



# 54TH ANNUAL IFA LEGAL SYMPOSIUM



**IFA**<sup>®</sup>

INTERNATIONAL FRANCHISE ASSOCIATION



# Best Practices and Tips in Law Department Administration

- Panelists
  - Bethany Appleby, Partner, Appleby & Corcoran, LLC
  - Brian Balconi, Chief Legal Officer, Authority Brands
- Moderator
  - Kathleen Panek, General Counsel, AlphaGraphics, Inc. and PostNet International Franchise Corporation

# Outline of Presentation

- Process and Tool Management is a Journey
- Tools to Consider, to Streamline Cross-Functional Collaboration
  - Franchise Administration
  - Contract Drafting and Signature
  - E-Billing
- Supporting Business Processes, and Collateral Tools
- Practical Implementation Discussion

# The Journey

Law Departments of varying sizes and maturity:

- New Legal Department
- Large and well-established Legal Department
- Everything in between

# Does your Sales or Contract Process look like this:

8:22 AM, Friday: Frank, thanks for meeting about the Smith transaction. Where is the revised draft Agreement? -Sarah

9:12 AM, Friday: Hi Sarah, sure thing. I emailed it to you Friday afternoon, did you get it? I've attached it again. -Frank

10:12 AM, Thursday: Frank, they say it was last Thursday. Can you put it into the draft? We'll just double check it later.- Sarah

9:58 AM, Friday: Thanks Frank, I see it now. Didn't we agree that third zip code should be included in the territory as the Smiths requested? -Sarah

11:12 AM, Friday: Hi Sarah, did Sandra in finance approve that change? I never heard back from the email I sent so I didn't include it. Revised attached. -Frank

10:40 AM, Thursday: Frank, did you see my note? Signing in just a few hours. -Sarah

4:37 PM, Wednesday: Frank, I met with the Smiths. They are creating an LLC to use for this business. It is "Sunny Pastures, LLC." Can you revise? Signing Tomorrow afternoon.-Sarah

9:36 AM, Wednesday: Sarah, I have revised the document. I have them both signing. We are missing information on the date of incorporation. What is that date? -Frank

11:18 AM, Thursday: Hi Sarah, I made the change. But, when were the Smiths disclosed with the FDD? I can't find the receipt on the drive. They can't sign until we sort this out. Did Sandra ever approve the territory? -Frank

# And if it does:

- As the CLO or General Counsel, what worries you about this exchange?
  - Efficiency?
  - Time to closing?
  - Compliance?
  - Appropriate Approvals?
  - Team Morale?
  - Scale?
- How would Business Teams rate this exchange?

# Goals of Contract Administration

## Salesperson's Goals:

1. Speed
2. Transparency and predictability

## Additional Goals:

1. Accurate
2. Compliant
3. Efficient
4. Ability to Scale

Other Stakeholders in addition to salesperson and legal department?

# Technology

“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.” -Bill Gates



# Disclaimer

Below are examples of specific products from certain vendors. These examples are used to highlight the benefits of certain tools, but are not intended to be endorsements of the specific products referenced. There are many excellent providers of the various services. The names of products or software included herein are registered trademarks of their respective owners, which are not affiliated with this presentation.

# Franchise Administration

## STEP ONE: Disclosure, Gathering Information and Documents.

Feature: FranConnect

# Franchise Management Software (FranConnect)

Franchise System - M. Mathers R

File | C:/Users/BBalconi/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/KEMLSFV3/Franchise%20System%20-%20M.%2...

### LEAD DETAILS

First Name : Marshall	Last Name : Mathers
Lead Status : Incoming Lead	Lead Source Details : Internal-Employee
Work Phone : (410) 204-4002	Email : IBinnie@authoritybrandsllc.com
Business Type : AB	

### BASIC INFORMATION

Date of Request :	Opening Deadline (New Territory) : 12/31/2022
Name of Person Completing Request : Lani Binnie	Key Person : Marshall Mathers
Territory Name : Detroit, MI - 1	Type of Deal : N
Broker : No	

### FRANCHISEE INFORMATION

Primary Owner Legal Name : Marshall Mathers	Primary Owner Preferred Name :
Title : President	Email Address : mmathers@goat.com
Primary Owner(%) : 100.00	Liquid Capital : 5000000
Spouse Full Name : N/A	Entity Name : Shady Enterprises, LLC
Spouse Email Address : N/A	Credit Score (Min 680) : 800
Bankruptcy Last 7 Years : No	Liquid Capital (Min) :
Background Search Cleared : Yes	
Franchisee Approved Location Address (If available) : 111 Eight Mile Road Detroit, MI 101972	
Mailing Address : 111 Eight Mile Road Detroit, MI 101972	
Mailing Country : USA	Mailing State : Michigan
Mailing City :	Mailing Zip :

Type here to search

INTERNATIONAL FRANCHISE ASSOCIATION

1:57 PM 4/6/2022

SYMPOSIUM

# Collecting Documents

Franchise System - M. Mathers R x

File | C:/Users/BBalconi/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/KEMLSFV3/Franchise%20System%20-%20M.%2...

### REQUIRED DOCUMENTS

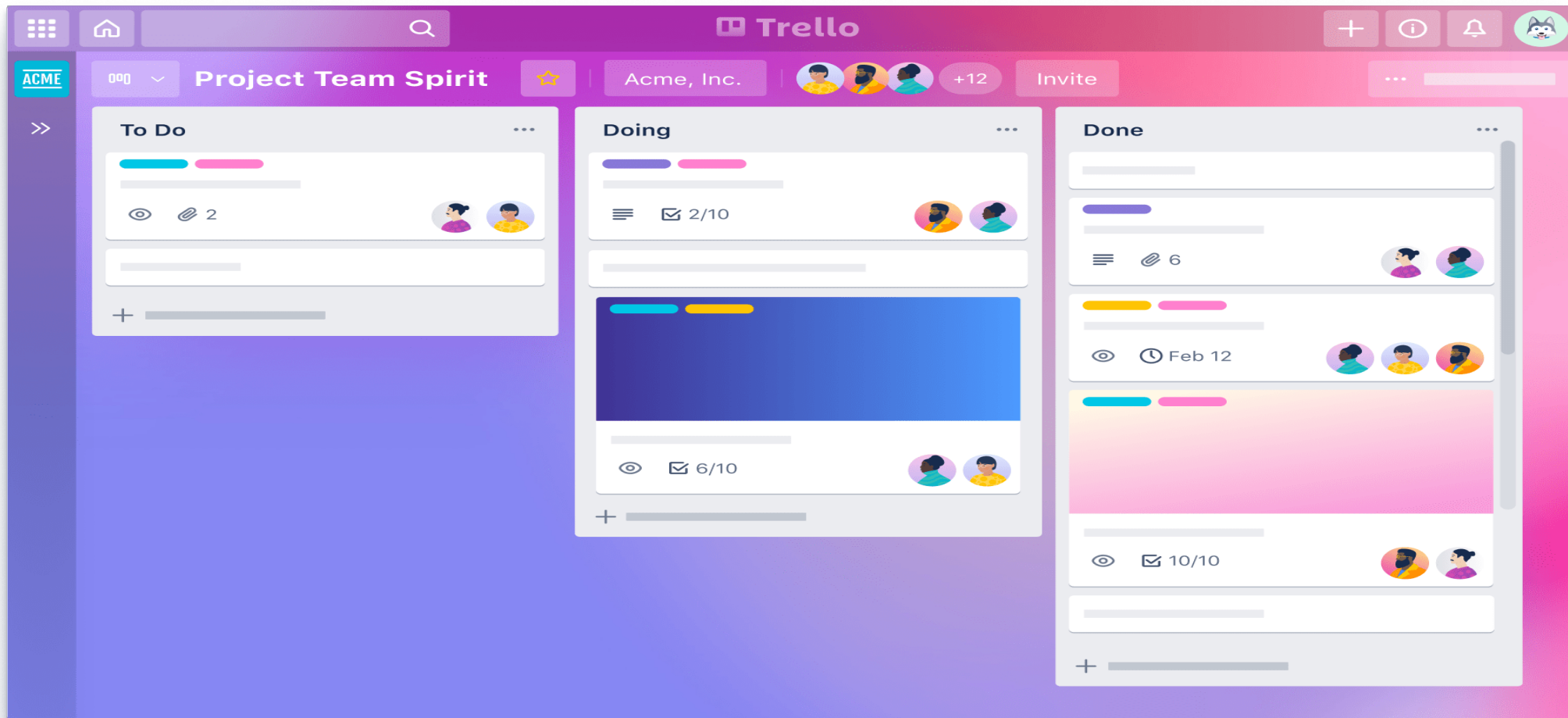
FDD Receipts (If Electronic Signature - Must Include Signature Certificate) :	FDD_HOLD_PAGE.docx	FDD Receipts (Owner 2) (If Electronic Signature - Must Include Signature Certificate) :	Not Available
Credit Check(s) Completed - Background Check(s) Completed :	Not Available	Credit Check(s) Completed - Background Check(s) Completed (Owner 2) :	Not Available
Completed Application :	Not Available	Completed Application (Owner 2) :	Not Available
Operating Agreement for LLC :	Not Available	Veterans Discount Only - Form DD 214 :	Not Available
Drivers License :	Not Available	Drivers License (Owner 2) :	Not Available
Certificate of Insurance (Existing Owners) :	Not Available	Financials (Business) :	Not Available
Financials (Personal - Owner 1) :		Financials (Personal - Owner 2) :	
Financials (Personal - Own 1) :	Not Available	Financials (Personal - Own 2) :	Not Available
Territory Map/Zip Codes Same as Email Disclosure :		Map :	Not Available
Zip Code Chart :	Not Available	Articles of Incorporation - Corporation :	Not Available
Additional Documentation :	Not Available	Additional Documentation 2 :	Not Available

# Franchise Administration

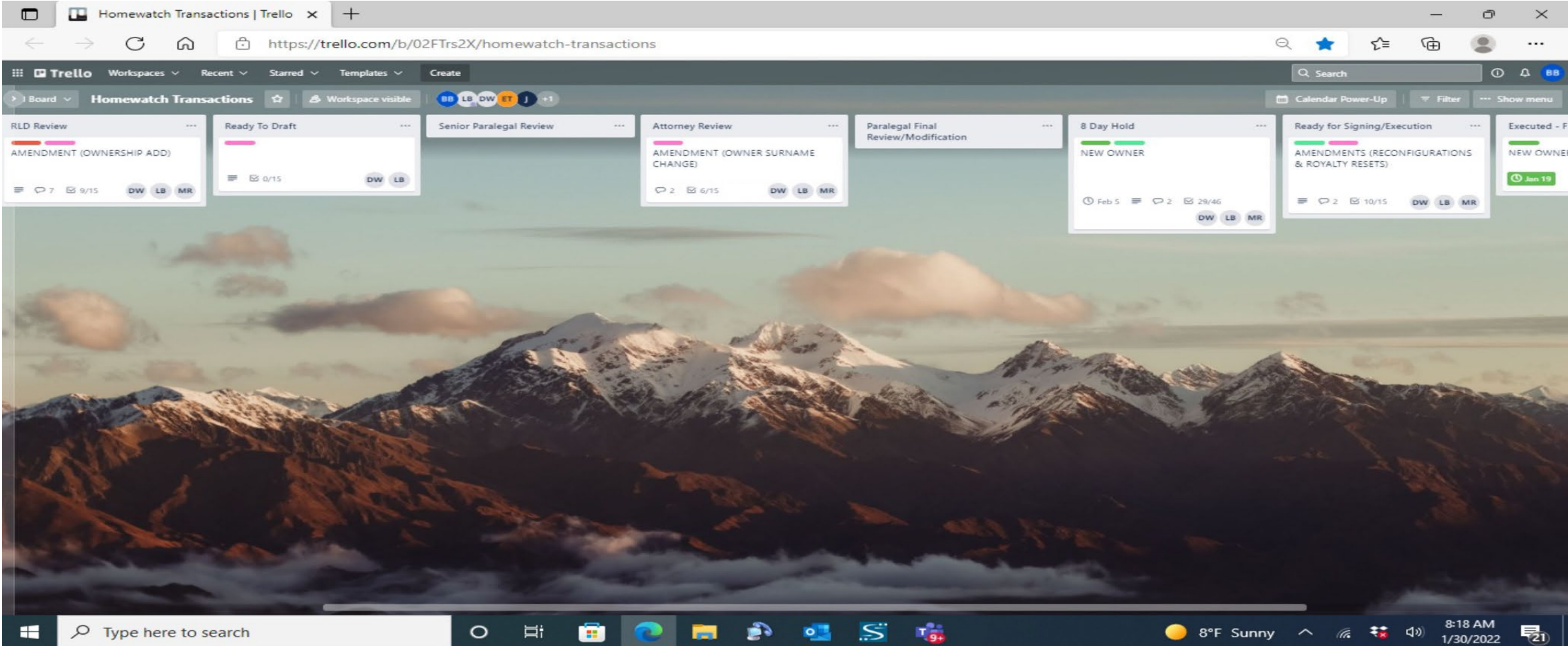
## STEP TWO: Managing Drafting and Signing Documents

Feature: Trello

# Project Management Tool



# Drafting and Signing Documents





# Opportunity for Improvement: Automated Contract Drafting Tools, Signature Collection

Feature: Contract Express, DocuSign



# Drafting Using Software

THOMSON REUTERS  
CONTRACT EXPRESS

Analytics Documents Tasks Templates Contacts Admin

100%

PREVIEW SAVE & CLOSE

Pages (4)

- Franchise Agreement ✓
- Signor Details ✓
- Territory Information ✓
- State Riders ✓

### Individual Signor Details

One only ↑ INSERT + ADD - REMOVE

What is the Franchisee's full name?\*

Sam Good

Should include middle name or initial and any prefix's if it is available / applicable.

What is this Franchisee's ownership percentage?\*

100

Enter as a number only, without the "%" e.g 50, 20, 10, etc.

What is the Franchisee's residential address?\*

123 This Street, Suite 456

Enter the street address and suite if applicable.  
ie 123 This Street, Suite 456

What is the Franchisee's residential city?\*

New York

What is the Franchisee's residential state?\*

New York

What is the Franchisee's residential zip code?\*

00000

THOMSON REUTERS  
CONTRACT EXPRESS

Analytics Documents Tasks Templates Contacts Admin

NY000 Franchise Agreement with Sam Good 04.15.2022

EDIT QUESTIONNAIRE

Status: ● Awaiting approval Access: ONLY ME

### Approvals

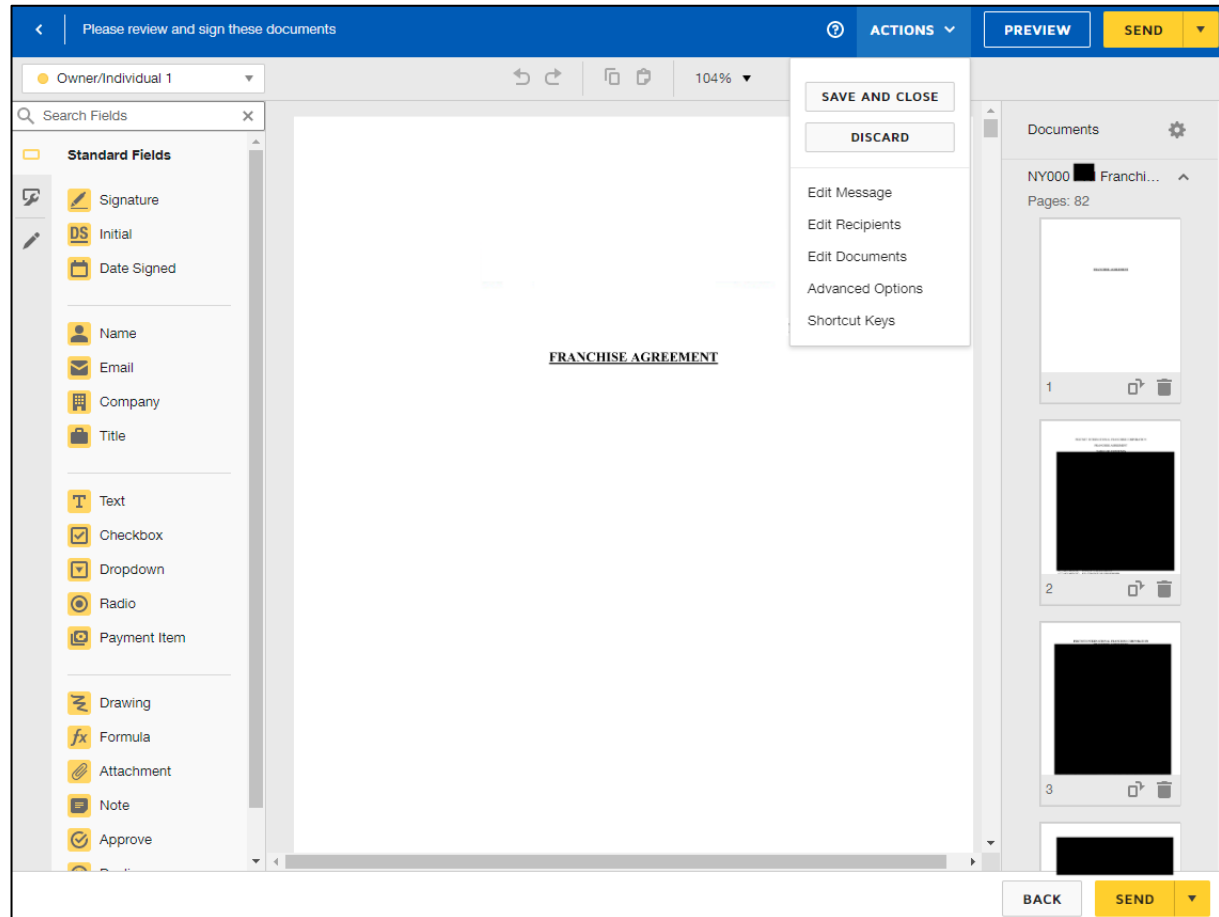
- > Executive Sales Review ● Approved
- > Initial Legal Review ● Waiting APPROVE REJECT FORWARD GRAB
- > Final Legal Review ● Queued

### Documents

Document	Actions
NY000 Franchise Agreement with Sam Good 04.15.2022	
<span>+ ATTACH FILE</span>	

### History

# Electronic Signature Collection



# Celebration Time!



Photo by [Jason Goodman](#) on [Unsplash](#)

# Opportunity for Improvement: Legal E-Billing

Feature: Legal Tracker (Thomson Reuters)

# Legal E-Billing

**THOMSON REUTERS®** Legal Tracker

Dashboard > Financial > Invoice review (14)

Total: **\$48,400** Fees: **\$21,005** Expenses: **\$500** Tax: **\$2,586**  
 Adj: **\$47,660** Adj: **\$19,769** Adj: **\$500** Adj: **\$2,586**

Filter list by keyword [Approve all available on this page](#)

<input type="checkbox"/>	INVOICE ↓	STATUS / DAYS	MATTER	TOTAL (ADJ.)	FEES (ADJ.)	EXPENSES	TAX (ADJ.)	...	▼
<input type="checkbox"/>	<a href="#">EOFF201702</a>	● 34 days	Thomas v. ACME	\$4,500	\$4,105	\$0	\$395	...	▼
<input type="checkbox"/>	<a href="#">LK201765</a>	● 12 days	Laskco v. Yung	\$3,200	\$2,750	\$0	\$450	<a href="#">Approve</a>	▼
<input type="checkbox"/>	<a href="#">EAFG00876</a>	● 9 days	Gladwell v. Hawken	\$4,060	\$3,287	\$300	\$473	<a href="#">Approve</a>	▼
<input type="checkbox"/>	<a href="#">KU978654</a>	● 3 days	AMEX v. Smith	\$5,200	\$4,750	\$0	\$450	...	▼
<input type="checkbox"/>	<a href="#">TR97590</a>	● 2 days	Bodnar v. Jatnieks	\$5,300	\$4,905	\$0	\$395	<a href="#">Approve</a>	▼
<input type="checkbox"/>	<a href="#">CGH087320</a>	● 23 days	EUROX logo mark	\$1,900	\$1,711	\$0	\$189	<a href="#">Approve</a>	▼
<input type="checkbox"/>	<a href="#">IU993478</a>	● 12 days	Lindig v. Smith	\$2,200	\$1,966	\$0	\$234	<a href="#">Approve</a>	▼
<input type="checkbox"/>	<a href="#">EOFF201702</a>	● 23 days	Mickelsen v. Lee	\$5,600	\$5,366	\$0	\$234	<a href="#">Approve</a>	▼
<input type="checkbox"/>	<a href="#">LK201765</a>	● 13 days	Hozier v. Graves	\$3,200	\$2,550	\$200	\$450	...	▼
<input type="checkbox"/>	<a href="#">EOFF201702</a>	● 21 days	Material v. MWF	\$4,500	\$4461	\$0	\$395	...	▼

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Please contact [Jeff Casemanager](#) for support.  
 Click [here](#) to obtain billing guidelines for Acme Airlines.

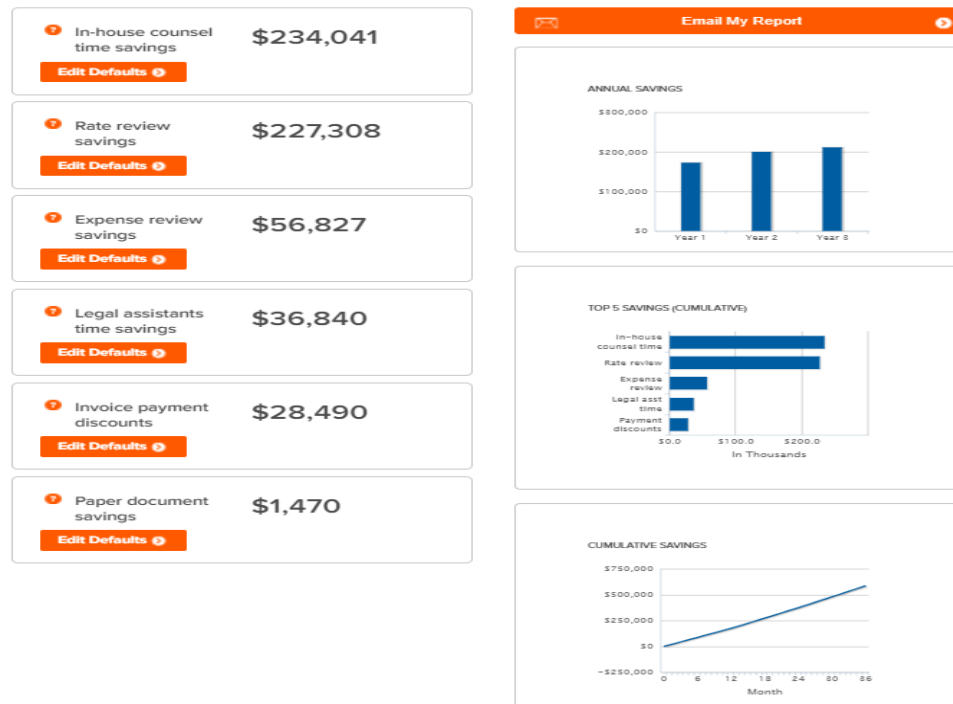
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# Legal E-Billing

- Benefits of E-Billing:
  1. Billing Guidelines Enforcement
  2. Billing rates (won't mysteriously increase!)
  3. Budgeting: Including over-budget spending alerts
  4. Status Updates from Law Firms
- Built for In-House Legal Departments
- User Friendly for Law Firms?

# Obtaining Business Approval

## \$2M in Annual Legal Fees/Costs: Projected Savings over 3 years (Legal Tracker, Thomson Reuters)



<https://legal.thomsonreuters.com/en/products/legal-tracker/value-calculator>; 04.11.2022

# Opportunity for Improvement: Supporting Processes and Tools



# Supporting Processes and Tools

- Sales and Contracts
  - Consider Regular Investment Committee Meetings
  - Delegate Decision-making for Common Situations
  - Draft Written Policies and Guidelines, Create Templates
  - Implement a Contracts Management System
- Lease and Trademark Administration
  - Insource or Outsource
- Legal Operations Professionals

# Practical Tips for Implementation of New Tools

# Practical Tips for Implementation of New Tools

- Preliminary Business Case: Recommend selection of a tool at the right price for the right need, showing potential ROI
  - New Tools and Existing Systems Side by Side
  - Build vs. Buy
  - Scale
- Who's on the Bus: Assemble a nimble team with the appropriate stakeholders (Sales/Procurement/IT/PM)
- RFP and Due Diligence
  - General
  - Privacy/Data Security/Privilege

# Practical Tips for Implementation of New Tools, ct'd

- Who's in Charge: Build Consensus around Short List and Recommendation with the Appropriate Final Decisionmakers, with Firm ROI Metrics
- Designate an Administrator (Go-to person)
- Implement and Train
- Maintain the System and Keep Pencils Sharp
  - Train New Staff
  - Stay Educated

# Questions?

# Conclusion