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COLLABORATING WITH GEN-AI: HEINEKEN LEGAL DEPARTMENT'S USE OF THE "POWERBOT"

This case study illustrates how Heineken's legal department uses generative artificial intelligence (GenAI) to boost the collaborative process that underpins their strong performance. Emerging outcomes include increased efficiency, enhanced quality of debate, and the disruption of dysfunctional team norms. The case study also provides "how-to's" for leaders attempting to shift workplace culture and practices by effectively integrating and using GenAI – based on Heineken's experience to date.

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In today's fast-paced business environment, smarter collaboration is critical for staying ahead of the curve. Top legal leaders, in both corporations and private firms, appreciate that experts need to work seamlessly and proactively across silos to boost innovation, enhance financial outcomes, and engage and retain talent.

GenAI (generative artificial intelligence) holds immense promise in transforming collaboration as we know it. A recent study from Gardner & Co. with around 500 practitioners investigates the potential arising from collaboration with GenAI. For instance, 65% of practitioners surveyed think that using GenAI in meetings leads to more innovative brainstorming. Similarly, 55% believe in GenAI's ability to close gaps in knowledge and perspectives in real time. However, the study also shows that 40% of participants do not yet use GenAI in discussions, which underlines the need to shed further light on the topic.[i]

Using GenAI as a trusted ally makes the possibilities for smarter, more dynamic collaboration almost limitless. Therefore, this case study explores the transformative potential of GenAI in enhancing smarter collaboration. It draws on insights from Heineken's legal department, which already uses GenAI in advanced ways. Moreover, it incorporates findings from Gardner & Co.'s recent GenAI study. This case study covers the following topics:

The Use of GenAI in Heineken's Legal Department: How does Heineken's legal department already use GenAI in their daily operations? Ernst van de Weert (General Counsel), Sabine van Woerden (Director, Legal Innovation) and other team members share deep insights. [page 2]

The Backstory of Building the PowerBot: Brief details about how the Legal team collaborated across departments to develop, test and launch their tool. [page 3]

Business Case: Integrating GenAI into daily workflows produces many benefits such as improving efficiency, enhancing the quality of debates, and breaking down entrenched and dysfunctional norms. [page 5]

The How-To's for Effectively Integrating GenAI: A guide for successfully integrating GenAI into real-time debates, building on the Heineken's examples and Gardner & Co.'s insights from research across multiple industries. [page 8]

Leadership Implications/Change Management: Strategies for how leaders play a central role in creating the appropriate environment for integrating GenAI. [page 9]

The Use of GenAI in Heineken's Legal Department

Heineken's legal department is already using GenAI in advanced ways, in real time during meetings and for preparatory and follow-up tasks. In doing so, they create efficiencies, enhance the quality of discussions, and disrupt suboptimal team norms. We spoke to Sabine van Woerden (Director, Legal Innovation), Ernst van de Weert (General Counsel), and Julian Eck (Senior Legal Counsel, Litigation & Regulatory Risk) to find out more about how they use GenAI in their day-to-day work, how it benefits them, and what lessons they have learned.[ii]

Insights on Use Cases in the Legal Department

Ernst works with GenAI regularly and uses different tools. For example, he employs the so-called *PowerBot,* which is an internally developed AI language model based on GPT-4o. He uses it primarily for summarizing data and information, preparing for town hall meetings, and inspiring his team communications. However, Ernst emphasizes that the PowerBot only presents suggestions; ultimately, decisions still must be made by humans:

"The PowerBot will just give you options. GenAI is there to support you, not to do the last step," he says.

Over the last several months, Ernst has also tested the Microsoft Copilot AI assistant. The efficiency benefits are remarkable:

"Each piece might sound sort of trivial, but altogether it saves me easily one to two hours in a day, instead of doing it all by myself the old-fashioned way."

Now he can spend extra time on value-generating tasks. His colleague Sabine is an even more experienced GenAI user. She says the PowerBot, which she uses every day for a diversity of topics, has been her "best friend" over the last six months. That said, it isn't a full-fledged replacement for a team member.

> *"The GenAI is only there to support you,"* she said. "*Because you will always need the nuance. Using a bot is like having a super smart and efficient intern on your team.*"

In the beginning, she used the PowerBot for basic tasks involved with meeting preparation and follow-up. Today, she leverages it during meetings as a real-time collaborator. For example, it was particularly valuable during a discussion – with about 10 participants – about launching enhanced innovation governance:

People agreed that a catchy marketing storyline addressing the *"why"* of the new governance was needed – for communicating it to internal teams. Instead of engaging in excessive brainstorming with all meeting participants, Sabine passed this task on to the PowerBot. Within seconds, it suggested an approach for "selling" the story – and legal rationale behind it. The group made a few updates to the proposal, resolving the agenda item within a matter of minutes.

Collaborating with GenAI boosted efficiency *and* generated a higher-quality proposal in a short timeframe, according to meeting participants.

The Backstory: Building the PowerBot
In an interview with Lyudmila Todorovska (Head of Global Technology - HR, Corporate Affairs and Legal), she shared how the PowerBot was developed by the *Hyperautomation* team – which is a multi-skilled product-focused group following Scrum practices. The concept of PowerBot emerged from two key insights: the technical team's deep understanding of the capabilities of existing technology, and the clear need for support in daily operational activities by the business stakeholders. The PowerBot was born, using Microsoft's Azure OpenAI GPT-2 as POC (proof of concept), and later upgraded to GPT-4o.

Roles and skills required: The development of a GenAI tool such as the PowerBot requires different roles and skills from the technology department as well as the involvement of additional stakeholders; see Appendix 1 for details.

Principles of collaboration and development: When introducing new solutions like the PowerBot, agile working methods (Scrum) have proven their worth in Heineken's technology departments. Three-week sprint phases, in which the product team completes pending tasks/work items, alternate with recurring sprint reviews. In these review meetings, results of the previous sprint phase are presented in a demo session. In addition to the technology stakeholders, all other business stakeholders are encouraged to participate in the demo sessions and give feedback. Further needs, open work packages, and responsibilities for the next sprint phase are defined based on the work status.

Improvements to the PowerBot are made on a constant basis. Aligned with the agile working methodology, these are implemented every few weeks, depending on the criticality of user feedback and the expected business value of the improvement. In addition to ongoing optimizations initiated by users, further developments and powerful releases from Microsoft ensure regular adjustments and improvements to the PowerBot.

Other GenAI Applications in the Legal Department

In addition to the real-time use case mentioned above, GenAI offers support for various other time-independent tasks within Heineken's legal department:

(1) **Assessing Information/Challenging Arguments:** GenAI is used to evaluate information or to validate it with additional sources. It also helps challenge opinions by providing alternate perspectives.

(2) **Brainstorming:** GenAI helps with ideating, problem solving, and strategizing, since it triggers new thoughts. The different points of view and blueprints it generates can be used as a foundation for improving and refining.

(3) **Creating Presentations**: GenAI offers significant added value by efficiently developing appealing PowerPoint presentations, based on supplied content (in the form of text or bullet points) and instructions on visualization preferences.

(4) **Developing a Storyline**: GenAI can produce creative content, such as compelling storylines (as mentioned earlier) that allow employees to better understand internal decisions – boosting their buy-in.

(5) **Rephrasing:** Depending on the target group receiving the information, adopting different tones (e.g., formal versus informal) makes sense. Whether the communication is an email, LinkedIn post, or report, this customization can enhance receptivity and impact.

(6) **Summarizing and Structuring:** GenAI is often used when large amounts of information (e.g., legal documents) need to be organized and synthesized, which it can do in seconds. It also helps summarize discussions at key moments, such as the end of a meeting when next steps are being determined.

(7) **Text Creation (incl. Sending of E-Mails):** GenAI is not only suitable for optimizing existing text but it is also used to draft documents and email, including messages in other languages. It can, for example, provide translation suggestions for a particular idiomatic expression. That said, the text should be carefully proofread (e.g., are the sources sound, and does it sound authentic?).

(8) **Stress Testing:** GenAI can play a role in preparing for meetings by assessing the strength and reliability of ideas and work. Applying thought-provoking queries allows you to identify potential weaknesses, uncover hidden assumptions, and stimulate critical thinking.

(9) **Assistance in the Onboarding Process:** During onboarding, GenAI can answer questions as they arise (for example "What is that acronym?"). This saves time for both the new employee and the colleague they would otherwise ask.

Business Case

Using GenAI in day-to-day work – both in real time and for preparatory or follow-up tasks – brings various quantifiable benefits. This new form of collaboration between humans and technology increases efficiency, adds healthy conflict to discussions, and disrupts unproductive habits. In the next section, we outline time savings achieved in Heineken's legal department through bringing in GenAI. We also provide insights on how GenAI can improve debate and collaboration quality, drawing on our recent Gardner & Co. GenAI survey findings.[iii]

Increased Efficiency

When asked about time savings achieved through GenAI, Sabine commented: *"It makes me faster. At the beginning it even felt a bit like cheating. Now I am proudly showcasing work I create with the support of GenAI."* She's not alone: the overall Heineken legal department has noticed an immediate improvement in efficiency. For example, it takes less time to:

- Create a presentation (average time savings of 45 minutes)

- Write an email (average time savings of at least 30 minutes per day for five emails)

- Brainstorm/gain inspiration (average time savings of 15 minutes per day)

- Summarize (average time savings of 10 minutes per day)

- Translate (average time savings of 30 minutes per week)

- Prepare meeting notes and follow-up messages (average time savings of 15 minutes per week)

Enhanced Quality of Debate

Although most people primarily think of efficiency gains regarding GenAI, it also has enormous potential to enrich the quality of discussions. It adds perspectives to discussions that are missing due to the composition of participants. These novel ways of looking at a topic can change the direction of the conversation or materially add to it. The recent Gardner & Co. study on GenAI[iv] identifies three key areas where GenAI adds value by playing a predefined role:

(1) <u>Corporate Functions:</u> Particularly in the case of interdisciplinary topics, bringing together all relevant stakeholders is often challenging (e.g., due to parallel appointments, vacations, or other absences). If someone knows they cannot attend a meeting, they could arrange for a deputy to attend – or share their opinion with other participants in advance. However, this often fails to happen because of "busyness" – and is especially unlikely when people unexpectedly miss meetings. Thus, meetings often lack opinions from relevant specialists and functional areas. Gardner & Co.'s GenAI study showed that 90% of respondents would see added value in GenAI providing functional perspectives in meetings. The following functions were cited most frequently: Information Technology (52%), Business Development (51%), and Marketing (51%).[v] For further data on other corporate functions, see the Appendix 2.

(2) <u>Personality Traits:</u> Besides missing functional perspectives, a team or a meeting can also lack a diversity of personality types. Imagine supervisory boards of listed companies that have long been – and in some cases still are – male-dominated. In gender studies, men are described as more risk-taking than women. In such a scenario, GenAI could take on the predetermined role of a level-headed, risk-averse meeting participant and thus enrich the debate with valuable perspectives. Elsewhere, a team might inadvertently comprise only people who are drawn to thinking about complex, abstract problems. In this case, they would benefit from having a GenAI "teammate" that prompts them to consider more concrete, action-oriented solutions so that they conclude team meetings not only with creative ideas, but also ones that are likely to get implemented.

(3) <u>Outside Voice:</u> A third perspective often missed in discussions is the outside voices of the organization's stakeholders. Imagine discussing product enhancements wouldn't having clients' opinions at the table enrich the conversation? Or what if you were expanding your business (e.g., through acquisitions or geographical expansion) – wouldn't it make sense to

hear possible concerns of regulators or NGOs in real time? In Gardner & Co.'s latest research, 37% of respondents would appreciate having GenAI participate in a real-time discussion as an outside voice.

How GenAI Disrupts Dysfunctional Team Norms

Effective communication and smarter collaboration are paramount for success in today's dynamic organizational landscape. However, a lack of exposure to external influences or challenges can lead to comfortable routines and entrenched patterns of thought and create dysfunctional team norms. Gardner & Co. research shows how introducing GenAI revolutionizes how teams interact, addressing common challenges and fostering a more inclusive, productive environment:

(1) **Reducing Employee Silence**: Employees can be reluctant to challenge colleagues or superiors. Reasons for this are expected negative consequences for the personal relationship, retaliation, or adverse consequences for their career. The phenomenon of intentionally withholding information – called *employee silence* – is particularly prevalent in politically charged organizational contexts. GenAI allows employees to validate opinions on sensitive topics with the perspective of a neutral third party. Consequently, issues can be addressed more openly when referring to GenAI.

(2) **Increasing Acceptance of Dissenting Opinions**: Dysfunctional communication processes often stem from the recipient not accepting the sender's opinion or point of view. The Gardner & Co. study reveals that people are generally more likely to accept dissenting opinions or negative feedback if it is given by a GenAI tool – or has been validated by one. Feedback recipients point out that they appreciate the objectivity of the information and do not have to worry about underlying interpersonal conflict.

(3) **Breaking Down Narrow-Mindedness:** Team composition and long-term collaborators tend to suffer from entrenched patterns of thought and behavior. Comfortable routines settle in and consolidate due to a lack of external influences. The real-time use of GenAI infuses new perspectives and stimulates fresh ways of thinking, helping to break down the narrow-mindedness of a team.

(4) **Overcoming *"Fake Politeness"*:** Many meetings begin with lengthy introductions and, to some extent, fake politeness where people pretend to be interested or strive to avoid conflict.

Adding GenAI as a neutral third party to a discussion will help spark debate faster. Instead of losing valuable time, people can dig into substantive issues through intervention/guidance from a neutral participant (GenAI).

(5) **Disrupting Back Channels:** Who hasn't experienced meetings where a few participants reach a consensus rather quickly, and decisions have been made through pre-organized majorities or agreements? By objectively challenging people and their arguments and asking tough questions, GenAI can help reduce these choreographed outcomes. This ensures that decision-making is based on factual foundations rather than personal alliances.

(6) **Promoting Inclusiveness:** A common problem in organizations is that lower status means one's opinion is considered less relevant and is less likely to be heard. GenAI counters this by considering and processing arguments regardless of the employee's status. Objectification increases inclusiveness, reduces status bias, and benefits all parties. Employees receive greater appreciation for their thoughts, and the organization gains valuable viewpoints and ideas.

(7) **Reducing Intellectual Absence:** Adding GenAI to a discussion in real time also prevents people from disengaging or becoming apathetic, in part because meetings become more efficient and productive. In addition, GenAI could track meeting participants' contributions (in terms of speaking time and content) and provide leaders with data on whom to include more in the discussion.

How-To's for Effectively Integrating GenAI

Drawing on the experiences and expertise of Heineken's legal department, this case study identifies numerous best practices for using GenAI. The recommendations take into account specific requirements for using GenAI in real time:

(1) **One GenAI tool per discussion:** Only one GenAI bot should participate in each meeting. This prevents parallel discussions and subsequent inattention by meeting participants. Moreover, it prevents the GenAI personas from conversing with each other.

(2) **One user interacting with GenAI:** The interaction with GenAI should be managed by just one predefined person. This ensures that communication with GenAI follows a consistent thread and that responsibilities are clear.

(3) Prompting proficiency: The facilitator of the GenAI interaction must be proficient in prompting techniques. This skill is crucial to adequately articulating the meeting participants' requests to GenAI. Conversely, a lack of prompting ability severely reduces the quality of GenAI output.

(4) Multitasking skills: To operate GenAI in real time, one needs to multitask. They must be able to follow their conversation with GenAI *and* the discussion in parallel. And they must appear engaged to avoid appearing disinterested or absent-minded.

(5) Separating meeting leader and GenAI facilitator: Since real-time collaboration with GenAI requires significant cognitive resources, the person facilitating the interaction should not be leading the meeting. Doing so could compromise the effectiveness of the meeting.

(6) Transparency about the use: The participation of GenAI in meetings should be made transparent to all meeting participants. This increases trust in the technology and the participants using it, and prevents GenAI users from being mistakenly perceived as distracted or disengaged.

(7) Optimal working environment: The GenAI facilitator should have optimal workplace conditions to help them concentrate better, such as a quiet meeting room with no background noise.

(8) Technical equipment: The person facilitating the GenAI interaction needs the right technical equipment. For example, having a second screen will help them follow the main discussion while simultaneously interacting with GenAI.

Leadership Implications

In today's rapidly evolving business landscape, adopting GenAI is pivotal for organizations to maintain and grow their competitive advantage. It is especially important that leaders demonstrate acceptance and willingness to use GenAI, as it will allow them to better focus on strategic work. As Ernst says, *"GenAI supports you in fulfilling your leadership role. It focuses on heavy workloads, and you can focus more on your strategic role, and GenAI is the enabler of that."*

Leaders also play a central role in guiding their teams through the GenAI integration process. The recent Gardner & Co. study with more than 500 practitioners outlines several actions leaders need to take to integrate GenAI into their teams successfully:

(1) <u>Create a culture of true experimentation:</u> GenAI has enormous potential to boost the efficiency and quality of output in many operations. However, the novelty of the technology and rapid development are also causing uncertainty among employees. Thus, creating a culture of true experimentation is fundamental, where failure is anticipated, and people know how to learn from it.

(2) <u>Share success stories:</u> Success stories help to convince the people throughout the company to use GenAI. Leaders must identify and collaborate with early adopters to create and maintain momentum for using the new technology throughout the organization.

(3) <u>Set and communicate expectations:</u> Using GenAI drives efficiencies and saves time. Leaders must set and communicate expectations of how their subordinates spend this "found time" to collaborate on further tasks. In addition, they must clarify responsibilities for solving complex problems – especially in times of increased task fragmentation.

(4) <u>Ensure employees have the necessary skills:</u> Active participation in a discussion (*being* engaged and *appearing* engaged) and parallel communication with GenAI require skills such as multitasking and prompting proficiency. Make sure employees have the necessary skills to handle and structure nuanced and diverse inputs in real time.

(5) <u>Counteract widening performance gaps:</u> Employees often demonstrate varying degrees of acceptance towards new technologies. Our study indicates that it is particularly high performers who see opportunities in using GenAI. However, if it is primarily high performers who realize additional efficiencies and substantive advantages by using GenAI, there is a risk that internal performance gaps will increase. Leaders must be aware of this and take measures to mobilize technology pessimists.

(6) <u>Enhance mentoring and apprenticeships:</u> As GenAI relieves junior staff of traditional groundwork and their new tasks become more fragmented, their learning and development paths will also change. Therefore, leaders must enhance mentoring and apprenticeships to ensure junior workers develop intuition, professional judgment, and emotional intelligence.

(7) <u>Prepare for more demanding conversations:</u> By using GenAI, meeting input will become more nuanced and diverse, while the sheer volume of (unvalidated) information will increase. Leaders must ensure discipline in problem-solving (e.g., *Are we still talking about*

the right topic? Is everybody engaged?) and parallelly demonstrate their ability to structure and curate extensive amounts of information in real time.

(8) <u>Challenge yourself to become a curious visionary:</u> GenAI can effectively answer the questions we pose by drawing on data from the past – but who sets the future direction? Leaders must challenge themselves to become visionary advisors, asking the right questions. In this time of GenAI, the ability to think ahead and question the status quo will more clearly distinguish good from bad executives.

About Gardner & Co.

Gardner & Co. helps clients across professional services, industry, government, and non-profits to drive change through smarter collaboration.

Combining our unique blend of empirical research, academic rigor, and top-tier consulting experience, we partner with the board, C-suite, and leadership teams to help transform organizations. We also provide technology-based tools, including collaboration-focused psychometric and 360 feedback instruments and personalized guidance, to help individuals and teams collaborate more effectively.

We are passionate about collaboration because it creates opportunities for every employee to thrive when they contribute with their full potential.

Gardner & Co. is led by Dr. Heidi K. Gardner and supported with a world-class team. Gardner & Co. also draws on its network of top-tier experts for both research and advisory work. We not only deliver smart collaboration, we live it.

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Appendix 1

The development of a GenAI tool such as the PowerBot requires different roles and skills from the technology department as well as the involvement of additional stakeholders:

- **Product Owner**: This role is responsible for defining the features and requirements of the product, acts as a link to all the different stakeholders of the PowerBot, and gathers input from all stakeholders to determine the next steps required.

- **Architect**: This role designs the structure of the application and the integration of its various components and interfaces.

- **Developer/Engineers**: Different development roles are required depending on the project's scope. On the PowerBot, one general developer (DevOps) and one developer with specific knowledge of the technology (Azure OpenAI) were involved.

- **Business Analyst**: This role acts between the product owner, the technology team, and the different stakeholders and records stakeholder requirements and the execution of project progress.

- **Users from the specialist departments/internal clients**: The users formulate their requirements for the solution from a practical perspective, test it during development, and provide feedback on the current work status.

- **Compliance**: Certain checks must be carried out before releasing a solution such as the PowerBot. Security, privacy, and legal perspectives must be addressed. It is recommended to start with these steps to avoid wasting resources in cases where unsolvable obstacles arise.

Appendix 2

The Gardner & Co. study explored the transformative potential of GenAI in enhancing smarter collaboration, drawing on insights from our study with nearly 500 global business practitioners, including interviews (N=138) and surveys (N=340). The following finding draws from the survey portion of the study:

If the GenAI bot was representing a different perspective, which would be valuable? [vi]

Function (alphabetical)	Acceptance in %
Business Development	**52 %**
Compliance	45 %
Corporate Communications	40 %
Finance	35 %
Human Resources	25 %
Information Technology	**52 %**
Legal	45 %
Logistics	37 %
Marketing	**51 %**
Procurement	35 %
Quality Assurance	30 %
Research & Development	42 %
Risk Management	47 %
Sales	37 %
Outside Voice (e.g., client, regulator, stakeholder)	37 %

For more information email Christine@GardnerandCo.co

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[i] Gardner & Co. (2024): Enhancing Smarter Collaboration Through GenAI.
[ii] Interviews conducted in February-April 2024.
[iii] Gardner & Co. (2024): Enhancing Smarter Collaboration Through GenAI.
[iv] Ibid.
[v] Ibid.
[vi] Ibid.