

KNOWLEDGE BRIEF

**Icertis is Recognized as 2019 Technology
Leader in the Contract Lifecycle Management
(CLM) Market**

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BY



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Driven by the growing digital transformation across industry verticals, emerging innovative business models with a variety of licensing structures and diverse payment types, and ever-growing complexities of governance, risk, and compliance processes are driving the need for enterprise-wide smart contract lifecycle management systems. Traditional contract management systems were primarily designed to act as a contract repository for managing auditing and legal processes. The manual methods of managing contracts often incur huge administration costs and may cause revenue leakage, non-compliance of contractual terms, extend sales cycle time, and expand enterprise risk landscape. The modern contract lifecycle management (CLM) software has evolved significantly to include automation, advanced analytics, and artificial intelligence capabilities to enhance contracting performance, improve efficiency, minimize risks, and reduce administration costs.

Contract Lifecycle Management automates and streamlines the process of the end-to-end contract lifecycle, including contract creation, negotiation, approval, execution, analysis, compliance, and renewal/expiry. CLM software provides a centralized contract repository for all types of contracts and agreements including contracts from vendors, business partners, customers, employees, and such others. The CLM software often stores supplier data, contract terms, negotiated prices, and other information to provide centralized visibility, enabling companies to execute contractual agreements faster and efficiently. CLM software helps the organization to minimize administration costs and improve contractual performance, operational efficiency, and regulatory compliance.

Quadrant Knowledge Solutions recent study “*Market Outlook: Contract Lifecycle Management (CLM), 2019-2024, Worldwide*” analyzes market dynamics, growth opportunities, emerging technology trends, and the vendor ecosystem of the global market. This research provides strategic information for technology vendors to better understand the market supporting their growth strategies and for users to evaluate different vendor capability, competitive differentiation, and its market position. The research includes an in-depth analysis of major CLM vendors evaluating their technology capabilities, market presence, and overall customer value proposition. The evaluation is based on primary research with expert interviews, analysis of use

cases, and Quadrant's internal analysis of the global contract lifecycle management market.

Market Dynamics and Trends

Contract lifecycle management market is expected to grow significantly during 2019-2024

The following are the key research findings of Quadrant's contract lifecycle management research:

- ◆ The contract lifecycle management market is expected to increase considerably in the next five to six years from the market size of \$983.5 million in 2018 to over \$3.04 billion by 2024. The global market is expected to grow at a compounded annual growth rate (CAGR) of 20.7% from 2019-2024.
- ◆ The CLM application's value proposition of automating the contracting processes along with providing a centralized repository with consistent metadata tagging of contract terms & conditions, collaboration portal, negotiation intelligence, and contract analytics to optimize contract performance, improve compliance, and minimize administration costs are driving the market growth across the geographical regions and industry segments.
- ◆ Contract lifecycle management is evolving from an operational contract repository system to manage contracts for audit, legal, and compliance purposes, to a strategic investment for improving contract performance and minimizing business risks across an enterprise environment. Organizations are increasingly integrating CLM with their sourcing, procurement, CRM, ERP, e-signature, and other systems to enhance the performance of operational, financial, and risk management processes.
- ◆ CLM vendors are increasingly investing in artificial intelligence, machine learning, and advanced analytics to improve automated data extraction and metadata tagging of legacy contracts, provide AI-powered guidance for contract authoring in selecting right templates and clauses, enhance NLP (natural language processing) based search capability, and gain intelligent insights to identify emerging risks, obligations, and opportunities from enterprise-wide data assets.

- ◆ The key competitive and technology differentiators for evaluating contract lifecycle management software include the breadth of technology capabilities, ease of configurability and customization, robust collaboration and negotiation functionality, sophistication of contract analytics to provide advanced insights, integration & interoperability, and maturity of AI and ML capabilities to improve contract visibility, efficiency, and performance.

SPARK Matrix Analysis of the Global Contract Lifecycle Management Market

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Quadrant Knowledge Solutions conducted an in-depth analysis of the major contract lifecycle management software vendors by evaluating their product portfolio, market presence, and value proposition. The CLM market outlook provides competitive analysis and a ranking of the leading vendors in the form of a proprietary SPARK Matrix™. SPARK Matrix analysis provides a snapshot of key market participants and a visual representation of market participants. It provides strategic insights on how each vendor ranks related to their competitors, concerning various performance parameters based on the category of technology excellence and customer impact. The evaluation is based on the primary research with expert interviews, analysis of use cases, and Quadrant's internal analysis of the overall contract lifecycle management market.

Technology Excellence	Weightage
Sophistication of Technology	20%
Competitive Differentiation Strategy	20%
Application Diversity	15%
Scalability	15%
Integration & Interoperability	15%
Vision & Roadmap	15%

Customer Impact	Weightage
Product Strategy & Performance	20%
Market Presence	20%
Proven Record	15%
Ease of Deployment & Use	15%
Customer Service Excellence	15%
Unique Value Proposition	15%

According to the SPARK Matrix analysis of the global CLM market, “Icertis, with its comprehensive and end-to-end contract management platform has

secured the highest ratings for the overall parameters of technology excellence and customer impact. Icertis has been positioned as the clear technology leader in the 2019 SPARK Matrix of the global contract lifecycle management market.”

Figure: 2019 SPARK Matrix
 (Strategic Performance Assessment and Ranking)
 Contract Lifecycle Management (CLM) Market

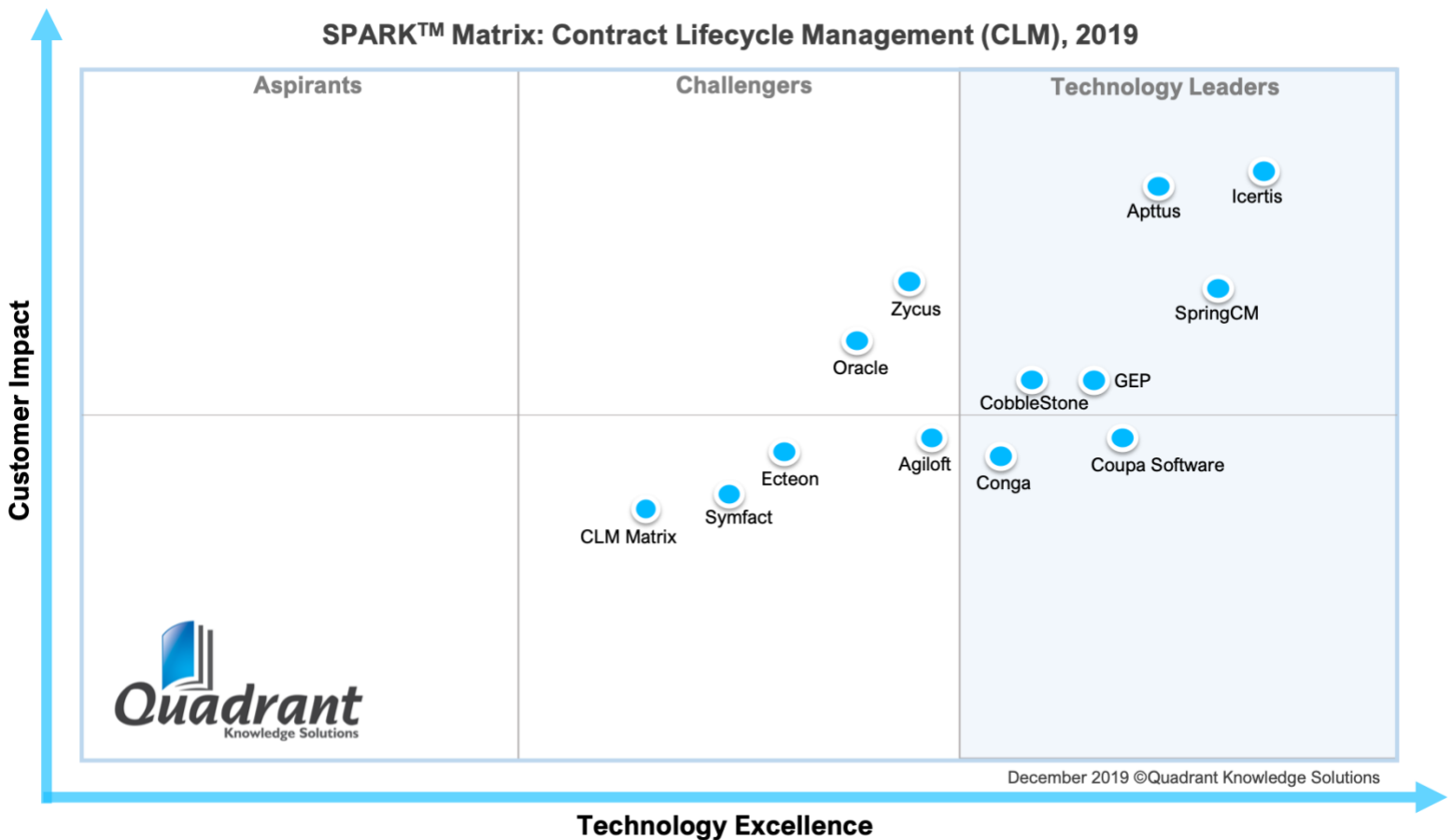


Figure: 2020 SPARK Matrix Analysis

Technology Excellence: Contract Lifecycle Management Vendors Performance against Average Rating

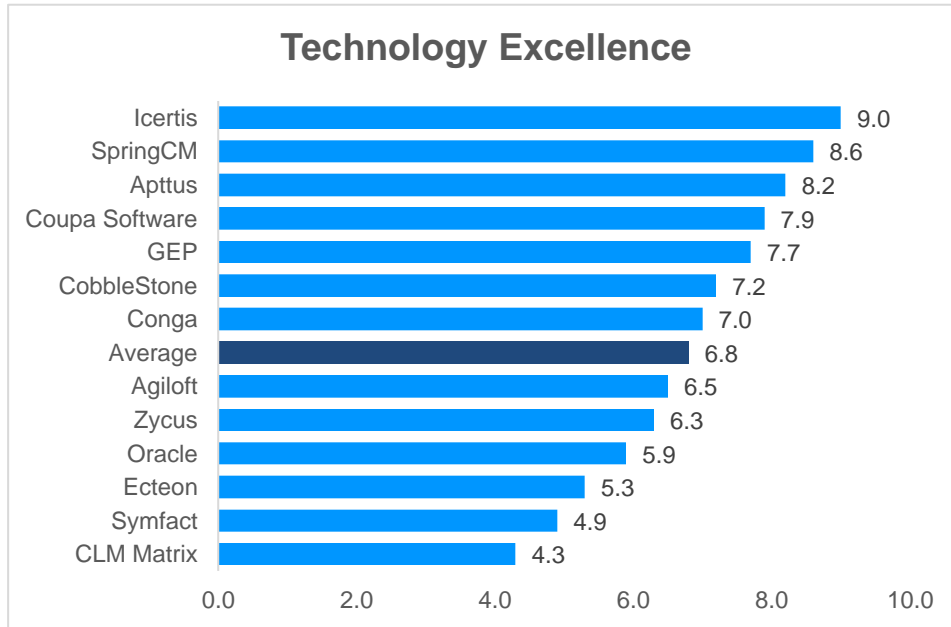
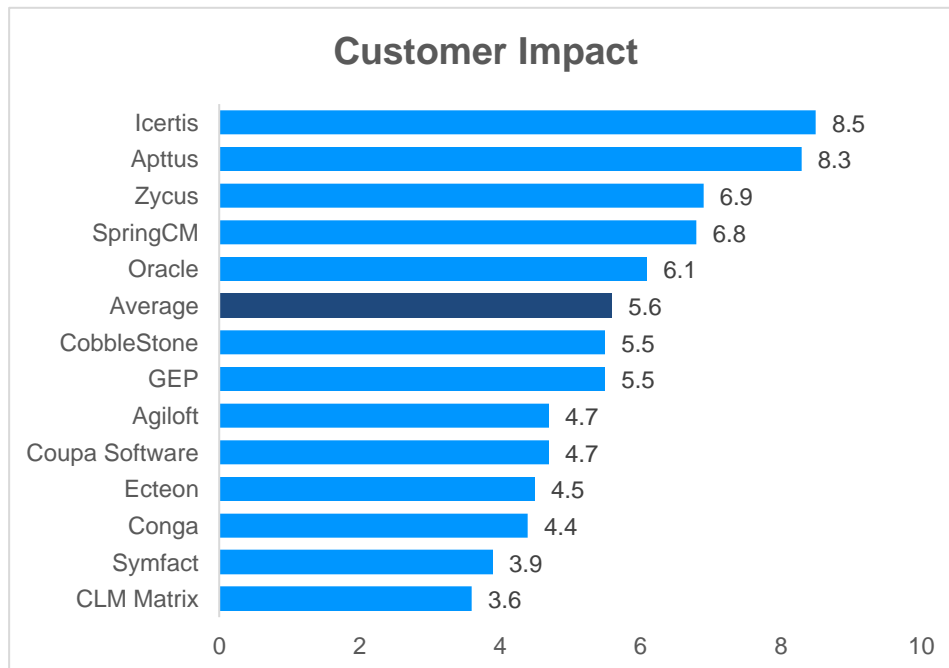


Figure: 2020 SPARK Matrix Analysis

Customer Impact: Contact Lifecycle Management Vendors Performance against Average Rating



Icertis Capabilities in the Global Contract Lifecycle Management Market

Founded in 2009, Icertis is amongst the leading vendors of contract lifecycle management software in the cloud. The company provides the Icertis Contract Management (ICM) platform along with several business applications to address specific business requirements, including sourcing, obligation management, clinical trials & budgeting, GDPR compliance, promotions & rebates, proposals, and a collaboration portal. The ICM platform offers comprehensive CLM functionality, including smart contract initiation, negotiation & collaboration, contract approval & execution, risk management & compliance, contract analytics, contract visibility, and search.

- ◆ **Smart Contract Initiation:** ICM also offers self-service contracting, which enables business users to create rule-based contracts that leverage templates, clauses, and business rules set-up by administrators. The contract creation API connects into sell-side and buy-side processes to take input and auto-build contracts based on the defined business rules. The automated and intelligent contract authoring improves consistency, speed to market, and contract governance.
- ◆ **Negotiations and Collaboration:** ICM platform provides a secure online portal for easy collaboration between vendors and third parties. Vendors and third parties can register and get online access to their contracts, submit contract redlines, review contracts, upload compliance documentation, get alerts, and update obligation assignments. The platform also supports email-based collaborations enabling auto-uploads of emails and attachments to the system. The centralized collaborative portal acts as a single source of truth for all contracts related information. ICM also includes digital contract redlining and version management to improve negotiation governance. All redlines are saved as new contract versions and evaluated for their impact using approval workflows with exceptions routed through the appropriate review process. With the MS Word add-in, users can review, compare, or combine versions. ICM also provides contract negotiation intelligence to improve turnaround times with improved collaboration, automated tracking, and contextual insights to perform informed negotiation processes. To assist in the negotiation process, users can view a complete history of third-party relationships and their associated risks across the organization's divisions in real-time.

- ◆ **Contract Approval and Execution:** ICM includes a robust, configurable rule-based workflow engine which dynamically orchestrates the approval process, with support for sequential and parallel approvals. With an intuitive interface, business users can easily define and update workflow rules based on negotiation updates to ensure governance. Additionally, ICM provides out-of-the-box integration with e-signature platforms, including DocuSign, Adobe Sign, and others, to ensure seamless and secure contract execution.
- ◆ **Risk Management and Compliance:** The platform includes governance, risk and compliance (GRC) solution with a configurable risk model to provide proactive insights on risk and compliance. It also helps organizations to proactively identify, assess, and manage risks across contract categories such as financial, contractual performance, third-party, and others throughout the contract lifecycle. Users can create a rule-based relationship between contracts for improved compliance enforcement of contract terms, SLAs, financials, and such others. The smart linking provides contextual access to related documents of all the projects and agreements, enhances contract visibility across the value chain, and enables users to drive alignment of terms.
- ◆ **Contract Analytics:** ICM also provides contract analytics to monitor various performance metrics across the contract lifecycle, including negotiation, approval, performance, expiry, and renewal to reduce risk and improve overall contract performance. It includes several best-practice metrics for both sell-side and buy-side contract types.
- ◆ **Contract Visibility and Search:** The ICM platform provides an enterprise-wide centralized repository with robust search capability to consolidate and access all contract information from a single location. With built-in OCR capabilities, users can search the full text of the documents, including metadata. It also provides Smart Links to provide 360-degree visibility of related transactions and associated datasets related to contracts. Organizations can configure user-defined and exception-based notifications and alerts to get information about events that occur throughout the contract lifecycle.
- ◆ **AI Applications:** The Icertis product portfolio also includes AI applications such as DiscoverAI, NegotiateAI, and VisualizeAI to improve contract performance while reducing risk.

- **DiscoverAI** automatically digitizes and analyzes third-party contracts to identify contract attributes and clauses and then match them to enterprise definitions and clause library to address deviations.
- **NegotiateAI** provides AI-powered insights to assist in optimizing the negotiation process while reducing risk and improving compliance.
- **VisualizeAI** enables users to visualize and discover complex relationships across contract portfolio for informed decision making while minimizing risks.

Analyst Perspectives

Icertis is amongst the leading innovators offering sophisticated CLM functionality for contract creation, execution, collaboration, negotiation, and risk management across all type of contracts, including buy-side, sell-side, and corporate contracts. Additionally, Icertis' ICM platform offers robust contract analytics, visualization, and search capabilities to help organizations significantly improve contract performance and minimize risks. The platform's usability, configurability, workflow, and business rules capabilities offer a strong customer ownership experience. ICM seamlessly integrates with major ERP, sourcing, procurement, CRM, CPQ (Configure, Price, Quote), product lifecycle management, project management, service management and document management solutions to provide global enterprise-wide visibility, governance, and compliance performance. The company is well recognized in delivering comprehensive professional services and has large clients in the automotive & transportation, manufacturing, professional services, healthcare, pharmaceuticals, financial service industries. The company also offers the Icertis Blockchain Framework, which enables enterprise organizations to enhance transparency across the supply chain, facilitate smart contracting, ensure ethical sourcing, and improve regulatory compliances.

Icertis continues to invest significantly in improving its AI and predictive analytics capabilities to enhance contract execution, visibility, compliance, and risk management processes by leveraging advanced insights from enterprise-wide data assets. Icertis, with strong overall rating across technology excellence and customer impact, has been positioned amongst the 2019 technology leaders in the SPARK Matrix evaluation of the global contract lifecycle management market.