

CMS Scotland In-House Essentials Insights

Powering the Legal Revolution: How Legal Operations is Transforming Service Delivery for Competitive Advantage

Legal operations is a strategic discipline that is transforming service delivery across the legal industry. Once an afterthought, it has rapidly become an indispensable driver of change, fuelled by client demands for modern, commercially-aligned legal functions. The transformative force of legal operations holds immense potential to, unlock competitive advantages for law firms who embrace it and, enable in-house legal teams to focus more on providing strategic legal advice.

The huge demand for 'value' in service delivery continues to fuel the continued scaling of specialised legal ops functions and consultancies. Legal operations delivers transparency into resource allocation, productivity, and driving efficiencies through process improvements, alternative resourcing models, and workflow optimisation. These benefits are becoming increasingly important as organisations scrutinise legal spend and demand greater strategic value from their legal function as business enablers.

Legal ops adoption for corporate in house legal teams has been driven by the challenges of budgetary pressures, increased demand and the growing requirement to provide more strategic advice. Instead of cutting law firm fees and headcount, the real solution lies in improving efficiency by adopting legal ops to enhance service delivery. . These drivers are reflected in 2022 Deloitte industry statistics, with only 15% of corporate legal teams reporting adequate lawyer headcount and 75% reporting lawyers doing excessive admin. Furthermore, substantial process and project management gaps exist, with just 38% having a defined workflow for resource allocation and 57% lacking a project management function or training.

Similarly for law firms, the primary driver to develop legal operations capabilities has been increasing as client demands for, lower rates, greater efficiency, cost certainty through fixed fees and alternative fee arrangements (AFAs), and the ability to incorporate legal technology.

To achieve change a range of competencies are required. The Corporate Legal Operations Consortium's (CLOC) 12 Core Competencies defines the broad skills required for this. These include data analytics and strategic planning, both of which can significantly enhance efficiency and business alignment. Both in house-legal teams and, in some cases, law firms lack maturity across these competencies and lean on their lawyers to upskill on these in addition to being subject matter experts. This often results in a bottleneck, leading organisations to either hire dedicated legal operations staff (a CLOC 2021 report shows the average legal ops team size in large organisations has increased from 6 to 13 members) or seek external consultancy advice. This will typically come from dedicated consultancies, law firm linked consultancies or specialist teams within law firms, helping navigate challenges like competing priorities, resource constraints, and accelerating industry complexity.

Organisations purposefully investing in legal ops headcount, technology, and data-driven processes stand to unlock competitive advantages through operational agility, cost savings, and more effective, strategically-aligned service delivery. Corporate legal teams and law firms that fail to fully embrace this operational transformation risk operating inefficiently and falling short in providing the strategic, commercially-minded support that mature legal ops enables.

In addition to the more efficient delivery of their services, some law firms with mature and dedicated legal ops capabilities have discovered the additional benefit in the opportunity to provide legal ops advice and support as a separate revenue generating service to in-house legal teams. This allows these firms to further build on their market share and capture more client spend. This is key to maintaining client relationships during this era of continued legal ops adoption and transformation. Law firms are also uniquely positioned in their ability to provide operational solutions and packaged services designed to drive efficiencies at scale, without potential conflicts of interest, a huge competitive advantage. This presents a compelling opportunity for law firms to double down on legal ops investment.

Large accounting and consulting firms continue to expand into this space, recognising both the immense value that legal operations can deliver and the potential to further their market shares. Although these firms may have begun hiring dedicated legal operations experts, they currently lack the same specialised focus and depth of expertise as the dedicated law firm-linked legal operations consultancies dominating the field. However, their ability to operate at scale, cross sell effectively and their pre-existing reputations pose a significant threat that law firms must counter by continuing to scaling their own legal ops capabilities to retain clients and market share.

Specialist external providers are also rising to meet tailored legal department needs, offering innovative strategy, process optimisation, technology implementation, and managed services solutions targeted at repetitive work. Their advanced legal tech and dedicated operational expertise enables support that many smaller traditional law firms struggle to match. To match the threat posed by these specialist external providers law firms must consolidate bespoke services and mandate efficiency to retain their market positions.

Legal operations is transforming the legal industry. With the winds of change blowing, matter volumes increasing, client expectations and industry pressures continuing to rise, the market will see dedicated operations teams and consultancies grow across law firms and legal departments globally. This will help to scale efficient service delivery while providing new capabilities and revenue opportunities. Investment into specialised legal operational support will empower the legal function to revolutionise its service delivery model, transitioning from a reactive, expertise-driven approach to a proactive, operationally-focused one closely aligned with clients' broader business objectives.

Over the next 5 years, implementing legal operational best practices will become the norm. Legal teams must evolve beyond subject matter expertise, becoming true strategic business partners by the end of the decade.

The legal revolution catalysed by legal operations has reached a pivotal juncture. The time is now for forward-thinking legal departments to harness this transformative force and unleash their potential as strategic, operationally excellent partners driving sustained competitive advantage.

Our next In-House Essentials event looks at the Data (Use and Access) Act 2025. We are delighted to share that Laura Cairns from the Information Commissioner's Office will be joining the session.

You can find out more about the event here:

[Is your protection programme ready for the Data Act 2025?](#)

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