



# Deep automation delivers to the bottom line



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August 2023



# The rise and rise of automation technology

Today, the question is no longer whether you should invest in drafting automation, the question is: which automation solution is going to deliver bottom line value to your law firm? In this eGuide, we explain why Clarilis is your answer.

Have you been losing work to firms that are already using automation platforms? Maybe you are struggling to compete with rival practices that are drafting documents in a fraction of the time and cost you can? Whether you are yet to make the leap into automated drafting or battling with a legacy system that's failing, before you move forward you need to understand the factors to consider when looking at automation technology and how to ensure a successful implementation that delivers real value to your firm.

**Firms looking to outpace rivals are using automation technology to increase capacity and drive up profitability.**



# A few initial takeaways

## Building your own automations?



It probably involves more human effort than you think and successful automations rely heavily on the input of both legal and technical expertise.



Be prepared for the project to continue long after your initial automations are up and running. This technology needs to become part of the fabric of your business. Allow time, budget and resources for continual maintenance of existing automated suites.



Complex automations built using a toolkit often do not match up to expectations and anticipated time savings.



To accurately calculate return on investment, you'll need to understand both the benefits and the total cost of ownership in detail.

## Disillusioned with existing automation technology?



Fear not - technology has moved on. A lot.

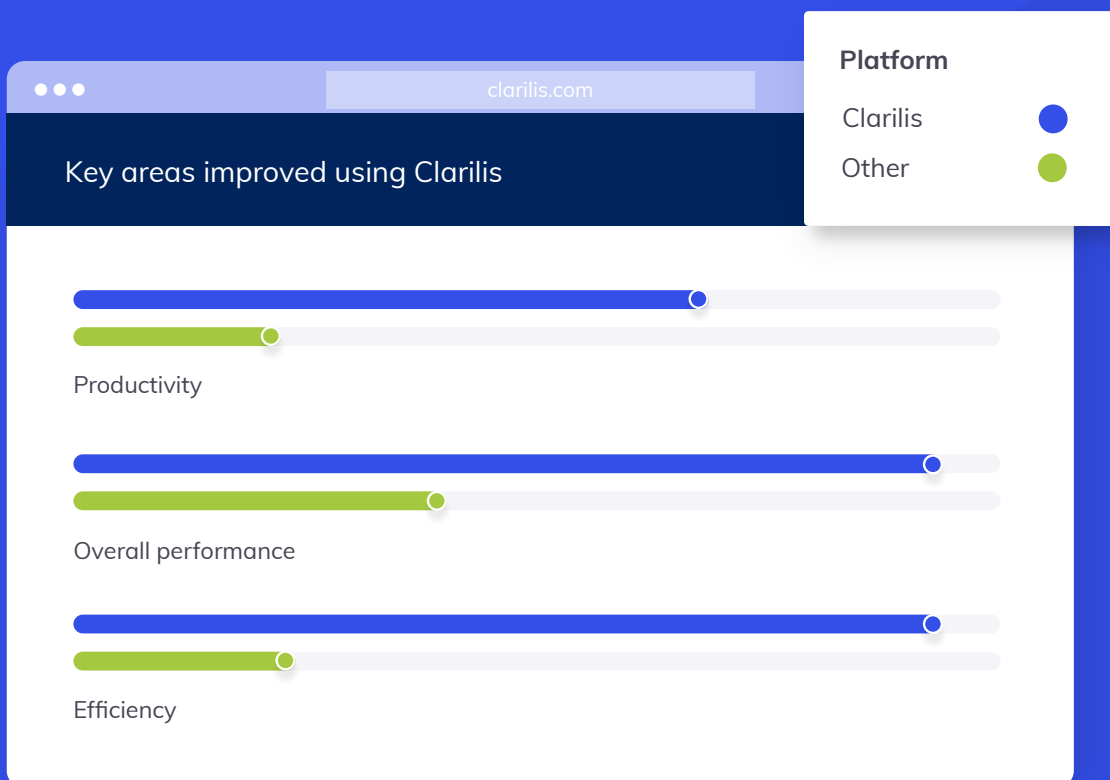


What you're using is probably outdated (and likely wasn't fit for purpose in the first place).

# Why document automation fails

Document automation toolkits are nothing new. But over the last two decades, law firms have been held back by ineffective document automation toolkits that have failed on their promise to deliver real transformation to the legal industry.

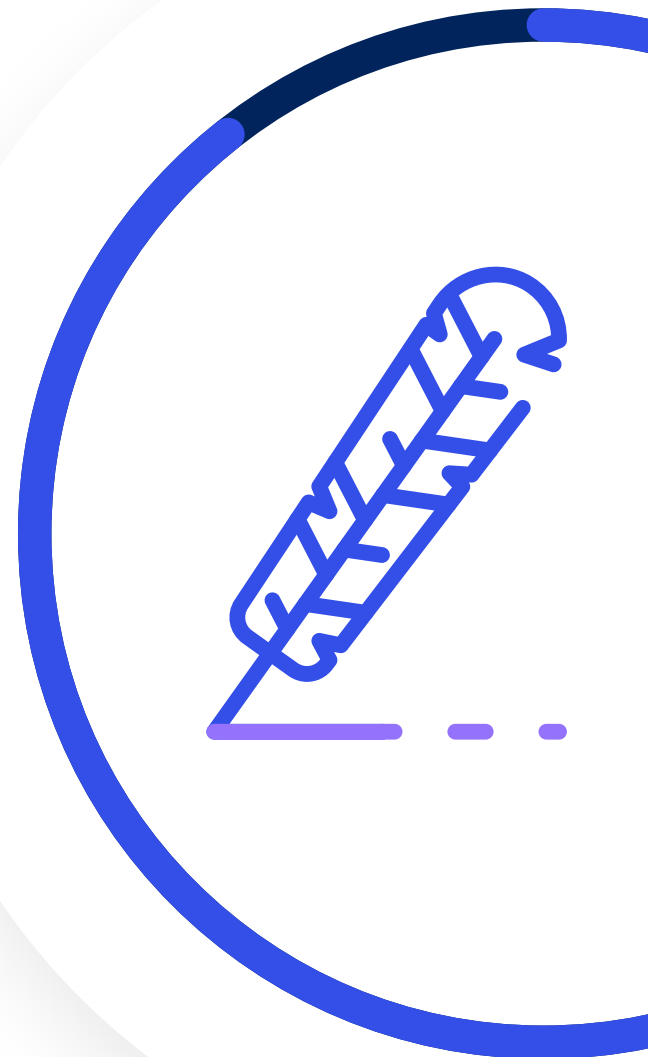
The result is a series of problems that are now common in law firms: automation projects are time and resource hungry, often delivering very little ROI; and fee earners are still bogged down by routine and repetitive work, leading to inefficiencies that have a direct impact on productivity, efficiency and client experience.



# Drafting is the backbone of every law firm

The quality of your drafting is a compelling way for you to stand out from your competitors. The suites of custom-built, technical documents that fill your precedent bank are the culmination of many decades of experience and know-how. They are a significant intellectual property asset and the foundation of everything you do.

But think of the hundreds of hours – and pounds – that are consumed in applying precedents to a matter. What if the time spent drafting these documents was significantly reduced? Could drafting be delegated to more junior fee earners? How many hours would this release for senior lawyers to deliver higher value strategic advice? And then there's the argument that technology can complete repetitive, routine tasks more consistently and with less risk than humans. Together, this presents a strong business case for automation.



# The growing link between automation and client experience

- Clients are demanding **faster turnaround times** from their law firm, so they can react quickly to tighter internal deadlines and increase their own deal velocity.
- Fixed fees, capped fees, informal caps and estimates – the growing client preference for **alternative fee arrangements** is putting pressure on lawyers to find ways to use technology to work more efficiently.
- Law firms are gaining competitive advantage over their rivals by using document automation to increase productivity and free up their lawyers' time to focus on delivering **higher-value advice** to clients.
- Clients are fully aware low-value, repetitive tasks can now be automated. They expect their law firms to **be investing in legal technology** to take over the routine legal work.

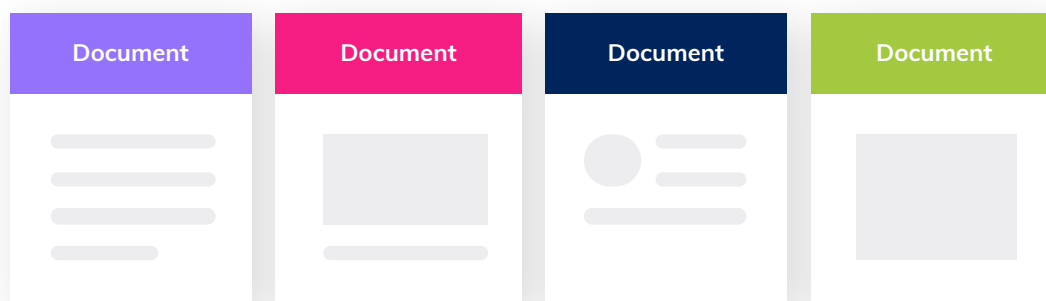


# How the automation of precedents evolved

If you're new to document automation technology, here's a short recap of its evolution.

## Manual drafting

The manual process of drafting legal documents is clunky and time-consuming. Typically, precedents and templates are amended from transaction-to-transaction, with deal documents often used in place of precedents to save on drafting time. It's routine work, but hugely important, so manual drafting can be a significant drain on senior lawyer time.



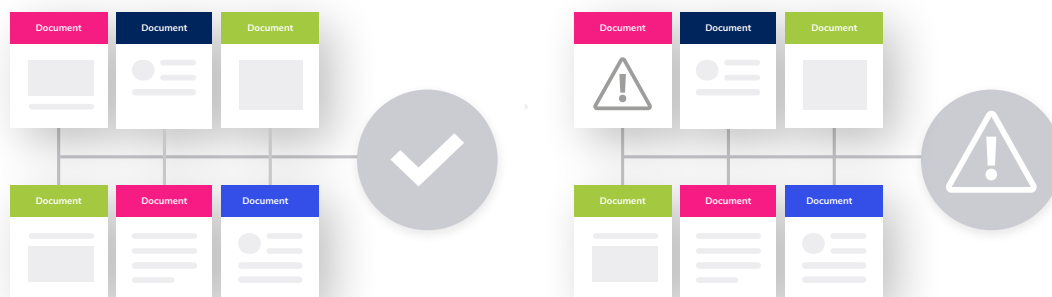
## Self-built toolkit automations

As document automation software emerged in the mainstream business world, the prospect of easing the production of legal documentation materialised. Along came some generic document automation toolkits promising to free lawyers from the mundanity of drafting.

The purpose of this software is to handle basic logic in order to autofill specified fields in a document with minimal manual input. To achieve this, automation toolkits treat each individual document, and every square bracket field within it, in isolation.

Automation toolkits aren't built to recognise the wider context of a legal matter. In fact, they aren't designed to delve any deeper into a transaction than the rules governing a specific field. And be prepared, you'll probably need to add lots of extra logic if you want your automation to work in the structure and layout of legal documentation.

For less complicated documents, these toolkit automations are often sufficient. However, when applied to complex transactional documentation, these toolkits often end up being cumbersome and offer only a superficial level of value.





# Enter Clarilis intelligent drafting

Our intelligent drafting platform was designed specifically to support the complexity of drafting legal documents and the starting point for an automation is the entire matter, not the document.

The Clarilis platform uses a highly structured data model to enable entire suites of complex documents to be drafted from a single questionnaire. Drafting with Clarilis is, on average, 90% faster than manual drafting, even for complex documents. For example, we enable lawyers to create high quality first drafts of SPAs or leveraged facilities agreements in under two hours. As key information has already been entered when drafting the main document, ancillary documents can be produced almost instantly – a near 100% time saving. Fee earners are freed up to work on higher value activities. This highly structured approach also has the flexibility to evolve with the underlying precedents and the changing needs of the users over time.



# Reframing how you calculate value

If you're considering automation for the sole purpose of relieving your lawyers of drafting fatigue, you may be surprised at what else you could gain. What would happen if you shifted your thinking about the benefits of automation technology? So, instead of basing your evaluation on the time saved, you refocus on the opportunity it creates to deliver higher value services, to more clients, more efficiently.

That's right, automated drafting isn't simply about making life easier for your lawyers. In our experience, the law firms that get the most benefits from automated drafting don't focus on simply saving time.

## 1. Delivering added value

Today's clients expect much more than traditional legal advice from a law firm. Clients want to feel they're receiving not just value for money – but added value – from their advisers. Adding value relies on law firms making better use of their lawyers' time. But many lawyers are bogged down in the mechanical, repetitive aspects of drafting. Law firms are under pressure from clients to change this.

## 2. Building capacity (and revenue) without increasing headcount

Your firm's ability to generate new revenue is limited by the amount of billable time your lawyers have available. Releasing the hours tied up in routine drafting increases capacity in your teams, creating more time to generate new and more profitable revenue from existing and potential clients.

## 3. Adding real value

Using Clarilis can unlock hundreds of hours for each of your senior lawyers, so they can spend less time supervising juniors and reviewing documents, and more time on the work that makes a real difference to the client. How much could this augment a client's perception of the value they receive from you? And if you're working on a fixed fee or other AFA, every hour saved helps to increase margin or reduce write-offs.

## 4. Risk-mitigated delegation

The Clarilis platform captures best practice and reduces the risk of human error, ensuring law firms draft accurate and high-quality documentation time and time again. This consistency, combined with extensive built in guidance and verification within the Clarilis questionnaire, means that drafting can be delegated to more junior lawyers, freeing up senior resource to add greater value to transactions overall.



## 5. A more competitive service

With Clarilis, you can produce high quality first drafts of complex document suites and ancillaries in less than an hour. This time-saving creates a variety of ways to enhance your competitiveness. First, there's the option to pass on efficiency savings to a cost-sensitive client, for example. Or maybe it helps level the playing field with a competitor you've been losing work to? Or perhaps creates the opportunity for higher margins for fixed-cost work?

## 6. The opportunity cost of rejecting automation

What's the impact of choosing not to automate? For example, if it takes fourteen hours for a lawyer to draft an SPA, and with Clarilis, you could produce that document in under two hours, how many more matters could that lawyer be handling in the twelve hours unlocked through automation? They could draft six more SPAs in the same time. What additional profit could that lawyer be generating in this time? What affect does this have on the gross margin for the matter? By considering these factors, you can then measure the true benefits you could be sacrificing by not investing in deep automation.

**Clarilis enables routine drafting work to be delegated to junior team members. How much additional billable time could you give back to your senior lawyers to focus on higher value strategic work?**



# Understanding the true cost of your automation project

Any conversation about the ROI of legal technology must consider cost as well as value. When calculating the true cost of document automation, we suggest looking beyond the purchase price of a toolkit.



## Total cost of ownership (TCO)

To understand the true cost of an automation project, you need to incorporate the investment in implementation and any ongoing operational expenses. The time and expense of implementation and ongoing maintenance often makes the purchase price of the toolkit pale into insignificance.

You should also consider the cost impact of any limits in the capability of a platform. For example, some systems can only be used, practically speaking, to automate simple documents (e.g. NDAs). In contrast, more advanced platforms can also handle more complex drafting (e.g. the many ancillary documents required in relation to a business acquisition).

Automations built using a generic toolkit often do not match up to expectations and anticipated time savings. Realistically, a generic toolkit may only scratch the surface when it comes to drafting complex agreements. Yes, there will be a certain number of automated fields in each of the documents, and yes, this will shave some time off the drafting process. But lawyers will also need to put in hours of manual drafting **after** the automation to refine it into something client worthy.



## Time to value

Calculating the time it takes for the system to go live and start to generate value is an important factor to consider when choosing between different methods of automation. For example, document automation toolkits can have a very slow time to value compared to managed service options. It can take months or even years for an internal team to build and deploy your automations. This is time you're still manually drafting whilst waiting for the project to be delivered.

Unlike alternative approaches to automation that can take months or even years to implement and deploy, Clarilis is usually deployed and delivering benefits within a matter of weeks and every week you save in implementation time is also another week not wasting time and money manually drafting.

**Speak to peer firms to get a hands-on evaluation of how long implementation really takes and the impact this might have on costs of a project. All of this is part of calculating the total cost of ownership and critical to the true return on investment.**



# The cost of poor implementation

Some of the most common pitfalls of automated drafting in law firms are:

## 1. The misguided belief that it works right out of the box, without implementation.

Creating automations is more complex than most law firms (and software providers) think. Downloading the software alone doesn't deliver you any benefits. You'll need extensive investment from your people, in experts and some robust processes to build valuable automations. Don't expect to find a YouTube guide or a standard instruction manual to show you how to obtain meaningful savings for anything more complex than an NDA.

## 2. A failure to plan (and budget for) implementation

The effort required to build an automated suite of precedents, capable of saving significant time for your lawyers, is hugely underestimated. Without a fully supported implementation process and budget, demand on internal resources will be intense and unplanned. This inevitably leads to delays. And as delays go on, there are two options – launch something that's sub-optimal and includes only cursory automation (which doesn't achieve any of the outcomes and benefits you were looking for) or abandon and write it off as a costly mistake.

### 3. The expectation that everything should be automated

Automation is often seen as a blanket solution. It's not. It's highly unlikely that there will be a business case to automate all of your precedents. The success of your system depends on choosing to automate the precedents that bring the greatest benefit to your fee earners and clients. Targeted automation based on value is the lesson here.

### 4. Forgetting that the system will need nurturing

Automation technology only delivers value when your lawyers use it. Increasing adoption should be an ongoing goal for all automation projects. And this is only achieved by continually updating, iterating and optimising your platform to better meet the needs of your lawyers.

To keep pace with the fast-moving nature of your firm's practice, you'll need a disciplined approach to how you review and optimise your automation system. It's important to have procedures and service level agreements in place to ensure you act on feedback from your users and that underlying precedents are promptly updated. Otherwise, if these requests linger and automations fall out of date, your lawyers will lose faith in (and patience with) the system.





# Building a solution

## It's more than the technology

We'll now shift our focus to guiding you towards a successful implementation. And for us, this means creating a platform that produces automated documents that look like your best drafter has worked on. And this is no simple task. Layer upon layer of logic is needed to empower technology to capture the techniques of your best drafters and how they respond to matter information. It demands a delicate balance of people, process and some super smart technology. And, whatever your software vendor says, you'll need to schedule in more than half a day to get this right.

## The three pillars of automated drafting



People



Process



Technology

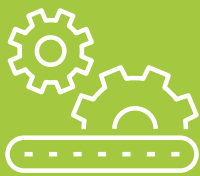


# 1. People

One of the biggest flaws in previous generations of document automation toolkits is the failure of providers to challenge a client's fundamental expectation that the software does it all for you out of the box. Successful automations rely heavily on the input of human legal expertise.

## Who provides this human know-how?

- 1. Create an internal team:** While assigning an internal team to the project provides vital know-how, this obviously comes at the cost of revenue generation and impacts on the delivery of other firm-wide projects. Fee earner and non-fee earner time needs to be accounted for. As a result, when unplanned delays cause projects to take far longer, costs inevitably mount.
- 2. Appoint external consultants:** This can be expensive (especially if timescales slip) and won't completely remove the need for internal fee earner time and other resources.
- 3. Select a managed service:** At Clarilis, we allocate a specialist team (including experienced professional support lawyers) to design, test, build, implement and maintain the automation for you. The risk and responsibility of delivering a fully working automation project lies with us.



## 2. Process

Without a robust implementation process, complex automations deliver an incredibly slow ‘time to value’ (the time it takes for the system to go live and start to generate a return). As the implementation time drags on, the total cost of ownership increases, sending your projected ROI plummeting.

### Managed service vs document automation toolkit

With a document automation toolkit, you get a tool that can, in principle, be used to deliver automation for your firm. But you’ll have to work out how to put it all together. And then you’ll need to configure it to meet your needs. In our experience, if you’re trying to achieve anything substantial, these implementations can be lengthy. This is when costs quickly escalate.

With Clarilis, we manage the whole process for you – from design through to automation, testing, delivery and even ongoing maintenance. This is typically a minimum of three to four times quicker than if you’re trying to implement the automation internally. Our experience in delivering complex automated document suites significantly reduces risk and time to value.

A Clarilis managed service solution is usually deployed and delivering benefits within a matter of weeks. This is typically a minimum of four to five times quicker than if you’re trying to implement the automation internally. Our experience in delivering complex automated document suites significantly reduces risk and time to value.



### 3. Technology

For many practice areas, a large suite of documents is drafted over the course of a single legal matter. This makes it crucial that a drafting solution is built to handle the complexity of entire matters, not just single documents. A successful automation firstly gathers and stores all the data associated with an entire matter in a highly structured way. It then models this data to generate every document required in relation to that matter. For a deep automation information is re-used multiple times.

#### What makes Clarilis intelligent drafting technology so different?

Not all matters follow the same linear rules and patterns. This is where our more responsive intelligent drafting technology comes in. Traditional document automation toolkits either automate one document in isolation or have been adapted from an approach which focuses on a single document. In contrast, by using the data collected from a dynamic user questionnaire, the Clarilis platform can model the entire legal matter.

But it's not just technology at work here. The depth of our automations is also largely achieved our internal legal and automation experts working with our customer teams. All communication is lawyer-to-lawyer and our professional support lawyers (PSLs) have on average over 15 years' PQE, so they understand the challenges our customers face and talk their language.

The combined input of our PSLs, your lawyers and our technical team significantly reduces the time to value and delivers deeper and more powerful automations.

# Where do you sit on the automation success scale?

Before you implement a solution, it's important to recognise where you're starting from.

Typically, we find law firms fall into one of these four categories:



A fully operational, deep automation



The set-and-forget trap



The shallow system



Delayed and deserted



## A fully operational, deep automation

This is the gold standard of automation and marks the stage where technology delivers a noticeable ROI. Your priority is maintaining this.



## The set-and-forget trap

Your legacy implementation worked for you once, but due to neglect, the system no longer delivers benefits. Consequently, it's been abandoned by your lawyers. When did you last update the automation so that it reflects changes to your precedents? Did you ever get around to responding to post-launch feedback? Or could it be persistent, unresolved technical glitches that are driving down adoption?



## The shallow system

You invested in an automation toolkit that 'ticks the box'. The reality is it barely scratches the surface of what you need. Low levels of benefit versus high levels of perceived hassle, lead to reluctant adoption.



## Delayed and deserted

Your toolkit was bought and delivered - and that's where the support ended. Years later, you still haven't quite managed to get things up and running.

# Your automation checklist

The key questions you should ask before you purchase an automation system:

- Who is going to implement it?
- Has your law firm or software provider implemented document automation projects before?
- How long is it going to take to implement?
- What is it going to cost to implement?
- How much time will the automation save per use?
- Who is going to trial and test the system?
- How much time will be lost on manual drafting during implementation?
- Will anyone guarantee that all of the above is delivered on time, to specification and cost?
- Who will maintain the automations and how fast can they turn around changes?



# Key takeaways

The core benefits of Clarilis to your practice



Unlike traditional document automation toolkits, intelligent drafting technology models an entire matter. This means complex suites of documents and ancillaries can be drafted with speed and ease.



Traditional document automation toolkits also create an unmanageable maintenance overhead.



Clarilis technology reduces time to produce suites of documents by on average 90%, releasing lawyers from low value, routine, and repetitive work.



Greater efficiency and productivity means that clients enjoy quicker turnaround times and lawyers are freed to work on higher value activities that earn more for the firm and increase client satisfaction.



With a Clarilis managed service approach, automation projects are designed, implemented, tested, delivered, and maintained on behalf of the firm. This reduces the time those projects take to deliver value from months or years down to weeks.



Users of the Clarilis platform intelligent drafting platform receive regular insights and usage data, allowing easy analysis and demonstration of ROI.





## Discover the transformational value of Clarilis deep automation for your firm

We are not only experts in delivering successful automation projects that provide real value, but we have also developed processes to help you evaluate the value of automation for your firm.

Get in touch

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