



## Artificial intelligence in professional services

### Report summary

This document aims to help legal professionals understand why AI is important to their business and how to take it from theory to practice.

We have provided insight around four key areas:

1. Understanding AI
2. Building a case for AI in professional services
3. From theory to AI strategy
4. Putting AI strategy into practice

To explore any area in more detail, please read our **full report**, or contact a member of our team.

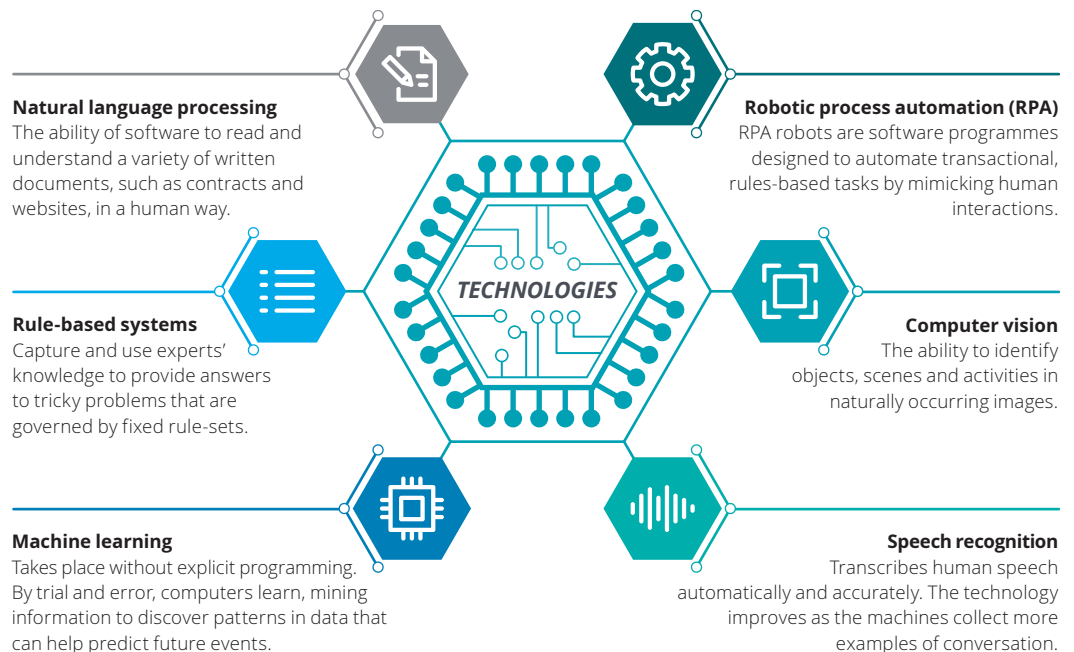
#### 1. Understanding AI

AI is the theory and development of computer systems able to perform tasks that normally require human intelligence.<sup>1</sup>

Previously, lawyers had a limited number of mainly paper-based documents to review, while now they are faced with large quantities of data in different formats. According to the World Economic Forum, the 'tipping point' for AI in white collar jobs is expected to fall around 2025.<sup>2</sup>

Below is a glossary of the different types of AI technologies that law firms could be using.

#### A glossary of AI-based technologies



Source: Adapted from Deloitte Centre for Government Insight, 2017.

### 2. Building a case for AI in professional services

Why should professional services consider AI? Why should they look to improve the efficiency of their operations, especially as the business models in the sector have tended to evolve around hourly charge rates? Fewer hours spent would therefore mean less revenue, wouldn't it?

Put simply, professional services companies should consider AI because they have no choice. Their clients are asking for more efficient and cost effective services; their staff want to spend more time on value-adding activities; and the financial incentives are improving as the cost of technology declines.

#### Reasons to adopt AI in professional services



Source: Deloitte, 2018

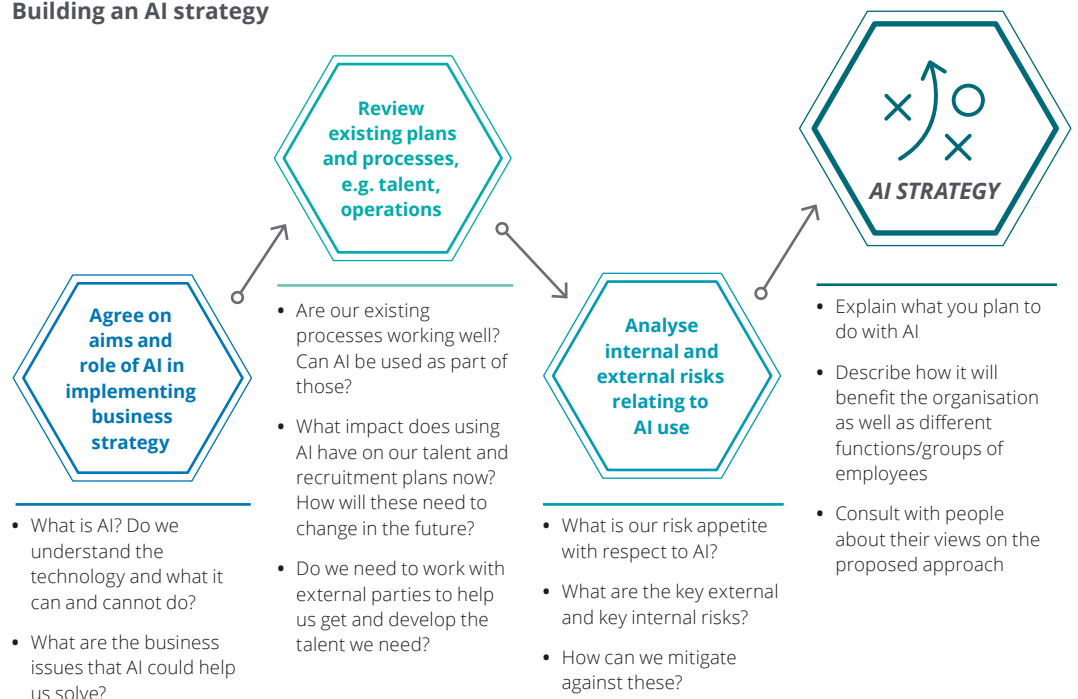
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### 3. From theory to AI strategy

Adopting AI for the sake of 'ticking the box' will not generate return. Professional services must assess how AI fits in with their strategy and ambitions.

The first step in the AI adoption process should always be the formulation of an AI strategy. This should focus on building an understanding of how AI as a capability could solve the key challenges the business is likely to face in implementing its current strategy.

#### Building an AI strategy



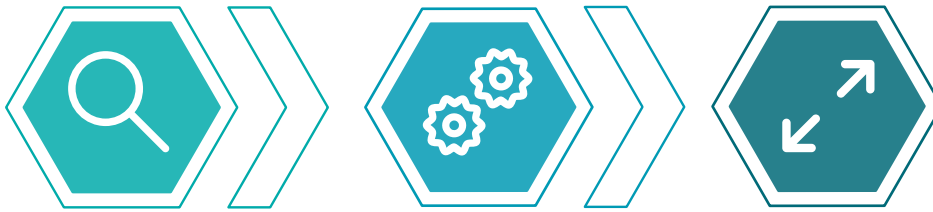
Source: Deloitte, 2018

#### 4. Putting AI strategy into practice

Keeping the AI strategy and higher level business objectives at the heart of the implementation process is crucial for the successful implementation of AI.

It is important to be realistic about what AI can achieve. AI projects often try to start in the most complex and difficult areas. Instead they should focus on relatively simple activities.

#### The process of implementing AI



**Proof of Concept**

Rapidly test and evaluate the feasibility of solving the business problem with a selected AI tool and draft the business case for the next stage

**Production pilot**

Take the POC into production with a defined, narrow scope to test the solution in the real environment and validate the business case

**Scale up**

Implement the technology at the desired scale, identify roadmap and expansion options

#### How would an AI system for contract analysis work?

An AI-powered system could be trained to empower legal professionals to quickly answer specific types of questions of the documents given, e.g. "How many contracts related to the issue of XYZ are under English governing law?"

It would carry out the following stages:

**Search and index**

- Traverses document management systems, file systems and email servers to identify and tag documents

**Interpret and annotate**

- Reads the contents of each contract
- Identifies contracts likely to be related to each other
- Identifies clauses of certain types, interprets dependencies between clauses
- Creates metatags to capture all analysis outputs

**Present results**

- Visualises outputs of its findings

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1. Demystifying artificial intelligence: What business leaders need to know about cognitive technologies, David Schatsky, Craig Muraskin, Ragu Gurumurthy, Deloitte Insight, November, 2014.  
 2. Deep Shift Technology Tipping Points and Societal Impact: Survey report, Global Agenda Council on the Future of Software and Society, World Economic Forum, 2015.

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