Automated Contract Abstraction and Analysis

*How new technology enables rapid, affordable abstraction.*
A New Era for Contract Management

We at Brightleaf speak with dozens of GCs, corporate attorneys, and contact managers each week about the challenges they face managing contracts, and one consistent theme comes through time and again:

“We put a contract management system in place, but we don’t have an affordable, easy way to get information from all our existing contracts into the system.”

Critical information businesses need to make key decisions resides across all your executed contracts, however there hasn’t been a sensible way to access this information. Legal and contracts departments often have thousands of paper documents stored in file cabinets, or saved electronically as PDFs. Expensive software solutions only track a fraction of the operational and legal provisions. Getting useful, actionable information from these contracts demands a resource-intensive, manual process that requires lawyers to search every contract, then cut, paste, and organize the information the business needs to make informed decisions.

Contract abstraction has been too time consuming for internal staff, and too cost-prohibitive to outsource. Many companies that do outsource abstraction see projects costing hundreds of thousands of dollars. Plus, providing oversight and checking results still require a great deal of your staff’s time. And as with all manual efforts there’s still the problem of inconsistency. Ask 10, 20, or 100 legal contractors to find, cut, and paste dozens of attributes and you get dozens of different answers.

The end result?

As new contacts are executed, organizations often track only a few obligations and operational provisions. Businesses decision makers don’t have insight into existing obligations or the higher-level provisions in their agreements such as assignability. The contract management system (CMS) lacks the data needed to provide a comprehensive view. And, without this data, businesses limit their ability to fully support obligation and risk management, compliance, and business analysis.

There is now a solution

Imagine a world where you can abstract all the essential information from your contracts quickly and affordably. You can upload it easily into your contract management system, making your CMS far more valuable. A world where all
According to PricewaterhouseCoopers, “Companies could realize savings that equate to 2% of total annual costs by eliminating inaccuracies and noncompliance through contract automation. Therefore, a company spending $1 billion could save $20 million annually.”

the important provisions from all your contracts are available immediately for analysis, to profile risks, manage obligations, and improve compliance. And, when senior executives and internal clients ask questions, you can provide quick, accurate answers that aid in decision making.

This world now exists. Due to breakthroughs in computer-based language analysis technology, automated contract abstraction is now a reality, with exceptional speed and accuracy.

Legal departments, contract managers, and procurement professionals can now conduct contract abstraction at 50%-75% less cost than traditional methods, and it’s exponentially easier, providing numerous benefits for their businesses.
How Most Contracts Are Tracked Today

When a contract is signed, most organizations do a good job of tracking the contract’s basic operational requirements (e.g., renewal dates), but the same can’t be said for a contract’s legal components (e.g., indemnification). In addition, the attributes organizations tracked years ago may not be what they need to know today. As a result, most companies really don’t know what’s in their contracts. This can lead to massive complications and significant expense and risk down the road.

Typical scenarios

Three years after signing a contract your company gets sued by a business partner and you must revisit what you promised hundreds of other partners. The dilemma: how can you read hundreds of contracts along with the associated amendments, addendums, and side letters to get the information needed to craft an appropriate response? If you use internal staff, it can require months of research. If you outsource, it can cost hundreds of thousands of dollars and still require an enormous amount of time.

Your CFO wants to know the indemnification profile across a number of MSAs in a particular geography. But you can’t supply the data. Each time senior management asks a fundamental question, you need to dedicate hours of valuable resource time researching and combing through contract after contract to find the answers they need. And it seems like these requests are coming at you more frequently impacting your budget, consuming your lawyers’ valuable time, and leading to delays for your internal clients.

Wouldn’t it be valuable to find the information you need automatically, with the push of a few keys? Could you offer more value to your business managers by providing meaningful insight into their contracts? Would employees in the business units manage vendor and customer relationships better and operate more efficiently if your contract management system was fully populated and up-to-date?

This is where automated contract abstraction comes in.
Brightleaf Automated Contract Abstraction

Brightleaf, a Boston-based supplier of legal document automation solutions, has solved the problems of contract abstraction through its automated abstraction service.

Brightleaf automated contract abstraction employs breakthroughs in computer-based language analysis to legal documents. It eliminates the need for your staff or expensive outside firms to spend large amounts of time pouring through all your contracts to gather and review risks, obligations, and opportunities. With automatic abstraction, the process is almost completely automated, eliminating the cost and time obstacles associated with traditional abstraction techniques.

Automated abstraction gives legal, contracts, and procurement professionals the ability to efficiently and cost-effectively abstract key information from all their contracts and improve how they manage contractual obligations.

You can use automated contract abstraction for:

Contract Administration
Keep your existing contract management system up-to-date. Abstract any number of provisions quickly and accurately and bring them into your existing management tool(s).

Conflict Check
Rapidly conduct conflict checks on new contracts, ensuring compliance and completing deals faster.

Business Intelligence
Gain access to all contract data, giving GCs and senior managers strategic insights over all legal obligations, risks, and opportunities.

Automated Contract Abstraction Empowers Your Department To:

- Efficiently identify and manage existing contractual commitments.
- Analyze risks, obligations, and opportunities to avoid potential legal disasters.
- Improve compliance with both new and existing contracts.
- Enhance productivity within your legal, contracts, and procurement departments.
- Speed fulfillment cycles by getting new contracts completed faster.
Here’s How It Works

The Brightleaf automated contract abstraction service uses advanced technology that converts the unstructured data residing in both legacy and newly executed contracts into a structured, searchable database quickly and affordably.

The system achieves high levels of accuracy through a multitier parsing process (structural interpretation, natural language processing, and rules-based search) that overcomes the inaccuracies and inconsistencies inherent in traditional abstraction approaches.

Brightleaf applies this custom interpreter technology in combination with a legal operations group that executes the conversion and provides an exceptional level of quality control to ensure accuracy.

Working with your lawyers, the Brightleaf legal operations group:

• Defines dozens to hundreds of attributes to be abstracted
• Creates the necessary computer-based rules to drive the automated abstraction process
• Provides iterative testing and refinement of the abstraction process using a sample set of documents
• Finalizes the abstraction with post-process detailed review by trained legal experts

Brightleaf provides the abstracted information in an easily searchable database for research and analysis, or working with your staff, delivers a custom spreadsheet that is tuned for easy import into your existing contract management system, or virtually any other information system.

Technology Breakthroughs in Computer-Based Language Analysis

Brightleaf automated abstraction is made possible by technology breakthroughs in computer-based language analysis, specifically natural language processing, linguistic interpretation, and semantic intelligence. This advanced technology allows the Brightleaf platform to understand and accurately parse complex legal documents into structured, easily searchable information.

A linguistic engine allows Brightleaf to interpret the language structure of the attributes being searched for within contracts, and in the right context. Its underlying technology enables the platform to interpret complex clauses and include other language that modifies those clauses.

Plus, by focusing on fine-grained linguistic based interpretation, the platform avoids the inaccuracies and coarse-grained interpretation that is commonplace today.
Ongoing Contract Abstraction

Once the Brightleaf service is in place, you can easily keep all your contractual obligations up-to-date without burdening your staff. With a few keystrokes, newly executed documents can be uploaded for automatic abstraction of all key attributes, which are appended to the database and available for immediate use.

Contract Intelligence: Abstraction Analysis with Powerful “Click-Back”

Brightleaf offers an optional cloud-based abstraction analysis tool for data mining, analysis, and reporting on all your abstracted data.

The Brightleaf abstraction analysis tool is designed to provide true “contract intelligence.” It enables users to run a wide range of standard reports and quickly create custom reports without the need for IT support. Filters allow users to ‘slice and dice’ in limitless ways. Plus at any time, users can export selected results to Excel for further processing.

The Brightleaf analysis tool provides a highly valuable “click-back” feature that enables users to click on any attribute within a report and be taken back to view the original source document in its entirety, with the attribute highlighted in context.

Brightleaf’s analysis tool is incredibly simple to use and, because it’s delivered as a hosted solution, it can be implemented quickly and accessed by an unlimited number of users in the legal, contract, procurement, finance, operations, and sales departments. This allows you to deliver powerful contract intelligence across your entire organization.

According to Aberdeen Group, best in class contract management requires that companies:
- Identify better means to automate the conversion of legacy contracts
- Improve their ability to analyze and report on contract trends
- Use contract performance data for financial planning and budgeting
Automated Contract Abstraction Use Cases

Automated contract abstraction and analysis has numerous benefits, from speeding up contract fulfillment cycles to reducing risk. These alone make its adoption a smart move for businesses. For less than half the fee you might spend on an outsource firm, you can have the full benefit of automated contract abstraction.

Here are examples of how you can put automated contract abstraction to work for your organization.

**New CMS**
You spent a lot of time and money installing a new contract management system. On a going forward basis, you’ll do a much better job of oversight and compliance on these agreements. But what about your legacy contracts and the commitments you already made? Why not manage all your contracts in one place? With automated abstraction, you can.

**New Regulations**
The attributes you chose to track in your CMS when you first installed it years ago are now outdated and incomplete. Your industry is undergoing change, and new regulations require better oversight and more detailed reporting. Plus, the penalties have gotten bigger for non-compliance…much bigger. You now need to go through hundreds or thousands of executed agreements and find these affected provisions. Automated abstraction can find the missing information and upload it to your contract management system or present it to you in a spreadsheet.

**Lawsuits**
Your company gets sued for patent infringement and you now need to see across hundreds of similar contracts, determine your exposure, and define a strategy. In the past, you would have hired an outside firm that would provide a team of lawyers to comb through these agreements over a period of weeks and quite possibly charge you six figures. Automated contract abstraction eliminates the cost and hassle of hiring this firm, and gets you the information you need to respond quickly and accurately, at a fraction of the cost.

**Acquisitions**
You just acquired another company and inherited thousands of existing contracts. You need to understand what is and isn’t assignable along with the resulting obligations to ensure compliance across your company. With automated abstraction, you can inexpensively abstract the information you need, and deliver a structured, searchable database of all the key attributes.
**Vendor Deals**

A business unit needs to strike an exclusivity deal with a particular supplier. Before they can move forward, your department must research whether exclusivity can be supported in a new contract or whether your company has made a similar commitment previously to another vendor. You can get the answer quickly through Brightleaf’s automated abstraction and analysis, rather than having your lawyers take the time to go through all your outstanding vendor contracts.

**Strategic Business Intelligence**

You want a global view of all your contracts to help make better decisions. For example, you may want insights into insurance requirements. The VP of Sales wants to know which deals have COLA provisions, and have they been taken. Maybe the CFO is asking about your indemnification profile. With automated contract abstraction, you can have a strategic view of all your contracts, making all this data accessible. And Brightleaf’s abstraction analysis tool gives the ability to drill down for real-time business intelligence at your fingertips.
Put Brightleaf Automated Contract Abstraction and Analysis To Work for You

Brightleaf is a world innovator in legal document automation. Brightleaf’s automated contract abstraction service is designed to get you up-and-running quickly and affordably. And our legal operations group will provide expert review to ensure consistent, accurate results.

See For Yourself: Contact Brightleaf today for a demonstration, or to discuss a test abstraction project.

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About Brightleaf

Brightleaf Corporation is a venture-backed technology company focused on bringing intelligent document automation to law firms and legal departments. Based outside Boston, our technologies give law firms and corporate legal and contract departments accessible, easy-to-use, professional-strength solutions that are designed by lawyers for lawyers.

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