

The ROI of Legal Tech & AI

Measure what really matters.



Executive Summary

Legal Tech ROI – The Winners, the Losers, and the Numbers That Matter

The legal industry has moved on from simple experimentation. Legal-related technology is now the cornerstone of strategic growth. The important questions for legal professionals now are not *if* legal-related tech delivers ROI, but rather *how quickly* it yields returns, *who* is realising its full potential and how to truly measure success?

The Stakes: Adapt or be left behind

Law firms and in-house legal teams across Australia, Asia, New Zealand and the Middle East are staring down a new reality. Clients are more demanding, regulators are more aggressive, and competitors are no longer just local and direct – they're global, digital, industry-adjacent and moving faster than ever.

Here's the punchline: legal-related tech isn't a 'nice to have', it has become a fundamental tool for sustained relevance and competitive advantage.

The Numbers: The ROI of legal-related tech is obvious, and it delivers results

Let's talk numbers:

- 54% of law firm decision makers expect **more than 20% cumulative ROI within 18 months** of implementing legal-related tech. In-house legal teams? Their expectations are even higher with **72% expecting more than 20% ROI** over the same period.

However, achieving results hinges on choosing the right technology and effectively integrating it into your teams' workflows.

What's Driving the Returns?

Sure, there's the 'do more valuable work' promise, but here's what decision makers believe really moves the needle:

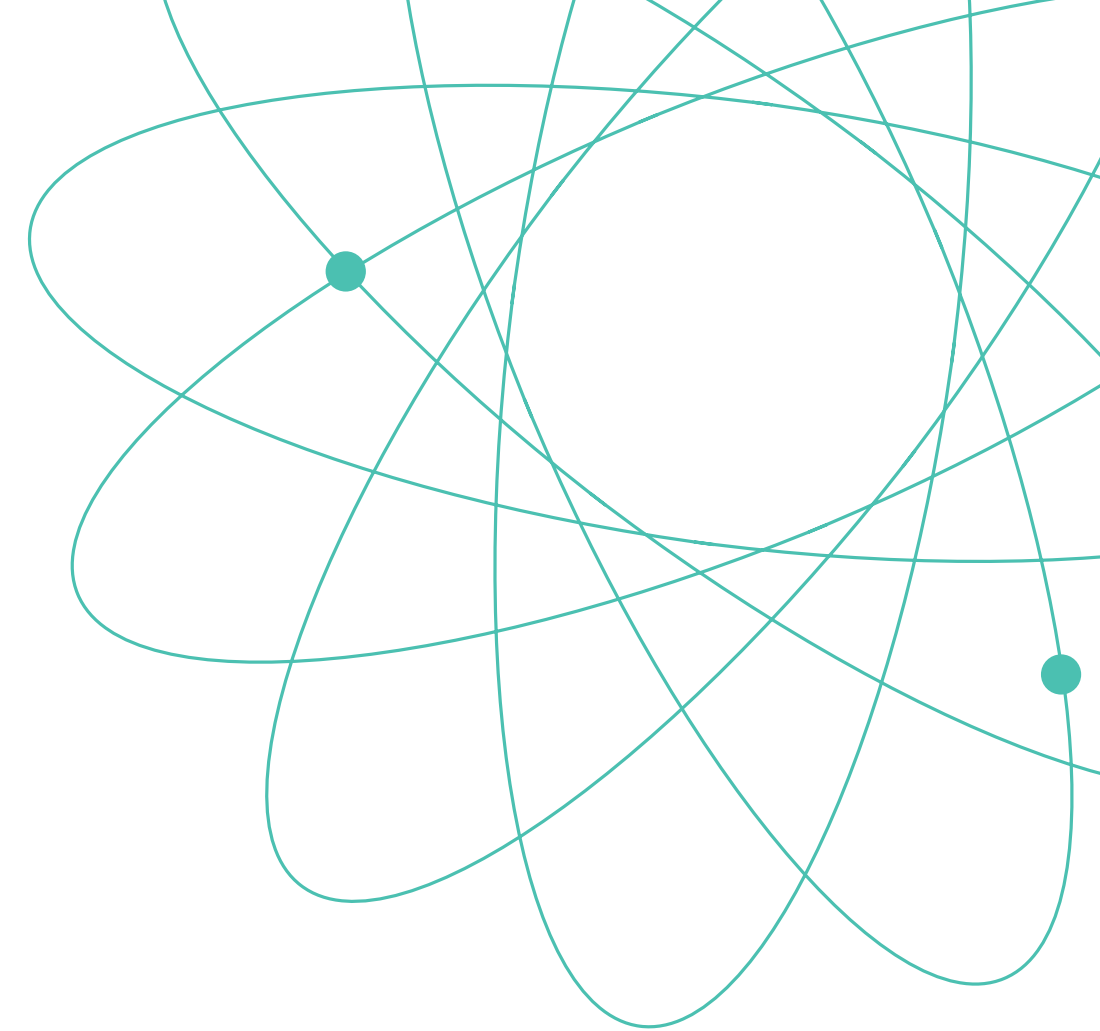
- **Risk Reduction:** 51% of law firms and 49% of in-house respondents say reduced risk to business and data protection are important metrics for their business. In a sector where a single breach or compliance miss can vaporise millions of dollars, and your reputation, this isn't just important, it's existential.
- **Service Quality Improvements:** 58% of law firm respondents put improved service quality at the top of their priority list. In-house teams are right behind at 51%. In a world where clients expect Amazon-level responsiveness, quality of service to the customers you serve, whether that's internal or external, is non-negotiable.
- **Innovation and Cost Control:** 48% of decision makers at both law firms and in-house teams (41%) see 'level of innovation' as a key ROI metric. Law firms also put a premium on total cost savings (39%).

The New Competitive Moat

Legal tech isn't about shiny toys. It's about building a moat to keep your competitors at bay, and achieve and maintain a strategic advantage. The data is clear and time savings are real:

- Law firm respondents are using tech for contract drafting/review (60%), legal research (56%), matter and case management (49%), and discovery (40%), saving up to four hours for each type of task.
- In-house respondents are right there with contract drafting/review (52%), legal research (48%), and analytics and reporting (42%), saving the same amount of time.

In an evolving landscape, organisations that embrace the tech gain a distinct advantage, positioning themselves for future leadership.



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Risk, Compliance, and the Avoidable Moment

Here's what keeps legal leaders up at night:

- Law firms: 'keeping up with clients' shifting expectations' (65%) and 'competition from alternative legal service providers' (60%).
- In-house: 'data and cybersecurity' (45%) and 'evolving government regulations' (50%).

Legal-related tech isn't a luxury – it's armour. The cost of getting this wrong isn't just lost billable hours, it's lost clients, regulatory smackdowns, reputational damage, and potentially fatal breaches.

What Makes a Winner?

Legal professionals are increasingly looking for solutions they can trust and deploy across multiple workflows and teams.

Law firm respondents reported that:

- Trusted brand (60%), security certifications (52%), and end-to-end solutions (47%) are the green flags.
- Deal breakers? Failing security checks (61%), excessive implementation costs (52%), and lack of interoperability (46%).

In-house respondents reported:

- Security certifications (61%), end-to-end solutions (56%) and flexible APIs (51%) are the green flags
- Failing security checks (61%), excessive implementation costs (52%), and lack of interoperability (48%) were deal breakers.

Without secure, scalable, and integrated legal technology, organisations could lose their competitive position.

AI: Hype vs. Reality

AI isn't just a buzzword anymore. 65% of law firms and 79% of in-house teams already have an AI strategy and a responsible AI use policy, or both. Robust governance frameworks are needed to manage risks and unlock the potential of the tech, securely.

Leadership: Pragmatic, Not Static

Despite the stereotypes, leadership aren't stuck in the past – almost half are considered to be progressive or pioneering, and nearly half of law firm and in-house respondents describe their leaderships' approach to tech investment as 'pragmatic'. If you can show your leaders the numbers, they'll listen. If you can't, they'll move on.

Bottom Line: Strategic Adoption Drives Results, Hesitation Limits Potential

Legal tech can offer more than just incremental gains. It's foundational for sustainable growth and building resilient firms and legal departments be adaptable and resilient to future changes.

If you're pondering whether legal tech is right for you, here's your playbook:

- Measure what matters, and demonstrate ROI – but also take into account the more intangible benefits such as talent attraction, employee satisfaction and brand perception.
- Ensure your security and integration game is strong.
- Risk, compliance, and quality count more than just efficiency.
- Show you're ready for AI, but with guardrails.

The future isn't waiting. Neither should you.

Without secure, scalable, and integrated legal technology, organisations could lose their competitive position.

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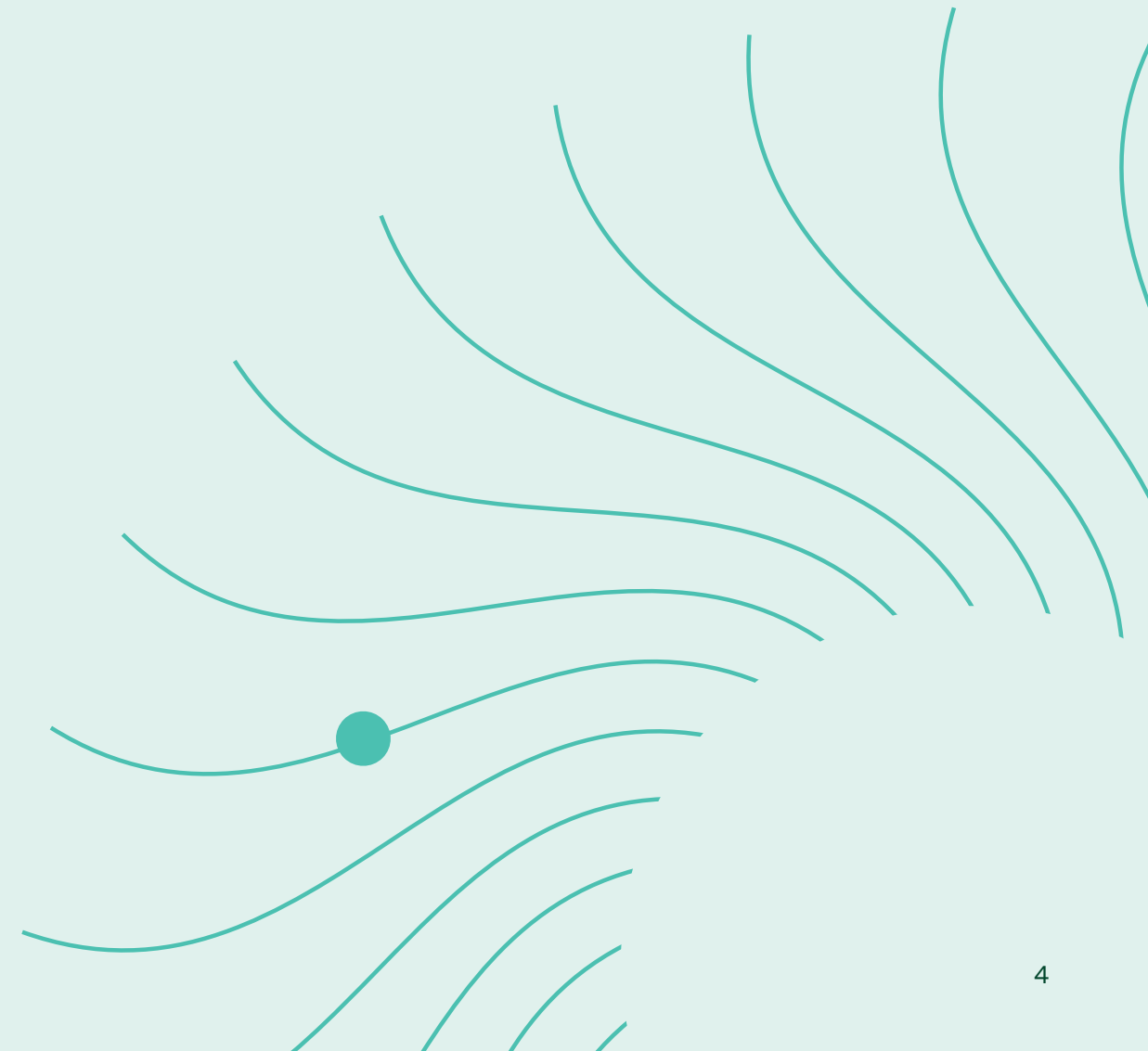
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KEY INSIGHTS

Law firms

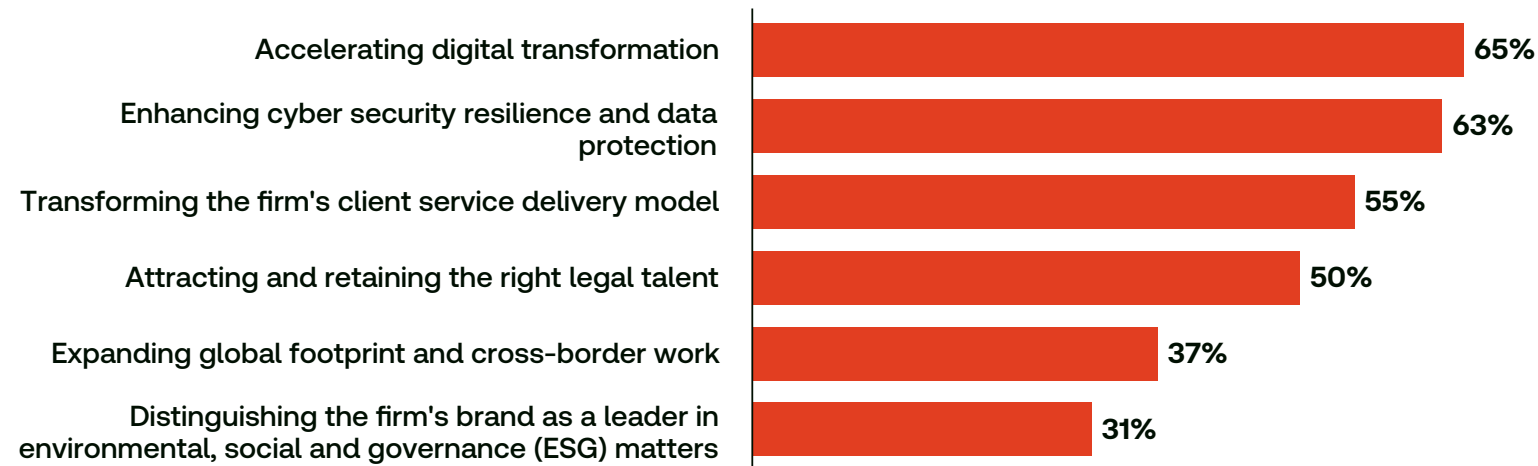


Digital continues to disrupt at pace

Law firms are continuing to grapple with the transformation that digital technology and AI has created across the industry, and the risks, rewards, and opportunities it can deliver.

And many firms are trying to do it all at once. While accelerating digital transformation is their top priority over the next 12 months, doing so safely is their second. Unsurprisingly, transforming law firms' client service delivery model is a very close third. Once transformations are in place, and secure, the next step on the journey is how the transformation and the investment of time and money can be best leveraged.

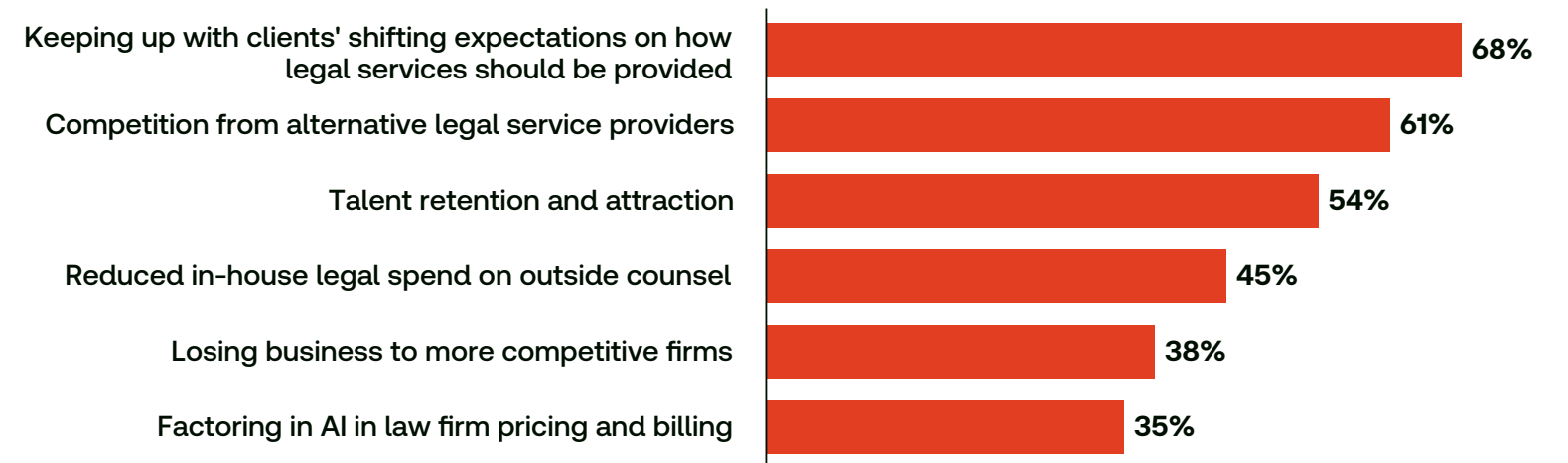
What are your firm's top three priorities for the next 12 months?



Source: Thomson Reuters 2025

When we look at the most significant challenges law firms expect to encounter over the next 12 months, the story becomes clear. The small disparity between the percentages of the top challenges and priorities further illustrates that law firms are trying to do everything, everywhere, all at once. They are realising the speed at which transformation is moving, and its critical importance in remaining relevant and competitive.

What are the three most significant challenges you expect your firm to encounter in the next 12 months?



Source: Thomson Reuters 2025

From caution to endorsement

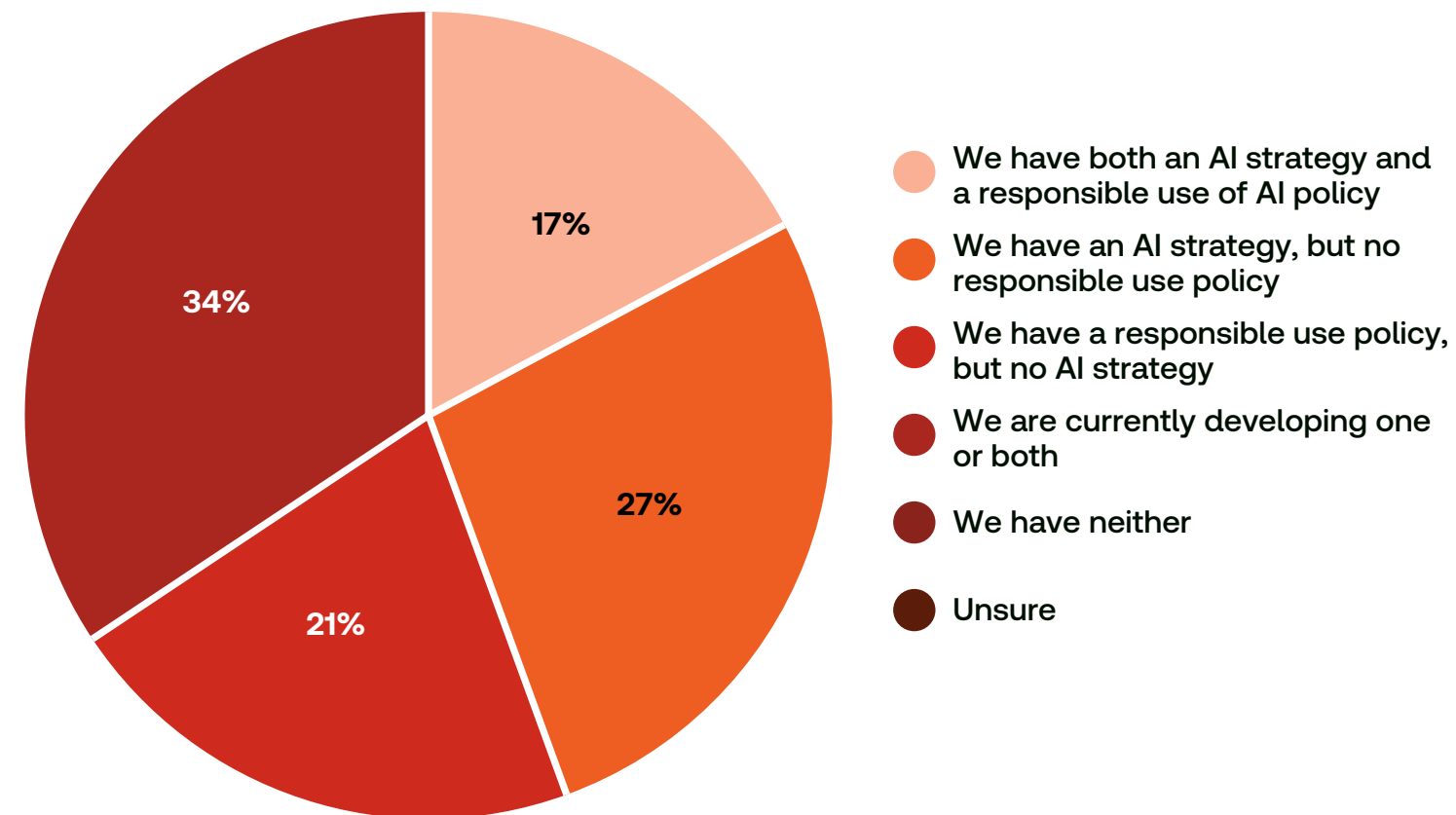
But here's the curve ball: law firms are beginning to adapt. In our [Tech, AI and Law report 2024](#), 39% of legal professionals reported having no concrete plans to adopt GenAI tools, and 40% were experimenting with GenAI but proceeding with caution.

Fast forward to this year's data: 65% now have either an AI strategy or a responsible AI use policy in place – or both. More than a third still have neither but are currently developing them.

The needle is moving on more than just implementing AI technology – it's shifting on their attitudes towards it as well. This year, 66% of respondents believe their leaderships' attitudes towards future legal-related technology investments are progressive or pioneering. The industry is starting to pick up pace in its realisation of the benefits that this technology could have on their businesses.

65% of law firms now have either an AI strategy or a responsible AI use policy in place – or both.

Which of the following best describes your organisation's current approach to AI?



Source: Thomson Reuters 2025

Beyond efficiency: the other ROI story

Initial use cases such as contract drafting, legal research, matter and case management have offered end users time savings between one and three hours per type of task, with discovery work getting the biggest efficiency boost (more than four hours) when paired with the right technology.

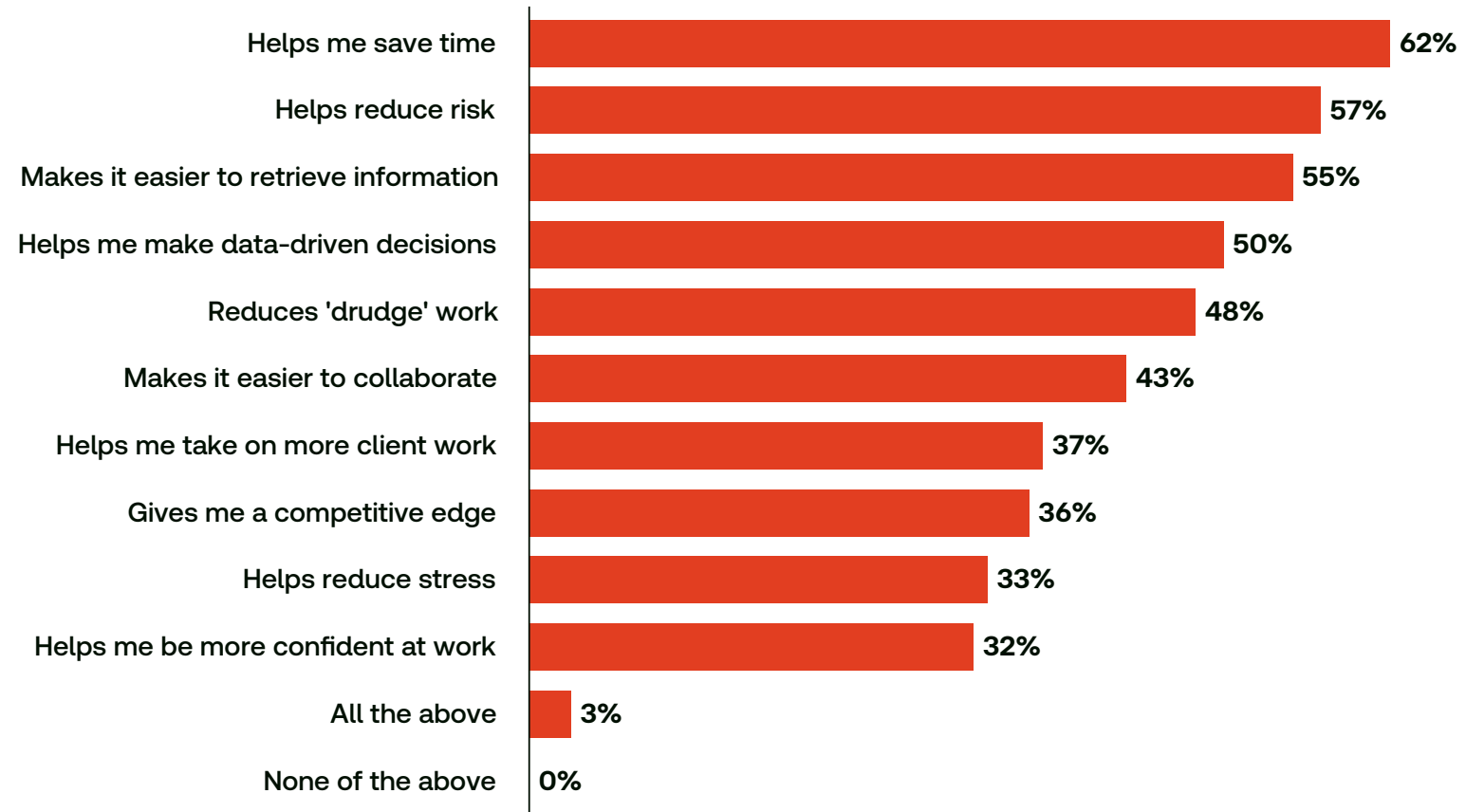
Beyond just efficiencies, it's the emotional benefits that can help law firms tackle their fourth highest priority: talent retention and attraction.

End users of legal-related tech report that it gives them a competitive edge (36%), helps reduce stress (33%), and boosts workplace confidence (32%). The data is indicating what many suspected, that shifting focus from routine document review allows professionals to engage in more fulfilling and strategic work.

While some of these new technologies were initially met with scepticism and resistance, users are now realising the benefits it can offer their career. Meanwhile, HR departments and leaders are realising that offering leading technology tools can be an additional important tool in their firm's attraction and retention strategies.

The data indicates that shifting focus from routine review allows legal professionals to engage in more fulfilling and strategic work.

What do legal-related technologies at your firm do for you?



Source: Thomson Reuters 2025

Mitigate risk, prioritise trust

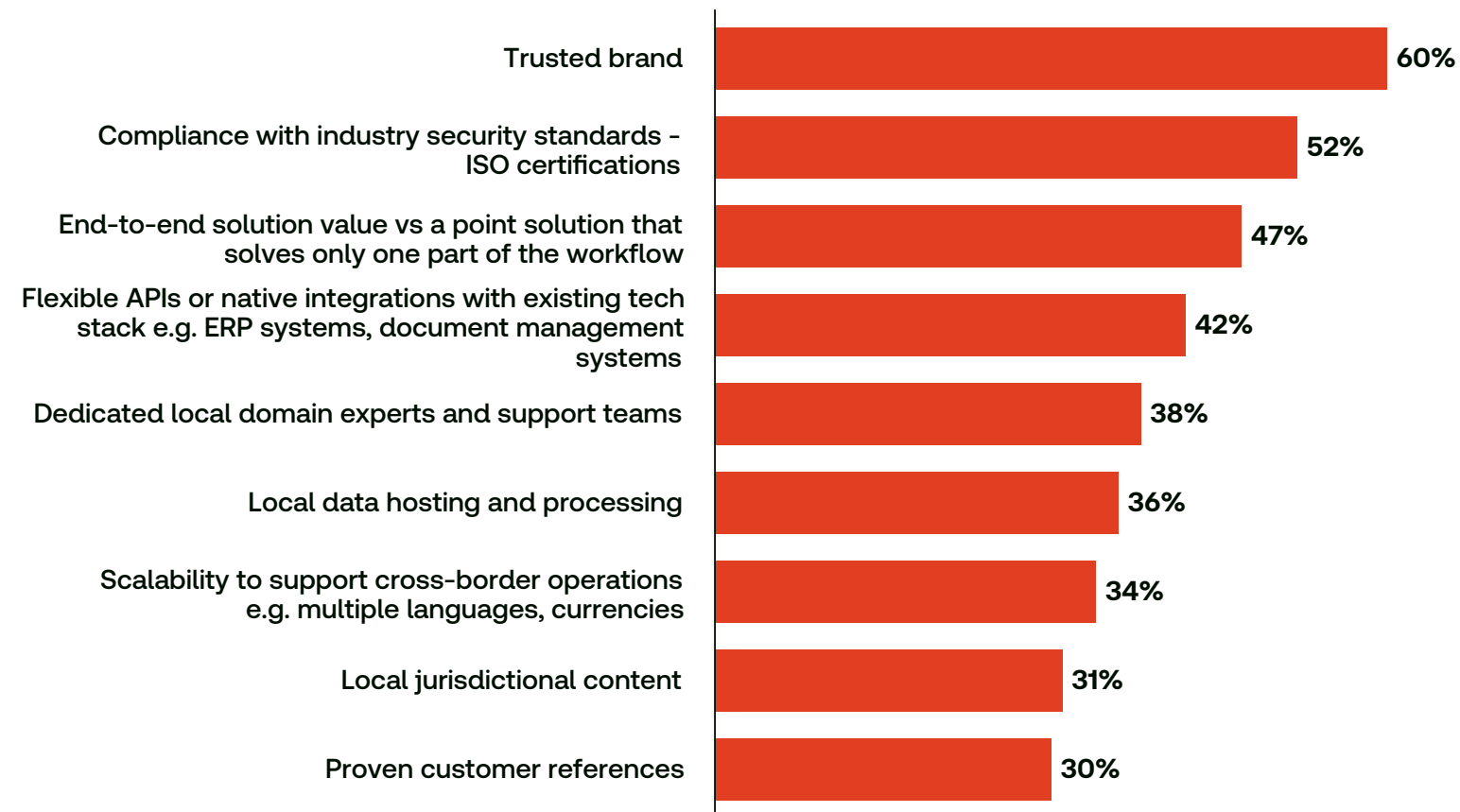
Both users and decision makers list reduced risk as a key benefit of legal-related technology – 57% of users and 51% of decision makers cite risk reduction as crucial for measuring ROI. They need to trust the technology delivering these benefits.

Decision makers' top green flags? Trusted brand (60%) and compliance with industry security standards and ISO certifications (52%). Their deal breakers? Failing information security checks (61%) and inability to trust the depth, breadth, and accuracy of content (50%) – alongside excessive implementation costs.

GenAI hallucinations are real, and incorrect information carries high stakes. In a regulatory landscape still playing catch-up, those using and buying legal-related technology are rightfully scrutinising content veracity and accuracy and are looking to trusted brands for compliance verification at the right price.

Both users and decision makers list reduced risk as a key benefit of legal-related tech.

What are the green flags you will look for in future legal-related technology investments?



Source: Thomson Reuters 2025

Adoption is gaining speed, but ROI is quicker

Adoption remains somewhat tentative, but ROI is materialising fast. In this competitive race, firms not moving quickly enough on technology change programs will be left behind as returns arrive faster and larger than ever before.

Decision makers reveal the tension: 45% believe their leadership's attitude toward future legal-related technology investments is practical and balanced, with just 10% reporting a cautious attitude. Yet 64% report their investment in legal-related technology will increase by 20%, or more, over the next 12 months.

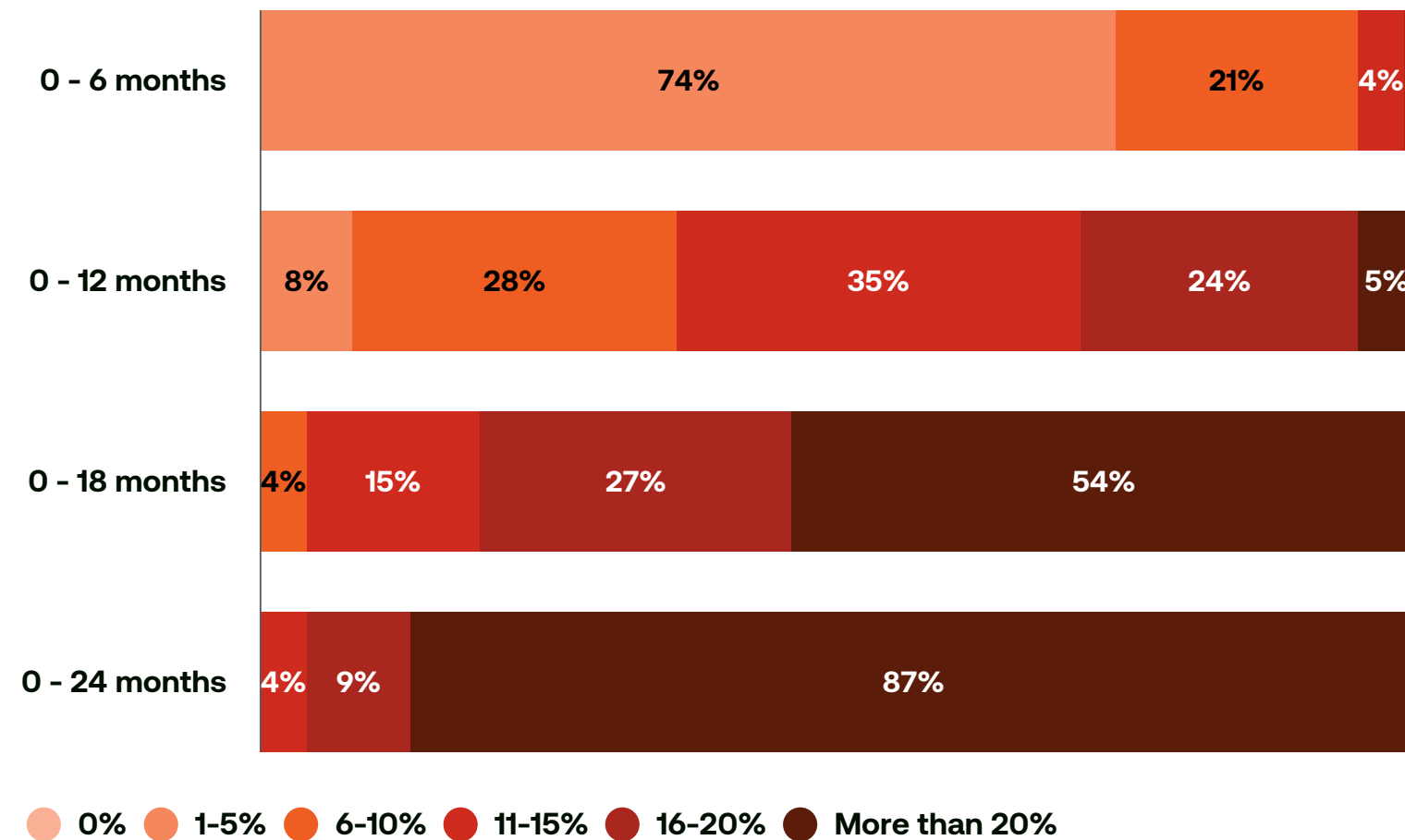
The numbers don't lie: within 12 months, 59% expect 11-20% ROI, and more than half expect more than 20% ROI within just 18 months.

With this speed of realised value, law firms that don't move forward confidently could find themselves lagging behind in just 18 months.

Law firms want to keep up with clients' shifting expectations and protect against competition – yet in-house counsel are in some ways already ahead when it comes to digital transformations and adoption of GenAI. To remain not just competitive, but relevant, in the next 18 months, action needs to be taken.

Law firms that don't move forward confidently could find themselves lagging behind in just 18 months.

What return on investment (ROI) would you expect to have accumulated from the time of implementation up to each of the following milestones?



Source: Thomson Reuters 2025

KEY INSIGHTS

In-house counsel



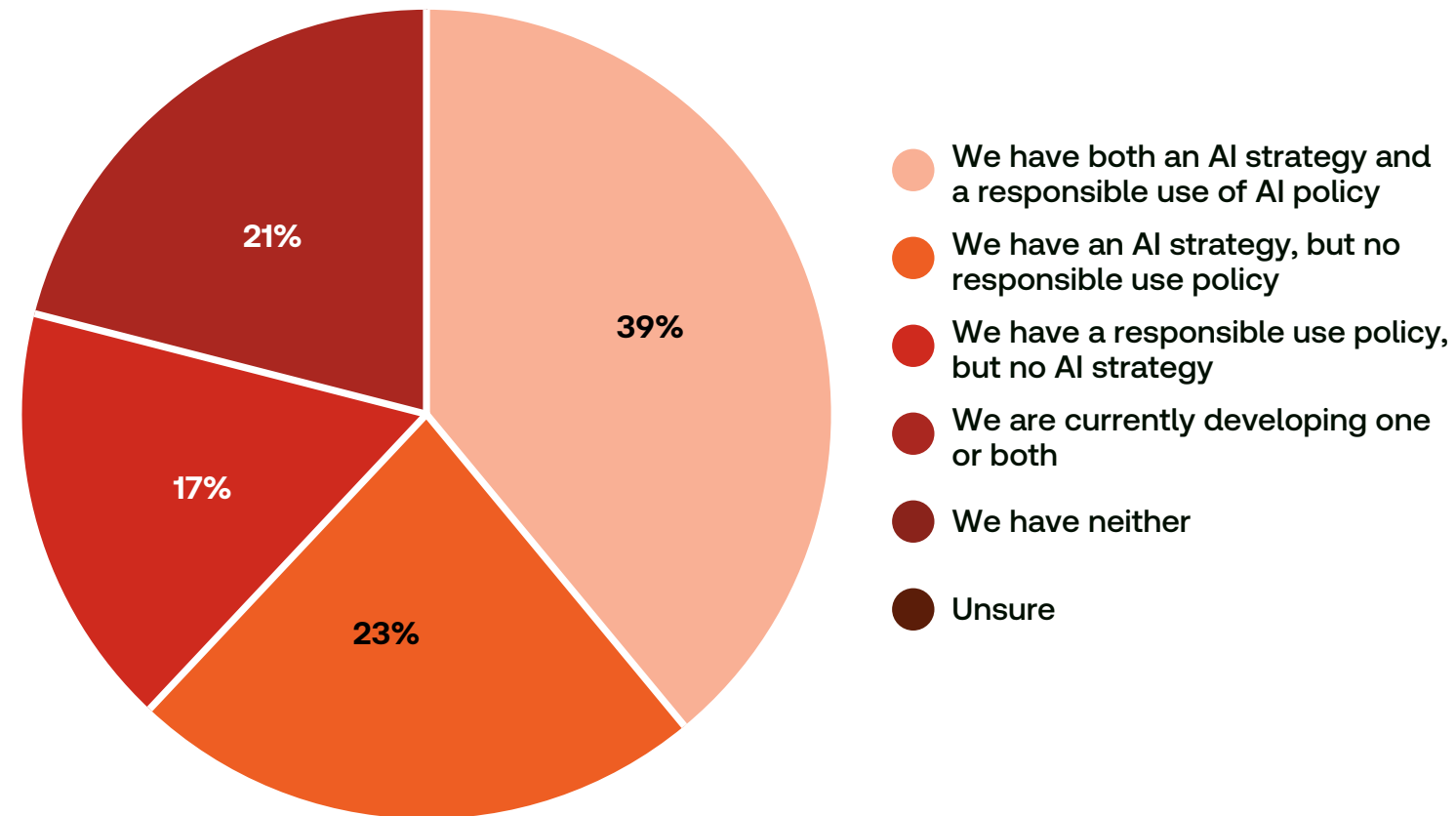
More risk and less resources means many look to technology for help

As the team trusted to keep organisations within the guardrails, it's no surprise that in-house legal teams continue losing sleep over risks that could damage their businesses. Whether that's a data breach or cyber security incident (51%), falling foul of changing regulations (51%), geopolitical risks to business (40%), or AI governance breaches (36%) – in-house counsel are juggling these risks while more than a third report they are facing budget and resourcing cuts.

Meanwhile, standardising legal operations, staying abreast of regulatory changes and reducing costs of litigation and disputes remain important to in-house counsel for the next 12 months.

In this volatile and increasingly global market, in-house teams are still being asked to do more with less. A predicament many professional workers can sympathise with. Technology is often reached for to solve this conundrum, and in-house legal teams are moving faster than law firms on this front. 79% report that they have either an AI strategy, or responsible AI use policy (or both) in place, putting in-house legal teams 14 percentage points ahead of law firms in their maturity towards meaningfully and intentionally adopting AI technologies.

Which of the following best describes your organisation's current approach to AI?



Source: Thomson Reuters 2025

More than just 'drudge' work

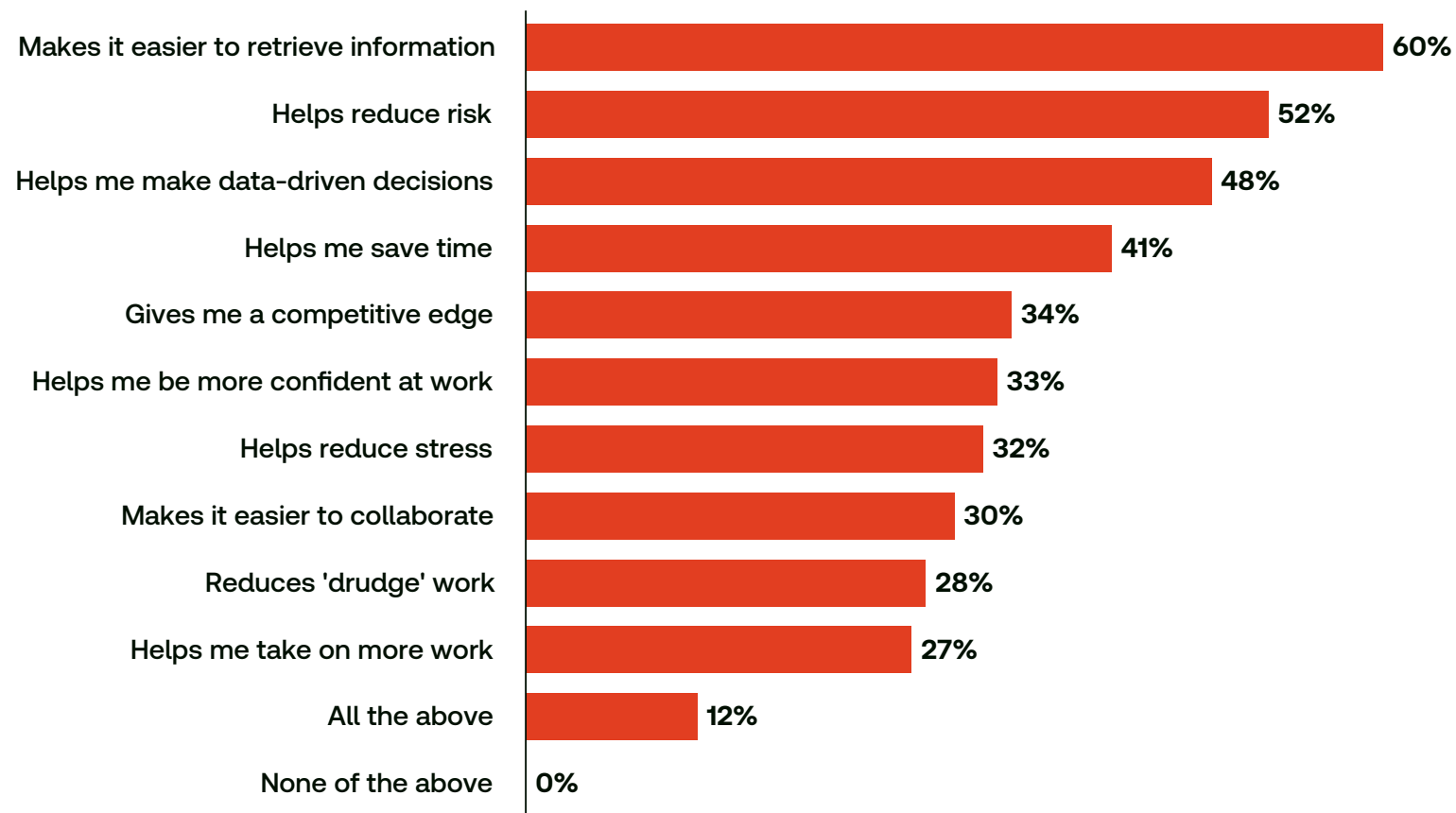
Last year's *Tech, AI and the Law* report showed that 82% of respondents said AI-powered tools help them avoid drudge work. By comparison, this year only 28% of end users responded the same way. As individuals' ability to use the technology matures, more complex benefits are being realised – benefits that transcend just 'getting stuff done'.

Beyond the drudge work, almost two thirds also listed easier information retrieval, risk reduction and data-driven decision making as tasks that legal-related technology helps them with. But here's where it gets interesting: around a third of in-house counsel are realising emotional benefits of using technology – 33% report feeling more confident at work, 32% say technology reduces stress, and 30% find collaboration easier.

The fact that legal-related technology delivers increased emotional wellbeing is harder to quantify as a metric, but its impacts on the workforce shouldn't be overlooked – especially as the war for talent rages on. Access to leading technology, and the benefits that it can deliver to end users' work experiences can be a powerful talent attraction and retention mechanism. So, while procurement decisions typically involve technology, legal, and procurement teams, bringing HR into the conversation could uncover new and unrealised benefits.

Around a third of in-house legal teams are realising the real emotional benefits tech can offer.

What do legal-related technologies at your organisation do for you?

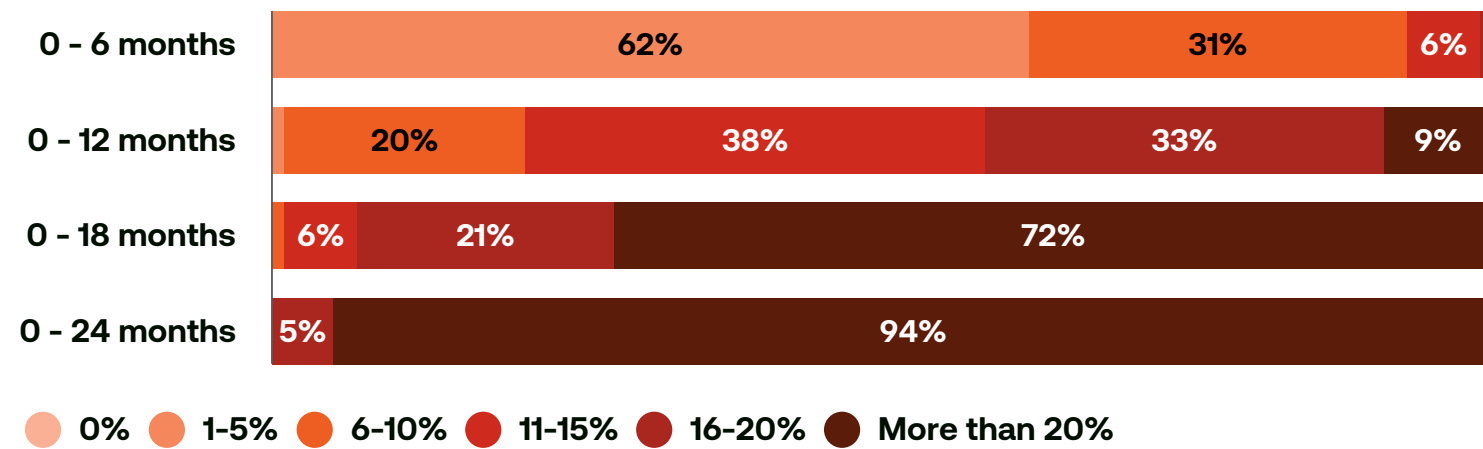


Source: Thomson Reuters 2025

In-house teams are optimistic about investing, and ROI

Whereas both law firms and in-house counsel believe that ROI on legal-related technology will be realised quickly, in-house decision-maker respondents are more confident in that realisation and believe it will happen faster. 62% expect to see a return on investment within just six months, and 94% expect more than 20% return on investment within 24 months. Some respondents were even more optimistic with 9% expecting more than 20% ROI within just 12 months.

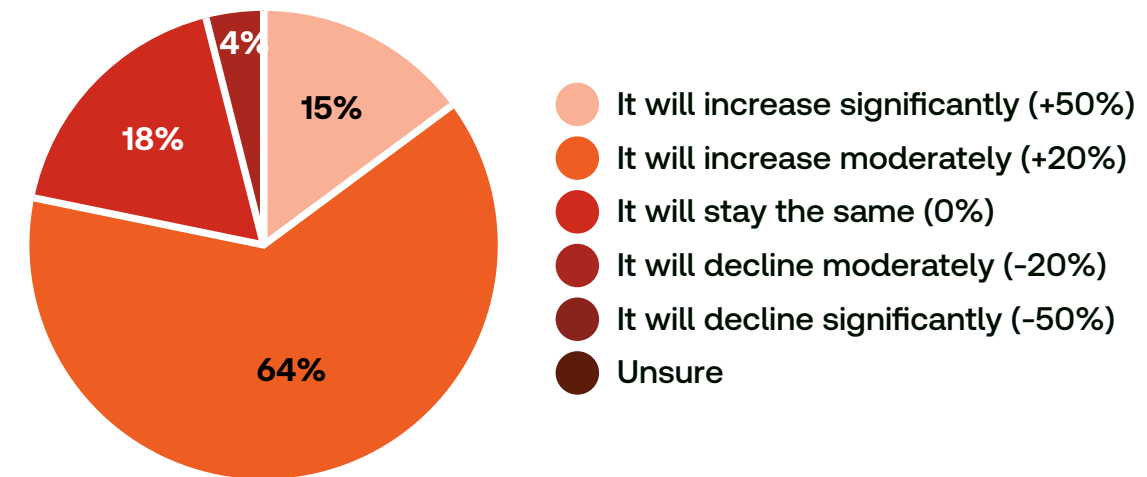
What return on investment (ROI) would you expect to have accumulated from the time of implementation up to each of the following milestones?



Source: Thomson Reuters 2025

Perhaps this is reflective of our respondents' leaderships' attitudes, 52% of in-house respondents described that their leaderships' attitudes towards future legal-related technology investments as progressive or pioneering, compared with 44% of law firms. Intentions to invest in legal-related technology are more confident too, with 79% reporting that investment will increase by 20% over the next 12 months.

How will your department's investment in legal-related technology change over the next 12 months?



Source: Thomson Reuters 2025

Great expectations

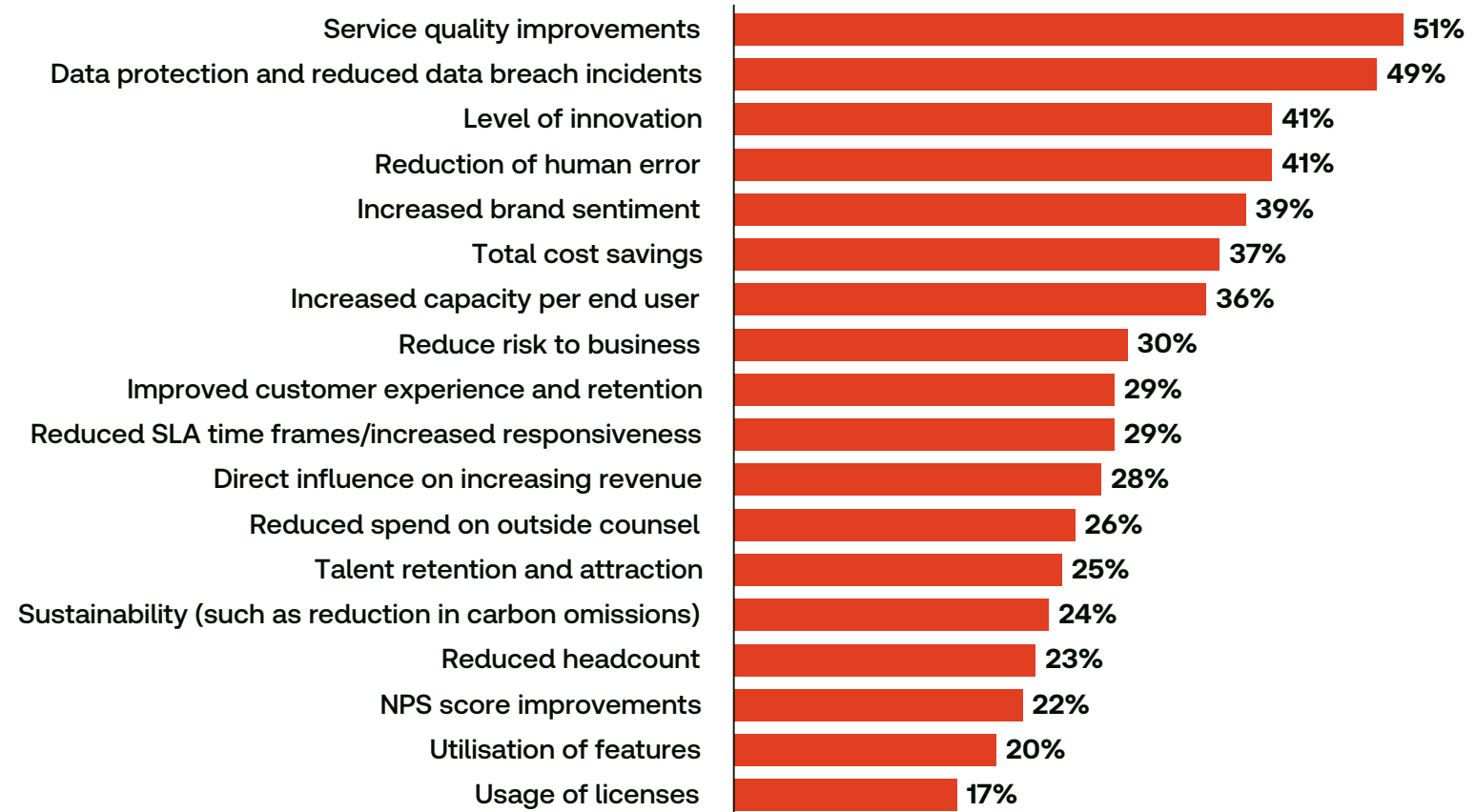
When asked what metrics matter the most, in-house legal teams didn't identify a single dominant metric, indicating they expect legal-related technology to influence and assist with a huge range of business activities.

By a slight margin, 51% report service quality improvements being the most important metric, however data protection and reduced data breaches (49%), and level of innovation and reduction of human error (both at 41%), make a very tight top four. And while there has been much hand wringing around the potential for job losses, only 23% were looking at reduced headcounts as a business metric that mattered.

When considered against data points around enabling expansion into new markets (28%) and offering new products/services (30%) as priorities over the next 12 months, in-house legal teams appear focused on expansion and growth by leveraging their existing teams rather than contracting operations or reducing work levels.

In-house legal teams didn't identify a single dominant metric, indicating they expect legal-related technology to assist with a wide range of business activities.

What metrics for measuring technology's ROI matter most to your business?



Source: Thomson Reuters 2025

What in-house counsel actually want (and what they don't)

For in-house legal teams, trust in a particular brand is less important than concrete evidence that a product can be trusted, and help standardising workflows is the key differentiator in-house legal teams look for when considering legal-related tech investments. Compliance with industry security standards – ISO certifications (61%), end-to-end solution value (56%) and flexible APIs or native integrations with existing tech (51%) ranked as the top three qualities sought.

This may reflect a larger challenge for big organisations who kickstarted digital transformations out of COVID-necessity rather than strategic planning. A majority of respondents of the in-house stream were part of much larger organisations (23% reported 1001 – 5000 employees, and 23% reported having 10,001 – 50,000 employees). For many large organisations, lockdowns caught them unprepared for remote work, leading to hasty technology implementations to solve for the most pressing daily challenges.

The result? Many have found themselves with a patchwork of technologies and solutions that don't play nicely together necessitating messy workarounds as teams look to streamline workflows and foster cross-functional collaborations. New technology decisions are now made with the bigger picture, and the wider tech ecosystem in mind.

And while failed information security checks are the number one deal breaker for this cohort, price is also a top consideration with excessive implementation costs (52%) and excessive price (43%) both appearing in the top five deal breakers when making a decision on whether to invest in a technology or not.

What are the green flags you will look for in future legal-related technology investments?



Source: Thomson Reuters 2025

Many have found themselves with a patchwork of technologies that don't play nicely together.

Methodology

The Thomson Reuters *ROI of Legal Tech & AI* survey invited legal professionals to share their attitudes and perceptions towards legal-related technology.

The survey was conducted on behalf of Thomson Reuters by iResearch Services and received a total usable sample of 1000 responses across Australia, Hong Kong, New Zealand, Singapore and the Middle East between 3 July and 7 August 2025. This included users of legal-related technology (50%), those who make decisions about legal-related technology investments (25%), and those who are both decision makers and end users (25%).

We have rounded each of our visualisations to the nearest decimal place to make it easier to read. Due to this, you may notice slight rounding errors that will result in the sum of answers equal to 99% or 101% on graphs throughout this report.

Definition of a legal-related technology: A form of technology, such as AI, machine learning, automation or software, that can be used by legal professionals to help them perform legal-related tasks at work, or one that supports efficiencies related to legal business operations.

What do we mean by ROI (%)? For the purposes of this survey, Return on Investment (ROI) refers to the net benefit your organisation expects to gain from a legal-related technology investment, expressed as a percentage of the original investment cost, over a given timeframe.



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