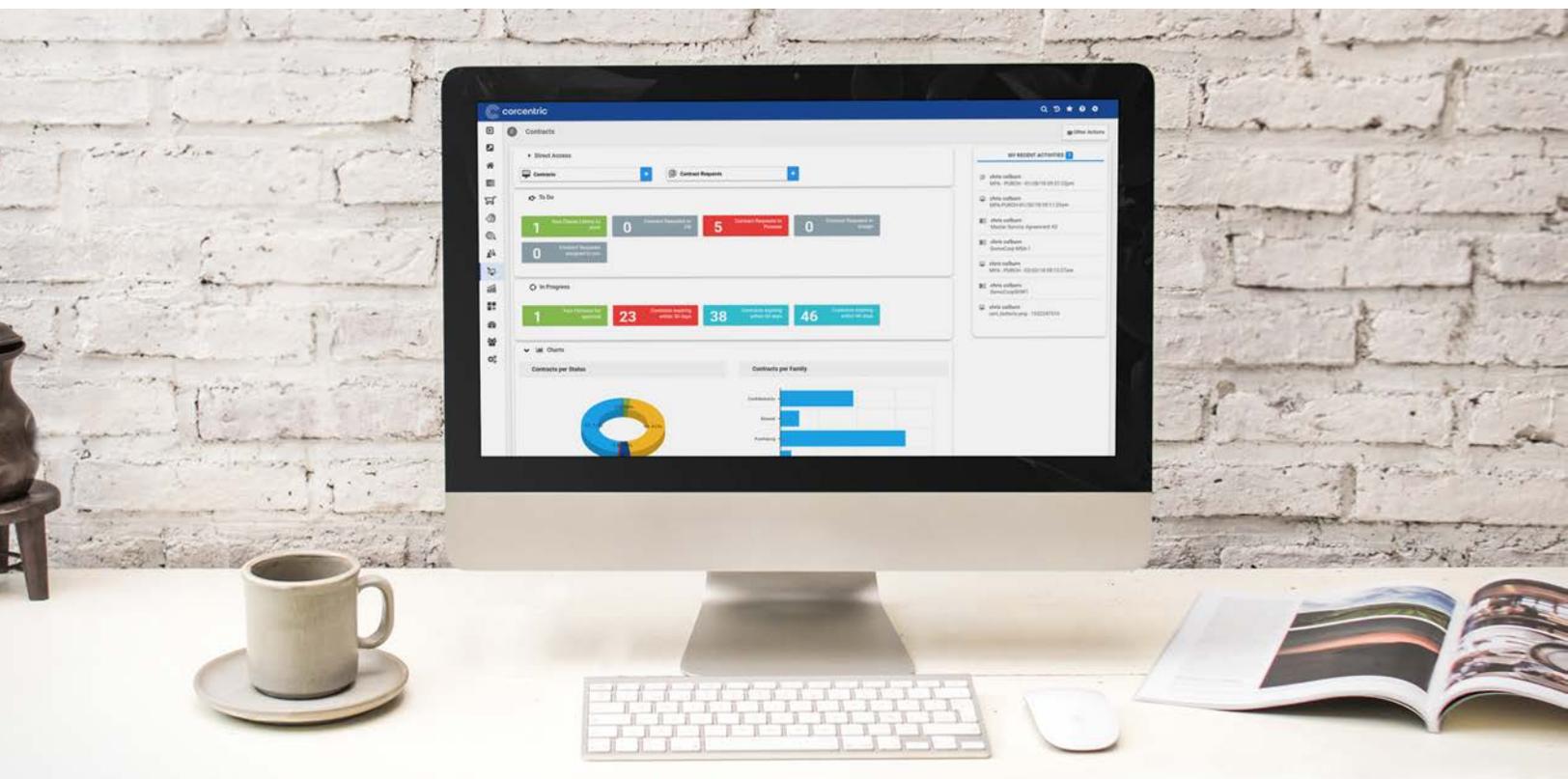




# The Corcentric Contract Management Starter Kit



## What you'll find in the CLM Starter Kit:

.....  
[What Is A Contract Management Solution: The CLM 101 Guide](#)  
.....

[10 Common Pitfalls of CLM Implementation](#)  
.....

[Cloud Contract Management Myths](#)  
.....

[Corcentric Contract Lifecycle Management Datasheet](#)



# Here's what you've been looking for to get your contract management initiative off the ground!

Experience an audit "fail moment" lately? Got exasperated admins wandering around your office with unsigned contracts? Are snails moving faster than your manual contract processes?

When contract management becomes a critical initiative in your organization (and we've seen it happen in practically the blink of an eye!) you need to get educated fast — yet thoroughly! — on what solutions are out there and what your business needs to not only solve problems now, but prevent other problems in the future.

To give you a leg up on getting your contract processes in gear, we've compiled this starter kit of resources and knowledge based on countless CLM implementations, best practices, and industry stats and standards.

### **After you've perused the resources in The Corcentric Contract Management Starter Kit, you should know:**

- The basics on what CLM is and why it's important
- What type of deployment will work best for you
- The types of features and functions that are "must-haves" for your organization (and how to make sure you ask for them in your RFP!)
- How to set the stage for a smooth implementation
- Where your contract management processes are now, and how they can continue to mature and benefit your organization

To learn more call (800) 608-0809 or visit [corcentric.com](https://corcentric.com).

# What Is A Contract Management Solution?

The Corcentric CLM 101 Guide



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# What Is A Contract Management Solution?

## The CLM 101 Guide

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### Here's what you'll find inside:

Contract management – or contract lifecycle management (CLM) – is a full-time, automated contract monitoring system.

Contract management software solves problems at each stage of the contract lifecycle.

1. The Basics
2. Contract Request
3. Contract Authoring
4. Contract Negotiation
5. Contract Approval
6. Contract Execution
7. Contract Obligations Management
8. Contract Amendment
9. Contract Auditing and Reporting
10. Contract Renewal

Effective contract management paves the way to greater risk and spend management, and bottom-line impact.

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Contracts are critical to business. They contain the vital details of your organization's relationships with its partners, suppliers, customers, and employees — and large organizations typically have thousands of them. The more contracts an organization has, the harder it is to keep track of how they're performing. In fact, it's a challenge just to know where they are and who has responsibility for — or access to — them.

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Most organizations know they could manage their contracts more effectively. And "more effectively" could mean a lot of things:

- Mitigating enterprise risk
- Structuring more profitable deals
- Recognizing revenue more quickly
- Assessing the total value of a multi-contract relationship
- Taking advantage of renegotiation windows to improve terms
- Avoiding penalties and sanctions by ensuring operational and regulatory compliance

**Let's read on.**

Contracts have an enormous impact on an organization's profitability because they affect revenue and expenses. Cue a horror story-worthy vignette of how mismanaging a contract can cost a business millions of dollars:



*The maintenance contract of a telecommunications company included payments for supplier materials and equipment when used on site. The contract also contained incentives to encourage the supplier to complete work ahead of schedule. But the latter never occurred. Instead, the supplier kept tools continually on site. The pricing mechanism that rewarded this was far more profitable to the supplier (nearly \$50 million USD) than the early-completion incentives.”<sup>1</sup>*

In the above example, it took an outside auditor to discover what essentially was a flaw in the original contract. The host company did not have the processes and tools in place to discover the flaw on its own. This was not so much mismanagement as simply a lack of management—an error of omission. Yet this is very common.

## **Contract management is a full-time, automated contract monitoring system**

While it is a commonly held belief that contracts are “documents that are frozen at a point in time and represent rights and obligations that are to be delivered over a future period,” that’s not entirely true. They are in fact living documents that need to be actively managed through their entire lifecycle — from cradle to grave — to make sure they are doing what they’re supposed to be doing.

Contract lifecycle management (CLM) is the constant process of ensuring that a contract is structured properly and reviewed appropriately, its provisions enforced and intent realized, and its weaknesses recognized and corrected. In essence, a contract is a theory about how things should work. Reality is how that theory performs during day-to-day business. A contract management solution exists to close the gap between the two.

In the next section, we’ll describe a model of the contract lifecycle, explain the challenges in each stage, and demonstrate the ways in which an automated contract management solution can address those challenges.

## Contract management solves problems at each stage of the contract lifecycle

There is no precise, universally accepted model of the contract lifecycle. Our model views the lifecycle through the lens of business challenges, and we've divided it into nine stages: request, authoring, negotiation, approval, execution, obligations management, amendment, audit and reporting, and renewal. This model makes it easy to identify a subset of challenges for each stage, discuss their business impact, and examine how technology can meet those challenges and capitalize on opportunities for improvement.

### The Basics of a Contract Management Solution

According to IACCM (the International Association for Contract & Commercial Management), at a minimum a satisfactory contract lifecycle management solution must include:

1. A central repository and an enterprise-wide, structured process to manage contract creation and execution
2. The ability to effectively manage contract milestones via automated alerts
3. Automated workflow for contract review and approvals
4. Obligations management capabilities and key performance indicators to improve contract compliance and performance

With those entry-level requirements in mind, we'll take a look at what full-featured contract management solution contributes at each stage in our contract lifecycle.

### Contract Request

**Challenge**—Slow cycle time is the number one enemy of contract efficiency. And it begins with how simple or difficult it is to request a new contract, get it into the queue, and route it to the right people with all the required information. This is especially true when a contracts organization is centralized. Slow cycle times can push revenue into the next quarter and make procurement a roadblock.

**Solution**—A well-designed contract management solution integrates seamlessly with an organization's line-of-business (LOB) systems. This makes it easy for anyone in an organization to initiate contracts from within familiar applications and devices, and search for contract-related information they require, eliminating system access as a process bottleneck.

1.

2.

## Contract Authoring

**Challenge**—New contracts don't use the latest, approved language, which makes it difficult to enforce standards without costly and time-consuming legal review.

**Solution**—By and large, contract professionals prefer to use the authoring tool they know best—Microsoft® Word. A contract management solution that recognizes this and accommodates it in the design enables users to create contracts from within Word and employ Word's formatting capabilities. Users can simply drag and drop contract language from a library of approved clauses and terms.

The most user-friendly clause and term libraries provide usage guidelines that help contract authors choose the most appropriate language from among several options. Even more helpful is a feature called "dynamic inclusion," which links additional required language to specific clauses and terms so that it is automatically inserted into a contract.

Leveraging the capabilities of Microsoft Word goes a long way towards automating the contract creation process and reducing the risk of renegade contracts. It often precludes the need for legal review. When review is necessary, it can focus on the unique aspects of a particular contract.

## Contract Negotiation

**Challenge**—The natural give and take of reaching consensus on contract provisions means that negotiation inevitably occupies a large percentage of contract cycle time. But communication glitches via fax and e-mail as well the manual comparison of redlined versions to identify what has changed with each iteration and why those changes occurred can add delays that are easily avoided.

**Solution**—By reading changes in structured metadata and unstructured language, a contract management solution allows users to receive redlined contracts electronically, which can be routed and tagged for review by contract stakeholders. It also enables redlined versions to be compared side by side, often in Word or PDF renditions. A compelling feature of more advanced solutions identifies changes between versions that have not been redlined, which discourages "stealth" changes that can undermine contract integrity. Research by IACCM found that companies which leverage a CLM solution can cut their contract creation costs by 50% or more.

# 3.

# 4.

## Contract Approval

**Challenge**—Complex, highly-negotiated contracts frequently require multiple approvals from different functions in an organization. Rules governing industry segment, contract type, dollar amount, number of contracts in force with a particular vendor, and so forth can also add variables to the approval equation. Usually, the more complex approvals become the longer they take.

**Solution**—More sophisticated contract management solutions provide a dynamic approvals process based on multiple criteria. Through the solution interface, users can tailor parallel and serial approval workflows to match the idiosyncrasies of any contract, which eliminates bottlenecks and minimizes costly delays. The most sophisticated solutions support approvals via mobile devices. This flexibility helps the organization optimize the approval process as business conditions change while maintaining control and enforcing standards.

## Contract Execution

**Challenge**—Compared to negotiation and approvals, execution should be very simple. Yet incomplete approvals and missing signatures often delay this basically straightforward step.

**Solution**—A contract management solution can control and shorten the signature process through integration with third-party electronic signature applications, which eliminates the need for routing hard copy documents. A solution should also be able to upload hardcopies as part of an essentially automated, electronic process.

## Contract Obligations Management

**Challenge**—No matter how well negotiated, no matter how favorable the terms, the benefits of a contract can be quickly and completely undone by a “file and forget” mentality. Remember, a contract is more than a point-in-time agreement whose constructive—or destructive—life goes far beyond execution.

**Solution**—Contract management technology can consistently provide two things during the life of a contract: visibility and control. Solution features such as fulfillment tracking, automated alerts linked to expirations, renewals, and key events, post-execution workflows, and sophisticated analytics and reporting help administrators maximize contract value.

5.

6.

7.

## Contract Amendment

**Challenge**—Contracts rarely escape amendment. The give and take of commerce ensures that most contracts will undergo modification to reflect changes in the marketplace and in the relationships of their signatories. Without a consolidated view of a contract and all its amendments, it's difficult to keep track of what has been done and why, particularly in long-standing relationships. This is especially true of master agreements that may have hundreds of amendments, with varying application to different parts of the business.

**Solution**—As it was in the obligations management stage, a 360-degree view of a contract relationship is essential to managing the amendment process effectively. A contract management solution should provide a single source of integrated data truth, providing an effective view of a business relationship that makes clear the prevailing language and terms across multiple contract amendments and associated documents.

8.

## Contract Auditing and Reporting

**Challenge**—There is no business document more in need of an audit trail than a contract. But ad hoc, manual processes rarely support the event logging that audit trails demand. Likewise, contract performance reporting requires the systemic capability to aggregate data over time.

**Solution**—Contract management solutions should give organizations a range of audit and reporting options such as contract compliance alerts, audit tracking at the field level, on-demand report generation, one-click access from reports to contract records, and easy integration with third-party reporting tools.

9.

## Contract Renewal

**Challenge**—Contract renewal should be a time of opportunity—to refine, improve, and, if necessary, terminate existing contracts. But for many companies, renewal windows simply come and go unnoticed; resulting in opportunities lost and risk created.

**Solution**—A contract management solution can help companies take advantage of each renewal opportunity by identifying contract renewal candidates, alerting managers in time to act, and automatically creating new contract drafts based on the contract in force.

10.

## Effective contract management paves the way to greater profitability

Contract management solutions can ensure that contracts contribute significantly to profitability by increasing revenue, reducing costs, minimizing risk, and improving control. The right contract management solution does this by helping organizations:

- **Cut contract cycle time and boost productivity**—easy-to-use tools speed authoring and approvals while reducing the need for line-by-line legal review.
- **Get greater visibility into deals**—properly structured contracts recognize revenue sooner, reduce leakage, and increase opportunities for follow-on business.
- **Ensure compliance**—audit and analysis features address the three aspects of compliance: contractual, operational, and regulatory.

## Corcentric—Setting the standard in global Contract Lifecycle Management

Corcentric is a leading global provider of SaaS Source-to-Pay and Enterprise Contract Lifecycle Management (ECLM) solutions. The Corcentric Platform provides procurement, legal and finance professionals analytics of their supplier, contract and financial performance. Our technologies empower customers to drive new revenue, identify savings, improve compliance and mitigate risk.

The Corcentric Platform seamlessly integrates with major ERP or third-party systems such as SAP, Oracle, Sage, QAD and Microsoft. Modular solutions can be configured to add more as needed to provide additional value beyond spend management. Our unified master database and business process approach empower users at every level to make more informed and smarter decisions.

To learn more call (800) 608-0809 or visit [corcentric.com](http://corcentric.com).

<sup>1</sup>Marikar, Qadir, and Paul Townley-Jones. "Focusing on the Details," Communications Review 14, 2 (2009): 31-37, PricewaterhouseCoopers LLP

<sup>2</sup>Marikar, Qadir, and Paul Townley-Jones. "Focusing on the Details," Communications Review 14, 2 (2009): 32, PricewaterhouseCoopers LLP

<sup>3</sup>Abhi, "Contract Management Software Market Sentiment Survey-2009." IACCM Research (February 2009): 10

<sup>4</sup>Patel, Vishal. "Contract Management Lifecycle Management and the CFO" (2007) Aberdeen Group: 3

# 4

CLOUD CONTRACT  
MANAGEMENT MYTHS

**DEBUNKED**



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# Cloud Contract Management Myths: Debunked

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## Here's what you'll find inside:

Myth #1:

"My contracts won't be secure in the cloud."

Myth #2:

"Fast access to my contract is compromised in the cloud."

Myth #3:

"I have less visibility into my contracts when they're housed in the cloud."

Myth #4:

"When my contracts are in the cloud, I lose control over them."

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A series of contract management myths, corporate urban legends if you will, have cropped up regarding cloud contract management. Granted, moving documents into the cloud — particularly documents as sensitive in nature as contracts — is a big step. But considering the limits to which on-premise CLM software restricts your ability to leverage and monetize your contracts, moving to a cloud platform-based contract management system is inevitable. You benefit from the latest version updates, strict security protocols, ease of accessibility and configurability, and it scales across your enterprise, no matter where or how many locations you have.

So, allow us to take you Mythbusters-style through a few pervasive misconceptions and see if we can't debunk some of the most common myths surrounding managing contracts in the cloud.

**Let's get started.**

## Myth #1:

“My contracts won’t be secure in the cloud.”

### The Concern:

We’re all generally nervous about putting our sensitive information “out there” into the world. We often hesitate entering our credit card numbers when prompted, guard our social security numbers with the ferocity of a mother bear, and protect our personal information on social networking sites via privacy controls. It’s certainly not a bad thing to approach information sharing with caution.

Hesitancy with managing contracts in the cloud falls in line with the examples above—worrying about allowing information outside of your own four walls. And when it’s your job to manage and protect critical information, all the more so.

### The Facts:

You may not think of it this way, but your information is already in the cloud. If you send contract drafts via email, for instance, a large volume of sensitive information is already shooting outside of your four walls. Do you run Customer Relationship Management (CRM) software? All major CRM systems (Oracle, Siebel, SAP, Salesforce, etc.) provide a cloud offering. If your CRM system is deployed in the cloud, sensitive information—such as your sales pipeline—is already in the cloud... and extremely secure.

The best contract management systems today offer iron-clad security, regardless of whether the solution is deployed on-premises or in the cloud. By surrendering the job of keeping contracts safe and confidential to a company that offers tried and true security, you are actually making your contracts more secure than if they were housed with you. Cloud contract management offers a secure repository, along with the ability to put access controls on your contracts to ensure that only people that should be accessing or altering them, are. Suddenly, the weak paper trail disappears and is replaced with a digital trail that is strong and auditable.

Recall previous stigmas surrounding mobile information sharing and spread. What alleviated those worries? For one, continued investment and innovation in mobile technology. It feels that almost overnight a switch flipped, and individuals and enterprises felt infinitely more comfortable dealing with sensitive information in the mobile “cloud.” Additionally, they realized that in the cloud, not only is information secure, but the method of retrieving and sending it is extremely convenient. With contracts specifically, a Sales VP can easily and quickly (not to mention safely!) approve, reject, and review contracts, often with just one click on a smartphone or tablet. Suddenly, more deals are closing and sales cycles speed up. Business just gets done faster in the cloud.

### MYTH BUSTED!

Cloud contract management actually increases contract security while simultaneously allowing for accelerated sales cycles.

## Myth #2:

“Fast access to my contracts is compromised in the cloud.”

### The Concern:

Ever play “Where’s Waldo?” You’re tasked to look through a sea of cartoon figures for just one little gentleman, clad in a red and white striped sweater, with a matching beanie and geeky glasses. This seems like a relatively easy task initially, but becomes increasingly frustrating when you just can’t find him. Sometimes you never find him. Great game, right?

Organizations often equate managing contracts in the cloud to playing a giant game of “Where’s Waldo” with their most critical, confidential documents. They determine that it’s easier and safer to walk a contract around the office for signatures or pass a Microsoft Word document to all necessary parties via email. Documents in the cloud, they argue, will be harder to locate and access.

### The Facts:

Cloud contract management creates a breadcrumb trail to any contract or piece of information related to a contract, a practically effortless way to search for and find exactly what you need. The underlying data or history for each contract is right there with the contract itself for context, and for your easy access and reference.

Not only can you easily access all contracts and related documents through a cloud contract repository, but you also have all the tools (federated search, template management, clause libraries, and archiving to name a few) to continue to manage them through their lifecycle at any stage. Cloud contract management makes it easy to look at liabilities and commitments across all contracts and leverage dashboards to proactively mitigate risk without slowing down business.

Manual contract management methods are, let’s face it, messy. Piles of papers scattered on desks, dusty file boxes or cabinets, misplaced pages or whole files— all present the potential for disaster or, at the very least, a headache. Homegrown systems may be effective in managing contracts that aren’t very complex, or a smaller volume of contracts, but they rarely scale with company growth, and without sophisticated search capabilities can still leave users scrambling to find the documents they need.

Cloud contract management—accessible from anywhere via a web browser— ensures that contracts won’t get lost or become untraceable. Furthermore, since administrators have the freedom to update rules and configure the system to fit their particular needs, contract management systems grow with the company and morph to fit how the company operates. Additionally, best-of-breed cloud contract management systems allow the freedom of choice to access contracts either through the system itself or in programs that users potentially already have open, such as Microsoft Word.

## MYTH BUSTED!

Advanced abilities to search, find, and work on contracts from just about anywhere make cloud contract management an optimal choice for organizations with complex contract processes.

### Myth #3:

“I have less visibility into my contracts when they’re housed in the cloud.”

#### The Concern:

You have a comfortable, healthy relationship with Microsoft Word “Track Changes,” and the ability to see exactly what changes have been made to a contract during authoring and negotiations. You worry that if you move contracts into the cloud, it will be harder to check the status (through an email to whomever you believe has the contract at any given time) and alter the system you already have to monitor changes to contract language.

#### The Facts:

With approvals chains, “Track Changes” is the poor man’s method of maintaining visibility over contract changes. In fact, it’s a method that allows the ability to turn off the tracking capabilities and make a change, leading to more potential contract errors or mishaps. By managing your contracts in the cloud, you get a single view of a developing contract and all of its iterations, which provides you with total awareness of any changes made, however small.

Approvals chains go beyond simply passing a Word document around the office, though. How do you keep everyone involved in authoring, negotiating, signing, and performing ongoing obligations management in sync? Scrambling to determine who has a contract or what stage of the approvals cycle a contract is in wastes time and is practically an invitation for confusion and errors. Gone are the days where you had to wait weeks and weeks for contract edits or approvals from counter parties. Contracts that can make their way through an approvals process in the cloud can be consistently monitored to see who is bottlenecking the contract, who made changes, and where it stands in its lifecycle at any given time. The convenience of tracking contract changes and approvals in the cloud prevents you from ever being caught off guard when a manager inquires about a contract’s progress, and ensures that sales cycles continue to flow steadily.

As an added bonus (cue singing of “Kum-Ba-Yah”), the choice to manage contracts in the cloud builds cross-departmental unity. Okay, we don’t envision departments company-wide joining hands around a bonfire, but we do expect that in the contract process, you work together in some capacity that requires cooperation and complete visibility. Contracts more often than not require approvals and input from a variety of departments across the enterprise (Sales, Finance, Legal, etc.), and without an organized way to manage input from all parties, contract progress flounders. The cloud brings everyone together to more effectively collaborate and push business forward.

### MYTH BUSTED!

Rather than hindering visibility, the cloud allows employees across departments to access all necessary contract changes and approvals information more accurately and quickly than trying to manage through a series of emails.

## Myth #4:

“When my contracts are in the cloud,  
I lose control over them.”

### The Concern:

You equate surrendering your contract workflow specifications to the nebulous “cloud” with surrendering your car keys to your teenage driver. How will you maintain control over your contracts? And will the contract management vendor you chose try to impose a structure that doesn’t gel well with how you work?

### The Facts:

There’s actually a kind of comfort with managing your contracts in the cloud. With cloud contract management, buyers get an out-of-the-box platform and sandbox to set up workflows, along with experts to guide them along the way. You’re not truly surrendering your contracts. Rather, you are getting the tools you need to set up workflow steps that accommodate your contract processes, and the help of implementation managers who will make sure you’re covering all of your bases. Cloud contract management offers best-of-breed functionality and full services and support, with the added convenience of speedy access and less headache over version control and upgrades.

What’s the benefit of managing in the cloud rather than on-premise? Behind-the-firewall implementations are problematic since they shift implementation experts’ attention away from optimizing customers’ needs—particularly at a clause level—to other, more administrative needs, such as IT issues or resolving common pitfalls encountered in on-premises implementations. Cloud contract management improves productivity by easing the burdens on your own IT and letting your cloud CLM provider handle technical details. The Harvard Business Review article “What Every CEO Needs to Know about the Cloud” describes this idea perfectly: “Most IT departments today are stretched thin with maintenance activities, leaving precious little bandwidth for development and new initiatives. The cloud offers a way for companies to pursue opportunities nimbly and, in most cases, cost-effectively.”

## MYTH BUSTED!

Cloud contract management guides you to the most effective ways to manage your contracts, and frees your IT team from performing maintenance activities.

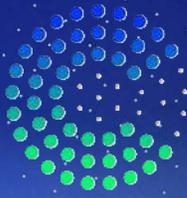
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## Conclusion:

Have we managed to shoot a cannonball through your previous notions about cloud contract management? In actuality, you're probably more "cloud" than you thought, and choosing contract management in the cloud is not such an intimidating idea after all. It's secure, provides speedy access to documents from a variety of devices, improves enterprise-wide visibility over contract deliverables, and allows you the peace of mind that your system is under your control and is optimized to meet your needs.

**At Corcentric, our customers rely on our cloud contract management solution every day to get their buy-side and sell-side deals done faster.**

To learn how your organization can pave the way to profitability with contract management on the Corcentric Platform, call (800) 608-0809 or visit [corcentric.com](https://www.corcentric.com).



corcentric™



# 10 COMMON PITFALLS OF CLM IMPLEMENTATION:



A SURVIVAL GUIDE

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# 10 Common Pitfalls of CLM Implementation: A Survival Guide

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## Here's what you'll find inside:

Pitfall #1:

Excluding Key Stakeholders from the System Selection Process

Pitfall #2:

The False Promises of Project Pilots

Pitfall #3:

Waiting Until Implementation to Work Out Pain Points

Pitfall #4:

Over-engineering Your Approvals Process and Alerts

Pitfall #5:

Cleaning Up Documents and Standardizing Contract Templates After Implementation has Begun

Pitfall #6:

Allowing Decentralized Legacy Contracts to Blindside You

Pitfall #7:

Taking the "Big Bang" Approach to Implementation

Pitfall #8:

Playing Go-Live Deadline Dodgeball

Pitfall #9:

Curing the Symptom, Not the Problem

Pitfall #10:

Lack of Communication with Your Implementation Manager

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More and more companies are deploying cloud-based contract lifecycle management (CLM) solutions in order to streamline their business processes, eliminate risk, gain greater compliance, and improve profitability. Your company may be champing at the bit to deploy a contract management solution, but keep in mind that implementing CLM without putting the proper building blocks in place can result in myriad issues—protracted contracting cycles, poor system adoption, and runaway project costs, to name a few.

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Through CLM implementation experience gained since 1996, Determine consultants have seen companies across different industries follow familiar patterns that often put the success of their projects at risk. This whitepaper will shed light on the most common pitfalls companies face during implementation and suggest strategies and tactics to overcome them to improve the likelihood of success.

**Let's get started.**

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## What constitutes a successful implementation?

Each company's metrics for success are slightly different, but one important metric for every company is use of the solution purchased — the adoption rate. Contract management systems are only valuable if they're being used. If those who should be using the system are doing so confidently and consistently, then you are already well on your way to achieving the benefits of your purchase.

Companies should clearly define the success metrics for the project, and communicate them to every member of the team that works on the project. Some examples of metrics include: average contract cycle time, headcount in the contracting and reporting process, outside contractor spend in the contracting process, percentage of contracts with non-standard language and terms, number of outside auditor hours. Companies should also define the soft ROI goals (those that are nearly impossible to quantify) and make sure these goals are communicated to every team member that works on the project.

With these goals and metrics clearly defined and communicated, it will be much easier to keep the project on track, to make decisions that will affect how the solution will be configured, and to demonstrate at the executive level how your efforts have provided value to the company.

To achieve the smoothest implementation possible, it is important to become aware of the most common roadblocks to a successful system rollout, as well as how best to avoid them.

**The following pages outline these challenges.**

## **Pitfall #1:** Excluding Key Stakeholders from the System Selection Process

**Avoid unnecessary starts and stops and meandering user requirements by bringing the right people in up front**

Managing a CLM implementation requires a certain amount of dedicated resources. Without a designated manager—or person with adequate time to oversee the operation—the contract management process will become overwhelming. Furthermore, for the project to get off the ground successfully in the early stages, the contract manager will require input from those involved in the contract lifecycle.

### **Solution:**

Be sure that while you are developing your business case for purchasing a contract management system, you take into account the manpower necessary to run the system optimally. Your team should include subject matter experts—teams of people in the departments that would see a significant amount of contract traffic (e.g., finance, legal, sales, and executives who would be approving contracts). While formulating your CLM and implementation strategy, it will be critical to get buy-in from these groups. A good way to do so is to demo a CLM product to them and emphasize the “must-have” capabilities that would benefit each business unit. Is the legal department swamped by contract requests and approvals at the end of a quarter? Demonstrate how implementing a contract management system will alleviate much of that burden—for instance, allowing members of the organization to request contracts without the legal department’s intervention.

Some companies, particularly larger companies, require a full-time system administrator to oversee the database, update user information, upload new contract templates, and field user questions. For smaller companies, or those with departmental deployments, a full-time system administrator might not be necessary, but there will need to be a project manager with adequate time to dedicate to the system and its users on a daily basis.

Be certain to include IT and technically-inclined individuals—ideally those with contract management experience, or at least hands-on software experience. This way the team is aware of the company’s policies in areas such as security and preferred platforms, and potential issues can be avoided with compatibility among different product releases in the technology stack. Incorporating these people into your contract management team will ensure that the implementation moves along smoothly without a mountain of technical difficulties standing between you and your go-live.

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## **Pitfall #2:** The False Promises of Project Pilots

### **Be sure the team recognizes what pilots can and can't achieve before committing to this path**

Companies rely on a pilot for proving a concept—a litmus test for product performance and acceptance—to acquire further funding for the larger project at hand. and it's no wonder why—if there is visible, measurable success with the CLM pilot, the people driving the initiative can increase support for the project as well as receive more money to fund it. Yet, when rolling out your contract management solution, using a pilot could hurt more than help the process. Rather than saving time, you end up returning to the drawing board—sometimes repeatedly—after doing a “first pass” at the work in order to facilitate the group testing sessions. While pilot projects do provide a type of tangible metric for product success, they tend to slow the implementation process significantly, raising costs and delaying the go-live goal date. Additionally, if those in the group become frustrated with the learning curve of the system, your goal of acceptance and excitement will be notably counteracted.

### **Solution:**

Be secure in the solution you select and stick to the go-live goal. The more confident usage others see, the more confident they in turn will feel about the solution. If you feel that there must be some proof of concept, you could create a staging environment and walk through the testing with users that will be working in the system. If users have any issues or concerns, they can note them at the end of testing, and you can apply changes if necessary to the staging environment. Once the staging environment is at its optimal iteration, a developer can put the information in the live system for company-wide usage.

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## **Pitfall #3:** Waiting Until Implementation to Work Out Pain Points

### **Brainstorm known issues in the contract lifecycle with the individuals who work with them every day**

Too often, issues that should be examined far long before implementation only surface when encountered in the actual implementation process. A huge pitfall for companies deploying CLM systems is to neglect working through the contract process and its pain points, and waiting until the implementation manager is present to say, "We know something in our contract process is broken. How do we fix it?" the implementation manager will certainly be able to address that question, but with the answer comes a protracted timeframe and therefore higher, unnecessary costs.

### **Solution:**

Proactively call together all groups that will touch a contract in its various stages and work through the gaps in the process. When you have clear visibility into known issues early in the implementation, you can more efficiently configure your solution to speak to those pain points. Begin with the question, "What do we need our system to do?" and have each group involved weigh in. These conversations should illuminate which types of data fields you will want to include, and will give you an idea of how long you will need to spend on each part of the implementation. Document your current process flow along with the team's input and make careful notes. Presenting these notes to the implementation team will help them quickly translate that information into the functionality within the CLM solution and adequately addresses your unique contract process issues.

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## **Pitfall #4:** Over-engineering Your Approvals Process and Alerts

**There's a balance between the level of granularity required and the impact on user experience**

The most advanced CLM solutions provide almost unlimited granularity in notifications and workflow processes. Very few companies will push the limits of what these systems can accommodate. Often, however, professionals become starry-eyed with the power and sophistication of alerts, e-mail notifications, and the potential of providing never before-possible visibility, and over-engineer their processes. The result is often a deluge of e-mail alerts that may or may not be meaningful. Before long, users can become desensitized to email alerts and ignore the truly important ones, or beg the contract administrator to turn them off.

### **Solution:**

To avoid this pitfall, keep alerts in alignment with your current signature process. If someone will need to sign the paper contract, that same person will most likely benefit from an alert. Alternately, alerts can go to certain people—say, members of the legal department—who can review and forward to the proper people if necessary. This type of capability is valuable enough that users should consider ahead of time how to engineer it to the fullest potential. Keeping alerts and notifications in check will ultimately influence user adoption and success of the system.

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## **Pitfall #5:** Cleaning Up Documents and Standardizing Contract Templates After Implementation Has Begun

**Garbage in = Garbage out: making decisions about standard language and terms on-the-fly can stall your project**

A company that has operated for years without a contract management solution will most likely lack consistency across contracts—from entire templates down to details such as terms, fonts, and pagination. In order to save time in implementation, it is critical to consider these aspects of contract generation and standardization up front while concurrently accepting that the structure of some documents will need to be changed.

### **Solution:**

A good way to decide what data is included in data field creation is to look at the blanks in existing contracts. What information are you always filling in? Likely, you will note parties, dates, amounts, product or service types, etc. These fields will inevitably need to be incorporated into your CLM system. In addition to thinking about populating contracts, you should also consider what type of data will need to be included for metadata fields and reporting considerations. Often a business unit may need to draw information about a contract that is not necessarily in the contract (i.e., who worked on the contract, who requested the contract, etc.). The addition of a few simple fields makes it possible for users to obtain that information immediately.

Perhaps one of the most important aspects of this pitfall is that almost inevitably some of your documents will need to be modified in order to work best with your CLM. While it may initially seem like a significant deviation from how things have “always been done,” consider how much time you’ll save with documents that are fully standardized and optimized for each stage in the contract lifecycle.

## **Pitfall #6:**

### **Allowing decentralized legacy contracts to blindsides you**

#### **Make sure you have full visibility of all your legacy contracts so you can make informed decisions enterprise-wide**

If you are like many organizations, you've got contracts everywhere, in every format: PDF, Word, in emails, even the old file cabinets. Getting your contracts centralized is the first step to driving value from any CLM system. Quite simply, you can't manage contracts you can't see. Only by capturing and cataloging all your legacy contracts, can you truly manage contracts holistically—make decisions on amendments and revisions to reduce risk and drive revenue by having all the information at your fingertips. You may consider some of your legacy contracts irrelevant now, but you don't know that for sure. Without seeing the complete picture, you're leaving your organization open to unknown risks.

#### **Solution:**

Until recently, consolidating these critical pieces of corporate intellectual property was a largely manual, costly and time-consuming task, not to mention error-prone. Determine consultants work with you to quickly, seamlessly identify, transform and aggregate your enterprise contracts so they can be migrated into your CLM solution. Then managing them becomes easy with Determine Contract Analytics. This innovation will give you 100% visibility into all your legacy contracts and allow you to effectively discover and extract value from raw contract metadata so you can better manage them. The process is automated which minimizes your resource allocation and speeds up your ROI quickly.

This type of centralization will impact your bottom line immediately.

## **Pitfall #7:** Taking the “Big Bang” Approach to Implementation

**A phased approach delivers wins early on, builds momentum, and ultimately improves the likelihood of success**

Once you realize the value of a CLM solution and how it can benefit your company, you might be tempted to do as much as you can, as soon as you can. However, diving in and implementing the entire system right from the get-go can become exasperating to users who are trying to process the change and maximize the system’s functionality. One of the biggest pitfalls a company can encounter in implementation is not using a phased approach, making the project seem like an eternal process.

### **Solution:**

When you learn mathematics, you start with addition of single digits, not with advanced calculus. Similarly, when you implement your CLM solution, a phased approach is best for laying a foundation of skills on which to confidently build. Start with smaller, bite-sized chunks and get users comfortable with functionality one step at a time. Phased approaches lead to higher adoption rates, faster rollout, and increased end-user satisfaction. Moreover, with a phased approach you will be able to provide demonstrable ROI faster with the success of each stage in the process.

In a phased approach, you might consider segmenting the process by contract type, for instance, beginning with all NDA’s, then adding on vendor agreements, then employee agreements, etc. so that users are comfortable with the system when they get to contracts with a higher degree of difficulty. An added benefit of phasing in the system in this manner is that you will be able to hear valuable user feedback from the first phase that will positively influence the next phase, making it possible to adjust the system where necessary and increase its value and usability.

If you’re phasing in the system based on functionality, you might begin with data entry and contract records capabilities, such as workflow process and critical data fields. Once users are comfortable with data entry, you might layer in approvals functions. Next, you might phase in drafting capabilities, and so on until users are fully comfortable with all of the functionality you were planning to incorporate into your CLM system.

In either approach, you can create materials such as department or role-specific training manuals to further ease users into comfortable usage of the system in an accessible way. For example, if you’re an attorney, you would be interested in a document showing how to create a contract. If you’re a manager, you might be more interested in seeing training material regarding reporting functionality. These tools are useful in either phasing scenario- be it by contract type or functionality.

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## **Pitfall #8:** **Playing Go-Live Deadline Dodgeball**

**A clearly communicated go-live date provides a sense of urgency and enables the team to better prioritize their activities**

Implementations that drag on indefinitely are often the result of a lack of commitment—not necessarily to the solution, but to the timeframe. Managers are often reluctant to set a date and stick to it, fearing lack of flexibility and risk of being perceived negatively if the team misses an implementation deadline. Anyone going into the process with a “let’s just get the ball rolling” attitude will almost inevitably be disappointed at how quickly the ball slows down, and occasionally stops. Without setting a goal date and striving to go live with your CLM solution in that timeframe, the process can meander along, costing more and vexing users.

### **Solution:**

Set a go-live date and communicate it early and often. Stakeholders in the project appreciate being in the loop, and those involved in accomplishing the work are more likely to hit their deadlines if everyone is striving toward an ultimate goal.

If you are struggling to decide what the go-live date should be, consider any practical factors. Does your legacy system have an impending expiration date by which you need to migrate? Do certain business units need to go live before others? Where are you in the sales cycle? It may, for example, be a bad idea to set your go-live date too close to the end of the quarter. These factors will carry more weight in selecting the date to roll out the system than simply assigning an arbitrarily date.

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## **Pitfall #9:** Curing the Symptom, Not the Problem

**Document all of your goals and create a full business case that takes into consideration all the pain points in your processes**

An auditor is coming and your team can't find a specific document. You decide that you need a CLM solution to keep all contracts on your radar and prevent this from happening again. While a CLM solution will indeed serve as a searchable vault for your documents and enable you to find them with ease upon request, is that the only reason contract management would be useful? this pitfall is one that can shortchange a company out of maximum efficiency in contracting processes. Basing the purchase and implementation on an isolated incident will prevent you from thinking about the entire contract process and all of its pain points. if there is one pain point, you can almost guarantee there will be more. Without considering a solution that can address more than just one business need, companies will find themselves over-complicating their processes with multiple systems managing multiple parts of the workflow.

### **Solution:**

Document your goals early on. Create a full business case that takes into consideration all pain points in the process including any anecdotal information like the scenario above. A more comprehensive business case will ensure that you purchase a CLM system that will prevent a multitude of problems rather than addressing just one or two. Granted, some issues may pose more of a widespread problem than others, but knowing how to utilize your system in a variety of ways will allow you to take full advantage of all the functionality in your CLM solution.

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## **Pitfall #10:** Lack of Communication with Your Implementation Manager

### **Overcommunication will keep molehills from becoming mountains**

The conclusion of the implementation should not be the “all’s well that ends well” between you and your CLM vendor. Issues that arise with the solution, user training, new release features, and a variety of other support topics may necessitate a tap on your implementation manager’s shoulder.

### **Solution:**

Keep your implementation team, and the manager in particular, in the loop to answer questions and address any future concerns, even after you reach the goals you’ve set for your implementation. Their extensive experience is completely at your disposal—all you have to do is keep them involved. Ask questions before and during your implementation, communicating openly about concerns, needs, and speed bumps that arise in the process. Generally, issues will be resolved faster and without recurrence when the implementation manager is involved and aware. Finally, when your contract management solution is live and fully functional, keep up the dialogue and continue to communicate with your implementation team. The vendor will also benefit from your feedback on the implementation process and how it could be improved.

### **What’s next?**

(the next page is)

## Let's Talk!

To learn how your organization can pave the way to profitability with contract management on the Corcentric Platform, call (800) 608-0809 or visit [corcentric.com](https://corcentric.com).

next  
steps.

Corcentric is a leading global provider of SaaS Source-to-Pay and Enterprise Contract Lifecycle Management (ECLM) solutions. The Corcentric Platform provides procurement, legal and finance professionals analytics of their supplier, contract and financial performance. Our technologies empower customers to drive new revenue, identify savings, improve compliance and mitigate risk.

The Corcentric Platform seamlessly integrates with major ERP or third-party systems such as SAP, Oracle, Sage, QAD and Microsoft. Modular solutions can be configured to add more as needed to provide additional value beyond spend management. Our unified master database and business process approach empower users at every level to make more informed and smarter decisions.



# Corcentric Contract Management

Automate your contracts lifecycle and make them paperless and seamless across your organization

Many organizations struggle to manage the volume of contracts required to optimize their business. Inefficient processes result in long cycle times, which frustrate the lines of business. The inability to closely monitor contract events leads to missed deadlines and expiration dates, resulting in the addition of amendments and contract notices. Additionally, the inability to measure and report on supplier performance against negotiated Service Level Agreements (SLAs) means that supplier decisions are less than optimal. And if you cannot ensure that money spent is in line with contract expectations, or monitor and report on contract performance, then your impact on the organization can go largely unnoticed.

Contracts are not static documents. They are assets your organization can leverage to minimize risk, maximize opportunities, achieve compliance, and generate revenue. Modular, cloud-based Contract Management creates contracts quickly with self-service and collaborative features that simplify day-to-day searching, authoring and contract administration. Verified, real-time data gives all users, from Procurement to Legal to Sales, the visibility and insights to turn every contract into a powerful decision-making tool.

## CORCENTRIC CONTRACT MANAGEMENT

So, what are the key traits a contract management solution should have to help drive the change required by your business?

- + **Make Contracts Accessible:** Translate your contracts from static legal documents into dynamic commercial and social management tools. They are assets your organization uses to minimize risk, maximize opportunities, achieve compliance, and generate revenue so make them more accessible.
- + **Simple and Compliant:** Cloud-based Contract Management should support contract creation in the following ways:
  - **Ease of Use** – Simple, easy-to-use user interface to encourage adoption.

- **Contract Families, Types, and Extensions** – Leverage the platform to create multiple contract types based on out-of-the-box contract families and extensions that are not just used for procurement.
- **Self-Service and Clause Library** – Create contracts dynamically through self-service and clause library access and organize contracts based on clause groups and best-in-class contract blueprints.
- **Compliance** – Reduce sourcing and contracting cycle times, and support compliance efforts by standardizing price and item data for use in spend analysis and negotiations.

- + **Collaboration is Crucial:** Collaborative features that simplify day-to-day searching, authoring, and contract administration. Easy-to-track performance of contracts, as well as alert and milestone management to ensure contract renegotiation can be planned and managed.

## KEY CAPABILITIES OF CORCENTRIC CONTRACT MANAGEMENT:

- + **Contract Repository** – Control starts with access.
- + **Contract Authoring and Negotiation** – Collaborative authoring with internal and external counterparts gets everyone on the same page and accelerates workflow with advanced contract redlining for managing new and renegotiated contracts.
- + **E-Signature** – Integrated e-signature capabilities with leading solutions like DocuSign (embedded in the application) automates the last step in executing your contracts while maintaining a complete audit trail of all signatures both internally and externally with your contract counterparties.

## WHY CORCENTRIC



A globally networked platform with all your buyers and sellers in one place.



Executive Analytics to power more intelligent decisions and automate manual processes.



Dynamic workflows that empower agility and collaboration.



The technology and services to support your digital transformation.



Industry-leading modular, integrated solutions built on the Corcentric Platform to power your digital transformation.

- + **Active Lifecycle Management** – Ensure that you do not miss important contract milestones so that you can evaluate the relationship and supplier performance prior to contract renewal.
- + **Contract Request and Approval Workflow** – Improve collaboration and expand the use of electronic contracts and documents.
- + **Integration** – Seamless integration into key systems including:
  - **Sourcing** – Simplify creation of item pricing.
  - **Supplier Management** – Allow management of supplier performance to SLAs.
  - **Systems** – Integrate pricing with ERP, Procurement, and/or other external systems.

Corcentric Contract Management provides visibility into an organization's numerous contracts, while ensuring corporate processes are followed, the appropriate teams are engaged, and the supplier's performance to agreed SLAs are managed. Corcentric Contract Management increases the visibility, oversight, negotiation, and management of corporate contracts, along with providing tools to manage contract performance.

## BENEFITS:

- + Improve line-of-business adoption and satisfaction by making your process simple, efficient, and collaborative.
- + Lower costs by driving efficiencies and compliance that result from digitizing your process.
- + Demonstrate your organizational value by providing visibility into contract and supplier metrics that align with business success.



Procurement and Finance Solutions

## ABOUT CORCENTRIC

Corcentric is a global provider of market-leading source-to-pay, order-to-cash, and fleet solutions. From the mid-market to Fortune 1000 businesses, Corcentric delivers technology, managed services, and strategic advisory focused on reducing costs, optimizing working capital, and unlocking revenue. Since 1996, thousands of companies have trusted Corcentric's expert team and its suite of world-class solutions to spend smarter, optimize cash flow, and drive profitability. Learn more at [corcentric.com](https://www.corcentric.com).