

## Your AI Legal Strategy Framework Part 2

By [Mark Medice](#) on July 18, 2023

### Your Key AI Enablers

**Summary.** Building a strategy focusing on a fast-moving topic like AI requires a different rhythm. Assumptions made today may be proven false quickly. And your priorities may be different tomorrow. As discussed previously in [Part 1](#), you must immediately set up your strategic AI intelligence stream to break through the hype and understand the motivations of market participants. Today's blog addresses steps required to enhance your ethics and compliance management processes to mitigate risks and address the unique challenges and opportunities presented by AI. Human factors in AI are also explored, highlighting the importance of teaching your lawyers and staff to embrace change while providing an educational underpinning to foster a design mindset. Finally, in Part 3 (coming in a few weeks), I will discuss best practices around strategic design to enable the rapid pursuit of opportunities for success in the AI world.

### Separate Strategy from Science Fiction

Strategic execution requires focus. And one of the distractions of AI is hype and philosophical debate. For strategy questions, debating AI as human intelligence is a distraction.<sup>[1]</sup> **The core focus for your AI strategy is imagining how to modernize the firm when you realize a magnified productivity gain, like reducing an hour-long task to 10 minutes.** Think design and possibilities.

### Your Ethics and Compliance Policies Set the Foundation

To design safely, however, you must reinforce and rethink your ethics and governance policies. Therefore, your AI strategy's foundation begins with compliance. And lawyers have greater obligations than other professionals because of their dual societal roles as advisors and actors, being mindful of professional responsibility principles like:

- Using AI with competence in the practice of law encompassing confidentiality, supervision of technologies, understanding the unauthorized practice of law issues
- Advising clients on questions like bias, privacy, interpretability, moral dilemmas
- Safeguarding and adequately managing client information
- Playing a policy role with new AI laws and regulations

According to surveys conducted by LawVision, ethics and compliance have emerged as the foremost concerns for law firm leaders. The key compliance issues include safeguarding the confidentiality of client information, ensuring the integrity of AI system design and usage without bias, taking accountability for the outcomes, implementing mechanisms for correction, and promoting transparency by enabling a clear understanding of how AI systems operate. To delve deeper into these topics, the following articles and sources provide valuable insights:

- [July 3, Law.com commentary by Mark McCreary, Ethical and Thoughtful Use of AI in the Legal Industry](#)
- [June 16, Brookings Institution commentary by Alex Engler on the European Parliament's passing of the Artificial Intelligence Act, setting the stage for the pending "trilogies" among the Parliament, Council, and the European Commission.](#)

- [Norton Rose Fulbright Blog Inside Tech Law Website Ethical Implications on AI](#)
- [June 6, Harvard Business Review, “Managing the Risks of Generative AI”](#)
- [July 5, Financial Times commentary by Gillian Test, Avoid the evils of social media with AI.](#)

The challenge for law firm ethics lies in the rapid advancement of technology compared to the regulatory progress. To address this incongruence, law firms should expand or redesign their risk management teams by including diverse stakeholders such as innovation leads, practitioners, and clients. The role of the chief AI ethics officer is emerging. But effective compliance transcends a central office, and the best way to manage these risks is to raise the bar for all law firm partners and professionals. Active ethics participation will best position you to embrace AI while meeting regulatory requirements, a daunting but critical endeavor.

For example, open-sourced large language models have become popular in recent months. Like open-sourced software, these models promise cost-effective custom AI deployments, democratizing access to targeted AI for businesses and law firms of all sizes. And their build costs are relatively inexpensive. However, the risks of misappropriation of data, intellectual property infringement, and the lack of transparency regarding their construction and underlying data are significant. To effectively seize these business opportunities amidst the potential pitfalls, your team must possess expanded expertise and conduct reviews to address and respond proactively.

### Change Your Organizational Mindset

Your people represent oxygen for your AI engine. And since generative AI promises such a shift in the way you operate, you must create a new organizational vision and achieve alignment on those aspirations to embrace new ideas and novel ways of doing things.<sup>[2]</sup> It includes reimagining the business and ensuring that your people understand their role while establishing a creative mindset.

This may be difficult for your firms because many practitioners are established and may be skeptical of new approaches. Strive to take the mystery out of AI with regular communication and education. Examples of high-level strategic AI discussions include McKinsey’s [“What every CEO should know about generative AI”](#) or BCG’s more detailed, [The CEO’s Roadmap on Generative AI](#).

But don’t get frustrated if things don’t go as quickly as desired or planned. This will be an iterative process, and advances will occur in stages. Persistence will prevail.

To aid in creating a strategic AI mindset in your law firm, establish research groups comprising lawyers and allied professionals with diverse technological expertise to cultivate a strategic AI mindset within your law firm. Task these groups with researching current AI trends and topics, focusing on specific use cases within the legal field. Encourage regular knowledge-sharing sessions where each group presents their findings and insights, fostering collaboration and a deeper understanding of AI’s strategic implications. Consider inviting external experts to provide additional perspectives. By implementing these measures, your law firm can foster a culture of continuous learning, innovation, and strategic thinking around AI.

To bolster this process, it is vital to involve key leaders from the firm who can effectively influence others to participate meaningfully. Their active involvement will demonstrate the initiative’s importance and encourage broader organizational engagement. Promote accountability within the groups and facilitate “report out” sessions to encourage individuals to learn key terminology and exchange their experiences. These sessions will foster a collaborative environment, promoting mutual learning and understanding among participants.

As you complete the activities above, your AI strategic design processes will be ready to accelerate. And I will cover that in more depth in Part 3 over the next few weeks.

## Summary

Through this multi-part series, I lay out steps you should take to make your firm AI-ready. It starts with your intelligence stream, reinforces your ethics processes, and educates and inspires your people. This sets the stage for deploying a design process that matches your firm's culture and aspirations to achieve future success. I welcome your views and comments and can be reached at [mmedice@lawvision.com](mailto:mmedice@lawvision.com).

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[1] AI isn't human intelligence, by the way. However, for an engaging, nuanced perspective, see Daniel Miessler's article, [\*AI is eating the software world\*](#), and a more academic expansive review of the definition of intelligence by Telmo Subira Rodriguez, [\*Are AIs actually intelligent?\*](#)

[2] McKinsey Book, "Rewired, Outcompeting in the Age of Digital and AI," page 20.