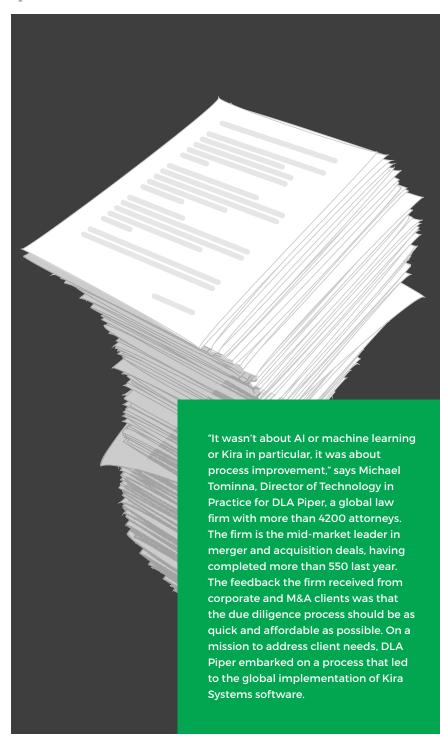


# **Contract Analysis: Software That Learns**

by Joe Davis



Leveraging the Lean Six Sigma methodology, DLA Piper assembled a team that included a project lead, the head of the corporate M&A practice, three other partners, three associates, and several staff members. This team ultimately produced standard M&A documents and templates, created standard phase and task codes, and mapped out their process based completely on the identification of best practices.

In addition to these deliverables, the team identified the application of technology as a key enabler of efficiency. After comparing the various AI-based contract analysis tools available in the market, DLA Piper found what they were looking for in the machine learning tools from Kira Systems.

### **About Kira**

Kira was founded by Noah Weisberg, who cut his teeth as an M&A lawyer at Weil Gotshall, and Alex Hudek, a Ph.D. in computer science who worked on the human genome project. "They partnered up and started what they thought was a few months' journey initially," according to Kate Boyd from Kira's marketing team. Though the pair quickly realized that there was a gap in the market for contract analysis software that they could fill, it took a couple of years to create that technology.

## **How It Works**

Kira handles first-level document review that had traditionally been performed by law firm associates. Once the documents for a given matter are loaded into the system, Kira takes care of identifying the type of document it is and marks the type of provisions or clauses that have been identified as relevant for that kind of matter.

Kira has 240 "out-of-the-box" models created by lawyers that cover standard use cases such as real estate contracts and regulatory documents, but users can create their own models by training the software to recognize language. Boyd compares this machine learning process to teaching children. "When your kids were little," she says, "you taught them the different ways words can be spelled, and the different rules for [spelling] them." The software learns that when it sees certain words or phrases organized in

certain ways, it should recognize it as a particular concept or provision. "Kira can learn a very complex legal concept with as little as 30 examples, which is part of what makes the algorithm so interesting and powerful."

## **Pilot**

In order to pilot Kira, DLA Piper's M&A team tested the software not only on four new deals but also on four deals that had recently closed. This allowed the team to compare Kira's results with the attorney-produced results that had already been delivered to clients Kira passed the test with flying colors. DLA Piper found that the software correctly identifies provisions at about a 90-percent rate. The software also builds a document summarizing all the provisions, another task that no longer needs to be done by an associate, which saves time and money. After a three to four month pilot phase, the team decided they had found their solution.

## Implementation

"Once the contract with Kira was signed, the implementation was simple," says Tominna, "because Kira runs on a cloud-based platform. When we wanted to start the pilot, they were ready to go in 12 hours."

"Loading the data, and getting the contracts ready to load is really the hardest part," Tominna continues. "Once it gets into Kira, it's fine and it works, and it does what they say it's going to do, but it's important to be mindful of 'garbage in, garbage out.' You need to make sure you have the right contracts, and the right format from the right place, and be sure that you've uploaded all of them." He compares the process to loading documents into an ediscovery platform, and says the firm might look to adopt a similar paradigm with Kira going forward.

## **Buy-In and Training**

Once the software was live, the next step was to communicate to the firm. A plan was put together for several ways to deliver the message about Kira, including large and small group meetings, team meetings, location-based meetings, and one-on-one meetings. "When you have all your ducks in a row

and explain what's in it for them, when you get that opportunity to show them, they're on board," says Tominna. The in-person meetings also provided the opportunity to address those who were concerned about the technology's potential impact on their career. "Kira doesn't practice law, but you do," Tominna responded. "You're the lawyer, so it's going to augment your ability to practice law. It does that, and it does it well, but it's still up to you to drive the process, advise the client and make sure everything is right."

Many of DLA Piper's partners and associates welcomed the innovation. "We've trained literally hundreds of attorneys around the globe," he says. "We have hundreds of projects and deals that are being worked on, and they're telling us that there are savings of anywhere to from 10 to 50 percent on the deals that they've used it on."

On one matter, the project team trained the Kira software on a particular provision using a sample set of 60 contracts supplied by the client. That process took about 10 hours over the course of a week. Then they turned Kira loose on another 1000 documents, and the software was able to identify that provision virtually 100 percent of the time, making the client very happy.

As a result of the efficiency gained through process improvement and applied technology, the firm has been able to win work that clients had previously been doing in-house because Kira allows the firm to do it more quickly and efficiently. The firm also has multiple examples of instances where demonstrating the technology to existing and potential clients was a significant factor in winning business.



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## A Partnership for the Future, Now

When asked about the reasons behind the success of the Kira adoption, Tominna points to the fact that the project was designed to meet a need that the attorneys were hearing about directly from their clients: that the due diligence needed to be as efficient as possible. He also believes that mapping out and understanding the process the attorneys were using was critical, rather than having the technology drive the process. "The Kira folks would even say that the reason we are so far ahead of any other firm in implementing Kira with the number of deals, the number of lawyers and the number of documents, is that we had it situated inside of our process, and that it worked for the lawyers—it works the way lawyers work. So I think that's the key to all of this. When it meets their needs, when you're talking their language, it almost becomes a no-brainer. It's been one of the most successful rollouts of technology that we've done because of those factors." P2P

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