



Corporate Counsel Contracts Survey Report
Highlights-only Version

April 2009

Introduction

The first Exari Corporate Counsel Contracts Survey was conducted at two major industry events, the most recent Association of Corporate Counsel Annual Meeting and LegalTech New York in February 2009. Some of the highlights from the Survey Report are included in this amended version. To download the complete report, please [click here to complete a survey of your own](#).

It is clear from the responses that now more than ever it is vital to improve top-line revenue and protect bottom-line results. Creating, managing and understanding business contracts are key to accomplishing these goals. Contract Management has become increasingly important to the overall success, profitability and risk management of an organization. In this challenging economic environment, prioritizing the effective creation and management of contracts and streamlining contract processes allows enterprises to mitigate risks and improve overall performance.

Timely creation of contracts can accelerate revenue. The sooner a contract is approved and executed, the sooner the revenue can be realized. Visibility into contract details, terms and conditions can help to mitigate corporate liability. And yet many organizations are still creating their contracts in Microsoft Word and storing them in filing cabinets. According to Tim Cummins, President of the International Association for Contract and Commercial Management (IACCM), poor contracting costs you money and in tough economic times, contracting excellence offers relief. Cummins said recently that, "...any company could raise its profitability by at least 10% simply through better understanding the link between contracts and economics. Recent studies suggest that [this] is right — they show companies that have focused on "contracting competence" achieve 7–10% margin improvement through a combination of reduced costs and higher revenues."¹

Automation is one way to improve the contracting process from start to finish. With the optimal solution, high quality data is captured right at the beginning, ensuring that there are no

¹ Contracting Excellence Global Strategies for Superior Results, December 2008.

cut and paste errors. Compliance is built in, and workflow facilitates a quicker and more thorough approvals process. Finally, utilizing tools such as XML, data is captured and stored in a transparent manner, allowing visibility into large and complex portfolios of agreements.

According to the Aberdeen Group, "42% of enterprises indicate the top pressure driving focus on Contract Lifecycle Management is the need to mitigate risk."² The problems caused by a lack of transparency are a notable topic of late and enterprises are becoming increasingly aware of the need to understand exactly where they have exposure to risk. Unfortunately it is often buried somewhere in the details of a contract.

The following highlights from the Exari Corporate Counsel Contracts Survey provide some insight into existing pain points shared among the respondents and reveal some glaring areas in need of improvement. The Report's results are supported by data from the IACCM that says, "Senior managers state that improvement from contract management would contribute to better risk management (69%) and reduced costs (89%) – both items high on the executive agenda. A smaller, but still significant 23% believe that it would also lead to higher revenue."

² Aberdeen Contract Lifecycle Management Report, August 2008.

Report Highlights and Commentary

- Sales contracts are the dominant contract type in most companies.
- With close to 90% of respondents being attorneys, it's not surprising that most (about half) singled out contracting errors by sales and other front line business staff as the biggest risk and pain during contract creation. Nonetheless, about a quarter of respondents named the high cost (28%) or the slow pace (23%) of having contracts reviewed by Legal as the biggest pain for their company.
- About half of companies surveyed send the vast majority of their contracts through Legal for review.
- To learn the highest priority issue for respondents, please [click here to take our survey](#) and then download your free copy of the full 14-page Exari Corporate Counsel Contracts Survey Report 2009.

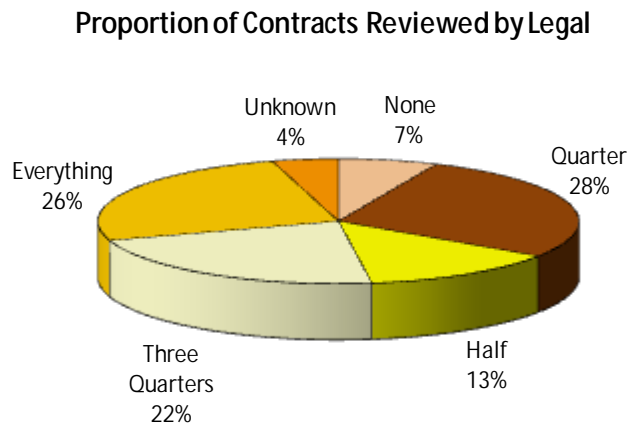


Figure 1 - Proportion of Contracts Reviewed by Legal - Source: Exari 2009

- For 62% of companies, Legal review consumes 4 hours or more per contract.
- Most companies create contracts manually, using some combination of Microsoft Word templates (67%) and cut & paste from the contract used on their last deal (53%).

Learn More

Now that you have seen the highlights from our survey, we invite you to read the full report in order to see the complete data and conclusions. To do so, [please click here to take the survey](#); you will then be able to download the full report which also includes recommendations that you can follow to improve your own contracting processes.

To learn more about Exari's Automated Document Assembly and Contract Management Solutions please contact us to hear about specific solutions that will solve your contract problems or visit www.exari.com for information and to demo the software.

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