



Sally Guyer chats to Artificial Intelligence Tool ChatGPT, about the use of AI in contracting, the recent ban on the use of the tool in some organizations, and the potential risks for companies that fail to embrace artificial intelligence tools.

Sally

Hey ChatGPT, I would like to conduct an interview with you about the use of AI in Contracting – are you happy to do that?

ChatGPT

Absolutely! I'd be happy to help answer your questions on the use of AI in contracting. Please feel free to start with your first question.

Sally

Great! So, my first question is how can contracting professionals (they might be lawyers, contract managers, commercial managers, procurement professionals – anyone who works with contracts, buy, or sell side, pre or post award) use ChatGPT to help them in the roles that they perform?

ChatGPT

Artificial intelligence, including models like ChatGPT, can be incredibly useful in assisting contracting professionals in numerous ways:

- 1. Contract Review and Analysis:** AI can review and analyze contracts at scale, saving time and reducing human error. It can identify important clauses, highlight potentially problematic terms, and compare a contract against a company's standard terms or industry benchmarks.
- 2. Drafting and Editing Contracts:** AI can help generate or edit contractual documents. It can help ensure contracts are consistent with preferred wording, standards, and best practices.
- 3. Negotiation Support:** AI can provide insights and data-driven suggestions to support negotiation processes. It can analyze past negotiation data, identify patterns, and predict likely outcomes or concessions.
- 4. Managing Contract Lifecycle:** AI can help automate repetitive administrative tasks in the contract lifecycle management process, like sending reminders for contract renewals or tracking compliance with key contractual obligations.
- 5. Risk Management:** By using AI, contracting professionals can manage and mitigate risks better. AI can highlight risk factors in a contract, propose alternate language, and track compliance.

6. **Training and Learning:** AI like ChatGPT can also be a resource for training and learning. It can provide answers to legal or contract-related questions, explain complex concepts, or provide insights on the latest trends in contract law.
7. **Research and Insights:** AI can quickly retrieve relevant legal cases, laws, regulations, or contract samples, providing valuable insights when drafting or reviewing contracts.

Remember, AI tools should be used as assistants to human expertise, not replacements. While AI can help automate and streamline certain processes, human judgment and expertise are critical, especially in nuanced and complex contracting scenarios.

Sally

In the context of Research and Insights, there was a recent case in the news where ChatGPT made up a legal case that didn't actually exist. Given your propensity to hallucinate and the fact that your training data from the internet only goes up to 2021, would you qualify your ability to provide Research and Insights?

ChatGPT

You're absolutely correct in highlighting this point. As an AI language model, I can generate information based on patterns and data up to my training cut-off in September 2021. However, I can't access the internet or databases in real-time, nor can I verify or update information beyond my training cut-off.

As for the problem of hallucination (generating information that is not accurate or making up facts), this is a known limitation with AI models like GPT-3 and GPT-4. It is crucial to verify any legal case, regulation, or specific fact provided by an AI with a reliable source. Regarding the provision of research and insights, it's important to note that AI can be useful in generating hypotheses, suggesting ideas, and providing general information based on historical patterns and pre-existing knowledge. However, these outputs should be validated with up-to-date and reliable sources, especially in fields like law and contracting, where accuracy and currency are paramount.

The value in AI lies in assisting with tasks that involve pattern recognition, automation, and generating insights based on large amounts of data. But AI should be used as a tool that supports, rather than replaces, professional judgment and rigorous research. This is especially true for contracting professionals, given the potential legal implications of their work.

Sally

Some companies have banned the use of OpenAI's tools in the workplace. What does OpenAI believe is behind this decision; and is this a concern for the business, as it seeks to expand its market presence?

ChatGPT

While I can't speak directly to the decisions of any particular company as I don't have real-time access to information or updates post-September 2021, I can speculate on some possible reasons why some companies may choose not to use OpenAI's tools in the workplace:

- 1. Data Privacy Concerns:** Companies may have concerns about how data is handled and the potential privacy implications. While OpenAI has put considerable effort into designing systems that respect user data, some organizations may still have reservations.
- 2. Model Limitations:** As we've discussed, AI models like ChatGPT can generate inaccurate information or 'hallucinate'. For professions that require high accuracy and precision, these limitations can be significant.
- 3. Ethics and Bias:** AI systems can inadvertently generate biased or inappropriate responses, which can create ethical concerns.
- 4. Regulation and Compliance:** Depending on the industry and jurisdiction, there may be legal and compliance concerns around using AI.

As for the second part of your question, any company in the AI space should see these concerns as an important part of the business landscape. Building trust with users is critical. Therefore, addressing concerns around privacy, accuracy, bias, and compliance is crucial for expanding market presence.

OpenAI's mission is to ensure that artificial general intelligence (AGI) benefits all of humanity. This means the organization is deeply committed to understanding these challenges and working towards mitigating them. OpenAI has already made significant strides in improving the safety and usefulness of its models, as well as addressing issues of bias and fairness, and continues to actively research and implement ways to improve in these areas.

Sally

What are the greatest risks for business that do not embrace AI in the next 5, 10 or 20 years?

ChatGPT

Businesses that don't embrace AI could potentially face a variety of risks over the next few decades:

- 1. Competitive Disadvantage:** AI is a transformative technology that can enhance efficiency, improve decision-making, and create new business opportunities. Companies that don't adopt AI may find it hard to compete with those that do, whether in terms of cost-efficiency, quality of products or services, or speed of innovation.
- 2. Missed Opportunities:** AI can unlock new business opportunities, from creating AI-powered products or services, to leveraging AI for business intelligence, personalized marketing, or improved customer service. By not embracing AI, businesses could miss out on these opportunities.
- 3. Operational Inefficiency:** AI can automate repetitive tasks, streamline operations, and optimize resource allocation. Without AI, companies could be operating less efficiently, leading to higher costs and lower productivity.
- 4. Inadequate Decision-Making:** AI can analyze vast amounts of data to extract insights, predict trends, and support decision-making. Businesses that don't leverage AI may make slower, less informed decisions, affecting their ability to adapt and thrive.
- 5. Talent Attraction and Retention:** Many talented professionals want to work with advanced technologies like AI. Businesses that don't embrace AI might struggle to attract and retain top talent.
- 6. Security Risks:** AI can enhance cybersecurity, fraud detection, and risk management. Without adopting AI, businesses may be more vulnerable to cyber threats and fraud.

The exact risks will depend on the industry, size of the business, and other factors. However, it's clear that AI has the potential to play a transformative role in various aspects of business. Businesses that are slow to adopt AI may find themselves at a growing disadvantage over time. It's important for businesses to actively consider how AI could impact their industry and to develop a strategic plan for AI adoption.

Sally

Thank you ChatGPT, my final question is what tips would you give to contracting professionals about how to work most effectively with you?

ChatGPT

Certainly! Here are a few tips for contracting professionals (or anyone) on how to work effectively with AI models like me, ChatGPT:

- 1. Understand the Capabilities and Limitations:** Know what the AI can and can't do. For example, I can generate detailed responses based on my training data up until 2021, but I can't access real-time or post-training data, and I don't have the ability to 'understand' context in the same way humans do. I also can't provide legal advice.
- 2. Use as a Support Tool, Not a Replacement:** I can provide valuable assistance in drafting, reviewing, and managing contracts, but I don't replace the expertise of a human professional. Always review AI-generated outputs and use your professional judgment.
- 3. Double-Check Facts and Data:** As an AI, I can sometimes generate inaccurate information or 'hallucinate'. Always verify facts and data, especially for crucial decisions.
- 4. Give Detailed Inputs:** The more context and details you provide, the better I can generate relevant and helpful responses. Be as specific as you can in your queries or tasks.
- 5. Iterate and Experiment:** AI models like me often perform better with iterative and interactive use. If the initial response isn't what you expected, try asking in a different way or providing more context.
- 6. Use AI for Repetitive Tasks:** AI can be highly effective at automating repetitive tasks, freeing up time for you to focus on tasks requiring deeper expertise and human judgment.
- 7. Privacy and Security:** While I don't store personal conversations, it's crucial to avoid sharing sensitive information. Ensure you understand the privacy policies and data handling practices of any AI tool you're using.

Remember, AI is a tool to assist you in your work. It can greatly enhance your productivity and effectiveness if used appropriately and wisely.