



corcentric™

Enhancing Overall Business Processes Starts With Contracts

Semiconductor Manufacturer Optimizes Contract Value With Corcentric Contract Lifecycle Management.

To help maintain their edge in a highly competitive marketplace, a leading semiconductor manufacturer constantly seeks new ways to streamline operations in order to add shareholder value.

Currently closing over 500 procurement and sales contracts each year—and with a repository of more than 2,500 contracts—the company recently realized that one way to enhance overall business processes was by improving the way contracts are managed.

“As we continue to grow and expand throughout the semiconductor marketplace, the volume of our contracts has increased to the point where we need a way of optimizing their value by more effectively managing the information they contain,” says the company’s director of corporate services procurement.

“Contracts affect procurement , sales and marketing, customer service, and, of course,

legal departments, so it only made sense to take an enterprise approach to this issue, looking for ways to streamline contract management for all stakeholders.”

THE BUSINESS

The company’s first contract management system was a homegrown electronic repository. This solution, which maintained unsearchable copies of contracts in PDF formats.

But as the company grew, tracking obligations across an expanding procurement department and a growing customer base became increasingly difficult and time-consuming. Each of eight commodity managers was responsible for managing and tracking all contracts pertaining to their respective domains, and the task was difficult at best.

SPOTLIGHT

SOLUTIONS:

- + Contract Lifecycle Management

CLIENT SPOTLIGHT:



COMPANY:

A world-leading data infrastructure technology that connects the world to move, store, process and secure data with semiconductor solutions.

WORLD HQ:

Oslo, Norway

SIZE:

23,500 Employees

INDUSTRY:

Aluminum



500
CONTRACTS / YEAR



2500
CONTRACTS
IN REPOSITORY



DEMONSTRABLE
ROI

Of particular concern was the fact that because the repository was not searchable, there was no easy way to automatically determine when contracts were coming up for renewal. As a result, the company found itself being reactive to renewals, a situation that weakened their negotiating position.

In addition, the manufacturer is unique in that some customers are also vendors. But with no easy way to track terms, conditions, and obligations across contracts of each type, the company found it difficult to ensure that both sides of the relationship were being managed equitably.

THE EXPERIENCE

The semiconductor manufacturer could have attempted to update its legacy contract repository, but they decided to look for an alternative solution.

The first issue the company faced was getting enterprise-wide buy-in for a project that started out as a solution for the procurement department alone. This challenge was met by establishing a team of representatives from procurement, sales and marketing, legal, and customer service departments—before drafting the RFP. After a final review that included detailed solution demonstrations, the original selection team, as well as others from representative departments, chose Corcentric CLM.

In addition to reducing IT overhead costs because of its SaaS model, Corcentric CLM also enables the company to adjust access levels to their specific requirements. “Since our solution addresses the needs of several stakeholder departments,” says the director of corporate services procurement, “it was important to us to be able to segregate access so that, for example, sales staff could access their contracts but not those pertaining to procurement. Equally important, the solution even allows us to specify the rights each user has, enabling one user, for instance, to read contracts, and another to edit them.”

The company also favored Corcentric CLM because of its OCR feature that enables paper contracts to be input into the repository as searchable electronic documents. Another benefit to them is the ability to include automated alerts in advance of a contract renewal date, and to ensure that contracts with partners who both sell to the company and buy from them have similar terms.

THE FUTURE

Contracts represent a repository of value and tapping that value as a company grows requires a systematic, cost-effective, repeatable, error-free process that facilitates accessing, reporting on, and leveraging information contained in that repository. And therein lies the true benefit of Corcentric CLM.

“We purchased Corcentric CLM not because it has a demonstrable ROI—although it certainly does—but rather because it empowers us to leverage contract data by accessing the specific information we need whenever we need it,” says the director of corporate services procurement. “As a result, we can provide the accurate and timely data senior management must have to effectively manage day-to-day business operations. At the same time, we can monitor that all parties to all contracts are complying with the terms of those contracts, audit usage of the contract management solution, facilitate regulatory compliance, and implement the governance controls required for effective business operations.”



Procurement and Finance Solutions

ABOUT CORCENTRIC

Corcentric is a global provider of business spend management and revenue management software and services for mid-market and Fortune 1000 businesses. Corcentric delivers software, advisory services, and payments focused on reducing costs, optimizing working capital, and unlocking revenue. To learn more, please visit corcentric.com.