Benefits of Using Contract Management Software

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Contract management software is useful for centralized and automated administration of company-wide contracts. This can be contracts between the company and its employees, or contracts with customers, suppliers, distributors, dealers and other business partners. The system is responsible for contract lifecycle management (CLM) from negotiation collaboration to the creation and storage of contracts, followed by renewals and amendments, compliance, reporting, audits and so on.

Centralized data allows for a faster lifecycle and secure documents with role-based access rights for user groups and individual users. With data held in a repository, text and field search is possible, and it makes auditing and tracking easier. Scheduled alerts can be sent to members responsible for contracts and human errors and omissions are largely avoided. The data entry interface is easy to use, and documents can also be uploaded in batches with an OCR scanner.

The desired features in such a system begin with easy deployment options. Contract management software can be purchased and installed in-house as a client-server system. It can also be used as a hosted service (SaaS) paid for with a periodic billing cycle, with charges per user and based on usage of resources.

A small or medium level business may prefer this option as it does need any infrastructure or staff to install and maintain the system. But because these are sensitive documents with legal implications, a lot of companies still prefer to keep the documents within their premises. Whether in-house or hosted, the system inevitably provides a quick ROI with savings from improved compliance rates, fewer errors and lower administration expenses for contracts.

One of the essential features of contract management software is a central repository that can hold unlimited contracts. Managers and system administrators should have the ability to assign user and group permissions based on roles. An internal search engine has to offer full text search for user queries and system fields.

The system's collaboration and negotiation tool needs to have editing support for widely used document editors like MS-Word. All versions of every document have to be stored securely and tracked. Check-in document comparisons and change list notations are helpful, along with a listing of users who changed the document. The system's internal email setup should track each message and attach it to ongoing conversations.

By far the most desired and important feature is document management. All versions of each document have to be secured and a status assigned to each one, so that only the owner and authorized users can access and identify it. The system should be capable of accepting any form of digital data as input, and also paper documents as batch input data from OCR scanners. The data has to be available in . Pdf, . Xls and other common downloadable formats.

Contract management software is also required to have standardized compliance reporting mechanisms. In order to do this, the system needs to have the ability to maintain audit trails and histories for all contracts. Regular reports can start with the index of all contracts stored in the repository, and then have filters to sort the data based on yearly increases, expiry dates, contracts related to a specific division or branch, etc.

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