

# Annual Report 2024

LawAhead Center on the Legal Profession

# Annual Report 2024

LawAhead Center on the Legal Profession



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In its second year, the LawAhead Center has consolidated its work as a think tank for the future of legal practice.

## Welcome from **Soledad Atienza**

In its second year, the LawAhead Center has consolidated its work as a think tank for the future of legal practice. It has been a year of growth, impact and internationalization.

This year, the Center has expanded its sponsors to include five new in-house departments from the companies Aena, Caixabank, Microsoft, Mapfre and Telefónica. These organizations, together with the founding law firm partners, CMS Albiñana, Cuatrecasas, Garrigues, Gómez-Acebo y Pombo, Pérez-Llorca, RocaJunyent, Sagardoy and Uría Menéndez, are now members of the LawAhead Center Board.

One of the year's highlights was the publication of the report entitled *Engaging Foreign Lawyers. Considerations for the Spanish Legal Sector*, by Professor Johanna Jacobsson. This report explores the regulations governing the practice of foreign lawyers in Europe, with a specific focus on Spain. As a result of this report, the Madrid Bar Association (ICAM) is soon to set up a new register for lawyers from different jurisdictions who practice in Spain.

In 2024, the LawAhead Center at IE Law School established solid links with international counterparts, such as the Harvard Center on the Legal Profession, the Georgetown Center on Ethics and the Legal Profession, the Professional Law Institute at The Dickson Poon School of Law (King's College, London), and the Bucerius Center on the Legal Profession, which have resulted in several joint activities, including round tables and publications.

I would like to thank all of those who have contributed to LawAhead with their ideas, conversations, debates and research, and I am looking forward to expanding our community and our impact on the legal sector in the near future. ■

**Soledad Atienza** / Dean, IE Law School



LawAhead has become a space where professionals, academics, and industry leaders can exchange ideas and explore solutions to these challenges.

## Introduction from **Luis de Carlos**

As we look back on the past year, I am delighted to see how the IE LawAhead Center on the Legal Profession has continued to grow and establish itself as a space for discussion, research, and collaboration in the legal sector. Our goal has always been to connect academic research, legal practice, and business strategy, ensuring that Spain remains engaged in the broader global conversation about the future of the profession.

One of the key developments in 2024 was the growing interest in open discussions about the changes shaping the legal world. Technology, regulatory shifts, and global trends are transforming the profession at an unprecedented pace. LawAhead has become a space where professionals, academics, and industry leaders can exchange ideas and explore solutions to these challenges.

2024 also reinforced the value of building strong professional networks. LawAhead is more than a platform for events and publications. It is a community committed to driving progress in the legal sector. Through ongoing conversations with law firms, corporate legal teams, and international institutions, we aim to encourage a more collaborative and forward-thinking approach to the practice of law.

Looking ahead, our focus remains on encouraging strategic thinking and leadership development in the legal profession. As the sector evolves, so must the skills and mindset of those who work in it. LawAhead will continue to support this transformation, ensuring that our initiatives have a real and lasting impact. ■

**Luis de Carlos** / *President, LawAhead Center on the Legal Profession*

# AI and the Future of Law: a Debate on Generative AI in the Legal Sector

## LAWAHEAD CENTER ON THE LEGAL PROFESSION

SYMPOSIUM

THE IMPACT OF GENERATIVE AI IN THE PRACTICE OF LAW

**ie**  
UNIVERSITY  
LAWAHEAD CENTER  
ON THE LEGAL  
PROFESSION



From left to right: José Luis Ortín, Luis de Carlos, Soledad Atienza, Román Gil, Elena Aguilar, Carlos Rueda.

# Mission & Vision

The LawAhead Center on the Legal Profession works closely with law firms and businesses to efficiently respond to challenges in the industry, providing a neutral space where stakeholders can work together to generate and share acquired knowledge to society as a whole.

The Center's mission is to be a research and dissemination hub focusing on the relevance of the legal sector. Its purpose is to bring together legal professionals so they can make a decisive, lasting impact on society, while advocating for the essential values of the legal profession.



**The way society is evolving poses new challenges for companies and law firms:**

- | The enormous impact of technology.
- | Challenges in attracting and retaining talent.
- | Regulatory changes.
- | Environmental, social and governance (ESG).
- | Cybersecurity and data protection.
- | Crisis management and reputational risk management.
- | Changes in corporate governance.

**The Center aims to:**

- | Serve as a national and international benchmark in legal research, development, and innovation, partnering with other centers in Europe, the United States, and Latin America.
- | Make a decisive impact on society, by creating a lasting legacy through sustained, long-term initiatives.
- | Act as a transformative center that influences and works with other organizations in decision-making, contributing to Spain’s reputation as a legal benchmark through its endeavors.
- | Become a hub for various academic disciplines.
- | Stand as a place of inspiration and a privileged meeting point between the academic, professional, business, and legal institutional worlds.

**The Center focuses on three key areas:**

- | Seminars and events.
- | Dissemination articles
- | Applied research projects. ■

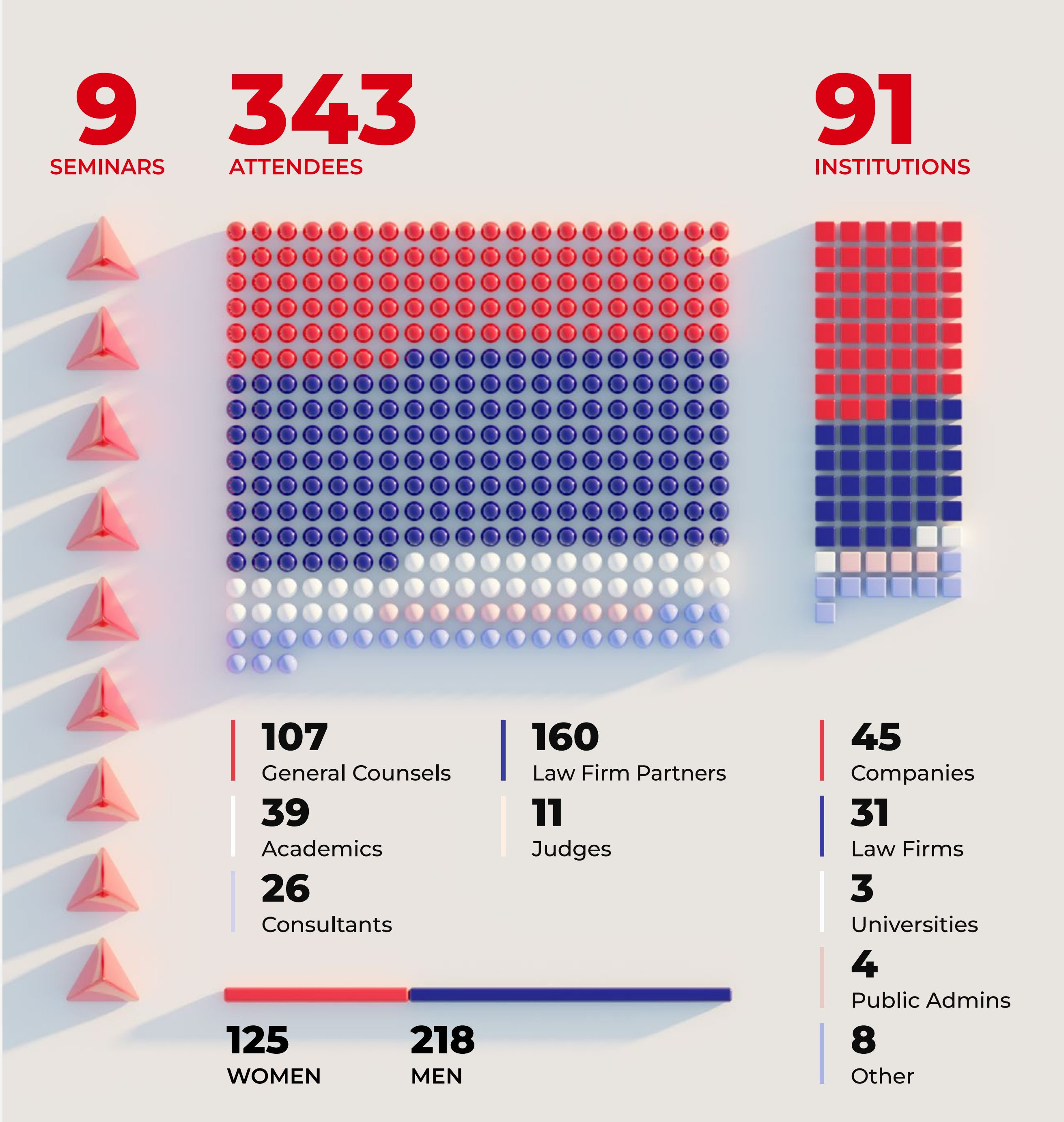
# Seminars and Events

At the IE Law School's LawAhead Center on the Legal Profession, we work to disseminate the knowledge we generate, underscoring the academic value of our activities, and making a strong academic and social impact.

IE University has a longstanding, close relationship with the most prestigious national and international media outlets, which disseminate the knowledge generated by the Center. In LawAhead's second year, its events and invited experts received media attention in various economic and legal outlets, generating information opportunities through news coverage, articles, and interviews in the mainstream media.



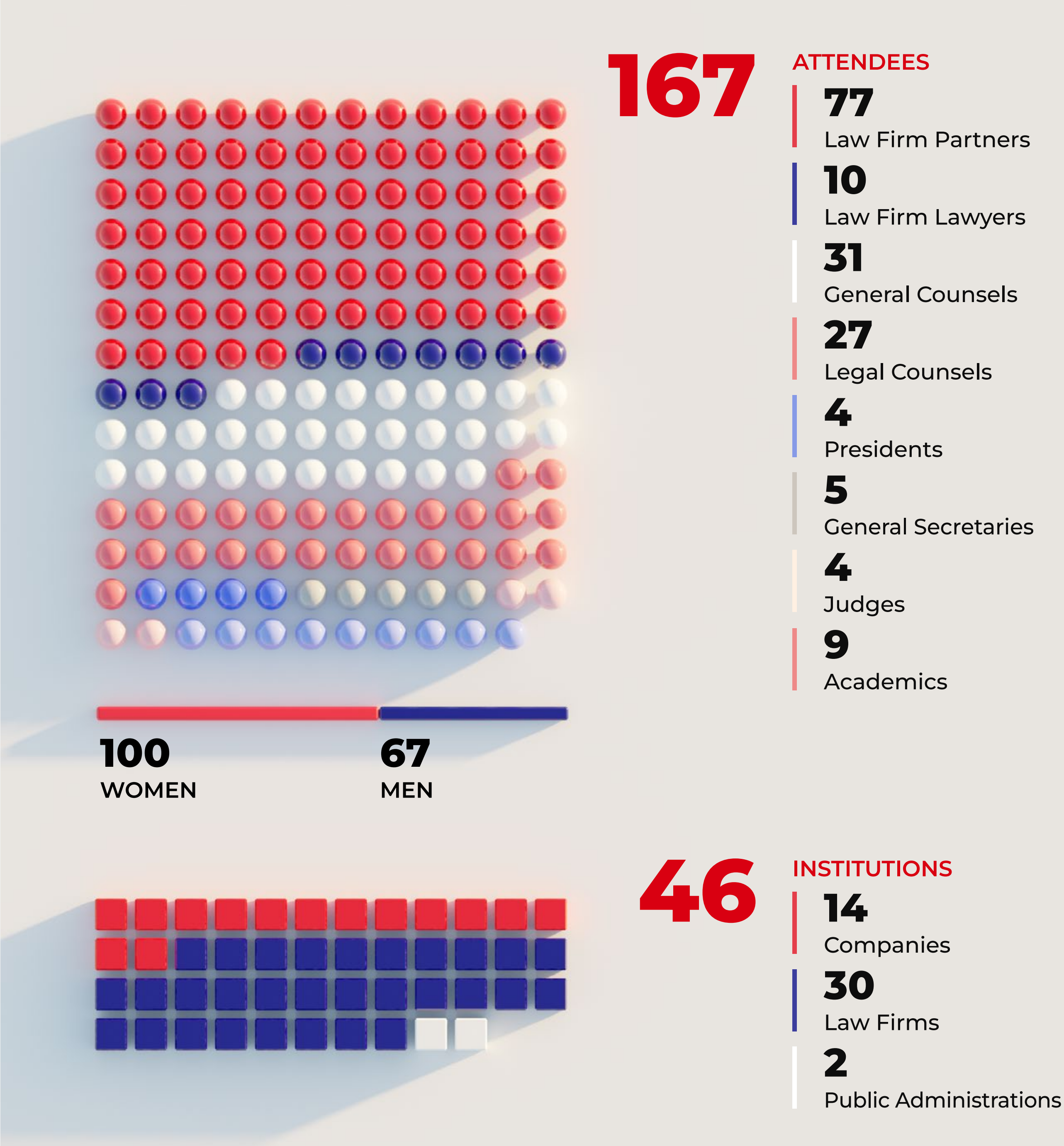
The LawAhead Center organized a wide range of activities and events throughout 2024 to promote excellence in the legal profession and foster discussion on current legal challenges. ■



# AI AND THE FUTURE OF LAW: A DEBATE ON GENERATIVE AI IN THE LEGAL SECTOR

In February, over 100 people attended a debate at the IE Tower in Madrid aimed at deepening analysis and dialogue on the impact of generative AI tools in the legal sector.

Soledad Atienza, the Dean of IE Law School, welcomed the attendees and outlined the context the legal profession is currently operating in. She introduced the topic of AI as a determining factor in the legal services carried out by law firms, public entities, and social and educational institutions.



## AI and the Future of Law: a Debate on Generative AI in the Legal Sector

The keynote address was given by Rafif Srouf, the Vice Dean of IE School of Science and Technology. Rafif, who is an expert in data and business analytics, shared an interesting perspective on AI in today's world and in the legal sector.

After the opening presentation, the symposium hosted three round tables featuring diverse experts and topics, providing a transversal, multidisciplinary perspective on the subject.

The first session, entitled *Exploring the Future of Work*, was led by Lee Newman, the Dean of IE Business School, and Janine Berg, a Senior Economist at the International Labour Organization (ILO). This session was moderated by Antonio Aloisi, a professor at IE Law School.

The speakers analyzed the impact of AI on human relations and work organization in the legal sector. They also highlighted the importance of identifying the new skills that legal professionals require if they are to successfully address the changes that AI is bringing to the world of work.

In the second round table, experts discussed *Ethics in Artificial Intelligence*. The round table featured Richard Benjamins, former Chief Responsible AI Officer at Telefónica, and Idoia Salazar, the President and Founder of OdiseIA. The session was moderated by François Delerue, a professor at IE Law School.

The round table put forward an in-depth reflection on the ethical foundations for the responsible use of AI in the legal profession. It also offered an interesting debate on ethical changes, and the importance of taking them into account when developing advocacy service solutions based on these types of tools.

The third and final session discussed *Artificial Intelligence and Legal Services*, with Sébastien Bardou, Vice President at LexisNexis, William Long, a partner at Sidley Austin LLP, and Anthony Vigneron, Director of Legal Technology Solutions at Clifford Chance. This round table was also moderated by another IE Law School professor, Francisco de Elizalde.



# AI and the Future of Law: a Debate on Generative AI in the Legal Sector

This debate explored the transformation in the provision of legal services, analyzing changes from the automation of tasks to improvements in efficiency. This kind of reflection is key to achieving a balance between the use of AI tools and the role of the lawyers charged with tackling the challenges and opportunities that this new context brings to the legal sector.

The event closed with a practical demonstration of the use of generative AI in law firms. ■

# AI and the Future of Law: a Debate on Generative AI in the Legal Sector



From left to right: Luis de Carlos, Constanza Vergara, Rafif Srour, Gonzalo Ulloa, Cristina Andrés, Soledad Atienza, Rafael Fontana, Joan Roca, Pablo González-Espejo.

# THE TRANSFORMATION OF THE LEGAL MARKET

In March, **Neil Barr**, Chair and Managing Partner of Davis Polk, presented an in-depth analysis of the evolving legal market. His presentation shed light on the transformation of law firms, the increasing importance of scale, and the growing reliance on business professionals to drive firm success.





# The Transformation of the Legal Market

Neil Barr emphasized that in today’s competitive landscape, the largest law firms are thriving, citing insights from Thomson Reuters’ 2024 report on the state of the U.S. legal market. He pointed out that leading firms are prioritizing mergers and strategic talent acquisitions to maintain their dominance. A prime example is the ongoing talent war in London, where certain US firms have been aggressively recruiting high-profile lawyers.

Additionally, Barr highlighted the resilience of private capital markets, noting their consistent growth despite economic fluctuations. He also discussed shifts in compensation structures within law firms, as well as the increasing role of artificial intelligence in legal practice.

As the legal industry continues to evolve, Barr’s insights underscored a crucial reality: law firms must adapt to remain competitive. They need to embrace innovation, undertake strategic hiring, and deploy new business models to sustain long-term success.

This session was an exclusive event for the law firms and companies sponsoring the Center. ■

\* This session was an exclusive event for the law firms and companies sponsoring the Center.

# LEADERSHIP AND GLOBAL LEGAL CHALLENGES

In May, the Center staged an event featuring **Donald Rosenberg**, a distinguished corporate law leader who has held top legal positions at some of the world's most influential technology companies. During his career, he has served as **Senior Vice President and General Counsel at IBM; Senior Vice President, General Counsel, and Corporate Secretary at Apple**, and as **Executive Vice President, General Counsel, and Corporate Secretary at Qualcomm**. At Qualcomm, he was also a member of the Executive Committee and held the position of **Chief Legal Officer**, overseeing all legal matters on a global scale.



# Leadership and Global Legal Challenges

During the session, Rosenberg reflected on the current state of the legal profession at international level, offering valuable insights and practical advice for both in-house and external legal counsel. Drawing on his extensive experience, he explored the intersection of law, corporate strategy, and geopolitics, discussing the challenges and responsibilities that come with being a top legal executive at a major multinational.

The conference concluded with an analysis of the 2024 United States presidential election, between Donald Trump and Kamala Harris. Rosenberg highlighted key legal and geopolitical factors that could influence the election and its potential impact on the business and legal landscapes. Rosenberg highlighted key legal and geopolitical factors that could influence the election and its potential impact on the business and legal landscapes.

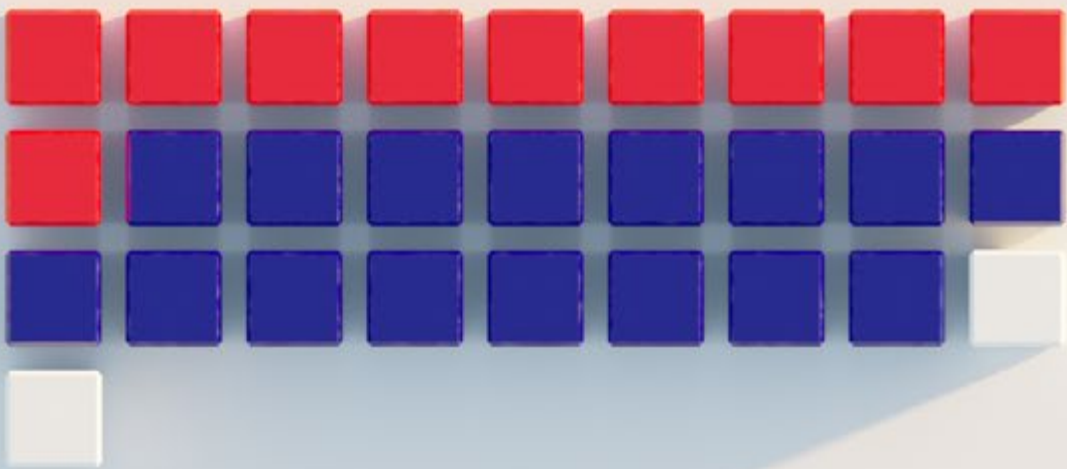
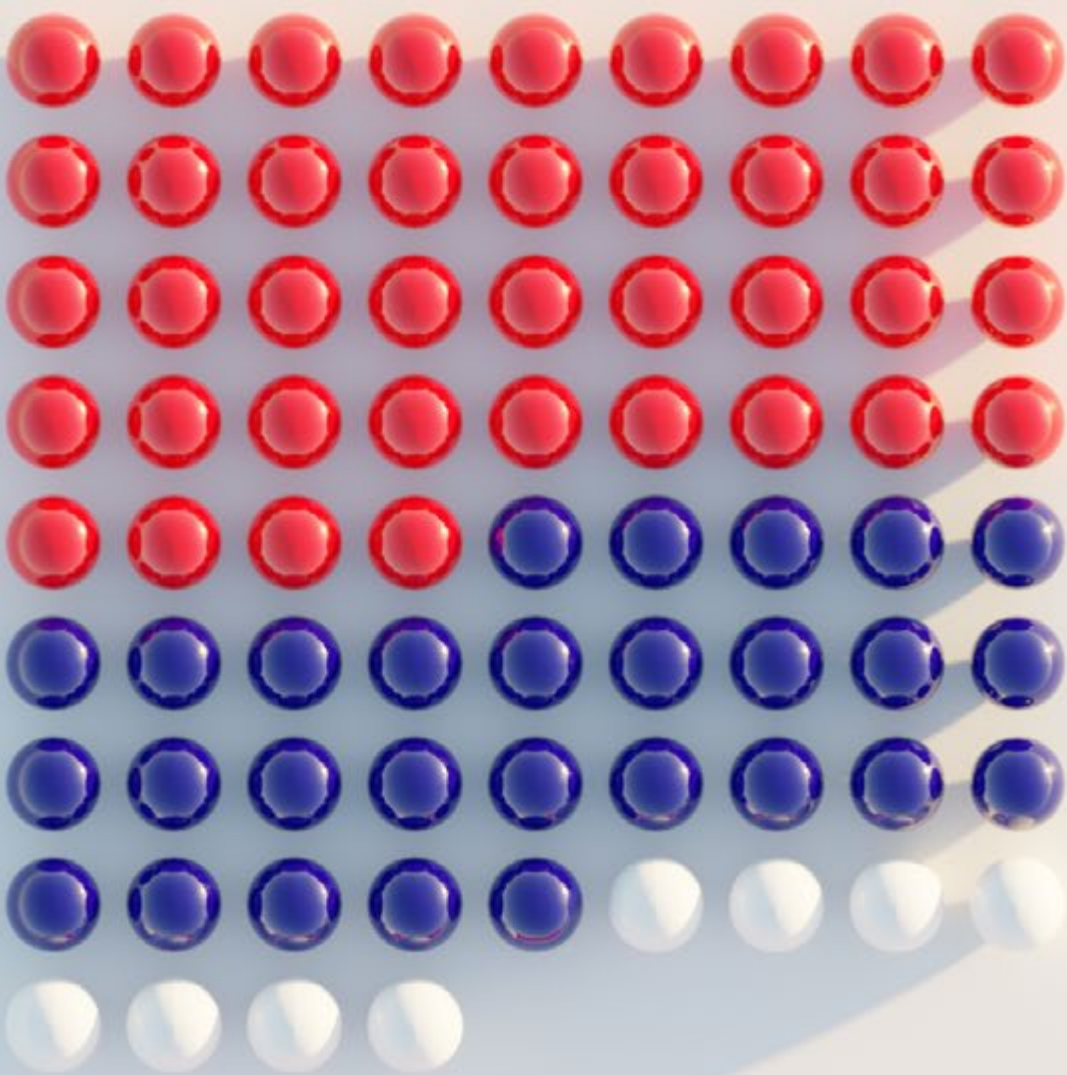
This session was an exclusive event for the law firms and companies sponsoring the Center. ■

\* This session was an exclusive event for the law firms and companies sponsoring the Center.



# RETAINING TALENT IN THE LEGAL PROFESSION

In June, a major conference on **legal leadership and talent retention** brought together industry professionals to discuss urgent workforce policies.



76

ATTENDEES

40

Law Firm Partners

28

General Counsels

8

Academics

28

INSTITUTIONS

10

Companies

16

Law Firms

2

Universities

## Retaining Talent in the Legal Profession

The event was attended by several legal practitioners who listened to an insightful talk given by the distinguished **Harvard Law School professor Scott Westfahl**, an expert in revolutionizing leadership in the sector. Professor Westfahl has a varied background with years of experience in consultancy across different fields. His talk focused on fostering a more sustainable legal profession, specifically addressing ways to retain talent.

The lecture got underway with Westfahl pointing out that law firms are currently competing in two global markets: one for clients and another for talent. He explained that much of the legal sector still fails to consider talent on a strategic level, in the way other business sectors have long been doing. According to Westfahl, if things are to change, uncomfortable conversations are required, and this is something the legal profession often does not embrace. ■







# ARTIFICIAL INTELLIGENCE, NEW TECHNOLOGIES AND LAW

In July, the LawAhead Center underscored its commitment to the academic world by sponsoring the ICONs conference, the most internationally relevant event in the legal field. This forum, recognized for bringing together leading experts and academics, has become a key space for reflection and the exchange of ideas on the challenges and trends in public law.



## Artificial Intelligence, New Technologies and Law

As part of its participation in ICONs, LawAhead organized a high-level panel discussion, moderated by Luis de Carlos, which addressed key issues on the intersection of artificial intelligence, new technologies, and law. During the session, topics such as the evolution of artificial intelligence and its philosophical and legal implications, the impact of algorithmic manipulation on personal autonomy and privacy, and the challenges posed by social networks in protecting privacy were discussed.

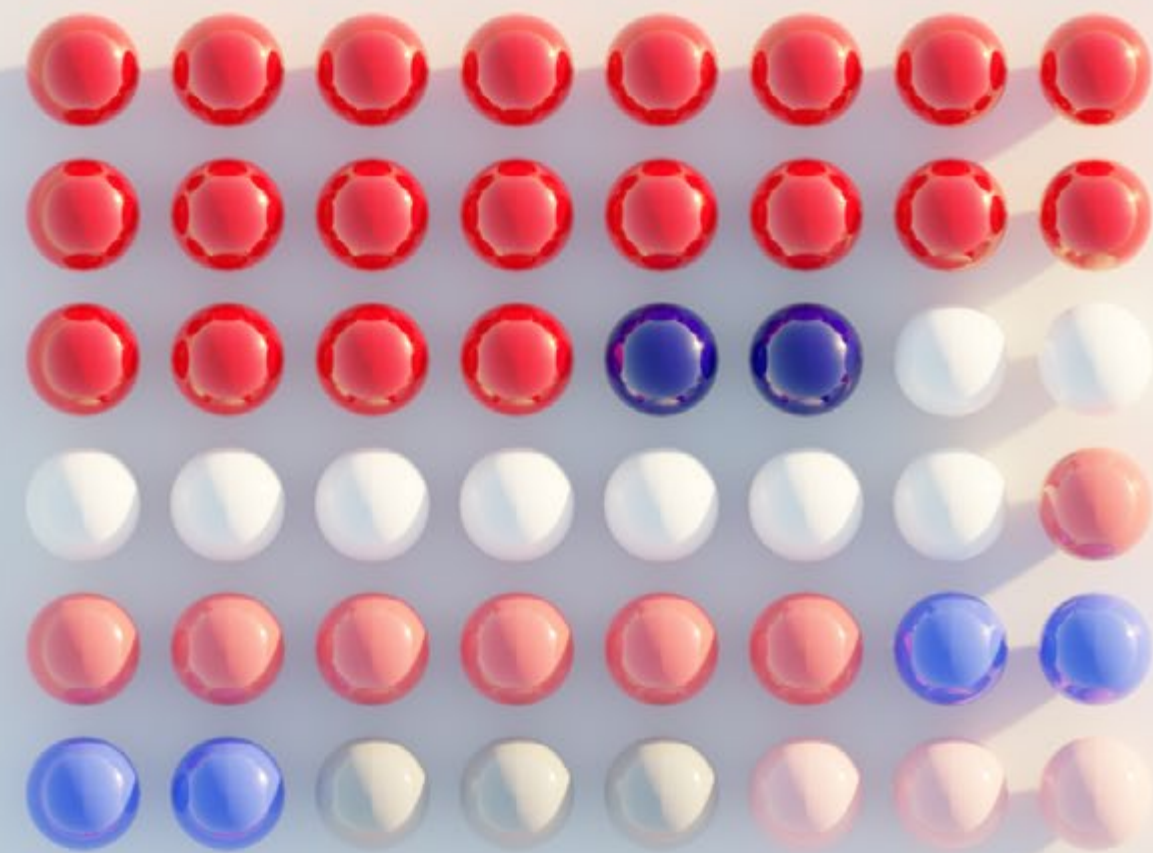
Additionally, important issues such as disinformation and its relationship with copyright, as well as the impact of neurotechnology on the debate about human dignity and its ethical and legal implications, were also analyzed.

This initiative enabled LawAhead to strengthen its role as a driver of knowledge and innovation in the legal field, promoting dialogue between administrative law actors and contributing to the development of solutions for contemporary challenges in the field. ■

\* This session was an exclusive event for the law firms and companies sponsoring the Center.

# ENGAGING FOREIGN LAWYERS. CONSIDERATIONS FOR THE SPANISH LEGAL SECTOR

In September, the Center released its first research report, entitled *Engaging Foreign Lawyers. Considerations for the Spanish Legal Sector*, authored by Professor Johanna Jacobsson.



48

## ATTENDEES

20

Law Firm Partners

2

Law Firm Lawyers

9

Managing Partners/  
Presidents

7

General Counsels

4

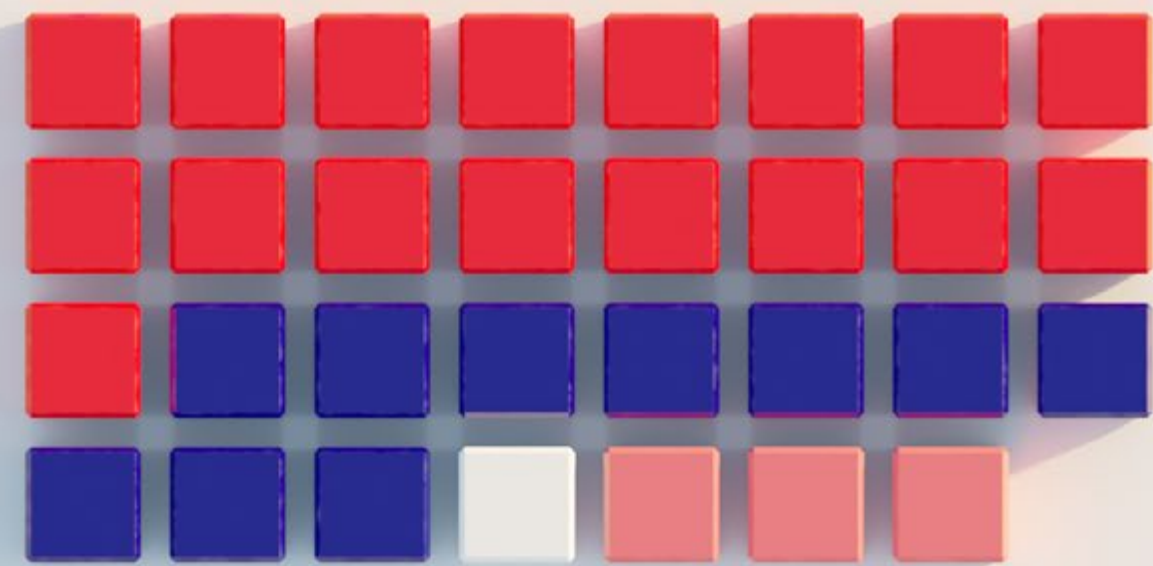
Academics

3

Corporate Secretaries

3

Other



31

## INSTITUTIONS

17

Law Firms

10

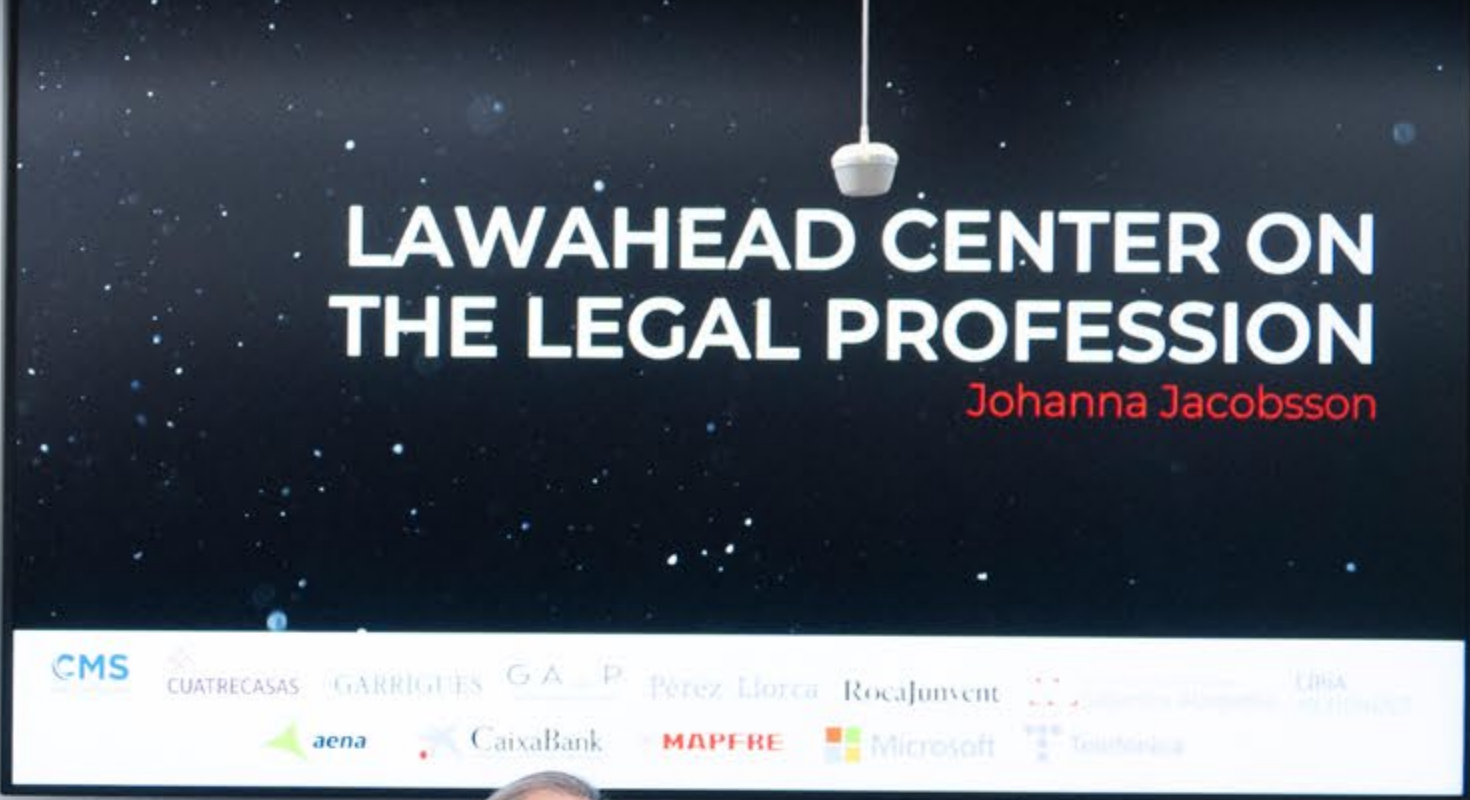
Companies

1

University

3

Other



## Engaging Foreign Lawyers. Considerations for the Spanish Legal Sector

The presentation was attended by Eugenio Ribón, the Dean of the Madrid Bar Association.

According to the report, Spain has established itself as an attractive market for legal operations, drawing international lawyers, particularly from Latin America, and Spanish law firms are increasingly considering hiring international talent. However, one of the key conclusions of the report emphasizes the need for clearer regulations to facilitate their integration and fully leverage Spain's cultural affinity with the American sub-continent.

The study highlighted that, over the past decade, regulations governing access to the legal profession have created additional barriers for international lawyers seeking to practice in Spain. The qualification recognition process remains unclear which, according to the report, underscores the need for regulatory reform to remove these obstacles. These barriers mainly affect lawyers from outside the EU/EEA.

Furthermore, the report found that the proportion of international students enrolled on master's programs in law in Spain was significantly high. Figures show that 36% of master's students in law for the 2022-2023 academic year were from Latin America. However, in master's in law practice programs (*Máster de Acceso a la Abogacía*), foreign students only represented a small fraction of the cohorts (5.4% in 2022-2023), primarily because admission requires a Spanish undergraduate law degree.

"It would be beneficial to streamline the recognition of foreign law degrees, particularly from Latin American countries, to enable their admission to master's in law practice programs. This would help achieve the desired balance between the need for international talent and experience, and the preservation of quality," emphasized Luis de Carlos, President of the LawAhead Center on the Legal Profession.

## Engaging Foreign Lawyers. Considerations for the Spanish Legal Sector

The publication of this report has contributed to an important regulatory change. On December 17, the Madrid Bar Association amended its statutes, modifying section 4 of Article 11 of the draft statutes. After listing the different categories of members, the article now includes the following provision:

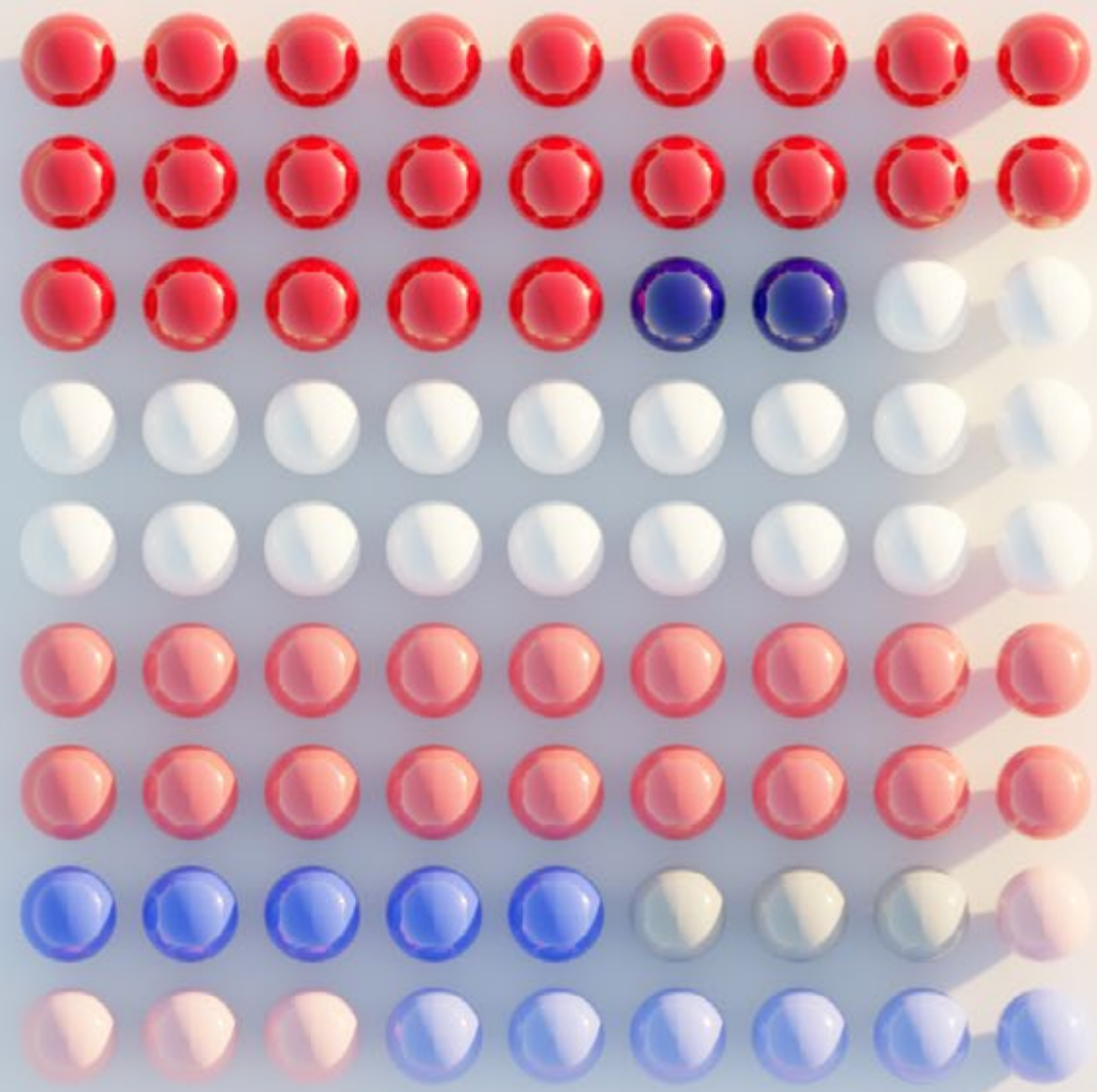
*4. In addition to the aforementioned categories, the Governing Board may, considering the circumstances, create specific registers for lawyers from third countries who meet the required qualifications in their home country and wish to practice in Spain or for law firms established in Spain, in compliance with the regulations governing the practice of law in our legal system. ■*





# GOVERNING AI FOR HUMANITY

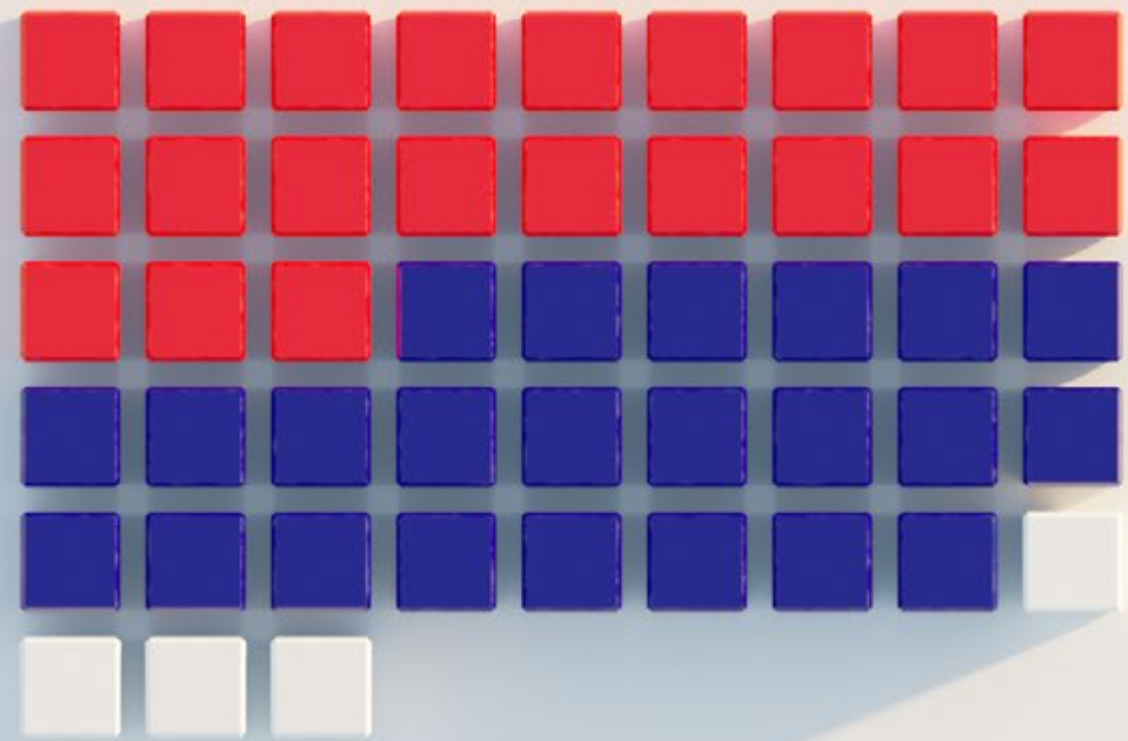
In October, the LawAhead Center hosted a conference in which Carme Artigas, the former Spanish Secretary of State for Digitalization and Artificial Intelligence, presented the United Nations report *Governing AI for Humanity* for the first time in Spain. The event, which brought together many legal experts, strengthened IE Law School's commitment to leading discussions about the future of the legal profession in a digital world.



81

ATTENDEES

- 23 Law Firm Partners
- 2 Law Firm Lawyers
- 20 General Counsels
- 18 Legal Counsels
- 5 Corporate Secretaries
- 3 Academics
- 4 CIOs
- 6 Other



48

INSTITUTIONS

- 21 Law Firms
- 23 Companies
- 2 Universities
- 2 Other

# Governing AI for Humanity

The report is the result of the work carried out by the United Nations High-level Advisory Body on Artificial Intelligence, a group co-chaired by Artigas, featuring a leading group of experts representing the public and private sectors, civil society, and other institutions. The uniquely diverse Advisory Body is the world's first and most representative expert group capable of reflecting humanity's aspirations for AI.

During her speech, Artigas emphasized the need for global AI governance, pointing out that if the risks and opportunities of this technology are not addressed properly and collectively, it will be impossible to reap its benefits, such as using it to achieve the SDGs, "as it affects fundamental rights." She underscored the fact that AI is "the only technology that can continue to evolve without human intervention," which presents unprecedented challenges for humanity and traditional regulatory frameworks.

The report proposes seven key recommendations for global AI governance, including the creation of a global fund for AI to reduce the gap with the Global South, a global AI data framework, and an AI office within the UN Secretariat, reporting to the Secretary-General.

These proposals aim to ensure that AI is developed in a transparent, ethical, responsible, and inclusive manner. "We need a common ground for action," Artigas emphasized, advocating for regulatory convergence. "We cannot allow just seven countries to dominate the conversation while 118 others, mostly from the Global South, are excluded," she stated, highlighting the need for global representation. ■

\* This session was an exclusive event for the law firms and companies sponsoring the Center.



**AI  
Advisory  
Body**

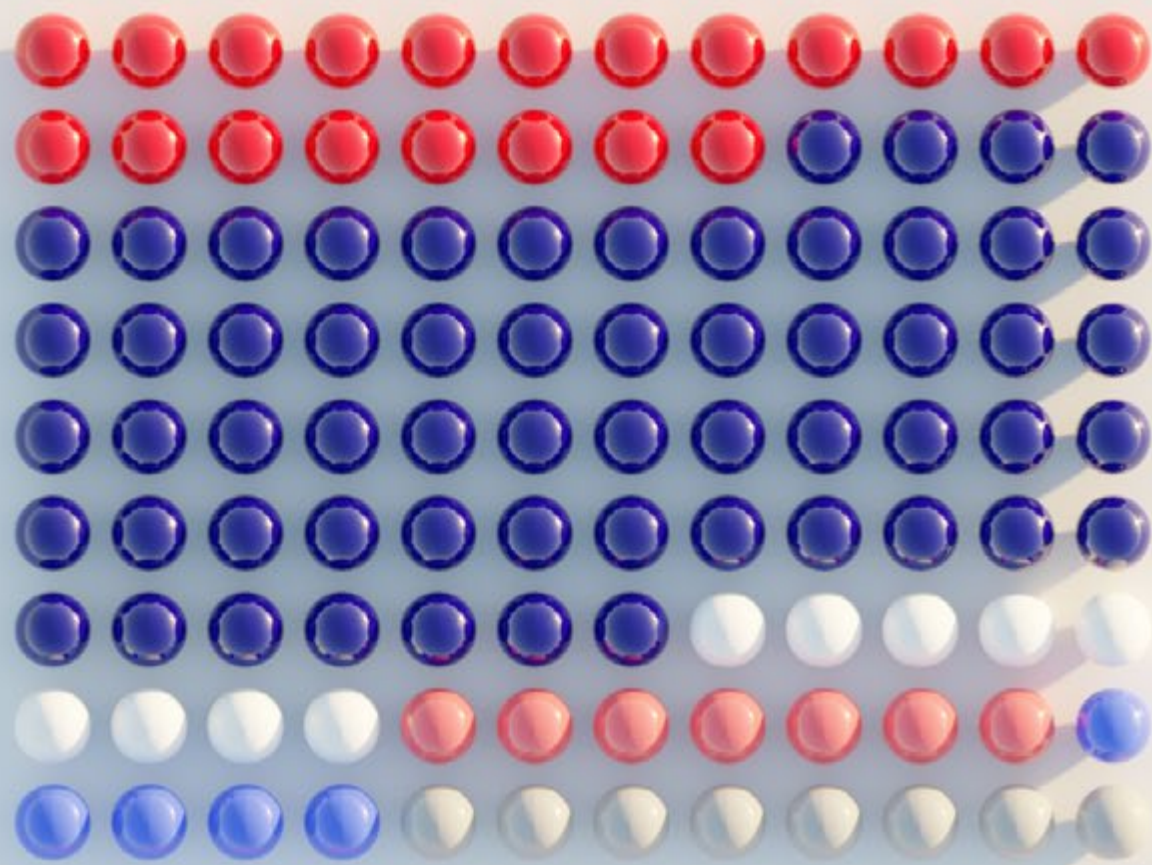
## Executive Briefing





# WHAT WOULD A WORLD WITHOUT LAWYERS LOOK LIKE?

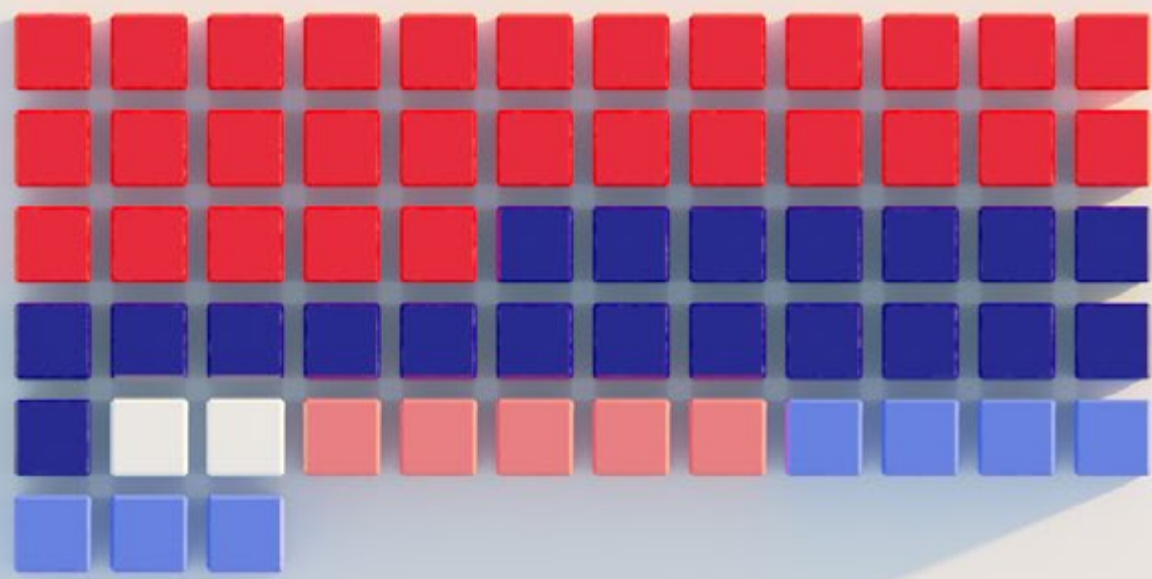
What would a world without lawyers look like? This intriguing question served as the starting point for an event organized by the Center on November 18. The forum marked the presentation of *The IBA report on the social and economic impact of the legal profession*, and brought together prominent leaders from the legal, business, and political sectors.



108

## ATTENDEES

- 20 General Counsels
- 59 Law Firm Lawyers
- 9 Managing Partners/ Presidents
- 7 Academics
- 5 Consultants
- 8 Other



63

## INSTITUTIONS

- 29 Law Firms
- 20 Companies
- 2 Universities
- 5 Consultants
- 7 Other

## What Would a World without Lawyers Look Like?

Lawyers' contributions to society are often not well known or recognized, even within the legal profession itself. This lack of awareness of and appreciation for what lawyers contribute to society is even greater among the general public, civil society, institutions and states. This is why the International Bar Association (IBA) has produced this report, drawing on multiple sources, with McKinsey & Company also contributing to the analysis. It aims to assess the impact of the legal profession on society, explore the relationship between this role and the general public's perception of it, and identify the levers that could improve its positive impact.

The report was presented by Almudena Arpón de Mendívil, President of the IBA (2022-2024) and a partner at Gómez-Acebo & Pombo, and Alejandro Beltrán, Senior Partner at McKinsey & Company. It seeks to serve as a vital tool for underscoring the influence of over twelve million lawyers worldwide and advancing the cause of a fairer, more equitable, and more sustainable society.

During her presentation, Arpón de Mendívil stated that lawyers' contributions to the rule of law “generate wealth, promote innovation and education, curb governmental overreach, reduce inequalities, and enhance environmental sustainability.”

The event featured a host of distinguished participants, including José Luis Martínez-Almeida, the Mayor of Madrid, and Eugenio Ribón, Dean of the Madrid Bar Association (ICAM).

Following the presentation of the report's key findings, Luis de Carlos, President of the LawAhead Center, moderated a panel discussion featuring Íñigo Méndez de Vigo, Counsel of the Spanish Parliament and former Minister of Education, Culture, and Sport; Víctor Oléa, President of the Mexican Bar Association, and María Cermeño, Head of Legal Services at Telefónica España.

The discussion emphasized the far-reaching importance of the legal profession. Lawyers play a pivotal role in bolstering democracy, ethical standards, and social cohesion from political and business contexts to the protection of the rule of law. ■

# LEADERSHIP & HAPPINESS

In November, the LawAhead Center, in collaboration with the Center for Health & Well-being at IE University, hosted a transformative session with **Arthur C. Brooks**, the Director of the Leadership and Happiness Laboratory at the Harvard Kennedy School.



# Leadership & Happiness

The event offered keen insights into Brooks’ philosophy, focusing on the four foundational pillars of happiness: family, friends, meaningful work, and faith.

Brooks drew on his latest bestseller *Build the Life You Want* to present some of the principles for creating a fulfilling life. These include embracing unhappiness as a necessary part of growth, seeking real friendships instead of deal friends, and becoming a happiness teacher.

## Emotional self-management

Brooks underscored the importance of emotional self-management, providing practical tools such as journaling emotions, practicing gratitude, and reframing negative experiences to foster personal growth. He encouraged attendees to shift their focus from self-perception to outward contributions, reinforcing his belief that “happiness is love in action.”

## An impactful session

The event provided participants with inspiration and a renewed understanding of happiness as both a personal and professional endeavor. Attendees were encouraged to apply these insights to their leadership roles in law firms and companies, as well as to their daily lives. ■

\* This session was an exclusive event for the law firms and companies sponsoring the Center.

# THE SALARIED PARTNER DILEMMA: SILVER BULLET OR POISONED CHALICE FOR LAW FIRMS?

**Moray McLaren /**  
*Professor, LawAhead Center on the Legal Profession*

Despite ongoing predictions of its demise, the partnership model is still alive and well. As Mark Twain famously quipped, “The reports of my death are greatly exaggerated,” a sentiment that applies here, as elite law firms around the world continue to enjoy strong growth and increasing profitability.

Understanding and delivering on the changing expectations of clients and people while managing profitability within the traditional partnership framework, however, is increasingly challenging. In this uncertain, ever-changing world, firms are quite rightly asking: Will what got us here get us there? Which aspects of our approach are fit for purpose? And what needs to change to keep up with the times?

Determining the next generation of equity partners is one of the most challenging decisions any firm can face. Having too many qualified candidates can be as difficult to manage as having too few. Preparing, selecting, promoting, and supporting the next generation while

providing a glidepath into retirement for the most senior partners is a complex task.

The research shows that an increasing number of law firms globally are adopting a hybrid partnership model, moving from equity only into an equity and salaried partner model. In parallel, firms with an existing salaried partner group are looking to extend this. Developments in the U.S. are making headlines, with Cleary Gottlieb Steen & Hamilton, Cravath Swaine & Moore, and Paul Weiss, amongst others, introducing non-equity tiers, although we are also seeing this in other parts of the world.

The logic behind these moves is clear. Driven



by the need to attract and retain top talent, offer more flexible career paths, and maintain profitability despite market uncertainty, introducing salaried partners enables firms to offer the prestige and financial benefits of partnership to a broader group of lawyers while still maintaining a core group of equity partners who share in the firm’s profits and decision-making.

At the same time, the contradictions are clear. Is a salaried position primarily a filter and preparation for “full” equity status or, in effect, a full-time cadre of lawyers who are central to the business but unable to get the top job?

Our question when approaching this research was, therefore, to what extent can the salaried role serve the best of both worlds? Or does it simply mean the worst of both, by placing an additional hurdle in front of those already qualified for equity, while raising an obviously fake prize for the rest? The potential for ambiguity is clear, although the answers are not. The study shows that the increasing use of salaried partners provides a window into the current state-of-play of elite law firms globally, not all of which is positive.

Research methodology

The research was commissioned by the LawAhead Center on the Legal Profession at IE Law School in Madrid. We are grateful to the Center’s President, Luis de Carlos; its Executive Director, Cristina Andrés, and the Dean of IE Law School, Soledad Atienza, for their guidance and support. We must also acknowledge the ongoing backing of the IBA’s Law Firm Management Committee (LFMC) for distributing the research survey to its members around the world. Over 190 firms participated through interviews or surveys and this study would not have been possible without them.

In our profession, we see that many firms are adopting a two-tier partnership for all the right reasons but failing to deliver in terms of the aspirations for both equity and salary partners. Therefore, the goal of this study was to clearly define the opportunities and risks of a two-tier partnership, developing the key success factors for different types of law firms. It also aimed to better understand whether the experiences were similar across different types of law firms and in different parts of the world.

This Executive Summary only enables us to include a fraction of the results.

Research Findings

Finding one  
The trend towards hybrid partnership is increasing, with firms looking to introduce or increase their numbers of salaried partners.

In our survey, over three-quarters (77%) of respondents stated that their firm had a salaried partner tier while the rest were equity-only (23%). A breakdown by firm type provides a clear indication of where the two-tier model is being adopted.

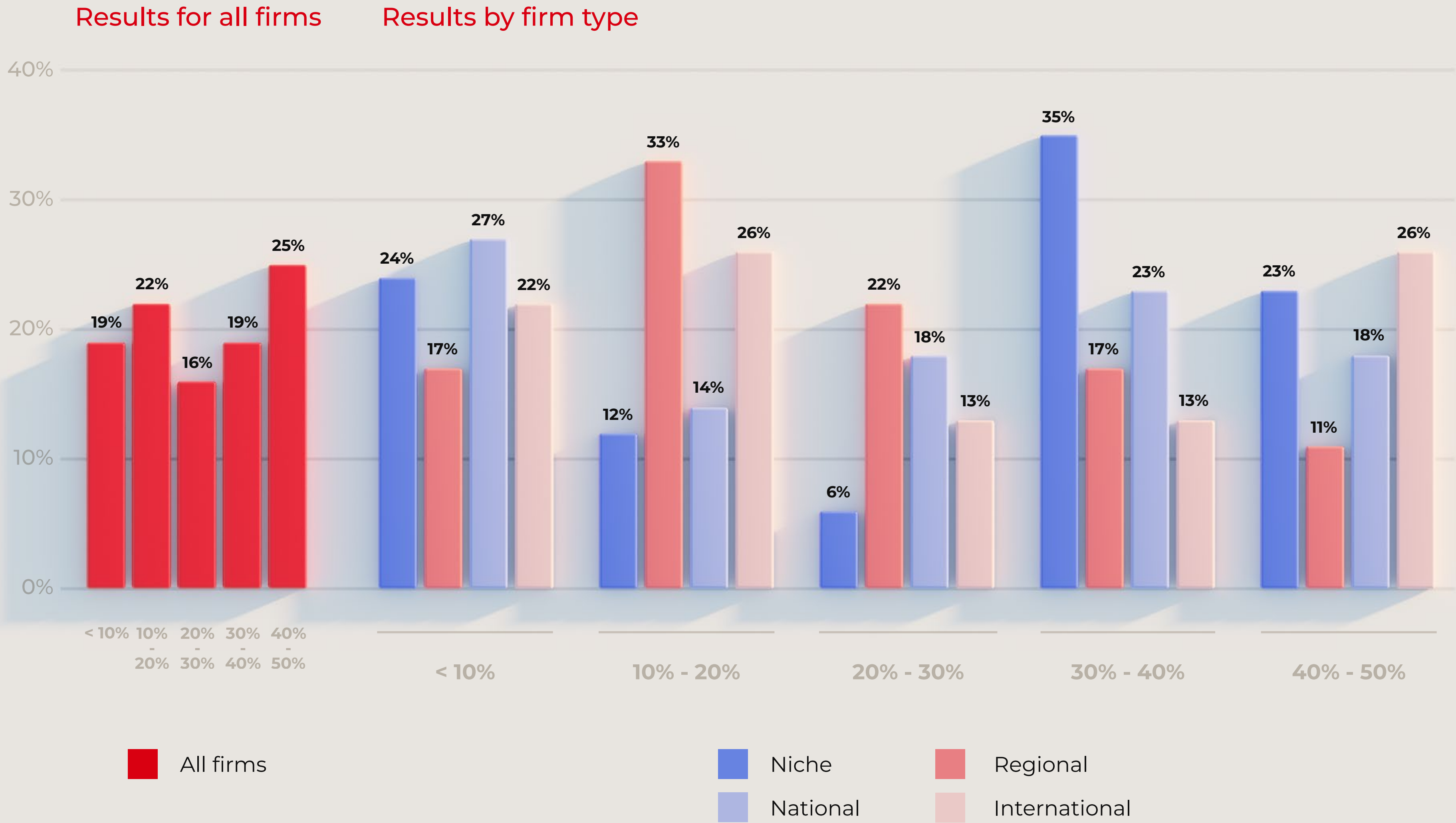
The research found that in firms with salaried partners, international firms came out top, with salaried partners making up more than half of their partnership. About a quarter (26%) of international firms had more salaried than equity partners. They were followed by 24% of niche firms where more than half the partnership was salaried, followed by 18% of national firms and

11% of regional firms. Conversely, about half of the international and regional firms had 20% or less of salaried partners.

Importantly, 35% of firms said they were either considering increasing the proportion of salaried partners or had done so recently. This group was led by national (40%) and niche (37%) firms, compared to 28% of regional and 24% of international firms. All types of firms consistently stated that the main advantages of the salaried role were that it was a good way to retain their best people by shortening their career pathway and providing vital “test” experience for a possible equity role.



# If you have salaried partners, what percentage of the partnership do they represent?



International aspects fall outside the scope of this Executive Summary. However, the research revealed the following findings:

National independent firms in Europe have a lower percentage of salaried partners than the survey average.

India is an interesting market, with many firms relying heavily on the salaried role, partly due to the closely held equity within the remaining “family-owned” elite firms. However, an emerging group of firms is opening up equity and decision-making in what has been called “democratizing the law.”

In Asia-Pacific and South America, national independent firms often have a much higher ratio of salaried to equity partners.

Across Africa, the use of salaried partners is higher than in Europe, although the international firms in Africa tend to have a lower proportion of salaried partners.

International firms in Europe have either a small or a large percentage of salaried partners, nothing in the middle.

# Finding two

A lack of clarity over the purpose and role of salaried partners is reflected in role ambiguity

Firms are seeking to create or expand their salaried partner tier for various reasons, either out of the need to quickly absorb new partners into the firm without damaging profits (which has been a particular issue for many elite firms following recent high levels of growth) or to a policy of protecting profits and blocking most from equity. The survey responses covered the whole range.

It is clear from the responses that this is a live debate in many elite firms. Some partners are not yet convinced it is the right approach for “one firm” partnerships. For some, the salaried role is a highly efficient way of retaining the best people in the short term while considering their suitability for equity over the longer term. Another compelling reason is that the role provides a very effective “training space” where aspiring lawyers can experience the prospect of being a “partner,” while learning the craft through training and developing new skills such as client-building.

## Selection today is more “defensive” and less “strategic”

The division of opinions over the “reason for” and hence the “purpose of” salaried partners feeds into a lack of clarity over the roles or clear career paths for this role, as seen across the research.

The survey gave respondents a list of the advantages and risks of the two-tier model, with results ranked out of five. From the responses and accompanying comments, the salaried partner role is today increasingly seen as a “defensive move” to retain talent as opposed to taking a “strategic approach” to growth and profitability.



## What do you think are the advantages/ potential gains of having salaried partners?



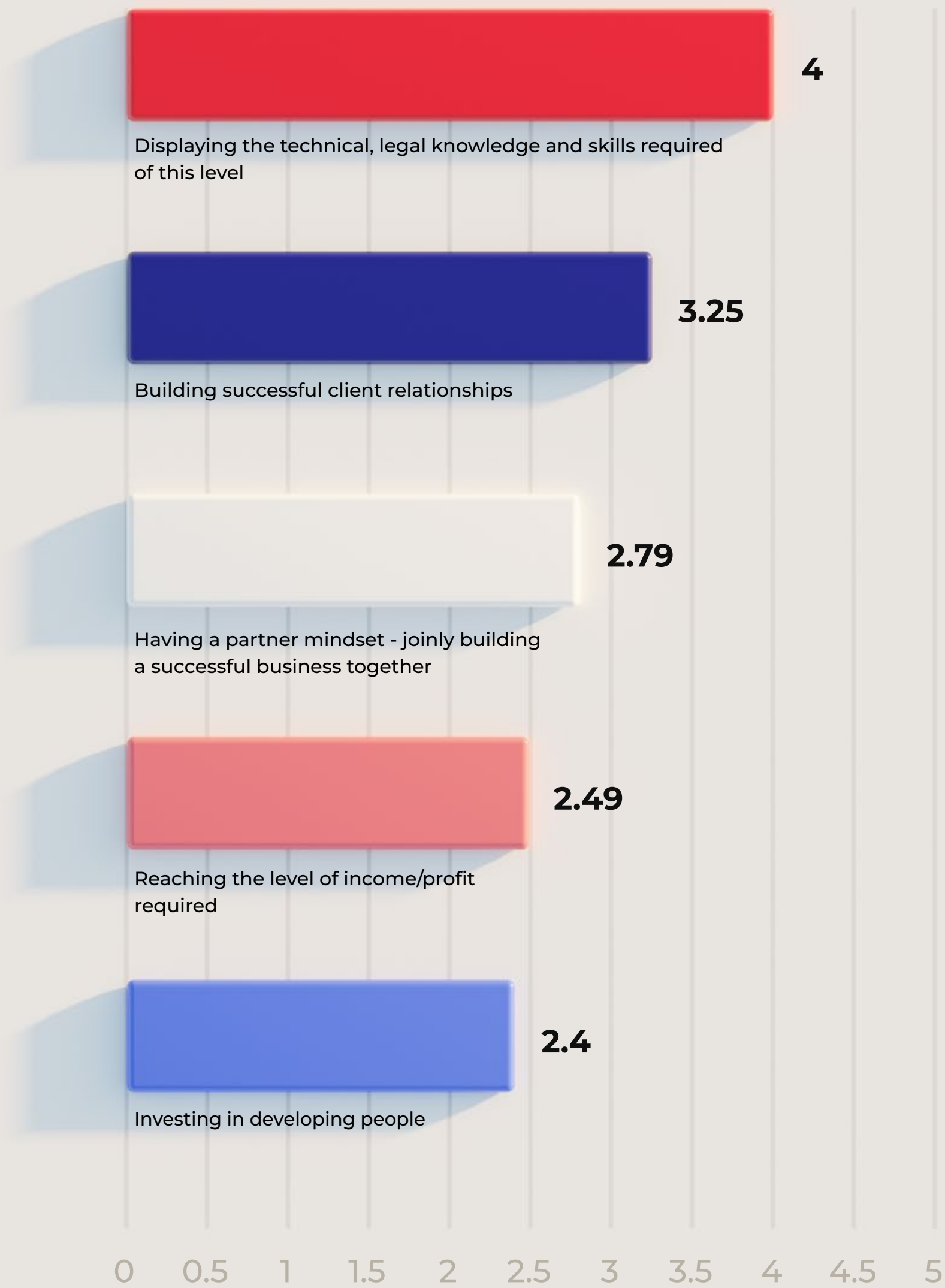
Selection criteria for salaried partners do not reflect the needs of equity partners

The potential for role ambiguity seen throughout the research was amplified in the responses regarding selection criteria. The divide between firms that see the salaried role as a gateway to equity or, alternatively, a long-term way of keeping good technical lawyers with expertise, becomes blurred, with many firms lacking clarity over such an important issue.

Respondents were asked to disclose their main criteria when selecting a salaried partner. Since retention is viewed as the primary reason for appointing salaried partners, it is perhaps unsurprising that selection tended to emphasize the technical skills needed to deliver legal services, rather than the broader entrepreneurial abilities expected at equity level. That said, the ability to build strong client relationships ranked second among the selection criteria.



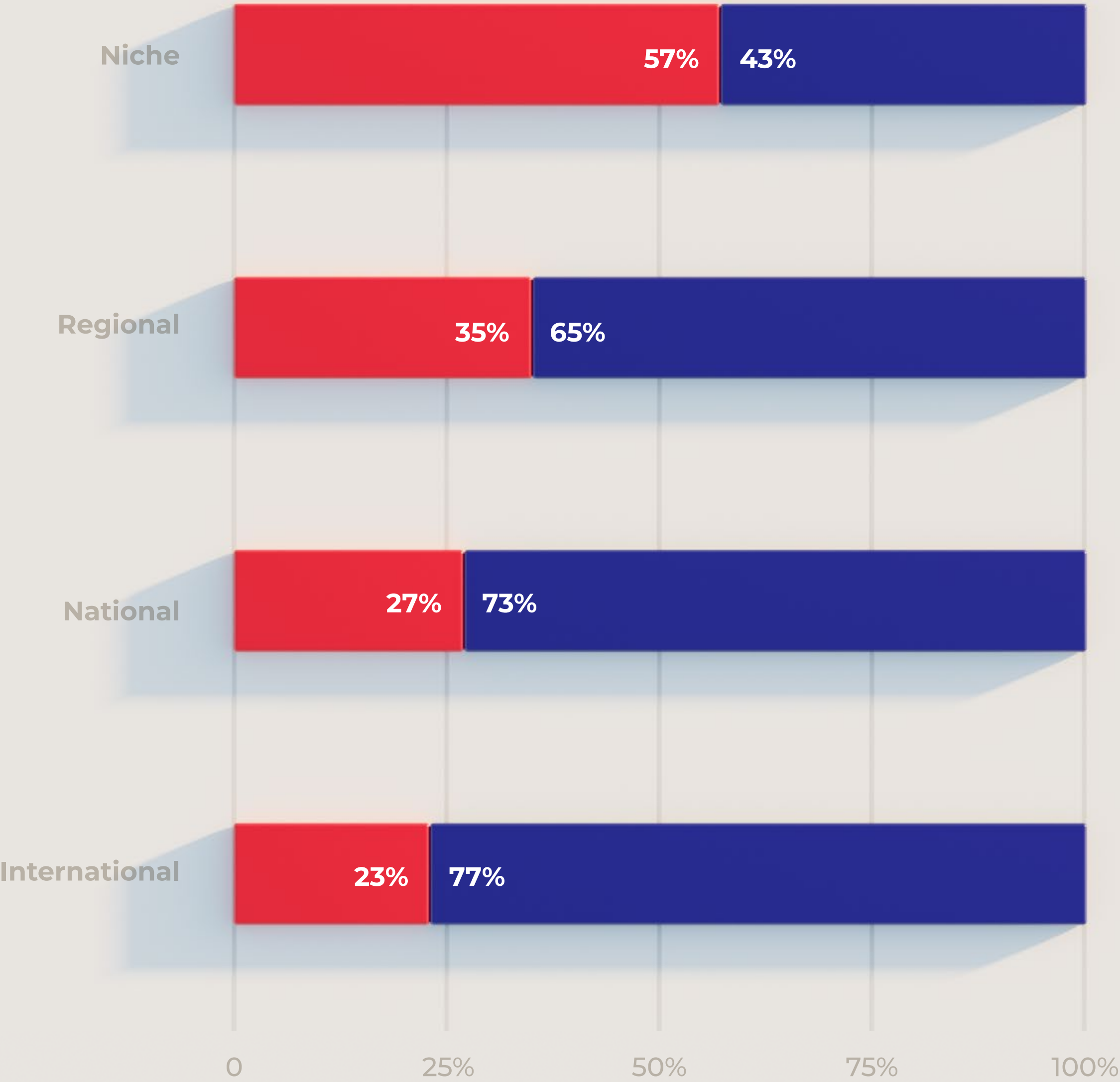
What are your criteria for selecting a salaried partner?



The research interviews and survey comments clearly revealed that the salaried partner role is creating unintended tensions. These include uncertainty and indecision, when a specific career path is not agreed at the outset, with the salaried partner essentially becoming stuck in a “holding bay.” This can lead to disincentivizing an individual at best, or resentment and resignation at worst if the situation goes on too long.

Some firms are, however, crystal clear on “purpose,” with 29% per cent having similar or the same selection criteria for salaried and equity partners. However, 71% of surveyed firms reported different selection criteria for salaried and equity partners. However, the figure varied greatly among firm types, with more than half of niche firms and a third of regional firms using the same selection criteria for both roles.

Are the selection criteria for salaried partners the same to those for equity partners?



YES NO

# Finding three

## Profitability is misfiring as firms are failing to gain the financial benefits of a two-tier approach

The fact that 27% of the firms surveyed stated that their salaried partners were “reducing profits” points to the live and practical challenges of a two-tier firm. Furthermore, only 54% of firms reported that salaried partners were equally profitable as senior associates, with 31% believing they were less profitable (15% did not have salaried partners).

Niche firms were the most critical segment, with 60% agreeing that salaried partners were less profitable (given they had the highest proportion of this profile). This sentiment was shared by 40% of regional firms, 30% of national firms, and 30% of international firms. If the

primary aim of a two-tier partnership is to increase profitability, it is failing in many firms.

Perhaps this should not come as a surprise. Managing the transition into equity partnership while increasing profitability is becoming more complex and although they are “elite” legal advisors, some firms are still lacking the profitability management approaches and systems required of such major businesses.

Participants explained that post-pandemic, new partners were often promoted to retain talent, sometimes without the necessary rigor.

This has resulted in underperformance among some new partners and created a bottleneck for the highest performing senior associates. This situation highlights the need for better professional "margin management."

It would appear that firms are failing to evaluate whether salaried partner candidates have a viable business case and to understand whether they can conduct profitable work in conjunction with other partners and contribute to the firm's growth.

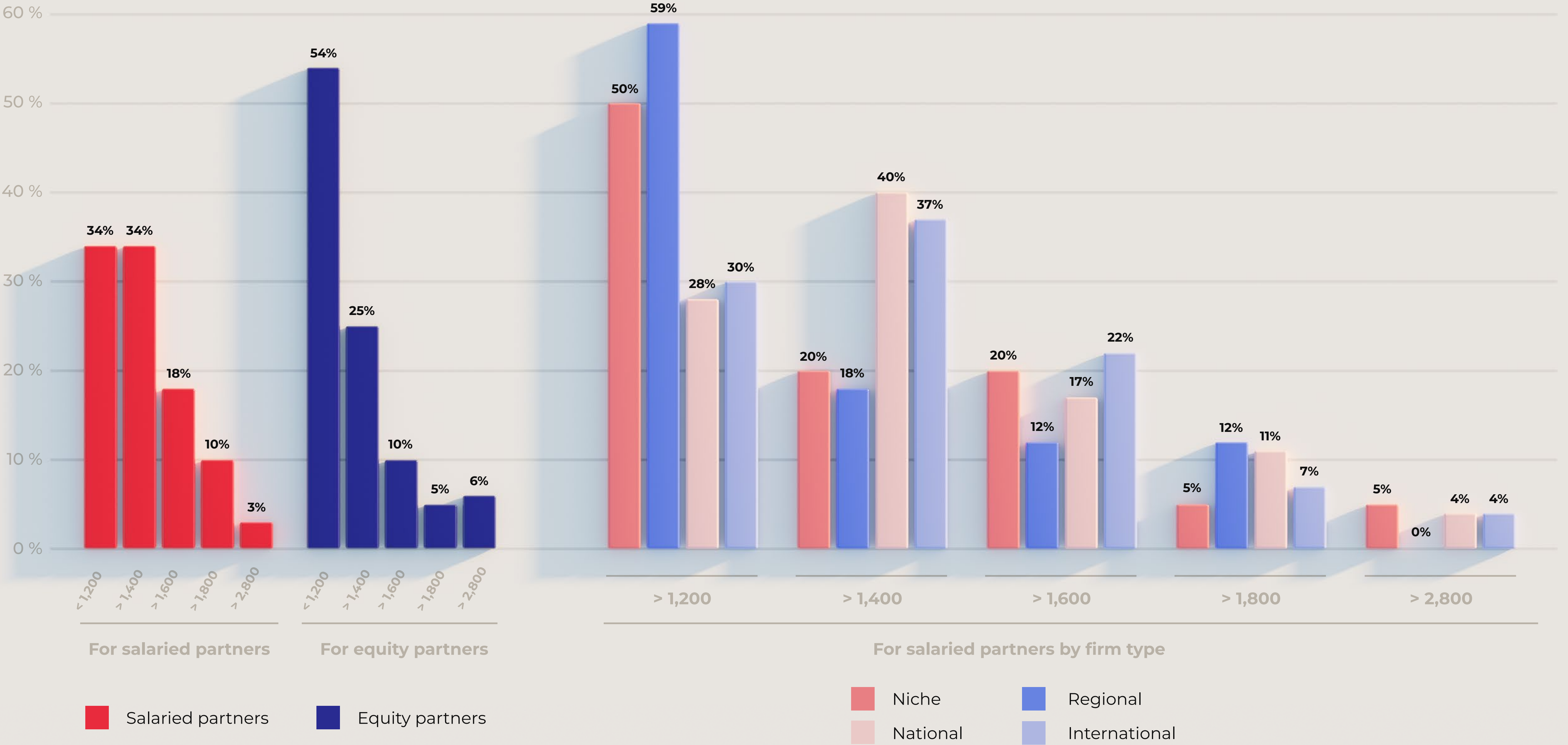
### Understanding different financial expectations

Each firm must understand its own reasons, business model and financial consequences. The number of hours agreed for salaried partners will vary from firm to firm based on many factors, including profitability targets and reaching a consensus on a fair and practical differential between salaried and equity partners.

Again, the research pointed to different approaches and areas of ambiguity: 24% of firms required higher projected billables for equity partners while 52% expected higher numbers for salaried partners. The following figures show the comparison between firms’ expectations for billable hours by partnership tier and by firm type for salaried partners only.



# Expectations for billable hours



Senior associate salary increases are moving upward through the system

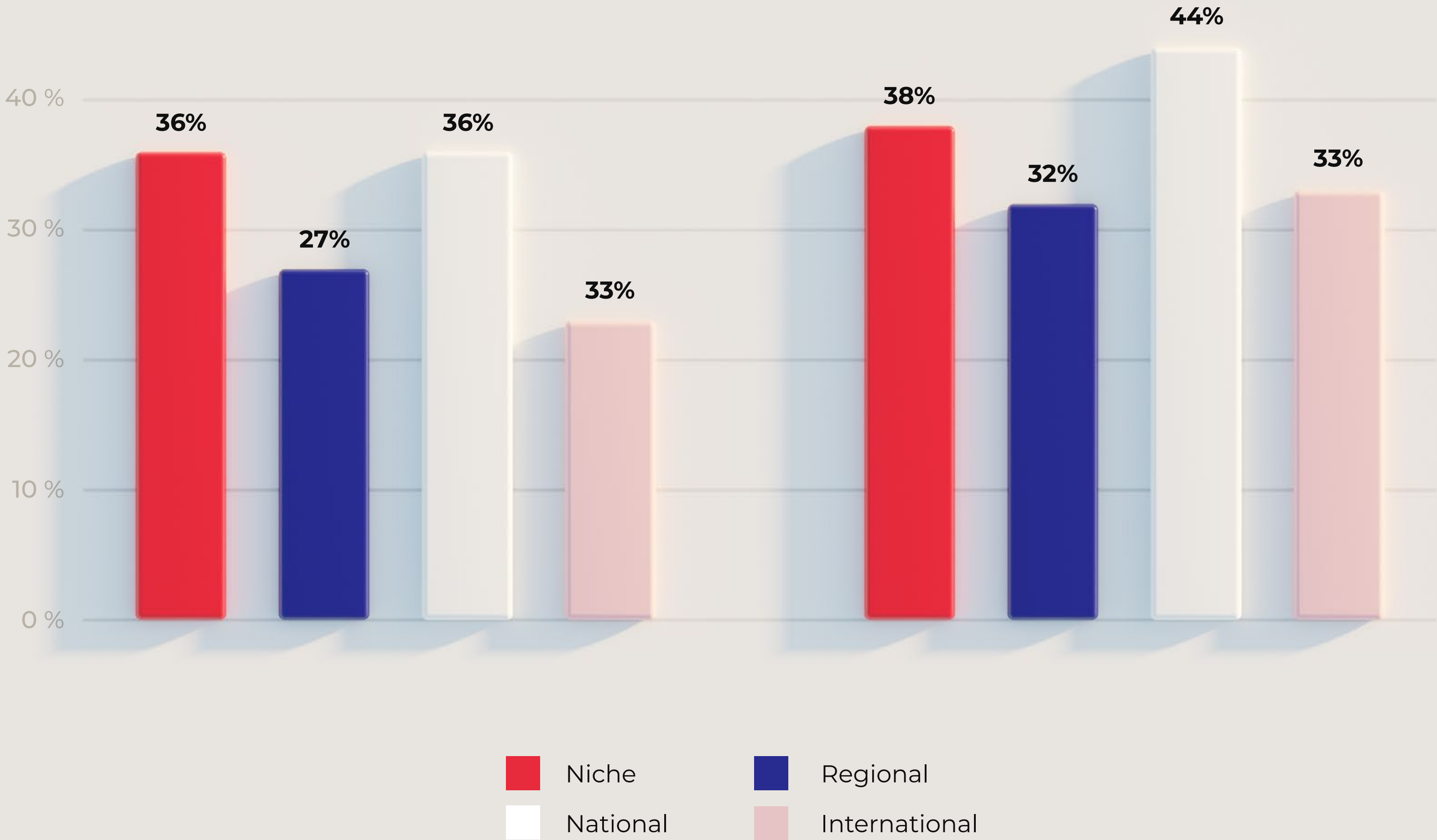
The survey also highlighted the challenges associated with the “uplift” into partnership. The average salary increase from a senior associate to a salaried partner was 34%, while the increase from a salaried partner to an equity partner was 39%. These increases may be contributing to the reported decline in profits, which, in turn, appear to be poorly managed.

Striking the right balance is key. The step up to salaried partner must be sufficiently motivating, but it inevitably puts pressure on profitability. To offset this, salaried partners need to generate higher fees and manage junior staff effectively, without undermining the current leverage model. With salary hikes already affecting junior lawyer pay, this pressure is likely to ripple through the system, leading to significant cost inflation.

It is interesting to note the variations between firm types, with niche and national firms seeing the highest uplifts on both levels compared to regional and international firms.

For those films with a salaried partner role, what percentage uplift in salary should they expect when moving from senior associate into salaried partner?

For those films with a salaried partner role, what percentage uplift in salary should they expect in year one when moving from salaried partner into an equity partner role?



# Finding four

## Despite the clear advantages, culture remains the biggest challenge to two-tier partnerships

As we have seen, the salaried partner role should not be used to postpone difficult decisions. It must address specific needs, such as providing a preparation period and a filter for equity, without diminishing the prestige of partnership or causing dissatisfaction among the most talented lawyers.

As is often the case in the partnership model, it is not the business logic that is hardest to solve, it is the “soft” factors. While the management advantages are clear, the research consistently highlighted the challenges of culture, communication, and leadership.

Respondents listed the following cultural challenges:

- Decision-making issues.** Partners rely on their teams to deliver services at a high professional level within tight deadlines, while managing their own financial expectations and maintaining a healthy work-life balance. It is clear that many firms have used the salaried partner role as an ad-hoc approach to keeping people seen as “essential.” A number of firms expressed this as “kicking the can down the road” or “putting off difficult decisions until later.” Though elite law firms are often viewed as “tough” environments, colleagues can form very

close bonds, making difficult career decisions and conversations more challenging.

- Pretend partners.** In many firms, the salaried partner role can turn into a holding space for individuals lacking the skills or relationship capital to become equity partners. This can create a class of “second-class citizens” with no voting rights and misplaced expectations of real partnership.

- Cultural damage.** When the salaried partner role serves as a “testing ground” for equity, it can exert a significantly negative impact on culture. This setup may encourage counterproductive behaviors (“my client”) and competition within the salaried partner cohort, shifting the focus to personal financial targets rather than the firm’s broader interests. In pointing to the negative “me first” attitudes often seen amongst equity partners as opposed to the “firm first” culture, firms may be overlooking the equally harmful aspects stemming from the salaried partner role.

- Demotivation.** The research also highlighted the fact that the salaried partner role has been shown to add an extra hurdle, increasing the number of years to partnership. This is understandably demotivating. However, it can be managed effectively through honest communication and by setting clear, well-defined deadlines and expectations.

# Finding five

## Law firms are failing to consider client interests

Though this conclusion does not fall within the scope of this research, the survey results highlighted one final issue which is perhaps the most critical of all: clients do not distinguish between salaried and equity partners. This finding underscores the importance of maintaining high standards for all partners, as clients perceive them equally. The idea that salaried partners are less qualified is a false premise, given the potential for reputational damage. Firms must ensure that all partners uphold the firm’s brand and quality, regardless of their status.

Role descriptions for salaried and equity partners are often identical in independent firms. However, global firms typically make a clear distinction between these roles. This difference highlights the need for a deeper understanding of firm strategies and approaches. The survey results also suggest that many firms recognize that salaried partnership is not a silver bullet. Instead, it is a complex strategy requiring careful implementation.

# Best Practice

Maintaining profitability and managing the financial expectations of equity partners has become increasingly challenging amid rising costs and lower margins. While firms can successfully navigate this transition, the research highlighted the delicate balancing act required to manage salaried and equity partners effectively.

Drawing on our consultancy projects and the research, a concise overview of the keys to success includes the following:

Greater clarity is required around the role and objectives of salaried partners, along with better defined pathways and expectations for progression into partnership.

If the salaried role is intended as a stepping stone to equity partnership, the selection criteria should mirror those used for equity partners. However, this does raise the question about the role’s broader purpose and necessity beyond simply “managing profitability.” Though

this is clearly a valid aim, the message it sends to the rest of the firm can be problematic.

It is crucial to explain to those with equity potential why this additional stage exists. Firms should actively engage these individuals, making it clear that the salaried partner role is not an additional hurdle, but a meaningful step in their progression towards equity.

If the salaried role is a permanent category, its purpose must be clearly defined and expectations managed accordingly. However, the research emphasizes the challenges of a “permanent” salaried partner role, where



individuals have no realistic way to reach equity partnership. It is essential to avoid creating a permanent group of dissatisfied “pretend partners.” This requires transparency and trust.

A dual-track system may be needed, where highflyers are recognized and told they have real potential to reach equity. It is essential to manage both tracks carefully to ensure that “full-time salaried partners” and “future equity partners” feel valued and supported. Targeted mentoring and professional development play a vital role in maintaining momentum across both groups.

Finally, some firms have introduced a salaried partner position while also retaining direct equity pathways for senior associates. This seriously undermines and devalues the salaried partner role from the start.

**Alternative career paths are still required in parallel to salaried roles**

If firms do not use the salaried partner role to retain their talented young lawyers, they need to provide alternative career paths. This might involve rethinking career development more broadly. Many firms have moved past the phase of simply throwing money at the problem, recognizing that financial incentives alone are insufficient. The focus has shifted to

what the firm can offer in terms of professional development.

**Understanding the impact on profitability in the early years**

Firms must gain a clearer picture of the early development stage of junior partners to assess when they begin to contribute positively to profitability. More importantly, they must evaluate whether partner candidates present a viable business case. They need to assess whether these candidates can develop a business in conjunction with other partners and contribute to the firm's growth. Candidates who fail to meet these criteria will remain dilutive, and unless there is a compelling reason to accept this impact on profitability, they should not be promoted to partner status.

**Weighing up the alternatives**

Adjusting the current equity model may be a more straightforward and effective solution than using a two-tiered partnership strategy, as this brings its own set of challenges.

Although this research did not specifically deal with this issue, many firms have successfully achieved their desired outcomes by modifying the lower equity band. Specifically, they have implemented an early promotion gateway

(around three years) with clearly defined deliverables. However, without careful management and strong leadership, this approach can simply serve as a way to postpone dealing with underlying issues.

The main challenge lies in governance, as withdrawing equity status from an individual who falls short of the required standards can prove exceptionally difficult.

This approach works best when a senior associate already possesses the broader skills expected of partners, although profitability may remain an issue as they build their practice.

**Firms must find their own way**

Regular partnership reviews are now standard practice for firms worldwide. However, there is no one-size-fits-all solution. Equity partners need to engage in an open debate to agree on the best way forward for each firm. The question that needs to be asked is where there is a sufficient difference between salaried and equity partners to make a two-tier partnership work, thereby helping firms to increase profits while managing costs.

# Conclusions

The uptake of hybrid models is on the rise. The benefits of this strategy are substantial if these models are implemented correctly and for the right reasons. However, the challenges and pitfalls only serve to underscore the broader issues that many firms face.

Balancing associate development and retention with the need to make tough decisions remains one of the greatest challenges for partners. In an interview a law firm partner acknowledged, “We understand the need for honesty, but it is also the enemy of retention. If we told all associates whether they stood a chance or not, or how good they were, they’d all leave. Even the good ones would leave.”

The research clearly showed that postponing difficult conversations and "kicking the can down the road" is the worst reason for having salaried partners. Additionally, many individuals are drifting into salaried partner

roles without asking the right questions or thoroughly investigating their options and career paths.

The more traditional up-or-out model, though ostensibly harsh, provides clarity by informing individuals about their future within the firm. As one respondent explained, "You just say to people, 'I’m sorry, you’re not going to make it into partnership, and there’s no future for you here in the firm.'" While this approach may seem tough, it is certainly straightforward.

Firms transitioning from the traditional up-or-out model, which emphasizes a sink-or-

swim approach, to a curated career model will likely require a significant shift in mindset. Understandably, partners focus on day-to-day "survival," prioritizing excellent client work and profitability over the longer-term development of future partners. However, partner rewards need to be redefined based on a more holistic view of "contribution." This approach must consider more than just numbers, prioritizing both people development and client service quality.

We are very confident about the future of the partnership model as long as the mindset of owners are capable of keeping up with the

times. The stakes are increasingly high as the key success factors and, hence, the gap between the most and least successful firms increases. “Buckle-up” is the message to corporations and to the law firms advising them, ahead of a new U.S. presidency. Firms which navigate this successfully will see an increase in profits. However, the gap between winners and losers is likely to widen. ■

# INNOVATION BEYOND TECHNOLOGY: THE CRUCIAL ROLE OF SKILLS IN DRIVING CHANGE IN THE LEGAL PROFESSION.

**Johanna Jacobsson** / *Professor, IE Law School*

This report examines the interplay between technology, innovation and interpersonal skills in the context of the Spanish legal profession, focusing on how lawyers and law firms navigate these dynamics in an era marked by rapid technological advancements. It builds on a robust empirical foundation, including a survey of 460 legal professionals from leading international firms with offices in Madrid. This is one of the first studies to specifically target this demographic and region, offering a novel contribution to the broader discourse on legal practice transformation and legal innovation studies.



The central issue addressed was the evolving definition and practical implications of innovation within the legal profession. While popular narratives frequently equate innovation with technological advancements such as artificial intelligence (AI) and machine learning (ML), this study challenges that reductionist view. It hypothesizes that innovation is a multidimensional concept encompassing not only technological adoption but also the reorganization of work structures and the cultivation of essential interpersonal skills, such as communication, negotiation, leadership, and management.

The methodology involved a mixed-methods approach, combining a comprehensive review of scholarly literature with a quantitative and qualitative analysis of survey data. The survey was carefully designed and piloted to capture lawyers' perspectives on technological integration, innovation, and the skills deemed critical for success in contemporary legal practice. Participants held a range of diverse roles from junior associates to managing partners, and represented multiple practice areas, including M&A, tax and litigation. The data collection

process ensured high validity and reliability, and the findings were contextualized within existing academic and industry frameworks.

The study also explored the role of AI in legal practice, noting that its integration has primarily focused on enhancing efficiency and automating routine tasks. Survey results revealed that lawyers generally view AI as a valuable complement to their work, particularly in areas such as contract management and legal research. However, they remain cautious about its limitations, especially regarding accuracy, confidentiality, and ethics. Interestingly, while most respondents acknowledged the potential of AI in streamlining operations, there was broad consensus in the study that technology alone cannot replace the uniquely human skills required for complex legal work where the stakes are extremely high.

Another notable contribution was the critique of the “technology equals innovation” narrative. By highlighting the importance of interpersonal skills and ethical decision-making, the study has broadened the conceptual framework for innovation in the legal profession. It argues that



true innovation requires a holistic approach that leverages technology while preserving and enhancing the human elements in what has been called the “soft skills” of legal practice. This perspective challenges conventional wisdom and opens up new avenues for research and policy development in legal education and practice.

The original contributions of this report include the introduction of the TIE Lawyering Model, which encapsulates the three dimensions that are essential for 21st-century legal professionals over and above expertise. They are mastery of technology (T), interpersonal skills (I), and robust ethical standards (E). This model advocates a systematic approach to legal training and professional development, emphasizing the need to balance technological proficiency with interpersonal and ethical competencies.

The findings also provide actionable insights for legal educators, suggesting that law schools should integrate interpersonal skill training into their curricula from the outset, fostering a culture that values these competencies alongside technical expertise. Finally, the findings open up

new lines of research and raise questions such as: What ethical competencies are required in an age driven by AI and other technologies? How can law school students and practicing lawyers cultivate interpersonal skills, such as communication, negotiation, leadership, and management skills without losing sight of the core concerns of their practice?

In conclusion, this study offers a systematic understanding of innovation in the legal profession, demonstrating that it extends beyond technological adoption and includes interpersonal and organizational dimensions. The survey findings reveal both opportunities and challenges in aligning individual and institutional perspectives on innovation. As the legal profession continues to evolve, the insights provided here offer a promising roadmap for fostering meaningful and sustainable innovation, ensuring that lawyers are “future-proof.” ■

*For further information, see the full report [here](#).*

# UNDER THE RADAR: HOW LEGAL TEAMS ARE QUIETLY TRANSFORMING

**Mari Cruz Taboada /**  
*Professor, LawAhead Center on the Legal Profession*

Legal departments in Spain are undergoing significant change, though much of it remains invisible as the work takes place behind the scenes. Artificial intelligence is a major driver of this transformation. As legal departments push forward on their transformation journey, they are increasingly confronted by an uncomfortable question: Is the traditional legal service model still fit for purpose?

In this report, Mari Cruz Taboada explores how legal teams are rising to the challenge, drawing on insights from general counsels and board secretaries at leading organizations such as Aena, CaixaBank, Mapfre, Microsoft Spain and Telefónica S.A., and supported by survey data provided by 107 in-house lawyers across Spain, thus offering a detailed view of the subtle yet profound transformation that is taking place in the legal sector.



Over the past decade, corporate legal departments have evolved significantly. Yet it is only in hindsight that the full impact on legal services has become clear, reflected in changing team structures, new approaches to procuring external services, and a shift toward more strategic, business-aligned legal roles.

This shift is being driven by both internal and external factors such as tighter regulation, globalization, rapid technological change, and ongoing cost-cutting demands. All of these factors are progressively reshaping the role of in-house lawyers, and redefining their expectations of external legal providers.

However, it comes as no surprise that one of the biggest drivers of this change is artificial intelligence (AI and GenAI). While AI can help legal teams work more efficiently and make better decisions, it also brings new risks. Accordingly, legal departments need to take the lead in making sure AI is used safely, by implementing the right rules, protections, and training.

**Empowering internal legal teams**

Keeping up with increasingly complex and specialized areas of law has become a major challenge for in-house legal teams. As a result, many companies are relying more heavily on external counsel.

Traditionally, legal departments have been viewed as cost centers rather than value creators, placing added pressure on in-house lawyers. In response, many heads of legal have shifted their focus toward what really matters to the business, i.e., moving away from reactive “troubleshooting” to a more strategic, forward-looking role.

Demands on corporate legal departments have increased steadily. Today’s legal teams are expected to do more with less. They have to optimize resources, deliver faster responses, and directly support the business’ objectives, all while operating in an increasingly complex, high-risk global environment.

Laura de Rivera, Chief Legal Officer at CaixaBank, stated that “legal services have shifted from being reactive to proactive, becoming involved from the outset in shaping business initiatives and anticipating client needs. This means designing products and services that meet the needs of both internal and external clients.”

The results from the survey reveal that senior in-company legal professionals currently spend **40%** of their time on complex business matters, and **25%** on specialized legal work. However, **35%** of their time is still taken up with routine legal tasks and administrative work, which could often be delegated, automated, or streamlined. This data highlights a clear imbalance: despite their strategic responsibilities, in-house lawyers remain weighed down by lower-value tasks.

This pressure has created growing frustration amongst general counsels, increasing concern over how to streamline their work so they can focus on what matters most. The survey reveals that some feel increasingly unable to focus on critical, high-value issues.

One of the key barriers that has been identified in this research is the frequent lack of accessible, centralized legal know-how within companies, leading to inefficiencies at a time when legal teams are expected to do more with fewer resources.

The survey results highlight this tension. While **70%** of legal tasks align with lawyers' expertise, which is critical for both efficiency and job satisfaction, **30%** do not. This misallocation of resources reveals that legal teams are stretched thin, often performing tasks below their skill



level, while outsourcing high-value matters which, in theory, they would prefer to handle internally.

As legal departments face greater legal risks, increasing regulatory complexity, and the need for greater alignment with business strategy, there is a growing desire to empower internal teams. When asked how they would allocate unlimited resources, **67%** of survey respondents said they would strengthen their internal teams, either by recruiting generalists or specialist lawyers, instead of relying excessively on external law firms.

This shift presents a valuable opportunity for law firms to elevate the quality and value of their services. Leading legal teams are increasingly seeking partnerships that go beyond transactional support and instead bring business-aligned, strategic legal advice that delivers greater value to the organization.

The research showed that in-house legal teams are laying the groundwork to better prepare for the future, for example, by assessing the flow of legal and risk-related information, centralizing and organizing legal knowledge, and improving access to up-to-date legal resources and tools for certain business units.

The research conducted shows that a quiet

revolution is already underway, driven by clear motivation and intent, though its full implementation will still require considerable commitment.

**Laying the groundwork to improve efficiencies**

Many legal departments have begun to focus on knowledge management as the first step towards transformation. They are laying the foundations for more efficient operations by centralizing, categorizing, and coordinating legal and regulatory documentation. The next step will be to adopt technological tools that automate repetitive tasks, freeing up time for more complex, high-value work.

The survey responses show that we are at a critical juncture. Legal technology and artificial intelligence offer a real alternative to alleviate the pressure mentioned above, enabling legal teams to refocus on higher-impact tasks.

Automation, AI, and data analytics are helping legal departments improve efficiency. Mapfre, the global insurance company, already has an AI project underway, which will soon be fully operational. José Miguel Alcolea, the firm’s Secretary of the Board, noted that, "Artificial intelligence is just another tool that we need to learn how to use, much like we had to learn how to use email at the beginning."

**Overcoming cultural barriers**

Transforming legal departments does not come without challenges. However, as the survey data reveals, **30%** of legal professionals feel so consumed by day-to-day legal matters that they struggle to step back and adopt a longer-term, more strategic perspective.

In addition, general counsels said securing a budget for legal tech is a barrier (often because the C-suite does not yet prioritize legal tech investment).

The survey revealed that **60%** of in-house lawyers reported using document management systems and **50%** data analysis tools. This means legal departments are tracking metrics (number of matters handled, time taken to deal with them, and spending) more rigorously. Nonetheless, challenges remain. Over half of the departments reported issues with disorganized data and disconnected systems. The novelty is that a considerable **40%** are already implementing task automation software as a tool for streamlining operations.

Antonio García-Mon, Deputy Secretary General at Telefónica S.A. pointed out the difficulty of standardizing information management methods within a large organization. "It is a demanding process because everyone has their



**“The added value from professionals in the future will come from their ability to think critically, i.e., the human factor, which is a key skill to coexist with artificial intelligence.”**



**Elena Roldán**  
*General Counsel*  
Aena

own way of doing things," he explained. This transformation takes time. When asked about timelines, legal departments often report that they are quick to implement new technology-driven processes initially, realizing fast benefits from low-hanging opportunities, though full transformation can take from two to five years. Asier Crespo, Legal Director at Microsoft Spain, added, "those of us leading legal departments must be open to guidance and support during this transformation." He continued, "We have to be open to rethinking things, not because they're failing, but because they're not equipping us for the future. That's the mental barrier to change."

Survey responses revealed a mix of challenges when integrating AI tools into in-house legal departments. Cultural barriers, such as resistance to change, lack of training, and unclear strategies, were mentioned more often than technical ones in several areas. For example, **61%** of respondents identified legal and regulatory risks as a cultural barrier to integrating AI tools, and **70%** said the main reason they had not yet managed to implement them was simply a lack of perceived need or resistance to change.

Conversely, technical limitations dominated concerns about implementation costs (**72%**), followed by company policy restrictions (**58%**). These findings show that while investment and

infrastructure are important, the greatest hurdle may lie in how to shift mindsets and foster a culture that is open to innovation.

The trend in Spain is that legal teams in larger companies are pulling ahead in tech adoption, while some smaller departments are trying to catch up via more affordable cloud-based tools. Overall, the direction is clear: technology adoption in Spanish in-house legal teams has accelerated sharply in the last three years and is expected to continue, especially in areas such as workflow automation, AI-assisted drafting, and analytics.

According to Laura de Rivera, "The most in-demand profiles in legal departments are those with technical knowledge, adaptability, technological fluency, and data analysis skills, as well as a willingness to work in teams and use new tools." She also highlighted the importance of continuous learning. Lawyers no longer work in isolation, collaborating instead with external providers, including law firms and tech vendors, to learn from their experiences and tools, and thus enrich their own transformation processes.

When it comes to professional growth, **69%** of respondents reported that they are already using AI tools and are seeing benefits in terms of efficiency and creativity.

In teams with more than 20 professionals, **82%** already have profiles that specialize in legal operations, innovation, or in leading digital transformation. Conversely, in smaller firms, only **31%** have taken steps in this direction. In fact, **65%** of teams with fewer than five professionals reported not using new resources and only providing training sporadically and reactively, compared to just **8%** in larger firms. This difference not only reflects available resources but also a cultural and strategic gap: larger teams are investing in structural transformation, while smaller ones remain at the outset of their adaptation journey.

This shift demands not only a change in mindset but also requires investment in training and adaptation. Legal departments must now be equipped to operate in a digital, cross-functional environment.

The profile of in-house lawyers is also changing fast, although its core remains the same. According to José Miguel Alcolea, "The backbone of any legal department must be made up of lawyers who have a broad understanding of the company's business," and he added, "as well as a vision of international business law." He also underscored the fact that "they must be professionals that can navigate today's technological environment."



The survey responses indicated that the most in-demand profiles, given unlimited resources to invest in strengthening the legal teams, are mostly lawyers, whether generalist (35%) or specialist (30%), and professionals trained in project management and legal operations (25%). These profiles are essential to tackle the current and future challenges of in-house legal departments.

The future of in-house legal advisory will be characterized by efficiency, technology, and integration with the business. However, Elena Roldán, General Counsel at Aena emphasized the value of training in philosophy and ethics for the lawyers of the future. "We need to train differently, using a critical vision. Universities need to change, but education should start in school. The added value from professionals in the future will come from their ability to think critically, i.e., the human factor, which is a key skill to coexist with artificial intelligence."

This change generates concern, especially among young lawyers. "They feel threatened by the integration of technology, but there's no need to worry," said Antonio García-Mon. "We have a heavy workload and need the support of professionals, so we try to convey that they shouldn't be concerned."

“Transformation within legal teams is ongoing,” noted Laura de Rivera, who added that “even though staff turnover isn’t particularly high, training in legal knowledge, soft skills, and technology is essential both for retention and to keep pace with market demands.”

The legal function is morphing from being a standalone service to becoming embedded within business processes. This means working closely with other departments to anticipate and mitigate risks, develop more agile workflows, and implement preventative strategies.

**Democratizing legal advice**

The adoption of AI tools has already begun to shape the professional profile of in-house legal teams. Based on our research, GenAI and AI tools are already being used, mostly to automate routine tasks (60%), improve data analysis (50%), and enhance operational efficiency (40%). Yet the real value of GenAI lies in its potential to democratize legal advice and make it more accessible to other areas of the business. As Asier Crespo noted, "Artificial intelligence enables us to leverage the knowledge and expertise accumulated in our legal departments, making it more accessible to internal clients through natural language interfaces."

The new AI era is not only transforming how legal services are delivered but is also reshaping the profile of professionals and skills required in in-house legal teams. The research highlighted that an increasing number of legal departments are hiring professionals with expertise in legal operations, project management, technology and data analysis, skills that fall outside traditional legal training. In fact, 84% of teams with more than 20 professionals now include specialized roles in legal operations, innovation, and digital transformation. By contrast, only 26% of smaller teams have begun integrating these roles, and 15% of teams with fewer than five professionals have yet to adopt new resources or provide training on the use of artificial intelligence.

According to the survey responses, lawyers working in organizations that have not formally integrated AI tools into their legal department often turn to free platforms such as ChatGPT to support their work. This informal use reflects both the demand for greater efficiency and the growing accessibility of AI technologies. However, delays in implementing secure, in-house AI solutions increase operational risk, as legal professionals may resort to external tools outside the company’s environment, potentially exposing sensitive data or generating inaccurate information. This highlights the



**“AI will help democratize access to regulatory issues for other business areas. This bring us closer together building stronger relationships with each other.”**



**Asier Crespo**  
*Legal Director*  
Microsoft Spain

urgency for legal departments to provide approved, well-governed AI resources, ensuring both safety and effectiveness in their uptake.

The survey responses revealed that, in Spain, the frequency of AI tool usage varies across teams: **35%** use tools provided by their company, **50%** use tools not provided by the company (such as free AI versions and ChatGPT), and **15%** do not use any AI tools at all.

Interestingly, AI is not seen as a threat in larger teams (**0%**), although **5%** say this is in teams of under five people. This resistance is likely not due to individual reluctance, but rather to a lack of company investment in tools. Larger teams tend to use AI tools more frequently, especially those not provided by the company (**62%** vs. **39%** in smaller departments). This suggests they may have greater autonomy or take more initiative in adopting new technology.

As legal departments push forward on their transformation journey, they are increasingly confronted by an uncomfortable question: is the traditional legal service model still fit for purpose? The answer, for many, lies in the tension between urgent operational demands and the investment required to adapt.

Three different scenarios emerged from the interviews and survey data:

| Departments that fully embrace change, fostering a mindset shift across the team and integrating transformation into their way of working.

| Legal teams that take a first step by launching pilot projects, introducing small-scale changes which, when successful, can become a stepping stone that encourages broader transformation.

| Departments that respond to change with resistance and concern, ultimately delaying or halting transformation.

The implementation of legal tech and a more strategic approach to knowledge management is ushering in a new way of delivering internal legal services, which calls for a broader, more diverse range of professional profiles.

**A new approach to legal services**

Legal departments are no longer looking exclusively for lawyers. They are increasingly seeking individuals with skills in business management, technology, and data analysis. Non-legal roles such as compliance experts, data scientists, and process automation specialists are now becoming embedded in legal teams.

Legal departments are increasingly seen as being an essential element of a broader business strategy. Business decisions today require legal input from the very beginning, and inter-departmental and cross-border collaboration is more essential than ever. As Alcolea pointed out, "It is vital to safeguard the three pillars of legal, compliance, and security, as they are essential, especially in a company handling sensitive information."

Not all legal matters carry the same level of risk, and many routine or low-risk issues can be streamlined. By identifying and optimizing these lower-risk areas, such as standard contracts, policy clarifications, and compliance FAQs, legal departments can curate and structure the information in ways that make it more accessible and usable by non-legal teams. However, according to Asier Crespo, "Having good data architecture is critical to prevent undue access to confidential information and the oversharing of files that should be restricted."

This shift not only empowers other business units to act with greater confidence and efficiency but also frees up legal professionals to focus on higher-risk, more strategic matters. Ultimately, making legal information more visible, digestible, and action-oriented across the organization supports faster decision-



**“I believe that this process of modernization and the implementation of new technological tools will give in-house lawyers room to be more efficient and, therefore, use external services differently.”**



**Antonio García-Mon**  
*Deputy Secretary General*  
Telefónica S.A.

making and stronger alignment with business goals. The survey responses revealed that **75%** of in-house lawyers see this type of collaboration as crucial, while **67%** believe their legal department plays a strategic role in the overall business.

The legal function is evolving from a standalone service to becoming embedded within business processes, which involves anticipating and mitigating risks, developing more agile workflows, and implementing preventative strategies. As José Miguel Alcolea stated, “Regulation is essential in our line of work. It defines product features, the required guarantees, and how these are communicated to customers, all of which impact business performance.”

Finally, Asier Crespo concluded: "AI will enable all the knowledge and expertise we've accumulated in legal departments to become more accessible to our internal clients in a way that uses natural language, without having to ask how a lawyer would phrase it. It will enable 'cold' advisory. AI will help democratize access to regulatory issues for other business areas. This will help to bring us closer together and build stronger relationships with each other."

**Rethinking the relationship with external counsel**

The opportunity that artificial intelligence brings to in-house lawyers also extends to external lawyers, many of whom have joined forces with their clients to develop and implement legal tech or GenAI. However, as the internal department model evolves, it will inevitably have a direct impact on how legal services are contracted, both in terms of substance and structure.

Technology plays a fundamental role in this transformation. Automation tools and artificial intelligence enable improved efficiency and a focus on higher-value tasks.

As in-house legal departments evolve, so too must their relationships with external counsel. Over the years, in-house lawyers have shared their expectations, and the current landscape presents an opportunity to reassess how they collaborate with external lawyers. Our research shows that **58%** are satisfied with their external advisors. However, looking ahead, respondents identified several areas for improvement when outsourcing legal services to law firms, including pricing (**47%**), better time management with external lawyers (**32%**), improving communication on how the business operates (**25%**), and making sure externals

provide more business-oriented, practical advice (**20%**).

According to Elena Roldán, “We work with a pool of law firms and we have an excellent relationship. They bring an external perspective and they use AI. Those who don’t will fall behind.” She also added, "We hire excellence. We don’t outsource day-to-day work, we already handle that ourselves. However, the process to reach the final product in the near future needs to be more cost-effective."

According to José Miguel Alcolea, “External lawyers will continue to be able to provide something fundamental that AI cannot offer: responsible judgment.” Antonio García-Mon agrees and noted that “external lawyers are hired because they have empirical knowledge that AI currently doesn’t have.” However, he predicts a change. “Certain legal departments within companies have a high volume of work, and as they are overwhelmed, they outsource more. But I believe that this process of modernization and the implementation of new technological tools will give in-house lawyers room to be more efficient and, therefore, use external services differently.”

Survey results show that AI is seen to be most valuable in specific practice areas such as intellectual property (**65%**), privacy and



**“External lawyers will continue to be able to provide something fundamental that AI cannot offer: responsible judgment.”**



**José Miguel Alcolea**  
*Secretary of the Board*  
Mapfre

cybersecurity (64%), and compliance (59%). Areas such as labor law (46%), litigation (42%), real estate/project finance (28%), and financial regulation (26%) scored lower, suggesting that AI’s perceived impact is highest in tech-driven and innovation-heavy fields.

The new model, therefore, redefines the relationship with external law firms. Companies are seeking efficiency, transparency, added value through technology, and closer collaboration.

In Spain, Asier Crespo anticipated “that law firms will need to review their overreliance on their billable hours.” He added, “I am aware that it is how lawyers’ performance is measured and rewarded, but inevitably, with the implementation of AI and cost pressures, in-house lawyers’ expectations will change.”

Companies that manage to adapt their legal function to this new paradigm will not only reduce costs and increase their competitiveness but will also be able to dedicate more resources to high-value strategic activities.

Looking ahead

As we have seen, the evolution of legal departments in Spain is no longer a distant

prospect; it is happening now. Legal teams are moving from traditional, reactive roles to becoming more strategic and closely integrated within the wider organization, driven by business demands and enabled by new technologies.

However, progress is not uniform. Larger companies are moving faster thanks to the availability of resources and clearer strategies. This requires a shift in mindset. Legal expertise remains essential, but it must now be combined with technology, data, and cross-functional collaboration to create real value.

Artificial intelligence is a major driver of change. However, it introduces risk and underlines the need for legal teams to lead AI adoption with proper governance, safeguards, and training. The type of talent being hired in legal departments is changing too. Roles focused on project management, technology, data analysis, and innovation are becoming essential, not just add-ons.

This shift also affects how legal departments work with law firms. With legal tech tools in place, in-house teams are now better equipped to handle complex matters directly. The result will be a more efficient, value-driven legal service model that redefines the traditional relationship between companies and their external advisors.

In short, legal departments are at a critical crossroads. The legal team of the future is a core part of business strategy. Firms that modernize their tools and rethink how they work, both internally and externally, will be better positioned to support business growth, manage risk, and drive innovation. ■

Methodology

This study used a mixed-methods approach, integrating both qualitative and quantitative data sources. Qualitative data were collected through in-depth, semi-structured interviews with senior legal professionals, including Antonio García-Mon (Deputy Secretary General, Telefónica S.A.), José Miguel Alcolea (Secretary of the Board, Mapfre), Laura de Rivera (Chief Legal Officer, CaixaBank), Asier Crespo (Legal Director, Microsoft Spain), and Elena Roldán (General Counsel, Aena). These interviews provided rich, experiential insights into the evolving role of in-house legal departments. In parallel, quantitative data were obtained through a nationwide survey administered to 107 in-house lawyers across Spain. The survey, captured data on current practices, organizational challenges, and innovation trends within legal departments, allowing for broader generalization of the qualitative findings.

**“The most in-demand profiles in legal departments are those with technical knowledge, adaptability, technological fluency, and data analysis skills, as well as a willingness to work in teams and use new tools.”**



**Laura de Rivera**  
*Chief Legal Officer*  
CaixaBank

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## Editors

**Cristina Andrés Fernández**

*Head of corporate development at IE Law School*

*Executive director at LawAhead Center on the Legal Profession*

**Mari Cruz Taboada**

*Professor at the LawAhead Center on the Legal Profession*

*Partner at Lexington Consultants*



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