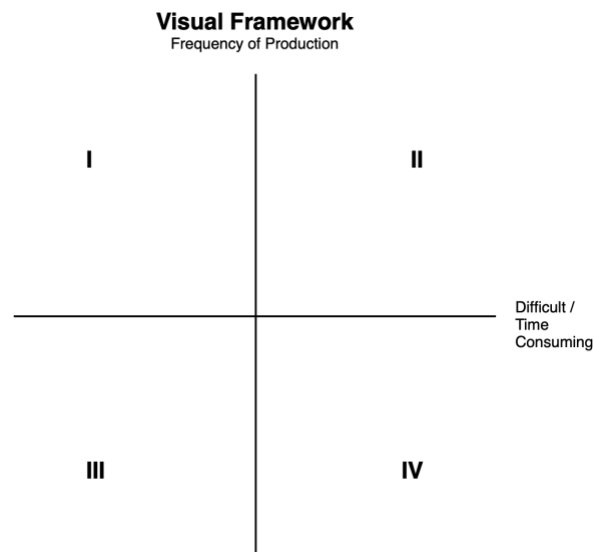


## DOCUMENT AUTOMATION – CONSIDERATIONS

### HOW TO DETERMINE DOCUMENTS SUITABLE FOR AUTOMATION

Draw a graph like the one below and plot your documents. Documents that are plotted in Quadrant I are good ones to start with when learning a document assembly program. You create them frequently, but they're pretty easy. Things like fax cover sheets and enclosed-please-find letters tend to fall within this quadrant. Once you have practice and are a lot better at template development, you can start working on documents plotted in Quadrant II. These are the documents that will really improve your bottom line once they're automated. On the other hand, documents automated in Quadrants III and IV are probably not worth the effort.



The 2x2 matrix above, which maps Frequency of Production against Difficulty/Time Consumption helps prioritize document categories for. Naturally, each firm's practice areas will affect specific documents, but the chart serves as an evaluation model. It helps law firms assess where to start and how to allocate resources wisely for the greatest return. Let's take a deeper look into each quadrant.

#### QUADRANT I: QUICK WINS (HIGH FREQUENCY, LOW COMPLEXITY)

These are ideal starting points for document automation. They're produced regularly and are relatively simple, which means you'll realize time savings almost immediately without a steep learning curve. Additionally, automating these documents builds momentum and confidence with your automation tools.

#### EXAMPLES:

- Fax cover sheets
- Standard transmittals
- Enclosure letters
- Routine status updates or client intake confirmations
- Other documents that are mostly "Mab Libs" style fill-in-the-blank creations

#### WHY PRIORITIZE THESE?

- Fast ROI with minimal development time
- Great for training and onboarding staff into the automation process

- Low risk of error and easy to test

#### QUADRANT II: HIGH-VALUE OPPORTUNITIES (HIGH FREQUENCY, HIGH COMPLEXITY)

Documents in this quadrant are strategic investments. While they take more time to automate initially, they prove the most profitable in the long run because they're used frequently. These could include legal pleadings, contracts, or multi-party agreements.

##### EXAMPLES:

- Complex engagement letters
- Lease agreements
- Estate planning packages
- Recurring court filings or compliance submissions
- Other frequently used documents that change based on major facts or events (*e.g.*, an engagement agreement with different language for hourly versus flat fee, or a will that changes based on whether it's comprehensive or pours over into a trust)

##### BEST PRACTICES:

- Break these into modular components for gradual automation
- Use experience gained from Quadrant I to tackle complexity
- Consider version control and stakeholder feedback loops early in development

#### QUADRANT III: LOW LEVERAGE (LOW FREQUENCY, LOW COMPLEXITY)

You rarely produce these documents, and they're easy to create manually when needed. Automating these offers limited value, and the time spent automating them may never be recouped.

##### EXAMPLES:

- Holiday letters to clients
- Internal announcements
- One-off checklists

##### RECOMMENDATION:

- Skip automation unless bundled into a larger initiative
- Consider including as practice materials for new automation developers

#### QUADRANT IV: TIME TRAPS (LOW FREQUENCY, HIGH COMPLEXITY)

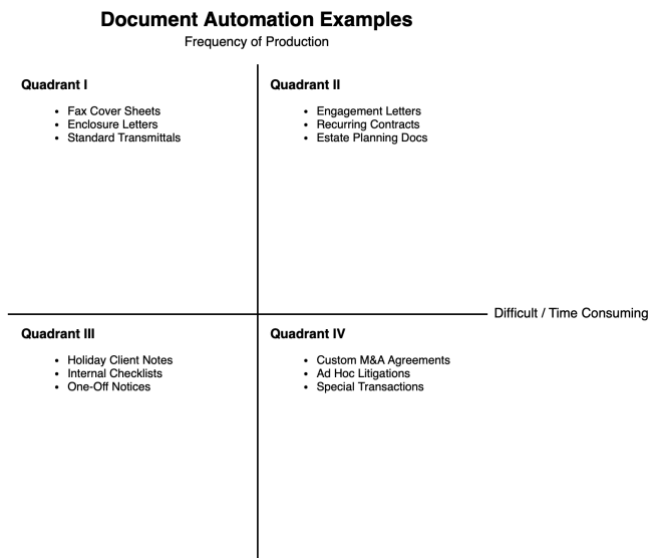
These documents represent poor automation candidates. You seldom use them, and their complexity or customization make them difficult to build, meaning automation won't be cost-effective unless the document's stakes are unusually high (*e.g.*, liability, critical negotiations).

##### EXAMPLES:

- One-off contracts for unique transactions
- Ad hoc litigation documents with heavy customization
- Custom M&A term sheets

##### RECOMMENDATION:

- Avoid unless there's a strategic rationale
- Automate only if the document becomes more routine over time



## PUTTING IT INTO PRACTICE: A SUGGESTED WORKFLOW

1. **Inventory your documents:** Create a list and assign them to quadrants.
2. **Start with Quadrant I:** Build initial templates to develop expertise.
3. **Prioritize Quadrant II** documents based on time saved per use.
4. **Review Quadrants III & IV annually:** What's rare today might become routine.
5. **Track outcomes:** Measure time savings and errors reduced post-automation.

## GETTING STARTED BY CREATING THE MASTER DOCUMENT

When you create a new template, in most cases you'll be basing the template on an existing document you commonly draft. Therefore, it's a good idea to start with a document you feel is the best example of the document for which you're going to create a template. Before creating the template, you'll need to add in all possible optional paragraphs that could occur in that type of document (in the order they could occur) and then "markup" the document. A document which contains all possible options for a document of that type and which has been marked up is called a **Master Document**. This concept is best illustrated with an example. Let's say you're going to make a template for a Promissory Note like the one shown on the following page as **Exhibit 1** on page 4.

The first step is to identify changeable text. To make them easy to spot when you're automating the template, consider wrapping them with square brackets, and also add notes so you'll know what the options are. For an example, see **Exhibit 2** on page 5. The next step is to identify optional paragraphs, add in optional paragraphs that aren't included in your base document and state the tests for their inclusion. For an example, see **Exhibit 3** on page 6.

## Exhibit 1 - Initial Document

### PROMISSORY NOTE

\$55,000.00

August 28, 2003  
Columbus, Ohio

FOR VALUE RECEIVED, the undersigned JOHN A. DOE and JANE M. DOE (hereinafter collectively referred to as "PAYOR"), promise to pay to the order of PAUL J. UNGER (hereinafter referred to as "PAYEE"), or holder, at 2001 Neil Avenue, Columbus, OH 43235, or at such other address as the holder hereof may from time to time designate in writing, the principal sum of Fifty Five Thousand and 00/100 Dollars (\$55,000.00) with interest thereon at the rate of eleven percent (11%) per annum, payable in sixty (60) monthly payments of \$1,195.83 commencing on the 1st day of February, 2000, and continuing on the first day of each month thereafter with the entire outstanding balance of interest and principal due and payable on January 31, 2005.

This Note may be prepaid in whole or in part, at any time, without penalty.

This note is secured by mortgage of even date herewith, executed and delivered by PAYOR, which is a lien on a certain parcel of real estate situated in Franklin County, Ohio, and more fully described in said mortgage.

If any installment of this note is not paid when due and remains unpaid for ten (10) days following the due date, such payment shall be subject to a five percent (5%) late fee. If any monthly installment under this note is not paid when due and remains unpaid for a period of thirty (30) days, the entire principal balance outstanding and accrued interest thereon shall at once be due and payable at the option of the note holder and such outstanding balance shall bear interest at the rate equal to five (5) percentage points higher than the original interest rate or sixteen percent (16%) per annum until paid.

All persons now or hereafter liable for the payment of the principal or interest due on this note, or any part thereof, do hereby expressly waive presentment for payment, notice of dishonor, protest and notice of protest, and agree that the time for the payment or payments of any part of this note may be extended without releasing or otherwise affecting their liability on this note, or the lien of any mortgage securing this note.

This note was executed in Franklin County, Ohio.

PAYOR

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John A. Doe

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Jane M. Doe

**Exhibit 2 - Markup Phase I**  
**PROMISSORY NOTE**

§[Note Amount]

[Execution Date - August 28, 2003]  
[Execution City], Ohio

FOR VALUE RECEIVED, the undersigned [Payor Name - all caps - could be more than one] (hereinafter [collectively - include if more than 1 Payor] referred to as "PAYOR"), promise[s] to pay to the order of [Payee Name - all caps - could be more than one] (hereinafter [collectively - include if more than 1 Payee] referred to as "PAYEE"), or holder, at [Payee Full Address], or at such other address as the holder hereof may from time to time designate in writing, the principal sum of [Note Amount - in text = Fifty Five Thousand and 00/100 Dollars] (§[Note Amount]) with interest thereon at the rate of [Note Interest Rate - text - could include hundredths of a percent] percent ([Note Interest Rate]%) per annum, payable in [Note Number of Payments - text] ([Note Number of Payments]) monthly payments of §[Note Payment Amount] commencing on the [Note Date of First Payment - 1<sup>st</sup> day of September, 2003], and continuing on the first day of each month thereafter with the entire outstanding balance of interest and principal due and payable on [Note Maturity Date - calculate this].

This Note may be prepaid in whole or in part, at any time, without penalty.

This note is secured by mortgage of even date herewith, executed and delivered by PAYOR, which is a lien on a certain parcel of real estate situated in [Secured Property County] County, Ohio, and more fully described in said mortgage.

If any installment of this note is not paid when due and remains unpaid for ten (10) days following the due date, such payment shall be subject to a [Note Late Fee - text] percent ([Note Late Fee]%) late fee. If any monthly installment under this note is not paid when due and remains unpaid for a period of thirty (30) days, the entire principal balance outstanding and accrued interest thereon shall at once be due and payable at the option of the note holder and such outstanding balance shall bear interest at the rate equal to [Note Acceleration Interest Penalty - text] ([Note Acceleration Interest Penalty]) percentage points higher than the original interest rate or [Note Accelerated Interest Rate - text - calculate this] percent ([Note Accelerated Interest Rate] %) per annum until paid.

All persons now or hereafter liable for the payment of the principal or interest due on this note, or any part thereof, do hereby expressly waive presentment for payment, notice of dishonor, protest and notice of protest, and agree that the time for the payment or payments of any part of this note may be extended without releasing or otherwise affecting their liability on this note, or the lien of any mortgage securing this note.

This note was executed in [Execution County] County, Ohio.

PAYOR

\_\_\_\_\_  
[Payor Name]

\_\_\_\_\_  
[Payor Name]

## Exhibit 3 - Markup Phase II

### PROMISSORY NOTE

[\$Note Amount]

[Execution Date - August 28, 2003]  
[Execution City], Ohio

FOR VALUE RECEIVED, the undersigned [Payor Name - all caps - could be more than one] (hereinafter [collectively - include if more than 1 Payor] referred to as "PAYOR"), promise[s] to pay to the order of [Payee Name - all caps - could be more than one] (hereinafter [collectively - include if more than 1 Payee] referred to as "PAYEE"), or holder, at [Payee Full Address], or at such other address as the holder hereof may from time to time designate in writing, the principal sum of [Note Amount - in text = Fifty Five Thousand and 00/100 Dollars] (\$[Note Amount]) with interest thereon at the rate of [Note Interest Rate - text - could include hundredths of a percent] percent ([Note Interest Rate]%) per annum, payable in [Note Number of Payments - text] ([Note Number of Payments]) monthly payments of \$[Note Payment Amount] commencing on the [Note Date of First Payment - 1<sup>st</sup> day of September, 2003], and continuing on the first day of each month thereafter with the entire outstanding balance of interest and principal due and payable on [Note Maturity Date - calculate this].

**ASK: Is there a prepayment penalty? If Y, insert this**

{ If this Note is prepaid in whole or in part, in advance of the payment due dates, the PAYOR shall pay a pre-payment penalty to Payee equal to [Note Prepayment Penalty - text] Percent ([Note Prepayment Penalty - text]%) of the outstanding balance of the loan as of the date of the prepayment.

**Otherwise, this**

{ This Note may be prepaid in whole or in part, at any time, without penalty.

**End Option**

**ASK: Is this note secured with real estate?**

{ This note is secured by mortgage of even date herewith, executed and delivered by PAYOR, which is a lien on a certain parcel of real estate situated in [Secured Property County] County, Ohio, and more fully described in said mortgage.

**End Option**

If any installment of this note is not paid when due and remains unpaid for ten (10) days following the due date, such payment shall be subject to a [Note Late Fee - text] percent ([Note Late Fee]%) late fee. If any monthly installment under this note is not paid when due and remains unpaid for a period of thirty (30) days, the entire principal balance outstanding and accrued interest thereon shall at once be due and payable at the option of the note holder and such outstanding balance shall bear interest at the rate equal to [Note Acceleration Interest Penalty - text] ([Note Acceleration Interest Penalty]) percentage points higher than the original interest rate or [Note Accelerated Interest Rate - text - calculate this] percent ([Note Accelerated Interest Rate] %) per annum until paid.

All persons now or hereafter liable for the payment of the principal or interest due on this note, or any part thereof, do hereby expressly waive presentment for payment, notice of dishonor, protest and notice of protest, and agree that the time for the payment or payments of any part of this note may be extended without releasing or otherwise affecting their liability on this note, or the lien of any mortgage securing this note.

This note was executed in **[Execution County]** County, Ohio.

PAYOR

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**[Payor Name]**

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**[Payor Name]**

## DO IT YOURSELF V. CONSULTANTS

After you've decided you want to implement document automation into your practice, you must decide whether to "do it yourself," hire a document automation consultant or a combination of both. Generally, you can save time and money by hiring a consultant. It takes time to become skilled at document automation and your time is valuable to the profitability of your firm. If you bring in a consultant, you benefit from the efficiencies and expertise from years of experience in working with firms like yours. Also, with a consultant you will have more predictable and controllable costs, the project will likely be completed more quickly, and the cost will be lower. On the other hand, you know your documents better than anyone else and if you are one who likes to get your hands into technology then automating your documents is a great way to do exactly that. Either way it is important to weigh the costs and benefits of both approaches and decide what works best for you.