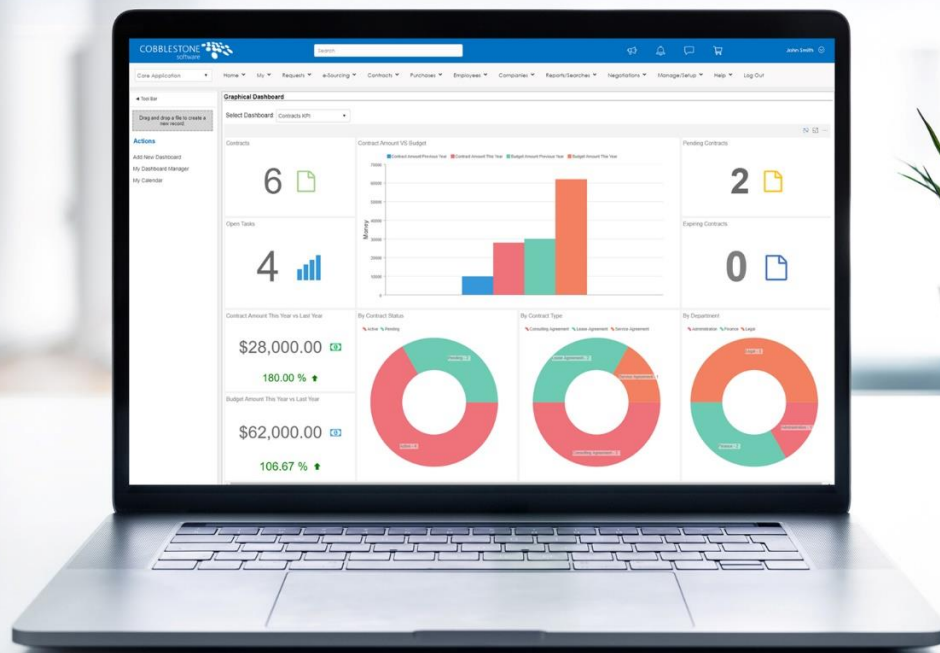


# Making a Case for Contract Management Software



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# The Contract Management Challenge



Many contract management professionals and contract administrators are eager to integrate innovations into their contract management processes such as digital transformation, artificial intelligence, machine learning, automation, and contract lifecycle management (CLM).

Leading [contract management software](#) incorporates many of these elements, making contracts easily accessible, providing accurate reporting for contract analysis, improving productivity, making drafting and negotiating contracts fast and straightforward, increasing compliance, reducing risk, and stopping revenue leakage. At an overarching level, leading contract management software supports “cradle-to-grave” contract management, helping organizations take control and get the most value from their contracts.

The [benefits of contract management software](#) may be evident to the people who will be using the software, but it can be a challenge to convince management to approve the investment without a solid recommendation. In mid-to-large-sized organizations with multiple departments and executive level decision-makers, the value proposition that must be presented should be more strategic and impactfully aligned with the organization, beyond what can be shown with a simple [software ROI analysis](#).



# KNOW YOUR “WHY”

**B**efore you identify CLM software vendors to present to decision-makers, take the time to fully determine your “why” for recommending the investment. The simplest way to map this out is to review the contract lifecycle. Look at each step and define the people and tools involved as well as the challenges your organization faces. **Here are eight questions to get you started:**

1. **Requests:** Do you have a standardized, permission-based process for clients, customers, vendors, suppliers, etc. to request new contracts?
2. **Authoring:** Do you have standard templates for fast contract drafting? Is it easy to make changes through editing, drag and drop, and other time-saving capabilities?
3. **Negotiations:** Do employees, clients, and vendors have real-time access to contracts? Are you able to compare different versions and easily review changes during negotiations?
4. **Approvals:** Are you able to manage the approval process with proper reviews and the correct information while meeting requirements and deadlines?
5. **Execution:** How long does it take to sign a contract? Are you wasting time searching for documents and versions, leading to longer drafting, reviewing, and approval times?
6. **Obligations:** Once contracts are executed, are you effectively managing obligations and tasks? Do you have systems in place to assess risk, to control spending, and to meet compliance standards?
7. **Compliance:** Do you have visibility of contractual relationships and full audit trails? How are you reporting to ensure regulatory, legal, and compliance standards are maintained?
8. **Renewals:** Are you effectively managing renewals to ensure you have the opportunity to negotiate, update, or cancel?



# VENDORS, SHORTLISTS, DEMOS & TRIALS

With more CLM software vendors in the marketplace than ever, it is essential for contract managers to consider vendors that meet their organization's specific needs for system administrator and end-user usability, implementation services, and ongoing support.

To get the most value out of your software investment and your contracts, expect CLM vendors to assume the role of a strategic partner that can offer leading contract authoring, [contract reporting and analytics](#), contract tracking, and [contract management AI](#) to support your processes.

Review the level of complexity of your contracts, contract types, current contract management process, and legal requirements. Seek out software vendors providing the [features](#) and benefits you feel confident your organization needs and narrow down your search to a shortlist of 2-3 software providers.

**CLM Software Demos:** Many B2B software companies offer free demos and free trials, but it is important to remember that not all demos and trials are created equal. To make the best case for CLM software to leadership, contract administrators should work towards getting the most value out of demos and free trials.

Free group demos allow potential new users to become familiar with the software they are considering. [Demos](#) are an excellent approach to getting a high-level overview of the solution to see if it makes sense to consider the platform further.



# Vendors, Shortlists, Demos & Trials



Software providers should offer multiple demos to elaborate on software features and benefits that align with your organization's specific requirements at the deepest level needed, whether that be at the contract administrator, software user, department, or company-wide level.

*Quick Tip: Live, interactive demos can provide a deeper dive into the software, giving you the opportunity to ask questions in real-time and see the features that are most important to your organization.*

**CLM Software Trials:** A trial is your opportunity to see the software in action and test applying it to your specific process. Optimally, software trials should be actively supported by the software provider. For example, CobbleStone Software offers a [free 30-day trial](#) where potential users will get to see the system used how they would use it for their organization. Throughout the free trial, a CobbleStone representative hosts trial work sessions and collaborates with the potential users to build out templates and functionality specific to their organization so they can get a feel of the functionality, compatibility, and potential of the software.

*Quick Tip: During your free trial period, focus on what matters beyond your role and departmental use case. If General Counsel is part of the decision process, focus on the software's capability to manage contract risk analysis. Review contract authoring capability and MS Word support along with the ability to speed up the contract creation process with wizards, templates, and clause libraries. If the CFO or CPO will be involved in the decision, identify reports they will want to see and work with the software provider to build these example custom reports during the trial.*





# TRANSLATING OPPORTUNITY TO VALUE

When building the case for contract management software, take the time to do some in-depth research into your contracts so you can translate the software features and benefits into the value that matters most to decision-makers.

Advanced contract management software features support an efficient contract management process including fast contract drafting with template libraries, a secure repository, version control, easy collaboration, [approvals](#), and signing.

Common issues around manual contract management or managing contracts with disparate systems are lost contracts, long contract cycles, increased risk, compliance issues, ineffective negotiations and approvals, and missed renewals. The cost of these issues can be exorbitant when considering the wasted time, money, and opportunity.

To translate the opportunity contract management software provides to tangible value, analyze your organization's contracts by pulling **relevant data** including:

1. The **quantity** of all contracts managed in a year
2. The **value** of all contracts managed in a year
3. The **average** value of a contract
4. The **average** contract failure rate and financial impact
5. The **average** lifecycle length
6. The **various** types of contracts managed (buy-side/sell-side)

Present your findings to build a case for decision-makers that shows how leading contract management software can have a positive impact on your role, your department, and the entire organization.



# GETTING DECISION-MAKER BUY-IN



# Getting Decision-Maker Buy-In

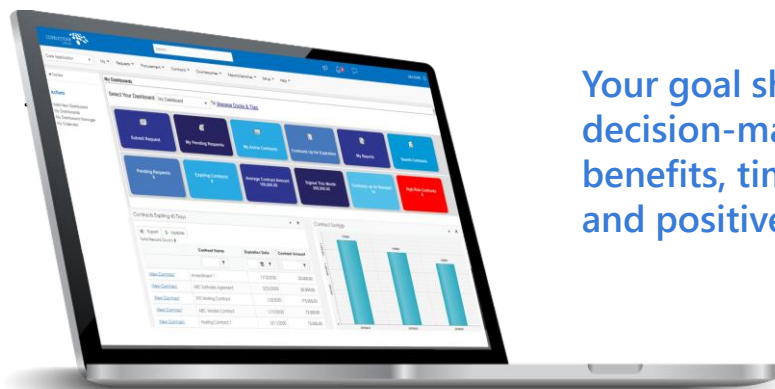
Leading CLM software reduces risk, increases productivity, and improves visibility. However, those benefits aren't always what matters to the people in the position to approve the software investment. The most effective approach is to make your pitch in the leader's language and present a concise story aligned with what he or she cares about most. Support your pitch by showing the combined impact of contracts throughout the organization spanning different people, departments, and processes.

If possible, get buy-in from managers and peers whom the decision-makers trust to back up your recommendation and show the amount of investment needed regarding time, money, and people resources.

When building your case, keep in mind that the challenge you face is to get stakeholders to understand the value of an improved contract management process supported by leading contract management software. Show decision-makers costs and risk involved with consideration for the combined impact of contracts throughout the organization.

**Highlight the Impact:** Your business case for CLM should include:

- A summary of current contracts
- A resource estimate for software implementation, training, and management
- The financial benefits translated to cost savings and increased revenue
- A summary of the current contract management system's level of efficiency, costs, and risks



Your goal should be to make it easy for decision-makers to see the financial benefits, time savings, process efficiency, and positive impact on risk.





# Getting Decision-Maker Buy-In

## Developing Your Case

**1 Create a compelling message:** Be clear on what you are asking for, what the goal is, and what reaching that goal entails. Consider the impact of your recommendation and if it will require process change. Align this message with the decision maker's role and organizational interest while showing the opportunity for positive impact on their position, the company, partners, and customers.

**2 Communicate in their language:** Use words and examples that align with the decision maker's thought process. For example, does the CEO use sports analogies or respond to results-orientation? If you don't regularly communicate with this person, seek out peers and managers that can guide you on the leader's preferred style, so you understand if you should present your recommendations as a detailed plan or executive summary.

**3 Confidently face their resistance:** Anticipate their questions and look at potential challenges from the top down. Support your recommendation by providing the solution to a clearly defined problem that should matter to them and be ready with clear action steps and an unwavering focus on their top priorities. When possible, leverage a team to present the case.

*Quick Tip: When making your case for contract management software, make sure you can answer "yes" to these questions: Is your case aligned with what the decision-maker cares about? Is the case you plan to present in their language? Are you proactively presenting solutions for bottlenecks and roadblocks?*



# ALIGNING WITH LEADERSHIP

Each potential decision-maker has different roles, goals, and responsibilities. Your key to success is building your case around what matters most to him or her.



**The CEO With the Power to Say Yes:** While CLM software functionality is essential to contract management professionals, CEO's are generally focused on [strategy](#) rather than function. CLM software can support process efficiency, incremental improvements, and decreased costs, but contract management professionals need to convert those benefits to what the CEO cares about. When presenting a CLM solution, discuss the competitive advantage, the impact on the organization's strategic goals, the cost of inaction, and be results-oriented to show an exponentially positive effect.

*Quick Tip: CEOs will generally be open to investing in software because they tend to love innovation, embrace technology, and look for ways to make predictable future projections with accurate data and reporting that can lead to increased revenue.*

**The COO Focused on Operational Efficiency:** Contract management software process [automation](#) and reporting capabilities will prove to be areas of interest to COOs. Show this leader how contract management software will help your organization gain control of contracts with improved administration, task management, transparency, and reporting. Show value in increased productivity and operational efficiency that will result in better profitability.



# Aligning With Leadership



**The Head of Sales Focused on Pipeline, Closing & Process:** For [sell-side contracts](#), contract management software offers a positive and measurable impact on the sales cycle. When presenting your case to the sales director, align the software's features with revenue and sales improvement, contract cycle shortening, faster approvals, and easy negotiation. Highlight how a streamlined sales process supported by advanced contract management software will help the sales staff and keep them motivated. Assure him or her of the seamless CRM integration capabilities and the availability of contract templates and clauses to improve term compliance and reduce legal review bottlenecks.

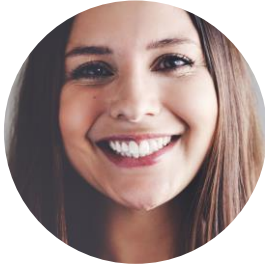
**The CFO With the Power to Approve Purchase Timing:** Contract administrators like to focus on the time savings that contract management software can provide. However, CFO's are focused on ROI through better control, increased revenue, and decreased costs. Position your message around process automation and data analysis, but also think about how the software can impact the business. How can the software reduce the budget, reduce business risks, and provide long-term value?

Try to show benefits, budget, and impact on the organization or, at the very least, at a cross-departmental level.



*Quick Tip: Show the CFO how the software investment will achieve specific results and leverage [case studies](#) and references from similar organizations using the software. Focus on reporting capabilities that show the financial impact of contract close rates, pricing, and forecasting. Demonstrate how the software you choose can be integrated with financial systems and can automate alerts and reminders around terms and other areas that impact revenue.*





## The CPO Focused on Procurement & Supply Chain

**Transparency:** Leading contract management software should have features for e-procurement, e-sourcing, and vendor management. Even if you're not part of the procurement process for your specific role, if the software you are vetting has the potential to help in this area, it is beneficial to get the purchase support from this executive advocate. The CPO's goal is to reduce costs, expand access to new products and markets, improve supply chain reliability, and manage risks. Software that can help to manage spend creep, to ensure compliance, to reduce the level of legal involvement, and to provide greater transparency will be appealing. Show how the software will support rebates, volume discounts, and terms. When making your case, show him or her how [fully-integrated](#) requisition management, e-procurement, bid management, e-sourcing, contract lifecycle, vendor management, purchase orders, and asset management software solutions support end-to-end purchasing optimization and compliance. During your software demos or free trial, have the software provider create reports showing the value and analysis of the contract portfolio while giving an in-depth view of contracts.

## The CIO Focused on Digital Transformation & Security:

Introducing new business technology while ensuring security and budget alignment are priorities for the CIO. He or she must consider the impact software will have on customer experience, cyber-security, and compliance. Start building your case by showing how easy it will be to [implement contract management software](#) and how no (or minimal) IT help will be needed. This strategy will ease his or her concerns about internal resource allocation. Show the value with improved data management in a secure environment and how the software can consolidate legacy applications and integrate easily with other systems that need access to contract data.





# Aligning With Leadership



**General Counsel Focused on Legal Recommendations & Business Strategy:** On the day-to-day, General Counsel provides legal interpretations and recommendations for staff and leadership. He or she may contribute to overall business strategy and leverage a working knowledge of finance to collaborate with cross-functional department leaders while balancing risk mitigation, compliance, and policy and procedure management. Show him or her how contract management software supports [document assembly](#). The software can reduce the amount of time spent drafting and reviewing documents and can give him or her more visibility with contract reports and analytics.



**“Decision-makers typically focus on strategy, budget, and the vendor's history of similar successful roll-outs. Align ROI expectations of your leadership team by using free software trials and client reference calls to build their confidence in the software provider you recommend.”**

– Bradford L. Jones, Director of Sales & Marketing, CobbleStone Software





# CHALLENGES WITH MULTIPLE STAKEHOLDERS

Organizations with multiple stakeholders involved in the decision-making process may face challenges finding the right CLM software solution that can meet requirements from various departments while providing a user-friendly experience.

Contract professionals leading the software recommendation and implementation should work proactively with a proven, experienced software vendor. Collaborate to identify and prevent challenges before they start. Showing value from the initial purchase decision throughout all phases of implementation will be the key to fully leveraging all the benefits contract management software can offer.

Help stakeholders remain focused through the entire process. Involving all the stakeholders beginning with the software vendor selection will keep them aligned and focused on the aspects that are important to them.

Some organizations use different manual and formal systems for managing contracts, making it difficult, or impossible, to search, manage, and analyze contracts across departments and systems. Research internally to find out what those systems are to see how the software you are interested in can be used for their departments as well while connecting the organization's contract ecosystems.

Individually, stakeholders will be more willing to approve investments to support the contract lifecycle phases that impact their goals. Be sure to present the story to stakeholders that shows the importance of improving every stage of the contract lifecycle, so you lock in the support you need beyond repository, drafting, and reporting.

Keep the energy and excitement high from contract management software vendor selection, purchase, and each implementation phase to preserve stakeholder engagement while ensuring you have the support and funding you need.



# Challenges With Multiple Stakeholders

*Quick Tip: Consider contract management software vendors that align with the clearly defined contract management needs identified by users and stakeholders. Look at how the entire organization is managing contracts. Focus on features, responsiveness, and proven success when choosing a software vendor.*

Making a case for contract management software can be streamlined and more effective when contract professionals consider the larger organizational picture of the current value of contracts and the potential value of contracts supported by leading technology that automates contract lifecycle management. Create a convincing case that is structured around a compelling message in the language of stakeholders that can approve the investment.



[Contract Insight®](#) reporting dashboards are shown above.



# About CobbleStone Software



[CobbleStone Software](#) is a leader in providing enterprise contract management, vendor management, and eSourcing software solutions for over 20 years and is trusted by thousands of users. CobbleStone's contract management solutions provide contract and vendor tracking, user-defined fields, configurable email alerts, calendar notifications, contract workflow management, flexible security options, authoring of contract templates with dynamic clauses, revenue/cost management, full text indexing and searching, vendor/client ratings, document version control, custom reports, electronic signature, smarter contracts with AI, and more.

To learn more about CobbleStone Software, contact the CobbleStone Team at [sales@cobblestonesoftware.com](mailto:sales@cobblestonesoftware.com) or call 866-330-0056.

