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How An Automated Contract System Can Simplify And Speed Transactions!

The Editor interviews Gabrielle Walker, Associate General Counsel, Corporate Legal, of Cadence Design Systems, Inc.

Editor: Please give our readers a thumbnail description of the business of Cadence Design Systems, Inc.

Walker: Cadence Design Systems is the leading electronic design automation company.

We create software and hardware and provide services and methodologies that help engineers design integrated circuits.

Our software is used to design chips for every type of electronic device – from cell phones to complex circuitry in airplanes. We assist our customers throughout the entire design process: we not only provide the design solutions, we help test the chip; verify its integrity; and help to expedite the design process in order to help our customers get their products to market faster.

Editor: Please describe the product and the meaning of the acronym, NDA. It is my understanding that you have just launched a new product, an on-line, automated, self-serve, worldwide site, known as NDA Express.

Walker: NDA stands for Non Disclosure Agreement. Simply put, it is a legal contract that allows at least two parties to exchange confidential information; sets rules around the use and disclosure of that information; and generally specifies what happens to the information at the end of the NDA term.

NDA Express is an online automated self-service worldwide system for creating and tracking NDAs. The system will significantly improve the efficiency of Cadence by enabling its employees to quickly search existing NDAs, to create and monitor NDAs from start to finish, and to streamline the processing of standard agreements, while

maintaining the appropriate level of legal review for non-standard terms.

Editor: You previously had an older NDA system which was quite limited. Please discuss why you chose to use a platform designed by Business Integrity, Inc. as the basis for implementing your new NDA system.



Gabrielle Walker

Walker: In the past, our process was mainly paper-based. Our old NDA system had some automation but it was very limited. The process required a great deal of administrative efforts to exchange duplicate originals and keep track of them at all times. We needed a drastic change to significantly improve the process because it was causing delays in the turnaround time of NDAs. The more you delay that process, the more you delay the actual exchange of the critical information. Delays in getting NDAs finalized can be very frustrating for both parties because confidential information cannot be shared – which means the project cannot begin - until the NDA is in place.

We worked with our IT to determine the best way to resolve this and initially wrestled with the “build” or “buy” decision. After considering several options, we teamed up with Business Integrity. Their *DealBuilder* product is fully automated and uses state-of-the-art technology, and had the desired functionality and features necessary to serve as the foundation of NDA Express. However, the out-of-the box product was not perfectly suited to us, so we met with representatives of the company to discuss the possibilities. Their shared vision for NDA Express and their enthusiasm for collaborating with Cadence were key factors in

our decision to select them as a business partner.

Editor: Business Integrity’s *DealBuilder* provides automated contract solutions for many phases of business activity. We recently interviewed their customer at Reuters which had adapted the *DealBuilder* to automate contracts for its sales force. In your case the *DealBuilder* will be automating non disclosure contracts. Why is this architecture so important for a technology company such as Cadence Design Systems?

Walker: It is important to us because of the way it improves the efficiency within our company and for our customers. The time it took to create a NDA has been cut in half. In our business, where it is essential to get critical information exchanged quickly between the parties, that efficiency is key. The *DealBuilder* architecture that allows for fast and easy online creation of NDAs, and that eliminates legal review for standard documents while maintaining the appropriate level of legal review for non-standard terms, was just what we needed.

Editor: What procedures did you follow in choosing *DealBuilder* and in making the system operational within the company? Could you provide more details about the customization?

Walker: Step one was to explore what our employees needed. Before we met with our IT staff, we gathered employee feedback from all Cadence business organizations and worked closely with employees who are customer facing, or who frequently use NDAs, to determine how we could best improve the NDA process. Then we looked for existing technologies to see if we could leverage any systems that already addressed our issues.

For more information about DealBuilder, contact Tim Allen at tim.allen@business-integrity.com.

We chose Business Integrity because of their technology and their shared vision for NDA Express. I knew from the first meeting with their CEO, Tim Allen, that Business Integrity was the right business partner for us. Throughout the entire project, we worked closely together in all phases of the development of the system. Business Integrity worked closely with our IT team for a smooth transition and launch of the system. Communication, teamwork and a shared vision are critical for the success of this type of project – we have that with Business Integrity. The development of NDA Express was the most successful collaboration I have ever experienced.

Editor: What goals did have for the system?

Walker: Our first goal was to create an easy to use system. The second goal was to significantly improve efficiency for Cadence employees. The third goal, which is an offshoot of the second, was to improve customer satisfaction through our improved efficiency.

We knew that if we created a tool that enabled employees to quickly and easily create and track their NDAs from start to finish using forms pre-approved by the legal team – it would not only save them time and effort and allow for the faster exchange of confidential information, it would limit the time that they needed to interact with the legal department. In turn, that allows the customers to provide us with their confidential information must faster – which makes everyone happy.

Editor: What kinds of time-saving and cost-saving elements are also brought to bear with this system?

Walker: At this time, it is difficult to put a dollar figure on improved efficiency and customer satisfaction because we have just implemented the system. However, with regard to time saving, we have cut the time for creating and processing NDAs in half. That has resulted in a significant increase in efficiency, which frees up existing resources for other purposes. By vastly improving the turn-around time for NDAs, we have empowered our employees and improved our relationships with our customers and other business partners. Let me try to quantify the value in terms of a popular commercial most of us have become familiar with: cost of software license, XX dollars; cost of implementation, XX dollars; happy, efficient employees and satisfied customers – “priceless.”

Editor: You still have a need for legal oversight. What is the percentage of contracts that must be checked by the legal department?

Walker: Because the system is so new, I can't give you a precise percentage. However, in the pilot testing, we found that the number of NDAs requiring legal review dropped notably. The majority of NDAs processed during the pilot did not require legal review. During the NDA creation process, the employee is required to complete a brief online questionnaire. Depending on the answers to those questions, the output from NDA Express will either be a standard form of Cadence NDA or, if non-standard terms are required, they will be directed to a member of the legal team for assistance. If there are no non-standard terms, the employee can send the Cadence form of NDA to the customer for signature without requiring legal review.

We have also noticed a favorable behavioral change in our employees. In the past, they would simply send whatever form of NDA that was provided to them from the outside party to the legal department for review. Now, our employees are proactively and successfully encouraging the outside parties to use Cadence's standard forms of NDA, and explaining how this improves the turnaround time. If that behavior continues, the percentage of NDAs that require legal review will decrease significantly.

Editor: How long has the system been in place?

Walker: The system was launched in North America on November 12, 2007 and has been very well received. We will be launching worldwide in 2008. Prior to launch, we ran a production pilot for several months with approximately 100 employees who were creating actual NDAs with our customers and business partners. We have already received positive feedback from those customers on the improved turnaround time.

Editor: What kind of training do you give your employees?

Walker: Very little training is required for the NDA System itself. We streamlined the training process for NDA Express by creating an online First Time User Demo tutorial that includes flowing screenshots, voiceover guidance and text directions. We also create topic-specific mini demos for quick reference to key functionality. The demos enable employees to use the site within minutes.

The site also includes FAQs and other helpful content regarding the use of NDAs, export restrictions and other information regarding the protection of confidential information.

Editor: Are employees able to access the site and track progress for an individual customer easily?

Walker: To access the site, employees simply type “NDA” in their browser. With NDA Express, employees can search the NDA database to find existing NDAs and view a summary page to quickly reference the key terms of the NDA. Employees have their own personal MyNDA page for tracking their NDAs and quickly checking their work in progress. Each NDA has a status field that tracks the current status of the NDA from start to finish. In addition, employees will receive email alerts advising them when NDAs that they have created will soon expire.

Editor: Why is it important for Cadence to have immediate access to non-disclosure agreements that are iron-clad and custom designed for its customers?

Walker: Cadence enters into several hundred NDAs per year. They are essential to our success. Many of our customers need to share highly proprietary information with Cadence, but are reluctant to do so unless there is an NDA in place to protect such information. Delays in getting NDAs completed mean delays to our customers. So by significantly improving the time it takes to put an NDA in place, we not only make our employees lives easier by improving their efficiency, we make our customers happy – it's a win-win result.

Editor: Would you like to make a final statement for our readers?

Walker: We started down this path in large part because our employees asked that we improve our NDA system. We listened to them, assessed the old system and realized that an improvement of our processes was necessary. This has produced a great result for Cadence, its employees, the legal team and our customers. I would encourage others legal teams to follow this example. This has empowered our employees in a very positive way. Within one hour after the launch of NDA Express, we received about 50 emails/phone calls from employees thanking us for following up on their requests.