



# **RISK REDUCTION IN LEGAL DEPARTMENTS**

# Introduction

It is common knowledge that corporate legal departments handle, under normal conditions, a very high volume of work. The minute they hit a peak in their workload, they suffer endless days and a backlog of unread emails. Although lawyers are made of special stuff, we are human and **it is inevitable to lose control over the processes they manage on a day to day** basis when they are not managed with software specially designed for legal operations. Especially when it comes to managing document flows and contracts of high relevance to their business, such loss of control exposes companies to risks that can lead to serious and unwanted contingencies.

**In the case of legal contingency management, the traditional approach no longer provides stability and security.** The prosperity of large companies depends on the proper management of their assets and the preservation of their integrity, something that can only be ensured through technology. **This ebook explains how document automation and contract lifecycle management technology can mitigate these risks and facilitate the work of legal departments, so that legal teams can stop putting out fires and focus on delivering real professional value.**



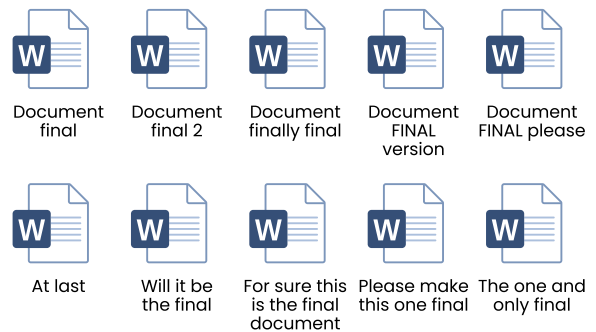
# Transforming the routine to avoid risks

The creation, negotiation and validation of a company's documents is a collaborative process involving different professionals from a multitude of departments and, sometimes, people from outside the organization. From the supervision of the legal team to the collaboration of departments such as human resources, operations, sales and so on, **documents follow a process in which they are exposed to many eyes and changes.**

The legal area generally has a high volume of work and, when this increases, the solution to be efficient is to increase the staff, which generates costs and leads to spending more time on training, selection processes, etc. In addition, the more people involved, the more risk there is that the legal area does not properly follow up the document validation process, which generates great risks for companies.

Writing in a document using a text editor (such as Microsoft Word) based on a template kept by different members of the team on their desktop, emailing, adaptation and copying and pasting of the document, changes, corrections... This is a traditional process that, in addition to being long and tedious, **exposes companies to legal contingencies that can come**

**from various sources, such as human error, breaches of confidentiality or unwanted leaks.**



In a time when the traditional is becoming obsolete, document automation technology helps to mitigate all these contingencies, streamline document-related processes to make them simpler and more agile, and stay on top of the process with real-time, bird's eye view control.



## >Traditional does not mean safe

Companies around the world are exposed to a multitude of external stimuli and market events. **As a part of their business, companies handle hundreds of documents and contracts internally on a daily basis.**

In order to deal with all kinds of contingencies and to ensure the legal well-being of the company, they have a legal department. This section is made up of in-house lawyers who are part of the staff and, among other tasks, manage all kinds of company contracts. Its ultimate mission is to serve the company and protect it against any kind of legal contingency.

It is very common that this department has a heavy workload.

**According to Forbes, 75 percent of corporate legal directors find it difficult to cope with current workflows. These flows are expected to increase by 25 per cent over the next three years.**

Their tasks are very diverse, and there are many fronts on which they must ensure proper compliance. To cope with drafting countless reports, contracts and multiple documents, the in-house lawyer creates Word templates, copies and pastes them, and then distributes them through different departments of the company.

Then he requests the first draft from the other departments and, when they have it ready, it is sent back to the legal team for final approval.

This very manual and mechanical process creates a bottleneck stagnation in the legal department, which suddenly has to approve all kinds of contracts and documents. **With a very high workflow, the risk of errors is multiplied**, and the number of people involved in the validation process must be increased to preserve the correctness of the procedure. This is the case if the company has such a process in place, which is often unclear and is diluted by confusing emails.

This process has a clear consequence: **the legal area loses control over the documents it coordinates with the other departments.**

Who has access to them? Who modifies them? What clauses and contractual content can the company assume? What is the final version? The unknowns multiply and the risks increase with them.

**Traditional is not the same as safe and this is demonstrated year after year.** The digital era has been a reality in society for years and is here to stay. Beyond the productive benefits of investing in technology, it is also aimed at avoiding risks. **The technology offered by document automation is the key to standardizing, verifying and controlling these tedious processes whose non-compliance or slight deviation can entail very serious risks for corporations.**





## ➤ Avoidable risks

**The Data Breach Investigations Report (DBIR) claims that, in the financial services and insurance sector, 44% of security breaches were caused by internal company employees.**

The attackers' end was financial in 96% of the cases, but this is not the only negative consequence for companies that suffer a security breach.

The fact that a company is exposed to a leak shakes the credibility that many people have placed in it. Not only customers but also shareholders, suppliers and the general public see a gap and their confidence is undermined. Thus, the credibility of a brand is shaken and the prestige that goes with it is called into question.

Although the attackers' goal is to make money, the affected companies suffer a wide range of losses and damage.

**Insider information is key in the business world and losing it or exposing it to the public or competitors has serious**

consequences. If documents showing a company's roadmap are leaked, competitors get clues and could outmaneuver them.

One only has to observe the zeal of companies such as Apple before presenting their new smartphones or that of car manufacturers of any brand: the leak of a photo of the latest model or a compromising document leads to huge losses for multinationals.

The same applies to personal data processed by companies. This information is of great value to the company itself and its public exposure carries very severe financial penalties, which are increasingly being enforced by legislation that is more cautious with regard to personal information.

Examples of security breaches in companies have proliferated in recent years. There are many leaks that could have been avoided with proper organisation and control of the document process.

## A multi-million dollar contract exposed to public opinion

A year ago, and due to an unwanted leak, the newspaper El Mundo brought to light [the contract between the Argentine player Leo Messi and FC Barcelona](#). An employment contract that, given its high amount - it stipulated that the club would pay the player 555,237,619 euros gross over four years - generated much controversy and significant criticism of the club, in a story that spread around the world as one of the biggest leaks in the history of sport.

**The consequences for those involved in such a leak can be both financial, with very large fines, and criminal.**





## Leading company compromised by leaks

The multinational Facebook closed in 2021 with new controversy, as [a massive leak of documents](#) exposed the company's views, concerns and plans about competitors such as Tik Tok, Youtube and Snapchat.

Facebook is one of the companies that has aroused the most controversy in public opinion in recent months.

**In 2021 a serious leak of personal data affected the company, with more than 530 million accounts affected, 11 million of them in Spain.**

The accounts range from generic personal data such as first and last name or date of birth, to other data such as telephone numbers.





## Huawei shies away from controversy

In late 2021, [more than 100 confidential PowerPoint documents](#) of the multinational phone company Huawei were leaked, allegedly showing a possible link with the Chinese government in video surveillance programmes in a conflict zone in the Asian country.

## Businesses are already betting on legal tech

Investment in legal tech and legal operations is growing and, in 2021, one of the main focuses of corporate investment in this area was document automation. **74% of companies that implement legal tech solutions are committed to this functionality.** Digital signatures are another priority: 87% of companies invest in this technology in their legal operations<sup>1</sup>.

**87% of companies using legal technology invest in eSignature.**

The commitment to technology is evident and comes hand in hand with an increasingly imperative need. All companies are exposed to risks, and the improvement, standardisation and control of document processes and, in general, legal processes is key to companies' future. Document automation technology shows us the way to a more secure present and future.

<sup>1</sup> CLOC [2021 State of the Industry Report](#).



## › But how to reduce risk in the legal area of any corporation?

Given the increased workload and the increased risks weighing on companies' legal teams, using technology is the only way forward. **Document automation software allows legal departments to decentralize the use of legal document templates**, so that other departments can create these contracts and documents in a secure, error-free process that is easily controlled by the legal department at all times.

The process is based on no-code document automation technology.

**A copy and paste template, once loaded into the software, makes the document generation and validation method not only faster and more agile but also 100% secure.** The employee will be able to generate tailor-made documents with peace of mind, and it will be much easier for the in-house lawyer to monitor the correct functioning of the document process, ensuring compliance and security of the procedure at all times.

## 1- Create

Thanks to a cloud-based solution, document automation allows the creation of standardized templates that help to create documents 20 times faster than in a conventional way, and by users who do not necessarily have to be contract experts. Additional clauses, associated documents, involvement of internal staff or third parties... Everything fits in a template that allows you to create documents from scratch by filling in a simple form in less than five minutes.

## 2- Control

The documentation process continues in the hands of other departments, the contract is completed, negotiated... but remains under the control of the legal department. Through the platform, it decides who has access to it, who has permission to view it, participate in it with comments, reassignments or give the go-ahead for it to go to the signature phase.

Templates also allow updates such as changes in legislation to be applied to all desired documents in an instant, as they include a repository of clauses. You update it in one site, and it automatically updates all templates that are affected by the change. Thus, everyone will work with the latest update, thanks to the templates managed by the legal department.





### 3- eSignature

Send the document for electronic signature and complete the process in a few moments. Control who signs the document and under what circumstances with the most advanced digital signature technology, which offers all the signatory's details and extensive traceability. It eliminates the conventional validation process and the risks associated with it, to achieve a streamlined, secure and binding process over which the legal department has full control.

### 4- Store and monitor

It allows you to bring legal documents together on a single platform, control which employees have access and to which actions, and monitor every change.

This facilitates the control of each modification without creating a multitude of copies of the document, in a process that mitigates the risk of legal contingencies.

## 5- Rapid implementation and short-term results

Companies in all types of industries already implementing document automation solutions see the benefits within weeks. With regard to legal contingencies, customers highlight the effectiveness of these tools in reducing them. While risk reduction is 50% in the first months of use, it is estimated that they could be reduced by up to 80%. As for human errors, automation helps to reduce them by up to 100%.

**Santalucía Seguros, one of the largest insurance companies in Southern Europe, uses Bigle Legal's document automation solution, which has so far helped it to reduce its legal risks by 50%.**

**The benefits of document automation in terms of time and cost savings are also remarkable:**



Comparison of time spent by the real estate company, Primer Grupo, on tasks related to the document process, with and without Bigle Legal. You can find the full report in [this case study](#).

Document automation is also the key to unifying corporate knowledge and bringing it together in a secure space. Information is power and almost half of the law firms do not have a knowledge management solution<sup>2</sup>, while just over a third only use shared templates from the traditional system. The adoption of document automation solutions is necessary to preserve the knowledge of organisations in all sectors.

It should be noted that document automation is one of the tools called upon to help companies in their regulatory compliance, as they ensure proper management of the personal data handled in all types of processes.

<sup>2</sup> [Radiografía de la transformación digital en los despachos](#) (El confidencial / Alterwork).





# About Bigle Legal

Bigle Legal is a **Contract Lifecycle Management Software**, provides an AI-powered, cloud-based solution that automates the legal operations of a company while improving safety and minimizing the risk of legal contingencies.

A pioneer tech company and leader in the field of document automation from **Spain, with a presence in the UK, Austria, Netherlands and Italy, and has a network reseller across Europe and Latin America.**

Its clients include real estate companies, corporations, and large law firms. The platform is precise, flexible, and intuitive, providing full control over the entire document lifecycle.

To find out more about Bigle Legal, visit their website, <https://www.biglelegal.com/> and contact the team on their [LinkedIn](#) and [Twitter](#) social media channels.