

M&A DUE DILIGENCE CASE STUDY

Bird & Bird



In December 2018, the Düsseldorf office of leading international law firm Bird & Bird, took on a high-volume due diligence exercise concerning the employment contracts of a subsidiary company their client was looking to sell. The goal was to understand the relative risks associated with the employment contracts to allow the company to be sold at its most competitive price.

The employment team were faced with a detailed review of contracts for nearly 20,000 employees, totalling almost 200,000 documents which needed to be analysed and categorised within a very tight deadline. Using manual methods, it would have been too time-consuming for the legal team to complete a review of the entire dataset, and cost-prohibitive for the client. Previously, Bird & Bird had relied on sampling just 10% of the document set which, due to the associated risks, lowered the valuation of the company. In order to gain insight into the entire dataset and meet their client's deadline, Bird & Bird decided to adopt Luminance's AI technology to assist them with the review.

Whilst other legacy technologies typically require lengthy customisation and months of integration, Bird & Bird's lawyers were able to get up and running with Luminance in just a few hours. The team uploaded 80GB (over a million pages) of documents overnight and were able to gain rapid insight into the contracts. Despite this being the first time that the German office had used Luminance and the first time the deployment of Luminance had been exposed to German language documents, the technology's powerful machine learning meant that Bird & Bird could immediately identify any hidden anomalies or risks within the dataset. Moreover, unlike legacy providers which require the lawyer to know exactly what they are looking for before beginning their review, Luminance was able to surface "unknown unknowns" and consequently support the lawyers as they adapted their search accordingly.



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Using manual review methods, it took 8 associates 3 weeks to review just 10% of the documents relating to 1,900 employees. With Luminance, it took 2 associates 3 weeks to review 100% of the documents relating to nearly 20,000 employees. These time savings enabled the team to keep the work in-house rather than having to rely on outsourcing. In this way, Bird & Bird could deliver results to their client on time, confident in the findings of their trained specialists and assured that nothing had been missed.

As a result, the client has approached Bird & Bird for further analysis of its employment contract dataset. Luminance will now transfer the learning amassed in this project to any further reviews conducted by the firm globally, with the technology only improving with each use. Bird & Bird has rolled out Luminance across its global offices and continues to use it in M&A due diligence, compliance reviews, lease abstraction and more.

KEY RESULTS

In the manual review, each lawyer got through 16 employee documents per day. Using Luminance, each lawyer could review 692 employee.

About Luminance

Luminance is the world's most advanced AI technology for the legal processing of contracts and documents. Founded by mathematicians from the University of Cambridge, Luminance's AI reads and forms a conceptual understanding of documents in any language. Luminance uses this understanding to augment the spectrum of legal matters, from AI-powered contract drafting, negotiation and review to investigations and eDiscovery. Luminance is used by over 400 customers in 60 countries, including all of the Big Four consultancy firms, a quarter of the world's largest law firms and multinational organisations such as Tesco and Ferrero.