

# Reining in CLM Planning Mishaps to Optimize Impact

Your Roadmap to Contract Lifecycle Readiness, Implementation, & Adoption for Rapid ROI (Checklist Attached!)

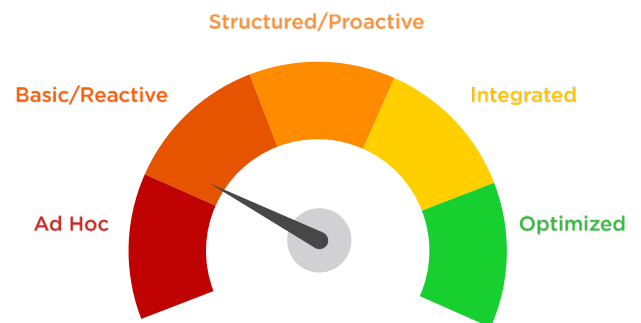
Ready to transform your contracting operations for quick adoption and ROI? A modern contract lifecycle management (CLM) solution can help your organization lower expenses, increase productivity, accelerate time-to-value, minimize risk exposure, drive compliance—you name it. Here are the 6 steps to get you ready for a successful CLM deployment.

## Step One. Perform an Audit

Use the attached CLM Readiness Checklist to evaluate your organization's current level of preparation for achieving a successful implementation. When you're ready to start your project, perform an audit of your CLM processes in the following areas:

- Organizational & structural alignment
- Contracting & administration processes
- Contract & compliance visibility
- Contract system infrastructure/tools
- Performance metrics & performance

## How Would You Rank Your Contracting Processes on the Following Scale?



## Step Two. Create a Business Case

Create a compelling adoption proposal outlining both costs and benefits. Try to itemize critical costs like restatement, revenue loss, and productivity losses (time and money).

## Top Benefits to Present in Your Case?

- ✓ Optimized routing to standardize and accelerate the contracting process
- ✓ Automated controls to drive compliance
- ✓ Integrated systems to eliminate duplicate data entry & errors
- ✓ Visibility into the status of contract requests for all parties

### Step 3. Confirm Executive Support

Ensure proper executive and stakeholder support for both your CLM initiative and automation investment.

### Who Should be in the Room?

- ✓ Legal
- ✓ Finance
- ✓ Sales
- ✓ Procurement
- ✓ IT
- ✓ Business Development

### Step 4. Build Functional Requirements

Define detailed functional requirements for your CLM solution, specifying your needs and deadlines in detail.

Start with the basics, then identify new improvements and functional add-ons as you go.

### Start to Think About Leveraging Your CLM System to:

- ✓ Create contract templates and organize your documents by contract type
- ✓ Create a clause library of predefined and approved legal clauses
- ✓ Develop a “playbook” of condition rules and fallback provisions
- ✓ Run reports to track clause uses
- ✓ Use contract management to establish version control and set permissions
- ✓ Establish naming conventions for easy contract access

### Step 5. Identify a Project Champion

Dedicate and empower a CLM program champion to communicate new policies and system enhancements to your team, with a focus on driving engagement and incorporating early feedback from the frontlines (key users/stakeholders).

### Your CLM Project Champion Should:

- ✓ Help define, evolve, and share system use cases
- ✓ Promote access to self-service training and support materials
- ✓ Document success stories, product updates, and value creation initiatives
- ✓ Promote proactive change management by keeping users actively represented and involved in the CLM project
- ✓ Track participation of team members

### Step 6. Organize a Steering Committee

It's not enough to successfully implement a CLM system – you need your users to love it. The final step is to establish a CLM governance committee to ensure support from functional and business unit leaders while driving system adoption enterprise-wide.

### Your CLM Steering Committee Should:

- ✓ Secure alignment on program and system goals and support
- ✓ Assign representatives to use cases, training programs, and ambassador roles
- ✓ Identify and address issues early and often
- ✓ Schedule frequent follow-up sessions in which key users/stakeholders can weigh-in
- ✓ Test, document, communicate, and monitor system changes whenever an update is made
- ✓ Maintain open feedback loops with users and project champions

# Ultimate CLM-Readiness Checklist

Where does your company sit on the CLM-readiness scale? Test your knowledge on your current processes, people, and materials to see how you'd hold up in a Q&A session with stakeholders. Check the box if you know the answer to the question (& jot down notes for yourself for later), or leave it blank if you're unsure or need more info.

How prepared are you for a successful CLM deployment?

Sum up the total number of checked boxes below to assess your project readiness:

**0-8**

**NOT PREPARED**

There's a lot more research to be done.

**8-16**

**SLIGHTLY PREPARED**

Need to elicit feedback from key stakeholders.

**16-24**

**PREPARED**

Need to confirm a few details and deadlines.

**24-32**

**WELL PREPARED**

Ready to pitch project and get buy-in.

**32-40**

**PROJECT READY**

All the details and insights in place for sign-off.

**Request and Drafting**

- ☐ Do your end users use an established process to request contracts?
- ☐ Does your organization have a centralized way to manage and prioritize all contract requests?
- ☐ Does your organization have contract templates to standardize contract language?
- ☐ Does your organization have a library of preapproved clause language that you can use as needed?

**Review & Negotiations**

- ☐ Does your internal review process have any bottlenecks, hindering the business by slowing things down?
- ☐ Is your organization able to track versions of contracts during the review process?
- ☐ Does your organization have any way of capturing an audit trail?
- ☐ Do key business units and groups (e.g., legal, IT, finance, sales etc.) have visibility into the contracting process?

**Business Requirements**

- ☐ Does your organization require a 'Limitation of Liability' clause?
- ☐ Does your organization allow for 'Non-Standard Indemnification' categories?
- ☐ Does your organization allow for 'Non-Standard Tax' details?
- ☐ Does your organization allow for changing 'Governing Law'?
- ☐ Does your organization allow for varying 'Payment' terms?

**Contract Approvals & Execution**

- ☐ Does your organization have a standard approval process that contracts go through?
- ☐ Is your organization able to include new ad-hoc approvers based on the introduction of new terms?
- ☐ Is your organization currently leveraging an e-signature tool?

### Contract Renewal & Close-Outs

- ☐ Does your organization have a standard process to notify stakeholders of any changes required before renewal date?
- ☐ Is your organization able to negotiate new Terms & Conditions effectively prior to renewal date?
- ☐ Does your organization have a defined process to address disputes as agreed in a timely manner and make efforts to resolve them?

### Contract Storage

- ☐ Does your organization have easy access to a specific contract?
- ☐ Do all your organization's key stakeholders have access to the correct version of the contract?

### Contract Search

- ☐ Does your contract storage allow you to quickly search and find content within your contract(s)?
- ☐ Is your organization able to search for clauses, obligations, and deviations across all contracts?
- ☐ Is your organization able to access information from past contracts for best-value negotiations?

### Reporting

- ☐ Does your organization measure KPIs associated with the contracting process? (e.g., Contract cycle time, risk, obligations, vendor / customer/ supplier performance, contract statistics, etc.?)
- ☐ Does your organization create periodic reports to discuss contractual obligations related to spend, customer service, pricing, billing and invoicing, etc.?

### Dashboards

- ☐ Has your organization benchmarked cycle time(s) for your contracting process(es)?
- ☐ Does your organization have complete visibility of all data and activities related to each contract?
- ☐ Does your organization have any insights into upcoming renewals or terminations?

### Notifications

- ☐ Does your organization get reminders about key terms and obligations?
- ☐ Does your organization get automatic notifications for any potential risk-sharing issues which need to be addressed?

### Contract Obligation Management

- ☐ Is your organization able to monitor the status of contractual obligations?
- ☐ Does your contract management process resolve price management mechanisms, including milestone payments, incentives, rewards, retentions, and any price variation mechanisms?
- ☐ Is your organization able to quickly audit and evaluate compliance of deliverables, terms and conditions, contractual commitments, and other contract performance metrics?

### Contract Security and Compliance

- ☐ Is your organization managing regulatory compliances and security needs for contract repositories?
- ☐ Is your organization able to protect proprietary information of both parties in the contract?

### Contract Risk Management

- ☐ Is your organization able to track vendor's capacity to fulfill contract requirements?
- ☐ Is your organization able to identify and rate contract risks?
- ☐ Does your organization have defined procedures for dealing with major risks?

MITRATECH



A deep understanding of your business process and objectives is crucial to a successful and profitable CLM implementation. Together with our implementation partner, Morae, you can ensure the best technologies are implemented by the best advisors, enabling superior outcomes for your organization. If you have any CLM implementation-related questions, please visit: [moraeglobal.com](https://moraeglobal.com).