THE 8 CRITICAL STAGES OF CONTRACT MANAGEMENT

August 28th, 2018
WEBINAR HOSTS

Tim Cummins
President
IACCM

Mark Nastasi
Vice President
CobbleStone Software

Bradford Jones
Sales Director
CobbleStone Software
AGENDA

- The Contract Lifecycle
- A Little About CobbleStone Software
- Contract Management Headaches
- The 8 Critical Stages of Contract Management
  - What are the 8 stages and how can they be improved?
- The Future of Contract Management with Artificial Intelligence
- How to Learn More
THE CONTRACT LIFECYCLE

Transactional Lifecycle Process

1. Evaluate
   - Identify contract model required to support specific request for bid or proposal OR review counter-party proposed terms for acceptability (determine go / no-go)

2. Approve
   - Evaluate non-standards and interdependencies
   - Engage stakeholders required for review and approval

3. Draft
   - Prepare required transactional documents or variations to standard

4. Negotiate
   - Establish strategy, fall-backs, trade off; seek to reach consensus (go / no-go); redraft as required for final approvals

5. Implement
   - Communicate signed agreement and obligations to all affected parties

6. Manage
   - Oversee and report on performance; handle claims, disputes; negotiate and record changes

7. Close
   - Manage termination or renewal, identify continuing obligations

Demands, expectations and potential for Contract Management are growing fast:

- Establish an integrated view
- Streamline process
- Facilitate data flows

Businesses need core technology to provide ‘the basics’
Emerging technology will enable those who have got the basics under control to develop Contract Management as a source of competitive advantage:

- Lower cost of commercial operations
- Faster time to contract
- Greater quality of performance
- More agile and adaptive contract terms
A LITTLE ABOUT COBBLESTONE SOFTWARE

- Industry leading Contract Management Software provider for 20+ years
- 100% focused on contract management software
- Web-Apps matured - released Enterprise Edition in 1999
- Selected by thousands of users worldwide
- Millions of records managed by the CobbleStone platform
- One of the first companies to release a contract software product in 1995
CONTRACT MANAGEMENT HEADACHES

- **Contracts are complex**
  - Companies can manage hundreds, thousands or millions of contracts each year
  - Manually managing all stages of a contract's lifecycle can be daunting and incredibly time-consuming
  - With so much to monitor, best-practices may be ignored

- **Professionals need a better way to:**
  - Keep track of central contract repository, risk control and file version tracking
  - Identify key renewal dates and expiration dates
  - Execute tasks quicker and more efficiently
  - Integrate better with critical systems
  - Improve the overall contracting process within your organization

- **Allow technology to take contract management to another level**
STAGE ONE: CONTRACT REQUESTS

WHAT’S HAPPENING?
- Employee needs a new contract, amendment or renewal
- Difficulty compiling and assigning requests
- No easy method to draft an agreement and include required terms and clauses
- No status updates
  - No easy way to provide status updates to the requestors
  - There is no easy way for all the requests to be compiled into a central repository and capture all necessary documentation and be able to inform everyone involved
- Easily miss requests

CONTRACT SOFTWARE CAN HELP REQUESTS WITH:
- Self-service portal
- Contract request forms with predefined questions that route to appropriate business resource(s)
STAGE TWO: CONTRACT AUTHORING

WHAT'S HAPPENING?

- Inconsistent & incorrect versions
  - Multiple departments using contracts that are outdated and not in alignment with the current preferred/approved standards
- Trouble including all required language
  - Difficult to identify appropriate clauses, terms and provisions necessary for each contract based on deal

CONTRACT SOFTWARE CAN HELP AUTHORING WITH:

- Self-service portal
- Integrated contract authoring tools to easily author document with dynamic clauses based on company rules
- Easily access fallback & alternate clauses
STAGE THREE: CONTRACT APPROVALS

WHAT’S HAPPENING?
- Hard to designate approval
  - No easy way to determine who needs to review and approve the contract
- Could be sent to wrong person at the wrong time (missed steps)
- Lack of audit trail
  - Multiple versions of the contract that do not have a consistent record of changes that were made

CONTRACT SOFTWARE CAN HELP APPROVALS WITH:
- Automated approval routing based on contract criteria, organizational structure and approval authority
- Workflow processing
- Real-time alerts
- Ability to revert back to previous versions
STAGE FOUR: CONTRACT NEGOTIATIONS

WHAT’S HAPPENING?
- Back & forth communications & redlining
  - Outdated emails and versions due to manual processes
  - Lack of version tracking
  - With no central repository, it is harder to track down the most current versions of the document

CONTRACT SOFTWARE CAN HELP NEGOTIATIONS WITH:
- Secure online negotiations portal with email alerts
- Full version tracking
- Red lining comparison for real time access to negotiation status and current document with internal and external parties
STAGE FIVE: SIGNATURES

WHAT’S HAPPENING?

- Difficult to determine signatory authority
  - Who has the correct authority to sign each contract? Rules may be based on type, amount, location or other variations.
- Need quicker & mobile options
  - How do we move forward in an increasingly mobile world?
- Obtaining signatures in bulk for mass amendments are painfully time-consuming.

CONTRACT SOFTWARE CAN HELP SIGNATURES WITH:

- Electronic signature with configurable rules to automatically notify internal parties based on signatory matrixes and external party based on deal
- Signed contracts in or out of office with user friendly mobile alerts and access
- Mass signatures with easy status tracking and follow-ups
- Automatic storage of executed agreement
STAGE SIX: OBLIGATIONS

WHAT'S HAPPENING?
- Missing obligations can be costly
- Difficult to track
  - Contracts contain numerous complex requirements that must be identified and monitored
  - Knowing your deadline isn’t always enough. Who is assigned? What steps are needed?

CONTRACT SOFTWARE CAN HELP OBLIGATIONS BY:
- Defining obligation, milestone, and payment tracking with proactive notifications, and reporting
- Identify upcoming and late tasks
- Analyze obligation performance to identify areas for improvement
STAGE SEVEN: COMPLIANCE

WHAT’S HAPPENING?
- Difficult to track
- Manual & time-consuming
- Oversights can be costly
  - Missing compliance can cost your company money in late fees, judgements and jeopardize future contracts

CONTRACT SOFTWARE CAN HELP COMPLIANCE WITH:
- Terms, tracking, and intelligent alerts for contract compliance requirements
- Risk mapping for early identification of compliance risks
- Identification of employees and counterparties with a history of compliance issues
STAGE EIGHT: RENEWALS

WHAT’S HAPPENING?

▪ Renewals and contract close out can be easily forgotten
  ▪ Even if diligently marked on spreadsheets or calendars, employee turnover and other organizational changes occur that cause deadlines to go unnoticed
  ▪ Missing renewal windows may mean lost discounts, negotiation leverage, or other opportunities

CONTRACT SOFTWARE CAN HELP RENEWALS WITH:

▪ Proactive notification of renewal timelines, recommendations, and next steps based on contract specific best practices
▪ Mass renewals and signatures to support high-volume renewal periods
SMARTER CONTRACTS
WITH ARTIFICIAL INTELLIGENCE

THE PROBLEM
Contract, Sales, Purchasing and Risk professionals need a contract lifecycle management solution that “solves problems like humans” so they can easily identify opportunities and mitigate risk based on historic data and organizational goals without having to evaluate each contract individually.

THE SOLUTION
CobbleStone's CLM platform provides powerful artificial intelligence (AI) backed by machine learning (ML) to systematically analyze contracts originated by internal or external paper by transforming the documents into building blocks to leverage for improved contract oversight and proactive opportunity and risk identification.

WITH COBBLESTONE AI, USERS HAVE:
✓ Smarter contracts with machine text analysis
✓ Automated data review and correlation
✓ Risk Assessment Mapper for categorized risk exposure assessment
✓ Immediate recommendations based on history and goals
✓ Intelligent workflows
✓ CobbleStone's 20+ years of CLM experience
✓ And more!

Copyright ©CobbleStone Software
SUMMARY

- In complex environments, best-practices may be ignored. Remember to keep track of those key dates and expectations in a contract system to execute tasks quicker and more efficiently and improve the overall contracting process within your organization.

- Each stage of the contract lifecycle brings its own challenges and headaches. The specific requirements of each stage will vary depending on the type of organization and the type of work you’re doing. Find a contract solution that is configurable to meet your needs.

- Contract management technologies are improving fast. Invest in a solution now to lay the foundation for a future of optimized, intelligent contract management and set the stage for future technologies.
THANK YOU

Learn More!

sales@cobblestonesystems.com

Managing Contracts Just Got Easier℠