



How-To Guide: Successfully Establish a Contract Management System

The Set-Up

Creating a mutually beneficial contract is one of the first steps in building and nurturing a long-term, business relationship. Important parts of maintaining that partnership involve agreeing to terms and putting together a contract in a timely manner, executing and enforcing the contract, and revisiting and renewing it as necessary.

Managing your contracts through the contract lifecycle then becomes essential for business success. As companies grow, they look to implement a contract management system to help them streamline business processes, strengthen compliance while mitigating risk, and increase ROI. Without a structured system, legally binding contracts — and the commitments for which you're responsible — can easily slip through the cracks.

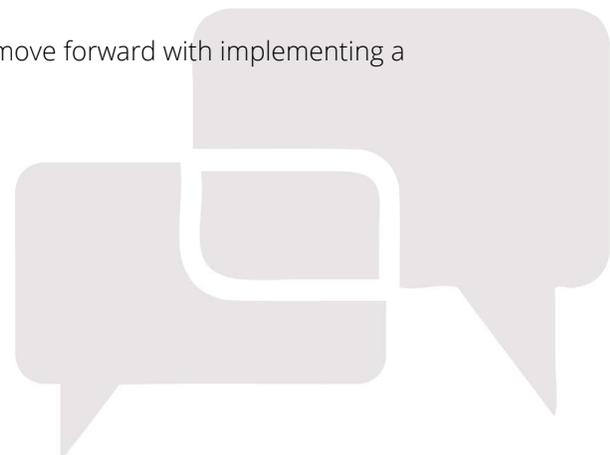
However, without the proper foundation in place, implementing a contract management system can lead to hiccups and unexpected issues, such as poor system adoption, extended training times, additional project costs and less productivity.

The Challenge

Legal teams and contract managers need a way to manage contract creation, execution, approval, distribution, reporting and analysis, and renewal or expiration. To select a contract management system, you first need to look internally:

- What are your current processes?
- What issues does your team currently face with the existing system?
- What is the scope of the project? (i.e. How many contracts will the system need to manage? Will it manage contracts from one department or multiple departments? How many employees will need to be involved in each stage of the process?)
- What are your goals for the system?
- Which team members need to be included in the decision-making process?
- How will you get your team's buy-in once the system has been chosen?
- What are your budget and timeline for implementing a system?

Once you've considered these questions, you can move forward with implementing a Contract Management System.





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The Groundwork

Efficiently and effectively implementing a contract management system means considering several factors and taking a few necessary steps first.

1. Outline and analyze your current contract processes.

- a. Know the strengths and weaknesses in your current processes so you can determine what features of different software options will help and ensure you choose a system that meets your specific requirements. By addressing known issues upfront, it'll help prevent unexpected delays later during implementation.
- b. Based on the gaps in your current processes, create a "wish list" of features you'd like to see in a system. You'll want to ensure you get input from executive leadership on what they see as overarching issues, as well as their take on how these issues can be resolved and what they think would work best. You'll also want input from legal and IT or technically minded team members, as they're closest to the current processes, have definite opinions about how processes can improve and will eventually be the most hands-on with the product.
- c. Consider how your existing files are set up and how the vendor plans to migrate your files. If your files were originally created in Microsoft Word, Excel, etc., you want to find a vendor who will let you keep your files in their existing format. Microsoft SharePoint is a great platform to consider, as it offers excellent document management capabilities, including version control, search and track changes — plus, you're already familiar with the Microsoft Office platform. If you choose to move away from the vendor, you'll also want to be able to easily get your files back in a suitable format.

2. Take a look at how current contracts are housed and structured.

- a. Choosing a contract management system and then dumping your documents into the system will not be as effective as you think if the contracts are saved in every format and scattered in various share drives and folders. After all, you're liable to forget to add misplaced or legacy contracts to the system. Plus, when you're ready to evaluate software options, you'll need to know how many contracts you have so you can find a system that is robust enough to accommodate them.





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- b. On an individual contract level, look at how your contracts are structured. You'll want to standardize how your contracts should be organized beforehand. That way, you can determine what type of data will need to be included for metadata and reporting, and easily search for and capture the critical information you need from the system you choose.
 3. **Involve your key decision-makers and designated contract manager(s) in the selection process.**
 - a. You'll want people who have a deep understanding of the contract process — and what's needed to improve the current process — to oversee implementation, which means you'll need to involve them and get their buy-in when it comes time to review and select a vendor.
 - b. Managing implementation and coordinating with the chosen vendor takes time and effort, so you'll want to ensure your designated manager and the rest of the team are comfortable with the selected vendor and product. When scheduling demos, ensure the team who will be in charge of implementing and managing the system sees the demos and how the software will make their jobs easier.

The Selection of a Vendor

Once you've laid the groundwork, you're ready to start researching and meeting with vendors. To ensure you gather all the information you need to make an informed decision, here's a quick list of questions to ask.

1. Understand how much responsibility and time your designated contract manager will have to shoulder. Based on the size of your company, you might need to designate one employee or an entire team to implementing and managing the software, and you'll want to know how much IT support the vendor offers. From your meetings with vendors, also get a feel for their personality to determine if they're a fit culture-wise.
2. Consider what tools you already use and what your IT team is comfortable with. If they're used to managing Microsoft Exchange for email, Microsoft Office for productivity tools, Microsoft Active Directory for your email address book and Microsoft SharePoint for document management, it'd be easy and painless to simply extend Microsoft SharePoint's capabilities.
3. Look into the vendor's track record. Tech start-ups come and go, and you want to ensure your vendor has the resources and proven history to make continual improvements and offer product support year after year.



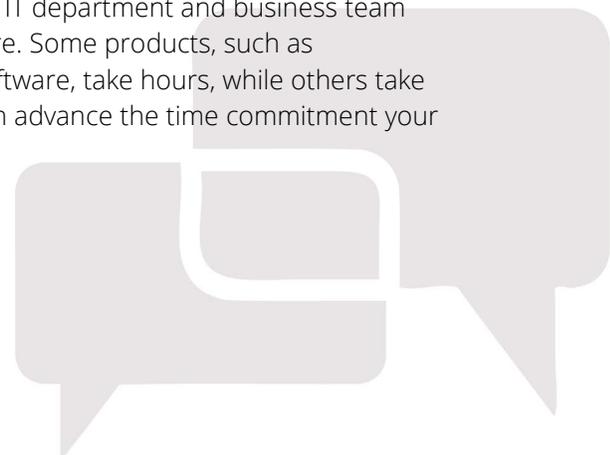
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4. Request case studies. You want software that has proven successful for other companies and that they'd recommend. If the vendor offers related industry-specific case studies, even better.
5. Ask about product updates. Just because the vendor is the oldest and biggest, doesn't make it the industry leader. Sometimes, larger software companies established their presence long ago, and their technology has not evolved along with the industry.
6. Use that "wish list" you created earlier to ask vendors specific questions about product features and service offerings. You'll be able to quickly and easily check off which products have which features, allowing you to build a side-by-side comparison and see how vendors stack up against each other.
7. Consider how the software's features will meet your compliance needs. Discuss with your compliance and risk management officers what is necessary, and ask about how specific product features would address your issues and needs.
8. Analyze the benefits and costs of implementing an electronic signature program with the software. You'll want to decide what electronic signature program works best with the contract management software, and vice versa, and get recommendations from both vendors.
9. Choose the right software for your specific needs at the right price. When comparing costs and features of each product, go back to your original "wish list" and determine what you want, what's a value-add and what you really need.

The Implementation

After choosing a vendor, the implementation process should be quick and seamless with the groundwork already in place. To further ensure a smooth process, keep in mind the following tips.

1. Choose a go-live date and stick to it. Don't drag out or rush the implementation process — back out your dates from the final deadline, and build a schedule. Roll out the implementation process in phases. As usage and communication about the software increases, so will the comfort level and confidence in the product.
2. Ensure you have the right people from the IT department and business team available during deployment of the software. Some products, such as ConvergePoint's Contract Management Software, take hours, while others take days or months. Create a plan, and know in advance the time commitment your team will need to make.





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3. Communicate with the decision-makers and vendor. Don't be afraid to ask questions and provide feedback to both on what's working, what's not, what's better than expected and what are potential unforeseen delays.
4. Avoid getting alert-happy. Being able to send automated email notifications is a valuable tool, but don't send so many reminders that employees become dull to them and begin to ignore them. Remember that the contract management system is supposed to help efficiency, not be a nuisance or hindrance to productivity.

The right contract management software can vastly improve your organization's current processes and the way you do business, along with many other benefits. It's important, however, to find the best fit for you and your needs — and it might take some initial legwork on your end. Ultimately, though, that legwork will pay off — you'll be able to make an informed decision about which software to move forward with, enjoy a smoother implementation process and get the most use out of the product you select.

Let's Discuss Your Needs

At ConvergePoint, we've partnered with healthcare, financial, energy and utilities, manufacturing and retail organizations in more than 30 states across the U.S., working with their legal and IT teams to streamline their contract management processes. As the leading compliance software solution provider on the Microsoft SharePoint platform, let us help streamline your contract lifecycle management needs, whether it's looking at your current processes and offering guidance or implementing a software solution and sharing best practices.

