

# Generative AI Presents Opportunity to Reshape 80 Percent of Legal Spend, Factor Predicts

NEW YORK, NY, U.S., September 12, 2023 /EINPresswire.com/ -- [Factor](#), the market leader in Integrated Law, released the first part of a white paper orienting general counsel (GCs) to the fast-moving context of Generative AI (GenAI) in the legal industry. Co-authored by Ed Sohn, Factor's Global Head of Delivery Capabilities, and Jae Um, Founder and Executive Director at Six

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*Ed Sohn, Factor*

Parsecs, the report explores how large language models (LLMs), a subset of GenAI, creates a leadership opportunity for GCs – both through adoption in their legal departments and in providing strategic advice to the business they support.

The report — [Sense and Sensibility, Part 1](#): General

Counsel Have the Power to Make Good Sense of Generative AI — makes the case that legal should be among GenAI's early adopters due to the significant value proposition it offers the legal function. Though the legal industry has a reputation of being resistant to change, the legal profession is fundamentally rooted in interpreting and drafting language, and so is exceptionally well-positioned to benefit from the unprecedented language-centric capabilities of LLMs.

Within the umbrella of GenAI, LLMs also allow more fluid collaboration between lawyers and technology, reducing the friction that hindered previous waves of legal technology. For legal departments, GenAI is a new virtual teammate who can help read, draft, research and streamline team operations. Accordingly, unlike legal technology to date, GenAI holds plausible potential to reshape the means of production at every level of work, impacting 80 percent of the legal wallet today.

“General counsel have been searching for an effective way to keep up with spiking legal demand, and Gen AI transformation to nearly every business will require even more legal advice and guidance. To meet that demand, legal teams will need to recognize that within the next year, Gen AI will be the intuitive, accessible productivity booster they have always needed,” said Sohn. “GCs are in the driver's seat and have a generational leadership opportunity, as they leverage this technology to transform their own teams, influence their organization's approach to GenAI and help drive decision-making at the highest levels.”

Once-in-a-generation opportunity for legal to lead

The report posits that GenAI's broad applicability to legal work will provide GCs and their teams with valuable, firsthand experience — which in turn will inform legal executives' advice to leadership on the legal risks and rewards of the technology. While the potential benefits of GenAI for legal teams are vast, the report also notes legal departments must be realistic in assessing their own readiness to integrate this fast-evolving technology.

The report provides an AI Readiness Model for GCs to apply to their own legal function across six key dimensions: Decision capability, Change capacity, Data and insights advantage, Expertise assets, Workload visibility, and Talent resilience.

For a copy of the white paper, please [visit Factor's website](#).

Factor and Six Parsecs will publish the second part of the report in the coming weeks. Part two will provide GCs with a blueprint for building legal teams where lawyers and AI make each other better. The second part will also look through a GenAI lens on the current legal service and technology provider market.

#### About Factor

Factor is the market leader in Integrated Law. Factor works alongside corporate legal departments and law firms to solve the ever-increasing demands and complexity of transactional legal work like contracting. With 10+ years of focused experience, Factor integrates the expertise of Traditional Law, and the efficiency of New Law, with the close business understanding and integration of In-house legal to deliver complex legal work at scale. Factor helps reposition and focus in-house legal on advisory, solves business problems, and balances commercial opportunities with legal risks.

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