



Ensuring Success Between Legal Teams and Entity Technology

How to Set the Table For Productive Collaboration

Entity management lies at the heart of legal operations. Managing the legal details between mergers and acquisitions, reconciling the shifts of personnel and policy that occur during restructuring, and navigating a complex maze of regulatory and compliance regimes all require a high-functioning legal team. Without a reliable entity technology platform, legal teams are deprived of the accurate data and information they need.

A robust entity management platform that delivers the right information at the right time to the right person on your legal team provides an invaluable performance boost. Without the need to dig for data, worry about its accuracy or reconcile it with an outdated legacy system, legal teams are empowered to provide the analysis and recommendation most beneficial to their organizations.

In order to optimize the success of an entity technology, organizations need to be prepared to invest in both the implementation and the ongoing maintenance of that technology. Learning to use all the tools a platform has to offer, and fully optimizing those functions to benefit your organization, is essential for successful technology adoption.

How Entity Management Technology Benefits the Whole Organization

Perhaps the strongest advantage of entity management technology is that, if run well, it creates a single, centralized repository for all entity information and allied documents that pertain to those entities.

Organizations can have confidence in a single source of data truth, knowing that the data they access is current, accurate and reliable. The hassles surrounding incomplete, duplicate and variant entity information can be minimized.

Data reliability makes compliance initiatives easier to manage, reducing the risk of penalty or legal action, and strengthens an organization's overall corporate governance capabilities.

Rely on robust technology to optimize legal team performance

As organizations position themselves to secure the benefits of the 2017 tax reform, many will rely on robust and efficient entity management systems to help them with the necessary reorganization and restructuring efforts.

Diligent offers best-in-class entity management technology to help propel your organization to the front of the pack to ensure peak collaboration with your legal team.

Advantages for Legal Teams

Entity management technology provides legal teams with a powerful tool for streamlining the day-to-day essentials of entity management. Establishing and maintaining an accurate and reliable data source frees team members from the costly and time-consuming process of manual reconciliation and entity information verification.

Without those frustrating distractions, legal departments can focus their time and resources on the higher-value tasks their organization demands of them. For example, rather than worrying about impending compliance deadlines, entity technology allows for the creation of automated processes and workflows that maintain compliance schedules. It also allows users to update entity information quickly across the organization, so updates to personnel or policy can be kept accurate with just a few keystrokes.

Another advantage of the entity management system is that it reduces the data loss that commonly occurs with workplace turnover. As lawyers move from organization to organization, it is not unusual for vital pieces of company information to become lost in the shuffle. But by maintaining a single repository of complete entity information, entity technology preserves institutional knowledge and company history, essentially making the company turnover proof.

Rather than trying to track down a missing document or sift through an outgoing employee's email, new team members have access to all relevant information right from the server. Thus, any wasted time and uncertainty can be eliminated, enabling a smoother, hassle-free transition.

These types of work-process efficiencies allow a legal department to focus on the core functions of advising the C-suite. Legal teams can take advantage of precise entity data, and feel secure that their analysis and insights are built upon the best possible information.

Entity technology also provides opportunities for collaboration with other branches of the organization. One of the features of these tools is that they can be built out to accommodate multiple tasks. For example, a legal team might partner with the treasury team to track the banking details of all the accounts associated with a particular entity. Entity technology makes that kind of cross-team, cross-functionality easy, and in doing so, it can strengthen internal relationships throughout the organization.

Cross-team collaboration is just one way that entity technology helps the legal department demonstrate its value to the larger organization. By leveraging the data analysis and data visualization tools, the legal department can more clearly articulate how their work supports the C-suite's strategic objectives. This raises the profile of the legal team across the organization and ensures that stakeholders and decision-makers can recognize the legal department's contribution.

7 Steps for Successful Implementation

The manifold benefits of entity management technology are by now obvious. What might be less apparent is the path toward successful implementation. Many companies adopt new technology with the hope that it will solve all their problems, only to soon learn that the technology is just a tool.

However, in the absence of proper usage and maintenance, the same old problems and redundancies soon reappear, and before long, the company is looking for some other, newer silver bullet. This revolving-door pattern of adoption, implementation and failure results in an enormous waste of time and resources.

To avoid that purgatory, follow these steps:

1. Create an implementation plan:

Articulate a clear implementation plan that involves all users and stakeholders before implementation begins.

2. Gain buy-in from users and stakeholders:

Ensure that users and stakeholders understand the importance of implementation so they can focus on strategy and higher-level tasks.

3. Allocate sufficient time and resources:

The expense of new technology breeds impatience to recoup return on investment, which can sabotage the actual implementation process. Remember that execution risk undermines technology investment — don't skimp on implementation investment.

4. Appoint an implementation manager:

Implementing an organization-wide entity technology platform is a big deal that requires the full-time attention of an internal or external implementation project manager. That way, the buck stops somewhere to make sure the project is as successful as possible.



5. Verify current data:

Entity technology isn't a magic solution that turns bad, missing or incomplete information into the one source of data truth your organization needs. Ensure that current data is verified to escape the garbage in, garbage out outcome.

6. Reconcile current data:

When data is verified, inevitably mistakes, missing information and wrong information will be discovered. While it can take time, backfilling all the correct information and ensuring that all data and information is verified is the only way to make sure your new system does the job you hired it to do.

Consider outsourcing support:

7. Implementing entity technology is a big job. Odds are your current legal team is fully engaged with tasks within their core competency that support organizational objectives. In some instances, hiring a company well versed in the platform you are using can ensure that implementation is accomplished successfully.

The opportunity costs of execution risk are high. There is too much potential under-utilization or inconsistent application across an organization. This, in turn, results in inconsistencies, redundancies and errors. Before long, team members begin to experience the frustration of inadequate data, and they begin to lose faith in the technology as a whole, often times reverting to former programs or procedures.

Ultimately, these divisions and impromptu workarounds reduce efficiency and distract team members from core legal department functions. What is important to remember is that for an entity management system to function well, it must be populated with current and accurate data.

The Case For Outsourcing Support

The initial phase of verification and reconciliation may seem onerous, but the payoffs are worth the extra effort. Careful and complete implementation allows the organization to maximize their investment so legal team members can focus on their core competencies while taking full advantage of the tool's many useful functions.

While many organizations find implementation managers among their ranks, that is not the only option. This role can be easily and successfully outsourced to experts trained for just such tasks. For example, Blueprint partners with several organizations to offer full-service, third-party technology implementation.

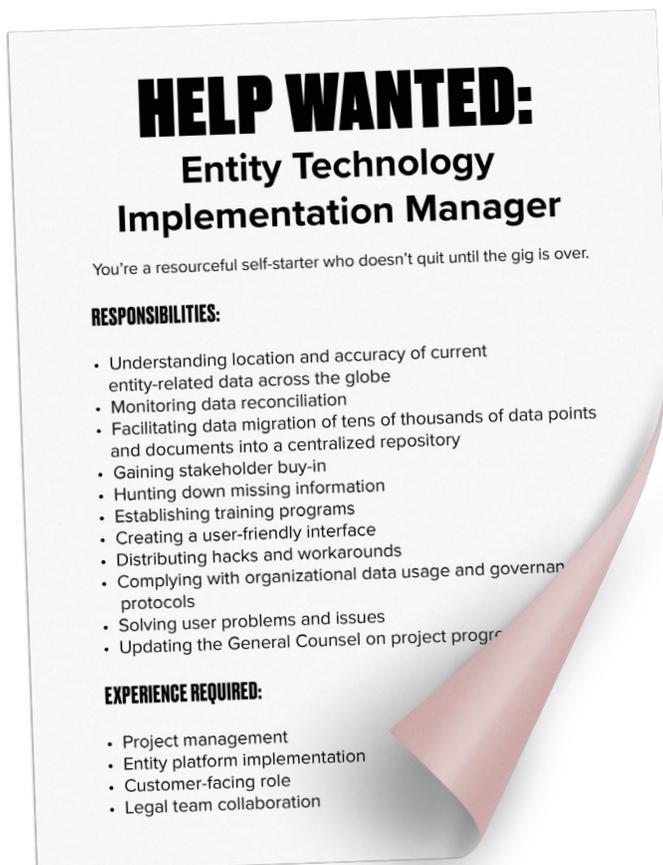
These partners can offer your organization customized, easy-to-use dashboards; provide them with training and technology assessments; and walk them through the data migration and reconciliation processes. Some partners can also assist companies with annual subsidiary governance initiatives, such as board and shareholder meetings, or with project-based governance tasks. Some companies find that outsourcing the implementation process is the best way to assure that they get the maximum value from their entity technology investment.

Improved Data Security

One upshot of a centralized data repository is an ability to provide organizations with enhanced data security for all entity information. Recent headlines have made organizations all too aware of the dangers of data breaches and lax cybersecurity.

Regulations such as the European Union's General Data Protection Regulations (GDPR) and the forthcoming California Consumer Protection Act underscore the gravity of cybersecurity and take great pains to place the obligation of responsible data usage squarely on the company. Beyond any legal ramifications of these lapses is the harm to reputation as damage occurs. Negligent companies may face the ire of an outraged public or customer base that no longer trusts them with valuable information.

Entity management technology provides unmatched data security for all entity data and allied documents. Too often, organizations have considered cybersecurity and entity management to have separate and distinct roles within the organization. But security functions embedded within the management tools are changing that misconception.



Customizable dashboards allow users to create secure permissions for the creation and editing of, and access to, legal documents. This safeguards all entity information from unauthorized access, keeping each file on a need-to-know basis. User permissions are easily managed and changed so that as the legal team evolves and shifts, appropriate authorization shifts with it, and security levels remain uncompromised.

These same standards of data protection extend to entity technology's Cloud-based functions. Users can feel confident sharing and accessing information from anywhere their travels take them, whether that's to the other side of town or the other side of the world.

Increased data security leads to an overall improvement in data governance. Data governance systems operate by locating and protecting sensitive data assets, and helping to assess risk and define controls. Entity management technology can be essential in these efforts by providing users with the ability to track all corporate lifecycle activities and to maintain documentation for corporate reporting.

Maximize Entity Management Technology

Maintaining a strong entity management platform allows your organization to reap the most value from its technology investment. Legal teams will begin to see the difference immediately, as they have quick, reliable access to data they can trust to be accurate and complete. Entity management technology offers seamless data migration for moving data from old systems and provides processes for data remediation for any information that is inaccurate, missing or outdated.

A seamless user experience transforms annoyingly time-consuming tasks into tasks that can be completed effortlessly and easily. Customized data libraries provide secure, appropriate access. Landing pages can also be customized, so that board members, executives, managers and staff can easily find the information most relevant to them when they need it most. This type of role-based customization allows the company to stay informed while maintaining high security protocols for sensitive information.

Once a successful implementation has taken place, legal teams can begin to take advantage of the data analytics tools built into the platform. These functions transform the legal team into a data-based department, allowing it to support its advice and findings with verifiable entity information and to focus on delivering actionable insights. Data visualization tools then help the legal team articulate

these findings through the creation of customized organizational charts and other documents that help map the best way forward for the organization.

Entity technology also helps manage the onslaught of regulatory obligations corporations face each day. Changes in regulation can affect the entire organization, so it is paramount that these requirements be met and kept up-to-date. Users can create specialized compliance calendars to keep team members informed and aware of upcoming deadlines. The platform can also serve as a repository for all required regulatory forms and licenses, placing everything users need in one convenient, secure location. Compliance features within the platform aid users with electronic filing, minimizing the risk of late fees and penalties, and the automated processes and alerts help legal teams maintain clear records of compliance for all regulatory initiatives.

Optimize Ongoing Benefits

Maintaining the integrity of entity management technology allows your legal department to continue to reap the many benefits the system has to offer. As users adopt more and more of the functions, automated processes and workflows can continue to increase efficiencies.

These same functions can serve the needs of multiple departments, making it possible for the benefits to spread across the organization. Expansion capabilities are built into the platform, so as your organization grows, the technology grows alongside it, allowing your team to seamlessly manage corporate acquisitions, divestitures and new entity formation.

Based on interviews conducted as part of our implementation process, corporate paralegals have said that they spend an average of 10 minutes – per request – verifying basic entity information, such as:

- “Who’s on this board?”
- “What is our company number?”
- “Who can sign this POA?”

If your team is getting 25 of those requests a week, that could mean you have a key internal resource spending over 200 hours a year verifying basic company information. By making an investment in legal entity management (LEM) technology, and implementing it intelligently, your team could be gaining countless hours to spend on more strategic matters.

Collaborate With Diligent Entities

Adopting a new technology is always a big decision. You want to make certain that you select the system that's most appropriate for your organization's needs, and then maximize that investment by optimizing each function of the technology.

The strength of entity technology provides actionable data, customized reporting and clear and concise visualizations, empowering legal teams to guide their organizations to further success. Diligent offers an unsurpassed entity management technology platform, and through partnership, you can be assured that your organization is using it to its fullest possible potential.



About Diligent Entities

Diligent Entities is our web-based entity management, governance and compliance solution, allowing users to access and manage their corporate compliance data 24/7, anytime, anywhere. With thousands of Users worldwide, across every conceivable industry, our client-base features many of the largest companies in the world such as Microsoft, Exxon, Chevron, Disney, TimeWarner, General Motors, as well as large clients in Europe, Africa, the East, Far East, and Australasia. We have dedicated sales and support offices in the UK (HQ), US (Stratford, CT), Australia (Sydney), the UAE (Dubai) and Hong Kong. We are also a multi-site Microsoft Gold Partner with both the ISV and Hosting competencies.

Our commitment to providing a suite of highly secure and integrated solutions is the reason why many FTSE100, FORTUNE 500, EURONEXT 100, ASX 200, government organizations and public bodies trust us to manage their corporate information to deliver good governance.

We have a 98% client retention rate, the highest client retention rate in our industry, achieved by providing superior customer service and support.



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