



**ADAMS
CONTRACTS**
a division of LegalSifter

Some Propositions Regarding Contract Templates

1 February 2024

Most contract templates are dysfunctional.

Thanks to generations of copy-and-pasting, aggravated by the legalistic mindset, you can expect dysfunction in how contract templates say what they say and how they say it. See [this blog post](#).

Eliminating the dysfunction saves time and money at every stage of the contract process, results in better deal outcomes, improves your competitiveness, reduces the risk of disputes, and improves the morale of those who work with contracts.

Getting hard data for this is challenging, but there's a mountain of anecdotal evidence.

Generally, it's not realistic to expect organizations to fix their own templates.

From Ken Adams's experience as a consultant and trainer, he knows that companies find it hard to change their templates. One challenge is a lack of expertise—experience doing a certain kind of transaction doesn't mean you're equipped to express that kind of transaction in a template that's clear, concise, and relevant. But there's also inertia—if a company is more concerned about short-term costs than longer-term benefits, it will resist changing its templates.

Companies might be willing to change their contract templates only if they experience enough pain because of shortcomings in those templates.

It's unlikely that a company will be willing to change its templates unless it experiences pain in using its existing templates in doing deals. In other words, if its templates are insufficiently clear, concise, or relevant, or if the process for creating deal documents from its templates is particularly inefficient.

For a given kind of transaction, that pain could be experienced by many companies, or few. And it might be experienced in all kinds of transactions of that sort, or only in subsets relating to particular industries.

The best fix for template dysfunction is a fresh start.

As Ken knows from extensive experience, retooling dysfunctional contracts is time-consuming. Once the dysfunction exceeds a threshold limit, it would be quicker and simpler to make a fresh start.

Coming up with optimal contract language to express deal points should be a commodity task.

Transactional work involves creating contracts that express, usually with lots of unnecessary variation, the same deal points expressed in countless other contracts. Instead of creating contracts through a combination of copy-and-pasting and bespoke drafting, we should be able to access quickly and cost-effectively whatever contract language is required to express a given deal point.

Companies have two options for making a fresh start—a standard-forms initiative or document assembly.

One way to give your contract templates a fresh start is to use standard form-templates. [Bonterms](#) and [Common Paper](#) have each developed free standard-form templates for a handful of different kinds of transactions. They also offer, for a fee, a technology platform for negotiating, signing, and managing contracts based on those templates. Limited customization is offered through a cover sheet. Another free standard-form offering is [oneNDA](#); an automation platform is available through a partner.

[Adams Contracts](#), a division of LegalSifter, has a very different approach. (Ken is head of Adams Contracts.) Adams Contracts aims to develop a document-assembly library of highly customizable contract templates. Its first templates are one to create confidentiality agreements and one to create boilerplate—the miscellaneous provisions at the back of every contract. Go [here](#) for a demo video of the confidentiality agreement template. That template primarily serves as an example of Adams Contracts’ approach, which it plans to apply when developing templates for other, less routine transactions.

For creating customizable contracts, document assembly is a better option than generative artificial intelligence.

Generative AI (for example, ChatGPT) might be used to accomplish great things in other areas, but it won’t fix what ails contracts: AI trained on dysfunction will simply replicate that dysfunction. See [this blog post](#) and [this blog post](#). For an example of shortcomings in AI-powered changes to contract language, see [this blog post](#).

Because contracts mostly involve choosing from among a predictable range of deal points, there’s no need to surrender control to erratic AI. Instead, a simpler and more controlled option is document assembly, which provides the user an interview to complete: the user consults guidance, selects deal points, supplies information, and then assembles automatically a document that reflects choices made in the interview. That’s why Adams Contracts uses document assembly for its templates.

Instead of having individual organizations undertake their own document-assembly initiatives, it would make sense for a vendor to create highly customizable automated templates.

For individual organizations, document assembly is hard. It can get expensive, and doing it well requires specialized expertise. It would be better to have a vendor—one with the necessary

expertise—create highly customizable automated templates. That would let a broad range of customers create contracts that address their needs, and the vendor could achieve economies of scale. That’s what Adams Contracts is aiming for. See [this blog post](#).

Making a fresh start with contract templates can help not just individual companies but also the broader market.

If a contract template is widely accepted, that helps make more predictable and efficient the process of reviewing and negotiating contracts created using that template. That has been shown with confidentiality agreements, but that should also be the case with more intricate transactions.

To use one of many possible examples, it’s generally sponsors, not universities, that draft sponsored research agreements, but a group of sponsors and universities could collaborate with Adams Contracts to develop and promote a highly customizable template for creating sponsored research agreements. If that template were used in a given transaction between a sponsor and a university, the university would be aware of the source of the draft contract, the choices made in creating that draft, and what other choices were available. The sponsor and the university could even complete the document-assembly interview together in a screen-sharing session.

Using someone else's contract language requires a leap of faith.

When it comes to contract templates that are offered to the broader market, you can expect that users will want to know that they can rely on those templates. Those behind templates for making a fresh start have different ways of meeting that challenge. Standard-form initiatives point to their editorial boards; AdamsContracts points to Ken Adams’s status as the leading international authority on how to say clearly and concisely whatever you want to say in a contract.

But practically speaking, it won’t take much for those behind templates for making a fresh start to exceed current standards.
