

How Docusign CLM Empowers IT Decision-Makers To Drive Efficiency, Compliance, And Business Value



Return on investment (ROI)

449%



Net present value

\$3.01M

Contracts are the heart and soul of business relationships. As the ways businesses buy, sell, partner, hire, innovate, and grow evolve, so too must the languages and mechanisms that facilitate these activities.¹ In an era where efficiency, compliance, and data-driven decision-making are paramount, IT decision-makers are increasingly recognizing the transformative potential of contract lifecycle management (CLM) solutions.

IT departments are under immense pressure to streamline vendor management and maximize the value of existing systems through seamless integration with new technologies. CLM is a critical area where strategic investment can yield significant organizational benefits. By implementing a robust CLM platform, IT decision-makers can enhance operational efficiency, ensure compliance, and drive digital transformation across multiple workstreams. Contracts are the backbone of business operations, influencing sales, procurement, vendor management, compliance, and beyond. A sophisticated CLM solution not only automates and optimizes contract processes but also provides valuable insights through advanced analytics, enabling IT leaders to make data-driven decisions that align with broader organizational goals. Investing in CLM is not just about managing contracts; it's about empowering IT departments to lead the charge in digital innovation and operational excellence.

To better understand the benefits, costs, and risks associated with Docusign CLM, Docusign commissioned Forrester Consulting to interview six of its customers and conduct a Total Economic Impact™ (TEI) study.² This abstract focuses on the imperative for IT decision-makers to support CLM investment decisions and the business value Docusign CLM enables.

[Read the full study](#) 

DocuSign CLM automates the entire contracting lifecycle, making the process easier, faster, and less risky. It offers an end-to-end solution that covers pre-signature activities (e.g., document generation, collaboration, workflow orchestration) and post-signature management with an intelligent and searchable repository, obligation management, reporting, and analytics. Interviewees whose organizations invested in DocuSign CLM reported significant improvements in contract management efficiency, transparency, and compliance. They experienced faster contract execution times, better contract management and tracking, and improved negotiation leverage using historical data. DocuSign's AI functionality provides valuable insights, reducing the need for additional resources. Additionally, the system improved risk management through error detection and correction, leading to cost savings and better alignment with organizational policies and legal requirements.

When investing in a CLM solution, IT decision-makers should follow four steps: 1) assess current contracting processes, 2) evaluate integration needs, 3) review security and compliance requirements, and 4) analyze return on investment. Doing so will ensure the chosen solution aligns with the organization's strategic goals, integrates seamlessly with existing systems, and meets regulatory standards.

ASSESS CURRENT CONTRACTING PROCESSES

IT decision-makers must identify pain points and inefficiencies in their existing contract management process. Interviewees noted the following pain points with their organization's manual contract management before investing in DocuSign CLM:

- **Lack of visibility and version control.** Interviewees said their organizations faced difficulties in tracking the status of contracts and having a centralized view of all contract-related information. With contracts being handled in isolated systems and no unified repository, the lack of visibility across the organization made it difficult to track document versions and statuses. The goal was to find a solution that not only stored contracts securely and separately from Salesforce due to privacy concerns but one

that also offered visibility across teams and improved the contract management process.

- **Inefficient processes leading to delayed deals.** Many interviewees highlighted the significant time spent on manual contract management processes, and said the administrative burden of manually drafting, sending, tracking, and storing contracts was a significant challenge. These processes were time-consuming, led to business delays, and introduced the opportunity for errors.
- **Human errors.** Manual contract management introduced the risk of errors due to miscommunication, incorrect data entry, and difficult contract change and approval tracking. The systems analyst in government raised concerns about human error causing unintended contract obligations in their agency's previous manual processes before implementing DocuSign CLM. They discussed the inefficiencies and potential for mistakes inherent in manual contract management processes in which documents could be misplaced, entered incorrectly, or lost: "We constantly had items landing on the chief procurement officer's desk, and he would question their origin and purpose. Sometimes these mistakes would even slip through to the payment stage, resulting in us being legally obligated to honor the signed contract."
- **Difficulty managing contract renewals.** Interviewees noted that before implementing DocuSign CLM, managing contract renewals via spreadsheets was nearly impossible. The head of CRM systems at the software organization described the impact of missing contract renewal deadlines: "Procurement previously tracked renewal dates in a spreadsheet. But if a vendor contract wasn't recorded, the business requester would come to them saying: 'Hey, my contract is expired. I want to negotiate new terms.' But, because we'd been cut off from the product after our contract expired, we lost our negotiation position. We'd end up with bad terms and the highest price because the vendor wouldn't negotiate."

EVALUATE INTEGRATION NEEDS

IT decision-makers must determine how a CLM solution will fit into their current technology stack and what integrations are necessary. According to Forrester research, budgets are leaner, and there's more tech consolidation on the horizon. Businesses are still prioritizing the shift to digital, especially in legal tech, but budget cuts mean that leaders need to be more mindful about maximizing spending and not acquiring technologies with overlapping capabilities. Forrester clients are increasingly looking to standardize CLM on a single platform.³

IT decision-makers need a solution that can scale with their business and integrate seamlessly with existing systems. Interviewees noted that integrating Docusign CLM with existing systems, such as their Salesforce CRM platform, increased contracting accuracy and efficiency, minimized data entry errors, and supported industry regulation compliance. Interviewees noted the following benefits of integrating Docusign CLM with existing systems:

- **Frictionless sales and customer experience.** Interviewees said the integration of Docusign CLM with Salesforce and its automated document uploading capabilities offered time savings and enhanced the overall experience for sales teams and clients. By streamlining workflows, sales teams could generate, send, and manage contracts directly within Salesforce, reducing administrative tasks and minimizing errors. Automated data entry ensured contract data was accurately populated, allowing sales representatives to focus on selling. Clients benefited from a seamless transition from negotiation to implementation, receiving timely updates and easily tracking contract status, which enhanced transparency and professionalism.

The head of CRM systems in the software industry said integrating Docusign CLM with their organization's CRM system saved at least two days of manual data entry in post-contract processing by autopopulating fields based on contract data. They said it allowed employees who previously entered contract data to take on more strategic business roles.

- **Single view of the contract for procurement.** An interviewed systems analyst at a government agency said that with Docusign CLM, the

procurement process facilitated contract detail tracking from intake form to payment. They highlighted the structured intake form that guides users through the process, ensuring accuracy and contract replicability. Additionally, the interviewee mentioned that the ability to track contract costs and subsequent amendments enabled comprehensive reporting and finance system integration for seamless contract data flow and purchase order generation.

“The reason we chose DocuSign [CLM] had a lot to do with the Salesforce integration, the document-generation side of the equation, and the brand recognition, where our customers who are signing wanted a known brand that they would recognize as legitimate.”

COO, FINANCIAL SERVICES



Reduced contract error rates with
DocuSign

85%


REVIEW SECURITY AND COMPLIANCE REQUIREMENTS

IT decision-makers should ensure that any potential CLM solution will meet their organization's security and regulatory standards. Interviewees said that before adopting Docusign CLM, the absence of a centralized system for securely storing and tracking contracts led to potential risk issues, difficulties managing renewals causing delays, unfavorable contract terms, and missed autorenewals.

Interviewees said Docusign CLM provided a secure way to manage contracts through centralized and secure storage, robust version control, and detailed audit trails, ensuring that all contract actions are tracked and transparent. The platform's automated risk assessments and error detection capabilities helped identify and mitigate potential issues, while granular access controls and advanced encryption protected sensitive information. Integration with enterprise systems ensured data consistency and accuracy, supporting compliance with industry regulations. With Docusign CLM, Forrester found that interviewees on average reduced contract error rates by 85%.

The IT program manager in the information technology industry provided examples where Docusign CLM helped support their organization with compliance issues and a clean audit trail. They said: "If we're being audited, we need to demonstrate that we have a contract for these sales. We are time-constrained and need to pull those contracts quickly. ... When we are in litigation, we may sell to a broad corporate entity that has many franchises, so we'll have lots of contracting parties and we pull hundreds of contracts that might be supporting the litigation event." They also said, "Another example of risk mitigation was when we separated into two companies; we needed to find all the contracts that had assignment clauses to figure out which entity they belonged with."

These features collectively enhanced security, reduced risks, and ensured that contracts aligned with organizational policies and legal requirements.



“We have the capability to see if you’re quoting a particular product and make sure that we’re presenting the right standard contract. When sales uses the tool, we’re seeing a reduction in revenue leakage. For those who choose to work around the tool, they may pull the previous customer contract but not realize it’s out of date. We are realizing the benefits where people are using the tool.”

IT PROGRAM MANAGER, INFORMATION TECHNOLOGY

ANALYZE RETURN ON INVESTMENT

IT decision-makers should conduct a thorough cost-benefit analysis to understand the potential ROI and long-term value of the investment. According to the Forrester Total Economic Impact™ study, organizations leveraging DocuSign CLM reported a 449% ROI and a net present value (NPV) of \$3.01 million over three years. These figures are driven by improved contract generation speed, enhanced compliance, and reduced risk of contract value leakage. Forrester found the following quantitative benefits for the composite organization, which are representative of the six interviewees and used to present the aggregate financial analysis:

- **Nearly \$2.4 million in employee efficiency gains due to faster contracting time.** DocuSign CLM automates capabilities for the composite organization such as centralizing the contract lifecycle process and offering customizable templates and automated workflows to eliminate manual tasks and speed up the contract creation, review, approval, and signing

phases. The integration of Docusign CLM with other business systems such as CRM minimizes the composite's data entry errors, and it contributes to faster, more accurate contracting. The composite experiences a 90% reduction in contract generation time, saving more than \$2.3 million over three years.

- **Increased profit of \$508,000 due to accelerated revenue.** By implementing Docusign CLM, the composite experiences increased contract volumes, accelerated deal closures, improved contract terms, and enhanced customer relationships that ultimately drive revenue growth. Docusign CLM brings scalability and efficiency to the composite organization, allowing faster contract processing. It also enables a one-meeting close sales strategy that improves the composite's customer relationships by reducing the time it takes to finalize contracts. Additionally, Docusign CLM facilitates quicker renewal processes by automating standard contract language, which affords the composite's teams more time to focus on larger accounts with nonstandard language. Finally, AI functionality within Docusign CLM provides the composite with visibility to surface previous deal data to leverage for stronger negotiations.
- **Nearly \$296,000 in risk reduction due to improved contract quality and compliance.** Docusign CLM significantly improves the composite organization's contract management processes, centralizes version control, enhances contract visibility, performs automated risk assessments, and generates automated renewal reminders. The system reduces errors that previously cost the composite about 5% of sold revenue due to incorrect pricing. With Docusign CLM, the composite improves its contract realization rate by 85%. By standardizing contracts and integrating with enterprise systems, Docusign CLM ensures data consistency and accuracy for the composite, which helps it reduce discrepancies and prevent revenue leakage. Moreover, Docusign CLM aids the composite in compliance and audit processes, ensuring it can efficiently manage contracts during audits, litigation, or corporate restructuring and thereby enhancing operational efficiency and risk management.

- **More than \$511,000 in avoided contract value leakage due to error reduction and improved decision-making.** Contract value leakage occurs due to inefficiencies in contract management, poor negotiation, or unclear terms, which can lead to lost revenue or benefits. Using DocuSign CLM, the composite organization successfully navigates force majeure challenges during a major winter storm, ensuring the prioritization of contracts without further risk exposure. Additionally, the composite's procurement group improves operations by digitizing 1,700 renewal contracts in eight months, enhancing visibility, budget management, and negotiation processes. This transformation allows the composite to make better strategic decisions while focusing on renegotiation and understanding the impact of expenditures on ROI. The results of these insights allow the composite organization to save more than \$511,000 over three years.

This evaluation process will help maximize the efficiency, security, and overall value of the CLM solution, ultimately driving significant business benefits and supporting informed decision-making.

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, read the full study: “The Total Economic Impact™ Of Docusign CLM,” a commissioned study conducted by Forrester Consulting on behalf of Docusign, August 2024.

STUDY FINDINGS

Forrester interviewed six total representatives at organizations with experience using Docusign CLM and combined the results into a three-year financial analysis for a composite organization. Risk-adjusted present value (PV) quantified benefits for the composite organization include:

Nearly \$2.4 million in employee efficiency gains due to faster contracting time.

Increased profit of \$508,000 due to accelerated revenue.

Nearly \$296,000 in risk reduction due to improved contract quality and compliance.

More than \$511,000 in avoided contract value leakage due to reduced errors and improved decision-making.



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Appendix A: Endnotes

¹ Source: [Alla Valente, The CLM Market Is Ripe For Disruption, And 13 Vendors Vie To Lead The Charge](#), Forrester Blogs.

² Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

³ Source: [Alla Valente, The CLM Market Is Ripe For Disruption, And 13 Vendors Vie To Lead The Charge](#), Forrester Blogs.

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