



KLARITY

Coupa uses Klarity to automate a painful, costly manual review process





Case study in numbers

Coupa is a leading provider of Business Spend Management (“BSM”) solutions with more than 2,000 customers across 60 countries. Coupa’s platform provides greater visibility into and control over how companies spend money, optimize supply chains, and manage liquidity.



2,000

customers across
60 countries

\$15B+

publicly traded
company

\$550m+

in annual revenue





A rapidly-growing, \$15B+ publicly traded company with \$550m+ in annual revenue, Coupa's ever-expanding database of customer contracts posed a spectrum of challenges, from operational efficiency to fiscal compliance. With Klarity, Coupa has reduced time spent over the painful, manual processes previously in place by 85 percent.

Simultaneously, Klarity has helped Coupa improve compliance, standardized its review and documentation processes, and bolstered detailed reporting and metrics critical to the business.

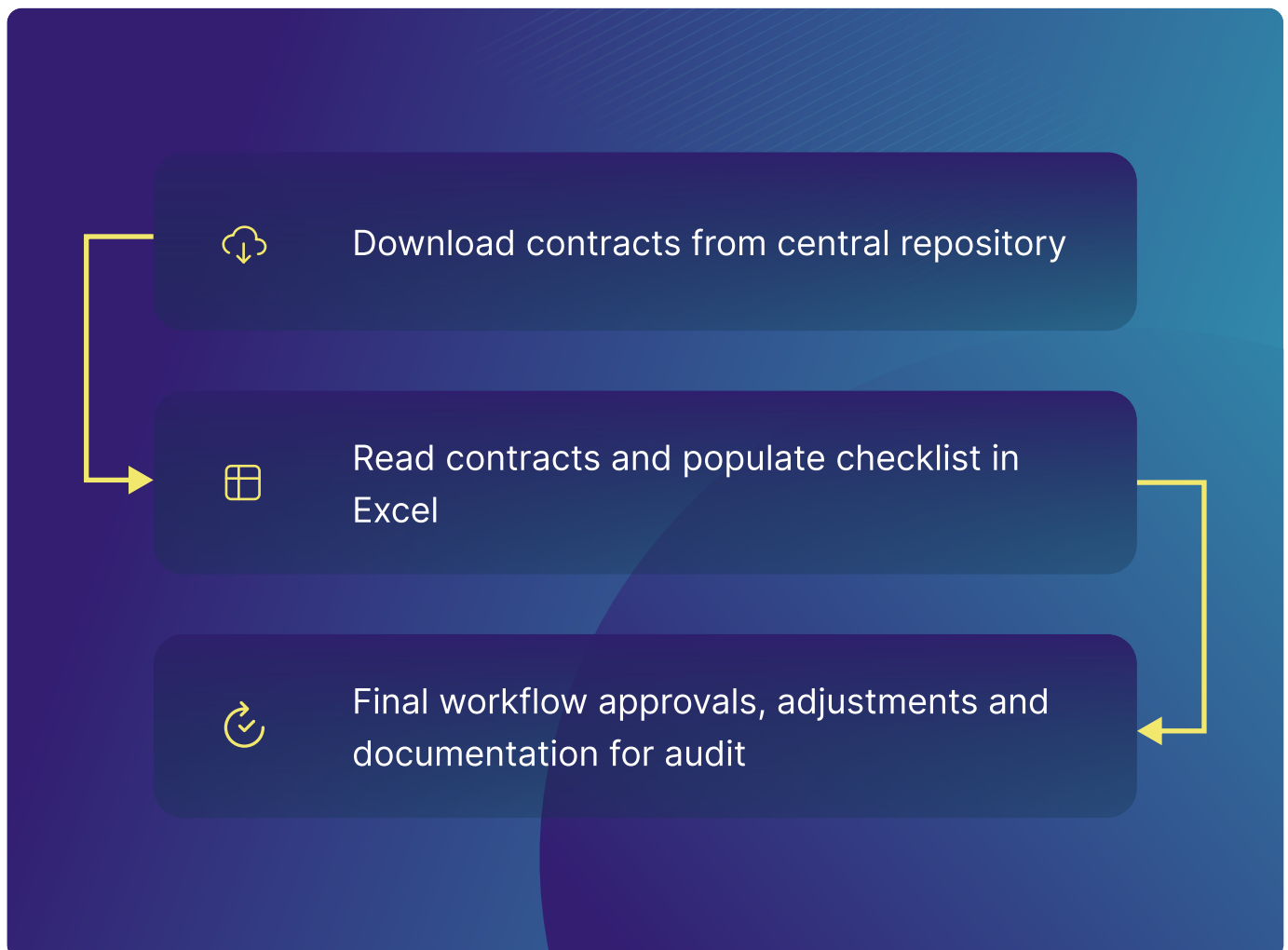
- Klarity's software automatically pulls sales contracts from their contract management system in real time.
- Our artificial intelligence engine automatically extracts all metadata and clauses from the contract, then uses this information to pre-populate Coupa's non-standard terms checklist.
- Purpose-built workflow management tools ensure completeness in the review process as it tracks and securely stores all documentation and comments that correspond to each item on the non-standard terms checklist for every contract.





The Challenge: Manual Review

For a rapidly-growing enterprise software company, the manual nature of customer contract review is burdensome and time consuming. This is particularly true at quarter end, when most software companies experience a heavy influx of contracts, and during audit periods.





The Solution: Automatic Review

Using Klarity's powerful Natural Language Processing (NLP) RevRec (revenue recognition) product, Coupa assessed all legacy active customer contracts. The automatic review was based on Coupa's revenue recognition checklist and revenue recognition policy. Now, Coupa's revenue accounting team is able to report on all "in-flight" contracts, view specific contracts and deals with the click of a button, and easily report on trends over time to gain additional insights and contract details. Through integration with Salesforce, Klarity automatically identifies and performs a review of all newly signed customer contracts in real time, allowing the technical revenue accounting team to focus on the review of non-standard contracts and other strategic initiatives within the organization.



"Klarity allows my team to automate the painful manual process of extracting meaningful data, and provides peace of mind by reducing the potential for human error. Now, gaining valuable insight into thousands of pages of complex documents is as easy as running a simple report, at the click of a button."



Tony Tiscornia

CFO, Coupa





The Challenge: Compliance

As a global, publicly traded company, Coupa has mature, well-established processes in place for customer contract review. Like most companies of their size, Coupa's Sarbanes-Oxley (SOX) control environment requires review for all contracts over a certain threshold, and a sample selection below that threshold. The manual process formerly in place required:

1. Extracting reports from CRM and ERP to identify contracts that were in-scope for review.
2. Manual review of the contracts in PDF format, including MSAs, order forms, and Professional Services statements of work.
3. Documenting attributes including metadata, billing information, and non-standard terms, in a spreadsheet.
4. Recording accounting conclusions, vetted with multiple team members through manual workflow, and finalizing any adjustments that need to be made within the ERP.



This workflow process had significant shortcomings.

- Review was prone to human error. Because the process was incredibly manual and repetitive, there was significant risk that a contract would not be reviewed in accordance with accounting standards. Any attempts to accelerate the review process would increase risk under SOX/ASC 606 standards.
- The review process was inefficient. The review process itself was entirely manual and required revenue accounting team members to read through every contract in its entirety.
- The workflow was frustrating. Communication between team members in the review process was conducted via email, which created an additional level of complexity and increased the likelihood of costly errors.

