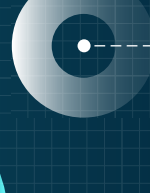
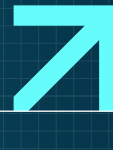


How legal leaders are using AI today

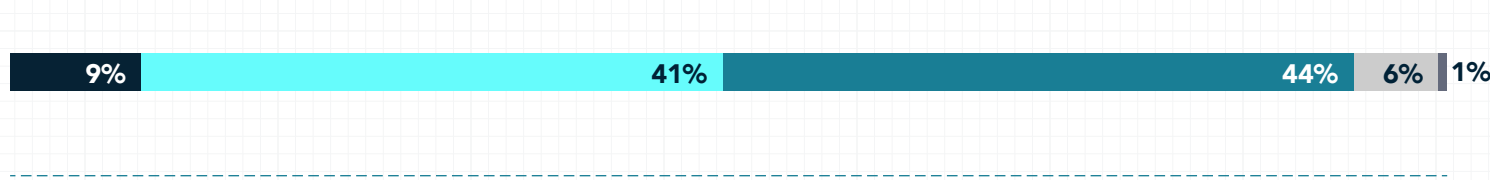
Our second annual survey of leaders in the legal function shows that while almost all organizations are using AI in some capacity, **legal leaders are slightly more cautious about it than their peers in other functions** across the C-suite, and are more comfortable with a measured pace of development and the board's level of involvement.



Separate surveys explored the perspectives of chief people officers; chief marketing officers; chief sales officers; chief strategy officers; chief supply chain and operating officers; chief digital, technology, or information officers; and chief AI officers. Other survey reports and other insights on leadership and AI can be found on heidrick.com.

AI usage is now widespread

Only 9% of legal leaders say that their company is not yet using AI, though a similarly small percentage say it is using AI in most of all functions or business units.

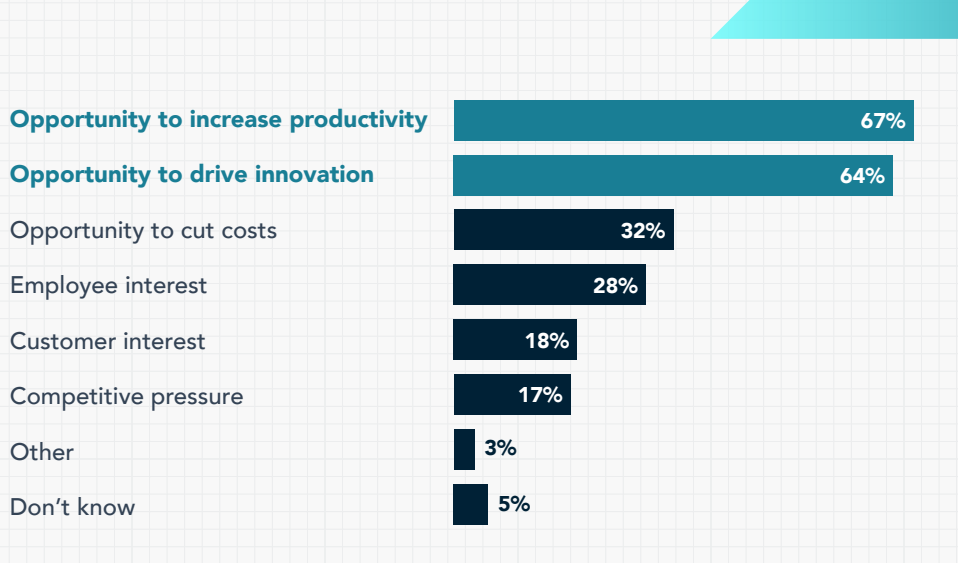


Just over half of legal leaders say their organization is adopting AI at the right pace, and less than one-third that it's moving too slowly. These sentiments are somewhat more cautious about AI than other C-suite leaders' sentiments: about half of those in most other functions say their companies are adopting AI too slowly. Considering the range of data privacy, copyright, and ethical and regulatory issues that have become apparent in the early phase of AI adoption, it is not surprising that these leaders would prefer a more measured approach.

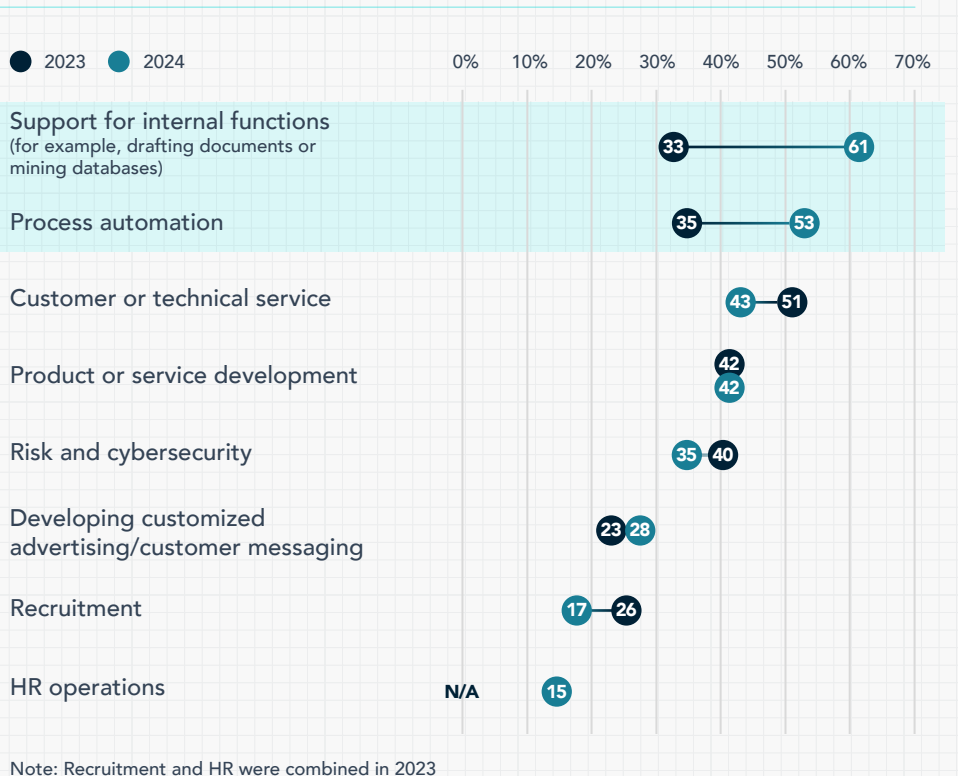


A focus on internal use and productivity gains

A strong majority of leaders across functions say they are focused on AI for internal use, and that the opportunity to increase productivity has had the most influence on their company's adoption of AI. **Legal leaders cite the opportunity to drive innovation almost as often, and more often than their peers in most other functions.**



As for how they are currently using AI in the legal function, the percentage saying they are using AI to support internal functions has nearly doubled, and more than half now say they are using AI for process automation as well.

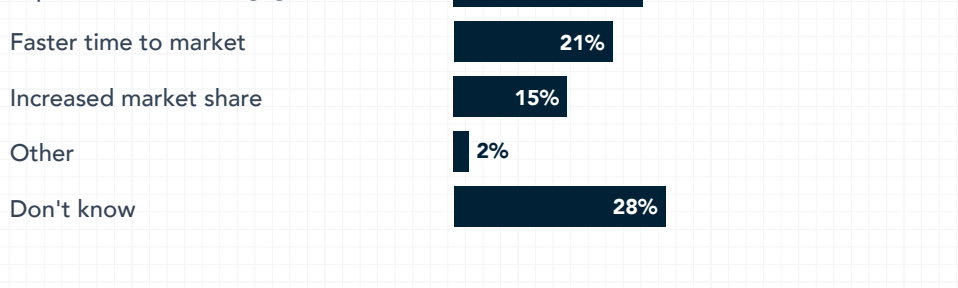


Looking two years ahead, more than half of legal leaders expect to be using AI in HR operations.



Measuring ROI

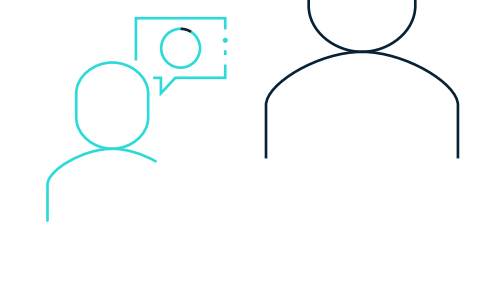
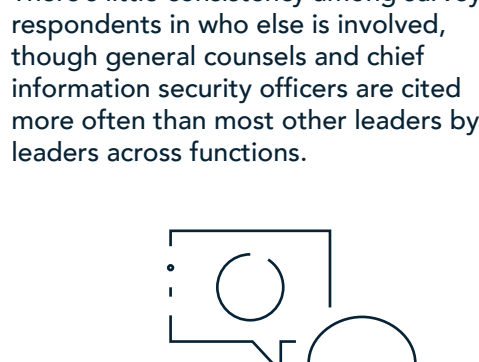
Despite the hype about AI and its rapid adoption by many companies, legal leaders, as well as most of their peers across functions, indicate that their companies aren't investing just to keep up with peers: **they are measuring success based on their goals, as they would any other investment.**



Who's taking the lead?

Across functions, the person who is most often cited as owning AI strategy is the chief information, technology, or digital officer. About 10% say it's the CEO. And just over 10% say no one.¹

Forty percent say the CEO is involved in setting AI policies, and just over 60% say the digital leader is involved. There's little consistency among survey respondents in who else is involved, though general counsels and chief information security officers are cited more often than most other leaders by leaders across functions.



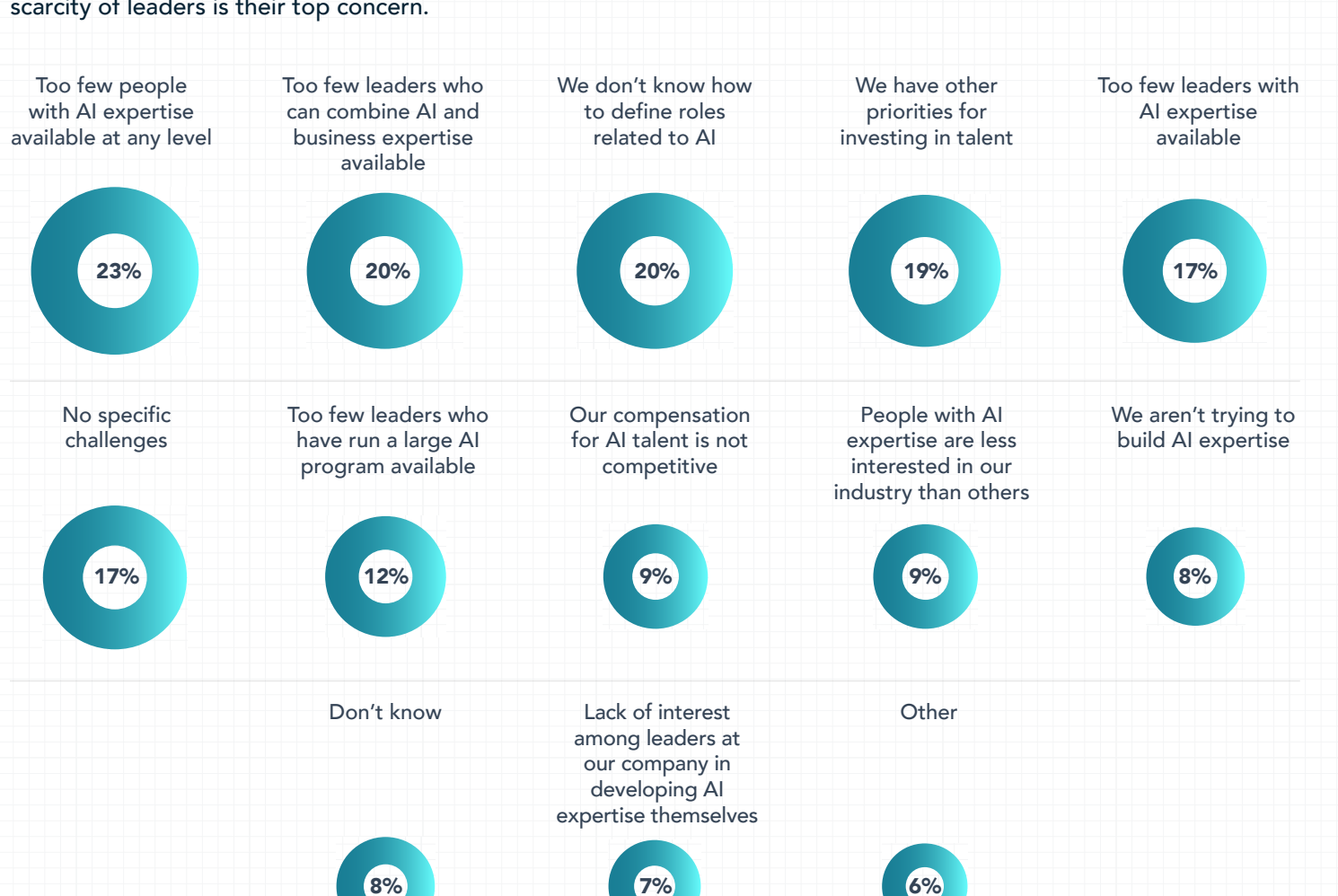
Finding AI expertise for legal teams

Across functions, the percentage of leaders saying they are building AI expertise for the function by developing it internally is around 60%. **Legal leaders most often of all their peers across the C-suite say that they are developing talent internally.**

In addition to developing talent in-house, legal leaders also collaborate with external vendors or partners to gain AI expertise—reflective of the response from leaders across functions. Hiring remains less frequent, mostly because expertise is hard to find.



As to the challenges of building AI talent, leaders across functions most commonly cite a dearth of people with AI expertise. However, legal leaders least often say that the scarcity of leaders is their top concern.



Talent considerations for leaders

Across functions, it's still hard for companies to find the AI talent they need. As leaders seek to use AI for a broadening range of tasks and projects—eventually rewiring business processes across the enterprise—we expect high demand for AI-specific expertise at all levels to continue for the next several years. In the long run, it seems likely demand will follow a pattern similar to that in earlier waves of computing innovation, from personal computing to cloud, in which specific technical expertise was in high demand during the transition, but then declined as the relevant knowledge became a part of every person's role. In other words, we expect that basic working knowledge of AI will be as fundamental an expectation for senior leaders as being digitally savvy is today.



That said, we also expect every enterprise will have a senior leader responsible for the AI strategy and for a chief AI officer title. This executive may or may not have a chief AI officer title.



¹ Notably, only 31% of the respondents who said no one owns the AI strategy also said their company is not yet using AI; 39% said their company is piloting, and another 29% said their company is using it in some areas.

About the research

In spring 2024, we surveyed 1,894 executives: 518 executives in finance; 401 executives in human resources; 153 executives in legal; 335 executives in marketing; 93 executives in sales; 90 executives in strategy; and 304 executives in supply chain and operations. This survey had a revenue level, respondents represent the full range of industries, company age levels, and various company ownership structures. In 2023, we conducted similar surveys, including a survey of 45 legal leaders.

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