



AI & CLM:

Practical Applications in Microsoft Environments

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**AI Fundamentals &
How Its Reshaping CLM**

02

**The Powerful Building
Blocks of Microsoft's
AI Strategy**

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**10 Key Business Use Cases
That Matter For AI & CLM**

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**Practical Approaches For
Employing AI Within CLM**

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**C365 Intro & AI
Companion Demo**

Introductions



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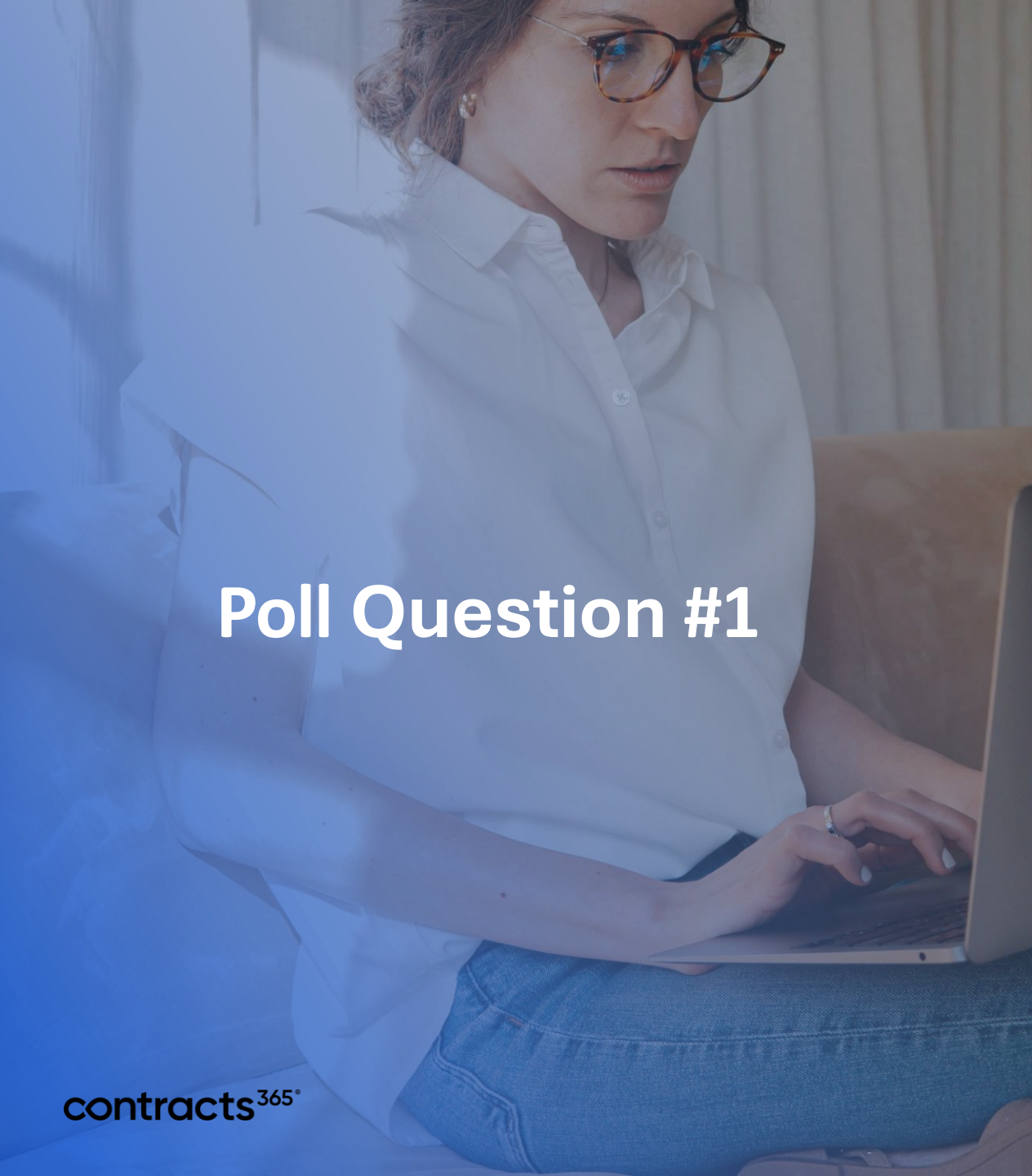
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Poll Question #1

How does your organization approach the use of AI?

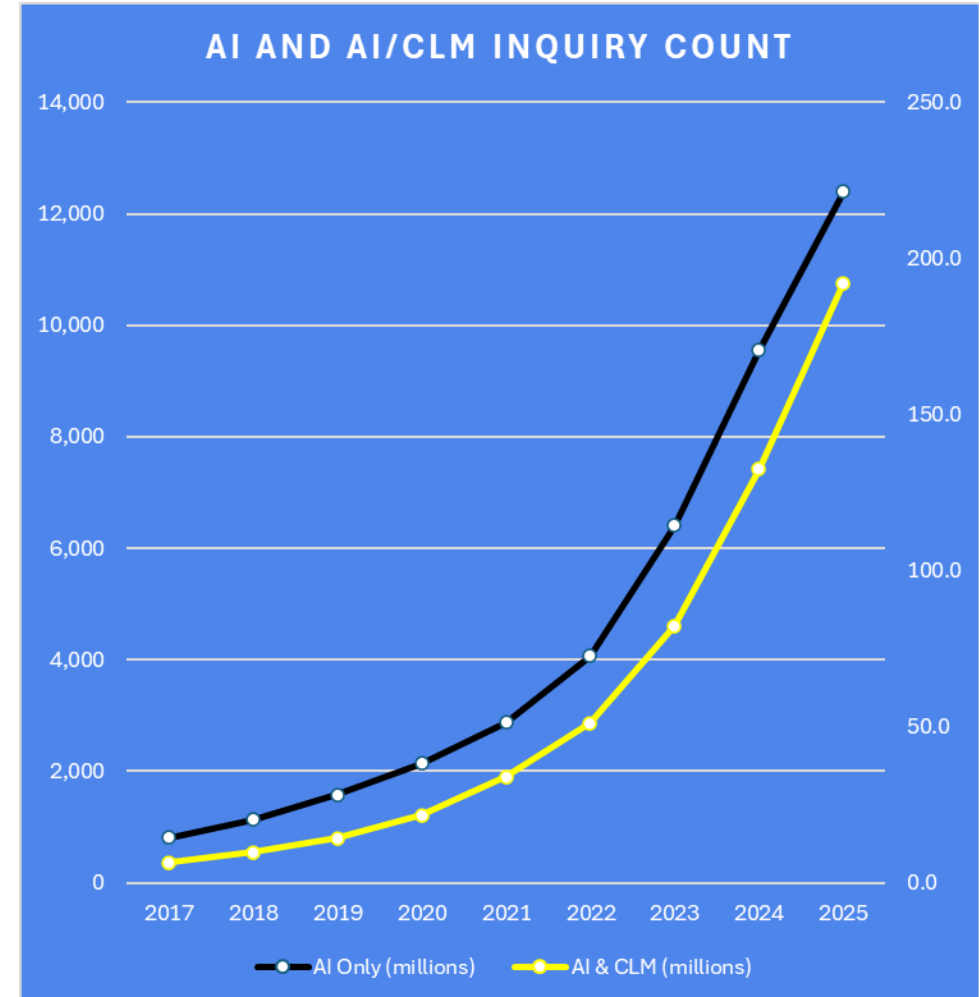
- ✓ AI usage mandates are in place
- ✓ AI can be employed where necessary
- ✓ AI is optional
- ✓ AI is on a need-to-use basis only
- ✓ AI is prohibited from use in your organization

“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

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.

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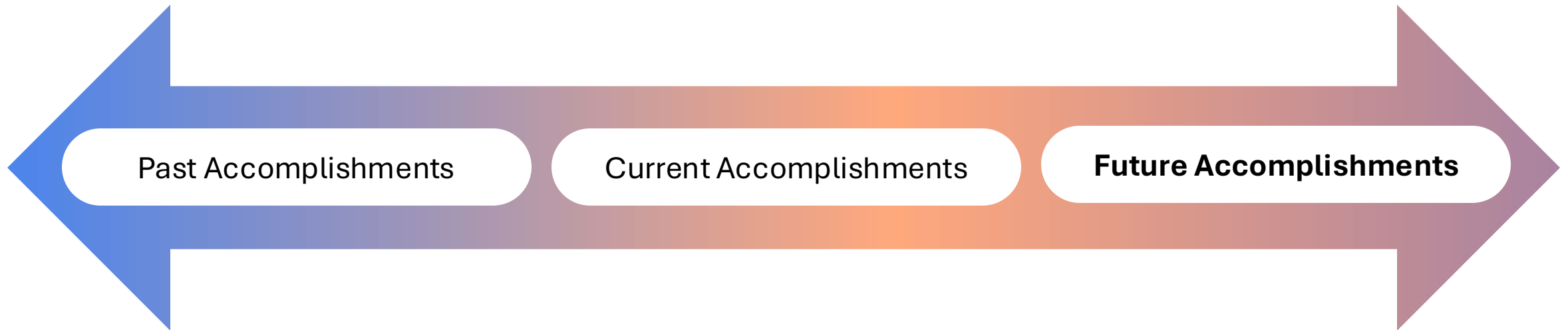
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AI Fundamentals

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



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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

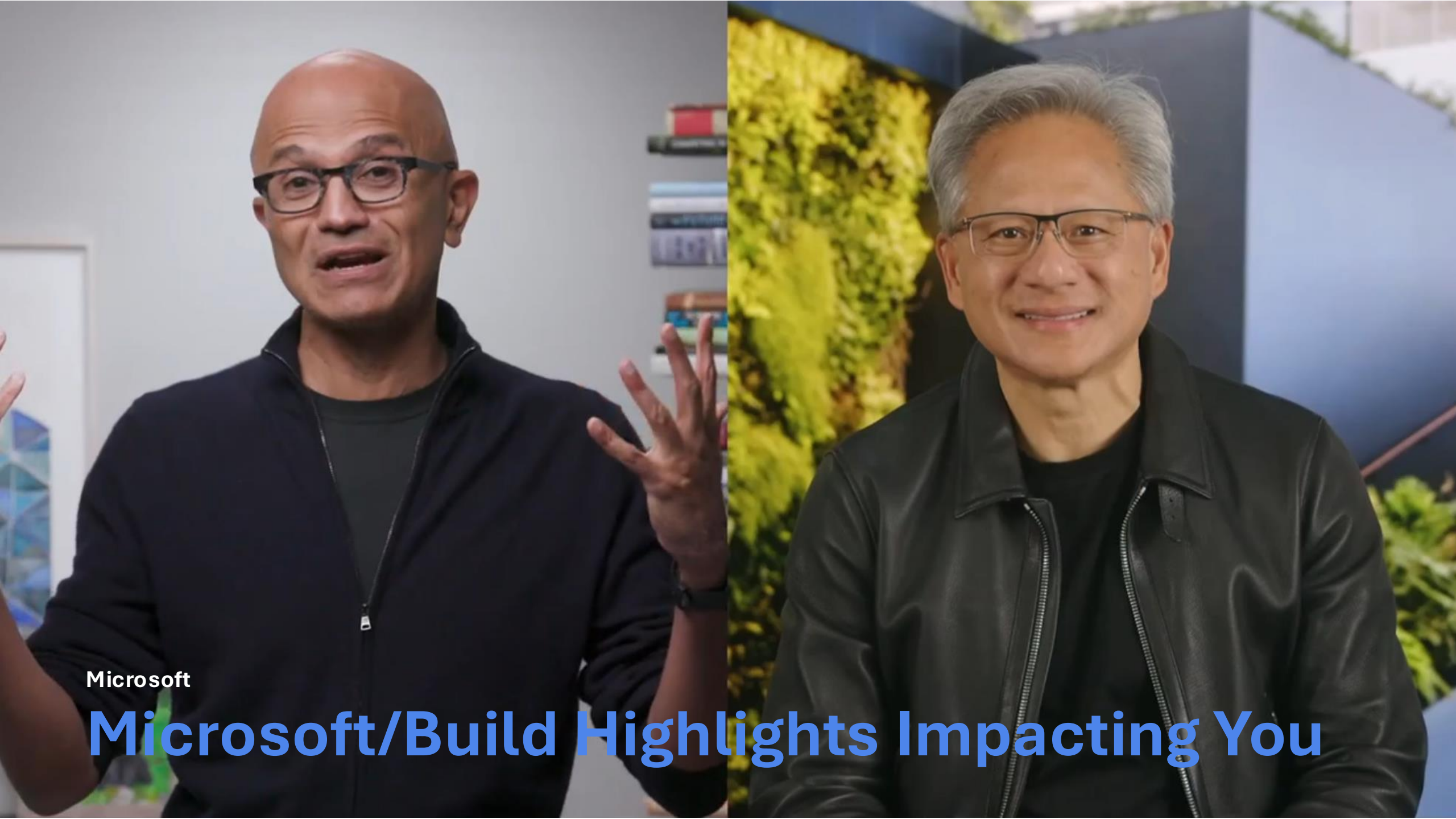


Accelerate
response and
remediation

Paved path

Continuous improvement

Standards



Microsoft

Microsoft/Build Highlights Impacting You



Microsoft

Microsoft/Build Highlights Impacting You



Recent Introductions

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.

Recent Introductions

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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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.

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

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

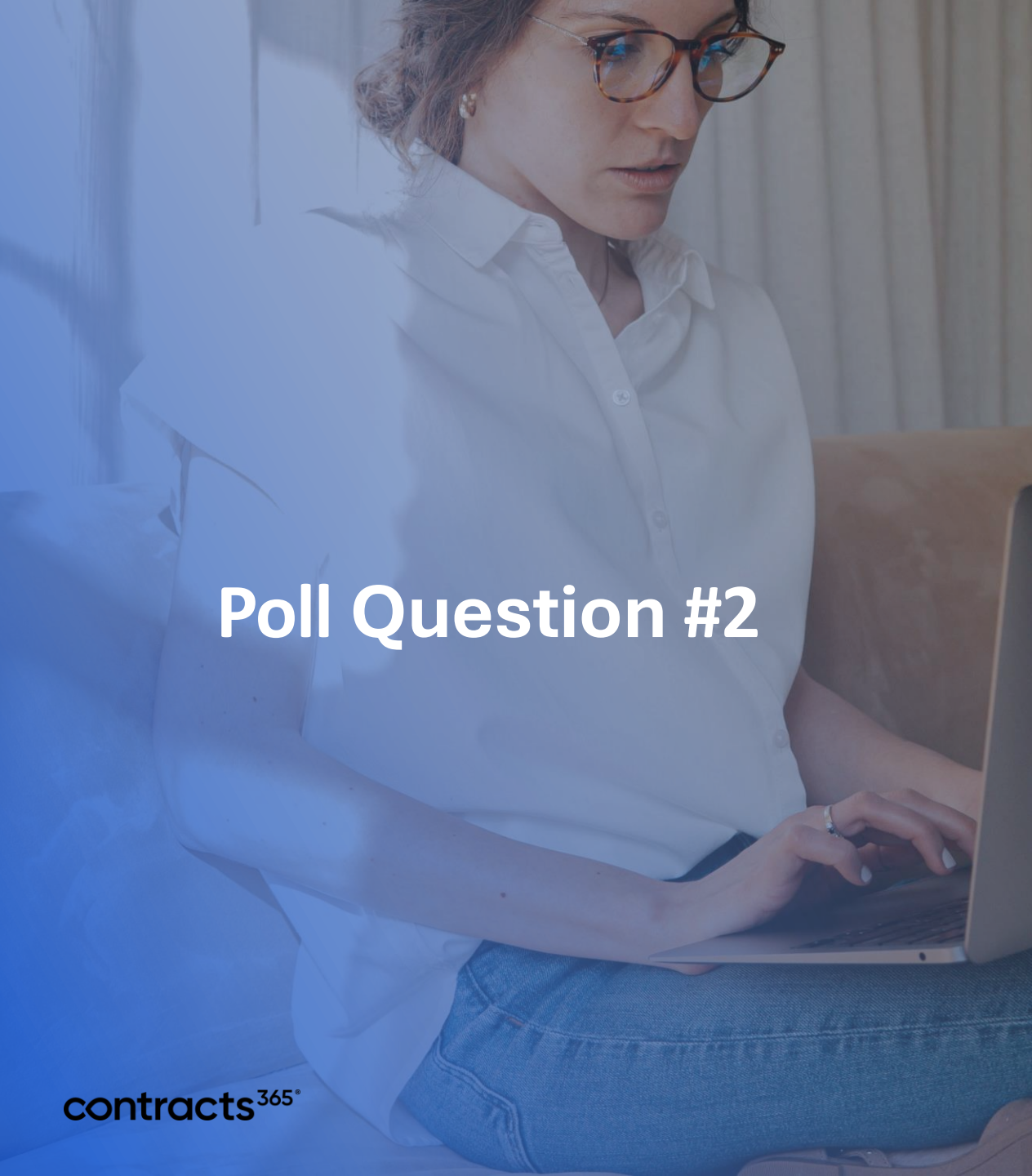
Contract & Clause Generation

“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

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



Why We Partnered With Microsoft On AI

#1

Most Secure AI Platform Available

11K

Microsoft Supports Over 11,000 Models

90%+

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.

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.

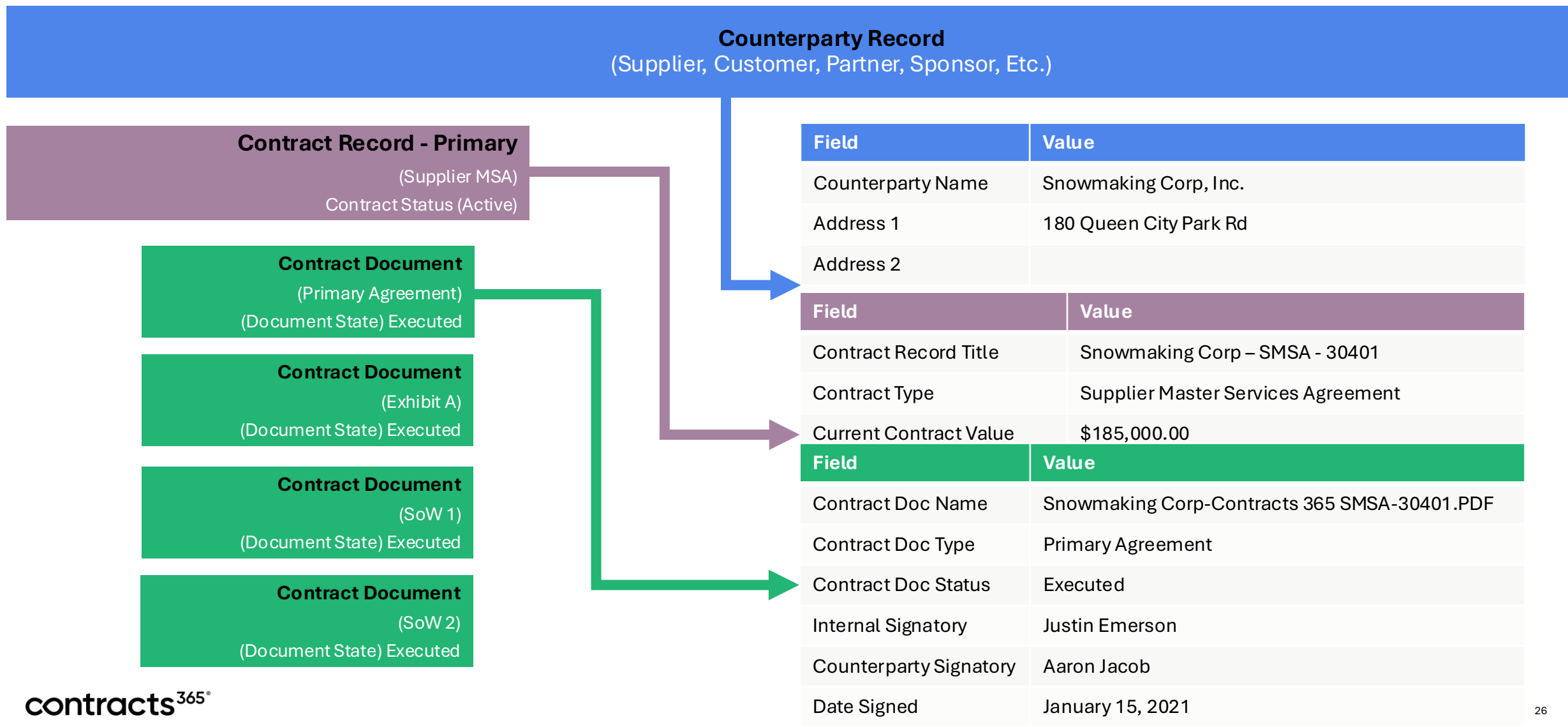
6 Real-Time Document Access & Highlighting

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

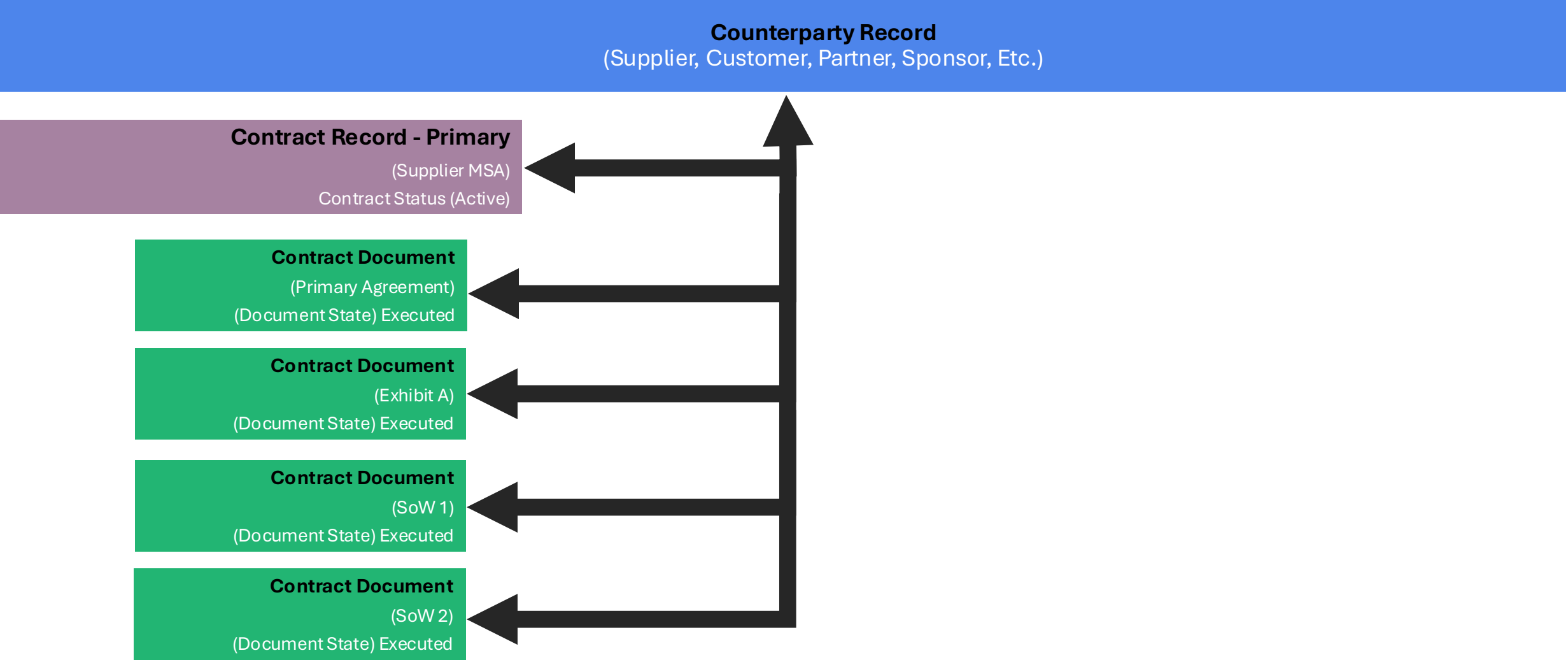
8 Automated Relationship Binding

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



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.

Prepare

Using AI requires a level of commitment and iterative efforts

Set Expectations

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

On-Going Commit

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

Key Steps

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

Key Steps

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

Key Steps

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

Key Steps

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

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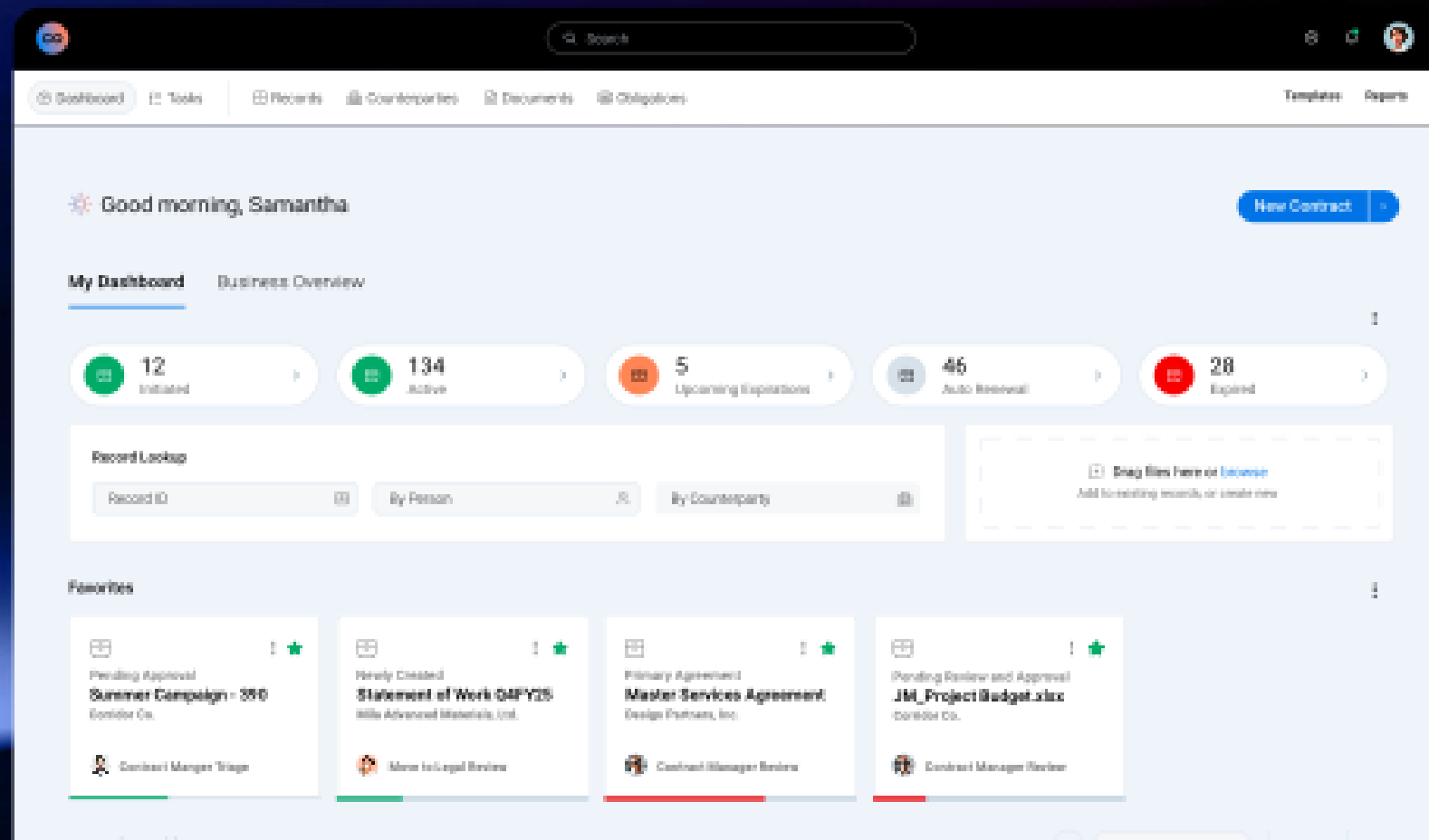
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contracts³⁶⁵[®]

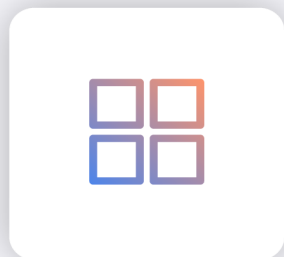
Powerful contract management software
for businesses that run Microsoft 365.



After 20 years in business supporting a variety of global brands, we have arrived at one fundamental truth:

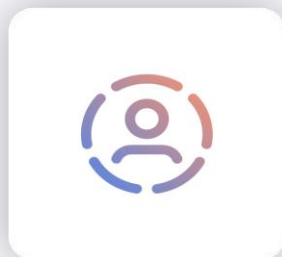
**Technical success does not
equal business success**

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



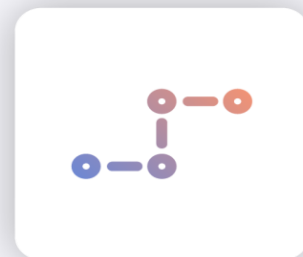
PLATFORM

Microsoft 365®



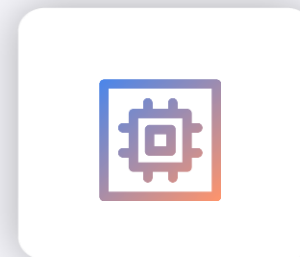
PEOPLE

User Experience



PROCESS

**Customer
Success Journey**



NO CODE

**Ready-To-Use
Solution**



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



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

contracts³⁶⁵

Works in all Microsoft cloud environments



Leverages apps people use every day



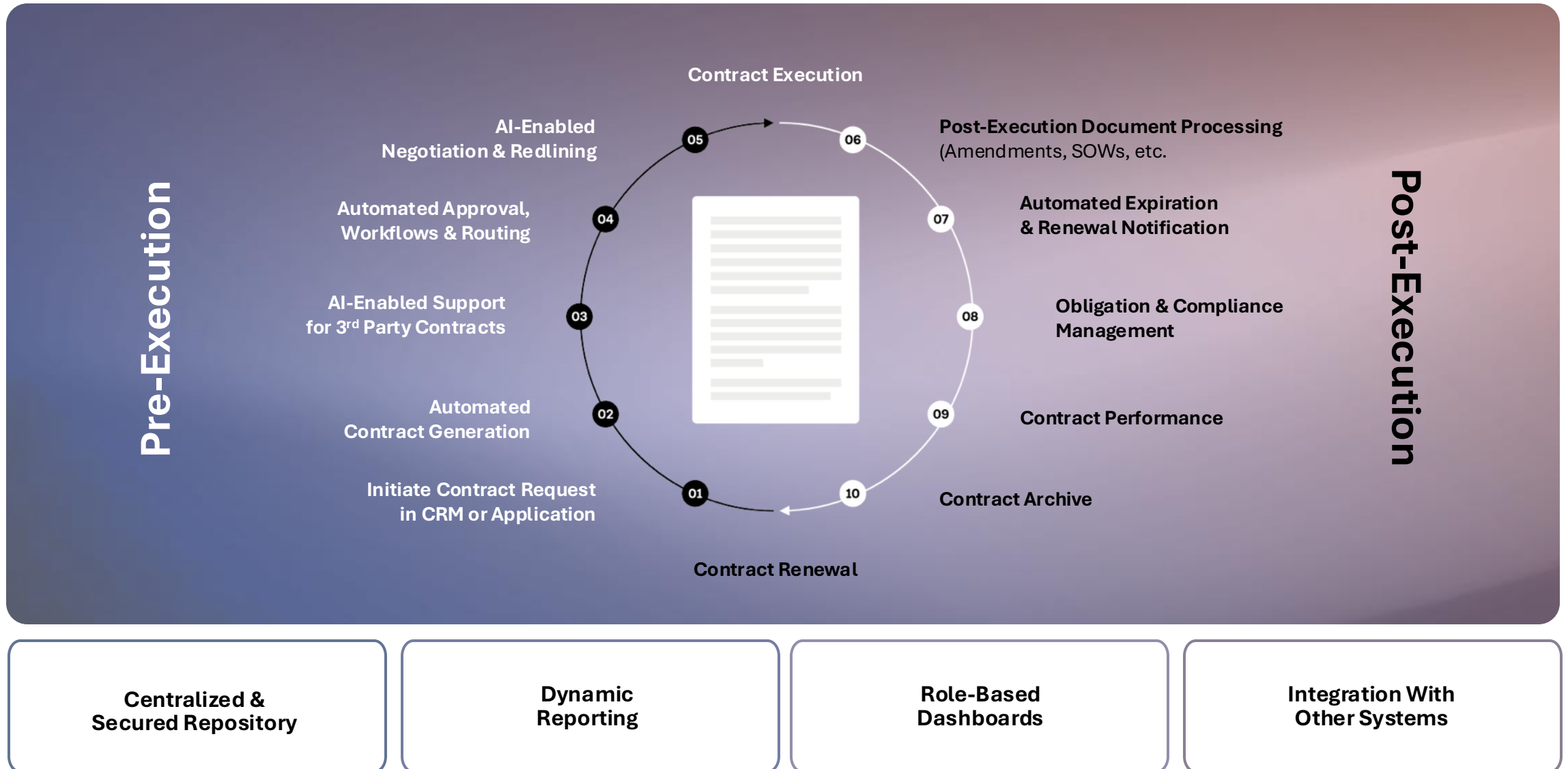
Key integrations make contract workflow easier



Advanced AI, data and security services



Delivers greater efficiency for all contract lifecycle activities



Easily handles any type of contract.

Buy Side

Agency Agreements
Business Associate Agreement
Clinical Trial Agreement
Confidentiality (Non-Disclosure) Agreement
Consulting Agreement
Equipment Purchase Agreement

Sell Side

Confidentiality (Non-Disclosure) Agreement
Customer Master Services Agreement
Equipment Sales Agreement
Framework Agreement
Settlement Agreement



Employment

Employment Agreement
Employment Services
Separation Agreement



Distribution & Partnerships

Distribution Agreement
Partnership Agreement
Resell Agreement



Real Estate

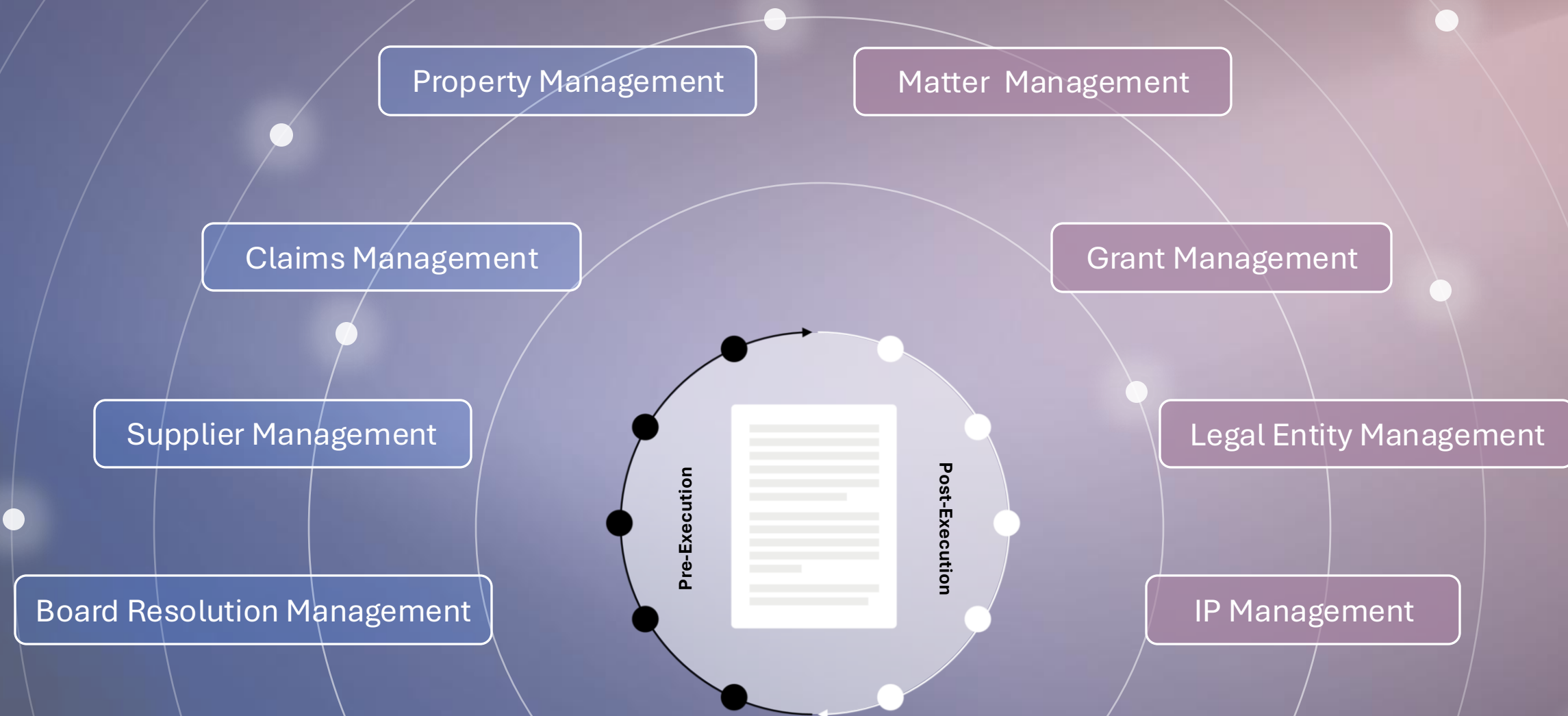
Construction Agreement
Facilities Agreement Investor
Side Letter Lease Agreement
Property Mgmt. Agreement
Property Services Agreement



Corporate

Banking Services Capital
Investment Agreement Joint
Venture Agreement

...And beyond via the “Contract Ecosystem”



Our Next Webinar

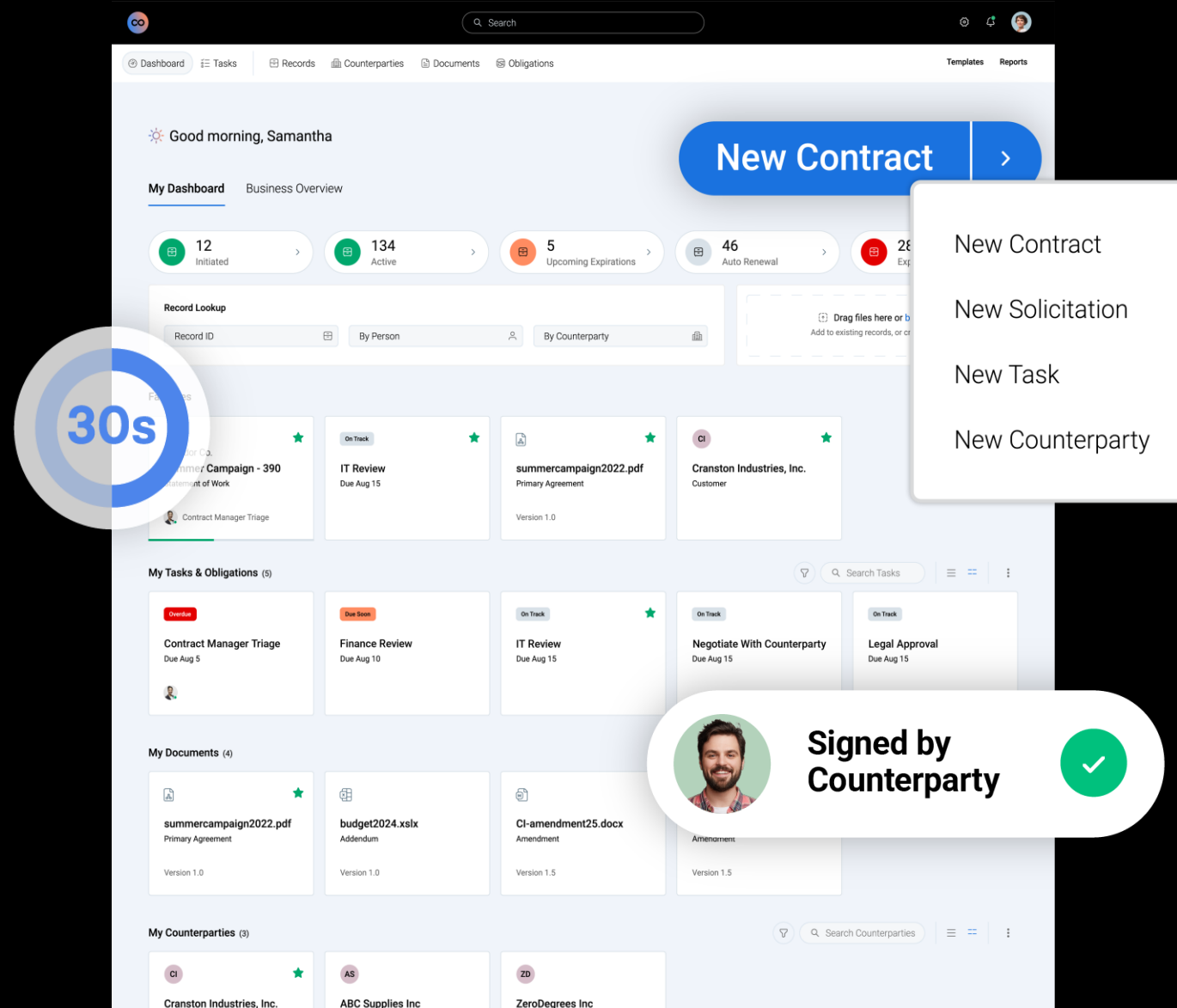
Contract Obligation & Risk Management

Leveraging CLM automation for
improved compliance

November 19th • 11:00am EST

Reserve Your Spot

contracts³⁶⁵



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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