iManage
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ABOVE
THE
LAW

## From AI to KPI:
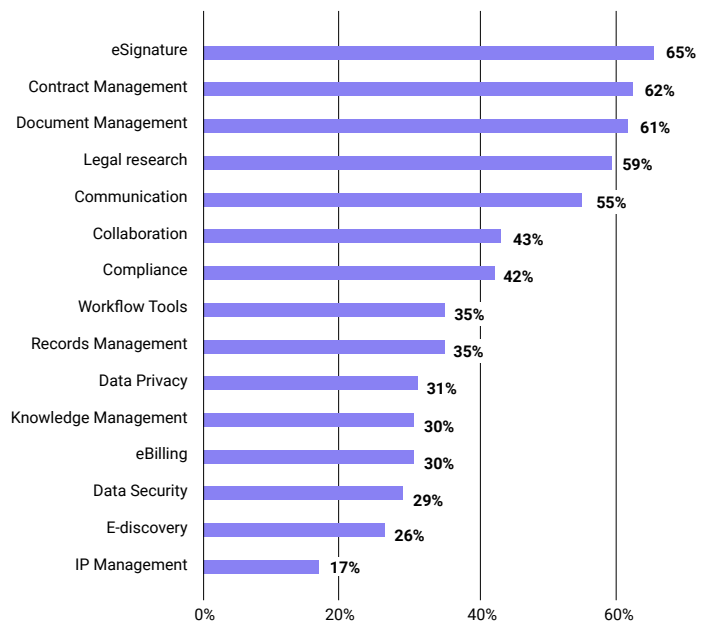
# The law department tech trends of 2024

Above the Law (ATL) and iManage surveyed corporate legal professionals across a wide range of industries to gain a holistic view of workplace challenges and learn how implementing the right technology can help alleviate those struggles.

This survey was conducted between January 26 – March 5, 2024, with a total of 126 respondents.

## Summary of Survey Results

**Q1:** **What technology areas do you work with? (Select all that apply.)**

Respondents work with a broad range of technology areas, most commonly eSignature, contract management, document management, legal research, and communication.

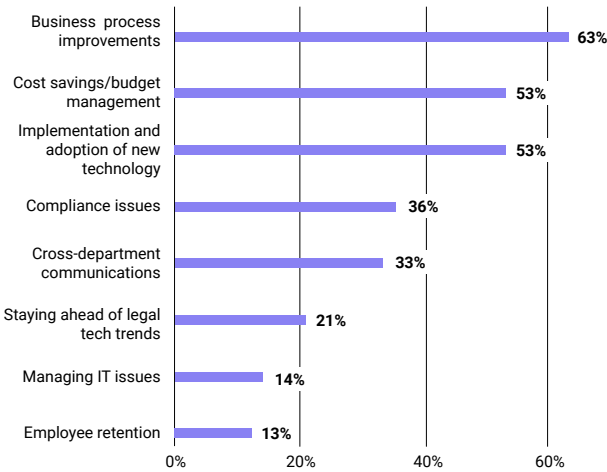| Technology Area | % |
| --- | --- |
| eSignature | 65% |
| Contract Management | 62% |
| Document Management | 61% |
| Legal research | 59% |
| Communication | 55% |
| Collaboration | 43% |
| Compliance | 42% |
| Workflow Tools | 35% |
| Records Management | 35% |
| Data Privacy | 31% |
| Knowledge Management | 30% |
| eBilling | 30% |
| Data Security | 29% |
| E-discovery | 26% |
| IP Management | 17% |

**Q1: What are the top three challenges you face in your role?**

The top three challenges respondents face:
- Business process improvements
- Cost savings/budget management
- Implementation and adoption of new technology

Implementation and adoption of new technology is particularly important for those respondents in law departments with more than 50 employees.
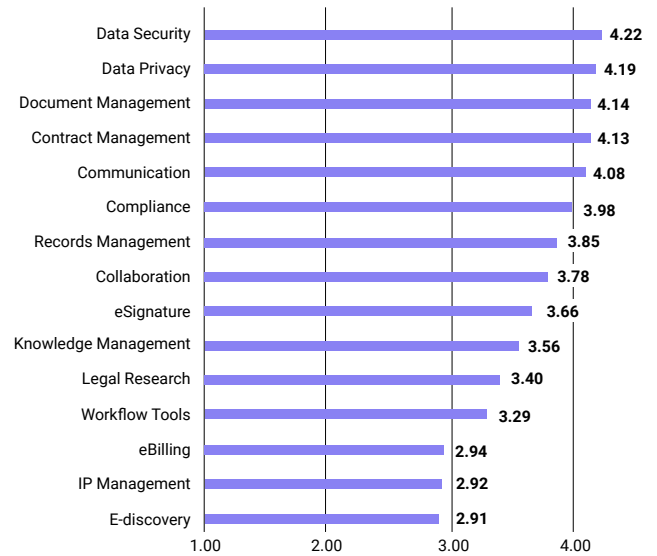
| Challenge | % |
|---|---|
| Business process improvements | 63% |
| Cost savings/budget management | 53% |
| Implementation and adoption of new technology | 53% |
| Compliance issues | 36% |
| Cross-department communications | 33% |
| Staying ahead of legal tech trends | 21% |
| Managing IT issues | 14% |
| Employee retention | 13% |

**Q2: Do you feel you have the right technology in place to help with all of these challenges?**

Less than one-third of respondents feel they have the right technology in place to help with these challenges.
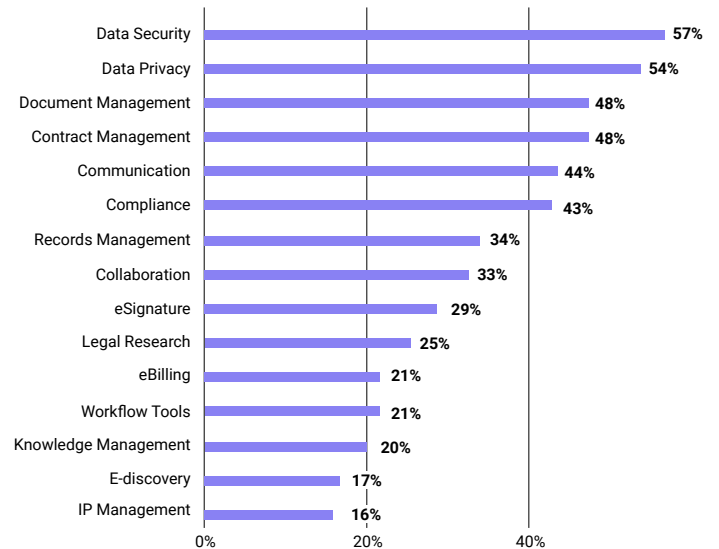
71% No
29% Yes
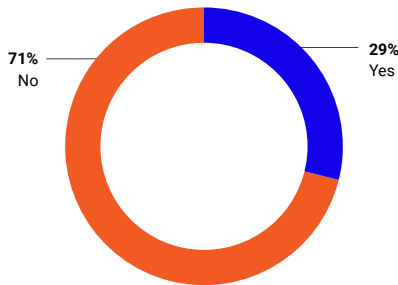
**Q3: Please rate the importance of the following technology in the legal department's day-to-day work, with 5 being extremely important and 1 being not important at all.**

The technologies rated highest in importance in terms of the legal department's day-to-day work include data security, data privacy, document management, and contract management.

| Technology | Rating |
|---|---|
| Data Security | 4.22 |
| Data Privacy | 4.19 |
| Document Management | 4.14 |
| Contract Management | 4.13 |
| Communication | 4.08 |
| Compliance | 3.98 |
| Records Management | 3.85 |
| Collaboration | 3.78 |
| eSignature | 3.66 |
| Knowledge Management | 3.56 |
| Legal Research | 3.40 |
| Workflow Tools | 3.29 |
| eBilling | 2.94 |
| IP Management | 2.92 |
| E-discovery | 2.91 |

More than half of all respondents rated both data security and data privacy "extremely important." Among those working in healthcare, 81% rated data privacy "extremely important."

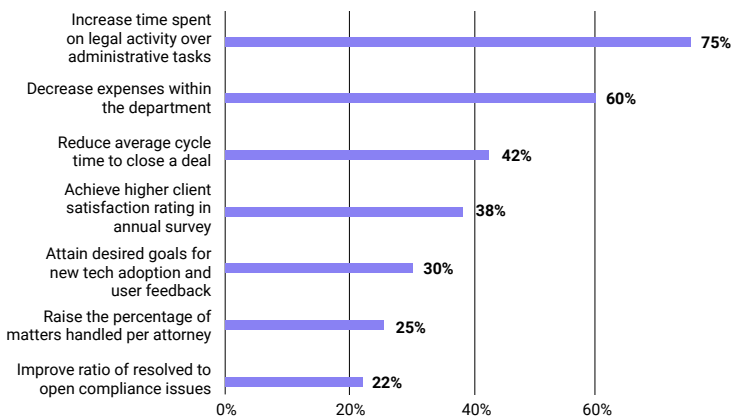**Technology rated "extremely important" in the legal department's day-today work**

| Technology | % |
|---|---|
| Data Security | 57% |
| Data Privacy | 54% |
| Document Management | 48% |
| Contract Management | 48% |
| Communication | 44% |
| Compliance | 43% |
| Records Management | 34% |
| Collaboration | 33% |
| eSignature | 29% |
| Legal Research | 25% |
| eBilling | 21% |
| Workflow Tools | 21% |
| Knowledge Management | 20% |
| E-discovery | 17% |
| IP Management | 16% |

**Q4:** **What do you consider your top three key performance indicators?**

The top three KPIs among respondents:
- Increase time spent on legal activity over administrative tasks
- Decrease expenses within the department
- Reduce average cycle time to close a deal

Among those working in companies whose law departments employ 50 or more, increasing time spent on legal activity was cited as a top KPI by 97% of respondents.
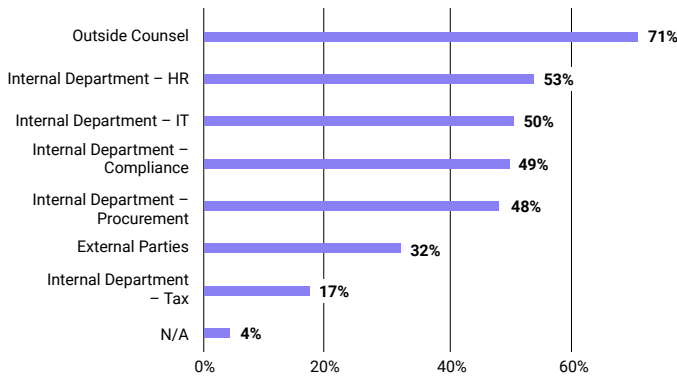
| | |
|---|---|
| Increase time spent on legal activity over administrative tasks | 75% |
| Decrease expenses within the department | 60% |
| Reduce average cycle time to close a deal | 42% |
| Achieve higher client satisfaction rating in annual survey | 38% |
| Attain desired goals for new tech adoption and user feedback | 30% |
| Raise the percentage of matters handled per attorney | 25% |
| Improve ratio of resolved to open compliance issues | 22% |

**Q5:** **What are your biggest goals for 2024?**

**Top five responses**
1. Develop strategies for adoption of AI
2. Improve efficiencies and productivity
3. Implement contract management system
4. Reduce legal spend
5. Improve cross-department communication

**Q1:** **Which departments or stakeholders does the legal department collaborate with most often? (Select all that apply.)**

More than two-thirds of respondents say that the stakeholder their department collaborates with most often is outside counsel. Internal departments with whom they work most frequently include HR, IT, Compliance, and Procurement.

| | |
|---|---|
| Outside Counsel | 71% |
| Internal Department – HR | 53% |
| Internal Department – IT | 50% |
| Internal Department – Compliance | 49% |
| Internal Department – Procurement | 48% |
| External Parties | 32% |
| Internal Department – Tax | 17% |
| N/A | 4% |

**Q2:** **Do you have effective technology and tools to support that collaboration?**

Less than half of respondents say they have effective technology and tools to support this collaboration. The number climbs to 75% among respondents in the largest legal departments.

46% Yes
23% No
31% Not sure
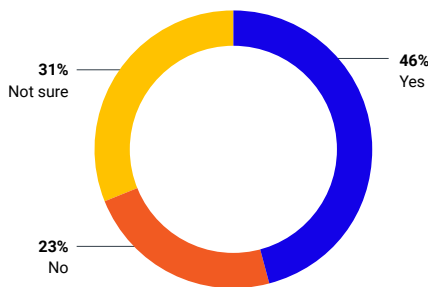
**Q3:** **How successful do you feel you are in driving user engagement and adoption for legal technology?**

The majority of respondents describe themselves as "somewhat successful" in driving user engagement and adoption for legal technology. Less than 10% feel "very successful," while 16% say they are "not successful."

| | |
|---|---|
| Very successful | 7% |
| Somewhat successful | 64% |
| Not successful | 16% |
| Not sure | 13% |
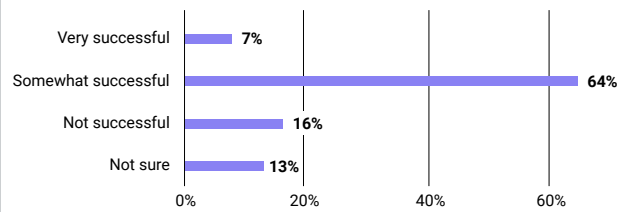
**Q4:** **Do you have a formalized strategy for rolling out legal technology?**

The majority of respondents describe themselves as "somewhat successful" in driving user engagement and adoption for legal technology. Less than 10% feel "very successful," while 16% say they are "not successful."

24% Yes
62% No
14% Not sure
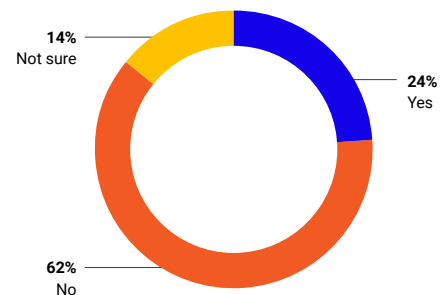
**Q5:** **Which real-time messaging technology does your company currently use? (Select all that apply.)**

Nearly all respondents reported that their companies use some kind of real-time messaging technology, with Microsoft Teams by far the most common.

| | |
|---|---|
| Microsoft Teams | **79%** |
| Slack | **21%** |
| Other | **10%** |
| Not currently using | **6%** |

0%  20%  40%  60%
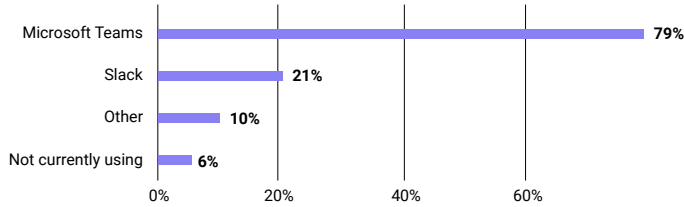
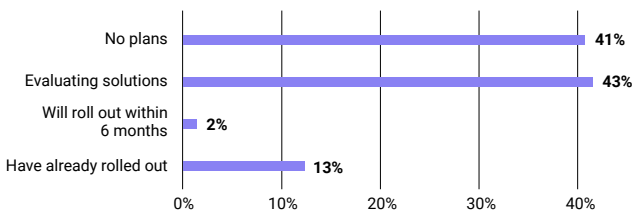"Other" responses include Avaya, Google Chat, Skype, SMS, and Zoom.

**Q6:** **Do you have formalized rules for governing these messages?**

While more than 90% of respondents' organizations use messaging technology, less than 30% have formalized rules governing these messages. Even among those working at tech companies, less than half of respondents report having such rules.

**11%**
Not sure

**27%**
Yes

**62%**
No
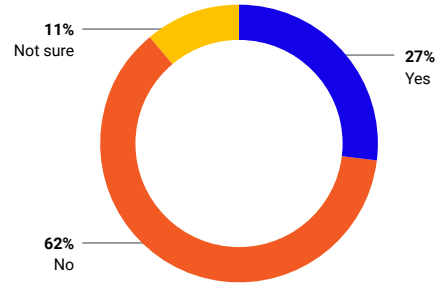
**Q1:** **Does your organization have plans to roll out generative AI tools or solutions to your legal team?**
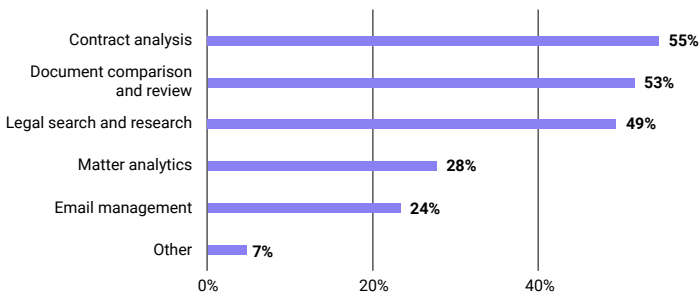
Few respondents have already rolled out or have immediate plans to roll out generative AI tools to their legal team. While many are currently evaluating solutions, more than 40% have no plans to introduce AI tools. Unsurprisingly, those who work in the tech sector have advanced furthest in this area: 41% of respondents have already rolled out AI solutions to their legal teams.

| Category | % |
|---|---|
| No plans | 41% |
| Evaluating solutions | 43% |
| Will roll out within 6 months | 2% |
| Have already rolled out | 13% |

**Q2:** **What does your organization see as the most appealing use cases for generative AI? (Select all that apply.)**

The three most appealing use cases for generative AI, according to respondents, are:
- Contract analysis
- Document comparison and review
- Legal research

| Category | % |
|---|---|
| Contract analysis | 55% |
| Document comparison and review | 53% |
| Legal search and research | 49% |
| Matter analytics | 28% |
| Email management | 24% |
| Other | 7% |

"Other" responses include:
- Basic first drafts
- Discovery analytics
- IT infrastructure
- It is viewed cautiously, not appealingly.
- Marketing
- None
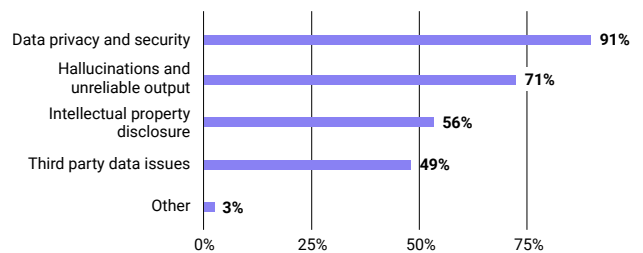- Not currently considering use of AI

**Q3:** **Is your organization concerned about potential security risks associated with generative AI?**

Nearly everyone says their organization is concerned about the potential security risks associated with generative AI.

7% Not sure
7% No
86% Yes
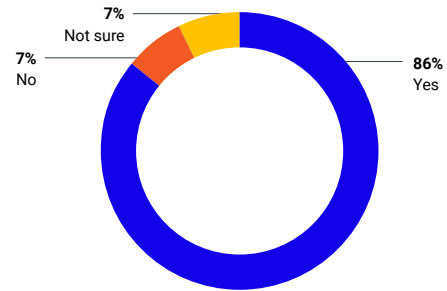
**Q4:** **What specific risks are you most concerned about with regard to generative AI? (Select all that apply.)**

The specific risks most frequently cited are data privacy and security, identified by more than 90% of respondents. A majority also worry about hallucinations and other unreliable output.

| Category | % |
|---|---|
| Data privacy and security | 91% |
| Hallucinations and unreliable output | 71% |
| Intellectual property disclosure | 56% |
| Third party data issues | 49% |
| Other | 3% |

"Other" responses include:
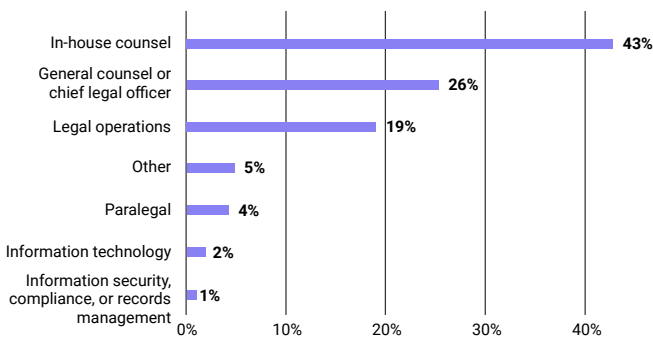- Copyright infringement
- Fraud
- Losing competitiveness

## Q1: What is the size of your legal department?

Approximately one-third of respondents work in legal departments with a staff of 25 or more.

**13%**
151+ employees

**10%**
51-150 employees

**9%**
25-50 employees

**68%**
1-24 employees
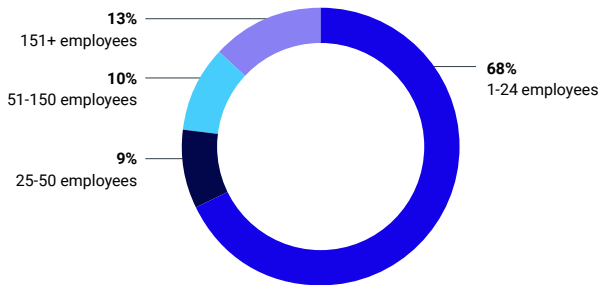
## Q2: Which of the following best describes your role?

The majority of respondents are in-house counsel, including GCs and CLOs. Most of the others are legal operations professionals.
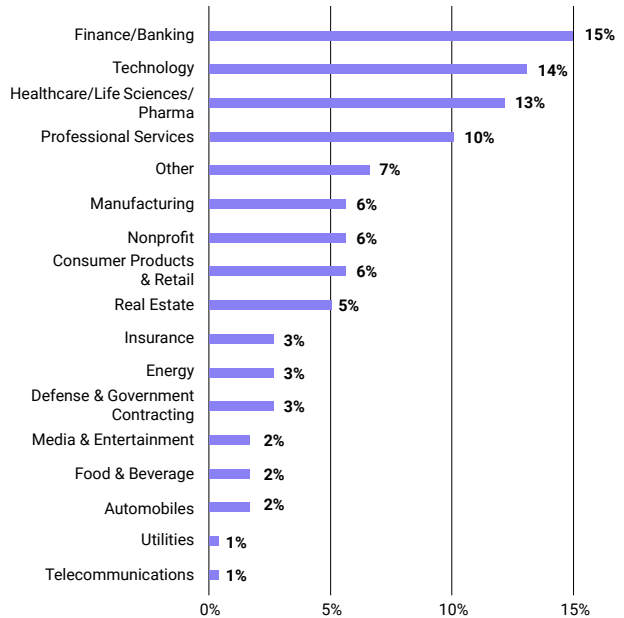
| Role | % |
|---|---|
| In-house counsel | 43% |
| General counsel or chief legal officer | 26% |
| Legal operations | 19% |
| Other | 5% |
| Paralegal | 4% |
| Information technology | 2% |
| Information security, compliance, or records management | 1% |

"Other" responses include:
- Administrative
- Attorney
- Company owner
- Head of legal area
- In-house agent
- Researcher

## Q3: Please select your primary industry.

The top industries in which respondents work include finance, technology, healthcare / life sciences, and professional services, which collectively represent more than half of the survey pool.

| Industry | % |
|---|---|
| Finance/Banking | 15% |
| Technology | 14% |
| Healthcare/Life Sciences/Pharma | 13% |
| Professional Services | 10% |
| Other | 7% |
| Manufacturing | 6% |
| Nonprofit | 6% |
| Consumer Products & Retail | 6% |
| Real Estate | 5% |
| Insurance | 3% |
| Energy | 3% |
| Defense & Government Contracting | 3% |
| Media & Entertainment | 2% |
| Food & Beverage | 2% |
| Automobiles | 2% |
| Utilities | 1% |
| Telecommunications | 1% |

"Other" write-in responses include:
- AdTech
- Chemicals
- Corp litigation
- Environment: ocean health and resource management
- Federal government
- Federal government contracting
- General
- Legal

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