Case Study

An America-based software and security company

Service(s) offered: **Contract Management Services – Post-execution Obligation Management Support**

Sector/Industry: **IT Services**

Tracking and managing all contractual obligations through the use of an AI-enabled platform

The client (Client) is an American multinational corporation that develops and markets networking products, including routers, switches, network management software, network security products, and software-defined networking technology.

Challenge

1. The Client had many legacy contracts which were stored in the company's drive and the information from these contracts was not digitally available. Therefore, obligations from the contracts were not readily available for review and pro-active risk mitigation.

2. The Client did not have visibility of their non-standard contracts which had caused significant deviations from their prescribed legal standards.

3. Contracts, which included Outbound (Sell-side agreements) and Procurement (Buy-side agreements), were not correctly categorized.

4. The Client wanted to create a common central repository for all contracts which could be accessed by all relevant stakeholders while simultaneously providing real-time visibility of contractual obligations along with data analytics and reporting.

Case Highlights

- 49% cost-savings for the overall project cost
- 50-55% time saved in monitoring contractual obligations
- Created a single repository with accurate and validated data of active and legacy contracts
- Enhanced risk mitigation with the help of real-time data facilitating decision-making

Solution

1. The Nexdigm team assisted the Client in this process by first evaluating Artificial Intelligence (AI) based contract abstraction platform tools. We suggested a highly accurate AI tool which automated the extraction of key contract data. This facilitated an efficient process of migrating all legacy contract information data into the Contract Lifecycle Management (CLM) tool.

2. We also helped the Client conduct rigorous testing and evaluation of other accurate AI-enabled platforms which was completed within a span of 45 days.

3. The AI-based tools were evaluated on multiple criteria including:

    - Data validation of legacy data

    - Clean up of legacy data

    - Tracking and reporting incorrect data during data validation

    - Standardizing legacy data for migration to the CLM tool

    - Searching and creating a clause library using bulk tagging

    - Automating reviews and abstracting key metadata

4. Before implementing the platform, a User Acceptance Test was performed to measure the accuracy of the platform's automated extracts.

5. The observations identified in the User Acceptance Test were taken up for review. Post review, we streamlined and implemented a standardized process for contract reviews. The entire process of streamlining and standardization had been concluded within 30 days.

6. After evaluation and testing, we recommended the use of the most accurate AI tool for the first level of review, which was deployed as part of the process. The Nexdigm team, comprising of experienced and capable lawyers, acted as the second level reviewer to validate and clean up the extraction (obligations) provided by the tool for all legacy contracts.

7. We acted as the quality control team to ensure that all contractual information suggested by the AI tool was accurate and correctly captured. All exceptions were handled by the Nexdigm team manually to deliver the final outcome to the Client.

Benefits

The entire project was completed within the stipulated timeline of 12 weeks. After evaluating all the AI tools, recommending a suitable one, and implementing the tool in the organization, we noticed the following improvements:

- 50-55% time saved in tracking obligations

- 49% savings in the overall project cost

- Accurate categorization of the various types of contracts

- Accurate and validated legacy data for migration to the CLM tool

- A single repository for all legacy contracts and active contracts

- Improved tracking and monitoring of contractual obligations

- Enhanced risk mitigation due to pro-active contractual decision-making

For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com