

Hi. My name is Jonathan Greenblatt, and I'm the vice president of legal here at I'm joined today with Ashlyn, Ashley, and Simon here from the legal and operations team at LinkSquares to give you our twenty twenty six predictions around legal tech. Ashley, why don't you kick it off?

Absolutely. We'll do a little drum roll. Our first prediction is that CLM will rise as the central data hub across departments and share source of truth.

Simon, I'd love to hear your thoughts because you are our resident data expert.

Yeah. Just a point of view here, right, is AI is making it easier to extract information from contracts, and I think the industry is also looking at the amount of time sales folks and others spend manually inputting information into CRMs and, like, creating order forms in a way that is gonna become increasingly automated. And so the advent of a CLM and the contract as really being the underpinning relationship governing document really brings forth the CLM as the core underlying system to drive a lot of the operational activities in the way you engage with your customers and vendors and other relationships.

Yeah. The interesting thing is I'm not sure folks who use tools, that get data from their contracts from the CLM will even know the CLM is there. More and more, what I'm seeing is lots of integrations that flow through from the CLM into places other teams might more traditionally work.

I absolutely agree. I think legal has a wealth of data at their fingertips, and it's not always accessible from other organizations. And those integrations are going to really enable teams across the department to access that in the place that feels best to them.

Prediction number two, AI will transform the legal professional's role from creator to editor and will change contract negotiation.

And a lot of people, when you hear about AI transforming anything, your immediate thoughts probably to think about, oh, man, Terminator. The machines are rising. But, no, what's really rising is legal's impact, efficiency, and speed, and ability to move through contract negotiations because you're spending less time drafting from a template. That's where AI is gonna come in and help you to really being able to also leverage AI for your base level redlining, doing some checks for you on things to where you're spending that legal brain to where you're spending that legal brainpower really using those what those student loans paid for, all of that legal knowledge and getting to the nitty gritty and those more difficult topics to negotiate.

Do you think it'll work well as a first pass? Right? Because I think about, you know, editor is I'm reviewing for the second pass. So that that me implies, right, AI to a degree or technology is taking a first pass at things.

Oh, absolutely. I think it takes will take a great first pass. And as someone who uses it to take first passes, I think it does an excellent job on really narrowing down wherever focus should be.

Yeah. I actually find that I'm actually both using AI to be the have myself be the creator and also to be my editor. When I'm, let's say, sending a late night email, before I would have to stare six to seven times reading that email front to back, back to front to make sure I didn't catch a mistake. Now what I do is I just drop it into AI and ask it if I had made any typos, and I feel a lot more confident after after doing that.

It's definitely caught a few errors. But I'm also using it to do an area to allow me to create Yeah. In areas that I wouldn't otherwise have felt comfortable. So entering into new areas of legal practice that I don't myself have a lot of familiarity with, I can use AI to to enter in there and then start working, personally in in that in that space, drafting certain corporate documents I wasn't as familiar with and editing those.

Yeah. I think that AI, you know, really enables you to get access to sets of data that maybe you had to, like, spend hours searching Google for to get a starting point from.

That starting point is immediate, and you can start to really weed down and tailor it to what your current needs are in a much faster pace.

Yeah. Actually, my biggest fear with this is the more people do become editors, the more there's the chance and possibility that people are going to be poor editors, and they're just going to glaze over what the AI's work is it has done. I think we've seen that in several high, very public incidents. And I think those kind of things are gonna become more and more and more and more challenging for, like, every organization, not just in the legal department's own work, but also across the board in the organization.

Do you basically see a world where AI is gonna be negotiating against AI?

Not if I have anything to do with it.

I think it's gonna be hard because there's so much context you take into a negotiation, and the same contract can look very different pretend but depending on that business context lens through which you're reviewing it.

And so AI is not gonna always have that level of access and insight and that discretion. Maybe one day, but I don't see it happening anytime soon.

Yeah. I mean, essentially, it depends how prescriptive you wanna be. I mean Yeah. Taking an automated car, you tell it I need to go from point a to point b, and it has certain number of routes, but it knows it's always going from point a to point b. A lot of times with contract negotiations, you don't know where point a and point b are within your org, and you have to wait to see what are the variables that are coming in from the different counterparties that you're negotiating with.

Makes sense. Our third prediction for twenty twenty six is legal technology management will be an expectation, a specialty hire, or a partnership with RevOps.

I'd love to tackle the expectation portion of this one.

I really think that that expectation not only starts when we get to the legal team or the rev ops team, I think it's starting on the education level currently. I think a lot of law schools and business courses are talking about how to properly use technology, especially AI powered and legal tech also, especially in law schools. And I think entering the job market or entering just any sort of business sales legal function, you're gonna need to understand how to leverage and use those tools, and it will become an expectation amongst all the the field generally speaking.

Yeah. I think right now, you're still gonna have folks that are are going to have their own ways of operating, and they're gonna continue to wanna operate in those ways. And it takes oftentimes, it it really does take a push from outside to have people change how they're doing things. I always think about pre COVID, how many Zoom meetings we all had and how remote work was, and then post COVID, how that's all changed. Now Zoom as a technology was there the whole time, and cloud software was always there the whole time to help support that.

But it wasn't until COVID that really pushed the change. I think there will be this push for change, and I think it's gonna come from senior leaders across the board putting mandates on organizations to be more AI forward. Now they might not see the expected ROI in year one of their AI transformation, but I think there will be a push over time to continue that. And I think there will be lots of efficiency gain as a result.

I think that with the current market trends and focus on costs and really honing that in, there will be a lot of focus on, like, how to get scrappy from managing your technology, where in the past, maybe you would have a dedicated person, more IT team support. I think everyone's kind of really thinking through how can I make sure I'm managing this with the resources that I have in many instances? And how is the technology going to enable me to do this more efficiently? And I'm looking for those solutions that do have easier ways to implement, easier, you know, user experiences. And I think that will be something we'll see to be tried on.

Yeah. So, I'm curious.

Yeah. Having having been close to rev ops functions, I think the rev ops function being the interconnected nature of systems back to our first observation As well as being very close to the go to market tech stack and thinking about the role that contracts play in that ecosystem, I think we're gonna start to see more roles expecting legal ops experience or legal systems experience that's already occurred through integrations, but I think it'll perpetuate further into, you know, legal teams not having a legal ops specialist necessarily residing in their team, but utilizing another internal function within rev ops to perform those activities for them.

So I'm out of curiosity. As somebody who works and collaborates with a legal team, if you see a legal team's not using AI and not using CLMs, I guess how would you perceive them as somebody who's their clients these days?

Well, I guess a couple of things. One is size of organization. Right? If it's a small org, would I expect that they necessarily have substantial technology to because technology helps when you're thinking about volume.

Technology also helps to drive consistency within a business and tend to reduce costs and make sure, you know, everything is managed effectively. So I kind of if it were a larger organization where I think, you know, tech should be there, I'd look at that as, uh-oh. If they're if they're missing something on the legal side, what else are they missing from and and where is that gonna show up in our partnership?

So would it be fair to say that go from being that smaller org to scaling up to being that larger organization, legal tech and your tech stack is probably gonna be really foundational there?

Yeah. I think, you know, I think what you're doing there is compartmentalizing the use cases of CLM and saying some are applicable for small organizations, some are applicable for larger organizations.

But is there a world where, you know, every company runs on contracts? Do I need to draft? Do I need to sign? Do I need to manage my repository? Yes. Ubiquitously. It's where volume comes in, where, you know, automation helps substantially when you have larger teams where you're trying to really operationalize back to one of our earlier observations, when you're trying to operationalize your contracts within your organization.

Here's a prediction that there will be increased scrutiny and contractual language surrounding AI use. Ashley, what do you think?

Yes.

Absolutely. I think with AI, it's quick development, it's continued development, and not just in how it's being used, but how it's being regulated.

Looking at how foreign countries are handling it, how the US is handling it, and how on a national and state level basis, I think there's gonna be a lot of asks coming from those negotiating contracts that have to do with AI tools generally. And not all the ask will be appropriate for the AI tech they're purchasing, but I think until we get some clear guidance that is more universal, that there's gonna be a lot of scrutiny and asks around AI and its applicability and how it's going to be regulated and managed.

Jonathan, what are your thoughts as a legal leader?

You know, we've spent some time thinking about data security over the course of the past five years. Do all the same principles hold with AI, or are they different? Have we figured that out yet?

Yeah. I think there are some nuances, and I think organizations will start asking more and more about those nuances. For instance, with one of the differences between AI and security is that AI is actually creating content that lots of people are using in different parts of the business. The marketing team is using it for some of their marketing collateral.

Now there's now these interesting new IP questions that that arise that need to become a bit more part of your diligence. You wanna make sure that the vendor that's giving you the that's providing the technology makes sure that you actually have the rights to be able to use use that material, in your marketing and and publicity. I do think, we will start having more focus on the types of questions that we ask about AI tools as people start understanding them a little better. Now interestingly, now how is that going to manifest in the contracts?

I do think there could be a world where actually everybody starts getting a little bit more comfortable with AI and there is actually not as much of a focus on having AI specific terms, but just making sure you understand how the technology works.

So for our final prediction for twenty twenty six, in house teams will take control of the legal value chain. Thoughts?

Yeah. In other words, the in-house legal department will start doing even more legal work, especially as you start thinking vis a vis an outside counsel. And this actually think yes. I think the answer is absolutely yes. I think the expectation won't necessarily be that the in house legal department completes whatever the the legal work is, but I think they take more and more of a role on actually starting whatever it is, whether it's a even in in litigation matters, potentially starting with the in house legal team's own briefs and own motions to privacy policies, you still want an expert, somebody who's in it day to day oftentimes to be able to review this, but at least you can give them a starting point. That starting point is very valuable.

Have them do the last ten percent. Your in house legal team can save costs by doing the other ninety percent.

Yeah. And speaking of saving costs, I think when we're going to be leveraging outside counsel for projects, I think it's gonna be or we're gonna try to look for more fixed fee project based work versus hourly because we're gonna understand how AI is being leveraged to complete some of that work. So we're gonna wanna try to control costs in those ways and make sure maybe we're looking for just specific deliverables like you mentioned on maybe doing that final ten percent review to finalize, like, the privacy policy or, like, that final motion versus having more of an open door and not really having insight to what that final bill is going to look like.

What's your message to outside counsel? Is it to specialize further because there, you know, there's more of a need in that way, or what's the result for outside counsel that that you anticipate?

Yeah. It's a great question. I think, relationships are really going to matter. I know there's a movement to having, in house counsels having RFPs and essentially being able to sort of swap out outside counsel based on costs. But I think having a strong relationship between the in house and team and their outside counsel and having the outside counsel understand the in house counsel's business even more I think there's going to be a premium on that understanding of the in house counsel's business along with understanding on how you can work cost effectively with the in house counsel team.

Yeah. I think it's gonna be about flexibility and willingness to adjust to how the in house team is hoping to operate and being open to that, which might not align with how things have been done in the past.

And I really do think that outside councils should special specialize, and that's from my own personal experience of serving as outside council. And I worked on a team of specialists, so we were able to more quickly meet our clients' needs when they came to us for things. They knew that they were calling me for contracts. They knew they were calling Emily for employment related matters, and we're able to just really increase efficiency across our internal team as all of the teams we were serving. And I think that that's just something that's critical and should hopefully continue.

Well, thank you all for joining us today. This is our twenty twenty six legal tech predictions. Hope you found it helpful, and here's to the future.