GLOBAL CONTRACT LIFECYCLE MANAGEMENT

HOW TO KEEP FROM SPINNING OUT OF ORBIT
Global Contract Lifecycle Management: Choosing the Right Solution to Keep Your Contract Process from Spinning Out of Orbit

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The challenges in managing contracts on a global scale

If a typical software implementation is “one small step” toward improving a company’s efficiency, then a global implementation is “one giant leap.”

Rolling out a contract lifecycle management (CLM) solution globally introduces a series of unique challenges. Contracts need to conform to both corporate standards and local requirements. Organizations need to maintain visibility to key contract data required to effectively comply with internal mandates and governmental regulations while still optimizing revenues and minimizing costs. How does an organization even begin to roll out software on such a large scale?

Previously, when it came to contract management, vendors attempted to meet the challenges of the global environment by simply implementing multiple, isolated instances of the software on separate hardware stacks at multiple data centers. While certainly a straightforward solution for the vendor, this approach does not address the challenges of a global CLM environment. Isolated instances of applications cannot, for example, enable enterprise controls to be easily disseminated across all sites. Nor do they facilitate enterprise wide visibility. This type of approach to rolling out CLM ultimately complicates the process even more.

A truly effective global solution is designed to empower end-users to easily and quickly access any content, analytical tools, and enterprise reports in the language of their choice, with the appropriate currency, and with the time/date formats required.

So what should the global CLM “gotta-have” list include?
A global CLM solution should be feature-rich

Global contract management should enable contract optimization, contract compliance, and effective risk management across multiple languages, multiple countries, and multiple regulatory and business environments. Additionally, a global solution should allow any authorized user throughout the enterprise to get a full view of repository data (and metadata) in any language, at any time, and from any location —without the need for any source code modifications.

As a baseline, a solution that can handle global contract management challenges should include:

- Full support for legacy globalization, IT infrastructures, and replication solutions
- Global visibility and reporting across all contract metadata in all languages and currencies
- Controls for business practices, regulatory compliance, and maverick spending
- Presentation of repository metadata in any language
- Language-specific, end-user interfaces
- Full support for all currencies and time/date formats
- Fast and easy configuration of fields
- Seamless replication of data across multiple application instances and multiple databases
- Department-level administration

A global CLM solution should ensure that corporate standards are upheld

In a global company, customer relationships transcend borders, boundaries, and languages—and so do business practices and controls. Corporate standards can be more easily upheld in a number of areas in the contract process including in:

**Contract Authoring:** Automated contract management on a global level should ensure that required fields are included in all contracts, regardless of where they are authored, while also giving authors the flexibility to adapt terms and conditions to local needs. At the same time, the solution should ensure that locally authored contracts reflect terms and conditions that exist in master contracts.
Currency Reports: Rolling up data from multiple local sites, in multiple currencies, into consolidated, single currency reports is an absolute requirement for any company working to minimize contract risks, ensure enterprise-wide compliance with internal controls and external regulations, and optimize management of global revenue and spend. Global organizations looking for automated contract management need a solution that can do this without introducing needless margin for error.

Database Replication: To ensure that timely and accurate information can flow bi-directionally across all data centers in the global enterprise, an efficient global CLM solution should support standardized database replication solutions such as those from Oracle or IBM. This strategy is key to enabling disparate local contract practices that meet a unified global vision.

“Tight/Loose” Controls: In global environments, “tight/loose” controls are essential, meaning that local offices need to adhere strictly to corporate mandates, while also respecting regional prerogatives. Employment contracts for all regional executives, for example, may include performance bonuses, but the levels may vary with local employment law. A global CLM solution will be able to handle the complexity of these conditional variations from one system.

A global CLM solution should meet performance expectations

Software that is intended to handle global contract complexity ideally meets a number of performance expectations.

Facilitating tech communication: During a work session, some CLM products require constant communication links between the desktop and the server. The most efficient contract management systems, however, will eliminate the keystroke latency that can result with this approach and rely on check-in/check-out architecture that enables end-users to establish local copies of contracts they are working on.

Structuring data: An efficient global solution will ensure optimized performance by mapping unstructured information into structured data, and leveraging industry standard databases for repository functionality. As a result, no significant modifications are required in legacy IT infrastructures.

Customizing contracts: With an agile global solution, no source code modifications are required when changing contract structures. In fact, in just minutes, non-technical end-users can create the tailored fields they need for easily customizing contracts to the specific and complex requirements of global businesses.
A global CLM solution should benefit the entire enterprise

A globally deployed CLM solution can deliver a wide range of benefits to an even wider range of end-users throughout the enterprise.

**Financial Departments:** With the ability to roll-up data across multiple global data centers, for example, a global CLM solution offers financial managers snapshot views of all contracts in negotiation. This information delivers an unprecedented ability to assess overall risks, and to drill down to the specific contracts that may be modified to adjust this risk profile. Financial departments can also rely on CLM for more accurate revenue forecasting than is possible with traditional tools, such as sales force automation systems.

**Procurement Departments:** Procurement departments benefit through global visibility to master procurement agreements. Global companies using contract lifecycle management can ensure that all local contracts conform to the terms and specifications in these agreements. As a result, the true value of master contracts can be unlocked and costs controlled.

**Sales Departments:** Sales organizations in global environments can benefit from the ability to calculate the aggregate optimized value of any given contract. A clear understanding of both the extrinsic and intrinsic values and risks associated with a specific contract can provide essential clues for how to tweak sales efforts and refine financial projections.

Looking for efficient global contract lifecycle management?

At Selectica, we understand that the requirements of a global enterprise add complexity to the CLM process, and we work assiduously to ensure these requirements are, and will continue to be, met. Selectica Contract Lifecycle Management enables global enterprises to manage contracts their way, meeting best business practices while protecting legacy resources. For more information, visit www.selectica.com or call 1-877-712-9560.