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2025

State of Contract Management

Key insights and statistics every
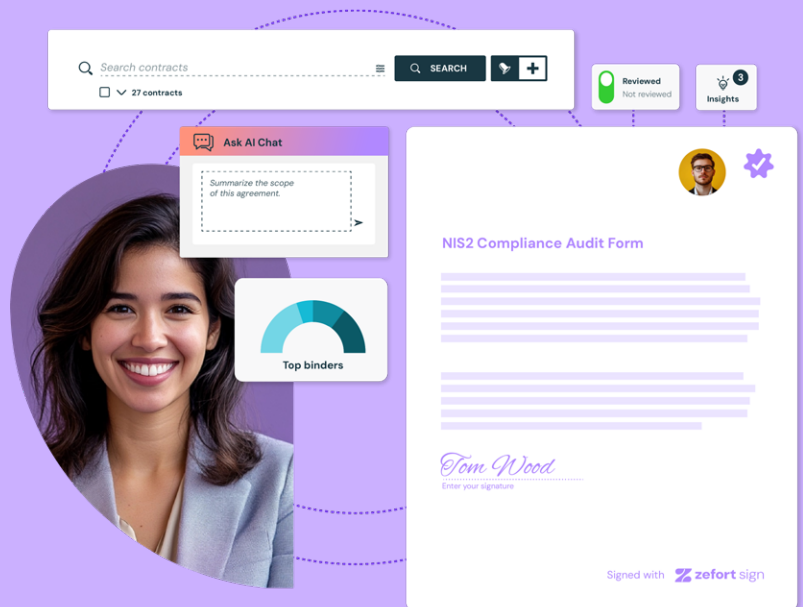business leader should know

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What is Zefort?

Zefort is a modern **contract management solution** that helps organizations take full control of their contracts – without adding complexity.

With Zefort, all your agreements are stored in a secure, centralized archive where they are easy to find, manage, and monitor throughout their lifecycle.

Designed for **legal teams, procurement professionals, and contract managers**, Zefort simplifies everyday workflows while ensuring compliance and reducing risks.

The key benefits of using Zefort

✓ **Centralized contract repository**
All your contracts in one secure, searchable location – no more scattered files or lost documents.

✓ **AI-powered automation**
Save time with automated metadata extraction, smart reminders, and lifecycle tracking.

✓ **Improved compliance and governance**
Granular access controls and audit trails help you meet regulatory requirements effortlessly.

✓ **Seamless integrations**
Connect Zefort with your existing tools like ERP, CRM, DMS, or e-signature platforms.

✓ **Fast onboarding, easy to use**
Zefort's intuitive interface ensures a low learning curve – no complex IT projects needed.

✓ **Never miss a renewal or deadline again**
Automated alerts keep you on top of critical dates and obligations.

Why contract management matters more than ever

Contracts define business relationships, obligations, risks, and revenues. Every company depends on them – yet many organizations still lack proper control over how contracts are managed, stored, and monitored.

It's not uncommon for teams to spend hours locating agreements, clarifying terms, or reacting to missed deadlines. These inefficiencies are rarely visible on a balance sheet – until they result in unnecessary costs, compliance failures, or lost opportunities.

This report explores the latest data on contract management practices in 2025. By understanding where companies struggle the most, leaders can identify clear steps to improve visibility, reduce risk, and turn contract management from a reactive burden into a proactive advantage.

A growing market reflects growing challenges

The **contract lifecycle management (CLM)** market is expanding rapidly – valued at **$1.07 billion in 2024**, it is projected to more than **triple by 2034**. This growth isn't driven by hype, but by necessity.
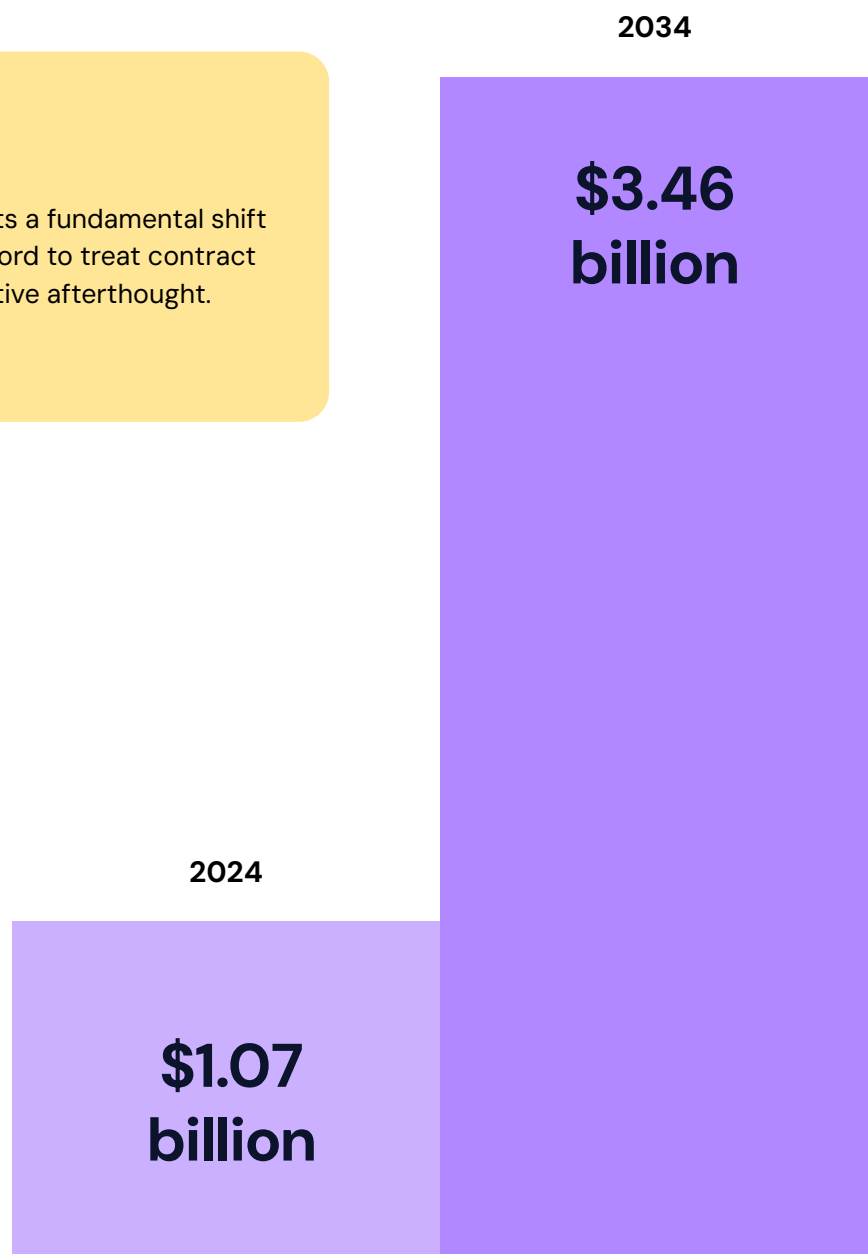
Organizations face an increasing number of contracts, each with specific terms, deadlines, and compliance requirements. As businesses grow, merge, or diversify, the volume and complexity of contracts grow with them.

Regulatory pressures, especially in sectors like finance, healthcare, and public procurement, demand tighter control and auditability. Yet, many companies still rely on outdated systems or fragmented storage across tools like **SharePoint, email, and local drives**.

2034

Key Insight

The CLM market growth reflects a fundamental shift – companies can no longer afford to treat contract management as an administrative afterthought.

$3.46 billion

2024

$1.07 billion

The most common pain points – and why they persist

Despite the availability of modern tools, several challenges remain widespread:

Lack of visibility
According to recent studies, **71% of companies admit they cannot locate at least 10% of their active contracts**. This isn't just a logistical problem – it exposes businesses to financial and legal risks when obligations are overlooked or forgotten.

Manual processes
Many organizations still handle key contract tasks manually – from tracking renewal dates to managing versions and approvals. Automation could **reduce errors and speed up workflow**s, yet inertia and fear of change often keep legacy practices in place.

Compliance risks
Over **50% of organizations report losing business opportunities** due to inefficient contract processes. Whether it's failing to meet regulatory standards or missing deadlines in supplier agreements, poor management directly impacts competitiveness.

Access control issues
In decentralized environments, it's common for companies to l**ose track of who has access to sensitive contracts**. This creates data security risks and complicates collaboration across legal, procurement, and finance teams.

These challenges persist because they are often hidden beneath daily operations – until something goes wrong.

The hidden cost of poor contract management

While inefficiencies may seem minor day-to-day, they accumulate quickly. On average, **companies lose 9.2% of annual revenue due to poor contract management**. For large enterprises, this can reach up to 15%.

Consider the cost of drafting and managing contracts: a simple agreement now costs approximately $6,900 to process – a figure that has risen by **38%** over the past six years. These costs are driven by manual workflows, duplicated efforts, and lack of standardized processes.

> Missed renewals, unnoticed termination clauses, or forgotten obligations can lead to penalties, unnecessary expenditures, or even legal disputes.

The financial impact is clear, but there's also a strategic cost: legal and procurement teams spend too much time on administrative tasks instead of focusing on higher-value activities like risk mitigation, negotiation strategy, or supplier optimization.

AI and automation – potential vs. reality

AI and automation promise to transform contract management, but adoption remains limited. Only **13% of organizations have integrated AI-driven tools** into their CLM workflows.

Those who have, report measurable benefits: **faster contract cycles, fewer human errors, and improved compliance tracking.** Features like automated metadata extraction, smart reminders, and risk flagging help reduce manual workload and prevent costly mistakes.

Yet, many companies hesitate due to perceived complexity, concerns over data migration, or a lack of internal expertise.

13%

> ### Analysis
>
> The gap between potential and reality suggests that while technology is available, organizational readiness and change management are the real barriers to modernization.

95%

While contracts play a critical role in business operations, most organizations still struggle to manage them efficiently. According to recent data, only **22%** of companies feel confident in how they track and manage contracts, and a staggering **95%** lack full visibility of their contractual obligations. This lack of control leads to financial risks, especially when **40%** of organizations can't even keep track of who is responsible for specific contracts.

The good news is that modern contract management solutions offer clear benefits. Automation alone has helped lawyers save up to **82%** of their time, and emerging technologies are expected to cut manual efforts for reviewing and drafting contracts by **50%** in 2025. On top of that, companies can save up to **2%** of their annual costs simply by implementing proper contract management – a significant figure when compared to the potential losses of **9.2%** to **15%** due to poor practices.

What leading organizations are doing differently

Companies that have successfully modernized their contract management share common traits:

✓ They centralize **all contracts in a single, secure repository with powerful search capabilities.**

✓ They implement **automated workflows** for renewals, approvals, and reminders, reducing dependency on manual tracking.

✓ They enforce clear **access controls**, ensuring that sensitive information is only available to the right people.

✓ They **integrate CLM tools with existing systems** like ERP, CRM, and DMS, avoiding data silos.

✓ Most importantly, they **prioritize usability**, ensuring that legal, procurement, and business teams can collaborate without friction.

These organizations view contract management not as a back-office function, but as a strategic enabler for risk management, compliance, and operational efficiency.

Conclusion: Turning awareness into action

The data highlights a clear message: traditional contract management approaches are no longer sufficient. Companies that continue to rely on fragmented systems and manual processes will face increasing risks and rising costs.

Modern CLM solutions offer a pathway to better control, compliance, and efficiency – but adopting these tools requires more than just technology. It demands a shift in mindset: recognizing that contracts are not static documents, but dynamic assets that require active management.

Now is the time for legal and procurement leaders to evaluate their current practices and take steps toward smarter, more resilient contract management.

Next step

»» Book a tailored demo and see how leading companies streamline contract workflows with Zefort.

Zefort AI

Zefort Forms

Zefort Sign

Contract repository

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