

The 7 pitfalls of Document Automation

Contract faster | Manage risk | Reduce waste | Get data

What is ~~Document~~ Contract Automation

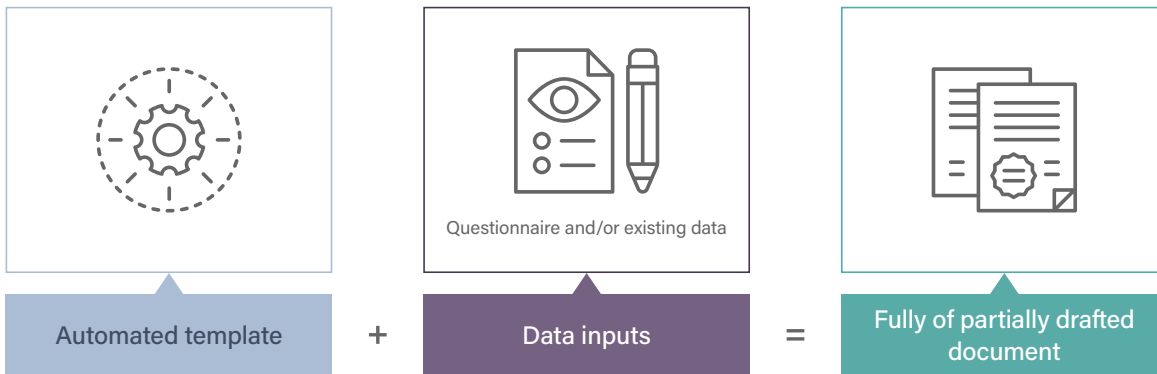
What is Document Automation and what is its value to you?

Making Legal spend decisions is hard, choosing supporting technologies for your Legal Operations function is fraught with variables covering Change Management, Resourcing, Commercial Procurement, Product Selection, ROI and more; Document Automation projects fall firmly into this challenge.

You may or may not already have a view of Document Automation, so to ensure that we have the same baseline, we will first answer the question; What is Document Automation?

Document Automation enables complex and large volumes of documents, usually contracts, to be created without error and with consistency against agreed standards and playbooks. Invariably you are producing contracts with the technology as that is where the volume and risk is at its most acute. Vendors usually like to maintain a content agnostic view, we don't like to site on the fence, we deliver legal document and legal processes. Document and Contract Automation are two of the different ways that the same technology is described which is why we used strikethrough to highlight the interchangeable language.

A simple description of Document Automation



Document Automation is best described in two parts.

Firstly, there is a description of how a contract is created; usually through a questionnaire accessed by users, with data from third party data source or a hybrid of both.

The second part is the process by which the contract is requested, drafted and authorised. Traditionally legal documents are drafted by legal talent. Increasingly, clients are moving low risk and high-volume automated contracts to the other users in self-service models. The legal team maintains sight of contracts generated in this model and gains valuable time back for other matters.

The benefits of document automation

If your benefits sit above the waterline, then you are on the right path in regards to seeing business value.

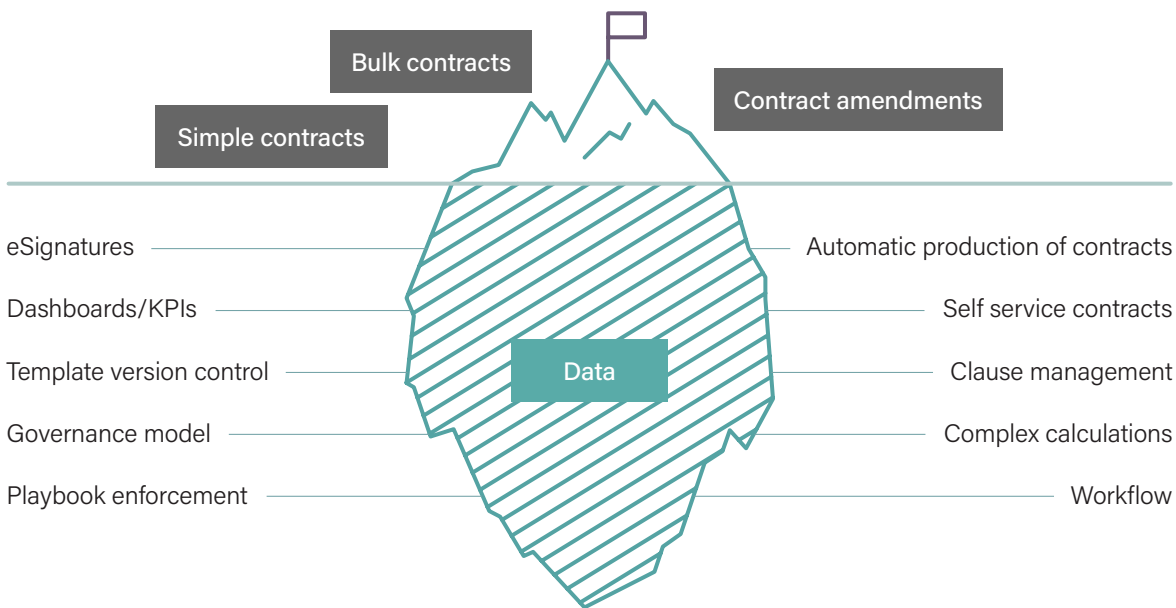
For many legal functions, whether in General Counsel or in a private practice, some of the biggest wins are “under the water line” of the diagram. Data allows you to do a lot; whether it is reporting on status, measuring risk or repapering, understanding the workload and fair allocation of that work, having easy access to perfect quality data is invaluable.

Even such a simple improvement offered by the centralisation of the precedents and templates that you use significantly improves the efficiency and effectiveness of the legal function. Where you have needed to update a playbook, tweak letterheads or fonts, or adjust calculations, doing it manually across a distributed workforce without centralisation is never without risk.

Key themes for success

Your choice of vendor and partner is an obvious key factor in the success of any project. We would counsel you to consider, vendor management and how you motivate your partners and providers. You should trust your vendors and implementation partners, with that trust being founded on clear and concise requirements and agreement of deliverables and benefits expected and measured against to ensure that they are achieved. With so many vendors, “tech speak” can create ambiguity, a partner will be the one that helps you navigate proprietary language.

Document Automation projects will continue to offer valuable process and risk improvements and if delivered well impact more than the legal team, so managing stakeholders expectations and involvement is often pivotal to success.



The 7 pitfalls

In a sector that is renowned for being resistant to changing technology vendors, its worth stating that most automation technologies are deployed for a lot longer than the initial 3 or 5 year subscriptions. When you add the fact that there are over 200 vendors, each with a proprietary authoring language and no migration tools for document templates that work across the industry, its pretty clear that you need to make the right decision in regards to choosing a vendor to partner with.

With experience of hundreds of Document Automation projects, we would like to share with you some pitfalls and some valuable lessons that you should consider before starting your journey. If you have document automation, there are some points of reflection and considerations for the future.

1

Starting with technology and not the problem

- Try not to buy technology without analyzing and documenting the problem.
- Try to refrain from using technology that was not designed to fix your problem.
- It is good to be skeptical when inheriting technology through an M&A.

2

The ROI is hard to calculate

- With a lot of variables in an automation project, the ROI is not a simple financial calculation.
- Try to articulate process improvement, risk reduction, improved reporting and status classifications.

3

Over engineering a solution

- Start with an up-to-date precedent before the automation project starts.
- Do not try to account for circumstances that may never arise. You may never get to go live if you seek perfection.
- Consider an Agile delivery model. You will know yourself when to stop! **Don't let the search for perfection be the enemy of the good.**

4

Automating the wrong contract

- Consider Effort v. Benefit to decide which contract to automate.
- Try not to "simply" change a paper process to technology. Consider how the "user" engages with the process and who your users are.
- Do a persona map.

5

Plan for the future

- Can you deliver yourself with existing resources?
- Do you need secondees, contractors or specialist staff? If you do, don't stop the plan at go-live. Set aside time for continual improvements.

6

Payment profiles

- When subscribing to a SaaS service, consider when you will see value and what license coverage you need to get the project up and running beforehand.
- Challenge your technology vendor by talking about Proof of Value and not Concept. Vendors will push back on concept language as their technology is proven elsewhere. You want to engage with technology partners that help you prove value.
- Vendors almost always charge by the user, consider a payment profile that is related to usage rather than users. That would allow you to have a fixed charge per matter.

7

Integrated versus out of the box

- Much of the value comes from simply using the automation and document assembly technology as designed. Integration with associated processes and data sources can add big improvements to your applications.
- However, risk reduction is at its greatest when integrated with data sources. Try not to be dissuaded by a vendors desire to achieve an advantageous payment profile.

Next steps

How can we help you

You will be able to access the output of our systematic review of the Document Automation market. This review assess the capabilities of products that are available to our clients. For the benefit of our clients, we maintain a knowledge library of the market to ensure that our view is up to date with technology evolutions as well as market trends.

Our view is unbiased towards the technology market, we maintain an agnostic position to vendors such that we do not receive sales commission from any technology vendor which could compromise our integrity.

To support our clients we offer a range of services covering the full lifecycle of Document Automation projects, As shown in the supporting diagram below, the offering is divided into four categories covering; Project Management and Planning, Content, Procurement and Best Use. The starting point will depend on the stage that you are at with any Document Automation Project.

NRF Services Catalogue

Project	Content	
Planning & scoping Project planning and scoping support	Template review/creation Lawyer review or draft of underlying contracts	Process review/creation Review or design of contracting process
Project management Ongoing project management	Automation logic Creation of the full template with logic and variables table	Automated contract Automation of the contracts in a chosen system
Best use	Technology	
Maintenance Ongoing maintenance of templates and underlying automation	Tool review/creation Selection of tool(s) to support automation of the contracting process	Procurement support Support acquiring contract automation and management tools
Governance & support Operations support with training, roll out and internal use including analytics and reporting	Direct provision Direct provision of automation tools by NRF (pre-selected partners)	Tool configuration Configuring window and document generation to match and integrate processes



Stéphanie Hamon
 Head of Legal Operations Consulting
 +44 20 7444 3899 | +44 7935 085945
 stephanie.hamon@nortonrosefulbright.com

Stéphanie Hamon is the Head of Legal Operations Consulting at Norton Rose Fulbright. Stéphanie was previously at Barclays where she headed up the External Engagement team for over three years. Under her leadership the department won "Legal operations team of the year" at the 2019 UK Legal 500 Awards.



George Steven
 Managing Consultant
 +44 20 7444 2229 | +44 7821 636093
 george.steven@nortonrosefulbright.com

George has almost 30 years experience delivering digital transformation solutions and was most recently the CTO of a Document Automation consultancy practice. George works closely with Stéphanie Hamon to support clients with their use of legal technology, especially document automation and legal engineering tools.

NRF Transform is our global change and innovation programme. It aims to make how we deliver traditional services more effective and efficient, and to provide entirely new solutions to our client's most pressing business problems. It has over 150 staff in offices around the world, as well as 3 dedicated Hubs, and includes teams focusing on Applied Technology, Innovation, Legal Design, Legal Project Management, Legal Operations Consulting, Resource Management, and Commercial Management.

The Legal Operations Consulting Practice helps General Counsels and in-house legal teams optimise the delivery of legal services to their organisations, enabling them to go beyond managing legal risk and become a strategic business partner, supporting the wider objectives of the business.

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