



GENERATIVE AI'S GROWING STRATEGIC VALUE FOR CORPORATE LAW DEPARTMENTS

SURVEY RESULTS



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Introduction

In an era of accelerating technological change, generative AI (GenAI) is reshaping the legal landscape with unprecedented speed. This report, based on a survey of 657 in-house legal professionals across 30 countries, provides a comprehensive look at the current state of GenAI adoption within corporate legal departments. Our findings reveal a decisive shift from passive planning to active implementation, with the in-house legal community moving swiftly to integrate this technology into their daily work.

The past year has been a pivotal one for adoption, showing a dramatic acceleration in GenAI usage. In 2024, a notable portion of professionals were still in the planning or research phases. By 2025, the landscape has been transformed, with the number of in-house professionals actively using GenAI more than doubling from 23 percent to 52 percent. Those believing in the technology's transformational potential also doubled. This rapid shift has been fueled by a growing consensus on the technology's most immediate and tangible benefit: increased efficiency, which was cited by 91 percent of US respondents. The greatest efficiency gains are seen in text-heavy tasks like drafting and legal research, yet in-house teams are now looking beyond these initial "quick wins," anticipating greater efficiencies in strategic and high-volume document-intensive areas of practice, such as litigation and M&A.

The story of GenAI in legal is not just about internal workflows. It is also fundamentally altering the relationship between in-house teams and their outside counsel. While legal departments are embracing AI to become more self-sufficient—anticipating they can bring more high-value work in-house—a significant 59 percent of in-house professionals remain unaware of whether their law firms are using the technology on their legal matters. This transparency gap has resulted in a critical disconnect, as most clients have not yet seen tangible cost savings from their firms' use of GenAI. Nonetheless, the in-house community is now poised to push for change, with a rising percentage of professionals ready to use GenAI as a catalyst to move away from the traditional billable hour toward alternative pricing models.

This report unpacks these dynamics, offering valuable insights into how in-house counsel perceive GenAI's transformative potential and its immediate impact on legal workflows, vendor relationships, and the future of legal services. We extend our sincere gratitude to all survey participants for their valuable time, and we hope this report serves as a useful resource for the broader legal community.

Key Findings

01

GENAI ADOPTION MORE THAN DOUBLES IN A SINGLE YEAR

The past year saw a dramatic shift from passive planning and research to active implementation within in-house legal departments. In the US, the number of professionals already using GenAI more than doubled in one year, from 23 percent in 2024 to 52 percent in 2025. This rapid acceleration is a direct result of organizations lifting prohibitions on the technology, with the percentage of professionals citing a company policy against AI use plummeting from 29 percent to just 9 percent. However, the primary hurdle to adoption that remains is a lack of trust in GenAI's reliability.

02

91% OF LEGAL PROFESSIONALS REPORT EFFICIENCY AS GENAI'S TOP BENEFIT

Increased efficiency is overwhelmingly seen as GenAI's most tangible benefit, cited by 91 percent of US respondents and 92 percent globally. This consensus is universal across all company sizes and job roles. The primary areas where this efficiency is realized are drafting (73 percent of respondents) and legal research (53 percent). Supported by existing and expected efficiency gains, significant majorities of respondents see an opportunity to restructure their operations by bringing drafting and research — as well as parts of more strategic work, such as M&A and litigation — back in-house. However, the impact of GenAI varies by company size. While small companies rely heavily on GenAI for drafting (84 percent), larger companies find the most significant gains in communication and collaboration (61 percent), reflecting the increased benefits from streamlining of internal workflows in more complex organizations.

03

WITH GENAI, LEGAL TEAMS AIM TO BRING WORK IN-HOUSE FOR COST SAVINGS

In-house legal teams are not only using GenAI for small efficiency gains, they are leveraging it as a strategic tool to increase their self-sufficiency, bring work in-house, and reduce costs. Nearly two-thirds of respondents (64 percent) expect to rely less on law firms. While an overwhelming majority believe GenAI will help reduce costs for contract drafting within the next three years (82 percent), nearly half also anticipate savings in higher value work with repeatable, labor-intensive tasks, including regulatory/compliance and general legal counsel (46 percent each), litigation (45 percent), and M&A (42 percent).

04

LEGAL TEAMS ARE NOT YET SEEING COST SAVINGS FROM OUTSIDE COUNSEL

Despite the rapid adoption of GenAI within in-house departments, a significant disconnect remains with outside counsel. A large majority of in-house legal professionals (59 percent) are unaware of whether their law firms are using GenAI on their legal matters. This lack of transparency is compounded by a passive stance from clients, as 80 percent are not yet requiring or encouraging law firms to use the technology. This creates a missed opportunity for collaboration and, crucially, means that in-house teams are not yet seeing tangible cost savings from their firms' use of AI, with 59 percent reporting no noticeable savings.

05

24% OF LEGAL PROFESSIONALS WILL “VERY LIKELY” PUSH FOR A CHANGE TO THE BILLABLE HOUR BECAUSE OF GENAI

Although clients are not yet seeing savings from their law firms' use of GenAI, a significant majority of in-house professionals (61 percent) are very likely or somewhat likely to push for a change in how legal services are priced in the future. Nearly half of respondents (49 percent) believe that client demand will be the primary driver of this transformation. This forward-looking stance, combined with a strong expectation for an increase in value-based billing models (43 percent) and a diversification of alternative fee arrangements (40 percent), signals that the widespread adoption of AI may ultimately force a fundamental reevaluation of the traditional billable hour.



SECTION 1

Current Generative AI Usage

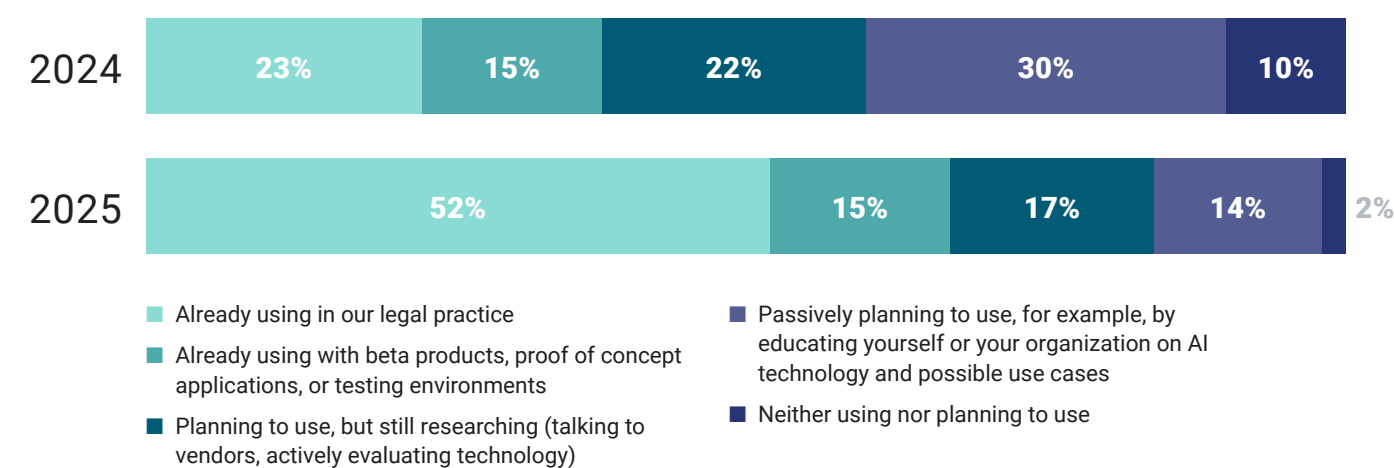
Global Adoption of Generative AI in In-house Legal Practice Accelerates

When survey respondents were asked whether they are currently using or planning to use GenAI in their legal work, the results showed a clear and significant shift in GenAI adoption year-over-year in the US. The 2024 data showed that adoption was in its early stages, with a combined 38 percent of respondents “already using in our legal practice” or “already using with beta products, proof of concept applications, or testing environments.” The majority last year (52 percent) were either “planning to use, but still researching” or “passively planning to use” GenAI, and a notable 10 percent were “neither using nor planning to use.”

By 2025, the landscape had dramatically changed, with a rapid move from consideration to active implementation. The percentage of in-house legal professionals using GenAI in their legal work more than doubled to 52 percent, a substantial increase from 23 percent one year earlier. Correspondingly, the “planning to use, but still researching” category decreased to 17 percent from 22 percent, while the “passively planning to use” segment saw a sharp drop to 14 percent from 30 percent.

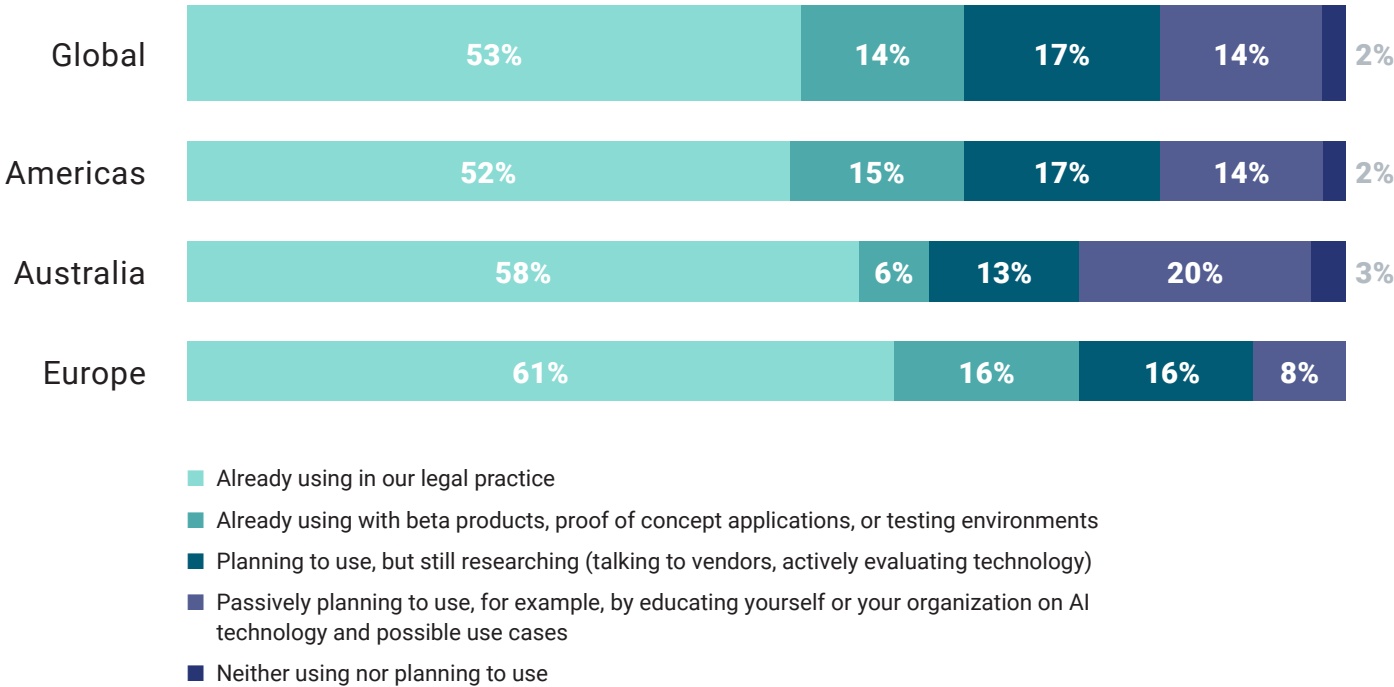
The most striking change, however, is the drastic reduction of the non-adopter group, with only two percent now saying they are “neither using nor planning to use” GenAI, down from 10 percent. These results illustrate a strong trend of accelerating adoption of GenAI within the legal profession, with a clear majority of professionals having moved beyond the exploration phase and into practical application within a single year.

Are you currently using or planning to use generative AI in your legal work?



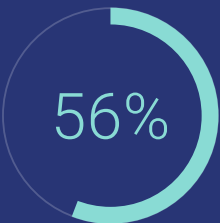
Note: Only US respondents are included in the year-over-year comparison.

In 2025, 53 percent of legal professionals are already using GenAI in their practice, though adoption varies across regions. The Americas are slightly behind the global average, with 52 percent of respondents already using the technology, closely aligning with the global trend. In contrast, Europe shows the highest rate of active use, with 61 percent of legal professionals already incorporating GenAI into their work. This is the only region where the combined percentage of “already using” and “already using with beta products” (77 percent) exceeds the global average (67 percent). Australia’s usage is relatively lower, with 58 percent already using the technology, but 20 percent saying that they are only passively planning to use.

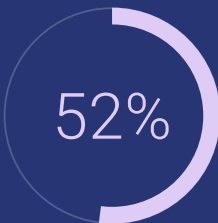


FIFTY-SIX PERCENT OF CLOs ARE ALREADY USING GENERATIVE AI IN THEIR LEGAL PRACTICE

A majority across in-house roles are already using GenAI in their legal work, with chief legal officers (CLOs) using it in slightly larger numbers than other in-house counsel and legal operations professionals.



CLO/GC



In-house Counsel (non-GC)

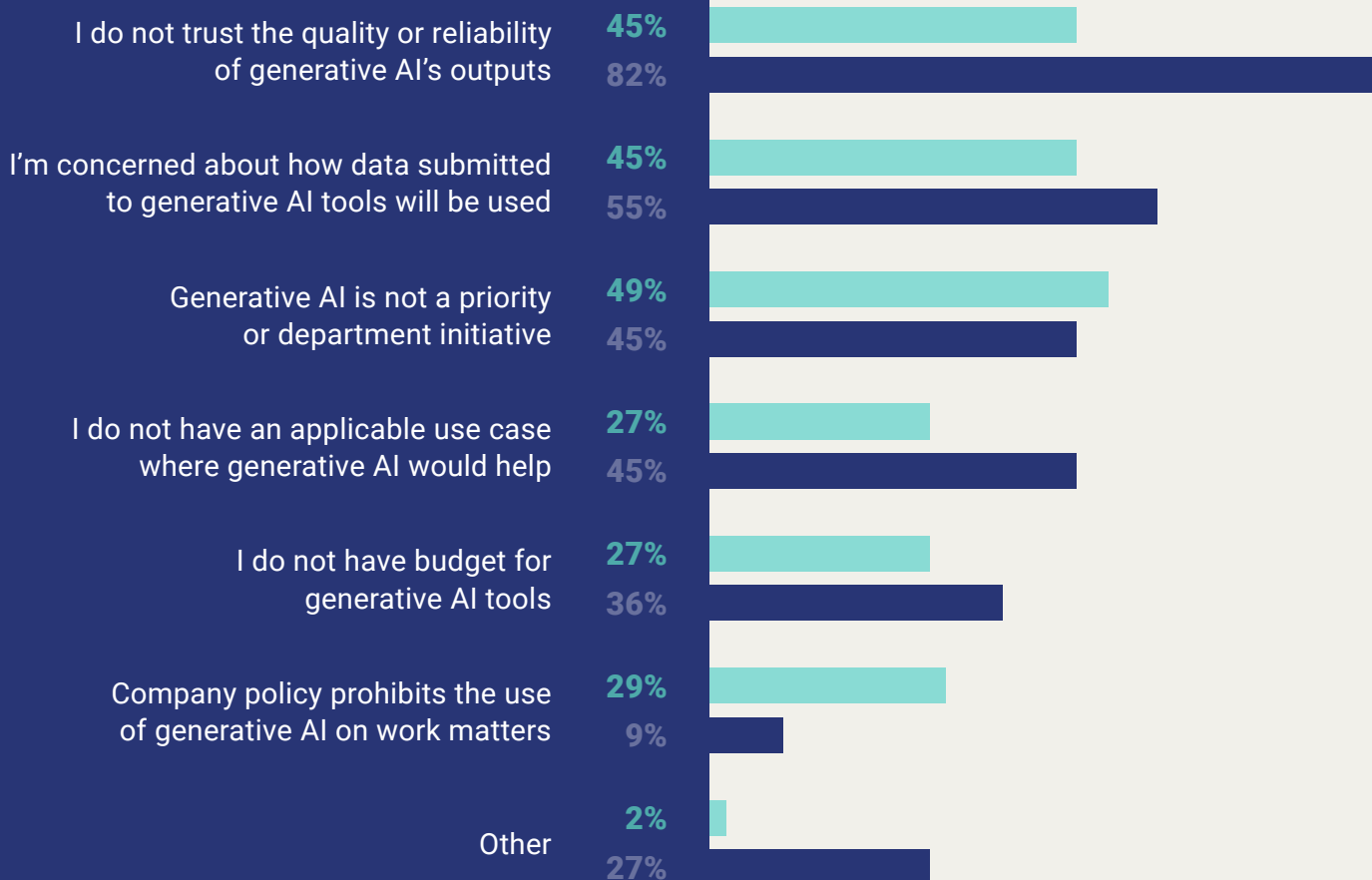


Legal Ops

If you are not using or planning to use generative AI in your legal work, what influenced your decision? Select all that apply.

■ 2024
■ 2025

Note: Only US respondents are included in the year-over-year comparison.



Among those who are not using or planning to use GenAI in their legal work, the most significant concern in the 2024-2025 period is a lack of trust in the quality or reliability of GenAI's outputs. This fear intensified markedly, jumping from 45 percent of respondents in 2024 to an overwhelming 82 percent in 2025. This indicates that as awareness of GenAI technology has grown, concerns about its accuracy and dependability have increased as well. Despite these concerns, companies are rapidly removing barriers to adoption. The percentage of professionals citing a company policy prohibiting GenAI use plummeted from 29 percent in 2024 to just nine percent in 2025, suggesting that as more legal departments move toward adoption, organizational prohibitions are being revised or removed.

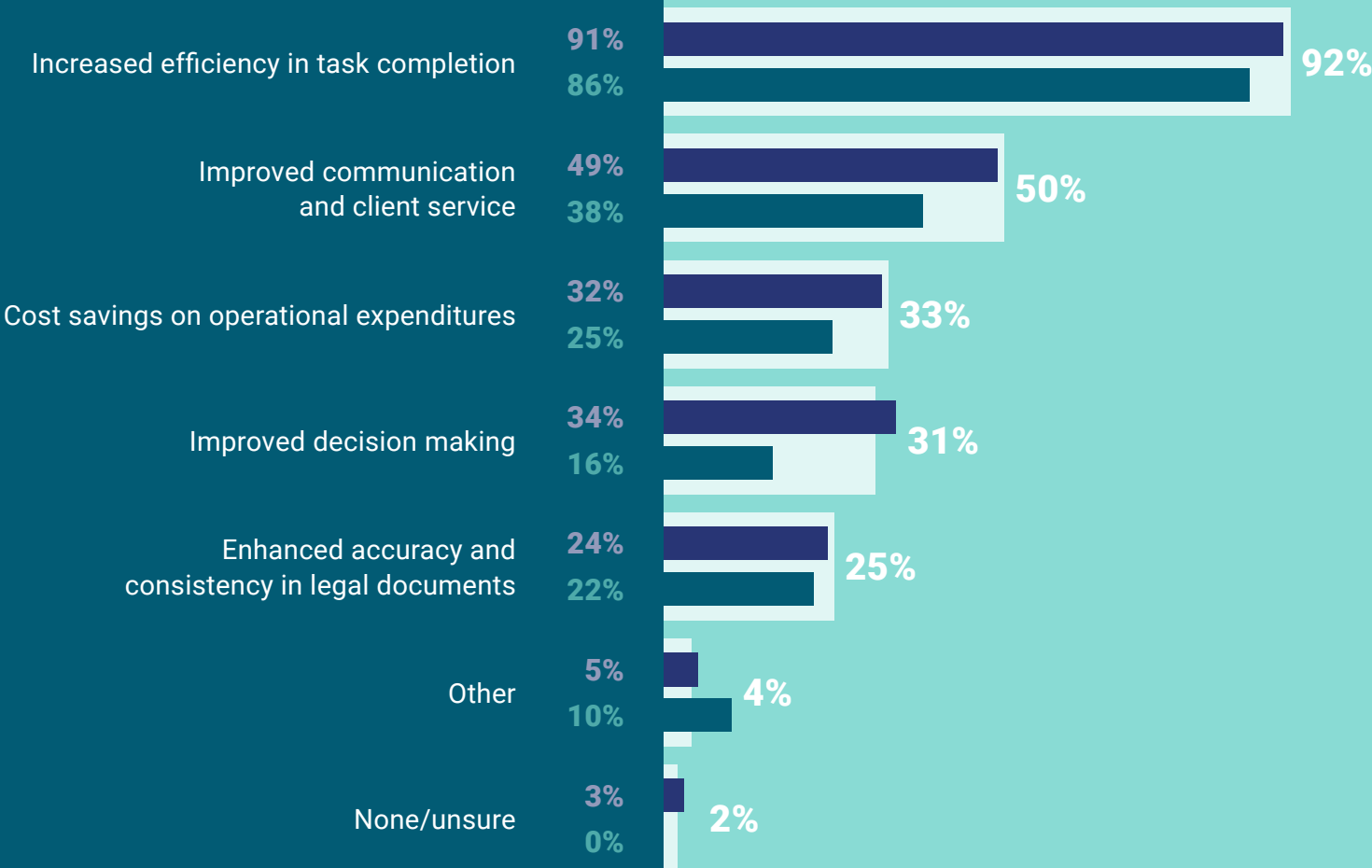
THE MOST
SIGNIFICANT
CONCERN IN THE
2024-2025 PERIOD
IS A LACK OF TRUST
IN THE QUALITY
OR RELIABILITY OF
GENAI'S OUTPUTS

Increased Efficiency Overwhelmingly Perceived as Generative AI's Most Tangible Benefit

The following chart compares the 2024 and 2025 results for US respondents with the 2025 global results and reveals that “increased efficiency in task completion” is the most significant and consistent benefit of using GenAI in corporate legal work. A remarkable 91 percent of US respondents in 2025 and 92 percent globally cited this benefit, a slight increase from 86 percent in the US in 2024. This overwhelming consensus highlights that GenAI’s primary value proposition is its ability to streamline routine legal tasks, freeing up professionals for higher-value work. Other benefits, while not as highly ranked, also saw notable increases. For example, “cost savings on operational expenditures” increased in importance for US respondents, rising from 25 percent in 2024 to 32 percent in 2025. This suggests that as the technology matures, its financial benefits are becoming more apparent.

What benefits has generative AI added to your legal work? Select all that apply.

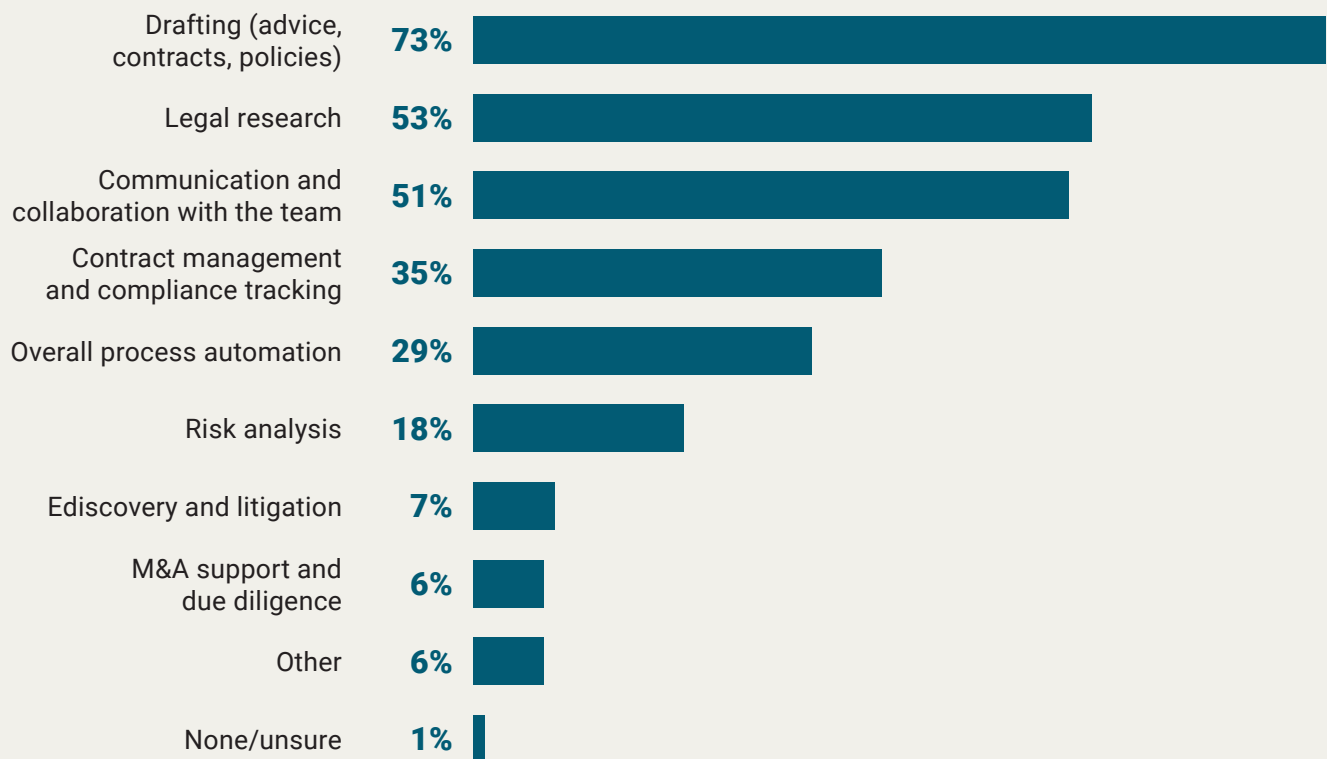
■ 2024 US ■ 2025 US ■ 2025 Global



GenAI Gives Legal Professionals an Edge in Research, Writing, and Collaboration

When asked which specific types of legal work have benefited most from GenAI, respondents who are already using the technology cited drafting as the clear leader, with 73 percent of respondents identifying it. Legal research followed at 53 percent, and communication and collaboration ranked a close third at 51 percent. Beyond these top three areas, GenAI is being used to a lesser extent for other tasks, as listed in the chart. The data suggests that while GenAI is being used across a range of tasks, its primary and most widespread impact is on text-heavy, content-creation work and foundational research.

What areas of your legal operations have benefited most from generative AI in terms of efficiency? Select all that apply.



The results reveal interesting variations across company revenue sizes. The benefit of using GenAI for drafting is most pronounced in smaller companies, where 84 percent of respondents see efficiency gains. This percentage decreases as company size increases, dropping to 75 percent among those in companies between \$1B and \$10B in revenue, and to 60 percent for the largest companies (\$10B or more). Smaller legal departments may rely more heavily on GenAI for drafting tasks, potentially because they have fewer resources or are earlier adopters of new technology to fill resource gaps.

For legal research, the results are more consistent across company sizes, with a slight decrease as revenue increases. Fifty-seven percent of respondents in small companies with less than \$1B in revenue cited this as a benefit, compared to 54 percent and 48 percent for the larger revenue brackets. AI-powered research tools could offer a valuable efficiency boost regardless of an organization's size.

The most notable shift by revenue size is in “communication and collaboration with the team.” While this is the least cited benefit among the top three for smaller companies (42 percent), it becomes the most cited benefit for the largest companies (61 percent), surpassing drafting. This indicates that in larger, more complex organizations, the greatest efficiency gains from GenAI are found in streamlining internal communication and teamwork, likely due to the need to manage vast amounts of information and coordinate across many teams and jurisdictions.

TOP 3 BY COMPANY REVENUE



ADOPTION

One of the key leaders driving adoption has been our chief legal officer, alongside other senior leaders. When the legal department embraces new technology, it not only signals its importance but also helps accelerate adoption across the entire company.

SHEMA MBYIRUKIRA, VICE PRESIDENT AND DEPUTY GENERAL COUNSEL OF INFORMATION TECHNOLOGY AND ARTIFICIAL INTELLIGENCE, VERIZON





SECTION 2

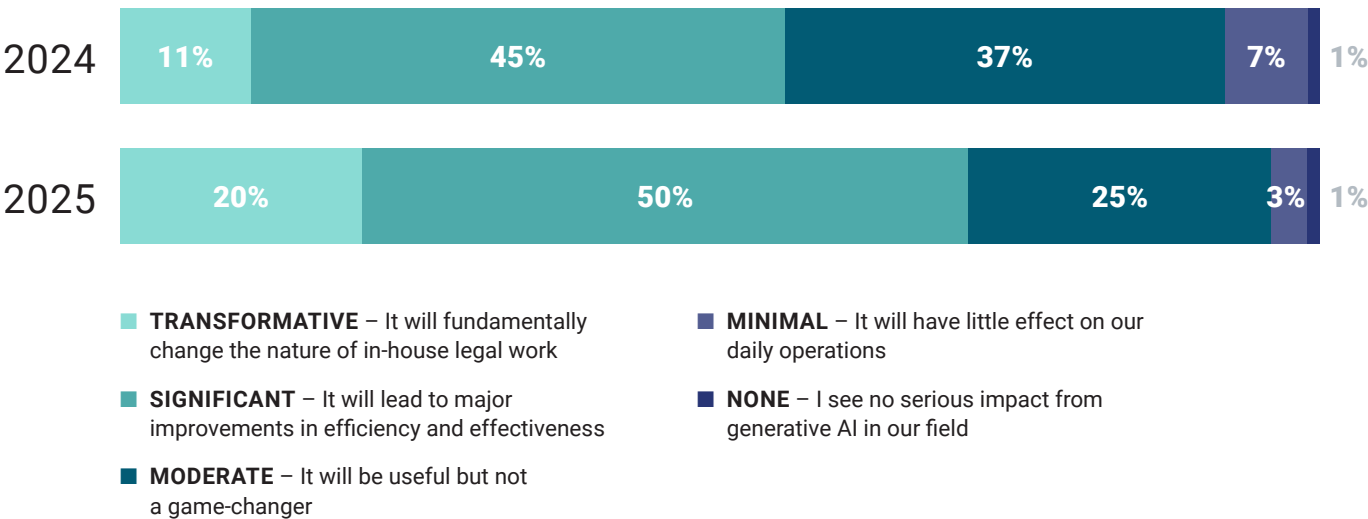
Anticipated Impact of Generative AI

From “Moderate” to “Transformative”: Enthusiasm About AI’s Impact Increases as Adoption Accelerates

Respondents’ perceptions about the impact of GenAI on in-house legal teams have evolved significantly from 2024 to 2025. Year-on-year comparisons for US professionals show a growing optimism, with the belief that GenAI will have a “transformative” impact nearly doubling from 11 percent to 20 percent. This upward shift suggests that as professionals gain hands-on experience, their perception of the technology’s potential for fundamental change is growing.

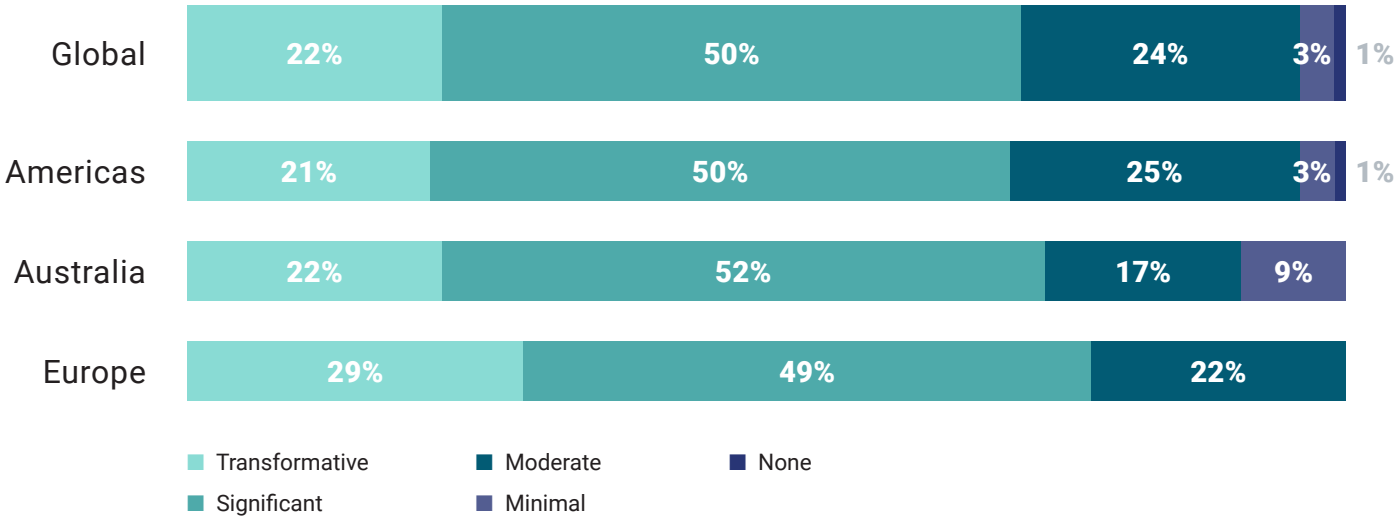
The percentage of respondents who anticipated only a “moderate” impact also dropped substantially from 37 percent to 25 percent. Similarly, the number of respondents who anticipate a “minimal” impact has dropped, reinforcing the trend toward a greater belief in GenAI’s decisive influence on legal teams in the near future.

What level of impact do you anticipate generative AI having on in-house legal teams?



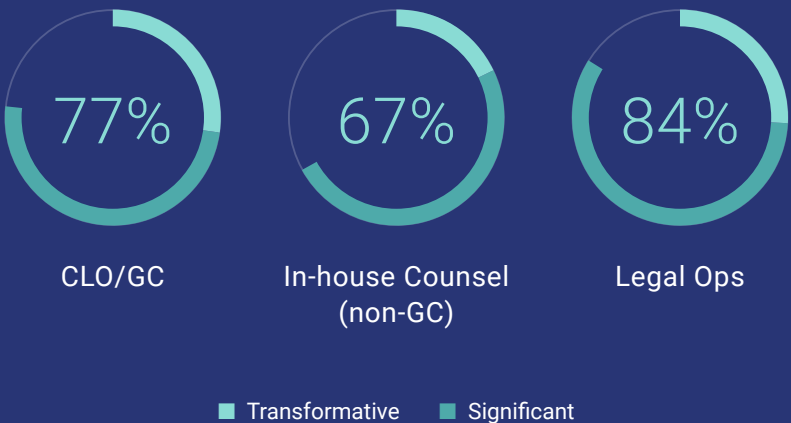
Note: Only US respondents are included in the year-over-year comparison.

Globally, a combined 72 percent of respondents anticipate a “significant” or “transformative” impact. This sentiment is highly consistent across the Americas and Europe, where 71 percent and 78 percent respectively hold this view. However, there are some regional nuances. Europe, which showed the highest rate of active AI use in a previous chart, also has the highest percentage of professionals who anticipate a “transformative” impact (29 percent). Australia, in contrast, shows a higher proportion of respondents who anticipate “minimal” impact at nine percent compared to three percent in the Americas and Europe. While the overall trend leans toward a strong belief in AI’s positive influence, there are regional differences in the pace of adoption and the corresponding level of anticipation for its long-term effects.



LEGAL OPERATIONS PROFESSIONALS ANTICIPATE THE GREATEST IMPACT FROM GENAI

When the results were examined across job roles, all positions were optimistic, with a majority expecting a “transformative” or “significant effect. Legal operations professionals, however, were the most bullish on GenAI’s potential, with 84 percent believing its impact will be transformative or significant. This view highlights the legal operations role as a key driver and advocate for GenAI’s integration.



In-house Legal Professionals' Positive Outlook on Generative AI's Impact Grows Stronger

From 2024 to 2025, in-house legal professionals in the U.S. grew more confident about GenAI's positive impact. Expectations for "streamlining and accelerating standard processes" — the top anticipated benefit — rose from 82 percent to 87 percent. Similarly, confidence in a "reduced reliance on outside providers" increased from 58 percent to 64 percent. This trend suggests that as legal professionals gain experience with GenAI, their confidence in their ability to handle day-to-day work in-house and reduce external costs is growing.

While positive expectations are on the rise, concerns about misuse persist. The top concern, the "risk of non-lawyers relying on GenAI for legal guidance or decision making," remained prominent, decreasing only slightly from 73 percent in 2024 to 70 percent in 2025 (but highest at 83 percent in Australia). Another significant worry, "misalignment or errors due to GenAI misunderstanding legal contexts," decreased markedly from 2024 to 2025, but remained a relatively important concern among US professionals with 44 percent (less so in Europe, with just 31 percent). Although being the least selected impact overall (28 percent), the "loss of jobs or reduction in roles due to automation" has seen a five-point increase compared to last year.

Overall, the findings show a profession that is increasingly comfortable with GenAI's potential to improve efficiency and reduce costs while becoming more vigilant about the risks associated with its misuse, particularly concerning the quality of outputs and who is using the technology. The data hints at regional variations, with professionals in Australia being perhaps a little more skeptical than those based in Europe.

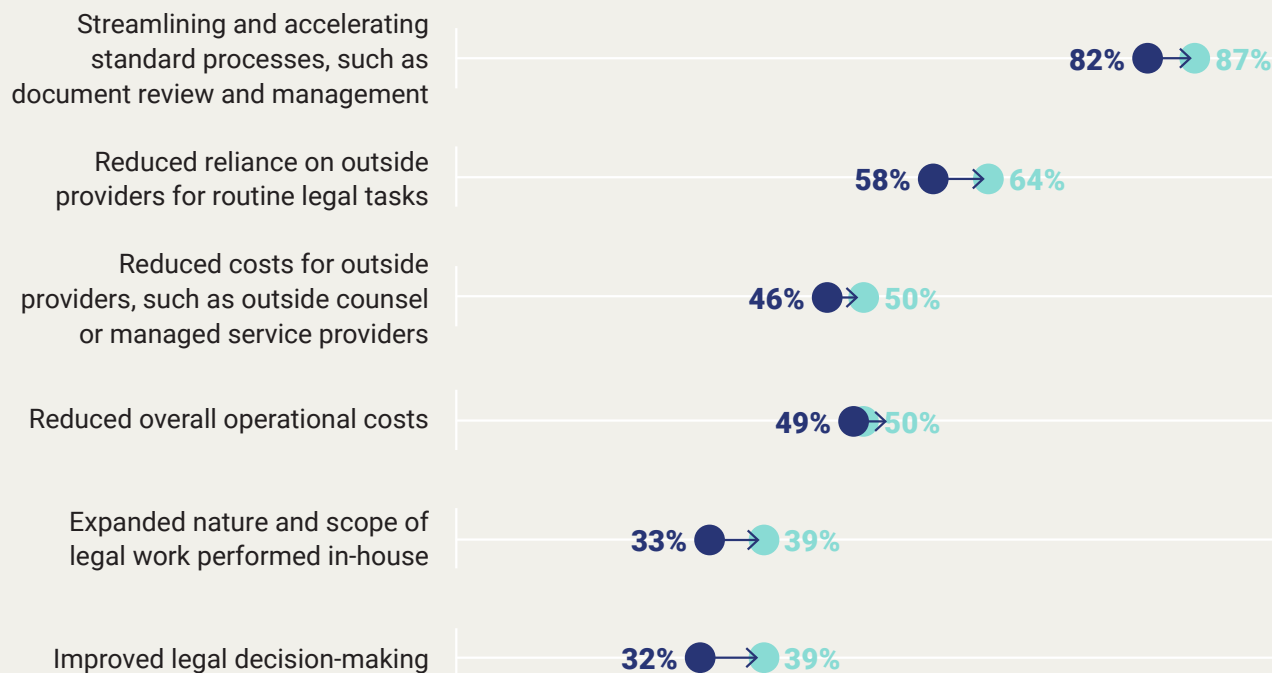


Which of the following potential impacts do you expect generative AI to have on in-house legal work?
Select all that apply.

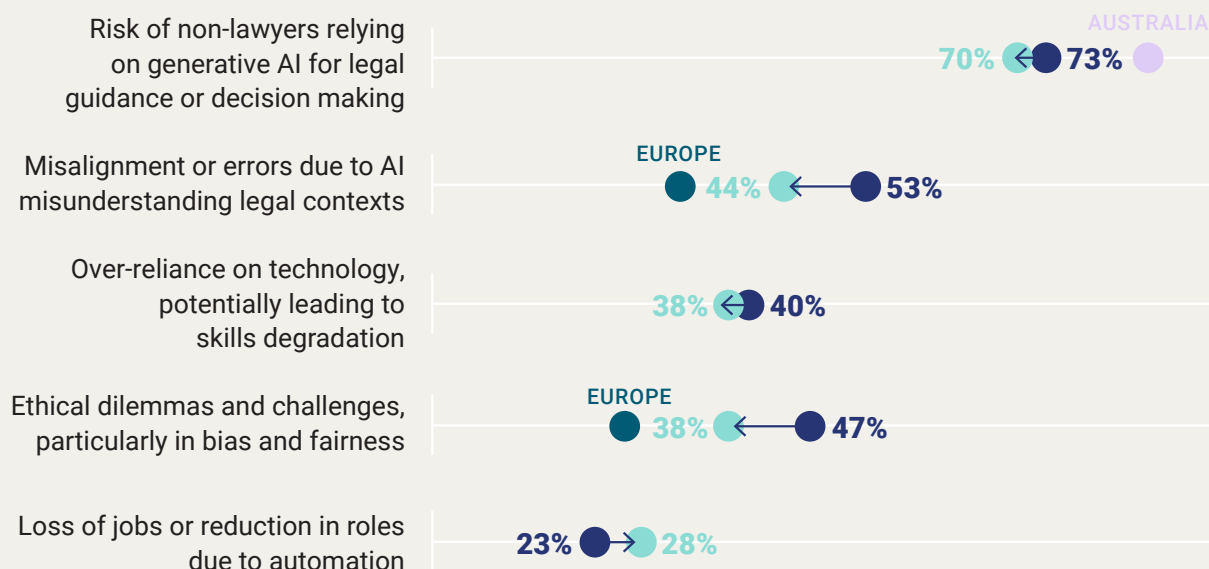
2024 2025



POSITIVE IMPACT



NEGATIVE IMPACT



Generative AI Enhances the Opportunity to Bring More Legal Work In-house

The following chart compares the current efficiency gains from GenAI with perceived opportunities to bring additional work in-house. While drafting remains the top area in both categories, a much larger gap exists in other areas, indicating that legal professionals believe GenAI can help them perform tasks with less need to outsource.

The most dramatic difference is in “contract management and compliance tracking.” Only 35 percent of respondents cited this as an area already benefitting from efficiency gains, yet a striking 71 percent see a major opportunity to handle more of this work in-house. This 36 percentage-point gap—the largest observed—suggests that while GenAI’s efficiency benefits are still nascent in this area, professionals see its future potential as transformative. Similarly, “overall process automation” shows a significant gap, with 29 percent citing current efficiency benefits but 55 percent seeing an opportunity for GenAI to improve work done in-house.

These findings highlight a clear trend: legal professionals are not only using GenAI for quick wins in drafting and research, but are also anticipating its use as a strategic tool to fundamentally restructure their operations, reduce reliance on external providers, and bring more complex, process-heavy work back in-house. This is further evidenced by the smaller, but still meaningful, gaps in areas like “ediscovery and litigation” (seven percent current efficiency vs. 29 percent opportunity) and “M&A support and due diligence” (six percent vs. 29 percent), which are traditionally outsourced. The results point to a future where in-house legal teams can use GenAI to become more self-sufficient and strategic by bringing high-value, previously outsourced work under their direct control.

What type of legal work do you see the greatest opportunity to handle more in-house with help of generative AI tools instead of outsourcing to law firms? Select all that apply.

■ Types of legal work with the greatest opportunity to handle more in-house with the help of generative AI tools

■ Areas that have benefited the most in terms of efficiency





SECTION 3

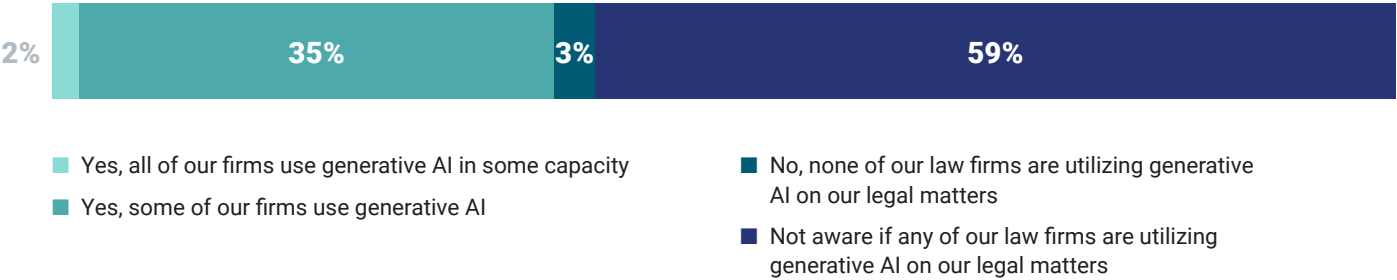
Generative AI & Outside Counsel Engagement

In-house Teams Are Unaware of Law Firms' Generative AI Use

A significant survey finding reveals a widespread lack of awareness among in-house legal professionals about their law firms' use of GenAI. Fifty-nine percent of respondents said they were not aware whether their outside counsel was using the technology on their legal matters. While a combined 37 percent of respondents believe at least some or all of their firms are using GenAI, the vast majority are in the dark.

This lack of transparency suggests a potential disconnect. As law firms adopt GenAI, they are not explicitly communicating it to their clients, which presents a missed opportunity for both sides to collaborate and maximize the benefits of the technology.

Are any of your law firms currently utilizing generative AI in their work on legal matters for your organization?



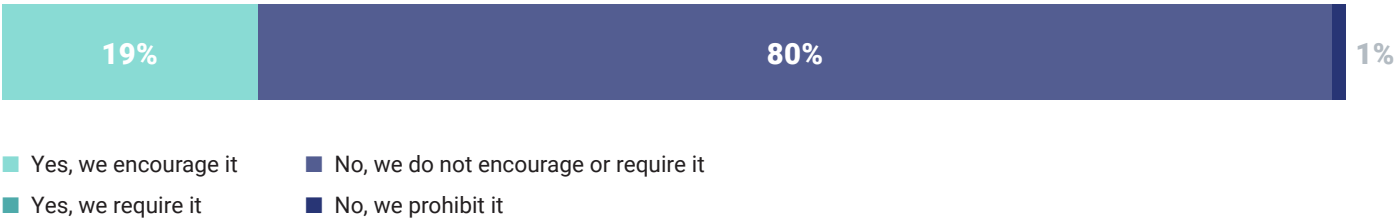
48% of participants in large corporate legal departments say that at least some of their law firms are using GenAI on their legal matters compared to just **29%** of participants in small companies and **41%** in mid-size companies

In-house Counsel Are Not Yet Requiring Generative AI, Creating an Opportunity for Law Firms

In addition to this widespread lack of awareness, the data shows that in-house legal departments are not actively pushing for GenAI adoption by their outside counsel. A large majority of respondents (80 percent) reported that their department is neither encouraging nor requiring law firms to use the technology.

This passive stance presents a significant opportunity for law firms. Only a small fraction of departments actively encourage GenAI's use (20 percent), and almost none prohibit it (1 percent). This dynamic suggests that while clients are not yet demanding the use of GenAI, they may be open to it. Law firms that take the initiative to discuss their GenAI capabilities and demonstrate its value would gain a competitive advantage.

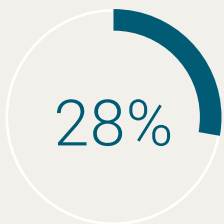
Does your organization encourage or require outside counsel to use generative AI?



LARGE COMPANIES
ENCOURAGE LAW FIRMS
TO USE GENERATIVE
AI ALMOST TWICE AS
MUCH AS SMALLER
ORGANIZATIONS



Less than \$1B



\$10B or more

Overall, the data shows that in-house counsel primarily use informal communications to encourage outside counsel to use GenAI on their legal matters. This method accounts for a significant 65 percent of all responses, far exceeding the use of formal channels like outside counsel guidelines (22 percent) or the procurement/RFP process (12 percent).

However, a closer look at the data by company revenue reveals a clear trend toward formalization as company size increases. For companies with less than \$10 billion in revenue, informal communication is the overwhelming norm, representing 81 percent. The use of official guidelines is minimal for companies under \$1B in revenue (3 percent) but jumps to 16 percent for those in the \$1B–\$10B range.

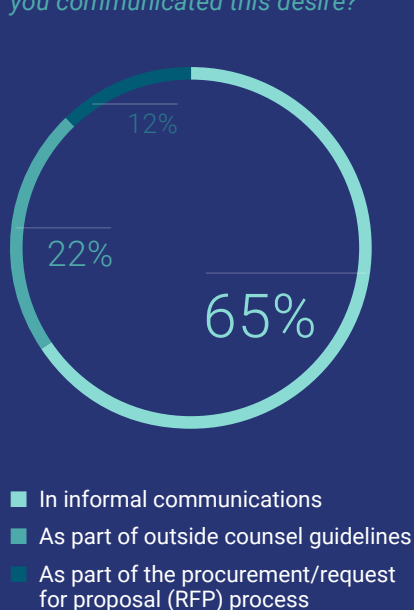
The most significant shift occurs among companies with \$10B or more in revenue. While informal communication is still the leading method, its share drops to 43 percent. In its place, the use of outside counsel guidelines rises to 39 percent, showing that larger organizations are formalizing their expectations. This indicates a move from a casual suggestion to an integrated part of their official legal strategy, suggesting a more mature approach to leveraging GenAI in legal matters.



One thing every general counsel says about their outside counsel is they want greater value. Generative AI — used responsibly and always with a human in the loop — will allow law firms to deliver services faster, smarter, and within clients' ever-tighter budgets.

GLORIA LEE, CHIEF LEGAL OFFICER, EVERLAW

If your organization encourages or requires outside counsel to use generative AI in legal work, how have you communicated this desire?



COMPANY REVENUE



In-house Legal Departments Are the Primary Drivers of Generative AI Adoption

The data also reveals that the adoption of GenAI in legal matters is overwhelmingly driven by in-house legal departments, with 58 percent of respondents stating this is the primary driver. This suggests that corporate legal teams are taking a proactive role in integrating new technologies into their operations and setting the agenda for their legal matters. This trend is even more pronounced in Europe, where a significant 70 percent of participants report that in-house departments are taking the lead on adoption.

A substantial portion of survey respondents, 21 percent, indicates that neither party is currently driving the use of GenAI, highlighting that for one-fifth of participants, consistent adoption has not yet become a focus for either in-house teams or outside counsel.

The data also shows that a collaborative approach on this issue between in-house and outside counsel is rare, accounting for only 3 percent of responses, highlighting the substantial disconnect observed above. The number of instances where the use of GenAI is primarily driven by outside counsel is negligible, at just one percent, which underscores the fact that, at present, law firms are not the primary catalysts for their clients' adoption of GenAI. By company revenue, while small and mid-size companies are slightly more likely to have their in-house departments primarily driving the use of GenAI (61 percent and 63 percent, respectively), the lower rates for large companies (55 percent) may be due to greater exposure to law firms that already use GenAI, sharing the initiative on wider adoption.

To what extent is the adoption and use of generative AI in your legal matters driven by your in-house legal department versus your outside counsel?

58%

Primarily driven by our in-house legal department

70%

Europe

21%

Currently, neither party is actively driving the use of generative AI

10%

Varies significantly depending on the legal matter or outside counsel

3%

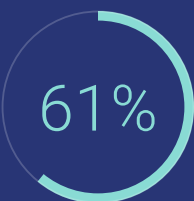
A collaborative effort between our in-house legal department and our outside counsel

1%

Primarily driven by our outside counsel

7%

Not applicable, we do not currently use generative AI in legal matters



Less than \$1B



\$1B to <\$10B



\$10B or more

Legal departments in small and mid-size companies are more likely to drive generative AI adoption in legal matters



SECTION 4

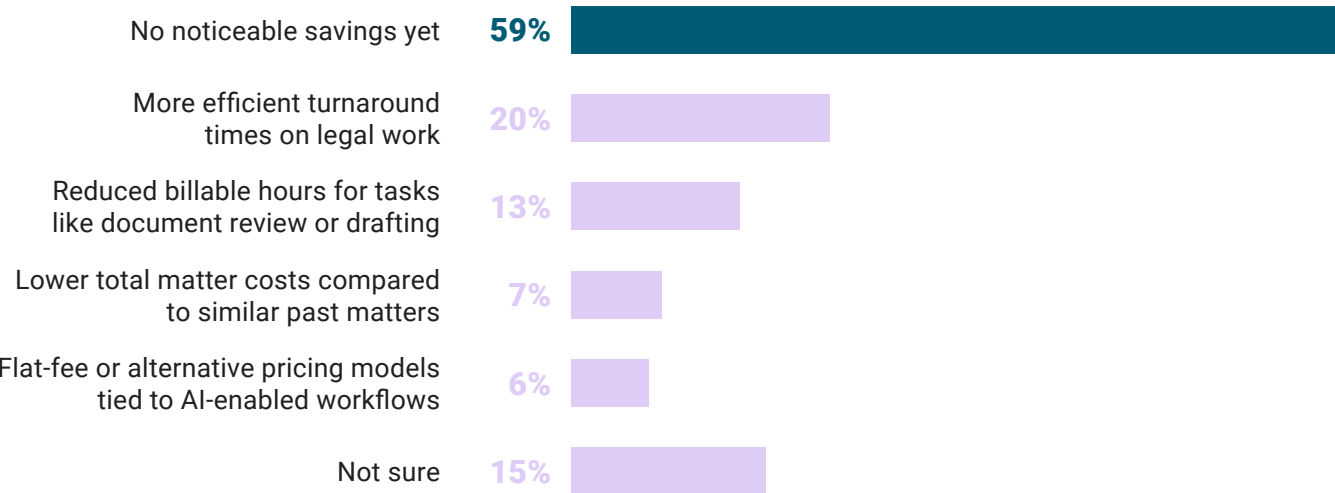
Cost Savings & Satisfaction with Outside Counsel Generative AI Use

In-house Teams Not Yet Seeing Cost Savings from Outside Counsel's Use of Generative AI

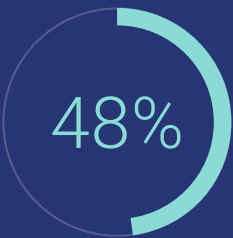
Most in-house legal departments have not yet seen tangible savings from their outside counsel's use of GenAI. A significant 59 percent of respondents reported "no noticeable savings yet." Among those who have seen a positive impact, the most common savings are related to efficiency gains rather than direct cost reductions. Twenty percent of respondents cited "more efficient turnaround times on legal work," while 13 percent noted a reduction in billable hours for specific tasks like document review or drafting.

Direct financial savings were much less common, with only seven percent reporting lower total matter costs and just six percent mentioning alternative pricing models tied to GenAI-enabled workflows. These results suggest that while GenAI is beginning to streamline certain legal processes, its cost-saving benefits have not yet been widely realized or directly passed on to clients.

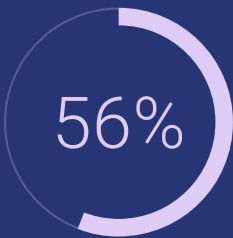
What type of savings, if any, has your legal team already seen on outside counsel services due to their use of generative AI? Select all that apply.



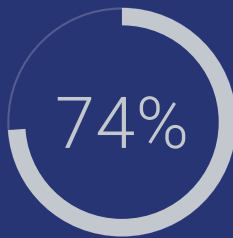
Participants in Europe are less likely to say they have not yet noticed generative AI-driven savings from outside counsel services



Europe



Americas



Australia

In-house Legal Professionals Pinpoint Key Obstacles to Realizing Generative AI's Cost-Saving Potential

Survey participants attribute the lack of noticeable savings from outside counsel's use of GenAI to a combination of factors, based on the responses from those who have not noticed any tangible savings yet. The most prevalent reason, cited by 63 percent of respondents, is the belief that it is simply too early in the adoption cycle for cost reductions to have materialized. This suggests a recognition that GenAI integration is a long-term process and that its financial benefits will emerge over time.

However, a very close second reason points to a more fundamental issue: 58 percent of professionals believe that law firms have not adjusted their pricing models to reflect the efficiencies gained from GenAI. This highlights a critical disconnect between the potential for increased productivity and how that value is being passed on to the client.

Furthermore, nearly half of respondents (48 percent) attribute the lack of savings to the fact that GenAI still requires considerable human oversight, which limits the ability to reduce costs. This indicates that current tools are not yet autonomous enough to truly streamline workflows without a lawyer's review. Additionally, 43 percent of respondents feel that clients themselves are not yet pushing for GenAI-related pricing adjustments, suggesting that the impetus for change has not yet become a consistent demand from corporate legal departments.

If you have not seen savings passed on from outside counsel yet, what reasons do you attribute this to? Select all that apply.

63%

It is too early – cost reductions will take time to materialize

58%

Law firms have not adjusted pricing models to reflect AI-enabled efficiencies

48%

The use of AI still requires significant human oversight, limiting cost savings

43%

Clients have not yet pushed for AI-related pricing adjustments

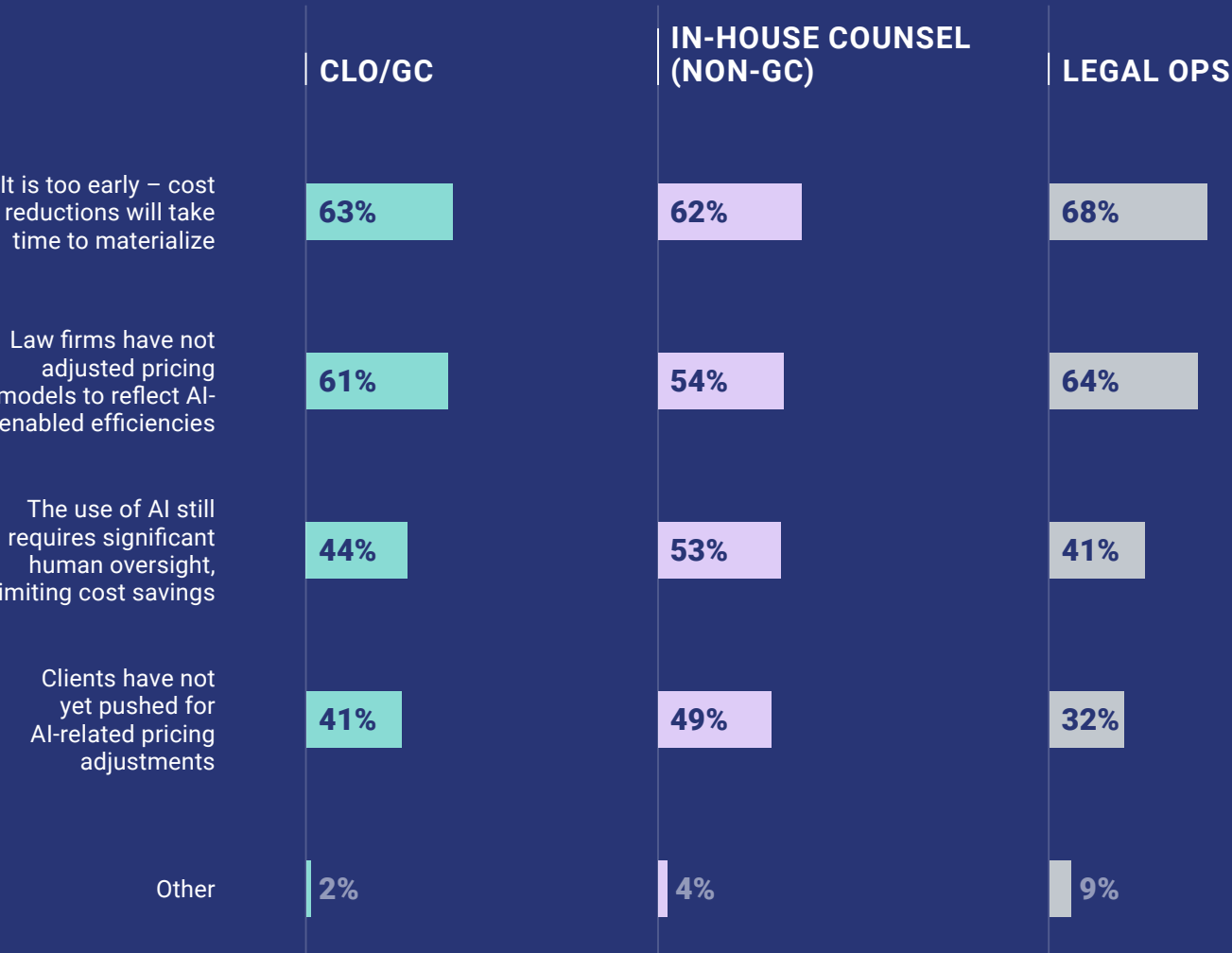
4%

Other

Breaking down the results by department role reveals a clear consensus: The top two reasons for not seeing savings from outside counsel's use of GenAI are that it's "too early" and that "law firms have not adjusted pricing models."

However, key differences in perspective are likely driven by each role's responsibilities. Legal operations professionals, who are most focused on efficiency and cost management, are most likely to cite these top two reasons in larger numbers, with 68 percent feeling it is too early and 64 percent pointing to unchanged pricing models.

In-house counsel other than CLOs have a slightly different perspective, showing greater concern with the technology's limitations. At 53 percent, they are the most likely to attribute the lack of savings to the fact that GenAI still requires significant human oversight. This indicates they may have a more hands-on view of the challenges of implementing GenAI. Interestingly, while nearly half of in-house counsel (49 percent) and four-in-ten CLOs (41 percent) feel clients have not yet pushed for pricing adjustments, a notably smaller percentage of legal ops professionals (32 percent) concur, suggesting they may already be initiating these critical discussions.

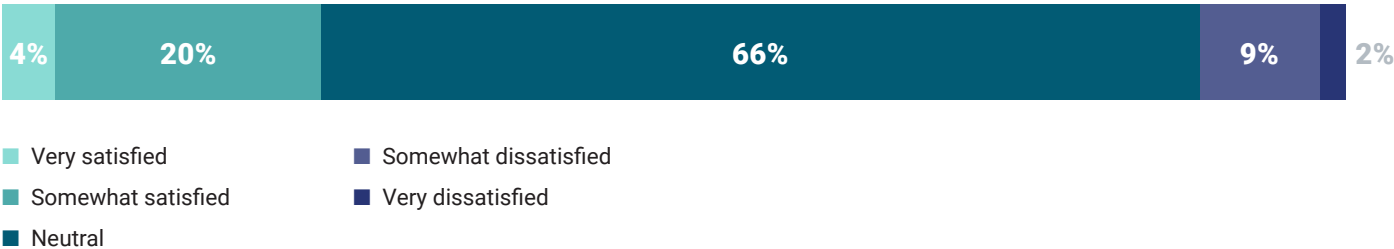


In-house Legal Departments Await Tangible Value from AI-Enabled Outside Legal Services

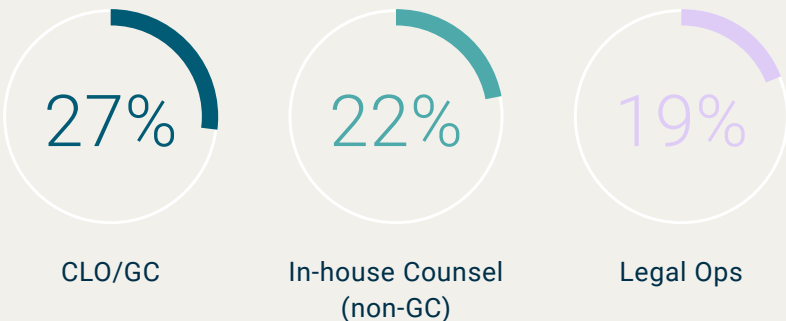
The dominant sentiment among in-house legal professionals regarding their outside counsel’s use of GenAI is neutrality. An overwhelming two-thirds of respondents fall into this category, suggesting that for the majority, the adoption of GenAI has not yet had a significant, noticeable impact—either positive or negative—on the legal services they receive.

A combined 24 percent of respondents reported being satisfied to some degree, indicating that one-quarter of participants are seeing value from this technology. Conversely, 11 percent expressed some level of dissatisfaction. The high rate of neutrality, coupled with the relatively low satisfaction scores, suggests that while GenAI holds promise, its benefits have not been effectively demonstrated or translated into a meaningful advantage for most in-house legal departments, with the high percentage that have not yet noticed cost savings strongly underscoring this lukewarm satisfaction evaluation.

How satisfied are you with the way your outside counsel are adopting generative AI to deliver more efficient or cost-effective legal services?



More than one-quarter of CLOs are satisfied with the way outside counsel are adopting generative AI to deliver more cost-effective services, but only one-in-five legal ops professionals are satisfied





SECTION 5

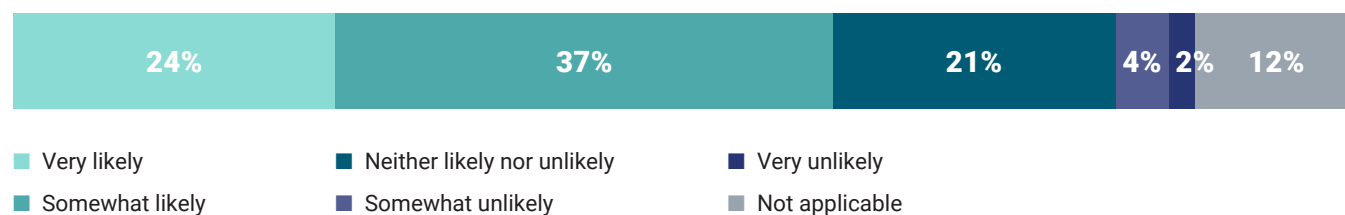
Future of Legal Services & Billing with Generative AI

In-house Professionals Are Gearing Up to Tackle the Generative AI Conversation with Law Firms

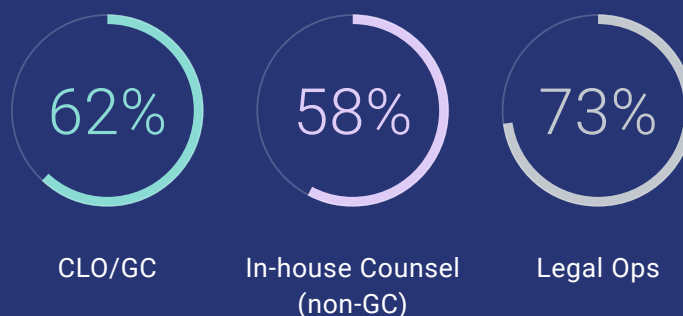
A significant majority of in-house legal professionals are primed to push for a change in how legal services are delivered and priced in the era of GenAI. The combined percentage of those who are “very likely” (24 percent) and “somewhat likely” (37 percent) to push for change totals 61 percent of respondents. This is a powerful signal that the in-house legal community is not content with the status quo and intends to use GenAI as a catalyst for a more fundamental shift in their relationship with outside counsel. This forward-looking stance is particularly noteworthy when contrasted with the previous findings that most clients have not yet seen tangible savings from their law firms’ use of GenAI. It indicates that while the benefits have yet to materialize for many, legal departments are already planning to negotiate for them.

A smaller but still significant group, 21 percent, remains neutral, suggesting a segment of the market that is undecided or waiting to see how the technology matures. Crucially, the percentage of those unlikely to push for change is extremely low at just six percent, reinforcing that the widespread sentiment is one of openness, if not a direct push, toward change.

If you currently work with or plan to work with law firms that use generative AI, how likely is your team to push for a change in how legal services are delivered and priced?



Legal operations professionals are more confident about their in-house legal teams pushing for law firms to change how outside legal services are delivered and priced



Contracts Overwhelmingly Seen as the Main Avenue for AI-Driven Savings

Contract drafting and negotiation are believed to be the areas of legal services most likely to see cost reductions from GenAI. Cited by 82 percent of respondents, this outcome is likely due to the highly repetitive and document-centric nature of this work, making it an ideal candidate for automation and efficiency gains. While contracts stand out, several other areas are expected to be significantly impacted. A second tier of services, including compliance and regulatory affairs (46 percent), general legal counsel services (46 percent), and litigation and dispute resolution (45 percent), are also seen as highly likely to be affected. These areas involve extensive research, document review, and drafting tasks that GenAI is well-suited to streamline.

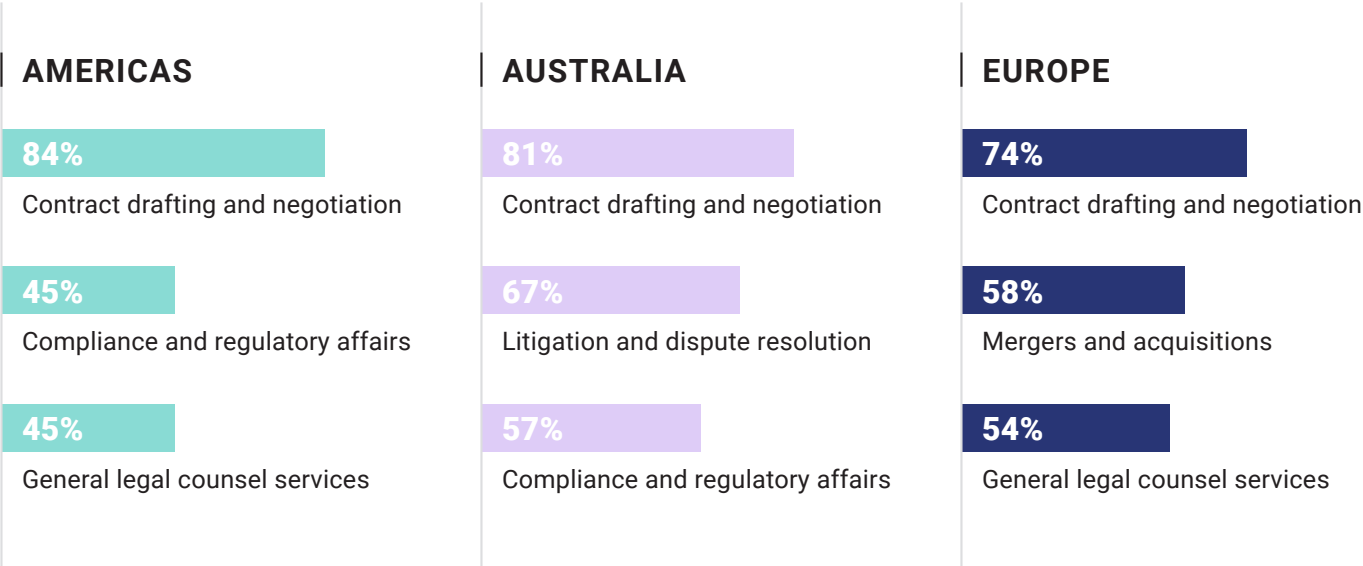
In contrast, services that are less document-heavy or more specialized are perceived as less likely to see major cost reductions. These include areas such as employment and labor law (17 percent) and tax advisory (15 percent). The results suggest that in-house counsel have a pragmatic and well-defined view of how GenAI will impact outside counsel services, expecting the most significant benefits to emerge from high-volume, repeatable tasks rather than from highly nuanced or strategic advisory roles.

Which of the following types of legal services provided by outside counsel do you believe will be most impacted by generative AI technologies in terms of cost reductions in the next three years? Select all that apply.



By global region, in the Americas, contract drafting is believed to be the most impacted at 84 percent, with compliance and regulatory affairs and general legal counsel services tying for the second most-impacted at 45 percent, largely echoing the global results. In Australia, while contracts are still number one at 81 percent, the second and third spots are held by litigation and dispute resolution (67 percent) and compliance and regulatory affairs (57 percent), showing a particularly high expectation for AI's impact on litigation. In Europe, mergers and acquisitions comes in second at 58 percent, followed by general legal counsel services (54 percent), reflecting perhaps a regional focus on the complexities of corporate transactions.

TOP 3 BY GLOBAL REGION



BILLABLE HOUR

AI dilutes the time-equals-money calculus, and that is especially true for tasks like document review and other high-volume, repetitive work. We believe that we're going to have more leverage to push for alternative fee arrangements tied to outputs and outcomes, not hours.

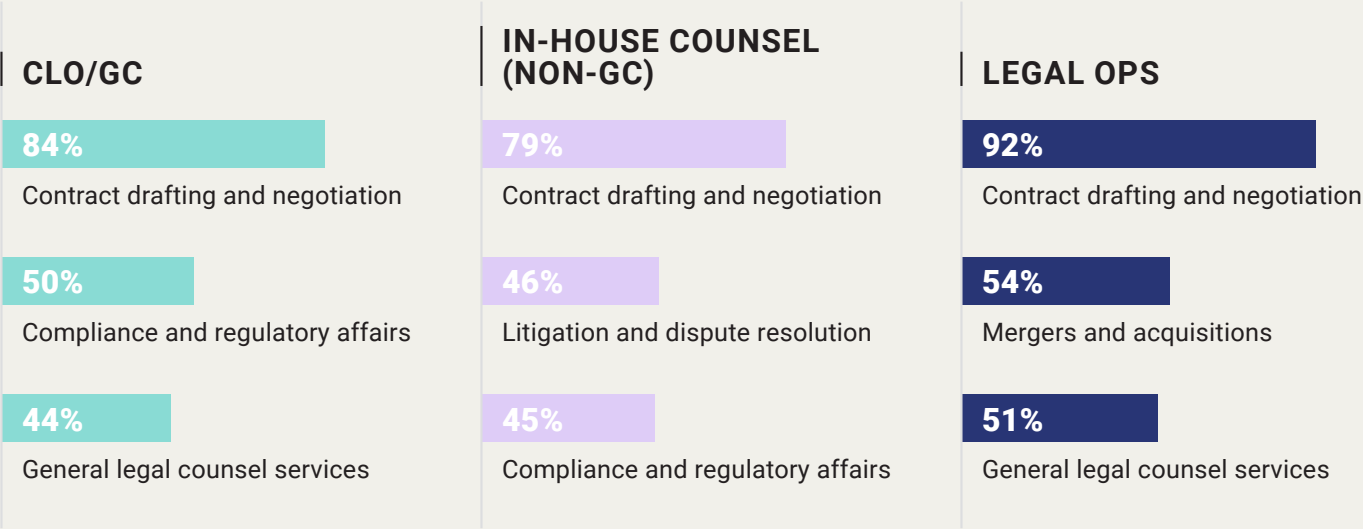
KELLY MICKELSON, HEAD OF LEGAL OPS, MARS INC.



Across all in-house job roles, the consensus is that contract drafting and negotiation will be the area most impacted by GenAI in terms of cost reductions. However, legal operations professionals are the most confident in this, with 92 percent citing it as a key area for cost savings.

The secondary areas of focus vary by role. Both CLOs and other in-house counsel identify compliance and regulatory affairs and general legal counsel services as the next most impacted areas, reflecting their high-level and day-to-day responsibilities. Legal operations professionals, however, show a distinct focus on efficiency-driven tasks, citing general legal counsel services and litigation and dispute resolution as the second and third most impacted areas, with a significantly higher percentage than their counterparts. This highlights a clear split in focus, with legal operations professionals prioritizing GenAI’s impact on a wider range of process-oriented tasks.

TOP 3 BY JOB ROLE



Diverging Expectations of Lawyers and Legal Operations Professionals on the Future of Law Firm Billing Practices

In-house legal professionals have a clear and consistent set of long-term expectations for how generative AI will reshape law firm billing. The expected primary driver of this transformation is client demand, with nearly half of all respondents (49 percent) selecting this option. This client-led push may impact how law firms price their services. A significant majority of professionals anticipate a fundamental shift away from the traditional billable hour. Forty-three percent foresee an increase in value-based billing models, while 40 percent expect a diversification of alternative fee arrangements (AFAs). These results indicate a strong desire for pricing that better reflects the efficiency gains and value provided by AI, rather than time spent.

Beyond pricing models, a notable portion of the population (35 percent) believes that AI will lead to more sophisticated and transparent cost controls through enhanced data analytics. This is coupled with the view (also shared by 35 percent of participants) that increased competition will drive overall cost reductions.

While most anticipate change, a small but notable minority holds a more traditional outlook. Twenty-one percent believe that law firms will maintain the billable hour model, potentially increasing rates to reflect new GenAI-driven capabilities, while 11 percent anticipate no significant long-term impact at all.

Which of the following best reflect your longer-term expectations about the potential impacts of generative AI on law firm billing practices? Select all that apply.

49%

Client demand will be the primary driver for any significant changes to law firm billing practices

43%

Increased adoption of value-based billing models

40%

Diversification of alternative fee arrangements (AFAs)

35%

Enhanced data analytics from AI will lead to more sophisticated and transparent cost controls

35%

Increased competition leading to cost reductions

21%

Law firms will primarily maintain the billable hour model, potentially increasing hourly rates to reflect enhanced AI-driven capabilities

2%

Other

11%

No significant long-term impact; law firm billing practices will remain largely unchanged

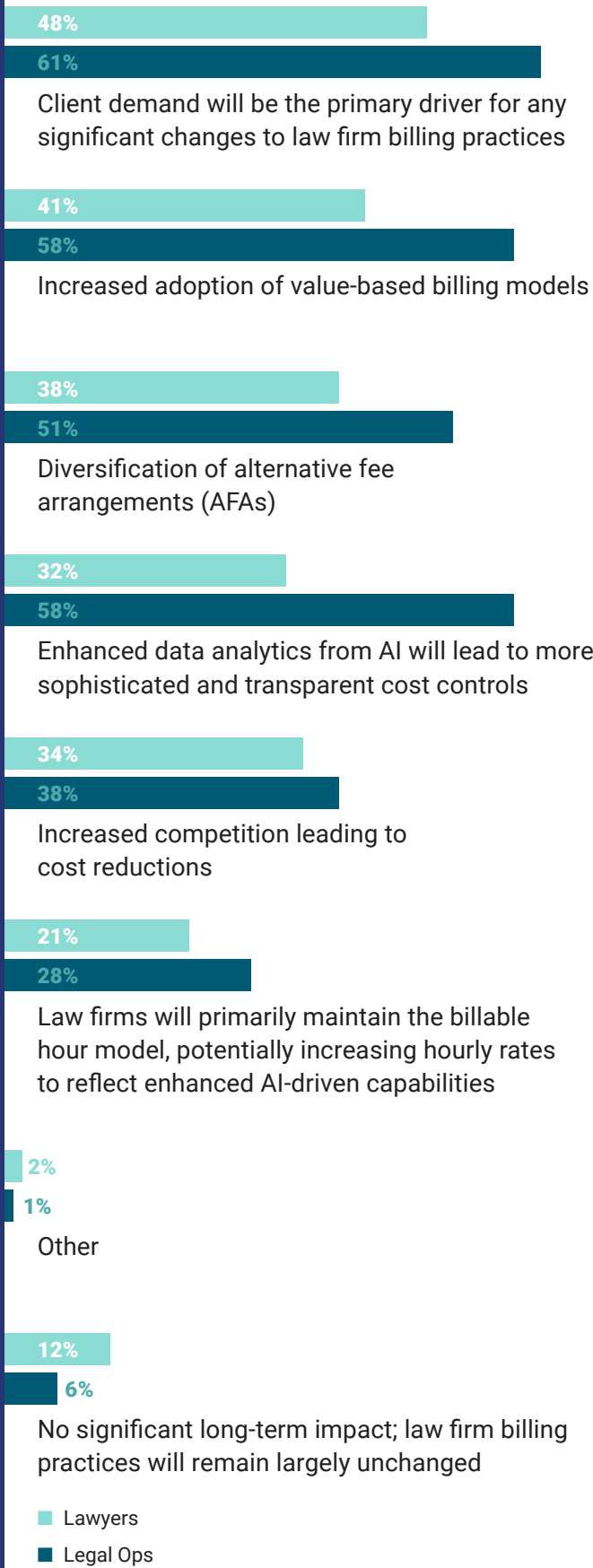
Expectations about GenAI's impact on law firm billing underscore a fundamental split between legal operations professionals and lawyers, with legal operations professionals significantly more optimistic about the technology's transformative potential.

This difference is most evident in their beliefs about the primary driver for change. Sixty-one percent of legal operations professionals believe client demand will drive change, compared to just 48 percent of lawyers. Legal operations staff also express a much stronger conviction that GenAI will lead to more sophisticated and transparent cost controls through data analytics (58 percent vs. 32 percent) and a greater diversification of alternative fee arrangements (51 percent vs. 38 percent).

The results suggest that legal operations professionals are a more forward-thinking and proactive force within corporate legal departments. They are more likely to view GenAI as a tool to fundamentally reshape business processes and achieve greater efficiency and transparency. While lawyers share a similar directional view, their expectations are more moderate, and they are more likely to believe the traditional billable hour model will endure. This finding points to a future where GenAI adoption will be driven by two distinct priorities: lawyers seeking to enhance their traditional practice, and legal ops professionals striving to fundamentally restructure and optimize legal workflows.

LEGAL OPERATIONS PROFESSIONALS ARE A MORE FORWARD-THINKING AND PROACTIVE FORCE WITHIN CORPORATE LEGAL DEPARTMENTS.

JOB ROLE



Conclusion

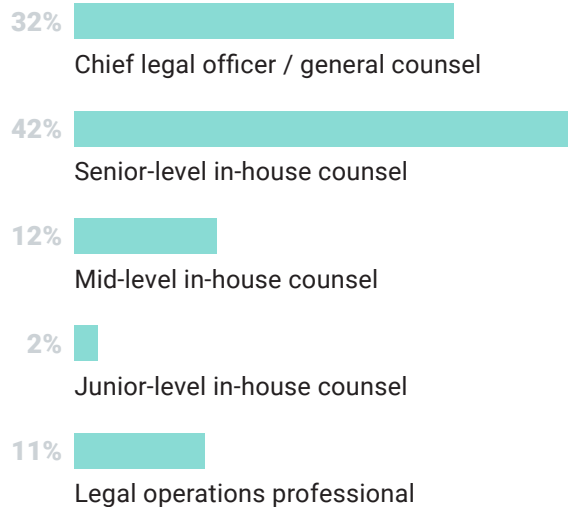
The in-house legal community is undergoing a fundamental transformation, driven by the rapid adoption of GenAI. This report reveals a profession that has moved past theoretical discussions to embrace the practical application of this technology, with usage rates more than doubling in a single year. The primary driver is a universal desire for increased efficiency, which GenAI has proven it can deliver, particularly in core tasks like legal drafting and research.

However, the findings also highlight a critical divergence: In-house teams are not just seeking to improve their internal operations. They are increasingly viewing GenAI as a strategic tool to bring more legal work in-house and gain greater control over their legal spend. This directly challenges the traditional dynamic with outside counsel. The widespread lack of awareness regarding law firms' use of GenAI, coupled with the absence of tangible cost savings, points to a significant transparency gap — one that is unlikely to last.

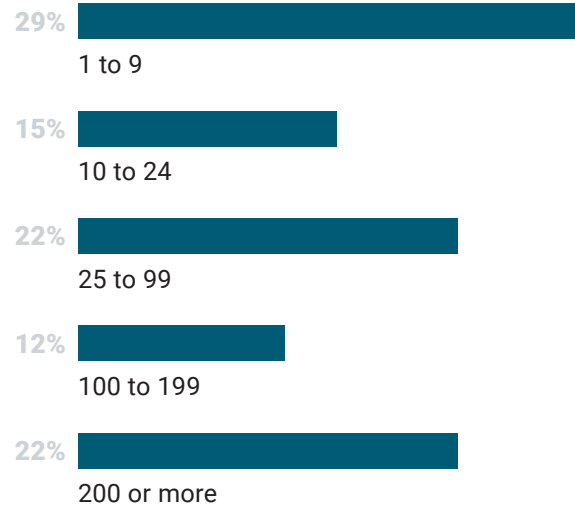
The survey shows a powerful and growing desire among in-house professionals to leverage GenAI as a catalyst for systemic change. An increasing number of clients are preparing to demand a fundamental re-evaluation of the billable hour, and to push for pricing models that reflect the efficiencies gained from technology. This movement, driven by clients, signals a new era for legal services, where value is measured not by time spent but by outcomes achieved. Ultimately, the successful integration of GenAI will be defined by how both in-house legal departments and their external partners collaborate to bridge the current disconnect and build a new, more efficient, and more transparent legal ecosystem for the future.

Participant Profile

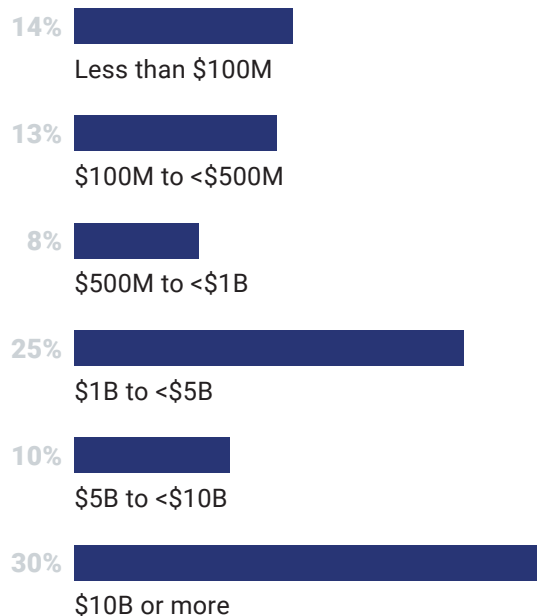
JOB FUNCTION



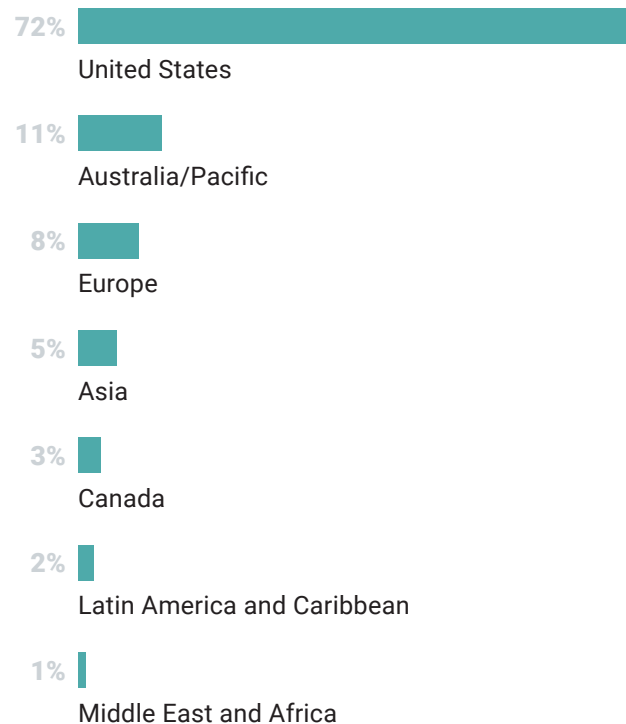
LEGAL STAFF SIZE



COMPANY REVENUE



GLOBAL REGION



Methodology

SURVEY INSTRUMENT

The survey questionnaire was offered through an online survey platform. Personalized survey links were sent by email to the target population, which allowed participants to save their responses and fill out the questionnaire in more than one sitting, if needed.

FIELDING PERIOD

The survey opened on June 18, 2025, and closed on July 18, 2025. Reminder emails were sent weekly.

TARGET POPULATION

We targeted in-house counsel and legal operations professionals who are ACC members worldwide. A total of 657 individuals participated.

ANONYMITY

Survey responses were completely anonymous. No information is linked in any way to an individual respondent. The results are provided only at the aggregate level, and respondents' quotes from open-ended responses were carefully reviewed and edited, if necessary, to remove any identifiable information related to respondents or their organizations.

DATA ACCURACY

Not all respondents answered all the questions. The percentages provided are based on the number of valid responses received for each individual question. Many survey questions offered the opportunity to select multiple response options. In those cases, percentages may not total 100 percent. Additionally, in some cases percentages do not total 100 percent because of rounding.

DATA COMPARABILITY

The results of some questions offer year-over-year comparisons with the results of ACC and Everlaw's 2024 GenAI and Future Corporate Legal Work: How Ready Are In-house Teams? survey report. Because this 2024 survey included responses from only US-based participants, the year-over-year results throughout this report are also shown for US respondents only.

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