Commerce & Contract Management Institute

The Procurement-Legal relationship

The collaboration gap

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Contents

Executive summary

Procurement and Legal are two functions that most organizations assume work well together – and on the surface, this report agrees. Most survey respondents describe the relationship as workable, even collaborative. But look past the surface answers, and a more complicated picture appears.

This report is not really about contract templates or how fast reviews get turned around. It is about who holds the authority to make commercial decisions, and when Legal gets pulled into the process. The findings that follow explore role clarity, trust, technology, and the tension points between the two functions – and they point to a relationship that works day to day, but is not generating the value that it should, and could, deliver.

One finding is that it is Legal, not Procurement, that emerges as the more strained and self-critical party – a reversal of the familiar gatekeeper narrative, and one that independent research on in-house counsel now supports.[1, 2] The relationship's real weak points are authority and timing: rules for who decides what – and when Legal must be at the table – that have not kept pace with the speed and complexity of business. That weakness has an infrastructure dimension because procurement and legal data is typically held in separate systems – legaltech on one side, procuretech on the other. This means that the information needed for early, well-founded involvement is frequently not found where, or when, it is needed.

The shared-data problem and the timing problem are two faces of the same gap, and beneath both sits a single self-reinforcing loop: because Procurement holds no real authority over the core terms, it has little reason to build deep expertise in them, and that missing expertise is exactly what leads Legal to withhold authority. This is why neither timing nor trust improves of its own accord, and leads us to the more important question – what replaces the current model? That forward view, set out in the closing sections of this report, describes how integrated technology and connected data flows make genuine commercial integration achievable for the first time.

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1. Nearly half of in-house teams report being consulted too late in strategic decisions, and Legal is frequently seen as a project roadblock. *In-house legal survey*, Association of Corporate Counsel, 2023.

2. Around one in five in-house lawyers report high or severe work-related stress, concentrated in legal leadership. *The State of Stress Among In-house Legal Professionals*, Association of Corporate Counsel, 2025.

Context

What this report confirms is that in most organizations, Procurement and Legal are not two functions working in harmony toward a shared business objective. They are two functions that have learned to coexist, and the typical relationship between them is, at best, clunky, and at worst, adversarial.

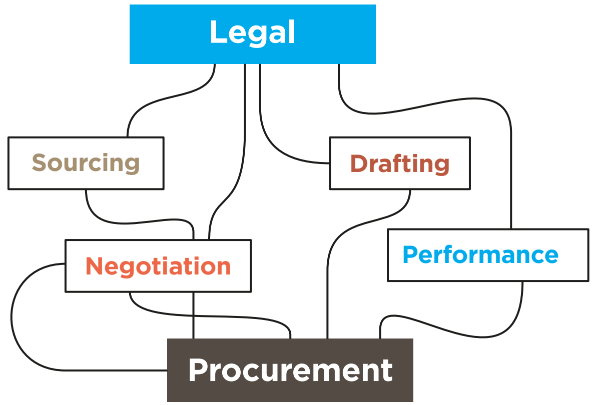
This matters because the environment has moved. Delivering and managing high-performing supply relationships in an era of constant disruption is not a task that can tolerate disjointed effort. It demands a streamlined process operating on shared intelligence – a commercial picture that every party to a deal can see and act on, as conditions change. It is against that standard that the relationship must be assessed.

This report shows how far most organizations remain from that integrated state. It confirms separate systems, separate authority, uneven trust, and engagement that often occurs too late to shape outcomes.

What that picture ultimately shows is that contracting is still not viewed or managed as an integrated process. It is treated as a series of disjointed tasks – sourcing here, drafting there, negotiation elsewhere, performance somewhere else again – handled by different groups working in relative isolation, each optimizing its own step, and none owning the whole.

A process assembled that way is producing a sub-standard result by design. The weak output is the predictable consequence of the fragmentation, not a failure of the people working inside it.

This is the context in which the findings that follow should be read. Taken individually, each is a manageable operational irritation – a template that doesn't quite fit, a review that runs late, a system that doesn't talk to another. Taken together, and set against what the environment now requires, they describe a discipline that has not yet become one. That reframing is the point of this report: not just to catalogue the gap between Procurement and Legal, but to show why closing it has become a strategic necessity rather than an administrative efficiency.



Contracting is treated as a series of disjointed tasks handled by different groups working in relative isolation.

Introduction

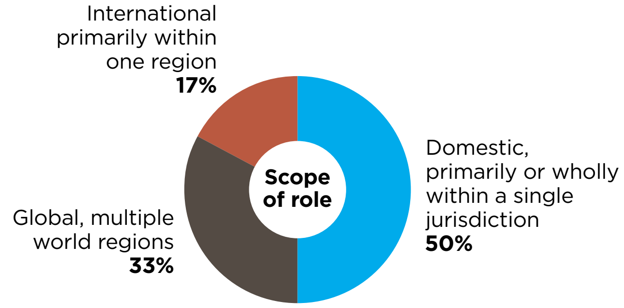
This survey is about power and timing. It's about who actually controls commercial decisions, and when Legal gets pulled into the process. That gap is where the friction lies, and market disruption has exposed the fault line more sharply and made its resolution more urgent. For some Procurement teams the relationship has grown closer, for others more strained, while Legal survey responses lean more heavily toward strain than connection.

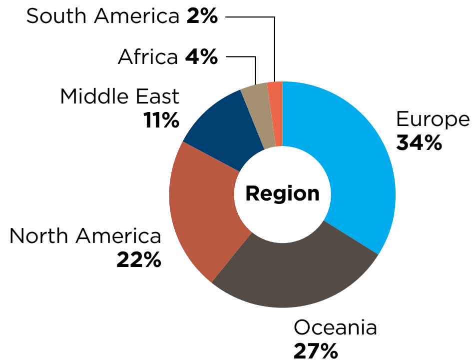
This research describes the relationship's real weak point and frustration: teams get involved too late, and that's a common complaint by both Procurement and Legal, not a one-way failure of either function.

Neither side is at fault because they operate in a process that was never designed with clear handoffs in mind. It's a structural gap which demands clearer handoffs and more thought on how each function better enables and equips the other to do its job.

Respondents

For this report's survey, over 150 organizations shared their experience of one of the most consequential relationships in modern commerce. They reflect a range of regions and scope of roles, and various sectors.





Legal's perspective

Legal holds the formal reins of the contracting relationship but is far from comfortable with that arrangement because they are involved late and often feel they lack the data or information needed to make a good decision.

53% of Legal respondents doubt Procurement's ability to make safe changes on its own, see Figure 1, where 9% of Legal respondents express very high concern, and a further 44% are somewhat concerned. In addition, 17% of Legal respondents say that Procurement is not permitted to make amendments without prior approval.

This view is reflected in Figure 2, where only 12% of Procurement teams say they have full authority to make amendments to contracts.

From the lawyer's perspective, they are frequently involved too late and this reinforces their questions over the competence of Procurement in understanding the role and importance of contracts.

This finding is not unique to this report: research on in-house teams consistently finds that close to half of them report being consulted too late in strategic decisions,[3] and late functional involvement is now widely regarded as one of the most persistent and commercially costly features of the contracting process.[4]

Figure 1: How comfortable is Legal with Procurement making limited amendments to templates?

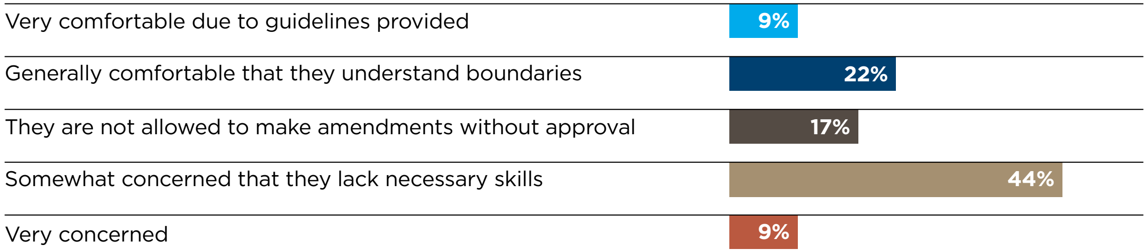
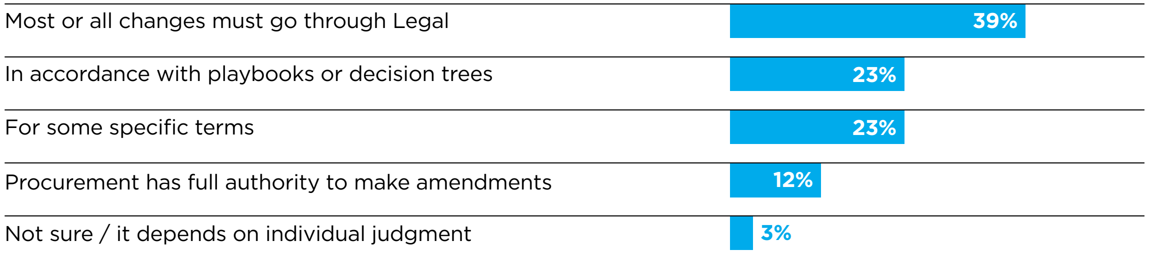


Figure 2: How much authority does Legal give Procurement to amend standard templates



3. Nearly half of in-house teams report being consulted too late in strategic decisions, and Legal is frequently seen as a project roadblock. *In-house legal survey*, Association of Corporate Counsel, 2023.

4. Late functional involvement is among the most persistent and commercially costly features of contracting. *Late Procurement Involvement in the Public Sector,* Gartner, Proactive-procurement research, JAGGAER, 2026.

Legal's perspective *(continued)*

Figure 3 shows that 52% of Legal respondents say they are brought in too late to add meaningful value; another 52% say involvement depends on which individuals from within Procurement are handling a deal. Only 17% feel their involvement is 'about right'.

Figure 4 shows that Legal feels more strain from current business conditions (39%) than Procurement feels from market conditions (30%), suggesting recent disruption is affecting Legal more strongly.

Comments about involvement being driven by 'politics and cost saving' suggest Legal support may not always be based on the actual level of risk in a deal.

Figure 3: Legal's level of engagement in procurement contracting

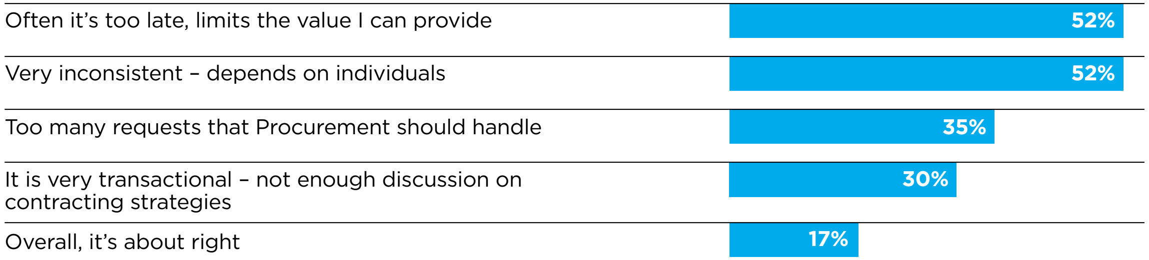
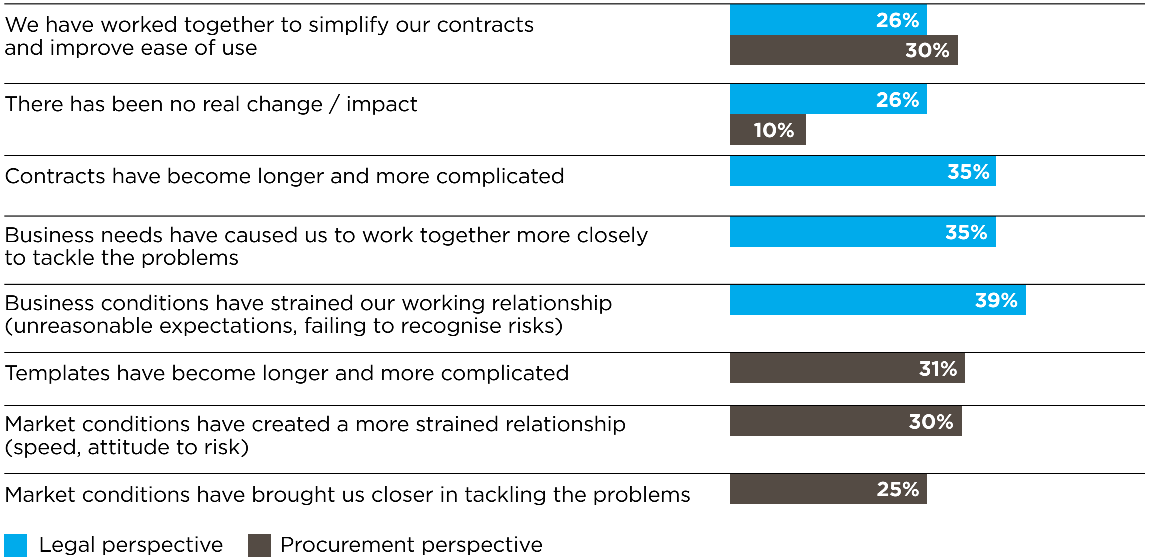


Figure 4: Recent business conditions that have changed the relationship with the other function



Procurement's perspective

Procurement's story is one of 'good enough, but limited'.

Nearly a third of respondents say templates have become longer and more complex due to recent market pressures. As shown in Figure 5, just 12% view contract templates as 'fully fit for purpose'. This leaves 88% with occasional or frequent need to agree amendments to templates. However, as Figure 2 (page 5) indicated, only 12% can make changes without approval. This becomes a problem and causes delays when flexibility is needed.

Figure 6 shows that Procurement also seems less critical of Legal than Legal is of itself. Only 13% rate Legal's response time as 'excellent', while 40% describe it as 'variable'. This points more to inconsistency than to a system that is not working.

When disruption happens, Procurement's experience is divided. Around 30% say it has led to closer teamwork and simpler contracts with Legal, while almost the same percentage say it has created more tension.

Figure 5: How well existing contract templates support Procurement's needs

Fully fit for purpose	12%
Mostly fit	48%
Partly fit	26%
Poorly fit	5%
Not used	9%

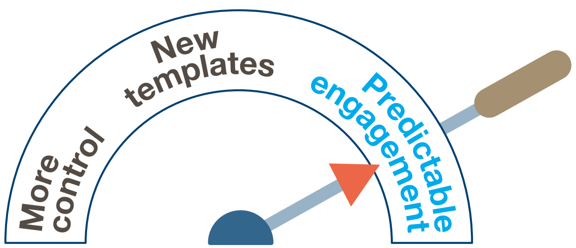
Pressure does not automatically bring Procurement and Legal closer or push them apart – it often reveals the strength of the relationship that was already there.

Figure 6: Legal responsiveness to Procurement's requests for input or approval

Excellent	13%
Good	30%
Variable	40%
Slow	12%
Often causes delay	5%

Where both perspectives meet

The most important finding is that Procurement and Legal are experiencing the same problem from different sides.



The leadership lever is not for more control or new templates, but earlier, more predictable engagement.

Procurement has limited freedom to make changes. Legal, meanwhile, retains formal control but still struggles with when and how it is involved.

For both functions, the underlying issue is inconsistency. Procurement experiences it through unpredictable response times; Legal experiences it through unpredictable timing of engagement. The answer may not require separate solutions for each function – clearer rules, earlier engagement and greater consistency could address concerns on both sides.

The findings also challenge the idea that Legal is comfortable with the current process while Procurement is the frustrated user.

In fact, Legal appears to be the more critical and strained party. In-house counsel are widely reported as being treated as project roadblocks while being asked to do more with less,[5] and independent research now records materially elevated stress within legal functions, concentrated in legal leadership.[6] When considered alongside the resourcing constraints respondents raised, the picture is of a function holding formal control that it sees as a burden rather than power. For leadership, that changes the priority: the lever is not more control or new templates, but earlier, more predictable engagement and the capability and decision paths to support it.

5. Nearly half of in-house teams report being consulted too late in strategic decisions, and Legal is frequently seen as a project roadblock. *In-house legal survey*, Association of Corporate Counsel, 2023.

6. Around one in five in-house lawyers report high or severe work-related stress, concentrated in legal leadership. *The State of Stress Among In-house Legal Professionals*, Association of Corporate Counsel, 2025.

Role clarity

Role clarity between Procurement and Legal is a problem for many, with just 27% saying it is very clear, see Figure 7. This is consistent with CCM Institute's broader finding in its global benchmark reports – that clarity of roles, responsibilities and organizational structure are long-standing issues across the entire contracting process.

Figure 7: Clarity of roles and responsibilities in contracting activities

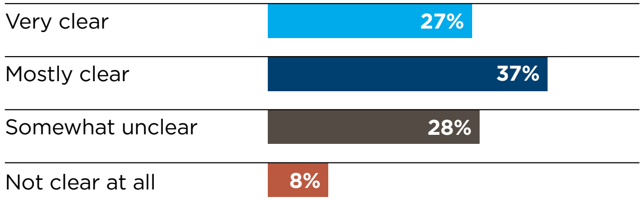
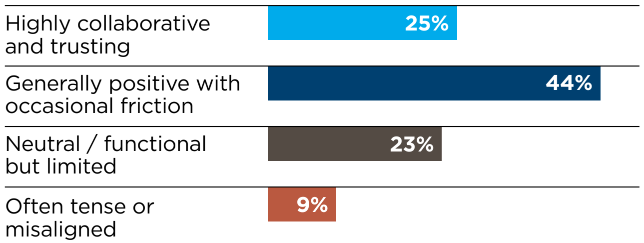


Figure 8 shows that most respondents are describing a relationship that works most of the time but carries recurring friction.

Figure 8: Overall working relationship between Procurement and Legal

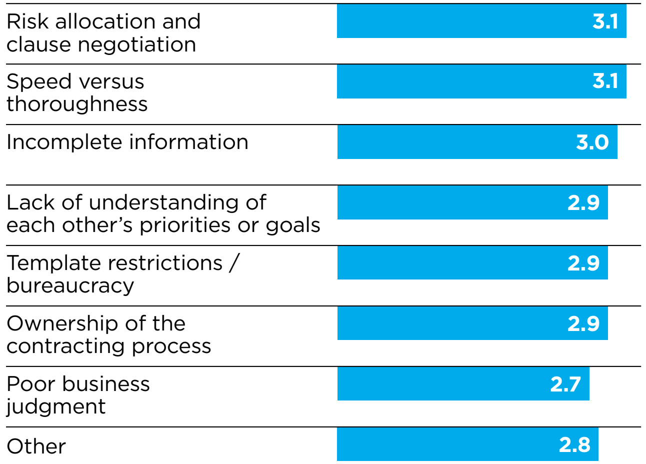


> "I have yet to see many organizations where roles are clear as to who does what, especially on contracts."
>
> **Director, Commercial services**

As to where that friction concentrates, Figure 9 shows that risk allocation and clause negotiation, and speed versus thoroughness, each score 3.1 on a 1–5 scale, followed by incomplete information at 3.0. But there are seven issues which sit above the median level of 2.5 – a clear indication of the innate tensions and inefficiencies within the Procurement-Legal relationship. The problem is not a specific pain-point, it is structural – and market disruption is making it worse.[7, 8]

Respondents who answered 'other' described tension driven by differences in working practices rather than a single dominant issue: slow or delayed legal engagement, differing approaches to risk appetite, and a perceived lack of flexibility in adapting terms to non-standard requirements. A recent panel discussion led to agreement that "*being involved too late is a common complaint on both sides and incomplete information is a justified complaint Legal makes about Procurement*".

Figure 9: Extent to which these issues cause tension (mean, scale 1-5)



7. 94% of organisations experienced geopolitical disruption in the prior year, and most found their contracts offered little help. *Contracting under geopolitical uncertainty*, WorldCC, 2026.

8. *Geopolitical disruption: Commercial paralysis*, WorldCC, 2026.

The authority trap

It is tempting to read the authority data as a simple matter of permissions, i.e. how much of the template Procurement may edit.

But the template is not the contract. It is the terms-and-conditions layer, the risk-allocation architecture that Legal owns. The commercial content is largely authored by Procurement and the business: the specification or statement of work, the service levels and credits, the pricing and payment schedules, the Key Performance Indicators (KPIs) against which performance is judged. A contract's value and much of its risk lives in the interaction between these two layers, and it is the failures in that interaction which represent a source of risk and value erosion.

Because it lacks authority over the terms, Procurement typically defaults to the standard template whether it fits or not. Only when the counterparty pushes back does this get escalated, which forces the late engagement by Legal.

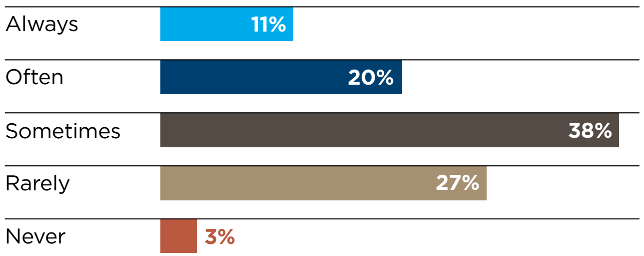
This is not caused by deliberate delay, it is a consequence of the system and it is self-perpetuating. When people have no authority over something, they have no reason to build expertise in it. It is this that underlies the 52% of Legal who doubt Procurement's competence – so Legal keeps control, and the cycle continues.

The way out is bounded authority, until now reflected in the 23% with playbooks. Moving forward, the real answer will be through system-enabled empowerment with defined decision rights and deployment of Artificial Intelligence (AI) agents.

Planning and improvement levers

Joint planning remains inconsistent rather than embedded. Both parties were asked how they plan together before a major contracting activity begins.

Figure 10: Frequency of joint planning between Procurement and Legal



'Sometimes' is the largest response at 38%, see Figure 10. This is followed by 'rarely' at 27%. Combined, roughly two-thirds plan together only occasionally or less, against just 11% who say 'always'.

The gap respondents experience most (inconsistent planning) lines up directly with the change they believe would have most impact on collaboration (earlier engagement).

It is notable that respondents see the friction as rooted more in timing and process discipline than in misaligned incentives.[9] However, we should be cautious in interpreting this result, especially since many of the solutions are generic 'calls to action' rather than specific initiatives.

Overall, the inputs call for defining the handoffs – who owns what, at what point in the transaction each function should engage – so that timing stops depending on individual habit and starts being built into the process. This is once again an issue endemic to the overall contracting lifecycle. In recognition of this, international working groups developed the Contract Management Standard (CMS™), an ANSI-approved standard which is progressing to ISO.

9. Why stated collaboration often diverges from organisational incentives and information-sharing behaviour. *Win-Win or just winning?* WorldCC, 2026.

Technology and data

Shared systems between Procurement and Legal remain the exception, not the rule.

Only 18% of organizations use shared Contract Lifecycle Management (CLM) tools across Procurement and Legal, with roughly 45% citing no shared CLM tools at all. Around 29% use them 'to a limited extent' and 7% plan to adopt one in future.

The pattern is once again structural, with different functions each acquiring their own software, in support of their specific tasks. This leaves organizations juggling incompatible systems doing overlapping jobs, or leaving major gaps. This is a fragmentation problem built into how organizations procure their own contracting tools. It immediately limits the ability to turn contract data into shared commercial intelligence: when contract information sits across disconnected systems, Procurement and Legal each hold part of the picture, but neither has the complete view needed to support faster, better-informed decisions.

Respondents' own words tell the same story – manual, ad hoc processes rather than integrated systems: email chains, shared folders and document exchange rather than interoperable platforms. One respondent was explicit that this is a workaround for a system gap, not a deliberate choice: sourcing and CLM being completely separate, requiring distinct and redundant data entry. This is where contract intelligence can play an important role: connecting and structuring contract data so both functions work from a consistent view of obligations, risk, performance and commercial exposure. The opportunity is therefore not simply better system integration, but better use of the intelligence held within contracts to support earlier and more coordinated decision-making.

Shared systems: the infrastructure gap behind the relationship gap

Where systems are shared, the relationship tends to be described as smooth, and with greater trust and mutual respect. Where systems are not shared, respondents use words like 'clunky', 'poorly' and 'manual'. On AI, Figure 11 shows that the tone is one of cautious optimism rather than fear. 38% believe that if the two functions work together on use cases, AI has the potential to build far greater shared understanding. 24% expect AI to help to a significant extent and in a positive way, and 28% expect a limited but positive effect. Only 7% see AI as a risk to the relationship.

Open-text responses show a wide range of maturity in AI use, with many either piloting use cases or third-party solutions and others turning to in-house Copilot and ChatGPT deployments. Yet here again we observe the silo mentality, with Procurement and Legal experimenting separately rather than jointly. A small number of respondents point to structural resistance rather than a technology gap: one described the barrier as cultural, not technical, saying "*Legal will not embrace any technology that lets other functions have access to it*", while another noted *"access is discretionary rather than systemic"*.

Figure 12 shows that how expertise is valued between the functions sits in the middle ground. 52% describe the other function's expertise as 'variable and has room to improve', while just 33% report a high degree of respect and value. Only 9% describe the relationship as dismissive, so outright disrespect is rare, but consistent trust in the other function's expertise is not yet the norm.

Just as trust is not deep or evenly distributed, understanding of priorities is also split, see Figure 13. Only 19% acknowledge close alignment, whilst a higher number report some friction (36%), and 9% think there is regular misunderstanding. This sense of pulling in different directions inevitably causes delays and a reluctance to engage.

Figure 11: Anticipation of how AI will impact the relationship

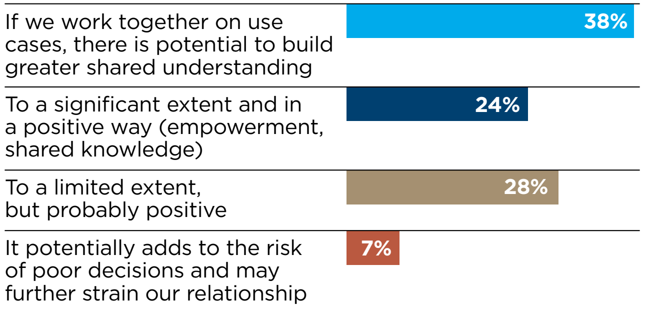


Figure 12: How expertise is valued by the other function

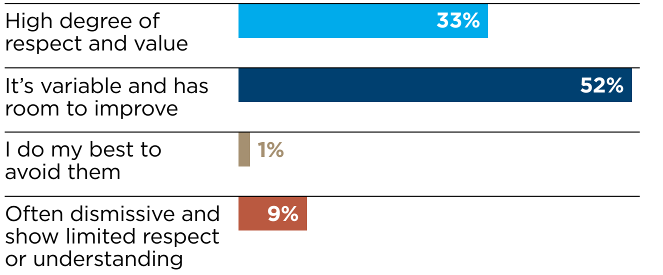
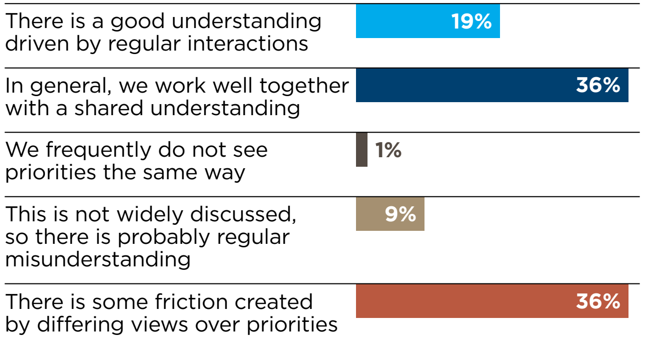


Figure 13: Extent of shared understanding of business priorities



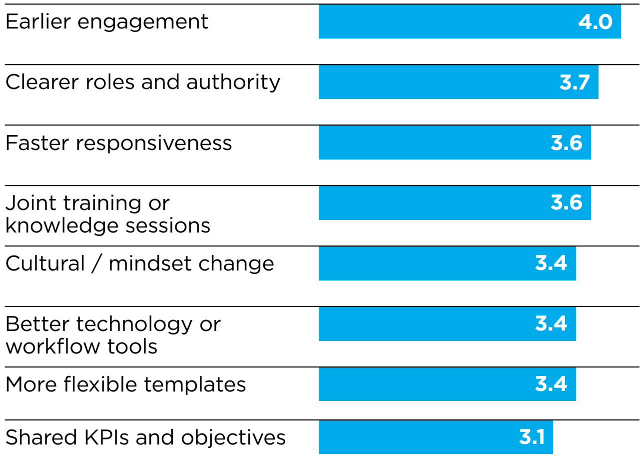
The bigger picture

Asked what single change would most improve how Procurement and Legal work together, responses converged less around technology and more around structure, see Figure 14.

Earlier engagement was the most frequent theme (4.0), with Legal involved in shaping strategy before a deal reaches the table, rather than brought in to review documents after the fact. Clearer roles and authority (3.7) followed, with several respondents naming a Responsible, Accountable, Consulted, and Informed (RACI) matrix or defined decision rights.

A further cluster pointed to shared goals and aligned KPIs; a smaller group named shared technology and a common CLM as the practical enabler underneath it all. A further group pointed to resourcing constraints, especially within Legal, as a barrier that no amount of process redesign can fix on its own.

Figure 14: Changes that would most improve collaboration (mean, scale 1–5)



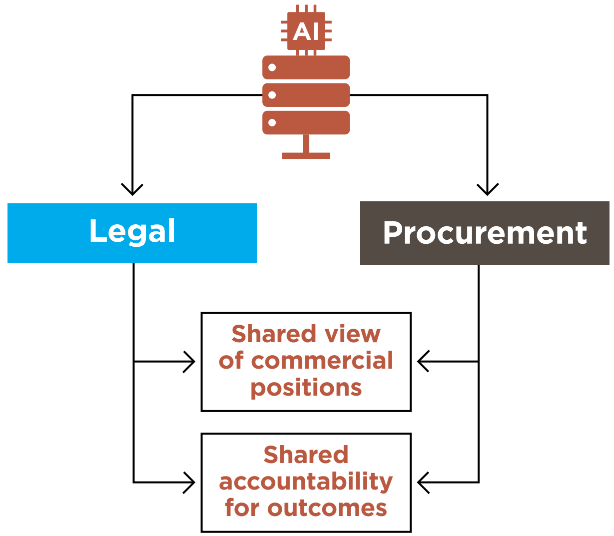
The goal must be to get from fragmentation to commercial integration. The problem highlighted by this report is of two functions responsible for the same commercial outcomes who rarely share a single record of the contracts that define them.[10]

This is what siloed thinking looks like in practice: separate processes, separate tools, separate data, and no shared ownership of the outcome.

This matters more now than it once did, because contracts are no longer signed and filed. Under the constant disruption of supply shocks, sanctions, price swings and changing regulation, the relationship keeps moving and the contract has to move with it. Fragmentation and inflexible templates are no longer a one-off nuisance at signature, they become a recurring cost. Every time conditions change, two functions rebuild by hand, using an operating model that no longer fits the conditions it works in.

The alternative is commercial integration:[11] not merging the functions, but giving them one shared view of the commercial position and one shared accountability for the outcome, supported by connected data. AI makes this realistic for the first time. It is now cheap enough to structure and connect contract data at scale. But it demands a shared approach because when deployed function by function it speeds the fragmentation up;[12] a shared foundation it is what removes the disconnect.

The result of that shared work on process and system will be the clearer handoffs, calibrated authority and earlier engagement that contributors to this survey are calling for.



AI has made realistic, for the first time, commercial integration (not merger) giving one shared view, supported by connected data.

10. Contract repositories alone are no longer enough. *Trusted contract data: from repository to system of record,* WorldCC, 2026.

11. Contracts must become structured sources of commercial intelligence, and Legal must lead, enable, or stop slowing that shift. *Commercial intelligence office,* WorldCC, 2026.

12. 94% of organisations experienced geopolitical disruption in the prior year, and most found their contracts offered little help. *Contracting under geopolitical uncertainty,* WorldCC, 2026.

Conclusion

Across the survey, most people describe the relationship between Procurement and Legal as workable, collaborative in places, occasionally tense, but not broken.

The big issues are perceived as timing and authority, not attitude. The rules for who decides what, and when Legal steps in, have not kept pace with how fast business conditions now move. Contract templates have become outdated and a poorly defined working relationship adds to tension. Legal holds much of the control, and exhibits only moderate trust in Procurement; Procurement wants more freedom but isn't in general formulating steps to achieve it.

Rewriting templates is important and necessary, but meaningful improvement requires much more. Outdated templates add friction, but they are a symptom. The causes are who holds authority, when Legal engages, and whether either function can see the full commercial picture.

Inefficient contracting is estimated to erode around 9% of contract value through missed opportunities, compliance failures and poor terms[13] and what we see in this report are major contributors to that erosion. What we also observe is that organizations using digital and AI-enabled contract management meet or exceed their savings targets far more often than those relying on traditional methods,[14] and clear thresholds that keep Legal out of routine purchases free scarce legal capacity for the deals where judgement matters.[15]

This report has shown that what most people see as 'fixes' for the problems – earlier engagement, faster response, a better working relationship – are results, not actions.

Achieving these improvements requires three changes, made in sequence and co-developed by Procurement and Legal:

1 Make the commercial outcome a shared responsibility

One set of objectives that Procurement and Legal are both contributing to, rather than two functions each optimizing against its own priorities.

2 Build the shared record

The terms, the specification, supplier performance and obligations must sit within a shared system which both functions can see. This foundation of integrated contract intelligence is the dependency for meaningful collaboration and value delivery.

3 Redistribute authority calibrated to risk

Give Procurement bounded decision rights within playbooks, so that Legal is automatically drawn in by the risk profile of the deal. This will increasingly become a system-enabled model, powered by AI.

This is where the Contract Management Standard (CMS™)[16] gives teams a framework to put these foundations in place, and the WorldCC Skills Assessment[17] provides insight to where the capability gaps that are holding the relationship back, actually sit.

The market is demanding change. Procurement and Legal know that it is needed. The tools and frameworks for that change are available. The necessary ingredient is for concerted, collaborative action.

13. Value erosion estimated at approximately 9% of contract value. *Closing the procurement value gap,* WorldCC, 2026.

14. Organisations using digital and AI-enabled contract management meet or exceed savings goals markedly more often than those using traditional. *Global Chief Procurement Officer Survey,* Deloitte, 2025.

15. Clear thresholds and workflow automation free legal capacity, with time on complex supply agreements reduced by roughly a fifth. *Procurement and Legal: So Much Better Together,* Ironclad, 2026.

16. Contract Management Standard™ and Commercial and Contract Management (CCM) certification, WorldCC.

17. Skills Assessment, WorldCC.

Commerce & Contract Management Institute

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