



The General Counsel's Guide to Automation

Transform the work of legal departments

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Uniting Legal and Business

If you're like many GCs, you already know your legal team wastes too much time on repetitive, manual work. But it's difficult to determine what technology is best for your team, let alone even begin to justify the cost.

Even if you're eager to explore the latest technologies, who has the time to investigate the overwhelming number of solutions available? No two tools are alike, and no single product seems to solve all your challenges. Your team already struggles to stay afloat under increasingly heavy workloads. Won't adding new software now drown them completely?

Not if it's legal automation. Your legal team can use legal automation to quickly optimize and scale legal service delivery by building legal apps on their own without technical expertise, extensive training, or relying on IT or a vendor. You'll achieve significant, enterprise-wide benefits that no single, off-the-shelf legal tech product can match.

This e-book is your guide to understanding where to use legal automation and how to prove its value. In it, you'll find:

- Illustrative, real-world examples of how you can use legal automation in your organization.
- Multiple ROI formulas that allow you to pinpoint time and cost savings for the legal team and for business users across the enterprise
- Five steps to calculate your total quantitative automation benefit
- Seven sources of additional financial gain to include in your qualitative ROI analysis.

In the end, you'll be ready to construct a compelling business case that earns the buy-in and budget for future-proofing your organization with legal automation.

The Rise of Legal Automation

As you may have read in the [white paper](#), *How In-House Legal Team Can Drive Change and Add Value to the Business*, GCs rely on legal automation to enforce the policies and rules that govern how legal departments work.

Embracing legal automation means enabling your legal team to use technology to perform, streamline, and measure various legal activities while minimizing or entirely avoiding human intervention.

A legal automation platform performs no-touch and low-touch legal work to your specifications, relying on built-in rules and pre-approved templates to replicate lawyers' decisions and actions in minutes compared to hours or days.

If you wonder how much legal work you can truly automate, the answer is “a lot more than you might think.” Use legal automation to simplify and speed workflows (i.e., the standard sets of procedures to complete tasks) in a range of processes, including:

Speed business processes with [document automation](#)

Business users generate ready-to-sign documents such as standard NDAs, letters, T&Cs, and justification notes in minutes through a guided, self-serve app. The app also routes and monitors signature workflows, alerting parties when to sign and applying special conditions for specific types of agreements or obligations.



One of the largest beverage bottlers and distributors in the Asia Pacific, [Coca-Cola Europacific Partners](#), eliminated a significant amount of low-value, high-volume legal work with legal document automation. In just three weeks, company leaders progressed from ideation to successfully automating 350+ individualized employee letters. The legal team also relied on automation to draft, execute and file simple agreements, semi or fully automating 1,000+ documents in the first six months of implementation.



With only four weeks from concept to kick-off, Air New Zealand fully automated its NDA workflow to save an average of 45 minutes per NDA. Businesses access a page on Air New Zealand's intranet and enter their information into a pop-up form. The system plugs the details into a standard NDA template, generates a new agreement, then sends the NDA for signature. It sends finalized copies to both parties and the legal team.

Automate [legal intake and triage](#)

Build a legal services request gateway to automate legal request intake and triage. Quickly scale the number of requests the legal team can service, provide visibility into request statuses, and significantly speed turnaround times.



The legal team at [Telstra](#) built an app named "Engage Legal" that leads users through a questionnaire, then assigns their request to the most appropriate lawyer. Or, the app may send the user to another self-serve resource such as a tool that allows them to generate an NDA, variation and novation agreement, or memorandum of understanding. Engage Legal helped Telstra recapture almost 4,000 hours in productivity in the first six months of use as business colleagues gained much more efficient access to legal advice.

Accelerate approval workflows

Legal departments also use automation to expedite approval workflows such as document execution, contract review, and procurement processes.

| HESTA |

HESTA built an app that codifies its procurement rules and frameworks and guides users through a compliant-by-design procurement process.

The app improved users' abilities to collect and find information, track statuses, perform audits, and receive guidance and instructions, saving 794 hours across the business in the first six months of use.

Provide 24/7 guidance with self-service legal advice

Apps also serve as authoritative sources of instant and accurate legal advice. Self-serve questionnaires prompt users for specific information.

A multi-regional public retailer's legal team developed online self-service solutions for:

- Legal request intake and triage
- Enforcing blackout periods in the company's securities trading policy, and;
- Codifying the company's approach to escalating data incidents

The legal team's plans include allowing business clients to view their existing legal matters and create new ones via apps embedded in the company's matter management system.

Clients will gain visibility into their matter statuses, see which lawyers are involved, and store documents created through the app without having to log into different systems or turn to email.



The Legal Automation Advantage

Legal automation enjoys a wide variety of use cases, which is its fundamental advantage over other legal technologies. You can apply automation wherever you need across the enterprise, regardless of the work type or function, whenever you need it.

Legal automation is not just a contract solution. Nor is it just a procurement solution. It's not even just a legal department solution. It's a total enterprise solution that works with your existing technologies to unlock critical digital capabilities, build game-changing connections, and create impressive time- and cost-saving efficiencies.

Creating the Budget for Legal Automation

Though it's changing quickly, many organizations still lack a budget line for legal technology or automation initiatives. A [compelling business case](#) convinces the CFO to add one. Building a business case shows you've performed due diligence, and the money spent on automation will produce greater business value than it would elsewhere.

The [IACCM](#) evaluated the salaries of parties involved and estimated that the average cost of drafting, negotiating, and signing a basic contract recently rose by \$1900 to a high of \$6,900 each. However, where automation created greater efficiency, the cost had risen only \$300, creating a savings of \$1600. Here are five steps to show the same type of ROI effectively:

Step 1: Solve a real challenge and go for a quick win

Show how legal automation can solve an existing problem. For a quick win, automate a repetitive, high-volume, time-intensive workflow such as drafting and signing basic service agreements.

An effective business case demonstrates ROI in terms of time and cost savings for both (1) legal team members and (2) the business users of legal services.

Use the following formulas to identify your "green dollar savings," i.e., real dollars your organization can reallocate or save.

Step 2: Calculate time and costs saved by the legal team

$$\text{ROI} = \frac{[\text{Time} \times \text{Frequency} \times \text{Cost} \times (\text{Before} - \text{After})] - \text{Cost of Investment}}{\text{Cost of Investment}} \times 100\%$$

To determine your Net Benefit (the top line of the ROI equation), start by calculating the total human hours and cost spent working on service agreements each year.

Time and Frequency:

- How often do we work with service agreements?
- How long does the entire workflow take each time?

Cost:

- How many lawyers and staff are involved in the workflow?
- Use the average lawyer's salary to calculate the cost.

Before and After:

Automation reduces the time and cost to complete workflows, but it doesn't eliminate them.

You want to pinpoint the differences in time and cost *before* and *after* automation.

To do that, calculate for time, frequency, and cost twice.

- The "before" number corresponds to the state of business prior to legal automation when lawyers rely on manual processes to complete workflows.
- The "after" number corresponds to the state after implementing legal automation.

ROI Percentage:

Determine your investment cost, which is typically vendor licensing fees.

- Subtract the investment cost to discover your Net Benefit.
- Multiply the Net Benefit by 100% to find your ROI percentage.

The example considers an automation technology that costs \$25,000 per year.

Lawyers spend three hours per service agreement at \$90 per hour, creating 240 service agreements each year.

An ROI Example #1

Sally is considering an automation technology that costs \$25,000 pa.

Before:

- 3 lawyer hours per service agreement
- 240 agreements per year
- \$90/hour

After:

- 0.5 lawyer hours per service agreement
- 240 agreements per year
- \$90/hour

$$\begin{aligned}\text{ROI} &= \frac{[\text{Time} \times \text{Frequency} \times \text{Cost} \times (\text{Before} - \text{After})] - \text{Cost of Investment}}{\text{Cost of Investment}} \times 100\% \\ &= \frac{[240 \times \$90 \times (3 - 0.5)] - \$25,000}{\$25,000} \times 100\% \\ &= \frac{\$54,000 - \$25,000}{\$25,000} \times 100\% \\ &= 116\%\end{aligned}$$

Step 3: Calculate time and costs saved by business clients

Capture the benefits of legal automation that extend across the business. The example below includes an additional \$20,000 yearly investment to implement, configure and update the software. You may also include the time and effort spent on training and change management.

In the “before” state, the example includes one hour business users spend manually piecing together a service agreement from old templates and calling the legal department for direction on appropriate language.

In the “after” state, automation enables business users to generate a pre-approved agreement with a few clicks via a self-serve process, drastically reducing the hours and costs involved.

An ROI Example #2

Sally is considering an automation technology that costs \$25,000 pa and \$20,000 pa of human cost to maintain.

Before:

- 3 lawyer hours per service agreement
- 240 agreements per year
- \$90/hour (lawyer)
- 1 business user hour per service agreement
- \$70/hour (business user)

After:

- 0.5 lawyer hours per service agreement
- 240 agreements per year
- \$90/hour (lawyer)
- 0 business user hour per service agreement
- \$70/hour (business user)

$$\begin{aligned}\text{ROI} &= \frac{[\text{Time} \times \text{Frequency} \times \text{Cost} \times (\text{Before} - \text{After})] - \text{Cost of Investment}}{\text{Cost of Investment}} \times 100\% \\ &= \frac{[240 \times \$90 \times (3 - 0.5) + 240 \times \$70 \times (1 - 0)] - (\$25,000 + \$20,000)}{\$25,000 + \$20,000} \times 100\% \\ &= \frac{\$70,800 - \$45,000}{\$45,000} \times 100\% \\ &= 57\%\end{aligned}$$

Step 4: Calculate Net Benefit based on other factors

Doesn't have to be based on time-saving!

$$\text{ROI} = \frac{\boxed{\text{Net Benefit}}}{\text{Cost of Investment}} \times 100\%$$

Get creative in finding alternate factors to calculate the Net Benefit. For example, also calculate legal spend savings and SaaS savings.

Legal spend savings: Automation frees lawyers to apply legal expertise and strategic thinking to higher-value, complex work. You keep more higher- and lower-level legal work in-house, reducing external spend on both outside counsel and other legal service providers.

SaaS savings: With automation better fitting your purposes, you can replace multiple existing technology tools to eliminate licensing fees.

Step 5: Multiply the savings to calculate your total quantitative benefit

As mentioned above, you can find a nearly unlimited number of use cases for legal automation. Multiply your Net Benefit by the number of use cases you plan to implement to discover your total quantitative benefit.

Consider qualitative ROI: Driving organizational strategy

Legal automation excels at helping to meet the strategic needs of the wider business, often leading to “blue dollar savings,” i.e., profits from benefits like:

1 Standardization and process enforcement: Templates and guided workflows embed accuracy, consistency, and uniformity into company culture. Lawyers establish document language in advance, codify company policies, and add workflow rules to ensure users adhere to internal guidelines and industry regulations.

2 Risk mitigation: Standardization, process uniformity, and embedded controls also help mitigate risk. Coca-Cola Europacific Partners’ procurement team automates tender processes such as vendor evaluation to make favorable risk-adjusted decisions, and its legal team automates bank guarantee management to avoid potential fines and penalties.

As a GC, you become more available to provide moral leadership to C-suite colleagues and proactively help navigate risks and opportunities earlier in executive decision-making.



Operationalize organizational values: Automation allows you to reliably embed corporate policies and values into everyday operations. Leaders at HESTA apply affirmative action principles to their automated procurement processes to ensure the company works with and supports women-led enterprises.



Knowledge management: Achieve consistency and continuity as automation processes codify, maintain, and distribute institutional knowledge across the organization. The legal team manages automation directly, enabling swift responses to rapidly changing regulations, evolving business needs, and user feedback.



Improved client experience: Self-serve tools increase accessibility to legal services and speed turnaround times to improve the legal department's relationship with the rest of the organization. The legal department becomes a helpful facilitator as business clients receive fast answers to legal and policy-related inquiries and gain visibility into matter statuses.



Accelerate deals: Business teams can move more quickly to capture fast-paced opportunities when you eliminate legal bottlenecks and speed approvals. Business users easily access critical legal help to accelerate time to market for new products and hasten other profit-driving initiatives.



Metrics-led decisions: Automation digitizes your workflows, enabling you to collect and track data and report on monitored activities using a variety of analytics techniques. HESTA's procurement team accesses various data points on centralized dashboards that serve as early warning mechanisms. Telstra plans to use its data to identify and prioritize situations that require legal expertise.

Getting Buy-in from your Legal Team

Calm those who fear that increased efficiency necessarily results in a headcount reduction. Instead, efficiency increases lawyers' capacity to complete the complex legal work previously sent to outside counsel. Lawyers enjoy working on more interesting matters of consequence instead of slogging through repetitive, monotonous tasks. And no more delays from bouncing around off-the-wall requests. Automated triage sends lawyers the work that is best suited to their specific legal expertise and availability.

And again, legal team members don't need to be technical wizards to use no-code and low-code tools that offer drag-and-drop features to make app building easy without extensive training or assistance.

Presenting your business case

Speak to business interests when presenting your business case for legal automation. Rather than telling executives that automation saves lawyers 1,000 hours each month, explain how many more contracts the company can now complete, how much faster, and how those numbers help accelerate the organization's strategic goals.

Predictability is an important factor for the CFO. Legal automation puts you in the driver's seat to decide when and where to apply automated solutions, making development costs and timelines predictable. With greater control over the time and cost of automation, you'll soon enable digital transformation across functions and justify the value of your investment.

At Checkbox, we help general counsel and other in-house legal team members demonstrate how they can add significant, company-wide value every day.

Ask us to help you develop a persuasive legal automation business case.

Speak to our legal automation consultants [now](#)