

2023 Future Ready Lawyer Survey Report

Embracing innovation, adapting to change

Lawyers navigate challenges in an evolving legal landscape

- 1 Introduction
- 4 How generative AI is shaping the legal industry
- 6 Unlocking value for clients with legal technology
- 8 ESG: Navigating a critical growth area
- 10 Empowering a future-ready workforce
- 13 Assessing law firm loyalty
- 14 A global perspective
- 15 Summary
- 16 What a difference five years can make
- 18 Leading change: Luminaries weigh in

Introduction

Has the legal industry ever faced a period of greater transformation than it does today? Disruptive forces are reshaping the sector from many angles, most notably in technology, where the explosive growth of artificial intelligence (AI) is creating the potential for significant changes, opportunities, and challenges. In the wake of the pandemic, the revolution in hybrid/remote working is also creating new complexities for talent recruitment and retention.

Against this volatile and complex backdrop, the *Wolters Kluwer Future Ready Lawyer Survey 2023* takes the pulse of global legal practitioners in law firms and corporate legal departments and highlights the most pertinent trends shaping the industry. Now in its fifth year, the survey presents a picture of a law industry whose practitioners demonstrate ongoing resilience and confidence in the face of the changes transforming their sector.

73%

expect to integrate GenAI into legal work in next 12 months

87%

say technology has improved their day-to-day work

82%

say their organizations claim to have created an inclusive environment, however ...

43%

of organizations still have no formal DEIB policies in place

69%

of law firms and ...

61%

of legal departments are not very prepared to deliver against ESG expectation

Top 2023 trends

AI. The growing impact of generative AI (GenAI) on the legal industry is one of the most notable trends in this year's survey, with most lawyers believing it will change how they work, and 73% expecting to integrate it into their legal work in the next year.

Technology. Overall, technology continues to be a critical differentiator for higher performance in the legal sector, and pressure to use it is growing. Specialist legal tech tools are boosting productivity and efficiency and helping to reduce the risk of client attrition. Lawyers are embracing these benefits, with 87% saying technology has improved their day-to-day work.

Workforce. The survey also shows the acute challenge of recruitment and retention, with 81% of survey respondents saying the ability to recruit and retain talent will have an impact on law firms and corporate legal departments in the next three years.

ESG. The rapidly growing demand for Environmental, Social and Governance (ESG) expert guidance is a notable challenge in this year's report, with 69% of law firms and 61% of corporate legal departments saying they are not yet very prepared to deliver against expectations in this area.

In general, the survey paints a picture of escalating client expectations, as they demand more value, transparency, and efficiency from their legal service providers.

DEIB. As the legal sector strives to improve employees' experience through increased Diversity, Equity, Inclusion and Belonging (DEIB) practices, the survey shows a gap between a positive DEIB culture and shortcomings on policy. Although 82% say they work for organizations that claim to have successfully created a diverse and inclusive environment, the survey shows that 43% of organizations still have no formal DEIB policies in place.



Key trends expected to have a significant impact on legal organizations in the next three years

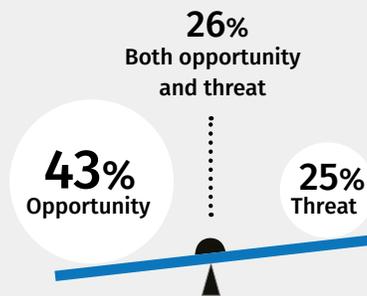
- Growing complexity of compliance areas
- Increasing importance of legal technology
- Ability to recruit and retain talent
- Increased demand for specialization and a decline in generalist work
- Law departments moving more work in-house (insourcing)
- Greater price competition/new and alternative fee structures/cost-containment pressures
- Growing impact of generative AI/ChatGPT
- Coping with increased volume and complexity of information
- Meeting changing client/company leadership expectations
- Emphasis on improved efficiency/productivity
- Growth of alternative legal service providers (ALSPs), including expansion of Big Four into legal services

Future Ready Lawyer Survey 2023: Key findings at a glance

Embracing developments in AI/GenAI

Lawyers are embracing developments and recognize that AI tools deliver efficiency benefits and deeper insights.

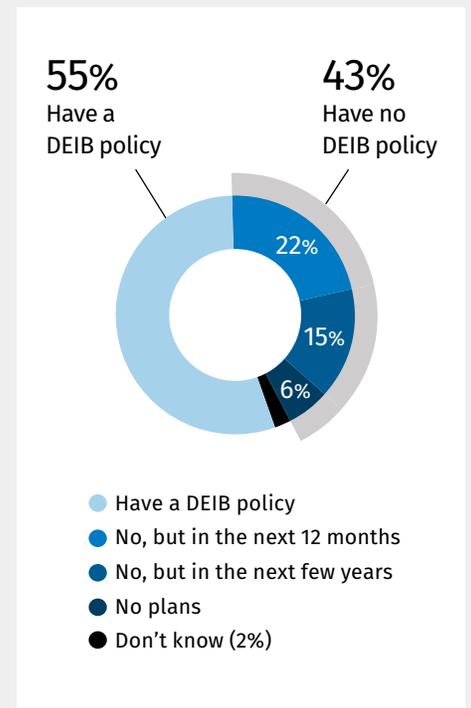
- Almost three quarters of legal professionals (73%) say they'll be integrating GenAI in their legal work in the coming 12 months
- Almost half of the surveyed lawyers (43%) see GenAI as an opportunity
- One in four (25%) see it as a threat
- And one in four (26%) see it as both an opportunity and a threat



DEIB: Improving the employee experience

Lawyers are generally satisfied with their employer's performance on creating a diverse workforce and inclusive culture, but many law firms and corporate legal departments have yet to establish formal Diversity, Equity, Inclusion and Belonging (DEIB) policies.

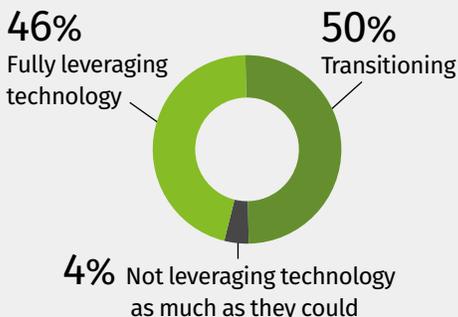
- A high percentage of lawyers (82%) work for organizations that claim to have successfully created a diverse and inclusive environment
- 55% of law firms and corporate legal departments currently have formal DEIB policies in place
- 43% of those organizations have no formal DEIB policies in place, with some (22%) saying they plan to do so in the next 12 months, and 15% in the next few years



Legal technology supports daily work

Most legal professionals recognize the benefits of using specialist legal technology tools, particularly to optimize processes and improve productivity. Yet they say they could use legal tech more to meet client needs and manage the volume and complexity of information.

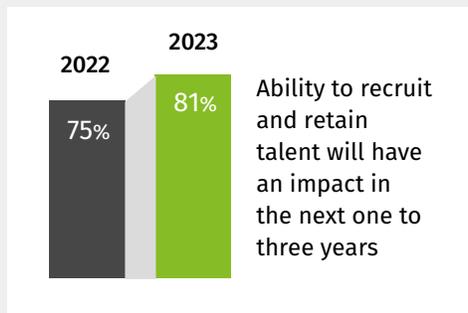
- Almost all attorneys (87%) say technology has improved their day-to-day work
- 46% of lawyers believe they are fully leveraging technology, 50% are transitioning and 4% feel they are not leveraging tech as much as they should



A challenge to find and retain talent

Recruitment and retention are stacking up to be key challenges for the legal industry in the next three years, and legal professionals are not yet adequately prepared to overcome them. Lawyers expecting a technology-enabled organization that supports their preferred way of working – hybrid or full-time remote – compounds this challenge.

- 81% of legal professionals say the ability to recruit and retain talent will have an impact on law firms and corporate legal departments in the next one to three years (up from 75% in 2022)



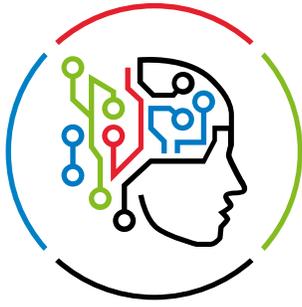
Navigating demand for Environmental, Social and Governance (ESG) guidance

The emergence of Environmental, Social and Governance (ESG) in recent years has heightened demand for ESG-related legal expertise and guidance, rising sharply in the last two years.

Law firms: 69% feel they are not yet very prepared to meet client demands for ESG services

Corporate legal departments: 61% feel they are not yet very prepared to meet their company's ESG responsibilities





How generative AI is shaping the legal industry

Key Insights

- *GenAI to make headway into lawyers' work in coming year*
- *Mixed perceptions of this technology as an opportunity and/or a threat*
- *Most lawyers feel confident about its impact and how it can be applied to their work*

The disruptive impact of generative AI (GenAI) on the legal industry is growing, with most lawyers believing it will change how they work. And while there's no clear consensus on whether they see it as an opportunity or threat, an overwhelming 73% of lawyers expect to use GenAI in their firm in the next year.

Lawyers recognize GenAI's growing importance among the trends impacting law firms and legal departments over the next three years – even though it's not among the top three most pressing factors influencing their day-to-day work. The survey shows confidence among lawyers in GenAI's capabilities, with most (68%) feeling prepared for its impact and understanding how it can be applied to their work (73%).

As for where GenAI is expected to make an impact on lawyers' day-to-day work in the

next three years, the survey shows most attorneys (77%) from both law firms and corporate legal departments expect it to be in the areas of big data and predictive analytics. Yet, interestingly, this is slightly down from 80% in 2022.

Lawyers recognize GenAI's growing importance

73% expect to integrate GenAI into their legal work in the next 12 months

68% feel prepared for GenAI's impact

73% understand how it can be applied to their work

Luminary insight

“For lawyers, the greatest value of generative AI tools such as GPT-4 will come from pairing them with established, trusted sources of legal information and technology.”

– **Robert Ambrogi**
Publisher, LawSites blog/LawNext podcast

And while most lawyers recognize that GenAI will have an impact on the legal profession, there's no clear consensus on whether these applications are an opportunity, a threat, or both. Almost half (43%) see it as an opportunity, a quarter as a threat, and 26% as both a threat and opportunity.

Even though less than half the attorneys surveyed see GenAI as an opportunity, the legal profession is putting its money where its mouth is: three quarters (73%) of attorneys expect to integrate it into their legal work within the next year.

For legal professionals, ChatGPT, in particular, is providing an exciting glimpse into what lies ahead in GenAI and how it can offer new possibilities to increase efficiency and gain deeper insights. Attorneys say this technology can help to automate certain routine legal operations like contract drafting and document reviews, as well as helping to complete a large number of tasks in a short time. On the flipside, there are limitations such as lack of authority, inconsistency, lack of explainability, and potential bias.

Those who are likely to integrate it into their work in the next 12 months (73%) will use it for a wide range of tasks, mostly linked to efficiency and effectiveness. Some lawyers commented that these tools are becoming increasingly significant in their daily work, as legal AI solutions are able to quickly handle large volumes of data and analyze complicated legal issues.

Those who have already engaged with GenAI technology say it helps them shape arguments more creatively, and save time through improved efficiency.

Those who are most likely to integrate GenAI into their legal work over the next year plan to use it for reviewing and analyzing legal documents, performing basic tasks, and sifting through electronic data.



Conclusion: Overall, most lawyers are likely to apply generative AI to their work.

Looking ahead, predictive analytics is an area where this technology could help lawyers gain deeper insights and be more proactive in their work.



Luminary insight

“Legal research and document review tasks will face significant disruption due to advancements in AI and automation, leading to increased efficiency and cost-effectiveness. I have no concerns at all about flexible lawyers. No one needs to fear losing their job or be afraid of AI. AI will be challenging only for those who resist change.”

– Valerie Keilhau
Managing Director of the Federal Legal Tech Association Germany

Lawyers' perspective on pros and cons of GenAI



- Automate routine legal operations (e.g., contract drafting, document reviews)
- Complete a large number of tasks in a short time



- Lack of authority and explainability
- Inconsistency
- Potential bias



Unlocking value for clients with legal technology

Key Insights

- *Most lawyers agree technology greatly improves their day-to-day work*
- *Lawyers face pressure to invest in technology and use it more widely*
- *Embracing technology to boost productivity and efficiency is key to meeting clients' demands*

Clients are increasingly expecting their attorneys in law firms to have technical knowledge that can help them navigate the complexities of the digital world. With client attrition continuing to be one of the biggest challenges to the legal industry in the next year, leveraging technology is one of the ways firms can elevate customer service, promote satisfaction, and ensure loyalty.

And in fact, lawyers are already using technology to boost productivity, improve client services, increase innovation, and optimize processes – but the pressure is on to invest in it and use it more widely.

Lawyers in corporate legal departments say firms must invest in providing good customer service and develop a strong relationship to ensure loyalty. They believe that over the next three years, their firms will be strongly impacted by the trend of using data analytics and machine-learning techniques to improve the precision and accuracy of legal advice.

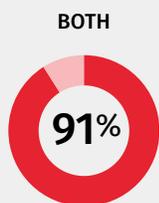
A significant majority (91%) say it's important to have technology that enables lawyers to adapt quickly to change, and to have access to the latest tools and

technology to aid productivity and have technology-enabled work processes. Lawyers from firms (85%) and legal departments (84%) expect to make greater use of technology to improve productivity.

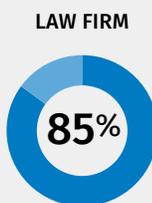
Corporate legal departments are looking at their legal firms' use of technology as a factor to evaluate them, and this is spurring law firms to invest in technology. In fact, the survey shows almost half of law firms (46%) rank the need to use technology to improve productivity and efficiency as a top need to meet client demands, as well as improve collaboration and work processes.

Despite a slight downward trend – in 2023, 85% of attorneys surveyed understand the importance of fully leveraging technology (down from 89% in 2022) – the survey shows that legal professionals believe they are well prepared to apply technology to its best effect. Most attorneys, from both law firms and legal departments, know what solutions are available (77%), and say they understand how their firm or department can benefit from them (80%).

Importance of having access to the latest tools and technology



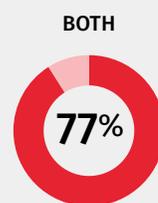
The majority of lawyers say it's important to have access to the latest tools and technology



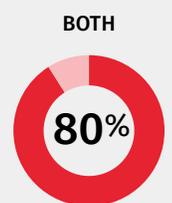
Lawyers from both groups expect to make greater use of technology to improve productivity



Understanding legal technology



Most lawyers know what solutions are available



Most lawyers understand how they can benefit from legal technology

Yet, even though lawyers see the importance and benefits of technology, there are barriers to investing.

The survey reveals the biggest barrier to investment is organizational (44%), with some firms remaining stuck in familiar ways, internal processes, and slow decision-making.

Cost is another obstacle, albeit a surprisingly small one (10%). Some attorneys surveyed say adopting digital technology makes it more difficult for firms to grow, as they seek to balance improving client service and experience with increasing profitability.

Other barriers to adopting technology include a lack of knowledge, with about a third of lawyers (36%) saying they simply don't have sufficient skills, knowledge or understanding of legal technology. But this shows improvement from 2022, when 48% cited lack of knowledge as a barrier to technological change.

Despite the evident barriers to tech adoption, most law firms and legal departments are investing in technology-enabled processes and services. A significant number (75%) say they are prepared to make the necessary strategic investments in technology, while more than half (58%) of both law firms and corporate legal departments expect to invest more in technology in coming years, although there is a decline compared to 2022 (64%).

A greater use of technology is expected to improve productivity. Beyond this, other areas where service delivery is expected to change relate to specialization, more self-service by clients, and optimizing and streamlining workflows and processes. A noticeable trend here is that most lawyers (78% from law firms and 79% from legal departments) predict more self-service by clients in the next three years.

It's a constantly changing landscape for lawyers, as client and customer needs evolve. Most lawyers (79%) recognize that they need to understand and keep up with this pace of change. In fact, law firms say their ability to understand client needs and partner with them is among their top three evaluation factors by clients. Most lawyers (77%) expect they will need to meet changing client or company leadership expectations, but they feel confident and prepared to do so (78% of both law firms and legal departments). Encouragingly, 82% of law firms and 81% of legal departments predict greater collaboration and transparency between firms and clients in the next three years.



Conclusion: Lawyers ultimately recognize that if organizational and cost barriers can be overcome, technology will play an important role in boosting productivity and efficiency, as well as improving customer service for law firms at a time when client attrition is a major challenge.



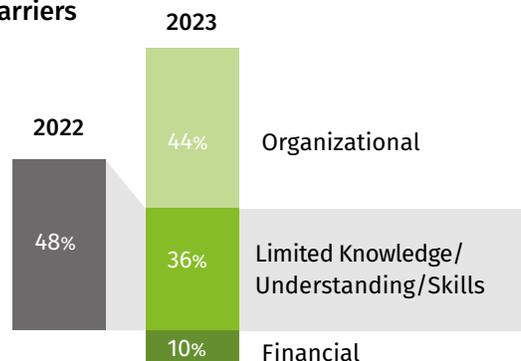
Luminary insight

“We have not seen true tech transformation – yet. A new technology can only be transformative if an organization’s business model supports the full use of that technology.”

– **Richard Tromans**
Founder of Artificial Lawyer, the globally read legal-innovation news site

Greatest legal technology adoption barriers

In 2023, 36% of lawyers say they don't have sufficient skills or knowledge of legal technology – an improvement from 2022, when 48% cited lack of knowledge as a barrier to technological change.





ESG: Navigating a critical growth area

Key Insights

- *Client demand increasing for expert ESG guidance*
- *Most law firms and corporate legal departments not yet very prepared to meet ESG demands*

With sustainability increasingly a top priority on the societal and corporate agenda, Environmental, Social, and Governance (ESG) has quickly emerged as a significant and specific demand on the legal profession, and it's growing fast.

Law firms must deliver expert guidance to corporate clients seeking support, while for their part, legal departments are under increasing pressure from stakeholders to remain compliant with their own reporting requirements, improve ESG performance, shape policies, and develop sustainability credentials.

Although a majority of law firms (68%) have established dedicated ESG practices within at least the past three years, navigating this growth area is proving to be a work in progress. And, the majority of law firms (69%) feel they are not yet very prepared to meet client demand in this area.

The development of ESG policies is a key area where firms can illustrate ESG preparedness. Firms that have established ESG practice areas are better prepared to provide corporate clients with their own credentials and policies for promoting and sustaining diversity.

Establishing ESG practices in law firms is a work in progress

68% of law firms have established dedicated ESG practices within the past three years

69% of law firms feel they are not yet very prepared to meet client demand in this area

Just over half (52%) of corporate legal departments currently request sustainability credentials from their law firms – although this has declined significantly since 2022 (67%) – while a significant minority (40%) of corporate legal departments plan to make such a request within the next three years.

For their part, corporate legal departments show a lack of preparedness in playing their role in meeting their company's ESG responsibilities, with most (61%) believing they are not yet very prepared to meet them.

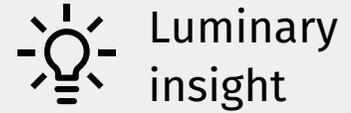
As this is a rapidly changing market, client demand is an important point for firms to consider when assessing their activities and their ability to keep up. Around half of the lawyers (49%) say demand for ESG had stayed the same year on year, while

it has increased for just under half (43%). Interestingly, however, this is a significant decline from 50% in 2022.

Looking ahead to the next three years, ESG will continue to be an important strategic growth area. Half the attorneys (50%) surveyed expect demand to increase – despite a drop from 61% in 2022 – while 45% said demand would stay the same (up from 36% in 2022).



Conclusion: It's clear that as the legal profession deals with the growing demands of ESG, law firms and legal departments have room to further develop their ESG policies and preparedness, and to step up to meet the requirements of this important growth area.

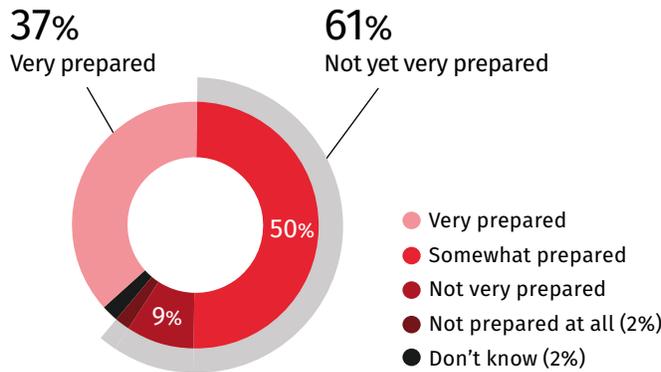


“The increasing importance of ESG does not only influence the type of legal advice and support provided by the legal industry to clients, it also increasingly requires the legal industry itself to consider what type of clients they serve, how they care for their own workforce, and what their own impact is on the environment.”

– Iris Wuisman
 Professor of Company Law at Leiden University and Partner at ACE Management Consulting

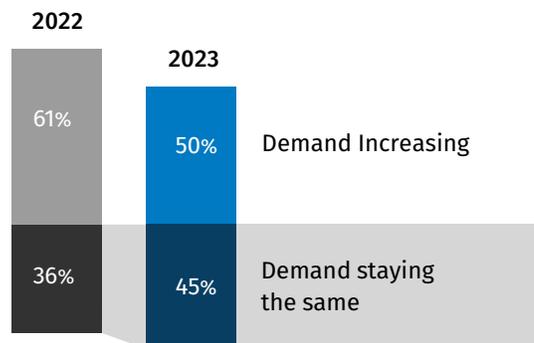
Legal department preparedness to meet ESG responsibilities

61% of corporate legal departments say they are not yet very prepared to meet their company's ESG responsibilities.



Demand for ESG guidance

Half the attorneys (50%) surveyed expect demand for ESG guidance to increase in the next three years – despite a drop from 61% in 2022 – while 45% said demand would stay the same (up from 36% in 2022).





Empowering a future-ready workforce

Key Insights

- *Recruiting and retaining talent a key challenge for legal sector*
- *Increased demand for specialization and a decline in generalist work*
- *Most lawyers are impacted by heavy, complex workloads but are prepared to cope*

Recruiting and retaining talent. In the hybrid era this is top of mind for law firms and legal departments, and the factor likely to have the most significant impact on the legal industry in coming years.

Most lawyers from firms and corporate legal departments see the ability to recruit and retain talent as a key area of focus. In fact, 38% of legal departments expect talent recruitment and retention to be among the top three challenges in the next three years.

The difficulty in finding the right people is likely to become a major obstacle to tackling heavy workloads and productivity demands.

Of the trends impacting law firms and corporate legal departments over the next three years, the overwhelming majority (81%) of lawyers say the ability to recruit and retain talent will have an impact on their operations. Fortunately, most (80%) of both law firms and corporate legal departments say they're ready to navigate recruitment demands.

Recruitment and retention difficulties are heightened by lawyers looking for technology-enabled organizations that support their preferred way of working – hybrid or full-time remote. In addition, the profession is becoming more demanding, with more complex and specialized work, plus, lawyers face changing demands from clients and leadership. Against this backdrop, it's no wonder that attracting, training, and retaining legal talent is key to a future-ready workforce.

Workload. Today's lawyers are navigating complex and uncertain times as their profession rapidly transforms. The volume of

work lawyers handle is rising and becoming more complex, with the survey revealing several insights into workload management. Most lawyers (80%) from both law firms and corporate legal departments say they will be significantly impacted by heavy workloads. And yet despite this, the majority (80%) feel prepared and able to cope with the increased volume and complexity of information.

Specialization. When it comes to the nature of work, most lawyers (78%) from both law firms and corporate legal departments expect increased demand for specialization and a decline in generalist work.

81%

of lawyers from firms and legal departments see the ability to recruit and retain talent as a key area of focus

80%

say they are ready to navigate recruitment demands

80%

of lawyers are anticipating heavy workloads

80%

say they are prepared for the increased volume and complexity of information

The trend for law firms to expand their offering with a wide range of specialist niche services is becoming increasingly prevalent, and this is expected to increase.

Clients are also increasingly demanding specialization, with law firm respondents citing it as one of the factors they believe clients will use most to evaluate firms in the next three years. Interestingly, most lawyers (78%) say they are prepared to address this trend, while 75% are prepared to offer greater specialization.

Satisfaction and recognition. Despite the disruption to their environment, most lawyers say they feel fulfilled in their jobs and workplace, largely due to employers delivering on their needs. Most lawyers are overwhelmingly satisfied, both in law firms (84%) and corporate legal departments (85%). Topping the list of workplace needs are work-life balance, competitive compensation, and career development and advancement opportunities.

The survey shows, however, that there's certainly no one-size-fits-all approach to workplace satisfaction.

Some lawyers prioritize the rewards of challenging, high-value work, and some say recognition for their work and a clear sense of purpose are more important than money. The survey shows that lawyers want to be supported to achieve success, expecting their employers to make clear investments in tools and technology to help them get their jobs done.

DEIB. While Diversity, Equity, Inclusion and Belonging (DEIB) is relatively low down on the list of workplace satisfaction indicators, the survey does reveal that most legal professionals (88%) are satisfied with their employer's efforts to create a diverse workforce and inclusive culture.

While most lawyers (82%) work for organizations that claim to have

successfully created a diverse and inclusive environment, almost half of those organizations have no formal Diversity, Equity, Inclusion and Belonging (DEIB) policies in place. When asked if they had a formal policy in place, more than half (55%) said yes; 22% said no, but expect to implement in the next 12 months; 15% said no, but expect to implement in the next few years; and 6% said they had no plans to introduce a formal DEIB policy.

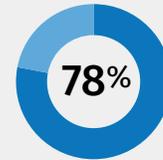
Technology gap. Despite general work fulfillment, the survey reveals a gap between what employees want and their organization's preparedness to deliver – and much of this relates to using, understanding, and deploying technology.

Most lawyers (92%) say it's important for them to get training and support so they can use technology solutions to their full potential. Yet fewer (79% of law firms and corporate legal departments) are prepared to recruit and retain the skilled staff needed to use the latest technologies. And even fewer (78% of law firms and corporate legal departments) are equipped to help with developing the skills to ensure their staff is capable of leveraging technology.

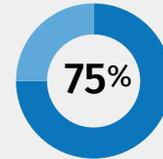
All aspects of technology tools and resources – including those pertaining to training, productivity enhancements, and software – are important to lawyers, with most (90%) rating investment in legal technology as important.

Remote work. And the application of technology goes beyond the office: 89% of lawyers say it's important to have technology that supports their ability to work remotely. Recent years have shown that lawyers can work and collaborate very successfully without face-to-face contact, both among colleagues and with their clients. As a result, remote work has continued to gain traction in the legal profession.

Increasing demand for specialization



Ready to address increasing client demand for greater specialization



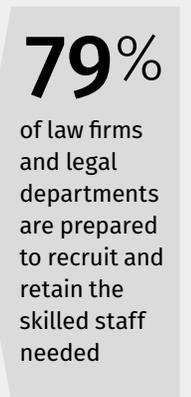
Prepared to offer greater specialization to clients

Beyond the office



Percentage of lawyers who say it's important to have technology that supports their ability to work remotely

Technology training and talent





And yet, while tech infrastructure to support hybrid/remote work is provided by most firms, investments in this technology are limited.

While most legal professionals say they want technology that enables hybrid working, the availability of such technology has decreased significantly since 2022. In 2023, 27% of employers did not have remote-work technologies in place, compared to 16% in 2022. Yet only 21% of this group of employers is considering investing significantly in technology that supports remote work.



Conclusion: Lawyers consider recruiting and retaining talent to be a key focus area, especially as demands on the profession change. While general work fulfillment is high, law firms and legal departments can do more to invest in what lawyers deem important – namely, technology.



Luminary insight

“Training in a hybrid environment presents challenges. New lawyers need to seek out working with experienced lawyers and understand that sometimes the best opportunities are those that happen because one was in the right place at the right time... which practically is more likely to occur face to face in an office setting than from the comfort of one’s home.”

– **Janet LeVee**

VP & Associate General Counsel, Wolters Kluwer Legal & Regulatory



Assessing law firm loyalty

Key Insights

- Corporate legal departments are highly satisfied with their law firms, but still likely to switch firms
- Technology is key component for evaluation
- Costs also play role, but are a relatively low priority

When asked about their loyalty to law firms, corporate legal departments had an interesting response. The survey shows that while legal departments continue to be highly satisfied with their law firm (86%, down from 91% in 2022), a majority of organizations (61%, down from 78% in 2022) indicated that, with the needs of their business in mind, they are likely to switch to another law firm in the coming year.

When it comes to switching law firms, technology also plays a role for corporate legal departments, which use it to evaluate if their firms and lawyers have the right tools to drive efficiencies and deliver optimal work.

Their top considerations when deciding whether to switch firms are whether the firm equips their staff with the right tools to perform their work (35%), along with the degree of assistance they offer their staff

regarding legal technology selection and implementation (27%).

Another factor for legal departments when evaluating law firms is that of legal costs, albeit a minor one. Interestingly, the survey reveals that cost is a relatively low priority for departments – reducing or controlling outside legal costs ranks just fourth of nine items in a list of challenges in the next three years – although it does feature as an assessment factor. Yet more than half (55%) say they will not use price as a key factor when evaluating law firms in the next three years.



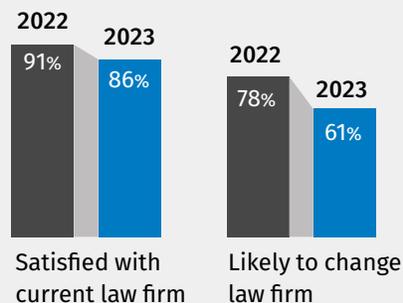
Conclusion: To meet the needs of their business, corporate legal departments continue to show

a high intention to switch law firms. Investment and training in legal technology by law firms is an important factor in clients' switch intention, with legal costs being less of a critical consideration.

Key driver for firm switching: Providing the right tools to lawyers

Law firm satisfaction among legal departments is still very strong. Yet, a majority of organizations expect to switch firms in the year ahead – though intent to switch in the near term has eased.

Law firms are perceived as having the right tools to perform work, supporting legal tech implementation, and using technology to drive efficiency.



The right tools to perform work



Assistance in technology selection and implementation

A global perspective

The survey includes insights from 700 legal professionals across the U.S. and nine European countries – namely Germany, the Netherlands, UK, Belgium, France, Italy, Spain, Poland, and Hungary.

The survey shows noteworthy differences between the countries surveyed.

Top five findings:

1. When it comes to GenAI, legal professionals from the Netherlands are most likely to see it as an opportunity (65%) and seem to have the highest understanding of how this technology applies to their work (89%).
2. More lawyers in the Netherlands (65%) seem to be convinced about the benefits of GenAI than their colleagues in, among others, the U.S. (46%), Belgium (38%) and France (20%).
3. U.S. legal organizations seem best prepared to meet client demand for ESG services (44%), followed by the Netherlands (38%) and Belgium (34%).
4. On Diversity & Inclusion, Belgium, France, and Hungary score below 40% when it comes to having DEIB policies in place. Despite this, 52% of Hungarian respondents feel their organization has been successful in creating a diverse and inclusive environment. All other countries scored lower.
5. The U.S. and the Netherlands share significant similarities. When it comes to GenAI/ChatGPT, for example, most lawyers in the Netherlands (89%) and U.S. (80%) understand how it applies to work. And it goes for diversity and inclusion and ESG, too. Both countries indicated a rise in demand for ESG guidance in the past year (U.S.: 59%; the Netherlands 47%), and the majority have DEIB policies in place (U.S.: 74%; the Netherlands: 70%).

Summary



Overall, the *Future Ready Lawyer Survey 2023* shows the legal profession navigating complex and uncertain times, as lawyers grapple with transformation and disruption on multiple fronts. This is especially apparent when looking at the findings over the past five years.

The rapid advance of GenAI and its potential opportunity, or threat, to the legal profession is one of the most significant trends to emerge from the report. The fact that 73% of attorneys expect to integrate GenAI into their legal work in the next 12 months, shows lawyers are aware of its impact and understand how it can be applied – not only in expediting time-consuming manual tasks, but also for gaining deeper critical insights and shaping legal arguments. However, lawyers are also clear-eyed about the possible risks of GenAI for the profession, with 25% seeing it as a threat, raising questions of authority, accuracy, inconsistency and potential bias.

The growing use of specialist legal technology is another major trend, with a strong message that expectations to embrace the possibilities of legal tech are high. It's clear that implementing technology is critical for meeting clients' escalating expectations for efficiency and productivity, and helps to retain their business in an era of growing attrition.

In this picture of rising expectations, the report also shows lawyers striving to improve their delivery of specialist ESG guidance and reporting. Fast-growing demand for expert ESG legal guidance has become a strategic priority for law firms, while corporate legal departments also feel the pressure to meet ESG reporting requirements, shape policies, and develop sustainability credentials. Despite the clear demand for ESG legal expertise, the report shows a high proportion of legal professionals still not very prepared to deliver what's expected from them.

In this climate of higher performance expectations and technological complexity, it's never been more important to attract and retain talent – and yet the report shows the legal industry is finding it harder than ever to hire and keep the people it needs, especially in the post-COVID era of hybrid working. With 81% of lawyers saying the ability to recruit and retain talent will have a short-term impact on their operations, this is a major challenge across the sector, especially as lawyers see the volume and complexity of their work increasing.

However, as much as the survey reveals the unpredictability of and difficulties within today's legal sector, it also shows the ability of the legal profession to adapt to change, remain resilient, and embrace new opportunities.

Next up: 5-year lookback →

What a difference five years can make



The past five years have been complex, unpredictable and dynamic, and no one expects the next five to be any easier. But, as the Future Ready Lawyer surveys always show, this is an industry that's resilient and up for the challenge.

This fifth-anniversary edition of the *Wolters Kluwer Future Ready Lawyer Survey* finds the legal industry navigating a period of unprecedented change, in which social and technological megatrends are transforming it like never before.

Technology has been the biggest disruptor. In 2019, for example, traditional AI was still a technology that lawyers eyed on the horizon, with nearly two thirds (58%) predicting it would have an impact on their work over the next three years. Fast-forward to 2023, and we see nearly three-quarters of respondents (73%) saying they expect to integrate generative AI (GenAI) into their legal work within 12 months.

On top of this technological revolution, the legal industry – and the wider business world – has also been transformed by the lasting impact of the COVID-19 pandemic.

Large-scale remote working is now firmly established in the zeitgeist, but back in 2019, the topic didn't arise in our *Future Ready Lawyer Survey*. In 2020, as the pandemic took hold, attitudes began to change, with our survey from that year showing respondents considering remote-working technology to be critical for business continuity. Now, in 2023, more than a quarter (26%) of lawyers rate hybrid/remote working as one of their three most important workplace needs – up from 21% in 2022.

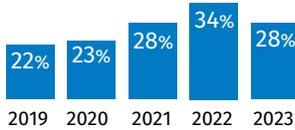
Let's not forget, too, the rising demand for Environment, Social and Governance (ESG) guidance and expertise, which the legal sector has felt keenly over the past two years. Our two most recent *Future Ready Lawyer* reports show demand for ESG guidance from corporate clients being a hot topic, up by 50% in 2022, and 43% in 2023.

5-year lookback by numbers

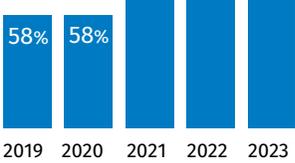
Artificial Intelligence here to stay

The value of AI is no longer a mystery, and its impact is acknowledged throughout the legal industry.

Understand AI's work applicability very well



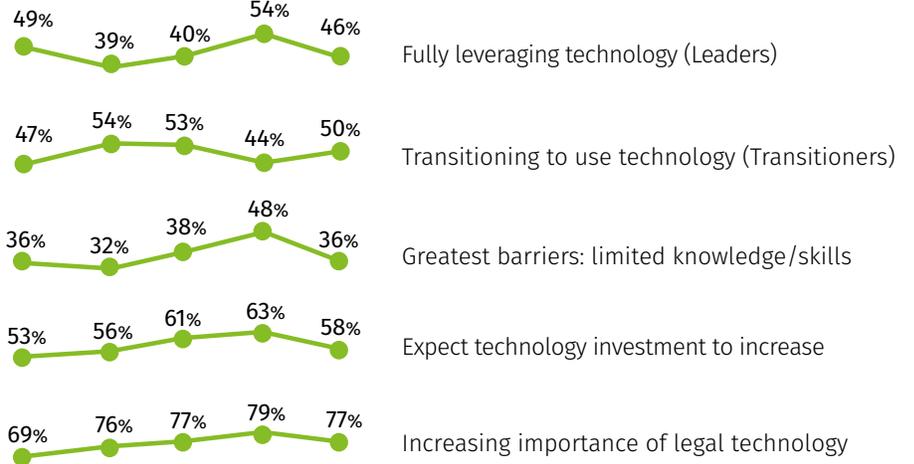
Impact of AI in the next 3 years



Embracing legal technology

As legal professionals have continued to adopt new technologies, increased tech knowledge and skills have broken down barriers to continue this journey.

2019 2020 2021 2022 2023



Meeting growing demand for ESG guidance

While the need for expert ESG guidance kept growing, a majority of legal professionals don't feel very prepared to meet this demand.

2022 2023



Percentage of law firms feeling very prepared to meet their clients' ESG demands



Percentage of legal departments feeling very prepared to meet ESG demands

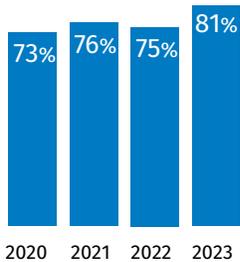


Demand for ESG guidance: Change in demand over the past year

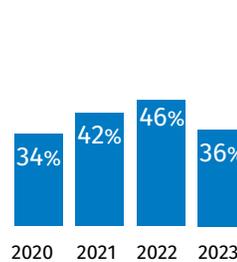
Empowering a future-ready workforce

Changes in the legal profession and in employee demands keep law firms and corporate legal departments on their toes in their quest to adapt to new realities.

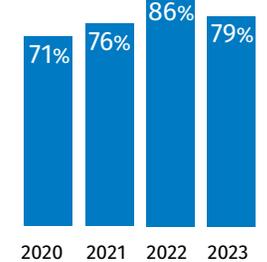
Ability to recruit impacts law firms and legal departments as a key focus area

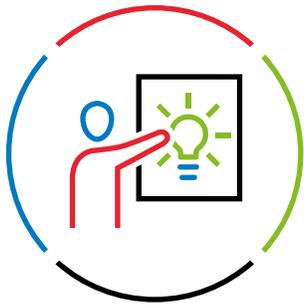


Law firms: Actions to improve — creating dedicated innovation function



Legal departments: Change in service — insource legal work innovation function





Leading change: Luminaries weigh in

Industry luminaries from Europe and the U.S. share their insights on trends, technology, and legal sector transformation



Robert Ambrogi

Robert Ambrogi is a Massachusetts lawyer and journalist who has been covering legal technology and the web for more than 20 years, primarily as publisher of the blog LawSitesBlog.com and the podcast LawNext.com.

Q Have we seen true tech transformation in the legal industry?

Richard Tromans: We have *not* seen true tech transformation – yet. A new technology can only be transformative if an organization’s business model supports the full use of that technology. Plenty of businesses have brought in a new software tool, but staff have not really utilized its full potential, so it’s not a problem that only lawyers face. However, the legal sector does have specific business practices that make industry-wide transformation especially challenging.

At present, most law firms’ business models do not strongly align with technology that can significantly increase the production and delivery speed of their billable work – with perhaps eDiscovery as the only major exception with broad use. Much of that heavily tech-led work has inevitably gone to specialist providers, as it did not fit into the traditional time-based model of law firms. This is the central problem and why it’s helpful to keep asking the legal sector to focus on the importance of fixed fees for legal work.

Q Do you feel that the legal industry is lagging behind other sectors when it comes to digitization, and what might be a reason for this?

Valerie Keilhau: The legal industry is definitely lagging behind. One of the main reasons is still the lawyers themselves. Their attitude towards technological progress is often biased and too negative.

Q What “top” technologies do you see as critical to legal professionals’ success?

Robert Ambrogi: The technologies that are most critical to legal professionals’ success are also the most basic. Legal professionals need tools that support them in the essential tasks of their day-to-day work, fit within their daily workflows, automate mundane tasks where possible, and are seamless in reducing the need to jump between applications. Examples are practice management platforms, legal research databases, time-and-billing tools, document automation technologies, and document management platforms.

Q How is AI being applied in law today? What is an example of how AI will evolve in the legal industry within the next three years?

Valerie Keilhau: AI is primarily used today in B2C business. With the proliferation of large language models, they will now be increasingly integrated into software for legal departments and law firms. In a few years, legal briefs will only be prepared with the assistance of AI-based software.

Q Where do you think GenAI/ChatGPT will have the greatest value for, or impact on lawyers? And where is the biggest threat/concern?

Robert Ambrogi: For lawyers, the greatest value of generative AI tools such as GPT-4 will come from pairing them with established, trusted sources of legal

information and technology. Generative AI is still somewhat of a black box, prone to hallucinations and sometimes untrustworthy in its output. But when this technology is deployed responsibly by trusted companies against known sources of data, it can provide enormous value at minimal risk.

Janet LeVee: I think significant value from generative AI will come from combining professional skills with AI to achieve faster and more insightful results for clients. For lawyers, that includes leveraging generative AI to manage and distill large amounts of information-enhancing tasks, such as analyzing facts and providing legal advice. My concern is around how generative AI may adversely affect lawyer training. I fear lawyers who 'replace themselves' with generative AI, thereby not doing the work or developing skills and experience. As a profession, we need to embrace new technologies while ensuring we do not compromise training and development.

Valerie Keilhau: Legal research and document review tasks will face significant disruption due to advances in AI and automation, leading to increased efficiency and cost-effectiveness. I have no concerns at all about flexible lawyers. No one needs to fear losing their job or be afraid of generative AI. It will only be a challenge for those who resist change.

Richard Tromans: Any legal tech tool, whether based on generative AI, NLP, or other forms of automated action, will always fall short of what it can do, and so its impact will always be limited, if we don't have an economic system to support that technology's full use. There really doesn't need to be a new way of thinking about legal tech because of generative AI. What generative AI might do – and it really is only a small possibility still – is act as a catalyst in the minds of clients who appreciate how much technology can improve efficiency, therefore encouraging them to ask law firms to change how they bill. If that happens, then tech that drives efficiency can truly have an impact, no matter what kind.

Iris Wuisman: The greatest value in the near future is time-saving with regard to activities that do not require a lot of brain-power or creativity.... Where traditional legal work required a large amount of time finding and going through many documents, LLMs (large language models) make it possible to find the relevant documents and relevant passages in those documents in no time. In addition, lawyers can have a 'conversation' with a legal chatbot, which can support the analysis essential for dealing with [various] legal questions. This requires appropriate skills from lawyers, as the execution of their prompting determines the adequacy of the responses.

The biggest risk is that the evolution of the law may stagnate because of excessive dependency on AI tools based on historical data without taking into consideration enough the current societal developments and what lies ahead.

Q Do you expect law firms' business models to change as a result of technology-enabled efficiency gains?

Robert Ambrogi: Thanks to generative AI, the billable hour may finally have jumped the shark. As this new breed of AI increasingly streamlines or even eliminates much of the routine work lawyers have traditionally done, the billable hour is no longer an accurate measure of the value of their work. Rather, the better measure is to bill on a value basis, perhaps by the project or matter.

Iris Wuisman: When looking at the advice practice of law firms, the way firms will add value will change. Because of the new technological tools, clients will be able to do part of the work themselves, or this work will be outsourced to specific legal tech firms. As a result, differences between bulk work and specialized work will become even more visible. This means the role and position of law firms in the value chain will change, depending on the choices they make and the resources available. Partnerships with legal tech firms will



Valerie Keilhau

Valerie Keilhau is Managing Director of the Federal Legal Tech Association Germany. She is a fully qualified lawyer with several years of experience in the field of public relations. For the Association, she advocates an innovation-friendly legal framework and the interests of the German legal tech industry.



Janet LeVee

Janet LeVee is Vice President and Associate General Counsel for Wolters Kluwer Legal & Regulatory, where she has practiced for the last 15 years as a valued legal advisor. Janet brings to her practice over 30 years of legal experience across a broad array of commercial matters with a particular focus on technology transactions.



Richard Tromans

Richard Tromans is the Founder of Artificial Lawyer, the globally read legal innovation news site, and Chair of the Legal Innovators UK and California conferences. He has worked in the legal sector for over 23 years as a journalist and strategy consultant.



Iris Wuisman

Iris Wuisman is Professor of Company Law at Leiden University and Partner at ACE Management Consulting.

become more common to provide a service and solution combination, and clients will still need support with translating legal requirements into business requirements that fit their specific culture and industry.

Q What are the implications of the increasing importance of ESG on the legal industry?

Iris Wuisman: The increasing importance of ESG does not only influence the type of legal advice and support provided by the legal industry to clients, it also increasingly requires the legal industry itself to consider what type of clients they serve, how they care for their workforce, and their own impact on the environment. When developing or choosing technological tools in support of their services to clients, law firms should take the environmental footprint into consideration.

Q What steps do you recommend legal professionals take to strengthen client-firm relations?

Janet LeVee: To strengthen client-firm relations, focus on the fundamentals. We expect our outside firms to provide high-quality and price-sensitive legal services, but I would also encourage firms to focus on building relationships that are not based on the billable hour. Invest in technology, but also invest in time to understand clients' businesses. Then use that understanding to engage directly with clients around developing areas of law and risk that affect their businesses.

Q In terms of winning or retaining talent, what do you recommend organizations do?

Iris Wuisman: Law firms should be aware that legal talents differ in their enthusiasm, capability, and skill in leveraging technology in their legal work. Although technology will undeniably be an important and necessary

element of their work, understanding these differences and supporting and challenging talent based on their own characteristics will enable them to operate within their strength.

Q A hybrid work environment means less face time for younger professionals with senior executives in the office – and that could impact career paths and opportunities. What are your thoughts on mitigating this risk?

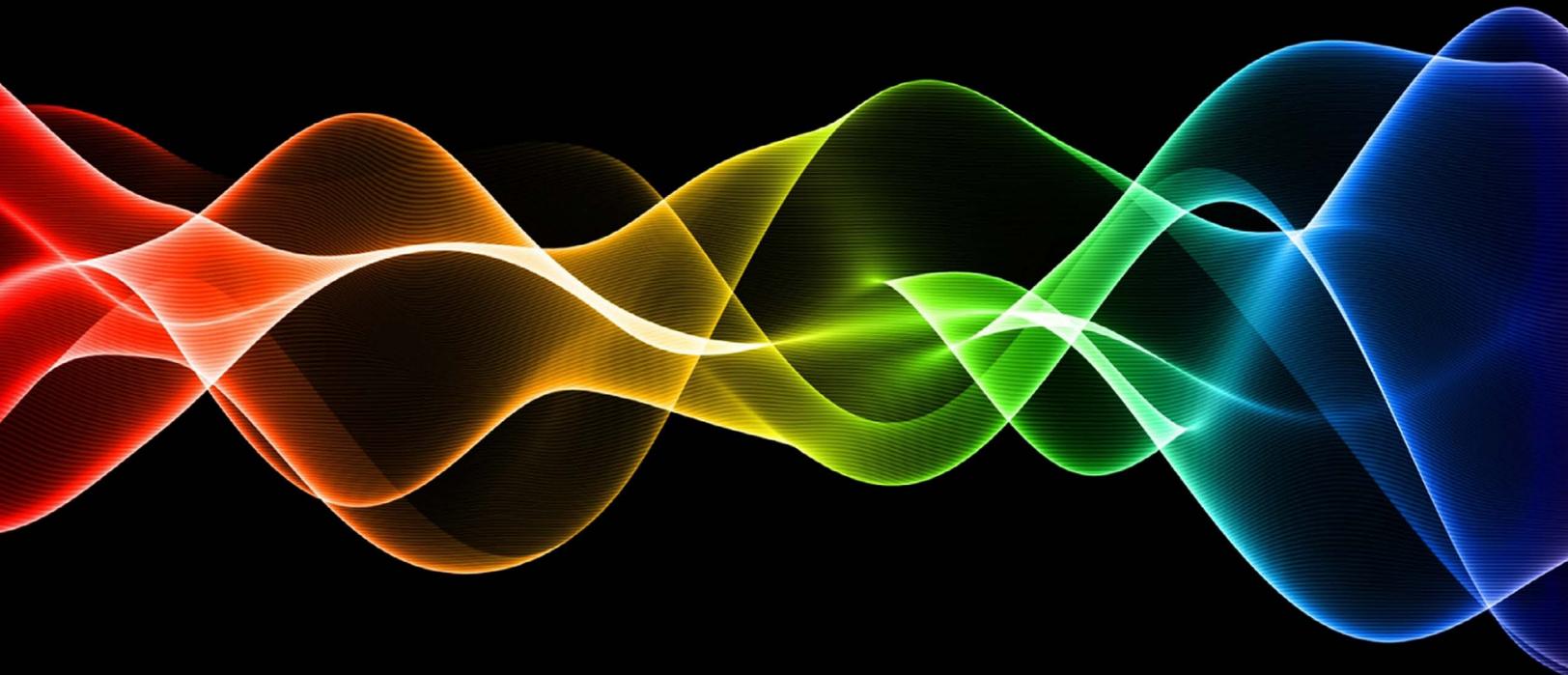
Janet LeVee: Hybrid work environments will negatively affect lawyer training development, which, in turn, could adversely impact the quality of legal services – and for law firms, profitability. The rise of AI may further erode lawyer training by taking over some tasks traditionally performed by young professionals early in their careers. Robust mentorship, in my view, would impactfully mitigate this training challenge. As a profession, we need to incentivize experienced lawyers to mentor and train new and mid-level lawyers, whether in person or via a digital experience. Inexperienced lawyers need to seek out opportunities to work with experienced lawyers. Sometimes, the best opportunities arise by being in the right place at the right time, which is more likely to occur face to face in an office than when working remotely from home.

Q Could law firms be losing emerging talent to others in the legal marketplace that embrace legal tech?

Robert Ambrogio: Law firms that lag in adopting legal technology risk losing not only clients, but also emerging talent. Professionals entering the legal market in the current environment want to join firms at the leading edge of innovation. They know those firms will be more successful in the long run and offer the greatest opportunities for career development. The connection should be obvious: the younger generation of tech-savvy professionals want careers in tech-savvy environments. ■



This report contains the results of the *Wolters Kluwer Future Ready Lawyer Survey 2023* – a current and in-depth perspective on law firms and corporate legal departments, with insights from 700 legal professionals across the U.S. and nine European countries – namely Germany, the Netherlands, UK, Belgium, France, Italy, Spain, Poland, and Hungary. The survey examines issues and trends affecting the future of law, as organizations adapt to a new world of digital transformation. This fifth edition of the annual report also provides a look back at trends in recent years.



Wolters Kluwer Legal & Regulatory

Wolters Kluwer Legal & Regulatory – a division of Wolters Kluwer – is a leading provider of legal and compliance solutions that enable professionals to improve productivity and performance, mitigate risk and achieve better outcomes.

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About the 2023 Wolters Kluwer Future Ready Lawyer Survey

The 2023 *Future Ready Lawyer Survey* from Wolters Kluwer Legal & Regulatory included quantitative interviews with 700 lawyers in law firms, legal departments and business services firms across the U.S. and nine European countries – the United Kingdom, Germany, the Netherlands, Italy, France, Spain, Poland, Belgium and Hungary – to examine how client expectations, technology and market trends are affecting the future of the legal profession and how legal organizations are prepared to address these. The Survey was conducted online for Wolters Kluwer by a leading international research organization from May 17 to June 4, 2023.

For media inquiries:

FRL@wolterskluwer.com

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