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Achieve Contract Management
MASTERY

Discover 8 Must-Focus Areas that Drive Contract Value

Transition Away From Manual Contract Management

Mastering contracts can be challenging, especially for organizations that primarily utilize manual processes. Contract managers, procurement professionals, sales resources, and legal teams who manually store, write, track, and sign contracts can find it difficult to maximize their workflow process efficiently. With new developments in technology on the rise, organizations relying on manual processes can drive contract value into a free fall, losing the opportunity to achieve scalable success through effective contracting.

Some organizations may still use ineffective tools and approaches to collaborate on and track their contracts. With a manual contract management strategy involving shared drives, spreadsheets, and emails, organizations may lack the efficient synergy of technology, people, and process to maximize contract management best practices for increased ROI.

Thankfully, organizations can leverage leading-edge contract lifecycle management software with future-minded artificial intelligence to streamline their processes and boost contract management. This whitepaper will define and discuss the core areas of focus necessary for mastering contract management. This mastery requires strategic planning and leading technology to reverse the negative impact of a long-term, cost-ineffective, and time-consuming contract management process that reduces overall contract value and contract performance.

Contract management, procurement, and legal professionals can implement a holistic and data-driven approach to clearly define and optimize accountability, process, actionable insights, profitability, compliance, risk exposure, and more. To achieve contract management mastery, the embracing of an end-to-end, scalable contract lifecycle management system can help organizations gain significantly more control over their contracts and efficiently streamline their contract management processes.

Comprehensive and scalable contract lifecycle management tools can provide organizations with a solution that enhances the entire contract lifecycle from requests to contract renewals.

Moreover, organizations that invest in contract lifecycle management technology can help their customers, partners, and vendors better their processes with an efficient workflow.

The transition from a manual contract management process to contract automation can help organizations manage contracts easier, mitigate risk proactively with contract AI, adhere to compliance, track costs, receive alerts, draft documents with the latest templates from a pre-approved clause library, sign documents with e-signatures and digital signatures, and reduce overall contract management costs with increased productivity and opportunity realization.

Core Areas for
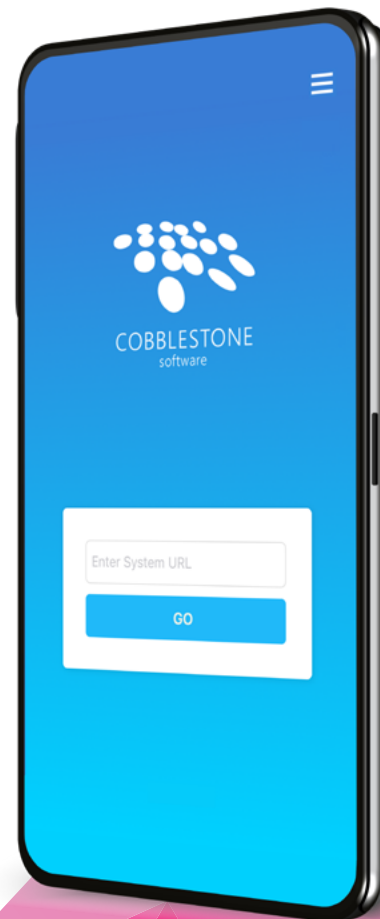# Contract Management Mastery

Contract managers and their organizations can master contract management by employing industry-leading best practices in generating contracts, writing documents with contract clauses, tracking contracts, approving contracts, signing contracts, increasing contract management ROI, managing contract renewals, and storing contracts. Implementing best practices in each stage of the contract lifecycle enables contract managers and their organizations to maximize contract value and streamline workflow. Contract managers can discover crucial contract management mastery benchmarks in the following areas of contract lifecycle management.

Generating Contracts:

Contract generation is the assembly of contracts and documents. The process starts with a request. Once a contract is generated, it is followed by negotiations, approvals, signatures, and ultimately close-out and renewal opportunities.

Organizations utilizing manual contract generation may waste time and increase the margin of error when they manage highly complex contracts or a high volume of contracts. Multiple parties involved in a convoluted process can reduce productivity in the creation, review, and revision of contracts. Manual document creation, cumbersome template downloads, disparate location of information, and tedious data entry can waste precious time. Moreover, when the correct document templates and versions are not apparent, static documents become obsolete. The risk of error can also increase. The lack of apparency in clauses, approved language, and templates that are not standardized or up-to-date can undermine compliance.

Contract generation inefficiencies can be solved with contract automation. Automated document assembly software quickens the process of contract creation by eliminating inefficiencies with easy contract generation. Approval workflows, version tracking, secure document storage, pre-approved clause libraries, and standard agreement templates can streamline the contract generation process.

Contract management software users can experience collaborative and transparent contract reviews between external and internal parties. Digitizing documents facilitates collaboration, encourages accountability, offers a complete audit trail, and supports transparency. Consistency, speed, and accuracy translate into an undeniable contract generation software ROI.

The benefits of manual document creation pale in comparison to the advantages of contract generation software. Reliable contract management software solutions strategically expedite document assembly, helping contract managers generate compliant and accurate documents in record time. Such credible solutions are highly flexible for organizations' rules and built to support teams. Contract managers can effectively manage the contract lifecycle, including negotiations, signing, approvals, and more.

Assembling contracts of high complexity at high volumes can be challenging. When drafting a new contract that needs multiple approvals and reviews, leading-edge contract management software with a streamlined approval process and pre-approved clause language that mitigates risk can accelerate the contract generation process.

Writing Documents with Contract Clauses:

Contract clauses can be a source of frustration, delays, and risk, or they can be a foundation for successful contract management. Rather than waste time and money with a manual contract clause management process that increases legal review times, organizations can leverage leading-edge contract management software to centralize risk documents, agreements, contracts, and more.

Avoid slow contract approvals, inaccurate documents, lengthy legal review phases, increased risk, risk exposure, and other setbacks by enlisting the aid of intelligent contract clause management with a pre-approved clause repository.

Approved contract clauses can be inserted into legal documents and contracts, reducing errors and saving time with contract authoring and document generation by utilizing frequently used text in templates and contracts. These clauses may include - but are not limited to - liability, term, warranty, attorney costs and fees, renewals, confidentiality, governing law, payment, and indemnification.

Leading contract management software with contract clause management can assist with:

1   **Reducing Contract Generation Time:** Contract managers can equip their team to create compliant, timely, and accurate contracts and documents that merge approved clauses. A pre-approved clause library can significantly expedite the contract drafting and contract creation process.

2   **Providing Clause Approval Routing:** Contract managers can leverage advanced features to manage document section order, workflows, and fields. This can be achieved by defining rules-based clauses for specific document templates.

3   **Granting Control Access:** System administrators can establish user permissions to support compliance and version access with audit trails and approval routing. Contract administrators can configure rules as needed for standard fallback clauses and clause merges.

Here are four ways to leverage pre-approved contract clauses for streamlined document assembly that increase compliance and reduce process bottlenecks around formatting, distribution, collaboration, storage, and data entry errors.

1   Assemble and merge contracts, fields, conditions, terms, and clauses based on your rules.

2   Utilize rules-based fallback language, provisions, and terms that further accelerate contract drafting.

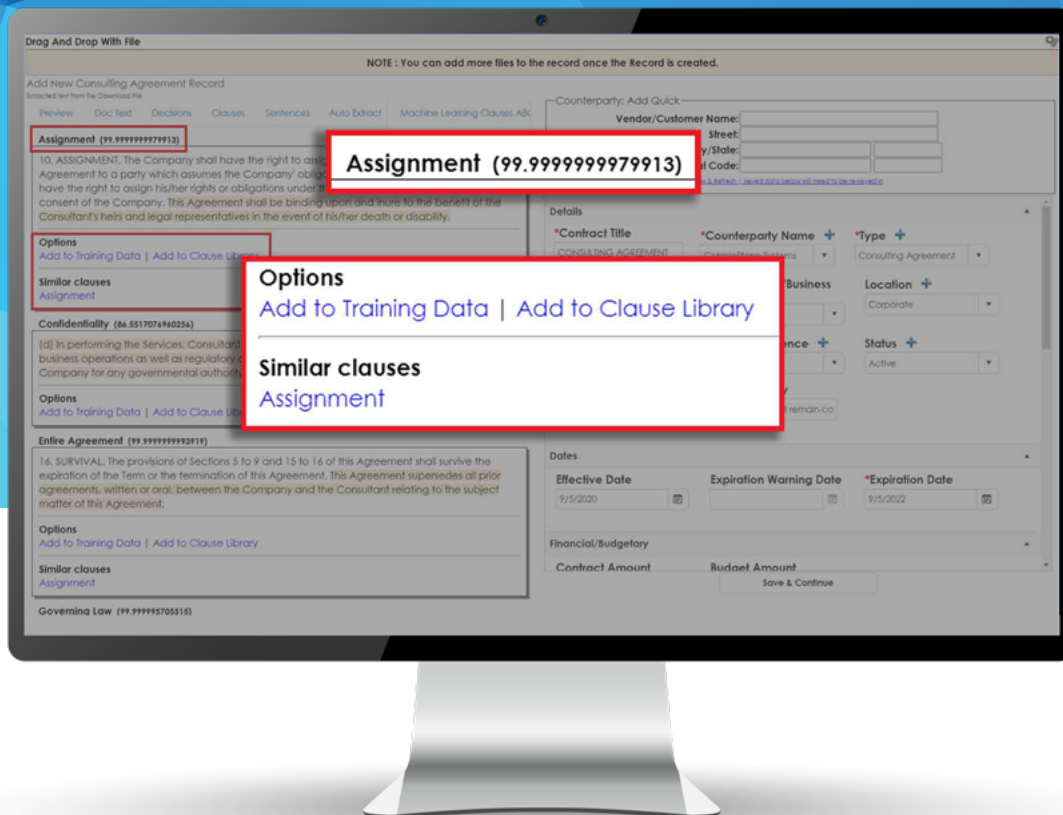**3**   Compare if words or clauses were changed from your initial contract terms.

4   Improve legal compliance by leveraging approved bid and contract templates, workflow approvals, electronic signatures, approved terms and clauses, and post-execution monitoring.

Contract managers can increase their productivity by utilizing machine learning with their contract clauses. Natural language processing (NLP) supports auto-fills, auto-extraction, and data pre-processing of information from contracts and other documents into contract records. Intelligent clause detection tools allow contract managers to compare clauses seamlessly and quickly within an approved clause library.

Leveraging AI-Powered Contract Management

AI and machine learning offer more control over establishing search algorithm preferences and their utilization within their contract management system. Contract managers can save time by greatly reducing the necessity for manual clause analysis, data entry, and document importation. Moreover, contract managers can implement data-driven strategies that reduce risk and drive contract value. Contract managers can make more well-informed contractual decisions with a comprehensive scope of prospective risk factors involved. AI-powered risk visualization with machine learning can grant contract managers and their teams greater confidence in effective risk management.

Tracking Contracts:

Contract Managers who efficiently track documents in real-time can maximize opportunity realization. Organizations can easily manage approvals, expirations, renewals, and other tasks and key dates with automated alerts. Quick search tools allow for quick and easy searching for specific requests, contracts, and related documents through searching for keywords, phrases, and clauses.

Eliminating waste-prone process inefficiencies is the primary path to mastering contract tracking. By eliminating the need for locating employee, counterparty, vendor or supplier information, searching for documents, managing spreadsheets, and searching through folders, contract managers can save significant time and energy used on redundant tasks to focus on more value-driven duties.

Moreover, contract managers need to ensure their contracts comply with trade and economic sanctions under OFAC (The Office of Foreign Assets Control) to avoid substantial penalties such as prohibiting operation in the USA and suspending assets. Leading contract management software with risk analysis snapshots and intelligent national sanction compliance can help contract managers remain in compliance with a centralized and comprehensive OFAC search process with detailed OFAC compliance reports.
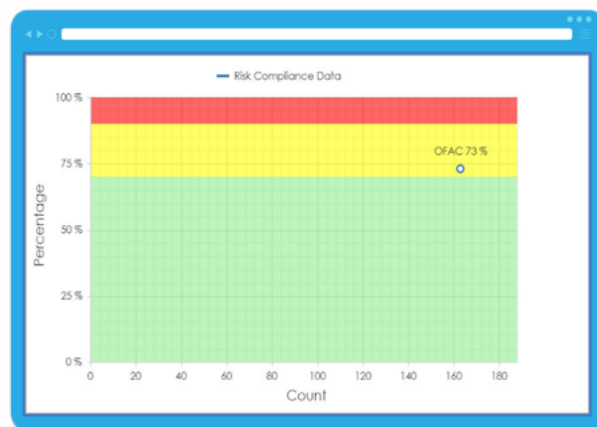
Leading contract management software can optimize contract tracking with:

1.   Greater visibility.
2.   Flexible task management, approvals, and alerts.
3.   Secure document storage and version tracking.
4.   Seamless collaboration.
5.   Intuitive search functionality.

Ineffective contract tracking systems cannot sufficiently support increased contract volume and complexity. Organizations need a solution that is automated, easily searchable, and secure. This solution needs to make it easy for organizations to comply with standards, manage risk, monitor contract status, track key dates and milestones, automate tasks, simplify contract writing, expedite negotiations, streamline approvals, support contract analytics and reporting, and make contracts easily accessible whether the workforce is working in the office, remotely, or on the go.

If your organization is considering investing in contract tracking software, look for the following features:

1.   Version tracking.
2.   OFAC search automation.
3.   Vendor compliance tracking.
4.   Award management tracking.
5.   Contract record audit logging and tracking.
6.   A centralized and secure contract repository with unlimited document storage.
7.   Tracking foremost document attachment types, including POs, supporting documents, invoices, and contracts.
8.   And more.

Approving Contracts:

Tracking contract statuses and maintaining version control with multiple stakeholders, customers, partners, and vendors can be challenging. Manual contract management processes can delay contract approvals because these methods rely on emailed approvals, back-and-forth negotiations, shared drives for task management, email, and spreadsheets. While contract approvals can be challenging, they don't need to be.
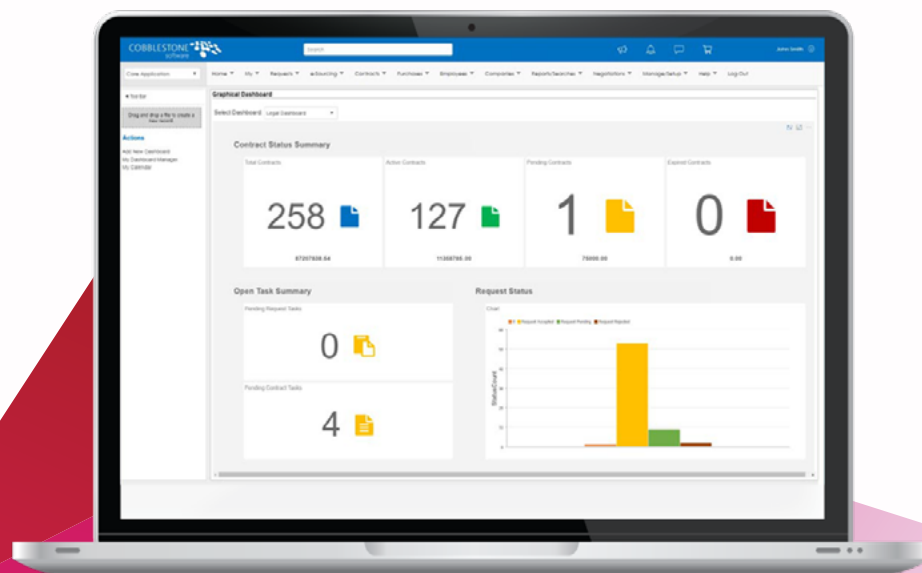
Thankfully, a centralized contract management reporting dashboard allows necessary parties to quickly review a contract's current status and take necessary action to move the contract further along in the approval process.

AI-powered contract management software with intelligent workflow automation can streamline the contract approval process. Contract workflow automation can be based upon an organization's rules-based approval process to support targeted, timely, and sequential or parallel contract reviews by directing documents to the right person at the right time.

Approval workflows can be based on counterparties, people or departments involved, contract types, and other parameters determined by an organization. Intelligent contract workflows can reduce risk, improve productivity, and increase visibility by implementing a controlled and trackable path for contract approvals and reviews. Contract workflows can carry a contract from its creation to the completion of the contract lifecycle swiftly while heeding necessary compliance standards.

Leading contract management software supports a rules-based process, workflow automation, highly flexible and user-friendly features, and seamless workflow creation. Dashboard alerts, task lists and alerts, email notifications, and complete audit trails can support compliance.

Intelligent workflow automation can reduce friction and streamline the contract approval process and encourage organization-wide accountability that yields a higher ROI on contract management efforts. Contract approval workflows can comprise of products, contract types, key dates, departments, monetary values, rules, data fields, and more. Many industry regulations, such as HIPAA and SOX, require greater contract administration standards that can be provided by advanced contract lifecycle management workflow. Trusted contract management software offers flexible user permissions and security settings that may be assigned based on a security role, department, employee, or contract basis to assist approval workflows that further contract compliance.
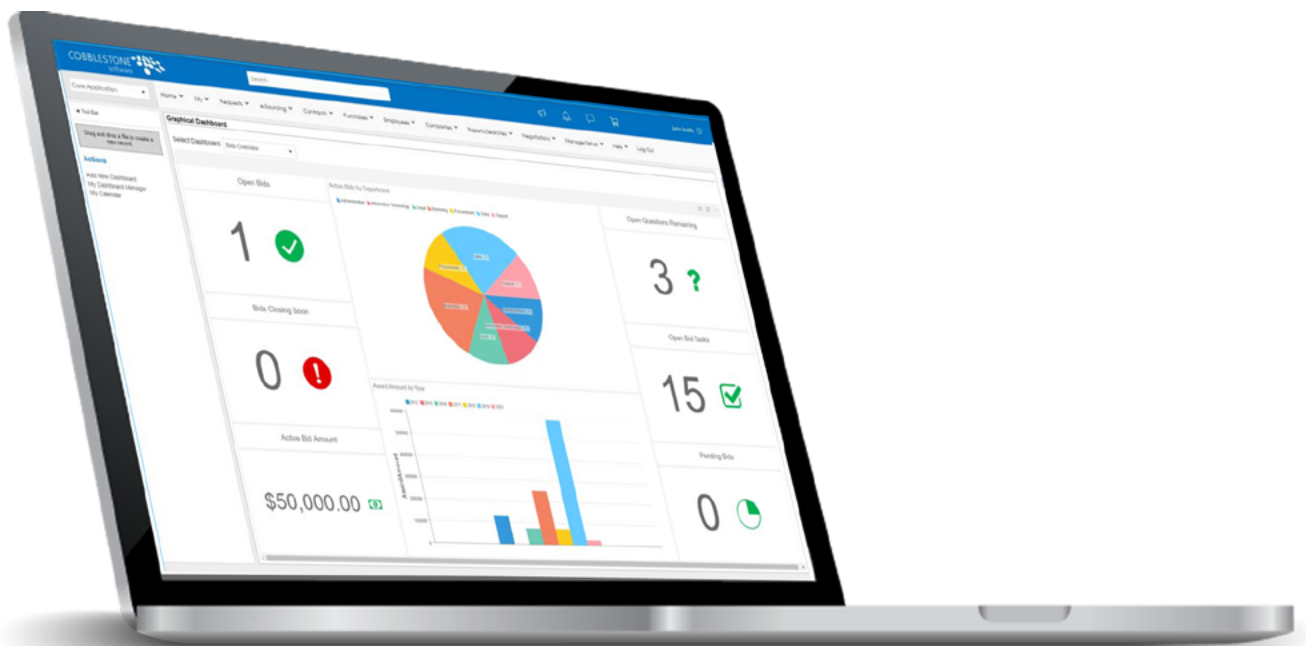
Increasing Contract Management ROI:

Investing in leading-edge contract management software can better equip organizations to yield more value from their contracts. Contracts travel through many departments of an organization and reach many stakeholders. Therefore, the ideal way to attain a higher ROI is to unify technology, process, and people. This masterful integration of resources can help organizations speedily realize impactful and measurable organizational goals, such as increasing ROI and meeting contract management KPIs.

Contract Management and Technology:

Advanced contract management technology is the key to achieving faster and more significant ROI. Leading contract management software supports the process and the people required for risk assessment, contract analytics, process transparency, visibility, workflow intelligence, data-based decision making, and contract automation with contract AI.

Contract Management and Process:

Effective contract management must be rooted in an automated "process." Manual contract management processes can decrease an organization's ROI. A manual approach to contract management can carry with it increased risk, missed opportunities, and longer contract lifecycles. Conversely, contract automation employs workflow to route contracts to the proper people for review, negotiation, approval, signing, and close-out. When contract managers focus on pre-award contract management but neglect post-award contract management, opportunities are often lost. The contract management process must encompass every step of the contract management lifecycle – from requests to renewal opportunities - to maximize ROI.

Contract Management and People:

Contracts can impact multiple lines and departments across an organization. Communication and collaboration are crucial to achieving contract management success. Employees need to collaborate with contract managers to openly discuss challenges and assist them with extracting key data points. Shifting towards contract *performance* management and away from basic contract management can drive contract management ROI. This strategy can maximize contract performance while reducing risk.

For organizations to attain measurable contract management ROI, full contract lifecycle management is required. This approach begins with pre-award contract management and utilizes the support offered by leading-edge technology for post-award opportunity realization. Leading contract management software assists with every stage of the contract lifecycle to help organizations consistently meet common contract management KPIs.

Signing Securely and Faster:

Signatures are typically necessary for finalizing contracts. Rather than rely on the manual process of traditional wet signatures that can slow the contract lifecycle process, organizations can leverage e-signature software to request and securely receive all necessary signed documents digitally.

E-signature software can offer a wide range of electronic authentication methods to ensure proper signatory identities - such as a secure PIN, password protection, company ID, and email address. A safe process with an audit trail can indicate proof of signing.

A certificate-based digital signature process validates document integrity. Digital signatures can meet more compliance standards than e-signatures because they provide proof of signing through encryption to bind a digital certificate affiliated with a signature to the pertaining document and provide proof of signing with trusted timestamps that are usually issued by a certificate authority (CA). Through this process, digital signatures guarantee that a signature has not been tampered with after its application. Organizations that use both electronic signatures and digital signatures can further improve signature acceptance, compliance, and security. Regulations (i.e. Electronic Identification, Authentication, and Trust Services) and international, federal, and regional laws may require digital signatures because they provide a deeper level of integrity and authenticity. Proven electronic and digital signatures are equally as legally binding as wet signatures since the Electronic Signatures in Global and National Commerce Act (ESIGN Act) of 2000.

For organizations to adhere to regulations and remain compliant while securing the signing process, contract managers can leverage an integrated solution for contract management and electronic signatures. Organizations can benefit from replacing paper-based, manual signing processes with electronic signatures for reduced costs, quicker contract lifecycles, and automated document workflows.

Managing Contract Renewals:

Organizations need a sustainable and scalable process in place for contract renewals. Manual processes relying on a disorganized database, disparate spreadsheets, and emails can make managing large volumes of contracts with varying renewal terms and renegotiation dates difficult. Manual contract management processes lack transparency of clause terms across departments or the capacity to address complex contracts swiftly.

Organizations can implement an automated contract renewal process that holistically supports business processes with contract automation that can hasten the document review process, which frees more time for organizations to assess risk and realize opportunities. Contract automation empowers contract managers and their teams to quickly and proactively negotiate contracts approaching renewals with reduced risk and favorable outcomes. Future-minded contract management software can maximize contract renewal opportunities. It can help organizations quickly create new contracts, alert stakeholders to make decisions and review upcoming renewals proactively, and identify valuable renewal opportunities. A user-friendly and configurable contract management system can optimize contract renewals with:

• Automated calendar alerts and reminders for effective obligation management and effective renewal.

• A web-based and secure repository with version tracking to empower contract managers and their teams to access and search the most current versions of all agreements.

• An audit trail for changes made during the life of the contract and renewal status.

• Intelligent contract management workflows to facilitate negotiations, automate tasks, streamline reviews, quicken approvals, and enable speedy signing.

• Contract analytic tools that uncomplicate renewal decisions by providing insight into the risk and value of all contract types.

• Electronic signatures for more streamlined and secure sign-offs.

• Seamless integration with CRM, accounting systems, ERPs.

• And more.

Contract management software automation proactively drives contract reviews and renewals to help organizations maximize their contract value. Renewals are an opportunity to increase profitability, take advantage of volume discounts, reduce vendor redundancy, improve invoicing accuracy, decrease debtor days, increase visibility and control, encourage productivity, reduce cost, mitigate risk, decrease risk exposure, and lower liability.

Storing Contracts:

Filing cabinets, server storage, emails, spreadsheets, and other manual contract storage methods are antiquated and can hamper the contract management process. Organizations that struggle with effective contract management tend to face challenges with their contract storage system.

A manual contract storage process lacks visibility and transparency, leaves supporting files and documents disconnected, limits access, and lacks proactive tracking. Moreover, it does not support the management of milestones, automatic renewal clauses, renewal dates, approvals, and contract statuses.

Fortunately, a centralized contract repository allows contract managers to store contracts effectively and maximize their value. A web-based document repository supports collaboration, tracks contract statuses, searches for contracts, leverages document version control, controls access and permissions, and cohesively organizes contracts. Contract managers who digitally store contracts in a secure electronic contract repository can gain real-time visibility and utilize advanced reporting to capitalize on valuable opportunities, especially when specific contracts require renewal. An online document repository streamlines sharing, searching, reporting, organizing, protecting, and locating contracts. The immeasurable and measurable benefits of simplified contract management, increased productivity, decreased risk, improved accountability, and centralized control can favorably impact an organization.

Reputable contract management software that is not merely a static repository system can drive contract value and streamline contract lifecycle workflow processes. It can offer unparalleled contract lifecycle management - complete with a searchable and secure contract repository. Finding necessary information can be fast and seamless with status updates, document version control, visibility, transparency, and more. A secure repository can help organizations avoid penalties, remain compliant, gain contract visibility, streamline contract collaboration, standardize contract creation, minimize contract lifecycle times, and boost productivity with centralized access to contract-related information. Moreover, organizations can abide by contract management best practices that include enhanced security, advanced searching, and maximum visibility.

Achieving Contract Management Mastery

Mastering contract management practices can empower contract managers, procurement professionals, and legal teams to collaborate and integrate their processes more efficiently and effectively. An efficient contract management system leads to increased contract effectiveness that can be a source of efficient workflow, decreased risk exposure, improved visibility, accountability, reputation management, and return on investment. Leading-edge contract lifecycle management software that is not merely a repository system can drive contract value and streamline contract workflow.

Transparency and insights from contract metrics, a secure contract repository, seamless collaboration, a complete audit trail, real-time visibility, and automated contract creation all work together in a masterful lifecycle for contract managers to fully oversee contracts and transform them from static documents into dynamic building blocks. Contract managers who commit to this form of contract lifecycle management can better streamline their processes and help their organizations maximize their contracts' value, which can inevitably improve comprehensive, long-term, and holistic success.

Implementing Leading-Edge Contract Lifecycle Management Software

Organizations that leverage full contract lifecycle management software can streamline their contract management process and improve overall contract performance.

Organizations that invest in contract lifecycle management tools can receive significant ROI with leading-edge technology to streamline and automate processes.

Esteemed contract lifecycle management software can help organizations manage high volume and high complexity contracts. Effective contract lifecycle management software can quickly support an organization's needs in a user-friendly and flexible platform that can help users adapt to the evolving needs and demands of various industries.

CobbleStone Software has been an industry leader in providing enterprise contract management, vendor management, procurement, and eSourcing software solutions since the mid-1990s and is trusted by thousands of users. CobbleStone's Contract Insight® provides smarter contracts with artificial intelligence and machine learning, IntelliSign® electronic signatures, integrated third-party electronic signatures, document version control, custom reports, vendor scoring, full-text indexing and searching, executive dashboards, authoring of contract templates with dynamic clauses, thorough security options, contract workflow management, calendar notifications, configurable email alerts, contract and vendor tracking, and more.

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To learn more about Contract Insight, contact the CobbleStone Team at
CobbleStoneSoftware.com or **call 866-330-0056**.