



AI-powered legal drafting: The definitive guide for legal professionals

This guide will:

- Explain AI-powered legal drafting and its benefits
- Suggest key elements to look for in an AI-powered drafting tool
- Provide guidance on how to influence leadership to approve a new system
- Offer best practices for introducing a system to your organisation to ensure adoption

Let's face it: drafting legal documents involves a lot of brilliance, and a lot of tedium. New legal technology tools promise to reduce the tedium with artificial intelligence (AI), giving legal professionals more time to focus on strategy, negotiations, and client/stakeholder relations. How do you know what to look for and which systems to trust? And once you choose a system, how do you make sure your legal colleagues use it?

Legal professionals across sectors face incredible time pressure. If you charge by the hour, you need to show your clients that your hours are efficiently used. If you work on a flat rate basis, you need to make those matters profitable. If you work in-house for a corporation, you probably need to handle an increasing workload with flat to declining budgets. AI holds great appeal, but many legal professionals want to tread carefully before entrusting work product to an AI tool. This guide is here to help you understand AI-powered legal drafting and move forward with confidence.

The basics of AI-powered legal drafting

What is AI-powered legal drafting? How is it used?

AI-powered legal drafting tools guide you through document creation with legal information, suggested language, and clauses, and editing tools right at your fingertips.

With an AI-powered legal drafting tool, lawyers can delegate substantive legal tasks and get thorough, accurate results much more quickly than with traditional tools — much like delegating key tasks to another person. AI-powered legal drafting tools help at all phases of the drafting process: document creation, review, and finalisation.

Legal professionals working on documents such as contracts can use an AI drafting tool as follows:

Find a previous, related document. Rather than spending precious time searching for work product to reuse, use generative AI and natural language search to get to the right starting point quickly.

Create contract drafting consistency with legal playbooks. Your legal drafting tool can help you enforce your organisation's guidelines so that junior lawyers can learn more quickly on their own and senior lawyers can spend more time advising on strategy and less time correcting language errors.

Compare and redline. Deviation detection compares documents like third-party contracts to playbook standards or compare versions of your contracts to understand how documents differ from one another.

96%

of legal professionals report that they do not feel their drafting tools are efficient.

Find, create, and modify clauses. A legal drafting tool should easily connect you to current market standards to get your clauses just right, and offer the flexibility to generate, edit, and refine contract terms and provisions.

Refine and review formatting. Analyse to find common drafting errors like misaligned definitions, missing dates, erroneous cross references, inconsistent language, and more.

What value does AI bring to legal drafting?

According to a Thomson Reuters research study, most lawyers spend 40 to 60% of their time drafting and reviewing documents. While much of this time involves strategy, too much time goes into busy work that leads to frustration. In fact, 96% of legal professionals report that they do not feel their drafting tools are efficient.

With the emergence of generative AI, and a growing knowledge of how to apply it to the legal space, legal professionals have new options to drive efficiencies across the end-to-end drafting process.

Better starting points. Finding the correct starting point while drafting is one of the most widely recognised pain points for both new and seasoned legal professionals. Many recognise that there is a certain “art” to choosing the right starting point that can have implications for the ease or difficulty of the entire drafting and negotiation process. Poor choices at the outset can lead to inefficiencies, client disappointment, and write-offs.

Better output. Compliance with laws and guidelines, adhering to customer expectations, aligning with internal guidance, and ensuring formatting consistencies are incredibly cumbersome. Using technology to navigate these tasks leaves more time for strategy and legal expertise, leading to better legal work product.

Key considerations: What to look for in a generative AI-powered legal drafting tool

What capabilities do you need?

Look at your legal organisation’s drafting practices and see where the biggest bottlenecks and frustrations lie. Then, evaluate AI-powered legal drafting tools against those priorities. Some of the most needed capabilities include:

- Finding a good starting point with model documents and templates
- Finding relevant clauses
- Drafting and modifying clause language
- Leveraging playbooks
- Comparing contracts with deviation detection
- Analysing documents for errors
- Converting text or image PDFs to Microsoft® Word

What content is the AI pulling from?

Generative AI tools are only as good as the content they train on. Choose a tool that draws from content you trust and that allows you to verify the accuracy of its responses yourself.

Does the tool use your data to train the model?

Select a tool that does not permit third-party AI models to retain or train on customer data. Review the provider's AI and ethics principles to be sure they are aligned with your organisation's own standards and expectations.

Does the AI mitigate hallucinations and errors?

Generative AI tools are built on large language models (LLM) that read the training data and predict the most likely next word when responding to your query. This approach can lead to errors and hallucinations, where the tool invents cases, clauses, and facts to fit the model. Choose a tool that employs a Retrieval Augmented Generation (RAG) approach so users can be confident the model has only based its answer on verified data.

What are the tool's security protocols when working with third-party generative AI vendors?

Verify that the provider uses the most advanced data security controls available. For instance, Thomson Reuters currently utilises cloud-based generative AI models from reputable providers, and through a zero-retention API that gives our customers the most advanced data security controls that the cloud provider makes available.

Making the case for an AI-powered legal drafting tool

Customers indicated CoCounsel Drafting saved them as much as

50%

of the time spent drafting legal documents.

Calculating return on investment

Any new expense requires a **business case and a compelling financial justification**. Many organisations use return on investment (ROI) to calculate the benefits of adopting new tools. This measure can help you quickly communicate value and compare your options.

The ROI formula is $(\text{Gain from Investment} - \text{Cost of Investment}) / \text{Cost of Investment}$. There are tangible and intangible gains to calculate.

Direct benefits for your ROI calculation

Customers indicated that CoCounsel Drafting, the new professional-grade, AI-powered drafting solution designed specifically for legal professionals from Thomson Reuters, saves them between 25% – 50% of the time spent drafting legal documents.

Reduced write-downs on invoices for law firms: Corporate clients may be more willing to pay their full invoices if they know that their external law firms are using the most efficient tools possible and devoting more time to strategy.

Reduction of external legal spend for legal departments: Corporate legal departments may be able to keep more work in-house. Automation means you can bring some work that you traditionally outsourced back in, leading to cost savings and getting through matters faster.

- For example, an in-house legal team outsources all non-disclosure agreement (NDA) work to an external law firm at an annual cost of £50,000 on a fixed fee basis. The in-house legal team estimates savings of 75% if they automated the NDA and did the work in-house instead.

Indirect benefits of ROI calculation for AI-powered legal drafting tools

Then there are the intangible benefits. These include:

- Reduced time on legal drafting
- Improved outcomes
- Better training and onboarding for new joiners
- Shorter time to respond to client or business requests
- Reduced risk of errors in contracts

Influencing key stakeholders

Given the attention that generative AI is getting, you are likely to get a lot of questions and attention with your AI-powered legal drafting implementation. Different stakeholders will have a variety of topics they will want clarified. Here are some to consider:

Legal professionals and leadership will want to know that the system you choose is drawing from trusted content, keeps client data secure, and can reduce or eliminate hallucinations and errors.

Legal operations and support staff will want to understand your expectations for adoption, how the solution will fit into the larger tech stack, integrate with enterprise solutions, and how scalable it is. They can help prioritise this initiative on the technology roadmap.

Clients and business partners will want to know that their data is secure and is not being used to train the model for future use.

The finance team will want to understand the ROI, payback, and net present value of increasing spend on drafting tools.

Technology partners will have questions around security, data management, integrations, compatibility, upgrades, and maintenance.

Depending on your organisation's cost or revenue model, you may have to answer questions about what fee-earners will do with the time they're saving. If your organisation charges by the hour, you'll need to show that revenue is not at risk. Indeed, clients and/or stakeholders are likely to appreciate more time going into strategy than drafting, but you'll want to include that in your considerations.

Getting started: Successful change management within a legal organisation

Changing how legal professionals draft their work product won't just happen, even with the best tool on the market. You will need a strategic approach and buy-in from stakeholders.

One question you should answer early on is, "What does success look like?" Are you aiming to have everyone adopt AI-powered legal drafting? Or are you simply making it available to employees to use as they see fit? You may decide to implement usage metrics to see how quickly your team is adopting the new tool. If hitting certain targets is important to you and your organisation, you'll want a thoughtful change management process to support the rollout.

There are four key principles that are essential for the success of a change initiative:

1. Employees who see the point of the change, and agree with it, are more likely to get on board

If individuals don't believe in the overall purpose of the change, you will see conflict and inaction. Make goals explicit, reinforce them, and help people understand the role they play in achieving change.

2. Accompany the new behaviour with recognition and reward systems

Articulate the change's rewards and personal benefits for individuals so that change is more likely to happen. This could be new skills, opportunities for advancement, and participation in strategic goals.

3. Prioritise the skills employees need to adapt to the change

Invest time and resources into training employees in the right skills to adapt to the change. Without the skills required to maintain the new way of working, employees will inevitably default to what they did before.

4. Role models within the organisation also need to display the new behaviour

Change champions are a must at every level. Recruit employees who "walk the talk" to act as role models. If employees see colleagues at their peer level achieving relatable success with the new system, they're much more likely to adopt it too.

The case for AI-powered legal drafting tools

AI-powered legal drafting tools can help your legal organisation automate the creation of legal documents and contracts. You and your colleagues can drastically reduce the amount of time you spend working out where to start and what language to use. With those time savings, you can spend more time on strategy, negotiation, and providing advice. You'll be able to dramatically reduce the effort, time, and costs involved with drafting. This will help your team improve consistency and reduce risks while allowing employees to focus on higher priority tasks.

With this guide, we've explored the definition and uses of AI-powered legal drafting tools, explored some of the issues you should consider when selecting such a tool, and provided guidance on making the case for the tool within your organisation. The guide also includes tips for successful change management to ensure your team sees the full benefit of AI-powered legal drafting.

Legal AI drafting: Introducing CoCounsel Drafting

CoCounsel Drafting from Thomson Reuters® represents a significant advancement in AI-powered legal drafting technology. This professional-grade, end-to-end drafting solution is designed specifically for legal professionals, enabling them to streamline the drafting process from start to finish directly within Microsoft Word. With CoCounsel Drafting, legal professionals can efficiently manage the drafting of legal documents and contracts, leveraging the following capabilities:

- **Insightful document analysis:** Begin with a deep understanding of your documents to ensure accuracy from the outset.
- **Optimal starting points:** Identify the most effective starting points for your drafting tasks.
- **Trusted content integration:** Utilise recommendations for contract language from Practical Law and your own contract repository.
- **Legal playbooks:** Revise and evaluate contracts against internal or Practical Law guidelines and identify discrepancies in clauses from third-party contracts.
- **Seamless Microsoft Word integration:** Enjoy a fluid drafting experience without the need to switch between applications.

By incorporating CoCounsel Drafting into their workflow, legal professionals can significantly reduce the time they spend drafting and reviewing documents, increase productivity, and maintain high standards of accuracy and quality, all while working within the familiar environment of Microsoft Word.

CoCounsel Drafting reimagines drafting work. It eliminates pains that come with every day drafting using secure generative AI capabilities trusted by legal professionals.

Revolutionise your work with CoCounsel Drafting today.

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