

CASE STUDY: CONTRACT MANAGEMENT

Transforming a Multinational Publishing and Education Company's Law Department



Pearson's Legal Department was facing an unprecedented operational challenge

In 2017, the business committed to becoming a simpler, more efficient company, including the reduction of annual costs by £300 million by the end of 2019.

To meet this challenge, Pearson's Legal Department developed initiatives for how to transform their operating model. One of the most important was to create a Transaction Services Center (TSC).

The TSC would need to be a single function within the department that would provide legal services to the business for both revenue and expenditure contracts for the company's businesses operating worldwide. The department believed that creating the center would yield significant operational benefits because it would move them from a historically decentralized, high-touch concierge model to one that was more centralized, using standardized

processes, and much more effectively utilizing technology for insights and automation.

Pearson's vision for the center included standard processes, playbooks, templates, and workflows driven by a single technology platform to service intake, cradle-to-grave contract processing, self-service applications such as non-disclosure agreements, and analytics enabling the center to be run based upon data-driven insights. Creating the TSC would allow them to both transform service delivery and to yield material financial savings – all in support of Pearson's overall strategic objective of becoming a simpler, more efficient company.

"We view Morae as an extension of Pearson's broader legal team. In this capacity, they directly interact with our customers, our internal clients, and our external vendors in the handling of transactions throughout the entire spectrum of those transactions. Morae has been with us every step of the way of our transformation and has been a fantastic partner."



Bob Mignanelli

*Senior Vice President,
Chief Operating Officer, Legal, and
Associate General Counsel
Technology Strategy and Operations
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Pearson's legal team now had to bring the TSC to life and fully operational by the end of 2019.

In order to do this, Pearson needed to establish and implement a world class operating model. Based on the current state analysis and scope of work, informal market research, and financial modeling, Pearson identified three models for how to build and operate a TSC.

- **Model 1:** A fully captive center staffed and operated solely by Pearson personnel.
- **Model 2:** A hybrid model staffed and operated by a small team of Pearson personnel and a larger team from a Pearson partner.
- **Model 3:** A fully outsourced model staffed and operated solely by an external partner, with a very light engagement layer from Pearson.

Pearson decided on the hybrid model and selected **Morae** as their partner to implement and operate the Transaction Service Center, including implementation for a Contract Management (CM) system and workflow automation platform to underpin and drive the center. **Morae** partnered with **Onit** for the technology and they collaboratively tailored it to fulfill Pearson's vision.

Pearson's choice to work with **Morae** was based on the following criteria:

- Outstanding technical skills and capabilities
- First rate work of the highest quality
- Tremendous integrity and communication, not only when projects are going well, but also, whenever the client would hit bumps in the road, by sitting down to work out solutions to any issues.
- A real willingness and desire to understand client objectives, participate in the transformation, and help clients achieve their objectives, including identifying new goals along the way for even greater success.

With the selection of the operating model, technology and partner, Pearson embarked on implementing both the TSC and CM platform.

Morae was right there with the Pearson team every step of the way, providing services ranging from consulting during the initial current state analysis on through the implementation and design phases for both the TSC and CM platform.

For the TSC, **Morae** provided the implementation methodology and buildout timeline. Additionally, **Morae** developed playbooks, templates, workflows and standardized processes for the intake, handling, and archiving of transactions and further assisted with development of training materials and change management processes.

To efficiently manage user demand for support, **Morae** instituted a Legal Front Door intake desk, with **Onit**-powered automated workflows, to ensure service levels would be consistently met for all requests.

For the CM implementation, **Morae** provided a full range of services, including designing and implementing the platform in partnership with **Onit**. **Morae** also established knowledge management, training materials and workflow protocols for Pearson's end users.

All of the implementation work was completed within nine months, during 2018. **Morae** has since collaboratively managed delivery of these services as a key part of Pearson's legal team for the breadth of their company's transactional matters.

The TSC, along with the **Onit**-powered CM and workflow automation, has materially reduced Pearson's legal department costs. Building on this success, other parts of the Pearson business have since been migrated to the TSC, leading to the expansion of the center in 2019.

Award Recognition

On Sept. 5, 2019, Pearson was honored to receive the **2019 Process Improvement Award** from **Buying Legal Counsel**. **Morae** applauds Pearson's vision and dedication to transformational change.



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