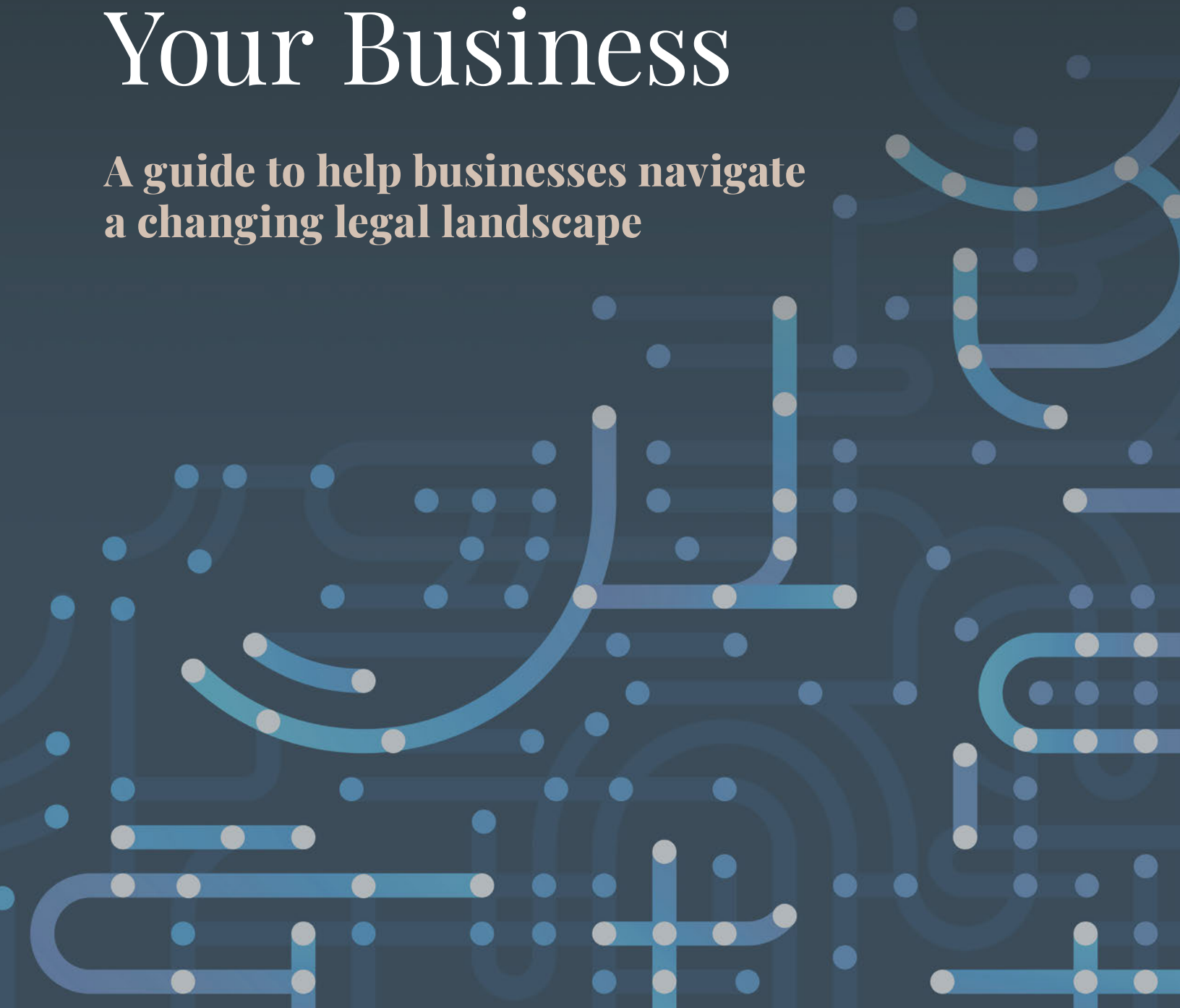


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AI and Managed Legal Services: How to Superpower Your Business

A guide to help businesses navigate
a changing legal landscape



Artificial Intelligence (AI) is fundamentally changing the practice of law.

Companies that leverage managed legal services fluent in smart tools have the potential to realize greater business growth made possible by pairing high-quality counsel with the efficient and effective use of AI.

This guide will cover:

1. What is AI?
2. How is AI impacting the legal industry?
3. AI: Today, tomorrow, and beyond
4. How to navigate the changing legal landscape

1. What is AI?

AI is all the buzz right now, and it's everywhere — including the legal industry. So, what exactly is AI?

By definition, artificial intelligence (AI) is a field that combines computer science and robust datasets to enable problem-solving. It also encompasses machine learning (ML) and deep learning sub-fields, frequently mentioned in conjunction with artificial intelligence. These disciplines are comprised of AI algorithms that seek to create expert systems which make predictions or classifications based on input data.¹

For the practice of law, instead of hours spent sifting through information, the capability to process massive quantities of data quickly using AI can give precious time back to legal teams for high-value tasks, such as focusing on company needs and strategy.

By helping legal departments with things as simple as reviewing documents quicker in areas such as contracts and litigation to more complex tasks like creating automated workflows or process applications, and even predicting legal outcomes, there is an incredible opportunity for businesses to realize value from AI.

¹ IBM.com: "[What is artificial intelligence \(AI\)?](#)"



2. How AI is impacting the legal industry

AI is having a profound effect on the practice of law — and nearly everyone is taking note.

In a recent article, [Business Law Today](#) echoed the benefits of AI, stating, “It can increase attorney productivity and avoid costly mistakes,” as well as “more recently, AI has begun to be used to help draft contracts, predict legal outcomes, and even recommend judicial decisions about sentencing or bail.”²

Nearly overnight, AI has changed the speed at which the legal industry can operate, and it will only increase. But with the growing list of benefits, comes some [hesitation](#).³

For starters, there are challenges when deploying AI in the legal sector. Citing strict regulations and standards, [Entrepreneur](#) identified that for some, “the cost [alone] is a major obstacle to AI adoption...there may be significant upfront costs associated with selecting and putting in place AI systems, as well as potential continuing maintenance and training expenses.”⁴

Additionally, some departments may encounter resistance; your in-house legal team may not be willing to go down a path they may view as a threat to their roles in the future. But perceived threat or not, AI is transforming the legal industry by making legal services more efficient, accurate, and cost-effective — and successful teams must learn to use available tools or risk being replaced by those who do.

While there are still limitations, it is clear that AI is playing an increasingly important role in legal services. In a recent [Law.com](#) article, one company that embraced AI has seen as much as a 100% increase in headcount as they can now more effectively enable their people to be more productive.⁵ The moral of the story is that no matter how sophisticated AI becomes, human oversight will continue to be essential, so it’s crucial for legal professionals to learn how to use the tools — or risk falling behind.

² Stepka, Matthew. Business of Law: “[Law Bots: How AI Is Reshaping the Legal Profession.](#)”

³ Stein, Whitney: “[All’s not well with ChatGPT: How AI fails on privacy by default and design.](#)”

⁴ Polzin, Roland. Entrepreneur: “[The Rise of AI: Why Legal Professionals Must Adapt or Risk Being Left Behind.](#)”

⁵ Law.com: “[‘This is a Rocket Ship’: How Generative AI Will Transform Legal Departments.](#)”

3. AI: Today, tomorrow, and beyond!

The legal profession looks slightly different than it once did, as the industry has undergone significant changes in recent years.

Technology has improved the speed and efficiency of performing many legal tasks. Additionally, the pandemic accelerated the use of technology across more aspects of legal work than ever before, such as conducting court hearings virtually.

Today's legal professionals embrace different perspectives, new technologies, and innovative approaches to legal practice. So, learning about — and using — AI to accomplish more in less time should be imperative for legal teams wanting to deliver high-caliber work and remain competitive in the industry.

“Much like email changed the way we do business every day, AI will become ubiquitous—an indispensable assistant to practically every lawyer. Those that do not adopt and embrace the change will get left behind. Those that do will ultimately find themselves freed up to do the two things there always seems to be too little time for: thinking and advising.”⁶

Sterling Miller,
Thomson Reuters



⁶Miller, Sterling. Thomson Reuters: [“Artificial intelligence and its impact on legal technology: to boldly go where no legal department has gone before.”](#)

AI delivers many opportunities for efficiency in the legal industry, including:

1. AI for optimizing contract analysis

Contract reviews can take hours to complete manually. Lawyers can deliver more value if they dedicate their time to more strategic work. Currently, legal teams are starting to use AI systems to automatically digest contracts that can be analyzed based on a specific set of rules or criteria and categorized.

Under the guidance of a lawyer, AI-powered software can review contracts, help identify key clauses and provisions, and extract important information. By converting contract data into machine readable forms that can identify concepts and clauses relating to a specific set of keywords, AI can provide insights into any legal issues or trends as well as create charts and reports — based on set keywords or rules — that can be analyzed to determine which parts of the contract are acceptable and which create risk.

AI can provide legal teams the knowledge to identify contracts that are missing certain clauses, insert approved clauses, and highlight potential risk factors to make other data-driven decisions quicker and more efficiently.

2. Analyze outside counsel spend

Manually reviewing invoices can be time-consuming — especially if your legal team is collating hundreds of data points. It's easy to miss billing errors and overages or simply lose track of how much spend is occurring across different firms.

AI technology supports a more robust way to review and analyze invoices. Once a legal team creates and agrees on billing guidelines with outside counsel, AI technology can ingest the guidelines to complete the invoice review process. In a matter of minutes, AI can identify line items that do not match the agreed guidelines and highlight billing errors, expense miscalculations, and missing or incorrect information.

With AI, a thousand invoices can be reviewed line by line in a matter of minutes. By using AI technology for outside counsel spend analysis, companies can not only save the time of evaluating all those invoices but also get a more transparent view of the spend to make more informed and strategic decisions.

3. Speed up eDiscovery with AI

Use of AI is applying methods of research to review legal documents faster and cheaper. Until recently, eDiscovery was a time-consuming, manual process done by associates — and the costs can quickly add up.

eDiscovery that leverages AI can automate the process of reviewing electronic documents with the ability to search databases for relevant keywords. Additionally, adopting AI for document review enables lawyers to flag items as relevant — the AI learns what type of documents it is looking for. AI can then identify other relevant documents, reducing the number of materials lawyers must review and the time spent.

AI can speed up eDiscovery for legal teams by automating tasks and quickly identifying relevant information and documents to significantly reduce the time and cost associated with eDiscovery, while also improving accuracy and reducing the risk of errors.

4. Simplify a complex jurisdictional data research process

Sometimes, lawyers need to dig into the volumes of publicly available unpublished state, city, or county court pleadings. It has always been a manual, tedious process to find the specific data they seek. The latest advances in AI can start to make this process massively easier.

Where legal teams were once required to visit a physical courthouse to perform any form of research, resources that combine AI with jurisdictional data research are available today to help lawyers find the information they're looking for with increased accuracy and far less time spent.

5. Quickly gather legal analytics for better insights

Legal analytics can provide insights into courts, judges, parties, lawyers, and law firms. Today, AI can offer legal teams an advantage by comparing similar cases with detailed data on trial resolutions, damages, and rulings, as well as timing analytics.

Legal teams must learn how to use insights from other state court cases to their advantage. By adopting a data-driven approach to the business and practice of law, practitioners will discover how to harness legal analytics for case strategy in these important courts.

6. Rapidly perform due diligence

Whether the legal community wants to embrace it or not, AI is here and can help lawyers to do much more in a significantly shorter time, especially the time-consuming task of due diligence. Many legal teams already use AI-powered tools to automate the contract management process.

AI can also assist with risk assessment by analyzing legal documents, court cases, and regulatory filings and streamline due diligence by analyzing legal documents and contracts, identifying inconsistencies, extracting relevant information, and flagging potential legal issues.

By saving time and effort for lawyers, AI enables legal teams to focus on higher-value tasks such as analysis and interpretation, helps make more informed decisions, and reduces the risk of errors, compliance, or other legal problems.

The legal industry is in a state of transformation driven by technological advancement, changes in consumer behavior, and increased competition. Companies that utilize managed legal services fluent in AI technology can not only improve the efficiency and productivity of their legal activities, but achieve more aggressive business targets.

4. How businesses can navigate the changing legal landscape

With great power, such as that enabled by AI, comes more responsibility.

As the legal industry undergoes significant changes as it adapts to new technologies, we face evolving consumer expectations, such as a growing demand for alternative legal service providers.

Businesses can benefit by enlisting a high-quality concierge law firm that has done the work to vet technology partners to help navigate AI and its impact on the legal industry.

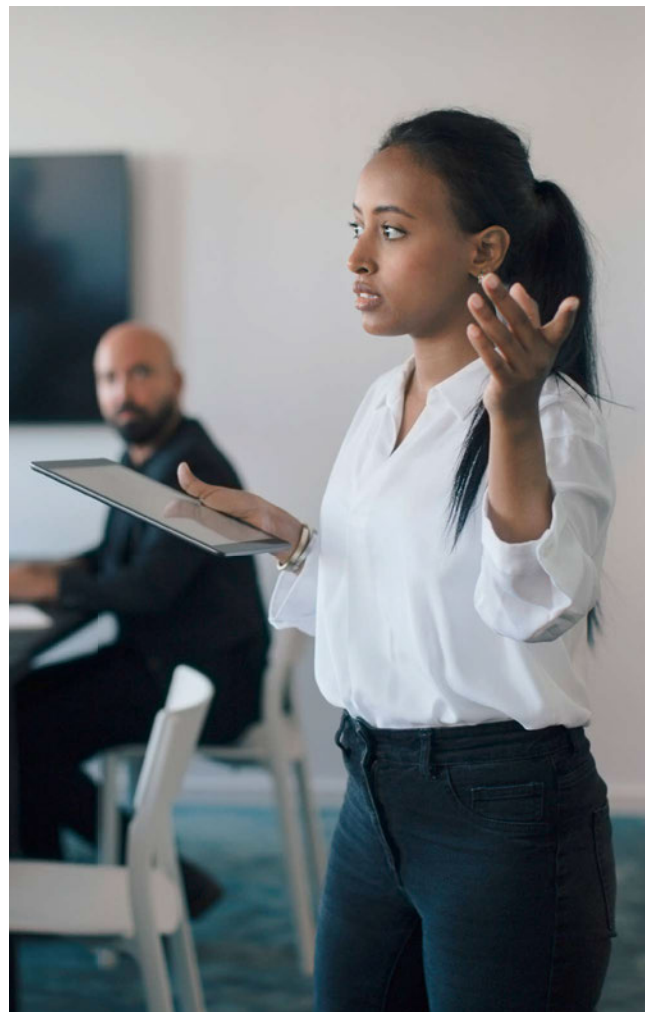
What to look for in a strategic partner

Whether looking for a managed legal services provider to help with one project or many ongoing activities, a fixed-fee concierge law firm with strategic relationships with technology companies can help your business effectively leverage AI as a resource while still offering expert legal counsel.

Seek out a full suite of support

When examining your options for a managed legal services provider, seek out a firm that can leverage strategic partnerships to support your business, from executive strategy to operations support for new and growing in-house legal teams.

A high-quality provider, such as a fixed-fee concierge law firm, can streamline your AI implementation strategy, solution development, and ROI assurance. Additionally, look for a managed legal services partner who utilizes AI for privacy and governance risk and compliance (GRC) modules implementation and ROI assurance, as well as can offer e-billing tools implementation and development.



Help your organization adopt legal process automation

The right managed legal service provider can utilize AI to deliver efficiency to some of your most time-consuming legal activities, including a full spectrum of document review capabilities. From contract drafting and negotiation, post-execution reviews, M&A due diligence, lease reviews, eDiscovery, and more, a legal firm fluent in available AI technology can deliver maximum impact to your business.

Look for a provider that utilizes workflow tools that can automate intake and other repetitive tasks, as well as provide support at scale with regulatory reporting, data breach response, transaction diligence, and document analysis.

AI and managed legal services: two things that go great together

Legal departments that enlist in managed legal service providers who leverage AI as a resource can expect to see an increase in efficiency by eliminating the more tedious tasks which can take busy legal professionals away from the high-value, strategic work they enjoy.

Managed legal services can also help organizations on their maturity journey with AI technology, enabling companies to maximize available capabilities while avoiding known data privacy and security risks.

Managed legal services providers that harness the power of AI are like candy that combines two tasty things — chocolate and peanut butter — to offer a more impactful punch. AI tools in the right hands can help deliver high-quality legal services at a lower cost in a more efficient manner, provide visibility into the work, and support direct human efforts to optimize the team's performance.

modCounsel: Your guide for leveraging AI to deliver results.

The legal landscape is changing, and your company must act strategically to stay ahead of the curve.

modCounsel is redefining the legal experience as AI redefines the legal industry. We partner with strategic vendors who employ AI technology to deliver high-quality services. Our diverse team is comprised of deeply-experienced legal professionals who embrace innovative approaches, technology, and use AI as a resource to superpower our clients' businesses.

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