

Best Practices for Legal Contract Management

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Legal contract management can be a challenging aspect of practicing law. Lawyers are often producing a high volume of legal contracts without a standardized process — hindering efficiency and timely completion of important documents.

Having a streamlined contract management process not only saves lawyers loads of administrative time, but it's essential to providing quality services to clients. Continue reading to learn best practices for legal contract management and how to standardize the process with law practice management software.

What is Legal Contract Management?

[Legal contract management](#) is the process of managing agreements between a company and an external party, as in the legal department. The tasks may include contract creation, service level agreements, documentation, negotiation, and adherence.

Some of the contracts common in the legal industry include:

- Rental lease agreements
- Deeds of trust
- Service agreements
- Litigation documents
- Commercial agreements

Why Is Contract Management Important for My Law Firm?

One of the biggest challenges for a law firm or legal team is the sheer volume of contracts that must

be managed each day. In [large law firms](#) that manage hundreds of agreements each day, it's easy to see how quickly it can become overwhelming.

Traditional contract management approaches rely on cumbersome manual processes and paperwork to manage contracts — leaving a lot of opportunities for human errors and misplaced legal documents.

Without a streamlined process for contracts — using document management software — your law firm may struggle to manage all the agreements successfully, especially at scale.

Who Manages Law Firm Contracts?

In a corporate environment, the legal department is responsible for managing contracts, analyzing contract language, and executing an agreement with another party. It's also responsible for ensuring that the company's documents are stored securely.

In a law firm, contract management may be allocated to lawyers and support staff, such as [paralegals](#). Some firms may have a team dedicated to these tasks, but in [small and medium firms](#), this may be the responsibility of the owner.

Here are some best practices for legal contract management:

Leverage a Contract Management System

As mentioned before, traditional methods of contract management can be inefficient. Working with a centralized cloud solution ensures that documents are always accessible to lawyers or departments whenever they need them.

Track Contract Approval Time

Tracking contract approval time is important to maintain productivity and work progression. The faster a contract is approved, the faster your firm can tend to your client's case. A fast approval process also reduces the time wasted negotiating changes.

Use Templates

Contract templates save time and reduce overhead. With [customizable templates](#), you can create a template once and amend it as needed, rather than editing individual documents each time. Having a set template minimizes vulnerabilities and errors as well.

Quality Assurance and Compliance Management

Small mistakes in contracts can have devastating results. Implementing compliance checks throughout the contract lifecycle reduces legal risks without adding unnecessary burdens to the process.

Implement a Contract Negotiation Process

Having a process to negotiate contracts allows non-lawyers, such as accountants, to go over the conditions of the contracts with clients. This is more cost-effective than having to go to a lawyer for each change, not to mention the time benefit of a shorter negotiation process.

Designate Tasks to the Right Party

Depending on the contracts, the process may include multiple people from start to finish. Legal practice management software offers integrations to ensure that each step of the contract routes to the right person to expedite the process and minimize delays, missed deadlines, or redundant tasks.

Streamline the eSignature Process

Implementing a process for how contracts are signed minimizes disruption and expedites the process.

The Benefits of Paperless Legal Contract Management

Contract management can be challenging because of the sheer amount law firms deal with on a regular basis, especially if they're working with physical documents. Documents can be misplaced, deadlines pass by, and delays in contract approval can impact client relationships.

Outlook on Legal Contract Management at Law Firms

Legal contract management is a necessary component of efficient contracts that deliver the experience clients want. Relying on paper, especially at scale, is an outdated method that creates stress, waste, and liabilities.

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National Law Review, Volume XIII, Number 66

Source URL: <https://natlawreview.com/article/best-practices-legal-contract-management>