



# Enterprise Contract Management and Review Services

## Overview

An effective enterprise contract management program enables organizations to have visibility into their contract population. This visibility can allow companies to react to business problems by promptly locating and analyzing key provisions across their universe of contracts.

Not only can companies identify key contracts faster, they can better facilitate the enforcement of their rights, renegotiate contracts and identify areas of lost revenue or stranded costs. It can help companies meet legal and regulatory requirements in a timely manner and help protect them against the risks of non-compliance.

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A growing number of Fortune 1000 and Global Fortune 2000 companies are taking action to better manage their contracts. Many global enterprises that intend to establish international presence recognize the value of a holistic contract management program.

## Our solution

Deloitte can assist your organization by building, reviewing, and managing a contract lifecycle framework that helps sustain and secure your organization's business interests, while bringing efficiency into the process. We work with stakeholders to tailor the approach which may include the following high level phases:

## Project setup

- Set program objectives which align with corporate policy through discussions with key stakeholders in Procurement, Compliance, Legal and other functions
- Define risk tiers and contract segmentation across the population
- Set up a tracking and reporting mechanism to provide updates on various workflows

## Contract chase

- Develop contract chase strategy to locate contracts, and set up a document repository
- Identify potential sources of contracts by coordinating with various departments including Human Resources, Legal, Procurement and Finance
- Develop an approach to identify missing contracts

## Contract processing

- Design analytical models and define thresholds for high valued contract clauses
- Identify contract language, upload contracts to repository and index them
- Search for contract metadata such as contract type, start date, expiration date and so on
- Search for required risk and commercial terms such as assignment rights, committed spend, termination penalties, etc.
- Apply models to extracted contract text and prepopulate custom contract fields

## Contract review

- Segregate review teams based on contract complexity, dollar value, and contract category, and conduct training sessions for contract review
- Prepare reports and review subset of contracts across various categories with project stakeholders

## Contract remediation

- Assess stranded costs and identify contracts to potentially assume, reject, renegotiate or terminate

## Stabilize infrastructure

- Review existing technology, processes and policies to set thresholds and standards for contract management
- Identify risk and regulatory requirements and determine future course of action for enterprise contract management
- Enterprise Contract Management and Review Process



## Where can we help

Deloitte has the industry experience and analytic capabilities to help identify areas for improvement and a demonstrated strategy to help remediate identified gaps. Some of the areas in which Deloitte can assist include:

Risk and Compliance	Mergers and Acquisitions	Bankruptcy and Restructuring	Dispute and Litigation	Real Estate
<ul style="list-style-type: none"> <li>Identify and mitigate risk for contracts with underlying obligations</li> <li>Perform end-user license reviews to assess compliance with terms and conditions</li> <li>Renegotiate critical contracts</li> </ul>	<ul style="list-style-type: none"> <li>Determine contract population and prepare schedule of assigned or terminated contracts</li> <li>Issue required notices (e.g. change of control)</li> <li>Identify required contracts to be negotiated/renewed</li> </ul>	<ul style="list-style-type: none"> <li>Collect pre-petition contracts and prepare Schedule G as part of SOFAs and Schedules for bankruptcy engagements</li> <li>Assume, reject, renegotiate or terminate contracts as part of the Chapter 11 restructuring process</li> <li>Assist in preparation of Assumption and Rejection exhibits for court filing</li> </ul>	<ul style="list-style-type: none"> <li>Assist legal counsel in financial analysis to determine contract damages for disputes and/or other legal proceedings</li> </ul>	<ul style="list-style-type: none"> <li>Perform lease audit*, rent and operating expense review by analyzing lease contracts</li> <li>Assist in lease renewals, restructuring, and dilapidation</li> </ul>

## Our experience

### For a global financial services provider

The client, a Fortune 100, global financial services provider, approached Deloitte to help identify and resolve potential regulatory and statutory compliance risks related to its contractual relationships with service providers.

Our team of qualified attorneys assisted with reviewing the contracts for sufficiency of protective clauses such as indemnity, insurance, confidential information, and intellectual property and analyzed contracts for compliance with FCPA, Customer Information Protection Requirements, and EU's data protection norms. Based on the findings, the team helped prepare an analysis report on over 1,000 contracts and identify trends on deficiencies and assisted with drafting contractual amendments to remediate deficiencies and include the required provisions to mitigate risks.

As a result of this engagement, Deloitte helped the client identify deficient contracts and risk-bearing relationships. The findings from the review were also used to strengthen their internal risk control framework.

### For a petroleum exploration company

A multinational petroleum exploration and manufacturing company engaged Deloitte to assist its efforts to separate the company's two key businesses into separate legal and publicly traded entities.

As part of the divestiture process, Deloitte helped the client formulate contract review guidelines and parameters. Deloitte reviewed the company's contracts to help assess whether the company could assign, transfer, or serve as a 3rd party service provider, and provided an analysis on licensing obligations and helped evaluate contracts for renegotiations. Deloitte assisted with providing reports on potential contracts related to representations and warranties, estimation of the amount of reserve, and a statement of assumptions and limiting conditions.

Deloitte's analysis added value to the client's efforts by helping to identify certain business relationships that were required to be streamlined before the divesture.

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