



Data-driven Commercial Contracting

New standards for pre-signature excellence

Today's high-performing commercial law departments understand the value of leveraging data to optimize the pre-signature contracting function. A data-driven digital framework can accelerate contract cycle times between 10% and 40% and increase departmental workload capacity by up to 35%. By freeing time and resources, legal leaders can redeploy lawyers to higher value work and open up opportunities for in-house counsel to absorb work previously performed externally, delivering measurable business benefits and contributing to the bottom line. Digitizing the contracting function is not only essential for efficient operations, but also to establish efficiency benchmarks in the first place.

Increasing the performance and efficiency of the contracting function has a direct impact on sales productivity and revenue generation. As business leaders seek operational improvements across all departments, Legal can deliver tangible business value by optimizing commercial and transactional functions. The General Counsel (GC) is right to consider technological means to achieve higher levels of performance, however digital contracting means more than investing in technology. A critical dependency of commercial transaction optimization lies in the gathering, processing, and enlightened use of information. By bringing together the correct technology applications, operational resources, and process engineering skills, legal leaders can use data to calibrate performance, continuously improve the operational outputs of the contracting function, and deliver superior levels of service to business partners.

In this white paper, we will examine a use case based on our work in market that illustrates the key components of a data-enabled contract management ecosystem. It reveals how this system collects data and generates the intelligence required to deliver exponential service value.

Use Case: Data-Driven Contract Management in Practice

Data-driven contracting framework allowed Legal to reduce average contract negotiation time by 50% across a portfolio of complex service offerings, generating total contract values in excess of \$1B over an 18-month period.

The General Counsel of a multinational conglomerate took pride in having high levels of client satisfaction over a multi-year span. The legal team was highly responsive, working hard to meet peaks in client demand and to maintain an intimate understanding of the company's business and commercial drivers. The department was routinely identified as one of the highest performing business partners across all corporate functions.

When the business challenged Legal to make significant cost savings in contract management, the GC realized that the department lacked the data tools to calibrate its performance features meaningfully. Legal did not have intelligence—based on reliable information—to ensure that team members were being allocated to the highest value work for their skill level and following the most effective and productive workflows available. The department required a data-driven contracting ecosystem, leveraging information to enable and inform people, processes, and technology to achieve the greatest operational efficiency and transactional performance.

Turning analytics into action

The company established a data analytics platform supported by two primary pillars: workflow management and resource utilization tracking. The operations team was tasked with bringing together the data feeds from the workflow and tracking systems, extracting strategic and tactical intelligence and reporting these through daily, weekly and monthly cycles. Armed with these insights, the GC could engage with the service delivery leadership team to adjust the deployment and training of the department's resources and to build out new tools, processes, and working methods that would turn the process insights into actionable business benefits. The analytics platform delivered the additional benefit of automation—speeding up processes that had previously been manual and inconsistent, while delivering real-time status data to drive measurable functional improvements.

A dynamic data platform—supported by strong operational service delivery—can fundamentally change how the commercial function operates and delivers value to clients.

Go-to-market support

As part of a heavily sales-driven organization, the legal department had committed substantial resources to the support of go-to-market processes. By taking a data-driven approach, the legal team overhauled template contract terms and negotiation playbooks. The objective was to align corporate contracting standards more closely with the average positions the company was willing to adopt following engagement with counterparties. The guiding principle was for the business to be able to offer its customers fair contracts that could be agreed quickly. The department used actual transactions data and profiling to obtain the required governance approvals.

Alongside streamlined standard terms and pre-approved compromise positions, the client also developed a negotiation methodology built upon core legal principles, producing a competitive contracting framework structured around simplicity and scalability.

With visibility into the contracting workflow, the Legal team was also able to have direct impact on accelerating the sales timeline. Leveraging real-time data collected through the pre-signature process, the GC and other business leaders had visibility into time-sensitive negotiations and deals requiring immediate attention. The ability to “see what matters” and take quick action reduced deal processing time and improved the customer experience.

Utilization tracking

One of the more sensitive transformational data applications introduced by the client was a time-tracking system. These are increasingly being used by in-house counsel as an essential tool to support continuous improvement. To ensure quick adoption and adherence, a thoughtful communications strategy must be in place to educate team members on the personal benefits of the utilization tracking system. Legal advisors not only have a vested interest doing the right kind of work for their level of experience and skillsets, but working in the most effective and productive way possible to avoid excessive hours.

In less than a year since implementation, the client made significant use of the data produced by the time-tracking system, to the benefit of the legal workforce:

- Identifying where staff utilization was highest, and working to a target of 85% (based on an eight-hour working day), the client developed solutions to smooth out excessive peaks of utilization, which led to high turnover and poor service quality over time. The ability of the General Counsel to pay for additional hires was justified by the data.
- Analysis showed that some 25% to 30% of associate time was focused on “general admin and operations” tasks, including such activities as attending meetings not directly related to core work. Backed by ongoing root-cause investigation conducted by the operations team and resource managers, these insights drove further operational efficiencies.
- The data supported new business cases for change and further investment, and also allowed the General Counsel to validate the return on investment for service improvement initiatives.

Data-Driven Contract Management

A dynamic data platform—supported by strong operational service delivery—can fundamentally change how the contracting function operates and delivers value to the business. Reviewing core processes, talent landscape and activity data has allowed the client to introduce a raft of service improvement measurements:

- Following a data-driven realignment of regional legal resources, an efficiency gain of more than 21% in response times—down to 15 hours from over 18—has been achieved
- The team demonstrated a 46% improvement in contract turnaround time for selected transaction categories, reduced from 57 days end-to-end to an average of 31 days
- A project targeting incoming transactions reduced the backlog from around 70% to 20% in the last 12 months
- In the contract management domain, labor costs have been reduced by 28%
- Low cost service hubs have been established to support the review of NDAs and statements of work, disaggregating non-core work from the main legal teams and driving more self-service for the business clients
- First-pass review of third-party contracts is semi-automated with the use of AI technology by the junior advisors, freeing up time for the senior transactions leads
- Spend on outside counsel to support transactional work has fallen by 15%

The Digital Transformation Dividend

Establishing a digital legal platform requires a holistic approach—there is no single technology application that delivers the range of functionalities required, across workflow analytics, resource utilization, transaction statistics and the rest. The greatest value comes from the ability to create a thoughtful data platform—designing and successfully implementing the tools, process redesign, and training programs needed to leverage data to optimize the contracting function.



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