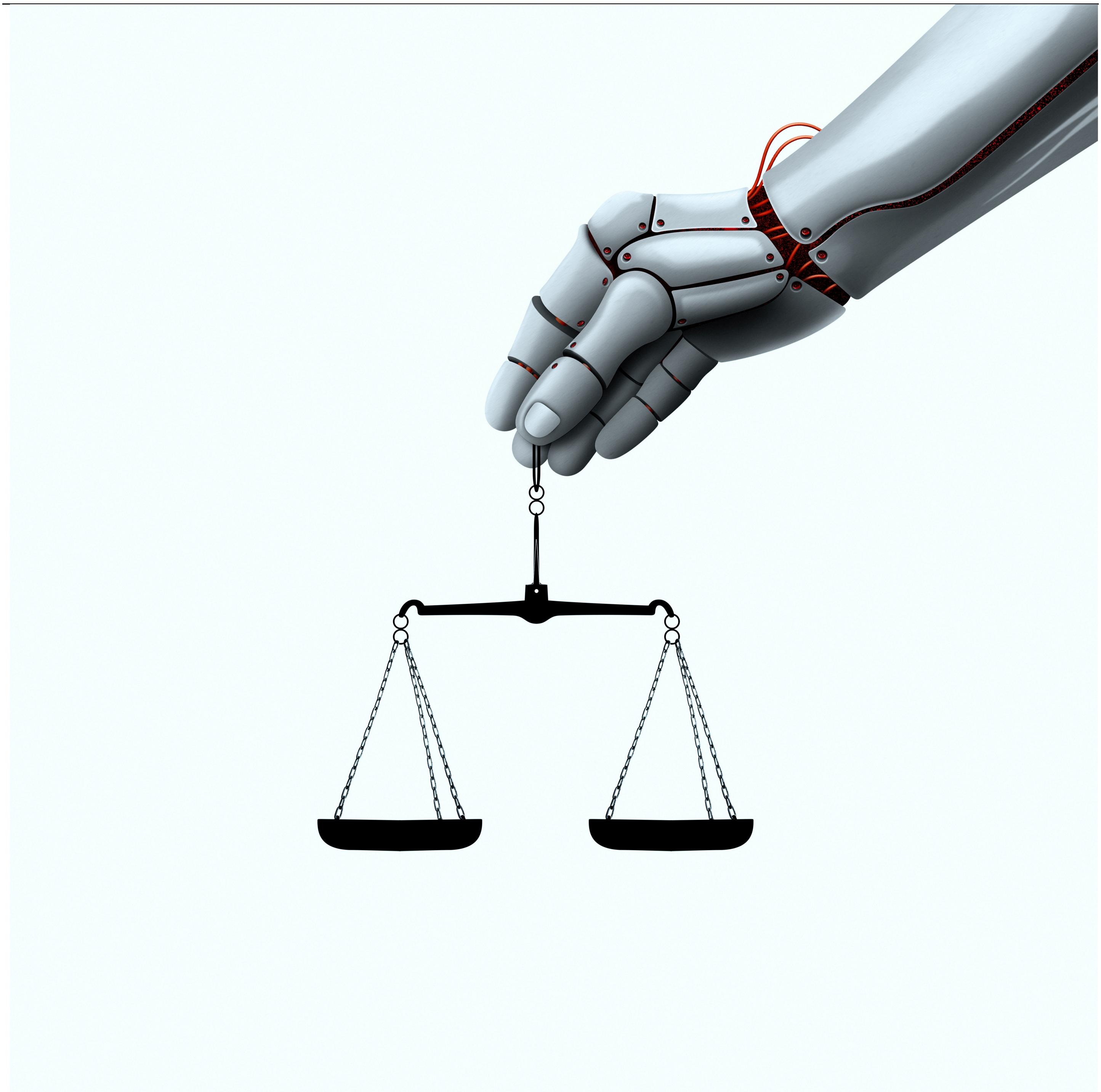
CLM Is Dead. Long Live CLM!

Commercial and Contracts



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“The king is dead, long live the king” is used to announce that while one monarch has died, the institution of monarchy continues without interruption. The person changes; the office endures. It is a fitting frame for what is happening in legal technology today. The latest wave of legal AI has not eliminated the underlying business need that Contract Lifecycle Management (CLM) serves. It has, however, changed what many people think “contract tech” is for.

Only a few years ago, CLM felt like the center of gravity in legal tech. Market analysts and in-house surveys treated it as a strategic priority, and by 2023 contract management software had become the most commonly used category of legal tech in corporate law departments. Forrester's 2023 CLM landscape likewise described a market moving from basic digitization toward broader business process integration, analytics, and risk control.

Then ChatGPT arrived. OpenAI launched ChatGPT publicly on November 30, 2022, and the broader market quickly realized that Large Language Models (LLMs) could do much more than route contracts through workflows. Suddenly, drafting, summarizing, issue spotting, comparing versions, and answering natural-language questions about documents felt accessible in a way they had not before. That moment leveled the field for many vendors. Suddenly everyone had the same level of capabilities and often the same underlying engine, just with their own skin, delivery vehicle, or user interface. When everyone could access powerful general-purpose models, the first wave of differentiation often came from packaging, prompting, workflow design, and legal-specific tuning rather than from wholly unique underlying model capability.

That shift led to a new set of unicorns or at least major players in the legal tech space. Harvey has raised extraordinary amounts of capital, including a US$200 million round announced in March 2026 at an US$11 billion valuation. Legora announced a US$150 million Series C in October 2025 at a US$1.8 billion valuation. Luminance raised US$75 million in February 2025 and said it had raised more than US$115 million in the prior twelve months. GC AI, aimed specifically at in-house teams, announced a US$60 million Series B in November 2025 at a US$555 million valuation. In other words: Capital has already voted that legal AI is no longer a niche.

Just as important, the product category itself has expanded. Harvey positions itself as a platform for legal and professional services workflows including contract analysis, drafting, due diligence, and research. Legora markets a broader "operating system for legal work," with legal research, drafting, tabular review, workflows, and Word-based redlining. Luminance is no longer just about repository intelligence; it now describes an end-to-end AI layer spanning negotiation, workflow, and post-signature insight, and has announced a LexisNexis alliance to bring case law, statutes, and citation-backed legal answers into the contracting workflow. These tools are selling more than "AI for CLM"; they are selling legal work augmentation.

That matters because the comparison many buyers are now making is not "CLM versus CLM." It is "general productivity AI versus legal AI versus CLM." A general copilot embedded in a productivity suite may help summarize a draft or clean up language. A legal AI platform may go much further: answer jurisdiction-specific legal questions, create first drafts, run multi-state surveys, generate issue lists, and review bespoke paper against negotiation standards. Microsoft's preview Legal Agent for Word, for example, is built to summarize, understand, review, and redline legal documents inside Word, while Anthropic's legal plugin for Claude is expressly designed for contract review, NDA triage, compliance workflows, and playbook-driven redline suggestions.

Before the ChatGPT paradigm shift, AI redlines did a decent job identifying changes and suggesting edits to the same input like one's own terms. The LLM advancement unlocked redlining on unique paper using a company's own playbooks and prior agreements. But you don't need CLM software to do it. Harvey says its drafting tools can check and strengthen clauses against precedents, forms, playbooks, and deal points. Legora's Word add-in and Playbooks product promise rule-based review and cited redlines directly in Word. Luminance says its platform can automate negotiation and post-execution analysis, including AI-powered review in Word and even "auto-negotiate" workflows. This is the feature set that has made many legal departments and law firms ask whether the "AI layer" has become the real value layer.

I have seen that mindset firsthand. I was recently on a panel about leading legal teams in the age of AI and we started by asking each other what tools we were using. No one mentioned CLM. A few years ago, that's all anyone would have said. Now it was more of the providers mentioned above. Some panelists questioned whether CLM was needed anymore at all. We have broad legal AI, what more do we need? That got me thinking about what CLM really is and what problem it is solving.

CLM is not dead because contract review has become smarter through improved AI application. If anything, the rise of legal AI exposes what CLM was always supposed to be: not just a drafting or review tool, but the system that governs the contract process.

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According to Jason Smith, Global Director, CLM Product Launch & Legaltech Evangelist at Conga, this is not an AI vs. CLM debate, “It's a question of where AI belongs. A draft isn't a contract, and a redline isn't a process. Lots of AI tools are doing impressive work making individual documents better and faster. But companies don't run on documents alone, they run on governance, approvals, workflows, integrations, obligations, renewals, and reporting. The challenge has never been creating more contracts. It's managing them at scale. The future is more of AI becoming a core capability inside the systems that already serve as the system of record not replacing them.”

AI can help with pre-signature risk spotting, redlines, playbook responses, and post-signature issue detection. But CLM still owns the muscle memory of contracting: intake automation, approvals, workflow, permissions, auditability, signature management, storage, obligation tracking, reporting, renewal management, and analytics across the portfolio. Most definitions of CLM would include digitization, negotiation, portfolio-level risk understanding, compliance, and metrics to improve future contracts. That broader operating model does not disappear because a legal AI tool can produce a strong first draft.

So how does this fit into what’s going on in the broader legal tech market? These companies have a ton of cash piling up. This will likely lead to acquisitions. Consolidation is coming. What might the big players want to buy? Features and customers they don’t already have. In addition to some of the e-discovery and related functionality, the market is already showing signs of CLM acquisitions through alliances, acqui-hires, and targeted capability deals. LexisNexis and Luminance announced a strategic alliance in April 2026 and Luminance announced on June 21, 2026 its vertical AI, Luna Crescent, “specialist AI for specialist work.”

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Commentators across legal tech have been describing an accelerating consolidation wave, driven by AI capability gaps and customer demand for fewer, more integrated platforms. And OpenAI has now hired Ironclad founder Jason Boehmig to lead product for a legal vertical, a move widely seen as a signal that foundation-model companies no longer intend to stay one layer removed from legal-tech applications. Between the time when I wrote this article and publishing, Legora announced on June 17, 2026, a partnership with Ironclad to integrate AI for in-house legal teams, demonstrating at a minimum that the major players are looking at how they fit into CLM, or CLM fits into their offerings. This article is not a prediction; this is already happening.

So yes, the market is evolving. “CLM” may no longer be the shiniest label in legal tech. Budget, excitement, and attention have moved to broader legal AI platforms that can research, draft, compare, redline, and reason in ways classic CLM vendors could not. But the business need that CLM addresses — structured contracting, governance, approvals, repository integrity, audit trails, and actionable portfolio data — is not going away. If anything, AI makes that need more urgent, because powerful drafting and review tools create more output that still must be governed, approved, stored, measured, and acted on. And now agentic AI will be able to run CLM administration based on preset guidelines, further minimizing the instances requiring human review.

The old king of legal tech may be dead. The category has evolved, been disrupted, and partially absorbed. But the institution, the need it serves, the monarchy remains. CLM is dead. Long live

CLM.

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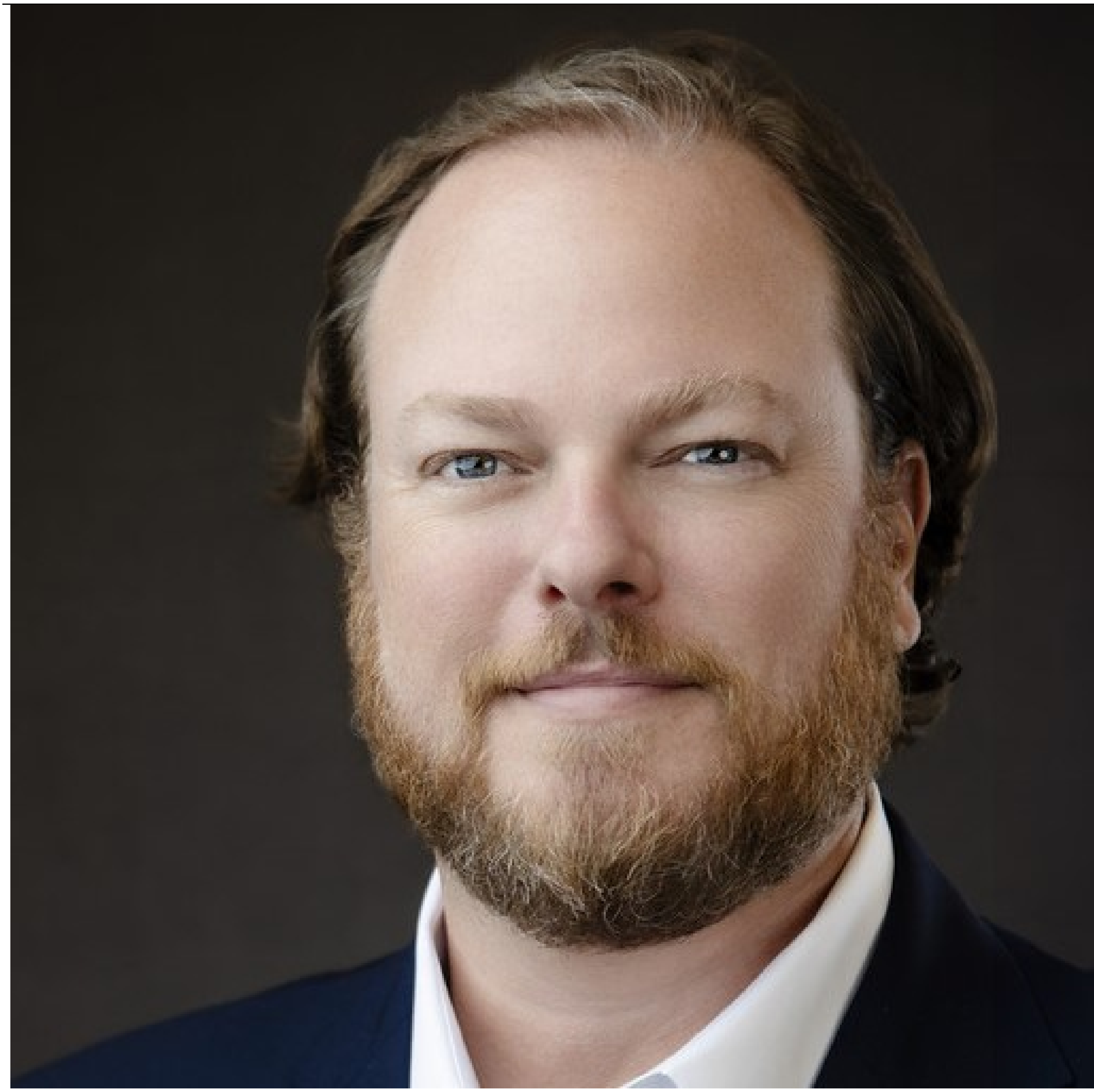
Justin Schwartz



Vice President, Chief Counsel – Americas

Epiroc

Justin Schwartz is Vice President, Chief Counsel – Americas at Epiroc, a publicly held Swedish manufacturer of mining and construction equipment that spun off from Atlas Copco in 2018. He enjoys collaborating across functions and cultures to develop people, processes, systems and tools that have a positive financial impact on the business. Schwartz was a litigator before serving in a variety of in-house roles with GE Oil & Gas, Baker Hughes, and Flex. Marrying his wife was the best thing he has ever done; raising their three boys is the best thing they have ever done.