

LAWYERS
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THE INTEGRATION IMPERATIVE

Optimising the legal
engine for the future

GLOBAL SURVEY REPORT

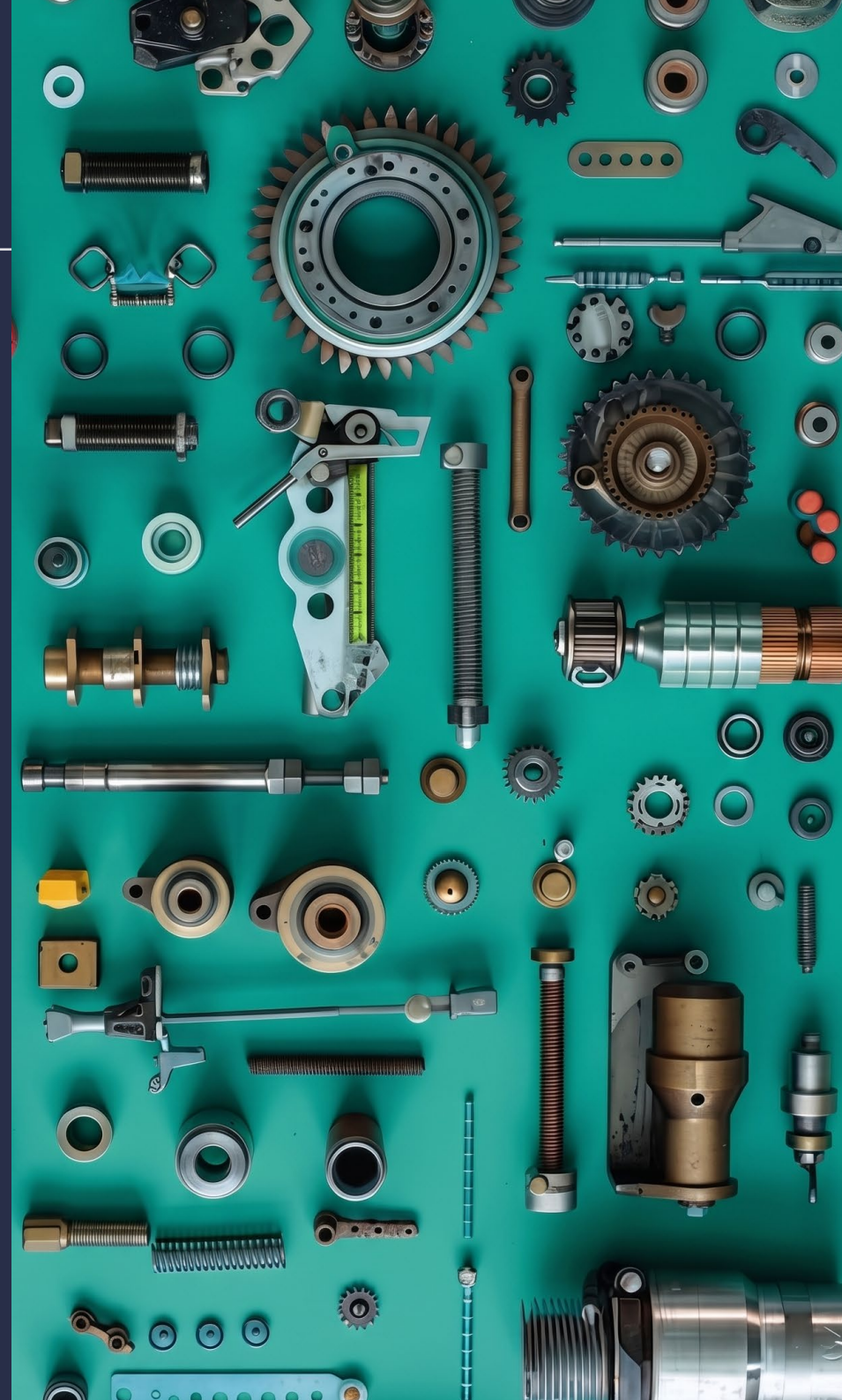


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Executive summary

Legal is no longer a support function operating at the edge of the business. It is becoming a strategic part of the engine that drives it, one where technology, data, governance, workflows, and people operate as a coordinated whole. But that shift is exposing a fundamental tension: the function's remit has expanded, leadership expectations have accelerated, and the architecture underneath was built for a different era, defined by linear workflows, specialist silos, and reactive advisory structures.

Our 2026 global survey report reveals a profession attempting to evolve its operating engine while continuing to run at full speed. AI adoption is expanding across legal workflows, including research, document review, contracting, compliance, and knowledge management. But adoption has not translated uniformly into transformation. The decisive variable is not which tools legal teams have deployed, but whether those tools are connected: whether data architecture, governance design, skill evolution, and workforce structure operate as a coordinated system.

The data shows measurable progress. Workflows are being redesigned. Governance frameworks are taking shape. New technical capabilities are emerging alongside expanding AI fluency. Flexible talent models are delivering operational resilience when deployed effectively. Teams are moving beyond exploration and beginning to embed these capabilities into everyday work.



But the integration gap remains the defining challenge. Fragmented technology environments persist. Confidence in AI governance varies. Workforce models have not fully adapted to sustained modernisation. Tools are improving specific tasks but are not yet connected in ways that scale value across the function.

The gap that now defines legal is not between ambition and action, but between the capability that has been built and the value that capability is yet to deliver. Closing that gap requires integration: the connective tissue of governance, architecture, and talent that turns isolated progress into functional transformation.

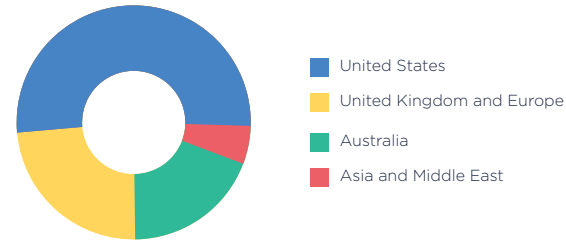
Legal's mandate has expanded. Its function has not expanded at the same pace. The next phase is disciplined integration: bringing systems together, strengthening governance, deepening capability, and designing workforce structures that support sustained scale.

Methodology

For the sixth consecutive year, LOD surveyed legal, risk, and compliance professionals across the globe. This year, 678 professionals responded, spanning in-house legal teams and law firms across all major regions and industries. A full breakdown of respondents by region, industry, and role is shown in the charts alongside this section.

The survey was primarily quantitative, with open-ended questions included to capture the reasoning and experience behind the numbers. Previous years tracked how legal teams were approaching AI exploration. This year's research moves the lens forward. With adoption now underway across many organisations, the focus shifts to integration: where AI is delivering value, what is preventing gains from scaling, and how governance and workforce design are evolving to support a more demanding legal mandate.

Regional breakdown of all respondents



Job titles of all respondents



Top 10 sectors for all respondents

1. Law Firms / Legal services
2. Manufacturing & Industrials
3. Financial Services
4. Technology
5. Healthcare
6. Media, Entertainment & Consumer
7. Insurance
8. Transport, Logistics & Travel
9. Professional Services & Advisory
10. Government, Public Sector & Education

From legal advisor to strategic partner

In-house legal teams' identity has shifted decisively in the last two years yet remains critical to maintaining a cohesive legal engine. In this year's survey, 71% of in-house respondents define their role as a strategic partner to the business, up from 21% last year and just 4% the year before.

This is not a move away from legal craft. Specialist expertise remains central, with 62% of in-house respondents still identifying as providers of specialist legal expertise and judgement. What has changed is the weighting of responsibility. Legal's mandate now leans more heavily toward strategic partnership than pure legal proficiency.

The contrast with the broader market underscores how pronounced this evolution is inside corporate legal departments. Across all respondents—that is law firm and in-house teams combined—67% still identify primarily as providers of specialist expertise, while only 50% identify as strategic partners.



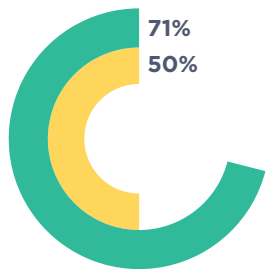
In-house teams are recalibrating their mandate faster and more decisively than the wider profession

This expanded mandate requires optimising what the legal function needs to deliver. Strategic partnership requires earlier engagement, tighter coordination with other functions, and more capacity for ongoing involvement, rather than purely reactive advice at the point of escalation. In other words, legal’s role has grown, but many teams are still structured for a narrower, advisory model.

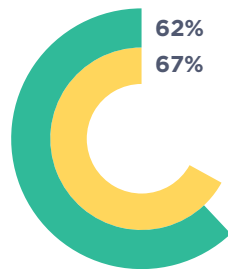
Understanding this mandate expansion is essential to interpreting the rest of the survey results. Every redesign effort, every AI deployment, every governance framework, and every workforce decision flows from this shift in the load the engine must carry.

How would you describe the role of legal in your business today?

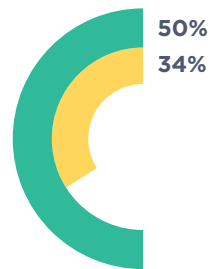
Strategic partner to the business



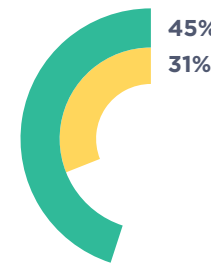
Provider of specialist legal expertise and judgement



Risk gatekeeper



Compliance and governance authority



Innovation driver



■ In-house respondents ■ All respondents

Strategic expansion, operational strain

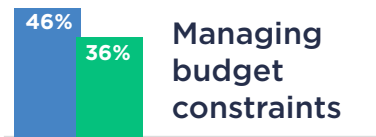
The profession's headline shift this year is that technology strategy has overtaken volume of work as the top strategic challenge. Across all respondents, 54% now identify understanding, choosing, and deploying new legal technologies as their leading concern.

But inside in-house legal, volume has not relinquished its position. For 56% of in-house respondents, managing workload and determining priorities remain the primary challenge. Technology strategy sits below it at 54%, not above it.



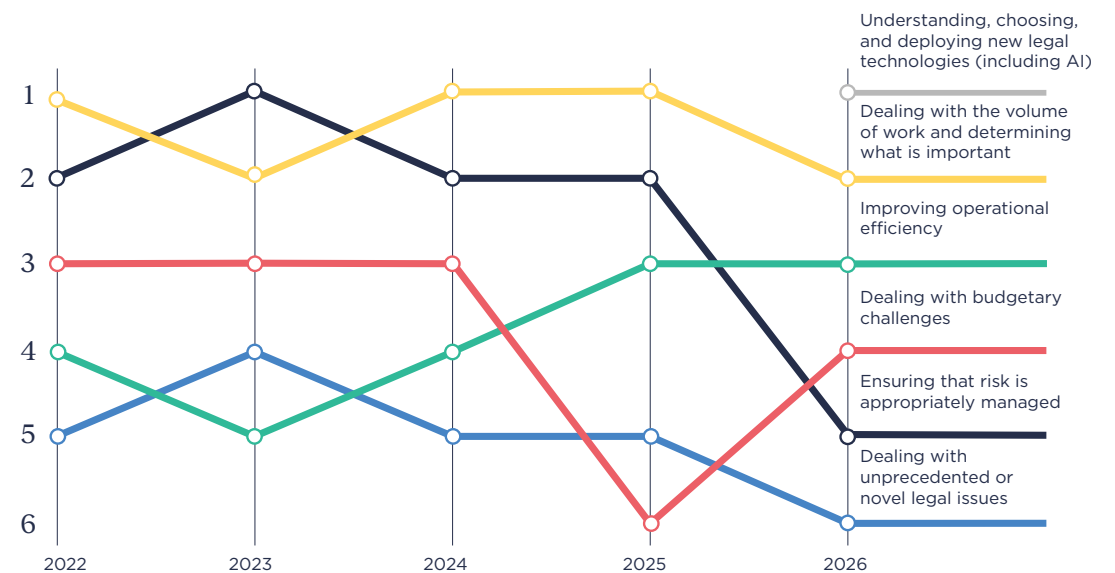
This suggests that while the profession broadly is pivoting toward technology integration, in-house teams are carrying both pressures at once. They are expected to modernise and integrate AI while absorbing sustained matter volume and day-to-day throughout.

The strain does not stop there. In-house respondents report higher pressure than the broader market across multiple structural dimensions:



In-house legal is redefining its role as a strategic partner while carrying more throughput, tighter budgets, and greater risk accountability than the profession at large.

What are your biggest strategic challenges at the moment?



The primary drivers of change, according to in-house respondents, are emerging technology opportunity and leadership vision equally, both at 46%. The push is coming from inside the function and from the enterprise, creating cumulative pressure on legal teams to maintain service levels despite high matter volumes, integrate new technologies responsibly, formalise governance structures, and align more closely with commercial decision-making, all while operating within existing headcount constraints. Both forces carry equal weight. Legal is being pushed by enterprise expectations while simultaneously pulled toward emerging technology opportunity.

This is the structural tension at the centre of our 2026 findings: legal’s strategic role is expanding fastest inside in-house legal, and so has the load.

What is driving change and innovation in your legal function?



That pressure is already driving structural change

In-house legal teams are not waiting for stability before redesigning how they operate. Over the past 12 months, 61% report intentionally redesigning how they use AI. This signals active integration into workflows rather than isolated experimentation.

The change extends beyond technology. Forty-six percent of in-house teams report restructuring their team models, compared with 20% of law firms. Corporate legal departments are rethinking internal design to support broader expectations.

Workflow redesign follows closely behind. Forty-four percent of in-house teams report investing in workflow or process automation. As AI absorbs more repetitive and high-volume work, in-house teams are also reassessing where human judgement adds the greatest value. They are reallocating specialist expertise, adjusting staffing models, and redefining workflows to reflect an AI-enabled environment.



Legal teams are not standing still. They too are already redesigning how work moves, who performs it, and where value sits within the function. The question now is whether the broader legal function — including governance, data architecture, and capacity — is evolving with the same discipline as technology adoption.

AI is the accelerant. Structural design determines whether that acceleration compounds or strains the system.



You have to make time and be intentional to enable these tools to be catalysts for reliable, repeatable, and scalable legal solutions.

Lawyer, Insurance, United States

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



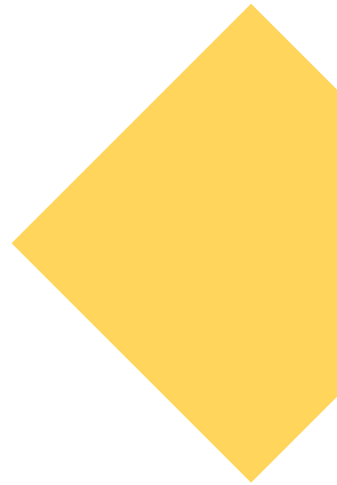
The potential for innovation in legal operations

Innovation is now firmly on the agenda for legal teams to uphold a unified legal system. When asked where legal operations has the greatest potential for innovation, respondents overwhelmingly pointed to leveraging AI, with 89% identifying it as the area with the most opportunity for transformation.

However, the results also show that innovation is not limited to AI alone. Several core operational areas also stand out as opportunities for improvement. Contract management was identified by 60% of respondents, followed by information governance and records retention (39%) and compliance and risk management (37%).

These responses suggest that while AI is widely viewed as the primary catalyst for innovation, legal teams are also looking beyond technology itself. Many of the areas identified relate to improving the systems and processes that underpin how legal work is managed, including contracts, data governance, and compliance oversight.

Innovation in legal therefore appears to be optimising both technology and operational domains, reflecting growing interest in modernising how legal work is organised and delivered.



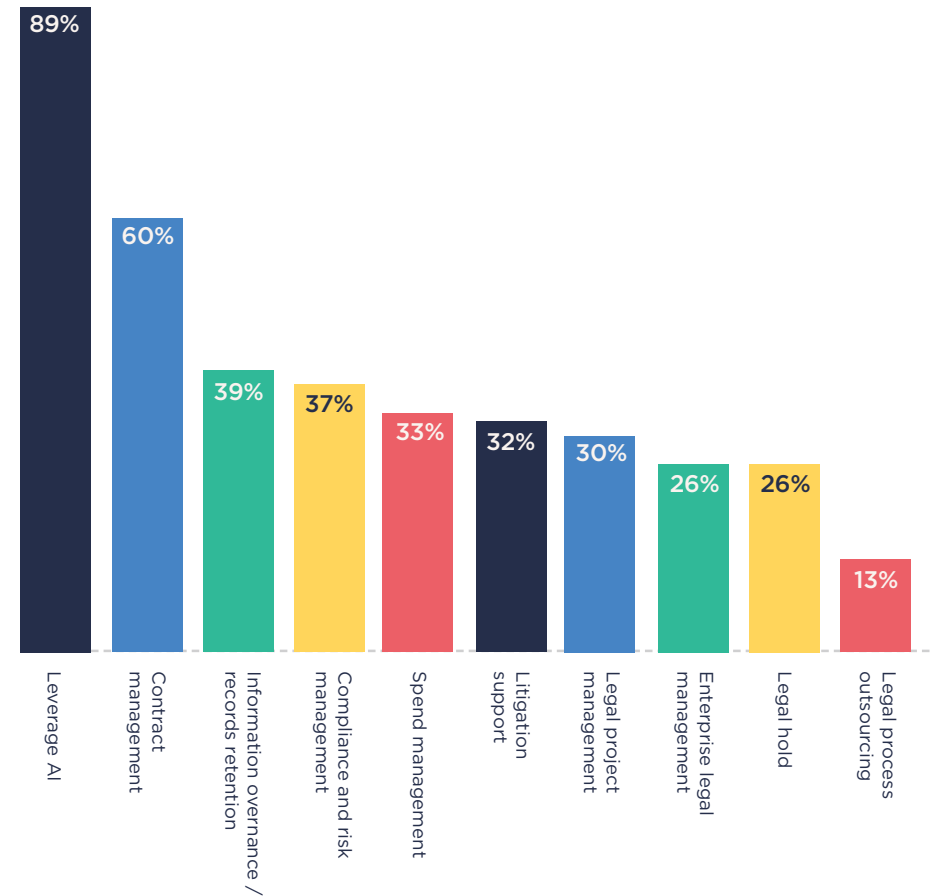
Innovation is underway across legal functions, but its full impact will depend on how effectively technology, governance, and workforce design evolve together.



Be proactive and alive to innovation and development to avoid falling behind the curve.

General Counsel / AGC, Hygiene, United States

What areas of legal operations do you believe have the most potential for innovation?



*Multiple selections allowed

Where **innovation** is taking shape

While legal teams widely recognise the potential for innovation and optimisation across legal operations, the pace and maturity of implementation vary significantly by area.

AI stands out as the most actively advancing innovation domain. Twenty-six percent of respondents report piloting AI solutions, the highest piloting rate across all operational categories, while a further 43% are researching, developing, or planning early ideas. This suggests that AI innovation is moving steadily from experimentation toward structured deployment inside many legal teams.

Contract management shows a different pattern. Twenty-three percent of respondents report fully deployed solutions, the highest full deployment rate among the operational categories surveyed. At the same time, a further 43% report researching, developing, or planning early initiatives. This combination suggests that contract management innovation

is occurring at multiple stages simultaneously, with some organisations embedding solutions into their legal engine while many others remain earlier in the exploration process.

Other operational areas remain earlier in the maturity cycle. Information governance and records retention, compliance and risk management, and legal project management show strong levels of research and early planning but comparatively lower levels of piloting or deployment. For example, 27% of respondents are researching innovation in information governance and 20% are planning implementation, yet only 10% report piloting solutions.

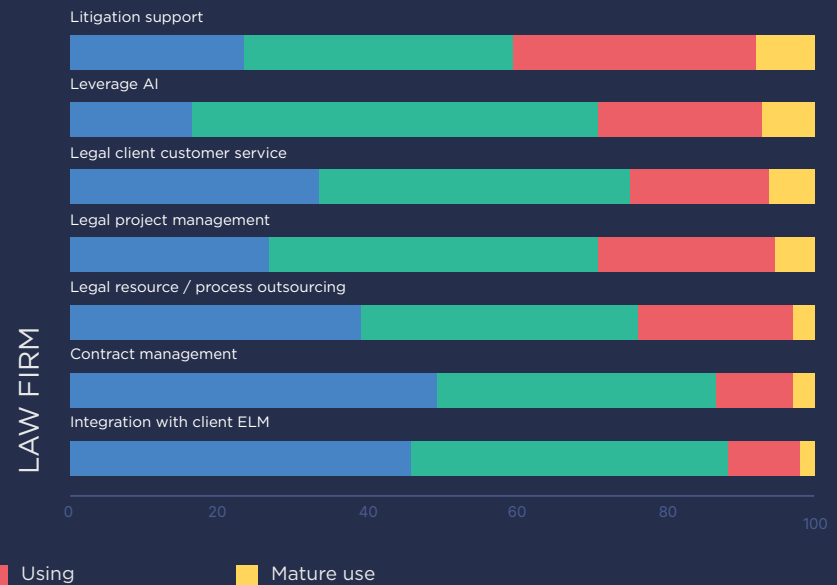
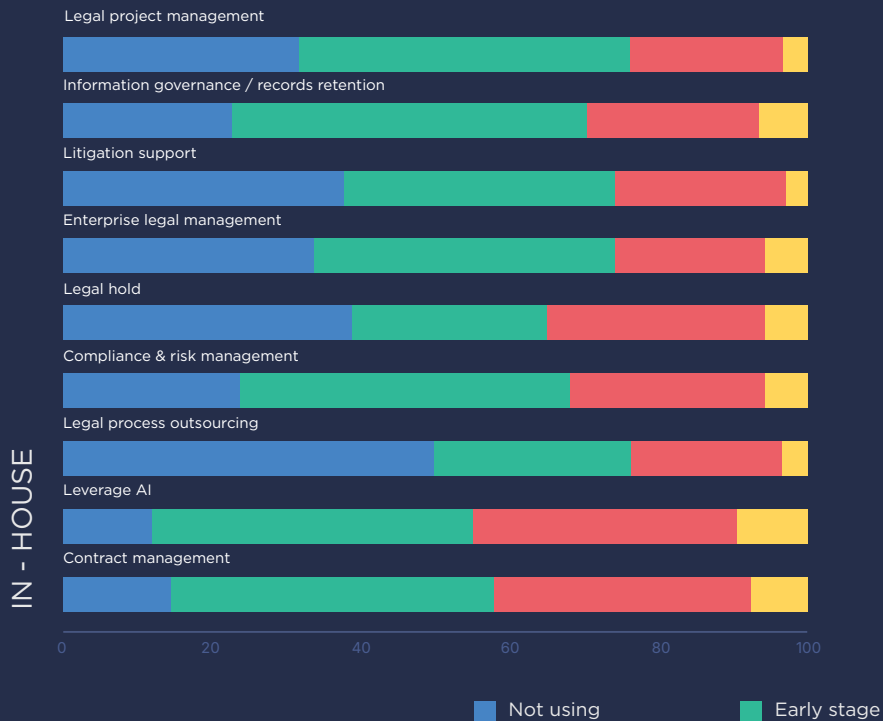
Some domains remain largely exploratory. Legal process outsourcing has the highest proportion of respondents not yet investing in innovation (50%), followed by legal hold (39%) and litigation support (38%). In these areas, innovation discussions appear to be earlier in the strategic planning cycle.



Stay adaptable and continuously update your knowledge to keep pace with industry changes. Leverage technology to streamline processes and enhance efficiency. Foster strong collaboration across teams to proactively address emerging risks and regulatory challenges.

Lawyer, Financial Services, United States

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



AI in practice

AI is seen as the primary source for innovation and is beginning to appear across day-to-day legal workflows, but most organisations remain in early stages of adoption. Across the industry, many teams are still evaluating options, planning deployment, or introducing AI gradually rather than implementing it fully across their operations.

Adoption is most advanced in a small number of high-volume legal workflows. Document review and analysis show the

strongest deployment, with 22% of in-house teams reporting partial deployment and 14% full deployment. Legal research follows closely, with 20% partial and 11% full deployment. Contract management shows a similar pattern, with 20% partially deployed and 9% fully deployed.

However, even in these leading use cases, most organisations have not yet reached full adoption. For legal research, half of respondents either report not using AI or still evaluating options. A similar pattern appears across other workflows, indicating that while AI is entering legal work, large portions of the profession remain in earlier stages of adoption.



Outside these core areas, implementation drops sharply. In functions such as legal intake and triage, compliance and risk management, predictive analytics, and strategy and decision-making, the majority of teams are still evaluating options or not using AI at all. These areas often involve more complex judgement, integration with existing systems, or governance considerations, which can slow deployment.

As a result, AI is often improving individual workflows without yet reshaping the broader workflows of the legal function. Tools are accelerating specific tasks such as document review, research, and contract analysis, but many legal teams still operate within fragmented systems that limit how these gains scale across the organisation.

This creates a perception gap. Legal teams are adopting new technologies and seeing productivity improvements, yet the transformation can feel incremental rather than structural. Until systems, governance frameworks, and workflows become more closely integrated, innovation is more likely to appear as a series of local improvements rather than a cohesive redesign of how the legal function operates.

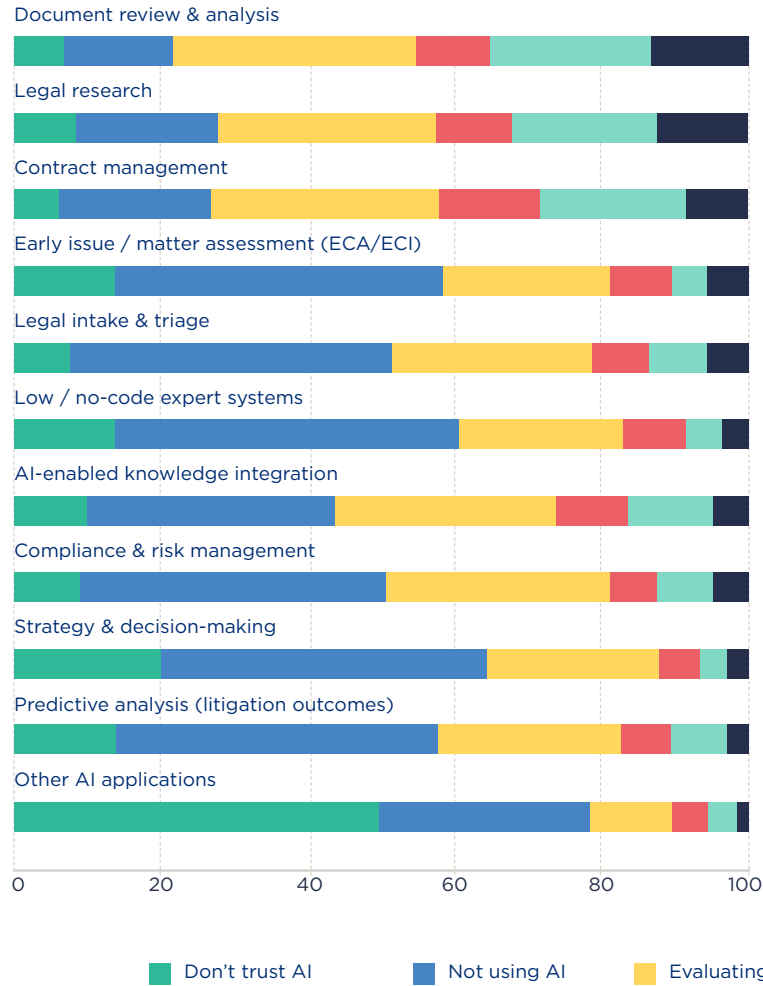
In this context, it is no surprise that understanding, choosing, and deploying legal technology has emerged as one of the profession's leading strategic challenges. As legal teams experiment with new tools while managing fragmented environments and evolving governance expectations, integrating these technologies into a cohesive legal engine becomes increasingly complex, but not impossible to manage with the proper balance of AI and people.



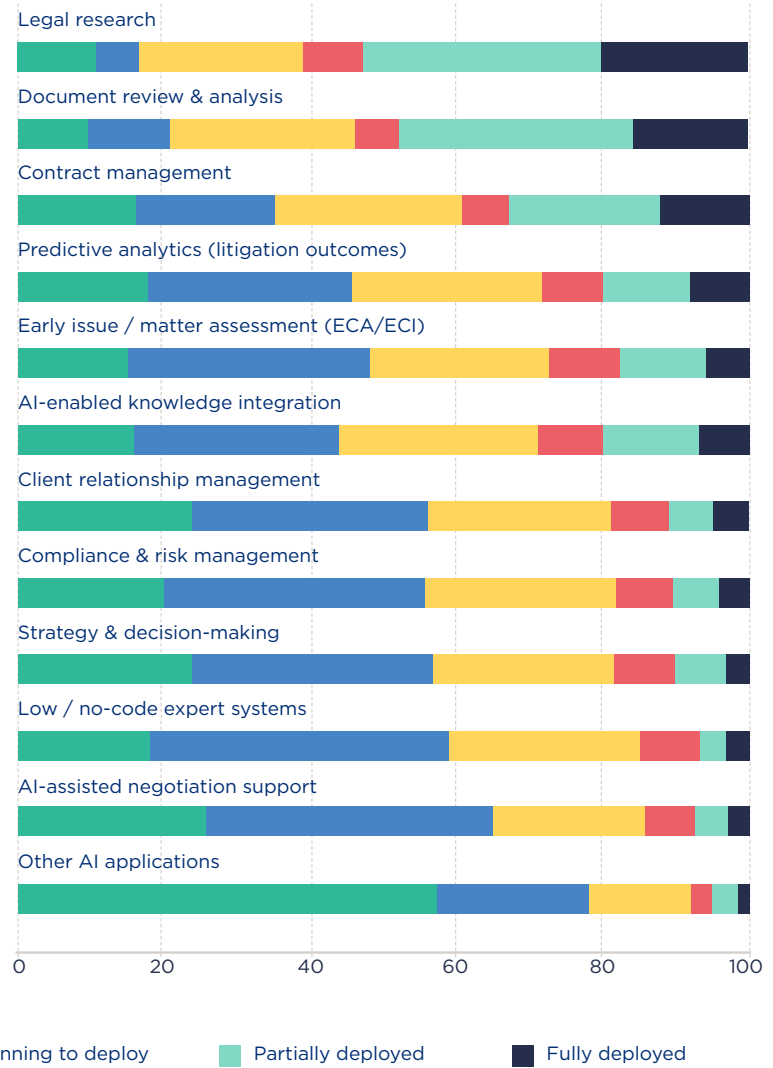
Learning AI is similar to how we all learned to use Google. Early Google searches required Boolean logic, and over time we naturally picked up its nuances and limits. The same applies to AI—though it's a different game, with new purposes and possibilities to grasp.

Paralegal, Law Firm, United States

AI adoption in in-house legal teams



AI adoption in law firms



Legal teams are seeing tangible benefits

As AI adoption expands, many legal teams are beginning to see measurable benefits in their daily operations.

The most widely reported impact is increased efficiency and productivity, cited by 59% of respondents. Automation of routine tasks follows at 34%, while 22% report reduced operational costs. These results suggest that AI is already improving how legal teams handle high-volume work and repetitive processes.

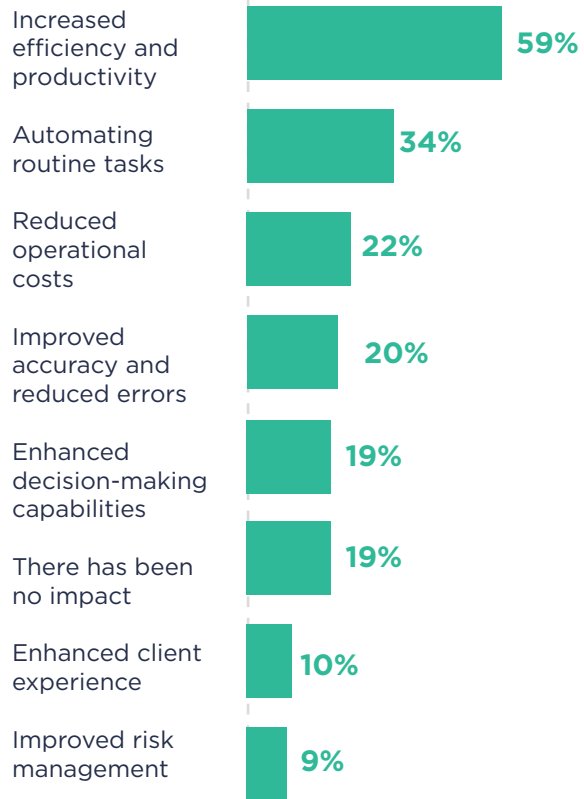
Other benefits include improved accuracy and reduced errors (20%) and enhanced decision-making capabilities (19%). These gains indicate that AI is beginning to support both operational efficiency and the quality of legal work.

However, nearly one in five respondents (19%) report that AI has had no measurable impact on their legal team so far. This reflects the reality that many organisations are still in early stages of evaluation, planning, or partial deployment.

The results confirm that AI is beginning to deliver real operational gains, particularly in efficiency and automation. These benefits are still largely concentrated at the task level rather than across the legal function as a whole.

As adoption expands, the challenge for legal teams will be translating these local productivity gains into broader improvements in how the function operates

What tangible benefits has AI delivered to your legal team?



“

Adapt fast to incoming AI changes. It's not going anywhere so you might as well get to speed.

Legal Operations Professional, United States

Running on human judgement

As AI is reshaping how work moves through legal, new capabilities are emerging across legal teams. Technology may accelerate how work is completed, but the performance of the legal function continues to depend on human oversight, judgement, and operational coordination.

The most significant capability shift reported in the survey relates directly to AI itself. More than half of in-house respondents (58%) report developing new skills in AI evaluation or prompt engineering. Legal professionals are increasingly learning how to assess outputs, refine prompts, and supervise machine-generated results rather than simply relying on automated responses.

Alongside these technical capabilities, operational skills are also developing. Around one-third of respondents report strengthening project management (31%) and process design capabilities (31%), reflecting the growing need to coordinate technology implementation and manage increasingly complex workflows.

Traditional legal expertise remains equally important. More than a quarter of respondents (27%) report deepening specialist legal knowledge, suggesting that AI is not replacing domain expertise but instead shifting where and how that expertise is applied.

Other foundational capabilities are emerging more gradually. Data literacy (21%) and change management (24%) are developing within some teams, but at a slower pace than AI-specific skills. These capabilities play a critical role in scaling technology adoption and supporting broader organisational upkeep and improvements.

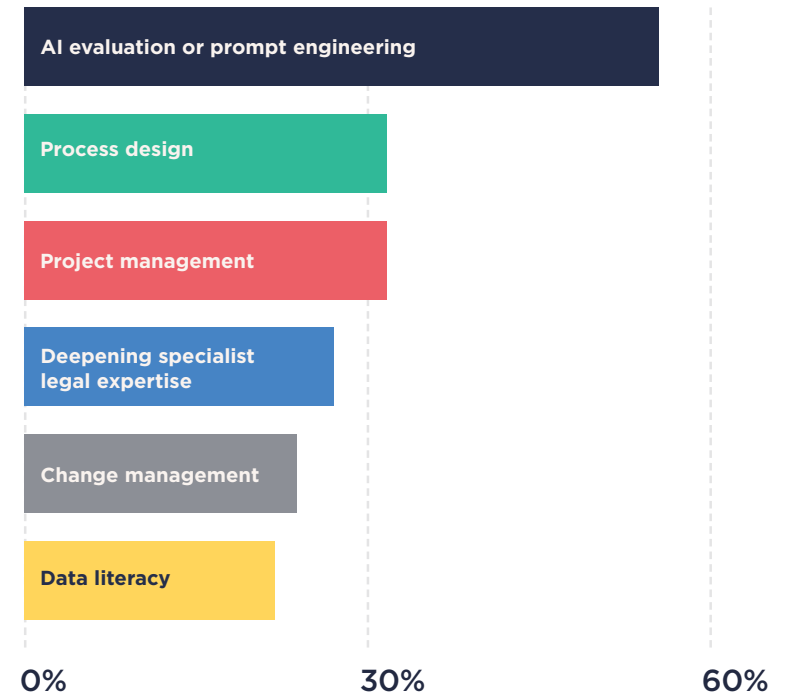
The results suggest that legal teams are adapting to AI in a proactive way: by developing new supervisory and operational skills while continuing to rely on professional judgement and domain expertise. As AI adoption expands, the combination of technical fluency, operational coordination, and legal expertise will determine how effectively legal teams integrate new technologies into their operations.



Look for tools that help your team better leverage their strengths and address areas of weakness. There are no tools in existence right now that can effectively replace any person on your team.

Lawyer, computer security, United States

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



When the engine doesn't connect

Despite growing investment in AI and legal technology, the broader technology environment inside legal departments remains disjointed. Many teams are layering intelligent tools onto infrastructures that were never designed for integration at scale, resulting in friction between platforms.

Among in-house respondents, 46% report operating within fragmented systems that do not integrate well. Nearly half (48%) rely on manual workarounds between tools to move information across workflows. More than a third (34%) experience duplicated data across multiple platforms, limiting visibility and increasing the risk of inconsistency.

These conditions make scaling technology far more difficult than deploying individual tools. When information sits across disconnected systems, outputs generated in one environment often require reconciliation elsewhere. Time is spent transferring data, checking versions, and validating which record is authoritative.



As a result, a third of in-house teams (34%) report difficulty accessing a single source of truth. Efficiency gains achieved within one workflow can stall when work moves into another, limiting how far innovation can compound across the legal model. The engine is beginning to accelerate, but without stronger connections between systems, much of that power cannot yet travel through the organisation.

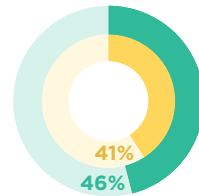


Before selecting a platform, it is critically important to test the functionality in a test environment.

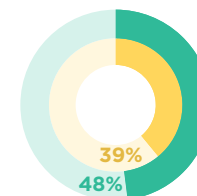
Paralegal, Law Firm, United States

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

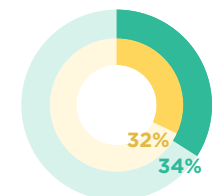
Fragmented systems that don't integrate well



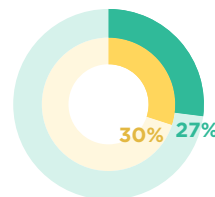
Manual workarounds between tools



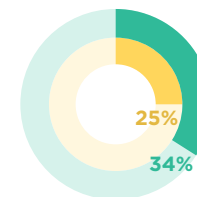
Duplicated data across multiple platforms



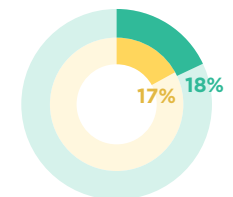
My tech stack is functional but could be better



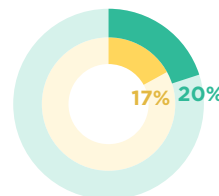
Difficulty accessing a single source of truth



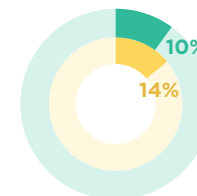
Security or privacy risks due to system sprawl



Delays in reporting or insights



I'm happy with my current tech stack



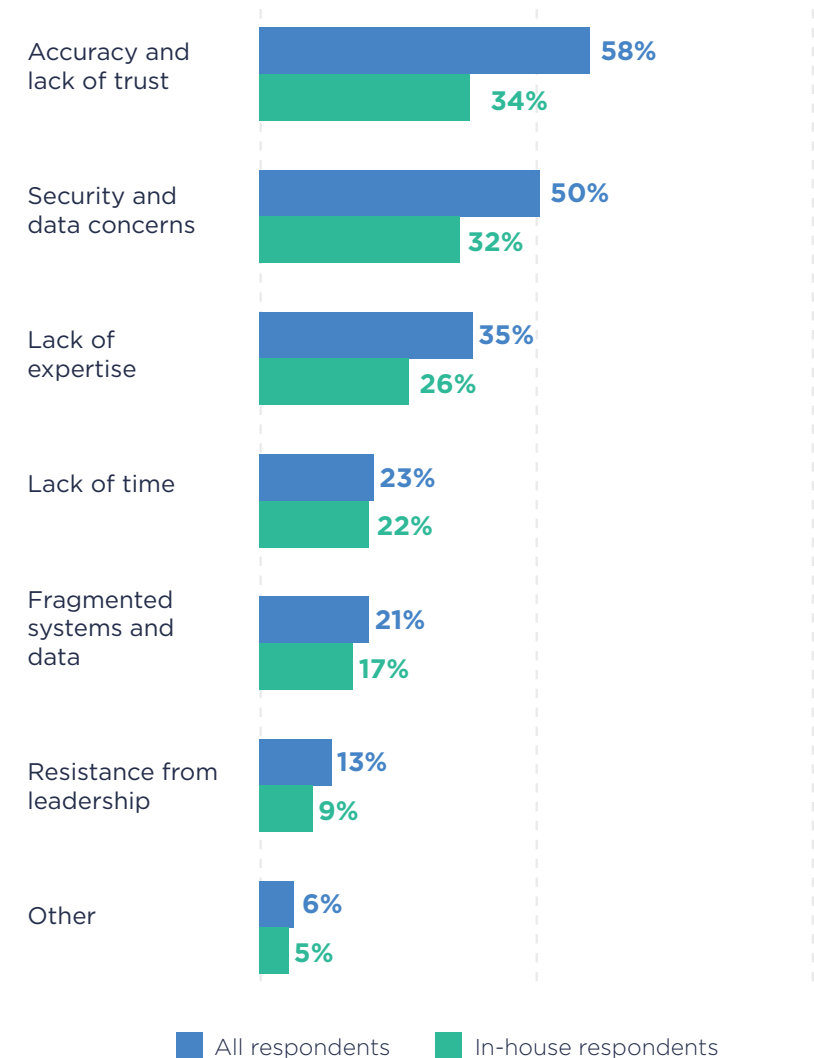
■ In-house respondents
■ All respondents

Trust remains the defining constraint on AI adoption

As AI adoption expands across legal workflows, trust and governance concerns remain a significant barrier to broader deployment. Among all respondents, 58% identify accuracy and lack of trust in AI outputs as a key blocker to adoption, while half (50%) cite security and data concerns. Capability constraints also play a role, with 35% reporting a lack of expertise and 23% citing lack of time to properly evaluate and implement new technologies.

Accuracy and trust concerns appear more pronounced across the wider profession than inside corporate legal teams. While 58% of all respondents identify accuracy and trust as a blocker, the proportion falls to 34% among in-house teams. This suggests that while reliability remains a concern, corporate legal teams may be approaching AI adoption through a more operational lens, balancing risk considerations with workflow efficiency and implementation constraints.

Rank your biggest blockers to adopting AI in your legal team.



These barriers reflect deeper concerns about the risks associated with AI in legal work. When asked what concerns them most about using AI, 69% of respondents cite the risk of incorrect or hallucinated outputs. Half (50%) are concerned about the potential loss of human judgement in critical decisions, while an equal proportion identify data security and confidentiality risks.

What concerns you most about using AI in legal work?

Risk of incorrect or hallucinated outputs	69%
Loss of human judgement in critical decisions	50%
Data security and confidentiality risks	50%
Over-reliance on unproven tools	43%
Ethical or compliance concerns	38%
Inability to explain or defend AI-driven outcomes	34%



Other concerns highlight the governance challenges associated with emerging technology. Forty-three percent worry about over-reliance on unproven tools, while 38% cite ethical or compliance risks. A further 34% are concerned about the inability to explain or defend AI-driven outcomes.

Taken together, these findings underline why legal teams are approaching AI adoption with a pinch of salt rather than speeding towards applying this technological change. It also attests to why AI must be used as just one aspect of the overall legal engine. And, in an environment where legal advice must be accurate, defensible, and accountable, trust in both the reliability of outputs and the governance surrounding their use remains essential.



Do not rush into anything and make sure policies and safeguards are in place before deploying any tool.

Lawyer, Electronics, United States

As AI expands, trust becomes a defining issue.



Governance structures are strengthening

Thirty-two percent of respondents report using a cross-functional committee involving Legal, IT, Risk, or Compliance to oversee AI selection and implementation. Twenty-two percent rely on General Counsel or legal leadership decision-making. Only 14% report having no formal governance in place. A majority now operate with defined oversight mechanisms guiding AI deployment.

Applying no governance is a minority at only 14%, while a hefty 86% still rely on it. This shows that legal teams are not approaching AI in a haphazard way. Rather, they are acclimating to it through proper planning, given the establishment of governance on AI selection, implementation, and organisation. In turn, this leads to an adoption of AI that isn't done blindly, but in an organised manner so that AI is selected in a way that's poised for success of legal teams.

Governance and oversight, however, require time and expertise. As legal teams integrate AI across workflows, manage fragmented systems, and formalise controls, workload pressure does not decline. Technology may accelerate certain tasks, but the responsibility to supervise, align, and calibrate those tools increases operational demand.



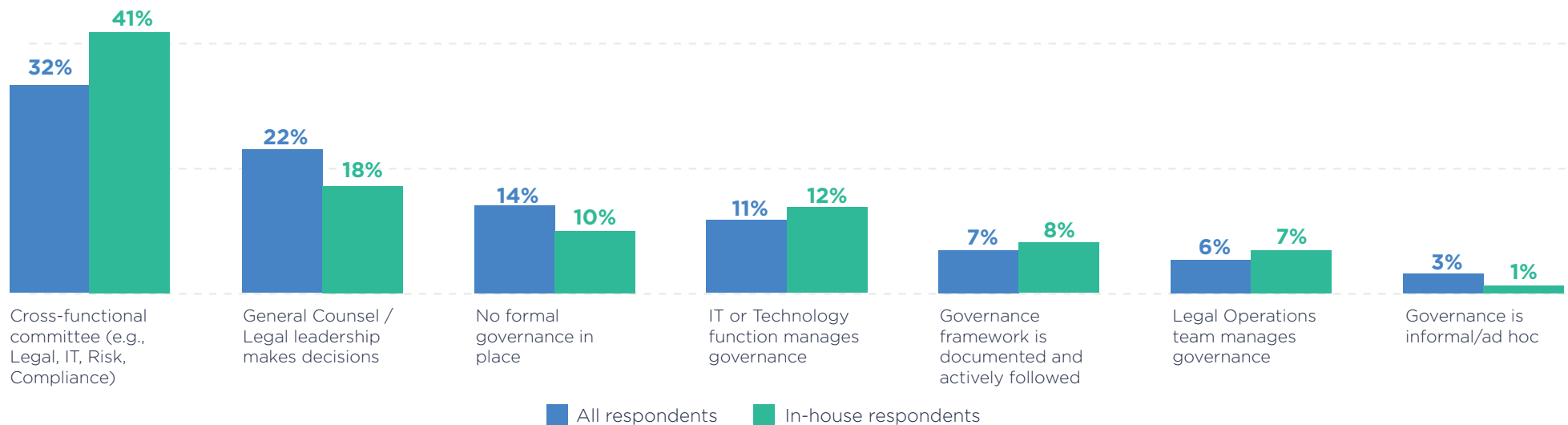
The challenge is no longer simply adopting AI. It is integrating systems, establishing durable governance, and sustaining performance under rising structural complexity, essentially maintaining a balance between different aspects of the legal engine as opposed to solely rushing towards changes.



Don't succumb to the 'latest easy thing'. Use solid skills and information sources to avoid missed opportunities and bad consequences.

- Legal Operations Professional, Insurance, United States

How is your organisation currently organising governance around AI selection, implementation, and adoption?



Workforce elasticity: the underused strategic lever

As legal teams absorb the demands of AI deployment, governance oversight, and structural redesign, capacity has become a defining constraint. Flex legal talent represents one mechanism to introduce elasticity into that system. But the data suggests that how it is deployed matters as much as whether it is deployed at all.

Among in-house respondents, 52% report using flex talent in some form. Of those, 47% report no significant benefits. That figure deserves attention. It does not indicate that flex talent fails to deliver, it indicates that most teams are not yet using it in ways that unlock its value.

Do you use legal resourcing across your organisation?



The pattern becomes clear when deployment method is examined. The majority of users are deploying flex talent reactively: 57% say it is not part of their long-term strategy, and 21% describe it primarily as a stopgap during hiring freezes or parental leave. At this level of integration, limited returns are predictable.

The minority using it strategically report a different experience. 20% say flex talent is embedded in their organisation’s culture. 16% describe it as a structural part of how they scale. 15% use it to pilot new capabilities or roles. Among this group, the benefits reported reflect genuine operational impact: greater agility in responding to shifting workloads, access to specialised expertise, and the ability to maintain service levels under pressure.

Among the 48% not currently using flex talent, a third say they simply do not need it. That is a considered position, which the data does not contradict. But for teams navigating sustained modernisation, integrating new tools, redesigning workflows, managing governance demands alongside existing matter volume, reactive capacity planning carries real risk. The question is not whether flex talent is universally necessary. It is whether workforce design is intentional enough to support the load the legal engine is now being asked to carry.



Invest in people to test and implement - particularly roles like LPM and technologists.

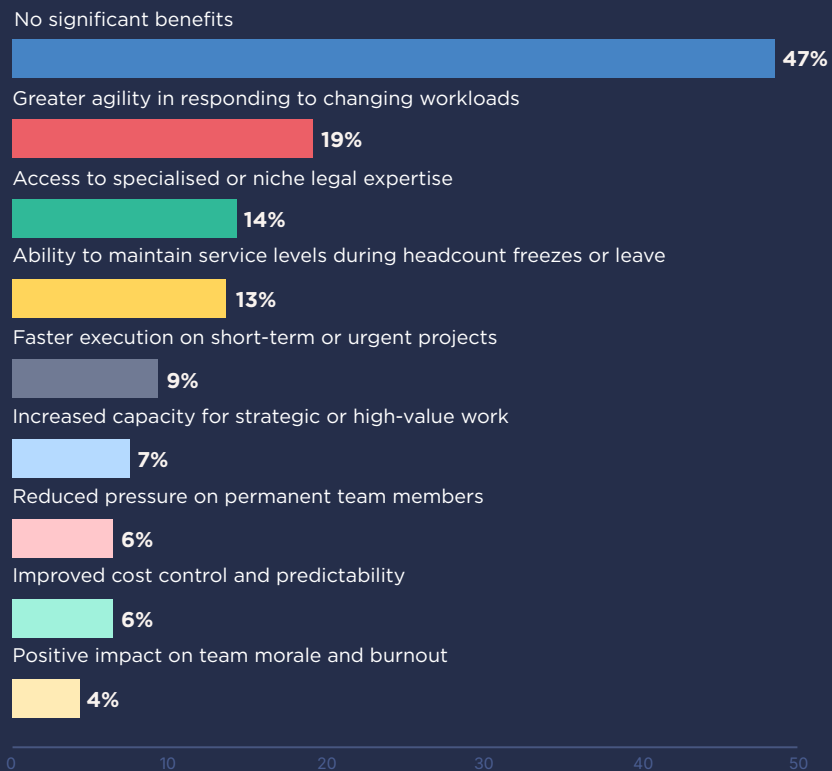
Legal Operations Professional, International Law Firm, United Kingdom

Do you use legal resourcing across your organisation and how do you use it?



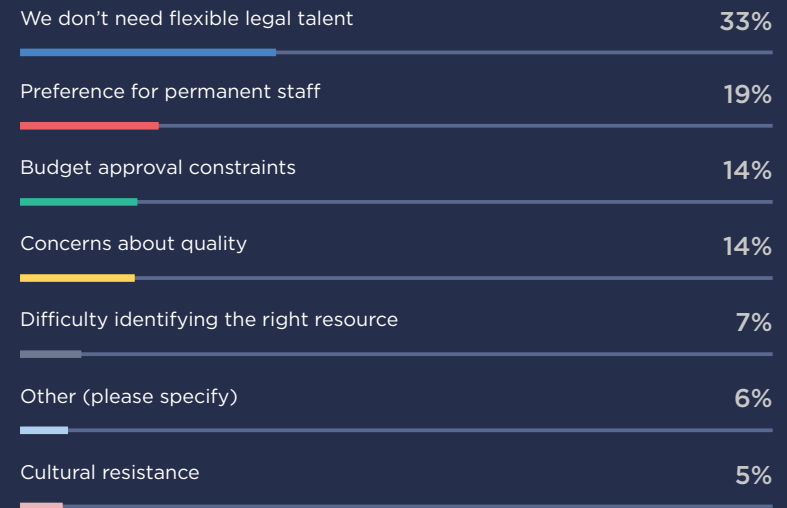
What benefits has your legal team experienced from using flex talent?

IN - HOUSE PROFESSIONALS



*Multiple selections allowed

What's the biggest internal barrier to using flexible legal talent?



*Multiple selections allowed

Powering the legal engine for the future

The findings in this report point to a profession that has made genuine progress, but one where that progress has not yet compounded into transformation. In-house legal teams are now operating across a mandate that extends well beyond risk containment: legal is no longer purely a provider of expertise, but a strategic participant in business decisions, AI oversight, and regulatory navigation. The engine that supports legal was not built for that mandate. And across markets, organisation sizes, and maturity levels, the data shows a consistent pattern: the components of the legal engine are improving in isolation rather than operating as a system.

Legal's strategic role has expanded faster than the engine that supports it. The task now is deliberate: to build the architecture, governance, and talent model that allows legal to perform the role it is already being asked to play.

Closing that gap requires synchronising three core components:

1. Technology and data architecture

System integration, consolidation, and shared data standards will determine whether gains from adopting AI remain local or scale across the enterprise.

2. Governance

Trust in AI will emerge with consistent oversight, defined accountability, and transparent controls that allow innovation while maintaining reliability.

3. Workforce elasticity

Legal teams need flexible access to specialised expertise and surge capacity. Flex talent allows organisations to adapt to new tools, redesign workflows, and sustain modernisation without compounding pressure on permanent teams.

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