

PREMIUM

LAW

This 11-page pitch deck scored a contract-management startup \$15.3 million for its Series A



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Hemanth Puttaswamy, CEO and co-founder of Malbek, walked Insider through the pitch deck that landed the CLM startup \$15.3 million

Yoonji Han

- Malbek, a contract lifecycle management startup, raised \$15.3 million for its Series A.
- Contracting companies are among the front-runners in the legal-tech space.
- Malbek's CEO and co-founder walked Insider through the pitch deck it used to secure funding.

Introduce the company

Malbek, which helps companies' legal, sales, and finance teams manage and



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analyze their contracts, announced in September that it raised \$15.3 million for its Series A.

Contract lifecycle management, or CLM, has been red-hot in the legal-tech space. Of the \$1.4 billion invested in legal-tech during the first half of 2021, almost a quarter was snapped up by six contract companies, including Ironclad, Contractbook, and Icertis. SoftBank recently led the \$115 million Series C for ContractPodAi, another CLM company.

“‘Enterprise’ and ‘lifecycle’ are the two key words with which we differentiate ourselves,” Malbek’s CEO and co-founder, Hemanth Puttaswamy, told Insider. “Our

solution is deployed not just to legal teams, but also sales, procurement, finance, HR, marketing... pretty much across the entire enterprise.”

Founded in 2017, Malbek helps these departments through the entire contracting process, from drafting contracts with optimal terms through tracking contractual obligations after they’re signed.

The Series A was led by Atlanta-based Noro-Moseley Partners, which invests in early-growth tech and healthcare companies. TDF Ventures and Osage Venture Partners also participated in the round.

A few slides containing confidential information about Malbek’s artificial intelligence technology were removed.

Set the stage with numbers

“Let’s set the stage with a customer example: a Fortune 500 company that’s deployed contracts across 100+ countries,” Puttaswamy said. “Each contract template may have 200+ variations in languages. Based on region, the product, and the service, our system can optimally draft that contract.”

The AI used to analyze and draft contracts reduces legal teams’ time spent on contracts by half, freeing them up for other work. It can also streamline the workflow by determining which person should review a certain provision based on AI analyses, further saving time, according to Puttaswamy.

When it comes to dollar savings, one customer was able to quadruple its contract work without growing its legal team, which Puttaswamy said translates to the ability to save four times the legal cost.

THE IMMEDIATE **BENEFITS** OF MALBEK CLM



FREE UP the Legal team’s time on contracts by **50%+**

COMPRESS Sales CYCLE TIME **70%+**

INCREASE contract efficiency in just a FEW WEEKS by **30%+**



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Demonstrate customer value with more numbers

“As they say, the proof is in the pudding. Now show me the numbers,” Puttaswamy said. “The uptake from customers shows the value we bring.”

Malbek currently has nearly 100 customers, ranging from 50-people businesses to Fortune 500 companies, including Survey-Monkey, Tibco, and Pantheon, which landed a \$100 million Series E from SoftBank’s second Vision Fund in June.

“The most important metric is zero churn in four-plus years of the company,” Puttaswamy said. “We haven’t lost any customers.”

Key Metrics



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Dive into the tech

Malbek’s AI tech enables anyone in a company – whether they’re in admin or sales – to create and edit contracts using templates, according to Puttaswamy. Companies can configure and build their own templates based on those made by Malbek so that they’re tailored to their business needs. The AI can then recognize clauses and terms, which users can accept or reject.

Malbek’s AI has a 95-99% accuracy rate, per Puttaswamy.

THE MALBEK DIFFERENCE – **AI IS CORE**



EASY TO USE



SELF-CONFIGURABLE



WELL-INTEGRATED



FAST



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Introduce the team

Malbek's executive team all have experience in software-as-a-service, or SaaS, companies.

Puttaswamy and his two co-founders decided to launch Malbek after they noticed how poorly contracts were managed. A large software company that Puttaswamy worked for had to release 10-year financials as part of commitments to customers. There were 2,600 customers, and the company had to comb through each of those contracts to determine the details.

"That's when the light bulb went on, that contracts are the most critical piece, the most critical infrastructure for the company. And if you don't manage it well, that's a risk," Puttaswamy said.

LEADERSHIP WITH UNPARALLELED PEDIGREE IN BUILDING SaaS COMPANIES



Explain why Malbek needs the cash

In 2020, Malbek raised a \$5.25 million seed round, which it used to grow its leadership and sales teams. It's been able to convince 75% of potential customers to buy its products, according to Puttaswamy.

Malbek plans to use the fresh \$15.3 million in Series A funding to double its team from 48 employees, including folks in sales, marketing, and customer experience.

The startup also wants to quadruple its R&D investment to scale up its product organically.

"We don't want to stop at CLM," Puttaswamy said, explaining that Malbek plans to expand to other use cases, like revenue management and spend management.

FUNDING OVERVIEW

SEED ROUND	WE'VE BUILT A STRONG FOUNDATION
\$5.25M	<ul style="list-style-type: none"> Enterprise-grade product that's proven for companies of size 50 to 100K employees Clear and repeatable GTM Sales team execution playbook with win rate of 3 out of 4 Fully formed talented executive leadership team
SEEKING	CAPITAL BEING USED TO
\$15M	<ul style="list-style-type: none"> Scale up the Sales team Investment in brand marketing & community development Scale out the Customer Experience team Quadruple R&D Investment

Close with expert reviews

"Different analysts have given consistent feedback on the interface, our proprietary AI, and integrations," Puttaswamy said.



- "The user interface and experience looks fresh, modern and intuitive."
- "Having AI infused across the platform and built by Malbek directly, instead of integrating with other 3rd party solutions has its advantages."
- "Your integration framework is very unique and different from what we have seen with other vendors using a more traditional approach, Malbek is very innovative and easier administration."

