

# The Age of the Innovation Orchestrator

Moving from AI adoption to  
commanding intelligence



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# Executive summary

The legal industry has crossed a structural inflection point: artificial intelligence (AI) is no longer experimental or peripheral. Leadership pressure to deliver efficiency is accelerating AI adoption, and forcing legal into a new role: not just using AI, but coordinating how intelligence operates across the legal function. AI is now embedded in everyday workflows—from document review and contract management to legal research and compliance monitoring—but largely without the coordination and orchestration required to make it work at scale.

AI is advancing faster than the legal function is prepared to support it. In response, legal teams are deploying AI across individual workflows, rather than redesigning how intelligence operates across the function. Adoption velocity is increasing, but direction and control are lagging behind. Tools are being layered onto fragmented technology environments and governance models that are still taking shape. The result is progress that is difficult to connect, scale, and trust.

AI is already in motion. But adoption is only the beginning.



This year's data captures a profession still under pressure, but those pressures look different. For the first time, understanding, choosing, and deploying legal technology has overtaken volume of work as the top strategic challenge. Legal teams have moved beyond decisions about whether to adopt AI and are now grappling with how to operationalize what they have already implemented. This is a significant shift. It signals a profession confronting the operational complexity of making AI work at scale.

The data reveals a widening gap between activity and architecture. AI use is being redesigned across most legal functions and is creating productivity gains, but the coordination layer remains underdeveloped. Fragmented systems, poor integration, immature governance frameworks, and uneven capability development are limiting how effectively these gains can be connected and scaled. AI is improving individual tasks, but it is not yet redesigning the system of legal work.

In other words, AI has launched. What matters now is not speed of takeoff, but whether legal teams have mission control in place to guide them. Without a coordination layer that connects technology, data, governance, and people, momentum remains difficult to direct and hard to sustain.

Despite these structural constraints, the data also revealed strong signs of momentum. Legal's self-identity is shifting, with more respondents now viewing themselves as strategic business partners, and a growing share seeing legal as a driver of innovation, rather than solely a provider of specialist skills. Capability in AI evaluation and prompt engineering has increased sharply, indicating that teams are learning how to use the tools they've invested in. Leadership vision and emerging technology opportunities are increasingly driving change, showing that transformation is being pulled forward rather than pushed by crisis alone.

AI is in flight, but legal now needs mission control to guide the landing. The next phase of transformation depends on orchestrating the systems that allow intelligence to be governed, connected, and scaled. Integrated platforms, strong data foundations, trusted oversight, and modern operating models will determine whether today's momentum becomes tomorrow's sustained capability.

Legal has moved beyond AI pilots.

It is now accountable for coordinating how intelligence operates across technology, data, governance, and people at scale.

That accountability is revealing how unprepared existing operating models really are.

# Measuring legal's transformation

For the sixth year running, we surveyed legal, risk, and compliance professionals around the world to understand how the legal industry is responding to accelerating change. Our goal was to understand how legal teams are adapting their operating models to confront rising data volumes, expanding regulatory complexity, and rapid technological advances.

This year's survey focuses on an inflection point for legal transformation. Previous reports captured early experimentation with AI and emerging technologies. The 2026 findings reflect a market that has moved from exploration into deployment while still wrestling with how to operationalize and scale innovation.

We surveyed a broad mix of in-house legal teams and law firms across multiple regions and industries to capture a representative view of these dynamics. We asked respondents about their strategic challenges, technology adoption, skills development, governance approaches, and innovation priorities. Many questions allowed multiple selections, reflecting the complex, overlapping realities that legal teams face today.

This report is grounded in the real-world experiences of professionals working at the intersection of legal expertise, operational pressure, and technological change. Together, they show where the industry has gained altitude and where it still lacks the infrastructure to sustain flight.

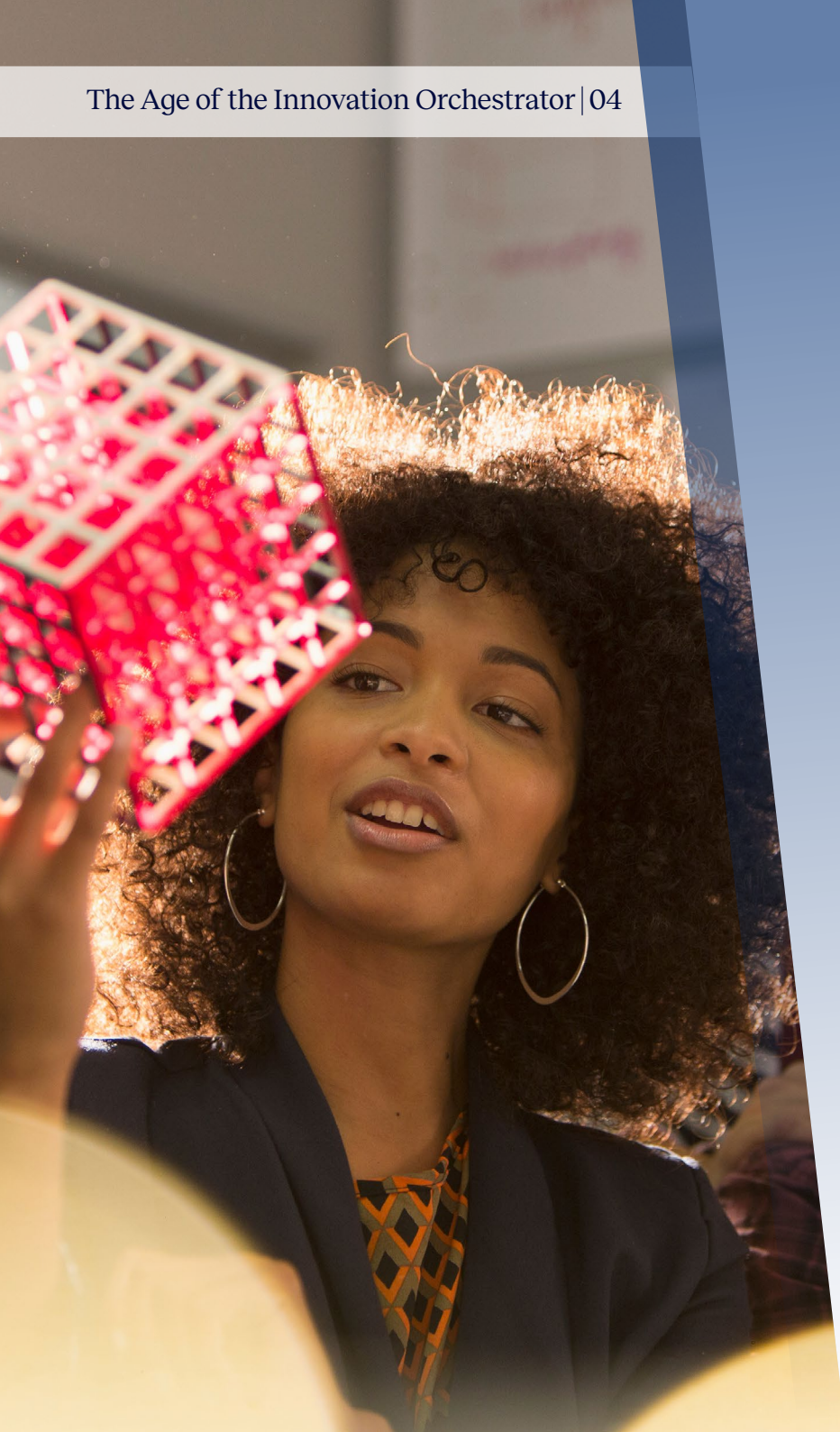
Total respondents	Top 10 sectors for all respondents
<p>A donut chart showing the distribution of respondents by organization type. The chart is split into two equal halves: purple representing 'Corporate' and cyan representing 'Law Firm'.</p>	<ol style="list-style-type: none"> <li>1. Law Firms / Legal services</li> <li>2. Manufacturing &amp; Industrials</li> <li>3. Financial Services</li> <li>4. Technology</li> <li>5. Healthcare</li> <li>6. Media, Entertainment &amp; Consumer</li> <li>7. Insurance</li> <li>8. Transport, Logistics &amp; Travel</li> <li>9. Professional Services &amp; Advisory</li> <li>10. Government, Public Sector &amp; Education</li> </ol>
Regional breakdown of all respondents	
<p>A donut chart showing the regional distribution of respondents. The chart is divided into four segments: cyan for 'United States', orange for 'United Kingdom and Europe', yellow-green for 'Australia', and purple for 'Asia and Middle East'.</p>	
Job titles of all respondents	
<p>A donut chart showing the distribution of respondents by job title. The chart is divided into nine segments: orange for 'General Counsel / AGC', grey for 'Group General Counsel', cyan for 'Legal Operations Professional', purple for 'Lawyer / Attorney', white for 'Head of Legal', green for 'Legal Technologist / Engineer', dark blue for 'Risk / Compliance Professional', yellow for 'Paralegal', and light blue for 'Other'.</p>	

## A strategic partner: How legal sees itself today

Legal teams continue to ground their identity in specialist expertise while expanding their role in the organization. This year's survey data shows a function in transition, balancing its traditional responsibilities with growing expectations around partnership, leadership, and innovation. Legal is now expected to coordinate how risk, data, technology, and decision-making connect across the business.

Specialist expertise remains the foundation of the legal role. Two-thirds of respondents (67%) describe legal primarily as a provider of expert legal judgment. Accuracy, defensibility, and professional rigor continue to define how legal creates value, even as legal's scope of responsibilities broadens.

The most notable shift appears in how legal views its relationship with the business. Half of respondents (50%) now see legal as a strategic partner that shapes decisions, aligns risk with business objectives, and supports enterprise outcomes rather than acting solely as a downstream reviewer. Among in-house legal teams, this figure rises to 71%, demonstrating how strongly corporate legal functions now view themselves as embedded strategic business partners rather than advisory support functions. This represents a dramatic change in self-perception and a significant jump from prior years, rising from 27% last year and just 4% two years ago. With this shift comes a new responsibility: not only advising the business, but orchestrating how legal capabilities are embedded into broader operational workflows.



Risk oversight and governance remain important, though they no longer dominate legal's self-definition. Just over a third of respondents (34%) identify legal as a risk gatekeeper. Nearly a third (31%) describe it as a compliance and governance authority. These responsibilities remain essential, particularly in data protection, regulation, and cross-border activity, but sit behind expertise and partnership.

Innovation has emerged as a new, though still developing, dimension of legal's identity. One in five respondents (21%) describes legal as an innovation driver. This figure remains the lowest among the listed roles, indicating that innovation is not yet a core or universal responsibility across the market. Yet its inclusion this year signals real progress in how legal engages with technology, process change, and new ways of working. It also highlights a growing tension: innovation expectations are rising faster than the operating structures designed to support coordinated execution.

This shift toward strategic partnership explains why technology selection, operating models, and governance have moved to the top of legal's agenda. Legal's responsibilities are growing faster than the structures designed to support them. The pressure is no longer only about workload, it's about whether the function is equipped to operate as the strategic partner it is now expected to be. **Increasingly, that capability depends on legal's ability to orchestrate people, platforms, and processes into a cohesive operating system rather than managing them in parallel silos.**

“Do not ignore the technology that the clients expect you to use for efficiency purposes.”

- Attorney, Law Firm, United States

## How do you primarily see the role of the legal function within your organization?



# An evolving mandate: Legal's new strategic challenges

For several years, managing workload volume was legal's most pressing challenge. That has now changed. Legal teams are operating under a new reality: the AI mandate. Leadership expectations, competitive pressure, and demonstrable performance gains are pushing legal to move beyond experimentation and apply AI to real workflows at scale.

This mandate is reinforced by tangible results. More than half of respondents (58%) report increased efficiency and productivity from AI adoption. AI is no longer viewed as theoretical potential, it is delivering operational value, particularly in high-volume and repeatable work. At the same time, emerging technology opportunities are now the strongest driver of innovation, cited by 51% of respondents. Legal teams are not innovating only in response to pressure. They are pursuing AI because they see strategic upside. Leadership vision follows closely at 41%, showing that this push is being reinforced from the top of the organization.



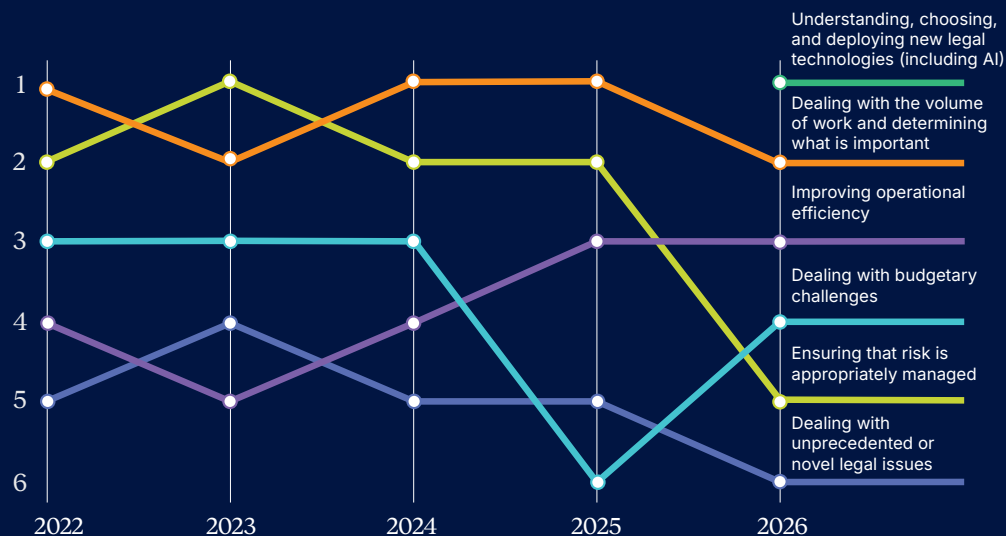
As a result, the primary challenge facing legal has shifted. This year, understanding, selecting, and deploying new legal technologies became the top strategic concern, cited by 54% of respondents. This reflects a shift away from capacity strain toward coordination pressure. Legal teams are contending less with whether to modernize and more with how to do so responsibly, effectively, and at scale.

Volume of work remains a close second at 52%. Data growth, regulatory demands, and matter complexity continue to increase, even as budgets and headcount remain constrained. The workload challenge hasn't eased; it has just moved upstream. Legal is increasingly constrained not by volume alone, but by the complexity of orchestrating technology, workflows, and resources while modernizing.

Operational efficiency ranks third, selected by 44% of respondents, reflecting an active effort to rethink how legal work is structured, routed, and delivered. It reflects growing recognition that traditional workflows are no longer fit for AI-enabled, data-intensive legal work. Teams are attempting to redesign processes while continuing to meet day-to-day demands, often across fragmented systems and tools.

More than a third of respondents (36%) cited budgetary pressure as one of their top challenges. While not the dominant challenge, cost constraints influence every major technology and operating decision. Legal teams must prioritize carefully, justify investment choices, and sequence change deliberately to prove value. This makes coordination discipline more important than ever.

## What are your biggest strategic challenges right now?



The AI mandate is creating pressure, and orchestration is the capability legal now needs to respond

Fragmented technology decisions and disconnected initiatives increase cost without increasing capability, reinforcing the need for tighter coordination.

Risk management (33%) and novel or unprecedented legal issues (27%) remain important considerations, but they no longer define the agenda as they once did. Strategic decision-making also appears lower at 19%, highlighting a critical tension. Legal increasingly aspires to play a strategic role, but many teams are still building the infrastructure, data foundations, and operational confidence required to operate in a strategic role. Without stronger coordination across systems, data, and teams, the AI mandate becomes harder to execute in practice. Strategic ambition rises faster than operational capability.

Together, these shifts define the new mandate facing legal. AI is delivering measurable value, leadership is accelerating adoption, and expectations across the business are rising. The challenge is no longer whether to adopt AI, but how to orchestrate technology, workflows, governance, and resources in a way that legal functions can sustain.

“You must learn to utilize AI tools and integrate them into your practice. AI is only getting more and more integrated into the industry, and those who do not adapt and make the tools work for them will not be able to keep up”

- Attorney, Law Firm, United States



## Where AI is being deployed – and where it isn't

AI is advancing rapidly across the legal function in meaningful ways, yet its impact remains uneven and concentrated in specific workflows. The data does not point to a shortage of innovation, but to a shortage of orchestration connecting those gains into a cohesive operating model. Without deliberate coordination across systems, governance, and talent, progress risks remaining powerful but fragmented.



AI adoption across legal is no longer theoretical, but it is uneven. The data shows clear pockets of active deployment alongside large areas still in evaluation or early-stage use.

### Production-heavy workflows lead adoption

AI adoption is most advanced in high-volume, execution-heavy workflows where efficiency gains are immediate and measurable

- ✓ **Legal research:** 43% partial or full deployment
- ✓ **Document review and analysis:** 42% partial or full deployment
- ✓ **Contract management:** 32% partial or full deployment

These functions share common traits: repeatable tasks, structured inputs, and direct productivity impact. This is where AI has moved from experimentation into everyday legal operations

### A large adoption pipeline is still forming

Behind frontline deployment sits a large middle layer where momentum is building, but operational execution has not yet caught up.

- ✓ **AI-enabled knowledge integration:** 39% evaluating or planning
- ✓ **Compliance and risk management:** 35% evaluating or planning
- ✓ **Predictive litigation analytics:** 33% evaluating or planning

Teams are not questioning whether AI belongs in legal work. They are working out how to operationalize it within existing workflows and systems.

### High-risk work remains cautious

Adoption slows sharply as AI moves closer to high-risk, strategic decision-making.

- ✓ **Strategy and decision-making:** 61% aren't using AI or don't trust AI for this
- ✓ **Low-code or no-code expert systems for automation:** 60% aren't using AI or don't trust AI for this
- ✓ **Early case assessment:** 53% aren't using AI or don't trust AI for this

In these areas, more than half of respondents report either not using AI or not trusting it for these tasks. This reflects persistent concerns around explainability, defensibility, and accountability.

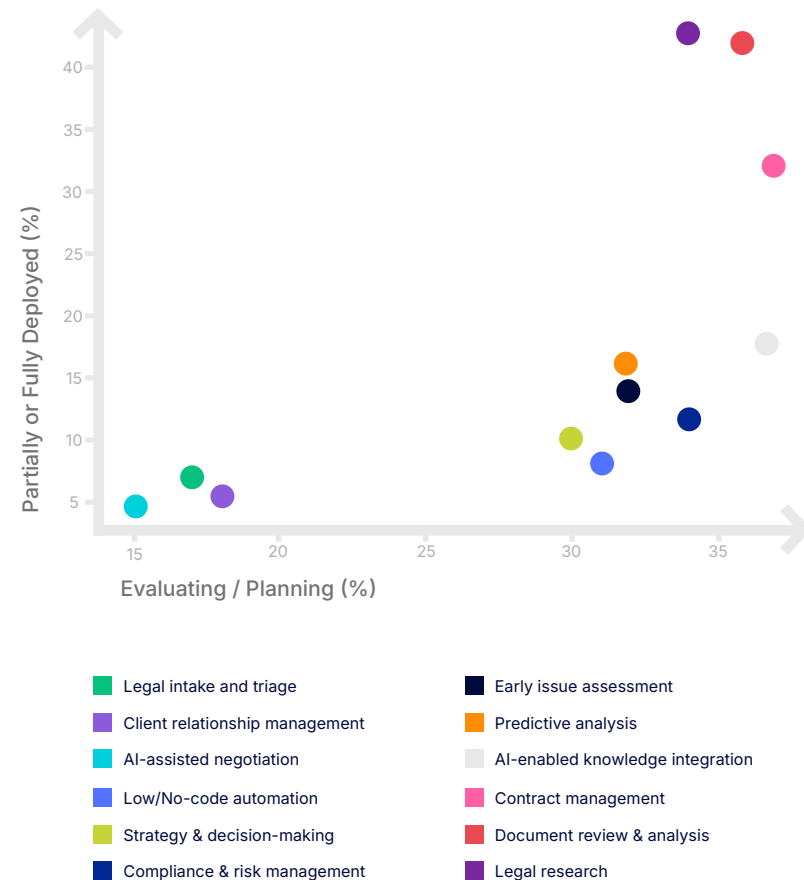
# When AI moves beyond tasks

AI deployment is concentrated in task-level productivity use cases, while more complex, system-level and decision-oriented applications remain largely in evaluation or early adoption. Legal teams are capturing localized efficiency gains, but enterprise-wide transformation remains constrained by weak coordination across systems, immature governance, and operating models that were not designed for AI-enabled work.

The result is an adoption landscape defined by active experimentation, selective deployment, and uneven maturity across functions. This is a clear signal that the next phase of progress will depend less on adding new tools and more on coordinating how AI is embedded across legal workflows.

AI adoption is strongest in execution-heavy workflows while strategic and system-level use cases remain at an earlier stage of maturity. This creates pockets of progress without coordinated scale.

AI Adoption Across Legal Functions



## AI is in motion. Legal now needs the systems to keep it aligned and on course.

AI is being redesigned, deployed, and embedded across core legal workflows. This marks a clear shift from experimentation into active operational use, even though the transformation remains uneven.

The majority (65%) of respondents report intentionally redesigning their use of AI, suggesting that AI is actively reshaping how legal functions operate. Yet workflow automation and platform upgrades both sit at 38%, indicating that process improvement and technology modernization are advancing together rather than as isolated tool deployments. This pairing suggests adoption momentum, but still focused primarily on efficiency gains rather than end-to-end operating model change.

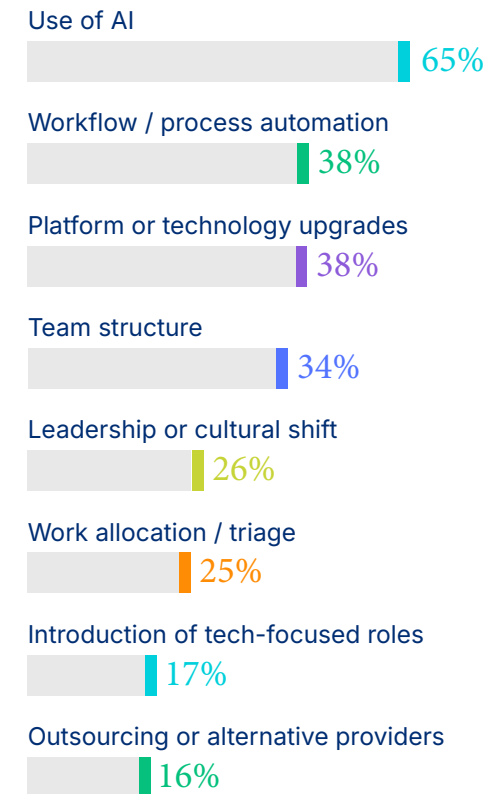
Structural change has followed more slowly behind technology deployment. Only 34% report changes to team structure, and just 26% cite leadership or cultural shifts. These figures indicate that many legal teams are modernizing tools before redesigning roles, decision rights, and behaviors around them. Technology adoption is outpacing organizational redesign.



Capability and resourcing models lag even further behind. Only 17% of respondents introduced tech-focused roles, and 16% expanded outsourcing or alternative providers. These low figures suggest that while AI is being embedded into work, the operating model supporting it remains largely unchanged. Most legal teams are attempting to absorb AI-driven change within existing structures rather than redesigning how capacity, expertise, and accountability are orchestrated. The tooling has advanced, but the structures required to sustain it are still catching up.

The data shows a clear pattern. AI deployment is accelerating. Process automation and platform upgrades are following. Structural, cultural, and workforce redesign is moving more slowly. Legal has introduced new technologies into the workflow, but the supporting infrastructure required to sustain and scale that change is still under construction.

### In the past 12 months, have any of the following been intentionally redesigned or structurally changed within your legal function?



# Why innovation in practice doesn't always feel transformative

AI is now embedded in legal work, yet many teams do not experience it as innovation. The data shows widespread deployment and skill development alongside a persistent perception gap. AI is delivering operational gains, but it hasn't yet reshaped how legal functions operate as integrated systems. This disconnect explains why progress feels incremental rather than transformational.

Structural redesign and capability growth have accelerated over the past year. Nearly two-thirds of respondents (65%) report a redesign of how they use AI in their legal function. Capability development mirrors that shift. More than half (57%) report new skills in AI evaluation or prompt engineering, representing the steepest capability increase captured in the survey. This alignment indicates that legal teams are actively learning how to use the tools they have invested in.

Despite this progress, AI is rarely perceived as a driver of innovation. Almost all in-house legal teams (89%) and a strong majority of law firms (73%) identify AI as having the greatest potential for innovation. Yet only 19% of in-house teams and 28% of law firms say they have deployed AI as part of an innovation initiative.

Use case data reinforces this pattern. Between 30% and 55% of respondents report partial or full deployment of AI in document review, legal research, and contract management. AI is already supporting high-volume, repeatable work and improving

speed, throughput, and consistency. Yet it hasn't created a cohesive shift in operating models or decision-making structures.

Capability growth also remains uneven. Operational skills such as project management increased for 30% of respondents, indicating rising sophistication in how work is coordinated. Foundational capabilities required to sustain transformation are developing more slowly. Only 23% report growth in process design, 19% in data literacy, and 18% in change management. These skills underpin scale, governance, and optimization. Their slower growth limits how far AI-enabled change can extend.

Viewing redesign and capability data together shows that AI adoption leads structural change and skill development, but supporting disciplines lag behind. Workflow automation and platform upgrades both register at 38%, yet process design capability trails at 23%. Team restructuring appears in one-third of responses (34%), while change management capability remains below one in five. Technology momentum is outpacing the organizational capability required to orchestrate it effectively.

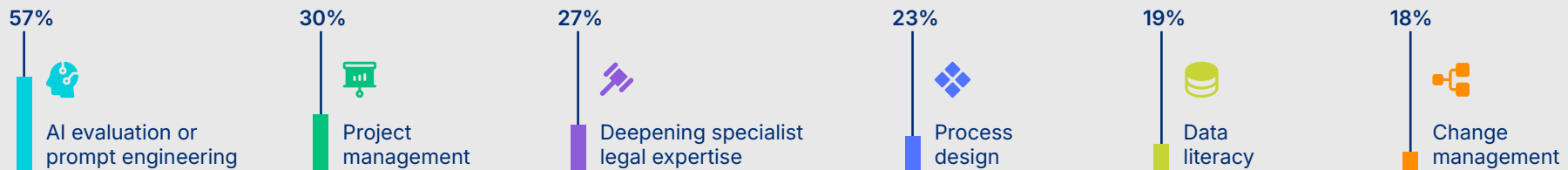
AI doesn't feel like innovation because it's arriving in isolated pockets. Tools are improving tasks, not reconfiguring systems. Skills are advancing unevenly. Structures are adapting selectively. Innovation remains localized rather than systemic.

Innovation is happening, but without stronger coordination across systems and teams, its impact remains uneven and localized.

“Become tech literate so you’re ahead of the curve as the legal market begins to shift”

- Attorney, Law Firm, United States

In the past 12 months, have any of the following new skills or capabilities developed as a result of redesign or structural changes?



# Fragmentation: AI is creating new silos

Increasing AI adoption has exposed a critical structural weakness. Each new AI capability tends to solve a local problem while adding complexity to the broader environment. Legal teams are building pockets of intelligence without a unifying architecture to connect them.

AI is creating new silos because most deployments are happening at the use-case level rather than the system level. Legal teams are adopting AI inside review platforms, research tools, and contract systems independently, often without shared data foundations or consistent workflow integration.



Each AI deployment solves a local problem, but together they increase fragmentation.

System fragmentation now represents the most significant technology challenge facing legal. More than four in ten respondents (41%) say fragmented tools that do not integrate well are their primary systems issue. This points to a structural problem rather than a functional one: legal teams have technology in place, but those tools do not operate as a cohesive whole because they were implemented independently rather than designed to work together.

Legal teams are filling the gaps left by poor integration with manual effort. Nearly as many respondents (39%) report relying on manual workarounds between systems. These workarounds allow teams to keep work moving, but they absorb time, introduce risk, and limit the efficiency gains technology is meant to deliver. Though automation exists, too many people are still doing the connecting work that orchestration should handle by design.

Data fragmentation compounds the challenge. Almost a third of respondents (32%) report duplicated data across multiple platforms, and a quarter (25%) say they struggle to access a single source of truth. Information is scattered across systems, repeated in different formats, and difficult to reconcile. Legal work is being executed in fragments rather than as a continuous, integrated process.

These issues persist even among teams that consider their technology adequate. Thirty percent of respondents describe their tech stack as functional but capable of improvement. This suggests adoption is not the primary obstacle. Optimization, integration, and design remain unresolved. Only 14% of respondents say they are satisfied with their current technology environment, making contentment the exception rather than the norm.

What challenges are you currently experiencing with your legal technology and systems?



“Do not innovate in a vacuum”

- Attorney, Law Firm, United States

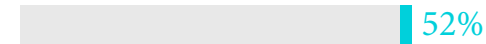
The consequences of fragmentation extend beyond efficiency. Seventeen percent of respondents cite security or privacy risks driven by system sprawl, and another 17% report delays in reporting or insight generation. Disconnected systems increase risk, and intelligence arrives too late to inform decisions effectively because insights cannot be reliably coordinated across platforms.

A clear tension emerges when system challenges are viewed alongside data priorities in the eDiscovery realm. More than half of respondents (52%) identify improving document review efficiency and quality as their most critical data challenge. At the same time, the dominant systems issue is fragmentation, with data scattered across Microsoft 365, review platforms, intermediary processing tools, and home-grown systems. Plus, more than one-third of respondents report uncertainty about their future platform direction. Fragmented architectures work against the three pillars of review performance: speed, accuracy, and consistency.

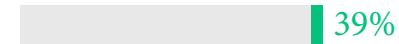
Fragmentation has become the hidden cost of rapid AI adoption. While tools and intelligence are advancing, the connective tissue needed to unify systems, data, and workflows hasn't kept pace. Without deliberate architectural alignment, AI will continue to deliver local gains but hinder enterprise-level transformation.

## What are the most critical legal data challenges that you face?

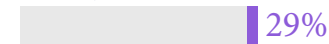
Increasing document review efficiency & quality



Application of AI / TAR / Analytics



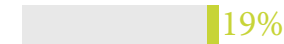
Privacy / PII



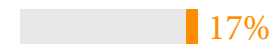
Mitigating a high volume of small matters



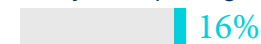
Fast, early-stage investigations



Off-channel communications



Delays in reporting or insights



Handling cross-border matters



Audio / video



## Governance and trust build the foundations

AI is delivering measurable productivity gains across legal functions, but scaling those gains depends on whether governance keeps pace with deployment. The data shows that teams are now confronting the operational work of building trust, accountability, and oversight into everyday AI use.

More than half of respondents (58%) report increased efficiency and productivity from AI use. One-third (34%) have automated routine legal tasks, and more than one in five (22%) report reduced operational costs. These outcomes confirm that AI is already delivering operational value, particularly in high-volume and repeatable work. The next challenge is ensuring these gains are durable, defensible, and consistently governed.

Trust remains the dominant constraint on further adoption. An equal share of respondents (58%) cite accuracy and lack of trust as the biggest blocker to using AI more broadly. Concern centers on reliability and accountability. Nearly three-quarters of respondents (73%) are most concerned about incorrect or hallucinated outputs. More than half worry about loss of human judgment (53%) and data security or confidentiality (53%). More than one-third (36%) express concern about being unable to explain or defend AI-driven outcomes.



Governance structures are taking shape across organizations, though approaches vary in scope and maturity. One-third of organizations (32%) manage AI governance through cross-functional committees that include legal, IT, risk, or compliance. Nearly a quarter (22%) place governance responsibility with the general counsel or legal leadership, and 11% rely on IT or technology functions. These approaches recognize that AI risk spans multiple disciplines, even as many organizations continue to formalize more consistent operating frameworks.

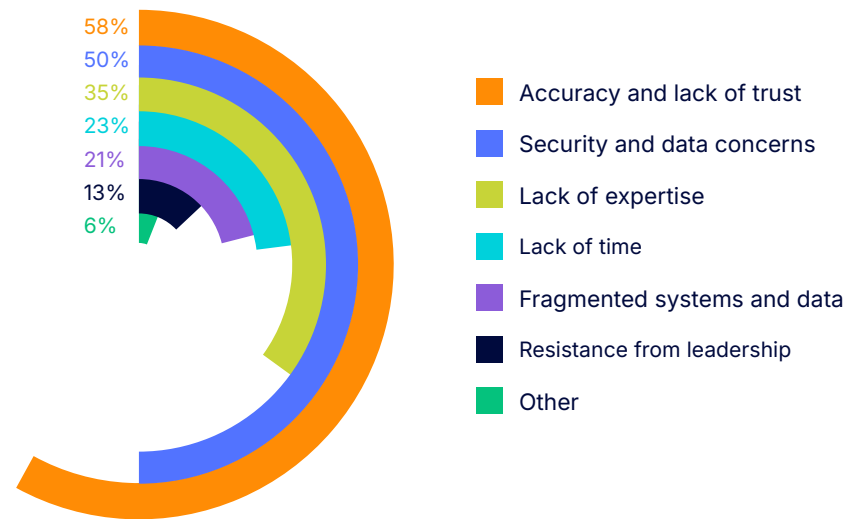
### How is your organization currently organizing governance around AI selection, implementation, and adoption?



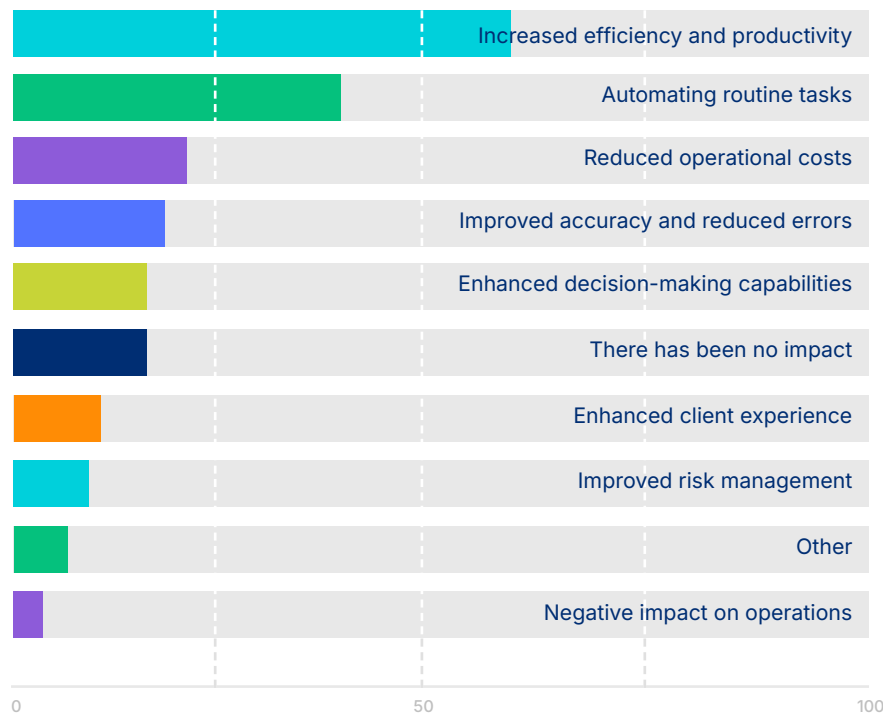
Only 7% of respondents report having a documented AI governance framework that is actively followed, while 14% have no formal AI governance in place at all. In these organizations, AI adoption is advancing faster than the structures designed to oversee it.

This imbalance between productivity and trust explains much of the hesitation seen elsewhere in the survey. AI is improving efficiency, but governance maturity has not yet reached the level required to support scale, defensibility, and consistent decision-making. Without clear frameworks, defined accountability, and shared standards, legal teams will continue to limit AI's role to areas where risk is contained and outcomes are easier to verify.

### What are the biggest blockers to adopting AI in your legal team?



### What tangible benefits has AI delivered to your legal team?



Teams that invest in governance infrastructure, shared standards, and clear accountability will be better positioned to expand AI use beyond low-risk tasks and into more strategic, high-impact applications.

“Put a policy in place on how these technologies should be used and monitored.”

- Lawyer, Law Firm, Australia

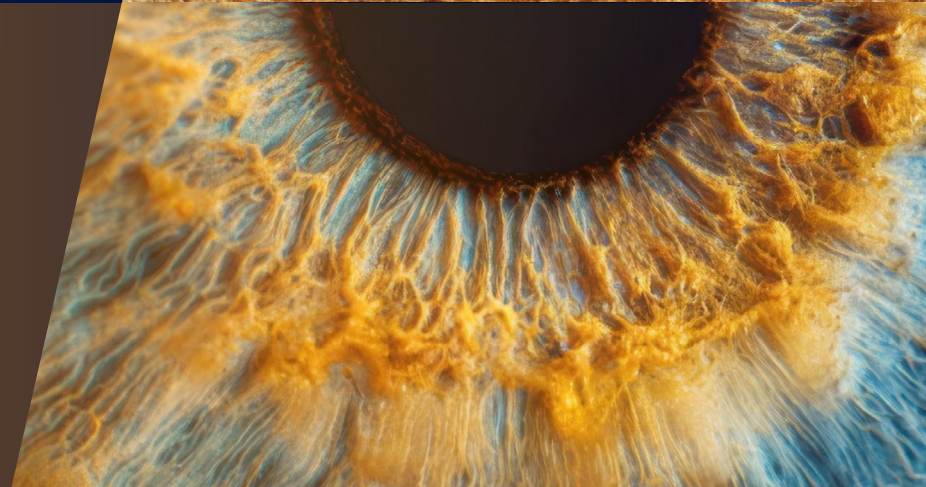
# Innovation is underway

Innovation in the legal function is no longer incidental or externally imposed. The survey data shows clear and active drivers of change, with momentum coming from technology opportunity, leadership intent, and rising legal complexity rather than crisis response alone.

Emerging technology opportunities are the strongest driver of innovation, cited by a majority of respondents (51%). This finding signals a shift in posture. Legal teams are not innovating solely in response to pressure; they are moving toward new tools and capabilities because they see strategic value in what technology can enable. Innovation is increasingly tied to deliberate capability building rather than isolated experimentation.

Leadership vision follows closely at 41%, reflecting a meaningful change from prior years. Innovation is being shaped at the top of the organization, however, this top-down momentum has not yet translated into fully coordinated execution.

Increasing legal complexity ranks third at 32%, reinforcing that innovation remains a necessity as well as an opportunity. Expanding regulatory demands, growing data volumes, and more complex matters continue to push legal teams to evolve. Innovation is responding to this complexity while also aiming to get ahead of it.



Mid-tier drivers reflect distributed influence. Client pressure (24%) and internal champions (22%) both play a role, but neither dominates. Change is being driven from multiple directions rather than from a single forcing function. Capacity pressure and regulatory change each register at 21%, showing that volume and compliance remain relevant, but they no longer define the innovation agenda on their own.

Only 10% of respondents report that nobody is actively driving change. This figure is small but meaningful. Nearly all legal teams report at least one active source of momentum, reinforcing that innovation is no longer a fringe activity.

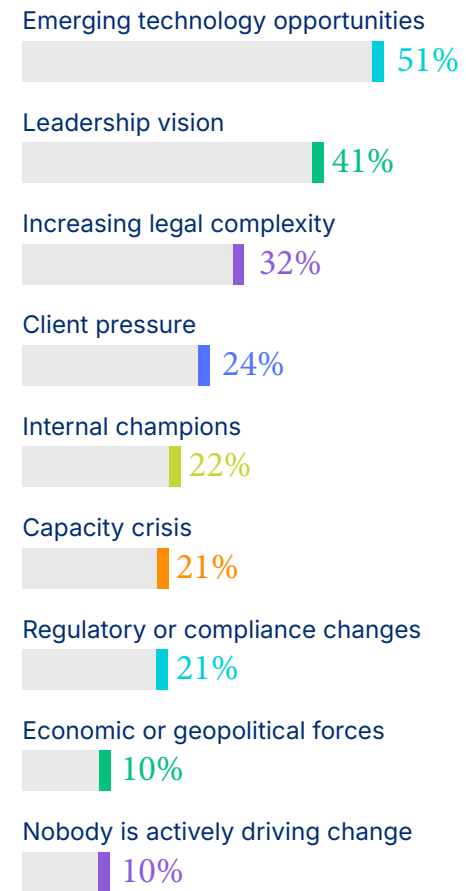
Intent is translating into action. In-house legal teams are concentrating their innovation efforts on AI, contract management, compliance, information governance, and risk management, with roughly half to three-fifths reporting activity in planning, piloting, or partial deployment across these areas. Law firms show similar energy, with greater emphasis on litigation support, legal research, and client service innovation.

Most organizations remain in early to mid-stage execution. Planning and piloting represent the largest cohorts, while fully deployed solutions remain less common. Innovation is underway, but it's still being assembled rather than fully embedded. Legal teams are entering a new phase where technology and efficiency define the agenda, and the agenda is change. They are investing in technology and skills and initiating transformation rather than waiting for it. The constraint is no longer willingness; it's operationalization. Acceleration will depend on whether teams can connect data, systems, and review workflows into a coherent operating model that supports scale, trust, and defensibility.

**“Embrace change and rethink how legal services have been delivered over the past 100 years”**

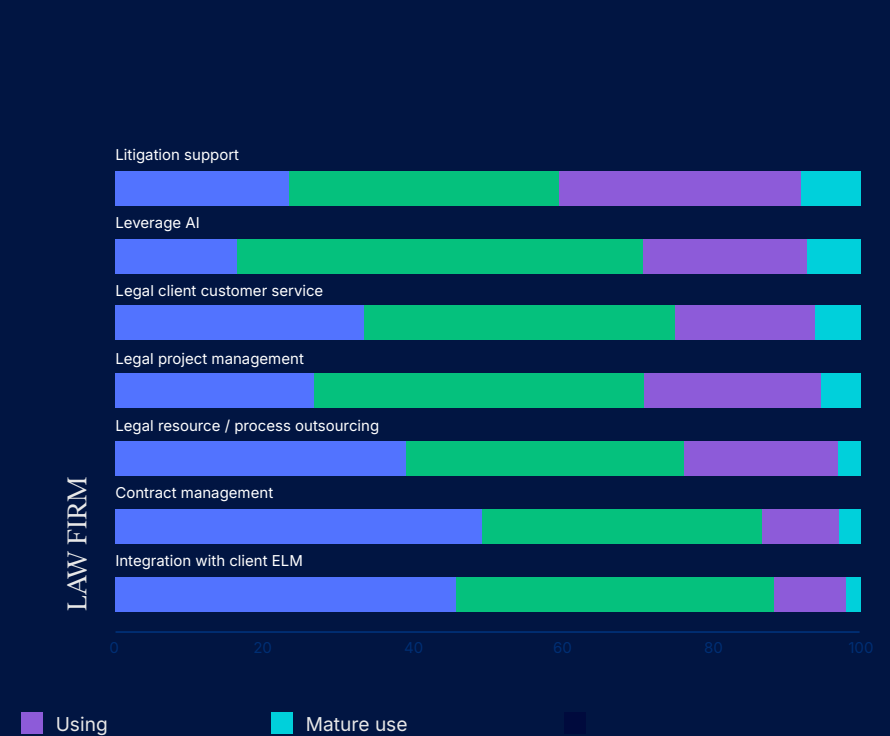
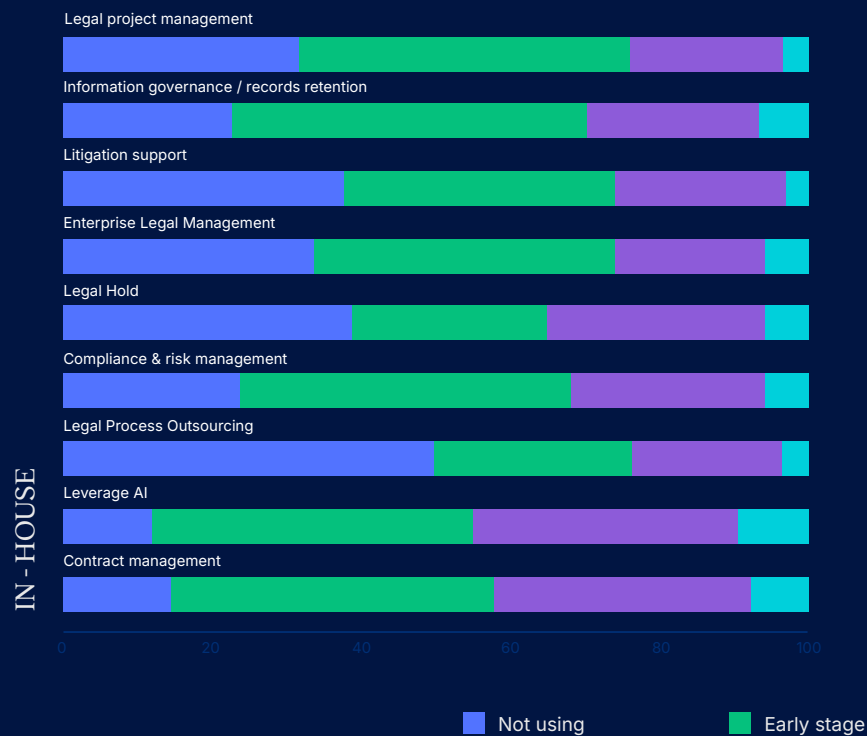
- Attorney, Law Firm, United States

## What’s driving change and innovation in your legal function?



# Legal operations innovation maturity

What steps are you taking to bring legal operations innovation to your organization?



Innovation in legal operations is moving from intent into execution. Across core functions, most teams are either progressing innovation through early-stage activity or already using it in live workflows. In-house teams show the strongest momentum in contract management and AI, where 85% report active progress (early stage or in use), including 42% already piloting or using innovations in practice.

Law firms are furthest along in litigation support, with 77% reporting active progress and 40% already in use. The signal is positive: innovation is happening in the operational core. The opportunity now is to connect these function-level gains into a coordinated operating model, so progress doesn't remain isolated by workflow.

## The in-house vs. law firm mindset

Innovation momentum exists across both in-house legal teams and law firms, but it's shaped by fundamentally different incentives. The data shows alignment on direction and divergence on pace, risk tolerance, and where innovation is expected to deliver value.

In-house legal teams view innovation primarily as an internal productivity engine. Nearly nine in ten in-house respondents (89%) identify leveraging AI as the area with the greatest potential for innovation. Contract management follows at 60%, with information governance (39%), compliance and risk management (37%), and spend management (33%) close behind. These priorities reflect a focus on reducing friction in the legal function, streamlining high-volume work, improving consistency, and managing growing workloads with constrained resources. For in-house teams, innovation is tightly linked to operational survival and capacity relief.



Law firms share the same belief in AI's importance, though at a lower level. Seventy-three percent identify AI as the top innovation opportunity. Their second priority, however, is litigation support at 51%, followed by legal project management (36%) and client service innovation (23%). Innovation for firms concentrates on how legal delivers work to clients rather than how it manages internal operations. This distinction reflects the commercial reality of firm practice, where efficiency must translate directly into client outcomes, defensibility, and trust.

The difference becomes clearer when examining execution. In-house teams show broad activity across planning, piloting, and partial deployment in AI, contract management, compliance, and information governance, with roughly 50 to 60% engaged across these stages in core operational areas. Law firms show stronger polarization. Fewer firms sit in the middle stages, while higher proportions report either no action or full deployment, particularly in litigation support and AI-enabled research. Innovation paths are more uneven, but momentum toward deployment is stronger in client-facing use cases.

AI deployment patterns reinforce these distinctions. Corporate legal teams deploy AI most heavily in high-volume, repeatable work. Document review, legal research, and contract management show the highest levels of partial or full deployment, while strategy, predictive analytics, and decision-making remain largely evaluative. AI sits below the line of judgment, focused on speed and throughput, rather than strategic decision-making.

Law firms deploy AI differently. Partial and full deployment is highest in legal research and document review, with growing use in litigation analytics and client delivery workflows. These deployments carry higher exposure and reputational risk, which helps explain the more cautious adoption posture firms describe elsewhere in the survey.

Open-text advice from respondents captures this contrast clearly. In-house teams emphasize urgency: move quickly, start now, learn AI, and do not fall behind. Innovation is framed as essential to managing workload and sustaining the legal function. Law firm respondents advocate a slower cadence: test thoroughly, verify outputs, protect ethics and client trust, and adopt deliberately. Both perspectives point in the same direction. They diverge on acceptable speed and risk tolerance.

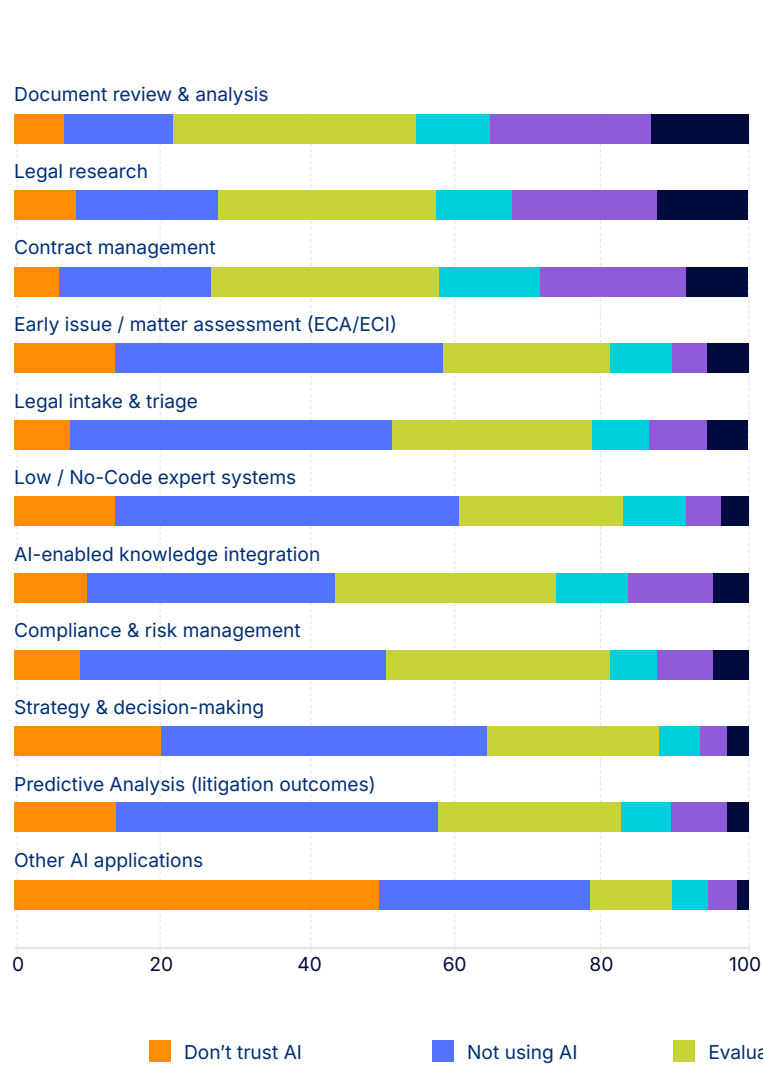
The divergence is structural rather than philosophical. In-house legal teams innovate to survive operational pressure. Law firms innovate to compete and differentiate while managing professional risk. Both groups agree that change is necessary. In-house teams prioritize acceleration, while law firms want assurance.

Innovation is not stalled. It's contextual. Corporate legal teams are modernizing how they manage work internally. Law firms are modernizing how work is delivered externally. These paths converge on AI, but they move at different speeds and carry different constraints.

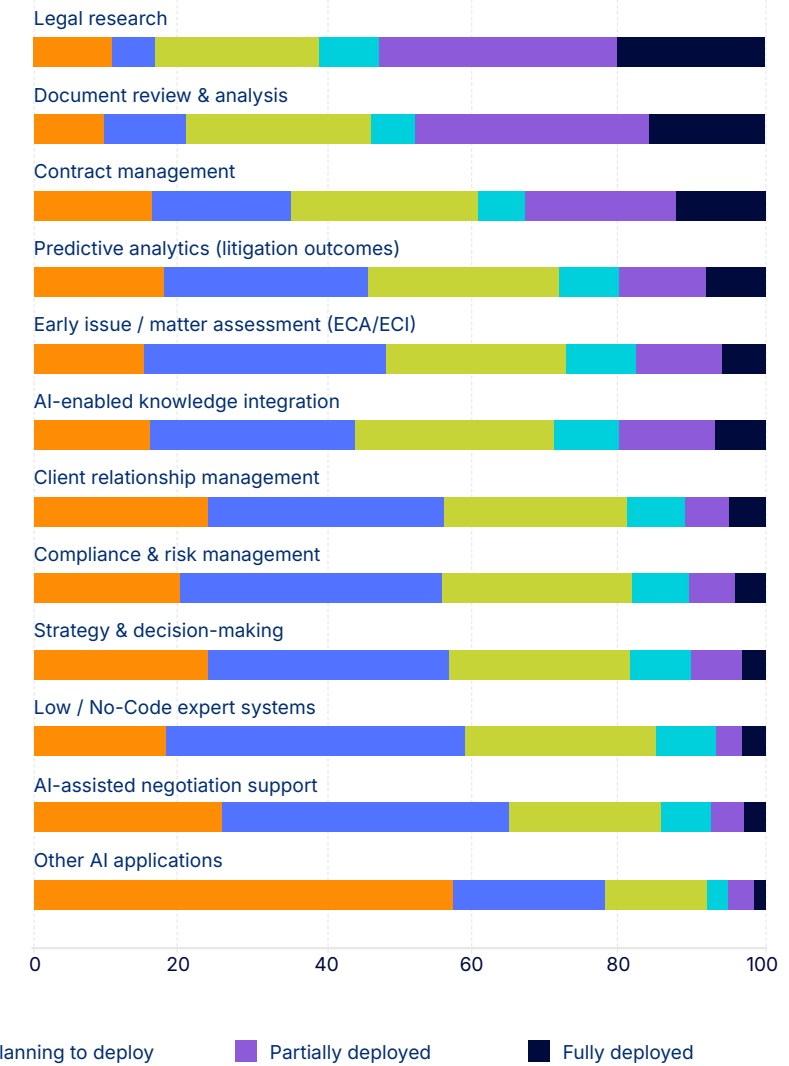
**“Find the balance between urgent innovation and measured cautious risk-aversion.”**

- Lawyer, Law Firm, United Kingdom

### In-house Legal Team - AI Adoption



### Law Firm - AI Adoption



■ Don't trust AI    
 ■ Not using AI    
 ■ Evaluating AI options    
 ■ Planning to deploy    
 ■ Partially deployed    
 ■ Fully deployed

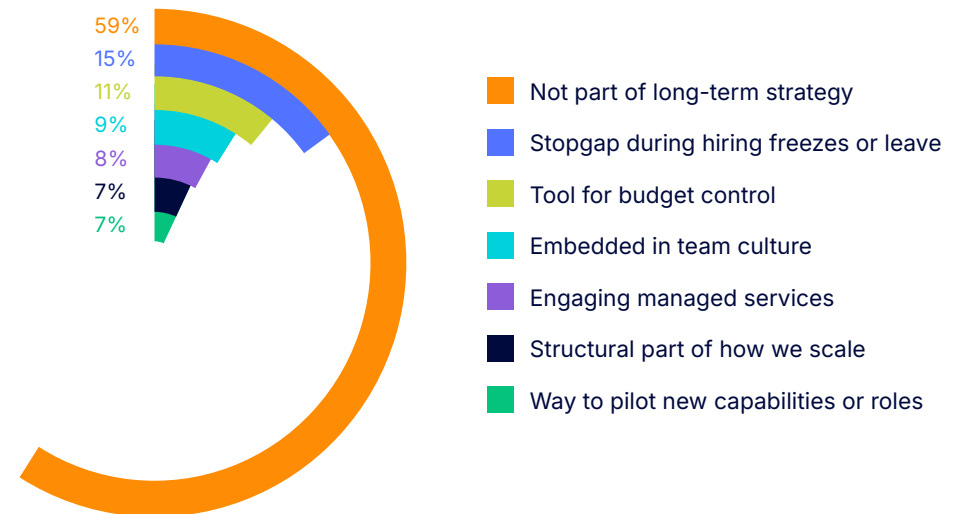
# The untapped potential of flexible legal talent



Flexible legal resource (flex) is widely available, but it hasn't yet become a meaningful operating model lever for most legal teams. The data suggests flex talent is being applied tactically rather than structurally, limiting the value it delivers.

Just over half of respondents (52%) report using some form of flexible legal talent. However, among those with a formal flex strategy, nearly six in ten (59%) say flex is not part of their long-term plan. Instead, flex is most often positioned as short-term coverage during hiring freezes, parental leave, or temporary workload spikes. Fewer than one in ten respondents (9%) describe flex as embedded in their team culture, and only 7% view it as a structural part of how they scale capacity and expertise.

## Role of flexible legal talent in long-term strategy



This limited integration is reflected in outcomes. Nearly half of flex users (46%) report no significant benefits from its use. Where benefits are reported, they are largely operational: improved agility (18%), reduced pressure on permanent staff (15%), and access to niche expertise (10%). Very few teams link flex talent to strategic uplift. Only 7% report increased capacity for high-value work, and just 5% cite positive effects on morale or burnout.

### Perceived benefits from using flex talent



Among teams that do not use flex talent at all, resistance appears to be based on perception rather than on cost or quality concerns. One-third (33%) say they do not need flexible legal talent, and 19% prefer permanent staff. Budget constraints and quality concerns each register at 14%, indicating that skepticism is rooted more in mindset and operating-model design than in evidence of failure.

### Primary internal barriers among non-users



The findings suggest that flex talent itself is under-deployed, not underperforming. Legal teams that treat flex talent as a contingency rather than as a designed component of their operating model will see limited impact. Tools can help reduce capacity constraints, but they won't resolve them. Improving the returns from flexible resourcing requires corresponding changes to workforce design.

The opportunity lies in repositioning flex talent from stopgap coverage to a designed part of legal's operating model. If nearly half of teams are seeing no benefit today, the question is not whether flex works but what becomes possible when it's implemented intentionally as part of a broader operating model strategy.

# Sustaining flight: What comes next for legal

This year's survey makes one thing unmistakably clear: the legal industry has already passed the point of ignition. AI adoption is underway, and innovation is being actively driven. What began as experimentation has now become the AI mandate: a shift from optional pilots to enterprise accountability for making AI deliver operational value.

Across in-house teams and law firms, legal professionals are investing in new technologies, developing new skills, and rethinking how work gets done. Innovation is no longer something that happens to legal from the outside: legal is increasingly initiating it and expected to guide it. Emerging technology opportunity, leadership intent, and rising complexity are pulling the function forward at the same time.

However, momentum doesn't equate to control.

Throughout this report, a consistent pattern appears. AI is delivering productivity gains, but fragmentation, weak integration, and uneven governance are limiting how far those gains can travel. Tools are in motion, but the systems around them are not yet aligned. In many organizations, intelligence is moving faster than trust and faster than the operating structures designed to manage it.

This gap matters. Without clear governance, shared data foundations, and coherent operating models, speed becomes a source of risk rather than advantage. Legal teams are learning this in real time. Under the AI mandate, they are now responsible not only for using AI, but for shaping the systems that allow it to operate. The challenge they face now is not whether to modernize, but how to do so in a way that is durable, defensible, and scalable.



The next phase of transformation will be defined by orchestration. Legal teams must deliberately coordinate how technology, data, talent, governance, and workflows operate together as a single system. This is what turns isolated efficiency gains into sustained organizational capability.

Legal's role is shifting from user of AI to steward of intelligent operations. The next generation of legal leaders will be defined by their ability to design integrated, accountable, and scalable systems that allow intelligence to operate with consistency and confidence across the enterprise.

**This is the moment  
legal moves from  
adopting intelligence  
to commanding it**



# Commanding intelligence: Five strategic priorities for the innovation orchestrator



## Design legal as a coordinated operating system

Move beyond function-level optimization and intentionally design how intelligence flows across the full legal lifecycle. Align workflows, data standards, decision rights, and performance metrics so the function operates as one connected system rather than parallel silos.

## Curate a best-in-class technology ecosystem

Select technology based on strategic fit and interoperability, not isolated point solutions. Streamline the stack around tools that integrate cleanly and elevate performance across the function. A well-orchestrated ecosystem multiplies the value of every AI investment.

## Align talent and partners to the orchestration model

Redesign workforce strategy to complement intelligent systems. Combine permanent capability, flexible expertise, and partners who bring both technological depth and integration experience. Legal performs at its highest level when people, platforms, and partners move together as one orchestrated wave.

## Establish a unifying platform foundation

Anchor the legal function on a platform that consolidates data, integrates workflows, and provides enterprise-wide visibility. A unified architecture allows intelligence to move seamlessly across matters, jurisdictions, and teams, turning activity into coordinated capability.

## Embed governance as an enabler for scale

Operationalize oversight through clear accountability, shared standards, and embedded controls. Mature governance builds trust, strengthens defensibility, and expands confidence in higher-impact AI applications.



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