

A Harbor report | 2025 IT Strategic Spend Survey

Building for scale: How law firm IT is operationalizing innovation in 2026

In this report, we examine how IT has moved from a support function to a core driver of growth, innovation, and competitive advantage for law firms heading into 2026. As firms shift from AI experimentation to scaled implementation, success will depend on strong data foundations, integrated systems, and operating models that deliver measurable business value, even as strategy and execution gaps persist.



Introduction

As law firms enter 2026, leaders remain focused on advancing growth, strengthening financial performance, mitigating risk, and operationalizing innovation across both the business and practice of law. Increasingly, these priorities hinge on the firm’s ability to turn data into actionable insight, adopt new technologies at speed, and clearly demonstrate the business impact of those investments to clients and internal stakeholders. For IT leaders, this moment represents an expanded strategic mandate: enabling data-driven decision-making, accelerating delivery, and building technology foundations that support innovation at scale.

IT as architect of the modern law firm




Against this backdrop, IT is no longer viewed solely as an infrastructure or support function. It has become a central architect of the firm’s transformation agenda. To deliver the outcomes the business now expects, IT leaders must elevate data quality and governance, integrate fragmented systems, modernize delivery models, and drive adoption of new technologies in ways that measurably improve client service, operational efficiency, and competitive differentiation. Solving challenges like technical debt and legacy architectures is essential—but always in service of these broader business objectives.

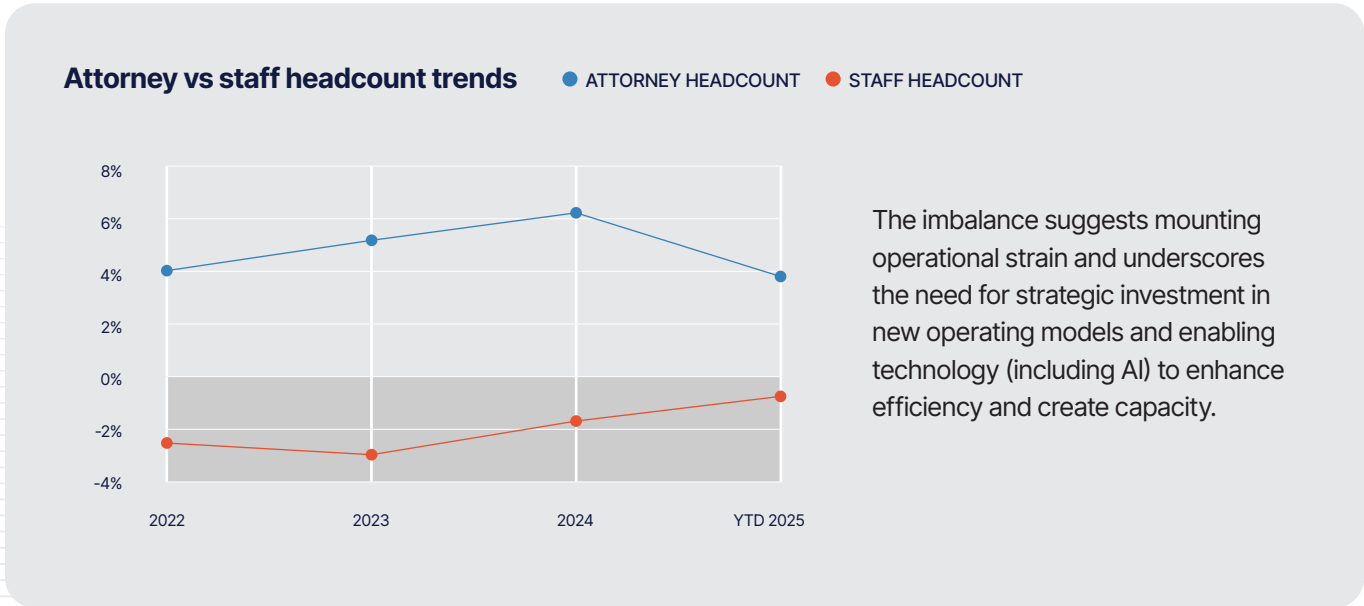
As functions across the firm deepen their reliance on technology-enabled workflows, IT’s role as advisor, enabler, and orchestrator becomes essential to shaping the firm’s competitive trajectory. Several firms are also developing proprietary tools to strengthen their competitive position, with 67% of Harbor’s AI Mastermind, a cohort of leading global firms sharing AI learnings, building solutions that leverage advanced technologies.

The inflection point: From investment to impact

Following a year of exploration in 2024, 2025 required substantial foundational work that will continue as firms build toward scale and defined strategic direction for their intended business outcomes. Leaders anticipate that 2026 will mark the transition from establishing groundwork to operationalizing new capabilities and delivering measurable business value. To support trust in emerging solutions and the adoption of AI at scale, IT functions are addressing core imperatives such as data quality, governance, architecture, cross-system integration, and adoption strategies. Yet significant progress remains, as only half of technology leaders surveyed report confidence that they have a clear, actionable plan across their data strategy, reporting strategy, and integration initiatives.

Although IT is a prioritized function for evolution in 2026 (as reported by COOs), market realities create meaningful constraints. As firms expand in lawyer headcount and geographic reach, support infrastructures are intentionally not scaling at the same rate. This measured approach introduces operational strain and puts pressure on existing delivery models. These dynamics create a clear opportunity for investment in modern operating models and enabling technologies such as automation, AI, and agentic AI to enhance efficiency and create sustainable accretive capacity.

<p>Office expansion</p> <p> 98+</p> <p>new offices for AMLaw 100 firms between 2023-2024</p> <p><small>SOURCE: AMLAW 100 2024-2025</small></p>	<p>Support services</p> <p> 3%</p> <p>decrease in the ratio of staff to lawyers</p> <p><small>SOURCE: CITI 2025 CLIENT ADVISORY REPORT</small></p>	<p>Cost of support services</p> <p> 4-6%</p> <p>increase in cost of support staff and overhead costs</p> <p><small>SOURCE: AMLAW 200 2022-2024</small></p>
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The connected firm: Cloud, data, and AI become non-negotiable

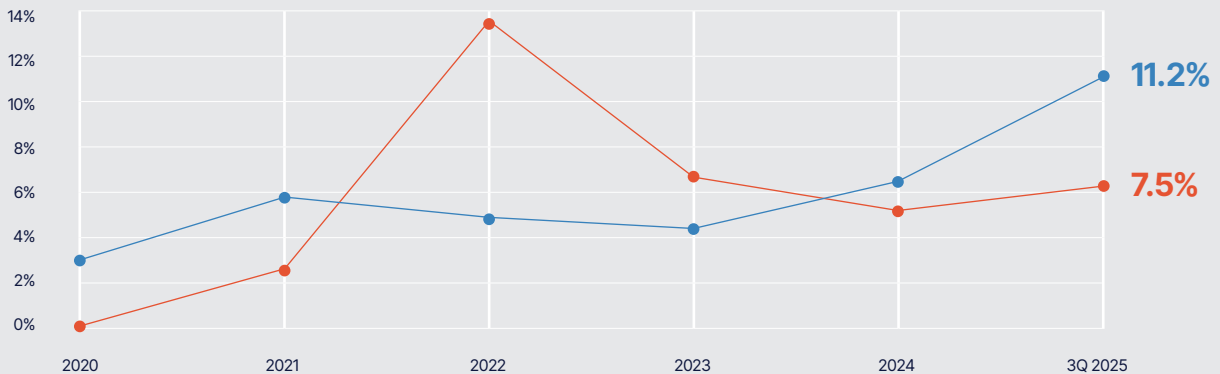
At the same time, enterprise IT continues a major transition from on-premises systems to cloud environments. Legal practices and business services are retooling accordingly, driving technology spending to unprecedented levels and renewing investment in practice-enabling functions such as knowledge management. Law firm CIOs report that budget increases are being driven primarily by rising software costs rather than net-new investments, a sentiment echoed by innovation and strategy leaders.

In 2025, technology spending outpaced overhead expense growth in 2024 and shows no signs of slowing. Overall, tech spending has nearly doubled since 2023. As of Q3 25, technology expense growth stands at 11.2% year-over-year, an increase of roughly four percentage points from the prior year. Firms now invest approximately 5%-6% of revenue in technology, which is nearly double the historical norm of 2%-4%. Polling among law firm technology leaders reflects similar acceleration, with one-third of CIOs and CTOs expecting budgets to rise 6%-10% in 2026, while 42% anticipate increases of 11%-20% as firms modernize and address deferred investments.



Law firm year-over-year tech overhead and tech expense growth

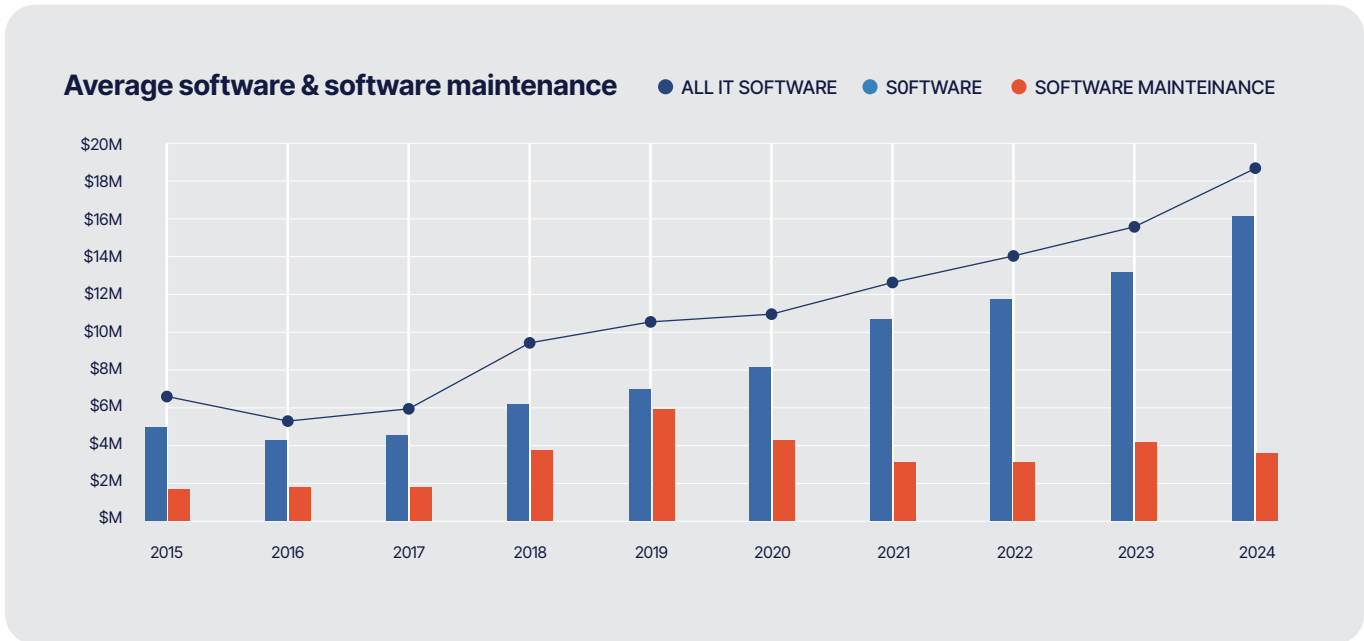
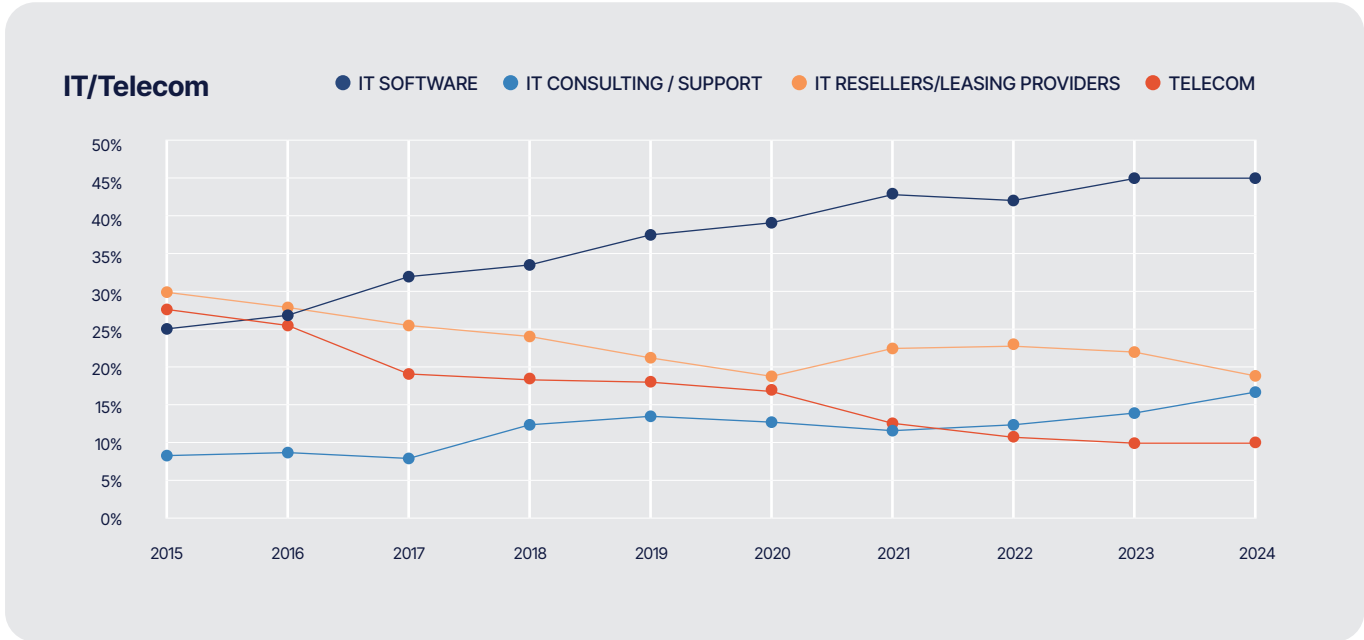
● TECH SPEND ● OVERHEAD EXPENSE



THOMSON REUTERS INSTITUTE AND FINANCIAL INSIGHTS: LAW FIRM FINANCIAL INDEX, Q3 2025 EXECUTIVE REPORT

Drilling in, software spending continues to climb. Firms spent an average of \$16 million on software in 2024, which is four times the 2016 average. Spend on resellers, leasing providers, and telecom continues to decline, while consulting spend increases. Variability in software maintenance costs reflects the uneven pace of cloud migrations and the fact that many firms have not yet realized anticipated SaaS-related savings.

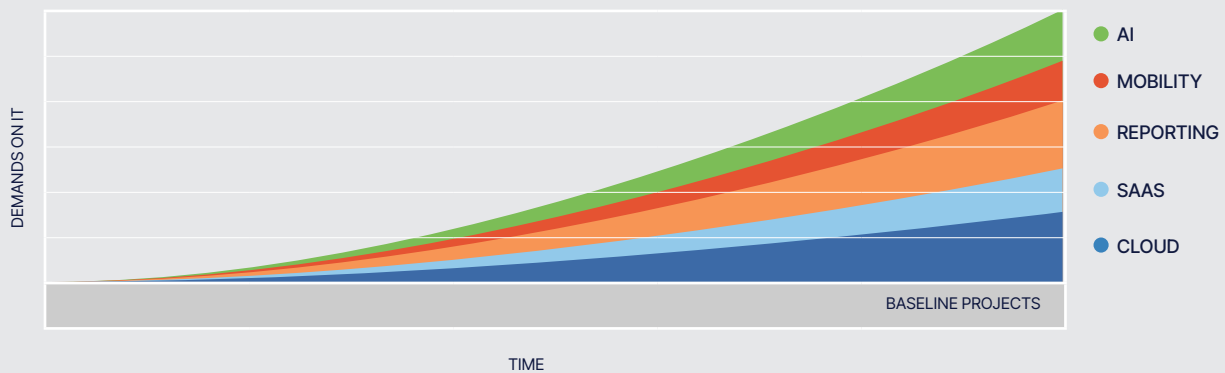
Share of total IT spend by select categories
2015-2024



A new mandate for IT leadership

This increased investment is occurring alongside a broadening IT remit. As law firms evolve into technology- and data-driven enterprises, IT functions are shifting from infrastructure and support roles to strategic drivers of innovation, adoption, and value creation. According to Harbor's IT Strategic Spend Survey, the most common functions reporting into IT now include practice innovation, data and analytics, AI and genAI, workflow automation, and knowledge management.

Legal IT is facing a widening delivery gap



At the same time, staffing models have remained largely flat. Talent is being rebalanced toward automation, security, and AI-related skill sets, widening the delivery gap for many IT teams. Technology leaders report refining IT delivery models to account for firm growth and an expanding strategic mandate. This includes reconsidering how work is distributed between internal teams and external managed services to preserve internal capacity for high-value, specialized roles.

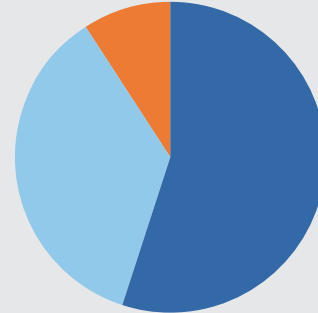
Expectations for IT have shifted from service providers to strategic partners in business operations and legal service delivery. With increasing opportunities to streamline work and continued migration to cloud-based enterprise applications, disciplined prioritization has become essential. Consequently, IT and the practice-enabling functions IT houses are being called to act as agents of change, developing a deeper understanding of how work is performed and identifying where technology can automate, simplify, or eliminate manual tasks. Despite this need, 75% of leaders report they have not reviewed key workflows to realign them with cloud capabilities, while the remaining 25% are in progress.



This gap is mirrored in AI adoption strategies. Seventy-one percent of leaders report that their firms focus on discrete AI use cases rather than end-to-end workflows, while only 29% take a “technology-first” approach. Realizing meaningful value from advanced technologies and cloud-based enterprise applications requires optimizing end-to-end workflows rather than isolated activities. Growth, financial performance, and risk management are all driven by workflows. Because law firms commonly operate with siloed data and organizational structures, most improvements to date have focused on individual use cases instead of end-to-end improvements.



Is your current IT delivery model sufficient to support firm’s future growth?



55%	YES, SUFFICIENT BUT NEEDS REFINING
36%	NO, NOT SUFFICIENT BUT REWORKING
9%	YES, SUFFICIENT TO SUPPORT FUTURE GROWTH

From potential to performance

The challenge for 2026 and beyond is to anchor workflow optimization in specific business outcomes, for example reducing write-offs by a defined percentage, identify the workflows that drive these outcomes, and redesign them so the right people are performing the right work with the right technologies in the most streamlined manner. This requires a coordinated, cross-functional approach to evolving operations in ways that benefit the entire firm. To support this transformation, organizations are working to close both skills and capability gaps across the enterprise.

The skills gap is particularly pronounced within IT, given the simultaneous shift to cloud computing, which moves application maintenance responsibilities to software vendors, and the rapid emergence of genAI three years ago. Skill shortages span cybersecurity, software development, data engineering, infrastructure, and IT support¹. Addressing critical expertise needs is essential, but shifting mindsets is equally important.

Firms are rethinking traditional notions of training, moving toward adoption-focused enablement that prioritizes integration, credibility, and measurable outcomes. Basic technical training may be outsourced, but legal-specific enablement requires tailored, practice-facing approaches to ensure relevance and trust. Many firms are investing in enablement specialists with legal or practice experience to ensure technology is deployed in ways that align with how work actually gets done. In an environment of constant technological advancement, adoption is no longer a one-time initiative but an ongoing capability—one that depends on built-in feedback loops, peer-driven learning, and sustained change management. The strongest results emerge when technology is embedded directly into core workflows and reinforced through continuous, outcome-oriented coaching, rather than episodic training efforts.

¹COMPTIA IT INDUSTRY OUTLOOK 2025

The path forward: Redefining competitive advantage

As firms transition into 2026, many find themselves at a pivotal moment where foundational work continues yet conditions are in place for operationalizing modern capabilities at scale and converting technological potential into tangible business impact. Achieving this inflection point requires more than investment. It demands coordinated workflow redesign, disciplined prioritization, and an evolved IT operating model equipped with new skills, new behaviors, and modern approaches to enablement and adoption.

The firms best positioned to lead the market will be those that systematically close capability gaps by embedding automation, AI, genAI, and cloud-based solutions across

end-to-end workflows—and by equipping lawyers and business professionals with context-driven, outcome-oriented support that translates technology into performance.

To future-proof their organizations, leaders are prioritizing streamlined, data-driven business processes and reimagining how firms operate and how legal services are delivered to position their firms for long-term improved performance and adaptability. In 2026 and beyond, firms that execute against this vision will not only optimize current operations and investments but also redefine competitive advantage across the legal industry for years to come.

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Key recommendations: What market-leading firms are doing differently in IT, data, and AI

As law firms accelerate cloud migration and AI investment, a clear pattern is emerging: technological advantage is no longer driven by isolated tools or one-time transformations. Instead, leading firms are building durable capabilities that allow them to adapt continuously as technology, client expectations, and business models evolve.

1. Reframing IT as a growth enabler, not a cost center

Forward-looking firms are redesigning their IT operating models to support growth, innovation, and resilience. This means moving beyond legacy structures built to maintain infrastructure and toward models that prioritize scalability, cross-functional collaboration, and access to specialized skills. Firms that modernize how IT is organized and delivered are better positioned to respond to rising demand for data, analytics, automation, and AI.

2. Treating data and integration as strategic assets

Rather than relying on brittle, point-to-point integrations, leading firms are investing in unified, scalable data and integration architectures. This approach reduces technical debt, improves data reliability, and enables faster delivery of analytics, reporting, and AI-driven capabilities. Clean, governed client, matter, and people data has become a prerequisite for everything from pricing and client intelligence to workflow automation and advanced AI use cases.

3. Making enablement and adoption a continuous capability

Top-performing firms recognize that adoption is not a one-time event tied to a system launch. As technology evolves rapidly, firms are embedding enablement into their operating rhythm—using feedback loops, peer-led learning, and workflow-based coaching to drive sustained value. The focus has shifted from training attendance to outcomes: how technology actually changes the way work gets done.

4. Operationalizing AI through integration and governance

Market leaders are moving AI out of experimentation and into daily practice by embedding it directly into core workflows. This requires strong data foundations, clear ownership, governance frameworks, and mechanisms to monitor and improve outputs over time. Firms that operationalize AI in this way reduce risk, increase trust, and create repeatable value—rather than accumulating disconnected tools and pilots.

5. Aligning technology to client value and differentiation

Ultimately, technology investments are most effective when they are tied to client impact. Firms that lead the market use AI and advanced technologies not only to improve internal efficiency, but also to enhance client experience, deliver deeper insights, and differentiate their expertise. Competitive advantage comes from execution—how well technology, data, people, and processes are aligned to deliver measurable results.

Connect with a Harbor expert

If you're **repositioning IT** from a **reactive** support function to a **strategic engine** for growth, innovation, and competitive differentiation, let's connect. We can explore how to **modernize** your operating model, **optimize** enterprise technologies, and **strengthen** data and application integrations so IT delivers **measurable**, enterprise-wide **business value**.



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About Harbor

Harbor is a globally integrated team of strategists, technologists and specialists focused on helping law firms, corporations, and their law departments achieve breakthrough outcomes. We are also helping to steer a legal industry in the midst of turbulent change. We navigate alongside our clients and partners, providing salient insights, scalable resources, and seasoned advice.

About the Harbor IT Strategic Spend Survey

The IT Strategic Spend Survey is a benchmarking initiative that examines how IT leaders are allocating investment, expanding their strategic remit, accelerating cloud adoption, evolving operating models, and responding to rapidly shifting client expectations.

Designed specifically for law firm leadership, the survey delivers actionable insights and peer benchmarks that help transform IT from a functional support unit into a strategic catalyst for modernizing firm operations and advancing the delivery of legal services.