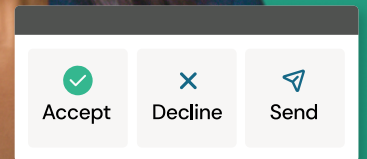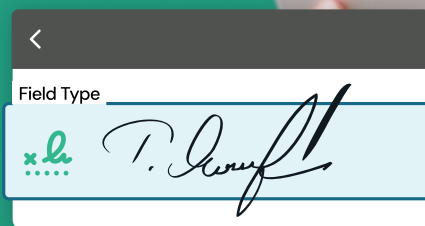# docubee

The Current State of Contract Automation for Legal Professionals

Opportunities & challenges of contract management technologies in the legal industry.

Field Type

Accept Decline Send

Introduction

Among the most avoided conversations for legal professionals is that of technology and the role it plays in legal contract and document management. Due to the fear of complicated implementations or additional work getting added to the table, automation for law firms gets put as an afterthought.

Worries surrounding the prevalence of AI and its implications on job security are a key concern for legal professionals as well.

While contract management and review remain manual tasks for many legal professionals, advancements in automation and workflow platforms are designed to better serve clients and enhance the firm's bottom line.

Specifically, legal contract automation refers to the creation of repeatable workflows that digitize the many moving parts of your practice's processes.

Docubee partnered with leading Legal media company, ALM, to survey legal professionals across various practice areas to get a picture of the current state of contracts and technology used in firms and where the industry is headed.

A group of 81 legal professionals in small to mid-sized firms participated in the nationwide survey.

59% of those surveyed were partners, managing partners, or senior partners.

This whitepaper looks to uncover common trends, address challenges and best practices, and glean insights on contract automation for law professionals. **Continue reading for vital info on automation for your firm.**

Legal Contract Automation Trends to Know

The main issue our study highlighted was this: legal professionals miss out on better productivity by not using contract automation tools.

According to our research, **79% of legal professionals are currently using paper or emailing Word Documents to handle contracts.** Key concerns with paper or Word-based documents sent via email include version confusion, document security issues, lost documents, and client experience shortfalls.

In addition, time spent on contracts is another major area of contention for legal professionals when documents are sent manually. Particularly, using email or other outdated sending methods leads to a lack of visibility and access, problems tracking document status, and frustrations when multiple rounds of revisions arise. Not only does this create long document handling times, but it also negatively impacts client onboarding rates.

While 41% of our surveyed professionals have no plans to implement a contract tool, 59% are interested in or planning to implement one soon.

Legal Contract Automation Trends to Know

Our study highlighted the key reasons this 41% did not plan on transitioning to a contract tool, with many believing that they do not have enough business to invest (29%), that the cost of the software may be too high (26%), or that ROI may not be apparent (21%). **Another challenge for firms looking to acquire new technology was finding the time to research and implement.**

This information is largely unsurprising as our study indicated managing partners (32%) and administrators (15%) are the titles most often responsible for making technology decisions. With managing partners leading much of a firm's day-to-day activities and a heavy list of to-do's, finding time to research a contract automation partner that fits their budget and shows returns often falls by the wayside.

Current Artificial Intelligence Trends for Law Firms

Artificial intelligence (AI) is a tool that can enhance the legal document process when utilized correctly. AI technology has garnered national buzz over the past couple of years, both positive and negative, from law professionals. The key concern with this rising technology is its impact on job stability for legal professionals and its ethical implications.

However, 64% of respondents surveyed expressed that their firm is currently using or interested in using AI technology in the next 2 years. Key reasons include using it for search (29%), general automation (21%), and creation/management of content like contracts and clauses (14%).

What many legal professionals don't realize is that today's contract automation tools utilize AI and other emerging technologies to answer the above needs in a more efficient, streamlined manner.

"[AI is] not taking over people's jobs, it's just making your organization more efficient and getting things to the right people quicker."
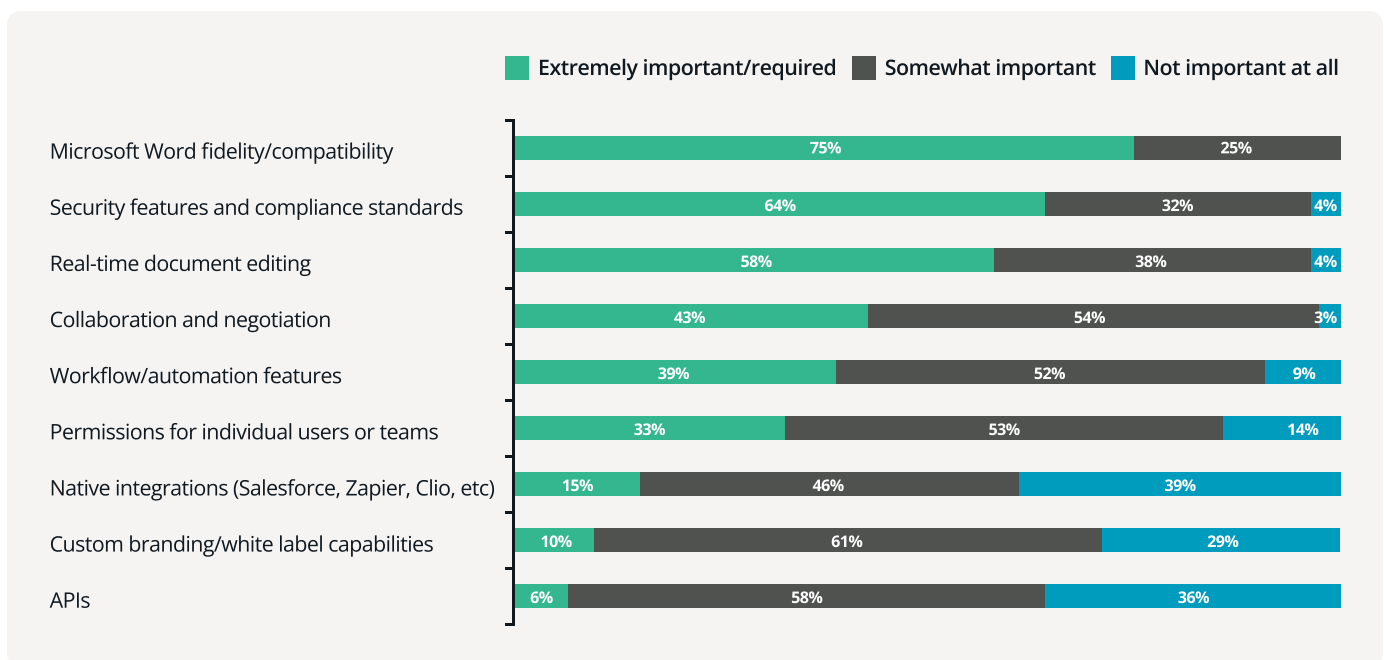
Tony Sipp, Co-Host of Paralegal Podcast

What Matters Most to Firms When Finding a Legal Contract Automation Tool

As part of our research, we asked participants to rank the importance of features in choosing solutions for their firm's contract processes.

The results were as follows:

	Extremely important/required	Somewhat important	Not important at all
Microsoft Word fidelity/compatibility	75%	25%	
Security features and compliance standards	64%	32%	4%
Real-time document editing	58%	38%	4%
Collaboration and negotiation	43%	54%	3%
Workflow/automation features	39%	52%	9%
Permissions for individual users or teams	33%	53%	14%
Native integrations (Salesforce, Zapier, Clio, etc)	15%	46%	39%
Custom branding/white label capabilities	10%	61%	29%
APIs	6%	58%	36%

Over 50% of respondents ranked Microsoft Word fidelity and compatibility (75%), security features and compliance (62%), and real-time document editing (58%) as extremely important or required for a contract automation solution to make sense for their firm.

What Matters Most to Firms When Finding a Legal Contract Automation Tool

Security Features & Compliance

For firms, security and compliance are incredibly important to avoid hefty fines and loss of client trust. Sending contracts through traditional mail or email can have major implications for the integrity of client documents, and using a contract automation tool can eliminate many of these concerns. Legal contract automation tools are built with enhanced security features like tamper-proof documents, segmented access, and encryption to safeguard documents.

To stay in line with security and compliance requirements, finding an automation partner who stays on top of new laws and regulations and regularly updates their security measures is key in saving time and building trust with firm members.

Microsoft Word Fidelity

Finding a tool that closely mirrors existing, trusted tools eliminates learning curve obstacles when procuring a new tool. This can ultimately impact stakeholder buy-in by showing the prospective tool you've chosen won't be complicated for attorneys and decision-makers to learn.
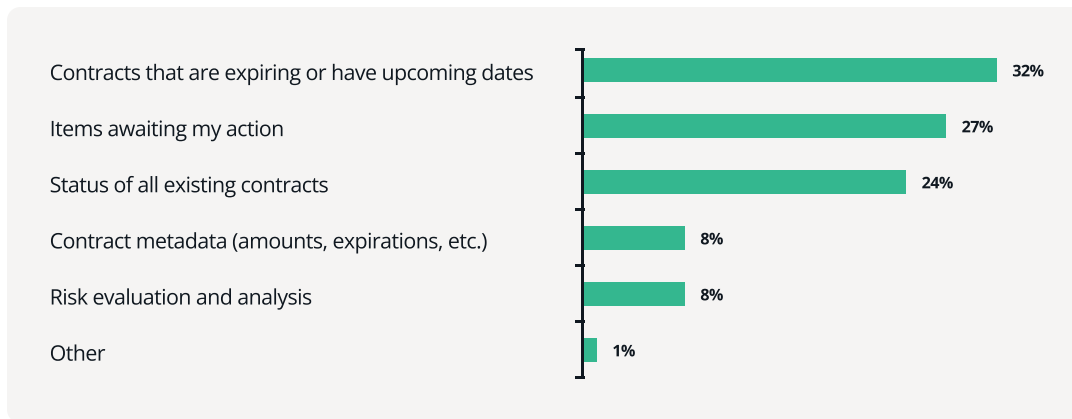
Real-Time Document Editing

Contract negotiation and redlining are essential pieces of contract automation for attorneys. Real-time editing across internal and external parties ensures accessed documents are always up to date with the latest information, preventing any confusion over which version is current.

The resounding takeaway is this: **a legal contract automation tool needs to simplify the day-to-day and save time in tangible areas to make sense.**

Key Benefits of a Legal Tech Solution

On top of essential time-saving and ease-of-use factors, respondents were asked to share which features they felt were must-haves to simplify casework. The theme here was being able to gain visibility into processes, fast.

32% of respondents say visibility into expirations and other upcoming dates is a contract tool's greatest benefit.

Contracts that are expiring or have upcoming dates	32%
Items awaiting my action	27%
Status of all existing contracts	24%
Contract metadata (amounts, expirations, etc.)	8%
Risk evaluation and analysis	8%
Other	1%

Having visibility into these key processes is essential to keeping work on track and fighting back against loss of business.
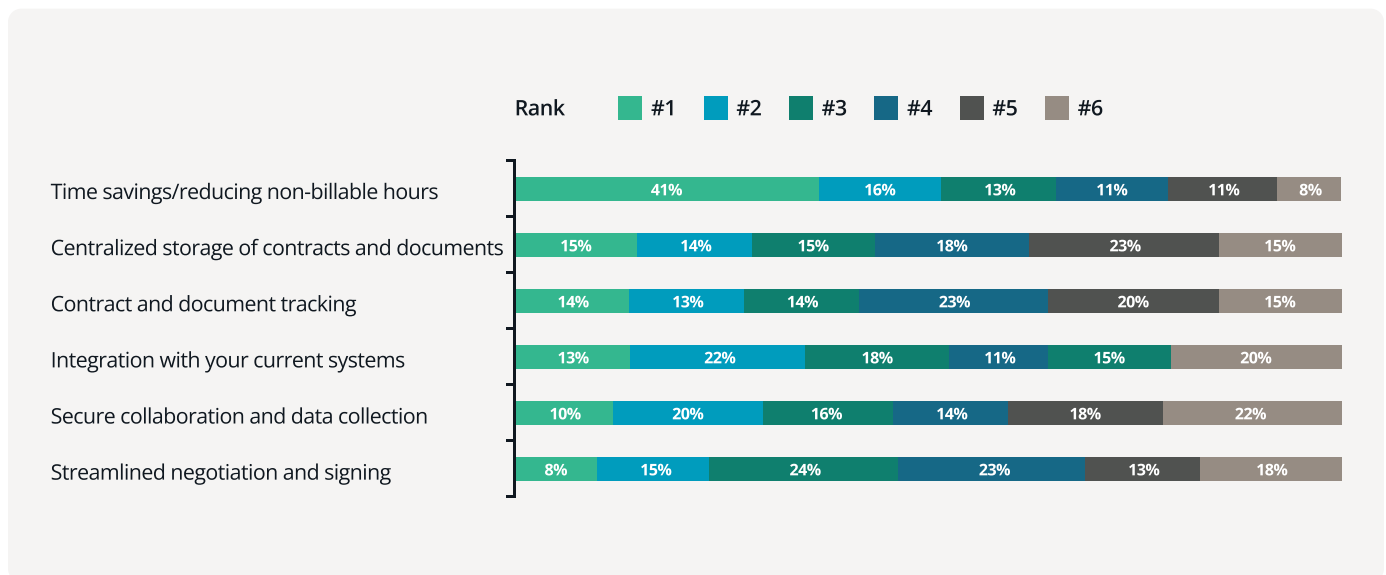
The top perceived benefits of a legal contract automation tool include being able to see contracts that are expiring or have upcoming dates (32%), the ability to see items awaiting action (27%), and the ability to see the status of existing contracts (24%).

Key Benefits of a Legal Tech Solution

Time Savings is a Key Benefit

Time savings and the reduction of non-billable hours were ranked as the key advantages a contract automation tool. 41% of respondents ranked this as the **#1 perceived benefit of a contract automation solution.**

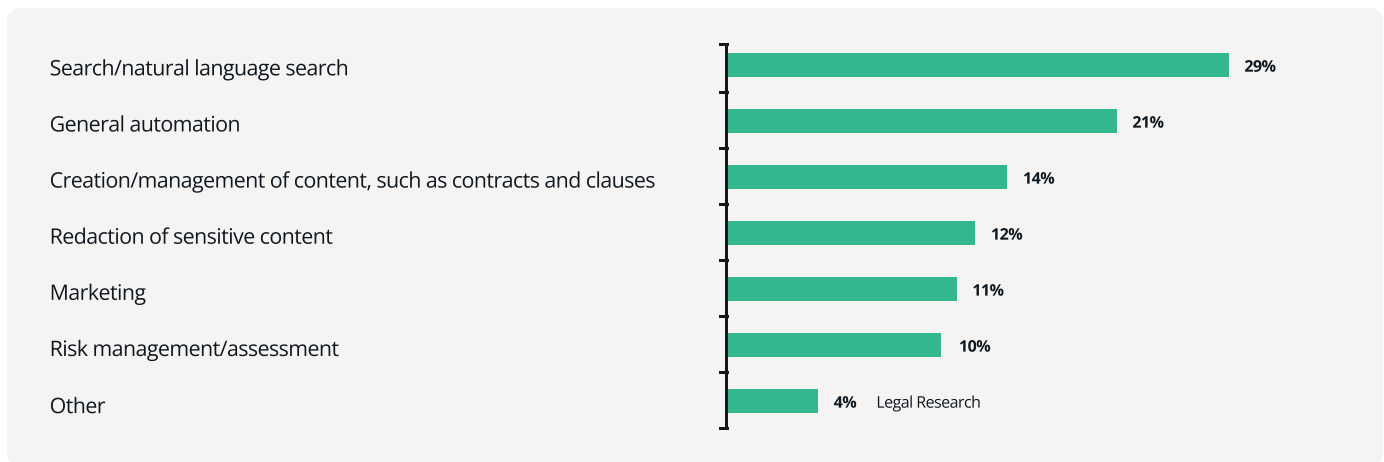|	Rank	#1	#2	#3	#4	#5	#6
Time savings/reducing non-billable hours		41%	16%	13%	11%	11%	8%
Centralized storage of contracts and documents		15%	14%	15%	18%	23%	15%
Contract and document tracking		14%	13%	14%	23%	20%	15%
Integration with your current systems		13%	22%	18%	11%	15%	20%
Secure collaboration and data collection		10%	20%	16%	14%	18%	22%
Streamlined negotiation and signing		8%	15%	24%	23%	13%	18%

While the major gains in time savings are a huge plus for firms of any size, getting buy-in from their firm stands to be a major obstacle for decision-making and implementation.

Key Benefits of a Legal Tech Solution

The Role AI Plays in Legal Contract Automation Benefits

50% of respondents listed search and automation features as the main reason they are interested in or using AI.

Search/natural language search	29%
General automation	21%
Creation/management of content, such as contracts and clauses	14%
Redaction of sensitive content	12%
Marketing	11%
Risk management/assessment	10%
Other	4% Legal Research

Firms that are interested in AI listed search or natural language search as the main reason they are interested in or using AI. General automation was also important to respondents.

The theme of enhanced visibility continues for AI. Search or natural language search allows attorneys to find contracts and related legal documents they need quickly and efficiently.

Key Benefits of a Legal Tech Solution

Those Who Use Contract Automation Love It - Where's the Gap?

75% of respondents who have used a contract automation tool **had a positive experience.**

Of those we surveyed, 1 in 5 had experience using a contract management tool. Of those who are either currently using a tool or have used one in the past, 75% had a positive experience. Further, 31% of respondents have looked into an automation solution but haven't made the purchase.

With such high rates of positive experience, **why aren't more legal professionals relying on this technology to make their jobs easier?**

Common Reasons Firms Aren't Using a Contract Management Tool

For 29% of the professionals we surveyed, they felt their firm **did not have enough business to invest in a tool.**

Further, 26% identified **software cost as an issue.**

And 22% stated that the **ROI was not apparent.**

In summation, it all comes down to being able to justify the investment into a tool that could make legal paperwork easier.

Obstacles to Implementation

To better understand the state of contract automation in the legal space, understanding the obstacles that prevent adoption is key. We asked survey respondents to tell us in their own words what is preventing them from diving in, and their answers fell into **four major categories:**

Cost & Budget Constraints

Key Challenge: "Cost and convincing other attorneys that it will add value."

People at your firm want to know: is a contract automation solution ACTUALLY going to save time? Legal professionals simply don't have time to spend on a new tool if it doesn't readily add value or if the benefits don't seem to outweigh the costs of implementation. Justifying larger overhead costs can also be a major barrier for smaller firms of 2-50 employees. **For this reason, proving ROI and time savings as it relates to billable hours is key.**

Learning Curve Obstacles

Key Challenge: "Getting employees who are not comfortable with technology or changes in technology used to the constant changes and innovations being made."

Making stakeholders feel comfortable using a new tool and making changes in existing technology is another major implementation barrier reported across the board. From the bottom up to leadership, ease of use is extremely important because learning curve obstacles can prevent successful implementation. Firm members don't want to feel like the goalpost is being moved every time a new tool has been introduced.

Obstacles to Implementation

Employee Buy–In

Key Challenge: "The 'powers that be' in the firm actually pulling the trigger on new technology."

Respondents also identified employee and leadership buy-in as a key pain point. "Getting past management and showing them the worth in the long run," in addition to problems getting a finite consensus on what technology to implement. New technology is constantly entering the market, and a key challenge for many is knowing what tools are worth exploring and what aren't. Vetting tools before bringing them to other firm members is essential for this reason.

Resources to Research and Implement

Key Challenge: "Training all the attorneys to integrate it and be able to use it while they are all so busy with their actual work."

And of course, time is another major barrier. More specifically, professionals having enough of it to research and vet new tools thoroughly. If those tools are vetted and approved, having time to train attorneys and integrate can also be challenging, as these individuals are already preoccupied with so much else on their plate.

These obstacles to implementation are valid concerns felt by firms of all sizes. However, the long-term benefits of a contract automation tool often outweigh the initial short-term setup, cost, and training of implementation.

How to Create a Positive Contract Automation Experience

With resounding benefits that save time and increase visibility into processes, it's clear that contract automation is a handy solution for attorneys. However, the barriers to implementation we listed earlier often prevent time-saving and money-saving tools from ever getting off the ground.

Garnering support and showing the actual value of a new tool is imperative as initial conversations begin. But, oftentimes it is easier said than done.

Ensure Your Prospective Tool Has the Right Bells & Whistles

Time is in short supply, but we promise the small amount of time you invest in finding a tool is worthwhile. Doing independent research before bringing in other team members is vital. Keep in mind, that if you already have a legacy system in place, you may not even have to start from scratch. There could be the potential to make optimizations to existing tools or find ways to extend that functionality.

Features that are essential to success based on our survey results are as follows:

Word-like Interface
Reduces learning curve.

AI Capabilities
Supports the adoption of cutting-edge technology.

Security & Compliance
Saves time and ensures efficiency.

Editing in Real-Time
Supports easy collaboration and negotiation.

Conditional Logic
Promotes automation and time savings.

Ability to Connect with Other Systems
Creates streamlined ways to access documents easily and save time.

How to Create a Positive Contract Automation Experience

In addition to vetting features, consider how your firm is growing and what solutions will come in handy down the road. Certain legal contract automation tools on the market today provide scalable functionality to help you avoid an endless cycle of searching for new tools.

To begin, ask yourself the following questions:

What do we need next?

What are we using?

What haven't we used with the product that we're currently using?

And what would flow better with the entire team?

This will give you an idea of what features are needed and what questions to ask when vetting potential vendors and attending demos.

Overcoming Obstacles to Implementation

After choosing a prospective partner for legal contract automation, it's time to implement. However, checking these boxes is key to overcoming common obstacles found during our survey.

- ○ **Choose a Vendor with Onboarding Support**
- ○ **Get Leadership Buy-In**
- ○ **Create KPIs to Prove ROI & Show Benefits**
- ○ **Train Key Team Members**

Overcoming Obstacles to Implementation

Choose a Vendor with Onboarding Support

A key piece of a successful implementation is **having the right support in place**. Choosing a vendor that provides onboarding support and continual customer service should questions arrive is essential. Before signing a contract, ask what kinds of support are offered in terms of training and product launch for a smooth transition.

Pro Tip: Depending on your contract automation vendor, professional service hours can be a helpful tool to ensure a successful onboarding experience.

How to Get Leadership Buy-In

Next comes getting buy-in from key parties, such as fellow partners or senior firm members. Presenting the pain points you have identified with solid reasons why a tool will help solve them is essential in getting leadership on board. Further, sharing insights gleaned from your benefit analysis and a solid plan for tracking long-term progress should be included in these conversations.

Additionally, capitalizing on trending features, such as AI can be effective as well. **64% of survey respondents are interested in using AI,** and informing leadership of these new technologies and the benefits they have for your business should be considered.

Overcoming Obstacles to Implementation

Proving ROI & Tangible Benefits

Showing firm members that a solution will benefit them creates excitement, rather than dread, about learning a new system. Evaluation of current processes creates key insights to share with your team.

Showing Immediate Benefits

Choose a single process and evaluate performance for a week, including factors such as the average time it takes to get your contracts back, the number of errors or missing information present, time spent processing finalized paperwork, and time spent creating each document from scratch. Or, simply pull out the most important factors to your team and interview firm members on where they see shortcomings in current processes.

Establishing Long–Term KPIs

For future evaluation, setting up time-saving progress markers is key. Use the information you collected above and establish a projected cost for this baseline time use, factoring in the salaries of employees using current processes and billable hours. Tracking this data can help justify costs or give you insight into whether a new solution is needed when your solutions renewal comes around.

Overcoming Obstacles to Implementation

Training of Key Team Members

A key barrier to implementation is perceived learning curve challenges. Every team is composed of individuals of varying levels of technical acumen, so on top of choosing a tool with a Word-like editor as we mentioned earlier, training employees is vital.

Establishing a Pre-Launch Communication Plan

Before implementation, sending out a mass communication surrounding the launch of your new tool is a needed courtesy so that other members of your firm have time to prepare. Whether this communication is in the form of an email or presentation, communicating the benefits and time-saving features of the new contract automation solution can open the floor to questions and create excitement.

Hosting Training Sessions

Training key team members before implementation will help prevent learning curve obstacles and create a smooth launch. If you're a smaller firm, this may mean training all attorneys on your staff, and for larger firms, training management to delegate information to their team members may be the ideal solution.

Finding the Right Partner

Finding the right legal contract automation partner is a key factor in ensuring processes are automated the right way. Do your research, vet potential partners, and establish what features your team needs for success.

When it comes to finding a contract automation partner, you should do just that - find a company that will work as an extension of your team to partner with you rather than a vendor who thinks of your firm as just another number. Researching customer service experiences and looking into your prospective partner's response rates can shine a light on how they will work with your team. Further, seeing if and what professional services are in place to assist during onboarding can be invaluable to training your team the right way.

Docubee is an intelligent contract automation tool designed to automate your legal contract processes from start to finish, complete with AI features, a user-friendly interface, and all of the tools you need to succeed.

Schedule a demo today to see how Docubee can keep your firm on the cutting edge of technology.

Field Type

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