AI in Contract Management

Nomsa Nteleko
About Amathuba AI

Our Vision is to advance African culture and humanity through the assimilation of Artificial Intelligence Technology. We hope to achieve this by changing the African narrative through our progressive technology.

Our Leadership

Amathuba AI has an accomplished and diversified Executive Level Professional Leadership team. Our leadership is comprised of meticulous business consultants with combined professional experience of 80 years, we are well versed in implementing systems, policies and procedures aimed at improving operational efficiency. We have competency in monitoring business processes and providing enhancement recommendations. Our specialties vary from SCOR Modelling and Application, Lean Six Sigma, Balanced, Prince 2. We aim to grow our organisation across the African Continent through collaboration with tech leaders.
Business Model

The Supplier

AGGREGATOR

Platform

CONSUMER

The Consumer
Our Solutions

We have competency in Robotics Process Automation, Machine Learning & Conversational AI.
AI Brain Everywhere is like having a bot version of you on your staff – a bot that uses AI machine learning to teach itself how to make key decisions based on the way you and your team of experts make them.
Robotic Process Automation

1. Read Email
2. Find Document
3. Enter Document into ERP
4. Analysis & Usage
Combining **CAI + IDP**

Enables ELIE

The most advanced Conversational AI
The Gauteng Health Department has come under fire from the main opposition party in the legislature for spending more than R2 billion on hospital security contracts that expired five years ago.
Problem Statement

McKinsey study

“found that a narrowly focused transactional approach to contracting leads to considerable inefficiencies because such contracts “are lacking basic elements that could enable better vendor performance and cost savings.” Contracts are the engine of a business, with 90 percent of spending and investments governed by terms and conditions embodied in them, yet the McKinsey study found that “suboptimal contract terms and conditions combined with a lack of effective contract management can cause an erosion of value in sourcing equal to 9 percent of annual revenues. For Fortune’s 2016 Global 500 companies, this 9 percent would have equaled $2.5 trillion in value.”
What is AI

‘AI is the science of having humans and computers working better together than any group of computers, or group of humans have ever done before’

– Prof Thomas W Malone
What is **Contract Management**

Contract management is the process of handling the creation, execution, and monitoring of contracts. The process is intended to maximize the operational and financial performance of agreements while reducing risk.

[Contract Management Definition: Its Objectives, Goals, Functions, and Value – TechPatio](#)
The needs - Why capture, track and Analyse Contracts & Agreements?

To control spending, avoid duplication and over payment and measure performance of both suppliers and client contracts.

- Outside of Human Resources a business spends 40% of its income on suppliers or services. All of a business income is captured via agreements and contracts with increasing focus on performance and penalties for non-performance.
- New generation contracts for consumption-based pricing places a burden on business to monitor & control consumption-based costs.
- Risk increases with each contract, but this risk is not monitored often leading to issues that impact business operations.
- Contracts and agreements are throughout the business, it's not just in procurement, it's across all stakeholders but little visibility is given on the post contract performance reducing efficiency and increasing cost.

You Need
Currently - supplier information in Silos

- Multiple service agreements - managed by different business units
- No single repository - contracts in multiple locations
- No automated link between contract performance and cost
- Increase in consumption-based pricing – pay as you go
- Little collaboration between customers and suppliers across the whole contract lift cycle
This leads to:

- No visibility over contract performance
- No single source of the truth
- Difficulties in managing contracts - key dates and clauses hard to find
- Agreements automatically renewed without review
- Payments made without the value being reviewed
- Time lost collecting supplier performance and reviewing

Silos mean losing sight of supplier performance, cost, consumption - and loss of control
The role of AI in Contract Management

- Measures contract performance, risk, cost and SLAs
- Dashboard delivers transparency of all performance metrics
- Makes customers/suppliers relationships collaborative & automated
The needs that **you must answer**

To control spending, retain contracts and measure performance -

- One location for all supplier contracts, SLA’s and KPIs
- Flagging of poor performing contracts
- Review of suppliers or supplier performance before automatic renewals
- Control consumption-based costs
- Better manage contract risk
- Connection with all aspects of the contract lifecycle
- A collaboration platform for all stakeholders
AI Contracts - a SIAM solution

Service Integration and Management (SIAM) is an approach to managing multiple suppliers of business and IT services.

Contract Insight Performance Monitor delivers a SIAM based solution to supplier management needs.

Contract Insight Performance Monitor provides a cloud-based view of service level agreement performance and cost, giving all stakeholders a single view of multiple suppliers.
Benefits of AI in Contract Management

- Centralised dashboard
- Centralised contract repository & workflows
- More collaborative and efficient process
- Visibility of dates, renewals and exit clauses
- Quick retrieval of contracts and terms for review
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In Conclusion

Artificial Intelligence allows to reduce their spend on contracts, save time and mitigate risk associated with litigation.

You Need

**Improved Efficiency:** AI-powered contract management systems can automate various tasks such as contract creation, review and renewal.

**Enhanced accuracy:** AI can analyse and extract data from contracts with high accuracy; reducing the risk of errors and ensuring compliance with t’s & c’s.

**Better Insights:** AI can provide insights into contract performance, helping organisations make informed decisions and optimise their contract management process.

**Reduce unnecessary spend** automate tasks and avoid manual error prone contract management.
Thank You

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