

AI in M&A legal practice: Stop talking, start prompting

The objective of AI implementation in M&A should not be time savings, but quality improvement.

Anyone active in the legal world will have noticed that at conferences and across social media, little else dominates the conversation: AI has arrived in M&A legal practice. Yet the discussion often reduces to binary positions: “AI will replace the lawyer” or “AI will never replace the lawyer”. The lawyer becomes an “agent conductor” versus the “lawyer remaining simply a lawyer, albeit with an expensive new subscription”.

Even where more nuanced positions are taken, they are not always convincing. Not because they are necessarily wrong, but because they remain at the level of abstraction.

There is much discussion about AI. But it is not always clear whether, and if so how, these commentators are actually applying it in practice. If AI can already replace the lawyer, why is that not yet visible in practice? Do AI models need to improve further before they can draft or summarise contracts at a sufficiently high standard? And if we are indeed working 30% more efficiently, why are we not leaving the office 30% earlier? Is it the AI, or the lawyer that is lacking?

The pitfall: focusing on the end product rather than the process

This is where the tension lies. The discussion on AI in M&A too often seems to be led by those focusing primarily on the written output of the process. They see an AI-generated report or contract and conclude that if AI can produce a similar document more quickly, the lawyer must have become less relevant. This is an overly simplistic analysis. The final document is rarely the legal product itself. It is merely the medium in which that product has been recorded.

The benefits of AI in M&A are often linked to due diligence speed (and therefore cost?). This is understandable as due diligence is highly labor-intensive. Large volumes of documents must be read, structured and assessed. That type of work seems particularly well suited to AI, does it not?

It is suggested that producing a due diligence report in a single morning using AI would signal the end of the M&A lawyer's role. This is not the case. The discussion should not focus on how a law firm can use AI to summarise 2,000 documents and enrich that output with AI-generated recommendations. Most firms seriously engaging with AI should by already have implemented this capability.

The focus should instead be on how an M&A lawyer, faced with an AI-generated draft report, can hold their own in a legal expert session, explain to a client how the contracts “feel”, or truly master the due diligence material as thoroughly as under the traditional approach.

The emphasis should be on how to break down tasks within the process and perform them more efficiently using AI, without losing overall control. As long as clients prefer to execute transactions with a lawyer, who has access to the same or even better technology, rather than a general chatbot, that lawyer will still need to understand the underlying documentation and, in most cases, work through those 2,000 documents.

If clients expect reliable advice from a lawyer, there is a floor to the efficiency gains achievable. It is incumbent upon us as a profession to continue demonstrating the added value of the specialist over wholly AI-generated output.

The real value: quality improvement rather than time savings

Am I being overly sceptical about AI's impact? On the contrary. The impact is already tangible and will only continue to grow. Not because we will necessarily finish the task earlier, but because our way of working is fundamentally changing.

Traditionally, a due diligence report marked the end of the process. We already see daily that an AI-generated report now often marks the beginning. The AI workflows we have developed perform an initial comprehensive analysis and provide a draft that, at times, is indistinguishable from a "manually produced" report. This means less time is spent drafting findings, while on day one we already have substantial information available for deeper analysis.

The M&A lawyer is therefore not made redundant, but can engage earlier in the process, at a different and higher level. Less time is required to gather facts; more time can be devoted to understanding the business, identifying risks and translating those into transactional advice.

This is not semantics, but a fundamentally different way of working. The objective of AI implementation in M&A is not time savings, but quality improvement.

It is entirely conceivable that a task currently taking 100 hours will still require 100 hours in a year's time. The difference is that, with AI, those 100 hours will yield significantly richer output. The time saving lies in the fact that producing the same, richer output without AI would have taken 200 hours.

Anyone who believes their work does not require such quality improvement would do well to have a critical, AI-literate colleague reassess it. This often proves a lesson in humility. AI enables lawyers to do things that were previously not realistic. Where the traditional cost-benefit analysis ruled out certain options, AI fundamentally alters that calculation, opening new ways to serve clients more effectively.

Of course, the question remains whether clients truly will appreciate or demand higher-quality output and are prepared to pay for it. But clients themselves cannot stand still either. Markets evolve, competition intensifies, and transactions become more complex. Clients who continue to rely solely on traditional advice risk falling behind. A due diligence report identifying more risks, a memorandum offering deeper insights, advice more tailored to the specific business; these are not 'extras', but competitive advantages.

While the AI debate is often framed as an inevitable "race to the bottom" in which firms compete on price, there is equal reason to see it as a "race to the top", in which firms leveraging AI effectively compete on quality.

But how...?

While AI is often presented as transformative, many lawyers still rely on applications from what now feels like a distant past: 2024. "Make this email less formal." "Correct the typos in this document." Useful, certainly, and I too use AI this way daily, but this significantly underestimates the possibilities. Firms often conduct extensive analyses to select the best AI tools, only to use them for tasks that even mediocre tools handled adequately years ago.

The challenge: from individual use to structured implementation

Much attention during implementation is given to the basics: learning how to operate the tools, understanding their capabilities and limitations. This is a necessary step for any organisation, but it must be recognised as only the first.

The real benefits of AI can only be realised when applied not just at an individual level, but in a structured and practice-group-specific manner. The question is no longer whether AI can be used, but how to use it as a team in a way that genuinely improves work quality.

For years, AI has been capable of performing comprehensive contract analyses with relatively simple prompts. The real challenge lies in standardising outputs across different contract types, with consistent definitions and standard wording. That requires a structured approach for which, in daily practice, there is often insufficient time. It is telling that discussions still focus too heavily on investment in tooling, and too little on the human effort required to unlock its full potential.

This requires individuals who understand both legal practice and technology, not only innovation professionals, however valuable they are, and not only lawyers capable of drafting a good prompt. It requires hybrid professionals: individuals sufficiently grounded in legal content to assess output quality, and sufficiently technologically literate to translate that knowledge into workable AI processes.

While larger firms often have innovation teams, and some employ "AI lawyers" or "legal engineers", professionals combining practical experience with substantive AI expertise remain scarce. This is striking, given the strong public positioning of many firms on their AI ambitions.

What makes this moment significant is that it presents a rare opportunity to make a meaningful difference. The market for AI in legal services is still young. AI "tokens" are often heavily subsidised by providers (typically available under fixed subscription models rather than usage-based pricing), making experimentation relatively cost-effective. Those who invest now can capitalise on these conditions and help shape the market's direction. Firms that actively develop AI workflows today will not merely follow market standards, they will define them.

Conclusion: less talking, more prompting

My conclusion is not that the discussion on AI in M&A is futile. On the contrary, its impact is so significant that it must remain central. But the level of debate should evolve.

Not: *will AI replace the lawyer?*

But: *how do we structure our practice so that AI demonstrably improves our work?*

Not: *can we produce reports more quickly?*

But: *how do we ensure that the analysis behind those reports becomes sharper, more consistent and more useful?*

The legal profession need not fear that AI will make it obsolete. The lawyer's added value lies not in producing documents, but in understanding businesses, assessing risks, and advising in situations of uncertainty. AI does not diminish that value, it makes it more visible than ever.

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