

IDC MarketScape: Worldwide Contract Life-Cycle Management Software for Corporate Legal 2021 Vendor Assessment

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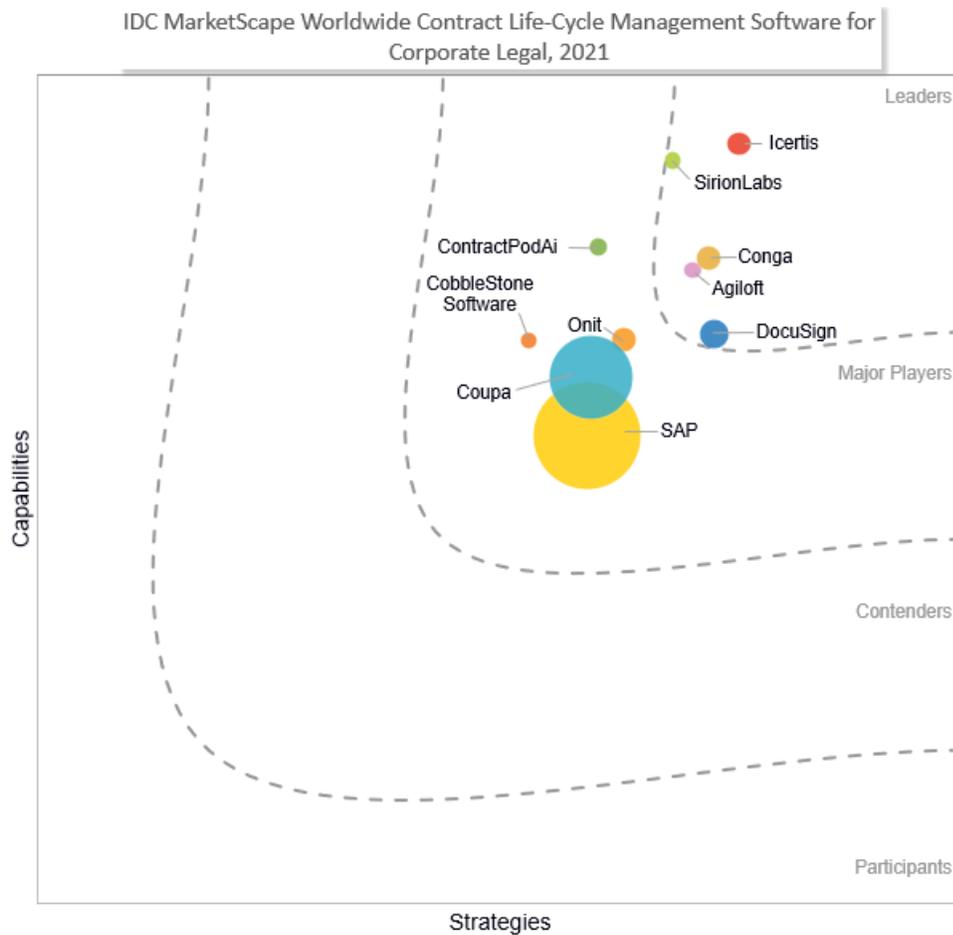
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IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Contract Life-Cycle Management Software for Corporate Legal Vendor Assessment



Source: IDC, 2021

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Contract Life-Cycle Management Software for Corporate Legal 2021 Vendor Assessment (Doc #US46965921). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1 and 2.

IDC OPINION

This IDC MarketScape covers major vendors participating in the worldwide contract life-cycle management (CLM) market with a focus on functionality for the corporate legal department. This vendor evaluation is based on a comprehensive criterion expected to be most conducive to success in providing tools to enable contract generation, risk analysis, contract negotiation, review, workflow routing, and more to support to enterprise legal departments both in the short term and long term. The evaluation criteria emphasize capabilities and strategies that enable the operationalization of corporate legal. IDC expects critical success factors for contract life-cycle management for legal to be:

- Deep analytics and artificial intelligence (AI) functionality to monitor contracts for risk, compliance, and deadlines
- Customizable workflows and clause libraries to create tailored and efficient contract generation
- Integration with a variety of enterprise systems but especially productivity suites like O365
- Global footprint and deep industry knowledge to provide successful implementations for the largest and most complex organizations
- Enabling legal service delivery to the organization and better knowledge/change management for legal

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The inclusion criteria for this IDC MarketScape required vendors to have at least \$10 million in yearly revenue related specifically to deploying contract life-cycle management software to the enterprise and its legal department.

IDC defines the contract life-cycle management software market as a software that contains a central repository to store contracts. CLM must also automate and streamline contract processes across the life cycle of a contract, including initiation, authoring, process and workflow, negotiation/version control and approval/signature, execution, ongoing management, analytics, and contract renewal.

This IDC study also looks for intelligent contract abilities, including innovation using RPA and machine learning/artificial intelligence.

ADVICE FOR TECHNOLOGY BUYERS

In-house legal departments are responsible for protecting the organization from risks, litigation, sanctions, misappropriation of proprietary technology/IP, and so forth. Increasingly, those tasks are technology driven and inexorably tied to corporate strategy and the health of the business. Contract life-cycle management tools sit at the heart of digital transformation not only for legal but also for the organization at large. Digitally transformed enterprises are breaking down silos and creating well-oiled machines that work as one instead of an amalgamation of documents. Very few pieces of technology cut across the organization quite like CLM.

Contracts flow through organizations in an assembly line of sorts. Procurement, sales, compliance, legal, HR, and other departments all have a piece of the workflow. Each department along the assembly line needs specific functionality within the overall CLM to enable them to do their part. This is especially true for legal whose needs run the gamut from deep legal analysis to integrations with enterprise legal management software and more. Legal buyers should ensure that the technology meets their needs and is not too heavily focused on the needs of the other departments. Many CLM providers often add functionality for legal as an afterthought. CLM needs to be a team effort, but legal buyers need to make sure that their needs are met. CLM is a key part of the overall operationalization of legal.

Legal is moving toward an overall platform instead of a legal technology stack comprising many different pieces of siloed software. CLM needs to tie seamlessly into the workflow of the rest of the legal department. Legal buyers should look for CLM tools that enable contract review and management within the context of the entire work sphere of legal. Legal has a lot more to worry about than just contracts. Contracts also often start as contracts and then can merge into the center of litigation or other matters that need legal department attention. Legal buyers need support from CLM that enables them to engage in the contract life cycle that the rest of organization participates in but also needs to be able to manage workloads of the department or move the contract into other workflows as necessary. This means having integrations with the rest of the legal stack that are seamless as well as the ability to manage custom workflows.

Legal often lags behind the rest of the organization when it comes to technology for a variety of reasons. Lawyers work mainly in productivity suites and even mostly in word processors at that. One of the biggest reasons for not being technologically cutting edge is the fact that legal is a cost center. Legal being a cost center often limits its technology investment to those that provide a clear ROI. However, with CLM, that ROI is crystal clear. Respondents to IDC's 2020 *Legal Technology Buyer Survey* who had already implemented a CLM tool indicated that they saved the equivalent of 9.44 full-time employees by using CLM. Not all CLMs are created equal, and it is key for buyers to look for a CLM vendor that can partner with them on their maturity journey.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Icertis

Icertis is positioned in the Leaders category in this 2021 IDC MarketScape for worldwide contract life-cycle management software for corporate legal vendor assessment.

Icertis is an enterprise-grade CLM software company based out of Washington State. Icertis' software offering known as Icertis Contract Intelligence is aimed at enabling medium-sized and larger businesses to transform their contracting process. Icertis differentiates its solution within the marketplace by offering specific modules and SKUs aimed at both verticals and horizontals. Icertis' flexibility allows the tool to create a narrowly tailored and appropriate fit that matches customer need and maturity.

Strengths

- **Ease of use:** Customers widely reported the intuitive and configurable user interface of Icertis was a major benefit. Legal users in particular noted that Icertis' integration with the Microsoft Office suite was seamless and enabled them to work where they are comfortable. Further, Icertis has a large amount of out-of-the-box APIs that customers reported aiding in their embedding of the software within existing infrastructure.
- **Vertical/horizontal focus:** Icertis has all of the essential capabilities one would expect from a CLM tool — the flexibility of the tool to tailor the experience based on horizontals and verticals of the enterprises. Icertis gives end users everything they need and nothing that they do not. Customers noted that the partnership they experience from the Icertis team helped them enhance their expertise within specific horizontals and verticals.

Challenges

- **Implementation complexity:** Icertis' solution is incredibly granular and provides users with an experience tailored to their job roles, but it takes work to get there. Customers reported that the implementation took a lot of planning and work on their part, and the lift is substantial. This is somewhat common within the space, but it could be a challenge for Icertis going forward. Icertis needs to communicate that the result is very much worth the work.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Contract life-cycle management (CLM) is a software that contains a central repository to store contracts. CLM must also automate and streamline contract processes across the life cycle of a contract, including initiation, authoring, process and workflow, negotiation/version control and approval/signature, execution, ongoing management, analytics, and contract renewal.

LEARN MORE

Related Research

- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2021: Legal and Corporate Strategy* (IDC #US48150021, August 2021)
- *Conga Acquires Contract Wrangler, Roping in Unstructured Data Issues* (IDC #cUS48167621, August 2021)
- *IDC TechBrief: Legal Service Delivery for the Enterprise* (IDC #US47693421, May 2021)
- *COVID-19 Drives Contract Life-Cycle Management Investment, But Beware Implementation Pitfalls* (IDC #US47069719, December 2020)

Synopsis

This IDC study represents a vendor assessment of providers offering contract life-cycle management software for corporate legal through the IDC MarketScape model. The assessment reviews both quantitative and qualitative characteristics that define current market demands and expected buyer needs for contract life-cycle management for corporate legal. The evaluation is based on a comprehensive and rigorous framework that assesses how each vendor stacks up, and the framework highlights the key factors that are expected to be the most significant for achieving success in the CLM software market over the short term and long term.

"Legal buyers should ensure that the technology meets their needs and is not too heavily focused on the needs of the other departments. Many CLM providers often add functionality for legal as an afterthought. CLM needs to be a team effort, but legal buyers need to make sure that their needs are met. CLM is a key part of the overall operationalization of legal." – Ryan O'Leary, research manager, Privacy and Legal Technology at IDC

About IDC

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