

# **GUIDE TO AVOIDING REVENUE LEAKAGE THROUGH CLM TECHNOLOGY**



# ***Index***

0. Introduction	3
1. Revenue leakage	4
2. Avoiding revenue leakage thanks to CLM technology	11
3. CLM. Beyond the legal area	14
4. Practical tips for choosing a CLM	25
5. The cutting edge of contract management	27
6. About Bogle Legal	28



# Legal Operations: a neglected aspect in organizations



Companies, from the smallest to the largest corporations, operate with a focus on providing the best service to their customers, optimising their processes and promoting business development. **In the complicated task of managing investment and setting the course, the legal department is not usually one of the priorities for improvement.**

However, it is the legal area that generates one of the main fuels for companies: **contracts**. Without them there is no formal agreement, and no progress in decision-making is possible. If it neglects to promote legal stringency while achieving speed of contracting, the company is slowed down by the bottleneck in the legal department and **exposed to serious legal risks.**

**The lack of structured and efficient legal operations** does not only result in a mailbox with hundreds of contracts for the legal department to review but **directly affects companies' return on investment.**

This lack of efficiency in legal operations, resulting from **slow processes, unanswered emails, regulatory updates in contracts not implemented and automatic renewals of contracts out of control**, translates into **millions of dollars in losses that directly affect the financial department.**

This ebook analyses this waste of resources and provides **keys for companies to improve their efficiency in the contracting process**, improving the machinery from the supervision of the legal area to all departments of the company.

# 1. Revenue leakage

**9% of companies' annual profit is lost** due to poor contract management.

Revenue leakage is **the loss of financial resources or monetary gains for companies, either intentionally or unintentionally**. It is a problem that affects organisations in all types of sectors and its causes are very diverse.

It is estimated that inefficient contract management causes companies to lose between 5 and 40% of the value of legal transactions<sup>1</sup>. Result: experts estimate that **9% of companies' annual profit is lost due to poor contract management**<sup>2</sup>.

But how is such a loss possible if companies save money and do not invest large amounts in the legal area? It is precisely **lack of investment in technology that causes companies to lose not only competitiveness, but also large sums of money**.

The legal department has a high workload. 75% of the legal directors consider that they have difficulties in coping with the workflows that are assigned to their area<sup>3</sup>. Lack of resources to meet deadlines leads to inefficiency and loss of revenue in a section that, given the relevance of contracts and other legal documents, affects the entire company.

However, as studies conducted by the Legal Operations Institute Studies indicate, only 25% of respondents use technology solutions for contract lifecycle management.

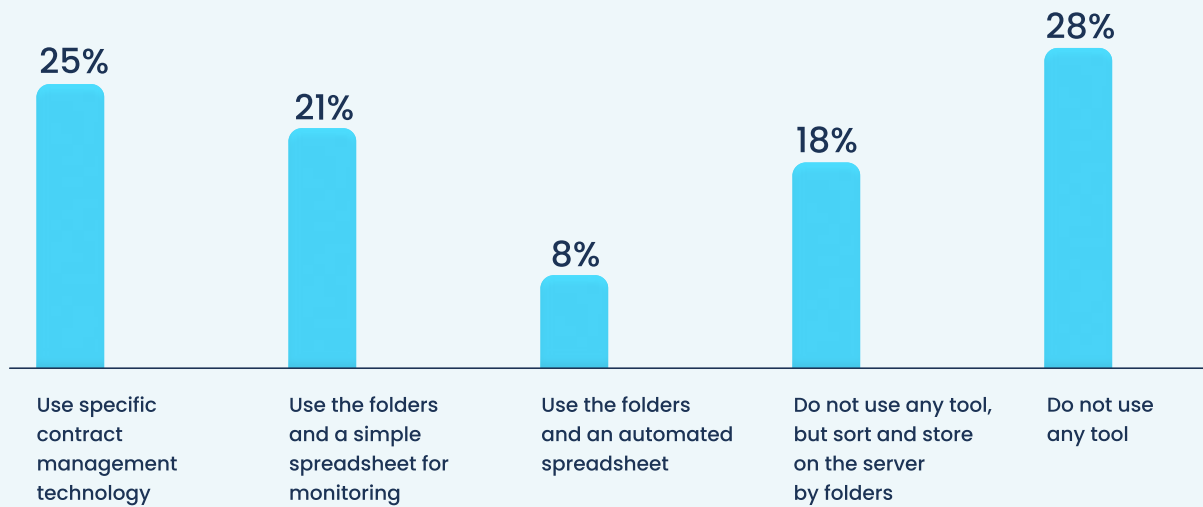
<sup>1</sup> [How AI Is Changing Contracts](#), Harvard Business Review.

<sup>2</sup> [Poor Contract Management Continues To Cost Companies 9% Of Their Bottom Line](#), World Commerce and Contracting.

<sup>3</sup> [The Inevitability of the Legal Industry Change](#), Forbes.



## ***For Contract Lifecycle Management, companies:***



Source: LOIS 2021

When analysing the legal operations developed through the traditional process, the leakage points of the investment become apparent. The traditional process of creating documents is done through a text editor such as Microsoft Word, using a template that is saved by the different team members on their desktops. The contract is then sent by email and manually adapted, changed, copied, pasted and corrected.

**This is a traditional method which, in addition to being time-consuming and tedious, causes companies to spend hours, days or even weeks preparing contracts.**

And, in the end, the contract ends up filed on paper or, hopefully, scanned as a PDF. However, this modus operandi does not allow us to know what risks and obligations the company has taken on or what milestones or contract renewals will take place in the coming months.

If you add this to the fact that legal departments have a high turnover of professionals, it means that no one in the organisation knows what has been agreed and what has not.

Companies need to analyse their contractual processes to find the right indicators to avoid revenue leakage.

Companies need to analyse their contractual processes to find the right indicators to avoid revenue leakage.

**What are the indicators I need to analyse to identify revenue leakage?**

The processes that slow down the legal operations of organisations are varied and involve different areas. **In order to improve and implement technology correctly, businesses must identify measurable KPIs** (Key Performance Indicators).





## ***Contract management***

- **Number of contract models, most frequent processes.** The most common processes in each area should be analysed, and the most repeated ones identified.
- **Analysis of the life cycle of contracts: time and resources spent, stages of the approval process.** Observe what is the life flow of a contract in the company, who is involved in it, and what time and risk are involved for each of them in detail.
- **Compliance or non-compliance with internal or external deadlines.** Are the current processes effective in terms of compliance? Departments should analyse what deadlines are realistic and which ones should be changed, along with the implications of all these deadlines, between departments and with external stakeholders.
- **Expirations, renewals and terminations.** Which contracts have automatic renewal? What are the expiry dates for the rest of the contracts? Once the information is available, it is recommended to use a CLM in order to have accessible information and the corresponding alerts so that we do not miss a deadline or an automatic renewal.

## ***Regulatory compliance***

- **Regulatory compliance analysis of contracts.** Examine whether the company's contracts comply with internal regulations, as well as with current legislation.

- **Errors or failures in contracts.** Examine whether the company's current contract templates contain flaws or incorrect clauses.

- **Time and resources devoted to fixing errors.** Such mistakes often result in time-consuming and costly restructuring. Establish the measurement of that process.

- **Risks or legal contingencies that errors may entail for the company.** Contract errors not only in the loss of resources or time to correct them but also expose the company to penalties that can run into millions of dollars.

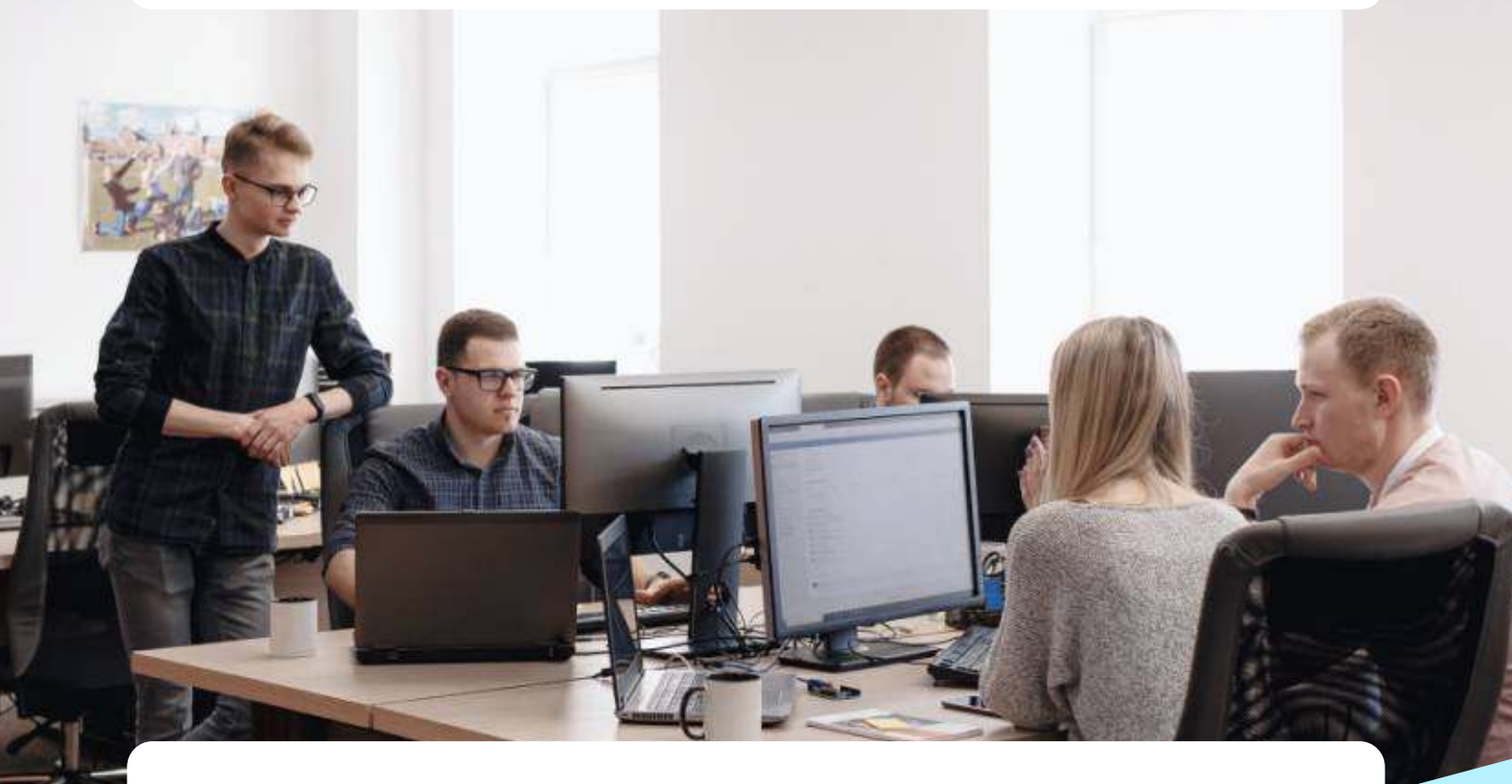
- **Risk status or level of risk.** Risks and contingencies solved or in progress in contract management. Assess what risks the company has regarding its contracts and how serious they are.





## Efficiency

- **Time allocated to each contractual process.** Analysis of how much time is spent at each stage of the process, from when the need to generate a contract is created until it is filed.
- **Number of contracts managed per person.** Delve into how many legal documents are handled by each member of the legal team, from other departments and even from other offices in different cities or countries.
- **New opportunities identified.** To study new ways and proposals for improvement in order to achieve more effective contract management at every step of contract management.



## Claims

- **Amendments to clauses.** Time and resources spent on contract amendments due to claims for errors in contracts.
- **Number of contracts opened and not signed, and number of contracts signed.** How many projects does the department get through, and which ones do they fail to persevere or get stuck on? Analyse final productivity and satisfaction with the work done.



## ***KPI specific to each type of contract<sup>4</sup>***

### **- Hard KPI. Easier to measure:**

- Cost
- Time
- Technical performance
- Other

### **- Soft KPI. Less easy to measure:**

- Relations
- Quality
- Risk

If companies do not establish measurement through the use of KPIs they will not be able to fix what is inefficient, maximise what works and prepare for a better position against the competition in their market.

<sup>4</sup> Source: Legal Operations Institute Studies (LOIS), 2022.



## 2. Avoiding revenue leakage with CLM technology



Once the main KPIs have been identified, it is time to move forward and take a big step. When it comes to improving companies' legal operations, **the tool that brings effectiveness and security to more processes is CLM (Contract Lifecycle Management)**.

This is because, as the name suggests, this solution covers the entire contract lifecycle from start to finish; it serves to secure and streamline every step in the creation of contracts and allows legal teams to control every step.

But contracts do not only affect the legal area, they are documents worked on by all company departments, so a solution that optimises the contractual process will affect all of them. The result: the 9% revenue leakage that is so serious for companies can be reduced.

## SOME BRANDS THAT ARE COMMITTED TO INNOVATION IN DOCUMENT MANAGEMENT WITH BIGLE LEGAL:

**CBRE**

ANDERSEN

 **CUATRECASAS**

**RE/MAX**



## “SYSTEMATISING CONTRACTS HAS NEVER BEEN EASIER”

“Bigle Legal makes work much easier and quicker when there is a large volume of contracts to complete. Also, by having fields to complete the contract, it helps the person in charge of filling in the contract and sending it for signature not to forget any information. Also, **their technical service is very quick to respond and efficient.**”

**Mercedes Castelló – Legal Specialist at [Mr. Jeff](#).**

## LEGAL TECH INVESTMENT RECORD IN 2021

The Corporate Legal Operations Consortium<sup>5</sup> indicates that automating legal processes and implementing new technology solutions is a priority for almost 60% of in-house lawyers who invest in technology.

This investment, which takes place in legal tech solutions such as CLM, benefits corporations in the short term but is also the basis for establishing successful legal processes for the years to come. It is not for nothing that the legal tech sector experienced its best year ever in 2021, with **£2.5 billion of investment in 2021**<sup>6</sup>.



<sup>5</sup> [2021 State of the Industry Report](#), CLOC.

<sup>6</sup> [Legal Tech Funding Hit £2.5 BN in 2021 – Best Year Ever](#), Artificial Lawyer.

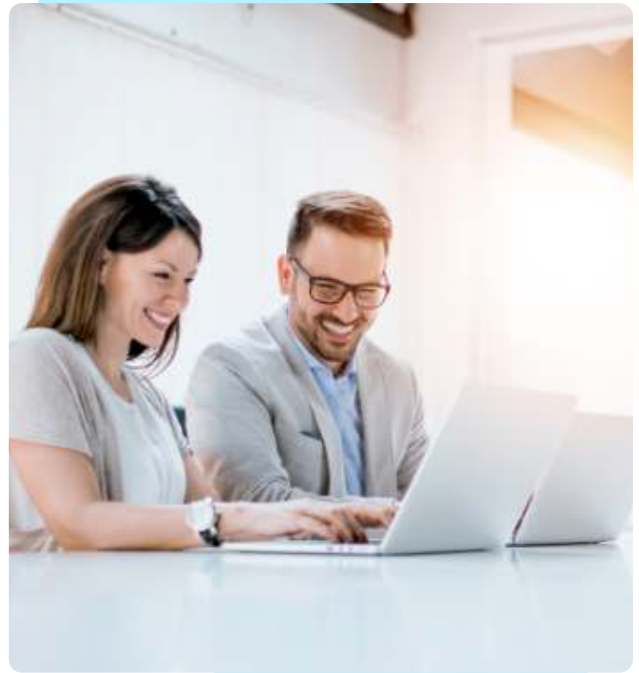
# 3. CLM. Beyond the legal area

## ***CLM use by industry***

CLM can benefit industries of all types, as contracts or legal documents are used in the vast majority of sectors. Banks, insurance, real estate, consumer goods, construction companies, large law firms... Any organisation that works with contracts can benefit from this technological solution.

Contracting is the most tedious and time-consuming part of a deal, whether it is the hiring of an employee, a service or a new client for the company. Different people, departments and managers take part before reaching the desired signature. By streamlining the whole process and ridding it of any human error, conflicts are eliminated and progress towards the final goal is much faster.

How does CLM technology help to reduce this revenue leakage, and why is it increasingly in demand by organisations in all kinds of sectors? **CLM is a solution that starts with the legal department, helping it to make its work routine more efficient and convenient at different stages of the document process.** But its potential goes far beyond the legal area and can be reflected in all types of industries.



## ***Born in the legal area, beneficial to all departments***

The human being forgot about the fountain pen when he invented the typewriter. When the computer came along, it became a museum piece. Discover the next evolutionary step in the writing of documents.

CLM software supports all departments that are related to contracts or legal documents:

## ***Sales***

From new client contracts to confidentiality agreements, commercial teams work with a variety of legal documents.

### **Key benefits**

- ✓ It seals deals much faster and avoid potential client leakage.
- ✓ Set safe standards for your contracts, with clauses that comply with regulations and what is established by the legal department.



## ***Human Resources***

Streamline all recruitment, reporting and compliance processes to make paperwork routine history.

### **Key benefits**

- ✓ Offer your employees the latest security and technology to enhance their experience with their own contracts and other key documents (holiday requests, leave requests, internal communications, etc.).
- ✓ Facilitates recruitment processes.
- ✓ Get full traceability and digital evidence of your communications and contracts.
- ✓ Speeds up procedures without limit.



# **Finance**

It allows the relationship between the financial area and the rest of the teams to be fast and secure, optimising and streamlining processes.

## **Key benefits**

- ✓ Avoid manual processes and gain speed in the company's decision making.
- ✓ Centralises knowledge, contracts and all types of legal documents.
- ✓ Ensures compliance and minimises risks.
- ✓ Squeeze the collaborative part of the platform.







## Marketing

Get the marketing team to nimbly control contracts with their outsourced services, such as agencies, event organisers and management software.

### Key benefits

- ✓ Facilitates processes and closes collaborations much faster.
- ✓ Prevents the team's creativity from getting lost in paperwork and bureaucracy.
- ✓ Allows control of contract clauses and automatic renewals.
- ✓ Transparency and supervision.
- ✓ Security.

## **Purchase**

Align the objectives of the purchasing department with the other areas of the company, and make procurement processes and purchases of services and products collaborative between departments. It prevents other areas that depend on the purchasing department from falling behind due to the lack of process automation, regaining lost efficiency and speed.

### **Key benefits**

- ✓ Avoid manual processes and gain speed in the company's decision making.
- ✓ Ensures that all processes comply with business regulations to the millimetre.



# ***Five key benefits of CLM***

## **1- CREATE CONTRACTS IN MINUTES. WITHOUT ERRORS.**

The document automation section of a CLM allows standardised templates to be transformed into web forms that **help create documents 20 times faster than the traditional way**. The user can add additional clauses and attachments, and allow the participation of internal staff or third parties... all from a cloud platform.

When the template is ready, it becomes an intuitive and easy to complete form. By filling it in, you get your contracts, tailor-made and error-free, in less than five minutes.

## **2- OUTSOURCE, STANDARDISE AND CONTROL FROM THE LEGAL AREA.**

Any company user can create the contracts required by their department following this process, without the need to be a legal expert. Thus, the legal department outsources the generation of contracts but maintains control over the process from start to finish from the CLM platform.

The contract is completed, it is negotiated... and the legal department is the one who decides which people have access to it, who can see it, participate in it with comments, reassignments or give the go-ahead for it to be signed. A collaborative system that makes the process easier and more accessible, while avoiding errors that can lead to legal contingencies of all kinds.

**CLM also allows changes to be made to all templates at the same time.** In the event of a change in legislation affecting multiple documents, all templates are updated at the click of a button so that contracts can be kept up to date and all departments can work with the latest version.



### **3- SIGN ELECTRONICALLY AND ENSURE SECURITY.**

When the contract is ready and approved, it is sealed thanks to the platform's own electronic signature, in a few moments and without the need to bring all the parties together or lengthen the process further. The platform controls who signs the document and under what circumstances, thanks to its advanced electronic signature technology, which offers all the signatory's biometric data and extensive traceability.

CLM eliminates the conventional validation process and all the slowness and risks associated with it, in order to achieve an agile, secure and binding process, over which the legal department has full control.

### **4- STORE AND MONITOR.**

The CLM allows all contracts to be brought together on a single platform, preventing each employee from having outdated copies of legal documents on their computers. They can be stored by department or subject, you can see at a glance the status of each contract to organise the next steps for each of them.

Each change is monitored and a version history is kept to trace the process from start to finish. Thus, CLM facilitates the control of each modification without creating many copies of the document, in a process that mitigates the risk of legal contingencies.



## **5- SIMPLE IMPLEMENTATION AND ALMOST IMMEDIATE RESULTS.**

Companies in all types of industries that are already implementing Contract Lifecycle Management solutions see the benefits within days. With regard to legal contingencies, customers highlight the effectiveness of this type of tool in reducing them. While risks are reduced by 50% in the first months of use, it is estimated that they could be reduced by up to 80%. With regard to human errors, automation helps to reduce them by up to 100%.





## ***Technological innovation for the legal field: metadata!***

Metadata is data about data. **It allows to identify concrete values of legal documents in order to find, sort and report on contracts in an intuitive and simple way.** They are an artificial intelligence-driven, cutting-edge feature of CLM software, but essential for CLM to be among the most comprehensive on the market.

**They are used to classify and control contracts. They are based on dates, places, quantities, names...** An infinite number of variables allow you to create different views, such as contracts currently under negotiation, contracts pending signature or contracts above a specific amount, among others.

With this data ready, you can classify your company's contracts and create cascading views to keep track of them. Thanks to customisable filters, you can analyse at a glance which contracts are pending signature, which ones have been created by which department, when they were created, or which amount exceeds certain exclusivity clauses.



# ***Four benefits of metadata to control your contracts***

## **1- CUSTOMISE.**

Define what metadata you want to use in your workspace. They are customisable and adaptable to the needs of each department.

## **2- COLLECT.**

Add the customised metadata associated with contracts manually by creating your own metadata sets, extract them automatically from your contract data or let your CLM provider provide them for you.

## **3- STRUCTURE.**

Structured contract data allows you to perform advanced searches and automate contract management, reducing workload and minimising human error.

## **4- ANALYSE AND REPORT.**

Create views and extract them into an Excel file for in-depth analysis of your legal documents.

# ***Capture metadata intuitively. Discover endless possibilities***

Metadata can be used for an infinite number of cases and reports can be created. What today are data that serve to know the status of the document, its signature or its creation date, can become alerts for the future or very useful negotiation information for departments.

It is important to note that metadata can be generated automatically from a legal document by creating a specific set to be filled in during the creation of the document or from a contract automation form.

## **SOME IDEAS:**

*Control the views by expiry date, amount, whether or not it includes a penalty clause. Manage your contracts pending signature or those exceeding a certain amount.*

**A complete Contract Lifecycle Management solution should include this functionality** to serve contract professionals, as it is a key feature for enterprise knowledge management, which organises contracts, streamlines contract management and offers multiple possibilities.

## 4. Practical tips for choosing a CLM

Finding the right CLM for an organisation will depend on different factors. Choosing the solution that best suits the needs of your business will help ensure ROI from the very choice of CLM solution.

### 1. Size of your company

- **Small and medium-sized companies:** typically have up to 100 employees and focus on specific areas of operation. These companies may find the most suitable solution software specialised in the creation and storage of contracts. Smaller companies often work with low-profit margins and the ability to achieve a recurring revenue stream will depend on easy contract renewals.

- **Larger companies:** Big companies often operate in multiple areas and have employees in different countries. For such companies, organisation and coordination are crucial. For example, when drafting contracts that require the collaboration of multiple internal and external parties, they need modules that help automate much of the contract approval process. Features such as milestone tracking, automatic alerts and other solutions can be added.

### 2. CLM supplier security

Corporate security is multi-layered and not only depends on the measures taken internally within a corporation. As a technology provider, a Contract Lifecycle Management platform must guarantee the security of its customers and user companies to ensure that their information is securely stored and safeguarded.

Make sure that the CLM solution you choose has high-security certification standards and ensures the security of your customers' information.



### ***3. Quality of technical service***

It is advisable to verify that integration services are included in the price. Unless you subscribe to a very simple product, make sure that high-quality onboarding is available, which should include, at a minimum, guided installation and configuration, training tailored to the different functions and a dedicated project manager.

It's also important to be curious about how the company takes on board customer feedback: is there a place to suggest improvements and new features, do they send out product satisfaction surveys and measure customer satisfaction with their support service? This indicates their interest in listening to your feedback and improving their products and services.



### ***4. Make sure it is cutting-edge and up-to-date software***

Ask the CLM vendor for a list of updates made to their platform in the last 12 months. This information will tell you how far the software is evolving to stay current and competitive, which will help you identify whether innovation is a core value of the company's team. It will also allow you to choose a service that grows with your business.

## 5. The cutting edge of contract management

Contract-related revenue leakage is a serious shortcoming that can be addressed through technology. The loss of benefits comes when contract processes are slow, routinely inefficient and lack control over risks, obligations and renewals, so it is necessary for companies to take a hard look at how they are managing contracts so that they can improve them and avoid losses that can run into the millions.

Once the indicators for improvement in contract management are set, opting for a CLM solution helps companies unblock a process that slows down the legal operations of the entire company.

**Improving legal operations helps organisations maximise return on investment, but it also becomes an essential tool for companies.** Once the process is streamlined, the creation of legal documents is a simple and quick process. In the same way, interdepartmental collaboration is facilitated and positive synergies are created that will improve the relationship between the different areas. It is time to focus on creativity and forget about paperwork.

Contracts become a tool, a precious asset for departments, rather than a tedious document that takes weeks to complete.





## 6. About Bigle Legal

Bigle Legal is a cloud-based Contract Lifecycle Management (CLM) software powered by Artificial Intelligence that automates the legal operations of companies, improving security and minimising the risk of legal contingencies. The platform is flexible, intuitive and provides full control over the entire document lifecycle.

The company is a pioneer in the field of no-code document automation, with a global presence, and its customers include large companies and large law firms. Bigle Legal's mission is to make Legal Operations Easy.

To learn more about Bigle Legal, visit the website: [biglelegal.com](https://biglelegal.com)

For other enquiries, please contact [communication@biglelegal.com](mailto:communication@biglelegal.com)

### By using Bigle Legal, you contribute to saving natural resources



**323 million**  
Kg of wood



**7,1 billion**  
Litres of water



**725 million**  
Kg of CO<sup>2</sup>



**47 million**  
Kg of waste

