

# AI Roundtable



## AI Roundtable 1: Client Needs & Expectations

Session Notes

**Date:** 25 March 2026

**Format:** Hybrid (In person / Teams)

**Duration:** 2 hours

**Led by:** PSFI – Gareth John, Alastair Mitchell

**Status:** Confidential – for circulation within the roundtable group only (Chatham House Rules)

## 1. Introduction and Objectives

This session represented the first thematic roundtable in the PSFI AI series, following the January 2026 kick-off meeting.

The objectives of the session were to explore client needs, expectations, and concerns relating to AI enabled legal services, and to explore how these align with current law firm strategies and capabilities.

The discussion was informed by:

- A PSFI survey of General Counsel (UK and Germany)
- A client-side perspective from Kirin Kalsi, General Counsel at E.ON UK
- Experiences and reflections from law firm participants across innovation, pricing, legal operational, technology, and business development functions

The session was intended as an open, exploratory discussion, focusing on behaviours, expectations, potential trade-offs, and implications rather than on specific tools or vendors.

## 2. Client Value Proposition: Outputs Over Inputs

A core and recurring theme throughout the discussion was that AI does not change what clients fundamentally value from their external legal advisers.

Clients consistently prioritise:

- Accuracy and quality of legal advice
- Commercial relevance and strategic insight
- Timely delivery and responsiveness
- Confidence in professional judgement and accountability

The client survey and perspectives of our guest speaker, together with participants' perspectives emphasised that clients are not buying inputs - such as lawyer time, research effort, or even "shiny new AI tools" - they are buying valuable outputs for their business. These outputs include improved accuracy, cost efficiency, speed, and ultimately strategic advantage.

AI is therefore seen as:

- A means of enabling a more optimised delivery model
- Not the end product in itself

This reinforced the view that AI amplifies existing value drivers rather than replacing them, and that fundamentals of client value remain unchanged despite rapid technological innovation.

### 3. Accuracy, Risk Management and Human Oversight

There was strong consensus that human oversight (“Human in the loop”) remains essential when AI is used in legal service delivery.

Clients recognise that:

- AI systems can make mistakes
- Human lawyers also make mistakes

The key concern is not whether AI may make mistakes — which both technology and humans inevitably do — but how those risks are managed, overseen and governed.

Clients expect law firms to:

- Clearly explain where and how AI is used
- Retain responsibility for outputs
- Apply appropriate levels of review (e.g. spot-checking vs full review)

Transparency was viewed as especially important in maintaining trust, particularly where:

- AI is applied at scale
- Outputs inform commercial or strategic decision making

Managing client expectations around AI accuracy was identified as a critical capability for law firms.

### 4. Pricing, Value and Changing Commercial Models

The discussion highlighted increasing tension between AI enabled delivery models and traditional hourly billing structures.

Key client perspectives included:

- Limited interest in internal law firm cost structures
- Limited interest in how time savings are achieved

Instead, clients focus on:

- The value of the output
- Speed of delivery
- Risk reduction
- Quality of insight

General Counsel, often working closely with CFOs, are naturally focused on cost efficiencies, particularly for routine, repetitive and high-volume matters. However, participants noted that cost is not the only driver.

Clients value:

- Honesty and openness about how AI is being used
- Clear articulation of the value delivered to their business
- A reasonable, pragmatic conversation on fee models, rather than price pressure alone

It was also noted that:

- Faster delivery may increase, rather than reduce, value
- On time sensitive matters, clients may be willing to pay a premium for speed

Offering choice and optionality was seen as important, for example:

- Fully human, traditional review
- AI assisted delivery with defined oversight
- Lower cost or self-serve solutions where risk tolerance allows

There was broad recognition that pricing models will need to evolve, even if hourly rates continue to play a role in the short term.

## 5. Variation in Client Readiness and Expectation

Participants emphasised the wide variance in client readiness and appetite for AI-enabled legal services, ranging from:

- Explicit resistance to AI use
- Cautious curiosity and reassurance seeking
- Active experimentation
- Desire for collaboration and co-development

Some clients expressed a clear preference that AI should not be used for certain types of work, reinforcing the importance of early, explicit conversations around scope, approach, and acceptable use.

This diversity reinforces the need for:

- Thoughtful client segmentation
- Clear expectation setting
- Alignment between client risk appetite and firm delivery model

## 6. Areas of Work Where AI Is Trusted

Survey findings and discussion aligned closely on where AI is currently trusted, including:

- High-volume, repeatable work
- Standard queries and standard contracting
- Contract review and diligence
- Knowledge management and document analysis
- Internal triage and prioritisation

Clients are more cautious regarding:

- Bespoke, high-risk matters
- Areas requiring complex legal judgement (e.g. tax, pensions)
- Situations requiring regulator level explainability

Trust was seen as incremental, with lower risk use cases often serving as entry points to broader adoption. Participants agreed that if firms wish to deploy AI in higher value, high-risk areas, they will need to:

- Build confidence in accuracy and reliability
- Clearly articulate governance and human oversight
- Accept that this remains a choice for both the firm and the client

## 7. Product Development and the Trusted Advisor Relationship

Participants shared a mixed experience with legal tech product development.

Standalone products have often:

- Had limited revenue impact
- Proven difficult to scale commercially

However, products can:

- Act as gateways to deeper engagement
- Strengthen client relationships
- Support positioning as an innovative adviser

There was broad agreement that:

- Clients primarily value advice, judgement, and accountability
- Law firms are not perceived as software vendors
- AI is most effective when embedded within legal services

Emerging interest includes:

- Workflow based collaboration
- Retainer or package models for commoditised services
- Clear risk transfer mechanics where clients self-serve

## 8. Measuring Impact, ROI and KPIs

Measuring AI impact remains challenging, particularly for in-house legal teams.

Common constraints include:

- Lack of historic baselines
- Absence of time recording
- Difficulty isolating AI specific impact

Indicators currently used include:

- Turnaround time
- Reduction in low value work being undertaken
- Ability to focus on higher judgement activities
- Team workload and wellbeing metrics

Anecdotal examples were widely recognised as powerful, particularly in:

- Internal communications
- Board level reporting

Participants acknowledged that qualitative evidence may remain central to AI ROI narratives in the short term.

## 9. People, Culture and Behavioural Change

Strong consensus emerged that AI adoption is fundamentally a people and cultural challenge, rather than a purely technical one.

Barriers include:

- Habitual ways of working
- Fear of erosion of professional value
- Incentive structures tied to billable time

It was also noted that in-house legal teams and private practice lawyers face many of the same challenges, including:

- Skills development
- Confidence in using AI tools
- Navigating uncertainty and pace of change

This shared experience presents an opportunity for greater collaboration between firms and clients, particularly around learning, experimentation and capability building.

## 10. Training, Skills Development and Capability Building

Law firms described layered training approaches covering:

- AI fundamentals and ethics
- Tool-specific usage
- Critical human skills (verification, judgement, communication, project management)

Clients expressed strong interest in:

- Learning from law firm experience
- Being involved in experimentation
- Joint demonstrations and training sessions

Given the uncertainty and rapid evolution of legal AI, participants noted that a collaborative mindset with clients — particularly around access to tools, training, and shared learning — is likely to:

- Land well with clients
- Build credibility and trust
- Pay dividends longer term

Such collaboration was seen as a way of shifting the client relationship from transactional to more strategic, strengthening the trusted adviser role.

## 11. Implications for Future Lawyers and Firm Structures

Participants acknowledged that future lawyers will:

- Enter practice already familiar with AI
- Expect more advanced capabilities
- Hold different assumptions about value creation

This raises strategic implications for:

- Training pathways
- Practice group structures
- Talent development and progression models

It was noted that inhouse teams and law firms should share responsibility for shaping future legal capability.

## 12. Strategic Observations and Unresolved Questions

Key observations included:

- A meaningful gap remains between AI aspiration and operational reality
- Transparent, early client conversations are essential
- Clear articulation of a firm's AI value proposition is increasingly important

Clients expect law firms to provide a clear, confident narrative on:

- Data security
- Human oversight
- How AI systems are developed, tested and monitored

Participants stressed that this narrative must be:

- Clear and consistent
- Well understood at all levels of the organisation
- Reflected in both client conversations and matter delivery

Open questions for future exploration include:

- How client expectations will evolve over the next 3–5 years
- How law firms balance standardisation with client specific preferences on AI use
- How the trusted adviser role continues to develop in an AI enabled environment

## Attendees

### Firm

Arthur Cox  
Burgess Salmon  
CMS Germany  
Deep Human Science  
Dentons Europe  
DLA Piper  
Eon  
Freshfields  
Graf von Westphalen  
GSK  
Osborne Clarke  
  
Russell McVeagh  
Slaughter & May  
Travers Smith  
PSFI

### Name

Mairéad Duncan-Jones, Rachel Hussey, Jennifer Ward  
Alasdair Hibberd, Austin Milne  
Harmut Papenthin, Benjamin Luckmann  
Madeleine Bernhardt  
Bretislav Simral  
Terry Fedigan  
Kirin Kalsi  
John O'Donoghue, Gerrit Beckhaus, Marina Ralf  
Ava A. Moussavi  
Jochen Hoerlin, Katy Ritzmann  
Sally Kim, Gabriela Olmos, Jamie Wallis, Rachel  
Hawkins  
Sunil Patel  
Richard Smith  
Oliver Bethell  
Ori Wiener, Gareth John, Alastair Mitchell, Ebba Bahl

*All supporting materials associated with this session, including slides and referenced resources, will be available via the website access link circulated to participants.*



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