

Contract Lifecycle Management

No Umbrella Required

Contract management is a lot like a rain-storm. When it's just a sprinkle, it's easy enough to keep track of each individual contract. But what happens when the drizzle becomes a deluge, and contracts begin falling into different departments and different locations simultaneously?



Information would be splattered everywhere. Critical data would be so spread out that it would be virtually inaccessible. Then factor in the added layer of complexity when the client relationship is complicated such as clients who are also vendors or partners.

Contract lifecycle management brings order to the chaos by standardizing your current process and better organizing your contract information. Much like funneling the heavy rain into a water collection barrel, contract lifecycle management collects all your vital information into one place and makes it accessible to all relevant parties. Bottom line? Efficient contract management is tied

directly to profitability. Implementing an efficient contract lifecycle management process shortens cycle times, which means you get paid faster.

Coventry Health Care, a national managed healthcare company based in Bethesda, Maryland, recently lived through one such contract management deluge. With 500,000 existing contracts and a creation of about 3,500 new contracts monthly, the company's overall financial performance was shaped by its insurance and managed care contracts within the provider networks. Coventry knew things had to change, or their company would be harshly affected financially by such disorganization.

"Through acquisition, we had 17 health plans, and each had its own different flavor of contract boilerplate and contract

processes," said Kevin Sears, Vice President of Coventry's Network Development. Sears spearheaded an enterprise-wide initiative to develop and implement contract lifecycle management.

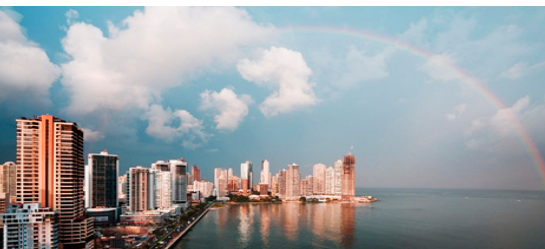
"You have to have some tool or system that makes sure these processes work to the advantage of the organization," said Sears. "Without it, you can create a financial problem very quickly."

In today's marketplace, information is power – but it can be crippling if the necessary information is inaccessible.

"It becomes a mixed bag of stuff that's out there, and confusion can develop," said Bill Pugh, president of CLM Matrix, a contract lifecycle management solutions provider. "Your wires can get crossed, decisions get delayed, and down time slows your business cycles."

The check's in the mail

Most companies, on average, wait 60 days to collect on receivables, according to Pugh. If the cycle is reduced by a mere two days (two days = millions of dollars in cash collected), that money can be used to meet expenses of the business.



"Time is money, and the more time you spend doing inefficient things, it's costing you money," said Pugh. "The automated system puts rigor into the process, forcing a more productive and accelerated timeline. It also conditions your customer to what your negotiation process is."

In Coventry's case, the new contract lifecycle management solution cut their internal negotiation cycle time in half – and improved the experience of all parties in their widespread network.

"It allowed us to drive through the contracting process within a timeframe the organization deemed to be appropriate," Sears said. "All reminders, escalation processes and the things that

you need to keep the ball moving were implemented, which resulted in a lot less down time than we had previously."

Time is money

The benefits of contract lifecycle management are multi-fold. According to Pugh, customers of CLM Matrix often turn to automated systems for reasons other than reducing contract cycle time, such as risk mitigation, financial reporting or compliance with government regulations. More efficient processes mean time and money saved.

In addition to significant reductions in business cycle times, full contract lifecycle management creates transparency across the enterprise. Sales, financial and legal executives can monitor contracts through every business phase, including negotiation, execution and expiration.

Public companies are also able to ensure compliance with rigorous regulatory standards, shrinking financial reporting cycles with heightened confidence in the accuracy of their numbers. CLM Matrix has helped clients reduce the time it takes to complete SEC filings from as many as 10 days to three to five days.

Other advantages include:

- Standardized contract creation using legal clauses that include most

favorable terms as defined by the company

- Significant cost savings through more efficient workflow
- Enhanced collaboration through online negotiation and information exchange
- Easier access to the contract repository with defined metadata that enables greater search and retrieval
- Enterprise risk management through reporting across clauses and terms
- Quicker, more efficient payment resulting from clarity of contract terms

Storm-free business relationships

Relationships are the driving force behind virtually every company in today's economy. Contract lifecycle management empowers companies to get the most from their relationships - and everyone involved in the process wins.

"An efficient contract management program can optimize your relationships and keep the company protected in today's changing business environment," said Pugh. "It certainly helps better manage the impact of those sudden rainstorms and keep you from getting drenched."

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 or contact us directly at 1.800.961.6534.

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