

CONTRACT MANAGEMENT SERVICES

WHAT IS CONTRACT MANAGEMENT SERVICES?

When two parties enter into a negotiation to abide by the terms and conditions on the purpose of the agreement that is being entered into in the first place is known as contract and the services and provisions that are being offered to make a contract are known as Contract Management Services.

WHY ARE CONTRACT MANAGEMENT SERVICES BEING DONE?

Contract management services are being done on the following reasons:

The first and foremost criteria are that companies can find their own contracts agreements they entered into, before thinking of effectively using them. Because of no prior systemized contracts organization, companies lose out in terms of clients or monetary benefits and either way suffer losses.

A good contract management services are always good for business in terms of it keeping a business up-to-date with all of its clients.

Solid contract management helps in mitigating risks to the organization when they don't miss out on their deadlines and renewal of contracts.

Next, contract management services help in keeping track of all the happenings in the company through contract timelines and know where the business stands.

A comprehensive contract management service integrates quality and consistency in business practices, thus, providing for a robust business environment.

HOW CONTRACT MANAGEMENT SERVICES IS DONE?

An effective contract management software, when implemented, does the following services:

❖ THE CONTRACT ARCHIVES

To find your contracts the best and only way is knowing where you put them. To know that, a centralized storage repository comes to your rescue. All the contracts that you have made, currently making and the contracts that are going to happen in the future, everything comes under the same database. It is synchronized, organized and arranged

in such a way that there is no way you will miss or lose them ever. Proper inclusion of metadata fields makes the archives easy to search, identify and select.

❖ **THE CONTRACT CLOUD**

The contract cloud is one where the contracts records are not just stored but kept in a way that it can be accessed by the involved parties in the contract negotiations from anywhere, anytime. A contract cloud is not confined to any location and at the same time, secure and confidential enough. Any information theft, being divulged to competitors or hacking by anti-social elements can never happen. Instead, all you get is ease of use and accessibility of all your contracts.

❖ **THE CONTRACT CLAUSES ASSORTMENT WITH LATEST REVISED BOILERPLATE LANGUAGE**

Every contract negotiations are comprised of numerous clauses. Every clause is different in its own significant way. All the clauses are taken into consideration and the variety of clauses that goes into the contracts are collected, categorized and stored. An assortment of clauses is needed because of language style and the interpretation can be divergent in different contracts though they look to mean the same in the first go. Very careful planning of the clauses is very necessary to draft and negotiate a successful contract.

However, there are instances where some clauses are a must, standard and already tested in most of the contracts drafting, that these set of clauses are kept up to date in boilerplate language templates and are invariably ready for adding to contracts. These set of clauses don't change often and hence in a certain period of the time interval, they are checked for updates.

❖ **THE CONTRACT AUTOMATION**

When you have archives and cloud platform, automation is not far away. Every contract management process is automated. Automation adds special contract management tools for the contract management software for ease of contract drafting and maintaining the contract management software process in the long run. Automation makes for easy readability of the contracts and also render functions like dashboards for reporting and live monitoring.

❖ THE CONTRACT REVIEW AND ANALYSIS

In contract review and analysis the various contracts made with distinct clients (also known as vendors) for business, are grouped and hierarchized on the basis of their effective dates and streamlined in terms of their respective master and child documents, like as in schedules, attachments, work orders, statement of work, change orders, ordering documents and further amendments to these documents.

Thus hierarchy makes way for a clear, understandable and intelligible contract review and analysis and enhances the contract line of visibility and relevance of a specific contract categorization for a vendor.

❖ THE CONTRACT NEGOTIATION

Contract negotiation is very essential in contract management. Negotiations of contracts and both parties agreeing to the contract being drafted at a certain point of the negotiation process give the final actual contract in the end, for the parties involved to sign on the dot and stay obliged to it till the termination of the contract.

Some tools to aid in the negotiation process:

➤ **Red Lining**

Redlining is the action of marking the lines in the contract and including where new amendments that needed to be added, modified or deleted are to be done. In here every step of the negotiation is reviewed and analyzed by both the parties so that they reach a negotiation that is beneficial for the business.

➤ **Gap Analysis**

Gap analysis finds out the disparity in different negotiations done by the parties and fills out the inadvertently imbalanced clauses, terms and conditions and brings it to the notice of the negotiation process and thus helps in drafting an inviolable contract agreement.

❖ THE CONTRACT ABSTRACTION & SUMMARIZATION

With contracts running for pages and pages, it would be a breather if there is a way to pleasantly review a contract in an easier way and still not miss any of the relevant details in the contract. This is achieved through the contract abstraction and

summarization where the relevant information like every key date, parties involved, the reason for the contract, obligations of the contract, the termination will be mentioned in a way that you can understand and act to it in a glance.

❖ **THE CONTRACT MIGRATION**

There are times when a legal firm or a corporate house need to restructure their business or in the case when some mergers and acquisitions happen, there is a requisite for data migration that definitely needs to carry out for improvisation. So upgrading to new software to pool the contracts in a systemized manner, improve the data quality, as well as to enhance your overall business growth and advancement.

❖ **THE POST CONTRACT ADMINISTRATION AND COMPLIANCE**

Once the contract is finalized and both parties have signed, not everything is done and dusted. Following up of every contract diligently through its complete life cycle is post contract administration and compliance. The success of a contract is not only in drafting and signing it but also in fulfilling the obligations coming with it.

This avoids any zero hour contracts overlooking but also keep track of all the contracts with enough alerts, renewals, generating assessment reports and thus prevent any risk exposure of the business.

Summing up, the contract management services software gives the best approach for the handling of all your contracts. Implementing a robust contract management services software leads you to gain strategic merit ahead in the competition.

At AEREN LPO we render you with the best in industry contract management services that give you the edge to your legal enterprise. Visit us at www.aerenlpo.com for other related queries and legal process outsourcing services.