

Legal Tech: Redesign Contracts to Treat All Stakeholders Fairly

Commercial and Contracts

Technology, Privacy, and eCommerce



For lawyers, the field of law is first and foremost about serving others. But when lawyers churn out impenetrable walls of complicated legalese and call it a fair contract, they cause Lady Justice to act like a snob.

Incomprehensible contracts shut out the very people they are meant to serve. Too often, employees, customers, website visitors, and business partners can do little more than cross their fingers and hope for the best when they sign on the dotted line.

Lady Justice demands that lawyers redesign contracts to ensure all stakeholders understand them easily. In response, your legal team can offer more engaging ways for all parties to interact with your contracts, which includes implementing practical design strategies, adding explanatory images, and using plain language and concise writing styles, all of which promote shared understanding.

The Better Contract Design Mark: A sign of improved communication

Legal teams are now redesigning contracts that earn a Better Contract Design Mark from World Commerce & Contracting (WorldCC). A better-designed contract can receive a badge that certifies that an expert review team has assessed its design, language, relationship, and usability and deemed the contract user-friendly, clear, visual, inclusive, and good for business. (Visit the Better Contract Design Mark site for more details on specifications.)

"In transforming how people interact with contracts, we can make contracts work better for all stakeholders. Overall better design leads to better communication and better business," says Paula Doyle, chief legal innovation officer at nonprofit WorldCC.

This article offers five areas of focus to help you start designing more useful and understandable

contracts.

1. Know your audience

Writing a better contract is similar to giving a <u>great speech</u>. What information do readers need to know and how do variables affect them?

You're more likely to succeed when you know who you're speaking to and can use the same language they do. Find out about the backgrounds of potential stakeholders, including their likely education levels. Your discoveries will inform your word choices, how you organize and display information, and what concepts to portray visually.

2. Write short sentences using straightforward, plain language

Dense blocks of impenetrable language intimidate, annoy, and antagonize readers.

"Contracts don't need to be full of legalese to be legally binding," Doyle says. "Write short sentences that connect logically. Contracts also don't need to address every potential disaster. Cut text to simplify contracts and use plain language that makes it clear who needs to do what, when, where, and why."

The more precise and concise a contract is, the more explicit expectations are, and the more easily you can discuss, rather than argue over, the terms of an agreement.

3. Use visuals to explain and engage

Our digitally connected world now often relies on visual imagery to communicate — just ask any colleague sifting through mountains of emojis, memes, videos, and photos for eDiscovery. To be of service in the modern era, lawyers must learn to interpret and express ideas using both words and images.

Better-designed contracts often use visual elements such as diagrams, charts, illustrations, and tables to clarify and reinforce concepts. However, choose what concepts to illustrate wisely. Too many images can sow more confusion than they solve.

"Visual explainers often portray the goals, expectations, and responsibilities of each party and increase comprehension by engaging people more meaningfully," says Stefania Passera, contract designer in residence at WorldCC.

Other tips include using bold, underlining, color-coding, and icons to connect ideas and signal importance. Choose easily recognizable and legible fonts and leave ample white space to give the eye much-needed breaks.

"Traditional contracts are often unnecessarily dysfunctional, and don't make it easy for the parties to understand and implement them" Passera says. "But strategic design can make them work better for all the parties involved."

4. Show off the corporate brand's personality

Why spend a ton of money driving people to your website just to inundate them with unreadable legalese? Put your brand's unique personality on display in website privacy policies, employment contracts, and other public-facing documents.

Contracts remain legally enforceable even when they use the same tone of voice as a company's social media presence. Whether the corporate brand is fun and witty, serious and sophisticated, or anything in between, you can show its characteristics through contract images, words, and writing styles.

The content of your contracts also reflects corporate brand values. Do your contracts reveal that your organization adds burdensome fees at every turn or shifts risks when it has leverage over smaller partners? Or do your contracts reflect the policies of a fair and <u>responsible corporate citizen</u>? As better-designed contracts become increasingly visible to more people, these questions grow in importance.

5. Request feedback and continuously improve

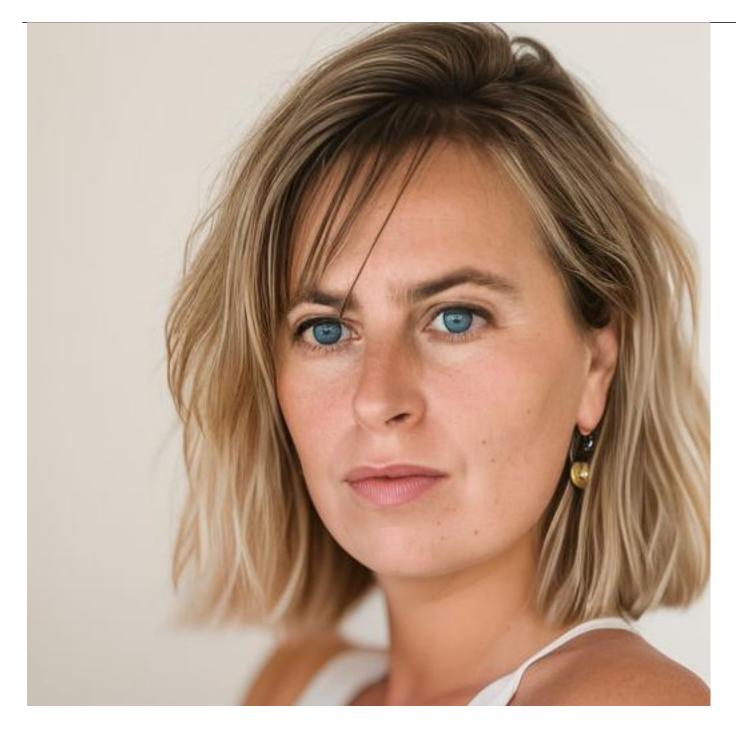
Effectively redesigning contracts can require many iterations. Even after you put a redesigned contract into production, ask people how they felt when reading it and how they interpreted its terms. Adjust your contract language and artwork in response.

Repeat this cycle many times, especially with your most visible, customer-facing documents. Above all, stay flexible. You'll also need to incorporate changes as regulations, business landscapes, and corporate priorities shift.

"Innovative brands that listen to customers, employees, and business partners and commit to working collaboratively can intuitively create more engaging contracts," Doyle says.

In the end, better-designed contracts help to support more cohesive and productive relationships that drive more beneficial results for all parties. And, if you're a lawyer who helps design better contracts, you can feel confident that you're serving others by empowering Lady Justice to provide fair treatment to all.

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Mack is also an award-winning (such as the prestigious ACC 2018 Top 10 30-Somethings and ABA 2022 Women of Legal Tech) general counsel, operations professional, startup advisor, public speaker, adjunct professor, and entrepreneur. She co-founded SunLaw, an organization dedicated to preparing women in-house attorneys to become general counsels and legal leaders, and WISE to help female law firm partners become rainmakers.

She has authored numerous books, including Get on Board: Earning Your Ticket to a Corporate Board Seat, Fundamentals of Smart Contract Security and Blockchain Value: Transforming Business Models, Society, and Communities. She is working on her next books: Visual IQ for Lawyers (ABA 2024), The Rise of Product Lawyers: An Analytical Framework to Systematically Advise Your Clients Throughout the Product Lifecycle (Globe Law and Business 2024), and Legal Operations in the Age of AI and Data (Globe Law and Business 2024).