

# PREDICTIVE CODING vs. CONTRACT DISCOVERY

## PREDICTIVE CODING & CONTRACT DISCOVERY: TWO VERY DIFFERENT TYPES OF TECHNOLOGY

Predictive coding is a technical term for the ability to leverage machine logic to help assist in the human review process of extracted Electronically Stored Information (ESI). This process is considered a Technology Assisted Review (TAR) of extracted ESI.

Predictive coding is used in the context of eDiscovery during large-scale litigation or investigations to review gigabytes or terabytes of ESI. The goal of leveraging predictive coding technology is to reduce the number of documents for review by document reviewers. It is rare for large volumes of contracts to be manually reviewed in the context of litigation and for information relevant to the business to be extracted for future use.

Contract Discovery is used in the context of finding large volumes of contractual documents and extracting metadata, phrases, clauses, and clause combinations to ensure visibility into their contractual corpus, allowing it to quickly react to changing regulations, dynamic terms and the needs of the business.

## CONTRACT MANAGEMENT AND TECHNOLOGY ASSISTED REVIEW

Technology Assisted Review tools today and into the future will no longer solely rely on the manual creation of training sets by the human reviewer to determine relevance and categorization. They will go far beyond keywords, phrases, and training sets. It will utilize natural language inquiries and computational linguistics. It will adapt based on feeding the contractual corpus more and more contractual language, phrases, sentences, clauses, and clause combinations that are most relevant to your business.

Unlike predictive coding, each new piece of electronically stored information or litigation that is addressed becomes part of a continually growing knowledge base that can be dynamically adapted to be more responsive and relevant. The strength of the human reviewer will be bolstered by these emerging technologies that utilize the semantic meaning of ESI to be adaptable to a wide range of documents. These reviewers will no longer need to be a technical or legal expert which reduces costs and increases efficiencies.

Solutions of the future will make it easy for peer review and double confirmation workflow. This allows a change by one reviewer to be edited by other users before committing. Reviewers make use of a system that is continually learning and can adapt for future matters.

## HOW CAN SEAL HELP?

First, Seal Contract Discovery helps organizations by locating all of their contractual documents. For each contract found, Seal creates an abstract that contains over 100 specific pieces of extracted metadata, including expiration dates, limitations of liability provisions, warranty, etc., that the human reviewer can scan for edits, additions, or deletions. This process of creating an abstract for each contractual document provides 80% of the coverage necessary for a true contract management initiative that allows organizations to discover the revenue, expenses and potential risk that are present in their contractual corpus.

Next, organizations can teach the solution to adapt to the particulars of their contractual review needs by creating additional metadata extraction policies through that use of a step-by-step process. In this case, Seal's Contract Analytics technology utilizes computational linguistics and natural language inquiries to effectively teach the machine relevance and categorization across the contractual document corpus. The more contractual documents that are reviewed and added to the corpus, the more the system learns about the particulars of the industry and the organization itself.

Seal provides a complete audit of the human reviewers' actions regarding any contractual document or piece of metadata contained within. The ability for other reviewers to compare their actions to those of their peers will provide feedback and allow for consistency across the manual review process. This comparison turns the human into a super reviewer that is able to leverage the speed of technology, but also the error checking and consistency measures of peer review.

Seal's software provides a continual feedback loop that allows users to configure the system and metadata extraction to industry and organization specific litigation by continually checking if the extraction was correct or incorrect. By doing this the system learns not to make the same mistake again.

Seal has addressed the issue of combinations of contractual clauses altering the meaning of the contract as well as exposing the contracting parties to additional risk and costs. In this case, Seal allows clients to build Advanced Policies that are a combination of metadata extraction policies designed to locate specific risk and cost mitigation. Once enabled, this advanced policy can be deployed across all data sets, reducing time to review for the initial location and ongoing review.

Additionally, with the use of linked item detection, the amendments can be tied to and processed as a group to the main contract; thus, detecting and providing early warnings on charges made well into the contract's lifecycle that could introduce risk or financial penalties. In addition, Seal has taken on the very real issue of 3<sup>rd</sup> party non-standard contractual language. Many organizations have standard clause libraries for drafting new contracts on their own paper. These standard templates are rarely accepted without modification. Largely due to 3<sup>rd</sup> party contracts, the organization now has a set of "non-standard" clauses within their contract corpus.

Those non-standard clauses could, for example, provide higher discounts and penalties. Without the ability to find, track, and monitor non-standard clauses, the organization is open to lost revenue, missed discounts and/or legal action. Seal is the only software available to address this difficult business problem. Seal Contract Analytics allows a reviewer to review any particular non-standard in minutes, saving time and money.

To learn more, visit [www.seal-software.com](http://www.seal-software.com)

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