Adoption Notes for Firm Management

From: John A. Kelly

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Re: Adoption notes for firm management: insurance, budget, pricing models, training cadence

This is the market context behind the policy: the material that goes stale. The policy (document 02) states duties and controls and should rarely need revision; this page carries the prices and percentages that will move, so the policy does not have to. Figures marked as leads were gathered from practitioner presentations and vendor conversations in mid-2026 and should be verified against current terms before anyone relies on them.

1. Insurance

Cyber liability carriers are adding AI questions to their applications, including whether the firm has a written AI use policy. Adopting the policy answers that question affirmatively; the Approved Tool List and the training records in Section 6 are the documentation an underwriter or auditor would ask for next.

2. Budget expectations

A survey figure circulating in mid-2026: total technology spend at law firms has moved from a historical 2 to 3 percent of gross revenue to 5 to 8 percent, driven by AI tooling. Treat it as directional, not audited, but it is the right order of magnitude for rate-setting conversations. Two structural points matter more than the exact percentage:

1. **Staff seats count.** Several legal AI vendors charge for every user, paralegals and assistants included, not just attorneys. A tool at roughly $200 per user per month is about $2,400 per seat per year; multiply by everyone who will touch it, then ask who actually will. Paying for ten seats and using two is the common failure.
2. **Utilization drives the decision.** Match the tool to the practice area and to the people who will really use it before committing to firm-wide seats.

3. Pricing models: seat versus token

Most tools today charge per seat. Some vendors are moving to token-metered pricing (one legal AI vendor announced the change in 2026, and others are expected to follow), and enterprise tiers of the general-purpose tools already meter usage. Two consequences for the firm:

1. **Exhaustion risk.** A metered plan can run out before a deadline. The vetting checklist in policy Section 3 asks for the exhaustion behavior and overage terms for exactly this reason; the Administrator should know what happens at the cap before a brief is due, not after.
2. **Usage discipline.** On metered plans, large document uploads and heavy reasoning models consume the budget fastest. This is an administration point, not a staff prohibition; the verification duties in the policy are never the place to economize.

Price points as leads (mid-2026, unverified; confirm current terms): Microsoft 365 Copilot paid tier roughly $30 per user per month (the bundled free Copilot is not the vetted product); CoCounsel (Westlaw) roughly $200 per attorney per month depending on the research subscription; Vincent AI (the engine behind Clio's AI work features) roughly $200 per user per month including staff; Spellbook comparable; Harvey and Legora priced for large firms. For vendor discovery, Legal Tech Hub's database listed 949 vendors and 1,196 products as of June 2026; the Tool List process in policy Section 3 is the filter.

4. Training cadence

The policy leaves the training interval bracketed. A model that works in practice: a recurring short internal session (one firm runs a half hour every Monday on its Teams channel) rotating through tool features, policy refreshers, and current sanctions cases. It satisfies the Section 6 duty, keeps the Tool List current because people surface the tools they actually use, and costs less than the annual-seminar alternative. Local forums help too: a free monthly legal tech roundtable for Sonoma County firms begins the last Friday of August 2026, online (contact Ron Wargo, rwargo@frigolaw.com).