

Contract **Lifecycle** Management

An Essential Guide for
Legal Departments



THOMSON REUTERS®

Everything evolves – even contracts.

Contract lifecycle management (CLM) is one of the fastest growing legal technology solutions for contract analysis¹, with

more than one in two corporate
law departments

55%

currently using a contract
management system.²

A further

41%

are investing moderately to
significantly in technology³;
a seven-fold rise in as many years.⁴

This almost-unanimous demand validates the rising necessity of technology within the legal landscape, a paradigm shift sparked by the pandemic.

In the last few years we have seen organisations undergo transformational pivots to accommodate a world working remotely. We saw accelerated adoption of technology, with “two years’ worth of digital transformation in two months” according to Microsoft⁵. We appeared to find our feet through the pandemic only to side-step into the current state of economic uncertainty and supply chain challenges.

The world has evolved, technology has evolved – and so have contracts

The sometimes-tedious, repetitive process of contract preparation to execution has evolved, with artificial intelligence (AI) technology powering smart automation tools to streamline workflow, increase return on investment and deliver more strategic value to your organisation.

This is the only guide you will need to read about contract lifecycle management. We break down this technology solution and explain why it is a necessary tool for every legal department that wants to elevate to a new level of efficiency.



This guide **will cover:**

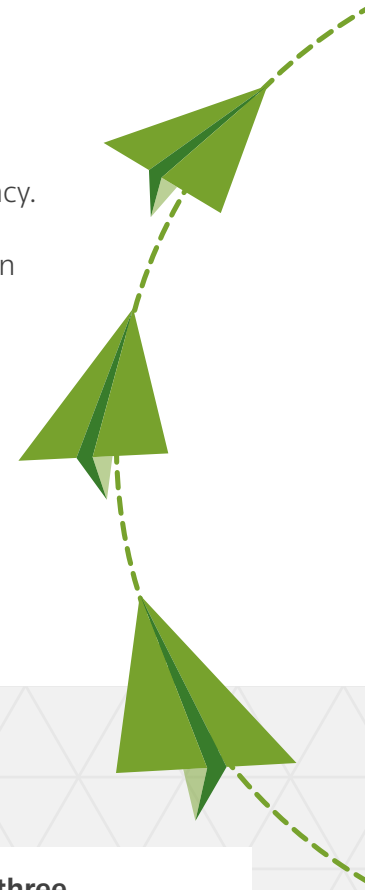
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Introducing a new level of efficiency

The advancements we are seeing in legal technology are catapulting the industry into the throes of necessary technological change. Organisations are investing heavily in cyber security and collaboration platforms⁶ to accommodate the ongoing hybrid work models. Continued talent shortages, tightened budgets and increased regulations, particularly around information governance, are driving the need for increased efficiency.

Contracts are at the core of any business and efficiency can be difficult to achieve when using manual or fragmented processes. It can become overwhelming for corporate counsel to manage the high volume of agreements while meeting compliance and delivery deadlines, putting your organisation at risk of potential term breaches or missed opportunities for monetary claims.

Evolving your contract lifecycle management is imperative to streamline the process both within your legal department and the wider organisation, to meet the needs of the business more strategically.



So what does a new level of efficiency look like?

If you are like one in five

20%

legal departments, you want to manage your contracts on one integrated dashboard platform.⁷

You want a flexible solution that is easy to implement and can pivot with the changing needs of your organisation. You want to manage compliance obligations and mitigate greenwashing and other rising risks. You want to deliver improved ROI and demonstrate the value of your team to the broader business.


If you are like almost one in three

32%

in-house legal professionals, you want to work with purpose⁸ and free your time up from the repetitive, administrative processes that contract management includes.

You want to collaborate on dynamic documents in real-time and have access to AI-driven tools that highlight obligations, risks and anomalies. You want the opportunity to develop your skills and position yourself as a strategic advisor where you can contribute to the broader needs of the business⁹.

The way to reach this new level of efficiency is by connecting workflows with an end-to-end technology solution in contract lifecycle management.



What is Contract Lifecycle Management?

Put simply, contract lifecycle management is a technology solution that creates, tracks and organises your contracts, from start to finish.

CLM automates and streamlines every step of the contract process, from intake and initiation through to execution, compliance, maintenance and renewal. It removes manual steps and simplifies the agreement process, while ensuring the integrity of each contract is maintained, even at the hands of multiple parties.

Negotiation and execution of contracts can be reported with real time visibility while AI technology can be leveraged to extract actionable insights and obligations. Smart templates can be standardised to automate procurement, sales contracts, intellectual property licenses and internal agreements.

The lifecycle of a contract

The stages of contract lifecycle management, both within the legal department and the broader organisation.



Contract lifecycle management for your organisation

Compliance is one of the most significant hurdles facing nearly three in five

59%

legal departments¹¹

and particularly challenging when managing multiple contracts and parties, as things can be missed.

As the regulatory landscape increases and budgets are tightened, focus is heightened on performance and resourcing.

Most corporate law departments

90%

have implemented technology-driven metrics to improve efficiency within their team.

While more than half of corporate law departments already use a contract management system, CLM tools can add value to your entire organisation, by tailoring individual c-suite functions with a different features focus. Consider the table below:

Adopters across the organisation leverage different features of CLM¹²

| General Counsel | CTO/CIO | CPO | CRO | CFO |
|-----------------|----------------|----------|---------------|---------------|
| Clauses | Strategic | Procure | Deal Speed | Finance |
| Templates | Secure | Purchase | Total Revenue | M&A |
| Review | Tech Spend ROI | Vendors | Upsells | Profitability |
| Risk | | Rebates | | HR |

“

“Tech is an enabler of revolutionary potential in legal practice”

University of Law
Professor and Dean¹⁰

Contract lifecycle management for your legal talent?

Digital literacy is fast becoming a core skill for legal talent, particularly as future lawyers are all digital natives.

With lawyer turnover rising significantly and over three in five lawyers

61%

posing a flight risk within the next two years¹⁴

creating a culture of innovation and technology can provide a significant opportunity to assist in retaining those lawyers¹⁵.

Another emerging consideration is the mental wellbeing of legal talent, as professionals begin to recognise the lingering effects that come with managing the increasing demands of the profession. The Law Society reported that “too much stress can negatively impact overall performance and wellbeing”.

Automating repetitive and time-consuming tasks help to alleviate stress and sharpen mental efficiency. This also frees up time for lawyers to focus on becoming strategic advisors to the broader business, which improves job satisfaction.

This was cited by nearly three in five

58%

of lawyers as their most valued way of working¹⁶.



“

“The evolving intersection of talent and tech is a noteworthy trend as tech can help attract and retain talent”

Jackie Rhodes Managing Director
Thomson Reuters¹³

The **top 10** of CLM

If you're one of the few legal departments not yet on board with a contract lifecycle management solution, now is the time to evolve. Here are 10 features of CLM that will transform your ways of working with contracts:

- 1.** **Complete transparency** of contracts from end to end
- 2.** **Reduce** onboarding implementation time by 50%
- 3.** **Automate** repetitive, standard clauses
- 4.** **Real-time** collaboration
- 5.** **Quickly find** the latest version of a contract in the repository
- 6.** **Dashboard integrates** with e-signing, Google and Microsoft
- 7.** **Extract actionable insights** and identify risks
- 8.** **Never miss deadlines** or renewals
- 9.** **Improve job satisfaction** and retention
- 10.** **Reduce costs** and deliver increased ROI

Selecting the right **technology provider** is key



With almost one in four corporate legal departments

23%

experiencing failed legal technology projects

and more than half

53%

admitting that the technology chosen was not the right fit for their organisation¹⁷, it's critical to take a considered approach in the technology partner selection process.

There is no shortage of choice when it comes to contract lifecycle management solutions, making it highly competitive and equally overwhelming. The key is to choose a trusted technology provider that not only has the right solution for you today, but one that can scale and flex in the future as your organisation and needs evolve.

A lot of time is invested in the process of implementing new technology partners, particularly with the rigorous cyber security compliance diligence most organisations conduct. Successful tech adoption is reliant on both addressing your objectives, as well as fitting into the culture of your organisation¹⁸.

The *2022 Australia: State of the Legal Market* report supports the premise that "technology adoption is much more about the people and processes than the technology itself. Taking a people-first approach in order to shift mindsets through collaboration and challenge the status quo can pay dividends relatively quickly."

Innovation adoption: points to consider¹⁹

- Evaluate your existing contract workflow and identify the problem/s you want to solve
- Review your existing technology and determine what you want to integrate with the new solution
- Find out what motivates and engages your lawyers to drive internal adoption
- Determine what additional capabilities lawyers need and help them develop these skills. Agility, adaptability, flexibility, and curiosity are key
- Embed innovation in practice groups and focus on adding value for the organisation
- Motivate multidisciplinary teams to work together through connection, communication and collaboration
- Consider your organisation's existing structure and what needs to adjust to accommodate new ways of working and foster innovation
- Invest in your people and processes, not just the technology

Technology adoption in four simple steps



Step 1

Look for trusted and established providers that will fit and grow with your organisation.



Step 2

Speak to a legal technology solutions expert who can help you assess your needs and provide a demo.



Step 3

Work with the experts to build a successful business case for your stakeholders, including projected value vs cost (ie. return on investment).



Step 4

Partner with your technology solutions provider for seamless onboarding and implementation.

Thomson Reuters CLM: Individually brilliant – powerful together

KEY CHALLENGES

To improve your contract process, you need to:

- Reduce time-consuming, repetitive work
- Mitigate inconsistencies in contract creation
- Speed up time from creation to execution
- Gain visibility across entire contract portfolio
- Reduce risk of missing key deadlines

RESULTS

With the right CLM solution, you can:

- Empower business stakeholders to self-serve with document automation
- Auto-triage for assigning contractual work
- Ensure control with data-driven approval process and granular permissions
- Leverage AI-powered tools to extract contract insights

Thomson Reuters offers a flexible end-to-end contract lifecycle management solution which is powered by HighQ. You can use the CLM solution on its own or gain access to the powerful benefits of the full HighQ suite.

We can tailor a solution that delivers what your legal department needs, and our experts can support you every step of the way whether it's for staff training, implementation support or document creation.

Thomson Reuters HighQ powers over 100,000 organisations worldwide with our AI-automation capabilities.

Speak to a CLM Specialist

Meet the CLM team



Tanya Sciuriaga

Professional Services Lead Consultant

With over 30 years legal document automation experience, Tanya works closely with our customers to gain a deep understanding of their limitations and requirements, and tailor the most efficient automation service for them. Legal document automation services can include approvals, contract lifecycle management and legal intake.

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Polly Poon

Senior Client Specialist

Polly is passionate about partnering with legal professionals to build efficiencies through the use of technology. She defines her success metrics by optimising content, data and processes and turning tasks into informed workflows. This ultimately leads to improved accuracy, cost savings and client relationships.

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Samantha Hilton

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Our legal content and software solutions are specifically designed around our customer's needs and feedback while the ever-shifting market dynamics inform our new product development and roadmaps. It's an exciting time to be part of this team.

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1. State of Corporate Law Departments 2022 p19 2. State of Corporate Law Departments 2022 p15 3. 2022 Australia: State of the Legal Market report p20 4. PwC NewLaw analysis by Eric Chin 2021 5. Microsoft CEO: "We have seen two years' worth of digital transformation in two months" - DCD (datacenterdynamics.com) 6. 2022 Australia: State of the Legal Market report p21 7. Tech & the Law report 2022 p27 8. 2022 Australia: State of the Legal Market report p25 9. State of Corporate Law Departments 2022 p24 fig19 10. 2022 Australia: State of the Legal Market report p2 11. Tech & the Law report 2022 p20 12. Sources: Thomson Reuters State of Corporate Law Departments, March 2022; Gartner 13. 2022 Australia: State of the Legal Market report p3 14. 2022 Australia: State of the Legal Market report p17 15. 2022 Australia: State of the Legal Market report p17 16. Tech & the Law report 2022 p22 17. Tech & the Law report 2022 p29 18. 2022 Australia: State of the Legal Market report p21 19. 2022 Australia: State of the Legal Market report p23

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