A Partner Solution for Cross Industry

Achieving Competitive Advantage through Best Practice Contract Lifecycle Management

IBM `Information Management` software

Galantis
GEM/CARAT

Partner Solution

■ *Business Application*
Contract Lifecycle Management Automation

■ *Target Industry*
Cross Industry

■ *Products*

IBM Content Manager

IBM FileNet Business Process Manager

IBM FileNet Content Manager

IBM InfoSphere Enterprise Records

Galantis

Business Challenge

Organizations often manage a number of complex business relationships with customers and vendors; these business relationships are defined, measured and managed by contracts between the parties. The failure to effectively manage contracts costs businesses billions of dollars every year. Companies, in all sectors of business, are realizing the cost impact of inefficient contracts management and are turning for help to enterprise contract lifecycle management solutions.

Organizations are looking to implement and enforce the use of pre-approved contract language, reduce contract review and approval cycle times, and effectively monitor contract performance. Given today's challenging economic climate, organizations also need to streamline contract lifecycle management to bolster top line revenues and bottom line results, while working to improve regulatory compliance and mitigate risk.

The "Contract Lifecycle Management" report published in September 2008 by industry analyst firm Aberdeen Group, a Harte-Hanks Company, advises that a company's bottom line can be significantly impacted by more effectively managing contracts, pre- and post-implementation, that directly affect the top and bottom lines: sales and procurement contracts. Lower cycle times and improved compliance can lead directly to better revenue capture and cost savings. Enterprises are therefore looking to technology to not only improve operational efficiencies, reduce costs, and drive visibility, but to also help better insulate themselves from the risks of doing business.

Solution

GEM/CARAT automates the processes associated with contract creation and with review and approval. Consistent business processes are implemented and enforced, and the visibility of all "in-process" contract approvals are readily available to contract management individual(s).

The solution enables the creation of a catalog of pre-approved contract templates. These templates ensure the use of consistent terms and conditions throughout the organization, for reduced legal and financial risk. Any proposed modification to standard contract language are easily identified.

Automatic notifications and alerts of contract milestone events keep key stakeholders abreast of status, contract renewal events and contract termination events.

GEM/CARAT automatically captures and maintains an audit history throughout the life cycle of the contract. All actions taken in the review and approval process, as well as the identity of the person(s) taking the action, are available for review and audit by person(s) with the proper authorization.

Value Proposition

The major goal of enterprise contract management is to ensure that an organization's commitments and obligations to its customers and suppliers are clearly visible to the right people in the organization and that these commitments are promptly executed upon. Contracts determine pricing structures, volume discounts, delivery times, rebates, service level agreements and many other key aspects, all of which are essential to controlling the two most important factors in any business: expenses and revenue.

Aberdeen also reports that by leveraging Contract Lifecycle Management solutions, best in class enterprises have achieved outstanding results, including:
- 85 percent of sales orders and revenue recognition compliant with contracts;
- 86 percent of purchasing transactions compliant with contracts;
- 25 to 37 percent lower cycle times for the creation, negotiation, and implementation of sales and procurement contracts; and,
- Up to 74 percent incrementally lower rates of revenue leakage.

The GEM/CARAT solution steamlines and automates processes throughout the contract management lifecycle and supports uniformity, consistency and the application of best practices. This results in reduced contract cycle time, more effective contract management, reduced risk and improved profitability.

The solution can be rapidly and cost-effectively deployed and modified. Designed and implemented using the Galantis GEM/Frame solution framework and leveraging IBM's Enterprise Content Management (ECM) suite of products, GEM/Frame enables the rapid and cost-effective modification of the GEM/CARAT solution to implement customer-specific business processes in contract lifecycle management. The result is a solution that maps to each organization's unique requirements, while adhering to widely accepted best practices.

GEM/Frame enables GEM/CARAT to be modified by properly authorized business analysts, eliminating the need for costly and scarce technical resources to implement routine changes to business processes.

Company Description

Galantis helps financial services, insurance, healthcare and manufacturing companies improve operational performance through business consulting and technology solutions. Specializing in Enterprise Content Management, workflow and application development, Galantis assists clients in improving performance levels and operational efficiencies throughout their enterprises.

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