AI IN LEGAL OPERATIONS AND BUSINESS USAGE

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ACC South Carolina Winter Meeting
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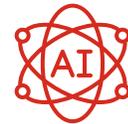Senior Director of Client
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AGENDA

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ACC GC Survey Results

Law Firm AI Adoption

Baker Donelson's AI Strategy

Identifying, Vetting, and
Deploying AI Solutions Use Cases

Leveraging AI Solutions

> Opportunities
> Use Cases
> Lessons Learned

ACC GC SURVEY RESULTS

What is your legal department's top strategic initiative over the next 12 months?

"Leadership should support legal work and operations to improve efficiencies of all internal processes impacting the entire company."
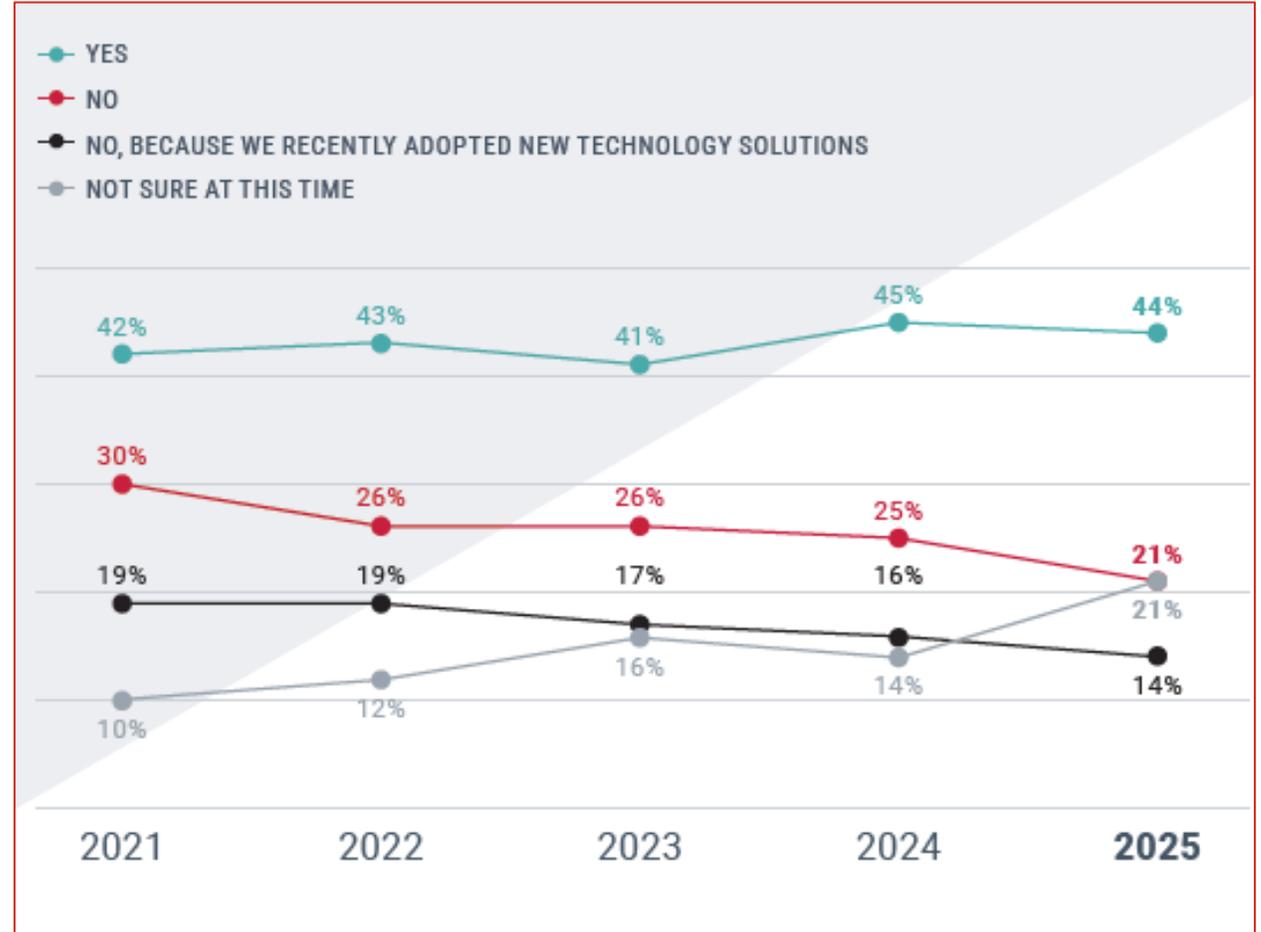
—CLO Survey Respondent

2024 ACC CHIEF LEGAL OFFICERS SURVEY

2025 ACC CHIEF LEGAL OFFICERS SURVEY

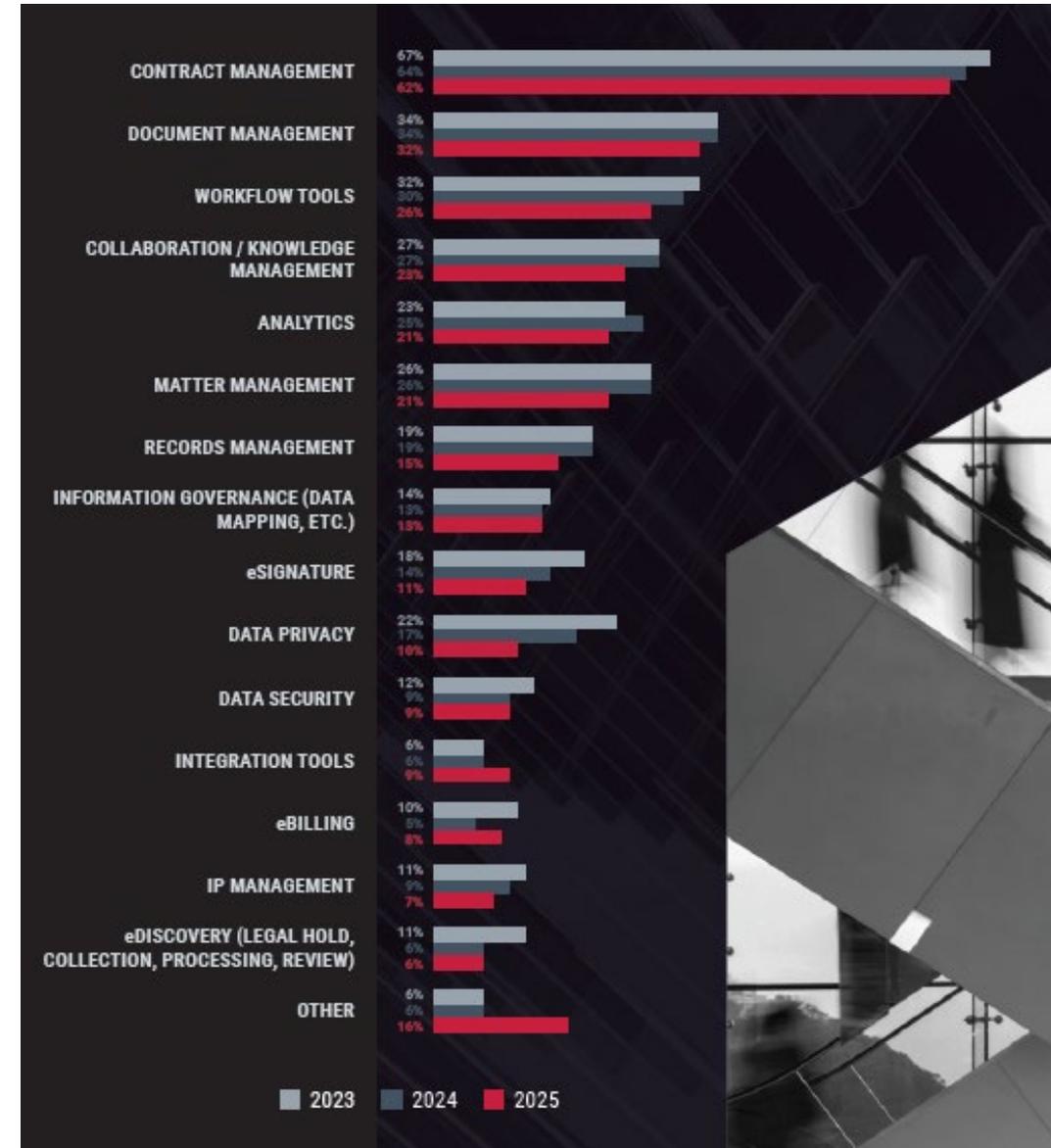| Initiative	2024	2025
OPERATIONAL EFFICIENCY	40%	35%
TECHNOLOGY IMPLEMENTATION	8%	14%
RIGHT-SOURCING OF LEGAL SERVICES	15%	12%
COST MINIMIZATION	6%	8%
DATA MANAGEMENT	6%	7%
LITIGATION DEFENSIBILITY	6%	7%
TALENT MANAGEMENT / RETENTION	10%	7%
DATA SECURITY	4%	5%
OTHER	5%	5%

■ 2024   ■ 2025

Are you planning on adopting any new legal technology solutions in your department to improve efficiency in the next 12 months?

- YES
- NO
- NO, BECAUSE WE RECENTLY ADOPTED NEW TECHNOLOGY SOLUTIONS
- NOT SURE AT THIS TIME

	2021	2022	2023	2024	2025
YES	42%	43%	41%	45%	44%
NO	30%	26%	26%	25%	21%
NO, RECENTLY ADOPTED	19%	19%	17%	16%	14%
NOT SURE	10%	12%	16%	14%	21%

2025 ACC CHIEF LEGAL OFFICERS SURVEY

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Specifically, what types of legal technology are you looking to invest more in the next 24 months? Please select all that apply.

	2023	2024	2025
CONTRACT MANAGEMENT	67%	64%	62%
DOCUMENT MANAGEMENT	34%	34%	32%
WORKFLOW TOOLS	32%	30%	26%
COLLABORATION / KNOWLEDGE MANAGEMENT	27%	27%	23%
ANALYTICS	23%	25%	21%
MATTER MANAGEMENT	26%	26%	21%
RECORDS MANAGEMENT	19%	19%	15%
INFORMATION GOVERNANCE (DATA MAPPING, ETC.)	14%	13%	13%
eSIGNATURE	18%	14%	11%
DATA PRIVACY	22%	17%	10%
DATA SECURITY	12%	9%	9%
INTEGRATION TOOLS	6%	6%	9%
eBILLING	10%	5%	8%
IP MANAGEMENT	11%	9%	7%
eDISCOVERY (LEGAL HOLD, COLLECTION, PROCESSING, REVIEW)	11%	6%	6%
OTHER	6%	6%	16%

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LAW FIRM AI ADOPTION

AI ADOPTION AMONG LAW FIRMS IS INCREASING

The legal profession is experiencing a **seismic shift** that is creating winners and losers at breakneck speed. *The AI Legal Divide: Why Three Quarters of Legal Teams are Racing to Catch Up.* Evans, Inside Axiom (June 2025). Link

- **21 percent** of organizations are aggressively using AI across their scope of work, actively expanding capabilities and reaping significant benefits.

- **66 percent** remain stuck in proof-of-concept phases.

- **13 percent** are only experimenting with AI tools.

- **80 percent** of U.S. legal departments are increasing their AI budgets – they will expect their law firms to do the same.

- **Employees** will be the ones to make their organizations **AI powerhouses**. *Superagency in the Workplace: Empowering people to unlock AI's full potential*. McKinsey & Company (January 2025).

BAKER DONELSON'S AI STRATEGY

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OUR POLICY ON THE USE OF GAI

Usage Requirements/Limitations

- Firm training is required before use of any generative artificial intelligence (GAI) programs
- Public GAI cannot be accessed for client work or sensitive confidential work for the Firm
- Do not load, input, or reference the following in unauthorized GAI
  - Client names
  - Client confidential, privileged, or personal information
  - Client information
  - Client documents
  - Firm work product
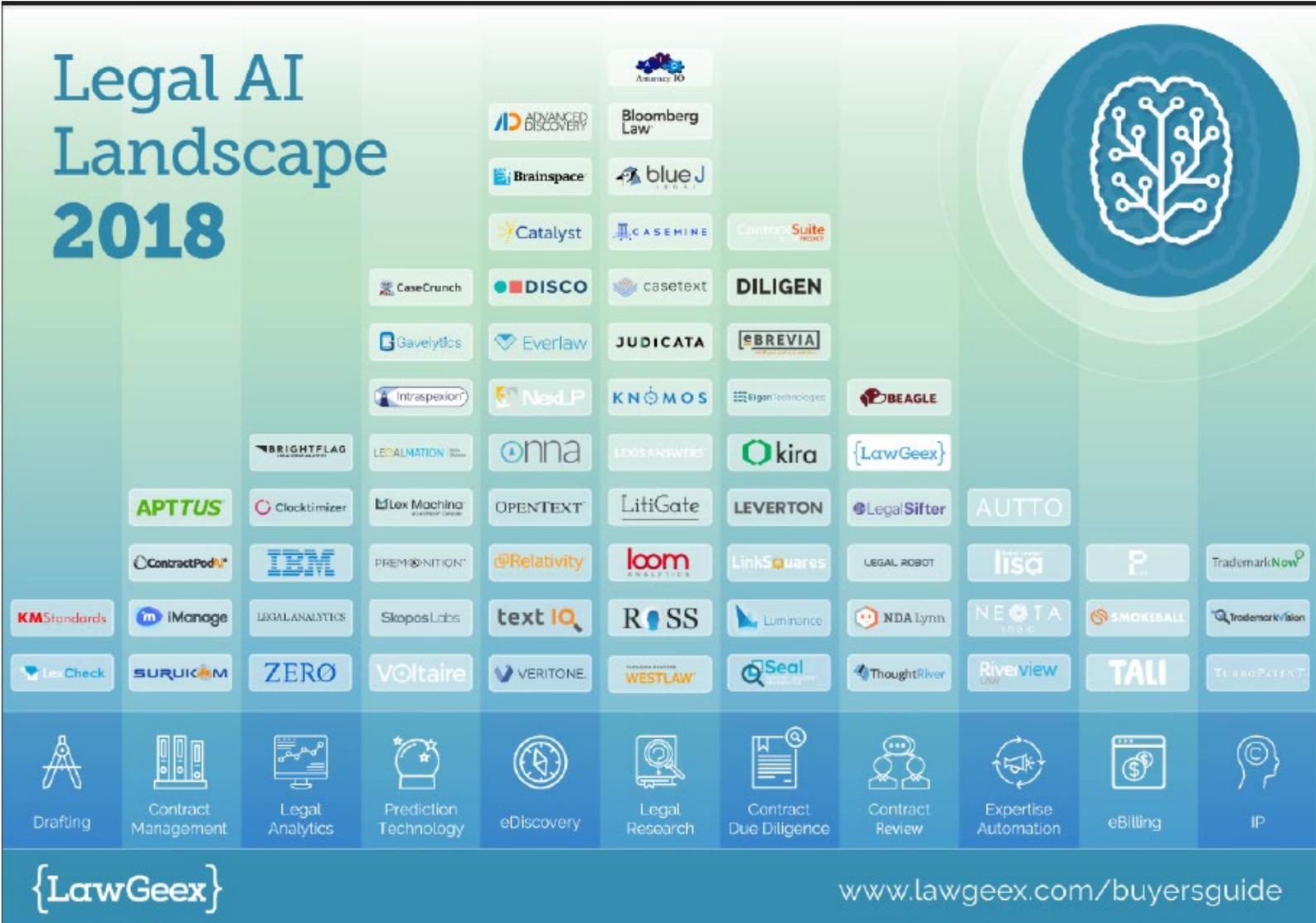 - Firm confidential information

Using Authorized GAI for Client Work

- Read the applicable client OCG, bar rules, court orders, and statutes
- Communicate to clients about the Firm's authorized confidential GAI tools
- GAI is not a substitute for your legal and professional judgment – review outputs of GAI for accuracy and completeness
- If used to generate work product, disclose the usage to colleagues
- If required by court orders or client guidelines, obtain consent for the use of GAI and keep records of prompts and outputs

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IDENTIFYING, VETTING, AND DEPLOYING AI SOLUTIONS

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IDENTIFYING SOLUTIONS – THE CHALLENGE

IDENTIFYING SOLUTIONS – THE CHALLENGE

Legaltech Hub — GenAI / LLM in Legal Tech — Last update: June 26 2025

GAI VETTING CRITERIA

Data

- Is the data right for the use case?
- Has it been gathered with consent or license?
- Is it comprehensive, or are there gaps in the data?
- Does it include biases that will undermine the reliability of conclusions?
- How often is the data warehouse updated?

Algorithms

- Has the application been tested/vetted for your use case?
- Does the application provide reference material to enable verification of results?
- How often does the algorithm produce hallucinations?

Processing

- Is personal or client information retained or deidentified?
- Are user inputs used to train the underlying model?
- Are sessions cleared after usage?
- Where does processing occur – locally, in the cloud, or on a vendor server?

APPROVED AI TOOLS AND STRATEGY

Research AI Tools

Westlaw Precision now has generative AI

Practical Law now has generative AI

Lexis+ AI™
Transform Your Legal Work
Using the fastest legal generative AI with conversational search, drafting, summarization, document analysis, and hallucination-free linked legal citations.

Bloomberg Law

Other AI Tools

Harvey

Copilot

nd MAX

Spellbook

Orbital

FILEVINE

Kira

LEGALMATION

- AI policy adopted in March 2023 which requires GAI training for all users.

- Early adopter of Westlaw and Lexis AI tools in 2023.

- HarveyAI and Copilot implemented in 2024.

- NDMax and Spellbook implemented in 2025.

- Orbital, Filevine, and HarveyAI-Lexis implemented in 2026.

- AI Power User Group implemented in 2025 and includes professionals from every practice group.

- AI Sprint implemented in 2025 to identify opportunities for productized solutions and new revenue.

- Digital Transformation strategy developed in 2025 to increase AI adoption.

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KEY TAKEAWAYS

IDENTIFYING AND ADDRESSING AI LEGAL NEEDS

All businesses, regardless of industry, need legal assistance to effectively govern and implement AI technology, including:

A structured review process

Technology transactions

AI policies

Training on AI risks, oversight of use, and corporate policies

Leverage AI counsel with knowledge and expertise to advise.

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LEVERAGING AI SOLUTIONS

OPPORTUNITIES, USE CASES, LESSONS LEARNED

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OPPORTUNITIES MATRIX

CLIENT NEED FOR BAKER DONELSON SOLUTIONS	LEGAL PROJECT MANAGEMENT	CREATIVE PRICING	INTELLIGENT BUDGETING	KNOWLEDGE MANAGEMENT	FLEXIBLE STAFFING	RESEARCH AND FORMS	ARTIFICIAL INTELLIGENCE
Legal cost control and predictability	•	•	•	•		•	•
Intelligent budget estimation	•	•	•			•	▣
Customized and automated matter status reports	•		•				
Matter/portfolio document categorization and management	•			•			•
Document automation for contracts/documents				•		•	▣
Workflow automation and automated notifications	•		•	•		•	▣
More efficient document review and analysis						•	•
Attorney and paralegal secondments and short-term staffing increases					•		
Informed litigation strategy regarding courts and opposing counsel						•	▣

TRANSACTION AI USE CASES

- Document drafting and review

- Diligence

- Playing devil's advocate

- What is market?

- Legal analysis and review

- Blank page problem

- Summarizing large document sets (SPA draft, public filings, incentives)

- Initial drafts of evolving concepts (e.g., AI reps or securities disclosures)

- Post-acquisition integration

- Transaction management

- Client communications

LITIGATION AI USE CASES

- **Facilitating Faster Record Access:** Deposition Summaries, Chronologies, and Timelines

- **Stress Testing Arguments:** Predicting Opposing Arguments and Presentation

- **Preparing Witness Outlines:** Ability to Explore Multiple Angles

- **Summarizing Case Opinions or Statutes:** Source Material Analysis

- **Regular Client Reporting:** Summarizing Status and Faster Response Times

- **Discovery Engagement:** Document Analysis and Categorization

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ADMIN USE CASES

- Drafting policies, procedures, publications, articles, and department manuals.

- Draft and review memos and letters.

- Generating creative content, such as names for articles, team names, software names, logos, and other images.

SOME PRACTICAL LESSONS FROM OUR USAGE

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- Computational power limitations that result in LLMs skipping information in the dataset and incomplete answers

- Must manually "chunk" large data volumes to ensure accuracy of output and reduce hallucinations

- Output can also be improved for large datasets by stacking prompts or separately prompting the dataset versus building lengthy complex prompts

- Risk of hallucination by omission – incomplete answer based upon a very detailed and targeted prompt across a voluminous dataset

- Research tool algorithms may have primacy bias – i.e., recent changes in law may not be prioritized in the results due to the volume of cases or resources citing old law

Q&A DISCUSSION

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