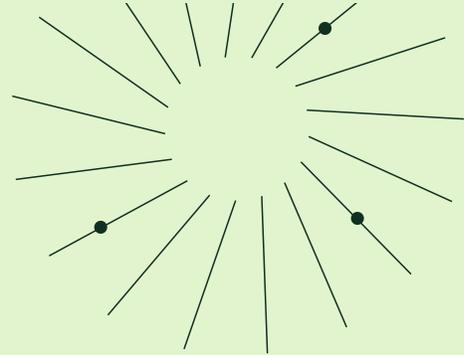


# AI success metrics: Best practice guide

A guide to measuring the full strategic value of your AI adoption journey



This guide provides practical frameworks and real-world examples for measuring AI success across all dimensions of legal department value. Use this alongside the [AI Success Metrics Worksheet](#) to design a measurement approach that demonstrates how AI transforms your department's strategic impact beyond efficiency gains.

## Introduction

Most legal departments measure AI success through efficiency gains in terms of time saved and costs reduced. While these metrics matter, focusing solely on what AI can help to reduce may create a risky narrative, inviting budget cuts: if AI reduces 25% of effort, leadership may conclude they can cut 25% of budget.

AI's true value lies in how it transforms your department's strategic impact across quality, risk management, and business enablement. Connecting your AI goals and measurement to business value is essential to protecting resources while elevating the strategic value of legal within your business.

The best practice guide and worksheet will help you:

- Understand why efficiency-only metrics put your department at risk
- Select AI success metrics that showcase the value add across the business as well as the efficiencies gained
- Choose metrics that tell your strategic story to each stakeholder audience – including three quick-start metrics
- Build a measurement approach that positions legal as a strategic business partner
- Start with practical proxies rather than waiting for perfect systems

## Connecting AI metrics to the Four Spinning Plates Framework

For many legal departments starting out on their AI adoption journey, the primary focus is on efficiency gains, with goals such as:

- Automate routine tasks to save time
- Reduce external counsel spend to save money
- Accelerate processes to reduce how long it takes

These efficiency gains are truly important at a time when the volume, pace, and complexity of work facing legal departments is growing, but they should be considered enablers of strategic impact, not endpoints.

When the success of your AI journey is only told through the lens of what it can help you to reduce, you risk inviting budget cuts. But if you can tell a bigger story of how this efficiency allows you to deliver greater value back to the business, that is a better conversation and one that positions legal as a true strategic enabler to the business.

Legal departments serve their businesses across four critical areas of accountability, as seen in our [Four Spinning Plates](#) model. AI has the potential to enhance performance across all four areas but only if you set and connect clear goals aligned to all four plates and then measure and communicate that full impact.

Here's how AI adoption could impact each of the other four plates:

**Efficiency**

- Automate routine tasks to save time
- Reduce external counsel spend to save money
- Accelerate processes to reduce how long it takes

**Effective**

- Improve quality of legal work through more thorough analysis, greater consistency, and fewer errors
- Enhance team capability by freeing time for strategic work, reducing burnout, and enabling skill development
- Improve stakeholder experience through faster responsiveness, more practical advice, and a better understanding of the business context

**Protect**

- Identify risks faster and more comprehensively across contract portfolios, regulatory changes, and compliance coverage
- "Enable more thorough protection without requiring proportional increases in resources
- Shift legal to be proactive rather than reactive in risk management

**Enable**

- Accelerate business velocity by speeding up deal cycles, contract approvals, and regulatory guidance
- Free up team time to build relationships, provide strategic counsel, and support business growth initiatives
- Position legal as a true strategic advisor to the business

**Real-world examples: expanding your AI narrative**

The difference between efficiency-only metrics and more holistic metrics fundamentally changes how the legal department is perceived and valued. These examples show what this looks like in practice.

**Example 1: Document review in M&A due diligence**

Efficiency-only narrative:	Holistic narrative:	What This Demonstrates:
<p>"Using AI, we reviewed 1,000 documents in two days instead of two weeks, saving approximately 80 hours of lawyer time and \$15,000 in potential external counsel costs."</p>	<p>"Using AI, we reviewed 1,000 documents in two days and identified the 5% with meaningful risk exposure—specifically flagging non-standard indemnification clauses that could have exposed the company to significant liability.</p>	<p><b>Efficient:</b> Time and cost savings</p>
	<p>We delivered this risk-ranked analysis to business leaders 10 days faster than previously possible, enabling them to move into negotiation with full visibility into potential issues.</p>	<p><b>Effective:</b> Quality analysis, stakeholder satisfaction with responsiveness and insight</p>
	<p>The time savings also allowed our team to provide deeper analysis on the high-risk items and work with procurement to update our contract templates, preventing similar issues in future agreements."</p>	<p><b>Protect:</b> Risk identification and prevention</p>
		<p><b>Enable:</b> Faster business decisions, proactive improvement</p>

**Example 2: Analyzing existing contract portfolio for risk**

Efficiency-only narrative:	Holistic narrative:	What This Demonstrates:
<p>"We used AI to analyze our portfolio of 5,000 existing contracts in a matter of hours—work that would have taken months to complete manually."</p>	<p>"We used AI to analyze 5,000 existing contracts and identified 200 agreements with problematic indemnification clauses that exposed the company to potential liability.</p> <p>We created a risk-ranked action plan and worked systematically through amendments with counterparties, reducing our risk exposure significantly.</p> <p>The comprehensive visibility we gained also informed our updated contract playbook and templates, preventing these issues in future negotiations. Business stakeholders specifically praised the thorough, proactive approach—noting it gave them confidence in our risk management."</p>	<p><b>Efficient:</b> Speed of analysis</p> <p><b>Effective:</b> Risk identification, exposure reduction, proactive management</p> <p><b>Protect:</b> Comprehensive approach, stakeholder confidence</p> <p><b>Enable:</b> Template improvements preventing future issues</p>

**Example 3: Regulatory change monitoring**

Efficiency-only narrative:	Holistic narrative:	What This Demonstrates:
<p>"AI now monitors regulatory changes across 50 jurisdictions automatically, eliminating the need for manual research and tracking."</p>	<p>"AI monitors regulatory changes across 50 jurisdictions and alerts us to relevant developments with 60-day advance notice.</p> <p>In the past quarter, we identified 12 regulatory changes requiring action and provided business units with plain-language impact assessments and recommended responses. This proactive guidance allowed the business to adjust product roadmaps and compliance processes well before deadlines, avoiding the fire drills and last-minute scrambles that previously characterized our regulatory response.</p> <p>Business leaders now view legal as ahead of the curve rather than scrambling to keep up."</p>	<p><b>Efficient:</b> Automation of monitoring</p> <p><b>Effective:</b> Early identification of regulatory risk</p> <p><b>Protect:</b> Clear, practical guidance; business understanding</p> <p><b>Enable:</b> Proactive positioning, strategic planning support</p>

## The critical question: How do you reinvest your efficiency gains?

In each previous example, the efficiency gain was the starting point but the strategic value came from how that freed-up time and capacity was redeployed. This is one of the most important decisions to make in your AI journey:

### **What will you do with the time, energy, and resources that AI frees up?**

Efficiency alone isn't the goal; it's the fuel for transformation. Without a clear plan for reinvesting efficiency gains, you risk losing those resources to budget cuts rather than converting them into strategic value.

Here are ways legal departments may strategically reinvest their efficiency gains through AI adoption:

#### **Skills development and capability building**

Use freed-up time for training, learning new areas of law or business, developing expertise that increases your team's strategic value.

How might enhanced capabilities position your department differently in the organization?

#### **Relationship building across the business**

Invest in understanding stakeholders' priorities, building trust with business leaders, and establishing yourself as a go-to resource before crises arise.

When business leaders already know and trust your team, how does that change your ability to influence decisions?

#### **Higher-value strategic work**

Shift focus from routine, reactive work to complex problem-solving, strategic counseling, and proactive guidance. This gives your team more interesting and challenging work while adding greater value to the organization.

What strategic projects have been on your backlog because you lacked capacity?

#### **Proactive risk management**

Move from responding to issues as they arise to identifying and preventing them. Use capacity to conduct audits, improve processes, update templates, and build guardrails.

What risks could you get ahead of if you had the time?

#### **Innovation and transformation initiatives**

Dedicate resources to exploring emerging legal tech, piloting new ways of working, or leading department-wide improvements.

How could continuous innovation keep your department ahead of the curve?

The answer depends on your business context, strategic priorities, and where you can add the most value. Whatever you choose, measure and communicate it. Use the [AI Success Metrics Worksheet](#) to plan how you'll track these strategic investments alongside your efficiency gains.

**Quick-start: AI success metrics framework**

You don't need a complex measurement system to begin telling a complete story.

Start with three essential metrics that cover multiple spinning plates and resonate with different audiences:

	<b>External Counsel Spend Reduction (Savings)</b>	<b>Stakeholder satisfaction with legal department (Improvements)</b>	<b>Percentage of team time on strategic vs. routine work (Transformation)</b>
<b>Why this metric</b>	Your CFO needs to see ROI, and external spend is the most direct financial measure of AI impact.	Business leaders care about quality, responsiveness, practical advice, and business understanding. This metric captures the full picture of how legal serves the business.	This demonstrates transformation in action, showing that efficiency gains are being converted into higher-value work, not just cost reduction.
<b>How to measure</b>	Track quarterly external counsel spend before and after AI implementation for specific matter types.	Annual or semi-annual stakeholder survey with questions covering: Overall satisfaction with legal support; Speed of response; Quality of advice; Understanding of business context; Practical, clear advice.	Quarterly pulse survey asking team members to estimate time allocation across categories.
<b>Practical proxy</b>	If you can't isolate AI impact perfectly, compare year-over-year spend for similar matter volumes.	If formal surveys aren't feasible immediately, conduct structured conversations with 5-10 key stakeholders and synthesize themes.	Start simple with just two categories: "Strategic/proactive work" vs. "Routine/reactive work"

## Implementation Checklist

- Review the Four Spinning Plates framework and identify how your AI initiatives impact each area
- Select 3-5 core metrics covering multiple plates (start with the quick-start three)
- Define how you'll reinvest efficiency gains for strategic impact
- Establish data collection methods (System Track for automated data, Ad Hoc Track for manual collection)
- Create your AI success narrative connecting metrics to business outcomes
- Identify which metrics resonate with which stakeholder audiences
- Plan quarterly reviews to refine your approach as AI adoption matures

## Critical success factors

As you build your AI metrics framework, these principles will guide effective measurement:

- **Connect every metric to business outcomes.** Don't report "saved 100 hours." Report "saved 100 hours, enabling us to support three new product launches, complete a risk assessment five days faster, and provide proactive regulatory guidance on two compliance changes."
- **Track progress against transformation goals, not just ROI.** Define what you're really trying to achieve—becoming proactive advisors, reducing burnout, and enabling faster deals—and measure progress toward those goals.
- **Start simple and build momentum.** Use practical proxies (self-reported time savings, quarterly pulse surveys, spot-check quality reviews) rather than waiting for perfect tracking systems. Early measurement enables rapid learning and adjustment.
- **Choose metrics that resonate with key stakeholders.** Your CFO cares about ROI and capacity gains. Business leaders care about speed, quality, and risk management. Your team cares about meaningful work and professional development. Select metrics that tell your strategic story to each audience.
- **Plan for evolution.** Your metrics will mature as your AI adoption matures. What you measure in month three will differ from what you measure in year two. Start with the foundation, then expand.

**Remember:** AI metrics are your opportunity to shift perception from cost center to strategic enabler. Efficiency gains are the foundation, not the finish line.

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# Value Alignment Toolkit

Access toolkit

