



Unlocking efficiency and growth

**How legal managed services can
transform your business**

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kpmg.com



Introduction

Many legal teams are taking on more responsibility than ever—driving innovation, managing risk, and enabling growth. How can they do more with less while staying focused on what matters most?

Legal managed services are broad-ranging, consultative offerings that are designed to enable corporate legal and contracting functions to become more predictive, data driven and commercially aligned—by combining process, technology, people, and domain expertise.

They're often navigating lightning-speed advancements in AI-powered tech and data analytics, evolving privacy concerns and increasingly complex regulations—all amid a churn of demands from the C-suite to innovate while managing tedious, high-volume daily work, such as commercial contracts. Today, many in-house legal teams are stretched beyond capacity.

Delegating high-volume, process-oriented legal tasks to a trusted provider provides breathing room for legal teams to boost efficiency, cut costs, keep up with compliance guidelines, and spend time and brain power on the strategic, growth-focused initiatives required to achieve business goals.

That's why Forbes Insights and KPMG in the US collaborated on a survey inspired by this overarching question: Are legal executives and their C-suite colleagues effectively leveraging transformative approaches such as legal managed services?

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But figuring out exactly where and how legal managed services fit into the operational puzzle of an organization can present its own challenges to think through. Which pain points, for example, are best addressed by going this route? Are the benefits measurable or intangible? Are there risks to consider?

To understand more, Forbes Insights surveyed 150 C-suite executives—including 60 chief legal officers—from global corporations representing highly regulated and contract-dense industries. The respondents are distributed equally across Germany, the UK, and the US. Forty percent work for organizations posting more than \$10 billion in annual revenue and 75 percent represent public companies.

By analyzing how businesses are approaching their legal support needs within the fast-changing landscape of contract management, rising regulatory pressures, and tech transformation, one can uncover key challenges, identify potential strategies and chart a roadmap for seizing the transformative business efficiencies and cost-savings possible with legal managed services.

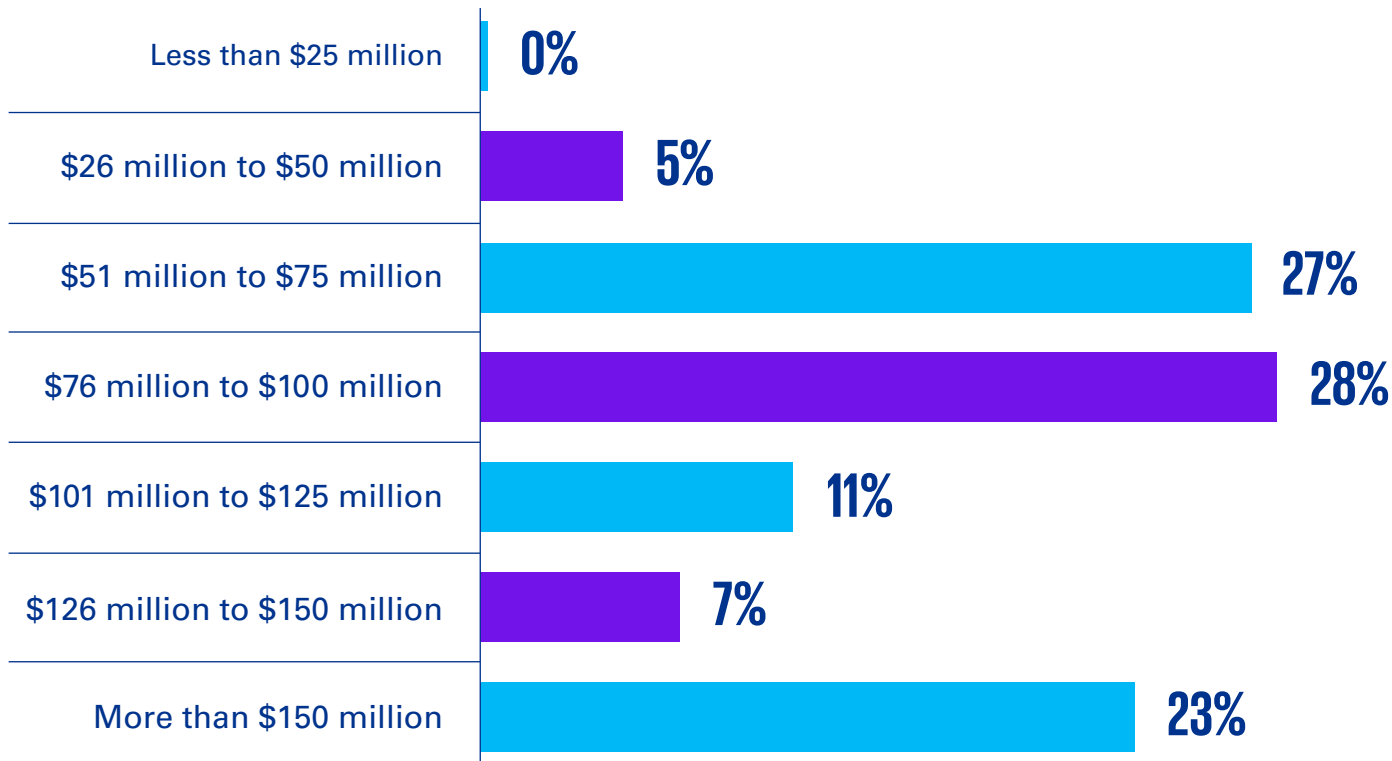
How are in-house legal teams navigating surging demand?

Whether they're based at a fledgling start-up or an established multinational corporation, legal executives often find that commercial contracts work occupies an inordinate amount of time and resources.

As an organization grows, these demands accelerate—often becoming unmanageable in volume and cost. This research shows two-thirds of global executives already budget between US\$51 million and \$125 million to fund contracts managed services support.

Why such a massive spend? The top challenges executives experienced in managing contracts at their organization include regulatory challenges (84 percent) and complex governance structure (62 percent). This may partially explain why some are already relying on third parties to help manage their commercial contracts: 53 percent of those surveyed spend at least half of their legal budget on external legal service providers related to contracting.

What is your organization's budget for contracts managed services support?



Section 1: How are in-house legal teams navigating surging demand?

“As contract volumes and complexity grow, relying solely on internal teams often isn’t sustainable. Working with a managed services provider can give legal departments access to scalable capacity, specialized experience and technology-enabled workflows that are difficult to replicate in-house,” says Andrew Giverin, global leader of legal managed services at KPMG. “It’s not just about managing costs—it’s about maintaining quality, control and consistency at scale.”



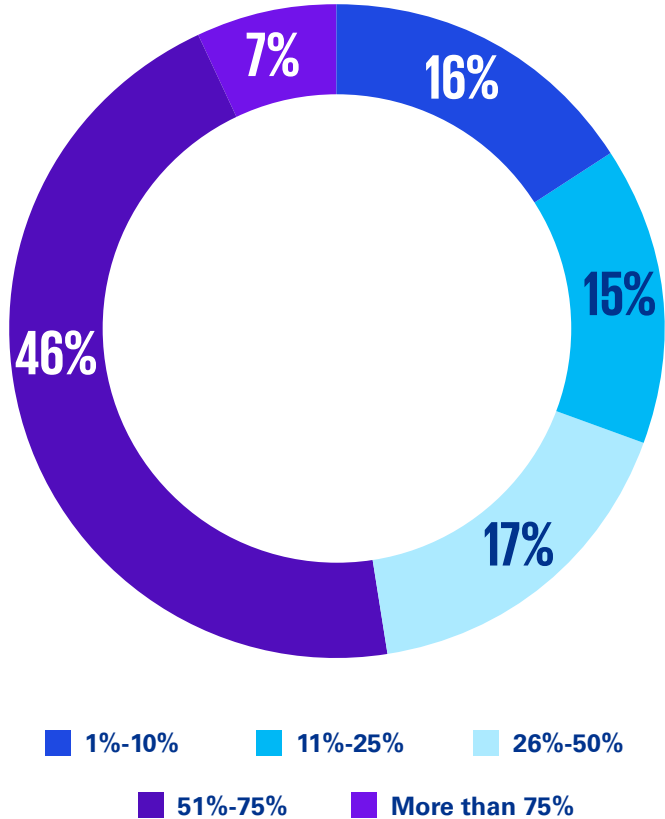
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Andrew Giverin
Head, Global Legal Business Services
KPMG in the UK

Despite receiving third-party support, many executives still face significant internal challenges. For example, less than half report their contract management process is “highly integrated” and “closely aligned with strategic goals.” Most (51percent) report being “moderately integrated” across departments, but admit that “not all contracts are fully aligned with strategic goals.”

What percentage of your legal budget goes to external legal services providers related to contracting?



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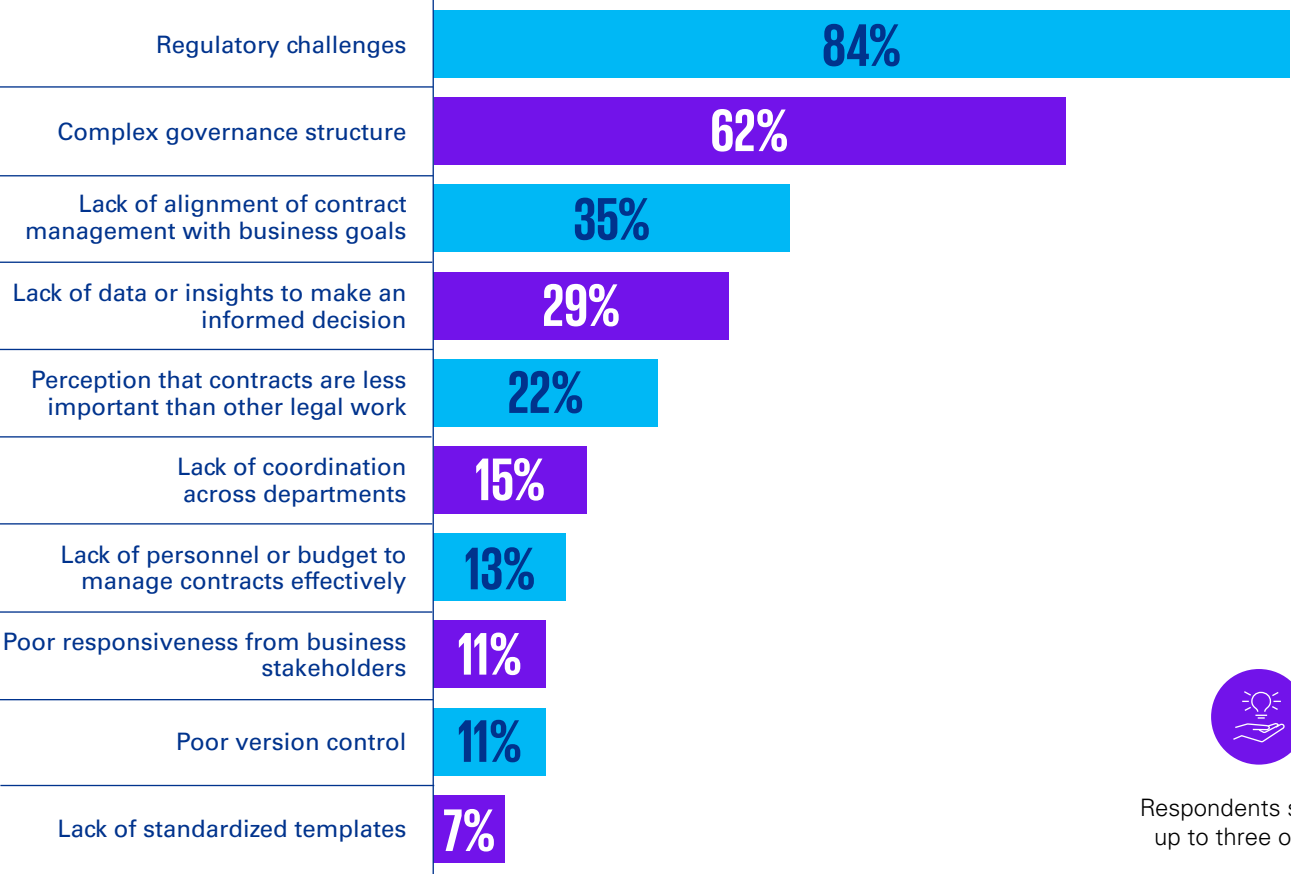
More than one-third of executives also cite a lack of alignment between contract management and business goals (35 percent) as a top challenge in managing contracts, and 29 percent say they lack data or insights to make informed decisions.

“Traditional outsourcing models can unintentionally create fragmentation if contracts and the data inside them are unavailable to the client’s core business,” says Giverin. “KPMG firms’ approach to managed services is designed to keep legal functions connected to contract performance, data trends, and operational risks—so that organizations can act quickly when changes are needed, without losing time or control.”

The research from the US firm and Forbes also points to conflicting perceptions among nonlegal executives when it comes to legal teams’ spend, function, and organizational impact.

According to surveyed executives, the C-suite understands the impact of contract-related costs on other departments at their organization. Most (59 percent) believe it improves risk management by ensuring contract terms are standardized and legally sound. Respondents also say contracts-related costs improve efficiency by streamlining contract review and approval (53 percent).

What are the top challenges experienced in managing contracts at your organization?



Respondents selected up to three options.

Section 1: How are in-house legal teams navigating surging demand?

However, when asked how nonlegal executive leaders at their organizations view the role of legal in contract management, just one-third of respondents say legal provides necessary oversight that protects the organization from risk. Fewer (31percent) believe the legal team is viewed as a critical partner. And in 15 percent of organizations, legal is seen as the source of bottlenecks that slow down contract processes.

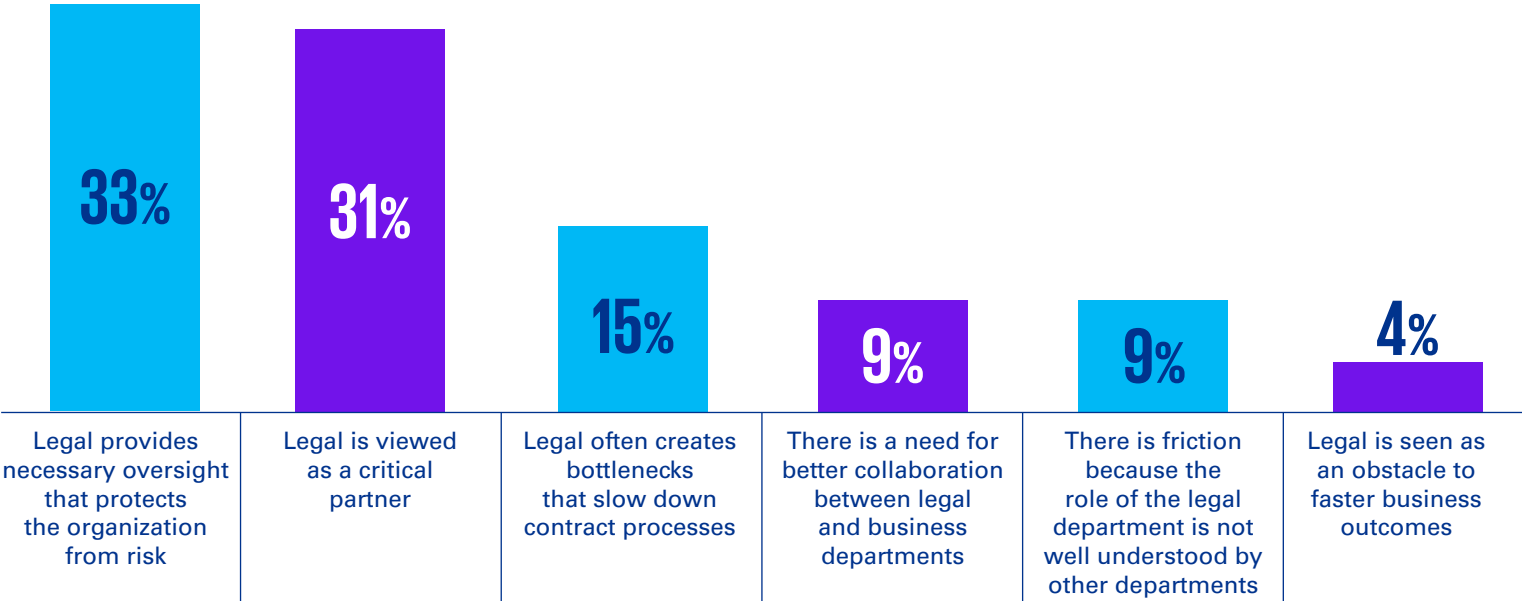
To explain this disconnect—and how legal managed services can shift perceptions—Giverin offers this perspective: “Legal functions often lack the bandwidth or tools to move at the speed the business requires. Managed services can help reimagine the operating model—freeing up legal teams to focus on strategic risk while accelerating business throughput.”



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What is the primary way nonlegal executive leaders at your organization view the role of legal in contract management?



What's the business value of embracing legal managed services?

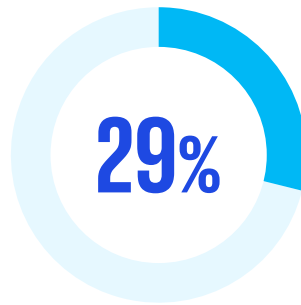
Before exploring the potential business opportunities that can be made possible by optimizing your legal model with legal managed services support, it's helpful to outline the risks of inadequate contract management.

According to the research discussed in this report, the biggest risks associated with poor contract management are spread across four pitfalls:



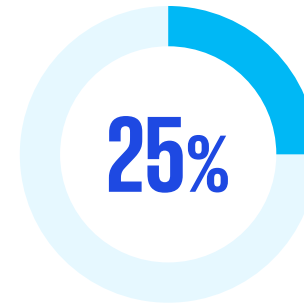
Financial losses

(due to issues like missed deadlines or payment discrepancies)



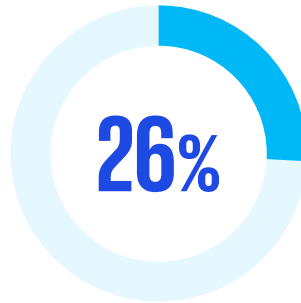
Damage to relationships

(e.g., reputational harm, litigation, lost opportunities)



Legal and regulatory risks

(due to noncompliance, contract ambiguity, etc.)



Operational inefficiencies

(e.g., delayed execution, poor resource allocation)



In seeking the silver lining, this relatively even distribution also reveals four opportunities to improve the potential legal processes—and ultimately enhance broader business operations.

Consider, for example, the question of how contract inventory is managed. While practices vary, legal and procurement leaders increasingly recognize that a single source of truth with established governance represents the gold standard. This approach helps ensure contracts are stored in one centralized location, governed by consistent metadata standards, access controls and version tracking—creating a reliable foundation for compliance, reporting, and data-driven decision-making.

Yet according to the Forbes survey results, only

31% of organizations have achieved this level of maturity.

By contrast, **42%** maintain multiple contract inventories, even if governed, which increases the risk of duplication, misalignment, and inefficiencies.

Another **23%** operate a single inventory without governance, which may appear streamlined on the surface but often lacks the structure needed for reliable oversight or scalability.

By collaborating with a trusted provider to manage contracts, legal executives can consolidate their inventory management in a manner that best suits their team and organization's objectives.

When asked whether there's a universally preferred model for managing contract inventory, Jeff Catanzaro, US leader of Legal Managed Services

at KPMG, is clear: "A single source of truth—paired with established governance and smart workflows—is the gold standard. That's the backbone of a managed services approach to contracts, ensuring contract data is trustworthy, accessible and actionable."

The Forbes data reveals the array of technologies utilized in legal processes and contract workflows appears to be similarly disjointed and inconsistent. Executives say they rely on knowledge management systems (39 percent) and document management systems (33 percent) on a daily basis. Executives say they use contract lifecycle management systems (39 percent) and traditional AI and machine learning tools (39 percent) weekly.

The lack of standardization across contract and legal process management platforms often reflects a mix of organizational complexity, legacy systems, and evolving business needs. To help legal teams navigate this landscape, Catanzaro notes: "Working with a managed services provider can ease the burden of technology decision-making for in-house teams. KPMG firms can help design and embed standardized, fit-for-purpose workflows that integrate the right tools—so legal and contracting functions can focus on outcomes, not systems."



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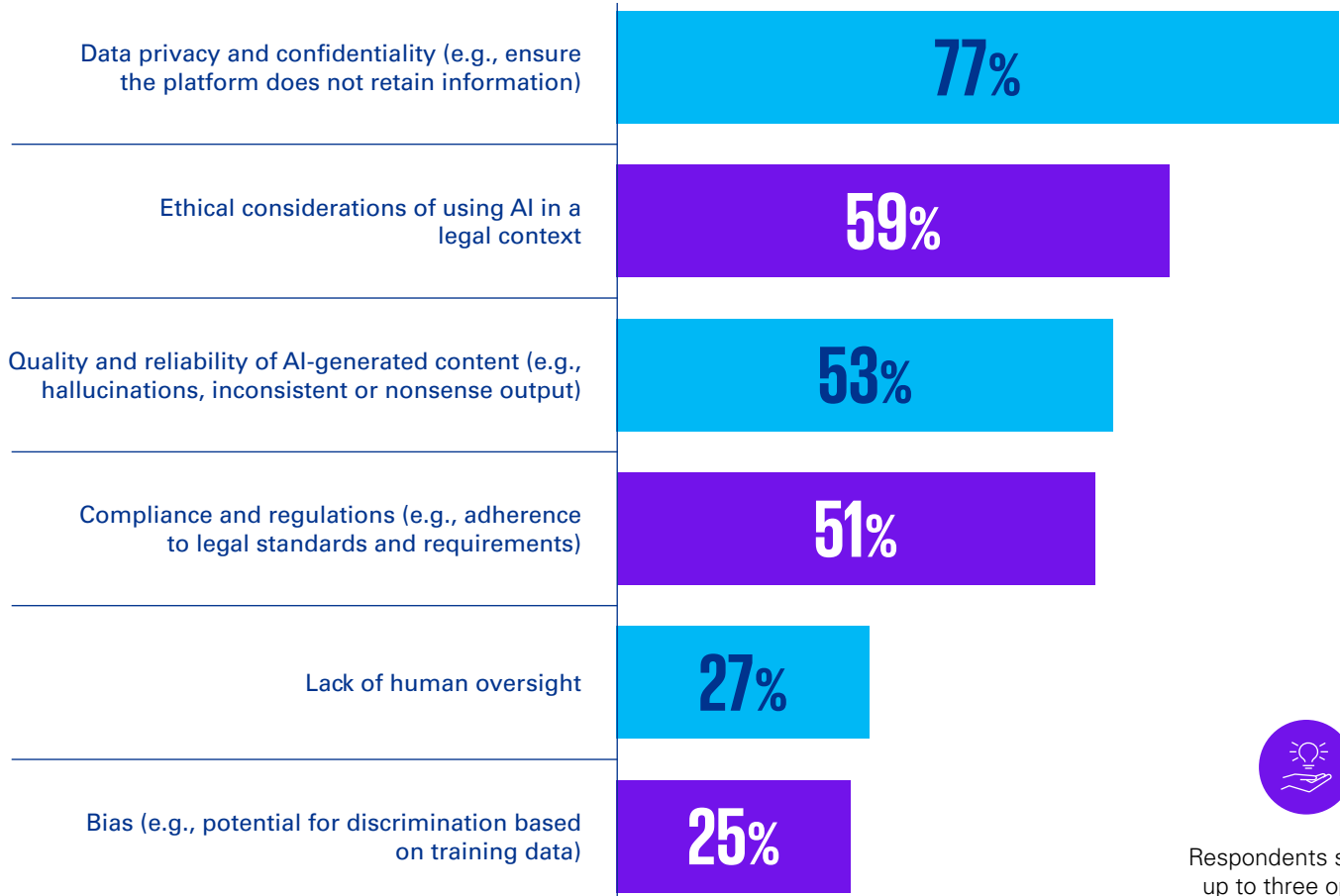
Section 2: What’s the business value of embracing legal managed services?

Even Gen AI is at best a monthly resource for just 43 percent of respondents—a use gap that contrasts with their positive view of the tool’s contributions. When asked about the top benefits of using Gen AI in contract management processes, 73 percent say it helps draft and review contracts more quickly, 59 percent say it improves the efficiency of contract lifecycle management, and 56 percent say it improves accuracy of their work.

These findings illuminate a striking opportunity for legal teams to better leverage Gen AI to access and analyze contract data for major process optimizations. So why are executives concerned about using Gen AI in contracting processes? For most, it’s data privacy and confidentiality (77 percent), ethical considerations (59 percent), quality and reliability of AI-generated content (53 percent), and compliance and regulations (51 percent).

73% of survey respondents say Gen AI helps draft and review contracts more quickly

What are your top concerns about using Gen AI in contracting processes?



Respondents selected up to three options.

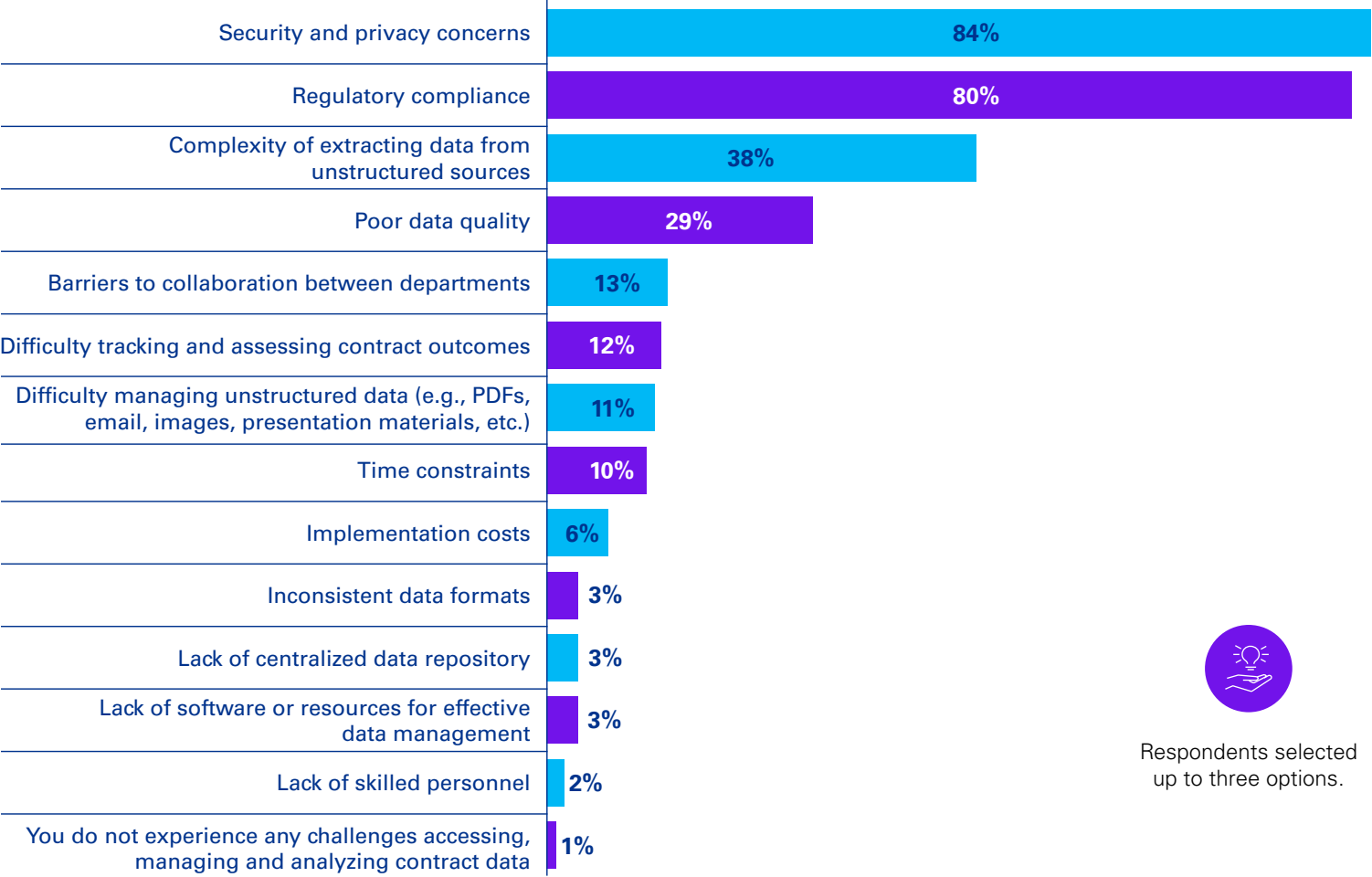
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As legal departments weigh the risks and rewards of Gen AI, some remain hesitant to adopt it for contract analysis. Catanzaro explains how a managed services model can provide a path forward:

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Working with a managed services provider allows legal departments to deploy Gen AI more efficiently—embedding it in governed, use-case-specific workflows that can help to maximize efficiency while maintaining control, compliance and confidence.
—Jeff Catanzaro, Principal, Legal Business Services, KPMG in the US

Gen AI reluctance isn’t the only factor impeding executives from accessing, managing, and analyzing contract data (both structured and unstructured). A majority cited security and privacy concerns (84 percent) and regulatory compliance (80 percent) as top challenges, and a significant minority worry about the complexity of extracting data from unstructured sources (38 percent).

What are the top challenges your organization has accessing, managing, and analyzing contract data, including structured and unstructured data?



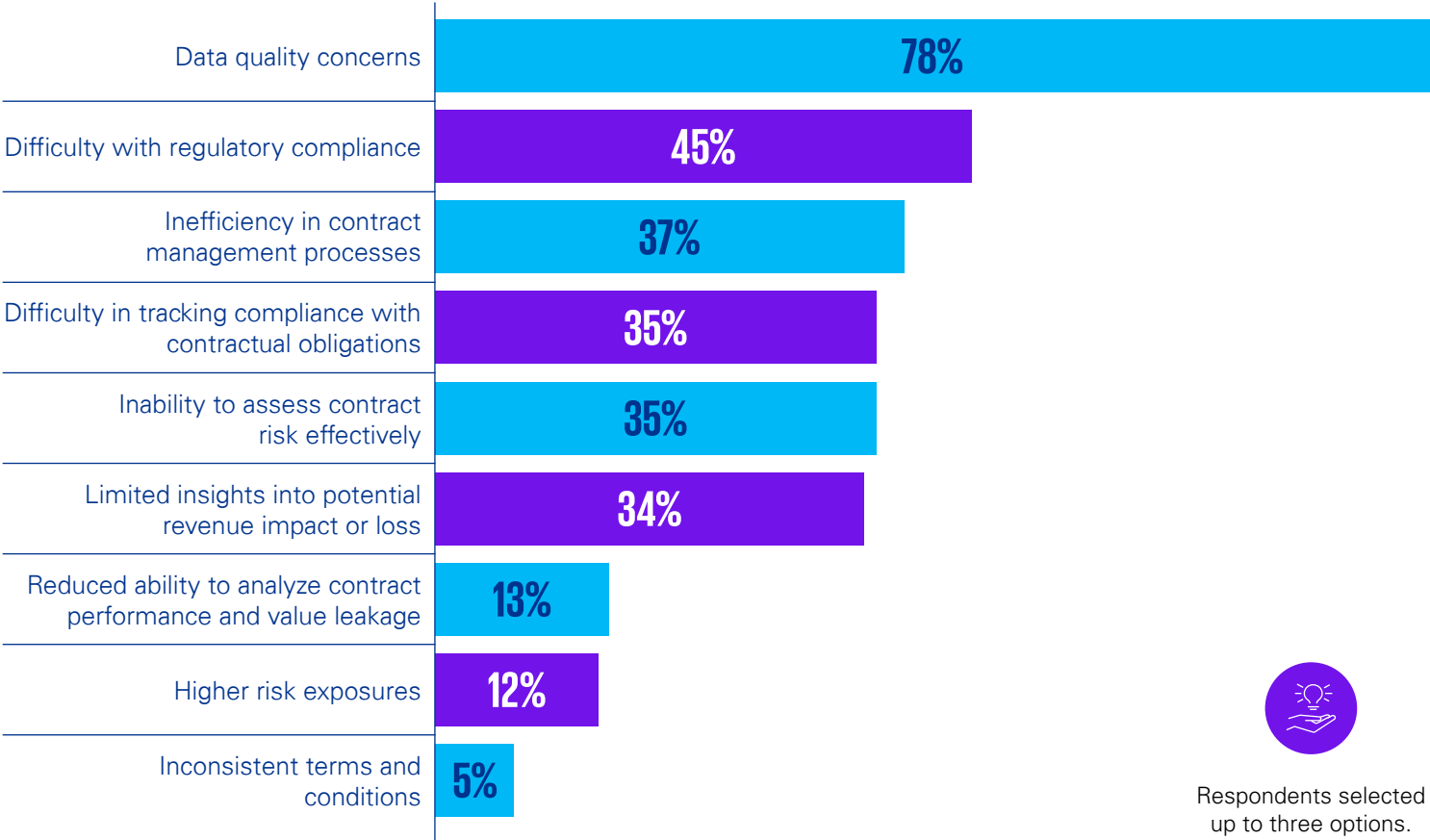

Respondents selected up to three options.

When asked specifically about the challenges faced due to unstructured contract data, 78 percent of respondents report data quality concerns.

Working with a legal managed services provider can help address these challenges by applying structured processes, technology, and human expertise to turn disorganized or incomplete contract data into a reliable, decision-ready asset.

By standardizing metadata, digitizing legacy agreements, and applying AI-powered tools to extract and validate key terms, a managed services provider can create a clean, centralized data set that legal and business leaders can actually use. This helps to unlock opportunities to track risk exposure, measure vendor and customer performance, identify value leakage, and improve compliance monitoring—all of which can reduce costs and drive better outcomes.

What challenges or limitations does your organization face due to unstructured contract data?



Respondents selected up to three options.

How can businesses get started today?

For all the varied input and opinions of the surveyed executives, one key finding shines through:

98%

of surveyed executives believe their organization is at least reasonably prepared to adapt its contract management process and existing contractual documents in response to evolving global regulatory requirements.

They showcase optimism and confidence in their organization's ability to navigate the future legal landscape, but at the same time, many perspectives above suggest there's more they can do to overcome barriers like slow tech adoption, lack of process standardization, weak alignment with broader business goals, and more.

What steps can they take to get there?

For legal executives looking to improve contract management but are unsure where to begin, Giverin offers this practical starting point: "One of the most effective ways for organizations to get started with legal managed services is by selecting one or two high-impact contract types—such as Master Service Agreements or vendor agreements—for a focused diagnostic or pilot engagement. This allows the legal and business teams to experience firsthand how a managed services model works, without the need for wholesale transformation up front. The key is that it's not a throwaway proof of concept—it's built on a scalable foundation that can be expanded over time to cover additional contract types, regulatory needs, or geographies. KPMG firms can help clients start smart, show value quickly, and scale with confidence."

Methodology

Forbes Insights, in association with KPMG in the US, surveyed 150 C-suite executives in January and February 2025. Respondents included chief legal officers (40%), chief financial officers (15%), chief operating officers (15%), chief procurement officers (15%), and chief technology officers (15%). Respondents represented organizations headquartered in Germany (33%), United Kingdom (33%) and United States (33%) across automotive (9%), banking and finance (11%), building and construction (11%), energy and natural resources (11%), healthcare (11%), industrial manufacturing (11%), insurance (11%), life sciences (11%), and pharmaceuticals (11%). Respondents came from organizations with at least US\$500 million in revenues in their most recent fiscal year, 75% of which were public and 25% were private organizations. All organizations budget \$26 million or more for contracts managed services support.

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