



How to Think About AI: Richard Susskind on What General Counsel Need to Know Now

EPISODE TRANSCRIPT

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Daniel Hayter

Hello everyone. Welcome back to Axiom Insights on Legal Tech. I'm Daniel Hayter, managing director for Axiom in Europe, and I'm joined by CJ Serreto, Axiom's Chief Technology Officer.

Today, we're thrilled to be speaking with Professor Richard Susskind, one of the world's most influential voices on the future of legal services and technology. Richard is an author, speaker, and independent advisor to international professional firms and national governments. He holds professorships at Oxford University and Strathclyde University.

He's president of the Society for Computers and Law and for 25 years was technology advisor to the Lord Chief Justice of England. Richard has written numerous groundbreaking books on the legal profession and technology and his latest work just hit the shelves. It's called *How to Think About AI: An Optimist's Guide for the Perplexed*.

In this book, Richard tackles the questions that are keeping leaders up at night. What is AI really capable of? How should we plan for AGI, even if we're not sure it will arrive?

And what does this all mean for how organizations, especially legal departments, meet their business needs? Richard, before we dive in, welcome to the show. I'd love to start with your new book.

You wrote *How to Think About AI* for what you call the Perplexed. People who are overwhelmed by the AI conversation and we meet with many GCs week in and week out who indeed are. So, what prompted you to write the book now and who did you have in mind for your ideal reader?

Richard Susskind

Well, thank you very much, Daniel, for inviting me on. Yes, my new book. In fact, you rewrote the subtitle in your introduction.

I know that's rather ungracious of me to say that, but you said it's an optimist guide. The subtitle is "A Guide for the Perplexed." And one of my themes is that you can be coherently both optimistic and pessimistic.

AI isn't like a football ball team that you need to support it or not support it. And in a sense, that observation underpins my whole motivation for writing the book because so much is being said about AI. So much of it is very technological.

And as I went about my daily business, I found people were genuinely perplexed about big questions. What's going to happen with this technology? What's its impact?

How will it affect jobs? Is it genuinely an existential threat and so forth? So, I thought I would write a book, not as my usual stuff, which is really for professionals and lawyers, but actually for the general reader, an introduction, how to think about AI, a guide for the perplexed.

I remain fairly perplexed myself, but what I try to do in the book is essentially clarify lots of confusion that I've found in my travels as an advisor and as someone who's been involved, believe it or not, for 45 years in the field of AI.

Daniel Hayter

So, apologies for rewriting the title there and thanks for the correction, but that's fascinating. In the book, you make a really provocative argument. You say that even if we're uncertain whether artificial general intelligence will arrive, it's bizarre not to plan for it given its potential impact.

So, for our listeners who are general counsels, heads of legal operations, what does that planning actually look like and what should they be doing today?

Richard Susskind

Well, let me just say a little bit more about AGI, just to put what you've said in context, because you've gone to the heart of the central argument of the book. And the central argument of the book in many ways, our recommendation is that we should be asking and answering the question, what if AGI? So, what is AGI?

AGI stands for artificial general intelligence, and this is the idea that these systems are going to become much more capable than they are today. In fact, they will be able to match human performance across the full range of what we call our cognitive tasks. In simple terms, and as the language isn't quite right here, we don't yet have the words, but in simple terms, we're talking about systems being as smart, as capable, as intelligent as humans.

That means everything you do, Daniel, everything I do, everything your doctor does, everything our accountant does could be done by a machine. It's not suggesting that these machines will think like or reason like or perform like humans. It's not saying that these systems fully replicate our very complex brains and minds.

It's saying in terms of outcomes and outputs, these systems will match human performance. Now, there is one view, and it's a view held by many people in the tech community that we're not that far away from AGI. Indeed, the stated aim of most of the big tech companies is to bring about AGI.

But many people listening think this is just fanciful. The technology, okay, it's quite impressive. It can write a poem, can generate a bit of music and draft a document after a fashion, but really we're nowhere near AGI.

And I'm here to say in the book, not to take a formal position, but I'm saying that's not the view of most people who are working in the AI community. And my point is that not that I'm predicting the AGI will certainly come about, but I'm saying so profound would its implications be both positive and negative, that not to be at least planning for AGI seems to me to be a dereliction of duty amongst leaders in business and government and elsewhere. Now there is a view that AI won't actually achieve that level at all.

There's some people say the whole thing's hype and will reach a roadblock within the next couple of years. I disagree with that. Others say, and this is wildly more plausible, that these systems will get a lot better.

In fact, they might be entirely reliable, but there are limitations in using what we call large language models. There are limitations in the way we build these systems. And so, what we're seeing today is really the upper limits of AI.

Imagine the systems we have today are entirely reliable. Well, that's as far as we'll go with AI is another school of thought. The AGI school of thought goes wildly further.

It says that these systems will perform at human level. So, what do you do if you're a lawyer in house or in business or in an alternative to provider? What do you do with all of this?

How do we plan for it? And I think we need to disentangle our short-term thinking from our long-term thinking. In the short term, I believe that most of the claims that are being made about the short term actually are overstating the impact of AI and law.

But actually, I believe most of the claims being made about the long term are hugely understating its impact. Do I think AI is going to transform, revolutionize legal services, the court system, the legal profession, and more over the next two or three years? I really don't.

But what about as we move into the 30s? As these technologies, let's say, get near AGI, I most certainly think they will. So, this gives you some sense, Daniel, of the time scales.

I think over the next few years, we have to prepare for the 30s. The next few years will be a very interesting period because I think the dominant use of AI and leadership bear this mind in the legal world will actually still be for what I call automationizing what we already do today. Basically, AI in law over the next two or three years, in my view, is really going to amount to a better efficiency and productivity tool for lawyers than perhaps we've ever seen.

That won't fundamentally change the nature of legal service. AI and law over the next couple of years, to put it a different way, means AI for lawyers. But as we move into the 2030s, just as I'm seeing right across the professional service, I think AI is no longer for use by professionals.

It will be AI to empower people who are not professionals to undertake work that historically they would have had to have gone to experts for. Now that might be expert in house legal teams, it could be expert external law firms. And it's not just a law.

I'm seeing the same in accountancy. I'm seeing it in architecture. I'm seeing it right across professional services.

So, I often say to law firms, your biggest competitor in the future will not be another law firm. It's more likely the AI-empowered client. But the AI-empowered client, a long answer, except that the AI-empowered client is not necessarily the in-house legal department, it's an organization that can do much of the legal work that used to require the legal department can do it for itself.

So, for example, we will see compliance embedded in the operational systems and processes of organizations. You won't need humans in the loop ensuring that an organization's systems comply, the compliance will be built in. We'll see facilities for senior businesspeople to undertake a wide range of legal tasks for themselves.

So, we're going to see a transformation in the way we undertake legal work. So, if you're an in-house lawyer, what I'm saying is the next couple of years I think will bring great improvements, efficiency and productivity against to your department. As we move into 30s, just as we're seeing right across the profession, I think the challenge will be for the in-house legal departments to lead the charge in developing the systems that will replace our old ways of working.

Let me say that again. The challenge will be for in-house lawyers to lead the charge in developing the systems that will replace our old ways of working. Because I'm very clear in this point that if the market finds cheaper, quicker, more efficient, more convenient, less forbidding ways of delivering the outcomes that people want of their in-house legal departments or their law firms, the market will show no loyalty to our traditional ways of working.

So, the future I see is a future in which legal service is dominated by and delivered through AI systems.

Daniel Hayter

One of the themes though, Richard, in your book that I picked up on is this whole notion of not us thinking, this uncanny ability for people to think it will impact everyone else except them. So how do in-house teams avoid that not us thinking problem?

Richard Susskind

It is a funny one. We saw this right across the professions. Every professional sees far greater scope for AI professions other than their own.

The minute you've heard that observation though, and I poke fun in making that observation, hopefully that is an inbuilt correction for people who say, "Well, what I do is very different and of course not subject to any of this." I ask people to think very differently. I think that the model in the future should not be based on how do we work today and how can AI essentially... What you see is people saying, you see management consultants, you see economists and others and academics saying what you do is, "Well, what do we do today?"

Let's break it down into tasks and which tasks can we take out a human and plug in a machine?" And if you can take out a human and plug in a machine a lot, your job's under

threat. And if you can't do that very much, you're safe. And I think that's a very limited way of looking at the future of AI.

It's suggesting that work won't change. It's just the nature of what next task won't change, it's just that it'll be machines rather than humans doing it. And I often give the example here in healthcare when you think of surgery, robotic surgery, that's a classic example of task substitution.

There are certain aspects of surgery that are no longer done by humans but are done better by these machines. But the future of healthcare is not simply robotic surgery. I see it's also non-invasive therapy and preventative medicine.

And what I want in house lawyers to think about is not how do you simply use AI to replace some of the tasks you're undertaking today, but the equivalent of non-invasive therapy, how can you deliver for your organizations the outcome, the results that they want in ways that are entirely new, less painful, less intrusive, more convenient, less costly, rather than thinking, how do we automate what we're ready to do today? And more than that, and this is the definitive message, I think, for in-house lawyers, is how can we borrow the lessons from preventative health service, preventative lawyering? I say putting the fence at the top of the cliff rather than the ambulance at the bottom.

All the senior executives I speak to in my research... There was a noise there, I'll repeat that. All the senior executives I speak to in my research prefer problem avoidance rather than problem resolution.

Many people indeed say to me the role of in-house lawyers to keep us out of trouble, but traditional legal service has been rather reactive. We respond to problems once they've arisen. What we're seeing through AI is the possibility of systems, agents that can roam around client organization systems and identify early warning signs of problems, difficulties and issues.

So my argument, if you're thinking strategically beyond the next couple of years, which is a story of automation to the 2030s, is how can the in house legal department use this technology to solve legal problems and meet legal challenges entirely new ways like non-invasive therapy, and how can we also use AI to put that fence at the top of the cliff rather than the ambulance at the bottom?

Daniel Hayter

So that's quite a radical picture that you're painting for the in-house team, where I think it's fair to say most of them are thinking about AI in terms of how do I automate a task that a human being is currently doing. So how do we get them to think more strategically? I think you talked in the book a little bit about, you're asking the GCs to change the wheels on the car whilst it's still going around the track and it's impossible

because you're running a business to be able to think in those kinds of terms beyond just automating some of these processes.

So do they have to set up sort of parallel processes with these AI solutions that they then sort of transfer everything over to because it's a bit of a juggling act.

Richard Suskind

Well, you're banging on there in identifying that issue. What I say is the first task for leadership is to disentangle thinking, planning activity relating to the short term in AI from thinking, planning activity in relation to the long term. I often sit in-house legal department meetings and you have; it's a meeting about AI and people are talking past one another.

Someone's talking about process efficiency and someone else is talking about departmental transformation. These are different conversations. For me, the short term is a story of ops.

It's about better operations. And this is something with which most general council are wholly familiar, the idea of running a tighter ship, the idea of bringing this body of thinking from the... It's often called the chief operating officer and applying that in essentially a massive exercise of process efficiency.

So, I don't want to stop any of that, but I do want to say AI is a great tool for you, but we need something new and different. And we don't do this sequentially. We do it in parallel.

We need groups of people within major in-house legal departments thinking longer term, thinking about strategy, thinking about the kind of vision I have. And very often in-house lawyers will say to me, "Well, that's just fanciful. It's speculative.

Let's be practical. Let's just get on with today's problems." And here I say, and I know this is challenging, this is the difference between managers and leaders in this era. The manager in the in-house legal department is the person who says, "Let's worry about the next couple of months.

Let's not worry about the future. We'll cope with that when it comes." I don't believe the manager will say in all of this fantasy futurist stuff. Whereas the leader will say, "We're living in a time of unparalleled technological change.

We don't know what's going to happen, but we at least need to prepare. We need to think it through. We need to contemplate various scenarios.

We need to plan." So, in how general council choose to handle AI, they will reveal themselves as fair weather managers as opposed to what I would call foul weather

leaders. And it is going to be a difficult patch. There's no doubt for people who think that the professions will remain substantially unaffected by AI, I think they're misguided.

From the point of view, interestingly, of course, of organizations, a lot of this is good news. A lot of organizations that hither too haven't had genuine access to expertise in so many areas will, through this technology, be able to enhance their performance. So, when people say optimistic, it depends which way you're looking at it.

Am I optimistic that the traditional legal function will continue? Probably not. Am I optimistic that there's exciting new jobs for an ambitious strategic legal department?

Yes, I am. So very much depends on one's perspective.

CJ Saretto

Hey, Richard, I want to share two stories with you and get your take on this. In the software development community, we've always wanted software faster, right? We've always wanted custom capabilities faster than they could be achieved by humans.

And we were always very worried about doing all of the pre-planning to ensure that the work that the engineer did wasn't wasted because that was a very expensive, very precious time commitment. And we're starting to see a massive change driven by actual enterprise desire to have software faster and cheaper where the software engineers are now really adopting these AI tools to write the code, which is great because if you write the code, you can write it. If the AI can write it in minutes instead of days for a human, you can get it wrong five times.

You can afford to make mistakes and try through doing instead of investing and building prototypes and all of this pre-planning activity. And we're starting to see engineers actually kind of become managers of robots, right? They're sort of engineering managers from the get-go versus being line level engineers to begin with.

And so, we're sort of seeing this desire from the industry to have custom software faster and we see people leaning into it, right? And we see the profession actually morphing in the way that it functions by coping with these capabilities and integrating it into the profession itself. And on the other hand, we've had, let's talk about like transportation security for a second, right?

We're talking about you go to the airport and there's scanners looking in your back and we didn't need fancy 3D X-ray machines to build machine learning models that found knives and guns better than any human. We've had that technology for over a decade. And yet, even though the machines have been far superior at finding risks versus humans for a decade, we still have humans babysitting the machines and we're giving

them these 3D scanners that allow them to spin the bag around to check it for capability.

And so maybe that's just two examples of the extreme. One, folks very much leaning in and redefining their profession and one where seemingly money doesn't matter and the profession isn't moving at all despite a decade of innovation. So, if I'm sitting here thinking about the legal profession, I think there's a lot of lawyers who are wondering to themselves, "Hey, okay, great, this technology's great for me.

How do I make myself a better lawyer?" But what I haven't heard a lot of folks getting comfortable with is just imagining the future where their customers just ask the AI for help and that divide, this 10-year thinking you're talking about, it seems really compelling. I think folks have trouble just imagining this world where the humans aren't in the loop. Is there any piece of advice you could give listeners on how to think about both to accelerate the profession today, but also plan for the future?

Richard Susskind

Well, there's much you've said there. Kind of just on your second point, you drawn out not explicitly, but let me do this, a distinction between the advance of technology and the adoption of technology. And what you're saying is absolutely right that even if some technologies are sufficient to be used without human supervision to be used autonomously, there are all sorts of reasons why the technology might not immediately be implemented or adopted.

It might be regulatory reasons, might be cultural reasons, might be economic reasons. So, I do always draw a firm distinction between the availability of technology that can do X, Y, Z and the adoption of that technology. There have to be appropriate market incentives for the technology to be adopted.

The cultural dimension's interesting for the world of software engineering because of course software engineers are immediately going to be more interested in and sympathetic to, if not excited about the use of technology to replace the traditional ways of working. And of course it's not just an insistence here, it's not just replacing the software engineer, it's being able to cut code and for example, prove programs correct in a way that wasn't possible previously. This technology's allowing different ways of creating software, which I find tremendously exciting.

But you're absolutely right to say that many lawyers, both in house and in private practice and in alternative structures, simply cannot see beyond AI being a tool to support them. And I often say it's interesting when there's a breakthrough in medicine, the question people don't ask is, what does this mean for doctors? People ask, what does it mean for health?

We are, I'm afraid in the legal world, and I'm a lawyer myself, but I'll be critical here. We tend to think this is all about us, but in the end, I think it's going to actually get very little to do with us. And what I hope to be able to do and others in the legal technology industry hope to be able to do is to encourage the legal profession to understand, to embrace these technologies and to recognize that the days of traditional one-to-one consultative advisory service will in due course come to an end.

And this of course is a massive challenge. How does one do it? There are limits to what I do.

I do it by argument, by writing books, by giving talks and so forth. And honestly, that's just a small part of the story. It needs people like yourselves to be developing systems that actually show the technology in action.

In many ways, lawyers are more convinced by evidence than argument. And the law firms I know that have embraced this technology and in-house legal departments that have embraced this technology are those who often have very concrete examples of the systems working. But I'm going to say something which you may think is remarkably prosaic and obvious, but actually what I want to encourage all lawyers is just to use these systems and not even mean using them in their daily work, just spend the weekend using these systems in relation to your family or hobbies.

I find when I have decent conversations with most lawyers, many of whom feel strongly about AI, turns out they haven't really had a go. Someone else in the firm or the department is doing the pilot study of one of the major systems. People have very strong visceral views without personal experience.

And a lesson I learned from one in house legal department, I think is a very powerful one, the GC said, "For the next six months, all I want you to do is use..." In this case it was ChatGPT, but it doesn't really matter but use ChatGPT half an hour every day for work, not for work, doesn't matter. Just use it for half an hour, let's congregate together in six months and see what kind of organization we are culturally in using technology, that organization was transformed. One of the difficulties is people say, "Well, look, we're going to do a pilot.

It's going to involve a group of 20 people and in nine months' time we're going to evaluate it." So, a year and a half down the road, you still get people feeling strongly about the technology they've never used. So, the simplest of recommendations is just to throw yourself in and use the technology. And I find it rare to speak to someone who really has given the technology a chance to think that this isn't just going to be transformational in their professional lives.

I find it very rare to speak to someone who's used these systems over a weekend, say six, seven, eight hours, really go at it, to come away thinking, "Nope, there's nothing here that affects my business." So that's the most practical example. The other thing I think we need to do as a profession is spread news, case studies of what's working well and what's not working well. And what's very interesting, I think also in the legal world, I think if I've made a fundamental mistake in much of my work, it's been anticipating that in-house lawyers would have driven law firms far more aggressively to use technology in the past than they have.

To some extent, I believe the future of the legal market is in the hands of the in-house community. So, what I do strongly encourage general counsel and others to do is to insist that their law firms use their technology and share their experiences, their ideas, and this should be part of their daily conversation. We live at a time of, I think, remarkable competition as well.

The phrase I use, the competition that kills you doesn't look like you. I think law firms and lawyers and in-house legal departments have to look more widely than other departments or other lawyers have to look at other sorts of businesses to understand what the [inaudible 00:29:22] included, to see what the future of legal services might look like. So somehow getting people to take their blinkers off, immersing in the technology, taking a wider view of technological impact and being exposed to case studies of what success looks like, this will build up a culture of change.

But it's the kind of resistance you're talking about that leads me to say that over the next two or three years, I don't think we're going to have fundamental revolution because even if the technology today could bring about great change, it is in a rather grudging way that the legal world adopt the technology. In the work that my son and I did in our book called *The Future of the Professions*. We looked across eight professions and I conclude that the legal world is the most conservative other than the clergy.

We aren't quick to adopt the technology. And so there will be though some amazing runaway successes. We're actually seeing them in some law tech companies that were remarkable valuations.

We're already seeing volume in the legal tech world in investment terms that we've never seen before. Very exciting time.

Daniel Hayter

So just to pick up a point there, Richard, the provision of legal services you see changing, is AI at last that existential threat to law firms and the billable hour that we've been talking about for decades? Is that spelling an end to the dominance that some of

these law firms hold over in house teams? I mean, you make it sound like GCs are now more in the driving seat than ever with AI.

Richard Suskind

I'm saying they ought to be in the driving seat. And what I'm also saying is that, what I'm about to say, is that I think we can conceive legal work in two ways or in two parts. One, the human contribution and secondly, the system contribution.

And it is simply not coherent to render the system contribution in terms of six-minute units. That just can't make sense. We can continue to have a debate about whether or not, for example, if AI systems are doing a lot of the routine repetitive process-based administrative work and humans are either needed for or preferred for the deeply expert high-powered work, we can still have a debate about whether or not the best way to charge for expert time is through hourly billing.

But I don't think there can be a debate if you are using AI systems that we have to render our invoice for the use of the systems in some way that accords with the hourly bill. It's failing to recognize we're having a shift in our economic model from a world where economic value is created by human labor to a world where economic values derive from intellectual property in systems and services and so forth. But it'll be a hybrid model for many years yet.

Daniel Hayter

So, what would your advice be to a general counsel that's sitting there listening to this podcast thinking, "I should call my law firm and ask them about what it is they're up to." And I've got one or two stories I can share, one or two horror stories of what GCs have heard from their law firms. But what would your advice be to a general counsel that's sitting there thinking, "I should call my law firm, have a conversation about AI," what's some of the guidance you would give them on what they should ask and how they should ask it?

Richard Suskind

Well, I think it's also true that many in-house lawyers, of course, have many law firms, and it's quite an interesting way of comparing law firms by considering their readiness for this era. And for those firms, for example, who are not engaged or who insist that AI is not relevant, it seems to me that's one good reason for not instructing them because the tidal wave of opinion I think is going towards that this technology can be used in some way. What I don't want to see is this being competitive between the in-house lawyer and their client.

I see it as more of a journey that you're... I know that's a little bit of a cliché, but I think it's a journey that lawyers and their clients should go on together. And so, lawyers in law firms should not feel anxious that they don't know the answers and that they have to be omniscient when they have that first meeting in AI and clients should be tolerant that everyone's feeling their way.

But I think fundamentally, this is going to change the nature of the relationship between law firms and those that advise them. And some law firms will be no longer needed in the long run. Some in-house lawyers will be using systems rather than law firms for the conduct of many of their tasks.

But insofar as they are using law firms, there has to be a strong expectation that these law firms themselves will be turbocharged through the technology. And so, the debates I want to have with the law firms I advise and I think clients should have is to understand what is your view on the future impact of this technology on legal services? That question, how are you coping with this technology?

How do you think it's going to impact our relationship over the next two or three years? And what do you think of the thirties? What you're trying to find out here is whether or not, particularly with law firms, a lot of the noise about the experimentation, the pilots, the great successes, whether or not that's just AI by press release, or whether or not there's something more substantial going on here.

So, it's a frank, honest, open series of conversations trying to get a sense of the law firm's understanding and commitment to this technology, point one. Secondly, it really is very helpful to hear from law firms that are using the technology, how are they using it? What benefits are they bringing?

How are they measuring the benefits? How, and this is one of the great unanswered questions, if these systems are indeed leading to productivity gains and efficiency gains, who's the beneficiary of that? Is that the law firm or is that the in-house council?

And you'll see there's lots of stuff being written in this now and some people insisting it means a higher quality of service, so law firms shouldn't reduce their fees. Others saying, "This is what in-house lawyers have been asking for many years, what I call more for less, more legal service at less costs because they now have the enabling technologies." So, they should certainly have that debate as well. And I think also what works very well is practical demos.

Can you show us the technology we're using? We'd love to see it in action and see how it would be used in our work. And that's a big challenge because if you're actually just experimenting and not doing anything substantive, you're being called out by that.

So, there's the kinds of conversations I'd be having, but hopefully in an amicable and not competitive way, because as I say, it's a vouch of discovery for most of us. And I think good client relationships should be strengthened at this time when we're all exploring, experimenting. And that does bring me to another point that we as a profession need to have more of an R&D mentality, a research and development mentality.

We've not really had to have that for decades, if ever really. We haven't fundamentally changed the way we've worked. Our court system in England has really changed since the late 19th century.

Our ways of delivering professional service were essentially they came to pass at the end of the industrial revolution. So now we're seeing, as say pharmaceutical companies and consumer electronic companies have seen for decades, that law firms, in-house legal departments haven't really got the products and services that will be central to their living in, say, five years' time. So, this is why I say it's a collective effort to try and work with those that advise you to try and see how you can best manage your legal needs in the future.

CJ Saretto

Yeah, I was just going to say, we've had some clients tell us that they've been doing these types of experiments themselves. And I can't stress enough how important I think that that is. We've had some clients tell us, "Hey, I now take..." If I think that I can use my chosen AI to take a first pass at a response, like a demand letter response, and get it into a shape that I feel good about, and then I'll send that to my law firm, because it does two things.

One, it gets you comfortable with the technology. And then two, it gives you an opportunity to, through the process of say, maybe you could call it second opinion or experimentation, learn how your law firm will actually respond to a different method of interaction, right? Because usually you do something totally different.

You just send the whole matter over to the law firm, ask them to put this together. Then you'd get something you'd react to whether you agree with the way it's put together and you deal with the counterparty. And this just sort of flips it on its head, but it also gives you this ability to learn through the act of doing what the technology can do.

And worst case, well, you spent an hour and you didn't get anywhere, you just do it the old way. But I think that just gives you a different idea of how the law firm on the other side is going to respond because they may say, "Oh, don't worry, everything's fine. Nothing's going to change." And it's in their economic interest to keep their clients just generally comfortable that everything is under control, right?

But you try working with them in a different way. You might see a totally different side of how they think about a deal with AI. And I wouldn't hide from the law firm that you've used AI in creating the response.

I think that you'll learn something about the other party and you'll also teach yourself something about the capability of the technology by just trying to interact in a different way. We got a lot of clients, especially our more US-based tech firm clients telling us that this is not how they're interacting with their firms. I found that really interesting.

Richard Suskind

I think all of that is absolutely right. It raises, I think, a challenge to Daniel's question, which was perhaps the suggestion, forgive me, Daniel, but the assumption to some extent that the law firms will be leading the way and the in-house legal departments are trying to understand how the law firms investing this technology. That may or may not be what you're saying, but let me put it very differently.

Some of the most impressive experiments, projects in AI and law are being driven by in-house legal departments without participation by law firms, because they actually now have tools that allow them themselves to use this technology in anger and in a very practical way. So, we should no longer assume, as we used to assume, that legal technology is basically law firm legal technology. That really was the case until about five years ago.

Overwhelmingly, if you had to look at that legal tech supply industry, it was all about tech for law firms. For the first time now, we're really seeing in-house lawyers grabbing a lot of these systems themselves, running with the experiment piloting, using it in practice. So, it's not self-evident that the law firms will lead the way.

It may well be then, as you say, that the work that law firms are invited to do therefore changes because in house lawyers are using these systems as it were for a first cut of various parts of work, and they hand it on to the law firm for review. Now, this goes back to a question that Daniel was asking earlier on about human supervision. In some ways, it's the biggest question of all.

At what stage will these systems be so good that human supervision, supervision by law firms, supervision by in-house legal departments, for example, will no longer be necessary. And that takes us right back to that first question we asked about artificial general intelligence. Because if we get to near AGI, the whole idea of humans in the loop, the whole idea of human supervision begins not to make sense.

Daniel Hayter

And I think that was a genesis of my question a moment ago, Richard. Is it an existential threat to law firms where we are going with AI?

Richard Susskind

It's an existential threat. And I'm almost very careful the way I say this to law firms who deliver legal services in the traditional way. So, if you believe as a law firm that your best placed, I often say to compete with AI systems.

So, you say something like this, you see here everything Richard says, but there's lots we can do that machines will never be able to do. There's lots we do that clients want us to do and never want an AI system to do, and that's what we're going to focus on in our legal business. If that's your strategy as a business, I call that competing with AI, then I think it's very limited strategy because if you believe as most people do in the world of AI, that our systems are becoming increasingly capable, then you're painting yourself into a corner.

There's going to be less and less for you to do. If however your strategy is build the systems that replace our old ways of working, that's a new conception of the legal business, but if a law firm can move from advising clients on a one-to-one consultative advisory basis, charging for the time of humans to the delivery and licensing of systems and solutions that meet organizations legal needs in better ways, then there could be thriving new legal businesses, whether or not we want to call them law firms, a lot of firms, legal businesses is rather by the way. And this is again why I say that this idea, are you optimistic about lawyers?

We need to unpack it a little bit. I do not believe that deep into the 30s, the legal world will be dominated by traditional lawyers working as they are today, but that certainly does not mean that the more entrepreneurial and adaptive firms won't be able to reinvent themselves. I think it's a challenge, but what fascinates me, and this is a personal observation, I'm in contact now with the leaders of so many of the world's best law firms having conversations that were unimaginable five years ago about the future of legal services.

Five years ago, was how basically the fundamental question was, how could we get more work in? The model, the way we deliver legal services is as well established. The fundamental question of strategy in some ways was how can we secure more than our fair share of the market?

The fundamental strategic question now is the very way we're working going to be sustainable in years to come? And so, it's fascinating that leaders who not that many years ago would not really have entertained a discussion about AI are now, it's very

much at the top of their agenda. And this has all really happened since the launch of ChatGPT in late 2022.

It's a remarkable pivot.

Daniel Hayter

So, I'm hearing a mixture here of evolution and revolution. So, in one sense, you're talking about it being evolutionary and we're going on a journey together, but I'm also hearing that over the next year or two, maybe a bit longer, it's going to be revolutionary. So, which is it?

Is it a bit of both?

Richard Susskind

I often say it's incremental transformation rather than evolution or revolution. I don't think we can switch off the lights in the current models, our law firms, our court systems, our in-house legal departments switch on the license something and you'll emerge. But I do think when we look back, say in 10- or 15-years' time, what we will have in place is very different, but we wouldn't have gotten there through one major step.

We'll have gotten there through a series of incremental changes. And it's also true to say that our conversation, and we all lapse into this, doesn't really take account of, for example, the law or legal tech startup industry. There are thousands of these businesses around the world trying to do to legal services what Amazon did to book selling.

And so, part of the landscape in 10 years' time will be businesses, legal businesses of which we've never heard. And there's a couple of businesses just now that are a couple of massively successful unicorns of which no one had heard a couple of years ago. And so that'll be part of the landscape too.

We've got not to think in too limited a way that it is an evolutionary revolution of law firms and in-house legal departments. That the primary and overriding issue is this, is that I don't think anyone can disagree with this. The need for legal help is actually increasing rather than decreasing.

That in a more complicated world, in a world that has been transformed by technology, in a world that's more regulated, organizations, individuals, organizations of all sizes, public sector, private sector, they need legal help. They want legal help. The really interesting question is, what kind of legal system or service or product or business will best satisfy the needs of tomorrow's legal market?

And I don't think the answer to that is a mildly changed law firm or a mildly changed legal department. I think we will see by increment a transformation in the various ways in which legal needs are met in the future.

Daniel Hayter

Great. Thanks, Richard. Any last tips for general counsel or heads of legal operations that are listening to this podcast before we end?

Richard Suskind

I think one's a slightly psychological emotional point is that some of this, if you're not into it sounds entirely overwhelming, you might hope you can hold out to retirement before all this engulfs you. But I think we're all in the same boat here. None of us knows how this story is going to unfold.

What I say again, in the spirit of fun, just launch yourself into understanding and engaging with this technology. And within a very short period of time, if you haven't done so, your mindset, your worldview will change. But don't feel that out there, there's so many law firms and in-house legal departments that have cracked AI.

Everyone's very much at the foothills.

Daniel Hayter

Great. Well, Richard, thank you so much for taking the time to talk with us today about AI's impact on legal work and how general counsels can prepare for what's coming. This has been an incredibly thought-provoking conversation.

For our listeners, I strongly encourage you to pick up Richard's new book, *How to Think About AI: Guide for the Perplexed*. It's available wherever great books on AI are sold and it's essential reading for anyone trying to make sense of where this technology is headed and what it means for their organization. Don't forget to check the show notes for links to Richard's book, his website, and other resources we discussed today.

Visit axiomlaw.com for more information about Axiom and our legal AI tech plus talent solutions. And stay tuned to Axiom Insights on Legal Tech for more conversations covering the technologies and trends shaping in house legal work. I'm Daniel Hayter, and I hope you have a great rest of your day.

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