



LexFusion's

YEAR IN REVIEW 2023



Happy 2024!

Time to look back,
in order to look ahead.

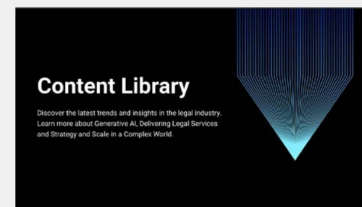
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This is LexFusion's
annual Year in Review.

In [January 2022](#), we explored the culture of innovation (or lack thereof) in legal.

In [January 2023](#), we predicted Generative AI was poised to dominate the conversation (hard to recall now how controversial that was at the time) whether legal was ready or not ([probably not](#)).

Now, in 2024, we are showing our work. We have published our [2500+ item, primary-source appendix](#) for our presentations on GenAI and the economics of the legal market—the final touches on which delayed the publication of this year in review. Soon, we will make public an anonymized version of a red-team memo we wrote for a Global 50 law department.





2023 was another banner year for LexFusion.

Our Year in Brief

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First and Foremost


We lured the fabulous [Christina Wojcik](#) away from Citibank. Christina ran legal tech and innovation initiatives for Citi. At LexFusion, Christina is spearheading our relationships with in-house departments and focusing on transaction tech.

For LexFusion 2023 was filled with more than 2600 meetings, split almost evenly between law departments and law firms. Reflecting the reality that law departments of consequence are more dispersed than law firms of consequence, those meetings comprise 523 unique law departments and 230 unique law firms.

[YEAR IN BRIEF](#) > [GEN AI ROUNDTABLES](#) > [STRATEGY](#)

ALM | LAW.COM

Legaltech news



NEWS


LexFusion Hires Citi's Christina Wojcik in New Managing Director Role

Wojcik will head up the company's Corporate Legal Operations, Commercial Transactions, and Innovation Acceleration Arm, focusing on assisting the company's existing and future members in the transactional space.

September 12, 2023 at 10:25 AM

5 minute read


Legal Technology

 Stephanie Wilkins


On Tuesday, legal tech and innovation accelerator LexFusion announced it has hired legal industry veteran Christina Wojcik as the new Managing Director of its Corporate Legal Operations, Commercial Transactions, and Innovation Acceleration arm.

Christina Wojcik of LexFusion. Courtesy photo


Joseph Borstein



Paul Stoka



Casey Flaherty



Our portfolio of member companies enjoyed similar success.

05

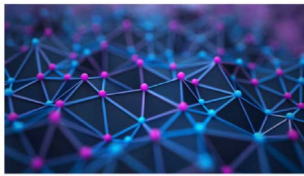
Casetext

Sold to Thomson Reuters for \$650 million cash.

Thomson Reuters buys Casetext, an AI legal tech startup, for \$650M in cash

Kyle Wiggers

@kyle_l_wiggers / 8:39 pm PST • June 26, 2023



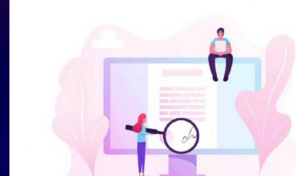
Macro

Raised a \$9.3 million seed round led by Andreessen Horowitz.

Macro raises \$9.3M to layer intelligence on top of digital documents

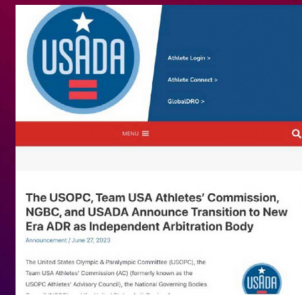
Kyle Wiggers

@kyle_l_wiggers / 6:30 am PST • February 6, 2023



New Era ADR

Secured a strategic investment from the Chicago Cubs a few months after being named the official ADR platform of the United States Olympic & Paralympic Committee.

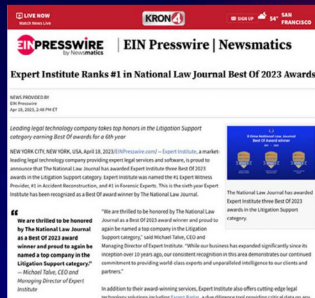


Our portfolio of member companies enjoyed similar success.

06

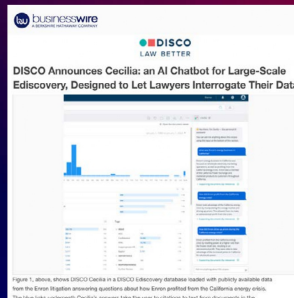
Expert Institute

Ranked #1 in National Law Journal Best Of 2023 Awards*



DISCO

announced Cecilia: an AI Chatbot for Large-Scale eDiscovery, Designed to Let Lawyers Interrogate Their Data*



Insight Optix

Released Evidence Optix® v3.0*



Our portfolio of member companies enjoyed similar success.

Hotshot

The Business Law Section, the M&A Committee and Hotshot expanded their collaboration to help educate even more lawyers.

Hotshot: Mergers & Acquisitions

The Business Law Section, the M&A Committee, and Hotshot Expand Their Collaboration to Help Educate Even More Lawyers

By Ian Nelson | April 24, 2023

For the past few years, the ABA M&A Committee and [LegalEd](#) (a video-based learning platform for lawyers) have worked together to give ABA Business Law Section members access to market-leading, video-based videos on a range of M&A provisions. Now, they've expanded that collaboration to make these videos available for free on the website of the Section's digital publication [Business Law Today](#) to help train and educate even more lawyers.

This collaboration started with an idea by [William Eddy](#), who at the time was chair of the M&A Committee. He wanted to keep the committee on the cutting edge of training and education, add even more value for members, and appeal to the new generation of lawyers and law students. What resulted was an innovative collaboration between the committee, the Business Law Section, and Hotshot.

Together, they created the collection of videos in a range of M&A topics. The videos help lawyers learn about and keep current on important M&A trends, provisions, and concepts, and firms can share in our innovation training programs. The videos also provide insights on data from the M&A Committee's renowned [Private Sector M&A Deal Room Study](#).

"These videos let the committee share practical thought leadership with tens of thousands of business lawyers and, via Hotshot's platform, untold numbers of future members," Chu said.

Agiloft

was named a Leader in 2023 Gartner® Magic Quadrant™ for Contract Life Cycle Management for the Fourth Year in a Row.

PR Newswire

Agiloft Named a Leader in 2023 Gartner® Magic Quadrant™ for Contract Life Cycle Management for the Fourth Year in a Row

Agiloft

FOUR YEARS IN A ROW!

Agiloft Named a Leader in Gartner® Magic Quadrant™ for Contract Life Cycle Management

Agiloft positioned as a leader by Gartner, a company that delivers on scalable, adaptive digital insights to automation and their teams, based on the CLM vendor's ability to facilitate and comprehensive of issue.

RENEWED CITY GALT, IND. (Oct. 25, 2023, 8:00 AM) — **Agiloft**, the global standard in agile contract lifecycle management (CLM), has once again been named a Leader in the 2023 Gartner Magic Quadrant for Contract Life Cycle Management. Gartner evaluated 96 CLM vendors for its 2023 report and recognized Agiloft as a leader for the fourth consecutive year for its Ability to Execute and Comprehensiveness of Vision. A complimentary copy of the report is available.

Factor

and CrowdStrike were named Value Champions by the Association of Corporate Counsel®.

FACTOR

PRESS RELEASE

Association of Corporate Counsel Names Factor & CrowdStrike Value Champions

NEW YORK, FEBRUARY 2, 2023 -- Factor, recently named the [Leading Integrated Solution Provider](#) by the [Financial Times](#), was recognized by the Association of Corporate Counsel (ACC) as a [value champion](#) for their partnership with global cybersecurity leader [CrowdStrike](#). This award arrives just months after Factor's launch of Integrated Law, a new category in legal services.

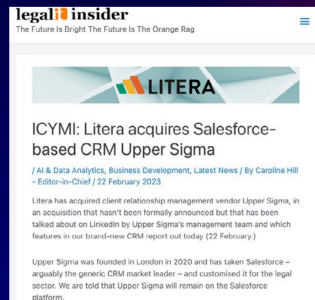
Since 2012, the ACC Value Champions program has highlighted corporate law departments that innovate to optimize legal service delivery. Among other things, the ACC Value Champions program identifies and celebrates

Our portfolio of member companies enjoyed similar success.

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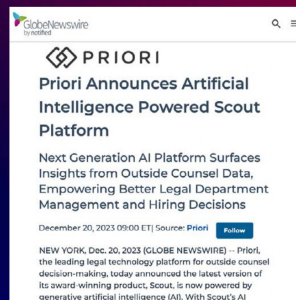
Litera

announced New Generative AI-Powered Capabilities in Kira_



Priori

announced an Artificial Intelligence Powered Scout Platform*





GenAI: How, Not Hype

Wefu invited to an exclusive gathering of year firms


LexFusion is creating a private, in-person session for our friends to convene and candidly share their real-world experiences with Generative AI this fall.

Invite only. Closed door. Chatham House Rule. Happy talk, no hard sell. Practical insights grounded in empirical evidence. No sponsors.

YEAR IN REVIEW 2023

LexFusion also upped the ante on events.

In addition to our normal happy hours, dinners, and sporting events, we convened invite-only discussions under the Chatham House Rule in New York, San Francisco, and London to create a safe space for more than 80 law departments and 80 law firms to share their real-world experience to date deploying Generative AI.



THANK YOU


HAPPY HOUR

Unwind with us over cocktails and light bites.

LONDON
5:30 - 7:30 pm

OCTOBER
25

VENUE: TBD
RSVP: lexfusion.com
Website: happyhour.lexfusion.com





Those GenAI roundtables merit reflection.

We ended our 2022 year in review with both a prediction and a question predicated on our confidence that GenAI would dominate the conversation in 2023:

[2022 Year in Review](#) >

Prediction:

In 2023, 90% of the population will believe AI is capable of generating, near instantly, a legal opinion or contract superior to the work product of 90% of junior lawyers.

Question:

What happens when the CFO hires the reinvigorated [Big Name Consultancy] Digital AI Transformation Team for a top-to-bottom efficiency review and, among many other recommendations with profound implications for the business, the resulting report plays to the CFO's confirmation bias, finding that legal is one of many areas where low-level work can be expeditiously automated—to the point where, in many instances, legal can be bypassed entirely?





GenAI Roundtables

#realtalk.

11 **We were so correct that GenAI would dominate the 2023 conversation that our prediction above seems almost trite in retrospect.**

Easy to forget how many people were dismissing ChatGPT as a novelty at this time last year. They had no idea what was coming. We, however, were trading on insider information.

Through Casetext, we were afforded early access to GPT-4—well before ChatGPT even dropped. Thus, we were in a privileged position to pose as prescient when we penned our GenAI primer PSA: ChatGPT is the trailer, not the movie. We had a front-row seat to law departments and law firms expending real resources to experiment with GPT-4 on real-world use cases.

PSA: ChatGPT is the trailer, not the movie

March 5, 2023

@CasetextEditor

(Event graphic courtesy of LexFusion)**EVENT**

Gen AI's 'Collective Brain Trust' Gathers to Discuss Practical Use Cases and Successes at Invite-only Event

At a recent daylong, closed-door gathering organized by LexFusion, early adopters from top law firms, legal departments and technology providers convened to candidly share real-world gen AI experiences and the practical insights they've gained thus far.

October 12, 2023 at 11:08 AMIT INSIDER READAuthor's backgroundChristopher Williams

We certainly contributed to this noise.

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Since December 2022, we've been presenting regularly on GenAI. Indeed, we've gone through so many iterations of our GenAI presentation that we published our [2000+ item, primary-source, annotated appendix](#). While we frequently lead more mature discussions, the truth is most of our presentations have been 101 level introductions—in order to meet the majority of the audience where they are.

To advance the collective conversation, we ultimately decided to host our own events. Closed door. Invite only. No sponsors. Chatham House Rule.

The criteria for speaking: The organization had to:

- (i) be far enough along in its deployment of GenAI on legal use cases to have real lessons learned and
- (ii) be willing to share their real-world experiences, positive and negative, with a degree specificity sufficient for those lessons learned to be useful to sophisticated peers.

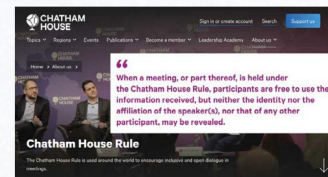
Happy talk and showerthoughts were expressly verboten. As were any 101-level explainers. While presenters could certainly reference legitimate issues like hallucinations, IP, and privacy, they were limited to doing so in the context of decisions they actually made—e.g. we achieved acceptable accuracy by doing X...we did not extend the use case to Y due to privacy challenges we have yet to solve.

We were so strict on quality control we removed multiple law departments and law firms from the agendas when they could not secure the internal clearances to share at the required level of detail. Indeed, beyond welcome messages and housekeeping, LexFusion did not present at our own events because we do not meet the criteria—while we certainly use GenAI in many areas of our business, we do not have our own legal use cases (thankfully).

To advance the collective conversation,
we ultimately decided to host our own
events. Closed door. Invite only.
No sponsors. Chatham House Rule.



Casey Flaherty



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Our September New York event was covered in a wonderful two-part series ([here](#) and [here](#)) by Stephanie Wilkins, Editor in Chief of Legaltech News.

ALM LAWCOM

Legaltech news Law Topics LegalTech Events LegalTech Event Perspectives All Sections

Unveiling
GENERATIVE AI
Experiences

(Event graphic courtesy of LexFusion)

EVENT


Legal Gets Candid About How Gen AI is Actually Being Used

At a recent daylong, closed-door gathering organised by LexFusion "made very clear the extent and variety of active gen AI experimentation across both law firms and law departments," said Jae Um, Founder and Executive Director at SixParsecs.

October 05, 2023 at 12:42 PM

17 minute read

Artificial Intelligence

 Stephanie Wilkins

Dan Hoadley, Head of Data Science & Analytics at Mishcon de Reya, opened his presentation near the end of the day in New York with some extremely kind words he has permitted us to share, "I am so thankful to be here. I have learned more today than I have in the last decade of legaltech conferences, combined." Dan then backed up those words by convincing us to put on the London version in November and convincing his own firm to host.



Dan Hoadley

In between New York and London, our good friend Léo Murgel, SVP & COO of Legal and Corporate Affairs at Salesforce, hosted in San Francisco. Mike Haven, AGC/Head of Legal Operations at Intel and President of CLOC, attended San Francisco and was generous enough to proclaim, "If LexFusion invites you to anything, go."



Léo Murgel

Demand for real talk was high. In fact, we so miscalculated the positive response rate for the first event in New York we had to shut down invites about a third of the way through our Tier 1 invite list—with over half of the 100+ attendees traveling in from out of state. While we grew more deliberate, both London and San Francisco still ended up standing-room only and with waitlists.



GenAI Roundtables

#realresults

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There is a staggering amount of work to be done to realize GenAI's potential, especially in an enterprise environment.

With such special access to law departments and law firms committing real resources to real GenAI deployment, we are often asked to spill secrets about the amazing use cases the most mature organizations have uncovered.

Truth be told, it is pretty boring. Everyone started with the obvious use cases. Because, of course, they did.

Indeed, it is worse than boring, the truth is depressing. Turns out, GenAI is not magic. GenAI represents a legitimate advancement. Ignoring GenAI would be foolish. Failure to start down the GenAI path is a terrible plan. But GenAI is a path, not a teleportation device.

There is a staggering amount of work to be done to realize GenAI's potential, especially in an enterprise environment.

Echoing the prevalent conference patter that long preceded the GenAI hype, the real people doing the real work emphasize the importance of prioritization, planning, scoping, knowledge management, change management, leadership buy-in, data hygiene...that is, all the hard parts that have always been non-negotiable impediments to improvement initiatives.

In short, the roundtable participants explained in a variety of ways that successful deployment of GenAI is dependent on successful projects. Worthwhile projects. Essential projects. But projects just the same.

Projects, however, are problematic. Only 0.5% of projects deliver on time, on budget, and with the expected benefits.*

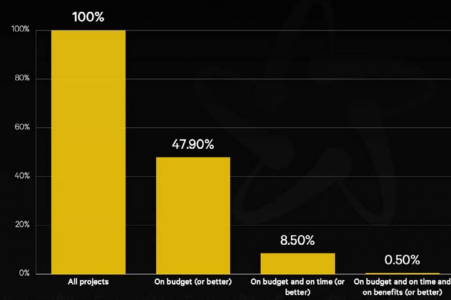
Projects are, in short, unreliable—a concept worth exploring in the context of strategy.

LexFusion



THE IRON LAW OF PROJECT MANAGEMENT:

"Over Budget, Over Time, Under Benefits, Over and Over Again"



STRATEGY

YEAR IN REVIEW 2023

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Strategy

*“Courage is knowing it might
hurt and doing it anyway.
Stupidity is the same.
That’s why life is hard.”**

Jeremy Goldberg

STRATEGY IS SIMILAR.
STRATEGY IS SUBJECT TO
A FUNDAMENTAL TENSION.*



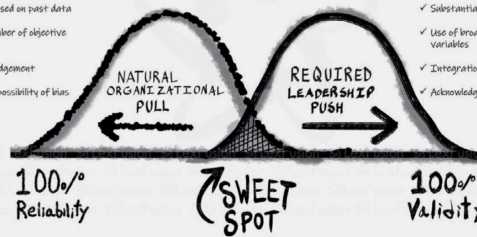
THE FUNDAMENTAL THINKING TENSION IN STRATEGY

RELIABILITY:

- ✓ Production of consistent, replicable outcomes
- ✓ Substantiation based on past data
- ✓ Use of limited number of objective variables
- ✓ Minimization of judgement
- ✓ Avoidance of the possibility of bias

VALIDITY:

- ✓ Production of outcome that meets objectives
- ✓ Substantiation based on future events
- ✓ Use of broad number of diverse variables
- ✓ Integration of judgement
- ✓ Acknowledgement of the reality of bias



Source: Roger L. Martin.
Reliability versus Validity in Strategy.
Medium (July 16, 2021)

Reliability is the production of a consistent, replicable outcomes. Validity is the production of outcomes that achieve strategic objectives. Reliability is essential. But there is constant temptation to confuse reliability with validity due to our impulse to maintain control—setting targets we are confident we can hit. While circumstances may sometimes dictate we focus on reliability (e.g., cost cutting) at the expense of validity (e.g., long-term investment), if that is all we ever do, we are not playing to win—we are only playing to lose more slowly.

Validity requires placing bets—trafficking in the probabilities, not certainties, that can deliver valid outcomes. While all bets entail risk, some bets are sounder than others. But all bets must contend with the frustrations intrinsic to our VUCA (volatile, uncertain, complex, ambiguous) operating environment, which confounds our capacity to accurately calculate our odds. Win probabilities must not only incorporate our internal ability to execute but also external factors we may be able to influence but can never control. Independent decisions by customers, competitors, and regulators complicates strategic choices, and make them all the more important.

Indeed, strategy is choice.

18 Strategy constitutes a set of interrelated choices that uniquely position an organization to win by creating sustainable advantage and superior value relative to the competition.*



The possibility of winning, however, necessarily implies the possibility of losing.

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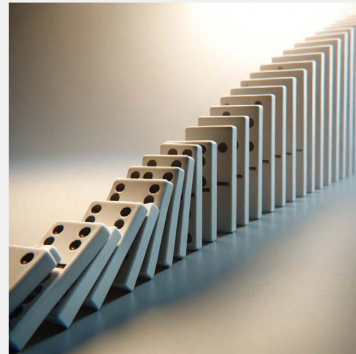
And we are inherently loss averse. Loss aversion activates skepticism. Skepticism makes easy work of uncertainty. Wherever there is uncertainty, there is judgment. Judgment is, by definition, open to legitimate challenge. Since nothing truly innovative can be proven in advance analytically, the risks of being wrong are real, and recognizable. Loss aversion therefore biases us towards the status quo.

Being the default, the status quo is often exempted from the extreme scrutiny to which change is subjected. Yet maintaining the status quo is as much a strategic choice as any other. It just does not feel that way because succumbing to inertia is less energy intensive. But risk-free, trade-off-free options do not exist, and will not be surfaced by process of elimination. Meanwhile, short-term is easy often becomes long-term hard because strategic choices are circumscribed by positioning—every day, every development, and every decision further constrains the spectrum of strategic choice.

We believe the era of stability—where maintaining the status quo to maximum possible degree was the safest bet—is over. Change is risky. But not changing is riskier. Generative AI is an accelerant of structural trends that were already laying bare the limits of the existing operating models.

Within this context, it merits revisiting the definition of a project:

Projects involve a series of planned activities designed to generate a deliverable (a product, a service, an event). These activities—which can be anything from a grand strategic initiative to a small program of change—are limited in time. They have a clear start and end; they require an investment, in the form of capital and human resources; and they are designed to create predetermined forms of value, impact, and benefits. Every project has elements that are unique. **That's key: Each contains something that has not been done before.**



Projects are exercises in pursuing strategic validity. But they come at the cost of reliability.

20 We should have empathy for those whose practical assessment of how politics and resource availability lead them to conclude their strategic options are limited. They are probably right. They are simply in no position to attempt that which has not been done before. For a prime example, read our red-team memo to a Global 50 law department.

The era of stability is ending. Unprecedented opportunities abound for those positioned and prepared to seize them. But hard choices will be even more abundant, and unavoidable—whether we are prepared or not.



Winning requires knowing you might
be wrong and proceeding anyway.
Losing is the same.

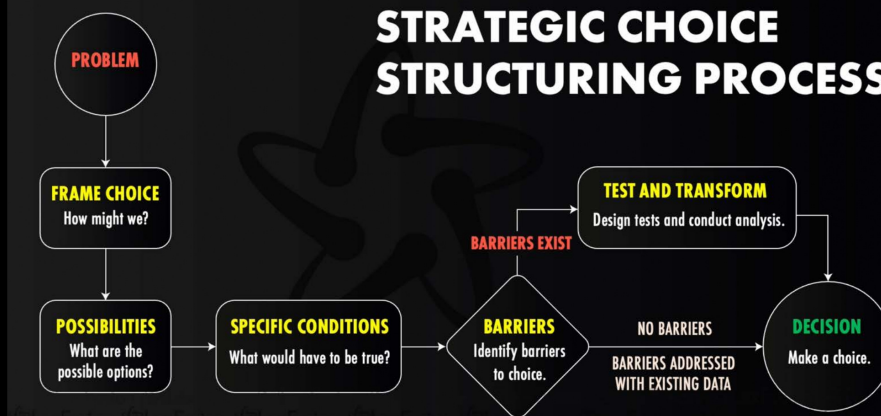
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That's why
strategy is hard.



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STRATEGIC CHOICE STRUCTURING PROCESS



Source: Roger L. Martin, Strategy & Design Thinking Medium (Dec 14, 2020)

