



# AI-Enabled Automation

**Multistrat**

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# Executive Summary

MULTISTRAT focuses on providing strategic consulting and managed services related to technology sourcing and supplier management. The team works on different facets of supplier and tech sourcing management aiming to define sourcing strategy for businesses, provide information for negotiation, and more.

Key areas of focus include:

- Assessing the supplier landscape and providing guidance on cost optimization and contractual terms.
- Execute sourcing processes, using structured approaches and proprietary tools.
- Offer negotiation expertise with various suppliers, focusing on securing favorable financial deals and mitigating risks for customers
- Ongoing management of supplier relationships and contracts, including governance, compliance, and renewals.

MULTISTRAT efforts help businesses identify and realize optimal value from their technology suppliers, reduce costs, and improve efficiency.

Multistrat seeks to leverage AI to streamline and automate some of their existing work streams in order to drive productivity and improve scalability. The Multistrat team has identified a few areas for initial AI-led enhancement:

- Contract Assessment - Outline contractual integrity based on contracts assessment, pricing sheets and other intel received outside of collated documents. The AI-led tool should:
  - provide observations and commentary around current state of the contracts, end dates, and other parameters based on specific contract types and publisher
  - Identify contracts that are due for mandatory renewals / negotiations
  - Classify contracts into different types based on contract terms and other parameters
  - Scoring matrix based on contracts collated & information available
- TCV & TCO Outlook - Provide commentary around as-is scenario and recommendations, specifically:
  - Commentary around discounts across years and future trajectory
  - Commentary around pricing, discounts and trajectory of primary products
  - Provide future scenarios based on as-is extension
  - New demand ramp down TCO outlook - Manual?
  - Potential Outlooks & Saving
- Entitlement & Consumption -

- SAM (Software Asset Management) - Outline entitlement vs consumption across publishers based on pricing sheets, product usage & license info, true-up/down scenarios and other intel received outside of collated documents. Provide commentary around:
  - Current product consumption and any true-up/down resulting in changes vs contract
  - Licenses & types assessment and impact on changes
  - Current consumption and forecast
- FINOPS (Cloud Based) - Assess consumption of cloud services and provide recommendations for cost saving and efficient process setup
- For SAM and FINOPS, outline levers and enablers ~~recommendations~~ for customers to optimize license types to buy, better govern contracts with publishers, purchases to be made to enable saving and improve process or look into more competitive offerings

**Proof of Concept:** An initial x-week engagement focused on developing and validating an AI agent that pulls out relevant information from contracts and provides input for TCV and Outlook modeling

Development will be executed by a lean team of experts. Indicative costs for Phase 1 is \$X

NOTE - We recall that Multistrat is open to doing the contract assessment step manually, if we could focus on SAM/FinOps automation. We could discuss if we are automating this step or leaving it to experts to provide clean data so that we can focus on other important downstream steps. Do note though contract assessment is a relatively easy problem to solve, is a foundational step, can be a stand alone module and will save experts time if automated during POC

# Current Process Analysis

Multistrat collects supplier contracts, entitlement and usage information (software and cloud products) and other intel (from conversations) from customers to assess the contracts from entitlement, consumption and optimization point of view. Further, the team outlines the current state for customers and proposes recommendations that help with optimization usage, saving cost, renewals and other negotiations with publishers.

Multistrat works across publishers such as Microsoft, SAP, Adobe, and more.

Typically the process involves:

1. Assessing the lay of the land with customer and understanding their relationship with the supplier(s)
2. Obtaining all the different contracts as available by contract types (Eg: Azure service has XYZ contracts, etc)
3. Outlining the consumption information through product usage dashboards, info from customers, info from customer's teams and documents signed with publishers
4. Finding relevant data points manually within contracts to assess integrity, validity and areas of optimization
5. Creating as-is scenarios around TCV, TCO Outlook
6. Proposing recommendations to optimally utilize suppliers software or cloud based services, save cost, negotiate better during renewals, structure governance and more

## AI-led Solutions

The current process has potential for AI-led automation that our proposed solution will address:

**Manual Intervention** - Multistrat experts spend significant time on operational tasks such as collation of contracts to be received, followups with customers, reviewing documents and extracting relevant data points, designing outlook for rationalization and more.

**Data Extraction** - Data could come in several formats (spreadsheets, PDF, JPEGs, etc) making the extraction effort manually intensive. Additionally, given the large volume of information to be assessed, by different publishers, complexity of manual data extraction and error creep is high

## AI Solutions

AI-led tools can completely eliminate the use of expert time and effort on routine tasks such as collation of contracts, and extraction of parameters from contracts.

In other areas, reasoning-based AI tools can feed analysis and insights to Multistrat experts and enhance their productivity. Examples include analysis of current & future state

scenarios, creation of summary commentary and recommendations, and insights to feed into TCV & Outlook calculation and the development of future (procurement) strategy.

#### **A Note about AI Solutions:**

##### **Context extraction cannot be on an autopilot mode**

Integration of external intel, outside of documents received, poses a challenge requiring experts intervention in optimizing outlooks. If such information is not exposed to the AI, then will continue to remain as part of manual effort of experts

#### **Evolving Vendor Offerings**

Innovation with products / services by vendors needs constant monitoring to be fed into forecast design. This intel will have to be pre-collected to feed into AI for optimal solution. While we can set automated agents to monitor for product updates, we cannot rely on vendors to keep their public data current.

#### **Explainability and Continuous Monitoring**

“Black box” models will need to be avoided to ensure high trust in the AI solution. While we may rely on reasoning models to come up with procurement optimization strategies, significant expert involvement is needed until we have the confidence in the consistency of the model performances.

# Solution Architecture & Implementation Approach

## Overall Approach

Moative will deliver an AI Solution covering approaches for contractual assessment, SAM and Finops process/strategy. Through a workshop Moative and Multistrat teams will zero-in on the parts of the workflow that could be automated with high confidence, while keeping in perspective that we need to prioritize steps that deliver the highest impact for the clients.

## Contract Assessment

Focusing on removing manual intervention in collection and validation of customer contracts is a foundational step. Information will have to be extracted around some pre-defined parameters as provided by the business and other terminology deemed important through the AI review.

The automation will provide Multistrat with information to feed into current state commentary, TCV, outlook strategy design and SAM. We see this side of automation as foundational. We recall that Multistrat is open to doing this step manually, if we could focus on SAM/FinOps automation. We could discuss if we are automating this step or leaving it to experts to provide clean data so that we can focus on other important downstream steps.

## AI Automation for Contract Assessment

While we could side-step the automation of the contract insight extraction, it is a relatively easy problem to solve and it will save time for the experts, which can be diverted to higher order problems.

Should we decide to take this up, the ‘Proof of Concept’ (POC) will deliver an enhanced contract understanding through automated categorization, faster and more reliable identification of mandatory data points, amendments for upcoming negotiations, and rule-based amendment prioritization to focus negotiation efforts.

**Contracts Categorization** - Implement NLP-based categorization of different contract types (eg: MBSA, EA, MCA, Product Terms, Amendments).

**Mandatory Contracts Information** - Develop a rule-based system to identify which amendments of the current contract will be mandatory for the next contract negotiation.

**Contracts Collection** - Validate whether all possible contracts / documents have been received from the customer based on the type of services committed for.

**Contracts Data Validation** - Based on type of contracts & publisher, extract relevant data points from within contracts. Data points such as: Validity of contract, Dates, Liability, T&C, Payment terms, and more, This will be identified through Multistrat pre-defined list and other terminology deemed important through the AI review.

**Current State Commentary** - Provide observations on the contract types, end dates, and other parameters based on specific contract types

**Scoring matrix** - Create a standard scoring matrix based on rules as identified by Mutisrat based on contract types and different publishers

## Total Contract Value (TCV) & Outlook

Upon extraction of relevant data points from contracts and other intel fed in by the Multistrat team, Moative team shall use AI / ML techniques to prepare TCV and Outlook models. This will be covered in few parts: Commentary & numbers around current scenario, future outlook considering as-is scenario and new demand & ramp down TCO outlook.

### Current scenario & as-is extension

**Data Extraction** - Automate data extraction from Customer Price Sheets (CPS) for discount trends across the years.

**Scenario Commentary** - Commentary around discounts across years and future trajectory overall and across primary products. Commentary should cover TCV trajectory, insights on spend, comparison to market standards and beneficial scenarios for customers.

**Visualization** - Visualize total CPS and primary products as done today by the Multistrat team. Visually distinguish expected extensions, terminations and TCV presentations to aid decisions

### New Demand & ramp down outlook - Manual

### Potential TCV and TCO Outlook - Need more info

## Entitlement & Consumption (for Software Asset Management - SAM & Finops)

For SAM & Finops, assessment of entitlement vs consumption needs to be undertaken with consumption more heavily weighted for Finops. The scenarios for consumption vary based

on the publisher under consideration. The AI Solution will analyze the information based on context under consideration (Publisher and additional information as available from customer) to outline current state and changes to make for optimal consumption going forward

**Consumption Assessment** - Assess and lay down current state of consumption considering data from the system

**What-if Scenarios** - Based on the publisher, outline beneficial scenarios for customers such as transition of licenses across personas, migration to different instances, etc. to lower spend

**Overage vs underage** - Lay down the current state and steps to mitigate the same

### **Entitlement**

**Utilization Overview** - Provide an Entitlement, Consumption, utilization overview visual for customers based on above analysis

## **Levers & Enablers**

Based on publisher, contract assessment, TCV and Outlook, entitlement & consumption analysis, certain sets of levers are proposed to the customer for their benefit. The recommendations come from above listed analysis and deep expertise possessed by Multistrat. The AI/ML solution will replicate the process to provide optimal recommendations with avenues for Multistrat team to change / adjust proposal based on their expertise

### **Summary for SAM:**

- **Pricing & Discounts** - Based on discount analysis and optimal scenarios, summarize current state and actions steps for client to undertake
- **Payment Terms** - Outline current payment term and optimal terms for customer benefit
- **Retire, Reduce, Re-engineer** - Outline license migration, reduction, removal that optimizes customer spend based on current state and outlook as discussed with customer
- **Warranty / Support / SLA** - Outline current state from contracts and optimal scenario for customer

### **Summary for Finops:**

- **Usage** - Outline high usage products (80/20) and changes to make to usage to optimize spend

- **Right Sizing** - Outline steps customer should undertake to course correct usage and reduce cost
- **Schedule** - Propose schedule to maintain to optimize costs
- **License** - Propose cost effective license models vs current undertaking by customer
- **Spot Instances** - Propose favourable steps for customers to undertake

#### **Enablers Summary for SAM and Finops:**

- **SKU Optimisation** - Provide user % and standard text on implementing personas fit-for-purpose
- **Supplier Governance** - Summarize governance level and provide standard text on benefits
- **New demand** -
- **Process / Competition** - Standard text on governance to follow

During the workshop we propose devoting time to walkthrough a typical SAM/FinOps analysis and recommendation report done by Multistrat to assess the level of automated reasoning, decisioning, and documentation that is feasible for version 1.0. This would allow us to decide on which steps in the entire workflow are worth focusing on during the first few weeks.