AI AND TECHNOLOGY SURVEY

The Law Society

Gazette

INTRODUCTION

The use of artificial intelligence is accelerating globally on a daily basis. To understand current perceptions and usage within the legal sector, a survey was completed in August and September 2024 with The Law Society Gazette Reader Panel, sponsored by **Canon UK**. 128 surveys were completed in total with the following respondent profile:

Private practice law firm	**58%**
Government or non-profit (working in-house)	**11%**
Company (working in-house)	**8%**
Other	**22%**

1-49 employees	**51%**
50-249 employees	**19%**
250-999 employees	**11%**
1000-4,999 employees	**13%**
5,000+ employees	**6%**

KEY TAKE-OUTS

- Nearly half have used AI to digitise/automate activities in the last 12 months.

- Usage is more prevalent amongst smaller and private practice organisations.

- Efficiency and productivity are driving usage.

- Usage is more likely to be for softer activities such as research and document drafting/review rather than something which carries a regulatory or data risk.

- There is still significant mistrust of AI within organisations.

- Future business priorities are felt to be more "people" focused than tech focused, although over half would like to see more investment in digital transformation.

- The appetite is there – but organisations need confidence that there is no risk and that the benefits will make the financial investment worthwhile.

USAGE OF AI

AI Usage is beginning to appear more within the legal sector although over half of firms/organisations have not used AI to automate or digitise specific areas in the last 12 months. The most prevalent uses are legal research (31%) and document drafting and review (27%). Usage was more common amongst private practice law firm employees (49%), falling to a third (33%) for government/non-profit/in-house company employees.
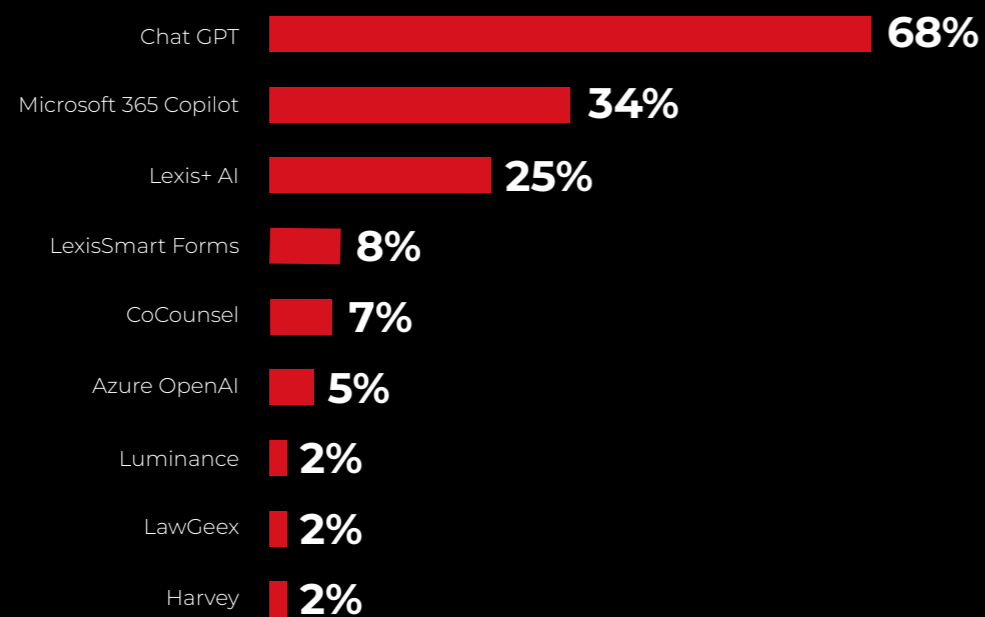
AI usage by area/department:

Area/Department	Percentage
Legal research	31%
Document & drafting review	27%
Document automation	12%
Client communication	11%
Staff collaboration	10%
Case management	7%
Contract analysis	6%
We have not used AI to automate or digitise any of the above in the last 12 months	53%

WHAT PLATFORMS ARE BEING USED?

ChatGPT is significantly the most used AI technology (68%), with Microsoft 365 Copilot (34%) and Lexis+ AI (25%) being the main secondary options.
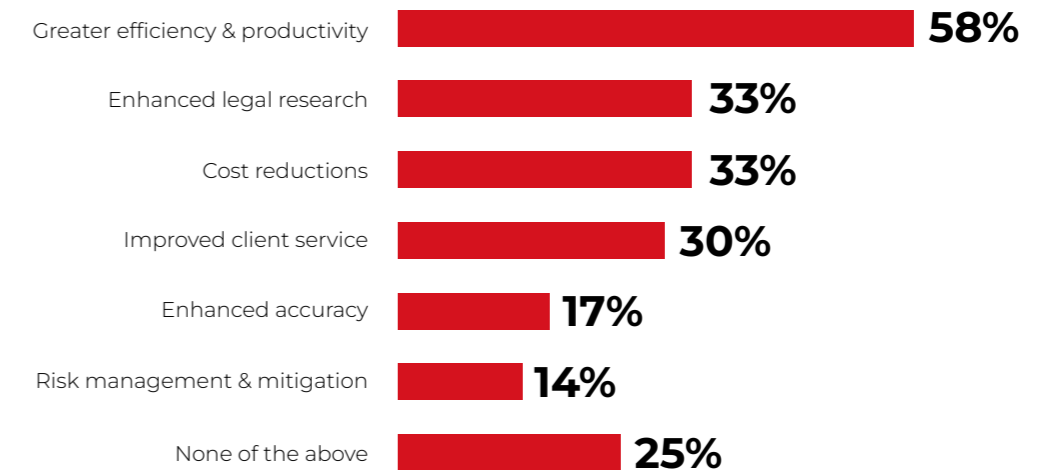
Notably, those with less than 50 employees are utilising ChatGPT more than firms/organisations larger than this (76% vs. 60%).

Platform	%
Chat GPT	68%
Microsoft 365 Copilot	34%
Lexis+ AI	25%
LexisSmart Forms	8%
CoCounsel	7%
Azure OpenAI	5%
Luminance	2%
LawGeex	2%
Harvey	2%

BENEFITS OF AI

The main benefit of AI was perceived to be greater efficiency and productivity (58%).

The perceived benefit of greater efficiency and productivity was a more prevalent view in private practice law firms (65%), with this falling to 50% amongst government/nonprofit/in-house company employees.

Benefit	%
Greater efficiency & productivity	58%
Enhanced legal research	33%
Cost reductions	33%
Improved client service	30%
Enhanced accuracy	17%
Risk management & mitigation	14%
None of the above	25%

**"It will increase efficiency and accuracy in the work process."**

BARRIERS & DRAWBACKS OF AI

The main barriers to adopting AI were largely legal, with 69% highlighting regulatory risk/ uncertainty and two-thirds (66%) concerned about potential data security risks.

Top barriers to AI adoption

69%

66%

■ Regulatory risk/ uncertainty

■ Potential data security risk
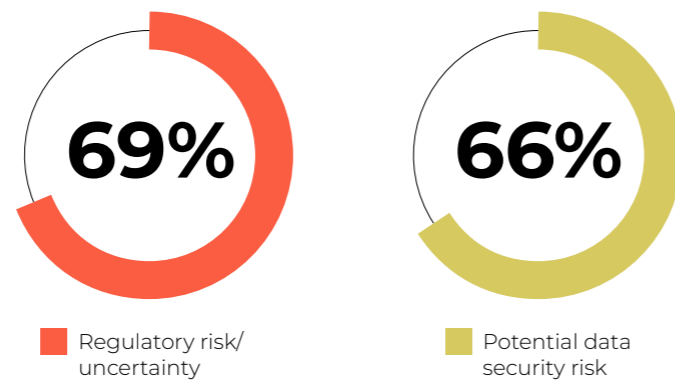
This was further supported as 56% agreed that "a greater reliance on AI will increase security risks for my firm / organisation" and just 17% agreed that "greater reliance on AI will help prevent security risks for my firm / organisation".

I believe that a greater reliance on AI will INCREASE security risks for my firm / organisation	14%	30%	56%
I believe that a greater reliance on AI will help PREVENT security risks for my firm / organisation	41%	41%	18%

■ Disagree　　■ Neutral　　■ Agree
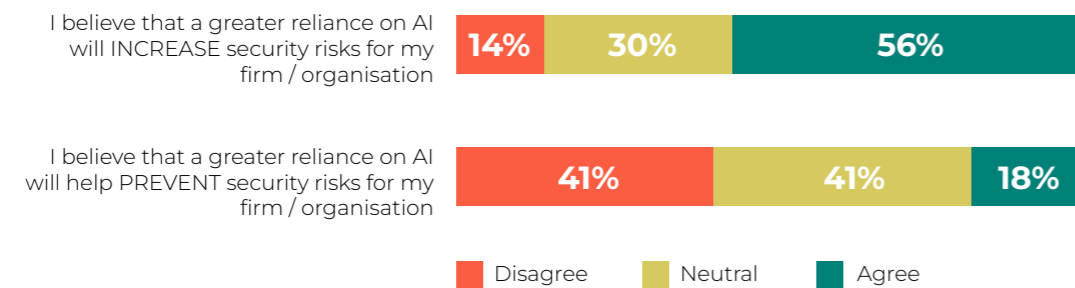
"AI is created by 3rd parties, often based in other countries. As lawyers, we cannot be certain that the data is being appropriately handled."

AI Bias

There were also common concerns about the accuracy of information based on AI bias or hallucinations (65%). With one respondent commenting:

"We can't be certain that the information is accurate or without bias."

CONCERNS

The concerns around AI bias were further highlighted as just 21% agreed that "my firm / organisation would place a great deal of trust in the hands of AI".

I believe that my firm / organisation would place a great deal of trust in the hands of AI
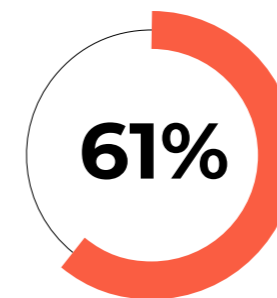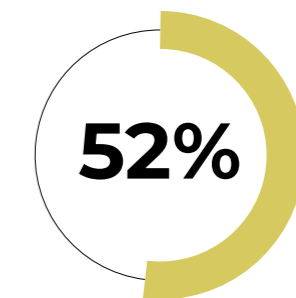
48%	31%	21%

■ Disagree ■ Neutral ■ Agree

61%
■ The cost of implementing a new system

52%
■ The challenges of integrating with existing systems

"The systems are a barrier to efficient working and I suspect the main reason for a mass exodus from the profession. I have moved on from at least two positions in the past 10 years due to poor IT systems alone."
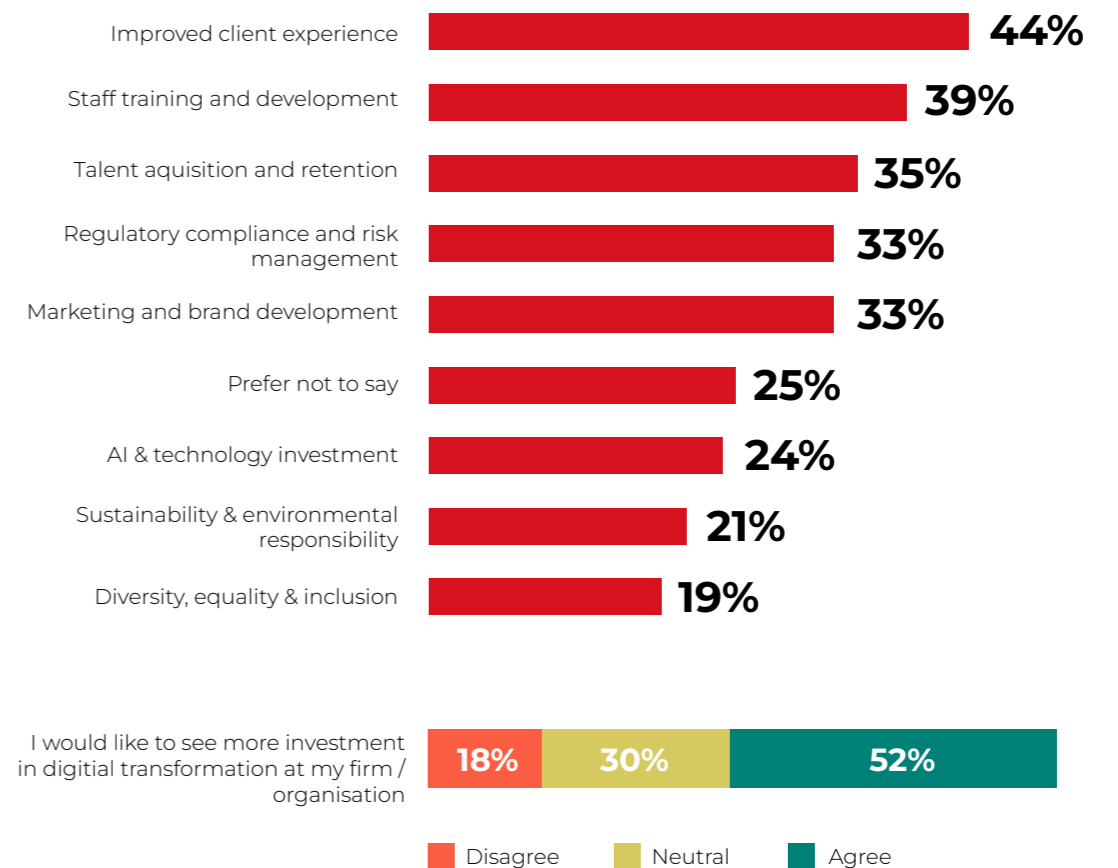
FUTURE STRATEGIC PRIORITIES

The main strategic business priorities for 2024/25 were felt to be client and staff focused. 44% highlighted the client experience, with staff training and development (39%) and talent acquisition and retention (35%) the next most commonly highlighted.

Over half agreed they would like to see greater digital transformation investment made in their organisation

PRIORITIES BY LEVEL OF IMPORTANCE

Although **just one in four (24%)** felt that AI & technology investment was a main strategic priority for their firms/organisations, employees wanted more focus with over half (52%) agreeing that they would like to see greater digital transformation investment.
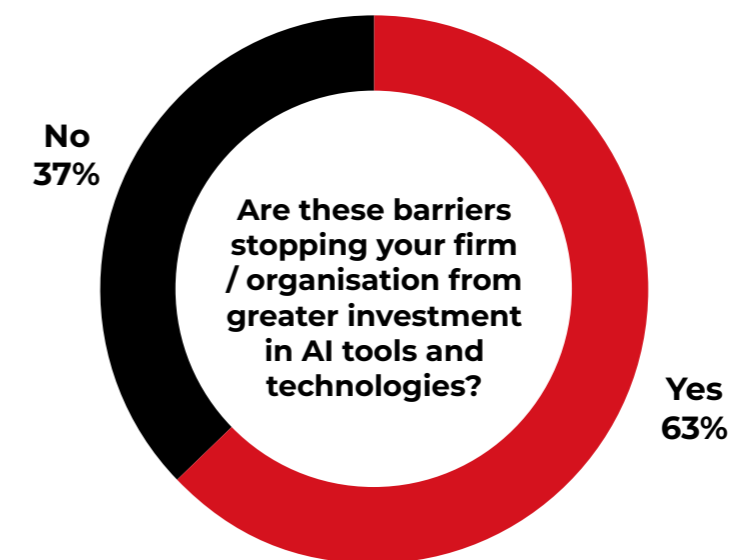
Priority	%
Improved client experience	**44%**
Staff training and development	**39%**
Talent aquisition and retention	**35%**
Regulatory compliance and risk management	**33%**
Marketing and brand development	**33%**
Prefer not to say	**25%**
AI & technology investment	**24%**
Sustainability & environmental responsibility	**21%**
Diversity, equality & inclusion	**19%**

I would like to see more investment in digitial transformation at my firm / organisation

Disagree	Neutral	Agree
18%	30%	52%

■ Disagree ■ Neutral ■ Agree

Notably, **22% indicated that they would prefer to use AI** in their work compared to more manual methods

I prefer to use AI in my work compared to more manual methods

Disagree	Neutral	Agree
44%	34%	22%

■ Disagree ■ Neutral ■ Agree
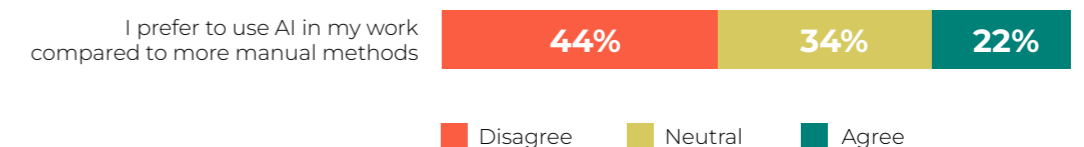
SO WHAT'S STOPPING US IMPLEMENT AI?

Almost two-thirds (63%) believe the aforementioned barriers are preventing their firms/organisations from making this investment.

No
37%

Are these barriers
stopping your firm
/ organisation from
greater investment
in AI tools and
technologies?

Yes
63%

The desire for more investment increased to 75% amongst government/nonprofit/in-house company employees, however these were also more likely to feel that the barriers were preventing this from happening (75% vs. 62% of private practice law firm employees where adoption and usage is already more prevalent).

FINAL THOUGHTS

While AI is being used within the industry, it certainly isn't strongly embedded and is primarily being used for softer purposes for task efficiencies.There is however clearly an appetite and opportunity for AI usage to become more prevalent across wider activities, but there are some key challenges to be overcome.

· Demonstrating accuracy to ease concerns about regulatory risk.

· Ensuring that organisations can be confident in data security.

· Evidencing tangible ROI to show how pointing limited resources in this area will ultimately drive long-term cost efficiencies and an improved client experience.

Ultimately, adoption may be slower than in other industries, but people are evaluating the opportunities and being more patient and measured to ensure effective implementation.

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