

You Need an "Al-fred" to Help with Legal Ops Costs

Law Department Management

Technology, Privacy, and eCommerce



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Coexisting in my home are a large black-haired dog and white tile flooring. Within the first month of moving in, I learned that I needed more than weekly cleanings to accomplish my goals of keeping my floors clean and my family's allergies in check. To be more efficient, I bought a robot vacuum that uses AI with voice commands, mapping the floor layout, and detecting objects to work around. I call my AI butler Alfred, in a nod to my love of action-packed superhero movies. These days in particular, we all need an Alfred in our legal departments to improve our processes and accomplish our goals.

CLOs rank operational efficiency and tech implementation as top priorities

The <u>2025 ACC Chief Legal Officers Survey</u> found that CLOs rank operational efficiency as their top strategic initiative, and technology implementation as their second top strategic initiative. How can an Alfred help with this?

The legal department robot here is AI, which I'll rename AI-fred. AI-fred can help with both cost-cutting and driving revenue. This article will focus on cost-cutting, since the survey reported that 41 percent of law departments have received a cost-cutting mandate from their organization in the past year. This mandate is nothing new to law departments; many get this every year. But are we at a

Malcolm Gladwell-esque tipping point where human legal teams will burn out, or quietly quit, because they cannot take on additional work while maintaining an excellent work product for their clients? The survey suggests yes, with respondents identifying understaffing as the primary challenge facing legal departments in 2025.

As a legal department of one human at a healthcare tech startup, balancing cost-cutting with the needs of scaling up to remain both revenue and EBITDA (earnings before interest, taxes, depreciation, and amortization) positivity has necessitated curating a legal operations framework including AI. Here are some considerations for your department.

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A formula for legal ops

I frequently consult — yes, I chose that word deliberately — AI to help me get started on research or to narrow down options. In writing this article — yes, I wrote the article, not AI — I consulted ChatGPT on my definition of legal ops as people plus processes and thought it would be interesting to see if it could do so as a mathematical formula.

Legal operations = (Efficiencies + Compliance + Risk management)

Total cost of legal expenses

Start with a human idea, consult with AI, then have the human to review and approve. And I approve this AI-generated definition for using legal operations for cost-cutting.

Start with a human idea, consult with AI, then have the human to review and approve.

The three questions I suggest you consider before applying this formula are:

- 1. What are your legal department's pain points that lead to additional outsourced costs, which will save your company money if you bring it in-house and absorb as fixed costs?
- 2. How can Al-fred help with this once brought in-house so as not to further overload the understaffed legal department?
- 3. How can that "saved" time for the legal team on what AI-fred can now help with be redirected to further cost-cut by the use of humans using their big brains on high-value creative impactful work? Bonus: a happier, more challenged legal team.

For example, consider using Al-fred for regular day-to-day repetitive low-risk tasks so that outsourcing is not needed. Are you sending high-level contracts to outside counsel because the internal legal team doesn't have the time to do these after finishing the regular day-to-day requests? Consider how Al could help create templates and processes for lower-level, less interesting contracts such as NDAs to free up time that allows the high-level, interesting contracts to be reviewed in-house and save outside legal costs. The bonus is a legal team working on more interesting contracts that will leave them feeling more engaged.

Another example is the use of Al-fred to track company-specific compliance and risk management matters. To protect against cybersecurity risks and data breaches, consider a weekly proactive task for Al-fred such as, "List all data breach notifications filed with state governments in the past week with links to the notification or news article reporting them." By educating yourself on what caused the latest breaches requiring the notification, your company can ensure it has the appropriate protections in place to prevent it from happening to them.

Add AI to your legal ops formula

Start with a human idea, consult with AI, then have the human to review and approve. This will evolve with the more widespread use of the more proactive agentic AI where the use of governance setting the appropriate parameters and guidelines will be even more important. Start small with pilot programs as you educate your legal team. And enjoy having a butler!

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