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# AI STRATEGY IN eDISCOVERY: PERSPECTIVES FROM LEGAL INNOVATORS

Leaders from top law firms and legal tech companies came together to tackle one of the industry's most pressing questions: *How can firms move beyond experimenting with AI to implementing it in ways that drive real, scalable value – starting with eDiscovery?*

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By Amy Buttell



# INTRODUCTION

In a timely [LegalWeek](#) panel moderated by Nuix, a practical and provocative take on AI in law emerged. Legal operations leaders from Davis Wright Tremaine LLP and Dorsey & Whitney, LLP shared how they're embracing AI; not just to reduce time and cost, but to reimagine legal work itself. The message was clear: law firms that treat AI as a strategic shift rather than a tactical tool will be the ones to shape the future. The paper will unpack the most compelling takeaways and challenges from that discussion, offering a peer-informed view of where AI in legal is heading and what's next.

As the amount of information, time and cost involved in eDiscovery escalates, AI-related technologies are poised to not just reduce those inputs, but to strategically reshape the eDiscovery landscape. The central challenge is identifying the most efficient and effective ways for legal leaders, and their firms, to seize the moment and transform how they use AI.

eDiscovery is the first domino to fall in the AI race for many law firms, but it won't be the last. Firms who lead with an AI strategy across firm operations are likely to succeed, while those who use AI on the margins for incremental improvements will increasingly be left behind.

Today's suite of AI technologies includes machine learning, natural language processing, generative AI and more. Not every AI tool is suitable for every legal task, so in-house leadership and planning are critical in matching specific technologies to specific legal tasks.

Law firms, and their clients, are demonstrating an increasingly strong appetite for using AI to reduce eDiscovery, administrative, research burdens and more. "Taking the wider view, legal leaders need to take the time to truly understand both the risks and opportunities that AI technologies present, and align their firm's mission, methodology and culture into a cohesive AI strategy," said Chris Stephenson, Head of AI Strategy & Operations at Nuix, a provider of investigative analytics and intelligence software.



CHRIS STEPHENSON

HEAD OF AI STRATEGY &  
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## INTRODUCTION

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AI technologies demonstrate success in tackling the burdens of law firms overwhelmed by the size and growth of data. Now, law leaders must decide how best to employ AI to filter and process data more quickly, satisfy their clients' need for efficiency and empower partners, associates and staff to work more strategically and effectively or risk irrelevance.

<sup>1</sup>“ABA Tech Survey Finds Growing Adoption of AI in Legal Practice, with Efficiency Gains as Primary Driver,” Lawsites.com, March 7, 2025, <https://www.lawnext.com/2025/03/aba-tech-survey-finds-growing-adoption-of-ai-in-legal-practice-with-efficiency-gains-as-primary-driver.html>

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# SOLVE EDISCOVERY CHALLENGES WITH AI

As the amount of data discoverable in legal claims grows, the eDiscovery burden continues to rise. The advent of AI and, more recently, generative (Gen) AI revolutionized the eDiscovery process, as software providers added automated, scalable and AI-enabled workflows.

“In investigatory and eDiscovery work, it’s all about flow,” said Stephenson. “Where is the data coming from? What’s inside it? What technology gets applied at what stage to get to the responsive or relevant documents quickly? How do you make those processes seamless, automated, repeatable, and defensible? These are the areas where AI can accelerate workflows, optimize productivity, improve accuracy and create a positive work environment.”

Specifically, AI-enabled workflows allow legal teams to analyze case data through document analysis, data mining, concept clustering and predictive coding to provide a clear review of case data. AI eDiscovery tools can identify gaps in production from opposing counsel, pinpoint key individuals and custodians involved in relevant communications, reveal hidden relationships between different pieces and types of information and succinctly summarize large volumes of information. In the early stages of eDiscovery, AI can offer an assessment of relevant materials, key themes, and case strengths and weaknesses, shortcircuiting the discovery process.

What your firm gets out of eDiscovery software powered by AI is only as good as what you put into it, however. “Whether you’re a paraprofessional or a lawyer you have to come together to figure out what your strategy is for a particular eDiscovery and what you are actually trying to get the tool to help you to do,” said Kayann Fitzgerald, Director of eDiscovery and Practice Technologies at Davis Wright Tremaine LLP.

Stephenson noted that firm-wide buy-in is important to driving adoption and ensuring successful implementation of AI in eDiscovery and elsewhere. “AI has a huge issue with adoption, usually due to a lack of planning, communication, and trust,” he said. “If you want your team to use AI effectively and confidently to improve their work, they need to have a general understanding of how and why it was implemented, what is expected of them, how the decisions are being made, and where it can and can’t be used.”



**KAYANN FITZGERALD**

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# AVOID AI MISTAKES AND DEAL WITH AI FEARS

Viewing AI as just another technology or product purchase is the biggest mistake law firms and law leaders make when adopting AI. “You don’t want the mindset of ‘Just buy this technology, apply it and let me know when it’s done,’” Stephenson said. “This approach underestimates the strategic value of AI and is a recipe for failure.” In fact, AI represents a seismic shift in how work is being done, and this requires top-down awareness, accountability and leadership.

Another common mistake firms can make is either the outright banning the use of AI or simply avoiding the issue all together. “On the other hand, banning or ignoring AI is a ‘head-in-the-sand’ approach that leads to shadow AI usage,” said Stephenson. Shadow AI occurs when professional staff members use unapproved or unsanctioned AI tools outside formal governance unbeknownst to leadership, which can lead to intellectual property loss, sensitive data exposure, compliance violations, loss of evidentiary integrity, and more.

Lastly, because the AI space is changing so fast and the pressure on legal leaders to adopt AI is increasing, many firms are rushing to put all their eggs in the basket of one specific Gen AI-enabled tool or model. This approach limits flexibility, choice, and control over the eDiscovery process.

Additionally, not all tasks require AI, and there are many forms of AI, beyond generative.

Ultimately, forethought, internal alignment, and strategic planning will help ensure that the AI is designed and deployed with the sufficient adaptability, autonomy, and optionality to meet the unique needs of each firm. This is especially important because while some legal clients are eager to apply AI to their legal work, others are more conservative, and still others demand that it not be used at all.





# ACCELERATE LEGAL BUSINESS MODEL EVOLUTION WITH AI

When ChatGPT broke on the scene on Nov. 30, 2022, many lawyers saw Gen AI tools as the equivalent of Armageddon. If ChatGPT could do legal research and come up with cogent arguments, it seemed like only a matter of time before clients demanded fee concessions. However, instead of driving law to the lowest common denominator, “AI as a strategy creates opportunities for firms to develop value-added services that command higher fees,” said Daniel Szabo, Senior Director, Innovation, Davis Wright Tremaine LLP.

“Think about it this way, over time, we’ve developed tools that help us produce more higher-quality cars that require less maintenance, cars have not gotten cheaper,” Szabo continued. “The same is true in the legal field. AI is an accelerant to help attorneys in the moment take the best parts of themselves and finally commit it to their work. Attorneys haven’t had tools that can keep up with the pace of their thinking, once they realize that AI is additive to what they are offering, their work will get a lot easier.”

Clients appreciate when work is done more quickly and at a higher level of quality, which is what AI can facilitate. “Once you show them how AI can help them, then all sorts of interesting conversations with clients begin to happen,” he said. “AI unlocks valuable collaboration opportunities that otherwise would not have happened when firms are spending so much time and energy on document summaries and other manual tasks.”

**“AI may likely drive a surge in the increase of alternative fee arrangements, moving engagements away from the billable hour,” said Kayann Fitzgerald.**

Alternative fee arrangements include flat fees, contingency fees, fixed fees, value-based fees, phased fees, monthly retainers and more. Hybrid alternative fee arrangements combine a variety of fee structures. Both law firms and clients can create predictability, increase transparency, provide flexibility and drive improved outcomes through such arrangements.



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# HARNESS AI FOR COMPETITIVE ADVANTAGE

Adopting and implementing a robust AI strategy is important as the legal competitive landscape shifts. Szabo noted that the law industry is being disrupted by technology-fueled competitors launched by consulting firm KPMG, KPMG Law US and Rocket Lawyer. “In many industries, incumbents never innovate, instead they end up getting T-boned by innovation from a third-party that explodes on the scene and runs away with it,” he continued. “CNN was never going to invent YouTube, and cable was never going to invent Netflix.”

Firms that quickly adopt AI are likely to find that they can leverage AI to expand their business horizon beyond the traditional ways that they’ve been doing work, Chris Stephenson noted. “Over the last few years, the legal element has gotten closer and closer to the strategic center of a business,” he added. “Law firms that are AI-enabled will have more chances to add value and offer more services to their corporate customers that are currently being provided by outside consulting firms.”

A law firm that has used AI, for example, to remediate redundant, obsolete and trivial data (ROT), could then help their clients do the same thing by implementing AI-enabled processes. Along the same lines, law firms could expand their services to data breach preparedness or notification, information governance, records retention management and more, as law firms are always looking for new lines of business, Stephenson noted. He adds, “When law firms use AI to clarify, speed up and improve business operations, they can create larger, more significant impacts for their customers, raise their profit margins and create transformational business outcomes.”

“On the other hand, banning or ignoring AI is a ‘head-in-the-sand’ approach that leads to shadow AI usage,” said Stephenson.



## AI STRATEGY AT WORK

To fully leverage the power of AI within your firm, you must first develop and then establish a sound, ethical and responsible strategy around AI and how it will be used. Your firm leaders need to understand and buy-in to a strategy that ensures that your AI technology foundation is based on trust. That means everyone needs to understand exactly what AI platforms are being used and the governance, frameworks and decision-making processes around the use of AI within the firm and with clients.

**“How do we make e-discovery tools accessible to paralegals and people with an IT background who aren’t ex-law enforcement forensic investigators and who haven’t been running e-discovery projects at a big advisory firm for the last 15 years?” Stephenson added.**

Once that foundation is established, your firm will evolve beyond a firm that just uses AI here and there into an AI-empowered law firm. Such a firm is likely to be more attractive to upcoming law students, younger lawyers and legal professionals in general because AI reduces manual processes and repetitive tasks. As law students trained in AI tactics graduate from law school, they will want to work for firms that have a defined and differentiated AI strategy, so firms in this category will appeal to top law school graduates.

Gen Y and Z law students and lawyers dislike wasting time in manual processes such as reading stacks of discovery documents and manually summarizing them and will be drawn to firms competitively positioned with AI. Attracting technology forward talent can further bolster and enrich the firm, and the AI strategy, over the long term.

The burden of manual legal work is such that many lawyers, paralegals and legal professionals are forced to work after hours in the evenings and on weekends, Stephenson said. “There’s a lot of burn out in the profession, which creates a both a morale issue and a human-error issue,” he added. “Using AI to reduce the burden of those laborious tasks allows legal staffs to be more cerebral and thoughtful about their work.”



# UNLOCK COMPETITIVE ADVANTAGE WITH BYO AI

In an industry rapidly adopting gen AI, law firms face increasing pressure to use AI effectively, both from clients and regulatory bodies. Many firms rely on standard eDiscovery platforms that bundle in preselected AI models. While this may offer simplicity, it also means sacrificing differentiation, control, and transparency.

**Bring Your Own AI (BYO AI)** is a powerful alternative that flips the model. Instead of being locked into the same AI engine as everyone else, firms using solutions like Nuix Neo can integrate the AI model of their choice into their workflows. This enables them to maximize investments in their own Large Language Models (LLMs), increase competitive advantage, and tailor performance to specific use cases.



**BRENDA DODD**  
HEAD OF PRODUCT,  
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“In a world where everyone has an eDiscovery solution with preselected AI models, there's no competitive advantage,” Brenda Dodd, Head of Product, Legal Solutions at Nuix noted.

“But with solutions like Nuix Neo, the ability to choose your GenAI model gives firms the freedom to build something unique and strategic.”

According to Brenda Dodd, BYO AI supports defensible automation while offering greater control, compliance, and customizability throughout the search, review, and analysis process. “The flexibility offered by BYO AI aligns with law firms' long-term digital transformation goals,” she said, “allowing firms to evolve their AI capabilities without vendor lock-in or sacrificing oversight.”



## UNLOCK COMPETITIVE ADVANTAGE WITH BYO AI

This flexibility empowers firms to:

- **Select the best model for each task**, whether optimizing for accuracy, speed, lower hallucination rates, or domain-specific compliance.
- **Build bias and compliance checks directly into the AI workflow**, resulting in more reliable outputs.
- **Strengthen data privacy and security protocols**. An increasingly important concern for corporate clients who are demanding transparency about how AI is used on their matters.

BYO AI also aligns with growing regulatory demands and enterprise expectations. Clients want assurances that AI tools used in legal matters meet their internal governance and compliance standards. Law firms with BYO capabilities are in a stronger position to offer that transparency and win new business as a result.

To fully realize the benefits of BYO AI, firms need to invest in the right infrastructure, technical talent, or partnerships. While the approach brings higher complexity than turnkey solutions, the tradeoff is increased accuracy, trust, and strategic advantage.



# ESTABLISH A FIRM-WIDE AI STRATEGY FOR GROWTH

Firms have an opportunity to accelerate growth with an AI strategy that permeates all areas of operations, rather than being confined to areas such as eDiscovery. “The real excitement and opportunity with generative AI lie in adopting a comprehensive, firm-wide strategy that provides best-in-class client service, improves business efficiency, and boosts profitability. It’s not about just eDiscovery or contract review.” said Caroline Sweeney, Chief Knowledge & Innovation Officer at Dorsey and Whitney LLP.

“How are we going to implement AI to benefit our bottom line, our clients and the services we deliver to our clients?” Sweeney adds.



**CAROLINE SWEENEY**  
CHIEF KNOWLEDGE & INNOVATION OFFICER  
DORSEY & WHITNEY LLP

“There’s a lot involved in that in terms of how to train people, how do you identify use cases, how do you benefit the clients, what technologies do you need to bring in and how do you ensure that everything is secure so there aren’t concerns in that area,” Sweeney continued. “My role has evolved from one where I was more focused on eDiscovery, document automation and knowledge management and where we can use machine learning type of technologies to one where we explore how to leverage something that is a little bit bigger, broader and more widely integrated into our ecosystem.”

To create an intentional strategic approach for AI within a firm, start at the top, with the legal leaders. “A strategy allows senior leadership to have ownership, accountability and a line of sight to how AI will actually function operationally,” Stephenson said. “Once senior leadership adopts AI and signs off on the strategy, it goes to the rest of the firm. The culture will reset itself around AI if, and only if, senior leadership authentically and intentionally adopts a well-considered AI strategy.”

An AI strategy grounded in flexibility offers the most value for firms that seek to leverage AI strategically. Nuix’s deploy it your way suite of options gives law firms the choice of deploying AI software on-premises with ultimate control over AI in your firm with hardware, software and workflow optimizations; as a service (SaaS) within a cloud hosting environment; in a hybrid environment; or partner deployment in collaboration with an Nuix authorized partner. Partner deployment is available either as a managed service or appliance.



# LEVERAGE AI TO CATALYZE LAW FIRM GROWTH AND LEGAL WORK

AI is no longer a promise for the future; instead, it is the technology for today that is reshaping how legal work is strategized, executed, and valued. From streamlining eDiscovery to enabling innovative fee arrangements, AI stands as the defining technological force for firms that want to stay ahead of the curve. Legal leaders who recognize the strategic importance of AI will uncover opportunities to enhance client service, optimize workflows and lead their firms into a new era of law practice.

The time to act is now. By leveraging the full potential of AI, your firm can transform challenges into triumphs and create new avenues for growth. By taking decisive action today, legal leaders with foresight will set the standards of tomorrow and forge new benchmarks for innovation in law.

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This whitepaper was developed by ALM in collaboration with Nuix.

**Nuix Limited** is a leading provider of investigative analytics and intelligence software. Nuix helps customers process, normalize, index, enrich and analyze data from a multitude of sources to solve complex data challenges. The Nuix platform supports a range of cases, including criminal investigations, financial crime, litigation support, employee and insider investigations, legal e-discovery, data protection and privacy, and data governance and regulatory compliance.

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