Building the Business Case for Automation and Digital Transformation in the Legal Team

ALTERNATIVE INSIGHTS: IN HOUSE HANGOUT
IN PARTNERSHIP WITH ContractPodAi

Top 3 takeaways:

1 Increase the chances of buy-in by exploring pain points with the business, rather than finding a solution 'behind the scenes' to fit their problem.

2 A compelling business case will include how adoption and change management for the new process will be driven.

3 Highlighting the "de-risking" benefits of a tech solution, such as a CMS that tracks contract obligations, will appeal to stakeholders.

A solid business case for tech investment is essential for any legal team looking to achieve digital transformation.

What's not clear, though, is the best way to build that business case to ensure buy-in from both your team and the wider organisation. We asked in-house legal leaders from a range of organisations to tell us how they tackled the challenges of championing the need for document automation and contract management tools, in addition to demonstrating that all-important ROI. Of course, no discussion of legal digital transformation is complete without delving into contract management. Our sponsor, ContractPodAi, proved to be the ideal partner of companies. Its AI-powered contract lifecycle management solution, developed by legal experts, brings an intuitiveness and intelligence to legal document management. The feature-rich platform offers proven time savings and efficiencies, enabling legal teams to streamline contracting while ensuring compliance, for example.

CONTRIBUTING COMPANIES

RICHA KAUL, CHIEF STRATEGY OFFICER

ANDREW MILLS, LEGAL DIRECTOR

KENNY ROBERTSON, HEAD OF OUTSOURCING, TECH & IP LEGAL TEAM

NATALIE SALUNKE, HEAD OF LEGAL

ContractPodAi   **experian.**   **RBS**   **RV U**

Building Support for Digital Transformation

Our panel first provided valuable insight into how they went about building support for digital transformation projects, such as contract management and document automation.

The business case for getting legal technology and efficiencies in is actually much less problematic than it was five years ago, according to Natalie Salunke, Head of Legal at RVU. Whenever Natalie has discussions with providers, she invites the whole team. "We map out the pros and cons of the different solutions," she said. "I'm not the one dealing with all the NDAs or all the contract flows. People in those positions can actually visualise and will feel the pain points." When it comes to wider business buy-in, Natalie similarly sees it as a collaborative effort. "You get buy-in by exploring the pain points with the business, not by going behind the scenes to find a solution to fit their problem. It's talking about the problem, and asking, 'Is it the capacity of the legal team? Do you hire somebody? Do you get tech to do this? Does the business want something that fits into Salesforce so they can self-serve?'" A lot of it is about education – an approach the RVU legal team took when they purchased a contract automation tool – she added: "In the conversations I've had with the business, I show different ways of providing a solution to a problem and let them help choose that solution."

Of course, the right legal tech solution will have been built with this company-wide perspective right from the outset. Where contracting is concerned, ContractPodAi recognises that roles across an organisation – in Sales and Procurement, Marketing, HR, IT, and Finance - are instrumental to the process. Its platform automates every stage in the contract lifecycle and enables users throughout a company to build and manage digital contracts faster.

For Andrew Mills, Legal Director at Experian, the first thing to think about is the problem you're trying to solve around automation. "You have to have a business outcome – a deliverable," Andrew said "That means defining processes and creating flowcharts.". And again, the wider business needs to be considered, he acknowledged: "Does the solution fit to Salesforce and other corporate systems? If you're selling an idea, you have to show that it's part of the ecosystem."

Richa Kaul, Chief Strategy Officer at ContractPodAi, said that the company thinks about the change management and adoption aspect early on in the process. "So, when making the business case, we don't just talk about why we want to pick a solution, but how we will manage adoption and drive the change management for this new process, which may have been in place in its old form for years," Richa said.
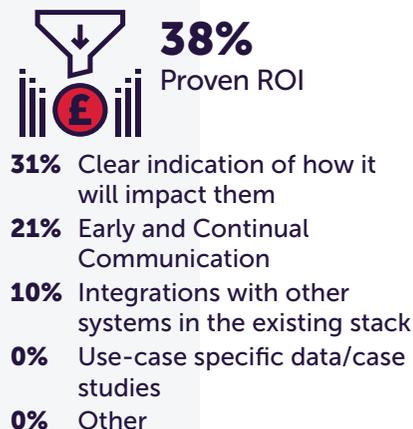
Kenny Robertson, Head of Outsourcing, Tech & IP Legal Team at RBS, emphasised the "heart and mind" element of building support in legal teams. "When we started, there was a lot of scepticism; that it was a play to remove headcount, or it was too difficult," Kenny said. However, RBS has taken some small steps toward changing mindsets. "For example, at the last quarterly senior leadership meeting, we used Mural for a design thinking session, which previously would have been scary," he said.

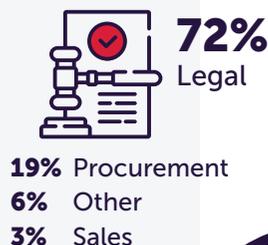PROFESSIONALS WHO ATTENDED THE SESSION

Poll results:

1 **What is the most important factor for key stakeholder buy-in to a legal tech solution?**

38% Proven ROI

31% Clear indication of how it will impact them

21% Early and Continual Communication

10% Integrations with other systems in the existing stack

0% Use-case specific data/case studies

0% Other

2 **What other document automation, outside of contract management, is a priority for the next 5 years?**

43% Privacy Regulations (e.g. GDPR)

21% RFP's

19% Disputes and Litigation

17% Claims

3 **Which functional area is/would be the owner of your contract management system?**

72% Legal

19% Procurement

6% Other

**3%** Sales

Demonstrating 'Rapid ROI'

A big part of getting buy-in is actually demonstrating that a particular solution will result in increased productivity and efficiency. Our panellists had lots of great ideas on identifying low-risk, high-impact contract management or automation opportunities that would result in 'rapid ROI'.

For starters, the right data is critical. Natalie recalled the process of looking for a digital tool to deal with high-volume, low-value order forms with lots of conditions attached. "We weren't always asking 'what is the value of that contract?' when requests came in," she said. "But once we were getting that information, we could see what we were spending our time on versus the value of the contract and the amount of time it takes. When we put that data together, we saw that we could have somebody whose job is to do these contracts all day or leverage technology."

Kenny, himself, saw opportunities for low-risk, high-impact automation in the areas of document assembly and workflow tools. His team's huge bank of template agreements, set up the old-school way, are easy to find but are a hassle to maintain. Seeing it as an opportunity for better workflow, however, he said: "No one wants to be updating these documents because human error comes into it. And there are concerns about the extranet site upon which they are stored.".

The impact of ROI needs to be felt quickly not only by legal teams and executives who want to see change, but also by organisation-wide stakeholders, such as sales and procurement, according to Richa. "Take, for instance, a self-service contract desk for extremely standardized contracts like NDAs," she said. "You get the satisfaction of hearing stakeholders say, 'What took me a few emails now takes two minutes. But we're not losing compliance or legal rigor because of preapproval." When we polled attendees on what had the biggest impact on showing ROI, 53% pointed to such increased velocity of tasks. ContractPodAi's Auto-Contract Desk, for example, is an AI-powered authoring and generation tool that dramatically increases contracting speed. It's integration with applications like Salesforce streamlines the contract request process. Any user in the business can produce a higher volume of contracts, much more quickly.
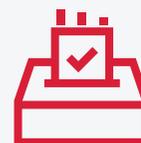
PROFESSIONALS WHO ATTENDED THE SESSION

Poll results:

4 **What factor do you think has the biggest impact on showing ROI?**

53% Increased velocity of tasks

17% Risk reduction through clause standardization

11% Risk controls and mitigations

11% Improved customer relationships

6% Greater compliance to deadlines and penalty clauses

3% Reduced disputes

5 **How long do you think it takes to recoup a financial investment in legal digital transformation?**

47% 1 year to less than 2 years

22% 2 years to less than 3 years

17% Less than 1 year

14% 3 years plus

Measuring ROI to Build a Business Case

Regarding key stakeholder buy-in of a legal tech solution, 38% of our attendees said that they saw proven ROI as the most important factor.

Our panellists shared how they measured ROI to build a case for automation and digital transformation within the legal department. In order to dispel the notion that adopting legal tech leads to headcount reductions, Kenny frames the conversation around de-risking – an appealing proposition for complaint teams, procurement teams, and legal teams. "Take for instance our supplier contracts," he said. "Sometimes, when procurement is required to populate a document with things like a Companies House number, they don't understand the importance of these numbers in terms of identifying suppliers – or they don't do it. Moving to a process with an API, then, can feed into Companies House and automatically populate documents, removing a lot of the error." Such 'de-risking' is easy to demonstrate with a solution like ContractPodAi, which leverages its AI capability to keep track of obligations, risks, dates, and renewal terms. The platform reviews legal documents to assess and score business risk, and highlight problematic clauses based on risk level. This 'Obligation Manager' feature then helps users manage revisions, renewals, and terminations by automatically identifying and tracking obligations and their risks. Even better, notifications and alerts are built in, along with analytics dashboards and reporting functionality.

ROIs for legal tech or contract management solutions, are either tangible (e.g., process optimisation, efficiencies, and decreased workloads) or intangible (e.g., risk reduction) Richa added. Given that intangibles can be exponential, she focuses on four tangible inputs when she helps clients craft their ROI: "The size of the legal team, the number of new contracts that are created per year, the average term of the contract, and the number of contracts that are heavily standardised." This is then validated by their dashboard and reporting.

When it comes to measuring ROI, Experian's legal team have made changes to the way they engage. One metric has been whether the number of contracts coming into the team has gone down, according to Andrew. But he said that he saw scope for a bolder approach, such as tying ROI to a tangible outcome of interest to the business: "You can go back to 'what is the problem we're trying to solve' and say, for example, 'we might want to push up client onboarding NPS scores.'"

For Natalie, measuring ROI is a matter of putting a cost on the time of each individual on her team, to work out cost on an individual contract or project basis. Though she emphasised that all of this data was only powerful if people talk about it, she said: "you can simply say 'because you didn't tell me something about this NDA, I went back to you with three emails that took this long, and this is how long it took in total, and that was X amount of money.'"

Ultimately, there were a lot of takeaways and interesting insights for attendees looking to get buy-in for that shiny, new legal tech tool. And very clearly, some solutions are an easier sell than others. Given that legal departments are still very much remote working – without access to physical contracts – ContractPodAi provides the assurance of business continuity; and allows legal teams to negotiate and finalise contracts on the platform. It also provides the ability to collaborate with customers, partners, and suppliers – simply, securely, and even in real time.

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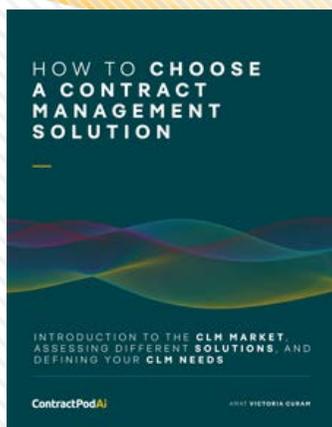
AUTOMATION AND DIGITAL TRANSFORMATION

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