



Summize

eBook

A Buyer's Guide to CLM

Your complete guide to choosing a CLM solution



Summize.com

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Summize

Digital contracting, done differently

Summize is a game changer for any business that works with contracts and is the world's first integrated CLM. Summize's unique ability to summarise contracts and make them accessible across the organisation via familiar tools is a pioneering approach to true digital contracting.



CLM Buying Guide

The Contract Lifecycle Management (CLM) market is flooded with vendors positioning their solution as “globally leading” or “the most advanced”. Trying to make sense of these different options can be overwhelming, and how do you even start pitching it to the rest of the business?

Whether you’re a CLM expert or a complete beginner, you’ve come to the right place. This guide will provide an overview of the contract lifecycle management software landscape, helping you identify the best solution for your business, and providing you with a business case on how CLM can save your budget and boost your organisation’s overall efficiency.

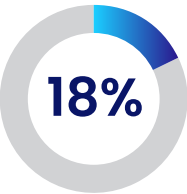
Key findings

Coinciding events over the past few years have created the perfect storm for change. There’s a pressing need to demonstrate reduced costs and operational efficiencies. The pandemic has also led to a complete u-turn in working habits.

So how is this relevant to contracts?

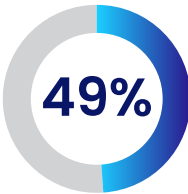
Contracts are used for every business transaction and have been around for thousands of years. Large organisations manage an average of 350 contracts weekly, with in-house lawyers spending **85 working days** a year reviewing contracts. With contracts spanning multiple departments, there aren’t many people who wouldn’t argue the case for shorter, simpler contract processes. Simplifying and speeding things up with technological innovation makes a big difference, creating efficiencies that mean sales cycles are faster, legal admin is reduced, and risk is mitigated.

That’s why CLM is no longer a nice to have. It’s essential, and it’s not just for the legal team. As the contract travels through the organisation, it’s more important than ever for departments to collaborate, as these stats show:



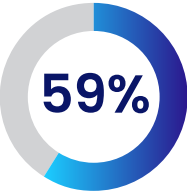
Contract processes consume 18% of the selling cycle

(Cotrill Research, 2013)



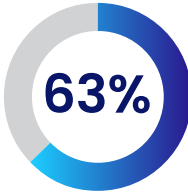
49% of employees say that their legal department is non-responsive

(Onit, 2022)



59% of Business Development professionals said that inefficiencies in the contracting process resulted in lost opportunities

(EY, 2021)



63% of employees in the UK / 53% in the US are likely to bypass Legal

(Onit, 2022)

Signs that there's a problem

Contractual agreements span the entire business, not just the legal department. They are the powerhouse of every business transaction, defining relationships, rights, and responsibilities.

Research states that 80% of B2B deals are governed by a contract (World Commerce & Contracting, 2021).

Despite this, pre- or post-signature contract processes can often be manual, complex, and almost always involve risk. They can also cause internal problems, including slower sales cycles, leading to friction, bottlenecks, and delays between legal and the rest of the business.

If you work in a department that frequently interacts with contracts, you've probably encountered delays caused by bottlenecks in the cycle. If you are part of a legal team, you've likely been inundated with requests.

We've highlighted some of the reasons that businesses take on a CLM solution:

A lack of contractual visibility

Contracts are living documents that move with time, and storing them in one place with no analytics makes it challenging to keep up with their contents.

90% of contracting professionals say they face problems when effectively tracking their contracts (EY, 2021).

Lack of tracking leads to missed deadlines, unwanted contract renewals, late fees and lost opportunities, all of which add unnecessary costs and stall your profit margin. With transparency across your contract portfolio, contracting processes are smooth, inexpensive, and can identify any increased risk.

There's no technology infrastructure

Businesses have been undergoing digital transformation in various guises for many years. HR adopted Workday, sales teams utilised Salesforce, and marketing teams took on HubSpot. But what about the legal team?

Every business has contracts, and efficiently managing them is critical to its success, but investing in technology can be daunting, and legal teams often underestimate the time and effort it needs as part of the implementation process to set the solution up for success in the long run.

Contract processes are too slow

As your business grows, you naturally have more contracts. Ultimately, increased business means converting more prospects into customers using a contract.

Contracts and business growth are intertwined. When contractual processes are slow, the business is slow. So, as your contracts naturally evolve, your tools also need to so that they can continue supporting the business as effectively and efficiently as possible.

Legal and commercial teams are disconnected

The contract lifecycle process often sits between the sales and legal departments. But this touchpoint can quickly become a bottleneck, leading to inefficiencies and delays in getting to revenue.



With 80% of B2B sales departments executing over 500 contracts a month (DocuSign, 2020), friction and a breakdown in cross-departmental communication can impact revenue generation and customer satisfaction severely. Contract Lifecycle Management technology is designed with collaboration in mind, to improve and streamline workflows between departments.

Should you invest in CLM Software?

If you've faced any of the problems above, the short answer is **yes**.

But what about the costs involved? Like all solutions, a CLM tool requires a budget to implement and run, which requires buy-in from senior stakeholders. But the benefits from a CLM far outweigh the initial investment.

Research states that **59% of Business Development professionals said that inefficiencies in the contracting process resulted in lost opportunities (EY, 2021)**.

With the right CLM solution, the whole organisation will reap the benefits of allowing businesses to streamline and enhance their contract management processes to create a single source of truth for contracts and data. We've listed the top three below.

Reduced risk

Smarter and more accurate business decision-making with instant summaries and key date reminders – identify areas that should be renegotiated or flagged to save your business from costly delays and irrelevant partnerships.

Enhanced business efficiency

Streamline workflows and improve cross-functional collaboration between legal and the rest of the business. Allow commercial users to self-serve on contract creation, eliminating bottlenecks in your legal department – feel confident that the correct terms and conditions are being used across the business without needing legal oversight.

Faster and improved revenue generation

Enhance your business' tracking capabilities throughout the contract lifecycle and improve and accelerate your contract negotiation cycles – eliminate delays and bottlenecks in the sales process and get to revenue faster.

“When a legal team reaches a certain level of maturity, it’s impossible to scale further without CLM. Implementing CLM alleviates a huge amount of manual effort associated with managing your contracts such as automating things like document creation, work allocation and alerts which in turn frees up your team to work on the more strategic initiatives.”

Electra Japonas, CEO & Founder, TLB



Get your business on-board

Think about every department that interacts with a contract in your business. Every pain point, inefficiency, and risk presents a new opportunity to deliver better results and savings.

For example, consider the following pain points as justifications for your business case:

1. **Have the sales team ever experienced problems closing a deal due to delays in creating, reviewing, or negotiating a contract? Have some deals been lost completely?**
2. **Are all your contracts fully compliant and up to date with your company terms and positions?**
3. **How much time and resources does the legal team spend on contract management?**
4. **Can you manage all your contracts' financial and legal risks?**
5. **Is your legal department seen as a blocker by other departments?**
6. **Are you aware of any blind spots in your processes?**
7. **Do you depend on external resources to manage your contract processes?**
8. **How often does the business miss auto-renewals?**

Your CLM solution will bring company-wide benefits, but now that you have identified the pain points, you should be able to quickly highlight the value that your company will get in return for implementing a CLM.

“CLM software has helped free up the legal team and other business unit’s time to focus on where we can really add value. Automating processes, increased transparency and reporting has improved efficiency in our contracting processes and provided important data points to allow us to have a handle on our contracts.”

Natalie Salunke, General Counsel, Zilch



Choosing the right solution

Selecting a contract lifecycle management solution can seem daunting. For legal teams, the once underserved tech market is overflowing with vendors pitching their solutions as the silver bullet to CLM.

This is no surprise, as **contracts are the top concern for legal departments, with 77% saying they want to improve contract management by leveraging technology. (ACC Survey, 2021).**

Implementing the right CLM solution can significantly impact your legal team and wider business. So, to ensure that the solution can reduce costs and return ROI, as well as addressing contractual challenges, it's crucial that you research the market beforehand.

Identify key requirements

Companies often fall into the trap of going straight to a demo when they know they need a solution. As tempting as this may be, you must first identify the critical business requirements, your use case, and tech readiness.

It's easy to think that a solution is right for your business based on its appearance. But you also need to identify the key stakeholders in the process and their project requirements. A CLM solution is for more than just legal.

Secure cross-functional input

In recent years, CLM has **rapidly expanded beyond its initial focus of contract authoring and legal department improvement – connecting to core applications, integrating with business-critical systems and informing essential decisions.**

Securing cross-functional input early on typically increases your ROI. Plus, getting the key people onboard from the beginning makes your adoption and approval process much more manageable.

Research

You can begin shortlisting suitable vendors when you understand your business-specific requirements and what type of CLM fits your business case.

A survey by Onit, "**Struggling to use Tech**", discovered that:

- **23% of in-house lawyers left their role due to the tech they had to use**
- **29% doubted if their employer even knew what was best for the business**
- **24% said it had created friction and divided teams**
- **25% said that it impacted their ability to do their job properly**



Be sure to cover all the grounds when researching. Use Google and comparison sites like G2 to identify vendors and collate critical information. It would help if you answered questions such as:

- **Which vendors offer your must-have CLM features?**
- **Does the new CLM require a change in working habits?**
- **Which CLM solutions integrate into your existing workflows**
- **Can you eliminate vendors that don't align with your immediate needs?**
- **What are the customers saying about each solution?**
- **Does it support self-serve capabilities for the wider business?**
- **How easy is it to use?**

Meet the vendors

You're at the final stage of the buying process. Once you have finished your research and know the solutions you are interested in, it's time to schedule the demos so that you can choose a CLM vendor that provides the best solution for your business. A demo will give you a better understanding of how the product works. But it's also the opportunity for you and your team to ask any questions about how the product can be utilised to solve your specific challenges. It may involve sending out an RFP or RFI to a few chosen vendors, stating your requirements and budget, to determine the suppliers that make the most sense for your business.

In addition to any questions you already may have, consider asking some of the following questions:

- **What additional support packages are available?**

Training and support can determine the success of your CLM project. How will you ensure user adoption if the users need to be sufficiently trained?

- **What is the implementation process, and how is it handled?**

The implementation and onboarding stage is one of the most crucial. Every business and its contracts are unique, so you'll want to ensure that the vendor has a comprehensive plan that meets your specific requirements.

- **Is the product a good fit?**

Pay close attention during the demo to see if it's been tailored to your use case to ensure that the product will solve your challenges. Is the demo unique to you and your challenges and pain points?

- **Ask about the product roadmap**

Ask about the features the company will introduce in the future and how this might will benefit you.

- **Implementation process**

Implementation can be tricky, but it's critical to the success of your project. With **77% of legal tech implementations failing**, it's worth spending the time to find the best partner. Ensure they understand your business, current processes, pain points and goals.

- **Solutions vs features**

CLM solutions will always have new and exciting features and seeing them on a demo makes it easy to want them all, even if they're not helpful for your team. It's crucial to stick to your requirements. Think back to the triggering event that prompted you to start the CLM search in the first place and refer to your stated requirements, both now and in the future.

- **The ability for commercial users to self-serve**

Does the CLM integrate with existing technology such as Microsoft Teams or Slack, empowering non-legal users to create contracts by dynamically building content on legally-approved clauses and terms?

- **Legal front door**

Is there a simple-to-use interface that allows non-legal users to submit contracts for review via an existing solution (e.g. Teams or Slack)

- **Establish the vendor ROI**

Taking the time to measure CLM's financial ROI before purchasing the software will show how its adoption can help your organisation deliver more efficient services while maximising profitability. To help you determine whether a CLM solution is right for you, we have developed a CLM Calculator to demonstrate the ROI from CLM software like Summize.

www.summize.com/clm-calculator

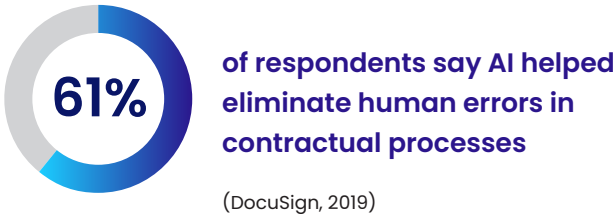
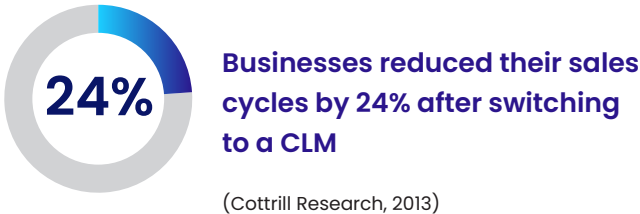
“Adopting a CLM solution has revolutionised our entire contract process. It has given us instant access to improved decision making and actionable insights, instantly summarising risk, and potential cost savings across our entire contract portfolio. ”

Tabitha Studebaker, Director of Presales and Contracting
Day Wireless.



Key findings

Businesses are governed by contracts, across sales, procurement, HR, marketing and more. For a contract lifecycle solution to be effective, workflows should span the whole organisation, as well as the legal team itself. The important information contained within contracts needs to be readily available and accessible before it can be useable.



The Future of CLM

The Contract Lifecycle Management landscape is evolving rapidly. While many traditional CLM vendors have built all-in-one platforms, which require training and disruption from existing ways of working, a new approach is gaining rapid momentum.

The Integrated CLM uses Teams, Slack and Word as the user interface, creating a modern system for the CLM experience that makes contracts accessible to the entire enterprise.

Summize is the world's first Integrated Contract Lifecycle Management solution. We take a unique approach to the end-to-end process of creating, reviewing, executing and managing legal contracts. Our many integrations create a game-changing user experience.

Summize clients see tangible benefits, including:

- **Improved Legal Efficiency**
- **Faster Revenue Generation**
- **Shorter Contract Cycles**
- **Smarter Business Decision-Making**
- **Improve cross-department collaboration**

Your Contract Lifecycle Management checklist

This checklist outlines the necessary functionality required to ensure a successful CLM implementation across the different stages of a contract, from pre-signature to post-signature management.

We recommend focusing on the most important, game-changing features to achieve smarter digital contracting for the legal team and the wider business.

Pre-signature

1. Creating a contract

A central repository of precedent templates

- Can you control which users see which templates?
- Do you have the ability to set approval by legal for any contract created by a non-legal user?
- Can you see a complete audit trail of all contracts created by the business?

The ability for business users to self-serve

- Does the solution integrate with existing technology e.g. Teams or Slack?
- Are non-legal users empowered to create contracts by dynamically building the content based on legally-approved clauses, schedules and terms?

Ease of use

- Is the solution intuitive and easy to use?
- Will legal and non-legal users adopt the solution readily?
- Does the solution require significant training, or does it fit with existing ways of working?

2. Asking legal to review contracts

Legal front door

- Can non-legal users submit contracts for review via an existing solution (e.g. Teams or Slack) including multiple linked contracts at once?
- Can legal create multiple question sets, tailored to different user groups?
- Is there a simple-to-use interface?

Internal triage

- Are legal users able to customise different question sets, depending on user group/role, request or contract type?
- Does the solution instantly assign the contract, and change the status with updates and notifications sent to the business user?



Internal triage - Cont

- Does the solution have native workflows and automation within existing tools (e.g. Teams or Slack?)
- Does the solution allow for in-contract collaboration including comments and notes, with updates automatically shared with the user?
- Does the CLM automatically record SLAs for reporting on turnaround time by user group?

3. Reviewing contracts more efficiently

- Does the solution have the ability to differentiate between red flag reviews (summaries) for lower value contracts and more efficient mark-ups for higher value contracts?
- Do you have access to internal guidance, precedent clauses, fallback positions and consistent responses when editing a contract within Word?
- Does the solution allow you to create custom playbooks as well as access to industry-standard playbooks?
- Does the solution allow you to work directly within existing software (e.g. Microsoft Word or Google Docs)?
- Can you allow Business Users to see contract summaries, get notified of key dates and ask questions about their contracts?

Post Signature

4. Extracting value from signed contracts

Importing contracts

- Does the solution allow for mass upload of contracts, resulting in instant summaries created across multiple contracts?
- Are you able to extract key information with minimal manual input?
- Are you able to integrate your existing e-signature tool (DocuSign or Adobe Sign)?
- Do you have caps on your cloud storage, or is it unlimited?

Exporting contracts

- Are you able to export contract summaries to Word or Excel?
- Can you perform a mass export of all contracts?

Key dates

- Are you able to automatically extract dates and add them to a contract calendar?
- Does the solution allow you to set automatic reminders, to be sent via email to contract owners on key dates?
- Are you able to download calendar entries to Outlook for a single source of truth?



Search functionality

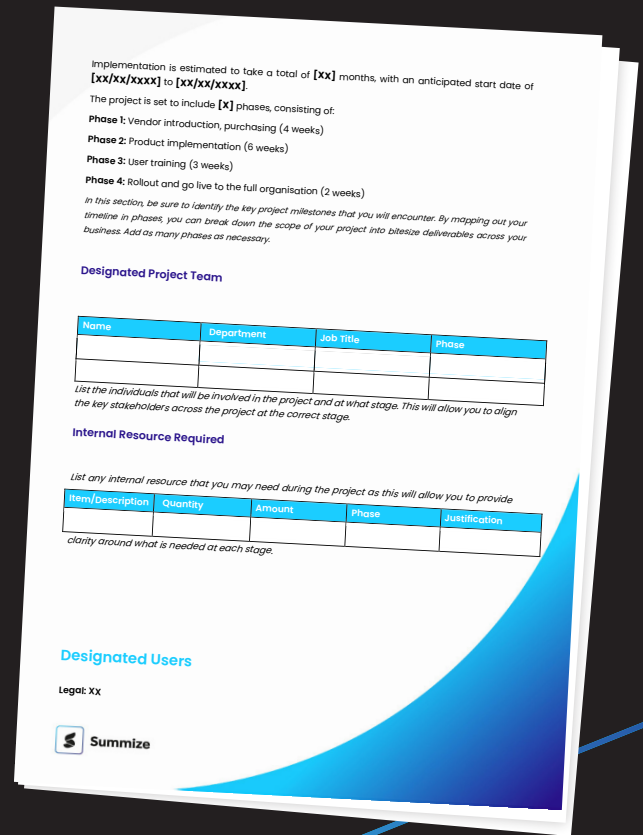
- Are you able to search for contracts by part name, file name or free text?
- Can you create a Q&A of signed contracts to make valuable information accessible to the enterprise?
- Does your solution have multi-level search and filter capabilities for date ranges and specific clauses?

5. Analytics

- Does the CLM record analytics for quantitative data, compared against other contracts?
- Are you able to instantly generate red flags for clauses that fall outside of your company's risk profile?
- Can you push contract data to your CRM (Hubspot, Salesforce etc)?



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Contact us today to arrange a personalised
demo of the solution.

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