

AI adoption in contracting

Aspiration and excitement
tempered by the demands of
achieving successful adoption

Contents

2	Foreword
3	Survey demographics
3	Definitions
4	Introduction
5	Current state of adoption: our interviews
7	Current state of adoption: survey results
8	Barriers to implementation
10	How barriers are being addressed
11	Workforce and skills development
12	Expectations and aspirations
14	Current reality
15	The future of AI in contracting
16	Conclusion
17	Appendix
19	Contacts

Foreword

Our annual Artificial Intelligence (AI) report confirms continued growth in adoption and use within the commercial and contract management (CCM) process, though at a relatively measured pace. For many, a sense of aspiration and excitement remains, but tempered by recognition that the benefits are not instant and can be demanding to achieve.

Beyond addressing concerns over security and accuracy, one of the primary barriers to faster adoption is difficulty in obtaining budget. That is interesting, since there is extensive evidence that Chief Financial Officers (CFOs) are ready to invest in Generative AI (GenAI) – when presented with the right use case. Multiple recent reports and articles indicate that the money is available, so the issue is not so much a lack of funding, but more an inability to make the business case and demonstrate a compelling Return on Investment (ROI).

We hope the findings of this survey help contracting professionals make the case. As WorldCC has famously found in previous surveys,¹ contract value leakage represents a material drain on company margins. In this report, respondents say they expect AI to address this erosion, with ‘contract value realization’ emerging as the top aspiration for AI implementations. Even addressing a fraction of the typical 8.6% missed contract value should whet any CFO’s appetite.

As this report indicates, early use cases are starting to show the enormous potential. The primary constraints right now are perhaps more about the limits of human imagination and the traditional challenge that has frustrated CCM initiatives – their dependence on cross-functional collaboration.

It is our hope that this report represents a ‘call to action’ for both the Finance and CCM communities and that together they grasp the opportunity for a fresh approach.



Tim Cummins
Executive Director,
CCM Institute
President, WorldCC

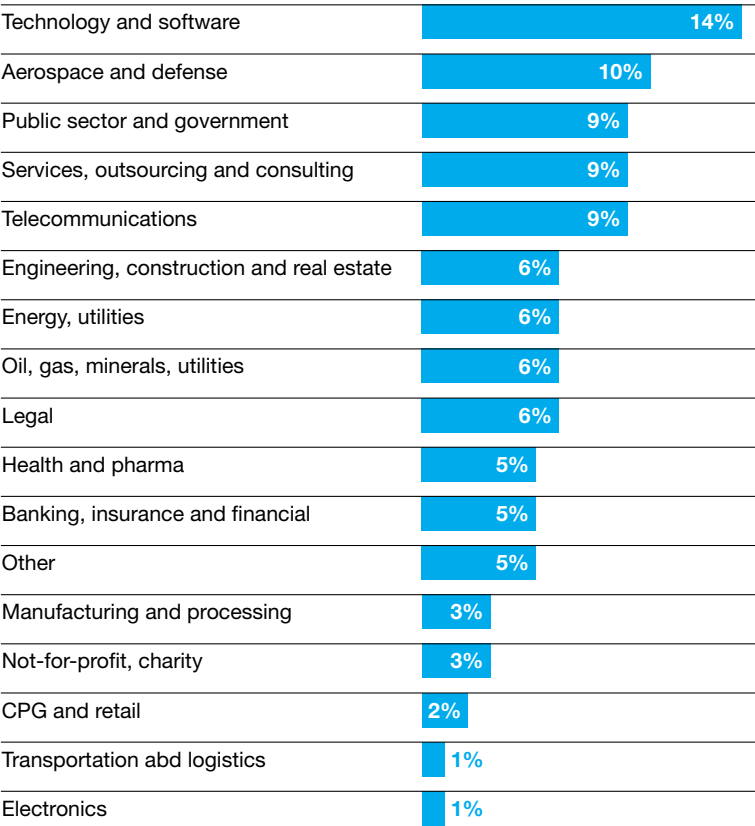


Bernadette Bulacan
Chief Evangelist,
Icertis

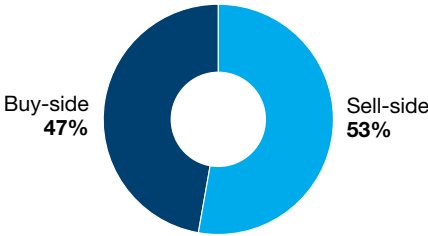
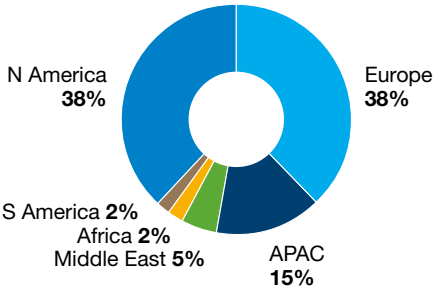
Survey demographics

The survey includes participants from 374 organizations across 17 sectors, with strong representation in Technology and software, and Aerospace and defense. It is perhaps unsurprising that the Technology and software sector leads AI adoption trends, with AI use cases focused on streamlining operations, improving accuracy, and reducing contracting cycle times.

Figure 1: Survey participants by sector and region



The largest proportion of respondents come from Europe and North America, each accounting for around 38% of the participants. Participants' roles are almost evenly split between the sell-side (supporting the sale or distribution of goods or services) (53%) and buy-side (supporting the acquisition of goods or services) (47%).



Data for this report came from 374 organizations across 17 sectors

Definitions

Artificial Intelligence (AI): The ability of machines to mimic human cognitive functions, such as learning and problem-solving. This includes techniques from simple rule-based systems to complex machine-learning algorithms. In the context of contracting, AI can be used for contract review, drafting, negotiation, and compliance monitoring.

Agentic AI: AI capable of autonomous actions, decision-making, and possibly goal-oriented behavior without continuous human oversight.

BI Systems: Tools analyzing business data to facilitate informed decision-making and strategic planning.

Generative AI (GenAI): A type of AI that focuses on creating new content like text, code, or images. Examples include Large Language Models (LLMs) such as OpenAI's ChatGPT or Microsoft's Copilot, used for drafting contracts or analyzing visual data in compliance and risk monitoring. Sub-sets of GenAI are:

- **Public GenAI:** Utilizes open data, providing wider accessibility and innovation, but raises concerns about data privacy and bias.
- **Private GenAI:** Accesses proprietary data, enabling control and customization for specific needs, but may be limited in scope.
- **Hybrid GenAI:** Combines public data with private organizational information to connect the benefits of both.

Hallucinations: AI models produce confidently incorrect, fabricated or nonsensical information without basis.

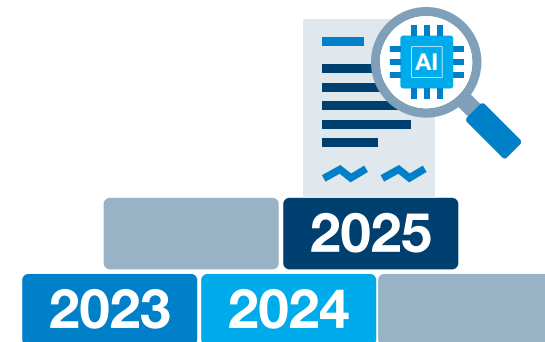
Large Language Models (LLMs): A class of natural language processing AI models that are trained on massive text data sets to generate coherent, human-like text.

Metadata: Refers to data that provides information about other data. Metadata is 'data about data'. AI can gather and analyze data about contracts and legal documents.

Introduction

In July 2023, WorldCC released its inaugural study² on the impact of AI on the contracting community. Following this, in January 2024, we issued a comprehensive report which examined the extent of adoption and use of AI, offering valuable insights into future trends and expert predictions on how AI will transform commercial and contract management. Building from there, this 2025 report provides an update in this fast-moving space and delves deeper into the adoption and perceptions of AI across 17 sectors. It provides a broader understanding of how AI is reshaping the contracting process.

The report opens with insights gathered from a series of 12 in-depth interviews with functional leaders from a variety of sectors at the forefront of AI integration in commercial and contract management including Aerospace and defense, Telecommunications, Legal, Public sector, Technology, Consulting, and Oil and gas. These in-depth conversations were then checked against the findings of a research study that gathered input from 374 organizations.



Building on our 2023 and 2024 reports, this 2025 edition provides an update and delves deeper into the adoption and perceptions of AI in contracting across 17 sectors.

2. WorldCC's commentary on the impacts of AI goes back to 2018, but the in-depth report in 2023 was driven by the fact that GenAI brought universal access to Artificial Intelligence tools.

Current state of adoption: our interviews

AI is gaining traction across many sectors. Adoption levels vary, with Business services and Technology embracing AI tools for specific cases like Contract Lifecycle Management (CLM), negotiation assistance, and compliance monitoring.

While overall maturity remains uneven, the interviews indicated some immediate patterns. Key use cases are:

- Automation of repetitive tasks (e.g., data extraction, document execution).
- Enhanced analytics for monitoring contract performance and compliance.
- Predictive tools to identify risks, recurring negotiation terms, and procurement outcomes.
- Integration with regulatory and local frameworks to streamline processes.

There are common barriers slowing adoption and these show few changes from the issues that have been identified over the last two years since the emergence of GenAI:

Data security: Sectors like Defense highlight stringent data security concerns, particularly around sensitive contracts and Intellectual Property (IP).

Trust in AI outputs: Questions around AI accuracy, hallucination risks, and trustworthiness limit its application in tasks like drafting or negotiation.

Resistance to change: Employee apprehension, particularly fears of job displacement, slows adoption.

Lack of training: With limited amounts of training, these concerns are hard to overcome. For many, reluctance is perhaps more about the fear of the unknown, rather than tangible issues.

Workforce implications

AI reduces transactional roles but creates opportunities for more strategic, value-driven tasks. This is a common belief and is strongly held by those interviewed, who tend to be at the forefront of implementation initiatives. The wider survey population remains more skeptical.

Training programs are essential to upskill professionals, both to ensure safe and ethical AI usage and to maximize its potential. For example, in a field like negotiation, the average professional will not innately understand which aspects of the process can be most impacted, nor what information they should enter into a system. Training is also needed to help employees understand what 'strategic, value-driven tasks' they should perform and how to perform them.

Governance and customization needs

Robust governance frameworks are needed to address ethical AI use, data privacy, and IP ownership. At present, it is clear that custom, sector-specific AI models are preferred to generic solutions to address concerns over accuracy and relevance, as well as security issues.

Hopes and fears

As with any substantial change, the practitioner community reveals a mix of hopes and fears. In a field such as commercial and contract management – embracing lawyers, procurement staff and contract managers – it should be no surprise that there is a high level of skepticism. It is a community trained to identify risks and to prize accuracy. However, it is also a community that faces operational overload, ever-increasing demands, and work that is often repetitive. These mixed emotions are evident in the hopes and fears expressed in interviews and in the survey.

Hopes:

- Significant time and cost savings from automation
- Improved decision-making through better data insights
- A shift in focus toward strategic and value-added activities
- Enhanced buyer-supplier collaboration and faster contract negotiations.

Fears:

- Data privacy and cybersecurity risks
- Loss of control over sensitive information or IP
- Potential over-reliance on AI without proper validation mechanisms
- Workforce disruption and skills gaps due to rapid AI adoption.

Continued next page

Current state of adoption: our interviews *(continued)*

Key perspectives across roles

Product owners and AI innovators are optimistic about AI's potential to transform transactional tasks into strategic opportunities, but confirm the need to temper enthusiasm with the need for ethical governance and ongoing refinement. The professional community – as represented by those interviewed – is excited by the potential to harness AI's ability to democratize access to knowledge and reduce workplace pressures, stressing the importance of robust governance and training. The wider survey population is more nuanced in its enthusiasm, divided between those who are keen to rid themselves of repetitive and often low-value tasks, versus those who are less ready to adapt and fear a future which lacks clear definition.

Differences also emerge at a sector level. To take two examples, leaders from the Defense sector highlight AI's potential in automation but remain cautious due to strict security requirements and customer perceptions about AI use in sensitive contracts. In contrast, those from the Technology and Business services sectors advocate for embracing AI's transformative power, emphasizing the parallels with earlier innovations like Lean Six Sigma, while stressing the importance of careful, ethical adoption.

“From transactional work to tactical, more volume with less... AI is reshaping the world we work in.”

Product owner of a multinational IT services and consulting company

Learnings and recommendations

When GenAI first emerged, many hoped that it offered a quick and easy path to improved operations and immediate business value. In most cases, they were disappointed and yet that enthusiasm has led to some important learning:

- Those interviewed consistently emphasize the need to adopt a phased approach, though ideally in the context of an overarching strategic plan, rather than fragmented implementations of individual use cases.
- In terms of phasing, their experience suggests that it is best to start with well-defined, low-risk use cases (e.g., document summarization, obligation tracking), before gradually expanding to more complex tasks like negotiation and drafting, as AI systems and user experience mature. Again, this is borne out by the findings of the wider survey.
- As previously highlighted, it is important to prioritize governance and security. This means developing stringent policies for data handling, IP ownership, and AI deployment. Internal and external audits may be needed to build trust in AI outputs for both GenAI and general AI.

- Confidence and usability will increase if solutions are sector-specific, for example recognizing unique regulatory conditions or sector standards. This creates a need to advocate for the development of customized AI tools and to collaborate with vendors to refine models for higher accuracy and contextual relevance. Unlike traditional applications, this demands extensive practitioner engagement and input to 'educate' the AI.
- Successful adoption and use requires a focus on workforce transition: investing in training programs to bridge skills gaps and alleviating fears of displacement. Highlighting how AI augments, rather than replaces, human capabilities.
- Those interviewed echo the survey findings that there is a requirement for collaboration across functions to align AI adoption with broader organizational goals.
- Finally, they highlight the value of sharing success stories to build confidence in AI's capabilities.

Despite some disappointments, the interviewees shared that initial enthusiasm for AI has led to some important learnings:

Adopt a phased approach to AI	Start with low-risk uses	Prioritize governance and security
Make solutions sector-specific	Highlight how human capabilities are enhanced, not replaced	
Collaboration across functions to align AI adoption	Share success stories to build confidence in AI	

Current state of adoption: survey results

Since the publication of the January 2024 report, there has been a significant increase in both the use and plans for AI adoption within business.

Figure 2 shows that implementation of AI in the contracting process has increased notably, with the percentage taking action now representing 42%, up from 30% a year ago.

Figure 3 shows that utilization of AI has surged, with 86% of individuals now accepting that AI is a potential partner in supporting their day-to-day tasks. This shift represents a marked uplift in sentiment.

Our first survey was in mid-2023, immediately following the open availability of ChatGPT, and it indicated a wave of enthusiasm, with almost 40% expecting rapid progress and adoption.

By the end of that year, reality had set in and there was growing recognition of the effort required to develop meaningful AI solutions, even though the numbers who were making personal use of GenAI had more than doubled. Now, we see a return to growing optimism in a business context, that AI offers potential to enhance contracting processes, and a clear readiness among a growing number of employees to leverage that potential.

While the overall results indicate that the formal adoption of AI in contracting remains in its early stages, the total of 42% who have adopted or are implementing shows a growing momentum in AI-driven contracting solutions compared to the 30% who responded in January 2024.

Figure 2: AI implementation in the contracting process

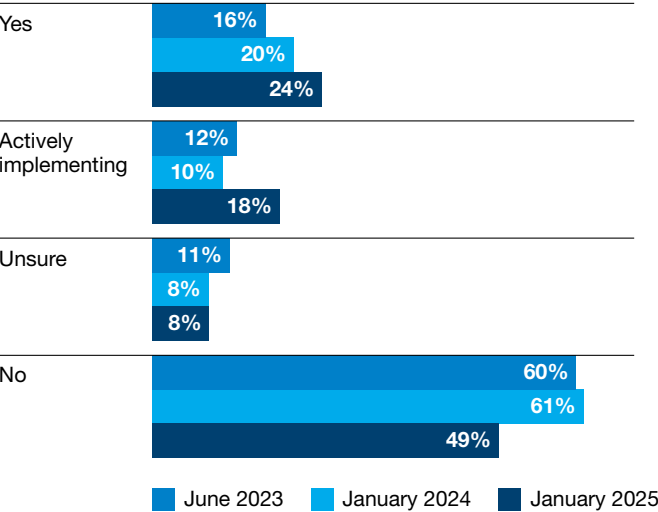
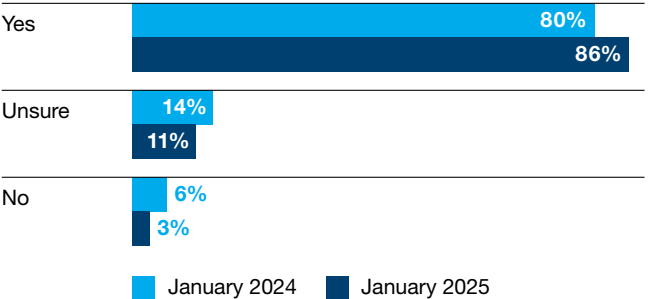


Figure 3: AI as a potential partner in supporting day-to-day work



Barriers to implementation

While there is optimism, there is also unease and a number of perceived risks that continue to delay the full implementation of AI. The main barriers include:

Security and data privacy remain the ever-present barriers to AI adoption. These concerns reflect fears about data security, privacy regulations, and the potential risks associated with sensitive contract information and risks associated to IP.

Data output quality concerns include issues such as data fragmentation, AI output accuracy, and the need for technical skill to implement and manage AI tools effectively.

Resistance to change and lack of budget indicating that both operational capacity and organizational culture play roles in AI adoption hesitancy. As indicated in the foreword, challenges concerning funding may not always be the result of constrained budget, but more to do with a failure to develop a compelling business case for investment.

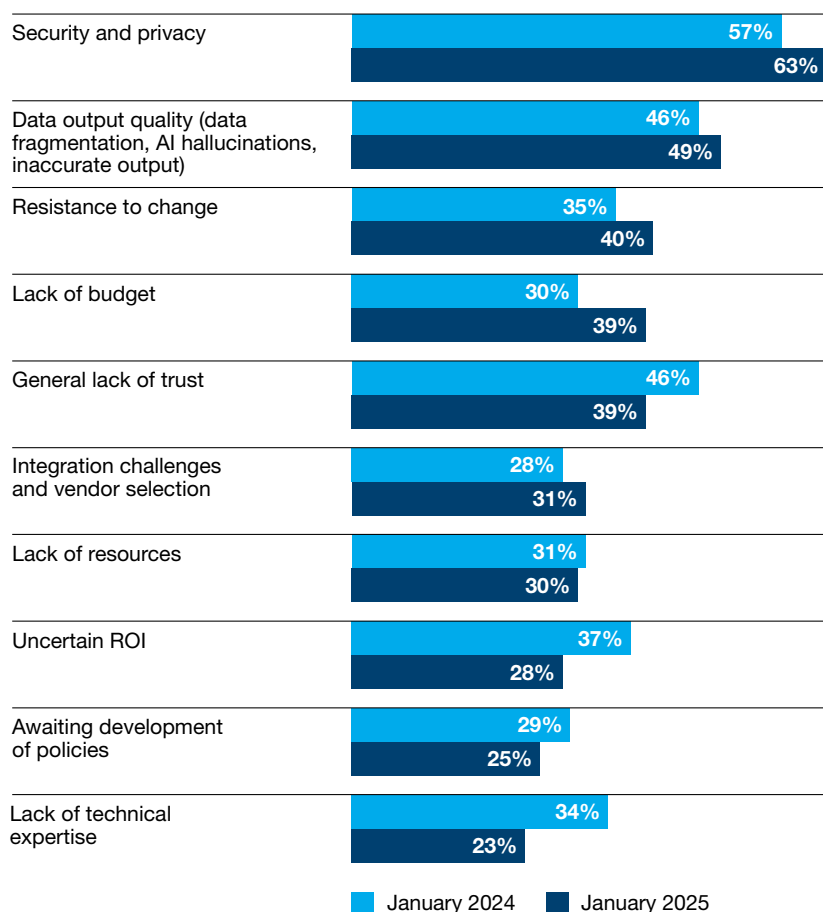
Other significant factors include a general:

- **lack of trust**
- **integration challenges and vendor selection**
- **lack of resources and awaiting development of policies.**

The policy issue is most pronounced in highly regulated sectors, such as the Public sector and Banking, but is also cited in the Automotive and Oil and gas sectors.

Continued next page

Figure 4: Main barriers to AI adoption

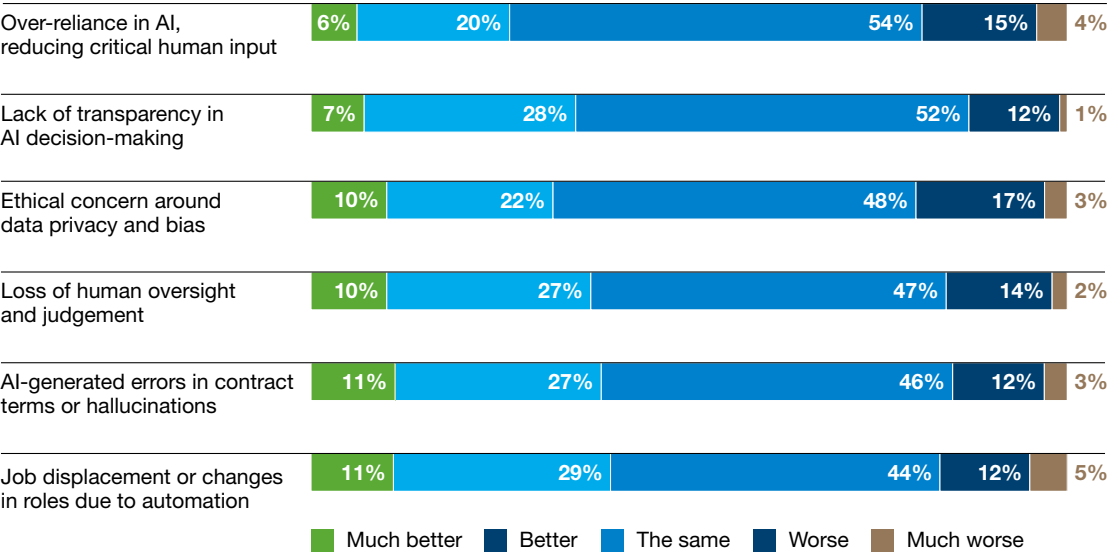


Barriers to implementation *(continued)*

Investment in AI contract management really depends on support by Finance. Recent CFO surveys³ have found that even when there is a readiness to invest, notable challenges include internal resistance (27%), skill shortages (29%), and lack of confidence in adapting to digital transformation (39%). Reports suggest that there is a broader transformation in financial leadership, where success metrics are increasingly tied to cash flow and growth performance indicators, and these are pushing CFOs to leverage advanced digital solutions that include AI. At present, the CCM community often fails to make a compelling business case related to the financial benefits that come from AI.

Since the implementation of GenAI in contracting, many concerns have either remained the same or improved. AI-generated errors or inaccuracies in contract terms is a good example, where nearly 46% of respondents indicate that their level of concern remains unchanged, but for 38%, it has reduced. Other concerns include those about the loss of human oversight and judgment and the lack of transparency in AI decision-making. But again, in each case, more than a third are now more confident than they were before implementation started. Ethical concerns around data privacy and bias were also noted as ongoing challenges, although some respondents felt their level of concern had diminished as AI systems became more robust. Issues such as over-reliance on AI and job displacement due to automation continue to be areas of concern, although a significant portion of respondents observed that their fears had somewhat improved as AI tools are seen more as complements to human decision-making rather than replacements.

Figure 5: How internal implementation impacts concerns or risks about the use of GenAI in contracting



3. Examples including *The Futureproof CFO: AMEX CFO Survey*, American Express, December 2024, and *CFO Magazine*, November 2024, identified that 78% of CFOs plan to increase their investment in AI over the next 12-18 months.

How barriers are being addressed

Indicative of intent, we now see positive steps being taken to support future AI adoption. These steps fall into two major categories, one focused on security and privacy and the other on education and tackling resistance to change.

AI security and ownership

Security remains a top priority for organizations using AI in contracting. Figure 6 shows that the most commonly cited security measures include access controls and permissions, encryption of sensitive data, and compliance with data protection regulations. These measures are critical to ensuring that AI systems do not open organizations to risks related to exposures of confidential information, data breaches, unauthorized access, or non-compliance with legal requirements. Other important security measures include regular security audits and assessments, incident response and data breach management, and monitoring for suspicious activities. All are essential for maintaining the integrity and trustworthiness of AI systems.

Responsibility for AI contracting activities

The survey found that responsibility is primarily handled by cross-departmental teams (42%) and followed by the Technology / IT department (24%), see Figure 7. This collaborative model ensures that the strategy aligns with various organizational needs, from technology to legal to operational considerations. However, only 11% of organizations have a dedicated AI team to manage their AI strategy. This could suggest that a lack of accountability can exacerbate disengagement among teams without a designated body to oversee specific AI contracting activities.

Figure 6: Most important security measures for AI systems used in contracting

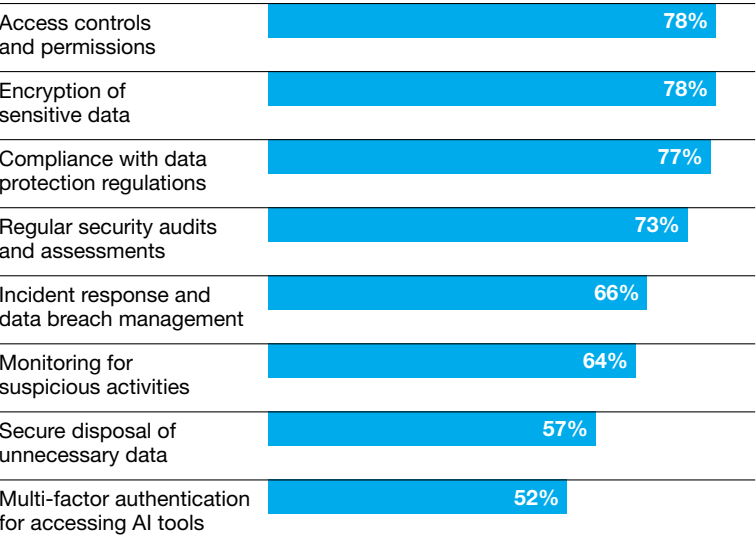
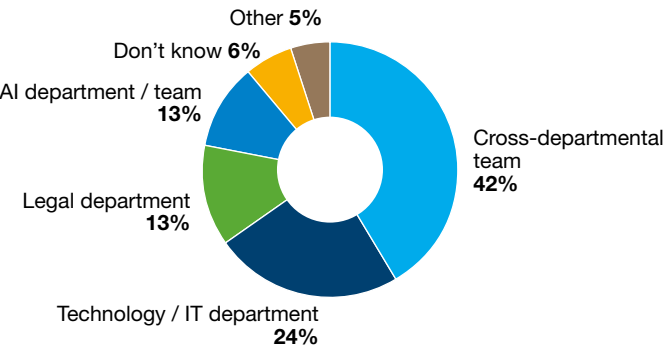


Figure 7: Responsibility for AI contracting activities



Workforce and skills development

To overcome the barriers to AI adoption, organizations are taking proactive measures. Education and upskilling have emerged as critical strategies, with many companies offering training, workshops, and opportunities for employees to personally learn and use AI tools.

This approach is intended to reduce resistance to change and increase AI proficiency across the workforce. Another common strategy is the use of case studies and proof of concept projects, which allow organizations to showcase the value of AI through real-world success stories and practical applications. These projects help to demonstrate AI’s potential as well as building trust in its capabilities.

Additionally, management engagement has been a focus for many organizations, as educating executives and decision-makers about AI’s value is crucial for overcoming resistance. Our interviews showed that many companies are opting for gradual implementation, starting with simple tools and piloting AI systems with small groups before scaling up.

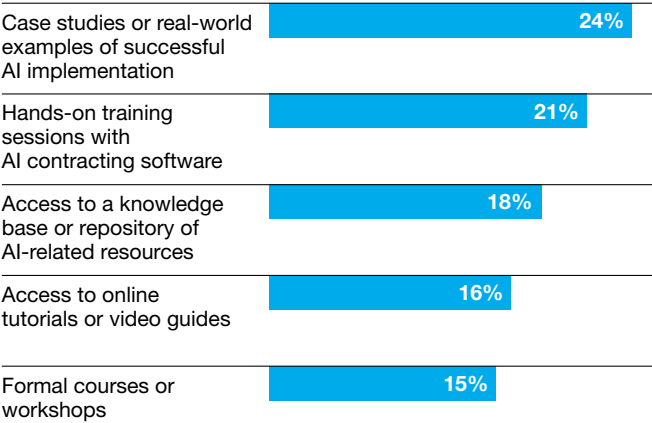
AI capabilities are mostly integrated in LLMs, Business Intelligence (BI) systems (35%), within CLM systems (32%), and through widely used platforms such as ChatGPT (17%). Additionally, 14% of participants cited ‘within an internal application (Procurement / CRM) system’.

In terms of skills development, much remains to be done. Only a third of survey respondents indicate any form of support, with slightly less than 20% having received any formal training. At present, many are building capabilities through personal use of GenAI, though 22% admit they are not active users at all.

Finally, Figure 8 shows the resources that participants indicated would be the most helpful for building AI proficiency.

“AI isn’t here to replace jobs – it’s here to augment human capabilities and unlock new possibilities.”
Senior Manager, Telecoms

Figure 8: Helpful resources for building AI proficiency



Expectations and aspirations

The survey reveals strong support for AI’s role in improving contract management. Practitioners see its potential to save time and improve accuracy and also for identifying compliance risks.

They expect AI to free up time by automating these routine tasks, allowing an uplift in efficiency and the ability to deliver greater value. Figure 9 shows a comparative list of benefits ranked by CCM practitioners and compared against the view of ChatGPT. It is interesting to note how little the lists differ: is this a result of the way humans are using ChatGPT, or the way ChatGPT is educating humans?

Figure 9 also shows ChatGPT’s ranking of itself and it is interesting to note that there have been significant shifts. For example, ‘Accurately summarize contracts’ has risen from fourth to first place and new benefits like ‘Find areas of contract value erosion’ have been introduced since the previous survey. ChatGPT’s explanation of these ranking changes seem to reflect a natural progression in user focus, influenced by external market dynamics, evolving organizational priorities, and the maturing capabilities of AI technology.

Digging into how practitioners expect AI to change their daily tasks in contracting (Figure 10), AI is expected to automate repetitive tasks (79%) and reduce time on drafting and reviewing contracts (76%).

Continued next page

Figure 9: Practitioners expectations of the benefits of AI and comparative ranking by ChatGPT

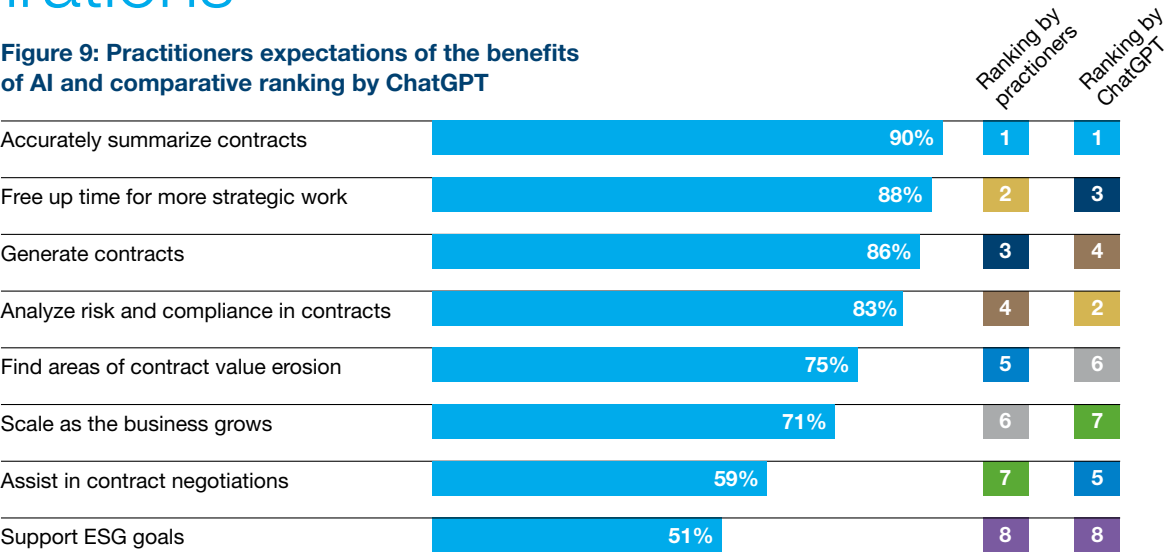
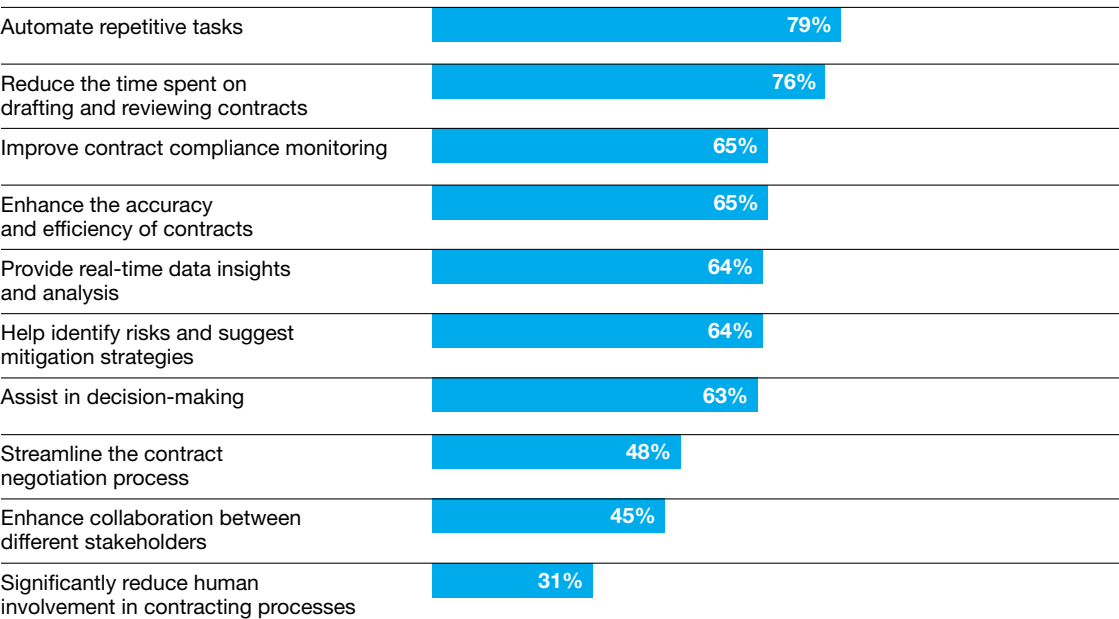


Figure 10: Practitioners expectation of the impact of AI on daily tasks in contracting



Expectations and aspirations *(continued)*

Measuring impact is clearly critical and a dependency for investment. In the short term, respondents show limited ambition in terms of the areas where AI is already helping, or expected to help, with measurements. In this context, the greatest priority is to drive reductions in cycle times, followed by a reduction in contracting errors and disputes and enhanced contract data analytics and reporting.

However, when we look at the list based on the things that respondents would like to measure going forward (Figure 11), there is a significant shift from the past. There are big increases in monitoring the financial performance of contracts and cost savings achieved – clearly critical items in demonstrating the ROI that justifies investment. At a more technical level, there is a greater focus on measuring the

accuracy of contract language and terms and compliance with obligations and regulations.

Figure 12 builds on the expectations and plans we have outlined to give a sense of the aspirations for a new, AI-enabled contracting process.

Figure 11: Items that practitioners would like to measure going forward

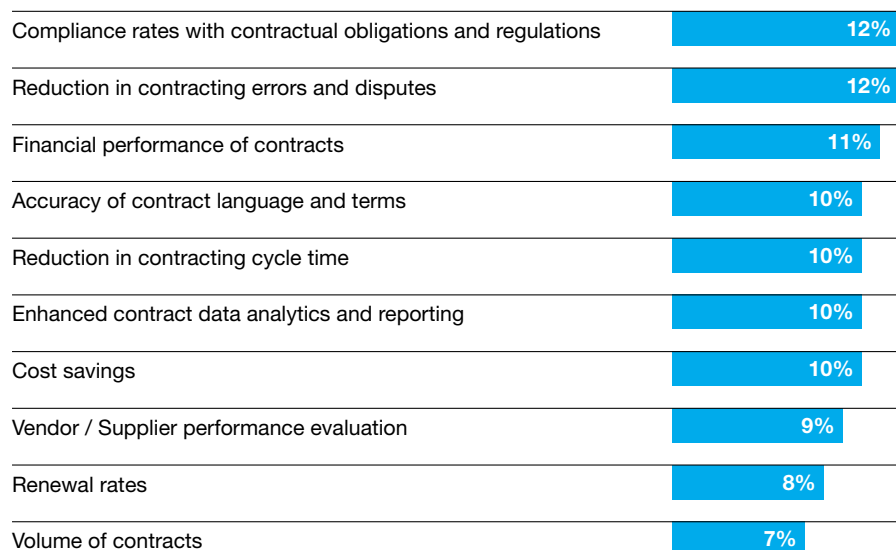
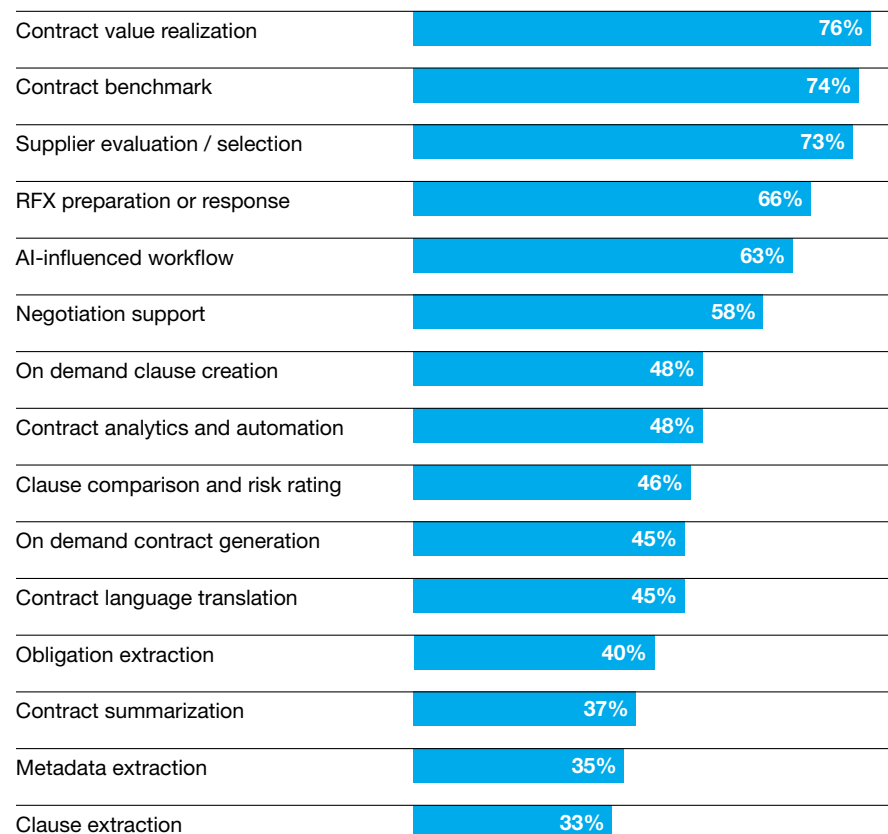


Figure 12: Practitioners aspirations for AI implementation



Current reality

In terms of the practical use of GenAI, Figure 13 shows that present top uses include summarizing, analytics and insights, automating contract review and risk assessment, clause generation, and drafting contracts.

In many cases, these practical uses are through a CLM system, rather than a stand-alone application. The percentages relate only to those respondents who are already using or implementing AI support.

In environments where AI has been or is being implemented, respondent sentiment is marginally positive, averaging 3.3 on a scale from 1 (negative) to 5 (highly positive). In terms of actual benefits experienced from implementation, medium- to low-level benefits were reported and mainly show an uplift from 2024. In 2025, there are interesting changes in the benefits experienced. Top of the list is the contribution to improved skills and knowledge levels closely followed by cost savings. These represent a powerful contribution to the case for positive ROI. In terms of reductions, it is suprising to note that both increased productivity and reductions in cycle times have declined by a significant amount.

Figure 13: Current uses of GenAI

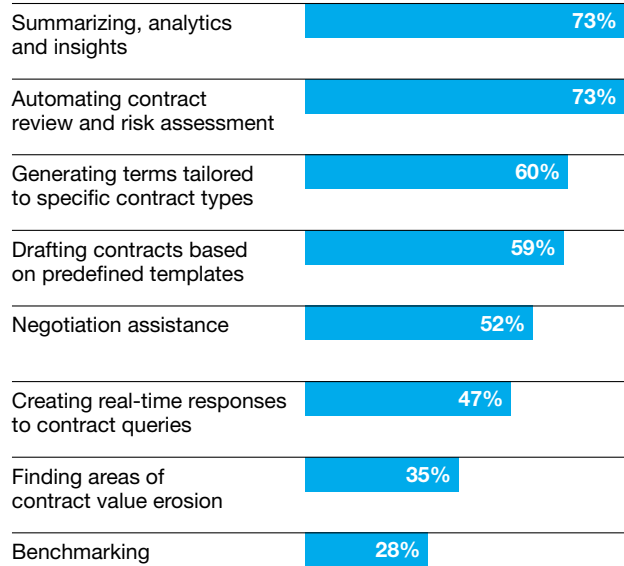
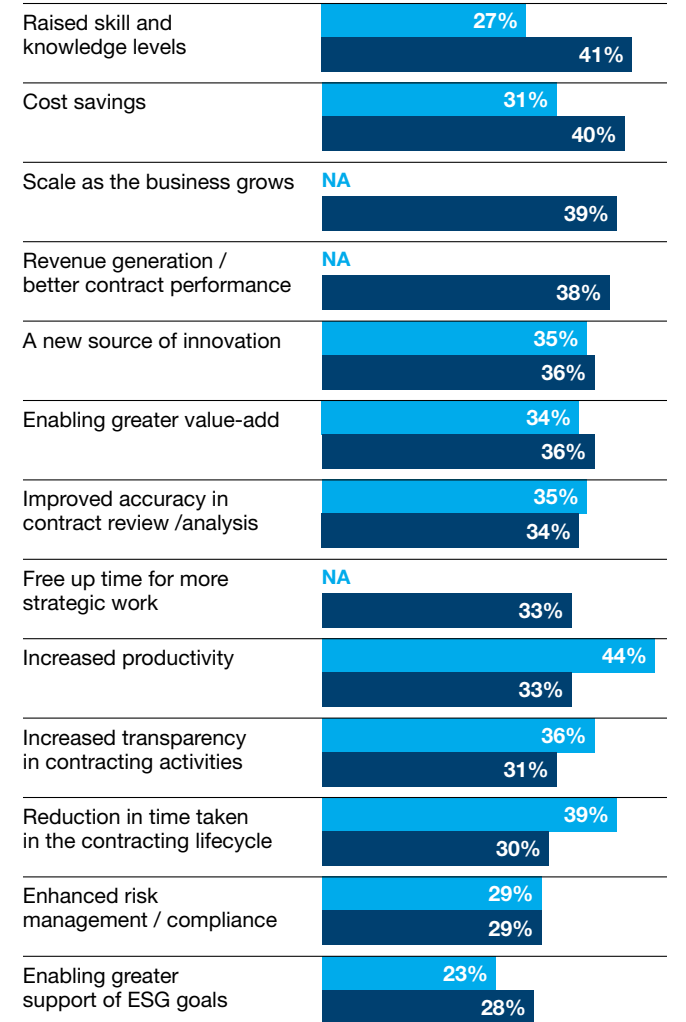


Figure 14: Perceived benefits of implementing AI in the contracting process⁴



4. The list of options evolved in 2025 with the addition of three new priorities:
 – Scale as the business grows
 – Revenue generation / better contract performance, and
 – Free up time for more strategic work.

The future of AI in contracting

The survey results show a range of attitudes and readiness levels toward AI adoption in contracting. Overall, individuals continue to see more immediate use at a personal level rather than within their workplace.

As shown in Figure 3 (page 7), 86% of individuals view AI as a partner in their daily work. This is broadly mirrored by the fact that 77% are personally enthusiastic about AI (Figure 15), a number that is consistent with our 2024 survey and remains more than double the percentage who feel that their organization shares this positive outlook (also a level that is essentially unaltered from 2024). However, only 36% believe their organization shares this positive outlook; while 35% are skeptical, and 25% are undecided or uncertain about AI's potential in contracting.

Regarding specific tools like ChatGPT, 24% of organizations report having developed policies around its use, and 22% have introduced alternative LLMs such as Copilot (e.g., an alternative to ChatGPT). Interestingly, 20% of respondents said their organizations were unfamiliar with GenAI, and while 13% encouraged ChatGPT's use, 19% had banned it, and 2% mandated its use (Figure 16).

As for future planning, only 17% of organizations had clearly defined future plans for the use of AI in contracting, while 34% were in the process of developing policies, and 35% had no plans. In other words – the use of AI in contract management is not an immediate priority in many organizations.

Figure 15: Attitude to AI

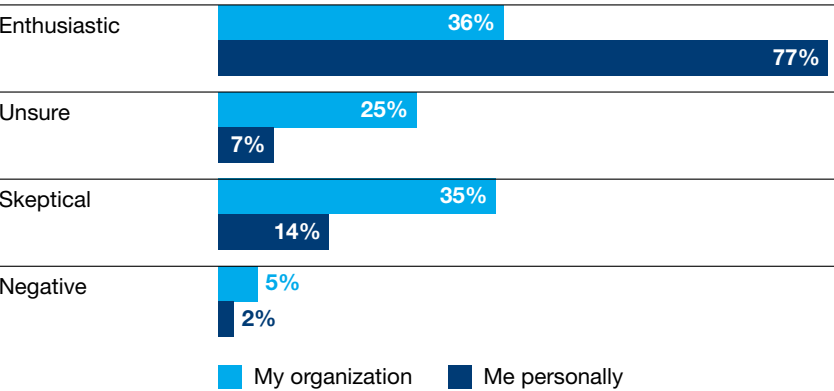
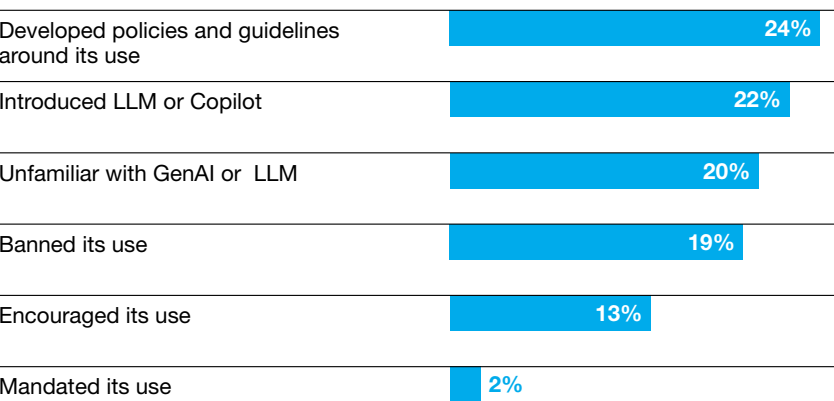


Figure 16: Currently integrated AI capability



Conclusion

The interviews and the overall survey results are consistent in suggesting that AI is positioned to redefine roles, streamline processes, and improve decision-making. However, to achieve these benefits at scale, organizations must navigate challenges in trust, governance, and workforce adaptation.

This report reveals a cautiously optimistic view of AI in CCM, recognizing its transformative potential while urging careful, ethical, and phased adoption. By grasping this opportunity, the CCM discipline can lead the charge in leveraging AI as a strategic enabler of value creation.

The encouraging signs are reinforced by the fact that organizations are taking steps to overcome barriers such as security concerns, data quality issues, and resistance to change.

There is also growing appreciation of the need to improve knowledge-sharing and address skepticism around AI's capabilities. Steps are needed to reassure the workforce through training programs and creating a 'thought leadership' of AI to better measure its impact on job roles.

Security remains a cornerstone of any AI strategy, and organizations must continue to implement robust protocols to ensure its safe deployment. The cost and workload associated with implementation continue to be major barriers but delay in adoption will impact profitability, market share and competitive edge.

The use of AI in the workplace is an opportunity for growth. However, it is entirely understandable that use cases must be prioritized and the contracting process may not always make the list. We urge organizations to consider whether that omission is the result of careful assessment, or simply a failure to grasp the extent of benefit that can be delivered. AI-enabled contracting increasingly permeates every corner of the business, offering not only increased efficiency but also a path to strong financial returns.

"Adopting AI is like embracing past innovations – it's not optional for staying competitive; it's essential."

Vendor Manager, Technology and Software

Opportunities for future research

AI accuracy and reliability: invest in research to reduce hallucination risks and improve AI's ability to handle complex language and cultural variations.

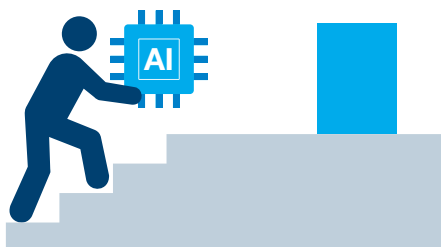
Regulatory integration: explore how AI tools can better integrate with local laws and evolving regulations, particularly in highly regulated sectors.

Human-AI collaboration models: study the optimal balance between automation and human oversight to maximize efficiency within your contracts portfolio without compromising trust.

Broader use cases: investigate applications in emerging areas like supply chain visibility, Environmental, Social, and Governance (ESG) compliance, and customer sentiment analysis.

Ethics and bias in AI: assess how AI models can promote or ensure fairness and avoid perpetuating biases in decision-making processes.

Agentic AI: explore how it can revolutionize contracting processes by introducing autonomous agents capable of managing the entire contract lifecycle, from negotiation to execution, monitoring, and renewal.



There is a cautiously optimistic view of AI in contracting, recognizing its transformative potential while suggesting careful adoption.

Appendix A: sector variations

Figure 17 shows sectors leading AI adoption in the contracting process. These sectors are now looking beyond traditional AI uses (e.g. summarization, analytics, and generating insights) and advancing their AI capabilities to new uses, for example:

AI-influenced workflows: use of AI to enhance and streamline routine tasks and decision-making processes in legal and service-oriented sectors.

On-demand contract generation: use AI to instantly create accurate, tailored contracts based on predefined templates and input data.

RFX preparations and responses: using AI to analyze previous responses, tailoring content to specific requirements, and ensuring consistency and compliance. This is particularly valuable in Telecoms and Technology and software, sectors which deal with complex and highly detailed RFX processes.

Contract value realization: using AI to analyze and track contracts to ensure organizations extract maximum value, including financial and economic value.

Figure 18 shows sectors which are adopting a more cautious approach to AI, resulting in a slower pace of integration. Barriers such as regulatory challenges, resource constraints, and the need for clearer value propositions or proven use cases continue to create friction and influence strategic decisions to delay adoption.

Figure 17: Leading sectors implementing AI

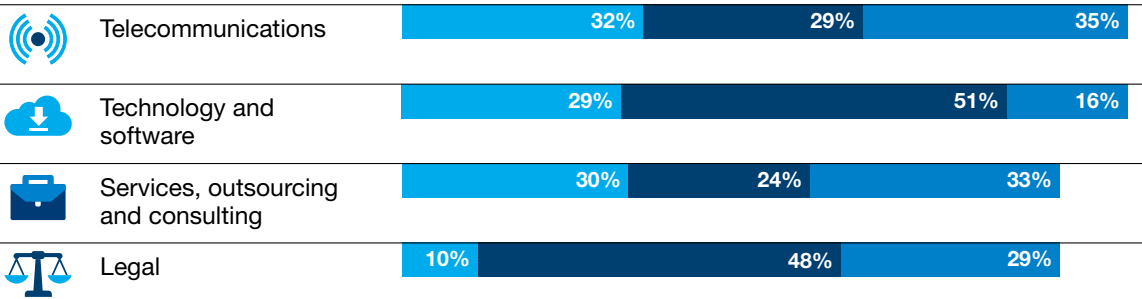
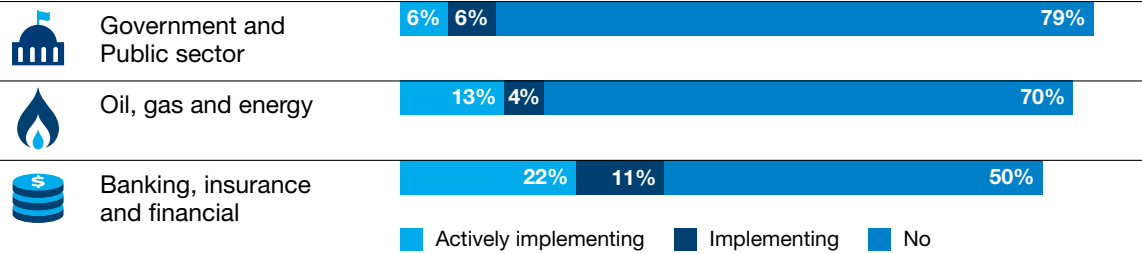


Figure 18: Sectors adopting a more cautious approach to AI adoption



Future plans for AI adoption

The Technology and software, and Telecommunications sectors have established clear and well-defined strategies for leveraging AI in contracting. It's important to note that these sectors are more advanced in the use of CLM technology, and technology more generally. The Banking, insurance and financial sector, while still developing their policies, are also making notable strides. This contrasts with sectors such as Aerospace and defense, Engineering, Manufacturing, Energy and the Public sector, where AI adoption remains relatively low. This gap underscores

a critical distinction across sectors, highlighting the varying degrees of readiness and strategic planning for integrating AI into contracting.

“AI holds immense potential to predict risks and improve tender designs, but asking the right questions is key to unlocking its value.”
US Federal Government Contractor

Appendix B: regional variations

As Figure 19 shows, the integration of AI in the contracting process is uneven across regions, shaped by varying levels of enthusiasm and approaches to skill development.

On an enthusiasm scale from 1 to 5:

Oceania (3.8) remains a strong advocate for AI, though a slight decline from last year with 4.1 signals growing caution or possible concerns about implementation complexities. It is also notable that enthusiasm has not yet translated to large scale implementation.

Asia (3.5) exhibits moderate enthusiasm, characterized by cautious optimism, suggesting that while progress is being made, there is room for deeper engagement and alignment with workforce expectations.

North America (3.1) shows relatively lower enthusiasm, pointing to the need for more proactive efforts in employee engagement and demonstrating the tangible benefits of AI in contracting workflows.

Europe (3.4) maintains a favorable and steady attitude, reflecting consistent alignment between AI adoption initiatives and workforce acceptance.

As with technology more generally, the Middle East is behind other world regions. It's level of use and experimentation falls below that of other continents.

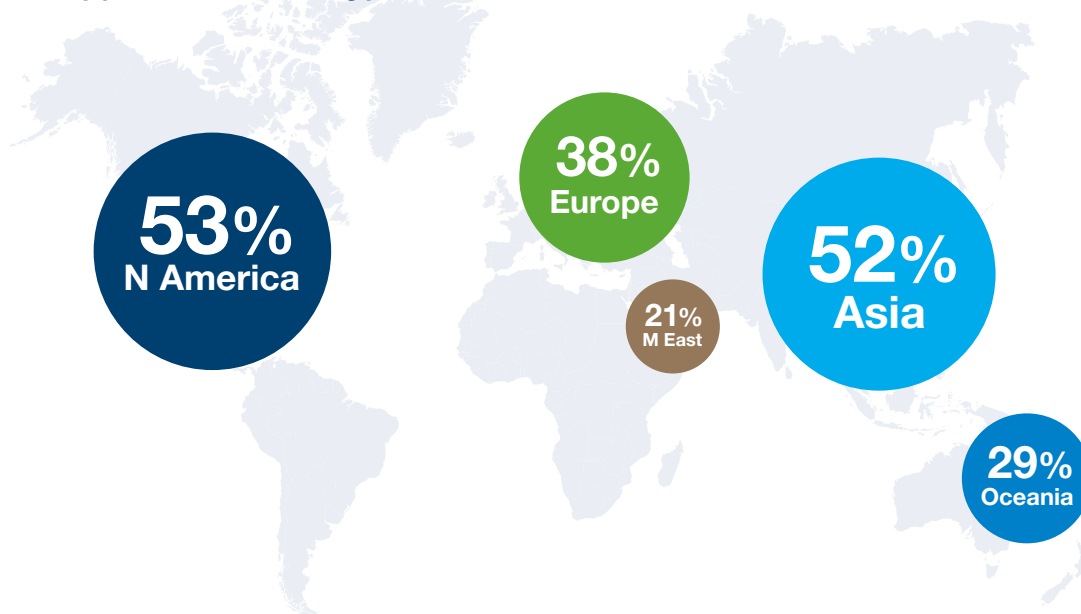
While Oceania is enthused, the region lags behind in implementation. In contrast, North America leads in implementation efforts, but it seems the more they

implement, the more that enthusiasm wanes. That is likely to be because the expectations are not then met with reality – developing truly intelligent AI is both time-consuming and complex. Current deployments have primarily focused on rule-based systems and process compliance, rather than delivering added-value, Agentic AI capabilities.

In terms of skills development, Europe, North America and Asia lead with the highest score for training, with a balanced approach, blending formal training with practical experience. While Oceania leans heavily on practical application.

This suggests that regional strategies should align with cultural and operational preferences to maximize the impact of training initiatives. To ensure successful AI adoption globally, organizations must tailor their approaches to address regional disparities. This is where the importance of employee engagement lies. Fostering a culture of innovation and providing region-specific training will be crucial to bridging the gaps and accelerating adoption.

Figure 19: Organizations implementing AI in any part of the contracting process



Commerce & Contract Management Institute

The Institute seek to improve the world through higher standards in buying and selling. Our rigorous, practical research and insights, both relevant and useful, shape global policy and practice. We help society by driving up standards for the exchange of goods and services, resulting in better trading outcomes in both the private and public sectors. As a not-for-profit organization, we were founded, and are supported, by World Commerce & Contracting and NCMA.

Tim Cummins
Executive Director, CCM Institute
tcummins@worldcc.com

Nikki Mackay
Chief Development Officer, CCM Institute
nmackay@worldcc.com

For further information please see the WorldCC website



Icertis

Icertis is the global leader in AI-powered contract intelligence. The Icertis platform revolutionizes contract management, equipping customers with powerful insights and automation to grow revenue, control costs, mitigate risk, and ensure compliance – the pillars of business success. Today, more than one third of the Fortune 100 trust Icertis to realize the full intent of millions of commercial agreements in 90+ countries.

Bernadette Bulacan
Chief Evangelist
bernadette.bulacan@icertis.com

For more information please visit
www.icertis.com/contact

www.icertis.com



CCM Institute was co-founded and is supported by:

World Commerce & Contracting

WorldCC is a not-for-profit association dedicated to helping its global members achieve high performing and trusted trading relationships. With 75,000 members from over 20,000 companies across 180 countries worldwide, the association welcomes everyone with an interest in better contracting: business leaders, practitioners, experts and newcomers. www.worldcc.com



National Contract Management Association

NCMA is a thriving community of over 100,000 contract management professionals globally. Dedicated to fostering a globally recognized contract management profession and strengthening its connections with related acquisition communities, NCMA serves a diverse membership spanning both the public and private sectors. www.ncmahq.org

