# Code & Counsel's State of Legal Contract AI 2026

This report is prepared by Code & Counsel, PLLC as an independent market and strategy assessment for executives evaluating the evolving landscape of legal AI around contracts. It is written to be vendor-neutral.

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## Executive Summary:

Enterprise legal AI around contracts has moved from pilot to production between 2023 and 2025. Surveys and studies confirm that what was experimental tech just two years ago is now an essential part of legal operations. For example, a recent independent study found that 70% of U.S. law firms had launched generative AI pilot projects by late 2025 (with nearly a quarter of large firms fully implementing gen AI across multiple practices) ("Law Firm AI ROI: What Finally Worked and Why in 2025," Best Law Firms), and an ABA Tech Survey reported that **93%** of mid-sized firms were using AI tools in 2025, up fivefold from the prior year. ("How Generative AI is Disrupting Law Firm Billing Practices," LexisNexis). In corporate legal departments, a new benchmark report reveals **38%** of teams already using AI and another **50%** actively exploring it ("Legal Departments Show Growing AI Adoption," LawNext) – indicating that adoption is now common across both large law firms and in-house departments. Notably, contract-related tasks are the clear leader in legal AI use cases: **64%** of legal departments using AI say they employ it for contract drafting, review and analysis (making contracts one of the most operationalized domains for AI). While there is broad agreement that these tools are saving significant lawyer and legal-ops hours per month – one independent survey of early adopters found that power users save on the order of **30–37 hours per month** using a generative AI assistant ("The Impact of Legal AI: A Deeper Dive," Legal Technology) – the ecosystem remains fragmented, with many point solutions in play. Rather than standardizing on a single platform, most sophisticated buyers have assembled a **stack** of complementary AI tools. ("Technologist's Recap: LegalTech 2025," LinkedIn). In practice, this means legal teams might use a horizontal AI copilot for general tasks, one or more specialist contract AI tools for in-depth analysis, and an AI-enhanced CLM system – integrated together – instead of relying on any one vendor's suite.

This "State of Legal Contract AI" report focuses on fifteen vendors that together represent the core of the 2025 contract-adjacent AI landscape: Harvey, Legora, Ivo, Luminance, Litera/Kira, Spellbook, BlackBoiler, ThoughtRiver, TermScout, Leah (ContractPodAi), Icertis, Ironclad, Agiloft, Sirion, and Evisort. They are grouped into three segments: **horizontal legal copilots; contract-focused AI; and CLM platforms with strong native AI.** The analysis is descriptive rather than prescriptive and is intended for an executive audience assessing how these categories fit into a broader contracts strategy.

Several cross-cutting themes emerge. First, horizontal "copilot" AI solutions are quickly becoming table stakes for knowledge-intensive work, but they are typically complemented – not replaced – by specialist contract tools and CLM systems. Second, contract-focused

AI has matured into a practical way to triage high-volume, lower-complexity contracts and to support diligence and benchmarking (particularly in M&A and procurement contexts). Third, CLM vendors are racing to make AI "native" to their platforms, embedding it not only in review and drafting but also in obligation management, analytics, and workflow automation. Finally, although time-savings stories are now common, formal ROI measurement and alignment with billing/budgeting models remain incomplete. As one law firm survey noted, **61%** of firms reported AI has *somewhat* increased efficiency (and 21% said *significantly*), but relatively few have translated those gains into new pricing or billing strategies. ("The Legal Industry Report 2025," Federal Bar Association). This gap in ROI tracking and value attribution will shape buying behavior in 2026 and beyond.

Code & Counsel's view is that, over the next 12–24 months, the most successful contract-adjacent AI offerings will be those that **(1)** integrate smoothly into this multi-layer stack and with other business applications, **(2)** surface and expose high-quality structured data about contracts (rather than just generating text), and **(3)** make it easier for legal and business stakeholders to see, act on, and report realized value.

## Key questions for executives:

- *What stack pattern do we actually have today* – copilot-first, CLM-centric, or a full copilot + contract AI + CLM stack – *and is it intentional or emergent?*
- *Where are our biggest data gaps in the contract lifecycle* (e.g. intake, review, obligations, renewals), *and which layer of the stack is best positioned to close them?*
- *Which vendors in our environment are genuinely strategic versus tactical, and how should that shape our integration, governance, and renewal decisions over the next 12–24 months?*

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## Market Context and Segmentation

AI tools that touch contracts now sit at three layers in most sophisticated environments:

- **Horizontal legal copilots** that support many types of legal work and increasingly include contract drafting and analysis.
- **Contract-focused AI tools** optimized for reviewing, redlining, and benchmarking large volumes of agreements.
- **CLM platforms** that act as systems of record for contracts and embed AI across the lifecycle from intake to renewal.

Large law firms and global enterprises have been the earliest and heaviest adopters of AI at scale, with mid-market firms and corporate legal departments following behind. Indeed, respondents from firms with 51+ lawyers report significantly higher AI uptake than smaller firms ("The Legal Industry Report 2025," Federal Bar Association), and in-house teams at technology companies are leading the charge on contract AI usage. ("Legal Departments Show Growing AI Adoption," LawNext). In practice, adoption has often been driven as

much by individual lawyers' and legal-ops leaders' experimentation as by formal top-down programs. Many organizations have a patchwork of tools in use: pockets of high adoption and sophistication alongside departments still relying on manual processes. For example, one benchmarking survey found that while 74% of legal professionals expect to use AI tools in the next year, lack of trust and data privacy concerns remain major barriers to broader deployment – suggesting uneven uptake and cautious governance across departments.

From a contract-specific perspective, the clearest patterns of value are in **first-pass review of high-volume, lower-complexity documents** (such as NDAs and routine vendor agreements); in **M&A and portfolio-level analysis**, where AI can rapidly digest large contract sets to flag anomalies or extract key data; and in **generation of structured data and obligations** to feed into CLM systems and reporting dashboards. These use cases consistently show up as early "wins." For instance, AI tools can review standard NDAs or vendor contracts *in minutes instead of hours*, catching deviations and applying playbook terms automatically. ("AI for Legal Service Providers," BlackBoiler). In M&A due diligence, AI-driven review platforms have demonstrated the ability to cut review time by over **85%** by quickly spotting risky clauses and anomalies in massive document sets. And AI extraction engines can pull key terms and obligations from legacy contracts to populate a CLM database almost instantly, providing visibility that would be unattainable through manual abstraction. ("Luminance AI Review," Eesel AI). The vendors in scope for this report each participate in one or more of these categories, and they are often deployed side by side rather than in a mutually exclusive manner.

**Code & Counsel's recommendation:** treat these three layers as complementary, not hierarchical. Each addresses a different part of the contracts workflow, and procurement decisions should explicitly assume coexistence and integration. It is increasingly common, for example, to see a horizontal AI copilot like Harvey paired with a specialist review tool like Kira or Spellbook, all feeding into an AI-enabled CLM like Agiloft or Ironclad.

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## 1. Horizontal Legal Copilots

**Segment definition:** Horizontal legal copilots are AI workspaces designed to support a broad spectrum of legal work – from research and memo drafting to contract analysis and email/document summarization. They typically provide a conversational or assistant-like interface, integrate with document repositories and productivity suites, and are used across multiple practice areas (including, but not limited to, contracts). For purposes of this report, three such tools are in scope: **Harvey, Legora, and Ivo.**

## Vendors in scope:

| Vendor | Primary buyers | Core focus (general) | Contract-specific strengths | Maturity (2025) |
|---|---|---|---|---|
| **Harvey** | Am Law firms / large enterprises | Broad copilot (research, drafting, analysis) | First drafts; playbook Q&A; high-level contract review | Most mature in this set |
| **Legora** | Law firms (transactional focus) | Word-native drafting and collaboration | Clause reuse, comparison, in-document drafting | Fast-growing challenger |
| **Ivo** | Firms and in-house teams | Assistant + matter/document workspace | Summaries, clause suggestions, policy Q&A | Earlier-stage, emerging |

**Harvey:** A generalist legal copilot widely used across large law firms and enterprises, spanning research, drafting, and document analysis. In many Am Law 100 and global firms it is deployed as a firm-wide AI layer integrated with the DMS and knowledge systems, rather than as a point solution confined to one practice area. For example, Harvey offers direct integrations with document management systems like iManage and NetDocuments to let lawyers securely query and analyze their files without leaving their workflow. ("Harvey and iManage Enter Technology Partnership," Legal.io). Contract-related use cases of Harvey include first-draft generation of standard documents, answering playbook-based questions, and high-level issue spotting in uploaded contracts. Its commercial traction and customer base make it a bellwether for this segment: over **half of the 100 top-grossing law firms** now have Harvey licenses, and major corporates like Walmart and Comcast have adopted it as well. ("Harvey Legal AI ROI 2025," Business Insider). This broad adoption – Harvey has reached **1,000+ legal team customers** across 59 countries ("Harvey Hits $190M ARR, Building Memory & Personalisation," Artificial Lawyer) – together with its rapid revenue growth (crossing a **$190 million** ARR milestone just three years post-launch, possibly the fastest in legal tech history) has cemented Harvey as an anchor reference point among AI copilots.

Harvey is now rolling out a new "**Memory**" feature to personalize its assistance by carrying forward a user's context, preferences, and past decisions. In practice, this means the AI will remember matter details, preferred clauses, and firm-specific standards – enabling more consistent, customized contract drafting and analysis. This move directly addresses a key demand from law firms and in-house teams: making AI outputs less generic and more aligned with each organization's style and playbooks. Notably, Harvey's focus on "Memory" is being co-developed with input from industry innovation leaders, and personalization will be optional and governed to meet security needs. It signals that horizontal copilots are evolving from one-size-fits-all chatbots into embedded, learning companions tuned to each enterprise's knowledge base.

**Legora:** A newer entrant focused on law firms, built around *tight integration with Microsoft Word* and a collaborative development model with its customers. Legora is frequently deployed in transactional practice groups – especially for M&A and complex commercial work – where it supports drafting, clause comparison, and pattern reuse directly in the lawyer's authoring environment (Word). Many firms view Legora as a way to embed AI more deeply into document-centric workflows **without asking lawyers to leave Word**. In fact, Legora's success is largely attributed to how seamlessly it plugs into Word and SharePoint: thousands of lawyers can now use Legora from inside Word to pull in precedents, run clause comparisons, and apply playbook-driven edits. ("Legora Case Study," Microsoft) Its "collaborative AI" approach also means Legora co-develops features with input from its client firms – a deep partnership model that Legora's founders cite as a key differentiator. ("Swedish LegalTech Startup Legora Raises €70.6M," EU-Startups) Since launching in 2023, Legora has grown quickly (raising a €70.6M Series B in 2025) and now serves over **250 law firms and in-house teams across 20 countries**, including major firms like Cleary Gottlieb, Goodwin, and Bird & Bird. This fast uptake underscores Legora's positioning as a challenger in the copilot segment. Its Word-integration and clause-focused features (e.g. quick reuse of model clauses, side-by-side comparison against firm standards) are particularly appealing to deal lawyers who want AI assistance *within* their familiar drafting tools.

**Ivo:** An emerging copilot-style platform that combines an AI assistant with matter and document management capabilities. It targets midsize firms and in-house teams looking for a single workspace where users can ask questions about their documents, generate drafts, and trigger simple workflows. In essence, Ivo blends a chat-style legal assistant with a lightweight document repository and contract management features. Contract-specific functionality typically involves summarization, clause suggestion, and answering policy questions over a connected corpus of the organization's contracts. For example, Ivo's Assistant can be prompted in plain language to *"summarize the termination provisions of this contract"* or *"insert our standard data privacy clause"* into a draft, pulling from the firm's knowledge base. ("Ivo AI Platform," Ivo) Because Ivo includes an integrated repository and Word add-in, it can identify clauses and answer questions across all the user's matters (given appropriate permissions) rather than just one document at a time. ("LTH Product Briefing," YouTube) While earlier in its adoption curve than Harvey or Legora, Ivo illustrates how new players are **blending assistant and system-of-work concepts** – essentially building a mini-CLM with an AI front-end. (Ivo announced a $55M Series B in late 2025 and has positioned itself as an "AI Contract Intelligence" platform for enterprises.) ("Ivo Raises $55M for AI Contract Intelligence," Ivo)

## Code & Counsel Observations (Horizontal Copilots):

Horizontal AI copilots are quickly becoming part of the baseline tech stack in larger legal environments – analogous to how research platforms or a DMS became standard in prior eras. By late 2025, over half of large law firms and a growing number of corporates have enabled some form of AI copilot across their teams. ("Harvey Legal AI ROI 2025," Business Insider) That said, their contract-specific capabilities are still narrower and shallower than those of dedicated contract-AI or CLM tools. Today, it is best to view these

copilots as **"front doors" into legal work** – useful for framing issues, producing initial drafts, and answering questions – rather than as substitutes for deeper review engines or end-to-end lifecycle platforms. For instance, a copilot like Harvey can draft a first-cut supplier contract or flag which clauses in an uploaded agreement might be non-standard, but it won't (on its own) apply a full negotiation playbook with detailed markups the way a tool like BlackBoiler can, nor will it manage the contract's approval routing and post-signature obligations like a CLM system.

For executive buyers, Code & Counsel suggests four practical considerations in this horizontal copilot segment:

1. **Treat copilots as complements:** Plan for integration with contract-focused AI and CLM solutions, not replacement of them. In other words, expect these AI assistants to sit alongside your existing contract tools – e.g. feeding a first draft into a contract review AI, or handing off extracted data to a CLM – rather than doing all contract tasks alone.
2. **Focus evaluations on governance, auditability, and integration points,** not only on dazzling demo outputs. It is crucial that a copilot has enterprise features: robust admin controls, audit logs of AI interactions, data residency/security options, and APIs or plugins to connect with your DMS, CLM, and other systems. You must match you risk tolerance with these points.
3. **Pay attention to how each copilot handles contracts as data objects** – i.e. can the outputs or insights be pushed into your contract management or analytics layers without manual re-keying? Some copilots natively output structured clause data and integrate with CLMs, while others may require custom scripting to transfer AI-generated contract summaries into a database.
4. **Expect rapid iteration:** Product capabilities in this segment are changing quarterly. We've seen Harvey add features like Shared Spaces and "Memory" within months, and Legora rolling out new Word-based workflow tools in close collaboration with beta clients. As such, contractual flexibility and roadmap alignment may matter as much as current features. Buyers should negotiate for short initial terms or shared IP arrangements for new models and keep close tabs on vendor roadmaps – possibly even participating in design partner programs.

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## 2. Contract-Focused AI (Review, Redlining, Benchmarking)

**Segment definition:** Contract-focused AI tools concentrate on high-volume, repeatable contract work: screening, reviewing, and redlining agreements against playbooks; accelerating due diligence; and benchmarking terms against market norms. They tend to be deployed into specific workflows (e.g. NDAs, vendor contract review, M&A deal diligence) and often integrate with Microsoft Word, document management systems, and – increasingly – CLM systems.

For this report, the contract-focused segment includes **Luminance, Litera/Kira, Spellbook, BlackBoiler, ThoughtRiver, and TermScout.**

## Vendors in scope:

| Vendor | Primary buyers | Sweet spot use cases | Differentiator | Depth vs. breadth |
|---|---|---|---|---|
| **Luminance** | Large firms, enterprises | M&A diligence; portfolio reviews; BAU contracts | Document-scale analysis; *emerging autonomy* (AI-driven redlines) | Deep & broad (full spectrum) |
| **Litera / Kira** | M&A / PE; transactional practices | Due diligence; large-set contract review | Trained clause models; GenAI summaries & Q&A | Deep in M&A/diligence |
| **Spellbook** | In-house teams; small/mid law firms | NDAs, sales and vendor contracts (in Word) | In-editor assistance; ease of adoption (GPT-based plugin) | Medium depth, broad usage |
| **BlackBoiler** | In-house teams; shared service centers | Automated redlining of standard agreements | Playbook-driven markup (learns org's preferred edits) | Very deep on redlining |
| **ThoughtRiver** | In-house legal teams | Policy-based pre-screening and triage | Questionnaire model + risk flags | Deep on triage/review |
| **TermScout** | Buyers and sellers (both) | "What's market" benchmarking of terms | Ratings & benchmarking dataset (large corpus) | Narrow focus, but very deep |

**Luminance:** A longstanding contract and document AI platform widely used in M&A due diligence and increasingly in "BAU" (business-as-usual) commercial contracting. Luminance combines clause-level extraction with AI-supported review workflows and has steadily evolved toward more autonomous features such as AI-driven redlining and compliance checking across contract portfolios. In practice, large law firms and Big Four accounting firms have used Luminance to **review massive data rooms** during deals – e.g. tens of thousands of documents – leveraging its trained anomaly detection to flag non-standard clauses far faster than human reviewers could. ("Luminance AI Review," Eesel AI) It excels at rapidly identifying clause outliers and potential risks across volumes that would be impossible to manually analyze in full. Studies have noted that Luminance can save teams *over 85%* of their time on due diligence projects. Recently, Luminance has been piloting features that automatically suggest markups against a playbook and verify compliance across executed contracts (hence "emerging autonomy"). Typical buyers are

large firms and enterprises that need to review **large volumes under tight time pressure**, especially in M&A, finance, and corporate reorganizations.

**Litera/Kira:** Originally Kira Systems (acquired by Litera), this tool remains a core solution for transaction-driven contract review, particularly in M&A and private equity due diligence. It is built on **trained clause models** ("Smart Fields") that can instantly identify and extract dozens of key provision types (governing law, change of control, assignment, indemnity, etc.) from contracts. Kira supports rapid **identification and summarization** of provisions across large document sets – e.g. summarizing all change-of-control clauses in a 1,000-contract data room in minutes. In 2025, Litera significantly expanded Kira's generative AI capabilities. New features included *Generative Smart Fields* (which let users create custom clause extractors on the fly with a simple prompt, instead of needing to train models) and a *Grid-style Analysis Chart* that gives a table view of extracted data and AI answers across all documents. ("Litera Expands Kira with Added GenAI Features," Artificial Lawyer) Essentially, Kira can now not only extract data but also provide AI-generated **summaries** of those Smart Field extractions ("What is Smart Summaries?," Litera Support) and even allow a user to chat with the set of documents. These enhancements – e.g. one-click contract summaries and an interactive grid of issues across a deal – make Kira more competitive in the current GenAI landscape. In short, Litera has married its deep clause-focused AI (over 1,400 pre-trained clause models) with modern LLM capabilities. The result is a diligence tool that not only finds provisions but can also answer questions like *"Which contracts lack a non-compete clause?"* via natural language query and provide an instant visualization of risk across all docs. Kira's depth in transactional use cases remains its hallmark – it is regarded as one of the most *thorough* solutions for M&A contract review – but its new generative features indicate a move to broaden its appeal beyond specialist users.

**Spellbook:** An AI contract drafting and review assistant that operates as a **GPT powered add-in for Microsoft Word**. ("Best Legal AI Software," Ironclad) Spellbook gained popularity especially among in-house teams and smaller firms in 2024–25 as an easy way to get AI help directly in Word (their primary drafting environment). Common use cases include first-pass issue spotting, aligning draft language with playbook preferences, and generating alternative clause wording from natural-language instructions. For example, a lawyer can highlight a clause in Word and ask Spellbook, *"Is this clause within our standard policy? If not, suggest a fallback,"* and the add-in will highlight risky language and propose a revision based on the company playbook. ("Review Vendor Contract Using AI," Spellbook) Because Spellbook is essentially a friendly UI on top of OpenAI's GPT model, it was able to spread virally – many users simply installed it in Word and started getting value with minimal training. Its differentiator is this **in-editor convenience and quick setup**. However, Spellbook has rapidly expanded its capabilities beyond just suggestions and redlines. In January 2026 it rolled out a new data-driven negotiation feature called **Compare to Market** (dubbed "contract moneyball"). ("Spellbook Rolls Out Compare to Market," Artificial Lawyer) This feature lets lawyers instantly benchmark key contract terms against an anonymized pool of thousands of real contracts, continuously updated. In practice, Spellbook can now show, for instance, *what a typical liability cap in a SaaS agreement looks like, or how your indemnity clause compares to market standards*.

Early rollout covers 14 contract types and ~15–20 deal points each, with a "give-to-get" data model where firms contribute anonymous clause statistics to access the broader benchmark pool. Spellbook's launch of Compare-to-Market underscores a competitive trend among contract AI tools to differentiate via proprietary data and insights.

**BlackBoiler:** Focuses on automated redlining of inbound contracts against an organization's playbook. BlackBoiler's core value proposition is the ability to **ingest a company's preferred contract positions and apply them automatically** to third-party documents, returning a redlined Word document that attorneys can then review and finalize. It essentially *learns from your historical redlines* – capturing the repetitive edits lawyers make – and creates an AI model of your playbook to markup new contracts consistently. ("AI for Legal Service Providers," BlackBoiler) For example, if your playbook says, *"change governing law to New York unless counterparty is EU-based,"* BlackBoiler will make that edit every time, along with an explanatory comment if desired. It tends to be deployed in environments with **large volumes of relatively standard agreements** (NDAs, MSAs, procurement contracts) and clear fallback positions. BlackBoiler's differentiator is deep **deterministic enforcement** of negotiated positions – it does not hallucinate new language but rather applies your exact clause preferences. It also provides an audit trail explaining each change (via comments referencing the rule applied). ("Get Instant Redlining with BlackBoiler and LawVu," LawVu) The main limitation is that it's only as good as your playbook and works best for **templatable, high-volume contracts**. Within that niche, however, it delivers very high efficiency gains and reduces human error, essentially acting as a force-multiplier for busy contract teams.

**ThoughtRiver:** Positioned around AI-driven **pre-screening and triage** of contracts against policy-based questionnaires. ThoughtRiver uses a combination of clause detection and rule-based analysis to flag deviations and potential risks before a lawyer ever reviews the document. The system comes with an extensive set of built-in questions (via its "Lexible" framework) that effectively act as a checklist or risk assessment for each contract. ("AI and a New Way," ThoughtRiver) For instance, for an NDA, it might automatically ask (and answer from the text): *Does the NDA include a non-solicitation clause? Does it mark certain data as exceptions to confidentiality?* and so on, then flag anything that doesn't match the company's preferred answers. The output is often a **digital issues list or risk report** highlighting clauses that are missing or problematic. The typical buyer is an in-house legal team that needs to triage and standardize contract review. ThoughtRiver's *questionnaire* approach allows it to be highly configurable to an organization's policies. It effectively "asks thousands of questions defined by legal experts, and within minutes delivers an output weighing up the risks and advising next steps". ("AI Pre-Screening Technology," Artificial Lawyer) The latest versions of ThoughtRiver also include **auto-redlining** capabilities (suggesting specific wording changes based on the answers) and obligation extraction. ("Best AI Tools for Procurement Lawyers," Spellbook) Its strength is in **scaling consistent triage**: it ensures every contract is checked for the same things, and nothing obvious slips through, which is especially valuable in global companies where local teams might have varied levels of diligence.

**TermScout:** Specializes in benchmarking and "what's market" analysis of contracts. TermScout evaluates contracts and clauses against a standardized rubric and, in many cases, against a large database of **peer contracts** to assess how "market" or "non-market" certain terms are. This is useful for both buyers and sellers of contracts: *buyers* (i.e. contract accepting parties) can see where they are accepting unusually aggressive terms, and *vendors* (contract drafters) can obtain an independent certification or score showing their contracts are fair compared to industry norms. Think of it as a Credit Score for contract friendliness. TermScout's platform has amassed thousands of executed contracts (often publicly filed agreements or contributed by users) and extracted hundreds of data points from them. ("Benchmarking: What Top Vendors Get Right," TermScout) Using this data, TermScout can produce reports like *"Your SaaS MSA is 72% aligned with market standards. Key deviations: your liability cap is in the 10th percentile (very customer-favorable), your IP indemnity is broader than 90% of similar vendors,"* etc... It offers a *Certify*™ badge for vendor contracts that meet certain fairness benchmarks, which sales teams can use as a preemptive signal of balance. The differentiator here is the **data asset** and independent third-party analysis. Rather than relying on subjective negotiation experience or one-off survey data, TermScout brings real market data into the conversation (similar in spirit to Spellbook's benchmark feature, but as a standalone service). As an example, TermScout's analysis can tell you with 99% statistical confidence how a given term compares to a market-wide view of thousands of contracts. This gives legal teams and dealmakers unprecedented clarity into what is "market standard." In 2025, TermScout gained traction as some large enterprises required their vendors to get contracts "TermScout Certified" to expedite review, and as forward-looking vendors used the certification as a selling point (the idea being "our contracts are proven fair – let's skip negotiation"). In short, TermScout is narrow in focus (it doesn't do general review or editing), but *deep* in the insight it provides. It essentially productized the contract benchmarking that lawyers used to glean from informal experience or costly outside counsel surveys.

## Code & Counsel Observations (Contract-Focused AI):

Contract-focused AI is where many organizations have realized their first *concrete wins* in contract automation, particularly around low- to medium-complexity recurring agreements. These tools deliver quick ROI when:

- **Volumes are high enough** to justify automation (e.g. thousands of similar contracts per year),
- **Playbooks or policies are reasonably mature** (i.e. you know what you *want* to mark up or flag), and
- **There is an appetite to standardize** review behavior across reviewers and geographies (reducing variability in negotiations).

In such environments, these AI tools have dramatically reduced turnaround times and freed lawyers from rote tasks. For example, BlackBoiler's clients report junior lawyers now spend time on *validating* AI markups rather than performing the same repetitive redlines themselves, allowing more contracts to be processed without adding headcount. ("AI for

Legal Service Providers," BlackBoiler) And M&A teams using Luminance or Kira can surface deal risks in hours that would have taken weeks manually, potentially giving their clients a strategic edge in negotiations. ("Luminance AI Review," Eesel AI)

From an executive perspective, Code & Counsel suggests viewing this segment as a **"depth layer"** in the stack: these tools go deeper on specific tasks than generalist copilots, and they can produce structured outputs that feed CLM systems. In practice, they are often procured either by **transactional practice groups** (for tools like Luminance and Kira in law firms) or by **in-house legal and procurement teams** (for tools like Spellbook, BlackBoiler, ThoughtRiver, and TermScout). They often start in one department and then expand in usage once value is proven.

A key question for 2026 is how far these products will evolve toward broader lifecycle capabilities versus staying focused on their current narrow but valuable lanes. For instance, will a contract review tool like Spellbook or ThoughtRiver begin to add CLM-like features (storage, workflow) or horizontal assistant features? Or will they integrate tightly with others instead? We are already seeing some convergence: Spellbook partnering with a CLM (Juro) to integrate AI insights into the contracting workflow, and TermScout data being used by Spellbook and others to enhance their offerings. ("Wordsmith 10Xs Revenue," Artificial Lawyer) But overall, one should expect the contract-AI niche to remain a vital piece of the puzzle, supplying the specialist horsepower that general AI platforms lack.

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## 3. CLM Platforms with Strong Native AI

**Segment definition:** Contract Lifecycle Management (CLM) platforms span the entire contract journey: request/intake, authoring, negotiation, approval, signature, post-signature obligation management, and renewal. In this segment, we focus on CLM vendors where **AI is a core, embedded capability rather than a thin add-on** – supporting automated clause extraction, risk analysis, drafting assistance, and post-signature intelligence within a single system of record.

CLM platforms with strong native AI are essentially where contract data becomes durable, reusable, and auditable. They not only help you execute contract workflows but also leverage AI to make the resulting contract repository "live" – surfacing insights and ensuring obligations are tracked. Many CLMs now advertise similar AI capabilities (extraction, summarization, playbook-based drafting, etc.), but there are material differences in how deeply these features are woven into the core workflows versus tacked on as plugins.

This report considers **Leah (ContractPodAi), Icertis, Ironclad, Agiloft, Sirion,** and **Evisort** within this "CLM-with-AI" segment.

## Vendors in scope:

| Vendor | Typical segment | Lifecycle coverage | AI strengths | Positioning shorthand |
|---|---|---|---|---|
| **Leah (ContractPodAi)** | Mid–large enterprises | End-to-end CLM (full lifecycle) | Clause ID, risk detection, guided workflows | *AI-forward CLM with legal-ops focus* |
| **Icertis** | Large global enterprises | End-to-end CLM + deep ERP/CRM integration | Obligations tracking; compliance; analytics | *Enterprise-grade, deeply embedded* |
| **Ironclad** | High-growth / tech sector | Intake, authoring, workflows, e-sign | Clause detection; structured data from docs | *Workflow-centric CLM for legal-ops* |
| **Agiloft** | Mid–large enterprises | Highly configurable end-to-end CLM | Embedded extraction, risk highlighting, drafting assist | *Low/no-code CLM with embedded AI* |
| **Sirion** | Services-heavy enterprises (outsourcing) | Post-signature performance & SLAs focus | Obligation and performance tracking (AI analytics) | *Outcome-focused (services + outsourcing)* |
| **Evisort** | Enterprises w/ legacy backlog | Repository + CLM extension | AI-first extraction and search across existing repos | *AI-first extraction plus CLM extension* |

**Leah (ContractPodAi):** An AI-heavy CLM platform with a legal-ops orientation. Leah (ContractPodAi) offers an end-to-end CLM that emphasizes AI-powered contract creation, negotiation, and analytics for legal, procurement, and business users. It has features like an AI clause identification and remediation engine, automated risk scoring of contracts, and **guided workflows** that use AI to suggest next steps or approvers based on contract content. For example, if a third-party contract contains an indemnity clause above a certain risk threshold, Leah (ContractPodAi)'s AI can flag it and *automatically route the contract for higher-level approval*, per the configured rules. The platform also includes a self-service contract generation module (often used for NDAs or procurement contracts) where business users answer a questionnaire, and the system assembles the contract with AI verifying clause selections. Leah (ContractPodAi)'s differentiator is being **"AI-forward" out of the box** – the vendor touts that one need not bolt on external AI tools because features like clause extraction and risk review are native. A recent industry review noted that Leah (ContractPodAi) "uses generative AI to support drafting, review, and negotiation while helping teams identify key clauses and risks," highlighting that its AI functions are intertwined with the user's contract playbook and templates. (["ContractPodAi

Review," Aline) In positioning, Leah (ContractPodAi) often competes as a modern CLM for legal departments that want advanced AI but also a **user-friendly UI** and quick deployment.

**Icertis:** A enterprise-grade CLM known for its deep integrations with ERP and CRM systems and its robust post-signature capabilities. Icertis Contract Intelligence (ICI) is commonly used by large, global companies (in industries like manufacturing, tech, and pharma) that have complex contracting needs and need their CLM to connect to systems such as SAP, Oracle, Salesforce, and Dynamics. A hallmark of Icertis is AI-driven **obligation management** – it can automatically extract obligations and key terms from executed contracts and link them to internal systems, so that, for example, a delivery obligation in a contract can be tracked alongside project management data. ("Icertis Contract Intelligence on Azure," Microsoft) It also excels at compliance checking and analytics across huge contract datasets. Icertis's AI will flag risk clauses and non-standard terms across your repository, monitor regulatory compliance (e.g. identify all contracts impacted by a new GDPR requirement), and even provide predictive insights (like which contracts might be bottlenecks based on past cycle times). Icertis has marketed itself as the platform that "connects contracts to the business" – ensuring that the intent of the contract (prices, deliverables, obligations) actually gets executed and tracked. ("Best Contract Lifecycle Management Software," Aline) Given its breadth, Icertis can be complex to implement, but for large enterprises the pay-off is a unified contract hub that drives value well beyond legal. Its positioning: **"enterprise CLM with deep AI and systems integration."**

**Ironclad:** A workflow-centric CLM popular with high-growth companies and tech-forward legal teams. Ironclad is known for its intuitive **workflow designer and intake forms**, which make it easy for business users to initiate contracts through a guided questionnaire and for legal teams to automate approval routing. It has a strong focus on collaboration and "legal request" management (sometimes described as a Trello or Jira for legal tasks). In terms of AI, Ironclad's capabilities include automatic **clause detection** and extraction (via its "Smart Import" and AI Playbooks features) – you can drop in a third-party contract and Ironclad will identify key clauses and tag them for you. ("Ironclad AI Overview," Ironclad Support) It also applies playbook rules to flag or even redline risky language during review, somewhat akin to BlackBoiler but within the CLM. Another area Ironclad emphasizes is turning executed contracts into **structured data**: their AI can bulk-extract metadata from legacy PDFs and populate the CLM's repository fields, enabling analytics and search on historical contracts. ("Implementation Success," Ironclad) Ironclad's overall positioning is a **"workflow-first CLM with AI assist,"** often appealing to legal ops teams at companies that want self-service contracting (for sales contracts, procurement, HR, etc.) combined with control and visibility for Legal. It's commonly found in tech companies, scale-ups, and agile legal departments. In 2025, Ironclad rolled out its own AI Agent ("Jurist") that can answer complex contract queries via chat and generate redlines on command, showing Ironclad's intent to compete on the AI front as well. ("AI Assistant for Legal," Ironclad)

**Agiloft:** Agiloft is a highly configurable, low-/no-code CLM platform that has been rapidly expanding its **native AI** footprint with "AI on the Inside"—particularly through the acquisition and integration of **Screens**, a generative-AI contract review/redlining product built around expert- and community-informed playbooks. ("Screens AI") Agiloft announced the Screens acquisition in January 2025, positioning it to streamline redlining, standardize compliance, and strengthen Agiloft's "data-first" CLM approach by embedding AI-powered review directly into contracting workflows. ("Agiloft Acquires Screens," PR Newswire) In late 2025, Agiloft also launched **AI-enhanced Obligation Management**, designed to automatically extract obligations from contracts and convert them into trackable, operational items (e.g., renewals, payments, milestones, compliance requirements, and service-level commitments), aimed at reducing missed commitments and improving ongoing contract performance management. ("Agiloft Launches AI-Powered Obligation Management," LawNext) Alongside these lifecycle features, Agiloft has continued to mature "Ask AI" as an enterprise-facing contract Q&A capability that lets users ask natural-language questions across their contract repository and receive answers with traceability back to the source contract language. Taken together—Screens for AI-driven review/redlining, Obligation Management for post-signature operationalization, and AskAI for repository intelligence—Agiloft's recent roadmap signals a push to make AI a first-class layer across drafting/review, contract data capture, and post-signature execution within its configurable CLM core.

**Sirion:** A CLM platform focused on **post-signature performance and obligation management**, especially for complex services and outsourcing contracts. Sirion (also known as SirionLabs) has been an early mover in applying AI to *what happens after a contract is signed* – tracking service level agreements (SLAs), monitoring deliverables, and ensuring both parties fulfill their commitments. ("AgentOS," Sirion) Its AI can, for instance, extract all the obligations and service levels from a large IT outsourcing contract and then help the company track those through dashboards, tying into operational data to verify if each obligation is being met. Sirion also acquired an NLP contract analytics startup (Eigen) a few years ago to boost its AI capabilities. ("Eigen Acquisition," Sirion) As of 2026, Sirion is receiving a major investment (Haveli Investments acquiring ~90% stake, valuing Sirion at $1B) to accelerate product innovation – a strong signal of the importance of AI-enhanced CLM. ("Haveli to Buy Majority Stake in Sirion," Reuters) Sirion's value lies in marrying its rich contract dataset (e.g. decades of vendor contracts with performance data) and domain-specific AI with generative AI to actively assist in contract management tasks throughout the lifecycle. For enterprises they offer a single source of contract truth that not only stores contracts but actively *manages outcomes*. Organizations with large outsourcing or service procurement portfolios, where ongoing performance matters as much as initial terms, often gravitate to Sirion. Sirion's roadmap and marketing materials suggest it will double down on features like intelligent clause libraries, AI-driven workflow automation, and even autonomous agents that can handle routine contract admin tasks (like sending notices or drafting amendments when an SLA is breached). ("CLM Rollout Roadmap," Sirion)

**Evisort:** An AI-first contract data extraction and search platform that has extended into CLM functionality. Evisort made its name by allowing companies to *gain rapid visibility into large repositories of legacy contracts* – using AI to automatically extract key terms (dates, parties, clause text, etc.) and make contracts fully text-searchable without prior tagging. Enterprises with thousands of contracts in SharePoint or shared drives used Evisort to quickly index and report on that data (e.g. *"show me all active vendor contracts with auto-renewal clauses"* in seconds). Building on that strength, Evisort has added workflow and repository features so that it can serve as a simple CLM for managing new contracts as well. Its CLM extension covers intake, basic approvals, and repository tracking – not as feature-rich in workflow as some others but tightly integrated with its AI smarts. Evisort's strength still remains in its extraction and search capabilities. For instance, Evisort allows an org to upload a trove of unsigned legacy contracts and within seconds the AI will *"call out insights"* like parties, key dates, term length, renewal notice period, governing law, and so on. ("What Is Connected Contract Data," Evisort) With its Document X-Ray and question-answering features, users can ask questions in natural language across their entire contract corpus (e.g. *"Which customer contracts require SOC2 compliance?"*) and get results with pinpointed clause references. ("Document X-Ray," Evisort) Many companies adopt Evisort initially to handle legacy contract analytics and **then** expand into using it for ongoing contract management. In positioning, Evisort is an **"AI-first contract intelligence platform"** that now also handles CLM processes. It's often brought in by legal or procurement operations teams who face a challenge of making sense of thousands of old contracts. Notably, Evisort has been forging partnerships to embed its AI in other ecosystems (e.g. a partnership to offer its AI through Workday's platform for procurement contracts). ("Evisort AI Available Through Workday," PR Newswire)

## Code & Counsel Observations (CLM + AI):

CLM platforms with strong native AI are where contract data becomes durable and reusable. While many vendors now *claim* similar AI capabilities in marketing – like "AI-powered extraction, AI summary, AI drafting" – there are meaningful differences in how deeply the AI is integrated and how usable it is at scale. Executives evaluating this segment should focus on:

- **How AI outputs are stored and reused:** Do the AI-extracted data and analysis feed seamlessly into the CLM's obligations tracker, reports, and alerts (rather than just producing a one-time report or annotation)? For instance, if an AI clause extraction identifies a **renewal date** or a **limitation of liability cap**, does that become a field that triggers a reminder or drives a dashboard? The best platforms are designed such that AI findings immediately become part of the contract record and workflow.
- **Ease of plugging in contract-focused AI tools and horizontal copilots:** No CLM does *everything* perfectly. A forward-looking CLM should have open APIs or integrations that allow specialist AI to feed it data or take data from it. For example, can your CLM send a contract to BlackBoiler for markup and then automatically save the redlined version and a comparison in the record? Can your lawyers seamlessly invoke a horizontal copilot from within the CLM interface to ask

questions about a contract and then save the Q&A transcript? The ability for the stack's layers to hand off data is crucial.

- **Preconfigured best practices vs. adaptability:** Some AI-infused CLMs come with lots of out-of-the-box rules and templates (e.g. common playbooks, typical risk checks). Others offer a toolset to configure everything to your needs. Depending on your organization's maturity and requirements, one or the other might fit better. But be wary of systems that are either *too rigid* or *too open-ended* – the sweet spot is a CLM that delivers quick wins with pre-built AI models (like identifying standard clauses) **and** allows tailoring for your specific contract language and risk appetite.
- **Vendor roadmap and track record:** Many CLM vendors have announced AI features that remain in pilot or "coming soon" status for extended periods. It's important to verify what's generally available and to check references for real-world AI usage. An AI feature that's only in a demo environment isn't helping your team today. Given how fast this space is moving, consider shorter contract terms or explicit roadmap commitments. Look at how frequently the vendor has actually released AI enhancements. This will indicate whether the vendor can keep pace with innovation.

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## Stack Patterns Inside Firms and Legal Departments

Across organizations Code & Counsel has advised, three **stack patterns** have emerged in how the above layers combine:

1. **Copilot + contract AI + CLM (Full Stack):** A horizontal copilot (Harvey, Legora, Ivo) at the top, one or more contract-focused tools (Luminance, Kira, Spellbook, etc.) for depth, and a CLM platform (e.g. Leah (ContractPodAi), Icertis, Ironclad, Agiloft, Sirion, Evisort) as the system of record. This rich stack is increasingly the norm in large, tech-forward environments. For example, a global bank might use Harvey firm-wide for general AI Q&A and initial drafting, Kira within its deal teams for due diligence, and Agiloft as its CLM tracking all executed contracts and obligations. The tools should be integrated: The full-stack approach intentionally layers each tool for its strength.
2. **CLM-centric with selective AI adjuncts:** A CLM platform is the primary interface for business users (the front door for contract requests, approvals, and storage), with targeted use of one contract-focused AI tool and limited use of a copilot. This pattern is more common in mid-market organizations or those where a mature legal ops function has already implemented a CLM and is now cautiously adding AI at the margins. For instance, a company may rely on its CLM (say, Icertis or Agiloft) for most tasks but plug in BlackBoiler to auto-redline NDAs before legal review or use a copilot only within the legal team for research but not expose it widely. The AI is in service of the CLM process, not front-and-center to end users.
3. **Copilot-centric pilot phase:** A copilot is adopted first to explore AI capabilities broadly, with contract-focused and CLM layers added later once specific high-

value use cases are identified. This pattern is typical of early-stage adoption, solo attorneys, and smaller firms. For example, a small legal department might start by using a GPT-based copilot (like ChatGPT Enterprise or Harvey) to assist attorneys in editing and summarizing contracts. As they see consistent tasks (like extracting key dates or populating a term sheet), they might then add a contract AI tool or lightweight CLM to formalize that. Essentially, the copilot acts as the "gateway drug" to more structured solutions.

In all three patterns, the critical design choice is **how data flows**: from copilot prompts and contract reviews into structured records and obligations, and then into analytics and reporting. Code & Counsel's view is that organizations treating this *data plumbing* as a first-class design problem are better positioned to scale AI use over time. For instance, ensuring that when Spellbook benchmarks a contract and flags a term as "outside market," that insight is captured in the contract's record or negotiation notes for future reference; or designing the stack such that if the copilot is used to draft a clause, the clause is saved to the CLM clause library. Firms that integrate these layers (instead of running each AI tool in a silo) will realize compounding benefits – their AI gets smarter and their knowledge bases richer with each use.

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## So Far in 2026: Key Developments in Legal Contract AI

*As of January 2026, the legal contract AI landscape has seen a continued surge of significant activity – from new startups entering the market to incumbents expanding capabilities. The focus is shifting decisively toward practical value and integration, with vendors emphasizing measurable ROI and seamless workflow embeds rather than hype. Below is a summary of notable developments in the past 30 days, organized by the three major layers of the contract AI stack:*

### Horizontal Legal Copilots

- **Autonomous Legal Agents (New Entrants):** Startups are pushing the envelope on **agentic AI** – systems that can perform legal tasks end-to-end without constant human prompts. An example is **Flank** (launched late 2025), which offers an enterprise-ready "agentic" legal AI that works within a company's existing tools (e.g. Outlook, Teams, Jira) to handle routine requests *end-to-end*. These AI agents autonomously take on high-volume tasks such as intake, drafting, and routing of contracts (e.g. NDAs, SOWs), only escalating to lawyers for exceptions or high-risk issues. ("Flank Launches Autonomous Agent," LegalTech Talk) The goal is to eliminate busywork – Flank is positioning its always-on agents to let legal teams **delegate entire scopes of work** to AI while attorneys oversee only the critical judgment calls. This positions Flank (and similar "legal OS" agent platforms) in the horizontal copilot layer, but with a strong focus on *in-house legal operations and ROI*. Will we actually see Flank in action in 2026? We sure hope so!

- **In-House Legal OS Platforms:** Another newcomer, **Sandstone**, emerged with a $10M seed funding led by Sequoia in January 2026. ("Sandstone Raises $10M Seed," Artificial Lawyer) Sandstone provides an AI-native workflow engine for in-house legal teams, aiming to turn a company's institutional legal knowledge into "live" agent-driven processes. Its platform continuously learns from user interactions to build dynamic playbooks and lets teams deploy custom legal AI agents *in under 10 minutes* to automate intake, triage, and other contract workflows directly within business systems like Slack, Salesforce, and email. (Id.) By embedding into the tools business stakeholders already use, Sandstone acts as a horizontal copilot hub for corporate legal departments. It creates what the founders call *"context-in-motion"* by connecting each workflow with relevant business context, so that contract reviews, approvals, and Q&A leverage the organization's collective knowledge in real time. For example, if a sales manager asks Legal in Slack, *"Can we accept X clause from the client?"*, Sandstone's agent can instantly surface not just the policy answer, but also context like similar clauses from past deals and the relevant playbook guidance, then draft a response – all inside Slack. This launch underscores the trend of AI platforms focused on **in-house use cases** – blending elements of contract analysis with workflow automation – to help legal teams move from reactive firefighting to proactive, strategic enablement.
- **Mainstream Copilot Growth:** Established horizontal AI copilots continue to rapidly mature and scale. **Harvey**, for example, announced it has reached **$190M in ARR** just three years after launch – one of the fastest growth trajectories in legal tech on record. ("Harvey Hits $190M ARR, Building Memory & Personalisation," Artificial Lawyer) Harvey also rolled out its new "Memory" feature (discussed earlier) to personalize the AI's assistance by carrying forward user-specific context, preferences, and past decisions. This move addresses a key demand from law firms and in-house teams: making AI outputs less generic and more aligned with each organization's style and playbooks. It also signals that horizontal copilots are evolving from one-size-fits-all chatbots to embedded, learning companions tuned to each enterprise's knowledge.
- **Big Tech Integration:** Major tech players are also integrating legal AI talent and features into their ecosystems. In a telling move, **Microsoft** is reportedly acqui-hiring the tech team of Robin AI – a startup known for contract review automation – to bolster Microsoft's productivity suite for legal users. Sources indicate this team (several dozen AI engineers) will help *"improve Word for lawyers,"* likely by embedding contract AI functionality directly into Microsoft Word and Office 365. ("Microsoft to Acqui-Hire Robin AI," Artificial Lawyer) This development suggests that horizontal legal AI capabilities (like contract clause suggestions, document analysis, or AI drafting assistants) may soon become native features in mainstream tools. It reflects a broader market shift: general productivity platforms see contract AI as a value-add for retaining legal enterprise customers. Robin AI's core technology and talent being absorbed by Microsoft also highlights consolidation at the edges of the market – smaller AI point-solutions finding a home within larger ecosystems.

**Contract-Focused AI Tools (Specialist Contract AI Solutions)**

- **Data-Driven Contract Negotiation:** Established contract AI vendors are expanding their feature sets to deliver more strategic **insights**, not just time-savings. A prime example is **Spellbook**, which in January rolled out the "Compare to Market" capability – dubbed *"contract moneyball"* – discussed above. By arming users with objective data on what's "market" for a given term, the tool transforms negotiation from intuition-driven to evidence-based. Early rollout covers 14 contract types and dozens of deal points, with a "give-to-get" data model where firms contribute (anonymous) clause data to access the broader benchmark pool. Spellbook's CEO said the goal is to move negotiation into the Moneyball era: *"For the first time, lawyers can arm themselves with objective benchmarks drawn from an always-updating pool of market data… revealing whether a term is favorable or unfavorable."*. ("Spellbook Rolls Out Compare to Market," Artificial Lawyer) This resonates with the broader 2026 theme of ROI: helping lawyers negotiate faster and more favorably (e.g. securing terms closer to market standard) directly impacts business outcomes, which clients and executives care about. Spellbook's launch of Compare-to-Market underscores a competitive trend among contract AI tools to differentiate via proprietary data and insights – essentially building **data network effects** (the more firms share anonymized data, the more valuable the benchmarks for all).
- **Emerging Players Gaining Traction:** Newer contract-focused platforms are proving their value in the market. For example, **Wordsmith**, a UK-based AI contract assistant geared for in-house teams, reported a **10× year-on-year revenue growth** in 2025, accompanied by marquee client wins such as BT, Trustpilot, Trip.com, and Coursera. ("Wordsmith 10Xs Revenue," Artificial Lawyer) Wordsmith's platform enables **business-wide self-service** for routine contracts – combining generative AI with legal know-how so that business users (in sales, procurement, etc.) can draft, review, and negotiate common agreements themselves, with minimal lawyer intervention. Over 90% of users at its client organizations log in daily, completing ~70 legal actions per week on the platform. This surge in adoption led Wordsmith to a $25M Series A in mid-2025 and selection into Microsoft's "Agentic Launchpad" program for AI startups (gaining them expert support and early access to Microsoft technology). Wordsmith's momentum illustrates a broader trend: specialist contract tools that empower **non-lawyers** (e.g. sales or procurement staff) to handle low-risk contracts with AI guidance are gaining favor, especially in fast-moving companies. Executives should note the convergence of contract AI and *legal enablement* – these tools are not just for lawyers, but for scaling legal operations across the business. The success of platforms like Wordsmith (and others in its cohort) points to growing demand for solutions that reduce the legal team's role as a bottleneck by pushing AI-assisted contract workflows to the front lines. In essence, legal departments are leveraging AI to decentralize certain contract tasks safely – letting commercial teams self-serve within defined guardrails – which frees up Legal for higher-value work.

**Contract Lifecycle Platforms with Embedded AI**

- **AI-Native CLM Investment:** The CLM sector continues to embrace AI as a core feature – and investors are taking notice. **Sirion (SirionLabs)** is set to receive a major infusion: Haveli Investments (a U.S.-based tech PE firm) announced in early January a deal to acquire a **majority stake** in Sirion. Sirion has been an early mover in AI (having acquired the NLP contract analysis startup Eigen in 2020) and it focuses on end-to-end CLM needs for in-house legal. ("Haveli to Buy Majority Stake in Sirion," Reuters) The Haveli deal (reportedly valuing Sirion at around $1 billion) will provide capital for Sirion to accelerate product innovation and global expansion. This is a strong signal that AI-enhanced CLM platforms are viewed as strategic, long-term winners. The competitive landscape is intense – CLM vendors are not only competing with each other, but also with new AI-centric platforms – so we're seeing a "race" to build deeper AI capabilities natively. Expect Sirion and its peers (Icertis, Ironclad, Agiloft, Leah (ContractPodAi), etc.) to double down on features like intelligent clause extraction, AI-driven workflow automation, and even **autonomous contracting agents** within their ecosystems. For enterprise buyers, the takeaway is that the traditional CLM is evolving into an **"AI-first" contract hub**, and significant funding is flowing to those who can execute on that vision.
- **Platform Consolidation (M&A):** Another notable development is continued consolidation of AI point solutions into larger legal tech platforms. In mid-January, **Filevine** – a U.S. provider of legal work management and CLM software – **acquired Pincites**, a specialist AI contract drafting and redlining tool that operates as a plugin for Microsoft Word. ("Filevine Buys Pincites," Artificial Lawyer) Pincites uses AI (including GPT models) to assist with contract drafting directly in Word (similar to how tools like Spellbook function). Filevine's acquisition of this capability (following its 2025 purchases of a virtual deposition tool and a medical records AI system) indicates a strategy of offering a **one-stop platform**. According to Filevine, the Pincites team will help build "world-class redlining" and litigation-specific drafting technology within Filevine's suite, connecting contract workflows to its broader matter management platform. The integration is expected to let legal teams manage everything – from contracts to litigation documents – as connected components in one system. For the market, this underscores a trend: CLM and legal ops vendors are **embedding AI by acquisition**, ensuring that advanced contract-review features become native to their software. We can anticipate more such deals where larger platforms buy smaller AI innovators to accelerate their AI roadmaps. For customers, the upside could be tighter integration (one platform for multiple needs), though it also means scrutinizing how well these acquired AI tools truly embed and deliver value inside the bigger systems.
- **Ongoing Feature Evolution:** Established CLM players are also rolling out new AI features via R&D. Many are introducing AI assistants and deeper analytics within their platforms. For instance, recent product updates (late 2025 into 2026) saw most CLMs debut AI agents that can answer complex contract queries through a chat interface, and auto-extract data from uploaded legacy contracts, with enhanced AI offerings for contract review, risk scoring, and obligation tracking. While some of

these specific updates occurred just before the new year, the strategic direction is clear and continued into January: AI is becoming a **native feature of every stage of the contract lifecycle**, from intake to negotiation to post-signature management. Overall, early 2026 has proven that the major CLM and contract management platforms are not sitting still – they are rapidly embedding AI to stay competitive, whether through innovation, partnership, or acquisition. The flurry of activity – venture funding, M&A, feature launches – underscores that this space will remain very dynamic in 2026.

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**Implications:** The torrent of January 2026 announcements reveals an accelerating **convergence** in the legal contract AI space. Horizontal legal copilots are becoming more integrated (and even *invisible*) in daily workflows; contract-centric AI tools are delivering more insight and automation (not just analysis); and CLM systems are evolving into AI-powered contract hubs. Notably, new vendors like Flank and Sandstone are targeting the gaps *between* these layers – offering agentic solutions that cut across intake, drafting, and workflow management – which could redefine how legal teams think about "copilot vs. point tool vs. CLM." For executives, the key themes so far in 2026 are **ROI and consolidation**: buyers are demanding clear efficiency gains, and the market's response is to embed AI everywhere it makes sense (sometimes via bold moves like funding new entrants or snapping up niche players). The coming months will likely bring further shake-ups as vendors jostle to prove their value. The competitive edge seems to lie in **seamless integration** (AI that fits into existing processes with minimal friction) and **data leverage** (using unique data assets or context to deliver smarter outputs). The stage is set for a dynamic 2026, with legal departments poised to benefit from faster contract cycles, richer insights, and more autonomous tools – provided they can navigate this evolving vendor landscape.

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## Strategic Questions for 2026

Looking ahead, Code & Counsel sees three strategic questions that will shape how these vendors and segments evolve:

1. **Convergence vs. Coexistence:** To what extent will horizontal AI copilots move deeper into contract workflows, and how far will contract-focused AI and CLM vendors push into generalist assistant territory? For at least the next few years, *coexistence* appears more likely than full convergence. Each layer has distinct strengths: e.g. the copilot knows the user's context and can span domains; the contract AI knows the content deeply; the CLM governs the process and data. Vendors will likely form more partnerships (or engage in M&A) to provide end-to-end solutions. We might see, for example, a CLM natively embedding a copilot's chat UI for all contract interactions, or a copilot offering plug-ins that utilize the

logic of specialist tools. Executives should monitor whether a one-stack model or a best-of-breed integration model is emerging in their org, and plan accordingly.

2. **Depth of Obligation and Outcome Management:** Which CLM vendors will most effectively turn AI-extracted obligations into *operationalized workflows* (think tasks, dashboards, integrations) rather than static metadata? This is key to turning AI from a review aid into a driver of business outcomes. It's one thing for AI to identify that *"Supplier X has an obligation to deliver Y by June 1"* in a contract; it's another to have your system actually track that, remind the supplier, and alert you if it doesn't happen. Vendors like Sirion, Agiloft and Icertis are investing heavily here, and if they succeed, it could distinguish them sharply. Organizations should push their CLM providers on this point: *How will the AI findings actually change what we do and measure?* The goal is to make contracts "live" documents that actively ensure value (or warn of value leakage).
3. **ROI Measurement and Governance:** How quickly will law firms and legal departments move from anecdotal time-savings stories to structured ROI metrics that feed into budgeting and pricing decisions? Thus far, many AI successes are described qualitatively ("saved lots of time", "faster drafting"), but to secure budget and trust, more quantification is needed. For example, tracking average contract turnaround time pre- and post-AI, or number of hours saved per contract type, or impact on outside counsel spend. We're already seeing some legal teams develop AI KPI dashboards (e.g. X hours saved this quarter, Y% increase in contracts handled per lawyer). Vendors that make it *easy to measure and explain value* – while also meeting governance and audit expectations – are likely to have an advantage in procurement cycles. On governance: as AI becomes more embedded, oversight features (like Harvey's detailed logs or Flank's agent audit trails) become crucial for internal compliance and for client assurance in law firms.

Code & Counsel will continue to track developments across these vendors and segments, with particular attention to how horizontal copilots, contract-focused AI, and CLM platforms interact in real deployments. 2026 promises to be a pivotal year where the hype further translates into real workflows and where the winners will be defined by the tangible value they deliver and the trust they build with customers.

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**About Code & Counsel, PLLC:**

Code & Counsel, PLLC is a boutique law firm and consultancy focused on the intersection of law, AI, and product strategy. It advises legal technology vendors, solo attorneys, small to mid-size law firms, and legal tech startups on how to evaluate, design, and deploy AI-enabled workflows, with a particular emphasis on Agentic AI, legal operations and knowledge-intensive work. Code & Counsel combines hands-on product and engineering experience with deep familiarity with legal practice to help clients make grounded decisions about their AI and data strategies.

CHRISTIAN T. BROWN, Attorney & Founder

Christian T. Brown is a dual-licensed civil litigation attorney and the founder of Code & Counsel PLLC, where he leads the integration of artificial intelligence and business intelligence into legal workflows and operations. With more than thirteen years of professional experience, his passion lies at the crossroads of law, technology, and finance—helping organizations unlock value from data, architect clean database systems, and adopt intelligent automation workflows. He currently serves as Senior Legal Knowledge Engineer at Agiloft- a leader in contract lifecycle management. In this role, he designs, trains, and evaluates AI models for contract analytics, leads data annotation processes, collaborates with data science and product teams, and crafts user-facing technical documentation—continuing to blend his legal expertise with engineering capabilities to enhance CLM tools. Prior to forming Code & Counsel, Christian held two key positions at a Dallas-Fort Worth based residential mortgage fintech. As Managing Director and In-House Counsel, he led legal due diligence on over $60 billion in assets and established the firm's Business Intelligence unit, promoting integration of AI and LLM tools in mortgage portfolio management. As Senior Director of Portfolio Surveillance and Asset Management, he architected a machine-learning decision engine to manage and monitor more than $20 billion in mortgage assets. Earlier in his career at Bank of America, Christian focused on compliance and risk mitigation, enhancing frameworks to manage regulatory exposure within the financial services sector. He's a respected voice—speaking, writing, and consulting on how firms can transform raw data into strategic, AI-powered legal insights.

Christian currently resides outside of Fort Worth, TX.

Meagan R. Brown, Development & Strategy

With over a decade of experience in organizational leadership and non-profit development/management, Meagan heads our business development and marketing strategy. Working in a diverse set of environments, from veterinary practices to professional artist spaces, she brings a well-rounded and unique perspective to the firm. She is passionate about women, minorities, and neurodiversity in leadership and believes supporting STEAM initiatives for both young and continuing learners is vital to ensuring future success for all enterprises. Meagan strives to see equitable access to competitive technology become readily available to small businesses, startups, and entrepreneurs through the work done at Code & Counsel. She continues to merge her passions for innovation, education, art, and science through various creations like our AI Labs and professional roundtables and is always looking for the next untapped resource to propel our vision forward. Prior to joining Code & Counsel, Meagan was the co-founder and executive director of the first ever nonprofit veterinary clinic in the United States open to the public for the treatment of heartworm disease in dogs. This is a feat she credits not only to her love of animals but also her ability to scale real-world solutions on tight timelines-with even tighter funding. She has served in an events and marketing role for arts and education NPOs throughout Dallas-Fort Worth and has occasionally been found in Austin speaking to congressional committees about human social services and animal welfare.