Aavenir

E-Book

Cyber Security Contract Management

Why Cybersecurity Must Be a Priority for Contract Managers?



Is this e-Book right for me?

Not quite sure if this e-book is right for you? See the below description to determine if your level matches the content you are about to read.

INTRODUCTORY

Introductory content is for readers who are new to the subject. This content typically includes step-by-step instructions on how to get started with the aspect of contract management and learn its fundamentals. Watch our introductory webinar Managing Contracts Remotely using Digital Workflow and AI on ServiceNow.

INTERMEDIATE

Intermediate content is for readers who are familiar with the subject but have only basic experience in executing strategies and tactics on the topic. This content typically covers the fundamentals and moves on to reveal more complex functions and examples. Read our intermediate blog on :

- https://aavenir.com/3-win-win-strategies-to-negotiate-with-powerful-vendors/
- https://aavenir.com/contract-negotiation-and-redlining-using-microsoft-word-plugin/

ADVANCED

Advanced content is for readers who are, or want to be, experts on the subject. In it, we walk you through advanced features of contract management and help you develop complete mastery of the subject in the cyber security field. After reading it, you will feel ready not only to understand the challenges, but also be able handle those challenges. For more details on the advanced level, refer this blog:

https://aavenir.com/risks-and-obligations-management-using-contract-management-software/

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Introduction

The internet knows no borders, neither do we. For every organization, a global team of cybersecurity response experts work across borders, combining data protection, privacy, regulatory, white collar and litigation expertise in order to deliver seamless contract management and legal advice, whenever and wherever needed.

Average Cost of Cyber-crime in the U.S. Rises to $15 Million



The digitalization and free flow of information has transformed global business. However, with increased opportunities have come new and increased risks, together with complex legislative regimes that can vary significantly by jurisdiction, and are constantly evolving.

Even the most conscientious company can become the victim of a cybersecurity incident, such as the stealing of client or company information from the contracts, or a ransomware attack on the data repository.

This guide gives you information regarding how multinational companies manage their cybersecurity risks against the challenges from the perspective of contracts and fulfilling obligations.

Contracts are Essential Business Drivers

Contracts are the key business drivers for any organization that define the terms and conditions that govern the business relationships between a company with its vendors and customers.



Because of the prominence that cybersecurity risks now play in the overal business risks that businesses face,it is vital that their contracts adequately address cybersecurity issues.

> *Less than 40 percent of companies view cyber-attacks as a more serious risk than other potential pitfalls.*

Understanding Your Vulnerabilities and Financial Implications

When it comes to cybersecurity, there are three indisputable truths:

All data is valuable that comes with risk

Every business and every industry is a potential target for cyber attack

Data breaches can be caused, accidentally, by employees



These truths demonstrate that cyber security should be a high priority for every organisation. As businesses of all sizes and industry types increase their use of digital data, every business is vulnerable to data breaches, because all data is valuable. Everything from tax information, employment records, point of sale data, and contract documentation is of potential benefit to other parties.

Challenges in Cyber Security from Contract Management Perspective

CHALLENGE #1

Managing Cyber Security Contractual Obligation

> *Only 32% of organisations with network access conduct "cybersecurity risk assessments" with their supply chain partners.*

Obligations are stated requirements; bound commitments concerning regulatory & contractual directives. Cyber Security Contractual obligations are really exhaustive, complex, inconvenient to manage, and most often, the forgotten risk management tool.

Unfortunately, most companies have not contracted with their customers, vendors or supply chain to address these cyber security obligations issues or if they have, they don't have an immediate grasp on the liability and risks to customers or with their partners.



There are some obligations that an organisation is likely to encounter in almost any contract, like:

- Specify the company's standard of care and its obligations with respect to the treatment of company information.
- Minimize the risks and liabilities associated with a company's security breach or the unauthorized use of company information.
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A breach of cyber security contract occurs when a party fails to meet their cyber security obligations stipulated in the contract. If this happens, and especially if there is data loss or company's reputation is damaged, the company may pursue the following options to receive compensation for the failure:

Sue for damages

Request specific performance

Request release from the contract

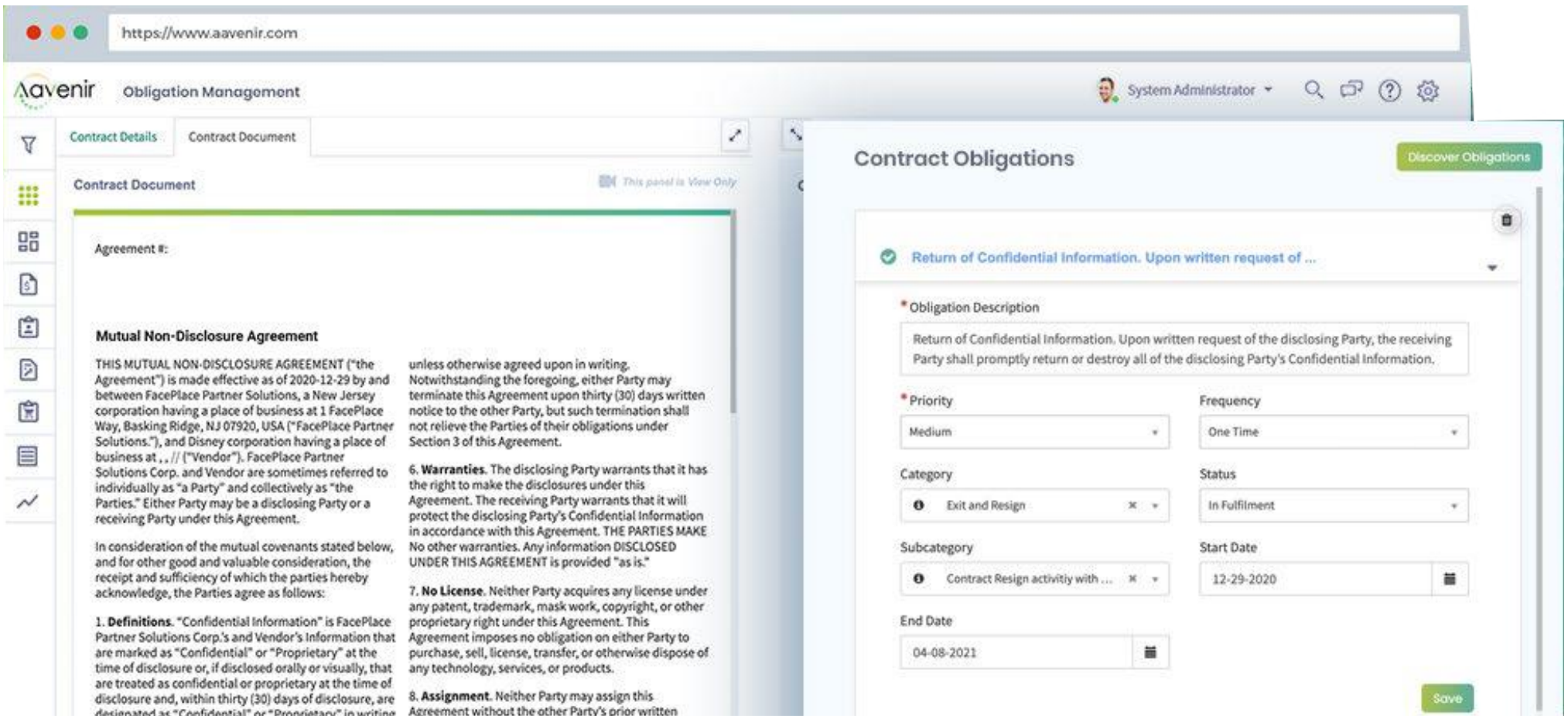
SOLUTION

Fulfill All Your Contractual Obligations in a Click

Actively monitoring cyber security contract performance is important for ensuring that both parties meet their contractual obligations, and can help business leaders to identify and contain potential cyber problems before they become actionable. As well, when a cyber security obligation in a contract is in breach, or at risk of an anticipatory breach, time is often of the essence when it comes to containing losses.

With Aavenir Contractflow's inbuilt Obligation management capability, organisations can create and assign cyber security obligation fulfillment actions for relevant stakeholders using the most flexible workflow engine powered by ServiceNow.

All stakeholders can be notified via automated emails to take due actions, and fulfill cyber security contract obligations on-time as per expectations.

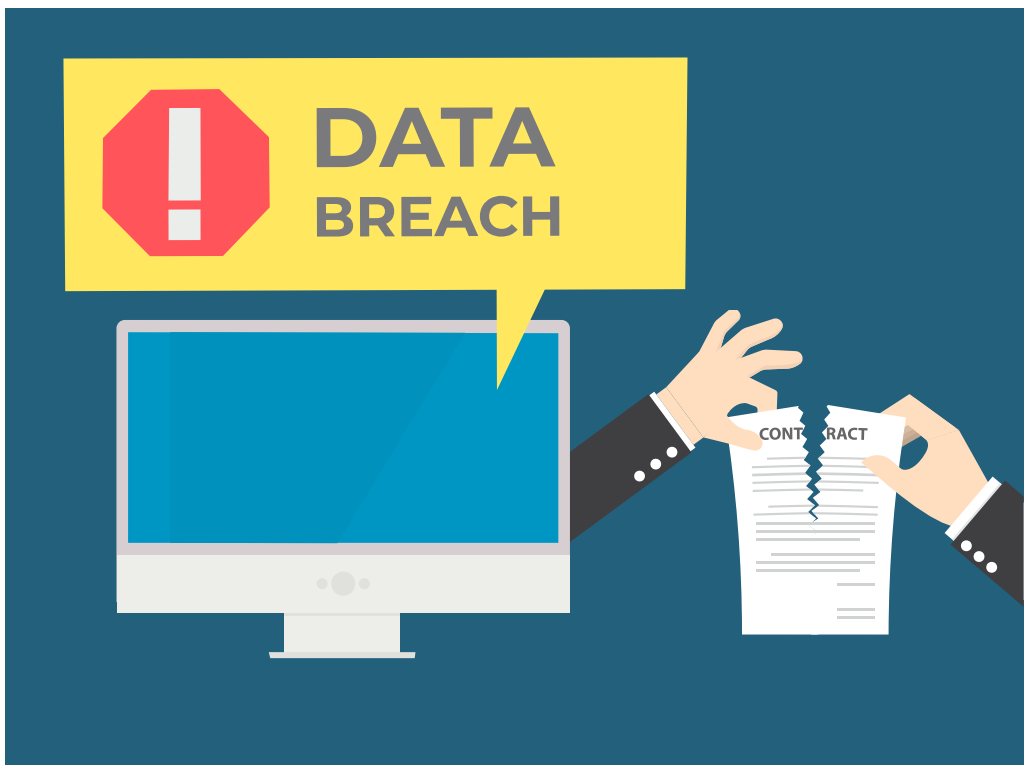


CHALLENGE #2

Unnecessarily Extending Contract Review and Data Breach

> *Only 24% of companies incorporate requirements re-lating to cybersecurity risk into their contracts"with third-party vendors*

Few things that can slow down a business transaction is legal review of cyber security clauses and obligations within a contract. Because of this, parties often want to circumvent legal review in the contracting process. Also the information and data mentioned in these contracts is highly confidential.



Measures should be taken to protect them as and when more layers of contract review is added. Some corporations are baffled that cyberattacks may only target the contact data (e.g. email addresses, physical addresses, phone numbers).

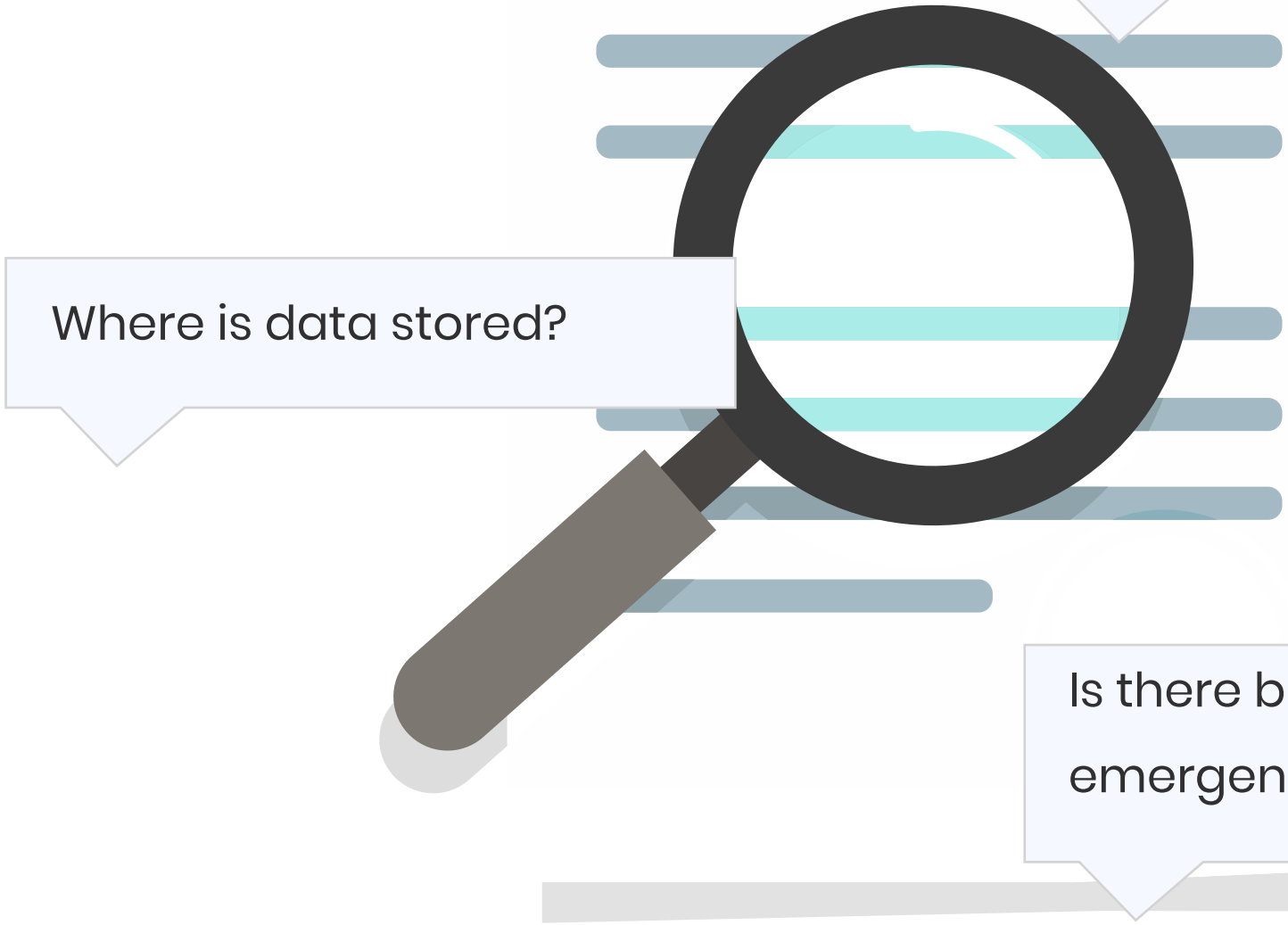
Data breaches can involve commercially sensitive information that leads to a loss of important intellectual property – all of which is of high value, due to its potential for future increases to revenue.

There is also the very likely consquence of costly legal actions, as other parties impacted by the data breach in question seek compensation and restitution for losses and damage incurred.

When dealing with such a valuable set of data and cost implications, it is wise to consider the following questions:

Is data encrypted?

Are there permission based user roles to limit access?



Where is data stored?

Is there backup in case of an emergency?

SOLUTION

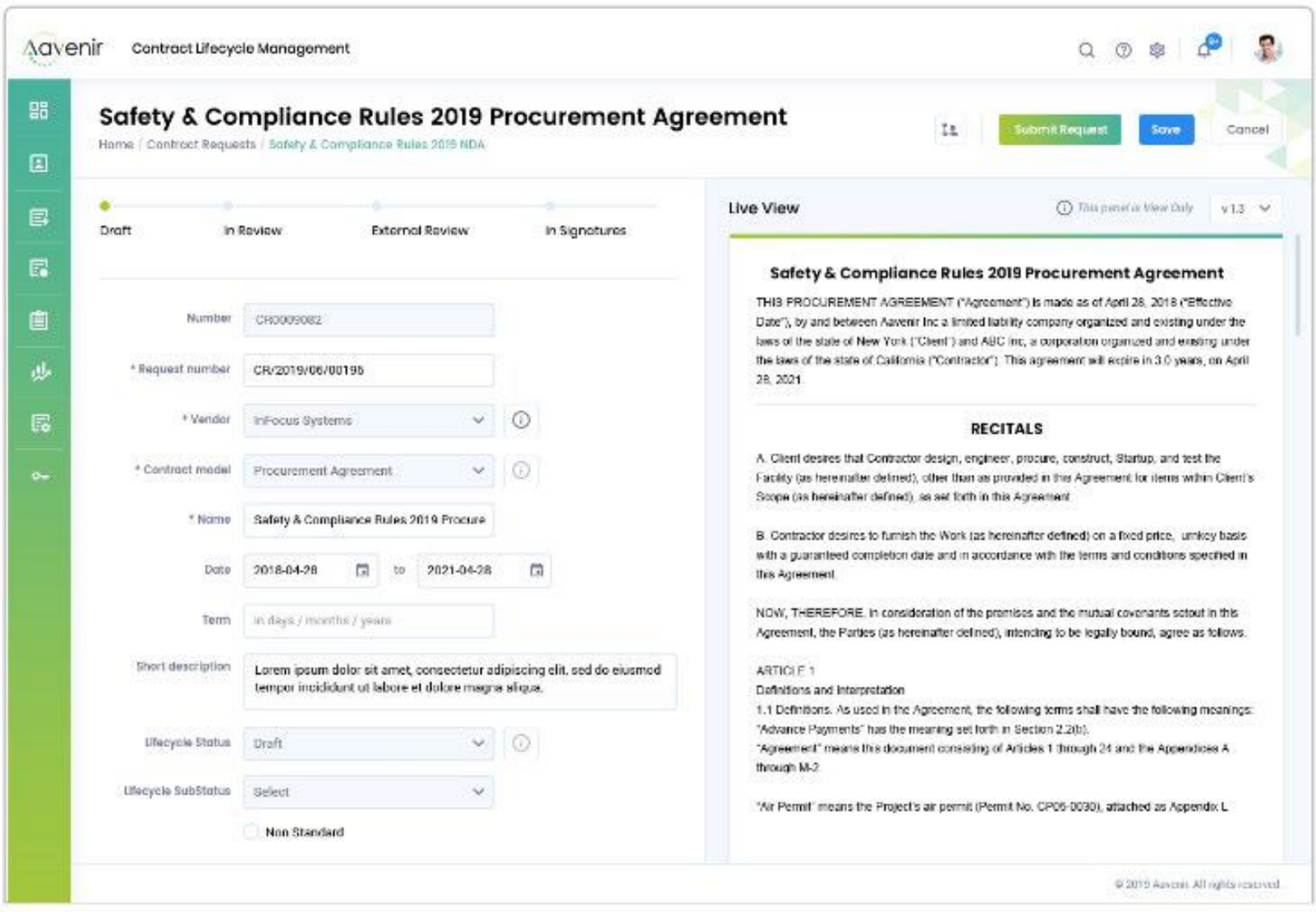
Supervise Contract Review with Self-service

Aavenir's Contractflow offers cyber contract management solution with stringent security standards which can manage contracts on a secure centralized contract repository, track changes using audit trail, and ensure regulatory or general compliances to contracts and contractual obligations.

Other useful features that can keep contracts secure and mitigate the possibility of misappropriated data include:

- Two-factor authentication
- Disabled printing

Reduce legal dependency and save time in drafting routine contracts using pre-approved templates and AI-enabled smart suggestions.



CHALLENGE #3

Discovering Cyber Security Service-Level Agreement (SLAs)

Track real-time performance against contractual service level agreements to drive service levels and increase cost control. Discovering the right cyber security SLA starts with asking the right questions:

- Does the organization document specific security objectives in agreements with third parties?
- Does the organization include measures of cybersecurity performance in third party agreements?
- Does the organization monitor compliance with security objectives in agreements with third parties?
- Is cybersecurity performance considered when selecting third parties?

Generally, businesses should keep an eye on their cyber security SLAs and rule out these violations:



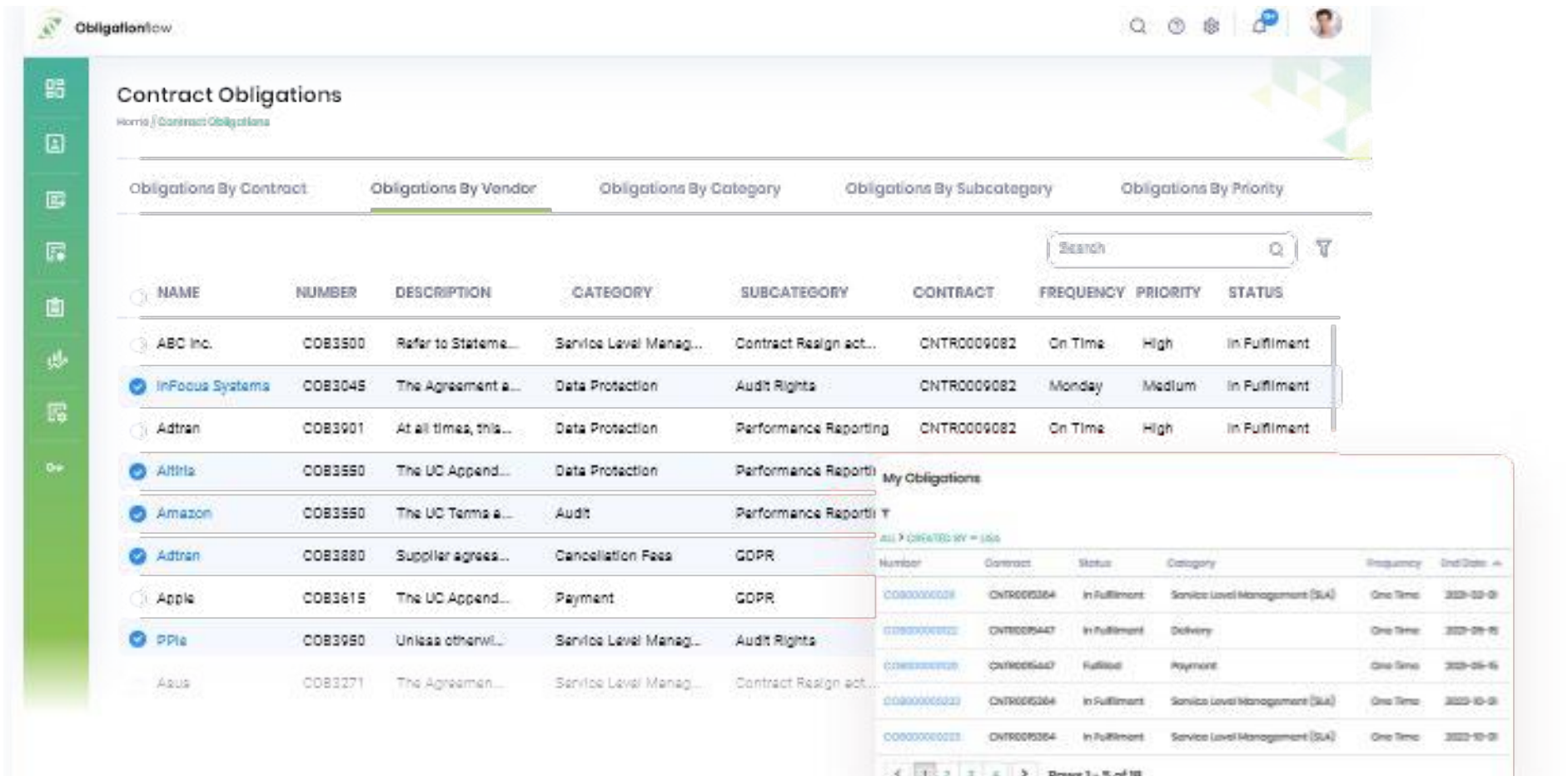
- Make unique support plans and cyber security SLAs for each contract
- Escalate cyber security SLA violations and move requests automatically when an cyber security SLA violation occurs
- Assign response requests automatically with business rules to cyber security SLAs

SOLUTION

Manage and Take Actions on CyberSecurity SLAs through Obligation Dashboard

Aavenir Contractflow centralises the management of all your cyber security contracts, allowing you to monitor service delivery levels in real-time, to improve vendor performance, optimise service quality and increase cost efficiency.

- Performance monitoring and measurement against contractual obligations
- Validating the auto-discovered obligations, making the required changes, and then bringing them on the obligation fulfillment workflow
- Using the purpose-built AI engine helps to auto-extract contractual obligations like SLAs, payment milestones, delivery timeline, operational or general compliance requirements



Next Steps

Cyber security is a hot topic right now and will be in coming years. Enterprises of all sizes are being hit with very public data breaches that cost millions. Cyber security can be an afterthought with contracts, though it is very important as data breaches rise. Contracts both set requirements for what should happen in the event of a cyber security breach, as well as contain confidential company information that could prove harmful if compromised as the result of a breach. As with any important company asset, contracts should be treated securely.



Below are two tips to help with company security surrounding contracts.

Security Tip #1: Know your Contracts

Security Tip #2: Protect your Contracts

Contract Management: Secret Weapon for Cyber Security

If your contract portfolio is your goldmine, then it is clear that Contract Management Software is an essential aid to cyber security. This is because the very best Contract Management Software packages include features that can be used to deliver precisely the results needed to bolster your defence against criminal cyber attacks, and against the effects of data breaches within your supply chain.



A centralized repository

Data encryption

Permission-based access control

Customizable reporting

For You, Your Team, Your Supply Chain and Your Customers

In today's globalized world, organizations are more connected to their suppliers, customers, and competitors than ever. It is increasingly the case that no business exists in a vacuum.

Your contracts are the nexus; the hub through which all of your business and consumer relations flow. It's the part of your organization that connects most tightly with the outside world and makes your enterprise a part of a larger network – with each part of that network represented by a legal agreement containing the most valuable asset of all: Data and Information.



While your contracts have the greatest potential for strength in your business, it is also the greatest weakness, by virtue of those outside connections. This is why the Right Contract Management Solution gives you an advantage for the best cyber security risk management for you, your supply chain, and your customers.

In terms of cyber security, a solution such as that designed by Aavenir is an armory with which you can better secure that area of weakness, so it can remain functioning as a productive goldmine for the benefit of all concerned. Taking the step of deploying the features included with this digital, centralized contract repository sends a clear sign to all parties that the protection of data is your highest priority. This breeds confidence which, in turn, breeds business.

Explore Additional Resources & Get Started

Here are some more resources about contract management that you might find helpful:

Checklist on Contract Obligation Compliance Management Software Buyer's Checklist : https://aavenir.com/resources/contract-obligation-compliance-management-software-buyers-checklist/

E-Book on The Future of Contracts Management with Digital Workflow and AI : https://aavenir.com/resources/the-future-of-contracts-management-with-digital-workflow-and-ai/

Calculate Business Value using Contract Lifecycle Automation **ROI Calculator** : https://aavenir.com/resources/roi-calculator-for-contract-lifecycle-management-automation/

Detailed **Blog** on Managing Business Risks and Obligations using Contract Management Software : https://aavenir.com/risks-and-obligations-management-using-contract-management-software

Introductory **Blog** on What is Contract Lifecycle Management (CLM)?: https://aavenir.com/what-is-contract-lifecycle-management/

Comprehensive **Blog** on How Artificial Intelligence in Contract Lifecycle Management (CLM) – gives Momentum and Maturity Model for Success : https://aavenir.com/ai-in-legal-contract-lifecycle-management-maturity-model/

RFP Template for Obligation Compliance Management Solution : https://aavenir.com/rfp-template/rfp-template-for-obligation-compliance-solution/

RFP Template for Contract Lifecycle Management Software: https://aavenir.com/rfp-template/rfp-for-contract-lifecycle-management-software/

Watch On-Demand Webinar-Managing Contract Lifecycle on ServiceNow Using Digital Workflow and AI: https://aavenir.com/managing-end-to-end-contract-lifecycle-on-servicenow-using-ai-and-digital-workflow/

Watch On-Demand Webinar- Discovering, Assigning and Monitoring Contract Obligations on ServiceNow : https://aavenir.com/discover-assign-and-monitor-contract-obligations-on-servicenow/

Watch On- Demand Webinar- COVID19 Reopening: Reassess and better manage your Contractual Risks and Obligations : https://aavenir.com/covid19-reopening-reassess-and-better-manage-your-contractual-risks-and-obligations/

Business Value Kit for Contract Lifecycle Management : https://aavenir.com/contract-lifecycle-management-value-kit/

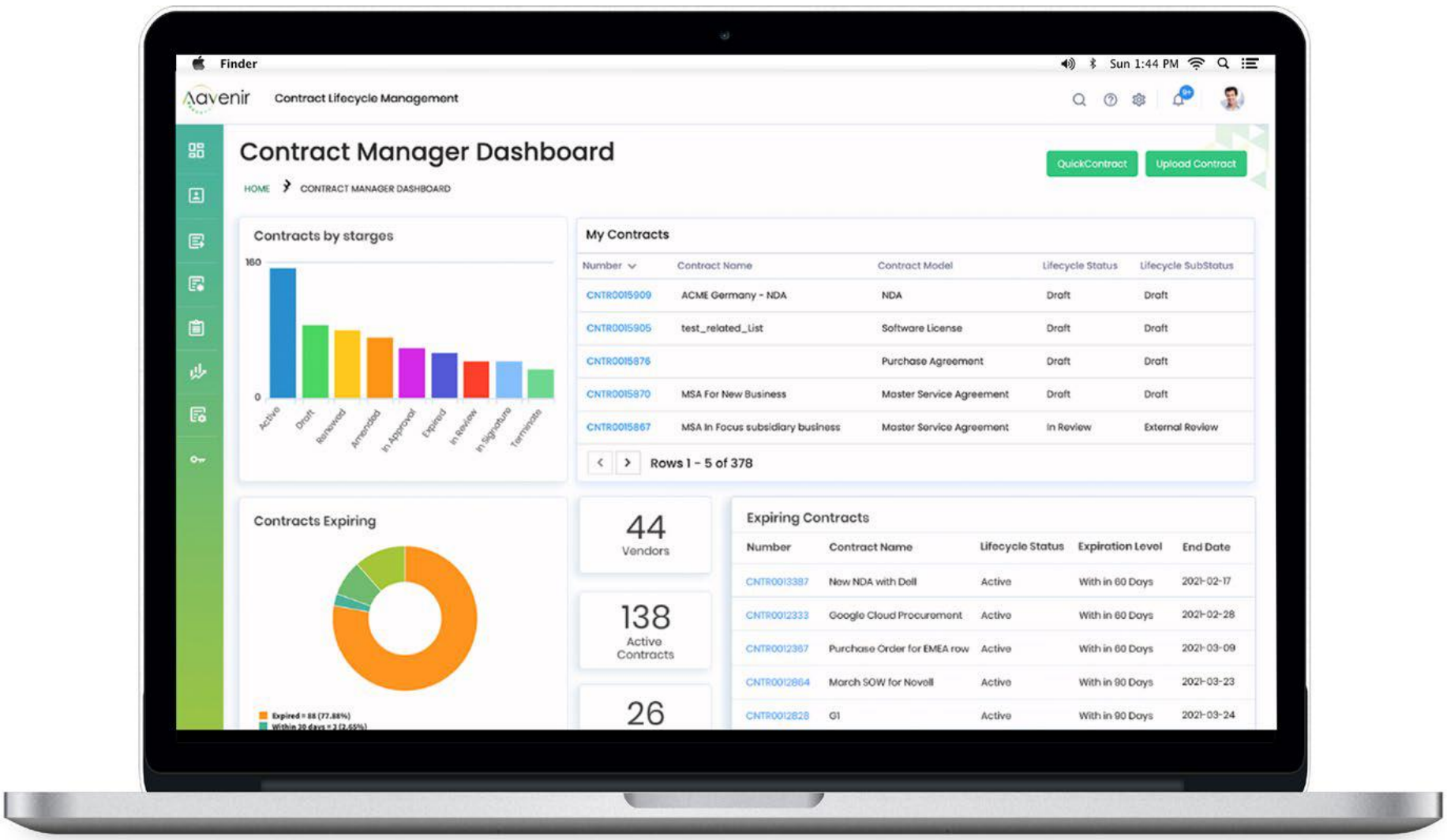
Manage your Contracts on ServiceNow

Are you willing to transform the contract process for faster time-to-signature, greater obligations compliance, and reduced business risks?

Get a custom demo of the Aavenir software and find out how you can manage your contracts for better business result.



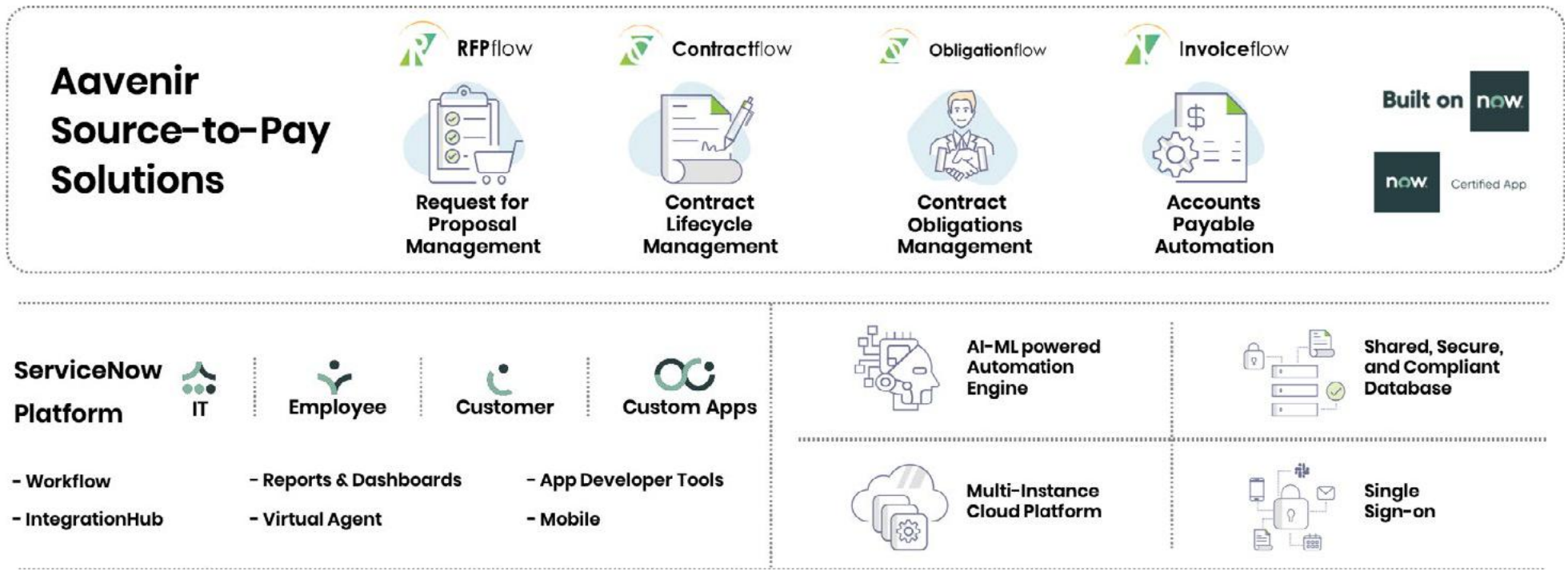
Track Cyber Security KPIs with Aavenir Contractflow



Aavenir Contractflow manages end-to-end contract lifecycle and provides real-time visibility into every stage of contract workflow. Track all contract management KPIs or implement custom reports for comprehensive contract analytics using Aavenir Contractflow. Ready to see how it works for your organization ?

Schedule a Demo

About Aavenir



Aavenir revolutionizes age-old procurement processes with AI-enabled Source-to-Pay solutions including RFPflow, Contractflow, Obligationflow, and Invoiceflow. Built on ServiceNow, Aavenir solutions streamline procurement, legal, and accounts payable work processes using the latest technologies such as AI, ML, and NLP to eliminate manual work, accelerate cycle time, and reduce dependency by offering smart suggestions based on historical data. For more information, please visit www.aavenir.com

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