



2015  
**STATE *of*  
CONTRACT  
MANAGEMENT**

THE DATA YOU NEED TO TROUBLESHOOT, PLAN  
AND EXECUTE CONTRACT MANAGEMENT

springcm

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## STATE OF CONTRACT MANAGEMENT: **About '2015 State of Contract Management'**

The first of what will be an annual report, *The State of Contract Management* is the compilation of a survey of 720 business professionals. In the survey, we probed respondents from various industries, on their contract management process and challenges.

There's no need to read the report linearly. Jump around, take notes in the margin of the document, and learn how you stack up against other companies' contract management processes.

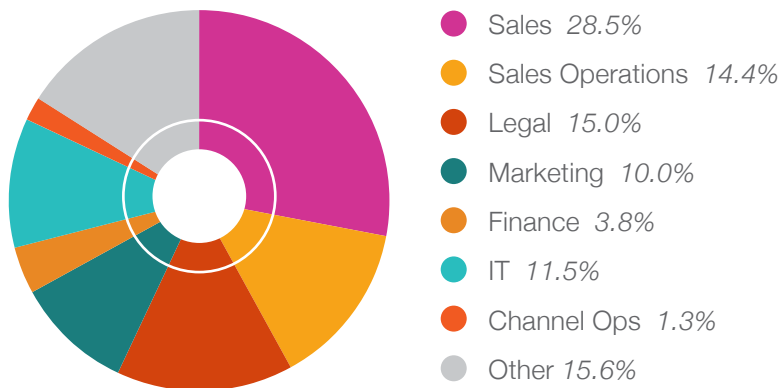


720  
RESPONDENTS

# 2

## STATE OF CONTRACT MANAGEMENT: Audience Composition

### RESPONDENTS' CURRENT ROLE



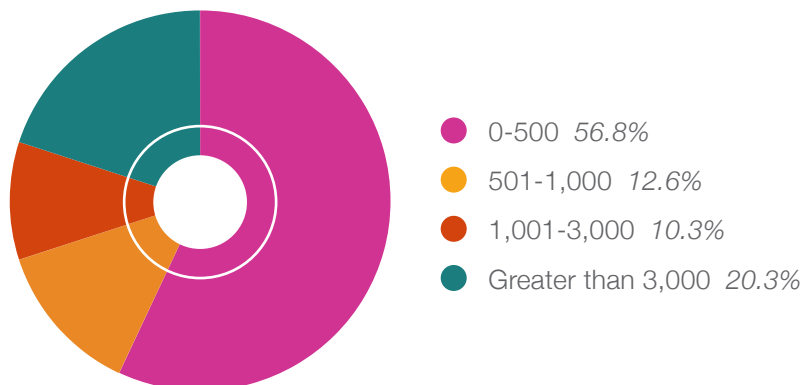
### INDUSTRIES



*Dozens of industries including:*

- Software Consulting
- Financial Services
- Government Relations
- Law
- Aviation
- High Tech
- Energy and Utility
- Insurance
- Health Care

### NUMBER OF EMPLOYEES





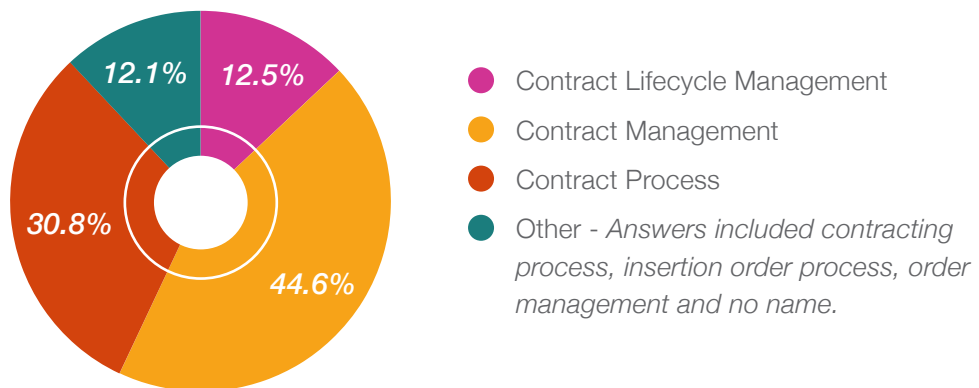
## STATE OF CONTRACT MANAGEMENT: **The Anatomy of a Contract**

While the anatomy of a contract varies by company size, company culture and industry, several consistencies became apparent as we were analyzing the results.

We asked several contract management-centric questions in hopes of gleaning insight into how other companies are managing their process.

### WHAT DO YOU CALL YOUR SALES CONTRACT PROCESS?

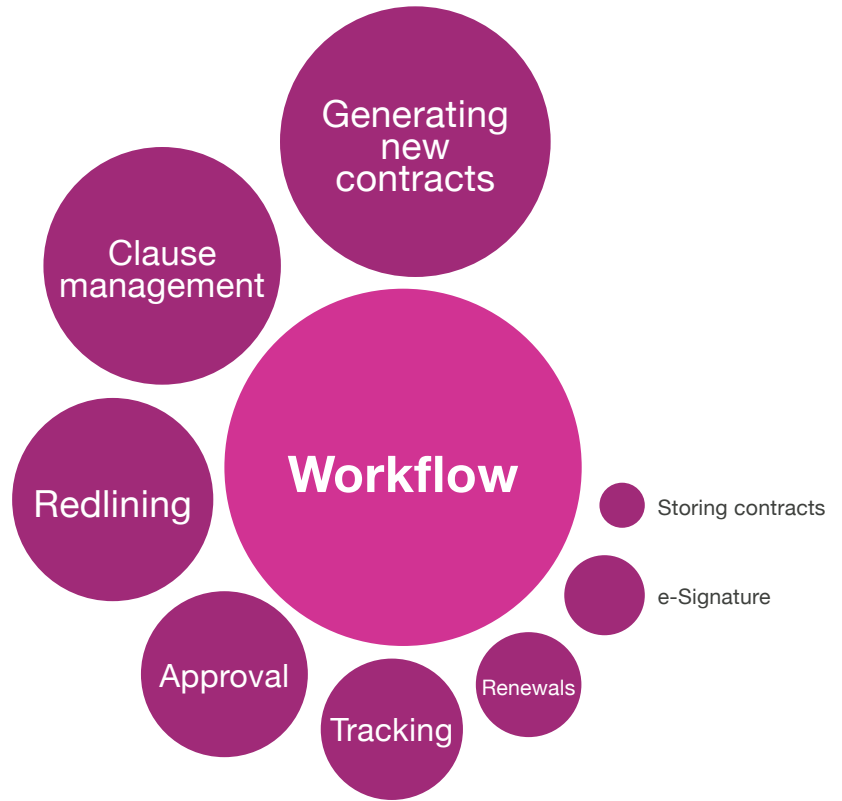
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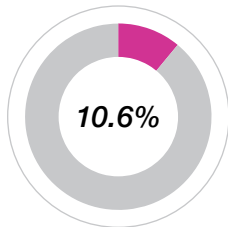
## BIGGEST CHALLENGES TO THE CONTRACT MANAGEMENT PROCESS

From Most to Least Challenging:

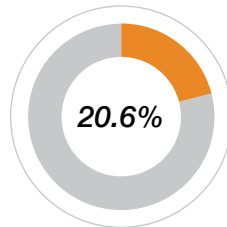
- Workflow
- Generating new contracts
- Clause management
- Redlining
- Approval
- Tracking
- Renewals
- e-Signature
- Storing contracts



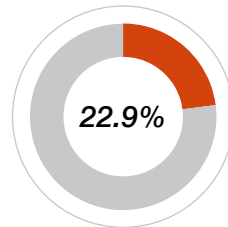
## LENGTH OF SALES CONTRACT CYCLE



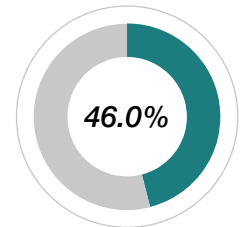
Less than 1 week



1-2 weeks

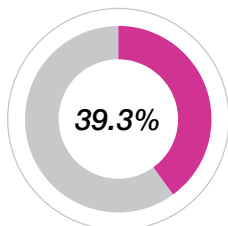


3-4 weeks

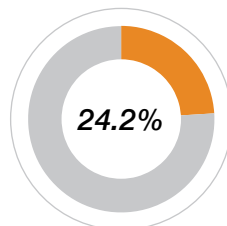


Longer than 4 weeks

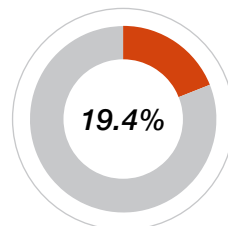
## LENGTH OF ACTUAL CONTRACTS (PAGES)



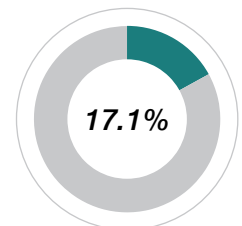
2-6 pages



7-10 pages



11-20 pages



More than 20 pages

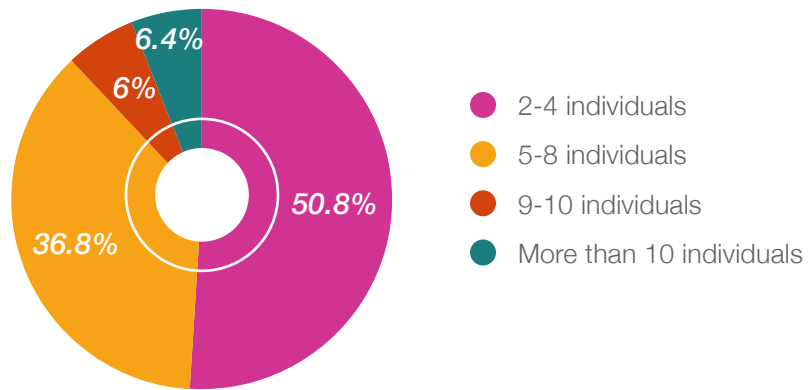


4

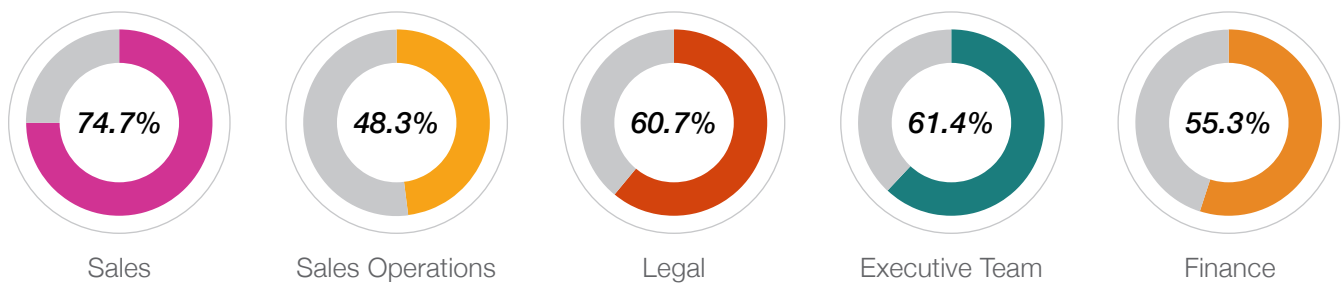
## STATE OF CONTRACT MANAGEMENT: **Contract Process Players**

The contract process players vary largely depending on company size. Typically, the larger the company, the more people and departments there are involved in the process.

## INDIVIDUALS INVOLVED IN AVERAGE SALES CONTRACT PROCESS



## DEPARTMENTS INVOLVED IN CONTRACT PROCESS





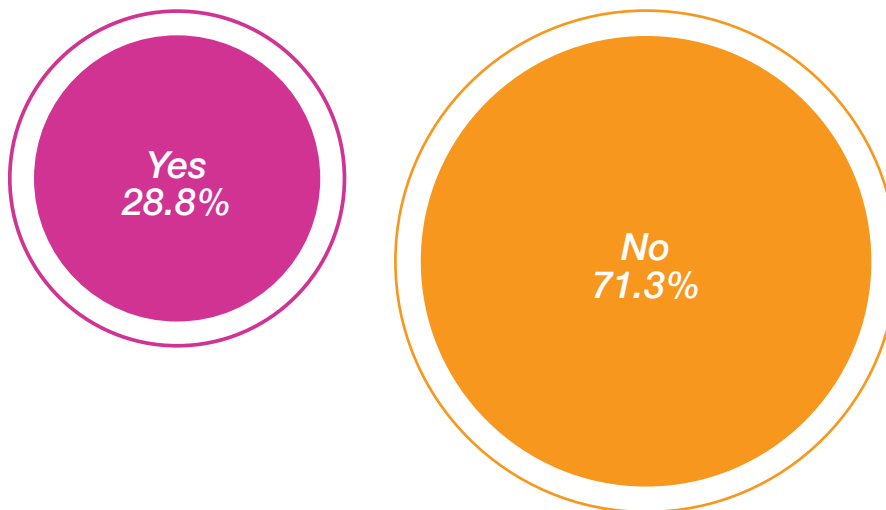


## STATE OF CONTRACT MANAGEMENT: **Breaking Down the Contract Process**

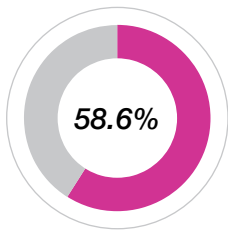
The survey results indicated that, for the majority of companies, the contract process is not automated. While processes are still in place to ensure efficiency and compliance, a manual process can open the door for human error.

### IS YOUR CONTRACTS PROCESS AUTOMATED?

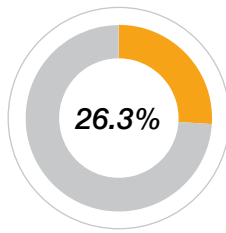
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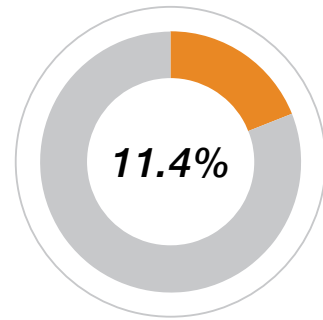
## MANUAL WAYS OF MANAGING CONTRACTS



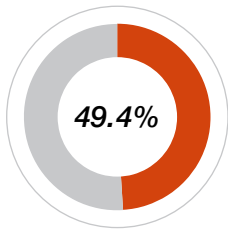
Email



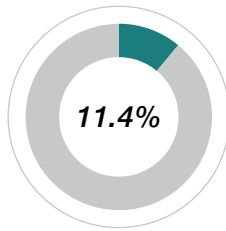
Excel



Other



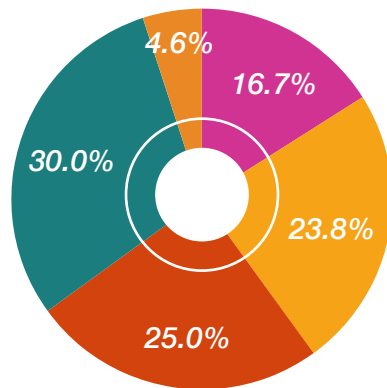
Shared drives



No process in place

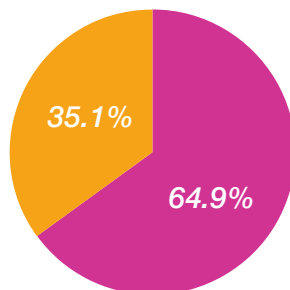
*'Other' answers included "more prayer," clause management, internal controls compliance, staffing and organization.*

## TOP BUSINESS DRIVER BEHIND BETTER CONTRACT MANAGEMENT



- Shorten sales cycle
- Mitigate risk
- Improve customer experience
- Increase sales productivity
- Other

## DO YOU THINK YOUR EXECUTIVE TEAM WOULD BENEFIT FROM SEEING CONTRACT STATUS IN RELATION TO ANTICIPATED REVENUE?



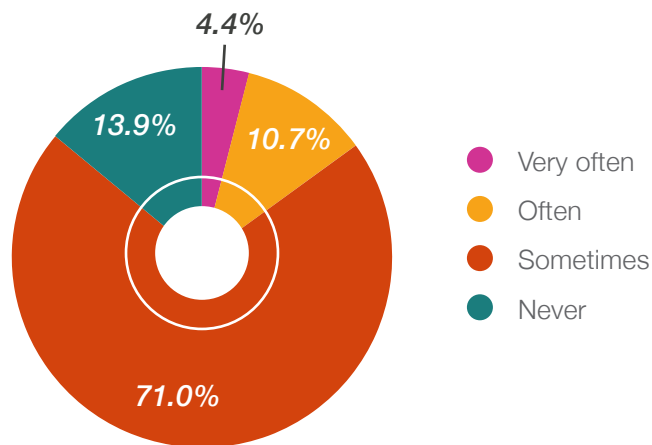
- Yes
- No

# 6

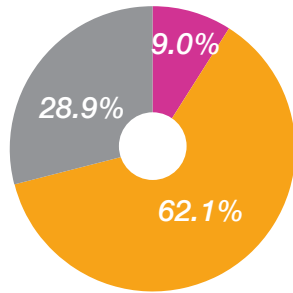
## STATE OF CONTRACT MANAGEMENT: **Contract Management Challenges**

As we stated in an earlier chapter, a manual process can open the door for human error. The results in this chapter will highlight some of the risks that respondents' companies face.

### HOW OFTEN DOES HUMAN ERROR IMPACT YOUR CONTRACT PROCESS?



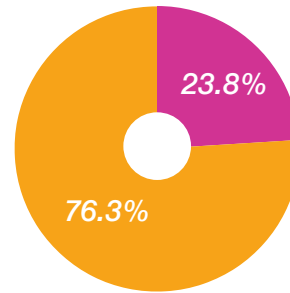
### HAS YOUR COMPANY EVER BEEN PENALIZED FOR COMPLIANCE ERRORS OVER A SALES CONTRACT?



- Yes
- No
- I don't know

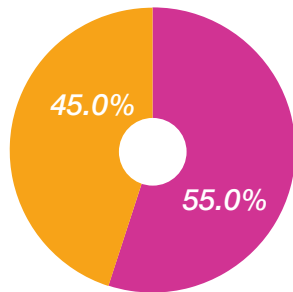
*Compliance errors can be the result of not knowing where approved versions of contracts live.*

### DOES YOUR TEAM HAVE TROUBLE FINDING SIGNED CONTRACTS?



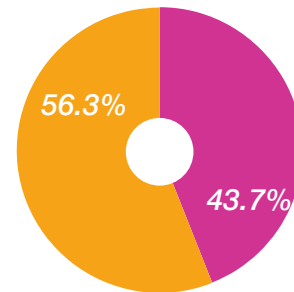
- Yes
- No

### DO RELEVANT TEAMS HAVE INSIGHT INTO CONTRACT MOTION DURING A DEAL CLOSING?



- Yes
- No

### IS THE CONTRACT APPROVAL PROCESS CAUSING DEALS TO STALL?



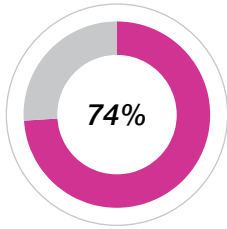
- Yes
- No



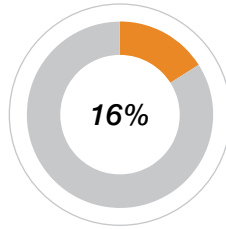
## STATE OF CONTRACT MANAGEMENT: **Contract Management Tools**

Aside from Contract Management software, companies are using piecemeal tools to manage certain aspects of their contract process.

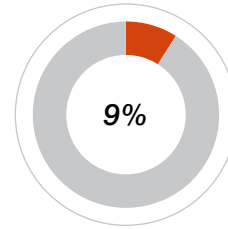
## WHAT TOOL DO YOU USE FOR REDLINING?



Microsoft Word

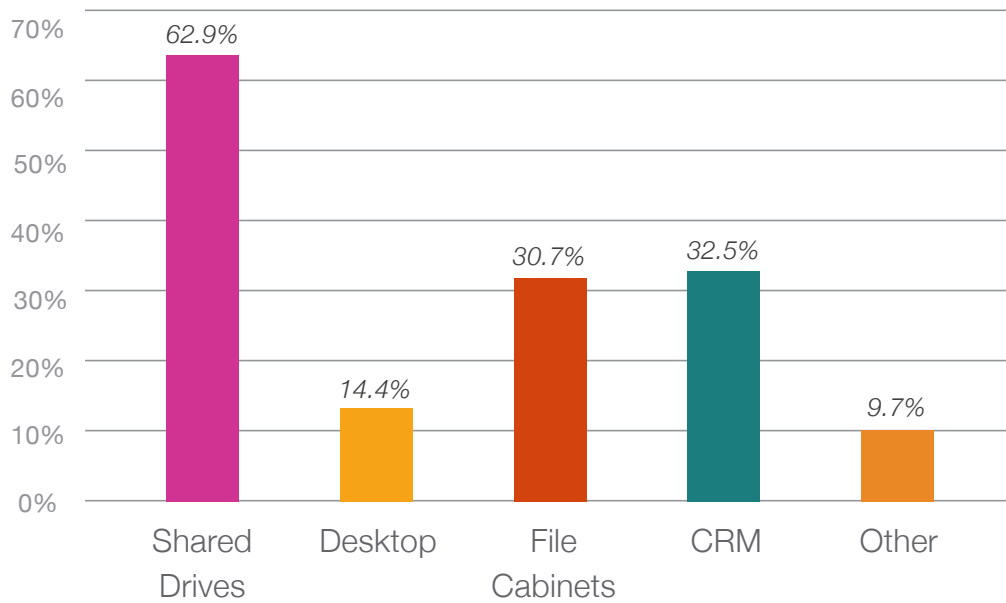


The redlining within contract management tool



Other

## WHERE DOES YOUR TEAM STORE SIGNED CONTRACTS?





# STATE OF CONTRACT MANAGEMENT: **Survey Methodology**

SpringCM fielded our *2015 State of Contract Management Survey* from March 31st through April 2nd, 2015. The survey was delivered via email and administered online.

We surveyed 720 respondents, who all received the survey via email. Each respondent answered 25 questions, ranging from ‘How would you describe your current role?’ to ‘Is the contract approval process causing deals to stall?’.

To see the exact demographic breakdown of the completed survey respondents, please reference the Audience Composition at the beginning of this report.

## **ABOUT THE TEAM**

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Author: Katie Gutwein

Survey Creation: Annie Elzey / Katie Gutwein / Pierce Smith

Survey Implementation: Kim Bullock

Data Analysis: Katie Gutwein / Pierce Smith

Chart Design and Report Design: Brooke Becker

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SpringCM's contract management platform shortens sales cycles for your direct and indirect sales teams. Through a cloud document management application that includes true workflow automation, we help customers simplify their contract management while helping them identify potential areas of risk in the process. Our quick-to-implement solution is designed to complement existing business processes and deliver measurable value within the first month.

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