

LEGAL

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Creating a More Effective Legal Department through Robotic Process Automation (RPA)



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UIPATH IS LEADING THE “AUTOMATION FIRST” ERA – championing one robot for every person, delivering free and open training and enabling robots to learn new skills through artificial intelligence and machine learning. Led by a commitment to bring digital era skills to more than a million people, the company’s enterprise Robotic Process Automation (RPA) platform has already automated millions of repetitive, mind-numbing tasks for business and government organizations all over the world, improving productivity, customer experience and employee job satisfaction.

Overview

The legal profession is no stranger to using digital technologies to improve operations.

Despite the adoption of many of these technologies, **legal and compliance tasks continue to bedevil most organizations with slow, manual, and paper-based processes**. This leads not only to high costs and slow response times, but many errors, duplication of effort, and even missed opportunities.

Robotic Process Automation (RPA) can help in-house legal departments, as well as independent law firms, automate many repetitive legal and compliance tasks. This allows highly skilled legal professionals to focus on the work that matters most: mastering the law and providing clients the best legal advice possible.



Bring Legal Processes into the 21st Century

Corporate legal and compliance departments have a critical role to play in protecting businesses from unnecessary risk and compliance failure.

Legal and compliance leaders are also eager to play an increasing role in driving innovation, such as intellectual property advances in new technologies, products, and business models. As these same leaders rise to the challenge of continuing to move up the strategic value chain, they face a multitude of challenges.

CONFRONTING COST PRESSURES

Businesses continue to look for ways to “do more with less.” Legal and compliance efforts are included in that mantra. A recent survey in LegalTech Buyers’ Guide indicated cost

pressures to improve efficiency are cited by 69% of general counsel as a driving force in their daily roles. Only 28% of legal departments are hiring, yet 82% of departments expect their legal needs to increase.¹

In a bid to reduce costs, in-house teams now handle approximately 75% of their legal work. This is in direct reaction to the inevitable pressure for law firms to try to increase billable hours.

Because of cost pressures many in-house legal departments and independent law firms have turned to using Alternative Legal Service

Providers (ALSPs) as a cost reduction solution. According to a recent survey, at least 51% of law firms and 60% of corporate legal departments use ALSPs for at least one type of service.²

ENGAGING IN MORE STRATEGIC LAWYERING

Another challenge facing the legal profession is a need to move away from less valuable work to accomplish more strategic legal activities. General Counsels that successfully move into performing more strategic work are rewarded with higher levels of C-suite peer satisfaction. However, C-suite approval ratings still remain lower in terms of General Counsels’ abilities to maximize value (47%), leverage technology (27%) and empowering the broader business with training or self-service tools (19%).³ Those that stay too focused on meat and potato legal and compliance work don’t fare as well with their peers.

¹ The In-House Counsel’s Legal Tech Buyer’s Guide 8

² The study was carried out by the Thomson Reuters Legal Executive Institute, in partnership with the Georgetown University Law Center for the Study of the Legal Profession and the University of Oxford Saïd Business School in 2016, report available here: <https://legal.thomsonreuters.com/en/insights/reports/alternative-legal-service-provider-study-2017>

³ The In-House Counsel’s Legal Tech Buyer’s Guide 8



Law firms are starting to see work go away. Bread and butter work is going away because of technology and other external providers.”

— Connie Brenton, Director of Legal Operations at NetApp and President of the Corporate Legal Operations Consortium

OPERATING WITH BUSINESS-DRIVEN OBJECTIVES

Modern legal departments have recognized the need to operate with business-driven objectives to minimize costs and work effectively. This has led to the growth of legal operations, teams dedicated to, first and foremost, managing legal spend.⁴ Legal operations have become entrenched in corporate legal departments, as 56% of legal departments now have a dedicated legal operations function, up from 51% last year. Legal operations teams could benefit from identifying processes ripe for automation to ensure legal departments are operating cost efficiently and effectively.

INCREASING COMPLIANCE AND REGULATORY LOADS

As business continues to globalize, organizations face a bewildering and growing array of regulations and compliance requirements. Also, despite the adoption of digital technologies like cloud, mobile, blockchain, and e-signatures in much of the private sector, many government jurisdictions lag in adoption and still require paper formats for a host of legal and compliance documents: employment contracts, commercial contracts, and deeds, just to name a few. The administrative burden on both people and the environment is enormous.

⁴<https://www.mitrates.com/resource-hub/blog/rise-corporate-legal-ops/>



The Next Wave of Legal Transformation Starts with Automation First

Key to solving many of these challenges is an approach that seeks to identify all routine rules-based tasks and uses RPA to automate them, freeing the professional to achieve their full potential: an Automation First approach. With the convergence of RPA, artificial intelligence (AI), and business process automation (BPA), leading organizations' boardrooms are positioning automation as a critical way to drive successful digital transformation initiatives.

The approach distinguishes the type of work that is more suitable to humans in comparison with the type that's more suitable for today's modern technology. Forward-thinking legal organizations

can promote higher value, complex, and fundamentally more human tasks for their employees by supplying them with robots as a technology to do the mundane, less-valuable and time-consuming tasks their jobs entail.

In order to maximize the opportunity from automation, it is critical to democratize access to it, freeing every person from the mundane so they can focus on what matters most is the objective. The necessary requirement therefore is a platform that is available to all, not just highly trained developers or data scientists.

Legal departments and law firms are in the unique position to take RPA to the next level in its evolution by designing innovative legal processes that are far more complex than simple repetitive tasks. Automating legal,

compliance, and other regulatory mandatory processes will impact the way we think about compliance with law. It will shift the perception that legal compliance delays business opportunities to a perception that compliance drives them.

Automation for Legal and Compliance

Legal departments and process leaders should have a unique appreciation for the value that an automation-first approach has to free up attorneys and other legal and compliance professionals from the extremely heavy load of repetitive and manual processes. Much like how GDPR engendered a “privacy by design” imperative for new products and services, automation also creates a need to identify legal and compliance processes that can be improved through better operational efficiency, reduced costs, and lower error rates.



Especially for in-house counsel, anything that saves time is welcome. There's a disconnect in the way outside counsel and their clients...work [together]. One is incentivized by increasing time work...and the other is incentivized by decreasing time worked...Any legal tech that saves an attorney time through increased efficiency is inherently valuable.”

– Roberto Facundus, SVP, Legal & Business Affairs at Tongal.⁷

General counsel and their technology leadership can use automation to experience important improvements in their ability to address the key challenges we discussed earlier.

Common early use cases for automation within legal departments demonstrate that **automation can relieve staff from manual, repetitive tasks such as: e-discovery, the ingestion and analysis of data, the routing of inbound requests, and more.** Automation can significantly reduce the time that paralegals and more experienced attorney spend performing this type of work. A software robot equipped with components such as optical character recognition (OCR), machine learning capabilities, and natural language processing (NLP) can read, digest and carry all these repetitive tasks.

ALSPs provide a unique opportunity to serve as an automation point of departure. Similar to business process outsourcing (BPOs) models used in other domains, ALSPs also provide an

outsourced model for several legal services. **Many forward-thinking BPOs have embraced automation as a key enabling technology to retain a competitive advantage.** ALSPs can take the same approach as well. As of 2018, the highest automation use for ALSPs is for low-risk or standardized, high-volume tasks: document review and coding services, e-discovery support services, litigation and investigation support, regulatory risk and compliance services, and specialized legal services.⁵ These tasks are ripe for transformation through RPA and intelligent automation.

In addition, the “Big Four” global accounting and audit firms (Deloitte, Ernst & Young, KPMG, and PriceWaterhouseCoopers) have begun to expand into ALSP services. These firms, not coincidentally, are also leading providers of BPA and RPA services. There is clearly an opportunity to expand existing BPO and automation service lines in combination with new and growing legal services.

Over time, the real value accrues when highly valued legal staff, now freed from many mundane tasks, can spend that time on more strategic legal activities. Whether that means case analysis, driving new IP into the marketplace, or focusing on more thorny compliance issues,

⁵“Alternative Legal Service Providers”, Georgetown Law and Thomson-Reuters, 2018⁶ <https://www.mitrates.com/resource-hub/blog/rise-corporate-legal-ops/>



these are the activities that attorneys and paralegals want to spend more of their time on. A recent survey shows that General Counsels achieve an 80% satisfaction rate from the C-Suite on compliance matters, and 75% approval rates as trusted advisors, when they can focus on that more strategic legal work.⁶

There are many more similar examples, which will be detailed below. Suffice it to say that, much like how business and governments have incorporated technology to create new lines of business, industries, social interaction, and even ways of doing politics, so can the legal profession benefit from these technologies to fundamentally change the nature and application of the law in innovative, exciting ways. Through automating, legal and compliance professions, regulators, and legislators can broaden their innovation practices beyond digital productivity suites, e-discovery, video, or other similar initiatives.

Capitalize on Data with Automation

It's been often said "data is the new natural resource." This focus on data has a deep impact on the legal and compliance profession. The growth in collection and monetization of personally identifiable information (PII), and of the contractual and regulatory issues surrounding it (e.g., GDPR, the CAN-SPAM Act) is but one example of the impact of data on legal and compliance processes. Another example: current regulations in many jurisdictions overlook or fully fail to appreciate the value and dangers of data collected through the Internet of Things (IoT), blockchain and hyperledgers, online courts of justice, mobile location services, and the right to be forgotten.

Far from just being an issue for regulators and legislators, legal and compliance professionals in the private sector have a critical role to play

to becoming part of the solution. They should identify ways to spearhead the advancement of technology and seek to understand their benefits and risks at both a process and a data level. This imperative will only continue to increase in importance, and the sheer quantity and speed of data collection will continue to increase.

Automation in combination with machine learning can play a critical role in dealing with this increasing deluge of data. The example use cases described on the following page show the possibility of automation in helping the legal profession not just weather the data storm, but turn it into an important opportunity to drive more strategic transformations in the profession itself, organizations, and the public sector more generally.

⁶The In-House Counsel's Legal Tech Buyer's Guide 8

A New Era of Legal Public-Private Partnership

As legal technologies—and the application of more general technologies to the legal and compliance space—continue to expand, forward-thinking professionals see an opportunity to partner with legislators, regulators, and other agencies to create joint strategies on how to deal with them.

An important area for such partnerships is in the training of legal and compliance professionals, as well as technocrats and public officials, for this new technology environment. Only through partnerships at all levels—educational, technical, and legal—will the regulatory and legal framework be created that can successfully adapt to these new technological environments. There are far too many examples of where, once the technology genie is released, it cannot be put back in the bottle. It would be better to design more flexible and adaptable frameworks at earlier stages, rather than be reactive. Automation provides one of those opportunities.

While macro partnerships and strategies will be necessary, they do not exclude partnerships at a smaller scale where the novelty of the technology can be tested. These smaller partnerships happen everyday in private sector. But these

private partnerships typically happen faster than current legal frameworks can keep up with, leading to real challenges for legal professionals who have to support organizations that are especially far in front of these changes. The relevant point is to have in place the framework for that discussion between technology companies, regulators, and authorities.

The example of Estonia can serve as a playbook of how a nation can create a private-public partnership to upgrade both a national technology infrastructure as well as the legal and regulatory frameworks that support that transformation.⁷ Estonia's e-Estonia project digitized the vast array of services the government offers, creating a model digital private-public partnership.

Robotic Process Automation

RPA is a technology that allows businesses and organizations to configure software robots to carry out routine, rules-based tasks in a way similar to a human employee. Robots can fill out documents, read and send emails, enter data into business applications, and much more.

⁷<https://www.newyorker.com/magazine/2017/12/18/estonia-the-digital-republic>

Three beliefs about Robotic Process Automation:

We're discussing physical robots: No.

RPA is software, not humanoid robots. It's equipped with a variety of components that enable human activities, like sending an email, but it runs on a computer, with no physical form.

RPA automates processes: True, but that's not all.

While RPA does address process-related work, it focuses on the task- and activity-level of work more than on a process or even on the sub-process level. Process work still takes human intervention and decision-making, even on an elementary exceptions basis that RPA cannot perform on its own. Robots facilitate the processes that humans carry out.

RPA automates jobs: Here too, there is a more nuanced answer.

RPA does not automate jobs; it automates tasks. Most jobs are a set of responsibilities, accomplished through projects, initiatives, and programs. They contain repetitive and rule-based tasks. The work that legal professionals are educated and prepared to do only occurs after the compliance and operationally required work is done in a precise way. RPA can take on some of these tasks, but not the larger job.

UiPath Automates Core Legal Processes

As a fast-growing startup in a global, complex market, UiPath has been able to successfully apply automation to our own legal and compliance processes.

We started with a mapping of existing legal and compliance processes and identified an initial set that were most ripe for automation: those that experienced high repeatability with relatively straightforward data sets. The foundation of our Legal Automation Program is UiPath's Automation First principle and its own legal robots which already execute several critical legal and compliance processes for the company with incredible efficiency, accuracy, and speed.



Here are just a few examples of legal and compliance processes UiPath was able to automate:

EXPORT CONTROL

All organizations must regularly check online sanctions databases to determine whether they are legally allowed to sell their products or services to potential customers. The UiPath legal department built a robot that can scan and search through multiple online and offline databases; analyze and process different type of documents and data sources; apply predefined rules to identify the keywords that are of interest (suspect entity, person, sanctions); categorize and log all search results in a consolidated internal database for compliance purposes; run regular checks on all data sources; and capture all steps for audit purposes.

REGULATION CHECKS

Another common process is the need to create and refresh internal repositories that track key laws and various regulations related to everyday business. Tracking those changes requires extensive manual checking of multiple websites and databases, and interacting with numerous communications and other applications, including email, chat, marketing automation, and other cloud applications.

The subsequent task of then summarizing the changes then communicating the report—either to a requester for ad-hoc updates, or more regularly to key stakeholders, including legal,

IT, development, compliance, and others—was also manual and tedious. A robot was built that can automatically check government websites, and other legal databases for changes, and autonomously create a report for the requester.

CONTRACTS MANAGEMENT

Many organizations have to process numerous non-disclosure agreements (NDAs), whether those they send to their partners and customers, or those that are sent to them. The work is repetitive as most NDAs are built on standard templates, with modifications that customize each one as needed.

The UiPath legal department built a Robot that performs the following tasks:

- **Links** to the contract management tool
- **Generates and validates** standard contract templates
- **Analyzes and processes** non-standard templates and changes to the template
- **Applies pre-defined rules** to standard and non-standard contract templates
- **Creates reports** (e.g., number of total contracts signed, in process, in legal review, open closed, etc.),
- **Executes processes and tasks** autonomously
- **Audits** all steps and actions

As a result of these and other robots, the UiPath legal department was able to improve operational efficiency and focus on higher-value legal and compliance matters, such as export control or Know Your Customer (KYC), while saving the department over several thousand dollars that would normally be needed for outside vendors.

Further, the legal department was able to increase their responsiveness to new ad hoc legal and compliance matter requests using the newest addition to the legal team: a software robot being called Robottorney. Robottorney is a robot designed to help UiPath Legal team to answer frequently asked questions or provide initial responses on various matters, including templates or other resources. In addition, robots are now centrally managed and monitored, including how workflows change over time, which further improves operational efficiency and audit simplicity.

A Bright Future for Legal and Compliance

STEP 1: EMBRACE AUTOMATION THROUGH RAPID PROTOTYPING

The first step in any automation journey starts with an analysis to identify the best initial target processes. One best practice is to look for processes that are based on common data sets or document types and that are repeatable.

Within the legal department, a good place to start would be processes that require the receipt, routing, storage, and recording of contracts, new matter requests, or other common documents, or the review of external legal data sources for changes in regulations and compliance requirements. More advanced automations can compare documents; for example to flag and verify changes in two documents. They can also identify and replace provisions with pre-approved fall-back provisions, sending them to other parties for their approval.

Great processes for legal to start automating

- The receipt, routing, storage and recording of contracts
- New Matter Requests
- Vendor forms
- Non-disclosure agreements (NDAs)
- Conflict of interest statements
- The review of external legal data sources for changes in regulations and compliance requirements
- The comparison of documents for flagging or verifying changes in the documents including more complex reviews

STEP 2: OPERATIONALIZE AND SCALE RPA WITH CENTER(S) OF EXCELLENCE AND AI

As legal departments and law firms successfully complete and benefit from pilot process automations, setting up a legal automation center of excellence (CoE) can serve as an internal focal point for automation best practices on legal and compliance as well as other vital departments. The CoE structure depends entirely on the needs and business structure of the organization. Some organizations find value in a single, global automation CoE, while others see benefits in creating parallel CoEs by function or division. Finally, as intelligent automation efforts tie closely to both BPA and AI efforts, look for opportunities to align with, or even merge with, those BPA and AI CoEs.

As the legal department and the rest of the organization become more comfortable with automations, they can add AI to the mix to expand to processes that have less repeatability and more unstructured data.

As automation frees up time for legal professionals, they should spend some of their newly acquired time on process discovery, to determine which, if any, further processes can be automated. Of course, they can now spend more time focusing on strategic legal activities that enhance business performance.

Automation, when done in a strategic manner, can catapult legal and compliance departments out of the cost center spiral and into the open expanses of strategic transformation and revenue-generating space. The result: a more nimble, compliant, and responsive organization overall; higher employee engagement and retention; improved customer experiences; and business success.

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