

# CLM and Contract Negotiations

## *New Tools for Negotiators*



SRAI  
Annual Meeting  
2024

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RESEARCH AND SPONSORED PROJECTS  
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# Introduction to Contract Lifecycle Manage

What is a CLM?

Why have a CLM?

Key Considerations during Evaluation



# What is a CLM?

Contract LifeCycle Management

Contract Creation

Contract Review/Negotiation

Workflow Reviews/Approvals

eSignature Integration

Full Process Transparency

Searchable Contract Repository

Analytics



# Why Implement a CLM?

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- Move work out of email and off of individual desktops
- All work performed in one system for seamless handling
- Transparency in activity to reduce inquiries
- Identify bottlenecks and find targeted solutions
- Manage expectations on turnaround time
- Workload management and transparency
- Template automation for contract drafting
- Leverage AI to support negotiations



# Key Considerations before/during Evaluation

- What can your existing systems do?
- Will this be stand alone or do you require integration?
- Access levels - who are your users?
- What do different users need to do in the system?
- Who to involve in assessing options
- 30 day Sandbox minimum
  - Test all functionality, if possible (building workflow, APIs)
- Reference check with similar customer group, if possible.
- Review Gartner Report and Forresters





# RFP Considerations

Lessons Learned from Pilot

Critical Requirements

Integration Considerations



# Lessons Learned from Pilot

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- Vendors are still learning how to leverage AI
- Target Customer is Industry
- Implementation partner can make or break the project
- If CLM is new, consider a Pilot prior to implementation
- Detailed workflow map is critical



# Critical Requirements

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- Comprehensive tool for Negotiators
  - Redlining capability in system or MS Word
- Configurable Workflow
- Integration Capabilities
  - e-Signature
  - Existing Grants system
- Counterparty access
- Email Capture with turn tracking
- Rapid Ad Hoc Searching
- Automated time tracking by who the record is with
- Automated Follow ups to external parties
- Work queue visibility for staff
- Robust user role management
- Robust Reporting



# Integration Considerations

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- API Capabilities
  - Even with testing and evaluation ahead of time, there will be surprises
- Licenses in CLM system
  - Models in the Industry
- Integration Points
  - Creates a link between records
  - Prevents retyping data
  - Tracking agreement status in Grants system





# Implementation

Planning for Migration

User Provisioning

Training AI

User Training

Communication and Rollout



# Planning for Migration

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- Cost
- Look at how many records you need to move
- Clean-up of existing records
- Value add of the move?
  - OCR capabilities in new system
  - Searchability
  - Amendments
- Level of Effort

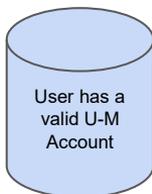


# User Provisioning

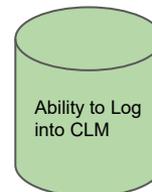
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- Efficient way to ensure that only those who need accounts have them.
- Limit passwords - implement Single Sign On
- Must be able to onboard/offboard to maintain license level

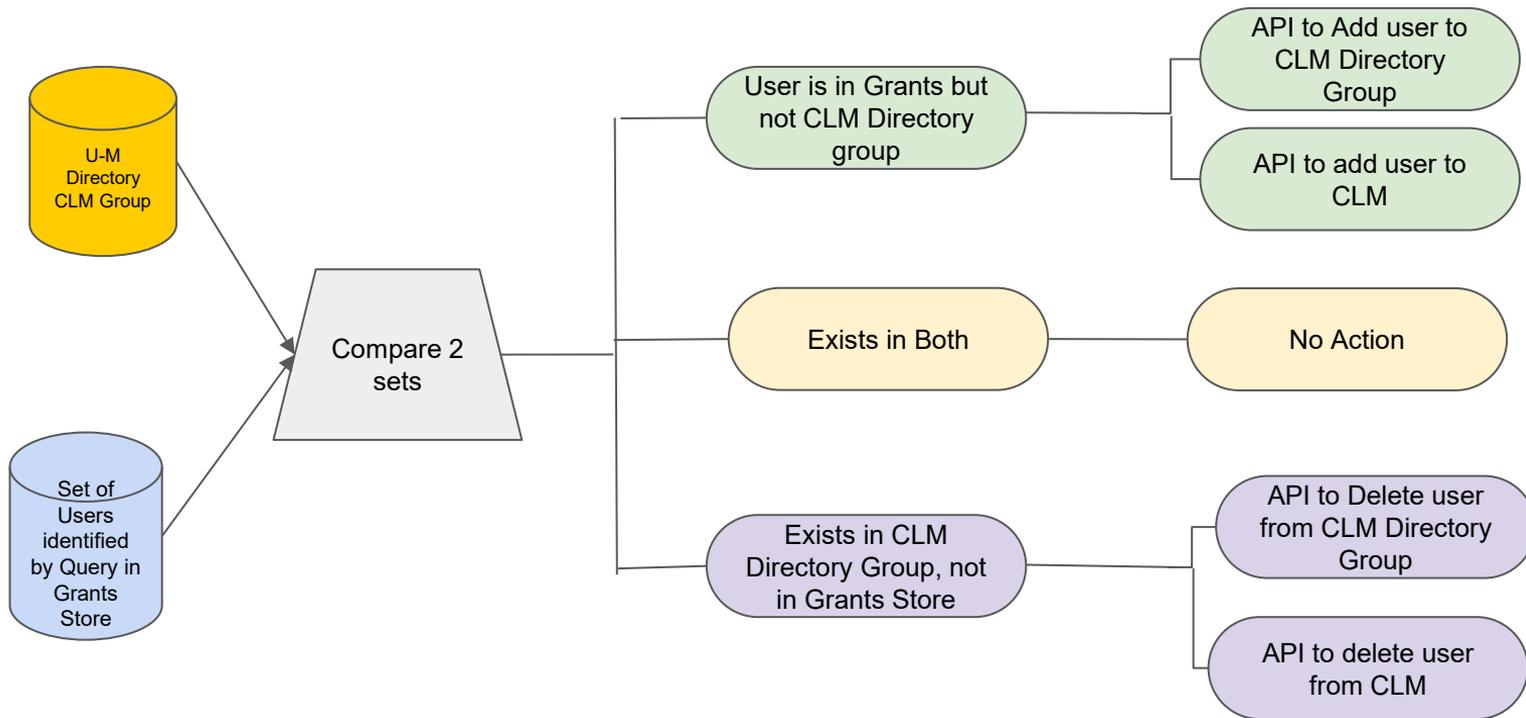
Implement Single Sign On



Create group in U-M directory for CLM users



# User Provisioning - Adds/Deletes



# Training AI and Contract Playbooks

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- Only learns what you want it to
- Up front effort is significant
- Get out what you put in
- Important to ask when shopping: How will the software leverage what we upload?
- Generative AI features are the sweet spot - when deployed well



# Training AI and Contract Playbooks

Regents of the University of Michigan Sandbox [Learn more](#) Exit sandbox

Dashboard Repository Workflow Designer Insights ? 🔔 Regents of the University of Michigan A

## < 20-PAF012345 - Research Agreement with UT TEST

Created by Andrea Anderson on Oct 18, 2024 at 2:14 PM

**Your company's turn to review and approve documents** Regents of the Unive... - 1h

< Bi-week > Turns Time

OCT 04 ● Regents of the University of Michigan ● UT TEST OCT 11 OCT 18 1 turn total

**Please note:**

- When updating documents or editing information, please ensure that documents and information are kept in sync.

**6 clauses need to be fixed before signature** View

**templateSRawAttachmentA (6712a59aa9)**  
Uploaded by Andrea Anderson 2 hr ago

VI DOCX Add label

Email Document Update Document Edit Info

**WORKFLOW ACCESS** Manage

A E R 👤 👤 👤 +3

### Info

Ironclad ID  
IC-22

Counterparty Name  
UT TEST

Draft  
[templateSRawAttachmentA \(6712a59aa9\).docx](#)

Paper Source  
Counterparty paper

Counterparty Signer Name  
snow white

Counterparty Signer Email  
awret@yahoo.com

Effective Date  
October 18, 2024

Counterparty Address  
12345 East 9 Mile Road

Approvals 0 of 3 approvals collected



# Training AI and Contract Playbooks

The screenshot displays a contract management interface. At the top, a dark header bar contains the text "Regents of the University of Michigan Sandbox" and a "Learn more" link. A green "Exit sandbox" button is in the top right corner. Below the header, a breadcrumb trail shows "templateSRAAttachmentA (6712a59aa9) v1 DOCX". A status bar indicates "All document changes are saved" and provides buttons for "Save As New Version" and "Close".

The main document area shows a contract text with a highlighted clause: "c. This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Texas, without regard to its principles of conflict of laws." A "Page Break" indicator is visible below the clause. The document is titled "15. UNITED STATES LAW" and contains a paragraph of text regarding compliance with U.S. laws and regulations. At the bottom of the document, it states "IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives." and includes a placeholder "(Insert SPONSOR name here)".

The right sidebar contains a list of contract playbooks:

- Financial Terms - Payment and Invoicing**: Includes a warning "Select the Term Duration".
- Financial Terms - PO Terms Do Not Apply**: Includes a warning "Find this clause or confirm that it's missing".
- Governing Law**: Includes a warning "Fix non-standard language or Request an exception" and a "Show details" link.



# Training AI and Contract Playbooks

Regents of the University of Michigan Sandbox [Learn more](#) Exit sandbox

< templateSRAwAttachmentA (6712a59aa9) v1 DOCX ✓ All document changes are saved Save As New Version Close

Sponsor to Designated Representative.

c. This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Texas, without regard to its principles of conflict of laws.

Page Break

### 15. UNITED STATES LAW

Notwithstanding any other provision of this Agreement, it is understood that the parties are subject to, and shall comply with, United States laws, regulations, and governmental requirements and restrictions controlling the export of technology, technical data, computer software, laboratory prototypes, and other commodities, information and items (individually and collectively, "Technology and Items"), including without limitation, the Arms Export Control Act, the Export Administration Act of 1979, relevant executive orders, and United States Treasury Department embargo and sanctions regulations, all as amended from time to time ("Restrictions") and that the parties' obligations hereunder are contingent on compliance with applicable Restrictions. All title and rights in inventions arising from or developed during the Study will be governed by U.S. patent law and foreign filing licenses will be required. University performance under this agreement will be governed by the constitution and laws of the State of Texas and all applicable U.S. Federal laws and regulations

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

(Insert SPONSOR name here)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Insert Name of Signatory here)

Title: \_\_\_\_\_

< Playbook

### Governing Law

The governmental entity that will be used to govern the agreement.

In this document Needs Review

Position Approve

Non-standard language

— This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Texas,...

1 Fix non-standard language or Request an exception

View all positions (5) Update usage

Jurisdiction Approve

Texas

1 Fix non-standard term or Request an exception

More Provide usage



# Training AI and Contract Playbooks

Regents of the University of Michigan Sandbox [Learn more](#) Exit sandbox

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[\(Insert SPONSOR name here\)](#)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
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Non-standard language

- This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Texas,...

Fix non-standard language or Request an exception

PRE-APPROVED

Preferred Position Preferred

Document language Insert

This Agreement shall be governed and construed in accordance with the laws of the State of Michigan without regard for principles of choice of law. Any claims, demands, or actions arising from this Agreement shall be brought in the state of Michigan. Sponsor, its successors and assigns, consent to th...

[See more](#)  Used in document

To share with counterparty Add as comment

The University of Michigan is a public university created by a constitutional act of the State of Michigan. As a state entity, we seek to maintain the State of Michigan's sovereignty over our



# Training AI and Contract Playbooks

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< templateSRaAttachmentA (6712a59aa9) v1 DOCX ▲ Unsaved document changes Save As New Version Close

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IN WITNESS WHEREOF, the parties have caused this Agreement to be

Andrea Anderson  
External · a few secs ago

The University of Michigan is a public university created by a constitutional act of the State of...  
[Read more](#)



# Generative AI Integration

party any Confidential Information during and for a period of five (5) years from the date of disclosure provided that if Confidential Information is disclosed orally or in other non-tangible form, Sponsor will supply the University in writing a general description of the Confidential Information and confirmation of its confidential or proprietary status within twenty (20) working days of disclosure.

15.2 The obligation to protect Confidential Information shall not apply to any information that: (1) is already in the possession of, or is independently developed by, University; (2) becomes publicly available other than through breach of this provision; (3) is received by University from a third party with authorization to make the disclosure; (4) is released with Sponsor's written consent; or (5) is required to be released by legal process or other legal authority.

AI ASSIST ×

### Redline

How would you like to redline this?

EX: "Add termination for convenience" Submit

Hide suggestions

- Make confidentiality mutual between University and Sponsor.
- Change the confidentiality period from five years to three years after disclosure.
- Add a clause for penalties in case of breach of confidentiality.

Sponsored Projects

1001  
274

AI Assist suggestions, powered by OpenAI, do not constitute legal advice; manual review is recommended. Contract information is not used to train their models and remains private to you.

g it, and served to the  
by written notice) by  
acking, or by the United  
cept requested. All  
ichever occurs first.



How would you like to redline this?

Make confidentiality obligations mutual between University and Sponsor. Submit

Show suggestions

< 1 of 3 drafts >

University and Sponsor agrees to use confidential or proprietary information and data acquired from Sponsor each other and identified as confidential or proprietary at the time of disclosure ("Confidential Information") only in performing the services of this Agreement and not to disclose to any third party any Confidential Information during and for a period of five (5) years from the date of disclosure, provided that if Confidential Information is disclosed orally or in other non-tangible form, Sponsor the disclosing party will supply the University other party in writing a general description of the Confidential Information and confirmation of its confidential or proprietary status within twenty (20) working days of disclosure.

#  
#  
The obligation to protect Confidential Information shall not apply to any information that: (1) is already in the possession of, or is independently developed by, University the receiving party; (2) becomes publicly available other than through breach of this provision; (3) is received by University the receiving party from a third party with authorization to make the disclosure; (4) is released with Sponsor the disclosing party's written consent; or (5) is required to be released by legal process or other legal authority.

Copy  Insert in document

# Communication, Training and User Adoption

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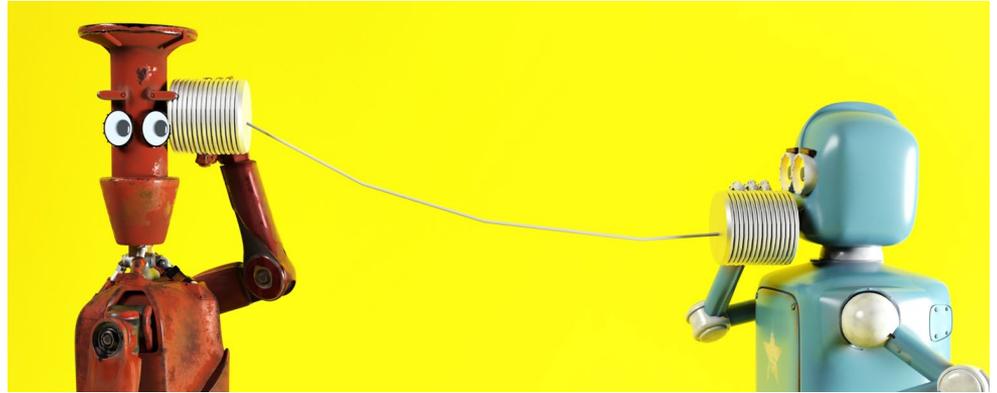
- Involvement in Implementation
- Focus Groups and Feedback Sessions
- Identify areas for input
- Testers and Champions
- Live training for central users
- Self-Service training for campus and infrequent users
- What support does the vendor provide?



# Communication, Training and User Adoption

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- Communicate more than you think you need to
- Soft launch
  - work out kinks
  - develop champions
  - Build out FAQ
- What are your established communication channels?



# Questions?

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