Leveraging Tools for Contract Automation and Tracking at Baxter International

An $11 billion company that develops, manufactures and markets healthcare equipment and instruments, Baxter Healthcare Corporation has a legal department of 85 lawyers and 150 staff. Like most companies, Baxter likes to keep its deal flow moving and wants to get contracts executed quickly. As is often the case, the legal department was usually perceived to be the bottleneck. The process was also time consuming and lacked transparency and closure. "At one point, one of my attorneys said that she spent 20 percent of her time just responding to status update requests," said Aaron Van Nice, Baxter's director of legal operations.

In order to become more efficient and standardized, the first step for Van Nice and his team was to identify and map the existing contract process front start to finish. Originally starting with only the legal and commercial ops teams, the process map soon grew to include sales, execution and various other support teams to better understand the process.

Baxter had four different sales teams dealing with commercial contracts in U.S. sales regions alone with 6-8 different support teams dealing with commercial ops, contract compliance, contract marketing, Baxter Capital, contract execution, and others. With each team managing their own processes individually, collaboration on contracts across teams was nearly impossible.

Working with technology partner Onit, an input request solution was created that allowed sales reps to submit requests for non-standard contract creation or redline review of standard agreements. Completing the fields, many of which were auto-populated, helped to automate the workflow, and simplified the process. "The great thing about a tool like this is that once you build it and people begin to use it, it creates a standardized process for all of the teams," said Van Nice.

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To address the ever-present question of "where is my contract?" a dashboard tool was developed where anyone involved in the process can access the request and see where it is in the process. Email options were also incorporated to allow the sharing of information with those without access to the dashboard. The dashboard also showed the average processing time by group, which delivered some surprising metrics.

After tracking cycle time and studying the data, the legal department was not, in fact, the bottleneck. More than 80 percent of the cycle time was being spent by other parties. "For years there was noise that it was the legal department that delayed things, so we decided to solve that problem," commented Van Nice. It turned out that wasn't the problem at all.

The dashboard also resulted in less of a need for status updates or the setting of priorities. And the training and involvement of staff from top to bottom was also crucial in implementation. "One of the keys to success for a project like this is getting buy-in from senior management," said Van Nice. "Having team managers to standardize, and end users to really understand not just the 'how' but the 'why', was also crucial."

The team has continued to automate workflows supported by Onit's business process management platform with additional solutions including: post-execution management; security questionnaires; research and development; automated CDA; and more. Baxter also implemented a series of metrics reporting to show value and give better insight and guidance to its legal team who manage risk for the company.

Van Nice's legal operations team has transformed the way Baxter manages contracts. By documenting the entire contract management process and challenging the status quo, it was able to implement a robust and tweakable technology platform bringing new insight to everyone involved in contract management and execution.

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