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A Harbor white paper

# The 2026 law firm CFO agenda: From financial steward to architect of firm performance

As law firm CFOs head into 2026, their role has shifted decisively from financial stewardship to enterprise performance architect. This whitepaper examines the priorities now defining that expanded mandate, including revenue cycle modernization, pragmatic AI adoption in finance operations, attorney experience, and navigating the complexity of AI governance. It draws on recent CFO discussions and survey data to map the modern finance agenda.

# Introduction

**One of the clearest signals emerging across the legal industry is the expanding remit of the CFO.**

What was once primarily a stewardship function centered on reporting, liquidity, and cost management has evolved into one of the most strategically influential positions inside the modern law firm. Today's CFO is increasingly expected to improve attorney experience, accelerate revenue realization, govern operational transformation, and help firms navigate the rapidly expanding complexity of AI-enabled business operations.

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As firms navigate 2026, the CFO agenda is becoming clearer and considerably broader.

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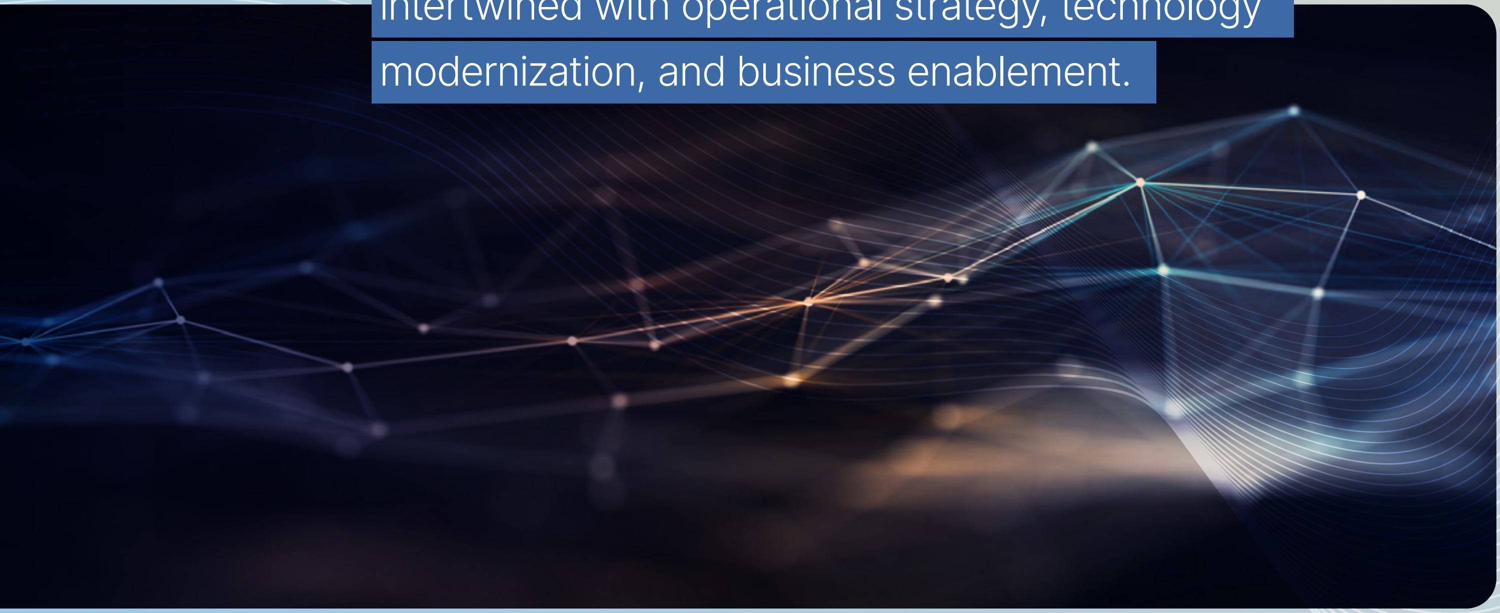

## The modern law firm CFO: Expanding scope, expanding expectations

**One of the clearest signals emerging across the industry is the expanding remit of the CFO organization.**

While traditional finance responsibilities remain core, many CFOs now oversee functions that historically sat elsewhere in the business.

**The expanding CFO remit:**

- Pricing
- Partner compensation
- Payroll
- Tax
- Internal audit
- New business intake
- Treasury and liquidity management
- Technology roadmaps supporting finance ops

Recent industry discussions revealed variation across firms, but also a notable trend toward centralizing operational disciplines that directly influence top line growth, profitability, realization, and client economics under the finance organization.

This reflects a broader evolution in how firms define finance leadership success.

When CFOs participating in recent industry polling ranked their most important success criteria, the top priorities were:

1. Attorney satisfaction
2. Billing and collections velocity
3. Net margin
4. Client satisfaction
5. Reducing revenue leakage

Traditional metrics such as liquidity, realization, PEP, and headcount reduction ranked lower.

**That ordering matters.**

It demonstrates that finance organizations are increasingly measured not simply by cost containment, but by how effectively they improve the overall operating model of the firm.

Attorney experience has become a financial operations issue. Client satisfaction has become a finance issue. Revenue leakage has become a strategic governance issue.

The modern CFO is no longer simply the steward of financial outcomes. They are the architect of firm performance.

## Revenue cycle modernization has become a strategic imperative

**Across the discussions, few topics generated more consensus than the urgent need to modernize revenue cycle operations.**

Despite years of technology investment across the legal sector, many firms continue to struggle with fragmented workflows, manual billing processes, inconsistent time-entry quality, outside counsel guideline complexity, and slow collections cycles.

As one CFO summarized during a recent industry discussion:

"It's ridiculous that it takes three softwares and many dozens of people for me to get bills out the door. In this day and age, it's got to change."

That frustration is increasingly driving large-scale operational transformation initiatives.

**Operational transformation is focusing on:**

- Billing workflow automation
- Time-entry modernization
- Outside Counsel Guidelines (OCG) compliance automation
- AI-assisted collections
- Cash application matching
- Pricing enablement
- Revenue leakage reduction
- Standardized billing governance
- Automated workflow orchestration

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**Harbor's annual Revenue Cycle Survey findings reinforce why these investments matter.**

Firms that implemented only foundational governance improvements achieved relatively modest reductions in write-offs, averaging less than 2% improvement. Firms that combined governance with standardized billing discipline performed better, achieving 2%–5% reductions.

However, the firms demonstrating the strongest results were those combining:

- Foundational governance
- Standardized workflows
- Automation with proactive revenue cycle management

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For a firm of meaningful scale, that is not a rounding error; it is the difference between a good year and a flat one, recovered from work the firm has already done.

**The implication is significant.**

To date, however, AI deployment across the broader revenue cycle has remained relatively modest, with timekeeping standing out as a notable exception. As AI capabilities extend more meaningfully into billing, OCG compliance, collections, and cash application, firms expect a new phase of acceleration of material improvement in the reduction of write-offs (and days outstanding).

Revenue cycle transformation is no longer merely an efficiency initiative. It is the lever for optimizing profitability and protecting top-line revenue.

## AI in finance operations: Moving beyond experimentation

**If there was one phrase repeated consistently throughout recent discussions, it was simple:**

“It’s all about AI”.

Unlike prior legal technology cycles, AI adoption within finance operations is advancing rapidly and pragmatically.

Importantly, firms are not discussing AI as an abstract innovation exercise. They are prioritizing highly targeted operational use cases where measurable business impact is achievable.

**The most active areas of AI investment, both live and contemplated, include:**

| | |
|---|---|
| **Timekeeping & time entry** | • Predictive time-entry assistance<br>• Narrative cleanup<br>• AI-driven task and phase coding<br>• Attorney guidance tools<br>• Timecard taxonomy generation |
| **Billing & OCG compliance** | • Automated billing review<br>• OCG interpretation and compliance enforcement<br>• Billing narrative standardization<br>• Revenue leakage detection |
| **AR & collections** | • Automated cash application matching<br>• AI-assisted collections workflows<br>• Reconciliation automation<br>• Payment pattern analysis |
| **Analytics & forecasting** | • Matter profitability analysis<br>• Revenue forecasting<br>• Staffing and workload prediction<br>• Pricing optimization<br>• Operational planning analytics |

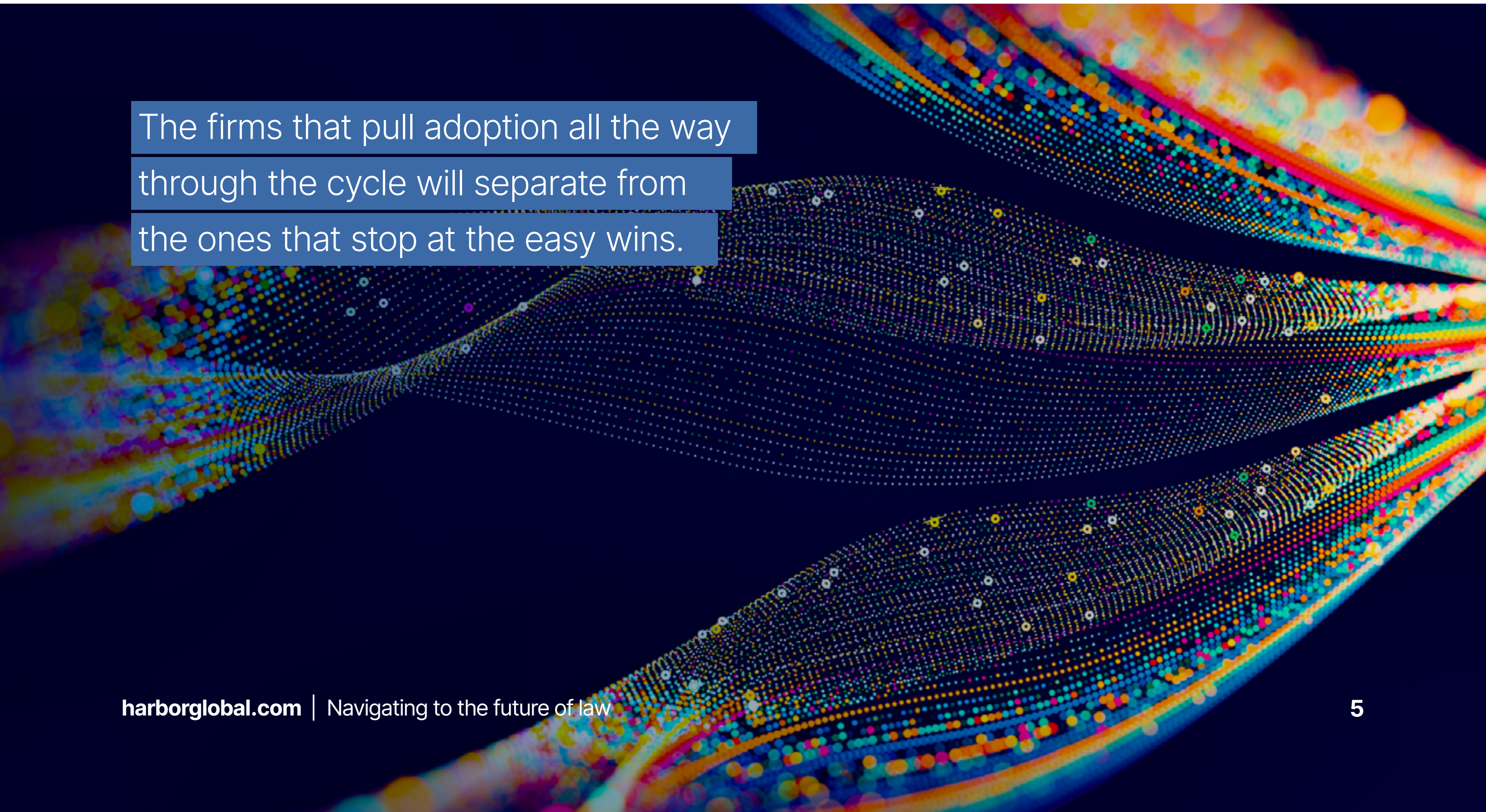
These priorities align directly with Harbor's broader survey findings. Among firms surveyed:

| | |
|---|---|
| **93%** | Have implemented or plan to implement AI-enabled capabilities within timekeeping processes |
| **76%** | Are implementing or planning AI-assisted pricing capabilities |
| **69%** | Are focused on billing automation |
| **62%** | Are targeting collections workflows |
| **47%** | Are investing in AR and cash application automation |

Source: Harbor 2025 Revenue Survey Report

Read in sequence, the data tells its own story: AI is entering the revenue cycle where the data is cleanest — timekeeping — and thinning out toward the messier, back-office work. The firms that pull adoption all the way through the cycle will separate from the ones that stop at the easy wins.

The real challenge for firms now is prioritization.



## Governance is emerging as the critical differentiator

**One of the most revealing dynamics discussed during recent conversations with finance leaders was the growing tension between innovation and operational governance.**

Several CFOs described an "onslaught" of AI-enabled vendors entering the market, while internal experimentation continues accelerating simultaneously.

The barrier to building tools has dropped dramatically.

Lawyers, operational teams, and technology professionals are increasingly experimenting with AI-enabled workflows independently, sometimes outside formal governance structures.

That creates both opportunity and risk.

As firms move through 2026, finance leaders are increasingly recognizing that AI governance itself is becoming a core finance competency.

The challenge is no longer access to technology.

**The challenge is:**

- Determining where AI creates measurable value
- Aligning tools with enterprise architecture
- Governing data quality
- Managing operational risk
- Enforcing workflow discipline
- Avoiding fragmented point-solution proliferation

This is particularly important because the data foundation remains uneven across many firms.

Several CFOs emphasized that data structure cleanup, workflow consistency, and operational discipline must precede advanced AI deployment if firms hope to achieve scalable results.

## The 2026 CFO agenda

**Taken together, the discussions point toward a clear emerging agenda for law firm CFOs in 2026.**

**Streamline revenue**

**Modernize the revenue engine**

Revenue cycle transformation remains the single largest operational opportunity for many firms. CFOs will continue prioritizing billing velocity, collections acceleration, OCG compliance, and reduction of revenue leakage.

**AI initiatives**

**Operationalize AI with business discipline**

The focus is shifting from experimentation toward measurable operational value. Firms will increasingly evaluate AI initiatives through the lens of ROI, workflow integration, governance, and scalability.

**Attorney satisfaction**

**Improve attorney experience**

Attorney satisfaction has emerged as a leading operational KPI. Reducing administrative burden through automation, predictive assistance, and workflow simplification will remain a major priority.

**Data quality**

**Strengthen financial data architecture**

As AI adoption accelerates, firms are recognizing that inconsistent data structures, fragmented systems, and weak governance limit AI effectiveness. Data quality and operational consistency are becoming foundational investments.

**Workflow**

**Shift finance teams toward higher-value work**

Many firms view AI primarily as a mechanism to reduce repetitive administrative activity and allow finance professionals to focus on strategic analysis, forecasting, profitability management, and advisory capabilities.

**Experience**

**Improve attorney and client experience**

Attorney satisfaction has emerged as a leading operational KPI, and client experience is close behind it. More accurate, timely billing and the responsiveness it enables, is turning client experience into a finance metric as much as a relationship one. Reducing administrative burden through automation, predictive assistance, and workflow simplification will remain a priority on both fronts.

## Delivering the modern CFO mandate

The agenda outlined in this report is more than a set of priorities, it is a blueprint for the architecture of a modern finance organization.

As firms navigate increasing operational complexity and rapid technological change, finance leaders who execute against this agenda will be better positioned to:

- **Orchestrate** operational transformation across the firm
- **Govern** AI adoption while maximizing business value
- **Improve** attorney and client experience
- **Optimize** profitability, revenue realization, and cash flow
- **Modernize** finance operations through intelligent, AI-enabled platforms
- **Create** scalable, data-driven processes that support long-term growth and innovation

### From stewardship to strategy

The firms that lead over the coming years will not be those that simply adopt more technology. They will be the firms that align AI-enabled systems, modern operating models, trusted data, and disciplined execution into a single, coherent strategy.

In this new era, the CFO is no longer simply stewarding the firm's finances. They are the architects of firm performance and the work of building it starts now.

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**Connect with a Harbor expert**

At Harbor, we help law firm finance leaders **modernize** revenue operations, **strengthen** data foundations, and **adopt** AI where it delivers **measurable results** tailored to each firm's operating model, not a one-size-fits-all approach.


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