

NZGIF - Powering green finance with legal automation



Client

New Zealand Green Investment Finance (NZGIF), a Crown-owned investment bank established to accelerate and facilitate investment in Aotearoa New Zealand's decarbonisation.

Problem

NZGIF encountered challenges with the demands of producing transaction documentation (like non-disclosure agreements (NDAs), term sheets and complex loan and security documents), as their small legal team needed to balance the time required to draft these documents internally without taking valuable time away from other work against incurring significant legal expenses to outsource the production of those documents, while also ensuring consistency in the end product.

Solution

LawHawk automated NZGIF's loan and security documentation for conventional deals, as well solar finance documentation (an important growth sector for NZGIF), allowing for customisation throughout the process, from a high-level term sheet to full documentation. Internal document preparation, such as legal sign-offs, was expedited through automation, reducing preparation time from hours to minutes. Additionally, LawHawk automated NZGIF's NDA process through a streamlined form integrated with SharePoint and AdobeSign, enabling end-to-end automation.

New Zealand Green Investment Finance's goal is to accelerate investment in New Zealand's decarbonisation. It operates autonomously, leveraging the expertise of its board and team, who possess extensive knowledge in investment, financial markets, and sustainability. Committed to leveraging capital for meaningful impact, NZGIF is dedicated to catalysing New Zealand's transition toward a low carbon future. The organisation is comprised of 31 full-time staff, located in Wellington, Auckland and Christchurch.

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- Ian MacKenzie, Head of Legal, NZGIF

About LawHawk

LawHawk's advanced legal automation, with its built-in real-time training and compliance, allows anyone to draft highly customised documents and complete other legal processes in minutes rather than hours and at very low cost.

Document drafts will be better quality, more consistent and compliant with key requirements. With a unique combination of legal and automation expertise, LawHawk is committed to revolutionising how high quality and consistent legal and procurement documents are generated, and setting new standards for what is possible.



Figure 1. (From left to right) Ian MacKenzie, Head of Legal, NZGIF and Pip Breitmeyer, Senior Legal Counsel, NZGIF

Sustainability of legal services - the need for efficiency and time saving

Until January 2023, Ian MacKenzie, NZGIF's Head of Legal, was the sole legal counsel at NZGIF, with limited capacity to handle the breadth and complexity of legal work. "We've always had to find ways of working smarter," he explains. "We needed to find ways to automate processes that were repeatable and were taking up time, so that we could free up capacity for high value tasks."

One of the primary pain points for NZGIF was the preparation of term sheets, loan agreements, and security documentation for their complex financing transactions. The investment team often grappled with outdated templates and manual updates, leading to inconsistencies and prolonged review times. This cumbersome process not only drained resources but also increased the risk of errors and omissions, hampering efficient deal-making.

Not only that, but NZGIF also encountered significant hurdles in the preparation of NDAs, vital for maintaining confidentiality during investment transactions. Despite the importance of confidentiality, the manual drafting and review of NDAs consumed substantial time and effort for the legal team. "We sign up a lot of NDAs, but investments being what they are, not every transaction comes off," Ian explains. "There are some that are just never going to go anywhere. And that was taking up time."

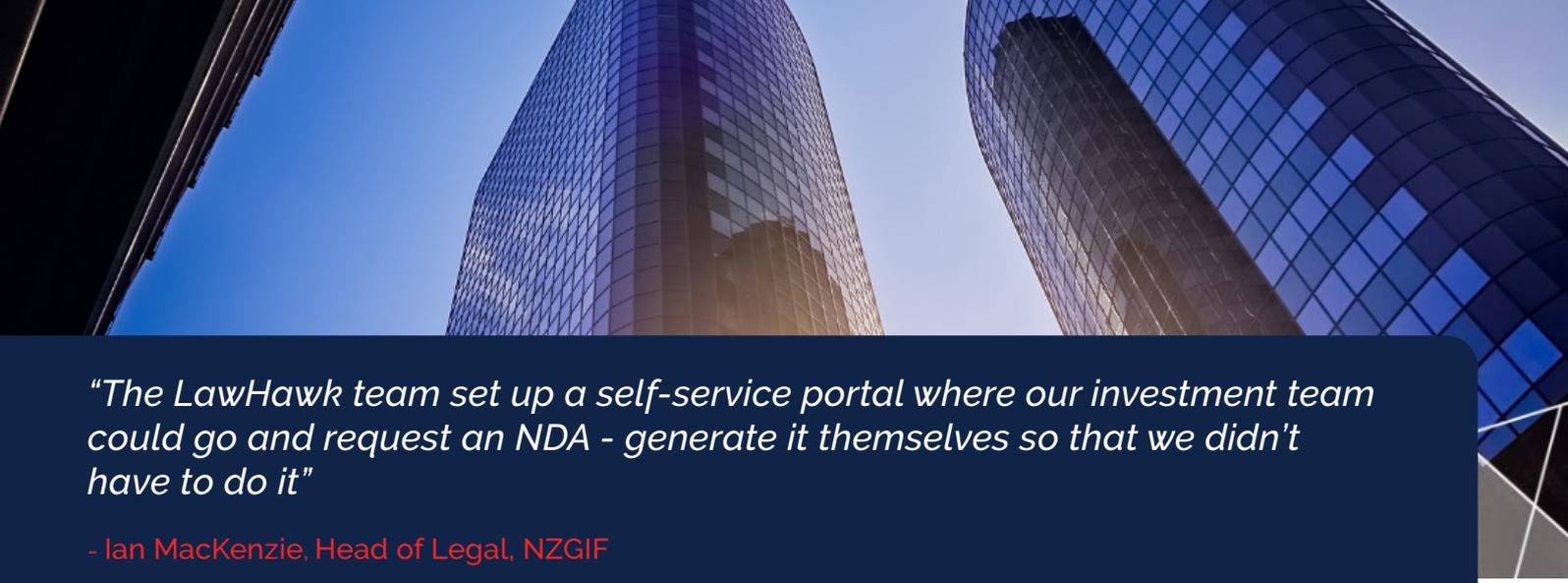
NZGIF recognised the potential for organisational efficiency through automation. By streamlining financing documentation and the preparation of NDAs, NZGIF could alleviate the burden on its legal team and expedite deal-making processes. "I'd worked with LawHawk in a previous role," Ian recalls. "I knew them really well, and knew they'd be able to solve our problems."

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Automated solutions that rival any major bank or law firm

LawHawk automated the documentation process for NZGIF's conventional deals, significantly reducing the time and effort required for drafting. "[Term sheets] had taken a lot of time to prepare," Ian recalls. "There was a lack of consistency because someone would take the last one I'd done and change the names and a few details. It was time consuming for the investment team, and we never really had visibility over what was happening".

By starting with high-level term sheet and expanding to full documentation, the solution allows for customisation while expediting the process. Internal document preparation, such as legal sign-offs, was also streamlined through automation, reducing preparation time from hours to minutes. The investment team can now request a term sheet questionnaire from the legal team via an online portal, where they can input transaction details. Based on a centrally-maintained precedent, the legal team promptly generates a term sheet, ensuring quick turnaround after a thorough check. This solution was implemented within weeks, yielding immediate results and garnering positive feedback from internal stakeholders due to substantial time savings. "It's a major time saver," says Ian. "You can put a term sheet together in 20 minutes now."

Building on top of the automation for conventional deals, LawHawk then automated NZGIF's solar financing documentation, previously entirely outsourced to external law firms with an associated cost. With the automated solution, the legal team can now prepare the initial draft in-house, facilitating faster review and management of transactions by external counsel.

LawHawk also automated the NDAs. "While they're important documents, they're not actually particularly complicated," Ian explains. "They look the same basically every time. So what we wanted to do was to try and make that process as simple as possible." Integrated with SharePoint and AdobeSign, the solution offers end-to-end automation, enhancing efficiency and accuracy. "The LawHawk team set up a self-service portal where our investment team could go and request an NDA - generate it themselves so that we didn't have to do it," Ian explains. "That went through a digital signing tool to make the execution really simple. It ensured consistency, because the investment team weren't finding the last document that they had drafted and changing the names. They were always starting with the latest template every time."



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Results - substantial business impact, accelerating NZ's decarbonisation efforts

The implementation of automation solutions has led to remarkable benefits and results for not only the NZGIF legal team, but also the business units they support. It has also, ultimately, allowed more small businesses to access funding to help accelerate NZ's decarbonisation efforts. For example:

- **Time and cost savings in lending documentation** - the solutions have resulted in significant time savings, with the drafting of loan and security documents now achievable in just an hour compared to the previous day-long process. This efficiency allows NZGIF to handle document preparation internally and has reduced reliance on external counsel resulting in cost savings. Additionally, the automation has enabled NZGIF to develop mass-market products, previously unattainable due to the time and cost associated with individual transaction preparations. "It was an offering for small start-up businesses who needed debt," says Ian. "We were only able to offer that solution because we had this automated transaction document solution. It was instrumental in creating a new offering in the market, which was really cool."
- **Accelerated term sheet preparation** - automation has streamlined the process of preparing term sheets, reducing the time required to 30 minutes or less. Utilising standardised templates ensures quicker reviews by the legal team, enabling NZGIF to expedite deal-making processes and enhance overall efficiency. "It's a much more sophisticated document," says Ian. "And it's helped build trust and confidence between the legal team and the investment team."
- **Expedited NDA process** - previously, obtaining an NDA signature could take days or weeks. With automation, this time has been drastically reduced to just a few hours. The quickest turnaround for a signed NDA was achieved in less than 30 minutes, revolutionising NZGIF's operational efficiency and allowing the investment team to swiftly proceed with evaluating and negotiating potential transactions. Not only that, but the consistent use of NDA forms has eliminated the need for resource-intensive reviews by the legal team, freeing them to focus on higher-value work and aligning with NZGIF's sustainability mission by reducing paper usage. "All of the things that we needed to do with [the completed document], like having it filed in the right place, that was all done," Ian says.



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Working together – a climate of trust

"Every kind of efficiency project that we have, I pick up the phone to get LawHawk's take on it," says Ian. "Every time we look for efficiency, we talk to them." Based on the work done with through this project, NZGIF aims to optimise operational efficiency and further integrate automation across the business.

In addition to improved efficiency, NZGIF's underlying documents and processes have also benefitted from LawHawk's experience in financing transactions. "There hasn't been a document or process we've automated with LawHawk that hasn't been improved by the comments they have made on it," says Ian.

When asked about NZGIF's experience working with LawHawk, Ian doesn't hold back. "When you engage LawHawk, you aren't engaging a tech company that thinks it has a solution for legal needs, you're engaging people who fundamentally understand what lawyers need, but who also really get what is important to business," he says. "The solutions LawHawk has delivered for us have transformed the way we do business and have driven value right throughout our organisation. They've helped us to build document workflows and system solutions that rival those used by large banks and law firms, at real pace and for very reasonable cost. LawHawk are, in my opinion, hands down the best service provider we use. We'll definitely be working with them in the future."

The work LawHawk has done with NZGIF is just one of many success stories. There are more that are well worth a read [here](#).



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