

STATE OF LEGAL AI

Report for General Counsels and Legal Departments

contact@robinai.com www.robinai.com

London, New York, Singapore, Melbourne



As we approach 2025, the role of the General Counsel is undergoing a profound transformation, driven by the insights revealed in our comprehensive 2024 State of Legal AI Report. Our research shows that legal departments are not just adapting to AI – they're being fundamentally reshaped by it.

The data from 2024 tells a compelling story: we witnessed a complete reversal from 2023, where only 25% of General Counsels had identified Al opportunities, to nearly universal recognition of Al's potential. This dramatic shift sets the stage for what we expect to be the year of full-scale Al integration in legal operations.

Building on our 2024 research, which expanded beyond General Counsels to include VPs and Heads of Legal Ops, we anticipate 2025 will mark the emergence of the "Al-first legal department." The foundations for this transformation are clear in our data: 69% of teams have already conducted detailed analyses of Al deployment opportunities, and technology budgets have grown to consume up to 40% of legal department spending.

What began as a monumental shift in 2024 is evolving into a fundamental reimagining of legal operations for 2025. The established players in Legal AI are no longer just helping with routine tasks – they're becoming integral strategic partners in legal operations. We expect to see AI systems that not only handle contract review and field questions but also contribute to strategic decision-making and risk assessment.

The progression we tracked from 2023 to 2024 – from awareness to implementation – points to 2025 being the year of optimization and innovation. Legal departments are moving beyond the question of "should we adopt Al?" to "how can we maximize Al's potential?" This evolution is being driven not just by efficiency demands but by a growing recognition that Al-enhanced legal departments deliver superior results across all metrics.

THE LEGAL INDUSTRY IS NOT JUST ADOPTING AI IT'S BEING REINVENTED BY IT.

2025 WILL BE THE YEAR WHERE AI MOVES FROM BEING A TOOL TO BEING A CORNERSTONE OF LEGAL OPERATIONS.

Legal AI has definitively moved past the hype phase, as evidenced by the concrete implementations we observed in 2024. Looking ahead to 2025, we expect to see the first wave of mature AI implementations delivering measurable returns on investment. The pressure from shareholders, executive boards, and C-suite stakeholders that drove analysis and adoption in 2024 will likely shift to demands for demonstrable results and competitive advantages in 2025.

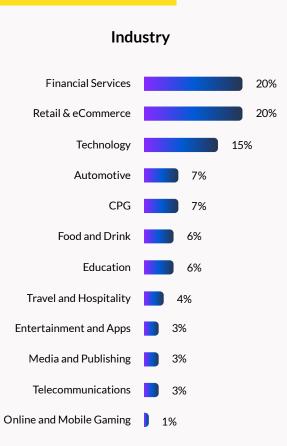
As we look to 2025, the question is no longer about whether legal departments will embrace AI, but how they will leverage it to create new possibilities in legal service delivery. The groundwork laid in 2024, with its comprehensive analyses and strategic implementations, has set the stage for what we expect to be a transformative year in legal technology and operations.

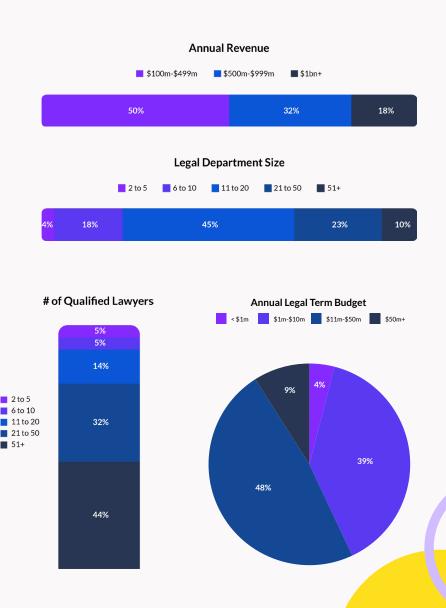


KEY FINDINGS

- Nearly one-third of respondents are now allocating 31-40% of their legal budget to technology – a substantial increase from the 4-10% reported in 2023.
- Over 15% of legal departments still spend more than half their time on routine tasks like contract review. This highlights a significant opportunity for AI to free up legal professionals for more strategic work.
- 58% of respondents are optimistic about AI improving the legal profession, with only 5% disagreeing.

RESPONDENT PROFILE





THE GREAT LEGAL AI SHIFT

FROM LEARNING TO ADOPTION

"AI PRESENTS
UNPRECEDENTED
OPPORTUNITY TO ENHANCE DELIVERY OF
SUBSTANTIVE LEGAL
WORK"

Robin AI has grown significantly in the last 24 months due to a huge increase in the demand for Legal AI products.

In that time, Robin AI has been able to support the rising interest in harnessing the power of Legal AI to accelerate markup of contracts and to enhance the visibility of contract obligations for leadership teams.

There's also been a significant need to meet specific use cases like supporting teams during high-stress projects like M&A due diligence processes, audits and managing all contractual obligations in incident response situations like cyber attacks.

What has happened in Generative AI developments in the last year?

Robin Al's partner Anthropic has released the Claude 3 family of models.

One of the models, Sonnet 3.5, has demonstrated significant performance enhancements and increased levels of accuracy. With ongoing billions of investment into foundation models, further enhancements in the performance of models are expected over the course of the next year. Robin Al was involved in the <u>early testing of Sonnet 3.5</u> for legal use cases.

Enterprises have moved from learning and education phases of AI considerations into the implementation phase.

Quarterly earnings reports are detailing how boards and c-suite executives are continuing to discuss¹ how they can make the most of AI technologies.

Their main objectives are to bring new products to market faster, enhance revenue streams, improve productivity across the organisation, and to make employee experience better.

Al presents an unprecedented opportunity for legal teams to enhance the delivery of the substantive legal work for the wider business.

Enhancements include faster markup of contracts and quicker guidance on information that is buried across thousands of documents. The introduction of Robin Al's Reports have seen new and emerging use cases. For example, mass review of documents like contracts for due diligence purposes in M&A transactions. It's clear that we're still at the tip of the iceberg when it comes to leveraging the power of LLMs to accelerate legal tasks.

This report is intended to give GCs and In-House Legal teams at leading companies an understanding of the challenges and opportunities faced by their peers.



OVERALL BUDGET SPEND ON LEGAL TECHNOLOGY

GCs were asked what percentage of their total legal budget was being spent on technology.

The largest group of respondents are spending 31-40% of their budget on legal technology. Our 2023 GC Report predicted that the figure will likely rise. The prediction was spot-on – the 2023 report showed that 50% of the surveyed General Counsels spent 4-10% of their total budget on legal technology.

ANALYSIS

The difference in these wildly varying numbers between 2023 and 2024 can be surmised by:

 Expanding the pool of respondents to include other stakeholders like Heads and VPs of Legal Operations.

Even having these types of stakeholders in a business infers that they are more likely to be investing in tools to create more scalable processes through leveraging automation and other tools.

This is typically a solid indicator that an in-house legal team is going to be investing in the right technology to make their legal function more effective and productive.

A real shift in the market from education to adoption of technology

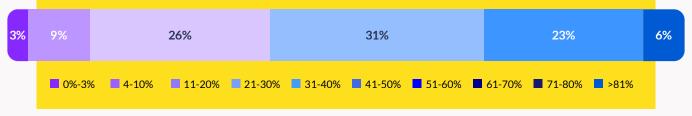
this year.

This includes products like Legal AI, so this could account for some increases in spend from businesses.

 Big increase in focus on AI investment and spending from major global businesses.

One indicator of the change here is looking at the mentioned instances of AI on quarterly earnings calls. The Reuters article² details that the number of S&P 500 companies discussing AI has climbed to a new high in fourth-quarter conference calls. The AI mentions rose to 36%, which is up from 31% in the third quarter.

% of Legal Budget Spent on Technology



TIME ON ROUTINE LEGAL WORK

As for time legal departments typically spend on routine legal work, the answers are very consistent with our previous survey in 2023. In the last survey, nearly half of the respondents said that their department spends 31-40% of their time on routine legal work such as contract review.

Over 15% of respondents this year state that their department is spending more than half of their time on routine legal work like contract review. This is compared to 25% of respondents who were spending more than 50% of their time on routine legal work last year.

ANALYSIS

The data reveals that routine legal work continues to consume a significant portion of in-house legal teams' time and resources, despite a slight reduction from the previous year.

This persistent trend has several important implications:

There is a high opportunity cost for businesses - what aren't lawyers doing that they could be doing if they weren't bogged down in the routine work?

Potential work includes exploring regulatory risks, helping as a strategic partner on new deals, working with heads of departments to remove blockers, horizon scanning and optimising processes.

Top talent in legal departments risk looking at other opportunities if the bulk of their time is spent on routine contract review.

Lawyers are motivated by work that enables them to operate at the top of their licence. This could include tricky contract negotiations with strategic business partners, de-risking new product launches or working on projects that deliver more scalable processes. Reviewing very routine contracts like NDAs and low value Supplier Agreements are some of the examples of contracts that may have a big impact on job satisfaction and likelihood of team churn.

This scenario not only affects job satisfaction but

also fails to maximise the value of legal talent. One of the huge opportunities that Legal AI presents is the option to remove a lot of the routine work so teams are empowered to focus on the strategic projects. Through Robin AI's products, teams could either leverage Robin AI's Contract Services to completely remove this work from their plate. Alternatively they could consider tools like Robin AI's Legal Assistant, an add-in for Microsoft Word that can cut time on reviews by over 80%.

The return on investment here is huge - ② of your department is doing work that could be accelerated using Legal AI. This will also unblock their time to focus on a myriad of other work streams that can enhance operational efficiency and impact business revenue growth.

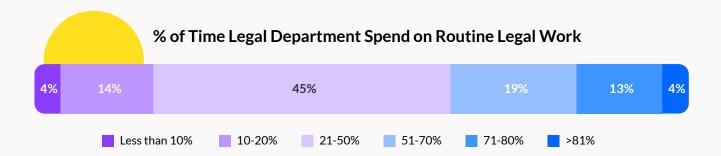
"LAWYERS RISK BURNOUT

IF BOGGED DOWN BY

ROUTINE WORK."

Misalignment with legal leadership aspirations.

The data, when viewed alongside GCs' expressed desire for a more strategic relationship with the business, highlights a significant gap between current realities and aspirations. This suggests an urgent need for change in how legal departments operate.





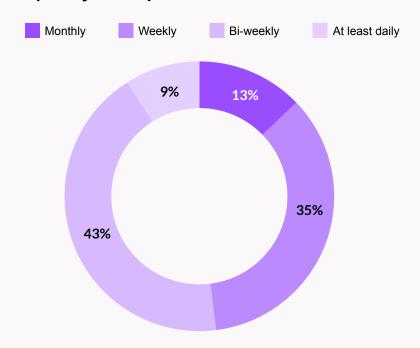
ANSWERING ENTERPRISE-WIDE LEGAL INFORMATION NEEDS

Legal teams are increasingly called upon to provide quick and accurate information about obligations from various contracts and legal documents.

Our survey reveals an important trend both in how legal professionals spend their time and the inefficiencies they encounter in their daily workflows. The data highlights not only the frequency of these information retrieval tasks but also the impact on productivity.

- 78% of respondents report having to search through contracts at least weekly to retrieve information for various stakeholders.
- Lawyers are frequently involved in tasks that require searching and retrieving document information, often for teams like finance, sales, and HR.
- Constant context switching disrupts lawyers' workflow as they navigate different tools and systems to find information.
- The lack of a centralised view of key contract obligations means that in-house legal teams often result in manual searches through platforms like SharePoint and email folders.
- For teams that are leveraging CLMs, they often fall short in enabling efficient searches for specific
 wording across contracts or functioning as effective answer retrieval systems. Last year's survey found
 that CLMs have limited results at best at worst have been highly stressful to implement and are still not
 adding value.
- New Al-native search and answer products, such as Robin Al's tools, are emerging to allow lawyers to search across contracts using natural language, extracting data and obligations in Reports and other easily digestible formats that enhance cross-team collaboration whilst reducing the burden on the legal team.
- The legal tech market is expected to shift from simple contract storage systems to intelligent platforms leveraging Large Language Models (LLMs) and machine learning to surface buried information in documents.

Frequency of Requests for Contract Information



WHAT IS THE NEW ERA OF TECHNOLOGY IN THE SEARCH & ANSWER SPACE?

It's fascinating to think how this new era of technology will reshape how legal departments think about CLMs and other legal technology. In-house legal teams have often looked to CLMs to try and ease some of the burden. Both around providing information about obligations and answering business questions about contracts.

2023 data shows that 39% of respondents were currently using a CLM, and only an additional 7% were in the process of implementing one. This brought the total adoption of CLMs amongst those surveyed to 46%.

CLM adoption has been poor due to the cost, time to implement, and ongoing usability concerns. CLMs are quickly becoming obsolete with new tools that provide Al-native approaches to surfacing and answering information across contracts. These tools can provide immediate time to value and present much more cost-effective solutions for the modern in-house teams.

Key features of this new technological era include:

Natural Language Processing (NLP) Al-driven tools enable users to search and retrieve information using conversational language.

These tools make systems accessible to all stakeholders – effectively and meaningfully.

Both small and large-scale tasks are being transformed.

For instance, AI can quickly answer specific questions about contracts or conduct comprehensive reviews of thousands of documents for due diligence or compliance purposes.

The time that lawyers spend on the tasks of finding information will be cut dramatically.

It will change the role and tasks of lawyers from just finding information in documents to actually being able to provide advice and analysis.



LEVERAGING TECHNOLOGY TO IMPROVE TASKS

LIKE EFFICIENCY IN CORE WORK IS TOP OF THE AGENDA

"EFFICIENCY IS TOP OF THE AGENDA."

In our last survey, 57% of respondents were focussed on how they could leverage technology to improve efficiency and productivity. That number has jumped to 73% in this year's survey.

It's the increase in recognition that legal technology and legal AI tools can facilitate benefits such as:

- Creating scalable business processes.
- Helping enterprises to unlock growth.
- Bringing new products to market faster.

ANALYSIS

It's possible that the nature of the respondents might have also influenced this number this year. There's less focus on the strategic relationship with the wider business in these numbers (16%). In last year's survey of only GCs, this number looked more like 40%.

Interestingly, General Counsels could leverage better use of technology to improve their strategic relationship with the wider business: getting deals done faster and removing legal blockers, turning work around faster, and more doesn't go unnoticed.

Revenue growth is always crucial, so showing how your team can enable faster access and delivery of new opportunities can be a big win.

The increasing investment in legal technology likely reflects a broader market trend where boards and C-suite executives are placing greater emphasis on leveraging generative AI across all business functions. Legal departments are often identified as prime candidates for AI implementation due to the nature of their work.

This push for AI adoption is driven by the desire to enhance work quality, efficiency, and velocity across the organisation. The legal sector, with its document-intensive processes and need for rapid, accurate information retrieval, certainly presents a compelling use case for AI integration.

Top Priorities for Long Term Success within Corporate Legal Department



CHALLENGES IN IN-HOUSE LEGAL DEPARTMENTS

GCs are juggling team management and workforce planning, BAU processes, and strategic business priorities. It's interesting to see which of these many priorities is the one that causes the biggest headache. The biggest challenge was workflow management (27%), special projects (25%), creation, review, and negotiation of high volume contracts (18%), morale (14%), creation, review, and negotiation of low volume, high complexity contracts (10%), and lastly, perception across the business (5%).

These results are consistent with our survey last year.

ANALYSIS

Given the amount of time that is spent on routine legal work, it's surprising that the overall number for the creation and negotiation of high volume contracts isn't the top contender on the list.

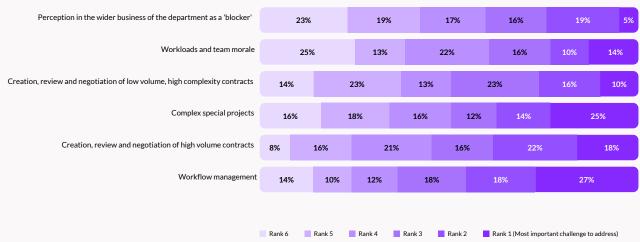
The fact that workflow management is so high on the list and is primarily the area that CLMs are supposed to fix is also an interesting finding (our survey last year said that 29% of respondents thought that the main reason for considering a CLM was workflow management).

As suggested in last year's results, GCs were not impressed by the quality of the CLMs, due to not delivering value in a timely or cost-effective way for their teams.

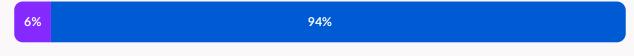
Many of these identified challenges could be solved with deployment of technology tailored to the requirements of in-house legal teams. For example, team morale would improve if lawyers were able to operate at the top of their licence. Less frequent overtime would take place if they were able to do their work more effectively.

Enhancing the productivity of team members by removing the routine and tedious work would both remove the perception of the legal team as a blocker and improve the team morale.

Top Challenges for Corporate Legal Department



Legal AI Tool Opportunities



- No, we have not identified opportunity to legal AI tools in day to day work
- Yes, we have identified opportunity to use legal AI tools in day to day work

LEGAL AI

As mentioned in the Executive Summary, the shift towards Legal AI has been nothing short of revolutionary.

One of the most significant changes being that last year, just 25% of the surveyed GCs had actually identified an opportunity for Legal AI in their day-to-day work. Fast-forward to 2024, and nearly every respondent has identified opportunities for Legal AI.

Our 2024 data shows that 50% of respondents have made an in-depth analysis into Legal AI, with a further 19% who have done a full, detailed analysis about how Legal AI tools can be deployed in their department. Compare these results to last year, where just 5% of all the respondents had done an in-depth assessment or a full analysis, and it's clear to see the direction Legal AI tools are taking.

This year's report shows that there are, in fact, no respondents who haven't completed some sort of analysis.

ANALYSIS

The jump from 25% to nearly 100% of respondents identifying opportunities for Legal AI demonstrates a rapid and comprehensive change in perception.

This data paints a picture of an industry at a tipping point, where Legal AI is rapidly transitioning from a novel technology to an essential tool for modern legal practice. The comprehensive engagement with AI across the sector suggests that there may well be significant changes in how legal work is performed and delivered in the near future.

Assessments Completed to Evaluate the Use of Legal AI Tools



LEGAL AI PARTICULARLY POWERFUL

FOR THE MOST EXPERIENCED PROFESSIONALS ON THE TEAM

There is sometimes a perception that Legal AI tools can be most beneficial to those early on in their career, like paralegals.

However, this data shows that most of the respondents think that Legal AI tools will be most beneficial to those leading the teams. GCs/Deputy Counsels and Heads of Legal Department are seen as the roles that benefit most from Legal AI – at 31% and 27% respectively. As they are expected to consume a large amount of data quickly, it makes sense that GCs are considered to be the most likely to benefit from Legal AI.

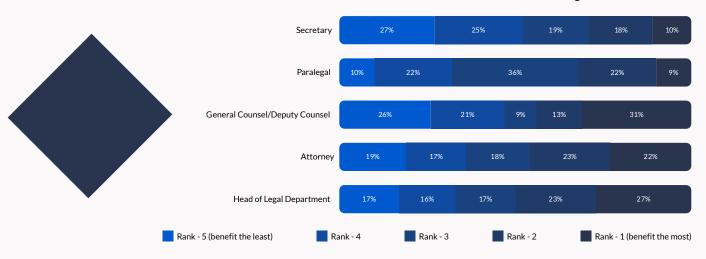
Next on the list are attorneys at 22% most likely to benefit, followed by secretaries (10%), and finally – paralegals (9%).

ANALYSIS

The data from our report likely reflects the fact that team leaders are expected to make quick analysis on complex matters, have visibility across teams, ensure obligations are met, and support the business with strategic analysis.

The evolution in Legal AI tools has shown that they're not just critical for helping to accelerate some of the routine processes (like NDA or Supplier Agreement review) but for the much more complex document types – where finding the needle in the haystack can be a real challenge.

Roles That Would Benefit Most From Legal AI



PRIVACY AND DATA CONCERNS TOP THE LIST OF CONCERNS FOR RESPONDENTS

Sitting at 25%, privacy and data is understandably at the top of the list of concerns about Legal AI.

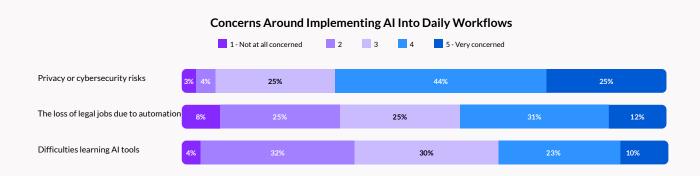
Although expected, understanding the barriers to adoption is very important for the progress of Legal Al adoption. There are a lot of risks associated with using public generative Al tools – a Microsoft / LinkedIn work report³ suggests 78% of people are BYOAI (Bring Your Own AI), which presents a huge concern for businesses. It's essential that companies give their employees safe, secure tools to leverage.

Robin AI, for example, has a unique partnership with AWS + Anthropic. This relationship enables us to provide a safe, secure, and trusted Legal AI product that is used by major global enterprises.

It's also an interesting view on the future of legal work – less than 15% of people were very concerned about the loss of legal jobs due to automation. There's widespread understanding that legal AI tools can enhance and augment the workflow of lawyers, and that human-in-the-loop approaches are most successful, which mirrors what has been identified and leveraged at Robin AI.

ANALYSIS

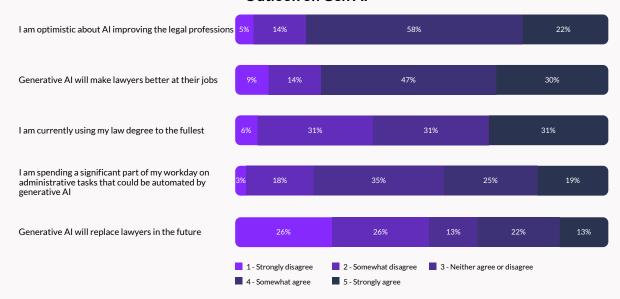
This balanced view of Al's potential impact on legal work indicates a maturing understanding of technology's role in the legal sector. It suggests that legal professionals are increasingly seeing Al as a tool for enhancement rather than a threat, which could accelerate adoption rates and drive innovation in legal tech solutions.



"PRIVACY AND DATA CONCERNS (25%) TOP THE LIST FOR LEGAL AI ADOPTION"

"ONLY 15% ARE CONCERNED ABOUT JOB LOSS DUE TO AUTOMATION."

Outlook on Gen Al



GENERAL SENTIMENTWHAT'S THE OUTLOOK FOR GENERATIVE AI?

58% of respondents somewhat agree that they are optimistic about AI improving the legal profession.

This is just a really encouraging sign that only 5% of respondents disagree with this. There have been big developments in people's understanding of the most important use cases for legal AI. There's greater recognition than ever before that Legal AI can help lawyers to operate at the top of their licence and help them to be better at their jobs.

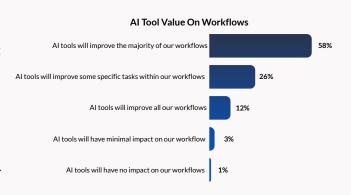
Although respondents are clearly concerned about how to implement Al in day-to-day workflows from a security and skills perspective, it's very encouraging to see such a positive and optimistic outlook. Both about the future of lawyers and leveraging a human-in-the-loop approach. It's one that helps lawyers to focus on the analysis, collaboration, and strategic work, and not on the routine, mundane and tedious work.

Only 1% of respondents said that AI tools would have no impact on the businesses workflows. This overall sentiment is a big shift from the results last year – where it was clear that teams had done less analysis about how Legal AI could be leveraged to achieve their strategic objectives.

ANALYSIS

The data suggests a deepening comprehension of Al's most valuable use cases in legal work. This indicates that legal professionals are moving beyond general awareness to specific, practical applications of Al.

As understanding of Al's capabilities grows, legal professionals are increasingly seeing it as a tool to enhance their work rather than a threat to their roles. This evolving perspective is likely to drive further innovation and integration of Al technologies in legal practice in the coming years.





ACCURACY AND QUALITY OF LEGAL AI TOOLS MATTERS MOST

It's no surprise that accuracy is high up on the list of priorities (45%).

"Hallucinations" was Cambridge University's word of the year, and it's one of the core challenges of leveraging generic generative AI products. Risk of hallucinations also exists within more Legal AI specific products, but there are ways that this risk can be mitigated.

For example, Robin AI includes citations to the relevant sections of the contract. This means that users can cross-reference and verify information. The scaffolding built around the models ensures that they're giving the highest quality answer. With deep expertise, including over 60 lawyers and a legal engineering team, constant evaluations are performed to ensure that products meet the high standard required for enterprises.

It's worth mentioning that companies that build foundation models, like Anthropic and OpenAI, have different approaches too. There's an emphasis on trusted, reliable outputs at Anthropic – which is one of the many reasons that Robin AI partnered with the business back in 2022. Its applications are more

suited to the requirements of legal professionals working in businesses where quality and consistency matters.

Choosing the right Legal AI partner is crucial, and it's clear that businesses value tools that are both of high quality and accurate. In the context of legal work, the stakes are high and the best way to achieve adoption across businesses is to show that Legal AI tools can achieve high quality results that save time (18% of respondents' opinion), and build trust and confidence.

Access to the new and top performing models really matters. In the last 2 years there have been huge leaps forward in the ability of large language models to assist with specific tasks. Legal AI companies that combine top-tier foundation models with specialised, proprietary AI tailored for legal professionals offer a potent solution for the industry's unique challenges.

Previous data shows that 76% of respondents prioritised quality and accuracy of the tools. This is very similar to the answers from the respondents this year (72%).

ANALYSIS

The data reveals a legal industry that is cautiously optimistic about AI but demands tools that meet the exacting standards of legal practice.

The focus on accuracy, quality, and legal industry-specific solutions suggests that successful Legal Al implementations will need to prioritise these aspects to gain widespread acceptance and trust within the legal profession.

"45% PRIORITIZE
ACCURACY IN LEGAL
AI TOOLS; QUALITY
AND CONSISTENCY
CRUCIAL"

Priority Factors When Investing in New Technology



CONCLUSIONS

The 2024 State of Legal AI Report reveals a profound shift in the legal industry's approach to AI and technology.

GCs and in-house legal teams have moved decisively from the education phase to strategic implementation of Legal AI tools. This transition is marked by a significant increase in budget allocation for legal technology and a deeper understanding of AI's potential to transform legal operations.

The data highlights a persistent challenge with routine legal work consuming substantial time, but also shows a growing recognition that AI can address this issue. There's a clear trend towards leveraging AI for high-value tasks such as contract analysis, due diligence, and rapid information retrieval. This aligns with the desire of legal professionals to focus on strategic, complex work that maximises their expertise.

Privacy and data security remain top concerns, reflecting the industry's cautious approach to Al adoption. However, the overwhelming optimism about Al's potential to improve the legal profession (with 58% somewhat agreeing) signals a readiness for change. The emphasis on accuracy and quality in Al tools underscores the legal sector's high standards and the need for legally-focused Al solutions.

As the industry moves forward, the focus is shifting towards AI tools that can enhance human capabilities rather than replace them. This human-in-the-loop approach, combined with the power of advanced language models, presents a compelling opportunity for legal departments to dramatically improve efficiency, strategic value, and job satisfaction.



PREDICTIONS FOR NEXT YEAR

The future of Legal AI shows several emerging key trends that will shape the landscape of legal technology:

Accelerated Adoption and Implementation

More rapid progress in the adoption and implementation of AI tools across legal departments is anticipated. As legal professionals become more comfortable with AI technologies, a wider range of AI applications will likely be integrated into daily workflows.

Enhanced Model Performance

Continuous advancements in AI technology are leading to significant performance improvements in language models. These enhancements are resulting in even higher quality and more accurate results, which further increase both the value and reliability of Legal AI tools.

Emergence of Sophisticated Multi-Document Tools

There's certainly the rise of more advanced Legal AI tools capable of handling complex tasks across multiple documents. Robin AI's Reports feature is at the forefront of this trend, pioneering multi-document use cases for activities such as due diligence in M&A transactions and large-scale audits.

Focus on Change Management

As Legal AI adoption accelerates, more guidance and advice will become available on successful change management strategies. This will be crucial in helping legal teams navigate the transition to AI-enhanced workflows and maximise the benefits of these new technologies.

Sustained AI Momentum

Al is not a passing trend in the legal industry.

Al is expected to remain a top priority on legal departments' agendas during these early stages of this technological revolution. With model performance set to increase significantly, the potential for Al to transform legal work is only beginning to be realised.

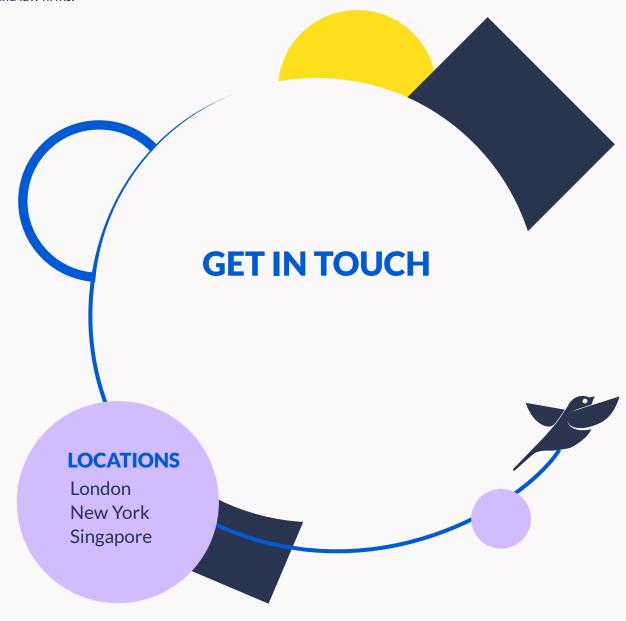
These developments suggest an exciting future for Legal AI, with the potential to dramatically enhance the efficiency, accuracy, and strategic value of legal work. As the technology continues to evolve, legal professionals who embrace these tools will be well-positioned to lead in an increasingly AI-augmented legal landscape.



Robin AI

We believe in a world where law moves at the speed of business. By combining the power of AI, data and deep legal expertise we're building the leading AI-native products for the legal sector.

Robin Al's legal assistant is used by hundreds of businesses globally to accelerate contracts and enable legal teams to focus time more strategically. Our client base spans in-house legal teams, leaders in private markets and law firms.



BACKGROUND ON THE RESEARCH

Research for this report was conducted by Robin AI in May and June 2024. The purpose of this research was to compare and analyse trends around the awareness and adoption of AI in enterprises.

All of the respondents were employed as General Counsel or VP of Legal Operations. All the respondents were in the US and answered over 40 detailed questions about their legal departments and priorities.