

CONTRACT NEGOTIATION AND REVIEW

Featurespace



The in-house legal team at world-leading fraud and financial crime detection platform, Featurespace, looked to a next-generation technology to augment the way they negotiated and analysed contracts globally. Featurespace's ARIC Risk Hub™ is relied upon by 70 major global financial institutions including HSBC bank and TSYS payment solutions and has lawyers in offices in London, Cambridge, Israel, Atlanta and Singapore. Having conducted extensive market research, Featurespace were impressed by the sophistication of Luminance's AI technology, which enables Luminance to be entirely plug-and-play, easy-to-use and both language- and jurisdiction-agnostic. Within a week of signing the contract, the Featurespace team were up and running on the Luminance platform and already seeing value within the business, a sharp contrast to the three to six month estimates for implementation provided by existing service providers in the market.

Automatic Review of Incoming Contracts

Featurespace were particularly impressed by the way Luminance's AI was able to automatically take a first pass review of any incoming contract. A traffic-light colour coding system, indicating whether clauses within a contract are acceptable (green), in need of review (amber) or non-compliant (red) according to Featurespace's standards, has

enabled the team to automate low level, high volume tasks such as reviewing NDAs and employment contracts. Where terms do not meet internal standards, Luminance provides Featurespace's lawyers with alternative acceptable wording suggestions from internal precedent banks, all from within Microsoft Word.

As an example, Featurespace have been utilising Luminance's unique Traffic Light Analysis functionality to instantly determine whether the company can respond to a Request for Proposal or not, as well as to better understand their risk profile when conducting funding and transactional work. Moreover, with Luminance, Featurespace can not only identify those clauses which differ from their standard terms but, crucially, any missing clauses from

KEY FINDINGS

- Outside counsel spend reduced by over 50%
- Over 15,000 pages of contracts analysed within Luminance

LUMINANCE CASE STUDY

Featurespace



pre-executed contracts – a particularly difficult task when reviewing third-party documents. Having previously used a manual checklist to ensure all crucial terms are included, Luminance now completes this review on all incoming contracts within seconds. By automating these time-consuming, routine tasks, Featurespace have been able to significantly reduce their spend on outside counsel by over 50% since deploying Luminance, instead allocating only high value tasks such as complex IP work and local law-related projects to external advisors.

Post-Execution Analysis

As well as augmenting the work of Featurespace's legal team during the pre-execution phase of document review, the company are also using Luminance's AI to conduct post-execution analysis, using the platform as a smart index for their entire contract database of around 15,000 contracts. Luminance's unique homescreen provides the team with an overview of their entire contractual landscape, broken down by key information including languages, document type, governing laws or anomalies present within their agreed documents. For example, Featurespace have been leveraging Luminance's AI to understand what their standard clauses are for data protection and privacy across the enterprise, as well as to understand what their payment structure is or whether there are any contentious terms concerning exclusivity or assignment restrictions within their existing contracts.

"It is simply not enough to always be reactive. AI helps you to get an idea of where your problems will be in the future, as well as how to solve them. With Luminance, our lawyers are becoming proactive business enablers rather than just repositories of information."

DON RIDDICK, CHIEF LEGAL OFFICER

Enabling Better Decision-Making

AI like Luminance has become a fundamental component within Featurespace's legal team with the nature and role of legal counsel continuing to evolve within businesses globally. General Counsel and their staff are increasingly becoming business enablers, trusted to provide advice not just on documents and policy, but also on existing commitments and strategic direction for the future.

"As General Counsel, you need to make sure your company has the greatest valuation for your shareholders – in order to do that you need to understand and protect it from any risks that may lay hidden within your contracts."

DON RIDDICK, CHIEF LEGAL OFFICER

A Tool for the Whole Business

Beyond Featurespace's legal team, Luminance's AI has been delivering value across the business. For example, Featurespace's lawyers have been able to quickly and effectively identify any variances in commercial terms within contracts, advise their finance teams on appropriate revenue recognition and, in turn, ensure accurate finance and accounting across the business. Further, with teams in London, Cambridge, Asia-Pacific and the US, Luminance's easy cloud-deployment and project management tools, including the ability to allocate documents and tasks, share findings and track work progression, has proved vital in ensuring a seamless review process and collaboration between their distributed legal team, without any duplication of work effort.