

AI and the Contract Management Lifecycle



In partnership with



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Two related reports about AI

This *AI and the CML* report outlines a compelling vision for the future and the impact of AI on the role and value of contract management.

Our other report in the series, *AI: a strategic revolution in contracting*, explores how Agentic AI is transforming both the execution and perception of contract management.

Introduction

It is a really great time to be a contract manager in the age of Artificial Intelligence (AI). You can look forward to a time when the fragmented, cumbersome tasks that are required to manage the contract lifecycle are gone.

Instead, contract managers will be enabled by a streamlined, data-driven powerhouse of efficiency and innovation. By embracing the power of AI and great contract management skillsets, organizations can unlock unprecedented value, enhance compliance, and see contract managers elevated to strategic business partners. This new era of contract management can reduce risks and improve decision-making while also fostering stronger client relationships. With AI handling routine tasks, the contract manager of the future can focus on high-value activities, ultimately leading to better business outcomes and a more agile and responsive contract management function.

The paper released by WorldCC in December 2024 provides an insight into the strategic business value presented by the use of AI in the contract lifecycle. It explains how AI shifts business capability from transactions and compliance to an environment that is disciplined, yet dynamic. An environment that is rich in data and the intelligence to align the creation and management of contracts to business objectives. AI promises lower costs and increased revenue – the opportunity to tackle the 8.6% average value erosion that has invisibly eaten away at financial performance.²

We believe – and are starting to see – that investments made in the contract management practice are about to be realized. AI will be able to handle the bulk of the enablement work essential for contract managers to work their magic. This will free up the contract manager to spend more time doing what humans are best suited to do. In this paper we will bring this to life.



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1. *The AI-enabled future of Commercial and Contract Management*, WorldCC, December 2024

2. *The ROI of Contracting Excellence*, WorldCC, July 2023

A nuanced approach to AI

AI provides the opportunity for a more nuanced approach to establishing contract management discipline.

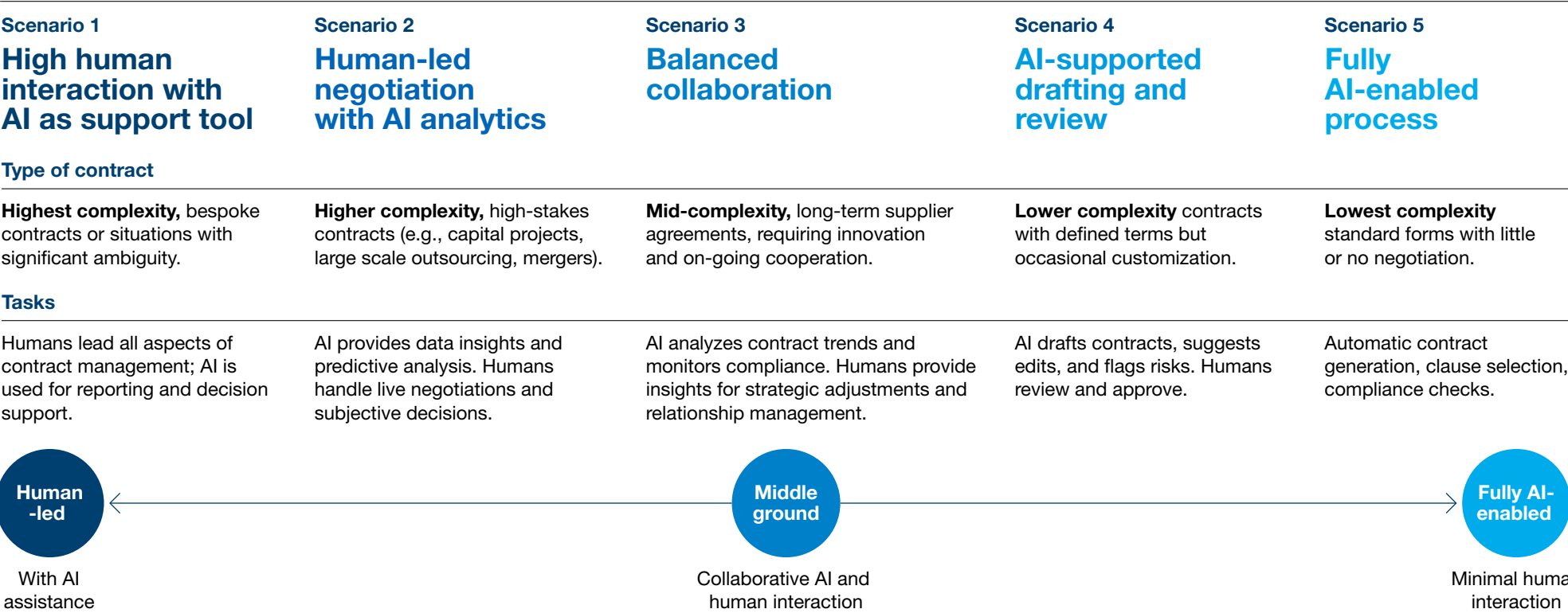
AI is a game-changer for contract management. For many, it fulfils the role of the ‘accidental contract manager’, for others, it serves as a powerful supplement. Choosing the right system is a complex matter which is directly tied to the value of your

trading relationships. Regardless of the approach, maintaining clear processes and prioritizing portfolio analysis alongside transactional performance is crucial.³ For some, the challenge will be the readiness of senior management to appreciate the investment opportunity, since they may not yet have recognized the value of effective controls in their contracting process.

Evaluating where you stand

Some organizations can implement contract management using a single approach. Many will require a mixed solution, reflecting the varied portfolio of risk, complexity and relational value. The scenarios in Figure 1 can assist in this analysis.

Figure 1: Scenarios on the scale of human-led to fully-enabled AI



3. See for example the 2024 Most Negotiated Terms report for US Federal Government, where an onerous contract management process has been estimated to cost US taxpayers \$100 billion a year.

AI impact on CML



Efficiency and speed

Automated contract drafting AI can help to quickly generate contracts using market-appropriate templates and pre-defined clauses, reducing the time needed to create and evaluate custom agreements.

Faster review and approval AI-powered tools can review contracts for compliance with company policies and identify or avoid potential issues, speeding up the approval process.



Risk management

Error reduction AI can identify inconsistencies, missing information, or potential legal risks in contracts, helping avoid common pitfalls and legal challenges.

Predictive analytics By analyzing past contracts and outcomes, AI can offer insights into potential risks and recommend strategies to mitigate them, or highlight past success for potential repetition.



Cost reduction

Lower costs Automation of routine tasks and the reduction of friction points and hand-offs cuts the need for extensive human intervention across the traditional contracting lifecycle.

Efficient resource allocation With AI handling repetitive tasks, productivity can be raised across multiple stakeholder groups and potentially allocate their human resources to more strategic and value-added activities.



Enhanced negotiation

Data-driven negotiations AI can analyze historical data to provide insights into alternative negotiation options, pricing models, and terms that have previously led to successful (or unsuccessful) outcomes, or previously been established with a specific customer or market sector.

Real-time assistance AI tools have been shown to assist in planning and during negotiations by suggesting options, clauses, terms, and counteroffers based on real-time analysis of the buyer's proposals and past behaviours. They also encourage greater transparency and data sharing, leading to better negotiated outcomes.⁴



Compliance and monitoring

Ongoing compliance monitoring AI can monitor contracts for compliance with regulatory requirements and company policies, alerting organizations to deviations. This could also be at a portfolio level, in the context of checking new contracts against existing regulations / policies, or existing contracts against new regulations / policies.

Post-execution management AI undertakes work such as producing contract summaries, obligation extraction and allocation, monitoring key dates, performance of obligations and associated metrics, ensuring that both parties adhere to the terms of the contract.



Elevation of client centricity

Personalization AI can customize contracts to specific customer needs and preferences (for example, sector or jurisdictional norms, aligning to previously agreed positions) supporting customer satisfaction and fostering stronger relationships.

Timely updates AI can improve transparency by providing timely updates to customers or suppliers about contract status, renewals, and any necessary actions. Implemented effectively, it supports two-way communication throughout the lifecycle, contributing to shared understanding and the avoidance of traditional errors of omission.



Strategic insights

Market trends analysis AI can assist in analyzing market trends and potentially gather data on published competitor activities, providing insight to market norms and preventing a lapse into uncompetitive terms or offerings.

Performance analytics By evaluating the performance of different contracts, AI can help with the understanding of which terms and conditions are most beneficial and which need adjustment. While much of this may be a future opportunity, an organization will be able to market test term alternatives to gauge their impact or evaluate the relative profitability of different commercial models in a variety of market environments.

4. *Friend or Foe? AI and Negotiation*: Journal of Strategic Contracting & Negotiation, June 2024.

AI's new capabilities

Moving beyond these areas (on the previous page) of streamlining current operations, better decision-making, and improved overall business performance, AI introduces several capabilities in contract management that were previously impractical or impossible at scale, including:



Large-scale analytics, risk and opportunity management

- AI has the ability to analyze vast quantities of contracts in a fraction of the time it would take humans, identifying patterns, common issues, and opportunities across thousands of documents.⁵ This includes identifying interdependencies, inconsistencies and an ability to undertake impact analysis; for example, of a disruption to supply or a premature termination.
- By aggregating data from numerous contracts, AI can provide benchmarks and identify best practices, helping to optimize contract terms and strategies.
- AI can support scenario assessment or planning, for example how risks, opportunities or performance issues in one contract might affect other contracts, allowing proactive management of the affected relationships and impact.⁶ Similarly, in the context of risk identification, it will become far easier with AI to gather real-time information regarding risks such as supply or delivery concentration.

5. An example is work undertaken by WorldCC with the Government of Canada, where 7,500 contracts were analyzed.

6. For example, a global technology provider has built connections between its procurement contracts and customer contracts to generate immediate insight to the potential impact of supply disruptions.



Dynamic compliance monitoring

- AI can automatically update contract templates, or potentially issue change notices, to reflect new regulatory requirements, ensuring ongoing compliance and reducing the need for manual intervention beyond perhaps initiating the action, or validating the work of the AI.
- AI will link across the multiple systems containing contract-related data to provide a single source of truth of the contractual landscape.



Enhanced customization and personalization

- Personalization can now be done at scale. AI can generate contracts and other commercial materials based on individual client needs, preferences and context, increasing relevance and fostering stronger relationships.
- AI can enhance emotional intelligence capabilities, mitigating human insensitivity to emotions. This can be especially helpful in negotiations, where it may suggest strategies related to the known behaviors of a counter-party, or where voice or text recognition tools can generate alerts to the mood or emotional state of a counter-party. AI can assist in adapting negotiation options in real-time based on the counter-party's behavior and responses, optimizing outcomes dynamically.



Predictive insights

- AI may predict the performance of contracts based on historical data, helping identify potential issues before they arise.
- AI may analyze client behavior patterns to predict future actions, scanning performance on similar engagements elsewhere to provide insight, for example, that delayed agreement of milestones in one phase might signal a greater than expected impact on a separate later phase. Concerns may be address proactively and client satisfaction improved.

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AI's new capabilities (*continued*)



Automated Contract Lifecycle Management*

- AI supports automation of the contract lifecycle, from inception of requirements to execution and renewal, reducing manual intervention and errors allowing humans to engage in areas of value-add and commercial influencing.
- Reducing friction points in the lifecycle by timely prompts on contract expiry / renewal.
- AI has a significant impact on contract mobilization activities such as targeted awareness, rapid governance stand-up and extraction of, and insight, into the most material early deliverables on both sides. This can lead to reduced friction in the early weeks post-signature, giving opportunity to address issues early.

AI will provide insights into the way the contract commercially operates. For example, it will provide real-time alerts on consumption of volume thresholds or achievement (or otherwise) of transaction targets, allowing any consequential mechanisms to be applied seamlessly rather than waiting for periodic reports.



Integration with other systems

- AI can integrate contract management with multiple other business systems, e.g. enterprise resource planning (ERP) and customer relationship management (CRM) with seamless interconnection and orchestration. This provides a holistic view of business operations, improved decision making and automated end-to-end portfolio reporting. Similarly, this contract data provides opportunities to automate downstream activities in other functions, e.g. routine finance tasks that rely on data from contracts.
- AI can gather information and automatically enrich contract data with external data sources (e.g., market trends, financial data), providing deeper insights and more informed decisions.



Enhanced reporting and visualization

- AI can generate advanced, customizable reports that provide deeper and more timely insights into contract performance, risk exposure, and compliance status. The AI system doesn't just track performance but can also generate actionable recommendations. For instance, it can suggest renegotiating specific contract terms if it detects patterns where the current terms are leading to frequent service level agreement (SLA) breaches or unnecessary costs.
- AI-powered dashboards can offer interactive visualizations of contract data, making it easier for decision-makers to explore and understand complex information.

* This brief summary will be supplemented by a detailed report describing the way that automation may evolve, and the options that are becoming available.

AI impact on the role and value of the contract manager

The integration of AI into contract management fundamentally alters the role of human contract managers and enhances the overall value they can provide.

While this eliminates more administrative or compliance-oriented roles, it relieves the professional contract manager from many repetitive tasks and presents opportunities to increase functional and personal status.

If AI can improve and enhance the existing contract management activities as described on pages 4-6, how then do we position the human contract manager? What value do we attribute to the human in a contract manager? Empathy, understanding of needs and personal interests, problem solving, ethics, emotional intelligence, good judgement and nuanced advice?

We are excited that this new era of AI, and in particular, generative AI, will allow us to rise above the complexity that has until now thwarted efforts to better integrate and simplify the practice of contract management and clearly help us define the value of the contract manager.



From routine to strategic tasks

Focus on high-value activities With AI handling routine and repetitive tasks (e.g., drafting, reviewing, monitoring), contract managers can focus on more strategic activities such as early engagement and influencing, improved planning for complex negotiations, a greater role in relationship and change management, and opportunities for innovation, continuous improvement and growth.

Improved decision-making AI provides data-driven insights and predictive analytics, empowering contract managers to make more informed and strategic decisions.

Proactive monitoring and management When contract managers are equipped with real-time updates, they can intervene early if problems arise. For example, AI might monitor a customer contract by tracking service uptime against Service Level Agreement (SLA) requirements, automatically detecting downtime, and alerting the contract manager to take action to prevent penalties or avoid customer dissatisfaction.



From reactive to proactive risk management

Proactive risk mitigation AI's ability to identify and predict risks allows contract managers to proactively address potential issues before they escalate, rather than merely reacting to problems. For example, AI might use data from external sources, such as economic forecasts, news feeds, and geopolitical developments, to analyze potential supply chain disruptions or shifts in customer requirements and identify their potential impact on customer contracts.

Comprehensive risk analysis Contract managers can leverage AI to perform deeper and more comprehensive risk analysis, considering interdependencies and external factors.



Improved negotiation capabilities

Data-driven negotiations AI can equip contract managers with detailed insights and historical data, inclusive of client expectations and interests which can enhance their negotiation strategies and help them negotiate more balanced terms for all.

Real-time support During negotiations, AI can provide real-time options and counteroffers, facilitating agreement 'in the room'. This will speed negotiations to close, reduce the need to refer to other stakeholders and improve the contract manager's effectiveness.⁷

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7. WorldCC tests and mock negotiations.

AI impact on the role and value of the contract manager (*continued*)



More relational less transactional

Personalized service Contract managers can spend more time with their clients and stakeholders and use AI to offer more personalized service to clients. They can tailor contracts throughout the lifecycle to meet specific and evolving needs and expectations enhancing client satisfaction. For customer organizations, the bifurcation of procurement can enable a distinct divide between the mass of transactional activities and the focus on delivering desired outcomes from high-value relationships and supply networks.

Timely communication AI-powered tools can provide timely updates and reminders, improving communication with and between clients and stakeholders. Contract managers can propose changes and mitigation much more quickly to maintain joint alignment on the way forward.



Better insight and greater influence

Advanced analytics AI enables contract managers to perform sophisticated analysis of contract performance, risk exposure, and market trends, providing deeper insights and strategic advantages. The contract manager then becomes a prominent influencer to drive value to the business and the client.

Interactive reporting AI-driven dashboards and reports offer interactive and customizable views, helping the contract manager to present and explain complex information to stakeholders.



Technical and innovative skills

Skill uplift and development Given the speed of change, it becomes increasingly critical that contract managers spend more time focusing on professional development, learning new skills and staying updated with market and industry trends. AI can provide ease of access to relevant learning⁸ to allow this critical investment in upskilling, which is today one of the major strategic challenges for Commercial and Contract Management (CCM) teams.

Knowledge sharing AI can help in capturing and sharing institutional knowledge (currently an area of significant weakness),⁹ enabling contract managers to access and leverage past experiences and best practices.

New ways of learning Contract managers will not need to rely on gaining business and contractual contextual knowledge on the ground. Instead, they will need to learn to navigate and consume different sources of data and research across their own organization and beyond, moving from dedicated practitioner to commercial guide.

We're looking at an exciting, transformative elevation of the role of human contract managers. Reducing time-consuming administrative execution and spending more time in measurable added value:

Strategic contribution By shifting focus to higher-value tasks, contract managers can contribute more significantly to the overall business strategy and objectives, both in devising and informing strategy and in ensuring that commercial and contract practices are aligned with them.

Relationship building and influencing Using contextual insights, contract managers will be able to spend more time understanding client and stakeholder requirements and expectations. They can raise their focus on creativity, developing and managing calculated alternatives throughout the contract lifecycle that sustain positive relationships rather than being constrained by rule books and risk aversion.

Efficiency and productivity AI-driven efficiencies allow handling of larger volumes of work with greater accuracy and consistency improving overall productivity and effectiveness.

Innovation and adaptability Contract managers can leverage AI to support and promote innovation in contract terms or management processes and adapt more quickly to changing business environments and regulatory landscapes. For example, AI might assist in introducing and managing predictive pricing or charging options allowing greater experimentation and real-time trend monitoring.¹⁰

8. For example, learning program content can be embedded in the AI tools, to provide on-demand access to methodologies, best practice guides, etc.

9. *Benchmark Report*, WorldCC, 2023.

10. AI can issue alerts when specific terms are under greater pressure for negotiation. It can also propose new or alternative terms and generate insights to the impact these may have compared to existing standards.

Positioning of the CM role in the business

AI will both impact and expand the role of contract managers and will reposition contract managers within organizations with materially positive impact.



Earlier and more strategic engagement

Contract managers can be engaged earlier in the contract lifecycle, providing strategic insights during the initial stages of contract planning and negotiation, as well as taking a lead in areas such as problem resolution and opportunities for growth.

With AI providing predictive analytics and market insights, contract managers will be able to spend more time working with clients and stakeholders, and be better equipped to participate in strategic planning sessions, aligning contract strategies with broader business objectives and demonstrating value through their ability to bring 'new news' (e.g. competitive intelligence) or fresh ideas (e.g. alternative commercial models) to specific market opportunities or accounts. Contract and commercial management becomes a forethought, a partner to the technical solution.



Elevated role and influence

AI enables contract managers to operate more independently, with access to comprehensive data and insights offering more holistic advice that should reduce reliance on other functions for decision-making.

AI tools mean that they can provide increasingly valuable input by advising on optimal forms of commercial relationship, contract terms, risk management strategies, and effective compliance and governance measures.



Broader scope of responsibilities

Greater access and insight to commercial trends and data can enable contract managers to move beyond a narrow focus on contract specifics and provide a more holistic view of commercial relationships and strategies, aligning with insights from key stakeholders.

AI-driven insights can also help contract managers more effectively take responsibility for coordinating and mediating across stakeholder groups such as Legal, Finance, Sales, and Operations to achieve consensus. AI provides them with a data-driven basis for decision-making and negotiation, helping to ensure that contracts reconcile perspectives and align with overall business goals and regulatory requirements.



Leadership in innovation and improvement initiatives

With AI handling routine tasks, contract managers must focus on identifying and initiating improvements and innovation in contract management practices and processes, supporting an environment of best practices, and the adoption of new technologies.

AI-based analytics can generate insights to identify opportunities to improve contract management and overall 'ease of doing business', as well as reductions in the cost of contracting and value erosion.



Positioning within the organizational structure

These developments further enhance the role of contract managers as pro-active and strategic business advisers rather than largely reactive operational roles.

These enhanced capabilities may lead to contract management being viewed as a path to leadership roles within their organizations, overseeing broader aspects of commercial strategy and operations.



Enhanced accountability and ownership

With greater access to data and predictive insights, contract managers can take greater ownership of contract outcomes, ensuring that a higher proportion of contracts deliver expected value.

This means that contract managers will be held accountable for strategic and operational decisions and their impact on outcomes.

The AI impact on skills

As we have described, AI not only enhances the capabilities of contract managers but also repositions them within the organization.

From a skills perspective, this requires greater engagement with business strategy and its commercial implications, plus an ability to integrate and influence diverse stakeholder views and drive innovation and opportunities for growth. This will require a significant change for most of those currently performing a contract management role.¹¹



Skills becoming less important

- The ability to perform more routine or administrative tasks such as manual contract drafting, data entry, performance monitoring and basic document review.
- Developing contract summaries and undertaking tasks such as obligation extraction.
- Undertaking and reporting on routine compliance checks.
- Performing basic risk assessments and red-lining that follow standard protocols.
- Low-level negotiation since AI will facilitate far greater self-service, including potential machine-based negotiations.



Emerging and enhanced skills for an elevated role

Strategic thinking and planning A strategic mindset and understanding of how contracts align with broader business objectives and contributes to high-level planning.

Data analysis and interpretation Ability to interpret insights from data and research and apply them to make informed decisions.

Negotiation skills Advanced negotiation skills that draw on technology and deeper client relationships to support the development of effective strategies and achieve optimal outcomes.

Risk management By supporting proactive alerts, AI will assist in shifting behaviors from risk mitigation to true risk management. The data provided from across multiple transactions will enable contract managers to undertake root cause and achieve reduction or elimination.

Problem solving Being able to analyze problems and lead collaborative efforts to resolve or manage them.

Technology proficiency Familiarity with AI tools and other advanced technologies used in contract management, together with understanding of knowledge management and how to use, interpret, and leverage data and AI outputs, including prompt engineering.

Project management Project management skills to understand each phase and provide oversight of the entire contract lifecycle, and to oversee the management of processes, templates and knowledge assets to maintain AI-enabled contracting and contract management.

Collaboration, influencing and stakeholder management Relationship management skills to integrate diverse stakeholder views, mediate conflicts, and achieve consensus, acting as facilitators and coordinators across departments and with clients and other external parties.

Innovation and process improvement Ability to identify innovation and improvement opportunities and the skills to present and advocate for change.

Legal, financial and operational acumen Solid understanding of legal principles, financial implications and operational techniques and capabilities and how these interact with each other to create balanced approaches to risk.

Communication skills Excellent communication skills, supported by strong emotional intelligence, are needed to clearly convey complex information to stakeholders, ensuring it is understood and actionable.

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11. Reference sources include University of California study on 'preventism' (2018) and WorldCC Benchmark reports, 2019-2023.

The AI impact on skills (*continued*)



Continuous learning and adaptability

Perhaps most importantly of all, the modern contract manager needs to exhibit the following traits:

Lifelong learning Contract managers must be committed to continuous learning, staying updated on market and industry trends, regulatory changes, evolving commercial models and practices and the continued advances of technology.

Adaptability The ability to adapt to rapidly changing business environments (AQ or Adaptability Quotient) is essential. Contract managers need to be flexible and willing to embrace new methods, tools and methodologies.¹²

While many routine tasks become automated, a new skill set focused on value management will take their place. This shift enhances the role of contract managers and positions them as key enablers of business strategy and performance within their organizations.

Agentic Architecture

Accenture has been working with generative AI applications for its own business and its clients for some time. It has an emerging point of view that, in the future, effective use of generative AI will be through the use of Agentic Architecture:

- Agentic Architecture is a strategic approach that employs AI Agents to orchestrate and automate complex business workflows.
- AI Agents help enhance productivity, decision-making, and overall operational efficiency.
- Companies stepping into Agentic architecture must build a strong AI and data management foundation.

Much has been written on the pervasiveness of generative AI (gen AI), and the promise that this exciting new technology holds for organizations. Today, leaders worldwide are experimenting with early proofs of concept. Many have yet to unlock the real value of generative AI deployed at full scale across an enterprise.

The next step is building a network of AI agents with different purposes, ranks and roles – much like bees in a hive working separately but together, toward a common goal. We call this structure ‘Agentic Architecture’. These agents do more than just automate tasks; they choreograph entire business workflows. Here lies their true magic. Endowed with the power of reasoning, these AI Agents work together in harmony, autonomously enhancing quality, productivity, and cost-efficiency.

Imagine a world where portfolios of contracts are remediated automatically to address regulatory changes,

low-value negotiations are enabled and automated, customer support is not just responsive but predictive, and self-service capabilities are so advanced that we may soon see the first fully automated car manufacturing plants operated by teams of generative AI Agents – faster, and with fewer errors and recalls.



Consider our beehive analogy. Inside the hive, each bee has a distinct role – workers, drones, and the queen – all crucial for the hive’s survival and productivity. Similarly, in an Agentic Architecture, different AI Agents have different purposes; some manage specialized tasks such as an agent identifying the right template for a new contract as others pull together scope, commercials and pricing to complete a first draft; some perform strategic functions such as performing a multi-jurisdictional regulatory review for a new product being taken to market; and some direct the overall system (akin to the queen bee) ensuring that all agents work towards the collective goal of the organization, optimizing operations and decision-making. But just as bees on their own can’t produce honey (value) without their hive, AI systems created by Agentic Architecture enable agents to tackle complex tasks that would be beyond the capabilities of any single agent.

12. Thriving in uncertainty: adaptability for commercial leaders, January 2025

Conclusion

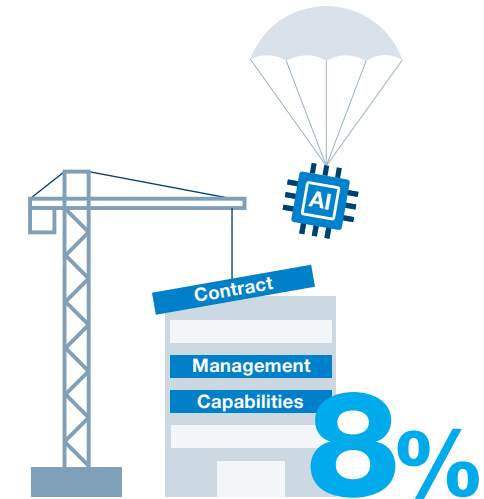
For many organizations, contract management remains a relatively undefined activity, undertaken at a transactional level as a component of multiple job roles. This fragmentation means that performance issues are rarely identified or addressed, and the costs of poor contracting remain hidden.

Those who appreciate the importance of greater discipline operate with a variety of solutions, mixing dedicated and part-time resources with technical support that ranges from spreadsheets to sophisticated contract lifecycle management (CLM) systems. Here too the inconsistencies between contracts and the absence of integrated data means that the role is often viewed in terms of compliance rather than value-add.

WorldCC benchmarks indicate that only 8% of organizations have made sustained investments in building integrated contract management capabilities.¹³ Even here, it remains a work in process, wrestling with the innate complexity of contracts and the sheer volume of people and systems that they touch.

It is into this often chaotic environment that we are now introducing AI. The impact will not be immediate and for those who lack process definition it will be phased around specific tasks or activities. This is reflected in research into emergent use cases, few of which indicate a holistic lifecycle approach.

That is where this paper is different, highlighting the exciting potential of an integrated approach. By grasping the innate complexity of contracting and contract management, we can overcome its many frustrations and turn it into a business asset, providing a source of control and added value. Variations in intensity will remain, determined by the nature of the relationships that a business seeks to manage. Yet, wherever an organization sits on that spectrum, an investment in developing the discipline of contract management promises a remarkable rate of return.



Only 8% of organizations have made investments in building integrated contract management capabilities... and it is into this environment that we are now introducing AI.

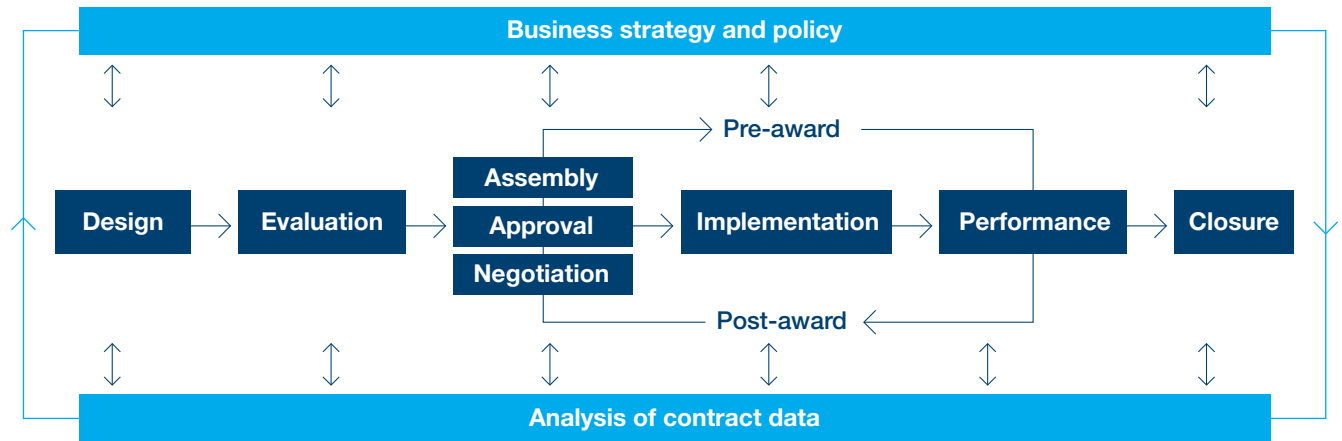
13. *Benchmark Report: WorldCC, 2023*

Appendix: the contracting lifecycle

This paper has been written in the context of the contracting lifecycle – a framework which underscores the interconnectedness of commercial strategy, transactional contracting, and analytics. As Figure 2 shows, it is a process that has suffered from high levels of fragmentation, in terms of both data and roles and responsibilities. This has led to levels of complexity and frustration, resulting in a view that contracts are ‘a necessary evil’ and that their management is largely an administrative activity.

As WorldCC’s introductory paper explained,¹⁴ AI has the power to overcome that fragmentation, leading to a new appreciation of the contribution that lifecycle contract management brings to the business. The ‘necessary evil’ becomes a source of critical business intelligence and of value delivery.

Figure 2: The contracting lifecycle



Source: WorldCC, 2025

Elements of the lifecycle

Commercial strategy

Definition: The overarching goals and objectives that guide a company’s business activities, including market positioning, competitive strategy, commercial models and business goals and objectives.

Role in lifecycle: Sets the foundation for transactional contracting by defining what the organization aims to achieve through its contracts and commercial relationships.

Key activities: AI links commercial strategy to contract analytics, shaping transactions and extracting insights (poor performance, shifting market needs etc.) to drive update and improvement.

Transactional contracting

Definition: The process of identifying the correct commercial model, then creating, negotiating, executing, and managing the appropriate contracts to support and fulfil the commercial strategy.

Role in lifecycle: Ensures that individual transactions align with the broader commercial strategy, translating strategic goals into actionable agreements.

Key activities: Influencing the commercial relationship and structure, then working across relevant stakeholders to prepare and negotiate relevant agreements, ensuring execution, compliance, change management and performance monitoring.

Analytics

Definition: The use of data analysis to evaluate contract performance, risk, compliance, and overall effectiveness.

Role in lifecycle: Provides insights into how well contracts and commercial activities are performing, informing adjustments to both transactional processes and commercial strategy.

Key activities: Performance tracking, risk analysis, compliance monitoring, growth opportunities and continuous improvement, recording and drawing on data and ‘lessons learned’ from both individual transaction and contract families and ecosystems.

14. The AI-enabled future of Commercial and Contract Management, WorldCC, December 2024

World Commerce & Contracting

World Commerce & Contracting 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. It is independent, provocative and disciplined existing for its members, the contracting community and society at large.

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Accenture is a leading global professional services company that helps the world's leading organizations build their digital core, optimize their operations, accelerate revenue growth and enhance services—creating tangible value at speed and scale. We are a talent- and innovation-led company with 774,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology and leadership in cloud, data and AI with unmatched industry experience, functional expertise and global delivery capability. Our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Song, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients reinvent and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

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