

Thomson Reuters Contract Express



Standard Chartered Customer Success Story

Reuters/Mike Hutchings

The Company

Standard Chartered is a leading emerging markets bank, employing around 87,000 people in over 1,200 offices across 70 countries primarily in Asia, the sub-continent, the Middle East, Africa and Latin America. With its core businesses of consumer, corporate, institutional banking and treasure services, Standard Chartered's roots lie in the emerging markets, where it has a strong and established presence. This gives this bank a unique knowledge, insight and understanding of these markets.

The Challenge

Information Technology underpins every aspect of modern banking. Standard Chartered spends substantial sums on technology purchases to maintain its leading edge services. This volume of purchasing activity, combined with globally distributed operations, presents quite a challenge for the Bank's technology purchasing professionals within the Strategic Sourcing Group.

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In 2001 SCB embarked on a process which would consolidate its technology sourcing through a framework of standard model contracts. The project aimed to eliminate the time and costs associated with technology sourcing, to exploit the bank's scale and purchasing power and finally to minimise the commercial risks to which it was exposed.

The new process intended to use software technology to allow the rapid creation and manipulation of the standard contract terms. It needed to be flexible and robust too, allowing the bank to generate contracts in multiple legal jurisdictions around the world.

The Solution

They chose Contract Express, which they integrated with their document management system Hummingbird.

A library of Standard Chartered model contracts known as EXPERT is now accessible to members of Strategic Sourcing. Once a contract type is selected, a series of questions are answered, from which an almost complete, 'fit for purpose' contract is created.

Contracts which are created by the system, can be indexed and archived. Query tools allow searching and analysis of the stored contracts.

Even lengthy and complex contracts can be created in a few minutes. Significantly, the system ensures legal integrity, so that the automated contracts can be trusted as much as the original 'model' standard documents. "Contract Express fits our sourcing strategy very well," said Baldev Sian, their Global Contracts Manager at the time. "We are able to generate customised contracts, designed for different legal jurisdictions in minutes rather than hours or days".

Results

"Eighteen months on, the benefits of our system are evident," said Sian. "Every time we create a contract we are working from an improved starting point. The result is contracts which show a substantial improvement in terms of quality and compliance to our standards".

The system offers other quantitative benefits. Sian estimates that the Bank's use of legal resources has already been reduced. "It certainly allows us to make better and more focused use of our legal resources – that represents real savings".

Potentially the biggest saving of all lies in Standard Chartered's ability to manage risks.

"With our new approach, we can keep variations from our preferred standards to a minimum and eliminate unnecessary risk. With the high value of the transactions we are managing and their importance to the Bank's business, poor contracts could cost us many times the expense of setting up this process", said Sian.

"With the EXPERT system up and running in 6 locations over 4 different continents, we are close to having realised our vision that all our sourcing contracts will be consistent with high quality, corporate standards."