

# SharePoint®: Real ROI

BY ALAN WEINTRAUB

TOPICS: Collaboration, Document Management, Workflow, Enterprise Content Management, Information Governance

SharePoint® is one of the hottest products in the enterprise content management (ECM) and collaboration spaces. Why are organizations implementing SharePoint? Is it because Microsoft™ has done a great job at describing the benefits of using SharePoint or is it all about a technology looking for a problem to solve? Finding the real benefit for implementing SharePoint is not necessarily about the capabilities of the technology, but how those capabilities align with the needs of the business. One of the toughest questions I am often asked when first discussing a SharePoint project is to differentiate the hard versus soft benefits of SharePoint. This is often quite difficult to answer as a large number of the benefits can be categorized as soft as they address the need to find the right information and collaborate more effectively with others in the organization. Assigning hard dollar savings is not a simple task for these types of benefits. So how do you develop real dollar ROI benefits for SharePoint? One way is to look for a SharePoint-based solution that addresses a business need that can result in cost savings or cost avoidance. **One such solution that has proven to yield hard ROI benefits is Contract Lifecycle Management.**

Contract management can give you a quick return on your investment. While SharePoint is a low-cost tool, return on investment is always important, especially in this economy.

In today's complex business environment, many organization's contract management processes are defined by fragmented procedures, labor-intensive activities, limited visibility into contract terms and conditions, and ineffective compliance management and governance. Today's processes are very manual and prone to inconsistencies and errors. These operational inefficiencies lead to lower margins and increase legal and regulatory business risks as many companies fail to honor the obligations defined in their contractual agreements. Mismanagement of contracts can cost a company millions of dollars in lost opportunities and additional fees. Organizations that have undertaken a contract lifecycle management project have done so to address some of the following issues:

- Fragmented internal procedures
- Undefined workflow
- Labor-intensive processes
- Poor visibility into contracts and terms
- Ineffective compliance and management

• Inadequate performance analysis  
Contract Lifecycle Management is a framework of policies and technologies that allow organizations to create, negotiate, and manage the legal documents that are used in the course of running a business. These technologies can include document management, records management, imaging, collaboration, email management, search, and workflow and business intelligence. SharePoint and Office 2007 can provide an excellent platform to solve this business issue. Understanding the typical lifecycle of a contract will easily show how SharePoint can meet the needs for not only creating a contract, but managing the terms of the contact once it has been approved:

Using SharePoint and Microsoft Office can provide the capabilities to meet the lifecycle needs for creating, reviewing, approving, and managing a contract. These include:

- Automated technology using Word for contract creation and formatting based upon contract request.



- Automated, collaborative workflow for approvals, notifications, and reminders. These workflows can be based on terms of the contract.
- SQL-based digital, historical contract summaries of information pulled directly from the contract Word document for quick research.
- Role-based contract monitoring and tracking portal.
- Advanced SQL reporting capabilities for contract trend, performance, compliance, and governance analysis.

By implementing Contract Lifecycle Management on a SharePoint platform, an organization can realize:

- Standardized contract creation using contract clauses.
- More effective collaboration through online negotiation and exchange of documents.
- Faster contract approval and signing with automated workflow.
- Global contract visibility for best practice sharing.
- Standardized contracts that include the most favorable terms, as defined by the company.

- Risk management through reporting across clauses and terms.
- Risk mitigation through control of contract language and documents.

Looking at some examples of why organizations implement a Contract Lifecycle Management solution will demonstrate the benefit areas and the type of ROI that these organizations expect to receive. A pharmaceutical company implemented Contract Lifecycle Management to address their need to better manage their contractual relationships associated with their clinical trial procedures.

Many of the contractual relationships stipulate penalties for non-compliance and regulatory procedures require annual audits to ensure the company executes within the contractual guidelines. The Contract Lifecycle Management solution provided visibility into their active contract portfolio helped them insure that they were effectively meeting the required legal and financial obligations.

An entertainment company required a Contract Lifecycle Management solution to manage the numerous

types of contracts related to a movie production. These contracts were often very complex with many different clauses that were dependent on the individual negotiation. Missed contractual obligations could result in millions of dollars in late fees and penalties. The company implemented a Contract Lifecycle Management solution that standardized the contract clauses and provided automated alerts and triggers to reduce the possibility of financial penalties and ultimately improve the company's bottom-line performance.

These two examples show typical results that will yield real, measurable ROI that can be used to justify the SharePoint investment. Contract Lifecycle Management can help your organization transform contracting from a costly, paper-based process into an efficient, technology-enhanced "system" that will allow your organization to not only manage the entire lifecycle, but also manage the actual terms of each contract.

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Solutions for Perficient. Alan has extensive experience in all phases of Enterprise Content Management solution implementations. He has worked as a Research Director at Gartner, focusing on the Content and Document Management markets and a consultant where he designed and implemented document management systems. Prior to his consulting experience Alan engaged in technology management for major pharmaceutical companies. He has over twenty five years of experience in the information systems profession. ☒



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## ABOUT CLM MATRIX

CLM Matrix is the market leader in Contract Lifecycle Management (CLM) software solutions on Microsoft Office and SharePoint technology platforms. Our solution extends the functionality of traditional contract management software by adding features such as:

- Rule-based document creation
- Clause libraries
- Policy-based approval workflow
- Automated reminders and alerts
- Real time user defined reporting
- Integration with legacy enterprise software
- Contract compliance tracking
- Multi-language capabilities
- Support for global environments
- Fully configurable to specific process and document types without code (wizard driven)



To learn more about CLM Matrix and our award winning software solutions, please visit [clmmatrix.com](http://clmmatrix.com) or contact us directly at 1.800.961.6534.