

# What In-House Counsel Have to Say About Generative AI

The Managing Partner Forum's March 2026 Law Firm of the Future webinar, "What In-House Counsel Have to Say About Generative AI," featured two in-house deputy general counsel in a candid conversation about how they expect outside firms to approach generative AI for their legal matters, engagement letters, pricing, and communication.

## Panelists:

- [Nicole Bearce, Esq.](#): Vice President, Deputy General Counsel at [Conduent](#)
- [Daina Borteck, Esq.](#): Executive Director, Deputy General Counsel at [Kyowa Kirin, Inc.](#)

## Moderators:

- [John Remsen Jr.](#): President of [TheRemsenGroup](#) and President & CEO of Managing Partner Forum
- [Uri Gutfreund](#): Senior Vice President and Managing Principal at [Ames & Gough](#)

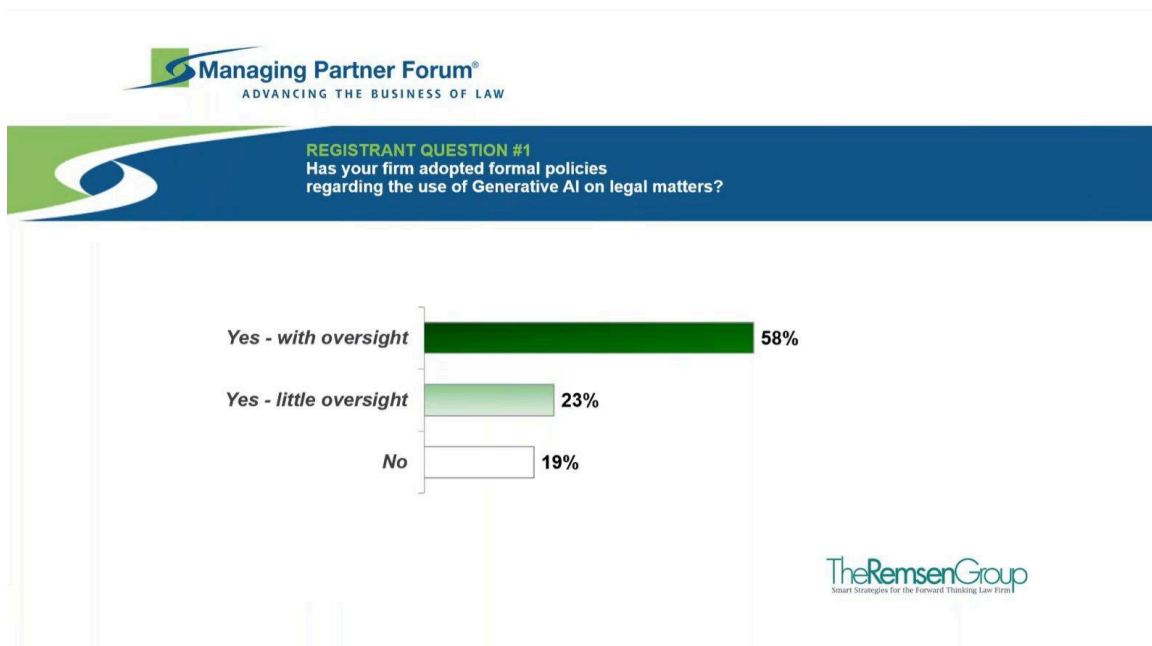
## Key Takeaways:

- **Policy without oversight is not enough:** 42% of firms operate with little or no oversight of AI use, a risk for quality and client confidentiality.
- **Outside counsel are not initiating the conversation:** Firms rarely bring up AI proactively, which is a missed opportunity.
- **In-house teams want transparency, not just savings:** They want guardrails around data use, honest billing communication, and fee predictability.
- **Staffing models are already shifting:** 41% of managing partners surveyed expect to employ fewer paralegals and legal assistants; 50% are re-evaluating associate hiring.
- **The relationship is still with the lawyer:** AI amplifies judgment and capability, but trust remains the deciding factor.

## Bringing on the Data!

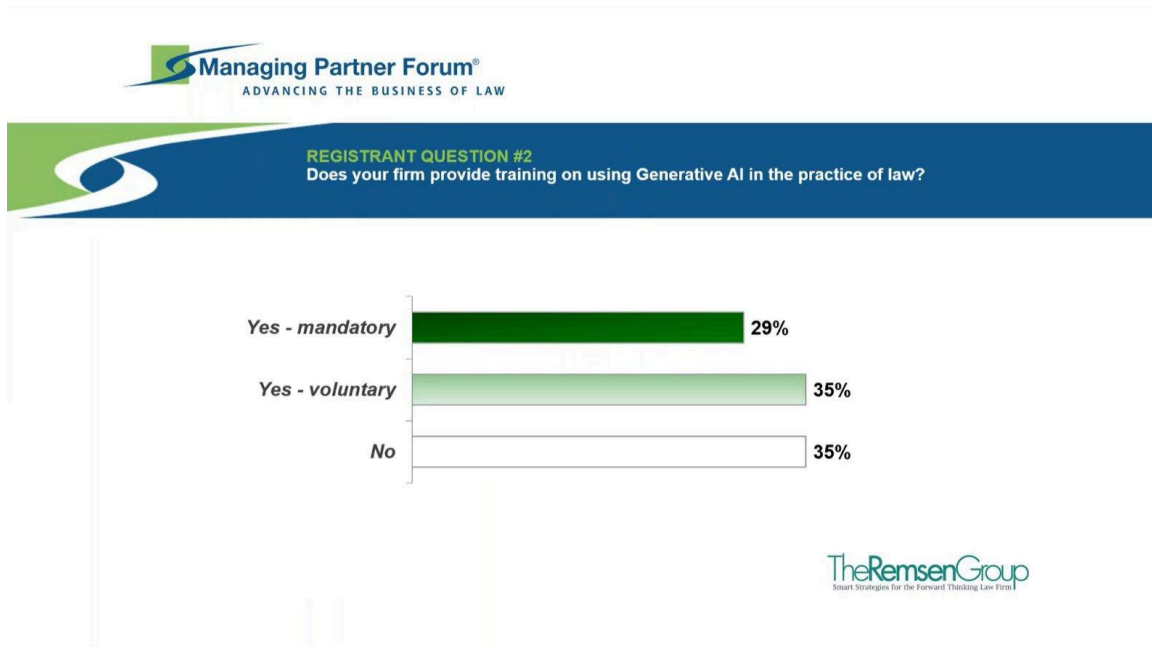


*Live poll: How many lawyers are with your firm?*



*Pre-registration: Has your firm adopted formal policies regarding the use of generative AI on legal matters?*

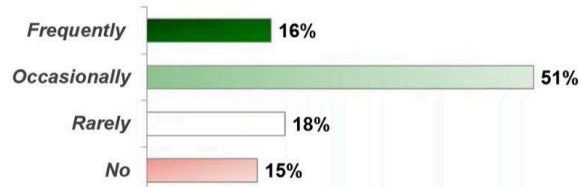
Eighty-one percent of respondents reported some form of AI policy, 58% with oversight, 23% with little, while 19% reported none. John flagged the emphasis on "oversight": policy without enforcement is a false positive. Uri cited the steady stream of firms sanctioned for AI-generated citation errors. "That's just the tip of the iceberg," he said.



*Pre-registration: Does your firm provide training on using Generative AI in the practice of law?*

On training, 29% of firms require it, 35% offer it voluntarily, and 35% provide none. Both panelists said training is a baseline expectation for any firm using AI on client matters. Nicole outlined her team's core questions when outside counsel deploy these tools: Is our data training the model? Could it be disclosed externally? How are prompts being constructed? Uri added that beyond avoiding errors, trained lawyers are simply better at the work.

**REGISTRANT QUESTION #3**  
Are your firm's clients starting to ask about using AI tools on their matters?



*Pre-registration: Are your firm's clients starting to ask about using AI tools on their matters?*

Two-thirds of respondents said clients are asking about AI use at least occasionally. Yet both panelists confirmed that outside counsel are not coming to them proactively, and both described this as a problem. In-house teams are operating at capacity; if firms wait to be asked, the conversation gets deprioritized indefinitely.

## AI in Engagement Letters and Client Communication

**Does your firm include language in its engagement letters about the use of Generative AI tools on client matters?**

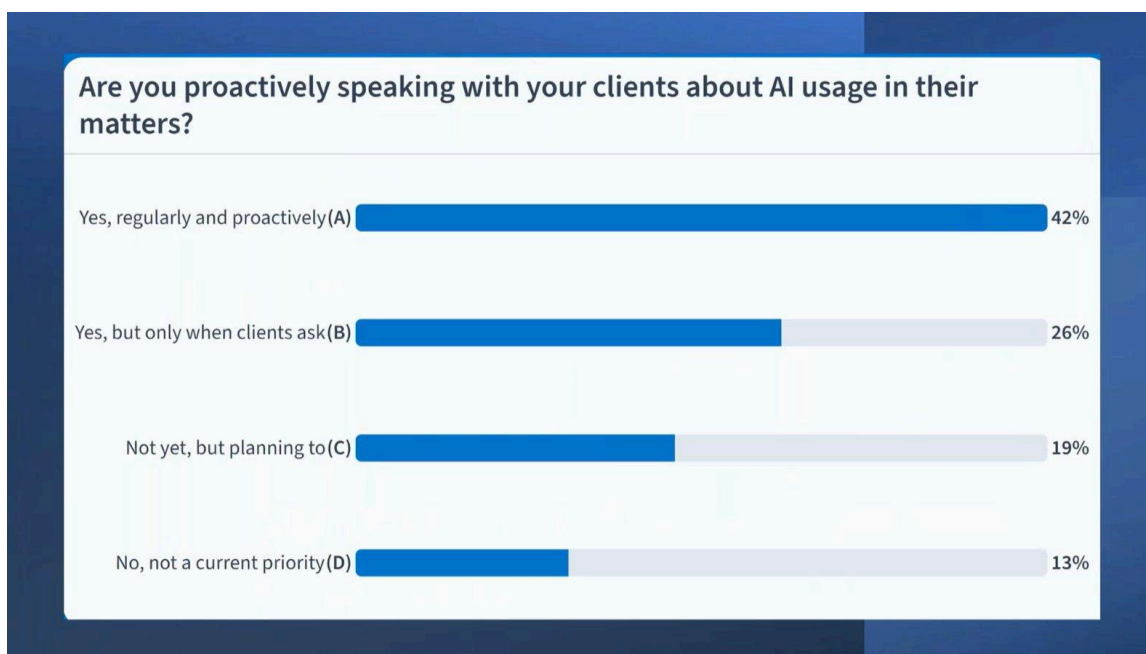
Yes – across the board	35%
Yes – hit/miss, depends on attorney/matter	15%
No	50%

*Live poll: Does your firm include language in its engagement letters about the use of generative AI tools on client matters?*

Half the live audience reported no AI language in engagement letters. Daina related how she recently received a letter from a mid-sized firm with a vague consent clause and no guardrails. Her team redlined it substantially, requiring prohibitions on using client data to train AI models, confidentiality protections around proprietary information, and consent requirements before sensitive data enters any system. The firm accepted the changes in full. Nicole said the exchange prompted her to add standard language to her firm's outside counsel guidelines.

*"Generic boilerplate is fine if it's not just 'we're going to use it, you okay with that?' It needs a few more guardrails around it." - Daina Borteck*

Uri raised a concern he hears frequently: managing partners are reluctant to bring up AI with clients for fear the next question will be about cutting fees. Both panelists pushed back, noting that cost is a priority but only within the bounds of compliance and confidentiality, and fostering a genuine partnership between firms and their clients.



*Live poll: Are you proactively speaking with your clients about AI usage in their matters?*

42% of the live audience said they speak with clients about AI regularly and proactively; 26% do so only when asked. Nicole flagged a missed opportunity to use AI for monitoring legal and regulatory developments, and surfacing insights to clients before they ask. In-house teams lack bandwidth for trend monitoring, and a firm that delivers it earns the kind of stickiness that hourly billing alone does not.

## The Case for Predictability on Billing Models and Legal Spend



*Live poll: Is your firm experimenting with pricing models (flat fee, fixed fee, subscription) for its services?*

The audience was evenly split on whether they are experimenting with alternative pricing. The billable hour makes AI-driven efficiency gains invisible, since clients never see the benefit, and firms get no credit for the investment. Daina noted that Kyowa Kirin's limited litigation volume means the areas where AI is most impactful, like large-scale document review, hardly ever come up, keeping most engagements on traditional hourly arrangements.

Her preferred alternatives are fee caps on predictable matters and success fees on higher-stakes cases, where the firm tracks hours at the traditional rate and the client pays the differential plus a premium if the target outcome is reached.

*"Even if it's going to be a painful number, if you can tell me the number, that helps me. I can plan around it." - Daina Borteck*

Both panelists agreed predictability matters more than the lowest possible figure. Daina reviews outside counsel spend with her general counsel monthly, forecasting 12 months out. An unexpected overage is the hardest scenario to manage internally, regardless of the reason.

### When Selecting Outside Counsel, It's Still About the Lawyer

Both panelists were consistent that in most cases the relationship is with the individual lawyer, not the firm. Credentials are table stakes, and what moves the decision is trust, judgment, and responsiveness, qualities AI tools amplify but cannot substitute for. Nicole vets recommended attorneys through LinkedIn mutual connections, the ACC network, and internal referrals.

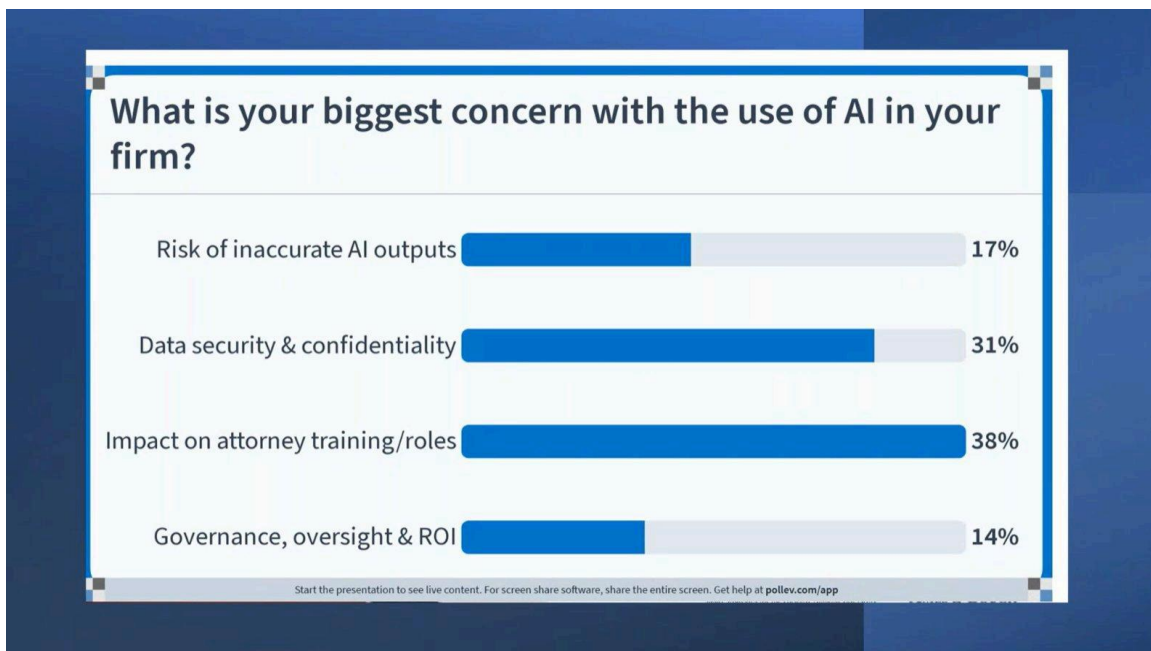
Directories generally do not drive decisions, with Chambers viewed as somewhat more credible given her firsthand experience with their vetting process.

Daina shared two case studies. In one, a long-standing partner at a major firm was visibly disengaged during a call about an emerging tariff and trade matter. A competing firm provided substantive and genuinely engaged guidance including proactive commentary on legislative developments. Unsurprisingly, the new firm won the work.

In the second example, a North Carolina firm began reaching out to Kyowa Kirin when the company announced its first manufacturing facility outside Japan, in the Research Triangle. When the company's North Carolina contacts started questioning whether the large international firm truly understood the local pharma construction market, Daina called the NC firm. They provided free substantive advice and confirmed the existing firm's work was sound, with no undercutting. The NC firm was awarded work as soon as an opportunity arose, and the engagement has since expanded, with work transferring from the international firm at roughly half the hourly rate.

*"The minute we have work for this North Carolina firm, we're giving it to them." - Daina Borteck*

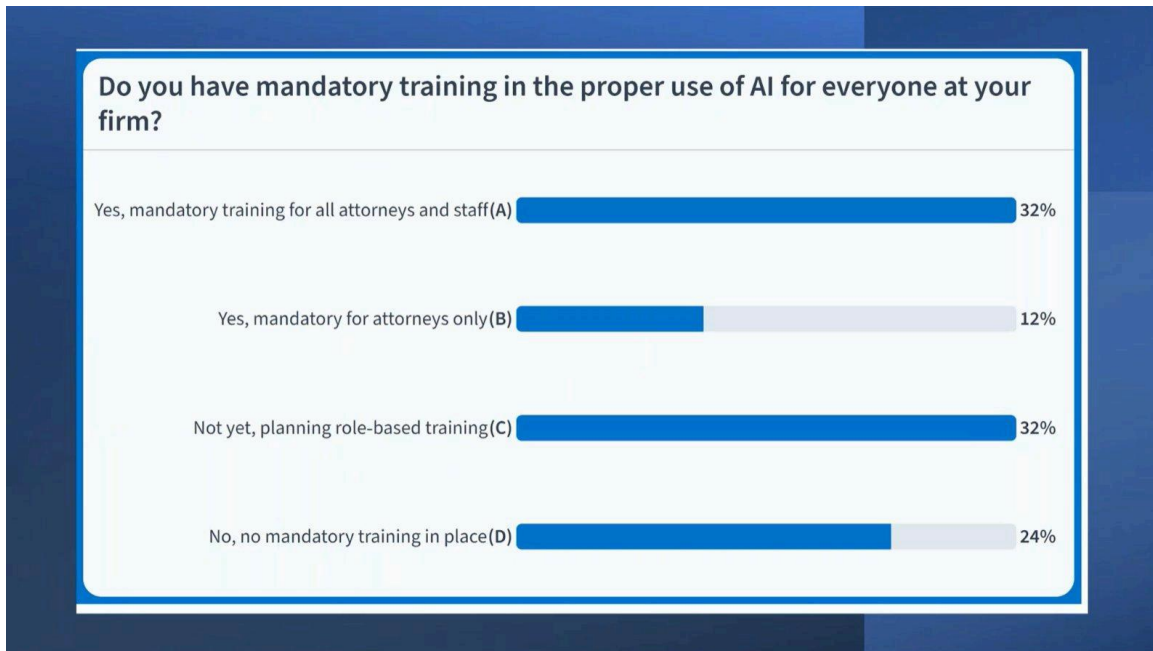
## AI Concerns, Staffing, and the Adoption Curve



*Live poll: What is your biggest concern with the use of AI in your firm?*

Poll data from the companion New York managing partner program revealed a more forward-looking set of concerns than expected. AI impact on attorney training and professional

development topped the list at 38%, ahead of data security and confidentiality at 31%, inaccurate outputs at 17%, and governance and ROI at 14%. The usual near-term concerns were present, but the prominence of the training issue signals that managing partners are already thinking about what it means to develop associates in an AI-assisted environment.

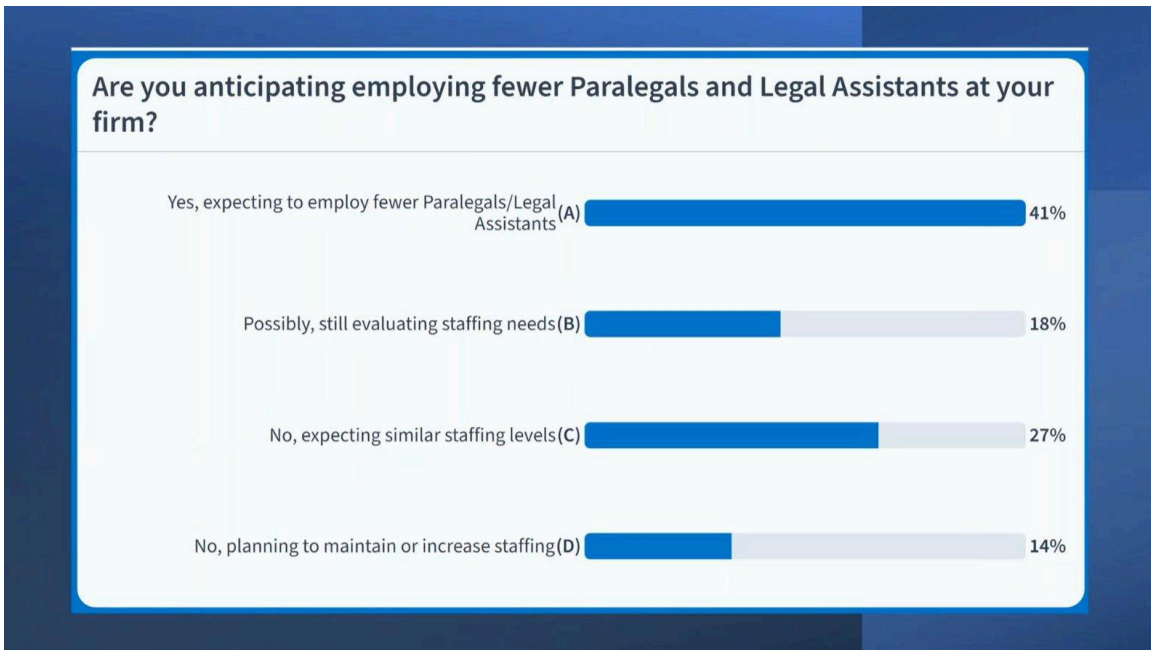


*Live poll: Do you have mandatory training in the proper use of AI for everyone at your firm?*

60% of the New York group reported a written formal policy, but only around half are actively training against it. 32% have mandatory training firm-wide, 12% for attorneys only, 32% are planning role-based training, and 24% have nothing in place.



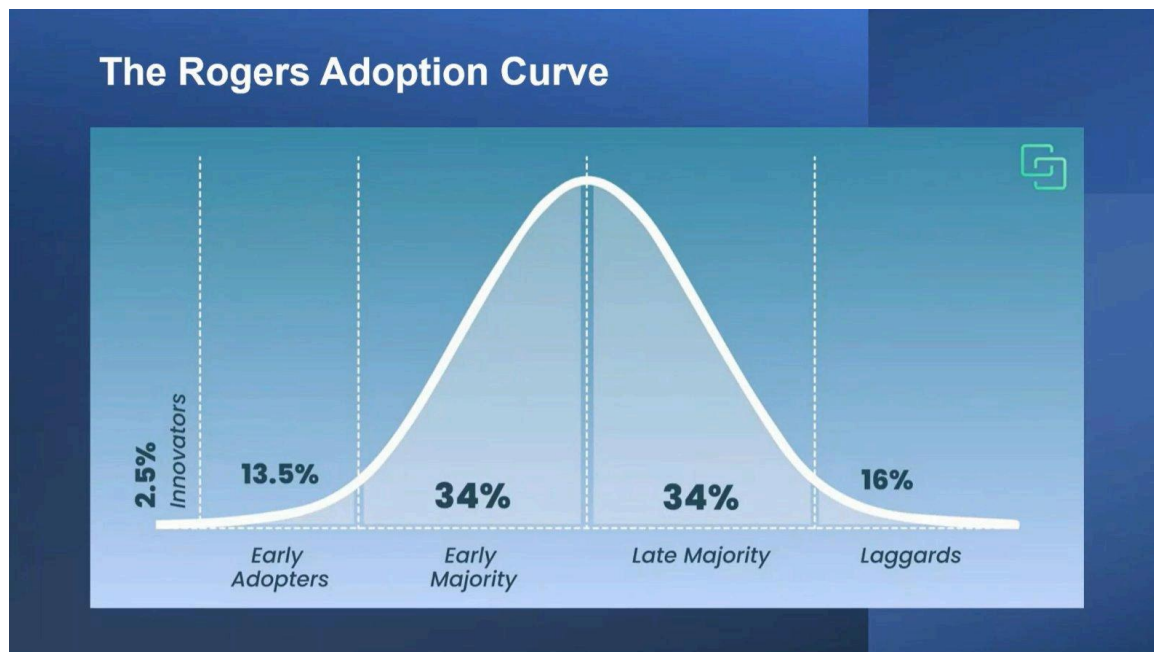
*Live poll: Are you anticipating employing fewer Associates at your firm?*



*Live poll: Are you anticipating employing fewer Paralegals and Legal Assistants at your firm?*

The staffing data produced the session's sharpest numbers. 41% of respondents expect to employ fewer paralegals and legal assistants, with another 18% actively evaluating, suggesting near-term AI impact will fall most heavily on support staff roles. On the topic of associates, only

12% are definitively expecting to hire fewer, but 38% are evaluating, putting the combined uncertainty at 50%.



*The Rogers Adoption Curve, presented to contextualize where the legal profession currently sits relative to other industries.*

John closed by placing the legal profession on the Rogers Adoption Curve, likely between early adopter and early majority, with significant firm-to-firm variance. Firms do not need to be on the bleeding edge, but falling too far behind carries real competitive consequences as client expectations around efficiency, pricing transparency, and proactive communication continue to rise.

# What's a Managing Partner to Do?



- Lean into IT with Strategic Approach
- Provide Training and Support for Your People
- Talk to Your Clients – Each is Different
- Educate Your Partners, Associates and Support Staff
- Experiment with Value-Based Pricing Models



*MPF Guidance - closing summary slide*

**Lean into IT with a strategic approach.** Treat AI adoption as a firm-level initiative, not a practice-group experiment. Firms that govern these tools deliberately will have a meaningful advantage over those that allow ad hoc adoption to define their approach.

**Provide training and support for your people.** Mandatory, structured training for attorneys and support staff alike is a baseline expectation among sophisticated in-house clients. Voluntary self-teaching is not sufficient.

**Talk to your clients,** and recognize that each is different. Initiate conversations about AI use proactively, tailored to each client's preferences and risk tolerance. Do not wait to be asked.

**Experiment with value-based pricing models.** The billable hour leaves both sides without a framework for sharing the benefits of AI investment. Caps, flat fees, and success-fee arrangements create alignment and give clients the predictability they want.

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