



Managing Legal Departments' Priorities: Insights & Tools for Success

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Today's Speaker:

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2023 Trends Driving Legal Priorities

Controlling outside legal spend remains a top priority for law departments

While **matter volumes are increasing**, many have a **flat or declining budget**, driving them to do more with lower spend.

Trends



65% see matter volumes increasing, with nearly half bringing more work in-house, yet **59%** see a flat or decreasing budget outlook.



52%



85% view controlling costs as top priority

49% view bringing more work in house as a top priority

“It's important to ask how customers will be approaching a potential recession. How do they make the most of the resources that they have? There will be a greater focus on productivity. ”

- *CLO of large corporation*

“Leading change is a top priority right now. Retaining talent is still a challenge, as any economic downturn won't impact the best talent. It's important to lead teams with change expectation -- on their roles and commitment to the legal department.”

- *Fortune 500 General Counsel*

Regulatory & Data Privacy high on the future horizon

Data privacy is one of the most common future concerns

- Every company is a data company

DEI as a multi-faceted consideration

- Enterprise focus
- Department focus
- Outside counsel priority

Economic risks highlight the prominence of **cost control** as a priority

Source: 2023 State of the Corporate Law Department

Corporate law department anticipated future risks:

Current priorities	Risks on the horizon
Compliance/regulatory requirements 22%	Frequency and complexity of regulatory changes 21%
Proactive risk/litigation management 21%	Data privacy 19%
Cost control 19%	ESG/DEI 18%
Commercially ready advice for business 18%	Cybersecurity 14%
Efficiency/process improvement 12%	Currency/economic instability 11%
Technology/automation 8%	Exportation risks/restrictions to trade 6%

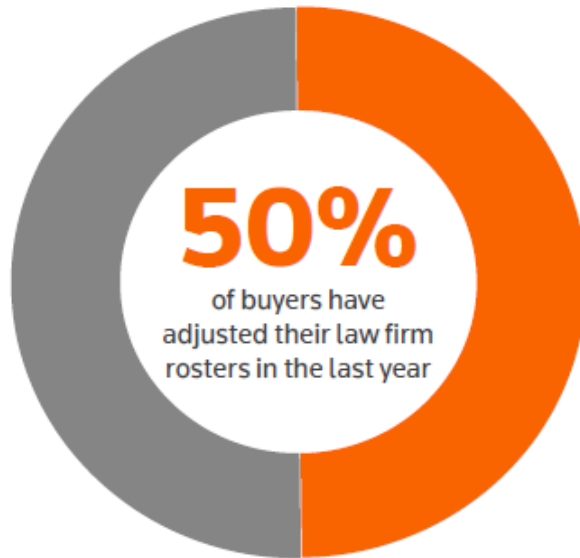
Number of responses: (342-346)

Source: Thomson Reuters

Corporate law departments seeking **greater value**

Additional evidence from corporate clients

Is there a firm you have started using or used substantially more in the last 12 months?



Market holistically seeing dramatic increase in demand mobility, along with disconnects:

- Law firms raising rates by nearly 5% on average
- Not all corporate clients are paying that level of increase. How?
 - Tiering of legal work
 - Sending more work to firms where they receive value
 - Legal spend management tools

Large law firms seeing demand shrink

- Am Law 100 saw demand contract in 2022 while Midsize firms' share grew
- Litigation particularly shifting away from large firms, especially among the largest businesses

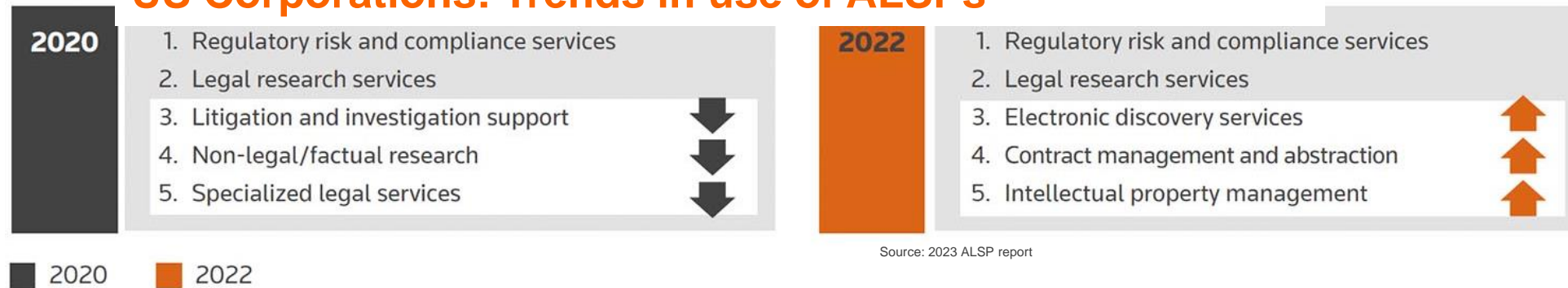
Source: 2023 State of the Legal Market

Alternative providers factor into search for value

Alternative Legal Service Providers(ALSPs) increasingly used for different types of work

- Regulatory risk is a perennial choice
- eDiscovery
- Contract management
- IP management

Top ALSP US Corporations: Trends in use of ALSPs



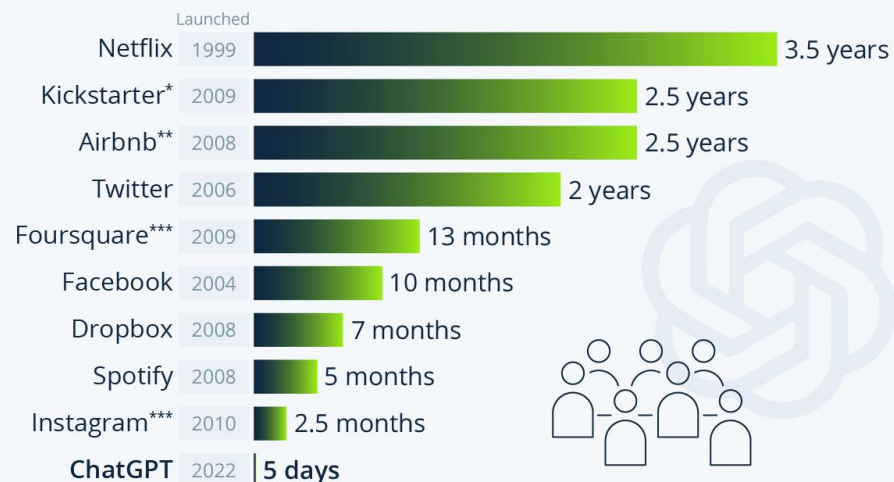
Source: 2023 ALSP report

Large Language Models (LLM) are advancing

When ChatGPT released in November, it quickly took off – reaching 100 million users just two months later. This has sparked a wave across markets with 77% of companies mentioning AI in their Q1 earnings calls.

ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users



* one million backers ** one million nights booked *** one million downloads
Source: Company announcements via Business Insider/LinkedIn

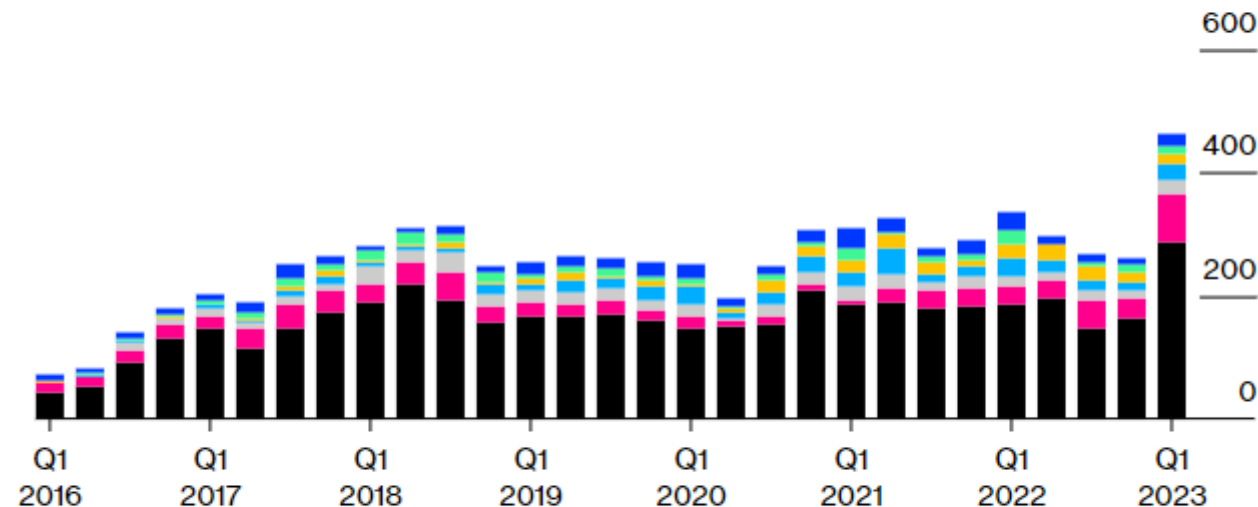


statista

Corporate America is Talking About AI

The technology and communications sectors are driving corporate discussions around artificial intelligence

■ Technology
 ■ Communications
 ■ Consumer Discretionary
 ■ Health Care
 ■ Industrials
 ■ Financials
 ■ Other



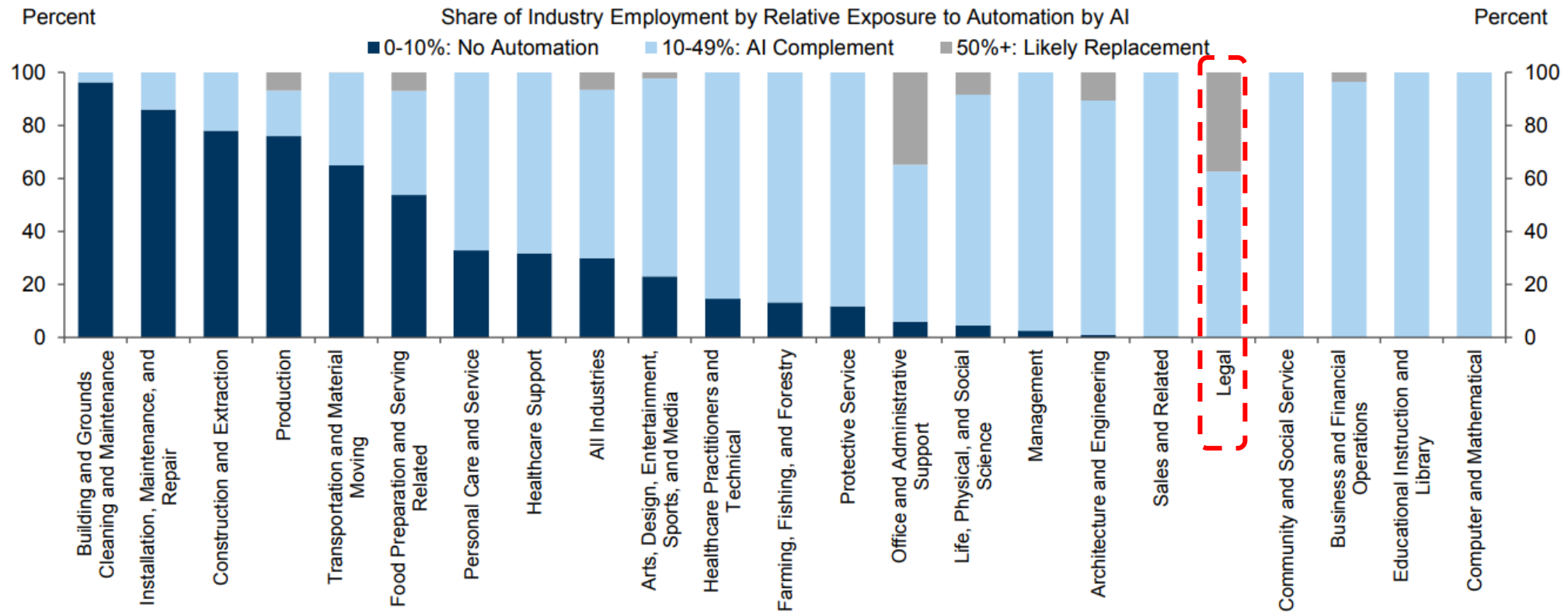
Source: Bloomberg

Note: Bloomberg's search included Nasdaq 100 and S&P 500 member companies between the first quarter of 2016 and Feb. 28 2023. "Other" includes consumer staples, real estate, materials, energy and utilities.

The legal profession could be impacted significantly

The legal profession could be impacted significantly - Legal is disproportionately subject to disruption by AI. Goldman Sachs predicts the entire legal industry will either be complemented (56%) or replaced (44%) by AI.

AI Replacement in Legal and Administrative Fields



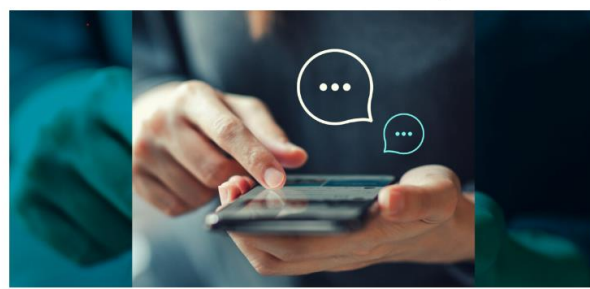
End of the Billable Hour? Law Firms Get On Board With Artificial Intelligence

Lawyers start to use GPT-4 technology to do legal research, draft documents and analyze contracts

By [Erin Mulvaney](#) Follow and [Lauren Weber](#) Follow

May 11, 2023 11:00 am ET

Chat GPT is putting the future of grad lawyers under the microscope



RS® World Business Markets Sustainability Legal Breaking

Commentary Legal Action by Jenna Greene

Technology Competitive Intelligence Legal Industry Litigation

5 minute read · December 9, 2022 2:33 PM EST · Last Updated 5 months ago

Will ChatGPT make lawyers obsolete? (Hint: be afraid)

Will ChatGPT Replace Lawyers?

Written by [Kate Rattray](#) 4 minutes well spent

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ARTIFICIAL INTELLIGENCE

Could ChatGPT do my job?

Some people are already using ChatGPT to create workout plans.

Heikkilä

Pretty Depressing Thoughts About Our

to understand the plight of associates.

27, 2023 at 1:01 PM

For Corporate Legal Departments

LLMs can improve efficiency through a variety of legal tasks for in-house counsel, specifically in contract management and compliance.

The scalability and customization available with LLMs is especially applicable for corporate use.



Contract Analysis

- Automate review and analysis
- Flag key information for attorneys to analyze and suggest revisions
- Find inconsistencies in language and compare it to internal standards



Regulatory Compliance

- Monitor and analyze regulatory updates
- Ensure company is adhering to relevant laws and regulations



Document Drafting

- Quickly create internal legal memos
- Automate the creation of frequently used documents using pre-defined templates



Legal Research

- Immediately respond to internal queries
- Simply confirm outside counsel strategies



IP Management

- Support the creation and registration of IP assets
- Detect potential infringements
- Identify opportunities to protect IP assets

Roundtable Discussion



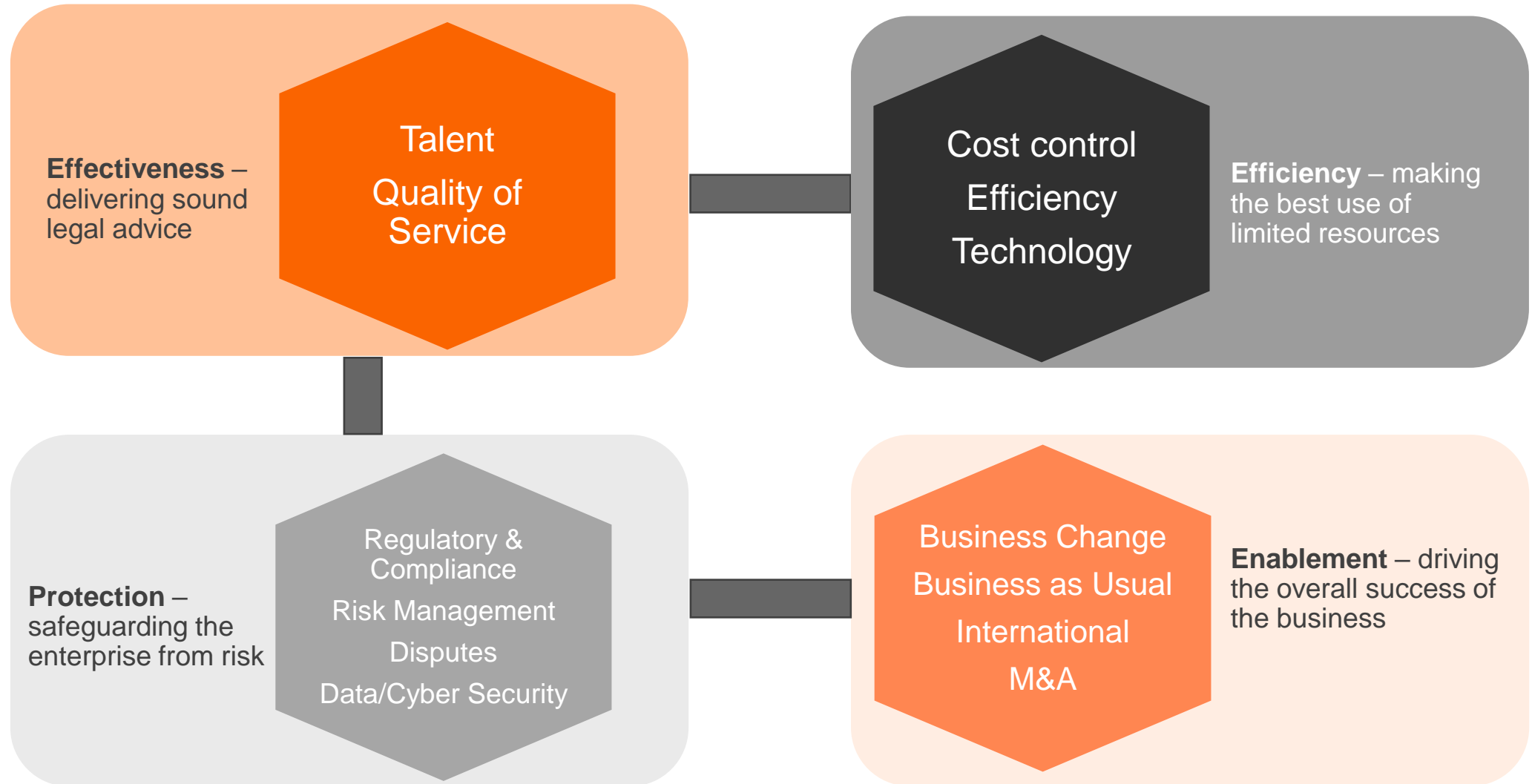
1. 30-minute discussion with peers around your challenges and areas of best practice
2. Aggregate feedback and 2-3 best practices to share with the larger group

Questions for consideration:

- How has working with outside counsel changed over the past few years?
- How do you manage rate negotiations? Are you considering bringing more work in-house?
- What compliance or regulatory strategies are you implementing or struggling with?
- How do you currently leverage Legal Ops to measure and track the value of efficiency changes?
- What areas of your legal department do you automate, and where do you have opportunity?
- Have you used LLMs or ChatGPT in your work?
- How do you see LLMs affecting your legal department?

Thank you!

2023 Strategies for Legal Departments



Corporate Legal Department Solutions | Integration to **maximize impact**

Thomson Reuters solutions transform legal teams' ability to optimize workflows and empower their problem solvers by connecting technology, intelligence, and automation.

Legal Research

Westlaw, the standard for legal research will help you be more strategic, responsive, and current on statutory and regulatory compliance.

Legal Guidance

Powered by 650+ global attorney editors, **Practical Law** offers the actionable, expert guidance to advise your business with confidence.

Spend & Matter Management

Harness the power of AI-analytics and industry insights with **Legal Tracker Advanced** to take control of legal spend and strengthen spend management.

Contract Management & automated review

Simplify CLM with connected **HighQ** workflows and leverage next-gen contract review with AI-powered document understanding from **Document Intelligence**.