MALBEK

THE 10
KEY ELEMENTS

YOU MUST HAVE IN YOUR
CONTRACT MANAGEMENT
SOLUTION

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01

REPOSITORY

OH SO MUCH MORE
THAN STORAGE

A place to store your contracts is arguably the most fundamental element of any contract management solution. This can take on many forms. In fact, we've talked to more than a few contract professionals who have inadvertently stored their contracts in email, of all places. Keeping contracts on a share drive or stored on a personal laptop is not much better.

Besides the obvious security issues, these makeshift storage options don't provide much search capability, essentially rendering the information contained within the contracts "unfindable."

Contract repositories and robust search functionality are like peanut butter and chocolate, or kids and summer vacation. They just go together. Without the ability to search the repository, the contents of it are practically useless. We've all had the harrowing experience of trying to find a piece of information in a single email in Outlook. Not a pretty sight! Imagine searching for a specific clause from a contract four years ago amongst hundreds, if not thousands, of other contracts. It's like finding a needle in a haystack - inefficient, frustrating, and potentially very risky.

At Malbek, we know that your contract repository needs to have security with various permission levels so that only authorized users can access the sensitive information contained within the contracts. In addition, that repository needs to have strong search capability. With Malbek, it's as easy to search for information in past contracts as it is to look for something on Google.
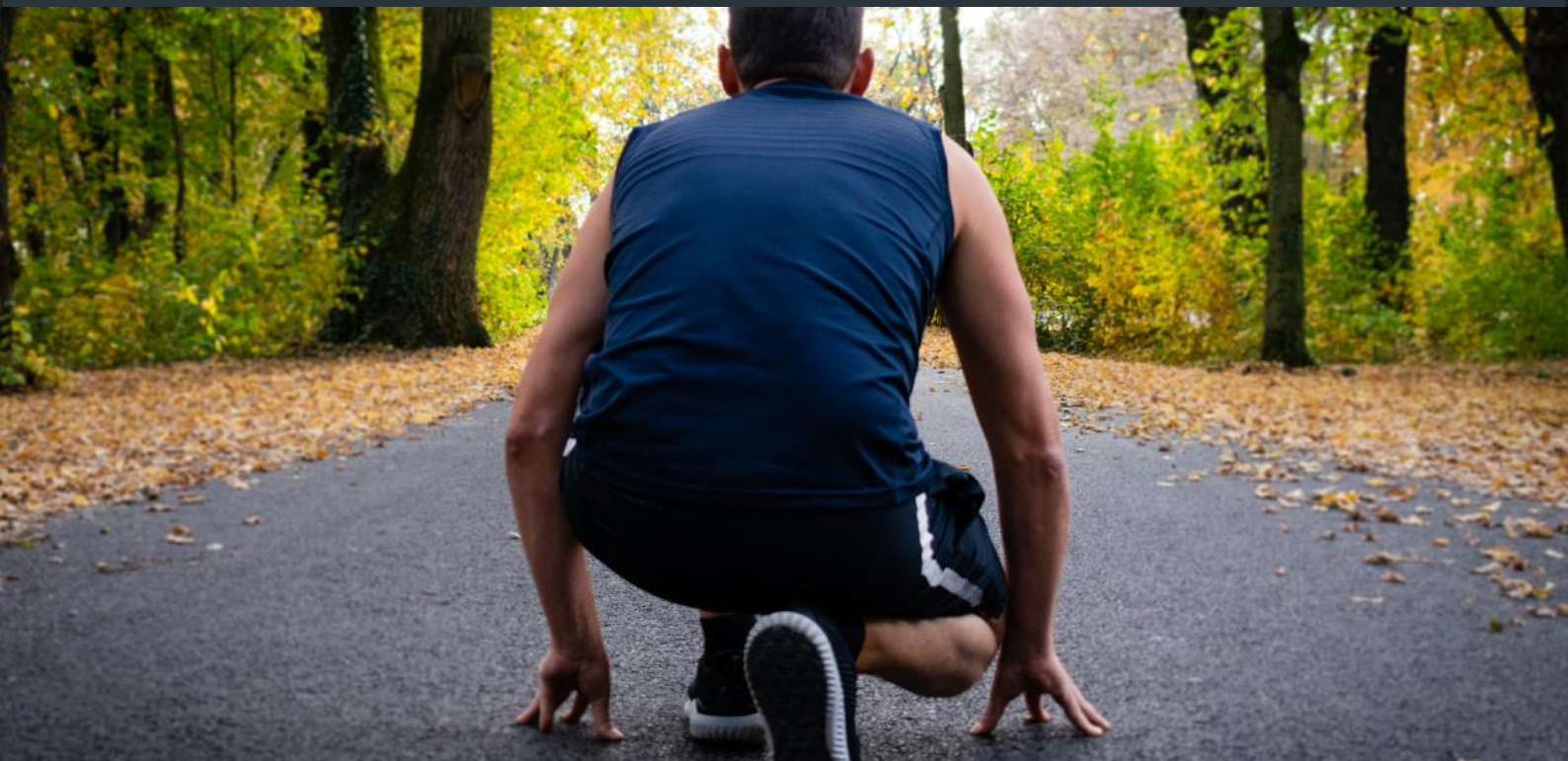
> "Without the ability to search the repository, the contents of it are practically useless."

02

CONTRACT REQUEST AND AUTHORING

HOW TO GET THE DEAL STARTED

A second critical element of any contract management solution is the ability to simplify the contract request and authoring process. It's not uncommon for contract creation to be a clunky, error-prone process done outside of the contract management solution, often requiring redundant data entry. This only introduces risk and inefficiency, causing time delays that impact the business. Using MS Word offline to create and iterate a contract via email exchanges and then bringing it into a contract repository to manage it introduces discontinuity and gaps in visibility of the evolution of the contract. Version control, auditability and appropriate tracking are all missed.

A high-performing contract management solution, like Malbek Contrax™, streamlines the end-to-end contracting process from request to signature and beyond. It includes native authoring tools with tight integration with MS Word that make it easy to initiate and edit a contract. This includes the ability to append supporting documents to the contract, keeping all relevant materials in one location, having a full audit history of changes, enforcing review and approval based on predefined rules, and more. The same applies to amending active contracts and ensuring that you always have the latest visibility into contractual terms for the life of the agreement. This type of functionality reduces duplication of effort, streamlines the authoring process, and mitigates any risk associated with multiple parties working on contract documents.

> "It's not uncommon for contract creation to be a clunky, error-prone process done outside of the contract management solution."

03   CLAUS(E) LIBRARY

LET'S NOT SCREW THIS ONE UP... AGAIN!

One of the most common pitfalls with contracts is introducing language or terms that negatively impact the contract outcome. This can happen inadvertently by copying and pasting from a previous contract without a solid understanding of how that contract's terms actually performed.

Rather than starting every contract from scratch, the Malbek Contrax™ clause library provides a selection of preapproved language and terms that can be automatically included in contracts. Authorized users can swap to preapproved alternates and also have visibility into how often preferred vs. alternate clauses are being used with or without changes. This is very powerful to gauge whether you are creating contracts close to your preferred terms or straying far away from them. A clause library also reduces template proliferation and consolidates redundant templates where only small clause variations exist. The clause library greatly simplifies and expedites the contract creation and approval process, while mitigating compliance risk from rogue contract terms. Over time, unfavorable language or terms can be removed from the clause library, safeguarding profitability, reducing compliance exposure, and making successful contracting a more easily repeated process.

> " **"The clause library greatly simplifies and expedites the contract creation and approval process."**

04

REDLINING, NEGOTIATION, AND REVIEW

WHERE THE RUBBER MEETS THE ROAD

MS Word and MS Outlook (email) are the most common negotiation and approval methods used by contracting professionals. Today, with technology evolving so much, it's shocking to see such manual processes when it comes to the most important artifacts (i.e. contracts) that an organization relies on to conduct business. This method causes delays, overwriting changes, versioning issues, rogue contracting, and more. Redline and negotiation with external parties can be a long and painful process full of tedious back and forth. It's way too easy to lose sight of where a contract is and who has touched it last. Contracts can go dark, be lost entirely, or have multiple parallel versions floating around, making it almost impossible to know which one is the latest and most accurate, not to mention the metadata within the contract is out of sync, thereby losing touch of the contract terms.

Automated workflow is the obvious answer to these problems. Malbek Contrax™ provides role-based hierarchies and permission levels for approvals to ensure that the right people are included in the internal review process at every level of change. In addition, automated redlining and version control make it easy to clearly identify contract modifications, preventing edits from going unnoticed and safeguarding the integrity of each version in the approval process. The ability to exchange emails with external parties directly from the system with tight integration with MS Word facilitates the redline and negotiation process.

Using automated workflow for internal approvals and external party negotiation helps to streamline the contract lifecycle, thereby eliminating redundancy and wasted time. Full transparency is maintained for ease of reporting during audit inquiries.

"**Contracts can go dark, be lost entirely, or have multiple parallel versions floating around.**"

05

SIGNATURE

LET'S GET THIS DEAL DONE!

Not that long ago, contract signatures were still handled manually. In fact, many organizations still do. This involves physically printing the contract, signing, scanning, and faxing or emailing it back. Then repeat this for the second and subsequent signers. Depending on the quality of scans, the final signed copy often becomes hard to read, faded and unsearchable. However, today this too is automated and an indispensable capability for today's fast-paced world. Paper-based, hand-delivered systems for obtaining signatures are slow and provide no real security or auditability.

By contrast, Malbek Contrax™, with its built-in electronic signature integration with the leading e-sign solutions, is a tool that securely facilitates obtaining authentic signatures and makes it easy, as well as convenient, for the signers no matter where they are, further shortening the contract lifecycle.

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> **"Paper-based, hand-delivered systems for obtaining signatures are slow and provide no real security or auditability."**

06

CONTRACT COMMITMENT TRACKING

IT'S ONLY JUST BEGUN

> **"The reality is that contracts are living documents that must be actively managed."**

Milestone management is essential to the contract once it has gone live. Shared repositories, manual processes, or basic systems do not proactively track upcoming key events on active agreements to keep the responsible parties informed. A contract management system that only focuses on contract authoring, editing, and approvals is shortsighted. The reality is that contracts are living documents that must be actively managed. The signature is just the beginning of the contract lifecycle. Crucial milestones and obligations must be adhered to long after contract signature. The long-term benefits of a contract will amount to nothing if obligations are forgotten or ignored.

Renewal and obligation tracking is a key component of effectively managing the lifecycle of a contract. Malbek Contrax™ ensures that key events, such as payment milestones, are followed with proactive reminders. It also triggers appropriate notifications for expirations, renewals and other key events. This arms companies with control over contracts so that they are not caught off-guard or hit with unexpected consequences, like unwanted auto-renewals. Missed obligations or opportunities end up costing a significant amount, impacting the company's bottom line.
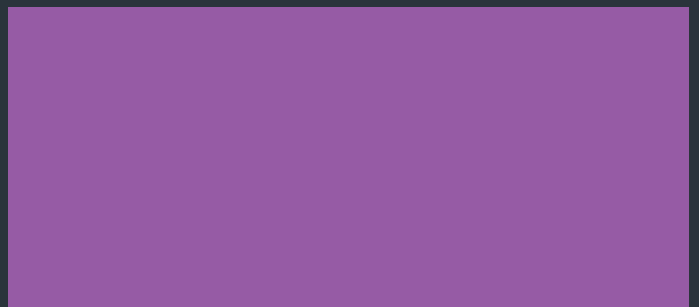
07

SECURITY

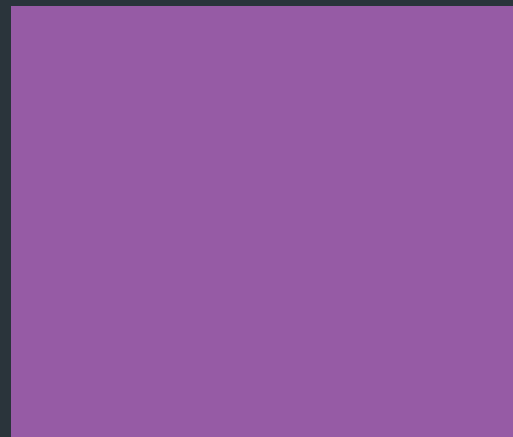### KEEP THE
CREEPERS AWAY

It's a dangerous world out there and contracts are not immune to the perils of security breaches. They contain some of the most sensitive and mission-critical information about a company, but unfortunately, contract safety can be compromised within an organization simply by someone gaining access who shouldn't. It is paramount that contract data is safeguarded and the individuals within a company only have access to what is relevant to them.

The Malbek solution takes data security very seriously. Contract data is secured in the application with encryption to prevent unauthorized access, as well as user permission-based access to authorized end users.

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"It's a dangerous world out there and contracts are not immune to the perils of security breaches."

The most effective contract security makes it possible to set permission levels at individual business units and departmental levels to protect sensitive information. Malbek security rules at the application level enforce the segregation of information as needed according to role or division. In addition, to minimize audit risks and regulatory exposure, every change during contract authoring, editing, approval, and signature is tracked along with fulfillment of contract obligations.

08

CONTRACT
INSIGHT

MAKE YOUR CONTRACTS BAD A**

The information contained in contracts can be the key to understanding the success or failure of your business. Unfortunately, many companies have limited ability to analyze that data and make informed decisions based on it. How did a vendor contract impact the bottom line? Were the terms of a sales deal favorable and worth repeating with other customers? Or, it could be something simple to track for quarter-end cycles, such as "How many contracts are currently with customers for signature having a total value over $100,000?" This type of insight is invaluable for propelling growth and future strategy, but eludes many. And even when companies do have a contract management system, it likely only includes rudimentary reporting capabilities and requires custom builds for every new report.

It doesn't have to be this way. You don't need to be a report writer or hire one full-time. In fact, one of the ways progressive companies can set themselves apart is by choosing a contract management solution, like Malbek Contrax™, with robust yet easy-to-use reporting capabilities. Creating reports and searching for data should be as simple as finding products on Amazon using their filters, and with Malbek Contrax™, it really is that simple. You shouldn't have to wait for a custom-built report or try to manually track the information you need. When companies have the deep insight they need, they can make better decisions and maximize future contract strategies.

> "When companies have the deep insight they need, they can make better decisions and maximize future contract strategy."

09 INTEGRATIONS

NO CONTRACT IS AN ISLAND

One of the biggest challenges companies face today is data silos. Too often data exists in systems that are disconnected from one another even though they should have important touchpoints. Manually processing and rekeying information introduces errors and is inefficient. This is especially true with contracts, which draw on data points and departments across an organization, such as sales, legal, finance, procurement, and more. A contract request and associated data often originates from CRM, ERP, CPQ and other solutions.

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"Too often data exists in systems that are disconnected from one another even though they should have important touchpoints."

Malbek has addressed this problem by developing a robust integration marketplace – Malbek Konnect™ – which enables Malbek Contrax™ to connect with popular applications, such as Salesforce.com, Microsoft Dynamics, Oracle, SAP, DocuSign, Adobe Sign, and many more using our productized, predefined connectors available out of the box. From CRM to ERP and everything in between, Malbek's flexible APIs mean that the critical data and execution of its contracts can meaningfully occur and live beyond the confines of the solution itself, making it a powerful driver of business success.
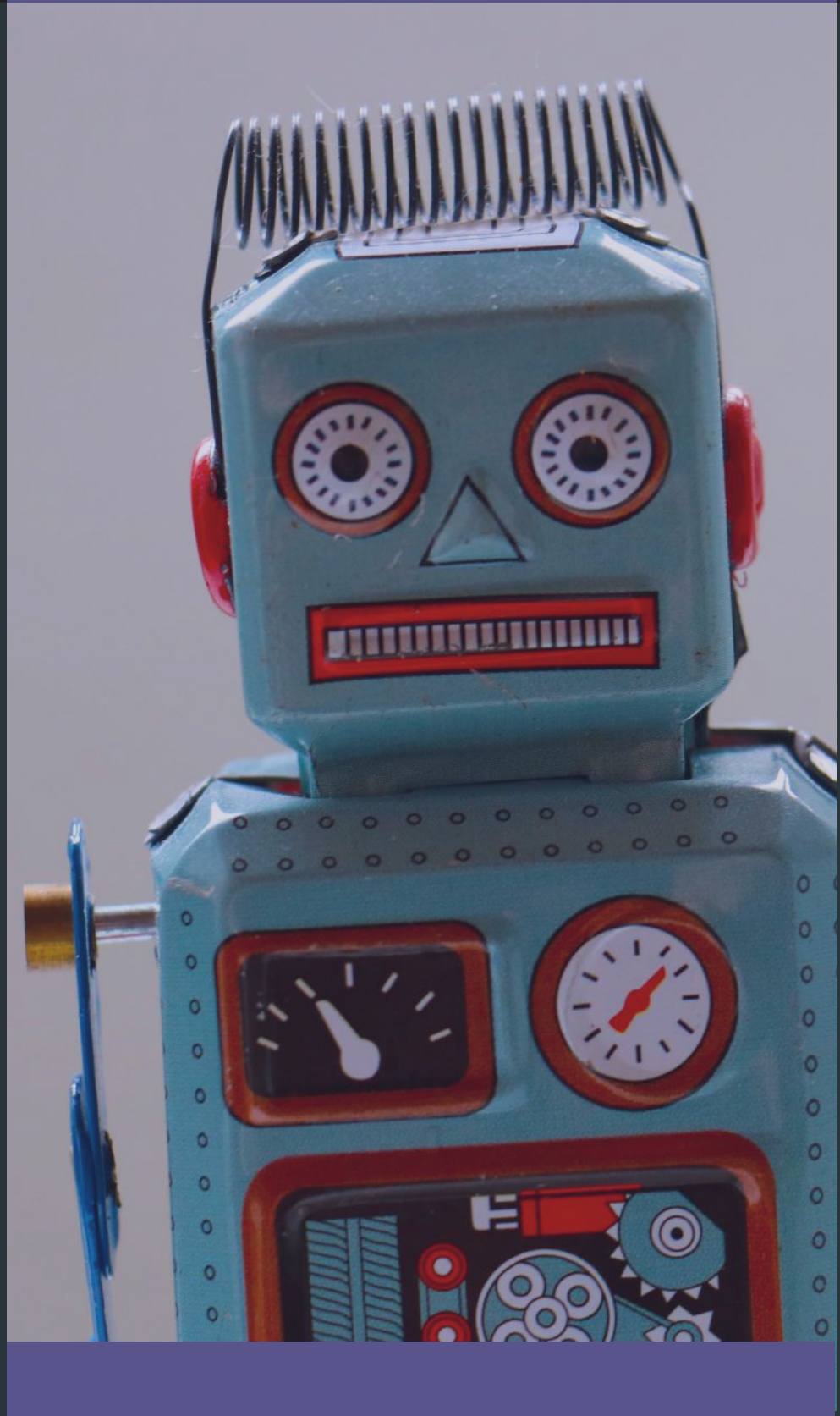
10 ARTIFICIAL INTELLIGENCE

THE FUTURE IS NOW

These days AI is everywhere. It's in your home, in your office, on your smart devices, and in places where you don't even know it exists. AI is changing the way we interact with technology and how we consume information. Contract management is experiencing similar changes. There are many point solutions that provide specific contracting use cases using AI technologies, such as meta-data extraction or contract analytics. But, these point solutions only address the specific use case by itself, and the AI is only as powerful as the data it has access to. Think of an Alexa device in your home where you ask specific questions. What's the weather like? Or, what's the score on the latest football game? But now imagine having Alexa on an automobile platform. In your car, it has context around it, allowing Alexa to provide much higher value. It can assist you with car controls and settings. It can guide you through your drive in traffic to your destination following an optimal route.

> ## "AI is changing the way we interact with technology and how we consume information."

Think of AI possibilities on a CLM solution that can: 1) assemble the ideal contract with the best terms and language based on customer segments, regions, etc.; 2) identify the bottlenecks in the approval cycle and recommend optimizations and steps to accelerate approvals; 3) identify and mitigate risks based on language and terms from external party redlining changes; 4) price recommendations for products or services based on historical contracts for a customer in a specific industry or region; 5) automatically track commitments and milestones based on variable terms in a specific contract.

Malbek Contrax™ is a robust contracting platform with AI capabilities built on top of it made even more powerful by its access to the entire repository of contract lifecycle information. The possibilities for AI in a CLM platform are endless, and Malbek has the vision to take this part of the solution beyond imagination and help users across the organization – from sales, legal, finance, procurement, and beyond.

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SPEED THE GREEN™

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