



Risk Analyzer: Mitigating Risks in Contract Lifecycle Management

Overview

“Risk comes from not knowing what you are doing.”

– Warren Buffett



Beware! Hidden contract risks may blindside you.

As per WCC's (World Commerce & Contracting) findings, 8.6 percent is the average value loss organizations experience just in their post signing phase in contract lifecycle management. Imagine the risks grappling the entire lifecycle encompassing all phases! Losing value on your contracts is akin to a hidden drain that affects both suppliers and buyers. How then do you ensure suppliers have met agreed-upon requirements and service levels?

Lack of visibility into your contracts compromises your goals. Identifying risks without the right tools leaves organizations vulnerable to breaches, disputes, and regulatory non-compliance.

“50% of legal and commercial professionals cite being involved too late as a frequent issue – creating delays, rework or sub-optimal contract terms”

– WCC



Traditional Risk Management Approach: Drawbacks

Traditional risk management in contract handling relies heavily on manual processes, which can lead to inefficiencies and inconsistencies. While these methods have been used for years, they often fall short in addressing the complexities of modern contracting environments. Key areas such as risk identification, assessment, and mitigation are prone to human error, lack of standardization, and delayed responses to critical risks. This traditional approach often results in missed opportunities and increased vulnerabilities, especially as organizations scale and manage a growing number of contracts. Below are some of the key drawbacks associated with the traditional risk management approach.

-  **Risk Identification:** Manual review of volumes of contracts can be prone to oversight.
-  **Risk Assessment:** Subjective evaluation can lead to lack of standardization in risk evaluation.
-  **Risk Mitigation:** Reactive strategies, addressing risks as they are identified leads to late identification of critical risks & missed opportunities.
-  **Contract Drafting:** Ad-hoc or basic templates results in inconsistent standards.
-  **Approval Process:** Time-consuming approval workflows limits visibility.
-  **Contract Execution:** Physical signatures or basic e-signatures can cause delays due to mailing or in-person multi-party signings.
-  **Contract Storage:** Fragmented repositories risk data loss, inefficiencies and problem of version control.
-  **Monitoring and Compliance:** Periodic manual reviews risks missing critical dates or obligations between reviews.
-  **Performance Analysis:** Limited, often retrospective analysis leads to a lack of real-time insights into contract performance.
-  **Integration:** Siloed systems impede visibility across departments.
-  **Renewal and Termination:** Manual tracking of expiration dates risks missing critical renewal or termination dates.
-  **Reporting:** Time-consuming manual processes prone to errors.

AI-Powered Risk Analyzer: A Modern Solution

AI-powered risk analyzer helps reduce risks to an acceptable level

An AI-powered Risk Analyzer elevates contract management by identifying, assessing, and mitigating risks with precision. SimpliContract's Risk Analyzer Assistant is built into its next-gen AI-driven CLM platform, offering:



SimpliContract: Intelligent Contracting with Risk Analyzer Assistant

SimpliContract's Risk Analyzer Assistant is a cornerstone of future contract cycle, designed to enhance risk management and compliance throughout the contract lifecycle. Leveraging advanced AI capabilities, the Risk Analyzer Assistant provides a comprehensive suite of tools to identify, assess, and mitigate risks associated with contractual agreements.

Key Features of Risk Analyzer Assistant

SimpliContract's Risk Analyzer assistant generates obligation summary reports across versions, empowering BUs to take decisions accordingly. The Risk Analyzer assistant analyzes risk clauses, terms, compliance issues and deviances, etc. in a selected contract review page and can compare them across versions. Collaborative review is possible in Microsoft Editor interface, and risks flagged can be discussed mutually online, together. Real-time performance reporting allows legal teams to gain a unified view for all stakeholders to continuously monitor performance and compliance across every contract. Here are some critical features of the AI-assistant:

Clause-Level Risk Scoring

- ✓ Automatically detects high-risk language (e.g., unlimited liability, vague SLAs, harsh penalties).
- ✓ Flags deviations from preferred clause templates or playbooks.

Real-Time Risk Insights

- ✓ Highlights risks as you review or negotiate—no waiting for manual legal review.
- ✓ Integrates with your clause library and benchmarks for context.

Suggests Mitigation

- ✓ Proposes redlines or fallback clauses based on corporate policies.
- ✓ Triggers alerts or escalations for approvals if high-risk terms are detected.

Auto-Prioritization

- ✓ Categorizes risk types (financial, compliance, operational).
- ✓ Scores each contract based on total risk exposure, enabling triage.

Works Across Contract Types

- ✓ Applies to supplier agreements, NDAs, MSAs, sales contracts, and more.
- ✓ Adapts to different geographies, business units, and risk thresholds.

How Does the SimpliContract Risk Analyzer Assistant Work?

SimpliContract's Risk Analyzer AI Assistant enables procurement leaders to proactively assess, score, and mitigate contract risks. It automates clause-level analysis, provides redlining recommendations, and integrates with enterprise systems to drive compliance and decision-making. For instance, the assistant scans through contract documents to detect clauses that may pose legal, financial, or operational threats. This proactive approach allows enterprises to address issues before they escalate, ensuring compliance and safeguarding interests. By providing detailed risk assessments and actionable insights, the Risk Analyzer assistant empowers businesses to make informed decisions, streamline contract negotiations, and maintain robust risk management practices.

A user-centric risk analyzer assistant helps you to instantly uncover risks and negotiation opportunities at both contract and organizational levels.

SimpliContract's Risk Analyzer involves advanced techniques to analyze contract risks. Here's a glimpse of it:

NLP (Natural Language Processing): Risk Analyzer uses NLP to understand, to interpret the language used in contracts. The AI-assistant can automatically identify specific key terms, clauses, obligations by analyzing the structure and the context of texts therein.

GenAI:

Risk Detection: The AI-assistant is pretrained on massive datasets of contracts to detect patterns indicating risks. For instance, it can detect all clauses deviating from standardized terms, any sort of ambiguity in languages used.

Risk Scoring & Summarizing Report: Each clause or term is assigned a risk score based on historical data and predefined risk parameters. This scoring helps prioritize which parts of the contract need closer scrutiny. For instance, generating summary reports about specific contracts, versions, and comparing the scores, allowing collaborative review of the same by legal teams.

Clause Comparison:

Benchmarking: Risk Analyzer assistant compares clauses against a database of standard and previously vetted clauses. Any deviations or unusual terms are flagged for review.

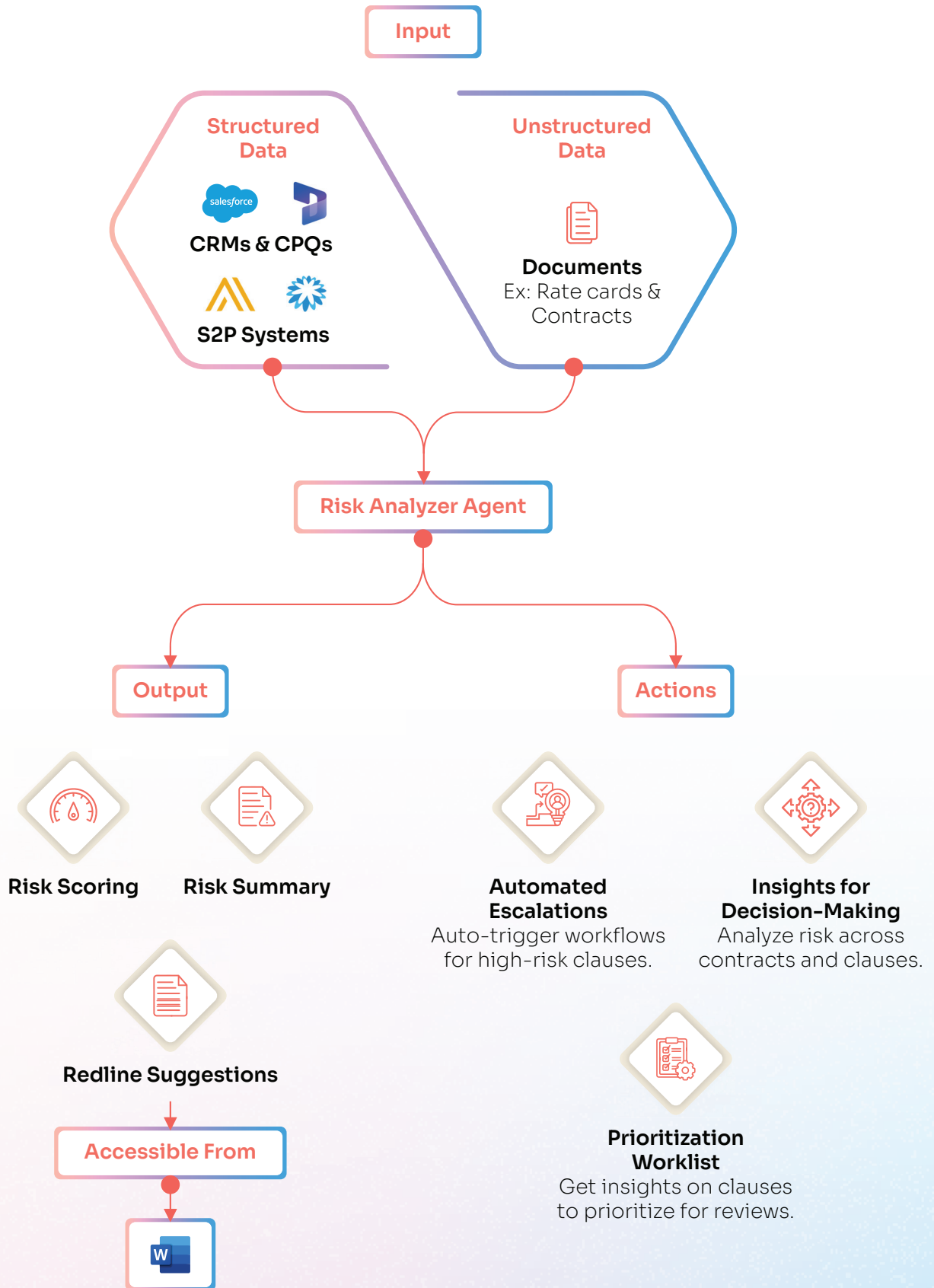
Deviation Detection: It identifies deviations from the organization's standard contract templates or industry best practices, highlighting areas that may introduce risk.

Real-Time Monitoring:

Dynamic Analysis: The assistant can monitor contracts in real-time, providing ongoing risk assessments as new information becomes available or as contract terms are modified.

By combining these techniques, SimpliContract's Risk Analyzer Assistant provides a comprehensive and nuanced assessment of contractual risks, helping organizations manage and mitigate potential issues effect.





Stories that Inspire

- ✔ Tavant, a leading IT player in the industry, leverages **SimpliContract's AI-powered CLM to overcome challenges, minimizing risks and improving visibility into their contracts** with instant access to contract summaries, real-time reporting while reducing contract TAT by 40%.
- ✔ A recent case study wherein our client, a leading F&B French conglomerate with a portfolio of worldwide brands across 120 markets, struggled in managing a large volume of contracts, 90% of which originated from third parties. All contract data were scattered in local repositories, SAP Ariba, email inboxes, globally. Unfamiliar templates, non-standard clauses, non-standard terms, lack of insights related to supplier queries, inconsistent terms, missed obligations, deadlines and negotiation opportunities, the company was facing myriad challenges in the contracting system. **Integrating SimpliContract's AI-enabled solution with Risk Analyzer tool into their existing SAP Ariba platform** resolved the issue.

As a result, we helped the company uncover 21 distinct payment terms, 79% of contracts lacking a termination clause, and 36% with disadvantageous price index terms within indirect procurement. This effort led to over 2% savings on a \$500M spend category in just three months!

SimpliContract's Risk Analyzer redefines risk management in contract lifecycle processes. By automating detection and assessment, it reduces errors, enhances compliance, and streamlines contract workflows. The Assistant's real-time insights and actionable recommendations make it an indispensable tool for businesses aiming to mitigate risks and optimize performance.

About SimpliContract

SimpliContract is on a mission to democratize contracting and establish powerful contract management practices using the power of Artificial Intelligence. We help in-house legal, sales, finance and procurement teams across the contract lifecycle and enable effective collaboration for internal and external stakeholders.

From tightening contract controls, reducing revenue leakage, measuring vendor performances, and extracting contractual insights in a blink - our next-gen AI-powered CLM platform is here to help you for tomorrow. Backed with intelligent automation and performance insights, our platform makes life a little easier for professionals dealing with contracts.

Risk Analyzer

Overall Risk: 8/10

Sort by: Filter by:

high

Clause: Joint Obligations of the Parties

Insight:

medium

Clause: Indirect Damages

medium

Clause: Liability & Insurance

Risk Analyzer

Overall Risk: 8/10

Sort by: Filter by:

high

Clause: Joint Obligations of the Parties

Potential Redlines:

medium

Clause: Liability & Insurance

Insert Redline

Reference Playbook

SimpliContract Documents

New +

Draft

Pending

Repository

C-21153 Clause Replace 002 Sho

Key Information

1 of 20

Automatic Zoom

MASTER SERVICES AGREEMENT

This MASTER SERVICES AGREEMENT (the "Agreement") is entered into on the Effective Date: 01-01-2021 (the "Effective Date").

The following agreement is entered into between Myntra Jabong and A.V Industries the details of the signing parties are as follows. Myntra Jabong (MIJPL) (hereinafter referred to as "Party") with offices at 11, Glendale Avenue, Marine drive, Mumbai-205102, India. A.V Industries (hereinafter referred to as "Vendor") with offices at 177, Sector 7, HSR Layout, Bangalore - 560102

The subject of this agreement is the Provision of IT services to the client by A.V Industries

The Parties agree as follows:

1.SERVICES

Initiate TPI Flow

Initiate Non-TPI Flow

Send For Direct Signature

Risk Analysis

Sort By: Risk: High to Low

Filter By: Version: 15

High

Non-Compete

Medium

Direct damages

Medium

Indirect damages

Medium

Indemnity - Whether Mutual or One-Sided

Disclaimer: Please note that our AI-generated contract summaries provide quick insights but may not capture all details. Please validate with your legal counsel before signing.