

SPIN ENTERPRISE LEGAL SOLUTION (SELS) CASE STUDY

Legal Solution and Data Management Integration
for a Major Financial Institution

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SELS Case Study: Legal Systems and Data Management Integration Solution for a Major Financial Services Company

Introduction

In today's business environment, corporate mandates and regulatory compliance requirements make it imperative for law departments to reduce costs, increase organizational accountability, provide rigorous oversight, and permit fast and accurate access to information. Spin Enterprise Legal Solution – or SELS – was expressly developed to streamline legal case and matter management across various concerned company elements, thereby reducing risk of error, ensuring accuracy, minimizing superfluous operations, enhancing decision-making processes, and creating economies of cost and scale. In this case study, the client's multiple business elements involved in legal matters and its multi-faceted approach to managing them had produced a virtual textbook profile of an enterprise requiring a SELS implementation.

The Client

A Fortune 500 corporation, one of the largest financial management companies in the United States, and so well known that its name has become a household word.

The Challenge

Spin Systems was engaged by three fully-staffed company elements which are among those managing the company's legal and legal-related matters: The Corporate Counsel's office, the Internal Compliance unit, and Risk Management and Investigations (including Corporate Security). The company elements implementing SELS are a subset of the legal, compliance and regulatory areas of the enterprise.

Although each of these elements has distinct functional responsibilities and stores information in discrete databases, the information and cases addressed often overlapped, the same data may be used in multiple areas, each with critical deadlines and dependencies, and related case documents may require duplicative handling. When examined as an end-to-end process this unwieldy system was found to be more costly than necessary and with undue risk.

What is SELS?

Spin Enterprise Legal Solution, SELS, is a .NET-based tool built on the Spin Business Framework platform. Designed to provide process-centric, comprehensive lifecycle management of legal matters and cases, SELS can be deployed as a team, department, and enterprise-wide solution.

The Process

In tackling the challenges posed by the client's environment, Spin Systems worked with the client to refocus from a vertical and company element (departmental) and organizational perspective to a cross-department and horizontal perspective focusing on processes. Once the existing processes were mapped, cross-element flows, redundancies, inefficiencies, and gaps were identified, and new processes

identified, the capabilities of the Spin Enterprise Legal Solution (SELS), a highly configurable and customized version of the Spin Business Framework, could be brought to bear on a cross-element perspective. SELS, with its highly configurable user interface and flexible business tools, is designed to be used concurrently by individuals, teams and departments, or even as an enterprise-wide solution. When properly configured, SELS greatly enhances work efficiencies through the use of highly configurable user interface, secure access, common data, imbedded best practices, and a set of specialized tools including workflow, document assembly, and email, document management and ERP integration.

The Tools

SELS provided an obvious choice to address the implementation of new business processes. Matter Management, the core of SELS, is defined as the comprehensive lifecycle management of legal matters/cases pertaining to a particular legal team or department. In this case matters were managed by all three elements of the company. Matter management software systems and processes involve the administration of matters/projects, dates, deliverables, people, entities, documents, and the relationships between them and their various supporting systems. More broadly, matter management systems provide an excellent platform for information organization, repurposing, refinement, and distribution while enhancing compliance and reducing risk by ensuring that defined processes and procedures are followed consistently. SELS modules and tools perform a wide array of functions:

Calendar And Docketing includes robust calendaring and scheduling which will be integrated with Microsoft Exchange and will align calendar events with matter events, persons, and venues/locations. Using rule-based docketing, ticklers and reminders will be set for important events such as expiration dates, court appearances, and document responses. Calendars will be configured for the entire department, for specific practice areas, for individuals, and for critical matters.

Collaboration will be implemented to permit secure access to information, as well as selected input of data, by clients and partners. Outside counsel will be able to complete status reports online and review performance metrics. Of course, partners will only be able to view select portions of the matters that they are handling. Clients, given permission, will be able to review (and perhaps input) key information without the need to personally contact the law department.

Compliance will allow the users to track and assign compliance tasks, monitor completion, "red flag" deficiencies, and provide comprehensive reporting. The relationship between compliance and legal risk can be monitored to determine root causes, and the impact of the companies various compliance programs.

Simplified Time Management will be used to help department management understand (internal and external) resource loads and to better allocate work. Time will be reported for select teams as well as for select matters. For select matters a complete record of time and activities will be reported by integrating time records of outside counsel with the time records of inside counsel.

Incident Management will be used by the Company for incident management and investigations. Incidents will be evaluated by human resources and legal and, as appropriate, escalated into investigations and, perhaps, cases. In this way resources will be focused on the issues that have the greatest urgency and potentially the greatest impact. Key benefits expected include the timely resolution of incidents, metrics regarding the result of programs, better understanding of the impact, elimination of "lost" incidents, audit trails from incidents to investigations to cases, and increased availability of management information.

People Management will be used by the three elements to maintain a central repository of contact information, including information for law department professionals, partners, and clients.

Document Assembly will be used by the Company in conjunction with integrated workflow capabilities to streamline document production and reporting to regulatory agencies, streamline the invoicing process, enhance decision making, and provide reports to various Board committees.

Reporting will include *ad hoc* reporting, custom queries needs and graphics with drill down capabilities. Users, based upon permissions and expertise, will have access to a number of different ways to create reports including standard reports, a report-builder wizard, and Crystal Reports. Users will view, manage, assemble and present their data graphically and drill down to detailed information. Information will be repurposed, with minimal effort, as Excel charts, Word documents (including management reports) and PowerPoint presentations. As well, workflow will ensure that reports are distributed on time to the right individual.

Specific to the Solution

At the very core of the implementation are four key success elements: (1) a deep understanding of existing processes in the three company elements on a horizontal basis and how they can be improved; (2) an understanding of how web enabled technology can be best utilized to impact the company's businesses; (3) a set of tools (e.g., workflow, document assembly, document management, etc.) that are applied in concert to streamline processes; and, (4) a set of best practices (e.g., incident management, calendar/docket, matter management, etc.) that are be rapidly configured and applied to meet the needs

of the client/stakeholder. Spin Systems consultants will utilize the tools and functionalities incorporated within SELS to streamline operations, increase productivity, raise performance, and reduce excess data handling and superfluous documentation.

First and foremost, Spin Systems will *integrate discrete data repositories* to enable information retrieval and sharing. This necessitated

1. Replacing two separate two-tier case and matter management systems as well as a number of discrete HR systems, each with separate databases, into one effective database;
2. Eliminating an outmoded in-house custom legacy database employed by one of the three affected business units and exporting its information to the new SELS integrated database.

As a result of these measures, the company's legal related business units will finally be able to share information and access it directly from work stations. Equally important, cross-element processes will be able to take advantage of the same information which had previously been siloed, requiring manual retrieval and substantially increasing risk.

Secondly, Spin Systems will institute an *integrated document management program*, which will reduce or eliminate paper copies wherever possible and enable across-the-board utilization of electronic files. For offices requiring fire walling of proprietary information, the system will allow security settings that restrict access to certain sensitive cases; proprietary, confidential information and documentation can be compartmented and restricted to a particular department or individual.

In addition, Spin Systems engineers will create a Web form within the corporate intranet that enable employees across the company *to report internal or external incidents of fraud, identity theft, abuse*, and other issues that are automatically reported into SELS for use by the legal elements. Using the data, individual specialists within the Fraud Unit – for example – will analyze the information and determine whether to create a case, resolve the issue, or refer the matter to another department.

Another advantage of the SELS implementation will be to enable the External Fraud Unit to *respond rapidly to federal reporting requirements* under the Patriot Act. The Patriotic Act's Suspicious Activity Reporting (SAR) requirement is enforced by the Financial Crimes Enforcement Network (FinCEN) of the U.S. Dept. of Treasury. The regulations require financial institutions to report, within 10 business days, suspected or known criminal activity related to transactions in excess of certain dollar thresholds. Spin Systems will streamline the process by utilizing SBS to automate the SAR template with appropriate case information.

Still another federal Government entity within the Treasury Department, Office of Foreign Assets Control (OFAC), maintains and publishes the *Specially Designated Nationals List* which names individuals and

organizations with whom U.S. citizens and permanent residents are prohibited from doing business. By integrating this and other lists the system via SELS, our client will be able to monitor this list, along with other government watch lists, to track suspected fraud matters involving persons of interest to the company.

Lastly, Spin Systems will configure SELS to track and be used as an investigate tool to analyze breaches of Non-Public Information (NPI) regulations. Such breaches have made news over the last several years when other institutions – not our client – had company lap tops stolen and/or misplaced, causing potential divulging of sensitive NPI, such as customer SSN and account information.

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