



## Software

## Tarlo Lyons has seen the future of legal services - and it's called SCAFFOLD

In a move which represents an enormous leap forward for law on the web, Tarlo Lyons has developed a revolutionary piece of software, incorporating artificial intelligence, to enable legal documents to be created on-line by clients.

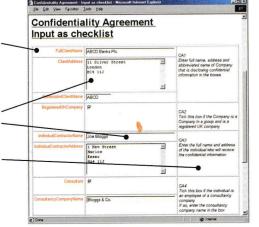
Likely to be launched on the Internet in the next few months Scaffold, as the software is called, will enable in-house lawyers and senior executives (for example, in financial services organisations) to generate valid legal documentation on-line and in real-time.

"This is a genuinely innovative piece of software which is at the leading edge of where we believe the law is going," said Nigel McEwen. "Legal services are being transformed by the power of information technology but only now are we starting to see the Internet harnessed to provide clients with faster, more cost-effective legal solutions. Scaffold will bring an unprecedented degree of automated intelligence to the generation of contracts, agreements, policies and proposals. No other law firm is doing anything quite like this."

These are the prompts that show what goes where within the contract.

Input details for the Client and Contractor

The third column shows the guidance for users inputting details into the form.



## What's in it for the client?

"The fundamental driving force behind Scaffold," said Nigel McEwen, "has been our desire to provide clients with a faster and more cost-effective service. Through using the system they will achieve greater speed, greater control and greater independence in their use of legal services. And in due course that should lead to a reduction in fees. In many transactions about 80% of the work is pretty standard and clients are understandably reluctant to pay for it. Scaffold will help to accelerate the pace and cut the costs of that part of a transaction. What remains is the 20% of the work which is unique to that deal. Scaffold means that clients can do more of the initial work themselves, leaving lawyers to concentrate on those aspects which really add

## Self-authored legal documents

The original idea for Scaffold came from IT partner John Mawhood who expects it to become 'core' to Tarlo Lyons' future business. "With this venture we are commercialising our know-how using Web and Internet technology in new ways that give us significant advantages," he comments.

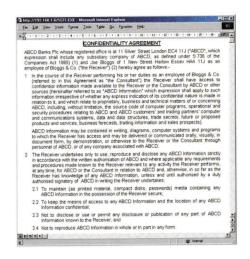
The software itself was developed jointly by Tarlo Lyons and Logic Programming Associates (LPA), a long-standing client of the firm. Tarlo Lyons provided the legal know-how to structure the various documents and steer users through the relevant points of law to enable agreements to be customised to individual requirements. LPA then incorporated this complex information and the processes into a program for which a European patent has now been granted.

No special equipment is needed to use Scaffold other than a normal word processor and access to the Internet. The intention is that the Scaffold web site should be open to all users who subscribe to the service (they need not even be Tarlo Lyons clients). Master templates covering a range of agreements (for example, with customers, suppliers, tenderers, clients and so on) will then be available and can be completed, as the graphic shows, by the 'author'. By providing information on the transaction involved, then

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# solution

This graphic shows the Confidentiality Agreement generated from the details input into the form. You can see how the names etc have been automatically inserted into the contract at the correct points.



answering a series of questions and responding to prompts from the artificial intelligence, the user's response drives the assembly and production of a personalised document.

### Bank on it

In case this all sounds a bit too fanciful (a case of the Millennium Bridge, great idea but a bit wobbly in practice?), the evidence from a major corporate financial institution provides rock-solid proof that it works.

"We had conceived of Scaffold about two years ago in our discussions with LPA," explained John Mawhood, "but the opportunity arose with Standard Chartered Bank to do it for real. They wanted a system which would enable their staff to do most of the routine aspects of their legal agreements and they invited us to pitch for it against other suppliers."

"We won because we came up with the technology which would deliver the service in an innovative way - that gave us the market advantage."

Having won the contract, Tarlo Lyons and LPA installed the system, following rigorous trials, in autumn 1999. Since then, it has been operating very successfully. The track record established with Standard Chartered Bank now gives John Mawhood and Nigel McEwen the confidence to promote Scaffold to a much larger audience.

Responsibility for this has been given to Business Integrity Limited, a joint venture set up and owned by Tarlo Lyons and LPA, which now has intellectual property rights to the software.

A chief executive and senior managers are currently being sought for Business Integrity, but if Scaffold is to fulfil its potential, a venture capitalist must also be found to make the necessary investment to finance a full-blown marketing exercise.

## Marketing for millions

"We believe that Scaffold will have a very strong market in both the UK and the US," says Business Integrity chairman Henry Steen, "but we now need an injection of between three and five million pounds to reach it. The partnership here has already made a significant investment of its own in analysing the market for documentation products and advancing the development of Scaffold. We now need an internationally minded financial partner to help us take it forward."

Nigel McEwen is confident that a deal is not far off. "We've spoken already to a number of venture capitalists who believe that e-procurement will be a rapidly growing area in the business-to-business market. The great strength of Scaffold is that through the combination of our skills and those of LPA the documentation can, if necessary, be updated every day in line with changes in the law. This level of speed gives us a dramatic advantage - users can be totally certain that whenever they use Scaffold they will be up-to-date with the law."

The future development of Scaffold is likely to be a rapidly moving picture. For regular updates go to our web site on www.business-integrity.com



**Business Integrity**