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Legal Tech Pulse 2026

INSIGHT REPORT

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Legal Tech Pulse 2026

INSIGHT REPORT

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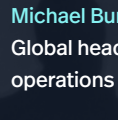
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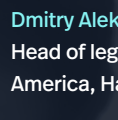
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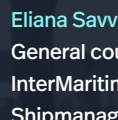
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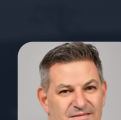
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From promise to practice: how AI became essential for in-house legal teams

New survey of over 250 GCs demonstrates the extent to which AI is transforming the ways in-house teams operate

The past twelve months have been transformative for technology in law, and that pace of change has been matched by a decisive shift in sentiment among in-house lawyers.

Earlier this year, *Legal Business*, in association with Thomson Reuters, surveyed more than 250 general counsel and senior in-house lawyers around the world to assess current attitudes towards legal tech and AI.

The responses reveal a clear move from hesitation to widespread adoption – more teams now have approved budgets to spend on legal tech, those budgets are rising sharply, and getting buy-in from the business has never been easier.

EY Luxembourg general counsel Antonio Benitez-Donoso says: ‘Quoting Hercules – we have gone from zero to hero. We have gone from small-scale, personal use to automating processes and accelerating contract review.’

But the data also suggests an important caveat: adoption does not necessarily mean

transformation. While the overwhelming majority (82%) of respondents are well into the process of implementing Gen AI solutions within their teams, the harder work of redesigning legal workflows, integrating systems and embedding new operating models remains uneven.

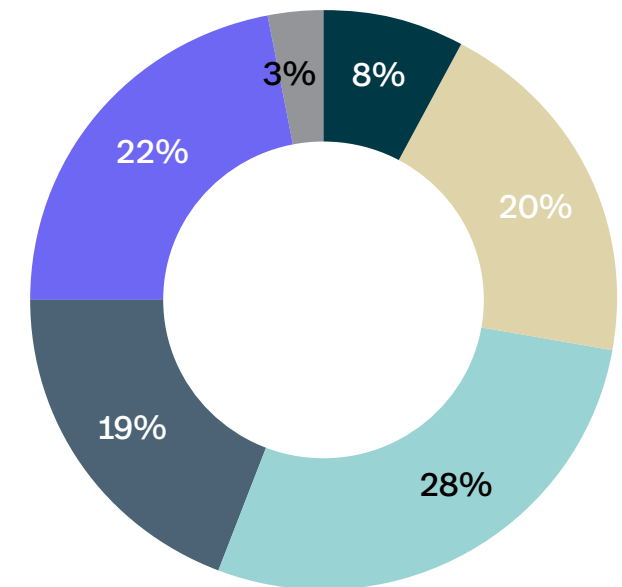
The responses to the survey reveal a detailed picture of the various stages of implementation among in-house teams (see chart, right).

More than a quarter (28%) said they were operationalising Gen AI at scale or integrating it into workflows, while the same percentage (28%) said they had completed a validated pilot of Gen AI solutions, with success criteria met and tech being rolled out.

The findings demonstrate that while in-house teams may be at different stages of their AI adoption journeys, many are still focused on identifying where AI can deliver the greatest value rather than undertaking wholesale transformation.

Guillermo Fernández-Daza, EMEA associate GC at German multinational software corporation Software AG, said his team’s

What stage are you at with the implementation of Gen AI solutions?



- Operationalising at scale – embedding into core processes
- Scaling across functions – integrating into multiple workflows
- Validated pilot – success criteria met and now being rolled out
- Limited pilots with small user groups to test value
- Exploring/scoping – assessing use cases, no pilot started yet
- Other

experience over the past year has been consistently positive.

He explains: 'Our confidence in the technology has grown as its capabilities have matured and we have gained practical experience with it. Through testing, we have identified meaningful use cases and achieved consistently satisfactory results.'

One head of legal at a technology financing company says that while her team has been making use of AI for some time, there have been 'several key developments' over the last 12 months.

'One of the most important has been subscribing to dedicated legal AI software,' she says. 'Our legal team has access to licensed tools which are extensively used, and it is leading to increased efficiencies, accelerated turnaround times and also, to some extent, reduced reliance on external legal spend.'

The enthusiasm among in-house lawyers to leverage the benefits of AI is palpable. According to one chief legal officer at a Stockholm-listed company, the appeal lies not just in the efficiencies, but also in the quality of the results.

'Beyond efficiencies in time, AI generally improves the quality of the output. The likelihood of missing something reduces significantly. The quality is just better. That said, it is critical that each lawyer owns the final output and can stand behind the end product. AI can still get things wrong, and this needs to be picked up.'

'We have gone from zero to hero. We have gone from small-scale, personal use to automating processes and accelerating contract review.'

Antonio Benitez-Donoso, general counsel, EY Luxembourg

Rolling with the punches

While enthusiasm and take-up are unquestionably on the up, the survey also identified some areas where in-house teams are hitting bumps in the road.

The survey asked respondents what the top three challenges were when it came to implementing Gen AI within their organisation, in the instances where projects had stalled or been paused.

The most commonly cited factors holding back Gen AI implementation were quality of output, budgetary issues and lack of integration across other tools. Taken together, those barriers point to a market moving beyond curiosity but still struggling with the practical mechanics of transformation: connecting AI to matter data, contract

workflows, knowledge sources and the wider systems legal teams rely on day to day.

'Most solutions focus on discrete tasks, such as contract generation based on templates,' says Fernández-Daza. 'However, our aspirations extend well beyond that. We are looking for technology that can intelligently extract data from multiple sources, connect it into a coherent, end-to-end output, and deliver genuinely integrated legal intelligence.'

Bertil Majer, general counsel, customers & commercials at Thomson Reuters, says that now, more than ever before, keeping an open mind is key, with things that were not previously possible quickly becoming a reality.

He explains: 'I think you need to stay curious and open minded. You cannot

kind of resign yourself to saying, ‘Oh, I tried this, it doesn’t work.’ You have to keep trying things that you tried before again, sometimes after a certain period because they often work, and they work much better.’

Naturally for lawyers, questions around safety and security are high up on the list of priorities, particularly in the context of recent headlines around AI hallucinations and the impact on the lawyers involved. But trust is not simply a risk-management issue: it is a prerequisite for transformation. Legal teams cannot redesign high-value workflows around AI unless they can be confident that outputs are verifiable, secure and grounded in authoritative sources.

While the vast majority (77%) are confident in the security provided by Gen AI legal tech vendor offerings to some extent, only 3% of respondents described themselves as ‘completely confident’, and scepticism does still remain, with 23% who said they were not very confident.

It is perhaps unsurprising that while confidence in what Gen AI tech can offer is on the up, unqualified trust remains rare. For in-house teams, trust is becoming a design requirement rather than a sentiment: systems, processes, citations, secure handling of confidential information and

effective governance all need to be in place before AI can be used confidently in higher-value legal workflows.

Spencer Davis, chief legal officer at Nasdaq-listed metals company Lifezone Metals, says his company implemented an AI policy in March which emphasises that individuals are required to check the output of the models.

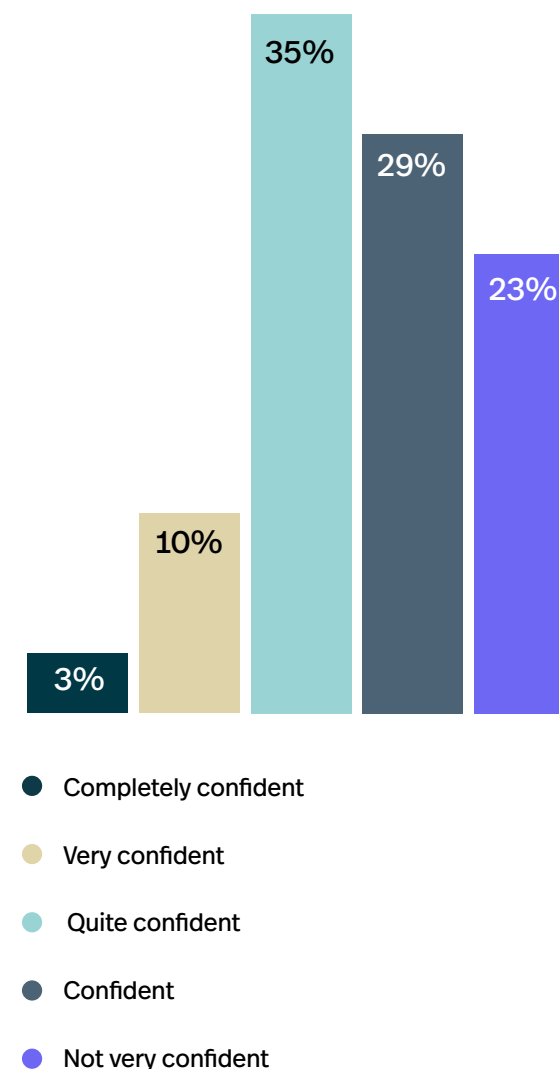
‘We have an AI use policy enshrined within our code of conduct. It sets out clearly what may and may not be done with AI tools. The policy establishes that a human bears responsibility for every output and must review what the LLM produces and take ownership of it.’

For all the enthusiasm around AI, in-house leaders remain understandably cautious about fully trusting the technology.

When asked how much trust they have in the AI solutions they currently use, in relation to concerns over issues such as hallucinations, accuracy, security, data sovereignty and response bias, 50% of respondents said they had ‘some trust’, with 20% saying they had ‘a great deal of trust’ – but not one respondent said they had complete trust.

Just over one quarter (28%) said they had limited trust, with a small group of outliers (2%) saying they had no trust.

In terms of security, how confident are you in the current Gen AI legal tech vendor offerings?



One general counsel at a German industrial technology company talks of moving beyond experimentation and developing confidence in using legal tech for more integrated workflows, reflecting a gradual build-up of trust stemming from a trusted relationship with a tech provider.

‘With the evolution of our tools, we can do more and more, more easily,’ he said. ‘We’ve moved from checking everything to a risk-based approach – we sample and verify where it matters rather than re-checking every single output against the raw data. You build that confidence over time, and only because the provider has earned it.’

A global head of legal operations & corporate at a Swiss multinational shares similar sentiments. ‘Not all the solutions out there in the market are the same, but once we buy and embark on a journey with a vendor, then we have all the trust in them.’ However, all those who spoke to LB for this feature made reference to the importance of always checking the AI’s outputs.

‘I’m very aware of the hallucination problem associated with large language models,’ says Lifezone’s Davis. ‘I’ve encountered it within the business, outside the business, and through the wider commentary on the issue. If AI is used incorrectly, it can generate a significant

amount of additional work. That’s why using the correct prompts is so important.’

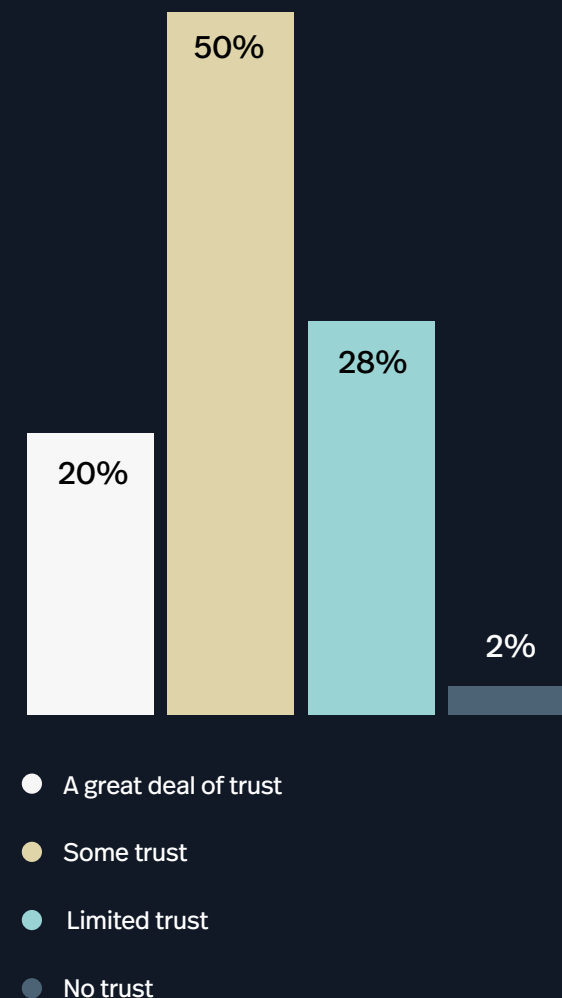
That instinct - treating good prompting as a skill lawyers need to develop themselves - reflects where much of the market still sits. But it also points to where the next phase of legal AI is heading: tools such as the next generation of CoCounsel Legal are being built to ground responses in verified legal sources and show the reasoning behind them, giving lawyers a clearer starting point for the verification work that remains theirs to do.

When it comes to the factors that help to instil confidence in Gen AI, the top three among the survey respondents were the ability to verify output with clear citations, the protection of confidential and privileged information, and the reassurance that outputs are based on trusted and up-to-date legal sources.

Dmitry Alekseev, the Madrid-based in-house counsel at multinational advertiser Havas, says that for his team, trust has grown over time with a parallel rise in understanding of the risks involved.

He explains: ‘The level of trust is higher now than it was twelve months ago, but not free of risks. AI tech is continuously being adapted to industry and regulatory advancements and users are generally more aware of the consequences the usage of AI entails.’

How much trust do you have in the AI solutions you currently use?



‘Successful adoption will depend not only on technology itself, but also on building internal trust.’

Eliana Savvidi, general counsel, InterMaritime Shipmanagement

Guidelines and governance

With regards to setting out internal expectations, three-quarters of those surveyed said their organisation had internal guidelines for usage of Gen AI within the legal team.

But governance is increasingly being viewed as more than a compliance exercise. For legal teams looking to implement AI into everyday workflows, clear policies, defined responsibilities and appropriate controls provide the confidence required to use the technology more effectively.

As Eliana Savvidi, general counsel at Cyprus-based InterMaritime Shipmanagement, says: ‘Successful adoption will depend not only on technology itself, but also on building internal trust,

clear governance frameworks, proper training, and ensuring that AI solutions integrate effectively into existing legal and business workflows.’

Michael Burkart, global head of legal, operations & corporate at Swiss multinational SGS, says that his company is aiming to strike the balance between compliance requirements and a culture that fosters innovation.

‘We have group policies; we have usage guidelines on every user level. We have AI working groups looking into behaviour across the company,’ he says. ‘It’s a whole governance framework, but it’s not too complex, as we don’t want to stop AI development and kill all the initiatives.’

Pause for thought: the most common Gen AI challenges

For those with projects that paused/stopped, what were your top three challenges when it came to implementing Gen AI within your organisation?

- **Budget**
Cited by 65% of respondents
- **Quality of output (eg. hallucinations)**
Cited by 64% of respondents
- **Lack of integration across other tools making implementation and adoption more difficult**
Cited by 64% of respondents
- **Defining scope at the outset to demonstrate value**
Cited by 50% of respondents
- **Change management issues**
Cited by 41% of respondents

Budget and buy-in

Budget allocation is another clear indicator of how committed in-house teams are to adapting to the age of AI, with many of those who spoke to Legal Business this year noting that they had invested in a dedicated legal tech solution in the last 12 months.

This year's survey found that an increasing proportion of respondents have an approved budget for legal tech investments, up from just under half (48%) last year to almost two-thirds (62%) this year.

In addition, 49% said their legal tech budget had increased this year, while only 5% said it had decreased.

The data underlines how investment in dedicated legal tech AI solutions is happening right now for many in-house teams. Over a quarter of respondents (27%) said they were intending to invest more than 50% of their budget in AI solutions over the next year, with a further 29% saying they would invest 11%-50% of budget.

Alex Graydon, associate general counsel at Thomson Reuters, has noted this shift on budgets. 'When

I talk to customers, I hear that it's increasingly easier to get budget, and the reason for that is because there is an expectation and an understanding that you can't do without AI anymore,' she says. 'It's no longer a "nice to have" – it's actually an essential business tool.'

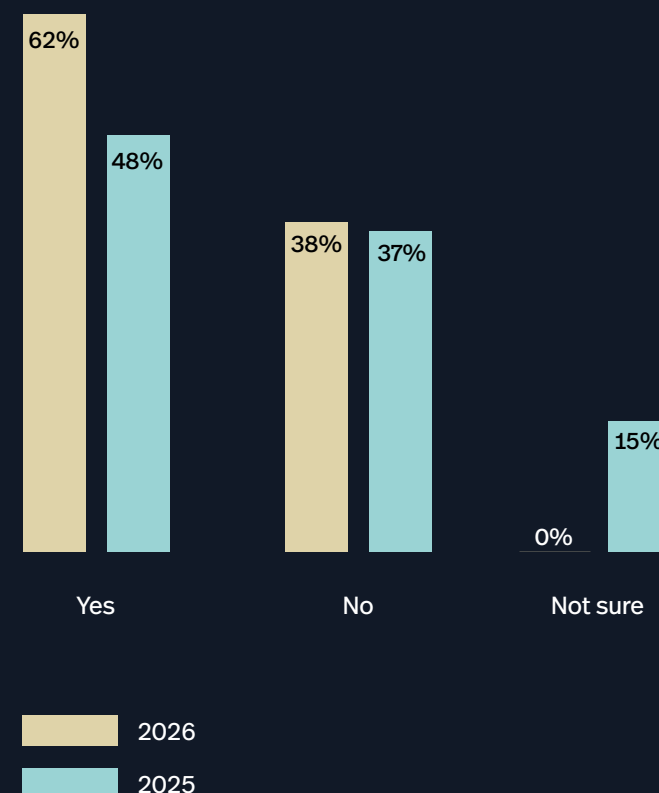
The responses also suggest that securing buy-in from management has never been easier. Fernández-Daza says that in his experience, getting budget approval for technology is not an issue at his company, which specialises in enterprise software for business process management.

'If we can demonstrate clear business value and identify the right partner, securing budget for technology is not a major challenge,' he says.

So what does the right partner look like? 'The objective is not simply to invest in the most expensive solution, but to select a provider that delivers the best combination of innovation, practical outcomes, and long-term value for the organisation,' he explains.

His position is backed by the survey findings on buy-in, which show that 31% of those that responded this year described it as 'quite' or 'very' easy to get

Does your legal team have an approved budget for legal tech investments over the next 12 months?



buy-in for legal tech investments, up from under 20% last year.

In addition, those reporting it as 'not very easy' or 'almost impossible' fell by more than half, from 43% last year to 22% this year.

Burkart explains that getting buy-in has not been an issue, noting that it is only logical that legal departments get on board, given 'everyone is using AI.'

Lead and they shall follow

However, getting AI tools into the hands of lawyers is only the first step. The bigger challenge for many GCs is ensuring adoption translates into lasting change in how legal teams operate.

When asked how easy respondents found it to introduce new legal tech software and drive adoption within their teams, 36% described it as either 'quite easy' or 'very easy', slightly up on last year's equivalent figure of 33%.

However, tellingly, the percentage of those describing it as 'not very easy' or 'almost impossible' to push forward with legal tech within their team is significantly down, from 32% last year to 24% this year.

Nina Cronstedt, chief legal officer at Stockholm-listed security company Verisure, who is a keen proponent of AI-powered technology, says her legal function has been on the AI adoption journey for two years, but has seen the biggest results in the last six months.

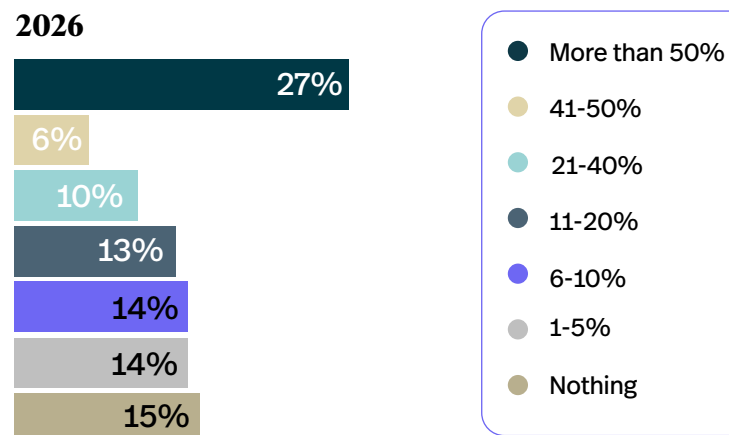
'While we have been on the journey for over two years, there has been a tremendous acceleration in the last six months in terms of what the enterprise AI tools are able to deliver, the breadth of pick-up across the function, and the number of use cases now fully deployed. It has truly changed the way we work.'

However, what she has learnt is that making sure her team is

actually using the technology requires active effort. When asked how easy it is to drive adoption, Cronstedt is clear: 'Wide deployment doesn't happen by itself. There needs to be strong encouragement to test and learn, on the verge of making it an explicit expectation, ongoing training, and sharing of new use cases and success stories.'

At her own company they have a Legal function AI Task Force and AI champions across the function, as well as running hackathons and workshops – initiatives which are not simply about teaching lawyers how to use new tools, but about

How much of your team's budget (%) do you intend to invest in AI solutions in the next year?



changing behaviours and more deeply embedding AI use into day-to-day processes.

And while adoption may sometimes take time, everyone has come to realise the technology is here to stay, argues Thomson Reuters' Majer.

'I think the cultural embrace has changed. Even with regards to my department, because we initially had folks saying, "maybe it'll go away", or "maybe we can get around it somehow" – everybody has now realized that this will not go away and they had better make best use of it. The team members that utilized the technology earlier pulled away from the others at speed.'

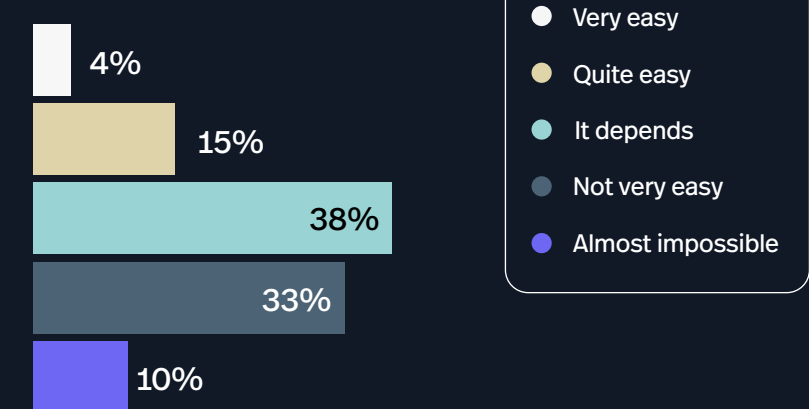
Considered as a whole, the responses to the survey suggest the next competitive advantage will not simply come from having access to AI, but from building the confidence, governance and

processes to successfully deploy it across increasingly sophisticated areas of legal work.

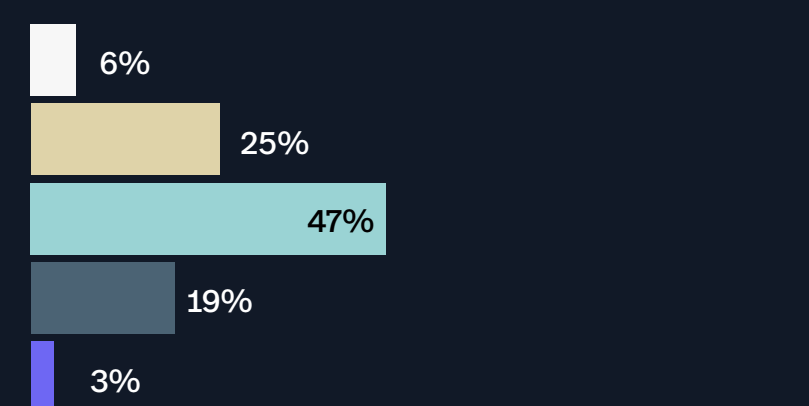
That starts with knowing what the destination looks like. The legal teams making the most progress are not necessarily those experimenting with the most tools, but those who worked out early – often with outside help articulating it – what they actually wanted the function to become, and used that as the yardstick for whether a use case was working. From there, adoption has tended to follow a similar path: prove value on one well-chosen use case, build confidence and internal appetite from that success, then scale. The prize at the end of that journey is not AI adoption itself, but a legal function genuinely redesigned around the vision that started it. ■

How easy do you find it to get buy-in from the wider company for legal tech investments?

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Agents of change: how AI is reshaping the legal operating model

For in-house teams, the value of Gen AI is increasingly being found in the work between drafting and decision-making – reviewing documents, comparing risks, and using that to provide more effective strategic advice to the wider business.

As legal tech capabilities continue to expand, the imperative for in-house teams is increasingly clear: moving beyond experimentation towards meaningful change in the way legal work is delivered.

It has been just 12 months since the last GC Tech Pulse report, but as Avanthi Gunatilake, head of legal at Lenovo Global Financial Services observes: ‘A lot has changed – a year is a long time when it comes to legal AI.’

This year’s research from *Legal Business* and Thomson Reuters highlights not only the extent to which legal departments are embracing tech solutions, but also the variety of ways they are putting them to work.

Gen AI remains by far the most significant area of legal technology innovation, selected by 68% of respondents. But its significance goes beyond its standalone capabilities: for teams further along the path to transformation, Gen AI is becoming embedded in existing legal work, extending beyond isolated tasks and reshaping legal workflows.

The responses also point to a broad spread of tech priorities beyond Gen AI, ranging from

contract lifecycle management, drafting and due diligence automation, to workflow automation, process simplification and legal costs reporting.

The data underlines how Gen AI is no longer seen as a discrete or experimental feature, but something that is now increasingly embedded in other products. As Filippo Galluccio, head of legal at Italian telecoms company INWIT, notes: ‘Everything the market is trying to sell to in-house lawyers is basically Gen AI based.’

But while Gen AI may dominate the current conversation, its impact can be seen in enhancing existing legal tech rather than replacing it. As Bertil Majer, general counsel for customers and commercials at Thomson Reuters, points out, AI is adding another layer of capability to tools that were already delivering value. ‘These solutions could already spot patterns and flag invoices, so Gen AI has further enhanced that process.’

The question now is how far in-house teams are prepared to push that evolution. When asked what they considered the most valuable application of Gen AI, using it to review and flag documents was cited by 44% of respondents, almost twice the proportion using it for first-pass drafting, at 26%.

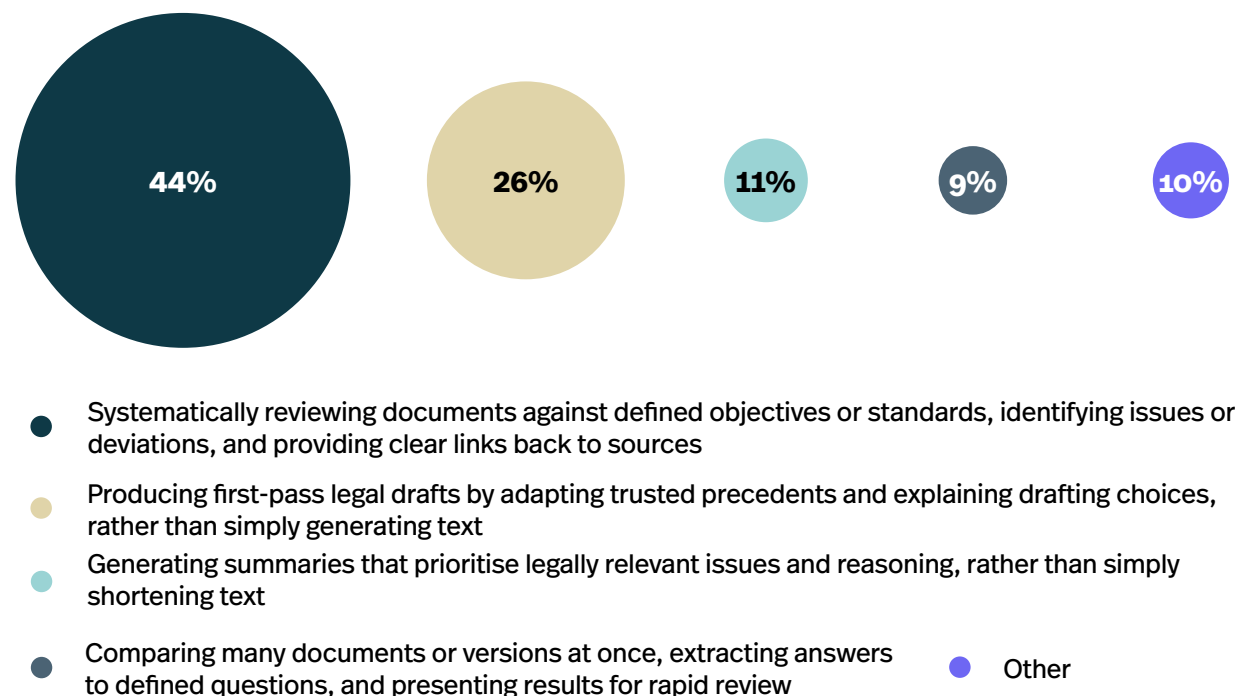
Thomson Reuters associate GC Alexandra Graydon is clear on where the value lies. ‘Organisations generally have their own precedents and standard templates, and those are readily available. What’s more valuable is what happens once the template has been amended by a counterparty and you’ve got to review it and work out the impact of the edits, and how to address them.’

For Gunatilake, that is where the clearest efficiencies are already being felt. ‘Contract review is probably where we have seen the greatest efficiency gains. We already have a strong suite of templates that are regularly negotiated, and using AI-driven workflows to review and assess contract negotiations has been extremely valuable.’

Drafting illustrates an important stage in AI’s evolution within legal teams: the technology can be highly effective for structured tasks with a clearly defined output, but its longer-term value lies in becoming embedded across the legal workflow rather than simply accelerating individual tasks.

Isabel Ann Giancristofano, director of legal and compliance at German airline Condor, agrees that, for her team, reviewing is more

What do you think is the best use of Gen AI capabilities?



valuable than drafting. ‘I review drafts with AI and then compare its observations with my own,’ she says. ‘For first drafts, AI can be very useful, but only if you know exactly what you are asking for.’

That does not mean drafting lacks value. Rather, its usefulness tends to increase when the task is highly structured and the desired outcome is clear. Dmitry

Alekseev, Madrid-based in-house counsel at multinational advertiser Havas, points to contract amendments as one example: ‘Where we get the most value is in drafting specific documents. When you upload the original MSA plus two addenda, explain the situation and ask it to prepare a third addendum, this is very useful, at least as a first draft.’

Verisure chief legal officer Nina Cronstedt recalls a similar experience: ‘We had to draft a very complex IP licence agreement in a short timeframe, driven by an urgency with the counterparty. Led by one of our bright IP lawyers, empowered by an enterprise AI tool, we were able to create a very developed draft in less than a day. This would normally have taken days and even involved the help of expensive external counsel.’

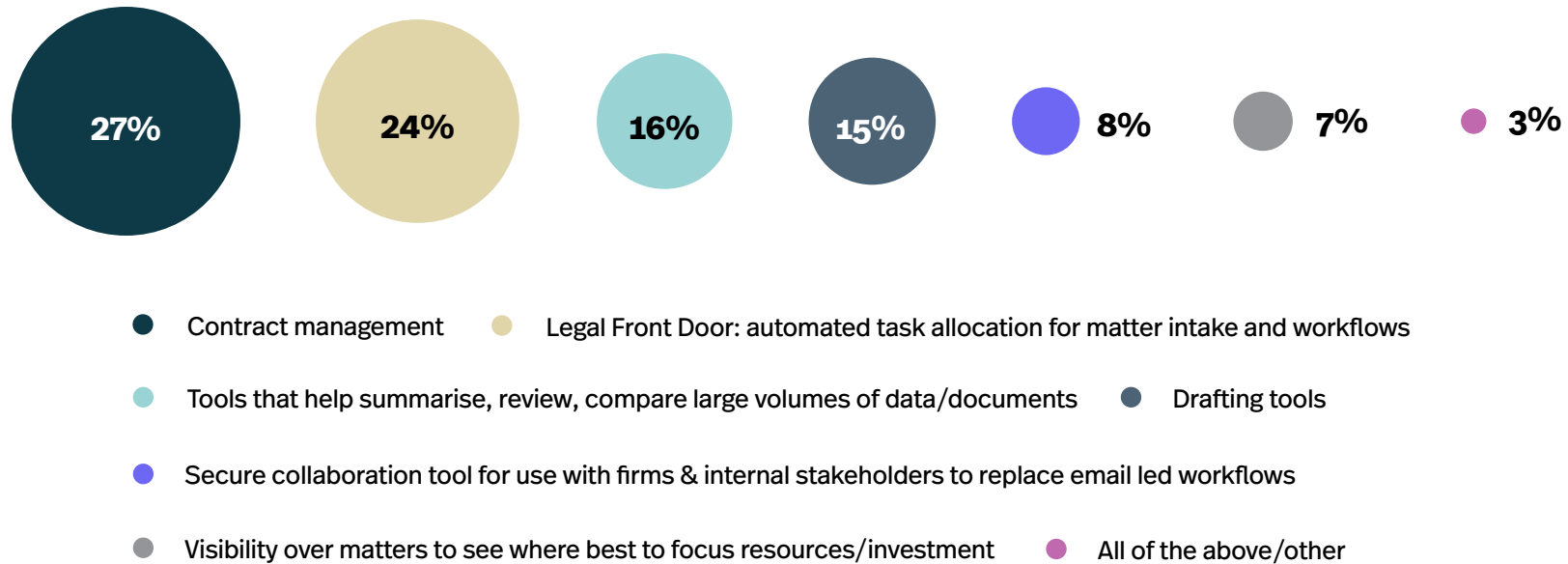
Go with the flow

The survey suggests that many legal teams are increasingly looking beyond straightforward AI capabilities to focus on how work flows through the legal department.

When respondents were asked which tools would be most useful for better internal matter management, their answers pointed to a desire for less fragmentation. Contract management topped the list at 27%, followed by ‘legal front door’ tools for automating matter intake and workflows. Rather than adding another layer of technology, the opportunity is to bring work, data and decisions into a single, clearer process.

The findings suggest that the operational foundations of legal work remain of critical importance for legal departments, with respondents also highlighting document library organisation, transparency and the need for different systems to work together.

What do you think is the most useful tool for better Internal Matter Management?



This preference for a legal front door and integrated workflow tools points to a broader challenge. As Giancristofano explains: ‘The biggest challenge is integrating technology into an organisation’s existing systems. In practice, getting information out of multiple systems and into a workable process remains extremely difficult.’

Galluccio echoes that view: ‘Legal technology needs to be integrated with the company’s wider technology. If you do it as part of a broader digital transformation, it’s much easier.’

Given how much remains to be explored, and the pace at which things are continuing to evolve, it is perhaps unsurprising that

many lawyers struggle to identify what their legal tech stack is still missing.

One GC echoes the sentiment: ‘At this point, I’m almost too busy trying out all the opportunities I have not yet explored to say that something is missing.’

Guillermo Fernández-Daza, associate GC at German multinational software

corporation Software AG, still believes there is more to come, however: 'So far, I have to say that our vision is not yet fully addressed by the technology currently available in the market. Most solutions focus on discrete tasks, such as contract generation based on templates... We are looking for technology that can intelligently extract data from multiple sources, connect it into a coherent, end-to-end output, and deliver genuinely integrated legal intelligence.'

That gap is exactly where the market, including Thomson Reuters, is now investing – moving legal content, workflow and Gen AI out of separate point tools and into a single connected environment.

The survey findings serve to underline the value of a connected and integrated tech offering. More than two-thirds of respondents (70%) said it was 'important', 'very important' or 'vital' to have content, research, workflow and Gen AI capabilities available through a single provider, including 42% who described such an offering as either 'very important' or 'vital'. Just 13% said it was not very important. The appeal, then, is not simply having AI embedded in more products, but creating a more joined-up workflow in which content, research, tech and legal work can move together.

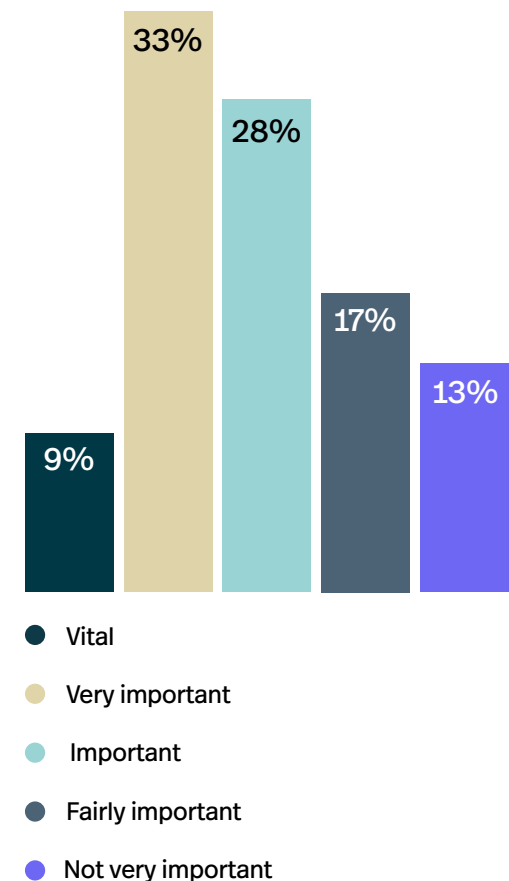
The next phase of legal tech may be a shift from point solutions to platforms that orchestrate the wider legal workflow. Rather than adding another tool for each task, legal departments are looking for environments that bring together content, workflows, matter management and Gen AI across the legal lifecycle.

As Michael Burkart, global head of legal operations and corporate at Swiss multinational SGS, says: 'What's still not out there is the one platform where legal departments can work across their whole lifecycle. There is no operations platform where you can pick and choose your respective modules on the same platform and the same operating system.'

Burkart's point echoes Fernández-Daza's – the market is still waiting for that fully connected environment to arrive.

Antonio Benitez-Donoso, general counsel at EY Luxembourg, believes value lies in Gen AI's ability to support substantive legal work, rather than simply administrative tasks. 'Before, I had access to tools that were good for productivity, but I couldn't trust them with legal work,' he says. 'They were useful for organising meetings, for example, but that wasn't where I saw the biggest value. Saving

How important is having a comprehensive solution from a single provider to you when evaluating tech suppliers?



‘AI allows you to ask further questions. You can dig a bit deeper into topics that you’d normally just hand off to relevant colleagues.’

Antonio Benitez-Donoso, general counsel, EY Luxembourg

me a couple of hours at the end of the week wasn’t transformative.’

AI can of course support the legal workflow at different levels: general productivity tools can take care of administrative friction, freeing up lawyers to concentrate on more substantive legal work, while specialist legal AI can support the substance of that work. Graydon gives a good example of how the two can work together. Returning from holiday to find a mountain of emails, she used Copilot to deal with the administrative burden, leaving her more time for substantive legal work. ‘I used Copilot quite aggressively to deal with around 800 emails. Instead of just asking it to summarise them, I told it to sort and actually move them into four folders: delegate, ditch, read later and action,’ she explains. ‘That left me with only about 50 emails that genuinely needed my attention. I could then work on the

most important, using CoCounsel Legal for my legal work. I’d cleared my inbox by lunchtime. It felt revolutionary.’

From tech tool to teammate working from trusted sources, playbooks and legal context

One of the most meaningful shifts is that legal teams are beginning to use these tools in the flow of legal work itself: to draft, review, test arguments, support advice – and ultimately reduce reliance on external counsel. For many lawyers, Gen AI has become less a replacement for legal expertise than an additional member of the team.

As one GC of a German food and beverage company explains, AI can be used like a junior lawyer – and one that can support your legal judgement by drawing on reliable sources. ‘You need to be very specific about the task you

give it,’ he explains. Your instructions have to be precise, and you should always cross-check and challenge the output.’

That distinction – a resource that supports legal judgement when it’s precisely instructed, closely checked and grounded in reliable sources, rather than one that replaces judgement altogether – is what increasingly separates a general-purpose AI assistant from one built specifically for legal work.

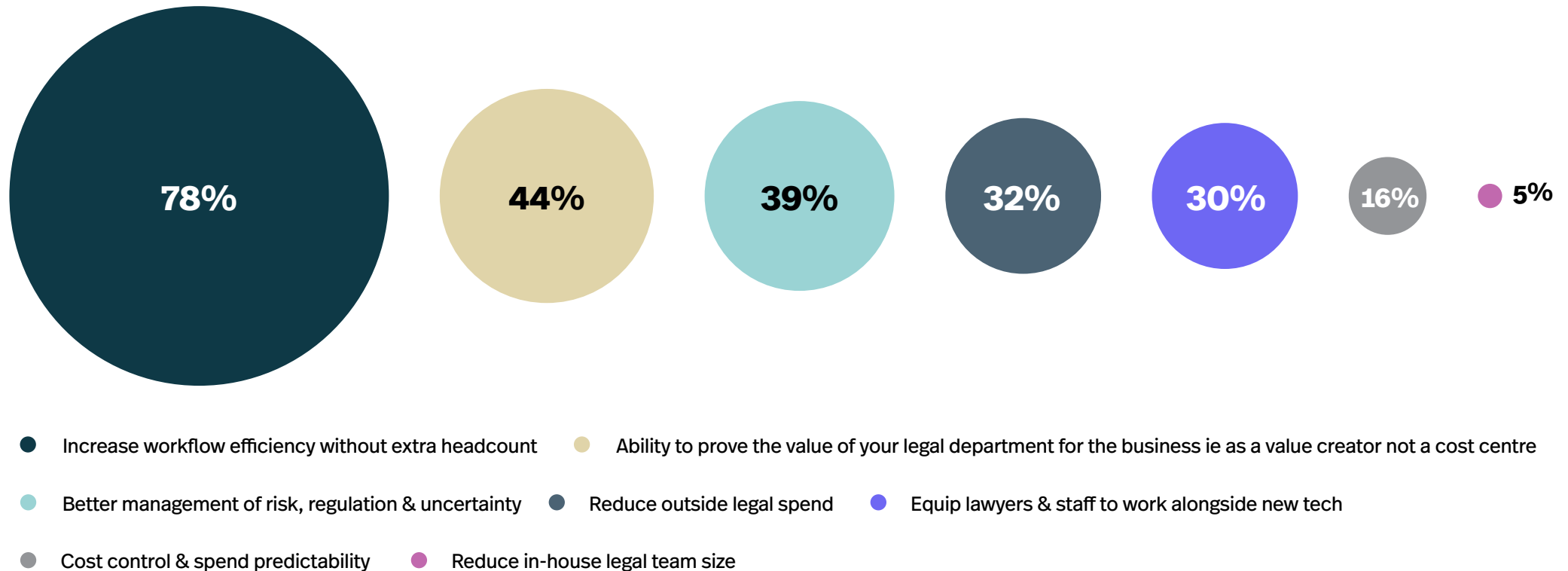
For Graydon, the technology has already become more like a team of colleagues. The agentic AI capabilities of CoCounsel, she says, ‘feel like I’ve got three, four or five separate assistants working with me. It expands what I’m able to do because I’ve got the AI working with me.’

AI is also beginning to offer a degree of strategic guidance alongside practical support. Alekseev says the technology can suggest how best to approach counterparties and navigate negotiations.

‘Sometimes more out-of-the-box, strategic advice is given as in how to approach the vendors, what is the best way to formally do this and what is not recommended, that goes beyond purely legal or regulatory consideration, which is appreciated.’

Robert Tubis, head of contracting and senior legal counsel at AstraZeneca in Germany, describes using AI as a sounding

What key improvements/outcomes are you looking for when it comes to innovation in your legal department over the next 3-5 years?



board when working through complex matters. 'You can use it very well as a sparring partner. You have a specific legal situation and describe it to the system and then discuss the advantages and disadvantages of your way of handling the matter,' he says.

Others see AI as a way of broadening their expertise. Antonio Benitez-Donoso argues that the technology enables lawyers to follow their curiosity and engage with issues they might previously have passed on to specialists. 'AI allows you to ask further questions,'

he says. 'You can dig a bit deeper into topics that you'd normally just hand off to relevant colleagues.'

For some legal teams, AI is already moving beyond a tool for completing individual tasks and becoming part of the department's

operating infrastructure. Michael Hartleben, GC at high-voltage component manufacturer Trench Group, believes the impact would be immediate if the tools disappeared. ‘Gen AI has become crucial infrastructure for us,’ he says. ‘If it went down tomorrow, that’s a critical incident – it’s genuinely load-bearing now.’

Graydon makes a similar point. ‘My use has gone up exponentially. I had one moment where I thought CoCounsel Legal had gone down, and I literally thought: “How am I going to do my job?”’

What lawyers want

Asked what improvements they want to see from legal department innovation over the next three to five years, in-house lawyers pointed to efficiency – but with the ultimate goal of increasing capacity. Some 78% picked increasing workflow efficiency without adding headcount as one of their top three priorities, nearly double any other answer. For legal teams, AI offers a way to absorb growing demand, reduce reliance on external counsel and create capacity for higher-value work without simply adding more lawyers.

Notably, just 5% want to reduce the size of their in-house team. The opportunity, then, is not to replace lawyers but to change the relationship between headcount

and demand: AI can help legal teams absorb more work and support business growth without expanding their teams at the same rate.

The finding chimes with Giancristofano, who says: ‘The biggest outcome we want from legal tech is that we do not need to grow the legal team.’ She adds that headcount reduction is not yet a consideration. ‘At some point, reducing team size might become a possibility, but even with the current speed of development, I do not see that yet.’

As Daniel Reina, chief legal officer at global engineering company Inerco puts it: ‘Right now I don’t see AI cutting headcount – I see it flattening the curve: the group of companies keeps growing, and legal doesn’t have to grow at the same rate.’

Galluccio points to a similar dynamic, describing how improvements in legal technology meant a planned full-time hire into his contractual team was ultimately deemed unnecessary: ‘With the technology we have, the team can work effectively without the need for an additional resource.’

Behind that sits a desire to reposition legal within the business. Some 44% want to prove legal’s value as a value creator rather than a cost centre, while 39% pointed to better management of risk, regulation and

uncertainty, suggesting teams are trying to balance the commercial case for innovation with legal’s traditional defensive remit.

Quantifying success

The difficulty of communicating legal tech’s value was a hot-button issue in last year’s report, with many respondents pointing to a gap between the efficiency they could feel that tech was offering and the quantifiable efficiencies they could demonstrate to the wider business.

That is changing, with the financial benefits now much easier to track. ‘We are not hiring and we are reducing our reliance on external counsel. That was the business case,’ Giancristofano explains.

Hartleben adds that contract risk metadata allows him to manage risk better and show value at the same time. ‘If, two years later, revenue has grown while headcount and budget have stayed flat, and contract risk has fallen, that’s a strong case that legal is doing a fantastic job.’

However, there are still situations where communicating value remains difficult. Giancristofano details one such example. ‘On compliance, it is often difficult to demonstrate value because we are automating processes that did not exist before. We cannot compare

them with a previous manual process, because there wasn't one.'

In cases such as this, as she explains: 'I can explain the benefits in words, but I cannot always demonstrate them in numbers.'

With rising law firm rates putting constant pressure on in-house legal budgets, AI is giving legal teams another option before picking up the phone to outside counsel.

As Galluccio says, 'Rather than calling a law firm on a specific issue, we now ask the AI first. In 90% of cases, that's more than enough for us.'

Tom Ruhan, group GC and company secretary at European e-commerce company Allegro, makes a similar point: 'We've completely eliminated external counsel for minor litigation. We have found that we have tools that are able to generate a first draft of pleadings. They need to be verified, but quite often the number of comments are fairly limited.'

While Ruhan is quick to assert that he doesn't see his company dispensing with external counsel for more complex matters, he sees legal tech's influence as a major disruptor. 'The business model of law firms is changing quite dramatically, in the sense that the hourly rate simply doesn't work in the new environment. Maybe it's not going away as quickly as I first

'The challenge isn't really the technology. The challenge is the mentality. When a new technology emerges, many people's first instinct is to look for reasons not to use it.'

Michael Hartleben, general counsel, Trench Group

imagined. But the business model where the partner has a number of juniors, all of who bill on a lot of manual tasks at high rates – that's all out of the door.'

Thomson Reuters director Jason Heyman points to one customer's approach as an illustration of how quickly expectations are changing. 'One of our customers introduced a mandate requiring its lawyers to use CoCounsel before approaching external counsel. Only if they can justify instructing outside lawyers after using CoCounsel can they go external.'

Equipping lawyers and staff to effectively work alongside new technology (30%) rounds out the picture, pointing to a broader change-management challenge: teams need not only to adopt new tools, but to learn how to incorporate AI into live legal workflows and adapt established ways of working.

This is a challenge that Hartleben is all too familiar with: 'The challenge isn't really the technology. The challenge is the mentality. The legal profession is inherently conservative and risk-averse. When a new technology emerges, many people's first instinct is to look for reasons not to use it, rather than to explore what value it might create.'

While agentic AI is still very new for most, the expectation is that this is where the legal market is headed. When asked to identify the most useful AI capability, just 4% of respondents selected 'step-by-step agentic planning of research to deliver a reasoned answer with citations and trusted sources' – an unsurprising result given how recently these tools have emerged. However, the potential of agentic capabilities offers a glimpse of the next stage: AI that

can reliably orchestrate multiple steps of legal work.

Graydon notes that the next generation of CoCounsel Legal, Thomson Reuters' agentic AI platform has recently moved out of the beta stage and into an early adopter programme in the US, while the UK and European beta began in August ahead of a full launch in October.

She argues that access to agentic capabilities has fundamentally changed the way her team thinks about legal work.

'We've moved out of AI helping you do a single task. We're now into agentic AI, where you ask it to do a number of different tasks in one go and it simply works through them,' she says. 'The transformational thing is having true agents that move through a process for you. You're not involved until the end of the process when you come back in for a final check.'

Rather than drafting a single clause or answering a discrete question, Graydon explains that agents can carry out multiple linked tasks simultaneously. 'I can ask it to draft clauses, anticipate the counterparty's response, draft fallbacks, create FAQs for sales, produce talking points and generate guidance for lawyers – all from the same set of facts, all at the same time.'

Heyman adds that the key differentiator is the platform's ability to combine agentic

workflows with Thomson Reuters' proprietary legal content. Rather than simply generating answers, he says the next generation of CoCounsel Legal is designed to draw on Westlaw and Practical Law to gather information, draft documents, surface relevant issues and provide source-backed outputs within a single workflow.

As AI moves from assisting individual tasks to carrying out multi-step legal work, the importance of trusted, source-backed outputs only increases. The combination of agentic workflows with reliable legal content, citations and transparent reasoning could be a key differentiator for lawyers who need visibility into how agents have produced their output and the sources they relied on. Majer highlights this ability to show its working: 'Crucially, its output is grounded in verified Thomson Reuters content, so you can trust where the answer has come from, and it sets out the reasoning step by step. It is transparent, defensible to regulators, auditors, and the board.'

That emphasis on governance is particularly important in legal departments. As one head of legal notes: 'The use of agents and workflows is particularly helpful because we retain control over the underlying sources.

They are not drawing on open internet content; they are limited to our approved sources and internal playbooks.'

Ruhan points to witness preparation as an example where agentic AI comes to the fore: 'Previously, external counsel would have to trawl through potentially tens of thousands of pages to find the material relevant to a particular witness. Now, an agent pulls together everything that witness has ever said; whether that's in emails, witness statements or other evidence. It maps that information to the issues in the proceedings and generates a series of questions based on the evidence. It helps us prepare far more efficiently.'

The progress made since the last Pulse report is striking, but the bigger shift lies ahead. Agentic AI is the newest layer of that shift, not the whole of it - its value still depends on the same things every stage of this journey has required: clear ownership, checked output, and metrics the rest of the business can actually see. The test now isn't whether legal teams have adopted agents, but whether the capacity they free up shows up somewhere the C-suite notices - headcount that holds steady against rising workload, advice the business trusts enough to act on, and the kind of hard numbers, not just a sense of progress, that Hartleben argues will make the case. ■

A world of possibilities: imagining the legal function of the future

While enthusiasm for AI and new tech is on the rise at businesses around the world, adoption is far from uniform. Different legal markets are moving at different speeds, shaped by regulatory environments, cultural nuances, investment priorities and varying levels of risk appetite.

The question now for in-house leaders: what will the legal function of the future look like? As AI adoption moves from experimentation to implementation, it is reshaping how teams operate – from where lawyers add value, to how they interact with the wider business and how much work they handle without the need for external counsel.

Whatever form that future takes, in-house leaders are converging around a similar approach to getting there – with outputs that can be checked against trusted sources, reasoning that can be followed rather than taken on faith, and human oversight that is a deliberate feature of the process rather than an

afterthought. The next phase of legal AI is likely to be judged less by what it can do, and more by whether it can be trusted to show its work.

Regulation will of course be one of the factors determining how quickly that transformation takes place, and the challenge for policymakers is to manage the risks posed by AI without creating an environment that discourages innovation.

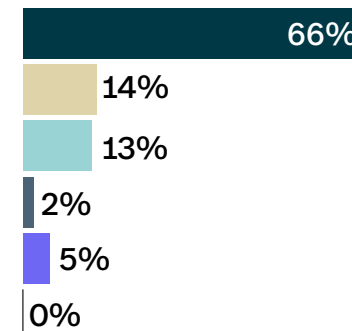
Of the respondents to this year's survey, 66% said the EU has the best legislative approach, up from 52% last year. Conversely, support for the legislative landscape in the US fell to 13% this year, down from 21% last year.

Dmitry Alekseev, Madrid-based in-house counsel at multinational advertiser Havas, is a supporter of what he describes as 'a hybrid approach' – a robust regulatory framework which also supports innovation.

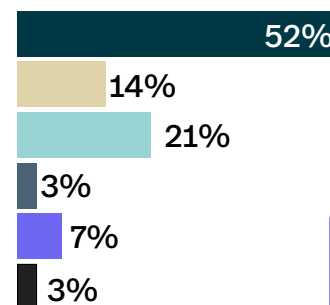
He explains how the US has almost taken the opposite approach to the EU. 'They started off as a wild west in terms of AI, and now they realise that they have to have a certain framework.'

Which of these regions do you think has the best legislative approach?

2026



2025



- EU
- UK
- US
- APAC
- Unsure
- Elsewhere

‘Compare two years ago to now, the amount of tools we have access to is far more sophisticated and extensive.’

London-based head of legal, technology company

The US does not currently have a comprehensive federal AI statute, but a number of US federal agencies, including the SEC, FTC and FCC have issued rules, guidance and other regulatory measures on the technology, and a number of states have also introduced, or are in the process of introducing, new laws.

In contrast to the US approach, the EU adopted the AI Act in 2024 and has been implementing it in stages since then, including new transparency obligations which took effect this August, and aim to ensure people are aware when they are interacting with AI-powered systems or AI-generated content.

Michael Burkart, the Baar-based global head of legal operations & corporate at Swiss

company SGS, agrees that ‘no regulation is definitely not the right approach,’ but in his view, the overly conservative EU AI Act is ‘killing business initiatives’.

‘It’s very complex, and there is a lot of room for interpretation,’ he says. ‘It was written at the point where they didn’t know what would be possible in the future.’

Tom Ruhan, the Luxembourg-based group GC at e-commerce platform Allegro, agrees that overly restrictive AI regulation could hold back innovation and mean the most successful AI companies could emerge from less regulated jurisdictions.

‘Legislation needs to keep up with the pace of change,’ he explains. ‘I really fear this is an area where banning or seriously restricting is going to be really tough,

because companies from the other jurisdictions, for example China and the US, who may be less regulated, are going to kill European innovativeness.’

Alekseev at Havas makes a similar point: ‘The approach that EU tends to take sometimes is still stuck a few decades behind, where the protection of the consumers was much bigger (and more necessary) than it is now.’

He continues: ‘Although one of the main aims of the regulations is to protect consumers’ rights and guarantees, the lawmaking process must also consider the maturity and increasing level of awareness of the consumers. This overextension is one of the reasons why the innovation process in Europe falls behind other jurisdictions, and why many new tech companies come from outside of the EU.’

However, Verisure’s Swiss-based group chief legal officer Nina Cronstedt offers a different perspective. ‘The AI Act can actually be helpful: it gives us a common framework across the EU to assess the risk of AI systems, and clear guardrails to navigate.’

She continues: ‘I don’t see it as hampering innovation – looking at it with a positive lens, it gives our teams the confidence to move fast within clear boundaries,’ she says.

Bertil Majer, GC for customers and commercials at Thomson Reuters, echoes this sentiment. On the EU AI Act, he says: 'It's very sophisticated. But ultimately, if you manage to get through this in Europe, then you probably are in very good shape elsewhere.'

This difference in regulatory philosophy could ultimately shape not only how companies use AI, but how legal teams themselves operate. Clear frameworks and guardrails could give in-house teams the confidence to move quickly while managing risk, while uncertainty may encourage a more cautious approach to adoption.

The UK's balancing act

The survey also asked respondents for their thoughts on the UK's legislative approach. The proportion agreeing with the statement 'the UK has adequate legislation to keep pace with innovation in AI' was unchanged from last year with 12%.

The percentage of those disagreeing with this point was significantly down, however, falling from 28% last year to just 15%.

The UK does not currently have a standalone AI law, instead relying on existing regulators and a principles-based framework.

One London-based head of legal at a technology company describes the roll-out of AI in the legal sector as a 'massive success story'. She explains: 'If I compare two years ago to now, the amount of tools we now have access to is far more sophisticated and extensive.'

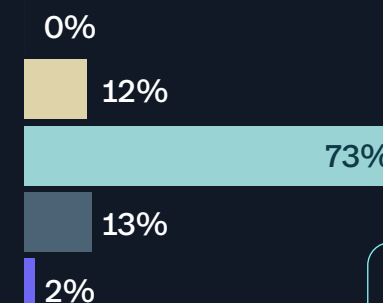
On how respondents viewed the UK's legislative approach in comparison to other regions such as the EU, US and APAC, there was an uptick in the proportion of respondents who see the UK as more flexible and business-friendly in its approach this year, with 25% saying it is 'more flexible and business-friendly' or 'more innovative and forward-thinking', compared with 20% last year.

Alex Graydon, associate GC at Thomson Reuters, believes a more defined approach is a better option and that more guardrails will not necessarily serve as a blocker to innovation.

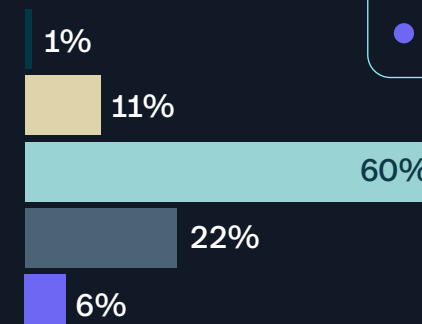
'Safe AI and innovative AI aren't a trade-off,' she says. 'Getting regulation right, like the EU AI Act, means they grow together,

How much do you agree with the following statement: "The UK has adequate legislation to keep pace with innovation of AI".

2026



2025



- Fully agree
- Broadly agree
- Neutral
- Not Really
- Absolutely

with safety as the foundation we build on, not the ceiling we hit.'

For legal teams, that distinction will matter as AI moves from a tool used by individual lawyers to something that shapes how the function operates. The role of legal will increasingly involve not just managing the risks of AI, but creating the conditions for the wider business to use it effectively.

From efficiency to transformation

Whatever form regulation takes, the more fundamental question is how AI will transform the way legal functions operate, and to what extent it will free up in-house counsel to focus on more strategic, higher-value matters.

One general counsel envisions an exciting future in which legal technology helps to transform in-house legal teams into more proactive and strategic business partners. 'In highly regulated and operationally intensive industries such as mine, AI-powered legal tools can significantly improve efficiency in contract review, regulatory analysis, knowledge management, and cross-border risk assessment.'

For Robert Tubis, head of contracting and sales service at AstraZeneca in Germany, that means going beyond using existing AI tools and building new processes around them.

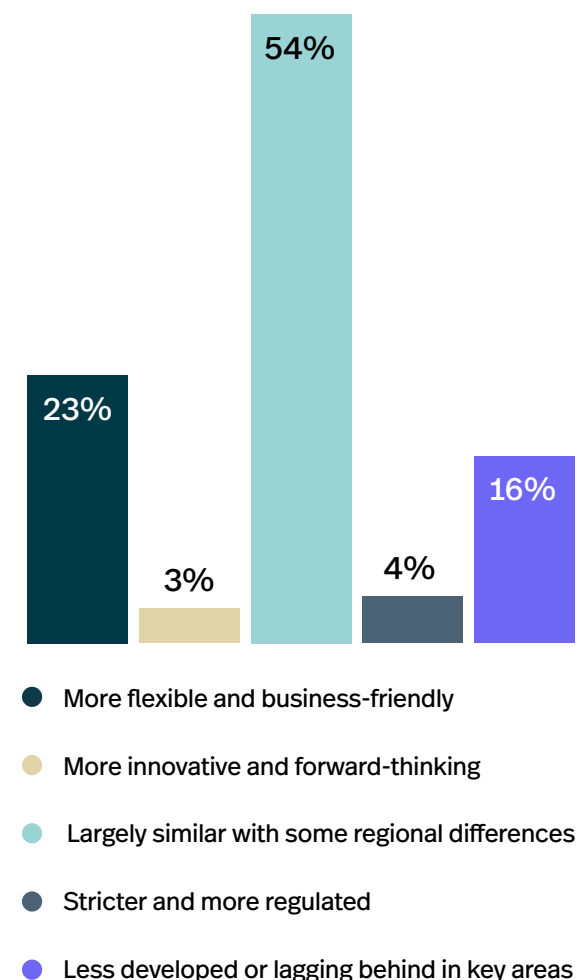
As AI becomes more influential, tools that are very familiar to most lawyers are likely to be relied on much less. Jason Heyman, director of legal solutions at Thomson Reuters, argues that much of what lawyers use today is set to change significantly.

'When it comes to templates, spreadsheets, and so on – I don't think lawyers will have as much of a need for these in future, because the right AI technology will give you all of that within itself. It can create the tables, the surveys, anything a lawyer needs, directly from the tool,' he says. 'So it's more about simplifying the key tools you use, rather than how AI integrates with the tools you already have.'

When to go external

With legal teams able to more effectively handle work that previously required a lot of heavy lifting, the relationship between in-house and external counsel could also shift. Thomson Reuters' Majer expects departments to keep

How would you describe the UK's legislative approach compared to other regions such as the EU, US, and APAC?



more work in-house, but believes law firms will benefit too, as technology allows both sides to concentrate on their strategic strengths.

The result may not be less work for law firms, but a different mix of work, and as AI becomes more capable, it could also begin to alter the nature of the work itself. Isabel Ann Giancristofano, director of legal and compliance at Germany's Condor Airlines, predicts a future in which AI systems interact directly with one another to carry out defined processes.

'We suspect that, in the near future, we will have situations where two AIs are effectively negotiating with each other based on facts and predefined parameters,' she posits.

The prospect of more autonomous technology such as this once again underlines the importance of effective governance, with human oversight remaining just as important, as Eliana Savvidi, general counsel at Cyprus-based InterMaritime Shipmanagement, explains.

'I believe the industry is still addressing important questions around governance, explainability, accuracy, confidentiality, and responsible implementation,' she says. 'The long-term value of legal AI will not come from

'In the near future, we will have situations where two AIs are effectively negotiating with each other based on facts and predefined parameters.'

Isabel Ann Giancristofano, director of legal and compliance, Condor Airlines

replacing legal judgement, but from enabling lawyers to make faster, more informed, and commercially aligned decisions.'

The future legal function, in other words, may be less about choosing between human judgement and AI than determining how the two should work together – and where human judgment remains essential.

Regulation, investment priorities and attitudes to risk will mean teams in different jurisdictions move faster than others, with some placing greater emphasis on experimentation and others on governance.

But the direction of travel is clear: AI has the potential to give lawyers greater scope to think strategically, reshape the tools and processes

through which legal work is delivered, and redefine the relationship between in-house and external counsel.

None of this is a reason to adopt AI for its own sake. But it is a reason to know where the function is headed before regulatory pressures determine the direction of travel. With the UK, EU and US moving at different speeds and toward different philosophies, the legal departments best placed for 2030 will not be the ones that reacted fastest to each new rule, but those that treated regulatory clarity – wherever and however it lands – as room to move deliberately toward a function they had already decided to build, rather than a signal to wait and see. ■

APPENDIX

Progress mapping: how views on tech vary across borders

Across Europe, in-house legal teams are embracing generative AI at pace – but the experience is far from uniform. Tech is being adopted widely, with significant sums earmarked for AI, and the focus shifting from pilots to practical day-to-day use.

With security, reliability and trust high on the agenda, the biggest obstacles are not necessarily securing budget and choosing a provider, but the practicalities of introducing new tech, ensuring everyone trusts the process, and making the most of the potential that AI offers.

There are also striking differences between markets in appetite for investment, expectations around AI and attitudes towards tech providers. Here is how those differences play out across four key regions – the Nordics, DACH, Spain & Italy, and the UK and Ireland.

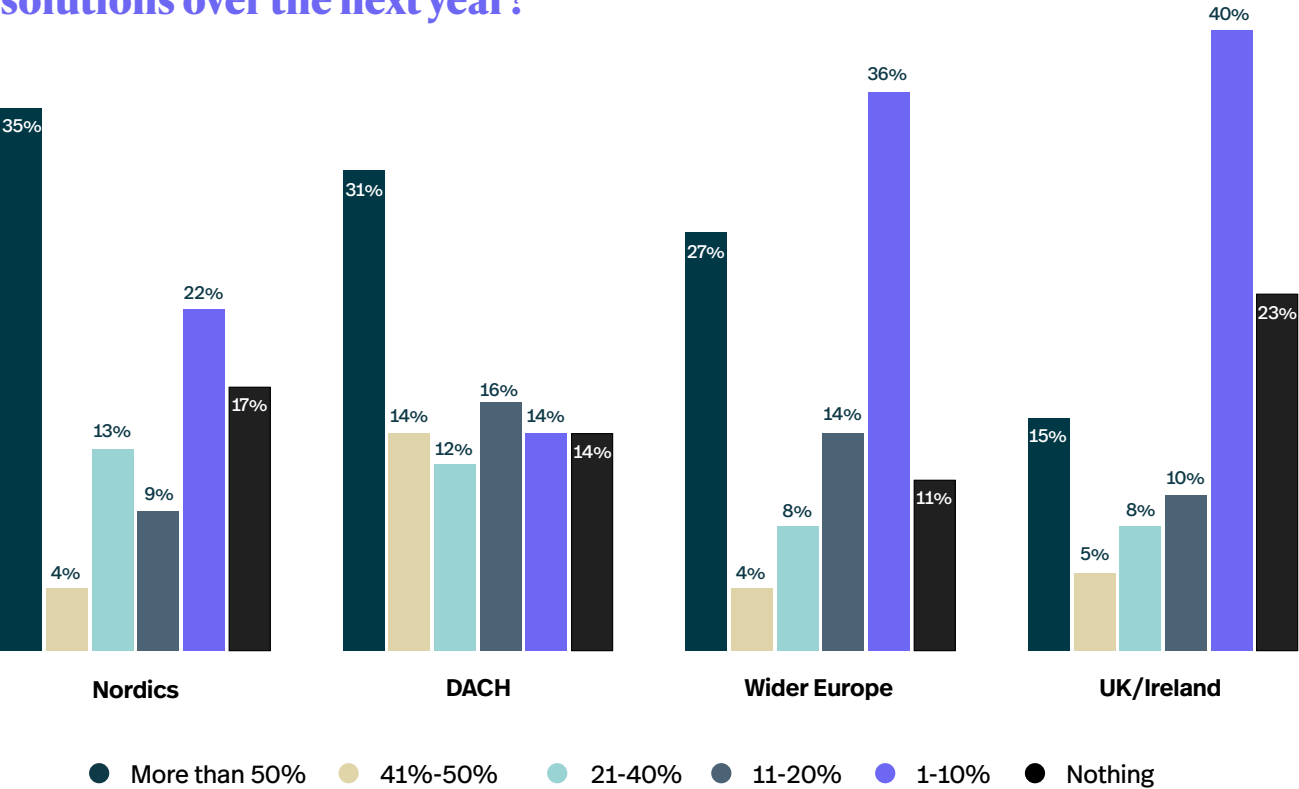


The Nordics

The Nordics stand out for their high level of Gen AI adoption, with 89% of survey respondents already implementing or having implemented Gen AI solutions - the highest of the four regions. This adoption is backed by a relatively strong appetite for AI investment: 35% intend to allocate more than half of their legal tech budget to AI over the next year, while a further 26% plan to allocate between 11% and 50%. However, this enthusiasm is not matched by the highest levels of available funding: 57% have an approved legal tech budget for the next 12 months, compared with 72% in DACH.

Budgets are nevertheless moving in the right direction. More than half (52%) say their legal tech budget has increased since last year, with just 7% seeing a decrease. The main challenge appears to be organisational rather than

How much of your legal tech budget (%) do you intend to invest in AI solutions over the next year?



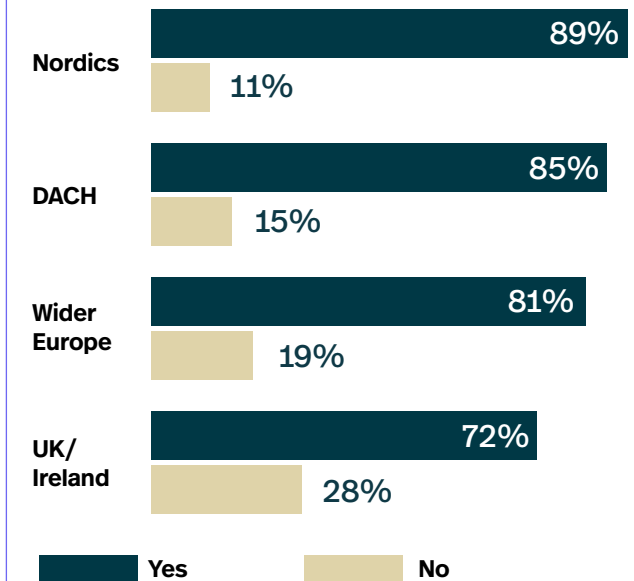


technological. Introducing approved tech is relatively straightforward compared with other regions: 44% describe adoption as quite or very easy, and none consider it almost impossible. Securing wider corporate buy-in is marginally harder, although 42% still find this quite or very easy.

The Nordics are comparatively cautious about AI's maturity. While 49% agree that AI has moved beyond its teething stage, only 11% completely agree – the lowest proportion of all four reasons. Security confidence is also mixed: 15% are completely or very confident, while 23% are not very confident. Trust in the AI tools being used is somewhat stronger, with 72% reporting either a great deal or some trust.

The region is also less committed to the single-provider model than other geographic groupings. Only 29% regard a comprehensive offering from one supplier as vital or very important, while 43% consider it merely fairly or not very important. Overall, the Nordic picture is one

Are you implementing/have you implemented any Gen AI solutions at the moment?



of strong adoption and significant AI spending ambitions, tempered by caution over maturity, security and supplier strategy. ■

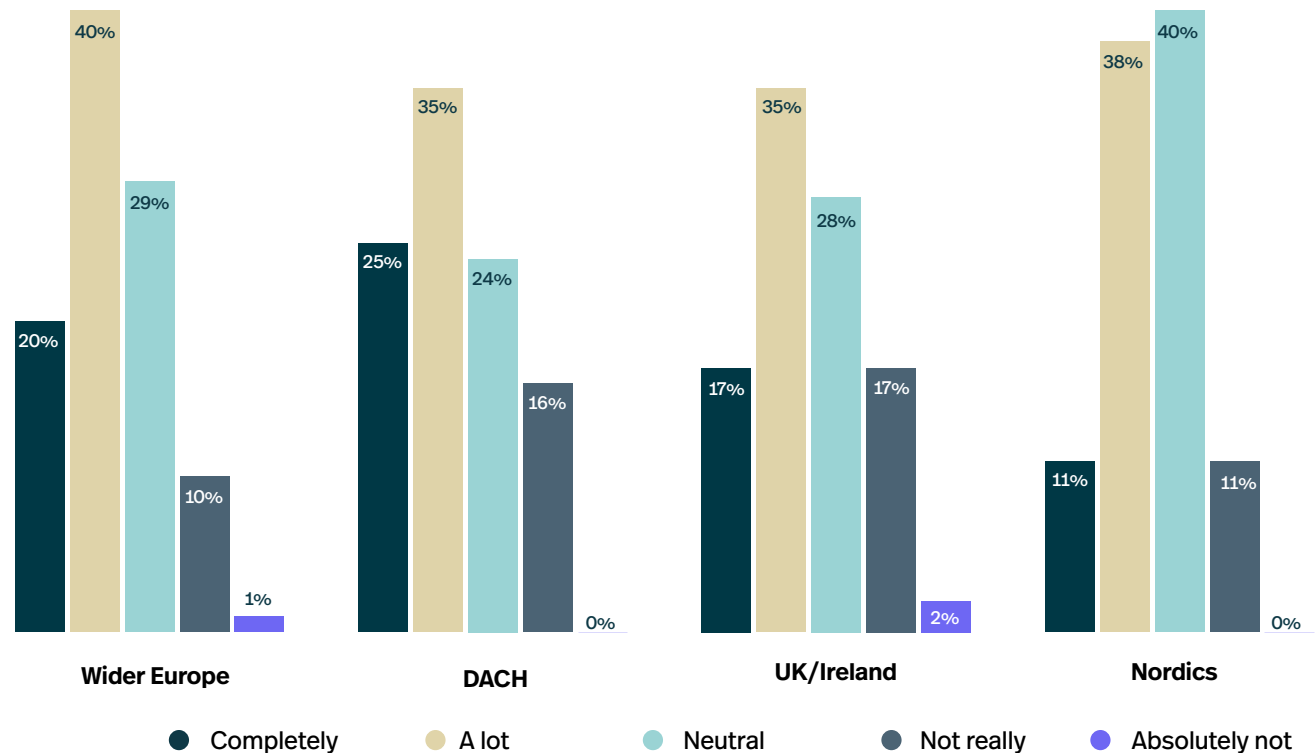
APPENDIX

DACH (Germany, Austria and Switzerland)

DACH combines high Gen AI adoption with the strongest immediate financial foundation among the four regions. Some 85% of legal teams are implementing or have implemented Gen AI, second only to the Nordics. Notably, DACH has the highest proportion with an approved legal tech budget for the next 12 months: 72%. Its budgets are also relatively resilient, with 48% reporting an increase since last year and only 6% reporting a decrease.

AI is a major priority within those budgets. Almost a third (31%) expect to allocate more than 50% of their legal tech budget to AI, while a further 42% intend to devote between 11% and 50%, figures which mark out Germany, Austria and Switzerland as some of the most enthusiastic markets when it comes to AI adoption.

How much do you agree with the following statement: “AI has moved out of the teething stage and is now a reliable source to introduce within the legal team”



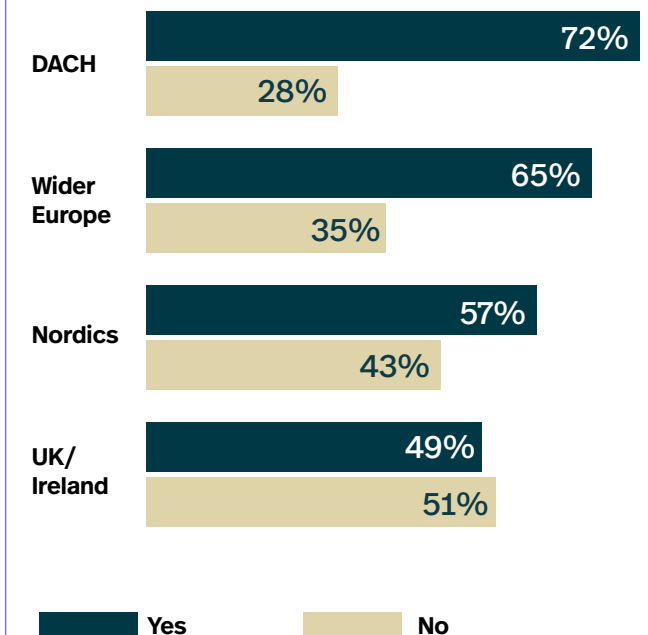


Despite this investment, adoption within teams is not entirely frictionless. Only 36% describe introducing new legal tech as quite or very easy, and wider corporate buy-in is an even bigger hurdle: just 26% find it quite or very easy, while more than one in five (21%) describe it as not very easy or almost impossible.

DACH nevertheless shows strong confidence in AI's maturity. Six in ten respondents agree that AI has moved beyond the teething stage and is now reliable enough to introduce into legal teams, including 25% who completely agree. However, this optimism is offset by concerns about security. Only 8% are completely or very confident in current Gen AI legal tech vendor offerings – the lowest percentage of all four regions - while 24% are not very confident.

Trust in existing AI solutions is also comparatively weaker: 65% report either a great deal or some trust, versus 73% in Spain/ Italy. Overall, DACH appears to be well funded and highly committed to AI, but still grappling with organisational buy-in and concerns around vendor security and trust. ■

Does your legal team have an approved budget for legal tech investments over the next 12 months?



APPENDIX

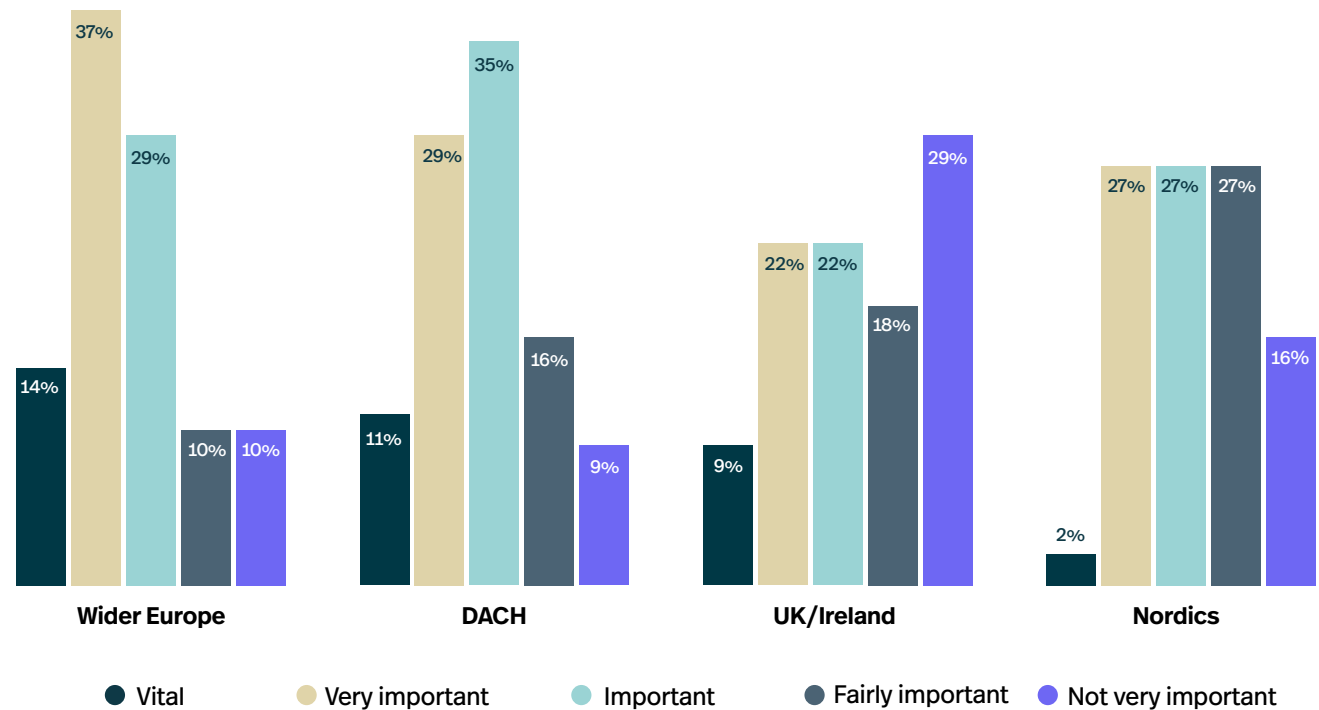
Wider Europe

Taken together, the wider European region covering France, Spain, Italy and Benelux presents the strongest combination of AI optimism and budget momentum in the survey. Eighty-one per cent of legal teams are already implementing or have implemented Gen AI, while 65% have an approved legal tech budget for the next 12 months. More importantly, 55% say their budget has increased since last year - the highest figure across all four regions.

AI is clearly central to this investment. More than a quarter (28%) expect to devote over half of their legal tech budget to AI, with only 11% intending to allocate nothing. The figures suggest a market that is investing in AI, but where spending is somewhat more distributed across the wider legal tech landscape than in the Nordics or DACH.

The region is particularly bullish about AI's maturity. Sixty per cent agree that AI

How important is having a comprehensive solution from a single provider to you when evaluating tech suppliers?



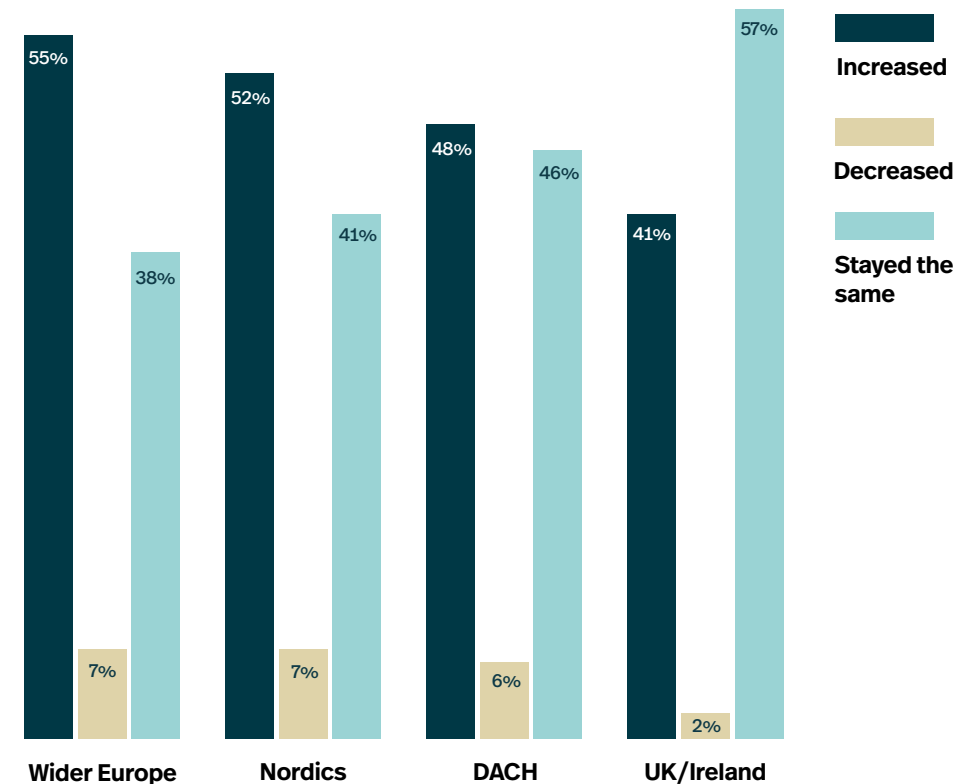


has moved beyond its teething stage and is now reliable to introduce within legal teams, including 20% who completely agree. Trust in AI solutions is the strongest of the four markets: 74% report either a great deal or some trust, while none said they have no trust.

There are, however, barriers to turning this enthusiasm into widespread adoption. Only 32% find introducing approved new legal tech quite or very easy, while 28% find it not very easy or almost impossible.

Respondents across France, Spain, Italy and Benelux have the strongest preference for an integrated single-provider solution, with 50% considering this vital or very important, substantially ahead of DACH, the UK and Nordics. Overall, the region is highly optimistic about AI, increasingly well funded and trusting of current solutions, but held back to a degree by difficulties in driving internal adoption and securing wider corporate support. ■

Has your budget for legal tech increased, decreased or stayed the same since last year?

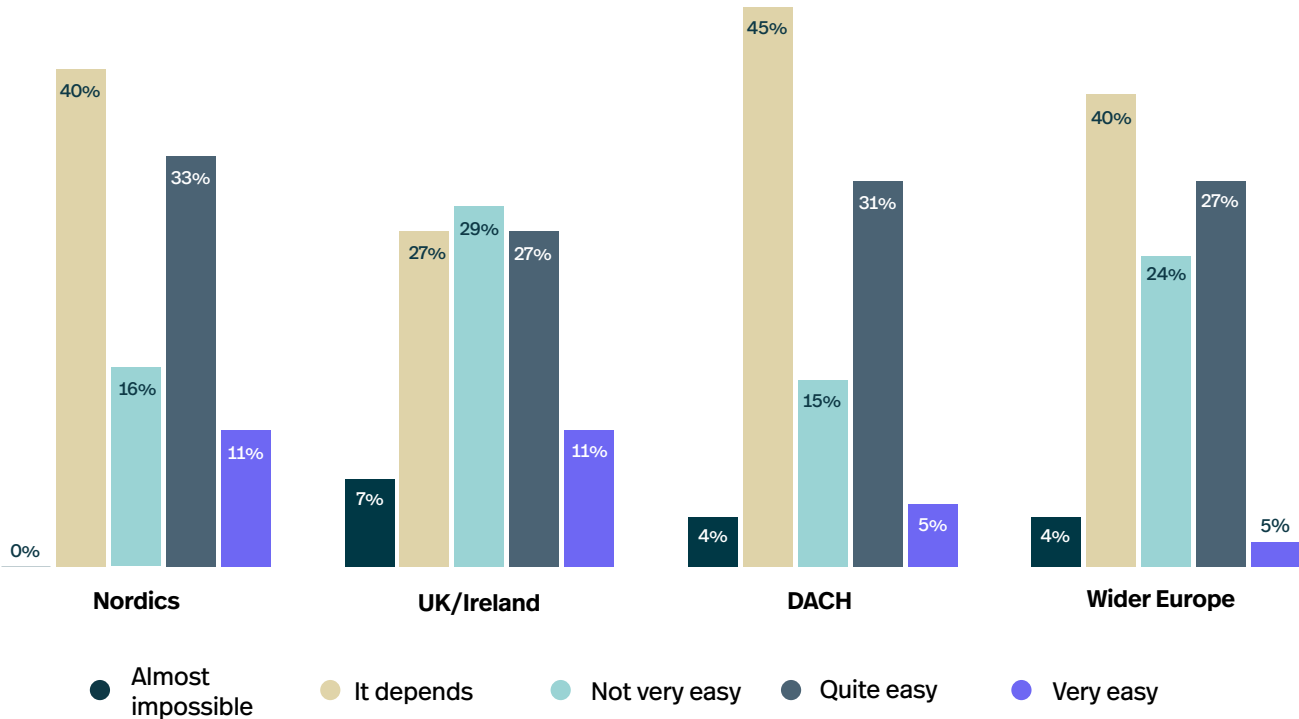


The UK and Ireland

UK and Ireland is the most cautious of the four regions, despite a substantial level of Gen AI adoption. Seventy-two per cent of legal teams are implementing or have implemented Gen AI, meaning adoption is still widespread but materially below the 80%–89% seen elsewhere. Financial commitment is also weaker: only 49% have an approved legal tech budget for the next 12 months, the lowest figure in the survey, while 51% of respondents have no approved budget.

Budget momentum is similarly subdued. Although 41% report an increase since last year, 57% say their budget has stayed the same as last year, the highest figure across the regions. AI spending intentions are also comparatively conservative. Just 15% expect to devote more than half of their legal tech budget to AI, while 23% plan to spend nothing on AI, by some way the highest figures for all regions.

How easy do you find it to introduce approved new legal tech software or solutions within your team and drive adoption?



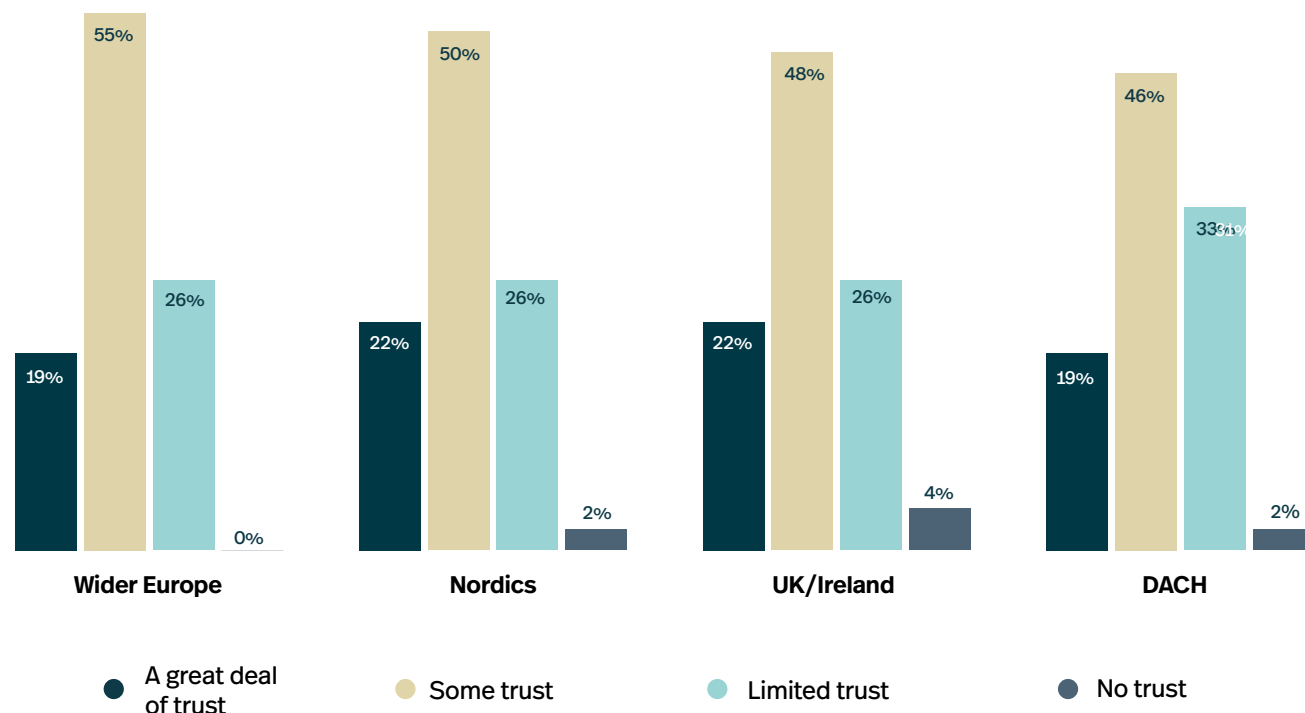
Respondents from the UK and Ireland are also relatively sceptical about AI's maturity. Fifty-two per cent agree that AI has moved beyond the teething stage, but only 17% completely agree. Security is a particularly notable concern: 31% are not very confident in current Gen AI legal tech vendor offerings, the highest figure across the four regions. Trust in existing AI solutions is somewhat stronger, however with 70% reporting either a great deal or some trust.

The biggest obstacle may be organisational. Only 38% find it quite or very easy to introduce approved technology, while obtaining corporate approval is even tougher: just 24% describe it as quite or very easy to secure buy-in from the wider company. ■

Methodology

This research is based on a survey of more than 250 general counsel and senior in-house lawyers, conducted during May and June 2026. Respondents were based across Europe, including the UK, the Nordics, Germany, Italy, Spain, Switzerland, Benelux, Austria and France, covering a range of organisations, sectors and legal team sizes.

How much trust do you have in the AI solutions you currently use in terms of hallucinations, accuracy, security, data sovereignty, response bias etc?





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