



Digital Knowledge Management in Attorney-Client Service

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Index of Abbreviations

Abb.	Definition
GTC	General Terms and Conditions
CPH	Client Policy Handbook
i.e.	that is
F+R	Foerster+Rutow Rechtsanwälte
fr_dkm™	fr_digital_knowledge_management
fr_ilm™	fr_internet_link_manager
German Commercial Code	German Commercial Code (Handelsgesetzbuch)
SMB(s)	Small to medium-sized businesses, see also Recommendation of the Commission dated 05/06/2003 (2003/361/EC)
KonTraG	Gesetz zur Kontrolle und Transparenz im Unternehmensbereich (German Law on Control and Transparency in Organizations)
SSL	Secure Socket Layer
CPB	Vergabe- und Vertragsordnung für Bauleistungen (Contract Procedures for Building Works)
RPS	Verdingungsordnung für Leistungen, VOL (Rules Regarding Public Supply Contracts)
e.g.	For example



1. Risk Management and Knowledge Management

1.1 The Necessity of Risk Management

The German Law on Control and Transparency in Organizations ([KonTraG](#)) provides that the legal representatives of stock corporations must set up an effective and functional internal control system in order to detect developments early on that threaten the continued existence of the company. The obligation to control and organize must be understood group-wide for multi-level companies (e.g. parent companies and their subsidiaries) if the subsidiaries pose a risk to the group of companies.

1.2 fr_risk_management_system

The fr_risk_management_system is tailored to the needs of small and medium-sized businesses (SMB). The fr_risk_management_system aims to optimize the standard business of SMBs to the extent that the requirement for legal advice is reduced, and to allow focus on individual circumstances, contracts and projects for which standard solutions are not recommended.

1.3 Knowledge Management as a Module of Risk Management

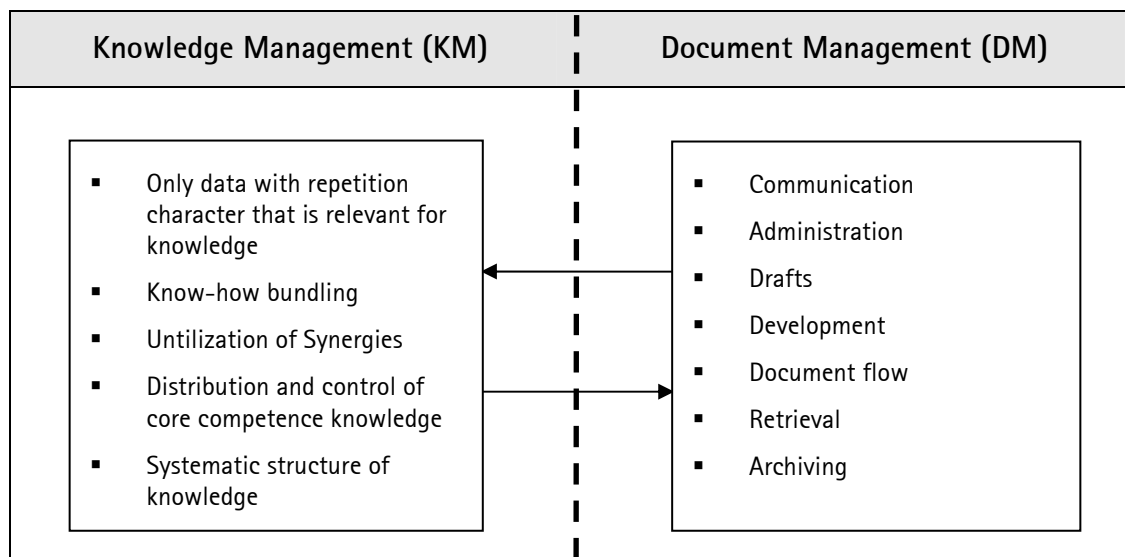
Rapid globalization and the development of society into a "knowledge society" necessitate company-wide knowledge management. The fr_risk_management_system offers SMBs a systematic start to creating knowledge management. Users are able to effectively access knowledge on a common level using different media (e.g. for employees: CD-ROM; within the company: Intranet). Since company cultures (particularly various company units with opposing cultural dimensions¹) present a key factor for knowledge management, globally active companies must aim to organize and actively maintain inter-cultural knowledge management.

¹ See Marion A. Weissenberger-Eibl and Patrick Spieth: Intercultural Co-operation: A Consequence of Cultural Constraints in Managing Knowledge, Special Edition 2006



1.4 The Difference between Knowledge Management and Document Management

For knowledge management to be effective, it is crucial to differentiate between knowledge and document management. This is demonstrated in the following:



2. fr_digital_knowledge_management (fr_dkm™)

2.1 Target Group

fr_digital_knowledge_management (fr_dkm™) was developed by F+R as a knowledge management tool for SMBs. It has been successfully implemented in several companies; however, it is also suitable for use by members of the consulting professions (e.g. lawyers, tax advisors, auditors) and universities (e.g. academic departments).

Examples from practice:

fr_dkm™ Application	Description
Corporate Documents	Administration of contracts necessary for the company group (parent company and subsidiaries) according to company law
Contract Administration	Administration of complex contracts which include graphics detailing the contractual structure (annexes, addendums), e.g. industrial plant contracts
Environment and Occupational Health and Safety Law	Administration of documents concerning environmental law (e.g. provisions, permits, reports, technical specifications)
Retirement Funds	Contracts and documents concerning the company group's retirement plan



fr_dkm™ Application	Description
Arbitration Proceedings	Effective administration of documents during arbitration proceedings with secured online access for participants
Court Proceedings	Effective administration of written statements and experts' reports in complex court proceedings
Claim Management	Effective administration of complex claims by organizing the relevant documents and allocation of the defined claims

2.2 Functions

fr_digital_knowledge_management enables effective administration of complex contracts and documents and, in addition, creates the potential for greater efficiency. This can be achieved as demonstrated in the following:

Graphics which detail contractual structures (e.g. contracts with annexes)

Effective filing and retrieving of documents with know how and other relevant company knowledge

Indexed full text search and attribute based search in various formats, e.g. Word (.doc), Portable Document Format (.pdf), web pages (.html)

Authorization concept related to users and documents

Integrated appointment management with email information function

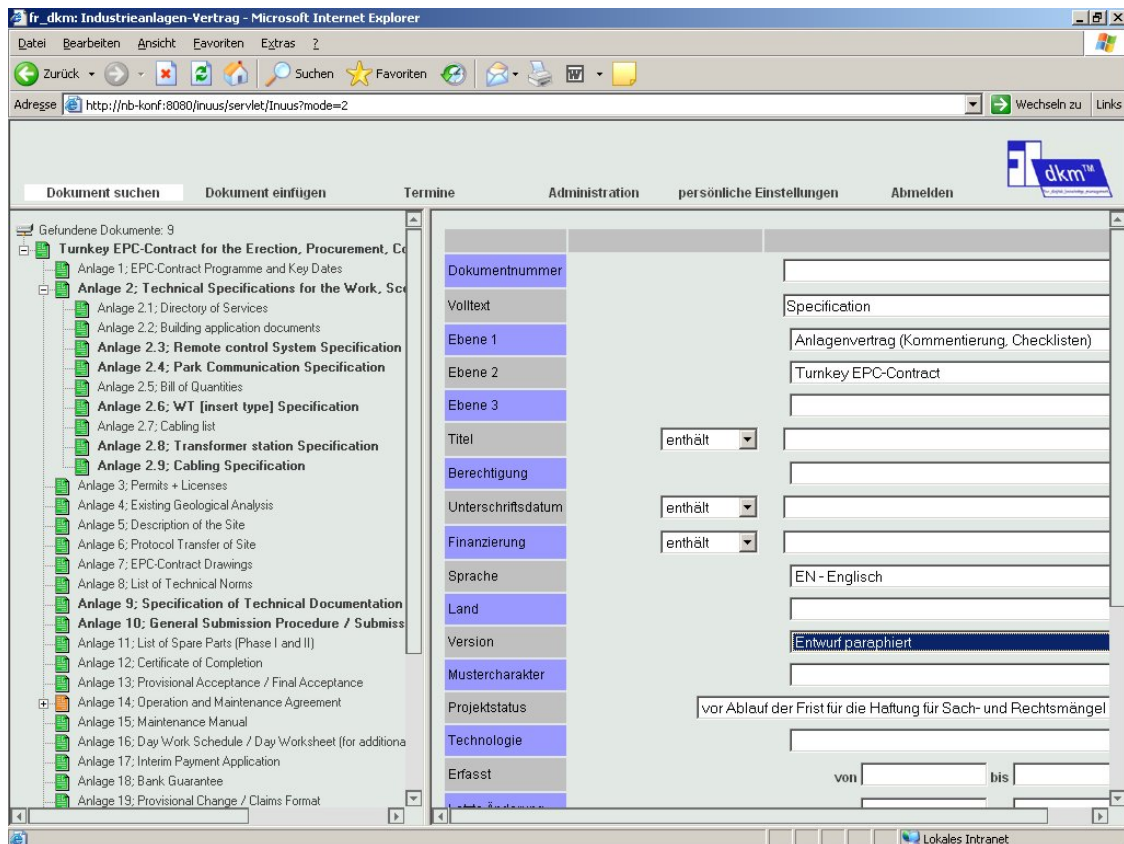
Customizing with free configurable document types and attributes

German and English user interface available at the user's option

"Skills databases" for special areas, e.g. customer contracts, sales contracts (international), technical documentation, corporate contracts, retirement plans, environmental and security law, etc.



The following screenshot shows the fr_dkm™ contract database which administers complex contracts regarding industrial issues:



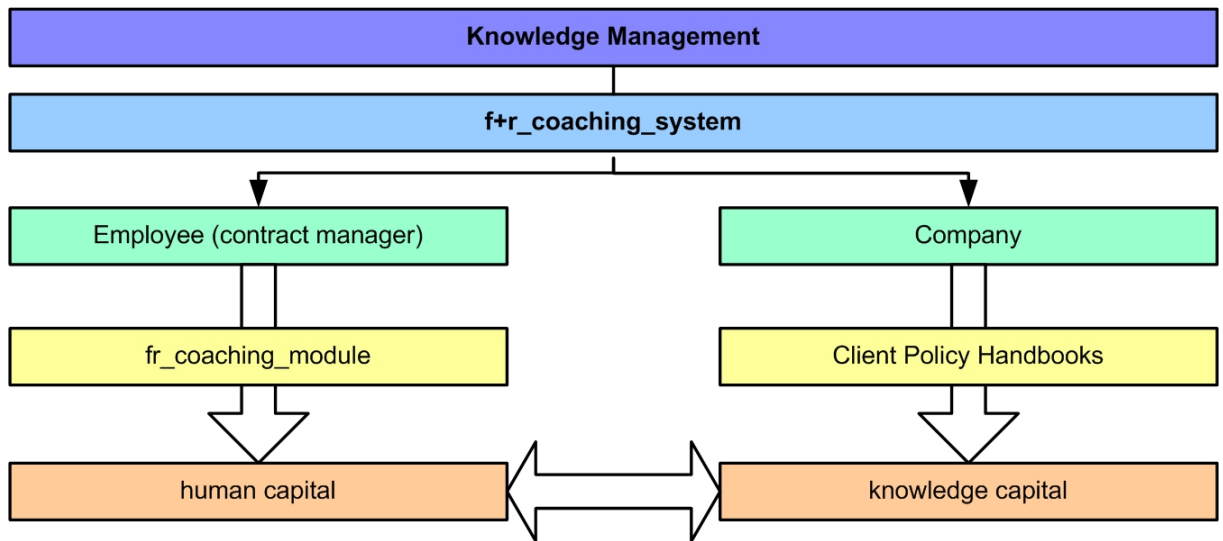
3. fr_coaching_system

3.1 Target Group

The fr_coaching_system provides companies and their employees with structured knowledge management. At each of the various modules (levels 1 - 4), employees gain basic knowledge about contract design, contract structure and contract administration. In addition, employees access a knowledge base to assist their daily work within the company. This enables employees to intelligently and independently fulfill about 80% of their contract based work with a high level of quality (therefore reducing risk for the company).



Use of the fr_coaching_system within companies transfers knowledge management into "human capital" and/or "knowledge capital" as is demonstrated in the following:



3.2 fr_coaching_module

The fr_coaching_system comprises several fr_coaching_modules (levels), which are structured according to the issues typically encountered by SMB employees:

CISG	IT Contracts
Contract Conclusion / GTC	Supply Business
Purchasing	Legal & E-Business
Antitrust Law (Germany and EU)	Arbitration (national and international)

These fr_coaching_modules are systematically structured from basic know-how (level 1) to excellence (level 4):





3.2.1 fr_coaching_basic

In this coaching module, the necessary basics are prepared which an employee must observe when undertaking the design, structure and conclusion of contracts with third parties. Particular areas of importance and interests (e.g. Sales, Purchasing) are not decisive at this stage. The basic module focuses on the implementation of relevant Terms and Conditions and the transmission of the basics of content control of these Terms and Conditions. In addition, common contract regulation issues are explained.

3.2.2 fr_coaching_advanced

Building on this, the fr_coaching_advanced tool is more specialized and much more detailed. It is essentially structured like a contract of sale. In addition, this fr_coaching_module contains necessary basic knowledge about special rights and obligations which result from the German Commercial Code and from requirements for contracts which are concluded based on CPB/RPS.

3.2.3 fr_coaching_top

The goal of this fr_coaching_module is to systematically deepen and examine the knowledge transfer from the coaching's first two levels. At the same time, learning about the company's specific requirements is intensified; clear requirements are set and questions are asked regarding the company's everyday work. The coaching module fr_coaching_top is characterized in such a way that implementation of Terms and Conditions of Sale and the company's standard contracts are examined in the form of workshops involving the company's employees (role play). In doing so, argumentation aids, strategies and risk-minimizing approaches are developed and trained, e.g.:

Reaction to contradictory Terms and Conditions of Sale or rejection of other parties' Terms and Conditions of Sale

Contract change management: typical requests for amendments by contract partners in view of individual clauses (liability, arbitration, etc.) and the presentation of negotiation aids (e.g. for limitation of liability clauses)

Advantages of arbitration proceedings over traditional court proceedings

Application area and application problems of the CISG in international contracts of sale

Claim Management: strategic analysis and dealing with requirements by the use of knowledge management tools.



In addition, mock-cases (simulated case studies from every day experience by SMBs) are developed based on the typical application areas of the respective company. With the tutor's support and his/her instructions, employees learn to solve issues raised in the mock-cases using the CD-ROMs _basic and _advanced.

3.2.4 fr_coaching_excellence

The final module, fr_coaching_excellence, is primarily intended for use by management. This fr_coaching_module provides management with information regarding:

A compliance program and code of conduct

Antitrust law (e.g. trade block exemption regulation)

Competition law

Advertising law (Internet)

IT law

Law & E-Business (i.e. introduction to E-Business for SMBs)

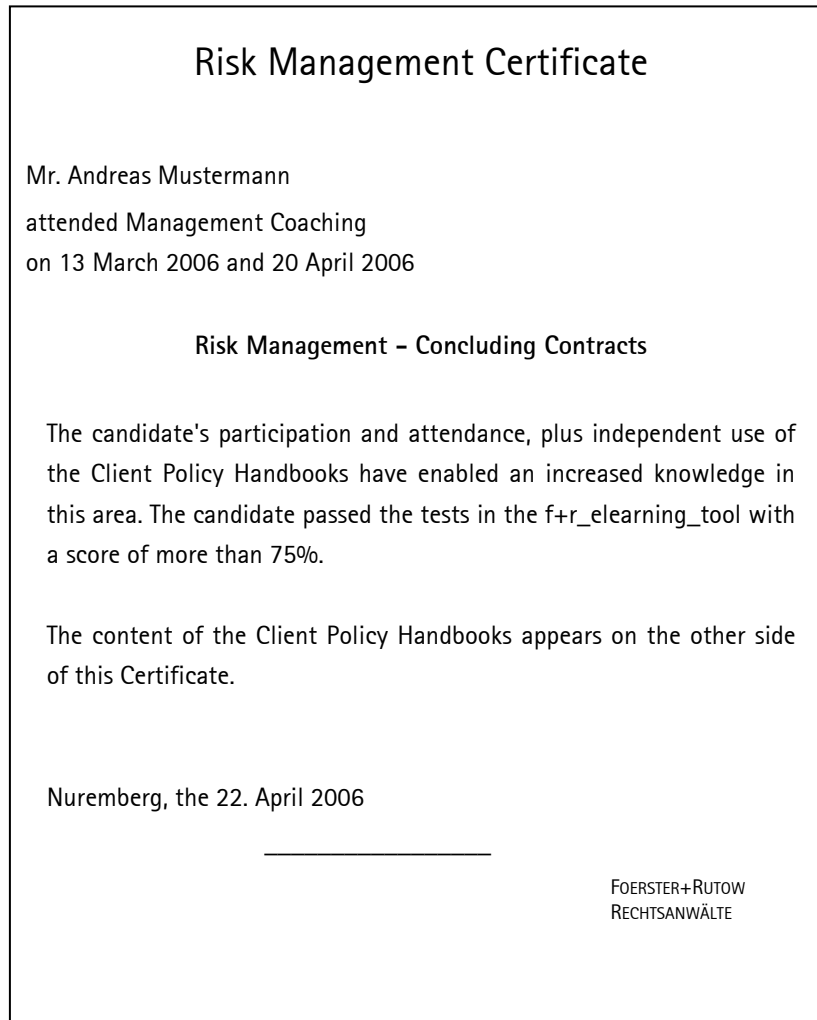
3.2.5 Amount of Time Required

When implementing the fr_coaching_modules, F+R's experience is that employees are willing to undertake a substantial portion of the classes after work. This is because these classes also increase their individual knowledge and this remains with them even if they leave the company.



3.2.6 Certificate

At the end of each fr_coaching_module, employees who achieve the coaching goal will receive a certificate:



3.3 Tools of the fr_coaching_modules

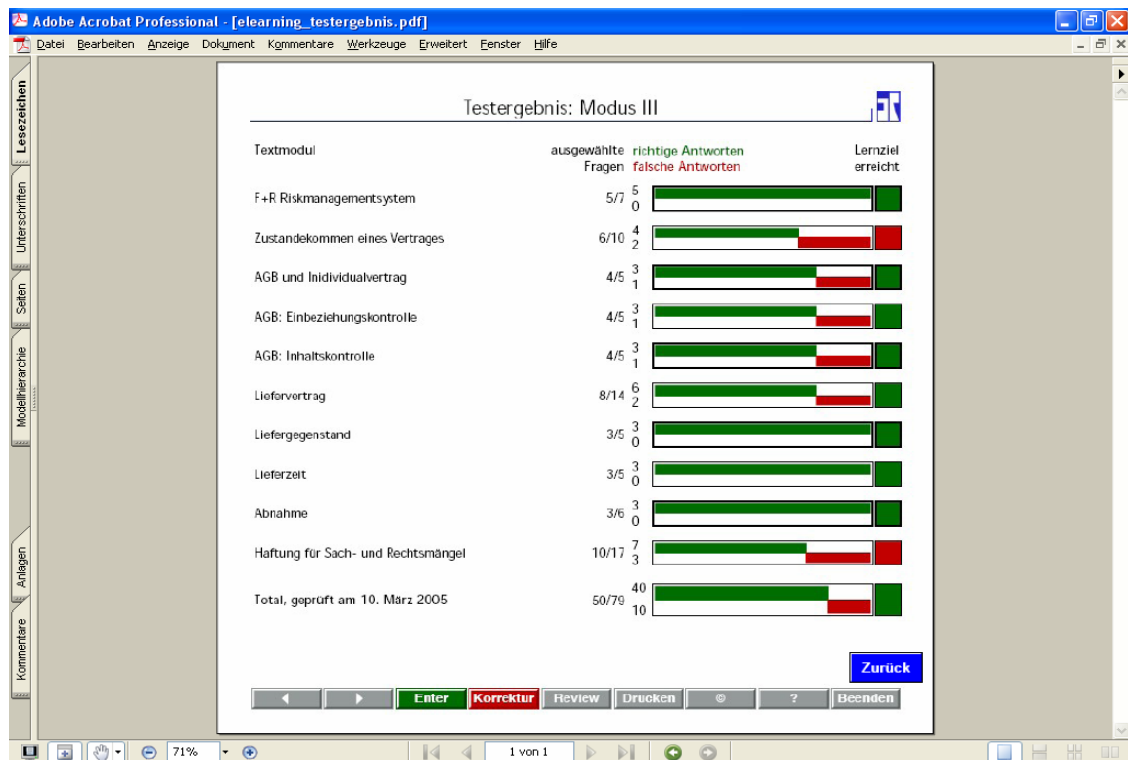
fr_coaching_modules have a uniform user interface which, together with the navigation bar developed by F+R, facilitates simplified navigation and direct access to the tools introduced below.



3.3.1 fr_earning_tool / Evaluation

The fr_earning_tool provides the employee with effective control over his/her own learning speed and his/her own learning success. Each employee can choose between three modes depending on his/her knowledge level and learning progress; from controlling the learning process and the possibility to immediately look something up (1st module) to the comprehensive test under time pressure (3rd module). He/she is thereby supported by an accompanying long-term statistic for each chapter of any fr_coaching_module. The fr_earning_tool is also used for the evaluation of the respective fr_coaching_module and it enables an online evaluation of each employee's test result.

Screenshot:



3.3.2 Clauses

The fr_coaching_modules have clauses in German and in English for each relevant subject (e.g. Boilerplates). The employee is able to make a qualified choice when designing or commenting on a contract supported by explanatory texts. In the event that he/she has to evaluate a contract draft, he/she is able to recognize and evaluate risk-changing amendments or omissions by comparing it to the clauses provided in the module. The employee is able to choose the clause and mark it, copy it and paste it into his/her Word document.



3.3.3 Checklists

The checklists serve the purpose of helping the employee to systematically analyze the facts which need to be settled in the contract at hand. Using these checklists, the employee quickly understands the minimum requirements and settlement demands of decisive clauses, e.g. an arbitration clause. Thus, the employee is capable of evaluating the content of an arbitration clause.

3.3.4 Glossary

The glossary helps the employee and gives him/her the possibility to understand any contractual terms he/she does not know. By clicking on a link in the text, the user is directly led to the definition in the glossary and/or back to the text again.

3.3.5 Search Function

An intelligent search function searches the complete content of the CD-ROM. From the search result, the user is directly linked to the passage in the text.

3.3.6 Interactivity

fr_coaching_modules are interactive. When clicking on the navigation bar, an internet window opens, via which an e-mail can be sent to F+R. Thus, inquiries can be centrally answered and administered by F+R. The results of the inquiries are evaluated and, if applicable, integrated into the respective fr_coaching_module for improvement or additions.

3.3.7 Links

fr_coaching_modules, being digital media, make work very effective since the complete content is connected by hyperlinks, among others:

From chapter to chapter

From terms to glossary

From section referrals to the respective legal text

From case and legislation references to the full text of such

Directly to the Internet, insofar as the computer is connected to the Internet



3.3.8 Language

Particularly for foreign subsidiaries of SMBs, F+R has developed a specific and slim version of the `fr_coaching_system` which focuses on the needs of the respective subsidiary and its local legal system. The functionality of the `fr_elearning_tool` is available in the respective language.

Because of its employee structure, F+R is able to provide these products to companies in the following languages:

German	English	Spanish	Dutch
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3.4 Client Policy Handbooks (CPH)

3.4.1 Short Description

Client Policy Handbooks are compact, digital handbooks which are tailored to the individual needs of the respective company, parts of the company or their subsidiaries. They are based on the same digital platforms as the `fr_coaching_modules` and have a uniform user interface with F+R navigation bar which enables simple navigation and direct access to the tools:

[Clauses](#) which can be inserted in a contract document via drag and drop.

[Checklists](#) for the extensive adaptation of circumstances.

[Glossary](#) which explains (legal) terms.

[Search function](#) with which the complete handbook may be browsed.

[Interactivity](#) by inquiries/answers via email to F+R.

[fr_elearning_tool](#) to efficiently control the knowledge gained.

Extensive and linked compilation of legislation which makes complicated research for relevant laws unnecessary.

3.4.2 `fr_client_policy_handbook` Organization and Infrastructure

This Client Policy Handbook describes the organization and infrastructure of a company and the respective guidelines. Within the scope of the organization and infrastructure it is ensured that subsidiaries basically work according to the same rules as their parent company and also represent themselves in the same manner. This applies in particular for subsidiaries that usually operate many thousands of miles away from their parent companies. This is an essential component of a corporate identity concept which does not only extend to a common logo.



3.4.3 fr_client_policy_handbook Contracts and Risk Management

This Client Policy Handbook describes the basic knowledge which the management of a medium sized company must know in order to prevent risk in connection with contract conclusions. This mainly comprises questions regarding the effective inclusion of GTCs and their material validity.

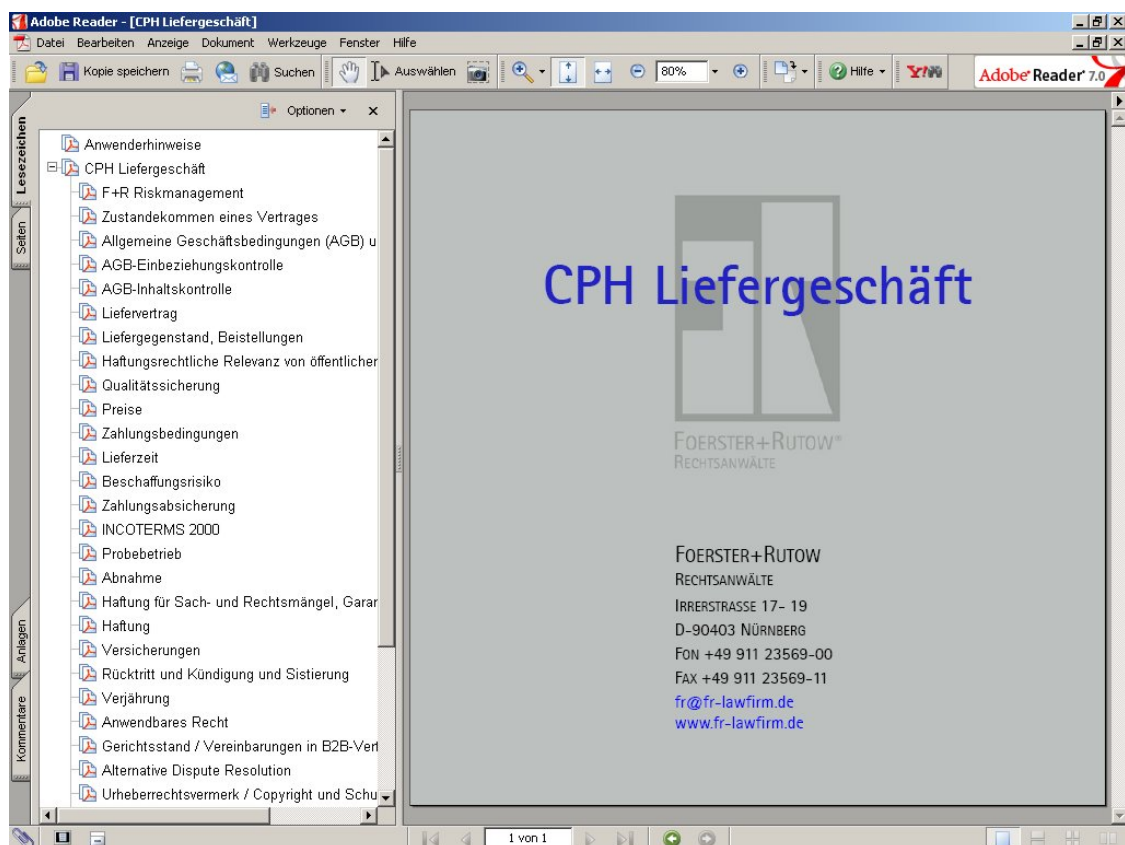
Examples:

fr_client_policy_handbook Contract Conclusion ([CPH Vertragsschluss](#))

fr_client_policy_handbook Supply Business ([CPH Liefergeschäft](#))

fr_client_policy_handbook Purchasing

Screenshot CPH Supply Business:





Screenshot CPH Contract Conclusion:

CPH Vertragsschluss

3.2.7.1 "Normale" oder "ausschließliche" Abwehrklausel

Abwehrklauseln sollen im kaufmännischen Verkehr die Einbeziehung nachteiliger gegnerischer AGB verhindern. Bezieht sich in diesen Fällen die andere Vertragspartei – sei es in der Bestellung (Kunde) oder in der Auftragsbestätigung (Lieferant) – gleichwohl auf die eigene AGB, so wird durch die Abwehrklausel verhindert, dass in der widerspruchsslosen Hinnahme der Lieferung oder Leistung eine Annahme des modifizierten Angebotes gesehen. Man unterscheidet zwischen einer "normalen" oder "ausschließlichen" Abwehrklausel.

„normale“ Abwehrklausel	„ausschließliche“ Abwehrklausel
Wirkung	Wirkung
schließt widersprüchliche AGB aus	schließt widersprüchliche AGB aus + schließt ergänzende AGB des Vertragspartners aus
Beispiel	Beispiel
„Eigene Bedingungen des Vertragspartners gelten nur insoweit, als wir sie unseren Bedingungen (AGB) nicht widersprechen.“	„Anders lautende Bedingungen - soweit sie nicht in dieser gesamten Bestellung festgelegt sind - gelten nicht.“ (BGH NJW-RR 2001, 484)

Let's take for example a subsidiary in Australia: In these CPHs, one can systematically process and summarize the minimum contractual knowledge about Australian law which an employee might need on-site to fulfill his/her tasks:

Formation of a Contract

1. Formation of a Contract

A contract is an agreement between two or more persons which imposes obligations on both sides and is intended to have legal consequences.

1.1 Essentials of a Valid Contract

A contract will be formed when the following essential elements exist:

- intention to create legal relations;
- offer;
- acceptance;
- consideration;
- legal capacity; and,
- legality.

1.1.1 Intention to Create Legal Relations

A contract is an agreement that is intended to have legal consequences.

1.1.2 Offer

1.1.2.1 Form of Offer

To constitute a contract, there must be offer and acceptance. An offer may be made orally, in writing or by conduct by a customer or by the Company.



3.4.4 fr_client_policy_handbook Standard Solutions

In a third field, "Standard Solutions", the contractual products of a foreign subsidiary are identified and then incorporated into the uniform corporate identity of the respective company. Usually this leads to the number of contracts being systematically reduced by utilizing the synergies. Insofar as it is necessary, commentaries, argumentation aids and alternative clauses will be provided for individual contracts / GTCs. The employees are thus able to independently negotiate contracts within a certain scope which is provided to them. A typical Client Policy Handbook for a foreign subsidiary is split into four areas as developed by F+R:

Organization, Infrastructure	Operative Business
Strategic Business	Other Risks

3.4.5 fr_client_policy_handbook Specific Solutions

This Client Policy Handbook describes the respective guidelines of a company concerning specific topics, e.g. Antitrust Law, E-Commerce, IT-Contracts (B2B), and Compliance Policy.

3.5 fr_tools (fr_ilm™, fr_glossary)

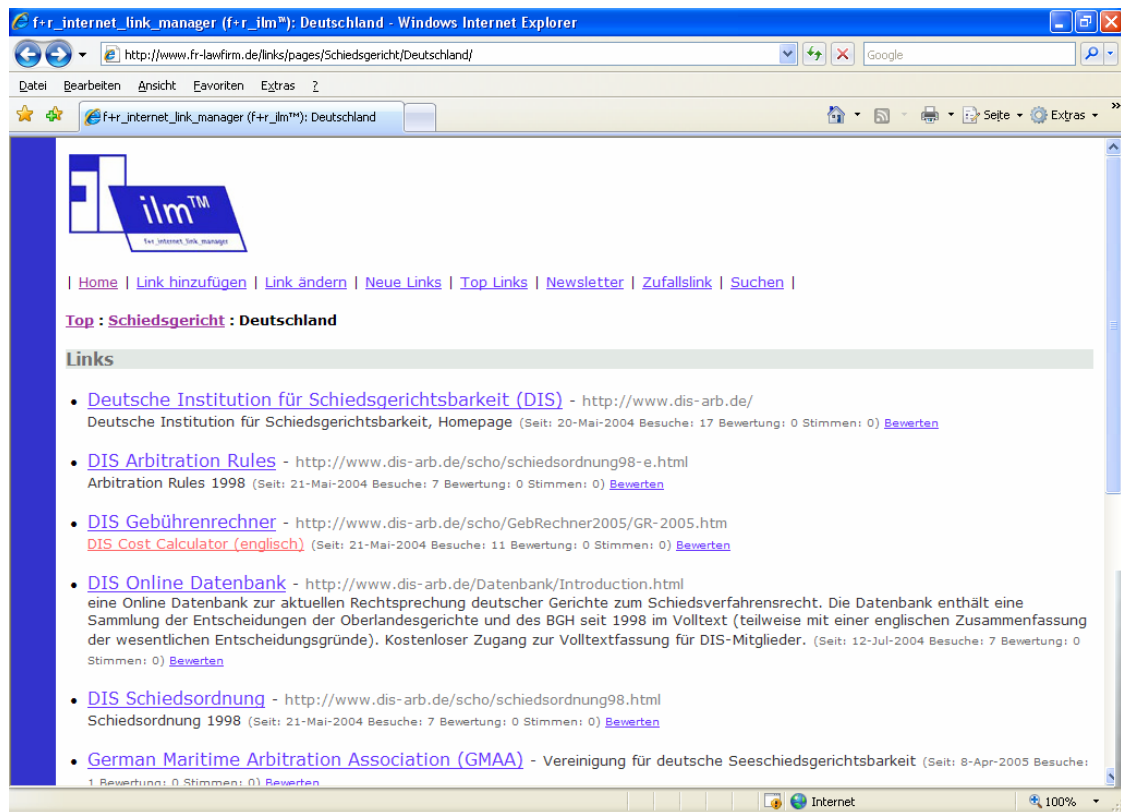
F+R has further developed a series of tools that are selectively utilized, e.g. fr_internet_link_manager (fr_ilm™) and fr_glossary (for further tools see <http://www.fr-lawfirm.de>).

3.5.1 fr_ilm™

The fr_internet_link_manager (fr_ilm™) contains a database structure with selected Internet links. Using this tool, employees are able to conduct research on the Internet efficiently. The passages are selected according to the most suitable source. Each source is briefly summarized in regards to access, costs, quality, topicality etc. This database is interactively maintained and enhanced together with the companies using it.



Screenshot:

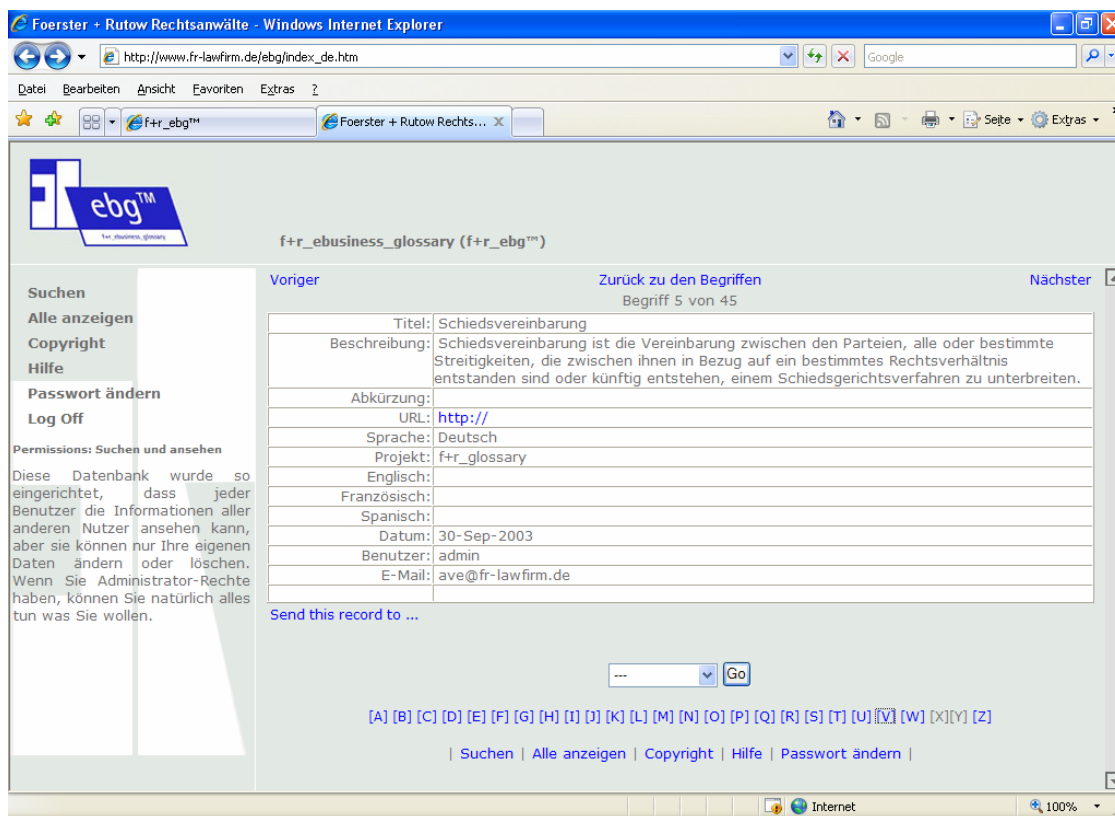


3.5.2 fr_glossary

Each company should create and administer its own glossary in order to maintain its correspondence, its technical documentation (e.g. technical specification) and its contracts in a uniform corporate identity concept, and in order to reduce possible mistakes. For this, F+R has developed its own fr_glossary which includes this function plus an effective administration ability. It can continuously be updated to a company specific glossary by an administrator. The technical design makes it possible for the fr_glossary to be available online via a central input station. The results from the input thus are immediately available to the users on the Internet. The user is able to forward questions and ideas for the inclusion of new terms into the fr_glossary via e-mail to the central input station.



Screenshot:



4. Technical Specification

4.1 fr_dkm™

4.1.1 Short Description

[fr_digital_knowledge_management \(fr_dkm™\)](#) is a web-based application:

Using this tool is possible locally, via Intranet or Internet from different global sites.

Access via Intranet or Internet is possible encrypted via [SSL](#) code.

Any document format can be filed. To view the documents, the right application must be installed on the client PC (e. g. Word, Excel, Visio, Adobe Reader).

The data is filed in PostgreSQL Database (Version 8.1). Tomcat 5.5 is used as web server. A modified search engine based on Lucene.de is used for full text search.



4.1.2 System Requirements

	Server	Client
Processor	Pentium III with 800 MHz	
Hard Drive Space	>200 MB (200 MB for the system + space for the documents)	Current web browser e.g. Internet Explorer
Operating System	Windows 2000, Windows XP Professional or higher	

4.2 Client Policy Handbooks (CPH)

4.2.1 Short Description

[Client Policy Handbooks](#) can be read with the free software Adobe Reader Version 6.0 or higher. Each Client Policy Handbook contains a CD-ROM with an Adobe Reader version which starts automatically. It is thus possible to run the Client Policy Handbook on a computer where Adobe Reader is not installed.

4.2.2 System Requirements

Operating system	Microsoft® Windows 98 Second Edition, Windows Millennium Edition, Windows NT® 4.0 with Service Pack 6, Windows 2000 with Service Pack 2, Windows XP Professional or Home, Windows XP Tablet PC Edition
Work processor	32 MB RAM (64 MB recommended)
Web browser	Internet Explorer Version 6.0 or higher

5. Conclusion

Complex documents and contracts can be administered in a structured and efficient way with the database [fr_digital_knowledge_management](#). The [fr_coaching_system](#) provides the employees with basic knowledge in the area of contract design, contract structure and contract administration. In connection with this, the [fr_elearning_tool](#) serves the purpose of motivation and an objective success control of the learning transfer. In addition, the contents of the [fr_coaching_modules](#) are provided, together with the [Client Policy Handbooks](#), to employees within the scope of knowledge management on the company's Intranet. Thus, this knowledge management forms part of an extensive risk management system.