

APRIL 2026

LPM
LEGAL PRACTICE MANAGEMENT

FRONTIERS

2026

The next change chapter in the twisting
tale of law firm strategy and improvement

BUSINESS INFORMATION FOR EVERYONE IN PRACTICE MANAGEMENT

oneAdvanced

 tessaract.io

 LEAP

softwerx

Actionstep

Next generation practice management software



- ◆ Bring together law firm management with financial insight and performance intelligence
- ◆ Streamline core processes from client intake and matter management, all the way through to billing and invoicing
- ◆ Elevate the client experience, automate repetitive work, improve compliance and enhance time capture and revenue realisation
- ◆ Scale at pace, with confidence.

Transform your practice management, reach out to our team.

PRESSURE POINTERS

LPM people



Richard Brent is head of content, and chief researcher and writer of LPM Frontiers 2026. Contact him at: richardb@lpmmag.co.uk



Andreea Dulgheru is LPM editor — covering challenges and change projects across the legal market. Tell her all your ideas andreead@lpmmag.co.uk



Emily Nash is key account director for our LPM partners, and loves to hear how all our research relates to your world. Contact her at: emilyn@lpmmag.co.uk



Celeste Rivas is assistant editor, and carried out several of the interviews that feature in this report. Contact her at: celester@lpmmag.co.uk

LPM places

LPM is where law firm leaders come for content and connections that help to deliver better outcomes for their own development, their teams and the firm. All publications are available at the LPM community. Join today to have your say!

Also stay up to date with insights from firms and partners at lpmmag.co.uk

LPM is on LinkedIn: [@LPMmag](https://www.linkedin.com/company/lpmmag)

ISSN 2398-9734



All editions of LPM and insight reports such as Frontiers are now posted on the new LPM community platform. Please scan the QR code.



PM Frontiers is pleased to provide our law firm leader readers with a vivid, data-led picture of how this market has moved on each year: big drivers ploughing through the intensely competitive, often thorny landscape, the trickiest business challenges encountered on the ground — from cost, to client acquisition, to compliance — and clear views about how solutions are helping (although occasionally also, ironically, hampering) efforts along possible paths to meet them.

It's fascinating that, for the first time, automation is seen here as the number-one priority for fresh investment or introduction of more process improvement in pursuit of growth goals. It may be tempting for firms, often authentically driven by a sense of clear purpose as well as profit, to see themselves as either human-first or effectively technology-driven. But if it's done right, a well-managed, carefully measured, and of course properly monitored programme of automation or AI adoption, ought to power up some more opportunity for meaningful human connection. It could be trusted with the job to be done from a risk perspective and transform various experiences of work for the better. A significant number of our 60+ responding leaders also say they do see potential for genAI, in particular, to improve or add innovation to their client service. So, it's not all about the savings, but now could be the time. We hope you find it a truly interesting read and useful resource.

Richard Brent, editor-in-chief
[@LPMmag](https://twitter.com/LPMmag) | richardb@lpmmag.co.uk

Inside

05 RESEARCH SUMMARY
 A bird's eye view of findings from this year's flagship SME legal business research

08 AUTOMATION POWER, TO THE PEOPLE
 The biggest priorities for more business investment or change

15 CLOUD CONTROLS
 Approaches to the technology supporting firm-wide transformation

23 TIME OF ESSENCE FOR GENAI?
 The latest on firm plans to introduce AI augmentation

Thank you to all our LPM Frontiers 2026 partners, who each also offer a perspective on the key findings:



How solid is your 2026 growth strategy?

The **2026 UK Midsize Law Firm Priorities Report** reveals the blind spots holding UK law firms back.

Actionstep



[Download Now](#)

RESEARCH SUMMARY

LPM Frontiers 2026 is the result of detailed annual polling to get the views of over 60 senior law firm leaders — including managing partners, CEOs, chief financial officers, chief operating officers and practice directors/managers — carried out online over January and February 2026. It's a snapshot of the legal landscape experienced by these people across the UK, exploring perspectives on transformation pressures, priorities and persistent organisational challenges

Despite ongoing macroeconomic challenges, 37% of SME law firm leaders surveyed for LPM Frontiers 2026 say they expect revenue to grow by over 10% this year, compared to 33% 12 months ago. However, the proportion of those anticipating little or no change has more than doubled year-on-year, increasing from 6% to 14% — a view expressed exclusively by smaller firms (with headcounts under 100).

Over half of leaders (56%) across both larger and smaller firms view similar players already in their market as their biggest competitors, albeit SME firms looking to enter the same geographies and

larger players are also viewed as potential disruptors. Leaders — mainly from larger firms — also cite competitive pressures coming from AI/genAI suppliers (32%) and private equity-backed groups (21%).

Automation for improved efficiency and risk management is a top investment priority on leaders' agendas to drive growth (cited by 42% respondents), as is boosting the client experience — whether delivered through technology channels and tools (35%) or more human-centred touchpoints (34%).

On the people side, 60% of leaders are setting their sights on compensation and career paths as key focus points to

address talent acquisition and retention challenges. Just over half of the leaders surveyed view culture as an important lever to help them achieve their recruitment goals — particularly among higher-headcount firms.

The appetite for technology-driven change remains robust, with most leaders (65%) planning to increase their tech spend in 2026. Only 8% say they plan to cut their technology budget this year — a decision more common among higher-headcount firms. However, selecting the right suppliers of tools for their specific needs is the biggest barrier to choosing change (cited by 41% of leaders), followed very closely by cost (40%) — a big hurdle for smaller firms in particular.

Overall, the majority of leaders (63%) remain confident about their firms' current state of technology enablement, albeit this proportion has fallen by eight percentage points year-on-year. Only 5% have an overall negative view of their firm's place on the modernisation journey, while 30% feel neutral about progress to date.

Belief in cloud technology remains strong, with half of leaders (52%) saying

9.9%

Leaders' average (mean) estimate of the % of annual revenue they will spend on technology investments (including skills) in 2026 (headcounts 100+)

they already use, or only choose cloud options, and almost a third (30%) stating their firm will ultimately move systems to the cloud or replace them with a cloud-based alternative. Only 2% say a move in this direction is not on the cards. The most frequently cited driver is a more efficient employee experience, while costs and legacy technology are the top perceived business barriers.

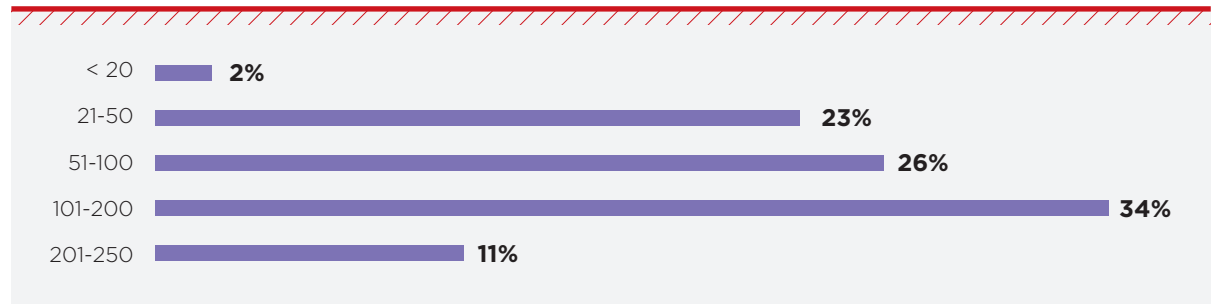
Meanwhile, only 12% of firms have fully activated their genAI adoption plans, while over half (57%) say they are currently at an early stage on their genAI journeys. Those with no official plans for this technology represent a minority (7%). Accuracy and quality concerns remains the top obstacle to AI adoption (47%), particularly among smaller firms. However, this proportion has dropped by 17 percentage points year-on-year.

Across business systems performance, nearly three-quarters of leaders report that their firm's remote-working

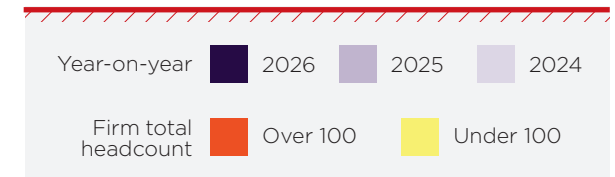
equipment is 'good'. However, very few express the same about current marketing and business development systems, with 23% saying they need to be replaced entirely. Similarly, only 8% feel positive about their client-facing technology.

Leaders appear to be losing some confidence in their abilities to calculate the return on most recent technology investments: this year only 31% said they could realistically assess ROI, compared to 48% a year ago. Meanwhile, the share saying they are unable to do so rose by two percentage points to 44%, while the proportion expressing doubts has more than doubled year-on-year to 24%. **LPM**

Who is answering LPM Frontiers this year? Complete firm responses to our questions by total headcount (lawyers and others)



How to read the graphs in LPM Frontiers



Leaders appear to be losing some confidence in their abilities to calculate the return on most recent technology investments: this year only 31% said they could realistically assess ROI, compared to 48% a year ago.



Legal Under Siege: Redefining Microsoft Security for Legal Practices with secure365

Learn how UK law practices with lean in-house IT teams can strengthen protection, credibility and operational continuity with Microsoft Security® and secure365®, the Managed eXtended Response and Detection solution by Softwerx.

View your Secure Legal Practice Guidebook now:
<https://www.softwerx.com/insights/legal/>

Contact us today!

Info@softwerx.com | +44 (0)1223 834 333 | www.softwerx.com

secure365[®]
24x7 Managed Microsoft Security

AUTOMATION POWER, TO THE PEOPLE

Leaders' top priorities for driving growth this year are investment in more automation – which could also mean some easier lives – and more proactive management of the client experience

The macroeconomic backdrop to legal business is no more certain than the last time LPM Frontiers research was published (April 2025). It is an understatement, at the time of writing, to point to significant volatility internationally, with supply and price of oil, in particular, under the domestic spotlight as the Iran conflict continues. Interest rate reductions from the Bank of England are no longer as likely as the threat of sticky inflation in the UK returns to face those making strategic decisions.

Early in 2026, however, our research finds plenty of SME law firm leaders feeling confident in financial growth. Nearly two-fifths (37%) expected increased revenue of at least 10%, a steady climb from just over a quarter (27%) reporting so in 2024 (p9). Admittedly, fewer can now see a growth

story of 5-10% (30%), but there's another rise in the number expecting a more modest uptick of under 5% (18%). Those predicting revenue will fall, or be unchanged, are all leading the charge at the smaller firms in our sample (total headcounts below 100). Clearly, larger organisations are more likely to believe they can weather a band of prevailing challenges – whether by increasing rates, winning clients, launching services, internal efficiencies, or perhaps making acquisitions to scale more effectively.

The legal sector as a whole usually continues to thrive as parts of the economy falter. Each firm is of course a different set of factors, and they continue to make strategic growth moves to claim and protect their own piece of a highly competitive, increasingly transformation-tipped market, for cost-conscious, time-sensitive clients and

demanding employees alike.

A melting pot of competitive pressures simmering is illustrated on p11. Leaders at larger firms are now almost as likely to see businesses offering 'genAI solutions' as potentially disrupting their place as other firms moving into an area for the first time, or the resources available to larger players. One fifth (21%), again mostly at the larger firms, also point to the power of firms opening their doors to some private equity investment – while those representing the fight at the smaller end have eyes on the breed of online legal solutions that brandish their all-hours convenience, perhaps tempting a customer to bypass the more conventional route.

Claire Lovett, managing partner at Amicus Law, says: "People who choose a high-street firm such as ours often do so because it's

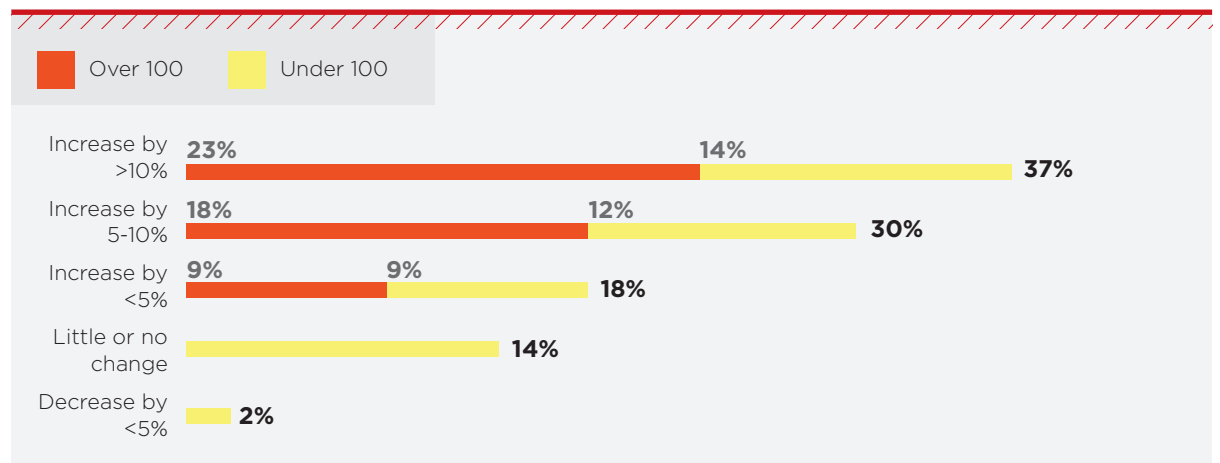
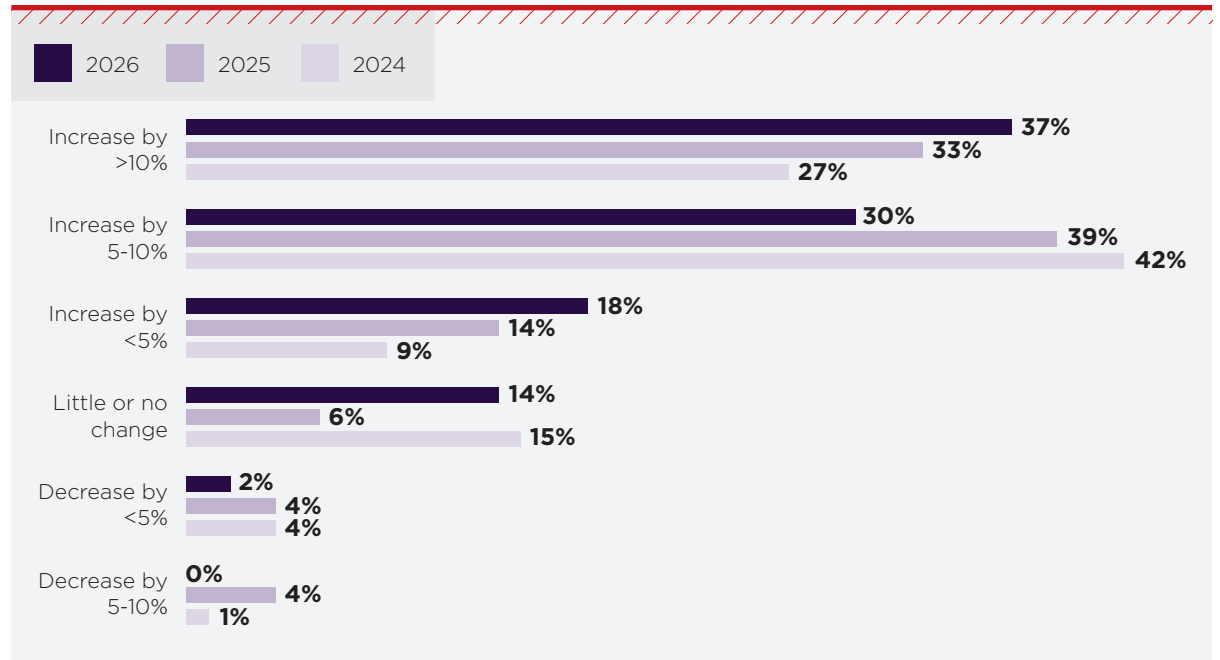
there in the heart of their community. They might know people who work here, or certainly know people who know people — and that can engender trust in a service. But it’s very important that we don’t ignore the online marketplace. People increasingly want to log in, buy services, fill in legal forms, at any time of day or night, and we need to be alive and adapting to that.”

Little wonder then the actions leaders are most likely to name priorities for 2026 investment/improvement (p12) are process automation — seeking to remove friction from components of delivery (42%) — and client experience generally, whether powered by technology platforms and digital channels (35%) or human touchpoints at different stages of a transaction, or indeed when engaging between them (34%). The similar proportion citing the two as high priorities perhaps indicates recognition that both are usually needed by any modern firm wanting to remain competitive as new models of law make inroads. An offer of some technology-enabled ways of working that make more productive progress through an assignment is not optional, but arguably they shouldn’t come at the expense of a trusted human-to-human relationship.

Emma Thompson, managing partner at Thackray Williams, says: “Client expectations continue to evolve, particularly around clarity, consistency and ease of engagement, not just speed or technology.

More leaders than in previous years anticipate revenue growth of over 10% — but twice as many as in 2025 expect little change

How do you think the firm’s revenue will change in 2026?



PARTNER COMMENT



Firms need tech to support every role, not just fee earners

DOUG HARGROVE, SENIOR VICE PRESIDENT, LEGAL AND PROFESSIONAL SERVICES, ONEADVANCED

Law firms are no longer considering technology through a single departmental lens. Instead there is greater consideration of how technology impacts an entire firm, from client experience to operational efficiency, risk management, and employee engagement.

The results of the report reflect this shift, with 42% of firm leaders saying a key priority is focusing firm-wide investment on automation tools for improved efficiency and risk management, and a further 34% wanting to improve client experience with new technology. Interestingly these results mirror those in the OneAdvanced's 2026 Annual Legal Trends Report, which found that the key priority for law firms was to enhance efficiency through automation. This suggests the market is actively considering incorporating technology as an integral part of everyday law firm operations.

Changing client expectations continue to shape firms' agendas. Clients expect responsiveness, clarity and consistency, challenging them to improve

internal processes to enhance customer service delivery. This is clearly a commercial issue, not just a relationship one, which is why it's now the third biggest priority for UK law firms. It's hardly a surprise, therefore, that almost half (46%) of firms are already benefiting from operating cloud-based management systems to run their firms. However, hesitation to adopt this heightened flexibility remains, with perceived risk and security remaining a barrier to some.

It's for these reasons that we have moved beyond individual tools delivering point outcomes as a legal technology partner, to a platform approach that increasingly underpins the way modern firms operate — enabling all employees, not just fee earners, to work in one system for all internal and customer-facing needs. By focusing on delivering the workflows firms need to drive high-quality, consistent outcomes for their clients, this can reduce duplication, drive operational efficiency, strengthen compliance and provide a better client experience.

That approach also addresses firms' expectations around automation and AI, supporting staff and reducing time spent on certain tasks. By embedding our AI and AI agents directly into the flow of work for fee earners and others, without the need to move from one system to another or incorporate third party bolt-ons, fee earners can elevate themselves out of the administration of law and focus on more valuable tasks. Responsible use of AI becomes a true assistant rather than a replacement, driving improved efficiencies and better outcomes for clients.

The legal market is changing, and clients increasingly expect more for less. Firms need to be able to adapt to those changing client needs, remaining competitive and compliant as they embrace technology that directly enhances their ways of working.

To learn more, visit:
oneadvanced.com/legal

oneAdvanced

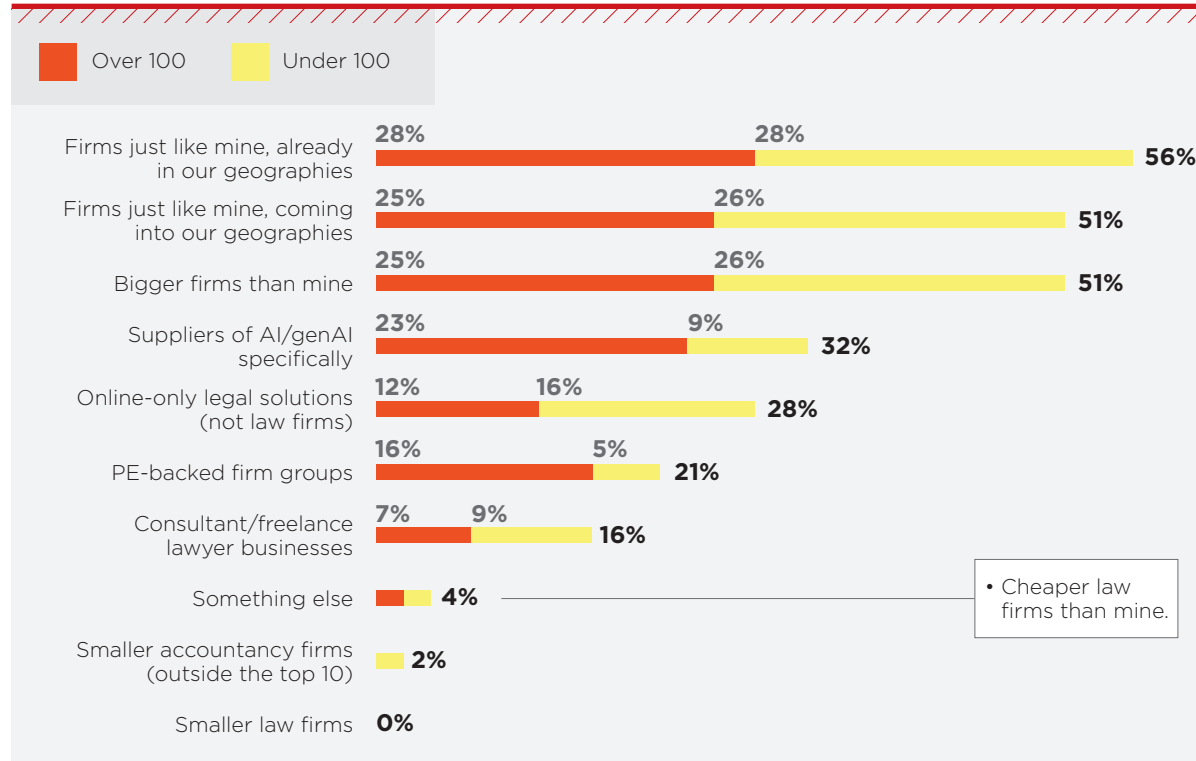
While digital tools have a role to play, we see greatest opportunity in refining how we work with clients day to day, ensuring service feels genuinely client centred. A key focus will be communication and transparency. This includes setting clearer expectations at the outset of matters, being more disciplined about regular updates, and ensuring clients understand not just what we're doing, but why we're doing it and how it advances their objectives.

"We plan to introduce more structured client feedback and reflection, including short, informal post-matter interviews and periodic check ins with clients during matters. The aim is not only to identify issues early but also to use feedback proactively to improve."

Edward Gordon-Hall, CEO at Druces, adds: "There is an end-to-end client experience, from inception to delivery, but the idea is not to have an actual end. When a matter is finished, we continue to talk to that client as a business partner, looking for opportunities to enhance the business."

Tim Burrows, chief financial officer at Ashtons Legal, says: "One example [of automation] is taking on new enquiries. We're automating the process, so data needed to make decisions is already formatted in a consistent manner, taken from a client's call. Another is ensuring disparate technologies communicate properly, enabling data to be entered just once and

Thinking about most business done/revenue opportunity, which types of competition do you believe have the most potential to disruption your firm’s position in 2026?



hopefully having one version of the truth.” Chief financial officer at Simons Muirhead Burton, Daniel Field, says that while his firm is exploring how AI can be used to benefit the firm and its clients, it’s also introducing Microsoft Power BI and Power Automate: “There are still some very manual processes

where we’re keen to embed technology solutions that aren’t AI. Non-chargeable administration is high on the agenda.” Graham Sweeney, managing partner at Schofield Sweeney, also points at these possibilities: “Increased automation is on the IT director’s list, particularly for risk and

compliance and administrative tasks, such as creation of accounts, user credentials and charge-out rates.”

Moreover, firms also have many ‘human’ factors to consider for strategically strong and long-lasting relationships with their own people. Interestingly, only 16% pick viewing AI through the lens of employee working preferences as a priority – while those at smaller firms are more likely to identify a need to strike the right hybrid-work balance for people than to empower longer-term learning and development by building skills and bolstering career-enhancing experience (p13). With all in the picture, almost two-fifths (38%) see these two areas as essential elements of an effective recruitment and retention strategy. But neither is a match for the ultimate prize of pay/rewards or shape of compelling career paths to reach them (60%). And only just over half (51%) appear to view the idea of a common firm culture or purpose – pulling different roles, responsibilities and business challenges together to drive in a clear, connected direction – as similarly important.

Sweeney says he’s now more focused on the latter than pay parity, already explored: “Candidates do raise culture as a concern, and we’re reinvigorating an idea we call ‘more than law’ - how we pull together social and charity activity, wellbeing and inclusion work, to be part of that culture and help build the firm. It’s important to

differentiate in recruitment and retention as well as for clients.”

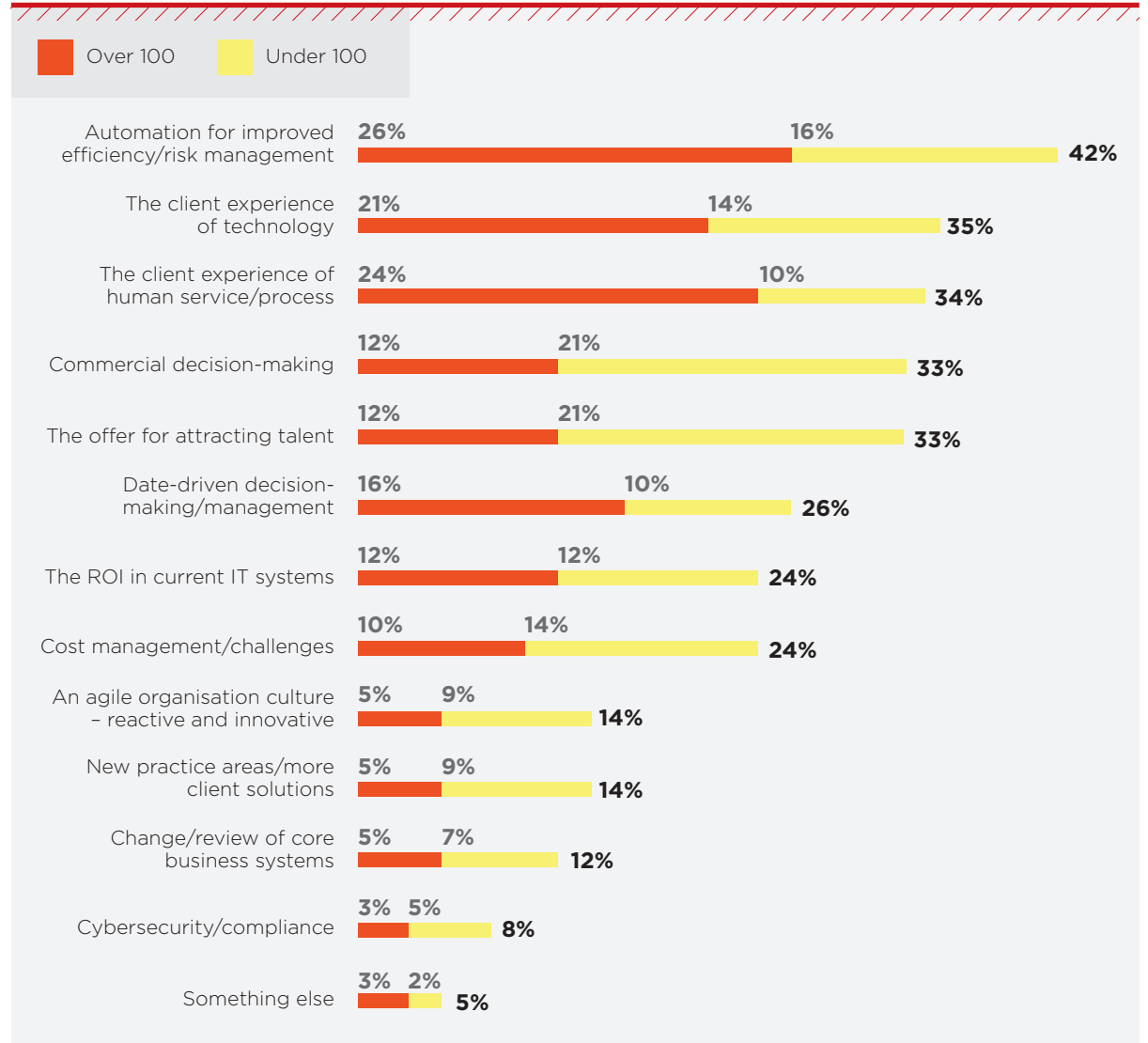
Paul Sams, managing partner at Dutton Gregory, adds: “It isn’t hard to get a pay rise at another firm on certain salaries, but we have spent a lot of time in the last 12 months working on compelling career trajectories. People make a firm’s differentiation, and people skills is where lawyers can tend to fall down. Clients don’t usually care that you have a fancy system, they want to feel better about something when someone calls.”

Gordon-Hall continues: “There is a lot of opportunity in AI, but the added-value still lies in skill and judgement. We need to be equipped with the right people to deliver that through careful selection and development.” In recruitment the firm now assesses candidates based on a broader skillset, using techniques such as immersion in a debating scenario with current members of the team. There’s also a development programme, for both fee earners and business services, that includes client management, business development and finance, tailored for all career levels. “Even those that have become partners through longevity must be equipped for more than delivery of a good legal service. We’ve restated our partners values to reflect the responsibility,” he says.

Lovett adds: “After growing quite fast we now have new competitors, and that does change salary expectations, posing some

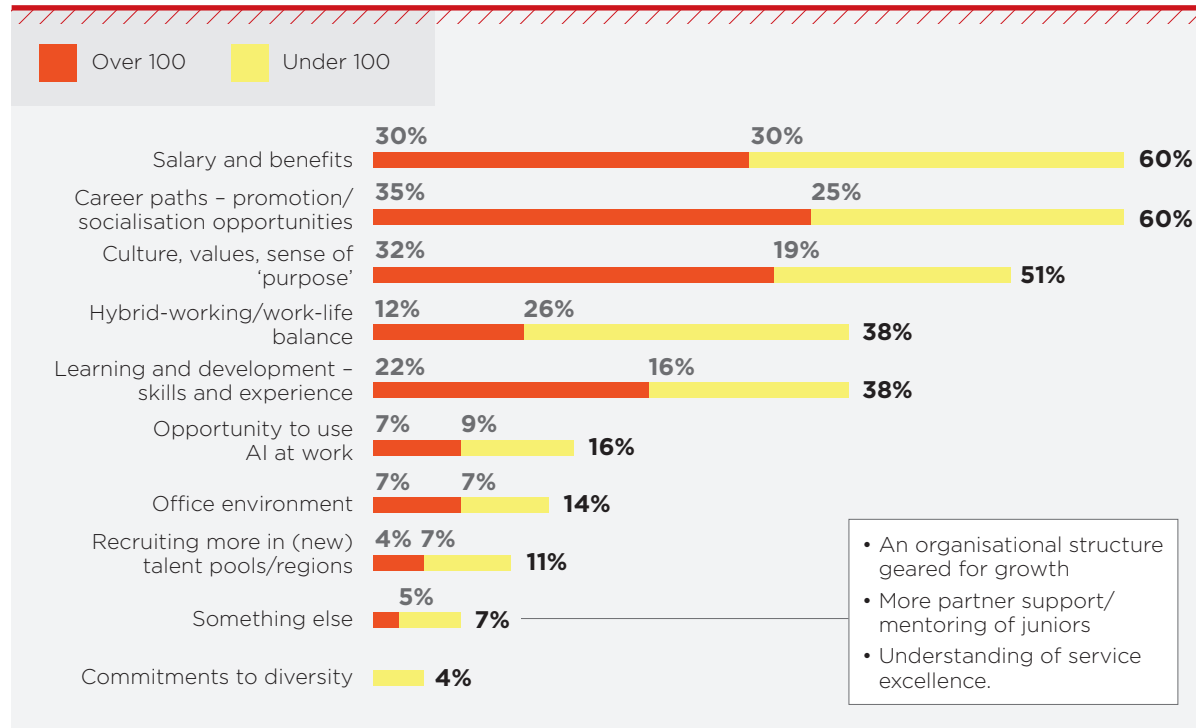
Automation and client experience are the top priorities for largest firms — smaller have eyes on commercials and the people proposition

Which challenges/areas for more investment should your firm prioritise most of all in 2026 to deliver on your growth plans? Choose three



Career paths join compensation as top focuses for the people package. Smaller firms pay close attention to hybrid ways of working, as culture slips behind

Which factors must your firm focus on the most to meet recruitment/retention goals or challenges in 2026? Choose three



challenge — but we aren't in the position of a few years ago where every conversation was about money. There is a real mix of drivers for people, including the nature of a move, such as lateral hires, how they have been treated and whether they want a change of lifestyle.”

Florence Brocklesby, founder of consultant-

lawyer model Bellevue Law, believes firms like hers can hire people for 'purpose'. “We are certified as a B Corp, and that has helped to attract like-minded people. We've built a firm around flexible working — highly experienced senior employment or disputes lawyers can work from anywhere, we're location-neutral, and they choose their hours

when they do, without chargeable targets.” Overheads here are low, she explains, and the senior lawyers are charged out at significantly lower rates than at the largest firms where they've often worked before — but they keep a higher cut per hour. “It's good value for client money, and it works commercially because one person can do everything, without duplication. It's also a huge advantage that firms our size can make such decisions about how we operate quite quickly.” She says it also recently launched a new 'responsible and sustainable legal advice pledge'. “This sets out the sectors we will or won't work in, and the values we're bringing with the advice to clients, and it was easy to get it agreed because there aren't lots of competing interests to manage.” Alongside a core management team Brocklesby places a lot of emphasis on having a network of trusted suppliers for other expert support, such as strategic technology advice and marketing. “We also effectively offer junior lawyers an apprenticeship in running a law firm, including business development opportunities that could be coveted by the partners at a larger firm.”

Field adds: “Most firms have probably now each worked out their value proposition, and people are effectively finding the place they're meant to be along scales of remuneration and work-life balance — you can see two distinct demographics emerging.” **LPM**

The UK's number one legal platform

The evidence is overwhelming.

OneAdvanced Legal is at the heart of UK legal tech with over 38 years' experience. Delivering intelligent legal workflows, UK-sovereign AI, guaranteed compliance and robust security.



Discover how we're transforming productivity to profitability and enhancing client service



 80,000+ daily users

 Trusted by Top 200 Law Firms

 2 million+ matters annually

Powering the world of work

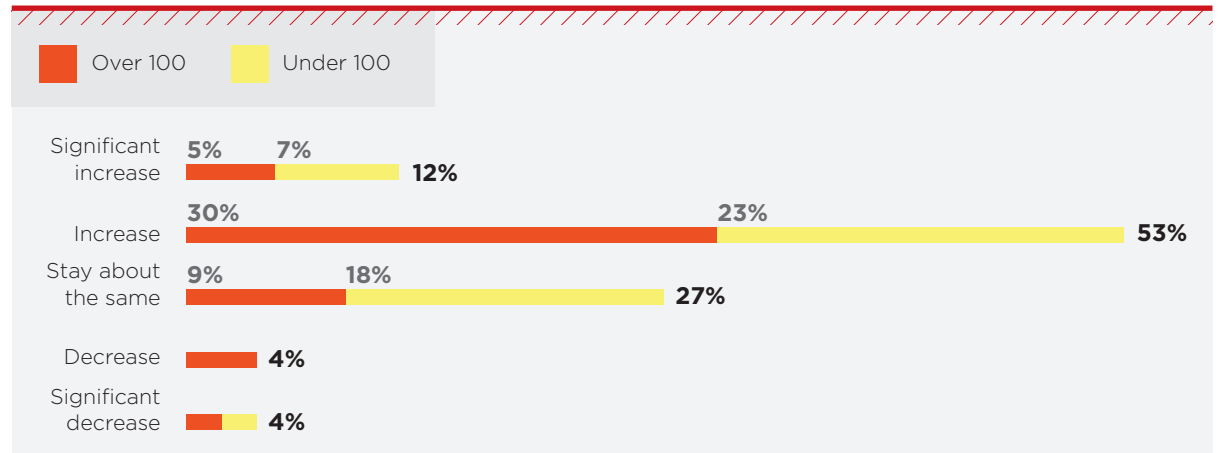
oneAdvanced

CLOUD CONTROLS

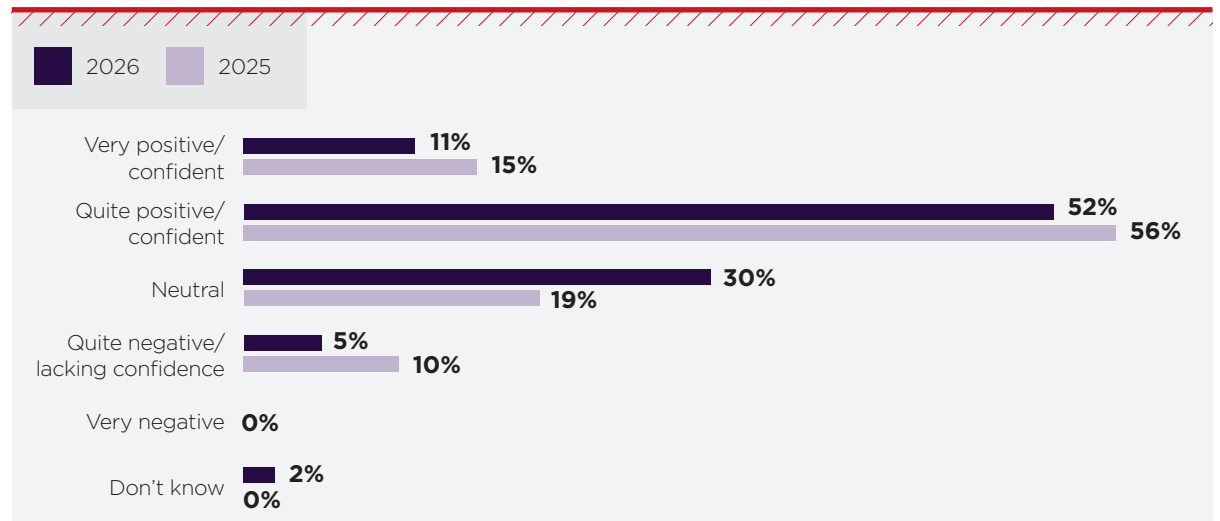
Two-thirds of leaders again say firms will increase sums spent on technology. For a clear majority choices will be cloud-first, but in other respects selection is a significant challenge

Appetite for more technology investment as part of taking a firm where it plans to go is one indicator that has hardly moved from one year ago (Frontiers 2025). Almost two-thirds of leaders say spend will increase (69% in 2025), and 12% that this will be significant (14% in 2025). Both larger and smaller firms in the sample give the signal, although those with smaller headcounts are twice as likely to see investment staying more or less the same. Indeed, leaders at firms supporting over 100 users expect to spend an average (mean) 9.9% of the firm’s annual revenue on ‘technology’ (covering all bases —

How will your firm’s overall technology spend change in 2026?

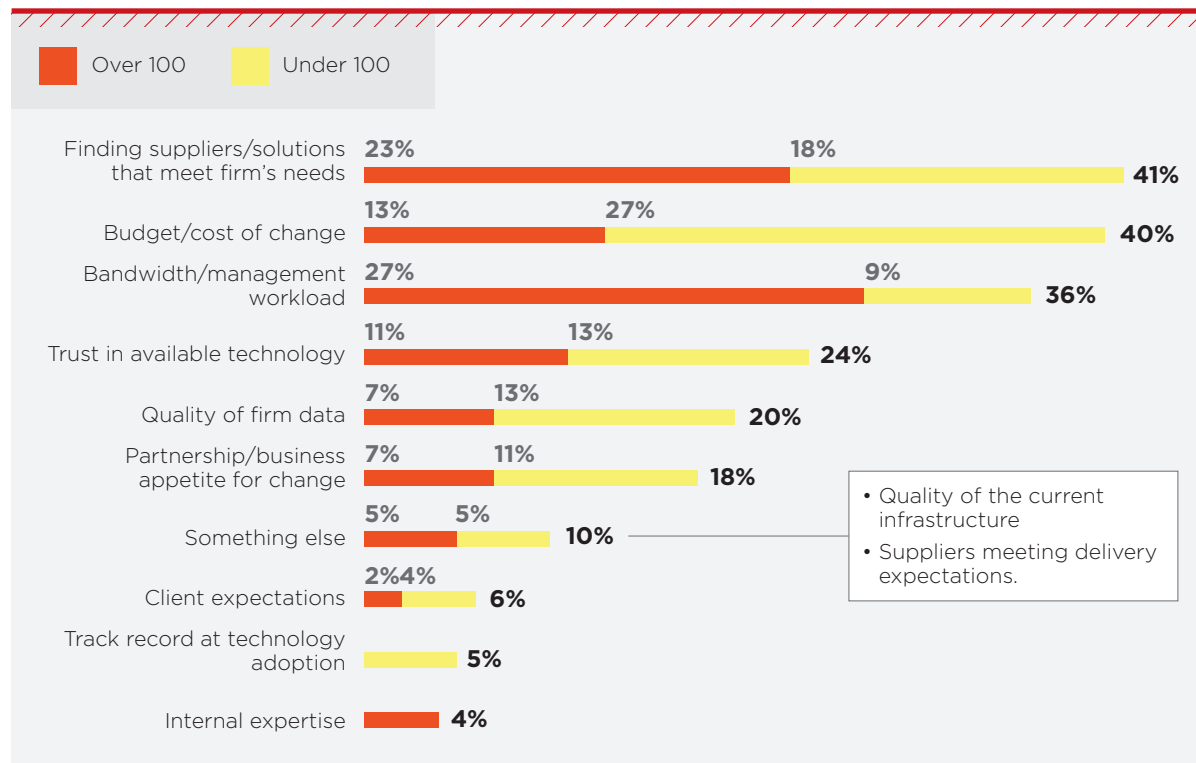


How do you feel about where the firm is in its overall technology/modernisation journey today compared to your competitors?



Largest law firms face management time as the biggest barrier to choosing change in 2026 — for the smaller it’s a matter of cost

What are the two biggest barriers your firm faces to stronger progress choosing or implementing new technology? Choose two



infrastructure, software and skills/expertise as investments), compared to 5.9% for smaller firms.

On the other hand, leaders are significantly more likely to say they feel 'neutral' about the current state of their technology enablement compared to competitors (p15) — almost a third (30%) placing themselves here on a barometer of confidence. It may indicate some more apprehension at keeping pace with the fast-moving legal technology scene this year, with a plethora of products purporting to offer business advantage by harnessing AI being one obvious feature. While half as many respondents as in 2025 would describe their sense as 'negative', only just over one in 10 reports feeling 'very positive'.

What are the concerns? In a signal that the breadth of appetite for technology-driven change across the business has not moved, only 18% of leaders continue to describe this as a barrier to moving faster or further. The biggest challenge now seems to be identifying solutions that are the best fit for what the firm needs to manage its operations and client delivery most effectively (41%), narrowly beating sustained pressure to justify the cost of those purchases (40%). Most clear is the fact that the biggest barrier of all depends

on the size of firm in question. Leaders at larger firms are more likely to see themselves as time-poor for assessing business cases, trialling and evaluating options, and implementing change that is well adopted, whereas smaller firms — perhaps with more cashflow or margin concerns — are understandably more wary of meeting the cost.

Thompson says Thackray Williams' level of investment will stay steady: "This reflects a series of deliberate investments over recent years to modernise core platforms and ways of working, rather than a lack of ambition around transformation. In particular, we have focused on getting

“ We have invested heavily in data security and infrastructure, and targeted tooling to support collaboration, matter management and knowledge sharing.”

**EMMA THOMPSON, MANAGING PARTNER,
THACKRAY WILLIAMS**



An ambition gap: mid-sized firms are stuck in innovation limbo

MIKE HINCHLIFFE, MANAGING DIRECTOR, EMEA, TESSARACT

The findings of this year's LPM Frontiers paint a positive picture, with leaders confident in growth and ambitious about how technology will shape the future. Mid-sized law firms are focused on improving efficiency through automation, making more informed commercial decisions, and delivering stronger, more consistent client experiences. At the same time, many are actively exploring the potential of AI and increasing investment in technology to support growth.

What stands out, however, is the tension between this ambition and the reality of existing technology environments. While a significant number are experimenting with AI and other emerging tools, many are still operating on legacy core systems and fragmented technology stacks. Satisfaction with system integration remains low, with acknowledgement that current tools do not connect effectively. This lack of integration limits data visibility, restricts automation, and ultimately reduces the impact of both existing investments and new AI tooling.

AI, automation, data-driven insights and digital client experience are all best achieved when built on connected systems that create accessible data. Where systems are siloed, firms may find their digital initiatives somewhat isolated, requiring expensive workarounds.

There is also a growing people dimension to this challenge. Competition for talent is increasing, and employee expectations are evolving. Technology now plays a meaningful role in attraction and retention. Lawyers increasingly expect modern, intuitive tools that enable them to work efficiently and develop new skills. Firms relying on outdated or disconnected systems risk frustrating their teams and limiting ability to retain talent.

Learning and development has a critical role. As AI adoption grows, firms should consider how programmes evolve to include training on emerging tools, including managing AI-assisted lawyers and agent-driven workflows, alongside broader data literacy and digital capability.

Encouragingly, the shift towards cloud platforms is gaining real momentum. Most firms now recognise the importance of modern technology environments that improve scalability, reduce data silos, provide firm-wide insights, enable end-to-end automation, and support easier integration with new tools and platforms. And while about half of firms report that core systems have been moved into the cloud, it isn't clear how far firms have moved to genuine cloud-native platforms rather than simply 'lifted and shifted' legacy on-premise systems onto virtual servers.

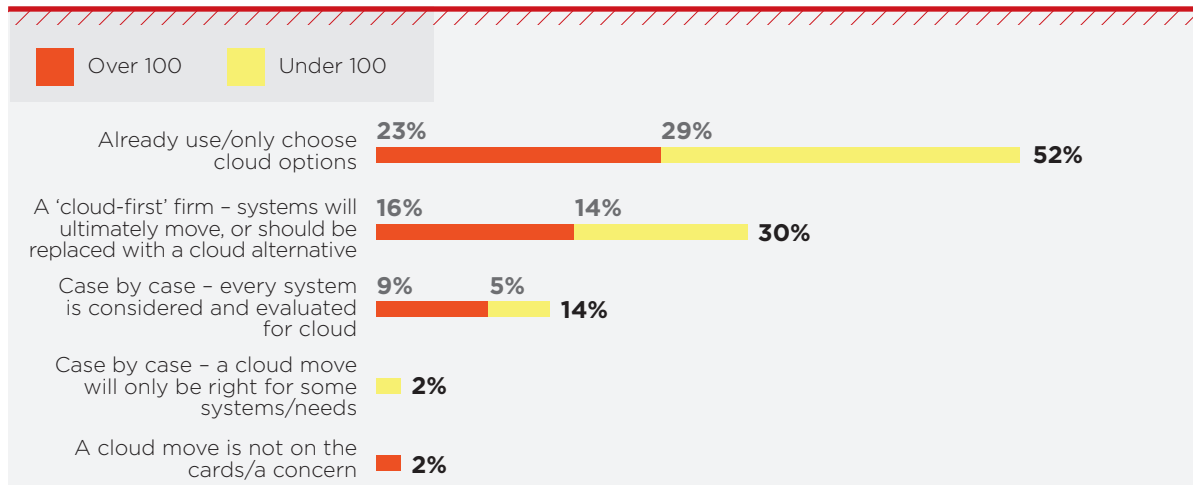
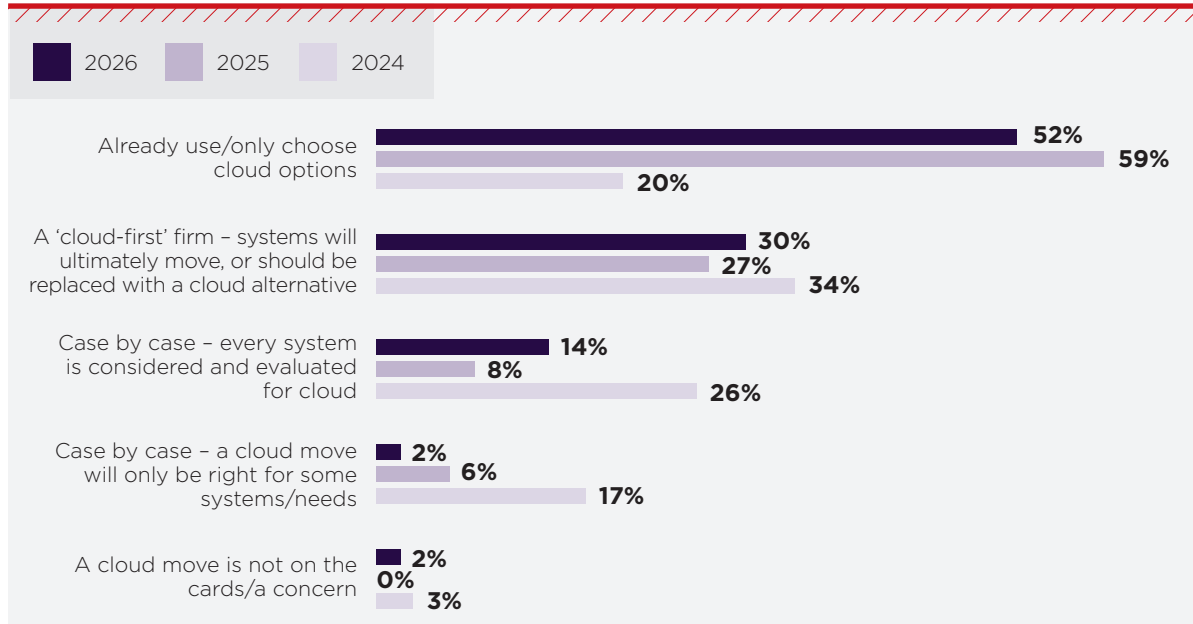
For firms looking ahead to the next phase of growth, the message is clear. Those that will benefit most from AI, automation and performance insights are those investing not only in new tools, but in modern, connected and cloud-native core systems that create a strong and scalable foundation for the future.

To learn more, visit:
tesseract.io



Half of leaders, regardless of firm's size, say it will only choose cloud options for platforms in 2026

Which statement best describes your firm's approach/attitude to cloud technology?



the foundations right before layering on further tools — and 2027/2028 is expected to see a review of our core practice management. We have invested heavily in data security and infrastructure, and targeted tooling to support collaboration, matter management and knowledge sharing.”

Lovett adds: “We are very much a people-driven business. It’s still important to invest in opportunities to improve efficiency, but we talk a lot about the human being between the tech and the client at all times. A certain level of investment is also simply not available to firms at our end of the market, so we need

“It’s still important to invest in opportunities to improve efficiency, but we talk a lot about the human being between the tech and the client at all times.”

**CLAIRE LOVETT, MANAGING PARTNER,
AMICUS LAW**

to be careful about putting together plans that need a big shift from people to IT.

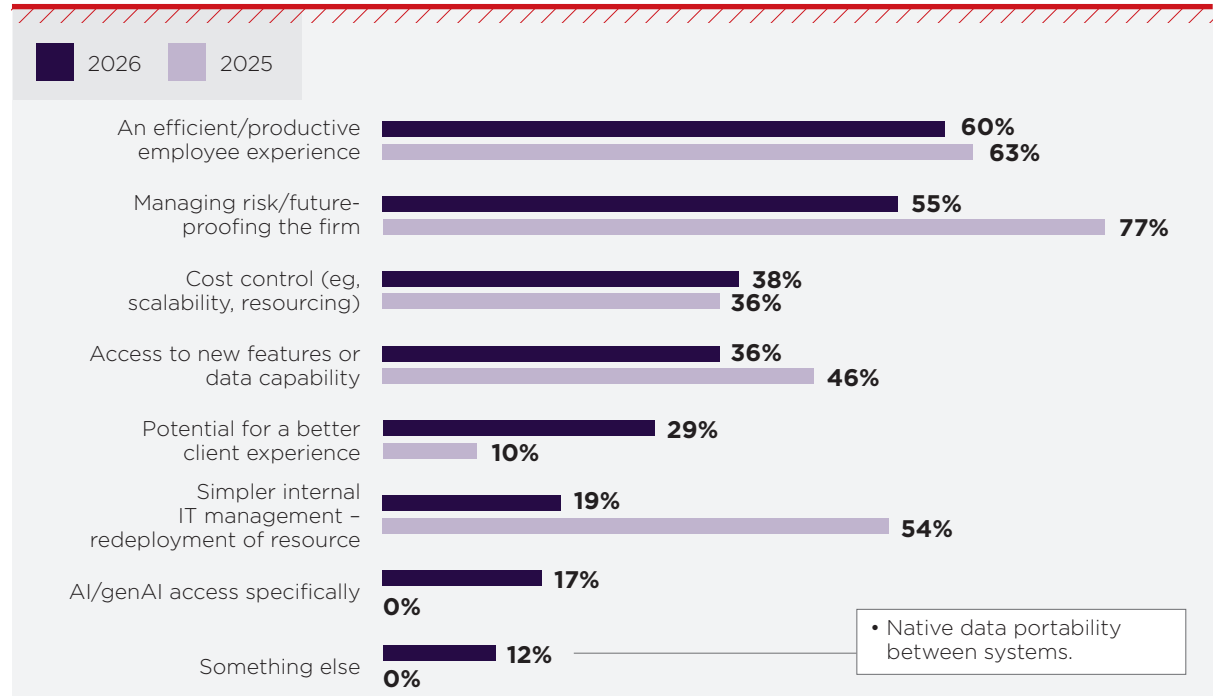
“We are now further ahead on a new case management system that has lots of potential, but with big changes like this the sheer pain of implementation is always greater than predicted, increasing as the technology grows more complex.”

One of the very top LPM Frontiers findings in 2025 was a simply huge jump in the number of leaders saying they would ‘only choose cloud’ as a platform foundation (from 20% to 59%). The enthusiasm for this scalable approach has held, with over half (52%) saying so again and a consistent almost third (30%) describing the overall position as ‘cloud-first’, which is that ‘systems will ultimately move, or should be replaced’ (p18). At the same time, there is a steady drop in the number saying systems at the firm are considered on a case-by-case basis. Cloud is clearly most likely to be a requirement for management, something true regardless of firm size and transformation resources. Almost half of firms have already made the commitment for their practice management system (PMS), for example, and another third expect it to be there within six to 18 months.

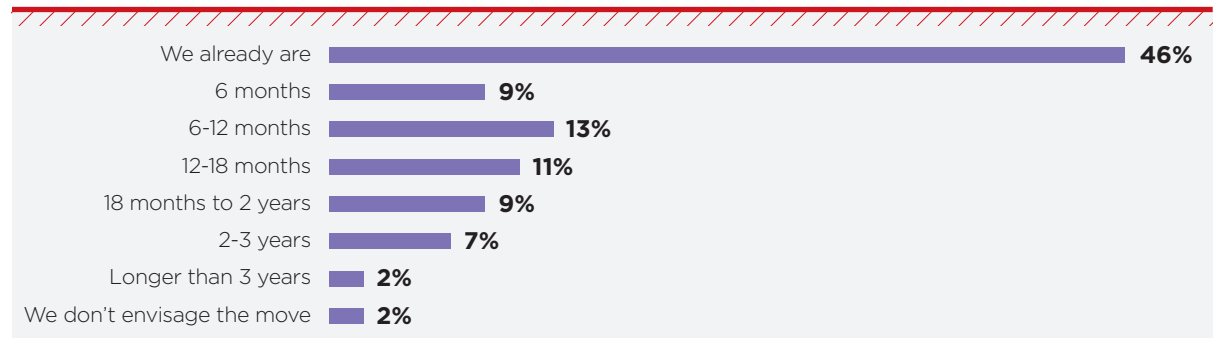
Although ‘opportunity to use AI’, potentially helping people to manage parts

User experience is now the top factor likely to be leading firms to a cloud move

What are the top three factors that would motivate your firm’s management to take a system to the cloud?



When do you envisage the firm being on a cloud version of a practice management system (current system or a replacement)?



PARTNER COMMENT



Why firms can't ignore tech anymore

CRAIG MATTHEWS, CEO, LEAP UK

With AI now front and centre in legal, it's no wonder nearly 90% of mid-market firms are either using it, piloting, or planning genAI rollouts within six to 12 months. As UK law firms tackle a digital-first world, innovation is top of the agenda — most plan to ramp up or hold steady on tech spend in 2026. Yet hurdles like finding the right suppliers, budget squeezes, management bandwidth, and patchy internal know-how are stalling progress. Ignore them, and you'll slip behind not just local rivals, but bigger players and AI-savvy disruptors breathing down your neck.

To stay ahead and build for the long haul, firms are eyeing big investments in automation, client technology like digital onboarding, data and analytics,

and sorting out core systems — all while juggling costs and talent retention. AI is reshaping legal work by speeding up drafting and research, tightening billing, cutting costs, and boosting client service. It sifts huge document piles, pulls key facts, and flags precedents in minutes — slashing time on nonchargeable work.

At LEAP we see AI's power to supercharge legal practice, blending client service with smarter pricing and workflows. Our AI-ready cloud platform weaves drafting, research, analysis and compliance into one seamless system, letting firms move faster without the risks. Beyond efficiency, it frees fee earners for high-value work, cuts burnout, and lifts job satisfaction, especially vital when 'AI access' ranks highly

for keeping talent.

Cloud migration tells the same story: 46% are already on cloud PMS, 42% switching within two years for AI access, scalability, and future-proofing. Security worries and change hassle slow some down. Risk is everywhere: cybersecurity is now a growth must-have, with almost half potentially chasing AI governance to stamp out shadow AI, and many standalone tools are being marked for replacement due to poor integration.

The legal sector is evolving fast. Firms tackling barriers head on via cloud/AI platforms, solid policies, and ROI-focused modernisation will thrive. Firms that act now gain the edge and set the standard for secure, efficient services that win clients and talent. Build your future-ready firm today.

To learn more, visit: leap.co.uk



of work more productively, was not viewed as one of the most important focuses for firm recruitment and retention efforts, it's striking that cloud-based working is now more likely to be associated with the idea of a more productive employee experience (60%) than with effective risk management (55%), such as cybersecurity defence and monitoring (p19). In addition, significantly more leaders than in 2025 see a link with a potentially better client experience (29%) — as we've seen, a top priority on the transformation agenda more generally — while time freed for an IT team to focus on more value-enhancing projects or areas of business improvement are apparently no longer such a driver.

Edward Gordon-Hall at Druces says: "Rather than automatically embracing a catch-all system, we're carrying out a root-and-branch review of true tech stack business drivers. Alongside resilience, two key tenets are absolutely client service and employee experience. How can we make people's lives easier? Part of that is easier access to documents, for example, but it's also simple tasks such as claiming expenses or picking a benefits package online, as well as the opportunity to take more responsibility during a day with better business intelligence."

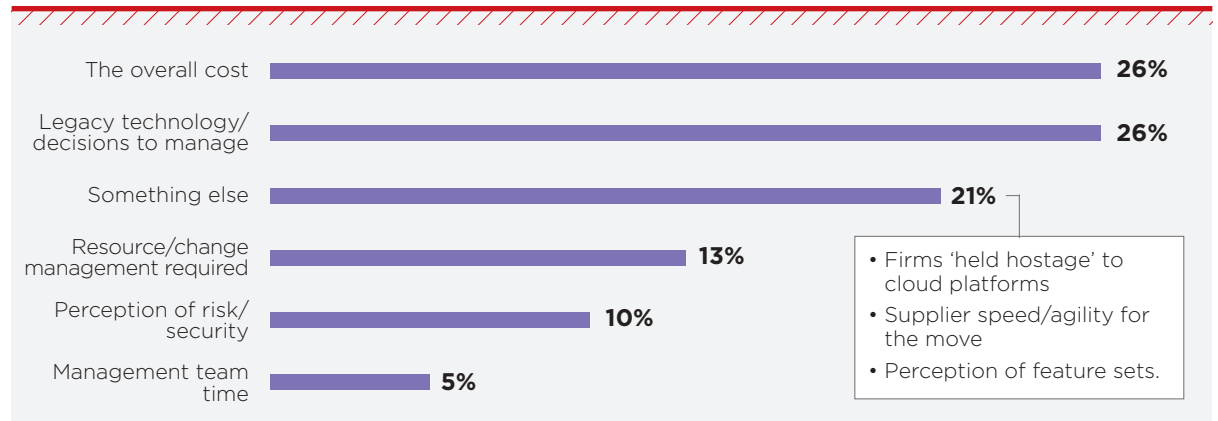
Neither resourcing concerns (13%) nor

Firms are eyeing big investments in automation, client technology like digital onboarding, data and analytics, and sorting out core systems — all while juggling costs and talent retention.

risk (10%) is considered a major barrier to pursuing a cloud migration, but the intricacies of managing the shift away from any legacy IT systems are up there with the overall cost (26%), and over half (53%) of leaders are less than satisfied (50-50 or less) with current levels of integration connecting people’s working journeys. Sams at Dutton Gregory says: “Everything should run through and link back to the platform. There are different levels of integration, but if it just isn’t going to integrate, don’t do it — if it does, you can easily see the improvements in workflow and automation.” **LPM**

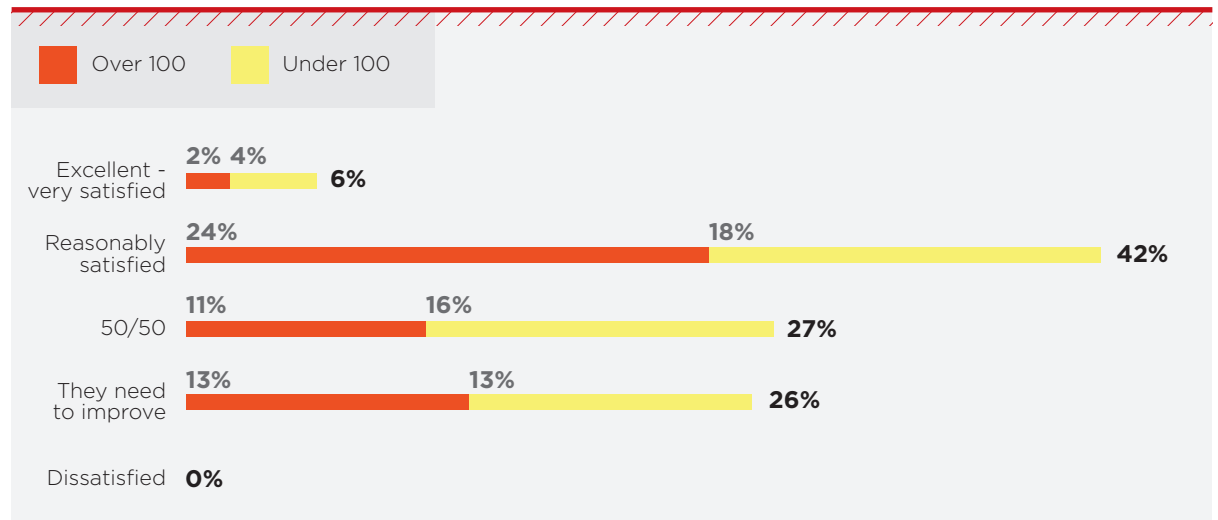
Legacy tech as significant as cost concerns for management looking to move faster or go further with cloud transformation

What is the one most significant barrier/challenge to decision-making around the firm’s cloud strategy?



Half of leaders at all sizes of firm less than ‘satisfied’ with integration between their business systems

How do you feel about current levels of integration/connectivity between your different technology systems?



“We’re carrying out a root-and-branch review of true tech stack business drivers. Alongside resilience, two key tenets are absolutely client service and employee experience.”

EDWARD GORDON-HALL, CEO, DRUCES

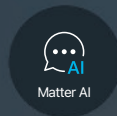
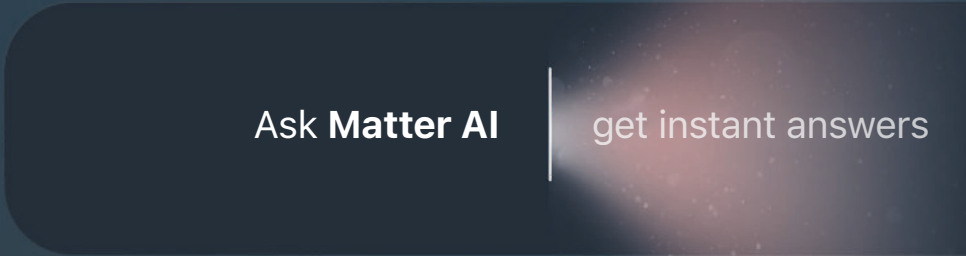
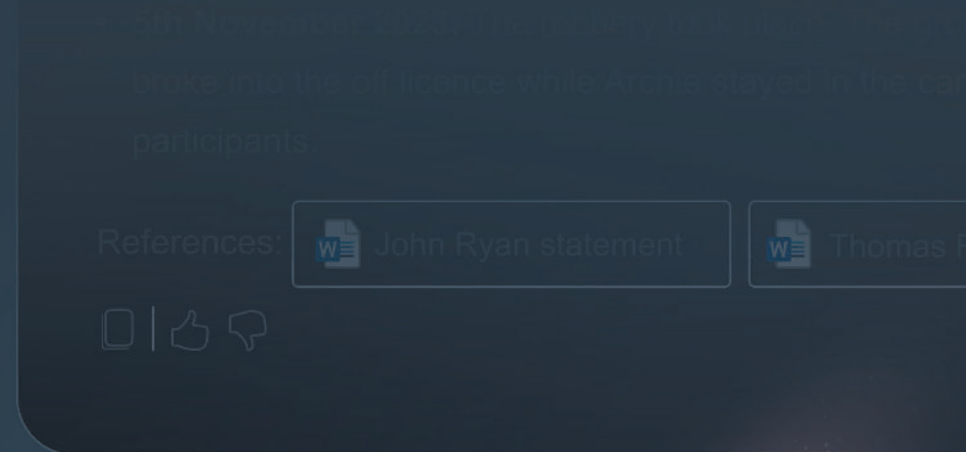


Your intelligent matter assistant

Ask questions and get instant answers from your documents. From drafting to insights, LEAP Matter AI helps your firm work smarter



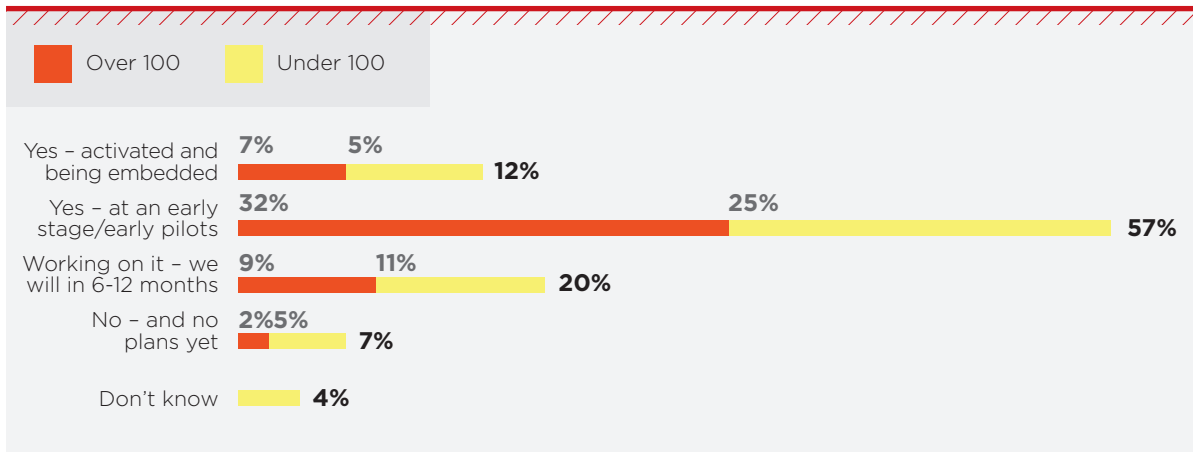
Learn more at: leap.co.uk/matterai



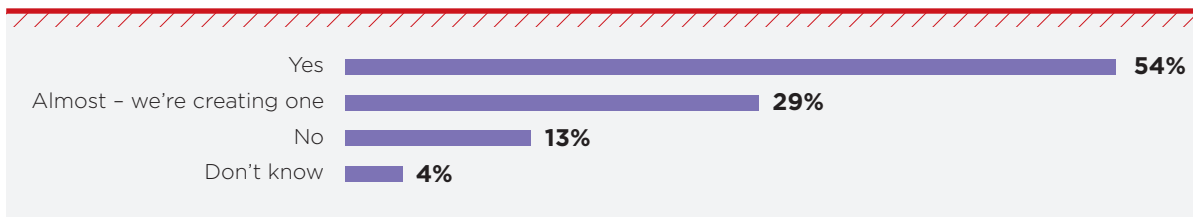
TIME OF ESSENCE FOR GENAI?

There's growing appreciation of the value AI might unlock for many – including clients – but only half of leaders know the firm already has a list of where use is permitted

Does the firm have an official plan to adopt genAI/LLMs in delivering at least some legal work or improving operational processes?



Does the firm have an official list of approved genAI tools, with clear guidance for use, to manage risk of unauthorised use ('shadow AI')?



In 2025, over a third of leaders (37%) said the firm had an official plan for generative AI (genAI) to be used somewhere in the

process of producing legal work or running the business efficiently – up from just over a quarter (26%) saying so in 2024. The proportion saying there were no plans to bring it in plummeted from 71% to 24%. Opportunities then were mostly recognised in powering up individuals' productivity (59%) taking on any number of repeatable tasks within projects – rather than managed centrally to support function-wide efficiency improvements. More specific areas identified by a minority included document drafting (44%), compliance checks (31%), internal communication (23%) and client relationship management (21%).

For 2026 we want to know the extent to which those plans are delivering scalable change to how people will work – and over half (57%), representing both larger and small firms, say they are at an early stage with pilots to identify potential of different use cases. Just 12% could say the plan was

fully ‘activated’ at the firm, although it’s again notable this group encompasses those in both the headcount bands. Only 7% now say there are no plans to harness the tide of this technology at all (p23).

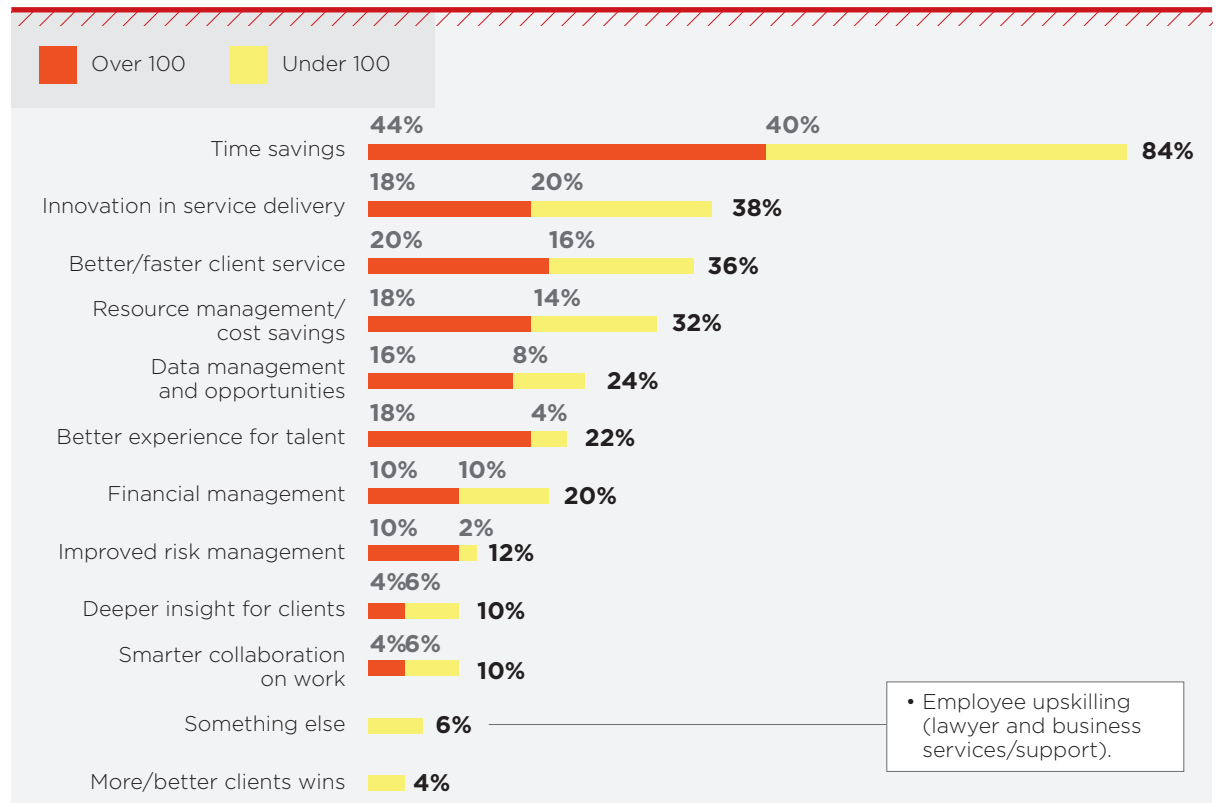
Leaders are most likely to expect value in 2026 by saving time on certain tasks (84%), whether those are embedded in workflows or otherwise. But that does not necessarily mean cost savings (32%), as human focus and energy, freed from what are usually more mundane parts of the job, can be redirected to higher-value contributions such as more detailed client-centricity, proactive business development, and even possible service expansion. On the other hand, certain groups may see more capacity to take on work and/or the opportunity for reskilling, with an impact on future hiring to match any fluctuation in demand.

Almost two-fifths of leaders believe genAI will also result in better client service outcomes (36%) and opportunity for more innovation in how these are delivered (38%), while those at larger firms in particular also acknowledge likelihood of delivering a better employee experience in the process. This is perhaps tied to expectation of managing to achieve a work-life balance alongside the promise of more rewarding, career-enhancing work.

Thompson says: “Our view is the greatest opportunity in the short to medium term lies

Most leaders expect time savings from genAI, but almost two-fifths see link with service innovation, and larger firms identify likely talent impact

Where do you expect investments in genAI tools/workflows to create most value for the firm over the next 12 months? Choose three

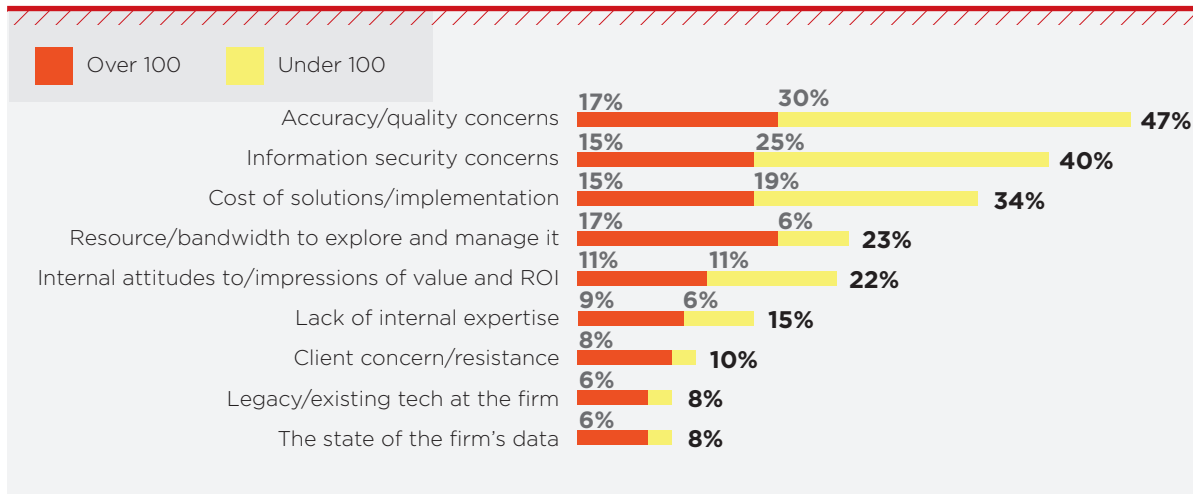
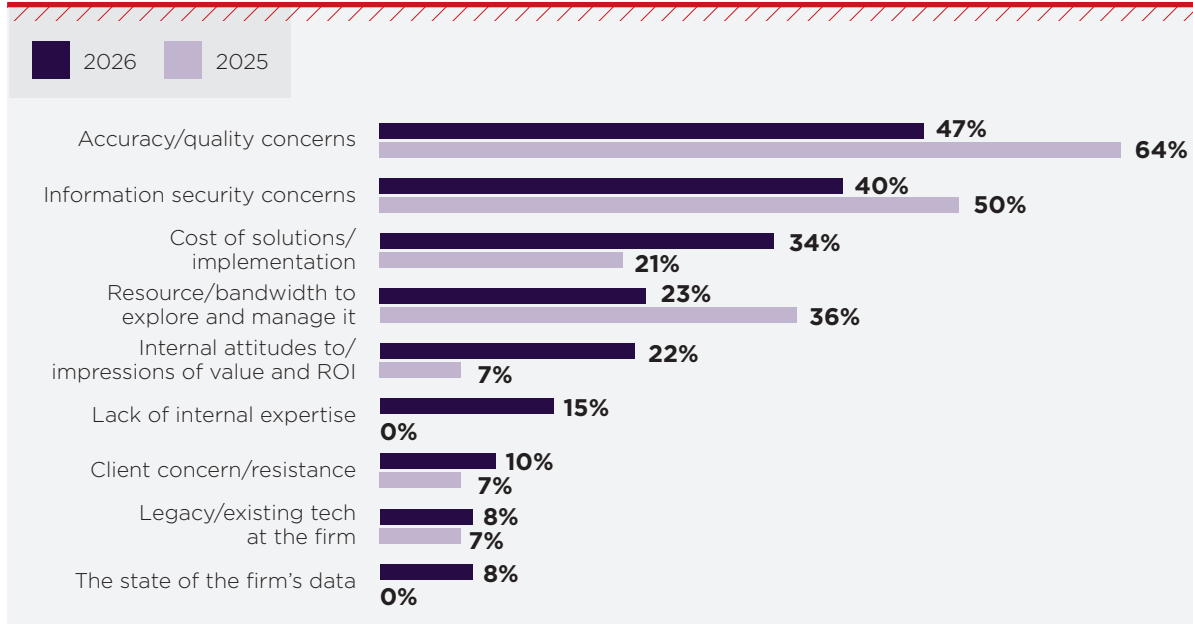


not simply in internal efficiency but in enhancing the client experience. We see significant potential for genAI to improve the clarity, accessibility and responsiveness of service. Focus this year is on governance, responsible use and client impact, ensuring

adoption is aligned with our values, risk appetite and service standards. Rather than increasing headline spend, emphasis is on smart adoption, integration and change management so technology genuinely improves how clients experience the firm.”

Accuracy and security concerns still top barriers to taking genAI strategy or transformation to another level

What are the two biggest challenges or obstacles to introducing more genAI tools or capability at your firm?



Sweeney adds: “You don’t get the efficiency and productivity gains from AI tools unless you take people with you. They need to see the benefit to them by removing pain, as well as for the organisation in adding productivity.”

But Brocklesby at Bellevue Law says: “Our firm may be under the least pressure to adopt quickly because we don’t have the huge pressure from clients around the cost of junior associates, but at the same time we aren’t doing the very high-volume, low-value work. We will, of course, have to adapt, and as tools become less expensive we are upskilling to meet them at the right point.”

“We also see challenges, such as the ability for people to use AI tools to create ever more complaints that seem plausible, generating additional work for clients and their lawyers. There is a limited number of scenarios where we might apply it now, such as creating a timeline or first draft, but we need to be extremely rigorous at checking, and if client work is involved we will only use Microsoft Copilot.”

Firms must, of course, manage any new technology from a risk perspective, one aspect being that requirement to check AI-generated outputs potentially eats into overall time saved and impacts the efficiency equation. They need to be able to trust the technology, but usually see careful and effective oversight — the so-called ‘human in the loop’ — as an essential element. Training

on appropriate use and scenarios that could expose to risk is another likely investment of management time — and it's perhaps surprising that only half of leaders say the firm has already provided a list of firm-approved tools with clear guidance about when and how people should use them (p23). Without this, where hybrid-work patterns are the norm, there's a risk that employees will use the AI tools they find most efficient for different purposes in their personal lives.

Among the factors leaders feel are now preventing them from making more progress at establishing genAI use cases, building engagement and adoption, risk remains a concern but is not what it was (p25). Under half now cite the output's quality/accuracy (47%) and information security (40%) as significant challenges — but concerns about the cost of investment (34%), and especially establishing proof of value when implemented (22%), appear to be on the rise.

Sams at Dutton Gregory says: "The fact is, if AI has the right prompt, and crucially the right information, it's less likely to make a mistake than a human — because it can't be distracted. Professional negligence claims stem from human beings making mistakes."

Like many, the example he gives is Microsoft Copilot, which he rates because it is "boxed off from outside data, and particularly useful for sentiment analysis such as checking language in emails or videos".



AI, trust and risk: managed cybersecurity is mission-critical in 2026

GARRY OWEN, SOLUTIONS MARKETING LEAD, SOFTWERX

The LPM Frontiers 2026 research is clear: AI in legal is no longer theoretical. Almost nine in ten firms now have genAI initiatives live, in pilot, or planned within 12 months. For mid-market legal practices, this creates a defining tension for 2026. AI promises productivity, differentiation and growth, but it also introduces new cyber risks directly affecting their core currency: client trust.

At Softwerx we work closely with resource-constrained mid-market legal practices to secure Microsoft-based business platforms through managed security services. We see three clear implications for cybersecurity flowing from the rapid adoption of AI.

AI multiplies productivity — and data exposure risk

Firms adopt AI to accelerate drafting, research, collaboration, and so on. In practice, this often means lawyers pasting client documents into AI tools, connecting copilots to document management systems, or granting broad access to shared data,

simply to 'make AI work'.

These behaviours increase risk of uncontrolled data leakage and copies, or privileged material exposure beyond the firm's security boundary, threatening long-term trust. This is where traditional, perimeter-focused security fails. Modern extended detection and response capabilities, delivered via managed XDR (MXDR) services, must correlate identity, cloud data access and use of AI to detect risks early.

'Shadow AI' is a client trust problem

Shockingly, the research shows nearly 40% of practices still lack an enforced list of approved genAI tools. The inevitable result is 'shadow AI': lawyers using personal AI accounts, browser plugins or free tools through lack of awareness of the risks.

This is increasingly not just a policy, but a trust issue. Shadow AI can result in client data retained by third parties, processing outside agreed jurisdictions, and breaches of confidentiality agreements.

Effective MXDR makes risk visible early by correlating identity, cloud and data movement, allowing firms to intervene before client confidence is damaged.

Bar raising for cyber resilience

Information security remains the biggest barrier to adoption. Clients are asking harder questions: how is AI governed, where does data go, and what happens if things go wrong?

For mid-market firms without internal security teams, MXDR such as secure365® from Softwerx provides continuous AI-aware monitoring, Microsoft-native threat detection, and clear incident response, enabling firms to evidence cyber resilience rather than rely on assurances.

In 2026 AI isn't reducing the importance of trust in legal services, it's amplifying it. Firms that succeed will pair AI-led innovation with transparent, credible cyber risk management.

To learn more, visit:
softwerx.com

softwerx

PARTNER COMMENT



Midsize firms must turn technology ambition into client impact

OLIVER TROMP, REGIONAL VICE PRESIDENT, UK, ACTIONSTEP

“The real question for midsize law firms is not whether they are investing in technology – it is whether those investments are translating into better outcomes for clients and stronger performance for the firm.”

Midsize law firms have clear ambitions around technology, efficiency, and growth. Yet LPM Frontiers shows many are still working to turn this into business impact. This year’s findings are also supported in Actionstep’s 2026 UK Midsize Law Firm Priorities report, conducted in partnership with LPM.

Digital transformation is now firmly embedded in strategic thinking across the sector. Around two-thirds of firms say investment in technology, automation and AI will be a top priority for the year ahead. But the real question isn’t whether firms are investing; it’s whether this is translating into better client outcomes and stronger performance.

In many ways, midsize firms are well positioned to lead this next phase of transformation. Scale often allows them to move faster than larger organisations

burdened by legacy infrastructure and complex governance. Over half of leaders at these firms believe they have a genuine advantage in adapting as markets, client expectations and technology evolve.

But the research also reveals a tension. While leaders recognise the importance of client relationships for future growth, relatively few place improving client satisfaction at the centre of strategy. At the same time, many believe they already deliver highly personalised experiences, which suggests a gap between perception and reality.

This is where technology can be powerful — not by replacing the human element; through enhancing it and making space for more impactful human work.

Automation and AI are increasingly being used to expedite routine administrative work, streamline compliance processes, and support lawyers with tasks such as research and drafting. Many firms already experiment with these tools, but for most, adoption remains early-stage and largely individual. The

next step will be integration.

Technology delivers most value when it connects the different parts of operations, including client onboarding, matter management, billing, reporting, and team collaboration.

Integrated practice management platforms help to bring these elements together, creating a single source of truth while reducing operational friction.

The result is not simply greater efficiency. It’s the ability to make better decisions, improve visibility across the business, and ultimately deliver a more consistent and responsive experience for clients.

For midsize firms, that balance between innovation and service will define the next phase of growth. Those that successfully combine modern technology with a true client-centric mindset will be positioned to set the standard for modern legal services.

To learn more, visit:
[actionstep.com](https://www.actionstep.com)

Actionstep

Ultimately, however, even SME firms may need to assess the impact of significant increases in technology investment and resulting efficiencies, and then build these conclusions into their business models, considering the effect on client expectations, pricing strategy, legal career paths, and work mix profitability.

Burrows at Ashtons Legal says: “We still firmly believe the technology will support and allow us to focus on more value-adding, as opposed to the more admin type of tasks. We’re asking people to reimagine how we deliver services, including services that weren’t previously cost-effective to provide but now might be.

“One thing that will change our approach is introduction of cost not necessarily encapsulated in hourly rates. There’s a nervousness about charging for AI, but as the market evolves, we need to remain competitive on price and ensure growth when there’s downward pressure on fees and upward pressure on costs.”

Significantly fewer leaders (31%) than in 2025 (48%) now express confidence they can assess ROI in new technology introduced (p29) — with a sharp jump in the number saying they don’t know (24%). The areas where leaders are most likely to say they see or feel a lack of ROI are at the client-facing end of operations, with a third (36%) indicating they’d want to see more with respect to aspects of client experience

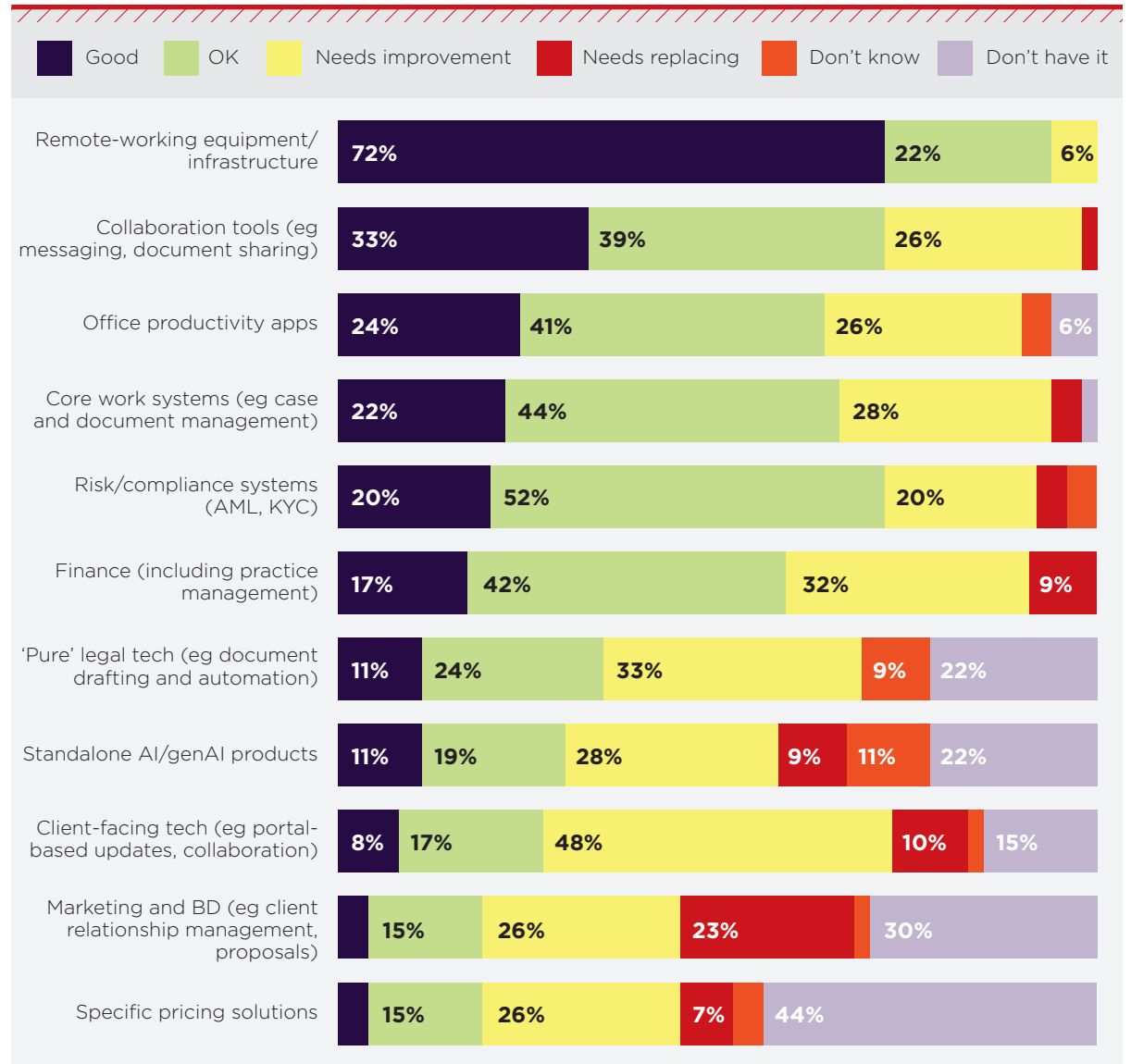
(p29). Client relationship management, as often, is another concern. This compares with just a fifth dissatisfied with ROI in genAI use cases or experiments to date, although almost as many (18%) say they don't know how strongly this is objectively delivering.

Sweeney explains: "Lawyers have been burdened with time recording for years, so records are there to see how much less time a job takes — and if it's an incremental gain, it's worth doing. The challenge is converting efficiency to productivity. How many other jobs can you do with that time? Then it's how to price that, where the worst thing you can do is bill entirely on a time basis without recovering some of the technology cost."

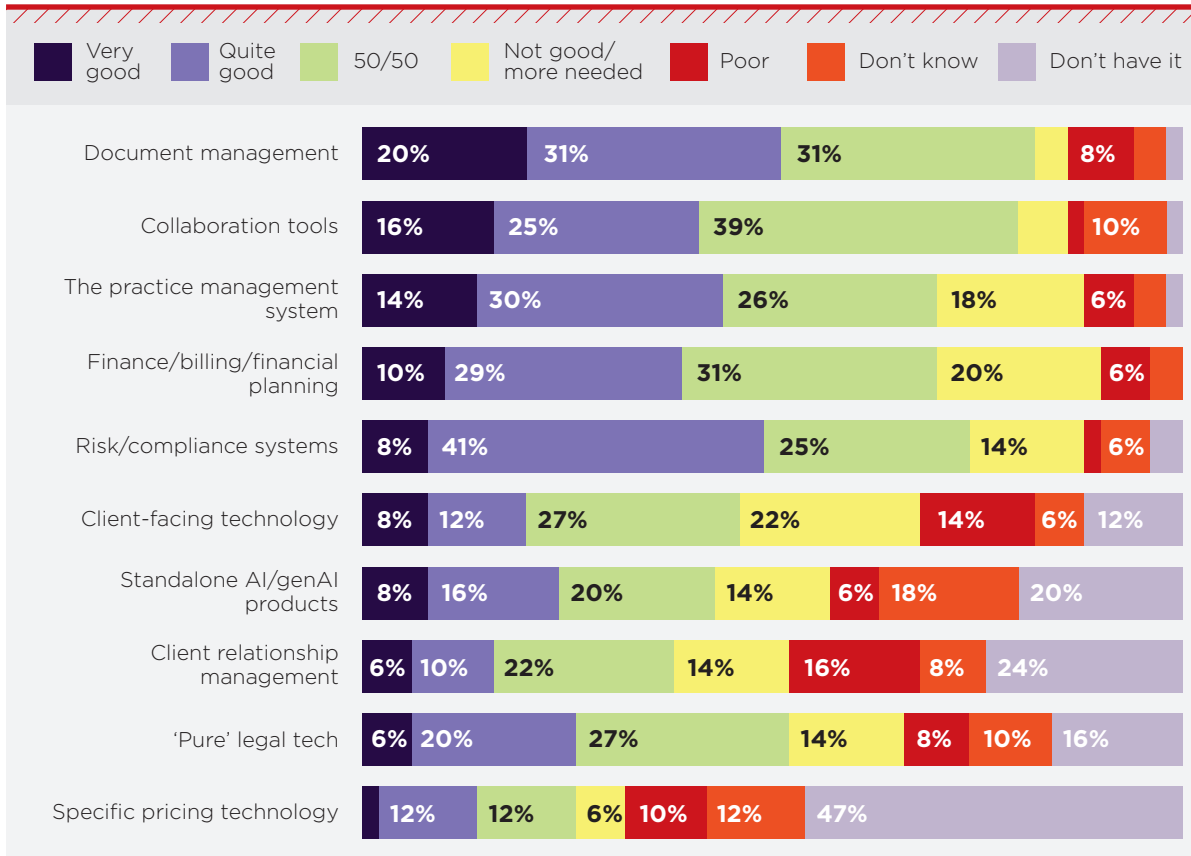
Sams agrees: "Our firm benefits from time savings because we work for a lot of fixed fees. It's the traditional hourly-rate model that suffers, but even then you're putting years and years of accumulated knowledge behind technology that's doing something faster to be checked." He believes the ROI lies in both the time savings and the positive feedback from clients who likely want a faster or more responsive service. He adds: "We are looking seriously at AI telephony, just to ensure that a call is answered with some information, and reassurance, at the first attempt. It's one part of controlling the narrative for a client."

Sweeney continues: "Digital experience, such as using client portals, are certainly one way to differentiate. Our listening to business

Overall satisfaction with business system performance? Marketing and client-facing tech experience still lead causes of concern for leaders



Impressions of ROI? Document and risk management lead the field of technology types in transformational value — client-facing delivery lagging



clients brings up requests that we will try to accommodate, such as electronic billing information and management information across matters through dashboards.”

By contrast, categories in which leaders have the very best impression of value flowing through the system are document management and compliance, both cornerstones of a robust approach to risk management (document management transformation, for example, linked to growing organisational discipline, consistency, security and corresponding trust) and with potential to improve client journeys/outcomes — while over two-fifths (44%) also point to the business backbone of their practice management system as a relatively sound investment.

Lovett at Amicus Law says: “We want to minimise the total number of platforms and really focus on the ROI in what we’ve already got. That means a shift from investing in IT to skills and training to unlock opportunities.”

Brocklesby believes that Bellevue could measure the impact of its new PMS, as this has taken paralegal administrative time out of file-opening, know-your-client and billing processes: “We haven’t taken out headcount, but it doesn’t take any more time for a fee earner to fill in the form or record time. We’ve seen double-digit growth, but without bringing new business operations staff. It has had a much bigger impact on the business than any form of AI.” **LPM**

Under a third now confident in assessing value from new technology

Do you think the firm can realistically assess ROI in its most recent tech investments?

