

BIG BOLD Predictions for 2025

On December 18th, the Managing Partner Forum hosted its monthly webinar in the series “The Law Firm of the Future.” This webinar, titled "BIG BOLD Predictions for 2025," explored the key priorities and predictions for law firms in 2025, including talent management, AI adoption, DEI initiatives, and the evolution of the billable hour model.

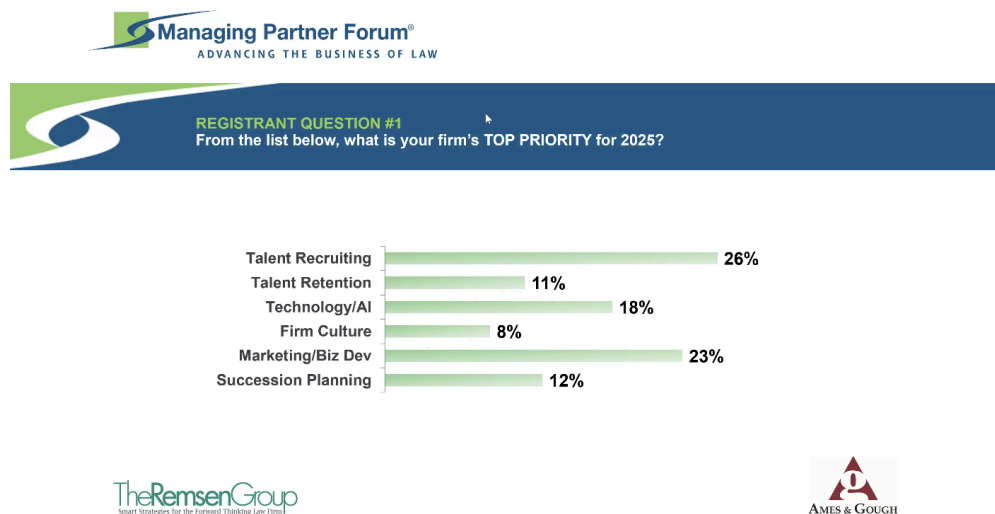
Moderators:

- **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:

- Talent recruitment and retention is a top priority for law firms, with a focus on attracting senior associates and junior associates rather than just lateral partner hires.
- Adoption of AI technology is a growing concern, as clients are starting to both forbid and mandate its use. Law firms need to proactively train their lawyers on using AI competently and ethically.
- There are predictions that commitment to diversity, equity, and inclusion (DEI) initiatives may fade at some firms, though women's initiatives are expected to continue. Firms should remain committed to DEI to better reflect the demographics of society.
- The billable hour model is expected to continue declining, with a shift towards more project-based, value-based billing driven by the impact of AI and client demands.

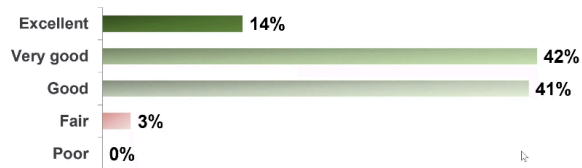
The Audience Predicts...



Uri Gutfreund was unsurprised by the emphasis on talent recruiting; attracting strong legal professionals will continue to be a priority for law firms in the coming years.

REGISTRANT QUESTION #2

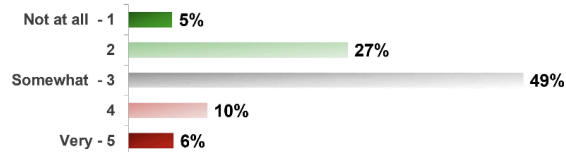
On a 1-5 scale (5 is the highest),
how well do you project your firm will perform financially in 2025?



Law firms are projecting a strong financial performance in 2025. John Remsen Jr. emphasized the importance of this optimism, noting that a positive outlook is a key ingredient in effective leadership.

REGISTRANT QUESTION #3

On a 1-5 scale (5 is the highest),
how concerned are you about IMPACTS OF AI at your firm?



Polling data regarding AI mirrors 2023 responses, suggesting that while AI is on many firms' radars, it has yet to take center stage in discussions about practice integration or pricing strategies.

Webinar registrants next shared their own predictions for 2025, offering insights into what the future might hold for law firms:

REGISTRANT QUESTION #4
Your BIG BOLD Predictions for 2025

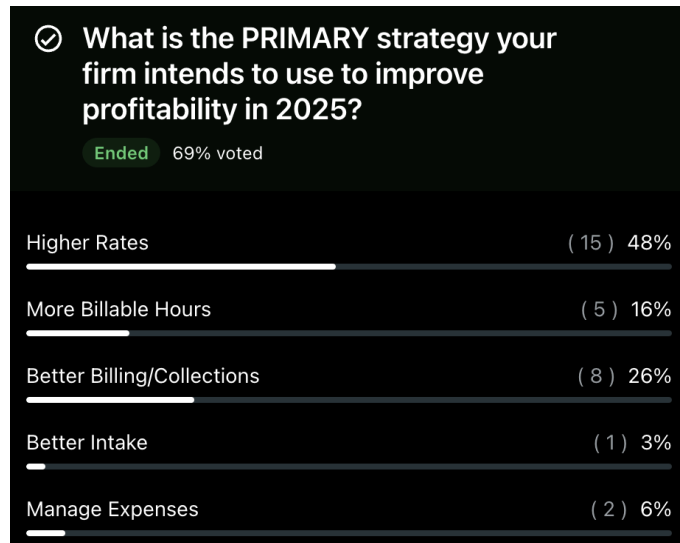
- 2025 will be "Gangbusters for Business"
- A really good year for mid-sized firms
- Battle to acquire and retain talent
- AI takes more of a tangible leap on the daily workings of a law firm
- AI will mean the end of the billable hour. AFA's will become the new normal.
- Compensation - firms will explore ways to include subjective criteria
- Firm generation gap expands exponentially as seasoned attorneys avoid AI
- Firms who are not properly utilizing tech and AI will be left behind

John advised firms not to delay in embracing AI, cautioning that waiting too long could hinder their ability to remain competitive in a changing legal market.

Additional predictions from registrants reflected a mix of optimism and caution regarding the future:

REGISTRANT QUESTION #4
Your BIG BOLD Predictions for 2025

- Integration of AI into current operations will initially fall on deaf ears, then see rapid adoption
- Increasing law firm cyber attacks
- Lots of changes with regulatory practices
- Major innovation in closed source AI
- Massive recession, upheaval, unprecedented government incompetency and turmoil
- More law firm mergers
- Staying the course will provide for continued growth and success
- Profit in firms that do commercial firms will increase b/c their will be optimistic about economy



While raising rates remains a popular strategy for profitability, Uri and John noted its limitations and emphasized exploring other opportunities. They also highlighted the value of evergreen or autocharge retainers, which provide steady cash flow, and stressed the importance of setting and sticking to initial rates rather than offering early discounts. Many firms also struggle with inconsistent intake processes, which can be streamlined by standardizing procedures and engagement letters.

John recommended introducing automatic annual rate increases of 3–5% for existing clients to ensure steady growth and avoid the backlash of large, sporadic rate hikes.

Consolidation Among Small and Midsize Firms Will Increase

Many smaller firms fail to prepare the next generation of leadership, leaving them without a clear path forward when senior leaders step aside. In such cases, merging with another firm often becomes the most viable solution. Firms that initially claim to have no interest in being acquired often find themselves needing to merge due to other shortcomings. A failure to invest in succession planning, adopt advancements in technology, or prioritize talent development can leave firms vulnerable.

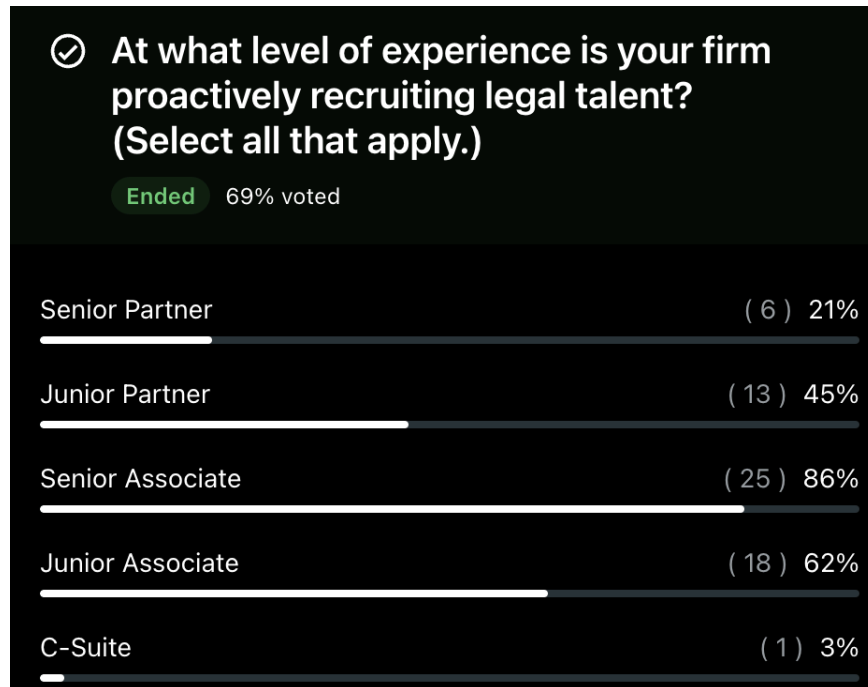
Law Firm Failures Will Increase

The absence of proper planning and infrastructure is expected to lead to an uptick in law firm failures. Without a strong foundation that prioritizes talent retention, business development, and investment in young professionals while cultivating a comfortable and supportive work environment, it becomes increasingly difficult for firms to stay afloat.

Some larger firms are vulnerable because they take their success for granted, assuming it will continue unchanged. This resistance to evolve can leave them unprepared for industry shifts until it's too late. For midsize firms, however, the failure of larger firms presents an opportunity to

attract top-tier talent and learn from their mistakes by improving management practices and embracing change. A strong, inclusive, and dynamic culture also supports talent retention while driving overall firm performance.

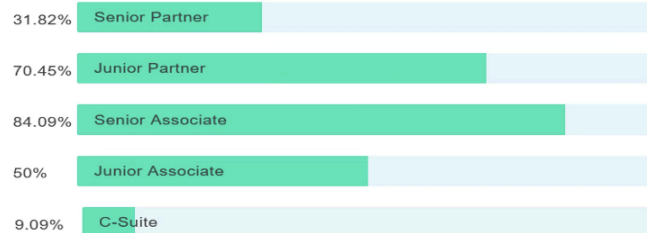
Talent Recruitment Will Be the #1 Priority



Heading into 2025, John emphasized the importance of not only bringing in top talent but also properly vetting candidates and onboarding them effectively to set them up for long-term success. Surprisingly, junior associates ranked second in demand after senior associates, which Uri found surprising given the traditional emphasis on recruiting higher-level attorneys.

AUDIENCE POLLING QUESTION – December 2023

At what level of experience is your firm proactively recruiting legal talent?
(Select all that apply.)



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Interestingly, poll results have shifted since last year (2023), with junior associates now surpassing junior partners in demand, suggesting that this may reflect growing dissatisfaction with the role junior partners are playing within firms.

Clients Will Drive Law Firms to Use AI

Uri noted that while some clients currently forbid the use of AI or require its disclosure, this is likely to change quickly. He predicts a rapid transition where clients will not only permit but require firms to integrate AI into their workflows. For law firms, this presents a choice: wait until AI adoption is mandatory and risk falling behind or begin investing in AI now.

John thinks the push for AI adoption will likely come from sophisticated, price-sensitive clients such as financial institutions, large banks, insurance companies, and government/public entities. These clients will demand greater efficiency, especially when it comes to billing. Firms can expect growing resistance to traditional billing methods, as clients become less willing to pay for several hours of work that AI could accomplish in minutes.

John strongly recommended training lawyers to use AI competently and ethically, ensuring they are ready to meet client expectations. As John put it, “It’s coming—where do you want to be on that adoption curve?”

Rate Increases Will Hold

John expressed confidence that rate increases will hold steady in 2025, emphasizing the importance of firms being proactive in implementing them. He noted, “If you don’t ask, you don’t get.”

Wellness Programs Will Remain a Really Big Deal

Wellness programs are expected to remain a significant focus for law firms in 2025. Employees increasingly prioritize working for organizations that show genuine care for their financial, physical, mental, and emotional well-being. While some senior lawyers may dismiss these initiatives as unnecessary “fluff,” John pointed out that they make a meaningful difference in attracting and retaining young talent.

DEI Initiatives Will Fade

Diversity, equity, and inclusion (DEI) initiatives may begin to wane in 2025, despite their importance to the legal profession. John expressed concern over a noticeable decline in commitment to these programs, though he emphasized that the profession must continue to prioritize DEI to better reflect the demographics of the communities it serves. He noted that firms that have fully embraced these initiatives have seen meaningful success, but those with a halfhearted approach are likely to let them slip away.

Uri shared similar concerns but pointed out that women’s initiatives seem to be an exception, with many firms including plans for such programs in their 2025 strategies.

Hot Practice Areas

Several emerging practice areas are poised to grow significantly in 2025, presenting opportunities for law firms to stay ahead of the curve:

- **Vaccine law:** anticipated litigation involving school boards, employers, and vaccination policies.
- **Regulatory law and reforms:** key developments in renewable energy sectors like solar and wind.
- **Cybersecurity:** growing need for legal expertise amid increasing cyber threats.
- **Drones:** legal issues tied to premises liability and security concerns.
- **Immigration:** continued demand driven by policy changes and global mobility.

Firms are encouraged to focus on where the world is heading, not just traditional practice areas, to stay ahead of emerging trends.

Hot Markets

Certain geographic markets are expected to thrive in 2025, offering unique opportunities for law firms to grow their presence, including:

- **South Florida (Miami):** driven by cryptocurrency adoption, post-COVID migration, and high-profile legal matters.
- **Nashville:** rapidly growing as a business and legal hub.
- **Salt Lake City and Phoenix:** notable for innovations in alternative business structures.
- **Washington, D.C.:** increased demand for lobbying and regulatory reform expertise.

Law Firms Will Start to Take Crypto

The acceptance of cryptocurrency as a form of payment by law firms is a topic of debate. John predicts that crypto will soon become an acceptable currency within the legal industry, driven by its growing adoption in other sectors. Uri expressed skepticism, believing that law firms are generally too conservative to embrace such a shift in the near term.

The Billable Hour Will Continue to Die... Slowly

The traditional billable hour model is gradually losing its dominance, though its decline may not unfold as expected. Uri suggested that client awareness of legal costs is driving a shift toward more project-based billing structures, rather than purely hourly rates.
