How to Build a Rock-Solid Contract Management Business Case

A Step-by-Step Blueprint to Win Over Stakeholders

Your business needs contract management software. The only problem? Not everyone sees the same writing on the wall as you do. The solution? Building a business case stronger than the loudest naysayer's opinion.

Listen, every business relies (in one way or another) on contracts to function. And for every business that's sick and tired of managing whatever archaic (and likely not secure) contract management system is currently in place, there's a slew of reasons why dedicated software is the best solution.

And your best chance of getting decision-makers on board with the expense? Building a business case so rock-solid that even the Hulk can't punch holes in it. This means gathering data, insights, and analysis — and using it to tell a compelling story your stakeholders will be rooting for.

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TL;DR: Key Takeaways

- Before building your business case, take stock of the reasons why the software is needed, gather compelling details to support those reasons, and identify different ways the software will benefit your company.

- When building your business case, position the software as an investment while emphasizing time savings, cost savings, security, and operational efficiencies.
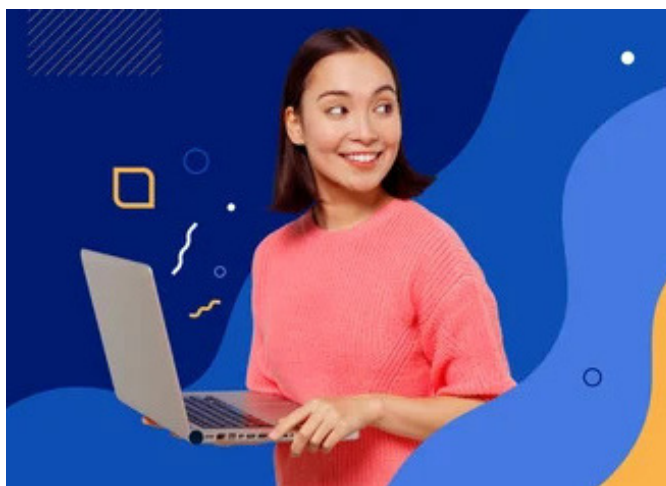
How to Lay the Foundations for Your Contract Management Case

Your number one goal here is to get more yeas than nays. So, before actually building out your business case, take stock of the following:

- **Identify the need for software:** Show specific instances where current processes are falling short. Whether it's manual data entry or missed renewals, there are probably plenty of examples. Just ask your team!

- **Gather supporting data:** Back up your case with hard facts. Track the time spent on manual contract management tasks and any associated costs. Document instances of compliance failures or contract oversights that demonstrate the risks and inefficiencies of the existing system.

- **Highlight the software's benefits:** Clearly outline how the new software will solve these problems. Highlight features that bring organizational efficiency, enhance security, and boost productivity. Stress the software's promise of time-saving automation and improved accuracy.

- **Prepare financial details:** Crunch the numbers to present a clear financial picture. Estimate the investment required for the new software and balance it against potential savings and efficiency gains. Also, compare different vendors to find the best fit in terms of features and cost.

- **Create an implementation plan:** Draft a basic plan for implementing the new software into your current system. This should include a tentative timeline, identifying key team members for the transition, and outlining any training needs to ensure a smooth adoption.

Preparing Your Contract Management Software Case

Identify the needs for software ▼

- ☑ Identify operational challenges the software will address.
- ☑ Write down current contract process Inefficiencies.
- ☑ Collect team feedback on system pain points.

Gather supporting data ▼

- ☑ Compile data on time spent on manual contract management.
- ☑ Calculate the cost of current inefficiencies.
- ☑ Document any recent issues, like missed deadlines or compliance lapses.

Highlight the benefits ▼

- ☑ Consider organizational efficiency, enhanced security, and boosted productivity.
- ☑ Highlight how automation can speed up your process.

Prepare financial details ▼

- ☑ Estimate the total cost of investment in the software.
- ☑ Project potential savings and ROI from implementing the software.
- ☑ Research potential vendors, noting pricing and features.

Create an implementation outline ▼

- ☑ Draft a preliminary software implementation timeline.
- ☑ Identify key personnel for the transition.
- ☑ Consider post-implementation training and support needs.

Once you've completed this checklist, you'll have a solid foundation of information to build a compelling and thorough business case for contract management software.

6 Steps to Build a Business Case for Contract Management Software

You've got your why, what, and how. Now it's time to build that business case! Here's how to do it in six simple steps.

Step 1. Prove Time Savings

Time is money. And when your business case shows that a software investment would save employees a lot of time and solve for your pain points, well, that means dollar signs for the bottom line. The only thing you have to do? Show how much time is currently being wasted and how contract management software can help. How much time do you spend on monotonous tasks like monitoring dates, searching for contracts, extracting and organizing data, sending reminders, and redlining? If you can estimate your time savings, you can then highlight the features that support the savings:

- **AI-based data extraction:** automates data entry, drastically cutting down on manual processing time

- **Contract repository:** provides quick digital access to contracts, eliminating time-consuming searches through physical files

- **Optical character recognition (OCR) search:** enables rapid document searches, regardless of file format, significantly reducing search time

- **Contract templates:** reduces contract drafting time by using customizable templates for standardization

- **Automated workflows:** speeds up contract approvals and reviews, minimizing manual effort and time delays.

These features not only give you time to work on strategic priorities but also pave the way for significant financial savings. And who doesn't love savings?

> **Calculate how much time your team would save using the software versus current methods** by summarizing all the current contracts your company is managing along with how much time it would take an employee to maintain them.

Step 2. Calculate ROI

Or at least show them how they can save it. Don't assume time savings alone will compel company leaders to approve a software purchase. Just like time savings, a solid return on investment (ROI) will be one of the most important parts of your business case.

Poor contract management can lead to cost overruns. It's important to understand — and be able to explain — how contract management software can help.

Whether you almost missed an important deadline or used an outdated version of a contract, mistakes from manual contract management can cost you.

While you need to tailor your business case for the specific software you want buy-in on, good contract management software should be able to offer the following:

- Intuitive search and reporting to save on administrative costs
- Intelligent alerts so key contract dates aren't missed and associated money isn't lost
- Active security and data protection to keep your company protected against costly legal fees
- Fast and easy initial implementation to save time, money, and, let's be honest — a whole lot of headache

Small, medium, or large—whatever size your company is right now, contract management software can help free up your team's time and financial resources. Taking the time to demonstrate both points in your business case will help justify the software cost and get your leadership team on board.

Calculate Your Savings with ContractSafe's ROI Calculator Now!

See How Much You Could Save
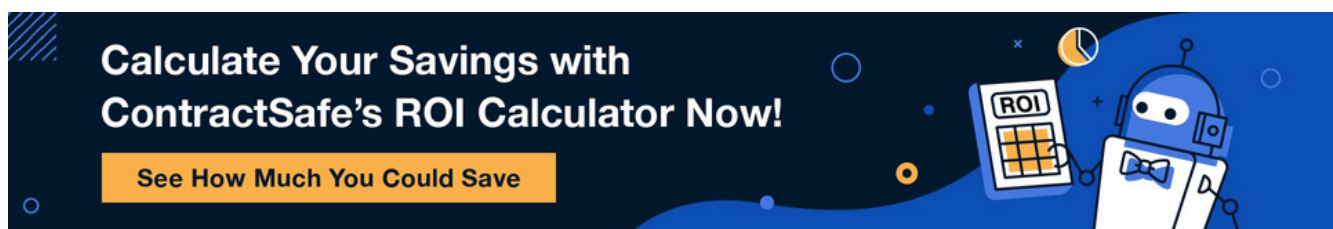
Step 3. Confirm It Checks All Security Boxes

Contracts are legally binding. And keeping them safe is arguably the most important. Be sure to outline the security-related benefits contract management software brings to the conference table by checking off the following tasks:

1. Make a list of governing agencies and their security requirements

2. Check contracts for data security or privacy SLAs

3. Get security confirmation from your IT team

4. Start building out your roles and permissions settings

> With a cloud-based contract management system, your company's legal contracts **will be maintained on off-site servers that are highly protected by expert-level security.**

With a cloud-based contract management system, your company's legal contracts will be maintained on off-site servers that are protected by expert-level security. If that isn't enough, detail the benefits of a digital storage repository — like how having full control over sharing and roles makes it easy to see who accessed or edited a document. This eliminates questions of who made a particular change to a contract and why.

Storing contracts in the cloud also eliminates the paper trail of a physical contract, ensuring confidential contracts stay confidential.

Step 4. Bundle the Company-Wide Business Benefits

Contract management software is a powerful tool. Cost savings, time savings, and security are three big benefits, but there are countless others that will improve contract performance across the whole organization:

- **Improved contract visibility:** Highlight how a central repository for contracts and contract tracking features make it easy for everyone to stay informed and up-to-date.

- **Comprehensive compliance and risk management:** Emphasize the role of automated alerts in mitigating risks and ensuring compliance by notifying teams about upcoming renewals, deadlines, or compliance requirements.

- **Easier collaboration:** Stress how cloud-based platforms with personalized dashboards keep everyone on the same page, making the contract management process more efficient.

- **Data-driven decision-making:** Point out how detailed reports generated by the software can empower leadership and guide strategic decisions, highlighting trends and areas for improvement in the contract management process.

- **Streamlined follow-ups on aging accounts:** Explain how the software's reminder and contract tracking features can help manage aging accounts, ensuring timely follow-ups and reducing the risk of forgotten or overdue contracts or renewals.

- **Faster approvals:** Illustrate how automated workflows and alerts can help speed up contract turnaround times, contributing to faster project starts and business agility.

- **Reduced errors or lost documents:** Underscore how digital storage and AI data extraction can minimize human errors and the risks associated with physical document storage.

Bottom line? Wherever possible, help your company leaders see how green the grass (and money) is on the other side. Talk about a current issue, present the solution, and voilà! You'll have an even stronger business case and your company will be better for it.

Step 5. Give It to Them Straight

The same software that you know will benefit your company is also going to cost them. You know that going in, and you can bet the leadership team knows it even more.

To make sure your business case for contract management software is rock-solid, be as clear-cut as possible about the cost. And while we're on the subject, remember that word choice matters. Rather than outlining the "cost" of the software, position it as an investment.

Don't shy away from talking through the investment cost in your business case. Leaving it out can signal unnecessary red flags and questions you might not be ready or able to answer.

> Outlining the many benefits and cost savings to the company will **soften the blow while keeping minds open and receptive to your solution.**

Step 6. Showcase the Right Contract Management Software

After emphasizing the investment in the previous step, really drive the point home by highlighting the contract management software that works best for your organization. This is where you want to tie everything together and share a solution that ticks all these boxes:

- **Easy to use:** Not everyone is tech-savvy. Demonstrate how easy the new software is to use and navigate.

- **Affordable:** Focus on the value your proposition provides. Highlight that the software offers essential features without the extra costly features.

- **Customizable:** Show how the software can be tailored to fit your company's specific contract management processes and requirements.

- **Scalable:** Emphasize the software's ability to grow with your business. Illustrate its capacity to handle increasing volumes and complexities as your organization expands.

- **Integration capabilities:** Outline how well the software plays with your existing systems. Stress the importance of seamless integration for maintaining efficient workflows.

- **Support and training:** Underline the level of customer support and training the vendor provides. This ensures smooth implementation and ongoing usage.

- **Reviews and testimonials:** Share real-world feedback and success stories. Demonstrating positive experiences from similar businesses can be a huge help in building your case.

By incorporating all of these elements, your business case will be clear, thorough, and convincing. Be sure to take your time and, if you can, have someone review it before presenting to the decision-makers at your company.

ContractSafe: The Simple, Powerful, and Affordable Solution

ContractSafe is an easy-to-use, easy-to-implement, cost-effective solution for your contract management needs.

It's designed to bring simplicity, efficiency, and security to your contract processes, helping your team focus on high-value tasks.

Ready to build your business case for contract management? Try ContractSafe today and experience the difference for yourself.

Intuitive and Affordable:

See How Easy Contract Management Can Be With ContractSafe

Schedule a Demo