Closed Corporate Transaction Notification: Conga, Contract Life Cycle Management

Published 21 September 2021 - ID G00758092 - 6 min read

By Analyst(s): Patrick Connaughton

Initiatives: Procurement and Strategic Sourcing Applications; Legal and Compliance Technology and Analytics; Procurement Management; Sourcing and Procurement

Conga has acquired Contract Wrangler, an advanced contract analytics vendor founded in 2016. Application leaders considering Conga CLM today should evaluate whether Contract Wrangler will meet their contract data extraction needs.

Get the full story

This content is part of a larger body of research on this topic.

Magic Quadrant for Contract Life Cycle Management

Key Background

On 17 August 2021, Conga acquired Contract Wrangler. Conga is a Leader in Gartner’s Magic Quadrant for Contract Life Cycle Management. This announcement comes on the heels of the May 2020 Apttus acquisition of Conga, which combined two well-established CLM vendors into a single company (named Conga). The acquisition of Contract Wrangler addresses a gap in the Conga portfolio previously filled by partners, and is one of many recent examples of continued consolidation in the CLM market. Once integrated into a single solution, this acquisition will provide Conga with a competitive advantage against those CLM vendors who do not have the ability natively to extract and organize unstructured text from third-party commercial agreements and legacy contracts.
Considerations for Technology and Service Selection

This research is intended to provide relevant contextual information to help you consider and prepare for potential future risk or advantage. It is not a reevaluation of providers, but rather an update based on publicly available information at a certain point in time. Because the results of corporate reorganizations typically change and evolve over time, Gartner analysts will continue to monitor these changes. The next annual update of the Magic Quadrant will reflect the potential impact(s) that we determine the corporate reorganization may have on provider positions.

We encourage you to use this perspective in conjunction with the existing Magic Quadrant as you consider initial resources for provider evaluations and decision-making. As you assess your unique business and technical requirements, always supplement this research with scheduled analyst inquiries to help you and begin to gain insight on further developments, before making any decision.

Provider- and Market-Agnostic Analysis

Application leaders looking to procure CLM solutions should be alert to potential changes and impacts that can arise from a transaction of this nature.

Some potential impacts include:

- Changes to the partner landscape for Conga's various CLM solutions.
- Reduction in new product development in favor of capability, technology alignment and integration.

The top steps for clients to take include:

- Keep close tabs on Conga's product roadmap and ensure that the vendor is meeting its communicated release dates with previously committed product features.
- Organizations reviewing partner technologies to support advanced contract analytics should closely monitor Conga for an update on this acquisition.
Market-Level Analysis

Historically, many CLM vendors partnered with specialist vendors to provide data extraction services for commercial agreements. The partnerships were typically used to convert legacy contracts into the native CLM format during implementation and for ongoing data extraction from third-party paper. In recent years, many of these specialist providers have extended their capabilities beyond data extraction into more advanced contract analytics, like risk scoring.

In the past, these were two distinctly separate software categories, CLM and what Gartner refers to as advanced contract analytics. However, our research has shown that buyers of this type of software prefer to work with a single vendor that can provide both. As a result, it has become a differentiating feature for CLM software vendors to have native advanced contract analytics capabilities. For example, Icertis, a Leader in the Magic Quadrant for CLM, has released a natively built data extraction solution. Another example is the May 2020 DocuSign (also a Leader in the CLM Magic Quadrant) acquisition of Seal Software, an advanced contract analytics vendor focused on extracting and analyzing contract data and providing contract review and risk analysis.

Gartner expects the consolidation of CLM and advanced contract analytics vendors will continue and the Conga acquisition of Contract Wrangler is further evidence of that.

Provider-Level Analysis

Conga is a Leader in Gartner's 2021 Magic Quadrant for Contract Life Cycle Management. However, one of the cautions noted in that research is Conga's limited ability to support contract discovery and analytics. Historically, Conga has relied on a partner, Kira Systems, for document analysis and data classification functionality. Kira is used to detect the clauses, and Conga's natively built AI then extracts the exact field information and adapts it to the right format. This means that if clients wanted both data extraction and full CLM capabilities from Conga, they had to purchase it from two different vendors.

The acquisition of Contract Wrangler fills that gap and, once integrated, will provide Conga with the ability to extract and organize unstructured text from commercial agreements into structured data. This is critical for those companies that deal with a high percentage of commercial agreements on third-party paper, and a known limitation of many stand-alone CLM solutions. In addition to data extraction, Contract Wrangler supports more advanced analytics to help companies understand the way terms and obligations actually impact revenue, risk, and cost once the contract is executed.
In the short-term, existing Contract Wrangler customers will continue to work with their existing support team but that will change over time as it is rolled into the Conga service and support organization. Following the combination with Apttus, Conga completed a much-needed renovation of the customer support model (one of Apttus’ biggest weaknesses in the past). Conga has put in place new processes and methodologies and a customer success manager program to stay on top of customer satisfaction metrics. This is a positive thing, but still relatively immature and folding yet another company into the mix will potentially complicate the service model in the near future.

For prospective customers that completed (or in the process of) evaluating Conga for CLM plus Kira for data extraction, this acquisition raises the question: Should you reevaluate the solution, swapping out Kira with Contract Wrangler instead?

In short, yes. On 10 August 2021, Litera, a legal technology vendor, announced its plans to acquire Kira. As part of the transaction, Kira Systems will spin off a new company named Zuva, which will be commercializing the company’s AI technology in new products for the corporate market. The implications of this change on the Conga partnership are unknown and the safer bet to mitigate risk at this stage is to evaluate the Contract Wrangler solution instead.

This is especially true for customers looking to use the solution for ongoing data extraction from third-party paper that has to be closely integrated with the Conga CLM solution. For those customers that were just planning on using Kira for a one-time conversion of legacy contracts on the implementation project, there is less risk of staying the course.

There is an added dimension of complexity here in that Conga was actively partnering with another automated content extraction vendor, Brightleaf. Brightleaf currently partners with other CLM providers too, like Cobblestone, Contract Room (recently acquired by Mitratech), Malbek and Onit. For those Conga prospects just looking for a software tool for data extraction, we recommend evaluating Contract Wrangler. For those prospects that require both the software and additional services to review each contract to interpret and correct the data, Brightleaf is still a good option.
Overall, this is a good acquisition for Conga that addresses a known gap. Still, Conga as a company has experienced a very high degree of change from the previous acquisition and is still in the middle of rationalizing multiple CLM products. The acquisition of Contract Wrangler could add to that instability in the short term (although this is much smaller in scale). The new combined leadership and product offerings have already shown considerable potential, but there is still risk to consider. For example, additional changes to the partner landscape, supported platforms and reduction in new product development in favor of capability and technology alignment and integration.

---

**Recommended by the Author**

Some documents may not be available as part of your current Gartner subscription.

- [How to Plan for and Respond to a Strategic Vendor’s Merger, Acquisition, or Divestiture](#)
- [Magic Quadrant for Contract Life Cycle Management](#)
- [Critical Capabilities for Contract Life Cycle Management](#)

---

© 2021 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by Gartner's Usage Policy. Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "Guiding Principles on Independence and Objectivity."