

THE
AMERICAN LAWYER

The Gap Between Law Firms' Innovation Efforts and Client Expectations Is Slowly Closing

By Jon Campisi

November 5, 2025

What You Need to Know

- The Thompson Hine survey included input from around 200 senior in-house lawyers.
- Survey respondents were asked about their expectations for technology, process and collaboration with outside firms.

A very large contingent of in-house counsel, 93%, say innovation plays a critical role in their selection of outside law firms. And the stubborn divide between in-house lawyers' quest to improve how legal services are delivered and how their outside law firms are meeting their expectations is slowly narrowing, according to a new industry report.

Am Law 200 firm Thompson Hine released findings on Wednesday from its biennial innovation survey titled "Bridging the Perception Gap—Disconnects, Expectations and Opportunities." Survey results were based upon input from around 200 senior in-house lawyers who were asked about their expectations for technology, process and collaboration with outside law firms.

"There's a disconnect between the level of innovation that law firms claim and what in-house counsel perceive or experience," Thompson Hine chief practice innovation officer William Garcia said in an interview.

One finding that jumps out, he said, was the fact that only 5% of survey respondents reported seeing a great deal of innovation from their primary



Courtesy photos

**Managing Partner Tony White and
Chief Practice Innovation Officer William Garcia**

outside law firms, while a much higher percentage of firms actually claim to provide just that.

"Law firms say they're using these tools," Garcia said. "Many in-house counsel are unaware of the tools, or the use of the tools."

Garcia attributed that gap to poor communication between in-house teams and outside firms.

"That would not be apparent to the clients, but nevertheless there's a gap there," he said. "A pretty clear through line in the survey is that in-house counsel are prioritizing practical and outcome driven innovations, things like automation of routine tasks and reliable, detailed budgets. Those really jump out over the more sort of abstract or less visible innovations."

But the trend is heading in a promising direction. Over the past couple of years, the firm notes, the

split has narrowed between how legal departments rate their own innovative measures and those delivered by their outside law firms.

For example, in 2023, 60% of in-house counsel identified a gap between their law department's innovative use of people, process and technology and what was actually provided by their law firms. In 2025, however, that percentage has dropped, with a combined 43% of in-house counsel now seeing that gap.

Two-fifths, or 42%, of in-house counsel now qualify their outside law firm's contributions to innovation as equal to their own, up fairly significantly from 28% when the survey was done two years ago.

And about 27% of this year's survey respondents rate their own law department's innovative uses as superior to their outside law firms, which is down significantly from 48% in 2023.

The survey also shows that only about 12% of respondents report innovating in partnership with their outside firms, a percentage that actually remains unchanged from two years ago.

"We're pretty clear that inside lawyers thought they were superior," Garcia said. "Those numbers have sort of evened out, and outside firms are perceived as having caught up."

Garcia attributed this, in part, to the growing proliferation of large language models (LLMs) and the increased, across-the-board use of other, similar new technologies and tools.

Both Garcia and Thompson Hine managing partner Tony White emphasized the firm wasn't that surprised by most of the results of this year's survey, and that responses go to prove that innovation likely remains a large factor in outside law firm selection.

"The findings are clear: clients expect practical solutions that combine technology, process and collaboration," White wrote in the introduction of the report. "Perhaps most importantly, the survey underscores that innovation cannot succeed without trust and communication."

The survey findings are a "call to action" for all law firm leaders, White noted, as too often clients

are unsure of what tools their firms may be using on their behalf, and firms should be working to demystify the tools lawyers are using today to enhance business and client service.

White added in an email that firms should invest in innovation where it creates tangible value, such as automating repetitive work, standardizing processes, providing predictable budgets and maintaining transparency.

"True innovation is not abstract," White said. "It's practical, measurable, and directly linked to outcomes and business impact."

As for their own teams, in-house counsel also recognize room for improvement, as only 30% of respondents categorize their own law department's innovation efforts as "strong, constantly evaluating new processes and technologies in an effort to improve workflow and services."

"The majority (57%) say their law departments are 'open to innovation, but it is not a priority,'" the report states. "Without clear focus and commitment, innovative efforts often stall, limiting their potential to drive real change or deliver meaningful value. The remaining 14% of respondents say their legal departments are hesitant to change internal workflows."

About Thompson Hine LLP. Thompson Hine LLP, a full-service business law firm with over 400 lawyers in 10 offices, was ranked number 1 in the category "Most innovative North American law firms: New working models" by the *Financial Times* and was 1 of 7 firms shortlisted for *The American Lawyer's* inaugural Legal Services Innovation Award. The firm has been recognized by the *National Law Journal* as a Legal Technology Trailblazer and featured by *Bloomberg* for its innovative service delivery models, which drive accuracy and predictability. The firm's commitment to innovation is embodied in Thompson Hine SmartPaTH™ – a smarter way to work – predictable, efficient and aligned with client goals. For more information, please visit ThompsonHine.com and ThompsonHine.com/Innovation/SmartPaTH.