



Managing contract management

by Richard Bray

... two approaches

THE FEBRUARY 2004 edition of *Summit*, reported the potential benefits of contract management (CM) software. This month, we feature two innovative CM solutions from Canadian companies.

The CM software market is worth billions of dollars, so it is hardly surprising that Edmonton's Upside Software and Ottawa's ASC (Advanced Software Concepts) are both going after a piece of the business. What is unusual is the difference in approach; each company advocates a radically different way to meet the challenge of contract management.

While Upside Software already has a major public sector contract in hand, ASC has made inroads in the private sector with substantial sales to telecommunications providers.

Peter Marshall, ASC's vice-president of marketing believes two factors will combine to allow his company to achieve swift growth. "Most contract managements systems are components, if not sub-components, for larger ERP/CRM [enterprise resource planning/customer relationship management] systems. As a result of that, they are not able to handle complex contract and workflow situations," he explained. Marshall also believes the *Sarbanes-Oxley Act* in the United States will

also push sales of CM systems. The *Act*, (effective in the summer of 2004), is a response to widespread corporate crime that sets out standards for handling electronic and paper records, as well as corporate accountability.

The key to the ASC solution is an older technology used in an innovative way to bridge the gap between paper and computers – the ubiquitous barcode. The barcode is a unique identifier for every page of every version of every contract, whether still in draft form or signed and locked in a filing cabinet for years. Because a barcode is only the physical expression of the digital information it describes, it can be as simple or complex as the organization desires. Once the solution is fully implemented within an organization, it becomes simple to not only display digitized version of any contract, but also locate its physical equivalent.

One of the rewards of any good CM system is the elimination of pointless searching and error-filled duplication, but the ASC solution goes a step further. Because contracts are generated electronically, the facts and figures they contain can be used to generate detailed reports and alerts and 'push' relevant information to different areas of the organization at the right time,

which will take management control to another level.

Barcodes allow tracking of individual clauses or even words in a contract, both during development and negotiation, so it is immediately apparent who has seen which version, made revisions or signed off. As well, the barcode on the page of a document can indicate which page of how many it is, when and where it was generated, what changes have been made from previous documents, and who has seen it. By placing a redundant barcode on the document, it can survive faxing over deficient telephone lines or photocopying. This allows the exact original to be traced and regenerated, so signatories cannot repudiate a valid contract.

Marshall also says, the open source architecture of the ASC product means the company can implement changes rapidly and increase speed to customization. "We don't have specialized versions for different customers," he said. "It is the same for everybody, so they are always up to date."

Far from developing an open source solution, Edmonton's Upside chose the world's most popular office software suite as its springboard to success.

Upside CEO Ashif Mawji explained. "One of the big things from a technology

standpoint is our tight integration with Microsoft Office. When you look at lawyers, especially, they are used to doing things in Microsoft Word, and they obviously have a key role in any contract. If you [work with] a platform that people are already used to – all you are doing is enhancing it – at a corporate level you can still instill the governance, the controls, the flexibility, the rules and so on.”

The company sees some major advantages in introducing a revolutionary business technology in a familiar package. “It makes it easier for the end users, not just from a usage point of view but from a training and adoption perspective. That is one of our key advantages,” Mawji said. “From a corporate standpoint, we have a very tight relationship with Microsoft. Every time we sell, so do they – a very clear value proposition to both of us.”

Asked whether potential customers for a CM solution ‘get it,’ Mawji said, “It depends who you are talking to. Public sector is slower than private, obviously, from a start to end cycle, but in the private sector we have done large, global enterprise-level deployments where the time from the company first taking a look at it to a contract is less than a month.”

Alberta health region chooses contract management

Alberta’s Capital Health (www.capitalhealth.ca) is one the largest integrated academic health regions in Canada, serving a total of 1.6 million people across central and northern Alberta. The health region purchases more than \$200 million in health care business services.

Like everyone else these days, saving money is on the agenda. Improving efficiency – streamlining paperwork, reducing duplication and monitoring contract performance – has long been identified as a means to do just that. In late December 2003, Capital Health moved to a centralized contract management system (CMS) and out of several bidders from across Canada and the US, chose Edmonton-based Upside Software Inc.’s CMS technology. The system is slated to be in place in 2004.

The Upside system will even work with Capital Health’s call centre, Biz Worx, – a single point entry for the health region’s suppliers. The combination of the contract management system and the call centre should make it easier for the health region to deal speedily and effectively with its multiple suppliers.

After a global product search, the Government of Alberta selected Upside’s CM solution. According to Mawji, the anticipated benefits are straightforward, if sometimes hard for a bureaucracy to achieve. “What they wanted was accountability and to cut down their administrative timelines ... and that is what our software does for them,” he said.

The package Alberta bought will cover the creation, negotiation and awarding of contracts, as well as amendments and performance monitoring throughout their duration. The first phase of implementation began in 2002, at Alberta’s Human Resources and Employment, with rollout scheduled to four other ministries during the next fiscal year.

A public sector success story clearly gives Upside Software an advantage in sales to government, but there is plenty of room for two Canadian entries in the CM marketplace – the potential savings for public and private sector customers around the world are huge. ☺

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