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Future of Legal Services – White Paper 2024

International Bar Association

The International Bar Association (IBA), established in 1947, is the world's leading international organisation of legal practitioners, bar associations, law societies, law firms and in-house legal teams. The IBA influences the development of international law reform and shapes the future of the legal profession throughout the world. It has a membership of more than 80,000 lawyers, 190 bar associations and law societies and 200 group member law firms, spanning over 170 countries. The IBA is headquartered in London, with offices in São Paulo, Seoul, The Hague and Washington, DC.

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About the Future of Legal Services Commission: Formerly known as the IBA Task Force on the Future of Legal Services, the IBA Management Board agreed to formally establish a commission to coordinate the IBA's activities and projects around the future of legal services – one of the key areas of focus for the whole organisation.

The aim of the Future of Legal Services Commission will be to analyse and report on the state of the legal profession, specifically looking at changing client demands, new entrants to the legal industry, regulatory changes and education, and digitisation/technology. Once this step has been completed, the Commission will recommend how to respond to these challenges affecting the profession and design projects and programmes to prepare the legal profession for the future.

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Foreword

It is fundamental to a lawyer's duty to serve the best interests of their client that, as well as providing insight into the current legal environment, they make every endeavour to prepare them for the challenges the future may bring.

Predicting future issues and preparing for them adequately is one of the most difficult problems lawyers face: this can only be overcome through collaboration. This mission of providing the best client service through the sharing of knowledge and best practice is at the heart of the IBA's Future of Legal Services Commission (FLC).

The FLC's Global Heatmap Survey was first presented in 2023, culminating in the launch of the White Paper at the IBA Annual Conference in Paris by Aster Crawshaw, former FLC Chair, to whom we are hugely grateful for spearheading the initiative.

It was always the intention that the survey would take place every year, to provide an increasingly detailed picture of the worldwide trends affecting lawyers, and we are proud to present the second edition in 2024.

The new survey, and the resulting report, features responses from lawyers from every continent. We are delighted to have doubled the size of the response rate, building on the success of the first iteration. The regional diversity and diversity of experience of the respondents are particularly important and can be used to focus on a specific region or age group to understand better the conclusions of the report.

Once again, the report provides an essential guide to the range of global issues to which lawyers need to respond, grouped around the four key themes: People, Clients, Business and the Rule of Law. We aim for this survey to be of practical use to legal professionals from around the world. Public and private institutions, legal services providers and legal professionals can use this Report to understand the concerns and challenges of the current legal profession: most importantly, they can make decisions based on the data and conclusions of this Global Heatmap in order to advance their legal practice and achieve their strategic goals.

This Report gives headlines and detailed findings on the extent to which colleagues from different practice areas and jurisdictions perceive the risks, are focusing on and preparing for them, providing an essential benchmark for peers to reflect on and respond to.

In particular, the international reach of the IBA provides a unique perspective by which we can all assess our risk positioning in relation to the global legal market. The Report reflects once again a wide range of concerns, from the ongoing impact of the artificial intelligence (AI) revolution, the effects of climate change and the importance of a renewed focus on health and wellbeing. As political uncertainty grows, the relevance of the rule of law, and how ready (or how lacking in readiness) institutions and professionals are currently to face challenges concerning it, is one of the most interesting results of the report.

Thank you to all who contributed to the survey, for giving their time to create this important resource. We look forward to presenting the Report at the Annual Conference in Mexico and to enriching the findings further with the 2025 survey, to which we hope even more will respond.

Soledad Atienza

Co-Chair, Future of Legal Services Commission

IE Law School, Madrid

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Background and methodology

The remit of the Future of Legal Services Commission is to analyse and report on the state and evolution of the legal profession.

Specifically, it looks at challenges around changing client demands, new entrants to the legal sector, regulatory changes and education, and digitisation/technology. The Commission will deliver recommendations on how to respond to these challenges and design projects and programmes to prepare the legal profession for the future.

To feed into this aim, the Commission identified 17 themes and developments affecting the profession and launched a global survey to test them. These themes evolved from the inaugural research published in 2023. The full list is set out below:

People	Clients	Business	Rule of Law
The drive for equality, diversity and inclusion at all levels of the legal profession.	Meeting client expectations around the use of AI and legal technology in the delivery of legal services.	The emergence of new unregulated entrants to the legal services market, including legal tech specialists.	Challenges to the independence of the legal profession, including the judiciary.
Mental health and wellbeing within the legal profession, including concerns such as work/life balance.	Globalisation and increased volumes of transnational client work.	The impact of climate change and other environmental concerns on business models for the delivery of legal services.	The use of AI in dispute resolution and the delivery of justice.
Change management and training of people in relation to adoption of AI-based technologies.	Increased demand for the provision of multiple services from a single provider including legal and non-legal work, eg, financial services.	Addressing concerns of stakeholders outside of the business, including employees, government and wider society.	Limitations on access to justice including economic and social inequality.
Attracting and retaining talent, including employee desires such as remuneration, remote working and social impact.	Client desires for demonstrable commitment by legal services providers to the environmental, social and governance (ESG) agenda.	The deployment of AI and other legal technologies to streamline the delivery of legal services and enhance business performance.	Impact of domestic/ international political uncertainty on legal/ regulatory environment.
		Increased focus on financial performance and profitability.	

The research sought to gather views from the market on four key metrics related to these themes and developments, including:

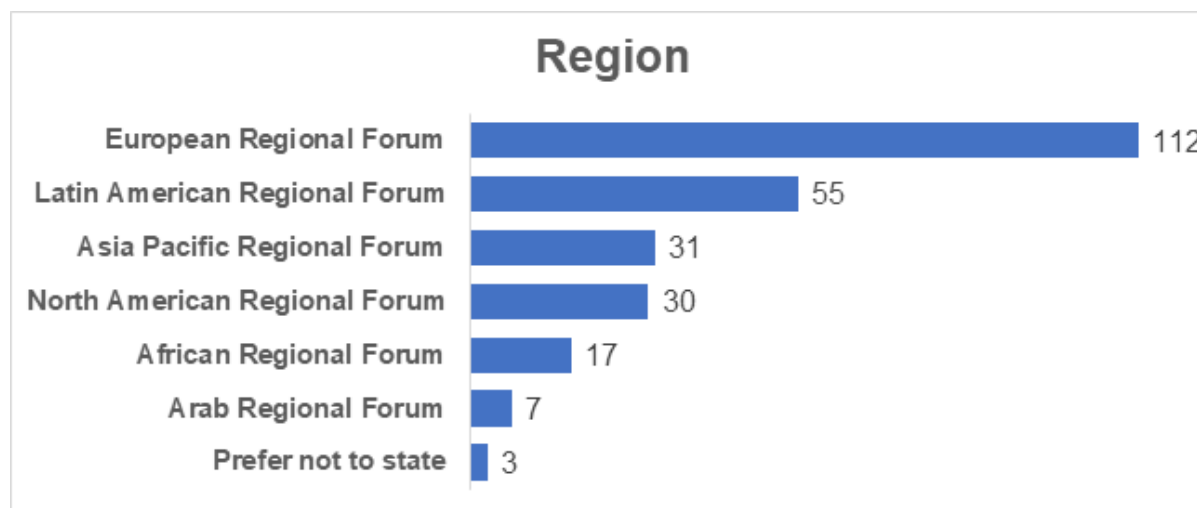
- **Short-term impact [12–18 months]** (No/some/high impact)
- **Medium-term impact [five years]** (No/some/high impact)
- **Organisational focus/attention** (0–100 scale)
- **Readiness to respond** (0–100 scale)

The research targeted a representative group of IBA members, with a direct approach to its members and an emphasis on obtaining high-quality data.

A range of legal professionals contributed their thoughts, including practising lawyers, legal academics, members of the judiciary, legal technologists, business services professionals and law students.

Fully completed survey responses were received from across the IBA regional fora. This response rate was double the volume received in the previous round of research.

Which IBA regional forum most closely represents the jurisdiction you are based in?



Around three-quarters of respondents were from law firms, almost all of whom were in fee-earning roles, and the majority were partners.

Executive summary

The IBA’s Future of Legal Services Commission conducts this survey each year to act as a barometer of how effectively the legal sector is responding to its most prevalent challenges. It also helps to highlight areas requiring greater attention.

Last year’s inaugural report found that the long-term challenges relating to artificial intelligence (AI) demanded the most focused attention from the profession, with readiness to respond to these challenges extremely low relative to the predicted medium-long term impact of AI. This perception has held – and increased – in this second round of research. However, there is still a large disconnect between the impact of AI and preparedness of the legal sector. The levels of organisational attention which AI is receiving across the sector is growing, but it still lags far behind other challenges which are often felt to be less impactful, yet receive much greater attention.

Somewhat tellingly, this year’s results have shown that the impact of AI is still seen as more of a medium-term challenge, with limited short-term impact anticipated. This is comparable to what was observed in last year’s report, raising the possibility that AI will continue to be seen as ‘next year’s problem’ at the very time that preparation should be ramping up. A key takeaway from this year’s report is the need to increase the organisational focus on AI – especially around change management and the training of people – to be in a strong position to respond to the challenge as it develops.

A separate challenge which seems to have been pushed down the agenda is pressure from clients related to ESG (environmental, social and governance). In last year's report this was predicted to be a major growth area, with the impact predicted to be on a par with financial performance and profitability over the next few years. However, this year's results tell a more muted story, and its position on the spectrum of challenges has dropped. What this year's results also show, however, is that organisations do feel more prepared to respond to this challenge than they did a year ago, potentially driven by more organisations investing in the resourcing and professionalisation of responsible business teams.

Although ESG as an overall challenge appears to be receding, a number of associated challenges which feed into ESG's broad scope remain highly impactful – and are growing over time. The drive for diversity, equity and inclusion in the profession, concerns around mental health and wellbeing of professionals (especially among younger respondents), and the impact of climate change on legal business models either remain high in importance, or their impact is predicted to grow rapidly from the short to medium term.

A more balanced picture of the war on talent has been reflected in results this year. Attracting and retaining talent is a challenge which remains very much foremost in mind for the profession, but the indicators are that preparedness has shifted over the last year and organisations are now feeling better equipped to respond to it. Although preparedness has improved, talent remains a challenge which is expected to form a prominent position in this list each year, along with the pressure for financial performance and profitability.

One shift in results which is surprising in some ways, but unsurprising in others, is the decrease in perceived impact around challenges relating to the 'rule of law'. Threats to the independence of the legal profession and limitations on access to justice have both seen a big year-on-year drop in perceived impact as challenges facing the sector. Last year's findings indicated that the profession recognised the significance of these challenges and the need to be proactive in responding to them, but also highlighted limited alignment on who 'owns' these challenges (and subsequently who is responsible for dealing with them). At face value, the drop in the perceived impact of 'rule of law' challenges is reassuring in the sense that it indicates the situation may be improving. However, our results have indicated low attention and low readiness to respond in both years of data collection, suggesting that the drop in impact may be explained in a greater part by the idea that these are challenges which individual organisations are not taking direct ownership of, and which are being pushed down the agenda in favour of challenges with a greater commercial imperative.

In addressing all of these challenges, the difficult question for the sector will once again be where to focus, where to place the limited resources at the disposal of each organisation and how to tackle key challenges in a way which does not exacerbate the impact of another challenge. This report aims to showcase where the impact is more likely to be felt, to frame this in the context of where preparedness is lagging behind the scale of the problem and suggest where additional focus should be directed. It is also the Commission's aim to use these results to influence planning and conversations in the sector over the coming months – and in no small part to inform how individual lawyers, law firms, bars and law societies, educational institutions and organisations such as the IBA itself can help the sector continue to prepare for, and adapt to, the challenges we all face.

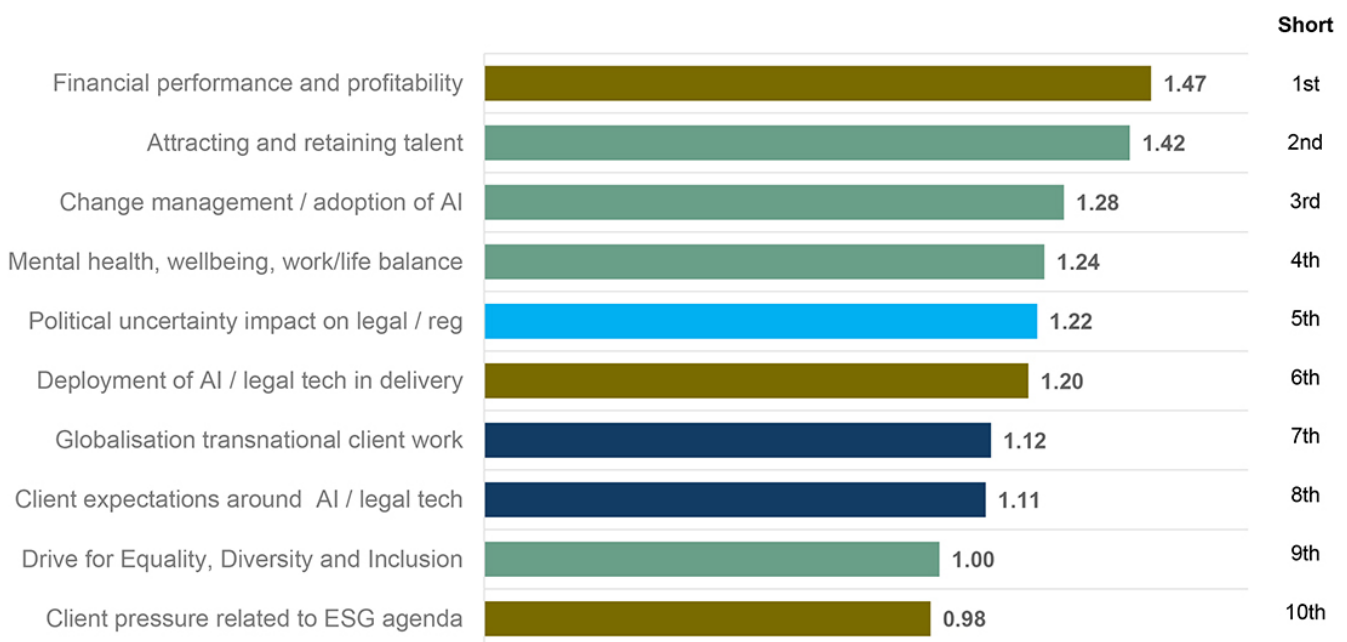
High level impact areas

Last year’s inaugural report identified ‘People’ issues as the highest impact challenges facing the profession in both the short and medium term. While a number of these challenges remain high on the scale of impact, the highest short-term impact area relates to the business challenge of ‘financial performance and profitability’. This challenge was one of a number we have tracked year-on-year, rising from the fourth highest short-term challenge a year ago, to first in this year’s data.

Talent attraction and retention remains highly impactful.

Attracting and retaining talent maintains its position as one of the highest impact challenges as well, sitting in second place compared to first place a year ago and with a small drop in impact score year-on-year. The wider data we have captured suggests that organisational preparedness is in a healthier place this year when it comes to talent attraction and retention. This will be discussed later in the Report.

It is important to highlight that all 17 tested areas are expected to impact the sector to a degree and, to a greater or lesser extent, the relative difference in impact levels may be quite narrow. Looking at the top ten short-term impact areas in order, we can see that People issues do continue to dominate the top half of the list. However, these People challenges cover a range of very different themes, from talent retention to AI adoption and the challenge of mental health and wellbeing.



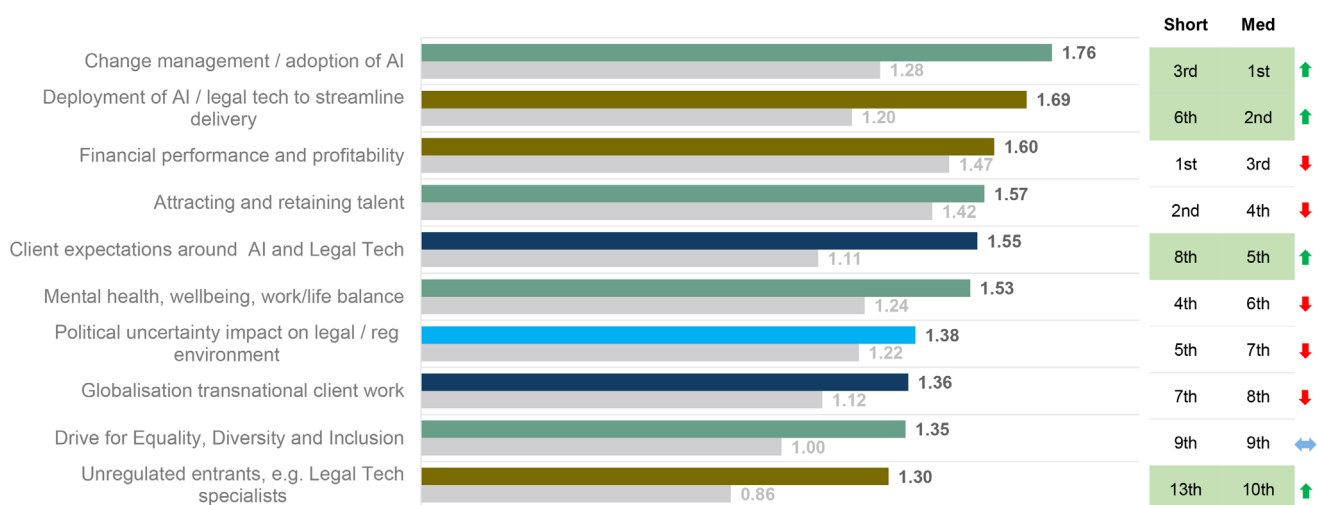
Last year’s survey identified the growth in AI/legal tech in the delivery of client services as a major growth area, moving from 14th in the list of impact issues in the short term up to second in the medium term. As a result of this, different AI-based themes were included in each of the four pillars tested to assess how these areas were growing in relative importance. The ‘People’ element of AI emerged as the most impactful short-term challenge (in third place) – this was around the need for change management and training of people on AI. It was followed by the deployment of AI/

legal tech in service delivery in sixth place, and then by managing client expectations around AI/ technology in eighth place.

AI-based challenges to rapidly increase in the short and medium term.

One of the recommendations from last year’s report was that AI/tech was the one area which demanded the most focused attention from the sector, as readiness was extremely low relative to its predicted medium-long term impact. The short-term impact trends from this year show us that AI/tech is certainly higher on legal service providers’ agenda, but it is still

in the medium term (next five years) where the greatest growth in impact is expected. Each of the AI trends monitored shows significant impact growth into this time period.



Looking into the anticipated medium-term impact, the three AI-based themes which featured in the top ten short-term trends all show significant growth in impact and relative position compared to other areas. Change management and training around the adoption of AI becomes the highest impact area overall, with the deployment of AI to streamline legal service delivery rising into second position. Adding in the management of client expectations around AI and legal tech (which rises from eighth to fifth), a clear trend can be seen converging around AI-related themes.

A closer look at the changes in impact and relative position of each challenge across all 17 areas begins to show clusters of themes:

Cluster one – major continuing challenges

- Attracting and retaining talent;
- financial performance and profitability;
- globalisation/transnational client work; and
- political uncertainty and its impact on the legal/regulatory environment

This cluster centres on more consistent and recognisable challenges which the profession has faced for some time. The data suggests these will all remain key challenges going forward and will continue to be seen as relatively high impact areas in the future. A notable inclusion here is the presence of ‘political uncertainty’ under the ‘rule of law’ pillar, indicating that where rule of law challenges start to affect the business of law itself, the sector is taking more notice.

Change management and training of people in the adoption of AI was the top impact area across all measured regions.

In terms of relative impact to other challenges, these areas show low growth in impact from the short to the medium term, but come from a relatively high impact starting point in the short term.

Cluster two – highest profile emerging challenges

- Change management and training around the adoption of AI;
- deployment of AI/legal tech to legal service delivery;
- managing client expectations around AI and legal technology; and
- mental health, wellbeing and work-life balance (this could also be included in cluster one).

This cluster comprises some of the themes which are among the biggest growth areas in expected impact from the short to the medium term, but which are also in a relatively high position on the short-term scale.

All of these are top ten impact areas across both the short and medium term, and they are characterised by substantial growth in expected impact between these two time periods.

Cluster three – other continuing challenges

- Driver for equality, diversity and inclusion;
- client pressure related to the ESG agenda; and
- unregulated entrants eg, legal tech specialists.

This cluster contains themes which were felt to be less immediately impactful than some of the cluster one/two challenges, and were placed outside the top five in both short and medium-term lists. However, they do show moderate growth between the two time periods indicating an expectation that they remain very important going forward.

They are characterised by a moderate growth in impact from the short to the medium term, from a mid-level short-term start point.

Cluster four – longer-term horizon challenges

- The impact of climate change on legal business models; and
- use of AI in dispute resolution and the delivery of justice.

These two challenges were among the lowest impact of all 17 challenges in the short term, but had some of the highest trajectories of growth from the short to the medium term – indicating that they are areas which are felt to be rapidly rising as challenges which will require focus in future. Both are placed outside of the top ten impact areas in both the short and medium term, but they are characterised by rapid growth in impact between these two time periods.

Cluster five – lower profile challenges

- Challenges to the independence of the legal profession;
- limitations on access to justice;
- concerns of stakeholders outside of the business; and
- increased demand for the provision of multiple services from a single provider including legal and non-legal work.

This cluster of four challenges contains a variety of themes, two of which relate to ‘rule of law’ challenges, which as with last year’s results have not seen much attention in terms of expected impact. Rightly or wrongly, this group of challenges does not particularly stand out among the 17 overall and are characterised by being among the lowest impact short-term challenges, remaining low into the medium term.

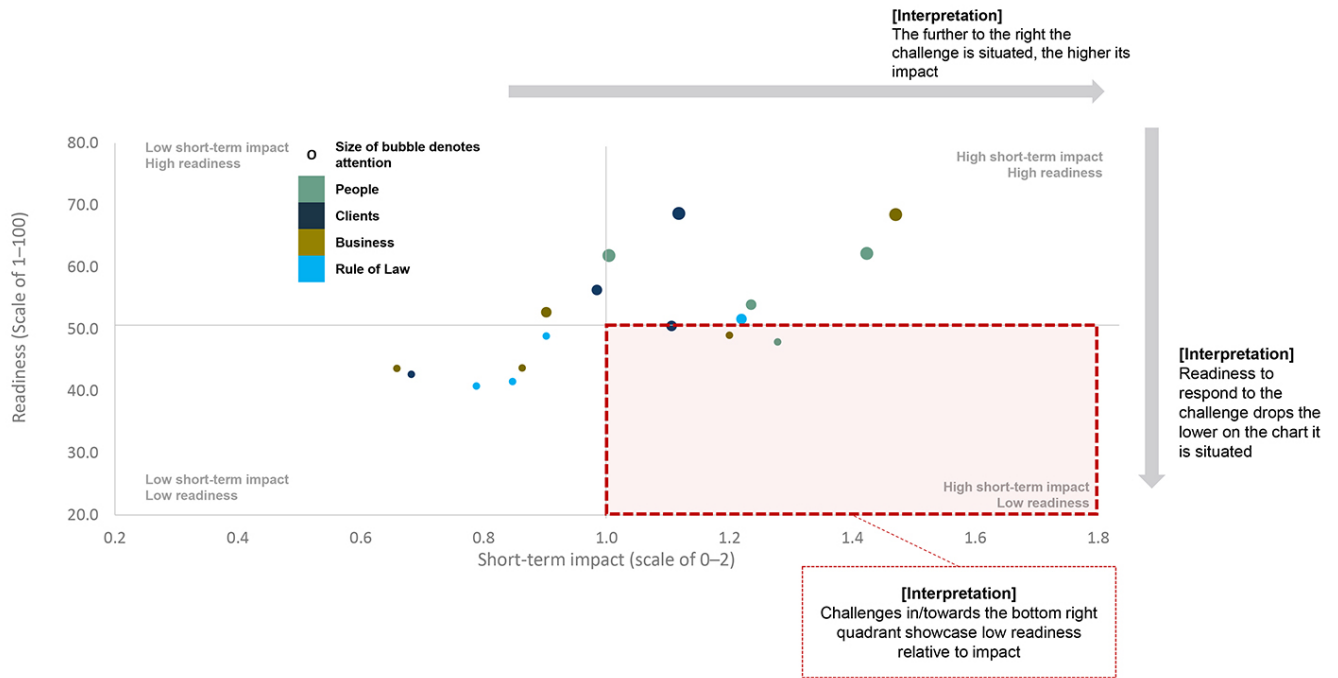
How prepared is the legal sector?

We have laid out predictions around the impact of the key challenges which the sector will be facing over the short and medium term. Like any sector, the legal industry will continue to face challenges over time, but it is the ability of organisations to prepare for – and deal with – the challenges that will influence their relative success over time. With this in mind, the research has assessed the level of attention each challenge is receiving, and levels of readiness from organisations in terms of responding to each challenge.

To unpack this, each of the 17 challenges have been analysed at the intersection of all three metrics:

- likely impact;
- attention received; and
- readiness to respond.

Interpretation guide

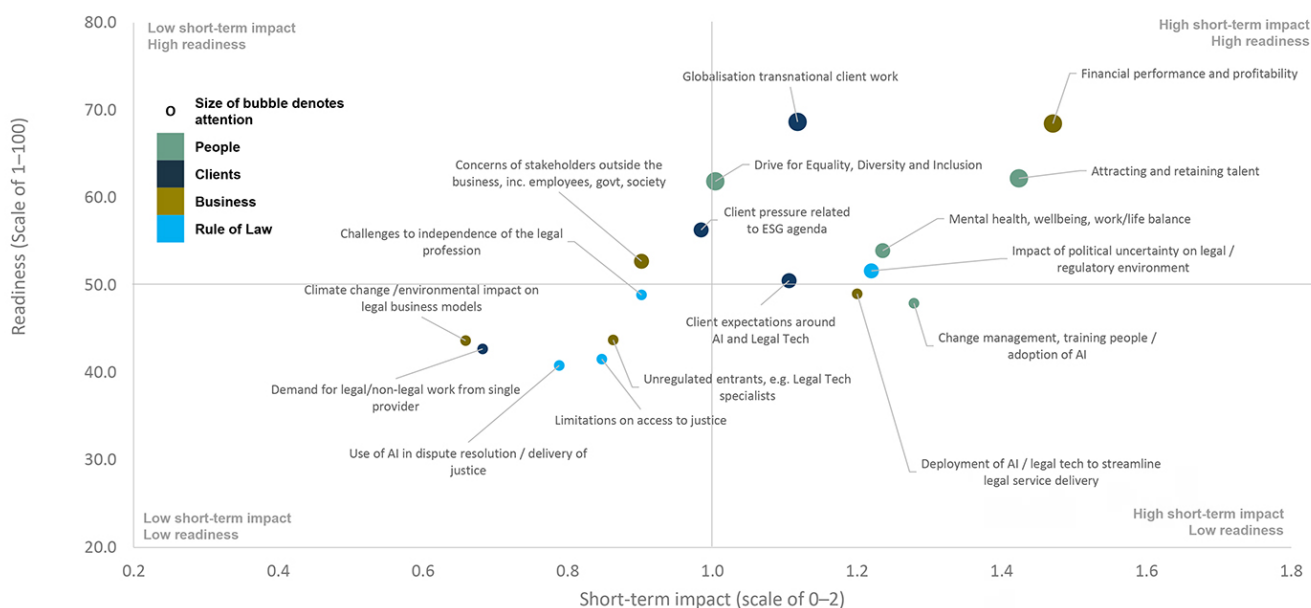


The main challenges – at a glance	
Readiness is relatively high for drive for diversity, equity and inclusion (DE&I), as well as globalisation and transnational client work – attention remains high despite the short-term impact being less acute.	Sector feeling most prepared for short-term challenges around financial performance, and attracting and retaining talent – both receive high attention.
Client pressure around the ESG agenda and realising the concerns of wider stakeholders receiving comparatively high attention relative to short-term impact.	Readiness to tackle mental health/wellbeing challenges and AI-related factors still relatively low, but attention given is quite high. Similar picture for impact of political uncertainty .

We have identified some perennial challenges, notably financial performance and attracting and retaining talent. These sit squarely in the top right quadrant of our distribution, indicating high short-term impact, but correspondingly high levels of readiness and an indication of high attention from organisations.

Compared to last year’s report, preparedness around attracting and retaining talent has seen a rebalance, with greater readiness to deal with the challenge combining with a small drop in impact, indicating a sector which feels in a better position to respond to this challenge compared to 12 months ago. However, awareness of this theme remains high, demonstrating an expectation that the challenge will continue to be prevalent longer term.

The drive for diversity, equity and inclusion (DE&I) has shown a similar shift since last year. Its position in terms of overall short-term impact has increased year-on-year, but the level of attention given and perceived readiness has also grown in tandem.



An interesting trend to focus on are some of the challenges which are situated comparatively low on both the impact scale and the readiness scale, but where attention is relatively high. These form the next major challenges which the sector is currently preparing to deal with.

Within this subset of challenges, there are: AI challenges around training and change management; internal service delivery and management of client expectations; mental health/wellbeing challenges and people; and client pressure related to the ESG agenda.

‘Rule of law’ challenges continue to receive little attention.

Challenges to the independence of the legal profession and access to justice were challenges that the sector placed relatively high on the short-term impact scale a year ago, but which have dropped considerably in this year’s results.

While this may indicate a genuine perception that the level of impact of these areas has reduced year-on-year, there have been no meaningful differences in terms of the level of attention placed on these themes year-on-year, nor the perceived readiness to respond to the challenges. As reported a year ago, compared to many other challenges the commercial impetus to respond to rule of law challenges is likely to be lower, as is the level of clarity on where or with whom the responsibility lies for tackling the challenge.

Where we have seen high attention within the ‘rule of law’ pillar is with a new challenge introduced to this year’s research – the impact of political uncertainty on the legal and regulatory environment. This is an area which arguably has more commercial imperative in terms of its potential impact

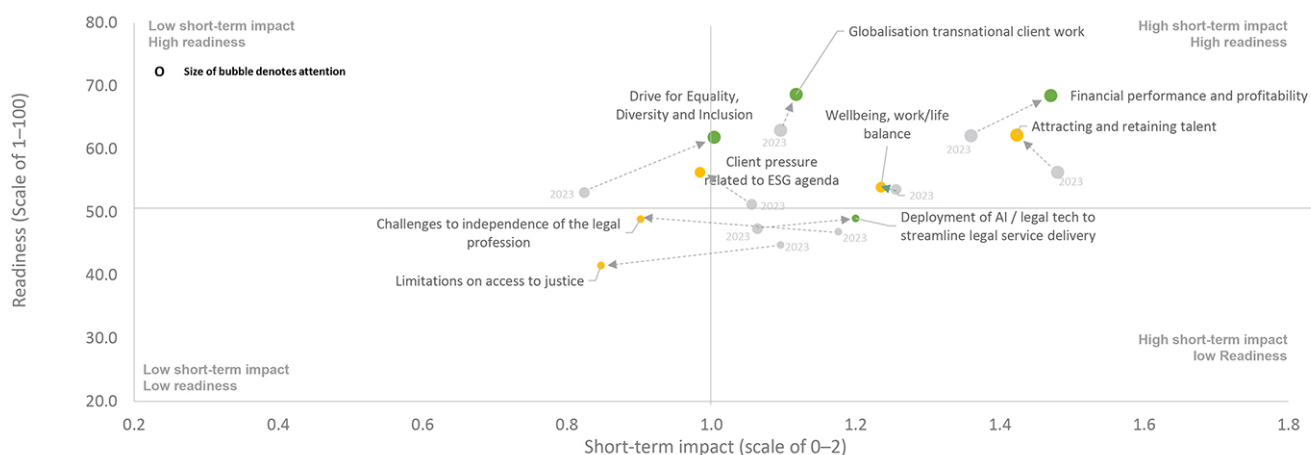
on legal services providers and their clients’ needs – perhaps explaining the higher attention and perceived impact.

Readiness to deal with this challenge, however, is relatively low. This is likely to be driven by a large number of macro-political factors at the time of data collection. The majority of data was captured prior to the European Parliament elections, French elections and the UK general election, as well as before the early US presidential debate and the change in the Democratic ticket.

2023 to 2024 comparisons* Short-term impact versus readiness

Short-term impact and readiness has increased for financial performance, transnational work, and drive for DE&I.

Rule of law areas have shown the biggest decrease in impact since the last round of research.



*Note – some statements are not exactly the same year-on-year

Medium term challenges – at a glance	
<p>Change management and training related to AI, as well as deploying AI form the biggest medium-term impact area – and the highest risk relative to attention and readiness. Managing clients’ AI expectations also shows considerable impact growth in the medium term.</p>	
<p>DE&I and globalisation/transnational client work shift considerably higher on the impact scale into the medium term.</p>	<p>Financial performance and attracting/retaining talent both predicted to remain high impact into the medium term.</p>
<p>Client pressure related to ESG agenda and political uncertainty also expected to increase as impact areas.</p>	<p>Mental health and wellbeing challenges show considerable impact growth in the medium term, especially among younger respondents.</p>

Following the trend observed in last year’s research, the relative impact of each of the 17 challenges is expected to increase over time. None of the challenges are expected to decrease in impact from 12–18 months through to the five-year time period. The question remains as to where attention needs to focus on tackling the risks that may emerge from the higher impact areas.

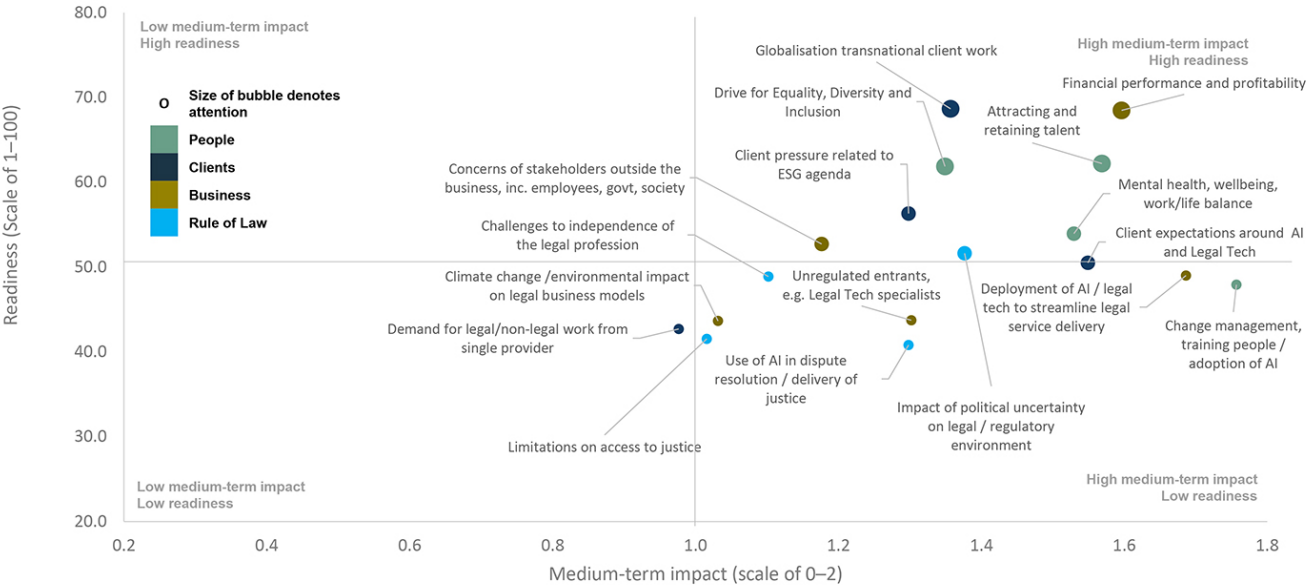
Attention and readiness to respond to AI challenges is limited.

Some of the clearest growth in impact comes from AI-related challenges – change management and people training, deploying AI solutions to streamline service delivery and managing client expectations related to the use of AI. Currently, the relative attention and perceived readiness to respond to these challenges is very low. Clearly this is not a challenge which the sector is

ignoring, but the results still point to a great deal of uncertainty about preparedness to respond, how to manage change and where to allocate resources.

Under-45s expect mental health and wellbeing to be the highest impact medium-term challenge.

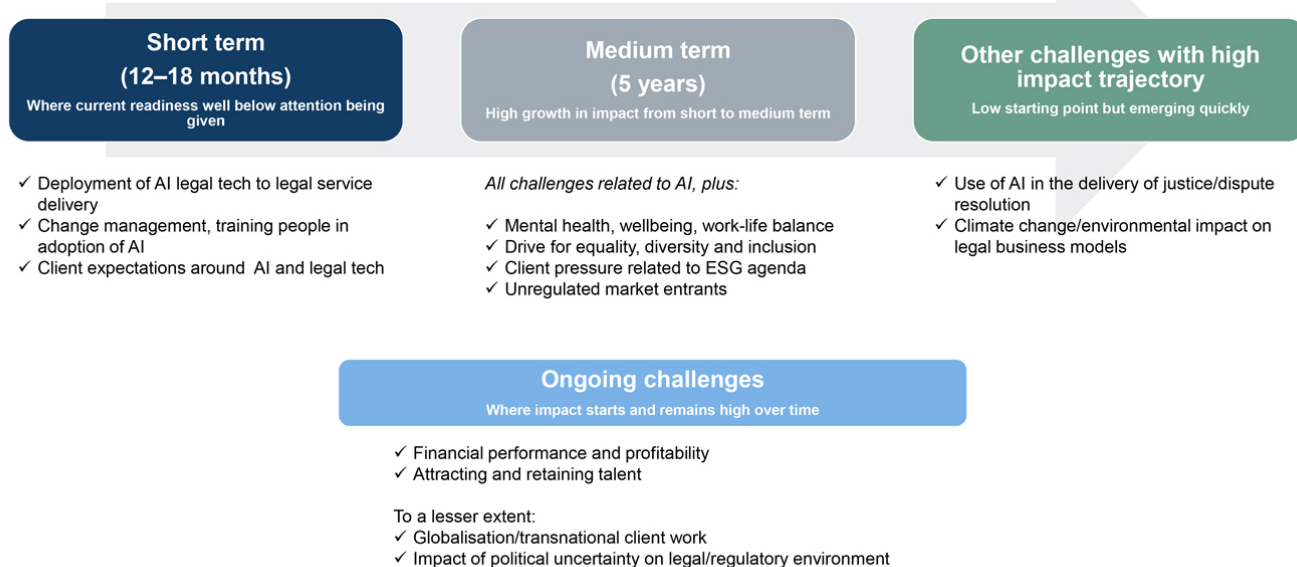
How the sector expects the challenge of mental health and wellbeing issues to develop over the short-to-medium term time period also shows a level of disparity in perceived impact. As a front-and-centre issue facing a talent-based profession the attention the challenge is receiving is relatively high, albeit with slightly lower perceived readiness to respond. However, we see a clear generational shift in perceived impact; looking at under-45s and over-45s, both groups rank the short-term impact of this challenge in fourth position, however into the medium term this rises to the first-placed challenge for the under-45s, but drops out of the top five challenges altogether for over-45s.



Where to focus attention?

In assessing what the sector needs to do to respond to these challenges, a number of the challenges we have evaluated this year fit into a clear category, while others will tend to span more than one in terms of when and how action needs to be taken.

Gap analysis: where is more attention needed?



Initially, there is a clear call to action around increasing levels of readiness to respond to AI-based challenges. These tend to show a high trajectory of growth in impact alongside a much lower level of organisational readiness. Attention on these themes is high, but the sector expects this to dominate in terms of medium-term impact, so the focus on these areas needs to ramp up continually over the coming months and years. This is particularly the case when it comes to change management and training of people in AI, the highest impact medium-term challenge and the one currently receiving insufficient attention.

Alongside these are challenges which have been central to the sector for some years continuing to steadily increase in impact over time, many of which will inevitably influence or be influenced by the growth of AI in the sector. Tackling mental health and wellbeing, driving DE&I within the sector and responding to the challenges of responsible business and stakeholder pressure related to ESG are all areas which will require continued focus. These remain key challenges despite being pushed further down the list by some of the more topical AI challenges.

Two of the challenges we assessed this year were felt to be having little impact in the short term, but showed a huge increase in potential impact into the medium term: the use of AI in the delivery of justice and the impact of climate change on legal business models. Both factors are receiving very low levels of attention with correspondingly low levels of readiness. In the case of climate impact on business models, the potential risks here are myriad, from the direct impact major climatic and weather events may physically pose on business continuity, to the pressures around climate action on

business reporting, targets and carbon reduction strategies, to emerging themes around the types of clients firms represent and the associated stakeholder pressure to consider their role within the supply chain.

These emerging challenges are also within the context of the perennial challenges facing organisations within the legal sector: maintaining and improving financial performance and profitability, and creating an attractive talent proposition. The data shows that organisations feel more on top of the talent war, and the sector remains highly resilient financially – but both of these challenges will remain and require ongoing attention to mitigate risks.

We are extremely grateful to the individuals who took the time to participate and provide their perspectives on the key challenges they face in their organisations. This is now an annual publication and we hope we can rely on the support of those who read this Report to participate in 2025. Our three principles to continue to improve this research are:

- **Using less of your time.** *We will make the participation process easier, more flexible and shorter.*
- **Longitudinal data only where it adds value.** *Next year's questions will be different; we will repeat key questions to track changes, but will introduce new areas to keep the research relevant and useful.*
- **Quality over quantity.** *We aim to expand our coverage, but not at the expense of quality. Our report will be built on reliable, robust data.*



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