

# Asset Manager Gains Visibility into Contract Data and Minimizes Risk

*The Enterprise Impact of Implementing an Intelligent Contract Management Solution in the Financial Services Industry*

## **Introduction:**

Headquartered in the Greater New York area, this leading asset manager services a wide array of institutional clients, including foreign governments and central banks, corporate and public pension funds, university endowments and charitable foundations.

## **Challenges:**

The investment management firm faced three key business challenges: Contract Management, Obligation Management and Regulatory Change Management.

Like many financial institutions, this asset manager's contracts were housed in disparate locations, filed in varying states of completeness and OCR visibility. They needed to create a central repository for all of their legal contracts. A large-scale OCR plan was in the works, but lacked a tool to organize the documentation without requiring cumbersome naming conventions.

In addition to a smart storage facility for documents, the firm wanted a better way to quickly and easily access contract data, especially during a crisis. They needed a tool to capture critical terms embedded within their documents, such as the numerous side letters that accompany many of their client agreements. This would enable them to comply with all obligations by providing the ability to quickly and easily retrieve data for analysis, review and action.

In the face of ongoing regulatory changes, the firm had to take on more compliance and reporting overhead. Their existing manual method for identifying and managing legal contract terms was expensive both in time and resources. They needed the ability to find relevant documents immediately and respond quickly to regulatory changes with terms that could have major implications for their business.

## **The Exari Solution:**

After issuing an RFP for a Contract Management solution and conducting a thorough review of available technologies, the firm knew Exari would provide the best solution for them. Their initial plan also included working with an OCR vendor to scan legacy contracts. However, Exari demonstrated that a better approach would be to additionally leverage our Document Assembly tool to facilitate a guided interview-based process to capture and validate legacy contract data.

Once data was captured and stored, users could easily search agreements for specific terms, extract those terms and respond to situations more effectively. This improved visibility across all client relationships, enabling them to enhance negotiations and minimize risk moving forward. Triggers and alerts could also be generated either manually or automatically to help the firm comply with its responsibilities and increase client satisfaction.

In addition, the solution's ability to support a wide variety of complex industry documents – documents with multi-level, nested clauses, fallback positions, etc. – meant that the asset manager could now house all of its documents in the same system. This enabled users to respond more intelligently during negotiations and adapt more quickly to industry changes.

## Benefits

Once the solution was fully implemented, the asset manager realized the following benefits:

### Risk Management

- Established transparency for specific terms (for example, NAV decline thresholds), so fluctuations can be tracked and acted upon
- Improved downstream decision-making enabled by higher quality master agreement data
- Minimized the legal risk associated with agreements by using centrally stored templates that eliminated the need for personnel to maintain local, potentially outdated copies

### Information Management

- Reliable access to timely information
- Ability to track agreements where negotiators deviated from standard or default positions
- Reporting that helps the firm shift strategy mid-negotiation
- Audit trails that demonstrate compliance and identify the status of individual agreements by stage and sign-off, eliminating the need to manually create these reports

### Efficiency

- Dramatically decreased the time it takes to respond to regulatory or other external changes by enabling users to search the firm's contract portfolio for client-specific terms and text
- Increased uniformity of data between different stakeholders involved in decision-making
- Exari's Roundtripping™ collaboration functionality improved each department's ability to review documents and provide input/feedback
- Improved turn-around times from hours to minutes for analyzing terms within agreements
- Eliminated the need to check first drafts and re-check amended versions
- Enhanced the ability to store the company's collective knowledge about the negotiation process in templates, rather than inside 'peoples' heads
- Enabled legal operations staff, instead of attorneys, to enter contractual terms through the sophisticated interview process

## ABOUT EXARI

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Exari is the market-leading Enterprise Contract Management platform for delivering 100% Contract Certainty™. Hundreds of thousands of users across 80 countries use Exari for contract creation, negotiation, contract analytics as well as for strategic sourcing. Five of the top fifteen global banks, four of the world's top insurance brokers, and numerous market-leading energy companies use Exari.

Exari is headquartered in Boston, Massachusetts with offices in Oslo and Bergen, Norway; London, UK; Munich, Germany; and Melbourne, Australia. Learn more at [www.Exari.com](http://www.Exari.com).