

2020

contract**works**<sup>™</sup>

# Buyer's Guide to Contract Management Software



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## 1. Introduction

Whether your legal team has already made the decision to implement contract management software or you're still determining the best way to take control of your corporate agreements, this guide will help you start your search for the right solution.

It can be overwhelming trying to make sense of the hundreds of contract management software options on the market. Luckily, if you can identify exactly the problems you want to solve with software, you can quickly narrow down the list to only those that make sense for your business based on your specific priorities, available budget, and other factors.

This guide is intended to provide an overview of the contract management software landscape and help you identify the type of solution that will put you in the best position to accomplish your contract management goals.

## 2. Understanding Your Needs

Before you start the process of comparing vendors and features, it's important to thoroughly understand your contract management shortcomings and needs - as well as anything that's already working well. Because there are so many solutions available, it's critical that you start your search with a clear idea of what you need help with so you don't waste time talking to vendors that don't align with your objectives and project guidelines.

Answering the following questions will give you a better idea of what to look for during your research and selection process.

### ① What's driving your decision to implement software?

- Are you in a new role and looking to improve the processes and systems you inherited?
- Is your business/contract portfolio growing quickly and you need more control over your corporate agreements?
- Was an important contract deadline or milestone missed?

### ② What is your annual budget for contract management software?

- \$0 - \$5k/year?
- \$5k - \$20k/year?
- \$20k - \$100k+/year?

### ③ Who will be impacted by the solution and who will be involved in the purchasing process?

- Are you looking to implement a solution that solves the needs of the legal team? Multiple departments? The entire company?
- Who are the key stakeholders to consider in your contract management process?

### 3. Types of Solutions

A quick search for contract management software on any technology review site will return hundreds of results. So where do you start?

The short answer is that it all comes back to your unique situation and the exact challenges you are looking to solve.

Some legal teams manage their contracts using manual methods that include spreadsheets, shared drives, and other existing or readily available business tools. Collaboration software like SharePoint can be utilized to help organize agreements and allow for greater contract access and collaboration across the organization, and plug-ins can be added to provide limited contract management functionality. This manual approach to managing contracts simply allows legal teams to get a high-level overview of their contract situation and organize and share documents so more people can collaborate in the contract process.

For legal teams looking to solve challenges stemming from broken manual processes and a lack of contract insight, contract management software is the ideal solution. Many legal departments choose to invest in contract management software because it allows them to understand the contents of their contract portfolio more thoroughly, helps automate the contracting process, and solves for complex workflows. It often includes powerful artificial intelligence features that can help with much of the heavy lifting and repetitive tasks that traditionally require extensive time and effort from members of the legal team.

## 3. Types of Solutions

Contract management software runs the gamut as far as cost, functionality, and complexity, but is typically broken out into two main categories: focused contract management software and enterprise contract management software.



### **Focused contract management software**

solves for targeted parts of the contract lifecycle, and is designed to help legal teams address their most pressing contract management challenges quickly and affordably. This software can help improve things like contract tracking and monitoring, execution, reporting, and review.



### **Enterprise contract management software**

is a comprehensive contract management solution that is intended to solve for the most complex processes and workflows and allows departments across an organization to tackle every part of the contract lifecycle in one central location.

Here is a more complete look at the types of solutions legal teams are using for contract management, including manual systems consisting of various spreadsheets, shared drives, and plug-ins, as well as focused contract management software that targets certain parts of the contract process and enterprise software that solves for the most complex contract workflows.



### 3.1. Types of Solutions

## Storage and Collaboration Software

After examining your current situation, you may determine that you want to continue tracking your agreements manually using spreadsheets and other existing tools, but need a place to store your company's contracts to improve access and collaboration. In this situation, storage and collaboration software like SharePoint can be purchased and configured to work with many common business tools like Word and Excel, assuming your organization has the support resources required to build and maintain this software.

# Storage and Collaboration Software

## **Ideal users**

The ideal users in this category are teams who want to add functionality to their existing, manual methods of working with contracts. Because this software is intended to solve a wide range of business needs and is not designed specifically for contract management, additional plug-ins and add-ons are often needed when attempting to incorporate contract management functionality.

This approach is best for those with an internal IT support team or outside software consultants who can help build and configure your system according to the problems you're trying to address. The process of creating a platform that functions properly and does what you need it to do can take time, so this solution isn't ideal for those with an urgent need to solve contract management challenges.

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## **Biggest problems solved with this solution**

Storage and collaboration software can help users improve contract organization and provide shared access to contract information, so more people in an organization can work together in the contract management process. This solution is easier to get right when solving for basic problems like contract storage, and gets more complicated and time-consuming as you try to make it work for more complex contract management needs, like reporting or finding specific language within your agreements.

# Storage and Collaboration Software

## \$ Cost

Popular storage and collaboration tools like SharePoint often start out as inexpensive options, but the costs associated with fully building out and configuring these platforms to solve for contract management can add up quickly. SharePoint specifically is sold on a per-user basis, so make sure you understand how many people will need to access the system - as well as all of the needed plug-ins - before committing to any particular software.

This route has the potential to be affordable if you can handle everything in-house, but the financial investment increases drastically the minute you have to bring in consultants and outside help to set up and maintain your platform.

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## — Implementation process

Ease of implementation depends on the support you have from IT and/or consultants, and how complex of a system you're trying to design. Everything will need to be manually built and configured based on your particular needs, so getting started with this custom solution can take time.

# Storage and Collaboration Software



## **Adoption**

If you're considering using this kind of solution and are dealing with a fairly small project and scope, you can potentially get comfortable with the system quickly, assuming everything works correctly. If you are trying to make this approach work for more complex contract management needs, there's a good chance you'll run into challenges, including potentially spending more time and money trying to make it work than you would with dedicated contract management software.

Since you won't have formal training available, you'll need to have one or more people on your team become system experts, so they can train any other colleagues who need to be involved in the contract management process.



## **Support/service**

Support and service will be non-existent outside of help from your internal IT team. These tools aren't built specifically for contract management, so everything from initial setup to ongoing maintenance will need to be handled internally or with help from your technology consultants.

# Storage and Collaboration Software

## **Benefits of using this type of solution**

The primary benefit of customizing a tool like SharePoint or other shared drives is that you can continue working with your existing spreadsheets and other business tools your organization is comfortable using. By storing all of your agreements in a shared location, you can enable more people across the organization to access corporate agreements, allowing for greater collaboration during the contract management process.

## **Key takeaway**

Implementing storage and collaboration solutions that rely on spreadsheets can work for some legal teams, but this is still a manual approach to contract management. Also, be sure you're aware of the drawbacks; if you decide to incorporate software and plug-ins to supplement spreadsheets, the resulting solution often takes time and resources to build out, support will need to come entirely from your IT team and outside consultants, and manual processes lead to greater risk of human error.



## 3.2. Types of Solutions

# Focused Contract Management Software

Many software solutions focus on solving for specific pieces of the contract lifecycle, including things like contract storage, monitoring, reporting, or review. Because this category of contract management software is not intended to do everything, these solutions are designed to be easy to use and therefore allow you to address your most pressing contract issues quickly.

Process automation really starts coming into play here, especially with solutions that offer artificial intelligence features. AI and machine learning can eliminate some of the traditionally manual, repetitive tasks around contract tagging, search, and review.

# Focused Contract Management Software

## **Ideal users**

Focused contract management software is a common solution for in-house legal teams at small to medium-sized businesses, but is also an option for larger companies in need of a system that allows them to quickly access important contract details and improve specific areas of the contracting process. Users of this type of software are often looking to quickly and affordably address specific challenges around organizing, tracking, and reporting on contracts, and already have some reliable systems and processes in place for parts of the contract lifecycle.

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## **Biggest problems solved with this solution**

Some of the common problems legal teams face before turning to focused contract management include not knowing where all of their contracts are, not having a way to quickly access the specific details of their contracts, missing important contract dates and deadlines, and lacking the insight needed to make informed business decisions.

# Focused Contract Management Software

## \$ Cost

Pricing for focused contract management software can vary based on things like number of users, total contracts, and additional features, as well as the part of the process the software specializes in (contract storage, reporting, review, etc.). Pricing tiers and structures will vary considerably from one provider to the next, which is why it's so important to understand your specific requirements (users, documents, etc.) before comparing options. It's standard for companies to lead with their most affordable package, but that offering may not adequately serve your needs.

In general, focused contract management software is a relatively minor financial investment for most businesses, and typically falls in the range of \$5,000 to \$20,000 per year.

# Focused Contract Management Software

## — **Implementation process**

Many businesses are able to implement this type of contract management software in a relatively short amount of time, which is one of the major benefits to consider when comparing solutions. This can also vary significantly depending on the simplicity of the product and the implementation resources offered by the provider.

Some software providers have dedicated teams that specialize in product implementation, meaning you'll have someone assigned to your account who will walk you through the setup process, help you customize the solution based on your specific situation, and ensure you have everything needed to accomplish your contract management goals.

If your administrator or power-user can commit to spending some time on implementation right away, it's reasonable to expect to be up and running with the new software in as little as one to two weeks, and fully implemented within one to two months.

Additionally, if you choose software with artificial intelligence features, you can shave hours or days off of the implementation process, as the system can help with some of the heavy lifting. Some solutions can automatically identify and tag key metadata in your agreements, allowing you to start taking action on your contracts immediately.

# Focused Contract Management Software



## Adoption

Adoption and useability are some of the other reasons many businesses choose to invest in focused contract management software. If software has either not enough functionality or too many features that create confusion or complexity, it tends to not get used.

Change management is also an important consideration here, which is why many teams turn to contract management software that only impacts the parts of the contract lifecycle that need improvement. By not unnecessarily disrupting the existing parts of the process that are already effective and efficient, you can get up to speed with the areas that are changing more quickly.



## Support/service

Many providers in this category will offer comprehensive support and customer service options, but pay close attention to the details. Make sure you are aware of any limitations on support like extra fees for training or specific windows during the day when customer service is available - and choose a provider that best aligns with your expectations. If 24/7 support and ongoing training is important for your team, look into what each specific provider offers before deciding on a solution.

# Focused Contract Management Software

## ✔ **Benefits of using this type of solution**

Focused contract management software allows legal teams to quickly and affordably improve the specific areas of the contract management process that are ineffective, whether that's contract review, storage and organization, or insight and reporting.

These solutions are designed to address challenges that stem from not knowing important details about your agreements. With features to help you achieve greater visibility into the contents of your contract portfolio, you can easily find specific clauses and contract language, identify auto-renewals and negotiation windows, and stay ahead of key deliverables and obligations.

Artificial intelligence features significantly reduce the amount of time and effort needed to perform various tasks throughout the contract management process, so legal teams can take control of contract portfolios more easily. Software that includes AI makes it possible to quickly isolate details within your contracts, and can automatically tag key information to be tracked and reported on going forward.

# Focused Contract Management Software

## Key takeaway

Contract management software that specializes in certain pieces of the contract lifecycle is ideal for teams that know the specific challenges that need to be solved - including contract tracking, reporting, and review - and are looking to get results quickly. This software can typically be implemented and adopted in a matter of weeks for a relatively minor investment. Solutions with artificial intelligence capabilities allows legal teams to do more with their contracts in less time using fewer resources.



### 3.3. Types of Solutions

## Enterprise Contract Management Software

Full lifecycle or enterprise contract management software is a solution that is designed to handle every part of the contracting process, from contract drafting and redlining all the way through to performance reporting.

# Enterprise Contract Management Software

## **Ideal users**

Enterprise contract management software is best suited for large companies with a significant budget and personnel available to completely overhaul their existing systems and processes. These businesses often have an extremely high volume of agreements and need a solution that can solve for complicated contracting activities and manage complex workflows. As the name indicates, enterprise software is designed to be used by various departments across the entire organization, which means that stakeholders across the company will need to buy into a solution before moving forward.

In some cases, full lifecycle contract management software is used just within a company's legal department, if they need software to help manage especially complicated contract workflows.

This type of software is ideal for businesses with significant time and financial resources available to dedicate to improving the contracting process.

# Enterprise Contract Management Software

## 💡 **Biggest problems solved with this solution**

Businesses that adopt enterprise contract management software have very complex contracting processes and want to use one system to handle every contracting need for the company. They likely have hundreds of employees or more that will use the system, or a smaller group dealing with incredibly complicated workflows, and are looking to ensure that all activities are carried out in one central location.

In addition to organizing, tracking, and reporting on contracts, enterprise software users also need the solution to support contract drafting and redlining and help contracts flow through various approval workflows to get automatically routed to specific individuals across the company.

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## 💰 **Cost**

Enterprise contract management software is a significant financial and time investment. This software is intended for companies with a sizable budget - often approaching \$100,000 or more - that can afford to get by with their existing contract management processes until a new tool is implemented across the organization.

# Enterprise Contract Management Software

## **Implementation process**

Expect a lengthy implementation process when purchasing enterprise software, typically in the range of six months to a year, depending on the size and complexity of your business. Forming an internal implementation committee and designating at least one person from each department dedicated to getting the project off the ground is your best bet to successfully implement this level of enterprise software.

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## **Adoption**

Purchasing enterprise software is a significant organizational change, and will require a considerable amount of time before all parties are comfortable with the tool, as well as with the guidelines and procedures that govern how the software is used. Every department and user will need to be trained and onboarded onto the new platform, which is a time-consuming but important part of the process. Plan accordingly so you have overlap between your existing systems and your new software to avoid anything slipping through the cracks while all employees get up to speed.

# Enterprise Contract Management Software

## **Support/service**

Customer support and service is important for enterprise software companies, primarily due to the complexity of the solution. If your business is planning to purchase enterprise contract management software, spend time during the selection process reviewing all of the training and support resources available. Before making a final decision, make sure you understand what support is included with your package and if there are any extra fees for training or customer service.

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## **Benefits of using this type of solution**

With enterprise contract management software, businesses can solve for the most complicated contract processes and workflows for every department and business unit. This is an all-inclusive approach to contract management, and allows every part of the process to be handled in one place.

# Enterprise Contract Management Software

## Key takeaway

Enterprise contract management software delivers the most functionality and features, but requires a major time and financial investment to get started. While this is the necessary solution for many large companies with complex contract management needs, be prepared for a lengthy implementation and adoption process before all of your users are ready to jump into the system.

## 4. Solutions Comparison Chart

Type	Storage and Collaboration Software	Focused Contract Management Software	Enterprise Contract Management Software
<b>Ideal Users</b>	Legal teams that have extensive IT/consultant support available and are looking to increase contract access and collaboration - while continuing to use spreadsheets and existing tools	Legal teams at SMBs or departments w/in larger companies that are looking to quickly and affordably solve for certain parts of the contract lifecycle, including contract monitoring, reporting, or review	Large corporations/ multiple departments with extremely complex contract management processes
<b>Costs</b>	\$ - \$\$	\$\$	\$\$\$
<b>Implementation</b>	Within 3-6 months, but varies based on amount of customization needed and IT support available	Within 30 days	Within 6-9 months
<b>Adoption</b>	Varies based on project scope, number of users/departments	Within 60 days	Within 1 year
<b>Support/service</b>	Not available	Dedicated support teams	Dedicated support teams
<b>Primary Benefits</b>	Organization, collaboration, and high-level overview of contract details	Quickly and affordably solving for your most pressing contract management needs	Solving for complex processes and workflows with one solution
<b>Key Takeaway</b>	Helps teams organize and more effectively collaborate on contracts, but is a manual solution that requires IT or consultants to build and support	Allows for timely, meaningful improvements to the contract management process without a significant financial investment or disruption to the way you work	Offers the most features and functionality to address complex processes and workflows, but requires significant financial and time commitment to fully implement and adopt

## 5. How to Choose a Solution

Once you have a firm grasp on your specific contract management problems and what kind of software you think makes the most sense for your team, you can start identifying the particular vendors you're interested in talking to. Here are a few things to do to determine which solutions you should consider implementing.

### Research

Implementing the right contract management system can make a significant impact for your legal team and your business, so it's important you do your homework before deciding on a solution.

If you are fairly new to contract management software, ask your peers for recommendations and see what others have to say about their experiences with various solutions.

Software review sites like [Capterra](#), [G2](#), and [Software Advice](#) are another great place to turn for guidance, and can help you quickly compare vendors and products. These sites can save you valuable time by compiling information about various solutions in one place, and can help answer questions like:

- Which providers offer our must-have features?
- How much does each solution cost?
- Can we eliminate any vendors immediately because their pricing or offering doesn't align with our needs?
- What are customers saying about each solution and what it's like working with those providers?

## 5. How to Choose a Solution

### Talk to Vendors

After you've done your research and have a better idea of the solutions you're interested in, it's time to start scheduling calls with vendors. Seeing a live product demo will of course give you a better idea of how the product works, but it's also a perfect opportunity to ask questions you and your team have about how the solution could be used to solve your specific challenges.

In addition to any questions you might have relevant to your business and its unique contract management pain points, consider asking some of the following questions to determine if the offerings meet your expectations:

- **How is implementation handled and what resources are available to us during that process?**

Implementation and onboarding are critical parts of the software buying process, so you'll want to be sure that the vendor has a comprehensive plan in place that will adequately support your team and get users comfortable with the software as quickly as possible.

- **Are there additional charges for ongoing training and support?**

Training and support can potentially come with hidden fees, so be sure you know exactly what you're paying for when comparing vendors.

- **How can I be sure the product is actually a good fit to solve for our biggest challenges?**

Pay close attention during the demo so you know that the solution actually works the way you expect and that the presenter is speaking to your stated problems and goals.

- **How are you working to improve the product? What's coming down the road that might be of interest to our team?**

It can be helpful to understand the features and services a company will be introducing in the future and how those offerings might impact you if you were to buy their software.

## 5. How to Choose a Solution

# Determine Finalists and Set Up Free Trials

Now that you've seen product demonstrations and talked to vendors, you can further narrow down your list of candidates to two to three finalists. The finalists you choose should all offer the functionality you need to be successful at a price that is realistic based on your available budget.

Set up free trials with each of your finalists so you can test-drive the product and get a sense of how easy (or not) it is to get in and use the software. Make sure you have a clear idea of how you plan to use the system and establish a way for other users to test and provide feedback based on their needs and responsibilities.

Treat the trial period like it's the beginning of your actual account so you can get a thorough understanding of what it's like to use the system on a regular basis. Make a note of how intuitive each solution is and how quickly you're able to accomplish your contract management tasks.

## 6. Contract Management Software Selection Checklist

- ✔ Identify your current contract management process: What is working and where do inefficiencies exist?
- ✔ Consult with the contract management team to get their input and identify areas in need of improvement in one's day-to-day tasks in the contract lifecycle.
- ✔ Determine how much you're looking to spend on a contract management solution.
- ✔ Establish contracting end-goals.
- ✔ Identify your "must-have" and your "nice-to-have" features based on your specific needs and goals.  
If you have a high volume of agreements, determine where artificial intelligence features fall on your list of priorities
- ✔ Determine the number of users that will need access and how many documents you expect to store in the system.
- ✔ Review the specific features and capabilities of the solutions your company can afford, paying attention to the scope or potential limitations of the software.
- ✔ Schedule product demonstrations with the software providers you're considering.
- ✔ Have your IT team review the security features of the solutions being vetted.
- ✔ Request a free demo or trial of your top 2-3 choices.
- ✔ Select the appropriate software.
- ✔ Learn how to use the product in its entirety, taking advantage of all available training resources.
- ✔ Measure your contract performance and progress using custom reports.
- ✔ Keep up with any changes to the software platform and new features.



## 7. Conclusion

When starting the process of purchasing contract management software, the most important thing to consider is what you and your team are looking to solve. There are hundreds of solutions on the market, but if you can identify and focus only on the handful that address your unique challenges and requirements, you can make the process much more simple and straightforward.

Start by understanding exactly what you're looking for, reviewing the available options, and doing research to see what customers are saying about each solution. Once you have settled on a list of viable candidates, get in touch with vendors so you can discuss your needs and get a better idea of how each system would improve your contract management process, keeping in mind the time and money required to successfully adopt each system.

Navigating the contract management software landscape can be overwhelming, but if you know what you need the software to help with, you can quickly narrow down the choices and select the solution that best aligns with your unique needs.



## 8. About

# contractworks™

ContractWorks is an easy-to-use contract management software known for its intuitive user interface, highly rated support team, and features that expedite the contract management process. It is designed to help legal teams execute, store, and track their corporate agreements in less time with a smaller budget. With quick implementation supported by artificial intelligence and pricing starting at \$600/month for unlimited users, ContractWorks makes contract management software accessible to businesses of all sizes.

Schedule a demo today to learn more about ContractWorks Contract Management Software.

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