

Contracts Metrics Preparation Checklist

1) Define what you want to measure

- **Include what your key stakeholders want to measure**

- GC/C Suite – value to the company (i.e.: contribution to revenue)
- Business, Sales, Finance Leads – value to their business line (i.e.: speed, TAT)
- Legal Leads – value to their team/department (i.e.: reduced spend, staff productivity)
- Consider downstream systems requiring outputs from your tool

- **Envision your reports – What stories do you want to tell (staff productivity, risk profiles, compliance status, privacy exposure)?**

- Ask yourself the hard questions:
 - What data will show me where there are bottlenecks in my processes?
 - Do I want to see my most frequently negotiated positions, or the positions that take the most time to negotiate, or those that require the most approvals?
 - Do I need to be able to differentiate between actions taken for Business A v. Business B or differentiate between geographies?
 - Is it important to show changes over time?
- Plan how you want to visualize your metrics (charts, trend lines, filtered views)
- Know how your reports will be generated and delivered to which stakeholders and with what frequency
- To improve adoption, provide reports and dashboards of value to individual users not just management
- Don't over collect – focused reports that actually generate value and action are better than multitudes of static information
- Avoid complex reports with too much data in one report, simple messages are the best understood

2) Understand what and where data needs to be captured

- **Define your data elements**

- Structured Data – Agreement attributes and search filters (remember some like Business Unit or Value, may not exist within the 4 corners of your contract)
- Unstructured Data – Clause content, risk positions, obligations
- Process Data – Workflow steps, TAT, Approval time, Negotiation time

- **Determine where/how the metrics elements will be collected**

- Identify what points in your process to date stamp (i.e.: assignment, redline, review, negotiate, approvals, signature, etc.)
 - Know what your tool does out of the box
 - Avoid customization, maximize configurable options
- Know what can be found within your contract (start/end date, governing law, party names) v. what must be added by humans (business unit, region, value)
- Understand where you have dependencies on data from upstream sources (Salesforce.com, ERP systems, Master Data Logs, HR systems)
- Be sure to capture IDs that can link data across tools and marry information for richer reporting
- Understand the ease of data capture and evaluate its impact to users

3) Prepare your legacy data

- **OCR your agreements to be machine readable**

- **Centralize your storage in a single repository**

- **Prioritize high value or most current data sets for immediate attention**

- **Invest in data cleansing before migration**

- Define picklist values for all attributes – no free text labeling
- Map and harmonize inconsistent labels to one name for each attribute
- Fill in the gaps for key fields not previously collected
- Link Parent/Child documents

4) Plan how you will keep your data current, accurate, and accessible

- **Prepare for user support**

- Are you ready for ad hoc reporting requests - consider having a dedicated resource or partner team to supply reports
- Plan for vendor release testing and new feature training to keep users efficient and effective in data collection and to keep processes from breaking – consider a service provider who can provide a Help Desk for your deployment

- **Invest in post signature repository management to keep data current**

- Ask if your lawyers/negotiators are the best persons to upload documents – consider lower cost resources who can chase signatures and populate agreement attributes as their focus and priority

5) Extra considerations if an AI is involved:

- **Test the topics you want to find with your own data sets**

- Prepare a population of agreements with your “topic” examples identified to “train” the AI (100 is a good target quantity though more may be needed if all topics are not present in all the samples)
- Keep your test agreements independent from your training data to get representative results. Partners are available that can prepare your training data and conduct test runs with the vendor

- **Know your threshold for accuracy (is a swag sufficient, 80%, 95%?)**

- Does your AI have a mechanism to improve output scoring and what time/resources/costs are involved to improve outputs

- **Determine if you will supplement with human QC and to what extent**

- Will QC be a “one and done” for legacy data only
- Will you do real-time or quarterly QC on new agreements to grow the population
- Consider a low-cost partner that can handle QC on a project or process basis

- **Prepare for how to use the AI output**

- Most AI output finds a topic – human involvement is needed to give the output a risk score or to assign an obligation for action – partner services can provide this capability

- **Create storage in your own environment to retain the AI outputs for future use**

- Avoid on-going license costs to continually store analyzed agreements in the AI
- Keep flexibility to change vendors as capabilities evolve in the market