

Law Firm Accelerates Legal Reviews and Contract Analyses with Generative AI



A US-based global law firm provides a wide range of legal services including contract analysis and legal due diligence. The firm aspires to deliver top-tier legal advice to clients working on sophisticated agreements and specific goals.

Contract analysis is traditionally a complex and manual activity, often requiring over 15 hours of a highly specialized and trained attorney's dedicated time per contract. The law firm was looking for technology to shorten the time required to perform legal reviews and expedite contracts.

Prior to engaging C3 AI, the law firm developed an in-house generative AI solution using a popular LLM API service. However, the application didn't meet the accuracy levels required for production-grade implementation and struggled with hallucinations.

The law firm engaged with C3 AI on a 12-week production pilot of C3 Generative AI not only to address the low accuracy and

frequent hallucinations, but also to leverage the user-centric workflows to incorporate generative AI insights to legal processes seamlessly.

The law firm leveraged C3 Generative AI to perform initial legal reviews that were **“equivalent to the work of a first year attorney”** in the words of a firm's partner, allowing experienced attorneys to exclusively focus on the complexities and intricacies of contracts.

In addition to high accuracy and hallucination-free reviews, C3 Generative AI also benchmarked each contract to market standards, surfacing gaps and informing counterparty negotiations. With C3 Generative AI the law firm significantly accelerated legal reviews by reducing the time required for contract analysis by over 80%. This is a highly accurate, non-hallucinating, scalable, and user-centric solution to streamline legal due diligence.

Project Objectives

- Streamline the legal review and analysis of client contracts with human-in-the-loop generative AI
- Enable attorneys to review, refine, and verify contract analysis with full source traceability
- Benchmark contracts against market standards by accessing and deriving insights across corpus of reference contracts

Results

80%

Reduction in time required for legal contract analysis

95%

Extraction accuracy on structured tabular data

3X

Increase in economic margin per contract analyzed

2k+

In-scope contracts for analysis and review

Challenges

A global law firm struggled to optimize their highly manual contract analysis workflows, a highly manual activity. The initial draft of a contract evaluation could take up to 15 hours of an attorney's time and required highly specialized knowledge from experienced attorneys. Attorneys typically needed 18 months of training to perform contract analysis. After completing the analysis, attorneys often needed to consult with clients to negotiate terms. To provide this information, attorneys relied on experience to identify market standards that took years to develop.

The firm attempted to develop an in-house generative AI solution using Azure Open AI but failed to achieve the necessary accuracy to enhance attorney efficiency. The complexity of the analysis, combined with the need for deep legal and business understanding, presented significant challenges. The desired solution needed to:

- Utilize AI/ML techniques to synthesize information across contracts to answer analysis questions while referencing passages to aid attorneys in their review
- Enable streamlined contract analysis and review workflows for collaboration between stakeholders and attorneys
- Extract key terms from historical contracts to quantitatively identify the contract market and benchmark new contracts to assess market conformity

About the Company

- \$3+ billion annual revenue in 2022
- 40+ countries of operation
- 4,000+ attorneys

Project Highlights

- 12 weeks from project kickoff to production ready application
- Verified 80% efficiency gains through UAT testing leading to a 3X margin increase on contract analysis for the law firm
- Five customer data scientists and data engineers trained on the C3 AI Platform
- Configured the C3 Generative AI application user interface

Deploying C3 Generative AI for Legal Review

C3 AI partnered with the global law firm to implement and deploy C3 Generative AI for contract analysis. A joint team of developers and subject matter experts identified the corpus of past contracts and the most likely questions that C3 Generative AI needed to answer. The approach incorporated various innovative generative AI techniques, such as section-based chunking for pinpointing relevant sections and a transient vector store for efficient retrieval.

C3 Generative AI enabled attorneys to review and refine AI-generated answers with full source traceability, generating AI-assisted contract analyses in less than 30 minutes. The application provides a first draft of the analysis that shortens analysis time and frees up attorney time for high value tasks. C3 Generative AI also serves as an education tool during an attorney's 18-month contract analysis training.

In the future development phase, C3 AI enhanced the application to identify market terms across multiple contracts for contract benchmarking. The team identified key terms to extract from historical contract analyses and used C3 Generative AI to structure contracts into a database. This allowed users to filter and gain insights into the contract

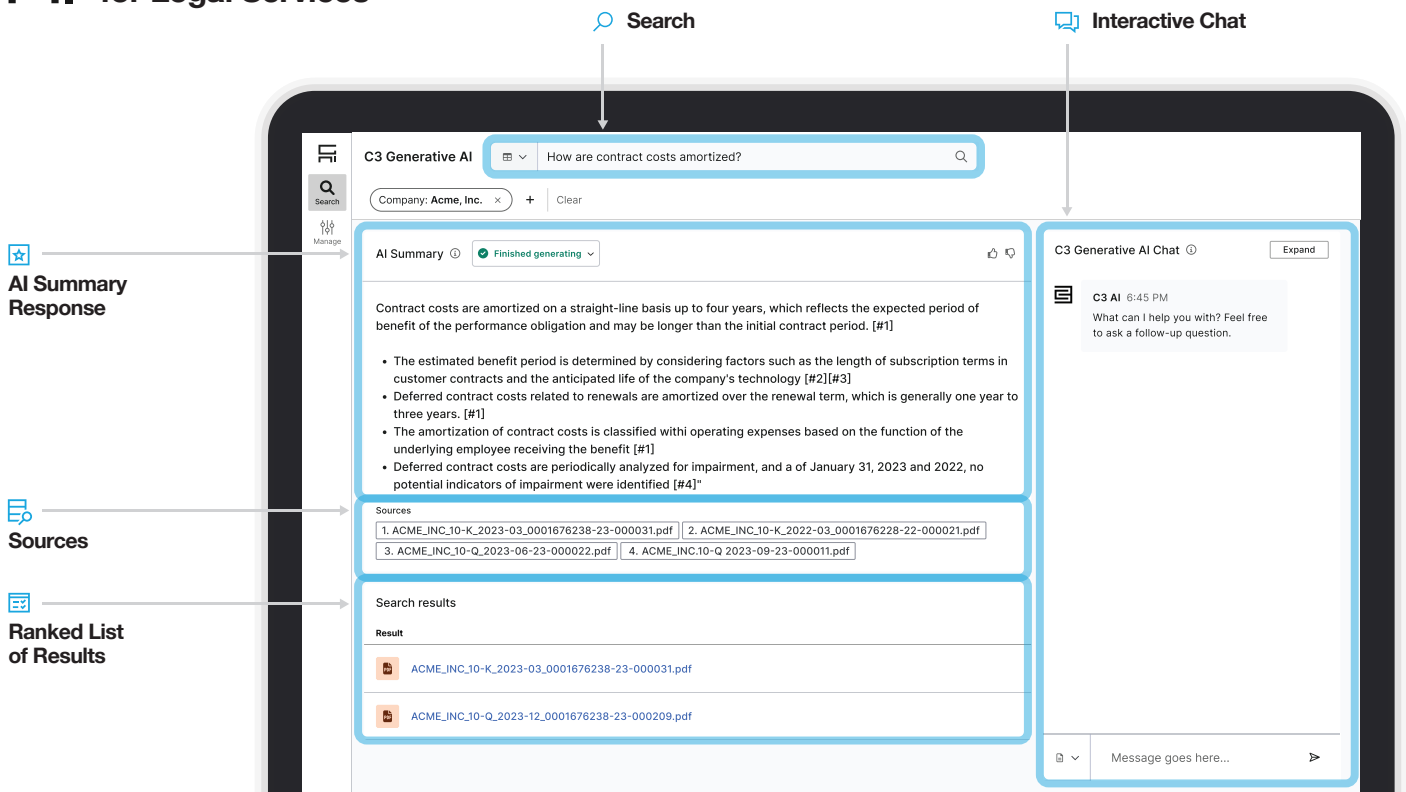


population. Attorneys could benchmark new contracts by comparing key terms against the user-defined population to assess conformity.

With the added feature, attorneys can generate and verify contract analyses for benchmarking, run metrics to compare contracts against the market, filter the market database to compare against a cohort, and visualize contract trends. This in turn allows attorneys to identify out of market terms and inform negotiations for their clients.

Solution Architecture

C3 Generative AI for Legal Services



Benefits

With the C3 Generative AI application, the global law firm can now:

Generate

contract analyses in approximately 30 minutes, allowing attorneys to quickly review and act

Reduce

time required to generate a contract analysis by 80%, significantly improving attorney productivity

Provide

unique data-driven insights via contract benchmarking against market standards

Streamline

contract analysis and client conversations with source traceability and contract specific insights

Proven Results in 8-12 Weeks

Visit C3.ai/get-started