

Commercial Intelligence Office

Why legal must lead it, enable it, or stop slowing it



In collaboration with:



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Foreword

The CEO was frustrated. When tariffs hit the business, it took weeks before anyone could tell him what they would mean for costs, margins, and customer commitments. The answers were buried in contracts - somewhere across procurement files, sales agreements, shared drives, email chains, and disconnected systems. No one could see the whole picture. No one could answer with confidence. By the time the analysis arrived, the market had already moved.

Now supply disruptions were landing almost daily. A key supplier had missed delivery windows. Another was asking for price relief. Customers were pushing back on pass-through charges. Operations wanted alternatives. Finance wanted exposure quantified. Sales wanted to know which commitments could still be met and which to prioritize. The CEO asked the obvious question: what rights do we have, what obligations bind us, and where are we protected? Again, the organization hesitated. The information existed, but not in a form that supported rapid decisions.

Then came the sharper question. If the legal team claims ownership to contracts but cannot provide answers when the business needs them, why does the business need a legal team at all? Would AI agents do a better job?

Foreword (continued)

That question is uncomfortable, but it is no longer hypothetical. AI can already scan contracts, extract clauses, compare terms, reconstruct timelines, and route decisions faster than most manual processes ever could. So why are organizations still struggling? For the General Counsel who was facing those demands, he had already established that the answer is simple. AI does not solve a data swamp. It exposes one. If contract data is fragmented, inconsistent, incomplete, and inaccurate, then AI will not create clarity. It will simply move confusion at greater speed.

So the answer may be simple, but the solution is not and this is the real challenge. The business does not have a legal issue. It has an intelligence issue. Its contracts are not functioning as a source of usable commercial data. Its contracting process has been designed for approval and control, not for visibility, adaptability, or decision support. And that means that virtually every organization is entering an AI-enabled world with contracts and processes built for a paper-based past.

The priority, therefore, is not to bolt AI onto a broken system. It is to redesign contracts and the contracting process for an AI-enabled world. That means treating contracts as structured sources of business intelligence. It means simplifying language, standardizing data, improving information architecture, and building workflows that support rapid, adaptive decisions. Right now, in most organizations, that is not happening.

And here's a critical question that GCs everywhere should be able to answer: are the contracts prepared by your team supporting the needs of the business or the needs of the law?

This report describes those business needs and explains why classical legal thinking gets in their way.

Figure 1: Legal's role in contract management

	Legal's current role	Legal's ideal role
Contract access	Buried in files, disconnected systems	Structured sources of business intelligence
Decision support	Hesitation, slow analysis	Rapid, adaptive decisions
AI Integration	AI exposes data swamp	Redesign contracts for AI
Business needs	Focus on law's needs	Focus on business's needs



Tim Cummins
President,
WorldCC



Shashank Bijapur
Co-founder and CEO,
SpotDraft

Foreword (continued)

A note from Akshay Verma, COO, SpotDraft

I've spent years running legal operations and now sit on the operating side of the business. Having seen both perspectives, I believe commercial intelligence belongs with legal. Here's why. When a tariff changes, a supplier misses a commitment, or a market disruption hits, the first question isn't, "What should we do?" It's, "What have we already agreed to?" The answer is almost always buried in contracts.

Finance can model the impact. Procurement can manage supplier relationships. Sales can assess customer risk. But legal is the only function that has visibility into the commitments the company has made and accepted across the business. The challenge isn't a lack of knowledge. It's that the knowledge is scattered across contracts, emails and individual team members rather than being accessible to the wider business. Some argue commercial intelligence should sit with procurement or a dedicated cross-functional team. In practice, I've seen both approaches fall short.

Procurement naturally focuses on supplier-side risk. Independent teams often spend more time defining ownership than delivering answers. Legal already sits at the center of commercial commitments, from negotiation to execution to dispute resolution. The mandate is already there. What's missing is a modern operating model.

Legal can't own commercial intelligence while functioning solely as a review and approval team. To lead this capability, legal has to own contract data quality, standardization, speed and accessibility. Success isn't measured by the number of redlines caught. It's measured by how quickly the business can get reliable answers to commercial questions. The legal teams gaining influence today are the ones operating like business functions. They build repeatable processes, create visibility into risk and obligations and help the business make faster decisions. Those teams move upstream. The ones that remain gatekeepers get brought in after decisions are already made.

Technology has removed many of the barriers. AI can now extract obligations, compare terms and surface risk across thousands of agreements in minutes. But AI doesn't solve poor data or inconsistent processes. It simply exposes them faster. The real challenge has never been technology. It's ownership and execution. That's why the sequence matters. Build the system first. Then use AI to scale it. My advice to legal leaders is simple: the team that can answer commercial questions quickly, accurately and with evidence will become the natural home for commercial intelligence. Legal is better positioned to be that team than any other function.

The opportunity is already sitting in your contracts.



Akshay Verma

Chief Operating Officer,
SpotDraft

AI changes the question but not in the way many assume

Most discussions about AI in legal start with automation. How much faster can contracts be reviewed? How many tasks can be delegated? How much cost can be removed? Those are fair questions, but they are secondary.

The real question is whether the organization has created the conditions in which AI can be trusted to help or whether it will suffer the same fate as many CLM projects a lot of time and expense, with very limited benefits.

World Commerce & Contracting research shows why this matters (and why so many 'legaltech' investments in the past have failed). Contract-related data is scattered across an average of 24 systems.

In that environment, AI is not entering a clean data lake. It is entering a swamp. Let's put it differently. AI is like giving a high-performance engine to a vehicle with no steering poor brakes and a cracked windscreen. The engine is not the problem. The design around it is. Organizations that imagine AI will rescue fragmented data, inconsistent templates, and unclear governance are asking technology to compensate for failures of commercial design.

That is why the priority must be redesign.

To gain control and become adaptive, organizations must first design contracts and the contracting process for an AI-enabled world. If they do not, AI agents may produce answers, but not answers that are of practical use or which the business can safely rely on.

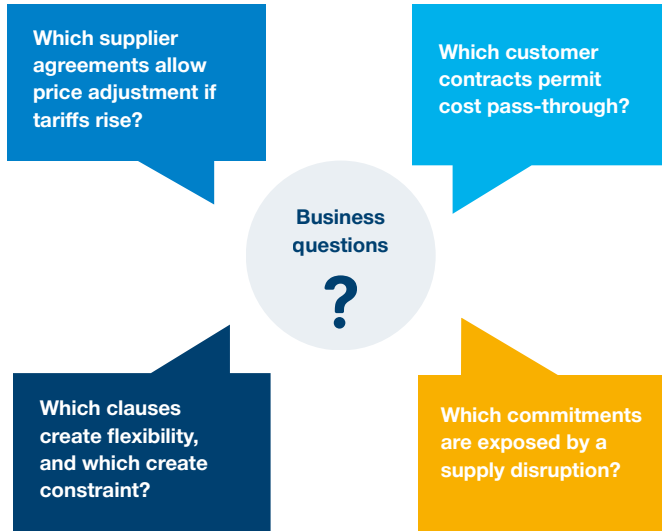
Figure 2: Why organizations struggle to adapt



The case for a Commercial Intelligence Office

The modern organization needs a capability that can answer urgent commercial questions using contractual reality

Figure 3: Business questions require contract intelligence.



These are not abstract legal questions. They are business questions with legal content. And because contracts have a life that both precedes and continues long before and after legal was involved, simply implementing ‘legaltech’ will get you nowhere. This demands integrated business technology that is used across the entire organization. Because unless the data is up to date and reliable, the output cannot be trusted.

That is why the idea of a Commercial Intelligence Office matters. It is not necessarily a new department. It is a role that must be fulfilled. In some organizations, legal is best placed to lead it. In others, legal should enable it through partnership with others - procurement, finance, operations, and contract management. For a lucky few, there may already be a dedicated commercial team or function, poised to take the lead. The important point is not ownership for its own sake. The important point is that someone must ensure contracts are visible, relevant and connected to decision-making.

The opportunity for legal is significant. Legal can become the function that turns contracts into insight, standards into resilience and process into adaptive decision-making. Or legal can help create and support that capability across the business. But there is no longer much room for a third option, where legal controls templates and approvals while avoiding accountability for whether contracts are usable, relevant, and commercially effective.

Contracts are operating instructions, not legal records

Most organizations still treat contracts as legal records.

That is too narrow. Contracts are also operating instructions for revenue, cost, supply continuity, compliance, governance, and dispute management. When tariffs rise, contracts reveal whether price-adjustment rights exist. When supply chains fracture, they reveal whether substitution rights, delay protections, or change mechanisms are available. When disagreements emerge, they should reveal what was promised, how performance is measured, and how issues should be escalated.

A contract should work like an instrument panel, not a filing cabinet. In calm conditions, you may not notice the difference. In turbulence, it becomes everything. If the business cannot quickly identify which agreements are exposed, which obligations are binding, and which remedies are available, then the contract portfolio is not an asset, it is a dormant liability.

This is why the contract portfolio must be treated as a data asset. But data only becomes useful when it is visible, structured, and connected to decisions. That is where many organizations still fail. They have contracts, but not intelligence.

Figure 4: Filing cabinet vs instrument panel

Filing cabinet (Traditional view)	Instrument panel (Modern view)
Legal record	Operating instructions
Stored information	Actionable intelligence
Reactive	Adaptive
Hidden data	Visible data
Documents	Decisions

Negotiating the wrong things

One of the clearest signs that the system is broken is where negotiation effort goes.

WorldCC research shows that *only 16% believe negotiations focus on the right topics. Put the other way around, 84% believe they are negotiating the wrong things*. That is not a minor complaint. It is evidence that organizations are spending time and energy on issues that do not materially help them adapt, perform, or resolve conflict.

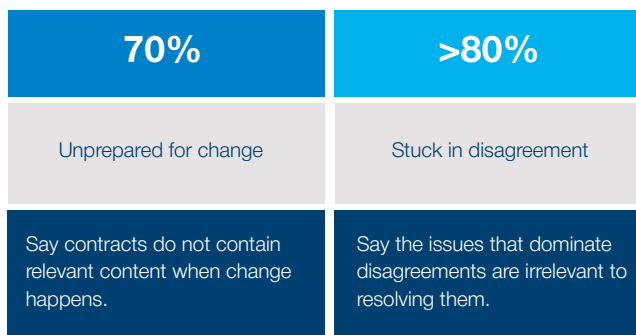
No one is saying that defensive terms like liabilities and indemnities are not important, but they should be a last line of defense, not the only line. Right at the front should be the terms through which risk and change can be managed, rights of amendment, revisions to price, delays and suspensions, hardship or force majeure. The provisions that really matter are those through which the contract and relationship can be managed.

This is a structural problem. Buyers often believe they are protecting the business by pressing hard on liability, indemnity, and other defensive clauses. Suppliers often believe they must resist those demands to preserve margin and manage exposure, protecting ‘the crown jewels’. Both behaviors are rational within the inherited system. But the system itself is flawed if it channels so much effort into terms that do little to help when markets shift or operations fail. The consequences are serious.

So the problem is not simply that negotiations are slow. It is that they often produce contracts that are poorly aligned to the moments that matter most: change and disagreement.

Protection matters, but the question is whether the terms receiving most attention are the ones that best prepare the business for volatility. Price adjustment, change control, business continuity, governance, escalation routes, and operational clarity are the things that matter most when markets move suddenly. Yet these are mostly treated as secondary.

Figure 5: The diagnosis: misaligned contracts



Designing contracts for an AI-enabled world

If you want AI to help, you must first make contracts and the contracting process fit for AI.

That means standardizing core data fields, reducing unnecessary variation, simplifying language, improving structure, and ensuring that key rights and obligations can be identified consistently across the portfolio.

The real issue is not whether AI can read a clause. It is whether the clause says something useful, says it clearly, and says it in a way that can be connected to action. If one template uses five different expressions for the same pricing mechanism, if obligations are buried in narrative text, or if change rights are vague and inconsistent then AI will struggle in the same way that people are already struggling.

WorldCC's recent AI research shows growing adoption and growing confidence, but it also shows that security, privacy, and data quality remain major barriers. That is exactly what you would expect. AI is only as reliable as the environment in which it operates. If the underlying contracts are cluttered, contradictory or incomplete then AI becomes a very efficient way to spread uncertainty and push everything straight back into today's inefficient processes.

So the priority is not AI first. It is design first. AI then becomes the infrastructure that makes good design scalable.

Figure 6: How can AI help?



Templates and standards are future protection

Templates are often treated as housekeeping. They are not: they are future risk architecture.

Every standard clause, fallback position, and approval rule shapes the organization’s exposure to the next geopolitical shock, supply disruption, regulatory change or pricing crisis. If templates assume stable markets and predictable delivery, they will fail in volatile conditions.

This is where legal must make a choice. If legal owns templates, fallback positions, and approval standards, then legal owns a large part of the organization’s future resilience. If legal does not want that responsibility, then template design should move into a broader commercial governance model where legal is one contributor, not the gatekeeper. What no longer works is a halfway house where legal controls the documents but disclaims responsibility for whether they help the business adapt.

The launch of the Global Contract Management Standard in 2025 gives organizations a practical framework for this redesign. It offers a common structure for roles, processes, and competencies across the lifecycle. That matters because many failures in contracting are not failures of intent. They are failures of consistency, ownership and process discipline.

Simplification is a business requirement

Legal teams must consider themselves accountable not only for legal enforceability, but for contract usability.

If contracts are too complex to guide action, too obscure to support change, or too poorly designed to help resolve disagreement, then legal has protected the document while failing the business. It’s almost as if litigation is the objective rather than a rare and perhaps non-existent event.

Figure 7: WorldCC research is uncomfortably clear on this point



User-based design is still the exception and that is a major contributor to inefficiency, delay and error. Most contracts are still written for the drafter, not for the user. That is understandable, because inherited templates, legal training, and approval culture reward completeness and defensibility. But it creates a system where contracts are hard to navigate, hard to explain and hard to use under pressure. In reality, it also means they are (as one litigator put it) ‘a dog’s dinner’, involving multiple documents that have their origins in different parts of the business and may or may not make any real sense.

Simplification is a business requirement *(continued)*

Simplification is not about removing rigor. It is about making rigor usable. Effective contract design combines correct legal content, sound information architecture, and attention to user needs and document format. The challenge is not legal accuracy versus usability. It is whether you can achieve both.

The contracting process must become a decision system

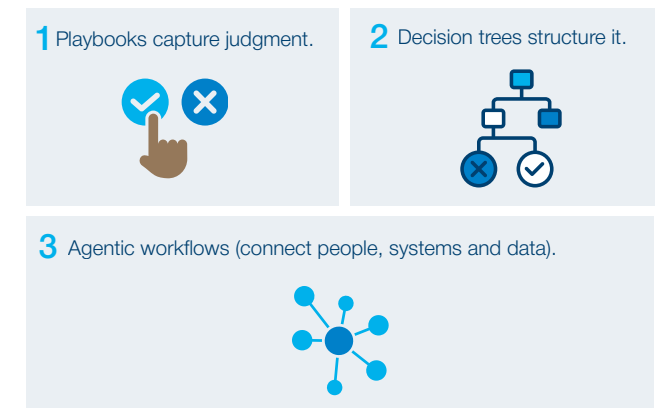
The modern contracting process should not be a queue where multiple stakeholders take turns. It should be a decision system

Low-risk work should move quickly through standards and self-service. Medium-risk work should follow structured pathways. High-risk or novel issues should escalate to expert judgment. The purpose is not to remove legal. It is to place legal judgment where it adds the most value.

WorldCC research shows the scale of the opportunity. Average contract cycle time varies enormously across organizations, with the best performers operating almost four times faster than the worst. That gap is not explained by effort alone. It reflects differences in process design, empowerment, standards and technology.

This is where playbooks, decision trees and agentic AI begin to matter. But the real challenge is not the software. It is whether the organization has made its judgment explicit enough for technology to support it safely. Agentic AI without clear standards and escalation logic just provides a path to faster confusion.

Figure 8: Playbooks, decisions and agentic AI



Legal as leader or legal as enabler

This report should not be read as an attack on legal. It is a challenge to legal’s current operating assumptions.

Legal can absolutely lead the Commercial Intelligence Office. In fact there is a strong case that it should. Legal understands rights, obligations, remedies and the implications of poor drafting. It sits close to the commitments that shape business performance.

But legal can also enable that role rather than own it. In some organizations, the better model will be cross-functional - legal working with others to create a shared intelligence capability. That can be sensible where legal lacks the operational bandwidth or data capability to lead alone. The important point is not ownership for its own sake. It is that legal must stop behaving as if control of approvals is the same as stewardship of outcomes. It must avoid acting as an obstacle to change.

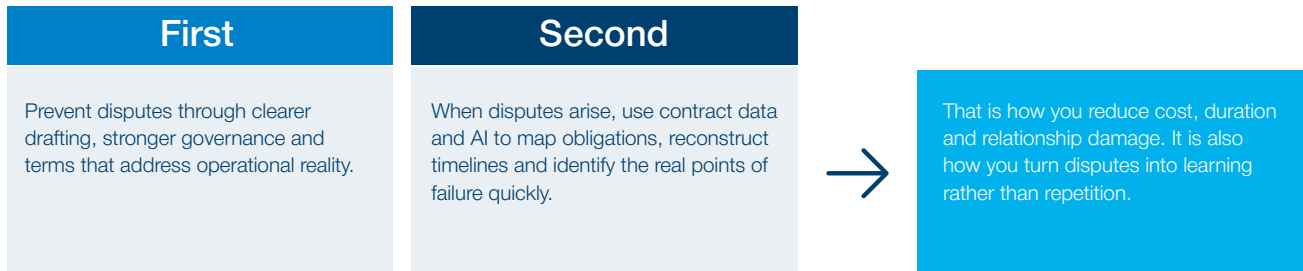
What no longer works is a model where legal controls the gates but does not ensure the road beyond them is usable. If legal wants authority over templates, fallback positions, approvals and redlines, then legal must also accept accountability for whether those contracts help the business adapt, perform and resolve problems. If legal does not want that accountability then it should stop acting as the bottleneck.

Disputes reveal the truth

If you want to know whether contracts are fit for purpose, look at what happens when things go wrong.

Disputes are the stress test. Ambiguous or missing terms, misaligned expectations, and evolving business needs are core causes of conflict. Many disagreements center on issues that do not materially help resolution. That is why the “more than 80%” finding matters so much. It suggests that many disputes are fought on terrain that does not solve the problem.

Figure 9: The better approach has two layers:



Accountability cannot be dodged

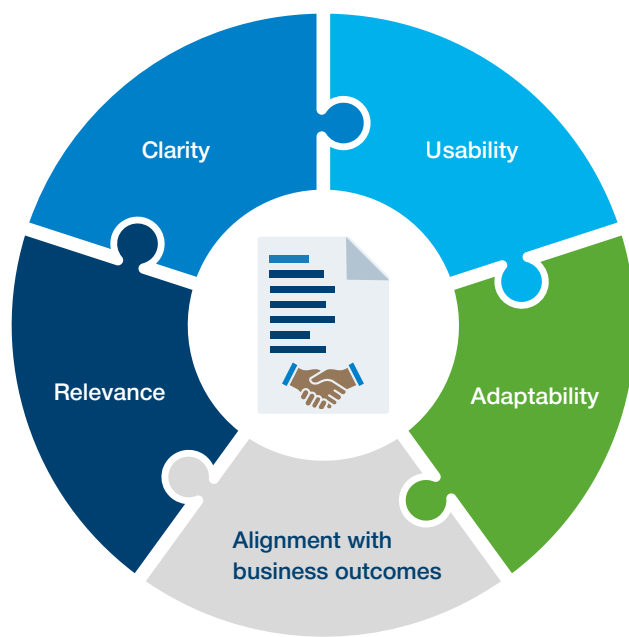
Legal teams must consider themselves accountable for the quality and integrity of contracts or step aside and stop slowing the business and undermining external relationships.

By quality, we do not mean only legal enforceability. We mean clarity, relevance, usability, adaptability, and alignment with business outcomes. By integrity, we mean that the contract says what matters, can be understood by those who must use it, and supports action when conditions change.

That may sound severe, but it is simply the logic of responsibility. Control without accountability is bureaucracy. Accountability without influence is unfair. Organizations need the two to come together.

This is all about achieving positive outcomes. Contracts are about relationships, not documents. If the document makes the relationship harder to manage, then the document is part of the problem. And if the function controlling that document refuses responsibility for its usability, then the organization has a governance failure, not just a drafting issue.

Figure 10: Contracts are about relationships, not documents



Conclusion

The opportunity for legal is substantial

Legal can become the Commercial Intelligence Office, the function that turns contracts into insight, standards into resilience and process into adaptive decision-making. Where legal has the capability and appetite, that is a powerful future role.

Where legal does not lead, it must still facilitate. It must help create a contracting system that is visible, relevant and fast. It must support standards, data integrity, simplification and governance. It must stop equating control with value.

And in either model, one principle should be non-negotiable: the contract and contracting process must be designed as a source of critical business data and streamlined to support rapid, adaptive decisions. If legal stands in the way of that then legal is not protecting the business. It is weakening it.

In volatile markets, the business does not need legal to be merely careful. It needs legal to be useful at speed. AI may be the catalyst for that realization. But the answer is not to replace judgment with machines. It is to redesign contracts and contracting so that human judgment and machine capability can work together.

Lead the Commercial Intelligence Office. Enable it. Or step aside.

Appendix A: Voice of the market

Practitioner perspectives and observations gathered through interviews and open-text survey responses.



Global Contract Management Leader,
Global energy technology corporation
(HQ in Europe)

The key messages resonate strongly with me and hold true in many respects. I very much like the idea of positioning a Commercial Intelligence Office and it is certainly a strategy to consider with my peers.

The only real feedback I have revolves around the positioning of the Legal team as owning responsibility for contractual intelligence. I am wondering if the paper may be more impactful to a broader number of organizations if this were framed in a more generic approach, or at the overall organizational level. I see the Commercial Intelligence Office as a team made up of skilled people who can leverage AI and verified data to make swift, agile analysis for an organization based upon the many scenarios which may arise both externally and internally. Whether this office forms part of a Legal team or not is the part I am questioning a little as it could in fact be completely separate?

I am aligned with the concept put forward by this paper and see the Commercial Intelligence Office as leading on the drive for data availability and analytics on behalf of a broad range of stakeholders, legal being only one of them. Ideally, their analysis would include assessment of data from a broader “organizational” perspective and include finance, supplier, tax, customs, etc. Their recommendations being made on accurate data analytics across these various streams meaning fast cycle times and reduction of the number of stakeholders needed in the process.

In addition they would drive more focus from an outward / external lens in order to be one step ahead of the uncertainty that may arise whether it be tariffs (as described), war or in fact a change in customer or supplier expectations or requirements.



CPO, global automotive corporation
(HQ in US)

I've read the paper and I think the diagnosis is right. The question of where this sits is pivotal.

We are living through the most volatile commercial environment the automotive industry has seen in a generation. Tariff exposure, raw material pricing, supplier financial distress, the electrification - every one of those is a commercial intelligence problem before it becomes a supply chain problem. And in my experience, by the time it becomes a supply chain problem, you've already lost. The intelligence has to be upstream. It has to be in the hands of people who are making decisions about sourcing, pricing and supplier relationships every single day.

I understand the concern about functional bias but the answer to that is governance - clear terms of reference, cross-functional data sharing obligations, a mandate that explicitly covers sell-side as well as buy-side intelligence. The ownership question must consider who has the organizational weight, the systems infrastructure and the market-facing relationships to actually make this work from day one? In most large organizations that is the CPO's office.

I recognize the issues of silos and fragmentation raised by the paper. But the solution is not to create another function that sits above the existing ones and hopes to influence them.

The solution is to give one function the mandate and the authority to fix it and then hold that function accountable for the enterprise outcome, not just the procurement outcome.



Head of contract management, global defense corporation (HQ in Europe)

I want to engage seriously with this paper because the problem it describes is real and it has cost the industry an enormous amount of money over many years. But I have to be honest about where I think the ownership debate is heading, and why I'm worried.

I've spent my career in defense contracting. Our programs run for decades. Our customer is government. Our contracts involve classified requirements, export control obligations, cost accounting standards, offset commitments, and performance regimes that evolve over the life of a platform.

Commercial intelligence in this environment is about program risk, about understanding what our obligations are, whether we are meeting them, where the change order patterns are pointing and what the claims exposure looks like three years from now.

That intelligence lives in the contract data and in most organizations I have worked with or alongside, nobody owns that data end to end.

WorldCC's research has shown that this is a program risk. We operate in conditions that produce claims, disputes and cost overruns and damage customer relationships. So when I read a paper proposing a Commercial Intelligence Office, my first reaction is: yes, finally. My second reaction is: please don't let procurement or legal own it.

I say that without any disrespect to my colleagues. But the incentive structure is wrong. A procurement-owned intelligence function will be measured on procurement outcomes - savings, cycle time, supplier consolidation. Those are legitimate but they are not the same as enterprise commercial performance.

Legal has other objectives, it's not a data driven function.

In defense the post-award world is where the value is won or lost. It is where the program either delivers or doesn't. Legal and Procurement's attention is pre-award. If the Commercial Intelligence Office sits in either of those the post-award intelligence will be an afterthought.

What the paper is pointing toward and I'd encourage the authors to be more explicit about this, is something genuinely independent. A lean, senior function with a mandate that spans the full contracting lifecycle from market intelligence through to post-award performance and closure.

This is not a large bureaucracy, it's a small group with the authority to hold every function to account for the quality and integrity of the commercial data they generate and consume. And as the paper points out, AI has a big role to play in enabling this data integration. We must grab that opportunity before the siloed AI adoptions replicate what we have today.

In defense we have learned that program success depends on the quality of the intelligence you have about your own commitments. The Commercial Intelligence Office is the right idea. The question of where it sits should be answered by one measure only:

where can it be genuinely independent, genuinely authoritative and genuinely accountable for enterprise outcomes? That is not inside any existing function. It is across them.

World Commerce & Contracting

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About Spotdraft

SpotDraft is an end-to-end contract automation platform for cutting-edge companies.

SpotDraft's AI-powered contract lifecycle management system handles all contract-related tasks across the entire lifecycle, including third party paper, clickwrap agreements, AI-assisted redlining, e-signatures, and an intelligent contract repository.

We are currently expanding our footprint worldwide with major brands.

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