Aavenir

E-Book

Maximizing contract visibility and expediting information access.

Discover real-world contract search use cases and how you can access contract information and insights with AI-enabled contract lifecycle management solutions.



www.aavenir.com

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Executive Summary

In most organizations, once contracts are signed, they are dumped into email inboxes, shared drives, or local contract repositories. It becomes an arduous task for contract managers to locate contracts when there is a dispute, change in market conditions, global events such as the pandemic and wars, and updates in laws and regulations. Moreover, contracts hidden across email folders and disconnected repositories often lead to missed contract lifecycle milestones, resulting in revenue leakage, and strained vendor and customer relationships.

Searching across large volumes of contract information is a hefty task. In the modern contracting landscape, effective search often requires a lot of employee time. Almost 7 in 10 contract managers are searching for completed contracts at least once a week and 23% perform that task daily.

- 68% of contract professionals search for completed contracts at least once a week.
- Finding specific terms and clauses in a single contract takes more than 2 hours on average.
- Two-thirds of teams are still using spreadsheets and emails to manage agreements.

As per 2023 Gartner ® Critical Capabilities for Contract Lifecycle Management (CLM) report, Contract search is a critical capability CLM solutions must possess. Successful implementation of CLM solutions provides the ability to locate contract documents rapidly and make informed business decisions.

Contracts are the heart of organizations and not just legal. Business operations like procurement, IT, finance and sales often need to access and identify contract information to ensure compliance of their processes with signed contracts. Hence, the need to search contracts is not limited to only legal contract managers alone. Powerful contract search enabled teams across the enterprise.

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Why is Contract Visibility Important?



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Contracts are the heart of businesses and contain all the legal, regulatory, financial, performance, and quality arrangements that need to be adhered to by parties. Personnel across departments need direct access to all the information to execute their departmental functions. There is a clear connection between contract visibility to productivity, revenue gains and penalties.

According to a survey conducted by the Censuswide, participants identified the following the top concerns of losing contract visibility

- 38% said that the financial risk to the organization from missed terminations.
- 32% said it will impact productivity and effectiveness.
- 24% said reputations risk to the team and organization by not being able to find key information.

Thus, it is vital for a business's bottom line to be able to effectively search contracts to find opportunities and risks. Organizations with the ability to locate contract information quickly can reduce negotiation efforts, sign favorable terms, and enforce compliance with obligations.

Some of the most common reasons to search through contracts is to

1. Locate details about upcoming renewals.
2. Assemble standard terms and clauses to create a new contract.
3. Identify deviations from terms/conditions.
4. Ensure compliance with contractual obligations.
5. Enable change management for legal/regulatory requirements.

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Real-world Use Cases of Contract Search

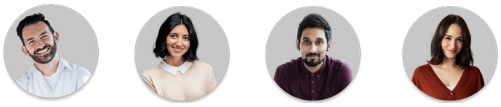


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Some real-world business use cases which require smarter ways to search contracts are:

1. Search contracts by lifecycle milestones

The contract lifecycle can be complex, with multiple steps across a range of stakeholders from different departments and organizations. While contracts progress through their lifecycle, it is important for organizations to search for contracts in different lifecycle phases to gain control over contracting process inefficiencies and ensure timely action from required personnel for specific lifecycle phases.



Renewals/Terminations

Search for contract renewals/terminations to ensure that renewal/termination deadlines aren't missed. On-time information about the contract renewals/terminations can provide an opportunity to negotiate favorable pricing and terms and eliminate chances of automatic price escalations.

Contract Execution

Search for signed contracts to ensure that all procurements have a corresponding active contract, all invoices match invoices against corresponding active contract. Sales need to ensure payment has been received and obligations compliance as per the contract signed with the customer.

Contract Monitoring

Search contracts for their progress and status across the contract lifecycle.

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2. Search contracts by standard contract terms and clauses.

Overall, 89% of agreements are completed using one or both parties' conventional contract terms, either with (47%) or without (42%) revision, according to the IACCM Benchmark Report.



Legal Sales Procurement

Efficient Contract Negotiation

Contract managers often want to search favorable terms and clauses that use most competitive service-level agreements (SLAs) while negotiating to minimize spend and maximize vendor performance.

Quickly Draft Contracts

One can easily put together new contracts by having easy access to contracts that contain information such as standard terms, clauses, and structures. Departments can also ensure that the agreements they send out contain the most current contract clauses and approved language.

Standardize Legal Language

Search can facilitate compliance with business standardization of contract language used in all contracts.

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3. Search contracts to perform financial analysis

Contracts include financial terms, payment schedules, and pricing structures to support financial analysis, actions, and planning.



Legal



Finance

Accurate Payments

AP team might want to search contracts by financial terms, payment terms, and pricing keywords within contracts to avoid overpayments, avail early payment discounts, and eliminate late payment fees.

Cost Accounting

Procurement team may access contract information that can be used to track expenses, monitor budgets, and analyze spending trends before, during, and after purchasing has taken place.

Financial Audits

The finance team can easily verify financial records with contract information to ensure payment and compliance with company regulations.

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4. Search contracts to manage obligation compliances

Contracts compliance is an enterprise-wide issue that affects various departments in an organization. Contract obligations should be managed and monitored to ensure that the contract's performance complies with the terms agreed upon by the parties.


Legal


Procurement

Internal Controls

Search contracts containing key obligations to track vendor performance metrics, ensure compliance with service-level agreements (SLAs), avoid disputes, and keep spending within budget.

Managed Deliverables

Search for key deliverables agreed upon within contracts, to identify breached plans or opportunities for expansion.

5. Search contracts to manage legal/regulatory changes.


Legal

Governance, Risk, Compliance

Search contracts by standard GRC policy terms to ensure that all contracts comply with the company's standard GRC policies.

Regulatory Requirements

Search for contracts which do not comply with GDPR provisions, force majeure and due diligence laws to ensure that all contracts meet regulatory changes due to political-social-economic events.

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6. Search contracts to facilitate smooth mergers & acquisitions

The merger and acquisition (M&A) process involves a comprehensive review of contracts and agreements held by the target company to assess potential risks, liabilities, and opportunities. Before entering any collaboration, Legal and finance teams need to search signed partnership contracts to evaluate contractual commitments, identify potential legal or financial risks associated with the target company or potential partners.


Finance


CXOs

Due Diligence

While conducting due diligence during mergers and acquisitions, organizations need to search for specific information in contracts, such as change of control provisions, termination clauses, and financial obligations. This includes search across supplier agreements, customer contracts, employment contracts, leases, licenses, and any other agreements that may impact the M&A.

Transition

Search for clauses in contracts that may be triggered by a change of control, such as a merger or acquisition. Some contracts may allow the other party to terminate or renegotiate terms in the event of a change in ownership.

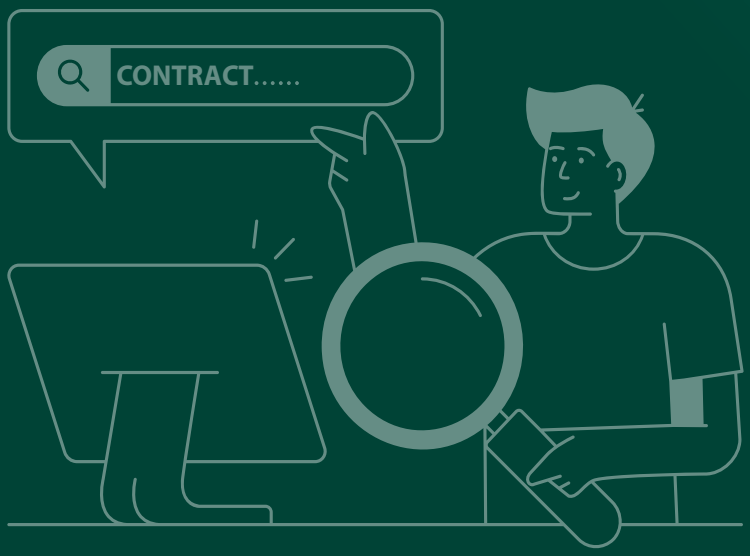
Litigation & Dispute Resolutions

Search contracts with any ongoing or potential litigation involving the target company. Assess the risks associated with legal disputes and review how they are addressed in contracts.

To summarize, contracts are critical business documents stipulating the rights and obligations of contracting parties. Parties rely on the contract document to understand and fulfill their contractual obligations and resolve disputes when they arise. In other words, contracts are not documents you want to lose.

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Traditional contract search methods are slow and ineffective

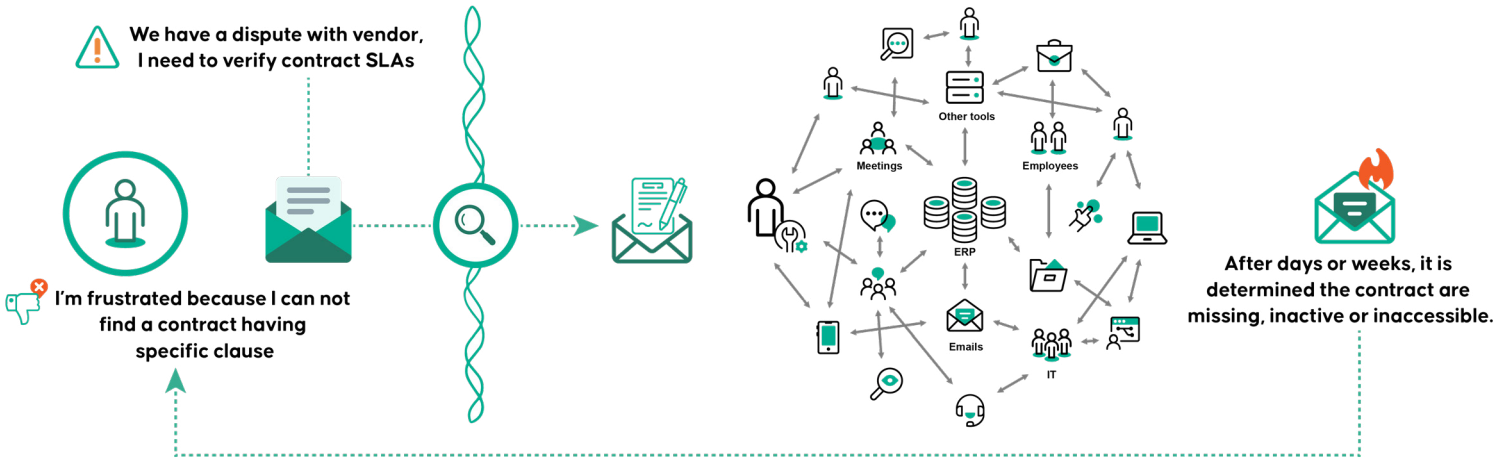


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Contract managers play a critical role in ensuring that contracts are properly managed, executed, and monitored throughout their lifecycle. However, they often encounter several challenges when trying to search for contracts for different business use cases.

The most frustrating issue that businesses have when it comes to contracts is missing contracts. Some teams are unable to locate the necessary contract, even after extensive searches.

> *A Journal of Contract Management report by NCMA revealed that 71% of companies couldn't find at least 10% of their contracts.*



Siloed contract data

Contracts are scattered across different storage systems, platforms, and physical files, making it difficult to access them quickly.

Reactive, manual processes

Contracts are still being managed via emails and spreadsheets which often does not points to latest updated version.

Variety of contract language

Multiple stakeholders define same terms and clauses differently in different contracts making it difficult to search contracts.

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The most common reasons of unsuccessful attempts to access contracts are

Contract Storage

Contracts may be scattered across different storage systems, platforms, and physical files, making it difficult to access them quickly. The absence of a centralized contract repository can make it difficult to search for and track contracts.

Machine-readable Contracts

Inaccurate or inconsistent metadata, such as contract titles, dates, or parties, can increase contract search time and retrieval efforts. The same keyword may appear in different contexts within a contract, causing ambiguity in search results.

Contract Language

Similar clauses and terms are described differently in different contracts. Hence, contract groups are unable to find contracts with the right keyword to search. For example – Contracts can have any of force majeure or Act of God clause for due diligence.

Contract Volume

As an organization's portfolio of contracts grows, managing them all effectively and ensuring quick access becomes more challenging without a scalable system.

Contract Version Control

Searching across different versions of contracts, amendments, and revisions can be challenging, leading to the risk of using outdated documents.

Contract Dependencies

Contracts may reference other agreements or documents, necessitating the need to search across these dependencies.

Security and Access Control

Balancing the need for quick access to contracts with data security and access control to protect sensitive information can be challenging.

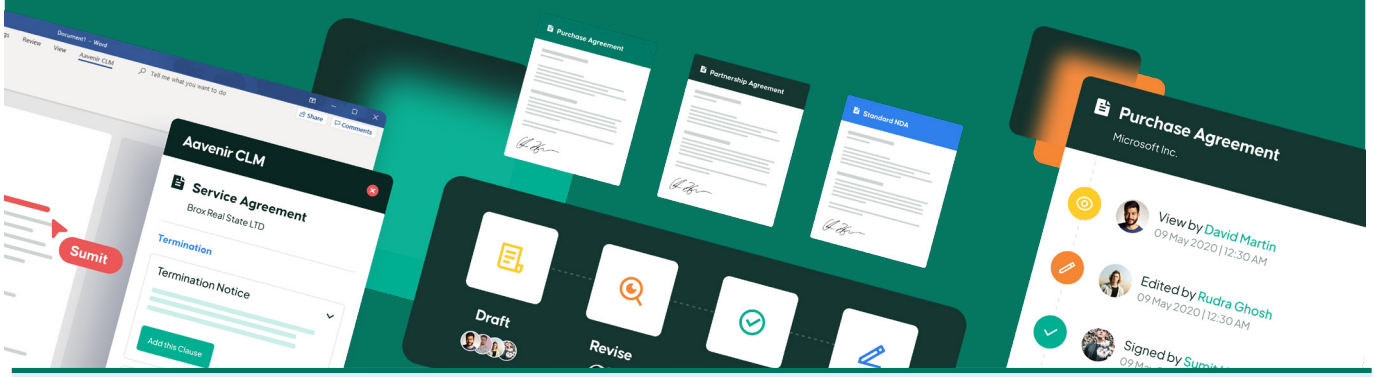
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Embracing an AI powered contract lifecycle management solution is a must in today's times to solve the above-mentioned challenges. With a CLM solution, you'll get a central, searchable repository to store all your contracts, retrieve them easily, and never risk losing your contracts again. CLM solutions that are web-based and have a cloud-hosted database will also enable all members of your team to access your contracts from anywhere in the world.

Introducing Contractflow
Lifecycle Management on ServiceNow

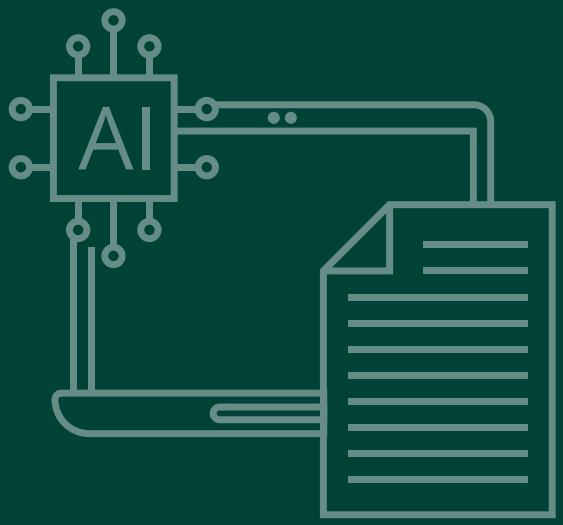
Aavenir Contractflow, AI-powered CLM solution built on ServiceNow offers smart contract search capabilities across structured and unstructured contract information. The solution enables a variety of contract information search methods, including metadata search, full document text search, concept search, PDF search, word proximity search and attachment search. The solution enables full-text searchable centralized repository with end-to-end contract lifecycle workflows and customizable contract analytics dashboards for efficient contract management across departments.

With a powerful contract search and analysis function, contracting teams have the tools necessary to convert their contracting expertise into business value.



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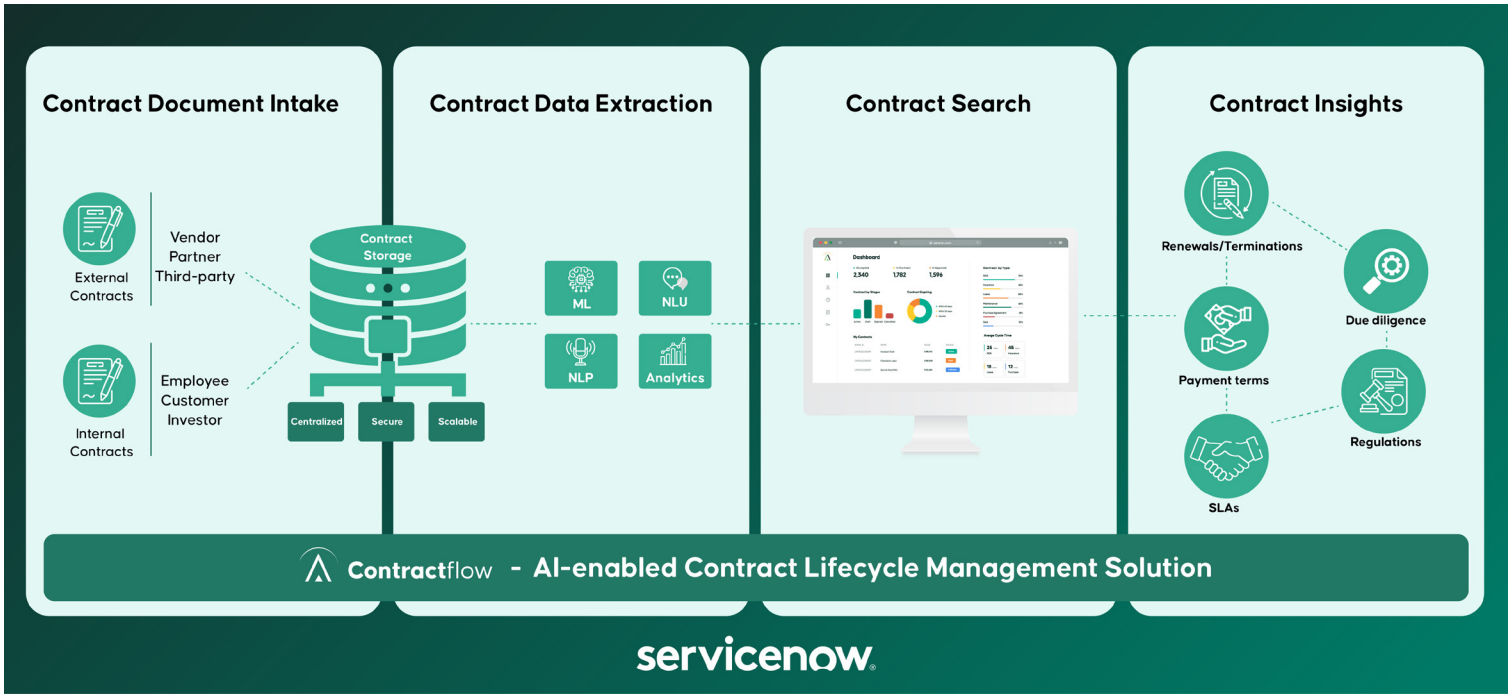
Implementing AI-powered contract search with Aavenir



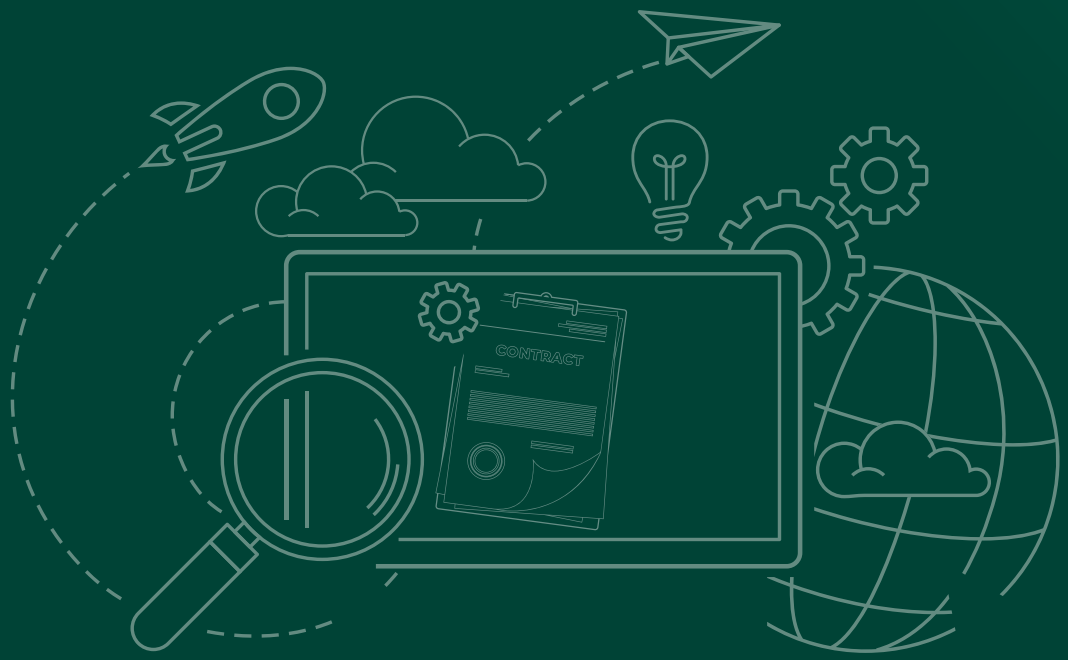
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Aavenir CLM was built to search across organization's most complex contracts, down to your simple, routine contracts. Aavenir makes contracts visible by storing all contracts in a central, searchable, and secure contract repository. Aavenir CLM uses AI to automatically extract contract information and stores it in machine readable form to enable different ways of search capabilities.

While enabling comprehensive search capabilities, Aavenir CLM protects your sensitive contract information and comply with data privacy regulations for contract visibility. With the advanced permission feature, you can specify who will have access to specific contracts. Here are some of the out-of-box AI-powered contract search capabilities of Aavenir Contractflow for variety of use cases.



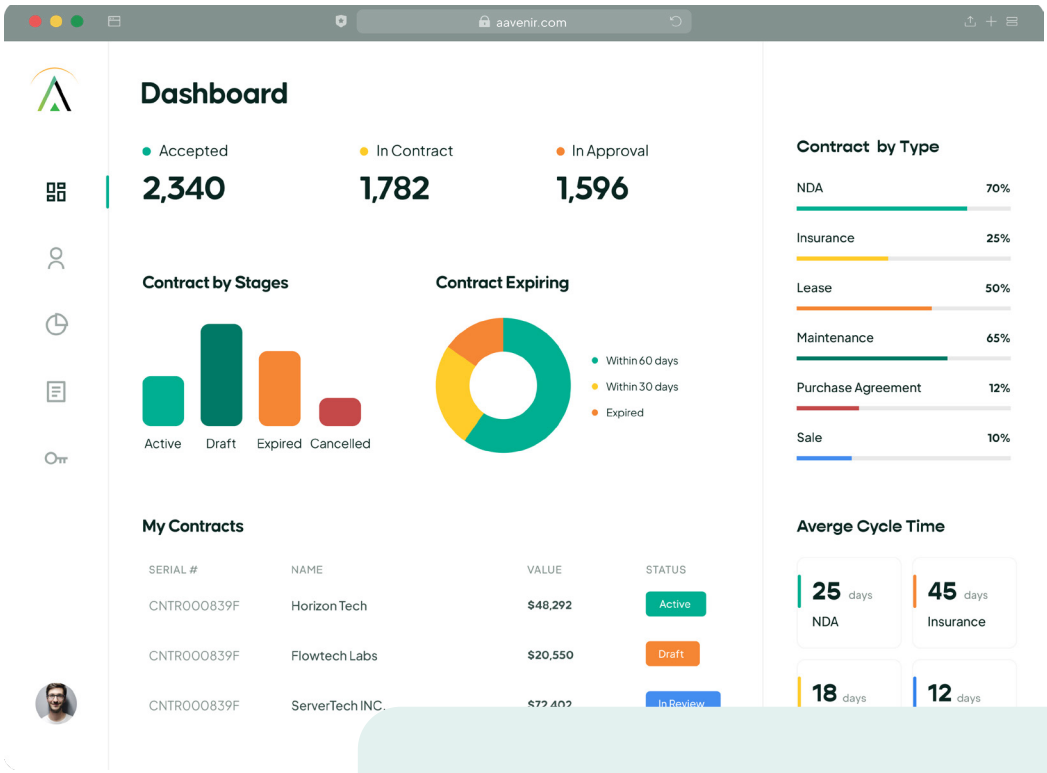
Aavenir Intelligent Contract Search Capabilities



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Reports and Dashboards

Aavenir Contractflow provides customizable dashboards and over 25 out-of-box reports for a quick overview of key performance indicators (KPIs) for analyzing contract process efficiency. Aavenir allows users to build custom reports for comprehensive contract analytics. Some out-of-box reports available in Aavenir Contractflow are:



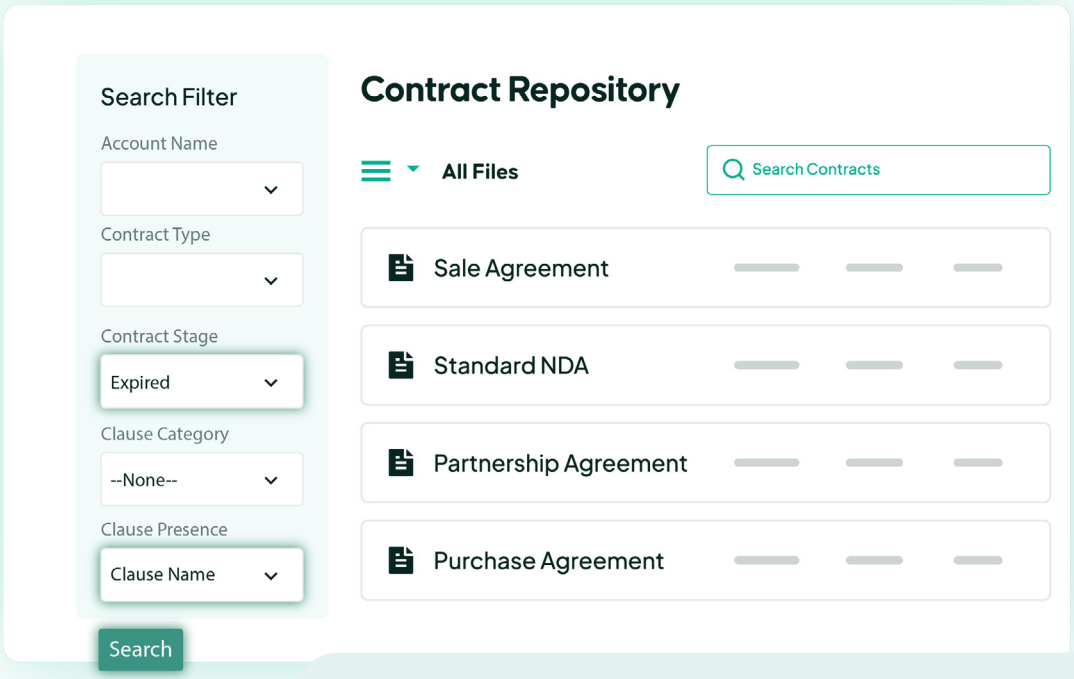
Key use cases:

- Number of Contract Expiring in 30-60-90 days
- Number of Contracts by Lifecycle Stage
- Number of Contracts by Department
- Number of Contracts by Contract Value
- Number of contract obligations by obligation type
- Contract obligations due in 30-60-90 days

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Filter-based Contract Search

Aavenir Contractflow advanced search filters, allows users to narrow down search results based on specific criteria such as contract type, vendor category, lifecycle stage, contract value range, expiration timeline, key dates, parties involved, geographical location or even customized metadata.



Key use cases:

- Find My Contracts
- Find Active Contracts
- Find Contracts by Type
- Find Contracts by Vendor Name
- Find Contracts by Lifecycle Stage (Draft, Review, Approval, Signature)
- Find Contracts Expiring within 30-60-90 days.

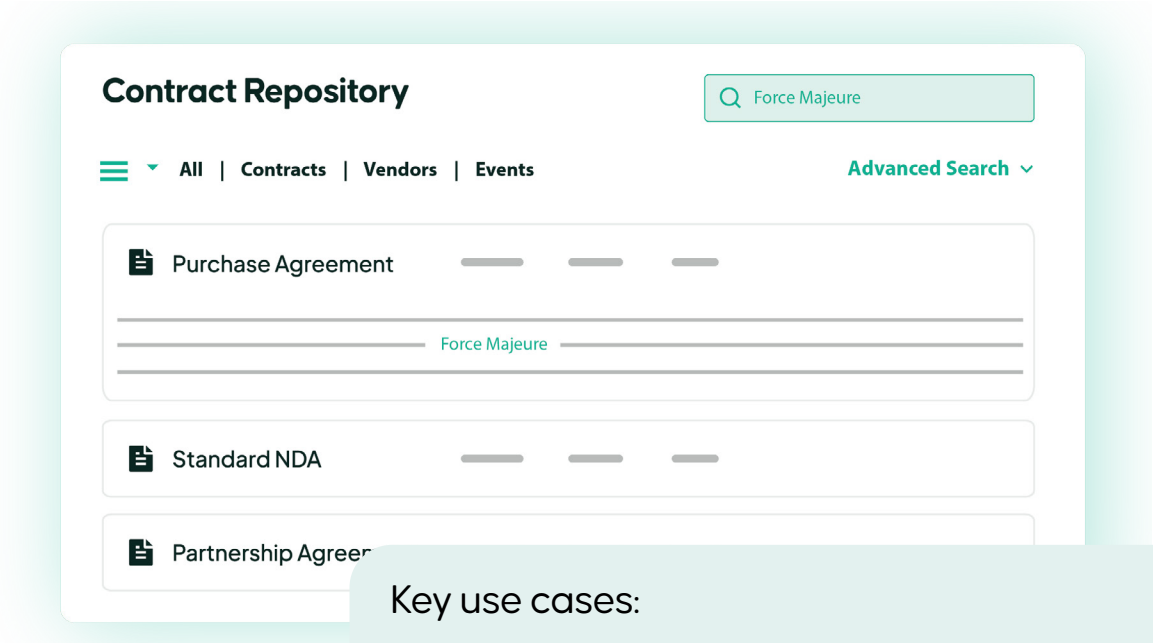
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Full-text Semantic Contract Search

Aavenir Contractflow full-text search functionality allows users to search within contracts by keywords or phrases that lies within contract document including contract addendums, attachments, and annextures.

Aavenir offers a distinguished semantic full-text search in addition to a lexical search where the search engine looks for literal matches of the query words or variants of them, with an understanding of the overall meaning of the query. Semantic search seeks to improve search accuracy by understanding the searcher's intent and the contextual meaning of query as they appear in the contracts.

This is possible because Aavenir Contractflow AI automatically extracts key metadata information from contract, such as contract type, parties involved, date, SLAs, payment terms, deliverables, clauses and much more. It then continuously interprets and understands the contract language for different business use cases making contracts machine readable.



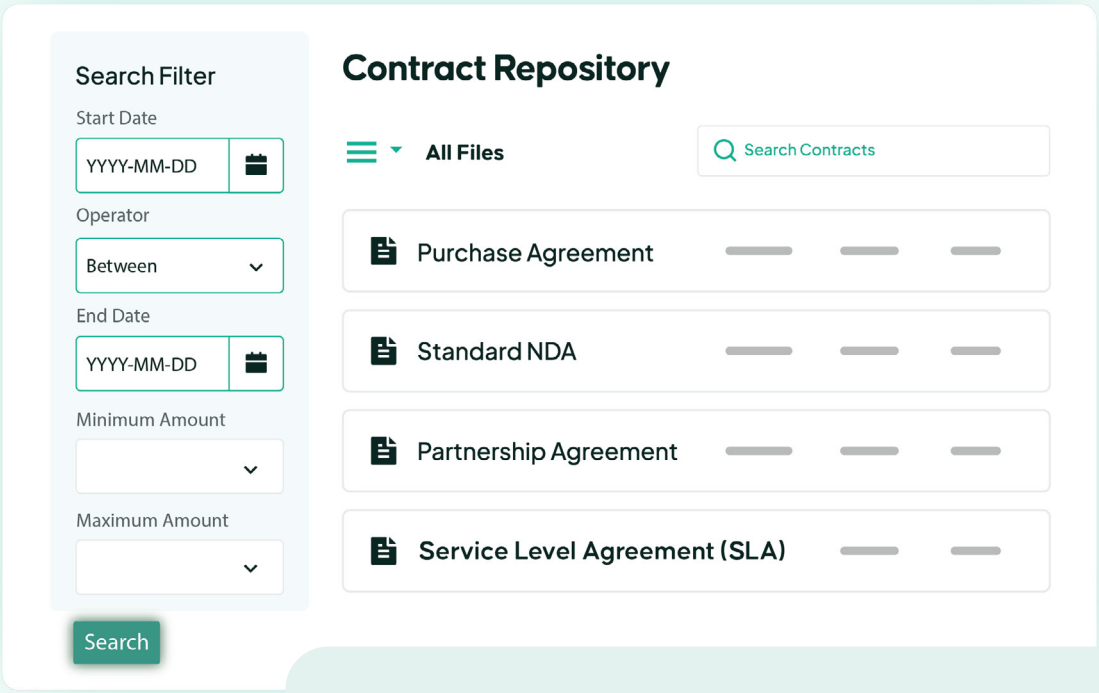
Key use cases:

- Natural Language Queries
- Contextual Understanding
- Conceptual Search
- Time-Related Queries
- Obligations and Responsibilities

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Advanced Contract Search using Complex Queries

Aavenir Contractflow enables users to define custom and complex search queries involving multiple criteria such as intricate Boolean operators (AND, OR), comparison (Max, Min, Greater, Less, etc.), wildcards to find specific contracts or clauses.



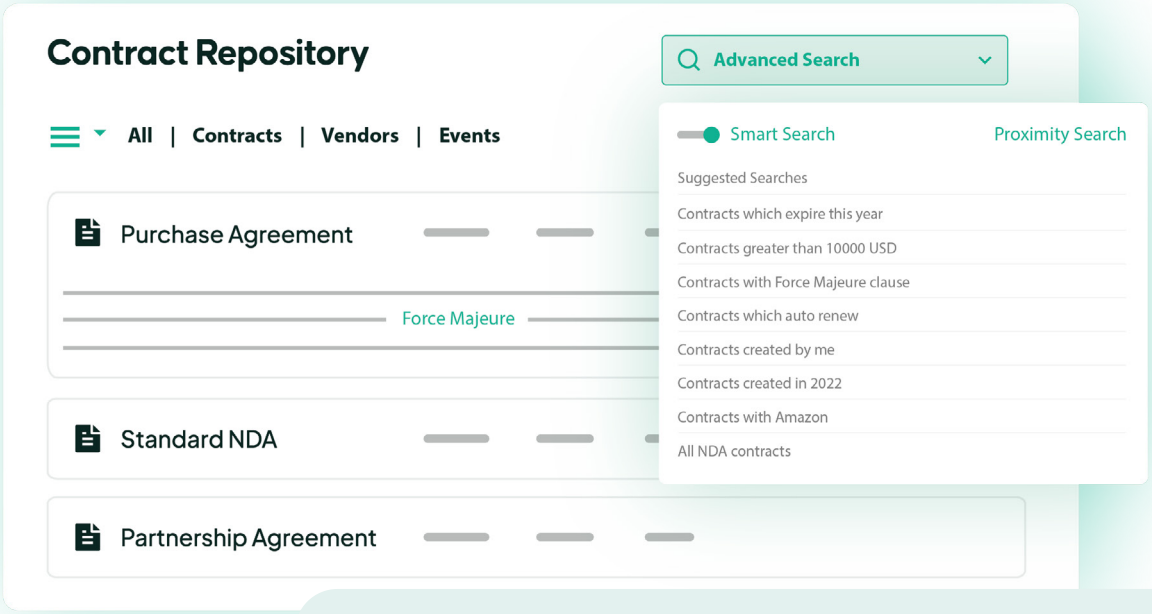
Key use cases:

- Find Contracts between start date and end date.
- Find Contracts payment term less than 3 months.
- Find contracts with late payment fee greater than 1k USD.

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AI-powered conversational Contract Search with Natural Language Query (NLQ)

Aavenir's AI can interpret and continuously learns legal language within contracts for each business case. Aavenir offers a google-like search interface where users can ask conversational questions about contracts stored in repository. Aavenir AI engine uses Natural Language Processing (NLP) technology to understand the natural language queries of users. The user can specify a conversational sentence or ask questions in the search box and the AI Engine retrieves relevant results. Using machine learning and AI algorithms, Aavenir Contractflow learns from user queries and autocompletes (term, phrase, context, sentence completion) to continually refine relevancy of search results over time and improve search experience.



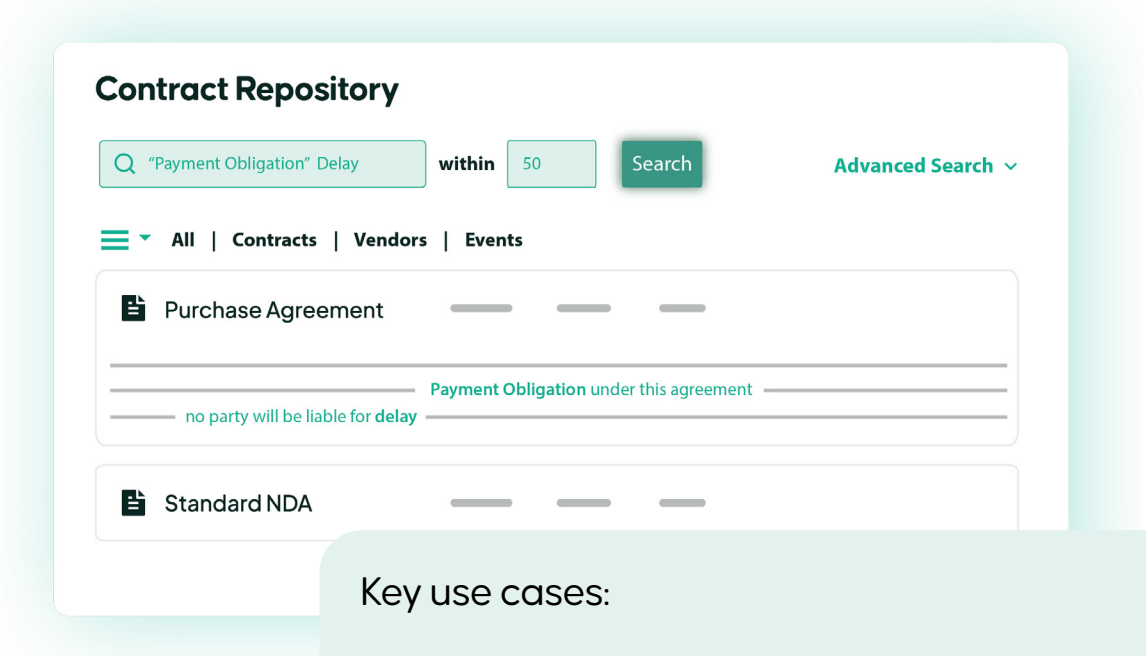
Key use cases:

- Show me all contracts signed with Company X in 2022
- Contract with Liability amount greater than 100k
- Contract where Governing law is New York
- Contract with Pandemic or Covid 19 is mentioned in force majeure clause.

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Proximity Search in Contract Language

In addition to contract search capabilities, Aavenir Contractflow can help identify contract documents (.docx and .pdf file, OCR contents) that contain two or more words or phrases which are located within a specified word distance from each other.



Key use cases:

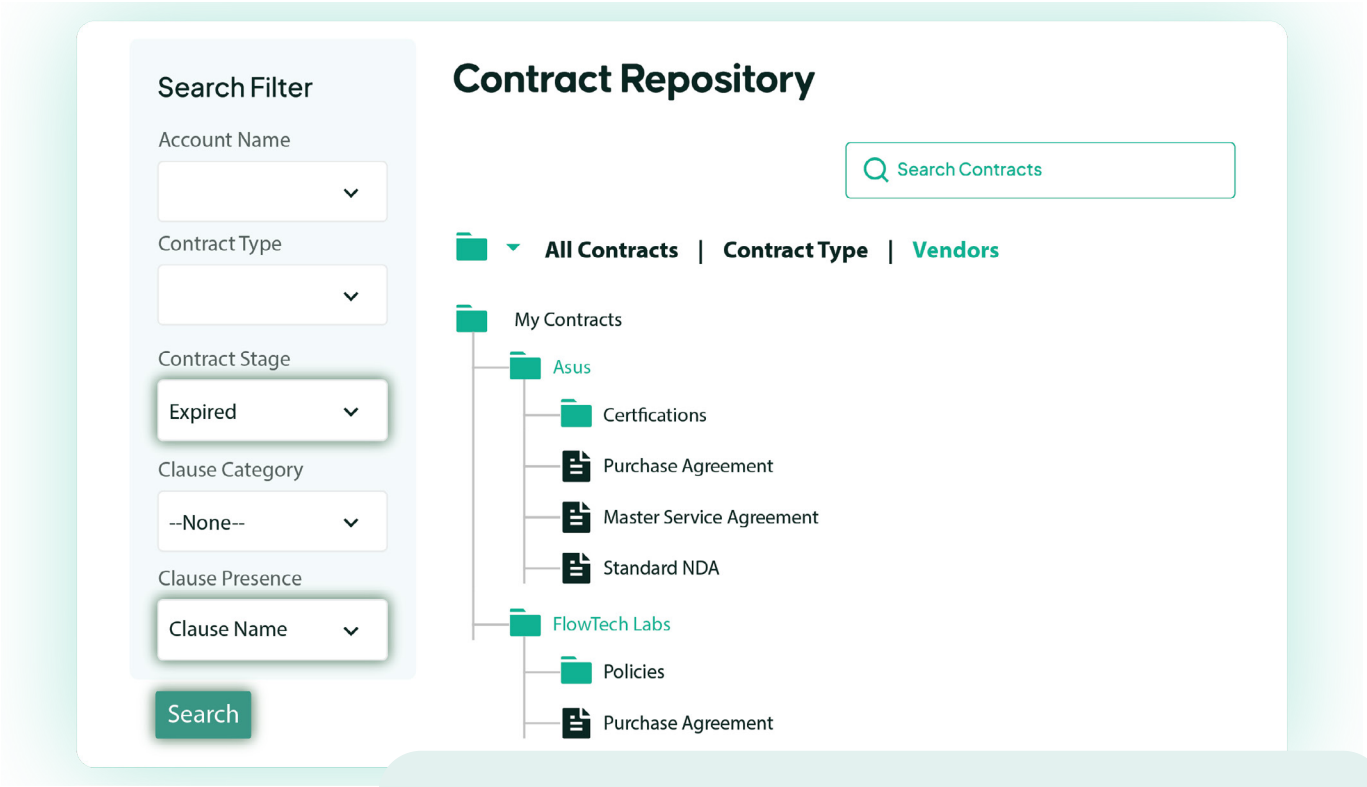
- 'force majeure' and 'public health' within 100 words of proximity
- "United States" within 10 words of "services"
- "Pricing" within 10 words of "fixed"
- "Certificate of insurance" within 10 words failure
- "Service level Agreement" with in 10 words "Obligation to be"
- certifies within 12 words of security.
- "Payment obligations" within 10 words of delay

Aavenir Contract Lifecycle Management (CLM) software goes beyond comprehensive contract search functionalities, offering an additional set of analytics capabilities to streamline and maximize the contract information visibility.

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Browse Contracts by Hierarchy

Aavenir CLM software incorporates intelligent indexing and tagging systems, facilitating the categorization and organization of vast contract repositories. Aavenir may arrange all contracts in a streamlined folder view of the contract repository based on important meta-data, making contracts simple to search.



Key use cases:

- Browse contracts by Vendor folders
- Browse Contracts by contract type folders
- Browse contracts by Business Function folders
- Browse contracts by amendments & renewals folders

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How Aavenir creates business value with contract search



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The robust contract search capabilities of Aavenir can help contract managers identify and manage contracts more successfully, throughout their lifecycle. The following are a few significant benefits of having maximum visibility to contract information:

Saves Time

Fast and relevant contract search functionality saves users and legal teams significant time by quickly locating the contracts they need, reducing manual search efforts.

Expedite Audit and Reporting

Generating reports, conducting audits, and tracking contract compliance require the ability to quickly locate and access specific contracts and associated data, ensuring transparency and accountability.

Informed Decision

Relevant search results provide decision-makers with the information they need to make informed choices about contract renewals, renegotiations, and other strategic decisions.

Improve Compliance

Businesses can more easily ensure compliance with contractual obligations and deadlines when they can swiftly locate and review contracts.

Mitigate Risk

Fast search functionality helps identify high-risk clauses or agreements more efficiently, allowing organizations to address potential issues promptly.

Elevates third-party Relationships

Efficient contract search capabilities enable organizations to respond to queries and requests from vendors, customers, or partners promptly, fostering stronger business relationships.

In conclusion, effective contract administration requires the inclusion of comprehensive contract search features in CLM software.

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We work with 800+ vendors and recruitment partners, making it challenging to get visibility for contracts created, canceled, processed, and signed. Aavenir provided us complete contract visibility across all the agreements which we lacked in our earlier on-premises contract management solution.

-Jared Mashaney
Sr. Counsel | Director of Contracts and Franchising, Express Employment Professionals

Read Success Story →

Our organization was riddled with the challenges of retrieving contracts, manually compiling all related documents, monitoring SLAs or the key terms associated with contract documents, and defining financial action plans. We needed a solution that would help us reconcile all documents and SLAs per customer, and that's when we looked at Aavenir. We found Aavenir as a super easy to use contract storage. Because it is built on ServiceNow, it offered a quick setup, and we expect it would bring immense visibility into contract management process down the line.

- Director technology business management, operations & financial manager at the world's leading finance group

Read Success Story →

About Aavenir

Aavenir revolutionizes traditional procurement processes with AI-enabled Source-to-Pay solutions, including RFPflow, Vendorflow, 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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RFPflow



Request for Proposal Management

Onboardingflow



Onboarding & Supplier Information Management

Contractflow



Contract Lifecycle Management

Obligationflow



Contract Compliance Management

Invoiceflow



Accounts Payable Automation

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