



Build, Buy, or Partner

The AI Tooling Decision Most Legal Technology Teams Are Getting Wrong

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EXECUTIVE SUMMARY

Legal operations directors and general counsel are under **sustained pressure** to act on artificial intelligence.

Budgets have been allocated, vendors are presenting, and boards are asking why a firm's peers appear to be moving faster. Under that pressure, a specific mistake has become common - **tooling before strategy**.

Organisations select a product before they have defined the business problem it is meant to solve, and they **discover the cost** of that sequencing during implementation rather than before it.

This whitepaper examines that mistake through four lenses -

strategy, infrastructure, security, and talent - and argues that the build, buy, or partner decision is not primarily a technology question. **It is a sequencing question.**

The organisations that get the most value from legal AI are not the ones with the best product. They are the ones that did the upstream work before a vendor walked into the room.

By the end of this paper, the reader will have a structured framework for making the build, buy, or partner decision, and a practical basis for using the solution.



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THE PROBLEM

Legal is buying AI in the wrong order

The legal AI market has matured quickly. Contract review, matter management, litigation prediction, and document automation are all now well served by credible, well-funded products. The global legal AI market was valued at **\$1.45 billion in 2024** and is projected to reach **\$3.90 billion by 2030**, a compound annual **growth rate of 17.3%** (*Grand View Research, 2025*).

The problem, then, is not product quality, and it is not lack of appetite. It is readiness and sequence.

88%

McKinsey's State of AI research found that **88% of organisations now use AI in at least one business function** (*McKinsey & Company (2025a)*, yet

a related McKinsey analysis found that the large majority of respondents are not seeing significant value from those investments (*McKinsey & Company, 2026*). Adoption is high. Value realisation is not. **That gap is the starting condition this whitepaper addresses.**

Legal has a harder version of this problem than most sectors, for three structural reasons. First, the data is exceptionally sensitive; privileged communications, regulated personal data, and commercially confidential material sit inside almost every legal workflow. Second, the domain is narrow and deep; a contract review tool trained predominantly on US commercial contracts may perform materially worse on UK real estate transactions, and the gap is not always visible until it has already caused a problem. Third, the regulatory environment governing AI use in legal practice is still forming, which means today's **compliant deployment may require rework as**

guidance solidifies. Firms are, in practice, letting vendor demonstrations define the requirement rather than the other way round. The pattern that follows is predictable, **AI deployed against the wrong workflow**, AI that duplicates existing capability, or AI that performs well technically but fails

at adoption because the people who would use it day to day were never consulted. **The stakes of a poor tooling decision are consequently higher in legal than in almost any other sector**, which is precisely why the sequencing question deserves attention before the vendor question does.



STRATEGY FIRST

The work that happens before a vendor walks in

The build, buy, or partner decision is a strategy question before it is a technology question. **Three pieces of upstream work need to be completed before any vendor conversation begins.** Organisations that skip this work do not avoid it, they simply pay for it later during implementation at a point where the cost of correction is considerably higher.

01

Use case definition

Not every legal workflow is a good candidate for AI. **Three criteria consistently distinguish the workflows:** High volume, a well-defined output, and a tolerance for probabilistic results subject to human review. Workflows that fail on any of these three criteria are poor candidates **regardless of how capable the underlying model is.** A structured self-assessment against these criteria, conducted before any vendor is invited to present, prevents a specific and common failure which is that firms end up buying a solution and then hunting for the problem it should solve, rather than the reverse. **This is not a hypothetical risk,** it is the default pattern for organisations that skip this step.

02

AI readiness assessment

This is the diagnostic work that must precede vendor selection. Is the organisation's data in a state where AI can actually use it, are systems integrated enough to support the tool under evaluation, and is there a clear view of where AI creates value versus where it creates risk? **The evidence suggests this step is frequently skipped.** Gartner's 2024 survey found that **63% of organisations either lack, or are unsure they have, the right data management practices to support AI** (*Gartner, 2025a*).

03

Technology operating model

Who owns AI strategy inside the organisation? How does the legal function interact with IT on technology decisions? What does governance look like once a tool is deployed? **Firms that cannot answer these questions before selecting a tool will find the answers forced on them during implementation, typically at greater cost and under a more pressured decision process than if the questions had been addressed upfront.** McKinsey's State of AI research, testing 25 organisational attributes, found that workflow redesign has the single largest effect on whether an organisation sees a measurable earnings impact from generative AI, yet **only 21% of organisations report having fundamentally redesigned workflows around it** (*McKinsey & Company, 2025b*). The tool is rarely the constraint. The redesign work around it is.

This upstream work isn't a delay to getting started, it's what makes the AI investment that follows pay off instead of being wasted.



THE DECISION FRAMEWORK

Build, buy, or partner

Once the upstream strategy work is complete, the organisation faces a genuine choice between three structurally different paths.

Build means commissioning custom AI development, training or fine-tuning models on proprietary data, building bespoke applications, or designing AI-powered workflows from foundational components. **It offers maximum control, requires the greatest investment, and typically carries the longest timeline to value.** It is the right choice when the use case is genuinely proprietary, when data cannot leave the organisation's environment for sovereignty or regulatory reasons, or when AI capability is itself a competitive differentiator rather than a supporting function.

Buy means procuring a packaged AI product - **a legal SaaS tool, an enterprise AI platform, or a general-purpose large language model product.** It is the fastest route to value and the right choice when the use case is reasonably standard, the vendor demonstrates deep legal domain training, and the organisation needs demonstrable return on investment within months rather than years. The trade-off is customisation: the organisation adapts to the product's logic, rather than the reverse.

Partner means working with a technology partner to implement and configure a platform - Azure AI Foundry, Microsoft Copilot Studio, or OneReach.ai, for example - in a way that fits the organisation's specific environment. It sits between build and buy, and is increasingly the preferred model for organisations that need more than a packaged product can offer but lack the in-house AI engineering capability to run a full build programme.

The evidence on outcomes is a useful reference point when weighing the three paths. A Gartner survey of 782 infrastructure and operations leaders, conducted in late 2025, found that **only 28% of AI use cases fully succeeded and met return-on-investment expectations**, while 20% failed outright (Gartner, 2026).

By contrast, the same survey found that **success correlates strongly with integration and sponsorship rather than technical sophistication**: 33% of successful infrastructure and operations leaders had embedded AI into existing workflows, 26% reported full executive support, and 25% reported cross-functional collaboration (Gartner, 2026).

A decision factor table is a useful discipline for scoring the choice against an organisation’s own context, rather than against a vendor’s pitch.

Signal	Points toward Build	Points toward Buy	Points toward Partner
Use Case Clarity	Proprietary, firm-specific workflow	Standard, well-understood workflow	Specific workflow, standard platform
Data Sensitivity	Cannot leave the environment	Manageable under a DPA	Configurable within a controlled environment
Speed to Value	Longest timeline acceptable	Value needed within months	Value needed within two to three quarters
Internal Capability	Strong in-house AI engineering	Limited technical resource required	Some capability, needs augmentation
Integration Depth	Deep, bespoke integration required	Standard API/connector sufficient	Moderate to deep, configured by partner
Competitive Moat	AI is a core differentiator	AI is a supporting capability	AI supports strategy without being core IP
Regulatory Risk	High; requires full control	Manageable via vendor contract terms	Manageable with partner-led governance

The sequencing rule that follows from this table is straightforward; **framework should be scored against the organisation’s own context before opening vendor conversations**. Vendor conversations should be used to pressure-test a direction that has already been formed, not to form that direction in the first place.

INFRASTRUCTURE

Where every tooling decision lands

Whichever path an organisation chooses, **it lands on compute infrastructure**. Infrastructure is not a downstream consequence of the tooling decision; it is part of the decision and **needs to be considered in parallel** with it rather than after the fact.

For firms choosing the buy route, the infrastructure questions are specific. Where does the vendor host and process data, does that align with the organisation's data residency obligations, what integration work is required to connect the tool to existing document management or matter management systems, and what does the long-term cost look like at scale? For firms

choosing a build or partner route on platforms such as Azure AI Foundry or OneReach.ai, the questions expand further: What cloud environment hosts the AI workloads, how does it align with the existing cloud estate, how is it governed and maintained, and what is the honest three-year total cost of ownership once compute, storage, integration, and support are all accounted for?

**35%
wasted
spend**

The stakes are measurable. Organisations waste an average of **35% of cloud spend on idle, overprovisioned, or unmanaged resources**, according to a CloudZero survey of 475 senior technology leaders *CloudZero (2026)*.

**79%
exceed
budgets**

A 2024 KPMG survey found that **79% of cloud initiatives exceed their expected budgets**, largely because organisations underestimate migration complexity and fail to optimise after migration (*IT Convergence, 2025*).

The integration work required to make an AI tool function inside a real legal environment is **consistently underestimated in vendor conversations**. Ensuring the product is connected to genuine systems, under appropriate security controls, within existing governance is almost always more complex and more expensive than the vendor's documentation suggests. The organisations that

avoid this trap tend to share one behaviour. **Formal readiness assessments conducted before migration are associated with a 2.4 times higher success rate** than migrations undertaken without one (*Medha Cloud, 2026*). Cloud architecture review before commitment, not after, is **what separates programmes that deliver on their business case from those that do not**.



SECURITY

The non-negotiable in legal

For most sectors, security is an important consideration in AI tooling decisions. For legal, it is a professional and regulatory obligation that shapes the entire architecture. Four specific risks are directly affected by the build, buy, or partner decision.

Data residency and sovereignty.

Where does data reside when an AI tool processes it? Many SaaS products run on shared cloud infrastructure. A well-constructed data processing agreement satisfies most commercial legal requirements, but for matters involving highly sensitive client data, privileged communications, or regulatory material, contractual protection alone may not be sufficient.



Model training data. Many SaaS AI products use customer data to improve their models unless the customer explicitly opts out, and the default settings of widely used products permit this. Legal organisations should assume data is being used for model training unless the contract explicitly prohibits it, and should verify that the prohibition is technically enforced, not merely stated. The scale of unsanctioned use is significant; 69% of organisations suspect or have evidence that employees are using prohibited public generative AI tools, according to a Gartner survey of 302 cybersecurity leaders (*Gartner, 2025b*).



Audit trail and explainability.

Legal and regulatory contexts frequently require organisations to demonstrate why a decision was made. AI-assisted decisions that cannot be audited or explained create compliance exposure, and the tooling evaluation must include an honest assessment of the audit logging a product provides against the organisation's regulatory obligations.

Vendor security posture.

Certifications - ISO 27001, ISO 42001 and Cyber Essentials Plus provide an evidenced baseline, but they are not a guarantee of continuous security. The evaluation should probe incident response capability, disclosure obligations, and what happens to data if the vendor is acquired or ceases trading.

The threat environment gives these questions urgency.

The average cost of a law firm data breach has reached \$5.08 million, showing a 10% year-over-year increase (*Programs.com, 2026*). More broadly, Accenture's State of Cybersecurity Resilience research found that 90% of organisations are not adequately prepared to secure their AI-driven future, and only 10% qualify as what Accenture terms "Reinvention-Ready" (*Accenture, 2025*).



TALENT

Who leads this once the decision is made

The build, buy, or partner decision is the beginning of a more demanding question. Does the organisation have the right technology leadership in place to execute whichever path has been chosen?

The challenges that most frequently derail legal AI programmes after the tooling decision has already been made - change management, data preparation, integration complexity, governance design - are leadership problems, not technical ones.



They require someone with the mandate to drive change across legal, IT, and operations, the technical literacy to manage a vendor relationship intelligently, and the credibility with legal professionals to secure genuine adoption rather than reluctant compliance.

Many legal organisations **do not currently have this capability in place**, and the data suggests the gap is widespread rather than isolated. Deloitte's 2025 Global CIO Survey found that **63% of CTOs report talent shortages as a significant challenge**, particularly

in AI and machine learning, cloud architecture, cybersecurity, and data engineering (*CorrectContext, 2026*). Inside legal specifically, KPMG's 2025 eDiscovery Industry Survey found that **staffing and training rose to become the top concern for the year ahead**, cited by 40% of respondents, overtaking both technology adoption and process optimisation (*KPMG, 2026*).

The gap is closeable, and the evidence suggests it is worth closing deliberately rather than informally. **Organisations with formal AI training programmes achieve 2.3 times faster AI adoption and 67% higher AI return on investment** compared with organisations struggling with talent gaps, according to Boston Consulting Group research (*Iternal.ai, 2026*).

There are three ways to close the leadership gap.

Build it.

Invest in developing or recruiting technology leadership capability internally, whether through a permanent hire or a structured development programme for an existing leader with potential.



Borrow it.

Engage an interim technology leader such as a fractional CTO, a programme director, or a Head of Legal Technology on a fixed-term basis to provide leadership capacity through the implementation phase.



Partner for it.

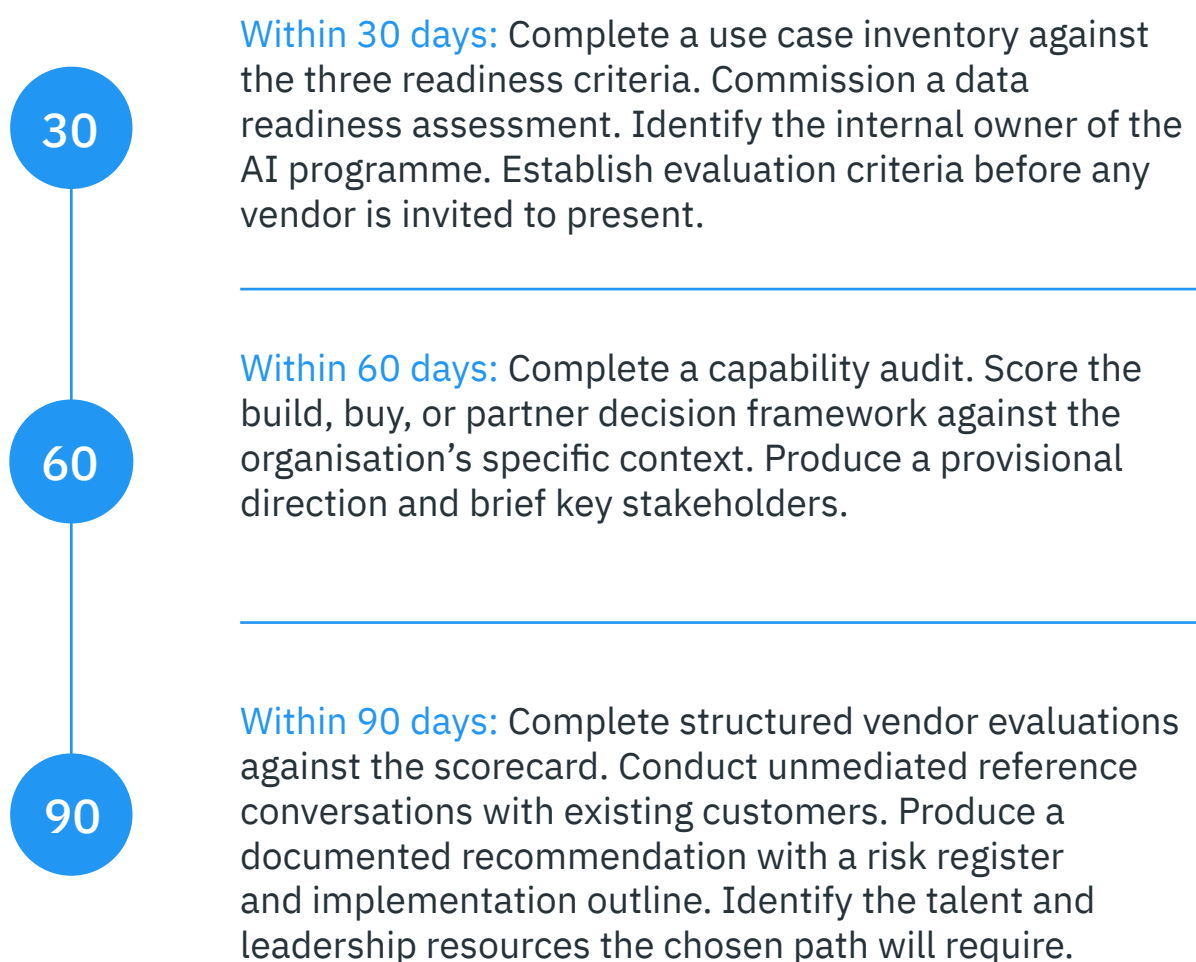
Work with a technology partner that provides strategic technology leadership alongside implementation capability, operating as an extension of the internal team rather than as a delivery contractor.



The right answer depends on the organisation's medium-term technology ambition. If AI is a one-time initiative, borrowing or partnering may be sufficient. If it marks the beginning of a broader technology transformation, which it should for most legal organisations, **building internal capability is the sustainable path**, with external support used to accelerate the early phase.

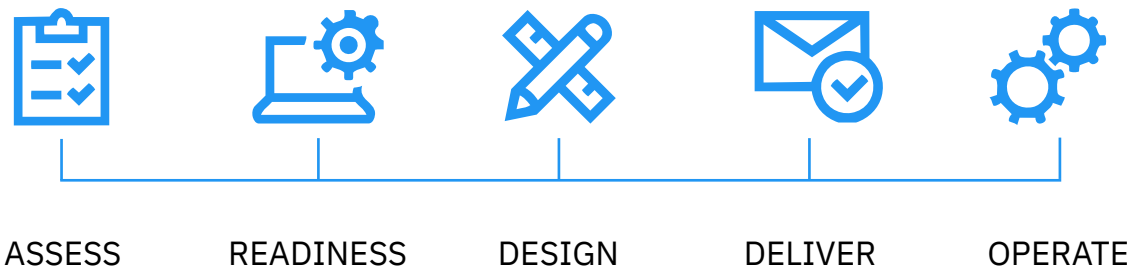
A 90-DAY ACTION PLAN

The framework above is only useful once it is applied. **The following milestones are a practical starting point** for a legal operations director or general counsel beginning, or resetting, an AI tooling evaluation.



The urgency behind this plan is measurable. Two-thirds of corporate legal clients want their outside firms to use AI, yet **fewer than 20% mandate it in guidelines** or requests for proposals Thomson Reuters (2026) which is a gap that rewards firms able to state a clear, evidenced position rather than an improvised one. **The market is moving toward strategy before tooling**, and the organisations that get there first will be making tooling decisions from a position of clarity, not catch-up.

Abstract's own Enterprise AI Transformation Framework follows the same sequence: Assess, build readiness, design, deliver, and operate, rather than starting from a vendor's roadmap.



About Abstract Group

Abstract Group is a UK-headquartered technology integration partner, delivering across Europe, APAC and the GCC. The firm works alongside legal and professional services organisations across strategy, cloud and infrastructure, security, and technology leadership, the same four lenses this whitepaper has used to examine the build, buy, or partner decision. Abstract has served 14+ enterprise clients including IRIS, DWF and Pinergy, is ISO 27001, GDPR and Cyber Essentials compliant, and holds OneReach.ai and Microsoft Azure AI Engineer certifications.

For organisations facing one or more of the gaps described above, Abstract's engagement typically begins with three steps: A 30-minute discovery call to identify the highest-impact opportunities, followed by a structured half-day AI readiness workshop to define vision and prioritise use cases, and a free technical review of the current architecture and its risks. Each stage builds on the last, addressing the readiness assessment, infrastructure review, security evaluation, or leadership capacity the next step requires, before any vendor conversation begins.

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