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AI & CLM:

Practical Applications in Microsoft Environments

May 21, 2025

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AI Fundamentals & How Its Reshaping CLM

02

The Powerful Building Blocks of Microsoft's AI Strategy

03

10 Key Business Use Cases That Matter For AI & CLM

04

Practical Approaches For Employing AI Within CLM

05

C365 Intro & AI Companion Demo

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Introductions

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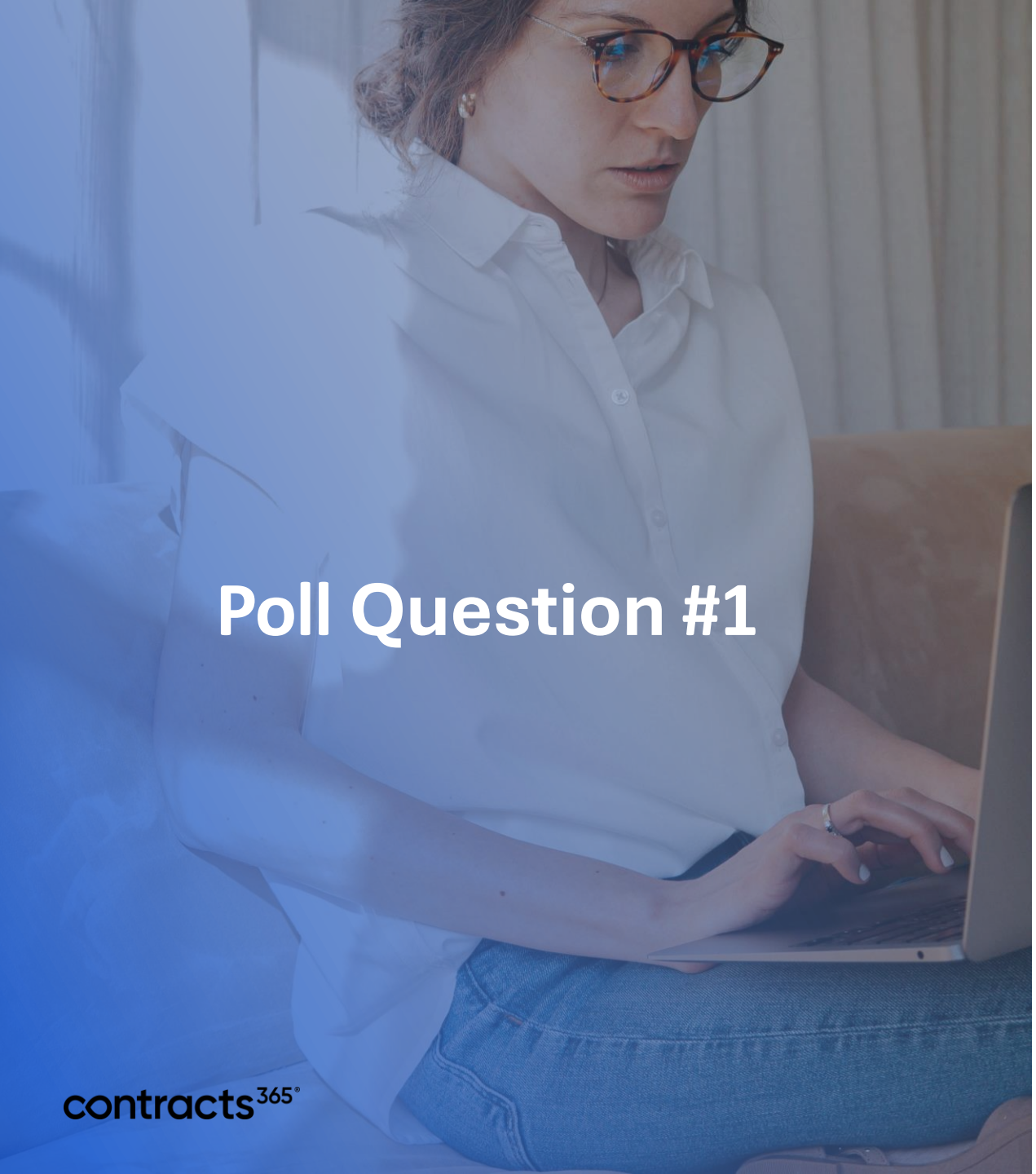

Poll Question #1

How does your organization approach the use of AI?

- AI usage mandates are in place
- AI can be employed where necessary
- AI is optional
- AI is on a need-to-use basis only
- AI is prohibited from use in your organization

“AI is not here to replace contract professionals – it’s here to transform them. Those who embrace the change will move into more valuable roles aligned with business performance.”

Source: World CC President | Tim Cummins

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AI Growth is Unprecedented

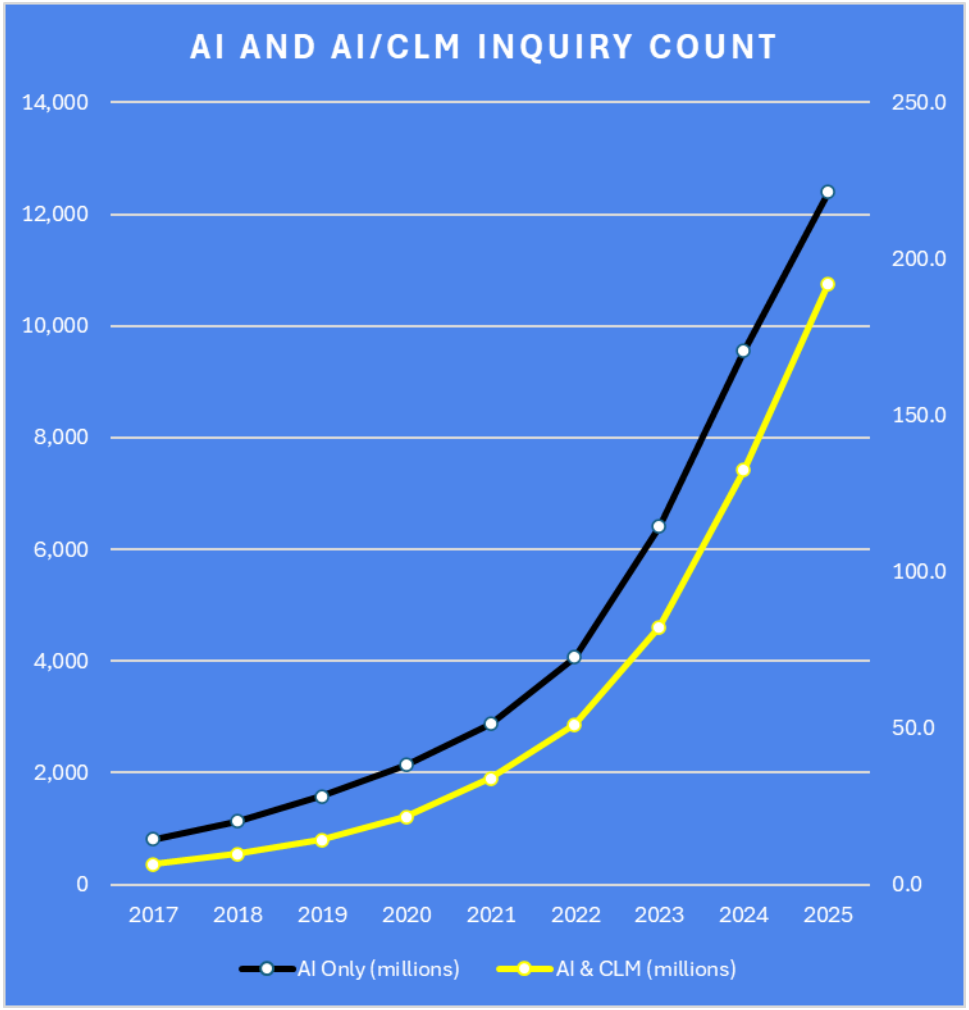
Year	OpenAI Results	
	AI Only (billions)	AI & CLM (millions)
2017	1.2	12.0
2018	1.5	18.0
2019	1.9	25.0
2020	2.4	35.0
2021	3.0	50.0
2022	3.8	70.0
2023	5.0	100.0
2024	6.5	130.0
2025	8.0	170.0

AI Growth is Unprecedented

Year	OpenAI Results		Claude Results	
	AI Only (billions)	AI & CLM (millions)	AI Only (billions)	AI & CLM (millions)
2017	1.2	12.0	0.4	0.9
2018	1.5	18.0	0.8	1.6
2019	1.9	25.0	1.3	3.7
2020	2.4	35.0	1.9	8.3
2021	3.0	50.0	2.8	17.8
2022	3.8	70.0	4.4	32.4
2023	5.0	100.0	7.8	64.5
2024	6.5	130.0	12.6	135.0
2025	8.0	170.0	16.8	214.0

AI Growth is Unprecedented

In Millions		
Year	Averages	
	AI Only	AI & CLM
2017	0.8	6.4
2018	1.1	9.8
2019	1.6	14.4
2020	2.1	21.6
2021	2.9	33.9
2022	4.1	51.2
2023	6.4	82.3
2024	9.6	132.5
2025	12.4	192.0



Impact On Contract & Legal Professionals

AI Is A Net Positive

Strategic from Admin implications largely hinging upon how thoughtfully it is implemented and adopted.

Agentic AI Is Next Beyond Generative AI

Moving towards “orchestrated systems” acting autonomously which are more dynamic & context aware.

Contracting Is Repositioned Not Replaced

Focus is to move away from the routine activities and focus on proactive and strategic opportunities.

Volume & Complexity Drive AI Value

Organizations with large portfolios of contracts find AI especially useful when looking to streamline.

Contract/Legal Pros Must Upskill

AI fluency is and will continue to become increasingly in demand. Get curious as your first steps to fluency.

Segmentation & Customization Is Critical

Not all contracts are created equal & AI needs to be applied where appropriate for low/high value contracts.

AI Requires Human Oversight/Governance

AI-based systems require training and fine-tuning, monitoring and human-based validation.

Cross-System Data Integration Is Feasible

AI aids in connecting diverse data that is impacted by CLM systems for real-time monitoring & decision making.

Source: World Commerce & Contracting | Accenture

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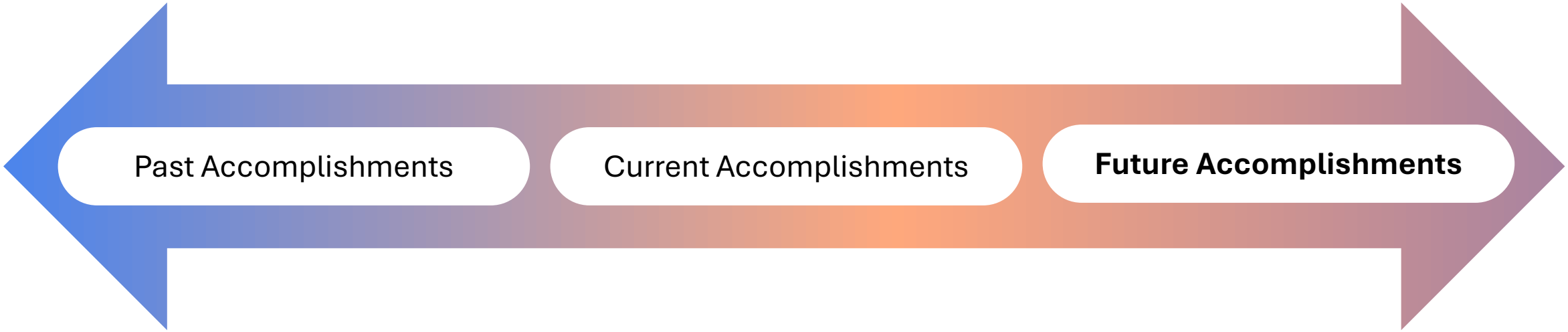
AI Fundamentals

AI Learning Mindset: Your V.Q. (Value Quotient)



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Microsoft's AI Strategy

Building an agentic world

Personal agents

Organizational agents

Business process agents

Cross-org agents

Microsoft's AI Strategy

Azure AI Foundry

Copilot Studio

Visual Studio

GitHub

Azure AI Foundry SDK

Model Catalog

Foundation models | Open-source models | Task models | Industry models

Azure OpenAI Service

Azure AI Search

Azure AI Agent Service

Azure AI Content Safety

Evaluations | Customization | Governance | Monitoring

Observability

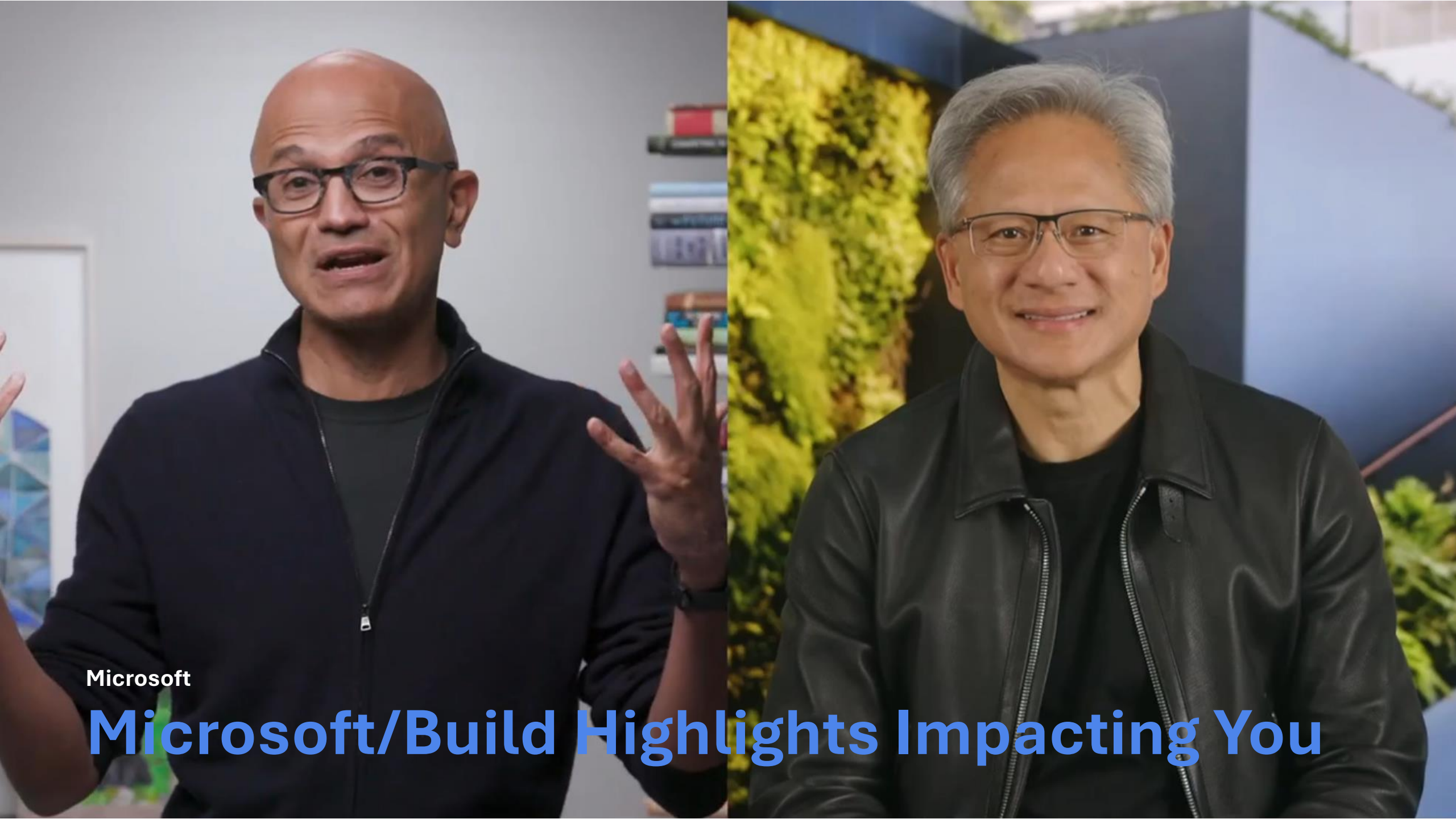
Secure Future Initiative

Secure by design · Secure by default · Secure operations

Security culture and governance

- Protect tenants and isolate production systems
- Protect identities and secrets
- Protect networks
- Protect engineering systems
- Monitor and detect threats
- Accelerate response and remediation

Paved path → Continuous improvement → Standards



Microsoft

Microsoft/Build Highlights Impacting You

Microsoft

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Highlights From 2025 Microsoft Build

Azure AI Foundry Service	Microsoft's AI Foundry Service, (formerly, Azure AI Studio) serves as an underlying developer platform for designing, customizing and managing AI applications.
Practical Implications	A/The most robust and secured AI platform for building out AI-based applications which can be used for contract processing optimization.
Model Context Protocol	Microsoft is no longer constrained to its or OpenAI's AI models. Through Microsoft, the top AI models from Microsoft & 3rd parties (Anthropic, DeepMind, Google, Hugging Face, Meta, Xai etc.) can be securely accessed.
Practical Implications	The right model can be selectively employed through Microsoft to address specific contract management objectives.
Agent-to-Agent (A2A)	Through Microsoft Foundry, A2A allows for diverse "Agents" to be configured to communicate with each other and to do so autonomously. This can happen within an organization or across platforms.
Practical Implications	You can configure Agents to communicate with each other, from data exchanges to taking automated actions via the respective Agents.

Microsoft

Highlights From 2025 Microsoft Build

Copilot Tuning	Copilot tuning allows for non-technical users to refine the AI Models and their usage patterns to fully leverage your organization's enterprise data, and it does so in a secured and fully integrated capacity.
Practical Implications	Heightened specificity can be simply applied when using Copilot for analyzing and taking action against your organization's contract documents and data.
Discovery/Researcher	AI-powered agentic platform that performs extensive and deep analysis for complex problem solving and decision making across enterprise content/domains. It will automate reasoning, simulate outcomes and dynamically generate insights.
Practical Implications	Your contracts and data across diverse sources can be searched upon in much more in-depth capacities to gain key insights and with the ability to take action.
NLWeb	The NLWeb is a protocol/toolkit introduced by Microsoft to incorporate websites to support natural language interfaces via AI. This allows for more intuitive user interactions when accessing web sites.
Practical Implications	NLWeb can allow for a more intuitive and natural search experience when accessing information on websites.

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CONTRACTS 365

AI is Transforming the Foundation of CLM

- AI does not define Contract Management…it helps us to transform it.
- Two dimensions to AI & Contract Management; AI capabilities and CLM infrastructure. Make sure you have a clear grasp on them and how they interact.
- Security, IP & Ethical Protections are vital to the success of AI enabling CLM capabilities.
- “Trust and Validate” mindset critical to confirm that the AI-infused portions of CLM are properly validated before accepting the AI outputs.

Business Use Cases

The Intersection of AI & CLM

AI Components

Agents/Copilot
Input/Commands
Output/Results
Security & IP
Ethics

10 High-Value Focus Areas

CLM Infrastructure

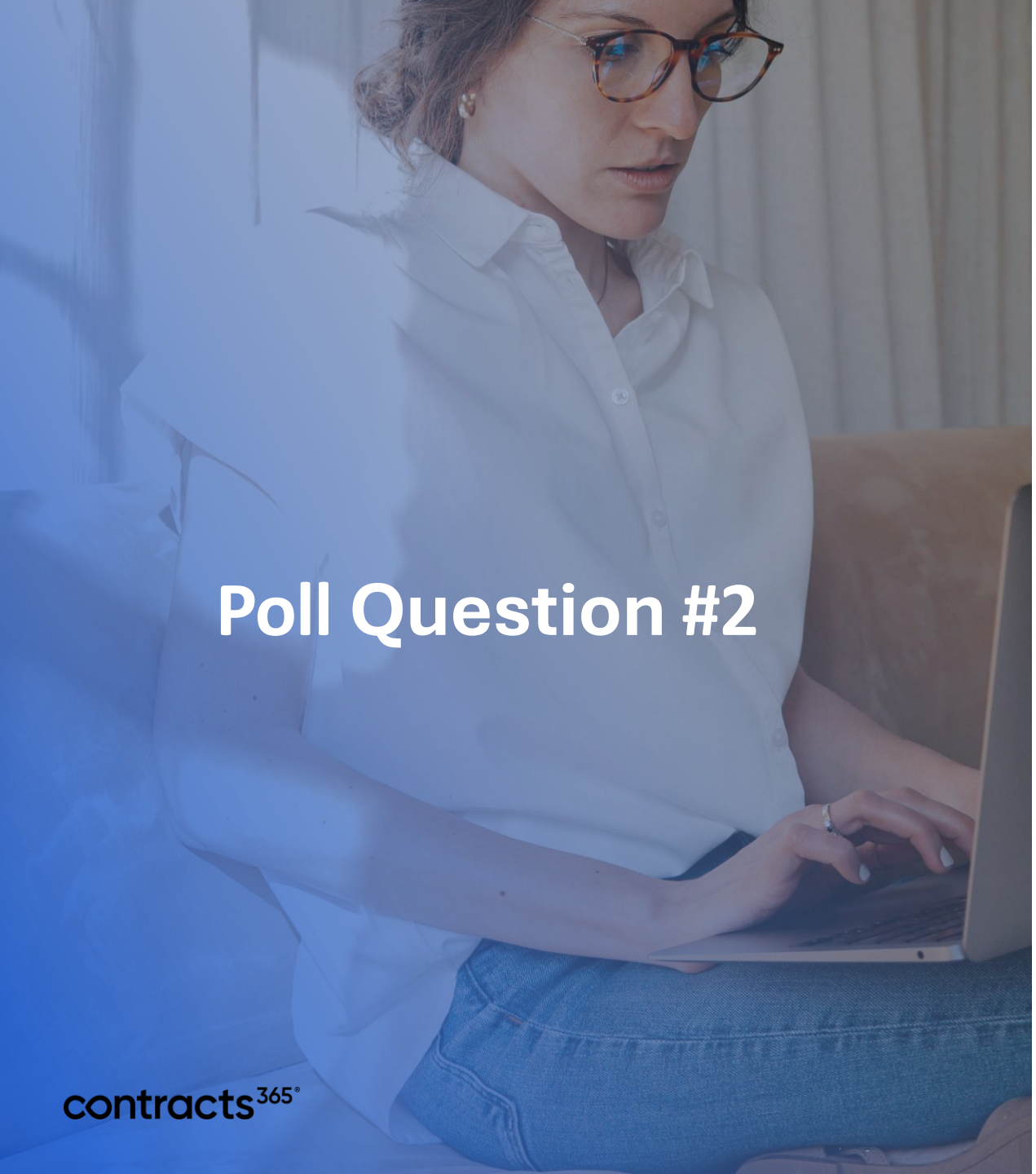
Metadata Construct
Visualize (Validate/Transform/Place)
Processing & Notification
Analytics & Reporting
Robust Security

WorldCC Article Published 7.10.2023 | Link

Business Use Cases

Ten High-Value Focus Areas For AI & CLM

1. **Metadata Extraction**
   Extract metadata with simplified visualization & data placement
2. **AI Negotiation**
   Compare 3rd party agreement against playbook, gen AI to provide guidance and new language
3. **Clause Extraction**
   Clause extraction for variant analysis, memorialization & processing
4. **Obligation Extraction**
   Obligation extraction with standard attribution, jeopardy management and reporting
5. **Contract Summarization**
   Generate document or metadata-based summaries for workflow review and execs
6. **Contract Language Translation**
   Translate & save documents into alternative languages with auto-detection
7. **Agents & Automation**
   Next gen AI-based search for private and public repositories & process automation
8. **AI-Influenced Workflow**
   Dynamically detect workflow patterns and adjust approval processes accordingly
9. **Contract & Clause Generation**
   “MS Copilot” Generative AI coupled with Appropriate security, IP and ethics protections
10. **Correspondence & Negotiations**
    Generate correspondence and negotiation strategies via memorializing and approvals



Poll Question #2

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How are you using (or testing) AI to support contract management?

(check all that apply)

- Automated Data Extraction from Contracts
- Automated Obligation Extraction from Contracts
- Contract / Clause Summarization
- Contract / Document & Clause Creation
- We are not using AI in the contracting process

Contracts 365 AI Companions

Contracts 365 continues to enhance and improve contract management tasks with individual AI Companion modules that can be added on to meet your organization's needs, requirements, and comfort with AI adoption.

NOW

AI Extraction Companion

Upload 3rd party contracts and instantly extract key metadata for validation, including Counterparty, Legal Entity, Contract Value, Contract Effective Date, or custom fields.

Impact & Value

This allows metadata to be automatically captured and validated without manual entry and is ideal for organizations with high volumes of 3rd party paper.

NOW

AI Negotiation Companion

Compares 3rd party agreements with standard clauses and terms, and automatically offers suggestions based upon standard language. Clause deviations and obligations are automatically extracted for review.

Impact & Value

Facilitates faster contract negotiation and reduces risk along the way. Once negotiated, clause deviations and obligations can automatically be cataloged for each contract.

LOOKING AHEAD

AI Chat Comp

Generate contracts
interactive suggesti
provisions that can
processed for appro
measures in place t
generated language

Impact & Value

Authorized team me
ChatGPT to speed u
and safely integrate
workflow.

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Companion
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LOOKING AHEAD

AI Chat Companion

Generate contracts faster with interactive suggestions for new provisions that can be automatically processed for approvals—with security measures in place to review ChatGPT-generated language.

Impact & Value

Authorized team members can employ ChatGPT to speed up contract creation and safely integrate AI into the contract workflow.

LOOKING AHEAD

AI Agent Companions

AI-powered search allows for deeper analysis of your contracts database. The results can then proactively drive new Agent-based actions, like amendment generation and e-signature, workflow initiation, and more

Impact & Value

Key contract terms and language can be found quickly and easily, and key Agentic-based actions can be taken to mitigate risk.

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x

Microsoft

Why We Partnered With Microsoft On AI

#1	Most Secure AI Platform Available
1.9K	Microsoft Supports Over 1,900 Models
100%	AI is IN virtually all Microsoft Products
#1	Largest Developer Community In The World

Practical Considerations For AI & CLM

1 Field Validation

When raw text is AI-Processed, such as a counterparty name and address, the data must be validated against counterparty lists, state/province lists, country lists & more.

2 Date Format Transformation & Validation

AI-Processed date information (spelled out, formatted differently) needs to be transformed into an actual date field & then validated to ensure that the date is accurately stored.

3 Currency Value Format & Validation

Like “date” information, values can be spelled out and formatted differently and these need to be transformed and then validated to achieve a higher level of accuracy.

4 Dynamic Creation Of New Values

When a new AI-Processed value (e.g. new counterparty), the extracted information can automatically populate the validation lists which can influence workflow and other downstream activities.

Practical Considerations For AI & CLM

5 Confidence Levels

As data is AI-Processed, an indicator should be made available to indicate the confidence level of the extraction. Through “suggestions”, users can easily discern.

6 Real-Time Document Access & Highlighting

Users should be able to easily see the source document / content and be taken to immediately to that location for verification and/or action.

7 Hierarchical Data Mapping & Placement

AI-Processed data will be placed into the appropriate hierarchical location. For example, a new counterparty will be added in the counterparty list and Contract Type, Effective Date, Amount will be placed into the Contract Record.

8 Automated Relationship Binding

Once AI-Processed data is written into the correct locations of the hierarchy, the data is then bound together to allow for the necessary and simplified linking experience. This allows users to see actual documents related to contract records which are in turn, related to counterparties.

Hierarchical Data Mapping & Placement

Counterparty Record
(Supplier, Customer, Partner, Sponsor, Etc.)

Contract Record - Primary
(Supplier MSA)
Contract Status (Active)

Contract Document
(Primary Agreement)
(Document State) Executed

Contract Document
(Exhibit A)
(Document State) Executed

Contract Document
(SoW 1)
(Document State) Executed

Contract Document
(SoW 2)
(Document State) Executed

Field	Value
Counterparty Name	Snowmaking Corp, Inc.
Address 1	180 Queen City Park Rd
Address 2	

Field	Value
Contract Record Title	Snowmaking Corp – SMSA - 30401
Contract Type	Supplier Master Services Agreement
Current Contract Value	$185,000.00

Field	Value
Contract Doc Name	Snowmaking Corp-Contracts 365 SMSA-30401.PDF
Contract Doc Type	Primary Agreement
Contract Doc Status	Executed
Internal Signatory	Justin Emerson
Counterparty Signatory	Aaron Jacob
Date Signed	January 15, 2021

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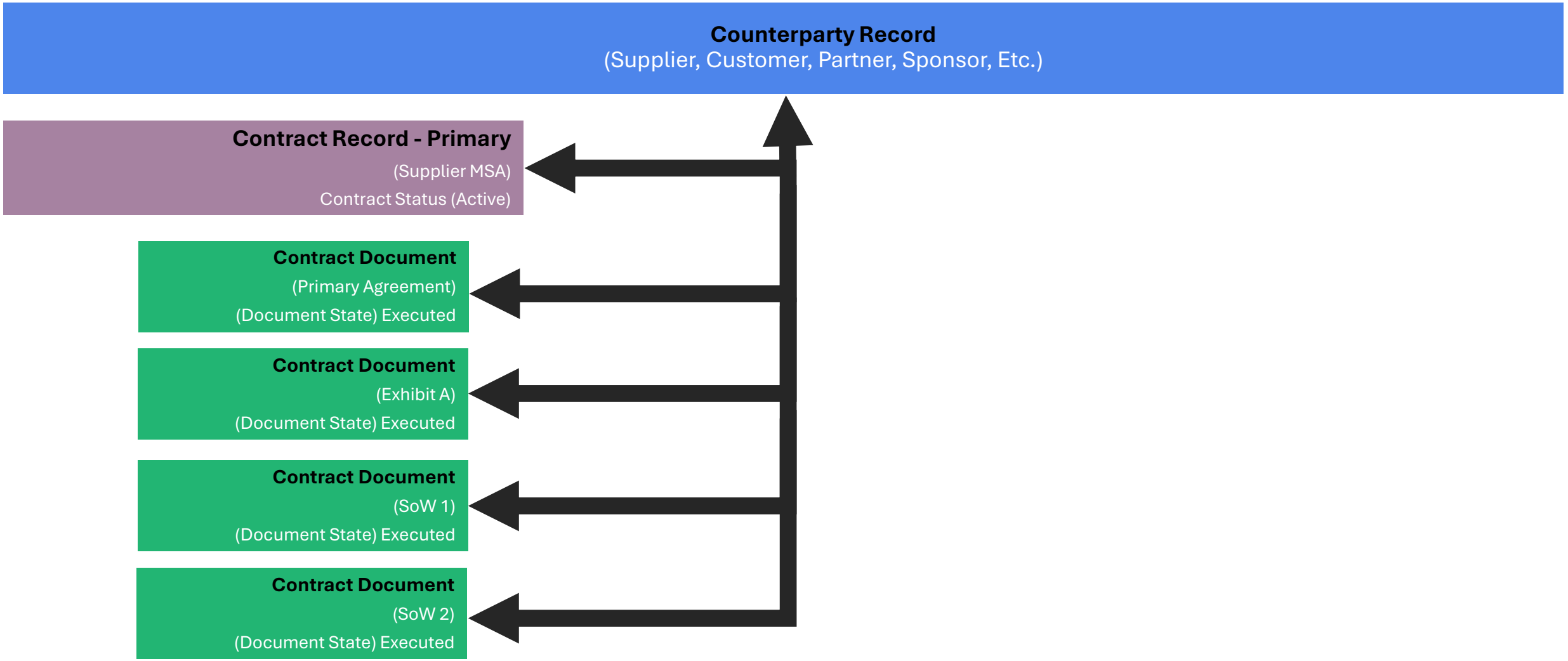
Automated Relationship Binding



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Practical AI Approaches

Get Your Hands Dirty

The only way to become comfortable with AI is to start using it for a focused purpose.

Key Steps

- Pick 1-2 use cases that you are looking to solve
- Be Patient and plan to experiment

Prepare

Using AI requires a level of commitment and iterative efforts

Key Steps

- Prioritize high-value items with “Time to Value”
- Measure key before and after metrics

Set Expectations

Do not over-promise or scare users so much that they don’t want to use AI

Key Steps

- Secure champions who will support initiatives
- Openly ask for feedback

On-Going Commit

AI is not going away and one must commit to exploring new AI (and non-AI) reasons

Key Steps

- Meet regularly with suppliers
- Perform short-term (1-2 week) trials
- Get team round up

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Powerful contract management software for businesses that run Microsoft 365.

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That’s why we built Contracts 365 differently, from the ground up.

PLATFORM

Microsoft 365®

PEOPLE

User Experience

PROCESS

Customer Success Journey

NO CODE

Ready-To-Use Solution

contracts365®

contracts 365®

SAAS USER EXPERIENCE

Architected for organizations that have embraced the Microsoft vision.

- Purpose-built for contract management
- Modern user experience & extremely easy to use
- Highly configurable for most use cases

Microsoft 365

CONTRACT REPOSITORY

Contract storage in your Microsoft 365 cloud.

- Retain ownership of your contracts & data
- Increased security, visibility, control
- Vetted by your IT & Sec leaders
- Rapid adoption of data governance policies

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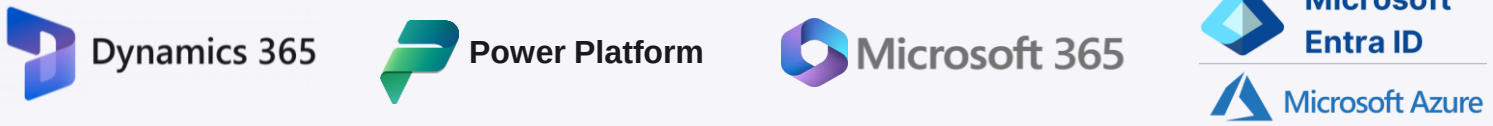
Works in all Microsoft cloud environments



Leverages apps people use every day

Key integrations make contract workflow easier

Advanced AI, data and security services

Delivers greater efficiency for all contract lifecycle activities

Pre-execution

Post-execution

Centralized & Secured Repository	**Dynamic Reporting**	**Role-Based Dashboards**	**Integration With Other Systems**

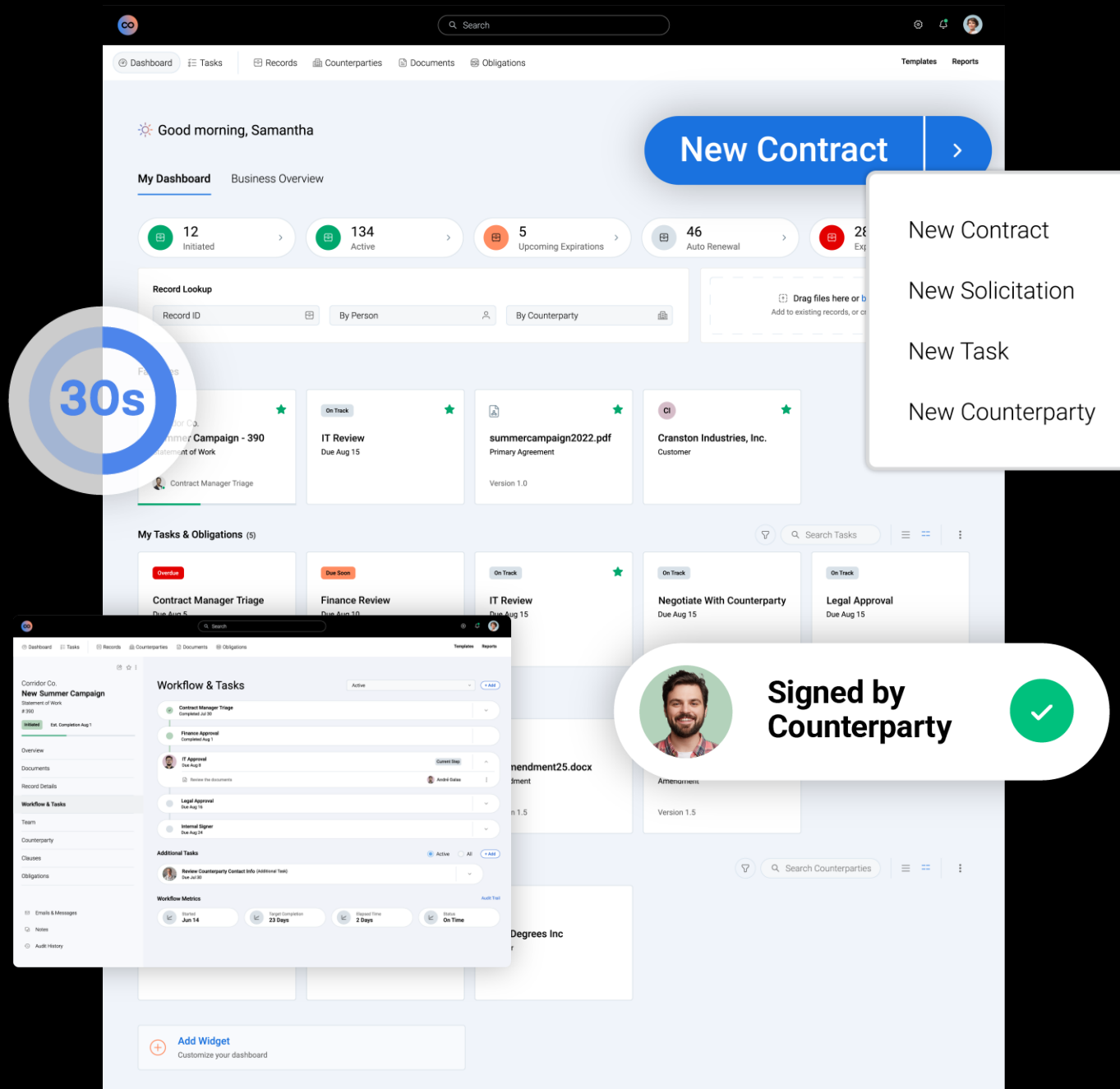
Our Next Webinar

30-Second Contracting

The Importance of User Experience in Enterprise Contract Lifecycle Management

Tuesday, June 24th • 11:00am EST

Reserve Your Spot



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How Can We Help?

Questions?

Drop us an email: info@contracts365.com

Demonstration

DEMO

AI Extraction Companion

- Receive a Contract in Email
- Run AI Extraction
- Review Extraction experience

DEMO

AI Negotiation Companion

- Access CM Portal
- Approve a contract
- Look at workflow
- Review workflow metrics

Thank you!

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