

## WHITE PAPER – Document Automation (Part I)

### *More Production, Fewer Resources, Less Overheads*

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The preparation process for a legal document could a simple letter dictated to your secretary on the fly or a complex contract running into several hundred pages involving input from several people, numerous reviews, redlining and comparison with other documents, and so on.

Typically, the starting point of a legal document could be –

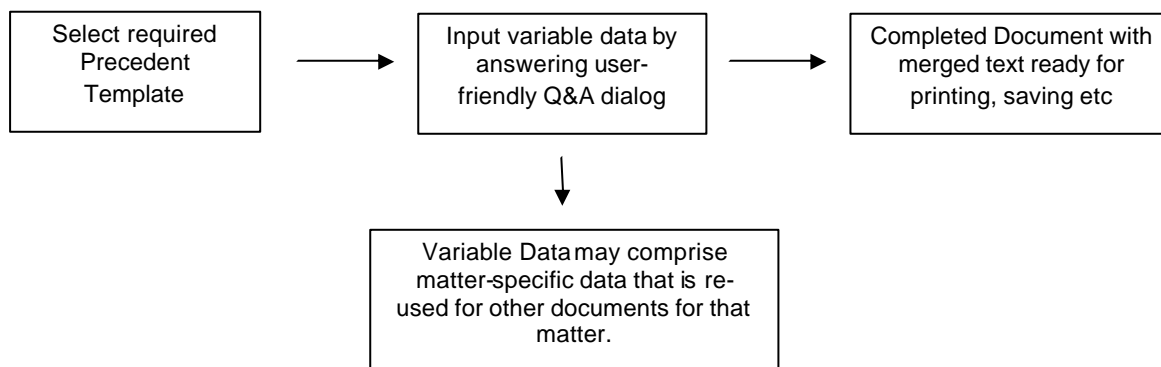
- (a) A blank word processing file – ie, drafting from scratch
- (b) A word processing template containing standard headers and boiler-plate clauses
- (c) A prior work product or “precedent” document where users “cut and paste” relevant information for the matter at hand;
- (d) Selecting the appropriate content from “clause libraries” using text insertion macros
- (e) Deploying specialised document assembly tools to input matter specific data into pre-designed document templates

While few lawyers ever “draft from scratch”, many lawyers still produce documents the laborious old-fashioned method of printing a precedent, amending them by hand and then asking their secretary to produce a draft, then proof-reading, further corrections and so on. Most of the document preparation that takes place in your law firm today probably fall into the middle range of the continuum – using the “cut and paste” functions in MS Word on a prior work product.

Document Automation software has been widely regarded as the best thing to hit the legal profession since Word Processing; yet Law Firms in Singapore are regrettably slow in catching on to the fact that document automation reduces the cost of production; thereby creating substantial savings in chargeable time, while ensuring consistency and accuracy in work output. Document Automation Specialist, Mark Deal, writing for the TechnoLawyer summarises the benefits of document automation in succinctly – “*More Production, Fewer Resources, Less Overheads*”.

#### **What does document assembly software do?**

The steps involved in using an automated document software is graphically represented here –



Document Assembly software typically “asks” the user key questions to gather the information needed to complete the document; then it performs a “mail merge” function to deliver the completed document.

They use “Precedent Templates” that contain static and dynamic areas of text, along with instructions on how to compile a completed document. Static areas of your document are parts that never change – for example, your company’s name and letterhead, boilerplate clauses, statutory forms etc. Dynamic areas comprise matter specific data – such as date, name of parties, and optional clauses that are included conditionally. Dynamic text is determined based on the answers provided by the User in an interview format; and may also comprise “clause libraries” for variable paragraphs.

Templates identify and map such variable data fields so that data entered once is retrieved and instantly “popped” into all documents and letters for the same matter.

### **What are “Intelligent” Templates**

Most document assembly tools today are able to – (a) ask questions to elicit sufficient information required to select the correct form(s) or clause(s) and complete the missing information in the template document; and (b) apply pre-established rules that infer from the answers given what further questions should be asked

Intelligence can be built into the templates to determine which questions to ask; perform simple or complex computations; determine grammatical issues such as singular / plural, identity (company or individual) and verb tenses; contain “require answer” intelligence to ensure that no omissions are made.

At the “template creation” level, the precedent manager is required to embed the variable field names and intelligence and rules; and to update them each time to cater for new legal or practice requirements.

### **Document Automation software**

With over 400,000 users worldwide, **HotDocs** is recognized as the market leader in document automation software. Hotdocs has also won virtually every industry award – including Law Office Computing Reader’s Choice Award for Document Assembly and the TechnoLawyer Reader’s Choice Award for Document Assembly and Automation – for five consecutive years. Owned by Lexis Nexis, Hotdocs is currently deployed in over half of the AmLaw 100 Firms and one third of all UK Law Firms; as well as international corporations such as General Electric, Barclays Bank and British Airways.

There are more Hotdocs specialists offering template development services & consultancy and “ready-to-go” legal templates in Hotdocs than any other competing document assembly software.

**Rapidocs** is a web-enabled document assembly application that powers a host of online legal services websites providing legal forms and documents for the public on a “pay as you go” basis including MyLawyer.com ([www.mylawyers.com](http://www.mylawyers.com)), The Desktop Lawyer ([www.desktoplawyer.co.uk](http://www.desktoplawyer.co.uk)), Law Assure ([www.lawassure.co.uk](http://www.lawassure.co.uk)), Law Express.com ([www.lawexpress.com](http://www.lawexpress.com)).

Going one step further, **Speedlegal’s “SmartPrecedent”** software sets the standard for document automation on XML technology for large enterprises and government agencies.

### **Why use Document Automation?**

Law firms need to look at document automation in the context of a larger issue – increasing profitability by reusing work products and expertise whenever you can. The fact that few lawyers (if ever) “draft from scratch” testifies to the fact that reusing prior work product saves you time and resources which can be better spent on higher value work.

The benefits are obvious for high volume low margin type legal services in the areas of mortgage loan financing, retail conveyancing, corporate secretarial services etc. These transaction are likely to be billed on a pre-negotiated “fixed fee”; margins are low precisely because the legal process (including the legal documentation involved) is considered “routine” or low risk.

In terms of profitability, Seth Rowland of Basha Systems LLC sets out 4 indicators that show your law firm could gain significant benefits from automating its documentation –

- (A) if you are losing work to your competitors because your average transaction fee is greater than theirs

- (B) if you are consistently writing off billable hours on certain type of work
- (C) if you are consistently exceeding budgets set by clients for particular matters
- (D) if you have been compelled by market forces to adopt task-based billing or fixed fee transactions and you find that you are not profitable.

He recommends document automation as a way to reduce billable hours and internal costs; and the lawyers' time can be spent more productively on refining the precedent templates and client care.

## **What Types of Documents are Ripe for Document Automation?**

### 1. "Standard Form" contracts for high volume type of legal transaction

This is the classic "automated document" where the same contract is reused over and over in multiple matters. Eg, acting for the seller of a development project where a prescribed sale and purchase agreement is used for every transaction in the development; housing loan mortgages; prescribed statutory forms, simple wills.

### 2. Shared information in multiple documents for a matter

Wherever matter specific data is to be re-used over a set of documents. Document Assembly software will insert the same data into the "blanks" in each document so that the user does not have to input the data more than once. Document automation has the added benefit of enabling "global change" in a set of related documents for that matter whenever there is a change in any matter specific variable. Once the variable fields are in place and the revised data entered into them, the document assembly tool will re-generate the complete set of documents using the revised data in the relevant "blanks".

While the need for careful review of final documents can never be completely eliminated, the amount of "expert" lawyer time reviewing drafts for consistency and accuracy through each modification is significantly reduced.

## **Conclusion**

In 1986, Peter Hart said this about document automation – *"Explaining document assembly software to lawyers is like telling them about heaven – it's where they want to go but not yet"*.

20 years on, law firms testify that if they did not use document automation tools in their practice, they would have gone out of business. Lawyers who are hard-core technophobes see its deployment as a path to more satisfying analytical work and an opportunity to focus on client relationships and marketing.

If you are now persuaded to step through the pearly gates, read **Part II on the Keys to a Successful Document Automation Project**.

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*Author - Sylvia Low has practiced law in both large and small firms in Singapore. With over 10 years experience of solicitors work in the field of conveyancing, banking and commercial law, she leads the Bizibody Lawdocs Development team that creates precedent templates for use with Lawdocs.*

## **WHITE PAPER – Document Automation (Part I)**

### ***Keys to a successful Document Automation Project***

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If you consider the sheer volume of documentation that your law firm produces every day, developing templates for automating your law firm precedents may seem overwhelming. Too many practice areas and too many “types” of documents. Where should you start?

Here are some pointers to a successful Document Automation Project

#### **(A) Decide on a suitable Pilot Project**

Your aim is to establish a pilot project that is not too large in scope yet likely to yield the best results in terms of “turnover” in its production. An exercise in identifying the benefits that your firm will enjoy in automating its documents will point you in the direction of where to start - look at where the firm can benefit the most in the shortest amount of time it would take to get the precedent templates up and running. A common mistake is trying to automate the most complex documents first. These will take longer to code and likely to be used less frequently than the simpler documents.

#### **(B) Appoint a “template development” Team**

This team is responsible for “coding” the precedent templates; and should comprise – a Content Manager and a Template Developer.

##### Content Manager

The Content Manager’s job is to give instructions to the Template Developer on the content; including variables, optional text and rules. During the coding process, questions will arise regarding the content of the documents to be coded. The Content Manager must be able to address these issues; establish variable-naming conventions and rules; make decisions on which documents should be “combined” in the template and the desired level of “intelligence” to be built in. The Content Manager is usually a lawyer or an experienced paralegal with in-depth working knowledge of the documents and they way they are used in practice.

##### Template Developer

The Template Developer may be an outsourced document automation specialist or a legal secretary trained to “code” your precedent templates using the specific document automation software you have purchased. It is important that your candidate has an understanding of the content and the end-result. Having provided technical training in Hotdocs Professional to a large number of trainees, it has been our experience that legal secretaries with good word processing skills, a logical mind and an aptitude for learning make the best candidates for this job. Expecting your IT personnel to undertake template development without an understanding of its contents is tantamount to expecting your IT staff to draft a legal document because it involves the use of a computer!

Vital to the success of your project is to give your team sufficient time and resources to dedicate to this task. Do not expect your Template Development Team to carry a full workload in addition to getting your law firm’s Document Automation project off the ground in their “spare time” – its not going to happen! To get the most from your Developer, the key is the investment of comprehensive hands-on training in the use of the software; sufficient “learning” time while he/she familiarises herself with the documents; and uninterrupted time to code the documents thereafter.

##### Outsourcing to the Professionals

Document automation specialists are professionals who combine technical software skills with working understanding of the documents and the end-result. They can help you get your document automation project off the ground instantly by developing your “core” or first set of templates

according to your specifications. With adequate training, your own in-house developer can then use these professionally customised templates as a base from which to develop other templates.

### To Outsource or Go In-House?

Consider the availability of resources within your law firm and the real cost of training and deploying your in-house resources to the project. If you foresee a long term on-going document automation project, it will be more cost-effective to train and dedicate an in-house Developer to the project. Consider also that templates will need to be revised and updated to cater for changes in practice or statutory requirements.

For expediency and to facilitate the roll-out, most of our clients hire us to code one set of templates for a specific area of practice; while sending their most able staff for Template Developer training so that the firm is empowered to embark on their own template development project on other area of practice.

### **(C) Gather your Precedents**

After you have appointed your team, gather as many precedents as you can, including actual client documents. By examining these, you will discern repeated revisions to boiler-plate clauses, lawyer-specific styles, client requirements, and variations to the standard. This will help you to consider possible variations to your “master” template. However, do not expect your Template to cater to all situations, or you might well find yourself spending far too much time over creating one “super intelligent” template. Exercise some discernment and discard concessions made for the “one-off” transactions tailored to client-specific requirements.

### **(D) Identify Variables & Input Optional Text**

Variables must be named identically across the set of precedent templates if the same data is to be populate throughout the set (eg, Registered Proprietor’s name must appear consistently across all the Land Titles Forms). Unless you establish a naming convention and a pre-established list of all variable names, you may well find your coding team merrily creating their own variable names that are different from each other.

Optional text refers to the “built-in” intelligence in your precedent template comprising a series of “IF” or True / False statements. The degree of intelligence in your templates depends on how complex your instructions are. You can build in as many “IF” statements as there factual situations that the template may conceivably be applied to; but remember to apply the cardinal rule - the more complex a template, more time will be spent testing it to ensure that it produces the correct result across all combinations of input from your user. Also the more time to spend building one “super intelligent” template, the less time you have for other documents and may eventually delay your project roll-out.

At the very outset, even before the Template Developer commences “coding” the templates, the variables, optional text and other intelligence in the precedent documents should have been identified and communicated to him / her. There is no right or wrong way to “mark-up” a document for automation. I have seen some of my clients use scribbled notes and arrows on hard copies to great effect. The most important thing is for the Content Manager to have reviewed ALL the relevant precedents thoroughly, establish the naming convention and communicate the required “intelligence” in the templates to the Developer. To facilitate this communication, I would also strongly recommend that the Content Manager familiarise himself with the software functions (and all its possibilities). This way, the Content Manager will be empowered to use appropriate terminology when giving instructions to the Template Developer on the precise desired effect (eg, prompts, repeats, dialogues, “if / else if” statements etc).

Developing your law firm precedents is an intensely collaborative effort between the Content Manager and Template Developer. The Content Manager should always be available to the Developer when

questions arise during the development process. Clear lines of communication between the team may save a great deal of time and frustration later on in the testing and final roll-out.

### **(E) Testing & Roll Out**

After the first few Templates are ready, it is a good idea for the Content Manager to “test” them. This will allow the Content Manager to identify areas of miscommunication and catch any errors in the design of the “intelligence”. Very often, template sets require the same variables and intelligence to be deployed across all the documents in the same set. Testing each template as you go along will facilitate “global” modifications or enhancements early on in the process.

The final phase before you roll-out is to test the entire set of templates. It is critical that the templates are fully tested for incorrect end-results or inconsistencies. Otherwise your end-users may find themselves wasting time correcting the merged document. Distrust in your templates is harder to overcome than initial unfamiliarity with a new technology tool.

Involve your Law Firm's IT personnel in establishing a proper testing environment; and ensure that they are able to provide support to your end-users after the roll-out. The IT department should know the proper location and file extensions of the Templates, Answer files (or database) and the merged documents; as well as have an understanding of the interaction of the document assembly tools with the current word processing software deployed in the law firm.

### **(F) End User Training**

The importance of end-user training cannot be sufficiently emphasised. After an investment in time and money in a sophisticated document assembly system containing your own law firm precedent templates, you will want your documentation clerks to USE IT WELL. The best way to ensure this is to give them proper “hands on” training; so that they learn not only how to use the software but also change in business process that it entails - where their files are saved, how to make changes to the final documents, how to access the data files etc. Give them a sense of ownership in the project by establishing proper avenues for feedback on usability of the templates and the software.

Finally, expect your template development project to be an ongoing one. Templates need to be updated to keep up with changes in practice, statutory requirements or client driven demands. Feedback from the end-users is the most effective way to ensure that your templates evolve and continue to be relevant to the practice.

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