

# Contract Management Solution



Force4Technology's **Contract Management System (CM)** is applying technology to standardise, streamline, and automate contract initiation, creation, negotiation, execution through to expiration. With CM, organizations can reduce contract cycle times with improved standardization, control, and visibility of their entire contract portfolio for both suppliers and customers. These improvements lead to lower procurement costs, increased revenue, improved compliance, lower risk, and overall gain in employee productivity.

## Product Overview

The CM platform is a robust, secure, and scalable platform that gives relevant stakeholders a 360-degree view of Contract Management in their organisation. The platform is designed with ease of use in mind with built-in tracking and monitoring of the contract lifecycle from bid award to contract closure including renewals and extensions. Integration with municipal financial systems is achievable and real-time supplier verification with the Central Supplier Database.

Delegation of duties ensures the right parties will review and approve the right contracts at the right time. The dashboard and reporting ensure that everyone is up to date on the contracts where action needs to be taken before critical deadlines are reached. The scalable architecture of the platform has the means to offer the Department of National Treasury full oversight of contracts at local, district and metropolitan municipalities and provincial departments.

## Advantage

- Contracting best practice
- Optimize contract performance
- Reduce costs
- Total transparency
- Improve compliance
- Control, coordinate, and streamline contract lifecycle

## Contract Management Matters

- Improve cash management
- Control procurement costs
- Better manage suppliers
- Mitigate risk
- Generate agreeable contracts
- Reduce contract cycle time
- Capture savings and optimize renewals
- Minimize legal dependency and review time
- Accurately track milestones and deliverables
- Complete visibility of all contract and processes
- Decrease risk exposure and maintain compliance
- Ensure legislative and regulatory compliance

# Unlock Advantages of Contract Management

Contracts play a pivotal role in the success of your organization. In order to thrive in the 21st century, it is crucial to have an efficient and effective contract management system in place. Contract management encompasses a series of interconnected steps that form a complete lifecycle, and leveraging contract management software can yield significant advantages at each stage. By implementing contract management practices, you can establish key milestones at specific steps to deliver even greater value to your organisation.

A comprehensive contract management solution enhances the speed, visibility, and control over your contracts, enabling your organisation to streamline contract cycles, effectively manage revenue, manage cashflow, nurture relationships, and ultimately attain higher revenue and greater competitiveness.

## Challenges

Many supply chain managers identify low contract visibility during the procurement process as their biggest challenge, making it difficult to reduce supplier overspend. With contract management in place, it gives complete visibility where there are multiple contracts with the same supplier across the organization, and either eliminate duplicate purchases, or leverage consolidated buying power to lower costs.

Contract management simplifies the process of reducing overpayments, managing renewals, and renegotiating of contracts. Additionally, by utilizing intelligence to assess risk, procurement teams are relieved from the burden of manually analysing every vendor contract. This allows them to redirect their focus towards more critical tasks, streamlining their operations and improving efficiency.

**Tracking:** inability to track or enforce contract compliance (pricing or performance) and incorrect use of terms and conditions.

**Storage:** no central database or repository to store or search for contracts.

**Approvals:** lack of necessary interval reviews or approvals.

**Regulatory Compliance:** non-compliance with legislation and regulations.

**Standardization:** inconsistent process, leading to excessive cycle times, inefficiencies, and bottlenecks.

**Cost Management:** failure to leverage volume rebates or negotiated terms increasing total cost.

**Human Error:** due to lack of standardized systems possibility of human error is high.

## Key Features

If your organization is currently relying on a combination of spreadsheets, shared drives, and emails to manage contracts, it will encounter challenges in achieving the vision described above. Effective contract management entails the following key aspects:

- **Automated and Standardized Processes:** Implementing automated and standardized processes that reduce the need for non-specialist work, enabling streamlined and efficient contract management.
- **Cost Control and Revenue Improvement:** Eliminating duplicate spending and achieving better cost control, and on time revenue collection, leading to improved financial outcomes.
- **Compliance:** Holding suppliers and customers accountable for maintaining compliance, ensuring adherence to contractual obligations and requirements.
- **Improved Collaboration:** Bringing all key parties into the process in an organized and trackable manner.
- **Shared Organization Intelligence:** Central store of all communications and log of interactions. This can be vital for continuity when contract management staff change.
- **Centralized Repository:** All agreements and associated metadata should be stored in a centralized repository, allowing for easy access and efficient management of all contracts.
- **Delivery of Negotiated Benefits:** Ensuring that all benefits negotiated in contracts are effectively delivered, maximizing the value derived from the contract agreements.
- **Seamless Collaboration:** Facilitating smooth collaboration among stakeholders involved in contract management and addressing any bottlenecks or obstacles that may arise during the process.
- **Renewal Management:** Minimizing missed contract renewals and enhancing control in negotiations to optimize contract terms and conditions.
- **Full Audit Trail:** An easily accessible record showing all contract events and activities by each party.

# Solution Highlights

## Contract Management

Easily manage New contracts, Renewals and Extensions. Migration of existing active contracts. Contracts managed via statuses such as Draft, Internal Review, Approved, Rejected, Cancelled, On Hold Expired, and Closed. Full audit log of actions taken. Document repository of all uploaded contract documentation.

## Contract Builder

Built-in Template Designer. Save time and build new contracts from pre-defined custom templates. Build a library of templates by industry type.

## Approval Workflows & Signing

Integrated review processes incorporating workflows. Automates the approval process and e-signing of contracts based on configurable business rules such as type of contract or the amount of money involved, freeing you from figuring out who's supposed to sign or review.

## Notifications

Built-in notification centre to keep track of important contract dates along with email routing. Configurable reminders based on contract statuses.

## Track & Monitor

Comply with contractual obligations through close tracking of contract status, supplier and customer performance and payment obligations. Eliminate revenue leaks, avoid compliance failures & contractual disputes.

## Configuration

Central administrative control of Departments, Users, Roles, Positions, Approval Rules, Categories, Contract Types, VAT, Mail Log Reminders, APIs, and more.



## Contract Management Solution

## Cash Management

Improve cash management based on contract milestones & billing schedule. Full visibility on funds required for future payments to suppliers based on upcoming milestone payments.

## Supplier Management

Management of supplier data including payment history, arrears balances with municipality and more.

## Intelligence-driven Analytics

Analytics engine delivers visibility and insights making it easy to track milestones and obligations in contracts. Offers comprehensive dashboards covering numerous KPIs, offering operational and strategic data intelligence.

## Reports

Variety of reports diving into the detail of expiring contracts, contracts in draft mode, awaiting review, active contracts, expired contracts, renewals, cash management and more.

## Integration – CSD

Real-time integration with **CSD** for supplier verification and compliance.

## Integration: Enterprise Systems

Integration capabilities to most Enterprise Systems, using APIs for data transfer across secured connection.

## About Force4Technology

Force4Technology is a South African technology consulting, services, and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, Force4Technology collaborates with clients to help them become high-performance businesses. The value we offer is distinguishable through our world-class products and services. As your Technology partner you benefit by the quality of our insights to take your organisation to the next level.

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