

Part 2: The Benefits of Technology-Enabled Contract Negotiations



Negotiation-focused contract management software like [Parley Pro](#) improves your contract negotiation strategies and unleashes competitive advantages in ways you may never have suspected.

Part 1 of this blog series, [The Fundamentals](#) of Collaborative Contract Negotiations, shows how negotiation-focused contract automation software unlocks more profitable business relationships.

Here in Part 2, we'll discuss how to use contract negotiation software that also saves time and effort as it:

1. Reduces conflict and keeps complex contract negotiations on track and aligned with shared objectives.
2. Optimizes review and pinpoints critical issues for early discussion.
3. Relieves attorneys of repetitive, low-value contracting tasks.
4. Creates a compliant audit trail.
5. Allows companies to track metrics to identify more ways to optimize processes.

First, let's look at where these benefits originate. In doing so, we'll also see why negotiation-focused CLM software is ideal for attaining them.

First Strategy for Optimal Contract Negotiations: Quit Going It Alone

The Association of Corporate Counsel recently surveyed more than 500 legal department professionals in 71 different industries worldwide and found that [97%](#) perform contract review and drafting tasks in-house. In more than 80% of those departments, contracting work is performed by lawyers. Not paralegals, not legal operations, not assistants or anyone else. Just lawyers.

Burdening lawyers with manually drafting and reviewing contracts or having them rely on a patchwork of software tools is wildly inefficient. They spend too much time on low-value activities such as glazing over yet another definitions section or drafting an NDA that is nearly identical to the hundred before it.

Without help, weeks may go by before a junior attorney looks over a contract. Then sometimes he has to pass it on to the one attorney with the requisite knowledge to approve it. And that attorney is buried under another stack of contracts. Meanwhile, business deals and growth opportunities stall.



Strategies for Gaining Efficiency During Contract Negotiations

How can you speed your organization's contracting functions while still protecting your business from risk? You could hire more lawyers to continue the status quo. But holding on to outdated tools and processes only increases their related inefficiencies.

More organizations now opt for a contract negotiation strategy that empowers their existing teams to do more with automation and AI. These advanced technologies perform repetitive, low-value tasks in a fraction of the time it takes humans. Available in most contract lifecycle management (CLM) software, they simplify contract drafting and ease the review process for everyone involved.

Not All CLM Software is Equal

However, not all CLM software is equal. Some advanced CLM systems better support the contract drafting and review tasks specific to negotiation processes. *Negotiation-focused* CLM software like [Parley Pro](#) optimizes the time-consuming review and tedious back-and-forth machinations that can drag on for months before signatures are obtained.

This type of advanced CLM software speeds all types of negotiations, from basic NDAs to employment agreements, to sales contracts, property leases, collective bargaining on behalf of union members, and beyond.

As it does, one surprising advantage you'll discover is how well it keeps parties on track and aligned with their shared objectives.

Keep Complex Contract Negotiation Strategies On Track

For example, collective bargaining negotiations typically involve a lot of people and many issues. CLM software is invaluable as a shared, centralized repository for all the relevant information and supporting documents. Plus, technology is not susceptible to the stress, boredom and fatigue that creates errors, which are a main source of conflict during negotiations.

As discussed in Part 1, negotiating in an open and transparent environment like that of CLM software is ideal for building trust. For example, AI-powered features analyze a set of assumptions or past data to calculate risk and predict outcomes more accurately and quickly than humans. This reduces distrust of "the other side's" numbers.

Parties approach negotiations as potential partners, not opponents. They are more open to sharing their true priorities and goals for the relationship. Each party has a better understanding of the things the other values most. Negotiators can then see beyond the most obvious factors (such as pay) to discover additional mutually beneficial trade-offs (such as paid time off, healthcare, retirement qualifications, or savings contributions).

Conflict is reduced, and negotiations remain on track and aligned with their shared goals.

Before signatures can be obtained, however, parties must ensure the agreed-to terms are reflected accurately in the written agreement. Here software saves even more time by optimizing the review process.

Optimize Review & Pinpoint Critical Issues Early for Efficient Contract Negotiation Strategies

Attorneys and negotiators often face the need to manually review hundreds of pages of terms and conditions, even though the bulk of the content is standard language of little consequence.

CLM software optimizes review by quickly identifying suboptimal clauses and incompatible terms and extracting relevant data points. This goes far beyond traditional “word search” capabilities. A CLM system becomes an authoritative playbook on the positions your company consistently adopts. In doing so, it also becomes more adept at spotting language counter to those positions.

Negotiators immediately know which critical issues to address and where they are located in the contract. The correct legal team member can be assigned to review from the start. And days and days of negotiations aren't derailed by the last-minute discovery of an unforeseen roadblock.

CLM software's ability to pinpoint specific issues also aids legal departments facing the monumental challenge of reviewing hundreds of existing contracts in response to regulatory and legislative changes. Manual review takes weeks, even months, whereas software identifies exposure to risk in minutes.



Create an Audit Trail for Compliant Contract Negotiation Strategies

Lawyers and negotiators can feel confident they've reached the signature stage with no stone left unturned. And they know they have a complete record of the entire negotiation process to refer to whenever they need.

The presence of a consolidated record of negotiations is increasingly more important for any number of security, privacy, and compliance reasons. This is especially true as companies navigate today's increasingly connected and heavily regulated global economy. An audit trail automatically created by a CLM system instantly reveals factors such as who accessed a document, when, and what changes they made.

In fact, a CLM system is a source of a surprising wealth of useful information.

Track Metrics & Find Areas to Improve Contract Negotiation Strategies

The IACCM [points out](#) that CLM software also helps businesses improve their strategies and increase efficiencies over time.

How? By tracking and reporting on a range of quantitative and qualitative metrics.

For example, AI can determine which clauses are re-negotiated the majority of the time. Legal teams can then change those clauses permanently in their templates. This way, they avoid negotiating the same point over and over.

They can also assess touch times to pinpoint bottlenecks or redundancies in the review process. Any number of metrics can be automatically tracked including response times, which departments negotiate most frequently, the frequency adoption of fallback positions, and so on.

Attorneys Practice Law, Not Just Contract Review

Ideally, one of the first metrics you'll discover is that your lawyers spend much more time assessing real risks and opportunities and providing strategic legal counsel. Because negotiation-focused CLM software like [Parley Pro](#) helps you reclaim all the time and effort your legal teams currently waste on repetitive, low-value contracting tasks and inefficient negotiation practices.

Next up in Part 3 of our negotiation series, see how organizations use CLM software to automate and scale their contract negotiation processes, establish more orderly workflows, and gain even more efficiency with standardized templates. In the meantime, [schedule your free demo](#) of the Parley Pro Platform today. See how your organization can unleash more competitive advantages by streamlining your contract negotiation strategies.