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How Your Legal Team Can Manage Contingency Planning for COVID-19

ContractPodAi

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COVID-19 (coronavirus) was declared a pandemic on March 11, 2020, and since then, teams around the world have worked to prevent the spread of the contagion. The CDC, in particular, has assessed COVID-19's impact on public health, promoting contingency plans for regions across the U.S.

For those of us who work in the legal field, that means reducing face-to-face meetings, practicing "social distancing" and working from home (WFH). But legal teams should think even more deeply about crisis preparedness in order to keep businesses running – despite a large number of stay-at-home workers.

Is It Too Late to Adopt a CLM?

Much of the world has come to understand the severity of this outbreak. WFH is certainly key, but other contingency planning for COVID-19 is vital for legal teams to drive informed business decisions in the coming months.

Recent ContractPodAi research reveals that 62 percent of counsels still use manual methods for managing contracts. In other words, most organizations are reliant upon Excel for tracking contracts, which then sit in filing cabinets - if not on network drives - throughout the company. So, the 38 percent of counsels that utilize a contract lifecycle management (CLM) system are, undeniably, at an advantage during this COVID-19 outbreak.

When it comes to streamlining contract management, there is plenty of benefits of a CLM for counsels - during the current crisis and beyond. It's never too late to adopt one.

Examining Force Majeure

In some cases, the production expectations set by signed contracts simply cannot be met with workforces affected by the pandemic, quarantines, and socio-economic forces. As a result, it's opening up conversations around *force majeure* clauses across industries. An [article from IACCM](#) about COVID-19 contingency planning brings up an important point: "Ultimately, whether *force majeure* is applicable comes down to the details of the clause, and how it was written."

In situations like today's, general counsels can be pulled in multiple directions, as they handle the implications of a crisis from HR, business, and partnership perspectives. It's crucial that counsels have instant access to their contracts so that they can make quick, informed decisions. This allows business functions to run as close to normal as possible, benefiting the company, itself, along with business partners and employees.

Monitoring Contract Clauses and Analytics

With services and obligations coming into question across industries, access to contracts and analytics is extremely vital for those teams that are WFH. As companies' concerns grow and risks build, leadership teams often want a full understanding of the status of a business' contracts. Questions, such as "how many contracts have a particular indemnity clause?" and "how many are missing terms that should be standard?" will be asked. Teams, therefore, must have answers at the ready before major decisions are made.

Using E-Signatures and Maintaining Workflows

Although reviewing contracts and monitoring analytics is extremely important today, there are still ongoing business functions that companies must keep alive – especially as the economy shifts and the stakes get higher. These include approving, signing, and finalizing contracts in order to keep businesses running and thriving.

During the pandemic, there have been select industries that have seen increases in business activity. For example, there is now more demand for cleaning services across various organizations. Companies that fulfill this need must act fast with workflow automation tools to quickly negotiate details and get to work before the competition does.

More than likely, these companies are also practicing social distancing and WFH to prevent the spread of the virus. That means signing contracts in person or in the office is no longer possible. Providing e-signatures through a PDF, for instance, is what's needed to making deals in this new normal.

The quicker you can get a contract signed for a new deal, the less likely the deal will be paused, disrupted, or called off entirely. This is why the e-signature business is doing well at the moment. It lets companies close deals more efficiently, and quickly. CLM systems, with built-in workflows, enables attorneys and legal assistants to co-ordinate and process the contract approvals and sign-offs remotely. All this in a timely way that maintains team productivity.

Planning for COVID-19 (and the Future)

During uncertain times like these, a comprehensive contract management process will help your legal team roll with the punches at any given moment. Having a smart repository, AI-based analytics, e-signatures, remote workflows, and crisis management elements - like reporting and search - are more essential now than ever before. This is true during a normal day at the office, let alone a period of crisis. As such, a robust CLM solution should be a part of your contingency planning for COVID-19 and other crises that may lie ahead.

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