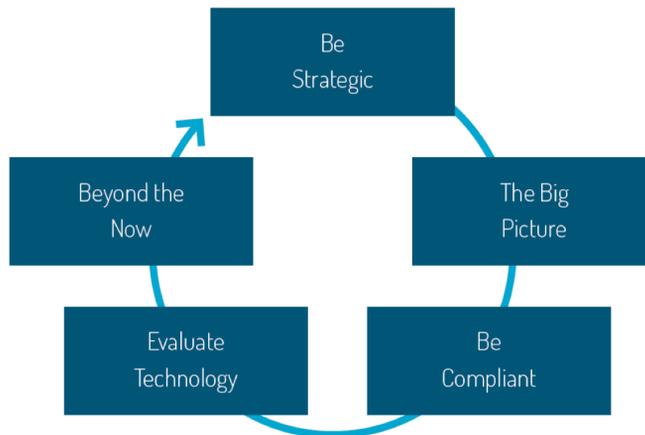


TOP 5 TIPS: DUSTING OFF YOUR CONTRACTS

This guide has been developed to help financial services organizations to efficiently and effectively address the European Banking Authority (EBA) Draft Regulatory Technical Standard on a minimum set of the information for financial contracts. Here are the top 5 tips you need to consider:



01 – BE STRATEGIC

Stop being tactical – take a holistic, strategic view.

Regardless of the outcome of this latest consultation – which may or may not result in the need to dust off your contracts and perform a costly, time-consuming comprehensive review – taking a myopic, one-off approach to carrying out this exercise is not in your best interests.

What happens the next time there’s another business driver, such as a merger, acquisition, divestment or another regulatory request? You will have to endure the same cost and disruption of the same contract review all over again. Doesn’t it make more sense to take a more strategic and holistic approach that takes into consideration any future review requirements? Of course, and that’s where technology plays its part. You need a means to pinpoint all the relevant contracts, comprehensively extract the contract terms needed to satisfy the immediate driver, and also establish a mechanism that enables you to extract additional terms as you need in the future, even if you don’t know what they are yet.

02 – “LOOK AT THE BIGGER PICTURE”

The consultation talks about a “minimum set of the information on financial contracts”. Why stop there?

The consultation paper, in its annex, lists the potential contract terms that will need to be recorded for each contract. But as many contracts exist in non-searchable digital image files (PDF, TIF, JPG, etc.), these contract terms are hard to extract. Because of this, it’s difficult, if not impossible, to perform meaningful analytics on the data. However, if you could, that might give you a competitive advantage, knowing better than your competition the impact, risk or revenue opportunity hidden in your contracts.

If you are going to have to review your contracts anyway, why not take advantage of the immediate requirement by extracting much more information than what is currently being requested?

03 – BE COMPLIANT

Being “compliant” is just an overhead, right? Wrong!

It’s true that all too often meeting the next compliance driver is nothing more than added overhead—extra work that you have to do to get a tick in a regulatory box, maybe even to stay in business. The reality is that this exercise can result in so much more.

You can’t avoid the need to review your contracts. So why not look for other areas of risk, cost savings, and revenue opportunities locked away in those endless pages of small print?

As you work through thousands of contracts, the added value you uncover could potentially defray or even completely cover the cost of the review that you were doing (just to get that tick in a box).

04 – EVALUATE TECHNOLOGY

Technology exists to support you. Have you evaluated your options?

Most organizations often make the mistake of relegating contract management as a low priority objective. Therefore, when they finally realize the intelligent cost-savings and discover hidden revenue opportunities, they would have to consider a technology that not only meets their immediate requirements, but also has the ability to be extensible as per the organization’s strategy.

When we mention technology, we’re talking about, new, innovative, disruptive technologies that employ techniques not previously used in such circumstances. Seal goes far beyond other contract management technology by intelligently searching through unstructured content repositories and gleaming actionable business intelligence.

You may not be aware of all the solutions out there to help you overcome this and other drivers, but maybe it’s time you re-evaluated your options.

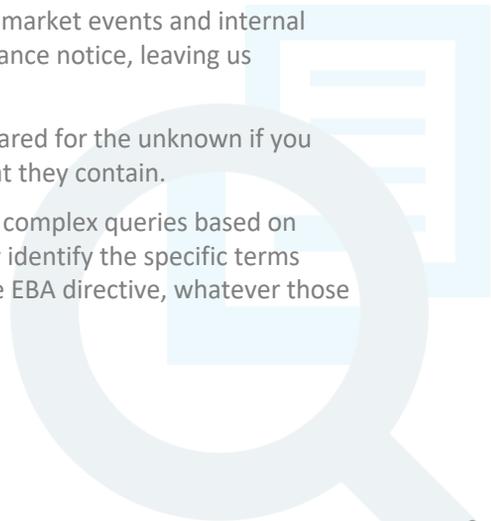
05 – BEYOND NOW

Be prepared for the unknown.

Although predicting the future with absolute certainty is not possible, there are a few circumstances in life (and business) that are inevitable. More regulations, disruptive market events and internal reorganization. Often, these events occur without a great deal of advance notice, leaving us scrambling for different means to meet challenging deadlines.

Where your contracts are concerned though, you can be (more) prepared for the unknown if you have complete control and visibility of all of your contracts and all that they contain.

Using powerful discovery and analytical technology, you can perform complex queries based on clause combinations, semantic meaning and detailed filters to quickly identify the specific terms within the relevant contracts that meet the needs stemming from the EBA directive, whatever those may be.



SUMMARY

There may well be a requirement in the near future to conduct a comprehensive review of your contracts in relation to the EBA Consultation process. Even if there isn't any, other events and drivers will emerge that will result in the need to find and analyze specific contractual data.

Why wait for the unknown?

Take proactive measures now to get your contractual house in order. Doing this will immediately position you to gain a competitive advantage, drive incremental cost savings and uncover revenue opportunities buried within your contracts. Bringing critical contract information to light will ensure that you can quickly and confidently respond to this EBA Consultation directive as well as any future events and requests (planned or otherwise).

How?

By using innovative technology to support your business.

Contact us today to discuss how you are approaching this and other directives.

To learn more, visit www.seal-software.com

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