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## AI in Law: Benefits, Tools to Use & Trends to Watch

Katie Langer · Friday, August 15th, 2025

Artificial intelligence is reshaping the legal industry, allowing firms to automate repetitive tasks, enhance legal research, improve decision-making, and achieve many other productivity and efficiency results. As AI continues to evolve, firms that understand the role AI can play in legal practice and leverage AI-powered tools will gain a competitive edge by increasing efficiency and reducing errors.

This comprehensive article explores how AI benefits law firms, examines the challenges and benefits to consider of using AI in law, key tools and AI trends to watch for the legal industry, and provides practical insights for successful implementation.

### Main Takeaways

- Using AI in law firms boosts productivity by automating repetitive, manual tasks.
- Tools powered by AI improve accuracy, reduce risk, support better client experiences, and [enhance internal collaboration](#).
- Generative AI and integrated legal practice management software are key trends to watch.
- Successful adoption requires strong governance, human oversight, and education.

### Key Benefits of AI in Law



## Time and Cost Savings

AI's most immediate impact on legal practice comes through time savings on routine tasks. According to the professionals surveyed in Thomson Reuters' 2024 Future of Professionals Report, automating routine law firm tasks such as document review, legal research, and contract analysis have substantial efficiency gains.

Respondents estimate the time savings to be four hours per week or 200 hours per year (assuming 50 working weeks a year). At an average billing rate of \$500 per hour, you can do the math: law firms stand to gain \$100,000 in extra billable time annually.

This speed advantage allows firms to complete high-volume workflows more efficiently, reducing overhead costs while maintaining quality. For your clients, efficiency improvements translate into faster turnaround times and more cost-effective legal services.

## Improved Accuracy and Risk Mitigation

AI systems excel at identifying patterns and inconsistencies that human reviewers might miss,

particularly in document-heavy tasks. This enhanced accuracy proves especially valuable in contract analysis, where AI can flag potential risks, identify missing clauses, and ensure compliance with regulatory requirements.

The result for clients is more reliable outcomes and stronger risk management throughout the legal process, building trust and reducing liability exposure for both firms and their clients.

## **Greater Focus on High-Value Work**

By automating routine tasks, AI enables attorneys and support staff to redirect their attention toward strategic thinking, client relationships, and complex advocacy work. AI can allow professionals to spend time on more innovative and intellectually satisfying practices—the type of work that originally attracted them to the legal profession.

This shift improves job satisfaction as legal professionals can focus on work that requires human judgment, creativity, and strategic thinking. For clients, this means receiving more personalized and strategic legal guidance rather than paying premium rates for procedural support that AI systems can efficiently handle.

## **Enhanced Client Experience**

AI-powered tools contribute to smoother client interactions through faster communication, clearer billing processes, and more accurate documentation. Automated client intake systems can gather information efficiently, while AI-enhanced billing software reduces errors and provides transparent cost breakdowns.

AI chatbots and virtual receptionists enhance client service without adding to staff workload. They can handle client intake, answer common questions, and filter calls using AI-enabled voice receptionists. This responsiveness throughout the case lifecycle builds trust, improves client retention, and creates stronger long-term relationships.

## **Enhanced Legal Research**

Traditional legal research methods, while thorough, can be time-intensive and may miss relevant precedents across vast legal databases. AI-powered legal research tools like Lexis+ AI, Westlaw

Precision, and Harvey help firms quickly find case law, statutes, and precedents with greater accuracy and speed than manual methods.

Generative AI capabilities can summarize complex legal concepts, draft research briefs, and identify connections between cases that might not be immediately apparent to human researchers. This enhanced research capability ensures more comprehensive case preparation and stronger legal arguments.

## Better Due Diligence

In transactional work, AI significantly improves due diligence processes by automating background checks, extracting critical data from large document sets, and validating compliance requirements. For mergers and acquisitions, AI can analyze hundreds of contracts simultaneously, identifying key terms, potential liabilities, and areas requiring attention.

AI tools can scan vast amounts of digital data, detecting relevant evidence faster than human reviewers. AI in law will further enhance e-discovery capabilities, ensuring greater accuracy and efficiency in [compliance management at law firms](#). This automation reduces both the time and cost associated with complex transactions while improving accuracy in risk assessment.

## Challenges and Risks of AI in Law



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## Data Quality and Availability

AI systems are only as good as the data they're trained on, and legal databases often contain inconsistencies, outdated information, or jurisdictional variations that can affect AI performance. For providers of AI tools, this will mean they are constrained to things they own and things they have permission to load, potentially limiting comprehensive coverage.

Poor data quality can lead to incomplete analysis or incorrect conclusions, making it essential for firms to understand the limitations of their AI tools' training data and supplement automated research with traditional verification methods.

## Risk of Hallucinations in Generative AI

Perhaps the most significant concern facing legal professionals using AI is the phenomenon of "hallucinations," which is when AI confidently generates false information. AI sometimes produces hallucinations in the industry because the models generate responses based on statistical patterns learned from large datasets rather than by verifying facts in those datasets.

Retrieval-augmented generation (RAG) has been presented as a method to avoid hallucinations. RAG helps generative large language models (LLMs) produce more accurate results by accessing external sources of information and combining it with the internal material the LLM has been trained on. But even RAG systems are not hallucination-free.

Recent studies<sup>1</sup> show concerning rates of hallucinations, with one legal AI system producing incorrect information more than 17% of the time, and another producing incorrect information more than 33% of the time.

The consequences can be severe. Courts around the country have questioned or disciplined lawyers for citing AI-generated fictitious cases, highlighting the critical importance of human verification.

## Bias and Fairness

AI systems can perpetuate or amplify biases present in their training data, potentially affecting legal outcomes. Since these models mimic patterns in their training data without discerning truth,

they can reproduce any falsehoods or biases present in that data.

In legal contexts, this bias can manifest in inconsistent recommendations across different demographic groups or geographical regions, making it essential for firms to monitor AI outputs for fairness and consistency.

## Integration and Change Management

Technical integration remains a significant hurdle. According to [Attorney Journals](#), 37% of law firm employees and 42% of corporate law employees experience challenges integrating generative AI with existing legal systems and processes.

Successful AI implementation requires not only technical integration but also staff training, workflow redesign, and cultural adaptation. Many firms struggle with the change management aspects of AI adoption, particularly in ensuring all team members understand both the capabilities and limitations of their new tools.

## Regulatory and Ethical Uncertainty

Many legal professionals have reported being concerned that using generative AI could put them or their firms in violation of ethical and professional codes of conduct. Currently, there are no clear industry-wide and fully-agreed-upon guidelines as to how to proceed.

Attorney ethics rules require lawyers to vet and stand by their court filings or risk being disciplined. The [American Bar Association](#) has informed its members that those obligations extend to "even an unintentional misstatement" produced through AI. This evolving regulatory landscape requires firms to stay informed about changing ethical standards while developing internal compliance policies.

## Popular AI Tools in the Legal Industry



## **Document Management Systems with AI Features**

Modern document management systems increasingly incorporate AI capabilities that enhance searchability, automate classification, and streamline routine document processes. These systems can automatically tag documents based on content, extract key information, and route files through approval workflows.

Advanced systems like Centerbase leverage AI for document automation, optical character recognition (OCR), and electronic signature workflows, reducing the manual effort required for document processing while maintaining accuracy and compliance standards.

## **AI-Powered Legal Research Platforms**

Legal research has been revolutionized by AI-powered platforms that use generative AI to surface relevant case law more efficiently than traditional database searches. Unlike generic AI tools, these solutions minimize the risk of AI hallucinations and ensure reliable legal research.

## **Contract Analysis and Review Tools**

Contract analysis platforms have become essential for corporate and transactional law practices.

These tools can highlight potential risks, suggest clause revisions, and provide comprehensive contract summaries in minutes rather than hours. This growing reliance on AI-powered contract analysis reflects the technology's maturation and proven value in transactional work.

## **E-Discovery Platforms**

Manually reviewing large digital files for discovery is labor-intensive. AI-powered tools automate document categorization and review, improving search accuracy and efficiency. Modern e-discovery platforms use predictive coding and smart filtering to manage massive data volumes while ensuring relevant information isn't overlooked.

These systems can process terabytes of data, identify privileged communications, and flag documents for attorney review based on relevance scoring, dramatically reducing the time and cost associated with litigation discovery.

## **Workflow and Task Automation Tools**

Automation tools can handle intake processes, pre-bill approvals, deadline reminders, and matter status updates. AI scheduling tools can optimize meeting times and avoid conflicts, while billing software with AI integration can reduce errors and streamline invoicing.

Centerbase offers automated workflows tailored by practice area, allowing firms to customize automation based on their specific procedural requirements and client needs. These workflows can automatically trigger actions based on case events, deadlines, or client communications.

## **Emerging Trends to Watch in AI and Law**

### **Rise of Generative AI**

Generative AI has the potential to change how legal professionals do their jobs in the years to come. Law firms using generative AI systems are already posting greater efficiencies in legal research and document management.



Generative AI is being applied to draft legal documents, summarize case materials, and create client communications. However, lawyers must validate everything AI produces. And most clients will want to talk to a person, not a chatbot, regarding legal questions, highlighting the continued importance of human oversight and interaction.

Early-stage applications show promise in routine drafting and preliminary research, but limitations remain in complex legal reasoning and nuanced client advisory work.

## **AI Integration with Core Practice Management Platforms**

Legal professionals increasingly expect AI tools to work invisibly within their existing platforms. The trend is moving toward unified systems that combine AI capabilities with traditional practice management functions like billing, client intake, and case management.

By bringing AI to content, rather than requiring content to be migrated to standalone AI platforms, legal teams can maximize the value of these technologies while minimizing disruption. This integration provides competitive advantages for firms that can offer seamless, AI-enhanced operations without requiring staff to learn entirely new systems.

## **Focus on Explainability and Transparency**

As AI adoption increases, both lawyers and clients demand greater transparency in how AI systems reach their conclusions. By allowing end users to delve into the same source documents the LLM used in crafting its answers, RAG fosters a deeper understanding and trust in the AI-generated responses.

The importance of audit trails and transparent decision-making processes continues to grow, particularly as regulatory bodies develop clearer guidelines for AI use in legal practice. Systems that can clearly document their reasoning processes will likely see greater adoption as they support both ethical practice requirements and client trust.

## **Best Practices for Law Firms to Stay Compliant with AI**

### **Establish Clear AI Governance Policies**

Successful AI implementation begins with clear governance structures. Firms should define who is responsible for selecting, deploying, and auditing AI tools across the organization. This includes establishing decision-making authority for AI investments and creating internal guidelines for acceptable AI use across different departments.

Governance policies should address data security, client confidentiality, quality control procedures, and regular performance assessments of AI tools. Clear accountability structures help ensure consistent application of AI policies and provide mechanisms for addressing issues when they arise.

## **Maintain Human Oversight on All AI-Powered Tasks**

Human oversight must be maintained for all AI-generated content, particularly for case law research, contract analysis, and legal briefs.

Experienced attorneys should review AI-generated outputs for accuracy, completeness, and appropriateness. This oversight extends beyond simple fact-checking to include evaluating the legal reasoning, ensuring jurisdictional appropriateness, and confirming that AI recommendations align with client objectives and ethical requirements.

## **Train and Educate Your Team on AI**

The more educated your firm is about AI and its implications within the legal market, the more likely you are to maximize AI's possibilities while minimizing its risks. Comprehensive training should help staff understand the foundations of using AI within law firms, including use cases, benefits, and ethical considerations.

**Attend CLE and Other Educational Opportunities:** Many vendors and associations now provide education and guidance on AI for law firms. Begin attending events through your Bar Associations, practice area groups, technology vendors, and the Association of Legal Administrators. Consider inviting outside subject matter experts to train your team on AI usage.

**Try AI Products:** "Rent" AI products using SaaS pricing models to begin testing how AI could provide a competitive advantage for your firm and staff. Many products include free trials or low-cost, short-term subscription options to get started. For each product you test, have trial users fill out a rubric to evaluate the product's effectiveness, documenting things like use cases, accuracy

and performance, robustness and limitations, regulatory and ethical considerations, security, user experience, and cost.

**Read Up:** Even though AI usage in the legal field is just beginning, many resources exist to help you understand the full landscape of AI. The [American Bar Association](#) often covers topics related to AI, machine learning, and automation in law practice. A quick online search will produce numerous resources, including [guides about AI adoption in the legal market](#), [checklists to implement AI at your firm](#), and [sample AI policies for law firms](#) to help document your firm's AI approach.

## Vet AI Tools for Data Privacy and Security Compliance

Choosing AI platforms that meet your jurisdiction's legal ethics rules and cybersecurity standards is essential for client protection and regulatory compliance. There is a huge difference between consumer AI and legal AI tools, which use only reliable and verifiable sources of data.

Ensure that client data remains confidential and is not used for external model training purposes. Evaluate vendors' security protocols, data handling procedures, and compliance certifications before implementation. Consider requiring contractual guarantees about data protection and AI model training restrictions.

## Prioritize Tools with Audit Trails and Transparency

Select AI systems that document how conclusions were reached and provide clear attribution for their recommendations. This transparency is not only vital for legal practitioners who need to trace the origins of the information provided but also instrumental in building trust in AI systems.

Transparent tools support both ethical practice requirements and client trust by allowing lawyers to understand and explain the basis for AI-generated recommendations. This capability becomes increasingly important as courts and clients demand greater accountability for AI-assisted legal work.

## Align AI Investments with Long-Term Strategic Goals

Avoid implementing AI simply to follow trends. Instead, tie AI tool selection to specific

operational pain points such as billing bottlenecks, document review delays, or client communication inefficiencies.

The advantages of integrating AI into your [legal practice management software](#) are clear:

- AI-driven automation reduces administrative burdens and minimizes human error, especially with time-consuming tasks like drafting correspondence and preparing invoices.
- AI's ability to analyze data helps you identify business trends, client preferences, and performance metrics that drive [law firm profitability](#).
- You can use AI investments to reinforce firm goals around profitability, client experience, or operational efficiency. Just remember to develop metrics to measure AI's impact on these objectives and adjust implementation strategies based on actual performance data rather than theoretical benefits.

## How to Evaluate Your Firm's Technology

To integrate AI technology effectively, your existing technology needs to be ready for it, too. That means you will need a solid technology infrastructure in place to ensure the successful integration and operation of AI products when you're ready to implement them. Consider these recommendations to get started.

### Move Your Core Systems of Record to Cloud-Based Technology

Ensure your firm uses modernized cloud-based technology that supports continued enhancements and updates. By having your client data, research data, and documents in modern platforms, you increase your firm's ability to quickly access this information within AI platforms.

### Research Your Vendors

Speak with your current vendors to understand their AI roadmap and AI usage within their platform. Ensure you understand the underlying technology the vendor plans to use and that it aligns with your firm's policy on AI usage.

## Consider API Access

Understand the API access available in your current software. APIs allow you to integrate your products and data with software and could speed up the transition to using AI within your law firm.

## Forming an AI Committee Within Your Firm



Evaluating AI's fit within your firm could be a significant undertaking, so be prepared to dedicate some resources to it. You will recoup costs incurred during this research and evaluation phase by avoiding surprises and setbacks with a well-prepared AI integration plan.

While you might need one point of contact to organize the effort, forming an AI task force within your firm allows multiple stakeholders to weigh in, ensures diverse perspectives and user groups are considered, and helps your firm prioritize AI and other emerging technologies.

This task force can begin identifying specific AI use cases within the firm, such as document review, contract analysis, legal research, or client communication. Prioritizing the use cases where AI technology can provide the most significant value will allow the committee to begin architecting your future technology stack to support them.

The committee should also be responsible for drafting policies and guidance on how your staff can use AI. This helps ensure your firm factors in compliance and ethical considerations when making decisions about using AI.

## Streamline Your Firm's Operations with AI-Powered Workflows from Centerbase

AI has been transforming how legal services deliver value to their clients, and it continues to do so. This, in turn, will require legal professionals to make changes to their traditional business models. As the legal industry continues its digital transformation, AI's impact on modern law firms will only grow more significant.

The key to successful AI adoption lies in selecting the right tools that match your firm's specific needs and operational requirements. Rather than implementing AI for its own sake, focus on solutions that address concrete challenges and enhance your ability to serve clients effectively.

Centerbase understands these challenges and opportunities. Our AI-powered workflows are designed specifically for law firms, offering automation solutions that integrate seamlessly with your existing processes while maintaining the security and compliance standards that legal practice demands.

From document automation and client intake processes to billing optimization and case management workflows, Centerbase helps law firms harness the power of AI while preserving the human judgment and expertise that clients value most.

**Ready to discover how AI can transform your firm's operations?** [Book a demo](#) to see how Centerbase's AI-powered workflows can streamline your practice, or [learn more about our billing features](#) to understand how automation can improve your firm's financial efficiency.

1. [“Vals Legal AI Report”](#) and [“Hallucination Free? Assessing the Reliability of Leading AI Legal Research Tools”](#)

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