# CONTENT-ENABLING TECHNOLOGY

BY MICHEL SAHYOUN AND CHASE D'AGOSTINO

There is a lot of interest in contract life cycle management (CLM) technology. And there is a lot of technology to choose from – tools like Apttus, Icertis, IronClad, SpringCM by DocuSign and ContractWorks to name just a few of the full end-to-end systems. Key sought-after results include getting contracts done quicker, at a lower cost, in a more consistent way, with more control over risk decisions and less involvement from senior folks who can spend their time on more strategic work. For a framework to evaluate these systems see: Click Here.

Functionality	Why it Matters
Smart Intake Forms	Collects all information from a business requestor upfront and avoids time delays from incomplete requests and further information gathering. Use responses to define workflow, set risk ratings and route requests to appropriate levels of resources.
Document Generation	Automates the first drafts of agreements based on intake form.
Approval Processes	Follow-up, escalations and approvals are automatically routed and tracked. The activity is captured for future auditing and analysis. Preapproved clauses do not need review.
Integrated e-Signature	Electronic signature makes it easy for both parties to sign, including on their mobile devices, avoiding chasing of manual signatures.

Most of the technology is well-proven and has been around for a long time. In the last few years we have also seen countless new solutions come to market that are using artificial intelligence to push things even closer to automation. Some AI can recognize and abstract key clauses from agreements (eBrevia, Kira, iManage RAVN). To see a framework for evaluating these systems Click Here. Or there is AI that compares key clauses against contract templates and playbooks (LawGeex, LegalSifter, DocJuris, LexCheck, ThoughtRiver), and at least one system purports to quantify the differences. Systems like these open new doors to provide "self-service" options for a business of automating approvals if there is no nonstandard language in a draft, while flagging and highlighting noncompliant clauses and presenting the alternative preapproved language for "one click" correction.
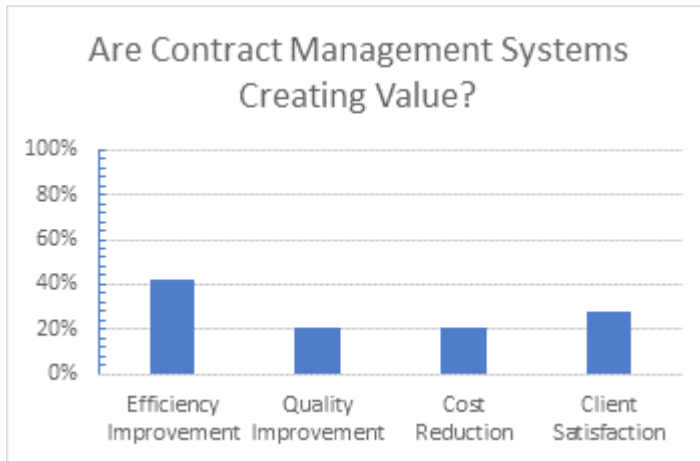
These benefits are well within reach. Yet, CLM systems continue to have low adoption rates, and stories of false starts or failed implementations continue to rattle around the industry. The Gartner 2017 Legal Technology and Analytics Survey reported a low percentage of respondents perceiving value created by their contract management systems as "Somewhat High" or "Very High" (see chart to above). The 12th Annual Law Department Operations Survey in 2019 reported that when asked to rank how effective their technology systems are, survey respondents rated their contract management systems just 6.6 out of 10, the lowest of any technology system reviewed. In the 2018 survey the assessment was even lower at 5.8 out of 10.

Where is the disconnect between the capabilities of these technologies and low satisfaction levels?

No Magic Button

To get the most out of your CLM system and leverage all the "bells and whistles" it offers, you have to first put in the time redefining your content (read: contract templates and negotiation positions). Contracts traditionally have not been built for technology. They have not been built to be read by machines. Instead, they were built for one-off bespoke negotiations by sophisticated lawyers that understand the ins and outs of nuanced language, relying on legalese and, on occasion, intentionally ambiguous language. Two guiding words should be the mantra for your CLM system: simplify and standardize.

Organizations like IACCM (International Association for Contract and Commercial Management), CLOC (Corporate Legal Operations Consortium) and ACC (Association of Corporate Counsel) champion this approach. Global leader VMware's CLM project is a success story recognized by all three organizations. You can see more details of their project: here and here. VMware reports a 74% reduction in escalations and a 50% reduction in cycle times – the key drivers to significant cost reduction.

When you get CLM right, the results are inspiring. But leading implementations have also been known to take months, if not years, to design, test and implement. They can represent a significant commitment in time, human resources and budget – things that many legal departments don't have. This is a topic we hear all the time: "This is great. We see the value. But we don't have your resources and budgets. We can't take on a complete overhaul. What can my smaller legal department do?"

Content-Enabling Technology

There has been a growing movement with newer solutions coming to market that take a different approach and don't require the labor-intensive prework or the implementation time and costs. Instead of starting with the technology and laboring to get it to "read" existing content that was not built for automation, they start with the content and built their technology around it, defining a structured framework based on industry standard concepts and well-drafted, standardized language. This makes thing easy for the technology and unlocks all its efficiencies. Taking this content-first approach means everyone, even the most resource-constrained, can benefit from an automated contracting workflow.

Click Here to see examples of content-enabling technology in the market today.

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Originally published June 1, 2020 by ABA Law Technology Today