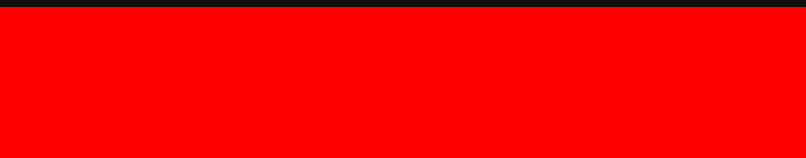




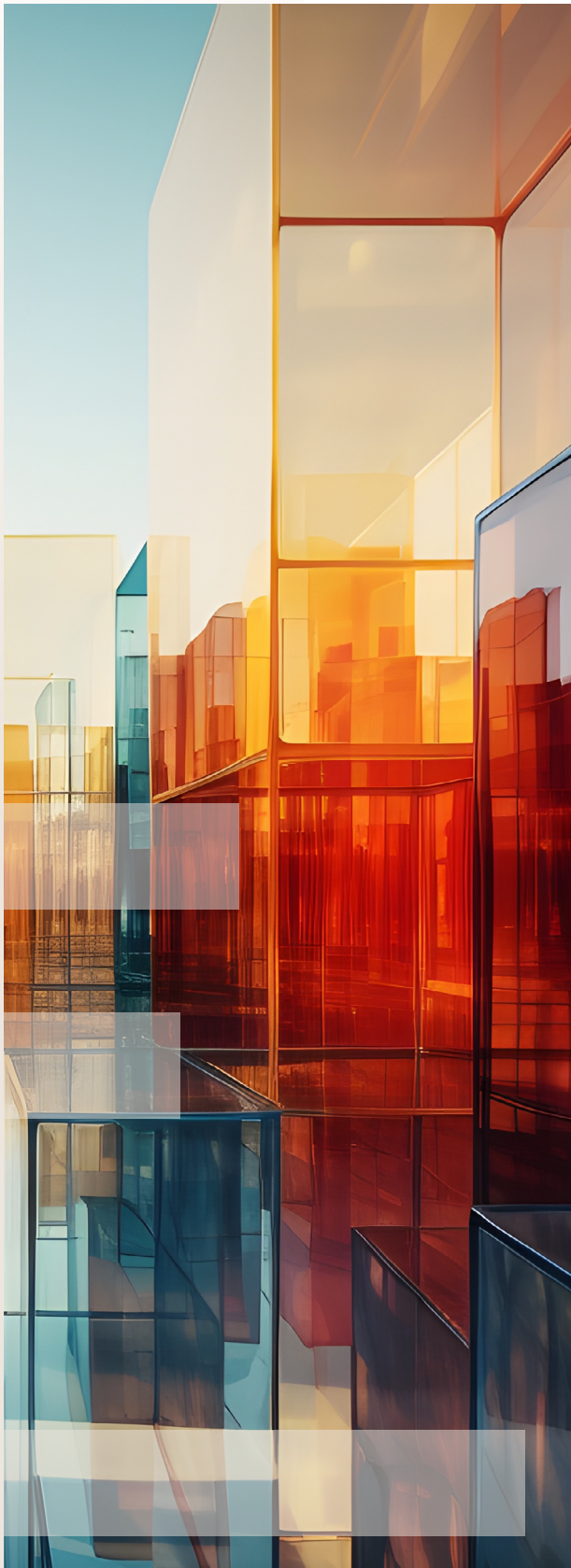
INSIGHTS REPORT

Why Generative AI-Based Bill Review is Superior to Traditional Bill Review Practices

By Murtuza Vohra



MorAI Spend Insights



Rethinking Bill Review

Bill review is a critical function for organizations managing significant legal spend, while ensuring adherence to billing guidelines, accuracy, and cost efficiency. Traditionally, bill review has relied upon manual processes or rule-based automated systems. However, these approaches have limitations, such as labor-intensive processes, human bias, and the inability to assess qualitative aspects of billing narratives effectively.

Generative AI (GenAI)-based bill review represents a transformative shift. By leveraging natural language understanding, advanced machine learning, and generative capabilities, GenAI surpasses traditional approaches in accuracy, efficiency, and insight generation. This white paper explores how GenAI-based solutions address blind spots in traditional bill review practices, deliver superior ROI, and drive innovation in legal spend management.

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Traditional Bill Review Practices in the Spotlight

Traditional bill review ‘checks the box’ but comes up short due to inherent limitations.



Manual Bill Review

Relies on humans to assess legal invoices for compliance, accuracy, and reasonableness.

Focuses on structured data (e.g., rates, hours, totals).

Time-consuming, expensive, and prone to subjectivity and fatigue.



Automated Rule-Based Systems

Use predefined rules to flag billing anomalies (e.g., block billing, incorrect rates).

Effective at detecting simple issues but fail to interpret billing narratives or evaluate qualitative aspects (e.g., appropriateness of effort, value for outcome).

Rules must be manually updated and maintained, limiting adaptability.

Blind Spots of Traditional Approaches

Narrative Assessment	Value Assessment	Scalability	Adaptability
Inability to analyze unstructured invoice descriptions to assess appropriateness.	Lack of cost-benefit analysis (e.g., was time spent proportionate to case complexity?).	Labor-intensive processes hinder scalability for large data volumes.	Rule-based systems cannot adapt dynamically to evolving billing patterns or guidelines.

A Better Way with Generative AI-Based Bill Review

Generative AI leverages advanced natural language processing (NLP) and machine learning algorithms to automate and enhance bill review. Unlike traditional systems, GenAI can interpret unstructured data, identify qualitative insights, and learn continuously to improve its accuracy.

Key Capabilities of GenAI-Based Bill Review



Natural Language Understanding (NLU)

Extracts and interprets meaning from invoice narratives.



Contextual Analysis

Assesses whether effort and time are appropriate for a given task.



Continuous Learning

Learns from historical data and user feedback to improve over time.



Predictive Insights

Generates actionable insights on patterns, anomalies, and potential savings opportunities.

Why Generative AI-Based Bill Review is Superior

Narrative Analysis and Contextual Review

Traditional systems cannot effectively process invoice narratives. Where as, GenAI excels in this area, including:

Understanding Context	Appropriateness of Effort	Value for Outcome
Identifies whether billed tasks align with case requirements.	Flags excessive time spent on routine or simple tasks.	Assesses the qualitative benefit delivered relative to the time and cost.

Example

Traditional System: Flags an invoice only if the hourly rate exceeds a threshold.

GenAI System: Identifies that a partner billed 10 hours for a task typically performed in 2 hours by an associate, even if rates are correct.

Automation with Human-Like Judgment

GenAI mimics human review with far greater speed and consistency.	Eliminates human fatigue, subjectivity, and bias inherent in manual reviews.	Handles unstructured data (e.g., PDFs, narratives) seamlessly, which rule-based systems cannot.
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Impact

Reduces manual effort while achieving deeper insights and higher accuracy.

Scalability and Efficiency

GenAI can review millions of invoices at a fraction of the time and cost required for manual or rule-based systems.	Real-time review capabilities ensure faster approvals, improving cash flow management.
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Statistical Impact

Faster review times of up to	Reduction in manual effort
70%	50-60%

Continuous Learning and Adaptability

Traditional systems require static rule maintenance. In contrast:

GenAI evolves with new billing trends, case types, and guidelines.

Learns from historical data to improve accuracy and adapt to nuances in billing practices.



Example

GenAI identifies emerging patterns like “stealth billing” (e.g., billing non-billable tasks under legitimate descriptions) without manual intervention.

Actionable Predictive Insights

Beyond detection, GenAI provides strategic insights:

Cost Grade Analysis

Grades law firms’ cost efficiency based on historical performance.

Outcome-Based Insights

Correlates spend to case outcomes, identifying firms with the best ROI.

Trend Analysis

Predicts future billing anomalies based on past data.



Impact

Organizations can make informed decisions about preferred panel firms and case spend management.

Quantifiable Benefits of GenAI-Based Bill Review

Benefit		Traditional Review	GenAI-Based Review
Accuracy	➔	Moderate, prone to errors	High, learns from data
Speed	➔	Slow, manual process	Real-time review
Cost Efficiency	➔	Labor-intensive	Reduces manual effort by 50-60%
Narrative Analysis	➔	Limited to structured data	Full narrative and context review
Scalability	➔	Limited	Highly scalable
Strategic Insights	➔	Minimal	Actionable, predictive insights

Case Study: Achieving Superior ROI with GenAI-Based Bill Review



Client

A Fortune 500 insurance company managing \$140M in annual legal spend.

Challenge

Traditional bill review detected only surface-level errors and missed qualitative insights.

Solution

- Analyze invoice narratives for reasonableness.
- Identify patterns of inefficiency and savings opportunities.
- Provide cost-grade analysis for panel firms.

Results

25% cost savings identified in year one.

50% reduction in manual review effort.

Improved ROI through **insights** into firm efficiency and billing practices.

Conclusion: The Future of Bill Review is Generative AI

Generative AI-based bill review delivers a paradigm shift in legal spend management. By addressing the blind spots of traditional methods, such as narrative analysis, contextual review, and scalability, GenAI ensures:

- Greater accuracy and cost savings.
- Faster review cycles with reduced manual effort.
- Actionable insights to optimize legal spend and firm performance.

Organizations seeking to modernize their bill review processes and achieve superior ROI must adopt GenAI-based solutions as the future standard.

To learn how GenAI can revolutionize your bill review process and uncover untapped savings, contact us for a tailored demonstration or pilot program.

About the author



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Murtuza is a Managing Director at Morae. He works with legal departments to develop innovative business solutions, including selecting and implementing technology, that will drive greater operational efficiency and cost savings.

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