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# Driving In-House Effectiveness:

Strategies to Reduce Outside Spend & Strengthen  
Internal Capability

By Simon Meiklejohn





The scale of the opportunity in Asia Pacific is significant. Corporate legal services represent a USD \$95 billion market — the largest and fastest-growing segment of a region that generated USD \$247.8 billion in total legal services revenue in 2024. Yet despite this scale, many corporate legal departments across the region continue to operate under mounting pressure: rising matter volumes, tightening budgets, and growing expectations from the business to do more with less. For legal leaders navigating this environment, the question is no longer whether to modernise — it is how to do so in a way that delivers measurable outcomes without disrupting the work that matters most.

## In 2025, legal leaders were largely focused on foundational transformation—building the operational and technology base required to modernise legal delivery under sustained cost and capacity pressure.

The dominant initiatives last year included:

- AI experimentation and early adoption**  
 particularly for contract review, redlining, legal research and summarisation. While pilots delivered efficiency gains, leaders consistently noted the need for human oversight and the superiority of custom or tuned models over generic tools.
- External panel and spend management**  
 as a primary lever for cost control. Legal teams sought greater transparency, better invoice governance, and data-driven conversations with firms to extract value and reduce leakage.
- Contract Management Systems (CMS)**  
 to improve visibility, obligation tracking and access to contract data, reducing reactive work and business dependency on legal.
- Matter management and legal intake workflows**  
 to gain control over demand, prioritise work, and better evidence legal’s contribution to the business.
- Capacity and resourcing re design**  
 including right sourcing work between in-house teams, law firms and ALSPs, as well as deprioritising low risk work where resourcing could not keep pace.
- Internal workstream and department analysis**  
 to identify automation opportunities, rebalance workloads, and support defensible budgeting decisions.
- Proving the value of legal**  
 with increased emphasis on cost avoidance, risk reduction, and external spend savings as tangible metrics.

Efficiency has become the primary mandate for AI adoption. According to McKinsey’s 2025 State of AI report, 80% of organisations cite it as a core objective of their AI initiatives — the single most common driver of investment across industries. For legal and professional services firms, the pressure is acute: mounting workloads, tighter margins, and rising client expectations demand more than incremental gains. The question is no longer whether to embed AI into operations, but how to do it in a way that delivers measurable, lasting results.

Collectively, 2025 was about **getting the basics right**: visibility, control, early AI capability, and cost discipline. These initiatives are now largely embedded or well understood across mature legal teams.

## 2026 Focus: From Enablement to Scaled Impact

The Legal Leaders Round Table made it clear that 2026 is about building on the foundation. It is about scaling what works, integrating capabilities, defining configurations and translating technology into measurable business outcomes.

The opportunity in APAC is accelerating. Asia Pacific is the fastest-growing region globally for legal technology adoption — a finding consistent across Grand View Research, Fortune Business Insights, and Precedence Research. By 2035, the region is projected to represent a commanding share of the global legal tech market, driven by rapid AI uptake, cross-border transaction growth, and increasing regulatory complexity. For organisations operating in APAC, the window to build competitive advantage through AI-enabled legal operations is open now — and narrowing.

The focus for 2026 shifts decisively in the following directions:

### 1. Moving from AI Pilots to AI at Scale

Legal leaders are now less interested in experimentation and more focused on **production grade AI**:

- AI embedded directly into legal workflows (contracts, intake, spend, advice routing)
- Governance, quality control and accountability models for AI supported legal work
- Clear ROI cases tied to volume reduction, cycle time improvement, or external spend displacement

The expectation in 2026 is that AI meaningfully reduces workload—not just assists it.

### 2. Data Led Legal Decision Making

There is a strong shift toward **using legal data as a management asset**, not just an operational by product:

- Using AI enhanced analytics to target high cost, high risk or high volume legal activity
- Linking matter, contract and spend data to inform resourcing and sourcing decisions
- Enabling GCs to have evidence based conversations with the business stakeholders

In 2026, legal credibility increasingly depends on data fluency.

### 3. Redefining the Legal Service Model

Rather than incremental optimisation, leaders are now reassessing **how legal services are delivered end to end**:

- Clear segmentation of work by risk, value and complexity
- Intentional design of what stays in house versus what is automated or externally delivered
- Use of managed services and ALSPs as a structural solution, not a stop gap

This reflects a move away from reactive resourcing toward sustainable operating models.

#### 4. Spend Management as a Strategic Capability

External spend management is evolving from cost control to **strategically leverage**:

- Predictive insights into spend trends and firm behaviour
- Active use of data to shape panel strategy and pricing discussions
- Continuous monitoring rather than periodic reviews

This positions legal as a more sophisticated consumer of external services.

#### 5. Change Management as a Core Capability

A clear lesson from 2025 initiatives is that **technology alone does not deliver value**:

- 2026 initiatives are being designed with adoption, capability uplift and behavioural change in mind
- Greater emphasis on communication, training and operating discipline
- Recognition that transformation success is as much organisational as it is technical

## Summary: The 2026 Legal Leadership Mandate

2025 was about

foundation and control

2026 is about

scale, integration and impact

Legal leaders are now expected to:



Translate AI and data into measurable outcomes



Enable the business while maintaining risk discipline



Operate legal as a managed, optimised service



Demonstrate value continuously, not retrospectively

This marks a shift from *legal transformation as a program* to *legal transformation as business as usual*.

### Sources

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# About the author



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