



Top 12 Insights for General Counsel on the Evolving Legal Department

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Top 12 Insights for GC on the Evolving Legal Department

Legal managers will supervise employees and AI agents.

The nature of legal work will change, and AI will create new legal work.

The most critical path for legal to support organizational growth is through sophisticated data governance.

Legal's future success depends on scaling legal judgment and enabling decentralized business risk ownership.

Intake and triage platforms will become mandatory to meet client service demands.

Legal teams will align to business outcomes, not subject matter areas.

The GC's winning legal technology stack will combine foundation models with specialized legal solutions.

GC will reallocate budgets to in-house teams, shifting dollars away from small and midtier law firms.

Legal teams will scale through AI but will hold headcount steady as legal work volume surges.

Legal teams will move from pyramid- to diamond-shaped structures.

The future legal team requires multidisciplinary talent.

Legal teams will see an expansion of new AI-focused roles.

Legal's changing service portfolio: The work legal does

Legal's changing delivery model: How the work is done

Legal's changing sourcing model: Who does the work

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Legal's changing service portfolio: The work legal does

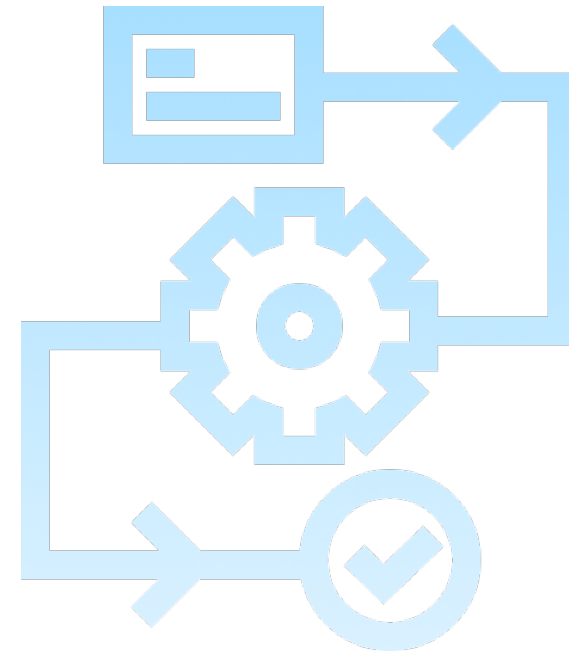
The nature of legal work will change, and AI will create new legal work

As AI enables businesses to launch products faster, explore new revenue streams, enter new markets and automate decisions, we believe that legal departments will face a significant increase in legal work — but of a different kind.

General counsel (GC) should expect increasing involvement in AI governance maturity, algorithmic accountability and oversight of data governance, as the regulatory environment further fragments, creating greater volume and complexity of legal work for the legal team.

In the very near future, legal teams will be also be asked to expand their impact through greater business partnership, designing governance frameworks, embedding legal and compliance judgment into business processes, and building business risk ownership for critical risks across the organization.

Legal teams will not only become more efficient with their current workloads but will take on new work, and much of their new work will require closer partnership with business risk owners.



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Legal's changing service portfolio: The work legal does

Legal's future success depends on scaling legal judgment and enabling decentralized business risk ownership

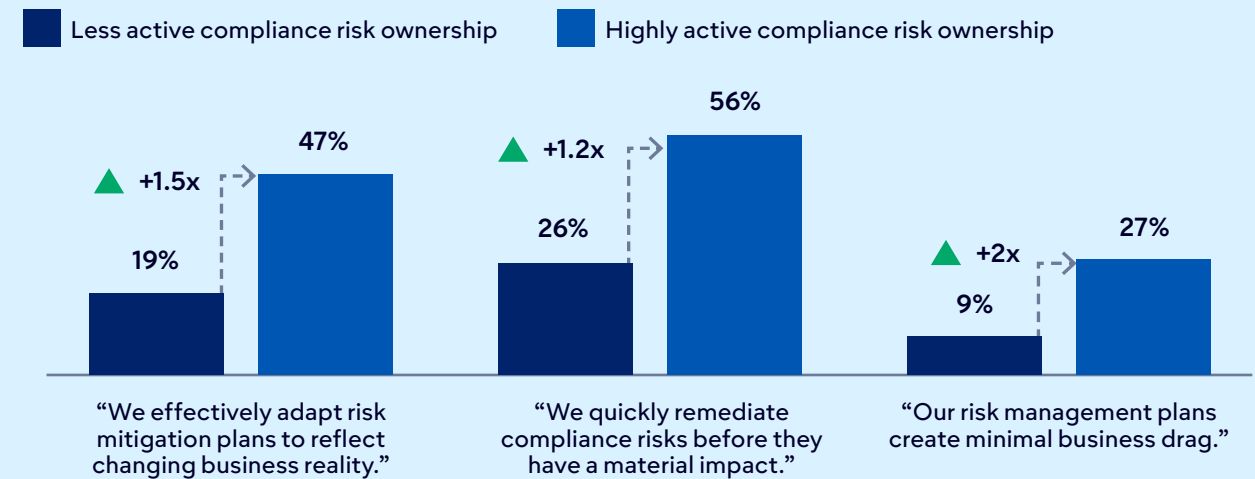
The future success of the legal team will be defined less by the work that in-house lawyers perform themselves but also by the quality of the decisions the business makes in their absence.

As organizations adopt AI at breakneck pace, decision making will become faster, more decentralized and embedded within business operations. GC need to instruct their teams that they must support business risk owners in building the reflexes to identify, assess and manage risk as part of their day-to-day work.

Investments should increasingly focus on translating legal expertise into scalable guidance, designing governance frameworks, and embedding legal and compliance judgment into business processes to distribute sound, informed decision-making skills across the organization.

Clear benefits when business leaders show active risk ownership

Impact of business leader active compliance risk ownership on significant outcomes



n = 175 business unit leaders
Source: Gartner

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Legal's changing delivery model: How the work is done

The GC's winning legal technology stack will combine foundation models with specialized legal solutions

Enterprise LLMs, including Claude, Copilot and Gemini continue to improve dramatically, but we believe they are unlikely to eliminate the need for domain-specific legal technologies in the short term.

Specialized, domain-specific legal solutions embed decades of legal expertise into legal workflows, including legal research, contract life cycle management, matter management and regulatory intelligence. In addition to often on-demand legal support and extensive confidentiality and access controls, we believe these platforms will continue to hold the comparative advantage in critical legal workflows in the near term.

In the near term, the GC's winning legal technology stack will combine foundational LLM models with specialized, domain-specific legal solutions, with the use case for deployment matched to an understanding of the risks and costs and benefits each present.

Percentage expecting change in legal's spend on AI initiatives from 2025 to 2026

Percentage of leaders

13%

Project no change in legal function AI spend

0%

of legal leaders expect a decrease in AI spend

87%

Project increase in legal function AI spend

n varies, senior functional leaders across 10 business functions, exclude "don't know"

Q4: How do you expect your function's overall spend on AI initiatives to change in 2026 compared to 2025?

Source: 2026 Gartner C-Suite AI Survey, conducted January-April 2026 among 1,303 senior functional leaders across 10 business functions. Fielded by Gartner using an external panel.

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Legal's changing sourcing model: Who does the work

Legal teams will scale through AI but will hold headcount steady as legal work volume surges

The legal team of the future is unlikely to be larger than it is today — but it's also unlikely to decrease in size.

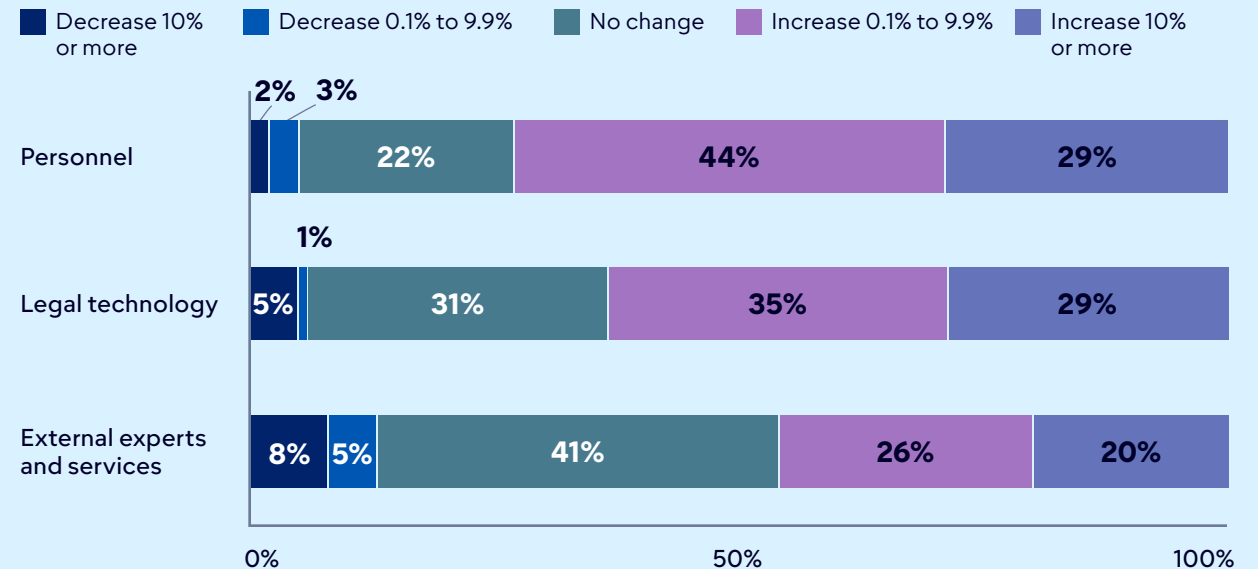
Over the next decade, legal work volume will continue to surge as organizations face competing regulatory requirements, increased scrutiny of their use of AI, growing geopolitical instability and greater complexity of third- and fourth-party ecosystems.

To manage that workload, legal departments will turn to AI to assist each lawyer in meeting their demand challenges, resulting in a substantial increase in the productivity of the in-house lawyer.

But AI is unlikely to trigger the dramatic reduction in lawyer headcount that many observers have predicted. Despite a widespread “AI will replace lawyers” narrative, demand for legal services is likely to outpace the near-term ROI of AI technologies, resulting in stable-sized teams delivering legal services to a high degree of productivity.

Expected change in legal spend in FY25, by spend type

Percentage of legal departments



Source: Gartner

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Legal's changing sourcing model: Who does the work

Legal teams will move from pyramid- to diamond-shaped structures

Legal departments that are well-prepared for AI integration will shed junior-level roles, both lawyer and nonlawyer, that have traditionally executed the work that AI can now do, to appropriate quality and cost standards.

Instead, these departments will grow the midlevel ranks due to these factors:

- Agents are not employees but semiautonomous productivity tools requiring continuous human oversight by employees with the greatest experience in the workflows they support.
- Changing risks, productivity needs and demand for legal services will necessitate experienced legal and AI subject matter experts, product managers, legal engineers, technologists and data scientists augmented by agents.

The resulting structure will be more diamond-shaped.



4 ways AI will impact legal department structures

Illustrative



Source: Gartner

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