

BIG BOLD Predictions for 2026

The latest edition of the Managing Partner Forum's Law Firm of the Future webinar series, "BIG BOLD Predictions for 2026," drew the year's highest turnout, and for good reason. The legal profession stands on the brink of major change, and this session brought together law firm leaders to explore what's coming, what's already here, and how firms can prepare strategically for the next 12-24 months.

Panelists:

- [John Remsen Jr.](#): President of [TheRemsenGroup](#) and President & CEO of Managing Partner Forum
- [Uri Gutfreund](#): Senior Vice President and Managing Principal at [Ames & Gough](#)

Key Takeaways:

1. **AI integration is required:** AI is changing from experimental to expected. Firms that adopt it responsibly with clear policies and training will gain a competitive edge. Those that don't risk falling behind as clients demand greater efficiency.
2. **Evolving billing models:** The billable hour is losing ground. AI is shortening turnaround times and firms are exploring flat fees, value-based pricing, and subscription models to better align with client needs and internal economics.
3. **Data-driven decision making:** Profitability now depends on data. Firms that track performance by client, matter, and lawyer, and use those insights to guide pricing and staffing are better equipped to adapt and grow.
4. **Changing client and workforce demands:** Clients expect faster, more cost-effective service, and younger lawyers want flexibility and clear paths to leadership. Firms that adapt to both will be best positioned for the future.

Why 2026 Will Be a Pivotal Year for Law Firms

The "BIG BOLD Predictions for 2026" webinar drew the highest registration numbers of the year for the Managing Partner Forum, and reflected a growing urgency among firm leaders to prepare for the next wave of transformation in the legal industry.

Much of the audience represented firms in the 25-100 lawyer range, the MPF's core demographic, and MPF framed the session with those firms in mind.

Ames & Gough's Perspective

Uri Gutfreund, Senior Vice President and Managing Principal at Ames & Gough, opened by sharing a bit about the firm's work with law firm clients, particularly around insurance and

operational risk. His firm facilitates peer groups to help firm leaders troubleshoot common challenges like cybersecurity and technology adoption, as well as business continuity planning.

Cyber insurance is an especially hot area. Recent years have seen more claims paid out under cyber policies than under traditional malpractice coverage, signifying the rising threat environment facing even smaller law firms.

The integration of artificial intelligence (AI) into the practice of law, Uri said, is now central to both insurance and business conversations, and a big part of his predictions for 2026.

How Law Firms Are Adopting AI

For the first time, **AI and technology integration were the top strategic priorities** for participating firms in the year ahead, overtaking previous frontrunners like talent retention.

The panelists framed this as both an opportunity and a risk. AI could allow smaller and mid-sized firms to leap ahead, enhancing efficiency and lowering costs to level the playing field with larger competitors. But failure to act, or acting without proper training and policies, could backfire.

Uri warned against complacency, comparing this moment to when firms in the 1990s declined to adopt computers or email. John emphasized the importance of building **firmwide policies and internal training programs**, noting that risk-averse behavior can lead to greater vulnerability when attorneys use AI tools without guidance.

Encouragingly, **92% of attendees reported that they either have an AI usage policy in place or are actively developing one**. But the panelists cautioned that simply drafting a policy isn't enough; oversight and enforcement must follow.

Beyond having a written policy, firms should provide clarity around which tools are approved, what types of data can be entered, how outputs should be reviewed, and how to communicate with clients about AI usage. Some are incorporating AI-specific provisions into client intake processes and professional development plans. The most forward-looking firms are pairing these efforts with **hands-on training sessions** and clearly defined oversight protocols for consistent use and reduced exposure.

What Managing Partners Predict for 2026

Main areas of concern for the audience included:

- The impact of AI on billing
- Client expectations
- Succession planning
- The work ethic of younger lawyers

Generational shifts came up frequently, with many firms expressing concern about the perceived lack of "fire in the belly" among junior lawyers.

John and Uri challenged firms to look inward. Many younger lawyers haven't been given structured paths to leadership, rainmaking, or client ownership. Performance expectations need to be clearer and compensation must reflect measured contribution, not solely tenure.

On billing, the conversation returned to AI's role in reshaping timekeeping and client expectations. If work that used to take days now takes minutes, clients will question the value of hourly billing and may push back on traditional models.

Client Expectations Are Reshaping Legal Tech Strategy

The shift in client expectations around AI is already well underway. Rather than resisting legal automation, clients are beginning to expect their lawyers to adopt AI and to pass along the resulting efficiency as savings.

Firms that fail to adapt may find themselves out of step with their most sophisticated clients. Uri framed it simply: clients want faster, better results for less money. AI makes that possible, but challenges the foundational logic of hourly billing.

The panelists emphasized that law firms must initiate conversations with clients about how AI is (or isn't) being used, and should consider updating engagement letters and billing disclosures accordingly. Some firms have introduced technology surcharges or one-time file-opening fees to recoup investments in new tools.

Firms must find ways to align client-facing transparency with internal cost recovery, like flat fees or baked-in pricing.

In-house legal teams, especially those connected with the Corporate Legal Operations Consortium (CLOC), are already leveraging AI to analyze law firm performance and billing. These departments prioritize efficiency and measurable outcomes along with cost predictability. Firms that fail to align with these values risk losing position during RFP reviews or client panel renewals.

Firms Are Redefining Office Culture

Remote work remains embedded in many firms, but there are growing signs that office culture is being reinvented rather than abandoned.

The panelists discussed the importance of **in-person presence** for mentorship, collaboration, and long-term retention. Instead of forcing a return to old models, some firms are redesigning

office spaces to make them more engaging, incorporating communal spaces and hot-desking, even hosting social events that encourage people to be physically present.

Associates looking to build a career and become equity partners, John said, need to be visible and involved. “Out of sight, out of mind” still applies, especially in firms where client relationships and leadership pipelines are built on in-person engagement.

Succession Planning and Alternative Business Structures

Succession planning remains a persistent blind spot in many firms, particularly first-generation practices with aging founders. Without clear leadership development or structured transitions, these firms risk fading out rather than evolving.

Uri and John highlighted the need to transfer equity along with operational and client ownership to the next generation. This requires long lead times and coaching, sometimes even cultural change.

They also touched on emerging business models, including **private equity investment** and **managed service organizations (MSOs)**, which are beginning to appear in the legal sector. MSOs are modeled after similar transitions in healthcare, and separate the business and service arms of a firm to allow for non-lawyer investment and broader ownership structures.

One high-profile New York litigation firm is reportedly exploring an MSO model that would allow outside capital to support operational growth while keeping legal services under lawyer control. If successful, this kind of structure could provide a blueprint for midsize firms seeking capital without navigating restrictive partnership models, particularly in jurisdictions without ABS regulations.

These models haven’t swept the legal industry (yet), but the panelists urged attendees to stay informed, especially in markets where regulatory frameworks may shift quickly.

Strategic Outlook for Law Firms in 2026

Many firms saw great success in 2025, but John and Uri cautioned that rising costs and client pressures are narrowing margins. The firms that thrive in 2026 will be those that embrace AI, experiment with value-based billing, make data-driven decisions, and invest in leadership development.

Firms that want to compete on value and allocate resources wisely need systems in place now. Profitability tracking by key metrics is no longer optional.

Firms may also face regulatory or market volatility in addition to internal pressure during 2026. State bars and courts in several jurisdictions are exploring new guidance around AI usage, as well as ownership structures and fee-sharing. Any movement on these fronts could change the

competitive and operational situation for law firms, especially those already on the edge of transformation.

The main takeaway for firm leaders from this session is that the next wave of winners in the legal industry will be those who adapt deliberately, not reactively.
