The bulletproof business case

Build a business case for contract automation in 12 steps

'Legal is a cost centre'. No matter how much value you add to the business, it can feel like this perception is insurmountable. So when it comes to asking the business to sign off on buying software for you, making a business case that's watertight is crucial.

Committing to a contract automation platform should be one of the easiest asks you ever make.

80%

As much as 80% of the revenue that flows through B2B deals is governed by contracts

60%

Disputes that arise from contracts account for around 60% of all profit-destroying corporate litigation

80%

... and yet more than 80% of commercial contracts are still managed using manual processes

In spite of all this, it can still be difficult to convince the business to prioritise better contract automation as a priority purchase with a meaningful ROI. Even amongst Corporate Legal Operations Consortium (CLOC) members – the companies leading the charge in optimizing legal operations to drive efficiency – around half of member companies have yet to choose a contract automation system.

This guide walks you step by step through the process, so no matter the size of your business, or the complexity of your stakeholder environment, you can get the right people to listen – and to say yes.

"Ineffective contract management costs businesses up to 9.2% of annual revenue"

Tim Cummins, President, WorldCC

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1.

Start with a headline.

To be compelling, your business case must blend hard commercial realities with storytelling. If you expect colleagues elsewhere in the business – whether in finance, procurement or IT – to be interested when they look at your business case, make sure it doesn't start out like a template you've modified a little.

Start with a headline. You do it with your CV, your LinkedIn bio, your blogs – now do it with your business case. Set out your vision in one line, leaning on the most compelling numbers you use in step 7. For example:

How we'll **save $150,000** in three years with contract automation software

How adopting a contract automation platform will make our renewals **3 x faster**

How to regain control of our contract workflow with **no extra headcount**

Put this text in the header of every slide in your deck to emphasise why you're making this case to the business. A little storytelling goes a long way.

2.
What's your problem?

'I want new software' is obviously a statement that will never lead to a good outcome in your search for a faster, more efficient and effective legal function.

You need to make it extremely clear to your stakeholders why the current situation is not only bad, but actually unsustainable.

Make sure this is practical, with real examples and real numbers. You should also describe the impact at every level of the company, to sell your vision from the bottom to the top, answering the core question: **how is the current situation bad?**

Explaining in practical detail how the current situation is creating negative impacts at **multiple levels** of the company tells a powerful story, and helps your stakeholders to understand that your business case is about fixing a problem – not buying new toys.

"Expensive shelfware is one of the fastest ways to ruin your credibility with the business"

Max Hübner, Managing Director, Novagraaf

These are examples of problem descriptions at various levels of the company:

TOP-LEVEL
Our company strategy

- We aim to grow rapidly in headcount over the next 2 years, but our contracting process will hinder our ability to pursue and secure the **best talent**.

- The company has a stated aim to look for a merger partner, but our current contract workflow is building an unacceptable level of **contract risk** that may harm us in future due diligence exercises.

- As we continue to grow, whether organically or through acquisition, we need to be able to move seamlessly into new jurisdictions. Our current reliance on manual paperwork will **hinder our growth** into new markets.

MID-LEVEL
Financial impacts

- We're spending too much money trying to get a handle on documents. Worse is the inflated amount we need to spend on external resources to firefight for us. The rate at which the price of poor contracting will increase will create costs that skyrocket.

- Getting end users – particularly in sales – to adopt these tools has always been a problem. Overpaying for licences for software we don't use only exacerbates the budgetary issue.

- Contract risk increasing creates a burden not just on legal but also on **compliance**: if unchecked, this situation risks headcount pressure for both teams.

GROUND-LEVEL
How people work every day

- We agree and manage contracts using a process that's inefficient. Junior counsel and paralegals create contracts in Word, copying and pasting relevant clauses from previous documents. This is risky, clunky and leads to mistakes.

- We track and monitor contracts in Excel sheets and the information is often kept in silos. This makes it hard to access, and search within, when we need to find a particular contract.

- Non-standardized language leads to lengthy back-and-forth with legal: the core legal team estimates it spends 40% of time dealing with contract-related work. This leaves us without enough time to devote to high-value matters.

3.
Who is suffering?

To really sell the pain points you're looking to solve, talk to your colleagues who suffer with you, and tell their stories to the decision-makers. This will help you define the scale of the problem you're solving, and budget controllers to understand that you aren't suffering alone.

Find a succinct way to get this across, with quotes, numbers and headshots. The case you make will seem much more urgent to your decision-makers if you're not alone in making it.

Head of Legal, Cazoo | Contracts scattered through a business ready for IPO | Case study
"Our challenge was to be able to go to our investors really quickly and say 'this is what our contractual universe looks like. Please go ahead with your due diligence.' "

Head of People Operations, Gopuff | A painful manual workflow | Case study
"Our process had around 18 administrative steps, which meant it took up to 20 minutes to onboard one rider"

Senior Rev Ops Analyst, Paddle | A huge time investment for legal and sales | Case study
"It would take a sales rep at least 30 minutes to download a template and adjust the information. On top of that, legal had to invest a chunk of time into reviewing the document"

Head of Legal, Iptor | Two hours of legal's time per contract | Case study
"It took me two hours to draft a contract for sales. We have so many contracts, it's difficult and exhausting for legal to work this way"

4.
Imagine a world...

Before you start to sell your stakeholders on the solution you have in mind, you need to sell them a dream. Your dream. If the right people read your business case, agree wholeheartedly, buy your solution, roll it out, and everyone adopts it, what will life be like?

For example:

"Once we implement this solution, any user will be able to agree and manage routine contracts in a matter of minutes. The document they create will be based on pre-approved templates, signed off at the highest level.

They can share the contract immediately with stakeholders inside and outside the business, for approval and for negotiation, without needing to introduce risk by saving local copies, printing, scanning, and even mailing hard copies.

We'll sign documents digitally, every relevant stakeholder will be notified automatically, and our crucial business documents will be stored securely in the cloud. Our people will move faster, our legal processes will be more robust, and our business will create less risk"
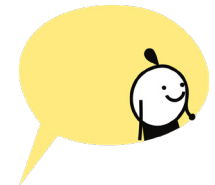
You should have mapped out this workflow before you started to consider solutions anyway, and vendors will be able to help you to express it even more clearly.
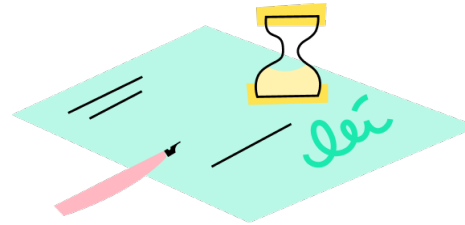
Set out success metrics that match your aspirations.

"Companies implementing targeted contract automation projects in 2–3 months can deliver as much as 200% payback within 1 year"

Aberdeen Group, Contract automation Benchmark Report

For example, in six months:

We'll cut contract creation **from 2 hours to 10 minutes**
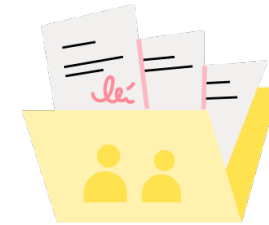
We'll cut approval time for a sales-generated document **from 2 weeks to 3 days**
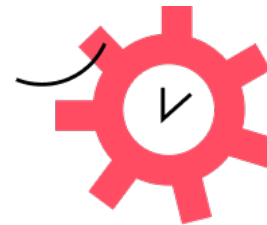
We'll cut the number of systems of record for our legal documents **from 5 to 1**

We'll cut the proportion of time our core legal team spends managing contracts **from 40% to 10%**

Financial stakeholders will want hard ROI numbers – don't worry, you'll come to those later.

5.
Who can help you?

Who needs to sign off and what are their motivations?
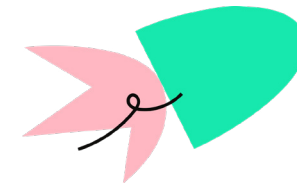
At this point you should clarify who you're trying to persuade, because the factors that will convince them will be different. For example, if you're a legal counsel trying to convince the GC to pay for something, then freeing up your own time might be persuasive.

If it's operations who need to sign off, then control over approvals and data they can trust to be accurate will be crucial. If HR is the main contracts user, and they'll provide the budget, then the signing experience might be a factor. If it's the CFO then you know your ROI calculations need to be overwhelmingly persuasive.

Perhaps most importantly, make sure you involve IT early on. The ultimate decision-makers for contract automation software might be colleagues with entirely different motivations to yours – you need to be clear on what they are, in order to recruit their assistance.

"You need friends in IT who know what you need and why, and why it matters to the business that your project takes precedence"

Mike Russell, Head of Global Legal Operations, Expedia Group

Before you set out your plan, and how it saves money/adds value, make sure you're clear on each of your decision-makers: what's their role, and what do they care about?

This will help you to target the case you make to the people who'll decide whether to approve it or not. If you're trialling or demo-ing the solution, these are the people who need to be on those calls and in those meetings.

For example:

ROLE	CARES LOTS ABOUT	CARES LESS ABOUT
General counsel	Freeing the team to work on high-value tasks Becoming a profit centre	Helping sales close faster
CFO	Provable ROI in year 1	Tech bells and whistles
VP sales	Generating and moving docs through legal quickly	Legal's budget
CIO	Data security; robust integrations	Saving lawyer time
Head of procurement	Control at every stage of the process; accurate data	Delightful user experience

6.
So what's the plan?

To recap: by now, you've identified the precise problem that's causing pain to the business. You've made clear that it's not just you who suffers – individuals in various functions feel the pain too. You've painted a picture of a world without this problem; and finally you've identified the allies you need to pull the trigger on this decision.

Now it's time to state your plan clearly. Set out what you intend to buy, when, on what basis, for which teams, and the length of any trial periods.

For example:

"We will buy [contract automation platform] on a subscription basis on an initial 12-month contract. We'll deploy it to replace our multiple legacy systems, [x] [y] and [z]. We'll migrate the documents and templates from these systems into the new solution, with the help of their onboarding team.

The initial deployment will cover six users in sales. If this is successful (defined as adopted by all six users, generating at least 10 contracts each), after three months we'll expand to three users in the legal team. If the solution is deemed to be successful at the end of year one, we'll consider expanding to procurement in year two"
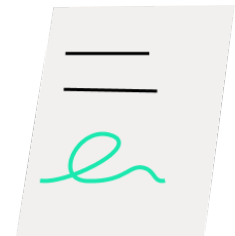
7.
Prove it: financial benefits

You've set out a proposal that means a serious investment. This is the time to show your stakeholders the return they'll get on that investment. ROI calculations are extremely powerful when it comes to legal solutions, mainly because the hourly/daily/monthly/annual cost of a legally trained employee is so high.

Contract automation software isn't just about document storage; it covers every stage of the contract's lifecycle. ROI calculations for contract automation software are chiefly driven by:

• Cost savings (from saving time)

• Increased revenue (from closing faster)

Alongside the less tangible benefit of reducing risk.

Here are the key benefits of contract automation, mapped across the contract lifecycle, and split between cost reduction and increased revenue and reduced risk. These are the value levers that will help you make your case.

	CREATE	COLLABORATE	AGREE	TRACK
Cost savings	Faster contract creation	Less time on low value repetitive work, more time spent on adding value Reduce approval bottlenecks	Less time chasing signatories	Less time spent searching for old contracts Less time spent searching for old contracts
Increased revenue	Get contracts out faster	Spend less time on contracts, close faster	Close faster Sign more deals	No missed renewals
Risk reduction	Avoid incorrect templates being used Avoid incorrect commercial data in contracts	Keep control of versions and redlines Have a clear audit trail of changes	Correct authorised signatories every time	Record of all contracts Keep track of contractual obligations

🔵 Applies to legal

🔴 Applies to the business

🟢 Applies to both

Once you know which of these value levers are relevant for you, based on the nature of your requirements, you can start working through ROI calculations, based on the relevant metrics in your business.

To the right is a worked example of the breakdown of cost savings and increased revenues of contract automation software, across the contract lifecycle. This is based on a series of assumptions captured in the table below.

In the worked example, the total monthly cost saving is **$8,054** and the monthly increased revenue is **$5,633**, meaning a total monthly ROI of **$13,687**.

*These examples assume the following:

Contracts created per month	100
Full baked cost per hour of employee	$40
Legal team time spent on manual contracts	30%
Legal team members	4
% of contracts requiring approval	80%
Sales per month	25
Sales people	5
Value of sale	$1,000
Signing rate	80%

Cost savings

Monthly total: $8,054

$1,867

$1,600

$747

$3,840

Increased revenue
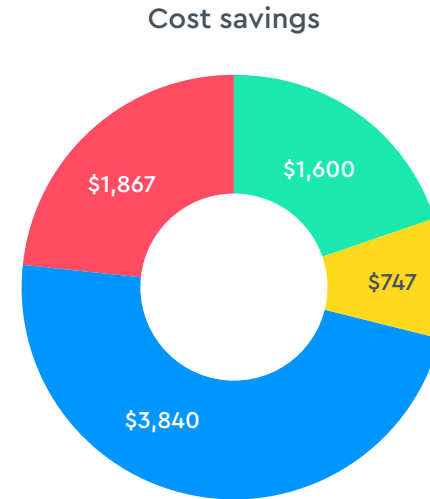
Total monthly ROI: $13,687

Monthly total: $5,633

$703

$1,000

$1,000

$2,930
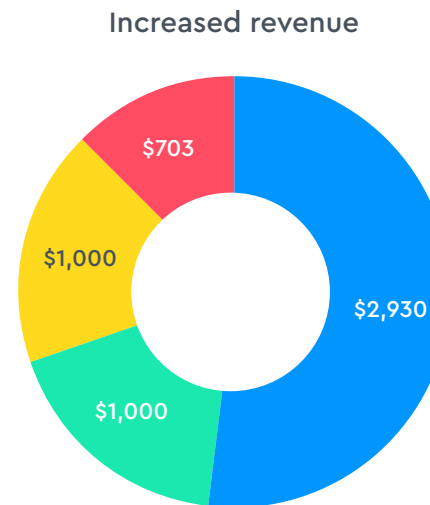
🟢 Create 🔵 Collaborate 🟡 Agree 🔴 Track | All amounts are monthly ($)

Include the financial benefits you think are most appropriate, and most compelling, and don't forget to choose the most powerful to include in the headline of your business case (see **step 1**). If you would like more information, or the spreadsheet and formulae to calculate this for yourself, please get in touch at **hello@juro.com**.

"Too much of the legacy software that powers huge chunks of the legal industry still falls down when it comes to being user-friendly"

Dean Nash, CLO, PagoNxt

Key risks

The first reaction of any decision-maker will be to greet your numbers with a healthy pinch of suspicion. And they're right to do so; software implementations fall down for any number of reasons, and a failure to deliver on the ROI that you promised will only hurt your reputation internally.

It's important to call out key risks that could threaten these financial benefits, explain how you'll meet them, and put these concerns to your proposed vendor. Examples might be:

Low adoption: will people actually use the tool? If only two of your proposed ten users actually migrate to the new solution, the cost savings and boosts to revenue will be smaller in scale and harder to justify. Look for a solution that prioritises ease of use and has a strong evidence base in terms of adoption.

Long, tricky implementation: how easy is it to set up and get to value with the new tool? If it takes your IT team six months to configure, this cuts your year one ROI in half. Look for a solution with fast onboarding and demonstrably quick time-to-value.

Hard to integrate: does your proposed solution talk to, and work with, all the other tools you use? For example, if the entire sales team uses Salesforce every day, it's unrealistic to expect them to use a tool that doesn't integrate well with their CRM. Avoid this risk with a solution that fits easily into your current tech stack.

8.
Prove it: non-financial benefits

To really sell your vision to decision-makers, it's worth calling out those benefits of your proposed solution that are intangible, or hard to measure in ROI terms. This might include:

Risk   Would implementing this solution have an impact on the risk currently impacting your contract workflow – for example, future litigation, impact on due diligence in potential M&A, missed renewal dates and so on? Give examples to help bolster your case.

Compliance   Would implementing this solution reduce the compliance burden on your contract workflow – for example, by helping you build GDPR-compliant privacy wording into your contracts? Give examples of how the new solution will remove tasks from the compliance inbox.

Audit   Would implementing this solution make irregular events – like undergoing an audit, raising an investment round, or an exit event – easier to manage, when they crop up? If the robustness and searchability of the solution will make the business more agile in these situations, give examples of how this will have a positive impact.

Expansion   Does the solution have potential for expansion to teams elsewhere in the business – for example, if you're starting in legal and sales, could procurement or HR benefit?

9.
But why THIS product?

By now you've hopefully convinced your audience of the pain the current process is causing to the business – and not just to your team. But there may be a range of products in this category, all claiming to help you – so why choose this product, as compared to others?

Having already called out the key ROI upsides, and the key risks to realizing them, it's compelling to frame this as a response to those points. If this is the solution that offers the biggest time saving on contract creation, and that's your biggest pain point, then make this clear.

For example:

- Of all the solutions we saw, the team found [x] the easiest to use, making wide adoption and full realisation of ROI most likely.

- Testimonials from similar companies using [x] described contract creation time savings of 96%: this is our biggest pain point and likely to drive the highest ROI.

- [x] guarantees onboarding and time-to-value within four weeks of subscription: no other product offers this.

- The sales team tested [x]'s Salesforce integration thoroughly and showed very high willingness to adopt.

10.
Why this product NOW?

The final barrier to 'yes' is urgency. Why should the purchase happen now, given every other budgetary pressure the business faces?

Establishing urgency is what salespeople sometimes call the 'burning platform': making people aware of just how increasingly precarious the current situation is. As you're the internal salesperson for this business case, it's up to you make clear the risk of leaving this problem unchecked.

Choose the issues that you know will be the most compelling to the stakeholders you identified in **step 5**, and tailor your message to land with the most urgency to convince your decision-makers that the time is now.

There are two main levers to pull here.
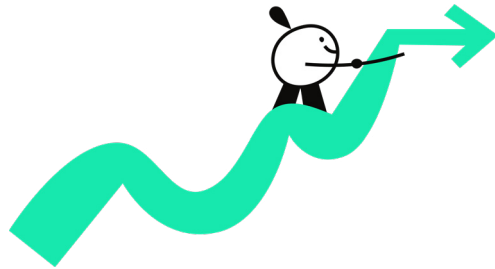
1. Compelling events

Emphasise the lead-up to a **compelling event** that makes efficient, effective contract automation absolutely crucial, like a forthcoming funding round. Ask your stakeholders: are you comfortable going through due diligence with potential and current investors, with our contracts in their current state? Other compelling events that create urgency could be a merger, or an expansion into a new jurisdiction.

2. Ever-increasing cost of inaction

With or without a compelling event, the ROI calculations you worked through in **step 7** should make the cost of inaction extremely urgent to the business. For example, if you showed that your solution saves $60,000 annually, then every week you don't act costs $1154. If the proposed new time to closing could generate $100,000 in extra revenue annually, then you're leaving $294 on the table every day you go without it.

11.
If we say yes, then what?

Next you need to sketch out what the near future looks like when you pull the trigger on a better way of working. What happens in the first week, month, year? Get this information from your vendor, and set it out in simple terms. For example:

Week 1 — The onboarding team kicks off a proof-of-concept week (which may include an opt-out), where the champion user goes through set-up as an administrator for the new platform. He or she will be guided through template creation, as well as how to manage users and workspaces.

Week 4 — The first group of participants start to test and then use the new platform, providing feedback and questions to the vendor's support team to deliver training and make adjustments to approvals, access rights, and so on. Additional targeted training sessions are delivered. The first live contracts are generated using the new tool.

First 6 months — The vendor support team will hold regular check-ins with the champion user(s). Quarterly business reviews are held to gather feedback, look for opportunities to increase value, expand the user base, and identify features and integrations that would help users.

Giving your stakeholders an idea of what happens next makes it easier for them to understand the extent to which, and the moments when, it will impact their teams and processes. Offering this transparency now will make it much easier to implement when the new solution is in place.

12.
The new normal

In **section 3** you set out your vision of a process transformed by your proposed solution. Take this opportunity to flag any ongoing changes that will be required to make that vision a reality, once the new platform is implemented.

For example:

- Which current resources will be allocated to implementation, and then to managing the new platform?

- Will any additional headcount be required in the short, medium or long term?

- What level of internal IT support do you anticipate the project will need on an ongoing basis?

- What level of IT support will the vendor offer on an ongoing basis?

- What will the training requirements be if you decide to expand the solution's use in the future?

- When will our initial pricing expire? Do we have an indication as to how that might change?

Flagging these issues now shows your audience that you've considered the long-term impact of implementing your proposal on the wider business – and that you're prepared for it.

Appendix 1

Cheatsheet: defeat objections

Use this cheatsheet to defeat predictable objections to business cases for contract automation software.

Can't you just use what you currently have?

Based on the ROI calculations, no. We are accruing risk, wasting money and missing out on revenue by relying on our current processes.

We can't afford it.

The time savings expressed in the ROI calculations mean the software will pay for itself within the first year, before going on to deliver considerable financial upside. Can we afford not to?

Nobody will use it.

High-volume users from all the key teams have already seen the tool and committed to use it. In any case, adoption of our legacy systems is low, meaning we rely on manual processes.

There's another product with more features – shouldn't we go for that?

Unless you have full transparency into every vendor's product roadmap, and inside knowledge on their ability to deliver it, 'feature bingo' is a losing game. We've identified a product that solves our specific pain points now, we know it will be adopted, and it's costing us money every day we don't buy it. Let's not waste time holding out for features we might not need.

We don't have the time to make this change now.

We chose this solution because it offers a significant time saving on current processes. Let's use that time to change those processes for the better.

Why should we go with a challenger contracts solution?

Don't underestimate the long-term value of being able to influence the product roadmap. Our needs might change and evolve in future – wouldn't it be great if we the product develops in tandem with us?

Appendix 2.

Your business case: order your deck

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JUro