

Claude for Legal:

What will it mean for lawyers and software suppliers?



Introduction

Anthropic has released Claude for Legal, linking Claude to the software and data sources that many legal teams already use, including new legal plugins and integrations with platforms such as DocuSign, Box, Thomson Reuters/Westlaw and Everlaw. It also extends into Microsoft 365, including Word, Outlook, Excel and PowerPoint. This will be a powerful productivity aid for law firms, but it is likely to be more than that: it will put real pressure on billable-hour models, especially where firms rely heavily on repeatable drafting, review and research work. Most lawyers will say it cannot replace them. That may be true. But this still has the feel of a contemporary Tudor Ice Company moment: the introduction of a better delivery mechanism that changes where economic value sits.

Some technology companies should benefit, particularly those included in the plugin ecosystem and so might others such as iManage and NetDocuments, which are deeply embedded in legal operations. Generic contract review tools that simply upload a contract and produce a summary, redline or risk list will be vulnerable.

It will be fascinating to observe how the legal AI specialists respond. Some may benefit from being integrated into the Claude ecosystem, but the broader strategic question remains: why use them rather than Claude directly?

Claude, of course, will not replace all legal software. Legal teams need so much more e.g. confidentiality, audit trails, privilege protection, permissions, data residency, matter-level controls and compliance.

What does this mean for M&A?

For legal software suppliers, this will probably accelerate consolidation.

Companies likely to command premium valuations will have:

- ❖ Proprietary legal data
- ❖ Systems of record
- ❖ Deep vertical workflows
- ❖ Enterprise trust features
- ❖ Embedded distribution

By contrast, companies likely to face valuation pressure will be those dependent on:

- ❖ AI features rather than platforms
- ❖ Prompt libraries
- ❖ Simple document upload/review tools
- ❖ Generic summarisation and drafting products
- ❖ Tools without workflow ownership or proprietary data

Conclusions

Claude for Legal is likely to be bad for thin legal AI point solutions, challenging for mid-market legal software with weak workflow ownership, and positive for incumbents with proprietary content, systems of record or trusted enterprise infrastructure.

The legal software market will not disappear. But suppliers will increasingly be judged on whether they provide something Claude cannot easily replicate: authoritative legal data; secure workflow; regulated records; proprietary knowledge; deep vertical process expertise; or trusted integration into the legal operating environment.

