

2024

# InnoLaw CLM Market Study



Fundamental, independent, unbiased CLM industry evaluation  
and guidance for in-house legal professionals

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# What makes this CLM Market Study Unique?



The 2024 InnoLaw CLM Market Study has been developed specifically for in-house Legal professionals, whose daily work is commercial contracting.

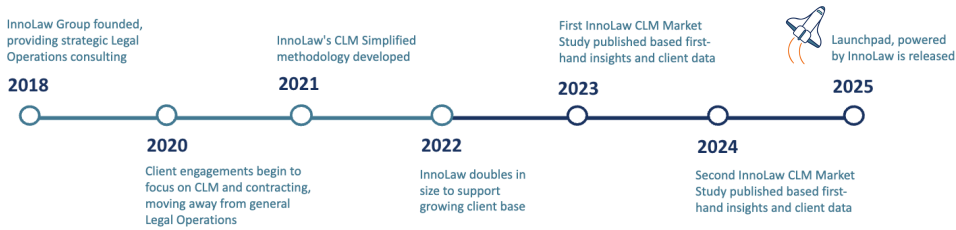
This, 2024 edition of InnoLaw’s annual CLM Market Study is aimed at providing in-house Legal professionals with a useful resource to navigate the current CLM System (CLMS) market and their place in it. This CLM Market Study also reflects on the highlights and insights from InnoLaw’s 2023 CLM Market Study and compares, contrasts and highlights significant developments in CLM market trends.

InnoLaw is a niche consultancy, specializing in all things CLM - the people, processes and technology.

We have gained unique insights through:

- advising on optimizing contracting processes
- assessing CLM maturity and automation readiness
- recommending the right CLMS for an organization
- preparing for and ensuring successful CLMS implementations
- recommending CLMS post-implementation best practices

InnoLaw works with clients that span many industries and vary in size, from SMEs to global enterprises. This CLM Market Study contains practical insights based on our personal experience, first-person research and expertise in commercial contracting.



## Independent & Unbiased:

- InnoLaw does NOT accept referral fees from CLM vendors. We are objective when recommending automation solutions to our clients.
- We are constantly engaging with CLMS vendors (both inside and outside of our client engagements) to stay current on their offerings.
- The data which forms the foundation of this CLM Market Study is largely our own, gathered firsthand and verified by the InnoLaw team’s experiences and those of our clients.

# I. Executive summary

The aim of InnoLaw’s CLM Market Study is to give in-house Legal professionals a useful snapshot of the current CLM market, together with practical insights to help you make sense of your place in it.

This CLM Market Study is not intended to be a comprehensive resource for all aspects of CLM best practices. For that, try our [CLM Simplified resources](#), from books, to guides and our self-starter, budget-friendly CLM program: Launchpad.



**Launchpad**  
Your guide to CLM success

**The CLM program you need, before the tech.**

**Learn more**

## Key Findings

### 1. Still struggling with the fundamental pain points

In 2024, in-house Legal teams are still facing many of the same challenges they were in 2023, including:

- o Ongoing (and often increasing) calls to “do more with less”
- o Continuously increase in the volume and complexity of legal work
- o Navigating increasingly complex legal and regulatory requirements



### 2. The in-house role is rapidly growing and evolving



- o The majority of in-house Legal teams report becoming more entrenched as strategic business partners, providing increasingly diverse support to the business beyond their core Legal ambit. While important, this is putting additional pressure on already strained resourcing and operational challenges.
- o Legal teams have long been characterized as departments reluctant to embrace change and adopt new technology, however we are seeing a rapid, fundamental shift with Legal becoming drivers and core stakeholders in key technology projects, with a particular focus on CLM.

### 3. Primary pain points: 3 phases of contract lifecycle

There has been no change since 2023 in the phases of the contract lifecycle that cause in-house Legal teams the most pain:

- **Request** - streamlining intake requests for contracting support remains a challenge.
- **Store** - Not having “one source of truth” for executed contracts is still a foundational problem.
- **Manage** - most Legal teams report not being able to access insights and metrics from their contracts. This impacts their ability to manage compliance and mitigate risks.



## 4. CLM technology remains a significant priority

- o Numerous reports confirm that investing in CLM technology remains a top priority for in-house Legal teams.
- o In a maturing CLMS market, with maturing customers who are more attuned to business requirements, we continue to see CLMS vendors being supplemented or replaced.
- o Although CLM technology is still the main focus of Legal teams, there is an increasing awareness that contracting (and the technology that supports it) is a cross-functional stakeholder concern.



## 5. The CLMS vendor landscape continues overwhelm

- The CLMS market is not well defined and is comprised of a staggering number of CLMS vendors. To help you navigate CLMS market chaos, we've created a framework and taxonomy to help define what you can expect from a CLMS vendor as well as spotlighting over 140 CLMS vendors - InnoLaw's 2024 CLM vendor index for in-house counsel.
- 2024 has been a year of significant changes among CLMSs, primarily in 4 areas:
  - o An increase in the number of CLMS vendors; **InnoLaw's 2024 CLM vendor index for in-house counsel is 40% larger this year**
  - o An increase in M&A activity
  - o A move by most vendors toward more "end-to-end" capabilities
  - o Prioritization of advanced AI functionality, particularly during negotiation and post-signature
- Despite some significant consolidations of CLMS vendors in 2024, the CLMS market continues to expand, with a variety of end-to-end and point solutions entering the market.
- CLMS customers continue to want end-to-end solutions that support enterprise-wide contracting goals (although this is not always practically possible).
- Private equity and venture capital investments in the CLMS market continue to grow, often with a focus on CLMS systems developing or acquiring generative AI capabilities.



## 6. Generative AI hype, risks, possibilities and practical realities dominated CLM conversations

- 2024 saw CLMS vendors continue to prioritize and market their additions and advancements of predictive and generative AI enabled features – with a particular focus on supporting support document creation, negotiation, and repository management.
  - **85%** of vendors include some AI features
  - **25%** of vendors in the index use AI to automate document creation
  - **43%** of vendors in the index feature AI-supported negotiation
  - Roughly **60%** of vendors apply AI to their customers’ contract repositories ([InnoLaw’s 2024 CLM vendor index for in-house counsel](#))
- While AI has potential to change the way in-house teams manage their contracts, it still has a long way to go. So far, it’s working relatively well in the creation and negotiation of simple contract types, like NDAs, but is lagging behind in anything complex, including creation and negotiation of more complicated contracts and summarization of those contracts and contracting relationships.
- AI is making its way into all phases of the contract lifecycle, but we expect it to make the biggest impact in document creation, negotiation, and document storage and management. We expect AI’s most impactful use to be identifying risk and then taking action to protect against that risk (through things like notifying relevant internal team members).



## 7. A lack of CLM readiness is still the #1 cause of CLMS implementation and adoption failure



- InnoLaw’s customers consistently report not using many of the capabilities offered by their CLMS. Reasons for this vary but a lack of CLM readiness, misaligned expectations when it comes to internal resources required for support, coupled with insufficient change management efforts are some of the primary issues.
- Difficulties in implementing and maintaining integrations, specifically custom integrations, between adjacent technology platforms and CLMSs is a significant factor as well.

**85%** of vendors include some AI features  
(InnoLaw 2024 CLM vendor index for in-house counsel)

**25%** of vendors use AI to automate document creation

## InnoLaw’s Top Tips for Navigating CLM in 2025

Whether you’re planning on implementing your first CLMS, replacing your current CLMS or supplementing your current legal tech stack with a CLMS, the key to success is fundamentally the same:

- **CLM Readiness:** Start by setting the right foundations first. This means assessing your current processes, people, and tools before you start considering a CLMS.
- **Budget and Buy-in:** With 100’s of CLMSs to choose from, make sure you balance your priority requirements with practical realities, including available budget and buy-in from stakeholders.
- **Consult with Experts:** Leveraging the experience of CLM experts can help cut through the noise and fast track your CLM goals.
- **Be realistic:** There is no substitute for sufficient CLM readiness – jumping to implement, replace or supplement a CLMS is unlikely to solve your problems unless there are solid CLM foundations in place.

No matter where you are on your CLM automation journey, all Legal teams must first understand, improve and ultimately simplify their CLM functions and processes before jumping to technology. Tech itself requires careful selection, nuanced implementation and ongoing adoption strategies.

**43%** of vendors feature AI-supported negotiation  
(InnoLaw 2024 CLM vendor index for in-house counsel)

**Roughly 60%** of vendors apply AI to their customers’ contract repositories



## II. CLM market overview

### Making sense of the CLM market and where you fit in

To make sense of the CLM landscape and your place in it, it's helpful to understand how the general challenges and priority focus areas for in-house Legal teams have translated into CLM specific priorities and plans.

2024 saw many of the challenges from the previous year carrying over, with little relief reported.

### Biggest challenges for in-house Legal Teams in 2024

#### 1 Continuous calls to “do more with less”

**42% of CLOs report facing continued budgetary pressure to do more with less**

*(Axiom: 2023 Deputy General Counsel Survey Report)*

**52% of in-house Legal teams received cost-cutting mandates over the past year**

*(ACC 2024 CLO Survey, in Partnership with Exterro)*



#### 2 Increases in the volume and complexity of Legal work that in-house Legal are tasked with supporting

**59% of CLOs reporting workload “increased significantly” or “somewhat increased” over the past year more**

*(ACC 2024 CLO Survey, in Partnership with Exterro)*



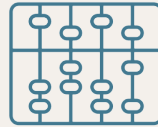
The majority of in-house Legal teams report becoming more entrenched as strategic business partners, providing support to a growing number of business units and strategic initiatives beyond their core Legal ambit. While important, this is putting additional pressure on already strained resourcing and operational challenges.

58% of CLOs oversee at least 3 additional business functions beyond Legal, with 27% overseeing five or more



(ACC 2024 CLO Survey, in Partnership with Exterro)

Continuously broadening the remit of in-house Legal teams while limiting resources is an unsustainable model.



With competing pressures and pain points, including limited budgets and stretched resources, Legal teams are being forced to prioritize their pain points and focus their efforts on improvement initiatives that will provide the most effective relief. Lack of prioritization leads to an unrealistic scope for automation, often resulting in unrealized expectations from automation.

3 Navigating increasingly complex legal and regulatory requirements

The role of in-house counsel in 2024 is becoming more complex, with an increasing focus on global compliance, ESG, cybersecurity, and rapidly evolving areas such as AI and fintech. In-house teams must stay ahead of changes, manage risk effectively, and ensure their organizations comply with a broader and more diverse set of regulatory frameworks.

4 Contract-specific pain points

There has been no change since 2023 in the phases of the contract lifecycle that cause in-house Legal teams the most pain:

- **Request** – streamlining intake requests for contracting support remains a challenge.
- **Store** – Not having “one source of truth” for executed contracts is still a foundational problem.
- **Manage** – most Legal teams report not being able to access insights and metrics from their contracts. This impacts their ability to manage compliance and mitigate risks.

# 85%

of the vendors listed in our 2024 CLM vendor index for in-house counsel, are prioritizing the incorporation of AI into their product offerings. Only 15% of vendors appear not to include any AI features in their products.

## Priority focus areas for in-house legal teams 2024

### 1 Improving Operational Efficiencies

### 2 Investing in Leveraging Technology

### 3 Actively using CLM technologies

#### 1) Improving Operational Efficiencies to support growing volume and complexity of work:

- **40%** of CLO's rank operational efficiency as their law department's top strategic initiative for the coming year

*(ACC 2024 CLO Survey, in Partnership with Exterro)*

#### 2) Investing in leveraging technology is more crucial than ever.

- To improve efficiency, **45%** of CLOs say they will invest in new technology
- In 2024, **44%** of GCs prioritized technology in their budget allocations and 96% of GCs acknowledge the need to update their budgeting to address AI and other emerging risks.

*(Axiom Survey - The 2025 In-House Legal Budgeting Report)*

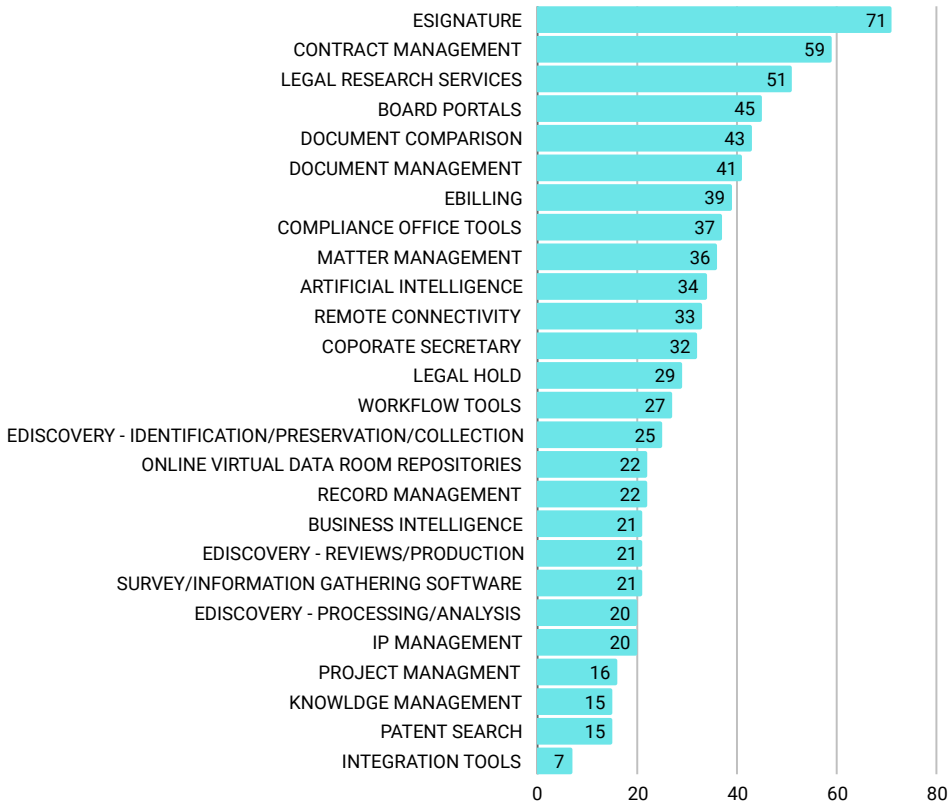
#### 3) Prioritizing investments in CLM technology

CLM technology remains a high priority for legal teams. More teams are actively using CLM technology than ever before.

- **59%** of legal teams use contract management technology.
- CLM technology is the **second-highest** used Legal technology tool after e-signature

*(2024 ACC Law Department Management Benchmarking Report)*

# Legal Technology Tools Used



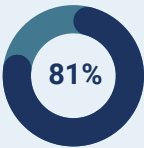
(2024 ACC Law Department Management Benchmarking Report)

We expect to see these numbers continue to climb in 2024 and beyond, as more in-house legal departments prioritize contract management and as technology advances to make contract management efforts more effective.

# CLM Maturity Matrix: Knowing where you fit in matters

Before fast tracking to our CLM Vendor Index and jumping to vendor selection, it's essential to assess the contracting maturity of your organization.

Despite the rapidly growing and evolving CLMS market and the prioritization and investment of time, money and resources by Legal teams into CLM initiatives, most in-house Legal teams still report low to moderate degrees of CLM maturity.



**81% of Legal Departments reporting that their CLM maturity is at a 3 or lower on a scale of 1-5**

(Blickstein Group, Law Department Operations Survey, 2023)

Contracting maturity matters because it dictates how much change your

organization can realistically handle in terms of overall CLM process optimization as well as CLMS selection. There is often a disparity between what you want and practical limitations of available resources, focused time and capacity.

InnoLaw's CLM Maturity Matrix breaks contracting maturity down by 4 key areas:

- **Policy:** What legal reviews
- **People:** Internal and external
- **Process:** Workflows and guidance
- **Tools:** Tech-enabled processes and infrastructure

Each of these areas can be assessed on it's maturity against these 5 stages:

- Stage 1: Doing
- Stage 2: Testing
- Stage 3: Operating
- Stage 4: Improving
- Stage 5: Optimizing








## Reaching CLM Maturity

**InnoLaw Insight:** While it's important to have a good sense of your CLM maturity before diving into automation, don't be overwhelmed or disheartened if your organization is not at an advanced stage of CLM maturity. Remember:

- If you have multiple areas for improvement, prioritize what to tackle first. It's rarely realistic (or necessary) to do it all at once
- Depending on the context of your organization, you may be mature enough for now, even if you haven't reached the "optimizing" stage across the board.
- Few in-house Legal teams report being at an advanced stage of CLM maturity. The teams making the most progress are the ones with good insights into what needs improving and practical, phased plans to make it happen.

# CLM Maturity Matrix: Knowing where you fit in matters

Take a minute to assess where you fit in using InnoLaw’s CLM Maturity Matrix:

	 STAGE 1 DOING	 STAGE 2 TESTING	 STAGE 3 OPERATING	 STAGE 4 IMPROVING	 STAGE 5 OPTIMIZING
Policy (What Legal reviews)	Contracting policies have not been developed.	Some policies begin to form with thresholds for contracting requirements.	Policy dictates which contracts do not require any legal review.	Policy cross-referenced with other Sales, Procurement and Finance policies, further reducing legal involvement.	Policies are continuously reviewed and tested for compliance.
People (Internal & External)	Varied number of law firms are engaged for overflow. Professionals across legal department engaged in contracting.	Paraprofessionals and business owners across company play more active role, with fewer focused legal pros. Few specially sourced law firms are engaged on flat fees.	Contract work has been appropriately levelled and divided amongst the legal professionals & other contracting professionals. Some law firm work shifted to an alt resource model, with basic data collected.	Law firms are engaged in “managed services” model and internal team further reduces time spent on contracts. If in-house, fully right-sourced, with minimal lawyer touch.	The external resources are no longer divided between law firms and ALSP, but are received from one holistic provider of the entire spectrum of contract review.
Process (Workflow & Guidance)	Reactive legal support for contracts, <u>as-needed</u> . Workflow is ad hoc with unpredictable timelines. There are no easily accessible playbooks or templates that set standards.	Some contract templates are created and easily accessible by legal. Basic manual intake form is used by business to send contracts to legal.	Self-help guidance created for business with empowerment to negotiate some terms. At least 1 template is fully handled by business. More templates are created for legal team speed.	Continuously tracking data and working to improve the contracting process based on clear metrics. Playbooks are robust.	Recurring business reviews are based solely on data insights, and processes are revised in response to data.
Tools (Tech enabled processes & infrastructure)		Basic contract repository exists. Initial intake forms are online.	Greater capabilities of CMS are instituted, and some workflow may be automated. Electronic signatures widely used.	Contract creation is automated and self-help guidance is available on a tech enabled collaboration site. Key metrics are presented with visualization.	Some review steps are automated through AI. Interactions between business & legal resources are only through online systems & workflow automation.

# III. CLM technology review

By far, the most common question we are asked is “which CLMS vendor should we choose”. However, navigating the CLMS market is increasingly complicated, not just because of the staggering number of vendors, but also because CLM technology is not yet well defined.

To make sense of the CLMS chaos, we have created:

- InnoLaw’s CLM System Automation Framework: this is a framework and a taxonomy which we apply in order to consistently categorize and compare CLMSs, and
- InnoLaw’s 2024 CLM vendor index for in-house counsel: this index is designed to provide you with a high level overview of CLMS vendors and the phases of the contract lifecycle that they automate.

## Remember, contract lifecycle management (CLM) is not just tech

As we reiterate at every opportunity, whether written or spoken, we are adamant that CLM is being mistakenly used to refer to CLM technology. CLM is a function comprised of a complex web of activities and tasks, spanning enterprises. So, we added an “S” for system to specifically refer to CLM technologies. CLMS = Contract Lifecycle Management System.





# InnoLaw’s CLM System Automation Framework

This CLM System Automation Framework is designed to:

- Provide you with a description of each phase of the lifecycle, according to InnoLaw’s CLM taxonomy.
- Align automation considerations with each phase of the lifecycle, to provide you with insights on what automation capabilities you should expect at each phase.



- Provide you with InnoLaw’s insights into whether there have been any significant developments in what you can expect from your CLMS in 2024. These insights are based on findings from our 2024 CLM vendor index for in-house counsel

## InnoLaw’s CLM System Automation Framework




Phases	Description of the activities	CLMS automation considerations and expectations
<div>Pre-contracting</div> <div></div>	All of the activity that happens prior to the request for Legal support. It is the valuable strategic guidance Legal provides to the business to create general guardrails and educate about contracting philosophies.	<p>This is NOT included in CLM automation considerations, but is important to be aware of, as this is the pre-cursor to where the CLMS automation begins in the Request phase.</p> <p><b>Changes in 2024:</b> No significant change.</p>
<div>Request</div> <div></div>	The Business seeks Legal’s assistance for ALL types of contract support, including advising on whether a new contract is even required. This is commonly referred to as “Legal’s front door” and goes beyond the simple requests to generate or review existing contracts.	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• An intake form which has a combination of automatically and manually populated fields.</li><li>• The ability for Legal to assign requests to relevant team members to review an attached contract, create a contract or redirect the requestor.</li><li>• The ability to track the progress of requests.</li><li>• Basic request metrics e.g. volume, type, assigned to etc.</li></ul> <p><b>Changes in 2024:</b> Significant change. More vendors prioritizing this functionality than in 2023 – a 72% increase.</p>



InnoLaw’s CLM System Automation Framework

Phases	Description of the activities	CLMS automation considerations and expectations
<div>Create</div> <div></div>	<p>Development of the requested first party contract from (i) templates (ii) prior examples, or (iii) compiled from a clause library.</p>	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• Contract generation through the use of dynamic templates or guided selection of clauses based on scenarios.</li><li>• The ability to create dynamic clause libraries which support the auto-population of templates.</li></ul> <p><b>Changes in 2024:</b> No significant change. The number of vendors including this functionality in their CLMS hovers around 80%, about the same as in 2023.</p>
<div>Negotiate</div> <div></div>	<p>Review, red-lining and negotiation of a contract, including the creation of multiple draft versions, until an execution version is ready to be signed. Contract review automation would fall into this phase.</p>	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• Automated workflow across Legal and other departments for input.</li><li>• Document version control.</li><li>• Document review and comparison capabilities.</li><li>• Enabling editing and redlining capabilities – even if this relies on integration with third party applications (e.g. Microsoft Word).</li><li>• Collaboration and communication.</li><li>• Third-party contract review capabilities based on defined parameters (aka “playbook”).</li></ul> <p><b>Changes in 2024:</b> No significant change. Negotiation functionality is still a high priority for CLMS vendors, with 77% of vendors including negotiation functionality in their CLMS, roughly the same number as in 2023.</p>

InnoLaw’s CLM System Automation Framework

Phases	Description of the activities	CLMS automation considerations and expectations
<div>Approve</div> <div></div>	Obtaining the required approvals from designated approvers, depending on the company's approval policies. Approvals may be sought during the contract negotiation process or once the final version has been signed off by Legal.	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• Routing the contract to the designated approvers based on pre-defined criteria and sequence.</li><li>• Tracking of the status of approvals.</li><li>• Maintain an audit trail.</li></ul> <p><b>Changes in 2024:</b> No significant change. Approve functionality remains a priority for vendors, with 72% including approve functionality in their CLMS, roughly the same number as last year.</p>
<div>Execute</div> <div></div>	Electronic signature.	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• Native or fully integrated e-signature capabilities.</li><li>• Saving the executed versions to a repository.</li></ul> <p><b>Changes in 2024:</b> No significant change.</p>
<div>Store</div> <div></div>	Digital filing into a secure, searchable repository.	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• The bulk upload of legacy contracts, which are then OCR'd and stored.</li><li>• Storage of newly executed contracts, which are processed through the prior phases within the CLMS or as directed into the CLMS for storage directly from a separate electronic signature system.</li><li>• Extract key metadata.</li><li>• Advanced search capabilities.</li><li>• Alignment of related contracts i.e. parent-child relationships, as well as related documents.</li></ul> <p><b>Changes in 2024:</b> No significant change.</p>

InnoLaw’s CLM System Automation Framework

Phases	Description of the activities	CLMS automation considerations and expectations
<div>Manage</div> <div></div>	<p>Post-execution obligation management, which typically includes the ability to extract insights from the contracts stored in the repository.</p>	<p>A CLMS should at a minimum be able to automate:</p> <ul style="list-style-type: none"><li>• Extraction of essential metadata from contracts in the repository.</li><li>• Visual dashboards, reports and analytics of essential metadata.</li><li>• Creation of tasks or action items relating to obligations, key lifecycle dates and compliance.</li></ul> <p><b>Changes in 2024:</b> No significant change.</p>



End-to-end vs Point Solutions

**InnoLaw Insight:** Understanding the difference between end-to-end CLMSs and CLMS point solutions is crucial to help you narrow down your list of vendors to consider. Our 2024 CLM vendor index for in-house counsel does not make a clear distinction but there are some clear inferences to be made based on the phases of the contract lifecycle they support. End-to-end CLMSs provide tooling that addresses most, if not all, phases of the contract lifecycle, while point solutions typically focus on one or a limited number of phases of the contract life cycle. The long-term success of point solutions often relies more heavily upon how well they integrate with other systems.

## InnoLaw's 2024 CLM vendor index for in-house counsel

### Criteria for inclusion in this index

We've approached the completion of this index from the perspective of our clients – in-house legal professionals, many of whom are still at the beginning of their CLM journeys and need help wrapping their heads around the overwhelming CLMS market while others are recovering from an unsuccessful implementation and considering a switch.

This index includes a snapshot of 141 CLMS vendors that we are aware of through firsthand experience or research, and who fulfill the following criteria:

- The CLMS automates one or more phases of the contract lifecycle AND
- The CLMS vendor holds itself out to the market as a solution designed specifically for contracting (even if contract automation is one module in a broader suite of offerings).

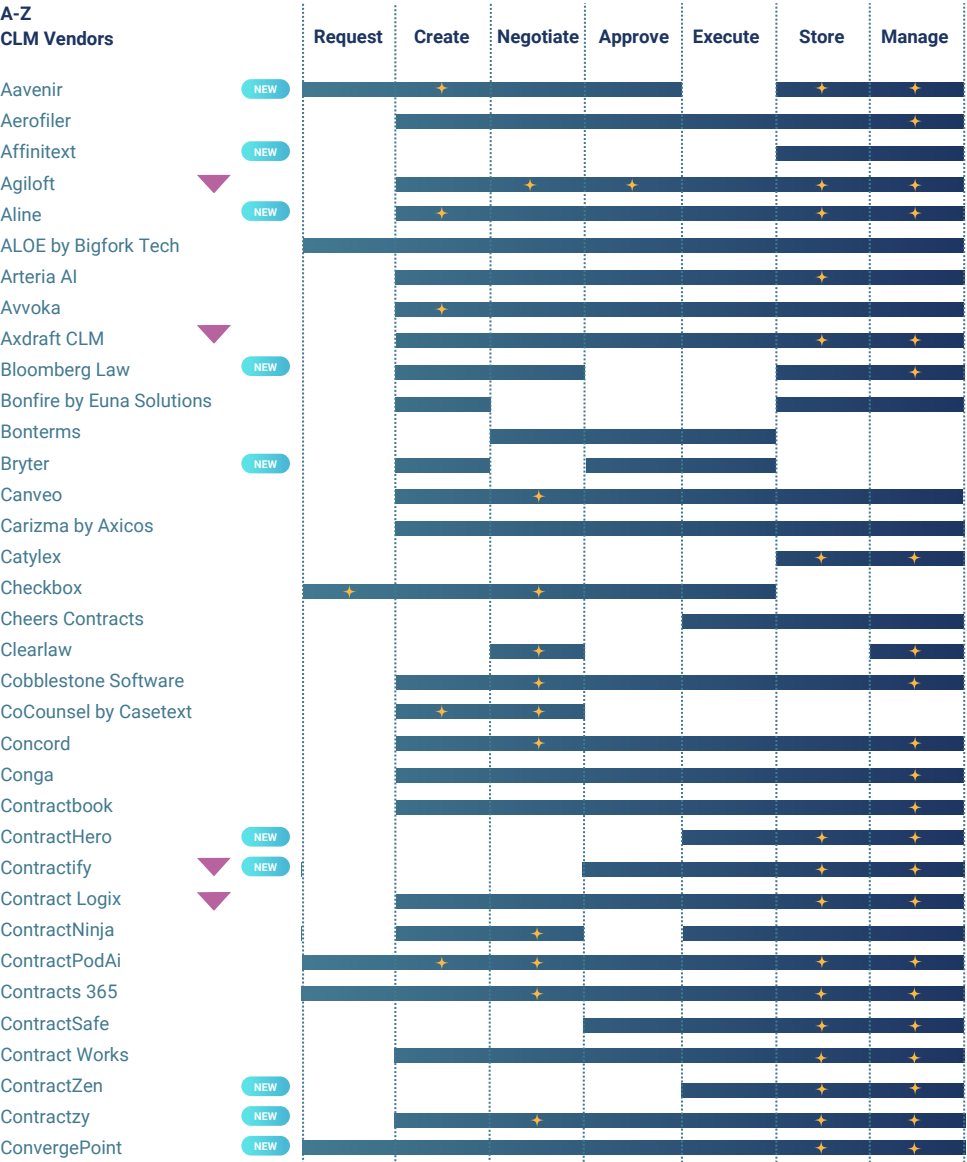
**Before we dive into this year's updated vendor index, we must start with some important disclaimers:**



- **InnoLaw's vendor index is not a comprehensive list of all vendors in the CLMS market.** The current market is comprised of a staggering number (in the hundreds) of solutions, making it notoriously difficult for potential buyers to navigate and evaluate.
- **This index outlines InnoLaw's understanding of the CLMS market.** We've listed vendors in the space who provide CLM or CLM-related products or services, which automate at least one phase of the contracting lifecycle. Everything in the index is based on our understanding of each vendor listed, which we've compiled from personal experiences, first-person research, and our knowledge of the contracting lifecycle.
- **Automation is a sliding scale:** "automation" is a catchall term that can mean anything from the most rudimentary automation capabilities, which often include the need for manual inputs, to far more advanced, fully automated capabilities (which are often AI-enhanced). This index does not discern the varying degrees of automation capabilities offered by each of the vendors. When we refer to the automation of one or more phases of the contract lifecycle, we are assuming that a CLMS automates the core functionality of the specific phase to some extent. Each CLMS can deliver these requirements on a sliding scale requiring manual inputs through to fully automated capabilities and offer a range of customization and integration options.
- **None of the information outlined in this index has been verified by the vendors listed.** The information in the vendor index below is based on each vendor's capabilities as we understand them, whether through our own personal experiences or through first-person research and review of vendor marketing materials. For confirmation of any of the vendor-specific information listed in this index, please contact the vendor directly.

2024 CLM vendor index  
for in-house counsel

- NEW Newly added Vendors in 2024
- ▼ Vendor was acquired in 2024
- ▲ Vendor acquired another vendor in 2024
- ★ Vendor's primary use of AI



2024 CLM vendor index  
for in-house counsel

- NEW Newly added Vendors in 2024
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- ★ Vendor's primary use of AI



2024 CLM vendor index  
for in-house counsel

NEW

Newly added Vendors in 2024



Vendor was acquired in 2024

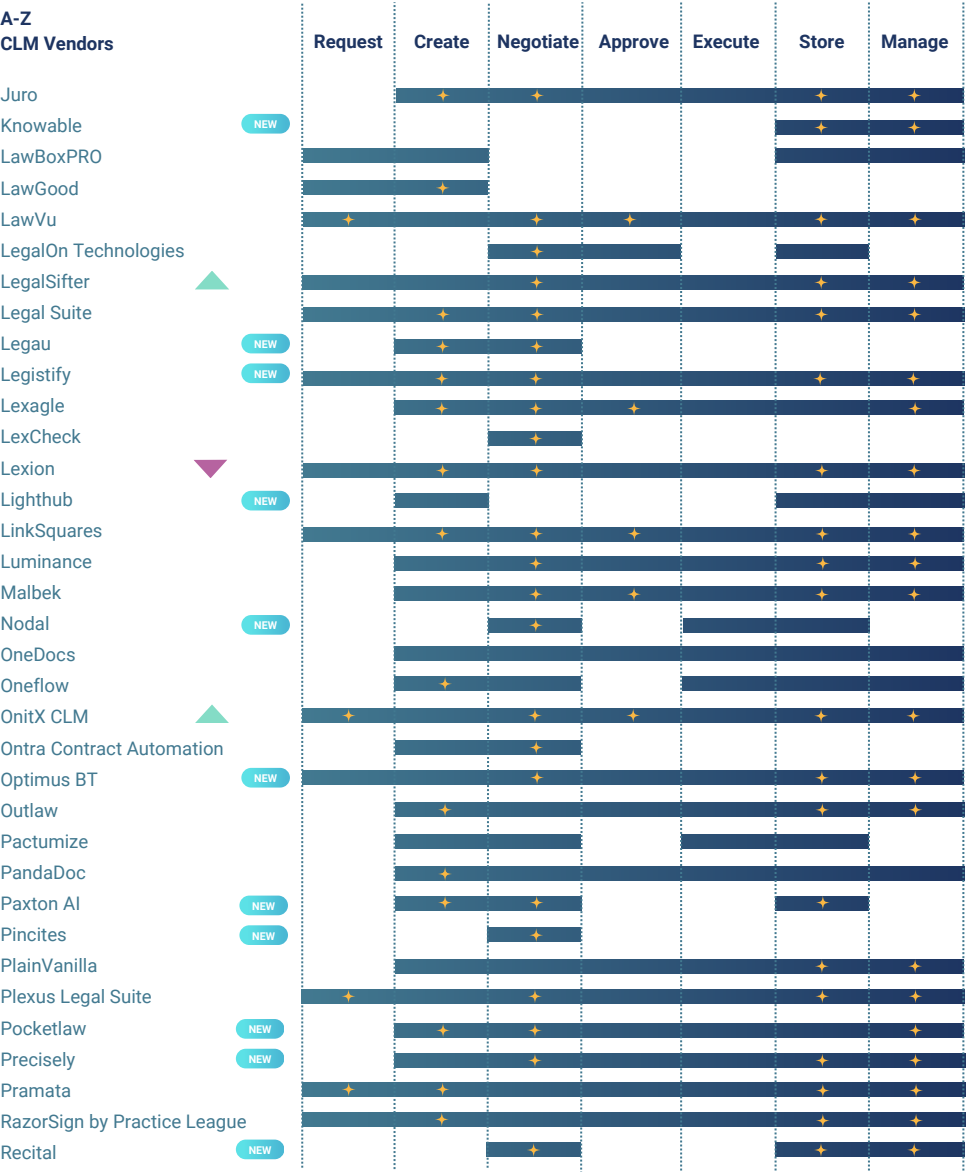


Vendor acquired another vendor in 2024



Vendor's primary use of AI

A-Z  
CLM Vendors



# 2024 CLM vendor index for in-house counsel

NEW

Newly added Vendors in 2024



Vendor was acquired in 2024



Vendor acquired another vendor in 2024



Vendor's primary use of AI

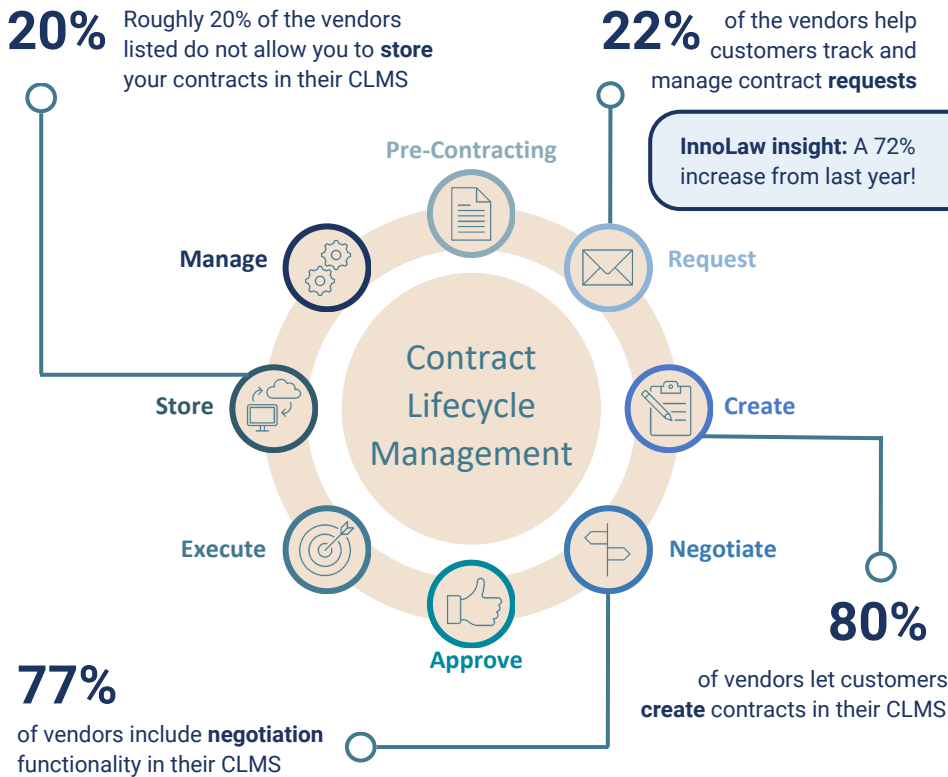
## A-Z CLM Vendors

		Request	Create	Negotiate	Approve	Execute	Store	Manage
Revvue	NEW		+	+			+	+
Riverus	NEW			+			+	+
Robin AI				+			+	+
SAP Ariba Contracts			+	+				+
Sendforsign	NEW		+					
Seraphin Legal			+					
SimpliContract				+			+	+
SirionLabs			+	+			+	+
SmartContract			+	+				
Spellbook			+	+				
SpotDraft			+	+			+	+
Standard Draft	NEW							
Stp.one by Knowliah	NEW						+	+
StreamlineAI		+			+			+
Summize				+			+	+
SuperLegal	NEW			+			+	+
Terzo							+	+
The Contract Network				+				
ThoughtRiver				+			+	+
Top Legal							+	+
Tomorrow by Leeway	NEW			+	+		+	
Traact							+	+
Trackado							+	+
Volody				+			+	+
WeAgree				+			+	+
Webbox		+					+	+
Wiredsign	NEW							
Wolters Kluwer - Legisway				+			+	+
Xakia	NEW							
Zeal	NEW						+	+
Zoey by Crush Contracts								
Zoho Contracts						+	+	+
Zuva							+	
Zycus iContract							+	+



# Vendor Index Insights: Contract Lifecycle

**InnoLaw insight:** Be prepared to know what vendors will help you with, where your contracts will be stored, and how your various systems will work together.



**InnoLaw insight:** The maturity levels of this functionality vary greatly. One vendor might have Word-like functionality to let you manually edit a document, while another may use generative AI to mark up a document for you. Know what type of support you want your CLMS to provide you in your negotiations before assuming that a specific CLMS can do what you want it to do.



## Changes in 2024



The size of the market continues to increase and shows no signs of slowing down.

- Of the **41** vendors added to the index this year, some are entirely new CLM players, while others are new to the CLM space with the addition of at least one contract-focused module to their existing platform. New introductions to the market far exceed the number of companies leaving it, and we expect to see more new names surface in 2025.

We've seen some high value acquisitions this year with some unexpected players entering the CLMS market (we're looking at you, Workday). We expect M&A activity in this space to ramp up.

The legal tech purchasing journey remains overwhelming. The sheer number of vendors in the market, combined with a lack of differentiation among similarly situated vendors, makes it challenging for in-house teams to choose a CLM vendor that fits their needs.

- A lack of recommendations on who the leading CLMS vendors are makes finding CLM tech particularly challenging, leaving in-house teams to rely heavily on word-of-mouth recommendations. ([Thomson Reuters GC Legal Tech Pulse 2024](#))

The primary reasons behind M&A activity appear to be tied to customer expectations – with a focus on end-to-end capabilities and advanced AI features.

- The **8** acquisitions we saw in 2024 all indicated that the reason behind the acquisition was either advancement of the acquiring company's AI capabilities or the creation of a more robust, “end-to-end” solution. Given customer expectations for AI-supported technologies and a solution that services the entirety of the contract lifecycle, we expect these same reasons to be behind the M&A activity we see in 2025, as well.

Legal tech is welcoming non-legal players. While Workday's acquisition of Evisort was surprising to some, we expect to see the introduction of other non-legal-focused companies into the legal tech space due to acquisitions in the coming years. Our clients have long known that contracts are not solely legal in nature – they involve many other departments in an organization – which means there are expectations on and of other departments to have technology support their role in the contract lifecycle, as well.

We expect the purchasing journey to remain confusing in 2025!



## IV. AI and CLM

### Aspirations and Practical Applications

#### The Summary:

- AI is making its way into all phases of the contract lifecycle, but we expect it to make the biggest impact in document **creation, negotiation**, and document **storage and management**. We expect AI's most impactful use to be identifying risk and then taking action to protect against that risk (through things like notifying relevant internal team members).
- CLMSs have long supported AI-enabled data extraction, particularly those that offer a repository. **More than 50%** of the vendors listed in our index have that capability. We expect that number to continue growing.
- While we are seeing more CLMSs include **Generative AI features**, it's still the exception, not the rule.
- In 2024, the use of Generative AI in CLMS is still mostly **hype-driven** but we do see significant potential in the future for its application to things like document drafting, document revision, and repository analysis.
- Your Legal team is **not behind your peers** if you're not using Generative AI in your CLMS yet.
- A strong CLMS foundation is essential before leveraging Generative AI in contracting processes. Your CLMS should fit your organization's **core contracting requirements** without AI first. Think of AI as an add-on for future capabilities once a strong foundation is set.
- AI automation is **here to stay** and has significant potential to positively impact the CLM industry.

In 2024, as we hit two years since the introduction of ChatGPT in to all our personal and professional lives, in-house lawyers are increasingly demanding AI's inclusion in their CLM solutions.

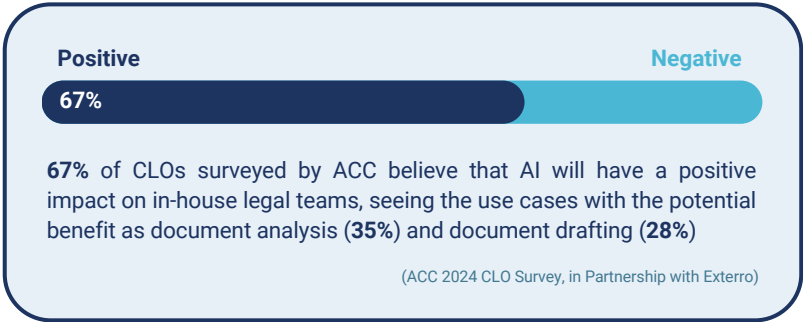
- All respondents to an Axiom survey said they plan to purchase new legal technology in the next two years. In highest demand among those respondents are AI-powered contract review ([Axiom – 2024 State of Legal Operations Survey Report](#)).

AI in CLMSs is not new; many systems have had extraction capabilities since the early 2010s. That said, in the past two years, the legal technology industry has seen newfound interest in AI in the application of Generative AI to certain legal tasks, including certain tasks in the contract lifecycle.

Despite the skepticism, challenges and extensive debates, the legal industry seems to be confident that AI's application to in-house legal work will be a positive one.

In our 2023 industry report, we noted that appetite for AI-enhanced contracting features differs by industry – with the more regulated and therefore risk-exposed industries seeking to explore how AI can support obligation and risk management. Much of this remains true, though we expect the pressures of doing more work in less time and the hype about AI's time-saving capabilities will push more and more risk-averse Legal teams to want to use AI, though they will expect that AI will be able to protect against some of their initial concerns.

Consider the realistic benefits and limitations of AI in contract automation when assessing a CLMS vendor or when optimizing use of an existing CLMS in your organization. Once your foundations are strong, determine which use case for AI will have the strongest impact in your organization's contracting lifecycle and make a plan for implementing that AI feature.



## InnoLaw Insights: Foundations before Effective AI Automation



You cannot meaningfully leverage the full benefit of AI in your CLMS without first having fundamental CLM infrastructure and at least some degree of sufficient automation in place. Ensuring that there is a strong foundation before automation is the only path to success.

When you're ready to incorporate AI, know what type of AI features you're looking for before you spend time in discussions with vendors who do not support those features. For example, if your primary goal for AI application is to use AI to support first-level contract review, then a vendor whose bread and butter is use of AI for data extraction post-signature may not be your best bet.



When considering how best to apply and leverage AI for contracting, focus on AI features as a future advancement in their CLMS rollout, not as the primary reason for choosing a CLMS vendor. Essentially, don't shop for AI. Shop for the right CLMS that incorporates AI.



## Store & Manage

**InnoLaw Insight:** Vendor AI remains focused on the **Store and Manage** phases first. AI has long supported the extraction of metadata from documents, and we're seeing more and more vendors who previously did not support this functionality add it into their systems. Today, **more than half** of the vendors in InnoLaw's 2024 CLM vendor index for in-house counsel enable extraction capabilities in their CLMS. We expect these numbers to continue to climb in the coming years to match customer expectations.

# InnoLaw’s Framework to Understand AI Enhancements in CLM Automation



In order to make sense of the availability and maturity of AI in the contract lifecycle, we have created a Framework to Understand AI Enhancements in CLM Automation .

We created this framework to navigate and compare how AI can be leveraged in the contract automation process. This includes InnoLaw’s predefined phases of the contract




lifecycle, and highlights if and how AI currently plays a role in enhancing the automation of one or more phases.

We’ve also leveraged data and insights from InnoLaw’s 2024 CLM vendor index for in-house counsel to highlight if and how the maturity levels of AI features across the contracting lifecycle have progressed in 2024. Given AI’s speed of advancement and the increase in interest in using AI in in-house legal work, we find the speed of AI’s progress at certain phases particularly helpful.




## AI enhancements in CLM automation

CLM Phases	Description of the activities at each phase	AI-enhanced CLMS automation considerations	Current maturity level & effectiveness of AI
<div>Pre-contracting</div> <div></div>	All of the activity that happens prior to the request and generation of the contract, but which still has legal implications e.g. selecting the right template for an RFP process.	This is NOT generally included in CLM automation considerations but is important to be aware of, as this is the pre-cursor to where the CLMS automation begins in the Request phase.	<b>Current Maturity Level:</b> N/A  <b>Changes in 2024:</b> No significant change.
<div>Request</div> <div></div>	This refers to how the Business requests the Legal Team’s assistance for ALL types of contract support, including advising on whether a new contract is even required. This is commonly referred to as “Legal’s front door” and goes beyond the simple requests to generate or review existing contracts.	AI is generally not helpful at this phase.	<b>Current Maturity Level:</b> Low  <b>Changes in 2024:</b> Some change.  8 of the 141 vendors in our index are using AI to triage questions before they are sent to Legal or to send the request to the relevant Legal team member.

AI enhancements in CLM automation

CLM Phases	Description of the activities at each phase	AI-enhanced CLMS automation considerations	Current maturity level & effectiveness of AI
<div>Create</div> <div></div>	<p>This refers to the creation of the requested contract from (i) templates (ii) prior examples (iii) compiled from various clauses and templates.</p>	<p>AI can:</p> <ul style="list-style-type: none"><li>Assist with the creation of first drafts based on - your clause bank, templates, previous examples and/or open data bases.</li></ul>	<p><b>Current Maturity Level:</b> Medium</p> <p><b>Changes in 2024:</b> Some change.</p> <p>Vendors are prioritizing use of AI to improve document automation efforts.</p>
<div>Negotiate</div> <div></div>	<p>This refers to the sharing, red-lining and negotiation of a contract, including the creation of multiple draft versions, until an execution version is ready to be signed.</p>	<p>AI can:</p> <ul style="list-style-type: none"><li>Identify contract types.</li><li>Review, analyze and compare contracts – comparison can be with your clause bank, templates, playbooks, previous examples and/or open data bases.</li><li>Make suggestions based on these comparisons.</li><li>Auto-redline contracts.</li><li>Make suggestions on language.</li></ul>	<p><b>Current Maturity Level:</b> Medium</p> <p><b>Changes in 2024:</b> Significant change.</p> <p>AI for negotiation is a high priority for CLMS vendors.</p>
<div>Approve</div> <div></div>	<p>This refers to the process of obtaining the required approvals from designated approvers, depending on the company's approval policies. Approvals may be sought during the contract negotiation process or once the final version has been signed off by Legal.</p>	<p>AI can:</p> <ul style="list-style-type: none"><li>Assist with initiating approvals, and providing the approver with data but does not effectively assist with the physical approval process itself.</li></ul>	<p><b>Current Maturity Level:</b> Low</p> <p><b>Changes in 2024:</b> Some change</p> <p>A few vendors are using AI to support workflows to direct to the right approver.</p>

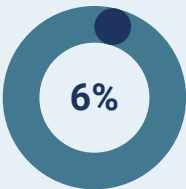
AI enhancements in CLM automation

CLM Phases	Description of the activities at each phase	AI-enhanced CLMS automation considerations	Current maturity level & effectiveness of AI
<div>Execute</div> <div></div>	<p>This refers to the process of getting the contract signed. There are still edge cases where wet signatures are requested but e-signatures dominate the contract execution landscape.</p>	<p>AI can:</p> <ul style="list-style-type: none"><li>• AI may assist with initiating executions but does not effectively assist with the physical execution process itself.</li></ul>	<p><b>Current Maturity Level:</b> Low</p> <p><b>Changes in 2024:</b> No significant change.</p>
<div>Store</div> <div></div>	<p>This is the CLMS smart repository, which enables users to upload and store legacy contracts as well as store newly executed contracts (and often their related drafts and documents) processed through the CLMS.</p>	<p>AI can:</p> <ul style="list-style-type: none"><li>• Search large volumes of stored contracts.</li><li>• Cluster documents and data based on various parameters.</li><li>• Analyze and extract key insights from stored contracts.</li></ul>	<p><b>Current Maturity Level:</b> High</p> <p><b>Changes in 2024:</b> Significant change.</p> <p>More vendors are enhancing what AI can do with large sets of documents, such as document summaries or natural language queries.</p>
<div>Manage</div> <div></div>	<p>This refers to post-execution obligation management, which typically includes the ability to extract insights from the contracts stored in the repository and create tasks or action items to ensure compliance.</p>	<p>AI can:</p> <ul style="list-style-type: none"><li>• The extraction of essential metadata from contracts in the repository.</li><li>• Visual dashboards, reports and analytics of essential metadata.</li><li>• The ability to create tasks or action items relating to obligation management and compliance.</li></ul>	<p><b>Current Maturity Level:</b> High</p> <p><b>Changes in 2024:</b> Significant change.</p> <p>More vendors are enhancing how AI can be used in a repository to capture new data with document and relationship summaries, natural language queries, and chat bots.</p>



# AI Insights from InnoLaw’s 2024 CLM Vendor Index for in-house counsel

**85%** of the vendors are prioritizing the incorporation of AI into their product offerings. Only 15% of vendors listed appear not to include any AI features in their products.

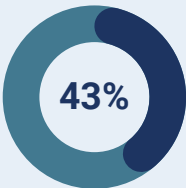


Some vendors are now using AI to support legal-related workflows:

- 6%** of vendors in the index use AI to:
- triage questions before they come to Legal
  - answer questions without the need for Legal involvement
  - direct risks to the relevant legal or business approver

25% of vendors in the index use AI to automate document creation

We expect to see this percentage increase over time and to see more vendors using AI to learn from past documents to create new ones.



**43%** of vendors in the index feature AI-supported negotiation.

While vendor use of AI in this phase is increasing, we’re not yet seeing AI negotiation results that match customer expectations (i.e., AI as a first-level legal reviewer), nor are we seeing the application of lawyer-like thinking (e.g., how one clause affects another).

Roughly **60%** of vendors apply AI to their customers’ contract repositories.

Most of this use is extraction – to find specific pieces of information. More vendors are pushing for AI enhancements at the repository level, with use of AI for contract summaries, contract relationship summaries, and natural language queries (including repository chatbots).



**Lawyers love chat bots.** Or, at least, CLMS vendors seem to think they do. More CLMS vendors are making it possible for customers to chat with their repositories, using Generative AI to increase the amount of data available to CLMS users.

# Key Takeaways

AI is here to stay and is quickly becoming an expected part of CLMSs. Our key takeaways from the current state of AI in CLM are:



1

At a minimum, customers expect their CLMS to include AI extraction functionality at the Store and Manage phases of the contract lifecycle. Some of the newer CLMSs (particularly CLMS-related point solutions) do not include this functionality, while others have yet to apply AI to those phases. We expect any CLMS that does not include AI functionality to start here and expand their application of AI to other phases over time.

2

AI for the Negotiation phase has a long way to go. Expect to need to stay in the loop with AI-negotiated contracts for the foreseeable future. While AI is certainly advancing to support the Negotiation phase more strongly and we've seen significant growth in this area in 2024, its results are not as mature as we understand users expect them to be.

3

AI is tiptoeing into complex use cases, but not quite there yet. AI is great for automating simple, repeatable tasks, including the creation or review of simpler documents, like NDAs. While vendors and users alike are working to apply AI to more complex use cases, like more complicated document types, we're not sold on how successful AI's application to those use cases is just yet. Prepare to stay involved in your complicated documents when using AI to support their contracting lifecycle.

The reality is that in 2024, use of Generative AI in CLMS is still mostly hype-driven. Your Legal team is not behind your peers if you're not using Generative AI in your CLMS yet.

As always, we recommend a strong foundation in core CLMS functionality. When you're ready to use AI, start slowly. Take advantage of and make strong, sustainable use of extraction features before diving into Generative AI. If you're looking for a new CLMS, focus on core functionality first and make AI a future priority.

## 2025 Predictions

InnoLaw predicts that in 2025, we will see:

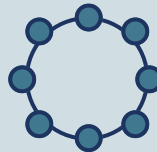
An increase in AI-supported point solutions, focusing on a small part of the contract lifecycle over new “end-to-end” providers.



Continued prioritization of AI functionality that acts as an initial reviewer - during negotiation and after signature - primarily for purposes of flagging risks.

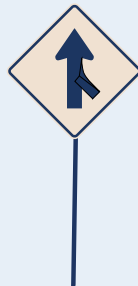


Continued efforts by vendors to cover as many phases of the contract lifecycle as possible to become more “end-to-end”.



More mergers and acquisitions in the CLMS market:

- Acquisition of point solutions (that support limited phases of the contract lifecycle) by larger CLMS providers seeking to have a more end-to-end solution; and
- Acquisition of AI-focused providers or an increase in fully integrated functionality over proprietary solutions (demand may be greater than the time spent for larger providers to build their own AI).



# V. Data sources, resources and references

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- Thomson Reuters [GC Legal Tech Pulse 2024](#)



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