

M&A DUE DILIGENCE CASE STUDY

Bird & Bird



In December 2018, the Düsseldorf office of leading international law firm Bird & Bird, took on a high-volume due diligence exercise concerning the employment contracts of a subsidiary company their client was looking to sell. The goal was to understand the relative risks associated with the employment contracts to allow the company to be sold at its most competitive price.

The employment team were faced with a detailed review of contracts for almost 20,000 employees, totalling close to 200,000 documents which needed to be analysed and categorised within a very tight deadline. Using manual methods, it would have been too time-consuming for the legal team to conduct the review, and too expensive for the client. Previously, the firm and their client had relied on sampling just 10% of the document set, delivering a lower quality due diligence, which consequently lowered the value of the company due to the associated risks. Faced with the excessive resource requirement and an imminent external deadline, the team adopted Luminance having unsuccessfully trialled multiple legacy providers.

While other legacy technologies typically require lengthy customisation and months of integration, Bird & Bird's lawyers were able to get up and running with Luminance in just a few hours. The team uploaded 80GB (over a million pages) of documents overnight and were able to gain rapid insight into the contracts. Despite this being the first time that the German office had used Luminance and the first time the firm's instance had been exposed to German language documents, the technology's powerful machine learning meant that Bird & Bird could immediately identify any hidden anomalies or risks within the data set. Moreover, unlike legacy providers which require the lawyer to know exactly what they are looking for before beginning their review, Luminance was able to surface "unknown unknowns" and consequently support the lawyers as they adapted their search accordingly.



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Using manual review methods, it took eight associates 3 weeks to review 10% of the documents relating to 1,900 employees. After a prior test phase of two weeks, with Luminance, it took two associates 3 weeks to review 100% of the documents relating to nearly 20,000 employees. Not only did the team get unmatched time savings in their review but also, using Luminance, Bird & Bird were able to keep the work within the firm rather than outsourcing, allowing them to be confident in the findings of their trained specialists, and their deep understanding of the client and specifics of German employment law. In doing so, Luminance enabled the team to save time and resources whilst ensuring even greater quality of results. The firm was then able to deliver these vastly improved results to the client, on time with greater assurance that nothing had been missed, delighting the client and allowing them to push for a more competitive price.

As a result, the client has approached Bird & Bird for further analysis of its employment contract data set. Luminance will now transfer the learning amassed in this project to any further reviews conducted by the firm globally, with the technology only improving with each use.

Bird & Bird has rolled out Luminance across its global offices and continues to use it in M&A due diligence, compliance reviews, lease abstraction and more.

KEY RESULTS

In manual review each lawyer got through 16 employees' documents per day. Using Luminance, each lawyer could review 692 employees' documents per day.

About Luminance

Luminance is the leading artificial intelligence platform for the legal profession, with over 250 customers in more than 50 countries. Luminance's machine learning technology reads and forms an understanding of documents, helping lawyers to perform the most thorough and rapid document reviews across practice areas including due diligence, contract negotiation, regulatory compliance reviews, property portfolio analysis and eDiscovery. Luminance has offices in London, Cambridge, New York and Singapore.