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FINDINGS FROM THE 10th ANNUAL Law Department Operations Survey

Inside the Numbers

Make Sure Your Contract Management System Works for You

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One thing this year's Law Department Operations Survey demonstrates is that LDO managers are often unhappy with their current contract management systems. When asked to rank how effective their technology systems are, survey respondents rated their contract management systems just 5.4 out of 10, the second-lowest of any technology system.

At QuisLex, we provide technology-enabled contract life cycle management services to some of the world's leading companies, leveraging best in class technologies, including cutting-edge AI solutions. The key to a successful

technology implementation lies not only in selecting and configuring the right tool but also in developing the right content and processes behind it and selecting the right people to manage it after go-live.

Here are eight steps that LDO managers can take to help ensure success:

1. Make sure your contract repository is complete and current.

If contracts are missing or outdated, or if contract data is inaccurate, your system won't provide the results you are looking for. An alternative legal service provider can cleanse existing metadata, upload your contracts, identify key terms and keep the system updated. Different documents in a contract family can be reconciled so you have a complete picture of your obligations (e.g., a Master Agreement with its related SOWs and amendments).

2. Identify metrics and analytics upfront.

Consider what contract metrics and analytics are important to your organization, select a contract management system capable of measuring and reporting against them and build a process to ensure you are collecting information to drive them.

3. Find experts with experience and knowledge of both technology and legal substance.

Often lawyers are afraid of technology, and technology developers are afraid of legalese. Building a technology solution to meet your needs requires both legal subject matter experts who understand technology and technology experts who understand contracts and risk management.

4. Don't boil the ocean.

Rather than jumping into a global rollout, start by implementing one contract type or in a limited geography. Once that is working well, you can roll out the project more widely and build in learnings from your initial pilot.

5. Don't make design decisions based on vendor presentations.

A slick sales pitch isn't a sign of quality or that the product will meet your requirements. Have your vendor or one of its client references walk you through the product in a live environment to demonstrate features. Ask the vendor to provide a live "sandbox" for you to test.

6. Usability will drive success.

Before implementing any new contract management system, understand the needs of your users and design the system to meet those needs to improve adoption and usability. A common mistake is "overbuying" technology by purchasing more than you need. More complex solutions may have all the "bells and whistles" but can be difficult to use and understand, limiting user acceptance.

7. Avoid customization and overconfiguration.

Avoid pushing a technology beyond what it was developed for. This can happen through "customizations" or overconfiguration. Instead focus on the things the tool does well and use other solutions for what it does not (e.g., process tweaks).

8. Integrate an e-signature system.

E-signature integrations speed the execution of contracts and most vendors can provide them out of the box.

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