



From The Contract Heroes Podcast Archives:

# THIS IS THE WAY: SIMPLIFYING YOUR CONTRACT MANAGEMENT PROCESS

THE SECRET TO A GOOD  
IMPLEMENTATION PROCESS



## **THE SECRET TO A GOOD IMPLEMENTATION PROCESS**

CLM tools have the potential to unify the sales and legal teams, which may normally be at odds with each other.

Using the same platform and having access to all the same information allows legal and sales employees to understand each other's perspectives in a much deeper way while also learning how to work together for the betterment of the organization.

CLM tools provide valuable information to both parties, from a timeline and prices for the sales team to risks and term changes for the legal team.



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# PHASE ZERO

When any organization wants to get on the track toward implementing a CLM tool, the first step has to be what [Tom Fuchs](#) refers to as “phase zero.”

Phase zero is essentially based around figuring out what you need to stop doing with your contracts.

Even if you have a goal in mind of all the different things you want to do in the future with your contracts or that you want the technology to help you accomplish, you first need to focus on eliminating the aspects of your process that are either harmful or simply not valuable.

Phase zero involves figuring out what changes need to be made in terms of people, processes, and technology, mapping out those changes, and determining how a digital transformation can help you to adopt that solution.

*Check out our Contract Heroes episode with Tom →*

But before moving forward, you need to be sure about

**Understanding Your Business**

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From your place within the industry to the type of product or service you're selling, every aspect of your business plays an important role in how you manage your contracts.

Aside from just protecting against risks, contracts have the ability to empower the sales team, which is something not all organizations realize at first.

Pulling in the commercial aspects of your business's relationship with clients can be extremely useful when outlining the basis of agreements.

By keeping in mind the baseline template of your sales terms, you can create a highway that facilitates easy relationships with customers while also mitigating and avoiding potential risks via informed decisions about the actual process that takes place between the sales team and the client.

A close-up photograph of a person's hands signing a document on a desk. The person is wearing a red long-sleeved shirt and a black watch. Another person's hand is visible on the left, also holding a pen over a document. The background is blurred, showing a desk and some papers.

This Is The Way

# CONTRACTING CULTURE

You should aim to have your contracts fall into a balance between sales and legal involvement.

Tom used the metaphor of a contract as a diningroom table with one end being the sales team, the other being the legal team, and the rest of the company lining the edges.

The sales and legal teams can ping-pong back and forth to set up the foundation of the contract, but ultimately these agreements are a unifying factor for the entirety of the organization. They represent the customer relationship, which is essentially the source of revenue for every business.

Once you have an understanding of the different aspects of your contract that cater to each side of the spectrum, both legal and commercial, then you can begin to figure out how to fit a technology solution into that process. That deeper conception allows you to see which pieces of the process are suitable for automation and which are not.





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# TECH ISN'T A MAGICAL FIX

Technology by itself can't solve your contracts' problems.

Many companies who are currently still doing things on paper see technology and automation as a magic pill that will speed up their output when applied directly to their current processes.

This is not the case, as often companies in this situation will simply end up automating an overly-complicated, convoluted process that needs to be simplified first.

[Craig Conte](#) told us that contracts that are created with bad content simply clog up an A.I. system, while overly-intricate contract processes slow down turnovers. No amount of legal tech can fix these issues on its own. Rather, technology should be used as a tool to assist your processes once you've managed to start simplifying them.

90% *of people working in commerce find contracts difficult to understand.*

The way to go about simplifying the contract management process is to take a step back and view the process from a broader perspective while keeping its component parts in mind.

It's extremely important to make sure your contracts are the best they can be. Contracts represent trading relationships which make up the very foundation of human society. However, despite contracts being the lifeblood of modern economies, research has shown that almost 90% of people working in commerce find contracts difficult or impossible to understand.

Sally Guyer (CEO of the WorldCC) told us [in the podcast](#) that there are still a number of barriers in place that are somewhat hindering the progress of contract simplification.

These barriers are driven by both fear of the unknown and comfort in what is considered traditional.

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*Legal teams have been trained to use contracts to create certainty and somehow anticipate every possible outcome, with some lawyers believing simplification is wrong and questioning the legality of it.*

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One of the biggest positive impacts of successful simplification initiatives is showcasing that your company is committed to making the trading experience easy.

Difficult to understand contracts actually result in business risk because clients and commerce associates alike may not understand exactly what the contract says. Simplifying contracts helps to eliminate that risk.

In fact, simple, well-crafted contracts provide organizations with a competitive edge. They are business-enabling tools that allow for more successful and collaborative business outcomes.





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# THE SECRET TO A GOOD IMPLEMENTATION PROCESS

Figure out which stages of the process would benefit from automation and which would not.

CLM tools that are formulated and adopted based on a process like this, that has a good phase zero, tend to last longer and grow along with the organization because each step in the implementation process has a foundation.

If your company is looking for a full automation process, it's certainly doable, but patience and careful planning are required because you need to plan out the process, implement the technology, and gather all the correct data.

Attempting to automate your contract process exactly as it is without first assessing your current contract lifecycle would be a huge waste of money and resources because that process as it stands is not at the capacity to properly utilize everything a CLM tool has to offer.

You need to assess your processes closely and figure out which stages of the process would benefit from automation and which would not.

Machines cannot negotiate relationships or perform innovative thinking, so the steps in your process that require such intricacy and detail should be left for employees.

Once you determine which steps can benefit from automation, approach the implementation of software as a culture change in the organization, engaging stakeholders and properly training employees to ensure that everyone is equally involved and prepared for the changes.



This Is The Way

# FINDING SOLUTIONS IS LIKE CONSULTING A DOCTOR

Consulting will allow you to obtain a proper diagnosis and figure out a better solution.

[Jason Smith told us in the podcast](#) that some companies tend to self-diagnose their problems as well, leading them to mistakenly create overly-complicated solutions to their own misdiagnosis.

Self-diagnosing from WebMD's list of possibilities will lead you to take more drastic measures than is likely necessary for you.

**Consulting a doctor, who has no bias, plenty of knowledge on the topic, and prior experience with other patients, will allow you to obtain a proper diagnosis and figure out a better solution.**

The same goes for fixing your CLM processes. Determining your business requirements is key.

Some important criteria to keep in mind are things like the agility of the tools, changing workflow in your organization, and the user experience.



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