Jurimesh

The Future of AI in

Legal Due Diligence

Insights from Four Leading Lawyers

SIMONT | BRAUN

Osborne Clarke

BDO

FlintBishop

Jorrit Willaert

Co-Founder and CEO, Jurimesh

The legal world is evolving rapidly, and nowhere is this more evident than in the due diligence process. Lawyers are faced with an abundance of documents, tight deadlines, and ever-increasing client expectations. What was once a time-consuming but predictable task has now become a complex puzzle where technology plays a crucial role. We are on the cusp of an era where AI and automation are dramatically changing the playing field. But how do we navigate this new landscape?

At Jurimesh, we see the challenges of due diligence daily among lawyers and legal teams. Finding the balance between efficiency and accuracy is more important than ever. How much time do you spend analysing hundreds of pages of contracts? And how do you prevent crucial details from slipping through the cracks?

Yet these challenges are also opportunities. AI and technology offer new ways to work faster, smarter, and more thoroughly. But technology also raises new questions: What remains the role of the human lawyer? And how do you ensure that automation doesn't become a replacement for in-depth legal insight, but rather a complement?

To answer these questions, we spoke with four prominent lawyers from different sectors. Tom Swinnen, Bram Demeester, Frank Hoogendijk, and Haroon Younis share their experiences with the changing due diligence landscape. Their insights provide a clear picture of where we stand today and what the future holds for us.

In the upcoming interviews, you'll discover how these experts embrace AI, where they see the limits of technology, and how they use technology to better serve their clients. These are stories of adaptation and innovation, but also about the fundamental role of the lawyer in a world that is changing ever faster.

Let's dive in and see what the future holds.

Jorrit

Table Of Contents

Frank Hoogendijk

Counsel Corporate Team, Osborne Clarke

At Osborne Clarke, legal due diligence is all about precision and efficiency, especially now that clients are increasingly facing challenging macroeconomic conditions and tighter legal budgets. Frank Hoogendijk, counsel at Osborne Clarke's corporate team in Brussels, explains how this influences the way lawyers work. "In the past, lawyers and clients jointly determined the scope of the due diligence investigation based on the specifics of the transaction. Now, we often receive a fixed budget and have to reverse engineer what elements of the due diligence scope can be done within that budgetary framework," Frank says. In order to provide a sufficiently broad scope, LegalTech must be used to further improve efficiency.

Frank sees an important role for technology, particularly AI, in the future of due diligence. "AI can save an enormous amount of time, especially when analysing large volumes of documents, for instance when looking for change of control clauses in contracts," he says.

Yet he remains cautious. "AI works well for homogeneous contracts, but as soon as the documents become more diverse and require deeper understanding, human intervention is necessary to verify both the contracts and the AI's findings."

> “AI can save an enormous amount of time, especially when analysing large volumes of documents.”

However, he believes that AI tools will perform certain tasks more accurately than humans in the future. Nevertheless, he has concerns about AI hallucinations: "One of the biggest issues is that generative AI tools sometimes produce outputs that seem correct on the surface but are actually incorrect—a 'hallucination’.” This issue presents a serious limitation for AI's usability in legal practice."

Furthermore, according to Frank, technological progress and the traditional business model of law firms, based on the billable hour, creates a paradox. "The more efficiently a law firm works, the fewer hours it can bill.

Hence, due to the billable hour standard, lawyers often lack an incentive to work more efficiently. Yet, clients are demanding that legal service providers use technology in order to perform tasks like due diligence and document drafting to save costs. That is why Osborne Clarke invests so heavily in LegalTech and together with its OC Solutions team, is at the forefront of LegalTech innovation, developing and finetuning tools that help lawyers at Osborne Clarke in working efficiently and offering clients more value."

AI can assist by automating repetitive and time-consuming tasks, but Frank emphasises that strategic decisions and negotiations—such as those involving SPAs and other transaction documents—will still require the expertise of experienced lawyers. "The human factor remains essential, especially in complex negotiations where strategic insight and empathy is crucial."

Frank concludes with a positive outlook on the future of the legal profession: "LegalTech tools will increasingly take over repetitive tasks and allow commoditization, but advising clients and negotiating complex transactions will largely remain a human endeavor. It's all about finding the right balance between the responsible use of technology and leveraging human expertise, thereby becoming an ‘augmented lawyer’."

SIMONT | BRAUN

Tom Swinnen

Managing Partner, Simont Braun

Simont Braun stands as one of Belgium's leading law firms, renowned for its expertise in business law. Tom Swinnen, the managing partner of the firm, offers valuable insights into the evolving landscape of due diligence processes and the growing role of technology in this field. With years of experience navigating complex legal matters, Tom provides a unique perspective on how the legal industry is adapting to new challenges and opportunities in the digital age.

"One of the biggest challenges in legal due diligence," Tom begins, "is collecting and organising relevant information. Even with digital documents, it often takes weeks to gather all the data from clients." Setting up a data room remains a time-consuming process. "We used to work with physical documents, now everything is electronic, but that doesn't mean it has become easier."

Tom also emphasises that mapping different jurisdictions, especially in international transactions, often takes a lot of time. "Technology can save a lot of time here by helping us identify the governing laws, and hence jurisdictions involved, more quickly."

According to Tom, AI can play a significant role in speeding up due diligence. "Well-functioning tools can save an enormous amount of time. Where I would normally need hours to browse through a data room, AI can, in principle, do that in less than half an hour." Yet he remains cautious: "AI won't replace the lawyer. Clients want our advice and assessments, but AI can make our work much easier so we can focus more on adding value."

Tom believes that AI tools can offer a competitive advantage, especially in recruiting and retaining young talent. "Young lawyers no longer want to do the 'monkey work,'" he laughs. "Our lawyers are highly qualified, often the top students from their year, and want to work on challenging cases. Tools that help them take over repetitive tasks make the work more attractive and ensure they have more time for more complex legal issues." However, Tom warns that junior lawyers should not blindly trust AI.

"Juniors need to develop the right reflexes and not just rely on technology. AI is a tool, not a replacement for legal knowledge and critical thinking."

> “Young lawyers no longer want to do the ‘monkey work.’”

Tom also believes that AI is generally more reliable than the human mind. "AI never gets tired and is always as focused on the job. Where a lawyer might have a bad day or be tired, AI doesn’t suffer from that."

The biggest challenge, according to Tom, is the integration of new technologies within law firms. "There is still a lot of skepticism about AI," he says. "It is especially the young lawyers who demand tools that make work more efficient. The pressure to implement these systems comes from the bottom of the organisation, but the final investment decision is made at the top."

> “The pressure to implement these systems comes from the bottom of the organisation, but the final investment decision is made at the top.”

Finally, Tom believes that the adoption of AI in the legal profession is inevitable, although it is progressing slowly. "Systems and solutions must have proven they are reliable, guarantee the safety of our data, and are easy to use. I am convinced that eventually AI will become as commonplace as Microsoft Word, Outlook, or Teams."

It is clear that technology and AI are promising but also bring challenges for law firms. "The future of legal due diligence lies in a combination of human insight, legal knowledge and adequate technological support," Tom concludes.

Haroon Younis

Partner & Head of Commercial and Data Protection, Flint Bishop

Haroon Younis, Partner & Head of Commercial & Data Protection at the British firm Flint Bishop, provides a clear overview of the challenges and future possibilities within legal due diligence, where the role of technology and especially AI is becoming increasingly crucial. "One of the biggest obstacles is the enormous amount of documents, especially in complex, international transactions," Haroon explains. "It can be overwhelming to ensure that everything is fully and accurately assessed, especially when data rooms are poorly organised." A well-structured data room can significantly speed up the process, but unfortunately, this is not always the case.

The increasing complexity of cross-border deals brings additional challenges, such as divergent legal frameworks, standards, and even language issues. "Although there are efforts to standardize processes with checklists, customization remains necessary for each transaction," Haroon explains. Contract review, in particular, remains a time-consuming process, especially when it comes to detecting hidden risks and unusual clauses.

"AI offers enormous potential in this context, especially with large volumes of documents, but technology still has limitations. Human intervention is always needed to verify findings and avoid errors."

The role of AI is becoming increasingly prominent in the due diligence process, and Flint Bishop uses AI tools to analyse contracts faster and more efficiently. "AI helps us quickly identify clauses such as change-of-control, which saves considerable time," Haroon explains. "However, the technology is not yet flawless. AI struggles with the nuances of legal language, especially when there are differences between jurisdictions." This means that manual checks remain indispensable to keep the analyses accurate.

Regarding the impact of AI on lawyers' work, Haroon thinks that AI will cause a shift in how lawyers spend their time. "Lawyers will need to spend less time on repetitive tasks like searching through contracts, and focus more on strategic advice and risk management."

However, he emphasises that human expertise remains essential. "While AI helps process large amounts of information, the biggest risk remains that AI overlooks or misinterprets subtle but crucial legal clauses."

Additionally, Haroon warns of the dangers of over-reliance on AI. "AI can efficiently recognize patterns and identify risks, but it's not yet ready to entirely take over complex, context-specific legal interpretations. This means lawyers need to remain alert and critically assess AI outcomes."

In summary, Haroon believes that the future of legal due diligence will be a collaboration between technology and human expertise. "AI will increasingly take over routine tasks, but the most complex risks will always need to be assessed by experienced lawyers. Finding the right balance between the efficiency of AI and the in-depth knowledge of lawyers will be crucial for the future of our profession."

> “The most complex risks will always need to be assessed by experienced lawyers.”

Bram Demeester

Partner Legal, BDO

Bram Demeester, Partner at BDO Legal, gives us a clear picture of how legal due diligence is evolving and the challenges that come with it. Despite the rise of technology, the biggest obstacles often remain practical in nature.

"At BDO Legal, we're usually not involved in setting up the data room," Bram explains. "Our role begins with the legal assessment, and obtaining the right information from the client often remains time-consuming." Especially when documents are spread across different systems, this process can be delayed. "A well-organised client or target really makes a world of difference."

Additionally, Bram notes that legal due diligence is often considered less important than financial due diligence. "Legal risks are often difficult to quantify, which seems to reduce their impact on the transaction. Yet they are crucial for the success of the acquisition."

> “A well-organised client or target really makes a world of difference.”

According to Bram, AI offers great possibilities, especially when searching through large numbers of similar documents, such as lease or financing agreements. "In such cases, AI can quickly identify clauses like change of control or clauses deviating from the standard template used by the target, but with more diverse documents, it remains a challenge to make the technology work accurately and effectively."

An important future potential of AI, according to Bram, lies in the post-acquisition phase. "After an acquisition, the focus is often on integration, but AI could help us by automatically suggesting solutions for risks that emerged during the due diligence process."

As for tools, BDO Legal remains traditional. "We mainly use a virtual data room and PowerPoint for reporting. It's important that AI tools are compatible with our processes, for example, that reports end up in our PowerPoint templates."

Bram also emphasises that security is a priority. "BDO is ISO 27001 certified, and we require our technology partners to adhere to the highest security standards. This will be an essential criterium in assessing any legal due diligence tool."

> “We require our technology partners to adhere to the highest security standards.”

Finally, Bram points out that AI systems must be transparent and that understanding how and where the tool could make mistakes, is essential. "References are useful, but they don't solve the problem of when the tool overlooks something. It remains important to stay critical and thoroughly check the output."

Bram concludes with a look at the future: "AI can add a lot of value to due diligence, but human judgment will always be needed to properly mitigate risks."

Jurimesh

Redefining Speed and Accuracy in Legal Due Diligence

Transform your legal due diligence process with Jurimesh. Effortlessly analyze Virtual Data Rooms with automated red flag detection, pinpointing critical issues while providing actionable recommendations.

Elevate your legal team's efficiency with customizable information extraction and comprehensive due diligence reports, giving you clear insights and next steps for every transaction.

Jorrit Willaert

Get in touch

jorrit@jurimesh.com

+32 491 30 12 71

www.jurimesh.com