integreon

A Legal Department's Guide to CLM Adoption in the Age of AI

Contract lifecycle management (CLM) technology is critical to today's legal operations. Already well established as tools to drive efficiency, many CLM solutions now deliver even greater value by incorporating generative artificial intelligence (AI) capabilities to make legal work involving contracts more efficient and accurate. This guide will help you effectively evaluate, adopt, and optimize CLM technology in 2025.

Guide Overview

Contract lifecycle management CLM technology was originally designed to address efficiency challenges associated with manual contract management processes. By automating various stages of the process, CLM tools helped to eliminate administrative bottlenecks, drive accuracy, and optimize for speed.

The move to cloud-based platforms over the last decade spurred a significant era of innovation. Existing CLM tools evolved, and new ones emerged, incorporating functionality like AI and analytics, e-signatures, compliance tracking, and integration with other backend systems like customer relationship management (CRM) and enterprise resource planning (ERP).

Cloud spurred adoption as well, making CLM technology more widely accessible, cost effective, and scalable. Today 62% of organizations have a CLM solution in place, according to the **2025 CLOC State of the Industry Report**.

Now, with advancements in generative AI, CLM technology is quickly evolving once more. The continuing search for ways to save time and costs make generative AI-enabled CLM technology attractive. Generative AI (genAI) benefits can even precede the deployment of a CLM with some companies enjoying up to 50% in productivity gains with document cleansing work as part of CLM data migration.

Business are excited to put this new technology into action. Just over half (54%) of the CLOC report respondents plan to implement AI within the next one to two years. According to Thomson Reuters' 2025 Generative AI in Professional Services report, the portion of professionals saying their workplaces are already using genAI throughout the organization has nearly doubled within the past year. 59% of law firms and 57% of corporate legal departments think generative AI should be applied to work.

However, stakeholders are doing their due diligence when it comes to software vendors. **McKinsey** predicts that one of the biggest impacts of generative AI will be the acceleration of vendor switching, up 5-10 percentage points over historical software vendor turnover of 10%.

Here is how this guide can help.

In it, we provide new parameters for how businesses should evaluate, adopt, and optimize their CLM tools in the age of generative AI. From the latest advancements to practical implementation strategies, we'll share insights to help you make the best decisions when it comes to your CLM technology strategy – and unlock the power of your legal data.

The guide is organized into five sections:

- Understanding Generative AI in CLM Solutions
- Internal Considerations for CLM Technology
- CLM Vendor Selection Considerations
- Getting the Most Out of Your CLM Solution
- Gaining Momentum: Tech as a Service

integreon

Understanding Generative AI in CLM Solutions

Generative AI significantly changes how businesses approach CLM technology. There are no best practices – yet. With this dynamic technology, innovation is a moving target. This makes choosing CLM solutions providers – and deciding which functionality to implement – more difficult.

As a whole, genAI is just beginning to integrate across the contracting lifecycle, from pre- to post-execution. Your potential CLM provider may be providing only one or two generative AI-enabled capabilities today. Look for vendors with a well thought-out roadmap that shows future innovation.

Here are some examples of where it is possible for genAI to enhance existing CLM tool sets.

Metadata abstraction

Instead of manually entering key information (like payment terms, deadlines, or parties involved), generative AI automatically extracts these data points from uploaded contracts and populates them within the system.

Review and redlining

Traditional CLM platforms rely on pre-configured clause libraries for drafting and reviewing. Generative AI eliminates this dependency by analyzing legacy contracts, creating a repository of fallback clauses, and suggesting replacements or edits during the review process.

Clause libraries

Generative AI can build a clause library dynamically in real time. When drafting or reviewing contracts, users can pick clauses and fallback options directly informed by historical patterns.

Language support

Generative AI solutions now support processing contracts in up to six or seven languages. This helps global organizations efficiently manage multilingual agreements without the burden of translation efforts.

Search and query

Some advanced CLM platforms are embedding AI-powered search capabilities through integration with platforms like ChatGPT. Users can query systems for specific contract-related information, and the AI pulls relevant clauses, obligations, or details instantly.
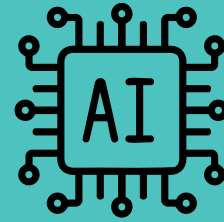
Understanding Generative AI

Advanced artificial intelligence that can create new content, such as text images, audio, or even code. Through a process of training, tuning, and generation, it learns to predict sequences, like words or notes and then generates new content in response to prompts.

- IBM

Recommended reading:
Understanding Generative AI in Contract Lifecycle Management (CLM)

integreon

Internal Considerations for CLM Technology

Before selecting your CLM vendor, it is important to understand your own environment. This requires that you first do an internal assessment of your own AI and contracts process maturity before you evaluate solution providers. The goal isn't to choose the "best" or most advanced CLM tool on the market – it's to choose the provider who best addresses your specific challenges, integrates most easily with your environment, and shares the same sensibilities when it comes to innovation. Here are five steps to take to prepare internally before you evaluate CLM solutions.

1. Map out your workflow and processes

Documenting your current contract management processes will give you a better understanding of how you need a CLM solution to function within your existing environment.

Where are the inefficiencies? Are there opportunities to streamline or automate steps? For example, if you have bottlenecks in approval workflows, prioritize solutions with advanced automation or escalation capabilities. Also, consider your metrics – what do you measure and what should you be measuring in your processes?

2. Get your data house in order

Our Expert's Advice

What steps can legal ops take to make sure their legal department is technology-ready? A good place to start is data readiness. Laying the foundation for good technology usage by conquering your data hygiene and storage challenges is an investment that will reap dividends in all future technology deployments

- Diane Homolak
Vice President, Technology
Solutions, Integreon

AI is only as powerful as the data it is built on. Without robust, organized, and comprehensive data inputs, you'll be limited in what you can achieve. For the vast majority of organizations, data is often duplicated, incomplete, and lacking meaningful reference tags or taxonomies to support search.

Having AI-ready data is the only way to drive a real return on investment (ROI) from any tool or process you implement. Organizing your contract repository and ensuring data accuracy will set you up for success as you continue your legal digital transformation journey.

3. Assess your AI readiness

In addition to data readiness, there are other factors that contribute to readiness to adopt genAI, and not all businesses have the same level of AI maturity. An important consideration is whether or not you have sufficient resources available to train employees and maintain AI tools over time.

Solutions come in varying forms of complexity, and taking on more than you can handle won't get you the results you need. Lacking resources to fully "own" and maintain the AI tools doesn't mean that you need to postpone your adoption of generative AI. Just be sure to invest in services from your vendor or a trusted partner who can train and update the AI for you until you decide if and when in-house resource expertise and ownership is required.

In addition, different organizations may have different cultures when approaching AI adoption. For example, do the lawyers on your team require AI with "explainability" for its outputs, or is the team comfortable with more of a black box solution? Does the team need the AI to be tuneable, as in making redline review and clause analysis tools more or less aggressive, or will standard settings likely suffice?

Organizations that are truly ready to adopt AI have also considered any workforce impacts to adopting CLM tools. It is key to understand the roles that people play in the current contracts workflow and be prepared to address any training, upskilling or other impacts of AI adoption.

integreon

4. Define specific use case

Best Practice – Develop Clear, Specific Use Cases:

Examples Include:

Contract creation: Develop first drafts with AI-suggested content based on a library of relevant topics and clauses

Redline review and contract clause analysis: Perform reviews based on playbook options and preferred or historical positions

Bulk extraction: identify key content for repository search tagging, risk analysis, or compliance actions

Technology adoption should flow from your specific needs out, not the other way around. Instead of getting distracted by shiny tools or market trends, focus on identifying use cases grounded in your organization and department's needs.

The best use cases are specific and have clear goals. Whether you're looking to streamline contract review or automate aspects of data management, every use case should come from understanding your defined business objectives.

5. Anticipate your reporting needs

Reporting is a critical element of any CLM solution, so it's essential to understand what information matters most to your organization. Consider which insights are most critical, such as basic workflow metrics like volumes, turnaround times (TAT), approval and escalation counts, etc. Or, your team may require advanced content analysis, such as most negotiated terms, frequency of deviations from standard agreements, the ability to classify risks, etc.

Lastly, determine if you need to understand your legacy portfolio of agreements, or if the focus should be solely on current and future contracts. By anticipating your reporting requirements, you will be better positioned to choose a CLM tool that delivers meaningful insights.

integreon

CLM Vendor Selection Considerations

Experience and reputation

In this age of AI, evaluating experience and reputation takes on a new form. While established vendors may have more customers, that doesn't hold as much weight as it did in more controlled, slower eras of innovation.

Market newcomers can be more experienced than established vendors when it comes to certain AI functionality or even integration capabilities, having been built on newer technology. However, they aren't proven players, so there can be heightened risk. To keep from getting distracted by impressive features, assess vendor experience with organizations of your specific maturity, the pace and scale of their solution improvements over time, and their prioritization of innovation, particularly around generative AI.

AI and process maturity level

Solution maturity and AI maturity are not one and the same. Different platforms offer varying levels of generative AI integration, from basic plugins for tools like Microsoft Word to complete AI-driven workflows.

Based on your own AI and process maturity levels, determine whether low-code or pre-built solutions are a better fit your organization's requirements and scalability needs. While pre-built platforms offer convenience, low-code solutions provide customization that evolves with your needs. There is no one-size-fits-all approach.

Choose vendors with a proven track record and continued investment in AI advancements. Ask questions like, "How many new AI prompts have you added in the last 12 months?" or "Can I create custom prompts or can those be created by you for me?" And, request case studies, specific use case demos, and clear documentation to validate the vendor's AI capabilities and identify their limitations.

Integration depth

Your CLM solution is just one solution within your legal technology stack – which is part of a greater ecosystem of tools deployed within your organization. Technology sprawl, or the tech debt that comes from poorly integrated digital tools, can be an expensive problem that hinders future digital success.

Ensure your CLM tool has established integrations with the tools in your specific environment, including your CRM, workflow automation platforms, case management systems, and other existing tools. Your provider's own AI strategy should prioritize integration as well. Avoid superficial add-ons. Opt for CLM solutions designed with thoughtful, robust AI integration that doesn't create unnecessary complexity on the back end.

Ease of use

Don't underestimate the good old "is this easy" test. User adoption requires a system to be approachable and intuitive. No amount of training can substitute for a well-designed tool with a clean and simple user interface.

Make sure you walk through the end-to-end process steps and look at the number of clicks and labeling references on the screen. Find out if the on-screen labels can be tailored to your world using simple configuration changes. You want the tool fields and steps to make sense to your users without a lot of coding or difficult customization.

The dollars and cents decision

Once you've assessed your readiness, defined your processes and requirements, and shortlisted vendors, it's time to consider the financial implications of each vendor.

It's important to clearly understand the user license models and the capabilities and restrictions that flow from each user level – and how well those meet the needs of your organization. Other cost considerations include data cleansing and migration, training, system set-up and configuration, integration development, documentation, and ongoing support.

If you will not have a dedicated system administrator to handle tool updates, user permission management, reporting, and AI evolution, you will want to budget for post-implementation support. A certified service provider can work as an extension of your team, and preserve your valuable internal resources for your core business work.

The bottom line

Selecting your CLM vendor takes careful planning and consideration. It is an investment with the potential for great downstream value – but only if you invest upfront in a thorough investigation. Once you've made your selection, you will then need to pivot to realizing ROI with a proper deployment and strong, consistent post-implementation support.
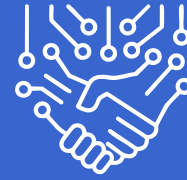
integreon

Getting the Most Out of Your CLM Solution

When implementing a new CLM solution, all of the typical implementation best practices are in play: proper change management, clearly defined scope and roles, etc. Here are also a few additional considerations specific to CLM implementation projects:

Data migration

Having clean data from the start makes all the difference when it comes to realizing the value of generative AI-powered CLM tools. The most successful implementations happen when you take the time to tag and categorize contract data (by jurisdiction, etc.) to enable effective sorting and analysis. Tip: It will save a lot of time and energy if you standardize naming conventions across functions and departments.

System design

Less can be more when it comes to early adoption of advanced AI tools and features. From a technology, process, and maintenance perspective, leveraging out-of-the-box system designs can help to reduce overall complexity and future-proof your platform. In other words, over-customizing could spell future disaster. Avoid forcing custom adaptations that could complicate updates and future product adoption.

Product vernacular

There's always a bit of a learning curve in working with a new vendor, so speaking the same language from the start can go a long way. Learning and using your CLM vendor's system lingo maximizes efficiency and minimizes any challenges brought on by miscommunication. The faster you get on the same page, the smoother your interactions will go.

Post-implementation, you'll want to think of your CLM as a "living robot" that requires ongoing attention, rather than a static tool. Successful CLM adoption is ongoing. There are two critical ways you can keep gaining value.

First, keep up with vendor product updates, feature rollouts, and system enhancements to find new ways to optimize your investment and gain value from the solution year after year. Too many companies leave money on the table by not keeping up with their tool's functionality.

And second, regularly manage your data analytics efforts. As you learn more about what the system can do and how it impacts your processes, you'll need to continue to build and refine search prompts, analyze data sets, and optimize reports to get the insights and performance you need.
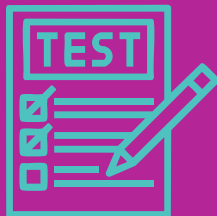
Usage policies and training

Post-implementation success with genAI-enhanced CLM tools also requires clear usage policies and user enablement. Thomson Reuters' 2025 Generative AI in Professional Services survey found that 52% of professionals have no genAI policies and 64% have received no genAI training. This creates both a risk and an opportunity. Training in skills like prompt engineering, along with guidance on genAI's appropriate use and limitations, is essential for user adoption and effective change management. Frameworks such as RAILS' (Responsible AI in Legal Services) work on responsible AI adoption offer a valuable template for legal teams seeking to implement genAI ethically and at scale.

By proactively establishing usage guidelines and investing in upskilling, organizations can demystify the technology, build user confidence, and increase trust in AI-assisted workflows. Helping legal professionals understand where genAI adds value – and where human oversight remains critical – will accelerate adoption and help teams realize the full potential of these solutions.

integreon

Gaining Momentum: Tech as a Service
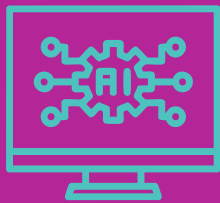
For organizations looking to enhance their CLM technology with AI tools, a tech-as-a-service approach is a less risky, more cost-effective alternative. This approach allows you to partner with an ALSP who already has an AI tech stack. These service providers – like Integreon – act as innovation hubs or service centers where organizations can pilot AI and experiment with minimal upfront risk. There are a few key reasons why a tech-as-a-service approach works.

As generative AI reshapes the business world, corporate legal teams must reevaluate their approach to contract lifecycle management. By following these best practices, your organization can get more out of your CLM solution, now and into the future.

Connect with Integreon to learn how we can support your CLM strategy and guide you toward success in the age of AI.

Test and learn

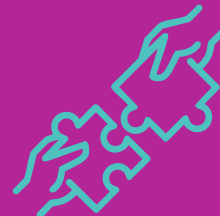ALSPs allow you to experiment with emerging AI technologies on a smaller scale before committing fully.
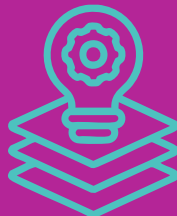
Curated tech stack

ALSPs do the vetting for you, giving you access to a curated suite of AI tools optimized to meet your specific needs.

Strategic partnership

An ALSP acts as an innovation partner, helping you stay ahead of trends while maintaining operational excellence.

integreon

integreon

Integreon is a trusted provider of legal and business outsourced services to corporations and law firms worldwide. Through our global delivery centers, we provide expert support for a range of legal, compliance, creative design, and administrative needs, with a proven ability to transform our clients' business performance.

📞 +1 866-312-7023   ✉ info@integreon.com