eBook

A Guide to CLM Implementation Success

What it takes to ensure your company adopts, uses, and loves its new contract management software.

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Introduction

Because "technical success" does not always equal "business success."

According to the World Commerce and Contracting Association, approximately 85% of Contract Lifecycle Management (CLM) software implementations fail. There are probably a lot of reasons for this but…that's a staggering number. So staggering, in fact, that at Contracts 365®, we've built our entire business around making sure that we're in the other 15% — getting our customers up and running and celebrating their success for many years to come. However, one could argue that at the heart of success is understanding failure. So, why do so many CLM implementations fail?

You can be sure there is some subset of CLM vendors who simply can't or don't fulfill the basic functional requirements of their customer's software needs. But, more often than not, the failure probably lies in the implementation of the software. Or rather, it lies in the lack of change management that's required to help an organization shift from one way of working to a new, software-enabled way of doing it. Without that change management in mind, any piece of software can easily be a "technical success" but also be a "business failure."

At Contracts 365, we believe that achieving both technical success and business success all comes down to creating a great experience for the users of your software—from launch to everyday contracting. For us, this "holy grail" lies at the intersection of well-engineered software, a deep understanding of our users' needs, a keen appreciation of the complexities of negotiating and managing contracts, and an effective software implementation process.

Well-engineered
software

Effective
software
implementation

Great CLM user
experience

Understanding
our users' needs

Appreciating
contract complexity
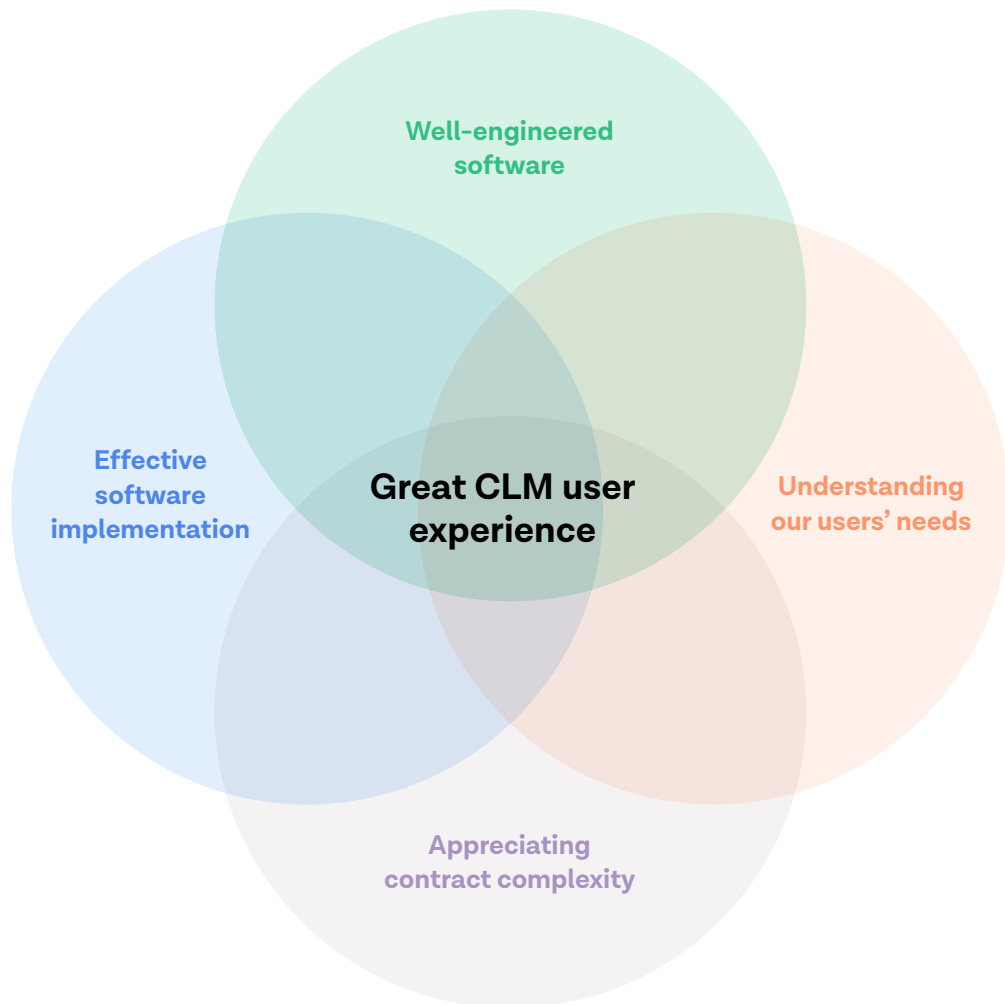
So, how can you ensure that you get both technical success and business success?

In this eBook, we'll discuss what it takes for CLM champions to ensure to a successful launch of your new contract management software:

01   Scope your implementation properly

02   Understand your users and their pain points

03   Choose a CLM vendor wisely

04   Design for the rule and not the exception

05   Demonstrate quick wins

06   Ensure a solid change management strategy

07   Plan for iteration and innovation

01

Scope your implementation properly

A robust contract lifecycle management system should be designed to address all aspects of the contract lifecycle—from vendor approval and contract creation to negotiation and signature, all the way to document storage and retrieval, ongoing obligation management, and automatic renewals and expirations.

Given the breadth and depth of CLM application functionality, contract management solutions can, and often do, touch just about every aspect of your organization. It's important to have a clear understanding of—and consensus on—which areas the initial implementation will touch.

Business releases: Crawl, walk, then run.

Later in this piece, we'll talk about getting quick wins, but it's often smart to crawl before you walk and walk before you run—starting small and taking a phased roll-out of your CLM system over time.

There are a number of different strategies you can take here:

- **Department by department** – You may want to start with just your Legal or Contract Management department and then, over time, open the software to Sales and other business users.

- **Buy Side or Sell Side** – Perhaps you start with Purchasing, automating your Buy Side contract processes first before moving on to your Sell Side contracts.

- **Key functionality first** – Maybe you'll only turn on certain areas of functionality, and activate more advanced features later, once the team is comfortable with the system.

Taking a phased approach like these—which we call "Business Releases"—allows you to work out the kinks and create a Center of Contracting Excellence in your organization that can help other business users adapt as you expand the application's use and functionality.

No matter which approach you take, be sure everyone understands and is on board with what you want to accomplish. By taking the time to get full buy-in from all your stakeholders, you'll be building a solid foundation for long-term contract management success.

02

Understand your users and their pain points

Once you've decided the scope of your implementation, it's critical to understand the users of your contract management software — who they are, what they're trying to achieve, and where their pain points lie.

Take time to survey users or interview key stakeholders to really get into their heads and to put yourself in their shoes. If your implementation is replacing a prior CLM system, it's critical to understand what didn't work, why it didn't work, and what needs to improve.

Where do they struggle now?

- Does it take too long to request a contract?

- Do they have to constantly ping someone to figure out where their contract is in the approval process?

- Are they able to easily find the documentation they're looking for?

- Are they missing deadlines, renewals, or contractual obligations?

- Would they like to be able to get more done via self-service?

What went wrong last time?

- Was the prior system too slow?

- Was it too lightweight—or overburdened with features they didn't need?

- Did every configuration change require going back to the vendor?

- Was the vendor simply not providing the support you expected?

Understanding user's needs—and the acute pain points they are experiencing—will help ensure that you're choosing the right CLM vendor, establishing clear expectations, and that you are ultimately delivering the kind of solution your organization needs.

03

Choose your CLM vendor wisely

Once you know what your users need, it's important to choose a CLM vendor who can (and will!) deliver on those functional requirements. The CLM marketplace is vast, with various vendors offering various levels of sophistication. There are some who provide a simple contract repository, there are vendors with end-to-end enterprise-class functionality, and there's everything in between.

Understand their capabilities

Ultimately, it's about striking the right balance for your organization. As you might expect, deeper functionality tends to result in a higher price tag. It's wise to choose a vendor who can address your present and future requirements—you want someone who can grow with you. At the same time, you don't want to pay for features that you'll never use. And it's important to ensure that they can actually deliver on the requirements that you need.

So how do you know who's a good fit and who can deliver? Organizing a systematic buying process like an RFP (Request for Proposal) is a great way to get to know a vendor—and to get beneath the hood of their software. Need help getting started? Check out our helpful eBook to get you pointed in the right direction.

eBook
How To Write an Effective Request For Proposal (RFP) For a New Contract Lifecycle Management Solution

A step-by-step guide to finding the best-fit software vendor for you.

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How to write an effective RFP for a new CLM solution
This step-by-step guide from Contracts 365 will walk you through the RFP process, show you what to look for, who to include in the process, and even provides a sample RFP to help you structure your search.

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...and their implementation process

Perhaps even more important, you want to choose a CLM vendor who has experience delivering successful implementations. This can be trickier because dissatisfied customers are not often listed as business references. As you get to know your vendor, it's important to clearly understand:

- Who will be on your implementation team?

- Are they onshore or offshore?

- Will they come to your location if you need them?

- What experience do they have in implementing solutions?

- How can you expect them to guide and support you throughout the process?

- What happens once the initial implementation is complete?

- What is their strategy and capability for long term-support?

- What happens if you'd like to do more work?

- What happens if something goes wrong?

It's a little extra work but asking tough questions now can save a lot of headaches in the future.

04

Design for the rule, not the exception

Contract Lifecycle Management is a complex undertaking. Part art, part science, with a whole lot of hard-earned experience mixed in. Managing contracts means creating different workflows for different business scenarios, business rules, and compliance regulations. Then there's negotiations that often result in changes in language and terms and obligations.

It's important to choose a contract management system that can accommodate complexity, but trying to solve for every scenario can quickly tie you in knots. When you're in the implementation phase, it's important to keep your users—and usability—in mind.

The 80/20 Rule

At Contracts 365, we urge our clients to keep it simple when they're starting out, and to design for the rule, not the exception. That means, begin by designing your CLM system for the 80% of scenarios that users most often encounter. Trying to solve for every exception or possible use case is not what CLM efficiency and automation are all about.

As you're thinking about workflows and configurations, keep the 80/20 Rule in mind, and leave the "20" for later rollouts once you have your feet firmly on the ground.

The 30-Second Imperative

In the same vein, we've learned that the easier you can make routine tasks, the more likely you are to gain adoption and ensure usage of your new system. This idea of keeping it simple gave rise to what we call, "The 30-Second Contract Imperative."

At Contracts 365, we believe that you should be able to request a contract, find your contract, and even approve a contract in 30 seconds or less. If the User Experience (UX) and the User Interface (UI) of your CLM system is well thought-through, even a user with little to no training should be able to accomplish these basic tasks. So, as you're evaluating vendors, grab a stopwatch and see how they do.

eBook
The 30-Second Contract Imperative

How to ensure that people actually use (and even love) your contract management software.

contracts365™

The 30-Second Contract Imperative
The truth is, if a software application isn't fast, easy, and intuitive to use, no one will use it. Check out our eBook so see how you can ensure that people actually use (and even love) your contract management software.

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Demonstrate quick wins

We know you don't want to hear this. But, from RFP to selection to implementation and launch, getting your new CLM solution up and running can be a lengthy process. The reality is, you don't want to be in a situation where you feel like the implementation will never end — or you've made little to no progress — and your leadership team is starting to wonder what the heck is going on. So, demonstrating a win is as important for implementation team as it is for senior leadership.

NDAs to the rescue

A good candidate for a quick win is your NDA process. NDAs are one of the most common forms of contracts used by organizations. In fact, you'll often find organizations completing a few NDAs a week, dozens every month and, yup, hundreds every year.

The good news is the NDA process tends to be fairly straightforward. And yet, organizations who don't have a CLM system in place can burn tremendous time and effort generating them. NDA automation is pretty easy to set up and roll-out, and it covers lots of areas of the business. By automating the NDA process first, users will quickly get a sense of how efficient (and effortless) the new contracting process can be, which generates goodwill among users—and positive momentum you can build on.

06

Ensure a solid change management strategy

Some people call it change management. Others call it change readiness. Either way, you need to ensure that the contract management system you worked so hard to design and implement is understood and embraced by your end users. How do you do that? With a solid change readiness strategy.

Plan your internal product launch

We've had some clients who really take the product launch to heart—creating internal awareness campaigns with posters and tchotchkes and all the trimmings. While you don't have to go to those lengths, you should have a plan to help employees adjust to the new CLM system.

- **Training sessions** – Even the most intuitive software can benefit from training sessions. Plan a series of overview workshops for your users to familiarize them with the new system.

- **Reference guides** – In the age of the iPhone, no one reads instruction manuals anymore. Still, it's good to have quick reference guides and how to's ready for those who need a little more help.

- **Office hours** – Make yourself available for people to drop in and ask questions; many people appreciate one-on-one walk-throughs rather than having to raise their hands in formal trainings or presentations.

- **Gamification** – Game theory can be a fun way to get people on board. Create a sense of competition by rewarding the first person to request 5 contracts or see who can complete an exercise fastest. The more fun people have, the better the roll-out experience will be.

07

Plan for iteration and innovation

We recently asked one of our customers if their new CLM system had resulted in decreased workloads for the Legal department. They responded, "Actually, no. We're doing more." It seemed that, as more and more people around the organization saw how easy it was to use Contracts 365, they wanted to be added to the system. Sure, workloads increased—but so did efficiency, effectiveness, risk mitigation and compliance.

The moral of the story is, getting your new CLM system up and running is an iterative process. As soon as the software is live, you'll find things you want to tweak and changes you want to make. Also, you'll likely field questions, get suggestions, and find other areas of the business where the new software can be leveraged to gain efficiencies and help solve (or avoid) problems.

Business processes don't stand still. Plan for iteration. Embrace innovation. Make sure your CLM system has the configurability and technical depth to accommodate these changes. Before you make a purchase, find out how self-configurable the software is and whether you can make updates on your own. And be sure your vendor is there to support you as you continue to improve your contract management processes.

Conclusion

Plan for success

A new Contract Lifecycle Management system can dramatically improve efficiencies across your organization. The better you plan and prepare for the significant changes to come, the more you can ensure adoption and ongoing usage of your new contract management software. There's no avoiding the fact that enterprise software implementations are hard work but, with the right system in place, and the right partner by your side, you'll be well on your way to success.

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Contracts 365 is powerful contract lifecycle management software purpose-built for Microsoft 365 customers. Our intuitive, cloud-based CLM software leverages our customers' strategic investment in Microsoft applications, architecture, and security to give them unparalleled control of their private contracts and data. With world-class implementation and support of industry-specific contract management solutions, Contracts 365 helps you discover the power of your contracts, every day.

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Contracts 365, Inc.
24R Pleasant Street
Newburyport, MA 01950

www.contracts365.com
888.377.9933