

# Microsoft's NDA Project

*Exari Match helps Microsoft's Legal department to speed up analysis of thousands of legal agreements to identify those still valid*

## Introduction

Microsoft had nearly 34,000 non disclosure agreements (NDA's) with suppliers, partners, key customers and others worldwide, some dated from 2000 which made it difficult for the legal team to identify which were still current. To assess the validity and risk of these documents, a project was set up to analyze the NDA's against a set of criteria, separating them into two categories of 'Approved' or 'Not Approved'.

## The Problem

Short of reviewing each document individually by eye there seemed to be no quick solution to the problem. The legal expert in charge, Jeff Holifield, of Microsoft's Legal & Corporate Affairs team, estimated that it would take a proficient paralegal about 10 minutes to review each document and so for 34,000 – this would take nearly 3 man years to sort through.

As Microsoft's managers generate 'approved' NDA's themselves, they were often finding the NDA tool difficult to use with too many redundant or expired agreements resulting in the creation of yet another NDA for the same organization.

## The Solution

To ensure Microsoft's internal staff could quickly and easily "self help" with NDA's, senior Microsoft legal staff and 4 former Microsoft Legal and Corporate Affairs ("LCA") staff ran the project, which was part of a larger programme to streamline and optimise the legal team's workload.

Microsoft began by identifying a partner with the relevant technology and expertise to help progress the project and who would provide early results quickly and cost-effectively. Fortunately, Robin Clawson, Microsoft LCA Senior Attorney and CPE Senior Lead, had already used Exari Match for 18 months and she thought it might be a solution. She decided to investigate, with



Exari, the company that develops intelligent software to make sense of complex legal documents, whether their software could help her team achieve its goals.

A sample of 1500 documents was sent for preliminary analysis to Exari who identified that the agreements contained some unexpected characteristics and much historic deviation from the six different base templates. With this input the Microsoft team identified approval criteria and defined the review process.

Ambitiously, the team agreed a plan to complete the project within 3 months, obviously much quicker than had been anticipated.

Jeff Holifield, LCA, leading the project said: "The Exari Match software was essential in sorting through the mound of data that we had. Because we solved this problem in a fraction of the time we estimated, as well as being ahead of schedule, we also saved over a six figure sum."

## The Process

The NDA's were divided into bundles of 1000 – 3000 documents; each para-legal consultant was allocated one or more of these bundles; they typically worked on these pdf and scanned image documents in batches of approximately 150 – 175 at a time.

They used Group view to cluster the agreements by similarity and to identify which template version most closely resembled the docs within each group. Commented Karen Patton: "Using Match meant that we could quickly group the documents and so would know what we would probably be seeing in all the others in this group, such as a different language or invalid date. It was very helpful in speeding up the process."

After putting all the NDA's into groups, each reviewer used Exari Match for a side-by-side comparison view to identify variance against the base template. Using Exari's sophisticated navigation and search capabilities they were able quickly to review these changes and to assess the agreements against the approval criteria.

Karen Patton, who alone reviewed about 65% of all the documents said: "With Exari Match I looked at each NDA and compared it to each base document and for some it took maybe 15 or 30 seconds, because it was so easy to see if there were any differences."

She added: "When I used the side-by-side view - any variations were immediately visible in the side bar as it provides an at-a-glance view of the whole document. If there were no changes except the name in the signature block, I could complete my review in as fast as 30 seconds – but the average time we took was just under 1 ½ minutes per document!"

## The Results

The process involved marking each NDA document as 'unapproved' or 'approved' and by the end they had found fully 25% of the total was unapproved. The reasons for not being approved varied and for the 'unapproved' agreements, Microsoft decided not to change them immediately, but to wait until managers again requested an agreement, at which point the NDA tool could be used to create a new, approved one.

Commented Karen Patton: "What we found most significant was the number of multiple NDA's with the same party – in one case there were **90 different agreements in existence**. Once we had reviewed all the documents and put the findings into a spreadsheet and ordered them alphabetically - it was really brought to light."

During the process another 8000 agreements were identified and these were easily analyzed within 3 weeks. The final aim of the project is to use the knowledge learned from the exercise to upgrade and perfect the 'self-service' NDA Tool application to make it easier and clearer for managers to use. Until the NDA tool is fixed, Karen will continue using Exari Match, the "perfect tool for this project".

## The benefits to Microsoft

Using Exari Match, the team rationalized the whole 34,000 agreements in 3- 4 months and now have a database of valid, legal agreements.

Exari Match enabled the Microsoft team to quickly assess the NDA's against approval criteria and to "cleanse" the NDA database of duplicate, redundant and expired agreements. This will make the NDA tool much easier for Microsoft managers to use going forward, enabling them to see just the one agreed NDA per customer instead of up to 90 possibles.

*"Match is a perfect tool for this to show us what the differences are"*

## ABOUT EXARI

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Exari delivers the most complete Enterprise Contract Lifecycle Management platform, used every day by market-leading companies to understand all aspects of their contract ecosystem worldwide. With Exari, customers can reduce contract risk and improve operating efficiency with 100% Contract Certainty™.

