

SECTION 7

Common Objections You'll Hear — and How to Answer Them

A process that “works” isn’t the same as one that’s optimized. The biggest threat to contract management isn’t just bad contracts — it’s good contracts trapped in a bad system:

Objection 1 : “It’s Too Expensive”

Counterargument: Hidden costs in contracts accumulate whether a company tracks them or not. Companies that think they’re “saving” by not investing are usually the ones unknowingly overspending due to contract blind spots.

Key points:

- Budget overruns start in contracts. How many vendor agreements have unclear escalation clauses or pass-through costs that weren’t caught? CLM ensures spending aligns with what was negotiated.
- M&A and financing rely on contract intelligence. Investors, acquirers, and auditors scrutinize contract risk exposure. A poor contract management process can lead to valuation disputes or hidden liabilities.
- Budgeting for CLM is a fixed expense; failing to track contract risks is an unpredictable liability. The cost of inaction only becomes clear after money has already been lost.

SECTION 7

Objection 2 : “Our Manual Process Works Fine”

Counterargument: The problem with manual processes isn't just inefficiency — it's blind spots. Without AI-driven oversight, companies don't know what they don't know.

Key points:

- Non-standard terms often slip through unnoticed. Without AI, contract deviations can lead to unapproved risks, misaligned SLAs, or customer discounting errors.
- Contract risk isn't always visible until litigation. Many disputes happen years later, after leadership has changed, teams have turned over, and no one remembers what was originally agreed upon.
- Regulatory complexity is outpacing manual compliance. New reporting requirements, ESG clauses, and privacy laws make contract oversight a legal liability. AI ensures compliance doesn't become a lawsuit waiting to happen.

Objection 3 : “It's Too Difficult to Integrate”

Counterargument: The assumption that CLM is a standalone system is outdated. AI-powered CLM is a connective layer, ensuring contract data flows where it's needed.

Key points:

- It's not a new system — it's a missing piece. CLM connects to CRM, ERP, and eSignature tools that you use daily — like Workday, Salesforce, Microsoft Office, and more — to make existing workflows more efficient.
- AI-driven contract insights improve data governance. CLM eliminates shadow agreements and ensures there's a single, structured, auditable contract record — a key requirement for modern cybersecurity and compliance frameworks.
- No-code workflow automation reduces IT dependence. Unlike legacy contract tools, AI-powered CLM doesn't require IT to maintain rule-based workflows or custom scripts.

Objection 4: “We Already Have a CLM System”

Counterargument: Many CLM systems add structure, but not strategy. If teams still struggle to measure contract performance, align terms across departments, or adapt agreements to shifting business needs, the system is just maintaining the status quo.

Key points:

- If a system requires workarounds, it's not solving the right problems. AI provides real-time contract intelligence without requiring teams to create their own tracking systems.
- Negotiating from a position of strength requires knowing contract history. AI helps teams compare past agreements, spot unfavorable patterns, and bring leverage to the table.
- Legal, finance, and procurement should never have different versions of the truth. AI ensures contract visibility is aligned across all departments to prevent miscommunication and financial risk.
- CLM should enhance — not compete with — your existing legal tech stack. Whether it's IP portfolio systems or e-discovery tools, modern CLM software should make it easy to pass data, assign tasks, or trigger workflows across tools.

Objection 5: “It's Not a Priority Right Now”

Counterargument: A company's ability to pivot, innovate, and expand is only as strong as its contracts allow. If agreements are rigid, outdated, or misaligned with business strategy, they aren't just an administrative issue — they're a structural constraint.

Key points:

- Your CLM process might work today, but will it work at 2x, 5x, or 10x the volume? AI ensures contract oversight scales with the business, preventing bottlenecks.
- Not prioritizing CLM is an implicit decision to accept hidden liabilities. AI turns contracts into measurable business assets, ensuring they aren't a blind spot in financial planning.
- What's not a priority today becomes a crisis tomorrow. CLM ensures that contract risks don't escalate into lost deals, supplier disputes, or regulatory fines.