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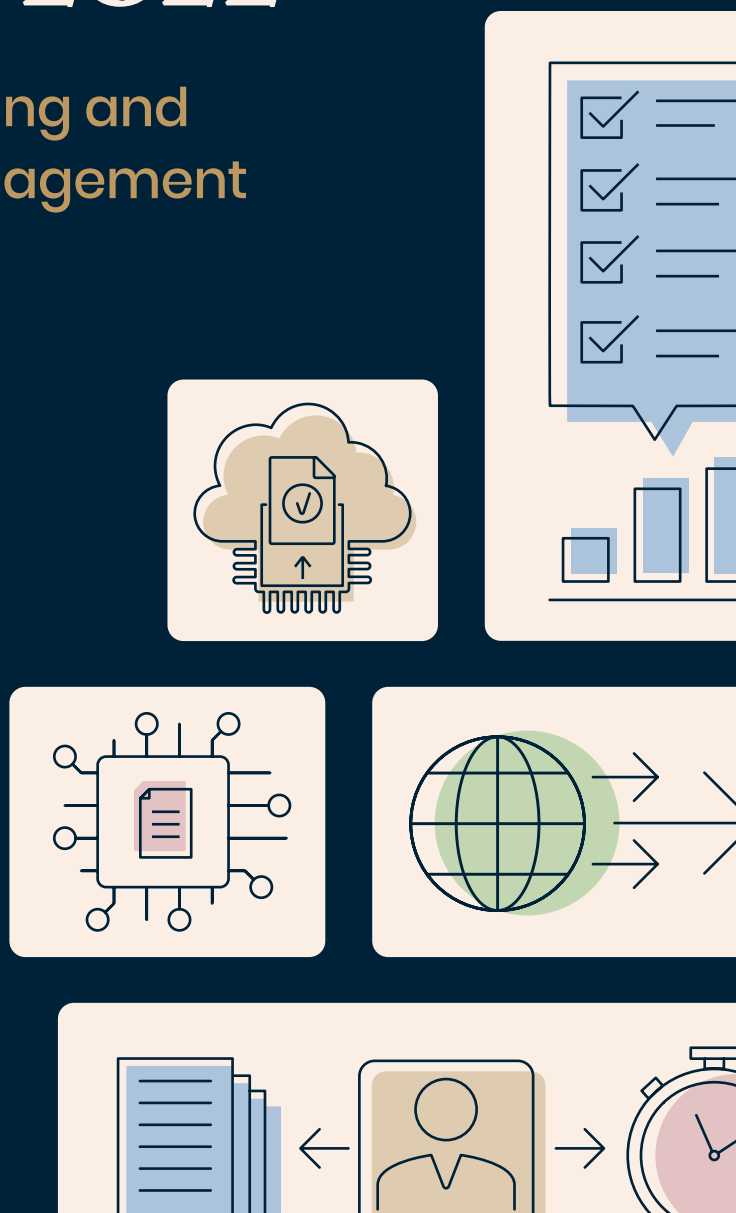
The State of Legal Technology 2022

Key Findings in the Outsourcing and Automation of Contract Management



Methodology & demographics

Ontra commissioned Wakefield Research to collect and analyze data from a targeted audience. The survey's respondent profile is as follows:

- 1,000 business and legal professionals
- Employed at companies in the Financial Services, Healthcare, Real Estate, Technology, Government, Education, Energy and Entertainment industries
- Possesses a role specifically relating to managing routine contracts: CCO, CFO, COO, CLO, general counsel, associate general counsel, partners, senior associates, asset managers, associates, and junior associates
- Employer does business in the US, UK, Hong Kong, or Singapore
- Company sizes ranged from 50-1,000 employees with legal teams of 1-15

The purpose of the survey was straightforward: to understand how enterprises manage routine legal contracts in order to identify gaps, trends, and opportunities in legal contract workflows. In this survey, respondents were asked about a variety of aspects related to routine contracts, ranging from task ownership and the opportunities to automate or outsource, to budget considerations and the impact of technology on contract processes.

Summary of findings

This multinational third-party survey spotlights the current state of contract negotiation by exploring the management of routine legal contracts—like non-disclosure agreements, joinders, and engagement letters—and the extent to which businesses are (or aren't) outsourcing or using technology to automate workflows and to improve process efficiencies.

The inaugural annual survey found that 71% of respondents have seen their routine contract work rise in the last six months, in large part due to an increase in business growth. It also revealed that 64% of respondents say routine contract work negatively impacts workplace morale. To combat the strain of a heavy load of contract work in 2021, 76% of respondents outsourced their routine contracts in 2021 to a legal technology provider, alternative legal services provider, outside counsel, or a combination of the three. Of those respondents, 97% found contract outsourcing effective, ranking more time for higher-value work and faster reporting speeds as the top benefits.

Respondents indicated that their businesses will continue to invest in outsourcing routine contracts in 2022. Given that 92% of respondents believe it would be beneficial if more contract management processes were automated or outsourced, it's not surprising that nearly eight in ten respondents plan on increasing their investment in automating or outsourcing contract management processes in 2022 versus only 2% that said their investment will decrease. Of those increasing budgets, two in three respondents will dedicate additional funds to technology and tools for automating or outsourcing contract management processes.

Presentation of findings

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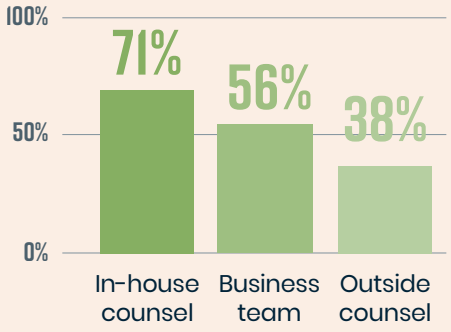
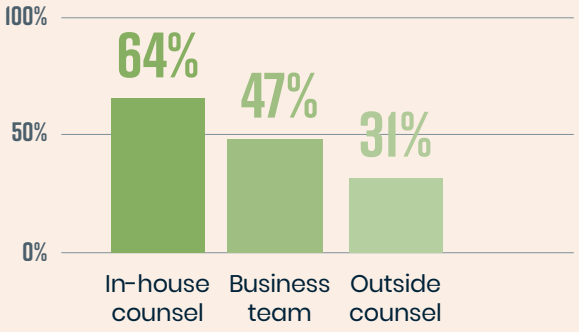
SURVEY

Who negotiates and manages your routine legal contracts at your company?



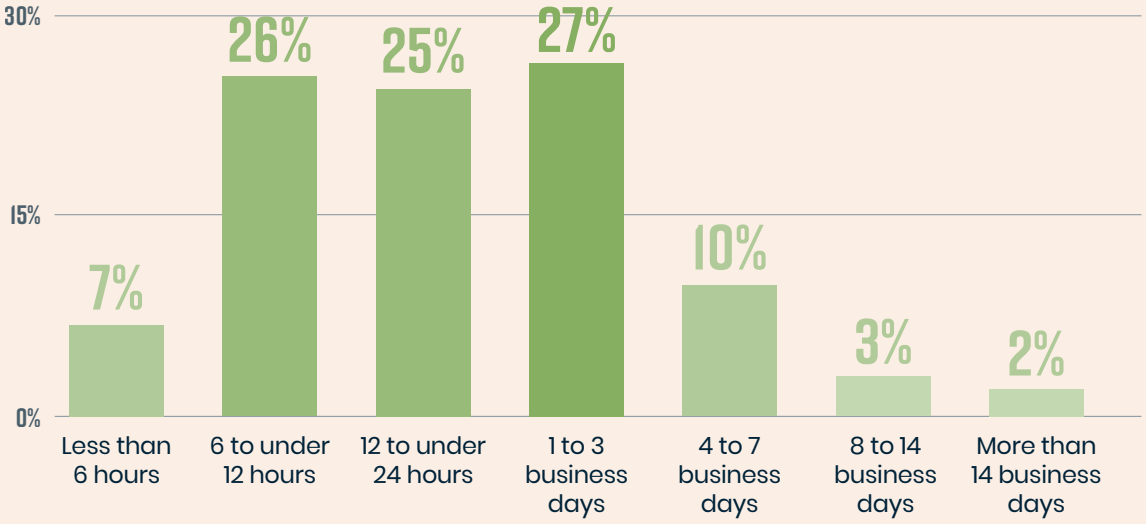
SURVEY

Ideally, who do you think should be in charge of negotiating and managing routine legal contracts at your company?



SURVEY

What is your first-round turnaround time for routine contracts, on average?



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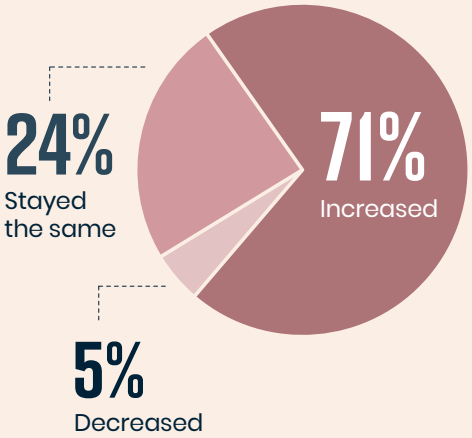
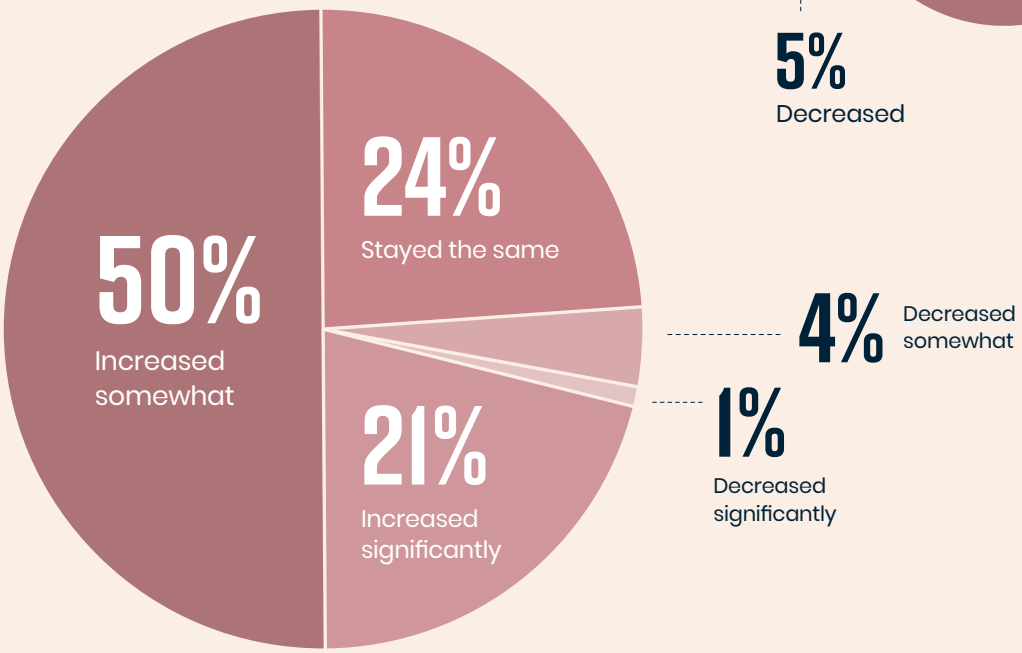
SURVEY

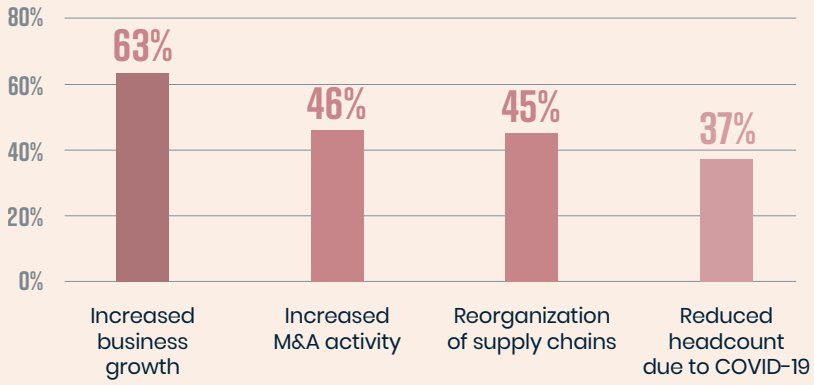
To what extent, if at all, has the amount of routine contract work changed over the last six months?





SURVEY

Why has the amount of routine contract work increased over the last 6 months?



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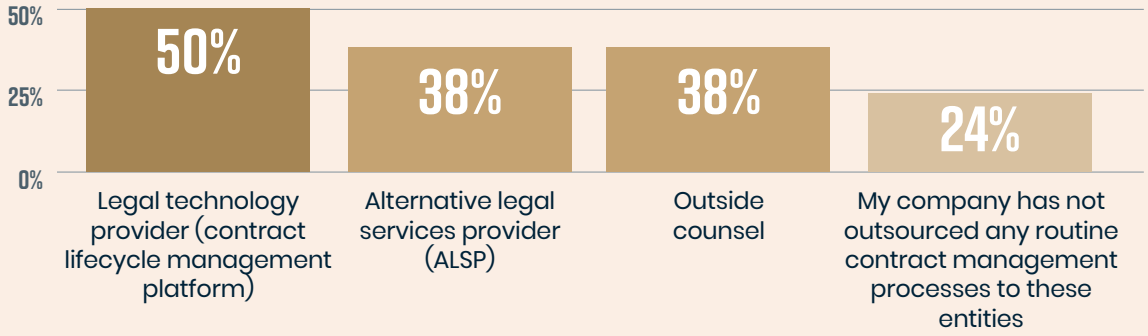
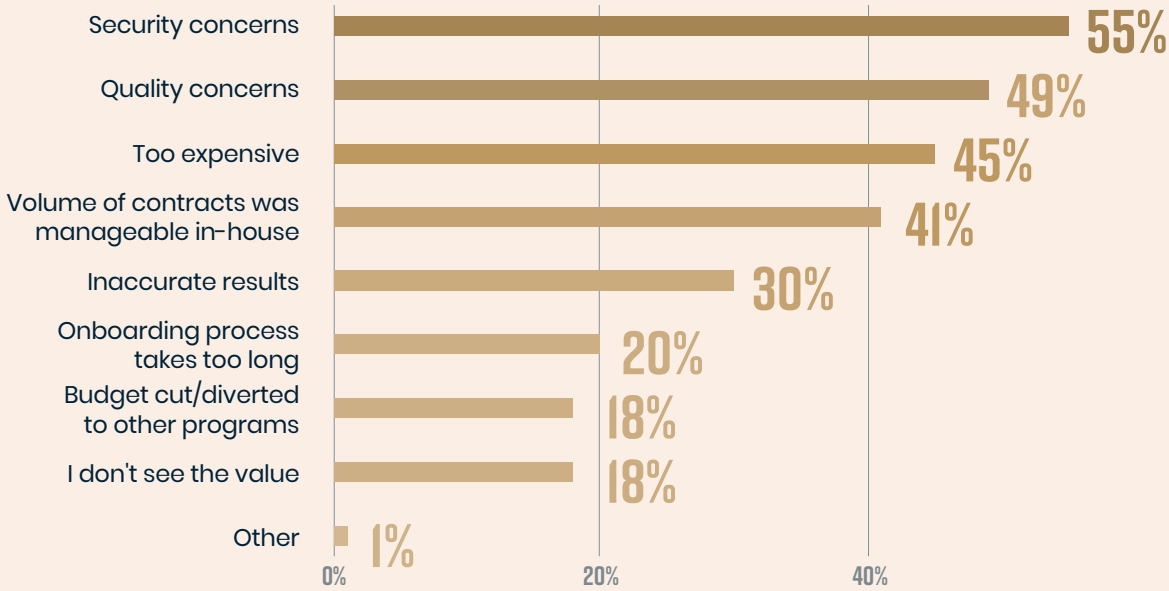
SURVEY

Has your company outsourced routine contract management processes to any of the below entities in 2021?



SURVEY

Why has your company not outsourced routine contract management processes in 2021? *(Asked among those who have not outsourced routine contract management processes.)*



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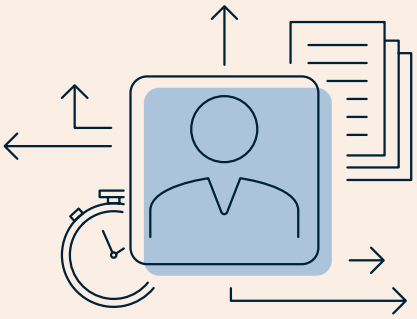
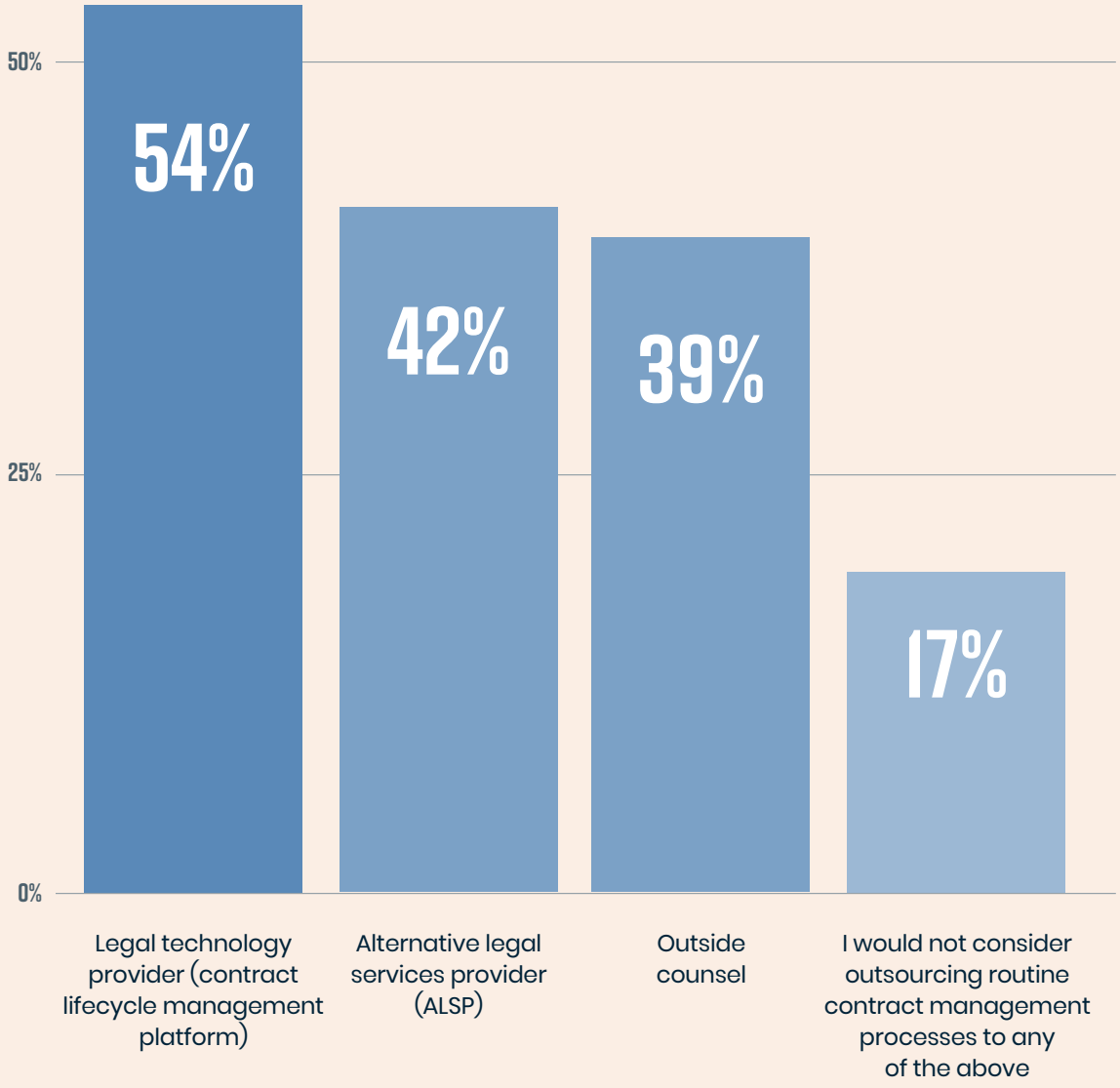


SURVEY

To which entities, if any, would you ever consider outsourcing routine contract management processes in the future? (*Asked among those who have not outsourced routine contract management processes.*)



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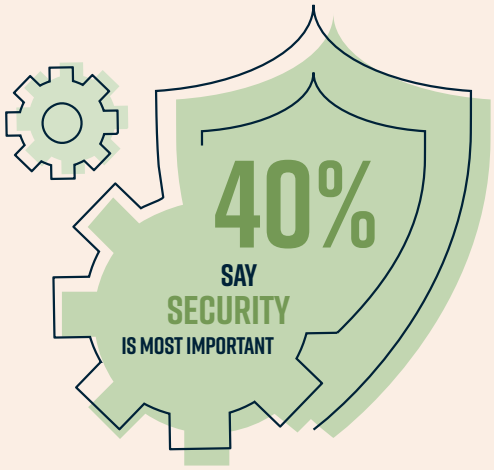
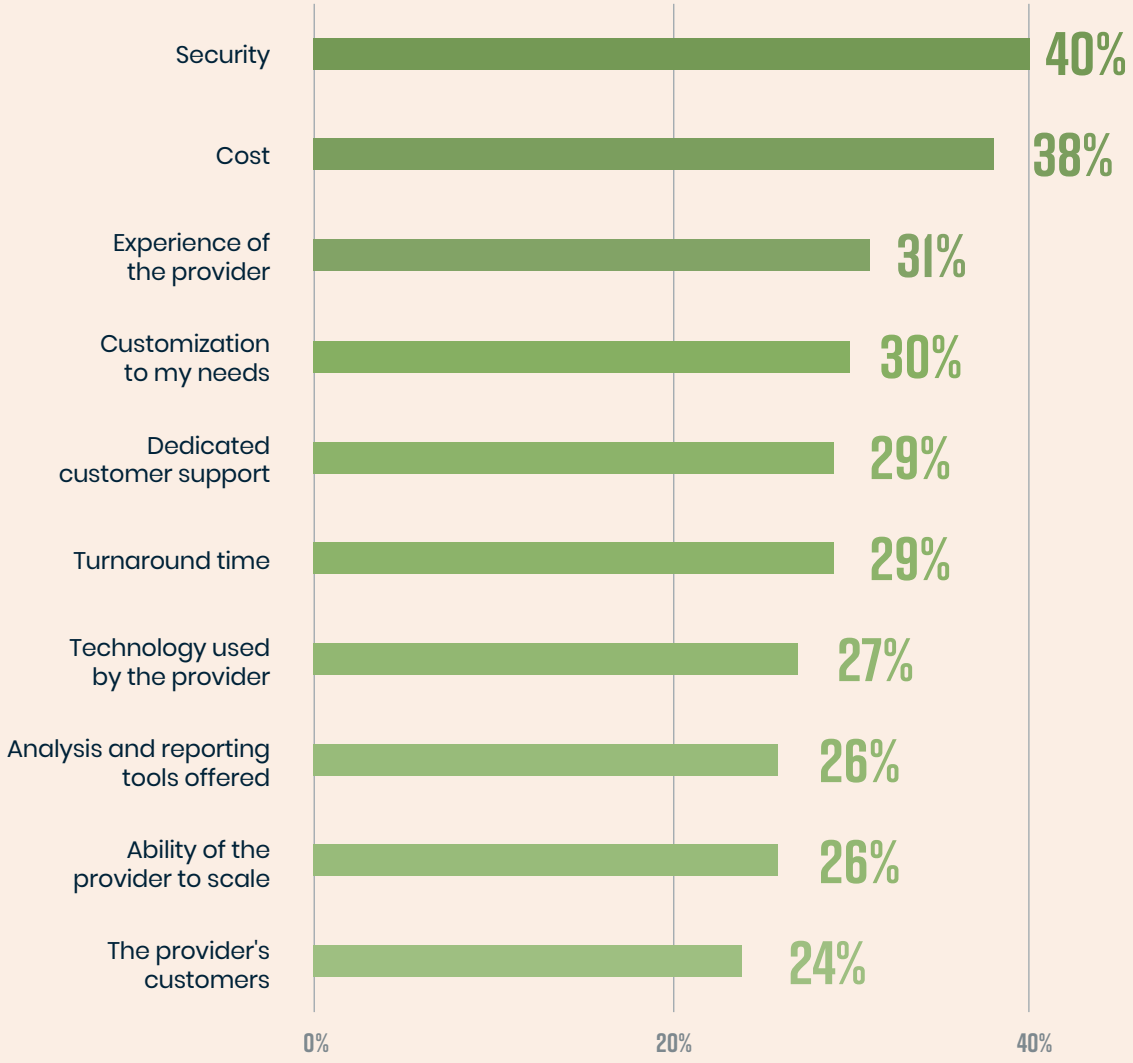
SURVEY

What criteria are most important if you were to consider a provider to outsource contract management processes? *(Asked among those who have not outsourced routine contract management processes. Top three ranked responses pictured.)*





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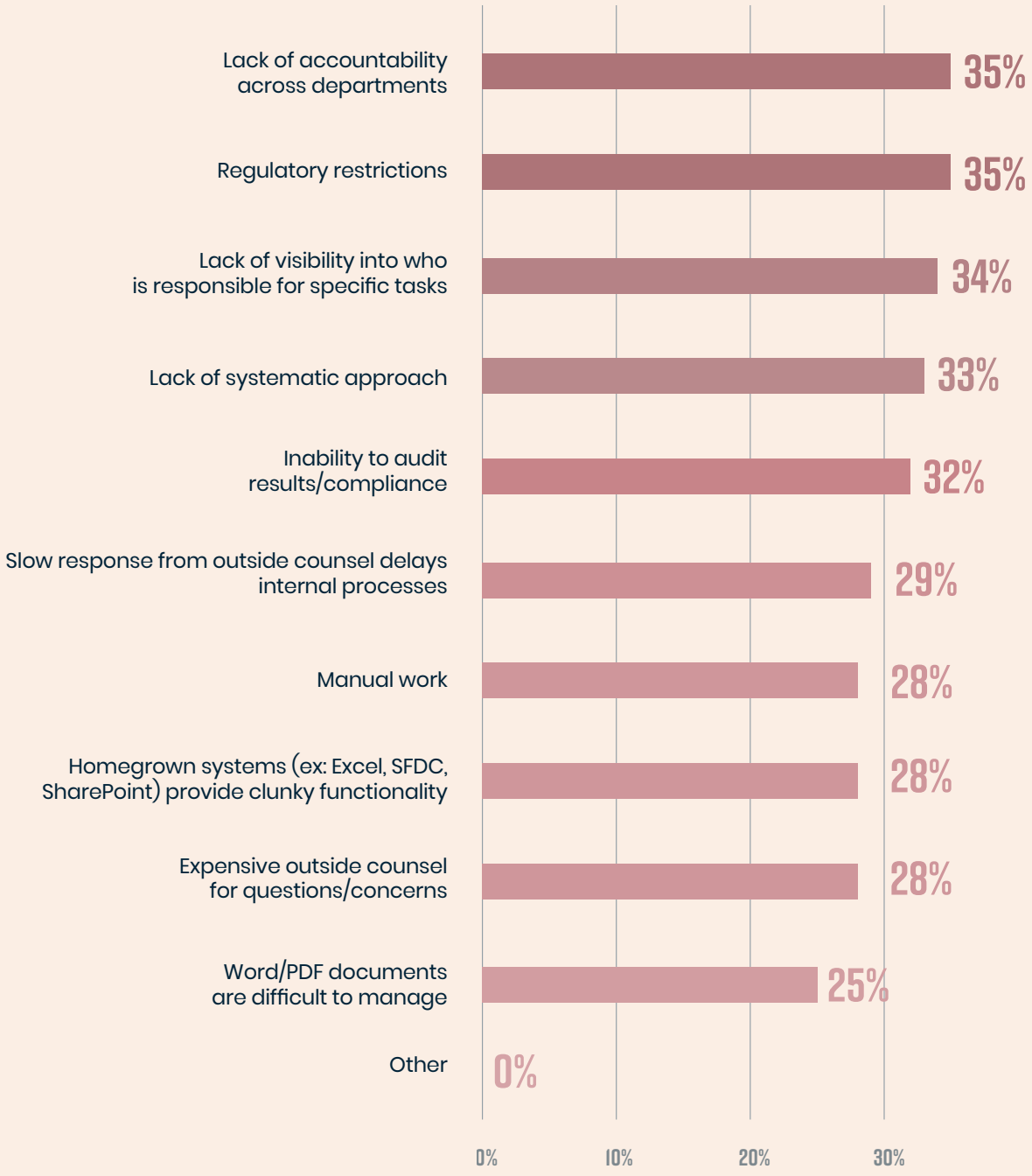
SURVEY

Which of the below, if any, are the major challenges for your legal team when it comes to routine contracts?



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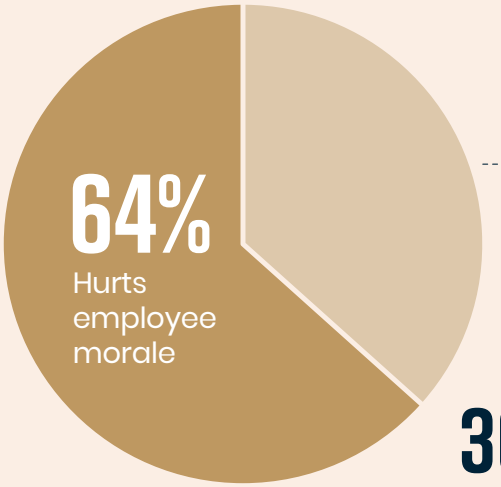
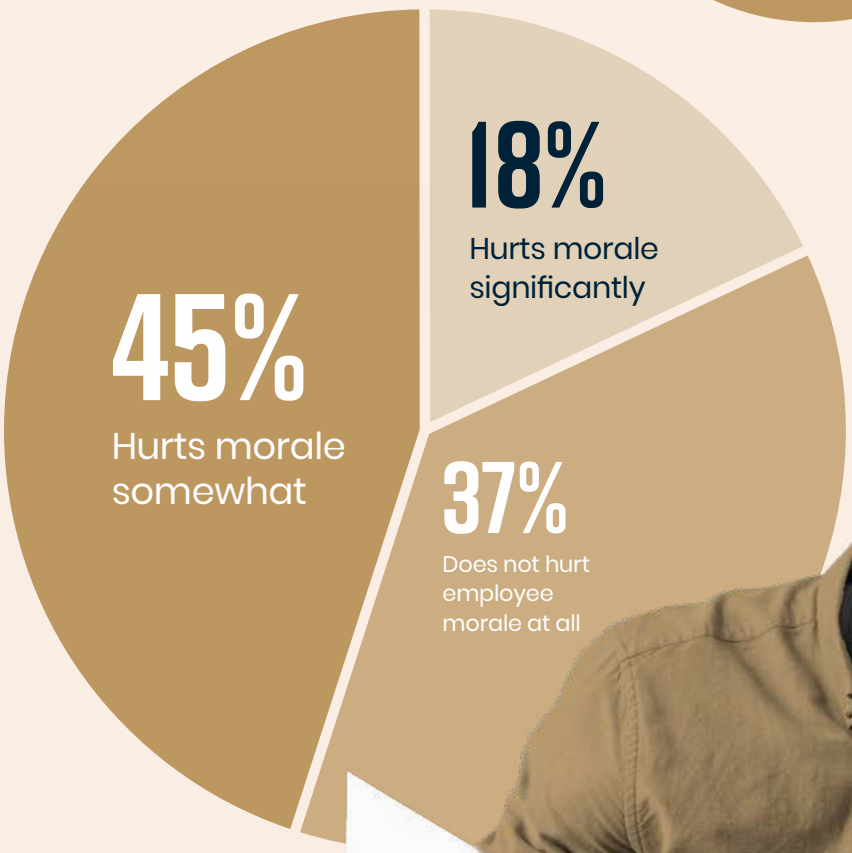
SURVEY

To what extent, if at all, does routine contract work impact employee morale?

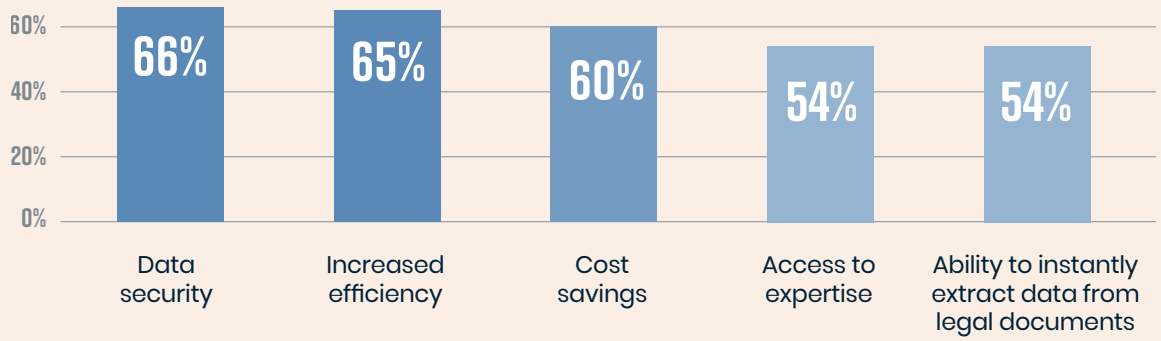


36%
Doesn't hurt employee morale



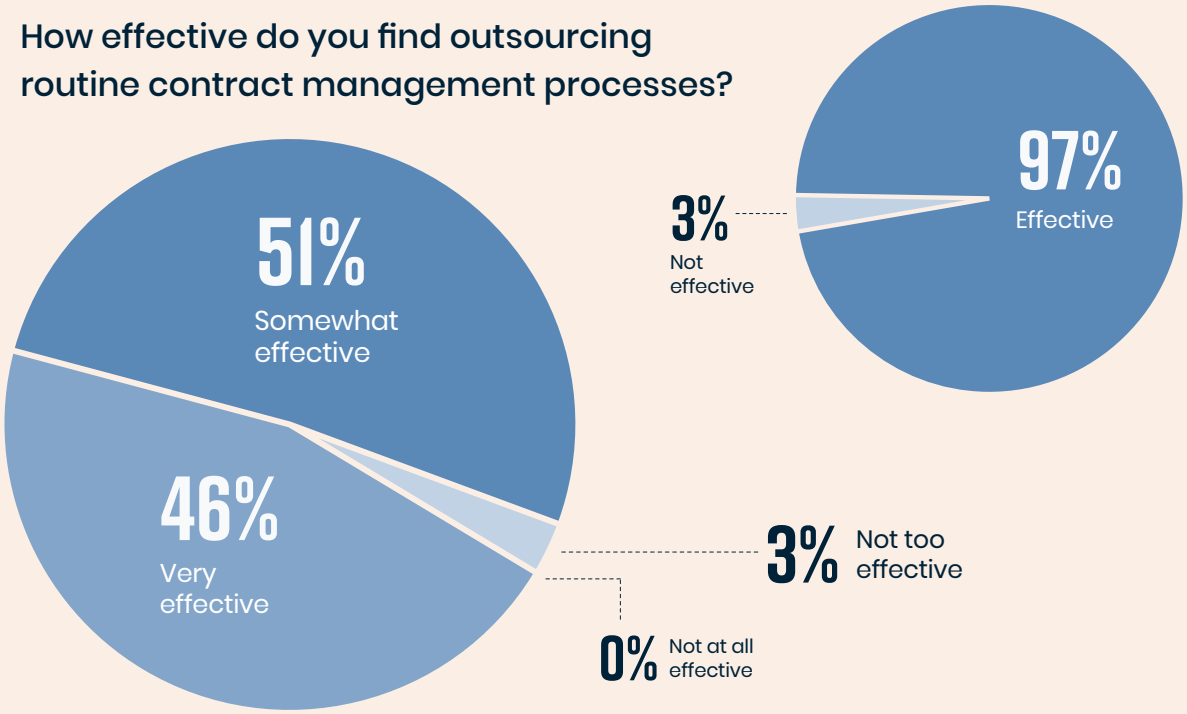
SURVEY

Which of the below benefits would be most valuable to you if you were to find the perfect solution to manage your routine contract management processes? *(Top three ranked responses pictured.)*



SURVEY

How effective do you find outsourcing routine contract management processes?



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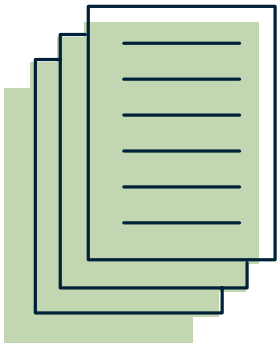
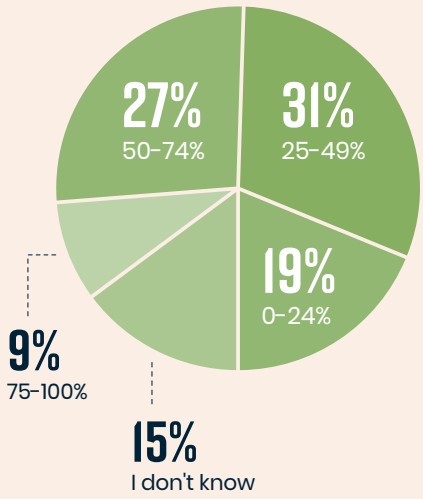


92%

say it would be beneficial to their business if more contract management processes were automated or outsourced.

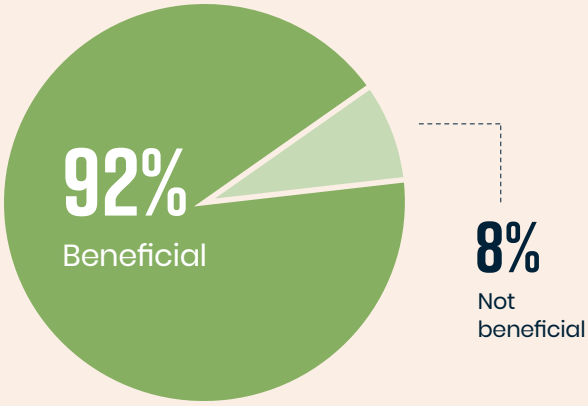
SURVEY

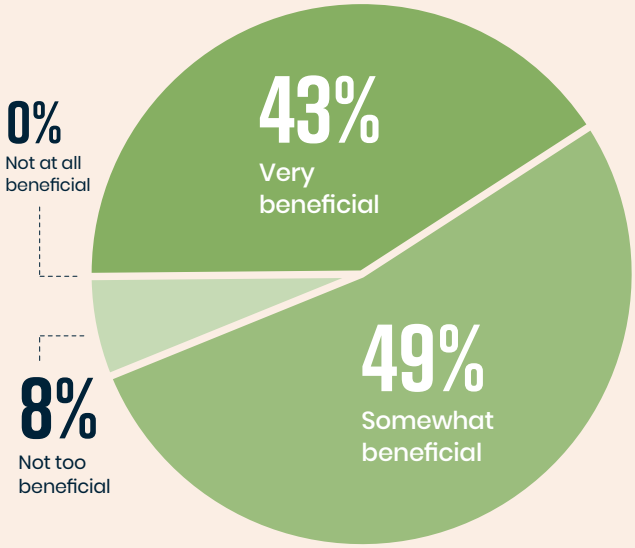
What percentage of your contract management processes is either automated or outsourced?



SURVEY

How beneficial, if at all, would it be to your business if more of your contract management processes were automated or outsourced? *(Asked among those whose contract management processes is not entirely automated or outsourced.)*





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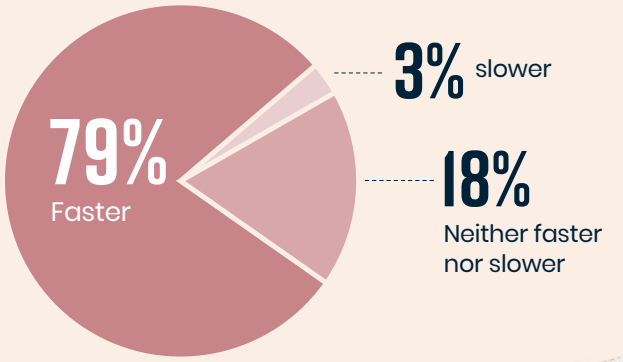
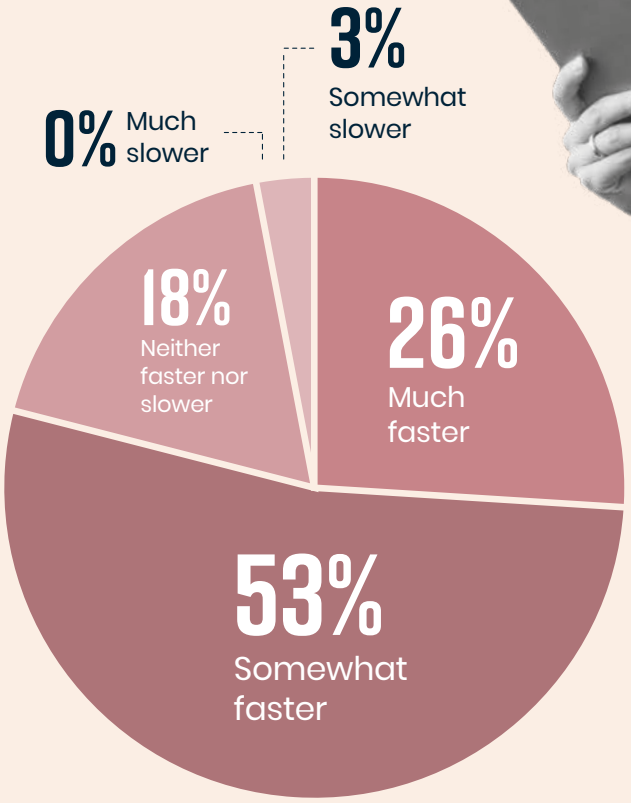
SURVEY

How would automating or outsourcing more of your company's routine contract management processes impact the speed of negotiations? *(Asked among those whose contract management processes is not entirely automated or outsourced.)*





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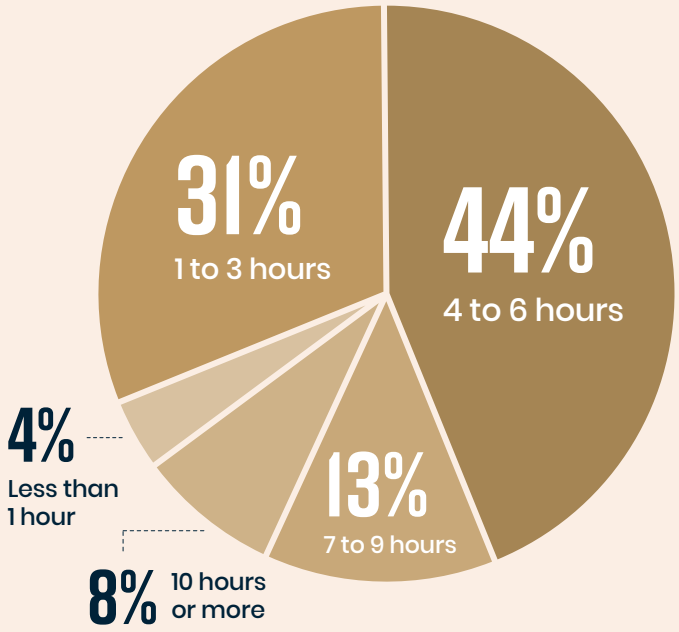
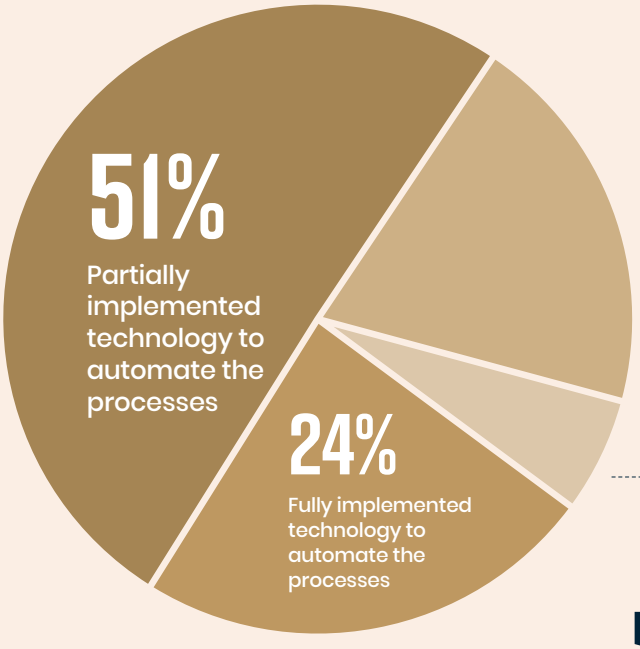
SURVEY

How much of your time, if any, per week has been freed up through outsourcing or automating routine legal contracts? *(Asked among those whose contract management processes is automated or outsourced.)*



SURVEY

Which of the following best describes how your company uses technology in contract management processes?



20% Have not implemented technology to automate the processes, but plan to do so

5% Have not implemented technology to automate the processes, and do not plan to do so

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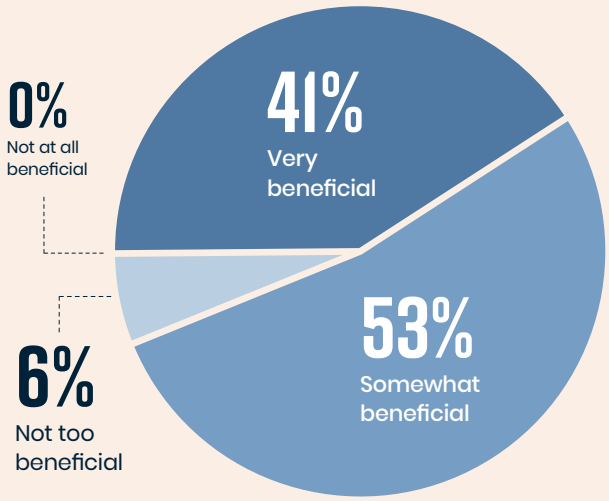
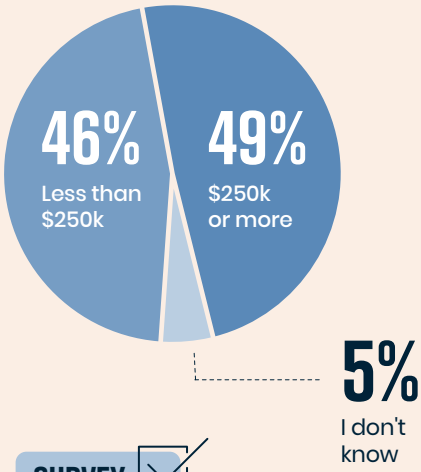
SURVEY

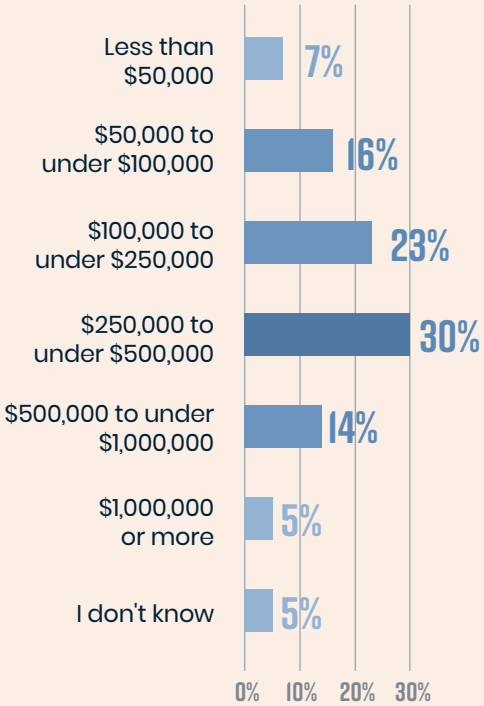
How beneficial, if at all, to your company is using technology to automate your contract management processes?





SURVEY

How much does your company spend on automating or outsourcing contract management processes per year?



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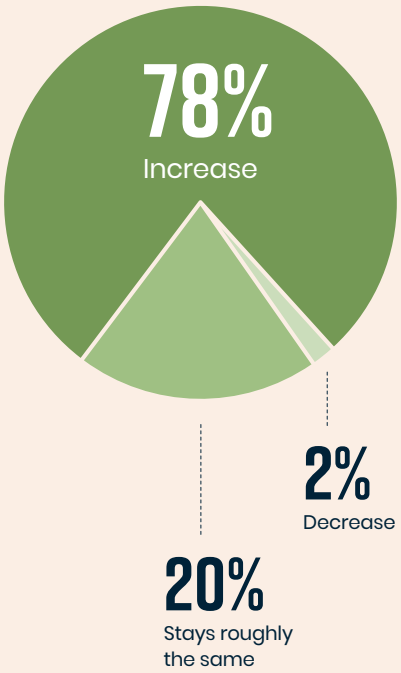
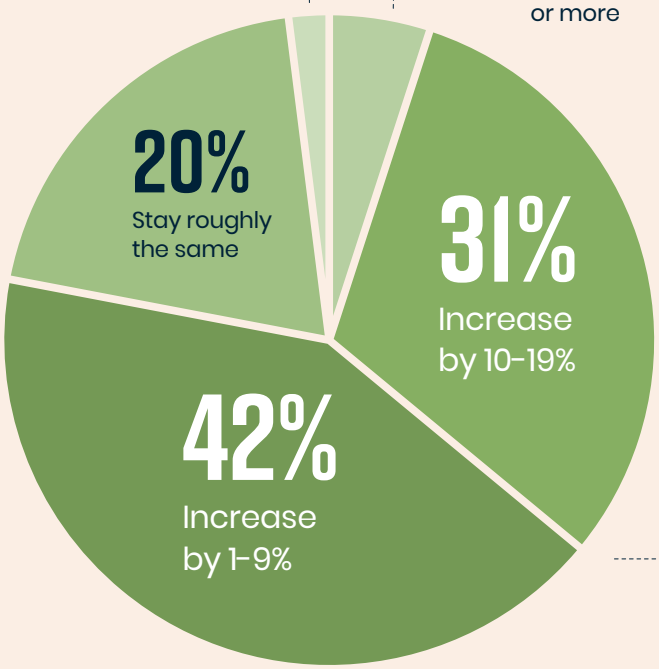
SURVEY

Do you expect your company to increase or decrease its investment in automating or outsourcing contract management processes in 2022 compared to 2021? *(Asked among those who know how much they spend on automating or outsourcing contract management processes per year.)*

NEARLY **80%** plan on increasing their spend on contract automation and outsourcing in 2022, while only 2% plan on decreasing their investment.





0% Decrease by 10-19%

0% Decrease by 20% or more

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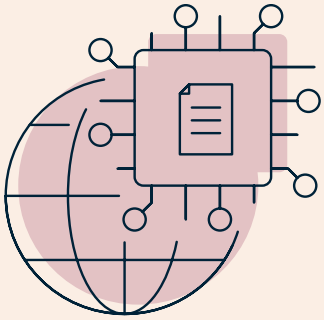
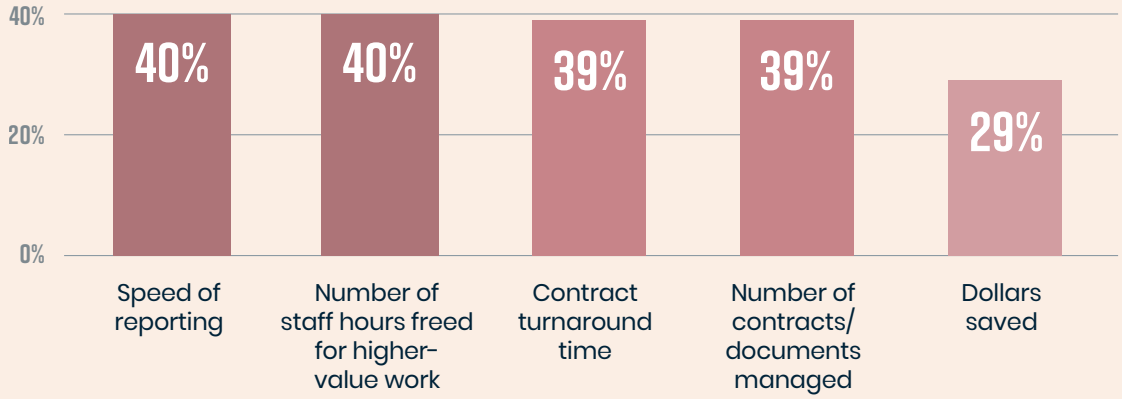
SURVEY

In which areas will your company increase its investment in automating or outsourcing contract management processes in 2022? *(Asked among those who plan to increase their spending.)*



SURVEY

What are the most important factors when measuring the success of outsourcing contract management processes? *(Asked among those who have outsourced routine contract management processes.)*



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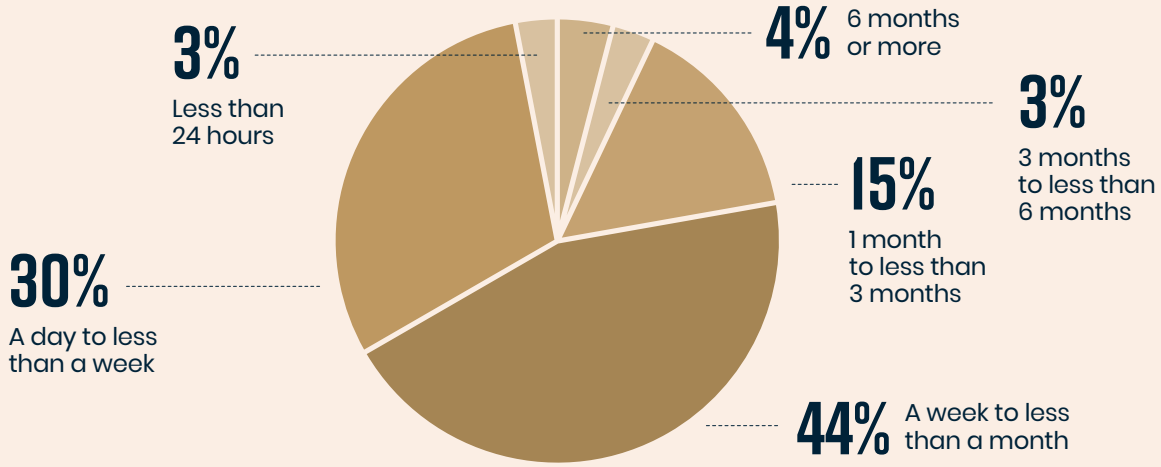
SURVEY

How much time did you spend onboarding the provider you outsourced contract management processes to? *(Asked among those who have outsourced routine contract management processes.)*



About Ontra

Ontra is the global leader in Contract Automation and Intelligence. The Ontra platform combines AI-enabled software with a global network of highly-trained lawyers to offer a comprehensive and scalable solution for recurring legal workflows, such as processing routine contracts and tracking obligations in complex agreements. Ontra delivers purpose-built contract workflow and data management tools to easily manage contractual obligations, rapidly identify key provisions, and analyze trends and benchmarks. By streamlining legal processes and transforming contracts into structured data, Ontra lowers costs, improves quality, increases efficiency, and provides actionable insights, ultimately freeing customers to focus on more impactful and engaging work.

Ontra is headquartered in San Francisco, with global operations across North America, Europe, and Asia. Learn more at www.ontra.ai.

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