

DOCUMENT AUTOMATION CHECKLIST 2020

The market is flooded with document automation software and it is hard to keep track of the features touted by each company and whether such benefits are even worth considering. This list summarizes the 12 features to look for when making a decision relating to document automation solutions so that you can be better prepared to critically analyze the sales pitches.

The document automation solution should:

1. **Be web-based.** Why? So you don't have to manage installation, and more importantly, maintenance, on each of the desktop computers. Web is the ideal method of delivery for modern software, and it's easy to share work-in-progress with your colleagues in that medium, so that team members can easily contribute to the work product. Although there are certain security benefits to being removed from the web, for most collaborative business applications that are actively maintained, the web-based platforms tend to outclass isolated programs.
2. **Be a stand-alone app, not an add-on.** If it is a MS Word Add-on, the automation software needs to be updated for each update of the underlying MS Word installation. To overhaul every few years just to maintain functionality is extremely resource draining for all parties involved, and it requires maintenance of multiple versions which dilutes resources for the developer. You might not care about the add-on software company's problems, but it will inevitably show up in the price. It may also affect your company's decision on when to upgrade MS Office or even Windows version, due to lack of upgradeable versions in the legacy software.
3. **Dynamically auto-generate interview questions.** The modern document automation solution should be able to tell whether a field is used or not in the document, and based on its use (or potential use) based on user's choices, limit the questions to only those relevant, without having to manually program this behavior (or arrange variables in certain order), and present it in the order it appears in the document. This saves huge amount of setup time. One benefit of manually programming the interview question is that you get to choose the order of questions; however, this point becomes moot if the input form, term sheet, abstraction or summary is organized in the intuitive order (which they usually are) and presented first because the questions will follow its order.
4. **Modify multiple documents at once.** Transaction documents do not travel alone; they travel in sets. So it only makes sense that if you input your name, it is populated in all relevant documents within the transaction. This means that summary documents, like term sheets or abstractions, and legally binding documents, like merger agreements or land contracts, are created using the same data at the same time, ensuring that they match the information perfectly. If the term sheet, and the actual agreement differ due to intervening negotiations, such differences should be noted as a different version. This way, you *always* have the accurate term sheet or lease abstraction handy.
5. **Show the underlying document in real time.** For consumer facing application, display of actual document does not matter because consumers do not care about the language as much, but for professionals, the ability to clearly see how a choice is being manifested in the document is paramount. It should not require a back-and-forth navigating between the interview and document. Ideally, such changes should be shown in the "track changes" format. This ensures experienced practitioners that the document is being formed correctly, and allows new practitioners to learn how to effectuate certain business concepts onto contract.

6. **Be able to make freestyle text edits.** Freestyle editing refers to the ability to modify any portion of the document, not just where the input fields are located. It is simply not feasible to anticipate requests that might be reasonably made by the non-drafting party. If one were to even attempt it, that would quickly lead to decision fatigue on the user due to numerous questions that must be asked to achieve it; it is better to grant the user the freedom to insert or delete any words in the automation system. If the automation system cannot do it, the less optimal alternative is to convert to Word DOCX, and then edit it in MS Word. Then, you now have two versions in two different platforms to keep track of, a nightmare scenario wherein the efficiency gain of an automation system is essentially vitiated.
7. **Keep track of different versions and report the differences.** Binding agreements are frequently negotiated. Negotiations are done as a package, not piece-meal (you can't simply cherry-pick the best parts). Users must be able to 'save' an older version of the document that was sent to the other side and it must be kept track of. The automation system should be able to handle versioning, instead of having to rely on other systems, and effectively report the differences and communicate to the user, because differences between the versions are best described as differing choices, rather than different words. Utilizing the structured data contained in the system, topical comparisons are possible, so that the "issues list" can be generated from the comparison, in addition to the traditional "redlines" which requires human intervention to be made useful.
8. **Automate workflow of related tasks.** It is not enough to automate the generation of documents; the system must be able to automate mundane tasks relating to document generation, such as integrating with calendar for consultation, keep track of the approval chain, assign personnel based on the current status of the document, and send email alerts or text reminders upon completion of a designated event or an upcoming appointment. When these activities around the document generation are automated, the total productivity gains can be substantially more impactful than just automation of documents alone.
9. **Be easy to maintain the templates.** The forms change over time, so it is important that the templates representing the forms be made easy to update. No computer programming knowledge should be necessary to maintain the forms. Some type of mark-up styling (like HTML) that is intuitive and easy to learn is ideal, but in any case, it should not require a template author to learn new proprietary computer programming language. In addition, it should be able to maintain separate versions of each templates.
10. **Be able to create closing binders.** The document automation system should be able to reach the finishing line. Creation of the closing set means inserting the signed signature PDFs at the right places, combining the rest to form fully executed documents in PDF, all at once. The way to achieve this may differ based on the system - some systems might integrate with DocuSign or have other intuitive means of doing so. It should be able to accept input of the signatures, and thereafter, it should be able to automatically generate the final closing set.
11. **Keep track of material terms of the contract.** After the deal is done, some specifiable and customizable key parameters such as the closing date, the transaction size, or counterparty's name, should be made available outside of the document, so that it can be sorted or filtered based on that information. For deal execution professionals, closing is the end, but for others, it is the starting point. This improves the "handoff" to the professionals handling the next stage of the contract cycle.
12. **Be easy to implement and to customize.** The implementation of a document automation system often requires hiring of outside consultants and they will often end up dictating which system you end up with based on their experience, specialty and financial incentives. The company from which you are buying the automation software knows the most about its systems so it is always helpful to have in-house assistance if they provide it. Certain automation systems provide custom programming and custom functions, so if your use case is specific or unique, a customizable platform will make a world of a difference in fully unlocking the potential of the document automation solution.

DOCUMENT AUTOMATION CHECKLIST 2020

| Capability | HotDocs | Contract Express | Celant |
|-------------------------------------|---------|------------------|--------|
| Web-Based | ✓ | ✓ | ✓ |
| Stand-Alone | | | ✓ |
| Auto-Generate Questions | | | ✓ |
| Modify Multiple Docs | ✓ | ✓ | ✓ |
| Real-time Doc Display | | ✓ | ✓ |
| Freestyle Editing | | | ✓ |
| Template & Document Versioning | | | ✓ |
| Auto-Generate Issues List | | | ✓ |
| Auto-Generate Redlines | | | ✓ |
| Automate Related Workflow | | | ✓ |
| Easy to Maintain Templates | | ✓ | ✓ |
| Auto-Compile Closing Sets | | | ✓ |
| Keep Track of Material Terms | | ✓ | ✓ |
| Easy Implementation & Customization | | | ✓ |

Notes:
