

eBook

Buyer's Guide: Contract Lifecycle Management Solutions

Questions to guide your journey to connect and accelerate the agreement process Many growing businesses struggle with the increasing difficulty of managing contracts and other critical documents. Contract lifecycle management (CLM) is the right solution for organizations attempting to stay on top of agreement workflows that are increasingly complex.

CLM can solve those problems. But all CLM providers are not equal. The landscape of CLM solutions is always evolving and there are several factors to consider and questions to ask as your team researches the market to find the best option.

Technology decision makers, legal teams, and business leaders can use this buyer's guide to navigate the many CLM options available today. It will help you select the solution that meets your agreement needs now and sets you up for ongoing success in the years to come. If your organization struggles to manage contracting processes, you are not alone. When businesses grow, sales contract volume often quickly exceeds the capacity of the small legal team that manually negotiates and reviews all contract language. It's a very common growing pain.

As agreement volume increases, teams have to adapt agreement workflows. Too often, this happens on the fly, resulting in a series of temporary one-off solutions that introduce access and transparency issues across vendor agreements, sales contracts, compliance documents, and employee documentation. Those problems can cause human errors or delays in the sales process. They can quickly snowball into frustrated employees, unhappy customers, unnecessary business risk, and slower growth.

It's easy to draw a straight line from poor agreement management to wasted time, increased costs, and missed revenue opportunities. **Analysis conducted by Deloitte and Docusign** found that bad agreement processes destroy \$1.8 trillion in total economic value every year. We call that unnecessary waste the **Agreement Trap**. Teams of all sizes and in all industries feel that pain.

According to the National Contract Management Association, it currently takes business-to-business organizations 4-6 weeks to create a new agreement. Their data shows the average contract goes through more than three iterations and costs \$1,700 to develop. Every extra step or handoff in that iterative process increases the pain of the Agreement Trap. Today's organizations need a solution that gives them more document storage, better visibility into their agreements, and access to a single source of truth about agreements. Innovative and fast-growing companies are using CLM software to meet those needs. The technology is quite effective, making the agreement process easier and more efficient.

Several teams are aware that CLM can address their contracting problems, but have questions about the high-level implementation strategy or the tactical rollout. For example, how do you know if your organization could benefit from CLM? How long should it take to see results? Which teams need to be involved?

In this eBook, we help you decide whether CLM is the right fit for your company. If CLM can help your team escape the Agreement Trap, we also offer a six-step process for selecting and effectively implementing your CLM solution.

5 common benefits of CLM

Buyer's Guide: Contract Lifecycle Management Solutions Contract lifecycle management refers to the process by which agreements are handled throughout their complete lifecycle, from creation to termination (or renewal). It reduces bottlenecks and improves efficiency by handling all contract activities, including drafting, negotiation, and integration with other systems.

CLM can aid in managing all common agreement types. Here are a few of the benefits CLM customers commonly report:

1 Faster contracts

Time is money. The faster an agreement gets done, the faster the resulting revenue will come in. CLM accelerates the contract process by reducing manual data entry, automating legal review, and ensuring version control by sharing documents electronically among parties.

2 Increased efficiency

CLM solutions are designed to eliminate most manual effort from the agreement process. For example, a CLM can automate contract generation by auto-populating data from an integrated CRM system into a standard template. The overall result is more consistent operations, fewer errors, less back and forth between parties, and no more problems with version control.

3 Better value

A faster, more accurate agreement process can also unlock new value from data points that get lost in traditional contracting processes. Modern businesses run on data, and an intelligent agreement process means greater insights into contractual provisions, ensuring that your organization negotiates and operates with all the necessary information. Those data points will help reduce costs by uncovering duplicate or erroneous spend. It will also improve revenue by giving sales and procurement teams access to real-time information during negotiations.

4 Lower risk and better compliance

By reducing the likelihood of data entry errors and overlooked contract provisions, your organization will reduce risk and compliance miscues. A powerful central agreement management tool also makes it easier to access documents, generate reports, and collect data for regulatory purposes.

5 Positive ROI

The impacts of ineffective contract management are enormous. The Deloitte and Docusign research uncovered wasted time and money on teams of all sizes, in every industry, and in every part of the world. CLM fixes those agreement problems in a way that shows clear benefit to employees (with better use of their time) and executives (with fast, clear revenue gains).



Take an incremental approach or fully commit to end-to-end agreement management?

It's important to recognize that there are multiple ways to enhance and streamline your contract management processes. If you currently use a manual or ad hoc approach, even a small step can have a meaningful impact. If you start modestly, you can always implement a broader, end-to-end contract management solution later on as your needs evolve.

A common place to start is with an **eSignature** implementation. That will instantly improve the signer experience, enhance security, and accelerate agreement timelines.

Next, consider deploying a standalone contract repository, which will allow you to store signed agreements, common templates, and preapproved legal language. Operationally, it's an easy way to reduce the burden on your legal department and accelerate time to revenue.

If you do commit to implementing a full organizationwide CLM system, it's important to go into the buying process with a solid idea of which steps to take and which questions to ask. The next section is our recommendation for a step-by-step approach that will help you find the right vendor and get the most out of your CLM rollout.

6 Steps for selecting and implementing CLM

Step 1: Review your current process to identify pain points

Before you know what type or level of contract management solution you need to employ, it's important to assess your current contract management workflow. Implementing a CLM is more than just digitizing your existing manual processes; it's an opportunity to redesign the whole machine to take advantage of new tools. The search for a CLM solution is a great time to pinpoint bottlenecks or inefficiencies and create a new process that solves those problems. Consider the outcomes you want to achieve and find specific parts of your current contracting process that are limiting or preventing success.

Begin by surveying all departments and work groups that currently touch contracts, including legal, compliance, sales, HR, and procurement. Map out the processes for each team, being careful to include which technologies are being used to complete each task. Identify pain points reported by teams (e.g. steps like manual checks or data re-entry) and ask for ideas about how to improve. Include those pain points in an RFP so you can address those needs throughout the upcoming series of sales conversations and demos.

Step 2: Evaluate potential solutions

Once you've decided to implement a modern CLM solution, you need to evaluate potential vendors to find the right tool.

Contract management software is meant to tackle several areas of need. The best available solutions increase visibility, reduce operational costs, lower risk, and simplify compliance reporting. When evaluating those solutions, you should identify systems that meet all of those needs. Here are some features to look for when evaluating CLM solutions:

- Flexible, configurable workflows: The best solutions are highly customizable and designed to accommodate existing contract workflows. This creates a faster path to adoption and helps lower the total cost of ownership as processes evolve.
- Document templates and auto-population: Top CLM solutions let teams accelerate contract creation by combining preconfigured templates with preapproved language and auto-populated CRM data during the drafting process.
- Collaboration and negotiation: CLM software enables parties to send contracts for review, track changes across multiple versions, and maintain a secure, transparent digital audit trail. That visibility empowers all parties in the contracting process to work faster and simplifies compliance reporting requirements.
- Clause library: A comprehensive database stores preapproved clauses and standardized language to reduce the burden of legal review and accelerate time to revenue.

- **Centralized, searchable repository:** All contracts are securely stored, tagged, and organized for easy retrieval by those with access rights.
- **CRM integration:** Cloud-based CLM solutions securely integrate with other systems of record, including leading CRM systems. This helps streamline document generation by auto-filling new agreements with existing CRM data.
- **Compliance/security:** Ensure that the solution protects important data and meets relevant industry regulations (e.g., SOC 2, HIPAA, TRUSTe, or FedRAMP).

If you want more information on your search for a CLM tool, Gartner Research evaluated software vendors based on 15 criteria, including touchpoints like market responsiveness and overall customer experience. Check out the latest Gartner Magic Quadrant for CLM report to read their analysis as you search for the right CLM.

Once you narrow down your list to a handful of top solutions, it's time to conduct due diligence on each vendor. To help you identify the most important capabilities to consider as you evaluate CLM solutions, download this **checklist**. You may wish to include that checklist in your RFP process as you gather comprehensive comparative data on each finalist.

Step 3: Optimize your data

The successful rollout of your CLM solution depends heavily on the quality of contract data it contains. Review your existing contracts and make sure your documents contain robust, clean data so you can rely on that information for analysis, compliance, and decision-making purposes. You want to ensure that the data points in your current contract library are readable and extractable.

Begin by cleaning all existing contracts in your database. That process involves removing duplicates and archiving terminated or outdated agreements. Explore using AI, machine learning, or other modern technologies to accelerate this process.

Step 4: Streamline your contract templates

Before implementing a new contract management solution, you need to examine your current agreement templates and look for potential optimizations. Reapprove common language, delete outdated sections, and remove unnecessary templates. An efficient, up-to-date library of contract templates is essential to building a well-oiled digital agreement process. It is also useful for related initiatives focused on remaining in compliance and optimizing revenue.

Start by collecting all contract templates that your organization uses. Identify the objectives of those agreements and make sure the templates will help the team achieve those goals. Review the language in those templates for compliance with organizational policies and any relevant regulations. Where necessary, make adjustments. Finally, eliminate old versions of that template so you can guarantee that only the most up-to-date versions of these documents are in use.

Step 5: Start small

It's natural to be excited about all the advanced capabilities and features of a new CLM solution. But biting off more than you can chew can be a recipe for disaster.

Whenever you introduce a new process into the organization, employees will need you to prove its value. That's why it's best to start with something small and manageable. Once your team has accomplished some quick wins, you can design a more complete digital overhaul and roll out CLM for the entire organization.

Put together a list of your organization's contract management needs. Prioritize them based on a combination of urgency, the likelihood of success, broader visibility, and ability to execute. Once those needs have been ranked, select two or three to tackle in the first phase of the CLM project.

It also helps to create a long-term project plan that will include a staged deployment of the other desired outcomes over time.

Step 6: Embrace a change management mindset

Optimizing your contract management processes is an ongoing evolution, not a single destination. Similarly, CLM is not a "set it and forget it" solution. That's why embracing a change management mindset in your organization is essential to achieving long-term, sustainable success.

A successful rollout of CLM begins at the top, with executive buy-in and vocal support of the solution. Staff will judge the importance of any new technology deployment based on how much attention it receives from the C-suite and senior management sponsors. Ongoing communication among senior leaders and employees who use the tool is essential to uncover bottlenecks and adoption barriers. It is especially important during the rollout phase to provide sufficient training, support, and encouragement to all staff. Eventually, old processes and technologies will need to be cut off, so you need to communicate clear deadlines as early as possible.

After implementation, ensure that easy-to-access resources are provided to support the onboarding process. You also need to build a mechanism for gathering and responding to feedback in a timely manner so all employees know their voices are being heard.

Above all, remember that not everyone adapts to change at the same pace. Successful change management includes an understanding that people learn new tools on a bell curve that includes early adopters and late bloomers. Your project will have the greatest chance of success if you take a phased implementation approach and roll out new features over time.

The Docusign partner advantage

Docusign maintains a robust partner network that gives customers unparalleled access to industry knowledge and best practices to solve challenges with **Docusign CLM**. Docusign's strategic integration partners provide advisory services, scalable technical resources, and implementation playbooks to make sure your CLM rollout goes as smoothly as possible. We also have a wealth of security and compliance expertise to ensure all regulatory and business requirements are met.

Through Docusign's partner network, clients have access to these compelling benefits when implementing their CLM solution:

Expertise

Tailor solutions with our partners' enterprise best practices plus specific advice based on factors like industry, platform, and use case.

Speed to value

Save time and money by integrating CLM with the applications you already use to accelerate the value of your technology investments.

Scale

Deliver exceptional digital experiences for customers and employees and scale them as your business evolves.

Trust

Implement agreement processes that are secure enough to meet any regulatory or compliance requirements.

About Docusign CLM

Managing the contract process can be a lot of work, but the right CLM solution will take a lot of the routine tasks off your plate. It will save your organization time, boost productivity, mitigate risk, and help you escape the Agreement Trap. As a proven leader in CLM, Docusign is the trusted choice for delivering CLM solutions that provide value immediately and grow with you over time.

Docusign CLM offers an innovative, intelligent repository that simplifies agreement management across all Docusign products and even third-party tools. It includes advanced eSignature capabilities, no-code process builders, and seamless third-party integrations to the tools you already use every day.

Ready to work smarter and agree better? Learn more about **Docusign CLM** and the benefits it can bring to your business. To learn more about Docusign's CLM solution, download our **Why Choose Docusign CLM** eBook.



About Docusign

Docusign brings agreements to life. Over 1.5 million customers and more than a billion people in over 1 0 countries use Docusign solutions to accelerate the process of doing business and simplify people's lives. With intelligent agreement management, Docusign unleashes business-critical data that is trapped inside of documents. Until now, these were disconnected from business systems of record, costing businesses time, money, and opportunity. Using Docusign IAM, companies can create, commit, and manage agreements with solutions created by the #1 company in e-signature and contract lifecycle management (CLM). Docusign, Inc. 221 Main Street, Suite 1550 San Francisco, CA 94105 **docusign.com**

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