

The 2025 Legisway Benchmark for Legal Departments: Outsourcing strategies

Legal departments are increasingly taking on a more strategic role thanks to incorporating technology and leveraging outsourcing. Despite the challenges of doing more with less, in-house legal professionals are driving significant changes.

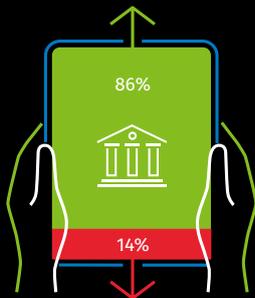
The 2025 Legisway Benchmark for Legal Departments, which gathered insights from over 700 in-house professionals across Europe and the US, underscores that collaborating with law firms and ALSPs is a strategic choice that allows them to focus on core activities.

Outsourcing strategies per legal activity

Contract management, compliance, and entity management are at the core of legal work and are mostly managed in-house. The activities that are mostly outsourced are Litigation and IP matters. When contract lifecycle management (CLM) software is in place, 89% of respondents of the 2025 Legisway Benchmark reported this area of work is managed in-house. Of the respondents that use entity management software, 83% say this area of work is managed in-house.

	Managed in-house	Managed internally by another department	Managed by outside counsel	Managed by ALSP	Not applicable
Contract management	81%	15%	0%	1%	3%
Entity management	71%	14%	8%	2%	5%
Litigation	49%	2%	44%	1%	4%
Compliance	73%	17%	3%	1%	6%
IP	57%	12%	19%	3%	9%
Data privacy	69%	18%	4%	4%	6%

Outsourcing to law firms

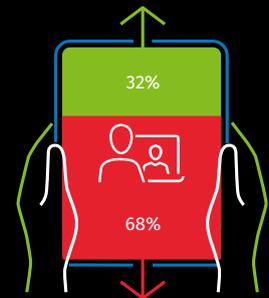


Have you engaged with at least one law firm/outside counsel within the past year to outsource legal matters?

■ Yes ■ No

A significant majority of legal departments (86%) have engaged at least one external law firm. Almost one in three respondents (32%) have engaged with an ALSP.

Outsourcing to ALSPs



Have you engaged with at least one ALSP over the past year to outsource legal matters?

■ Yes ■ No

Legal departments spend **37%** of their budget on outside counsel engagement and/or law firms

Budget allocation for law firms and ALSPs

Legal departments allocate more of their budget to law firms than to ALSPs. Although less frequently used, ALSPs can offer specific expertise not offered in-house and a flexible pricing structure.

Legal departments working with ALSPs last year spent **21%** of their budget on them

