

Kāinga Ora builds document 'production line'



Client

[Kāinga Ora–Homes and Communities](#) (Housing New Zealand at the time of original publication)

Problem

Significantly increased construction targets made it necessary to streamline the contract documentation processes.

Solution

Teaming up with [LawHawk](#) and tailoring their documentation automation process to suit the needs of Kāinga Ora created increased productivity gain, and is a major time-saver when used in conjunction with the contract templates of Kāinga Ora.

Challenging building targets

Faced with rising construction targets, government agency Kāinga Ora–Homes and Communities (formerly Housing New Zealand) put its contract documentation process under the microscope, and their thinking caps on for the best way to deal with the documentation for each new development. What they came up with was the idea of a document 'production line' – a system to standardise their contracts and streamline their processes.

"The pressure was already on," says Yazmin Juned, Associate General Counsel for Kāinga Ora. "In 2015 and 2016, we built 500 new homes. That target has increased to 1116 in 2017 and 2018, and will continue to rise."

With their focus already on how to increase efficiency, Kāinga Ora had standardised their documentation templates. "That was a big thing when it came to streamlining our processes and making them more accurate," says Bruce Riden, General Counsel for Kāinga Ora. "It makes it much faster to produce the contract, but more importantly, it makes it easier for the contract managers to manage them." However, the templates were still time-consuming, and there was significant double-handling involved. Not only that, but with the new government targets, the volume of contracts was only going to increase. Kāinga Ora began searching for a solution – and a chance meeting at a legal conference kick-started their partnership with LawHawk.

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“We had considered document automation,” says Yazmin. “But it wasn’t until I met with LawHawk at the conference that we realised putting their system together with our templates would really work for us.”

Building the process

Although Kāinga Ora understood the pressures they were facing, their actual requirements weren’t initially clear. LawHawk worked closely with Kāinga Ora to identify what their problems were, define their objectives, and then implement a tailored approach. “They helped create what we needed for our own purposes,” Yazmin explains. “They even rewrote and reorganised some of our documentation. They were able to combine a couple of the consultancy templates into one. And that’s been amazing.”

“LawHawk’s background in legal contracting is essential,” says Bruce. “Non-lawyers couldn’t do what they’ve done. I don’t think any other software company could equal them, unless they had contract lawyers as well.”

So how did LawHawk’s document automation service specifically benefit Kāinga Ora? In a nutshell, document automation is a process where, instead of a user scrolling through each document looking for gaps to be filled in, or which clauses should be kept, and which ones deleted, the user is guided through an intuitive questionnaire which gathers all the required information. The questionnaires contain easy to understand guidance and built in logic that business staff can use to navigate complex legal concepts in the same way that a lawyer would.

The information gathered is used to instantly assemble one or more documents. Hundreds of changes to a document can be controlled by one or two questions. Information is inserted in each place 100% consistently. Clauses that are relevant are retained, and those which are not (and all references to them) are automatically deleted.

LawHawk converted the initial selection of templates to online automated documents for a proof of concept. Because it’s an online solution, the set up and testing required less internal IT resourcing than purchasing or building software for use on Kāinga Ora systems.

Speed with depth and quality

“LawHawk’s document automation system means that there’s not just a huge increase in productivity, but there’s no compromise on quality,” says Yazmin.

Bruce agrees. “It’s also saving time further down the track,” he continues. “There are less mistakes being made, and less need for checking. It works across all the documents; when you change one bit, it makes all the consequential changes in each document for you. When an actual person does that, they might miss something. The system doesn’t miss anything. Everything is fully updated.”

In addition to the productivity gain, there is the opportunity for lawyers to increasingly step away from the production of some documents and for those documents to be produced by a front-line development manager, or someone



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in their team. Provided the automation system is sufficiently tailored or locked down, a non-legal person can input the information and produce the contract, says Bruce.

"The system raises an 'alert' if a lawyer's involvement is required. Empowering the front line to produce their own contracts within the pre-set parameters of the automation system is both more efficient and more satisfying for the front line members of the development team."

"The time savings that Kāinga Ora are seeing from the automation project are huge," says Bruce, "Where we produce contracts using the automation we average a 75% reduction in the time taken relative to the time had we not used automation."

For example, ordinarily it would take a Kāinga Ora contract facilitator around four hours to produce a '3910 development contract' from their standardised templates. Producing this contract using a standardised template and automation, the four hours falls to one hour. Similarly, with short form standardised consultancy contracts, the production time falls from around 50 minutes to 15 minutes. With a long form standardised consultancy agreement production time falls from around two hours to 40 minutes.

This is startling when you consider the gains Kāinga Ora had already made, says Bruce. Had they undertaken a property development four years ago, Kāinga Ora would have had to prepare a 'bespoke' development contract. To do that would have

taken around 40 hours of work by an experienced construction solicitor working over a period of weeks, if not months. By developing a suite of standardised templates, they were able to reduce the 40 hours to four hours.

"By combining the standardised templates with the automation system developed for us by LawHawk, we were able to reduce the four hours to one hour. The combination of standardised templates and automation have taken us from a 40-hour contract to a one-hour contract. That must be considered a truly spectacular productivity gain."

Bruce says when Kāinga Ora began trialling the automation system, they were not particularly looking for financial savings. "Our concern was to find an additional tool that would help us cope with the excessive work load that we were already under, and which would help us address the avalanche of work that we could see coming. We were looking to build a very efficient document production line that would give the Asset part of the business the fastest contract production time possible. However, when we saw the time savings we were getting from using the automation system, we realised that the financial case for automation was also compelling."

In late 2017, Kāinga Ora undertook a review of the Legal Team's workflows for construction work and proposed a re alignment of the Team, and some expansion of numbers to meet the projected increase in the number of houses being developed. As part of this exercise, Kāinga Ora took what they were currently producing



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using standardised templates and extrapolated out to 2020, taking account of the projected increase in number of new builds.

On this basis, Kāinga Ora projected a need for eight more contract facilitators in 2020 to produce the development contracts that would be coming through. They factored in the time savings they were seeing from the use of automation and have conservatively reduced the eight to four.

"The financial saving that comes from needing four less FTE is significant. There is the combined salary cost of around \$300,000 and the indirect costs associated with staff of around a further \$300,000; and that is only in one area of Kāinga Ora, and one process."

"We are fortunate, given the rate at which our work is increasing, that the introduction of automation only serves to reduce the number of employees that we otherwise would have needed to recruit," says Bruce.

Kāinga Ora plan to fully automate the construction contract process within the next few months. The next step is to roll out the software to the business for low risk contracts. LawHawk have developed a 'locked down' version of the basic consultancy agreement that development managers can use.

So how would Kāinga Ora describe their experience of working with LawHawk? "They've been very patient," says Yazmin. "They're also really flexible. And their ability to look at our problem, and help us identify our requirements, has been amazing. They're lawyers as well as software developers and they've got to know us."

About LawHawk

LawHawk's advanced document automation, with its built in real time training and compliance, allows anyone to draft highly customised documents in minutes rather than hours and at very low cost. Document drafts will be better quality, more consistent and compliant with key requirements. LawHawk is committed to revolutionising how high quality and consistent legal and procurement documents are generated, and setting new standards for what is possible. It's law and procurement for the 21st century and how you'll want to do all your work.

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