CLOC 2025 STATE OF THE INDUSTRY REPORT

RESULTS & ANALYSIS

CLOC | HARBOR

Based on the 2024 Harbor Law Department Survey in Collaboration with CLOC

THE STORY OF **LEGAL OPERATIONS** TODAY

The legal industry is evolving rapidly and legal operations professionals are at the center of that transformation. Legal departments are handling greater demand, leveraging new technologies, and expanding their impact across the business. At the same time, expectations continue to shift — requiring a balance of strategy, efficiency, and adaptability.

The *CLOC State of the Industry Report* provides a clear view of these changes. Based on the 2024 Harbor Law Department Survey in Collaboration with CLOC, this report captures benchmarks from 186 diverse organizations. It highlights how legal teams are structuring their departments, managing budgets, adopting AI, and navigating an increasingly complex landscape.

This report is a resource for you — our CLOC members — as you assess your legal function and plan for what's next. We hope it helps you understand where the industry is today and how you can shape its future.

Oyango Snell

Executive Director, CLOC

TABLE OF **CONTENTS**

QUICK **STATISTICS**

CLOC (Corporate Legal Operations Consortium) is pleased to present the 2025 CLOC State of the Industry report, produced in collaboration with Harbor. The survey contained responses from 186 organizations across more than 15 industries and 14 countries.

186 COMPANIES

14 COUNTRIES

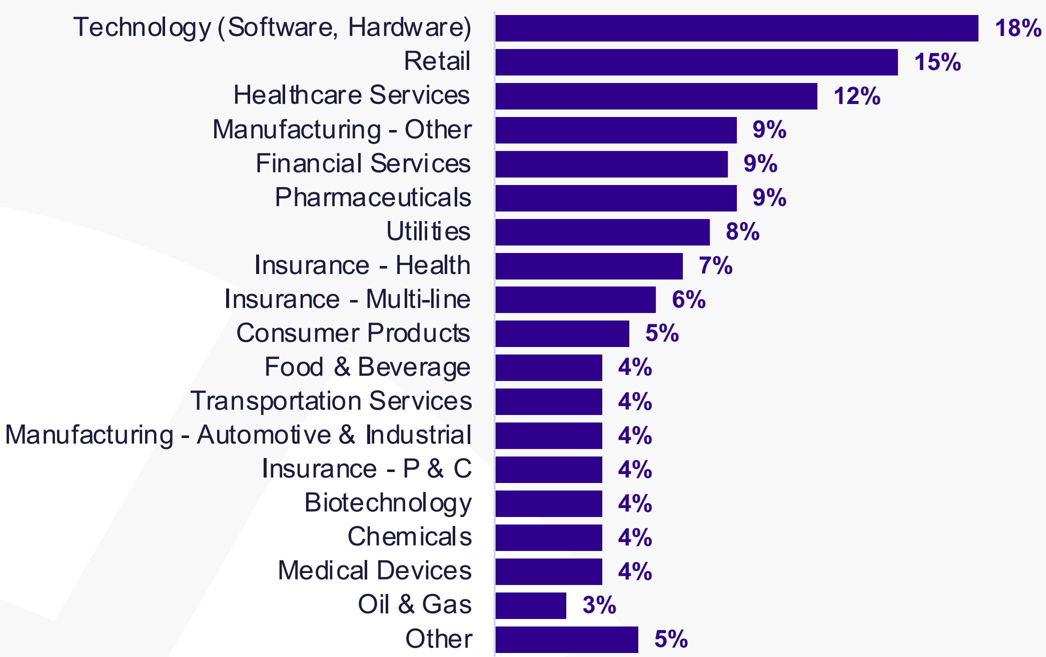
34 STATES

15+ INDUSTRIES

Notable Trends

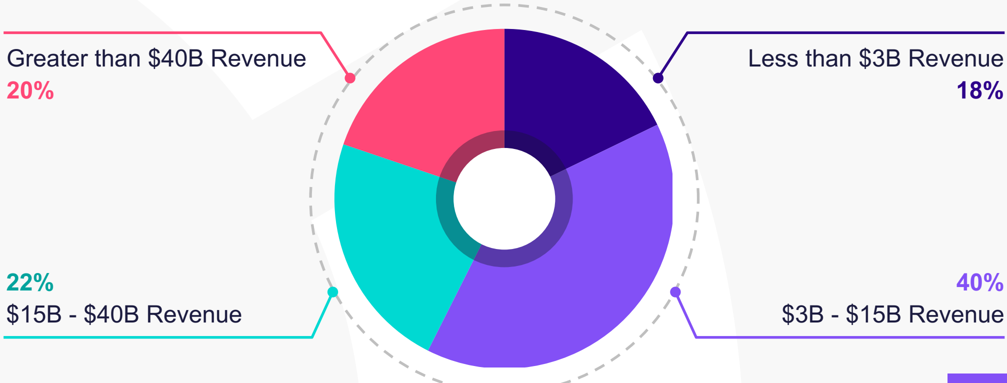
The results show a continued growth in overall demand for legal services, with managing the workload and bandwidth of internal resources as the top challenge identified. The adoption of AI has increased significantly, with 30% reporting they have an AI tool currently implemented and in use, up from 18% in 2023, with 54% considering implementation in the next 1 to 2 years, up from 40% in last year.

PARTICIPANT COMPANIES BY INDUSTRY*



*Note: The industries presented in this chart represent those with 3% or higher representation in the survey. The remainder of the report focuses on key industry groupings, where certain sectors are consolidated or omitted for clarity and simplicity.

COMPANY SIZE



MANAGING **GROWING DEMAND**

83% of departments expect demand for legal services to continue growing, with 63% identifying workload and resource bandwidth as their top challenge.

DEMAND AND CHALLENGES BY RESPONDENT

80%

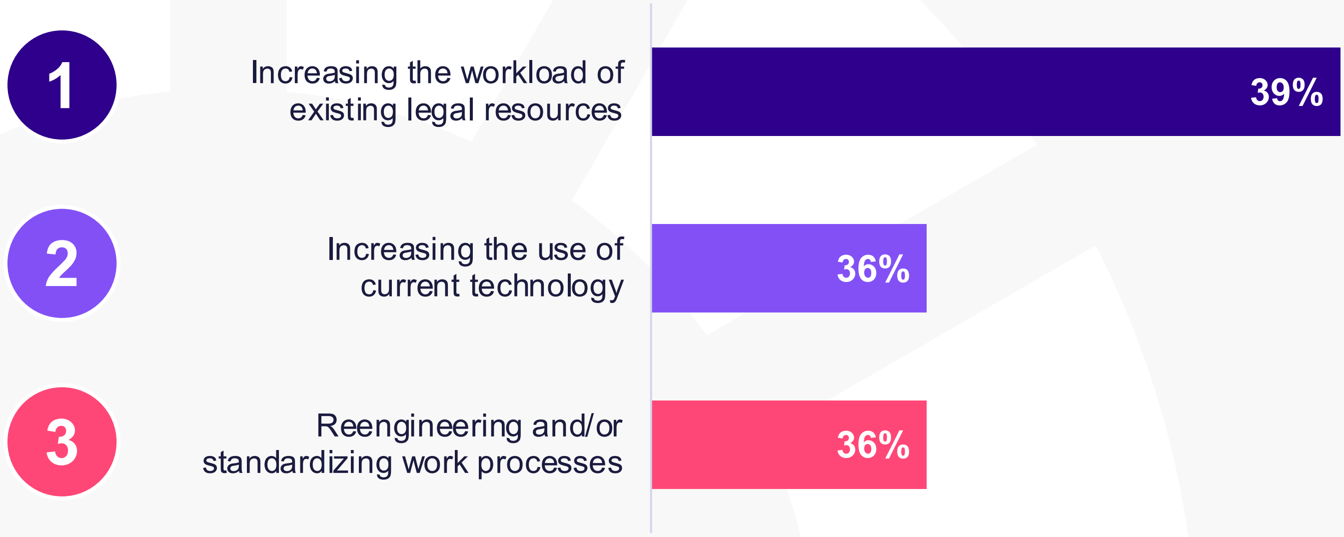
OF COMPANIES ANTICIPATE AN INCREASE IN LEGAL DEMAND IN THE YEAR TO COME

63%

OF COMPANIES REPORT WORKLOAD/RESOURCE BANDWIDTH AS TOP CHALLENGE

Top Methods to Handle Growing Demand

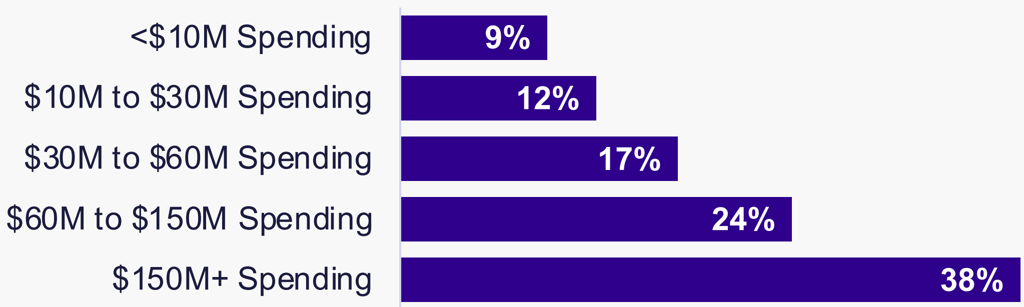
To handle the increase in volume of legal work, law departments are pursuing a range of strategies: increasing the workload of existing legal teams (39%); increasing their use of current technology (36%); re-engineering and/or standardizing work processes (36%); and investing in AI (21%).



INTERNAL & EXTERNAL **EXPENDITURES**

External legal expenditures vary widely across participating departments. The results show a slight increase in both internal and external spend compared to the previous year, $20.1 million and $19.5 million in 2023. This increase in median spending is, in part, due to the shift in the mix of participating companies.

EXTERNAL EXPENDITURE BY RESPONDENT

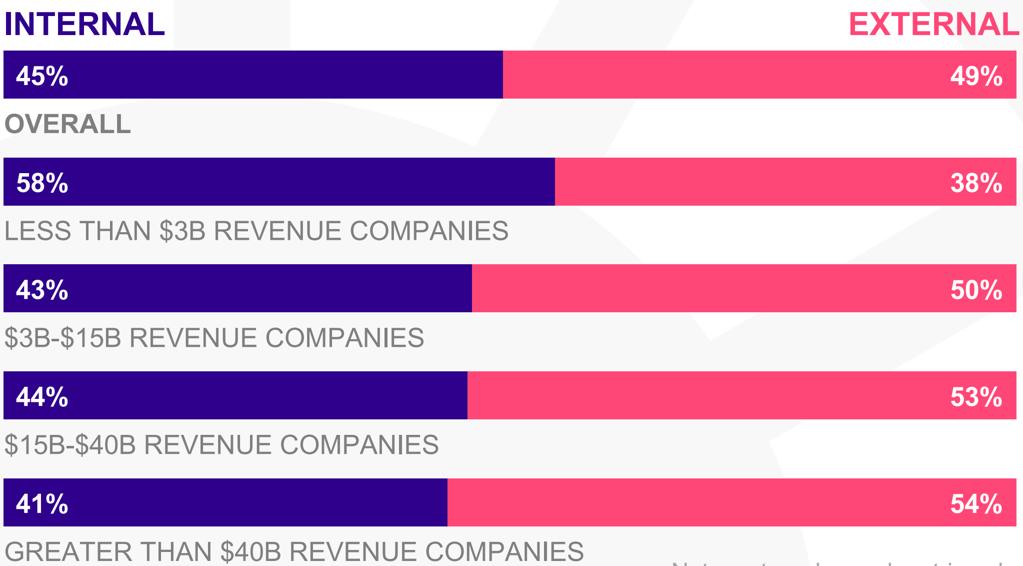


$20.6M
MEDIAN EXTERNAL LEGAL EXPENDITURE

$21.7M
MEDIAN INTERNAL LEGAL EXPENDITURE

Legal Expenditure Metrics

When examining legal expenditure balance, median spending is slightly weighted toward external costs as a percentage of total legal spend. The distribution is less balanced than the previous year's survey, which showed a 47-49 split favoring external spend. Company size plays a role, with smaller companies (under $3 billion in revenue) spending significantly more in-house, while larger companies allocate more to external expenditures.



Note: external spend metric only includes outside counsel spend

$501K
MEDIAN INTERNAL EXPENDITURE PER IN-HOUSE LAWYER

$518K
MEDIAN EXTERNAL EXPENDITURE PER IN-HOUSE LAWYER

EXPENDITURE BREAKDOWN BY **INDUSTRY**

The table below shows the percentage of companies reporting various ranges of internal and outside counsel spend.

Biotech, pharma, and medical device companies reported higher spending on both internal and external legal costs.

	INTERNAL LEGAL SPENDING			EXTERNAL LEGAL SPENDING		
	Less than $50M in Internal Spend	$50M - $100M in Internal Spend	Greater than $100M in Internal Spend	Less than $50M in External Spend	$50M - $100M in External Spend	Greater than $100M in External Spend
BIOTECH/ PHARMA/ MED DEVICES	25%	25%	50%	29%	24%	47%
ENERGY & UTILITIES	94%	6%	0%	79%	11%	11%
FINANCIAL SERVICES	71%	14%	14%	79%	7%	14%
FOOD & BEV + CONSUMER PRODUCTS	70%	10%	20%	70%	10%	20%
HEALTHCARE SERVICES	84%	0%	16%	71%	14%	14%
INSURANCE	83%	17%	0%	83%	9%	9%
MANUFACTURING	80%	20%	0%	70%	10%	20%
RETAIL	90%	5%	5%	81%	5%	14%
TECHNOLOGY	64%	18%	18%	65%	15%	19%

EXPENDITURE BREAKDOWN BY **COMPANY SIZE**

Participants in the survey represent companies of all sizes. This set of key metrics highlights the impact of company size on legal spend.

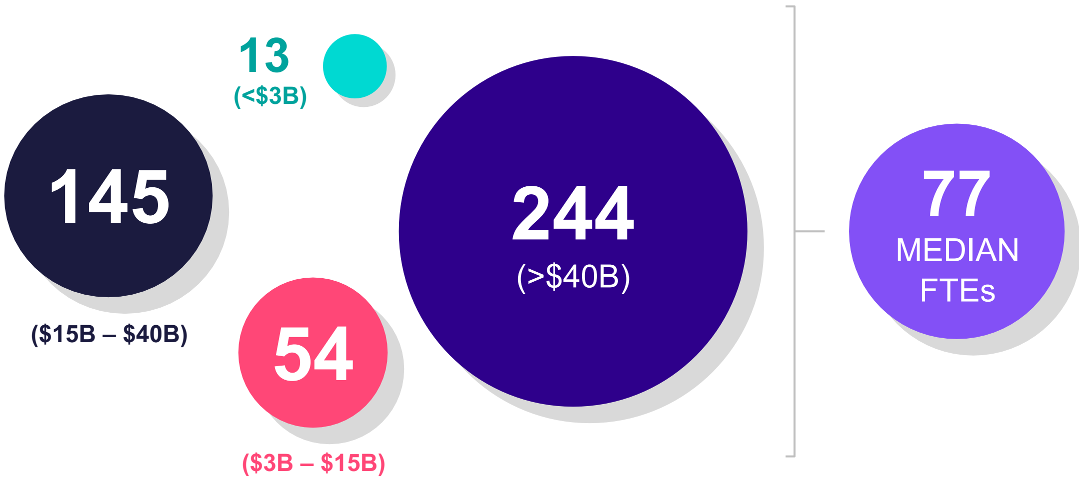
	Less than $3B Revenue Companies	$3B - $15B Revenue Companies	$15B - $40B Revenue Companies	Greater than $40B Revenue Companies	Overall
REVENUE	$1.0B	$9.1B	$24.4B	$74.6B	$12.8B
EXTERNAL SPEND	$2.6M	$13.7M	$41.0M	$84.4M	$20.6M
INTERNAL SPEND	$2.3M	$13.2M	$39.1M	$67.0M	$21.7M
ALSP SPEND	$100K	$1.2M	$2.3M	$8.1M	$1.4M
LEGAL SYSTEMS + TECHNOLOGY SPEND	$115.8K	$604.5K	$1.0M	$1.2M	$701.9K
TOTAL LEGAL SPEND	$5.1M	$28.3M	$94.6M	$166.0M	$49.7M

Note: Median values reported for all metrics.

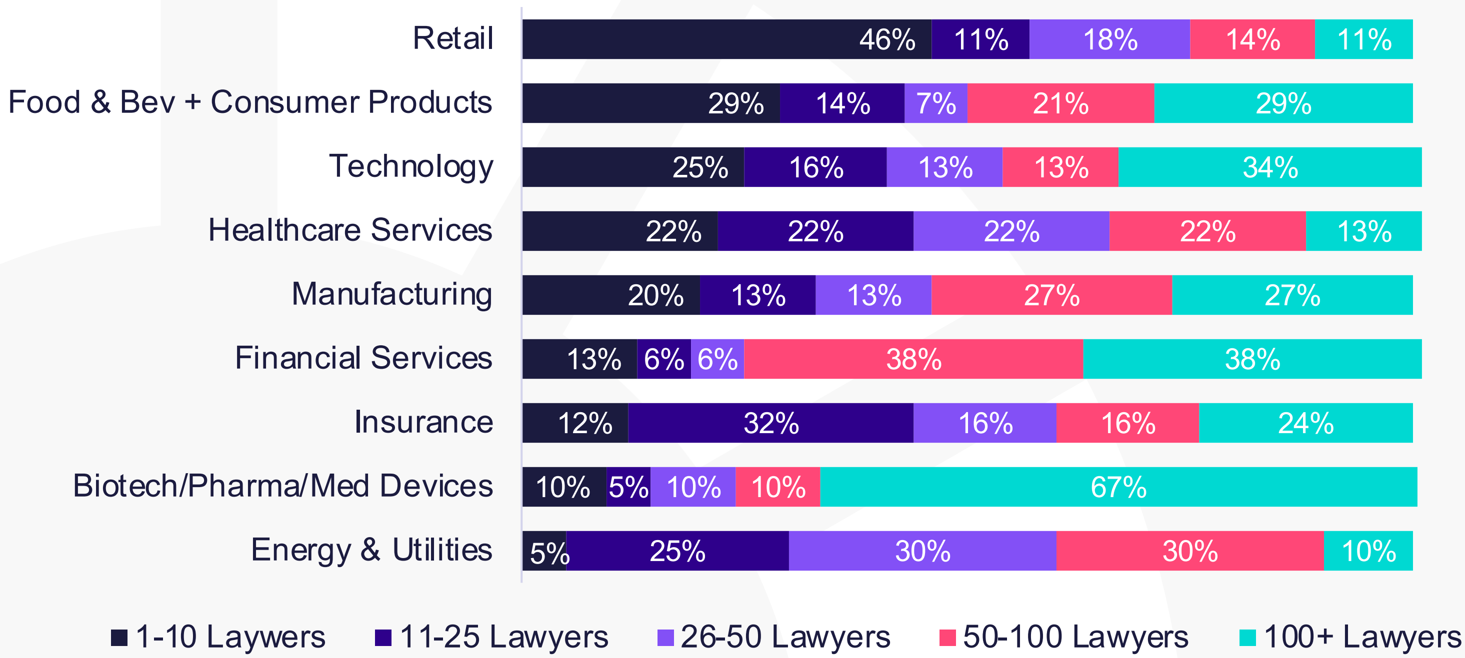
LEGAL DEPARTMENT **HEADCOUNT**

The median legal department headcount is **77 Full - Time Employees (FTEs)** across all participating companies, with staff size increasing alongside company size. Companies with less than $3B in revenue report a median of 13 legal department staff, those with $3B-$15B have 54, companies with $15-$40B have 145, and those with more than $40B have 244.

MEDIAN LEGAL DEPARTMENT HEADCOUNT (FTE) BY COMPANY SIZE



DISTRIBUTION OF LEGAL DEPARTMENT HEADCOUNT BY INDUSTRY



HEADCOUNT BREAKDOWN BY **COMPANY SIZE**

When examining department headcount by company size, the median attorney headcount is 44 across all participating companies, with staff size increasing alongside company size. Smaller companies have a higher proportion of other legal professionals, such as support and operations staff, per attorney in their department.

	Less than $3B Revenue Companies	$3B - $15B Revenue Companies	$15B - $40B Revenue Companies	Greater than $40B Revenue Companies
MEDIAN NUMBER OF ATTORNEYS	9	29	91	119
MEDIAN NUMBER OF LEGAL PROFESSIONALS AND PARALEGALS	3	20	53	92
MEDIAN NUMBER OF LEGAL OPERATIONS PROFESSIONALS	2	3	6	8

LEGAL OPERATIONS HEADCOUNT

The size of legal operations teams has remained unchanged since 2023, with a median function size of 5 FTEs. Technology departments report the highest staffing levels, with 0.39 legal operations staff per $1B in revenue.

THE MEDIAN LEGAL OPERATIONS FUNCTION SIZE CONSISTS OF **5** FTEs

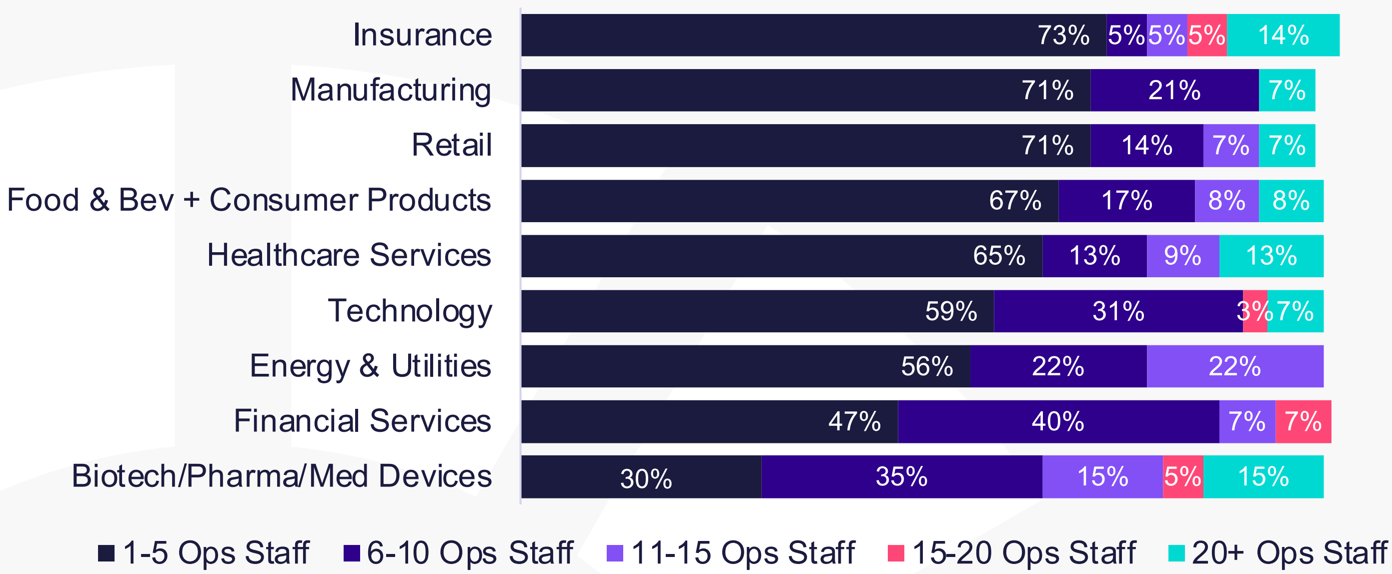
2 FTEs
LESS THAN $3B REVENUE COMPANIES

4 FTEs
$3B-$15B REVENUE COMPANIES

7 FTEs
$15B-$40B REVENUE COMPANIES

10 FTEs
GREATER THAN $40B REVENUE COMPANIES

DISTRIBUTION OF LEGAL OPERATIONS STAFF BY INDUSTRY



0.14
MEDIAN <$3B COMPANY LEGAL OPERATIONS PER ATTORNEY

0.08
MEDIAN $3B-$15B COMPANY LEGAL OPERATIONS PER ATTORNEY

0.06
MEDIAN $15B-$40B COMPANY LEGAL OPERATIONS PER ATTORNEY

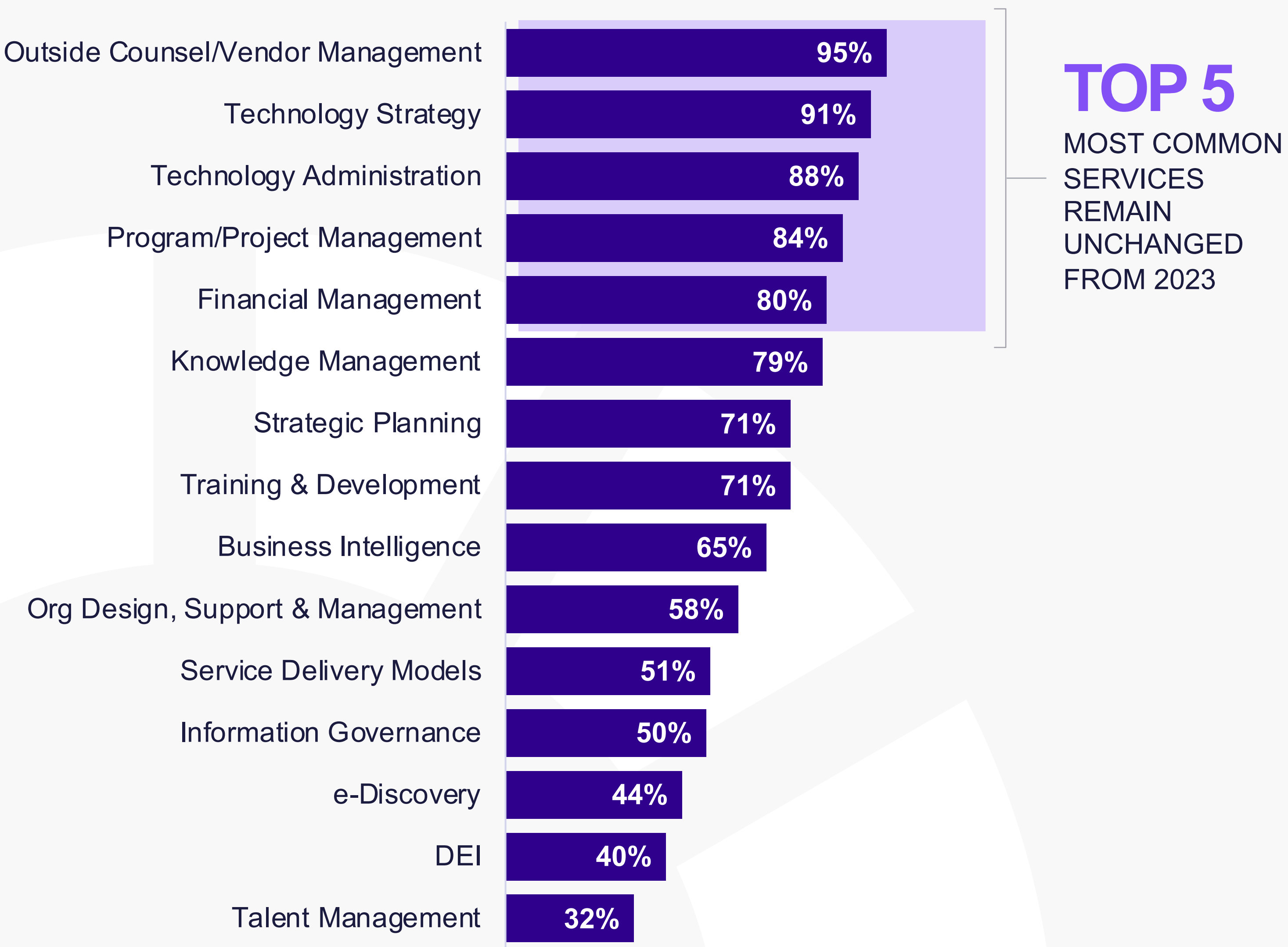
0.06
MEDIAN >$40B COMPANY LEGAL OPERATIONS PER ATTORNEY

LEGAL OPERATIONS
SCOPE & STRUCTURE

Legal Operations Scope

At least 50% of departments have 12 of the 15 services listed below within their legal operations team's responsibilities. The top five most common services remain unchanged, but business intelligence and service delivery models have grown by 7% and 5%, respectively, since the previous year.

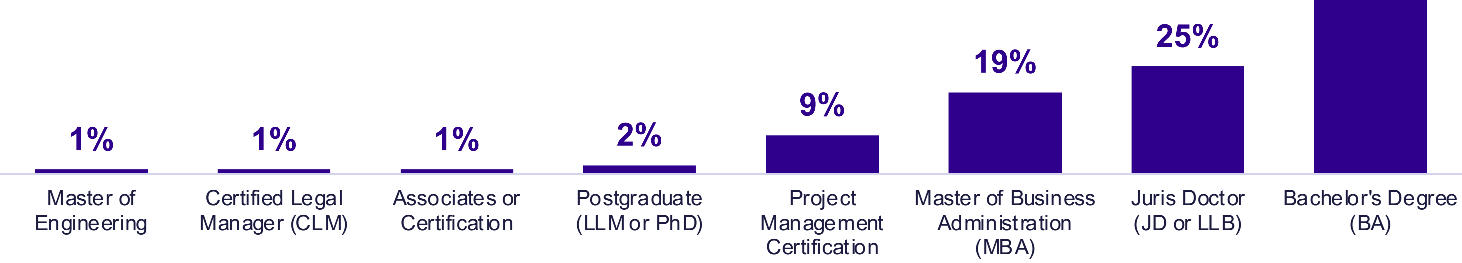
WHICH SERVICES FALL WITHIN YOUR LEGAL OPERATIONS RESPONSIBILITIES?



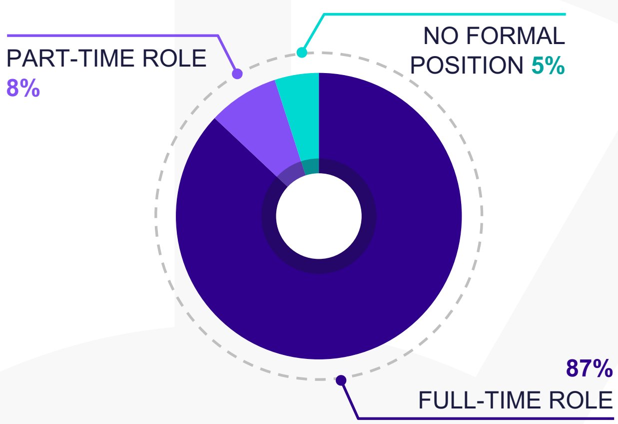
LEGAL OPERATIONS **TITLES & ORGANIZATION STRUCTURE**

More than 50% of participants report having a team with formal legal operations responsibilities reporting to a Director or Manager of Legal Operations. This role is typically full-time and reports directly to the CLO or GC. Most legal operations leaders hold a BA degree or JD/LLB.

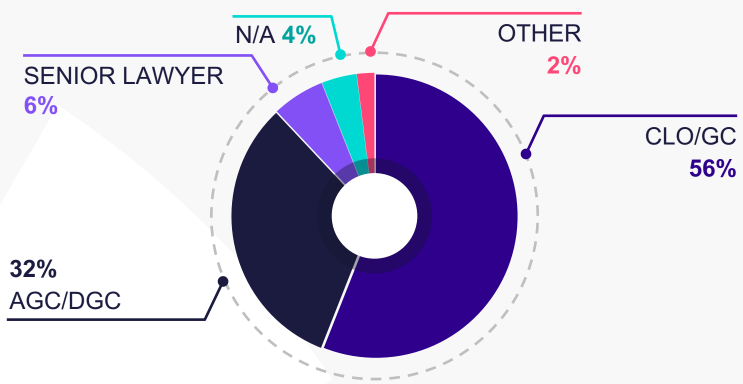
ROLE DEGREE LEVEL



LEGAL OPERATIONS LEADERSHIP ROLE DEDICATION



LEGAL OPERATIONS LEADERSHIP REPORTING RELATIONSHIP



LEGAL OPERATIONS FUNCTION SETUP

10% Legal operations responsibilities are decentralized amongst different individuals in the department

11% No resource is formally dedicated to the management of legal operations

22% Director/Manager of Legal Operations is the only individual with formal legal operations responsibilities

57% A team of individuals with formal legal operations responsibilities that report to a Director/Manager of Legal Operations

OUTSOURCING & TECHNOLOGY

Use of Technology

The most widely used technology areas in participating legal departments include eBilling, Document Management, and Matter Management. Emerging technologies are also a focus, with Artificial Intelligence seeing a significant increase in consideration for future implementation in this year's survey.

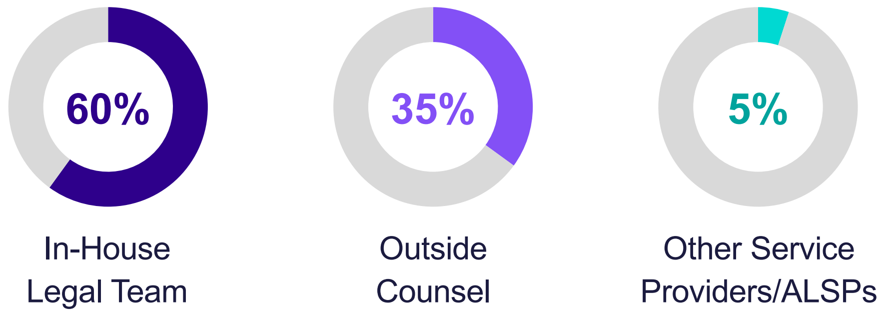
PERCENTAGE OF RESPONDENTS USING EACH TECHNOLOGY

Technology	Percentage	MOST USED PROVIDER
Electronic Billing	84%	TR LEGAL TRACKER
Document Management	72%	IMANAGE WORK
Matter Management	72%	TR LEGAL TRACKER
Legal Hold	71%	EXTERRO FUSION
eDiscovery Collection	64%	M365
Contract Lifecycle Management	62%	CONGA CLM / APTTUS
eDiscovery Hosting/Review	59%	RELATIVITY
Legal Data Analytics	59%	MICROSOFT POWERBI
Ediscovery Processing	57%	RELATIVITY
Patent Management	48%	ANAQUA
Trademark Management	46%	ANAQUA
Workflow Automation	44%	ONIT
Legal Service Request/Intake	37%	ONIT
Privacy Management	36%	ONETRUST
Artificial Intelligence	29%	HOMEGROWN SOLUTION
Legal RFP Tool	24%	PERSUIT

ALTERNATIVE **LEGAL SERVICE PROVIDERS**

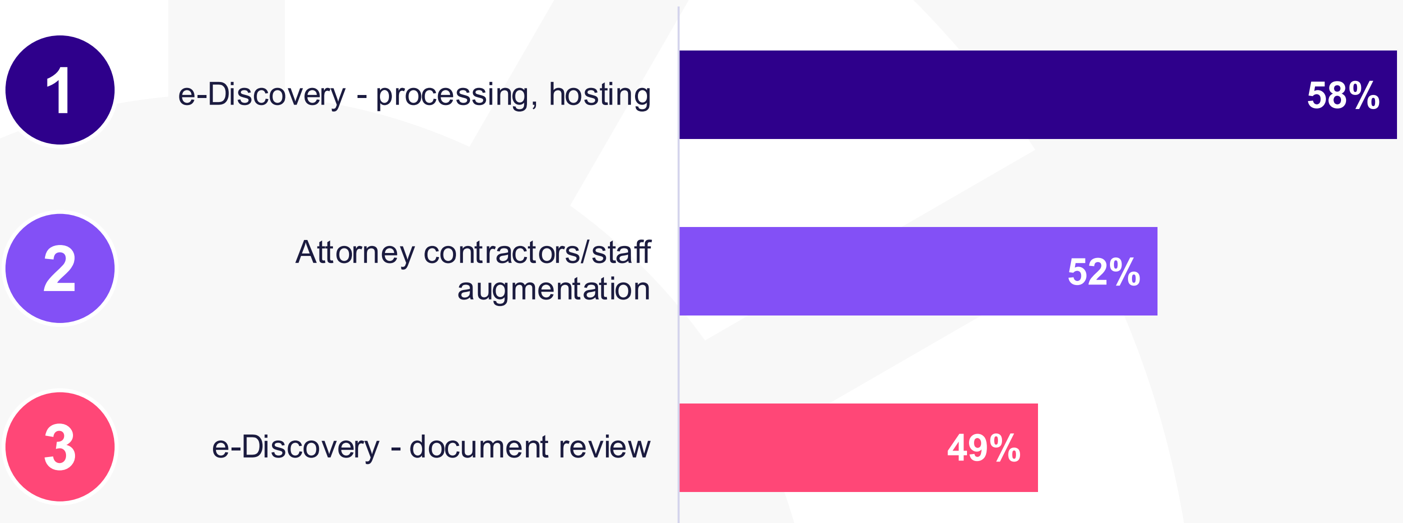
When examining how law departments allocate work, most report that the majority is handled by in-house teams and outside counsel, with a smaller portion going to other service providers and ALSPs.

BALANCE OF WORK: PERCENTAGE OF WORK ALLOCATED ACROSS RESOURCES



Law departments across industries are increasingly turning to non-law firm resources to improve cost efficiency. While spending on alternative legal service providers (ALSPs) remains a small portion of total legal spend, adoption is growing. Historically used primarily for e-Discovery, ALSPs are now being leveraged more for attorney contractors, staff augmentation, and contract management.

TOP 3 AREAS OF WORK WHERE ALSPS ARE UTILIZED



LAW FIRM **EVALUATIONS**

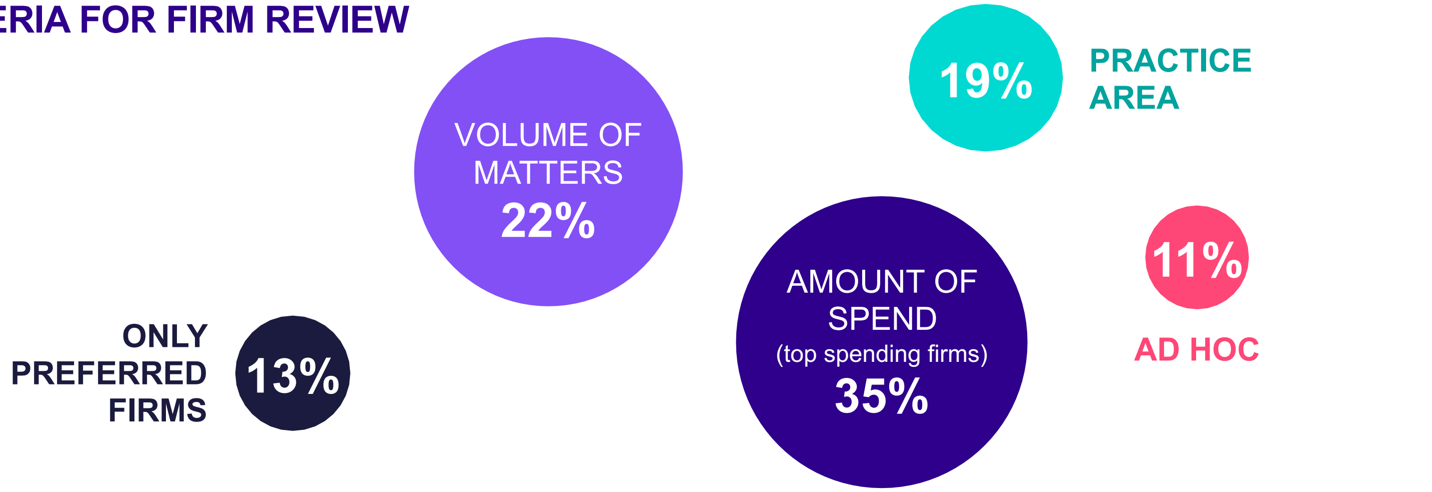
Law Firm Review and Selection Criteria

Survey data shows that 38% of legal departments have implemented or are refining a structured annual performance evaluation, while another 17% plan to adopt formal review processes. The following charts outline the criteria used for law firm reviews and selection.

38%
FORMALLY REVIEW PERFORMANCE

17%
WANT TO IMPLEMENT FORMAL REVIEW PROCESSES

CRITERIA FOR FIRM REVIEW



TOP 3 CRITERIA FOR SELECTION OF OUTSIDE COUNSEL
% OF COMPANIES RANKING AS VERY IMPORTANT

LAW DEPARTMENT **MATURITY & PRIORITIES**

Competencies and Perceptions

Legal departments rate their maturity level as:

- *Reactive to Emerging*
- *Emerging to Developing*
- *Developing to Leading*

Most identify as emerging to developing, indicating room for growth. As resources expand and best practices evolve, maturity levels continue to advance, driving greater optimization and efficiency.

DEVELOPING > LEADING

Describes organizations with established, repeatable processes supported by documented governance and stable technologies. Leading organizations maintain leadership continuity, reliable resource supply chains, and technical support systems that drive continuous improvement.

8%	27%	33%	43%
LESS THAN $3B REVENUE COMPANIES	$3B-$15B REVENUE COMPANIES	$15B-$40B REVENUE COMPANIES	GREATER THAN $40B REVENUE COMPANIES

EMERGING > DEVELOPING

Describes organizations with established processes, often supported by technology and professional expertise. Developing organizations set aspirational goals and pursue modernization, with leadership playing a key role in driving progress.

85%	64%	53%	57%
LESS THAN $3B REVENUE COMPANIES	$3B-$15B REVENUE COMPANIES	$15B-$40B REVENUE COMPANIES	GREATER THAN $40B REVENUE COMPANIES

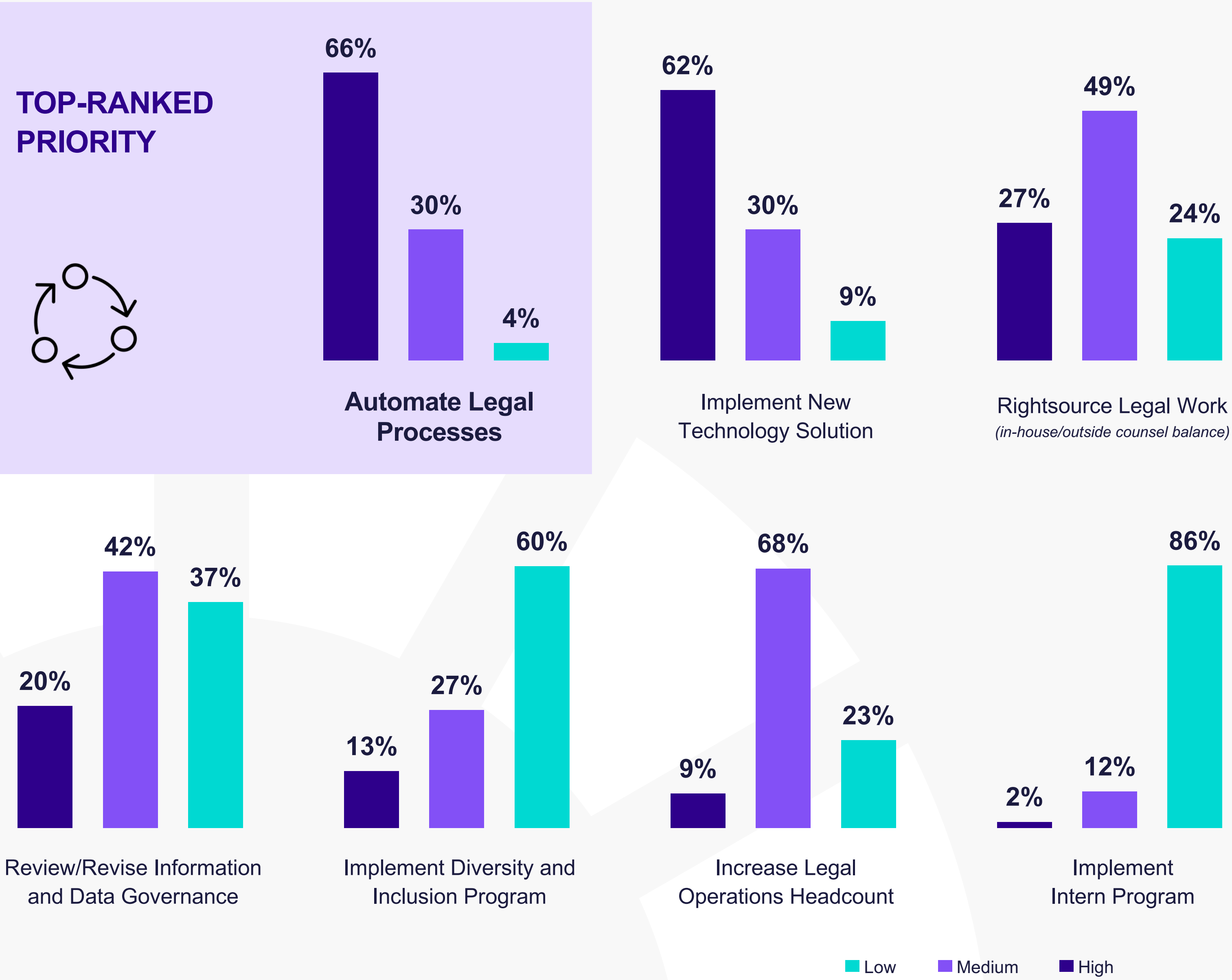
REACTIVE > EMERGING

Describes legal operations organizations, from startups to established teams, that have limited experience across multiple functions but are working toward greater maturity.

8%	9%	13%	0%
LESS THAN $3B REVENUE COMPANIES	$3B-$15B REVENUE COMPANIES	$15B-$40B REVENUE COMPANIES	GREATER THAN $40B REVENUE COMPANIES

PRIORITIES FOR 2025

Legal departments continue to prioritize automation, with 66% of respondents identifying it as a high priority. Since 2020, automation and new technology implementation have remained top concerns, with more than half of respondents ranking them as key focus areas. This emphasis aligns with the increasing adoption of artificial intelligence and workflow tools, as 54% plan to implement AI and 33% plan to adopt workflow tools within the next one to two years.



ABOUT CLOC

CLOC is the only peer-driven, non-profit community dedicated to transforming the business and practice of law. We bring together legal operations professionals, service providers, and industry leaders to drive innovation, set benchmarks, and shape the future of the industry.

In 2025, we celebrate 10 years of service to our growing membership.

OUR THREE PILLARS

CONTENT

COMMUNITY

CONVERSATION

BUILDING THE FOUNDATION

Ten years ago, legal operations was a role without definition. A small group of professionals saw the need for structure, shared knowledge, and a dedicated space to collaborate. That effort grew into CLOC—connecting peers, driving industry standards, and establishing legal operations as a critical function.

Over the past decade, CLOC has expanded globally, launched the Core 12 framework, and created new ways for legal professionals to develop and lead.

WHAT'S NEXT

CLOC continues to grow, with 6,300 members across 20 countries — and counting. As legal operations evolves, we remain focused on equipping professionals with the tools, education, and connections they need. The launch of the CLOC Academy and resources like the Maturity Assessment Playbook reflect our commitment to advancing legal operations at every level.

The work is far from done. The next decade will bring new challenges, opportunities, and innovations, and CLOC will continue to evolve alongside the industry we serve.

HARBOR

ABOUT THE **HARBOR LAW DEPARTMENT SURVEY**

The annual **Harbor Law Department Survey** is the leading source of benchmarking data for corporate law departments, providing comprehensive data on legal spending, staffing, operations, technology, outside counsel management, and compensation. The survey, now in its 21st year, continues to expand its focus on global legal function management, including data from 200+ participating companies representing over 15 industries.

To access the full results of the 2024 Harbor Law Department in collaboration with CLOC and 2024 Harbor In-House Compensation Survey with optional breakouts by industry, revenue size, law department size, and region, please scan the QR code.

Access the full survey results:

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.