

Automating Contract Abstraction

Cutting the cost and reducing the time of Contract Discovery

Increasingly complex compliance requirements, industry regulation and multi-jurisdictional legislation are driving the need to extract an expanding array of key information from large numbers of contracts – Contract Abstraction.

Corporate legal departments, procurement and others lack the necessary tools, resources and time to perform Contract Abstraction and are increasingly driven to outsource such tasks to Legal Process Outsource (LPO) providers. In an effort to reduce cost and speed up a slow, repetitive, manual-based process, they often look to leverage low-cost, off-shore resources. For many organizations, allowing sensitive documents to be taken off site for processing is not an option.

The business need for an on-premise, technology-driven, repeatable solution has long been recognized; until now it has not existed.

Solution

Before contracts can be managed, the key terms and milestones, or metadata, contained within them must first be identified and understood. And even before this, there is another critical step – Contract Discovery. You cannot manage what you don't know about.

Most organizations, when undertaking a Contract Discovery project, soon realize that they have far more contracts than they first thought. Finding these manually means a laborious, time consuming and costly exercise; first, checking each document to see if it is contractual in nature; second, abstracting key contract metadata.

Seal Contract Discovery automates both the contract location process, searching multiple locations, and metadata abstraction. This all takes place from within the organization; there's no need to send electronic or paper documents off-site for processing, with the inherent security risks.



By processing automatically, on premise, Seal significantly improves the speed, accuracy and efficiency of Contract Abstraction. Abstracted data is made available as it is processed, without the delay necessarily associated with off-site processing. This rapid availability can be critical in time sensitive environments, such as Merger and Acquisition.

By default, Seal can extract key contractual metadata items such as start date, end date, renewal date, governing law, jurisdiction, right to assign, conditional assignment, contracting parties, contract term and many more. Seal can even detect signatures and extract single cell entries within tabular data from contract documents.

Optional rule packs can also be added. For example, the Mergers and Acquisitions (M&A) pack extends the metadata to include items such as right of first refusal, most favoured nation, non-solicitation, change of control, exclusivity, Escrow, indemnity, liquidated damages, limitation of liability, and so on.

Once contracts are processed, full text searching can be performed to drill down into the extracted data. Searches can be simple or as complex as necessary using Boolean search terms and other advanced techniques. Seal can even be taught what to look for. For example, providing the Seal solution with a list of customers will aid both the contract discovery and abstraction stages.

Seal Contract Discovery Process



Collection

- Contracts are identified in known file locations – this can be within the customer environment or within a secure data centre
- Protected copies are passed to Seal for processing

Automated Clause Extraction

- Contracts in image formats such as PDF or TIFF are passed through the embedded optical character recognition (OCR) engine to create a full text searchable index
- The Seal Extraction Engine identifies and extracts key contract data or provisions using embedded discovery and extraction techniques

- A comprehensive legal language library is used to ensure all data is extracted contextually
- A full contract abstract is automatically created for all contract documents

Review

- Missing, incomplete or additional data points are easily added
- Contracts are automatically weighted based on relevance

View & Analyze

- All contracts have a full abstract created
- Extracted metadata can be exported together with the associated contract documents
- Key contract risks, milestones and obligations are made visible and accessible

Contact Seal

Americas - Headquarters

201 Mission Street, Suite 2250
San Francisco
CA 94105. USA.
T: + 1 650 938-SEAL (7325)
info@seal-software.com

European - Headquarters

1-2 Hatfields, Waterloo
London
SE1 9PG, United Kingdom.
T: + 44 203 735 9898
info@seal-software.com