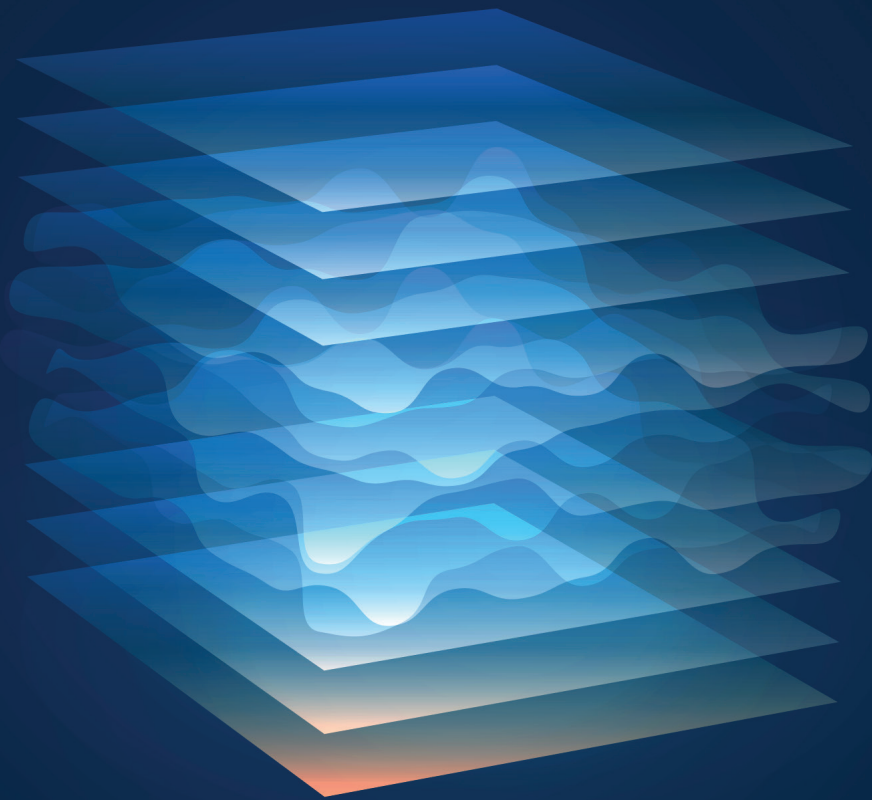
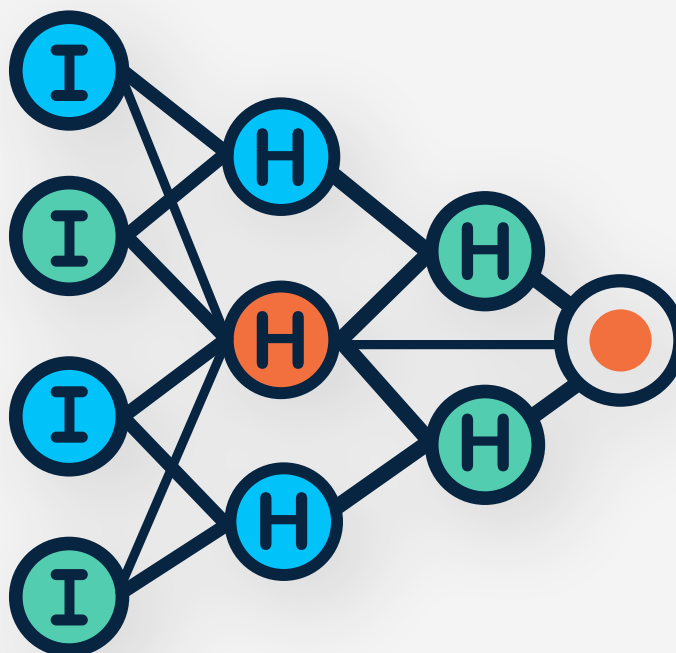


Understanding **AI And Machine Learning** For Contract Lifecycle Management

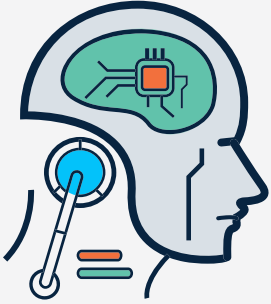




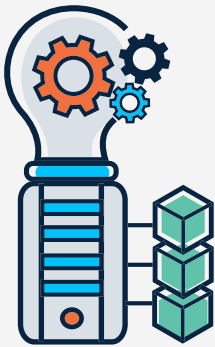
Overview

Artificial intelligence, neural networks, machine learning...the list goes on and on. If a company is not using some type of artificial intelligence (AI) it's behind the industry standard. It's the latest technology trend, like cloud and mobile before it, and it strives to make intelligent machines. AI provides a streamlined approach to accomplish everyday business processes. For example, contract management without AI requires a company's employees to manually track each data point, but tracking may only occur at the end of every quarter and on contracts above a certain value. Without AI, companies are stuck in a "filing-cabinet" era, where finding specific information requires a lengthy process of searching through multiple files, extensive documents, and numerous pages to find the information it needs. AI applications of Natural Language Processing (NLP), and computer vision and image processing have enabled a new era of contract lifecycle management with streamlined processes, passive data collection, and the ability to find what you need in all your contracts, at any time. Before we dive into how Evisort AI helps transform legal and procurement departments let's review what AI means and the relevant associated terms.

What is Artificial Intelligence (AI)?

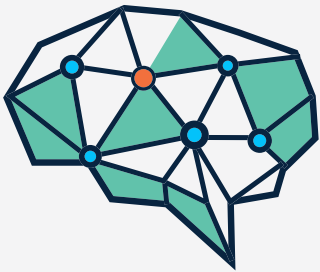


Artificial Intelligence (AI) refers to systems or machines that mimic human intelligence in its ability to reason, understand and perform tasks, and learn iteratively over time, by using patterns in training data. AI technology is improving human performance and productivity by automating processes or tasks that once required human energy and were often tedious or repetitive, and by making sense of data on a much larger scale than humanly possible.



What is Machine Learning (ML)?

Machine Learning is the learning process for AI. It's a method of data analysis "based on the idea that systems can learn from data, identify patterns, and make decisions with minimal human intervention."¹ Some examples of familiar ways machine learning is used today: online recommendations from Amazon or video recommendation from Netflix; fraud detection; and Google Gmail suggestions when replying to emails.



What Are Neural Networks?

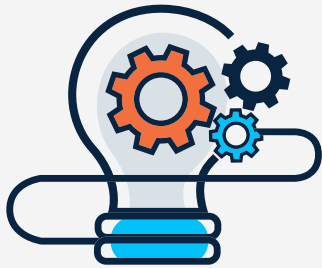
A neural network is a computing system made up of several simple, highly interconnected processing elements [neurons], which process information and provide data outputs. Made up of multiple layers, such as the input layer, where data is inputted; the hidden layers, where the data is processed; and the output layer, where the final data is released, neural networks solve a wide variety of problems in natural language processing, computer vision, forecasting, data validation, risk management, customer research, and more. In contracting, neural networks are used in natural language processing or computer vision to understand how to read a document and associate terms and phrases.

[1] Hui Li, Machine Learning: What is it and why it matters,
https://www.sas.com/en_us/insights/analytics/machine-learning.html



What is Computer Vision?

Computer vision is another subset of AI that enables machines to perceive as if they had human vision. It allows the AI to read and understand images. Relevant to contract management, it allows a system to parse text out of scanned images and documents using OCR (Optical Character Recognition), as well as read logos, signatures, and tables.



How Does Deep Learning Differ from Machine Learning?

Deep learning is a subset of ML-based on neural networks and is another method to train AI similar to how the brain processes information. It trains the AI to learn to detect objects, perform named entity recognition, translate languages, and multiple other tasks.

What is Natural Language Processing (NLP)?

Natural language processing (a form of ML and DL) is a type of AI that enables it to program, process, and analyze language data. In contract management, NLP plays an important role in metadata extraction, and provision identification. It can help identify standard clauses, contextualize terms to locate clauses that are non-standard but acceptable, and pinpoint non-standard, non-acceptable clauses. It can also contextualize terms and dates to provide renewal and expiration dates when they aren't exactly spelled out. Here are the components of NLP that help identify clause, term, and metadata:

Components of NLP

That Identify Clause, Term, and Metadata

Lexical

Structure of words and sentences,
contextual spelling corrections
trained on a legal lexicon

1

Syntactic

Understanding the syntax of words
or phrases (e.g., n-grams) for
parsing and extraction purposes

2

3

Sentiment

Identifying the polarity (positive/negative)
of a statement in a legal context

4

Semantic

Understanding the meaning of
words, sentences, and complete
paragraphs using custom-built
embedding representations, context,
and document-level characteristics



How Does Evisort Use AI for Contract Management?

Evisort uses AI to automate the contract lifecycle management process and built a platform that utilizes the best computing technologies to provide a holistic solution for businesses. First, Evisort's optical character recognition (OCR) easily scans any document and makes it searchable as well as provides information for AI to utilize. Evisort made two improvements to traditional OCR to make text extraction from scanned contracts 97% accurate and improve the downstream metadata extraction. The first improvement trained a proprietary deep learning model to perform contextual spelling and grammar checking, bringing down the word-level error rate on poorly scanned documents from an estimated 20% to 3%.²

The second improvement worked on enhancing computer vision and image processing. Evisort can detect objects in contracts and preserve them such as company logos, signatures (handwritten or electronic), and tables. Tables are where key data in contracts frequently reside and are most problematic for standard OCR technology to read. Evisort accomplished the ability to read tables by running object detection models to locate table boundaries and identify individual cells, including borderless tables. Once extracted, Evisort can parse the value relationships among cells in a table, to understand the information, and expose it to the user by rebuilding tables in Word documents. The user can either download the table or use it in the Analyzer tool and locate opportunities to gain funds and prevent leaving money on the table.

[2] Based on an internal analysis where one in five words contained at least one character misspelling.

Evisort built its AI platform through deep learning, by feeding it “reams of legal contract data” and allowed it “to attach significance to patterns of terms and clauses” leading to predicting this information on its own.³ The Evisort result is that a lawyer, or any company employee working with contracts, “can now pull up terms from any number of contracts and not only readjust the relevant data but have it presented in a chart.”⁴ Out-of-the-box, Evisort can analyze more than 50 clauses and metadata. That said, Evisort can also train itself, without the need for IT, to recognize any chosen language or term.

Evisort provides a no-code platform where users can train their provisions by providing a limited set of training samples, and by labeling recommended samples that Evisort curates as good or bad to maximize the learning of the model in its next training iteration. This is done using a combination of proprietary deep learning models, and active learning. Also, Evisort can provide a similarity score to tie provision to standard or non-standard templates and help users in their contract drafting and negotiation.

Imagine a company with hundreds of thousands of contracts. Evisort’s platform makes all of those contracts searchable with ease and efficiency. Additionally, Evisort’s platform provides an overview of contract expirations, auto-renewals, and other key data points to keep a company’s contracts up-to-date. Companies can utilize Evisort to review and analyze not just their contracts but any third-party document as well, including blurry, old scanned documents.

[3] Ernest Hamilton, How AI Software Like Evisort is Currently Solving Workflow Problems, Oct. 22, 2019, <https://www.techtimes.com/articles/245790/20191022/how-ai-software-like-evisort-is-currently-solving-workflow-problems.html>

[4] Id.

Core Benefits to Evisort AI-Powered CLM

An AI-augmented contracting business process enables businesses to save time and money by eliminating tedious manual work and mitigates risk from human error. Key benefits of Evisort's CLM include:

Greater Visibility and Control

- A single virtual repository for all contracts across siloed business units and entities
- Out-of-the-box over 50 key clauses and metadata pre-trained for immediate analysis in all your contracts
- Enhanced OCR that extracts 100% of the data on over 230 contract types including tables
- Baked-in oversight and communication tools to prevent and route out any bottlenecks
- Version control, redlining, and negotiations all from one location

Faster, Easier Contracting

- No-code contract building creates templates on your terms without the need for IT
- Immediate self-serve contract generation with simple intake forms without the need for legal
- Automatic workflows, version control, and built in e-signature
- Design your own AI to meet the unique needs of your business without the need for IT

Scalable and Secure

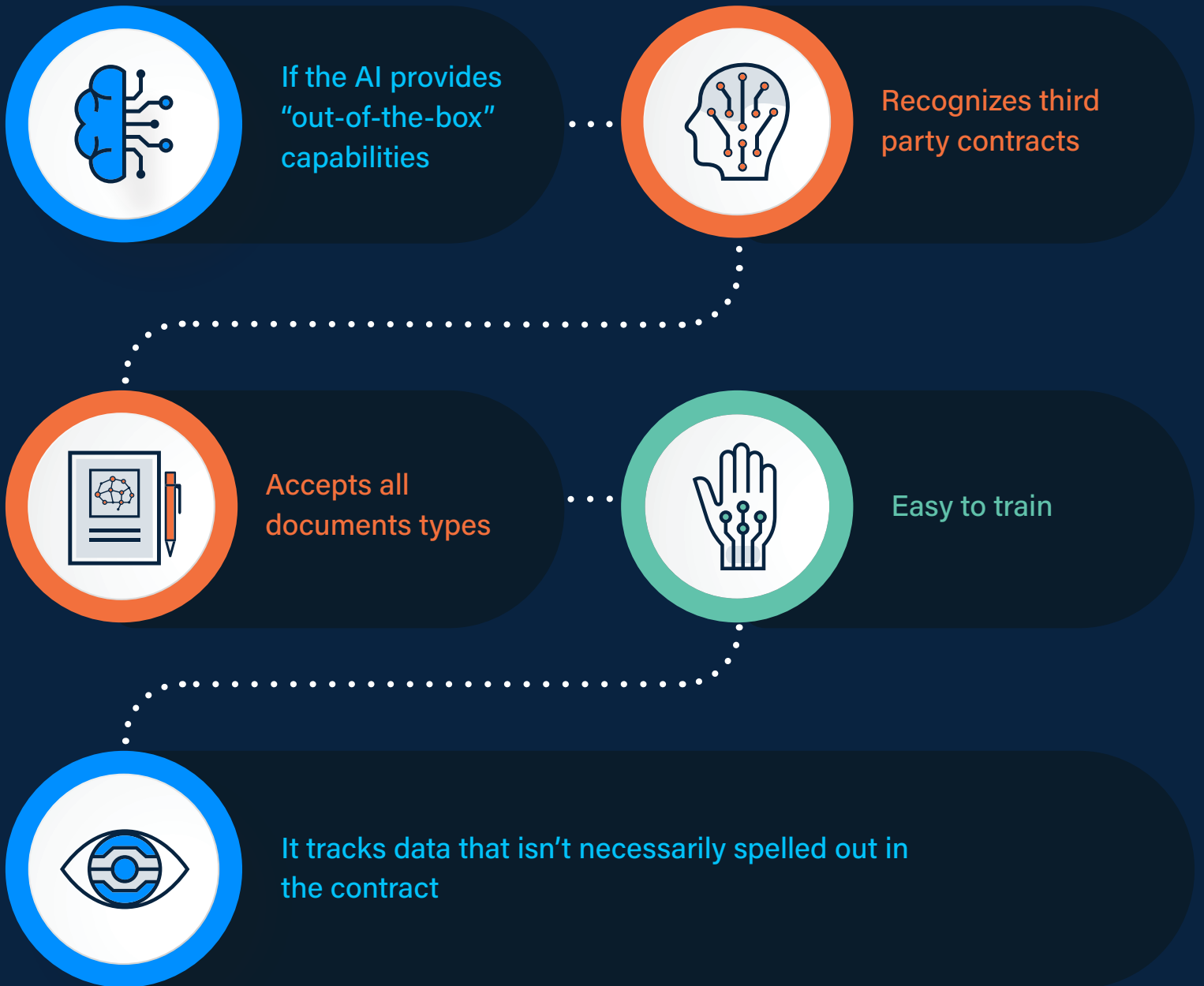
- Hosted on both Microsoft Azure and Amazon Web Service for easy deployment that takes on average 30 days or less
- Highest external security standards such as SOC 2 Type 2 certification, and penetration testing
- Automatic workflows, version control, and built-in e-signature
- Internal measures include data control and monitoring, high encryption standards, and Cloudflare endpoint protection
- User access measures include SSO, rules and role-based access control

Seamless Integration with your Repositories

- An advanced platform that is API first to integrate with repositories
- Bi-directional sync with common systems like Salesforce CRM, Box, Google, Sharepoint, DocuSign, and more...

How Can a User tell if their Contract Management System uses AI?

Many companies tout a contract management system based on AI, but not all companies are truly using AI. Don't get fooled. Here are some ways you can determine if the AI is real, or not.





If the AI provides “out-of-the-box” capabilities

Some companies will state its AI takes months to train with a client’s specific documents. In other words, it’s not true AI. A true AI platform for contracts should work within a few seconds. Upload a document into Evisort and within seconds the AI is identifying and tagging clauses and provisions and providing multiple points of metadata.



Recognizes third party contracts

Some contract management systems will not recognize third party contracts. If the system uses AI, this makes no sense. It shouldn’t matter who wrote the original contract, the AI should still be able to tag clauses and identify provisions in the contract. Evisort trained its AI with tens of millions of documents before ever bringing it to market to ensure that the AI was able to handle every document and any request.



Easy to train

A contract management system based on AI should be easy to train. This means that a user can tag clauses and provisions important to their business that may not already be tagged, and the AI will pick up those tags and begin tracking that data on legacy as well as new contracts. This process is then essentially training the AI to recognize new languages.



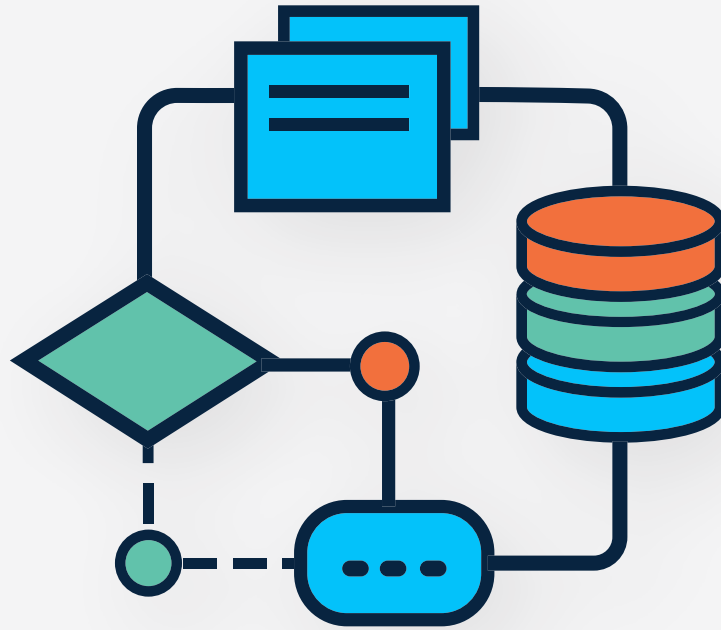
It tracks data that isn't necessarily spelled out in the contract

Today, it is important for legal and business teams to not only be able to track clauses but also metadata, like which parties signed the contract, or when the contract will renew. These are key data points that not all contract management systems provide. For example, start date and term are mentioned in most contracts but the renewal date isn't normally spelled out. A system that can give you the renewal date, and alert you in advance so you don't miss it, is gold. Also, the AI can find relevant clauses in a contract that may not be associated with a header or under its identifying header section. For example, an indemnification clause can be easily spelled out or located in other sections of a contract. True AI can locate all clauses related to indemnification that are in or out of the indemnification section.



Accepts all document types

Some companies will state its AI takes months to train with a client's specific documents. In other words, it's not true AI. A true AI platform for contracts should work within a few seconds. Upload a document into Evisort and within seconds the AI is identifying and tagging clauses and provisions and providing multiple points of metadata.



Conclusion

Essentially, when evaluating a contract management system, consider the purpose... to automate elements of key legal and procurement tasks so that people have more time for more meaningful tasks like analysis and insights. Evisort's platform provides an out-of-the-box solution, seamless integration, and easy-to-train AI to make every client's contract needs possible.

Founded in 2016 by Harvard Law and MIT researchers, Evisort leverages artificial intelligence (AI) to help businesses categorize, search, and act on business-driving documents of any type. Evisort's best-in-class AI understands meaning and context in legal language, eliminating the need for manual data entry and parsing of contracts or business documents. The company's AI-powered Contract Lifecycle Management platform streamlines workflows from draft to signature and provides real-time visibility and analysis across 100 percent of an organization's contracts. With Evisort, legal, procurement, and contract teams can ensure compliance, mitigate risk, minimize unwanted costs, and achieve efficiencies. The company is backed by leading strategic and institutional investors including Vertex Ventures, M12, Microsoft's venture fund, Amity Ventures, Village Global, and Serra Ventures. Headquartered in Silicon Valley, more information on Evisort can be found at Evisort.com. Follow @Evisort on Twitter, Facebook, Medium, and LinkedIn.



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