Simpli Contract

Intelligently Simple

Managing Buy-Side & Sell-Side Contracts Under One Roof

Unleash the power of End-to-End CLM

simplicontract.com

Executive Summary

Traditional siloed approaches to contract management often result in inefficiencies and missed opportunities. An end-to-end contract management strategy is a strategic approach for businesses to integrate both buy-side and sell-side contracts into a unified platform. This whitepaper presents a comprehensive solution that enables organizations to centralize contract repositories, standardize workflows, and enhance collaboration between **Procurement, Sales, and Legal** teams.

By adopting this unified contract management approach, businesses can reduce operational costs, minimize legal risks, improve compliance, and optimize contract lifecycle management. The proposed solution leverages modern technologies and best practices to empower organizations with a cohesive and transparent contract management system, fostering agility, and improved decision-making across the entire contract ecosystem.
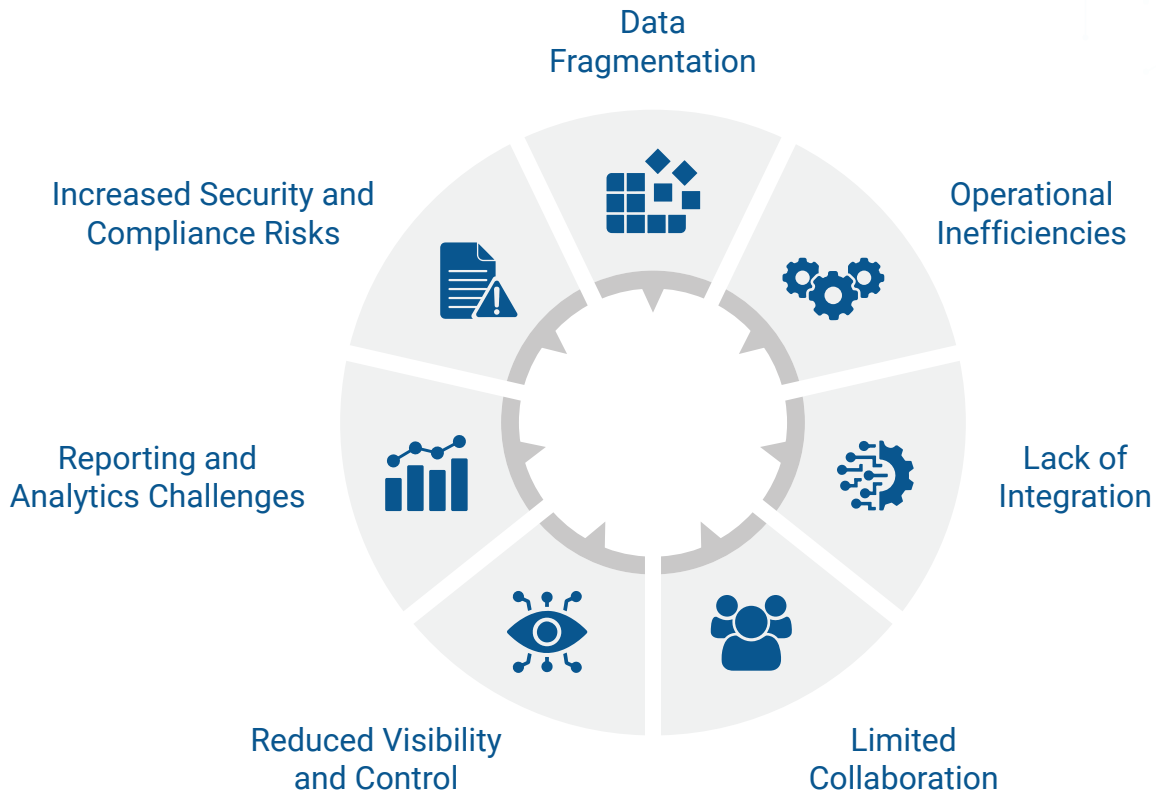
Introduction

*According to Aberdeen Group, **60%** of businesses have experienced contract-related complexities in the past year. These complexities can cost businesses an average of **$100,000** per year.*

An average Fortune 2000 company manages over 20k contracts annually. The contracts cut across sell-side, buy-side, employee agreements, and a few others. With buy-side and sell-side contracts governing the majority of business transactions, most CLM platforms support only one of these categories. The ramifications of independently managing buy-side and sell-side contracts are massive and the time is ripe for businesses to manage all their contracts under one roof.

An end-to-end CLM platform can help manage both vendor and customer contracts from a central repository.

Challenges in independently managing buy-side & sell-side contracts

Data is considered the biggest asset for any business. However, a fragmented contract management approach makes data a liability. Managing two separate sets of contracts independently can increase the risk of errors, omissions, and more. This is because there are different stakeholders, processes, and requirements involved in each type of contract.

Data
Fragmentation

Increased Security and
Compliance Risks

Operational
Inefficiencies

Reporting and
Analytics Challenges

Lack of
Integration

Reduced Visibility
and Control

Limited
Collaboration

Contracting Challenges in Managing Disparate Systems

Managing Buy-side Contracts with CLM

Procurement leaders often shell out thousands of dollars on legal expenses drafting and outlining terms and conditions of a contract. Once the contract is signed by both parties, the onus is on them to manage the obligations of a contract.

As you may know, the post-signature phase of the contract lifecycle is the most critical phase. This is exactly where they don't get the rub of the green.

The intricate details in these complex documents often slip through the cracks once the contract is signed. The traditional methods of maintaining spreadsheets, emails, and multiple sources of truth will result in a potential failure of meeting an obligation.

According to **Spend Matters*** research, here are some of the most common obligations organizations must comply with:

1. Invoices paid within the due date

2. Supplier issuing invoices at regular intervals

3. Supplier meeting performance requirements of the buyer (eg: quality, timely deliveries, or SLAs)

4. The buyer notifying the supplier of non-renewal within a specific timeframe

5. Negative obligations (eg: agreeing not to disclose information in the NDA)

The ramifications of failing to meet any of these obligations can vary on scale. In an already strong buyer-seller relationship, the parties might resolve their disputes with simple discounts or free services/products. However, in some cases, this might lead to litigation.

> *The need to address potential risks in contracts is more apparent now than ever, and obligation management is a multi-faceted requirement that sets the expectations and value commitments made between parties to each other that in turn forms the core of workflows, e.g., roles, outputs, service measurement and monitoring/alerting. It also addresses performance and compliance management, financial impact (e.g., buyer obligations as liabilities and supplier obligations as assets) and risk management, e.g., unexpected non-compliance that results in financial harm.*

Pierre Mitchell
Chief Research Officer, Spend Matters

*Spend Matters is a leading source for data-backed technology and solutions intelligence for procurement and the supply chain sector.

Challenges in Buy-Side Contract Lifecycle

Complex transactions entail the involvement of multiple stakeholders, numerous documents, and extensive negotiations. The process of creating contracts to encompass the full scope of commitments can be time-consuming and complex. Understanding the complex language, the constant amendments and iterations to a contract introduce additional delays, further delaying the process.

Here are some of the major challenges **Procurement** professionals face in contract management:

1. Longer TAT with manual contract authoring
2. Lack of a central contract repository
3. Spend Leakages
4. Missed Contractual Obligations
5. Compliance Gaps
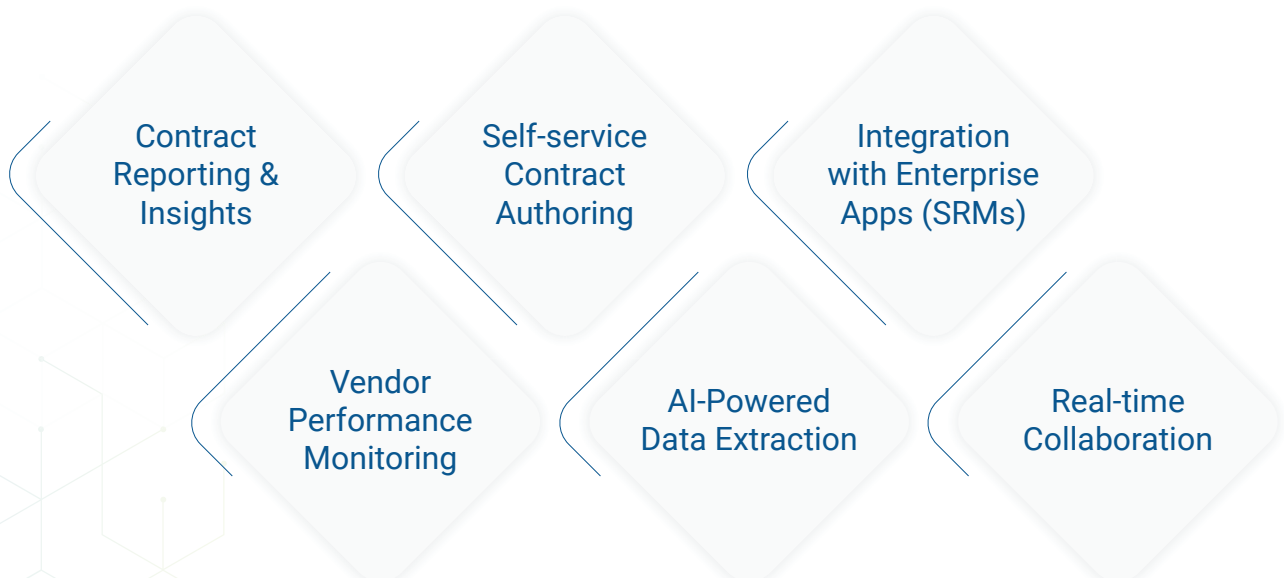6. Poor Contract Visibility

Benefits of CLM in Buy-Side Contract Management

Shortening contracting timeframes is the need of the hour for most enterprise procurement and legal teams. This is where CLM can resolve buy-side contracting complexities.

According to Aberdeen Group, businesses can experience a **50%** *reduction in supply chain risk with an efficient contract management process.*

Contract lifecycle automation delivers benefits including:

Contract Reporting & Insights

Self-service Contract Authoring

Integration with Enterprise Apps (SRMs)

Vendor Performance Monitoring

AI-Powered Data Extraction

Real-time Collaboration

Managing Sell-Side Contracts with CLM

Much like buy-side contracts, navigating sell-side contracts can also be a challenging daunting task, particularly because of its direct impact on profitability. When these agreements are not aligned with corporate objectives, organizations may encounter substantial revenue leakages and face potential compliance issues.

Proposal Creation

Client Negotiations

Contract Renewal

Contract Creation

Contract Execution

Contract Review

Steps Involved in Sell-Side Contract Lifecycle

Automating sell-side contract lifecycle management helps sales and legal teams reduce the average cycle time of contracting by **40%**.

Challenges in Managing Sell-Side Contracts

The value of sell-side contracts has played a critical role in the exponential rise of CLM platforms. Sell-side contracts have become prominent in *IT, Consulting, and Business Services*.

> *Approximately,* **25%** *of the staff in these industries are involved in the contract management process.*

And yet, most businesses still rely on manual processes and email exchanges when it comes to sell-side contracts. The average cycle time has increased significantly due to inefficient workflows and deal complexities.

> *According to WCC, an ideal timeframe for simpler contracts is estimated to be under* **2** *weeks.*

Despite having a CLM platform, most businesses face several challenges including:

1. Insufficient collaboration due to email exchanges
2. Lack of contextual information
3. Limited insights into contract obligations and key milestones
4. Lack of CRM integration
5. Lost upsell and cross-sell opportunities
6. Issues on payment terms, delivery, and warranties

Benefits of a Robust CLM in Sell-Side Contracts

An enterprise CLM platform offers significant capabilities across the contract lifecycle including:

Guided Requests	Obligations and Milestone Tracking
Collaborative Contract Authoring	Compliance Monitoring
Intelligent Contract Repository	CRM and ERP Integrations

Why Integrate Both Buy-Side & Sell-Side Contracts Under a Single Roof?

There are several reasons why it is beneficial to integrate both buy-side and sell-side contracts from a single CLM platform. These include:

Improved visibility and transparency: Provides a centralized view of all contracts, regardless of whether they are buy-side or sell-side. This makes it easier to track contract progress, identify potential risks, and ensure compliance.

Increased efficiency: Automates many of the manual tasks involved in contract management, such as contract creation, negotiation, and approval. This can save time and resources, and free up employees to focus on more strategic activities.

Enhanced collaboration: Facilitates collaboration between different departments within an organization, such as sales, legal, and finance. This can help to ensure that contracts are properly reviewed and approved, and that all stakeholders are kept informed of the contract status.

Centralized Repository: Provides a centralized repository for storing, organizing, and accessing both buy-side and sell-side contracts. This enables stakeholders to retrieve critical contract information quickly, facilitating better decision-making, and ensuring compliance with contractual obligations.

Scalability and Integration: Scalable to accommodate evolving business needs, accommodating increasing contract volumes and complexities. End-to-end CLM platforms integrate with other enterprise systems such as CRM, SRMs, eSignature software to facilitate seamless data flow and provide a holistic view of contractual relationships.

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SimpliContract's AI-Powered End-to-End CLM Platform

Powered by AI, SimpliContract's end-to-end contract lifecycle management (CLM) platform helps **Legal, Procurement, Sales, and Finance teams** with automated vendor & client contract management practices.
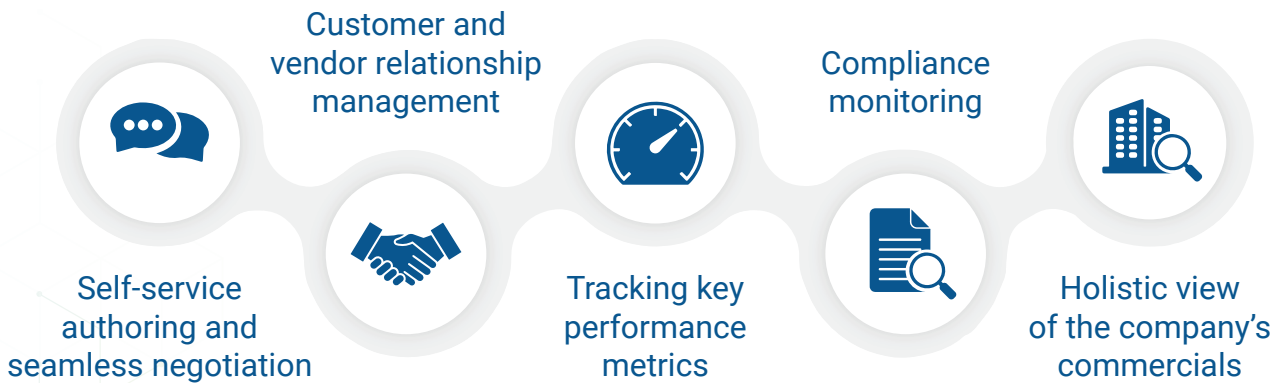
Our platform streamlines the entire contract lifecycle with 3 modules – Contract Authoring, Contract Repository, and Contract Obligation Management.

Harnessing the Power of SimpliContract CLM

SimpliContract is an enterprise platform that can seamlessly blend into your existing environment by integrating with new-age business apps. Our cloud-based SaaS platform automates both buy-side and sell-side contracts across the lifecycle to maximize efficiency and trigger data-driven decisions across multiple business functions.

By integrating both buy-side and sell-side contracts into our platform, we can help **Legal, Procurement, and Sales teams** with:

Customer and vendor relationship management

Compliance monitoring

Self-service authoring and seamless negotiation

Tracking key performance metrics

Holistic view of the company's commercials

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SimpliContract's Capabilities in Buy-Side & Sell-Side Contract Management

Contract Authoring

Our CLM platform reduces the average cycle time of a contract by 30%. Irrespective of the type of contract, users can leverage our pre-existing templates and clause libraries to maintain standard language. Now, raise a contract request in <8 seconds and avoid dependencies on your legal teams.

For buy-side: Negotiate the best deals with your supplier by reducing the contracting time. Relieve your legal teams from administrative tasks.

For sell-side: Experience 40% faster contracting time and avoid deal complexities with pre-approved templates.

Smart Contract Repository

A single source of truth for all your contracts improves contract visibility and transparency. Our NLP-powered search capabilities will allow users to extract critical data from contracts, based on several parameters. Now, locate contracts faster with specific search filters.

For buy-side: Get instant access to vendor information and keep tabs on payment terms and shipment dates.

For sell-side: Access all your customer contracts from a central location. Locate contracts based on specific projects and clauses.

Real-time Collaboration

Our collaboration window will accelerate the contract negotiation process by having all the key stakeholders of the contract involved to reach a consensus. Users can now negotiate real-time, make amendments, and create a robust audit trail. Expedite the contracting process with our seamless collaboration window.

For buy-side: Track all changes and negotiate the best deal from a contract to save costs and improve vendor relationships.

For sell-side: Close deals faster with real-time collaboration and maximize revenue. This will put you in the best position for cross-sell and upsell opportunities.

Custom Dashboards and Analytics

Our AI-powered CLM platform offers real-time insights into your contract performance. With our smart search capabilities, users can analyze contract performance and derive actionable insights.

For buy-side: Assess vendor performance, avoid spend leakages, and renegotiate payment terms and discounts when a contract reaches the expiry date.

For sell-side: Get real-time access to customer insights, analyze usage, and make strategic decisions on cross-sell and upsell opportunities.

Unify Contracts with Enterprise CLM

Most businesses start with either buy-side or sell-side contracts when they implement a CLM solution. However, some CLM solutions do not have the scalability businesses require when they expand their portfolios.

While evaluating a CLM provider, businesses must look for a long-term solution. A scalable CLM platform or an enterprise CLM is the way forward to house all kinds of contracts under one roof.

Managing contracts on different platforms or prioritizing only one department will lead to fragmented processes, increased risks, and revenue leakage.

An end-to-end CLM platform for cross-functional teams will:

1. Reduce the burden on legal teams
2. Improve contract visibility and transparency
3. Save integration costs and training time
4. Avoid subscribing to multiple platforms
5. Provide real-time, actionable insights on contract performance

About SimpliContract

SimpliContract is on a mission to democratize contracting and establish powerful contract management practices using the power of AI. We help in-house Legal, Sales, Finance, and Procurement teams simplify the process across the contract lifecycle and enable real-time collaboration for internal and external stakeholders. The AI-powered end-to-end enterprise Contract Lifecycle Management (CLM) platform helps organizations accelerate revenue, reduce risk, improve compliance, reduce expenses, and boost productivity.

The CLM platform empowers 20K+ users and stakeholders to manage contracts effectively and efficiently through a unified collaboration platform. Leading players in **Retail, IT, E-commerce, Ed-tech, Govt. & Healthcare** and other industries across the globe trust SimpliContract for their end-to-end contracting needs.

Simpli Contract
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