

Guide to Contract Management

Berkman | Solutions

Berkman | Solutions

10260 SW Greenburg Road, 4th floor
Portland OR 97223
United States

1 (855) 517-2193 North America
+1 (503) 517-4293 Worldwide
www.BerkmanSolutions.com
info@berkmansolutions.com

General **principles**



Simplicity before complexity



Metadata tracking

Alert automation

Routine reports



Data with documents



All contract data

All documents

One location



Custom over canned



Your labels

Your fields

Your reports

Your alerts



Alerts not notes



Automatic alerts

Tailored rules

Global & specific



Reports not files



Access all data

Custom layout

Scheduled reports

Basic **metadata**



Title

The title of the contract is usually at the top of the agreement

Type of contract

5 — 15 contract categories are critical for reporting and analysis

Description

A short summary of the contract's purpose, without repeating other data

Party

The legal name of your organization, whether parent, subsidiary, or affiliate

Counterparty

The other party to the contract

Start date

Either the effective date or the execution date of the contract

End date

The date the contract expires, unless it is evergreen

Notice date

For auto-renewal contracts, the date notice is due to prevent renewal

Business unit

The internal department or division that the contract benefits

Responsible person

The business person with direct responsibility for the relationship

Continuous **management**

Lifecycle

The history of the agreement based on every major stage

New contract

The start of the contractual relationship

Each amendment

An amendment is a significant event, even if the change is small

Approvals

Each internal approval is a lifecycle event for the contract

Tasks

The activity to preserve rights, to meet obligations, or to provide information

Audit

Conduct or respond to an audit pursuant to the contract

Certificate

Obtain or provide insurance certificates or performance bonds

Report

Provide or receive reports to internal constituents or to the counterparty

Review

Review an aspect of the contract or the counterparty

Financial **management**



Assets

The subject of a contract, such as a building or intellectual property

Title

A short title for tracking the asset and related reports

Categories

Accounts receivable, equipment, inventory, real estate, etc.

Description

Summary information: asset ID, value, owner, rights holder

Location

The place where the asset is located or the identification method

Terms

The distinct transactions described in the contract

Summary

A short title and categorization: (income v. expense; asset v. liability)

Payment type

Categorize transactions: fixed price, reimbursement, incentive, time, etc.

Timing

Payments are contingent, one-time, or recurring (+ the frequency)

Amount

The amount for each transaction in the contract

“ Example

Company A (the party) sells (financial term 1) a piece of industrial equipment (the asset) to Company B (the counterparty) for \$1,000,000 (financial amount). Company B leases (financial term 2) the equipment back to Company A for 12 months for 12 equal payments of \$100,000 (financial amount).



Legal & **compliance**

Legal

The important provisions as a matter of policy or for the specific deal

Summary

Provision number and title in the contract

Categories

Performance, condition, assignment, covenant, condition, etc.

Obligation type

Performance obligations either require, permit, or prohibit action

Text

Isolate the text of the specific provision for easy reference

Compliance

The obligations from external sources, often federal, state, or local law

Summary

A short title and categorization of the regulatory or compliance issue

Reference

Maintain inventory of regulatory requirements for easy reference

Risk type

Breach of contract, civil damages, criminal liability, injunction, etc.

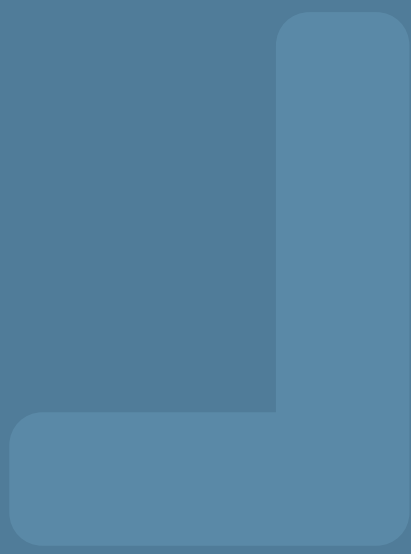
Review

Record the results of periodic compliance reviews of contracts

Automated **notification**



Schedule notices for key dates



Notify
30 days
before
expiration



Notify before auto- renewal

Reports & **analysis**

**Design
once.**

Reuse
many times

Contract list report

Contract portfolio report

Schedule

automated
distribution



Contract

management

is **risk**

management



Guide to Contract Management

Berkman | Solutions

Berkman | Solutions

10260 SW Greenburg Road, 4th floor
Portland OR 97223
United States

1 (855) 517-2193 North America
+1 (503) 517-4293 Worldwide
www.BerkmanSolutions.com
info@berkmansolutions.com