



# 2017 Contract Lifecycle Management Report

Streamlining Business Operations with Holistic Contract Lifecycle Management (CLM) Software

## Q3 2017 | Featuring Insights On...

- » Contract Management Trends Among North American Organizations
- » Features and Functionality of CLM Software
- » CLM Adoption Best Practices
- » A Few Leading CLM Software Providers

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## Introduction

Contract lifecycle management (CLM) software is a dynamic document management technology that enables companies to manage and optimize important business information. Its primary value lies in its ability to compile many different types of business documents managed across a variety of parties and methods into one cohesive, controlled system. It also moves beyond a simple information repository. CLM software monitors and reacts to the information it hosts to help organizations stay on top of their key business functions.

Like many back-office process solutions, including invoice, procurement, and sourcing automation tools, CLM software helps companies reallocate their labor resources. Instead of spending the majority of their time on manual-based tasks related to contracts, back-office professionals can focus on more strategic activities, such as reevaluating long-standing contract terms. CLM software also increases a company's ability to be more strategic in their business operations as a whole, as it reduces the risks that come with poor visibility into business and financial data. Compared to many other enterprise-level cloud software adoption levels, though, CLM software adoption is moderate in the North American market. For example, Level Research expects it to reach a \$1 billion market by 2018.

CLM's relatively small market presence does not mean the software is less valuable than other back-office solutions, or that the contract management process itself should not be automated. Level Research attributes the low adoption in part to a lack of education on the value of CLM software. As well, many companies are already using generic, piecemeal, or homegrown document management tools for their contract management needs. Because CLM solutions are not seen as that different from more generic document management systems—like enterprise content management (ECM) solutions or a cloud-based document sharing tool—some organizations do not understand the need to invest in the additional technology. This can be because they do not have a large number of contracts, or because they do not understand the value of CLM. For organizations that are managing a large number of contracts, this report explores and corrects some of the misconceptions around CLM. It also highlights current CLM management adoption trends and offers a set of best practices for companies considering a solution.

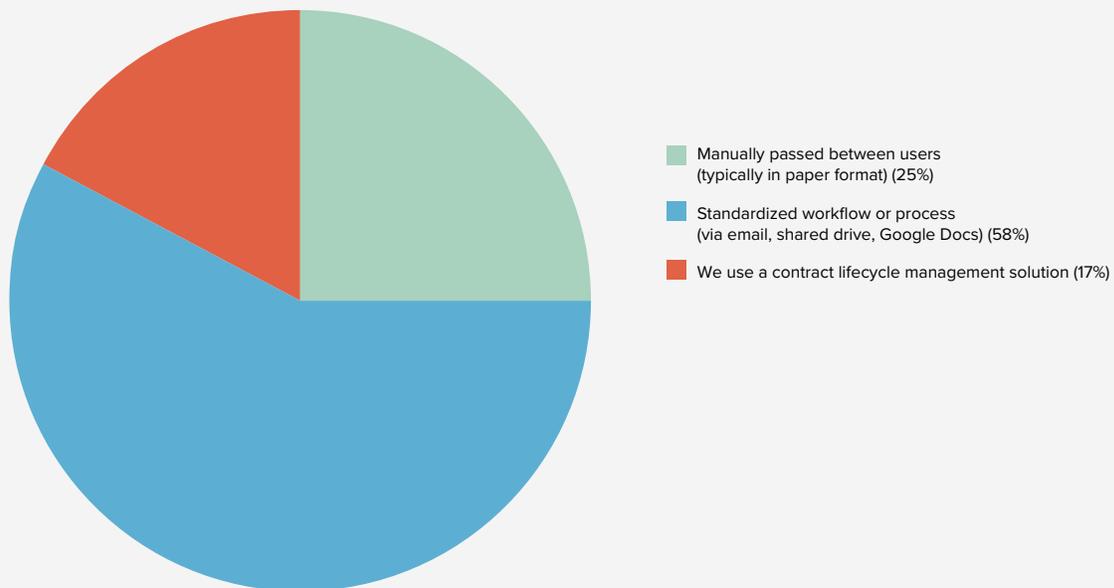


## CLM Adoption Today

The primary goals in contract management are uniformity and control. Organizations want a streamlined method of creating, editing, monitoring, and housing contracts from both internal and external sources that does not compromise the security of business information or the terms of the contract itself. Traditionally, a company will rely on one department, team, or employee to create and/or approve contracts, typically within a legal role. These members will often have a set of contract templates and preapproved clauses with which they build contracts or check external contract against. Sometimes these teams can create and launch a contract themselves, while other times the process will require a round of editing and approvals from other parties, such as an executive with the power to approve a high-dollar deal. Finally, once a contract is approved by all parties and launched, the contracts team must maintain a consistent watch over it for the duration of its lifecycle so that they do not miss things like project milestones, payments, expiration dates, or pricing terms that are no longer market-competitive.

FIGURE 1

### Contract Authoring Strategies



#### Most Organizations Have Some Electronic Method for Contract Creation Workflows

*“How are contracts typically passed back and forth for authoring, approval, etc.?”*

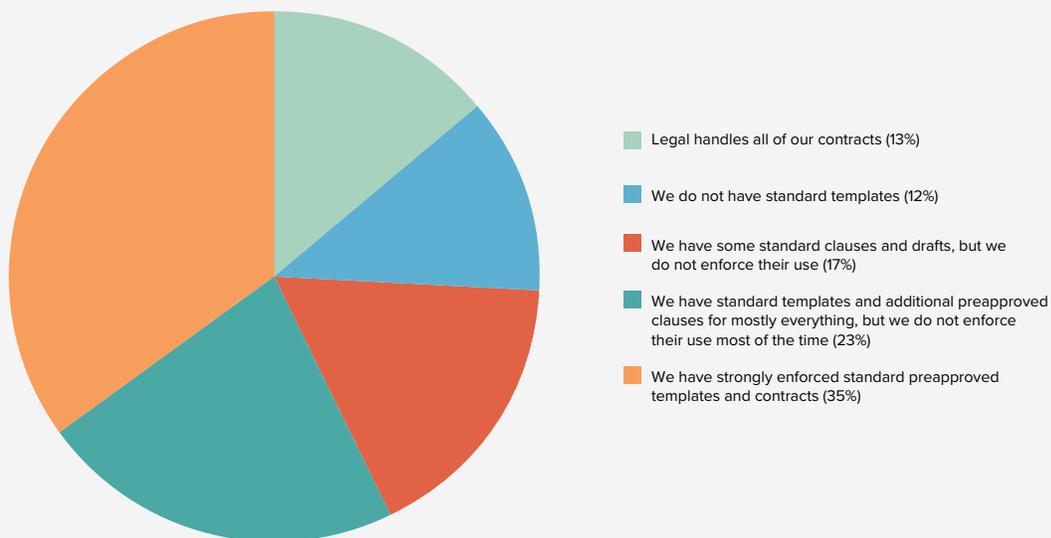


Not all companies manage their contracts according to this traditional approach. Many companies' management strategies vary based on the amount of automation they are using for this process. In order to gain insight into the current state of contract management, Level Research surveyed more than 300 professionals from companies across many different industries and revenue segments. Figure 1 shows that many companies have some sort of electronic process for passing contracts through their organization, even if they do not have a fully featured CLM solution. Only 17 percent of respondents are using a CLM solution, while 58 percent report having an automated workflow process for contracts. This percentage reflects the generic document management and collaboration software many companies use to share documents between users and departments (e.g., ECM, Google Docs, etc.).

When it comes to template creation and management, organizations are using many different strategies, see Figure 2. While the largest share of respondents is using a strongly enforced method for templates and contracts, the rest of respondents reported varying degrees of enforcement and standardization.

FIGURE 2

### Template Sharing Strategies



### Organizations Have Varying Degrees of Template Enforcement and Standardization

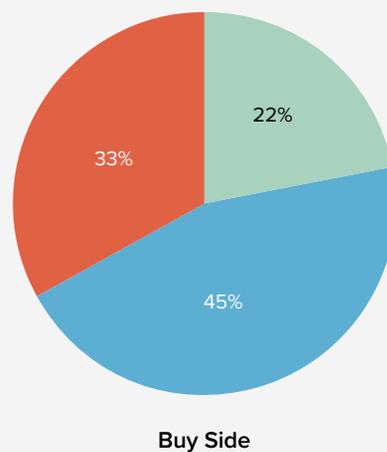
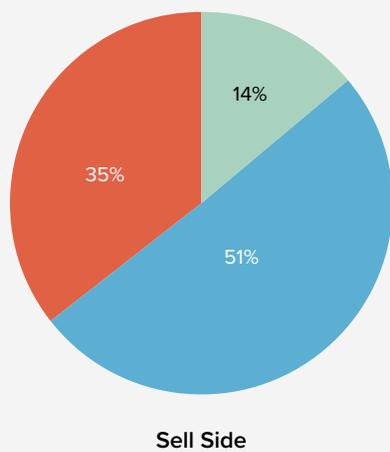
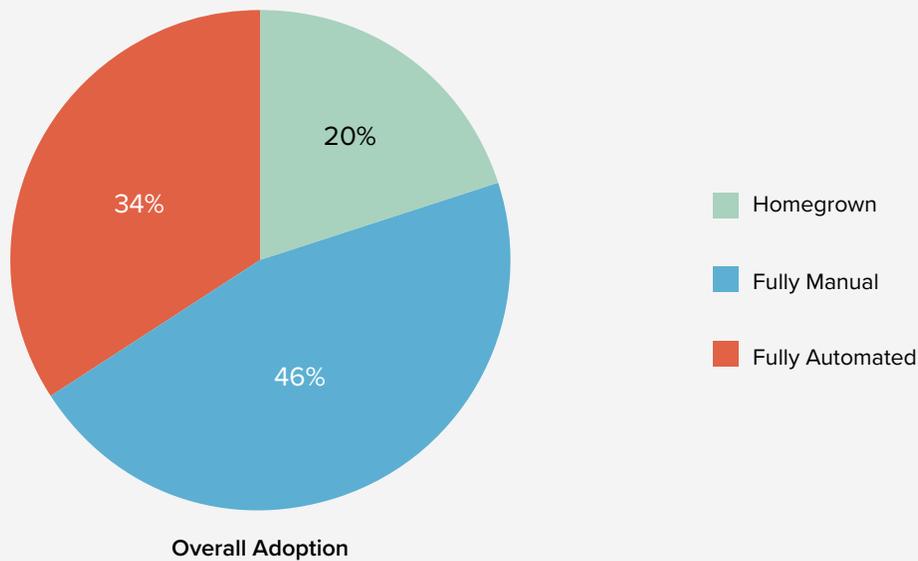
*"Please select your contract and template sharing method."*



Standardization is typically easier to implement and enforce when a CLM solution is in place, as these solutions offer features like role-based access, legal-focused clause libraries, and revision tracking to ensure creation and collaboration is controlled and compliant. However, whether a company will adopt a fully featured CLM solution or continue with the tools they have can depend on the industry and size of the company, as well as the amount of sell-side and buy-side contracts the company has.

**FIGURE 3**

**Contract Lifestyle Management Solution Adoption**



**Organizations Have Varying Degrees of Template Enforcement and Standardization**  
*"Please select your contract and template sharing method."*



Figure 3 shows the overall adoption rates of CLM software in the North American market based on different contract types, including the adoption (or development) of homegrown solutions. Level Research estimates that the market for cloud CLM adoption has a 4 percent compound annual growth rate (CAGR).

Overall CLM adoption is highest in organizations with complicated supply chains and recurring sales cycles that require consistent negotiations. Adoption is slightly higher among organizations that have a high volume of buy-side contracts than those with a high volume of sell-side contracts. This difference can be mostly attributed to the fact that buy-side solutions are easier to implement than sell-side solutions, as buy-side contracts require less customization and involve more passive management. Many companies have only partially automated contract management processes because of the differences between buy-side and sell-side contracts.

Many companies also do not adopt a fully featured CLM solution because of the prevalence of homegrown solutions among businesses. Level Research has found that homegrown solutions are used at relatively higher rates for contract management than for some other back-office processes. This difference is partly because of the relatively slow arrival of contract management solutions to the cloud software space, or at least as how they exist today. Many other back-office software solutions, such as electronic invoicing or purchasing software, were initially created to support and integrate with enterprise resource planning (ERP) systems before providers expanded them to encompass broader Business-to-Business (B2B) process capabilities. Therefore, a standardized solution for many financial processes was available to organizations relatively soon after the first versions were created. On the other hand, standardized contract management software has not had a very straightforward creation and evolution on the market, partly because it touches so many different departments, roles, and activities within an organization. The early contract management tools available to organizations initially resembled—or were, in actuality— document archival systems, such as ECM software. Many organizations have built their own homegrown contract management solutions to handle the functions that basic document management systems could not, and they still continue to use these tools today.

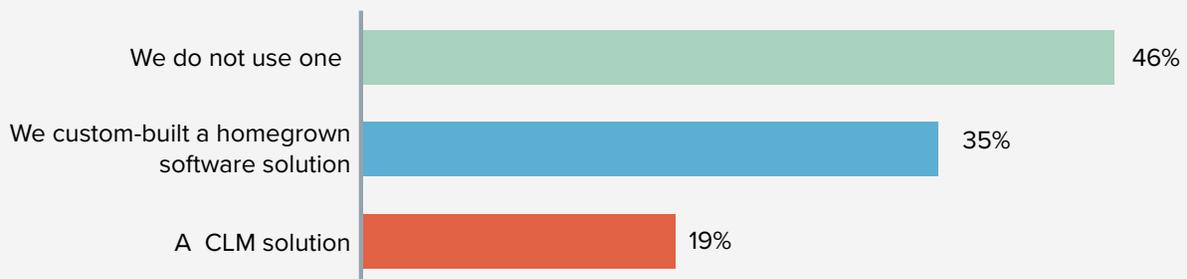
If a company uses several small tools to piece together an automated contract management process, or uses a patchwork and inefficient homegrown solution,



it leaves gaps in their ability to streamline and enforce the use of approved templates. It also creates various issues around the contract management lifecycle in general. Figure 4 shows the top pain points experienced by organizations using a manual contract management system. The greatest challenges include inconsistency among internal contracts, which can create risks in data management and legal compliance, especially for larger organizations with high volumes of sell-side contracts. The second greatest pain point is cumbersome and costly contract creation, negotiation, and management.

FIGURE 4

### Contract Lifecycle Management Solution Usage



#### Contract Inconsistencies, Missed Renewals, and Contract Management are the Top Pain Points Resulting from Manual Contract Management Processes

*“What business challenges do you face in regards to contract management? (Check all that apply)”*

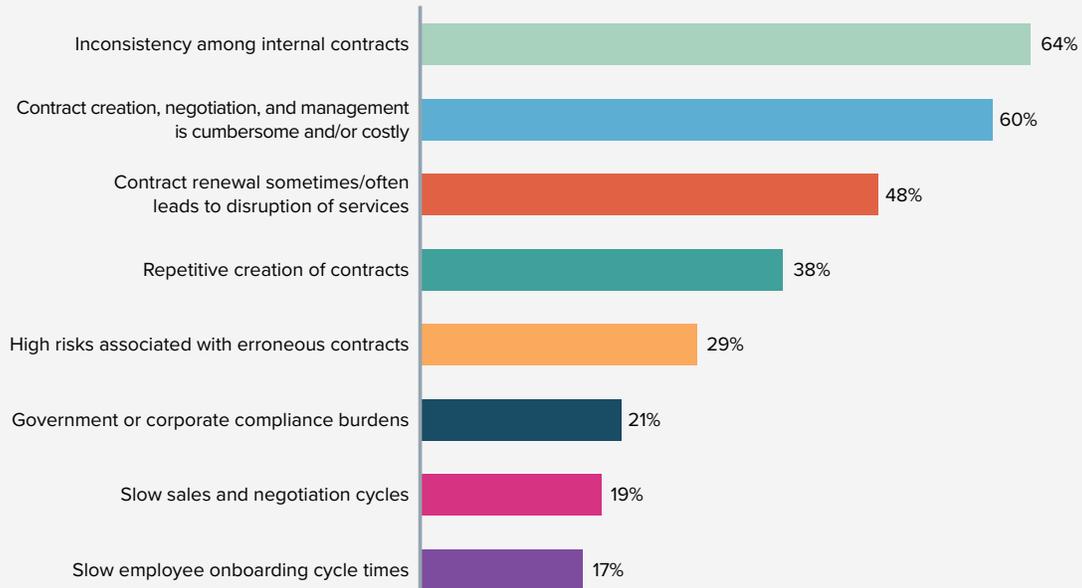
The third top pain point involves managing contract renewal. If renewals are not properly monitored, it can lead to a disruption of services such as utilities or online services.

Level Research also surveyed organizations using homegrown solutions. According to the results, contract management pain points are very similar between companies using manual processes and those with homegrown systems, see Figure 5.



FIGURE 5

### Top Pain Points from Contract Management Process



### Organizations Have Varying Degrees of Template Enforcement and Standardization

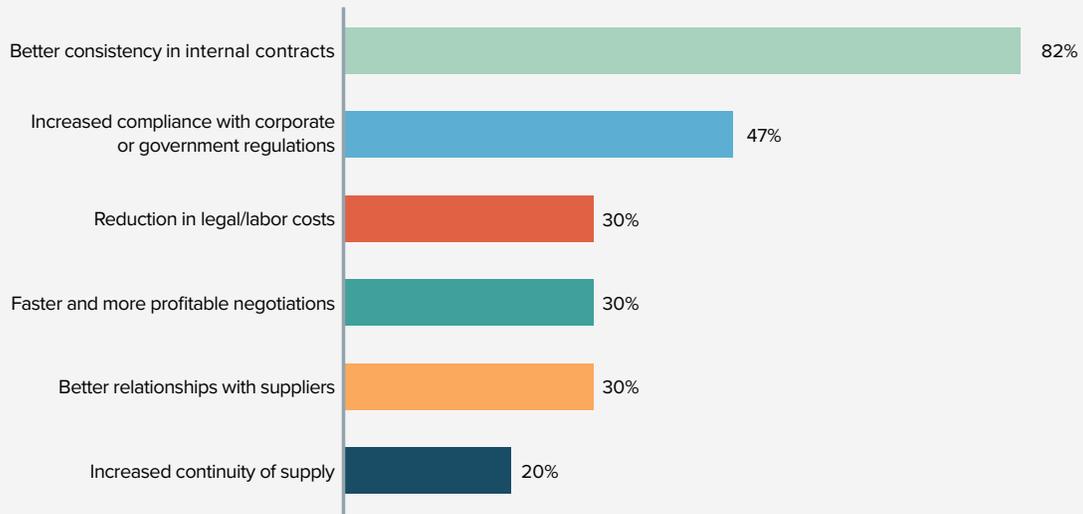
*“Please select your contract and template sharing method.”*

Level Research asked organizations about the benefits they achieved from CLM solutions post-implementation and found that many of the top benefits aligned with the top pain points. Survey results show that CLM software improves contract consistency, decreases disruptions in services, and increases compliance with corporate or government regulations. Research also shows that organizations with implemented homegrown solutions were not able to achieve these same improvements. Instead, it takes a leading cloud CLM software to eradicate problems, reduce risk, and improve control in contract lifecycle management, see Figure 6.



**FIGURE 6**

**Top Benefits Achieved Through Contract Management Automation**



**Most Organizations Gain Improved Consistency Among Internal Contracts After CLM Solution Adoption**

*“Since implementing a contract management solution, what benefits have you achieved? (Check all that apply)”*

The following section outlines the features and services offered in leading CLM software.



## An Overview of CLM Software

There are three basic modules in CLM solutions—creation, tracking, and storage—and the modules companies adopt are typically dictated by the volume of contract types they manage. Although most providers offer all three modules, not every company that purchases a CLM solution will adopt each one, at least not in their initial investment. An organization will typically start by adopting the module that applies to their contract needs. For example, a company with high buy-side contract volume would be likely to adopt a tracking and/or storage module first. However, many companies gradually implement other modules as well to create a more holistic automated environment. Some organizations will also adopt the solution in order to streamline some Human Resources functions, such as improving the new employee onboarding process. In these cases, the CLM tool can be integrated with an HR management system, or it can be used in place of one if the organization’s HR software needs are minimal.

The following items are found in a fully featured CLM platform—one that offers all three CLM modules as well as additional services and features that further enhance contract management. Leading providers will offer nearly all of the following capabilities.

### Authoring and Creation

A contract’s lifecycle in a CLM solution begins with the contract request process. An end user can use a pre-configured template to request a contract from the legal department or a designated administrator, and, after approval, the solution automatically populates the template with the requested information. A contract template can also be automatically populated from purchase orders or sourcing events if the CLM system integrates with or offers these solutions.

Contract creation templates are highly customizable to ensure that the authoring process is as streamlined and compliant as possible. They can be as simple or complex as the client prefers, and can change according to user, contract type, supplier, or other parameters. Users can also create contracts from scratch depending on their access controls, or recycle and modify old contracts from an archive. Most CLM solutions support the management of a variety of contract types, including buy-side, sell-side, administrative, noncommercial, employment, and real estate contracts, as well as international trade agreements and non-disclosure agreements (NDAs). Users can also extend new child contracts from



parent contracts, working much as a master and supplementary agreement operates in statement of work projects.

To ensure compliant and secure authoring, many solutions include a robust word processing software tool, such as a built-in Microsoft Word application or a Google Docs integration. Some solutions include an interactive clause library from which the author can pull legal text to assemble the contract. These clause libraries are often created by the solution provider in collaboration with the client's legal team upon implementation. Some clause libraries are accessible in both the CLM system and the word processing tool.

### Approval, Routing, and Workflow

Once internal teams have authored a contract, the document can be sent through an approval workflow. Approval workflows can be constructed according to contract type, price, area, and dollar amount thresholds, and can go through both administrative and legal review. The solutions facilitate editing and revision tracking, as well as the ability to leave comments, request extensive changes, and partially reject or approve contracts. Special approval workflows can be constructed for contracts with higher risk, while some providers offer automatic approvals for low-risk contract types.

During contract authoring, different users can collaborate on the creation of the contract with an approval workflow. The word processing tool supports version tracking with redlining tools, shows version comparisons, and records all revisions by time and author. It also allows authors to include comments and attach documents that remain with a contract for its lifecycle. All changes are included in the contract's audit trail for future review.

Leading solutions offer highly configurable approval workflow capabilities, with drag-and-drop workflow builders to help users configure review and approval routing, as well as support for escalations, reminders, and out-of-office forwarding. Prioritization settings allow users to construct special workflows for contracts with higher risk; and many solutions support both sequential and parallel approval cycles, as well as stage-specific workflow steps (e.g., author vs. edit). Many solutions also offer one or more in-house or partner-supplied electronic signing service, such as EchoSign or DocuSign, for finalizing documents.



## Collaboration and Negotiation

After approval, the contract goes through negotiation and approval with external parties, which involves many of the same collaboration tools included in the initial authoring process. In order to make sure a company has the same level of control while collaborating with these external parties, leading solutions provide a robust set of third-party collaboration tools. These tools include a designated portal for external parties, version tracking with redlining and side-by-side comparisons, and the ability to route externally revised portions of the contract for approval. Suppliers can access the same tracking, patching, and attachment tools in order to ensure effective collaboration and communication. Leading solutions maintain audit trails of all changes made by internal and external parties. They also often leverage more than one electronic signing tool to allow users to gain signatures from external parties, after which the solution should automatically store executed contracts.

## Monitoring, Fulfillment, and Archival

After all parties approve the contract, CLM solutions continuously monitor the contract throughout its lifecycle. The solution makes sure negotiated terms are fulfilled and deadlines are met, and notifies users of upcoming expirations to prevent lapses in contracts. Some solutions integrate with users' calendars to ensure that pending expiration and renewal deadlines or milestone commitments are not missed. Many solutions also offer an auto-renewal functionality that is adjustable according to the organization's policies (e.g., a user can designate the number of times the contract will renew automatically before it is no longer active). Some solutions allow users to make amendments to executed contracts and send these changes through rules-driven approval workflows.

CLM software typically includes a storage module with extensive search features that allow users to search for and retrieve active and inactive contracts for review. This includes the ability to view contract history and attachments. Role-based access can be configured for the contract repository and search features. Leading solutions also store and maintain non-contract documents (e.g., due diligence, corporate organizational documents).

## Reporting, Analytics, and Risk Management

Many solutions offer a reporting and analytics module to optimize existing contract and CLM processes. This module includes reporting and auditing capabilities that evaluate data from the entire lifecycle of a contract to determine



trends in contract compliance, costs, duration, and other key performance indicators (KPIs). Some solutions also offer discovery tools that allow the business to analyze existing business agreements, such as recurring purchase orders or sourcing events, and transform them into more cost-efficient contract agreements. CLM reporting usually includes prepackaged report types for common contract measurements, as well as configurable dashboards and graphics. Standard report types include CLM process parameters, such as contract types, contract lifecycle history, and user involvement.

Some providers partner with business intelligence software providers to offer more advanced analytics. Others will offer extensive functionality for identifying risk in contracts, including risk profiling based on configurable predefined models, publishable model templates based on contract types, and risk benchmark configuration. These solutions also automatically trigger exception approvals for high-risk contracts.



## CLM Adoption Best Practices

The following items are for companies seriously considering a CLM software solution. These steps should help to streamline the adoption and implementation of the solution, and improve the long-term success of its use.

*Develop an onboarding plan.* For companies moving from completely manual contract management processes or from existing systems—including piecemeal automation tools and homegrown document management systems—there are some risks associated with transferring existing contract data to a digital environment. If documents are not migrated with care and precision, important data can be lost. This can cause companies to miss contract obligations or expirations, or it can hurt compliance with reporting requirements and audits. It is important that a company is mindful of these issues, and that they develop a detailed plan for migrating all contract information to one system. This plan entails choosing a solution provider that offers onboarding and migration services to ensure that all data is entered into the new system correctly, such as data entry, optical character recognition data capture technology, or a separate outsourced onboarding service. Once documents move from various systems with different users to one holistic platform, security is also important. The provider should offer role-based controls that allow the organization to control who has access to different information once it is all housed in one system. They should also offer flexible training programs to make user onboarding as timely and simple as possible.

*Create a current-state map to help with solution configuration.* Customization/ configurability is one of the most important features among CLM solutions, as it speaks to their ability to accommodate any organization’s unique business structures and the wide variety of business documents they will need to manage. During the authoring process, a CLM solution provider should work with the client to configure contract requirements that fit the company’s specifications, which can include templates and clause libraries based on business policies and industry standards. The provider also should work with clients to create templates for any required contract type that the system did not previously support. An organization should create a map of the current state to improve the configuration stage of implementation. This map should include the users, departments, and “touches” (the number of times the contract is passed between parties in its creation-to-execution lifecycle) involved for each type of contract; the number of each type of contract; the unique characteristics within more generic contract types; the current process workflows; and any other variables



and details that make the organization's contract management state unique. The organization should also expect extensive collaboration between the software developer, legal department, and contract management administrators to ensure the current-state information is properly leveraged when creating customized templates, approval workflows, and system controls. This collaboration is especially important when it comes to bringing the legal department on board. A software provider should work closely with an organization's legal department upon implementation to build any unique requirements into the system, such as in legal-approved templates and clause libraries.

*Measure the organization's KPIs.* Just as with a current-state map, identifying current-state KPIs will help the solution provider to understand the organization's improvement goals—and adjust their solution and support accordingly. Measuring KPIs also helps organizations gain internal enthusiasm for software adoption and shows long-term return on investment (ROI) after implementation.

Some KPI examples include...

### Cycle times

- » Contract request to authoring
- » Internal contract collaboration
- » Internal contract approvals
- » External contract negotiation to signature
- » Initial contract negotiation to execution
- » Etc.

### Touches

- » Parties involved for each type of contract
- » Essential vs. nonessential touches
- » Time contracts sit with different parties before they are approved
- » Authors vs. approvers involved on each contract



- » External vs. internal touches
- » Etc.

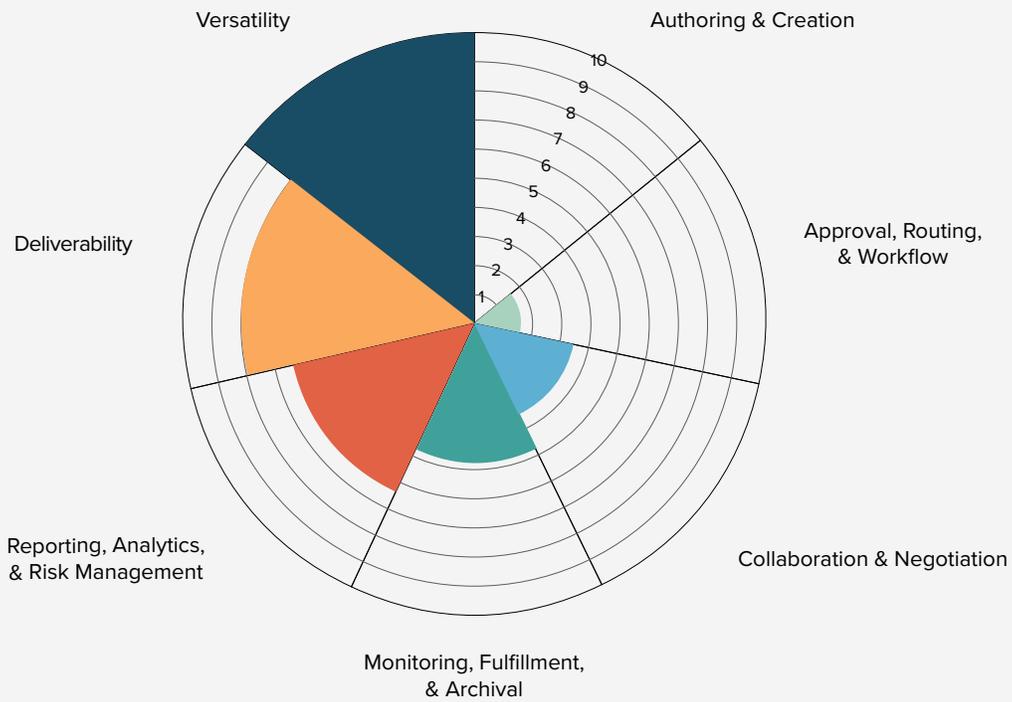
#### Holistic contract lifecycle measurements

- » Contract renewal percentage
- » Contract compliance effectiveness (percentage of contracts compliant with terms)
- » Contract dispute percentage
- » Missed expiration date percentage
- » Missed milestone percentage
- » Etc.

*Learn about leading solution providers.* While the CLM software market is relatively small, there are still a surprising number of CLM options available today. Silencing the noise of providers' marketing efforts can prove frustrating and difficult to organizations looking for a solution. In order to streamline this endeavor, organizations can leverage tools like Level Research's Contract Lifecycle Management Navigator, which offers a straightforward, unbiased review of the CLM space, evaluating CLM solutions in seven categories, see Figure 7. The Navigator helps decision-makers better identify which providers' strengths best meet their organization's needs and includes only the CLM market's top providers, allowing organizations to evaluate software options from a selection of the highest quality.



**FIGURE 7**



**The CLM Navigator Model**

The following profiles showcase the features and services of two of today's leading CLM software providers.



## CobbleStone Systems

CobbleStone Systems is a leading provider of CLM software. Founded in 1995, CobbleStone is one of the oldest and largest providers in the CLM space. Its CLM solution, Contract Insight Enterprise, is a scalable tool that offers many leading contract management capabilities, including extensive configurability and several integrations with third-party tools. CobbleStone’s first product was released in 1995, and since then they have expanded their software to include tools for eProcurement, vendor management, and, more recently, sourcing automation. These tools are fully integrated with the contract management tool and provide CobbleStone’s clients with some Source-to-Settle functionalities. CobbleStone is a federal General Services Administration (GSA) vendor, with strong traction among government institutions and other regulated organizations.

Founded	1995
Headquarters	Princeton, NJ
Other Locations	Somerdale and Runnemede, NJ; London, England
Number of Employees	75-100
Number of Customers	900+
Target Verticals	Healthcare, Government, Pharma/Life Sciences, Banking/Financials, Education, Manufacturing, Distribution, Hotel/Property Management, Food/Beverage, Retail, and more
Partners/Resellers	Salesforce, DocuSign, Microsoft Dynamics, Oracle
Awards/Recognitions	20 Most Promising Enterprise Contract Management Solution Providers – 2016, CIO Review; Award for San Diego County, CA, Cloud-based Contract Administration System, National Association of Counties; Dun & Bradstreet Rating of 92 percent; Top 4 Most Popular Contract Management Software, Capterra

### Solution Overview

CobbleStone Systems’ CLM solution, Contract Insight, may be provided as a cloud/ Software as a Service (SaaS) solution or deployed on-premise; and organizations can choose Enterprise Edition, Concurrent, or Named user licenses. CobbleStone’s security control includes single sign-on or username/password authentication. Clients with a username and password login may choose to enforce password complexity, require users to change their password periodically, and set up automatic lockouts after a certain number of failed login attempts. Contract Insight Enterprise is mobile-friendly and responsive based on a user’s device, allowing contract professionals to complete their work in the office or on the go.



Contract Insight Enterprise supports unlimited contract types, including buy-side and sell-side contracts, employee and partnering agreements, leases, grants, and NDAs. The tool's features include configurable fields, auto-email alerts, rules-based workflow, templates, and rules-based clauses. The system offers both standard and customizable templates for contract creation, and allows users to create a contract from a past contract. CobbleStone's templates are not only used for contract creation, but also for policy management, complex healthcare plan documents, vendor onboarding, and more document and process types.

CobbleStone's contract creation module includes a Microsoft Word integration for templates and a clause library. Users can define rules around each clause to determine eligibility for a contract document with optional fallback clauses. They can also analyze contract clause negotiations for better performance and quicker deals, and can create clauses for employee, entity, region, business group, department, location, and contract type. Users are able to access their clause library dynamically in the system and/or directly within a Microsoft Word-integrated ribbon.

The solution offers a fully configurable approval and review workflow capability. It gives users the ability to approve or reject contracts in the system or via email, leave notes and comments, and set reverse loops, concurrent approvals, sequential approvals, escalations, and delegations. This workflow includes audit logs and version control. It also offers a full online negotiation portal for internal and external parties to collaborate on, approve, and reject contracts. The negotiation portal also entails version control and audit logs, as well as password protection, redlining, and built-in eSignature. CobbleStone offers its own proprietary electronic signature tool, as well as integration with DocuSign and Adobe Sign. The system's integration with Microsoft Word allows users to set forced track changes, optional document lockdown, one-click clause library access, and other features for documents that are sent for external review.

CobbleStone's solution features automated contract renewal and expiration notices, which can be configured based on client needs. The system offers user-friendly, in-system management screens that allow users to configure expiration dates and notifications without CobbleStone or IT intervention.

Contract Insight Enterprise includes full vendor/customer management. Features includes contract data tracking, scorecards, performance ratings, compliance management, monitoring reports, onboarding, insurance alerts, certification notifications, and surveys.



With more than 50 standard modifiable management reports, Contract Insight Enterprise includes a full report designer so that organizations can develop their own custom and reusable reports. Sorting and searching based on contract type, status, and other fields (standard or user-defined) are also included. The easy-to-use ad-hoc query wizard guides authorized users through the query-building process and provides previewing and editing functionality. The custom report builder provides drag-and-drop report designer features that are very similar to the functionality found in other third-party reporting tools, such as those offered by SAP Business Objects and IBM Cognos. The solution includes unlimited, long-term storage for contracts.

### Implementation and Pricing

CobbleStone's average implementation is 30-90 days. The company offers training for many different user types, including train-the-trainer and on-site and online training. User support is available 24/7, 365 days a year, and clients have access to a full online user manual with tutorial videos.

CobbleStone's implementation benefits include the services of a support team that assists in management involvement, governance, and oversight during the process. The support team will gather information on clients' current processes to look for process improvement. It will also work with clients' Legal, Procurement, Risk, Compliance, and other departments during implementation to create clause libraries, system controls, and other features based on their needs. This process incorporates set project costs and a schedule to ensure implementation is completed on time and within budget.



## GEP

GEP is the provider of SMART by GEP®, a comprehensive set of Source-to-Settle technology solutions in one unified platform, including solutions for sourcing, savings project management, contract management, Procure-to-Pay, invoice management, supplier management, and spend analysis. GEP has more than 15 years of experience in deploying contract management solutions, and its solution provides functionality for the entire contract lifecycle, from creation to negotiation to execution.

Founded	1999
Headquarters	Clark, NJ
Other Locations	London, Prague, Mumbai, Shanghai
Number of Employees	c. 2,600
Number of Customers	>200
Target Verticals	All

### Solution Overview

SMART by GEP is a single, unified Source-to-Pay software platform that includes contract management as a core function. Because contracts are central to the procurement process, the unification in SMART by GEP ensures the contract is connected directly to all strategic sourcing and purchasing activities.

The solution’s highly secure procurement platform is native to the Microsoft Azure cloud, and GEP uses a web-based methodology to integrate with its customers’ third-party systems. SMART by GEP is mobile-native, meaning that the entire platform is designed to be accessible with the same degree of functionality on any device.

During implementation, SMART by GEP captures and imports all current contract information from client systems at the metadata level, with a scanning service to capture metadata elements and contract clauses from paper-based contracts. The system also offers industry-standard contract templates based on client-specific categories.

The solution can be configured to support any contract types required by the client, and can include client-specific terminology and document descriptions. Contracts created within SMART by GEP can comprise multiple contractual documents as well as unlimited associated documents, such as appendixes. Each contract also can be part of a parent-child hierarchy.



SMART by GEP enables contract creation in a variety of ways. Contracts can be created from scratch, from templates, or from past or current contracts replicated as new templates; or they can be compiled from a clause library. Administrators can control which options are available, and which amended clauses and terms can be stored in the library for future use.

GEP's solution can also create contracts with its native-sourcing functionality. At the completion of a sourcing event, the buyer can convert a winning supplier bid into a draft contract using the "flip to contract" feature. The negotiated line item and pricing details are inherited by the contract, which is created using the correct template for the category in question.

Contracts can be amended through collaborative editing, clause libraries, and version controls. Users can perform necessary edits online through SMART by GEP's built-in rich-text editor. Alternatively, users can edit and author a contract in Microsoft Word using the solution's Word plug-in. The system can perform version comparisons by highlighting edited sections and clauses of the contract. Permissions to edit documents or approve revisions are based on role, level, or individual credentials. Users can store attachments along with the contract body, and contract authors can set placeholders within the document for the Legal department and supplier to sign. This capability extends to the supplier side, whereby that party can offer redlining and commentary input during negotiation.

SMART by GEP supports a configurable approval workflow that automates multilevel approval processes based on organizational hierarchy, dollar amount threshold, business unit, region, and category. Any new contract creation triggers a workflow process. Once contracts have been internally and externally approved, SMART by GEP supports buyer and supplier electronic signatures via built-in password-based signatures and/or support for third-party eSignature solutions, according to the customer's preference.

The system features a "push to catalog" functionality that sends the line items present within the executed contract to a catalog in SMART by GEP's purchasing tool. This feature allows users to create requisitions and purchase orders that stay in compliance with contracted pricing and terms.

SMART by GEP allows users to monitor, track, and measure thousands of suppliers in one system. It provides a contract lifecycle dashboard that incorporates all of a single vendor's contract activities, including information on contract values, expiration dates, and service or product offerings under specific



contracts. Buyers can communicate with partners through announcements, notifications, and native SMART by GEP messages, as well as by sharing files and working together on projects.

The system also supports automatic contract renewals. Auto-renewal can update contract expiration dates and track notices for terminations so that clients can cancel automatic extensions. The system can also alert the contract owner to manually extend the expiration date of the contract. In all situations, the system notifies appropriate stakeholders via email before a contract is set up for automatic renewal.

SMART by GEP has a robust search functionality that allows users to execute keyword searches through contracts of all types. The solution also has a “certificate management” functionality that stores certificates and other business-critical documents in one location.

SMART by GEP provides real-time standard reports that enable contract management trend and forecast analyses. Prepackaged contract report types include contract value, contract by vendor, parent-child contract, and contract by expiry. An ad-hoc reporting functionality allows users to create reports based on any parameter captured within the system. By applying multiple filters for each metadata element, reports can be created and added to a user’s dashboard, viewed in graphical format, exported in multiple file formats, and scheduled at a desired frequency.

## Implementation and Pricing

Implementation of SMART by GEP includes customization to the client’s business processes and robust customer support to drive end-user adoption. During the implementation and preproduction phases, GEP provides detailed training divided into three parts: system overview, screen navigation, and functionality. Training is offered both on-site and remotely via web conferences. Post-implementation, GEP provides phone and web-based support. GEP’s global customer support staff is based out of three regions (U.S., Europe, and APAC) and is available 24 hours a day, Monday through Friday.

SMART by GEP is an annual subscription-based service priced on a function-by-function basis, largely according to the annual number of users of each function. Pricing factors include number and type of users, interface languages, contract and template configuration requirement, and support services.



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