

Contract Lifecycle Management Landscape: Why CLM Technologies Need To Be Part of Your Supply Chain

by Mickey North Rizza, Chris Fletcher, and Mary Kate Hernandez

Contract lifecycle management (CLM) technologies have great promise, but their full potential has yet to be realized by most companies. The enterprise buy side is the predominant buyer, and legal departments are beginning to recognize the need, but sell-side buyers are still trying to understand the revenue opportunity of CLM technologies. This Report will review the CLM technology functionality required by the buying organization and provide an analysis of the enabling technology vendors and their CLM capabilities.

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The Bottom Line: Contract lifecycle management technologies can improve buy-side and sell-side performance and ensure contract compliance, but most implementations fall short.

Companies are grappling with the large volumes of contracts generated by both buy-side and sell-side activities. In addition, contract lifecycle management (CLM) must deal with disparate contract workflows across the buy, sell, and legal functions, as well as with the challenges inherent in trying to manage contracts across stakeholder, demand, and supply activities. Sell-side organizations can miss contract renewal dates and revenue, while buy-side organizations may not utilize all contracted items and have automated price increases imposed. Best practice in contract management dictates that pricing, terms, and compliance encapsulated in contracts are executed automatically as an integral part of supply chain, sourcing, and sales activities. Unfortunately, while the technology is available from a small group of vendors to achieve this, CLM maturity remains elusive.

Regardless of the functional area that contracts reside in, the CLM business process is clear and achievable. In “Protecting Your Brand with CLM,” we outlined the CLM process, pain points, and enabling technology types and developed a CLM organizational maturity model. In this Report, we take a closer look at the capabilities of the software vendors that serve the CLM market, summarizing their functionality and ability to address the different kinds of trading partner contracts.

Trading partner contract process— an overview

Trading partners work toward joint value in their relationships. Contract lifecycle management can ensure the value of partners by enabling them to ensure compliance to the contract and understand all terms and conditions as related to the business expectations, both in good and unfavorable circumstances.

The CLM process has five steps:

- **Contract authoring and creation**—Contracts typically contain, but not are limited to, trading partner information, contract value, contract time period, specific terms and conditions that must be met by each trading partner, addenda, approval signatures, and date of signatures.
- **Contract negotiation and revision**—The second step is where contract terms are negotiated, reworded, and changed by one or both parties and their legal and finance departments.
- **Contract approval**—This step includes approvals for clauses, quantitative amounts such as total dollar value and total items contracted, and terms and conditions by each trading partner and its organization. The organization may include, but is not limited to, the CEO, CFO, legal counsel, CPO, and CSCO or representative organization.

Vendors featured in this Report

Ariba, BravoSolution, Dolphin Software, Emptoris, Hyland Software, I-many, Iasta, Ketera, Lawson, Model N, Oracle, SAP, Selectica, Symfact, Upside Software, Zycus

- **Signature**—This is where the final agreement between two parties becomes definitive. When both identifying parties have signed the contract, the contract is considered complete. It is also active for the duration as defined in the contract.
- **Contract archiving**—Archiving, the final step, is one that immature companies take for granted, often just filing the contract away for future record. More advanced companies use the information for compliance and value analysis.

To gain the most success from the contract, companies must also understand and be able to act on the value that can be derived from a contract. Trading partners can derive four elements of value in particular from their contracts:

- **Compliance**—Many companies audit and review their trading partner relationships. Search capabilities and analytics are the most utilized tools to ensure compliance with trading partner agreements.
- **Visibility**—Contract visibility provides a view of each step of the contract process, progress, revisions, and remaining steps that must be fulfilled. In addition, dashboards and alerts are configured for more visibility based on quantitative and qualitative requirements, such as volume, lead time, and inventory requirements.
- **Collaboration**—This refers to the ability for a contract to track revisions, ideas, comments, and alternatives for clauses and terms. Innovative ideas and key performance criteria can be jointly defined and enabled with a collaborative workflow.
- **Contract value analysis**—This is where the meat of the contract is embedded. Understanding the true quantitative and qualitative requirements between trading partners and their ability to meet the parameters outlined is critical to ensuring a joint value relationship. The total dollars and cents, relative to the revenue, margin, and overall supply chain ecosystem costs, are highlighted, assessed, and tied to business requirements.

Settling for less

Many companies have implemented contract management systems, but most fall short of realizing the benefits of a mature CLM strategy, including the ability to archive and retrieve revisions to contracts, such as pricing or delivery specifications, fairly easily.

The greatest benefit of a mature strategy comes from close integration with purchasing, order management, or sales force automation or e-commerce systems that can automatically execute those terms dynamically and without manual intervention. Though the fundamental elements to enable sophisticated contract lifecycle management can be found within the platforms of all of the major document management vendors, they have yet to develop integration with major ERP, CRM, or supply chain management (SCM) systems specifically for this purpose. Without custom development, these platforms can't offer proactive and automated compliance, alerts, or execution to enforce contractual pricing and delivery terms.

Several vendors have technologies that can support mature levels of CLM functionality. However, hundreds of companies have also implemented basic contract management systems using widely available document management technology. For example, many have built basic contract workflow and archiving capabilities using tools such as **Microsoft's** products—namely Office Suite, SQL, and SharePoint—to manage their contracts. Other organizations have built contract archiving systems using Microsoft Office Suite and **EMC's** Documentum as a repository. Still others use **Open Text** or **IBM's** FileNet for base-level contract management, later building on more CLM capabilities, such as authoring, revision control, and digital signatures.

In addition, many organizations use digital signature capabilities from companies like **EchoSign** and **DocuSign**, with full integration into their workflow approvals (though they are not necessarily tied directly to the contract). However, more companies are turning to sophisticated CLM products from a number of software vendors to manage these challenges and ensure the business process requirements are met, including revisions, approvals, and signatures. The CLM products are more advanced because they provide integrated seamless workflows across all stakeholders. With a complete CLM product, multiple systems that are pieced together, along with manual workstreams that complete the contract process, are eliminated.

Each of the business-process and technology-specific areas represents a segment in the CLM process that technology vendors have tried to emulate. To be included in this Report, vendors had to address and fulfill most of the needs of the five-step CLM process, be known as a CLM provider, and provide validated references for both buy- and sell-side workflows. As a result of not having

CLM functionality, several well-known document management vendors opted to not participate in this Report. While many of the technology vendors have products that can be utilized for both buy- and sell-side contracts, few offered references for each workflow.

CLM technology providers

Technology providers vary on their ability to provide automation for the entire CLM business process. In fact, we find that even basic contract management varies by application and provider. In many instances, the providers have some but not all of the functionality. In others, partnerships offer additional functionality to round out the process. In addition, we found varying experiences in the use of the product for compliance, visibility, and collaboration and value analysis (see Figure 1).

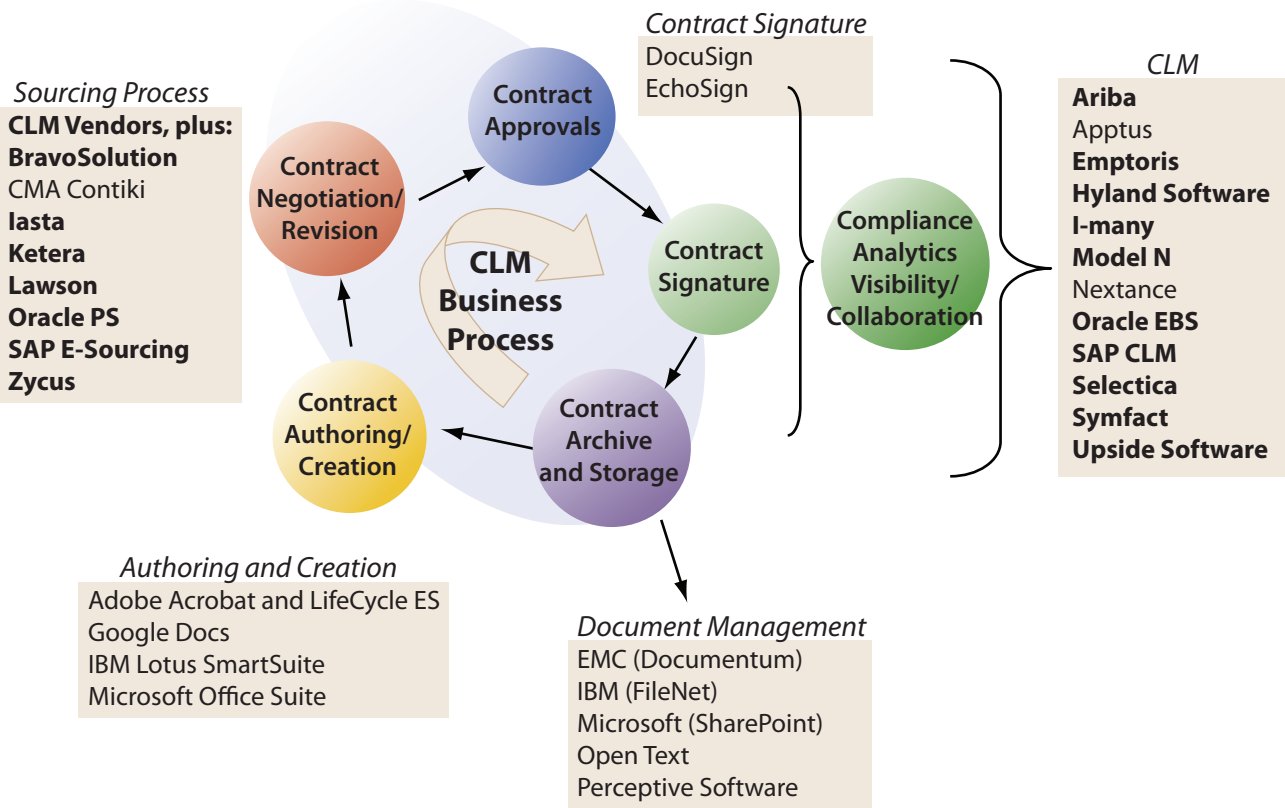
The differences between the vendors were in the functionality of the products. The targeted business user

audience workflows varied based on buy or sell side. Many of the vendors had missing business processes (though these have been augmented by partnerships). In addition, we found vast differences in the user experiences of time to value, implementation, innovation, and collaboration abilities.

Traditional CLM providers, including Upside Software, Ariba, Selectica, and Emptoris, were the most advanced in capabilities, followed closely by Oracle, SAP, Model N, Symfact, and I-many.

Buy-side workflows were integrated into buy-side sourcing applications of Ariba, BravoSolution, Emptoris, Iasta, Ketera, Lawson, Oracle (EBS and PS), SAP, and Zycus. While the buy-side applications were in most cases completely automated, many provided only basic and standard functionality to support the sourcing business process. Sell-side functionality offered the most potential, yet most organizations are not yet embracing the sell-side contract capabilities.

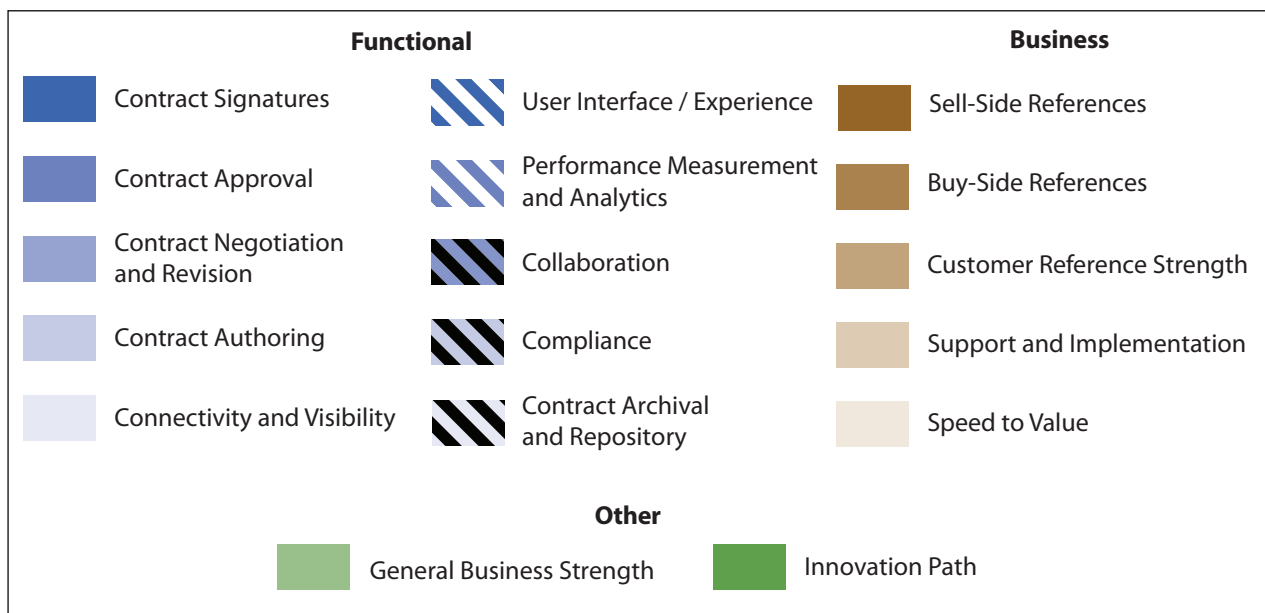
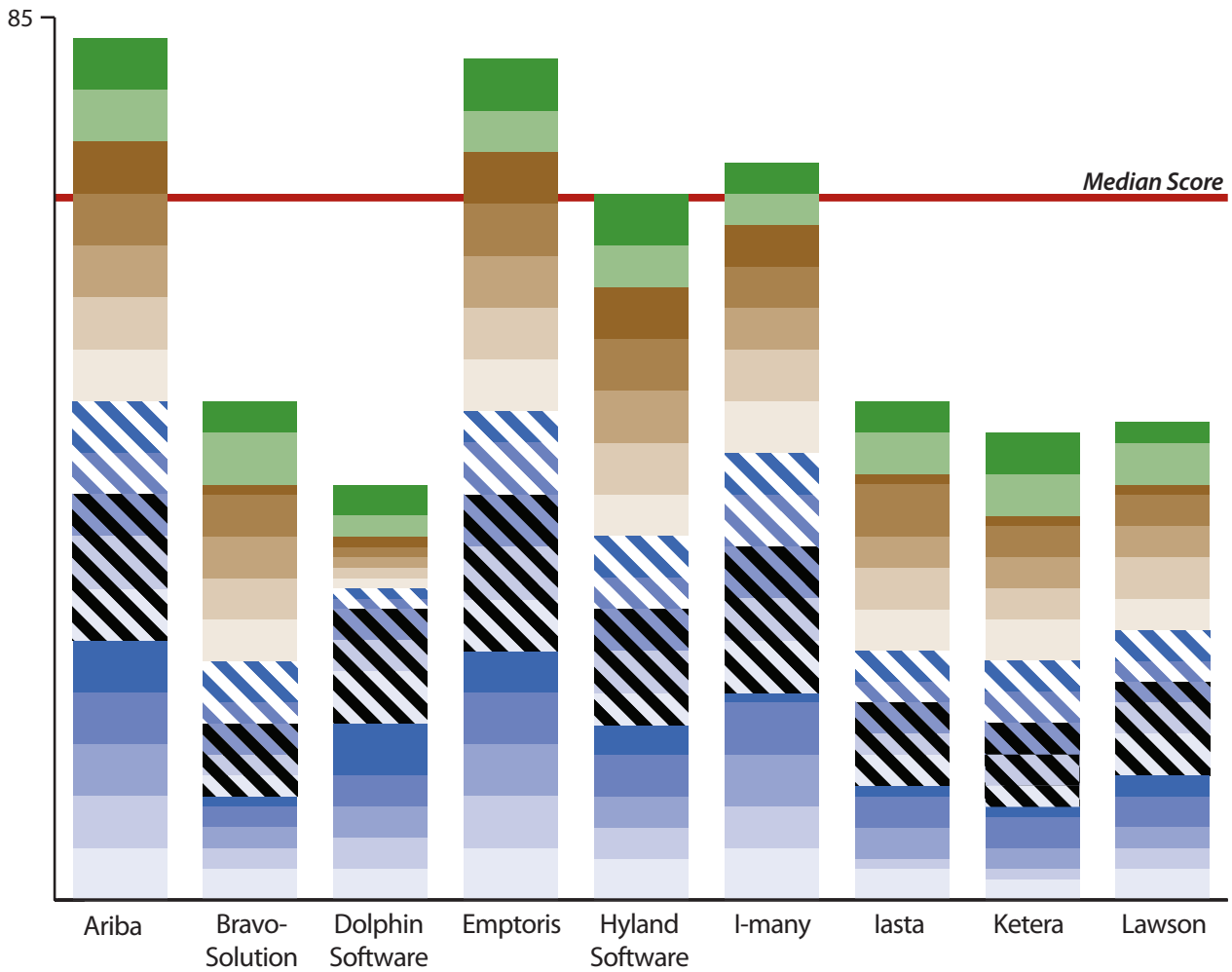
Figure 1: CLM workflow and supporting vendors



Bold: Participated in AMR Research CLM study.

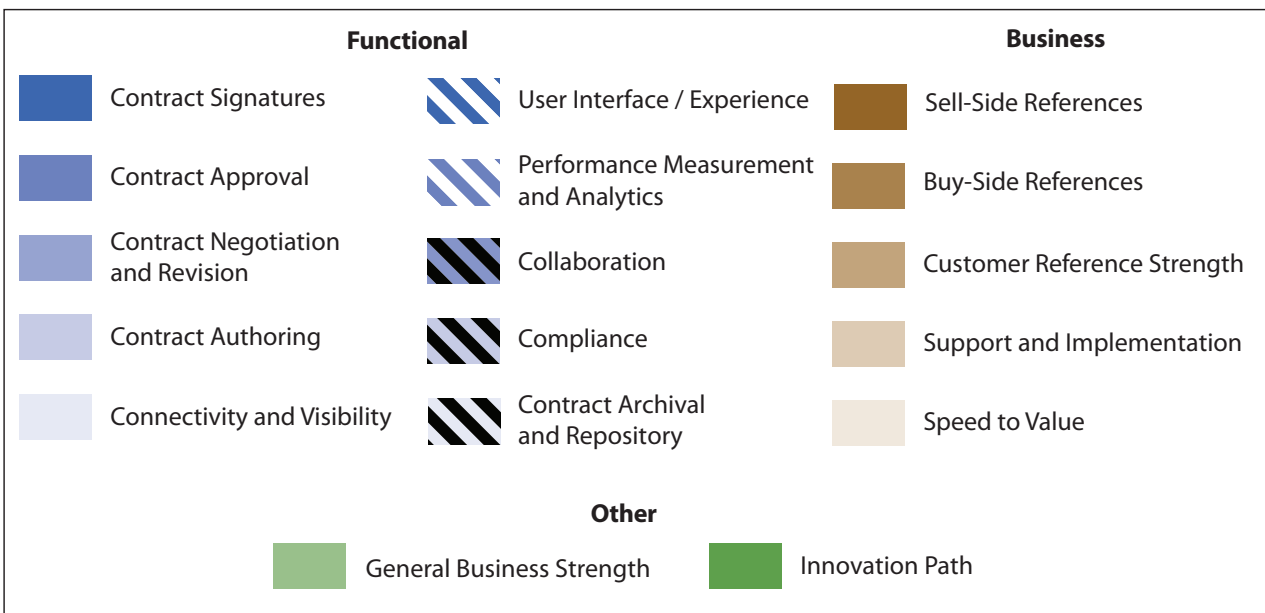
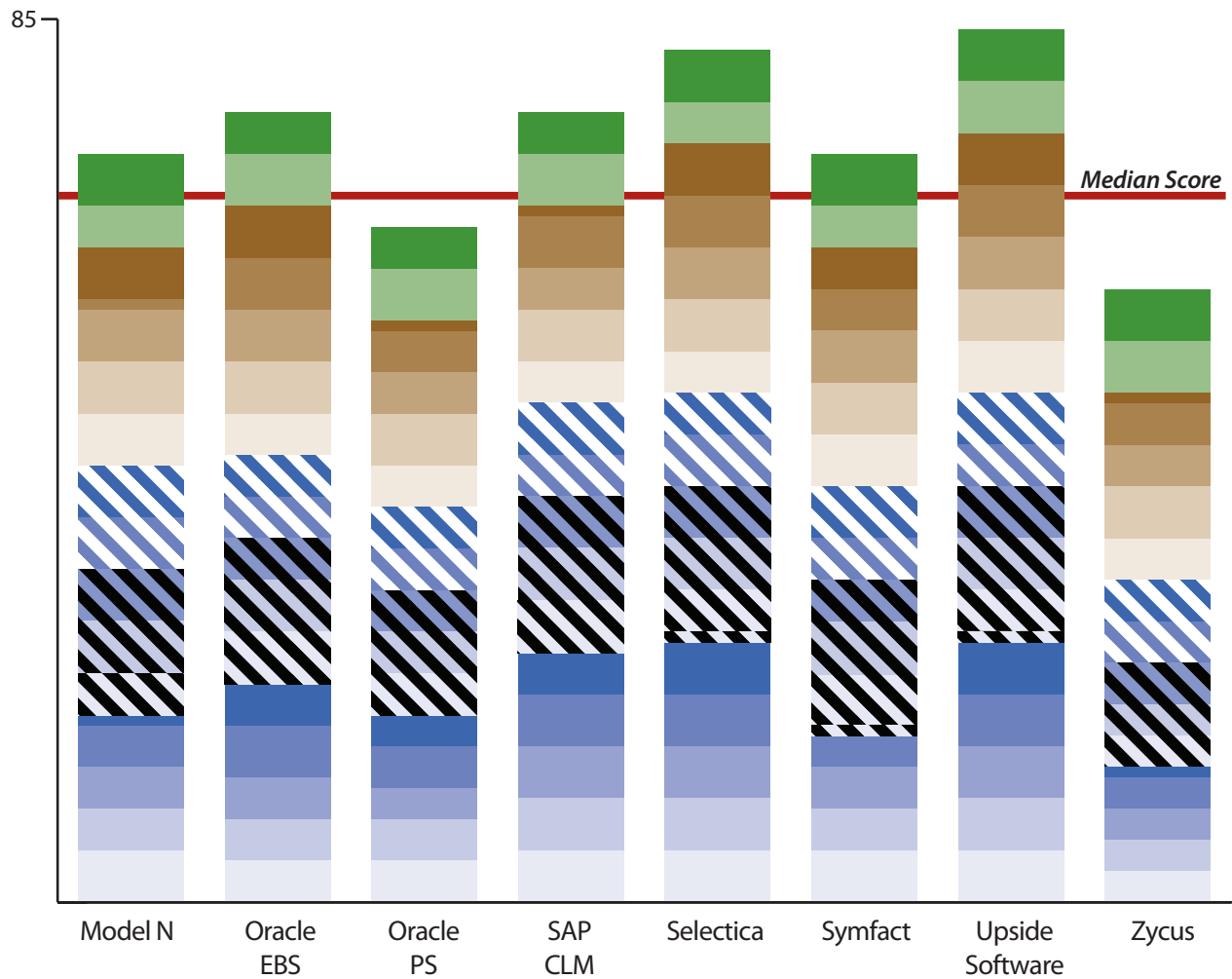
Source: AMR Research, 2009

Figure 2: CLM vendor evaluation



Source: AMR Research, 2009

Figure 2: CLM vendor evaluation (continued)



Source: AMR Research, 2009

Table 1: CLM vendor evaluation—details

Element	Ariba	Bravo-Solution	Dolphin Software	Emptoris	Hyland Software	I-many
Connectivity and visibility	5	3	3	5	4	5
Contract authoring	5	2	3	5	3	4
Contract negotiation/revision	5	2	3	5	3	5
Contract approval	5	2	3	5	4	5
Contract signatures	5	1	5	4	3	1
Contract archival/repository	5	2	5	5	3	5
Compliance	5	2	3	5	4	4
Collaboration	4	3	3	5	4	5
Performance measurement and analytics	4	2	1	5	3	5
User Interface/experience	5	4	1	3	4	4
Speed to value	5	4	1	5	4	5
Support and implementation	5	4	1	5	5	5
Customer reference strength	5	4	1	5	5	4
Buy-side references	5	4	1	5	5	4
Sell -side references	5	1	1	5	5	4
General business strength	5	5	2	4	4	3
Innovation path	5	3	3	5	5	3
Total score	83	48	40	81	68	71

Source: AMR Research, 2009

Table 1: CLM vendor evaluation—details (continued)

Element	lasta	Ketera	Lawson	Model N	Oracle EBS	Oracle PS
Connectivity and visibility	3	2	3	5	4	4
Contract authoring	1	1	2	4	4	4
Contract negotiation/revision	3	2	2	4	4	3
Contract approval	3	3	3	4	5	4
Contract signatures	1	1	2	1	4	3
Contract archival/repository	3	2	4	4	5	4
Compliance	2	3	3	5	5	4
Collaboration	3	3	2	5	4	4
Performance measurement and analytics	2	3	2	5	4	4
User Interface/experience	3	3	3	5	4	4
Speed to value	4	4	3	5	4	4
Support and implementation	4	3	4	5	5	5
Customer reference strength	3	3	3	5	5	4
Buy-side references	5	3	3	1	5	4
Sell -side references	1	1	1	5	5	1
General business strength	4	4	4	4	5	5
Innovation path	3	4	2	5	4	4
Total score	48	45	46	72	76	65

Source: AMR Research, 2009

Table 1: CLM vendor evaluation—details (continued)

Element	SAP CLM	Selectica	Symfact	Upside Software	Zycus
Connectivity and visibility	5	5	5	5	3
Contract authoring	5	5	4	5	3
Contract negotiation/revision	5	5	4	5	3
Contract approval	5	5	4	5	3
Contract signatures	4	5	1	5	1
Contract archival/repository	5	5	4	5	3
Compliance	5	5	5	5	3
Collaboration	5	5	4	5	4
Performance measurement and analytics	4	5	4	4	4
User Interface/experience	5	4	5	5	4
Speed to value	4	4	5	5	4
Support and implementation	5	5	5	5	5
Customer reference strength	4	5	5	5	4
Buy-side references	5	5	4	5	4
Sell -side references	1	5	4	5	1
General business strength	5	4	4	5	5
Innovation path	4	5	5	5	5
Total score	76	82	72	84	59

Source: AMR Research, 2009

CLM market overview

The CLM market is \$135M. It grew 3% in 2008, and we expect it to grow by 6% in 2009. The largest growth area is still the buy side, with 2008 growth of 5% and expected growth of 5% in 2009. The purchases from the buy side constitute 55% of the CLM purchases through September 2009.

Most buyers want contract management functionality included as part of their sourcing suite. A few companies, such as BravoSolution and Iasta, consider it a part of the sourcing business process and have the basic track, manage, and storage of the contract, as well as the sourcing event's agreed-upon terms as the segments within the contract management process. Others, such as Ariba, Emptoris, Ketera, Oracle, SAP, and Zycus,

provide it both as part of a sourcing suite and as a standalone product offering. We found the more robust sourcing offerings were with the vendors that also sold it as a CLM product.

The second largest area is the legal counsel line of business owners, with 28% of the CLM purchases to date in 2009. Most attorneys and their departments preferred Microsoft Word or similar functionality for the entire CLM process. The issues for the legal departments were their final approval stamp, the ability of other departments to negate the legal revisions and final approvals, and the ability of CLM technology to mimic a Microsoft Word look and feel. When CLM technology vendors can showcase their abilities in these areas, legal departments will more likely adopt the technology in the business process.

The third area, the most immature area of CLM technology, is the sell side, which makes up just 17% of purchases to date in 2009. The driving factor for sell-side CLM is the opportunity to automate contracts and, in turn, automatically increase or count on revenue. However, most companies do not recognize the automated revenue opportunity. Therefore, CLM technologies have not progressed in the sell-side business process. While 10 vendors have full implementations in sell-side CLM to date—Ariba, Emptoris, Hyland Software, I-many, Model N, Nextance, Oracle, Selectica, Symfact, and Upside Software—the total number of sell-side implementations is still relatively low compared to buy-side implementations.

Recommendations

Globalization has brought benefits to the world economy by expanding the choices companies have in their trading partner relationships. Along with new choices comes a concern for the right contract to ensure a valued relationship. Companies need to not only create, revise, approve, sign and store contracts, they must also have visibility into the contract value and the compliance of trading partners to terms and conditions. Ensuring reliable supply for supply chains requires trust and joint-valued contracts between trading partners.

Recommendations for enterprises

- If you plan on using Microsoft Office products, ensure that you have a repository with search capabilities and analytics for trading partner visibility and compliance.
- Determine if the CLM workflow can be used by both the buy and sell sides of your business. Optimizing across business functions streamlines workflows and complexities caused by too many technologies.
- Look for the quickest wins for your organization. For instance, the sales side of your organization has one of the greatest opportunities to improve revenue by automating the contract renewal process. And automating the buy side will quickly ensure the supply chain contract value is known and tied to cost, availability, and liability of products purchased.

- Map out your entire contract workflow across all technologies and lower your total costs by streamlining processes and technologies. Most users we spoke to had at least five applications in the contract management workflow: namely, Microsoft Office, repository, analytics, search, and multiple ERP platforms.
- Save time by using the CLM analytics tools to manage by exception. Technology should streamline your business process, not add to it. Use the saved time to collaborate with trading partners on larger projects and ensure compliance on existing projects.

Recommendations for vendors

- Understand customer needs, regardless of how advanced you think your product is. We found that visibility, version control, and archiving were the most appealing aspects of CLM technology, basic as those items are. Automated signatures, analytics dashboards, and alerts were the second most required aspects of CLM technology.
- Understand the deployment model requirements by your prospects and customers. Web-based and software-as-a-service (SaaS) applications are continuing to gain wider acceptance because of the distributed nature of the trading parties.
- As companies consolidate workflows, your customers and prospects are finding that clause libraries and standardized templates enabling clause linkage between contracts are higher on the priority list.
- Concentrate on showing your customers and prospects that optimizing across the workflows results in fewer manual touchpoints, faster time to contract value, and improved visibility and collaboration. Show the quantitative results using cycle time improvements and cost reduction. Utilize a time-versus-money approach.
- Work with your clients and understand what they still need to totally automate their workflows. Understand what is still missing, as well as what benefits can come from partnerships and increased functionality. Then develop your strategy and provide a technology roadmap so your customers and prospects know you have plans to be in business.

Appendix A: Vendor profiles

Ariba

www.ariba.com

Ariba offers SaaS and licensed technology products for B2B environments. It specializes in buy-side technology, including procurement, sourcing, and spend analytics as well as contract lifecycle management. In addition, the company provides a supplier network of over 200,000 suppliers. The applications support the purchase, catalog, approval, RFX and auction, award, contract, and settlement workflows across a network of suppliers.

Strengths

Ariba is particularly strong in buy-side contracts in North America and Europe, and is starting to gain traction with sell-side contracts. The company provides products in both a CD version and SaaS application. Because of the sourcing and procurement suite functionality, Ariba is a great influencer for a purchase with both the CFO and CPO.

Opportunities

Ariba will gain more CLM sales opportunities by utilizing its product base across the sales organization once it leverages a CRM relationship.

Company and product information

- Headquarters: Sunnyvale, CA
- Founded: 1996
- Employees: 1,706
- Product: Contract Management: 9r1 Contract Management CD, 10s1 Contract Management On-Demand
- CLM customers: 300+
- Technology platform: Ariba on-demand products were built using open standards, such as Java, J2EE, XML, HTTP(S), HTML, and JDBC, to enable support for a variety of computing platforms.
- Primary delivery model: SaaS or licensed

BravoSolution

www.bravosolution.com

BravoSolution is a sourcing and spend analysis technology and services vendor that also provides a contract management workflow for sourcing professionals. While its product is not a full CLM product, it is part of the larger sourcing business process, integrating the key elements for a professional sourcing suite.

Strengths

BravoSolution recognized the need to move quickly and seamlessly from sourcing events and award to a contract. Its sourcing suite offers the ability to quickly capture the award and set up a contract for signature offline.

Opportunities

BravoSolution could utilize its contract solution, which has spend visibility and workflow functionality, to provide a more robust form of analytics and CLM capabilities. Full-spectrum contract lifecycle management would provide both trading partners participating in a sourcing event with the ability to reap time to value faster.

Company and product information

- Headquarters: Milan, Italy
- Founded: 2000
- Employees: 425
- Product: BravoSolution Contract Management
- CLM customers: 149
- Technology platform: Java
- Primary delivery model: Licensed and SaaS

Dolphin Software

www.dolphin-software.com

Dolphin Software provides CLM applications to companies using Microsoft SharePoint. The company is in its infancy stage, with just a few customers using the tool to date. The analytics, compliance, visibility, and collaboration expertise is not yet known.

Strengths

Dolphin Software appears to have the right capabilities, and its recent wins look to provide some market proof. We expect more to come from this new vendor that is answering the call for integration to document repositories.

Opportunities

Dolphin Software's opportunities lie in tapping into the SharePoint customer base before these customers move to another CLM application. In addition, validated references will provide more context for users as they look at CLM systems.

Company and product information

- Headquarters: Dublin, Ireland
- Founded: 2008
- Employees: 10+
- Product: Dolphin Contract Manager 2009
- CLM customers: 2
- Technology platform: .NET, Microsoft SharePoint 2007
- Primary delivery model: Licensed, with SaaS soon

Emptoris

www.emptoris.com

Emptoris acquired **diCarta** and its contract management products in 2006. Since the acquisition, the diCarta product has been integrated into the Emptoris product suites. The Emptoris ECM application brings the Emptoris sourcing depth straight into the contracts application. In addition, the clause integration and change capability provides users with the ability to quickly update information across trading partners and in multiple instances.

Strengths

Emptoris has flowdown clause capabilities that allow companies to use master agreements across multiple tiers. In addition, the product integrates quickly and easily with the Emptoris sourcing suite.

Opportunities

Emptoris has a broad spectrum application that is utilized by legal, buy-side, and sell-side organizations. However, Emptoris has the opportunity to enhance its user interface so that users can easily navigate and review the workflow.

Company and product information

- Headquarters: Burlington, MA
- Founded: 1999
- Employees: 403
- Product: Emptoris ECM 7.5
- CLM customers: 81
- Technology platform: Emptoris Enterprise Contract Management is a Java-based, J2EE-compliant application built on industry-standard technologies. The product is web-based, requiring no installation or maintenance at the client level.
- Primary delivery model: Licensed or SaaS

Hyland Software

www.hyland.com

Hyland Software features the OnBase content and process management suite. The product has been augmented to provide CLM functionality as it is integrated into other systems, namely Microsoft products.

Strengths

Hyland's content management modules include archival services for Microsoft SharePoint, collaboration, Microsoft Word document composition, image transfer, full text indexing, signature verification, and print distribution. The product provides contract lifecycle management with the various integration avenues to other desktop and line-of-business applications.

Opportunities

Hyland Software has a full-featured product that makes compliance, visibility, and collaboration straightforward. However, the analytics and value aspects are not well articulated in the workflow or dashboards.

Company and product information

- Headquarters: Cleveland, OH
- Founded: 1991
- Employees: 900
- Product: OnBase
- CLM customers: 90+
- Technology platform: .NET
- Primary delivery model: Licensed on premise or hosted SaaS

I-many

www.i-many.com

I-many's main product is enterprise contract management. Primarily utilized in the life sciences industry, the product does not have significant traction in other industries. We expect the new owners, **LLR Partners**, to provide some direction and support for other markets.

Strengths

I-many's ability to show risk, speed to value, and visibility to life sciences companies needing CLM capabilities has paid off. The integration with Microsoft Word and negotiation and revision capabilities is a solid win, as is its focus on the value of contract to cash and analytics.

Opportunities

I-many needs to tie in contract signatures to make a complete and comprehensive package. Users like the product, but the signature capability was not apparent to them. In addition, the recent acquisition by LLR Partners has left some prospects with a concern of long-term viability.

Company and product information

- Headquarters: Edison, NJ
- Founded: 1989
- Employees: 165
- Product: Contract Sphere 6.5
- CLM customers: 116
- Technology platform: J2EE
- Primary delivery model: On premise or hosted

Iasta

www.iasta.com

Iasta is a provider of low-cost SaaS sourcing technology and sourcing services. Its suite of products includes analytics, sourcing, optimization, supplier management, and contract management. The contract management application focuses on meeting the sourcing professional's needs for contract management.

Strengths

Iasta's SmartContract picks up where Word leaves off by tracking, storing, and managing the information. It is sold as a standalone product or as a component of Iasta SmartSource.SRM.

Opportunities

Iasta's SmartContract offers a quick win for companies that need to track, manage, and store contracts authored in Word. However, building out authoring capabilities, integrating electronic signature, and integrating it with Iasta's analytics product will give SmartContract the ability to be used by all trading partners, supplier and buyer.

Company and product information

- Headquarters: Carmel, IN
- Founded: 2000
- Employees: 39
- Product: SmartContracts 8.01
- CLM customers: 61
- Technology platform: Delphi
- Primary delivery model: SaaS

Ketera

www.ketera.com

Ketera, an on-demand spend management provider, focuses on the source-to-pay processes. Ketera's products include spend analytics, sourcing, contract management, supplier enablement, catalog management, procurement, and invoice management. The contract management product is focused strictly on the buy side of the organization.

Strengths

Even though Ketera's contract management application does not have contract authoring capabilities, it integrates with Word and Excel, using XML files for Word and Java objects for Excel. The product is focused directly on the buyer's current Microsoft products and uses workstreams from the Ketera sourcing product.

Opportunities

Ketera's can become a fully functional buy-side and sell-side CLM application across trading partners by adding contract authoring and signature, and improving the repository abilities. With Ketera firmly cemented in the buy-side business, we expect its CLM strategy to become more apparent in the next year, adding more value for trading partners on its supplier network.

Company and product information

- Headquarters: San Jose, CA
- Founded: 2003
- Employees: 150
- Product: Ketera Contract Management, v. 6.5
- CLM customers: 23
- Technology platform: J2EE
- Primary delivery model: SaaS

Lawson

www.lawson.com

Lawson, an ERP vendor, introduced a buy-side contract management product in 2008. The product integrates with the Lawson Strategic Sourcing and Procurement products. Customers to date are in the healthcare and public sector industries.

Strengths

Lawson's contract management integrates with the sourcing module from event to contract, and then to procurement for use and compliance, providing the Lawson user with seamless workflow abilities. In addition, when the contract is near expiration, it can then be resourced through the Lawson sourcing module.

Opportunities

Lawson's contract management application has recently incorporated electronic signatures via **ARX** and its CoSign product. The contract analytics section will also need to be enhanced, which is expected in later this year.

Company and product information

- Headquarters: St. Paul, MN
- Founded: 1975
- Employees: 3,800
- Product: Lawson S3 Contract Management 9.0.1
- CLM customers: 10
- Technology platform: Java
- Primary delivery model: Licensed

Model N

www.modeln.com

Model N is an integrated revenue management suite provider, including contract management, price strategy and execution, channel rebates, analytics, and regulatory compliance. The products have been sold to life sciences and high-tech industries.

Strengths

Model N's contract management product is strong in all CLM areas except signatures and buy-side contracts. The product is viewed by references as exceptional on the sales side and for revenue generation. In addition, references applauded the rebate functionality and compliance features of the application.

Opportunities

Model N has three opportunities: adding automated signatures, adding buy-side capabilities for savings and compliance, and attracting users in other industries.

Company and product information

- Headquarters: Redwood Shores, CA
- Founded: 1999
- Employees: 302
- Product: Life Sciences—Contract Management, Contract Compliance, Managed Care Contracts & Compliance, Performance Analytics; High Tech—Contract & Compliance Management
- CLM customers: 37
- Technology platform: Java
- Primary delivery model: Licensed

Oracle

www.oracle.com

Oracle E-Business Suite (EBS) and Oracle PeopleSoft Enterprise (PE) are the two Oracle product lines that contain contract management. Oracle E-Business Suite contains a CLM product family, while Oracle PeopleSoft Enterprise contains a buy-side contract management application. Customers like the integration to other Oracle applications and the flowdown capabilities for contract clauses within the products.

Strengths

Oracle's E-Business Suite Procurement Contracts and PeopleSoft Supplier Contract Management products are tied directly into e-procurement, purchasing, and payables for automated compliance. Automated compliance is also provided by EBS Sales Contracts, which integrates with quoting, order management, and receivables, and EBS Service Contracts, which is tied directly into order management, service, and receivables for automated compliance. EBS contract products offer contract authoring with redlining at the clause level, whereas for both EBS and PeopleSoft, full contract redlining is done offline in Word. Flowdown clause functionality is a critical feature customers referenced.

Opportunities

Oracle's opportunity is integrating the contract analytics, contract approvals, and contract signatures for each

of its products. Signatures are now available throughout some of its products, with both digital certificate and e-signature options. Signatures are available in underlying e-content/workflow functionality, so we expect this to become more robust in the near term.

PeopleSoft Supplier Relationship Management Release 9.1 is expected to be released in late 2009. The planned enhancements include Supplier Contract Management supplier collaboration and digital signatures, expanded controls for approvals and change management, and integrations to third-party event notification systems and to the Oracle Supplier Network and Oracle Exchange as an integrated option to facilitate hosted supplier catalogs and transaction hub between buyers and suppliers.

Company and product information

- Headquarters: Redwood Shores, CA
- Founded: 1977
- Employees: 86,000 full-time employees
- Product: Oracle EBS Release 12.1 (Oracle Procurement Contracts, Oracle Sales Contracts, Oracle Service Contracts, Oracle Project Contracts), PeopleSoft Supplier Contract Management 9.0
- CLM customers: Did not disclose
- Technology platform: Java, XML, SQL, PL/SQL
- Primary delivery model: Licensed

SAP

www.sap.com

SAP offered its SAP Contract Lifecycle Management application with the acquisition of **Frictionless Commerce** in 2006. The SAP CLM product, a separate module within the SAP E-Sourcing platform, is designed to be used across the organization to support all contract types. The SAP E-Sourcing product is a buy-side sourcing product that includes project and supplier tracking and RFX management as well as contract lifecycle management.

Strengths

SAP's CLM product is extremely comprehensive and one of the better sourcing contract products on the market. It provides an all-encompassing CLM workflow, but it has not yet been validated on the sales side. Benefits for SAP customers include the out-of-the-box master data and process integration with SAP ERP in support of contract compliance management.

Opportunities

SAP prospects and buyers we spoke to were not impressed with the user interface and future innovation plans. However, the new release in 4Q09 will have a newly enhanced user interface, and SAP says that product innovations in 2010 are in the platform and the CLM package. In addition, SAP could not provide any validated users for its CLM product on the sell side, though it did disclose two corporations have purchased the product for sell-side CLM.

Company and product information

- Headquarters: Walldorf, Germany
- Founded: 1972
- Employees: 48,500
- Product: SAP CLM v2.0
- CLM customers: 300
- Technology platform: Java, with .NET for contract generation
- Primary delivery model: Licensed or SaaS

Selectica

www.selectica.com

Selectica is both a CLM provider and a sales configurator technology company. Selectica's CLM product has made significant strides with the sales, procurement, and legal functions. When tied to its sales configurator technology, references noted the products together improve revenue, streamline workflows, and reduce contract processing costs. Selectica's recent partnership with EMC enhances its value because of the repository capabilities now tied to the contract and the sales workflows.

Strengths

Selectica's CLM product is one of a few that also supports mobile approvals for faster contract turn time. Selectica's ability to integrate into the sales process with its configurator tool (focused on configuring, pricing, and quoting) and its CLM product to complete the sale set the stage for Selectica to be the No. 1 sell-side quote-to-contract product suite.

Opportunities

Selectica's implementation is currently one of the longest among all vendors. Focusing on streamlining the implementation and shortening the time to value will improve the overall benefit of its product.

Company and product information

- Headquarters: San Jose, CA
- Founded: 1996
- Employees: 75
- Product name: Selectica Contract Lifecycle Management 3.3
- CLM customers: 60
- Technology platform: J2EE. The product also supports Oracle and MS SQL Server for the database
- Primary delivery model: SaaS and licensed

Symfact

www.symfact.com

Symfact is a compliance application vendor with several product lines, including contracts, corporate governance, patents and trademarks, and SMB management.

Strengths

Symfact's flexible approach and intuitive user interface are the two main reasons companies have purchased its product over other CLM products featured in this Report. Users confirmed the product is rapid to implement and because of the XML architecture is easily sold into legal, sell side, and buy side of organizations.

Opportunities

Symfact has two opportunities: adding electronic signature, and expanding in North America and other countries outside of its neighboring countries.

Company and product information

- Headquarters: Murten, Switzerland
- Founded: 2001
- Employees: 26 direct, plus extensive indirect partnerships to address international markets
- Product: ContractX (platform configuration for Contract Management, V3.0.1)
- CLM customers: 101
- Technology platform: XML, .NET2, IIS, Server 2003
- Primary delivery model: Licensed and SaaS

Upside Software

www.upsidesoftware.com

Upside Software sells products to legal, finance, buy-side, and sell-side functions. The application, designed initially to interact seamlessly with other systems and third-party vendor applications, continues to be enhanced with this goal in mind. It continues to successfully grow because of its ability to win \$5B+ organizations and implement its product across all areas in the organization.

Strengths

Upside Software's product is flexible, with configurable wizards that users can tailor to their own requirements across the business. The contract workflow is easy to use, intuitive, and integrates quickly and easily with other workflows. All segments of the CLM process are included in the product.

Opportunities

Upside Software's analytics area is one that could be enhanced. Its new product, v6.3, expected in late November 2009, will have analytics and reporting capabilities, including extensive OLAP functionality.

Company and product information

- Headquarters: Edmonton, Alberta
- Founded: 2000
- Employees: 150
- Product: Upside Contract
- CLM customers: 300
- Technology platform: .NET
- Primary delivery model: Licensed and SaaS

Zycus

www.zycus.com

Zycus, a spend management vendor, has a full sourcing suite, including spend analytics, spend intelligence, sourcing, and contract management. The contracts management product is brand new to the suite, filling a void in the sourcing suite and providing a fluent workflow from source to contract completion.

Strengths

Zycus's strengths lie in its ability to quickly address market gaps and provide product functionality that meets all aspects of the market. The contract management product for sourcing professionals is an example of a product that came to market quickly after customers expressed a need for a complete workflow.

Opportunities

The current product is missing electronic signatures and more analytics integration. Customers have recently pointed this out, so we expect some of the gaps to be filled in the next year.

Company and product information

- Headquarters: Mumbai, India
- Founded: 1998
- Employees: 260
- Product: iContract
- CLM customers: 9
- Technology platform: Java
- Primary delivery model: SaaS

Niche vendors to watch

While the following vendors either didn't meet the broader criteria to be featured in this landscape or declined to participate, they provide niche technologies that can play an important role for companies seeking complete contract lifecycle management. Most are already integrated or have relationships with CLM vendors featured in this Report.

- **Apptus** ties contract management with the **salesforce.com** platform. Since the product's general availability in 2006, Apptus has added 51 sell-side customers. The product encompasses most aspects of CLM technology, except for signature. Watch for more of this product as sell-side CLM becomes a hot trend for quick, recurring revenue streams.
- **Axxerion**, headquartered in the Netherlands, is a workplace and business automation vendor. Products include contract management, lease, property and maintenance management, document management, asset management, and operations and finance management. The contract management application has most aspects of CLM, except for signature. Axxerion's customer base includes public sector, healthcare, and educational institutions.
- **CMA Contiki**, headquartered in Sweden and established in 1989, specializes in the oil, gas, and energy industries. In addition, the company also provides some sourcing and supplier performance management products.
- **DocuSign** provides electronic contract execution with e-signatures, workflow control, forms processing, and management reporting across the enterprise. The DocuSign product converts paper products to digital with a configurable workflow. DocuSign has established partnerships with Ariba and Upside Software. To date, DocuSign has assisted the digitizing process for more than 7,000 clients globally.
- **EchoSign**, headquartered in Palo Alto, has more than 1,500 customers that utilize its contract execution products. In the last year, just over 50% of their products were tied to CLM integrations. EchoSign provides users with a web interface to sign, track, view, store, and manage their contracts after execution. The product is not an authoring or revision product. However, it does integrate with most ERP systems and salesforce.com.

- **Nextance**, located in Austin, Texas and founded in 2000, was purchased by **Versata** in 2007. Since then it has gone radio silent, though we do know of several companies that have evaluated the product. Nextance is known for its ties into sell-side contract management. Just prior to publication of this Report, a new CEO was named, so we expect more to come from this company in the coming year.
- Open Text has a mature and widely implemented ECM suite, 46,000 customers globally, and a strong 10-year growth record. It has established partnerships with Microsoft, Oracle, and SAP. The company also has a strategic commitment to compliance management and good vertical industry focus.
- **Perceptive Software** is an enterprise document management, imaging, and workflow application provider. The company's main product is ImageNow, which puts key documents at a worker's fingertips immediately. The product's process has a configurable workflow that allows companies to create contracts in other products, revise, archive, and check in/out contracts as needed. ImageNow is utilized by companies in higher education, healthcare, government, and financial services.

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AMR Research, Inc.
125 Summer Street
Boston, MA 02110
Tel: +1 (617) 542-6600
Fax: +1 (617) 542-5670

