

Balancing Tensions While Driving Towards Strategic Modernization

DECEMBER 2025

18TH ANNUAL LAW DEPARTMENT OPERATIONS SURVEY



An aerial photograph of a concrete bridge spanning a large body of water. A yellow car is driving on the bridge from left to right. The water is a deep blue-green color, and the surrounding land is rocky and sparsely vegetated.

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A NEW HEADWIND FOR THE LEGAL OPERATIONS FUNCTION



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Executive leaders across industries are racing to deploy generative AI throughout the enterprise, and legal departments are feeling the effects. According to the Blickstein Group's 18th Annual Law Department Operations Survey, which included 68 companies, 58% of legal operations professionals cite pressure from executive leadership as one of the primary drivers for pursuing generative AI. No longer insulated from corporate efficiency and innovation mandates, in-house teams are being pushed to move fast.

Broadly, the survey findings suggest that the amount of buzz around generative AI has created a new headwind for the legal operations function. The majority of respondents reported that evaluating and implementing generative AI use cases is their greatest current challenge. Legal operations professionals have also absorbed growing responsibility for generative AI decision making, not just within the legal department but across the organization. In addition to the 44% who are stakeholders for the legal department, 15% are also stakeholders for the broader business and 29% serve as advisors to their organizations. Only 12% reported no involvement with generative AI decision-making.

With this expanded responsibility, internal generative AI sophistication (or at least the perception of it) has grown, as 44% of respondents rated the sophistication of their AI strategy as having all or most of the necessary elements (e.g., use of AI internally, adopting enterprise-wide AI tools, guidelines for use, and a future roadmap).

This is an improvement from the previous year, when 52% stated that their AI strategy was either not sophisticated or that they did not have an AI strategy at all. This year, only 4% don't have an AI strategy. Survey participants were asked about their use of 16 different applications for generative AI, including legal research, document drafting, e-discovery, legal intake, chatbots, contract analysis, and more. While a large number of respondents are not using generative AI in those use cases at all, many are under consideration, placing additional demand on legal operations professionals to evaluate, select, and deploy previously untapped and largely unfamiliar technologies. For example, 37% said they are considering using generative AI as a legal information desk or legal help desk, and 49% are considering using generative AI to create a library of contract clauses. Where generative AI is being used, the vast majority (88%) are relying on foundation models within enterprise suites such as Microsoft Copilot and Google Gemini. Forty-one percent also said they are using contract-specific models.

In parallel with existing and anticipated use, only one-third can currently demonstrate tangible cost savings from generative AI. Separately, 63% said they can demonstrate other tangible benefits not related to cost. When asked to rate how effective new generative AI tools are today, respondents offered a 5.3 weighted average on a scale from one (not effective) to 10 (extremely effective). AI assistants are considered slightly more effective, with a 6.0 average.

The majority of respondents reported that evaluating and implementing generative AI use cases is their greatest current challenge.

So, while value is being attained, it remains somewhat detached from cost benefits or significant efficacy gains and is difficult to prove out in specific terms. There are several possible reasons for this. One likely reason is that adoption and innovation mandates from leadership are general and not happening in response to a specific need, and therefore lacking in impact. Also, many of the current use cases are still contained to general enterprise tools, rather than holistic solutions tailored to defined legal use cases.

When asked about the top concerns their AI strategy is built to address, usability was the most popular response, cited by 63%. Data privacy, security and governance were also leading areas of concern. Change management was selected by 47% and adoption potential by 37%. The fact that usability (i.e. reliability), adoption, and change management are top concerns legal operations professionals seek to address with their strategies may reinforce the idea that generative AI use case applicability and fulfillment should be more of a focus than they have been to date.

It's possible that executive leadership mandates to adopt generative AI quickly are distracting legal operations professionals from one of their key priorities: designing fit for purpose solutions that directly map to defined needs and can be measured for efficacy. Legal operations professionals know that use case-based analysis is critical to any AI implementation, and they also recognize

the importance of containing costs for the legal department. However, due to confusion in the market and high executive expectations for AI success, many legal departments are being forced to make tradeoffs or attempt to build the plane while flying it. Looking ahead, legal operations leaders have an opportunity to become more vocal about how their department approaches AI and responds to technology mandates. Doing so will help set the tone for effective, responsible, and strategic innovation for the legal department and the organization at large.

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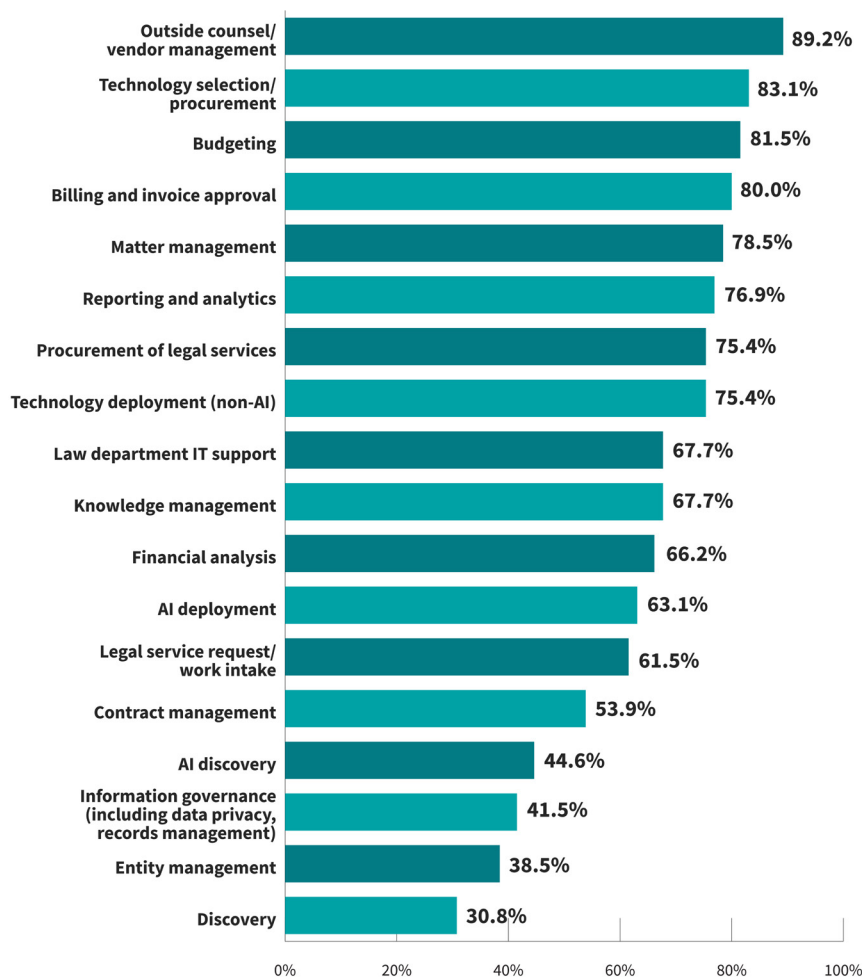
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Balancing Tensions While Driving Towards Strategic Modernization

Legal department operations professionals have always experienced tension, juggling expectations from different stakeholders and managing budgets amid ballooning costs. Today's legal operations professionals are facing another source of tension—the rising expectations to be more strategic, while continuing to manage their day-to-day work and the fires that continually flare up, according to respondents of the 18th Annual Blickstein Group Law Department Operations Survey.

These tensions are exacerbated by the extremely broad portfolio of responsibilities that the legal operations function continues to shoulder. The data shows significant involvement in technology management, intake and triage, process improvement, outside counsel management, vendor governance, reporting, knowledge management, and more.

Our legal ops function is responsible for (select all that apply):



The scope of work continues to be expansive, reinforcing the function's central role in coordinating strategic and operational initiatives.

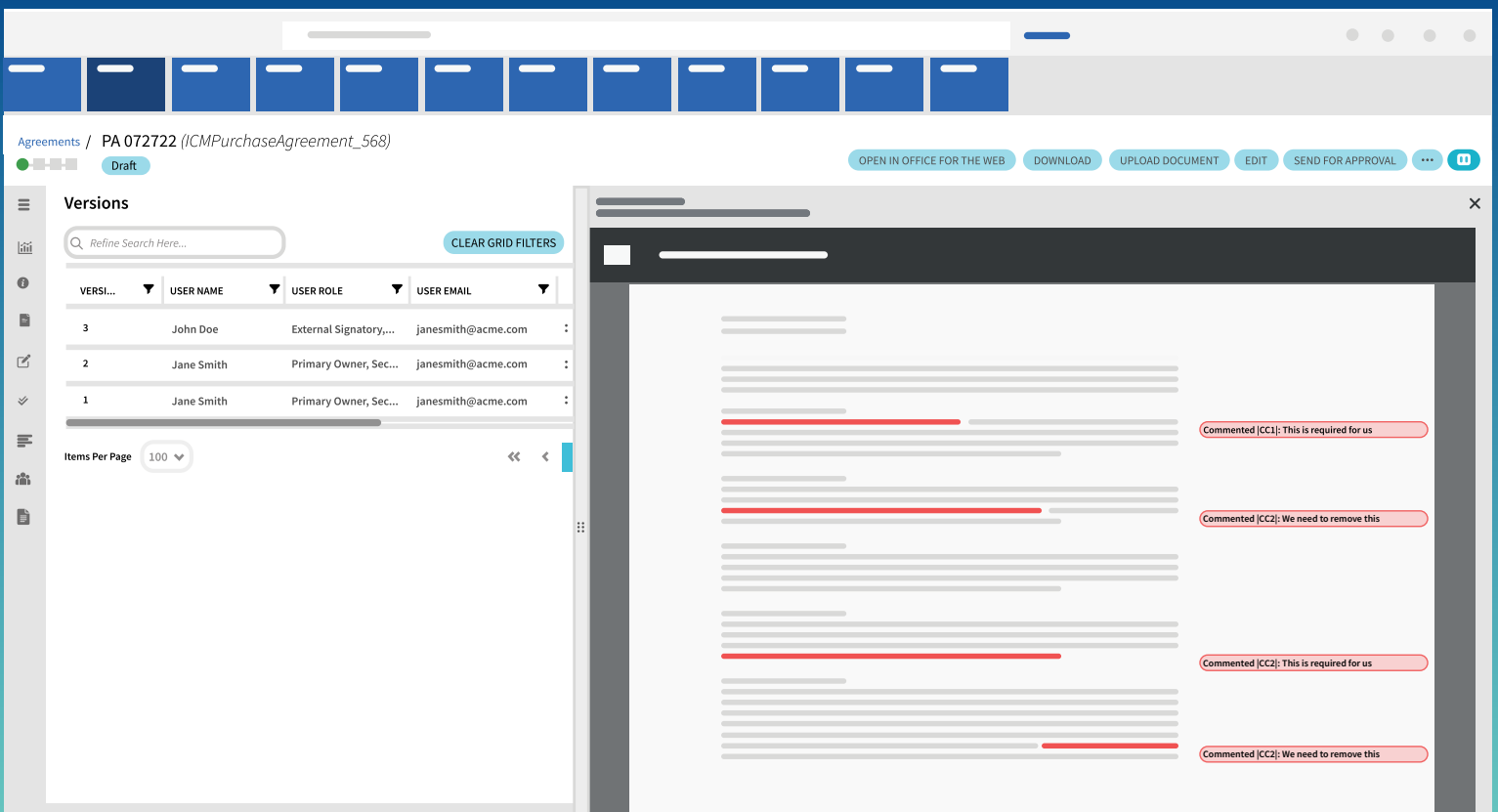


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WORKFLOW AUTOMATION: THE NEW BASELINE FOR OPERATIONAL MATURITY

Reid Cram

Senior Product Marketing Manager
NetDocuments



The 2025 Blickstein Group Law Department Operations Survey reveals a decisive turning point: Workflow automation is no longer an aspirational initiative or an innovation project. It is the operational baseline for modern legal departments. More than 80% of respondents say they have taken steps to establish workflow automation throughout the department. This marks a meaningful shift in how legal work itself is structured and delivered. Over the past decade, automation was often cast as something for the future. In 2025, it is simply the price of admission for operational maturity.

This acceleration is tightly intertwined with the rapid rise in AI maturity. Three-fourths of respondents are already running a GenAI pilot or operating AI tools in production, and only 7.7% have not yet begun meaningful AI work. Even more striking, the percentage of teams with fully operational AI tools has more than doubled in the past year.

As departments move past experimentation and into measurable outcomes, they are changing the way they evaluate success. Legal teams report relying increasingly on business-aligned metrics such as turnaround time, accuracy, and throughput rather than traditional activity metrics. These measures directly tie to better internal-client service: Faster cycle times mean fewer business delays, higher accuracy reduces downstream rework, and increased throughput enables teams to process more work without proportionally increasing headcount.

The pressures facing law departments, such as cost discipline, rising matter complexity, and expanding cross-functional expectations, are making end-to-end workflow

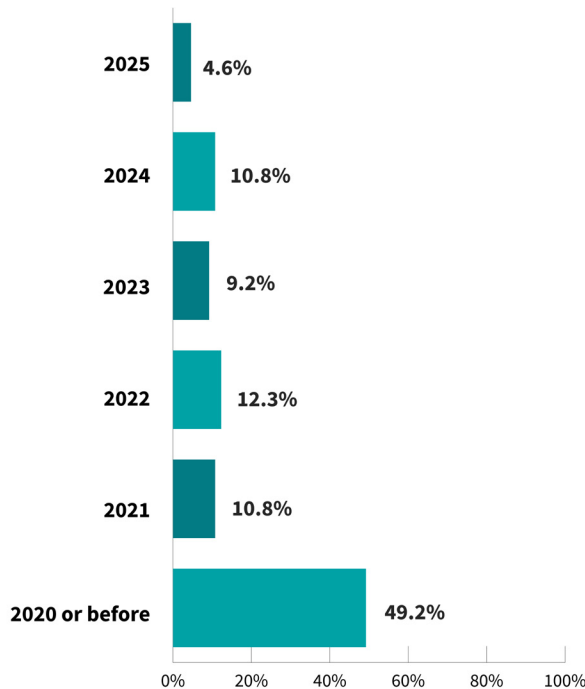
orchestration indispensable. Automation is increasingly the framework through which teams approach core processes such as intake and triage, matter routing, knowledge reuse, document drafting and review, and the safe deployment of AI. By standardizing these processes, departments create a more collaborative environment. Legal work becomes visible, shareable, and trackable across teams, which reduces friction and strengthens alignment with business partners and law firms alike. The result is clearer expectations and faster outcomes for internal clients.

Modern workflow platforms are also enabling teams to bring AI directly to their content, rather than forcing the creation of shadow content repositories. This integrated approach supports both collaboration and control. Legal professionals can get quick answers, automate repetitive steps, and build targeted workflow enhancements while keeping their documents, data, and institutional knowledge within a governed environment. As automation and AI converge, departments gain the ability to design repeatable, high-quality workflows that adapt to different practice areas and matter types, unlocking both immediate productivity improvements and long-term scalability.

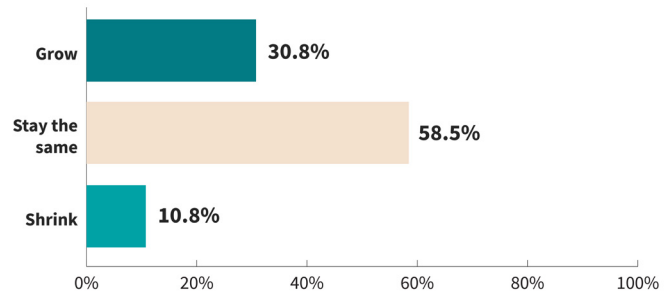
The 2025 data makes the message clear: Legal departments increasingly understand workflow automation not as a peripheral efficiency layer but as the scaffolding for consistency, governance, and scalable service delivery. For law departments seeking to deliver consistent, timely, and business-aligned legal services, it is no longer the frontier. It is the new baseline.

Yet as the operating environment for corporate legal departments continues to evolve, the pace of structural expansion appears to be stabilizing. Legal operations functions remain core to departmental performance, yet the rapid build-out that characterized the past decade may be reaching equilibrium. Only 4.8% of respondents to this year’s survey reported launching the legal operations function in the past year. This figure, consistent with recent years, suggests that most organizations that intended to implement legal operations have already taken that step. Departments are now focusing on strengthening and maturing the roles and responsibilities within existing legal operations structures.

In what year did your company add its first dedicated law department operations professional of any kind?



We expect the size of our legal ops team to ___ over the next 12 months.



This stabilization comes at a time when cost pressure is intensifying: 10.8% of legal departments expect their operations team to shrink in the coming year, up from approximately 4% who expected a contraction last year. While this remains a minority view, the more than twofold increase signals emerging budget constraints and a potential shift in how organizations evaluate the impact of technology and staffing needs.

“Over the past 25 years, I’ve watched the volume and complexity of work coming into legal departments climb steadily and outpace business growth, with CFO-driven expectations to ‘do more with less’ consistently growing,” says Reese Arrowsmith, EVP Legal Operations and Administration at Fox Corp. “In the last five years, that pressure has only intensified as organizations look to manage costs while evaluating, implementing, and proving value from GenAI. The increased workload on the legal department has put even more pressure on the legal ops function to be more strategic while simultaneously keeping the lights on and managing the day to day.”

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The result is a picture of a function that is both indispensable and stretched. Legal ops remains the backbone of modernization efforts, but expanding responsibilities and increasing financial pressure are creating competing demands. “While innovation and strategic alignment are fundamental to legal operations, the rapid pace of innovation is surpassing our ability to maintain strategic alignment effectively,” says Neshade Abraham, Senior Director of Legal Operations at Pax8.

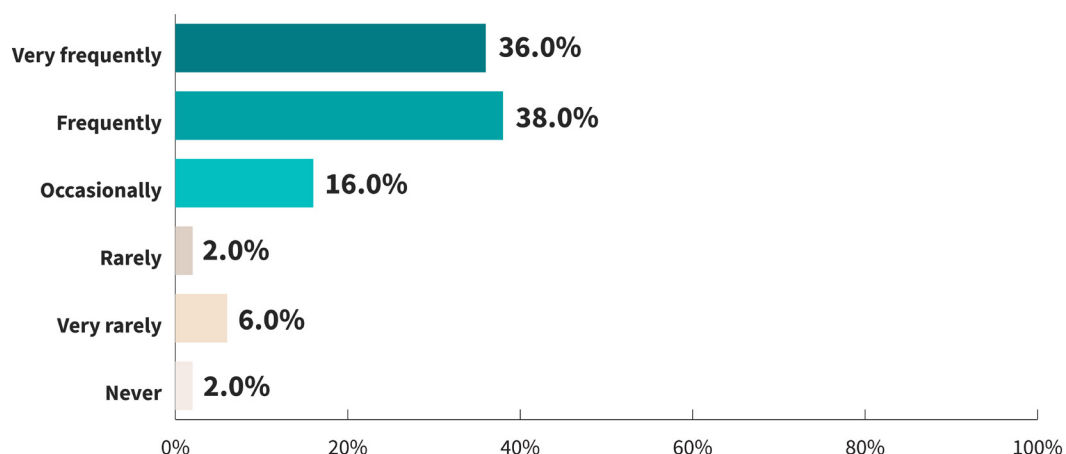
The tension shapes many of the themes found throughout the 2025 survey: Legal operations professionals are becoming more embedded in the business, more involved in cross-functional work, and increasingly central to legal transformation—yet simultaneously confronting resource constraints, legacy toolsets, and the need to demonstrate measurable outcomes.

“We are being asked to think years ahead while still fighting today’s fires,” says Kelsey Berteaux, Senior Legal Operations Analyst at DigiCert. “The tension isn’t about capability—it’s about capacity. Strategic progress only happens when organizations intentionally make room for it.”

LEGAL OPS AS A BUSINESS PARTNER

Legal operations continues to move beyond its traditional departmental boundaries and is becoming a more integrated partner across the organization. This year’s data shows a marked increase in enterprise collaboration, with 36.0% of respondents reporting that legal ops is very frequently involved in cross-functional projects, up sharply from 17.7% last year.

How often is the legal operations team involved in cross-functional objectives (e.g., a contract management program that involves procurement, sales, and legal)?



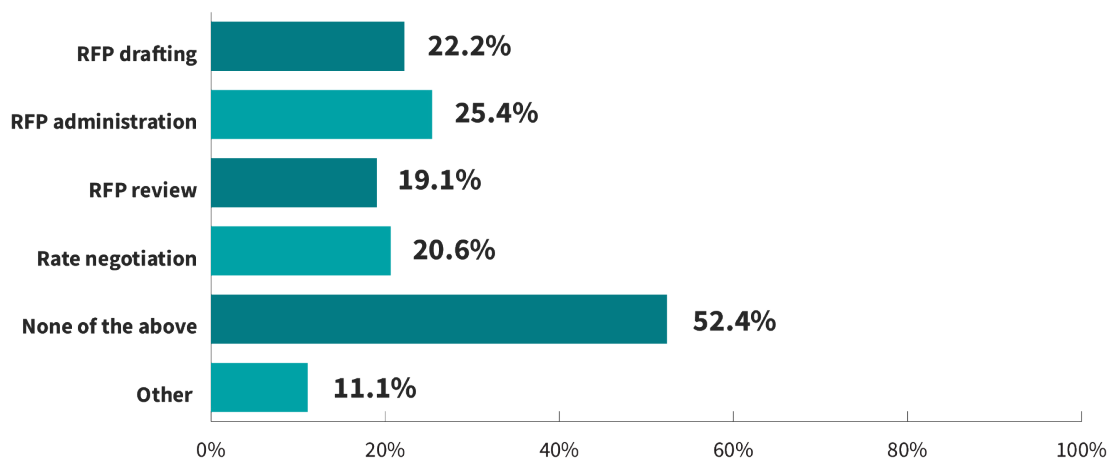
“While innovation and strategic alignment are fundamental to legal operations, the rapid pace of innovation is surpassing our ability to maintain strategic alignment effectively.”

NESHADE ABRAHAM | Senior Director of Legal Operations, Pax8

An additional 38.0% say they are frequently involved. Combined, nearly three-quarters of legal operations teams are now playing a consistent role in cross-departmental efforts that touch finance, procurement, HR, IT, compliance, or sales. The rise reflects a broader trend: Legal ops is becoming a connective tissue linking legal, commercial, and operational activities.

However, the expanding business role does not always translate into tighter alignment with enterprise processes. For example, despite ongoing cost-containment objectives, 52.4% of legal departments say they never collaborate with their company's procurement function. The disconnect highlights an opportunity for departments to better leverage enterprise capabilities, particularly at a time when spend efficiency and vendor value are growing priorities.

Our legal department utilizes our enterprise procurement function for:



Says Berteaux, “By equipping procurement with a clear negotiation playbook and empowering them to handle straightforward agreements, we’ve been able to shift routine contracting work out of legal while preserving quality and consistency. They escalate only the complex or high-risk matters, which frees our attorneys and legal operations team to focus on the issues that truly require legal expertise.”

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KELSEY BERTEAUX | Senior Legal Operations Analyst, DigiCert

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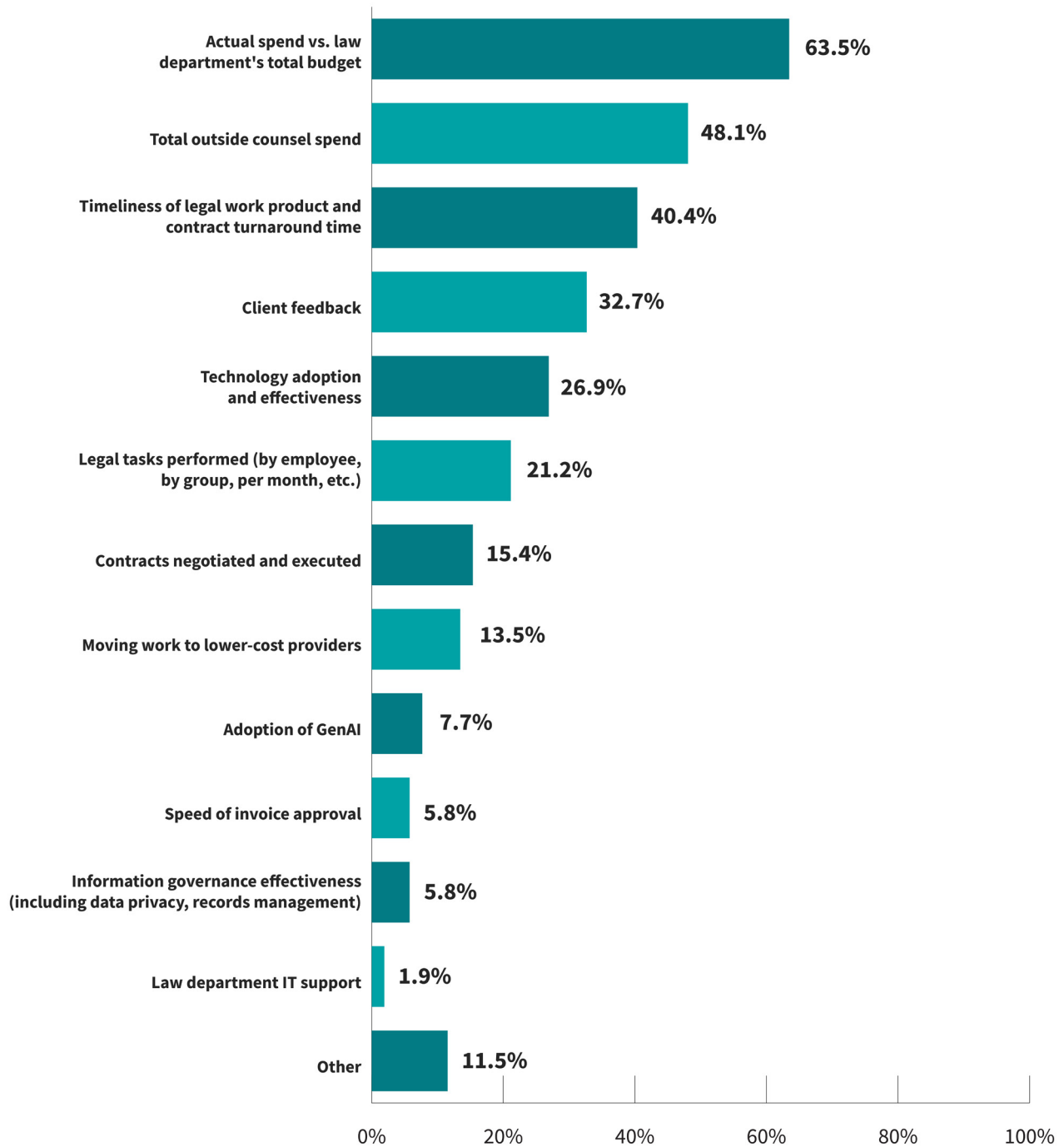


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Key performance indicators further illustrate this shift toward business alignment. While spend-related metrics remain the top KPIs for legal departments, the most notable movement is in timeliness. The proportion of respondents identifying timeliness as a top KPI exploded from 4.9% last year all the way to 40.4% this year. This nearly tenfold increase underscores the heightened emphasis on speed, responsiveness, and cycle-time reduction—metrics that resonate strongly with business partners across the organization. As legal departments take on more enterprise-facing work, their metrics are beginning to look more like those of core business functions rather than traditional legal metrics.

What do you consider to be your TOP THREE key performance indicators?



USING AI TO TRANSFORM CONTRACT NEGOTIATION: OPPORTUNITIES AND AVOIDABLE MISSTEPS

Laurie Ehrlich

Vice President, Legal Product Management
Icertis



Will your next contract be negotiated by an AI agent? This year's survey shows 20% of legal departments already use AI for this purpose today.

An additional 40% of legal departments are actively considering AI for negotiation. The data is clear: AI-powered contract negotiation is going mainstream.

And it couldn't come soon enough. As companies scale, so do contract volumes. Legal departments are rarely resourced to handle the volume of contracts moving through a business, leading to tension in the business and the familiar refrain: "Legal is a bottleneck."

Negotiations are the most glaring pain point in the contract lifecycle, and early versions of generative AI lacked the accuracy and context needed to address it. However, advances in AI now mean this incredibly nuanced work can be automated and significantly accelerated, without the need to add headcount. We often hear from lawyers who are amazed that a contract review that would have taken four hours now takes less than 30 minutes.

Use cases to get started

When implementing AI solutions, it is important to remember that AI is not magic. Implementation is much faster than with traditional contracting tools, but to achieve the best results some investment of strategic thought and skill development is recommended. Here are some key use cases I've identified and lessons I've come away with as I've helped legal departments adopt this technology.

Light-Weight Implementation Use Cases

AI Redlining Acceleration

AI speeds redlining by catching missed issues, checking references, and proposing edits. For best results, provide clear, contextual instructions based on your human playbooks, prior redlines, or standard templates to avoid outputs that require heavy cleanup.

AI-Generated Issues Lists & Summaries

AI produces fast, clear summaries, issues lists, and questions that improve collaboration. As always, context and clear instructions will generate outputs that match your expectations, and you should always verify accuracy.

Negotiation Preparation & Clause Support

AI explains clauses, drafts comments, and suggests fallback positions to upskill negotiators. Human reviewers must supply company context—AI alone cannot infer strategic rationales for your specific company positions.

Advanced Implementation Use Cases

AI-Enabled Playbooks for Automation

AI extracts contracting positions, redlines in accordance with approved responsive positions, and flags deviations at scale. Validate all playbooks against company strategy, and revisit them as models evolve or business priorities shift.

Risk-Based Contract Triage & Delegation

AI stratifies contracts by risk and complexity, enabling teams to route simple work to the business or automate low-risk agreements. Align stakeholders on acceptable risk—100% mitigation is unrealistic and unnecessary.

What's next

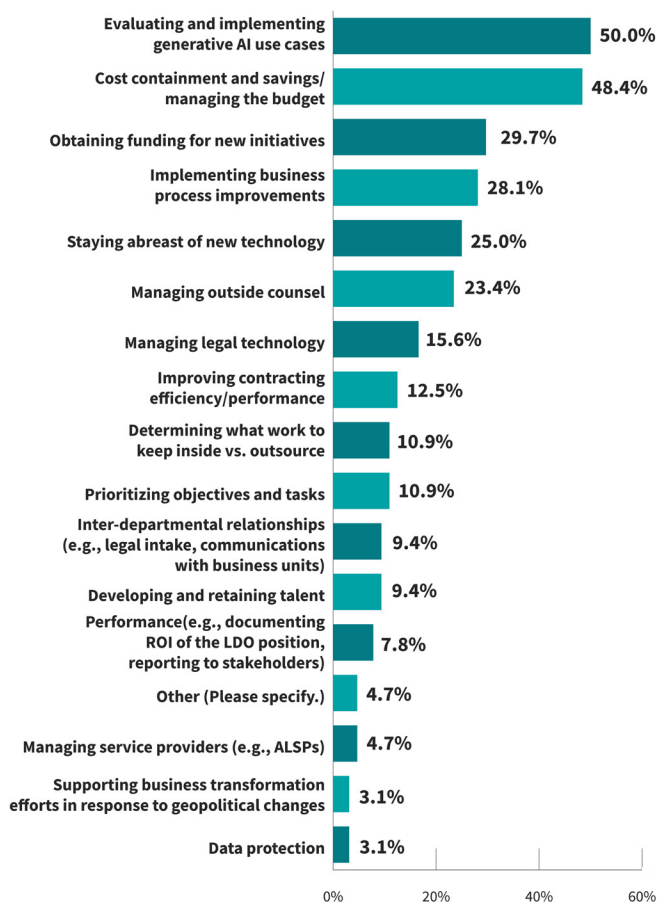
This is only the beginning. As organizations expand the context available to AI with cross-pollination of contracting, financial, and operational systems, we will be able to strategically improve contracting to more meaningfully address company risk. For example, an AI assistant could generate a comparison of past agreements with similar counterparties and then use extra contractual organizational data to show how those terms have affected the company. Contracts will also be able to be dynamically redlined based not only on strategic positions but tailored to the counterparty's preferences, tone, language, and relationship history.

The sooner you adopt AI in this space, the better positioned you will be to leverage its accelerating capabilities. Learn more about how Icertis is delivering [surgical redlining at scale](#).

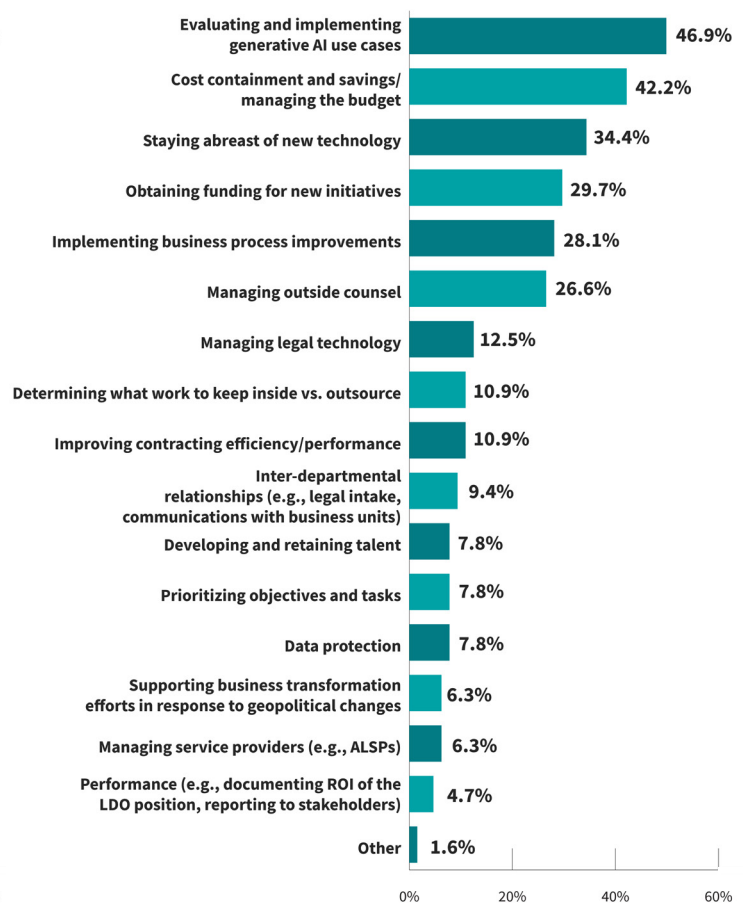
TECHNOLOGY & OPERATIONAL MATURITY-OR IMMATURITY

Technology continues to be a defining theme for legal operations, but this year’s data paints a nuanced picture of maturity and ongoing challenges. Although legal departments consistently emphasize the importance of technology and AI, they still face obstacles in funding, governance, adoption, and system age. Nearly 30% of respondents cite obtaining funding for new initiatives as a major challenge, and nearly the same number expect this challenge to persist over the next three years.

What are the top three challenges you CURRENTLY face related to managing law department functions?



What are the top three challenges you EXPECT to face related to managing law department functions over the next year?



The overarching push to reduce total legal spend leaves legal departments balancing what they spend money on,” adds Fox’s Arrowsmith. “Prioritizing technology investment over headcount growth to combat growing legal demand is a tough sell until the value of technology investment is proven, which until recently has been easier said than done.”



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UPSKILLING AND PARTNERING EASE THE WAY TO SUCCESSFUL AI IMPLEMENTATION

Diane Homolak

*Vice President, Technology Solutions
Integreon*



This year's Law Department Operations survey reports that close to 80% of legal department operations teams are responsible for technology selection and deployment as part of their overall charter.

Additionally, half of survey respondents note that implementing AI is a major challenge for the coming year. This is a telling statistic when more than 60% of legal operations indicate that AI is not deployed in their current tech stack. This "challenge" is compounded by pressure from the C-suite to both implement AI and demonstrate its value.

So, where to begin? The survey surfaces three areas of concern in adopting AI: the in-house team's lack of AI skills, training needs, and adoption concerns. Yet many organizations ignore this "team readiness" and jump directly to tool selection, security, and rollout. Organizations taking that first important step to upskill teams, while wanting to minimize the difficulty of picking and deploying the "right" tool to enable successful AI, should consider the following:

- **Establish a general AI awareness training program:**

Do not assume that ad hoc use of ChatGPT for simple tasks by in-house lawyers and support teams means they have AI proficiency. Take the time to get everyone on the same page with basic terminology training, use case identification, do's and don'ts for security, and beginner practice with prompt engineering.

- **Optimize your existing environment:** Understand if you are in a Microsoft environment with access to Copilot. Your IT team will be your supportive partner if you are beginning your AI journey in a secure environment they trust and a platform that is already licensed. There is also a wealth of training available

directly from Microsoft that can help your team gain a strong foundation in AI capabilities. For Google environments, a similar training path is possible. Let people start with AI meeting or document summaries, or providing advanced search within Outlook or across Teams channels.

- **Put internal pilot projects in place:** Many technology vendors and/or alternative legal services providers (ALSPs) can help initiate a pilot taking on the task of licensing the technology, while also expediting getting started. Pick a use case like routine transaction redlining that takes work off your team and moves it to a partner who will leverage technology on your behalf.
- **Leverage your partners:** Look for partners who have invested in AI expertise along with process design and workflow automation. They can introduce AI capabilities to support your in-house lawyers without requiring your teams to engage directly with the AI application. Your partner can also provide the human in the loop to assure quality and reliability. You can get all the benefits of AI with a low-touch, low-effort approach.

Ease your team into AI by getting everyone on a firm foundation and then allow partners to learn first, deploy, and share as a simpler path to AI adoption. It gives your in-house team exposure to AI capabilities without overburdening their time. They get to see the results of AI use, gaining comfort and knowledge that will ease their own use of AI for more complex capabilities in the future. Meanwhile you get breathing room to see AI at work in processes with measured efficiencies that contribute right away to your organization's productivity. And importantly, you will be able to demonstrate to your C-Suite concrete AI progress without the risk of investing in the wrong solution.

Legal ops professionals also face tensions over decision-making authority for legal technology. The data shows that legal operations influences some technology selections, particularly those closely tied to legal workflows. But many solutions are adopted at the organization level and remain controlled by IT or other corporate functions. This partial autonomy can create gaps between legal’s needs and enterprise priorities, contributing to the uneven levels of maturity that exist across departments.

For each technology listed below, please indicate the level of responsibility your legal operations team has.

	Primary Responsibility	Some Influence	Not Responsible/ Selected at the Enterprise Level
Enterprise Legal Management (ELM)	75.0%	8.3%	16.7%
E-Billing (Point Solution)	89.1%	6.5%	4.4%
Matter Management (Point Solution)	75.0%	11.4%	13.6%
Legal Spend Management (Point Solution)	88.9%	6.7%	4.4%
Workflow or Business Process Automation Tools(Point Solution)	62.2%	15.6%	22.2%
Legal Service Request/Work Intake (Point Solution)	75.6%	11.1%	13.3%
Document Management	46.7%	20.0%	33.3%
Pre-Execution Contract Management (e.g., contract assembly, negotiation, review of third-party paper, etc.)	43.8%	31.3%	25.0%
Post-Execution Contract Management (e.g., contract analysis, compliance, obligation management, etc.)	37.0%	34.8%	28.3%
Document Assembly	31.7%	22.0%	46.3%
IP Management	27.3%	38.6%	34.1%
E-Discovery	36.7%	31.8%	31.8%
Litigation Hold	52.3%	27.3%	20.5%
Board Management	27.3%	27.3%	45.5%
Entity Management	41.3%	26.1%	32.6%
Claims Management	23.1%	20.5%	56.4%
RFP Management	41.9%	18.6%	39.5%
Electronic Records Management	24.4%	19.5%	56.1%
Electronic Signature	25.0%	20.5%	54.6%
GRC/Compliance	7.3%	31.7%	60.1%
Privacy Reporting	15.0%	25.0%	60.0%
Knowledge Management	44.2%	37.2%	18.6%
AI Assistants (e.g., Harvey, Legora, etc.)	39.1%	26.1%	34.8%
New generative AI tools	41.3%	39.1%	19.6%

LEGAL OPS AS A BUSINESS PARTNER— HOW ALIGNMENT WITH ENTERPRISE OBJECTIVES IS REDEFINING LEGAL EXCELLENCE

Greg Sheaffer
VP, Legal Ops Solutions
UnitedLex



The 2025 Law Department Operations Survey illustrates that legal operations has firmly evolved into a business partner function, not merely a provider of departmental support. One of the clearest signals is the extent to which legal ops teams now take part in enterprise-wide strategic initiatives. Half of respondents say they participate frequently or very frequently in these broader corporate efforts, demonstrating that legal is increasingly expected to align with organizational direction. This means half of all law departments now view themselves as a contributor to corporate strategy.

This enterprise integration becomes even more striking in cross-functional work involving contracting, commercial operations, procurement, finance, and sales. Nearly three-quarters report they take part frequently or very frequently in these initiatives. Contracting is often where revenue enablement, risk governance, and operational efficiency converge, and legal ops sits clearly at that intersection. The data suggests that legal work is no longer downstream of business priorities; it is embedded within them.

Other findings reinforce this evolution. The near-universal move toward workflow automation—with 94% agreeing they have taken steps to automate departmental workflows—reflects a push toward scalability, consistency, and predictable service delivery. These are hallmarks of mature business functions. By redesigning intake, contract workflows, and matter operations through automation, legal ops is creating the structural foundation required for legal to operate at the speed and scale of the enterprise.

Feedback patterns reveal how this business-partner mindset is developing and where there is room to grow. Roughly two-thirds say they regularly seek feedback from their internal clients (about 67% agree or strongly agree), yet only about one third say they proactively provide feedback to their law firms (around 34% agree or strongly agree). Even fewer report that law firms and other service providers actually ask them for feedback (only about 22% agree or strongly agree). Legal ops is behaving like other business functions in listening to internal stakeholders, but the feedback loop with external providers remains underbuilt, limiting the ability to drive performance, innovation, and alignment across the broader legal ecosystem.

AI adoption further illustrates the shift. Seventy-five percent of law departments are running pilots or operating fully deployed GenAI tools, and respondents highlight turnaround time, efficiency, compliance with corporate policy, and process throughput as primary indicators of value. All of these tie directly to business outcomes, not simply legal ones.

Taken together, the 2025 findings present a clear narrative. Legal ops has become integral to how organizations pursue strategic priorities. It translates legal knowledge into operational capabilities, aligns legal processes with revenue and risk objectives, and builds the systems that allow legal to operate with the discipline of a modern business function. UnitedLex is aligned with the imperative that legal is equipped to advance enterprise objectives. We view our mandate as being a business partner for legal, empowering clients to be strategic partners to their businesses.

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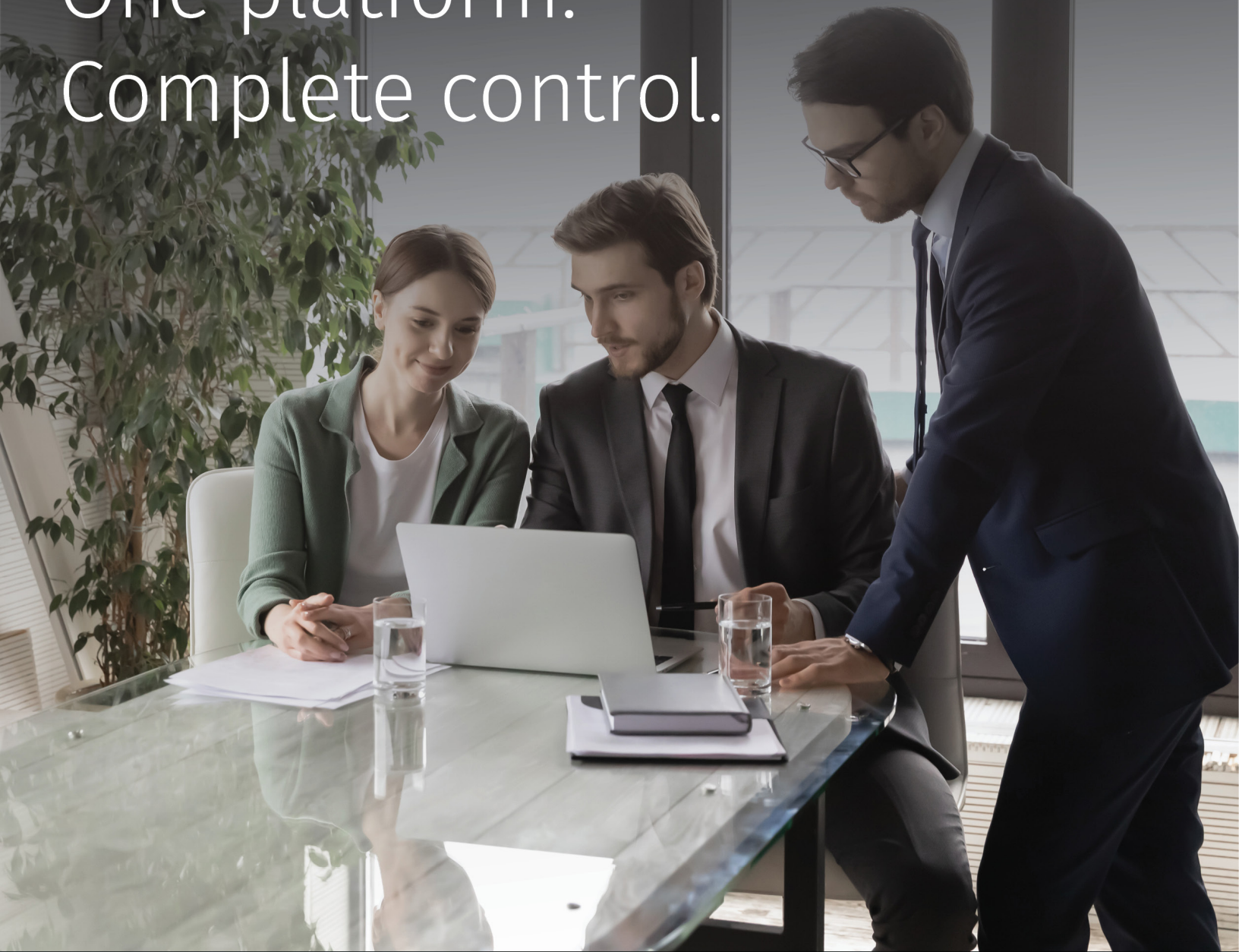
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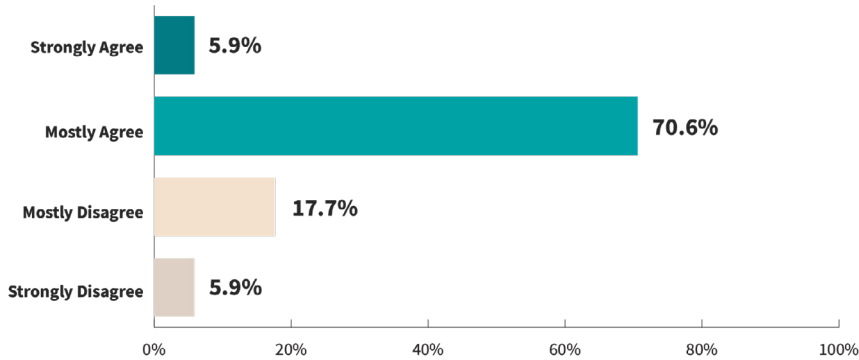
Survey respondents also reported a significant portion of technology environments are more than five years old across several categories, and many expect to replace or upgrade core systems in the coming years. Legacy platforms can slow automation, limit integration with AI tools, and impede the department’s ability to meet increased expectations for speed and transparency, although their age may make it easier to build consensus around a decision to update.

Technologies in place longer than three years at a majority of law departments.

E-Billing (Point Solutions)	62.2%
Electronic Signature	56.1%
Entity Management	55.0%
Legal Spend Management (Point Solutions)	51.2%
Matter Management (Point Solutions)	51.2%

Despite these challenges, technology readiness perceptions remain relatively strong, and 76.5% of respondents agree that they have the right technology to do their jobs (5.9% strongly agree, 70.6% mostly agree). Perceptions of lawyer-facing technology are also high: 72.6% agree that their lawyers have the right technology to do their work in their preferred way (7.8% strongly, 64.7% mostly). These figures suggest that while technology strategies may exhibit signs of immaturity, end-user experience is not a major source of friction.

I have access to the right technology to do my job.



Nevertheless, the concept of “doing work in their preferred way” may not be sufficient for what lies ahead. As AI, automation, and process standardization grow in importance, tools optimized for preference rather than updated process may hinder long-term transformation efforts. Legal teams will need technology that supports repeatability, integration, governance, and data-driven workflows—not just individual comfort levels. “Getting full value from AI may take scrapping and re-doing, but legal has always been evolutionary, not revolutionary,” adds Mike Haysley, Director of Legal Operations at Oxy. “That may cause a real struggle for many legal departments.”

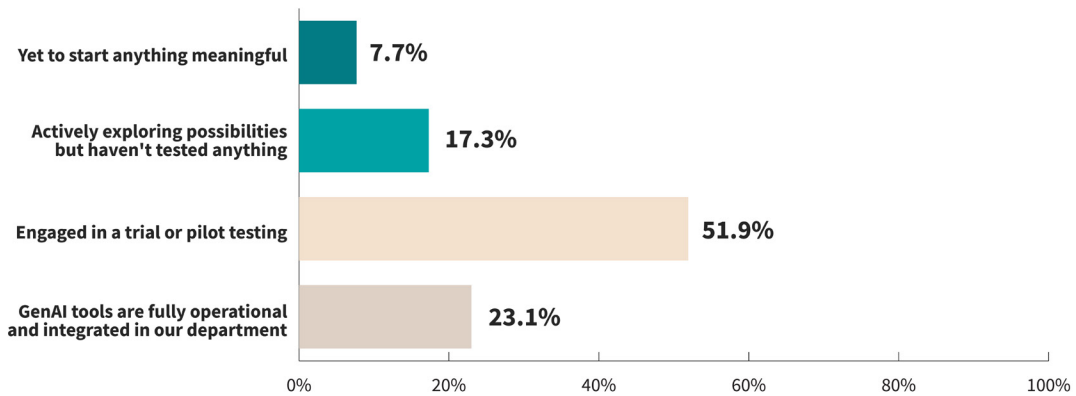
“Getting full value from AI may take scrapping and re-doing, but legal has always been evolutionary...”

MIKE HAYSLEY | Director of Legal Operations, Oxy

AI STRATEGY CONTINUES TO EVOLVE

According to Adam Becker, Director of Legal Operations at Cockroach Labs, “Generative AI has rapidly evolved from a productivity enhancer into a strategic imperative for legal operations. The focus is moving beyond efficiency toward tools that meaningfully reshape workflows, reduce operational risk, and enable deeper partnership with the business.” Only 7.7% of respondents now report that they have not yet begun meaningful AI work. In contrast, 75% say they are either piloting or operating fully deployed GenAI tools. Fully operational usage reached 23.1% this year, nearly double last year’s 12.5%.

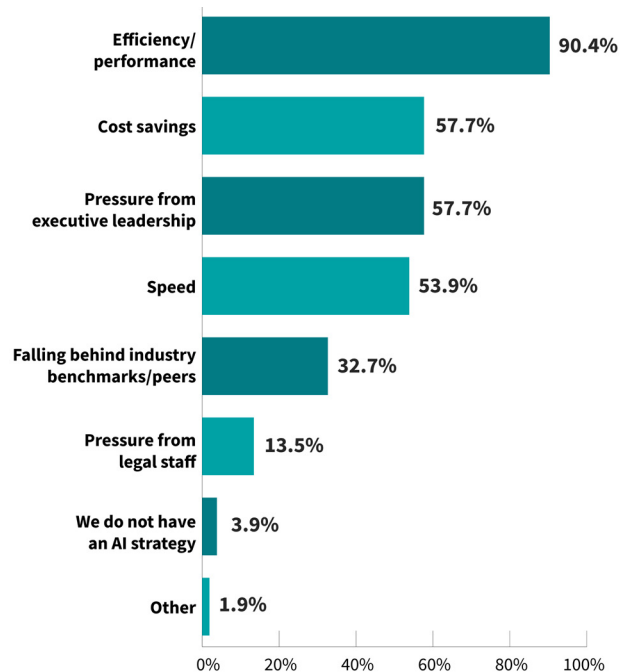
Which stage best describes your GenAI journey within your legal department?



The forces driving these strategies are also shifting. And 57.7% of respondents identify pressure from executive leadership as a key driver of their AI strategy, while only about one third cite concerns about falling behind industry benchmarks. This reflects a move away from FOMO-based adoption toward directive, top-down engagement. Leadership is increasingly treating AI as a strategic imperative rather than an optional enhancement. “Recent macroeconomic shifts are proving this to be an imperative, requiring legal operations professionals to be at the forefront of emerging AI/tech and requiring them to be subject matter experts—quickly,” says Pax8’s Abraham.

“The real value of AI lies in elevating legal operations beyond task efficiency: enabling data-driven decision-making, strengthening risk management, accelerating complex workflows, and allowing legal teams to scale in ways that manual processes cannot. Organizations that treat AI as a core capability rather than a convenience feature will be far better positioned to meet rising business expectations and support long-term operational maturity,” says DigiCert’s Berteaux.

What priorities are driving your AI strategy?



STRATEGIC CHOICES: NAVIGATING INSOURCING AND OUTSOURCING

Jennifer McIver
Director of Legal Operations
 Wolters Kluwer



The 18th Annual Blickstein LDO Survey places the legal operations community at a crossroads, facing decisions about which functions to bring in-house and which to outsource. The survey's findings illustrate a profession growing in self-assurance yet still contending with ongoing challenges in measuring value and setting prices. Three major trends provide insight into the current landscape and offer guidance for making effective insourcing and outsourcing choices.

First, 94% of legal operations teams are contemplating increased insourcing. This trend is most likely fueled by confidence and advancements in generative AI, which is expected to have the ability to boost legal teams' capabilities, reducing their reliance on outside counsel. Insourcing today is not just about cost efficiency; it's also about positioning legal operations as a strategic force within organizations.

Nonetheless, insourcing decisions are complicated by the persistent difficulty in measuring legal's value. The survey highlights that a record number of professionals view value measurement as "more art than science." Legal departments are investing in data analytics and process improvements, but quantifying their strategic impact remains elusive. To overcome this, teams must blend internal performance metrics with external market benchmarks, developing a holistic understanding of legal's contribution. This comprehensive view is essential for determining which activities to insource and which to outsource.

Pricing strategies continue to pose significant challenges as well. The proportion of legal operations teams relying solely on engagement partners for fee negotiations has dropped from 85% in 2024 to 71.7%, signaling some progress. However, most teams still do not engage specialized pricing professionals, which limits transparency and slows the adoption of innovative, value-based fee arrangements. Bringing in dedicated pricing experts could make financial negotiations more robust and support modern approaches to cost management.

These three trends—rising interest in insourcing, ongoing struggles with value measurement, and slowly evolving pricing strategies—are closely linked. To navigate insourcing and outsourcing successfully, legal operations leaders need a clear and sustained approach:

- 1. Build a Data-Driven Business Case for Strategic Decisions.** Start by analyzing both the costs and value of work, whether insourced or outsourced. Work with pricing professionals to gain transparency on external expenses and compare these insights to industry benchmarks and the expected ROI of insourcing for informed financial decisions.
- 2. Define Value Beyond Cost.** Move past basic cost comparisons to assess the broader strategic impact of legal activities. Create a narrative connecting legal work to tangible business outcomes, using internal data and industry benchmarks to decide which tasks are better insourced and where outsourcing adds more value.
- 3. Develop a Strategic Insourcing and Outsourcing Roadmap.** Treat insourcing and outsourcing as components of a unified strategy rather than isolated choices. Develop a formal plan detailing which types of work to insource or outsource and the timeline for each. Invest in the necessary technology, talent, and processes, and set clear metrics to monitor success.

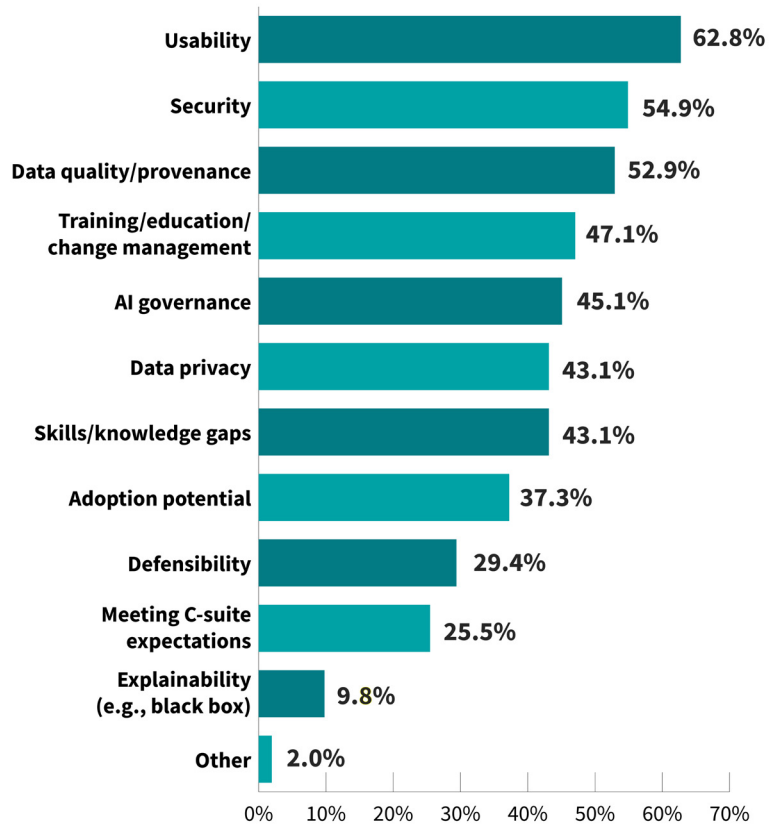
As the legal industry stands at this pivotal juncture, addressing the intertwined challenges of value measurement, pricing, and strategy is key. By adopting a data-driven, holistic approach to insourcing and outsourcing, legal operations leaders can achieve cost control while transforming their departments into vital strategic partners for the business.

Notable is the rise of usability as the leading area of focus in AI strategy: 62.8% of respondents say their AI strategies prioritize usability, surpassing traditional emphasis areas such as security (54.9%). Training is also emerging as a significant concern, with 47.1% citing it as a strategic focal point. The emphasis reflects a shift toward practical, user-centered implementation—ensuring tools can be easily deployed and adopted at scale.

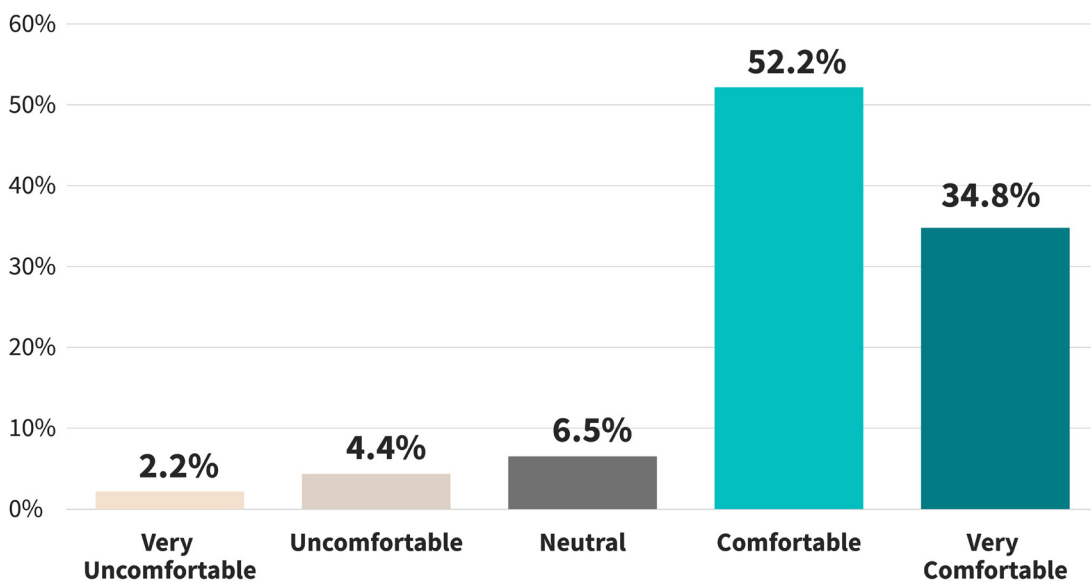
Not surprisingly, AI assistants are gaining measurable traction. More than a third of respondents already have an AI assistant such as Harvey or Legora, and another 14.6% are currently implementing one.

As adoption grows, comfort levels are diverging between legal operations professionals and attorneys. Nearly nine in 10 legal ops professionals report being comfortable or very comfortable using AI, although they are much less confident (44%) in their attorneys' abilities. This gap underscores the need for change management, training, and alignment between technology and legal practice.

What are the top concerns your AI strategy is built to address?



What is your level of comfort with your own use of GenAI tools?

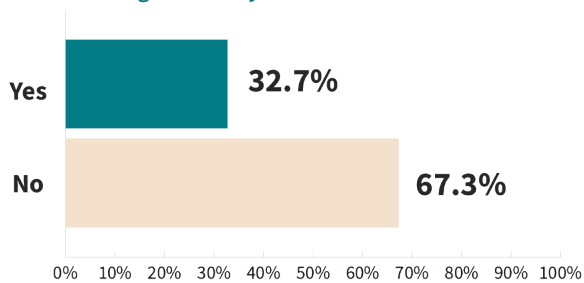


Overall sentiment about AI’s impact remains overwhelmingly positive, with 88.5% expecting AI to have a positive impact on their legal department. This comes as concerns about privacy and security have dropped sharply. Only 7.7% now cite privacy or security as the biggest barrier to adopting AI, down from 29.7% last year. This decline may reflect greater confidence in governance frameworks, vendor controls, or organizational familiarity with AI tools. “The biggest barriers to AI are no longer about fear or risk—they are about redesigning work,” says Justin Ergler, Principal at J Ergler Consulting and former Director, Legal Operations at GlaxoSmithKline. “The next leap forward will come when teams rethink their processes with AI at the center rather than layering AI on top of old habits.”

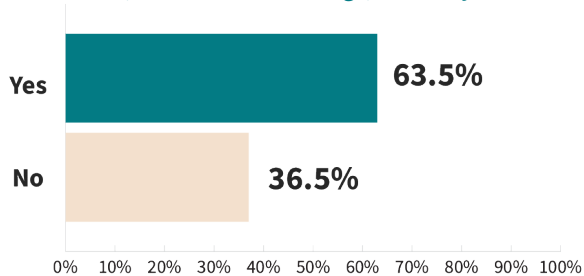
Departments are also beginning to measure AI’s value more rigorously, and nearly one in three respondents now report that they can demonstrate tangible cost savings from AI initiatives, while 63.5% report tangible non-financial benefits, such as efficiency gains, improved service levels, and time savings. Both financial and non-financial metrics are likely to grow in importance as executive stakeholders demand measurable returns on AI investments.

Has your legal department been able to demonstrate tangible...

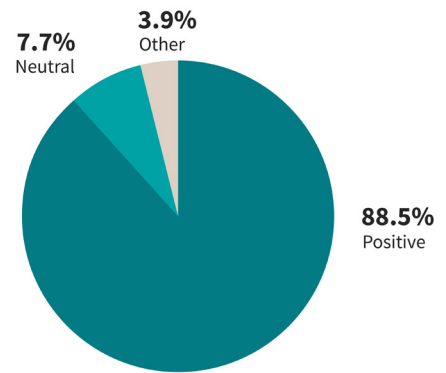
...Cost savings driven by AI?



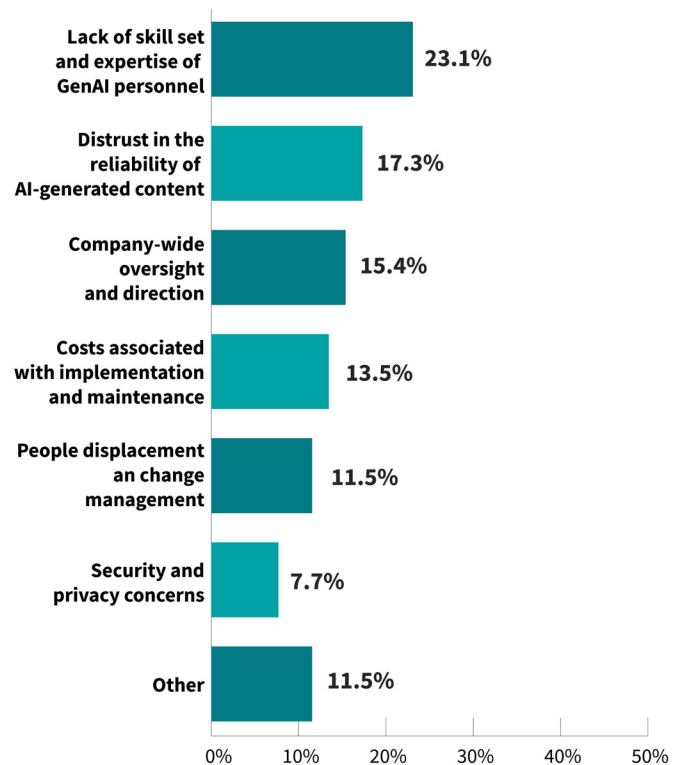
...Benefits (other than cost savings) driven by AI?



Do you think the overall impact of GenAI will be:



What is the biggest barrier to integrating GenAI within your legal department?



“The biggest barriers to AI are no longer about fear or risk—they are about redesigning work.”

JUSTIN ERGLER | Principal, J Ergler Consulting

AI AND ITS IMPACT ON RELATIONSHIPS WITH LAW FIRMS

As legal departments expand their own use of AI, they increasingly expect law firms to adopt similar capabilities, even as the data from this year’s survey shows a clear divergence between what departments are doing internally and their demands of outside counsel. Across numerous use cases, internal adoption exceeds expectations for law firms, although expectations for firms have increased year over year. This highlights a growing benchmarking effect: Legal departments are no longer asking firms to lead—they are asking them to keep up.

Yet legal ops professionals are so far shying away from asking for quantitative information, and requests for AI-related performance data remain low. Only 19.6% of respondents have asked firms to demonstrate cost savings achieved through their AI use. Over time, this figure may rise as departments become more comfortable assessing value metrics and as firms adopt more AI-driven workflows.

Expectations around insourcing also reflect AI’s strategic impact. Almost all (93.6%) of respondents expect that GenAI will enable them to bring more work in-house, compared to 86.8% last year. Similarly, 87.5% believe that wider AI adoption will reduce their law firm spend, up from 66% last year. These shifts indicate that clients anticipate significant structural changes in the law-firm relationship as AI tools expand their internal capabilities.

Despite all the hype, traditional hiring criteria remain stable. Respondents continue to value relationship partners, domain expertise, and pricing as the primary factors in selecting law firms. Innovation officers, project managers, and allied professionals receive much lower ratings, suggesting that while clients say they desire more modern delivery models, they still prioritize core legal expertise.

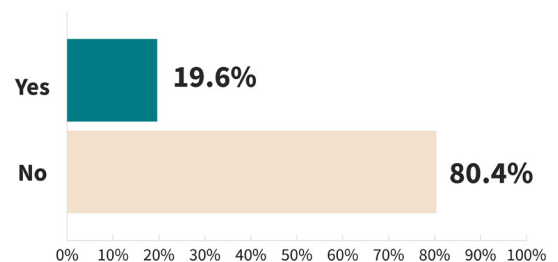
Perceptions of law-firm innovation show a modest increase. Agreement that law firms are innovative rose from 37.5% to 41.2% this year. Surprisingly high, the improvement may reflect early gains in firms’ deployment of AI-enabled offerings or increased communication around innovation initiatives, rather than broad adoption.

Finally, data governance remains a point of caution. Only 23.9% of respondents allow law firms to use their data for GenAI training purposes. This hesitation reflects ongoing concerns about privacy, risk, and confidentiality, and may become a defining area for negotiation between clients and firms as AI programs expand.

We/our law firms use GenAI for:

	Our law department always or sometimes uses GenAI/GPT for the following:	Our law firms always or sometimes use GenAI/GPT for the following on our behalf:
Legal research	72.3%	23.4%
Document summarization	68.8%	22.9%
Document analysis	65.2%	29.2%
Drafting documents	59.6%	19.6%
Understanding new legal concepts	57.5%	8.7%
Contract clause analysis	56.5%	19.2%
Document review	55.3%	27.7%
Concept extraction	51.1%	14.9%
AI chatbot	46.8%	12.8%
Translation	45.7%	12.8%
E-Discovery	32.6%	27.7%
Due diligence	29.2%	12.8%
Contract clause library creation	28.9%	15.2%
Legal information desk/help desk	28.3%	6.5%
Data migration	17.8%	8.7%
Legal intake or front door	8.7%	6.4%

Have you asked your firms to demonstrate cost savings from their use of GenAI?





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AI AND ITS IMPACT ON RELATIONSHIPS WITH ALSPs

Legal departments continue to turn to alternative legal service providers (ALSPs) to play an important role in legal transformation, especially around technology-enabled services and scalable operational execution. The data shows clear growth in expectations and engagement patterns.

When asked which entities they expect to use GenAI on their behalf, respondents identify ALSPs for a wide range of activities. ALSPs appear to be viewed as complementary partners for specialized, repeatable, or process-driven work—roles well suited to AI-enabled service delivery.

Reasons for engaging ALSPs remain consistent with prior years. Respondents cite flexibility, cost savings, scalability, and expertise in technology-enabled workflows as key drivers. These attributes align well with trends toward greater automation and operational efficiency within legal departments.

Please rank the following in terms of selecting ALSPs for an engagement (1 being not important and 5 being very important):

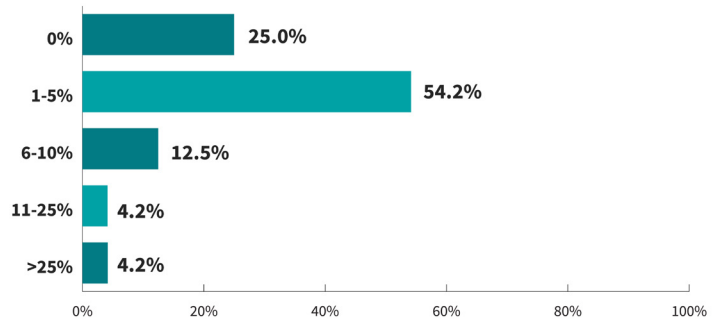
	Weighted Average
Price	4.5
Practice area expertise	4.3
Industry expertise	4.0
Information security	4.0
Track record	3.9
Willingness to work under alternative fee arrangements	3.9
Use of technology	3.7
Innovative legal service delivery models	3.7
Bench depth	3.5
Knowledge of our business/company	3.5
Geography/Location	3.1
Diversity	2.6

Sentiment around ALSP innovation and technology leverage remains strong, as 73.5% say ALSPs effectively leverage technology to deliver services, and 61.2% agree that ALSPs are innovative, compared to 41.2% at law firms.

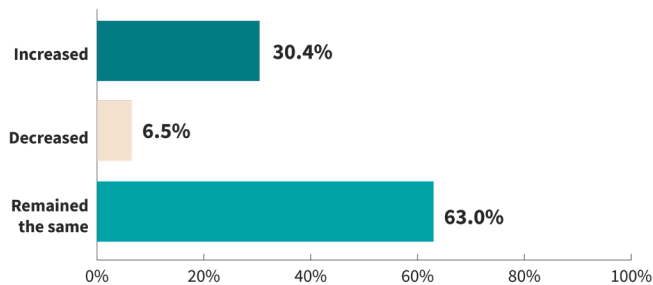
“ALSPs have a natural advantage when it comes to modernizing legal processes,” says DigiCert’s Berteaux. “Their operating models are built around efficiency, standardization, and technology-enabled execution in ways that many law firms are still working to adopt.”

This likely explains why ALSP usage continues to grow, as three quarters of respondents report using ALSPs, and ALSPs now account for an average of 9% of outside legal spend. And spending trajectories point upward: 30.4% of respondents increased ALSP spend this year, and only 6.5% decreased it. Looking ahead, 43.5% expect ALSP spend to increase next year, while the same 6.5% expect it to decrease. Combined, these metrics indicate that ALSPs are becoming a more integral component of legal service delivery models.

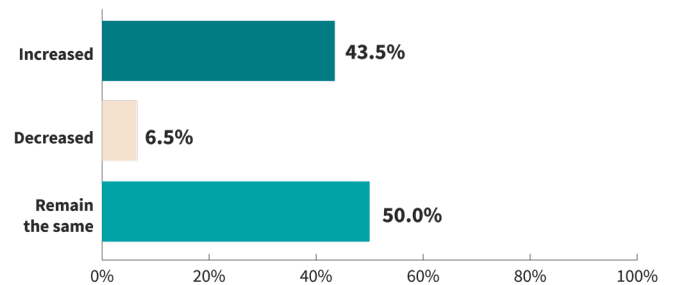
What percentage of your outside counsel spend is with their alternative legal service delivery models, such as captive ALSP, service centers, subscription/self-service, etc., operations.



Our spend on alternative legal service providers, including offshore LPOs and consultancies, has _____ over the past 12 months.



We expect our spend on alternative legal service providers, including offshore LPOs and consultancies, to _____ over the next 12 months.



“ALSPs have a natural advantage when it comes to modernizing legal processes. Their operating models are built around efficiency, standardization, and technology-enabled execution in ways that many law firms are still working to adopt.”

KELSEY BERTEAUX | Senior Legal Operations Analyst, DigiCert

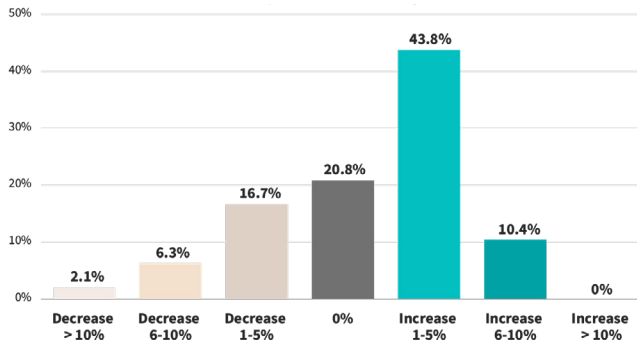
LEGAL SPEND STILL TRENDING UPWARD

Legal spend continues to trend upward, both internally and externally, as 54.2% of respondents report that their internal legal spend increased this year, with growth (39.1%) and inflation (17.4%) cited as the primary drivers. Only a quarter expect internal spend to decrease in the coming year. These figures reflect both rising demand for legal services and increasing pressure to manage costs within the department.

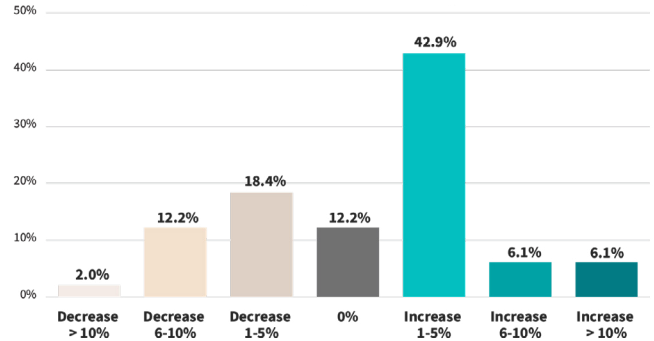
Law firm budgets are also expected to rise. Almost half of respondents anticipate an increase in outside counsel spend next year, while a third expect it to decrease. Rate increases remain a central factor: 85.8% of respondents report that law-firm rates increased this year, with 41.7% experiencing increases of more than 5%. Expectations for next year are similar.

Rate pressure from law firms, ongoing economic uncertainty, and the growing availability of AI-enabled service offerings are likely to accelerate the shift toward alternative providers. As legal departments weigh cost, efficiency, and expertise, spending patterns will continue to diversify across law firms, ALSPs, and internal teams.

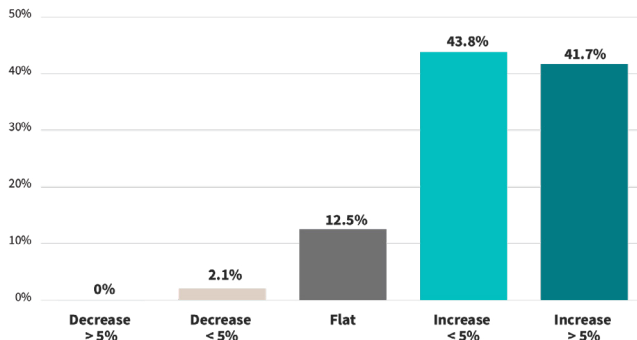
What percentage change (+ or -) do you anticipate in *internal* spend for the next year?



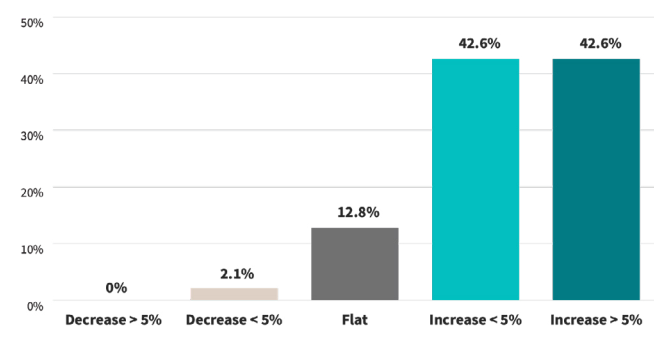
What percentage change (+ or -) do you anticipate in *outside counsel* spend for the next year?



How have your overall law firm rates changed over the past 12 months? (Please respond in terms of actual, approved rate changes, not law firm requests.)



How do you expect your overall law firm rates to change over the next 12 months? (Please respond in terms of actual, approved rate changes, not law firm requests.)



FUTURE OUTLOOK: NEW DRIVERS OF CHANGE?

Looking ahead, legal departments remain committed to playing a central role in driving innovation, but attitudes are shifting. The percentage of those who agree with the statement that “corporate law departments will be the primary driver of innovation and change in the legal sector” declined from 88.9% to 80.0% this year, which suggests a growing openness to innovation emerging from other stakeholders.

Legal operations professionals continue to expect their law firms to lead the way: The desire for firms to present new legal service delivery models remains extremely high at 96.0%. This consistency underscores a fundamental and ongoing request from legal departments: Firms should play a more active role in bringing new approaches, technology-enabled efficiencies, and alternative staffing models to their clients.

“Firms that will win are those that go beyond incremental change and deliver meaningful, AI-enabled value to their clients. In parallel, corporate legal departments are positioned to accelerate AI adoption within their organizations and redefine how they partner with the business. The future of legal services will be shaped by collaborative leadership across the entire ecosystem, but it just may be that law firms become the leaders in this collaboration,” says Cockroach Labs’ Becker.

“These results are reassuring for those that are following along and were concerned that we might have lost the pulse of the industry and where it’s headed,” says Pax8’s Abraham. Legal departments are maturing in their use of AI, deepening enterprise partnerships, and investing in automation and operational excellence. They continue to push for more innovative and efficient models from law firms and ALSPs, while preparing to bring more work in-house through AI-enabled capabilities. The year ahead is likely to see continued modernization, increasing structural flexibility, and deeper collaboration across all segments of the legal services market.

“Firms that will win are those that go beyond incremental change and deliver meaningful, AI-enabled value to their clients. In parallel, corporate legal departments are positioned to accelerate AI adoption within their organizations and redefine how they partner with the business. The future of legal services will be shaped by collaborative leadership across the entire ecosystem, but it just may be that law firms become the leaders in this collaboration.”

ADAM BECKER | Director of Legal Operations, Cockroach Labs

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