms and
courts and so forth and teach them,
train them to adjust to the new marketplace realities.

That's what we're working on [inaudible 00:21:53]
and we do hope
that we have more groups join us for that conversation.

But Steve, maybe you have something more specific.

I agree with all of that.

The workforce development is probably
the biggest challenge faced
by both courts and the deposition market.

There is certainly still work to be

done on the technology side.

The types of applications and systems that are in place today are quite good and effective, but they're not necessarily perfectly tuned for the future court reporting.

Some of these issues are very complex to solve for courts and for rule-making authorities in different states to get adoption of the most effective types of changes.

One example of that is the notary issue that we've talked about, there are others.

But the fact is if we can get to a point where there is some national notary and there is some policy and standards around remote notary, remote swearing in, that has a huge positive impact on workflow development or workforce development.

Because the resources that need to be in place geographically are very lumpy.

You see a lot of resources in Florida and California and there's nobody in Kansas.

If we can remove geography as a bottleneck, all of a sudden everything becomes more productive.

It is important to recognize for all of us going forward that these changes are not just legislative.

Many of these changes are

rules that are adopted by Supreme Courts.

They're driven by state bar associations
who are proposing rural changes.

Many times the rural changing process
can be far more targeted,
far more informed than trying
to get things through a legislature which is
much slower and often less informed to put it politely.

Okay. Thank you. We are coming up to three minutes left,
we got started a little bit.

Danielle, can we go to the next slide please?

Jim, just a few minutes,
you did mention STTI,
there are a number of
industry participants involved with this.

It's a newer organization.

Can you just spend about a minute
about what the mission is of the STTI,
and if people are interested in STTI,
how they can find out more information.

Sure, thanks.

I'll try to do it in a minute.

As we've already referenced,
that the industry is
undergoing fundamental and permanent change.

It includes the arrival of
new viable technologies that make it.

There are multiple technologies that can be used to capture and convert the spoken word detects.

A big portion of speech to text institute is, as we've talked about, dealing with the significant workforce development challenge that this industry has.

Educating consumers about the realities of the market and then the changes going on within, and then providing resources to firms, the suppliers, and others in the market who are eager to make the pivot to the new marketplace realities, but maybe don't know where to begin.

Okay.

Sometimes soon,

Jim is up there.

All right. Okay, Steve.

Basically for STTI, Steve,

there is this website they can look out,

I know you're the president of STTI as well.

Any parting words you

want to leave with it at this point?

No look, we are a very open organization.

We are trying to, as Jim mentioned,

we represent all technologies,

were trained to be as agnostic as possible.

Participation by industry professionals

is what we're after.

Please contact Jim and talk about ST we can talk more,
or contact me, we can talk more about what STTI's doing.

How we may be able to help you as a firm.

Great. Thank you.

Okay.

Thank you. I want to thank both our panelist,
Steve and Jim, for joining in the discussion today.

If you have any questions, please,
we're going to be ending the session now because we're
coming up on a minute, on the 30 minutes.

Please send the questions to marketing,
will be happy to get back to you.

I've also repasted the link for
the lobby link after this session to all attendees.

If you complete select this link,
this will return you to the lobby for your next session.

With that said, I thank you very much for joining and

I hope you enjoy the rest of
the sessions. Thank you very much.

Thank you.