

WHERE TO START WITH AI · NO. 4

Reviewing incoming NDAs

An NDA review assistant, rolled out in two stages: first it flags deviations for the lawyer, then, on its own, it clears NDAs that differ from the template only in the designated fields.

Stage 1 · the lawyer decides, with AI support

Stage 2 · AI clears template matches, legal handles the rest



WHY START HERE

It meets all four tests of a good first workflow



High volume

Dozens of NDAs a month, all the same type of agreement.



Clear owner

The legal team, which already maintains the template.



Clear output

A clause-by-clause issues list, with fallback language.



Known pain point

For legal as well as sales and procurement.

A written position. The assistant compares each NDA against a template and a standard position the legal team already has. The risk does not go away. It becomes more visible, measurable, and manageable once the position, the scope, and the escalation thresholds are defined.



ON ONE CONDITION

Low risk, but only within a strict scope

- 1 A written standard position**
template, fallbacks, and red lines approved.
- 2 Simple NDAs only**
no licensing, exclusivity, or non-compete terms.
- 3 No final legal judgment**
left to AI: the lawyer makes the call.
- 4 Unusual, sensitive, or ambiguous NDAs**
routed to legal.

Outside this scope, it becomes a different use case with a different risk profile.



THE WORKFLOW AS IT RUNS TODAY

Six steps, all done by hand

Example Services Inc. · 1,100 employees · fictitious company

1	NDA received from the counterparty by email, in Word or PDF	
2	Request sent to legal often with no context	● Context and urgency pieced together
3	Clause-by-clause review term, definitions, carve-outs	● Same points reread every time
4	Comparison with the template from memory or on screen	● Standard position lives in people's heads
5	Counterproposals drafted in tracked changes	● Fallbacks rewritten every time
6	Signature and filing by an authorized signatory	● Final versions scattered

≈ 30

NDAs received a month
(illustrative)

≈ 25%

on the template as is
(illustrative)

≈ 5 days

from receipt to signature
(illustrative)

● friction point · illustrative figures

Illustrative case: fictitious company; all figures are approximate.



BEFORE YOU START

Write down the standard position

The work starts by writing down the standard position (the playbook): the current template, the preferred position, acceptable fallbacks, and red lines for each clause. Each rule has an owner and a version date. The tool comes after.

1
Current template

2
Fallbacks and red lines

3
One owner per rule

4
Dated versions

The tool comes after.



STAGE 1 · HUMAN IN THE LOOP

The assistant flags deviations, the lawyer decides

The NDA comes in

through the same channel as today.



The assistant flags deviations

clause by clause, citing the rule.



The lawyer decides

accepts, negotiates, or redrafts.



Every correction is logged

by clause type.

What this stage produces: a clause-by-clause measure of deviations caught and deviations missed.

Estimated duration: 2 to 3 months.



STAGE 2 · NDAS THAT MATCH THE TEMPLATE

It clears NDAs that match the template; legal handles the rest

THE ASSISTANT CLEARS WHEN

- The NDA uses the current standard template
- The text differs only in the designated fields
- The agreement type and counterparty are approved

IT ROUTES TO LEGAL WHEN

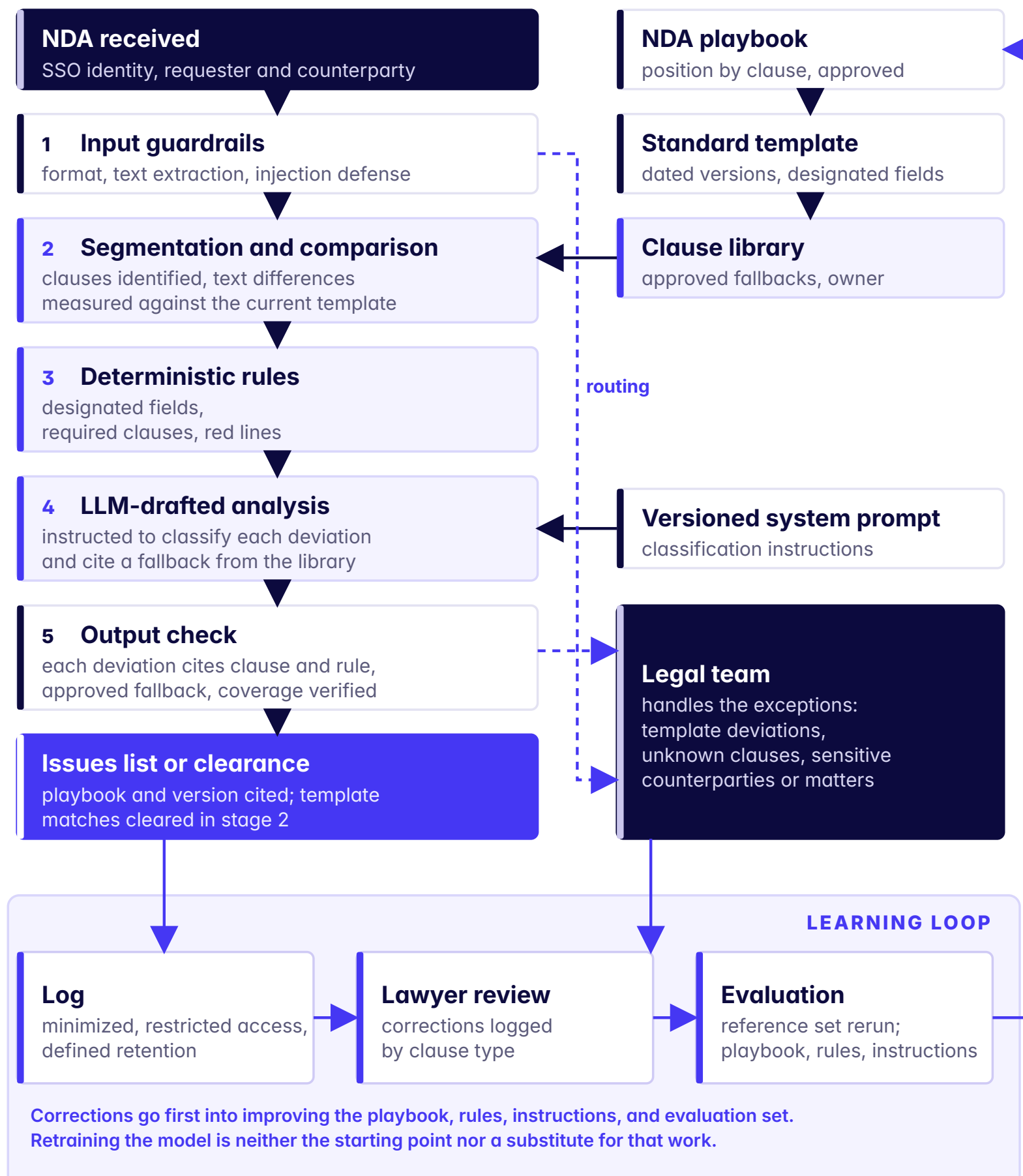
- Any clause departs from the template, however slightly
- The NDA is on the counterparty's paper
- The agreement involves a competitor, a foreign party, personal data, a sensitive project, or similar

Every week, legal reviews a sample of cleared NDAs and keeps the playbook up to date.



UNDER THE HOOD · COMPARISON, RULES, LLM

Reference architecture: how the system stays under control



UNDER THE HOOD · CONTROLS AND SECURITY

The controls required before any autonomous answer

1 Evaluation

A reference set of about 150 past NDAs, pseudonymized or anonymized as the test requires, with expected deviations annotated by a lawyer. Metrics: deviations caught and missed by clause, classification accuracy, and the rate at which exceptions are correctly routed. Rerun whenever the model, a rule, or the instructions change.

2 Observability

Every NDA processed is logged: clauses identified, deviations flagged, rules cited, routing decision. Contracts and counterparty data: log minimized, access restricted to authorized roles, retention defined by purpose and applicable obligations.

3 Identity and access

SSO (SAML or OIDC). Only legal can change the playbook, the template, or the clause library. Signing authority stays with authorized signatories.

4 Data

Hosting and data transfers verified for the chosen solution; contractual terms barring use of the data for model training; encryption; confidentiality owed to counterparties; documented Swiss FADP assessment.

5 Application security

Protection against prompt injection, including in the text of the incoming NDA. Scope limited to three outcomes: prepare an issues list, clear a template-matching NDA for signature, or route to legal. A person always signs.

Three options: the module in your existing contract management tool, a contract review platform, or a custom build (comparison, rules, model API). The choice comes after the playbook is written down, not before.



MOVING FROM STAGE 1 TO STAGE 2

A decision based on evidence, one agreement type at a time

The move to stage 2 should not be decided in advance. It depends on what legal observes during stage 1: the accuracy of the deviations flagged, the deviations missed, and the system's ability to recognize NDAs that fall outside its scope.

WHAT LEGAL OBSERVES

- Deviations caught and missed, by clause
- Corrections needed, by clause type
- Exceptions correctly routed
- No significant incident observed within the tested scope
- A current playbook, each rule with an owner

Prospect NDAs on the standard template could move to stage 2, while partnership NDAs stay in stage 1.



THE GOAL, AND HOW TO MEASURE IT

The goal is not to take contract review away from legal. It is to shorten turnaround on standard NDAs, stop rereading the same clauses by hand, and free up lawyers' time for agreements that call for context and judgment.

Time from receipt to signature for an NDA that matches the template

≈ 5 days → **≈ 1 day**
 today (illustrative) illustrative stage 2 target

Also tracked: the share of NDAs cleared without lawyer review, **20–25%**
 (illustrative target)

Data protection

Swiss FADP: purposes, data processed, confidentiality of incoming contracts, hosting, and transfers clarified before launch.

Governance

The general counsel owns the outcome and reviews a sample of cleared NDAs every week.



In this example, AI does not take contract review away from lawyers.

It steps in first where an approved template and a written position are enough to flag deviations.

So the useful question is not “Which tool should we buy?”

It is “Which repetitive work can we have AI assist with, measure, and then delegate under clear controls?”

What repetitive work in your company already meets these conditions?



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