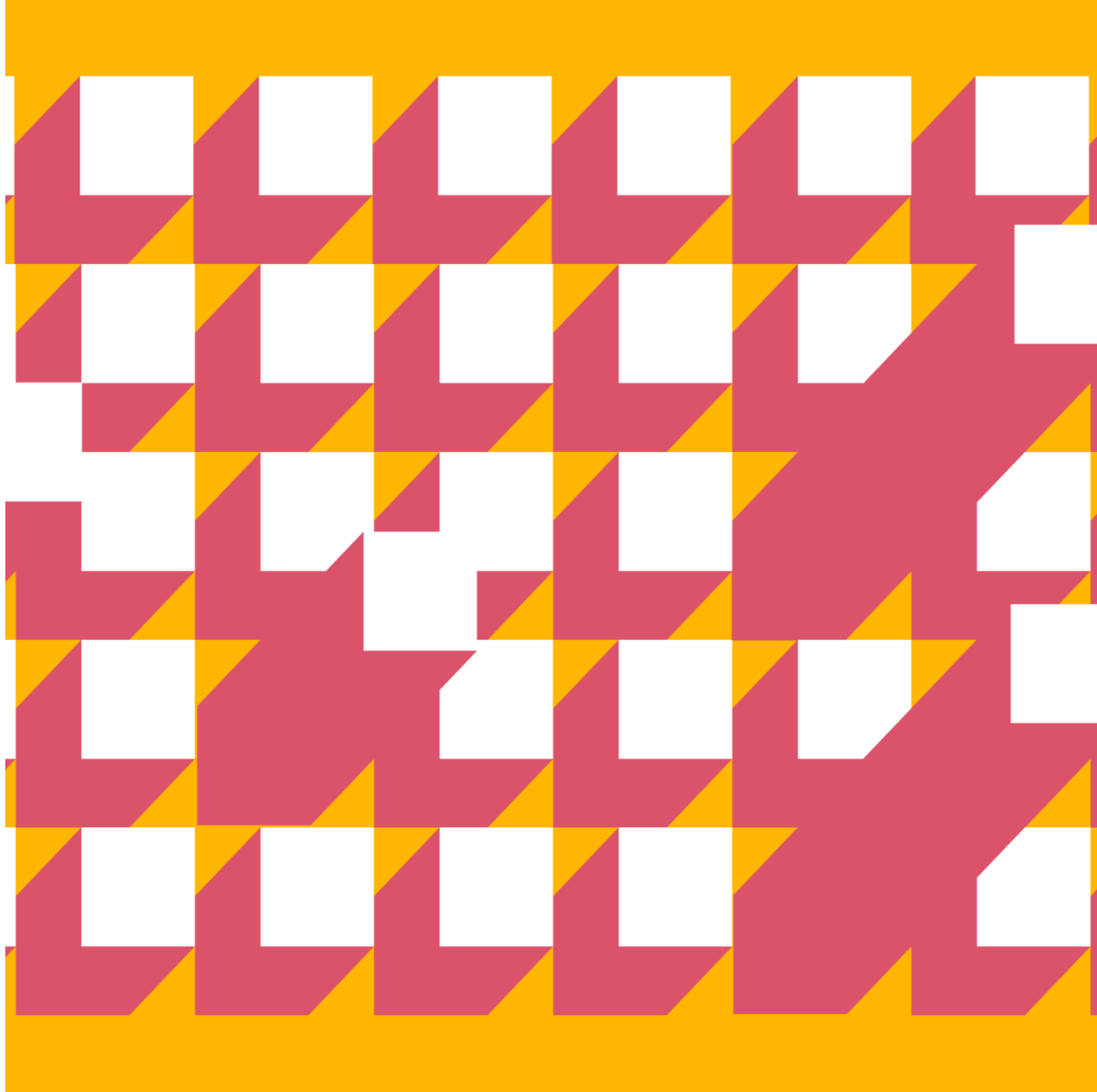


# PwC Contract Management and Automation Services

Discussion Paper  
August 2019



# Key concerns in CLM process addressed by a CLM technology (1 of 2)

The large vendor/ customer database, Manual contracting processes and resulting obligations leads to multiple contract risks.

Below we have given a summary of some of these challenges along with ways of handling these concerns through a CLM technology:

<b>1. Lack of centralized repository</b>	<b>CLM Solution</b>	<b>2. Manual tracking of contractual commitments and tasks</b>	<b>CLM Solution</b>
<ul style="list-style-type: none"> <li>• No visibility on number of contracts entered, its value, expiry terms</li> <li>• Contacts at multiple locations/ in disparate formats across multiple document stores</li> </ul>	<ul style="list-style-type: none"> <li>• Creates a central repository for <b>Global visibility</b> into contract information and key milestones.</li> <li>• Ensure an <b>enterprise wide contract record center</b> that can enable easy and quick access to any contract or related information</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of robust mechanism to assign obligation tasks (e.g. SAM audits etc.) to owners and track completion resulting in value leakage</li> <li>• Compliance to regulations (MSME Law, Labor Laws etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Map</b> contractual obligations with <b>task ownership</b>. Run obligations performance reports . Escalations mechanism if contract obligations are not met.</li> <li>• <b>Automate alerts</b> on <b>renewals, expiries</b>, contract obligation milestones to ensure that there are no unfavorable renewals and all re-negotiation opportunities are fully leveraged</li> </ul>
<b>3. Periodic reporting and vendor evaluation</b>	<b>CLM Solution</b>	<b>4. Deviations in standard clauses and templates not approved</b>	<b>CLM Solution</b>
<ul style="list-style-type: none"> <li>• No procurement insights (visibility into supplier spend, share of business, cost breakup)</li> <li>• Difficulty in vendor performance evaluation</li> <li>• Reporting on key contractual terms inadequate/ delayed</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Customized</b> Reports can be generated based on any contractual parameter.</li> <li>• <b>Configurable</b> enterprise wide and user specific <b>dashboards</b></li> <li>• <b>Automated vendor evaluation for performance delivery</b> in both pre and post selection phase</li> </ul>	<ul style="list-style-type: none"> <li>• Deviations from standard terms not approved resulting in high risk for Company</li> <li>• Incoherent terms contained in contracts for same service/ product</li> </ul>	<ul style="list-style-type: none"> <li>• <b>System based tracking</b> of contract against standard templates and existing contracts for same party and highlight mismatch in terms</li> <li>• <b>Parametric smart workflows</b> to route approvals based on defined delegation matrices</li> </ul>

# Key concerns in CLM process addressed by a CLM technology (2 of 2)

<b>5. High TAT involved in contracting</b>	<b>CLM Solution</b>	<b>6. Incomplete audit trail of negotiations</b>	<b>CLM Solution</b>
<ul style="list-style-type: none"> <li>High turn around time taken for contract authoring, negotiation, review and approvals resulting in delay in execution of work</li> </ul>	<ul style="list-style-type: none"> <li>End to end <b>contract authoring cycle</b> including internal communications can be <b>run through</b> the CLM system.</li> <li><b>TATs</b> and <b>reminders</b> can be <b>configured</b> and time lags can be monitored.</li> <li><b>Automated contract creation</b> for basic contract types</li> </ul>	<ul style="list-style-type: none"> <li>No visibility on price and contract terms negotiations done</li> <li>Hard copies getting lost in transit/ Loss of email trail upon separation of procurement staff</li> </ul>	<ul style="list-style-type: none"> <li>A <b>detailed audit trail</b> shall be created for all negotiations done and ensure that all <b>deviations are approved</b> by <b>relevant</b> authority level</li> </ul>
<b>7. No visibility into milestone and share of business</b>	<b>CLM Solution</b>	<b>8. Tracking of contracts, amendments, change orders</b>	<b>CLM Solution</b>
<ul style="list-style-type: none"> <li>Need a mechanism to inform stakeholders when milestones like rate revisions, metal price revisions and forex revisions are up for negotiation</li> <li>Non adherence to SOB</li> </ul>	<ul style="list-style-type: none"> <li>Automated alerts to stakeholders upon reaching a milestone</li> <li>SOB adherence can be tracked through the CLM system</li> </ul>	<ul style="list-style-type: none"> <li>Contracts not entered into with material suppliers, job workers and other vendors</li> <li>Amendments not updated</li> <li>Key legal and operational terms not entered in POs</li> </ul>	<ul style="list-style-type: none"> <li><b>Automated reports</b> highlighting contract status</li> <li>All <b>amendments/</b> changes shall be done <b>through the CLM system</b> and shall be updated in contracts</li> <li><b>Integration with ERP</b> will result in <b>auto-update of rates</b> based on the change orders</li> </ul>

# PwC Capabilities - Contract Management Consulting and Automation Services

Our multi-disciplinary team of Contracts , Legal and Technology experts provides us the unique ability to partner our clients in Enterprise wide Contract Lifecycle Implementations.

We are a **One stop provider** that provides a comprehensive solution - from vendor selection to product implementation support to policy/process design to legacy migration and project/ change management

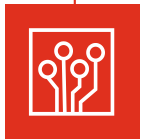
We have done **multiple CLM tool implementations** in Europe and across the globe.

PwC has a **team of 80+ contract and compliance experts**. Supported by team comprising approx. **2500+ lawyers in 85 countries** and **500+ contract specialists across jurisdictions**.

We have **extensive knowledge** of working with the **different sectors in CLM space**

We have **partnership with multiple global and leading CLM tool vendors** including **Apttus, ASC, Determine**, etc.

## Our USP/ Strength



We are **technology agnostic**



We have relevant **functional and sectoral expertise**



We offer **integrated services** including data migration support



We have experience in **PMO services** with special focus on change management

# Our Service Offerings

We can partner with you for managing entire contract lifecycle. This includes the following:

## Contract Governance and Process Standardization

- Define governance, including DoA, controls, policies and procedures around contract management
- Develop standard contract templates/ SLA applicable for you after benchmarking with global standards

## Contract Analytics & Reporting

- Identify and Extract the key contract information from contract present in different formats and stored at different locations for reporting and analytics to drive value

## Technology Enablement and User Support

- Deployment of relevant tools for automating the contract life cycle (pre-contracting, post contracting and legacy contracts)

## Contract Life Cycle Management & Administration

- Contract creation, negotiation, renewals and closeouts
- Management of various contractual obligations (tracking of SLAs, commercial terms, expiries, addendums etc.)



**We assist companies in establishing a global contract governance framework and facilitate in deployment of an automated contract lifecycle management process**

# Apttus CLM - Technology tool to enable 'Contract' lifecycle management

Apttus contract management software – a robust, user friendly, enterprise level software for meeting contract process automation requirements of our clients.

## Differentiated Capabilities



Centralized global repository for all buy- and sell-side contracts

Integrated commercial and legal playbooks

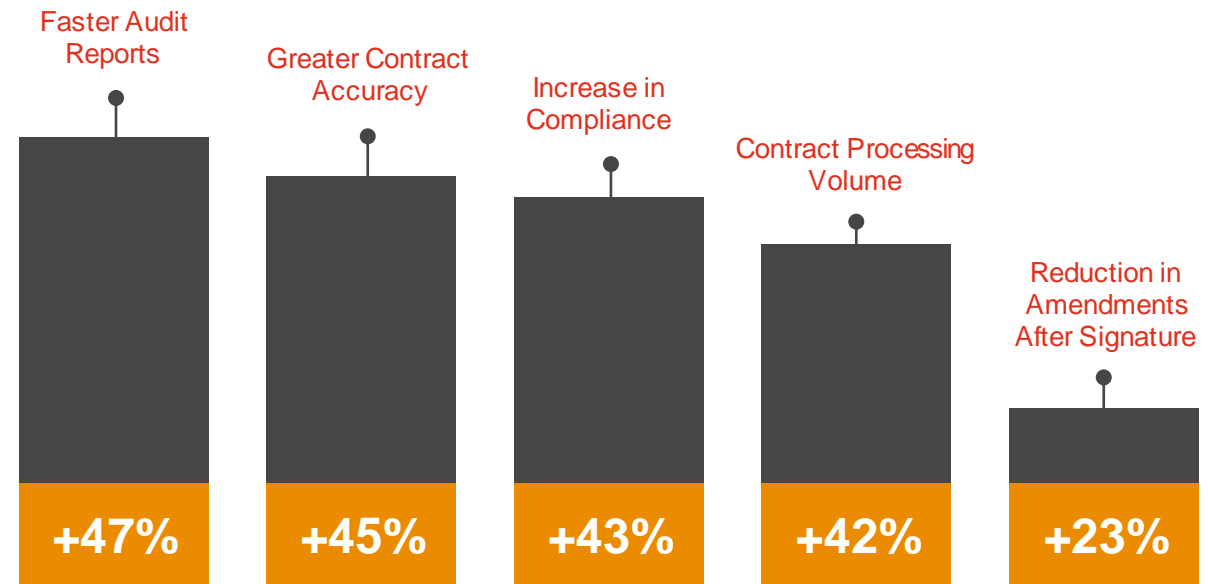
Workflow, approval and notification engines

Ease of administration and rules-based self-service

Robust contract obligation management

Use of AI to improve contracting process and revenue optimization

## Apttus "Contract Automation" | Key Results



# Our Integrated Approach

We focus on first identifying the existing contracting processes and suggest a target operating model. Post this, we also support in CLM tool implementation and legacy data migration.

## Current Contracting Assessment

Perform as-is assessment of existing processes, identify business requirement and suggest target operating model with Technology selection Matrix



## Tool Implementation support

Assist in implementation of CLM software



## Contract Analytics and Data Migration

Identify metadata fields, abstract and migrate legacy data onto the CLM software



## Change Management

### Assistance in change management by:

- Periodic monitoring and reporting as per agreed communication plan
- Conducting training sessions for stakeholders



# Select Credentials

Contract Governance and Process Standardization	Selection of CLM technology	Contract Analytics and Reporting
<p><b>Largest alcohol beverage company</b></p> <ul style="list-style-type: none"> <li>• Understood current process and conducted detailed gap assessment</li> <li>• Designed contracting policy document which defined contract library structure, Delegation of Authority, contracting workflows/Approvals, governance and controls and RACI matrix.</li> <li>• Built in controls and process to enforce the new policy for contract creation, post management , obligations and contract compliances</li> </ul>	<p><b>Largest agro chemical producer</b></p> <ul style="list-style-type: none"> <li>• Reviewed the contracting procedures of the organization , including contract life-cycle management</li> <li>• Conducted interviews and mapped out the gap analysis between the current state and suggested recommendation report highlighting process gaps and refined version of contract library and improved templates</li> <li>• Categorized business requirements and helped in preparation of Vendor selection matrix</li> </ul>	<p><b>Large Third Party Pharmaceutical Manufacturer</b></p> <ul style="list-style-type: none"> <li>• Helped prepare a business case for data analysis of revenue and procurement side contracts</li> <li>• Studied a representative set of the contracts to identify the clauses which may impact the revenue.</li> <li>• Reviewed a set of data to identify and validate revenue leakages by analysing the ERP data.</li> </ul>
Client Benefits	Client Benefits	Client Benefits
<ul style="list-style-type: none"> <li>• Identification of areas of cost and value leakages in existing contracting procedures</li> <li>• Robust contract creation and monitoring framework</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of areas of cost and value leakages in existing contracting procedures</li> <li>• Early identification and remediation of risky contract exposures</li> <li>• Automated end to end contract process for key contract types</li> </ul>	<ul style="list-style-type: none"> <li>• Created a library of clauses which are required to monitor revenue leakages and suggested a team structure for contract administration and revenue assurance.</li> <li>• Identified revenue leakages through data analysis.</li> <li>• Inputs for CLM tool design to enable contract administration</li> </ul>

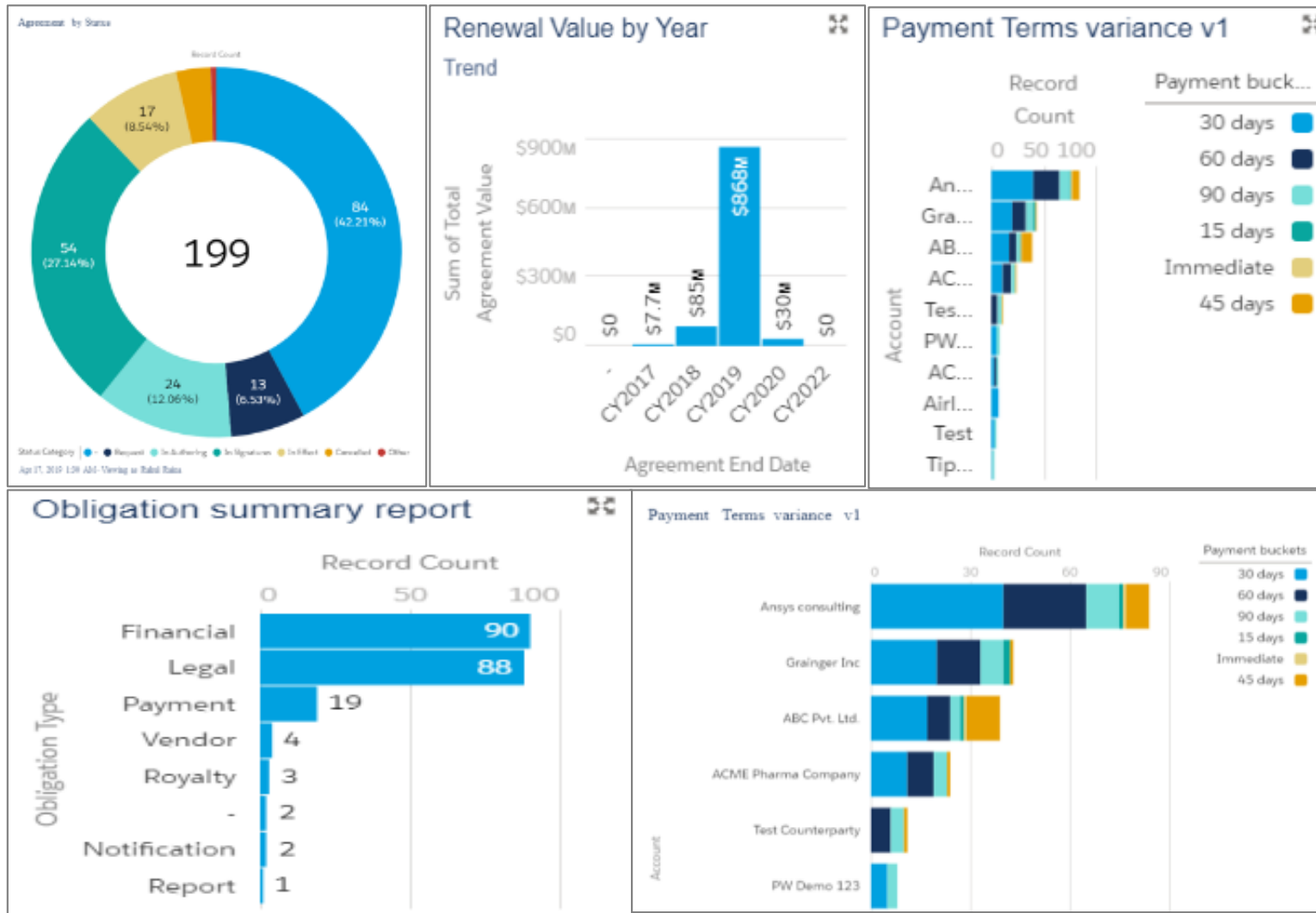


# Select Credentials

End to End process design and technology deployment	End to End process design and technology deployment
<p data-bbox="112 389 580 422"><b>Large medical device company</b></p> <ul data-bbox="142 475 843 818" style="list-style-type: none"><li>• Conducted discovery to understand contract landscape and high level requirements</li><li>• Defined implementation roadmap based on business need</li><li>• Implemented phase 1 of the roadmap for contract offer development team</li><li>• Continued implementation program by rolling out CLM solution to additional business units as defined by roadmap</li></ul>	<p data-bbox="914 389 1454 422"><b>Large pharmaceutical manufacturer</b></p> <ul data-bbox="889 475 1666 853" style="list-style-type: none"><li>• Streamlined business processes and eliminating redundant approval processes, manual workarounds and custom wizards and plug-ins</li><li>• Cataloged worldwide contract template sources and variations to the contract</li><li>• Identified leading practices that address pain points in the contracting process</li><li>• Implemented phase 1 of the implementation with basic functionalities of new CLM solution and phase two to expand foundational capabilities, including integration with ERP to support order management</li></ul>
Client Benefits	Client Benefits
<ul data-bbox="142 993 843 1196" style="list-style-type: none"><li>• Deployed platform capabilities that are scalable to meet the unique demands of multiple user groups</li><li>• Contract data is visible, reportable, and accessible in a controlled environment</li><li>• Enabled workflow capabilities that help integrate users in a seamless cohesive process</li></ul>	<ul data-bbox="868 993 1646 1239" style="list-style-type: none"><li>• Reduction in contract cycle time by over by 40% through automated approvals and the use of EchoSign for electronic signature</li><li>• Clear visibility on key parameters/exposure areas</li><li>• Centralized repository, access and control</li><li>• Early identification and remediation of risky contract exposures</li></ul>

Thank you

# Reporting Dashboards : Screen-print(s)



- Build reports using simple controls while observing data security rules
- Report on terms, Payments terms, Renewals and much more without coding
- Create notifications and alerts so your team can meet service levels and support business objectives

# Contract Layout (User Interface)

The screenshot displays the Apttus Contract Management (CLM) interface. At the top, there is a navigation bar with the Apttus logo, a search bar, and menu items: Home, Dashboards, Accounts, Agreements (selected), Templates, and Master Obligations. Below the navigation bar, the main header shows 'Agreement Services Agreement'. The 'Details' tab is active, displaying a status bar with icons for Request (R), In Authoring (IA), In Signatures (IS), In Filing (IF), In Effect [Activated] (IE), Expired (E), Terminated (T), Amended (A), and Cancelled (C). The 'In Effect [Activated]' status is highlighted with a yellow circle. Below the status bar, the agreement details are presented in a table-like format:

Agreement No.	1000_00001649.0	Status Category	In Effect
Agreement Name	Services Agreement	Status	Activated
Account	<a href="#">ABC Pvt. Ltd.</a>	Owner	CoE - India
Account Billing Address	St. Peter's Street, Boston, Australian Capital Territory, Australia, 40001234	Agreement Start Date	4/25/2019
Governing Law	delhi	Agreement End Date	5/2/2019
Record Type	Services Agreement		

Below the details, there are sections for 'Approval terms' and 'Pre-Activation Actions'. The 'Approval terms' section includes 'Total Agreement Value' (\$200,000.00), 'Payment Terms' (45), and 'SLA' (checked). The 'Pre-Activation Actions' section includes 'Generate' and 'Cancel Request' buttons.

- Customized chevron to display the current status of the contract
- Apttus CLM in Lightning edition is very intuitive and easy to use

# Key Features set

## Approvals View

Agreements > Services Agreement

### Approval History

2 Items • Sorted by Is Pending, Date • Updated a few seconds ago

Approve Reject Reassign

STEP NAME	DATE	STATUS	ASSIGNED TO	ACTUAL APPROVER	COMMENTS
1 High Risk Contract - CFO Approval	4/17/2019 7:04 AM	Pending	Francis Finance	Francis Finance	

## Contract Status & Obligations Management

Accounts > ABC Pvt. Ltd.

### Agreements (Account)

50+ Items • Updated a few seconds ago

New Change Owner

AGREEMENT NAME	AGREEMENT ...	STATUS CATEG...	STATUS	AGREEMENT ...	CREATED DATE	RISK RAT...
1 <input type="checkbox"/> MSA	00001138.0	In Authoring	Other Party Review	8/9/2018	8/10/2017 11:49 PM	
2 <input type="checkbox"/> MSA	00001144.0	Cancelled	Approval Required	8/31/2022	8/14/2017 2:48 AM	
3 <input type="checkbox"/> MSSA	00001145.0	In Effect	Activated	8/13/2018	8/14/2017 2:50 AM	
4 <input type="checkbox"/> MSA_NEW	00001410.0	In Signatures	Ready for Signatures	5/17/2020	5/17/2018 3:12 AM	
5 <input type="checkbox"/> MSA_NEW	00001421.0	In Signatures	Ready for Signatures	6/23/2022	6/14/2018 4:44 AM	

Obligations1 (1) New

OBLIGATION ID	OBLIGATION TYPE	DUE DATE	RESPONSIBLE
<a href="#">OB-0231</a>	Payment	4/17/2019	Sunil Girdhar

# X-Author

The screenshot displays the Microsoft Word interface with the X-Author add-in. The document is a 'MASTER SUBSCRIPTION AGREEMENT'. The ribbon includes 'X-AUTHOR CONTRACTS' and 'X-AUTHOR TEMPLATES' tabs. A right-hand sidebar shows a 'Playbook' search and a 'Templates' list. The document text contains several changes marked with red dashed lines and 'Wileta Newatia' annotations.

**MASTER SUBSCRIPTION AGREEMENT**

This Master Subscription Agreement ("Agreement") is entered into and effective as of 1/9/2016 ("Effective Date") by and between TIER1 SYSTEMS, Inc., a Delaware corporation, having its principal place of business at Two Market St, San Francisco, California 94105 ("TIER1 SYSTEMS") and HTC Pcs Ltd., a corporation, having its principal place of business at G-4,Btpg Park Avenue, Sector 30, Near Nh-8, Gurgaon, 122002("Customer").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Definitions.**

"Affiliate" means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. "Control," for purposes, means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.

"Total Agreement Value" means fees payable to a value of \$25,000.00.

"Customer Data" means all electronic data or information submitted by Customer to the Service.

"Malicious Code" means viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs.

"Order Form" means the ordering documents for Customer's purchases from TIER1 SYSTEMS that are executed by the parties from time to time. Order Forms shall be deemed incorporated herein.

"Service" means the online, Web-based application provided by TIER1 SYSTEMS via

passwords by Customer (or by TIER1 SYSTEMS at Customer's may include but are not limited to employees, consultants, contractors and agents of Customer or its Affiliates.

**1. Service.**

1.

**1.1 Provision of Service.** TIER1 SYSTEMS shall make the Service available to Customer and its Users pursuant to this Agreement and all Order Forms during a subscription term. Customer agrees that it is neither contingent upon the delivery of any future functionality or features nor dependent upon any oral or written public comments made by TIER1 SYSTEMS with respect to future functionality or features.

**1.2 Additional Users.** User subscriptions are for designated Users and cannot be shared or used by more than one User but may be reassigned to new Users replacing former Users who no longer require ongoing use of the Service. Unless otherwise specified sneaky change in the relevant Order Form, (i) additional User subscriptions must

- Get your clause library within MS Word
- Track deviations and reconcile changes within document
- Map third party template to your standard template
- Compare versions using X-Author functionality