

Contract Management Software Checklist & ROI Calculator



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CONTRACT MANAGEMENT SOFTWARE

Businesses of all sizes need contract management software that meets their needs today but also prepares them for future growth.

While contract management needs may vary from business to business to some degree, there is a core set of functionality that is generally important for almost all companies. Contract storage, tracking, alerts, and sharing are common requirements that all companies need. Additional contract management system features that some may need could include authoring and red-lining.

In this document, we explore why most businesses will benefit from a contract management solution (CMS) and how choosing the right one can save you time, money, and frustration by streamlining your processes and keeping you in compliance.

If you're reading this, you're probably already thinking about getting a contract management solution. And, if you're thinking about it, you probably need it! The right software will make your life easier, save you time, and help you avoid embarrassing missteps. However, the wrong choice will either slow everything down, be a big distraction or just wind up abandoned. Don't buy your company an exercise bicycle that becomes an expensive clothes hanger! Get a tool that will make everyone's life easier . . . especially yours.

While some packages offer features for all stages of the contract lifecycle, most businesses don't use many of them. Instead, take a look at how you work and what you need so you can find software that fits that will still make room for growth. Use this checklist to help find the best contract management solution for your business.

Contract Management Software Checklist

- **Security.** This one is obvious, but it's still the one that should be at the top of your list. With news of data hacks occurring regularly, the platform you choose should offer the latest in data security.
- **Cloud-based.** Cloud-based platforms allow your team to access contracts when and where they are needed. This feature also helps protect your business in the event of a hard drive crash or other computer issues that could restrict your ability to access contracts stored on a computer. In the past, locally hosted options were usually safe enough. In today's world, find cloud-based software with great security and you'll be better off.
- **Search feature that relies on optical character recognition (OCR).** With OCR, your contract management software essentially "reads" and recognizes every word of each contract, even if they come in right from a scanner. This means that you're not searching on just the name of the files. Instead, it means you're also able to search on the content of the contracts. Instead of just searching, you're finding!
- **Track all contract dates, even those that are automatically renewed.** What's the point of relying on contract management software if it can't track all your contract dates? Some contract management software only tracks the start and end dates. Look for a solution that can track all your contract dates, especially if they have an automatic renewal clause.
- **Easy email alerts.** Look for a contract tracking solution that also enables you to set alerts including renewal dates, audit due dates, insurance expiration dates, etc., and that provides you with email reminders for these important dates.
- **Track all your key formats.** It seems intuitive but you'd be surprised how many times people forget to check this. If you keep contracts as Word documents, make sure your contract management solution can store Word documents. Likewise, if you keep them as PDFs or Excel sheets . . . well, you get the point! The software needs to be compatible with how you save your documents.
- **User Management.** You should be able to control who has access to which contracts or features and be able to quickly remove users should the need arise without having to change everyone's passwords.
- **Integrations.** If you use other services like DocuSign or Salesforce, look for a platform that integrates with them to streamline your team's contract execution workflow. Also more and more companies are implementing Single Sign On. Try to find a solution that offers SAML 2.0 integration for programs like Okta or Active Directory.

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- **Simple onboarding.** No one wants to spend weeks manually uploading contracts. If you have a handful of contracts, onboarding is less of a concern, but ease of upload can become a deal breaker if you have a lot of contracts. You should be able to import your existing information into a software without having to re-enter it.
- **Organization.** If you deal with several different types of contracts, such as vendor contracts, client contracts, employee contracts, purchase agreements, etc., then you should be able to group your contracts together so you can quickly find all contracts relating to a specific request. This is especially useful if you have several departments each using a handful of tools.
- **Multiple ways to add contracts.** One of the most common shortcomings of contract management software is that they don't contain all the company contracts. Many solutions can throw up barriers to getting new files in, which can make it challenging for your team to get contracts where you want them. Make sure your solution has multiple ways to get new contracts loaded such as uploading, emailing and integrating with your e-signature solution are the most common entry points.
- **Contract repository size.** Look for contract management software that allows you to easily increase the size of your repository when you need it.
- **Easily configurable.** Some contract management software either can't be customized or require expert help (or at least the help of an IT team) to tweak. This leads to out-of-date software which eventually leads to atrophy. Hello exercise bike! If the software can be easily updated, adjusted, or changed when you need it to, it's easy to get lots of value from it. In particular, make sure it's easy to collect any specific information you need to report on.
- **Simple reporting.** Many types of contract management software don't allow you to get information out easily or practically require you to learn a foreign language to master their reporting engine. You want software that easily spits out the information you need without complexity or big learning curves. Any report that you generate should also be easily exportable into CSV or Excel format for any advanced reporting needs/formatting you might have.

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Ease of Use. The more people who are going to use the software, the easier it needs to be. The easier something is to use, the more it gets used. It's intuitive to use. It means you can upload easily, find things easily, enter new information easily, and change things in a breeze. When people look at your chosen solution and say . . . wow, that seems simple . . . you know you're on the right track.

Affordable. Software often has hidden costs. The obvious ones are things like implementation, maintenance, service, or add-on fees. There is also the cost of your own internal IT resources if required. And training costs. Look for software that has a good overall Total Cost of Ownership. Make sure you take in the big picture on this one!

The above are the features that any good contract management software should have. There are other features that might be required, but often come with strings or complications. Be careful!

Authoring. Some businesses generate a lot of the same contracts over and over, if that's the case, you may need a solution that allows you to easily create new contracts from a template as part of your CMS. However, the vast majority of businesses typically don't need this as their contract volume doesn't merit the larger investment.

Workflow automation/approvals. Large companies with high contracting volumes may opt for a full Contract Lifecycle Management or "CLM" solutions to automate their complex contract approval processes. This sounds great until reality hits. How do I change my approval process? What happens when the contract isn't approved? How do I handle the back and forths? Systems that streamline the upstream operation are typically more complex and require more investment of time and money to get set up

Red-lining. Red-lining is a part of any contract negotiation. While there's often a desire to have that handled in your contract management solution, it's rarely practical, especially if your company doesn't typically control the paper. They are often using someone else's contract. They may be able to red-line in their tool but their counterparties probably will not be able to. Most organizations use Word and can red-line successfully in it. If you really need integrated red-lining look for it. But most companies don't need to pay for this.

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You may not need all of these features now, but they are commonly needed as businesses grow. Your software should be flexible enough to store all your contracts without missing anything. It should also allow you to add users and control access as your team grows and the various types of contracts you handle changes. It should allow you to collect any specialized information you need for reporting. Finally, it should all be very secure, cloud-based, and affordable.

For your organization, it may not just be about how contract management software will make life easier, but why it makes financial sense. To that end, we created an easy-to-use ROI calculator so you can quantify the actual value based on your companies data in order to make a truly compelling business case. With just a few custom inputs, you'll be able to quickly determine the potential ROI that can be realized simply by implementing a contract management of software system.



Helpful Resource:

ROI Calculator for Contract Management Software

[Access Now →](#)



INSTRUCTIONS

Step 1: Enter data into the "ORGANIZATIONAL INPUTS" and "INDIVIDUAL INPUTS" fields
Step 2: Get a "FORECAST" for ROI, annual savings, time savings, and payback period related

ORGANIZATIONAL INPUTS

2	# of people within organization responsible for managing contracts
5	# of additional people who need information from contracts (whether within or outside of organization)
300	# of active contracts (with obligations, expiring or auto renewing)
\$35,000	average annual USD value of contracts
50%	% of time managing contract process (pre-signature + post-signature)
2	# of key dates missed in the last 12 months that cost the organization money

INDIVIDUAL INPUTS

25%	% of time on pre-signature activities
15%	% of time searching for contracts or for items within contracts
15%	% of time making contracts available to others / answering other people's questions about contracts
20%	% of time tracking dates / monitoring obligations / alerting others
35%	% of time on reporting and analysis
100%	Should sum up to 100%

HOW IT WORKS

*Simply unhide the rows below to see how these calculations are performed.

About ContractSafe

ContractSafe, a SaaS contract management solution powered with AI, makes it super easy to keep all your important documents and information at your fingertips. Find any contract or provision in seconds. Enjoy full date tracking with email reminders so you never miss another deadline. And add users with a couple of clicks and easily create reports. Interested? See ContractSafe's award-winning ease of use solution for yourself by booking a demo today.

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