

bpv Hügel & iManage

M&A Due Diligence processes augmented by Artificial Intelligence

bpv HÜGEL

 **iManage**

Transforming how professionals work

Combining artificial intelligence, security and risk mitigation with market leading document and email management



Agenda

- iManage Company Overview
- Due Diligence Scenario
- Field case studies
- Other applications of AI in Law

iManage – Global Leadership

**Over 3000
Law Firms**

**500+ Legal
Departments**

**70% of Top
Global Law
Firms**



The Industry Best Performing Cloud – 99.985% Uptime

Industry Accolades



INNOVATIVE SOLUTION
PROVIDER OF THE YEAR



INNOVATIVE SOLUTION
PROVIDER OF THE YEAR



IT SECURITY PROVIDER
OF THE YEAR



SUPPLIER OF THE YEAR
(TECHNOLOGY)

**#1 Software Vendor for
Quality and Support**

— ILTA Survey 2017

Market presence

Government



Illinois
State Board of
Education



Crown
Solicitor's
Office



Financial Services



Law Firms

BRUUN & HJEJLE

COLIN
BIGGERS
& PAISLEY
LAWYERS

ALLEN & OVERY

Luther. Anthony Collins
solicitors

VedderPriceSM

BEAUCHAMPS KLUGE

WYNNWILLIAMS
LAWYERS

Gorrissen Federspiel

KCL KING & WOOD
Law MALLESONS

Stikeman Elliott

CLD/Enterprise



RACQ

SANDVIK

m maverick^{tv}

JLL



Statoil



DARK MATTER
GUARDED BY GENIUS

Campbell's

iManage Product Portfolio



Document + Email Management

Work more productively

- iManage Work
- iManage Share



RAVN Artificial Intelligence

Work smarter

- iManage Insight
- iManage Classify
- iManage Extract



Security, Risk Mitigation & Governance

Work safer

- iManage New Business Manager
- iManage Conflicts Manager
- iManage Security Policy Manager
- iManage Threat Manager
- iManage Records Manager

iManage RAVN Engine — Content Intelligence and AI

iManage Platform — Administration · Common Services · Security



iManage Cloud

OR



On Premises

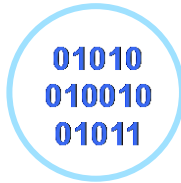
Why should you be interested?



**Staff Augmentation &
Large Projects Can Impact
Cost**

Automate Document Review Tasks

- Quickly classify documents to get them to the right attorney
- Automate data extraction
- Higher accuracy and consistency than manual – save up to 75%



**Too Much Data Makes
Some Projects
Economically Unfeasible**

Enable New Business Opportunities

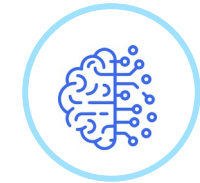
- Identify clients affected by new laws
- Efficiently review contracts affected by new legal environment



**Inconsistent Clauses
Introduce Risk**

AI Enabled Playbook / Precedent adherence

- Suggests clauses for efficiency and consistency
- Make prior knowledge accessible to fee earners
- Reduce risks by being aware of previous agreements



**Knowledge acquired
during legal work is not
captured**

AI Platform Addresses Needs Firm-wide

- Deploy capabilities across firm on single platform
- Network effects improves work across firms departments and practice areas

Due Diligence Scenario



Case Study

- A family-owned private bank is in financial difficulties due to the financial crisis. Its shareholders accordingly wish to sell their shares by way of a limited auction process.
- The main activities of the bank are lending and wealth management.
- The management of the target is not happy with the purchaser's due diligence, as it may show some shortcomings and management mistakes that have been made in the past.

Sell side

The Sellers need to compile the Virtual Data Room (VDR) so that bidders can perform a due diligence.

The management of the target needs to be incentivized e.g. by way of transaction bonus agreements, so that the management provides the necessary assistance

- Content of the transaction bonus agreement and
- Legal requirements

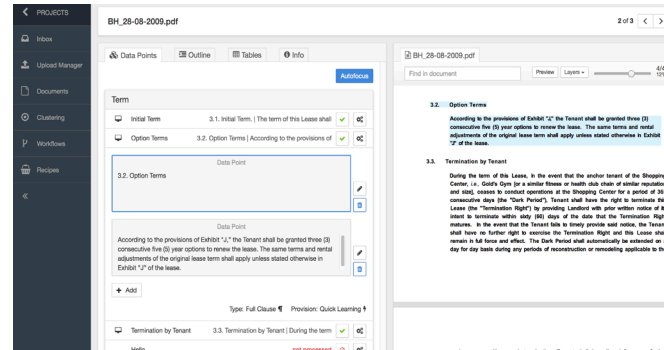
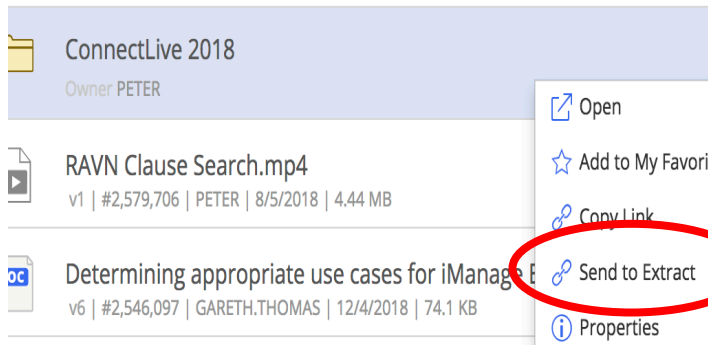
The management of the target provides a lot of unstructured data in the form of PDF Scans including many client documents such as

- on-boarding documents
- questionnaires regarding investor profile, anti-money laundering, FATCA, etc.
- loan agreements
- security agreements
- asset management agreements

The PDF Scans provided by the management and to be disclosed to the bidders in the VDR need to be

- identified, numbered by reference to the data room structure and renamed;
- reviewed in order to identify any confidentiality restrictions which would prevent disclosure; and
- redacted in order to comply with bank secrecy obligations and with the EU General Data Protection Regulation (GDPR) (e.g. names of clients and employees, etc.).

Sell Side: Technological Assistance



Ingest and Classify

- Import from Document Store (e.g. DMS - iManage Work) or directly from deal rooms, etc.
- Classify document types
- Identify languages
- Cluster documents for quick overview

Extract and Review

- Search and tag relevant documents
- Extract relevant information
- Review documents and output with assisted workflow
- Identify Clauses/Entities/key values

Report and Export

- Export findings to an Excel or Word
- Transfer data to existing case management systems or other process
- Query through iManage Insight

Buy side

BUSINESS JUDGEMENT RULE (BJR).

- Investment decisions in the context of M&A processes are complex and risky.
- Accordingly, the buyer's management would like to be in the safe haven of the BJR for such a decision.
- The management acts with the appropriate duty and care (i.e. complies with the BJR) if, from an ex ante view the management decision
 - is free from outside interests,
 - based on appropriate information and
 - assumingly is for the benefit of the company.
- In most cases the Buyer's management will have to conduct a proper due diligence process before taking the investment decision to comply with the BJR.

Buy side

In compliance with the BJR the Buyer starts its due diligence.

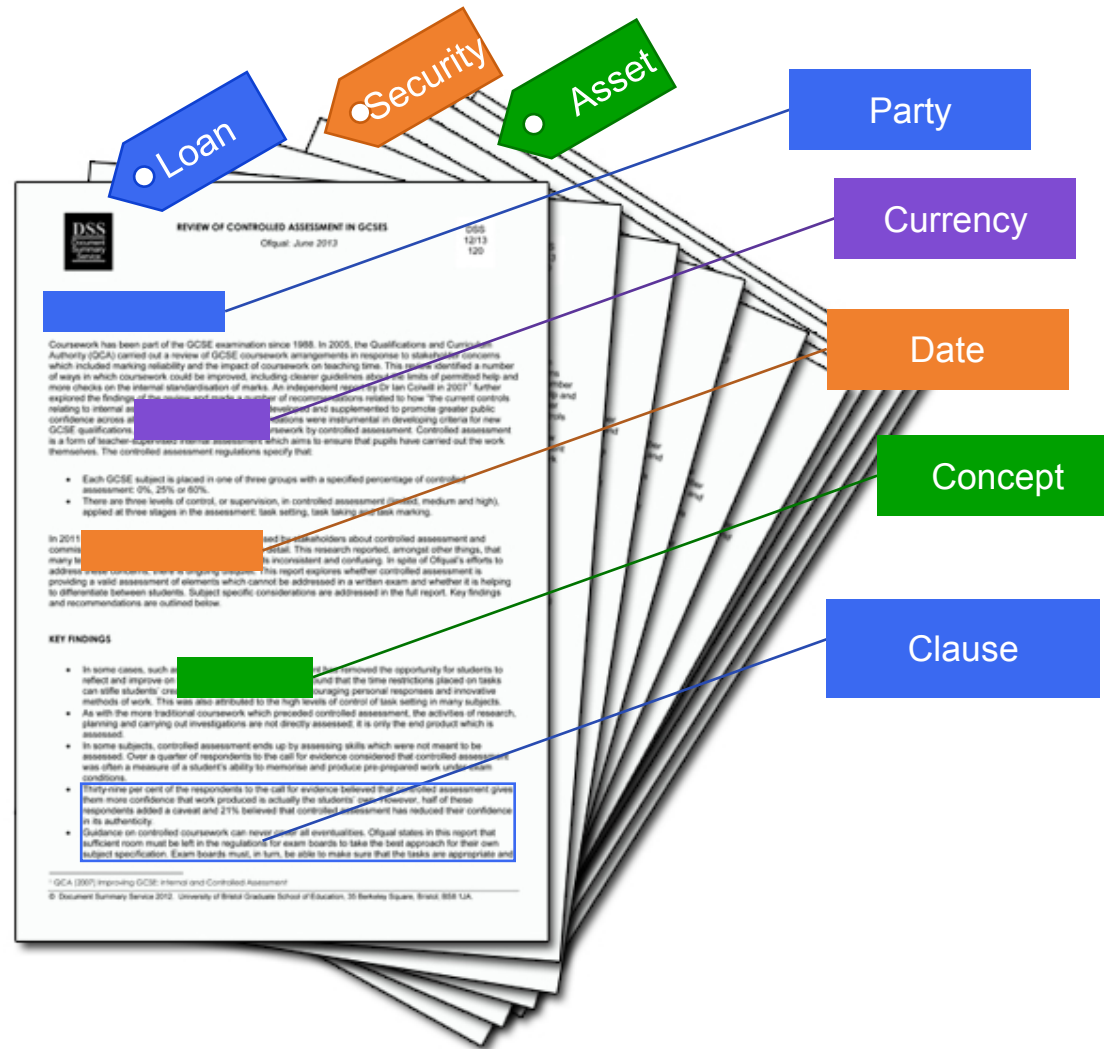
In a preliminary review of the documents in the VDR the following deficiencies have been detected in several cases:

- According to the loan agreement the loan is secured (e.g. by way of a land charge) but the respective security agreement has not been uploaded in the VDR and accordingly may be missing.
- Questionnaires are not fully completed.
- Some agreements include deviations from the standard form (e.g. contractual penalties, no zero floor clause).
- Some agreements include invalid clauses (e.g. zero floor but no cap).
- Some client portfolios do not comply with the provisions of the asset management agreement (e.g. share of securities from emerging markets too big).



Buyer decides that such deficiencies need to be identified in each case.

Buy Side: Technological Assistance

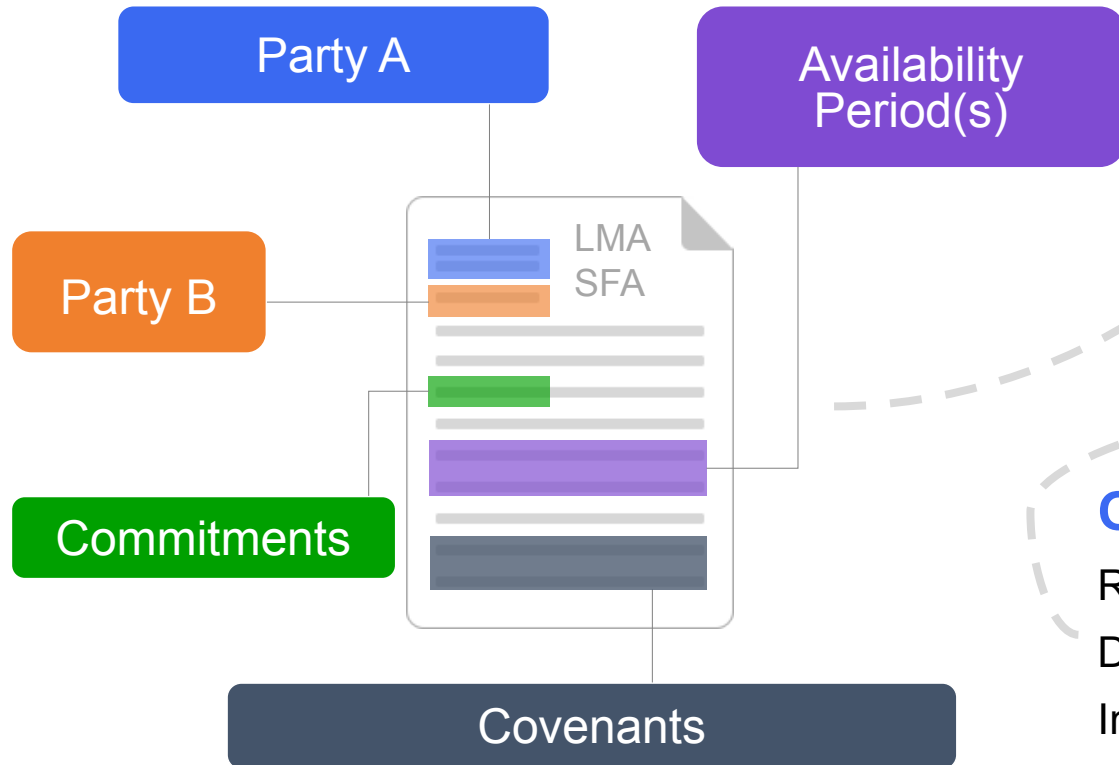


- Filter and understand
 - Type and language of document
 - Structure of document
 - Search and tagging
- Extract and automate
 - Clauses and key data
 - Self Serve: AI trained by end users
 - Pre-built by experts; reusable
- Analyze and act
 - Export to line of business systems
 - Expose results in Insight
 - Embed into legal processes

Document Review

Business Driver

Efficiencies **reviewing** and **summarising** documents for clients for **Due Diligence** and **Contract Intelligence**



Extraction Detail

Definition	Value
Party A	Borrower Co
Party B	Bank 1, Bank 2...
Currency	USD
Total Commitments	\$100,000,000
Covenants	Leverage, Interest Cover...
Loan Types	TLA, TLB, RCF...
Tables extracted	£ % \$
Definitions	100s



Review

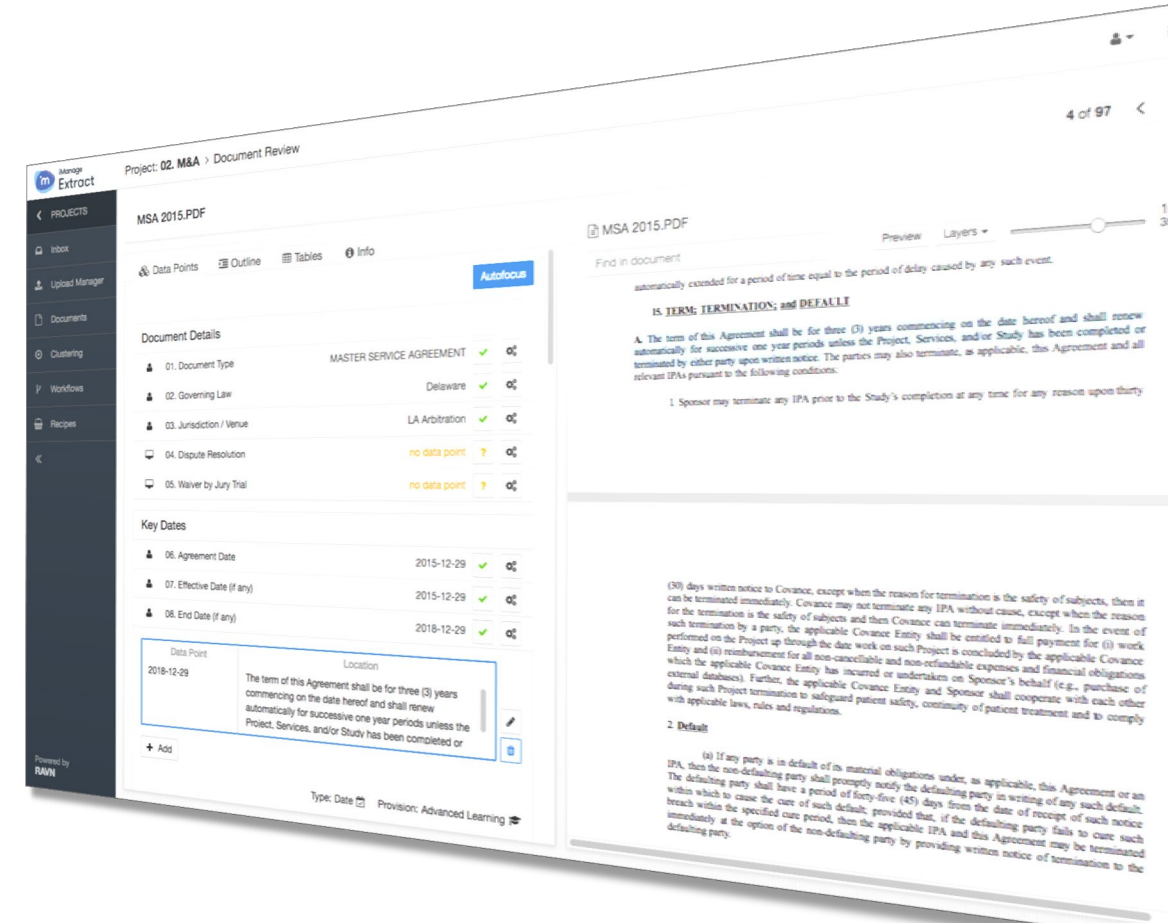
Output to

Review interface in Extract
Due Diligence reports via Excel / Word
Internal KM clause libraries

Document Review – DD or other purposes

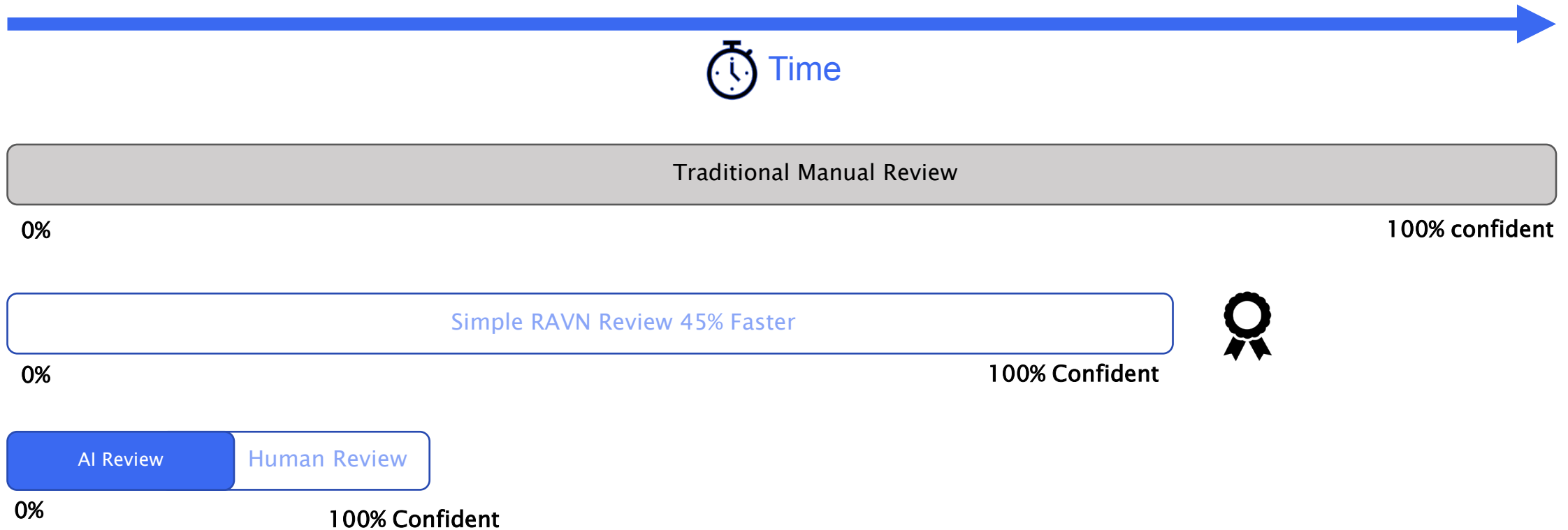
Quickly review and summarize large volumes of documents

- Reduce time and cost of review tasks
 - Dedicated AI powered review application increases margins of routine review work
- Extract structured data
 - Extract clauses and specific structured data
 - dates, tables, currencies, etc.
 - Effectively deal with structured / financial documents
- Create lasting knowledge assets
 - Use extracted clauses and structured elements in other iManage applications
 - i.e. iManage Insight





Reducing “Time-To-100%” Is Its Measure Of Success



Field Case Studies

“With iManage Extract we have managed to take advantage of modern fee structures to increase margin on certain routine review tasks”

— Byong Kim – Director, Technology Innovations

“Amazing”

— Junior Associate at Seyfarth Shaw

Seyfarth Shaw uses iManage Extract to allow lawyers to focus on higher value work for clients

Challenge:

- Lack of resource and time to review documents in order to meet tight deadlines
- Low morale in team due to manual review

iManage Solution:

- iManage Extract - RAVN AI powered contract review
- Key data points are extracted to enhance and automate routine review tasks

Benefits:

- Reduce costs over time
- Applicable in many departments – rolling out in other areas
- Increase in efficiency
- Improve staff morale

Seyfarth Shaw – Financial Services Client

Recent use case



Situation

- 750+ Investment Management Agreements to be reviewed
- Review task priced on a fixed fee basis
- Would traditionally have been done manually; 1 – 1.2 hours per document



Project

- Early user of iManage Extract
- Technology “Centre of Excellence” within firm created extraction recipe to conform to project
- Associates working with iManage Extract took 2 weeks to review automated output



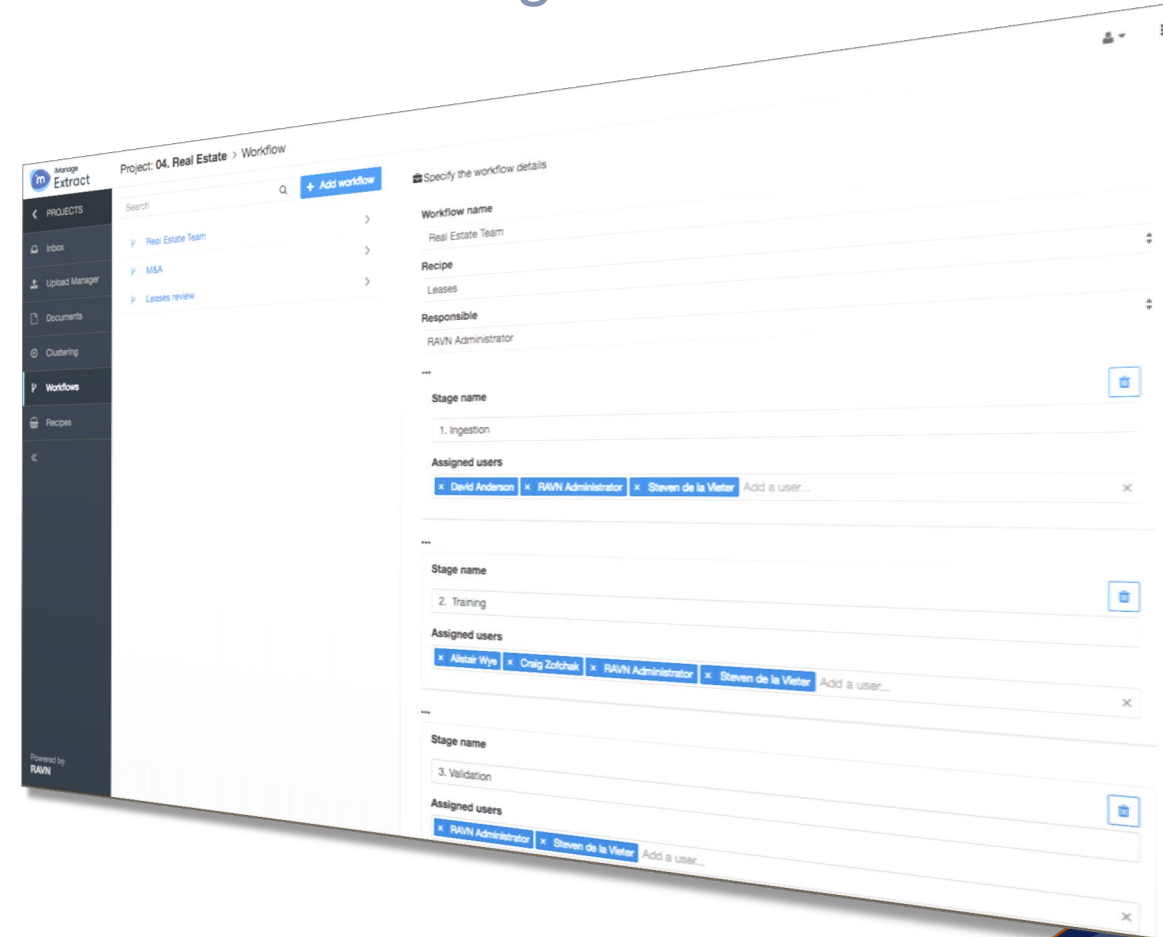
Outcome

- Time to review output was around 20 minutes per document rather than the manual +1 hour
- Total time saved was around 66%
- Method is applicable throughout firm

Practice Process Automation

Automate routine tasks within existing processes in the organization

- Integrate automation in existing processes
 - Apply automated extraction without changing existing processes
- Increase staff engagement and morale
- Demonstrate to clients they are not paying for commodity work
- Increase productivity
 - Remove time consuming and unprofitable routine manual steps





“We needed a solution to get inside the data, find the latest contract, and compare it with the invoicing data, so whatever sold is what is invoiced. iManage RAVN will likely save us tens of millions of pounds in lost revenue.”

— Horia Selegean, Head of Revenue and Margin Assurance at BT

BT uses AI-Powered iManage Extract to increase efficiencies & Mitigate Risk

Challenge:

- Lengthy manual review process
- Inconsistencies in review
- Needed an easy way of reviewing obligations to enforce penalties

iManage Solution:

- AI powered Contract Analysis
- Contract categorization
- Contract comparison

Benefits:

- Reduce costs
- Increase efficiencies
- Increase overall productivity
- Mitigate risk

“The iManage RAVN engine and products like iManage Extract and iManage Classify are just the next step in a journey we started long ago.”

— Dene Rowe, Partner and Director of Product Development, Keoghs

Keoghs Uses iManage RAVN to Deliver Automated Legal Services

Challenge:

- Use AI to develop new legal products and services for clients
- Process thousands of claims in an automated fashion
- Pull structured data out of unstructured documents

iManage Solution:

- iManage RAVN is an artificial intelligence platform that can find, extract and classify information from large volumes of unstructured data sets and documents, allowing organizations to work smarter and faster

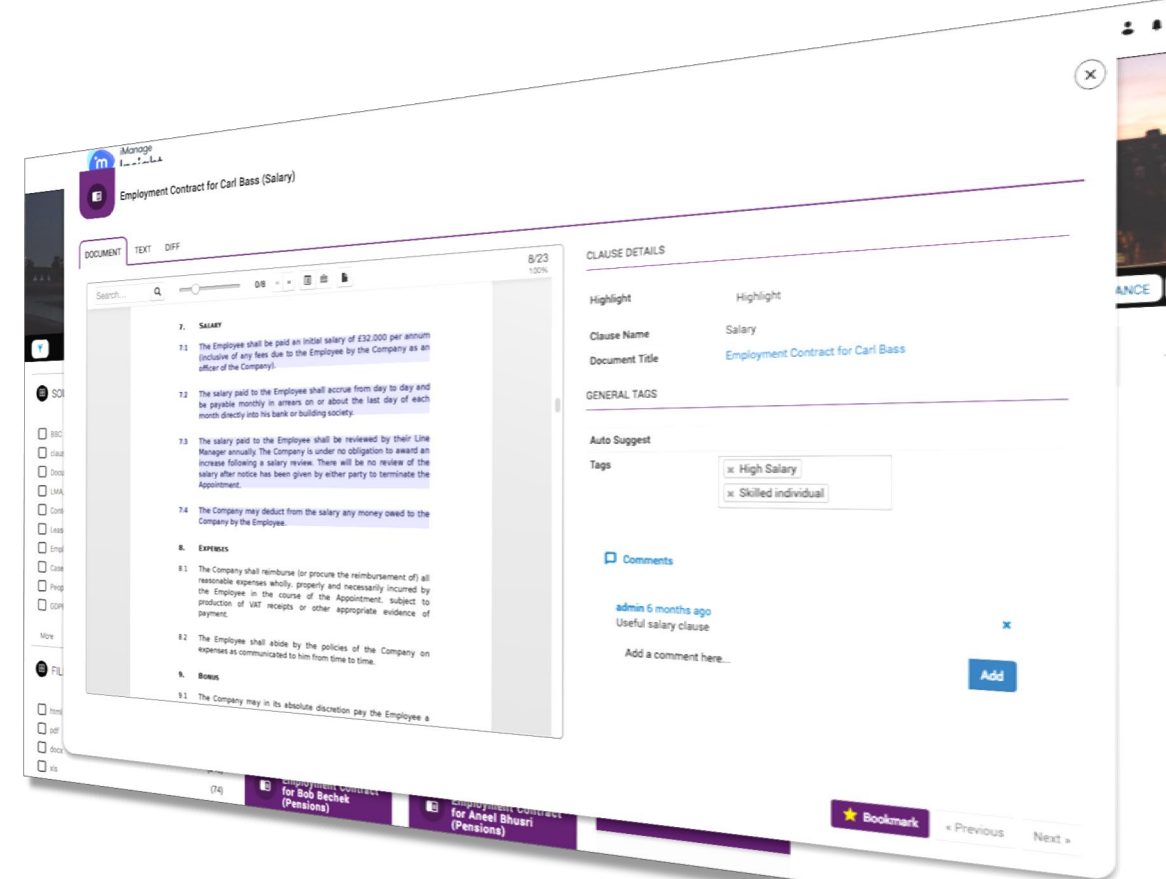
Benefits:

- Differentiate firm with AI-powered offerings
- Automate entire segments of claim processing, significantly reducing the time required to handle large claim volumes
- Reduce cost of reviewing claim forms, medical reports and other documentation by using AI rather than humans to extract and interpret key data

Clause Library / Knowledge Management

Make full use of your prior knowledge to create better content faster

- Create a clause / obligations library
 - Knowledge library, precedents, specific document types and collections
- Make knowledge more accessible to fee earners
 - Improve advice and value to clients
- iManage API surfaces knowledge where it is most impactful



Thank You



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