COMPLEX CONTRACS IN CONSULTING
How to eliminate contractual risks?

Based on our experience with clients, we have become experts in solving the most common contract challenges **in the consultancy industry**. This deep-dive paper provides you with a clear overview of the top 3 contract situations you may encounter in the consultancy industry & how to resolve the challenges they bring.

SITUATIONS

1. Constantly changing regulations

Consultancy companies often handle high-value contracts, with complex regulations that are prone to change. For example, we think of legislation around liability, conflict of interest or confidentiality. As a legal team, it is important to be aware of certain changes and then to follow them correctly in order to avoid legal disputes and/or financial damage.

2. Risk management & security

Identifying, evaluating and monitoring risks is essential to avoid legal conflicts. Examples of these risks include: legal risks (incorrect wording or interpretations), operational risks (process failures such as lack of control) and compliance risks (failure to comply with regulations). It is important to monitor all these risks correctly to avoid legal problems.

3. Mergers and acquisitions

Organising an acquisition or merger perfectly is important for a smooth start. From our experience with several companies in the consulting sector, we see that when conducting due diligence, many companies simply fail to retrieve as much as 25% of their contracts. This results in the non-recovery of 60% of important information. As a result, legals, CEOs or CFOs often spend months trying to organise due diligence. This inefficient process is time-consuming, and as everyone knows: time = money!

CHALLENGES

1. Meet all the imposed regulations

Legal problems arise when new contracts such as leases or customer contracts are concluded that do not comply with the new regulations (e.g. adaptation of the Companies and Associations Code) for these contracts. This can result from insufficient (or even just no) comprehensive review by a legal professional. But how do you ensure that all contracts are checked by the right person?

2. Store all contracts in one centralized and secure place

It is important to manage all your risks responsibly. However, it is difficult as an organisation to maintain an overview of which risks now belong to which contracts. So how do you get that overview? Thanks to a central database, it is possible to efficiently get an overview of each contract and the associated risks.

3. Retrieving contracts

As discussed earlier, retrieving all your documents and contracts is a time-consuming process. These documents are often scattered across the entire organisation, or in the case of multiple branches, even across different locations. When you need an overview of all documents and contracts within the organisation, in a due diligence for example, this often means months of work and thus a lot of time wasted.

1. Approval Flows

Setting up standardised approval flows can ensure that every contract is approved and/or signed, in no time, by the right person. With Contractify, any authorised person can be notified when they need to perform a (legal) check of the document or contract. Within the software, you can add as many steps (and therefore persons) to your flow as you like. This ensures that what is written in the contract also conforms to the new regulations.

2. Contractify as a digital vault for all your contracts

Contractify can be seen as the safe and centrally located vault of the organisation with an overview of all final versions of your contracts or other documents. In this overview, it is possible to quickly track the status of all your contracts. This way, you have an overview of all contracts across the entire organisation in one space and can react efficiently in case of risks.

3. Contractify as a tool for due diligence

A dedicated software where you keep track of all the important documents in your business will allow you to get things in order temporarily. However, when a deal is completed, at best you get a dump of your documents that are not followed up any further. This ensures that if due diligence should occur again, you have to start from scratch again. In our experience, contract management software is the first step towards an up-to-date digital safe in which your contracts are managed centrally and permanently. This not only helps you in due diligence but also saves time in following up on contracts, among other things. You also have an overview of the status of all contracts within the organisation at all times.

Check all our business cases here 👀

1. **Upgrading your business in mergers and acquisitions.**

2. Management has a **clear overview of all contracts**, regardless of the location.

3. The company can **save a huge amount of money by avoiding unnecessary legal disputes.**

4. Far **greater control and peace of mind** that high-risk, high-value contracts are followed up correctly

WHAT IS THE BEST CONTRACT MANAGEMENT STRATEGY FOR YOUR BUSINESS?

Let's discover it together! Schedule a meeting with our expert Ruben to see our contract management solution, tailored to the needs of your organisation and sector.

GET IN TOUCH