Your legal sector AI readiness toolkit

Welcome to your comprehensive guide to adopting AI in law firms, featuring a strategic readiness checklist, an essential glossary, real-world use cases and evaluation frameworks to begin implementing AI today.

Part I: Your AI readiness checklist

How to use this checklist

This tool helps your firm assess how prepared it is to implement artificial intelligence responsibly, securely and effectively. Here's how to

1. Score yourself on a 0–3 scale for each question:
   - 0 – Not Started: No action taken in this area.
   - 1 – In Planning: Recognised as important, but not yet implemented.
   - 2 – In Progress: Implementation underway; partially embedded.
   - 3 – Operational: Fully implemented and embedded into routine practice.
2. Tally your subtotal at the end of each section. **(Bonus tip:** Keep note of any low-scoring areas or future improvement opportunities, as these will help shape your AI roadmap and pilot priorities.)

   Calculate your final total at the end to get tailored AI adoption recommendations.

Strategic alignment

☐ **Are partners and leadership aligned on the role of AI in the firm's strategy?**
Successful adoption requires buy-in from the top, with AI supporting core practice areas like litigation, contracts or advisory work.

☐ **Do we have a shared vision for AI's impact on client services and operations?**
Clarify how AI will improve internal workflows, legal research, client experience, or all three.

☐ **Is there a multidisciplinary governance body overseeing legal tech and AI initiatives?**
Includes representatives from legal, IT, risk, compliance and operations.

☐ **Have we established policies on the ethical and professional use of AI in legal practice?**
Think disclaimers, client consent for AI use and limits on AI-generated legal advice.

Subtotal (out of 12): _____

Data and security

□ Is our case and document data structured, searchable and centralised?

AI tools need clean, well-organised data - contracts, matter histories, precedent, etc.

□ Do we enforce rigorous data governance protocols?

Avoid duplications, protect privilege and maintain clear access controls across teams.

□ Can our infrastructure support AI tools that require large volumes of documents and metadata?

Tools like clause extractors or analytics engines need fast access to high-volume data.

□ Are our data protection standards fit for handling confidential and privileged information?

Includes encryption, MFA, cloud storage and regular security audits.

Subtotal (out of 12): _____

Regulatory and professional compliance

□ Are we confident our AI tools comply with SRA, GDPR and data protection law?

Ensure responsible processing, sharing, and retention of client and firm data.

□ Do we conduct pre-implementation assessments of AI tools for legal and ethical risks?

Evaluate risks like bias, accountability gaps, or undermining legal judgement.

□ Can we explain or justify AI-generated outcomes if questioned by courts, regulators, or clients?

Auditability and transparency are especially key in high-stakes areas like litigation strategy or risk scoring.

□ Are we actively tracking legal tech and AI regulations in the jurisdictions we operate in?

Keep up with developments like the EU AI Act, ICO guidance, or changing professional standards.

Subtotal (out of 12): _____

Vendor and technology oversight

□ Are we evaluating legal tech vendors based on transparency, reliability, and compliance, not just cost?

Request clarity on model training data, performance, and safeguards - not just features.

□ **Do we include safeguards in vendor contracts around AI use and data handling?**

Includes audit rights, IP protection, data ownership, model drift responsibilities, and indemnities.

□ **Are we clear on which vendors use generative AI, and how it's used in outputs presented to lawyers or clients?**

Understand how AI generates summaries, extracts clauses, or recommends edits.

Subtotal (out of 9): _____

People, skills and culture

□ **Have we prepared staff - lawyers, support staff, and management - for AI adoption?**

Training should focus on practical benefits and reassurance, not just theory.

□ **Are there clear guidelines for how different roles should interact with AI tools?**

Clarify when to rely on AI outputs and when to escalate or override them.

□ **Have we identified and begun closing skill gaps in areas like prompt engineering, data interpretation, or legal tech fluency?**

Upskilling helps ensure AI tools are used effectively, not blindly.

□ **Are team members encouraged to ask questions and raise ethical concerns around AI?**

A strong culture supports feedback loops, caution and accountability.

Subtotal (out of 12): _____

TOTAL SCORE (out of 57): _____

Score Range	Where You're At	What This Means & What to Do Next
0–15	🟥 Just Getting Started	You're laying the groundwork, and that's a great first step. Focus on aligning leadership, understanding your data and drafting internal policies. There's no rush to deploy tools; build a strong foundation first.
16–30	🟧 Making Progress	You've made headway. Some areas are taking shape, but others may need focus. Consider piloting AI in one or two low-risk areas, and use those learnings to strengthen governance, training and vendor oversight.
31–45	🟨 Nearly There	You're in a good place to start scaling AI more intentionally. Most foundations are in place. Keep refining your approach, deepen stakeholder engagement and begin integrating AI into day-to-day workflows.
46–57	🟩 AI-Ready and Forward-thinking	You're ready to go. Your firm has a solid, responsible foundation. Continue evolving your approach with regular reviews, client engagement, and by staying ahead of

		emerging regulations. You're in a great spot to innovate with confidence.

Part II: Your AI glossary

A wide-ranging reference of AI terminology tailored for legal professionals, covering foundational tech terms and legal-specific concepts.

This glossary will help you confidently interpret conversations with vendors, clients and internal teams.

AI and tech terms

- **Artificial Intelligence (AI):** The use of machines to perform tasks that normally require human intelligence, such as reasoning, learning, perception and decision-making.
- **Machine Learning (ML):** A subfield of AI where systems learn from data to make predictions or decisions without being explicitly programmed for each task.
- **Deep Learning:** A complex form of machine learning that uses artificial neural networks to process large datasets and recognise patterns, which is especially useful for natural language and image processing.
- **Large Language Model (LLM):** A type of AI trained on vast text data to generate and understand human language (e.g., GPT-4). Used in drafting, summarising and answering legal questions.
- **Natural Language Processing (NLP):** Enables computers to understand and generate human language. Common applications include legal text classification, summarisation or clause extraction.
- **Prompt Engineering:** The art and science of crafting input instructions to guide LLM behaviour. Essential for generating useful and reliable responses.
- **Generative AI:** Tools that create new text, images, audio, or code based on training data. In legal, this powers contract drafting, legal memos, or chatbot responses.
- **Inference:** The process of using a trained AI model to generate predictions or outputs based on new data.

  Explainability (XAI): The ability to understand and trace how an AI model arrived at its output. Crucial for legal defensibility.
- **Bias:** Systematic errors in AI outcomes due to imbalanced or prejudiced training data. Can lead to unfair treatment in decision-making processes.

- **Hallucination:** When an AI tool produces false or fabricated information. A major concern in legal drafting or summarisation.

Model Drift: Performance degradation over time as the model becomes misaligned with current data or context. Needs monitoring and recalibration.

Legal-specific AI concepts

- **Contract Lifecycle Management (CLM):** AI systems that automate stages of a contract's life - drafting, review, approval, renewal and archival - with clause extraction and risk flagging.
- **E-Discovery:** AI-supported search and review of electronic documents during litigation or investigation. NLP helps identify relevance and privilege.
- **Legal Knowledge Graphs:** Structured databases of legal concepts, cases, and relationships that help AI draw inferences across sources.
- **AI Legal Assistant:** A generative AI tool used internally by law firms or legal departments to help with summaries, research and question answering.
- **Duty of Technological Competence:** Ethical requirement for lawyers (e.g. per ABA Model Rule 1.1 Comment 8) to understand and responsibly use technology, including AI.
- **Client Consent Protocols:** Legal safeguards requiring clients to be informed and consent to the use of AI in service delivery, particularly when AI interacts with client data.
- **Legal Risk Scoring:** Use of predictive analytics to evaluate risk in contracts, litigation exposure or compliance scenarios.
- **Precedent Extraction:** AI's ability to pull out prior cases or clauses relevant to a current matter, aiding strategy and drafting.

  Generative Drafting Tools: AI that generates initial drafts of documents, emails or legal arguments based on predefined templates or past data.

Part III: Use cases and evaluation framework

This section outlines practical, high-value ways law firms can start using AI today, along with a simple framework to help you evaluate these tools before adoption.

Legal AI use cases

Below are some of the most common and effective applications of AI in legal practice. These can streamline tasks, reduce risk and free up time for more strategic work.

Contract review and analysis

Use AI to review contracts faster and more consistently by automatically identifying key clauses, flagging missing terms, and spotting unusual language.
Ideal for: NDAs, supplier agreements, leases, MSAs.

Legal research

AI tools can surface relevant case law, legislation, or commentary in response to natural language questions, dramatically reducing research time.
Improves: Speed, accuracy, and confidence in results.

Drafting Support

Generate first drafts of legal documents, advice notes or client updates using AI models trained on firm-approved templates or precedent.
Works well for: Routine advice letters, internal summaries, or early-stage memos.

Matter triage and intake

Use AI to triage incoming instructions or client queries by routing them to the right practice area, extracting key information and flagging conflicts.
Great for: Legal operations, client onboarding, and front-desk automation.

Knowledge management

Make internal knowledge (past memos, deals, pleadings) searchable with AI so lawyers can find and reuse precedents quickly.
Boosts: Firm-wide efficiency and consistency.

Litigation and risk prediction

AI can help assess the likely outcome of disputes, identify high-risk cases, or benchmark performance across jurisdictions.
Caution: Always maintain human oversight; use as decision support, not replacement.

Client-facing tools

Some firms are deploying AI-powered tools that help clients self-serve on basic queries or access legal knowledge interactively on your website.

Adds value: Improves client experience and positions the firm as tech-forward.

Evaluation framework: The PACE Test

Before investing in any AI tool, use the **PACE** framework to evaluate it. It ensures you're making informed, strategic decisions that balance benefits with legal and ethical risks.

PACE Element	What to Ask
Purpose	Does this tool solve a real legal problem or improve efficiency for lawyers or clients? Is the use case specific, measurable, and valuable?
Accuracy	How reliable are its outputs? Can you verify results? What is the error rate, and how often does it need human correction?
Compliance	Does the tool meet relevant legal, data protection, and professional standards (e.g. SRA, GDPR)? Can you audit its decisions and explain its logic?
Experience	Is the tool easy to use for lawyers and staff? Does it integrate with existing systems? Will training and support be provided?