



Jason's Journal: Will AI Kill the Billable Hour?

Community

Law Department Management



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For over half a century, the billable hour has been the foundation of the legal services model. It has shaped how law firms operate, how clients engage, and how value is measured across our profession.

Today, that foundation is being tested. Although these sentiments have been made previously, the current momentum for change appears poised to create a substantial effect.

The rise of generative AI is not just introducing new tools — it is challenging long-standing assumptions about how legal work gets done, how quickly it can be delivered, and ultimately, how it should be priced. [So it's natural to ask](#): *Will AI kill the billable hour?*

But that may be the wrong question.

A better question is this: *How will AI reshape value in the legal ecosystem — and what role will in-house counsel play in driving that change?*

From experimentation to everyday use

ACC's latest research makes one thing clear: this shift is already underway.

Over the past year, generative AI adoption within in-house legal departments has more than doubled

— from 23 percent of professionals in 2024 to 52 percent in 2025. At the same time, organizational resistance is rapidly fading, with company policies prohibiting AI use dropping from 29 percent to just 9 percent.

This is not experimentation at the margins. It is a decisive move from curiosity to capability.

Legal teams are embracing AI because the value is immediate and tangible. Across our research, 91 percent of in-house professionals cite efficiency as the technology's greatest benefit. Work that once took hours can now be completed in minutes. Processes are being streamlined. Capacity is expanding.

And with that comes a fundamental shift: When time is no longer the primary constraint, time can no longer be the primary measure of value.

[Learn more about how AI will reshape value in the legal system at the 2026 ACC Annual Meeting | October 4-7, 2026 | Boston, MA, USA](#)

A growing gap

Yet while in-house teams are being increasingly pressured into moving quickly, the broader legal ecosystem is not evolving at the same pace.

A majority of in-house counsel (59 percent) report that they don't know whether their outside firms are using generative AI on their matters. At the same time, 80 percent are not yet requiring or even encouraging firms to adopt the technology.

[The result is a disconnect.](#)

Despite rapid adoption internally, most legal departments are not seeing meaningful cost savings from their outside counsel. In fact, 59 percent report no noticeable reduction in fees tied to AI use.

This moment presents both a challenge and an opportunity. Because if AI is increasing efficiency but pricing models remain unchanged, the conversation about value is just beginning.

New scrutiny

What we are seeing in the data — and hearing from our members — is that pressure is building.

Nearly a quarter of in-house professionals say they are *very likely* to push for changes to the billable hour, and 61 percent say they are at least *somewhat* likely to do so. Almost half believe that client demand will ultimately be the primary driver of change.

At the same time, expectations are shifting toward value-based billing and alternative fee arrangements.

This is not about abandoning the billable hour overnight. It is about recognizing that a model built on time must evolve in a world where technology is compressing it.

We are already beginning to see new models emerge. [For example](#), a New York-based startup law firm, Crosby, is combining AI agents with lawyers to review contracts at speed — billing clients by the page rather than by the hour.

These “AI-first” approaches are still early, and they may not be applicable to every type of legal work. But they signal something important: The market is actively experimenting with new ways to align pricing with outcomes and efficiency. And over time, those experiments have the potential to influence expectations across the broader legal ecosystem.

[Find use cases, expert insights, and more in the ACC AI Center of Excellence for In-house Counsel](#)

A systemic transition

The billable hour, however, is only one part of a much larger transformation.

We are seeing a rebalancing of work across the legal ecosystem. As AI enables in-house teams to operate more efficiently, many are looking to bring more high-value work inside their organizations. At the same time, expectations of outside counsel are evolving — toward greater transparency, collaboration, and alignment with client priorities.

This is not a zero-sum shift. It is a system-wide recalibration.

Law firms, legal departments, technology providers, and regulators are all part of an interconnected ecosystem that is being reshaped in real time. And like any ecosystem under pressure, those that adapt — those that rethink how they deliver value — will be best positioned to succeed.

The talent equation

But amid all the focus on technology, we cannot lose sight of the most important variable in this transformation: people.

AI will not replace lawyers, but it will impact what it means to be one.

The skills that define success in today’s legal departments are expanding. Technical fluency, business acumen, and the ability to work alongside AI tools are becoming essential. At the same time, the human dimensions of the profession — judgment, ethics, communication, and leadership — are more important than ever.

This shift has real implications for talent.

The next generation of lawyers expects to work with modern tools, to focus on higher-value work, and to operate in environments that prioritize innovation. But for many in-house counsel — and lawyers across the profession — there is understandable anxiety about what AI will mean for their roles, their teams, and even their long-term career paths. Questions about job displacement, shifting expectations, and the pace of change are real.

This moment is not about replacing lawyers; it is about redefining how they create business impact. The opportunity for legal professionals is to move further up the value chain: focusing less on repetitive tasks and more on judgment, strategy, and leadership. Organizations that acknowledge these concerns, invest in their people, and equip them with the skills to work alongside AI will not only navigate this transition more successfully — they will build stronger, more resilient legal teams in the process.

Our defining moment

This is a defining moment for in-house counsel.

For years, general counsel have worked to secure a seat at the table. Today, that seat comes with a new expectation: to lead.

Not just on legal risk, but on how organizations think strategically about technology, value, and the future of work.

That means asking new questions of outside counsel. It means rethinking how legal services are delivered and measured. And it means helping organizations navigate the opportunities and risks of AI with clarity, confidence, and collaboration.

What comes next

So, will AI kill the billable hour?

Not overnight. And perhaps not entirely.

But it will accelerate a shift that has been building for years — toward value over time, outcomes over inputs, and a more transparent and collaborative legal ecosystem.

The future will not be defined by a single pricing model. It will be defined by how well we adapt.

And in that future, in-house counsel will play a central role in shaping what comes next.

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Jason L. Brown is the president and CEO of the Association of Corporate Counsel (ACC), leading the world's largest global organization for in-house counsel and advancing its mission to support, connect, and advocate for the profession worldwide.

Before joining ACC, Jason served as vice president, general counsel, and secretary for GE Appliances, where he led global legal strategy, compliance, governance, and government affairs. He

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Jason has also served as executive director of NAMWOLF and held legal leadership positions at Pepsi Beverages Company. He currently serves on the board of directors for Legal Prep Charter Academy and the Howard University School of Law Board of Visitors.

A proud graduate of Howard University, Jason earned both his undergraduate and law degrees there and serves as president of the Howard University School of Law International Alumni Association.