

Case Study

Using Document Assembly Tools to Improve Services to Start-ups

By Chris Boyd

On the whole, companies prefer to invest their time and money in product development, marketing and other core activities rather than on legal services. Early-stage technology and life sciences companies prefer to work with law firms that pragmatically and efficiently help enterprises build strong legal foundations and achieve business goals.

A TAILORED SOLUTION

The attorneys at Wilson Sonsini Goodrich & Rosati ("WSGR") are keenly aware of this desire and tailor their services accordingly. To respond specifically to early-stage client needs for efficient and cost-effective legal services, the firm, which is headquartered in Palo Alto, CA, and has eight other offices in the U.S. and China, has customized Business Integrity's ContractExpress document assembly software (www.business-integrity.com) to create tools that enable its attorneys to quickly and effectively prepare high-quality draft corporate documents for events such as corporate formations and venture financings. For WSGR's clients, these



Chris Boyd

document assembly tools allow access to the experience and expertise of WSGR's attorneys, while saving time and money. For the firm, the tools strengthen its competitive advantage in serving the technology and life sciences markets.

WSGR's tools are a customized implementation of Business Integrity's ContractExpress document assembly software. The suite includes START, BLAST and FAST:

- **START (Start-Up Automation Tool):** Attorneys and paralegals use this tool when doing the initial organizational work for a new company. START is designed to prepare 20-25 core documents used in the formation of a typical Delaware corporation, including key form agreements related to

equity issuances, employment matters and intellectual property.

- **BLAST (Bridge Loan Acceleration and Standardization Tool):** Attorneys use this tool to draft the key documents for a bridge loan financing, including the term sheet, operative agreements and corporate authorizations.
- **FAST (Financing Acceleration and Standardization Tool):** Attorneys use this tool to draft the key documents for an equity venture financing, including the term sheet, operative agreements, corporate authorizations and closing certificates.

These tools all use extensive automation to streamline, simplify and expedite the document preparation process. Among other things, these tools often leverage the response to a single question to make a number of modifications to multiple documents. For example, selecting the company's state of incorporation will result in various modifications to the documents, and will also customize the questionnaire itself to ensure that it will ask only relevant questions.

In addition to the above-listed internal tools, the firm has developed a publicly available venture financing Term Sheet Generator ("TSG"). The TSG is posted at www.wsgr.com/WSGR/Display.aspx?SectionName=practice/termsheet.htm and can be used free of charge.

Chris Boyd is the Senior Director of Professional Services for Wilson Sonsini Goodrich & Rosati. He leads the firm's attorney recruiting, knowledge management, and professional development programs.

The TSG provides tutorials to walk the user through the key decisions involved in a venture financing and generates a term sheet based on the answers provided in response to an online, annotated questionnaire. The step-by-step instructions take users through a number of key considerations involved in raising venture financing, such as the type of securities to be issued, preferred stock rights, registration and other investor rights, exclusive negotiations and the like.

BENEFITS TO THE FIRM'S CLIENTS

WSGR's document automation tools provide numerous advantages to the firm's clients, including faster turnaround, more consistent documents and lower legal fees for specific projects.

Getting the Job Done Fast

Almost all clients report that attorney responsiveness and fast turnaround times are critical. Speed is especially important at early-stage enterprises that need to develop products and services and get them to market quickly with limited capital. Document assembly tools enable clients to accelerate their formation and financing processes by enhancing the ability of attorneys to draft documents quickly and thoroughly.

Getting the Job Done Well

Quality and consistency are paramount concerns. The use of document assembly technology helps to ensure quality and consistency in the document preparation process by promoting the use of a single set of high-quality forms and by provid-

ing targeted analysis and background related to the decisions that need to be made while drafting the documents. The tools are heavily annotated so that attorneys, paralegals and other users can understand the rationale behind the various alternatives and make good choices for the client.

Getting the Job Done at the Right Price

WSGR's document assembly tools not only increase consistency and speed, but also do so in a very cost-effective way. With their extensive experience, the firm's attorneys have been able to create annotated forms and systems. Clients do not have to pay attorneys to re-create a set of documents every time. When these high-quality forms are combined with document automation functionality, WSGR is able to further lower the costs and associated legal bills for the projects supported by these tools. Document automation also helps increase the predictability of hours spent on a particular matter, which can help to enable fixed fees and other alternative fee arrangements that are attractive to clients.

Learning on the Job

The document assembly tools contain detailed tutorials with guidance on key deal terms and drafting points. The structure of the online questionnaires is particularly conducive to providing targeted, topical guidance on a variety of issues. The online questionnaires also serve as an effective platform for communicating other information, such as market data, to interested users. More junior attorneys and paralegals (and,

via the Term Sheet Generator, clients and other entrepreneurs) benefit from this guidance and develop expertise more quickly, which further benefits the firm's clients.

ADVANTAGES FOR WSGR

While WSGR designed its Contract-Express-based tools primarily to benefit the firm's clients, these tools also provide the firm with a competitive advantage in both developing business and retaining clients. The firm can offer high-quality services at a lower overall cost while also providing faster response times. The firm's clients, most of whom develop sophisticated technology themselves, appreciate the leverage that can be achieved through automation. WSGR's document automation tools free attorneys to concentrate on higher-value services, benefiting clients by enabling their outside legal team to spend more time and energy on helping them seize opportunities and reduce risks.



Reprinted with permission from the October 2010 edition of the LAW JOURNAL NEWSLETTERS. © 2010 ALM Media Properties, LLC. All rights reserved. Further duplication without permission is prohibited. For information, contact 877.257.3382 or reprints@alm.com. #055081-10-10-10



Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

650 Page Mill Road, Palo Alto, California 94304-1050
Phone 650-493-9300 | Fax 650-493-6811 | www.wsgr.com