

OPTIMIZING MASS CONTRACT REVIEW & ABSTRACTION PROCESSES

All contracts are not equal – stop wasting time and money on immaterial contracts and reduce costs by at least 30%

Perhaps your organization is being subject to an audit of existing contractual commitments, or is planning the introduction of a new Contracts Management System, or is in the midst of an M&A process. Within each of these processes, potentially many thousands of contracts will require review and abstraction, which will be time consuming and expensive.

Historically there has been no other option but to undertake contracts review and abstraction manually. That is, until today. The Seal Contract Discovery and Analytics solution automates and organizes the review and abstraction process of your existing contracts. This will allow you to significantly reduce the time and costs associated with an internal or external manual contracts review process.

Let's take an example of an organization wishing to process 100,000 contractual documents. They know the volume contains SOWs, MSAs, NDAs and sales orders, but are unable to organize these documents into relevant groupings. They're also aware that some contracts have potentially damaging clauses that require special attention, but are unable to locate them.

By leveraging the Seal solution they can quickly pre-classify their contracts and produce a first pass review within a few days or even hours. This pre-classification process allows them to avoid a time consuming, mass contracts review. Seal's solution will convert their contracts into a searchable PDF format and store in a common repository. The contracts can then be organized and processed according to value, risk or other business rules. Outdated, irrelevant or immaterial contracts are either removed from the subsequent manual review, or made available for review at a later date within the searchable repository. The remaining contracts are categorized in order of importance, allowing the manual review team to focus on those requiring immediate attention.

The Seal solution automatically populates an extensive dataset of key contractual meta- data. The fully text searchable PDFs enable reviewers to jump quickly to the critical clauses of interest during the manual review, utilizing the intuitive and easy to use Seal interface. Seal also enables organizations to distribute the review workload by enabling the allocation for review to the most appropriate individual or team, based on extracted metadata.

Customers using Seal's solution to pre-classify and organize their contracts for a manual review have experienced a minimum 30% reduction in their costs.

At the end or even throughout the process, the fully searchable repository can be quickly and simply transferred between an outsource provider and the client organization. The contract data and fully searchable PDFs can then optionally be uploaded to the client's contract management or other system. By keeping the repository, future access is made easy should further contracts' abstraction be required at a later date.

REDUCING THE COST AND TIME OF EXTERNAL REVIEW IN A REPEATABLE WAY

As has been outlined above, by using the Seal solution, prior to or even in place of an external Legal Process Outsourcer review, organizations can significantly reduce the time of contract review by eliminating expired, immaterial, early draft versions of contracts etc. This will have a positive effect on cost too, by reducing the size of the contract corpus that requires further attention, whether that is from an internal or external resource.

As a part of the Seal solution, all contract documents are converted to fully text searchable PDF documents. This means that should a further corpus wide search be required, then this can be quickly and easily achieved without the need for expensive, time consuming and potentially incomplete reporting from an outsourcer or by tying up precious internal resource. Apart from the cost aspect of such requests, many environments demand a fast response, such as merger and acquisition scenarios.

The Seal solution ensures that decisions can be taken in a timelier manner, with information available sooner than would be the case with traditional methods, allowing for accelerated decisions.

AN ILLUSTRATIVE CUSTOMER EXAMPLE

Based on an initial document collection of some 200,000 documents, considered contractual in nature, the Seal solution:

- Identified some 40,000 documents that were in fact expired contracts and required no further processing (20% of the document collection)
- Further identified another 20,000 documents that were duplicate contracts or early draft versions of fully executed contracts (10% of the document collection)
- Provided quick review capabilities making use of auto-classification etc. A small team of reviewers were able to quickly eliminate another 40,000 documents as being immaterial to the exercise in hand (20% of the document collection)

As can be seen from this typical example, 50% of the original document collection no longer had to undergo a full, comprehensive review, reducing the cost and time of such an exercise significantly.

Many organizations have found savings in excess of 50% by using Seal to identify only current, relevant and fully executed contractual documents. The Seal solution can then speedily and accurately create contract abstractions of the true corpus for use in other key business systems.

Whether you need to process 1,000s or 100,000s of contracts, the Seal solution can scale to fit your specific contracts volume:

- Effective prioritization or triage of contracts based on certain business rules e.g. “do not review expired, duplicate, unsigned or immaterial” contracts
- Grouping of contracts into the correct hierarchy and prioritizing only the most critical contracts
- Providing a fully searchable contracts repository with converted searchable PDF files
- Easily migrate contracts and meta-data to and from an outsource provider
- Populate other enterprise wide systems, CLM, CRM, ERP etc.

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