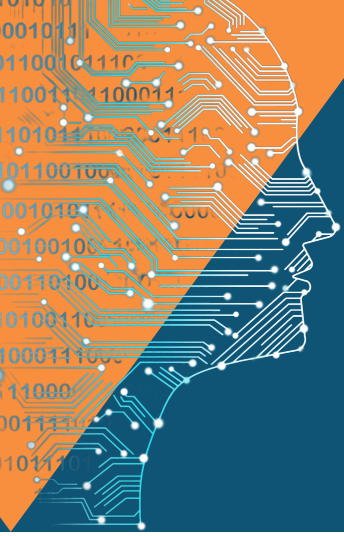


AI 2035: The Legal Profession and the Judiciary in the Age of Artificial Intelligence

Budgeting and ROI for AI Investments in Law Firms & Legal Departments

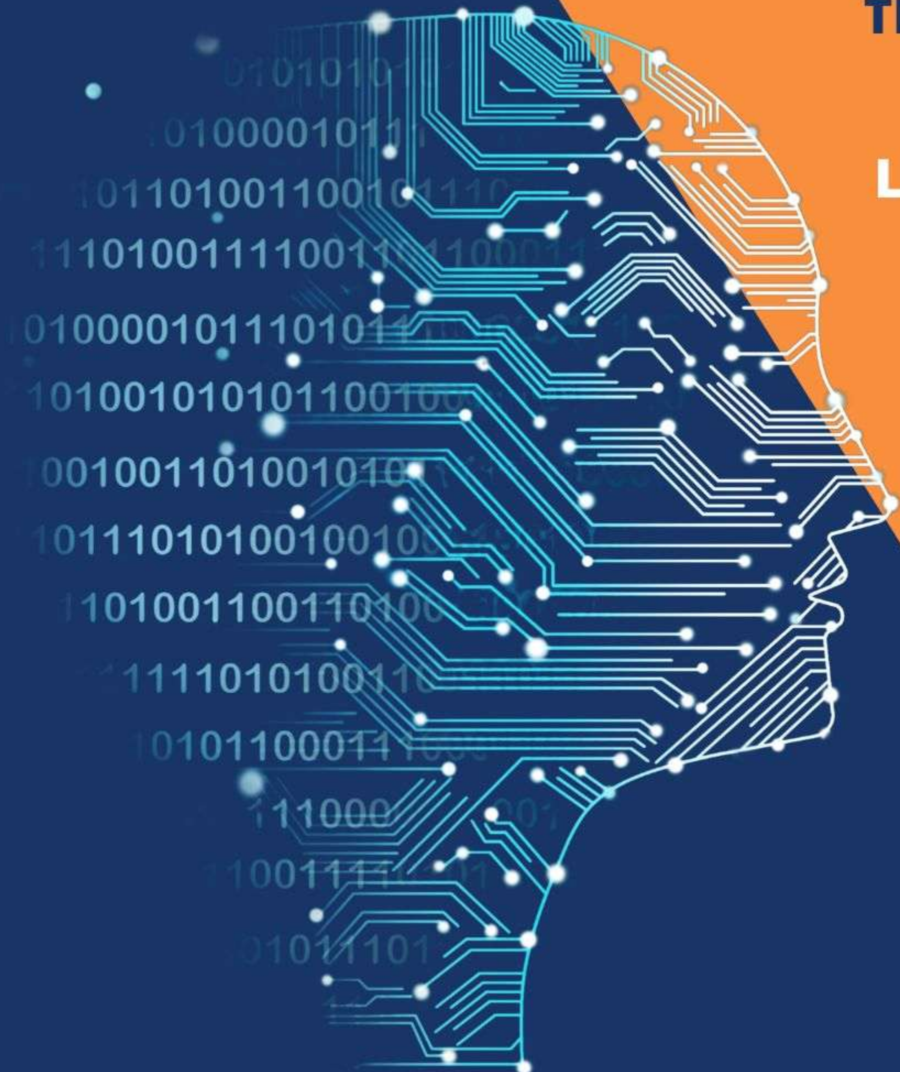
This session explores how law firms and legal departments can budget for artificial intelligence tools and evaluate whether those investments deliver measurable value. Panelists will discuss practical approaches to calculating return on investment, managing costs, and aligning AI spending with both operational needs and long-term strategic goals.

Olivia Anderson, Principal, Managed IT Partnerships, Framework IT
Olivia Anderson is a technology consultant at Framework IT focused on helping organizations align IT strategy with business goals. Olivia works closely with leaders to assess risk, improve systems, and implement tailored IT solutions. She emphasizes proactive problem-solving and long-term optimization. Olivia is passionate about helping clients leverage technology to improve performance and security.

Sanjay Kamlani, Founder, FairPlay Law
Sanjay Kamlani is Founder and CEO of FairPlay, an AI legal analytics company and AI-native employment law firm serving white-collar professionals. Sanjay also founded Maker5, a law firm innovation advisory and software development company, and previously co-founded Pangea3. He is widely recognized as a leader in legal innovation and was named one of The American Lawyer's Top 50 Innovators in Big Law. Sanjay's work focuses on leveraging AI to transform legal services and business models. He is an attorney admitted in New York and a frequent speaker on legal technology.

Rutvik Rau, Founder, August
Rutvik Rau is CEO and Co-Founder of August, a legal technology company building AI agents that perform research, analysis, and drafting for professional services firms. After meeting his co-founders at a Columbia University research lab, Rutvik recognized that law firms were being offered generic AI solutions that ignored their unique workflows, precedent libraries, and institutional expertise. August's mission is to build AI that mirrors each firm's distinct practice, enabling them to scale efficiently while maintaining the standards they've developed over years. Backed by NEA, Pear VC, and Afore Capital, August has expanded from its initial U.S. client base to partner with firms globally across Canada, Australia, Africa, and India.

Moderator: Roman Solowski, Attorney at Law
Roman Solowski is an attorney in Chicago, where he focuses his practice on the intersection of law and technology.



THE CHICAGO BAR ASSOCIATION PRESENTS:

AI 2035: The Legal Profession and the Law in the Age of Artificial Intelligence

Budgeting and ROI for AI Investments in Legal Departments

1:30-3 PM, MAY 13, 2026

THE CHICAGO BAR ASSOCIATION

Speaker Biographies

Adam Barney is the President of Framework IT, a Chicago-based Managed IT Services Provider that specializes in optimizing IT support, strategy, cybersecurity, and AI for law firms nationwide. For the past 15+ years, Adam has consulted over 1,000 companies, helping them transform their technology while maintaining the highest standards of data security and operational efficiency. Under his leadership, Framework IT was named to the Inc. 5000 list seven times and ranked one of the Best & Brightest Places to Work in Chicago for five consecutive years. Adam's expertise in AI-driven IT management and cybersecurity has been featured in the Harvard Business Review, the Washington Post, and many local Chicago news stations.

Speaker Biographies

Olivia Anderson is a Principal of Framework IT, a Chicago-based Managed IT Services Provider that specializes in optimizing IT support, strategy, cybersecurity, and AI for law firms nationwide. Olivia performs Business Risk Assessments for law firm leaders to help quantify the risk they are holding onto today in financial terms. Then, Olivia delivers a customized Business Optimization Roadmap, showing leaders how to align their law firm with AI and IT best practices to achieve a positive Return on Investment (ROI). Connect with Olivia to learn more about how Framework IT's *Crawl, Walk, Run* approach to AI implementation has been particularly successful for law firms struggling with their AI strategy.

Speaker Biographies

Sanjay Kamlani is the Founder and CEO of FairPlay, an AI legal analytics business and AI native employment law firm serving white-collar professionals. Sanjay is also the Founder of Maker5, a law firm innovation advisory and software development firm. Earlier he co-founded, the Sequoia Capital backed legal services business, Pangea3. Sanjay has been recognized by The American Lawyer as a Top 50 Innovator in Big Law in the Last 50 Years and featured in the ABA Law Journal's 100 Years of Law. He is an attorney admitted in New York. You can reach Sanjay at SK@FairPlayGlobal.ai and follow him on Twitter @SanjayKamlani.

Speaker Biographies

- **Rutvik Rau** is CEO and Co-Founder of August, a legal technology company building AI agents that perform research, analysis, and drafting for professional services firms. After meeting his co-founders at a Columbia University research lab, Rutvik recognized that law firms were being offered generic AI solutions that ignored their unique workflows, precedent libraries, and institutional expertise. August's mission is to build AI that mirrors each firm's distinct practice, enabling them to scale efficiently while maintaining the standards they've developed over years. Backed by NEA, Pear VC, and Afore Capital, August has expanded from its initial U.S. client base to partner with firms globally across Canada, Australia, Africa, and India.

Timed Agenda

- 1:30-2:30 PM – Speaker-led Discussion
- 2:30-3 PM – Audience Q&A

Adoption & Change Management

- **How widespread is AI adoption across the legal market?**

  Context: In 2025, 79% of legal professionals reported use of AI in their firms. 82% expect to use AI more in the next 12 months. (Clio, 2025 Legal Trends Report)

- **How do we help reluctant attorneys or staff to actually trust and use these AI tools successfully?**
- **How much should we budget for AI enablement (training and change management) vs. the technology itself?**

Foundational Budget Questions

- **How do we budget for AI that changes so fast?**

  Context: 85% of businesses increased AI investment in past 12 months, 91% plan to increase again leading up to August 2026. (Deloitte, Now Decides Next: The State of Generative AI in the Enterprise, 2025)

- **How much should we budget for AI as a % of total tech spend or revenue?**

  Context: U.S. law firms increased their technology spending by 9.7% in 2025. (Thomson Reuters, 2026 State of the US Legal Market)

- **What are the major cost categories beyond licensing fees?**
- **Should AI come from existing IT budgets, or warrant a separate line item?**

  Context: 58% fund AI through net new budget lines; 48% reallocate non-AI budgets. (Google Cloud, The ROI of AI 2025)

ROI Measurement and Proof

- **What factors impact the speed and success of AI ROI?**

  Context: 78% with C-suite support report ROI vs. 43% without. Organizations that invest in data governance experience higher ROI due to better model predictions and reduced errors. (Google Cloud, The ROI of AI 2025)

- **What metrics should we track to calculate and demonstrate ROI?**

  Context: Only 18% of organizations collect metrics around AI ROI, and 40% do not even know whether their organization collects AI ROI metrics (Thomson Reuters, 2026 AI in Professional Services Report).

- **How quickly can we expect to see returns?**

  Context: Most companies realize significant returns within approximately 14 months following AI deployment, with top performers achieving $8 ROI for each dollar invested. (Google Cloud, The ROI of AI 2025)

ROI Measurement and Proof (cont.)

- **How do we establish a credible pre-AI baseline to measure against?**
- **How do we build governance review into our ROI process?**

  Context: Roughly one-third of organizations still lack any process to validate AI security before deployment. (WEF, Global Cybersecurity Outlook 2026)

- **How do we close the gaps that block value realization?**

  Context: Fragmented data, inconsistent quality, and lack of integrated data platforms limit AI scalability. (Google Cloud, The ROI of AI 2025)

The Billable Hour Paradox

- **How is AI transforming the billable hour?**

  Context: Designing pricing around set definitions — fixed fees for predictable work, success-based arrangements tied to business outcomes, subscription models for ongoing counsel — requires real conversations with clients about their business objectives, not just their legal needs. (Thomson Reuters, 2026 State of the US Legal Market)

- **Should we move toward value-based billing? What does that actually look like?**

  Context: Firms that have already moved in this direction of value-based billing report stronger client relationships and better profitability. (Thomson Reuters, 2026 State of the US Legal Market)

- **Are clients going to demand we pass along AI efficiency savings?**
- **How do we communicate AI-driven value without undermining rates or losing client trust?**

Law Firm Leader Perspectives

- **What internal roles should we hire (or promote from within) to enable successful AI adoption?**

  Context: Whereas other industries may be touting AI-induced layoffs to promote efficiency, the legal industry has chosen the opposite course: If AI augmentation makes their lawyers better and more efficient, then that only makes manpower more valuable, not less (Thomson Reuters, 2026 State of the US Legal Market).

- **How do we invest in AI without cannibalizing associate billing revenue or compensation?**

  Context: Associate compensation grew 3.8% per lawyer; total lawyer compensation grew 8.2% in 2025 (Thomson Reuters, 2026 State of the US Legal Market).

- **What is the competitive risk of underinvesting compared to peers?**
- **How do we price AI-enhanced services to remain both competitive (for talent and clients) and profitable?**

Build vs. Buy & Vendor Selection

- **Should we build custom AI tools and/or buy off-the-shelf?**

  Context: Only 18% of organizations collect metrics around AI ROI, and 40% do not even know whether their organization collects AI ROI metrics, making it nearly impossible to compare build vs. buy outcomes with data (Thomson Reuters, 2026 AI in Professional Services Report).

- **What is 'vibe coding' and how does that impact a law firm's decision to in-house vs. outsource AI customization?**

  Context: A recently-coined term for the practice of writing code, making web pages, or creating apps, by just telling an AI program what you want, and letting it create the product for you. In vibe coding the coder does not need to understand how or why the code works (Merriam Webster, 2026).

- **How do we evaluate competing AI vendors when all claim transformative results?**
- **What are red-flags to look out for when selecting an AI partner?**
- **How do we tackle fears about vendor lock-in given the fast-evolving market?**

Risk, Ethics & Governance

- **What are the data privacy and security concerns related to AI tools and how do we factor those into budgeting decisions?**

  Context: Average law firm data breach cost: $5.08 million (10% increase year-over-year). Shadow AI exposure adds $670,000 to average breach costs. 97% of breached organizations with AI incidents lacked proper AI access controls (IBM, 2025 Cost of a Data Breach Report).

- **What is the cost of NOT investing in AI governance?**

  Context: Major categories of data breach costs for legal services entities: ex-post response, business downtime, investigation, and notification costs (IBM, 2025 Cost of a Data Breach Report).

- **How do I calculate my risk tolerance as a law firm leader?**

  Context: Average time to identify and contain a breach: 258 days (IBM, 2025 Cost of a Data Breach Report).

- **How do we budget for the ethical obligations (competence, supervision, confidentiality) that come with AI?**

In-House Counsel Perspectives

- **How do we justify AI spend to the CFO when legal is already a cost center?**

  Context: Average law firm data breach cost: $5.08 million (10% increase year-over-year). Shadow AI exposure adds $670,000 to average breach costs. 97% of breached organizations with AI incidents lacked proper AI access controls (IBM, 2025 Cost of a Data Breach Report).

- **Should we require outside counsel to demonstrate AI efficiency?**
- **Can AI help us bring more work in-house and reduce outside counsel spend?**

  Context: 64% of in-house teams are leveraging GenAI with the intention of relying less on outside law firms (Association of Corporate Counsel & Everlaw, 2025).

Forward-Looking / Strategic Questions

- **What does a legal department's AI budget look like in 5-10 years?**
- **Are we heading toward a point where NOT using AI constitutes malpractice?**

  Context: Model Rule 1.1 obligates lawyers to provide competent representation to clients. There is no unique blueprint for the provision of competent legal services. Different lawyers may perform the same tasks through different means, all with the necessary 'legal knowledge, skill, thoroughness and preparation'. Ultimately, any informed decision about whether to employ a GAI tool must consider the client's interests and objectives (American Bar Association, Formal Opinion 512, 2024).
- **How do we plan for AI capabilities that don't exist yet but likely will in 2-3 years?**
- **What happens to staffing models, incentive structures, etc. as AI takes on more routine legal work?**

  Context: 30% of organizations are implementing performance-based incentives for AI use (Deloitte, State of AI in the Enterprise 2026).

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Audience Q&A