Do You Need A Contract Management System?

Managing contracts to reduce risks and costs.

Contract Management has become a critical component in many companies’ compliance and risk management programs. According to industry experts, a typical Fortune 1000 company manages between 20,000 and 40,000 contracts a year. Each of these contracts contains dissimilar terms, requirements, and commitments. As a result, companies find it is valuable to implement an electronic contract management system and process for managing contracts from formation to termination, including tracking the various deadlines and ensuring that obligations are fulfilled. For this reason, many companies are evaluating how to best manage their contracts.

So where do you begin? A good starting place in evaluating your contract management needs is to understand and evaluate how you currently handle contracts. First, identify the process you use to initiate contractual negotiations and the person who manages the process. Other questions to consider include: What happens when someone needs a contract? How is the request for a contract handled? How do you interact with your business units to handle their contracting needs? As part of this evaluation, you will need to determine what kind of contracts you are managing. For example, do you have your own standard contracts, are you writing your contracts from scratch, or are you utilizing the other parties’ contracts? After you understand what process you are using, gather the necessary stakeholders to determine if this process provides you with the necessary risk and compliance protection your company needs. It may be that you are satisfied with your existing process. However, if your contract management process is inadequate or wasteful, assessing its current condition will provide justification for developing a more efficient one with the assistance of an outside service provider.

There are several key benefits to using an electronic contract management system such as the CSC Matter Management™ platform to manage your contracts. First, a matter management system allows you to reduce the risk associated with a paper process, saving time and money by eliminating duplicative effort and storing contracts in a central location accessible from anywhere. Second, a matter management system helps you use consistent terms across all of your contracts, reducing risk and liability and minimizing monitoring and compliance with dissimilar terms. Third, a matter management system can provide tracking and alert capabilities for key dates, obligations, or renewals, so that you are able to meet your contractual obligations, stay in compliance, and be notified when a contract is up for renewal.

There are some key considerations when evaluating which contract management system to implement.

- **Data Management**: The system should allow you to capture key information such as parties to the contract, renewal dates, key terms, insurance provisions, and other information that you need to track and report.

- **Document Creation & Management**: You may want a tool to assist you with your document creation needs, storing templates, sample contract clauses, etc.

- **Searchability**: It is valuable to be able to search the actual contract documents or an index of the contract documents. This will help you retrieve a particular contract when you need it.
- **Collaboration/Communication**: A system that allows you to collaborate and communicate with members of your internal team, outside counsel, consultants or other parties is essential to supporting your contract management program.

- **Reporting & Benchmarking**: A strong reporting tool that lets you evaluate and report on the number of contracts you negotiate in a given year or the amount you earn on a particular licensing agreement is critical to showing the value your legal department brings to the company. Custom reporting and benchmarking provide the justification for increasing or maintaining your current staffing levels.

- **Document Storage**: You’ll also need to evaluate whether you want a system that stores imaged contract documents or just indexed data. One of the largest costs in implementing contract management can be capturing historical data or existing agreements. You need to determine if you want a system that stores historical documents and/or data or do you store information from a specific point in time going forward. Many companies will scan, index and upload documents for a fee.

Contract management has become increasingly time-consuming and difficult to manage, occurring in a climate with increased budget pressure to reduce costs. CSC provides a Contract Management Solution that can meet these challenges. Combining the collaboration, document management and alerting capabilities of **CSC Matter Management** with award-winning service – including workflow analysis and optimization - CSC provides an affordable and comprehensive contract management solution that lets you reduce your department’s costs and risks.

**Let CSC …**

- serve as the notice party for all your contracts
- receive, index and scan all your contract notice documents
- review and optimize your contract management workflow
- configure a document management file/folder structure to meet your organization’s needs
- manage contract and other litigation without an additional system or software
- provide custom screens to collect the data you need to track
- organize and classify contract files for instant access to all documents
- collaborate on and share drafts of contract documents
- store and manage final documents for records management and disaster recovery
- create tasks and email alerts for critical date notifications
- provide reports to ensure compliance and identify trends
- receive e-billing files from vendors for validation, approval and delivery to AP
- integrate with your company’s AP system to automate check processing

Our affordable Contract Management Solution allows large and small companies to reduce cost and ensure compliance - letting you focus your resources on growing your business.

To learn more about CSC Matter Management, contact us at 800-490-9035.

**References**


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