

What is ContractCompass[®]?

With ContractCompass, License12 offers a service for the analysis of new or existing software contracts. An offer will be evaluated on the basis of order volume as well as each individual position. The result is a diagram comparing the transaction volume against the discount or license product price obtained. Your own data will be plotted as a point among color gradients that represent the density of peer group data.

How are relevant cohorts formed in ContractCompass[®]?

The comparison data is categorized by three characteristics: size, industry, and region of a company. Depending on the number of comparison elements, a user can select the appropriate cohort. The color gradient diagram will be shown when at least seven comparable data points are available.

What is the Flash-Benefit?

With the Flash-Benefit, three performance indicators are shown immediately after digitization. These give an instant feel for the opportunity on a new contract or offer. This analysis is available to all users of License12, independent of their chosen service levels.

What data is the benchmark based on?

All benchmarking data derive from questionnaires completed by software buyers giving their personal assessment of price development based on their recent purchase orders. These data have been gathered by procurement experts in regular surveys over the course of many years, and have been normalized by License12 by size, industry and region.

How do new completed surveys take effect?

Every new contract on License12 generates a new survey, structured specifically with the goal of allowing ContractCompass[®] to adapt to the latest trends, and continuously improving its accuracy.

What can a user learn from the diagrams?

The color intensity in a ContractCompass[®] diagram reflects the density of points from survey benchmarks. Zones with a higher number and weighting of comparable data are shown in a darker shade. If the user's own data point is to the bottom left of a darker area, it will pay to continue to negotiate towards that area, to avoid getting an inferior deal than the rest of the market.

How do older data affect the benchmark?

Our algorithm takes into account the ageing of benchmarks by giving greater weight to more recent data. Relevant is the date of signing the contract. Data that are four years old will have only half the influence of current data. In this way, benchmarking results always reflect current market trends.