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

1. Professional Services
2. Banking and/or Lending
3. Healthcare / Oil, Gas, and Energy
4. Real Estate and Construction
5. Insurance
6. Technology
7. Manufacturing
8. Non-profit
9. Hospitality, Airlines, and Transportation
10. Retail

RESPONDENTS BY COMPANY’S ANNUAL REVENUE

- 35% Annual revenue between $50M to $999.99M
- 34% Annual revenue less than $4.99M
- 16% Annual revenue between $1B to $4.99B
- 14% Annual revenue more than $5B
RESPONDENTS BY DEPARTMENT BUDGETS

- 4% Budget between $5M to $10M
- 7% Budget between $2M to $5M
- 15% Budget between $1M to $2M
- 64% Budget of less than $1M
- 3% Budget of more than $20M
- 5% Budget between $10M to $20M

RESPONDENTS BY LEGAL SOFTWARE BUDGET

- 16% Budget between $10,001 and $20,000
- 52% Budget of less than $10,000
- 8% Budget between $50,001 and $100,000
- 11% Budget between $20,001 and $50,000
- 6% Budget of more than $250,000
- 7% Budget between $100,001 and $250,000
RESPONDENTS WHO USE FORMAL CONTRACT LIFECYCLE MANAGEMENT SOFTWARE

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

USE
CLM Software

22%

DON’T USE
CLM Software

78%

WHICH CLM SOFTWARE DOES YOUR COMPANY USE?

9.8%
Contract Insight by Cobblestone Software

19.6%
Apttus Contract Management by Apttus

14.6%
Legisway

9.8%
OnBase by Hyland

4.8%
DocuVantage OnDemand by Document Advantage

4.8%
Universal Contract Manager by iContracts

4.8%
Lextree by Berkman Solutions

4.8%
Contract Logix by Contract Logix

4.8%
Contract Assistant by Blueridge Software

4.8%
Conga Contracts by Conga

14.6%
Legal Tracker, formerly Serengeti

4.8%
Contract Express by Thomson Reuters

14.6%
Legal Suite

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COMPANIES WHO USE CLM SOFTWARE BY NUMBER OF EMPLOYEES

- 53% of respondents have less than 500 employees
- 32% of respondents have 501 to 5000 employees
- 28% of respondents have 1,001 to 5,000 employees
- 18% of respondents have more than 10,000 employees

38% use CLM software

COMPANIES THAT USE CLM SOFTWARE BY LEGAL DEPARTMENT SIZE

- 42% of respondents have have less than 5 members
- 20% of respondents have 5 to 10 members
- 11% of respondents have 11 to 20 members
- 8% of respondents have 21 to 50 members

- 19% use CLM software
- 27% use CLM software
- 29% use CLM software
- 31% use CLM software

12.5 Years The Average Experience of Legal Departments that use CLM software
NUMBER OF LEGAL SOFTWARE USERS PER DEPARTMENT

- **1-5 Software Users**: 54.4%
- **6-10 Software Users**: 21.2%
- **11-20 Software Users**: 9%
- **20+ Software Users**: 15.4%

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**
- 40.40% Contract Request
- 64.90% Records Management
- 73.70% Storage
- 56.10% Alerts/Tracking
- 40.40% Audit/Reporting/Analytics
- 40.40% Renewal/Disposition

**Informal**
- 42.50% Preparation/Drafting/Assembly
- 41.30% Review/Negotiation/Redlining
- 40.00% Storage
- 35.00% Records Management
- 35.00% Searching/Retrieving

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

- 61% Use informal software for Preparation Phase
- 55% Use informal software for Review Phase
- 39% Use informal software for Execution Phase
- 36% Use informal software for Approval Phase
- 30% Use informal software for Audit Phase
- 27% Use informal software for Records Phase
- 26% Use informal software for Storage Phase
- 21% Use informal software for Alert Phase
- 18% Use informal software for Renewal Phase
- 18% Use informal software for Other Phase

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

- Budget less than $10,000
  - 86% Searching
  - 79% Storage
  - 64% Renewal
  - 67% Approval
  - 67% Audit
  - 56% Execution

- Budget between $10,001–$50,000
  - 78% Searching
  - 78% Storage
  - 67% Approval
  - 67% Audit
  - 56% Execution

- Budget between $50,001–$250,000
  - 83% Searching
  - 83% Audit
  - 100% Records
  - 100% Audit
  - 100% Storage
  - 100% Contract Request

- Budget more than $250,000
  - 100% Searching
  - 100% Audit
  - 100% Storage
  - 100% Contract Request
  - 100% Records
MOST COMMON PHASES WHERE CLM SOFTWARE IS EMPLOYED, BY DEPARTMENT SIZE

- **80%** Storage
- **75%** Searching
- **60%** Alerts

Legal department size between **up to 10 members**

- **100%** Searching

Legal department size between **11 to 50 members**

- **100%** Searching
  - **89%** Records
  - **78%** Storage

- **100%** Prep
- **100%** Review
- **100%** Execution
- **100%** Renewal
- **100%** Audit
- **100%** Approval

Legal department size between **51 to 200 members**
Ease of Use: 67%
Price: 58%
Depth of Features/Functionality: 55%
Breadth of Features/Functionality: 36%
Reliability: 33%
API Feasibility: 18%
Customer Support: 9%

said legacy contracts and metadata were migrated into their new system by the vendor

Only 29% rated the process of learning how to use their software as easy and intuitive

26% were very satisfied with the overall quality of the vendor’s customer service

24% were very satisfied with training by the vendor

Only 47% said their software requires at least 21 hours a week of administrative time to maintain

The process of learning how to use the software was rated as easy and intuitive by 29%.

26% were very satisfied with the overall quality of the vendor's customer service.

24% were very satisfied with the training provided by the vendor.

Only 47% of the respondents consider the onboarding process to be good.

Most important factors in choosing CLM software:

- Automated Workflow: 27%
- Customizability: 27%
- Data and Document Relation: 24%
- Easy Document Storage: 24%
- Task and Workflow Management: 18%
- Contract Preparation: 21%
- Contract Analytics: 21%
- Search Functionality: 18%
- Access Controls: 15%
- Tracking and Alerts: 15%
TOP APIs CONSIDERED MOST IMPORTANT FOR INTEGRATION WITH CLM SOFTWARE

Salesforce
Docusign
Other (Legal Suites, Box, BaseCamp, Navex, PeopleSoft)
Microsoft Office Applications

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**

- 20% Access Controls
- 25% Contract Approvals
- 20% Automated Workflow
- 25% Data and Document Relation
- 30% Easy Document Storage and Organizational Functionality

**Legal department size between 21 to 50 members**

- 33% Task and Workflow Management
- 33% Search Functionality
- 22% Easy Document Storage and Organizational Functionality
- 25% Data and Document Relation
- 33% Contract Approvals
- 33% Contract Analytics

**Legal department size between 51 to 200 members**

- 25% Automated Workflow
- 25% Access Controls
- 25% Task and Workflow Management
- 25% Data and Document Relation
- 25% Easy Document Storage and Organizational Functionality
- 25% Integration with Internal Systems
- 50% Contract Approvals
- 33% Contract Approvals
- 33% Contract Analytics

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THE NATIONAL ASSOCIATION OF LAWYERS AIDING AIDING
MOST IMPORTANT FEATURES OR FUNCTIONALITY OF CLM SOFTWARE BY TOTAL NUMBER OF EMPLOYEES

- Data & Document Relations: 10%
- Access Control: 10%
- Automated Workflow: 10%
- Tracking & Alerts: 10%
- Task & Workflow Management: 10%
- Contract Analytics: 14%
- Contract Approval & Execution: 14%
- Data & Document Relations: 14%
- Easy Document Storage & Organizational Functionality: 14%
- Task & Workflow Management: 14%

- with less than 500 employees
- with 501 to 1,000 employees
- with 1,001 to 5,000 employees
- with 5,001 to 10,000 employees
- with 10,000 employees or more

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

- Ease of Use: 67%
- Breadth of Features/Functionality: 27%
- Integration with Internal Systems: 17%
- Tracking & Alerts: 17%
- Search: 17%
- Data & Document Relations: 17%
- Access Control: 17%
- Task & Workflow Management: 14%
- Automated Workflow: 29%
- Easy Document Storage & Organizational Functionality: 50%
- Access Control: 38%

- Recommend Against: 40%
- Depth of Features/Functionality: 20%
- Price: 20%
- Breadth of Features/Functionality: 20%

- of respondents said their single greatest obstacle to achieving adoption of CLM software issues was change management challenges.
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.