

GenA.I.'s Impact on Law Firms

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[As Seen in Anchin's Law Firm Year-End Planning Guide](#)

Law firms today find themselves at a pivotal moment. Generative Artificial Intelligence (GenA.I.) is profoundly shaping the future landscape of law firms, ushering in a transformative era for the legal industry. While the legal industry has integrated discriminative A.I. services like eDiscovery for years, law firms are just beginning to explore the potential of GenA.I. in the performance of their legal services.

Law firms are facing the uncertainty of how to address and implement GenA.I., with some considering early adoption, and others taking a wait-and-see approach. Some firms are even considering banning it altogether, but that may impact lateral and first-year talent acquisition as law schools create programs around it. This policy could create even more risk as attorneys will look to use it even if off-line, without having been educated on the privacy and copyright concerns as well as other issues exacerbating risk and, therefore, without having the proper “guardrails in place” to mitigate such.

Regulatory legislation is on the horizon, including President Biden's recent executive order and the European Union's Generative A.I. Act. Historically, those types of technology issues such as privacy, copyright and risk of errors tend to resolve themselves over time as the technology evolves and widespread adoption occurs. For

example:

- eDiscovery was originally done by external vendors before moving in-house; and
- when the “cloud” entered our consciousness, clients were at first insistent that their data and work product not be stored in the cloud. Several years later, they insisted that everything be handled within the cloud.

GenA.I. is already here and needs to be incorporated into law firms’ current, three and five-year strategic plans. Lawyers must be educated on how to construct queries, the associated risks, risk mitigation and how to effectively utilize GenA.I. within their firm’s practice model.

Most GenA.I. vendors emphasize that ***the human factor*** remains essential, as unreviewed work product isn’t acceptable under any professional standards. However, the efficiencies gained from handling massive amounts of data, drafting briefs, reviewing documents and even in M&A transactions already exist. These efficiencies will severely impact firms adhering to a traditional billable hour model versus alternative fee arrangements (“AFAs”). Consider the following:

- What happens to the legal workforce as thousands or tens of thousands of highly concentrated hours are replaced with minutes of computer time and hundreds of review hours?
- Does the law firm model migrate from a pyramid or cylindrical shape into more of a diamond-shaped organizational structure?
- If the mundane tasks are replaced by GenA.I., legal continuing education needs to adapt to prepare attorneys today to become the reviewers and critical thinkers of tomorrow who will provide value that clients are willing to pay for!
- Think of the cloud – what happens when your clients begin to require your firm to use GenA.I. in its work?
- Who will you need to hire to manage/implement the use of GenA.I. within the firm? Will you be competing for GenA.I. engineering talent, and how will you conduct those interviews?

These are some of the GenA.I. issues and management considerations that law

schools and law firms need to address today to ensure their continued success, as many of the above concerns will most likely be resolved within the next few years.

GenA.I. is poised to redefine the way legal professionals work, ultimately contributing to more agile and client-focused legal services. Overall, the evolving relationship between AI and law firms presents opportunities for innovation, efficiency gains, and improved client outcomes. By embracing AI technologies responsibly and leveraging them effectively, law firms can adapt to the changing legal landscape and stay ahead in an increasingly competitive environment.