

Transforming eDiscovery in a GenAI world

Trends, opportunities, and transformation potential

Introduction

The legal industry is experiencing an artificial intelligence-powered transformation as Generative AI (GenAI) is redefining and rewriting the process of eDiscovery and legal data management. The transformation is coming as escalating data volumes, complex regulatory requirements, and mounting operational costs are top concerns. Those in the legal industry need better, more comprehensive tools to manage the task with less effort and expense, while not compromising and even increasing quality.

In August 2024, Deloitte conducted a survey of 558 senior US legal professionals. The results offer a snapshot of AI's role in the legal landscape, revealing AI's transformative potential and the challenges of integrating it into legal operations. The resulting GenAI opportunity and trend report—**Transforming eDiscovery in a GenAI world**—delivers valuable insights and strategies.

This report can provide a foundation to help senior legal leaders harness AI for eDiscovery to drive efficiency and innovation.



NAVIGATING MARKET TRENDS, LEVERAGING USE CASES,
AND DRIVING TRANSFORMATIVE IMPLEMENTATION

Considerations aside

It's time to embrace GenAI in eDiscovery

In this report, Deloitte's survey of senior US legal professionals reflects the state of GenAI in eDiscovery. Specifically, these leaders recognize the benefits, opportunities, and challenges in embracing the technology. Document review within eDiscovery remains a significant challenge with high costs, new technology adoption and effectiveness, skills gaps, and the time-consuming nature of the process listed as key reasons by respondents.

Still, GenAI use in eDiscovery has gained widespread familiarity. Most surveyed legal professionals are preparing for implementation while some use cases are already demonstrating the technology's value. Among these are class action lawsuits, forensic accounting and review, construction arbitration, data breach incidents, contract rules and conditions, and risk assessment in public statements.

As GenAI becomes a pivotal tool in eDiscovery, legal team members play an important role in oversight and appropriate use of the technology. **The potential for GenAI to improve efficiency in eDiscovery is a driving factor for many responding legal**

executives to pursue the technology, even though significant ethical, privacy, and security concerns exist. Nearly 41% surveyed believe initially that an in-house platform is the best delivery model for GenAI in eDiscovery to combat those concerns. However, effective use of a go-to-market solution that includes third-party oversight carries sizable benefits that firms can realize quickly. How can executives get started?

For law firms and in-house corporate legal teams, some early-stage steps for successful implementation of GenAI in eDiscovery include vision and strategic planning; technology investments; team preparedness; privacy, security, and ethical use; and initial rollout for high-impact tasks involving document summarization. Learn more in the pages that follow.

Four trends in eDiscovery

What are people saying?



1

The biggest hurdle for eDiscovery is document review.

eDiscovery has made definite inroads as it adapts to changing, growing data sets and adopts a modern, centralized approach—ultimately saving time and money. However, survey respondents report that document review, a key element of eDiscovery, is still a challenge for many organizations.

Document review has always required a great deal of effort. So, it comes as no surprise that high costs are listed as the top document review challenge for senior leaders. In fact, high cost is over two times more likely to be a document review challenge than the quality of the work output. It still takes a lot of human oversight to get the job done.

Yet for 35% of senior legal leaders, adoption of new technology or its effective use is their biggest eDiscovery challenge. It's hard to get people to change. The struggle is so significant that new technology adoption is over three times more likely to be a challenge for eDiscovery than data volume. To top that off, 22% of senior legal leaders struggle with tech skills gaps in their eDiscovery legal teams.

Rounding out the top legal challenges are time constraints, with 21% of senior legal leaders—especially those in nonprofit organizations—saying insufficient time to complete the document review process is their top challenge.



Top document review challenges

Organization type

Public

Costs involved

Private

Costs involved

Government

Ability to drive insights

Nonprofit

Time constraints

Organization size

\$500M–\$749M

Costs involved

\$750M–\$999M

Ability to drive insights

\$5B or more

Costs involved

\$1B–\$4.99B

Ability to drive insights



Legal executives are committed. GenAI adoption is a go.

Resolving the time-consuming, costly challenges traditionally associated with document review is top of mind. Today's legal leaders prioritize insights, cost reduction, and speed in document review and therefore are looking to AI to achieve improvements according to our survey.

The most likely driver of GenAI adoption for eDiscovery is document summarization. Examples include personally identifiable information (PII)/protected health information (PHI) identification, privilege review, deposition preparation, and first-pass review. In fact, 57% of legal leaders surveyed are now using GenAI for document summarization.

Improving efficiency is paramount, and 87% believe GenAI can improve eDiscovery efficiency within 24 months while 47% believe it will take only 12 months to achieve efficiency improvements. A miniscule 2% disagree, believing that GenAI cannot improve eDiscovery efficiency, and 6% have no plans to use the technology.





Significant ethical, privacy, and security concerns exist around using AI for eDiscovery.

Even as AI is poised to reshape legal processes—especially eDiscovery—senior legal professionals remain cautious about the ethical, reputational, and security risks associated with the technology.

An overwhelming 93% of senior legal leaders are concerned about ethical and privacy risks from GenAI in eDiscovery, and 92% believe GenAI could pose security risks. Likewise, 92% are concerned about AI hallucinations.

Reputational damage from AI is viewed as a bigger risk than regulatory scrutiny, and 28% of leaders say the risk of reputational damage is their greatest concern. Despite these concerns, 64% of senior leaders have adopted GenAI for eDiscovery. And only 6% are concerned that using GenAI in eDiscovery poses a risk of not being accepted in court, even though the media have reported on instances where AI-generated filings¹ have resulted in court sanctions.

Percent of surveyed organizations that stated AI poses a significant security risk:



54% of public organizations



45% of private organizations



38% of government organizations

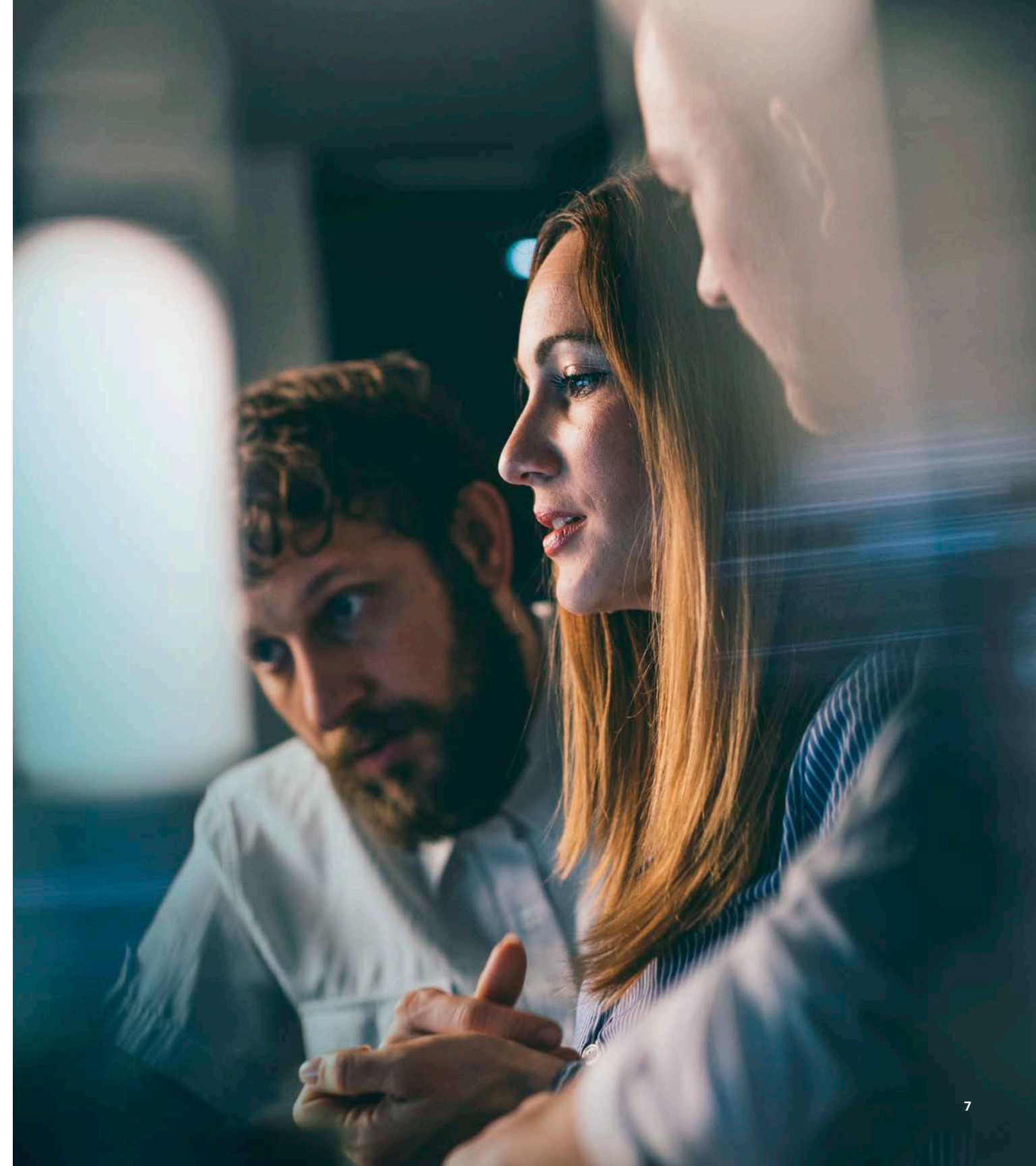


4

Initial thought is to build in-house.

Our survey revealed the preferred delivery model for GenAI in eDiscovery is an in-house platform using an organization-specific large language model (LLM)—with 40% of respondents agreeing. More than half—58%—say their legal team has an organization-specific LLM for GenAI. And 35% of leaders whose organization does not have an organization-specific LLM are planning for it in the future.

While these responses indicate survey respondents' initial take on GenAI, **it is now possible and may be even more effective to use a go-to-market solution that is pre-built for eDiscovery**, where data can be protected, proprietary, and managed with an outsourced provider—and not shared with external models. Doing so may result in a faster time-to-market and include third-party oversight.

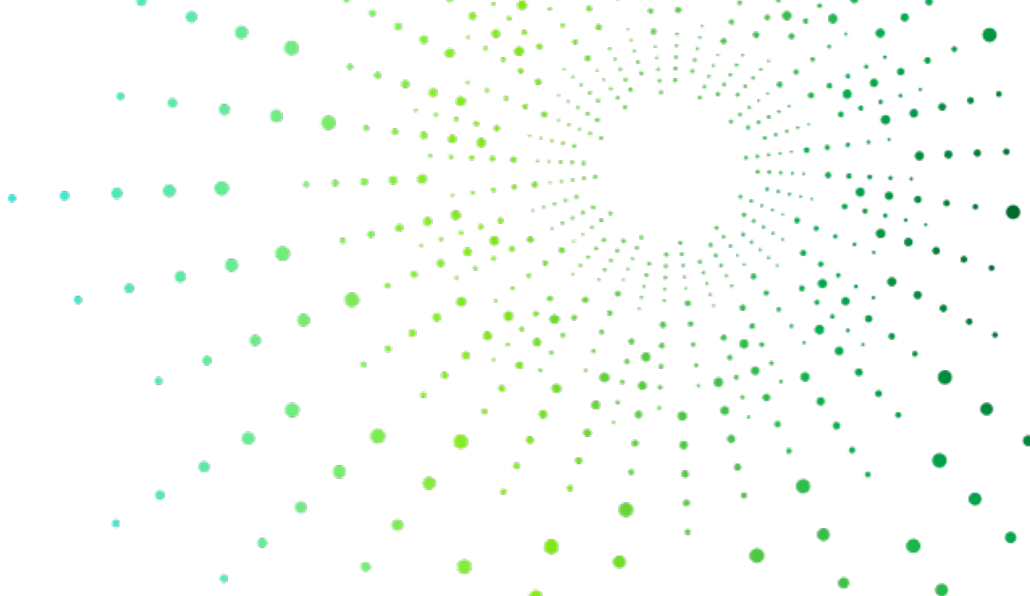


GenAI use cases in eDiscovery today

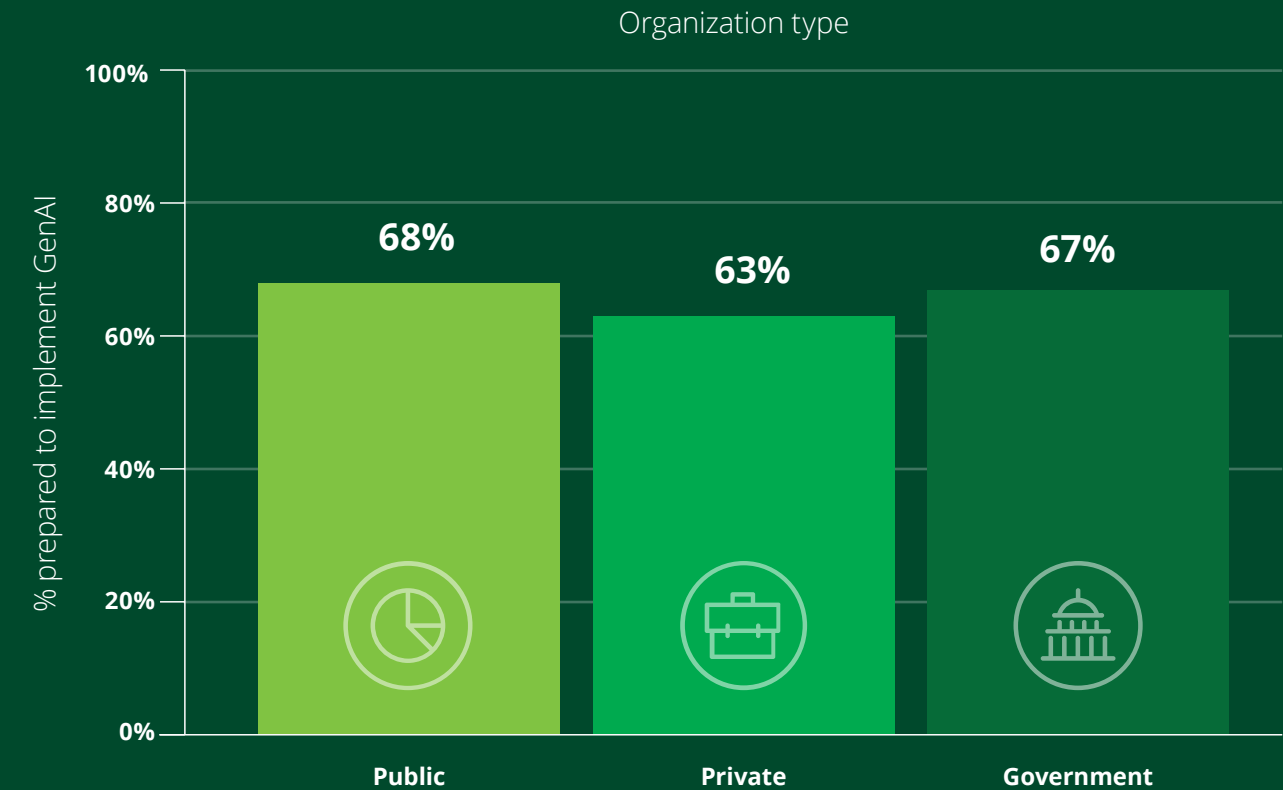
How prepared are organizations, and where is it working?

Roughly two-thirds are prepared

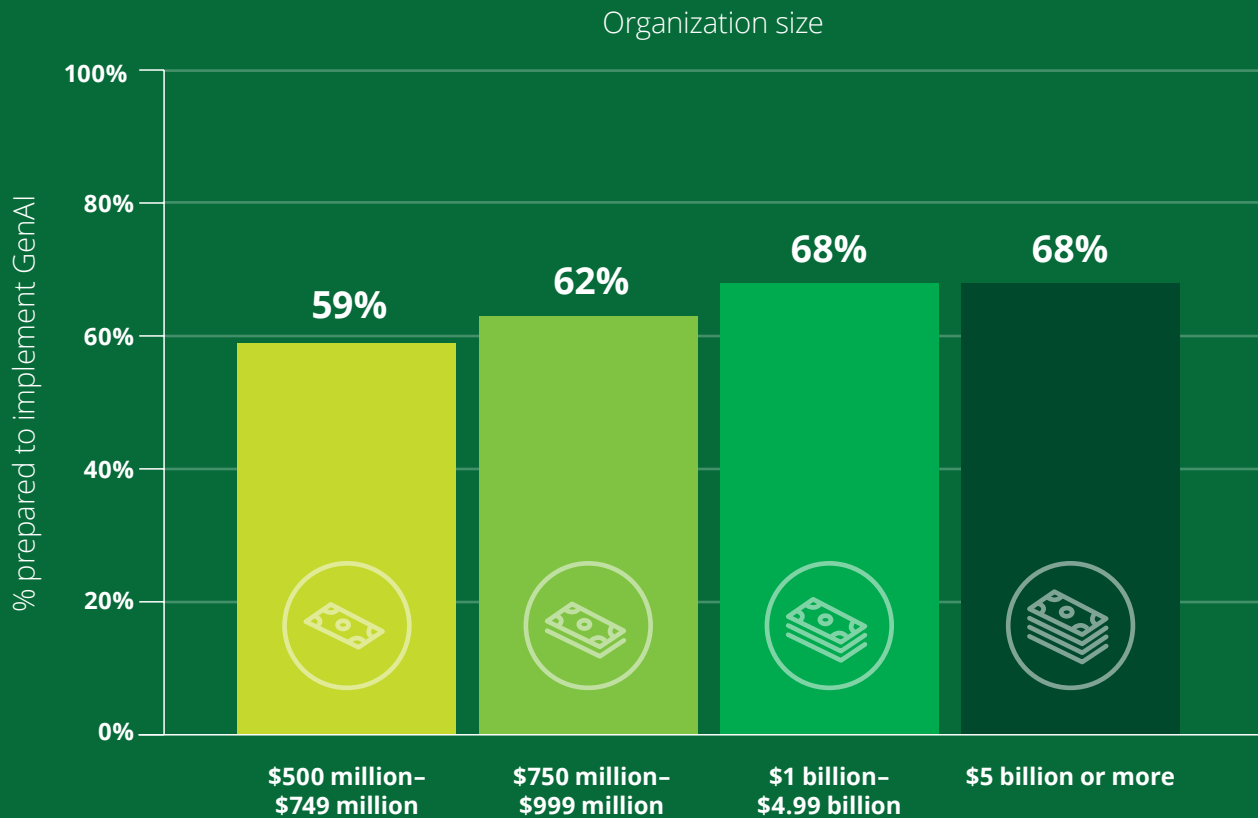
Familiarity with GenAI use in eDiscovery is widespread today. According to our survey, **95%** of legal leaders are familiar with the technology’s use in eDiscovery and **29%** plan to use it within the next 12 months. These plans are in spite of the fact that **23%** of respondents are concerned about breaches.



How prepared are different types of organizations to implement GenAI?



Larger organizations lead in their preparation to implement GenAI, but not by a lot.



HERE'S WHAT'S WORKING

Emerging use cases for GenAI in eDiscovery

The following use cases demonstrate GenAI's value in document review today:



Class action lawsuit

A company involved in a securities class action lawsuit faced additional document review demands after the initial discovery period. Counsel determined that 160,000 documents required review for eight nuanced, hot-document issue codes. The time frame for that review was tight.

GenAI coded the documents subject to human-in-the-loop review. The documents were categorized, extracted, and the most relevant text was highlighted based on counsel-provided review protocol. Counsel was able to efficiently pinpoint areas of focus, saving more than \$100,000 compared to manual review.



Forensic accounting and review

A company conducted an internal investigation to address issues with missing spare parts. Forensic accounting and review of emails was needed. The investigation involved review of 500,000 documents, which would have required more than 8,000 hours of manual review.

Using GenAI, the document review was completed in 96 hours. This helped the company take action based on its investigation conclusions three months earlier than anticipated.



Construction arbitration

A company was engaged in construction arbitration related to a dispute with a seller. **GenAI helped conduct privilege review and quality control on work done by human reviewers and provided a succinct summary that helped counsel efficiently assess privilege issues.** The streamlined process allowed company reviewers and attorneys to focus on higher-level strategic matters.



Data breach incident

A global industrial company needed to review data that was within the scope of a data breach incident. GenAI was used to identify and extract personally identifiable information and sensitive information across the data that was included in the breach. **GenAI summarized approximately 4,500 documents categorized by 11 different data breach incidents.**



Complicated contract rules and conditions

A health care company faced significant challenges with hospital price transparency due to several issues. These included contracts that were legacy government documents, which contained complicated rules and conditions that were difficult to interpret and manage.

AI was deployed to reformat the unstructured contracts into a more organized format, extract specific information from the complex and multilayered contracts, and organize the data. The structured data allowed the company to more easily identify differences in pricing and contract terms and to take action efficiently.



Risk assessment in public statements

In response to the evolving sustainability landscape, a global company and its outside counsel launched a risk assessment of its public statements regarding sustainability. **GenAI helped expedite a review of other industry participants' adjustments to public sustainability statements to help identify potential modifications that could enhance the company's risk-relevant language.**



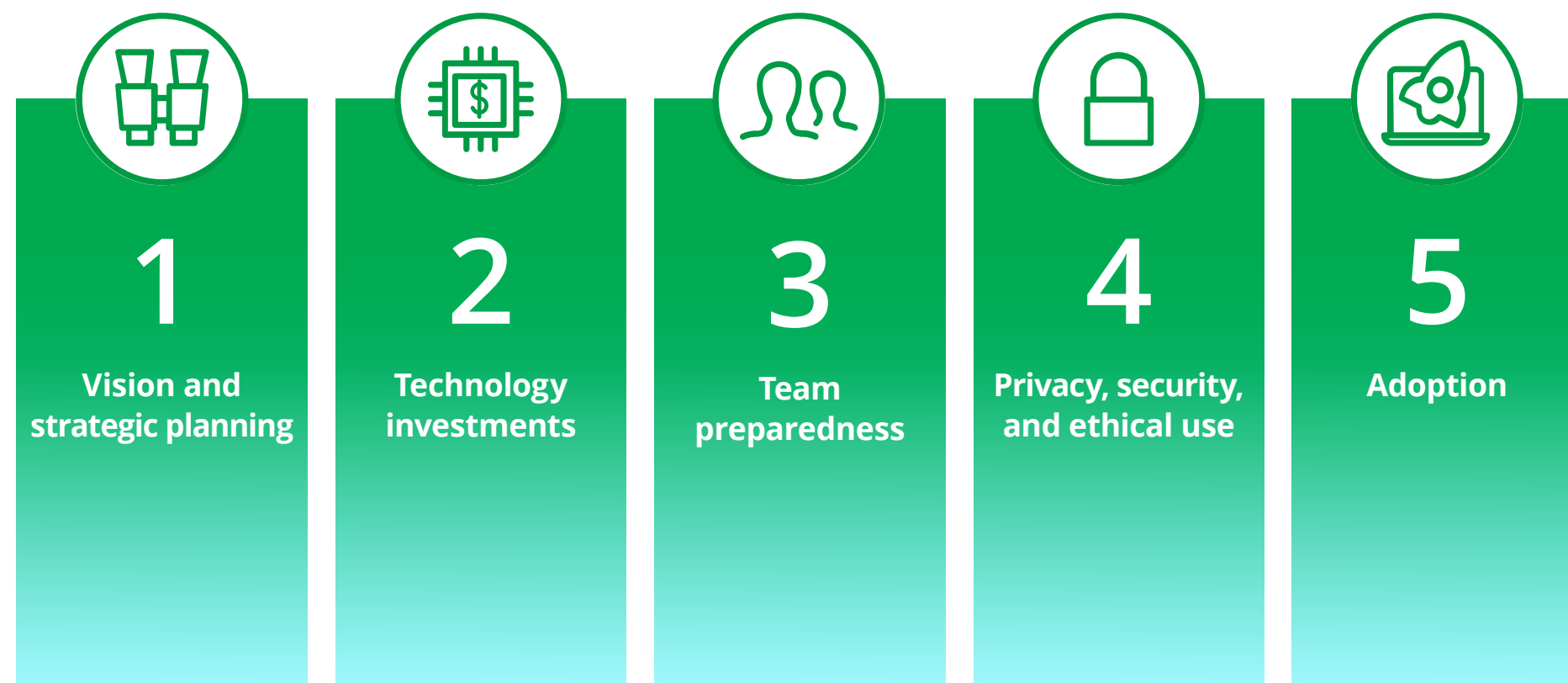
Five steps to implementing GenAI

Where can eDiscovery teams start?

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Five steps to implementing GenAI in eDiscovery

Without a doubt, AI is becoming increasingly important as an eDiscovery tool. Based on the survey results and current GenAI research suggests use cases in legal operations, both law firms and in-house corporate legal teams are contemplating or in the early stages of AI adoption. Here are some early-stage steps for a successful implementation.





1

Vision and strategic planning

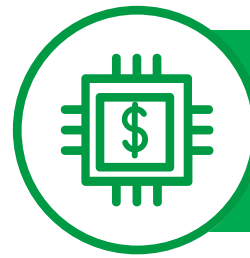
Legal leaders should first consider how AI can best be used to drive efficiency and lower costs without compromising quality. Second, the plan for AI implementation needs to begin capturing efficiency gains within two years.

Included in this first step is development of policies regarding outside and in-house counsels' use of GenAI. According to *E-Discovery Unfiltered: A Survey of Current Trends and Candid Perspectives*,² more than 30% of corporate legal teams have policies regarding their outside law firm's use

of GenAI. Nearly 40% of clients also have policies regarding their legal firm's use of GenAI. Any eDiscovery GenAI effort should adhere to the policies and practices of both the organization and the client overall.

Hand in hand with strategic planning is building broad support and confidence for GenAI within the organization.

Leaders need to make sure management and/or partners understand AI's efficiency and cost benefits to demonstrate its strategic value. As with the implementation of any new technology, the business case needs to stand on its own.



2

Technology investments

Investments in AI solutions are crucial to being able to leverage the technology for maximum benefit. To help boost ROI, **leaders must budget and prepare for AI investments that can be tailored to organization-specific needs from both a hardware and software standpoint.** The pros and cons of an in-house, organization-specific AI model for enhanced data security and customized functionality need to be weighed against those same benefits that a software-as-a-service (SaaS) solution with an outside vendor can provide. Often, an outside solution such as SaaS can be faster, better, more cost efficient, and comparably secure while allowing the organization to ramp up AI adoption.

Once the choice of an in-house versus outside technology platform is made, investments may be necessary to customize AI solutions that align with organizational data and control needs. These early steps can help enhance existing AI models to tailor responses and increase relevance to specific legal contexts.

Make no mistake, integrating the required technology can present challenges no matter what route is selected. Careful planning by experienced executives is critical. In addition, adoption challenges can easily be met by refining the onboarding process for AI tools within the legal team.





Team preparedness

Having a plan to upgrade team members' AI understanding and skills is important. Leaders should put a process in place to assess the team's readiness in technology adoption, data governance, and skills to address challenges with targeted resources.

The focus should be on both training the team and providing support for the new technologies to help people adapt and leverage AI effectively.

In addition, it's necessary to identify the specific skills people need and offer upskilling opportunities and/or external expertise to close the gaps. **At the end of the day, the technology is only as good as the people overseeing it.**

Finally, to overcome adoption barriers, leaders should prioritize technology integration, create clear processes, and ease the use of it for team members. If it's too complex, the new systems may not be adopted.



Privacy, security, and ethical use

This critical step is possibly the most important and can't be overlooked. **Addressing privacy, security, and ethical use of AI is critical for successful adoption.**

Establishing ethical guidelines and privacy protocols to safeguard data integrity and mitigate risks is necessary from the start.

Legal leaders should ensure the organization invests in security measures and risk management frameworks to protect against potential security threats. In addition, cybersecurity measures need to be integrated to address data breach concerns as planning for expanded AI use continues.

Reputation risks associated with AI are real. **The best form of defense is in implementing measures to monitor and control AI outputs. And not just implementing them, but being able to effectively explain how they work.** Oversight should include a robust audit plan so models don't stray from original intentions. Validation processes and quality checks should be established to detect and correct potential AI inaccuracies, and AI tools and processes need to be continually validated to maintain admissibility and credibility in legal contexts.

In addition, an AI communication plan is needed to limit potential reputational harm in the event of an incident.





5

Adoption

Following the strategic planning and establishment of processes, AI adoption should start with document summarization to achieve near-term, visible improvements. AI tools to reduce manual workloads and costs associated with document review can be implemented at this stage. These steps can help leverage AI's capability to enhance insights and reduce time to outcome for more effective document review.

To speed up ROI, legal leaders should consider an initial rollout of GenAI for specific, high-impact eDiscovery tasks such as PII/PHI identification, privilege review, deposition preparation, and first-pass review. Then AI adoption can be expanded strategically across other legal processes to enhance workflows, and targeted AI tools can be used to align with known use cases.

According to the *E-Discovery Unfiltered: A Survey of Current Trends and Candid Perspectives*, nearly 60% of legal leaders foresee GenAI and LLMs replacing technology-assisted review workflows.³ However, 60% of survey respondents did not plan to use GenAI to replace attorneys on first-level document review.⁴

Transformation potential

GenAI is reshaping legal processes, especially document review. It's becoming a pivotal tool to address increasing data volumes and complex eDiscovery challenges. Organizations are focused on implementing AI responsibly while addressing concerns associated with its rapid integration into eDiscovery. However, it's not without oversight. People play an important role in the process. Their success in appropriately using the technology has the potential to transform the legal industry, giving them more time to tend to strategic matters.



Interested in learning more about how GenAI can transform eDiscovery for your organization? **Contact us.**



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Survey methodology

Deloitte commissioned an independent research firm to survey 558 senior US legal leaders at large organizations on the topic of GenAI in legal operations, specifically eDiscovery.

The margin of error for this study is +/- 4.2% at the 95% confidence level.

Endnotes

1. Maya Yang, "US lawyer sanctioned after being caught using ChatGPT for court brief," *The Guardian*, May 31, 2025; Jacklyn Wille, "Lawyer sanctioned \$6,000 for AI-generated fake legal citations," *Bloomberg Law*, May 29, 2025.
2. *E Discovery Unfiltered: A Survey of Current Trends and Candid Perspectives*, Kaplan Advisors LLC, 2025.
3. Ibid.
4. Ibid.



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