



# Legal Department Adoption of Contract Lifecycle Management Solutions: Perspectives From Corporate Paralegals

# EXECUTIVE SUMMARY

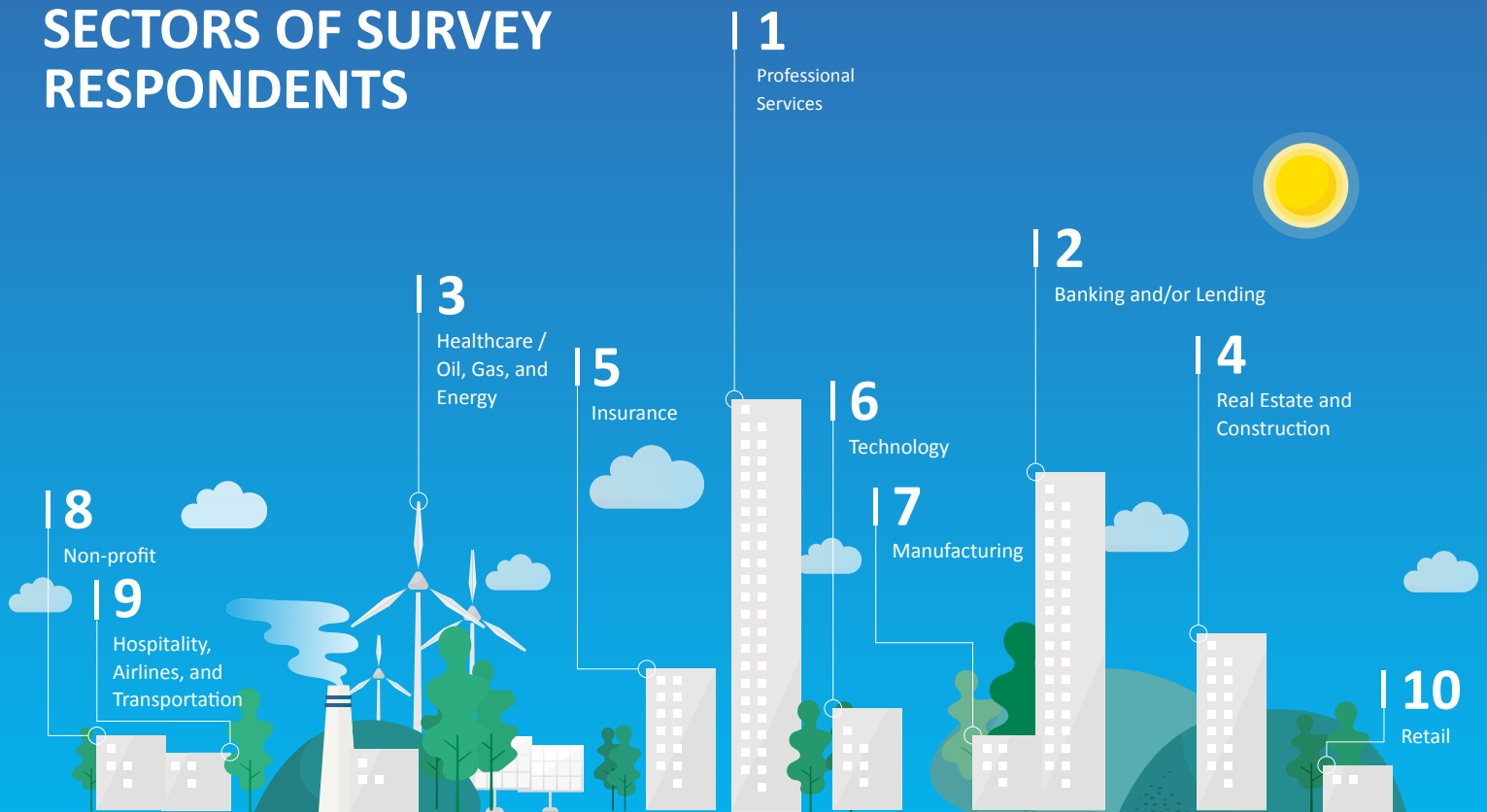
The paralegal has a critical and central role in the efficiency and operational effectiveness of the corporate legal department. One major function essential to the legal department where paralegals play a pivotal role is contract lifecycle management (“CLM”). Frequently paralegals are involved in most or all phases of that lifecycle, as well as managing the systems and processes in place necessary to ensure not only that nothing slips through the cracks, but also that pre-execution and execution phases move along smoothly to facilitate deal velocity, thereby adding to the legal department’s growing role as a company value driver.

In light of the critical nature of the corporate paralegal’s role in CLM and in managing the related systems and processes, NALA and Wolters Kluwer partnered to conduct a survey across the corporate paralegal industry to investigate various trends in how corporate legal departments are adopting and employing technology for CLM, including:

- The types of systems – both those streamlined for CLM, and those repurposed for CLM – departments utilize
- The different ways departments are employing CLM software
- The trends and challenges in adoption
- The most important factors and product features in buying decisions

This report highlights high-level findings and cross-tabulations from the survey. Roughly 150 paralegals across sectors, company and department sizes, and experience levels weighed in via a series of qualitative and quantitative questions sent electronically. The most important themes our study highlights are: (i) most companies are still losing major efficiencies through over-dependence on makeshift, or informal CLM solutions through much of the contract lifecycle, and (ii) vendor support (customer service, customization, onboarding, training, legacy document and data loading) and a comprehensive framework for change management in the legal department and throughout the enterprise are absolutely essential to achieving high adoption (and therefor successful implementation), and adapting as evolving needs (e.g., leveraging software to manage more contract lifecycle phases) scale with department and company size.

# TOP 10 INDUSTRY SECTORS OF SURVEY RESPONDENTS



## RESPONDENTS BY COMPANY'S ANNUAL REVENUE

**34%**

Annual revenue less than **\$4.99M**

**35%**

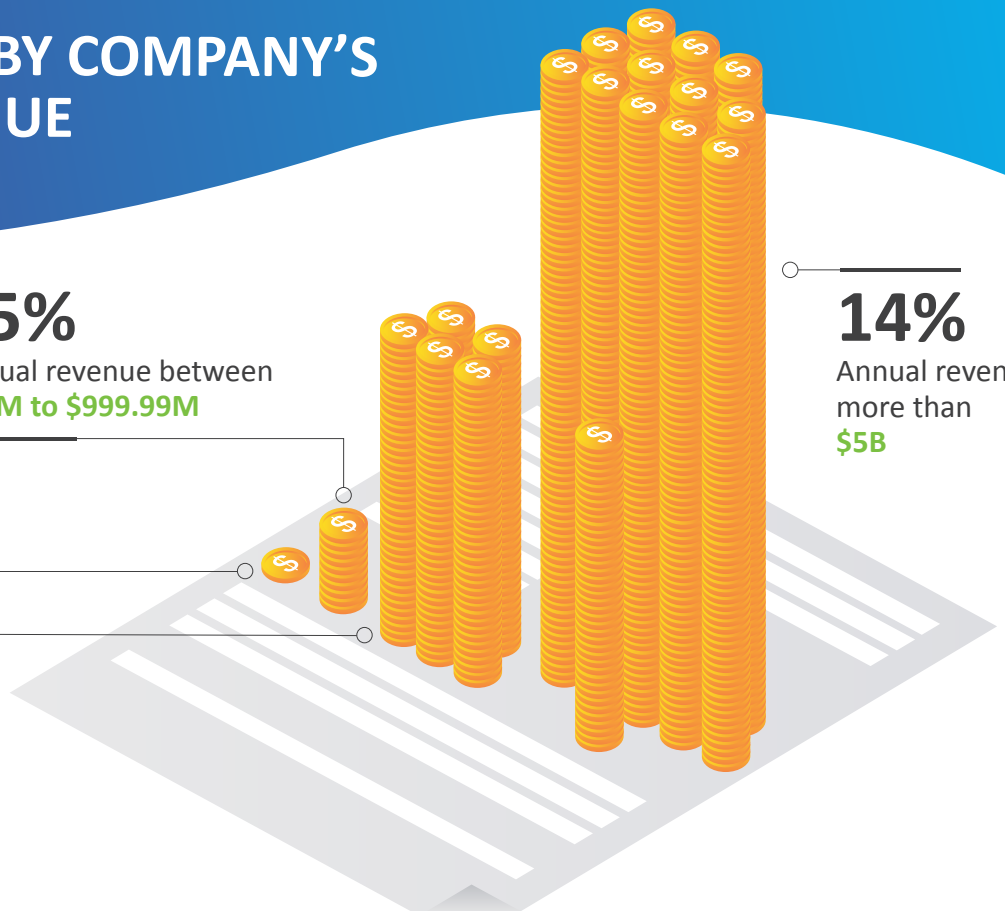
Annual revenue between **\$50M to \$999.99M**

**16%**

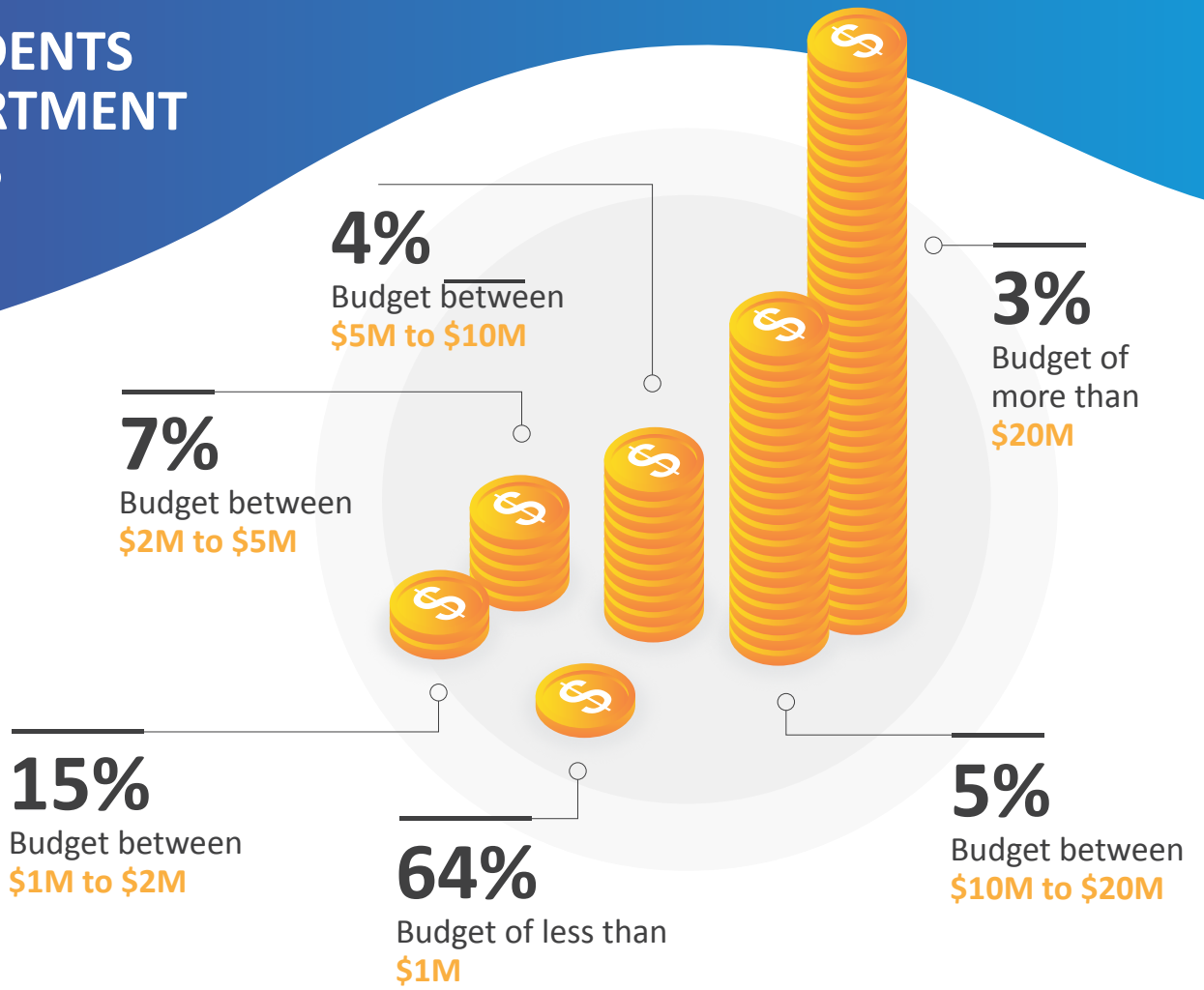
Annual revenue between **\$1B to \$4.99B**

**14%**

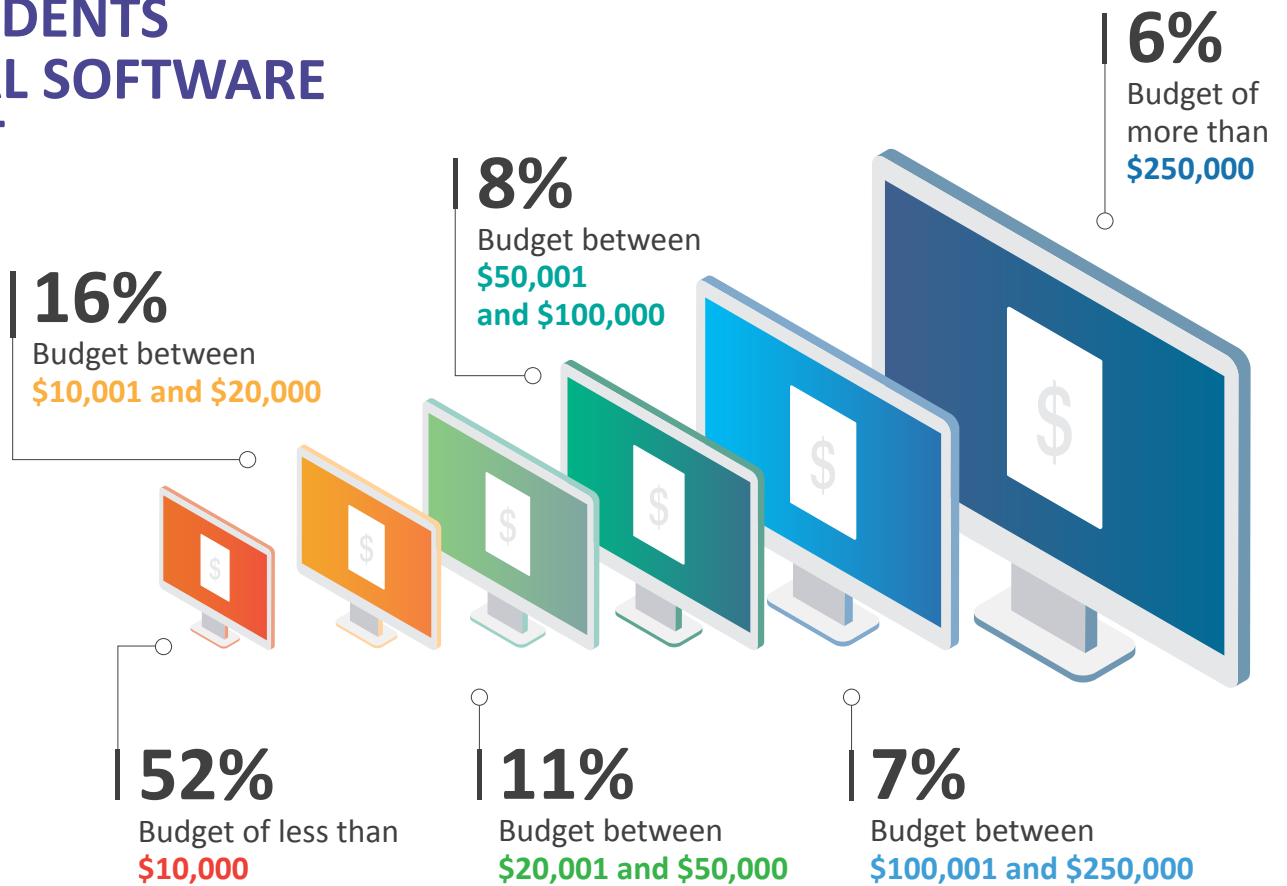
Annual revenue more than **\$5B**



# RESPONDENTS BY DEPARTMENT BUDGETS



# RESPONDENTS BY LEGAL SOFTWARE BUDGET

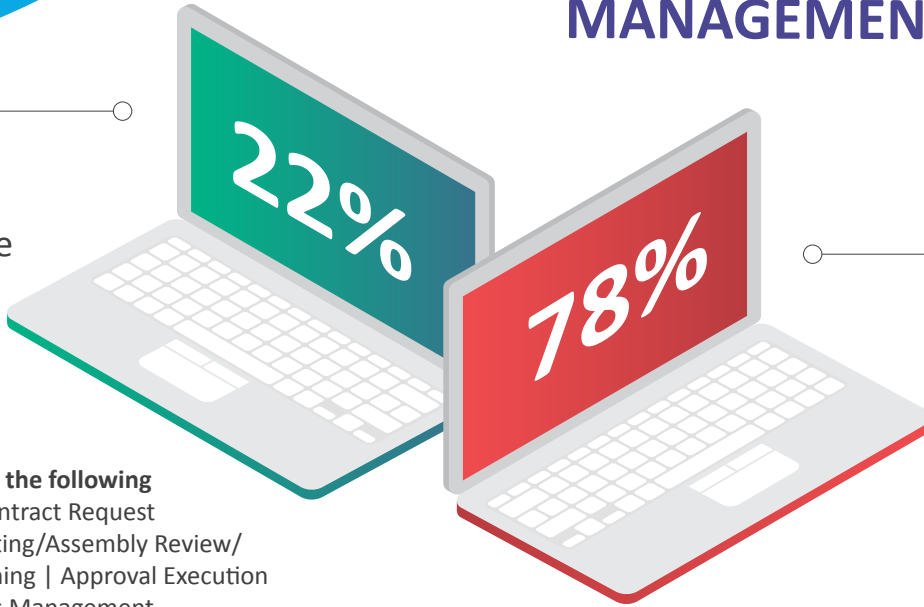




# RESPONDENTS WHO USE FORMAL CONTRACT LIFECYCLE MANAGEMENT SOFTWARE

## USE

CLM Software

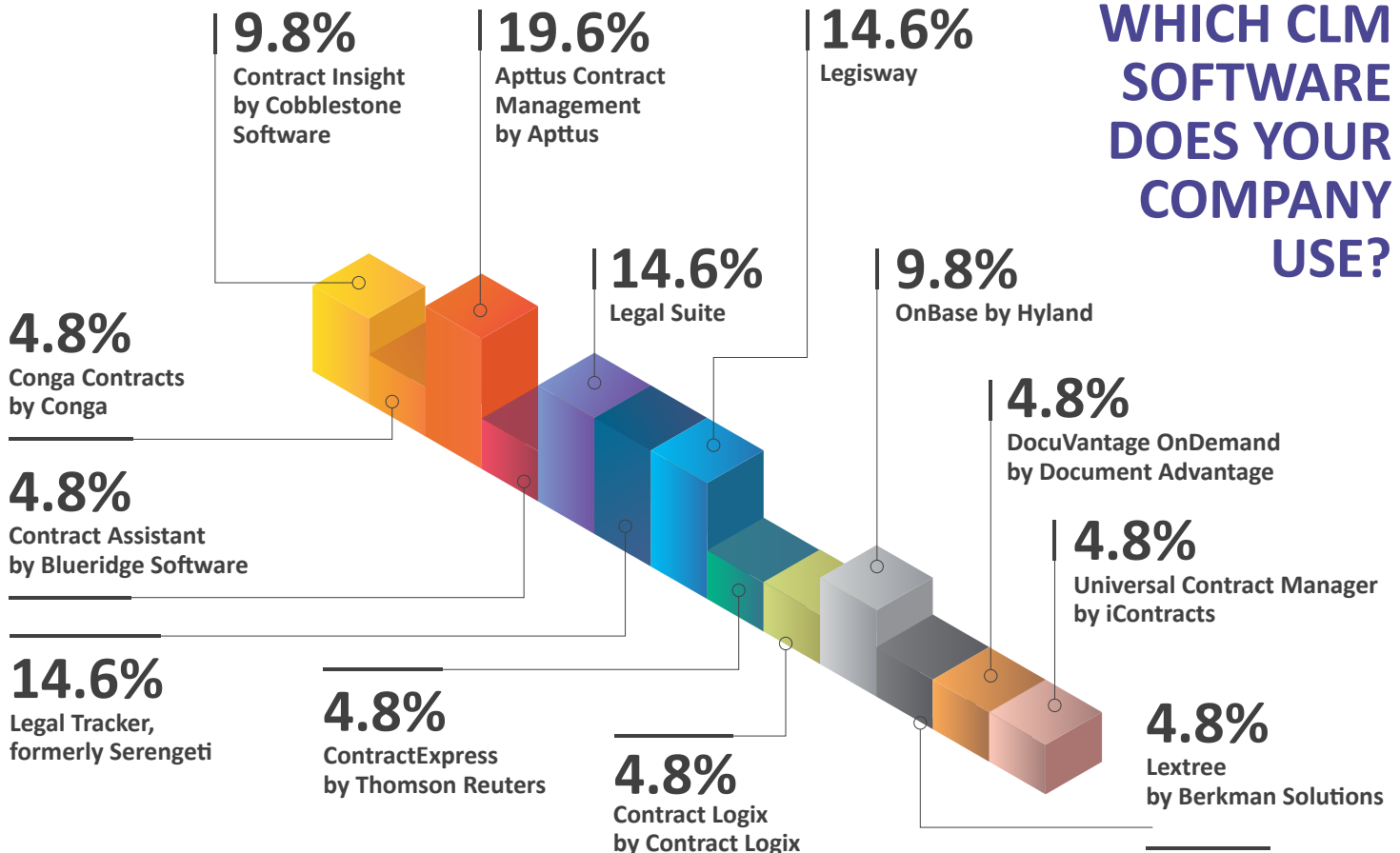


## DON'T USE

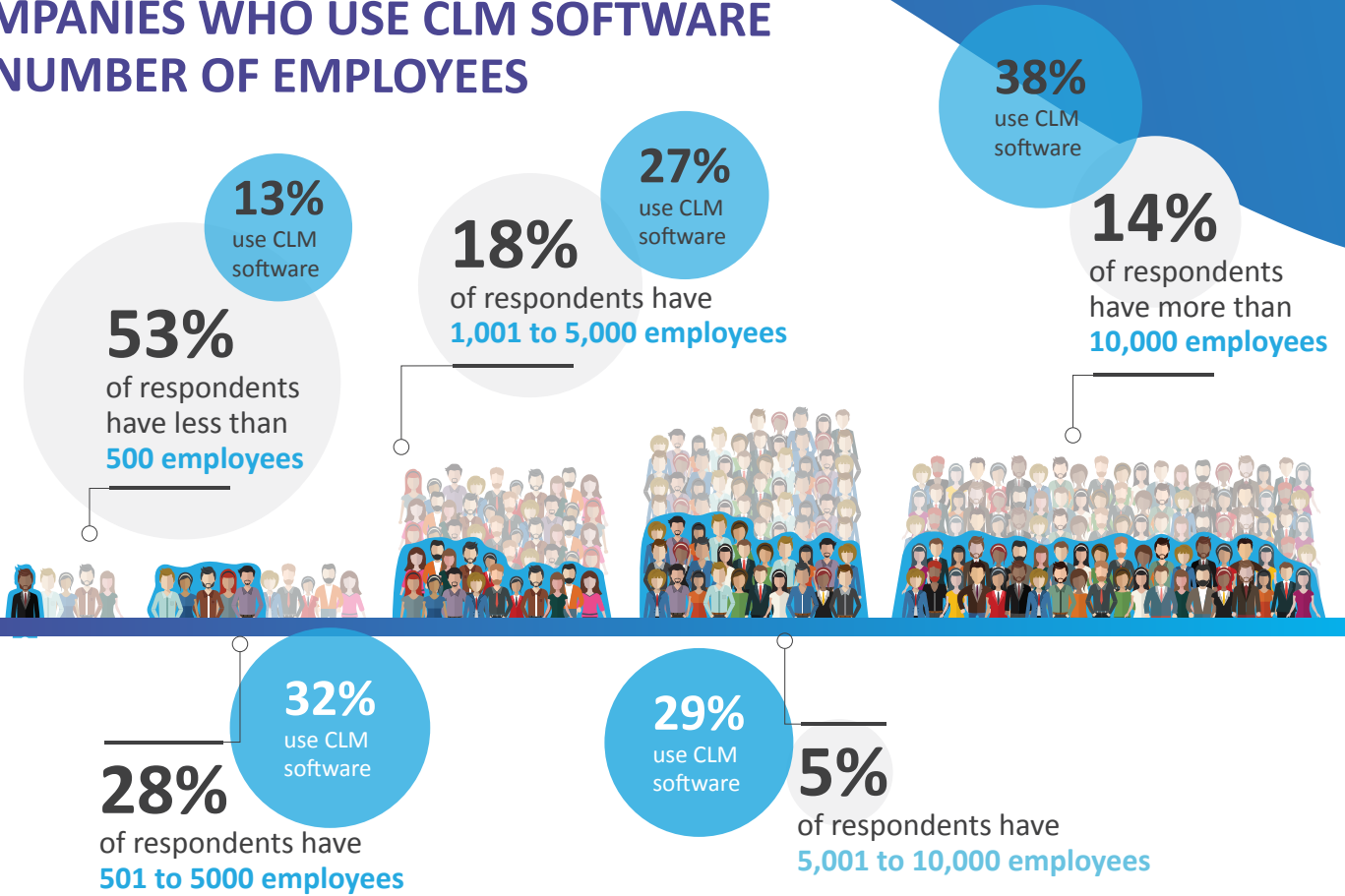
CLM Software

For one or more of the following phases of CLM: Contract Request | Preparation/Drafting/Assembly Review/ Negotiation/ Redlining | Approval Execution | Storage | Records Management

## WHICH CLM SOFTWARE DOES YOUR COMPANY USE?

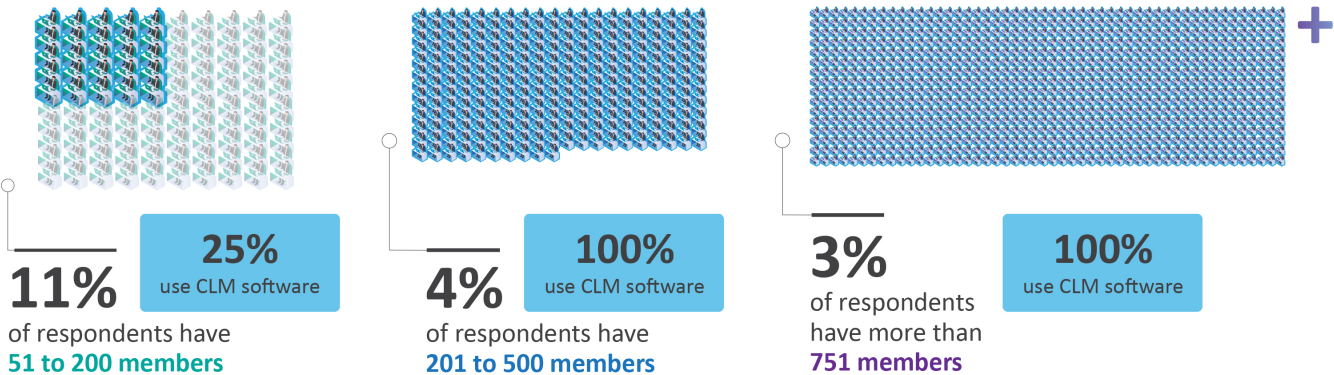
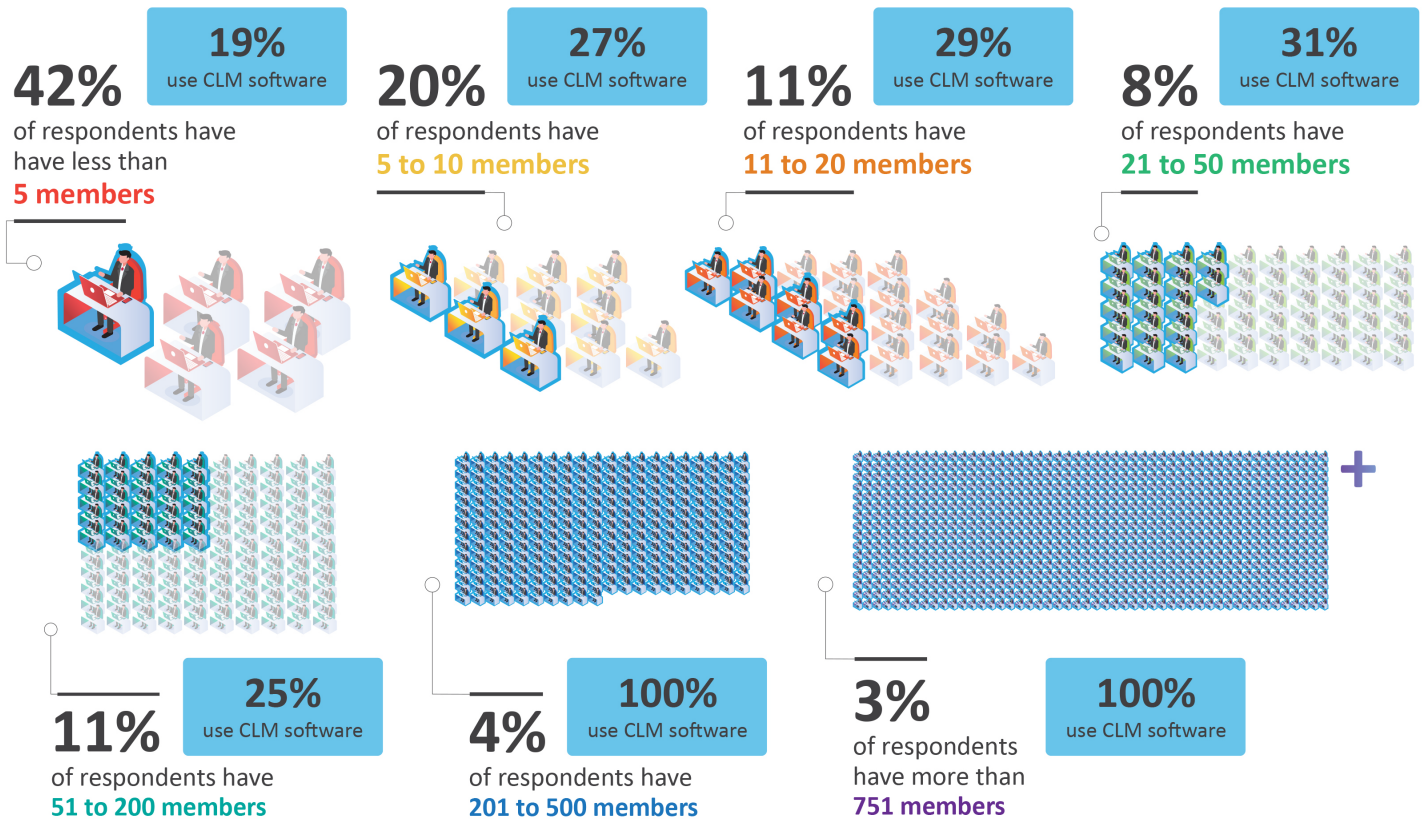


# COMPANIES WHO USE CLM SOFTWARE BY NUMBER OF EMPLOYEES



# COMPANIES THAT USE CLM SOFTWARE BY LEGAL DEPARTMENT SIZE

12.5 Years The Average Experience of Legal Departments that use CLM software



# NUMBER OF LEGAL SOFTWARE USERS PER DEPARTMENT



**1-5** Software Users



**6-10** Software Users



**11-20** Software Users



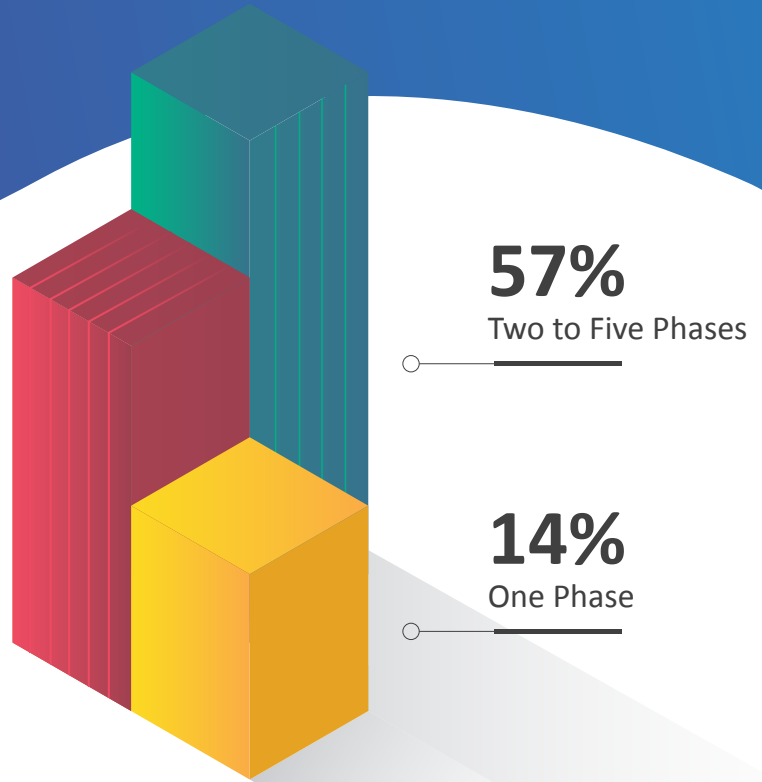
**20+** Software Users

**18%** respondents said they were very likely to recommend their software to someone else

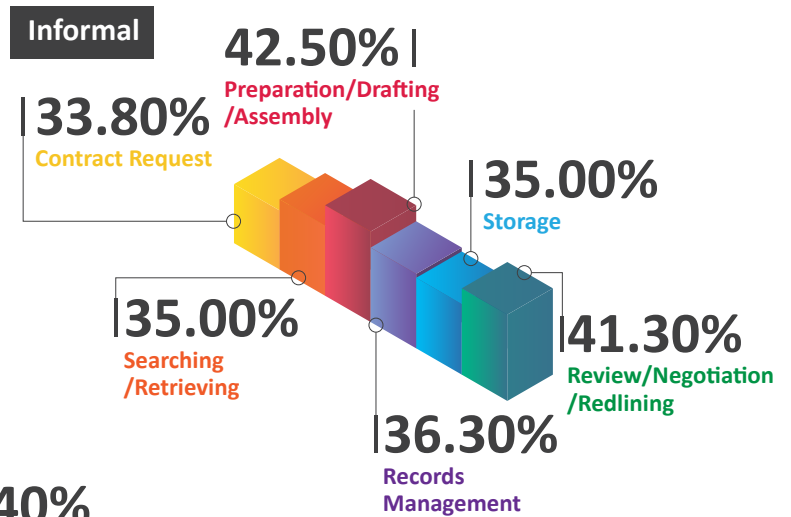
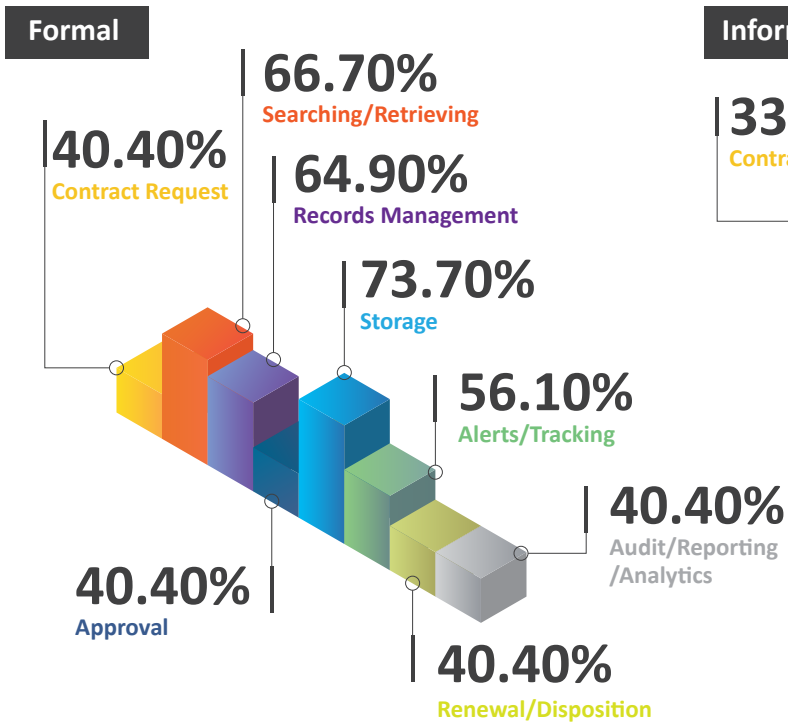
**67%** companies have been using software for less than 5 years

# NUMBER OF CONTRACT LIFECYCLE PHASES IN WHICH FORMAL CLM SOFTWARE IS USED

**29%**  
at least Six Phases

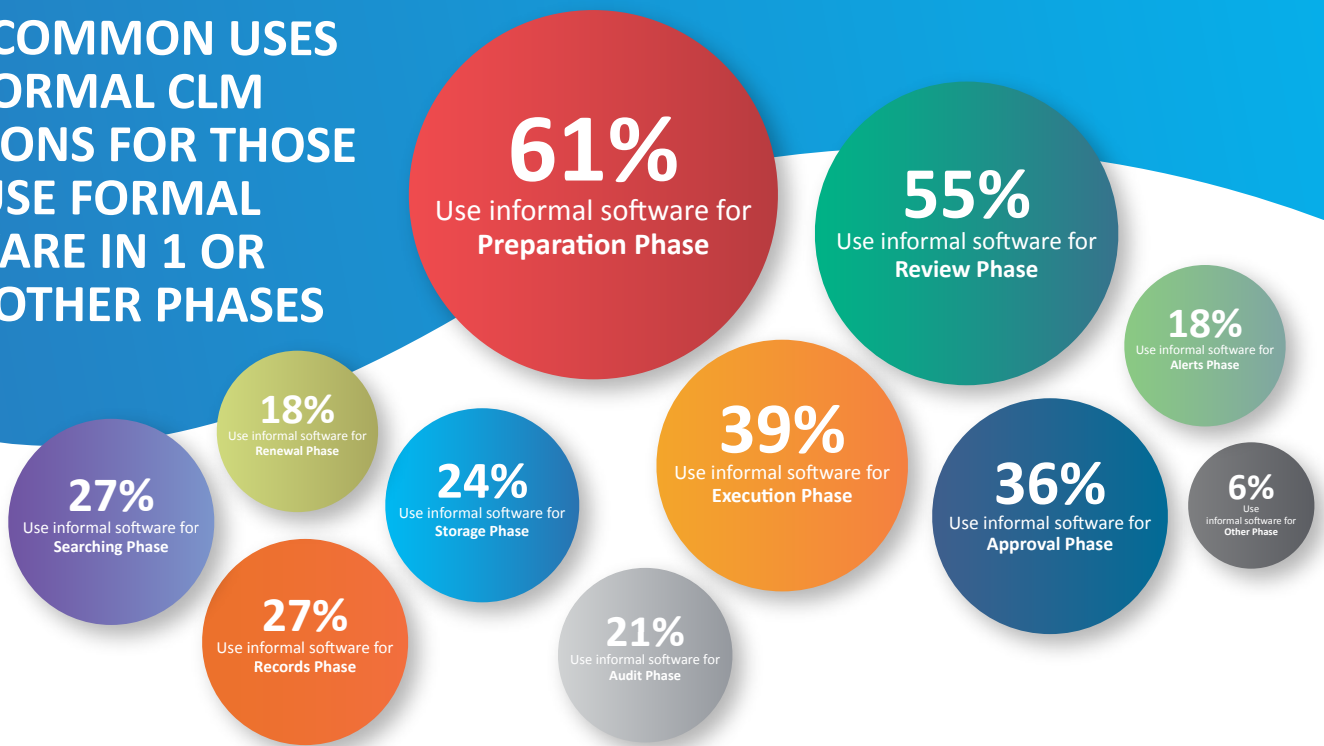


# CURRENT NUMBER OF RESPONDENTS WHO USE CLM SOFTWARE BY PHASE

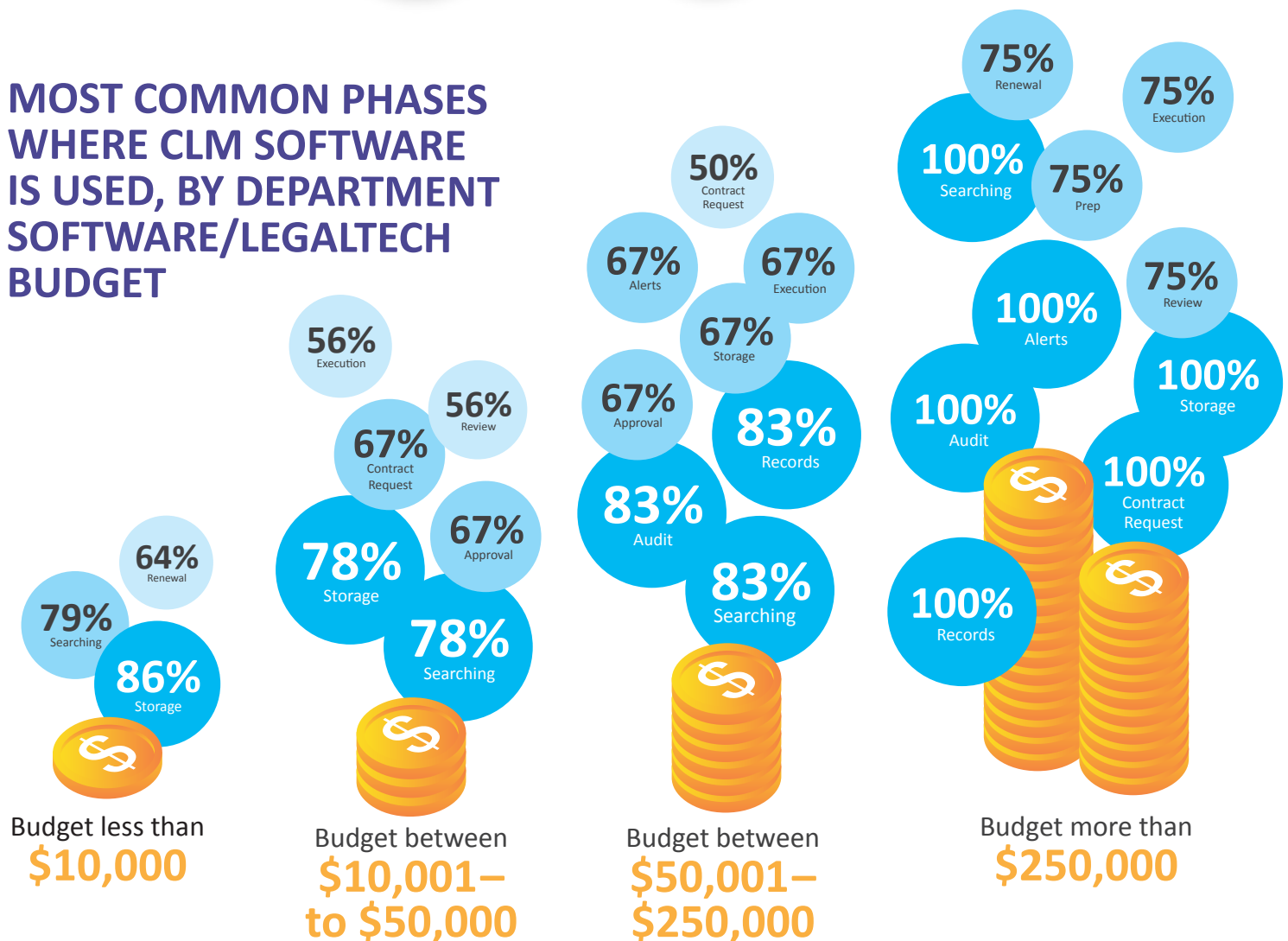


Respondents selected all phases where formal/informal CLM software was employed.

# MOST COMMON USES OF INFORMAL CLM SOLUTIONS FOR THOSE WHO USE FORMAL SOFTWARE IN 1 OR MORE OTHER PHASES

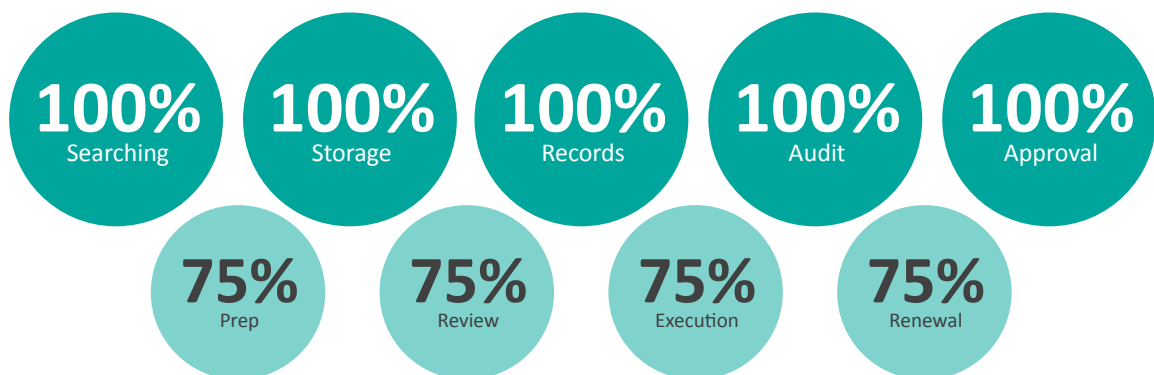


# MOST COMMON PHASES WHERE CLM SOFTWARE IS USED, BY DEPARTMENT SOFTWARE/LEGALTECH BUDGET



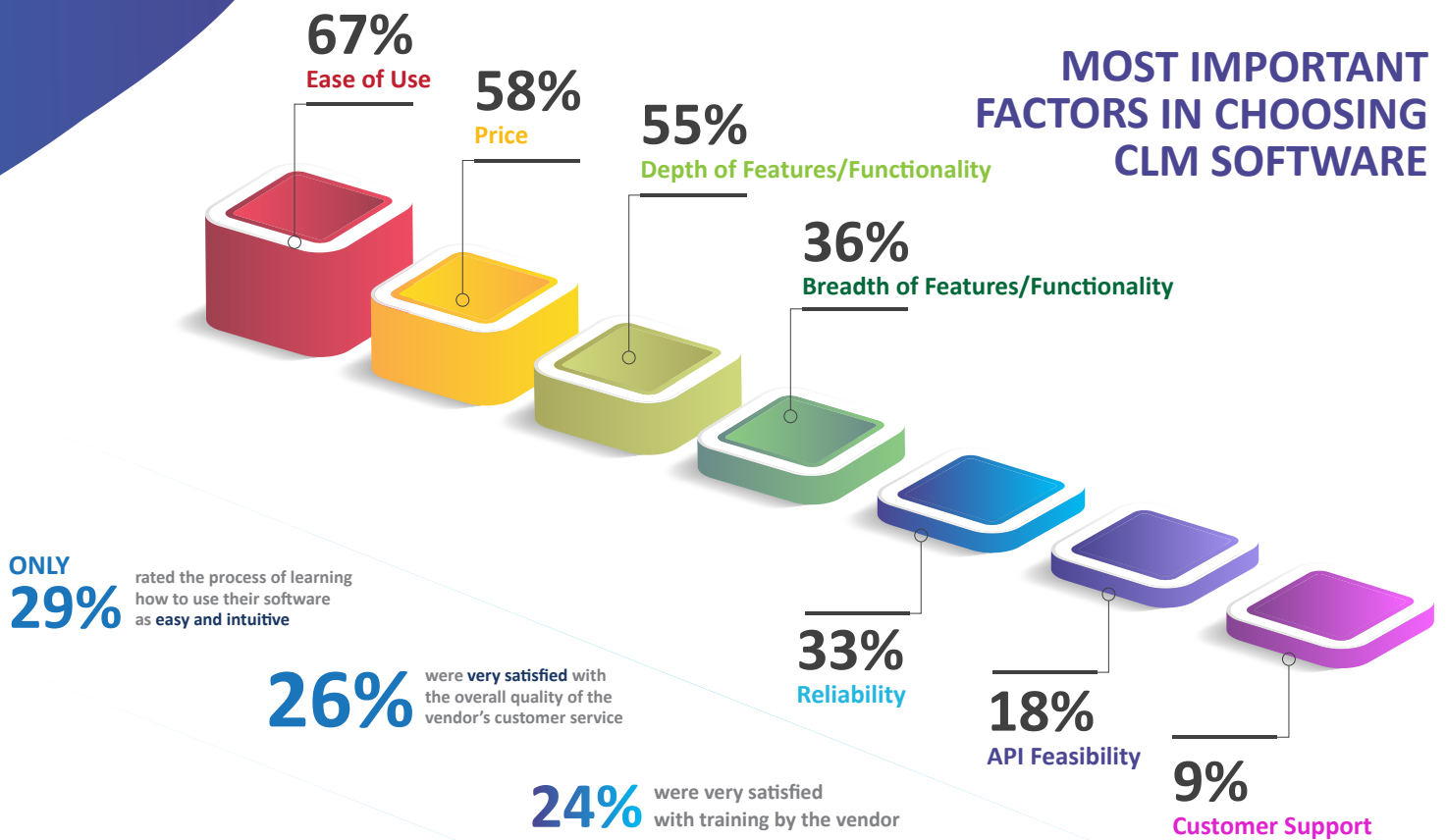


# MOST COMMON PHASES WHERE CLM SOFTWARE IS EMPLOYED, BY DEPARTMENT SIZE

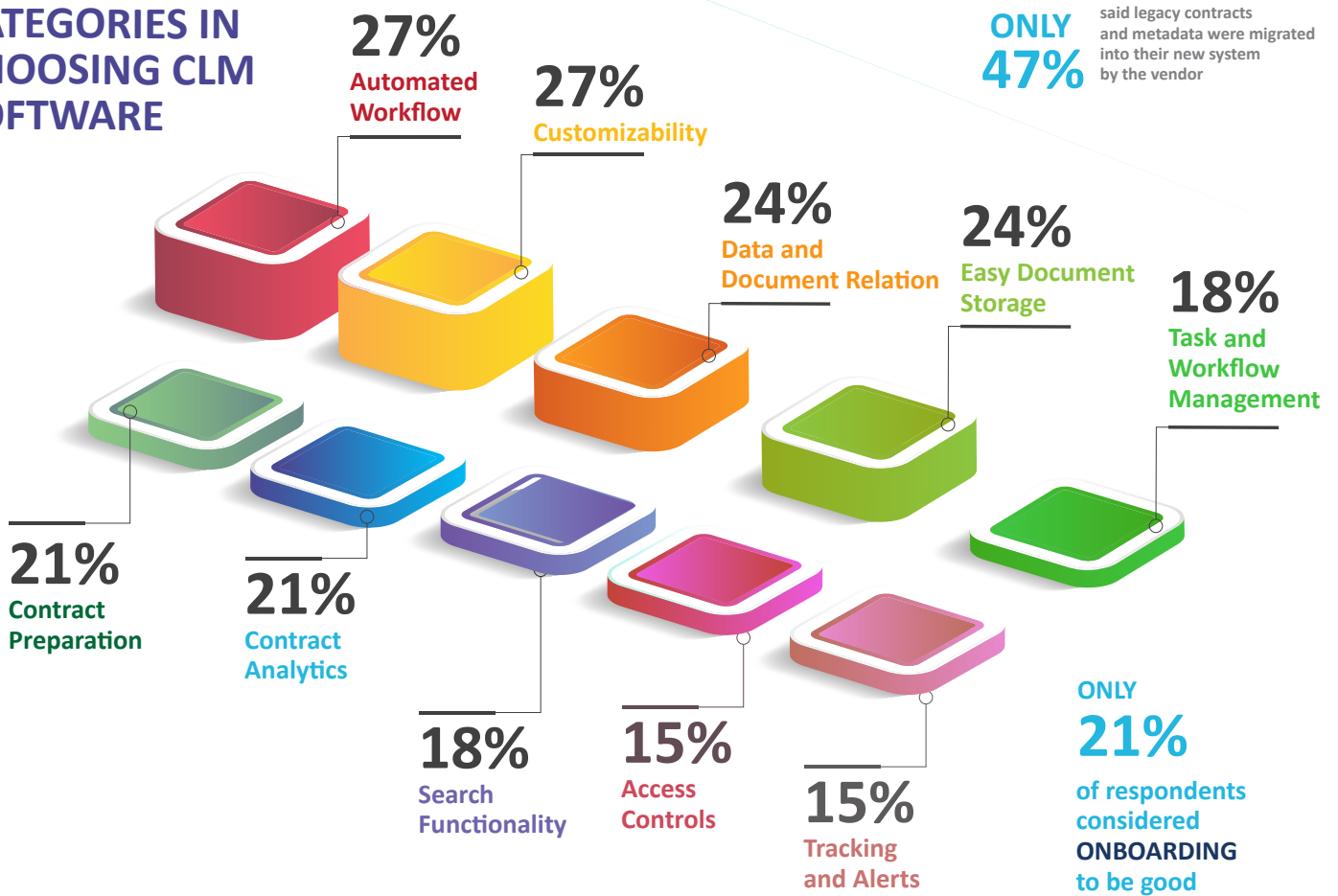


legal department size between  
**51 to 200 members**

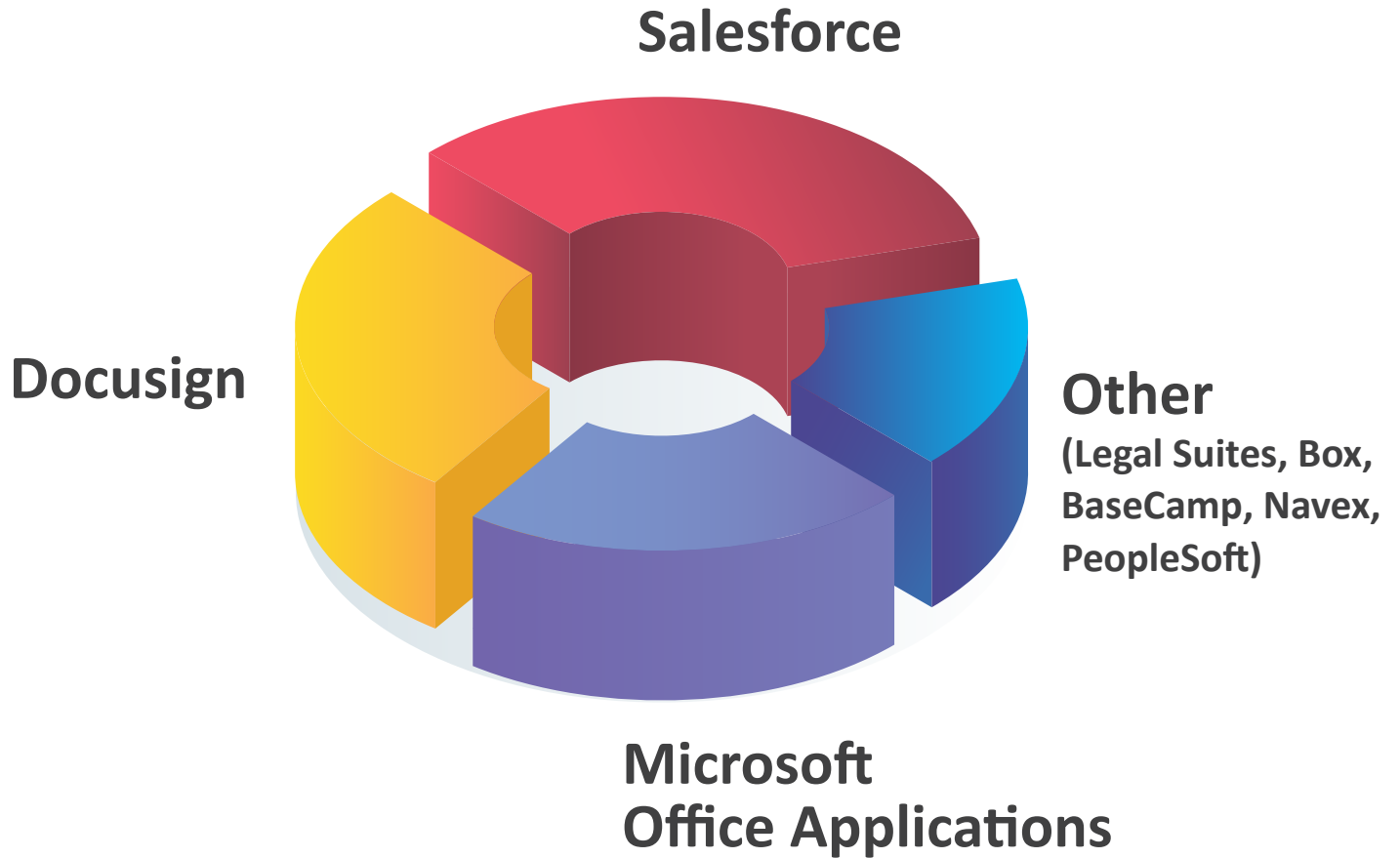
# MOST IMPORTANT FACTORS IN CHOOSING CLM SOFTWARE



# MOST IMPORTANT FUNCTIONAL CATEGORIES IN CHOOSING CLM SOFTWARE



# TOP APIs CONSIDERED MOST IMPORTANT FOR INTEGRATION WITH CLM SOFTWARE



**68%**

of respondents answered that CLM software was **CUSTOMIZABLE** to meet their needs

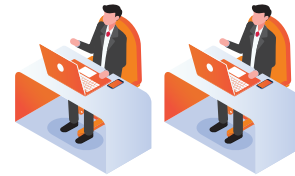
**78%**

respondents indicated that vendor was willing to make changes or customizations

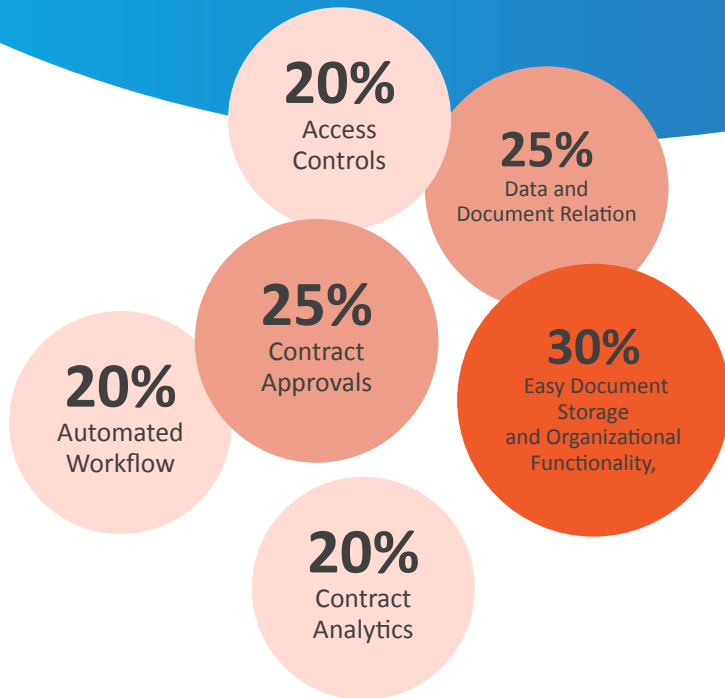
**ONLY 18%**

of respondents rated their vendor's ability, speed and effectiveness with respect to making changes as excellent

# MOST IMPORTANT FEATURE OR FUNCTIONALITY WHERE CLM SOFTWARE IS EMPLOYED, BY DEPARTMENT SIZE



legal department size between  
**up to 10 members**

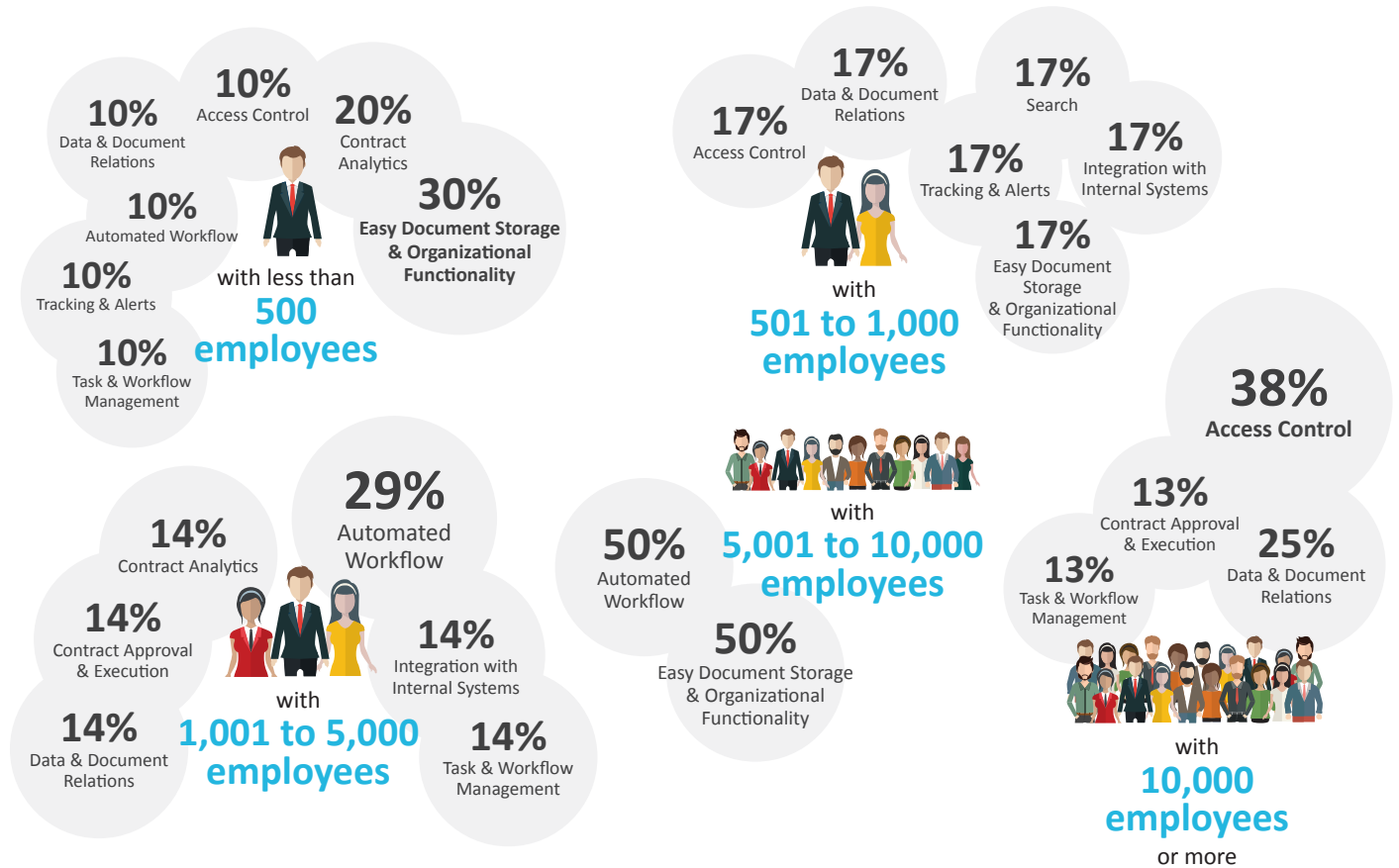


legal department size between  
**21 to 50 members**

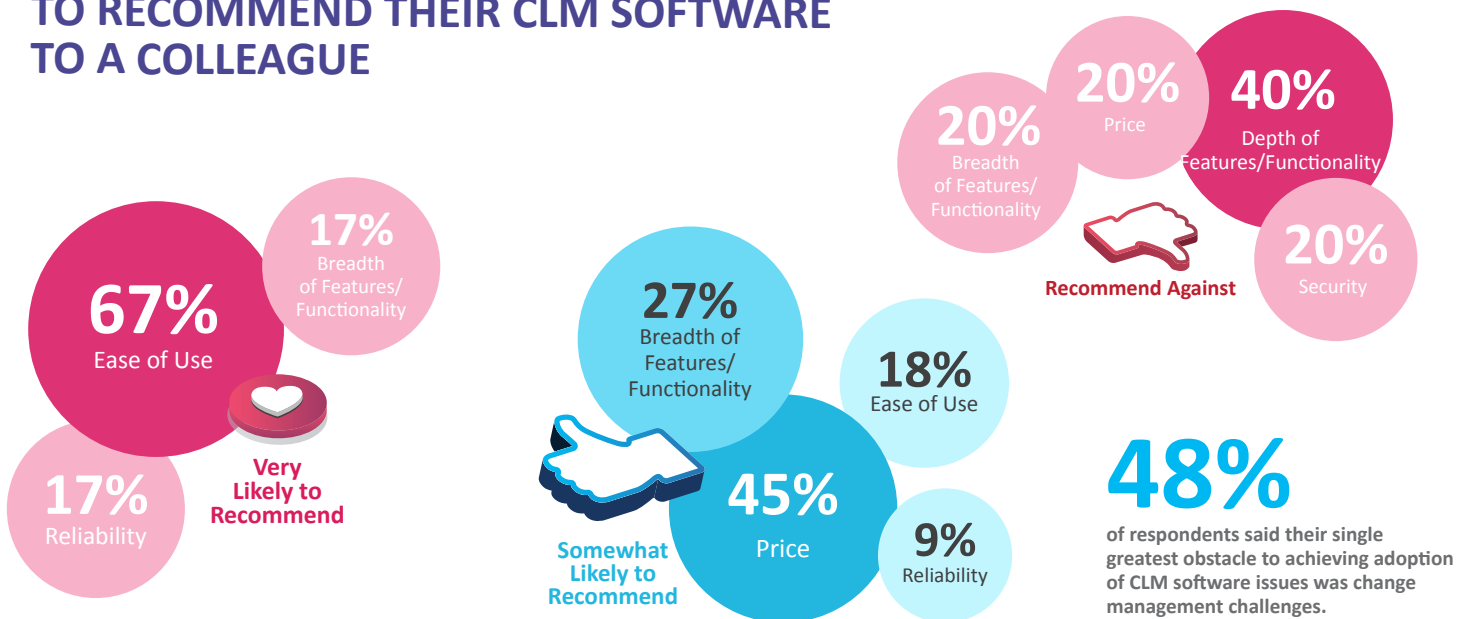


legal department size between  
**51 to 200 members**

# MOST IMPORTANT FEATURES OR FUNCTIONALITY OF CLM SOFTWARE BY TOTAL NUMBER OF EMPLOYEES



# MOST IMPORTANT CLM SOFTWARE PURCHASE DECISION FACTORS, BY RESPONDENTS' LIKELIHOOD TO RECOMMEND THEIR CLM SOFTWARE TO A COLLEAGUE





# REPORT CONTRIBUTORS



*Brian Kudowitz* currently leads the Corporate Legal Department Products portfolio at Wolters Kluwer U.S. Legal & Regulatory. He has been featured in media outlets, including LegalTech News, InformationWeek, and the New York Law Journal, speaks at legal industry events on a variety of issues. He has also been named a National Law Journal Cybersecurity and Data Privacy Trailblazer. Brian earned his law degree from Washington University School of Law and is a member of the New York Bar. He also has a B.S. in materials engineering from Rutgers University.

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*Dr. Greta Zeimetz, CAE*, is the CEO of the National Association of Legal Assistants, Inc. (NALA), a position she has held since 2015. Prior to NALA, Dr. Zeimetz was the Director of Education & Research of an association. She earned her Doctorate in Business Management in 2019 and holds an M.S. in Management & Organizational Behavior and a B.A. in Communications. Dr. Zeimetz is a published author and a frequent speaker at conferences and meetings. She is a member of American Society of Association Executives (ASAE) and serves on its Executive Management Section Council.

**NALA** is the leading paralegal association in the U.S. NALA provides current information about the profession, continuing education programs, networking opportunities, professional certification programs, occupational survey reports, and publications to help paralegals excel in the workplace. NALA is a non-profit organization, 501(c)(6), representing more than 18,000 paralegals, who are individual members or members of NALA affiliated associations.

