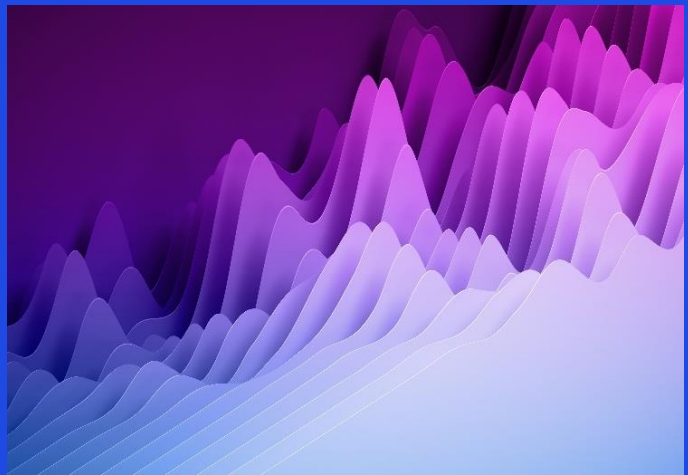




Contract Lifecycle Management

Unlock the potential of effective Contract Lifecycle Management and ensure transparency, overview and traceability.



Contracts are key in the context of expanding national and international business relations.

No matter the size of a business, the number and variety of contract documents to be prepared, negotiated and managed are steadily rising, and the content of such contracts is also becoming more specific and complex.

While many businesses struggle to secure an overview of their contract portfolio and an embedded process for contract works, contracts remain the lifeblood of a business. KPMG can assist in bringing governance and transparency throughout the whole contract landscape and enable clear, integrated processes to the lifecycle.

A single contract often involves people from many different departments within an organisation, and aligning internal processes, balancing risks and value, unifying data, and avoiding administrative bottlenecks remain vital.

Challenges can occur across the entirety of a contract's lifecycle. Recurring themes include manual, time-intensive processes and sporadic ownership, commercial leakage, increased levels of risk and inconsistent data. And while businesses have digitally matured at a rapid speed, digital transformation is also a core element for securing optimisations for contract management solutions.

But technology does not drive successful results on its own – it requires processual insights, focused operating models, data-enhanced experimentation and business adaptation across units.

Key areas to consider:

In order to reduce complexity and drive enterprise-wide benefits, there are a multitude of areas that should be considered when thinking of Contract Lifecycle Management.

We can offer our vast local experience and utilise our best practice framework to ensure the various disciplines work together for your benefit:

- Analysing contract infrastructures and full project setup needs – review existing technologies, processes and policies and identify risk and regulatory requirements to secure the best applicable journey towards better contracting
- Contract collection, setting up a document repository as well as a process to collect missing contracts across functions
- Designing and securing analytical governance models across contract data, language and clause identifications, required risk and commercial, terms such as assignment rights, committed spend, termination penalties, etc.
- Contract processing and template automations – applying automation models to extracted contract text and preparing customised contracting components
- Secure dashboards and reporting processes for visibility and project stakeholder overview.

How can KPMG help you unlock the potential of Contract Lifecycle Management?

An effective contract management program first and foremost enables organisations to have visibility into their contract portfolio. This visibility is crucial to gain strategic insights, secure risk management processes, ensure compliance standards and to react to business challenges by promptly locating and analysing key provisions across their collection.

Our best practice model can ensure full Contract Lifecycle Management across your in-house departments and ensure an efficient internal implementation process. Through our 360-degree delivery setup we will comprise and consolidate profound KPMG expertise and experience to support KPIs across your internal functions, embracing cross-function value drivers from the offices of the CIO, the CFO, the CPO and Legal while bolstering the ESG agenda. We call this 'breaking down the silos'.

KPMG can support your organisation by taking you every step of the way in the process of building, reviewing and sustaining a full cross-functional contract service platform.

Key challenges and our solution:

Organisation:

Heterogeneous structures, i.e. no or only department-specific defined roles and responsibilities for the creation, ownership and administration of contracts.

Our solution:

Defined governance for the scope and establishment of roles and responsibilities for an integrated Contract Lifecycle Management. Increased efficiency by establishing binding and system-based contract management processes with clear responsibilities.

Contract landscape:

No comprehensive transparency of the contract landscape and insufficient overview of contractual risks and agreements.

Our solution:

Ensure transparency, overview and traceability throughout the whole contract landscape as well as monitoring and evaluation of relevant contract content for a comprehensive risk management.

Fast, complete and centralised availability of important contract information, all fully tailored to the organisation's products and services.

Processes:

Informal procedures and partially redundant process steps lead to inefficiencies in the creation and administration of contracts and templates.

Our solution:

Integrated and communicated contract management processes along the contract lifecycle i.e. order intake, template management, contract creation, negotiation and contract repository – embracing the lifecycle of the contract management.

Technology:

Department-specific, isolated systems with discontinuities and complicated holistic management of the heterogeneous contract landscape.

Our solution:

Central and binding contract management IT-system as an up-to-date and complete information basis. Adding professional support processes and resource optimisations throughout automated workflows. Ensuring compliance with new legal/regulatory requirements.

Our platform of services:

Analysis:

- Detailed analysis of existing processes, roles, responsibilities and the contract- and IT-system landscape
- Maturity assessments
- Benchmark performance vs. leading practices
- Evaluation and improvement scoping to develop roadmap – savings and optimisations potentials
- Defining scope of contracts.

Conception - roadmap and business case design:

- Target operating model based on defined dimensions across functions
- Set program objectives which align with corporate policy and group strategy through involvement of key stakeholders across Legal, Compliance, Procurement, Sales, IT and other essential functions
- Definition and prioritisation of business and technical requirements. Identification of future state visions and process requirements
- Integrated and communicated contract management processes along the contract lifecycle i.e. template management, contract creation and contract management
- Defined regulations for the scope and establishment of roles and responsibilities for an integrated contract lifecycle management
- Increased efficiency by establishing binding and system-based contract management processes with clear responsibilities.

Tech selection and business case:

- Tech agnostic approach – scaled market analysis based on requirements, maturity and strategy
- Machine learning to evaluate compliance focus to fit commercial needs, processes and standards
- Clear understanding and prioritising for functional and non-functional requirements
- Evaluation and selection of platforms, input and output adaptations and full scalability.

Implementation:

- Roadmap execution and software implementation - central contract management IT-system as an up-to-date and complete information basis
- Ensuring compliance with new legal/regulatory requirements
- Cross functional engagement to design - detailed concept and operationalisation (introduction of measures for the technical concept)
- Centralise and collect contracts across the different business units – identify and quantify variance between commercial agreements
- Joint or accompanying implementation of the holistic contract management concept (piloting the selected contract management system)
- Transparency throughout the whole contract landscape, including monitoring and evaluation of relevant contract content for comprehensive risk management
- Fast, complete and centralised availability of important contract information
- Change management support
- Contract portfolio build, defined by services and goods.

Contact us today to learn more:

Learn more about how we can make Contract Lifecycle Management a successful practice within your organisation.



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