

FRONT COVER

Is Contract Carelessness Costing Your Company Money?

If you're not SURE that your contracts are well managed and securing every penny's worth of value, then they probably aren't.

BODY COPY:

Main Headline:

If Your Company's Contracts Aren't Properly Analyzed, Negotiated and Managed, Your Company IS Losing Money.

You Know how Vital Contracts Are...

They are the lifeblood of any company.

Contracts determine the quality and the profitability of all of a company's business relationships. Contracts limit your liability exposure and protect your revenue streams. In fact, it's safe to say that most companies could not exist without the assurances and protection provided them by their contracts.

Isn't it surprising, then, that many companies woefully neglect the vital process of contract management? Consider these startling statistics:

According to an Aberdeen Group survey of industry executives, "*on average, companies track only 68% of their customer contracts, meaning that **almost a third** are forgotten, not being serviced, or improperly managed.*"

In addition, the research revealed that, "*approximately 85% of companies are using either manual processes to manage sales contracts or systems that are partially automated or disparate. Due to inconsistent storage systems within companies, key stakeholders may be **unaware of negotiated terms**, resulting in **non-compliance** and possibly leading to **costly disputes and strained customer relationships.***"¹

Is *your* company among the 85% suffering from contract carelessness?

Are Your Contracts Readily Available to Those Who Need Access to Them?

¹ The Contract Management Benchmark Report: Sales Contracts
Optimizing the Value of Customer Relationships
April 2006

How many live contracts are in effect at your company right now -- fifty, a hundred, a thousand? (If there's not someone who can instantly answer that question, *that's* a problem too!). Among all of those contracts that your company depends upon for its security and profitability, could any given contract be located at a moment's notice?

Do all employees who need access to a given contract even *know* that the contract exists, and are all sufficiently knowledgeable about its terms? Are all of your contracts secured within a central repository, in both paper and electronic form, and monitored to assure that all stakeholders have full access to the proper contracts?

If the answer to ANY of these questions is no...

- How can you be certain that all parties are properly scrutinizing each contract to ensure full compliance to all terms?
- How can you ensure that the full revenue potential of each contract is realized?
- How will you be certain that you're getting the full benefit of any discounts, rebates, or other special terms provided by each contract?
- When it's time to renegotiate or extend a contract, how can you accurately analyze and assess its performance?

The answer to each of these questions, of course, is that you can't. That's contract carelessness. And remember, these problems exist in 85% of all companies!

Are Your Contracts Effective?

In view of the power that contracts wield over the financial fate of your company, it's *crucial* that each contract be thoroughly reviewed, analyzed, and negotiated. This is stating the obvious, perhaps, but the goal is more easily perceived than achieved.

After all, EACH of the parties with whom you enter into a contract is seeking also to derive the maximum benefit from the contract. And of course, for every bit of advantage that they gain, you lose a bit.

That's why it's to your great benefit to have a contract professional thoroughly review and analyze *every* single detail of *every* contract *before* you are bound to it.

And though this may sound strange, it's not at all uncommon for companies to unwittingly sign contracts that actually *negate* benefits of previously negotiated contracts! It can easily happen when a company has perhaps hundreds or thousands of live contracts, but with no singular entity tasked with analyzing and managing them all.

We'll Help You Squeeze Every Last Penny's Worth of Revenue From Your Contracts

And we'll also make certain your contracts don't put the squeeze on YOU for unexpected costs or liability exposure!

Whether it's managing existing contracts, or managing the entire life cycle of a contract from analysis to completion, we'll see to it that you're not leaving money on the table.

We can help you with each of these critical tasks:

- **Contract Negotiation**
 - We'll monitor your contract negotiations or, if you prefer, we'll even handle them completely. With an experienced, expert negotiator going to bat for you, you'll be sure to secure the best possible terms. You'll be confident that each contract returns maximum profitability with minimum liability.
 - We'll provide a buffer between you and your customers. Sometimes, negotiations can get a little rough. That's just reality. Feelings can be hurt, and resentment created. When this happens, YOU won't be perceived as the bad guy, WE will, preserving the good will between you and your customers.
 - We'll provide assistance to your company attorney as needed. Sometimes, just an extra set of expert eyes can be invaluable in assuring that nothing falls through the cracks, and that there are no liability loopholes.

- **Contract Management**
 - We'll set up (or advise on setting up) a *proper* storage system for contract hard copies and their electronic duplicates. All contracts will be readily accessible, and all risks of a contract being lost or destroyed without a backup will be eliminated. We'll also handle the tedious but *critical* task of creating and organizing an electronic version of every single contract.
 - We'll see to it that all employees have access to all necessary contracts – but *not* to any contracts to which their jobs *don't* require access. Employee productivity and contract security will both be maximized.

- **Contract Review and Analysis**
 - We'll help you to avoid contractual pitfalls by carefully analyzing your contracts to identify and mitigate risks. We'll put the right language in place to protect your company's interests.
 - With our help, none of your contracts will contain any lurking, unforeseen “gotcha's”!

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Do You Need a Little Help, or a Lot?

If you want us to take over your contract management beginning with the initial review and analysis process and onward through the life of the contract, we can do that. If you just want a little help with certain aspects of contract management, we'll do that too. You can pick and choose the contract management services you need. We'll be glad to help in any way we can.

In fact, it might be that you're pretty confident about your contract management system. But maybe you'd sleep a little better at night if expert eyes looked over your system – just to be sure. We'll be glad to examine your entire contract management system, and point out any potential problems.

But DO be sure to get whatever help you need to be *certain* your contracts are managed properly. It will MORE than pay off in the long run.

With our help, your company will no longer be among the 85% suffering from contract carelessness. Instead, you'll be among the relatively small number of companies that enjoy the security, profitability, and competitive advantages that come with contract *confidence*.

And that fortunate 15% is a far better group to be a member of, wouldn't you agree?