The Transparency Gap: In-house Counsel Lack Clarity on Law Firms' AI Use

Law Department Management

Technology, Privacy, and eCommerce

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Generative AI has moved from the margins to the mainstream of in-house legal work. According to [ACC's latest survey data](), adoption more than doubled in just a year — from 23 percent in 2024 to 52 percent in 2025. In-house teams increasingly rely on AI to accelerate drafting, streamline research, and free up capacity for strategic work.

[Download the report, **Generative AI's Growing Strategic Value for Corporate Law Departments**]()

Yet while corporate legal departments are pressing ahead, their law firm counterparts remain something of a black box. Nearly six in ten (59 percent) respondents say they don't know whether their outside counsel is using GenAI on their matters. Even more striking, four out of five (80 percent) report that they are neither requiring nor encouraging its use.

Of the 37 percent who reported some or all of their law firms use GenAI, 59 percent have seen no clear savings yet. Among those who have seen a positive impact, the most common savings are related to efficiency gains rather than direct cost reductions.

These results highlight a "transparency gap" that threatens to stall progress and obscure opportunities for efficiency and cost savings.

Why transparency matters

The promise of GenAI in legal practice is clear: faster document review, more efficient research, improved contract analysis, and eventually reduced costs. But unless clients know how their firms are deploying AI, they cannot measure whether those benefits are real — or whether efficiencies are being passed along in billing.

The absence of visibility creates three risks:

1. **Value blindness**: Clients cannot assess whether GenAI is making their legal services faster or cheaper.
2. **Pricing assumptions**: A lack of information on how law firms are using AI risks creating unrealistic expectations from clients on how AI may or may not reduce legal costs.
3. **Trust deficit**: Without clear disclosure, clients may worry about quality, security, or ethical implications of AI-generated work product.

For a profession built on fiduciary duty and client confidence, this lack of transparency is not sustainable.

*Read more in **[Who's Really Advising the Client? The Blurred Lines of GenAI in Legal Practice](#)** by Susan Duarte and Jonathan S. Marashlian.*

Missed opportunities for collaboration

The survey, produced by ACC in partnership with Everlaw, highlights that GenAI is already reshaping the client-firm dynamic. In-house teams are eager to bring more process-heavy tasks in-house, from contract management to compliance tracking. But this shift could be an opening for outside counsel — not a threat — if firms take the initiative to showcase how AI augments their services.

Instead, the data reveals that adoption is being overwhelmingly driven by in-house teams themselves (58 percent), with law firms rarely leading the charge (just 1 percent). Only 3 percent of respondents described a truly collaborative approach, which leaves significant potential value on the table.

[Visit the **ACC AI Center of Excellence for In-house Counsel** for practical tips, peer-to-peer guidance, and more.](#)

What in-house counsel can do now

To bridge the transparency gap, in-house counsel should proactively set expectations. Three practical steps can help:

1. **Ask the right questions**: When engaging outside counsel, inquire directly about GenAI usage. Which tools are being used? On what types of matters? How is accuracy validated? See ACC's [Top 10 GenAI Transparency & Readiness Questions for Outside Counsel](#).

2. **Formalize in guidelines**: Move beyond informal conversations. Incorporate AI-related provisions into outside counsel guidelines and RFPs to establish clear expectations on disclosure and quality assurance. Download ACC's **Sample Artificial Intelligence (AI) Guidelines for Outside Counsel**.
3. **Tie AI to pricing models**: Push for billing structures that reflect AI-enabled efficiency. If drafting or discovery work is completed in half the time thanks to GenAI, clients should see that benefit reflected in fees. For comprehensive guidance on implementing AI in your legal practice, download ACC's **Artificial Intelligence Toolkit for In-house Lawyers**.

By initiating these conversations, in-house teams can turn a passive disconnect into an active partnership.

Looking ahead

The call for transparency is not about micromanaging law firms' internal processes. Rather, it is about aligning expectations, safeguarding quality, and ensuring that efficiency gains benefit both provider and client. As AI adoption accelerates, firms that disclose, demonstrate, and deliver on their GenAI capabilities will stand apart. The message is simple: In-house counsel should no longer settle for being in the dark. Transparency is the first step to building a future-ready, value-driven legal.

Join ACC for more AI insights!

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Dr. Blake Garcia is the Senior Director of Research and Business Intelligence at the Association of Corporate Counsel (ACC), where he spearheads the growth and management of ACC's research department. Over the past 10 years, Dr. Garcia has transformed ACC's research capabilities from a limited member surveying unit into a multifaceted, full-service data hub that empowers the in-house legal community. He has led numerous high-impact international surveys and developed data-driven resources, products, and services that equip in-house counsel and legal operations professionals with the insights they need to make strategic business decisions.

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