

DealBuilder: A More Efficient And Secure System For Contract Automation

The Editor interviews **Karen Gray**, Senior Vice President and Principal Legal Counsel — Business Support, Reuters.

Editor: Please tell our readers about your practice and responsibilities at Reuters.

Gray: I am principal legal counsel and vice president at Reuters. I manage the workflow in our products and operations group in the Americas which takes care of all the contracts that Reuters executes with our customers and our data vendors and other suppliers.

Reuters is most known for its reporting services but it generates the majority of its revenues from its terminal and data business through which we compile news stories from our reporters or data from other vendors like exchanges or brokers and combine them into products packages that we license to our customers on a worldwide basis.

Editor: I understand that Reuters implemented Business Integrity's DealBuilder system to automate the contracting process with its clients. How has the system changed the contract process at Reuters?

Gray: Before we implemented DealBuilder we had a manual contract process. In the Americas we had a master agreement that would be modified depending on the products being licensed and the special terms that the agreement required. With DealBuilder, sales now has a system that automatically generates the relevant terms after sales clicks a few "yes"/"no" buttons on an Internet page. In addition, it means that instead of giving clients a full master agreement, we can now generate a PDF of the relevant portions of the document.

Editor: What factors led to the implementation of DealBuilder for Reuters's sales team?

Gray: Our operations include offices in the UK and a number of Asian localities where we have lawyers on staff. One of our lawyers in the UK was looking for a product that would simplify the contracting process for our sales team. She looked at several software vendors and ultimately decided on DealBuilder because she believed that they would allow us to do what we needed with our contracts.

At the same time that we were looking to automate the contract process we were also redesigning our master agreement to cut down the information it contained. We were receiving a lot of push back from our sales people who did not feel that they could work with a contract of that size. Sometimes we would sell a terminal product that was straightforward and did not require a lot of licensing terms. Nevertheless, the sales person working on that deal would have to sift through a large volume of pages to develop the contract that was needed. We decided to implement an automation process and to streamline our master agreement to make this process as easy as possible for our sales team.

Editor: How long did it take to implement DealBuilder? Did the salespeople have to undergo any training before using the system?



Karen Gray

Gray: From start to finish it took about one year to develop the new master agreement and to implement DealBuilder. Most of that time was spent on rolling out the new agreement.

To train the sales people we set up an on-line demo system to show them how the questions page looks and how documents are generated. The DealBuilder system is very straightforward and did not require a lot of training.

Editor: How have the salespeople received DealBuilder?

Gray: They've received it very well. DealBuilder is a very easy product to use. They really appreciate the system because they no longer have to work with an over-inclusive agreement to develop the contract they need.

Editor: What has been the impact of the system on the legal department?

Gray: The real benefit is for the sales people who do not have to work with a cumbersome master document when working on a new agreement for a client. Working with a smaller contract also reduces the time that attorneys or contract managers have to spend negotiating and reviewing an agreement. If a deal calls for negotiation, those who are authorized to negotiate a deal can step in with a draft of our master agreement and incorporate any new negotiated terms into the agreement.

Editor: What are some of the compliance dangers that a company faces if it does not have policies and procedures to review agreements before they are executed?

Gray: We are very fortunate in our operations in the Americas because we have contract managers and an administrative group that does a great job of supervising that process. The danger of not having controls in place is that someone could alter a contract and put it through without anyone realizing that a significant change had been made. Changes to the legal language or even the business or pricing terms could have serious ramifications for any business organization.

Editor: Does automating the contract process reduce those risks?

Gray: We have training for our sales team, and our contract managers and administrative group do occasional spot checks to ensure that these issues do not arise. However, automating the process can take away the opportunity for an unscrupulous sales person to attempt to modify an agreement without anyone knowing about it. A user of DealBuilder can require that any contract modifications have to be approved by a designated control group such as legal before a new contract is generated.

Editor: What other security features does the system have to ensure that an agreement is not executed on behalf of the company before it has been vetted through the appropriate channels?

Gray: Agreements are generated as non-alterable PDFs which reduces the risk that someone would alter an agreement once it has been generated by DealBuilder. Nevertheless, Business Integrity recognizes that companies need to be able to negotiate a new contract with some of their clients. It would be very frustrating to try to mark-up a PDF document to include negotiated terms in an agreement. The nice thing about DealBuilder is that it allows us to have one of our contract managers print out a Word document from which he or she can work to develop a new negotiated agreement. Once the new terms have been finalized they can be uploaded onto DealBuilder which will generate a new PDF to be signed by the client.

Editor: Can users of DealBuilder establish system rules to guarantee compliance with U.S. and/or foreign laws and regulations?

Gray: When we met with Business Integrity, the product capabilities that they demonstrated included a feature that would allow a company to set up compliance triggers so the system generates a message to the legal department whenever a compliance issue is raised.

Editor: What kinds of questions are the salespeople asked when interfacing with the system?

Gray: We worked very hard to develop a set of questions for our sales team. We developed three sets of questions to cover our three types of services. They are very simple and straightforward questions. For example, a sales person will be asked whether a client will license a group of products. If the answer is yes, the sales person will select "yes" on the system and then press go. The system will then generate the document. The process is very simple for our sales team.

Editor: How are documents stored in the system and how often do they need to be modified?

Gray: The system stores the master contract, and it remembers the answers that sales people enter for specific clients. So if someone needs to regenerate an agreement we have with an existing client, they would go on DealBuilder and be able to re-generate the agreement because DealBuilder "remembers" the previously

answered questions.

In addition to the traditional features that DealBuilder offers, we were interested in including a feature that would allow us to store agreements that we negotiated with clients. So if that client needs to execute an agreement for a new product with us in the future, we can ask DealBuilder to include the negotiated terms into the new agreement. Business Integrity was fantastic during the development process in incorporating that new feature for us.

Editor: Was implementation of that new feature a fairly straightforward process?

Gray: We had several discussions where we expressed what we wanted the system to do. Business Integrity spent some time thinking the issue through to find the best and most efficient way to accomplish what we wanted and came up with a feature that works the way we intended.

Editor: Are there plans to expand DealBuilder into other areas?

Gray: We implemented DealBuilder in June 2006. People were very excited when they first used the system because it fit well into the objective of simplifying the contracting process for our sales team. As we develop new agreements and enter new lines of business, we will always consider the benefits of putting our agreements on DealBuilder.

Editor: Would you tell our readers how the system is used to store and develop foreign language agreements?

Gray: We currently have contracts on DealBuilder in English, Spanish and Portuguese. To incorporate those agreements into the system we first had to code the English master so that it would work with DealBuilder. Business Integrity was incredibly helpful in coding the master contract. Once that was completed, we had people go through each document and translate it into different languages. With the coding in place, it is just a matter of loading the new documents into the system.

Editor: Have you been able to benchmark any positive results attributable to DealBuilder?

Gray: We have not done any official benchmarking but have received a lot of positive feedback from various people within Reuters. Overall, people indicate that they like the simple automated interface that DealBuilder provides.

Editor: Which groups within Reuters have achieved the greatest benefits?

Gray: The idea was to provide the sales team with an easy and streamlined method for getting contracts out to our clients as quickly as possible, and to provide the sales teams and our clients with the most streamlined contracts possible. So far DealBuilder has allowed us to do this for our sales team and clients. Those are the two groups that have experienced the greatest benefit from our decision to use DealBuilder.

Please visit www.business-integrity.com to learn more about DealBuilder.