JULY 2026 REPORT

BLICKSTEIN GROUP

Blickstein Group Law Firm COO Survey

The Stakes for COOs and Their Firms Are Only Getting Higher

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The Stakes for COOs and Their Firms Are Only Getting Higher

Law firm COOs are entering a new phase of the job, where they are no longer defined mainly by keeping the administrative engine running. Now, changes in technology, including GenAI, are embedding them more deeply into tool stack choices, talent capacity, and the firm's ability to grow profitably. COOs are playing leading roles in this transformation and providing invaluable support to make these initiatives successful.

As the 2026 Blickstein Group Law Firm COO Survey demonstrates, the impacts of AI are no longer theoretical; they are reshaping priorities, budgeting, and even staffing. The change in the last 12 months has been dramatic.

Now in its fifth year, the survey includes responses from 213 law firm COOs and principal administrators, representing a broad cross-section of North American law firms. Along with insights into changing strategic priorities and the increasing disruption caused by AI, the survey explores compensation trends, pain points, and what COOs would fix first if they could wave a magic wand.

In this report, we explore the evolving role of COOs and how they are moving closer to the center of decision-making. Yet they still often struggle to gain the authority to make those decisions, held back by budget limitations, the need for consensus, and challenges from partners as a group.

"The reality is that most partners intellectually understand the value of key strategic business professionals in their organizations," said Truda Chow, COO at Frost Brown Todd and a member of the COO Survey Board of Advisors. "However, we must keep in mind that these are partner-owned entities, and buy-in to any change needs to take place at a grass-roots level in most firms. The role of a COO is to conduct the orchestra to bring all the pieces together in a meaningful way so that all members of the orchestra see the beauty in the whole."

The Impact of Poor Decisions is Easy to See.

The Cause Often Isn't.

Price | Allocate | Execute | Document | Measure | Improve | Anticipate | Predict

Most operational problems don't begin with a major mistake.
They emerge from hundreds of small decisions made every day.

- A delayed approval
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- A missed handoff
- Work that quietly falls outside scope
- A bottleneck that nobody sees until it's too late

Individually, they seem insignificant.

Together, they determine profitability, client experience, and firm performance.

Intelligence Before the Point of Decision

BigHand gives law firm leaders the operational intelligence they need to identify risk, understand performance, protect profitability, and act before problems become outcomes.

BigHand | Built for leaders and the teams that deliver alongside them.

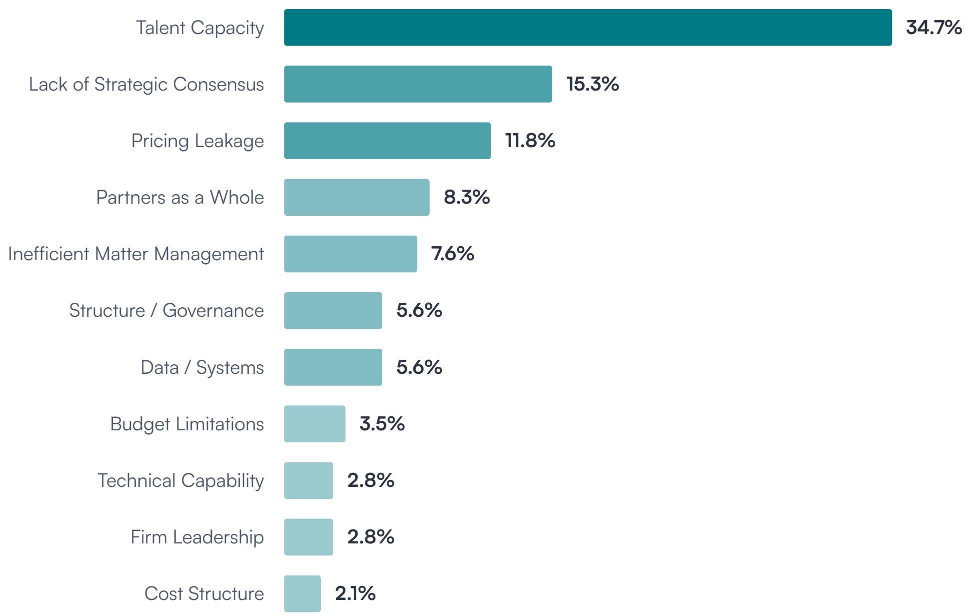
Clashes of People and Technology

Conducting that orchestra increasingly means managing the ways technology and people are colliding at firms. In a reversal from last year, survey respondents cited technology investment and adoption as their firm's top strategic initiative, ahead of talent acquisition and retention.

At the same time that tech investments are growing in importance, respondents cite talent capacity as the top constraint on profitable growth by a significant margin. Asked which single factor most constrains their firm's ability to grow profitably today, 34.7% selected talent capacity. The next response, lack of strategic consensus, was 15.3%. Pricing leakage followed at 11.8%, and partners as a whole were in fourth place, with 8.3%.

"Technology can be a great tool, but it is not the whole solution," said Katie Tullis, executive director at Beck Redden and a member of the COO Survey Board of Advisors. "The firms that will get the most out of these investments are the ones that also focus on having the right people in the right roles, clear priorities, and strong follow-through."

Biggest Constraint to Growing Profitability



While firms may be buying tools to improve productivity, the limiting factor is still whether they have enough of the right people, whether the partnership can agree on direction, and whether pricing discipline holds as work gets done. That is a major shift in focus for COOs.

The collision is most direct in staffing. In last year's survey, COOs considered GenAI important but not disruptive to administrative headcount in the short term. That has changed. Most respondents to the 2026 survey still expect headcounts to stay the same, but the majority has thinned: 63.1% this year, down from 81.4% in 2025. Among those expecting changes, most (more than a quarter of all respondents) expect to eliminate positions, while fewer than 10% expect headcounts to grow.

These responses suggest that AI will change staffing levels, capacity, or the mix of roles over the next two years. For COOs, the more useful question may not be whether headcount goes up or down, but whether firms can define which work should be automated, which should be elevated, and which still needs human judgment.

COO Survey
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Changing the Profile Won't Fix the Problem

Jennifer Johnson
CEO
Calibrate

David Schaefer
Managing Director
Calibrate

One of the more notable data points in this year's Blickstein Group Law Firm COO Survey is the rise in COOs coming from outside the legal industry. The share has increased from 11.4% in 2025 to 15.5% in 2026—evidence that firms are broadening where they source operational leadership.

At one level, this makes sense. The demands on the role continue to expand—spanning technology, data, talent, and operational performance—to meet challenges not historically addressed by the legal industry. Leaders from other industries often bring strengths in systems thinking, process design, and scaling complex organizations honed by addressing those challenges. Those capabilities are increasingly relevant, if not essential.

But the more important story sits beneath the surface.

Firms are expanding the talent pool—but not fundamentally changing the conditions in which that talent operates.

Across this year's data, the constraints on COO effectiveness remain consistent. Talent capacity is still the primary barrier to growth. Lack of strategic consensus and partner alignment slows progress. And critically, lack of operational authority remains a core structural issue.

That creates a clear tension.

Bringing in leaders from outside the industry may introduce new perspectives and capabilities. But if those leaders are placed into environments where authority is diffuse and decision rights are unclear, their ability to drive impact is limited from the outset. The issue is not capability; it is context.

We see this consistently in executive search work. Firms look outside the industry when they want change—seeking operators who can bring a more disciplined, performance-oriented approach. But many retain legacy models that require broad consensus and dilute accountability. In those environments, even strong operators are positioned to manage rather than lead.

The risk is not that firms are looking outside. It is that they expect a different outcome without changing the structure of the role.

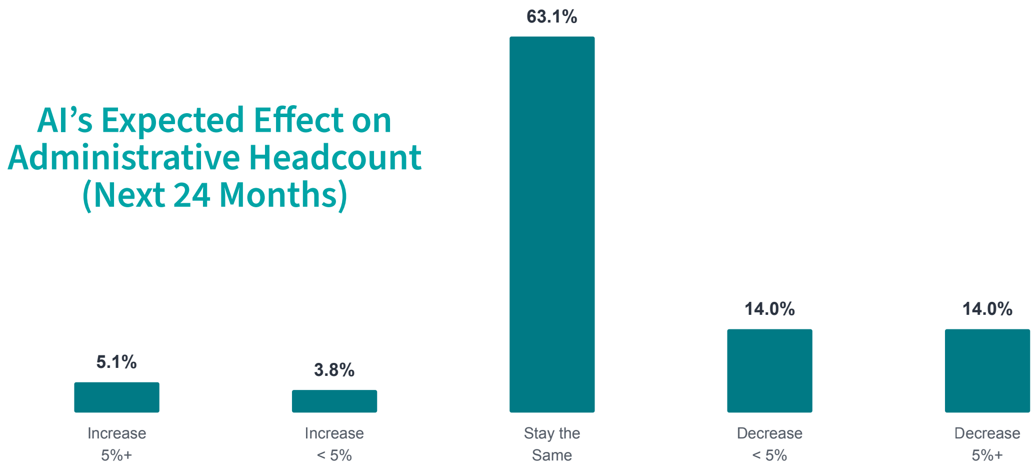
In that sense, the rise in cross-industry hiring is less a solution than a signal. It reflects a recognition that the COO role now requires a different set of capabilities.

But it also underscores the gap between the capabilities firms are seeking and the environments they have built.

Changing the profile does not, on its own, change the outcome.

Firms that will differentiate are those that align capability with authority—where the COO is not only responsible for performance but empowered to drive it. Without that alignment, expanding the talent pool risks being incremental—or worse—rather than transformative.

The profile may be changing. Whether the role is—and whether it enables impact—is the more important question.



Technology & AI — From Aspiration to Agenda

The survey's strategic-initiatives data makes the shift in priorities plain: Technology investment and adoption, talent acquisition and retention, and practice management improvement are the top three, respectively.

The lower-ranked initiatives also point to shifting priorities among law firm administrators. Cost control was selected by 10.7%, followed by office strategy at 8.0% and pricing discipline at 6.8%. Firms are not ignoring cost pressure; COOs simply see technology, talent, and practice management as more direct levers for the year ahead.

The rankings mark a meaningful change from 2025, when talent and cultural resistance were among the biggest priorities alongside technology. In a single year, technology has moved from one major priority among several to the key issue. And it has done so before firms have solved the human and structural problems that make technology work: Respondents report that AI in particular is being deployed faster than it can be meaningfully measured.

Even as AI becomes part of their everyday jobs, COOs are finding that their firms buy tools faster than they govern or even adopt them. When asked how AI-related efficiencies are being measured at their firms, two-thirds said they are not formally measuring them, while 25.2% have increased capacity without additional headcount, and 15.1% said they are measuring an increase in lawyer productivity and hours billed by lawyer.

INSIDE THE NUMBERS

Governance Without Authority: Why Policy Frameworks Fail, and How to Fix Them

Vivian Susko
Content Marketing Manager
Mitratech

Law firms invest heavily in policy. They review outside counsel guidelines, build compliance workflows, and roll out technology platforms designed to bring consistency to how legal work gets done. And yet, according to the 2026 Blickstein Group Law Firm COO Survey report, more than 60% of respondents still identify e-billing and outside counsel guideline compliance as a significant operational pain point.

When Consensus is the Bottleneck

The survey data tells a revealing story about where change breaks down. Nearly 28% of respondents cite a lack of strategic consensus as the biggest obstacle to implementing change at their firms, followed by 23% who cite partners as a group, outranking budget limitations and governance structure. At the same time, 27% of COOs rank the lack of operational authority as one of the structural issues they would most like to fix.

These two findings describe the same underlying dysfunction: policy frameworks deployed into environments where no single role has the authority to enforce them.

For a COO managing billing, this plays out in a familiar way. The guidelines exist, the e-billing platform exists, but when a partner's preferred outside firm submits a non-compliant invoice, the path of least resistance is to approve it anyway. Because the operational leader lacks the organizational standing to hold the line, the policy framework becomes advisory at best.

Structure Determines Outcomes

What distinguishes firms that execute policy consistently from those that don't isn't the sophistication of their tools, but rather, the clarity of their authority structures. COOs with defined mandates, executive committee representation, and explicit decision rights over operational domains are better positioned to enforce the systems they build and manage.

The COOs who close the authority gap don't just solve the org chart problem, but also rethink what they expect from their platforms. A few patterns emerge consistently.

They require end-to-end visibility. Firms where billing compliance actually holds tend to have a single environment where matter data, invoice review, and outside counsel performance live together. When information is fragmented across systems, enforcement is too. Each exception becomes its own manual decision instead of a flagged deviation from a documented standard.

They build audit trails into the workflow, not onto it. The difference between a policy that holds and one that doesn't often comes down to whether the system captures compliance automatically and in real time, not as a separate step someone has to remember. The audit trail exists because the work happened, not because someone documented it afterward. Partners can't quietly route around policy, and COOs have the record to act when they do.

Giving Policy Teeth

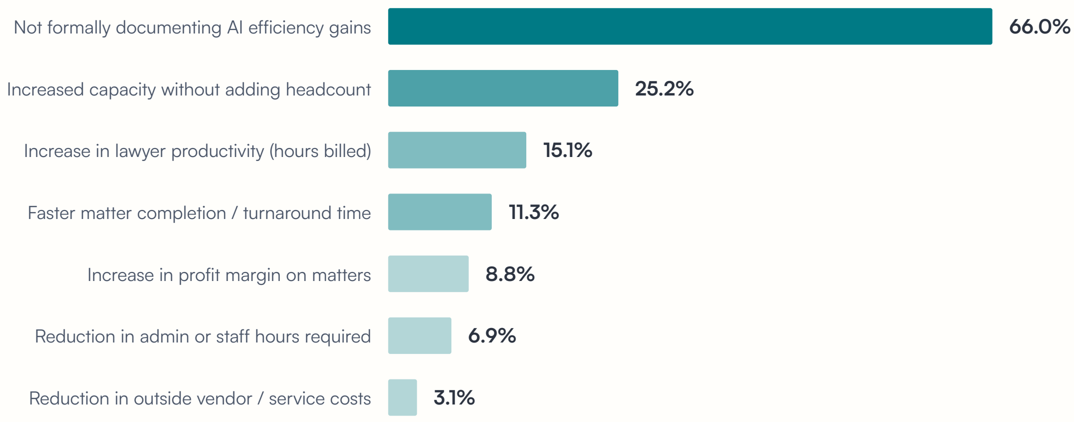
The most effective law firm operations leaders we work with approach this as a design problem, not a change management problem. Before selecting or configuring an operational platform, they ask: Who has the authority to require compliance with this system? What happens when a partner escalates around it? Is that escalation path defined?

When the answers are clear, technology works as designed. When they aren't, even the most capable platforms become optional, and optional is not the same as effective.

Mitratech's Law Firm Solution Suite, for example, is designed for this environment, and purpose-built for firms where governance is a requirement, not an aspiration. From matter lifecycle management to doc automation and outside counsel panel management, it gives operational leaders the infrastructure to enforce policy at scale. But infrastructure only performs as well as the structure around it.

To learn more about Mitratech's Law Firm Solution Suite, visit mitratech.com.

How Are AI-related Efficiency Gains Currently Being Measured at Your Firm?



When adoption moves faster than measurement, a strategic blind spot arises. As respondents noted, AI adoption and governance remain their second greatest operational challenge, behind talent recruitment and retention. Technology implementation and integration was third.

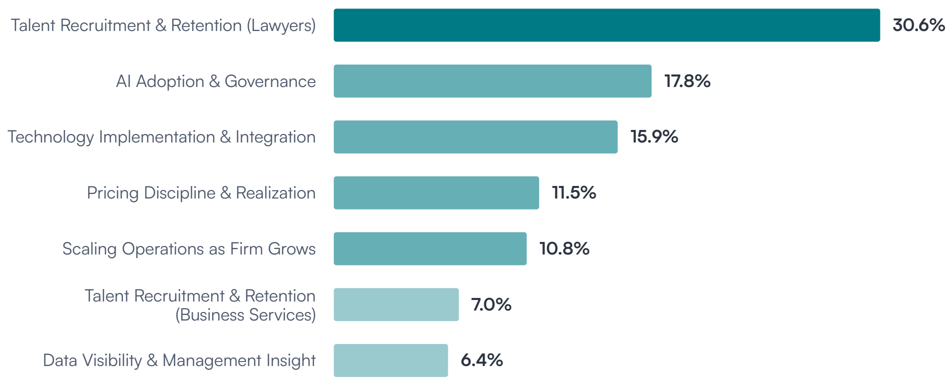
The blind spot shapes what firms believe about AI. Because few are formally documenting efficiency gains, the expected benefits (increased capacity without added headcount, greater lawyer productivity, faster matter completion, and reduced administrative hours) remain beliefs. But belief and documentation are not the same thing.

If firms are investing in AI but not measuring the return, COOs will eventually have to answer challenging questions about these major investments in money and training: Where is the value, who received it, and did it change capacity, revenue, realization, or client service?

“Many law firms are investing heavily in AI with the expectation that it will create meaningful capacity and productivity gains,” said Melissa Prince, global head of revenue at Duane Morris LLP and a member of the COO Survey Board of Advisors. “The challenge is that few firms have established baseline metrics or formal ROI measurements. At some point, COOs and other firm leaders will be asked a simple question: If AI is saving time, where has that capacity gone, and how has it translated into financial performance? Firms that cannot answer that question with data may struggle to demonstrate the full value of their investment.”

Some firms are trying to manage the measurement challenge by limiting the number of tools they use, although most firms (69%) are using both legal-specific and general AI tools. Among legal-specific tools, 36.9% of firms report deploying one tool, while 18.5% have not yet deployed any. Similarly, 36.8% of firms report using one general-purpose AI tool, with 18% reporting none.

Biggest Operational Challenge Facing the Firm



INSIDE THE NUMBERS

Matter Visibility Is No Longer Just Operational — It's Strategic

Dr. Cain Elliott
Chief Legal Futurist
Filevine

Law firms have a blind spot hiding in plain sight.

Most chief operating officers can tell you their revenue, headcount, and billable hour targets. But what's actually happening within a matter in real time is a more complicated question. That gap, where capacity is going, pricing is slipping, and work is stacking up, has become the source of one of the most expensive problems law firms face.

The 2026 Blickstein Group Law Firm COO Survey puts a number on it: 8.9% of COOs cite matter visibility and reporting as the technology gap that limits their effectiveness most. That figure probably undersells the real exposure, because plenty of firms don't know what they can't see.

Blickstein Group's COO Survey also tells us that talent capacity is the number one constraint to profitable growth, according to 34.7% of respondents. Pricing leakage is number three. Inefficient matter management is number five. These are often treated as separate problems with separate solutions, but they shouldn't be. Each one traces back to the same root: Firms don't have clean, real-time visibility into how work is actually flowing.

You can't price what you can't see. You can't staff efficiently against demand you can't measure. You can't fix pricing leakage if you only find out about it after matters close. The diagnosis keeps changing, but the underlying condition doesn't.

The firms that have solved this aren't using matter data to generate status reports. They're using it to make decisions before problems compound. Which matters are running over budget, and why? Where is attorney capacity being consumed in ways that don't register as billable hours? Which practice groups are carrying load that could be redeployed elsewhere?

These look like operational questions, but underneath, they're pricing, staffing, and growth questions.

The survey also found that technology investment just overtook talent as the number one strategic initiative for law firm COOs, for the first time in this survey's history. Firms are committing to AI.

But AI tools produce useful outputs only when they're working with good underlying data. Generic inputs produce generic outputs. What you want is your data, your matters, your patterns, your firm's accumulated knowledge, informing decisions in real time. Matter-level visibility is what makes that possible. Without it, you're deploying AI with a blind spot.

The survey surfaces another problem directly. The most common response to "how are AI efficiency gains being measured?" was: They aren't. Firms are investing without tracking results. That's a visibility failure, not a technology failure. You can't measure AI ROI without baseline matter data to compare against. Investment without measurement is just spending.

Nearly 69% of COOs say their strategic recommendations are often or almost always implemented by firm leadership. The influence exists to push matter visibility up the priority list, not as an IT project, but as the data foundation every other strategic initiative depends on.

The survey shows firms know they have a problem. The path forward is deciding whether matter visibility stays a reporting checkbox or becomes the strategic infrastructure it needs to be.

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When firms face transitions, growth cycles, or capability gaps, they need leaders who can step in immediately and deliver results. FlexSolutions deploys executive-level professionals, C-suite, Directors, Senior Managers, and specialists, who embed quickly and perform on day one.

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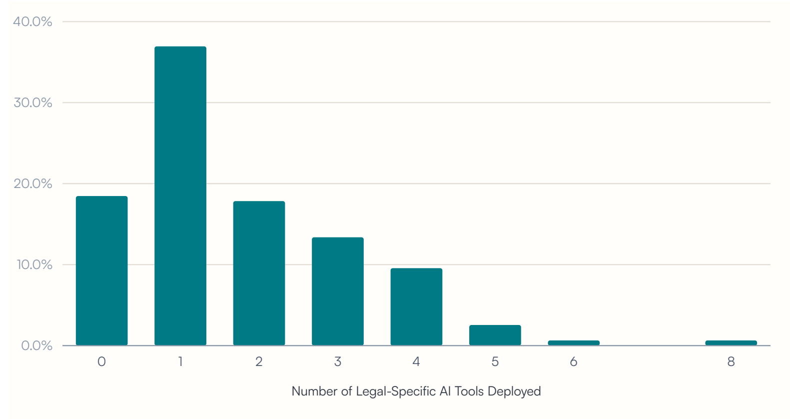
Full-time or near-full-time leaders who stabilize operations, sustain momentum, and execute during periods of transition, operational change, or evolving organizational design. Ideal for firms that need immediate capability while designing the right long-term structure.

Fractional Talent

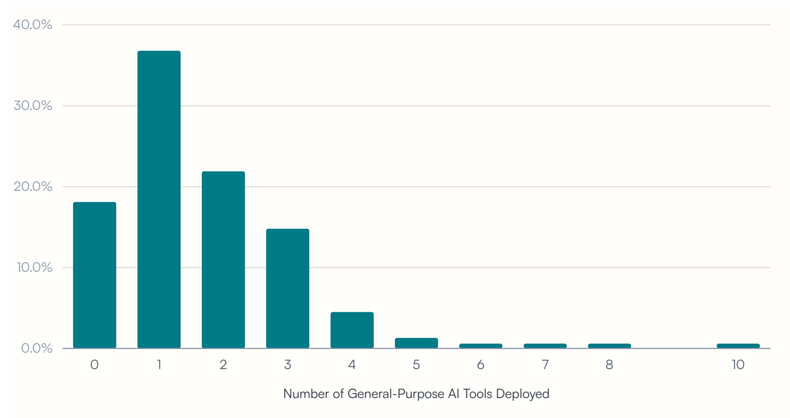
Part-time executive leadership that expands strategic capacity, builds new capabilities, and accelerates strategic priority initiatives without requiring permanent headcount.

AI Tools Deployed

Legal-Specific AI Tools (Harvey, Legora, Relativity AI, etc.)



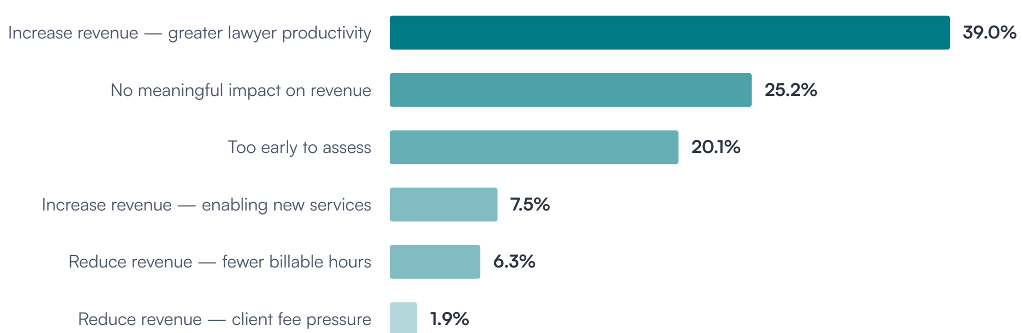
General-Purpose AI Tools (ChatGPT, Copilot, Claude, Gemini, etc.)



Legal research and document review show the highest current use, with both reaching "some operational use." Knowledge management, litigation and eDiscovery, practice management, and marketing are closer to limited experimentation. Finance and HR remain earlier-stage functions for AI adoption.

Yet COOs are optimistic about revenue from AI. More than a third of respondents, 39%, expect AI to increase revenue through greater lawyer productivity over the next 24 months. Another 25.2% expect no meaningful impact on revenue, and 20.1% say it is too early to assess. That suggests many COOs see AI's near-term upside less as job replacement and more as a productivity lift.

AI's Expected Effects on Firm Revenue



Why Pricing Leakage Has Become a COO Problem

George Egford
Solutions Manager
BigHand

Law firms know what happened. Too often, they don't know what is about to happen.

That distinction is becoming expensive.

Rates continue to rise across the legal industry. Yet many of the indicators that underpin profitability are moving in the wrong direction. As the BigHand 2026 Law Firm Finance Report found, write-offs, discounting, work in progress (WIP), and debtor balances are all increasing, while cash flow predictability has become a leading concern for finance leaders.

These trends are often treated as separate challenges. In reality, they are symptoms of the same underlying issue.

Profitability is still being measured more effectively than it is being managed.

This year's Blickstein Group Law Firm COO Survey findings highlight that reality. Pricing leakage has emerged as the third most significant constraint on profitable growth, trailing only talent capacity and lack of strategic consensus.

Pricing leakage is rarely caused by a single pricing decision. It is the cumulative result of hundreds of operational decisions made throughout the lifecycle of a matter:

- Was the work scoped accurately?
- Was the right team assigned?
- Did staffing evolve as the matter progressed?
- Was budget performance monitored and acted upon?
- Did changing client expectations trigger conversations early enough to protect both the relationship and the margin?

By the time a write-off appears on a financial report, the opportunity to prevent it has long passed.

The challenge facing firms today is not a lack of data. Most firms have more data than ever before. The challenge is ensuring the right information reaches the people making decisions across pricing, staffing, workflow, budgeting, and client management before the opportunity to influence the outcome has passed.

This becomes particularly important as client expectations evolve. Requests for alternative fee arrangements (AFAs) continue to rise. Clients are demanding greater financial transparency, more visibility into how matters are staffed, and stronger evidence that technology and AI are translating into measurable efficiency gains.

At the same time, many firms continue to struggle with the operational foundations that support profitable delivery. Workflow management, data integration, resource utilization, and financial performance insight remain among the most commonly cited technology gaps across the industry. These are often discussed as separate initiatives, but they are deeply interconnected. Together, they determine whether commercial decisions are made proactively or after margin has already been lost.

The industry's investment patterns suggest this challenge is still underestimated. Adoption of advanced business intelligence, matter pricing, and budgeting tools has remained largely unchanged year over year, despite widespread recognition that firms need stronger capabilities. Nearly four in ten firms still have no plans to invest in these capabilities at all. The intention to improve commercial performance is clear. The operational commitment to do so is not.

Yet the evidence for action is compelling. BigHand's latest Pricing Trends Analysis found that nearly every firm assigning matter budgets reported improvements in billing realization. Nearly 70% achieved realization increases of 9% or more.

The lesson is straightforward. Better profitability does not come from analyzing results more effectively after a matter closes. It comes from enabling better decisions while work is still in progress.

As Mintz CFO Marina Raykin observed, **"More attorneys are advancing to partnership without the commercial acumen or operational discipline required to effectively drive profitability."**

That reality underscores the importance of providing leaders with timely, actionable intelligence long before the bill is issued.

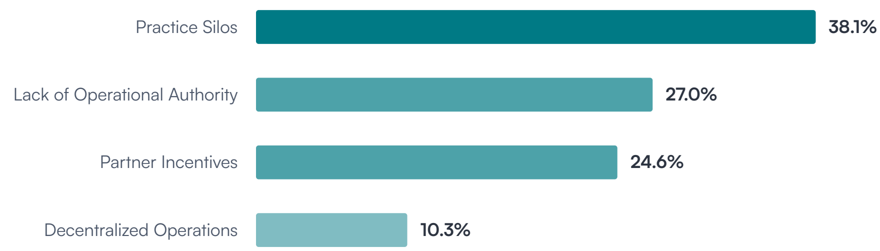
Measuring Pain Points

When asked to measure their pain points, COOs' concerns go far beyond inefficient systems or weak tools. They point to the way firms themselves are organized and governed. Asked which structural issue they would fix tomorrow, 38.1% selected practice silos. Another 27% selected lack of operational authority. Partner incentives came in at 24.6%, followed by decentralized operations at 10.3%.

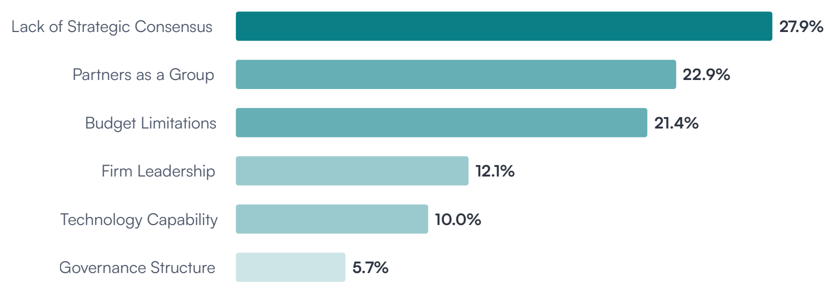
Practice silos, partner incentives, and decentralized operations all create friction for firmwide initiatives. Lack of operational authority raises a harder problem: The person responsible for making the firm run better may not have the power to make necessary changes stick.

Said Prince of Duane Morris, "The legal industry has spent years talking about technology as the constraint. Increasingly, it isn't. The real differentiators are whether firms have the talent to drive change, the partnership alignment to support it, and the pricing discipline to convert activity into profitable growth."

First Structural Issue to Fix–If You Could Fix One Tomorrow



Biggest Internal Obstacle to Implementing Change



The change-management data reflects the same tension. Lack of strategic consensus is the biggest internal obstacle to implementing change at 27.9%. Partners as a group follow at 22.9%, with budget limitations close behind at 21.4%. Yet 68.9% of respondents say their strategic recommendations are often or almost always implemented by firm leadership.

Those findings are not necessarily contradictory. They suggest that the COO's standing has grown, but execution still depends on alignment among partners, leadership, and budget owners. A recommendation can be accepted and still move slowly. A project can be approved and still get diluted by silos. COOs' influence is real, but so are the frictions they face.

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"COOs are being asked to take on more strategic and complex firmwide initiatives, but the authority to actually move those initiatives forward has not always caught up. To modernize in a meaningful way, firms need more than good ideas. They need alignment, trust, and a willingness to let COOs help drive the decisions that impact the business," said Tullis of Beck Redden.

Roles & Responsibilities

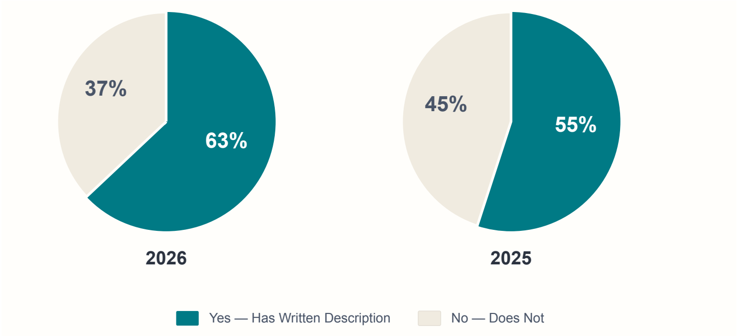
This year's respondents have a more senior role than in prior years. In 2026, 64.4% of respondents hold a "Chief" title, compared with 60.1% in 2025. The pattern is especially pronounced among the largest firms: In that segment, 86.3% of respondents hold a Chief title, while the remaining are Directors.

Titles convey respect, and they also track to salary. Respondents with Chief titles report a median total compensation of $335,000. Directors report a median of $275,000. Administrators report $148,000, and Managers report $132,000. Firm size also has a clear effect. The median for the larger-firm group shown is $472,000, compared with $245,000 for mid-size firms and $151,000 for smaller firms.

One trend to watch: more respondents are coming from outside the legal industry. When asked about previous positions, 15.5% said they came from a non-law-firm environment, compared to 11.4% last year.

Compensation still varies sharply with title, firm scale, and role formalization, even as the strategic burden on the COO role keeps expanding.

Written Job Description or Mandate



Formal role definition is also increasing. Nearly two-thirds, 63%, now have a written job description or mandate, up from 55% in 2025. That still leaves more than one in three respondents without one, and the gap matters for pay: Respondents with a written description report a median compensation of $295,000, compared with $228,000 for those without one.

Correlation is not causation here. Larger firms and more formal management structures may be more likely to have written job descriptions, which could be part of the explanation. Still, there is an association. The COO role is being treated more seriously in many firms, but formal authority has not caught up everywhere. In a year when firms are asking COOs to help manage AI, talent constraints, pricing discipline, and technology implementation, the absence of a written mandate is more than an HR detail. It can become an execution problem.

The Problem with Undocumented AI Gains

Kelsey Campbell
Director
Armanino

Your firm is almost certainly saving time with AI. The harder question is whether you can prove it. According to the 2026 Blickstein Group Law Firm COO Survey, 66 percent of firms reported that they do not formally document their AI efficiency gains.

For leaders accountable to partners, budgets, and firm performance, that creates a challenge. Operational improvements may be real, but undocumented gains are difficult to validate, benchmark, or defend. Time saved may feel like progress, but ROI requires evidence.

Why Undocumented Gains Weaken Your Case

This year's survey shows where firms are seeing measurable improvements. About 25 percent of firms reported absorbing more work without adding headcount. Others cited gains in lawyer productivity, faster matter completion, reduced administrative burden, improved matter profitability, and lower reliance on outside vendors.

The issue is not whether value exists. It is whether that value can be demonstrated. When investment decisions come under scrutiny, anecdotal success stories carry less weight than documented improvements in capacity, turnaround time, or profitability. Firms that can connect operational gains to business outcomes are better positioned to justify future investments and focus resources where they deliver the greatest impact.

The firms that will get the most from AI are not necessarily the fastest adopters. They are the ones measuring it most rigorously.

Shift the Conversation from Usage to Value

Knowing you need measurement is only the first step. The next challenge is deciding what to measure. Many firms default to adoption metrics such as user counts, platform activity, or the number of AI-generated outputs. While those figures may indicate usage, they reveal little about business impact.

The most effective AI scorecards focus on the outcomes that matter most to firm performance. For firms seeking greater capacity, that may mean monitoring matters handled per attorney or billable hours generated by the same headcount. For those focused on operational efficiency, key indicators may include matter turnaround times, administrative effort per matter, or reductions in outsourced work. Client-facing initiatives may be measured through response times, satisfaction scores, or retention rates.

The objective is not to create more reporting. It is to determine whether AI is producing meaningful business results.

From AI Activity to AI Accountability

Measurement does more than support ROI discussions. It helps leaders identify which use cases deserve additional investment, which initiatives are underperforming, and where resources can generate the greatest value.

When firms establish clear baselines and track meaningful outcomes, conversations about AI become less about potential and more about proven results. Measurement is not an administrative exercise. It is a leadership tool for making more informed decisions about the future of the firm.

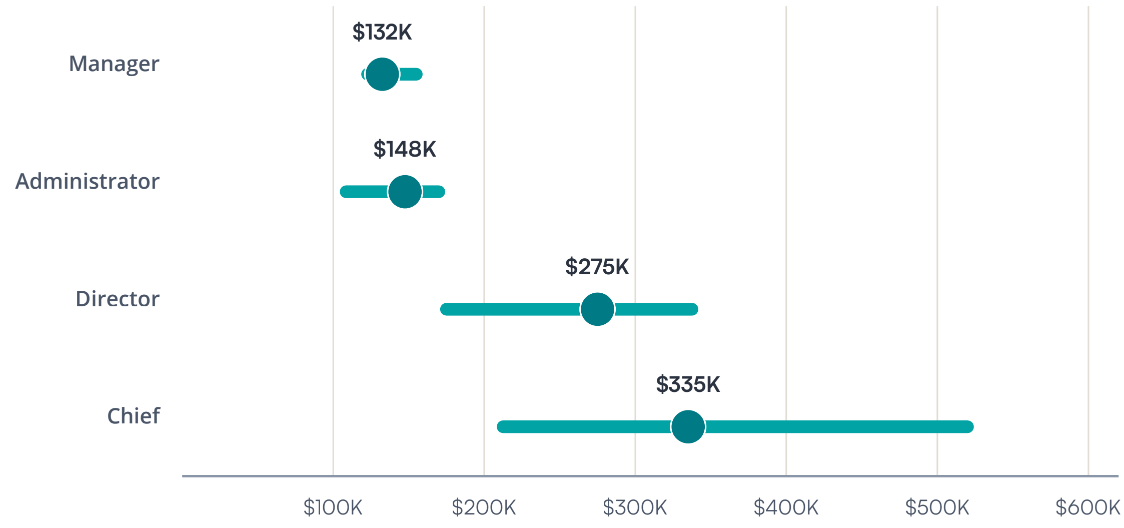
How Confident Are You in Your Firm's Ability to Demonstrate AI ROI Today?

If the answer is uncertain, you're not alone. Many firms are seeing meaningful gains but lack the metrics needed to validate and communicate their impact. Armanino helps law firms establish meaningful baselines, track the metrics that matter most, and demonstrate the business value behind their AI investments.

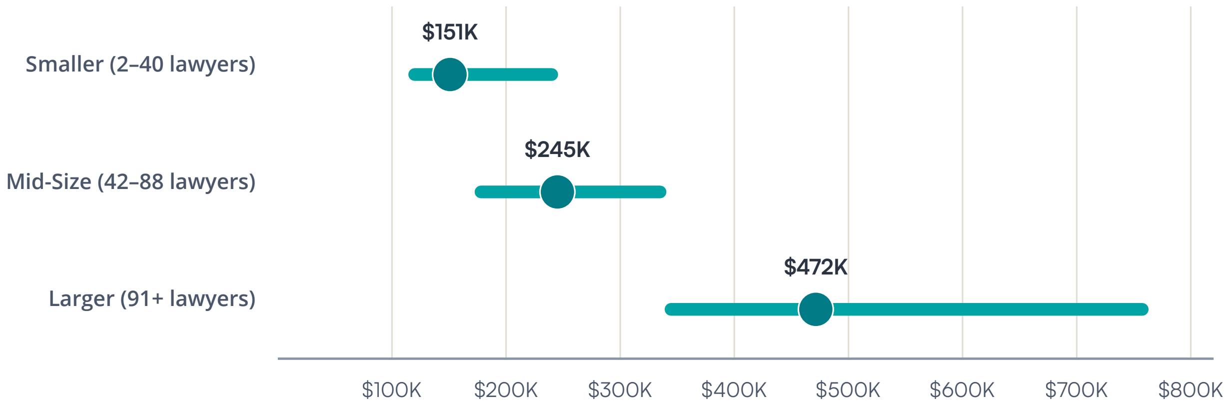
Visit Armanino.com to learn how we help firms connect AI-driven efficiencies to the financial metrics that matter most—from profitability and margin to faster monthly closes and predictable capital management.

The 2026 responses show an overall median total compensation of $275,000 and an average of $359,354. The middle 50% range is $161,250 to $425,000. Median base salary is $227,000, and median bonus is $32,000.

Total Compensation by Title – Range & Median



Total Compensation by Firm Size



You Can Buy the Tool. You Can't Buy the Buy-In.

Debbie Foster
CEO
Affinity Consulting Group

This year, technology passed talent as the top strategic priority for law firm COOs, according to the 2026 Blickstein Group Law Firm COO Survey. Twenty-eight percent named it first.

But look closely at those two words, because they share the same problem. Say "technology" and you might mean software, hardware, infrastructure, AI, automation, workflow, or innovation. Say "talent" and you might mean hiring, retention, restructuring, or bringing along the people you already have. Both are single words that hold a lot of different things.

Before anything changes, someone has to say which part of it you actually mean and what you are going to do about it.

Talent led for years, technology leads now, but the firms that struggle didn't pick the wrong heading. They never got specific about what sits underneath it. Ask those same COOs what is really getting in their way and they don't point at software. They name talent capacity, a lack of consensus, partners, silos, and who has the authority to decide. You don't fix any of that by buying something.

Here is the part that is so easy to miss. Firms can now, for the first time, put powerful tools in front of their people, with real infrastructure behind them. Yet we still let people tell us they're too busy for the training, or too buried to step back and rethink how the work gets done. The tools are ready. The plan for the people usually isn't. And the leadership that would insist on it is usually missing.

The Real Cost Isn't the Money

We see the same pattern in firm after firm. Leadership decides that updated technology and AI matter. A budget gets approved. A tool gets bought. Six months later, very little has changed, and nobody can quite say why.

The tool was never the problem. You can spend real money on something powerful and watch it sit there, because buying a capability and putting it to work are not the same thing. One takes a signature. The other takes a plan, and people willing to follow it.

A failed rollout costs more than what was spent. It teaches your people that AI is unreliable, or that it was overhyped all along. In a law firm, you often get just one chance to prove otherwise, and we waste that chance more often than we admit. We skip the conversation about what to expect. We don't lay out how we get from where we are to where we want to be. We never build the use cases that would show someone how this makes the work on their desk easier. So when we ask them to try the next thing, they've already decided.

Building believers, not just users, means one thing: Adoption happens up close, one person and one workflow at a time. People don't change how they work because it was announced in a meeting. And you can't email your way to adoption.

Start with the Work, Not the Tool

The firms that get this right start where most skip. They begin with how the work gets done. They find the friction first, then fit the tools to the people instead of forcing it the other way. They don't drop something new onto a process everyone has been following for years (maybe decades) and hope it sticks.

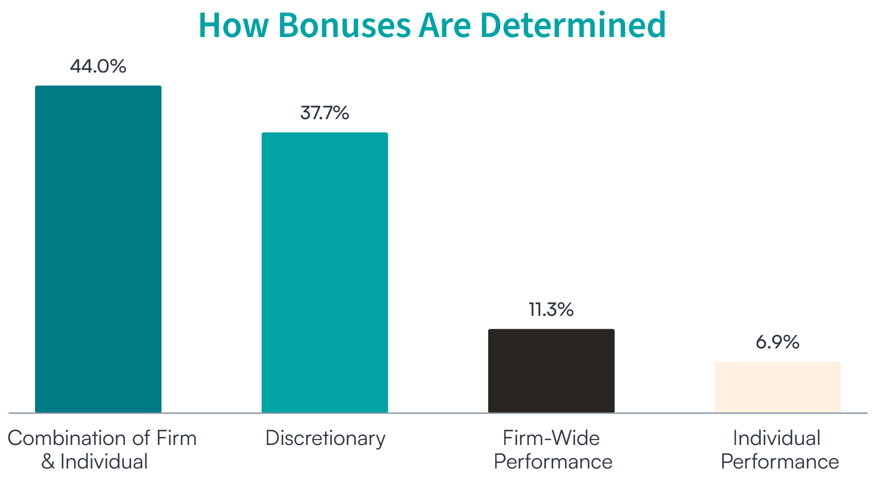
Starting with the people and the work is slower. It is also the only approach that works.

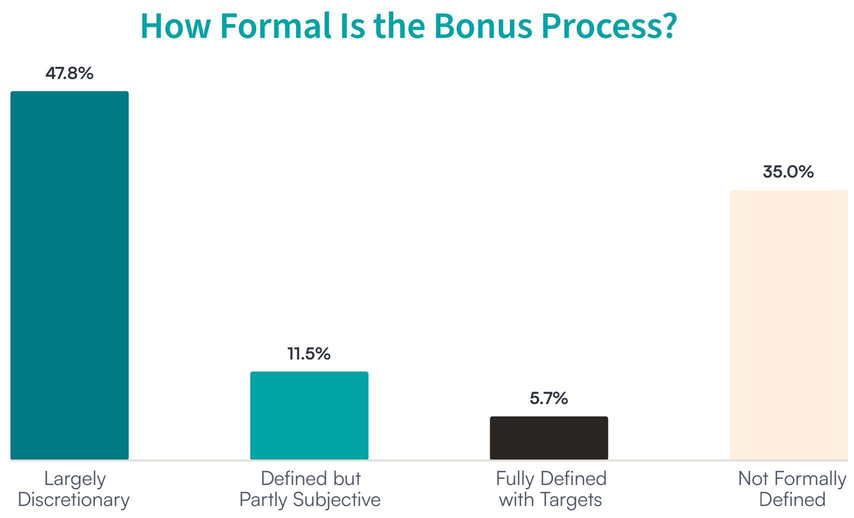
Your Next Move Is the One That Matters

Technology is the priority. Good. But a priority is only an intention until someone acts on it, and choosing to wait is still a choice. The firms that move with purpose this year will look back on 2026 as the year they stopped watching technology and AI change this profession and started leading it themselves.

If your firm is ready to close the gap between buying and believing, we should talk. affinityconsulting.com/contact

Bonuses can also vary widely. Asked how bonuses are primarily determined, 44% selected a combination of firm and individual performance, while 37.7% selected discretionary. Smaller shares selected firm-wide performance alone or individual performance alone.





The bonus process itself remains only partly formal. In 2026, 47.8% describe the bonus process as largely discretionary, and 35% say it is not formally defined. Only 5.7% say it is fully defined with quantitative targets. That fits a role where success depends on judgment, trust, and political skill, but it also leaves room for ambiguity.

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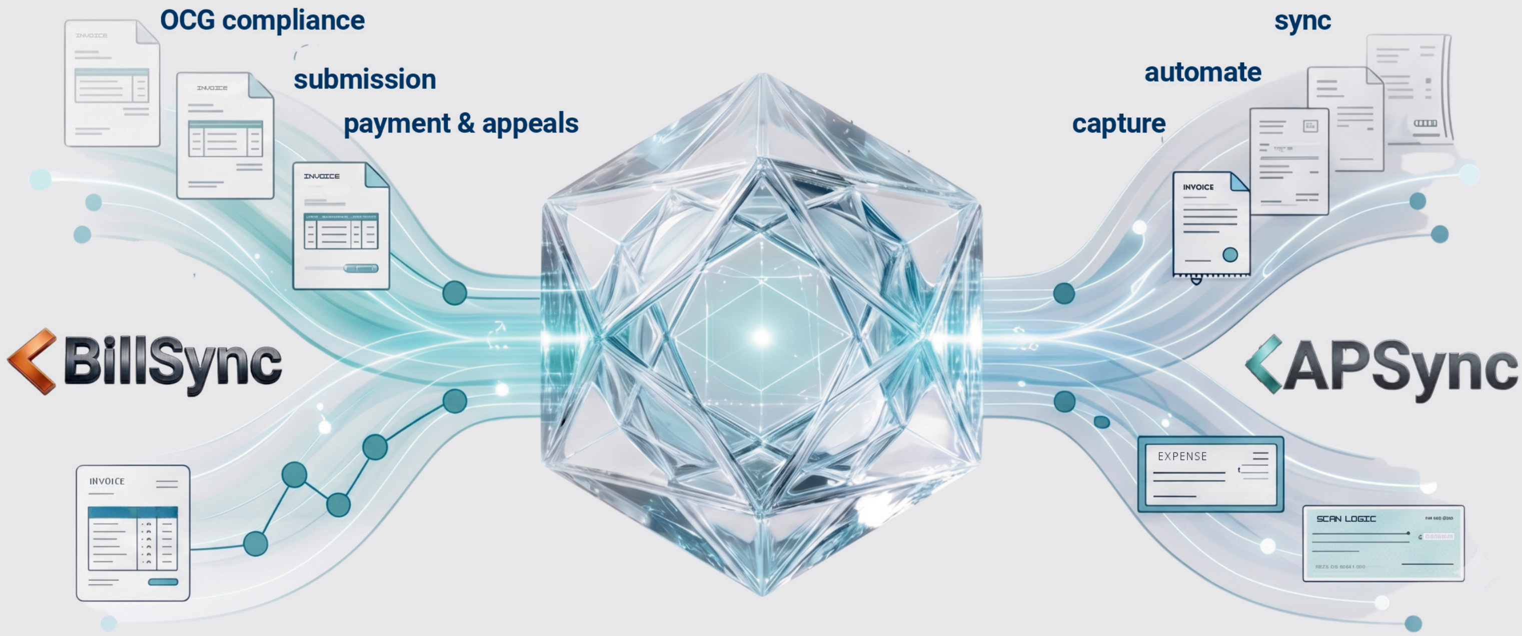

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You Can't Price What You Can't Measure: Why AI and AFAs Make Accurate Timekeeping More Important, Not Less

Nancy Jeng
Co-founder
Billables AI

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For the first time in the Blickstein Group Law Firm COO Survey's history, Technology Investment and Adoption has overtaken Talent as the top strategic priority for law firm COOs, claimed by 28% of respondents in 2026. Pricing discipline ranks sixth at 6.8%. AI adoption and governance, meanwhile, is now the second biggest operational challenge facing firms, a category that did not exist as a named challenge in prior survey years.

The Billable Hour Is Already Under Pressure

AI-assisted legal work is faster, and COOs know it. Thirty-nine percent expect AI to increase revenue through greater lawyer productivity, the most optimistic finding on AI in the entire survey. But only 6.3% expect AI to reduce revenue through fewer billable hours, suggesting most firms have not yet fully reckoned with what efficiency gains do to hourly billing over time.

Sophisticated clients are already asking what AI is doing to their bills. As AI becomes standard rather than exceptional, the billable hour becomes harder to defend on its own terms. The pressure to move toward alternative fee arrangements will only intensify from here.

AFAs Require a Foundation Firms May Not Have

Here is where the data should give every COO pause. When asked how AI efficiency gains are currently being measured, the most common response by a wide margin was that firms are not formally documenting them at all. If firms cannot measure what AI is saving them internally, they cannot measure what it means for matter-level economics. And if they cannot measure that, they cannot price AFAs with any confidence. Pricing leakage already ranks as the third biggest constraint to profitable growth at 11.8%. That number will climb as AI compresses hours and the gap between what firms capture and what they could charge widens.

Pricing an AFA is a calculation requiring historical data on how attorneys spend their time, broken down by task, by phase, by matter complexity. The 2026 survey tracked Pricing as a direct COO responsibility for the first time, with 7.4% of respondents claiming it among their functional areas. Ownership of pricing strategy is only as useful as the data available to support it.

The Billable Hour Is Not Going Away. The Pricing Landscape Around It Is.

Hourly billing is familiar, auditable, and easy to administer. It will remain the default model for most matters at most firms for years to come. The question is not whether it survives. The question is whether it remains the only model on the table.

Firms that can respond to client pressure with data-backed flat fees, phased arrangements, or hybrid structures will win those conversations. The transition will happen matter type by matter type, relationship by relationship. And at every step, the firms that navigate it best will have the clearest picture of what their work actually costs.

That is the through line across every pricing model: data. Whether a firm bills by the hour, by the phase, or by the outcome, the ability to price confidently depends on the same foundation.

Automated timekeeping is not a billing tool. It is the data infrastructure for what comes next. The firms that have built it will have options. The ones that have not will be catching up at the worst possible time.

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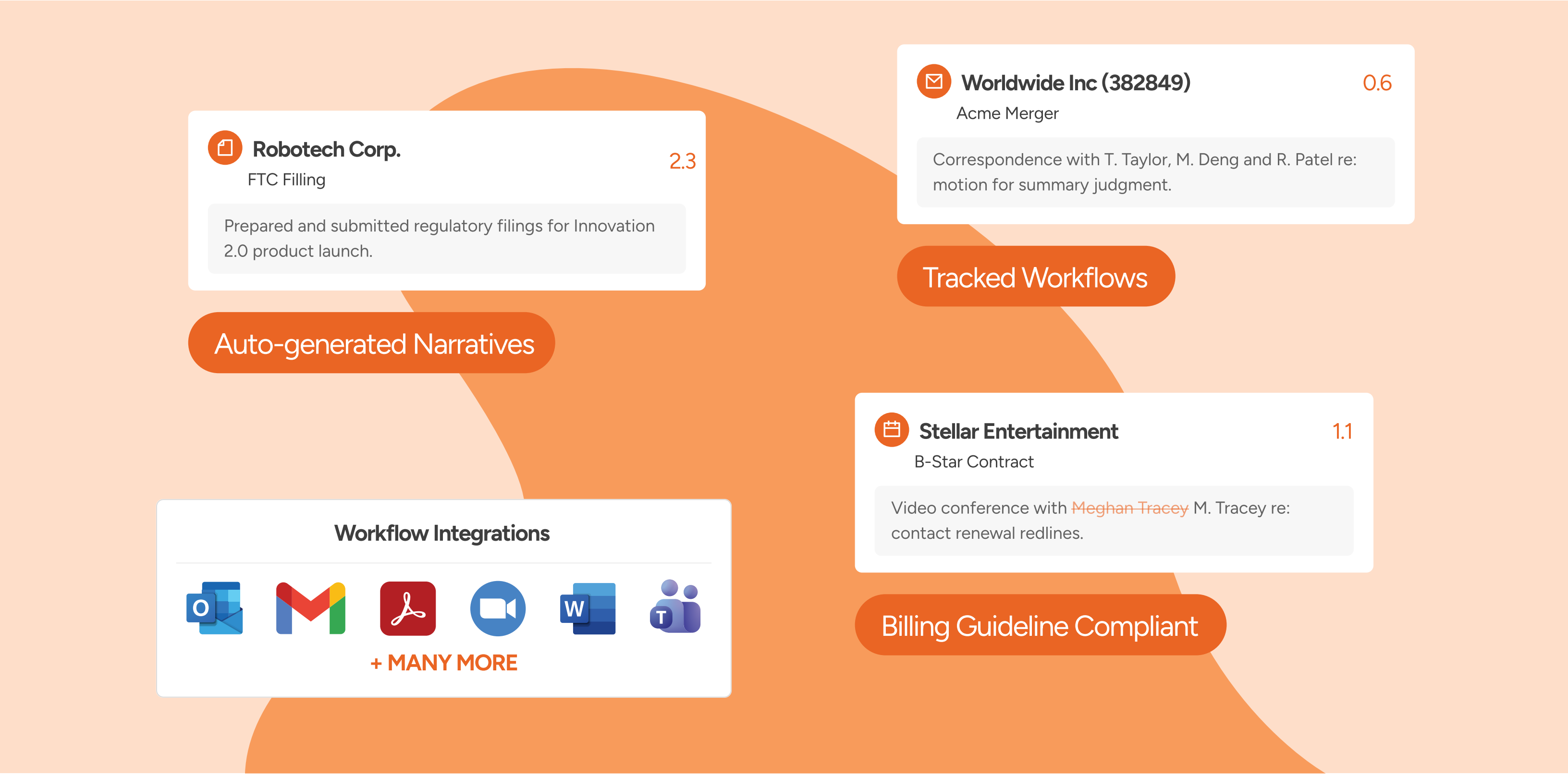

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The Bottom Line

The 2026 survey points to a job under pressure from several directions at once. Technology is now the top strategic initiative. Talent remains the top constraint on profitable growth. AI is being adopted, but governance and measurement are still catching up. COOs have more influence, but practice silos, partner incentives, and limits on authority still shape what can actually get done.

That is the 2026 COO story: The role has moved closer to the center of firm strategy, but the firm structure around it has not fully adjusted. The next stage will not be defined only by whether firms buy better technology or experiment more with AI. It will depend on whether firms give their COOs the mandate, data, and authority to turn those investments into better operations and profitable growth.

As Tullis of Beck Redden noted, “A COO’s success is not always easy to measure with numbers alone. So much of the role depends on judgment, trust, relationships, and the ability to navigate firm dynamics, which makes clear expectations and open communication especially important.”

Survey Methodology

The 2026 Blickstein Group Law Firm COO Survey was conducted with Rees Morrison of Savvy Surveys for Lawyers LLC. Launched in early April, it collected responses from more than 200 senior business executives at North American law firms through emailed invitations and follow-ups. Because respondents could skip questions, response counts vary by analysis.

Job titles were grouped as Chief, Director, Administrator, Manager, or Other. Compensation is self-reported, with total compensation defined as base salary plus the most recent fiscal year’s cash bonus. The report presents descriptive findings, including counts, percentages, medians, averages, quartiles, ranges, and comparisons by respondent and firm characteristics.

INSIDE THE NUMBERS

The COO's Span of Control Is Wide. Automation Has to Reduce Noise, Not Add More Systems

Rick Hellers
CEO
Scan Logic

According to this year's Blickstein Group Law Firm COO Survey, the median law firm COO manages six direct reports and 24.5 indirect reports. Finance accounts for 12.8% of direct-responsibility function selections, nearly tied with IT at 14.4 percent and HR/talent management at 14.6 percent. For all practical purposes, the COO owns the operational core of the firm across three domains simultaneously.

That is not a span of control most organizational charts were designed for. And it means that the people responsible for the most functions are also the ones fielding the most exceptions. A billing dispute lands on someone's desk because the system flagged it but couldn't resolve it. A vendor invoice sits in an approval queue because the workflow doesn't account for the edge case. A partner calls because a client's outside counsel guidelines require something the e-billing platform doesn't handle automatically. None of these are crises. But none of them are nothing, either. They accumulate.

The answer the market typically offers is another tool. New software, new dashboard, new integration. The pitch is usually framed as visibility or control. But visibility into a fragmented process is not the same as a simpler process. A COO who can now see twenty approval bottlenecks in real time has not yet solved a problem. She has a better view of the same one.

The more useful question is what automation can eliminate, not what it can track. Repetitive questions that should never reach a human. Billing exceptions that should be resolved at the point of submission, not escalated. Vendor invoices that should flow through approval and into the financial system without manual re-entry. The administrative noise that eats into the hours that should be spent on decisions that actually require judgment.

This is precisely the promise AI tools are making for lawyers: that by automating research, document review, and first-draft work, attorneys can spend more time on the analysis and counsel that only they can provide. The same logic applies to the COO's finance function. When routine transactions resolve themselves, the COO's attention goes where it belongs.

Law firm finance generates friction from both directions. On the revenue side: e-billing submissions that fall outside client guidelines, invoice disputes, and write-downs that require approval before a bill goes out. On the cost side: vendor invoices that don't match purchase orders, expense submissions that need verification, and AP workflows that stall because no one owns the edge case. The details differ, but the dynamic is the same. Manual processes create decision points that shouldn't require a decision-maker, and those decision points find their way to the people with the least time to handle them.

The right ask of finance automation is not more monitoring. It is fewer escalations. Software that resolves the problem at the source—that applies the guideline, routes the approval, captures the invoice, and posts the entry without waiting for human intervention—gives back something more valuable than a dashboard. It gives back the hours that were spent managing a process instead of running a firm.

When that works, the COO's job looks different. The span of control doesn't shrink, but the cognitive load that comes with it does. Strategy, talent, technology governance, partner alignment: Those are the problems that belong on the COO's desk. Vendor invoice exceptions do not.

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