



# Contract Management

10 Minute Health Check

# Contract management health check

## The purpose of this document

This document is designed to enable you to quickly perform a high level 'health check' of your organisation's contract management process.

It has been developed to help you identify your immediate challenges, identify causes and to understand the impact these are having on your organisation.

Once you have identified the current challenges, you will be in a good position to identify effective solutions.

# Contract management health check

## Challenge 1:

### Missed contract savings

#### Are you missing savings opportunities?

Are purchases being made outside of negotiated contracts?

Are volume discounts being overlooked?

Is your negotiation power limited as purchases are being made through multiple contracts?

#### Is this due to...?

Contracts are paper based, stored in filing cabinets, possibly in multiple locations.

yes no

Procurement team have limited visibility of contracts so may be unaware of agreements in place.

yes no

Teams are unaware of agreements made by colleagues resulting in duplications.

yes no

#### What does this mean to you?

You may be paying more than you need to.

Any potential savings and volumes discounts might be lost.

Teams may not have full visibility of all contracts when negotiating.

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## Challenge 2:

### Contract renewals

#### Are you missing contract reviews or renewals?

Have you been paying high prices due to automatic renewals?

Are you dissatisfied with an existing contract?

Have your contracts been automatically renewing without your knowledge?

#### Is this due to...?

Lack of visibility of when contracts are due for renewal.

Yes No

Not having a record of supplier history and additional notes that will help you to renegotiate better.

Yes No

Changes to personnel in the job roles who originally negotiated the contract.

Yes No

#### What does this mean to you?

Your contract could be outdated and you may find the costs and terms are not so attractive.

You could be continuing to pay for services you may no longer need.

You may unaware of the correct information to effectively renegotiate terms or price.

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## Challenge 3:

### Poor contract visibility

#### Are you fully leveraging your purchasing power?

Are you able to effectively analyse your contracts?

Is it time consuming to effectively forecast and understand the impact of change on your contracts?

Are you aware of terms that could affect your contracts?

#### Is this due to..?

Not being aware of all the contracts you have across different divisions of your organisation.

Yes No

Contract documents are difficult to locate, information is inconsistent or out of date.

Yes No

Responsibilities are unclear throughout the procurement team, no ability to effectively task manage.

Yes No

#### What does this mean to you?

Effective analysis will be difficult if you don't have visibility of your contracts.

You may be unable to effectively assign tasks across your procurement team.

You may be unaware of contracts in other divisions resulting in duplicate agreements or missed savings.

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## Challenge 4:

### Administration and storage

#### Are you wasting time and money?

Are your administrative tasks taking a significant amount of time?

Are you experiencing challenges with your current tracking systems i.e. spreadsheets?

#### Is this due to..?

Paper contracts being stored in filing cabinets, in multiple locations resulting in excessive time to file or find.

Yes No

Procurement must manually keep track of contract dates and events.

Yes No

Payment reminders are manually set up and submitted to accounts.

Yes No

#### What does this mean to you?

You could be using more resources to manage your contracts than you need to.

You might be spending too much time on administrative tasks, restricting your teams capacity to make improvements elsewhere.

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## Challenge 5:

### Increased risk

#### Are you concerned about how at risk your contracts are?

How easy is it to review your suppliers' performance?

Do you have full access to all of your contract provisions?

Do you have a disaster recovery plan that ensures your contracts are safe and secure?

#### Is this due to..?

Limited access to contractual documentation.

Yes No

No information regarding the performance of the contract throughout its term.

Yes No

No simple way to schedule reviews and to alert colleagues responsible for each action.

Yes No

#### What does this mean to you?

Limited visibility of supplier performance means you could be at risk of not meeting your own obligations, including the risk of losing critical data.

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## How Software Europe can help

Software Europe can help you develop your contract management processes and turn your current challenges into opportunities.

### Who we are

Software Europe transforms businesses through cloud technology. From human resources and finance to procurement and legal, our solutions help companies to develop efficient processes.

Framework is an efficient contract management system that allows you to monitor and analyse your business contracts. Enhance your contract and supplier performance through increased visibility and control, helping to reduce spend and increase profitability.


- ✓ Effective control of your procurement and customer contracts
- ✓ Maximise contract management compliance and processes
- ✓ Online visibility to track and set alerts to enhance the supplier management process.

### What to do next


Now you've identified some of the issues in your contract management process what's next?

- ✓ Get in touch to find out more about how Software Europe can help you improve your contract management
- ✓ Request a free demo of our contract management solution Framework.

### Get in touch

 +44 (0)1522 881 300

 hello@software-europe.com

 software-europe.com