



CONTRACT MANAGEMENT: WITH **VS** WITHOUT **TECHNOLOGY**

INTRODUCTION

A contract's journey starts from the time its request is initiated, and passes through the following stages:

Pre-award Contract Management: Activities **before** a contract is awarded consist of:

- Request
- Drafting
- Review & Approval
- Negotiation
- Sign-off

Post-award Contract Management: Activities **after** a contract is signed include ensuring compliance with the terms and conditions; managing contract changes; adhering to production, QA, packaging, and delivery requirements; resolving claims and disputes; and invoicing for payments.

The entire contract journey is riddled with ambiguity and errors, and consumes massive amounts of time and effort. However, with the right Contract Lifecycle Management (CLM) tool, this journey can be streamlined and optimized to achieve the maximum benefits.

Let us follow this journey and explore how technology can be an enabler at each stage of the contract lifecycle, no matter what the contract type—NDA, freelance agreements, IP contracts, and so on.

1 REQUEST STAGE

WITHOUT CLM

Without CLM, raising a contract request usually involves the following steps:

- **The requester (salesperson, HR, etc.) emails the legal team to draft a contract with so and so person / organization**
- **Legal takes time deciding whom to delegate this responsibility**
- **The task gets assigned to someone in Legal**
- **Email communications go back and forth between the requester and the designated legal employee until all relevant details are worked out**

WITH CLM

With a dedicated CLM by your side, requesting for contracts becomes a whole lot easier. The CLM capabilities mentioned below ensure that contract requests only take a few seconds.

1. Integration with CRM & Procurement / Ticketing Enterprise Systems

CLM seamlessly integrates with enterprise systems such as ERP and CRM, enabling you to request for contracts via your familiar interface, driving better user adoption:

- **Non-legal teams request Legal for new contracts via CRM, ERP, etc.**
- **The requesters simply select the contract type and fill-in the relevant details. Their inputs trigger the appropriate template and clauses. Just a hit of the submit button and their job is done**

2. Intranet Style Portal

Authorized requesters can also use the CLM's request portal directly:

- **Authorized users log in to the CLM's request portal to raise contract creation requests**
- **They are guided through a series of (configurable) Selections and the choices drive which templates and workflow will be triggered**

3. Microsoft Outlook Plug-in

Modern CLM can also integrate with Microsoft Outlook, Google Docs, and more for an even greater user-friendly experience:

- **Users request directly from their mailboxes—open the request form, enter details, submit**

4. External Party Portal (EPP)

Even your licensees, distributors, partners, etc. can request new agreements via the CLM's EPP:

- **Standard templates, based on contract type & geographies, ensure use of the right clauses**
- **External parties can also upload their own templates**
- **Contract employee onboarding, confidentiality agreements, HR review, and e-sign**



2 DRAFTING

STAGE

WITHOUT CLM:

Without CLM, authors either draft the contract from scratch or use an old template:

1. Draft from scratch

The process is time-consuming, error-prone, and the contract language is not standardized:

- **Legal team member drafts the contract from scratch, checks the emails, and enters all relevant details of the contracting party manually**
- **He / she searches for, brainstorms, and puts in relevant alternate and fallback clauses, penalty clauses, compliance-related clauses, and more**

2. Use an old template

Using an old template is an open invitation to risks. It requires checking and cross-checking each and every section and clause minutely, with utmost precision:

- **The legal employee searches for a contract template that he / she had used some time back for a similar kind of contract**
- **He / she manually enters the relevant details after checking the emails**

WITH CLM:

CLM capabilities make drafting easy, standardized, and error-free:

1. Microsoft Word Plug-in, Redlining, Version Comparison

Contract authoring is a breeze with these CLM capabilities:

- **MS Word Plug-in enables collaborative authoring via familiar MS Word interface**
- **Redlining helps track clause-level changes**
- **Side-by-side comparison enables easy comparison of all contract versions**



2. Template and Clause Library

CLM has an extensive library of templates and clauses:

- **Configurable templates for each contract type ensure standardized language and error-free contract creation**
- **Clause library containing preapproved clauses including fallback and alternate clauses ensures minimal legal involvement**
- **Third party template parsing enables import of third party templates & automatically breaks them down into distinct sections and clauses**

3. Real-Time Collaboration

Modern-day CLM facilitates easy collaboration and information exchange, ensuring that all relevant stakeholders for a specific topic and contract are in sync :

- **Users collaborate & chat with other users for a specific contract stage or even for a specific clause**
- **Users can create multiple conversations, add comments, receive replies, exchange files, and more, right from within a contract. This ensures that all discussions regarding a contract remain tied to that contract within the CLM application**
- **Real-time collaboration avoids any email exchange delays, crossed threads, misunderstandings. Users may save chats for audit purposes**

3 STAGE

REVIEW AND APPROVAL

WITHOUT CLM:

Without CLM, contract review and approval is a long and painful process:

- **The contract author emails the draft to a group of reviewers**
- **The reviewers redline and make edits on the draft in a word processor**
- **Sometimes, multiple reviewers send back individually edited documents, leading to chaos**
- **Absence of a clear workflow of reviewers leads to difficulty in determining whose edits to accept, if there are conflicts**
- **A lot of back and forth of emails occurs for a single contract**

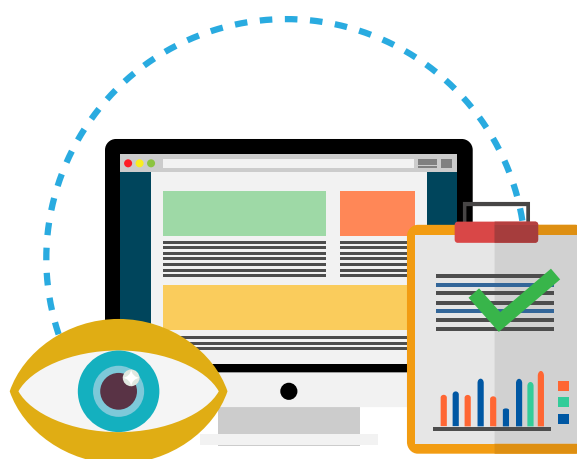
WITH CLM:

CLM streamlines contract review and approval and greatly reduces the cycle time:

1. Workflow

Configurable workflows drive collaboration between the relevant intra-organizational stakeholders for the review and approval process:

- **Parallel & ad hoc workflows bring flexibility to the review-approval process**
- **Users can route workflow to specific users based on specific clause use or clause redlining**
- **Business-specific rules in workflow ensure contracts are approved by the right people in the right order**
- **The workflow within the CLM lets you know how long each stage takes, reward performers, and remind underperformers**



2. Redlining and Version Comparison

Redlining and version comparison capabilities also help accelerate the review-approval process while reducing errors:

- **Redlining clause-level changes and side-by-side comparison of all contract versions eliminates the chances of chaos with multiple document versions**
- **All document versions are stored within the CLM, reducing emails between the author and the reviewers**

3. Alerts and reminders on mobile/email

- **Alerts notify the concerned reviewer / approver of new requests, leading to faster and convenient reviews and approvals:**
- **The contract reviewer / approver receives an email and the contract request appears on their CLM dashboard**

4 NEGOTIATION STAGE

WITHOUT CLM:

Without CLM, negotiations can take days or even months on end:

- The external party makes the desired changes to the contract and emails the revised copy back
- The contract owner then tries to figure out every modification
- The contract owner consults with the internal approver whether to accept those changes
- The process can go on and on leading to an unending trail of emails and contract versions shared between the contracting parties
- This leads to difficulty in tracking / managing the many contract versions

WITH CLM:

CLM capabilities ensure quick, easy, and transparent negotiations:

1. Change tracking and version comparison

- Redlining and commenting facilitate easy negotiation and amendment of contract T&Cs, delivery timelines, SLAs, and more
- Version comparison (one page / two page view) brings improved visibility into text modifications

2. Automated workflow routing

- The contract owner imports the contract version shared by the external party which gets routed to the internal approver per the rules set in the workflow
- This reduces the need for the “middleman” to facilitate communication between the internal and the external approver



5 SIGN-OFF STAGE

WITHOUT CLM:

Without CLM,

- Sign-off is usually on a hard copy contract
- Sign-off can take days if the signing authority is out of the office

WITH CLM:

CLM supports multiple e-signing platforms:

- Support for e-signatures
- CLM facilitates simple and quick e-signing using DocuSign, Echo Sign, Adobe Sign and other e-signature application



6 POST-AWARD CONTRACT STAGE MANAGEMENT

WITHOUT CLM:

Without CLM, managing a huge volume of contracts and tracking post-award contract compliance becomes extremely difficult, time-consuming, and error-prone. As a result, most organizations simply store their contracts away and do not track contract utilization, obligations, expiries, or renewals efficiently. This leads to revenue leakage, lost cost savings, noncompliance of regulatory norms, etc.

WITH CLM:

CLM technology enables efficient Post-Award Contract Management, resulting in significant improvement of commercial performance.

Post-award contract management includes many activities—let us look at each:

1. Storage and access management

CLM repository provides a centralized storage of all contracts & supporting documents with secure access control:

- **Repository enables users to easily configure contract metadata, alerts, and reminders**
- **Powerful keyword and free-text search enables users to locate clauses and phrases within contracts easily**
- **Users can upload and update contracts in bulk**
- **Robust data encryption for all contracts with multi-level confidentiality promises enhanced data integrity**

2. Performance and obligation management

Next-generation CLM offers dedicated performance and obligation management capabilities:

- **Automated utilization tracking ensures contract value generation and risk mitigation**
- **Integration with external systems (CRM, ERP, BI tools) provides a more holistic view of contract performance**
- **Users can track and enforce penalty clauses, identify cross-sell and up-sell opportunities easily**
- **Users can delegate the task of tracking specific metrics of a contract to specific users— e.g. payment milestones to be tracked by accounts receivable team, delivery milestones by logistics team**
- **External Party Portal enables the trading partners to view their obligation data, entitlements owed, contract performance against benchmarks, payments due, etc. They can also configure alerts / reminders about payment milestones, etc.**

3. Regulatory compliance management

CLM enables identification and tracking of contracts requiring compliance to ensure all environmental, H&S, and other compliance-related documents are present and valid:

- **Clause-level tracking helps identify and track contracts at the clause-level to ensure (for example) that all contracts with EHS (Environmental, Health & Safety), or other compliance-related clauses have their supporting, valid documents**
- **Repository stores contracts and supporting documents, that can be easily searched whenever required.**
- **CLM maintains an audit trail of all changes made to a contract**

4. Predictive risk profiling

CLM helps predict supply and security risks by quantitatively assessing customer and vendor performance:

- CLM enables users to leverage old contracts and common performance criteria to create performance analysis based on old contracts and track external party performance over time
- Users can predict risks based on clauses used, past performance of similar contracts, and historic data of contracting party
- Integration with Financial Management Information Systems further improves decision-making

5. Expiry and renewal management

CLM ensures efficient expiry and renewal management:

- Alerts enable timely tracking of contract expiries and renewal
- User-defined dashboards and reports ensure easy access to information
- Authorized users can delegate expiry / renewal management to specific users, removing any ambiguity around ownership
- Users can also check supporting documents' (H&S, environmental clearances, etc.) expiry dates and prepare in advance for renewal
- External Party Portal allows trading partners to view expiration dates of their contracts & configure alerts and reminders for themselves. Internal teams can also configure expiration / renewal alerts and reminders for the trading partners



CONCLUSION

Organizations that sign hundreds or thousands of contracts per year have no scope for embedded inefficiencies and delays in the contract creation and management process. Be it pre- or post-award contract management, using a cutting-edge contract lifecycle management solution (such as Ultria CLM) helps immensely. It automates the most common tasks involved in contract management while providing a simpler and more intuitive way of building contracts in the first place.

Contact info@ultria.com to get started on your journey to optimize and streamline contract management for all your contracts.



ULTRIA CLM MODULES

ABOUT ULTRIA

Ultria CLM is built around an intuitive user experience, leveraging a comprehensive knowledge base, robust Artificial Intelligence technology, and encapsulates industry's best-of-breed processes and methodologies. Contract Lifecycle Management software from Ultria centralizes contract storage, tracks compliance across multiple dimensions, and reduces creation cycle time. Ultria can be configured to meet specific enterprise objectives to influence business performance through:

- Accelerated contracting processes and enhanced compliance across multiple legal and government regulatory systems.
- Enhanced stewardship, security, and continuity around important contract documents.

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