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The Present and Future of AI in CLM

Insights by Conga

Introduction

AI adoption in contract lifecycle management (CLM) is no longer a question of if, but how. Nine out of 10 senior CLM professionals are using artificial intelligence either directly in their workflows, piloting it, leveraging it in specific use cases, or embedding it within the entire lifecycle. The debate over whether AI belongs in CLM is over, but a new and more pressing question has emerged in its place: is the AI running inside of your contracts making your business smarter, or merely faster?

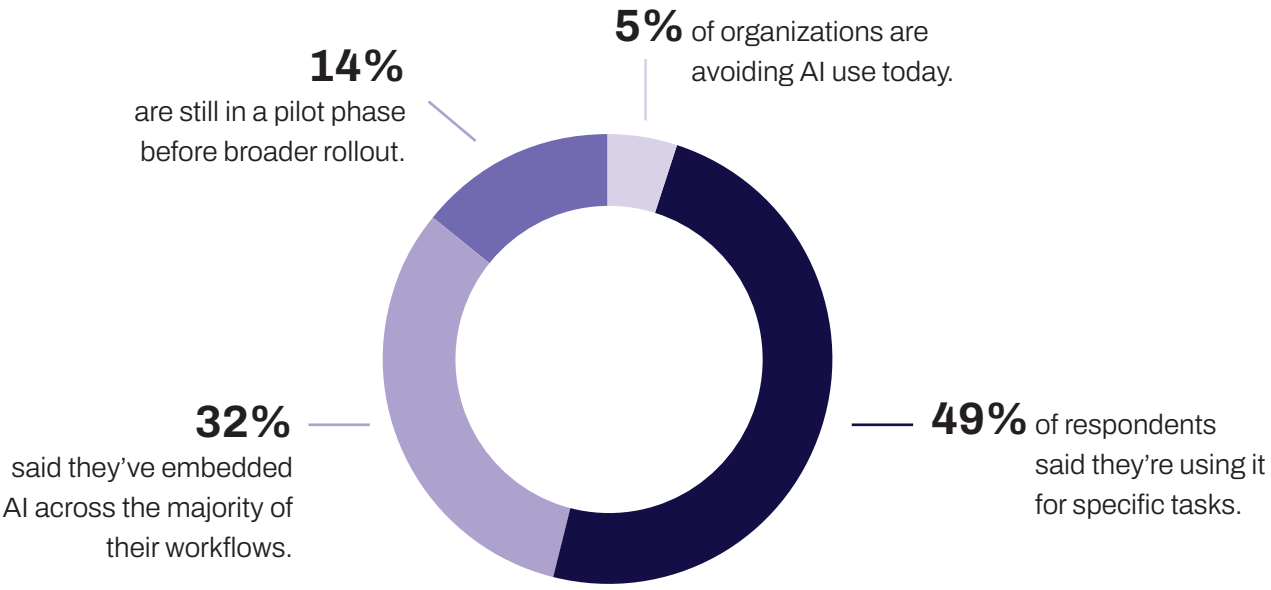
Speed matters, but the organizations that are investing most seriously in AI workflows today are the ones willing to build governance frameworks and ask what their contracts can reveal about their entire business. They need AI that can turn contract data into risk visibility, performance insight, and measurable results. That's a significant step beyond just cycle time reduction.

This report examines in detail where artificial intelligence is providing value in CLM, what gaps remain, and what it takes to move from the initial adoption wave to the second, even more important phase.

Methodology

Talker Research surveyed 250 senior CLM professionals, including Chief Legal Officers, Chief Compliance Officers, Chief Revenue Officers, General Counsel, and VP-level leaders across Legal, Sales, and Procurement, from organizations in Healthcare & Life Sciences, Technology, Financial Services, and Manufacturing. The survey was administered and conducted online by Talker Research between Feb. 18 and Feb. 23, 2026.

I. AI Maturity Dramatically Lags Adoption



Adoption is nearly universal, but optimization is far from common.

Virtually every organization is running AI within its contract workflows today, but using AI and getting the most out of it are two very different things. The gap between them is wide, and businesses are not oblivious to it.

Our data reveals that just 5% of organizations are avoiding AI use today. Of those that are actively using it, 49% of respondents said they're using it for specific tasks and 32% said they've embedded AI across the majority of their workflows. A mere 14% are still in a pilot phase before broader rollout, which shows that the industry has moved well past initial skepticism and on to wide-scale adoption.

These are compelling numbers, but CLM maturity tells a different story. Just 24% of respondents describe their CLM practice as optimized, and that it's used for broader business strategy, predictive insights, and ongoing innovation. A larger share, 38% say their organization relies on AI for data-driven decision-making and reporting, and the rest are even further behind, describing their AI use as structured (21%), basic (13%), or ad-hoc (4%).

AI is still doing mostly reactive work.

AI use within CLM today is relegated mostly to work that organizations need done, but faster. Search and reporting leads all use cases at 69%, with risk assessment (68%) and contract review/redlining (59%). These are important applications with substantial room for improved efficiency, making them well-suited for many AI tools.

However, there's a pattern in the data worth noting. The bulk of AI use cases within CLM today are fundamentally reactive in nature. The tools are helping teams deal with what's already on their desk. They seek out information, flag risk, and review language. Predictive capabilities like renewals and obligations management (51%), clause extraction (51%), and contract intake/triage (49%) are gaining ground but are far from standard. At present, most organizations are using AI to replace existing tools while adding speed — not as a new asset.

II. Early Adoption Worked, as Far as It Went

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Many organizations moved fast and don't regret it.

Our data shows that 81% of respondents describe their organizations as early adopters of AI, either one of the first or, at a minimum, ahead of most competitors. This is curious, as by mere definition, 80% of a group can't be early adopters and suggests that while many believed they were the only ones pushing for AI at an early stage, it was far more widespread.

The majority believe it was the right decision, citing efficiency gains and a broadly positive employee reception, but a closer look reveals a telling pattern: 59% of respondents admit that their organizations invested in AI without knowing what they'd actually use it for, reflecting the pressure organizations felt to add artificial intelligence quickly, however they could.

That urgency didn't leave much room for the harder questions that come after initial adoption: What are our actual objectives in adopting AI? How can we measure ROI to determine whether the investment was a good one in hindsight? How do we govern this? Can we really trust it? How do we demonstrate that it's improving the business, not just making it faster?

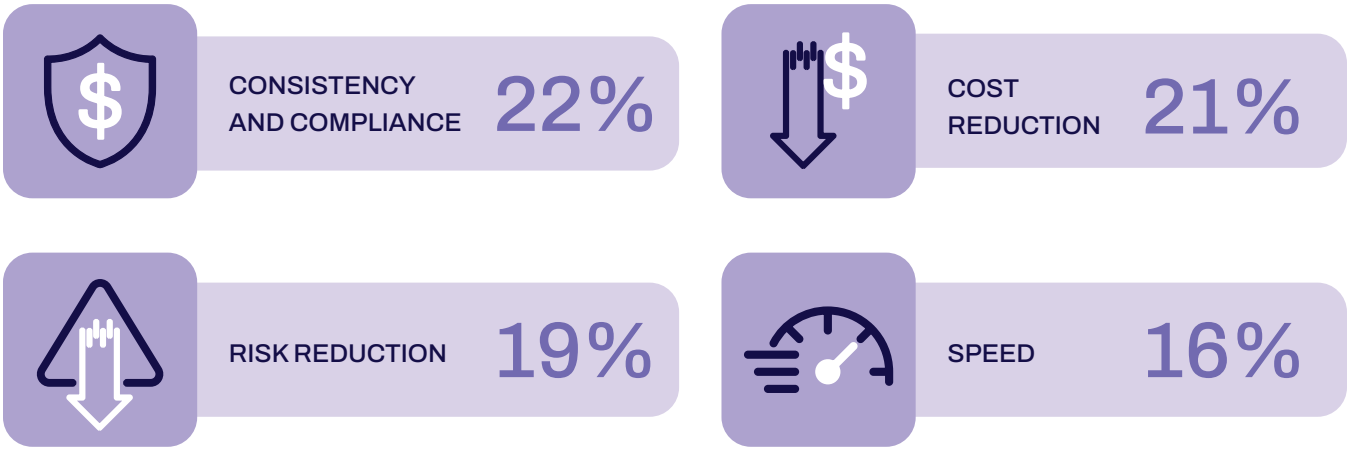
Our feedback data captures this reality. When asked what they think of AI in their contract workflows, the responses are telling: "once they use AI, employees do not want to let it go," said one respondent, while others described tools that reduce manual work and free them up for other tasks. Another noted that at first "there were many objections and caution, but later all employees realized that AI enhances their work."

These responses show that the enthusiasm for AI is rooted largely in its ability to handle certain tasks on its own. Yes, early adoption delivered speed, but what it has yet to deliver is accountability. That's the gap that defines the current state of AI in CLM, and it will have to close in the next phase.

III. The Question Has Changed

Was speed ever really the point?

Responses from CLM workers show that, at this point, the speed AI provides is the primary benefit. Ask CLM leaders why they introduced AI in the first place, and you'll get a much different answer. We found that 22% adopted AI primarily for consistency and compliance, 21% for cost reduction, and 19% for risk reduction. Speed came in fourth at just 16%.



This is a meaningful finding and suggests that the majority of organizations making serious investments in AI aren't doing so to shorten their timelines. They're hunting for solutions to structural problems that have plagued CLM for years, such as inconsistent contract execution, regulatory exposure, and costs that fail to scale alongside business growth. Speed is a byproduct, not the goal.

Studying these figures, Jason Smith, Global Director, CLM Product Launch and LegalTech Evangelist, highlights a sharp disconnect between intent and outcomes. Speed may not have been a key driver of AI adoption upfront, but it was the top realized benefit in practice. This suggests teams may be optimizing for easily measured gains rather than the risk, compliance, and cost outcomes they originally prioritized, an effect likely shaped by the mix of lawyer and legal ops respondents.

The next phase is about intelligence, not just efficiency.

The even more telling stats lie in what CLM leaders say they want AI to take on in the next two to three years, with 57% saying AI should serve as a strategic business intelligence function, 55% seeking continuous monitoring and risk detection, 52% wanting automation, and 49% hoping to utilize it for decision support and insights.

As a whole, these responses paint a picture of AI that does much more than simply process contracts and search email inboxes. They describe an AI thread that is woven through the entire business, surfacing risk in real time, weighing in on decisions across teams, and turning contract data into an entirely new asset. It's a big step from where most deployments sit today, and these demands will shape what AI implementation looks like in the months and years ahead.

IV. Governance Is Still Catching Up with Confidence

Organizations only trust their AI if guardrails are in place.

We find that confidence in AI-generated contract work is moderate, but it's also largely dependent on some measure of oversight. Nearly half (49%) of respondents say they're highly confident in AI output with minimal oversight, while 44% describe themselves as generally confident with spot checks for verification. That's a remarkably positive picture, at least on the surface.

When looking at the oversight structures supporting that confidence, we see a much more nuanced story. Our data shows that 60% of organizations still require targeted review for high-risk contract items, and 32% require full manual review of AI-generated output. Just 7% are confident enough to utilize exception-based or near-autonomous review processes. The vast majority of businesses are confident, but only with a watchful human eye.

This data reveals a serious confidence-oversight paradox. On one hand, many respondents report high confidence with "minimal oversight," but an overwhelming 92% still require either targeted or full human review. This gap points to a cultural dynamic in which organizations signal trust in AI externally while quietly maintaining traditional review controls in practice.

Personal AI use is quietly shaping enterprise behavior.

One of the often-overlooked forces driving AI adoption across enterprises is the use of AI in employees' personal lives. Respondents say that 67% of their organization's staff are likely using AI outside of work, while 85% believe that personal AI usage is indeed influencing how their organizations are approaching AI in CLM.

We're seeing a serious cultural tailwind that most organizations haven't fully accounted for. Employees are gaining AI fluency outside of work, and they are building their own intuitions about what AI can and can't do, reshaping their expectations along the way. Still, with 59% of respondents saying their organizations adopted AI without a clear use case, it's clear that enthusiasm is outpacing strategy, and governance frameworks are scrambling to adjust to this new reality.

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V. Real Results and Real Gaps

The wins are meaningful.

The improvements AI has delivered in CLM to date are meaningful, but fragmented. We show that 59% of respondents say reporting has improved as a result of AI, 51% credit AI with improved risk identification, and 43% say it has shortened cycle time. Taken separately, each of these could be a reason for continued investment in AI.

However, the limitations are equally real. Respondents report AI integration issues (20%), regulatory and compliance concerns (19%), lack of trust in AI-generated output (17%), unclear ROI (14%), and limited configurability (12%). It's clear AI can do the work, but barriers remain in how it connects to data, systems, compliance frameworks, and the people who decide whether or not to trust it.

AI adoption limitations

20%	19%	17%	14%	12%
AI integration issues	regulatory and compliance concerns	lack of trust in AI-generated output	unclear ROI	limited configurability

When asked what would most increase their trust in AI-driven contract intelligence, 32% pointed to proven business outcomes, 20% said stronger data foundations, and 19% asked for better explainability of results. Another 14% cited clearer guardrails and controls as necessary, and 12% believed regulatory alignment would help. The message here is clear: organizations don't need AI that is more powerful, they need AI that is more accountable.

VI. Solutions: Building for the Next Phase

A. Get the data foundation right.

AI will only ever be as good as the data it runs on. The organizations that are struggling with integration issues and grappling with ROI are in many cases relying on a foundation of fragmented contract data. Things like inconsistent contract repositories, poor raw data quality, and siloed systems that don't speak to one another create a ceiling on what AI can reliably deliver, no matter what artificial intelligence model is working on it.

The path forward isn't to add more features, it's to shore up infrastructure. Organizations that choose to invest in clear, connected contract data and strong integrations that make that data accessible across the business will have a stronger position in the coming years. More AI won't fix a data problem, but better infrastructure certainly will.

B. Build governance before you need it.

It's encouraging to see that 72% of organizations have a formal AI policy in place, but that also means that more than one in four don't. With regulatory pressure growing — particularly within the realms of Healthcare & Life Sciences and Financial Services, where compliance exposure is highest — governance will quickly become a competitive differentiator. Organizations willing to build robust oversight structures today will be much better positioned to expand the role of AI quickly and confidently.

The ability to audit and explain the work AI is doing isn't just a legal requirement; it's how organizations can grow trust among internal stakeholders and allow AI to take on more work over time. Showing exactly how an AI-generated output was created, along with the data and rules the software followed to reach its conclusion, builds internal confidence. It's that confidence that paves the way for the next level of adoption.

C. Raise the bar from outputs to outcomes.

Faster contracts and more comprehensive reporting are a solid start, but the organizations that capitalize the most in the next phase of AI integration will be those that ask what AI reveals about their business. That means systems that highlight risk visibility and exposure in real time, and surfaces performance insights that connect contract terms to revenue outcomes. It's these measurable results that will most benefit stakeholders.

The 57% of respondents who believe AI's future in CLM should revolve around strategic business intelligence aren't looking over the horizon. They're describing what the best-equipped organizations are already working hard to build. The gap to this reality isn't about capability, but intention, and seeing contracts as a source of intelligence, not just a workflow to be managed.

Key Takeaways:

You can't govern what you deployed without a plan. With 59% adopting AI without a clear use case, governance teams are now scrambling to catch up. Much of today's "enterprise AI" in CLM appears to be unsanctioned experimentation that strategy has yet to catch up with.

Speed is still the default output, not intelligence. While leaders say the next phase should be strategic business intelligence, 76% of organizations aren't even at data-driven decision-making yet. The gap between today's deployments and the vision for 2–3 years from now is enormous; much of current CLM AI is effectively an expensive search.

The Shadow AI problem is under-addressed. With 67% of employees using AI outside work and 85% saying it's shaping enterprise behavior, personal AI habits are leaking into contract workflows without governance, training, or alignment to the company's risk posture, creating a major blind spot.

Trust is performance art. Organizations claim to trust AI, but their review behaviors suggest otherwise. This is as much a cultural problem as a technology one, and it will limit how much additional responsibility AI can take on until that gap closes.

Conclusion

The first wave of AI in CLM was all about adoption and experimentation. Organizations have moved quickly, learned on the fly, and as a result they have had to absorb a lot of the friction of being first. For most, the results have been encouraging, but the next wave of integration will demand more.

The organizations that will pull ahead won't be the ones that adopt the most tools the fastest. They'll be the ones that built sturdy foundations on clean data, integrated systems, and crystal-clear governance. They'll be the ones that are using AI that can explain its reasoning and repeatedly prove its business value.

There are no longer questions about whether AI belongs in CLM. The question now is whether the AI running in your contracts and broader business is built for a world where contracts aren't just documents, but intelligence to be leveraged.

About Conga

Conga lines up commercial operations so companies run as connected, smarter businesses. By unifying the people and processes that drive commerce, Conga aligns pricing, quoting, contracting, rebates, and communications so teams stay in sync, and buyers keep moving forward. The result is trusted decisions, consistent buyer experiences, and profitable growth. More than 10,000 customers worldwide, including over 50% of the Fortune 100®, trust Conga when commercial complexity is high and global impact is on the line.

Learn more at Conga.com.

Methodology

This random double-opt-in survey was conducted by market research company Talker Research, whose team members are members of the Market Research Society (MRS) and the European Society for Opinion and Marketing Research (ESOMAR). Talker Research surveyed 250 senior CLM professionals from organizations in Healthcare & Life Sciences, Technology, Financial Services, and Manufacturing. The survey was administered and conducted online between Feb. 18 and Feb. 23, 2026.