

# CLM checklist

prepare your company for a  
contract lifecycle management  
system



# technology doesn't necessarily mean transformation.

Risk limitation, a higher compliance rate, saving time and money: we've already told you that a strong contract lifecycle management is beneficial for your company. But how do you create a strong CLM process? Spoiler alert: there's more to it than just implementing a tool for digitization and automation.

Contract lifecycle management is a complex and time-consuming process. After a contract is initiated, it goes through different stages: from negotiation and approval to signature and archiving.

If you're trying to manage all these stages yourself, you'll eventually lose your oversight and control over the process. Bad contract management will not only cost you time, it also entails quite a few financial risks. And even worse: the risk of client disputes rises considerably.

Okay, so let's just implement some software to take back control? Unfortunately, it's not that simple.

It's true that a contract management system can help you automate and simplify your contract lifecycle management. But simply implementing a tool will not yield the desired results.

It's important to evaluate the entire process flow and think about how you want your CLM implementation to work. By going about it step by step, you'll make sure that the changes are welcomed by everyone. Because yes, you'll also have to take into account the changes in the way of working and the change management that comes with it.

If you can check off all the items on our checklist, you know you're well-prepared!



# 1 I have involved all internal stakeholders.

Sales, procurement, legal, finance ... A contract usually goes through different departments. If you want to optimize and automate your contract lifecycle management, it's important to involve all the internal stakeholders.

They all bring their own experience and insights to the table, which eventually leads you to the correct solution. By involving all parties from the get go, you'll make sure they're all in agreement. It's essential for your success that you all strive towards the same goal.

Something that's useful for later on in the process, when you're implementing a tool: the stakeholders will show you what the change will truly mean for their teams, and you'll be able to react to this early on. Should you foresee extra trainings? Do you need manuals? How can you integrate new colleagues?

The stakeholders can also play an active role in your change management: they can inform and reassure colleagues about the changes in the process.



## questions you should definitely ask your stakeholders.

Your stakeholders provide you with valuable information during the preparation stage. You'll have to actively engage in a dialogue with them. Here are some suggestions of questions that you could ask them.

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what are their pain points today, and in what stage of the contract lifecycle do they occur?

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what is the standard approval process for each type of contract?

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how many people have to look at a contract before it's approved, and can this number be limited?

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who takes care of the follow-up of the contract, from negotiation to cancellation or renewal?

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what do they think is the purpose of a contract management system?

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what are the discrepancies between the contract and the reality on the terrain? (prices, payment agreements ...)

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what types of contracts exist in your company?

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what is the approval process for for example adjustments in clauses or prices?

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which other colleagues are involved?

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what tools are used today, and what are their advantages and disadvantages?

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what does the process look like for them?

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## 2 I have mapped out the problems in my current process.

It's important to fully understand your current process and to figure out what goes wrong. Does it take too long to draft contracts? Is the approval process too lengthy? Do you often forget contract renewals? Do you know where you keep the original contracts?

Each department has different frustrations, you should take all these into account before you start looking for concrete solutions.

This will also help you estimate how complex your solution should be.

You don't want to take the time to map everything out? Then you will digitize an inefficient process, and you will run into trouble later on. It's worth it to plan enough time for this step.



## 3 my process is standardized.

There's a good chance that each department in your company deals with contract lifecycle management differently. You need to ask your stakeholders how they go through the process. Thanks to that deep-dive, you'll notice that some steps can be standardized for your entire organization.

What's more, you'll also gain insights in the different scenarios that you'll have to take into account when

digitizing and automating your contract management. Maybe there are a lot of confidential contracts that can only be viewed by higher management. Or maybe you have contracts that are managed by one of the project managers, but that are needed by the team to consult the agreements.

## 4 I know what to expect from a digital CLM solution.

Implementing a contract lifecycle management tool is not one size fits all. Every company has different needs, so a different solution needs to be implemented. What you should avoid at all costs, is to buy a fancy, expensive tool that ultimately only has a few standard functionalities.

By now, you know where your difficulties lie, so you can start to make a rough draft of your expectations. What goals do you want to reach? This will not only help you with the next step, it's also a good starting point for a meeting with the technical team responsible for developing or implementing your solution.



# 5 I have determined the metrics for success.

We recommend you to think about what KPIs will determine whether your contract management -and your investment- is successful before implementing a solution. By evaluating these KPIs on a regular basis, you can readjust your strategy where necessary. You can also use them to demonstrate your tool's success in your company.

This step is yet again custom work: your KPIs do not just depend on your current pain points, but also on your process, the types of contracts you have, the industry

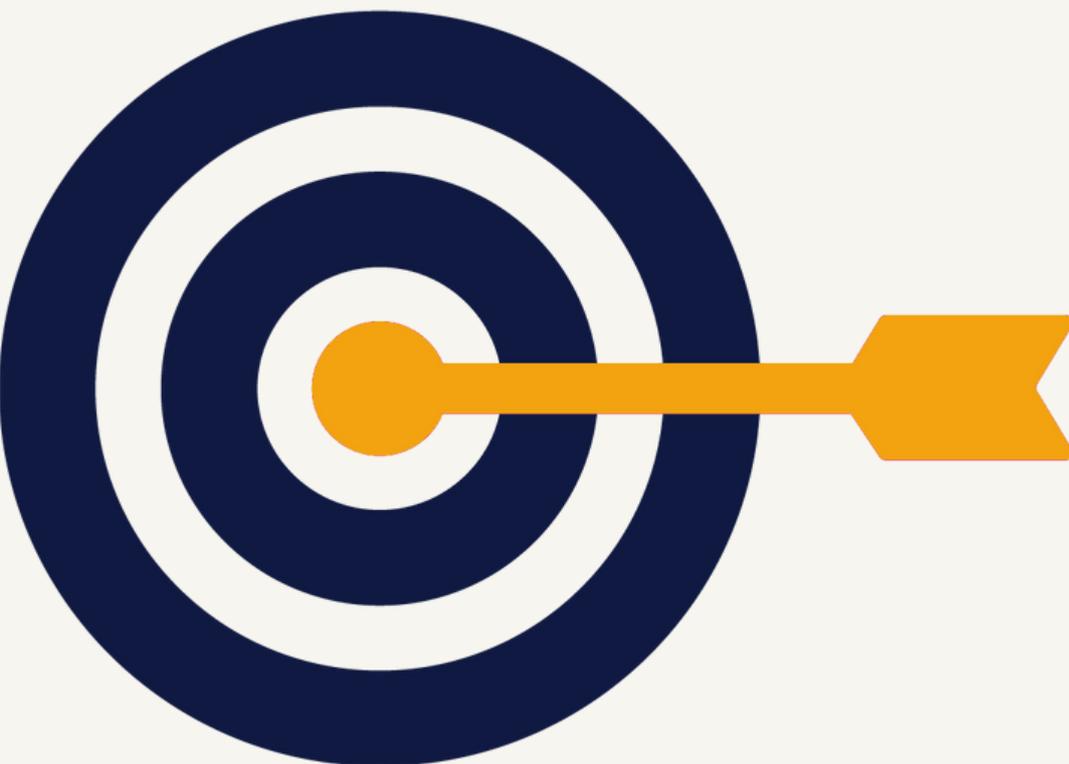
you work in ... Your goal is to assemble qualitative and quantitative information about diverse aspects from the contract lifecycle and your process.

You can look at all the metrics at once, but you can also divide on type or size of contract, industry, client or specific internal team.



important to keep in mind: you should first determine your zero point, so you have a correct point of comparison

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## examples

of what you can map out.

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how much time does your contract cycle take?

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how much time does every separate stage of the contract cycle take?

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how long does it usually take to approve the contract?

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what percentage of approvals have been delayed during the process?

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are all milestones being reached?

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how many contracts expire without being renewed?

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what is the level of compliance with the contracts, by type of contract?

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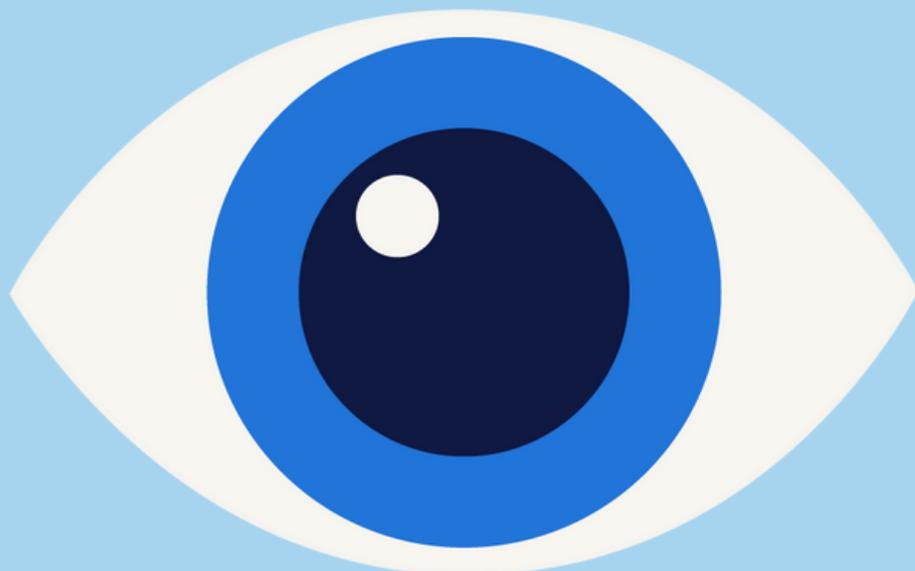
how many contracts are cancelled?

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how many contracts are lost?

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how often do I have to ask the other party to send me a copy of the contract?





## conclusion.

What we mostly want to make clear with this checklist, is that you can't just implement a tool to optimize your contract lifecycle management. Technology is only 1 aspect in the entire trajectory that you have to take into account to get to the right solution.

We want to encourage you to take a few steps back. Try to find a strategical answer to the why-question in your preparatory stage. Free up enough time with your stakeholders to find a durable solution that adds value to your digital transformation strategy.





would you like to know more?  
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