



NEGOTIATING FROM A POSITION OF STRENGTH

THE POWER OF VISIBILITY

By Darrin Poole

Whether you wear glasses, contacts or have normal eyesight, we can all agree that being able to see is one of our most valuable senses. Words related to vision also command a place in our vocabulary as a means to describe our actions.

There is hindsight, foresight, limited vision, tunnel vision, losing sight of a goal, and when we can't see at all we might get blindsided. In the corporate world, business objectives are defined by vision statements and an innovative leader is often referred to as a visionary. The preponderance of these types of words in our lexicon highlights the significance we place on sight.

Visibility is a highly powerful tool in being able to see and perceive what's ahead. The better we can see, the better our chances of success. This also applies to the world of contract management where a lack of visibility can seriously impair the negotiation process, squeeze profits and raise the risk of non-compliance. So why settle for 20/20 vision when an automated contract management system can give you the ability to see much further down the road.

THE PATH AHEAD – HOW 20/10 VISION CAN HELP YOU

A person with 20/10 vision can see twice as far as one with normal eyesight. That's a very useful skill to help clearly see the path ahead, especially for a corporation managing thousands of contracts with varying lifecycle stages. This visibility is crucial to avoid the renewal of contracts that should be renegotiated, effectively handle audits or milestone reviews to avoid penalties and cost overruns, and to keep your negotiating team ahead of the curve and on track.

Contract management is a complex process on many levels, especially considering the sheer volume of contracts a corporation must negotiate, execute, store and monitor. In many ways it is the core driver of the business engine when you consider that contracts set the parameters for every relationship a company forms.

The negotiation defines the transaction and determines if your company is going to make money, save money, or lose money.



If your negotiating team is behind schedule and under pressure, the risks are raised for the execution of a subpar contract that opens the door for disputes, litigation, or non-compliance issues. Using an automated contract system not only ensures the capability to see when contracts need attention but also provides you with real-time visibility – the ability to easily view any aspect of your contract portfolio at any moment in time.

THE FOREST FOR THE TREES – PERCEPTION AND FOCUS

The typical corporate contract negotiation requires the collaboration of a number of functional experts across the enterprise. Sales and procurement are focused on pricing, finance on compliance, legal on the potential risks while IT and operations concentrate on technical specifications. All are advising on some aspect of the negotiation and each brings their specific expertise to the table. The problem is that each stakeholder inherently has their own perception which is only a piece of the puzzle and this can contribute to an inability to see the forest for the trees.

If the negotiation team is not working as one to move the process forward, or team members are waiting on each other – time will be wasted and redundancy will occur. Redundancy in work is one of the biggest and most unnecessary drains on corporate resources and dollars. An automated contract management system can bring focus to the negotiation, and help team members streamline their efforts and easily work in sync to expedite the overall process.

With a contract management program, your experts are virtually plugged into one central



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repository that stores all contract information and allows them to effectively collaborate and see the whole picture. This connectivity and workflow transparency allows for speedier resolutions of any bottlenecks and ensures the negotiation does not languish. The system moderates the process and helps team members stay on track with automatic alerts and approval notices. In addition, with a program that operates on a well known platform such as Microsoft SharePoint, even team rookies are easily brought up to speed since the user interface is a familiar one.

THE WHOLE PICTURE – HINDSIGHT, FORESIGHT AND INSIGHT

The backbone of a successful contract negotiation is solid business intelligence. If you are using a mediocre or even worse, a medieval manual contract management system, you are squandering valuable time and corporate resources. You are more than likely to be operating in the dark and employing a seat-of-the-pants method to keep up with your contractual obligations. Time is wasted on compiling research. Tracking down past history

and notes can bog the team down in addition to costing money. Your negotiators also have less time to focus on negotiation strategies and goals which can lead to even more losses in the form of a less than optimal deal. This puts you at a serious disadvantage and exposes the organization to margin and revenue leakage on both the buy-side and sell-side of your operation.

Using technology, such as a rules-driven contract management program, can provide you with an array of information management tools that can help your team collect and easily harness the data they need to effectively manage the negotiation process. With a simple query of the central repository, users can quickly see the whole picture and examine the entire contract lifecycle history including all emails, non-negotiable items, points of contention, topics to avoid and performance of the last cycle.

Hindsight gained from reviewing the past helps clearly identify lessons learned and contributes to having the foresight to help you capture potential opportunities or avoid pitfalls in the future. This knowledge arms your negotiation team with the insight and information they need to develop

solid strategies and tactics to secure the best agreement possible while cultivating client and vendor relationships.

THE RESULTS – SEEING THE DIFFERENCE

In a contract negotiation, there is your team and their team – the question is which team is going to lock in the most beneficial deal. The costs of revenue leakage, non-compliance penalties and margin erosion can quickly compound if contract negotiations are mismanaged.

Negotiating from a position of strength empowers your team to influence key expectations and convince the other side to see things differently. With the proper tools to manage the contract process, your negotiators will come to the table knowledgeable, prepared and confident. Every dollar saved or made when applied to thousands of contracts can significantly improve your company's financial performance.

With today's executives facing relentless pressure to boost profits, what is it worth to secure the results generated by the power of enhanced contract visibility? A contract management solution is transformational and you will see the difference contracting excellence can make as well as yield a three to ten-fold return on your investment. **That's a win-win deal.**

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.