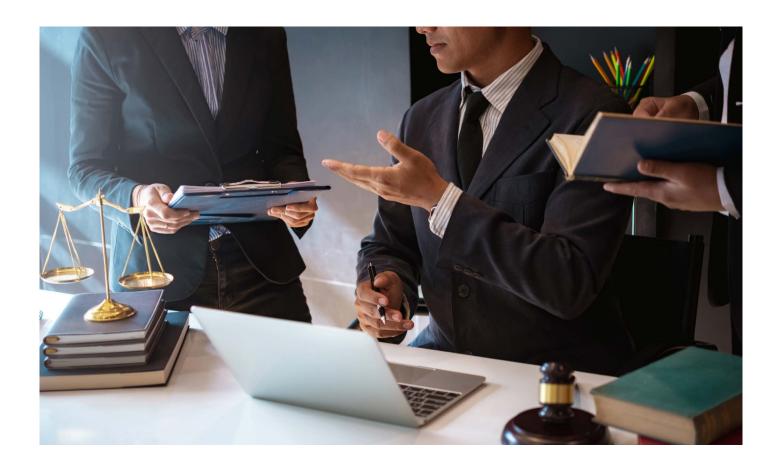# THE TRANSFORMATIVE INFLUENCE OF INTELLIGENT AUTOMATION AND AI ON LAW FIRMS

Abstract

The legal sector, which has traditionally been hesitant to change, is undergoing an AI-driven transformation. According to a 2019 survey by Thomson Reuters, 64% of law firms are utilising AI for legal research, citing increased efficiency and time-saving as significant benefits. AI tools are overhauling various aspects of legal work, from due diligence and contract analysis to compliance verification and legal drafting. Tools using natural language processing and machine learning streamline tasks, such as scanning documents, generating reports, and providing insights. Predictive analytics powered by AI assist in decision-making, offering valuable insights into case outcomes and strategies. Additionally, AI enhances legal operations management by automating workflows, spend management, and client relationship management. By harnessing AI, the legal sector can optimise operations, expand client bases, and focus on high-value tasks, delivering exceptional outcomes efficiently.

Infosys®
Navigate your next

The legal sector has always been considered wary of change and slow to adopt technological innovation. However, AI has made significant inroads into the legal profession and corporations, and the legal sector is in the midst of an AI-led transformation. As per a 2019 survey by Thomson Reuters, 64% of surveyed law firms stated that AI technologies were being used for legal research, and 77% found the top benefits to be increased efficiency and time-saving. AI is expected to be mainstream, and firms that are slower to jump on the bandwagon will be at a considerable disadvantage. AI in law firms delivers substantial value in both legal practice and business management. From due diligence to document automation and legal strategy, to business development and actionable insights, AI provides a gamut of services. Legal organisations will definitely appreciate the advantages of evidence-based AI.

All legal cases require due diligence conducted by legal advisors for the involved parties. This process constitutes gathering and thoroughly assessing all the related information and documents to get an in-depth and clear picture of the legal scenario so that optimal advice on the possible options and actions can be provided. The risk of errors is high in manual due diligence because of the overwhelming volume of data and consequent long hours of working. AI tools use natural language processing (NLP) and machine learning to scan, pick out, and highlight content that is relevant to the case at hand. Scanning thousands of documents and creating a report based on the input requirements is done in a fraction of the time needed for manual effort. Intelligent tools can take in queries and in response list out reading suggestions, related laws, cases, and secondary resources. AI-enabled due diligence software can track variations in documents. AI fast-tracks eDiscovery by screening vast document collections and listing out only the applicable ones, resulting in significantly reduced review time.

Legal contracts can run to hundreds of pages with complex clauses, schedules, and exhibits. Manual contract analysis is time and effort-intensive, with a high risk of missing details and introducing errors. Additionally, contracts between international entities are written in native languages and need error-free semantic interpretation and translation. AI contract analysis tools learn from historical contract data to get a comprehensive idea of key terminology, clauses, and patterns to enable analysis and recommendations. The AI-powered systems create rules to interpret, categorise, and analyse. The software prepares an analysis report that details findings like areas of concern, inconsistencies, deviations, risks, and recommended actions.

Compliance verification is made simpler by easier and quicker adaptation to regulatory changes. Tools simplify navigation of complex hierarchy within contracts,

sub-agreements, and related documents, which might vary with time, and prevent revenue leakage due to mismanagement of contracts. AI-based tools have sophisticated translation features and provide accurate, contextual, and fluent translations. Another area where AI has proved to be effective is legal drafting. This GenAI-enabled approach to preparing documents such as agreements, contracts, and pleadings involves improving the drafting process and document quality by integrating human expertise with the speed and accuracy of AI tools.

Legal decisions and outcomes are the end towards which all the extensive research, due diligence, drafting, and other processes are directed. AI-enabled predictive analytics can play a significant role in helping the legal sector choose the right strategies and options for a case. AI systems can utilise historical data to analyse patterns, provide insights, forecast the outcomes of legal cases, and measure the probability of success. The availability of these insights and predictions is invaluable for lawyers to appraise the pros and cons and, consequently, make data-based decisions on which course to pursue. AI tools help strategise regarding settlements, trial approaches, or utilising legal precedents. AI systems can scan voluminous databases and comprehensively summarise pertinent details, allowing users to stay abreast

of recent progress and avoid making decisions based on outdated information.

Legal operations aim to maximise profitability by optimising and streamlining workflows. AI adoption helps achieve optimisation in operations through intelligent enterprise legal management (ELM), contract lifecycle management (CLM), matter management, spend management, and legal service requests (LSR). Contracts are a staple revenue source, and routine contract management tasks account for a significant portion of work hours. The use of AI in law firms enables contract review automation and generates revenue acceleration insights, leading to effort, time, and spending savings. LSR management is another area where considerable efficiency gains can be achieved. AI tools provide request-to-resolution assistance for self-service, policy approval, and routing to the appropriate legal personnel. Legal AI chatbots can be the initial option at the LSR front door to enable quick and personalised resolution. Legal firms can harness AI to add to their client roster by analysing historical customer data. Legal firms can use intelligent tools to identify client candidates most likely to take on their services and develop personalised marketing campaigns for them.

AI-powered matter management software coordinates operational processes and information like case files, documents,

time tracking, and billing. Intelligent spend management systems focus on automation, minimisation of errors, and deriving insights. Automation of routine tasks like receipt scanning, OCR extraction of information, and expense categorisation significantly increases productivity. Predictive analytics identify spending patterns, predict future outlay, derive insights, and help budget effectively. Identifying avoidable spending and ensuring error-free billing through automatic categorisation and precise allocations helps improve profitability. ELM is the singular data repository for every transaction, project, and legal matter and involves all operational systems. AI tools provide insights to set benchmarks and evaluate operational performance. ELMs are now systems of engagement that enable transparency and collaboration between the legal services provider, clients, and all stakeholders. AI and machine learning facilitate the scaling of operations, allowing for the expansion of the client base and maximising profitability.

Automation and AI allow the legal sector to focus on high-value tasks by automating tedious, low-level work. The legal industry can leverage the power of automation and AI to deliver exceptional outcomes efficiently for their clients.

How can Infosys BPM help?

Infosys BPM's Legal Process Outsourcing services help in transforming legal operations through automation and standardisation. We help maximise profitability by leveraging technology for the optimal utilisation of talent and skills.

For more information, contact infosysbpm@infosys.com

Infosys

®

Navigate your next

Infosysbpm.com

Stay Connected