



8 Lessons:

How to transform the drafting of banking and finance documents with intelligent automation

Find out how a deep and exceptionally customised approach to automation delivers an optimised lawyer experience when drafting legal opinions, LMA-based* documentation and security agreements.



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At Clarilis, we'll never claim that an NDA can show the full potential of intelligent drafting technology, and we don't expect law firms to be bowled over by our ability to autofill name and address fields. However, legal opinions, LMA-based* precedents and security documents are a different story.

These documents are lengthy, complex and highly customised, and generally form part of a suite of documentation. They often require days of legal drafting by a junior lawyer, with a senior colleague reviewing every paragraph with a fine-tooth comb.

In addition, these documents can be fraught with risk (particularly legal opinions) and often require extensive automation in order to save significant amounts of time.

In our experience, these documents are an unmissable opportunity to reap the benefits of deep automation. This makes them great examples of how Clarilis can uniquely streamline the drafting of complex legal documentation.

But the benefits of a Clarilis automation don't end with a perfectly customised implementation. We know there's only a long-term business benefit to complex automation if it's maintained and enhanced by iteration over time.

Firms operating in a competitive market simply don't have the time or resource to maintain complex automation promptly so that it is always up to date and ready for fee earners to use. This is particularly true for banking and finance precedents, including those with significant amounts of bespoke drafting layered on top of the LMA's standard forms*. By maintaining these complex automations on behalf of our customers, we're able to retain and enhance the significant added value beyond the initial automation.

We've been automating banking and finance documents for years

Our first automation of LMA-based* precedents was back in 2016 and, since then, we've automated a wide range of banking and finance agreements for firms such as **Addleshaw Goddard, Burges Salmon, Gateley Legal, TLT, Travers Smith** and **Gowling WLG**.

What follows are eight lessons our Clarilis Professional Support Lawyers (PSLs) have learnt from years of creating high-performing firm-specific automations for our banking and finance customer base (including automations based on LMA precedents*).

“Clarilis is directly relevant to our complex, high-value work. The work done with our banking team, for example with the LMA documentation, has been transformational. It's like magic. Some form of alchemy, where you hit a button and in moments see the end result of work that would have in the past taken weeks to produce.”

Alastair Lomax | Partner | TLT



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Lesson

1

Automating a suite of documents brings greater **efficiency** and gives you more **control** of your drafting

Lawyers draft a wide range of documents over the course of a single banking matter. Yet many software solutions struggle to truly automate more than one document at a time. We've found the most effective LMA-based* implementations cast their net much wider. Our PSLs will work with

you to determine the best documents to include within an automated suite to deliver a solid ROI for your firm. We can drive a facility agreement, security documentation and a supporting opinion from a single or linked questionnaires.

“We work with our customers to select the appropriate ancillary documents to include in their automated suite. We then customise those documents to meet their specific needs, which are often driven by the banks’ requirements.”

Rachel McGough | Banking PSL | Clarilis



Lesson

2

Extensive customisation, such as bilateralisation and additional facility types, is highly valued

Not every law firm routinely deals with syndicated facilities; and working your way back from a syndicated facility agreement with multiple facilities to a more straightforward structure (e.g. single lender, single facility) is an uphill struggle. Many firms face the challenge of needing to automate documents relating to more straightforward structures for the majority of their transactions. Add to this the pressure to maintain both these agreements and the automation over time and

you can see why Clarilis customers appreciate our ‘managed service’ approach. Many law firms simply don’t have the time or the resource to adapt, implement and maintain complex automation within reasonable timelines.

At Clarilis, we provide a managed service to take care of all aspects of automation for our customers preventing automation becoming yet another drain on their time and resources.

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It can take a lot of work to manually strip back LMA based* precedents to account for more straightforward types of facility. Let our banking and finance PSLs assist here with their extensive experience in working with all forms of LMA facility. For example, we can adapting your firm's precedents to include automation options for single borrower, single facility and bilateralisation,

enabling an effortless transition between different deal types. The breadth and depth of Clarilis automation touches all aspects of drafting. Our customers are confident that complexities, such as aggregating definitions, are covered as part of a Clarilis automation. Put simply, it's not something our customers have to worry about.

“The mechanical elements of bilateralising a facility can have more than 1,000 effects on a single agreement. With a Clarilis automation, this is all handled by a single click of a button. That’s more than 1,000 changes that would otherwise have to be done manually. If you also consider the number of additional documents for the matter, such as board minutes, security documents or legal opinions, the time saving is vast. It is important to our customers that all documents relating to a given transaction are automated. It’s about efficiency and avoiding waste, but most importantly it’s about adopting automation that benefits the entire matter and not just specific documents within it.”

Emma Fear | Director of Implementation | Clarilis



Lesson 3

Deeper automation creates better first drafts, saves time, improves accuracy and enables risk-mitigated delegation

To have a substantial impact on your practice, for LMA-based* drafting we recommend deep automation. At Clarilis, this involves our PSLs reviewing your existing precedents, drafting notes and guidance. We work with you to design an automation that will gather, store and categorise all of the key transaction data you need to generate the required suite of documents. This ensures significant time savings and greater accuracy which, in turn, facilitates delegation while mitigating

risk and reducing expensive partner review time – there’s simply less margin for human error. The information that your fee earners enter into the questionnaire populates a central knowledge base for the matter. This information is then used to generate all of the documents in your banking suite as required – the main financing document and all of the required ancillaries. The benefits in terms of efficiency and consistency are huge.

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Deep automation creates a highly tailored and accurate suite of documents that minimises freehand drafting. By greatly reducing the risk of

lawyer errors, it becomes more efficient for greater amounts of drafting to be done by junior lawyers, with less supervision and review required.

“It’s often the junior lawyer who’s asked to have a ‘first shot’ at drafting the ancillary documents, while the more senior members of the team are off helping to negotiate terms or working on the main documents. It can be a daunting task, and points can get missed or misconstrued, which leads to more work down the line. A deep automation with built-in guidance has a double benefit here – it avoids a lot of basic errors, and it acts as a training tool for the fee earners using it, helping them to benefit from their firm’s valuable know-how and guidance, and gain a better understanding of the documents they are working on.”

Nicky Ellis | Innovation PSL | Clarilis



Lesson

4

Banking & finance automation experience is **crucial**

At Clarilis we have extensive experience in automating all forms of banking & finance precedents (including those based on the LMA forms*). We can rapidly deploy customised deep automation in line with the requirements of your firm and leveraging the extensive experience of our team to bring in additional drafting and optionality. The efficiency of the Clarilis process save significant time in deploying these projects and economies of scale that we can pass on to you.

Our PSL team have also developed a large knowledge base of Clarilis questionnaires and data models relating to banking and finance matters. From day one of any project, firms benefit from our know-how and vast experience of complex automation.

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Lesson 5

Bespoke documents tailored to meet your needs

Automation can easily be confused with standardisation. But it's unlikely your clients are appointing you to churn out homogenous banking and finance agreements. Instead, your automation needs to allow you to incorporate bespoke drafting and additional options in line with the requirements of your clients.

Your aim should be to create a solution that helps you to generate suites of banking and finance documents that are the equivalent of the personal handiwork of your finest drafter. So, if you use bespoke drafting in your facilities agreements, we suggest you build your automation from your firm's precedents (rather than the LMA's base precedents*) in order to maximise your ROI from automation.

"We have worked with Clarilis to automate a wide spectrum of documents including some particularly complex ones. An example would be our legal opinions, which contain a vast number of opinions and permutations: the simplicity of the questionnaire that Clarilis was able to create belies the complexity of the automation which sits behind it. This has made a huge difference to the team and allows the fee earners to focus on providing legal advice rather than becoming bogged down in a repetitive drafting task."

Jill Moore | General Counsel Partner | Burness Paull



Lesson 6

Make sure your automation is easy to update

Automated precedents don't stand still for long, so you need to have a robust maintenance plan. Your automated precedents need to be amended within tight timelines when required. This is particularly true when your firm's core precedents and ancillaries are updated in line with changes in market practice, law or updates from the LMA*.

As part of our ongoing managed service, Clarilis PSLs determine how to evolve your automation to best reflect changes required to the underlying precedents. Clarilis' processes significantly accelerate the required implementation time for critical changes.

“The suite produced consists of complex moving documents that are forever evolving. Maintaining them has to be an iterative process that people understand and can contribute to.”

Emma Fear | Director of Implementation | Clarilis



Lesson 7

Lawyer-to-lawyer communication and PSL-led implementation: much more than technical support!

Setting up an LMA-based* (or other banking and finance) automation shouldn't be side-lined as a techie conversation. You can't create a sophisticated solution that will deliver the level of customisation required by these transactions and the corresponding benefits without understanding the legal challenges of drafting the underlying

documents. This is why we ask our banking and finance PSLs to lead these discussions. Each member of our PSL team trained in private practice and has, on average, **more than 15 years PQE**. Their approach to designing automations is heavily informed and influenced by their practical experience of the nuances of legal drafting.

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“We’ll ask a significant number of questions during the process because we’re looking at our customer’s precedents in very fine detail through the eyes of an experienced practitioner. Our customers often say that simply going through the process of automation itself has improved their precedents.”



Rachel McGough | Banking PSL | Clarilis

Lesson

8

Data security is crucial – let’s keep it impartial

Clarilis provides impartial advice and expertise to each of its customer. We understand the sensitivity of the identity of your clients, the terms of your deals and all other client data, as well as the intellectual property contained within your bespoke drafting. You can rest assured your data is completely siloed

and secure within the Clarilis platform.

We are an independent provider and not linked to any particular law firm. Clarilis customers take comfort from this separation.

Clarilis automation of banking and finance documents including:



LMA-based facilities*



Legal opinions



Security documents



Ancillaries

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