



eBook

# The Case for AI-Native Contract Intelligence.

Learn how AI purpose-built for contracts drives business advantage.



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# Being AI-native.



The most dangerous phrase in the English language is, 'We've always done it this way.'

**Grace Hopper**

Computer Pioneer and Naval Officer

## Not all AI is created equal.

Much of what is written and said about AI treats it as a monolithic technology rather than a category of technologies. The implications of this are significant, as the results obtained from using an AI-powered solution correlate directly with how effectively the AI was conceived, built, and productized for the specific use case, as well as how it is implemented, maintained, and supported.

**Most legal contract management solutions** began as workflow tools geared at helping users navigate the steps to get a contract approved and signed, or as repository tools to make contracts findable. Analysis of contract data was an afterthought, and AI has found its way into contract lifecycle management (CLM) solutions mostly by way of connecting to generic, third-party AI tools.

**By contrast, the Workday Contract Intelligence was designed from the ground up with AI as its foundation.** Every aspect of the solution's development—powered by Evisort AI—has been focused on extracting, structuring, and making contract data actionable in optimal ways, turning static agreements into a source of business intelligence.

To build an AI-native SaaS solution, every stage of product development must be informed by machine learning principles. With each new layer of development, the intricacy of AI integration increases, so it's essential to address AI from the start to prevent compounding complexities down the line.

**The benefits of being AI-native ripple through both Workday Contract Intelligence, powered by Evisort AI and Workday Contract Lifecycle Management, powered by Evisort AI**—from scalability, to accuracy, customizability, security, transparency, and usability. This eBook details some of these critical differences.



Workday has leapfrogged the CLM space with next-generation contract AI. It's the fastest to deploy, most field-tested, most secure solution in the market.

**Managing Partner**

Harbor

**HARB(•)R**

# Combining multiple AI technologies.



If you want to teach people a new way of thinking, don't bother trying to teach them. Instead, give them a tool, the use of which will lead to new ways of thinking.

**Buckminster Fuller**

Architect, Inventor, Futurist, Systems Theorist

## Traditional AI took us from crawl to walk.

Within the realm of contract analysis and management, what has come to be known as “traditional AI” involves multiple components: optical character recognition (OCR), computer vision, and natural language processing, as well as other machine-learning and deep-learning technologies. These tools collectively focused on converting imaged documents into textual data and then extracting terms of interest to create structured data points.

These data points not only made contracts far more searchable but they also enabled automatic classification and semantic analysis, such as the identification of related provisions even when the specific language varied (for example, provisions related to the concept of Force Majeure could be successfully identified even when the term “Force Majeure” did not appear).

Workday Contract Intelligence enables reliable, accurate extraction and creation of structured data points from volumes of contracts at scale.

### Sample contract clauses include:

- Assignment
- Change of Control
- Confidentiality
- Data Breach
- Force Majeure
- Governing Law
- Indemnification
- Limitation of Liability
- Noncompete
- Nonsolicitation
- Publicity
- Term
- Termination
- Termination for Breach
- Termination for Convenience

### Sample contract fields include:

- Contract Type
- Title
- Internal Parties
- Counterparties
- Executed
- Language
- Text Quality
- Effective Date
- Start Date
- Initial Term
- Initial Expiration Date
- Upcoming Expiration Date
- Renewal Type (*Automatic, Option to Renew, Manual*)
- Renewal Term
- Number of Renewals
- Renewal Notice Date
- Renewal Notice Period (*Days*)
- Termination For Convenience Notice (*Days*)
- Payment Term (*Net Days*)
- Liability Cap (*Amount, Currency, Text, Type, Multiple*)

## Gen AI made it possible to run.

In late 2022, Generative AI burst onto the scene and quickly grabbed attention across industries and use cases worldwide. Large language models (LLMs) are massive predictive algorithms that can simulate human communication with remarkable dexterity.

The implications were dramatic. Generative AI not only facilitates natural language creation and revision but it also enables new, more intuitive ways of interacting with software functionality. This latter advantage engaged users at a fundamental level and inspired them to explore the potential of how AI can impact their daily lives.

Gen AI enables a range of powerful, specific capabilities around contracts, including:

- **Ask AI:** Ask questions about contracts in simple, natural language and receive clear, reasoned answers, with links to the relevant provisions.
- **Custom AI:** Turn questions into custom AI models that automatically populate precisely the contract data fields that matter to your organization.
- **Clause Creator:** Instantly receive newly drafted contract language from simple guidance, ready for insertion into an in-flight contract or saved to a clause library.
- **Automated Redlining:** Automatically receive suggested surgical edits to existing clauses to make them compliant with your corporate playbook or real-time guidance.

Combining these AI technologies helps Workday deliver optimal results. The pool of reliable data formed by traditional AI creates a foundational layer to help deliver accurate results from Gen AI. Gen AI, in turn, enables a broader range of functionality and enables the creation of custom AI models to meet specific contract analysis needs.

## Agentic AI opens a new frontier.

New possibilities are rapidly emerging for legal and business teams to offload tedious, manual tasks to AI that can execute complex actions on a continuous, autonomous basis.

In order for teams to take full advantage of AI agents requires clean foundational data for the AI to mine for insights, a sophisticated AI engine that can monitor and optimize its performance, and—critically—the control to create, supervise, and manage agents.

Workday Contract Intelligence—and, in particular, its custom AI capabilities—provide a major leap forward in the ability to train and empower AI agents to perform contract review and analysis, subject to human oversight and control. This is made possible by its sophisticated AI-native engine, combining traditional, generative, and agentic AI in empowering ways.



# Forging an LLM for contracts.



Give me six hours to chop down a tree and I will spend the first four sharpening the axe.

Abraham Lincoln

## Contracts are unique—they deserve their own LLM.

Contracts are unique in their tone, style, and use of language. For example:

- **Contracts have a self-referential structure;** certain provisions incorporate or rely on other provisions and don't make sense without that context.
- **Contracts contain “defined terms” that are explained in the agreement,** “terms of art” that are purportedly well understood in legal contexts, and generic terms subject to interpretation.
- **Contracts detail real-world consequences in often-cumbersome expressions** that may require extensive parsing to make sense to business stakeholders.

The nature and structure of contracts are so sufficiently distinct that generic LLMs are simply not optimized for contract analysis, editing, and drafting. Domain-specific training is essential to ensure users can get the fullest potential from Gen AI.

## Purpose-built AI for smarter contract management.

At Workday, we understand that legal agreements demand domain-specific intelligence to optimize analysis, editing, and drafting. That's why we've integrated contract-focused AI capabilities into our solution, purpose-built to handle the nuanced language and intricate structures found in contracts.

By developing our own advanced, fine-tuned LLM—trained on vast amounts of contract data—Workday Contract Intelligence empowers organizations to extract deeper insights, streamline workflows, and improve accuracy in contract management.

## A model and solution that continues to evolve.

Workday commits to continuous innovation to ensure that our capabilities evolve with advancements in AI. In addition to our contract-specific LLM, we leverage **select third-party LLMs via a patent-pending orchestration layer** that optimizes performance. This allows us to flexibly integrate future iterations of LLMs or pivot to alternative models when they offer better performance—always choosing the best tool for the task at hand.

To maintain the highest standards of accuracy, scalability, and responsiveness, Workday continuously benchmarks our contract AI capabilities to ensure that our solution delivers optimal results for contract analysis, drafting, and management while empowering users with data-driven insights.

By staying at the forefront of AI development, we provide organizations with the tools they need to work smarter, faster, and with greater confidence.

# Optimizing AI at every stage.



Great things are not done by impulse, but by a series of small things brought together.

Vincent Van Gogh

## A multifaceted approach.

Great results in AI require getting a multitude of things right at every stage. Workday applies fine-tuned technologies and carefully monitored processes right from ingestion to ensure optimal AI performance for its contract intelligence solution.



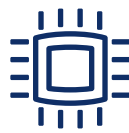
OCR and Enhancements



Embeddings and RAG



Pre-trained AI Models



AI Orchestration Layer



Post-processing capabilities

## OCR and enhancements.

The Workday Contract Intelligence AI engine leverages advanced OCR augmented by proprietary AI to accurately ingest up to 450,000 contracts per day, without requiring manual validation. This patent-pending process recognizes over 150 languages and supports handwritten text, poor scans, data in tables, and even edge cases—such as watermarks, headers, and footers—that confound many systems.

### *What's the impact?*

Fast, reliable ingestion of clean, readable data for full-text search and AI analysis.

## Embeddings and RAG.

The Workday Contract Intelligence AI engine parses data to support retrieval-augmented generation (RAG), which retrieves relevant information from large datasets and generates coherent, contextually accurate content based on that information. It features multilingual embeddings for effective handling of diverse languages and smart document segmentation for optimal efficiency and scale when applying AI, especially to longer documents.

### *What's the impact?*

Efficient accuracy gains and control against hallucinations from Gen AI.

## Pretrained AI models.

The Workday Contract Intelligence AI engine leverages proprietary deep-learning models specifically designed for contract analysis. Its models are trained on over 11 million curated agreement documents spanning more than 250 document types, encompassing over 1 billion data points. These pretrained models are highly resistant to mistakes that can emerge from OCR processes, as the AI training process simulates OCR error distribution and intelligently manages outputs.

### *What's the impact?*

Accurate, reliable, and cost-effective AI-powered extractions across all contract types.

## **AI orchestration layer.**

The Workday Contract Intelligence AI engine seamlessly integrates our proprietary, contract-specific LLM with best-of-breed third-party LLMs via a patent-pending system that actively learns from user feedback and takes input from previously extracted metadata. The engine systematically evaluates LLM performance at scale, both for accuracy and cost-efficiency, enabling it to intelligently select tools as needed and even suggest prompt enhancements to users to enhance results.

### ***What's the impact?***

A strategic approach that automatically applies the best AI tool for the job at hand.

## **Postprocessing capabilities.**

Workday Contract Intelligence captures in-product user feedback on all AI outputs to continually improve its performance, features robust data standardization to enhance reporting accuracy, and incorporates strict content guardrails to prevent harmful data inputs and outputs. Following an extensive third-party audit, Evisort became one of the first companies in the world to achieve accredited ISO/IEC 42001 certification for responsible development and use of AI systems.

### ***What's the impact?***

Responsible AI that ensures data privacy, enterprise security, and use-case integrity. How Workday streamlines the hire-to-pay process.



# Enabling customization and control.



Data is the new oil. It's valuable but if unrefined it cannot really be used.

**Clive Humby**  
Mathematician and Data Scientist

## Customizable AI adapts to changing needs.

Organizations across industries face constantly evolving contract management challenges brought on by volatile market trends, changing regulations, geopolitical events, and sudden shifts in business strategy.

The Workday Contract Intelligence AI engine adapts to these dynamic needs, giving users the flexibility to customize contract analysis without coding or special technical skills. The solution makes it simple to surface insights across vast contract portfolios to match their unique business objectives, find hidden revenue, drive compliance, and reduce costs.

Examples of customer success include:

- **A global bank** created a model to scour tens of thousands of contracts to find any clauses indicating ongoing business with a newly banned country.
- **A major technology company** facing supply chain disruption during the pandemic identified contracts allowing them to charge for partial performance, mitigating losses and preserving operating capital.
- **A global technology company** avoided significant potential fines by quickly analyzing tens of thousands of contracts for compliance with new data privacy requirements under GDPR and CCPA.



NetApp leveraged Workday's cutting-edge contract AI and automated workflow technology to save thousands of hours and millions of dollars across multiple critical corporate initiatives.

**Legal Operations Manager**  
NetApp



## Custom AI lets you track anything.

Workday Contract Intelligence empowers users to create **custom AI models**—tailored AI solutions for contract analysis and workflow automation—without coding or special technical expertise. Custom AI makes it possible for teams to track anything—and contractual terms of interest to the organization on an ongoing basis.

Below are three reasons that custom AI is a major leap forward for AI-powered contract review and analysis:

- **It trains with a question.** Custom AI takes the questions users ask through the Ask AI experience and transforms them into reusable AI models that automatically analyze contracts across entire repositories—or any defined subset. This enables teams to continuously surface relevant data points without manual intervention.
- **It goes far deeper than clauses.** Custom AI can extract a wide range of data, from dates and monetary amounts to named entities and specific legal terms. It can capture information at any level of granularity, making it easier to track key metrics and contractual obligations.
- **It doesn't just extract, it also generates.** Custom AI doesn't just pull information from contract text—it can calculate values (like renewal dates or payment subtotals that aren't expressed in the agreement), assign classifications (such as nuanced risk levels), and summarize complex clauses in plain language that can be readily understood by teams across the organization.

**Custom AI** transforms raw contract data into actionable insights that power better decision-making. It enables businesses to tailor automated contract analysis to their unique needs—whether to enhance compliance, uncover revenue opportunities, or reduce operational risk.



# Visualizing and acting on AI-powered data.

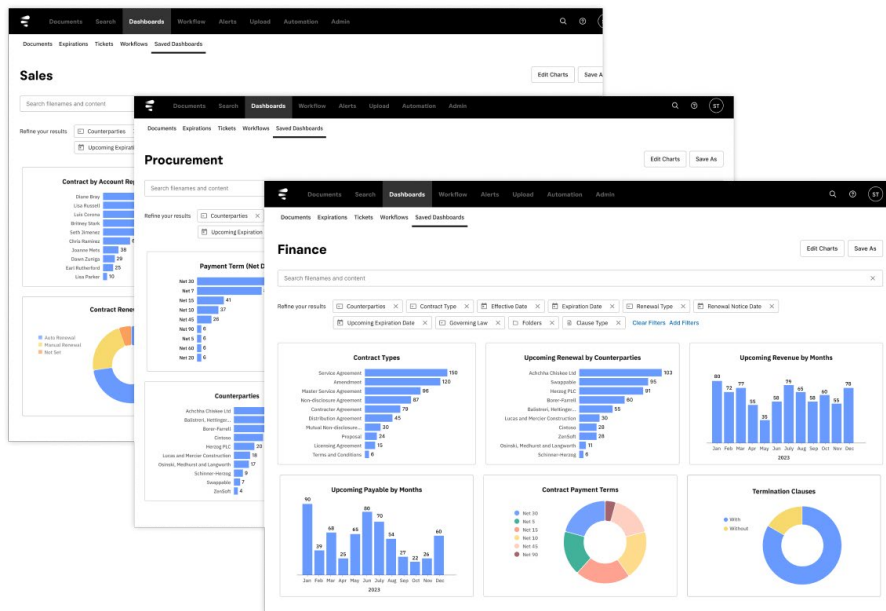


The great end of life is not knowledge but action.

**Thomas Huxley**  
Biologist and Anthropologist

## Customizable dashboards and reports.

To lead to great business outcomes, insights gleaned from contract data must be actionable. This requires teams to be able to leverage that data how they want to, where they want to.



Users can easily create custom dashboards for every team and use case, with precisely the data points they need to see.

Workday provides teams and users with total control to visualize their contract data however they wish via customizable dashboards. These dashboards are fully interactive with click-and-drag controls, integrated with advanced search and filtering, and always up-to-date with the most current data. Users can save and share their dashboards across teams and business units.

## Customizable table views.

Advanced search displays search and filtering results in a configurable table view, enabling users to:

- Select contract data points from a checklist
- Instantly update their views
- Inform decision-making, contract remediation, and more

Name	Contract Type	Lease Address	Property Squarefootage	Base Rent and Increases	Payment Term (Net Days)	Start Date
Law_Insider_co...	Lease Agreement	2550 N. Broadway, Boulder, CO	2060	\$6,955,643.0%	Net 10, Net 30	1999-01
Law_Insider_ch...	Lease Agreement	4805 N. 30th Street, Colorado Springs, C...	29065	\$11.50 per square foot, 2%	Net 15, Net 10, Net 30	1999-06
Law_Insider_pr...	Lease Agreement	2032-2034 North Highway 360, Grand Pr...	25000	\$23,958.31, \$1,041.67	---	2001-11
Law_Insider_at...	Lease Agreement	5151 S. Lawndale Ave., Summit Illinois	666468	\$15,300.00, \$420.00	Net 30	2017-02
Law_Insider_sl...	Lease Agreement	11782 River Road, Richmond, British Colu...	2900	\$650.00	---	2004-11
Law_Insider_rl...	Lease Agreement	Coppell, Dallas County, Texas	627264.29	\$29,834.17 \$33,047.10 \$38,095.96	Net 10, Net 30	1997-01

In this table view for lease agreements, the user has chosen to display custom fields extracted via custom AI models: lease address, square footage, and base rent and increases.

## Integrations with other systems.

Every business team—from finance to procurement to sales, HR, M&A, and more—can uncover opportunities and reduce costs simply by knowing what's in their contracts. Workday Contract Intelligence lets teams share AI-powered contract data with virtually any other enterprise system in their tech stack, including:

- CRMs
- ERPs
- Other CLMs
- Productivity tools
- E-signature tools

Prebuilt integrations (such as with Salesforce, Box, Dropbox, Sharepoint, and OneDrive) keep contracts and their data in sync, while our included API offers flexible extensibility to other systems as desired. Integrations with e-signature systems (such as DocuSign and Adobe Sign) make signing contracts quick and easy as part of end-to-end workflows. And integrations with the broader Workday ecosystem offer the ability to drive efficiencies and visibility across a wide range of business functions.

These are just some of the ways that Workday Contract Intelligence meets users where they work every day.



# Delivering faster value.



The secret of getting ahead is getting started.

Mark Twain

## A boost to get started efficiently.

Different industries and business units have different needs for their contract data, yet getting up and running quickly is critical to generating adoption and demonstrating value within the organization.

With an **average deployment time of 21 days**, customers can **gain fast value from a complete intelligent repository** in Workday Contract Intelligence without sacrificing adaptability.

Workday helps customers bridge this gap with **prebuilt, configurable AI models and dashboards**. Below are some of the industries, use cases, and roles for which Workday can offer AI models and dashboards to ease deployment and accelerate time to value.

Industries	Use Cases	Roles
Healthcare	Customer Obligation Management	General Counsel
Financial Services	Vendor Management	Legal Operations
Real Estate	ESG Compliance	IT/CIO
Manufacturing	Data Privacy Compliance	Procurement
Technology	Invoice Management	Finance
Energy	Revenue Maximization	Sales
Media & Entertainment	M&A Due Diligence	Human Resources

## Getting started with a proof of concept.

There is no better way to be sure that a solution will bring the value sought than to test it out in real life. That's why many Workday Contract Intelligence customers are already up and running with a complete intelligent repository of their contracts by the time they purchase.

**With a Workday Contract Intelligence proof of concept**, legal and business teams get to see precisely how the solution ingests and analyzes their own contracts in advance, informing their rollout plans and instilling confidence in their choice of a contract intelligence and CLM solution for years to come.



Workday Contract Intelligence is one of the most versatile tools I have ever used. We got significant ROI in one month.

**Procurement Manager**  
Keller Williams



# Leading with responsible AI.



You cannot get through a single day without having an impact on the world around you. What you do makes a difference, and you have to decide what kind of difference you want to make

Jane Goodall

## A critical new standard.

The global ramifications of AI are inestimable, making the obligation to approach AI responsibly is undeniable.

In early 2024, the renowned International Organization for Standardization introduced a comprehensive new standard—**ISO/IEC 42001 for Artificial Intelligence Management Systems (AIMS)**. Soon after, Evisort (a Workday company) underwent an intensive application and audit process with a respected compliance assessment provider.



The process examined Evisort as both an AI “producer” and a “provider,” evaluating its practices against the rigorous criteria of ISO/IEC 42001 that requires companies to:

- **Demonstrate committed leadership, adequate resources, and effective procedures** to ensure responsible development, maintenance, and use of AIMS.
- **Identify, evaluate, and manage potential risks and opportunities** throughout the AIMS lifecycle via comprehensive planning and execution.
- **Continuously monitor and measure performance** of AIMS, taking corrective action when necessary to maintain effectiveness and reliability.
- **Provide transparency and explainability** to ensure that stakeholders can trust AI models via a clear understanding of how outcomes are generated.
- **Continually improve the AIMS** to ensure it remains relevant and effective, adapting to new risks and opportunities as they emerge in the evolving AI landscape.

By October 2024, Evisort had received an accredited certification for ISO/IEC 42001, becoming one of the first entities in the world to achieve this critical milestone. Workday’s continued investment in responsible AI builds on this strong foundation, reinforcing our commitment to trust, transparency, and ethical AI practices.

## Security by design.

The contracts at the heart of any business contain some of that business's most sensitive data, yet contract software solutions that merely integrate third-party AI may lack the security and privacy controls needed to protect that data.

Workday Contract Intelligence protects customers' critical data and systems with:

- **Advanced administration controls** that let organizations create custom user roles and set tight restrictions on data access and permissions.
- **An AI security layer** that vets all user inquiries for malicious intent and bases AI responses exclusively on relevant data within the user's permitted access.
- **Sophisticated anonymization** and aggregation of data to ensure safe management of PII, PHI, PCI, and other protected data types.
- **Tight restrictions on third-party relationships** to ensure that when we leverage external AI services, those entities and their employees cannot store, access, or train AI models with customer data.

Workday Contract Intelligence maintains rigorous compliance standards, including SOC 2 Type II, ISO 27001 (data security), and ISO 27701 (data privacy). These certifications underscore the Workday commitment to safeguarding sensitive contract data while delivering industry-leading AI capabilities.



## See what Workday Contract Intelligence and Workday Contract Lifecycle Management can do for your business.

Discover how AI-native contract management solutions from Workday can help your organization gain deeper insights, streamline workflows, and unlock the full value of your contracts. Connect with our team to explore how our AI-native solution can drive smarter decisions and better business outcomes.

Visit [workday.com/contract-management](https://workday.com/contract-management) to learn more.



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