Calculating Time Savings and ROI of Legal AI Solutions

eve

Introduction

The adoption of artificial intelligence (AI) has been rising across the legal sector since early 2023. Law firms are increasingly reliant on AI tools to enhance workflows, streamline processes, and improve efficiency. AI offers significant benefits, including automating repetitive tasks, improving document review accuracy, and expediting case resolutions. For example, labor and employment attorneys can use AI to help draft key documents such as EEOC claims and assist with litigation, including propounding and responding to discovery quickly.

Despite these advantages, quantifying the time savings and return on investment (ROI) from AI poses a challenge for legal departments and law firms. Evaluating AI tools involves assessing efficiency, accuracy, and productivity improvements in legal work areas such as document drafting, legal research, discovery management, and automating routine administrative tasks.

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Chapter 1: How AI Transforms Legal Workflow

As the legal industry evolves, firms face pressure to do more with less. Traditional workflows involve repetitive, time-consuming tasks that drain resources and slow productivity. Firms need efficient systems to maintain profitability and meet client demands.

General Inefficiencies in Traditional Workflows

Traditional legal workflows encompass numerous tasks that consume valuable time and resources, impacting overall efficiency. While essential, these processes often detract from more strategic and high-value activities.

- **Client Intake, Case Evaluations, and Data Entry -** Time-consuming tasks that divert focus from strategic legal work.
- **Legal Research -** A resource-intensive process requiring extensive review of case law and legal literature.
- **Document Drafting and Review -** Critical processes can slow case progress and increase the risk of errors.

- **Managing and Analyzing Litigation Information -** Overwhelming volume of tasks without the right tools to manage and keep one source of truth, leading to potential delays and oversights.
- **Routine Administrative Task -** Scheduling and invoicing add to the workload, taking time away from substantive legal work.
- **Fragmented Case Management Systems -** Disjointed systems create inefficiencies, complicating progress tracking, deadline management, and team collaboration, impacting productivity and profitability.

These challenges underscore the need for more efficient solutions to automate routine tasks, provide quicker access to relevant information, and integrate fragmented systems.

Role of AI in Streamlining Processes

AI tools mitigate these challenges by automating routine tasks, providing quicker access to information, and lightening the workload for legal professionals. Here are just some of the ways AI transforms workflows and tasks, and the extent of its impact:

Manual Task	AI Capability
Document Review and Drafting	Automates drafting of employment contracts, ensuring accuracy and compliance.
Client Intake and Initial Evaluations	Automates intake processes, efficiently handling and summarizing client information.
Data Entry	Automates repetitive data entry tasks, reducing time and effort.

Manual Task	AI Capability
Administrative Tasks	Manages scheduling, billing, and routine correspondence automatically.
Discovery Process	Rapidly sifts through large volumes of data to identify relevant information.
Legal Research	Quickly provides relevant case law and statutes, aiding in higher-level analysis.
Case Management	Integrates various systems into a cohesive platform for better tracking and collaboration.
Communication	Enhances communication tools to reduce misunderstandings and delays.

Implementing AI in legal processes is crucial for competitiveness in an increasingly technology-driven industry. AI enhances operational efficiency, allowing legal professionals to focus on higher-value activities such as advising clients and developing case strategies. This transformation leads to improved accuracy, faster turnaround times, reduced operational costs, and ultimately boosts profitability. Adopting AI helps law firms meet client expectations, enhance service delivery, and stay ahead in a rapidly evolving landscape.

Chapter 2: Calculating Time Savings

Measuring AI's time savings is essential to understanding its impact on legal workflows and the firm's ROI. Law firms need to calculate the time spent on tasks with and without AI to quantify efficiency gains.

Calculating Time Savings

You don't need to do anything advanced to assess AI's impact on your workflows accurately. Track the time spent on tasks before and after integrating AI tools to reveal efficiency gains and highlight where AI adds the most value.

Here's the basic formula:

> **Time Savings (TS) = Current Time Spent - Time Spent Using AI**

Using this simple formula, you can quantify AI's efficiency improvements and identify the areas where AI contributes the most to your workflow enhancements.

Example Calculation:

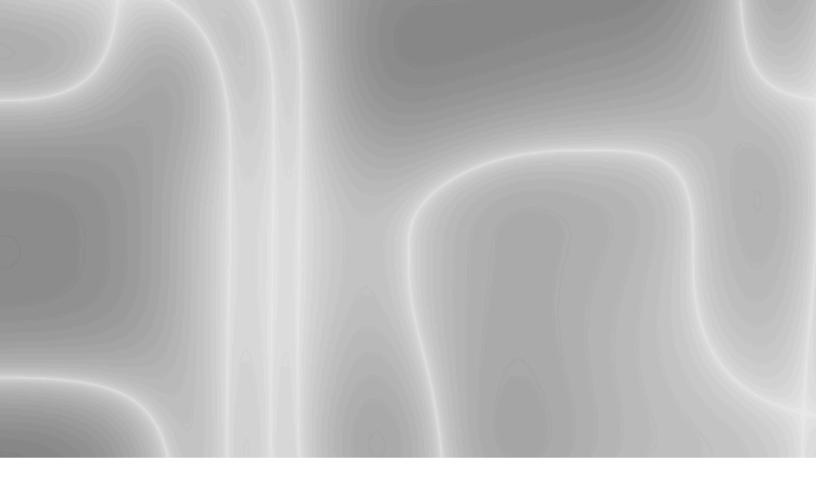| Task: Drafting an EEOC Charge	
Current Time Spent:	2 hours (120 minutes)
Time Spent Using AI:	30 minutes
Time Savings:	**90 minutes** (120 - 30)

Summing Up Time Savings

To get a total time savings per case, you can sum up the time saved across all relevant tasks. For example, if you use AI to help with a case that involves drafting an EEOC charge, intake and evaluation, and discovery:

- Drafting an EEOC charge: 90 minutes saved
- Intake and Evaluation: 50 minutes saved
- Discovery: 300 minutes saved
- **Total Time Savings** = 90 minutes + 50 minutes + 300 minutes = **440 minutes (7 hours and 20 minutes)**

Adding these up lets you see the cumulative time savings for a single case. Optionally, you can multiply this by the total number of cases you take in a year to get your yearly value (and calculate the annual ROI in the next step).

Chapter 3: Calculating the ROI

To calculate the ROI of the AI tools, we'll simply divide the value generated by the cost of your tools. Take the total time savings and multiply by your average hourly rate. Even for lawyers who don't charge by the hour, apply the general value of an hour of your work.

> **Total Time Savings X Hourly Rate ($) = Total Value of AI ($)**

Now divide that Total Value of AI by the total cost of your AI for the case.

> **Total Value of AI ($) / Total Cost of AI per Case = ROI of AI**

If your AI tools are billed monthly or yearly, calculate your total time savings for the year by multiplying the time savings per case by the number of cases you handle per month or year. Then, divide the total yearly (or monthly) value by the AI's yearly (or monthly) cost.

Step-by-Step Guide for Law Firms

1. **Track Time Savings for Specific Tasks**
   - Identify the tasks where the AI tool saves time and record the time saved. This involves monitoring how long tasks take to complete without AI and comparing it to the time taken with AI assistance.
2. **Multiply Time Saved by the Number of Cases per Year**
   - Determine how often these tasks are performed annually and multiply the time saved per task by the number of cases. This provides an aggregate measure of time savings over a year.
3. **Calculate the Average Cost of Time Saved Based on Hourly Rates**
   - Multiply the total time saved by the average hourly rate of the legal professionals performing these tasks. This gives the time saved a monetary value.
4. **Determine the Cost of the AI Solution**
   - Identify the annual fee for using the AI tool, including any subscription or maintenance costs. Let's stick with a single yearly cost (usually based on the number of cases or users). If providers charge a setup fee, note this as an exception.
5. **Calculate Final ROI**
   - Use the formula to find the ROI, comparing the net savings to the total investment.

Distribution of Work

It is important to note that while AI can significantly reduce the time spent on certain tasks, it will never replace human effort entirely. Instead, AI can front-load many tasks, allowing legal professionals to focus on more complex and strategic work. The distribution of work can be viewed as a collaboration between AI and human effort.

For example, if an AI solution can automate 85% of the summarization of intake calls, the user completes the remaining 15% of the task by reviewing and finalizing the notes and deciding which cases to take.

Factors to Consider When Calculating Value

The complexity and frequency of tasks automated by AI significantly impact ROI. Complex tasks yield higher savings due to the greater time and effort required, while frequently performed tasks result in higher cumulative time savings. Additionally, the more you leverage AI and optimize processes, the more value you capture. If AI initially achieves 50% efficiency, with time and education, it could reach 75% on subsequent attempts.

Chapter 4: How Eve Saves Time for Legal Practices

Eve saves time across various legal tasks, enhancing efficiency and allowing legal professionals to focus on higher-value activities. Law firms can streamline critical tasks by integrating AI into their workflows and experience substantial time savings.

Task	Time before Eve	Time with Eve	Work Distribution
Discovery Responses and Objections	8-10 hours	45 - 60 minutes	90% Eve, 10% User
Propounding Discovery	2-4 hours	2-3 hours	30% Eve, 70% User
Analyzing Responses to Discovery	5-7 hours	1-2 hours	90% Eve, 10% User
Drafting Good Faith Letters	5-7 hours	1-2 hours	30% Eve, 70% User

Task	Time before Eve	Time with Eve	Work Distribution
Intake Question Brainstorming	1-2 hours	15 minutes	90% Eve, 10% User
Intake Call, Intake Form, and Email Summarization	3-4 hours	15-30 minutes	80% Eve, 20% User
Drafting Demand Letters	1-2 hours	45 minutes	90% Eve, 10% User
Drafting Complaints	1-2 hours	45 minutes	75% Eve, 25% User
Mediation Statements	4-5 hours	1.5 hours	75% Eve, 25% User
Motion Responses	10-20 hours	10-15 hours	50% Eve, 50% User

Eve significantly saves time and increases efficiency across various legal tasks. Here are a few real-world examples demonstrating Eve's transformative impact:

Intake Process Improvement

"With Eve, we automated the intake process and increased our case intake capacity by **20**% without expanding headcount."
EJ Archuleta, Archuleta Law Firm

Document Review and Drafting

"We uploaded nearly 300 pages of documents, and Eve produced a **90**% complete draft in less than five minutes, a task that typically takes over three hours."
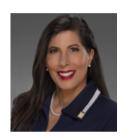**Joseph Emmerth, Emmerth Divorce Law**

"Eve reduced the time required for drafting and research by **35%,** improving our work quality and client satisfaction."
Mike Smith, Smith Barid LLC

Discovery and Research

"Tasks that typically fell by the wayside are now completed in minutes, dramatically enhancing our productivity. Our response time for discovery has been reduced from **10-20** hours to just **30-45** minutes."
Amanda Farahany, Barrett & Farahany

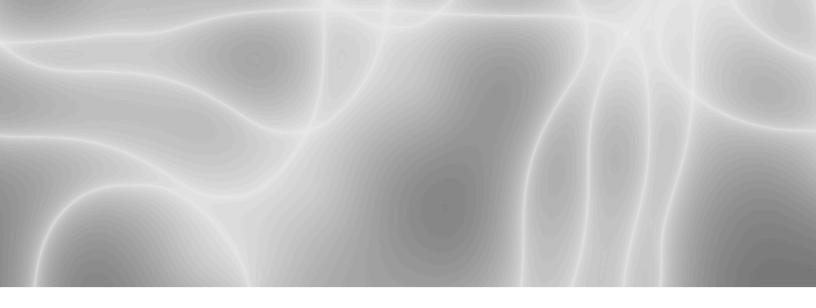## Overall Efficiency and Productivity

"Eve gives my firm a competitive advantage...We can do 5 times more work in the same timespan. What would be several days of work, we now complete in **45** minutes."
Manny Starr, Frontier Law Center

These case studies show how Eve empowers legal professionals to optimize their time management, enhance productivity, and elevate the overall quality of their work.

Conclusion - Augmenting Legal Skills through AI

AI solutions, including Eve, streamline legal tasks and save significant time. Calculating time savings and ROI helps firms fully appreciate these tools' benefits. The goal is to reduce time spent on routine tasks, allowing a greater focus on higher-value work and better client outcomes.

Eve enhances your firm's capabilities, enabling you to handle more matters without adding headcount. Completing days of work in just 45 minutes and increasing case intake capacity while maintaining the same staff. Eve tailors to your case lifecycle, providing tools to generate and respond to detailed discovery requests using key case facts, letting your team focus on strategic legal work and boosting efficiency.

Use the provided ROI calculation resource to evaluate Eve's impact on your practice. Contact us for a demo or more information on how Eve can enhance your firm's efficiency and competitive advantage.

Ready to explore generative AI for your firm?

Book a demo with Eve