2026
Legal Tech Report

What firms use.
What they trust.
What they keep human.

CosmoLex
by profitsolv

Table of Contents

Introduction 2

Background & Methodology 3

Tech Empowers, Humans Lead 4

Clients Value the Human Touch 4

The AI Tools Firms Use 5

How Firms Rate AI Proficiency 6

Rising AI Use and Trust 7

How Often Firms Use AI 7

Top Concerns About AI 8

Efficiency Gains Are Compounding 9

Where AI Saves Time 9

AI Expands Firm Capacity 10

A Preference for AI 11

Firms Want AI in Their Platform 11

Consolidation vs. Best-of-Breed 12

Client Intake 13

Referrals Still Drive Growth 13

Humans Lead the Conversation 14

Profit Before Pricing 15

Conclusion 16

Introduction

CosmoLex engaged Ari Kaplan Advisors to speak with a cross-section of solo and small law firm practitioners across North America about how technology is transforming their practice management, economics, and client service. This report combines quantitative metrics with qualitative perspectives from that research.

The findings examine how firms are adopting and using a range of legal technology solutions, including AI tools for legal research, document drafting, and document review, among other tasks, and where those tools deliver the greatest value. They also explore the practical factors that influence implementation, such as workflow fit, usability, accuracy, data management, and client expectations.

Trust in technology, including AI, remains a barrier despite its growing use and increased focus on guardrails. Participants generally agreed that solo practitioners and small law firms should adopt legal technology, especially AI, to handle administrative tasks and free staff to spend more time building relationships with clients and prospects.

Background & Methodology

In August 2026, Ari Kaplan, principal of Ari Kaplan Advisors, interviewed 50 law firm professionals across North America, including 24 in Canada and 26 in the United States.



Participants include 34 law firm partners, six administrative leaders, five finance leaders, three paralegals, and two independent business owners who provide financial guidance to law firms. Their firms have a median of two lawyers. For practice management, most use CosmoLex (76%), while others rely on Tabs3 (8%) or other platforms.

TOP PRACTICE AREAS REPRESENTED



36%
Wills, trusts, and estates

32%
Commercial litigation

22%
Corporate transactional

96% of participants work at firms that currently use a legal practice management solution for timekeeping, billing, or matter management.

Technology Empowers, But Does Not Replace, the Human Elements of Legal Practice

Although this research focuses on technology and the digital transformation of legal practice, when asked to describe the value they provide, most participants emphasized human qualities such as trust, empathy, accessibility, and personal attention far more often than pricing, time, and even expertise.

"We define value by the outcomes we achieve for clients, not just the time we spend," explained one, supporting a common theme that how solo and small-firm practitioners deliver those outcomes matters just as much as the results.

"My value is that I am old-school; I make telephone calls and hold the client's hand," said one solo practitioner. Trust ("Our greatest value is the trust we bring to every engagement"), responsiveness, and cost-effectiveness rounded out how participants described what clients are actually paying for.

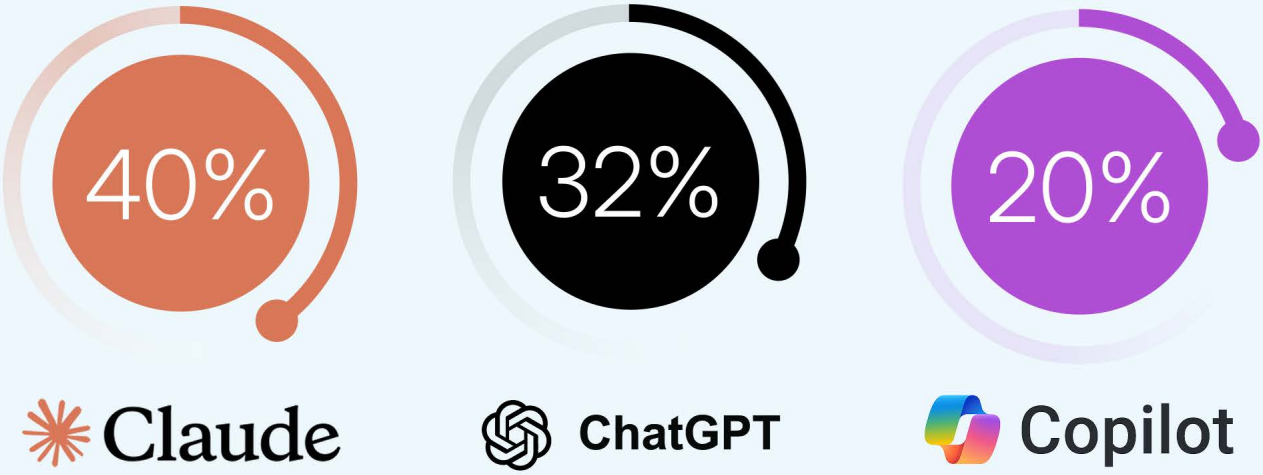
Participants described using AI to strengthen relationships. "AI frees my staff to communicate directly and interact with clients; we are there for them and can answer questions," explained one partner. "The goal of using AI is for staff to worry less about drafting and reviewing documents and to spend the extra time talking to clients, thinking about cases, and visiting with them."



AI frees my staff to communicate directly and interact with clients; we are there for them and can answer questions.

90% of participating firms use AI-powered tools. 58% use more than one, stacking functions such as research and drafting rather than concentrating adoption in a single application.

TOP AI TOOLS CITED BY PARTICIPANTS



For AI in general, “I use it for everything from incorporating it into my email and calendar to drafting; I also have it perform research and red-team analysis on my own work because the analytical thought in the processors is progressing nicely,” noted a respondent. “Claude is almost like having a live person entering data,” noted another, echoing peers who cited additional examples of how they are using that specific technology. “I have Claude Skills that can draft time entries and transfer them to CosmoLex; we also use Claude to draft, but not send, correspondence, and our ability to perform e-discovery is much stronger with Claude Code or OpenAI Codex,” offered one. “I have built Skills in Claude Cowork that scan email for business leads and then create an individual profile for the prospect, such as on the Internet and LinkedIn, and do the same for organizations,” advised a peer.

When asked to rate their practical experience with AI on a scale of 1 to 5, 48% rated themselves proficient or advanced, largely because participants benchmarked against perceived peer inexperience rather than objective ability. “For a lawyer, I am five out of five, and I have not met anyone who has done more with it than I have,” said one participant. “I don't want to give myself too much credit, but I have more experience than the average lawyer,” added a peer who rated themselves 4 out of 5. There also seemed to be gaps between self-perception and results, as one leader who did not rate their skills highly had an AI tool (Perplexity) draft a strong first draft of a pleading.

> **I don't want to give myself too much credit, but I have more experience than the average lawyer.**



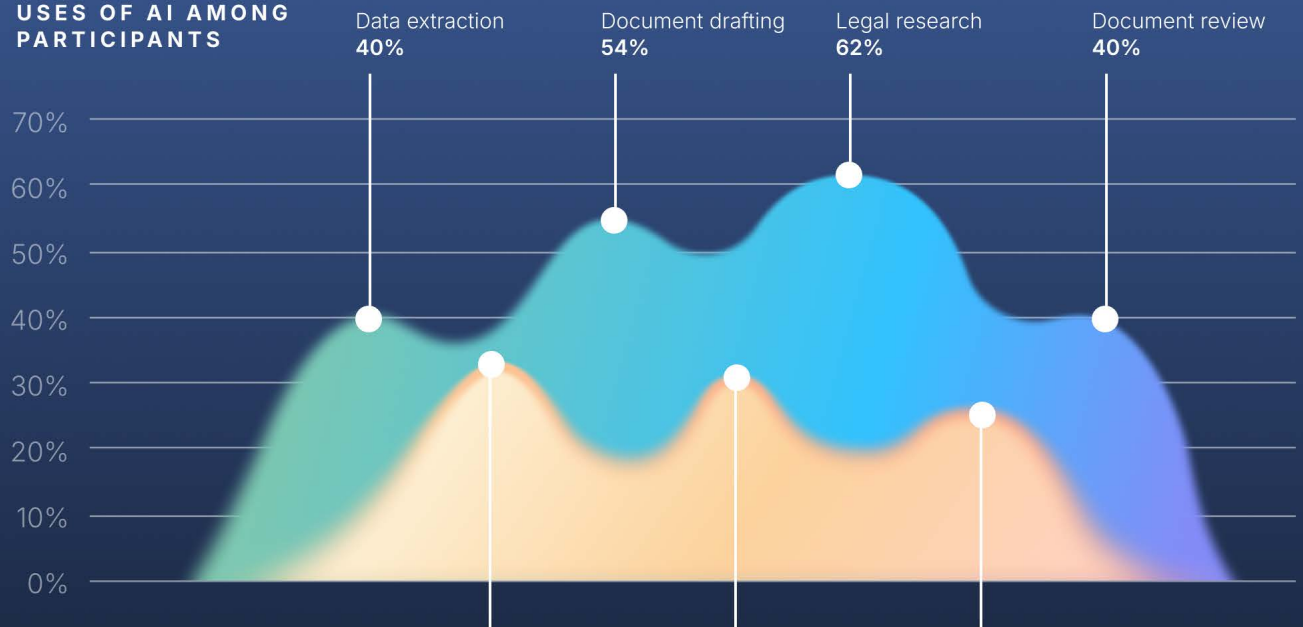
AI Use Is High and Trust in Technology Is Rising

74% of participants use AI daily, and 90% do so at least weekly. Usage increases are driving growth in trust in AI.



"In the last six months, AI has gone from something I hardly used to something I use daily because I now trust it to be useful, and I am also finding ways to put guardrails on it to avoid hallucinations," reported one leader. However, trust levels are not universal. "We use it regularly to draft, review, and summarize documents, but we are very concerned about confidentiality and how much we can trust its output," countered another.

THE MOST COMMON USES OF AI AMONG PARTICIPANTS



WHERE PARTICIPANTS SEE THE GREATEST FUTURE VALUE OF AI

32% Client communication and chatbots

28% Client intake

24% Conflict checks

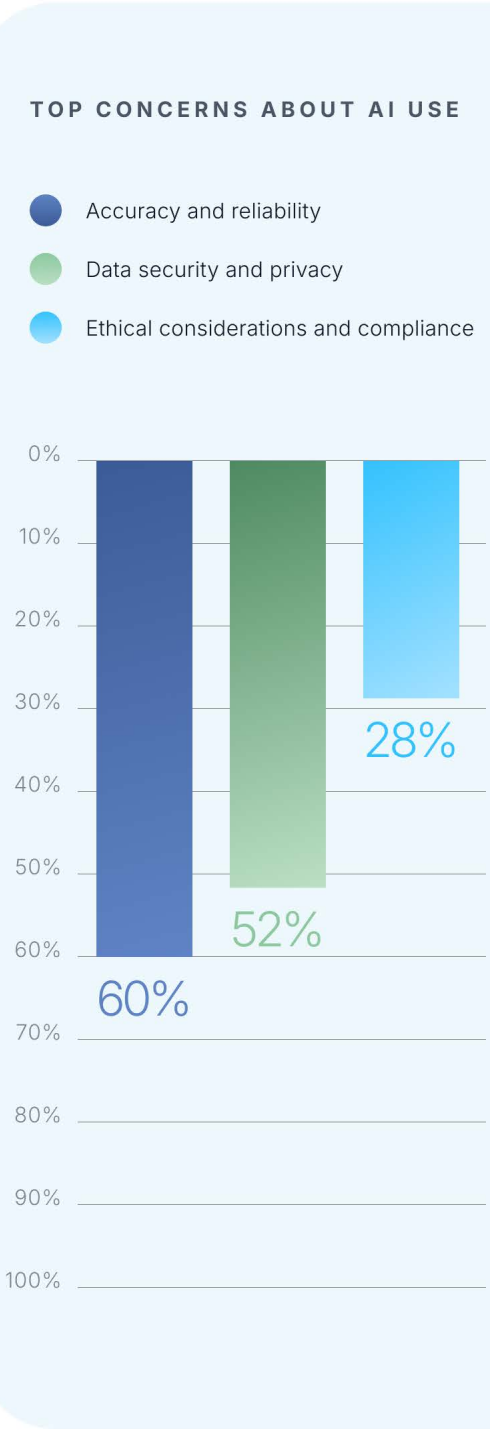
Despite interest in leveraging AI for client communication, chatbots, and intake, several participants expressed reservations about the potential for technology to dilute the attorney-client relationship.

Beyond changing the human relationship with prospects and clients, participants' concerns about AI were consistent.

Accuracy concerns centered on ownership, as participants acknowledged they are accountable for the work AI produces. “AI is still not guaranteed to be accurate and reliable; after all, you still need to sign your name to everything you produce,” said one leader. “Using AI is like training an intern, in that you need to check the work,” added a peer.

Data security concerns were closely linked to jurisdiction-specific obstacles for Canadian participants. “My primary concern is data security and privacy to ensure I protect the attorney-client privilege, so I don't upload documents to systems I don't trust,” said one respondent. “The challenge for Canada is that many US companies keep their data centers in the US, and we need data centers in Canada,” noted a peer.

The ethical considerations centered on preserving professional judgment rather than relinquishing it. “We are concerned about abdicating decision-making responsibility and judgment to machines,” said one participant. One leader captured the overall mood: “AI is coming, whether we want it to or not, and although we have limited control over it, we need to master it.”



Efficiency Gains Are Compounding

80% of participants said AI has increased the efficiency of their legal work, with most citing research and drafting. “It saves us time on legal research,” said one. “In estate planning, a couple may want more than 20 documents from me; I know their needs and can customize those documents faster without engaging the client in hours of conversation,” noted another.

Several could quantify their gains. “A sentencing memo used to take me two days, and now it takes an hour,” said one participant, who added, “and it recently led to a sentence below the sentencing guidelines.” “My email response time has been cut in half,” noted a colleague.

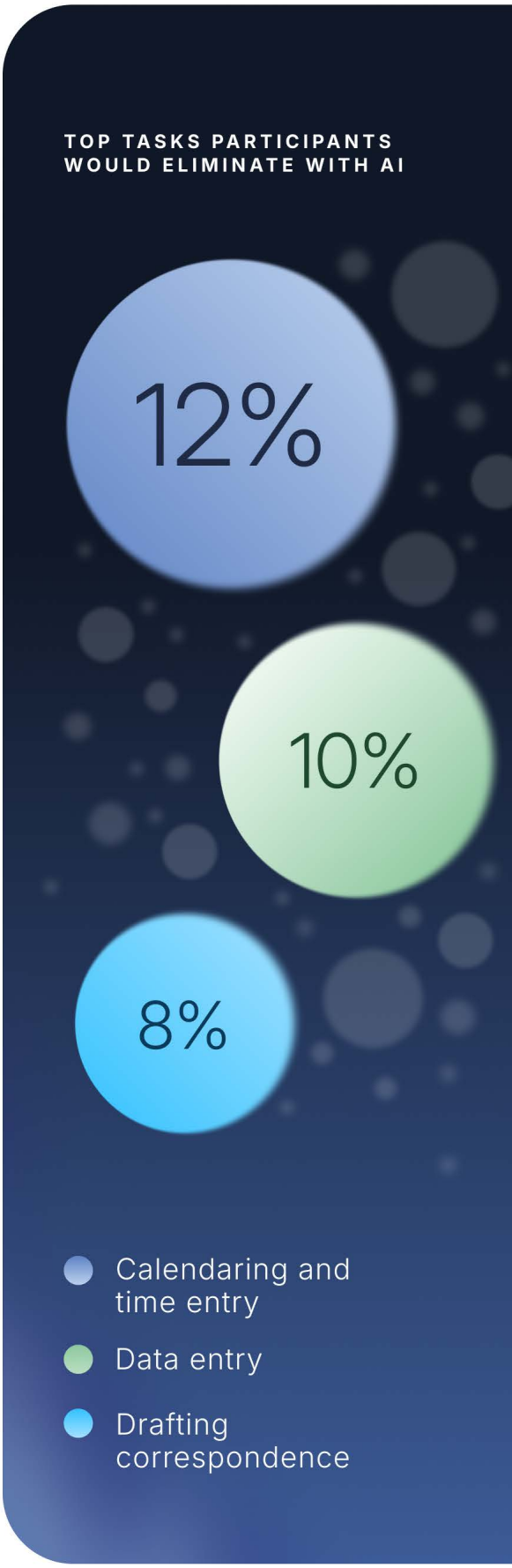
“A sentencing memo used to take me two days, and now it takes an hour, and it recently led to a sentence below the sentencing guidelines.



Others increased capacity rather than speed. “Things that once took hours now take minutes, letting me take on more work,” said a leader. For solo practitioners in particular, that capacity can be foundational. “If I did not have AI to support me, I am not sure I could have launched my own firm and grown it in positive ways,” noted a colleague.

Even those who are not experiencing transformative gains still describe benefits. “It improves correspondence, but not efficiency,” said one. “It accelerates the work, but it creates other tasks, such as extensive review, so it is not all good or bad,” offered another. Several participants noted that the need to review AI output can limit comprehensive efficiency gains.

When asked to name a single task they would eliminate with AI, participants had no consensus or clear leader.



> **If I did not have AI to support me, I am not sure I could have launched my own firm and grown it in positive ways.**

Participants Prefer Practice Management Tools with AI

70% of participants would be more likely to buy practice management software if it included AI that simplifies back-office work. “So much AI is available that it wouldn't be a selling feature; it would be discouraging if it lacked AI capabilities,” said one.

But buyers are devoted to their current functionality if it meets their expectations and prefer to supplement rather than replace satisfactory tools. “We have figured out the products we use and are very unlikely to change as long as they do their job, so we're interested in an add-on to that existing platform rather than switching to another AI product,” one respondent said, citing CosmoLex specifically for its usability, add-ins, and integrations.



That loyalty aligns with a broader debate over tool consolidation. 60% of participants use four or more systems to manage a matter end-to-end, and 62% rated having a single platform as essential (5/5) or very important (4/5). Yet the appetite is more aspirational than practical. “I want one software because it is hard enough to get people to use one tool, and if they had to use multiple tools, their heads would explode,” joked one participant.

Others were skeptical that a single tool could do everything well. “You cannot build a home with a single type of screwdriver,” said a leader, reflecting a common preference for best-of-breed tools that stay connected rather than merge into one. They are also wary of vendors’ overpromising. “It depends on whether they can actually deliver that product because I see many demos promising the world, but they can't deliver the functionality they describe without issues,” said a peer.

> **I want one software because it is hard enough to get people to use one tool.**

One Platform, Multiple Functions

Most participants rely on CosmoLex for more than one core function. 76% say those tools are completely integrated.



76%
Practice Management



72%
Accounting



78%
Trust Accounting

Key Aspects of Client Intake Are Crucial to Building Rapport

Certain elements of intake for solo and small firms remain largely traditional.

94% of participants cite referrals and word-of-mouth as an important source of new business, with organic search (34%) and firm websites (24%) trailing. Fewer than a third (32%) use an online form or automation tool to collect information before the first meeting. Even within that group, most describe the process as partly manual because forms require retyping into a practice management system or because fillable PDFs have no downstream integration. 30% have experimented with AI tools such as chatbots or form builders in intake, with mixed results. “We experimented with Adobe forms, but that initiative was unsuccessful,” said one participant, while another found CosmoLex's form customization tool more useful.

Despite interest in preserving certain manual aspects of intake, participants expressed a desire to eliminate administrative friction. Almost two-thirds (62%) rated automatic data flow from intake into matter creation, conflict checks, and billing as very important (4/5) or essential (5/5), primarily to reduce the risk of manual re-entry errors. “Automated data transfer eliminates the potential risk of human error associated with reentering information,” said one leader. Firms that already have this capability, such as CosmoLex's built-in data transfer, are satisfied.

94%

of participants say **referrals and word-of-mouth** are an important source of new business

34%

say **organic searches** are an important source of new business

24%

say **firm websites** are an important source of new business

Accuracy ranked highest among intake concerns (50%), followed by confidentiality (44%), and client perception (36%). But the primary barrier to fully digitizing intake was a fear of losing connection with a client or failing to make one with a prospect.

For the initial screening elements of intake, one leader advised, “We think using AI during the intake process would make it less frustrating for clients,” echoing the consensus that AI could handle administrative requirements such as scheduling, reminders, and data transfers.

But humans should lead substantive, relationship-building conversations. Several participants described these discussions as opportunities to build rapport and to decide whether to take a case. “You often ask a client a question, and they answer, but an AI tool typically cannot recognize body language that would prompt a follow-up question,” said one. “Our client demands a human touch,” added another.



> **You often ask a client a question, and they answer, but an AI tool typically cannot recognize body language that would prompt a follow-up question.**

Profitability Is Moving Faster Than Pricing

Only 14% of participants say AI is directly affecting their pricing model, but it is reshaping profitability, particularly for flat-fee work.

"I have become more profitable by using AI, as it saves time on flat-fee engagements, which makes the work more profitable," explained one leader. "AI saves time, so we have probably saved our clients money, but we have not changed the value of an attorney hour or adjusted pricing," added another, supporting the trend that firms are realizing margin gains before shifting pricing.

The participants noted early signs that AI is reshaping client expectations before it fully affects firm behavior. "Sometimes our clients draft documents themselves or don't retain us because they think they can handle the work with AI," said one leader. "When clients call, they have already researched the issues, so if I am speaking with someone smarter than me, I know they are not a client of our firm," added another.

> **AI saves time, so we have probably saved our clients money, but we have not changed the value of an attorney hour or adjusted pricing.**

While AI is clearly affecting the quality, speed, and volume of services that participating firms can provide, the impact of the early profitability gains some firms are seeing is less predictable.

Conclusion

This research shows that solo practices and small law firms are becoming leaner and more responsive by rethinking how they allocate, standardize, and deliver work, with AI playing an important role in that shift as they adopt it quickly but selectively. For drafting, research, document review, and administrative work, AI is broadly accepted and increasingly deployed. In fact, they are seeking more options from their existing providers, which have long-standing credibility in supporting their operations.

For judgment calls, client communication, and relationship-building, especially during the intake process, AI adoption is slower and more deliberate because practitioners view those moments as central to the value they provide, not as overhead to automate.

Participants also emphasized that while they use AI proactively to streamline back-office and administrative tasks, they dedicate human attention to client-facing moments and build firms that can operate with greater agility without sacrificing the relationships that differentiate them. Trust is ultimately at the heart of this evolution, so they are focused on building, proving, and preserving it.