How legal leaders are using Al 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.



officers. Other survey reports and other insights on leadership and AI can be found on heidrick.com. Al usage is now widespread

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

Piloting Using Not yet using Al it in some functions it in some functions

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

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.

Don't know Using it in most or all functions or business units or business units or business units

9% 41% 6% 1%

slowly. Considering the range of data privacy, copyright, and ethical and regulatory issues that have become apparent in the early phase of Al adoption, it is not surprising that these leaders would prefer a more measured approach. At the right speed Too fast Too slowly Don't know 51% 4% 16%

> Support for internal functions (for example, drafting documents or

mining databases)

Improved productivity

Faster time to market

Increased market share

Improved customer engagement scores

Cost reduction

Other

Don't know

tools can pose.

Spending enough time

and productivity gains

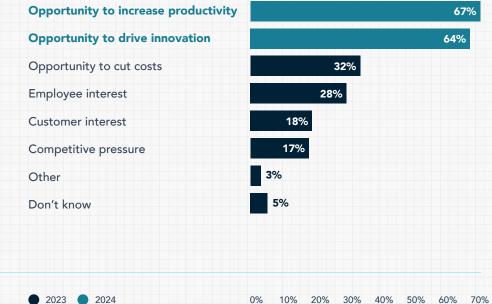
A focus on internal use

opportunity to increase productivity has had the most influence on their company's adoption of Al. Legal leaders cite the opportunity to drive innovation almost as often, and more often than their peers in most other functions.

A strong majority of leaders across

functions say they are focused on

Al for internal use, and that the



automation as well.

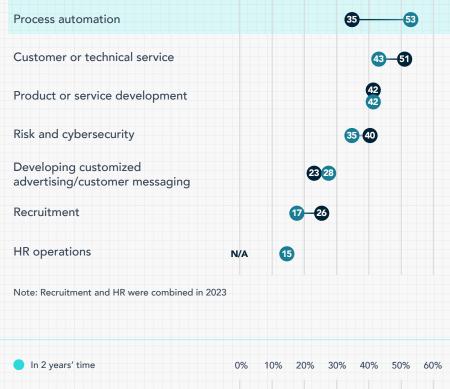
As for how they are currently using Al

in the legal function, the percentage saying they are using AI to support

doubled, and more than half now say

internal functions has nearly

they are using AI for process



Looking two years ahead, more

be using AI in HR operations.

than half of legal leaders expect to



34%

21%

26%

15%

companies aren't investing just to keep up with peers: they are measuring success based on their goals, as they would any other investment.

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

Who's taking

Across functions, the person who is most often cited as owning AI strategy

is the chief information, technology, or

Forty percent say the CEO is involved

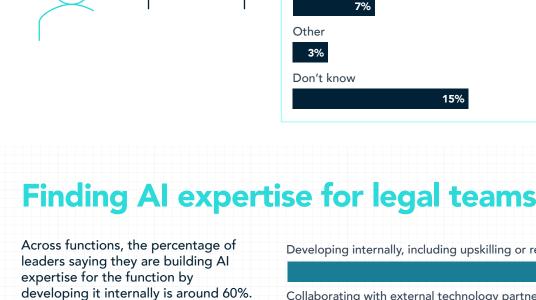
60% say the digital leader is involved.

digital officer. About 10% say it's the CEO. And just over 10% say no one.1

in setting AI policies, and just over

the lead?

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.



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.

Spending too little time 22% Spending too much time Overseeing as part of their normal oversight of strategy and risk 37%

As for the board, just over a quarter of legal leaders say it is spending enough time on AI and more than a third say it's overseeing AI as

part of its normal oversight. These percentages are higher than those among leaders across finance, marketing, HR, and operations, perhaps because legal leaders are particularly attuned to the legal risk that AI

Asking for special reports on AI policies 11% Asking for special reports on Al's effect on strategy 10% Asking for special reports on Al's risks Seeking input from executives about Al's development and opportunities Seeking input from external experts about Al's development and opportunities Other 3% Don't know 15%

Developing internally, including upskilling or reskilling existing workforce

Collaborating with external technology partners or vendors

65%

We aren't trying to build AI expertise

available

Don't know

Engaging consultants

Hiring full-time leaders

14%

Engaging on-demand talent

18%

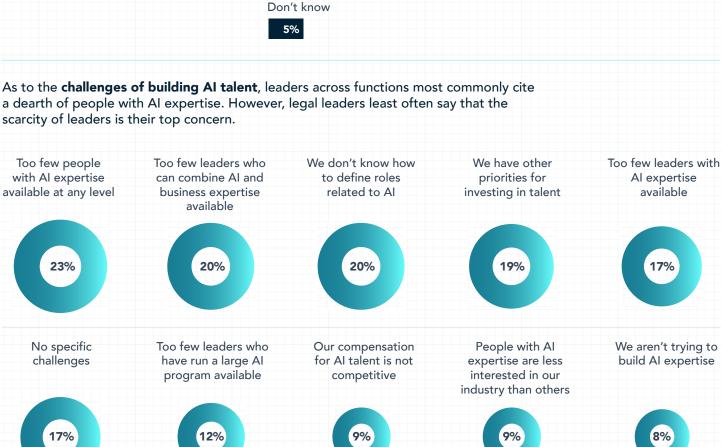
scarcity of leaders is their top concern. Too few people Too few leaders who

with AI expertise

available at any level

No specific

challenges



Other

Talent considerations for leaders



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 AI platforms and tools. This executive may or may not have a chief AI officer title.

Across functions, it's still hard for companies to find the AI talent they need.

projects—eventually rewiring business processes across the enterprise—we expect high demand for Al-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

As leaders seek to use AI for a broadening range of tasks and

 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.

Lack of interest

among leaders at our company in developing Al expertise themselves

About the research

executives in supply chain and operations. This survey had a global reach; respondents represent the full range of industries, company revenue levels, and various company ownership structures. In 2023, we conducted similar surveys, including a survey of 45 legal leaders.

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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

Heidrick & Struggles' **Corporate Officers Practice** Victoria Reese

Heidrick & Struggles' Legal, Risk, Compliance & **Government Affairs Officers Practice**

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