

COUPA SOLUTION BRIEF - LEGAL

Today's legal departments are under pressure to do more with fewer resources, while serving as the company's first line of defense against an ever-expanding array of risks. But one area where many are finding success is in streamlining contract management. Beyond simply producing consistent, low-risk, error-free documents that accomplish company goals, legal departments are improving their processes for storing and analyzing executed contracts. With deep, efficient insight into their company contracts, legal departments can reduce exposure to liability and risk, save time, and improve internal and external relationships.

Legal Department Headaches

Legal departments face challenges from multiple sources. They may be inundated with all sorts of requests from the business, from simple NDAs to complex negotiations and time-sensitive analyses of commitments. If business leaders view the legal department as a bottleneck, they may work around the standard process by drafting their own contracts from existing agreements. Such workarounds are dangerous, as these new contracts may include outdated terms or omit vital clauses. When this happens, the company is left at risk of noncompliance and accruing significant costs.

Legal departments are often charged with analyzing contracts to gauge risk, as well as evaluating the company's overall commitments, compliance, and opportunities for improvement. Without a central contract repository and effective analytics, the process for this analysis is highly inefficient. Legal teams can spend hundreds of hours on manual analysis—a process fraught with the potential for error.

Inefficient processes for drafting, approving, and analyzing contracts make collaboration between legal and other business leaders challenging. It can be difficult to share knowledge and make the best decisions. In the end, inefficiency means waste, overspending, and unnecessary exposure to risk. When a crisis hits, legal teams are left scrambling to ensure they have protections and contingencies in place for all possible outcomes. Getting caught unaware can mean settling contracts for performance failures, getting slapped with sanctions due to noncompliance or regulatory infractions, and ultimately, even suffering damage to brand image and customer trust.

Streamlining Legal Processes with Coupa Contract Management

While many companies struggle with inefficiencies in contract creation and analysis, others have been able to streamline processes and maximize the impact of their resources. With Coupa, leaders can:



Automate Processes to Maximize Legal Resources: Coupa provides simple tools to let business users draft their own contracts, while putting guardrails in place to ensure appropriate protections and highlight risk for legal review.



Understand Contract Risk at Scale: Coupa centralizes contracts in an online repository that provides legal departments with the ability to analyze and query, such as looking for missing terms.



Maximize Contract Value: Coupa operationalizes agreements by connecting the contract repository directly to where the agreements will be used, such as automating price checks in invoice validation and helping the business understand and exercise negotiated options.

Streamlining processes lets legal departments redefine their roles within their organizations, so that they are less siloed and more fully integrated into the business. Contracts are not simply legal documents: They're a crucial source of data that can be utilized for strategic analysis, management, and business strategy development. Coupa provides more control and brings enterprise-wide efficiency to contracting processes, seamlessly unifying them with core transactional spend.

Automating Processes to Maximize Legal Resources

Business users can create consistent, compliant contracts with a fraction of the legal support typically required by using interview-based tools and pre-approved terms. Instead of directing all contract drafting to the legal department or giving users complex templates, interview-based systems let business users draft their own contracts through a series of intuitive questions. Riskier contract terms can be flagged automatically for rapid review and internal approval. Draft agreements can then be distributed to senior staff and counterparties for review and signature. Reviewer history and redlines can be tracked automatically, maintaining a complete audit trail.

Viewing Contract Risk at Scale

A structured contract repository can provide legal teams with full visibility into their companies' portfolio of executed contracts, eliminating the need for manual detective work to locate information, while empowering teams to support the business more efficiently. To provide this level of visibility, it's not enough to simply centralize electronic documents and apply a few tags such as date, counterparty, and so forth. Contracts must be deconstructed into their terms, while multiple contracts, exhibits, and addenda with the same counterparty must be consolidated to provide a single view of each current agreement and prevailing terms. This consolidation of contract data lets legal teams make previously tedious tasks simple—like searching across all current agreements for high-risk contract terms or identifying missing terms that are critical to the business.

Maximizing Contract Value

With all types of contracts, full visibility into the current state of the terms of each agreement lets legal departments and entire companies maximize the value of the agreements they've worked hard to negotiate. Critical terms, such as timing of revenue or penalties for non-performance, can be closely monitored to maximize revenue and predictability of revenue streams. Buy-side agreements can be analyzed in the context of spending, so that spending and risk can be concentrated into a manageable number of suppliers. Terms negotiated with suppliers, such as SLAs, access control and protections for company resources, and even tiered pricing, can be identified in agreements and monitored for compliance. In response to a business crisis or to risks identified in contracts, critical terms can be identified across the entire repository. This can streamline the process of presenting options for response to business leaders, and even mass-executing changes to multiple contracts.

Effective Contract Management with Business Spend Management (BSM)

Coupa helps legal departments address the opportunities identified here with a streamlined, centralized contract management system that's seamlessly integrated into Business Spend Management (BSM).

Enjoy a Simple Rollout of Self-Service Contracting: Incorporating self-service contracting into the processes for procurement and supplier management touches all departments across the company, with an easy experience users already know from day-to-day purchases.

Avoid Rogue Buying Risk: Intertwining contract management with spend management helps to ensure that all buying is on-contract—as Coupa benchmarks for pre-approved spend show—avoiding engagement with vendors that don't have critical protections negotiated into contracts, as well as those who don't have contracts in place at all.

Maximize Contract Value: Operationalizing buy-side agreements within BSM connects the contract repository directly to purchasing and payments, automating price checks in buying and invoice validation, and helping to ensure supplier performance.

Learn More About How Coupa Contract Lifecycle Management Can Help Your Business

Visit us at Coupa.com to learn how Coupa can help you drive effective contract lifecycle management at your company.