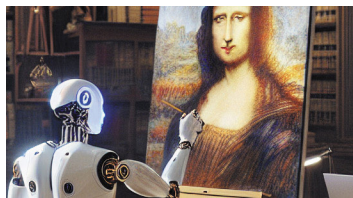


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TOP ARTIFICIAL INTELLIGENCE LAWYERS 2024

COLUMN

The GenAI revolution: Law firms will never be the same

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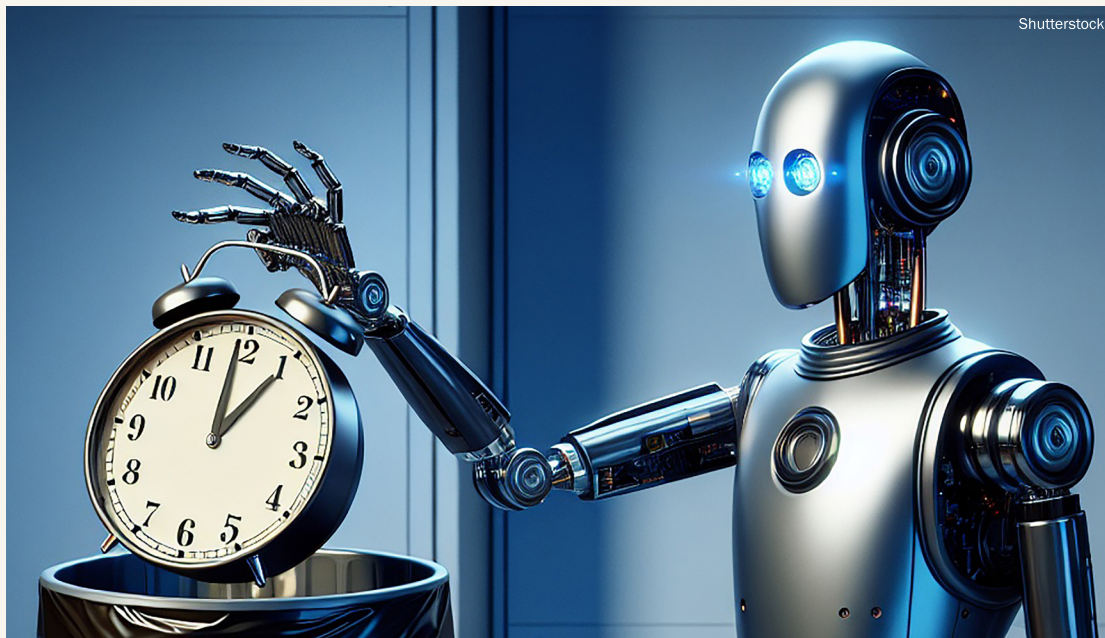
Generative AI is and will continue to impact the legal profession and how law firms work. The billable hour may still be in place, but firms that leverage the right technology, select the right team, manage the project application, and deliver the best service will win.

Generative AI will monumentally impact the legal profession and the way we work. Period. The clients are thrilled! The lawyers, not so much.

Legal work has been pretty much the same for decades. Yes, there have been advances before that caused some uproar and necessitated change. It was a leap when the personal computer replaced the typewriter. Email then came along and was monumental in its impact. But these changes never truly impacted the billable hour or changed the fundamental way in which law firms work.

Then, the generative AI boom of 2023 landed with names like ChatGPT, Llama, Gemini, Claude and more! The names sound inviting and harmless, but these tools and ready access to them are rocking the legal world. At K&L Gates, we were intrigued and attentive to the shift from the beginning, but keenly aware that the technology is in its infancy. If the programs fulfilled all that the pundits speculated, the billable hour faced serious jeopardy. That certainly got our attention.

The only way to find out was to roll up our sleeves and dig in.



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Lawyers are good at that. At K&L Gates, we formed the AI Solutions Group and began to sit through demo after demo. Our hard work paid off as we began to see which programs could deliver on promises and which were more hype than substance. We created a matrix of what features we liked or needed and what features were lacking. We focused on solutions that protected our client's confidential information and drew from up-to-date information (e.g., current case law and regulations).

Then, stories of hallucinations and GenAI failures began to proliferate in the press. Many firms hesitated and, for the moment, the billable hour was safe. We pressed on. Amazing, well-tuned solutions started to appear, ones that allowed lawyers to quickly summarize contracts and depositions, vet the output through side-by-side comparisons and query databases conversationally. We gravitated toward GenAI solutions where the work could be checked easily: Our lawyers would resist

adoption if they could not easily and confidently validate the results. Our careers, licenses, and personal and firm brand are on the line. Fundamentally, nothing had really changed. At this point, output is akin to work from a junior lawyer. In both cases, verification and adaption of that initial deliverable are already part of the process. That's what we are supposed to do anyway. That "check" or supervision should not go away because a machine created the initial output.

Lawyers can be like ostriches. Sometimes that's a great strategy. This time, it is not. What is the difference? Our clients know what GenAI programs can do. Some of our lawyers have begun receiving calls from clients who have answered or think they have answered their legal questions using ChatGPT. Sometimes the answers are right(ish). Sometimes they are not. But they all know that the information should be at our fingertips. If it is at our fingertips, the speed of answer and the fees should reflect the efficiency. Clients will lose our trust if we are unwilling to harness a powerful tool that can, if used intelligently, scale efficiency. The good news is that there is much legal work to be done and value to be added apart from and after the GenAI output appears on the screen. Our clients know that. The system is not always right, and a good lawyer will know that. Our judgment is still very much valued. However, the traditional billable hour may not be the same.

For some projects, billing models would need to change, especially those projects where teams of billers previously summarized numerous depositions or contracts or performed serious legal research. In these cases, fees could be charged based upon volume or speed versus based upon billable hours. This work can now be performed much more quickly with GenAI solutions. Savvy lawyers will be rethinking how to do these projects with the assistance of the right technology. The billable hour may stick around but the firms that use the best technology, select the right team, manage the project, and deliver the best service will win. Law firms who embrace GenAI and flex to new billing models will remain competitive as clients demand efficiency.

So, what we are saying is that GenAI is here and lawyers, both at firms and in-house, must face that. This technological wave has permanently changed us and will

compel law firms to undertake tasks they've never had to consider. Fundamentally, we must rethink the way we work as lawyers. The biggest hurdle that law firms face is the cultural one. We don't like change, especially a lot of change that comes quickly. Law firms need to win the modernization battle. Firms that can win that battle will thrive. The right culture promotes flexibility, nimbleness, curiosity, and creativity, always balanced against ethical obligations and protection of client information. The winning firms will have a discipline in evaluating and selecting the right technology on a timely basis. Project management must be a priority and data-driven decisions, including billing, will be a must. These are not the strengths of today's law firms. It is a heavy lift. The billable hour may still be our friend but one we don't see quite as often. That's okay. Make new friends of value-based billing and flexibility.



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