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Contract Terms, Phrases & Acronyms

ALSP, NLP, UAT...the jargon that proliferates contract management can create confusion. This complexity hampers Legal's efforts to improve processes so they can reduce costs, increase contract cycle speed, comply with regulations and generate revenue from contract data.

This glossary of terms is built to clarify the common language and demystify the acronyms surrounding contract management. That way Legal and associated business colleagues can more easily cultivate a shared understanding to facilitate collaboration and drive transformation.

GLOSSARY

Accelerate Time to Revenue	The process of using workflow automation to improve the sales cycle.
Agile	Formerly an approach to software development that emphasized early release of working software and regular iterative development based on user feedback. Considered especially useful where new areas were being explored and requirements were likely to change over the course of development. Now the term is so generic that its meaning is hard to discern, but usually used by people in BigLaw and large corporations to explain why this time it will be different.
Agreement Generation	The process of merging bits of information from various input sources in to a final, unique document or agreement. Agreement Generation is a key feature of CLM systems, often times built on guided-interviews with questions tied to logic that merges data and clauses from back-end data sources.
Agreement Template	A pre-approved contract tied to a specific transactional use-case ready for use by contract and business personnel with minimal to no tailoring required.
AI	See Artificial Intelligence.
Algorithm	A process or set of rules used by a computer to solve a problem.
ALSP	See Alternative Legal Service Provider.
Alternative Legal Service Provider	Any entity that performs services that were historically the function of law firms or legal departments considered the practice of law but which have been removed from that definition and outsourced to external providers due to more efficient business models.
API	See application programming Interface.
App	A program, whether accessed through a browser on a computer laptop or smartphone.
Application Programming Interface	The technical mechanism that allows a system (software, applications, etc.) to access data from other systems. APIs allow applications to integrate and create connections between disparate applications and eliminate outdated, manual transfer of information. Most LawTech products (including CLMs) have an API, especially useful to connect to related systems such as ERPs or CRMs and to collect data that is inputted to create agreements and transfer data from executed contracts.
Approval Process	A part of the contracting process where a contract that is ready to be signed is approved by one or more individuals.

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Artificial Intelligence	In simplest terms, AI refers to the ability of computers do perform tasks inherently thought of as human functions requiring consciousness and/or intelligence. AI is being incorporated into legal technology that helps automate certain manual processes and administrative tasks which currently burden attorneys. While there is great promise for AI, legal departments have been slow to adopt this type of technology due to concerns over accuracy, reliability, and implementation cost.
Attribute	Defining characteristic or data elements related to and that help classify documents or folders, i.e. Filename, Type, Size, and created date. See also Metadata, Metrics.
Automation	Broadly speaking, the process of having tasks originally manually performed by humans completed by computers in order to increase efficiency. Automation can happen in numerous contexts across the Contract Lifecycle, and this is a huge component of the value add that CLM systems offer in the form of automatic routing of deviation requests, faster approvals, and overall reduced cycle times.
Backups	Refers to the process of sending data to remote servers to store relevant data in case anything happens to a main server or system of recored. Automatic backup systems are recommended to make sure all data is backed up.
Benchmarking	The process of reviewing historical data and industry best practices to set expectations and accountability on the performance of projects, vendors, and departments.
BI	See Business Intelligence.
Big Data	A term used to describe formal statistical analysis methods and tools applied to huge data sets to glean insight and drive actionable intelligence.
BPM	See Business Process Management.
BU	See Business Unit.
Business Intelligence	The consolidation and analysis of data collected in the day-to-day operation of a business, which is then used as a basis for better business decisions and competitive advantage.
Business Process Management	Refers to the operational tasks that automate, analyze, track, and improve current business processes in order to support the organization's goals. For legal departments, legal operations has emerged to help manage and streamline business processes, ensuring the department is working efficiently.
Business Unit	A term that references a specific department or function within an enterprise. Although relevant for organizational purposes, in the context of CLM it's often necessary for designating a contract requesting entity or to assign stakeholder ownership for managing default contract provisions or deviation governance.
CCM	See Change and Configuration Management.
Change and Configuration Management	A systematic approach to establish and maintain the consistent performance of a system or product throughout its lifecycle, and to effectively manage changes in that product or system. In the Rational solutions for Continuous Engineering and Collaborative Lifecycle Management, Rational Team Concert is the CCM application.
Change Management	The planning and execution behind moving a person, team, or entire organization from their current state to a new or future state. Planning for and executing a change management program can help increase product or process adoption, boost legal department productivity, and minimize wasted resources and delays.

Change Request	A document outlining the nature of a change requested to a Contract, the reason for the request, its urgency and the requester's details.
Chatbot	A way of interacting with a program through a stream of messages via a guided interview, with prompts that respond to user answers and sometimes used as the front-end of expert systems.
CI/CD	See Continuous Integration Continuous Delivery or Deployment.
Clause Library	A storage place for pre-approved contract provisions including default clauses, alternative versions, and deviations. A clause library operates as a database allowing for a modular approach to the document generation and negotiation deviation approvals proceses. Instead of storing contract clauses solely in Agreement templates, the Clause Library acts as a database to store and index numerous attributes related to individual clauses, i.e. enterprise stakeholder "ownership", risk metrics, deviation conditions, etc.
Clause Template	A default contract provision or section which is either commonly used or represents best practices.
Client Portal	A website or application which provides a user interface and provides access to documents and other information.
CLM	See Contract Lifecycle Management.
CLM Maturity Assessment	A CLM Maturity Assessment is a way to determine the current state of an organization's CLM processes.
Cloud Based Software	Applications that are stored on an online server as opposed to your local server. An advantage to these platforms is that software vendors are now responsible for maintaining the platforms versus having your internal IT department maintain the platforms. In addition, you can access these platforms from anywhere as long as you have internet access. Many of the modern legal operations management platforms are cloud-based applications that allow legal teams to store their matter data and access it wherever needed.
Cloud Storage	Refers to offsite data centers that hold your data. These data centers are always on and connected so you're able to access your documents and data anywhere as long as you have internet access. Many legal departments use document management platforms for cloud storage in order to store their contracts, case documents, emails, and even videos.
CMS	See Contract Management System.
Computable Contract	A contract that is represented by both human readable legal text as well as structured data and programs. Computable contracts aim to be enforceable in the same way as traditional contracts, but have the advantage of interacting with other systems (such as financial systems) to improve contract management. Compare with smart contracts.
Configuration	Consists of the customization and implementation efforts whereby a user tailors a CLM platform or other software system to align the features with that entity's business requirements. This process does not changing the platform completely nor does it usually consist of much coding, if any.
Configuration Specification (config spec.)	A set of rules that specify versions of artifacts. Commonly a configuration specification identifies at most one version of a given versioned artifact.
Continuous Integration/ Continuous Delivery or Deployment	A methodology of Agile, an approach in which teams produce software or systems constantly, in short cycles, for the main purpose of gathering feedback from users to drive future development.
Contract Abstraction	Related to Contract Data Extraction, Contract Abstraction refers to the process of summarizing a statement or a specific piece of information within an agreement.

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Contract Data Extraction	The process of collecting data from executed contracts to feed a wide variety of potential aggregation, summation and analysis, including risk, opportunity, compliance, etc.
Contract Generation	See Agreement Generation.
Contract Lifecycle Management	A term for the end-to-end stages (or lifecycle) of contracts and the contracting process (from intake through to contract management). Lately the CLM abbreviation has been used to designate the software systems that digitize the process, i.e. have you implemented a CLM?
Contract Management System	Similar to a CLM system which often contains this as feature, these are systems to help companies manage their contracts--typically after signature. Often Contract Managment Systems will hold a copy of the contract as well as metadata about the contract (such as parties and renewal dates) within its repository.
Contract Record	This refers to a specific contract's historical data file created by a CLM or related Contract Management System as part of a contract's historical record-keeping. Typically includes various metadata i.e. creation date, transactional parties, requestor, etc.
Contract Repository	The location in which executed contracts are stored, oftentimes directly in CLM system which is organized in a folder structure/hierarchy organized by suppliers or clients. Sometimes these repositories also exist in Enterprise Resource Planning (ERP) on the supplier side and Customer Relationship Management (CRM) on the client side systems.
CRM	See Customer Relationship Management.
Customer Relationship Management	Often referred to as CRMs, the software that helps manage customer relationships and interactions by tracking all forms of engagement and customer/potential customer information. The goal is to help improve business and customer relationships by streamlining engagement processes. There are a number of law firm specific CRMs that focus on client acquisition, contract management, and outreach. It is important to understand that a CRM is not a Case Management Software, but many CRMs integrate with popular case management platforms available.
Dashboard	A user interface which provides data summaries, metrics, and other quantative information presented in visual formats for various systems attached to the interface. Dashboards are common across all software, including useful to CLMs.
Data Room	An online site for securely sharing documents between companies, typically as part of a due diligence exercise.
Database	A collection of interrelated or independent data items that are stored together to serve one or more applications. The most common databases (relational) act like multiple spreadsheets, with the columns representing fields and the rows representing each item. A new type of database called NoSQL (SQL being the classic language for accessing relational databases) is becoming popular and can handle unstructured data as well. Databases are old and therefore boring and so are not a suitable technology for new lawtech companies, if blockchain is an option.
De-dupe	See De-duplication.
De-duplication	Removal of multiple copies of the same file/data source.
Deep Learning	A type of machine learning algorithm used for classifying text, images etc that has become newly popular. The "deep" refers to the fact that it uses a multi-layered neural network. Deep learning systems require huge amounts of training data, which is why they are only now making a major impact, although they tend to be rare in lawtech systems (see big data).

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Dependency	A link between interrelated projects activities. Activities with these links depend on the start and finish dates of at least one other element and therefore cannot be completed without taking the other into consideration.
Dependency Blind	A build definition that saves time and system resources by only building artifacts that need to be rebuilt based on what has changed since the last successful build. Changes to a program's source or dependencies, and deletion or modification of a program's output will be detected and cause the program to be rebuilt.
Design Thinking	A new approach to improving processes, involving sticking brightly colored post-it notes to walls or, preferably, windows.
Digital Transformation	Digital Transformation is a process that assess how current and emerging digital technologies can further enable organizations.
DMS	See Document Management Systems.
Document Automation	A system for generating a tailored contract or other document based on the answers to questions. See Agreement Generation.
Document Generation	See Agreement Generation.
Document Management Systems	Allows you to store, manage, and track your documents electronically to ensure all documents are in a central location while reducing paper waste. Many of these platforms, like Box and iManage allow versioning control, restricted access and sharing capabilities. In legal departments, DMS systems help improve the tracking and management of matters via integration or by leveraging a matter management system with built-in document management.
Enterprise Legal Platform	Also known as Enterprise Legal Software or system, these are software that allows legal departements to centralize all legal records and/or act as operations solutions to coordinate legal activities.
eDiscovery	Streamlines your eDiscovery process by holding all your data in one place for easy researching, collaboration, and sharing. Before eDiscovery software, the collection and sharing of data for cases involved physically shipping documents in boxes. With eDiscovery software, legal teams can easily share information with law firms, clients, and vendors all from one platform.
Encryption	A method of data protection that turns your documents into gibberish that can only be understood with specific software/code. If a hacker were to steal your encrypted files, they would have a hard time reading the files if they didn't have the codes to de-encrypt. In today's digital era, more and more legal departments and law firms are using software to encrypt their data to reduce the risk of data loss and unauthorized access.
Engineering Lifecycle Management	Manages plans, tasks, project status, as the critical link between required and delivered work. It provides flexibility to adapt to any process, which enables companies to adopt faster release cycles and manage dependencies across both small and complex development projects.
e-Signatures	A system for signing a contract online. At its simplest, an e-signature system will insert an image of a signature into the document and record the signing process.
Expert system	A system for capturing knowledge. Often implemented as a series of questions which then gives the user an answer and or may also creates document.
Field Label	How the field is displayed in the user interface in areas such as record detail pages, search results, and list views.
Folder	Similar to how items are stored on an individual desktop or part of a shared web-based system, folders form a basic part of storage within many CLM systems, both for documents and sometimes for clause libraries.

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Folder Inbound Email	An email address that when files are sent it to automatically uploads to a pre-identified folder within a CLM or other CM system.
Folder Security	Configurable access permissions or edit restrictions to applied to folders on either a user or group basis, i.e. NO accesss, View Only, View and Create, or View and Edit.
Global Configuration	A configuration that gathers configurations from multiple tools, so you can define all the relevant artifacts for a system. Global configurations can establish the same context across all tools when each tool stores artifacts in otherwise unrelated configurations
Guided Interview	A series of pre-set questions accessed by a web-based, or CLM-system user interface which uses the responses and inputs to drive a variable workflow path or generate a dynamic field form or agreement. Often used for Agreement Generation.
Intake	Typically kicks off when the business requests support from the legal team, or from another enterprise function, for purchase or sale of a good or services. The first part of the contracting process, from the perspective of the legal department, whereby contracting terms and conditions is requested.
Integrations	Specifically application integrations, allow you to connect your tech stack with other platforms through native, custom, and API integrations. For legal departments, having a legal operations platform that can easily integrate with 3rd party applications in different departments helps improve data exchange reliability and accuracy, automate workflows, and increase efficiency.
Kanban Workflow	Kanban is a visual Workflow management method for defining, managing and improving services that deliver knowledge work.
Key Performance Indicator	A measure used to quantitavely track and report on a process. Often used in Service Level Agreements to detail performance thresholds. In the context of CLM, these can report on contract negotiation in-flight times or contract risk data across a portfolio.
KM	See Knowledge Management.
Knowledge Management	Refers to the way teams create, share, and find information within their organization. This has grown in popularity within Legal departments because it reduces duplicate work, streamlines internal processes, and increases collaboration among team members. Knowledge management platforms allow users to easily share information amongst peers, find all the information related to specific cases, and understand vendor relationships all within one platform.
KPI	See key performance indicator.
Lawtech Accelerator	An incubation programme designed to help legal technology startups more quickly come to the realisation that the legal industry does not readily adopt innovative solutions.
Legal Process Outsourcing	Refers to the practice of a law firm or corporation obtaining legal support services from an outside legal support services company (LPO provider).
Machine Learning	Machine learning is a type of AI, the science of which computers "learn" as they are exposed to huge data sets without being explicity programmed. A branch of AI based on the idea that software can learn from data, identify patterns and make decisions with minimal human intervention.
Machine Readable	Data stored and transmitted in a form that a computer can process.
Matter Trackers	A system allowing a legal team to keep track of all the different projects that they are working on.
Metadata	Data that provides information about other data. It describes the characteristics of data. Examples of Metadata for a Sales Contract would be Start Date and party name, and for an Invoice Vendor name and Date.

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Metadata Model	A set of related dimensions, query subjects, and other objects that represent data for reporting applications.
Metrics	A quantitative measurement of data, in relation to what is actually being measured. Metrics can report on contract process data, i.e. in-flight times, or individual or aggregated contract data, i.e. average liabilty caps or Warranty Period in days/months/years.
Minimum Viable Product	In alignment with Agile Development, a technique in which a new product is introduced in the market with basic features for the purpose gathering feedback from users to drive future development.
ML	See Machine Learning.
MNPI - material non-public information, used it in place of confidential information but not PII	Corporate news or information that has not yet been made public and which could also have an impact on its share price. It is illegal to use this kind of information for one's advantage in trading stocks or other securities.
MVP	See Minimum Viable Product.
Natural Language Processing	The application of AI techniques to the analysis and synthesis of natural language and speech by computer. In simpler terms, a system that processes human language, such as classifying it or interpreting it. In the context of CLMs, it usually covers systems to categorise documents or parts of documents. The term is often used alongside machine learning. Natural language processing is a type of AI.
Negotiation Platform	A system to enable online negotiation of contracts, as opposed to the more common historical approach of documents emailed exchanged through email. These platforms can incorporate comments and redlines being shared and agreed or rejected through a browser.
NLP	See Natural Language Processing.
Obligation Management	The continual process of performing a contract's obligations post execution.
OCR	See Optical Character Recognition.
OCTO	Office of the Chief Technology Officer.
Optical Character Recognition	Optical Character Recognition (OCR) is a technology that can analyze text and convert it into a format that can be processed by a machine. A technology to convert an image or a pdf from a scan of a document (e.g., a signed contract) into an editable and searchable format.
Personally Identifiable Information	Personally Identifiable Information any data that could potentially identify a specific individual.
PII	See Personally Identificable Information.
Playbook	A set of strategicic rules to guide contract negotiation, such as whether to accept or reject particular changes to a contract made by the other side.
Project Management	The process of leading the work of a team to achieve all project goals within given constraings, i.e. scope, time, budget.
Repository	See Contract Repository.
Request for Proposal	A business document that provides information on a project to support a request for proposals from multiple vendors to identify the best option. Similarly, a legal RFP is when an in-house counsel presents vendors with a request for new legal tech or presents law firms with a legal project and requests them to provide pricing proposals for the legal work required.
RFP	See Request for Proposal.
Risk Identification	Risk identification (RI) is a set of activities that detect, describe and catalog all potential risks to assets and processes that could have negatively impact business outcomes in terms of performance, quality, damage, loss or reputation. It acts as input for actual risk analysis of the relevant risks to an organization.

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Role Based Access Control	An approach for granting access to shared resources such as contracts that is based on the notion that all access is forbidden unless specifically allowed.
Root Folder	The top level folder in a Folder Tree Hiearchy, oftentimes the name of the entity within CLM systems that use Folder Tree structures.
Single Sign-On	An authentication process in which a user can access more than one system or application by entering a single user ID and password.
Smart Contract	Computer generated contracts that track the contract rules and execute specific actions in accordance with the contract terms without the need of manual monitoring. For instance, making payments as contracted work is completed or alerting when a contract is violated. Smart contracts leverage blockchain technology to ensure security and track changes, as a result, they are most commonly used in cryptocurrency transactions. Smart contracts aren't widely adopted by legal departments, but as technology continues to modernize legal teams, we won't be surprised if we start seeing smart contracts around more.
Smart Rules	Logic-based automation actions based on events that occur in a folder or document. See Automation.
Source Code Data	Metadata, dependency properties, and other user-defined data that are created and updated periodically by running scanners against the source code. The data can be queried, edited, and used to analyze the impact of potential changes. Source code data is used by dependency builds to determine which dependant artifacts have changed and therefore require that buildable files be rebuilt.
SSO	See Single Sign On.
Static File	A collection of data stored in a computer's memory or on a storage device under a single identifying name.
Structured Data	A standardized format for providing information about a subject and classifying the content of that subject
TAR	See Technology Assisted Review.
TAT: Turn Around Time	The total time taken between the submission of a program for execution and the return of the complete output to the customer.
Technology Assisted Review	Applying technology such as machine learning to a document or contract review process, i.e. e-discovery exercise undertaken in the context of litigation, arbitration or an investigation.
Test Case	A set of tasks, scripts, or routines that automate the task of testing software. A set of input values, execution preconditions, expected results and execution postconditions, developed for a particular objective or test condition, such as to exercise a particular program path or to verify compliance with a specific requirement.
Test Configuration	A set of characteristics of the system that hosts the system under test. These characteristics affect the conditions for test execution and the evaluation of test results.
Third Party Oversight/Third Party Risk Management	The process of identifying, analyzing and mitigating risks presented to an organization, its operations and its data by external parties.
Triage	The part of the intake process where legal, or any other reviewing department, determines the priority of the matter and who should work on it.
UAT	See User Acceptance Testing.
Unstructured Data	Informaiton that is not organized in a pre-defined matter or has no pre-defined data model.

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Use Case	The specification of a sequence of actions that a system can perform, interacting with users of the system. Use cases are used in system analysis to identify system requirements.
User Acceptance Testing	User Acceptance Testing (UAT), sometimes called beta testing or end-user testing, is a phase of software development or implementation in which the software is tested in the "real world" by the intended audience or business representative.
User Story	In software development and product management, a user story is an informal, natural language description of features of a software system. They are written from the perspective of an end user or user of a system.
Wiki	A system for allowing teams to share knowledge, with users being able to edit and create pages. The most famous example of a wiki is Wikipedia.
Work Breakdown Structure	A grouping of project elements, organized in a hierarchical tree structure. It defines the total scope of the project at the highest level in the tree and each descending level provides an increasingly granular definition of each element.
Work in Progress	WIP stands for Work In Progress. Limiting your work in progress is a concept of Scaled Agile Framework or SAFe. By limiting your WIP, you force your team to focus on completing existing tasks before starting new tasks or requirements in the project. The term work-in-progress (WIP) is a production and supply-chain management term describing partially finished goods awaiting completion.
Workflow	A sequence of connected steps that moves an action to completion.
Workflow Automation	The process of converting human manual processes to automated processes through technology. Workflow automation helps increase a legal department's efficiency by allowing lawyers to focus more on legal work versus operational tasks. An example of workflow automation is the transferring of invoices from law firms to in-house teams to AP departments. With eBilling platforms, the invoice transferring no longer has to be handled by an individual, instead, the invoice arrives to the appropriate approver and sent to AP after approval.

Industries and disciplines evolve. The same should be expected for contract management, which is why expert guidance around contract management can help you and your team stay informed and working more cohesively.

If you have questions around these terms and phrases, or about how to maximize contract value for your organization, contact us to schedule a short call with our experts.

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