

6 Challenges with Managing Contracts Remotely

In response to COVID-19, most employees in non-essential industries are being asked or required to work remotely. In fact, roughly 96% of Americans are under some form of lockdown. This rapid shift to a remote workforce has implications for organizations of all sizes and industries, including with contract management.

That's because contract management is not unlike many other business processes and activities. It requires an appropriate level of coordination, communication, information, and collaboration in order to be effective, efficient, and successful. Unfortunately, many traditional approaches to contract management can present some challenges with managing contracts remotely.

As you evaluate your organization, your business continuity plans, and your ability to manage contracts in a highly remote setting, it's important to understand the challenges you may face and discuss with your team how you will address them.

The following are six common challenges with managing contracts remotely that organizations face when using traditional contract management methods when employees are working from home.

1. Lack of Access to Contracts & Contract-Related Information

Depending on where and how your contracts are stored and secured, how will your employees get appropriate access to them in a remote setting? Take inventory of how and where your contracts are stored and secured. Are they on hard drives? Shared folders? Spreadsheets? Maybe a combination of places?

Also, can multiple people view contracts at the same time? Can

they securely access contracts via the Internet and without having to install software on computers? You'll need to give people an appropriate level of access to them based on their roles.

2. Difficulty Collaborating on Contracts & Supporting Documents

Obviously, it's going to be more difficult collaborating on anything, never mind contracts, when everyone is remote. Regardless, it's an important consideration because we all know that contracts require collaboration between different departments and companies. Working through how you'll foster collaboration to prevent organizational and negotiation silos as well as things like version control issues is important.

3. Slower Contract Review and Approval Cycles

This challenge is about making sure you have visibility into all your agreements. The last thing you want to happen are slower review and approval cycles. Give what's going with the economy, chances are your organization still needs to purchase and sell things in a timely, albeit modified, manner. You'll also want to ensure visibility into the volume and balance of your sales and supply chain agreements.

4. Miscommunication or Reduced Communication About Contract Stage and Status

Losing track of where agreements sit in your process can be a challenge even without everyone working remotely. How will you and your team ensure you know where all your agreements are in your process and who is working on what task? You'll want to track down, document, and monitor the stage and status of all your current agreements.

5. Inaccurate Information in Contract Requests

This is another common problem regardless of where employees

are physically located in your company. How will you accurately gather all the information required to create, process, execute, and manage contracts? In addition, how will you do it from start to finish in an efficient manner?

6. Increased Potential for Contract Risk and Non-Compliance

This challenge is essentially one of the big consequences of not addressing the others previously listed. If you don't overcome these other challenges, how will continue to identify, assess, and mitigate risks associated with your contracts? How will you enforce compliance with internal processes and external regulations? How will you ensure you don't miss key dates and obligations?

Takeaway

There a lot of business challenges associated with the rapid shift to employees working remotely. It's important to understand the challenges with managing contracts remotely and discuss them with your team so that you can put plans in place to overcome them. Contract management software can help you address these issues.

If you're interested in learning how, please contact us to discuss your needs