



## **Case Study: Lessons Learned from Flex's Digital Transformation Journey**

**Commercial and Contracts**

**Technology, Privacy, and eCommerce**



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Many in-house legal departments are looking to improve efficiencies in their ways of working, do more with less, and ultimately deliver financial outcomes for the business. To that end, the in-house legal team at Flex, one of the world's leading electronics manufacturing and services companies, has partnered with a cross-functional team on its digital transformation.

Flex's journey to a robust Contract Lifecycle Management (CLM) integrated with business systems was propelled by strong support from its general counsel and C-suite executives, who championed digital transformation and dedicated the resources to ensure success.

This article outlines the steps of implementing a centralized CLM system, including effective change management techniques, the importance of leadership buy-in, a framework for assessing current contract processes, and insights on strategic tool acquisition. The results for Flex were significant financial improvements and a foundation for future innovations, including AI integration.

## 1. Support from the top

Flex's journey towards a robust CLM system began with strong existing processes and a team with a growth mindset. We reflected on what we were doing well and what we could do better. This led to conversations with our general counsel, Scott Offer, about making these improvements, who then secured buy-in from our CEO, Revathi Advaithi. Our leadership not only supported these initiatives, but also shared a unified vision of digital transformation for the company.

Another internal supporter was our chief strategy officer, Cameron Carr, who leads our cross-Flex AI

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strategy. He was immediately supportive of this effort and understood the potential.

"While the potential of AI is still in its adolescence, we are already seeing its value as a powerful force multiplier for our workforce," Carr said. "At Flex, we are committed to empowering our people with the tools and skills needed to enhance their capabilities, improve the customer and employee experience, and drive tangible business results. This work is important to us achieving our long-term objectives there and maintaining leadership in our space."

This level of executive support was instrumental in setting the stage for innovation and initiatives that resulted in the digitization of Flex's contract management processes and connection with other business systems developed in parallel.

## **2. Existing processes and people**

Before embarking on this transformation, Flex's contract management processes were well-developed but fragmented. Contracts were managed through spreadsheets and stored as PDFs, with a self-help webpage that was cluttered with outdated content and accessibility issues. This setup, while functional, was far from efficient and posed significant challenges in terms of data accessibility and process standardization — especially problematic for a team that manages thousands of contracts across the globe every year.

Before taking any steps to build or buy a CLM, it is important to assess what you have already, where it is, how it connects, and whether it is working for the users or the business. This also includes the team. Are the right people involved? Are there people who are passionate about this space who are eager to work on improvements? Are the necessary stakeholder functions engaged, e.g., legal, contracts, finance, IT, the business users?

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## **3. Centralizing and digitizing processes**

Once the right team was assembled, the first major step in Flex's digital transformation was to move all contract management processes online under a unified platform. This involved updating the self-help webpage for better accessibility and digitizing all contracts. An online intake form was created and linked to negotiation tools with approver emails, playbooks, and storage solutions. A contract scorecard dashboard was developed to track key terms, making contracts searchable by clause and linking back to a central repository. This system was further integrated with business performance tools, democratizing data by making it accessible across the organization and tied into the financial system.

Flex's approach can be likened to a do-it-yourself home improvement project, but with the added benefit of IT's deep understanding of business processes. This approach increased efficiency and provided valuable data on the backend, significantly reducing the time to close contracts and increasing engagement.

It also saved hundreds of thousands of dollars previously spent on outside tools and shiny and attractive software — at least on the surface — yet did not offer the needed level of functionality or

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customization for Flex's business.

One of the most significant improvements was the time saved to review risks present in existing contracts. Prior to implementation, questions would regularly require a week of work with multiple lawyers involved. This took the team away from focusing on revenue-generating activity to assess questions like how many contracts had force majeure notice provisions. Those could now be accomplished in just minutes by running a report. This dramatic increase in efficiency was a direct result of the streamlined processes and the integration of tools.

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## **4. Strategic tool acquisition**

Flex made strategic decisions on whether to build or buy tools. While some tools were developed in-house, others were purchased to fill gaps. No single solution is best for every company or even every need within the same company.

While Flex saw opportunity to build its customer-facing CLM, we strategically purchased technology that met our needs on the supplier side. We worked with an existing provider to quickly implement supplier contract dashboards, connect to relevant customer contract data, utilize a secure instance of a large language model to quickly answer our contract risk questions, and license AI-powered redlining tools.

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Building on the team we established for the customer side, we took an inventory of what we had, what we needed, and then evaluated the market. We signed up for vendor emails, reviewed white papers, and then came up with a bid tabulation evaluation based on desired features. We included our own existing systems and tools on the evaluation and scheduled demos with top contenders.

This pragmatic build vs. buy approach ensured that Flex had the best tools available, even if it meant not moving forward with some promising but ultimately unsuitable solutions.

## **5. Demonstrating positive financial outcomes**

By capturing years of customer contract data and integrating with business systems, Flex was able to demonstrate positive financial outcomes. An analysis of business and contract data validated a correlation between lower risk contracts and higher margin business. Additionally, having the contract data readily available for the business has resulted in closer alignment of the actual performance of the account to the negotiated agreement.

On the supplier side, the efficiencies from time saved redlining are anticipated to pay for the cost of the AI redlining tool, not to mention the standardization of quality controls, speed to ramp up new lawyers, and the data from the back end on volume, location, agreement type, time to close, etc.

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As we connect the supplier and customer data, we are better informed for negotiations on both sides of the house with what we have agreed and what is realistic, and we are empowered with the information to make informed decisions about risk mitigation.

## 6. Ensuring effective adoption

Effective change management and communication were crucial to the success of this transformation. Flex utilized regular meetings to report back on progress, track usage, and ensure alignment with the unified vision. Pre-selling the benefits, recording agreements, and circulating them for reference helped in maintaining momentum and securing buy-in from all stakeholders.

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By regularly updating stakeholders on progress and seeking input from the business, Flex ensured that the tools developed were aligned with business needs. Legal acted as a catalyst by conducting account reviews with the business, which ended up taking over and running them entirely from the tools instead of slides or spreadsheets. Many questions that came up in reviews could be answered in real-time by double clicking to further understand or get more data. The data does not always start out perfect, but using the tools led to discovering areas for improvement that were fed back into the system to improve it iteratively.

## Looking ahead: The future of the legal profession

The digital transformation at Flex is a testament to the potential of contract tools, business systems, and AI to revolutionize how legal and the business work together. As technology continues to evolve, the legal profession will need to adapt. Many fear this, but we find it exciting. It is not a threat of replacement so much as a force multiplier.

We can think of much of this as a fast-forward button. The work of the initial draft or heat map of contract risk is instant. Now we know where to focus. We can provide the human judgment that comes with knowledge of our business and business partners.

This change is happening throughout the industry and will impact the future of our work, so it is only natural to think of how we will need to change our skills, training for existing employees and new hires, and what changes may be required in legal education.

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Future law school curriculum will need a greater focus on business case development, project management, data science, persuasion, change management, and relationship building. These are not all historical areas of focus or strengths for traditional lawyers, but the future may see fewer traditional legal roles and more opportunities in legal operations or other nontraditional legal careers. None of this is bad; it's just evolution.

Law firms providing services to in-house counsel will need to evolve as well. In-house departments

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will expect their external partners to work as efficiently as we do. There is an opportunity for value add in experimenting with and vetting different technology as well as providing a trusted verification of the work product. Sure, this could mean less of some of the kind of work performed by law firms now, but it may lead to higher margin work at lower overhead cost and lower cost for the client.

Change is the only constant in our world, but change also brings opportunity, so there is constant opportunity for all of us as our profession evolves.

By embracing technology and continuously seeking to improve, lawyers can help the business navigate the evolving legal technology landscape in a way that delivers a positive financial impact for the business.

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