

Briefing

SMARTER LEGAL BUSINESS MANAGEMENT

July 2026



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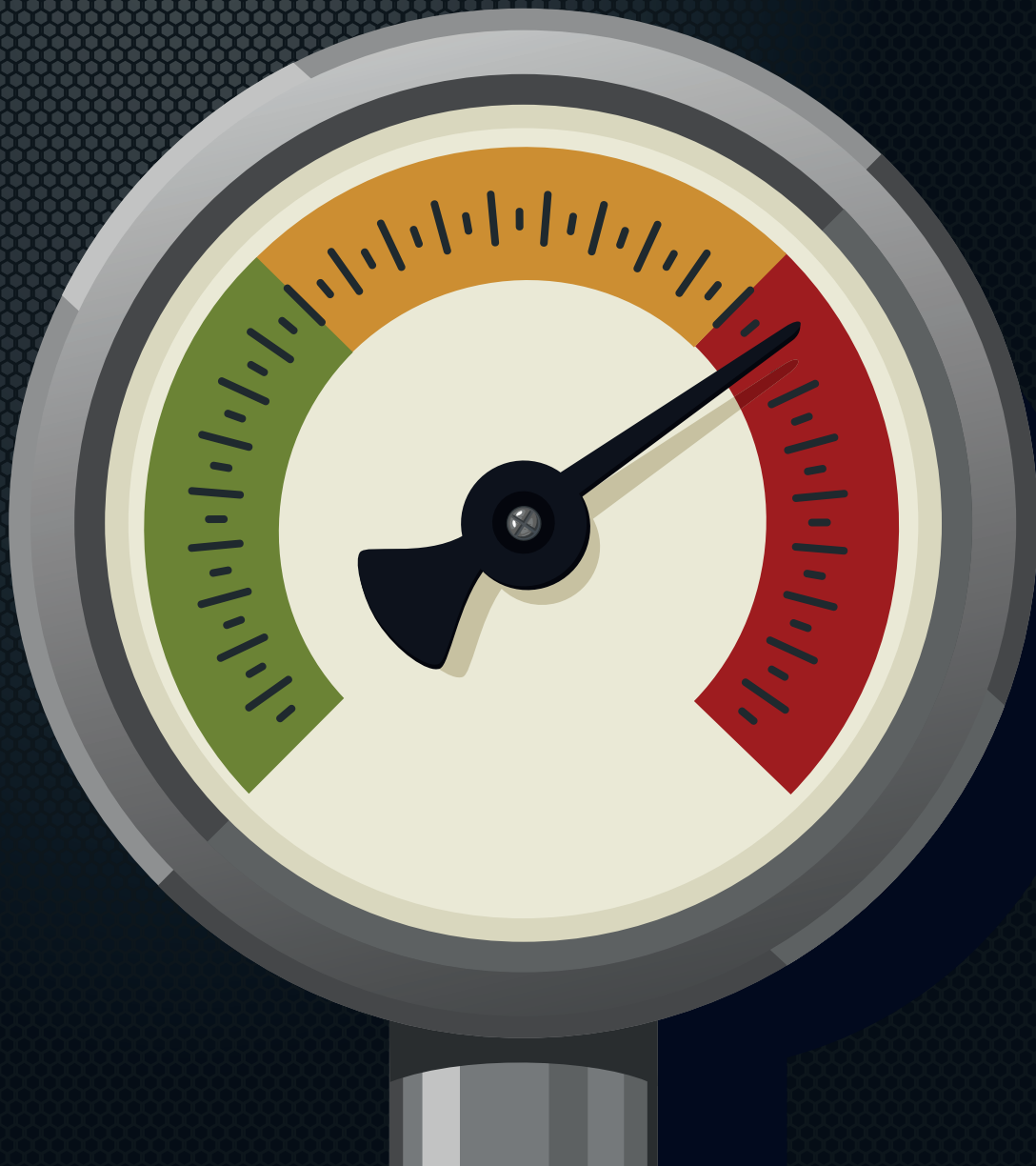
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EDITOR'S LETTER

Technology has become one of law firms' biggest strategic bets, and the latest **Briefing**/HSBC UK Law firm strategy and investment data — which shows firms' average tech spend has risen to a high of 6.5% of annual revenue in 2025 — indicates that firms continue to up the ante.

However, against a backdrop of economic uncertainty, inflationary pressures and rising client expectations around pricing, every investment decision, including the hefty technology spend, faces greater scrutiny. As such, firms now face a tough question: how do you fund digital innovation for the future without affecting profitability today?

This edition's cover story explores how leading UK law firms are approaching that fine balancing act between technology investment and profitability. Several finance leaders share how they are refining tech budgets, reassessing priorities and directing investment towards initiatives that eliminate costly inefficiencies, increase capacity and deliver measurable business value — without eroding the bottom line.

We also bring you a broad range of legal business perspectives and case study chronicles — including an exclusive look at how the right private equity partner has helped HGF reach new operational efficiency heights, and a brand new Navigator piece on why firms must take a leap of faith to identify the best AI use cases. Also, our AI voice Beth is back with a fresh batch of audio content ready for your listening pleasure in the **Briefing** app.

I hope you enjoy the very varied reads on offer from **Briefing** this month!

ANDREEA DULGHERU **EDITOR**

SPECIAL THANKS TO OUR LAW FIRM CONTRIBUTORS

- Andy Hall, managing partner, Shepherd & Wedderburn
- Stephen Allen, director of strategy and AI technology, Clyde & Co
- Alison Powell, finance director, Bates Wells
- Ruj Dev, CFO, Mills & Reeve
- Blake Gaffney, CFO, Payne Hicks Beach
- Mark Johnson, CFO, Flint Bishop
- Alma Asay, chief innovation and value officer, Crowell & Moring
- Thomas Stone, lead legal technologist, TLT
- Lucy Johnson, COO, HGF
- Stuart Whittle, chief technology officer, Weightmans
- John Craske, chief AI and innovation officer, CMS
- Susan Ford, knowledge director, DAC Beachcroft
- Louise Heathcote, practice improvement manager, DAC Beachcroft

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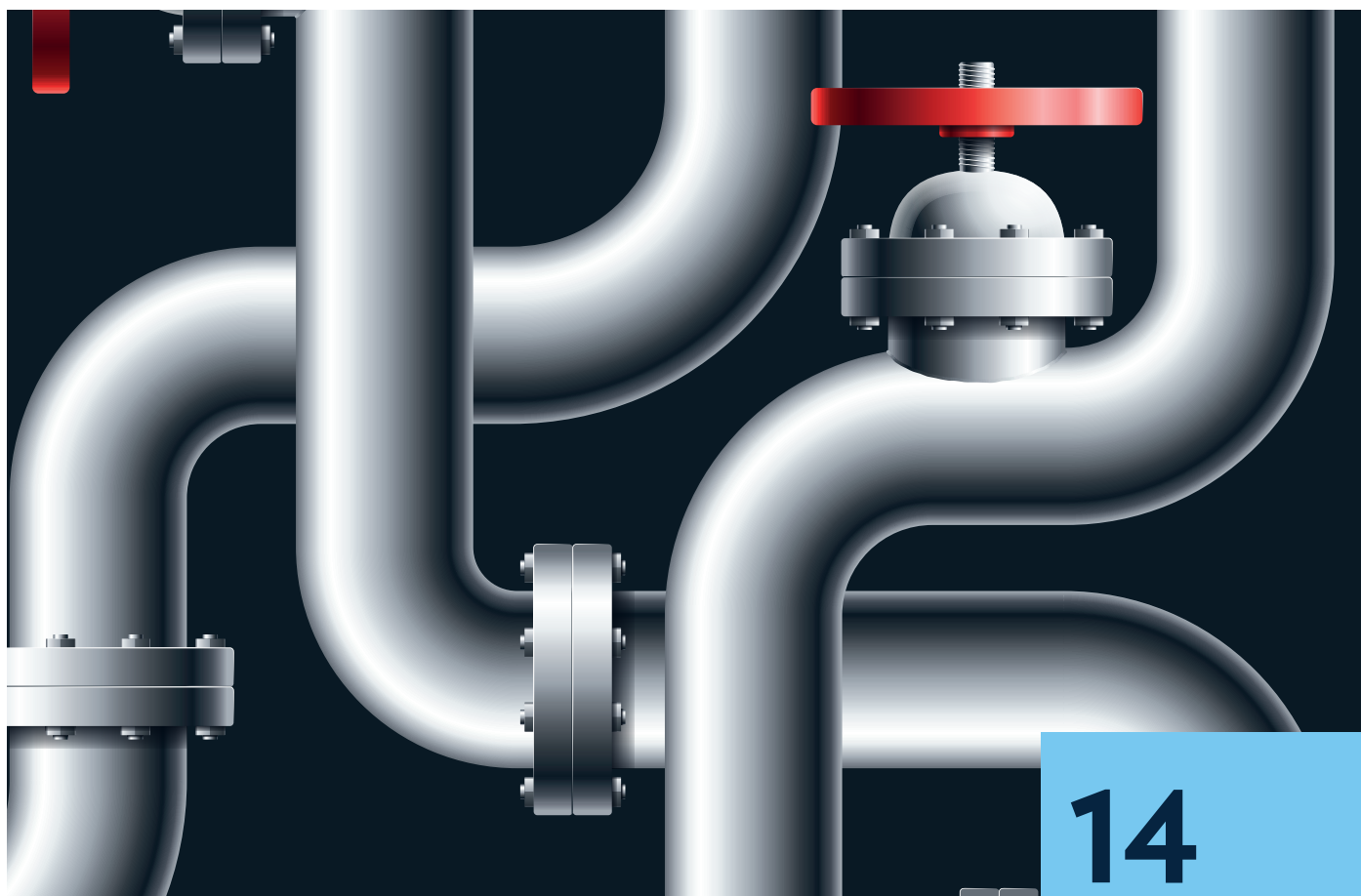
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THE BIG IDEA

"You can't invest without discipline, but equally you don't want governance processes that prevent innovation altogether."

Ruj Dev, chief financial officer, Mills & Reeve

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INTERVIEW WITH ANDY HALL

Following his promotion to managing partner at Shepherd & Wedderburn after a prolific 30-year career at the firm, Andy Hall shares what quality is essential to be an authentic leader, and weighs in on the foundations of sustained growth for any firm

Q You have been with the firm for over 30 years, working in a variety of roles — from trainee to now managing partner. What is one skill or lesson you have learned throughout your extensive career at the firm that you think will help you lead efficiently as managing partner?

A The vital importance of integrity. Many of our clients operate in fiercely competitive commercial environments, and they need to know that you'll go out and fight for them with everything you've got. But that needs to be done the right way, in accordance with your professional and personal

values. In my opinion, that's the heart of being both an effective lawyer and an authentic leader.

Q Shepherd and Wedderburn has had six consecutive years of revenue and profit growth. What is the secret to the firm's success, and how will you keep this momentum?

A If there was one special trick to success as a commercial law firm then I'd certainly keep it a secret! The key, though, is consistently providing high-quality and commercially focused legal advice, and there are many elements to that.

Staying close to our clients is critical. Understanding their commercial goals and challenges — seeing the world through their eyes, if you like. Our sector approach has been developed very much with that in mind: creating multi-disciplinary teams who are deeply immersed in their clients' worlds, and who have all the legal expertise and commercial awareness required to take projects through from beginning to end. I'm very proud of the many positive client testimonials we receive — a recent one described our continuity and expertise as 'gold dust' — and we always

aim to truly be seen as an integral part of their team.

Equally essential is making sure that our firm is made up of the best people, with the right skills and experience and, just as importantly, the right values. And there are many more things that contribute to overall success. A key part of my job as managing partner is making sure that we stay focused on moving forward in every way that will benefit our clients.

Q How are the latest market developments — including the rise of AI in law firm operations, and the changes in career ambitions and skillsets of the new generations — changing Shepherd and Wedderburn's strategy for talent recruitment, retention and succession planning?

A Our people strategy has been an important part of our overall strategy as a firm for many years. It is led by the board and regularly kept under review. As the world changes, the people strategy, like the other aspects of our strategy, needs to keep evolving, but the fundamentals stay the same: creating a working environment that people want to be part of, and giving them the learning opportunities they need to develop their career in the direction that they want to. We take that very seriously at Shepherd and Wedderburn, not least because stable teams are able to build stronger relationships with clients and provide better advice.

Many of our colleagues, including a significant number of our partners, trained here, as did I and my managing

partner predecessor, which suggests that our approach has some merit.

Q Do you think law firms do enough to meaningfully drive diversity and inclusion across the board, including in senior leadership roles? If not, what should they be doing differently?

A The legal sector has really stepped up to the challenge over recent years, and we, like many of our competitors, are committed to playing our part in helping to deliver change and ensuring that the legal sector is more representative of the communities we work in and the clients we act for.

To my mind, an inclusive culture needs to inform all aspects of our business, including how we treat our colleagues, interact with our clients, and engage with our suppliers. Recruitment is obviously a hugely important element: a more diverse pipeline of future talent will lead to a more diverse legal sector, and more diverse leadership if that talent has the opportunity to grow and develop their careers over time. So it is not just about recruitment, it is also about retention, and an inclusive culture is key to that.

Within the firm, our six 'network groups', made up of colleagues from across the firm, actively promote an inclusive culture throughout the firm. We also work with some of our clients on various joint initiatives, because many of our clients share similar goals within their own businesses. And we have

developed partnerships with a number of external organisations — to get new ideas and insights, to help us to measure our progress, and to challenge ourselves to explore what we could do better.

Q Where do you think firms are most challenged when it comes to innovation?

A Lawyers are busy people, and often the biggest challenge is finding the time to critically look at innovative ideas about how we can work more effectively. That is why we invested in our Smarter Working team, which includes experts in process automation, technology, data and knowledge, who work in close collaboration with our clients to understand the challenges they face, provide solutions and support them in achieving their commercial objectives. The team also works to continuously improve our own internal processes.

This has been a focus area for the firm for many years. We set up the Smarter Working team in 2019, and in 2020 one of the key people in it, our head of technology, was the first non-lawyer to be accredited as a legal technology specialist by the Law Society of Scotland. ▀

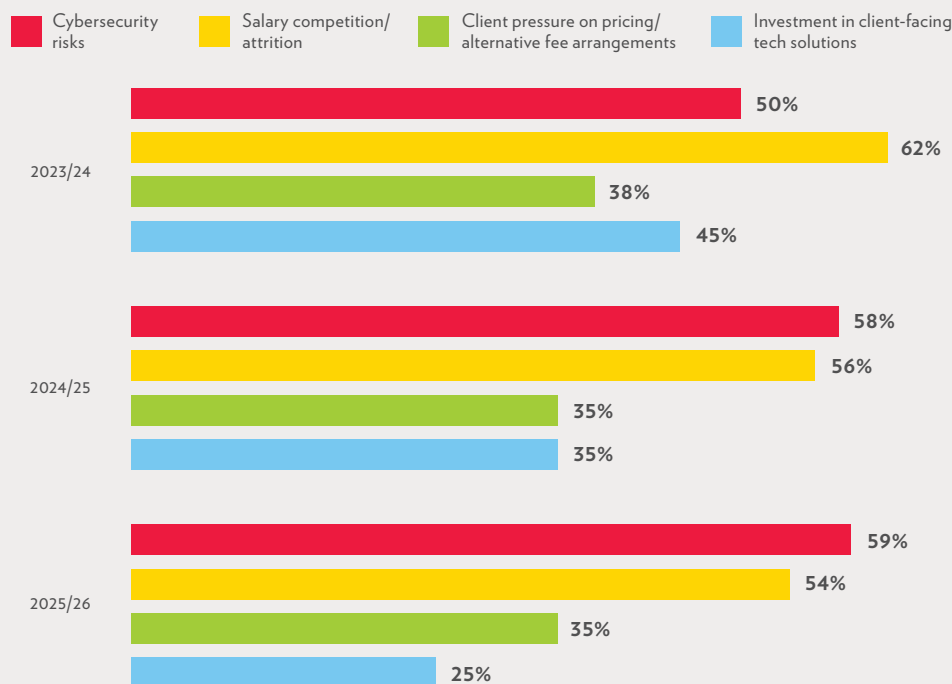
"As the world changes, the people strategy needs to keep evolving, but the fundamentals stay the same: creating a working environment that people want to be part of."



DATABASE

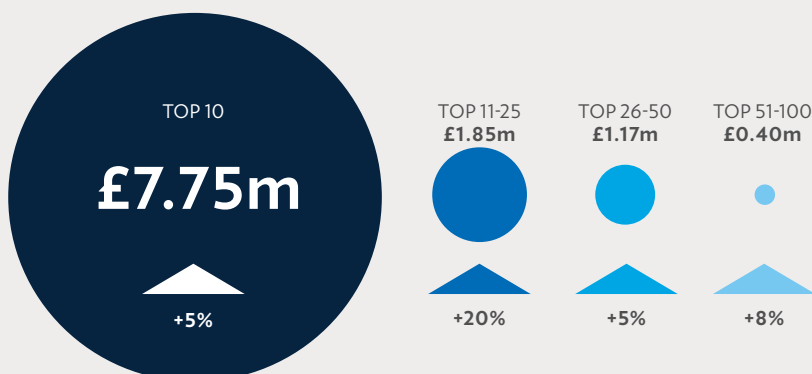
As the cybersecurity landscape becomes more treacherous, cyber risks continue to weigh heavily on law firm leaders' minds – prompting them to further boost investment in this area

Which organisational challenges are most concerning for your firm?



SOURCE: BRIEFING/HSBC UK LAW FIRM STRATEGY AND INVESTMENT RESEARCH 2023, 2024 AND 2025

How much did the top 100 law firms spend on cybersecurity in the last financial year, and how does that compare to the prior year?



SOURCE: PWC LAW FIRM SURVEY 2025

BRIEFING'S PERSPECTIVE

Given the increasing geopolitical tensions and the rapid evolution of technology giving cybercriminals better tools for highly targeted and sophisticated attacks, it's no surprise to see cybersecurity risks singled out as leaders' top organisational challenge for the past two years. The massive cyberattacks on Jaguar Land Rover, Marks & Spencer and the Co-op, and data from the National Cyber Security Centre published in 2025 confirming a 130% increase in nationally significant cyber incidents, have emphasised the heightened risk landscape, and the need for proper risk mitigation and business continuity plans.

While PwC's latest law firm survey data shows large firms are investing serious capital in their cybersecurity, the multi-million-pound difference between the sums spent by the top 10 firms and the rest underline the widening resilience gap across the market — and the likely challenge for smaller firms seeking to protect systems, people and clients with fewer resources. While it's certainly positive to see firms take this threat seriously, Dr Paul Robertson, cyber resilience partner at EY, noted at this year's **Briefing AI Leaders** conference that organisations' AI investment outstrips the spend on cybersecurity 10 to 1 — which raises a crucial question: are firms doing enough to protect their business from cyberattacks? ▲

SPEAK UP

The legal AI checklist: 10 questions firms can't afford to skip

STEPHEN ALLEN

Director of strategy and AI technology, Clyde & Co

The legal AI market is moving faster than most law firms' ability to assess what they are buying. New products appear weekly, claims are becoming more ambitious and terms like 'agentic AI' are used so widely that they are starting to lose precision.

The pattern is familiar. Vendors demonstrate on clean, curated data, they show controlled workflows and cite productivity gains that are often self-reported or based on their own research. Independent validation is limited. Meanwhile, firms are under pressure to show progress. There is a tendency to assume that signing a contract equates to delivering capability but, in practice, it does not.

The underlying issue is more basic. Many firms do not have clearly documented workflows for the work they want to automate. They are relying on technology to surface a process that has never been properly defined. That is not a technology problem; it is a governance one.

Before committing to any platform, there are 10 steps that every firm should take to ensure they're investing in the right solution:

- 1** Request to see a real client matter using your own production data. Demonstrations in test environments are not enough.
- 2** Establish whether the capability is generative or deterministic — or both. The distinction matters in terms of predictability and risk.
- 3** Understand how the system behaves when it encounters

ambiguity or missing context, and where accountability sits if it gets it wrong.

4 Ask where client data is received, transferred and processed and review the data processing agreement early on.

5 Examine the human review step in detail and confirm whether it has been included in any reported efficiency gains.

6 Clarify which 'agentic' functions operate independently and which rely on human intervention.

7 Look beyond licence fees to the full cost of ownership, including integration, validation and ongoing maintenance — not to mention future token costs.

8 Ask how hallucination rates are measured in legal use cases and request the underlying figures.

9 Identify what workflows need to exist within the firm before the tool delivers value.

10 Test the vendor's position on liability in the event of a material error.

Firms that take the time to ask these questions early tend to take a more controlled approach to adoption. Those that do not often discover issues later, when they are harder to manage.

Ultimately, buying legal AI is not a strategy — understanding what is being bought, and how it will operate in practice, is. ▴



“Ultimately, buying legal AI is not a strategy — understanding what is being bought, and how it will operate in practice, is.”

SPEAK UP

The mid-career diversity drain law firms shouldn't ignore



DANA DENIS-SMITH

Founder of the Next 100 Years, CEO at Obelisk Support and deputy vice president at The Law Society

Women now make up the majority in the legal profession, with the latest data from the Solicitors Regulation Authority (SRA) showing they accounted for 55% of lawyers in 2025. At the more senior levels, however, this dominance drops off — women make up just 40% of partners and only 35% of full-equity partners.

For law firms looking to address this lack of gender diversity at the top, the single biggest issue is the retention of talented women who too often, mid-career, decide to leave private practice or move away from the legal profession altogether. At trainee level, numbers of men and women are generally equal but by the time we get to partnership, the majority are men. This discrepancy is even more acute in the largest firms and in practice areas such as corporate and finance.

It is the firms that ask why this is happening and focus on tackling the underlying causes that are the ones who are making the most progress.

WHAT IS THE ROOT OF THE PROBLEM?

Billable hours and a heavy workload remain a key issue for women with family commitments, especially in areas of the law where there is an expectation to be available 24/7.

Among many women lawyers there is also a lack of trust that their

firm wants to see them progress. Many have few role models, and their firm does not have top-down strategies for developing female talent. Work allocation is not always seen as being fair, with female associates not getting included in high profile matters and receiving less visibility with partners and decision-makers.

A BLANKET APPROACH WON'T SOLVE THE ISSUE

Measures to improve retention include embracing flexible and part-time working and supporting women to become rainmakers. Firms shouldn't be making assumptions when it comes to their ambition; instead, they should be listening to what they need to thrive, to ensure they receive the right support and resources.

While firm-wide mentoring programmes, clear pathways for advancement, fair work allocation policies and supportive maternity returner initiatives all have an important role to play, often the best approach will be individualised.

Women's needs differ and evolve depending on where they are in their professional and personal lives. There is no one-size-fits-all solution, but removing barriers and understanding what will support them to stay, progress and ultimately reach leadership roles is key.

Too many women cannot visualise their path to partnership — firms that make tackling this issue central to their efforts on gender diversity will reap the benefits. ▴

“Too many women cannot visualise their path to partnership — firms that make tackling this issue central to their efforts on gender diversity will reap the benefits.”

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NAVIGATOR

AI success hinges on experimentation, adoption and a willingness to take calculated risks, say finance and innovation leaders

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THE BIG IDEA

Finance leaders share their strategies for funding technology innovation without sacrificing profitability

NAVIGATOR

AI: THE GREAT USE CASE SEARCH



Attendees at a recent **Briefing** roundtable discussed the challenges of identifying AI use cases, and why firms that fail to take calculated risks and embrace experimentation may be left in the dust in the AI adoption journey

AI adoption has accelerated significantly in the legal sector over the last two years, with more than half of the 50 largest law firms in the UK saying they are already seeing benefits from deployment, according to the 2025 PwC law firm survey.

While leaders may hesitate over which tool is right for their firm, especially as options multiply, the real challenge runs far deeper: it's understanding where this new and ever-evolving technology has the highest potential to generate true value — both internally, driving efficiencies and delivering strong ROI, and externally, helping to improve outcomes for clients.

“We have a ‘teach to fish’ approach: we train, encourage, and empower everyone across the firm to deploy AI on the use cases that matter most to their work and clients.”

ALMA ASAY, CHIEF INNOVATION AND VALUE OFFICER, CROWELL & MORING

THE EXPERIMENTAL PATH

Several leaders at our recent roundtable agreed that experimentation is key to identifying the use cases that have commercial and operational viability: giving people free rein to test AI tools is the path to uncovering meaningful applications — from triaging incoming emails to building personal agents — that have real impact and build confidence with a technology that's constantly changing.

Engagement emerges as the key challenge here: firms may encounter resistance from some of their people who are simply not interested in trialling the technology or are reluctant to change the way they've been working for years. Encouraging teams to be creative becomes essential: if the adoption piece stalls and use cases are not identified, the business case for AI crumbles.

To drive uptake, we heard of firms turning to a range of strategies: from champions and centres of excellence to financial incentives and training programmes to upskill their teams. Communicating and celebrating AI wins — and fostering a bit of ‘fear of missing out’ — also yield results.

Leaders know that adoption is a long game and a business-wide effort, so they must be strategic about investing their time to see the

use cases and benefits crystallise. Alma Asay, chief innovation and value officer at Crowell & Moring, says: “We have a ‘teach to fish’ approach: we train, encourage, and empower everyone across the firm to deploy AI on the use cases that matter most to their work and clients. It would be impossible for us to build a competitive advantage with AI if we screened and took ownership over every use case. For complex or widely adoptable use cases that present broader opportunities, a key criterion is whether clients and internal teams are ready to engage with us. This is essential, because our results will only be as effective as the subject matter expertise reflected in the solutions we build.”

THE AI USE CASE CONUNDRUM

Leaders also find that the rise of AI has given way to a new dynamic in how firms approach tech spend decisions, requiring some to take a leap of faith when moving forward with deployment.

In the usual scenario, finance, operations and IT leaders will thoroughly assess a tech tool’s business case before making the investment, ensuring potential applications, ROI and benefits are well defined and aligned with the firm’s needs and objectives.

AI has disrupted that process: firms don’t have 100% clarity on what the technology can do for them upfront, so they need to bring the

tool in first and experiment to identify the use cases, understand where it can make a financial, operational and commercial difference and finally assess whether it was a sound investment.

Failing to take that risk could have serious consequences, points out Thomas Stone, lead legal technologist at TLT: “The investment case for AI is a strategic race, and the penalty for losing it is irrelevance. Firms that delay systematic adoption risk falling behind on client relationships, talent and the ability to price competitively — this may become an irretrievable position over a five-year horizon. Access to AI tools is now the entry point, not the differentiator. What separates leading firms from those that are falling behind is the operating model they build around those tools: the culture, the processes and the willingness to change how work gets done. The winners will not simply be the fastest adopters, but the most curious.” ▀

“The investment case for AI is a strategic race, and the penalty for losing it is irrelevance. Firms that delay adoption risk falling behind on client relationships, talent and the ability to price competitively.”

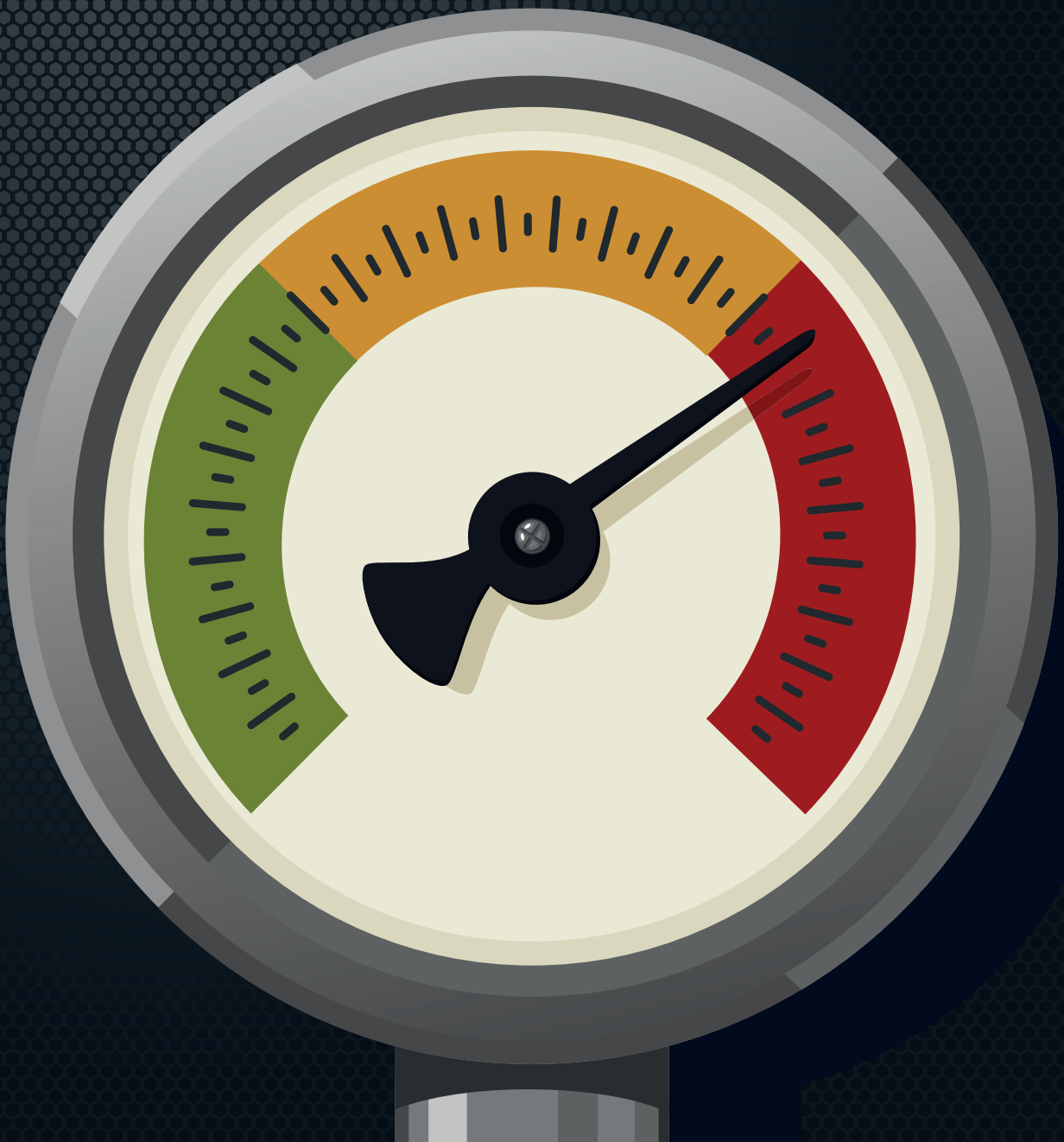
THOMAS STONE, LEAD LEGAL
TECHNOLOGIST, TLT

KEY TAKEAWAYS

- ❑ **Experimentation is key but without adoption, the business case crumbles: tactics ranging from appointing champions to offering financial incentives can encourage teams to get creative.**
- ❑ **Firms must empower people to uncover meaningful applications, but only taking ownership of those that present broader opportunities.**
- ❑ **Driving AI transformation requires firms to invest first and then understand where it fits. Failure to take this leap of faith puts firms at risk of losing competitive ground.**

THE BIG IDEA

TECH SPEND: TESTING THE MARGINS



BRIEF(ING) SNAPSHOT

Technology investment and profitability can no longer be treated as separate conversations. Given the high costs of tech tools, finance leaders face a delicate balancing act: investing enough to stay competitive and boost efficiency while ensuring new tools strengthen profitability rather than erode margins.

Firms stress that successful technology investment strategies are rooted in clear business outcomes, rather than chasing the latest innovations. A key area of opportunity is using technology to expose and fix profit-draining inefficiencies — such as poor resource allocation, inaccurate time recording and duplicated work.

Firms are navigating this tension in different ways:

- **Bates Wells** is prioritising a core platform modernisation, which also includes a replacement of its PMS. The firm is also experimenting with AI, but taking a cautious approach to ensure the tool fits the firm's needs.
- **Mills & Reeve**'s tech spend decisions are client-driven: investment is focused on tools that deliver clear commercial gains and better client outcomes. However, the firm recognises the importance of experimentation to drive innovation and value.
- **Payne Hicks Beach** is laying the

foundations for wider transformation through a hardware refresh, a new PMS and a planned CRM platform to support cross-selling and revenue growth.

• **Flint Bishop** highlights that not all tech investments must be major — for some firms, point solutions or department-specific tools may be more beneficial and deliver wide-scale impact.

As technology costs continue to rise, budgets must be flexible to withstand this and any unplanned tech purchases without impacting the bottom line.

However, firms must also be prepared to rethink their firm economics, as billable-hour models will become increasingly difficult to sustain.

Several finance leaders tell **Briefing** assistant editor Celeste Rivas how their firms are balancing rising pressure to invest in technology with the need to protect margins

As new tools and systems promise improvements across the board, the pressure to invest in innovation has never been higher for law firms. As such, it's not surprising that 82% of leaders said their technology spend had increased in the last year, according to the 2025 **Briefing**/HSBC UK Law firm strategy and investment report.

However, innovation can come with a hefty price tag, creating a hard-to-resolve tension for law firms between wanting to invest in technology to move forward quickly and ensuring margins are preserved.

In this complex puzzle, tech sits on both sides of the profitability equation. While investing in innovation can put direct pressure on a firm's margins, bringing in new technology can drive productivity and time efficiencies, increasing a firm's capacity to take on more or higher-value work, and help fix profit leakages that quietly undermine the bottom line.

PROFITABILITY DRAINS

"It's really hard to talk about profitability without thinking about the amount of spend and technology investment firms now have to make to keep up with the significant pace of

change," says Ruj Dev, chief financial officer at **Mills & Reeve**.

She adds that inefficiencies are down to the usual culprits, including scope drift and duplicated efforts, but leveraging technology can make a difference to how quickly a firm can move to tackle them: "The underlying drivers of inefficiency haven't fundamentally changed. What technology and data provide is much earlier visibility of those issues, enabling firms to intervene sooner and make better informed commercial decisions. The quality of the insight remains dependent on the quality of the underlying data, but the opportunity is being able to identify and address issues before they become embedded in the economics of a matter."

For Mark Johnson, chief financial officer at **Flint Bishop**, resource allocation is one area that can present serious profitability challenges. "How you resource a matter can have a big effect on profitability. If a partner is doing too much of the work themselves and not leveraging their teams properly, it can have a detrimental impact. The way we incentivise people also plays into that, because everyone has a chargeable-hours target to hit. And unless they're very disciplined, sometimes they would want to meet that before addressing the needs of their team," he explains, noting that resource allocation software can help firms to distribute jobs more efficiently and fairly, removing any biases from the equation.

Time recording can be another major

profitability black hole, agree Alison Powell, finance director at **Bates Wells**, and Blake Gaffney, chief financial officer at **Payne Hicks Beach**. Gaffney says: “Time recording is probably the more obvious area you can automate. If you give people the ability to record time on their phones while on the move, you’ll capture more time. And, if you’re using AI technology to look at what they’re doing, their timesheets will become more accurate, so you’re going to create more time and, therefore, more money.”

The growing complexities of onboarding can also become a margin drain, especially without the right client strategies in place: “It’s a necessary evil and it’s only going to become more complicated. Regulation is only going one way. We need to identify the high-value clients that will bring in enough money to cover onboarding costs. Once we’ve got a client delivering that level of revenue, it’s then worth the technology, processes and checks you’ve got to do to onboard them,” Gaffney remarks.

CHARTING THE TECH COURSE

Identifying these profitability leakages is the first step towards the firm strengthening its margins. The harder challenge lies in deciding where tech can deliver the most value, which specific tools are better suited to help and how benefits measure up to costs. This strategic focus is crucial — however, the roadmap will look different from firm to firm, depending on specific wider commercial goals, profitability pinch points and transformation objectives.

Dev says **Mills & Reeve** prioritises a client lens for deciding on tech expenditure: “We start with the client outcome we’re trying to improve. The challenge for firms today isn’t a shortage of technology options, it’s deciding what to prioritise, what will genuinely improve the client experience, and where adoption by our people will create sustainable value rather

than simply add complexity.”

In this sense, Gaffney highlights: “The tools we bring in depend on costs, but also on the broader impact they have across the firm and whether they will just be additional cost or will generate savings elsewhere. We also assess how they fit into the roadmap — we’ve got lots of projects for the next 12 months, so we don’t want to bring in something that will derail that.”

Payne Hicks Beach has recently kicked off its innovation journey by buying new laptops for all its staff and replacing its virtual desktop system. The move is already proving to be transformational, allowing people to work faster and more efficiently, from anywhere and at any time. It’s also the starting point from which to implement other systems that require modern hardware to run smoothly, including a new practice management system (PMS), Actionstep, due to go live this autumn.

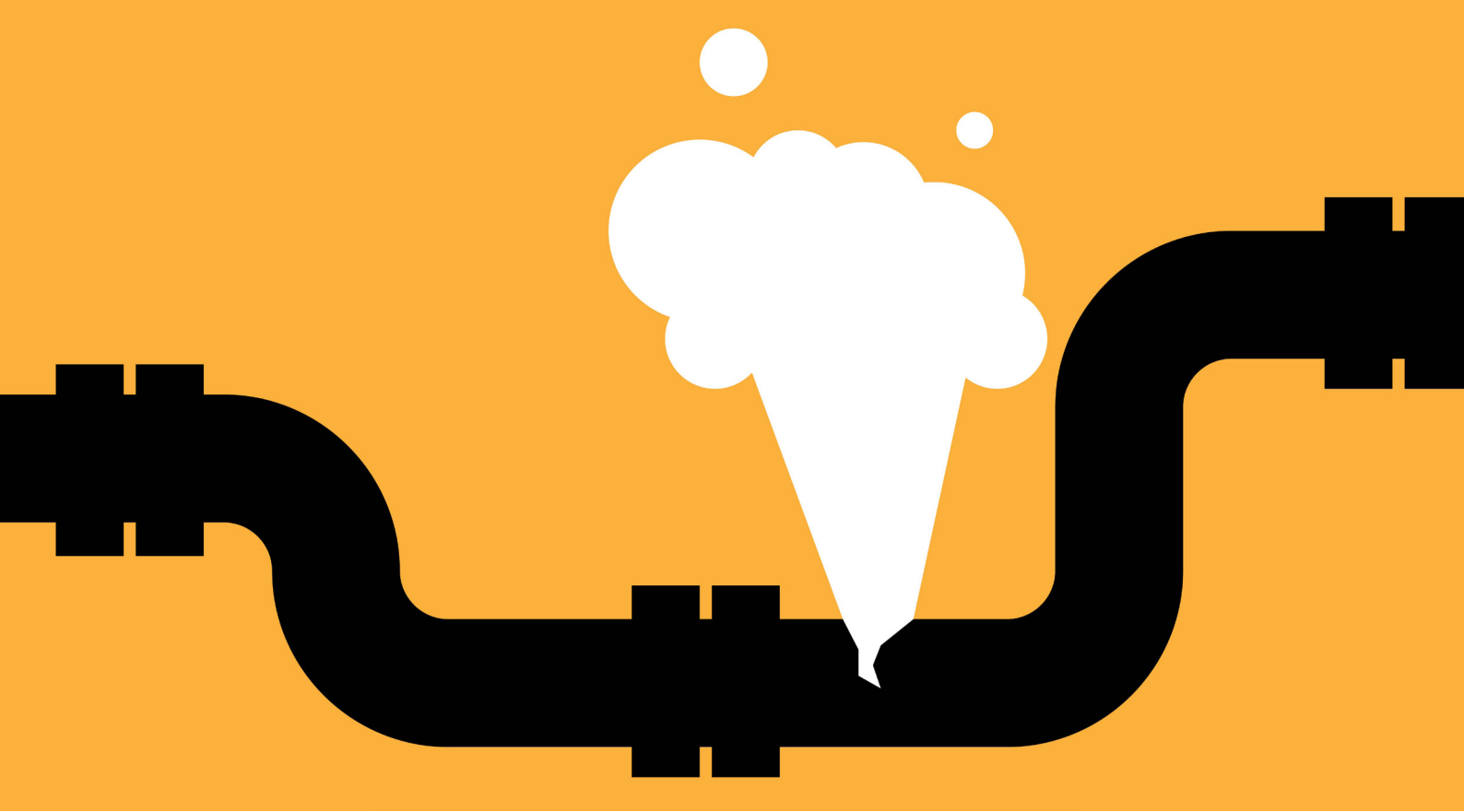
Additionally, **Payne Hicks Beach** is looking to adopt a new client relationship management (CRM) system: “We’ve identified our top clients, where the cross-selling holes lie, and the varying pricing models different departments use. We have all this information available, and I can see the obvious gaps that will lead to more revenue, meaning that fewer clients need to be onboarded because we can get more from our existing base. Putting in place a good CRM will bring much more data to the forefront of our thinking,” he explains.

Similarly, Powell says **Bates Wells** is focusing on core systems and its PMS, which will shape the trajectory of its transformation journey and tech spend allocation: “The PMS will do some of the business support processes, so we don’t want to start using other tools when they may be included in the PMS.”

Of course, not every tech investment will be a major one. Firms may reach a point in their innovation journeys where they prioritise point solutions or department-specific tools that still have a wide impact on productivity and

“The challenge for firms today is deciding what to prioritise, what will genuinely improve the client experience, and where adoption by our people will create sustainable value rather than simply add complexity.”

RUJ DEV, CFO, MILLS & REEVE



margins. Johnson points to the implementation of Workday Adaptive Planning, which helped the finance team at his previous firm reduce budgeting time from three months to just one. “We saved weeks of time, which were then reinvested in getting the team to look under the skin of the areas where value, profitability and realisation are lost and determine where the problem was more pronounced,” he explains.

THE AI ALLURE AND BEYOND

Johnson notes that until now law firms have found it fairly straightforward to plan their tech spend and predict their financial horizons thanks to the chargeable hours model.

However, as the pace of technological change picks up, powered especially by AI, these certainties lie on increasingly shaky grounds. The efficiencies created by automation have put further pressure on the viability of the billable hour model, raising questions about how firms price work and protect revenue. At the same time, tech expenditure decisions have become swifter and increasingly frequent. Against this backdrop, financial planning must be a flexible component of the firm’s roadmap. Budgets need to be dynamic to support

unplanned tech buys and accommodate tools whose ROI or use cases may still not be entirely clear, ensuring firms have the capacity to pivot where necessary to stay profitable.

Johnson says: “It’s really important that you can ringfence the spend you need to absorb to keep things running. And then, there’s all these different tools that people want to play with, so firms need to decide which ones they’re going to put their money on. Finance teams now need to rapidly reassess and reprioritise what they were planning to spend. They need to make quicker decisions, which also means that people need to develop a more commercial mindset and think about the ROI of the tools they are asking for.”

“Now is the right time to take away the chargeable hours target from lawyers. AI creates this unresolvable tension between having to hit the target, linked to compensation, and the pressure to use AI tools.”

MARK JOHNSON, CFO, FLINT BISHOP

He adds that the drive for innovation can also sometimes distract from slightly less glamorous investments; however, maintaining focus on what will drive clear gains is critical. “It’s very easy to put problems such as resource management on the back burner and say it isn’t important because it gets done anyway, even if it could be better. Things like

AI are newer, more interesting and exciting, and that generally seems to take the investment spend. I’d be more willing to put my money and trust in technology with clear ROI than in ▶

something nebulous like a lot of these AI products that haven't been proven yet."

Dev acknowledges the complexity of measuring ROI on tech tools but also underscores the importance of experimenting to drive innovation: "You can't invest without discipline, but equally you don't want governance processes that prevent innovation altogether. The key is clarity of intent. Experimentation and learning require a different investment mindset from a firm-wide rollout. The important thing is understanding what outcome you're seeking and making deliberate decisions about where to experiment and where to scale."

In this sense, Powell says **Bates Wells** is using Jylo, which uses a credit-based model, and is currently trying to figure out how different levels of use should be accounted for in its firm-wide tech budget. She notes: "Technology is moving so fast that the AI tool we buy today may not be the best one in a year's time. The challenge is getting that balance of delivering what we need now without locking ourselves into a contract where we're stuck with something we won't want later."

Johnson also highlights the importance of having a long-term perspective when evaluating the financial viability of a new technology. "When AI tools first came out, many were free trials, then became subscriptions, with enterprise-wide licences available depending on the number of users. Now AI companies are very aware that users are not the problem — it's computational power that's the limiting factor. So, more of them switch to token-based pricing, even partway through a contract, which then obviously changes all your ROI assumptions."

While ROI is a main concerns around AI and other efficiency-driving tools, it's not the only one. As automation reduces the time needed to complete work, it raises more fundamental questions about the sustainability of the billable hour model and how firms will continue to

protect profitability in the future.

Gaffney says he hasn't seen resistance to pricing from clients yet but acknowledges that AI will change ways of working and billing: "We work with high-net-worth individuals who want our specialist service in the room and are used to paying hourly rates. Over time, we may move to different pricing models for different types of work, but that'll still be modelled on how long it takes a lawyer or an AI tool to do it. So it might be that we have AI tools that charge hourly rates or that we move to fixed fees with certain clients."

Dev says the shift to value-based pricing has already started and will accelerate. "The challenge is that clients rightly expect to benefit from some of the efficiencies technology creates. At the same time, firms need to continue investing in technology, capability and training. Increasingly, the conversation is moving away from how much time something takes and towards the value of the outcome delivered. That's why pricing strategy is becoming much more central to the future economics of legal services. She adds: "I think if productivity just creates more capacity, then you're not going to capture any benefits from a commercial perspective."

For Johnson, there's a fundamental clash between tech-driven efficiencies and billable

hour pricing: "I'm a big believer that now is the right time to take away the chargeable hours target from lawyers. AI creates this unresolvable tension between having to hit the target, linked to compensation, and the pressure to use AI tools on which the firm has spent a lot of money. We can't use tech and drive efficiency unless we've got an unlimited pipeline of work,

which is not the case. But if the time spent on work is reduced so too will be the total hourly charge and the bill for the client. The only way you can get past that is to do value-based pricing," he says, adding that this is a natural progression for the sector. As such, firms will have to adapt quickly, or risk falling behind. ▀

"The challenge is getting the balance of delivering what we need now without locking ourselves into a contract where we're stuck with something we won't want later."

ALISON POWELL, FINANCE
DIRECTOR, BATES WELLS



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A PERFECT MATCH

Lucy Johnson at **HGF** on how the right private equity partner can be a catalyst for accelerating operational momentum and sustainable growth

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BEWARE THE RISKS

Professor Robert Kang on the top decisions that can make or break a firm's operational resilience in today's volatile geopolitical landscape

THE PE EFFECT: SHARPER **FOCUS,** SUSTAINABLE VALUE

Lucy Johnson, chief operating officer at HGF, reflects on the firm's journey as a private equity-backed organisation — following its transition to this model in October 2024 — and shares how this step has reshaped its operational performance

M

oving from the traditional partnership model to a

private equity-backed structure has been one of the most significant changes for HGF. In many partnerships, decisions can be slow and consensus can sometimes stand in for progress. PE brings clearer accountability and a stronger expectation of delivery — that can feel uncomfortable at first, but it is also one of the most powerful catalysts for moving the business forward.

The right PE partner brings pace, challenge, investment and accountability, and we've seen first-hand how that can accelerate change and create value. At its best, PE sharpens decision-making, introduces focus and creates the conditions to move more quickly and with greater intent. We talk about value creation at pace through change — a very different narrative to that of most partnership models (certainly in intellectual property) and one that has been a force for positive change at HGF.

That said, pace and value



“The cultural fit with a PE partner is not a soft issue, it is fundamental. Where there is alignment on pace, ambition and ways of working, PE can be genuinely additive.”

creation are not automatic. The difference between success and frustration comes down to alignment: choosing the right investor, agreeing a clear plan, putting the right people in place and executing it with discipline.

In an intellectual property services firm, that matters acutely. Like others in the sector, ours is a specialist, relationship-led business built on judgement and trust. One thing I've learned is that there is no off-the-shelf operating model for firms like ours — what works must be grounded in a real understanding of how value is created and how clients experience the service.

The cultural fit with a PE partner is therefore not a soft issue, it is fundamental. We have found that, where there

is alignment on pace, ambition and ways of working, PE can be genuinely additive. Where there isn't alignment, friction will appear quickly.

1 PEOPLE ALIGNMENT

As is the case for all professional services businesses, the success of HGF still rests on its people. Technology, processes and data matter enormously, but clients ultimately experience the quality, judgement and reliability of the individuals delivering the work.

One thing I've learned is the importance of addressing leadership capability early. The team and structures that got the business to one stage are not always the ones needed for the next. Under PE ownership, that becomes clearer — and more urgent — very quickly. ►

Scale demands clearer accountabilities, stronger functional leadership and more consistent execution across teams and locations. In our experience, being explicit about ownership and expectations early has made a material difference.

Leadership also needs to visibly own and communicate the strategy. People need to understand where the business is going, why it matters and what it means for them. Without that clarity, alignment drifts. We find ourselves communicating through a lot of different channels regularly. Colleagues need to see and hear from the leaders of the business regularly to stay aligned and connected to the journey their firm is on.

This is particularly challenging when evolving out of a partnership model. Alignment from the board through to the wider organisation takes sustained effort. We have learned that repeated, plain-language communication and visible accountability are critical to maintaining momentum.

Where equity participation can be extended, it should be

done deliberately. Connecting more people to the journey and the outcome has been an important part of building engagement and alignment.

2 DATA AT THE CORE

Data has been one of the biggest operational shifts for HGF. It underpins how the business is run day to day and is foundational to AI and automation.

Like many professional services firms, we have grown with fragmented systems and inconsistent definitions. That is manageable at smaller scale but quickly becomes a constraint when trying to improve productivity, manage profitability or integrate change. The same metric may have numerous definitions within your business; you have to agree on one definition to ensure reporting and progress are aligned across all teams and functions.

One thing I've learned is that a clear data strategy is not optional. Leaders need to know what data matters, where it sits, who owns it and how it will be used. Without that, reporting becomes commentary rather than a basis for decisions.

Good data has given us much clearer visibility on where work is profitable, where capacity is constrained,

where pricing needs attention and where processes are inefficient.

It also drives focus. PE introduces a level of discipline around prioritisation: instead of doing everything, focusing on doing a small number of high-impact things well, with proper governance and pace.

Strong transformation governance has been key — clear ownership, milestones, benefits and a willingness to stop activity that is not delivering. Vanity projects will become a thing of the past as alignment around a single agenda drives the business forward.

3 DISCIPLINED TECH STRATEGY

Technology is not the strategy itself, but it is increasingly central to how it is delivered. Choices about systems, platforms and digital capability shape how effectively a firm can scale, how consistently it can operate and how well it can respond to change.

In an IP law firm, technology should make the firm more scalable, consistent and efficient while improving client service. It should reduce friction, not add to it.

The starting point must be the business we are trying to build. Being clear on the target operating model — what should be standardised, what remains specialist and where risks sit — has been

“A clear data strategy is not optional. Leaders need to know what data matters, where it sits, who owns it and how it will be used. Without that, reporting becomes commentary rather than a basis for decisions.”

essential before making technology choices. Without that discipline, it is easy to digitise poor processes or invest in tools that don't solve the right problem.

AI and automation are clearly areas of opportunity, particularly in repeatable and data-heavy workflows. But we know that they require strong foundations: good data, clear processes and robust governance.

Private equity has enabled us to accelerate here, providing capital to invest in platforms, integrations, cyber capability and analytics. The key lesson has been that pace must be matched with governance, clear ownership and strong communication, so people understand what is changing and why.

A CATALYST FOR LONG-TERM GROWTH

Whether a firm is PE-backed or not, the objective is the same: building a sustainable business.

Our experience of private equity has been positive: it has brought pace, clarity and a stronger focus on execution. Most importantly, it has helped us accelerate changes we already knew were needed.

One thing I've learned is that sustainable value is not created by financial engineering alone. It comes from better clients, stronger teams, clearer processes, better data and smarter use of technology. Firms that do this well align early, communicate constantly and focus hard.

“Sustainable value is not created by financial engineering alone. It comes from better clients, stronger teams, clearer processes, better data and smarter use of technology.”

They choose investors who understand their market and respect their culture, put the right people in the right roles, invest in the foundations and move quickly but not carelessly.

Private equity is demanding, but at HGF it is also a highly effective catalyst for change. With the right partner, alignment and discipline, it can help a business move faster, operate more effectively and create lasting value. ▴

TOP LESSONS LEARNED

PEOPLE

- Start with the leadership team: early clarity on roles, capability and accountability matters
- Be honest about whether the team can deliver the plan — and act quickly if not
- Communicate the strategy repeatedly, in plain language
- Align incentives with the behaviours you need, not just the outcomes
- Build alignment through shared objectives and measurable goals

DATA

- Agree the data strategy early and treat it as foundational
- Define critical datasets, ownership and governance clearly
- Build data reporting that supports decisions, not commentary
- Focus on a small number of high-impact priorities
- Put data foundations in place before expecting AI or automation to deliver

TECHNOLOGY

- Define the target operating model before selecting technology
- Be clear on the problem each tool is solving
- Invest as much in adoption and governance as in implementation
- Treat AI and automation as operating model decisions, not standalone projects
- Ensure pace is matched with control, communication and accountability

HANDS ON

MANAGING GEOPOLITICAL CYBER RISK

THE LEADERSHIP CALLS THAT SHAPE CYBER RESILIENCE

Cyber risk outcomes are not determined by tools; they are defined by decisions leaders make before a crisis, writes Robert Kang, professor of cybersecurity and AI at the USC Viterbi School of Engineering and Loyola Law School of Los Angeles

Geopolitical cyber risk is no longer a peripheral concern for law firms; it is immediate, persistent, and tied to the work firms perform for clients. Law firms sit at the intersection of cross-border transactions, sensitive disputes, and regulatory matters that may implicate state interests. As such, they are not only targets, but also pathways to their clients and their matters.

As geopolitical tensions escalate, firms face

elevated cyber risks that extend beyond technical disruption to client-facing consequences, including delayed transactions, compromised confidentiality and increased regulatory scrutiny.

This risk cannot be managed through technical controls alone. It requires leadership decisions on risk tolerance, client exposure, governance, and accountability. Exposure is inevitable; outcomes depend on how it is managed.

Three deliberate decisions position firms to sustain trust, demonstrate defensibility and operate with resilience. Risk appetite defines what the firm accepts, capability determines what it can support, and authority decides how it acts.

1 DEFINE THE FIRM'S GEOPOLITICAL RISK TOLERANCE AND HOW RISK ENTERS THE FIRM

Geopolitical cyber risk requires a firm's senior leadership team to make a decision on what level of risk the firm will accept. This decision operates in two parts: defining the business' risk appetite and applying it through client and matter selection.

Taking on clients creates both reward and risk. Many firms focus on the former but don't define the latter. Without a clear position, exposure accumulates through new offices, clients and matters, gradually shifting the firm's risk profile without deliberate choice.

"Client and matter exposure is a primary pathway through which geopolitical risk enters the firm. This reflects a broader pattern affecting organisations across sectors."

This creates a form of risk ‘drift’: the firm’s exposure increases over time without a corresponding adjustment in capability or oversight. Defining risk tolerance requires applying it to client and matter selection, where not all engagements carry equal risk.

Matters involving sensitive jurisdictions, state-linked entities or regulated technologies can materially change exposure. These risks may not be visible to law firms at the outset and often emerge through deal structures, data flows or relationships between parties. Without a structured approach, firms may treat all engagements as equivalent, even when they’re not.

Recent cyberattacks against firms such as Covington & Burling illustrate how this exposure manifests. Attackers — widely believed to be state-sponsored — targeted communications associated with specific lawyers to obtain information that advanced geopolitical objectives. The firm was not the end target, it was the access point. The implication is direct: client and matter exposure is a primary pathway through which geopolitical risk enters the firm. This reflects a broader pattern affecting organisations across sectors.

Leadership must distinguish between ordinary and elevated risk and apply that distinction consistently. This may include integrating risk indicators into client and matter intake, and establishing escalation pathways to identify and manage elevated risk. Where the firm is unwilling or unable to make those investments, it may need to limit certain engagements or accept a higher level of risk.

Defining risk determines what the firm is willing to accept. The next decision determines whether the firm is equipped to support it.

2 ALIGN SECURITY CAPABILITIES AND INVESTMENT WITH THE LEVEL OF RISK ACCEPTED

This is a leadership decision that must answer a key question: can the firm support the risks it has chosen? This misalignment often emerges gradually, as firms take on higher-risk work without adjusting the security controls required to support it.

When taking on new clients or activities that

“When capability and risk are aligned, firms can operate with confidence. When they do not, gaps remain — often revealed only under pressure, when the cost of misalignment is highest.”

significantly increase the firm’s digital footprint — such as promoting remote work — leaders should confirm whether the firm’s capabilities are sufficient to support the level of risk it has chosen to accept. Where they are not, firm leadership has three choices: invest to build that capability, constrain the activity, or proceed with an elevated level of risk.

For example, representing a high-profile or politically sensitive client may increase the possibility of being targeted and attacked. Aligning security capabilities with risk is key to a successful and risk-managed engagement.

A similar dynamic arises while making operational decisions. Enabling remote work expands access to firm systems and sensitive information across locations and devices. Supporting that flexibility may require stronger authentication, device controls and monitoring. Where those capabilities are not in place, the firm must decide whether to invest to support that model or constrain how work is performed.

Choosing between the three options — accept, invest or constrain — is a business decision that each organisation must make. When capability and risk are aligned, firms can operate with confidence. When they do not, gaps remain — often revealed only under pressure, when the cost of misalignment is highest.

3 DEFINE DECISION AUTHORITY FOR RESPONDING TO CYBER INCIDENTS

Geopolitical cyber incidents test not only response, but control: who has authority to act, how decisions are made, and whether those decisions can be executed in time to limit harm.

Firms should define in advance who has authority to act, how issues are escalated, and what conditions trigger leadership

involvement. This includes defining escalation triggers for leadership. Managing partners, CISOs and general counsel each play distinct roles, which must align before an incident occurs. Establishing clear authority and accountability requirements determines whether decisions can be defended later.

One common example: has the firm determined, in advance, who is authorised to shut down major business systems during an incident to contain infection? This decision should be made before — not during — a disruptive event.

Clear decision authority enables faster containment, more consistent communication and more defensible outcomes. Without it, firms are forced to act without clarity on who can decide, often when the cost of delay is highest.

This is ultimately a question of readiness: whether the firm can execute its decisions when they matter most.

GOVERNANCE: INTEGRATE THESE DECISIONS INTO A COHERENT SYSTEM

Governance is the mechanism that connects these decisions and determines whether they operate as a coherent system under pressure.

These decisions are interconnected. Risk tolerance informs client selection, client exposure shapes incident scenarios and incident response depends on clearly defined decision authority. Readiness reflects how

effectively these elements operate under pressure. Governance determines whether these decisions operate as intended — and whether they can be verified, tested and explained under scrutiny.

Governance turns leadership intent into consistent practice. Risk tolerance, escalation and authority must be clear before they are tested. It also ensures that capabilities and investment match the level of risk the firm has chosen to accept. Without that alignment, risk tolerance is aspirational, not operational, and risk and capability diverge over time — even when individual decisions appear reasonable in isolation. European regulatory frameworks, such as the NIS2 Directive's Article 20, reinforce this expectation by elevating cybersecurity accountability to the level of boards and equivalent governing bodies.

Without governance, decisions remain informal and inconsistent. With governance, they form a system that can be understood, tested and explained to clients and regulators — and can determine whether those decisions withstand scrutiny under pressure.

TAKE ACTION BEFORE THE CRISIS

Periods of geopolitical escalation are not just moments of heightened risk. They are moments of decision. Law firms cannot eliminate geopolitical cyber risk, but they can proactively determine how it is managed.

In those moments, the difference is not only what decisions are made. It is whether the firm aligned its capabilities with the level of risk it chose to accept.

The consequences extend beyond system failure to client trust, regulatory exposure and the firm's ability to explain its decisions under scrutiny. Firms that define their approach in advance are better positioned to protect clients, maintain operations and sustain trust. Those that don't are forced to decide during a crisis, when the cost of uncertainty is highest. Cyber risk outcomes are not determined during moments of crisis. They are determined by the decisions leaders make before a crisis begins. ▀

“Cyber risk outcomes are not determined during moments of crisis. They are determined by the decisions leaders make before a crisis begins.”

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INDUSTRY CASE STUDY

THE ROAD TO INNOVATION INSIDE WEIGHTMANS' MOVE TO CLIO

Stuart Whittle, chief technology officer at Weightmans, explains why the people factor was key to the firm's decision to adopt Clio Operate (formerly ShareDo) as its new CMS

In recent years, the legal tech market has grown at remarkable speed, with new tools and platforms emerging almost daily. This broadening spectrum of products has been a double-edge sword for law firms: offering wider access to more innovative solutions, while simultaneously adding an extra layer of complexity to selecting the right systems — requiring firms to carefully weigh myriad features and possibilities against their strategic goals and use cases.

For Weightmans, the road to choosing Clio Operate as its new case and matter management system started in late 2023 — a move prompted by the imminent sunset of its former system.

Stuart Whittle, Weightmans' chief technology officer, says his search began at an industry event, where he saw first-hand just how many tech vendors had entered the legal market. "We partnered with Lights-On Consulting to help us run the procurement process. From the initial 40 vendors we spoke to, we looked at around 20 in more detail,

evaluating them against nearly 90 odd criteria which included their time in business, turnover, numbers of customers, size of their customers, their exposure to the UK market and the capability of their systems. Some ruled themselves out — perhaps they were market-specific or didn't have experience supporting a firm needing a higher number of seats — and we eventually narrowed the list down to four."

PUTTING THE TECH TO THE TEST

Weightmans then embarked on a six-month deep-dive vetting process to evaluate those four frontrunners, looking at their infrastructure, product development and implementation process, and customer service. To ensure a thorough assessment, the firm brought together 17 key stakeholders from across functions and teams, including secretaries, senior lawyers and partners, to better understand how different business areas and roles were using the firm's current systems (and what the shortfalls were), what they needed from a new one, and how each candidate measured up.

"While I've worked at Weightmans for 33 years, it's been over two decades since I've done any case handling — and ultimately, people



“For a system implementation to succeed, it can’t be just an IT project. Getting directors, heads of department, team managers and people across the firm to grasp the rationale for using the system is key.”



work in very different ways, so it was crucial to involve different people in this. For a system implementation to succeed, it can’t be just an IT project, because the IT team aren’t going to use the tool at the end of the day. Getting directors, heads of department, team managers and people across the business to understand the rationale for using the system is key,” he explains. This input was used by Whittle to put together a 67-page document setting out all the use cases, describing how the firm intended to use the new system and what the proof of value would look like.

Following comprehensive testing, the shortlist was reduced to just two candidates. Eventually, Clio Operate emerged as the preferred supplier, conditional on contract negotiations and the completion of a proof of value, which Weightmans spent six months carrying out in 2025 and start of 2026.

Whittle notes that, in his case, it was the vendor’s people and a shared view of what the

system architecture should look like that tipped the scales in favour of Clio.

“I went into the process thinking I was going to buy a different system, but I came out of it very much in favour of Clio Operate, partly because of Ben [Nicholson, general manager, Clio Operate at Clio] and Phil [Swinburn, staff product manager at Clio Operate]. When I listened to them talk about how lawyers work, it sounded like me. I don’t need to explain to them why a corporate lawyer doesn’t want a feature, but a debt recovery one might. And while the hierarchical nature of the system’s architecture is complex, it is the way I have talked about building

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workflows for 20 years. Conceptually, having a base structure and then layering on exceptions for different work types and clients has got to be the right thing to do. And that's how they've built Clio Operate," he explains.

NEXT STOP: IMPLEMENTATION

As Weightmans prepares to roll out Clio Operate imminently, Whittle is already building on his previous implementation experience to make the process as smooth as possible, starting with the people element. This, he says, can be harder to get right than the actual technology itself, as a new system often means changing the ways people have worked for years, and bringing them on the transformation journey can be challenging.

"The language we're using when we talk about the rollout of Clio Operate is very different to the one we've used in other implementations. We are talking about adoption now: it's not simply about usage. For us to succeed as an organisation, we must align everyone's objectives around adoption — from my training team to the heads of department. This is an important strategic decision for Weightmans, and it'll take time to roll out, so we've got to make sure that everyone's focus is on embracing the technology and getting all the benefits out of it."

To help build this firm-wide alignment, Whittle has put together an implementation taskforce, selecting representatives from each department with the seniority, charisma and curiosity to help drive the transformation journey forward.

"The role of these champions is threefold.

Their first objective is making sure that when we configure the platform, they are comfortable that it will work for their department. The second, and most important task is helping with adoption. Our IT trainers can show every department how to use the system, but they can't articulate the thought process behind why we're doing things in a certain way. The third responsibility is getting people on board when we do go live — so dealing with the resistance from employees who are upset that we've taken something away from them and given them something that's unfamiliar."

While the implementation of Clio Operate will not include a full revamp of the firm's workflows, some processes — even small ones, like filing an email — will likely change as a result when they are recreated in an entirely new system with a different logic, architecture and features.

"Some things will be different, given that the way we wrote some processes and workflows in our previous platform was tied to that specific architecture. What we must do now is take a step back and think of the outcomes we were trying to achieve with those workflows, so we can work with Clio to understand the most effective way to achieve that same results using the new technology," he explains.

Weightmans has chosen to roll out the new CMS in a phased, department-by-department approach, starting with practice areas with less

rigid workflows and automation (such as M&A) and then moving to more workflow-intensive ones, like defendant personal injury and debt recovery. This plan will help Weightmans' teams get up to speed with how Clio Operate works and build up an in-depth understanding of best practices to configure the system, notes Whittle. He also says that the team is keen to keep the system as simple as possible — with minimum customisations — to cater to all skill levels and thus lower the barrier to adoption.

Whittle estimates it'll take around a year to get the first teams up and running with the new CMS. "The implementation is not just about Clio Operate — we need to think about data migrations, entities and client matter inception, and understand how the CMS will interact and integrate with our tech stack. We also need to figure out the infrastructure behind it and what the right setup for users is — looking at things like screen size, CPU and RAM to ensure people get the best experience of using the system," he says.

Working closely with the vendor will be key in driving the success of Weightmans' transformation — it is precisely why Weightmans will collaborate with a Clio solution architect to find the best avenue to

meet the firm's needs and goals. "His role is to make sure we're using Clio Operate in its most effective way; my role is to make sure I'm delivering what the business wants, and there'll be a compromise between those two things," he explains.

Once the roll-out is complete, he says adoption will be used as the key measure of success. The firm will draw on Clio Operate's comprehensive usage-logging capabilities to develop data-led metrics. After six to eight weeks — which Whittle says is the critical adaptation period — the firm also plans to conduct surveys to gauge how well the users are adjusting to the new CMS and how their experience of using it compares with the previous system.

Whittle sees room for broader collaboration with Clio, especially following the vendor's acquisition of the AI-powered legal research platform vLex completed in November 2025. He also recently begun acting as chair for Clio Operate's user group — a small, select group of Clio Operate customers and users who help guide product development, feature innovation, and the overall Clio Operate roadmap. However, he highlights that his focus right now is getting the Clio Operate implementation over the line, working with the vendor to ensure all the details of the process are covered: "Experience has taught me where all the intricacies are. What I don't know right now is all the answers. The fun part is figuring that out." ▲

"We need to think about data migrations, entities and client matter inception, and understand how the CMS will interact and integrate with our tech stack. We also need to figure out the infrastructure behind it and what the right setup for users is."

INDUSTRY CASE STUDY

FROM PILOT TO POWERHOUSE CMS' JOURNEY WITH HARVEY

CMS' chief AI and innovation officer John Craske explains how the firm moved from early genAI experimentation to a global Harvey roll-out — and why adoption, governance and client value are shaping its next phase of AI-enabled legal work

When genAI took the world by storm in the second half of 2022, CMS recognised this was the start of a new era for many sectors, including legal — and decided it wanted to be at the forefront of this change, says the firm's chief AI and innovation officer John Craske.

With a lofty ambition to be a genAI pioneer and harness this technology to enhance client service delivery — a key priority for the firm — CMS quickly got to work. In 2023, it evaluated several products available at the time, testing dozens of sample use cases for multiple practice groups to select the right tool for its lofty goals. It was then that the firm discovered Harvey, which quickly stood out as a top contender, recalls Craske. "We were impressed by the legal-specific qualities of Harvey and the experienced and passionate team behind it. Plus, it has got strong data security credentials — it is one of the best suppliers we've ever worked with in this regard," he notes.

Impressed by its capabilities and strong momentum in the legal market, CMS chose to trial Harvey in the summer of 2023 with over

100 users for six weeks — a pilot that organically evolved into one of the firm's largest tech roll-outs ever.

SCALING SAFELY, EXPERIMENTING FREELY

The initial trial received significant enthusiasm from the firm's team, recalls Craske — so much so that CMS quickly chose to extend the pilot to 300 users. "It was the first time in my career that I had seen people queue up to try a tech product. At the end of the extended pilot, 98% of users said the tool made them more efficient and begged us not to take it away from them," he says. Given the strong results the trial yielded, CMS officially rolled out Harvey to 3,000 users in 2025, primarily across the firm's practice groups.

"Adoption at scale is hard and the bigger the project is, the harder it gets," says Craske, who knew that several steps were key to ensure the long-term success of Harvey's implementation across the business. The first was setting out clear AI governance policies and carrying out mandatory training to educate people on how to use genAI safely and efficiently, and understand its potential and limitations. "I'm quite cautious about legal research as a genAI use case, for example. It can help, but ultimately the lawyer's still responsible for checking the output — and the several incidents we've seen in the press reinforce this point," says Craske.

The second was enabling safe experimentation to identify the best individual applications and

"It was the first time in my career that I had seen people queue up to try a tech product. At the end of the extended pilot, 98% of users said the tool made them more efficient and begged us not to take it away from them."

thus drive innovation organically — precisely why CMS chose to roll out Harvey to thousands of users. “The only way to get use cases discovered is if everyone has access to the tools,” explains Craske. “It’s not up to me to dictate use cases; this is something that people should discover themselves as they know best what will help them. That’s why we push all our users to experiment and share examples of how they use genAI with their peers, so they can learn from each other and eventually embed the ones that have wider applications into workflows.”

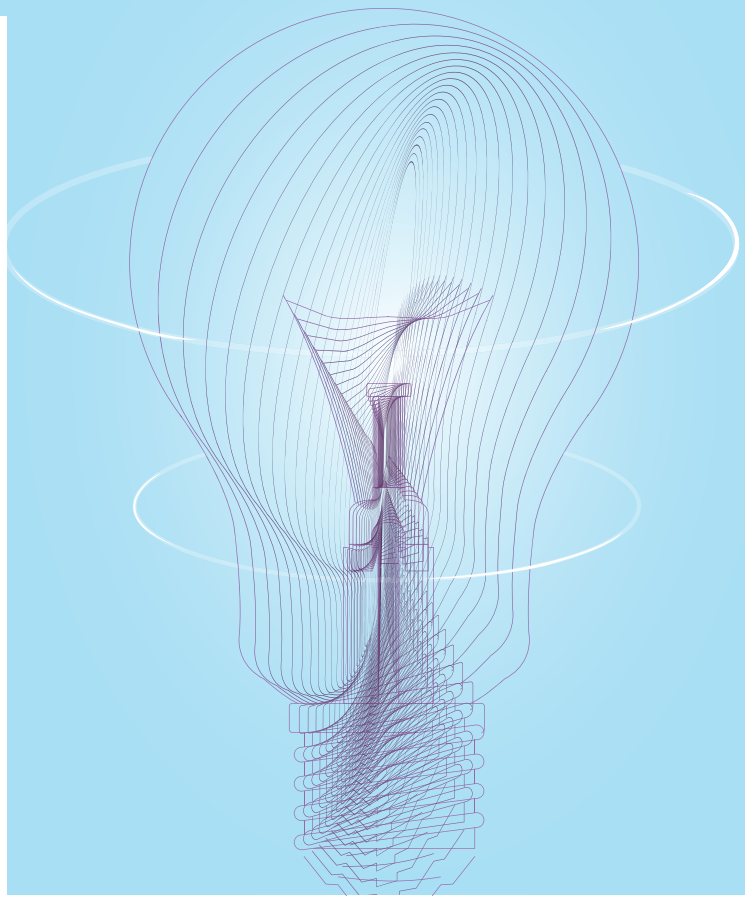
This approach proved successful, as CMS saw 95% adoption across the 3,000 users within a short span of time. “People told us during the pilot that Harvey was saving them at least 30 minutes a day (and nowadays, even more). This product is making us more efficient, and it has enabled us to do things — like analyse larger volumes of documents in a very short timeframe — that we couldn’t do before, thus helping us win more work.”

FROM INDIVIDUAL USE TO INSTITUTIONAL VALUE

At the end of 2025, CMS chose to roll out Harvey across all its 22 member firms across 50 countries, and today over 7,000 lawyers and staff use the tool. The firm uses Harvey for a variety of different use cases, including building briefing packs for clients, high-volume document generation and large-scale document review.

“In our corporate team, a partner used Harvey to review an incoming share purchase agreement against our own template and build an issues list, as a sense-check that the team had caught everything. Harvey found all the same issues as the manual review, and flagged one further point that would otherwise have been missed,” says Craske. “Another team used a combination of Harvey and other tools to carry out a review exercise involving 68,000 documents, delivering initial findings in a much shorter time frame than a manual review would allow, and enabling us to offer the client an alternative fee arrangement. Working at that scale and speed lets us take on work, and price it in ways that were not previously possible.”

For him, this is more than a demonstration of Harvey’s value to the firm — it’s also a key step to adapt to a new way of working in today’s AI-enabled world, and future-proof the firm.



“Giving everyone access to Harvey also sends a message about the firm’s expectations around AI use — and we’ll be reinforcing this message in the next financial year through our new AI value contribution bonus, which will reward the best AI uses,” says Craske.

The next stage of CMS’ genAI journey involves moving to a more systematic approach — identifying the best use cases for firm-wide application and incorporating them into new end-to-end legal workflows. The firm is also actively looking at Harvey’s Shared Spaces — secure environments that allow internal and external organisations to share work and collaborate in one place — as a potential means for enhanced collaboration with clients. Craske adds that the firm has its first pilot Shared Spaces live with clients now. “We’re on this journey from early experimentation and individual use to a more methodical way of doing things across the firm, and we’ll continue to work closely with Harvey to help us do that. Harvey’s been a great partner throughout this whole process, and we’re excited for what the future may hold.” ▀

To learn more,
visit harvey.ai

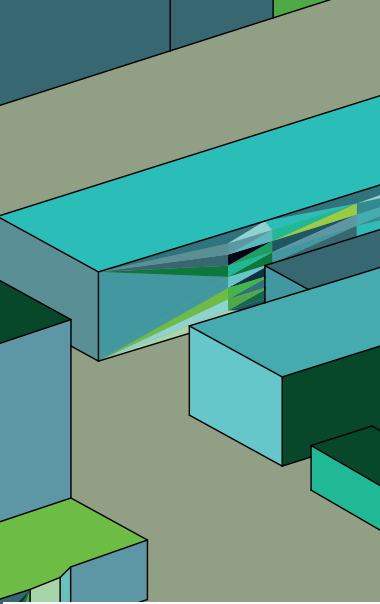


INDUSTRY CASE STUDY

SOLID KNOWLEDGE FOUNDATIONS FOR AN AI FUTURE

DAC Beachcroft's knowledge director Susan Ford, and practice improvement manager Louise Heathcote, share the rationale and action behind the Thomson Reuters CoCounsel Legal pilot that is empowering service delivery and helping upskill the firm's people

In an ongoing journey to find and embed a secure AI solution that takes its service delivery to new heights, and motivated by a culture of continuous improvement, DAC Beachcroft has been trialling multiple tools to identify which would be the perfect fit to take efficacy and service delivery to the next stage, says the firm's practice improvement manager Louise Heathcote.



“We’ve had our eyes on genAI since the hype around it started a few years ago, but we decided that it was too early for us to dip our toes in. At that time, we wanted to see how this technology would evolve and wait for the tools to be more polished. But now, we’re seeing more clients asking questions about genAI, some are using it for their own work and they’re expecting firms to do the same to deliver more value, so now is the right time for us to join them on this journey,” she adds.

For DAC Beachcroft, choosing a highly secure genAI product with a solid foundation of trusted sources was a priority. This is precisely what influenced the firm to pilot Thomson Reuters CoCounsel Legal across several sectors and practice areas, says knowledge director Susan Ford.

“We’re very conscious of the risk of AI hallucinations, so we needed a trusted vendor with a robust security framework in place. Thomson Reuters has this, along with an ecosystem of trusted resources, including Practical Law and Westlaw. Plus, there’s now a feature which enables deep research into multi-layered questions over Practical Law and Westlaw,” she explains.

“What’s great about CoCounsel Legal is that it doesn’t just give you the answer, it also provides the links to all the resources used to get that answer, so lawyers can easily verify the sources and the output, which must always be done,” elaborates Ford.

SETTING THE WHEELS IN MOTION

In preparation for the pilot, DAC Beachcroft took key steps to ensure that the tools are deployed securely, with room for agility and experimentation, explains Ford. “There was a significant process of due diligence before we started the pilot. This involved a lot of security



“We want people to engage with the AI tools in a controlled, safe way while also making sure that they can see the world of possibilities this technology offers.”

LOUISE HEATHCOTE, PRACTICE IMPROVEMENT MANAGER,
DAC BEACHCROFT

questions, as well as good practices in terms of data security, like making sure that client data isn’t used to train the models.”

Heathcote adds that all employees were given mandatory training on how to use genAI, and comprehensive AI governance policies were set up to lay the proper foundations for the firm to use the product safely without inhibiting experimentation. “We want people to engage with the AI tools in a controlled, safe way while also making sure that they can see the world of possibilities this technology offers.”

Ford notes that people are moving past being surprised about what AI can do, though sometimes users do expect too much of it. Part of the education piece then is understanding AI’s limitations as well as its capabilities: a conversation that points to how the responsibility to deploy judgement and critical thinking ultimately belongs to lawyers.

When it comes to clients’ security concerns, Heathcote says: “If a client has any questions about how we are using their data, we have the security information that allows us to respond to them.”

To learn more,
visit
thomsonreuters.co.uk





“We’re trying to encourage people to learn by seeing examples of what other people have done. Sometimes it’s useful to see how a tool has actually been deployed, and have conversations with other users on how they’re using it.”

SUSAN FORD, KNOWLEDGE DIRECTOR, DAC BEACHCROFT

“We do have some clients who don’t want us to use AI at all, so we have processes in place to make sure those wishes are adhered to. As well as these guardrails, we have all the briefings that go hand in hand when somebody is piloting a tool, and the guidance that they and their supervisors have been given,” she continues.

INTEGRATION EMPOWERS ADOPTION

Ford explains that the use cases are obvious, including document summary, timeline creation and analysis: “One thing that surprised me was just how useful working alongside AI has been. For example, one of our users had to interact with a large number of documents ahead of a trial, but with CoCounsel Legal, they were able to thoroughly interrogate the documents and get answers much quicker than we would have been able to a few years ago.”

Being able to synthesise large volumes of data and information like this enables better matter scoping with clients, says Heathcote. “In this competitive market everyone has the same pressures around clients, pricing and quotes. Offering plenty of information to clients makes

our quotes more meaningful, helps us manage our scope effectively, and is of real value to us and our clients.”

She adds that CoCounsel Legal’s integration between solutions and resources promotes sustained use. “Disaggregation between digital solutions is a challenge for adoption. If lawyers can do multiple things in one place like document review and finding case law, that’s really appealing. The more we can pull things into one place, the better adoption will be.”

To drive firm-wide adoption, Ford and Heathcote explain that the firm is encouraging regular communication and collaboration between different practice areas that are trialling CoCounsel Legal and asking teams to share use cases and ideas with each other, as this peer-to-peer learning and support can be a powerful tool. “It’s a bit of a cliché, but you can sometimes see the lightbulb go on as people realise different use cases through having this dialogue,” notes Ford.

Heathcote notes that it can be difficult for firms to get people to engage with AI while it’s continuously evolving, which is where proactive communication with Thomson Reuters proved valuable. “While it’s great that all of these tools are developing so quickly, the rapid change means it can be difficult to drive adoption. The team at Thomson Reuters have been very responsive to this; we have fortnightly meetings with them where we talk about the changes, and we then update our groups, and do show-and-tells so they can see these updates themselves and get the chance to ask questions and test things out.

“The whole trial is an agile and iterative process. We start with an idea of what we want to trial based on the goals we want to achieve, and as things change or the tool gets new functionality, we constantly review and improve things,” adds Heathcote.

In addition to Thomson Reuters’ guidance and communication, observational learning is key to understand the solution better, emphasises Ford. “We’re trying to encourage people to learn by seeing examples of what



other people have done. Sometimes it's useful to see how a tool has actually been deployed, and have conversations with other users on how they're using it."

THE NEXT STOP

As the firm looks ahead, it is committed to embedding CoCounsel Legal throughout the year-long trial, while obtaining a detailed balance between qualitative and quantitative feedback. Heathcote says: "We measure the feedback we get in a variety of ways. Some of those metrics are anecdotal and some are quantifiable. We monitor usage, the skills being used and the volume of input. As a business, our approach is to evaluate what we're piloting and the impact of that."

While it's still early days for the firm to fully assess the impact of AI across the board — as Heathcote notes it can take upwards of six months to get a true picture of a tool's impact — both experts note that DAC Beachcroft is already seeing some benefits with CoCounsel Legal, particularly in activities that involve transactions, review and due diligence. "For litigation, the ability to review and extract key points from a large volume of documents very quickly to facilitate an early case assessment is very helpful," notes Heathcote.

A key focus area for the firm will be collecting feedback from all users to get an accurate and comprehensive picture of the tool's use across the business, and turn that feedback into fuel for strategic decision. "Our next step is to take on board the feedback and make sure that we are not just using the tool as a point solution, but that we embed it into the workflow. That's probably what we will concentrate on in the next few months, just making sure that users are using it as best as possible. We do have

particular use cases and some client-focused use cases that we will explore as they surface," explains Ford.

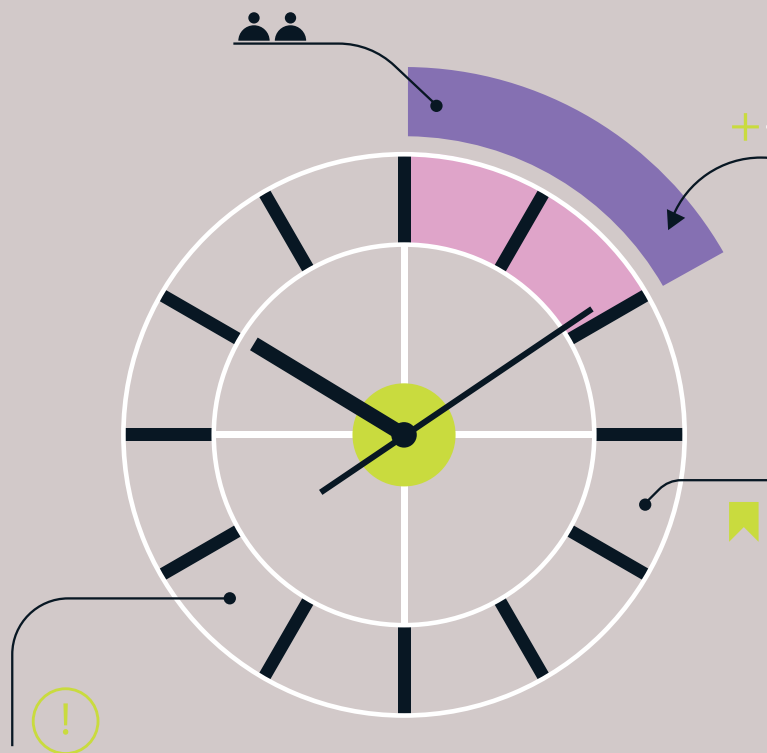
All of this analysis, paired with ongoing monitoring of how the tool will develop to assess how different teams can harness the power of new capabilities, will in turn help the firm ensure it is seeing tangible returns from this significant investment. Heathcote concludes: "This is part of our overall AI strategy as a firm — having regular milestones and checking points where we review impact and use that to look ahead. We have got to balance people loving and using a tool with the return on investment, and this will be our focus moving forward." ▴

INDUSTRY ANALYSIS

THE AI EFFICIENCY TRAP

FASTER DOESN'T EQUAL BETTER

Grant Hewlett, VP of product and firm intelligence at Litera, explains why counting the hours saved by AI shows an incomplete picture — and firms who take this approach may find themselves in the dark, unable to see the true value this technology delivers



There's a tempting assumption running through most conversations about AI and law firm profitability: if AI makes lawyers faster, firms will become more profitable. That may prove true for some firms but won't happen automatically.

Law firms don't make money because work is completed quickly; they do it when the work is properly scoped, priced, staffed, managed, billed, collected and expanded into durable client relationships. AI can improve parts of that equation, but it doesn't solve it entirely.

Document review, matter intake, contract analysis, drafting and research are already compressed from days to hours. That creates capacity, but it isn't profit. If the firm doesn't decide what that time goes into — better matter management, stronger realisation, proactive business development or higher-value work — the value may be lost or will be expected by clients to be shown in lower fees.

We've seen versions of this before. As legal research tools became more powerful and

transparent, clients became less willing to treat research time as an unquestioned pass-through cost. But technology didn't make legal advice less valuable as a result — firms had to become more intentional about how tech-enabled efficiency translated into material value.

WHO CAPTURES THE SAVINGS?

Sophisticated in-house legal teams, many of them running the same AI tools their outside counsel use, are increasingly asking a direct question: if it takes you half the time, why does it cost the same?

That question becomes more acute as alternative fee arrangements mature, which require firms to understand the relationship between effort, value, risk and margin more clearly than the billable hour alone ever demanded. The firms that can't explain how the value of the work has increased will have to explain why the price hasn't decreased.

This is the profitability paradox of legal AI: a firm can invest in efficiency and still

inadvertently damage its economics if it doesn't also improve pricing discipline, scoping accuracy, matter management, realisation and business growth. This is why time saved through AI must be invested in better matters, margins, client conversations and BD.

EFFICIENCY ONLY MATTERS FINANCIALLY WHEN IT HITS THE P&L

The same principle applies to lockup. Faster work does little for firm profitability if bills go out late, WIP sits too long, partners negotiate value away at the end of the matter, or clients are surprised by a number they weren't prepared to pay.

For many firms, the issue isn't simply whether the work was efficient, but whether the firm had the commercial visibility to manage the matter while there was still time to change the outcome. That means understanding budget performance, scope movement, billing behavior, write-down risk and collection exposure before the matter becomes post-mortem.

This is where tech can help firms become more commercially minded by giving partners better information at the moments where judgement matters: when pricing the work, staffing the team, managing client expectations, reviewing WIP and deciding whether similar work is worth pursuing.

DECIDE WHERE THE TIME GOES

Profitability is determined by what the firm does with the time AI gives back. If the value AI creates only results in a lower fee, a write-down, or the same client relationship at a lower margin, you have simply funded an efficiency gain that someone else captured.

The better answer isn't to resist efficiency: it's to manage it commercially. Reclaimed capacity should be redirected to activities that improve the economics of the firm, like better scoping, earlier budget intervention, cleaner staffing models, more proactive partner-client conversations, stronger cross-sell identification and more disciplined pursuit decisions.

THE COMPETITIVE ADVANTAGE LIVES IN THE FIRM'S OWN DATA

General-purpose AI tools operate at scale across industries and, while they can make

legal work faster, they don't know the business nuances of a specific firm — like which partner has the strongest relationship with a client preparing for a restructuring, which pricing assumptions were wrong, or which client expectations created collection issues. That intelligence lives in the firm's own data: matter history, experience records, relationship activity, pricing data, financial performance, client feedback, pitch history and institutional knowledge.

The firms that won in the post-Westlaw era understood the importance of this intelligence. Those that pulled ahead built knowledge infrastructure on top of the efficiency gain and invested in precedent libraries, matter tagging systems and formal knowledge management functions — precisely because they recognised the long-term value of such actions.

Scoping is another good example. Too often, scoping is treated as a pricing exercise or an administrative step before the 'real work' begins. In reality, it is one of the most important business intelligence moments in the matter lifecycle. Done well, it tells the firm what the matter is worth to win, what it'll likely take to deliver, what comparable matters should inform the fee, and whether the opportunity fits the firm and practice group's strategy. That's the difference between using technology to move faster and using it to run a better firm.

ROAI MUST MEASURE THE RIGHT THING

Measuring the 'return on AI' (ROAI) in hours alone is an incomplete economic story. Firms must assess whether the value of the efficiency created was captured. Did realisation improve? Did lockup come down? Did partners identify more opportunities from existing clients? Did pricing become more accurate? Did the firm win more of the right matters and avoid the wrong ones?

Those are harder questions to answer, but they're the ones that determine whether AI investment shows up in revenue per lawyer, margin (profit per equity partner), cashflow and client growth. That's what separates an AI investment from an AI advantage. ▀

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INDUSTRY ANALYSIS

REVENUE ISN'T PROFIT: YOUR DATA KNOWS THE DIFFERENCE

Law firms know revenue matters — but sustainable profitability depends on seeing where value is really created, and where it quietly leaks away. This is where data-led insight can turn operational complexity into clearer commercial direction, writes Paul Foster, head of product at sa.global

How do we measure success in a law firm? While legal expertise and client satisfaction remain fundamental objectives, a firm's ability to generate sustainable profits is essential for growth, stability and long-term competitiveness. A fairly obvious statement, but how well do firms measure profitability, and are they getting real insight into their operational world?

Everybody assumes they know what profit is and how it's calculated. What has always concerned me during my career is that people directly associate revenue with profit — there is a relationship, but many elements impact how closely the two track one another.

One of the primary drivers of profitability in a law firm, like any other business, is revenue generation. Matters might be billed by the hour, fixed-fee, contingency or retainer, but it's the successful management of this revenue, not its source, that determines profitability.

IT'S NOT UNIQUENESS, IT'S DATA

In all my interactions with law firms, they are at pains to explain how different they are to their competitors. But at the end of the day, each firm has employees, and clients who have matters on which lawyers record time and

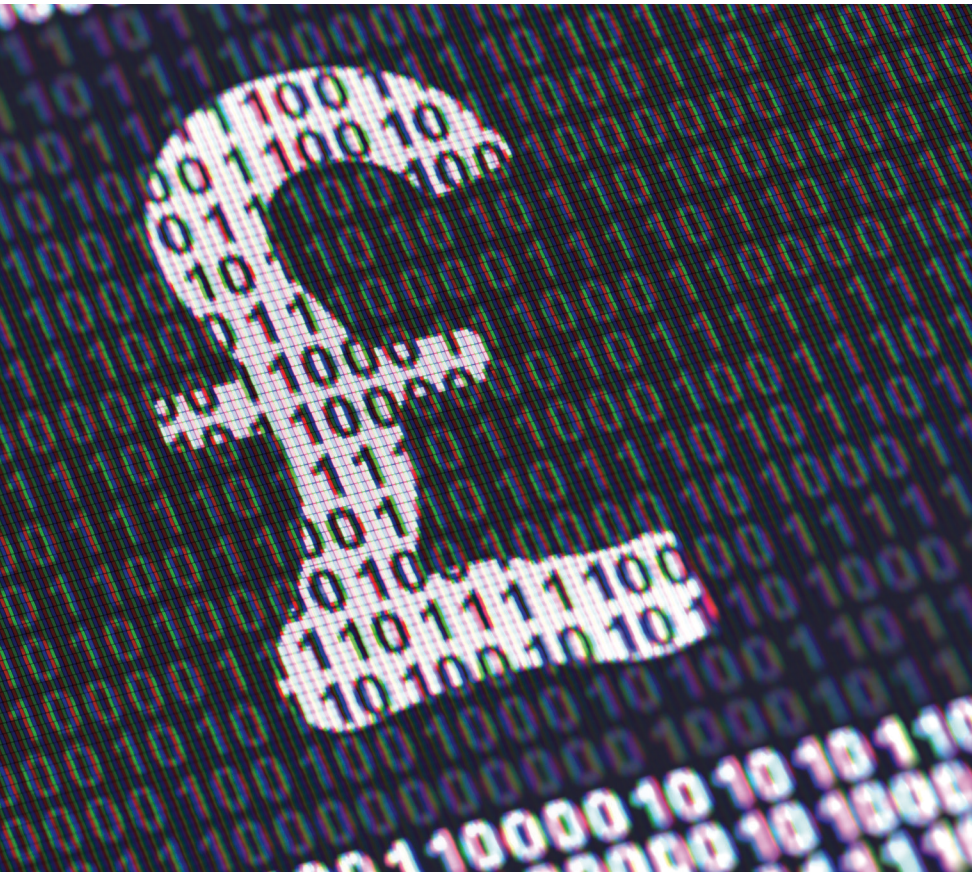
expenses. Client bills are then raised, the firm collects the money and pays everyone else. All this 'uniqueness' is simply a collection of data — employees, clients, matters and financial transactions.

Your data can tell you what you are good at, and what you are not — this is what we call 'domain expertise'. That access alone is enough for firms to turn data into real sights and direction. A firm is best placed to understand and influence its profitability if it has direct access to structured, standardised and secure data. This gives a firm the opportunity to challenge assumptions, review current practice and formulate plans to move forward.

Analysing data is nothing new, but the tools available now are far more powerful — enough to see past the obvious and investigate the hidden profits and losses that exist. Many

"A firm is best placed to understand and influence its profitability if it has direct access to structured, standardised and secure data. This gives a firm the opportunity to challenge assumptions, review current practice and formulate plans to move forward."





issues that are swept under the carpet will always leave a digital trace. The question is: what do firms choose to do when that trace appears?

DON'T CUT WEIGHT, FIND THE FUEL

Cost control is an important element in profitability. At the first sign of trouble, the instinct is almost always to cut headcount. That desire to throw out the heaviest weights in a struggling hot air balloon will only get you over the chimneys. If you need to soar over mountains, you need more power. The extra fuel or the more favourable wind your firm needs lies in your data; you just need the tools to discover it.

That fuel needed to power profitability shows up in a few places firms rarely look:

1 Task delegation: A balanced workforce structure allows firms to allocate work appropriately between partners, associates, paralegals and support staff. Delegating routine tasks to lower-cost personnel frees senior lawyers to focus on high-value legal work, increasing overall productivity and profitability. AI can help to spot where resourcing has quietly fallen out of balance — patterns the firm may not see from the inside.

2 Matter profitability vs resources needed: Not all clients or legal matters generate the same level of profit. Conducting profitability analyses by client, practice areas or matters, shows firms where the real value is and supports better pricing and resourcing decisions.

3 Assessing write-offs, discounts and reworks: There's instant profit to be made in simply highlighting and managing these out. Who are the common offenders in your law

firm, and what is best for them — retrain, replace, refocus? How much time is lost before a matter or client is fully onboarded, and what's causing these silent profit leaks?

TECHNOLOGY WITHOUT DATA IS JUST SOFTWARE

Technology has become an increasingly important factor in law firm profitability. The right PMS platform that gives full access to your data, combined with AI tools and agents, puts the right environment in place to run data analytics that improve performance across the firm. Everything becomes visible when the platform and the data are working together.

There are many ways to improve profitability in a law firm but, ultimately, you need access to your own data to understand exactly what they are. Your expertise, built over years of practice, can be identified and evidenced through your data. And with the right technology, that data becomes something more powerful: domain intelligence — the clarity to see what's working, what isn't, and what to do next. ▀

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OUT OF OFFICE



CTRL + ALT + GOVERNANCE

AI's promise is clear, but without strong governance, data and security foundations, law firms may struggle to turn opportunity into advantage, said experts at the SRA's Innovation, Lawtech and AI conference. **Briefing** editor Andreea Dulgheru reports

Amid the many discussions of AI use cases and the ever increasing complexity of the legal technology landscape buzzing at this year's SRA Innovation, Lawtech and AI conference in June, one message cut through more sharply than most: AI opportunity will only translate into real advantage if data, governance and security sit at the heart of adoption.

As Lisa McClory, of counsel in the emerging technology team at CMS UK, highlighted, AI governance should be more than a static policy. It is a multi-layered affair that requires firms to properly assess and outline whether AI should be used at all and for what, what controls to deploy around AI use, how these tools will be supervised throughout its lifecycle, and what to do if something goes wrong.

Risk scanning — assessing AI's potential bias, and dangers around data misuse, confidentiality and fraud — is the obvious starting point for AI governance. It is also where many firms have blind spots,

noted Peter Wright, managing partner at Digital Law. He said leaders may underestimate the compliance risks of AI-enabled tools, assuming paid-for platforms are automatically safe and compliant. In reality, firms must assess these tools against SRA, ICO and client-sector regulatory expectations — particularly where client data is involved.

Agentic AI raises the stakes again, noted McClory. Their complex nature, and the lack of visibility of the logic and processes they use to complete tasks, makes supervision and monitoring of these tools much harder, and increases the risks associated with the use of autonomous AI agents for legal work. As such, they require different and more comprehensive governance frameworks that must be regularly updated as AI agent models continue to change.

However, data from Gartner published in May 2026 shows this is a weak area for many enterprises — the company predicts that by 2027, 40% of enterprises will demote or decommission autonomous AI

agents due to governance failures. The issue? Firms taking a blanket approach to governance — which may end up either slowing down the performance of simple agents with too many restrictions (subsequently driving shadow AI use), or exposing higher-risk autonomous agents to a lack of oversight. This is why applying a proportionate governance approach that classifies AI agents across distinct autonomy levels is key. ▴

PRACTICAL QUESTIONS FOR RESPONSIBLE AI USE

- Is the tool safe and robust enough for this legal task?
- Is it clear when and how AI is being used?
- Could the tool create unfairness or bias?
- Who is accountable for the decision to use it?
- Can an affected client challenge, correct or complain about the outcome?

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