

**Rethinking Corporate Counsel Business Processes - An Example**

**RETHINKING CORPORATE COUNSEL BUSINESS PROCESSES –**  
**AN EXAMPLE**

**A WHITE PAPER**

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**RETHINKING CORPORATE COUNSEL BUSINESS PROCESSES –**  
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**EXECUTIVE SUMMARY**

This paper provides an example of how corporate counsel business processes can be rethought by integrating XML, DRM, Web Services, IAM and BPEL. The example illustrates the following benefits to corporate counsel:

1. Reduce legal business process costs
2. Shorten times to complete legal processes
3. Strengthen security over legal documents
4. Improve customer satisfaction
5. Reduce litigation risk

A separate paper “[Five Reasons Why Corporate Counsel Should Rethink Their Business Processes](#)” is referred to for additional information on each of the technology components.

**INTRODUCTION**

This paper presents an example of how corporate counsel business processes can be rethought by using XML, digital rights management (represented by Adobe’s LiveCycle), IAM (Identity and Access Management), Web Services and BPEL (Business Process Execution Language). The technologies used are described in “Five Reasons Why Corporate Counsel Should Be Interested in XML, Web Services, DRM, IAM and BPEL”.

The examples used within this paper illustrates the following benefits to corporate counsel:

1. Reduce legal business process costs
2. Shorten times to complete legal processes
3. Strengthen security over legal documents
4. Improve customer satisfaction
5. Reduce litigation risk

## Rethinking Corporate Counsel Business Processes - An Example

### ACME CO.'S CURRENT LEGAL BUSINESS PROCESSES

Acme Co.'s corporate counsel examines their legal business processes. Here's what they find:

1. Online contract forms used by their customers are different than paper based forms. This is causing processing costs since customers who have used the paper based forms are often not filling in the online forms properly.
2. Different versions of legal contract forms, both paper and electronic, are being used in the enterprise. They would like to eliminate this and have everyone work from the most current contract forms.
3. Approval processes for customer contracts takes five working days. They would like to cut down the times to one day approval.
4. A lot of the contracts are being emailed back and forth between employees within the enterprise. Often, these are Word documents. There is a lack of version control on the documents. Further, a contract approver simply sends an email approving the document. There is nothing tying the approver to the actual contract to which they have approved.
5. Acme would like to start reducing the need for paper contracts being faxed, couriered and mailed out to suppliers. This would reduce processing costs and time delays in handling the contracts.
6. Contracts over a certain amount or, those being sent to certain companies in specified countries need to be examined by corporate counsel. Some times these processes are not being followed. Acme would like to enforce the policies better.
7. Acme Corporate Counsel has three legal firms they work with on a regular basis. Much of the documents are Word documents being emailed back and forth. Acme would like to have better security around the documents without slowing down the process.
8. Acme also realizes that many courts it's dealing with now accept electronic court filings. They would like to take advantage of this to reduce costs and time in getting information in and out of court documents.

## **Rethinking Corporate Counsel Business Processes - An Example**

### **HERE'S WHAT ACME'S CORPORATE COUNSEL DID**

Acme decided to standardize all electronic legal documents on Adobe LiveCycle. This offered them the ability to:

- Create electronic forms that exactly resembled the paper based forms
- Provides version control to any changes in the contracts
- Requires correct authorization approvers who can change the documents
- Allows for use of digital signatures if and when desired to attach an approver to the contract
- Uses XML allowing for easy extraction of document information out of the document and input into other enterprise applications

### **Standardizing Contracts and Shrinking Down Approval Times for Customers**

Now customers can fill in online contract forms that exactly resemble the paper based forms they were already used to.

Next Acme designed the following process for approving customer contract forms. They found out that the current process involved having the online forms emailed to a person for consideration. The contract approver would often have the forms sit in their email box for one to three days before getting to review the contract.

The review process would involve the approver checking the CRM to see if the customer applying for the form was already a customer, then if they were, then accessing the ERP application to see if their credit limit was acceptable. If so, then the approver would approve the contract or, make some modifications to the contract based upon the customer's previous credit history.

If the credit limit wasn't acceptable, the approver would then forward the electronic or paper based contract to their superior asking for either rejection or approval. The superior would often let the contract sit in their inbox for a day or two before getting to approve the contract. They would themselves recheck the CRM and ERP. As well, in some cases where the contract limit was 10% above the customer's current credit limit, they would then make a separate query to a financial data store seeking more information with which to either approve the contract, amend the contract or reject it.

For those new customers, the approver would query an outside database to approve the customer's credit worthiness. Then they would either approve the contract, amend the contract or reject the contract.

To address this process, Acme used BPEL (Business Process Execution Language)(Refer to [“Five Reasons Why Corporate Counsel Should Be Rethinking Their Business](#)

## Rethinking Corporate Counsel Business Processes - An Example

[Processes](#)” for more information on BPEL) to create a series of business process events. When the online Adobe LiveCycle form was submitted, BPEL would automatically extract the customer’s name and other information (using XML) and immediately do a query against the CRM’s web service. CRM would then return to BPEL if the customer was already an existing customer or not.

If BPEL received back a response that the contract application was from an existing customer, it would automatically query the ERP’s web service for specific financial information about the customer. It would then take this information and submit it to a role called “contract approver”. (The same role received the electronic contract from BPEL if the applicant was not yet a customer of Acme’s).

The role “contract approver” was approved by Human Resources. Five people within Acme have this role. BPEL would query the IAM (Identity and Access Manager) web service for who had this role currently and forward the contract to the five people. When one person accepted the contract, the other approver roles would see that the contract was already under review and wouldn’t proceed to work with the contract.

For those contracts coming from new customers, BPEL would automatically query the outside credit agencies web service for the customer’s financial information. When the credit worthiness was very bad, BPEL would automatically reject the contract and send the applicant a standard email. Where the credit worthiness was acceptable, BPEL would then send the credit information to the contract approver for final human consideration.

When the contract approver began their review they would have the electronic Adobe LiveCycle document as well as information from the CRM and ERP if applicable and/or the credit check from the outside agency. They would approve the contract, amend the contract or forward it to their superior for review or reject the contract. If the contract was rejected, BPEL would automatically create an email to be sent out to the customer informing them of this along with any comments from the contract approver.

If the contract was submitted to a superior for reconsideration, BPEL would submit the form to Betty Jones, Contract Approver’s Manager, for consideration. BPEL would do a query on the ERP and return additional information that it would submit to Betty along with the electronic contract form. Betty would either accept the contract, make amendments or reject the contract. If Betty Jones didn’t respond in two days, then BPEL would resubmit the forms to Betty’s boss, Wendy Smith.

The entire business process of accepting a contract was shortened down from five days to one for most contracts and two to three days for those contracts requiring additional approval.

## Rethinking Corporate Counsel Business Processes - An Example

### Enterprise Version Control Over Legal Documents

Corporate Counsel assigned three people rights to edit and change a variety of standard legal documents the enterprise used. These rights were assigned in Adobe's LiveCycle and the individuals were defined in the Identity and Access Management systems.

ACME Counsel began working to:

- Create document policies within Adobe LiveCycle or,
- Create web services within the enterprise that called out to the data store where the electronic Adobe documents were stored

By doing so they were able to do the following:

1. Able to ensure access to the correct version of the legal documents.
2. Apply different security measures to the electronic documents. For instance, many of them were simply filled in and sent to various departments. However, for some of the legal documents, encryption of the attached information was required. For others, a digital signature of a manager was required. Security standards were thus automatically addressed based on enterprise risk.

### Digital Contract Standards Defined

Acme's Corporate Counsel together with IT agreed on XML schemas to be used in digital contracts. A schema is a map of agreed upon definitions of information within the contract e.g. Company Name means the name of the company, etc. This is important since suppliers need to know what Acme means in a contract such that they can extract the information out of the contract in XML and insert it into their own legal and other enterprise applications.

Wherever possible Acme adhered to eContract standards set by OASIS (see the paper [“Five Reasons Why Corporate Counsel Should be Interested in Rethinking Their Business Processes”](#) for more information on OASIS Legal XML standards efforts). Since eContract standards are currently being worked upon within OASIS, Acme would inform it's suppliers of the XML schema it would currently use. It also informed them that as the eContract standards emerge from OASIS that these would be adhered to.

Acme also decided to issue all electronic contracts using Adobe's LiveCycle. Each contract would be digitally signed by Acme. Further, all contracts would be sent encrypted. Suppliers could download Acme's public key. The contract would be encrypted such that only Acme's supplier's using their Acme public key could decrypt the contracts.

In practice this was relatively easy to set up. In the early days, Acme experienced some calls from suppliers wanting to know how to decrypt the files. They were directed to the Acme supplier's web page where they were able to download Acme's public key. As time progressed, the number of calls on this dramatically declined.

## **Rethinking Corporate Counsel Business Processes - An Example**

Any changes to the contract were also controlled by Acme. Only authorized persons could make changes to the contracts under LiveCycle policies. Version control was always adhered to by LiveCycle.

### **Contracts Needing Acme Counsel Review**

Acme began identifying the business processes where contracts were currently being sent without review but requiring it because of contract amount and/or country to where the contract was being contracted to.

In many cases, the business process was rethought using web services. BPEL was used in these instances in order to set up queries on the contracts looking for amounts where the contract required approval or where the country in question required contract review. By using Adobe LiveCycle documents, BPEL was able to examine specific XML fields. If it found that the fields contained amounts over a certain amount or identifying countries requiring approval, it would automatically stop the processing of the contract and send the contract to four people identified by Corporate Counsel for review.

If the review hadn't completed in five days, BPEL would then send a reminder and if still not reviewed in seven working days would send the contract to their senior manager.

This process enabled Acme to cut down contracts being sent out without review by over 80%. In some processes, where they were unable to convert them to web services, it still enabled certain individuals to send the contracts out via email. However, Acme identified the personnel involved and worked with them to change their own business practices.

### **Working with Legal Firms**

Acme assigned public and private encryption keys to its corporate counsel staff. It then required them to give out their public keys to the legal firms it regularly works with. All email going back and forth between Acme and the firms would thereby be encrypted. Since this could be easily built into the email process, it was quick and easy to install.

Next, it required the legal firms to agree to use Adobe LiveCycle at some point in the contract process. Word documents would be acceptable until the documents became ready to be converted for review. At this point, they would agree to use Adobe LiveCycle to:

- Agree on who can create the documents
- Who can view the documents
- Who can edit the documents
- Version control of the documents
- Apply digital signatures to the documents when required

These processes didn't slow down the existing work between Acme and the firms. It provided enterprise security standards to the legal documents.

## **Rethinking Corporate Counsel Business Processes - An Example**

### **Court Document Filings**

By using Adobe's LiveCycle Acme's Corporate Counsel was able to easily send court filings electronically as XML to the courts. It also enabled them to quickly extract information from court documents and insert the data into relevant Acme applications.

### **Reduce Litigation Risk**

Acme's Corporate Counsel was able to reduce litigation risk by:

- Enforcing approval standards in customer contract applications (LiveCycle, IAM and BPEL)
- Enforcing legal document security (LiveCycle and IAM)
- Enforcing security policies in web services (IAM and BPEL)
- Providing stronger security over communications when legal documents are being used (LiveCycle and IAM)

## Rethinking Corporate Counsel Business Processes - An Example

### CONCLUSION

What has been presented is realistic in today's enterprises. Rethinking corporate counsel business processes enables:

1. Reducing legal business process costs
2. Shortening times to complete legal processes
3. Strengthening security over legal documents
4. Improving customer satisfaction
5. Reducing litigation risk

What has been presented shouldn't be seen as a panacea for all enterprise legal processes. Some of the enterprise infrastructure may be weak. Role definitions may be currently poorly maintained within HR and the IT IAM systems. This may require workarounds when using BPEL and IAM. Some or any business processes may take some time to convert to web services either technically or politically. Other business processes may not be cost effective to convert to XML and/or web services.

The good news is that there are many business processes within your enterprise where the benefits are obtainable. Almost all vendors support the global standards in XML, web services and IAM. Standards also exist for digital signatures.

Your enterprise already likely has many of the components in place to achieve the benefits outlined above. These include:

- IAM infrastructure
- XML document support
- Perhaps some web services
- Use of Adobe Acrobat PDF documents

To achieve the benefits your enterprise will need to acquire:

- Adobe LiveCycle
- BPEL server
- Perhaps IAM support for web services if your vendors product hasn't been upgraded yet

These are all available cost effectively. Further, the costs can be borne across the enterprise and not by corporate counsel since all parts of the enterprise benefit from this.

## Rethinking Corporate Counsel Business Processes - An Example

For more detailed information on corporate counsel business process reengineering, please refer to [“Five Reasons Why Corporate Counsel Should Rethink Their Business Processes”](#).

Papers you may wish to review covering business benefits to other parts of the enterprise include:

- [“Six Reasons the COO Should Be Interested in BPEL, IAM and DRM”](#)
- [“Saving Operating Dollars Using BPEL, IAM and DRM”](#)
- [“Rethinking HR Business Processes”](#)
- [“The Challenges With Using BPEL”](#)

### **ABOUT THE AUTHOR:**

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