

Driving Company-Wide Innovation: How LG Chem is Transforming their Legal Processes with AI



LG Chem is a leading global chemical company with a diversified business portfolio in the key areas of petrochemicals, advanced materials, and life sciences.

Working Towards the ABCs

The South Korea-based legal team at LG Chem is no stranger to innovation. The company recently announced that they are turning their attention towards AI, Bio, and Clean Tech (the ABCs) to drive their future growth strategy. In focusing on these innovative ventures, the company hopes to strengthen their capabilities and competitive edge in the wider market.

When these strategic goals were first introduced, LG Chem Vice President, Sue Yang, and her team were already ahead of the game. In fact, the legal team had already spent three years interrogating the legal technology market. As a critical support function to the wider business unit, Yang understood the importance of creating efficient legal processes that supported business growth and wondered how AI could be a solution in this complex process.

With the release of ChatGPT in November 2022, the field of legal tech companies offering AI has grown dramatically. The legal team took this challenge head on, conducting their own extensive research and curating a list of eight vendors which they thought may be a good fit. The legal team took an active role by seeking out a technology that would serve both their current and future needs. They were also looking for a technology that could eventually be used as a centralised system for the entire legal team across not only the Asia-Pacific offices, but their American and European teams as well.

After an extensive search and trialling process, LG Chem chose Luminance, becoming the first Korean customer to implement the company's flagship 'Corporate' product which is used by in-house legal teams around the world to automate every stage of the contract lifecycle.

KEY RESULTS:



30% Time-Savings
On contract review



Instant Contract Summary
With Ask Lumi



Language Agnostic AI
Works across multiple languages

Efficiency and Consistency

The team at LG Chem knew they wanted to be a so-called 'unicorn' of the company by leading the charge on wider AI adoption, but the team first needed to assess what parts of their current process could benefit most from AI. It became clear that the run-of-the-mill contract review process was taking up too much of their precious time. Their goal for implementing AI was clear: decrease turnaround time for contract reviews while maintaining compliance and consistency across the team.

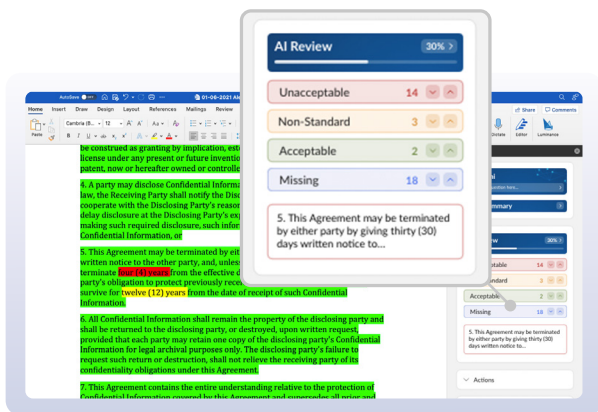
The team first set their sights on transforming the review of standard contracts such as NDAs. Luminance's AI is underpinned by a legal Large Language Model trained on over 150 million verified legal documents and has a built-in understanding of typical language included in routine documents like NDAs. However, to make it even more bespoke to the needs of the LG Chem team, the team built a custom 'Knowledge Bank' informed by their own previously agreed contracts which has allowed them to reduce time spent on reviews by at least 30% per contract.

**"Luminance helps us drive efficiency
across the entire business."**



Sue Yang,
Vice President and Head of Department

Armed with this deep understanding of how LG Chem prefers to contract and has negotiated in the past, Luminance’s AI can now act as a legal “spellchecker”, automatically highlighting risky or non-standard clauses in the contract. Critically, this allows for any member of the team who is reviewing an NDA to automatically draw from previously agreed contracts, precedents, and preferred ways of contracting to achieve the best possible outcome for the business. This entire process happens with just a few clicks in Microsoft Word. The team now spends less time reviewing simple, repetitive contracts, and more time on business-critical ventures.



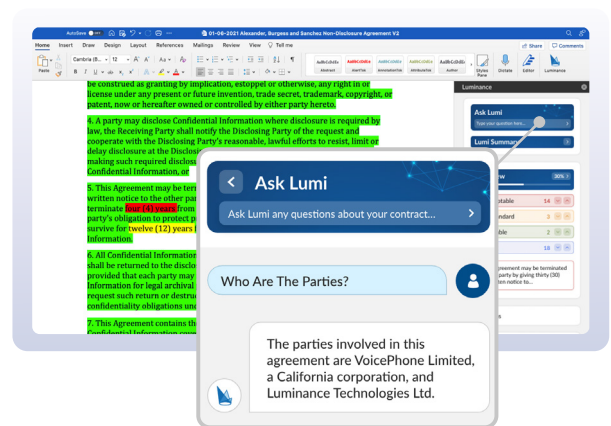
Luminance’s Traffic Light Analysis will take a first pass review of any incoming contract.

It’s natural that across a 50-person legal team, understandings of internal standards may vary. But with Luminance always providing access to the company’s preferred language, the legal team can maintain consistency across the reviewing process. The LG Chem team is also using Luminance as a mechanism to pass down institutional knowledge and train newer team members, making sure they get up to speed quickly. The AI provides rationale on-the-fly to better inform decision making and prevent the loss of institutional knowledge.

“By automating the routine yet time-consuming tasks associated with contract generation and negotiation, our legal team is empowered to focus their time on high-value work that will maximise revenue generation and provide business-wide value.”

For longer, more extensive contracts like Supply and Purchase Agreements, the team has turned to Luminance’s legal chatbot, Ask Lumi, which allows any member of the legal team to responses to any question in any language, including Korean. A team member simply asks the chatbot for a summary of the entire contract, and Luminance will deliver an executive outline of the key data, allowing them to focus on the most business-critical aspects of the contract faster. The team also utilises Ask Lumi as a partner in the contract review process, turning to the AI to expedite internal communication by taking advantage of the clause-by-clause summary function, which is available in both English and Korean.

The legal team now has an AI-powered co-pilot for navigating the contract review process which increases efficiency and helps the entire legal team deliver expedited turnaround times.



Luminance’s game-changing legal chatbot delivers instant answers to any contract query.

Creating an AI-Powered Company

Looking ahead, the team will be using Luminance across their legal teams in the United States, Europe and Asia, creating a centralised system to support the business function.

With AI providing reduced turnaround times and increased consistency, LG Chem’s legal team will continue to act as key value creator for the organisation and provide leadership in the company’s push toward innovation and AI adoption.