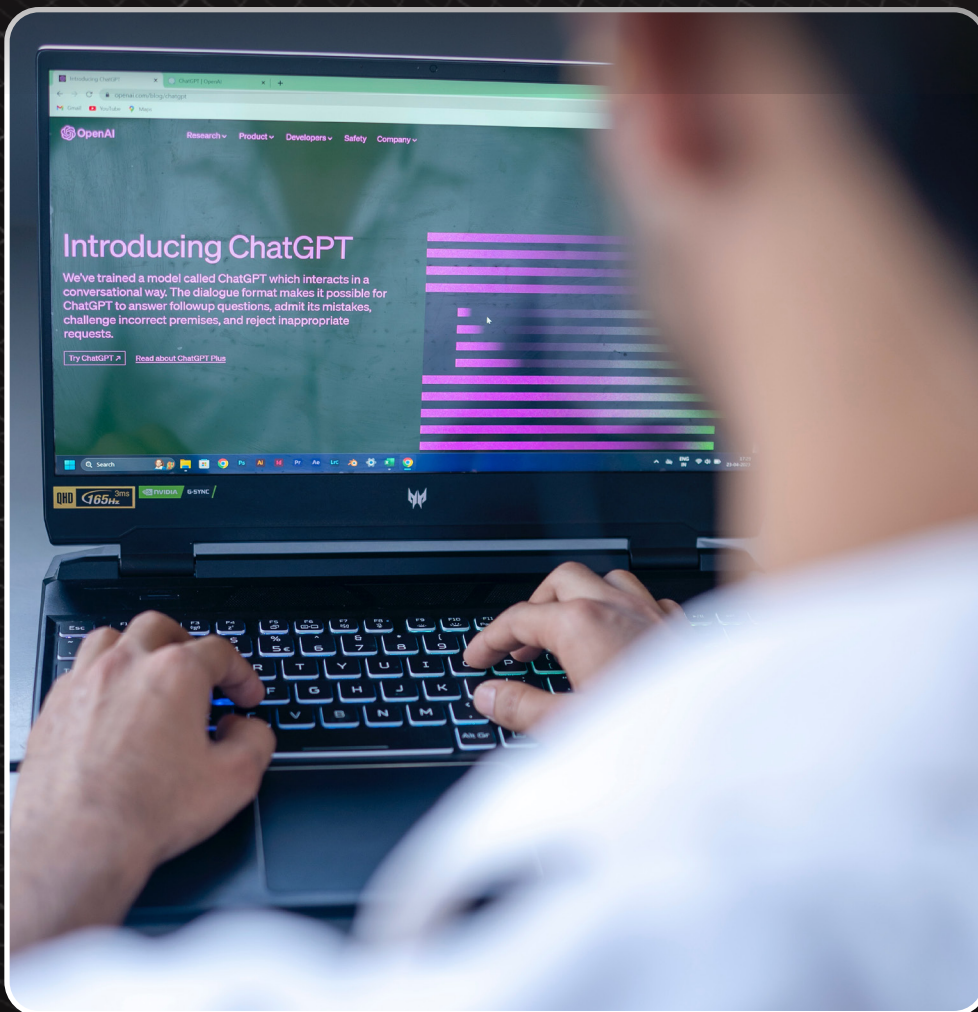


2023

Bloomberg Law®

Legal Ops + Tech Survey

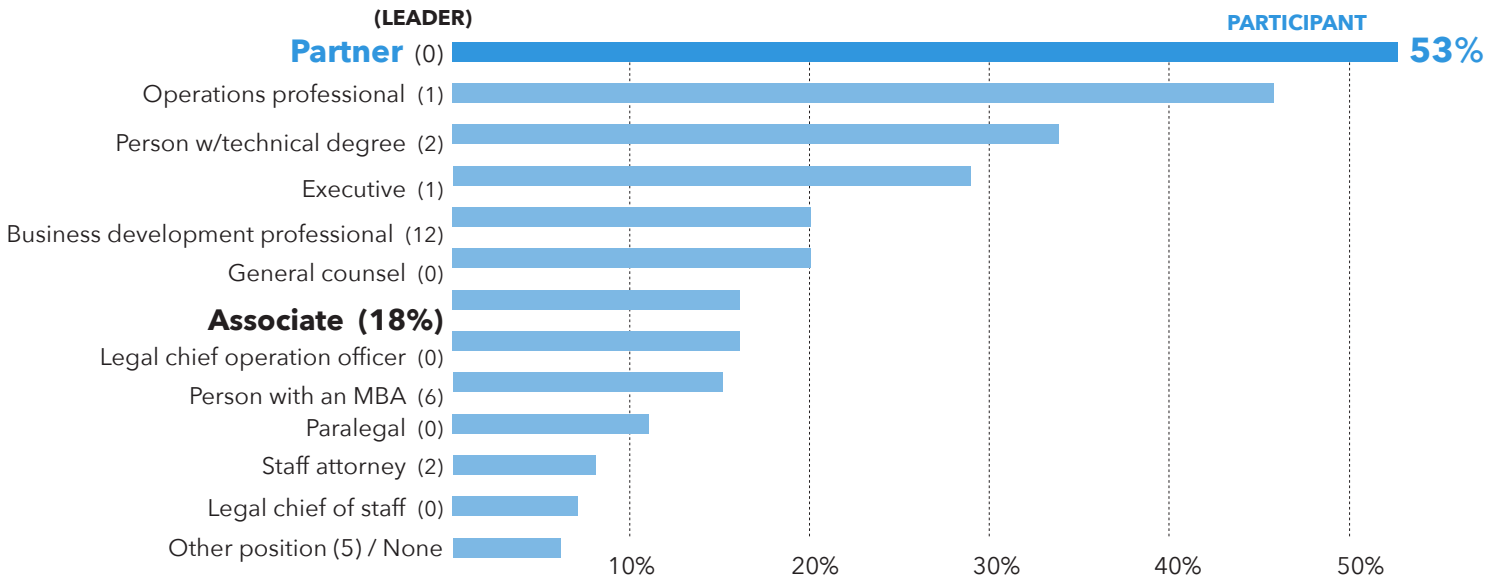


50% OF RESPONDENTS are "somewhat" or "very" concerned about the ethical implications of using artificial intelligence in their practice.

Bloomberg Law surveyed 558 legal professionals in January 2023, about legal operations and legal technology – including technology usage, efficiencies, barriers, metrics, decision-making responsibilities, and practice management. This summary report highlights the topline results from the survey. Data have been rounded to the nearest whole number.

LAW FIRMS: Over half of respondents at law firms (53%) aren't sure who leads the legal operations at their organization. Despite more than half of partners participating in their organization's legal operations function, none lead legal ops. As for associates, less than a fifth lead and participate in their organization's legal operations function.

In your organization, which employees **LEAD** or **PARTICIPATE IN** your legal operations function?



75%

say a group made of only attorneys can be considered a multi-disciplinary team.

In which areas do the person(s) in the legal operations function at your organization have **DECISION-MAKING RESPONSIBILITY**?

Area	Percentage
Technology implementation	58%
Budget Management	53
Procurement	52
Records management	48
Vendor management	48
Training	48
Billing	44
Staffing	42
Attorney Development	36
Business development	36
Knowledge management	35
Project management	33
Innovation	32
Diversity & Inclusion	31
Analytics	31
Contract management	27
Contract or Contingency staffing	27
E-Discovery Strategy	25

LAW FIRMS

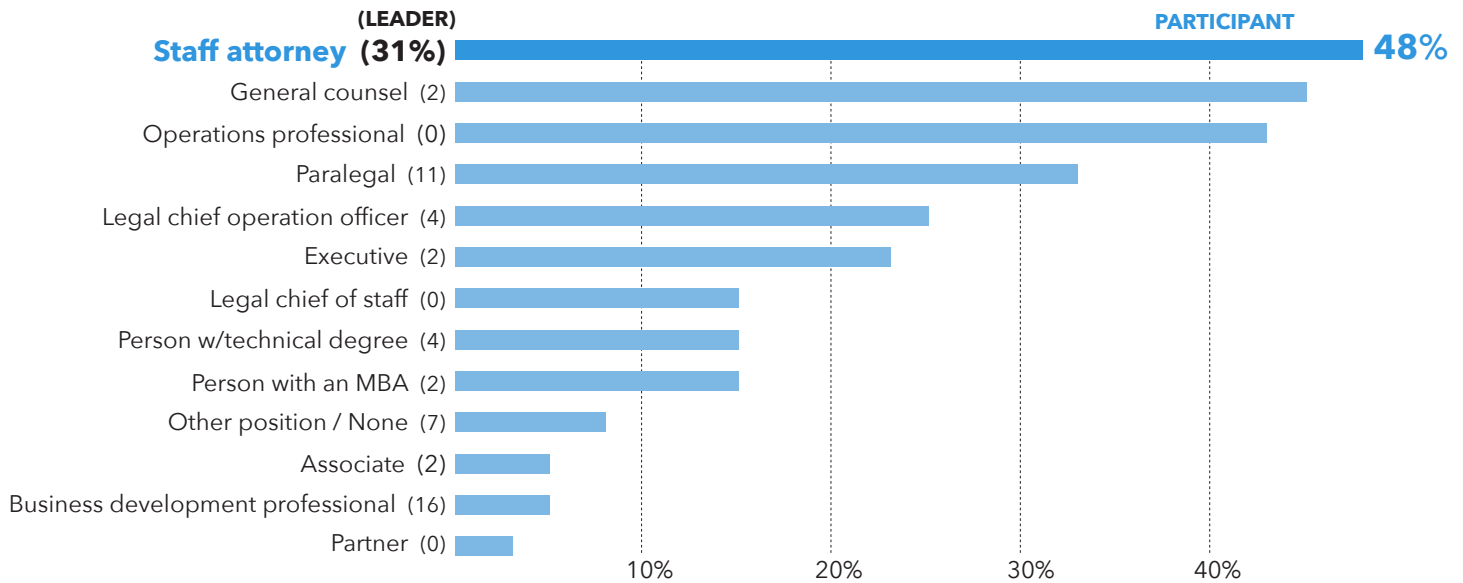
WHICH AREAS / FUNCTIONS do you regularly work with as part of a matter/project team?

Attorneys from other practice areas 55%

Business development	40
Information Technology	32
Attorneys from other organizations	23
Legal operations	22
Human Resources	15
Don't regularly work with other areas / functions for matter or project teams	15
Innovation	13
Alternative Legal Service Providers	5

IN-HOUSE: Half of in-house lawyers (48%), report that staff attorneys participate in their organizations' legal operations functions. Staff attorneys also lead their legal ops a third of the time (31%). While legal operations participation has a good mix from legal and non-legal employees, the leadership is more refined to legal staff.

In your organization, which employees **LEAD** or **PARTICIPATE IN** your legal operations function?



74% say a group made of only attorneys can be considered a multi-disciplinary team.

In which areas do the person(s) in the legal operations function at your organization have **DECISION-MAKING RESPONSIBILITY**?

Area	Percentage
Budget Management	60%
Billing	55
Contract management	55
Training	55
Vendor management	55
Project management	53
Technology implementation	53
Outside counsel management	50
Knowledge management	48
Records management	45
Analytics	43
Staffing	38
Attorney Development	33
Diversity & Inclusion	33
E-Discovery Strategy	33
Innovation	33
Procurement	30

IN-HOUSE

WHICH AREAS / FUNCTIONS do you regularly work with as part of a matter/project team?

Legal operations	61%
Attorneys from other practice areas	56
Attorneys from other organizations	59
Information Technology	51
Business development	44
Human Resources	44
Innovation	32
Alternative Legal Service Providers	10
Don't regularly work with other areas / functions for matter or project teams	7

43% of all respondents aren't sure whether their organization has a formal process to measure the value of legal ops – and that value is measured differently depending on the organization. In-house lawyers focus on legal spend, while law firm respondents focus on timekeeping measures. Their goals for legal ops align somewhat, though; all want more efficiency, but in-house lawyers hope to keep cost down and automate more, while firms focus on profits and revenue.

Does your organization have a **FORMAL PROCESS** in place to measure legal operations value?

YES



24%

18%

NOT SURE



51%

34%

NO



26%

48%

LAW FIRM

IN-HOUSE

What are some ways your organization **DETERMINES THE VALUE** of legal operations?

LAW FIRM

I don't know	43%
Time spent on billable matters	30
Write-downs of attorney time on routine tasks	22
Time spent on non-billable matters	18
Budget-to-actual spend comparison	15

IN-HOUSE

Outside counsel legal spend	37%
I don't know	35
In-house legal spend	33
Legal spend as a percentage of revenue	33
Number of matters handled internally	23

What are your organization's **TOP 5 LEGAL OPERATIONS GOALS** this year?

LAW FIRM

Increased profitability	37%
Increased efficiency	33
Increased revenue	32
Reduced costs	27
Business development	22

IN-HOUSE

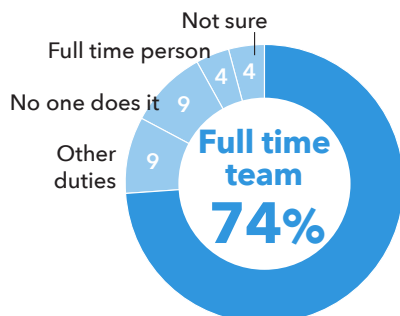
Increased efficiency	31%
Reduced costs	19
Process automation	12
Budget management	11
Knowledge management	11

Is legal ops a **FULL-TIME JOB** for the one(s) doing it at your organization, or do they have other duties?

HOW MUCH VALUE does the legal ops team brings to your organization?

LAW FIRM

IN-HOUSE



■ A lot ■ A little ■ Not much/None



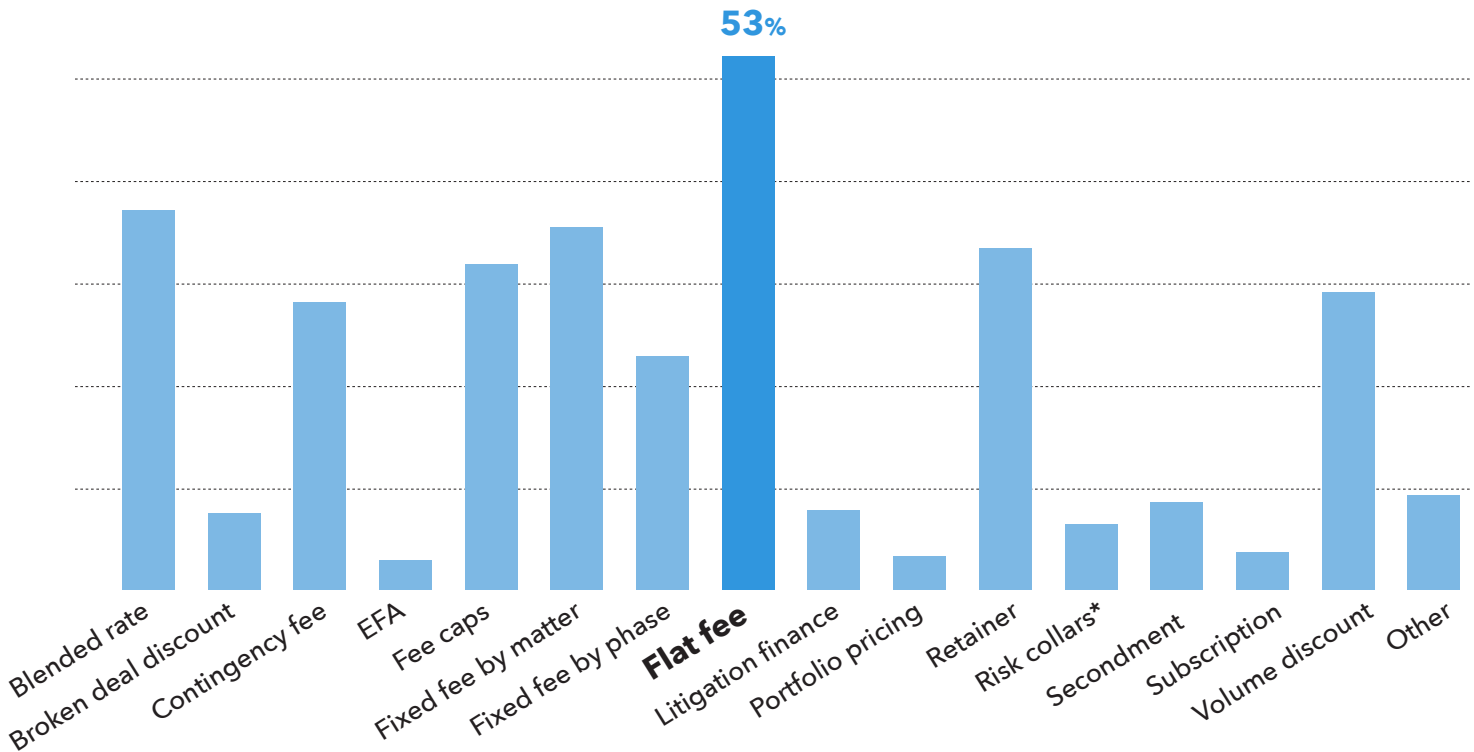
On average, respondents report that just under **a third of their work is performed under an alternative fee arrangement** (AFA), and lawyers most often report using flat fee AFAs over the past year. Two out of every five lawyers say they are currently outsourcing some portion of their services or legal work.

Specialized knowledge, cost, and fast turnaround time were chosen as the top reasons organizations outsource, with each of those being chosen by about a third of respondents. In-house attorneys noted that specialized knowledge and quick turnaround time were the biggest factors whereas law firm attorneys biggest factors were cost and specialization.

23%

The amount of work performed under an alternative fee arrangement

What **TYPES OF ALTERNATE FEE ARRANGEMENTS** have you used during the past 12 months?



14%

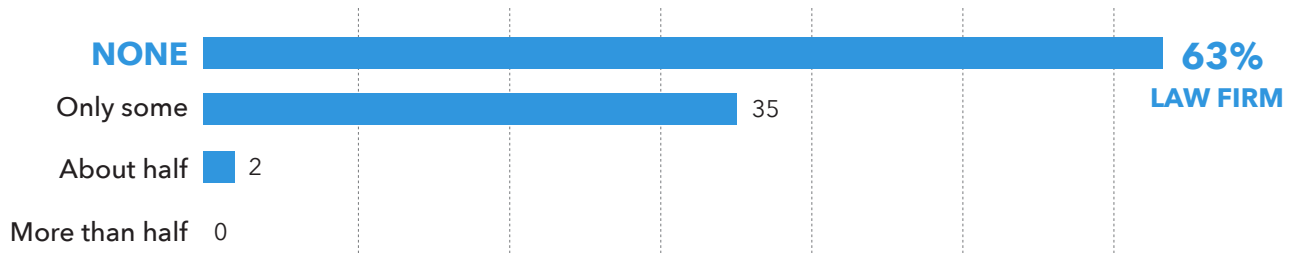
The percentage of respondents with a non-billable job or specialty

Which of the following **ARE REASONS** that you or organization outsource legal work or services?

Specialized knowledge	67%
Cost	46
Fast turnaround time	46
Other	16
Not Sure	7

The majority (63%) of law firm respondents' projects aren't being outsourced. Those that do outsource legal work tend to send out less than half of their work. Most often, they outsource eDiscovery, document review, and data collection to independent consultants, professional services, and other law firms.

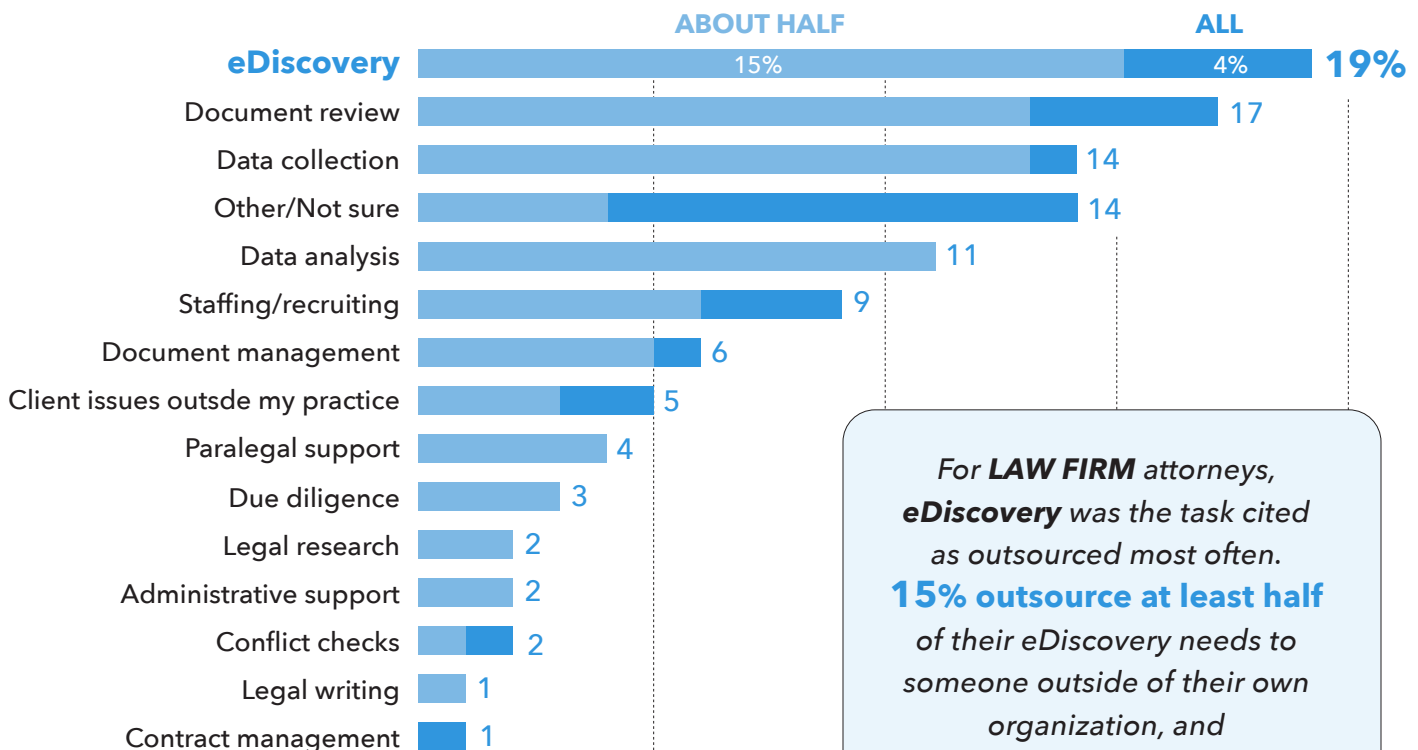
Of your current projects, how much is being **OUTSOURCED** to someone outside the company?



WHAT KINDS OF ORGANIZATIONS are doing the legal work or services you outsource?

Organization Type	Percentage
Independent consultants	39%
Professional services (EY, Deloitte, etc.)	36%
Outside law firms	31%
Alternative legal service providers (ASLPs)	18%
Not sure	15%
Other	7%

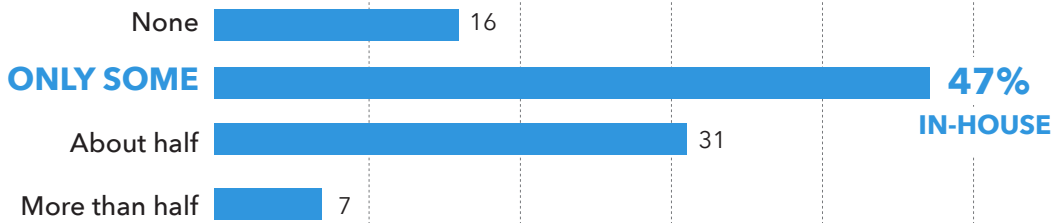
Of the following, which legal work are you currently outsourcing **AT LEAST HALF OF**?



For **LAW FIRM** attorneys, **eDiscovery** was the task cited as outsourced most often. **15% outsource at least half** of their eDiscovery needs to someone outside of their own organization, and **4% outsource all of it.**

Just under half (47%) of in-house respondents' projects are being outsourced, and an overwhelming majority (87%) of their legal work is being serviced by outside law firms. About a third of respondents say they outsource at least half (if not all) of the following: due diligence, document review, legal research, legal writing and eDiscovery.

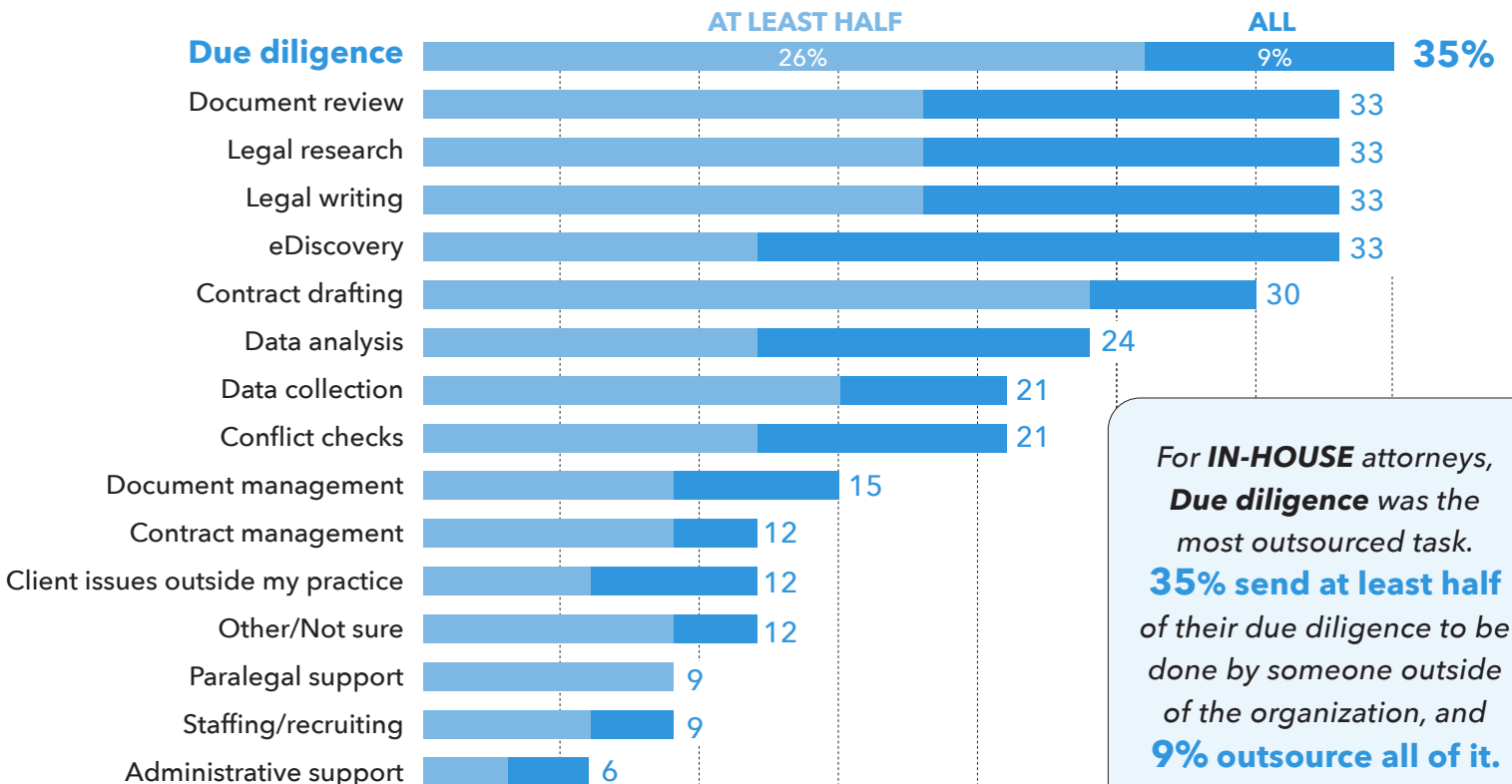
Of your current projects, how much is being **OUTSOURCED** to someone outside the company?



WHAT KINDS OF ORGANIZATIONS are doing the legal work or services you outsource?

Organization Type	Percentage
Outside law firms	87%
Professional services (EY, Deloitte, etc.)	21
Independent consultants	21
Alternative legal service providers (ASLPs)	13
Other	8
Not sure	0

Of the following, which legal work are you currently outsourcing **AT LEAST HALF OF**?



For **IN-HOUSE** attorneys, **Due diligence** was the most outsourced task. **35%** send at least half of their due diligence to be done by someone outside of the organization, and **9%** outsource all of it.

More than half of attorneys either don't have, or aren't sure if they have a formal process to evaluate their legal technology (almost twice as many law firm as in-house attorneys just don't know). This would coincide with one out of three law firm attorneys not knowing how their organization determines the value of its legal technology. Both groups, however, cited the cost of legal technology as one of the main ways to value the technology.

Does your organization have a **FORMAL PROCESS** to evaluate your legal technology?

YES



23%

NOT SURE



47%



NO

30%

LAW FIRM

28%

28%

33%

IN-HOUSE

What are some ways your organization **DETERMINES THE VALUE** of legal technology?

LAW FIRM

I don't know	35%
Cost of legal technology	27
Internal feedback on use of legal technology	23
Ability to integrate with other technologies	17
ROI of legal technology / Savings in non-billable time	15

IN-HOUSE

Cost of legal technology	53%
Overall legal department spend	49
Internal feedback on use of legal technology	45
Ability to integrate with other technologies	38
Ability to automate processes	35

What are some **BARRIERS** to legal technology use that your organization faces?

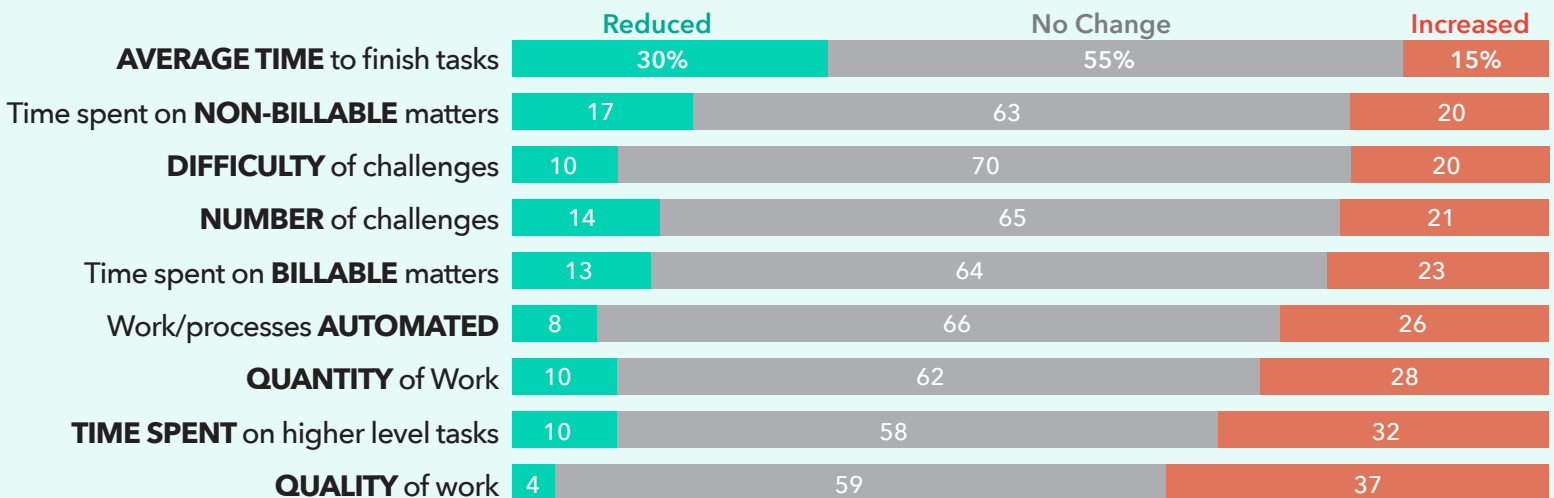
LAW FIRM

Lack of tech savvy among users	52%
Budget	39
Not enough time to learn the technology	39
Lack of familiarity with available technologies	38
Technologies don't integrate	31

IN-HOUSE

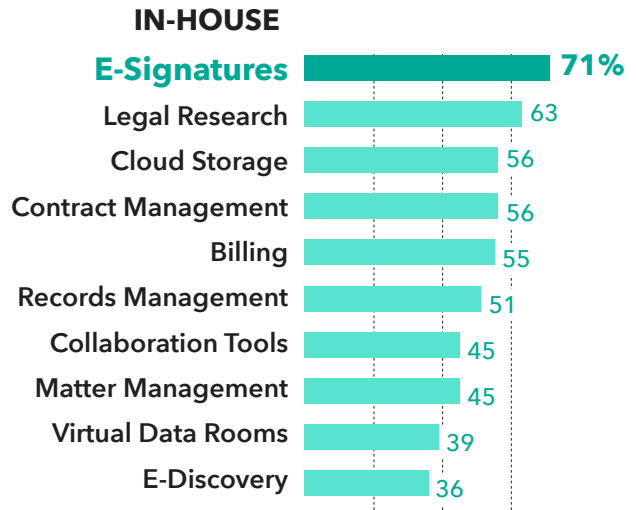
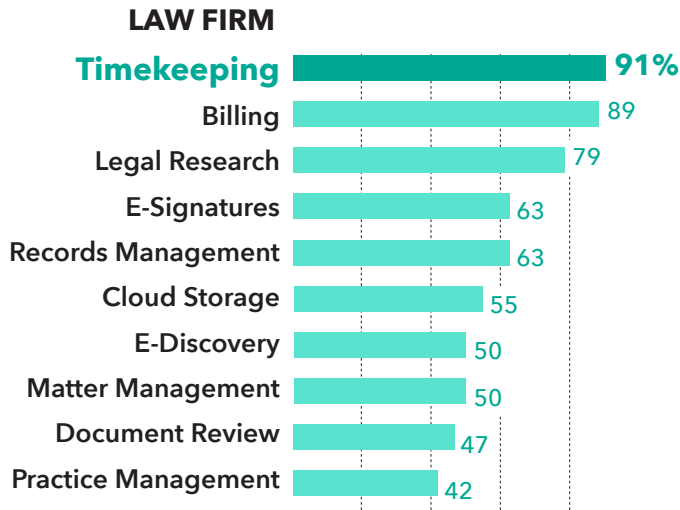
Budget	59%
Technologies don't integrate	40
Not enough time to learn the technology	38
Lack of tech savvy among users	29
Lack of familiarity with available technologies	26

In the past 12 months, **which aspects** of your job have been increased or reduced thanks to using legal tech?



Tech priorities for law firm and in-house attorneys diverge, but both rely heavily on tech for legal research.

WHICH LEGAL TECHNOLOGY TOOLS are you or others in your organization currently using?



Law Firm

In-house

30%

How many respondents are **SOMEWHAT / VERY FAMILIAR** with their organization's procurement of legal technology?

64%

Of the legal tech you're currently using, which of these was your organization's MOST RECENT PURCHASE?

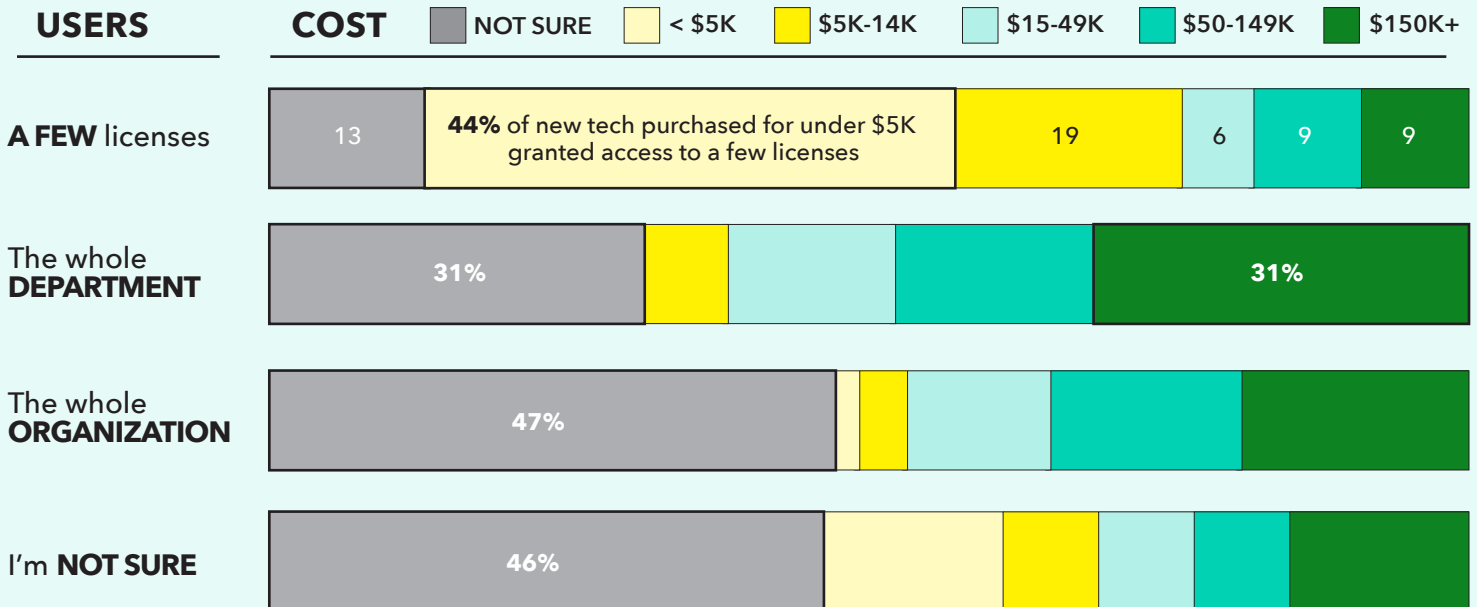
LAW FIRM

Cloud storage	11%
E-Signatures	9
Timekeeping	9

IN-HOUSE

Contract management	20%
E-Signatures	15
E-Discovery	9

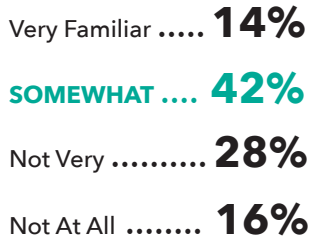
Approximately **HOW MUCH DID OR WILL YOU SPEND** on the contract of your most recent legal technology purchase, and **HOW LARGE OF A USER BASE** does the contract cover?



In-house attorneys are more familiar with A.I. and machine learning than law firm attorneys, though their organizations use the tech at about the same rate. Overall, more in-house lawyers are worried about the ethical implications of AI but only 6% of them said they were “very concerned” about it, as opposed to 37% of “very concerned” law firm attorneys.

LAW FIRM

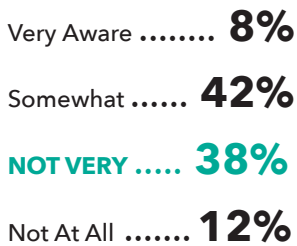
Are you **FAMILIAR** with artificial intelligence or machine learning?



Does any of your organization’s legal technology **UTILIZE** any AI or ML?



How aware are you of the potential **ETHICAL ISSUES** of using AI or ML?

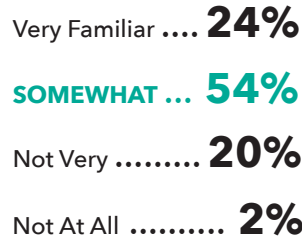


How **CONCERNED** are you about the ethical implications of AI or ML?

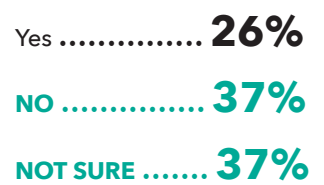


IN-HOUSE

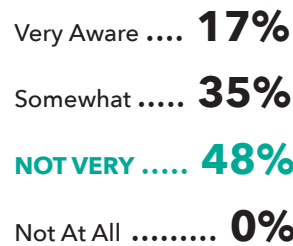
Are you **FAMILIAR** with artificial intelligence or machine learning?



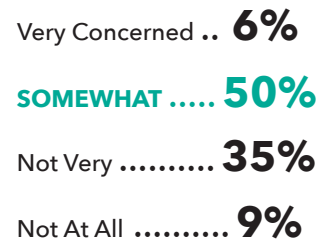
Does any of your organization’s legal technology **UTILIZE** any AI or ML?



How aware are you of the potential **ETHICAL ISSUES** of using AI or ML?

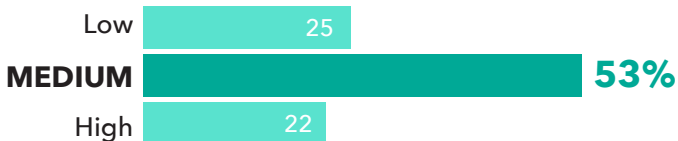


How **CONCERNED** are you about the ethical implications of AI or ML?

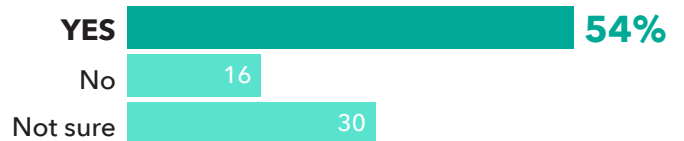


EVERYONE

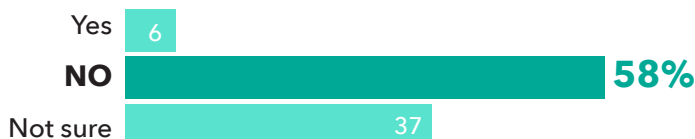
What level of **ETHICAL RISK** do you feel AI or ML technology poses?



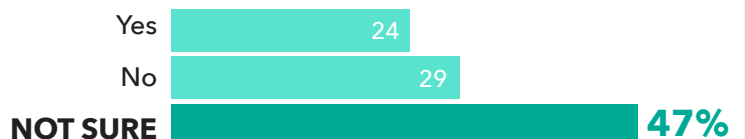
Do AI or ML technologies complicate **PRIVACY ISSUES**?



Does AI or ML technologies **DISRUPT YOUR WORKFLOW**?

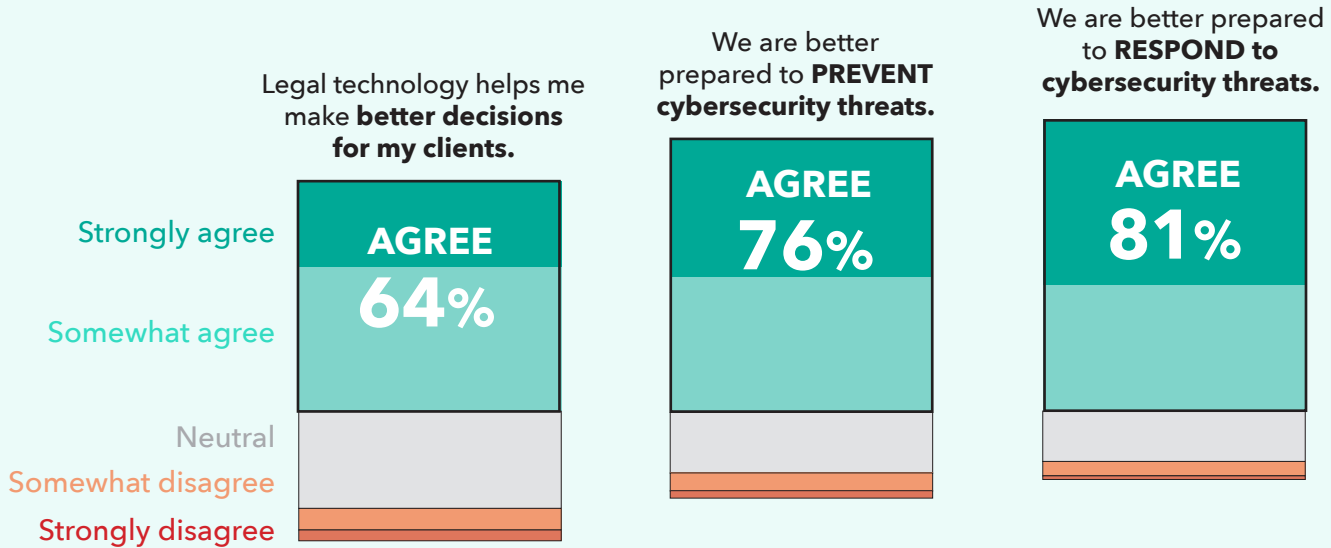


Do AI or ML technologies **ENHANCE YOUR WORKFLOW**?



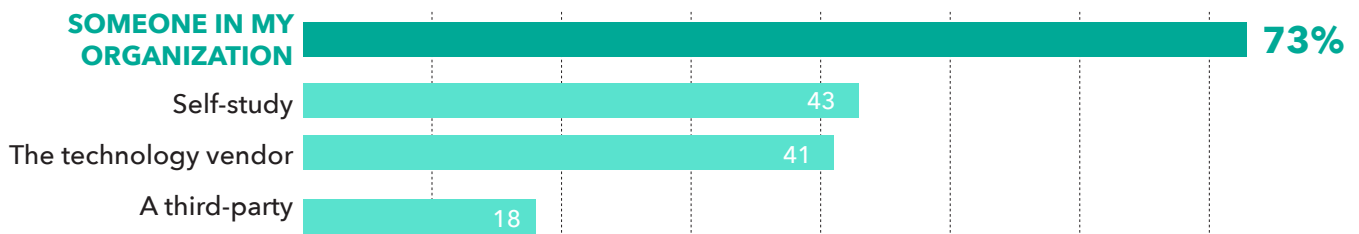
Similar to last year, lawyers largely agree about the benefits of legal technology. They feel it improves their ability to make decisions for clients and, despite recent leaps in generative AI, respondents agree by a landslide that legal tech helps their organization be better prepared to prevent and respond to cybersecurity threats. As for training, roughly half of respondents don't feel fully trained on their legal tech. Even so, most think they're better trained than other attorneys they work with.

How much do you **AGREE OR DISAGREE** with the following statements about legal technology?



Only 55% of respondents feel they are sufficiently trained on their legal tech.

What person or group typically **PROVIDES TRAINING** on the legal technology you use?



Which areas do you believe need **NEW OR IMPROVED LEGAL TECHNOLOGY**?

Billing	17%
Cloud Storage	17%
Privacy/Cybersecurity	17%
Collaboration tools	15
Timekeeping	14
Practice management	14
Legal research	14

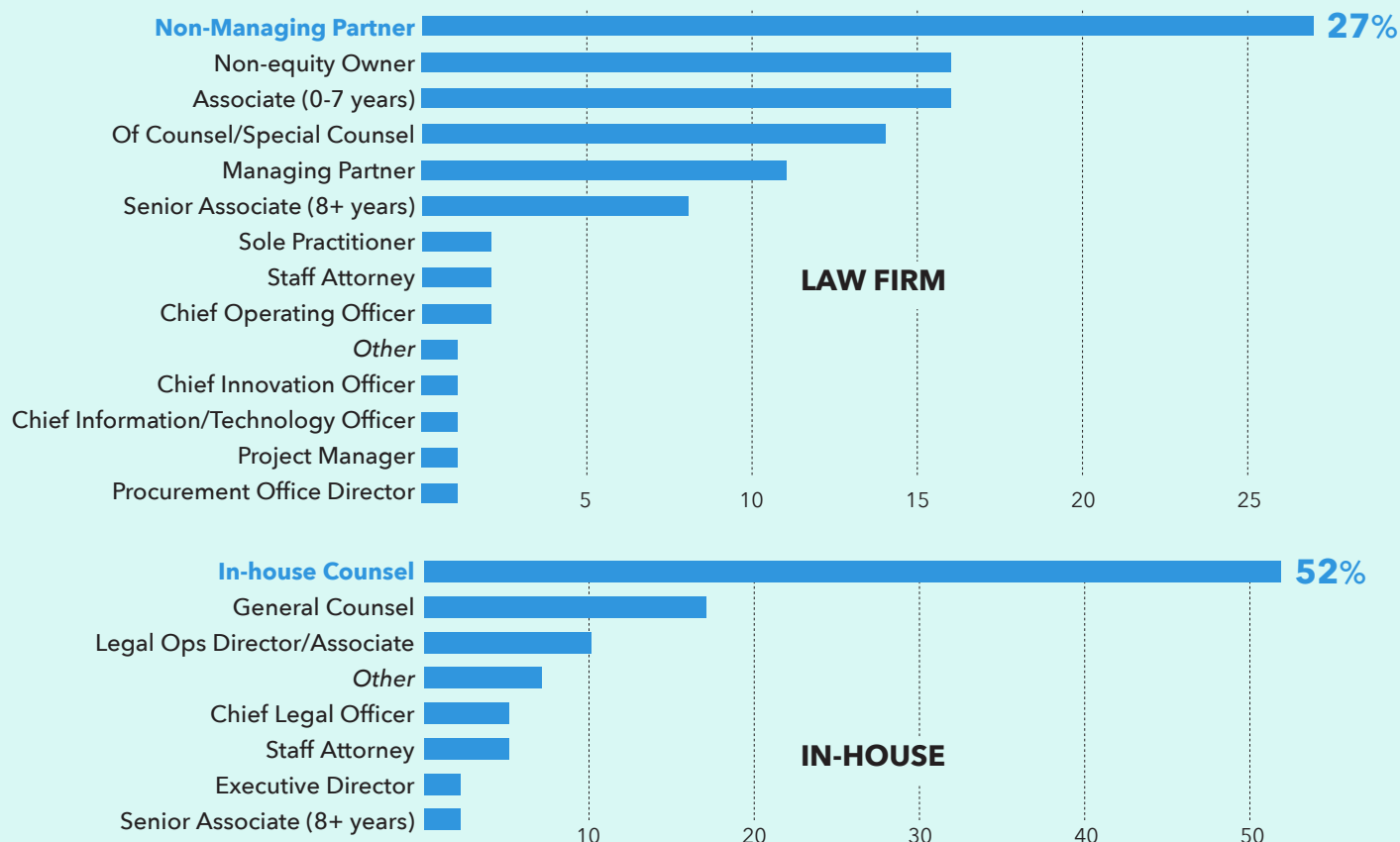
On a scale from 1 to 5, **HOW PROFICIENT** would you say you/most attorneys at your firm are using legal tech?

	Me	Them
5. (Very proficient)	25	4
4.	42%	41%
3.	21	37
2.	9	17
1. (Not at all proficient)	3	1

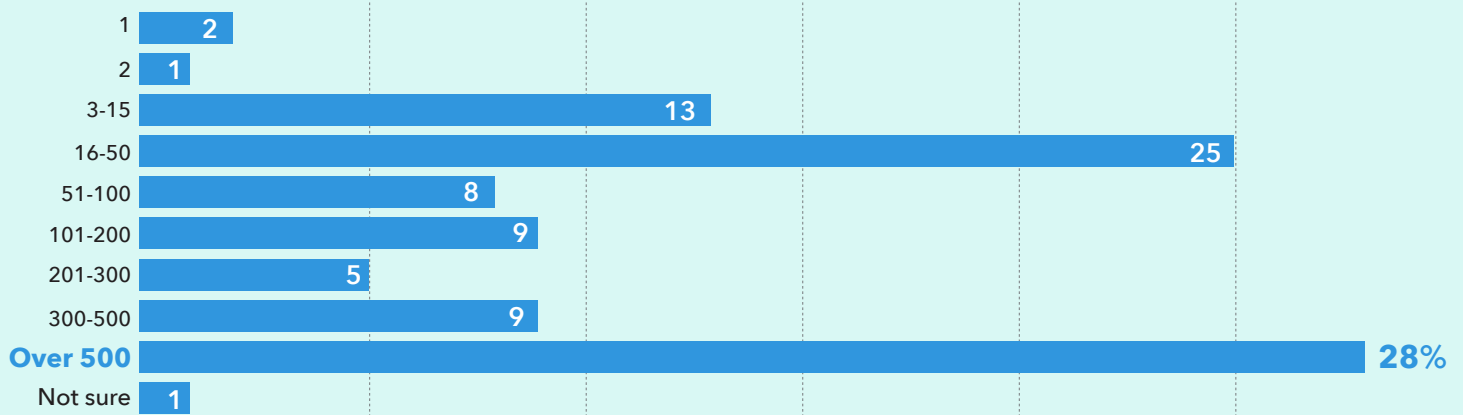
In which of the following areas of law do you or the attorneys you support practice?

Litigation (Business & Tort)	49%		
Corporate	46	Employee Benefits/Executive Compensation	21
Commercial Contracts	44	Securities/Capital Markets	21
Real Estate	38	Environmental	19
Mergers & Acquisitions	35	Privacy/Cybersecurity	19
Litigation (Other)	33	Energy	19
Labor & Employment	32	Health/Healthcare	19
Banking/Finance	29	Personal Injury	18
Insurance	29	Private Equity	18
Intellectual Property - Copyright/Trademark	27	Antitrust/Competition	17
Alternative Dispute Resolution (ADR)	27	Landlord/Tenant	17
Trusts & Estates	26	Criminal/White Collar/Investigations	16
Intellectual Property # Patents	26	E-Commerce	16
Tax	25	Litigation (International)	13
Compliance	25	Securities Litigation/SEC Enforcement	13
Construction/Building Management	24	Immigration	12
Bankruptcy/Restructuring/Reorganization	22	Family Law	12
		Workers Compensation	11

Which of the following best describes your professional title?



How many practicing attorneys work for your organization in total?



PERSONAL DEMOGRAPHICS

What is your RACE / ETHNICITY?

White	74%
Prefer not to say	13
Asian	7
Black or African American	3
Other	3
Native Hawaiian or Pacific Islander	1
American Indian or Alaska Native	1

Do you identify as NEURODIVERGENT?

No	84%
Prefer not to say	11
Yes	5

What is your GENDER?

Male	63%
Female	28
Prefer not to say	9

What is your AGE?

25-34 years old	12
35-44 years old	19
45-54 years old	18
55-64 years old	24%
65+ years old	20
Prefer not to say	7

Are you of HISPANIC, LATINO/A/X, OR SPANISH ORIGIN?

No	86%
Prefer not to say	11
Other Hispanic, Latino/a/x, or Spanish origin	1
Mexican, Mexican American, Chicano/a/x	1
Puerto Rican	1