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CLOUD CONTRACT MANAGEMENT MYTHS DEBUNKED

DETERMINE®

Cloud Contract Management Myths: Debunked

Here's what you'll find inside:

Myth #1:
"My contracts won't be secure in the cloud."

Myth #2:
"Fast access to my contract is compromised in the cloud."

Myth #3:
"I have less visibility into my contracts when they're housed in the cloud."

Myth #4:
"When my contracts are in the cloud, I lose control over them."

A series of contract management myths, corporate urban legends if you will, have cropped up regarding cloud contract management. Granted, moving documents into the cloud — particularly documents as sensitive in nature as contracts — is a big step. But considering the limits to which on-premise CLM software restricts your ability to leverage and monetize your contracts, moving to a cloud platform-based contract management system is inevitable. You benefit from the latest version updates, strict security protocols, ease of accessibility and configurability, and it scales across your enterprise, no matter where or how many locations you have.

So, allow us to take you Mythbusters-style through a few pervasive misconceptions and see if we can't debunk some of the most common myths surrounding managing contracts in the cloud.

Let's get started.

Myth #1:
"My contracts won't be secure in the cloud."

The Concern:

We're all generally nervous about putting our sensitive information "out there" into the world. We often hesitate entering our credit card numbers when prompted, guard our social security numbers with the ferocity of a mother bear, and protect our personal information on social networking sites via privacy controls. It's certainly not a bad thing to approach information sharing with caution.

Hesitancy with managing contracts in the cloud falls in line with the examples above— worrying about allowing information outside of your own four walls. And when it's your job to manage and protect critical information, all the more so.

The Facts:

You may not think of it this way, but your information is already in the cloud. If you send contract drafts via email, for instance, a large volume of sensitive information is already shooting outside of your four walls. Do you run Customer Relationship Management (CRM) software? All major CRM systems (Oracle, Siebel, SAP, Salesforce, etc.) provide a cloud offering. If your CRM system is deployed in the cloud, sensitive information—such as your sales pipeline—is already in the cloud… and extremely secure.

The best contract management systems today offer iron-clad security, regardless of whether the solution is deployed on-premises or in the cloud. By surrendering the job of keeping contracts safe and confidential to a company that offers tried and true security, you are actually making your contracts more secure than if they were housed with you. Cloud contract management offers a secure repository, along with the ability to put access controls on your contracts to ensure that only people that should be accessing or altering them, are. Suddenly, the weak paper trail disappears and is replaced with a digital trail that is strong and auditable.

Recall previous stigmas surrounding mobile information sharing and spread. What alleviated those worries? For one, continued investment and innovation in mobile technology. It feels that almost overnight a switch flipped, and individuals and enterprises felt infinitely more comfortable dealing with sensitive information in the mobile "cloud." Additionally, they realized that in the cloud, not only is information secure, but the method of retrieving and sending it is extremely convenient. With contracts specifically, a Sales VP can easily and quickly (not to mention safely!) approve, reject, and review contracts, often with just one click on a smartphone or tablet. Suddenly, more deals are closing and sales cycles speed up. Business just gets done faster in the cloud.

MYTH BUSTED!
Cloud contract management actually increases contract security while simultaneously allowing for accelerated sales cycles.

Myth #2:
"Fast access to my contracts is compromised in the cloud."

The Concern:

Ever play "Where's Waldo?" You're tasked to look through a sea of cartoon figures for just one little gentleman, clad in a red and white striped sweater, with a matching beanie and geeky glasses. This seems like a relatively easy task initially, but becomes increasingly frustrating when you just can't find him. Sometimes you never find him. Great game, right?

Organizations often equate managing contracts in the cloud to playing a giant game of "Where's Waldo" with their most critical, confidential documents. They determine that it's easier and safer to walk a contract around the office for signatures or pass a Microsoft Word document to all necessary parties via email. Documents in the cloud, they argue, will be harder to locate and access.

The Facts:

Cloud contract management creates a breadcrumb trail to any contract or piece of information related to a contract, a practically effortless way to search for and find exactly what you need. The underlying data or history for each contract is right there with the contract itself for context, and for your easy access and reference.

Not only can you easily access all contracts and related documents through a cloud contract repository, but you also have all the tools (federated search, template management, clause libraries, and archiving to name a few) to continue to manage them through their lifecycle at any stage. Cloud contract management makes it easy to look at liabilities and commitments across all contracts and leverage dashboards to proactively mitigate risk without slowing down business.

Manual contract management methods are, let's face it, messy. Piles of papers scattered on desks, dusty file boxes or cabinets, misplaced pages or whole files— all present the potential for disaster or, at the very least, a headache. Homegrown systems may be effective in managing contracts that aren't very complex, or a smaller volume of contracts, but they rarely scale with company growth, and without sophisticated search capabilities can still leave users scrambling to find the documents they need.

Cloud contract management—accessible from anywhere via a web browser— ensures that contracts won't get lost or become untraceable. Furthermore, since administrators have the freedom to update rules and configure the system to fit their particular needs, contract management systems grow with the company and morph to fit how the company operates. Additionally, best-of-breed cloud contract management systems allow the freedom of choice to access contracts either through the system itself or in programs that users potentially already have open, such as Microsoft Word.

MYTH BUSTED!

Advanced abilities to search, find, and work on contracts from just about anywhere make cloud contract management an optimal choice for organizations with complex contract processes.

Myth #3:
"I have less visibility into my contracts when they're housed in the cloud."

The Concern:

You have a comfortable, healthy relationship with Microsoft Word "Track Changes," and the ability to see exactly what changes have been made to a contract during authoring and negotiations. You worry that if you move contracts into the cloud, it will be harder to check the status (through an email to whomever you believe has the contract at any given time) and alter the system you already have to monitor changes to contract language.

The Facts:

With approvals chains, "Track Changes" is the poor man's method of maintaining visibility over contract changes. In fact, it's a method that allows the ability to turn off the tracking capabilities and make a change, leading to more potential contract errors or mishaps. By managing your contracts in the cloud, you get a single view of a developing contract and all of its iterations, which provides you with total awareness of any changes made, however small.

Approvals chains go beyond simply passing a Word document around the office, though. How do you keep everyone involved in authoring, negotiating, signing, and performing ongoing obligations management in sync? Scrambling to determine who has a contract or what stage of the approvals cycle a contract is in wastes time and is practically an invitation for confusion and errors. Gone are the days where you had to wait weeks and weeks for contract edits or approvals from counter parties. Contracts that can make their way through an approvals process in the cloud can be consistently monitored to see who is bottlenecking the contract, who made changes, and where it stands in its lifecycle at any given time. The convenience of tracking contract changes and approvals in the cloud prevents you from ever being caught off guard when a manager inquires about a contract's progress, and ensures that sales cycles continue to flow steadily.

As an added bonus (cue singing of "Kum-Ba-Yah"), the choice to manage contracts in the cloud builds cross-departmental unity. Okay, we don't envision departments company-wide joining hands around a bonfire, but we do expect that in the contract process, you work together in some capacity that requires cooperation and complete visibility. Contracts more often than not require approvals and input from a variety of departments across the enterprise (Sales, Finance, Legal, etc.), and without an organized way to manage input from all parties, contract progress flounders. The cloud brings everyone together to more effectively collaborate and push business forward.

> **MYTH BUSTED!**
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> Rather than hindering visibility, the cloud allows employees across departments to access all necessary contract changes and approvals information more accurately and quickly than trying to manage through a series of emails.

Myth #4:
"When my contracts are in the cloud, I lose control over them."

The Concern:
You equate surrendering your contract workflow specifications to the nebulous "cloud" with surrendering your car keys to your teenage driver. How will you maintain control over your contracts? And will the contract management vendor you chose try to impose a structure that doesn't gel well with how you work?

The Facts:
There's actually a kind of comfort with managing your contracts in the cloud. With cloud contract management, buyers get an out-of-the-box platform and sandbox to set up workflows, along with experts to guide them along the way. You're not truly surrendering your contracts. Rather, you are getting the tools you need to set up workflow steps that accommodate your contract processes, and the help of implementation managers who will make sure you're covering all of your bases. Cloud contract management offers best-of-breed functionality and full services and support, with the added convenience of speedy access and less headache over version control and upgrades.

What's the benefit of managing in the cloud rather than on-premise? Behind-the-firewall implementations are problematic since they shift implementation experts' attention away from optimizing customers' needs—particularly at a clause level—to other, more administrative needs, such as IT issues or resolving common pitfalls encountered in on-premises implementations. Cloud contract management improves productivity by easing the burdens on your own IT and letting your cloud CLM provider handle technical details. The Harvard Business Review article "What Every CEO Needs to Know about the Cloud" describes this idea perfectly: "Most IT departments today are stretched thin with maintenance activities, leaving precious little bandwidth for development and new initiatives. The cloud offers a way for companies to pursue opportunities nimbly and, in most cases, cost-effectively."

MYTH BUSTED!
Cloud contract management guides you to the most effective ways to manage your contracts, and frees your IT team from performing maintenance activities.

Conclusion:

Have we managed to shoot a cannonball through your previous notions about cloud contract management? In actuality, you're probably more "cloud" than you thought, and choosing contract management in the cloud is not such an intimidating idea after all. It's secure, provides speedy access to documents from a variety of devices, improves enterprise-wide visibility over contract deliverables, and allows you the peace of mind that your system is under your control and is optimized to meet your needs.

At Determine, our customers rely on our cloud contract management solution every day to get their buy-side and sell-side deals done faster.

If you want to learn more, contact us at +44 20 3868 0216 or sales@determine.com.