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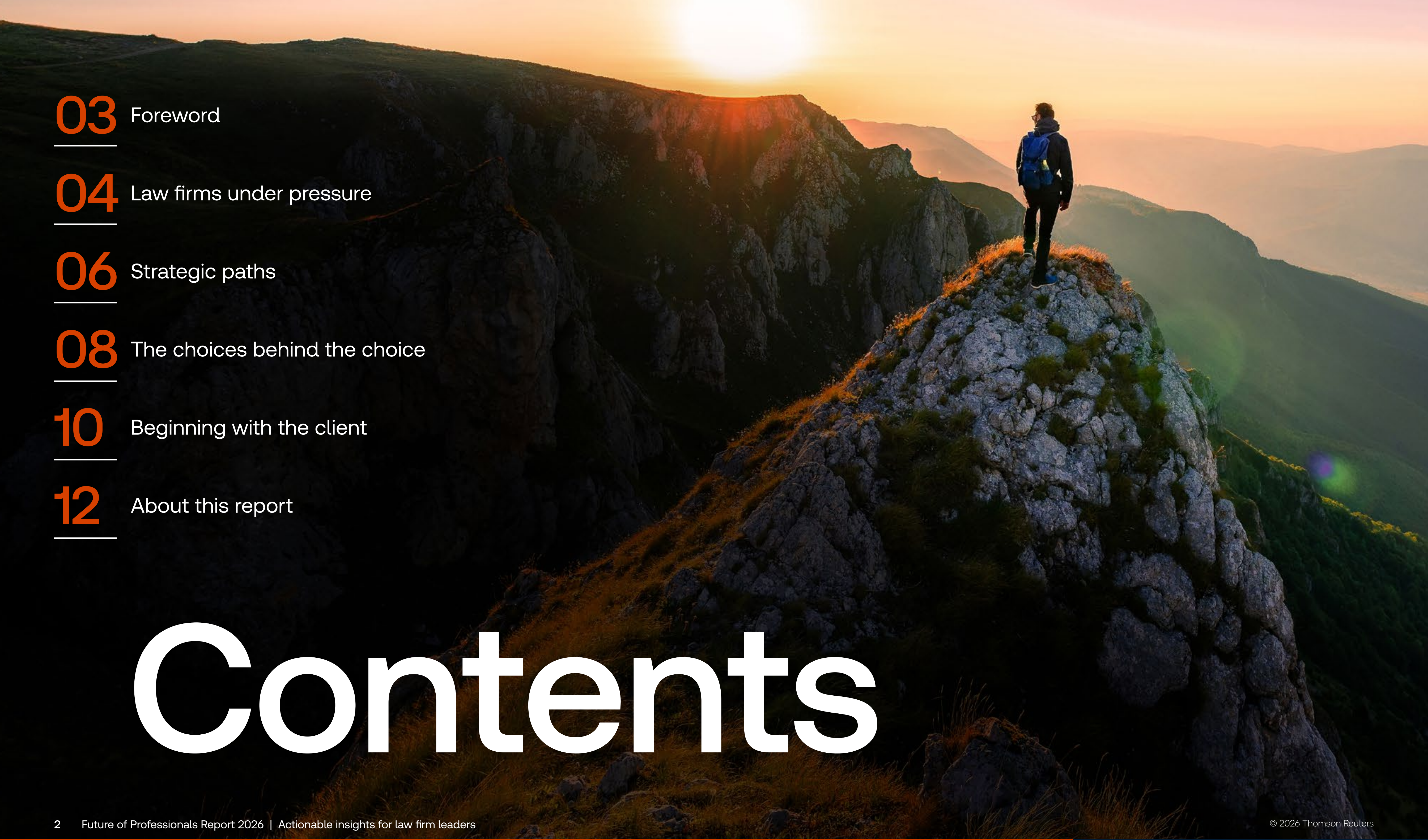
Future of Professionals Report 2026

Actionable insights for law firm leaders



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"The firms creating a true competitive advantage today are not the ones talking about AI. They're the ones operationalizing it."

Foreword

The AI reckoning is coming: clients now expect more, few firms are ready to deliver

For the last three years, the lion's share of attention on AI has focused on the technology itself - new models, new tools and increasingly impressive demonstrations of what could be possible with the right tech and smart investments. But the market has entered a new phase, and AI is no longer a future capability; it is a present-day business reality. I speak to our customers each day, and from my vantage point, I see the firms creating a true competitive advantage today are not the ones talking about AI. They're the ones operationalizing it.

The corporate and government clients who hire those firms know this, and they are already expecting to see more from their outside counsel. In fact, according to our fourth annual Future of Professionals Report, 77% of clients say it is very important, or even essential, to receive AI-enabled quality improvements from the firms they work with. But just 5% say they're getting this from most or all of their providers, and their patience is already wearing thin.

Here, we dive deeper into the data behind this phenomenon and offer guidance to firm leaders on how to better align their AI strategies with rapidly evolving client, talent and operational needs.

Clients expect more

One of the most important findings in our research is that law firm clients now expect to start getting more for their money. In fact, 71% of in-house legal professionals say they expect their outside firms to change their commercial models as AI usage increases, but so far just 28% of law firms say they've made any changes to their pricing structure in response to AI.

This is where the rubber meets the road for law firms. The hourly billing model that has defined the industry for more than a century is now being challenged; clients are expecting more concrete results from their firms, and those that cannot deliver quickly will be at risk of being replaced by those that can.

Top talent demands top tech

It's not just clients who see the value in AI. Law firm professionals increasingly see AI tools as a must-have component of their day-to-day work. Specifically, 36% of law firm pros who've been using professional-grade AI tools now say they would categorically decline a job offer that did not offer them. Moreover, 12% of those who are experiencing a gap between the value they expect from AI and real-world results they are seeing are considering leaving their current positions within 12 months as a result.

That means firm leaders need to do more than embrace the idea of AI; they need to show their teams, and future talent, that they are investing in the technology and training needed to stay competitive in this fast-moving market.

The bottom line

Operational and business management considerations are also a critical part of the AI equation. Our research shows that more than a third (38%) of law firm professionals are already under financial pressure to act faster on AI, and 22% say they expect to start seeing financial consequences from moving too slowly on AI within the next 12 months. That's a remarkable shift and shows how the conversation has moved from "Should we use AI?" to "Can we afford not to?". Compounding that challenge, the same research showed that some 34% of law firm professionals say they are currently using AI tools their firm has not authorized. That should concern every law firm leader. When adoption outpaces governance, firms expose themselves to new operational, compliance, and client risks. In a profession where decisions carry legal, financial, and regulatory consequences, firms need to know they can trust AI solutions that meet a fiduciary grade, solutions rooted in authoritative sources, traceable reasoning, and accountability to rigorous professional standards.

We're past the point of AI experimentation. The status quo in how legal work gets done is already shifting, and that has serious ramifications on all aspects of the law firm business model, from client billing to talent management to governance and compliance. Accordingly, the challenge for firm leaders has shifted from a focus on tech to a focus on change management that will soon become just as important, if not more, than the underlying innovations that brought us to this point.

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Law firms under pressure

Intense AI-driven pressure is mounting for both law firms and their clients. Frontline pressure is building faster than senior leaders recognize."

Talent

24% of law firm professionals would categorically decline a job offer without access to professional-grade AI tools.

19% of law firm senior leaders are experiencing talent consequences already, or expect to within 12 months.

63% of law firm senior leaders feel minimal or no talent pressure.

Client

32% of in-house legal professionals are already reconsidering relationships with firms that do not demonstrate clear AI-enabled value within 12 months.

11% of law firm professionals believe they could begin losing clients within 12 months.

50% of law firm professionals do not believe they would lose clients over this at all.

Financial

38% of law firm professionals report significant or some financial pressure to act faster on AI.

25% of law firm senior leaders expect financial consequences already or within 12 months.

29% of law firm senior leaders are not concerned about financial consequences at all.

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Talent: A bifurcating market

Firms with capable, approved AI tools are becoming more attractive employers, as nearly one in four (24%) law firm professionals say they would decline a job offer without access to professional-grade AI tools. Firms behind the curve are not only less productive, but they are losing ground in the competition for the professionals who are shaping where their discipline is headed.

Misalignment between a professional's preferred approach to AI and their firm's day-to-day strategy sharpens the departure risk; they are almost three times as likely to be considering leaving within 12 months (14% vs 5%). This does more than increase attrition: it removes the experienced mentorship that 78% of law firm professionals believe early-career lawyers depend on to develop the skills AI is displacing.

The liability firms aren't tracking

Law firms carry liability they have not fully accounted for. Every pressure in this section points to the same underlying risk: talent, clients, and revenue. All exposed if the firm doesn't actively respond to the pressures they're facing.

Use of shadow AI illustrates the issue: a third (34%) of law firm professionals use AI tools their firm has not authorized for work, introducing unvetted technology into an environment of sensitive, privileged information. The firm carries that exposure whether or not it has chosen to.

Closing this gap means giving people something better: tools built to be authoritative, traceable, and accountable to fiduciary standards, with enough capability that unauthorized tools stop being worth the risk.

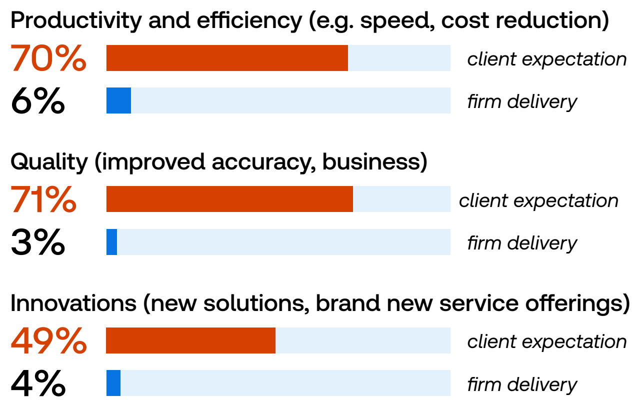
The same principle applies to the talent and client pressure already covered. Firms that act on what their people and clients are already telling them carry less exposure than firms waiting for the pressure to become impossible to ignore.

Clients: A widening expectation gap

Corporate legal functions are under growing pressure from their own leadership to demonstrate value from AI: 61% report "some" or "significant" pressure from internal stakeholders to adopt AI faster.

As in-house legal professionals race to capture that value themselves, they expect the firms they work with to keep pace. The majority consider it very important or essential that external counsel demonstrates AI-enabled efficiency, quality, and innovation, but only 3–6% believe most firms they work with are delivering on these fronts.

In-house legal professionals' expectations vs. the firm action



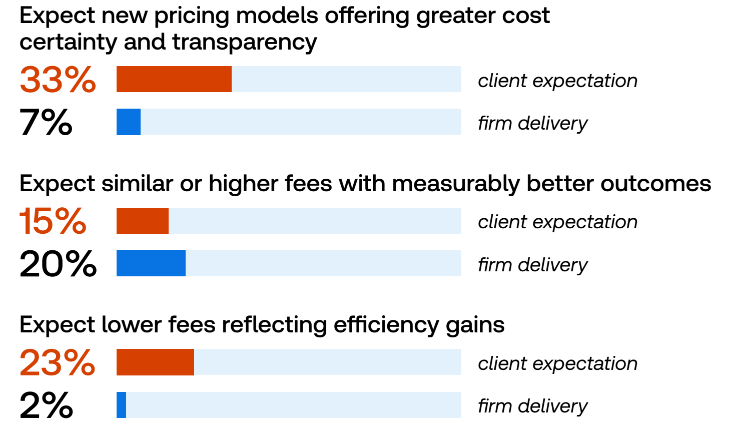
Firms that can't clearly demonstrate AI-enabled value are already at risk of losing existing business: one in five (22%) in-house legal professionals will reconsider firm relationships within 12 months if they don't see AI-enabled value, on top of the 11% already doing so. But this urgency isn't translating yet: only 11% of law firm professionals believe they could begin losing clients within 12 months while half (50%) don't believe they would lose clients over this at all.

Financial: The market outpacing the model

Three in five in-house legal professionals (58%) say their team is facing "some" or "significant" financial pressure to act faster on AI, and expect external counsel to respond to that same pressure. Nearly three-quarters (71%) expect professional firms to change their commercial model, how they charge for services, as AI use increases, yet 62% of law firm professionals say their firm's pricing structure is unchanged in response to AI.

In-house legal professionals' expectations vs. the firm action

71% expect professional firms to change how they charge, of which:



The challenge for firms is that client demand varies: some clients want AI to cut cost and time, others expect it to improve quality and strategic value, and many now expect both. Clients are not waiting for firms to find a model that works for them. The firms that can demonstrate AI-enabled value earlier, whether through better quality, faster delivery, or pricing that reflects efficiency gains, will be better placed to shape a conversation about value, instead of defaulting to one about price.

From pressure to positioning

AI is compressing the law firm model from the outside at exactly the moment it is disrupting it from within. The strategic choices firms make about AI now are already determining which clients they can serve, and on what terms, which means the path forward cannot be shaped by internal priorities alone.

That pressure cuts both ways. Firms racing to relieve it with any AI tool, without weighing whether it's the right one for the work, risk a different kind of damage: to client trust, to work product, and to the firm's own liability exposure. Speed without the right foundation is not progress.

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Strategic paths

Every firm's strategic trajectory has been shaped by the choices it has already made about AI, and no two paths arrive at the same place. Even when a firm hasn't made an intentional choice, the path it's on tells clients what kind of firm it's becoming, and whether it's the right one for the work ahead.

Each path is legitimate; each leads to a different kind of firm attracting different clients and talent.

AI to Elevate

Human expertise-centered, AI enabling faster and more ready delivery, commanding greater value.

AI to Scale

Productivity-first, AI focused on more with less, increasing capacity, responsiveness and consistency.

AI to Reimagine

AI at core, rebuilding from ground up to create new value.

Deferring

1 in 4 professionals are either unsure of their firm's strategic ambition for AI, or believe it does not have one.

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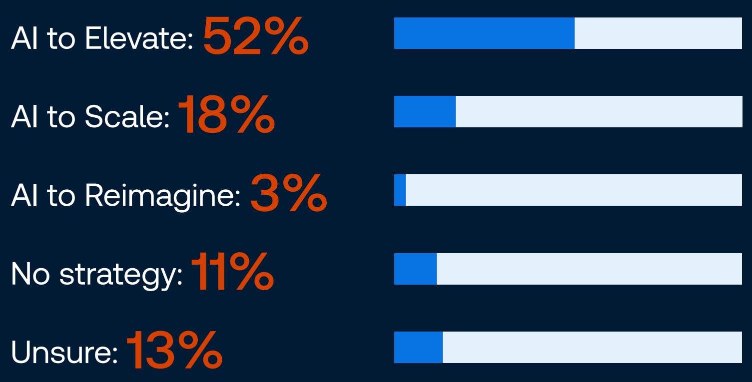
Law firms current strategic direction:



The path matters less than the clarity with which it is pursued: Among professionals in firms with a defined AI strategy, 64% say AI is meeting or exceeding their expectations for creating value. Where no strategy exists, that figure drops to 29%.

The path you choose chooses your clients

AI to Elevate

An Elevate future centers human expertise, using AI to automate routine tasks so professionals focus on complex advisory: high-stakes litigation strategy, regulatory investigations, or complex M&A.

For clients, an Elevate firm is the one they call when the matter is complex, the stakes are high, and the "right" answer isn't obvious. The risk for firms is that, as AI raises the baseline of what counts as "expert judgment", the premium must be continuously justified by outcomes that AI alone cannot produce.

Elevate is the most popular path both in terms of individual preference among law firm professionals and stated firm ambition. In part, that may reflect how closely Elevate aligns with the traditional law firm model, presenting a less disruptive route to AI adoption.

AI to Scale

Scale firms combine AI-enabled productivity with human oversight to increase volume, maintain quality, and keep rates competitive, serving corporate legal functions that need high volumes of routine work handled efficiently without senior partner involvement. Scale firms serve those clients well: they compete on speed, consistency and cost when processing repeatable work such as contract review, due diligence and standard commercial agreements. A transactional relationship can thrive when both sides understand it.

The risk is that efficiency alone is hard to defend. As AI capability spreads, gains become replicable and in-house teams increasingly have the tools to do more of this work themselves; only 18% of law firms name Scale as their stated strategic ambition, yet nearly a third of in-house legal professionals are already operating this way day-to-day.

Firms on this path will need to recognize that the relationship model is changing and will require a different kind of business development. The proposition will need to develop beyond just throughput, into a package in-house teams cannot easily recreate, whether through reliability, integration, risk judgment, or ease of use.

AI to Reimagine

Reimagine firms will rebuild practice around propositions only possible with AI at the core: outcome-based pricing, subscription legal ops support, proactive compliance monitoring. For clients, a Reimagine firm is the one they call when they are ready to rethink the relationship entirely: a firm that works as an extension of their team, anticipates what they need, and focuses on outcomes rather than hours. Those clients will need to convince their own boards of the change in approach, and firms on this path will need to help them make the case.

Only 2% of law firm professionals describe Reimagine as their current day-to-day reality, making it the least traveled path in law. The opportunity is real, but new, AI-native law firms are already positioning to fill it if established firms do not move quickly.

Deferring

Clients reconsidering firm relationships are looking as closely at what firms are doing with AI as what firms are not doing. A firm without a visible AI direction still draws scrutiny.

Some firms have not chosen a path at all; 11% of law firm professionals say their firm has not stated a strategic AI ambition, and 20% report it lacks any AI strategy in practice. For highly specialist or regulated practices, such as criminal defense, the window for deferral may be longer than elsewhere, but it is narrowing. Deferral may offer short-term protection from execution risk, but it compounds exposure to client attrition and talent disadvantage as the market moves.

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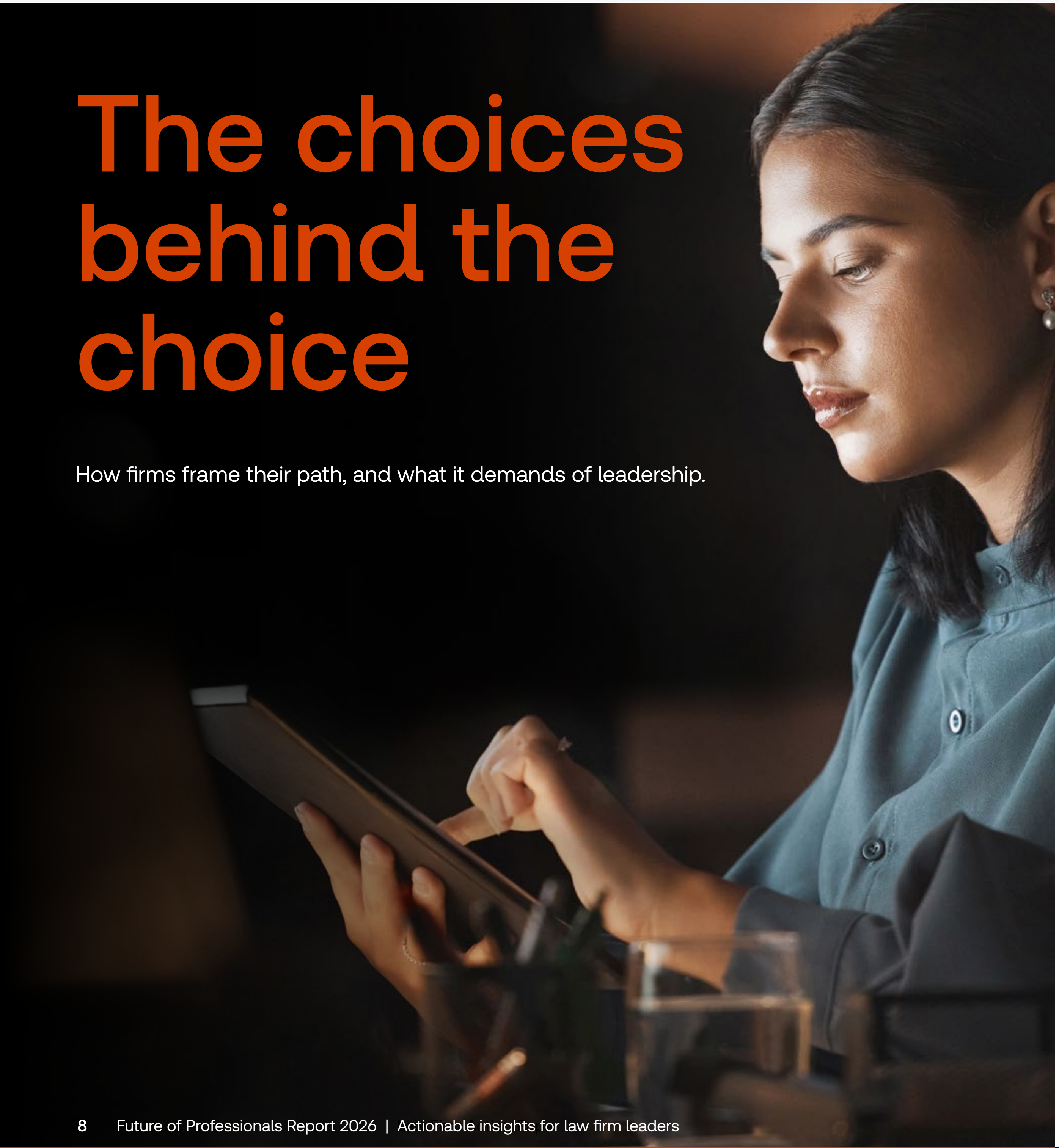
The choices behind the choice

How firms frame their path, and what it demands of leadership.



Only one in seven professionals (14%) think a firm must commit exclusively to one path. Most see them as either evolutionary stages (40%) or as approaches different parts of a firm can pursue simultaneously (36%). Each framing is defensible, but each carries a distinct leadership challenge.

How firms frame it

Evolutionary stages **40%**

What it means in practice

Scale now, Elevate later. Each stage funds the next.

The leadership challenge

Efficiency gains get absorbed by volume rather than reinvested in capability. Without a clear signal for when one stage ends and the next begins, "evolutionary" becomes "indefinite." Professionals asked to work efficiently today while being told the firm is building toward advisory excellence tomorrow experience that as contradiction, particularly if compensation still rewards throughput.

How firms frame it

Simultaneous paths **36%**

What it means in practice

Different practice groups on different paths.

The leadership challenge

Requires conscious design of which clients belong to which part of the offering, and incentive structures that reward the right behavior in each. Without that design, firms send mixed signals to clients and professionals alike.

How firms frame it

Discrete commitment **14%**

What it means in practice

One path, whole firm.
Named, resourced, accountable.

The leadership challenge

Committing to one path demands the hardest internal conversation, but offers the clearest reward: a genuine partnership discussion about direction and trade-offs. .

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Consequences of path choice

Every path raises the same three questions: the first two are about the clients and people you are building this for, and the third is about what comes next.

Which clients, and which talent, does this path attract?

AI to Elevate

Clients who value judgment over speed; complex, high-stakes, relationship-led mandates. Professionals who want strategic, client-facing work over volume.

Risk: fee justification: just 15% of in-house legal professionals expect firm fees to maintain or increase with increasing AI use.

AI to Scale

Clients who need volume, consistency, and competitive pricing across contract review, due diligence, standard commercial work. Professionals motivated by efficiency and clear output metrics.

Risk: fulfillment-focused professionals, often the most ambitious, are the most mobile on this path and the hardest to retain.

AI to Reimagine

Clients willing to redesign how they engage with outside counsel: outcome-based, embedded, anticipatory. Professionals who want to build something new, not optimize something existing.

Risk: the addressable client market may currently be relatively small. This path requires clients who are ready, not just willing.

What does the commercial model become?

AI to Elevate

Fees hold or rise on the strength of judgment and outcomes. Continuous pressure to justify premium as AI raises the market baseline of what counts as "expert."

AI to Scale

Fee compression over time as efficiency becomes table stakes and the throughput advantage spreads to competitors. The freed capacity must be reinvested; the strategic question is in what.

AI to Reimagine

Requires rebuilding the commercial relationship from the ground up: outcome-based pricing, subscription advisory, or embedded partnership. High transition cost before payback.

What happens to the talent pipeline?

Professionals on every path expect similar workforce shifts: fewer junior professional roles, but static or slightly increased mid and senior levels, and more hybrid technology roles. Yet 71% also believe early-career professionals still need structured support from experienced colleagues to develop the judgment that AI risks displacing and anticipate it taking a year longer for them to reach trusted independent judgment. Firms that scale back junior roles faster than they rebuild this support are trading short-term efficiency for a judgment gap they will feel later.

Two questions follow. If junior intake falls but mid and senior levels hold, where does the next generation of senior lawyers come from? And if early careers need more structured support, but mid-level professionals are carrying the same or greater billable load, who has time to provide it?

The firms that answer these talent pipeline questions well will be those that have already asked: what does our talent model look like in five and ten years, and are we building the pipeline and skills today to make that possible?

From choice to execution

Change management will be essential on any of these paths. Professionals identify consistent transition obstacles: the right tools not yet in place (41%), people not yet equipped (39%), strategy invisible in day-to-day work (50%). But they are the how, not the what. The what is what kind of firm you are building, for which clients, on what commercial terms.

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Beginning with the client

Law firms and their clients are both being pushed to move faster on AI, but they are not always moving in the same direction. The risk is not just slow adoption, but a growing misalignment in expectations, value, and how work gets done. With 32% of in-house legal professionals already reconsidering firm relationships or prepared to do so within 12 months, the conversation cannot wait. Firms can close that gap by acting deliberately on two fronts: preparing lawyers to lead the conversation and engaging clients in it early and directly.

Step 1 Train lawyers to lead the conversation

Before firms can have a credible conversation with clients, they need lawyers who can speak to it with clarity and confidence. Training should focus on helping them explain how work is changing, connect AI to client outcomes, and ask better questions without overpromising.

Considerations:

- Keep it practical. Focus on real client scenarios, not abstract AI concepts.
- Use plain language. Lawyers should be able to explain the firm's approach without relying on internal terminology.
- Ground it in examples. Show how AI is already affecting matters, deliverables, or pricing.
- Address the gaps. Be clear where the firm is still evolving rather than presenting a finished story.
- Build consistency. Equip lawyers across the firm with a shared baseline so clients hear a coherent message.

Step 2 Talk to clients early and often

Clients are forming their own expectations for how AI should change legal services, creating an opportunity for firms to engage proactively rather than react to shifting demands. By opening the conversation early and framing it as a dialogue, firms and clients can work together to define what AI-enabled value looks like and how the relationship should evolve. This creates space for shared understanding and agreement, rather than one side setting expectations and the other responding to them.

Considerations:

- Make it a dialogue, not a presentation.
- Clarify what the client expects AI to change and how they'll measure success; don't assume it.
- Understand the client's own AI adoption and internal pressures.
- Surface misalignment early, especially around pricing, speed, and quality.
- Create a path for follow-up, whether through structured reviews or ongoing informal check-ins.

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From conversation to action

Most firms reading this research will recognize themselves somewhere in the data: the gap between stated direction and day-to-day reality, the commercial model that hasn't kept pace, the talent pipeline that hasn't been redesigned. The question is where to focus first.

Do we have a direction that our people can actually see?

Half of law firm professionals say their firm's AI strategy is invisible in day-to-day work. If partners and lawyers cannot articulate where the firm is heading with AI, or if leadership is not aligned around a single answer, the priority is direction. A strategy that exists only at the top of the firm is not a strategy; it is an intention.

Is adoption consistent across the firm, or patchy?

Uneven adoption is the most common pattern in the data, and it is more damaging than it appears. It creates variable client experience, undermines the firm's ability to tell a credible AI story to clients and talent, and concentrates the benefit of AI in the practice groups that needed it least. If some parts of your firm are moving and others have not, the priority is structured adoption: communications, training, and support designed to bring the whole firm forward, not just the early movers.

Has the way you do actual legal work changed in a material way?

For many firms, AI has changed what tools lawyers use without yet changing how matters are run, how work is staffed, or how value is delivered to clients. If that description fits, the priority is integration: identifying high-impact opportunities and embedding AI into legal workflows at the practice level, where the change to quality, speed, and commercial return becomes visible and measurable.

Most firms will recognize elements of all three. The discipline is in being honest about which is the binding constraint right now, because trying to drive adoption before the direction is clear, or integrate before adoption is consistent, compounds the problem rather than solving it.

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About this report

The insights from this report for law firm leaders are taken from the fourth annual Future of Professionals report, which is drawn from comprehensive research across multiple sectors to provide actionable insights on how professionals can harness technological innovation while keeping sight of the fundamental organizational vision that must guide AI implementation within the firm. The data was gathered in March and April 2026 from 736 survey responses from C-Suite, partners, associates, lawyers, and paralegals in law firms across 46 countries, including 421 responses from the United States. Additional references are also made to the 203 survey responses from professionals within corporate legal departments globally.

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