The ICI Obligation Management Application

Reduce risk and improve compliance with the ICI Obligation Management application.

The Challenge

Ensuring contracts perform up to their promise requires contracting parties to deliver on all their obligations. Non-compliance not only has an adverse impact on performance, but also exposes businesses to substantial risks, including reputational damage, financial loss, and soured partner relationships; in extreme cases, non-compliance could even jeopardize business continuity. According to an IACCM study, an average company “leaks” over 9% of its revenues annually due to contractual compliance issues. Managing these promises in the form of obligations, commitments, SLAs, and entitlements enshrined in contract clauses and terms has many challenges:

- Obligations are often hidden in complex contract language and must be manually extracted, identified, interpreted, and managed
- Manual processes are error-prone, not scalable, and do not proactively surface obligations
- Without proactive collaboration to build and align on an operational plan to fulfill all contractual obligations between contracting parties, the time-to-value envisaged to be derived from contracts can be delayed drastically
- Lack of visibility and insight into obligation performance can lead to substantial risks for businesses

The Solution

Built on top of the Icertis Contract Intelligence (ICI) platform, the ICI Obligation Management (OM) app enables businesses to bootstrap the complicated process of discovering and managing obligations using artificial intelligence. Using the Obligation Management app, businesses can:

- Leverage infused AI capabilities to quickly discover and confirm obligations and entitlements enshrined in a contract for both parties
- Create a unique process model based on their specific needs and seamlessly integrate it with the underlying contracts for much more effective lifecycle management
- Configure customized obligation workflows for review and collaboration
- Measure performance, then initiate appropriate consequent action (e.g., trigger a reward or penalty advice to a downstream payment system when a particular obligation is not met or exceeded)
- Measure contractual performance and identify any risks in the execution proactively, and take measures to recalibrate a supplier/customer relationship based on objective measures
The Intelligent and Easy-to-Use ICI Obligation Management App Offers These Powerful Capabilities for All Types of Contracts

**Automatic Obligation Discovery & Creation**
Automatically discover, extract, and set up obligations from any contract through the power of infused AI. These obligations surface in the full context of the contract, making it easy to understand and focus on obligations that are most critical to the business.

**Rule-Based Obligation Ownership**
Assign obligations to both internal and external users based on governance rules and automatically handle reassignments due to role changes, transfers, departures, etc.

**Seamless Obligation Fulfillment**
Generate and manage fulfillment processes using ICI tasks for internal users and for third-party users via the ICI Collaboration Portal or customized integrations.

**Inherited Obligations Across Contracts**
Quickly set up rules to cascade and enforce obligations across related agreements, for example from MSAs to SOWs.

**Sophisticated Reporting & Analytics**
Measure risk and compliance to deliver rolled-up insights across the enterprise, then develop, initiate, and monitor action plans for continuous improvement and more effective renewal negotiations.

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**Benefits**
- Operationalize contracts quickly after execution with AI-assisted obligations discovery
- Set up effective governance with measurable objectives
- Significantly reduce risks by complying with all contractual obligations to run a compliant business
- Realize the full value of contracts through the better measurement and management of entitlements and commitments
- Maximize revenue by recovering financial compensation for unfulfilled counterparty obligations or unclaimed credits
- Reduce operational and administrative costs by calibrating and linking supplier payouts to actual performance against promised obligations
- Leverage insights for better outcomes in contract negotiations, renewals, and other business decisions

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