# The ROI on CLM

Below are recommended quantitative and qualitative factors to use when evaluating your organization's return on investment for a contract lifecycle management platform.

## Gain Visibility with Contract Management

Use contract management solutions to proactively notify users of upcoming milestones and take control rather than hope vendors deliver on promises made.

**10% savings**

### Contract Consolidation

Contract Lifecycle Management solutions almost always uncover the existence of multiple agreements with the same vendor for the same product or service – all at varying rates.

*Typical savings identified from contract consolidation amounts to **10% of the total contract value.***

**3-5% savings**

### Contract Monitoring

Many service contracts promise reduced rates after a period of time or after certain volumes are reached.

However, without a contract monitoring solution in place, many hospitals miss the opportunity to take advantage of volume discounts due to the time and expense involved to review and maintain records of terms specifying discounts or simply due to failure of locating a valid copy of the contract.

*Typical savings resulting from an increased ability to monitor volume sensitive contract provisions is **3-5% of the contract value.***

## Streamline the Contracting Process with Workflow Automation

Workflow automation streamlines and improves provider contracting services by eliminating many time-consuming manual and redundant tasks associated with contract origination, review, and approval signature.

### Quickly Draft, Route, Approve, and Execute Agreements within Minutes or Hours vs. Days or Weeks

Standardization of process allows for documented approvals by authorized individuals enabling the organization to make informed decisions and provide evidence due diligence occurred upon entering into agreements.

### Improve Productivity by Knowing Where Bottlenecks Occur in the Contracting Process

Bottlenecks in your process can be easily identified and corrected, significantly improving productivity (e.g. agreements that are not fully executed).

### Avoid Contract Overpayments

Continuing to pay vendors whose contracts have expired not only exposes the organization to additional expense, but may also expose the organization regulatory risks.

### Avoid Unintended Auto-Renewals

World Commerce & Contracting research has shown that companies **lose an average of 9% of annual revenue due to contract mismanagement**, including unintended contract auto-renewals.

*Client Success:*
*Ntracts client identified an expired maintenance agreement for a building that had been razed five years before. Payments were halted and money refunded.*
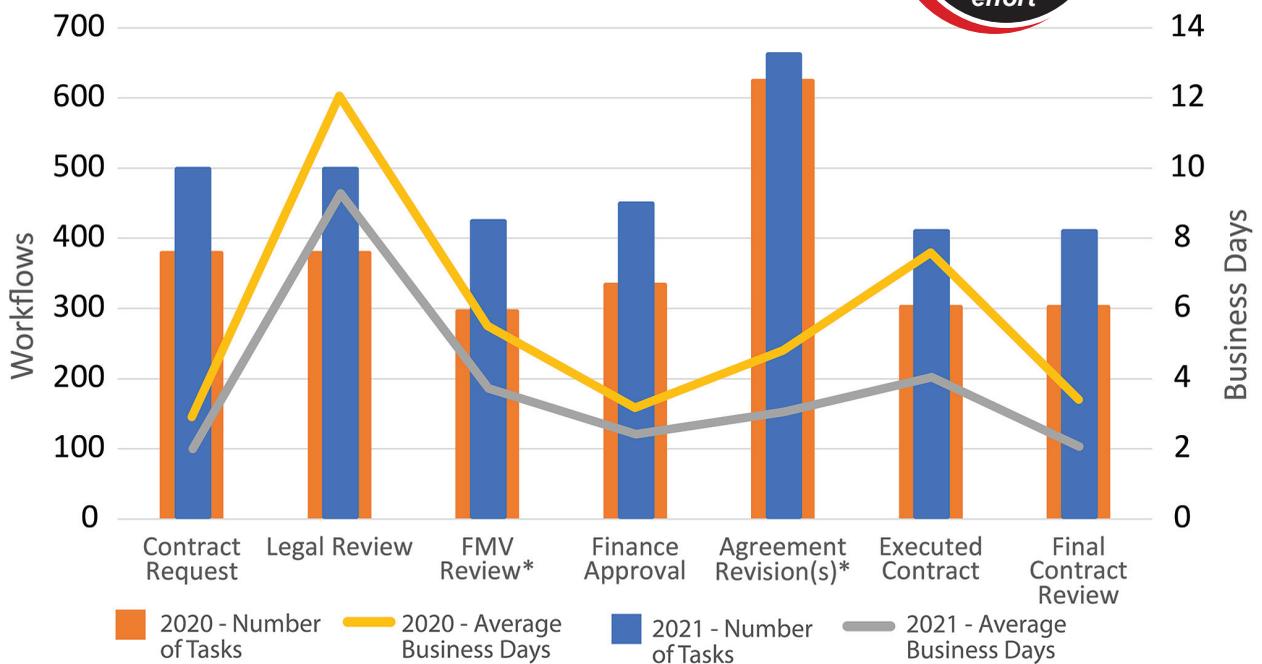
## Increase Personnel Efficiencies

CLM users typically report productivity increase; therefore, personnel normally involved in the contracting process often can be freed-up to provide more direct support of health system priorities.

Contract intake, workflow routing, document automation, and electronic signature capabilities increase both lawyer and contract managers' productivity.

**Client Success:**

### Physician Workflow Activity 2020 vs. 2021

**25% reduction in time & effort**



Chart legend:
- 2020 - Number of Tasks
- 2020 - Average Business Days
- 2021 - Number of Tasks
- 2021 - Average Business Days

Categories: Contract Request, Legal Review, FMV Review*, Finance Approval, Agreement Revision(s)*, Executed Contract, Final Contract Review

Y-axis (left): Workflows — 0 to 700
Y-axis (right): Business Days — 0 to 14

**Physician Contracting Automated Workflow**

After implementing automated workflows, and evaluating the steps in the process, we can see areas where efficiencies have been gained. Two areas in which we noticed the most significant reduction were: performing legal reviews and the contract signature phase.

By establishing an intake form with required information legal was able to make timely decisions because they had what they needed to move forward in the contracting process. Additionally, the client implemented an electronic signature process, reducing the amount of time it took for a contract to be executed.

**Contact Ntracts today to get an ROI assessment for your organization.**

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Ntracts is the leading contract lifecycle management solution for healthcare organizations across the country. Driven by the expertise of dedicated contract compliance professionals, and powered by the nation's largest healthcare law firm, Hall Render, Ntracts has provided best-in-class, healthcare-focused contract lifecycle solutions to healthcare organizations for over 30 years.

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