Tribunal Session Summary

Session: conclave-20260514-020321-will-docusign-experience-a-610b

Depth: T6

Advocates: 6 | Judges: 5 | Cost: $5.3462 | Time: 37m 28s

THE PROMPT: Will Docusign experience a significant decrease in its customer base by 2028? Include a probability estimate, key factors influencing customer retention, and what developments could alter this outlook. ---

THE RULING: No, Docusign will not experience a significant (>10%) cumulative decrease in its customer base by 2028. The probability of such a decline is estimated at **~25–30%**, with the base case being modest growth or stability.

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The Ruling

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This answer synthesizes the tribunal's deliberation, which converged on a non-trivial but minority risk of significant contraction. The strongest evidence shows that enterprise integration stickiness, market growth, and the absence of a disruptive Microsoft first-party e-signature launch create a floor for customer retention. However, the risk is anchored in the vulnerability of the SMB segment, which constitutes ~89% of logos and is exposed to commoditization. The 25–30% probability reflects a balance between these forces, with the most plausible path to decline being a Microsoft launch with migration tooling. The caveat is that the FY2026 customer count of 1.8 million remains context-dependent and may include non-paying accounts, introducing measurement risk.

Core Analysis

Thesis: Enterprise Stickiness and Market Growth Outweigh SMB Vulnerability

Docusign's customer base is structurally resilient to a >10% cumulative decline by 2028, despite significant headwinds in the SMB segment. The core argument rests on three pillars: **enterprise integration depth** creates high switching costs, **market expansion** provides a steady stream of new logos, and **competitive threats**—while real—are unlikely to trigger a net customer collapse without a discrete catalyst. The 25–30% probability of decline reflects a material but minority risk, primarily driven by SMB commoditization and the potential for a Microsoft first-party e-signature launch. The base case is modest growth or stability, supported by historical net-add resilience and the absence of any analog where a B2B SaaS incumbent lost >10% of its paying customers under similar bundling pressure.

Key Factors Influencing Customer Retention

1. Enterprise Integration Stickiness (High Retention, Low Churn)

The enterprise segment, while a minority of logos (~11% of total), is the anchor of Docusign's retention strength. This is evidenced by **Net Dollar Retention (NDR) near or above 100%** in FY2024, as reported in the 10-K filing. NDR measures revenue retention from existing customers, including expansions and

downgrades, and a rate ≥100% indicates that upsells and expansions offset churn. While NDR is not a direct proxy for logo retention, it signals that large customers are not downgrading or leaving at scale.

- **Deep API integrations** are the primary source of stickiness. Docusign boasts **400+ prebuilt integrations** with platforms like Salesforce, Workday, SAP, and ServiceNow. Extracting Docusign from automated workflows—such as HR onboarding, procurement, or contract lifecycle management—requires extensive IT re-architecting, legal revalidation of audit trails, and operational downtime. This creates months of engineering work, making churn economically irrational for most enterprises.
- **Contract Lifecycle Management (CLM) and Intelligent Agreement Management (IAM)** expand the value proposition beyond e-signature. In FY2024, CLM ARR grew over 40% YoY, as confirmed by CEO Allan Thygesen in the Q4 earnings call. This shift from a standalone tool to a system of record for agreements increases stickiness, as customers store templates, negotiation history, and obligation tracking within the platform. Switching away from e-signature alone is one thing; migrating an entire CLM system is a multi-year ERP-like project.

2. SMB Segment: Majority of Logos, Vulnerable to Churn

The most critical insight from the tribunal is the composition of Docusign's customer base. Per the FY2021 10-K, **~89% of customers are SMBs**, despite enterprises generating the majority of revenue. This segment is highly exposed to commoditization, with free or bundled alternatives from Adobe, Google Workspace, and Dropbox posing a direct threat.

- **Annual churn rates** for SMBs are estimated at **10–15%**, based on SaaS benchmarks from Bessemer Venture Partners. This is higher than enterprise churn but not catastrophic in isolation. The key metric is net new adds: Docusign's customer count grew from ~1.51M in FY2023 to ~1.6M in FY2024, a ~6% increase, indicating that gross adds still outpace gross churn.
- **Economic sensitivity** amplifies the risk. In a recession, SMBs are more likely to cut redundant software costs, and a free alternative in Microsoft 365 could trigger a wave of cancellations. However, historical precedent shows that even under pressure, net adds rarely turn negative. For example, Dropbox's paying user count grew from 14.3M in 2019 to 18.2M in 2023 despite OneDrive bundling, compressing growth but not reversing it.

3. Market Growth and New Logo Acquisition

The e-signature market is projected to grow from **$4.7B in 2023 to ~$15B by 2030**, a CAGR of ~25%, according to Grand View Research. This tailwind supports continued logo acquisition, even as churn pressures mount.

- **New customer acquisition** is strongest in the enterprise segment, where Docusign wins ~55–65% of new deals, per Forrester and IDC reports. This is driven by its deep integrations and compliance credentials (e.g., eIDAS, FedRAMP), which are critical for regulated industries.
- **International expansion** is a key growth vector, with revenue from outside the U.S. growing 15% YoY in FY2024. This provides a fresh pipeline of users in digital-adopting regions, offsetting churn in mature markets.

Probability Estimate: 25–30% Chance of >10% Decline by 2028

The tribunal's synthesis converges on a **25–30% probability** of a >10% cumulative customer decline by 2028. This range reflects the median and mode of final estimates after evidence-based revisions:

- **GPT-5**'s Bayesian model, updated for elapsed time (no Microsoft launch as of May 2026), yields **~29%**.
- **Magistral Medium** and **Grok 4**, after correcting data errors, revised their estimates upward to **~30%**.
- **Claude Opus 4.7**, **DeepSeek V4 Pro**, and **Gemini 3.1 Pro** initially estimated lower probabilities (15–25%) but adjusted upward when confronted with SMB vulnerability and Microsoft risk.

This probability is not a prediction of collapse but a calibrated risk assessment. The base case remains **stable or modestly growing logos**, with a 70–75% chance of ≤10% decline. The 25–30% tail risk is driven by two scenarios:

1. **Microsoft first-party, compliance-grade e-signature launch**: This is the single most plausible catalyst. A Microsoft product with legal enforceability and migration tooling could pull SMBs and mid-market customers from Docusign. GPT-5's model assigns a ~30% prior risk, downgraded to ~18–30% by May 2026 due to non-launch. Conditional on launch, the probability of >10% decline is ~80%.
2. **Accelerated SMB churn due to bundling or recession**: If competitors bundle e-signature more aggressively or a recession hits, SMB churn could exceed 15% annually, overwhelming net new adds. For example, with ~1.70M total logos and ~1.51M SMBs, a 16% gross churn rate would yield ~242k churn in a year. If gross adds slow to ~150k/year, net SMB loss is ~92k/year. Over two years to FY2028, that's ~184k net SMB logos—exceeding a 10% decline on the total base—without a Microsoft shock.

Developments That Could Alter the Outlook

1. Microsoft First-Party, Compliance-Grade E-Signature Launch

This is the **most credible threat** to Docusign's customer base. As of May 2026, Microsoft has not launched such a product, relying instead on its partnership with Adobe for Acrobat Sign in M365. However, if Microsoft were to develop a native solution with the following features, it could trigger a >10% decline:

- **Compliance-grade features**: Audit trails, identity verification, and legal enforceability under eIDAS and 21 CFR Part 11.
- **Migration tooling**: Automated tools to transfer templates, roles, and workflows from Docusign to Microsoft's platform.
- **Bundling in E3/E5 licenses**: Zero marginal cost for existing M365 customers.

The probability of this event is estimated at ~30% by 2028, with a higher conditional impact on SMBs than enterprises due to shorter procurement cycles.

2. Accelerated SMB Churn Due to Bundling or Recession

If competitors like Salesforce, Oracle, or Google intensify bundling, or if a recession reduces SMB software budgets, churn could accelerate. Docusign's ability to **monetize AI features** (e.g., clause extraction, risk scoring) may help defend pricing and retention, but this is speculative. A sustained gross churn rate above 15% would be required to breach the 10% net decline threshold.

3. IAM/CLM Adoption Rates

If **CLM/IAM adoption accelerates**, it could deepen enterprise lock-in and offset SMB losses. However, actual attach rates are undisclosed. Gemini 3.1 Pro claimed $350M IAM ARR in 2026 (10.8% of total), suggesting traction, but without public breakdowns, the impact on logo retention remains uncertain.

How We Got Here

Scorecard

Judge	DeepSeek V4 Pro	GPT-5	Gemini 3.1 Pro	Grok 4	Magistral Medium	Claude Opus 4.7	Winner
Qwen 3.5 397B	REJECT	ACCEPT	REJECT	REJECT	REJECT	REJECT	GPT-5
GPT-OSS 120B	REJECT	ACCEPT	REJECT	REJECT	REJECT	REJECT	GPT-5
Qwen 3 235B	REJECT	REJECT	ADOPT	REJECT	REJECT	ADOPT	SYNTHESIZE
DeepCogito v2.1 671B	REJECT	REJECT	REJECT	REJECT	REJECT	ACCEPT	Claude Opus 4.7
Zhipu GLM-5.1	REJECT	REJECT	REJECT	REJECT	REJECT	REJECT	SYNTHESIZE

Convergence Assessment

The convergence was **epistemic**, not affective. Advocates shifted positions due to verifiable corrections, not social pressure. **GPT-5** revised its Microsoft risk probability downward after **Claude Opus 4.7** pointed out the elapsed time without a launch. **Grok 4** corrected its revenue figures after **Gemini 3.1 Pro** provided primary-source data. **Magistral Medium** revised its probability upward after conceding the SMB majority. These shifts were triggered by evidence, not sycophantic drift.

Closing Statements

DeepSeek V4 Pro: Maintained that Docusign will not see significant decline, with a 24% probability of >10% contraction. Emphasized enterprise stickiness and base-rate analogs (Dropbox, Box) showing no net customer collapse under bundling. Conceded SMB vulnerability but argued net adds would offset churn. Strongest evidence: CLM ARR growth >40% YoY and 89% SMB share from 10-K.

GPT-5: Projected 29% probability of >10% decline, citing Microsoft risk. Used a Bayesian model with time-decayed priors. Conceded NDR is revenue-weighted, not logo-weighted, and revised Microsoft probability downward. Strongest evidence: Microsoft non-launch as of May 2026 and enterprise switching costs.

Gemini 3.1 Pro: Argued for 25% probability of >10% decline, relying on FY2026 data (1.8M customers, $3.22B revenue). Conceded IAM does not protect SMBs but argued logo velocity makes decline unlikely. Strongest evidence: March 17, 2026, earnings release.

Grok 4: Estimated 30% probability of >15% decline, emphasizing market growth and AI. Conceded source misclassifications and threshold errors. Strongest evidence: NDR 102% and 1.4M customers in 2023.

Magistral Medium: Claimed 30% probability of >10% decline, citing SMB risk. Conceded lack of data and revised probability upward. Strongest evidence: Forrester win-rate data.

Claude Opus 4.7: Projected 23% probability of >10% decline, using base-rate analogs. Conceded arithmetic error ($836.9M x 4). Strongest evidence: Dropbox user growth from 14.3M to 18.2M.

Reality Checks

Claim	Challenge	Result
DeepSeek V4 Pro: "Docusign benefits from a powerful network effect that deters customer departure"	**GPT-5:** "Recipients don't need accounts to sign, so there's no counterparty coordination tax"	Full concession; retracted network effect as a moat
Gemini 3.1 Pro: "DocuSign grew to over 1.8 million customers by end of FY2026"	**Grok 4:** "StockStory reports FY2026 revenue at $2.98B, not your $3.2B"	Defense with primary-source citation; claim verified
DeepSeek V4 Pro: "Switching costs are 3–7x annual contract value"	**GPT-5:** "No source for this estimate; contradicts observed SMB churn"	Retracted as a heuristic estimate with no source

Next Steps

Next Step	Why It Matters	Confidence
What is the exact definition of "customer" in Docusign’s 1.8M figure?	It could include free tiers or inactive accounts, affecting decline risk	80%

Next Step	Why It Matters	Confidence
Will Microsoft launch a first-party, compliance-grade e-signature with migration tooling by 2028?	This is the single biggest risk factor	30%
What is the gross churn rate for Docusign's SMB segment?	Critical for modeling net logo decline	70%
What percentage of Docusign's customers are SMBs vs. enterprise?	Impacts exposure to commoditization	89% (from 10-K)
Can Docusign maintain pricing power in enterprise while competing with free alternatives?	Affects revenue stability even if logos decline	55%

Dissenting Opinions

No dissenting opinions were filed in this session.

Glossary

Term	Definition
CLM (Contract Lifecycle Management)	A category of enterprise software that manages the entire lifecycle of contracts, from creation to execution to renewal.
IAM (Intelligent Agreement Management)	Docusign's platform that uses AI to automate pre- and post-signature workflows, such as contract analysis and risk flagging.
NDR (Net Dollar Retention)	A SaaS metric that measures the percentage of recurring revenue retained from existing customers over a given period, including expansions and downgrades.
SMB (Small and Medium Business)	A business that falls below certain revenue or employee thresholds, typically more price-sensitive than enterprises.
SaaS (Software as a Service)	A software distribution model where applications are hosted by a provider and made available to customers over the internet.

How The Conclave Works

The Tribunal is a structured multi-model deliberation system. Instead of asking one AI model a question and trusting its answer, the Tribunal convenes a panel of independent models, forces them to argue, and subjects their conclusions to judicial review. The process is adversarial by design — consensus must be earned through evidence, not assumed through agreement.

Advocates are independent AI models (e.g., Claude, GPT-5, Gemini, DeepSeek) that each receive the same question and produce a sealed submission without seeing each other's work. Each submission must include a falsifiable hypothesis, tagged evidence with reasoning type (deductive/inductive/abductive), provenance labels for any frameworks cited, and an honest self-assessment.

Challenges follow submissions. Each advocate reads all other submissions and directly attacks weak points — not polite reviews, but pointed cross-examination. They must identify the single factual crux that would settle each disagreement.

Debate Rounds (1–7 depending on depth) force advocates to defend, concede, or revise their positions under pressure. The system tracks position stability across rounds to detect sycophantic drift — when models change their stance to agree with others without citing new evidence.

Judges (called Justices on The Bench) are separate models that never participated as advocates. They evaluate the full record: submissions, challenges, and debate transcripts. They fact-check claims, audit framework provenance, assess whether convergence was epistemic (evidence-driven) or affective (social pressure), and render a verdict: ACCEPT one position, SYNTHESIZE the best elements, or REMAND for further debate.

Depth levels control rigor: T1/Spot Check (submissions only), T2/Standard Review (1 debate round, 1 judge), T3/Deep Review (3 rounds, 3 judges), T4/Full Panel (5 rounds, full panel), T5/Stress Test (5 rounds + Fresh Eyes review), T6/Red Team (7 rounds + mid-debate judicial checkpoint).

The system is deterministic code — it cannot be sycophantic. It dispatches prompts, collects responses, and enforces the adversarial structure. The models argue; the code referees.