

Study Finds Need for Visibility in Contract Process to Eliminate Human Error

Most companies take more than a month to go from the initial “handshake” with a customer to a signed contract because they rely on manual tools, according to a survey conducted by **SpringCM**, a contract management solution for **Salesforce** customers. The second annual **State of Contract Management** report is the result of a survey of more than 800 professionals on their contract management processes and challenges.

The **report**, conducted last month, found:

- 74 percent of respondents’ contract processes are not automated;
- 85 percent attach contracts to emails, where they can be lost or the wrong versions used;
- More than four in 10 keep contracts on shared drives, increasing security risks, and;
- 68 percent said human error affects their contract processes “very often.”

The report findings also highlight the need for visibility to speed up the contract process and increase revenue. In fact, 49 percent of respondents said that a transparent contract process would assist in reporting and predicting revenue.

“Our research found the contract process typically lasts weeks – and for large enterprises, it can be months – and involves multiple departments, increasing the chances for mistakes that can cause even more delays,” said Greg Buchholz, CEO of SpringCM. “But if companies can shorten the time it takes for

contracts to get signed, then the closing cycle decreases, revenue increases, cash flow accelerates and risks are reduced. In one case, a customer took their contracts process from two weeks to two days.”

Contract management software automates the contract process while providing visibility to each stage of the contract lifecycle to improve coordination between sales and legal teams. In the State of Contract Management report, 40 percent of respondents said implementing a contract management tool has saved their companies money.

“The real key is the advantage of eliminating sales reps from heavy involvement in the process. Sales leadership wants their revenue generators finding and closing the next deal, not spending their time involved in the back and forth between inside counsel, customer counsel, and procurement departments,” Buchholz said. “If a company can cut the time sales teams waste getting contracts signed, then they can do more prospecting and selling, and the company has a better chance of hitting its revenue goals.”

More information and a free download of the State of Contract Management Report are available **here**.