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Law Firm Procurement Annual Report

Procurement priorities for law firms in 2026

Law firm procurement is becoming a strategic engine for firmwide transformation. As security expectations rise, litigation grows more complex, and AI reshapes workflows, procurement now plays a critical role in managing risk, guiding technology decisions, and ensuring operational agility.

Introduction

Law firms are transforming how they operate, and procurement has become the force accelerating that change. Global litigation, tightening security expectations, and a rapidly digitizing legal ecosystem have raised the stakes. Every technology decision, every vendor relationship, and every dollar of spend now carries implications for client trust, operational agility, and competitive advantage.

Procurement sits at the center of that equation. It protects the firm from evolving risks while enabling the progress that clients, regulators, and market conditions demand. And with artificial intelligence (AI) reshaping workflows, procurement is increasingly responsible not just for what the firm buys but how those systems and services safeguard data and power performance.

Emerging areas of focus for 2026

Our 2025 Law Firm Procurement Survey asked leaders to identify the priorities that will define the year ahead. Three themes emerged. Together, these priorities mark a pivotal shift. Procurement is no longer a transactional function. It is a strategic leader in how law firms are modernizing, strengthening protection, simplifying engagement, and turning data into insight that drives better outcomes for the business and the clients they serve.

1   **Strengthening vendor risk management as a core component of operational resilience**

2   **Improving processes to enable faster, more consistent engagement across sourcing, intake, and contracting**

3   **Building a digital and AI-enabled procurement foundation that turns data into insight**

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Vendor risk management: Turning oversight into a competitive advantage

Large law firms now depend on expansive ecosystems of external providers, from research platforms and cloud services to AI tools and operational partners. Every one of those relationships can introduce risk. A single supplier outage or security failure can cascade across multiple firms at once, putting client trust and business continuity on the line. As a result, vendor oversight has shifted from a routine administrative checkpoint to a critical line of defense.

While vendor risk management maturity is advancing, progress is uneven. Our survey reveals a sector in transition. More than a third of firms have adopted centralized programs that combine technology platforms with structured risk data. Others leverage platform-generated ratings yet still lack full visibility across their vendor portfolios. Many remain early in their evolution, limited to intake-based verification, while a small share operate without a formal program at all. This variability underscores a collective challenge: the industry has shared vendors but not yet shared standards.

Across the board, firms recognize that technology and data governance risks now dominate the threat landscape. Operational and legal exposures, such as conflicts, compliance gaps, and vendor stability, follow close behind. The most common due-diligence measures reflect these priorities.

Most common due-diligence measures:

IT security reviews	**92%**
Screen for sanctions	**73%**
Perform anti-money-laundering checks	**65%**
Review financial health	**58%**
Check conflicts	**58%**
Monitor negative-news indicators	**50%**

With three-quarters of firms already using data to inform evaluations and half building structured risk registries to track compliance, vendor oversight is becoming more measurable, more continuous, and, ultimately, more defensible.

From reactive to proactive vendor oversight

In many firms, vendor onboarding still follows a familiar pattern. A business stakeholder identifies a need and begins working with a potential provider, often negotiating commercial terms before procurement is fully involved. Key details about the relationship live in inboxes and spreadsheets. Only after momentum builds does procurement or legal step in to gather basic firmographic and IT-related information, review terms, and finalize the contract. At that point, risk checks tend to be minimal and backward-looking, limited to sanctions or conflicts screens tied to invoicing or initial onboarding.

This reactive model leaves dangerous blind spots. Clients increasingly expect law firms to demonstrate robust oversight of third parties on issues such as sanctions compliance, conflicts, data handling, and potential misuse of sensitive information. Regulators are raising expectations as well. When risk evaluation happens late or inconsistently, issues may surface only after commitments are made or after a client requests evidence of oversight. In an environment where continuous compliance is becoming the norm, an ad-hoc, request-driven process can no longer keep pace. A structured approach is necessary to show consistency, accountability, and defensible decision-making.

Leading firms are reshaping vendor onboarding and governance to address risk from the outset rather than after the fact. Centralized programs ensure that every proposed relationship flows through a standard pathway that captures core information early and maps how the vendor will interact with systems and client data. A single repository of vendor information gives procurement, IT, and the general counsel's office a shared view of exposure and allows them to apply consistent standards. Contracting and compliance become connected activities rather than separate tracks.

Technology is also changing how firms evaluate vendors and when that evaluation begins. Historically, risk assessment started once onboarding was already in motion. Now, automated solutions can generate a baseline risk profile as soon as a relationship is proposed. Data-driven intake workflows collect the required information at the front end and consolidate risk data

into a single record. Procurement teams can use this early profile to shape sourcing strategy and contract negotiations rather than trying to retrofit controls after the deal is largely done.

Automated risk profiling validates vendor identity, compares the vendor to existing assessments where possible, and highlights financial, reputational, and regulatory factors that matter most. This approach reduces redundant data collection, accelerates approvals, and gives stakeholders an informed view of exposure before significant time or goodwill has been invested.

The most mature programs extend this discipline throughout the lifecycle. Continuous monitoring tools surface early warning signs such as financial distress, security incidents at a subcontractor, changes in ownership, or the introduction of new AI features that require different controls. Alerts prompt timely review and mitigation, helping firms maintain consistent standards across the portfolio. As these capabilities take hold, vendor risk management shifts from periodic checks to ongoing governance embedded in everyday procurement activity.

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Core elements of a strong vendor risk framework

An effective vendor risk management program rests on three principles: clarity, consistency, and accountability. These principles translate into practical capabilities that guide decision-making across the vendor lifecycle:

Risk assessment

Comprehensive risk identification: Firms maintain a current, searchable vendor catalog categorized by exposure level. Classification criteria include access to client or firm data, integration with core systems, financial stability, and the potential impact on business continuity. Clarity directs attention to the relationships that carry the greatest strategic and reputational risk. Consider the state of your current systems and processes, and whether they need to be re-implemented or if they can simply be migrated as is into the new system. The extent of process re-design within and across applications significantly impacts the migration effort.

Onboarding

Standardized onboarding and due diligence: Onboarding functions as a commercial gateway and a compliance checkpoint. Structured intake questionnaires and background checks capture firmographic, IT security, and ownership information. Automated workflows reduce rework, matching vendors to existing assessments and eliminating repeated collection of items such as W-9s and certifications, so procurement teams receive an initial risk profile before making vendor decisions.

Contracts

Contractual safeguards aligned to risk: Contract provisions should reflect each vendor's risk profile. Standard terms should address data handling, audit rights, breach notification timelines, incident cooperation, and insurance coverage. For technology or AI-enabled solutions, firms need transparency into model design, data usage limits, and subcontractor controls to reinforce accountability throughout the relationship.

Monitoring

Continuous monitoring and review. Tools that monitor external data, such as security ratings, regulatory actions, incident reports, and ownership changes, help firms detect changes in risk early. Findings trigger proportional mitigation measures, extending accountability throughout the engagement.

Oversight

Integrated reporting and governance. Dashboards and performance metrics give leaders a clear view of high-risk vendors, remediation activity, and emerging exposure patterns. Central oversight ties vendor governance directly to firm-level risk priorities.

Collaboration across the industry

Across the legal sector, firms overwhelmingly rely on the same core providers for critical technology and services. Our clients share 47% of their top 200 vendors, 29% of their top 1,000 vendors, and 9% of all their vendors. Even with this commonality, oversight remains isolated. Each firm repeats assessments that others have already conducted, and vendors receive inconsistent requirements that delay improvements.

Our Vendor Risk Steering Committee, formed in 2025 with participation from leading global firms, reflects a growing interest in shared standards. The committee's goal is to develop consistent approaches to vendor evaluation, monitoring, and communication of risk. Shared expectations and benchmarks can encourage those vendors to invest in stronger controls and more transparent reporting. Over time, we hope our collective approach will reduce duplicative effort so firms can devote more time to strategic improvement than repetitive assessment.

What leading law firms are focusing on next

Strengthen your vendor governance program by focusing on these five actions:

Establish ownership
Assign clear accountability for vendor risk management across procurement, IT, and legal functions, with defined roles and reporting lines.

Centralize data
Build a single repository that consolidates vendor profiles, contracts, and risk assessments.

Modernize monitoring
Introduce tools that support continuous assessment of vendor performance, certifications, and alerts, rather than relying solely on periodic reviews.

Align contracts with risk
Update templates so that data security, breach notification, and technology governance clauses are mandatory and scaled by risk tier.

Engage in peer collaboration
Participate in benchmarking groups and working committees to align standards and learn from common challenges.

Operational process improvement: Elevating procurement's effectiveness across the firm

Procurement at large law firms has reached a scale that manual coordination can no longer support efficiently. Our survey showed that almost half of responding firms review more than 200 contracts each year, while 44% process over 1,000 purchase orders annually. On average, firms onboard more than 200 new vendors yearly and run dozens of sourcing events that span technology, operations, research, and facilities.

Despite that activity, intake, contracting, and approval processes often remain scattered across email and spreadsheets. Fragmentation slows decision-making, obscures visibility, and limits procurement's ability to influence outcomes when it matters most. The need for seamless, structured workflows has skyrocketed as operating models become more distributed and digital platforms proliferate.

Operational process improvement addresses this gap by positioning procurement as an enabler rather than as a gatekeeper. Procurement becomes a natural part of how the business works, not a step added after decisions are made, when stakeholders can easily access preferred suppliers, request contract reviews, and track approval status. Integrating procurement earlier in the lifecycle empowers the function to strengthen commercial terms, guide vendor selection based on performance, and support cost and compliance goals with greater consistency.

The urgency behind this shift has intensified over the past year. Intake and contracting frequently begin without procurement, leaving governance to catch up later. Clients and regulators increasingly expect defensible processes for selecting and managing suppliers, especially those with access to sensitive information. At the same time, rapid demand for new technology has outpaced controls, leading to inconsistent decisions and manual workarounds that consume valuable time.

Improving core workflows reduces friction for procurement and its internal customers. Stakeholders adopt approved pathways because they are faster and clearer. Procurement gains transparency into spend and risk before commitments are made. And firm leadership benefits from processes designed to accelerate progress while reinforcing accountability. Over time, this creates a cycle of earlier engagement and better outcomes, advancing procurement's maturity and its strategic role in the business.

Expanding access through workflow automation

Historically, workflow technology was deployed in IT ticketing and hardware procurement. Procurement now recognizes its value in broader commercial processes. Modern workflow systems guide users through each required step, eliminate ad-hoc requests, and route documentation to the right parties automatically.

A requester can initiate a contract review or sourcing need directly through a centralized portal. Required forms and details are captured the first time. Stakeholders have real-time visibility into status. Procurement no longer spends hours directing emails or deciphering context long after decisions are underway. These systems also create a clear audit trail, ensuring that the firm can explain how decisions were made.

Enabling self-service where it strengthens compliance

Many procurement organizations seek greater self-service capabilities so internal teams can move faster while still using approved terms and preferred providers.

Self-service does not eliminate governance; it embeds it. Predefined contract templates, prenegotiated rate cards, and curated vendor catalogs allow requesters to act within the boundaries that procurement sets. The process becomes faster but remains compliant. Stakeholders gain convenience, while procurement gains influence earlier in the lifecycle.

What leading law firms are focusing on next

Law firms should take these steps to build a stronger digital foundation:

Create a digital roadmap — Identify where AI and automation will deliver measurable value and sequence investments accordingly.

Strengthen data governance — Standardize data collection and classification so that information feeding AI systems is accurate and traceable.

Integrate systems — Connect contract, spend, and vendor data into a single ecosystem to enable end-to-end visibility.

Formalize AI governance — Develop policies for model transparency, data privacy, and human review.

Raise digital fluency — Invest in skills and shared learning opportunities so teams can validate AI-driven insights.

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AI and digitization: Building a digital foundation for the future

Today's digital platforms support sourcing, contract lifecycle management, spend analytics, and vendor risk monitoring. As procurement becomes a digitally driven function, most law firms are still early in realizing the value of the systems they already have in place.

At the same time, firms are investing more in AI, believing it will reshape operational capability across the legal industry. In our survey, 81% of firms reported using or piloting generative AI tools, including Microsoft Copilot, ChatGPT, Westlaw Precision, CoCounsel, and firm-specific solutions.

But enthusiasm exists alongside caution. The majority (90%) of firms expressed concerns about implementing generative AI, driven primarily by security and privacy requirements (77%) and uncertainty about the accuracy of AI-generated outputs (73%). Many also worry about integration challenges (62%), underlining that the next phase of digitization is not about acquiring more tools but unlocking value from those already in place. If they align their systems and data structures, AI will become a scalable capability that enhances decision-making across the source-to-pay lifecycle.

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Where AI is already creating measurable impact

AI and automation have advanced across multiple parts of the procurement workflow. The most mature programs are using AI to augment professional judgment rather than replace it. Survey findings show firms expect the most impactful applications in the following areas:

Contract management

Contract management and analysis: AI tools extract key terms, renewal dates, and potential risks in large contract volumes. Automated clause extraction and comparison improve consistency and speed while reducing manual review effort.

Spending

Spend analysis and forecasting: Machine learning models identify anomalies, duplicate payments, and consolidation opportunities across years of spend data. They help procurement teams understand cost structures, anticipate future trends, and improve forecasts.

Performance

Vendor performance and risk monitoring: AI-driven dashboards offer real-time views of vendor reliability, delivery metrics, and compliance status. Predictive alerts give firms early visibility into potential disruptions.

Strategy

Strategic sourcing and decision support: AI helps evaluate suppliers using multiple dimensions, including pricing, service levels, and geographic exposure. Scenario analysis allows teams to test options and understand trade-offs before committing.

The next wave will involve autonomous AI agents capable of planning and executing multistep tasks independently and multimodal AI that can interpret text, images, spreadsheets, diagrams, and code in one interface. These capabilities unlock new high-value use cases such as automated intake triage, multimodal contract intelligence, and real-time vendor risk mapping.

These use cases reflect a broader cultural change: procurement is moving from manual processing to insight generation.

Building a responsible AI framework

As AI capabilities expand, governance becomes essential. A responsible AI framework requires three things: data integrity, transparency, and human oversight to ensure AI strengthens trust instead of introducing new uncertainty.

Clean, structured, and centralized data is the foundation for accurate analysis. Many firms are investing in data governance policies that define ownership, access, and audit trails.

Next, procurement teams need to understand how AI models produce their outputs and be prepared to explain those outputs to firm leaders, clients, and regulators. Close collaboration among procurement, information security, and legal operations is necessary.

Finally, humans must remain accountable for decisions. The most successful procurement functions treat AI as an assistant that accelerates analysis, while professionals validate findings and make final choices.

Integrating AI with core procurement systems

For AI to deliver sustained value, it must be integrated across systems rather than deployed in isolation. Firms are connecting contract lifecycle management platforms, analytics tools, and vendor databases into unified digital environments.

Integration allows data to flow from one stage of procurement to the next. For example, a vendor flagged for service issues in a performance system can trigger review or renegotiation in a contract system. Over time, this coordination turns individual tasks into an intelligent process that learns and adjusts.

The next phase for many firms involves linking AI-enabled procurement systems with finance, HR, and client relationship platforms. Alignment allows procurement to contribute insights to firmwide planning and reinforces its strategic position.
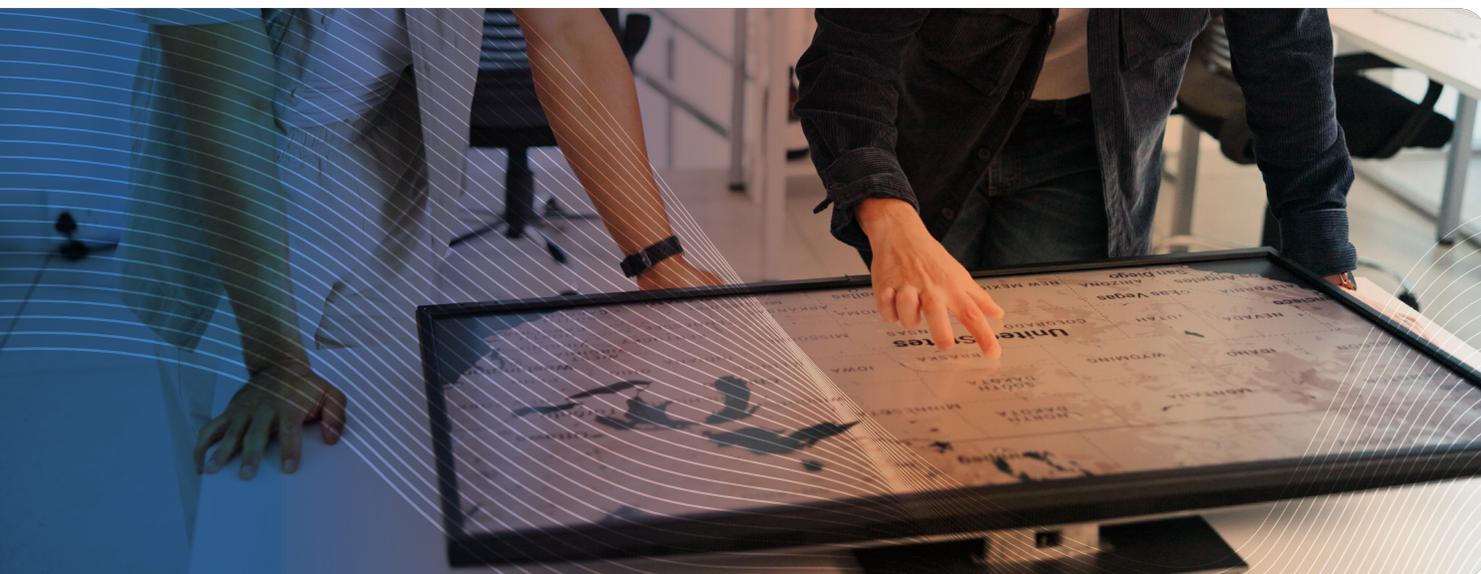
Enhancing outcomes through visibility and data integration

Procurement leaders consistently expect operational transparency. They want answers to questions like these: Which vendors are being sourced outside approved channels? Which engagements require risk review or legal escalation? How many requests are active? Where are the bottlenecks?

But answering these questions is not always simple. Today, too much information lives in discrete systems or personal inboxes, reducing procurement's ability to anticipate demand or advocate for firmwide priorities.

Operational improvement brings spend insights, vendor data, risk classifications, and contract status together in one place. Centralized visibility strengthens negotiation leverage and sourcing strategies. It also helps procurement demonstrate impact, enabling better resource planning and executive communication.

Stakeholders who experience procurement as a responsive, transparent partner that adds value rather than friction are willing to bring the function into the contracting process earlier. That shift allows procurement to influence vendor selection before terms are solidified, strengthen contractual protections before exposure exists, consolidate spend into strategic supplier relationships, and reduce the administrative burden on lawyers. It also drives alignment between day-to-day purchasing behavior and firm standards.

In this way, operational improvement becomes a flywheel for maturity. Better processes lead to earlier engagement. Earlier engagement leads to stronger outcomes. Stronger outcomes reinforce procurement's strategic influence across the firm.

What leading law firms are focusing on next

Prioritize these actions to advance operational efficiency and strengthen governance in 2026:

∞	**Modernize workflow systems**	Integrate sourcing, contracting, intake, and risk checkpoints into a single workflow that provides visibility from initial request through renewal.
🗄	**Expand self-service enablement**	Introduce guided pathways that route stakeholders to approved vendors, standard terms, and required documentation, reducing cycle time and administrative effort.
✸	**Unify data across systems**	Connect vendor performance, spend history, contract obligations, and risk indicators in one view to support faster, smarter decision-making.

Procurement as a cornerstone of operational trust

The coming year will reward law firms that act with urgency and clarity. The priorities taking shape are the capabilities that determine which organizations can protect their operations while advancing at market speed.

Procurement has become a cornerstone of operational trust. Its influence touches every key dependency, every major investment, and every system that supports legal service delivery. The leaders who embed continuous risk visibility, seamless stakeholder experience, and intelligent digital ecosystems will position their firms to scale innovation responsibly and confidently.

This is procurement's moment of strategic acceleration. The firms that build maturity now will not simply keep up with industry change. They will drive it.

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Connect with a Harbor expert

Contact us today to discover how Harbor can help your firm meet its procurement goals in 2026 and beyond.

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