



The Hackett Digital World Class Matrix[™]
Contract Lifecycle Management (CLM) and Intelligence
Software Provider Perspective
Licensed by Raindrop

Executive summary | Contract lifecycle management and intelligence

Research overview



- The Hackett Group's research focused on 21 contract lifecycle management (CLM) and intelligence solution providers from a rapidly expanding and evolving set of AI-enabled CLM offerings in the market.
- This included representative vendors with combinations of platforms and capabilities, including source-to-pay (S2P) suites, CLM specialists, document automation specialists and legal information solution suites.
- Companies adopting leading-edge AI-enabled CLM solutions create significant competitive advantages in operational efficiency, organizational focus, data intelligence, compliance, and negotiation effectiveness.

Contract
lifecycle
management
capabilities



- Leading CLM solutions enable intelligent contract metadata extraction, tagging, categorization, clause libraries with standard and fallback language, clause comparisons and automated contract summarization.
- Select CLMs provide additional functionality, such as automated generation of contracts from requisitions or sourcing events, linkage to Purchase-to-Pay (P2P) solutions, conversational search, and analytics based on natural language processing. Gen AI capabilities are generally available across these offerings and evolving.
- 90% of those surveyed reported selecting S2P suite or CLM point solutions versus leveraging ERP suites.

Value realization



- 89% of customers were very satisfied to extremely satisfied overall with their CLM solution and the value for their investment.
- 81% of contract volumes were managed through the CLM solutions post implementation.
- Contract cycle times improved 38% on average through a combination of intelligent automation/AI, optimized workflow and improved visibility to contract status, risks, and milestones.
- On average, 80% of business improvement goals were achieved via CLM implementation and process redesigns.

Automation and intelligence



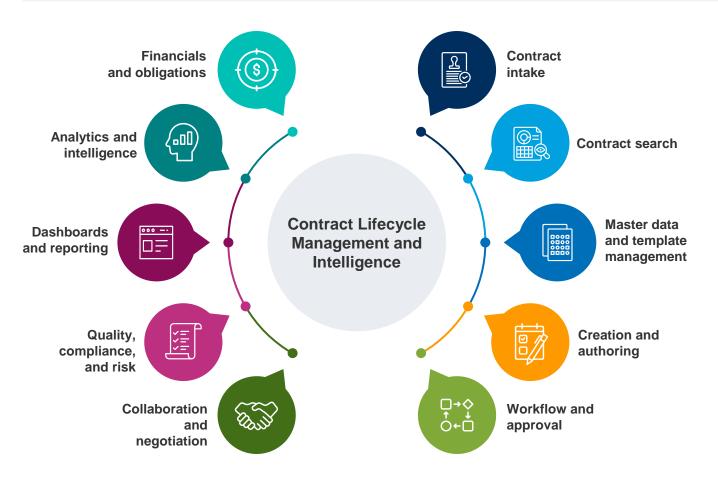
- The average CLM implementation drove a 63% improvement in contracting efficiency and automation.
- Leading solutions elevate contract quality and compliance with AI/Gen AI-assisted contract reviews, comparison of contract language to standards, and automated scoring of contract and supplier risks to inform stakeholders.
- Additionally, some solutions provide AI-enabled obligation management and milestone tracking to improve control
 over expenses, inform forecasts, identify noncompliant contracts and suggest remediation measures.

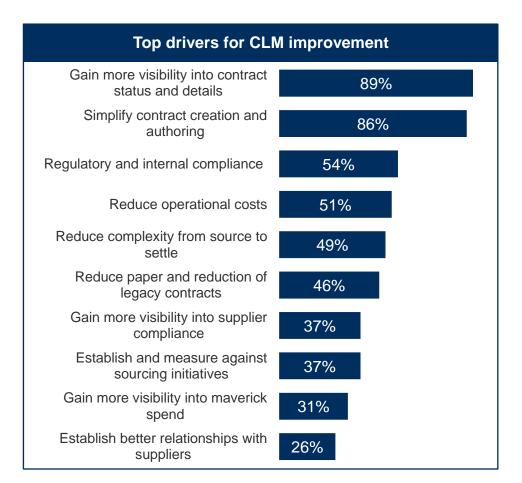


Scope for this edition of the Hackett Digital World Class Matrix™

What is Contract Lifecyle Management and Intelligence (CLM)?

Contract lifecycle management and intelligence spans the life of a contract from initiation through award, compliance, tracking and renewal. Implementing CLM solutions can lead to improvements in cost savings and efficiency, with continued growth of 11% projected for 2024.

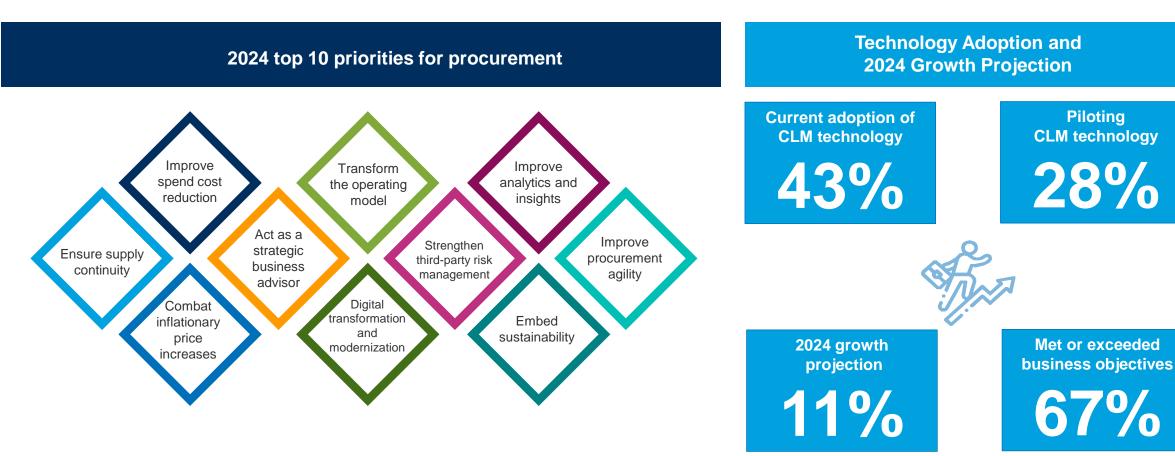






CLM solutions provide direct benefits to focus areas on the CPO agenda

Highlights from The Hackett Group's 2024 Procurement Key Issues Study:

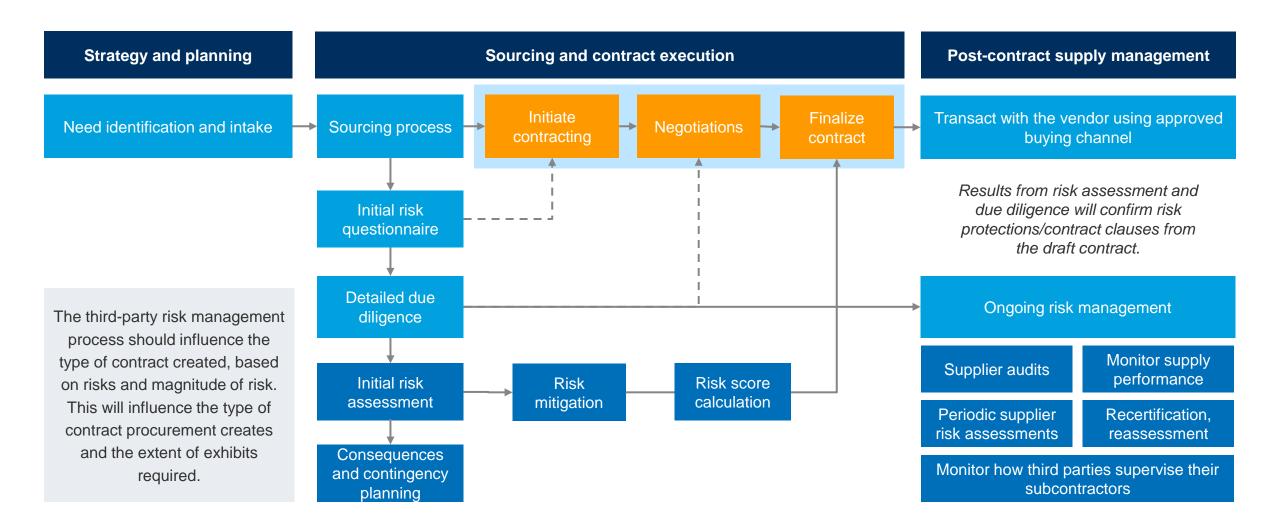




Spend cost reduction, supply continuity and inflationary price concerns feature as top priorities for CPOs in 2024.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Contract lifecycle management processes link with sourcing and risk management





CLM solutions are a core component of upstream procurement tools within the source-to-pay ecosystem

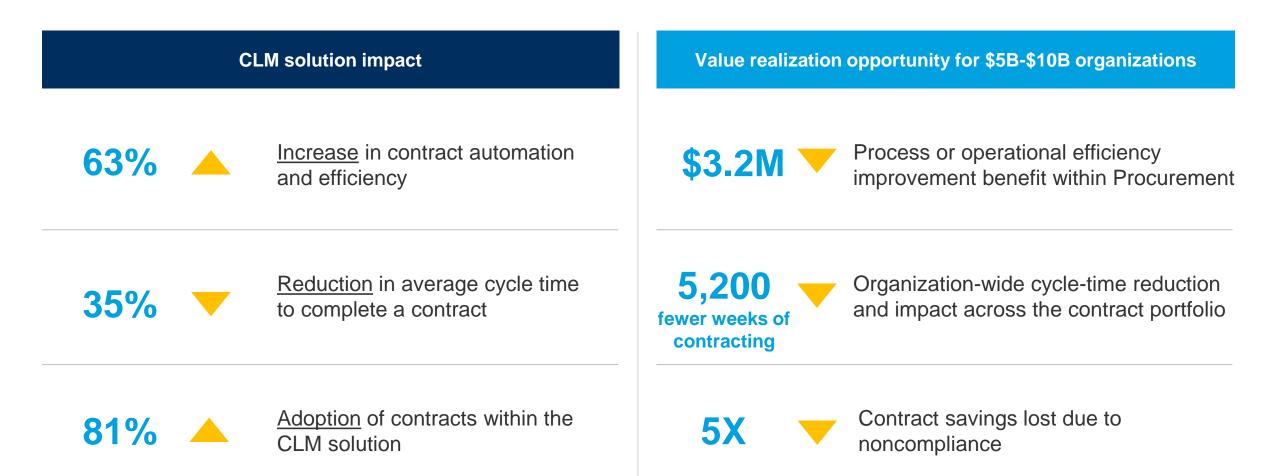
SOURCE-TO-PAY TECHNOLOGY ECOSYSTEM

					End-to-	end core proc	urement te	chnologies	;				
Upstream procurement tools						Downstream procurement tools							
S	pend analytics	tics E-sourcing Contract lifecycle management (CLM)			Services procurement		E-procurement		E-invoicing		E-payables	Supplier onboarding/portals	
op A re sp C ra	dentify category pportunities aggregate and eport on enterprise pend cleanse and ationalize spend ata	requirements contr Conduct RFx rise Evaluate suppliers Optimize bids Conduct e-auctions contr Main temp		contracts workf Maintain standard		nage requisition kflow nchmark rates ntain service eements ck time and proval workflow	e-catal nark rates n service ents me and e-catal supplie		ogs invo approved • Mate		р • Т р	Electronic payments Third-party payment programs Dynamic liscounting polutions	 Master data management (MDM) Supplier self- service Supplier registration Certification maintenance
Supporting and emerging procurement technologies													
	Supply risk nanagement	performance collab		anoration and		nagement and sa		pipeline Tail spe avings managemen king marketpla		nt and Sustainability/E		Advanced analytics	Data marketplace/data feeds
						Digital au	itomation						
	Generative artificial Cognitive intelligence (Gen AI) artificial in				c process tion (RPA)	Agile orcl	nestration	Intelligent data capture		capture	Conversational assistant/chatbot		Blockchain



Value realization | The "call to action" and Digital World Class® opportunity

CLM solutions deliver increased efficiency, faster cycle times, greater spend visibility, and controls



Executive insights Customer perspectives



Service delivery model considerations

Challenges or barriers to CLM process improvement:

- End users working outside of established processes or tools.
- Complexity of operating across multiple business units and countries.
- Clarity of ownership and responsibility across the process.
- Management buy-in for contract management and investment.
- Length of time to complete contracting process.
- Lack of budget for investment in new processes, talent or technology.

Types of solutions deployed:

- According to The Hackett Group 2024 Procurement Agenda and Key Issues Study, Source-to-Pay suites represent 51% of CLM solutions deployed.
- CLM point solutions represents 39% of deployments.
- The remaining 10% of CLM deployments were covered by ERPs.

Goals and objectives:

- A consolidated contract repository, transparency, visibility and enhanced compliance are the most frequently cited customer objectives.
- Improved automation, process alignment, integration with key systems, workflow, cycle times, metrics and reporting were also considered key objectives for many customers.
- Improving the strategic focus of legal and procurement, ease of use, and delivering a positive user experience were key secondary objectives.



Solution features and improvement opportunities

Solution features:

- Many CLM solutions enable full visibility to spend with user-defined or persona-based dashboards, robust reporting and visualizations, AI-powered decision support, and end-to-end analytics.
- Some CLM's provide additional functionality like optimization for mobile apps, automated generation of contracts from requisitions or sourcing events, linkage to P2P solutions, and conversational search and analytics based on natural language processing.

Improvement opportunities:

- Some customers indicated varying levels of success using AI for conversational search, creation of contracts (improving the output and receptivity from employees), and generating AI-driven contract reviews.
- Challenges with integrations and an inability to meet certain industry or regulatory requirements were highlighted as concerns by some customers.
- Some customers expressed a desire for more forward-looking KPIs (versus historical) and predictive analytics from their solution.
- A handful of solution providers offer implementation services only via third parties, which drove more variation in implementation success metrics.
- While a strength within many of the CLM solutions, a portion of customers reported contract metadata extraction quality being below expectations.
- A small percentage of customers reported that their CLM user interface was overly complex, difficult to navigate, and required significant training to adopt.



Executive insights | Vendor perspectives



Key software provider market characteristics

Growth estimates:

The 2024 growth projection for CLM-solution deployments is 11%.

Implementation, services and support:

- Contract lifecycle management implementations average six months, with 27% completed in under three months.
- 80% of customers reported strong satisfaction with the efficiency of their implementation, with the remaining 20% highlighting opportunities to better understand their contract processes and drive best practice design.

Value realization:

- The average CLM implementation drove a 63% improvement in contracting efficiency and automation.
- Contract cycle times improved 38% on average through a combination of intelligent automation, optimized workflow, and improved visibility.
- 89% of customers were very satisfied to extremely satisfied overall with their CLM solution and the value for their investment.

Experience and satisfaction:

- 87% of customers were very satisfied to extremely satisfied with their CLM solution's ease of use, intuitiveness and end-user experience.
- 83% of customers were very satisfied to extremely satisfied with the datavisibility and data-intelligence capabilities of their CLM solution.



Software provider differentiation focus areas

Integrations:

- Most CLM solutions integrate efficiently with a variety of source-to-pay suites, ERP platforms and eSignature solutions.
- Leading CLMs provide differentiation with integration to CRM suites, HCM suites, office productivity tools and risk management/financial services.

Platform flexibility:

 Leading solutions also include flexibility and optimal designs for multiple contract types (e.g., buy-side, sell-side, corporate, employment) allowing for broader contract adoption and wider organizational acceptance.

Al/Gen Al:

Top-performing solutions offer multiple sources of AI/Gen AI training data such as network transactions and large language models for less sensitive contracting processes, and client-specific/legal-approved content for more sensitive and higher-risk contracting processes.

Quality and risk management:

 Differentiation areas in quality and risk include intelligent multi-point risk scoring (clauses, contracts, supplier level, category level) and intelligent generation of remediation plans for noncompliant contracts.

Financial and obligation management:

 Select CLM solutions add value with intelligent obligation extraction, compliance monitoring, milestone tracking, budgetary/forecasting information and predictive analytics.



Contract lifecycle management | Foundational best practices

- Companywide standard CLM policies and procedures are in use.
- Standard contract templates are defined and enforced for categories, clauses and terms.
- Roles are specified and communicated to procurement, legal, sales, compliance, other internal stakeholders, and suppliers.
- Contracts are connected to the catalogs and item master file.
- Workflow is used to automate and monitor the contracting process.
- Automatic notification occurs within a predetermined period before the expiration of the contract to restart the renewal process.
- Automatic notification occurs when budget/contract limits are reached.
- Request for proposals (RFPs) are automatically populated from qualitative and quantitative data from supplier agreements.
- Corrective action plans are developed to address noncompliant contracts.
- Automatic archiving processes manage the removal and storage of inactive and expired contracts.





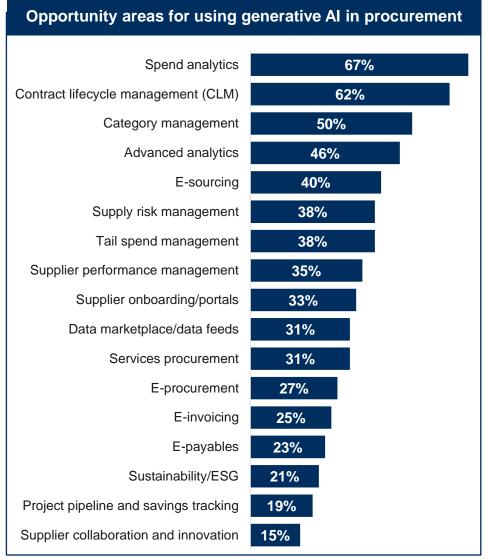
Source: The Hackett Group

Artificial intelligence use cases are expanding rapidly within CLM platforms

Spend analytics, contract lifecycle management, and category management are the biggest opportunity areas for using generative AI in procurement, according to Hackett's 2024 key issues study of procurement executives.









Contract lifecycle management and artificial intelligence

Al capabilities are extensive for contract intake, search, data management, creation, authoring and workflows.

Application of Al/Gen Al in CLM features



Contract intake

- Data extraction:
 - Al technology is being leveraged to extract, analyze and visualize contract data, centralizing and accumulating financial data to provide real-time insights.
- Contract categorization:
 With the help of the pattern,
 layout and structure of the
 document, contract types can be
 categorized irrespective of
 language.



Contract search

- Semantic search:
 - Utilize a Google-like natural language search rather than search based on exact Boolean text matches.
- Multilingual pattern identification:

Pattern identification within searches in various languages (which have multiple semantic and legal interpretations), helping make better and quicker connections.

Contextual search:
User and context knowledge for searches.



Master data and template management

- Template standardization: Record and standardize provisions and templates
 - provisions and templates companywide, enabling identification of noncompliance and ensuring that unfavorable provisions are dealt with promptly.
- Digital structuring:
 Al helps to load and analyze nondigital contracts, breaking up content into clauses.
- Al training: CLM vendors allow customers to train their Al to find specified data within contracts.



Creation and authoring

- Al-driven contract creation:
 Helps in generating contracts
 with natural language processing
 (NLP), suggests optimal contract
- language, considers specified criteria and finds similar contracts approved earlier.
- Drafting language:

Al assists with drafting contracts based on selection of clause types required within the contract.

- Contract summary:
- Contracts are condensed into executive-level summaries to simplify and focus executives and approvers on the language, clauses, and risks that require their primary attention.
- Model design and controls:
 Al supports flexible use of public and private models, empowering nontechnical users to create algorithms.

Workflow generation:
 The software can identify key data from contracts and initiate

workflows.

- Notifications and alerts:
 Users can be automatically notified of renewal dates, volume discount thresholds being reached, and other data to track milestones and manage budgets.
- Al decision support:
 The feature enables many vendors to provide redline insights, version management and dynamic, rule-based approval workflows.
- Customer service and category management:
 Al is powering customer support (chatbots) and service with high data quality.



Contract lifecycle management and artificial intelligence (cont'd)

Al usage is expanding and evolving in negotiations, analytics, financials and obligations management.

Application of Al/Gen Al in CLM features



Collaboration and negotiation

Contract interaction:

Al is being applied to the repository of digital contracts to allow for direct natural language inquiries of individual or groups of contracts.

Contract review:

This feature enables comparison of contract documents, to identify differences, similarities, and inconsistencies between language versions.

Redline recommendations:

Al is applied for contract negotiations to help guide and recommend the best redlines.

Negotiation intelligence:

Analyze high volumes of contracts, understand their component terms and clauses, and find similar precedents from across the entire contract repository.



Quality, compliance, and risk

Risk management:

Al technology spots risky terms and clauses with automated predictive analysis.

Risk scoring:

Calculates a risk score based on a combination of several factors (e.g., clauses used, past performance of similar contracts, historical data, obligations met thus far).

Contract profiling:

Profiling can be performed for contracts before signing, as well as for signed contracts. Accurate contract profile information provides the foundation for dashboards, reporting and analytics.

Contract review:

Al is used to accelerate contract reviews, including recognizing suboptimal clauses and terms, before proposing alternatives.



Dashboards and reporting

Dashboard query:

Enabling AI to query the dashboard helps in quick search and resolution.

Timeline management:

The feature enables tracking of volume discounts, prediction of contract completion dates, and provides better visibility to project managers and teams.



Analytics and intelligence

Data analysis:

Al helps uncover unexpected and design-shifting patterns in agreements that can change how a business runs.

Issue-specific insight:

Provides intelligence based on how a company deals with particular actions or issues.

Content-based intelligence:

Tracks terms of interest across all contracts and related documents to generate valuable data points for sales, procurement, risk, finance and other teams.

Client-specific analysis:

Offers insights on the particular client, clause or concern, and supports outlier analysis.



Financials and obligations

- Differentiator extraction:
 Identify patterns and pull out key
 differentiators that hold in
- differentiators that help in effective management of contracts.
- Obligation management:
 As events with existing contracts occur (or fail to occur), actions are triggered to enable correct handling of obligations and compliance.

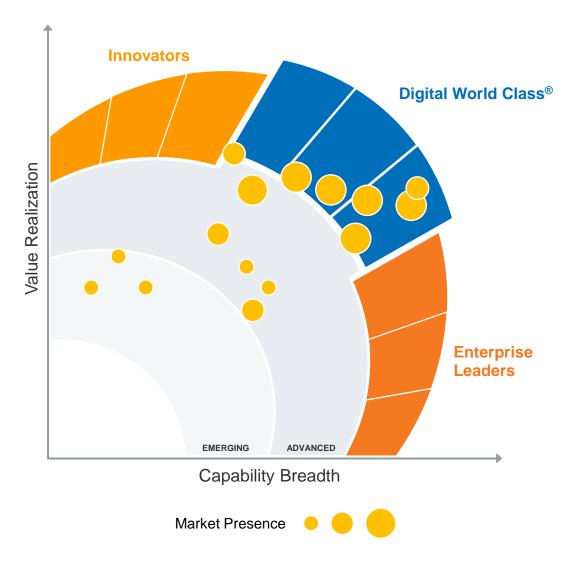




Defining Digital World Class® performance

How the Hackett Digital World Class[®] Matrix[™] creates a paradigm shift in the industry

- The **Hackett Digital World Class® Matrix** not only analyzes providers' differentiated capabilities, but it also assesses the value that organizations can expect software or services to deliver.
- **Value realization** is the missing piece in other vendor assessments, and arguably the most fundamental reason executives invest in new software or service providers.
- The Hackett Group is the only company **uniquely qualified** to evaluate both software and service provider capabilities and quantify expected value realization.
- With process-level performance metrics and best practice implementation intelligence from more than 25,000 benchmarks, including over 2,000 best practices from Digital World Class® leaders, we know what process leaders can expect to gain and how to accelerate value realization.
- Quickly assess the unique capabilities and value-realization impact to guide your investment decisions with **The Hackett Group Digital World Class®**Matrix.



Please refer to the "Important legal notice" at the back of this report for further information.



How to read the Hackett Digital World Class Matrix[™] software provider placements

DIGITAL WORLD CLASS®

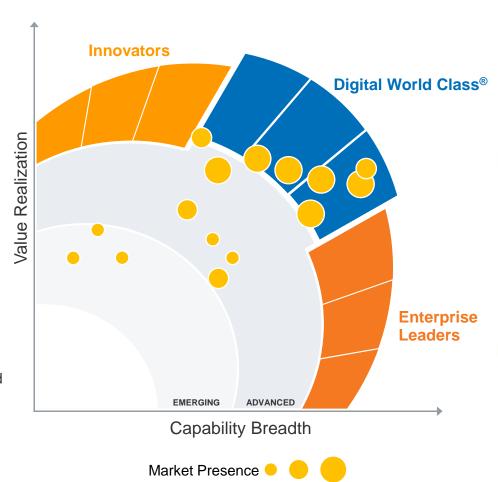
- These companies provide top performance in business value and operational excellence and support multiple customers in attaining Digital World Class performance.
- These companies have an expanded mix of solution capabilities and are achieving high customer satisfaction ratings in value realized.

INNOVATORS

- Innovators are delivering superior value realization to clients; however, they have limited scope and software/service features.
- While the companies in this space are focusing on a narrower scope, they are well-regarded by industry experts and users.

ENTERPRISE LEADERS

- Enterprise leaders focus on building strong, broad function-level capability through operational excellence within their platforms and flexibility in software and services for end-to-end processes.
- Enterprise leaders have a wide breadth in capability but have opportunities to improve delivery against key process performance metrics.



ADVANCED

- Advanced providers are established solutions offering strong capabilities and delivering solid overall business value to customers.
- Advanced solutions provide similar features and functionality to Digital World Class[®] with some opportunities to extend capabilities and optimize to generate additional customer value.

EMERGING

- Emerging providers are still developing and defining their capabilities and go-to-market strengths.
- Emerging providers possess limited market share but display a vision for growth.

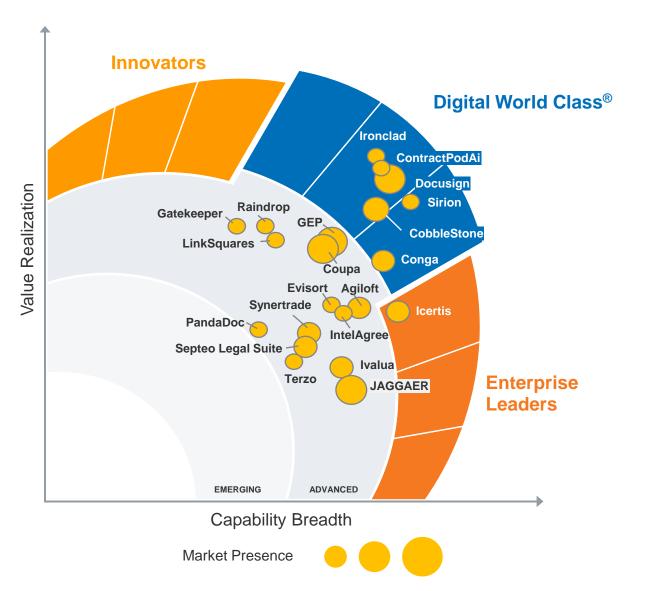
MARKET PRESENCE

 Market presence is determined by company revenue and years in the marketplace.





The Hackett Digital World Class Matrix[™] | Contract lifecycle management



Our observations

Market presence is determined by company revenue and years in the marketplace

The largest revenue share in contract lifecycle management is captured by the source-to-pay suites along with several widely used CLM-focused solutions. A group of innovative and flexible solutions provide buyers with other alternatives to adopt this technology rapidly in a targeted fashion.

Capability breadth measures the scope and depth of software features and functions

- All of these software providers are delivering powerful tools to improve end-to-end visibility of their contract management processes and better compliance with internal and external policies.
- Those farther to the right had broader ecosystems. integration capabilities, supporting infrastructure, and more robust functionality, including AI/Gen AI/ML.

Value realization measures the ability of the software to positively impact CLM performance metrics

Those landing higher in the matrix delivered greater results for automation and cycle-time improvement, as well as achieving greater overall success meeting business requirements and objectives.

For additional details on the software providers and the full research report contact advisor@thehackettgroup.com regarding the Executive Advisory Membership Program.



Software provider profile | Raindrop



COMPANY OVERVIEW

Raindrop is a modular, full-suite S2P platform provider that includes robust Contract Lifecycle Management. Built with Google Gen-Al technology and hosted in the Google Cloud. Founded by highly experienced procurement practitioners, technologists, and operational experts, we brings a fresh user experience to a mature industry in need of change.

Founded:	2019
Headquarters:	San Jose, California
Ownership:	Private



REPRESENTATIVE CLIENTS

worldpay IoT.nxt SEPHORA

WILLIAMS SONOMA

LANDS' ENDA

WORLD MARKET.



VISION/MISSION

"To be the most modern and industry-disruptive full-suite Source-to-Pay solution driven by AI, enabling customers to grow their business by quickly and easily managing their financial commitments."

PRODUCT OVERVIEW

Raindrop's CLM module offers an extensive solution for digitizing and efficiently handling contractual obligations within an organization. It converts contractual metadata into digital formats and enhances it with relevant contextual information, enabling business stakeholders to gain visibility and valuable insights.

- Utilizing Gen-AI, dynamic workflows, seamless RainSign eSignature and real-time supplier collaboration and auto-notifications, streamlining the entire contract lifecycle process.
- A centralized dashboard provides real-time visibility across all contract metadata, including status, milestones, and financial commitments.

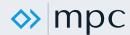
MAJOR PARTNERS





Google Cloud







YCP Consus

KEY SOFTWARE FEATURES



Al Contract Creation: Leverages Al to generate contracts from the ground up, considering predefined criteria like contract's nature, scope of work, terms and conditions stipulated, and the legal requirements.



Scalability: Platform's architecture is designed with a scalable approach which enables handling increasing numbers of contracts and users without sacrificing performance or dependability.



Collaborative Negotiation: Offers real-time collaboration among stakeholders, enabling negotiation, review, and redlining. Implement version control to track changes during negotiations, maintain history, and provide an audit trail, ensuring transparency throughout the process.



Robust Integration: Integrates with financial systems to track contractual spend commitments, monitor budget utilization, and forecast future expenses..



Analytics: Offers insights through analytics and reporting tools to identify trends, track performance, and optimize contract terms for cost savings and risk mitigation.

Hackett perspective Raindrop



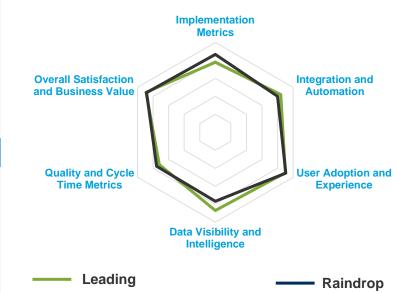
HACKETT COMMENTARY

"Raindrop was designed by procurement professionals for procurement with a source-to-pay platform that includes contract lifecycle management, intake orchestration and more. The platform is impressive with it's focus on functionality that matters, usability, and ease of adoption."

HACKETT VALUE PLACEMENT

- Raindrop's ecosystem includes contract lifecycle management, supplier management, sourcing RFX and auctions, collaboration, dynamic workflows, PR to PO, intake orchestration, payables and catalogs.
- Raindrop has partnerships with Ecovadis, Tealbook and other third-party partners along with linkage to Docusign, Adobe Acrobat Sign and RainSign for eSignatures.
- The solution supports multiple currencies and payment terms, and also applies languages from Google Translate.
- Customers rated Raindrop high for quality, overall satisfaction and business value generation.
- Customers also rated Raindrop highly for implementation metrics, user adoption and user experience.
- Raindrop uses a front-end transformative approach, working with their clients to define the strategy and right fit configuration for value realization.
- Raindrop's client mix is weighted to mid-market and North America-based companies and includes strong industry representation from consumer products and retail.

VALUE REALIZATION ASSESSMENT (CLM and Intelligence)



HACKETT CAPABILITY PLACEMENT

Hackett assessment

Contract Lifecycle Management

- Raindrop uses unique proprietary code and is built on the Google Cloud technology stack.
- It is designed by procurement professionals and focuses on delivering commonly needed functionality that is easy to adopt and highly intuitive.
- Raindrop has built-in intake orchestration.
- Approvers can view supporting metadata or autogenerated executive summaries prior to approval.

CAPABILITY ASSESSMENT (CLM and Intelliger	nce) -
Ability to address globally complex clients	
Ecosystem breadth (beyond CLM)	•
Platform structure and flexibility	
Integration, prebuilt connectors	
Implementation, services, and support	
Contract master data and template management	
Contract creation and authoring	
Workflow and approvals	•
Collaboration and negotiation	
Quality, compliance, and risk management	•
Information, dashboards, analytics	•
Al/ML, Gen Al, automated intelligence	•

HACKETT CAPABILITY PLACEMENT

Hackett assessment

Analytics and Intelligence

- Raindrop provides a 360° view of supplier spend, contracts and risk.
- Custom fields can be created, and parent-child contract relationships are supported.
- Raindrop uses Al for extraction of contract metadata that learns and improves with use.
- Scorecards are structured and cover onboarding, spend, invoicing, contracts and supplier intelligence.

Leading







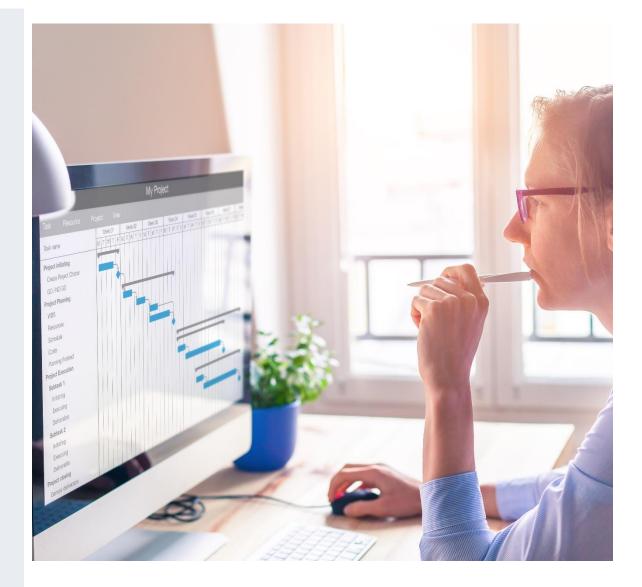






Differentiating factors to consider when selecting a CLM and intelligence solution

- Mix of contract types to support (e.g., buy-side, sell-side, corporate, employment, high/low volume, high/low complexity)
- Organizational platform needs (e.g., S2P, CLM, sales and customer facing, legal information suite, document automation)
- Personas to be supported (e.g., procurement, legal, sales, finance, contract administration, compliance, IT, executives)
- Alignment with regional or global requirements (implementation capabilities, support, scalability, flexibility)
- Integration with existing solutions, platforms and technology (ERP, CRM, S2P, third-party data, e-Signature, communications)
- Information security and compliance requirements/certifications
- Ability to support the entire contract lifecycle, from intake through authoring, collaboration, analytics, intelligence and obligations
- Usability and intuitiveness of the solution to drive adoption
- Flexibility and simplicity to adapt to your requirements
- Artificial intelligence use cases, usability, data sources, and quality of search, content generation, risk analysis, and analytics
- Ability of the solution to extract and capture value within your unique contracting processes and industry specific requirements
- Commercial pricing and cultural fit with your organization



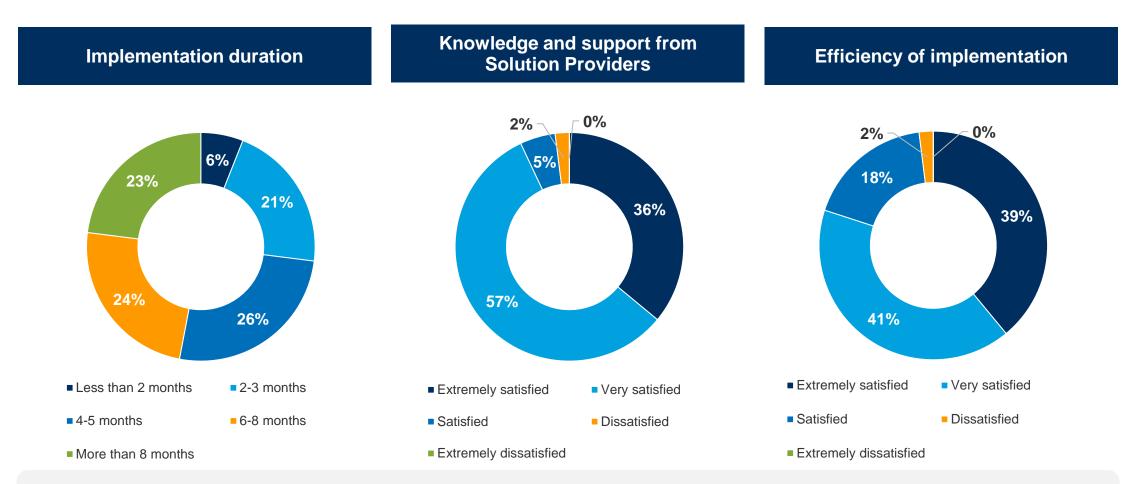




Contract Lifecycle Management – Value Realization

Implementation metrics

CLM implementations average six months, with 27% completed in under three months



93% of customers were very satisfied or extremely satisfied with the knowledge and support from their solution provider.

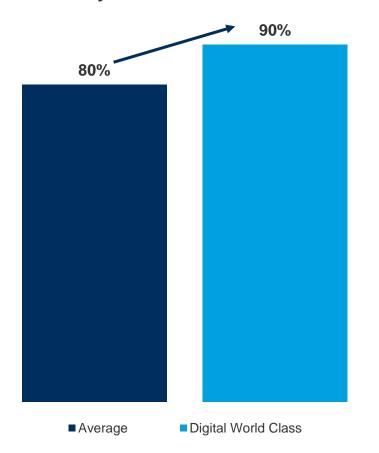
80% were very satisfied or extremely satisfied with the efficiency of their implementation.



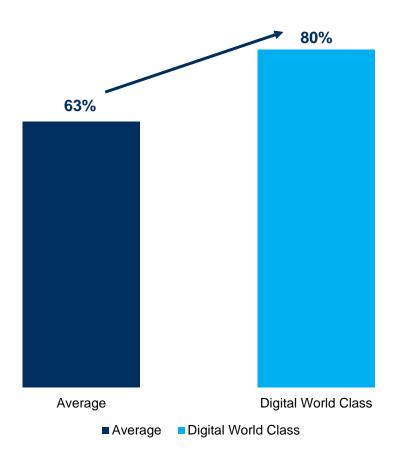
Integration and automation

On average, CLM solutions met 80% of business and technology requirements and drove a 63% improvement in overall contract lifecycle management process efficiency and automation.

% of business/Technology requirements met by the CLM solution Provider



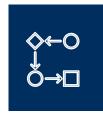
Degree the CLM solution improved contracting efficiency and automation



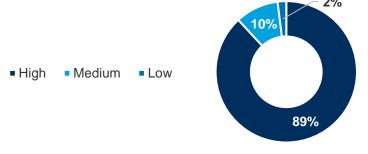


Source: The Hackett Group 2024 CLM Digital World Class Matrix Study

User adoption and experience



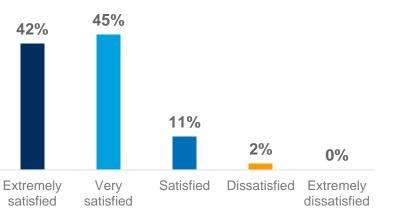
End-to-end contract lifecycle management



End-to-end CLM process coverage 89%



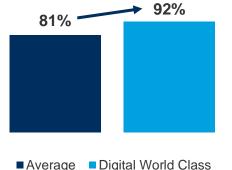
Ease of use, intuitiveness and end-user experience



Very satisfied or extremely satisfied with the CLM user experience



% of contract lifecycle management activity currently managed by primary CLM solution



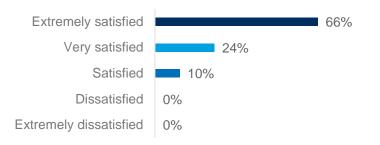
Percentage of contracts adopted on average

810/0

Quality, cycle times, data visibility and intelligence



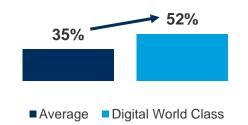
Improvement in quality and compliance with internal and external policies and regulations



Contract process quality and compliance rating post implementation



Contracting cycle-time improvement



Average contract cycletime improvement post implementation

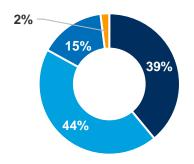
35%



Data visibility and data intelligence



Extremely dissatisfied



Satisfaction rating for CLM data visibility and data intelligence

Source: The Hackett Group 2024 CLM Digital World Class Matrix Study

Overall satisfaction and business value

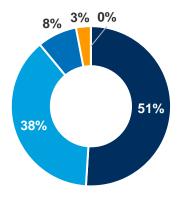


% of CLM customers that met 70% or more of their improvement goals 73%



Overall satisfaction with the software

- Extremely satisfied
- Very satisfied
- Satisfied
- Dissatisfied
- Extremely dissatisfied



2%

Less than

30%

Overall satisfaction rate with their CLM solution (value for the money) 89 %

Contract lifecycle management | Additional benefits commonly realized

Increased visibility around existing agreements

Reduced risk by standardizing terms and conditions (T&C)

Integration with transactional systems to ensure negotiated savings, pricing terms, quality and other improvement measures are realized

Increased savings by executing sourcing events more effectively (e.g., automatically populating the request for proposal with qualitative and quantitative information from supplier contracts)

Increase in volume discounts and early payment rebates by automating the linkage of these terms into core transaction processing systems

Linkage of items under contract to the organization's adopted standard commodity coding scheme to support enhanced spend visibility

Automatic reminders of expiration dates and amendments

Reduction in resource time to manage, review and audit complex contracts for status and noncompliance





Source: The Hackett Group



Appendix (FAQs and process definitions)

The Hackett Digital World Class Matrix™ frequently asked questions (FAQs)

How are software or service providers selected for participation?

 Providers are included if they meet the inclusion criteria for the study, which is determined by The Hackett Group analysts and subject matter experts during the initial scoping and design phase.

Are providers able to decide if they are included or excluded from The Hackett Digital World Class Matrix?

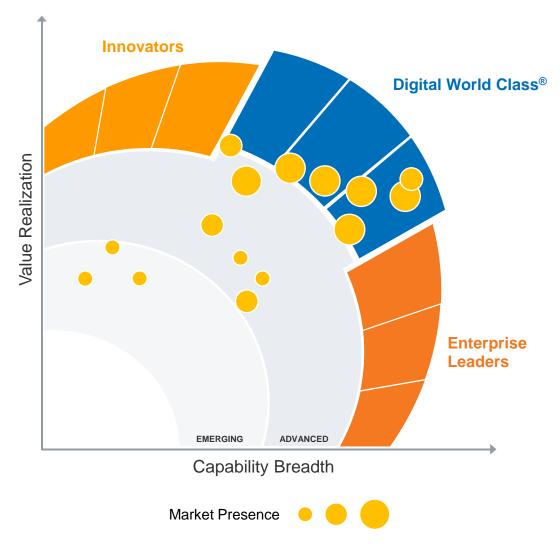
No, providers cannot choose to be included or excluded from the Digital World Class Matrix Study. However, providers may choose not to directly participate in the process or provide information to The Hackett Group. The Hackett Group encourages participation but does not reward or penalize providers based on their level of participation.

Does The Hackett Group share individual responses from customer references, surveys, interviews or analysis?

No, all responses from customer references, surveys, interviews, provider content and other sources of data collection are kept confidential and aggregated into the overall analysis.

How often are The Hackett Group's Digital World Class matrices updated?

 Studies are typically refreshed every 12 to 24 months. However, a specific study's refresh period is highly dependent upon the related marketplace's evolution velocity.







The Hackett Digital World Class Matrix™ FAQs (cont.)

Are there different levels of provider participation?

Yes. Some providers have supplied all requested information, while some provided only partial information, and The Hackett Group gathered the remaining information from our sources. For others, The Hackett Group gathered all the evaluation information from our sources.*

How are the software or service providers rated?

- For capability breadth, we use the following criteria:
 - Ability to address globally complex clients, ecosystem breadth, platform structure and flexibility, integration, prebuilt connectors and implementation, services, and support
 - Contract master data and template management, contact creation and authoring, workflow and approvals, collaboration and negotiation, quality, compliance and risk management, information, dashboards, analytics and AI/ML, Gen AI, automated intelligence functions
- For value realization, we use the following criteria:
 - Implementation metrics
 - Integration and automation success
 - User adoption and experience
 - Data visibility and intelligence
 - Quality and cycle-time metrics
 - Overall satisfaction and business value

- For market presence, we use the following criteria:
 - Revenue
 - Years in the marketplace

How does The Hackett Group build market intelligence reports?

- For each provider participating in a particular study, we gather the following information:**
 - Provider buyer survey
 - Provider strategy session
 - Customer surveys and/or interviews
- Our client survey collects data from providers' clients about:
 - Performance relevant to the offering category.
 - Experience through related questions on customer satisfaction and value
- Using this collected information and applied knowledge from internal and external subject matter experts, we compare aggregated client survey responses against our benchmarking data to measure performance relative to each other and to that of Digital World Class® organizations.

^{*}Ratings for the following software providers exclude their direct input and are based on The Hackett Group's applied knowledge, public disclosures and The Hackett Group's interview and/or survey responses from software provider buyers: Agiloft, Conga, Docusign, Evisort, Gatekeeper, Icertis, IntelAgree, Ironclad, Ivalua, JAGGAER, LinkSquares, PandaDoc, Septeo Legal Suite, Sirion, Synertrade and Terzo.



^{**}Nonparticipating software providers have not provided any direct input. Hybrid software providers have provided direct input on either RFI or capabilities only. Our analysis is based on The Hackett Group's applied knowledge, public disclosures and The Hackett Group's interview and/or survey responses from software provider buyers.

Executive Advisory Membership Program

- The Hackett Group is excited to present our exclusive Executive Advisory Membership Program. It boasts a group of over 1,000 members focused on driving transformative change and achieving Digital World Class® benefits.
- Our advisory service provides clients with unlimited access to Hackett's market-leading intellectual property and research, along with the personalized touch of a dedicated advisory team to help you realize your specific goals.
- The Hackett Group's Executive Advisory Membership Program combines an easy-to-use benchmarking platform and member portal with best practice research, case studies, diagnostics tools and advice from experienced advisors.





Strategic Insight



Targeted Improvement



Accelerate Benefits



Risk Mitigation



Manage Change

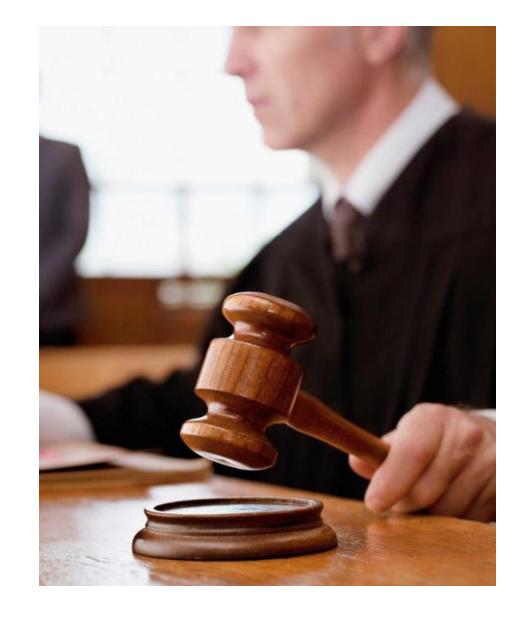


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