

## Strategic Perspectives

# Crutchfield leads expert panel on ‘The Business Case for AI’

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Ken Crutchfield, VP & GM, Legal Markets Legal & Regulatory, US, Wolters Kluwer, on Sept. 14, 2023, moderated a panel on “The Business Case for AI.” The panel was part of a virtual event held by Inside Practice titled “Inflection Point: The Legal AI Revolution Part 2.” Part one was held in June 2023. Crutchfield led a panel of experts in a discussion on building a business case for generative AI (GAI) and justification for law firms to invest in a future not fully understood at this point. The discussion focused on balancing potential benefits and opportunities against significant costs, risks, and ethical considerations.

Crutchfield leads the Legal Markets Group of Wolters Kluwer Legal and Regulatory U.S. and is responsible for setting the vision and strategic approach with a focus on developing leading digital products. Members of the panel included: David Cunningham, Chief Innovation Officer & Founder of Legal Metrics, Reed Smith LLP; Nicole Bradick, Founder and Chief Executive Officer, Theory and Principle; and David Wang, Chief Innovation Officer, Wilson Sonsini Goodrich & Rosati. Each speaker is responsible for developing strategy and innovation of GAI products in their firm or, in the case of Bradick, building digital products for law firms and legal technology firms.

**Poll.** Crutchfield opened the discussion by polling the attendees as to their current experience with AI. Most attendees were

in-house tech or members of legal tech companies. Sixty-two percent responded that their organizations are currently in the process of testing various GAI pilots. Only just over 7 percent admitted that their organizations have done nothing with GAI. In response to a question about the current level of GAI “hype curve,” the majority said the level is high and increasing, while only 3 percent of attendees thought the hype was “more thunder than lightning.”

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Reacting to the poll responses, Cunningham remarked that while his firm does not encourage the use of ChatGPT, they do not ban it. Like many firms, his firm wants to learn about all the various platforms before deciding which one would be best for his organization. He noted that he expects to end up with a blend of platforms. Bradick stated that firms want GAI to happen but in a safe space, using a vendor that they know and trust. The path to adoption of a usable products is lengthy and requires a lot of guidance, she said. Wang referred to the abundance of pilots going on simultaneously as “pilot mania.” Evaluation often comes in the form of use cases.

**GAI movement in law firms.** Crutchfield noted that there is a lot of GAI movement in law firms recently. Usually- law firms are behind the current technology. Why the push? Bradick said that more firms have tech people now that are focused on what’s going on in the tech arena so that the firms can stay competitive, show that they are ready and prepared to take on the latest in technology. Vendors are jumping in to supply firms, but because of the risks and costs involved, firms must be involved in the process and mitigate the risks. Cunningham stressed that law firms need to change with the technology, not just remain the same and add GAI to their processes. He noted that law firms tend to silo, but roles need to be reevaluated at each level, and the firm needs to analyze what it does and what it needs to do. “GAI is the tip of the iceberg.”

**Business plan.** In answer to Crutchfield’s question on how firms drive value and monetize GAI, Wang noted that expectations are high, there is a lot of fear in-house, everybody is “scrambling.” Firms need an articulated business plan, need to articulate the benefits of GAI, but are still trying to build a foundation while in a bright spotlight.

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**Evaluation of AI.** Crutchfield asked panel members how a firm goes about evaluating AI. Wang responded that firms must focus, “ride the initial wave,” then come to an understanding of how to evaluate pricing, referred to by Wang as “the boogie man,” and quality. Firms must move from acceptable quality to improved quality. Wang used as an example a study of the use of ChatGPT by college students. For lower students, ChatGPT improved their performance, but for top students, it did not improve or even lowered their performance. The top firms have the top students, and what is acceptable quality is not good enough.

Cunningham said that firms need to focus on strategic pricing and look at areas where speed is more the factor than price. Bendick noted that pricing includes choosing a vendor. She likened the process to a Formula One race. “We’re in the

crashing phase right now. We need to see which cars come out of that crash.” She suggests firms wait and watch rather than jump right in and investing in a platform. Wang added that there won’t be only one car coming out of the crash. There will be deals to be had, including start-ups, that could provide quality and strategic pricing.

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**One piece of advice.** Crutchfield asked panel members for one piece of advice that attendees can take from the discussion. Cunningham said that firms must get away

from the traditional silos and work together and across roles. Firms must evaluate, consider pricing, train all members of the firm, and develop incentive models. Bendick advised that when assessing GAI products, firms should think about what the user would be doing. Lawyers need to know how to use the tools to get the most value from them. Wang suggested knowing the value of the goods and using that value in the firm’s system. Transmit that knowledge to attorneys that currently do not have GAI knowledge.

**Discussion takeaway.** Crutchfield led a panel of experts responsible for developing GAI products and processes in law firms. The questions asked of panel members initiated a lively, well-informed, and interesting discussion on the use of GAI by firms, the good and the bad, the risks and benefits.

