

# Midsized law firms at the start of 2025

No time to rest

Thomson Reuters Institute

June 2025



“

Among the most damaging decisions  
Midsize law firms could make  
would be to become complacent.

”

# A strong starting position in 2025



**Midsized law firms are enjoying a prolonged moment in the spotlight ... however they should be careful not to get too comfortable in their success.**



- Midsized law firms are experiencing significant demand growth
- Litigation demand growth particularly important
- Aggressive hourly rate growth positions them favorably in revenue
- Expenses are well managed



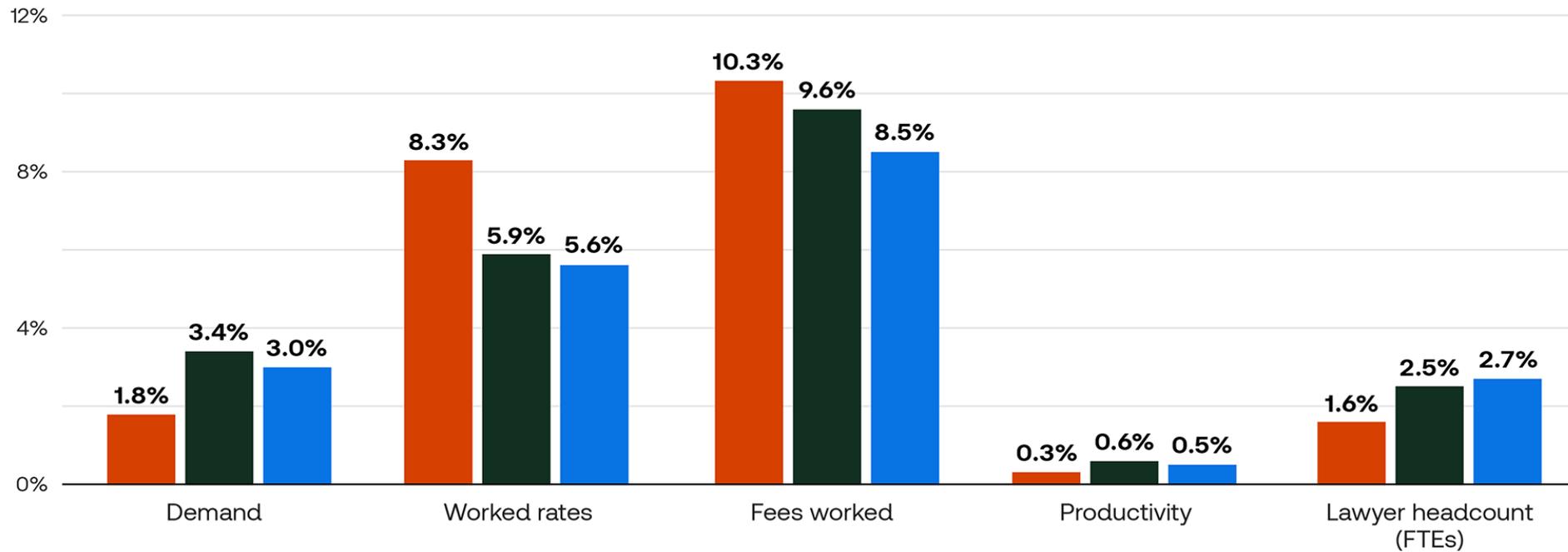
**Caution against complacency amidst evolving legal market dynamics**

# Less-impressive profit growth

## Key performance measures by segment

Year-over-year percent change

Am Law 100   Am Law Second Hundred   Midsize



# Billing strategies: Balancing growth and cost advantage

## THE FACTS...

Midsize firms have increased billing rates but trail larger firms in aggressiveness

*“the average Am Law Second Hundred law firm was growing three-tenths of a percent more on an already higher average hourly rate.”*

## PROPOSED SOLUTION...

Two-tiered rate structures offer competitive pricing without sacrificing cost advantage



# How to capture greater value

Improvements in efficiency can create win-win scenarios for law firms and clients

Currently, law firms take a big hit from “unbilled time,” i.e., “write downs”

For the average partner:

- 67 hours per year spent **correcting associate work**
- 71 hours per year spent **getting up to speed**

X Hourly rate

X Every partner at the firm

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**Lost opportunity**

In the context of value shift:

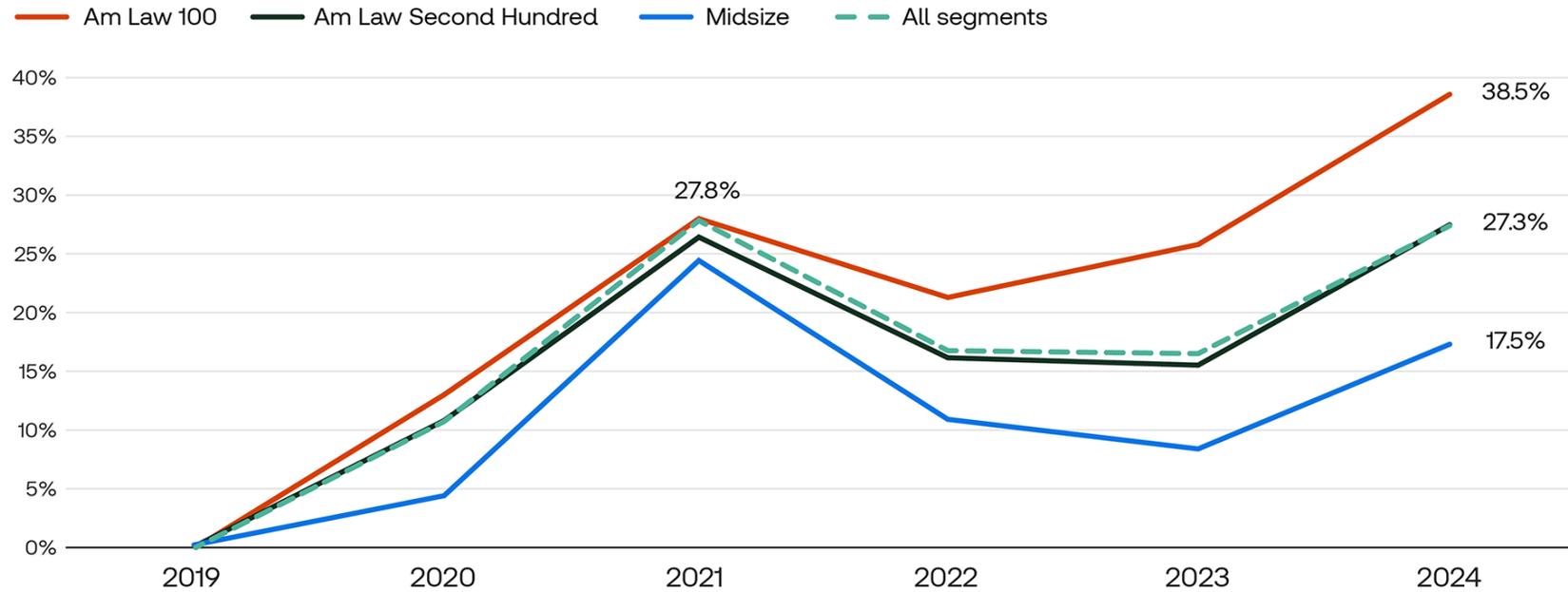
- Fewer hours = fewer *wasted* hours
- More ability for firms to flex *profit margins*
- Better value capture for both law firms and clients

# Innovation imperative: Embracing technology for future growth

- Larger firms are leveraging AI to redefine service delivery
- Midsize firms must explore emerging technologies to maintain competitive advantages

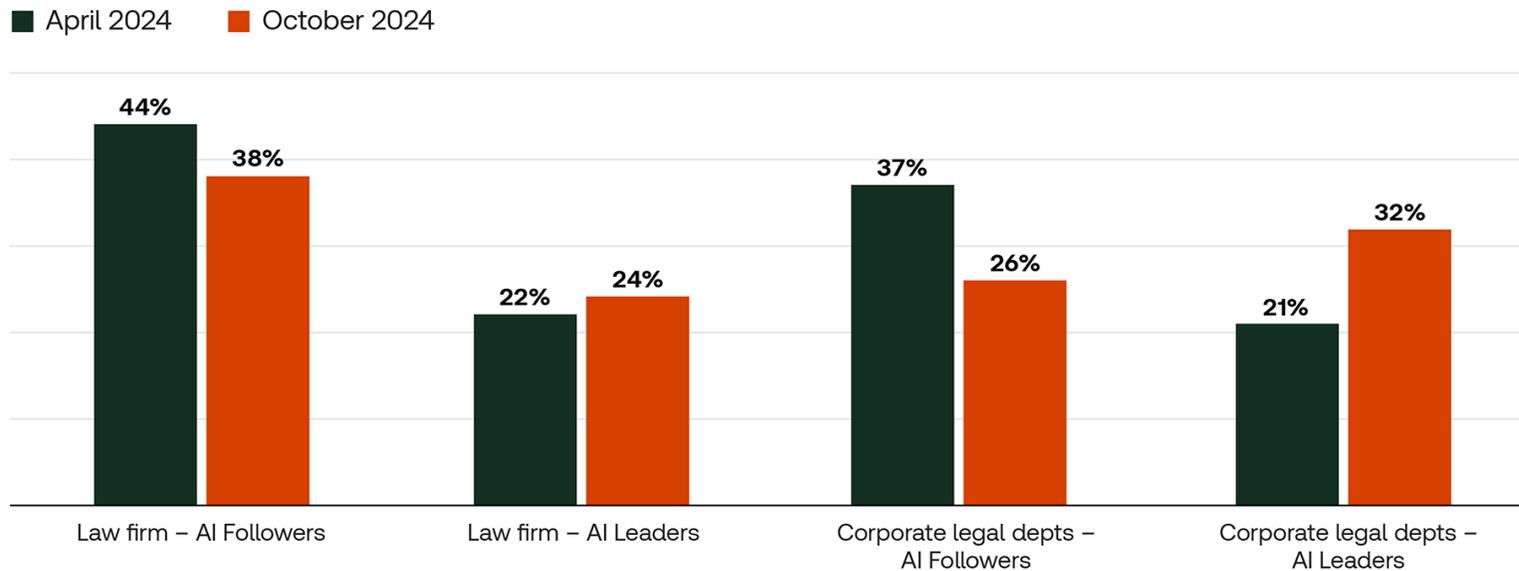
## Profit per lawyer by segment

Profit per lawyer growth since 2019



# Competitive challenges: Staying ahead in a rapidly evolving market

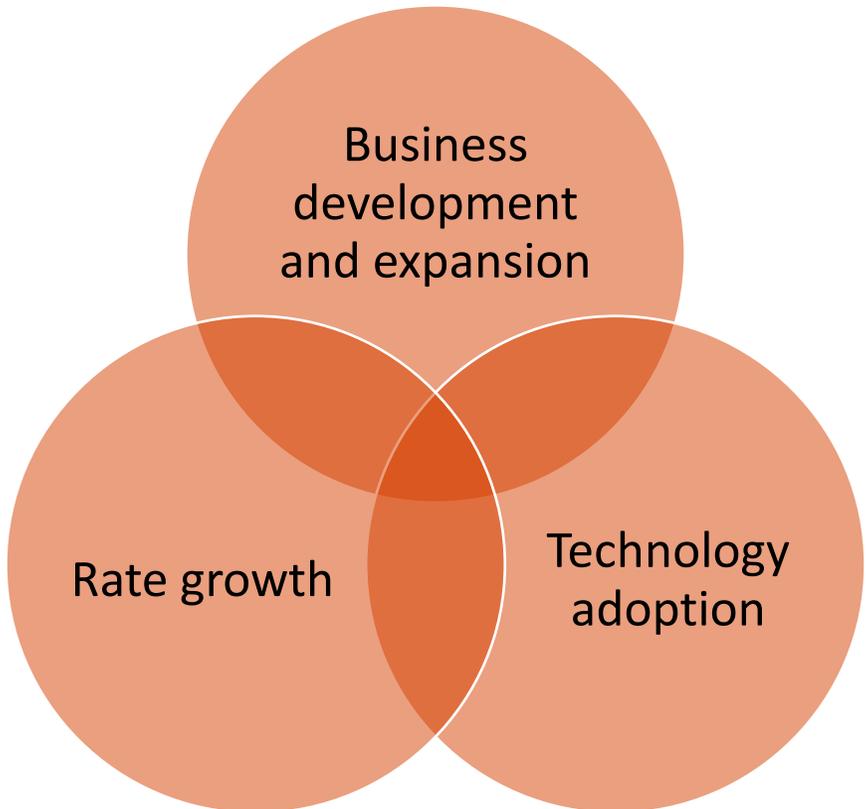
## Clients are outpacing law firms in GenAI adoption



- Larger firms are advancing in AI adoption
- Corporate clients are advancing in AI adoption
- Midsize firms risk losing their cost advantage without tech adoption

## Strategic Focus: Avoiding complacency for continued success

Midsize firms should focus on



- Complacency could be the most damaging decision for future growth
- Competitors are being more aggressive on rate growth
- Strategic tech investment will be vital for growth and competition

# TR Institute's View

## Embracing AI: A Strategic Necessity

Proactive AI adoption to maintain competitiveness and client satisfaction is now a necessity

- Law firms can begin AI adoption by targeting low-hanging fruit to avoid disrupting revenue-generating work
- The legal market's AI evolution is advancing rapidly, impacting client expectations and workflows
- Midsize firms risk losing client favorability if they delay AI integration
- Slow adopters may face pressure to implement AI technologies quickly, leading to potential challenges



# Meet CoCounsel

The GenAI assistant  
for legal professionals



# Everywhere you work, every kind of work

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# CoCounsel Core: Skills

The CoCounsel Core 2.0 platform offers 9 foundational legal skills – and more are coming from TR’s GenAI “skill factory.”

## Foundational Legal Gen AI Skills

Search a Database

Synthesize information in database that addresses a particular topic or answers a particular question

Review Documents

Perform a thorough, word-by-word review of a set of documents to answer a set of questions

Summarize

Summarize long and complicated documents to surface relevant information

Draft Correspondence

Create professionally crafted legal emails or letters based on explicit instructions through natural language

Generate a Timeline

Upload documents and receive an annotated chronology of key dates and events

Prepare for a Deposition

Quickly draft a preliminary outline of topics and questions to use in a witness interview or during cross-examination

Compare Documents

Quickly find specific differences among multiple documents, shown in easy to navigate tables

Extract Contract Data

Prepare a word-by-word review of a set of contracts to answer specific questions

Contract Policy Compliance

Determine whether a set of contracts comply with specific policies or guidelines

# One assistant, all the skills

## CoCounsel 2.0, your GenAI legal assistant

### Legal research

*Westlaw  
Precision with  
CoCounsel*

*Practical Law  
Dynamic with  
CoCounsel*

### Document insights & analysis

*CoCounsel Core*

### Drafting

*CoCounsel Drafting*

### High Volume Doc Review

*CoCounsel High  
Volume*

More GenAI  
skills in  
development

Third-party application and data integration

Authoritative content by Thomson Reuters

# Near-term Roadmap

New agentic workflows and other advanced capabilities launching this summer

## New workflows

- Draft a demand letter
- Draft a complaint
- Medical records review
- Case intake and analysis
- Litigation risk and analysis
- Draft discovery requests & responses
- Summarize material changes from redlines and comments
- Benchmark contracts
- Draft bylaws
- Due Diligence analysis
- Draft / revise employee policies
- SEC Form 8-K

## New skills

- Evaluate merger filing requirements
- Non-existent law checker
- Westlaw Deep research
- Counter argument identification

# Why CoCounsel?



## ACCURATE

Grounded in the content relied on by more lawyers than any other in the world



## TESTED

Fastest adoption of new legal technology, with 1,400% growth in active users in one year



## TRUSTED

Relied on by the entire US federal court system, courts in 92% of US states, and 80% of the Am Law 100



## TRANSFORMATIVE

Built on technology that lets lawyers do more, 3x faster than any other solution

... and backed by an \$8B war chest earmarked for delivering groundbreaking solutions to you

# Gen AI legal skills making a transformative impact

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How are you addressing changing **billing models**?

How are you efficiently operationalizing your **non-billables**?

What time consuming tasks are impacted most by **write-downs/offers**?

What **staffing challenges** are you facing?

Where are the **log-jams** in your day-to-day workflows occurring?

What is your firm's **growth strategy**?



Thank  
you!

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