HighQ

Law firm
success checklist

The questions to ask to make document automation your firm's competitive advantage

☐ Does every document need drafting from scratch?

☐ Which types of documents are prime candidates for automation?

☐ Are your documents and systems organised in a way that supports efficiency and best practices?

☐ How do you ensure quality control across large volumes of documents?

☐ How do you build client trust and satisfaction?

☐ How should you address common challenges, measure ROI, and maintain continuous improvement?

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Drafting legal documents has always been the bread and butter of legal work, but the more time you spend on this type of task, the less you can devote to higher-value activities. Crafting documents from scratch each time, or relying on old and outdated templates, is laborious and often delivers inconsistent or incorrect results. Slow response times and human error could put your client relationships at risk. As clients turn up the spotlight on costs, and as technological advances accelerate processes, operational efficiency comes into sharp focus.

Even with complex documents, many law firms are realising that the "artisan" approach to drafting is not always necessary. By automating the drafting of documents you generate repeatedly, first drafts that meet your firm's best practices could be ready in minutes instead of hours. This is because the documents are based on dynamic templates whose outputs require minimal human effort to customise. Knowing they will get a fast, consistent, and reliable output, this allows your lawyers to focus their expertise on the more satisfying and challenging aspects of their work that clients value most.

Given that lawyers typically spend more than half (56%) of their time drafting, according to research by Thomson Reuters®, giving them back even a small portion of their day could make a significant difference in productivity and profitability. No wonder document automation tools are gaining traction across many practice areas. If your competitors are delivering documents faster and more cost-effectively, and are using the extra time to enhance their client services, they hold a real advantage over you.

Accelerating work delivery provides better visibility and predictability, helping you forecast your resources appropriately and price alternative fee arrangements more accurately. Document automation tools can help
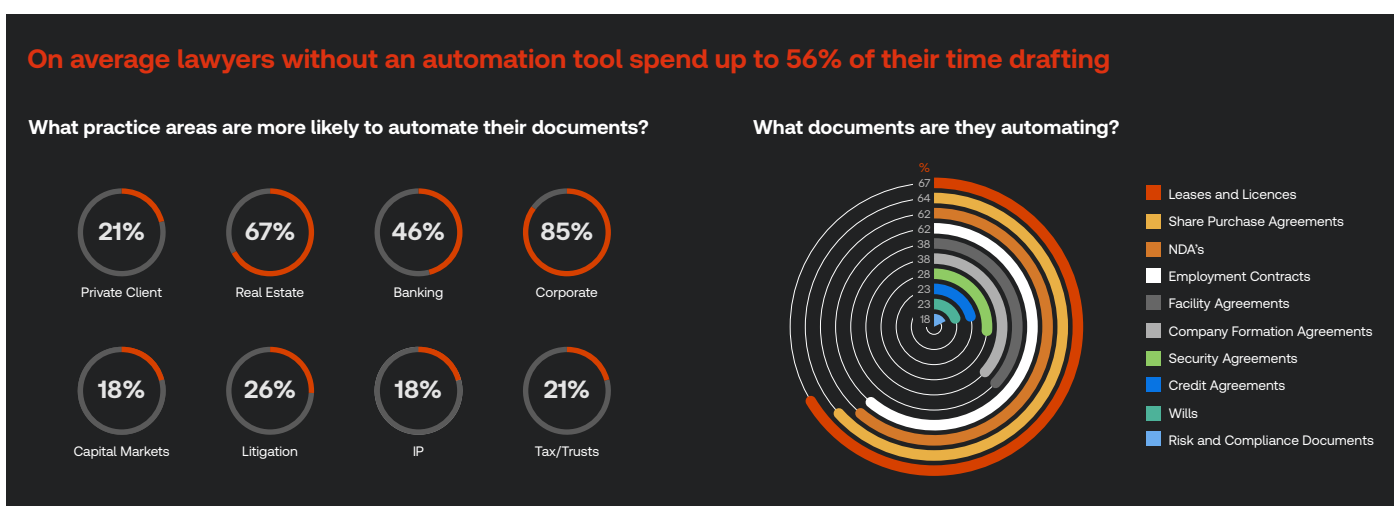
you capture and codify the knowledge embedded within your firm. Plus, you can leverage the solutions to develop new business models.

"Thomson Reuters document automation has saved us $7.9 million in operating expenses in mostly fixed-fee work. This is the amount of time/money saved in billable time. In the real estate practice area alone, that number was $540,000, with four main user champions"

– Global Large Law Firm

Not all contracts are suitable for document automation, especially if they are very detailed or unusual. However, many types of contracts and agreements are very similar, with only a few tweaks needed to tailor them to a client's requirements. So, there's often no need to reinvent the wheel. Document automation tools are designed to streamline the repetitive process of creating documents from scratch by using pre-automated templates that auto-generate a contract based on user responses to a pre-set questionnaire.

When implementing any new software solution, planning and preparation are key. It's important to carefully evaluate how you can use it, determine where it will add the most value, identify areas where it should not be used, and assess resources you have or need to maximise its potential.

On average lawyers without an automation tool spend up to 56% of their time drafting

What practice areas are more likely to automate their documents?

| 21% Private Client | 67% Real Estate | 46% Banking | 85% Corporate |
| 18% Capital Markets | 26% Litigation | 18% IP | 21% Tax/Trusts |

What documents are they automating?

%
67
64
62
62
38
38
28
23
23
18

- Leases and Licences
- Share Purchase Agreements
- NDA's
- Employment Contracts
- Facility Agreements
- Company Formation Agreements
- Security Agreements
- Credit Agreements
- Wills
- Risk and Compliance Documents

Document automation: a checklist

1. Does every document need drafting from scratch?

How often have your lawyers started drafting a document or a template from scratch and thought, "Haven't I done this a thousand times already?" Have you and your team ever felt like you're inputting the same information time and again? Do you ever worry how consistency is maintained every time?

HighQ users report that they can generate first drafts of documents up to **72% faster** from a single dynamic questionnaire

2024 Thomson Reuters HighQ Customer ROI Report

When lawyers are repeatedly creating similar documents such as contracts or putting together a suite of documents using the same details — for example, leases and related agreements involving the same parties — it can be frustrating and dull. That time could be better spent on more fulfilling, value-adding work. When clients are demanding quick turnaround times, it's important to deliver high-quality work quickly. Constantly doing the same task over and over slows people down. With clients scrutinising costs more than ever, you need to demonstrate value for money. Finding ways to increase productivity is vital, especially on fixed-fee or low margin work.

By automating the document creation process, the volume of mundane tasks will be reduced, and lawyers can focus on more important, challenging, and satisfying work. This leads to better client service and experiences. Clients are not interested in the process; they're concerned with the quality of the result and the efficiency with which it is delivered. They don't want lawyers spending hours perfecting every draft, unless a bespoke, tailored approach is necessary. In those cases, you'll have more time to devote to handcrafting the appropriate clauses.

You'll also have happier lawyers as they'll be able to concentrate on the work that really makes a difference and build up their skills faster by undertaking a broader range of tasks. And if guidance and best practices are embedded into document automation questionnaires, they'll be able to learn as they go, while the scope for discrepancies and errors is reduced.

Ask yourself: *How frequently do you create the same (or very similar) documents, and how much do they change each time? What tasks do your lawyers spend the most time on, and are they able to focus on legal work they enjoy? How much time are your lawyers currently spending on drafting new documents? How long is the response time from your lawyers to their clients? Are your lawyers always working on the highest value work? How often do your clients push back on billing or ask to have document drafting work written off?*

2. Which types of documents are prime candidates for automation?

It's important to assess carefully which types of documents are suitable for automation and which are not. Then start with those that are going to be the easiest to replicate and/or that your firm is creating most frequently. Focus first on areas where there is scope for standardisation, documents have been well curated, precedents and templates exist, and best practices are already established. Document automation tools should be able to handle both simple and complex document drafting.

Think about which documents require the most consistent output, for example because they are high risk or because matter requirements rarely change. Identify which documents are required at volume and prioritise those that have a low profit margin or are done on a fixed-fee basis. Consider which types of documents take the most time to complete and involve lots of unnecessary or duplicative manual processes.

"We are building in automation and templates, wherever we can. We are working on 10% margins; it is imperative that we find cost saving opportunities while ensuring high quality delivery of legal services."

- Mid-sized law firm

Avoid trying to automate documents that are too broad in nature, are relatively uncommon or esoteric, where requirements change frequently, or where you have a less established bank of pre-existing work or no templates on which to draw.

In addition, decide which practice areas could benefit most — and which teams are most likely to be open to this kind of innovation. You'll need people who can champion automation and embrace adoption to spearhead such projects, and who will follow the protocols.

Ask yourself: Do you understand how your documents are being used? Which documents do you create most often? How much variation is required each time? Which documents are most high risk/low margin? Do you have existing templates that can be used? Where can manual processes be eliminated? Which practice areas make sense to onboard first?

3. Are your documents and systems organised in a way that supports efficiency and best practices?

Automation requires documents and precedents to be well organised. Before you start, create an inventory of pre-existing documents and templates that might be suitable candidates for automation. You should also audit your knowledge bank to identify helpful guidance and best practices that should be embedded into questionnaires and templates.

This is much more complicated if different versions of documents and templates are stored in disparate places (such as on individual PCs, in a variety of network folders, or in emails), or if data is unable to flow seamlessly between the various systems your firm uses.

92% of HighQ users feel they can respond to their client's needs faster with HighQ than they could before

2024 Thomson Reuters HighQ Customer ROI Report

To make it work, documents, templates, and precedents should be stored centrally so that everything can be found in one place. Systems should be integrated so that updates can be made to master templates instead of to individual versions, knowledge and best practices can auto-populate into relevant documents, and important contract data such as the most negotiated clauses can be extracted easily.

This means that document management and document automation solutions — as well as other key technologies such as practice or matter management systems or collaboration tools — must be interoperable. That way, you'll have one single source of truth for all your client and matter data. Plus, when systems integrate seamlessly, it's far easier to streamline processes, create better visibility and oversight, improve outcomes, and drive efficiency.

Then there are considerations around data security and protecting sensitive client information. Evaluate any potential document automation solution's security protocols, encryption methods, and access controls to ensure that document automation does not compromise confidentiality.

Ask yourself: Do you have centralised systems, and can everything be accessed at the point of need? How much time do you spend searching for the relevant documents, and how can you be sure you're using the right version? Can your systems integrate or are they siloed? Does data flow between systems in a friction-free manner? How do you gather data from contracts to help reduce risk and save money? How will client data be safeguarded?

4. How do you ensure quality control across large volumes of documents?

Recreating similar documents and inputting data multiple times is not just tedious — it's the type of task that's prone to mistakes and inconsistencies. One lawyer may do things differently from another, and there's the risk that best practices may not be followed or that mistakes will be made, which could be costly to you and the client.

Over time, you may end up with more than one version of a template for a particular type of document, and documents that are supposed to cover similar ground may have a very different look and feel. Legally, you need to ensure that all the bases are covered and that clauses are fit for purpose. That's much easier if you can bring your team's years of expertise to bear in one place.

Automation standardises processes, so that repeatable tasks are completed in the same way every time and, where variations are necessary, guardrails are in place to ensure deviations are deliberate. Quality control is built in by design, allowing senior lawyers to share their knowledge and insights by embedding governance and guidance into workflows and questionnaires.

This enables junior lawyers to get documents right the first time with minimal manual effort and without assistance. Senior lawyers can spend less time reviewing drafts, confident that contracts were created using a robust, optimised drafting framework. What's more, knowledge won't be lost when people leave.

Risk is further mitigated because automation allows for data to be updated in one place and auto-populated into all the relevant templates and suites of interconnected documents. So, if there's a regulatory change, compliance is automatically assured.

74% of respondents say that HighQ has helped to reduce errors and improve accuracy in their firm operations.

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Ask yourself: Are there areas where you have curated best practices standards? How do you codify knowledge? How frequently is data from one document relevant to others? What process does your firm currently use to update templates and contracts, and how do you streamline this process? How do you embed governance and advice into the workflow? How do you create consistency of output? How does your firm ensure regulatory and compliance requirements are met to mitigate risk?

5. How do you build client trust and satisfaction?

Clients today demand much more than excellent legal expertise. They're interested in superior service as well as high-quality results. They're looking for responsive and proactive lawyers who deliver work quickly and cost-effectively so they can meet their deadlines and manage legal spend appropriately. Increasingly, they want a collaborative, personalised service that makes them feel valued and puts them in control.

Document automation addresses many of these needs. By boosting your lawyers' productivity and efficiency, clients can feel their work is a top priority and that they are receiving value for money. Document automation solutions can deploy data analytics to facilitate reporting to clients, keeping them well informed and up to date at all times.

"HighQ saves both our and our clients' time and improves transparency at work."

- Associate

Your clients could even benefit from the ability to create their own documents. Some firms are using their document automation solutions to create bespoke, "self-serve" capabilities, where clients can access questionnaires and templates that will guide them through the process of auto-creating their own contracts.

They can be given their own, secure workspace customised to their requirements and incorporating their branding. This offering builds client confidence and satisfaction and can truly set you apart from the competition. It helps demonstrate that you are a forward-thinking, innovative firm and creates efficiency gains and cost benefits for your clients. All the while, you can monetise this new client-facing functionality by offering it as a separate service.

Consider whether your clients' needs are being met well with your current technology solutions and how improvements in document automation could further enhance client satisfaction.

The top HighQ benefits cited by customers

1. Improved client experience and retention
2. Time saved
3. Improved consistency and quality of work output

Ask yourself: How could you create competitive advantage for your firm? Would offering a more personalised service increase client satisfaction? How do you ensure client trust with their documents, particularly in terms of security and confidentiality? How much of a priority is it for your firm to connect with clients, and how do your lawyers' time allocations impact this priority? What are the three most important offerings from your firm to your clients and how can document automation enhance these offerings?

6. How should you address common challenges, measure ROI, and maintain continuous improvement?

It's important to anticipate common challenges so you can proactively address them and find suitable solutions. This includes issues such as system compatibility, how best to organise and rationalise documents and embed best practices, as well as how to get users to embrace new systems, how to measure and evaluate performance, and how to learn from experiences.

Making sure the new tools are easy to use and communicating the benefits beforehand is critical. Focusing on the user experience and how you will demonstrate the benefits helps secure buy-in and encourages the ongoing use of best practices. Ensure that the document automation tool you select makes the template creation process as easy as possible for lawyers across your organisation, regardless of their technical expertise.

Return on investment (ROI) can be measured in many ways. Most obvious are the time savings it delivers for completing specific tasks, enabling more outputs to be generated within the same time period and the additional revenue potential from offering self-serve portals as an extra service. Other metrics could include the growing number of users, practice areas, or types of documents created, or client satisfaction surveys/retention metrics.

88% of users agree that using HighQ allows them to free up time so that they can focus on more valuable work.

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Think about how to evaluate what's working well and what isn't and communicate that constructively across teams and the whole firm, sharing insights and learnings, celebrating success, and fostering continuous improvement.

Ask yourself: *What are the key challenges that could arise, and what steps can we take to overcome them? How can we turn them into opportunities? How can we bring our people on this journey? How should we communicate what we are doing, and what's the best way to get buy-in from clients and colleagues? What does ROI mean to us, and what is the best way to measure it? How can we maintain continuous improvement?*

If you're ready to evaluate a new way to handle document creation, **find out more here**

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