



Legal Department Adoption of Contract Lifecycle Management Solutions: Perspectives From Corporate Paralegals

EXECUTIVE SUMMARY

The paralegal has a critical and central role in the efficiency and operational effectiveness of the corporate legal department. One major function essential to the legal department where paralegals play a pivotal role is contract lifecycle management (“CLM”). Frequently paralegals are involved in most or all phases of that lifecycle, as well as managing the systems and processes in place necessary to ensure not only that nothing slips through the cracks, but also that pre-execution and execution phases move along smoothly to facilitate deal velocity, thereby adding to the legal department’s growing role as a company value driver.

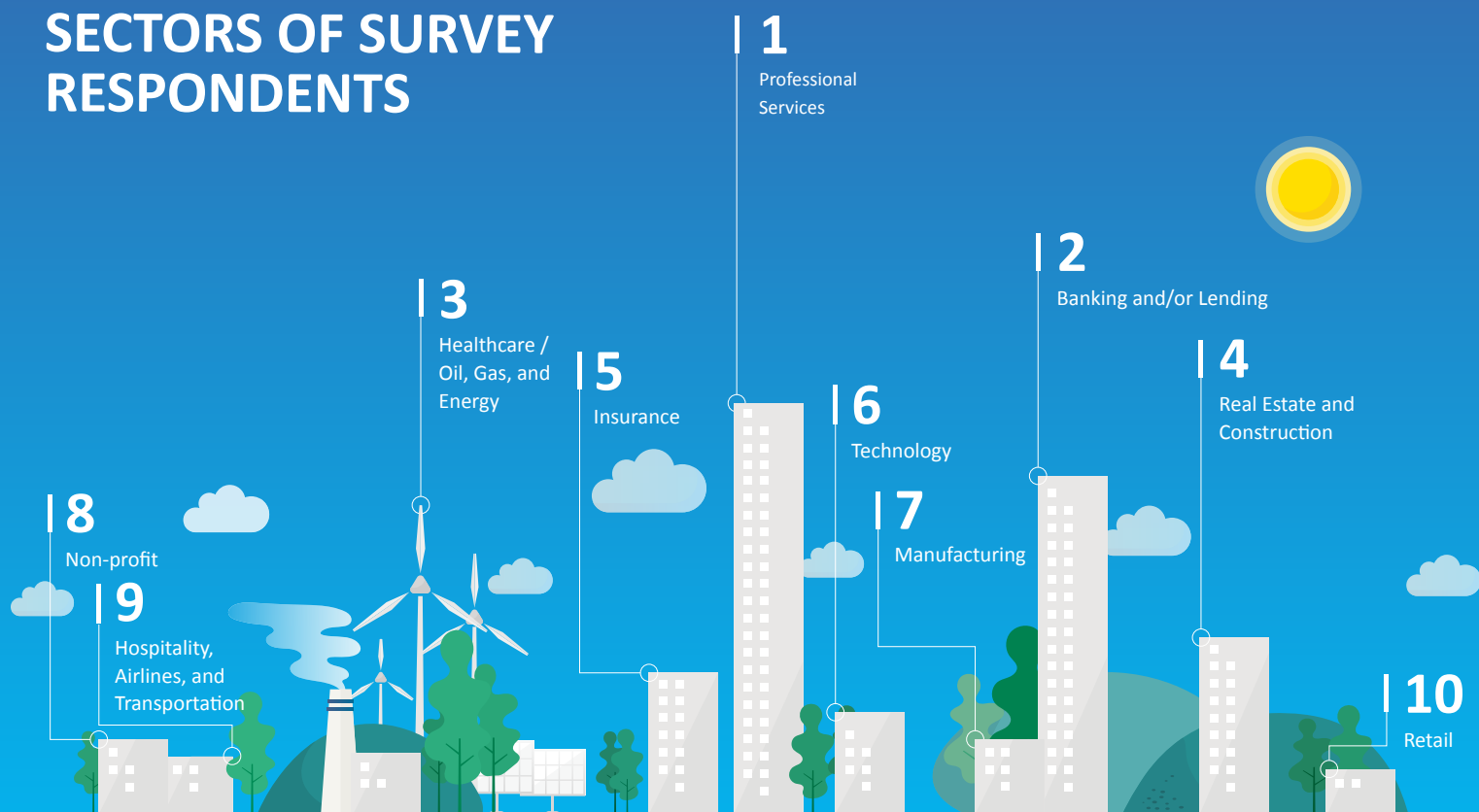
In light of the critical nature of the corporate paralegal’s role in CLM and in managing the related systems and processes, NALA and Wolters Kluwer partnered to conduct a survey across the corporate paralegal industry to investigate various trends in how corporate legal departments are adopting and employing technology for CLM, including:

- The types of systems – both those streamlined for CLM, and those repurposed for CLM – departments utilize
- The different ways departments are employing CLM software
- The trends and challenges in adoption
- The most important factors and product features in buying decisions

This report highlights high-level findings and cross-tabulations from the survey. Roughly 150 paralegals across sectors, company and department sizes, and experience levels weighed in via a series of qualitative and quantitative questions sent electronically. The most important themes our study highlights are: (i) most companies are still losing major efficiencies through over-dependence on makeshift, or informal CLM solutions through much of the contract lifecycle, and (ii) vendor support (customer service, customization, onboarding, training, legacy document and data loading) and a comprehensive framework for change management in the legal department and throughout the enterprise are absolutely essential to achieving high adoption (and therefor successful implementation), and adapting as evolving needs (e.g., leveraging software to manage more contract lifecycle phases) scale with department and company size.



TOP 10 INDUSTRY SECTORS OF SURVEY RESPONDENTS



RESPONDENTS BY COMPANY'S ANNUAL REVENUE

34%

Annual revenue less than
\$4.99M

35%

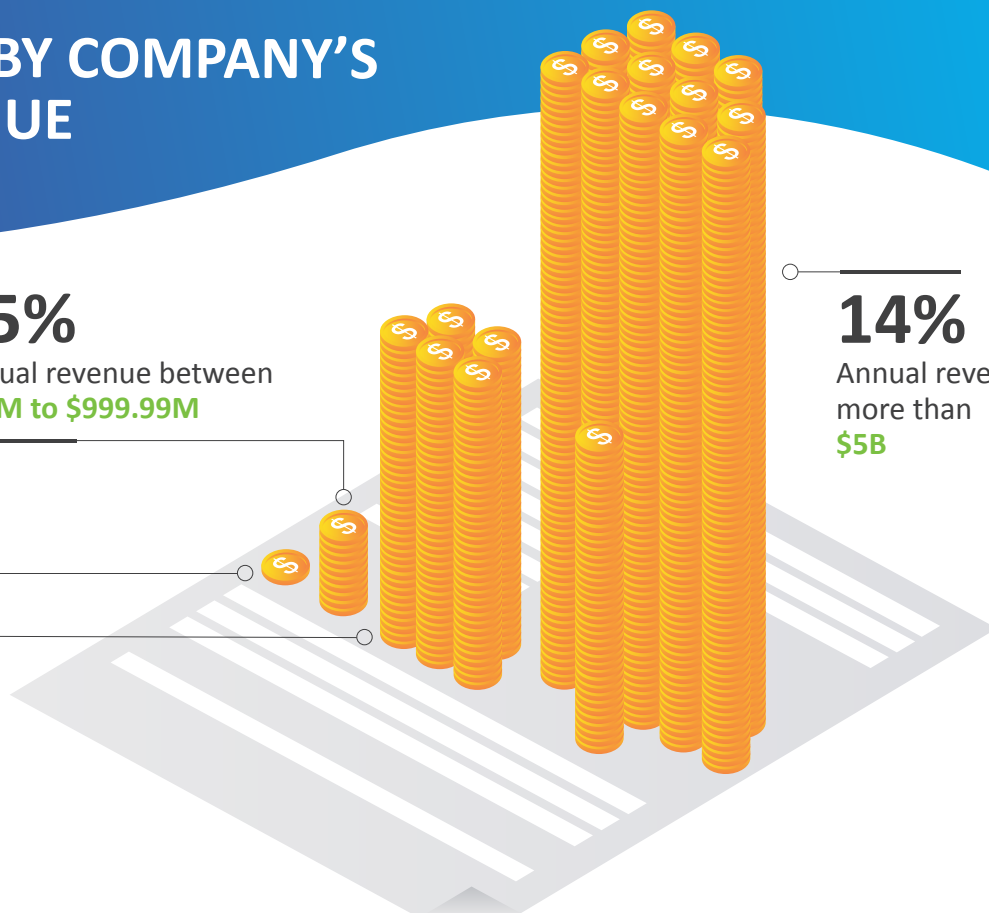
Annual revenue between
\$50M to \$999.99M

16%

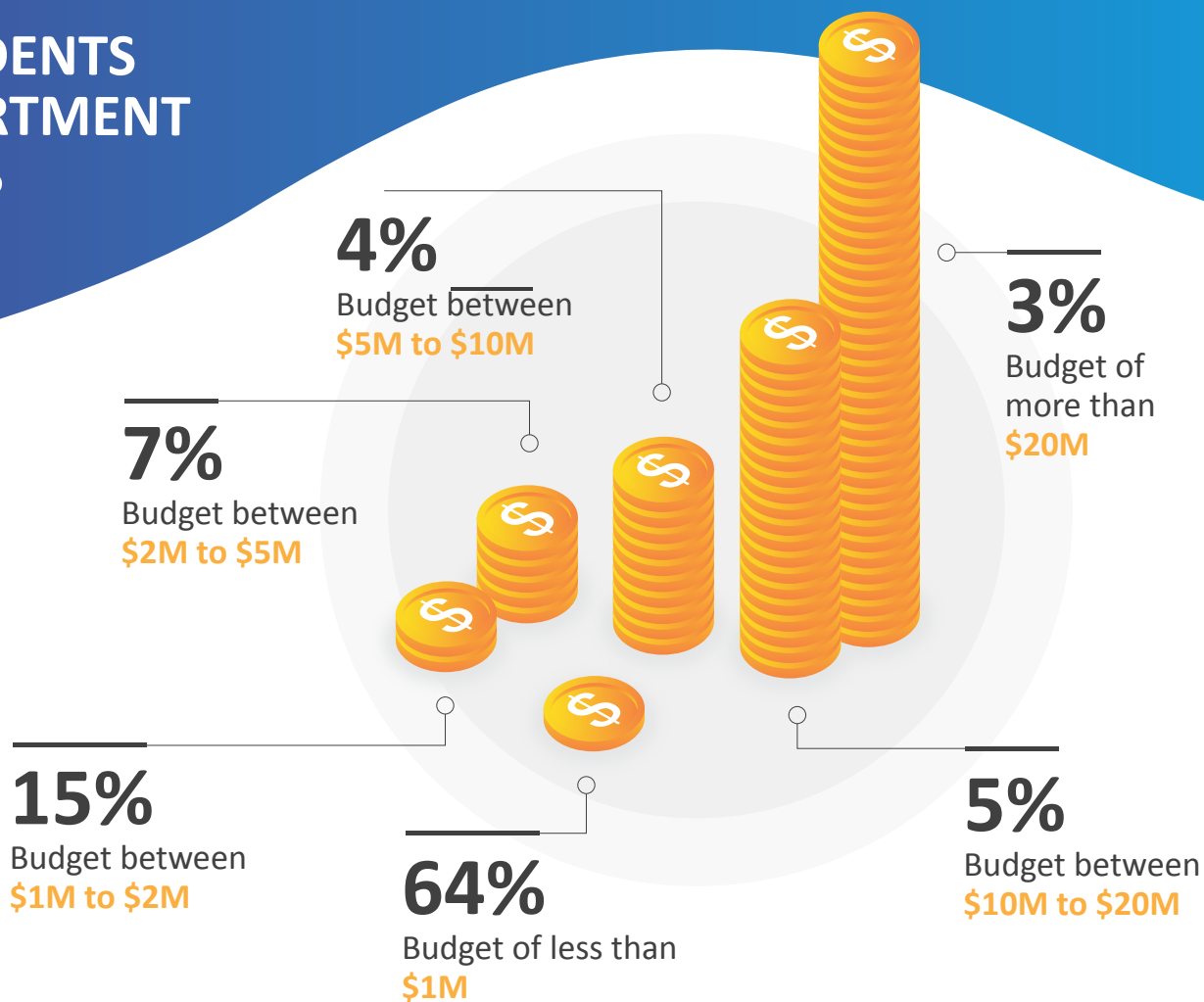
Annual revenue between
\$1B to \$4.99B

14%

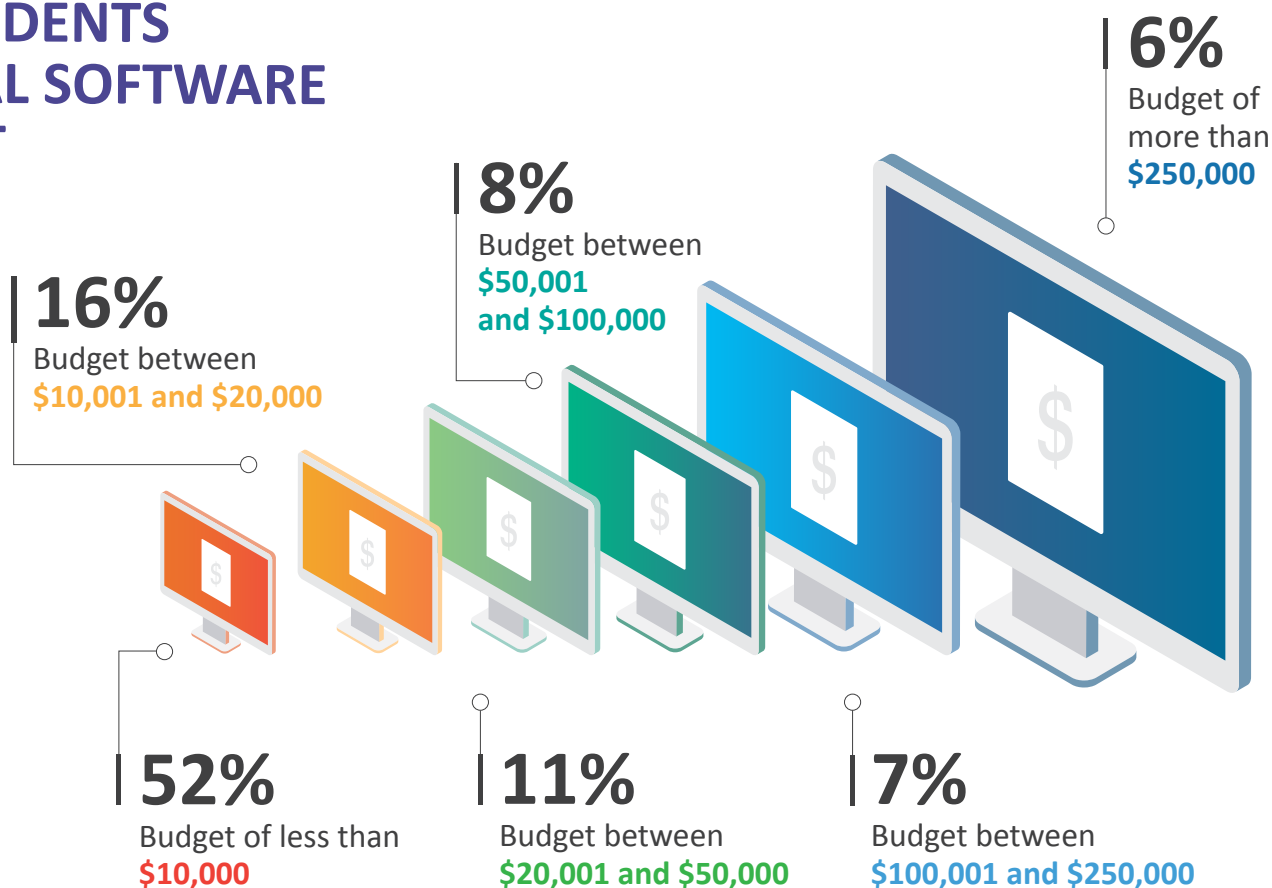
Annual revenue
more than
\$5B



RESPONDENTS BY DEPARTMENT BUDGETS



RESPONDENTS BY LEGAL SOFTWARE BUDGET

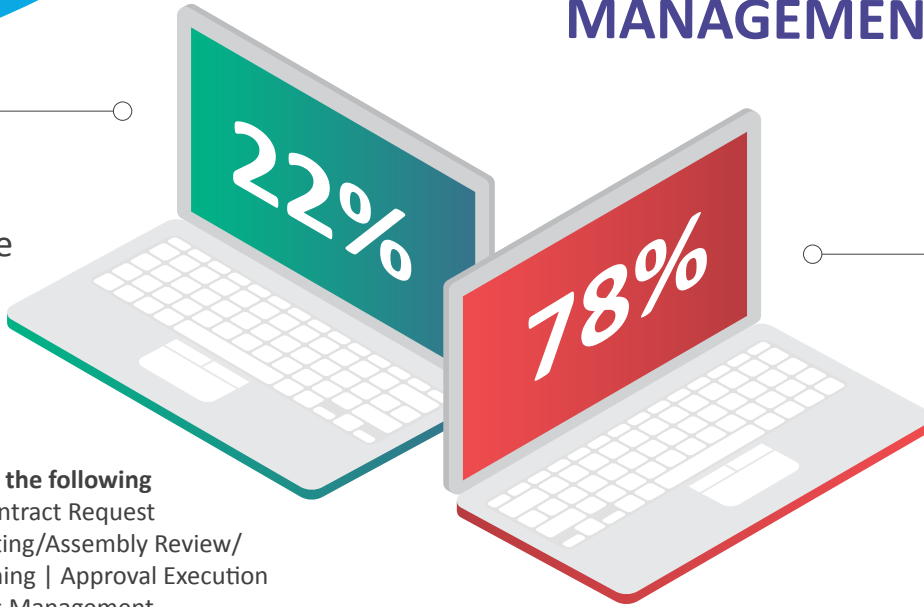


RESPONDENTS WHO USE FORMAL CONTRACT LIFECYCLE MANAGEMENT SOFTWARE

USE

CLM Software

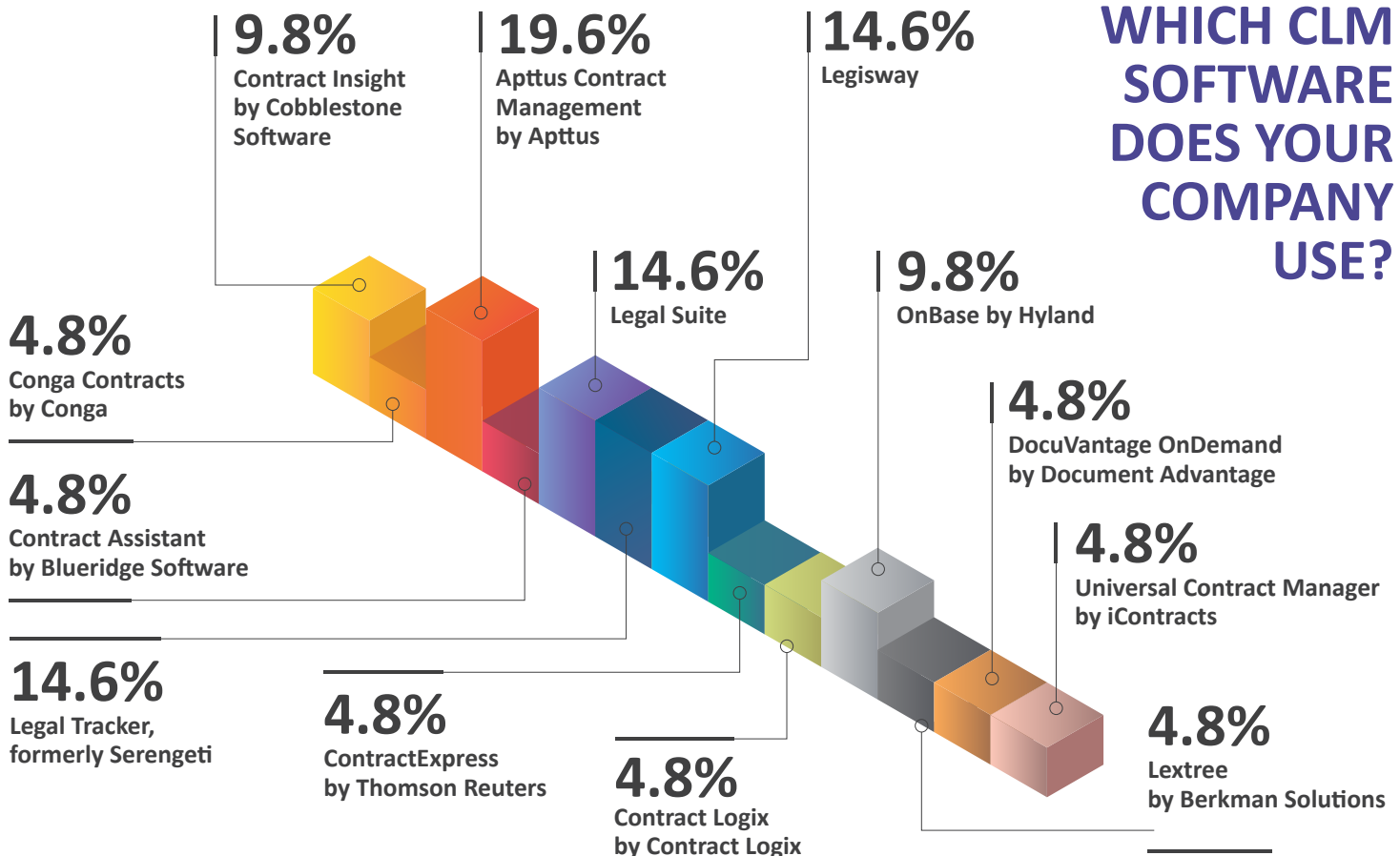
For one or more of the following phases of CLM: Contract Request | Preparation/Drafting/Assembly Review/ Negotiation/ Redlining | Approval Execution | Storage | Records Management



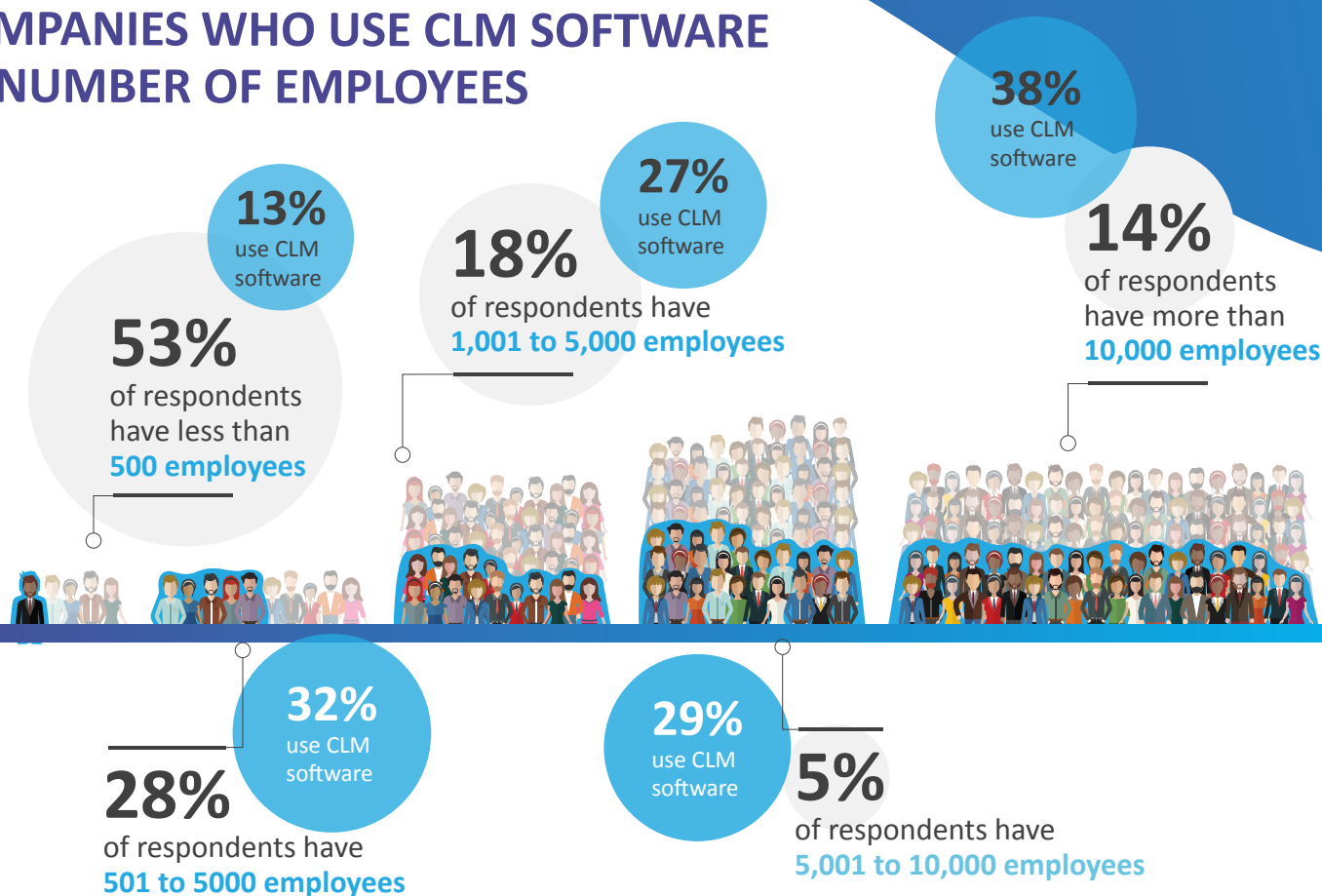
DON'T USE

CLM Software

WHICH CLM SOFTWARE DOES YOUR COMPANY USE?

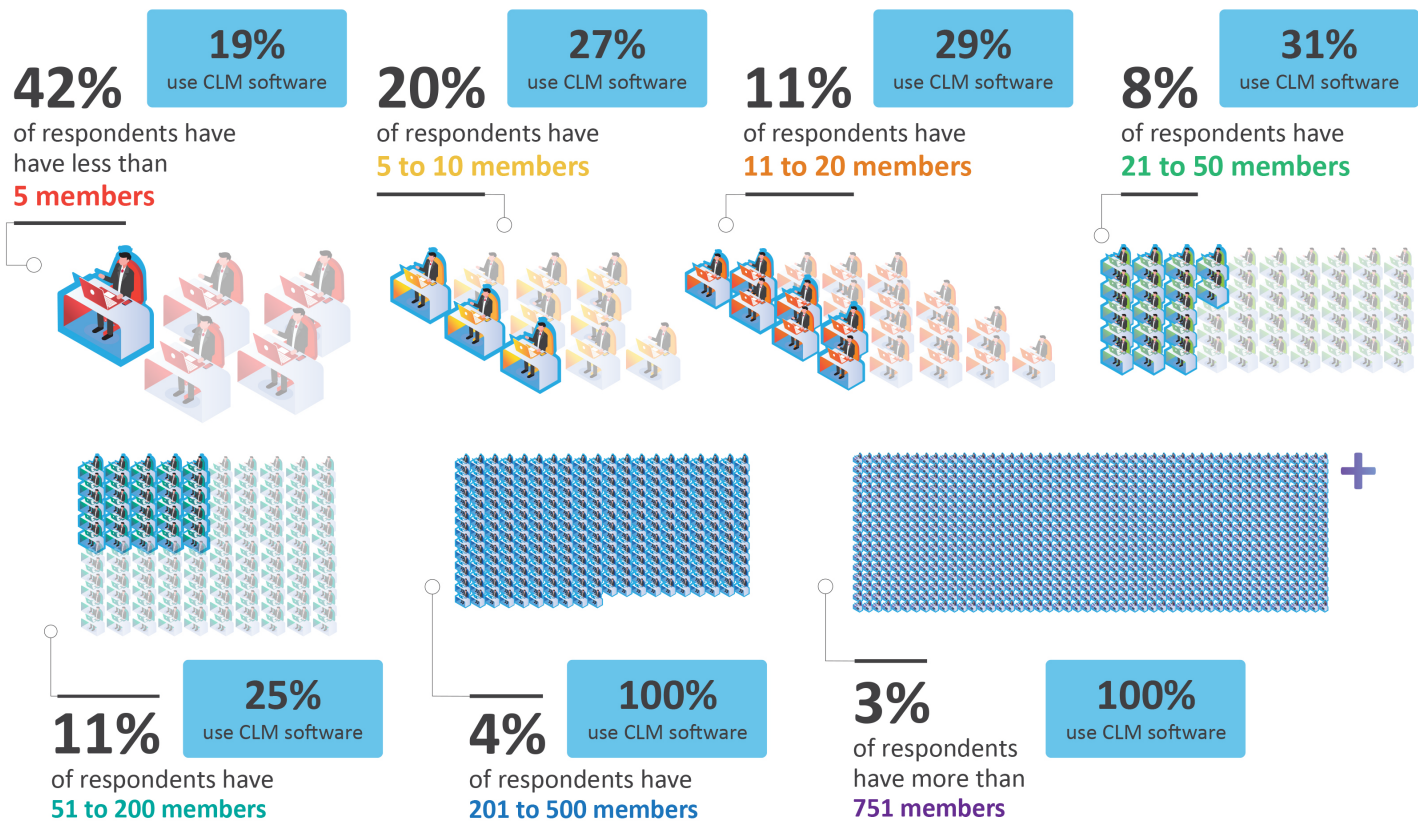


COMPANIES WHO USE CLM SOFTWARE BY NUMBER OF EMPLOYEES



COMPANIES THAT USE CLM SOFTWARE BY LEGAL DEPARTMENT SIZE

12.5 Years The Average Experience
of Legal Departments that use CLM software



NUMBER OF LEGAL SOFTWARE USERS PER DEPARTMENT



1-5 Software Users



6-10 Software Users



11-20 Software Users



20+ Software Users

18% respondents said they were very likely to recommend their software to someone else

67% companies have been using software for less than 5 years

NUMBER OF CONTRACT LIFECYCLE PHASES IN WHICH FORMAL CLM SOFTWARE IS USED

29%

at least Six Phases

57%

Two to Five Phases

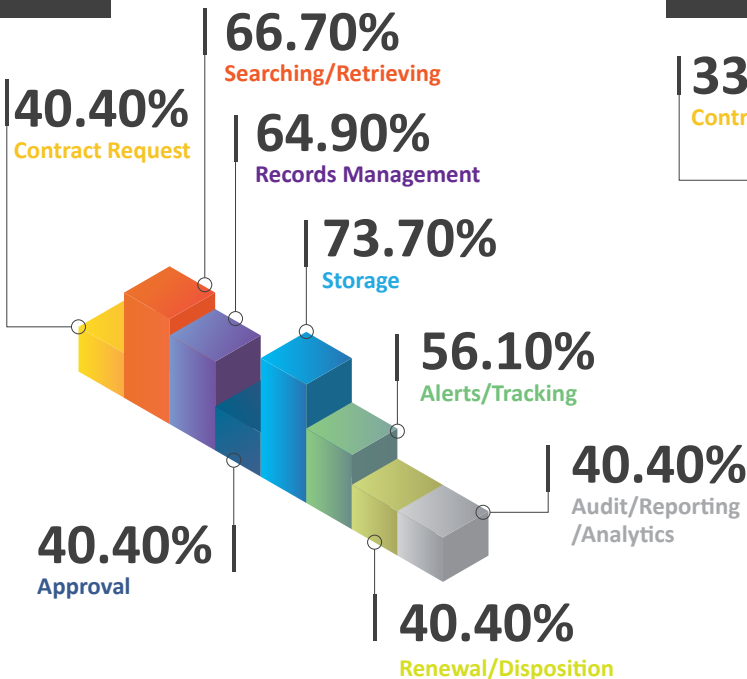
14%

One Phase

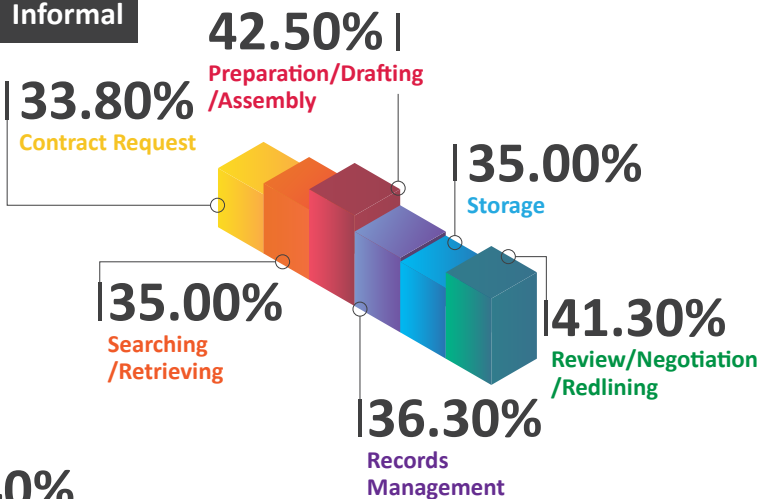


CURRENT NUMBER OF RESPONDENTS WHO USE CLM SOFTWARE BY PHASE

Formal

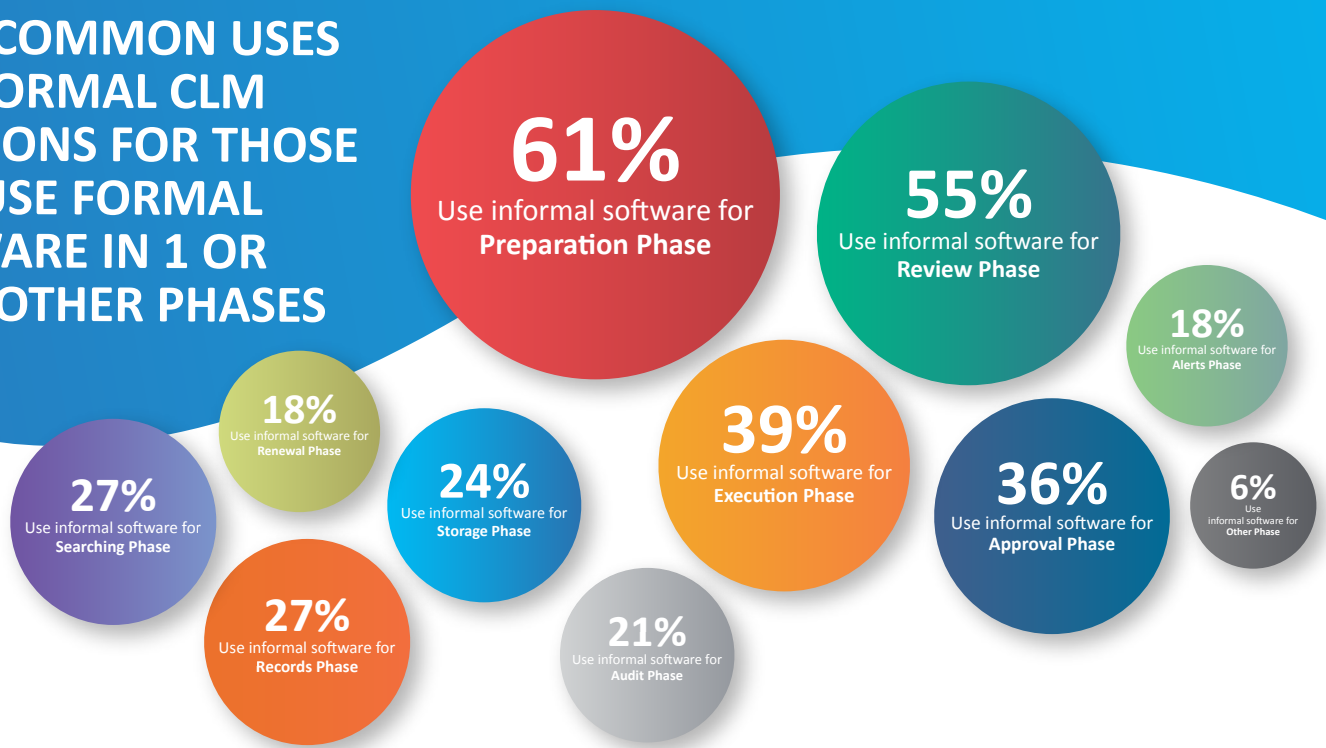


Informal

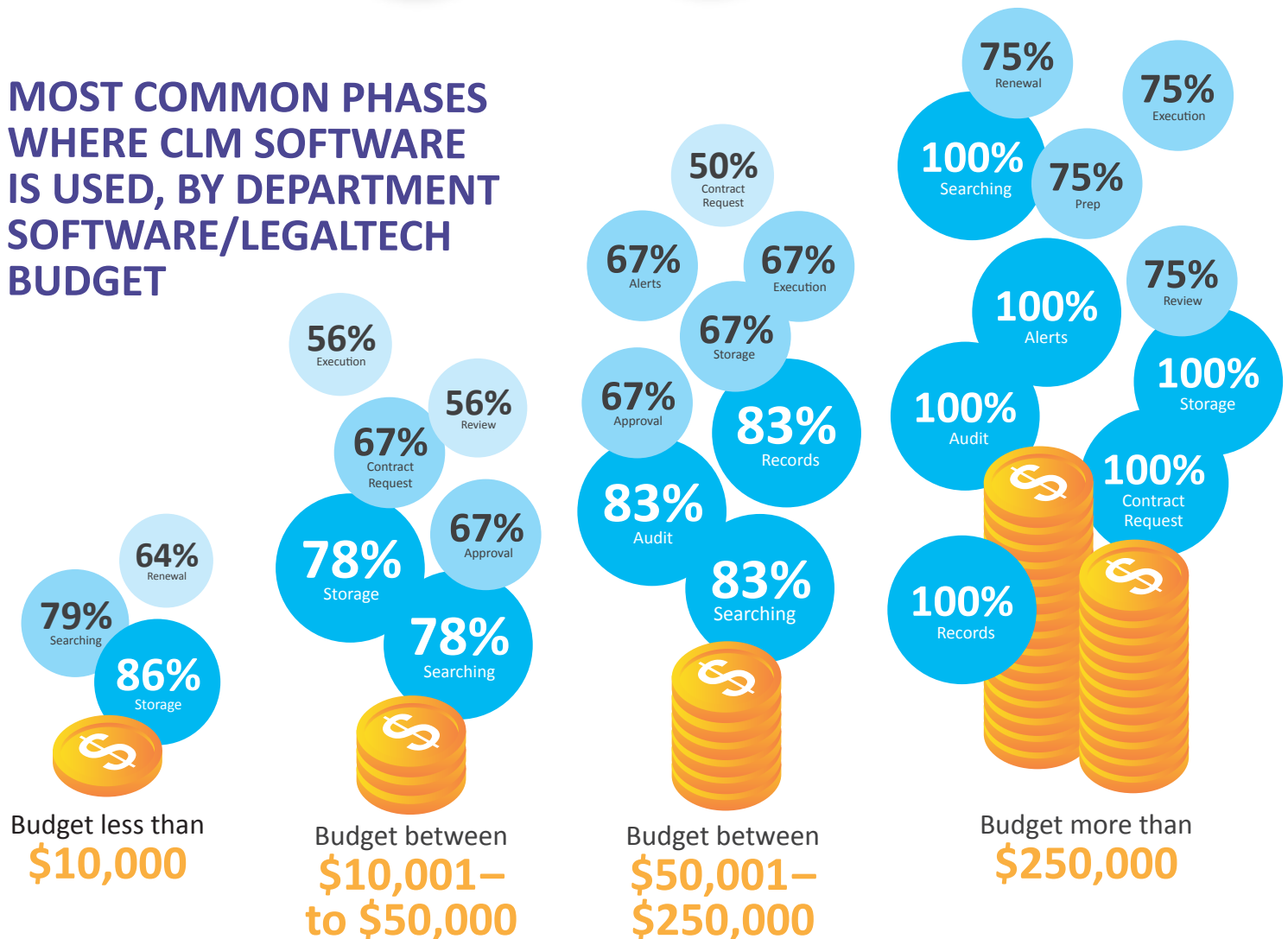


Respondents selected all phases where formal/informal CLM software was employed.

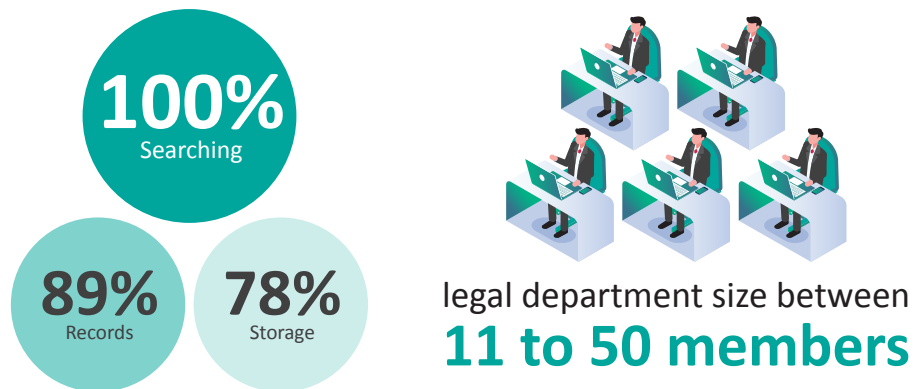
MOST COMMON USES OF INFORMAL CLM SOLUTIONS FOR THOSE WHO USE FORMAL SOFTWARE IN 1 OR MORE OTHER PHASES



MOST COMMON PHASES WHERE CLM SOFTWARE IS USED, BY DEPARTMENT SOFTWARE/LEGALTECH BUDGET

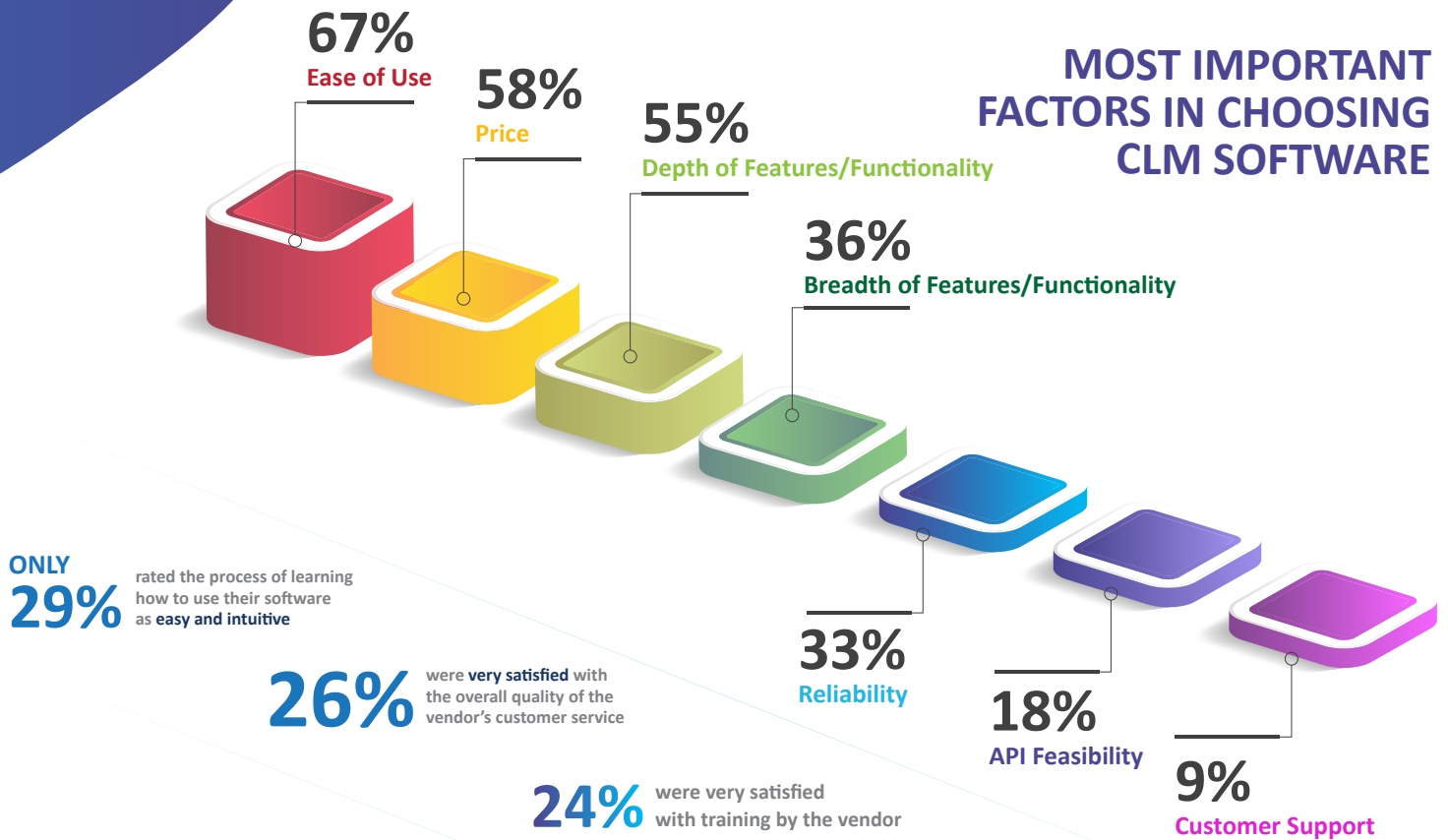


MOST COMMON PHASES WHERE CLM SOFTWARE IS EMPLOYED, BY DEPARTMENT SIZE

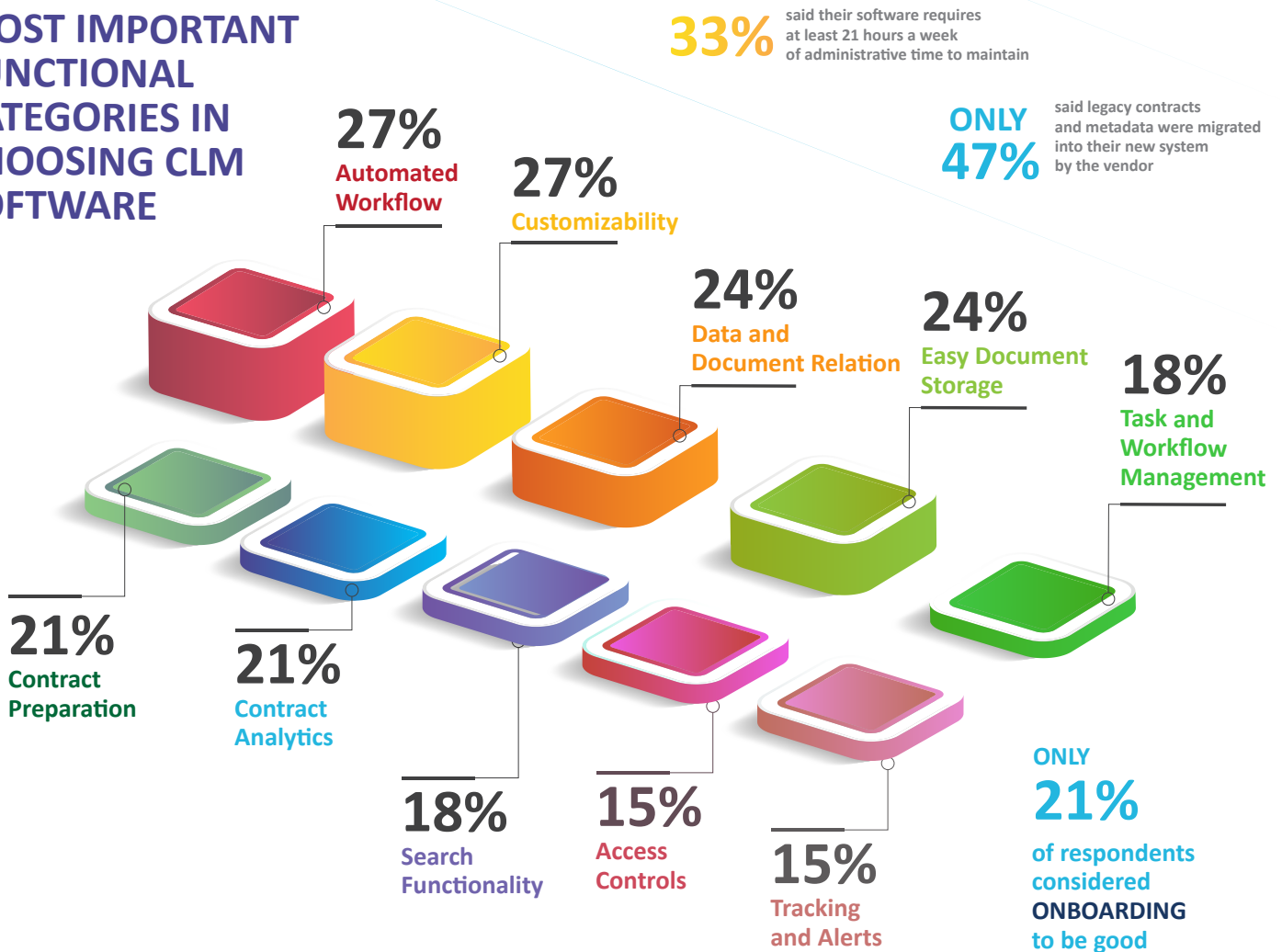


legal department size between
51 to 200 members

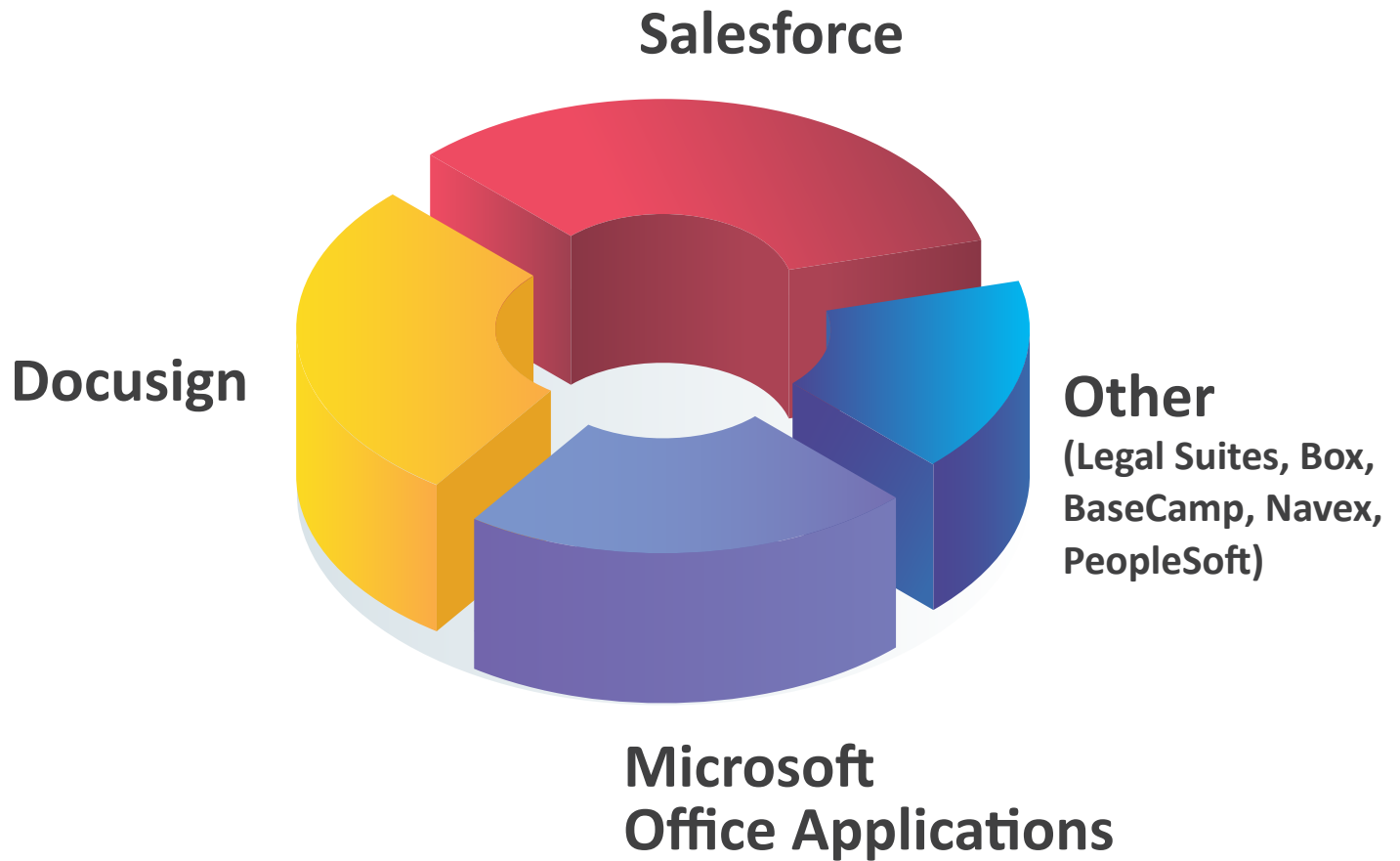
MOST IMPORTANT FACTORS IN CHOOSING CLM SOFTWARE



MOST IMPORTANT FUNCTIONAL CATEGORIES IN CHOOSING CLM SOFTWARE



TOP APIs CONSIDERED MOST IMPORTANT FOR INTEGRATION WITH CLM SOFTWARE



68%

of respondents answered
that CLM software was
CUSTOMIZABLE to meet
their needs

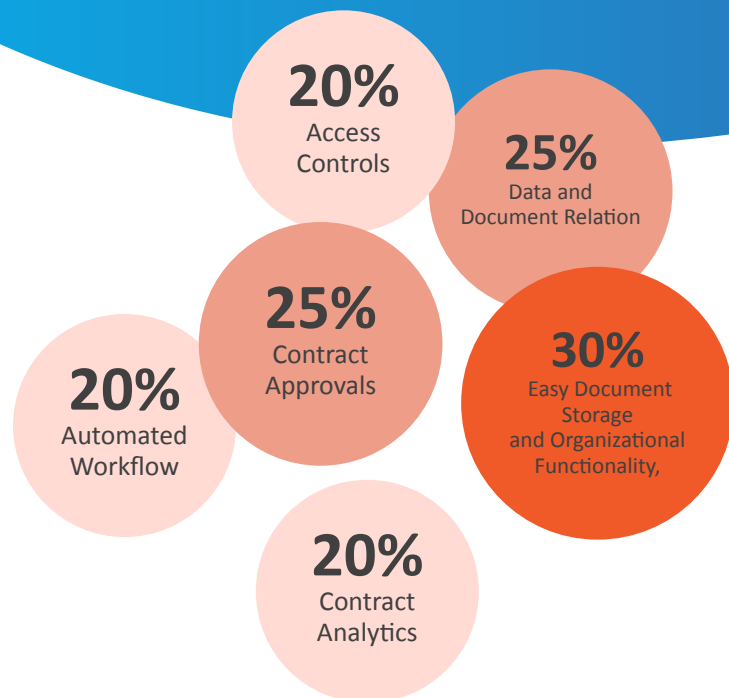
78%

respondents indicated that vendor was willing
to make changes or customizations

**ONLY
18%**

of respondents rated their vendor's ability,
speed and effectiveness with respect to making
changes as excellent

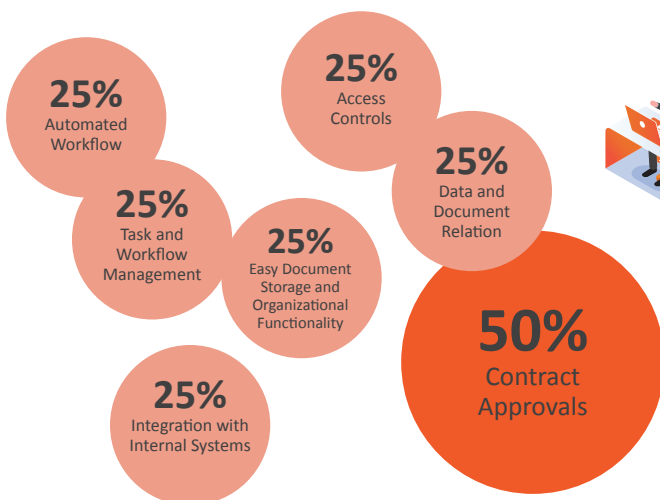
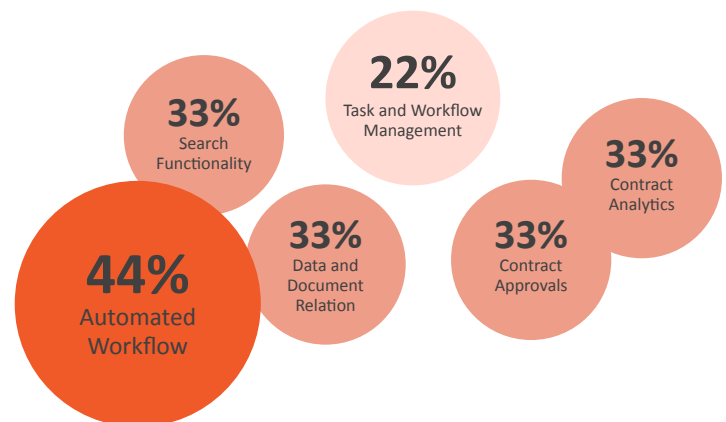
MOST IMPORTANT FEATURE OR FUNCTIONALITY WHERE CLM SOFTWARE IS EMPLOYED, BY DEPARTMENT SIZE



legal department size between
up to 10 members

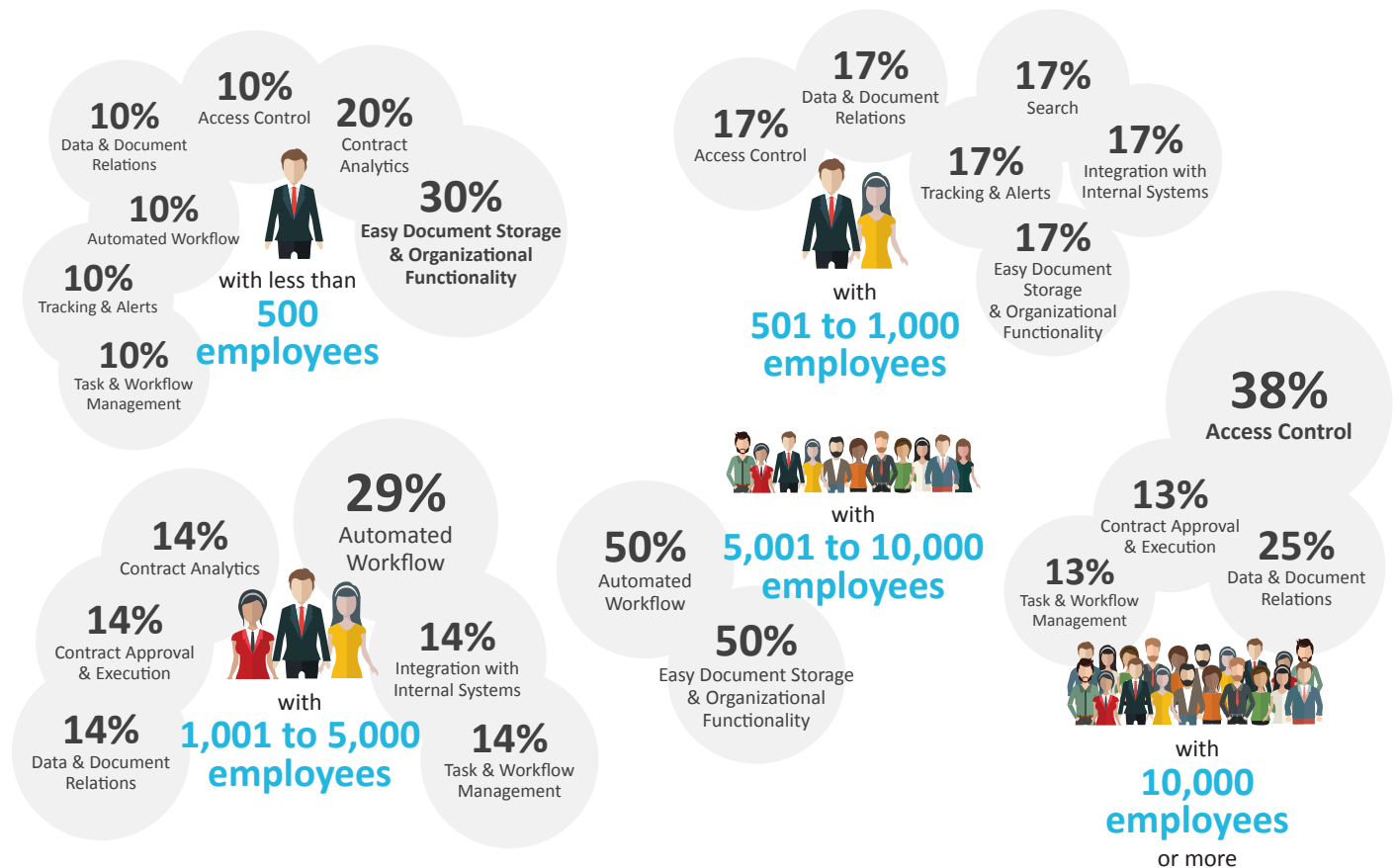


legal department size between
21 to 50 members

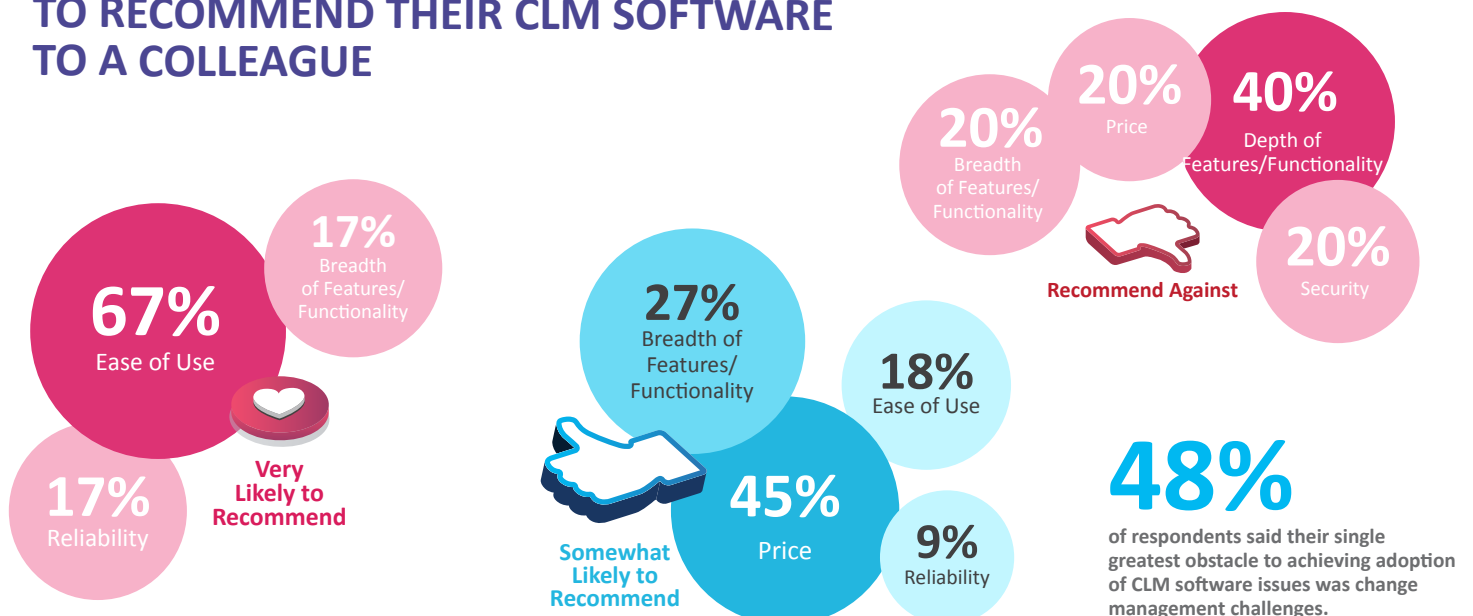


legal department size between
51 to 200 members

MOST IMPORTANT FEATURES OR FUNCTIONALITY OF CLM SOFTWARE BY TOTAL NUMBER OF EMPLOYEES



MOST IMPORTANT CLM SOFTWARE PURCHASE DECISION FACTORS, BY RESPONDENTS' LIKELIHOOD TO RECOMMEND THEIR CLM SOFTWARE TO A COLLEAGUE



REPORT CONTRIBUTORS



Brian Kudowitz currently leads the Corporate Legal Department Products portfolio at Wolters Kluwer U.S. Legal & Regulatory. He has been featured in media outlets, including LegalTech News, InformationWeek, and the New York Law Journal, speaks at legal industry events on a variety of issues. He has also been named a National Law Journal Cybersecurity and Data Privacy Trailblazer. Brian earned his law degree from Washington University School of Law and is a member of the New York Bar. He also has a B.S. in materials engineering from Rutgers University.

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Dr. Greta Zeimetz, CAE, is the CEO of the National Association of Legal Assistants, Inc. (NALA), a position she has held since 2015. Prior to NALA, Dr. Zeimetz was the Director of Education & Research of an association. She earned her Doctorate in Business Management in 2019 and holds an M.S. in Management & Organizational Behavior and a B.A. in Communications. Dr. Zeimetz is a published author and a frequent speaker at conferences and meetings. She is a member of American Society of Association Executives (ASAE) and serves on its Executive Management Section Council.

NALA is the leading paralegal association in the U.S. NALA provides current information about the profession, continuing education programs, networking opportunities, professional certification programs, occupational survey reports, and publications to help paralegals excel in the workplace. NALA is a non-profit organization, 501(c)(6), representing more than 18,000 paralegals, who are individual members or members of NALA affiliated associations.



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