
Commercial Contracting Capability Report

For Example

Introduction

Radiant Law has developed a Contracting Capability Maturity Model that describes the various stages of maturity that we see businesses go through as they evolve how they handle their commercial contracts. We created this model by working with and talking to over a hundred in-house legal teams and through our ongoing journey to improve how we support commercial contracts.

The model identifies five stages that teams normally progress through. There is a logic to the progression: for example, you must have standard templates before you can implement document automation. The five stages of the model are:

- **Ad hoc** – the starting stage where the business is making it up as it goes along
- **Repeatable** – a legal team has been formed and standards are starting to be implemented
- **Standardised** – the contracting process has been tamed and automation is starting to be applied
- **Integrated** – implementing end-to-end automation
- **Optimising** – the never-ending process of continuous improvement, informed by data analytics and the implementation of advanced automation

These stages are described further in Annex 2.

Every inhouse team is on this journey through the stages and we have yet to see one that is fully in the optimising stage, whatever you hear at conferences! We've also noticed that every team we've spoken to has felt like it was lagging the world in some way. The reality is that the journey takes time and no team can dedicate the time to working on improving the process that they would ideally like in the face of day-to-day pressures.

But the benefits experienced by teams as they progress through the stages include:

- Faster time to close contracts, leading to improved revenue and the faster implementation of projects, and a greater capacity to handle spikes in demand
- Happier business clients who perceive strong value being added by legal
- Lower costs to support each contract
- An in-house team that is focussed on the harder, more strategic and more interesting deals and parts of the contract.

Your Score

Based on the answers you gave (Annex 3), your organisation appears to be operating at the **STANDARDISED** stage with some progress into the Integrated stage. Your total score was **49%**.

Adhoc >	Repeatable >	Standardised >	Integrated >	Optimising >
100%	100%	83%	12%	0%

Typically, at the Standardised stage, expertise in larger transactions is moving in-house, with a reduced panel of law firms, and the internal team is the general source of expertise. The focus is on standard, repeatable processes and costs are generally controlled.

At the next stage, Integrated, the in-house team is delivering the complex contracts and strategic projects and is using a global shared service centre or managed legal service provider to support the day-to-day contracts. The focus is on integrating and automating the contracting process and targeted cost reductions. Knowledge is becoming increasingly explicit, captured in playbooks and training materials.

The following chart shows the areas where you have implemented technology in your contracting processes. We identify opportunities to automate further areas below:

Intake	Draft	Negotiate	Sign	Manage
40%	25%	33%	33%	50%
Track	29%			
Analyse	0%			

There is a breakdown of your results in Annex 1.

Next Steps

Based on the answers you gave, the following are possible next steps as you move your contracting processes forwards. We have grouped them by the stages where they are typically introduced.

Next step	Benefit	Stage
Create templates for simple contracts that the business could create	Gets contract drafting off the desk of the legal team and speeds up the contracting process.	Standardised
Automate templates used by legal	Speeds up contract creation, reduces errors and ensures that the legal team are using the latest versions of templates (reducing risk of out of date templates or old deals being reused and improving the ability to update templates).	Standardised
Set a time to complete target for contract drafting	By setting a time to complete, you manage the business's expectations improving customer satisfaction and reducing the need for last minute support.	Standardised
Extend your contracting improvement programme to include key metrics and data analytics	A programme for ongoing improvement will allow you to make improvements systematically.	Standardised
Move strategic deals in-house	Moving strategic deals in-house rather than relying on law firms is likely to have a significant impact on the total legal budget.	Integrated
Transfer remainder of high volume contracts to MLS provider or set up a shared service centre	With your volume of contracts, there may be opportunities to get further higher-volume contracts off the desk of the legal team, allowing them to focus on high value, strategic contracts.	Integrated
Populate online portal with all relevant materials	Upfront investment in empowering the business will deliver long-term benefits as the legal team frees up capacity to deliver more strategic projects.	Integrated
Consider formalising training into a comprehensive training programme	Training the business in being able to support more of the deals (and a greater range of deals) will increase the ability to self-serve and free up legal resources.	Integrated

Further Help

Radiant Law specialises in commercial contracts, helping its clients with optimising in-house contracting processes, commercial contracting managed legal services, projects to fix high volumes of contracts, lawtech and larger deal support.

As well as providing long-term commercial contracting solutions, we often provide tailored projects to help in-house teams deliver the “important not urgent” optimisation projects, which are critical to improving their contracting processes. These projects can range from template improvements and playbook creation through to advising on lawtech and implementing technology. We can provide this support as tactical projects or ongoing support.

We would be delighted to have a free strategy session to discuss this report and possible next steps. Please email nicola.lyons@radiantlaw.com or call +44 203 865 1200 to arrange.

You can find more on Radiant Law and our unique approach to helping our clients improve their contracting processes at radiantlaw.com.

ANNEX 1 – YOUR DETAILED RESULTS

		Ad Hoc	Repeatable	Standardised	Integrated	Optimising
Type of support	Internal support	Business uses law firms	Contracts supported by legal team	Specialised internal contracts team able to support large deals	Most strategic deals supported in-house	Combined governance and shared resources between inhouse and suppliers
	External support	Law firms selected by business	Extensive panel of law firms	Small panel of law firms Some h/v contracts supported by shared service centre / MLS provider	All h/v contracts supported by shared service centre or MLS provider	
Self-service	Online resources	No online resources	Some legal resources online	Single legal portal with useful information	Portal with comprehensive information	Active programme to migrate support to self-service
	Training	No training	No training	Some training sessions	Training programme	
	Templates (business use)	No templates for business	Templates for some self-service contracts	Templates for all self-service contracts	All templates automated	
		No template automation	No template automation	Some templates automated		
Approval Process	No approval process	Manual process for approvals	Manual process for approvals	Automated process for approvals		
Intake	How sent	Business uses law firms	Business asks individuals in legal team	Standard address to send requests or portal	Online portal for raising requests that starts matter tracking	Data from matter tracking used to improve performance
	Time to respond	No target time to respond	No target time to respond	Target time to respond	Time to respond is tracked	
	Spikes in volume	Spikes in volume slow completing initial steps	Spikes in volume slow completing initial steps	Spikes in volume have some impact on initial steps	Spikes in volume don't impact initial steps	
Drafting (legal)	Templates (legal use)	Reuse previous agreements/ personal templates	Standard templates for a few deal types	Standard templates for all common deals	Unified templates with consistent terms	Contract analytics used to update templates
		No template automation	No template automation	Some templates automated	All templates automated	
		No style guide	No style guide	No style guide	Drafting style guide used by team	
	Not applicable	Rare changes to templates	Occasional template updates by owners	Regular updates to templates		
	Time to complete draft	No target time to complete	No target time to complete	Target time to complete	Time to complete is tracked	
Negotiations	Playbooks	Negotiations by business users, without reference to legal	Positions decided by individual lawyers	Limited playbooks, capturing key requirements	Comprehensive playbooks regularly updated	Contract analytics used to update playbooks
	AI Review Tools					AI tools used to review in-bound contracts
	Time to turn draft	No target time to turn	No target time to turn	Target time to turn	Time to turn is tracked	Data used to to improve performance
	Drafting tools	No tools used	No tools used	Drafting tools introduced	Drafting tools consistently used	Online negotiation platform used
	Collaboration tools	No tools used	No tools used	No tools used	Screensharing used for negotiations	
Signature	Contract approvals	Any manager can sign	Signing policy	Standard approval process	Automated process for approvals	Time to close used to inform improvement projects
	E-signatures	No e-signatures	No e-signatures	e-signatures for some contracts	e-signatures for all contracts	
	Time to close	Not tracked	Not tracked	Not tracked	time to close is tracked	
Contract Management	Storing contracts	Contracts often unavailable	Contracts stored in online folder	Contracts stored in CMS with erratic metadata	Contracts obligations extracted and tracked	Data automatically extracted from contracts for CMS
	Managing contracts	Contracts not managed	Ad-hoc contract management	Renewals are managed with a process	Key performance managed by business	Contract performance / compliance managed by legal and business
Process Management	Tracking	Not tracked	Ad-hoc reporting	Status tracked in shared document	Matter tracking system and dashboard	Ongoing improvement programme using key metrics
	Improving	Not applicable	Ad-hoc contract improvement activities	Regular contract improvement activities	Ongoing improvement programme	

ANNEX 2 - CONTRACTING CAPABILITY MATURITY MODEL

	Ad-hoc	Repeatable	Standardised	Integrated	Optimizing
Support Model	Limited internal expertise Untamed law firms used by business	Contract team created Panel of law firms	Specialised internal teams able to support large repeated transactions Reduced panel of law firms, includes alternative service providers	Internal focus on complex contracts and strategic projects Use of managed legal services provider or global shared service centre for simpler contracts	Focus on continuous improvement Combined governance between in-house and suppliers and shared resources
Focus	Just get it done	Plan and manage	Standard, repeatable process	Integrated support and automation	Business impact
Costs	Regularly surprising	Occasional unexpected costs	Controlled	Targeted reductions	Investments tied to business results
Know-how	External	Generally external	Generally internal	Increasingly explicit	Increasingly integrated into systems
Self-service	No resources available	Some resources and templates	Legal portal, all templates and some document automation	Comprehensive supporting materials and automated document generation and approvals process	Actively managing support to self-service
Intake	No contract request process	Individuals in legal approached for help	Standard single contract request process and triage Single place for legal resources for use by business	Online request process and workflow High level of self-support Service levels	Proactive demand management Continuous improvement based on key metrics
Drafting	Reusing previous contracts with a few personal templates	Standard templates for a few deal types Changes to templates are rare	Standard templates for all common deals. Occasional manual template updates by owner	Unified templates with consistent language, regularly updated playbooks and alternate clauses Automated contract drafting Drafting style guide	Contract analytics used to refine terms Few changes from standardised alternative language
Negotiations	Negotiations performed by business	Positions decided by individual lawyers	Limited playbooks Drafting tools	Comprehensive playbooks Service levels	Contract analytics used to refine playbooks AI analysis of inbound contracts Online negotiating platform
Signature	Any manager can sign	Signing policy	Approvals process Some e-signatures	Automated approvals process Comprehensive e-sigs	Time to close used for improvement programme
Contract Management	Contracts often unavailable	Contracts collected into a single repository and some basic metadata	Limited contract management (renewals); standard metadata profiles	Contract obligations extracted and tracked	Contracts performance and compliance monitored across business and legal
Process Management	No tracking or improvements	Ad hoc reporting and improvements	Status tracking and regular improvements	Matter tracking system and improvement programme	Improvement programme is data-driven

ANNEX 3 – YOUR ANSWERS

Question	Answer
Approximate number of commercial contracts signed a year	251-500
Name	Example User
Email	example@example.com
Position	GC
Company	Example
What are the most common types of commercial contracts that you enter into?	Sales service contracts, software licences, NDAs
What business area is covered by your answers (e.g., the whole business or a particular division)?	Whole business
How many lawyers are in your in-house legal team?	10
How are your commercial contracts supported internally?	Specialised internal team capable of supporting complex transactions
How do you select your law firms?	Small panel of law firms
Do you use a managed legal service provider or off-shore/near-shore service centre for high-volume, simpler contracts?	Some high volume simpler contracts supported by shared service centre or MLS provider
Do you and your suppliers share knowhow and participate in joint governance?	No
Do you provide online resources for the business team through a portal?	Online portal with some useful information
Do you provide training to the business teams?	Some training sessions
Does the business have templates for simpler contracts that they can create?	Templates for some contracts that the business could create
Are the business team's contracts automated to enable fast creation?	Some business team contract templates are automated
Are there systems for approving higher risk contracts created by the business?	Manual process for approving contracts
Do you have an ongoing programme to migrate legal-supported work to a self-service model?	No

SAMPLE

Question	Answer
How are support requests sent to the legal team?	Standard address to send requests for support or portal
Are there service levels for the legal team responding to the business to acknowledge the request?	Target for time to respond
How are spikes in demand handled?	Impact of spikes in volume are minimised
What standard contract templates do you have for use by the legal team?	Standard templates for all common deals
Are your legal team's contract templates automated to speed up contract creation?	Templates are not automated
Is a drafting style guide used by the legal team?	No
How are contract templates updated?	Occasional template updates by owner
Are there service levels for the legal team completing drafting of the relevant agreements?	No target time to complete
How do you ensure consistent positions are taken during negotiations?	Limited playbooks, capturing key requirements
Do you use AI tools to analyse simple contracts on the other side's paper?	No
Are there targets for the legal team turning around contracts during negotiations?	Time to respond is tracked
Does your legal team use drafting tools to speed up contract negotiations?	Drafting tools introduced
Does your legal team use collaboration tools to speed up negotiations?	Yes, screensharing is regularly used
Do you have a contract approval process in place?	Standard approval process for agreements
Do you use e-signatures?	e-signatures implemented for some contracts
Do you track time to close?	No
How do you store your contracts?	Contracts stored in a contract management system with eratic metadata
How do you manage your contracts?	Renewals are managed with a process
How do you track your contracting process?	Status tracked in a shared document
How do you improve your contracting process?	Ad-hoc contract improvement activities
Any other comments?	



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