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The Real AI Risk for Law Firms: Acting Without a Foundation

Katie Langer · Monday, October 27th, 2025

By Paige Roncke, Chief Revenue Officer, Centerbase?

Recently, a managing partner told me, “This AI stuff makes me nervous. One filed mistake and we’re facing possible sanctions.”?

He wasn’t wrong. But he wasn’t completely right, either.?

As a former attorney now working in legal technology, I understand the tension law firms feel between [embracing AI technology](#) and staying risk averse. In law, risk is something to be avoided. In technology, it's something to be managed and even embraced.??

When those two worlds collide, it creates a mindset where innovation feels dangerous. Every headline about sanctions, hallucinated case law, or rogue chatbots reinforces the belief that the safest move is to wait. But in today’s economy, the greater risk isn’t taking the wrong step; it’s not taking a strategic one.?

AI isn’t a passing trend. It’s reshaping how every industry works, hires, and competes. If legal professionals don’t evolve alongside it, we risk becoming the one industry that clients, talent, and capital leave behind.?

According to the [2025 Generative AI in Professional Services report](#), 42% of law firms say they’re currently using or planning to use generative AI, but 45% have no strategy to implement AI for wide-scale usage within the next 6 months. Meanwhile, Gartner says across all industries, [global AI spending will reach \\$1.5 trillion in 2025](#), underscoring just how quickly this transformation is accelerating.?

Adopting AI doesn't mean diving in blindly. It means moving past fear-based hesitation toward informed, measured progress. You don't have to implement AI overnight, but you do need to understand where it's headed and prepare your firm's technological foundation now.?

This article will help you get started.?

The Psychology of Fear: Understanding the Attorney Mindset?



To understand why the legal industry has been slower to adopt AI and technology in general, we need to understand how attorneys are trained to think.?

Lawyers are conditioned to formulate advice based on what *can't* go wrong, not what *might* go right. We anticipate worst-case scenarios and build safeguards against liability. That mindset has earned our profession its reputation for rigor and trustworthiness.?

But when left unchecked, it becomes a barrier to innovation and opportunity.?

The irony is that law firm leaders, the people most responsible for pushing their firms forward, are also the ones most liable for mistakes. If a vendor's AI tool spits out a hallucinated citation or

mismanages sensitive data, it's the attorney, not the software company, that pays the price. The fear is valid, but it's also paralyzing.?

?But "strategic avoidance" — the decision to delay engaging with AI until it matures — isn't really a strategy at all. Delaying a decision about AI can seem logical when AI isn't the first or even the most dangerous risk law firms face today. But while some firms wait, others?are modernizing their systems, improving workflows, and quietly preparing to integrate AI when the time is right.?

Lawyers' Top 5 Fears in 2025 and How to Address Them?



The top concerns among firm leaders haven't changed much in decades:?

1. Malpractice or ethical violations?
2. Loss of firm reputation?

3. Revenue leakage due to inefficient operations?

4. Client attrition to more modern, tech-enabled firms?

5. Team burnout and talent loss due to frustrating, outdated systems?

Fortunately, the tools to mitigate these risks already exist, and they don't start with AI:?

- A well-implemented technology platform can prevent time leaks, reduce billing mistakes, and ensure audit trails.?
- Smart [legal workflows and automation tools](#) can make staff feel supported rather than overburdened.?
- A firm that offers modern communication tools, fast response times, and transparent reporting feels *safer* to clients, not riskier.?

These technology platforms for practice management improve operational efficiency and reduce errors, and they offer a safe, risk-averse way for firms to address their concerns listed above.??

Most importantly, these modern systems lay the groundwork for future innovation. They create the clean, reliable data and standardized workflows that AI depends on. Firms with that infrastructure in place will be ready to move quickly and safely when AI-driven capabilities become the norm,

which might be sooner than you expect.??

Remember that other industries didn't leap into AI overnight. They started by modernizing their technology infrastructure with systems that improve visibility, streamline processes, and create trusted data pipelines. Once that foundation was in place, layering in AI became the natural next step.?

When firm leaders say, "Legal isn't ready for AI," my response is simple: AI isn't waiting for legal to be ready. The pace of change outside our industry means that hesitation will soon become the riskiest strategy of all.?

The question for law firm leaders isn't *whether* to act, but *how* to act in a way that balances innovation with control.

The Challenge Is Sequence, Not Speed

The legal industry is now split into two camps: firms that are hesitating because of ethical and reputational concerns, and firms that are racing ahead to try new AI tools. Both approaches come from the same place — uncertainty. The first group worries about doing something wrong; the second hopes to find a silver bullet. The smarter path is neither one. It's to act quickly but strategically by modernizing your foundation first.

Two Types of AI, and Why the Order Matters?

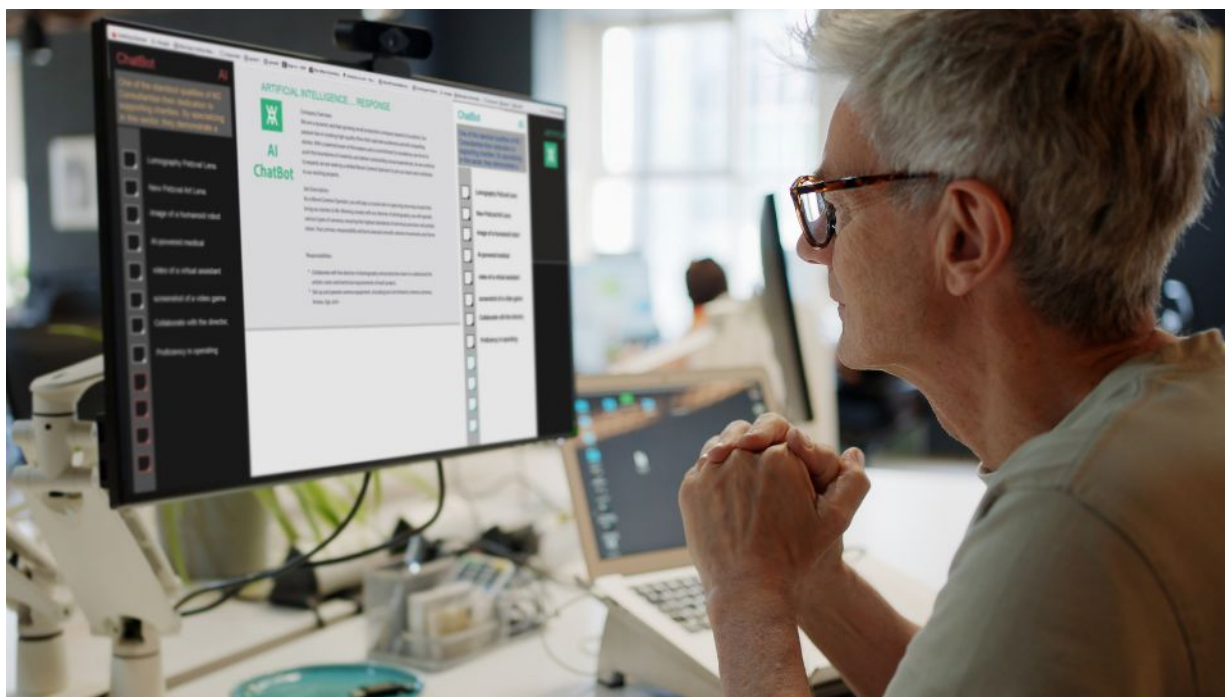
There are really two kinds of AI changing how law firms operate:?

1. **AI for the business side of law** automates operational functions like intake, timekeeping, billing, accounts receivable, and reporting.?
2. **AI for practicing law** accelerates legal work like discovery, research, or drafting briefs.?

Most firms are starting with the second category because it's exciting and visible, but that approach is backward. Without modernizing operations first, firms risk their data becoming fragmented across multiple tools, inconsistent use of the tools, and rising costs without real productivity gains.?

Getting the foundation right first is the smarter, more sustainable approach. This way, firms can use operational AI to eliminate non-billable work, streamline cash flow, and generate insight from their data. Once that foundation is solid, layering in practice of law AI tools becomes more efficient, consistent, and secure.?

The Real Risk: Acting Without a Foundation?



For firms still waiting for the “right” time to modernize, that moment has already passed.??

I’ve spoken with dozens of firms over the past year, including some that are leaning into new technology and AI, some that are still holding out, and some that are adopting point-solution AI tools before their house is in order. What separates them isn’t size, budget, or even vision; it’s the willingness to act **in the right order**.?

The firms that are making meaningful progress are modernizing their core technology infrastructure. They’re consolidating outdated systems, simplifying workflows, standardizing

billing templates, and improving data accuracy. In doing so, they're unlocking the benefits of better efficiency, lower burnout, and [higher profitability](#) while preparing to adopt AI seamlessly. ?

Yet even as some firms modernize, others are falling into two avoidable traps: ?

1. Waiting too long to act: Competitors outpace you.?
2. Adopting AI too quickly without the right foundation: Rushing into adopting multiple point solution AI tools scatters data.?

The remedy is the same in both cases: modernize the foundation first. Firms on [integrated practice management platforms](#) have a single source of truth, consistent workflows, and clear cost controls, so they can experiment with evolving practice of law AI tools safely, switch as the market changes, and bill appropriately for value delivered. ?

5 Steps to Build AI Readiness

You don't need to transform your entire firm overnight, but you do need to begin. Here's where to start:?

1. Evaluate Your Data Quality and Access

Clean data sets the foundation for getting reliable insights, billing accurately, and remaining compliant—and it's the only way your firm can really benefit from AI. Start by reviewing how your client, matter, billing, and time data are captured and stored. Then, identify gaps, duplicates, or inconsistencies that could undermine future automation.

2. Audit Your Operations?

Where is your team losing time? Where are processes manual, disjointed, or error-prone? Document your inefficiencies in billing, accounting, calendaring, and time capture. These areas directly affect revenue and client satisfaction, and they often reveal where automation can help most.?

3. Learn from Your Vendors?

Ask your current technology providers how they're using AI responsibly. What tools are delivering measurable value? What's real and available right now, not just roadmap promises or unproven AI features? Focus on products that are practical and align with your ethical obligations.?

4. Modernize Your Core Systems First?

Don't get distracted by shiny new tools until your technology foundation is solid. Right now, we're seeing firms adopting new, early-stage tools before fixing their operational backbone. They end up with data scattered across multiple systems and no clear way to manage or bill for the tools.

AI only works when your core systems are clean and reliable. Focus on modernizing billing and accounting systems, because they're the financial backbone of your firm. Once these are updated and your data within them is accurate, it'll be much easier to integrate other tools, scale their usage, and bill your clients properly.

Note: Firms using integrated systems like Centerbase are already taking this crucial step—building a technology infrastructure that supports secure, efficient operations today and prepares them for the innovations of tomorrow.?

5. Create a Governance Framework for AI Use

As your firm begins experimenting with AI tools, establish clear policies for how they're used. Define which workflows are appropriate for AI, set approval processes, and assign accountability for oversight. Include ethical guardrails for data security, confidentiality, and accuracy. A simple governance plan now prevents future headaches and builds confidence across the firm.

These steps are realistic, achievable, and strategic. They'll help you reduce risk, increase clarity, and move at a pace that's sustainable for your team and your clients.?

Lead with Strategy

Law firms are entering an era where success will depend not on how fast they move, but on how strategically they do it.

Ethical concerns about AI are valid, but these aren't the real challenge. The real challenge is focus. The firms that thrive in the next era of legal work will be the ones that lead with readiness by having a strategic technological foundation in place.

The technology and AI tools exist and the roadmap is visible. The moment to begin is now, and the firms that succeed will be the ones that move with a clear strategy.

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