

Generative AI: A New Tool for Legal Project Management

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The landscape of artificial intelligence has undergone major developments since the release of ChatGPT just over a year ago, with 2023 marking a turning point with increased adoption across various sectors – especially legal. AI is certainly not a newcomer to the legal arena. In fact, artificial intelligence has been used in the legal profession for nearly three decades, with the first issue of ‘Artificial Intelligence and Law’, published in 1992. Its widespread use continues to evolve. In the fast-paced and dynamic world of law, where staying ahead of the curve is essential for success and competitive advantage, AI has an increasingly essential role.

Generative AI (Gen AI) refers to a type of AI that can create new content, such as text, audio, and images, based on instruction and data. The uptake of Gen AI in the legal industry prompts a range of emotions from cautious optimism to enthusiastic excitement. There is, indeed, a need for prudence. Some of the lack of enthusiasm stems from not fully understanding what the technology can do and natural reservations about the associated risks. AI clearly is here to stay and, in the right applications – and with human oversight – it is extremely useful. Legal firms need to determine how they’ll create value beyond the technical features the various models provide and what they will do to differentiate.

AI has yielded substantial productivity gains in law firms for nearly two decades, with traditional forms of AI, such as eDiscovery and document management systems, successfully analyzing, extracting, and summarizing existing data and content. Gen AI can generate new and relevant content for legal organizations, such as arguments for court, contracts, or summaries, that are not already present in the existing data or content. Legal professionals can now explore solutions that may not have been considered previously, greatly optimizing human creativity.

The consulting firm Gartner has estimated that AI may replace 80% of project management activities by 2030. While many question the statistic’s validity, it is indisputable that Gen AI can have a significant impact on project management, including legal project management. While there are numerous opportunities for leveraging generative AI in the legal matter management, some of the initial strong use cases include further utilizing predictive analytics, automating repetitive tasks, and optimizing client communication.

Legal Project Managers Still Needed

As is heavily quoted these days, “Gen AI won’t take your job but a person using it will”. However, the emphasis is on leveraging, not replacing. The legal profession will still need the interpersonal and relational skills of a Legal Project Manager (LPM) in many areas including stakeholder and risk management. It is in these areas that the human ability to leverage judgment, utilize lived experience, and deploy instinct (such as reading the room) remains critical. These emerging technologies underscore the escalating importance of combining technical experience and emotional intelligence in essential legal roles such as legal project managers.

In this blog, we will explore key areas of the technology’s potential to impact legal project management to optimize efficiency, accuracy, and overall client satisfaction.

Data Still King

It has been prominently established that data helps a legal practice measure and evaluate performance against Key Performance Metrics (KPIs) and targets. Data stewardship is the management and oversight of data assets, with the aim of ensuring data quality, security, compliance, and value. LPMs naturally often serve as data stewards within matter teams or practice groups. In a fiercely competitive market, data-driven project management is vital to ensure running a legal organization like a business – incorporating strategy, finance, human resources, technology, and compliance. This, however, can only be achieved through robust data management practices with regularly updated legal taxonomies, datasets, and proactive reporting. LPMs often take ownership of managing financial data sets and leveraging predictive analytics for multiple purposes, ranging from assembling Alternative Fee Arrangements (AFAs) to forecasting spend over a client's matter portfolio or managing a matter's resourcing and staffing.

As Gen AI excels in data analysis and predictive analytics, it can deliver major efficiencies for an LPM, both at the matter and portfolio level. Gen AI can access and combine data from various sources, apply advanced techniques to extract meaningful insights, and automate data analysis. LPMs can leverage Gen AI in assembling fee reports for global mandates, which involves accessing and integrating data from a range of sources, including financial management systems, disbursement software, and data visualization platforms (such as PowerBi).

In managing a large M&A project, LPMs will often relay progress to key stakeholders on the due diligence (DD) report and transaction timeline. Gen AI can assist in visualizing key transaction data points from the DD report (such as the financial performance of the target company, including cash flow and valuation) and even summarize outstanding questions.

There are untapped opportunities for use cases in different practice areas, ranging from anti-trust to litigation. Through applying advanced techniques such as natural language processing, LPMs can extract salient trends and insights at the matter and portfolio levels to generate accurate and reliable recommendations for the future. They can mitigate budget overruns through (1) improved resource allocation and utilization; (2) increased accuracy in the prediction of matter costs; and (3) insightful risk mitigation. This proactive, as opposed to reactive, approach enhances project planning, ultimately benefiting both the law firm and its clients.

Streamlining Repetitive Tasks

Legal Project Management naturally involves some repetitive and time-consuming tasks, such as document review and drafting, the development of timelines, and monitoring budgets. Gen AI can streamline some of these processes by automating routine tasks, such as data cleaning and collation for both the assembly and ongoing monitoring of budgets. Natural Language Generation (NLG) techniques can be used by LPMs to analyze visual data (such as dashboards) and extract key insights. For example, outputs may flag the jurisdictions or practice areas with the highest spend and percentage of the client's or portfolio's total budget.

Summaries and Document Review

Frequently, LPMs need to summarize vital information from documents, such as engagement letters, panel terms, and legal documents. These summaries inform local counsel and specialist teams regarding a new transaction or dispute. Gen AI can be utilized for summarization and extraction, delivering major time savings while ensuring a high-level of accuracy (as many tools even identify the page source).

Increasingly, Gen AI tools are proficient in document review and drafting, with the capability to perform analysis, identify potential risks, and even suggest language improvements. This is particularly valuable when LPMs need to instruct a wide group of stakeholders on a new matter and ensure streamlined communication with the client. Honing these

functionalities not only saves time but potentially reduces the risk of human error, enhancing the overall quality of work. This frees up LPMs to focus more time on managing stakeholders and client expectations, allowing greater focus on the more complex project aspects that require interpersonal skills that today's Gen AI cannot provide.

Conclusion

As Gen AI continues to advance, the legal profession stands at the brink of a transformative era in project management. Embracing these technological advancements can position law firms as pioneers in innovation, offering clients more efficient, accurate, and cost-effective legal services. While challenges such as ethics and [explainability](#) need to be considered, the benefits of integrating Gen AI into legal project management are undeniable. A primary takeaway is the importance of experimentation and fostering a culture of continuous learning. As the legal landscape evolves, adapting to these changes will be essential for maintaining a competitive edge and delivering value to clients.

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