

# REVISITING THE DA VINCI DILEMMA: WHERE DO ELITE LAWYERS ADD VALUE IN AN AI WORLD?

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AI is only one of the areas driving change in legal services, but it is forcing elite lawyers and their firms to answer some difficult questions. In this article, Professor Moray McLaren looks at how AI will be reshaping law firm economics and the delivery model in the years ahead



# 1. From commoditisation to disaggregation

During a strategy discussion with partners of an elite law firm, one asked how many assistants Leonardo da Vinci had. I didn't know.

He explained that da Vinci worked with a team of around 20, focusing himself only on what mattered most: painting the face and the hands.

At the time, we were discussing the increasing commoditisation of legal work and the growing pressure on the traditional law firm model. Even then, it was clear that legal work was no longer simply becoming more standardised - it was increasingly being broken into component parts, distributed across a wider ecosystem of providers and delivered through technology-enabled systems.

Elite firms were beginning to confront an uncomfortable reality. Some of their “bet the company” work was gradually sliding down the value curve towards process-driven and increasingly price-sensitive work.

I wrote about this in the article “Finding an answer to the da Vinci question” (Modern Legal Practice, October 2017). Almost ten years on, the context has changed quite radically, although the question is more relevant than ever.

In our new world of AI, whether legal work will change is no longer the issue. It already has. What has shifted, and what I want to revisit here, is how “value” itself is being viewed and delivered.



Even in 2017, change was already accelerating. Clients were demanding fixed fees, capped pricing and greater efficiencies. Work that had once justified premium hourly rates increasingly looked like a production line.

## 2. Redefining the “da Vinci” role

In 2017, what the “da Vinci” lawyer did was obvious - they painted the face and the hands.

My original framework for thinking about this was relatively simple: the legal value curve (set out in Insert A below). The model distinguishes between different forms of legal work according to both strategic importance and legal complexity, and how work gradually migrates from high-value bespoke advice towards more standardised delivery over time. At its heart was the idea that different forms of legal work create value in different ways. Some matters are strategically critical, legally complex and highly reputational. Others are important but more standardised. Others still are process-heavy, repeatable and increasingly price sensitive.

Over time, highly specialised work often becomes more familiar, more systematised and more standardised. What begins as “rocket science” gradually migrates towards relationship work and, in many cases, towards process work.

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But commoditisation, it turns out, was only part of the story. The deeper shift is that legal work is no longer merely moving down the value curve; it is being disaggregated into separate elements across that axis.

At the same time, the economic foundations supporting the traditional law firm model were also beginning to weaken. For decades, value rested on an implicit assumption that it could be approximated - however imperfectly - through a combination of expertise, time and leverage: partners directing, juniors executing and profitability anchored in hourly billing.

The limits on this approach were clear. Significant amounts of time can be consumed on routine matters with limited incremental value, while a single moment of senior judgement can determine a client’s outcome. Clients have recognised this and are increasingly focused on outcomes, risk and speed rather than inputs. At the same time, work that once absorbed substantial amounts of lawyer time was increasingly being completed faster, more consistently and, crucially, through systems rather than individual effort.

All of which helps us frame the Da Vinci challenge in the future rather than answer it. If commoditisation, disaggregation, between them, reshape the work itself, what will be left that the elite lawyer does that nothing and nobody else can, particularly when clients have access to the same sophisticated AI tools? What, then, will they still turn to elite lawyers for?



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## The intermediary question

In a forthcoming paper, my colleague Paul Browne and I look specifically at the way AI may trigger a form of disintermediation - financial services, travel, media, recruitment and insurance, amongst others, all went through periods in which technology reduced the “information advantage” that had historically justified the intermediary’s position. In each case, part of the value previously captured by the intermediary moved elsewhere.

Law firms are clearly not immune. Historically, they gained their position for three reasons: knowing the law better than their clients, carry a regulated professional responsibility for the advice, and also providing judgement that was difficult to standardise. AI now mounts a credible challenge to the first of these foundations and, over time, may partially challenge the second. Work that historically consumed enormous amounts of associate time - can increasingly be completed faster and more cheaply through AI. The risk of disintermediation is therefore likely to appear first at the more standardised end of the market.

But the lessons from other sectors are clear. Firstly, the intermediaries that survived were usually those that moved furthest towards the

areas hardest to replace: judgement, trust, relationships, reputation and strategic business advice. In many ways, this is exactly where the “face and hands” of legal work now sit.

Secondly, what clients are buying is shifting from expertise towards accountability - towards the weight of the name and the reputation behind the advice. I recently saw this reflected in an engagement letter: sophisticated general counsel are now requiring named-partner sign-off on the AI-assisted elements of the work, and outside counsel guidelines are being rewritten to specify it.

The third is the new shape of the senior legal work. AI is most powerful in the middle of a process, where the question has been defined and the parameters are known. The elite lawyer’s value sits at the two ends: before the AI is used, in deciding what question is actually worth asking; and after the AI has produced its output, in deciding which parts to trust, which to discard, and what to recommend the client actually does. Both ends are critical and becoming more demanding, not less.

Taken together, these developments point to something larger, which I have come to think is perhaps the most important shift of all. The early framing was that AI would do the routine work while lawyers focused on the high-value work.



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What I am actually seeing is something more nuanced. AI is raising the floor on technical legal work - everyone will inevitably become better at the basics, including in-house teams and the “chasing pack” law firms.

At the same time, the ceiling on human work is also rising, as judgement, accountability and problem-framing become more valuable, not less. The elite lawyer’s role increasingly sits in the higher value creation that AI struggles to replicate. The floor is rising as more firms become competent at the basics and the ceiling, or quality requirement, is rising too - it is the middle of the profession that looks the most exposed. In terms of the value-curve, the pressure is likely to fall most heavily on the large body of less-strategic work sitting between elite “rocket science” advice and commoditised delivery.

### 3. Rebuilding delivery: who does the rest?

Which takes us back to the question posed in 2017. If the partner's value increasingly sits in judgement, accountability and assurance, everything else still has to be done by someone, or something. Who, or what, does the rest?

Recent US financial reporting suggests the answer is already beginning to change. While AI is absorbing much of the work that once defined the associate pyramid - due diligence, first-pass drafting, document review and discovery - the firms performing best in Profit per Equity Partner (PEP) terms are increasingly reducing junior lawyer numbers, slowing equity partner growth and expanding the salaried partner layer. PwC's 2025 UK Law Firm Survey points in the same direction, reporting that more than half of Top 50 firms are already seeing financial and productivity benefits from AI.

Historically, firms generated profit by leveraging large teams of junior lawyers. Juniors spent long hours on due diligence, document review, drafting and research. Those hours both

trained future partners and generated billable time. The model worked because clients accepted this as part of the cost of elite legal advice.

AI now changes that equation. Much of this work can increasingly be completed faster, more cheaply and more consistently through systems, reducing both the economic value of junior time and the training opportunities that work historically provided. At the same time, clients are becoming less willing to fund large amounts of junior lawyer time when alternative providers, legal operations teams and technology platforms can often deliver parts of the same work more efficiently.

This is already reshaping the talent model. Firms are looking to reduce junior hiring, being more deliberate about equity partner growth and expanding salaried partner layers. My prediction is that elite partners will become even more valuable, but the structure required underneath them is beginning to change.



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If we follow the logic forward, however, a more interesting possibility also emerges. Some of the work firms spent the last thirty years pushing out may become economically attractive to bring back in again. The due diligence inside a major M&A, the discovery inside a piece of litigation, the document review inside a regulatory investigation - work externalised because the economics did not support it inside a high-cost firm - is again becoming profitable as AI materially reduces the cost of delivery.

In many ways, this is exactly what the major UK-headquartered global firms have spent the last two decades exploring through lower-cost centres, alternative delivery models and technology-enabled processes.

The difference today is that increasingly sophisticated AI becomes available not only to the global firms, but also to domestic elite firms and, of course, to their mid-tier competitors. From the client's perspective, however, there are clear advantages in keeping more of this work inside the one trusted and highly respected firm rather than having to manage increasingly disaggregated delivery across multiple providers. Hence the prize is high for those firms doing this well.

More simply, rather than AI weakening the leverage model itself, AI increasingly becomes the leverage. What changes is that the leverage becomes technological rather than human - and potentially far more profitable, although it does of course require a move away from the billable-hour model.

## 4. How the partnership model is changing

Which leaves the question of the partnership model itself. Looking forward, we cannot say how the elite legal market will be structured but the scenarios we are likely to see are already emerging.

In 2017, those choices looked to me like strategic alternatives. Today they look more like different firms altogether. Let me share some preliminary thinking below, the first two are where most elite firms will recognise themselves - the others are included as they will cause much of the competitive pressure on them.

### **The studio / The atelier / The new school / The platform**

It is no surprise that some firms will continue to operate as highly specialised elite partnerships focused on judgement-intensive work. These firms will become narrower, more selective and more deeply integrated around particular sectors, clients or forms of expertise.

These firms operate almost entirely at the top-right corner of the value curve: high-importance, high-complexity work where judgement and institutional confidence matter most.

Their traditional leverage models may reduce rather than expand, relying on smaller groups of highly capable lawyers operating at the top of the value curve. The partner here is closest to the original da Vinci – painting at the easel, focusing on the most challenging and recognised work themselves.

What may come as more of a surprise is that, in my view, these partners will heavily rely on their juniors - though with a stronger grounding in technology, alongside new skills and mind-sets. I have started to think of this as a “donut model”: concentrated senior expertise at the top, a selective junior layer beneath it, and a thinning-out of the traditional mid-ranking associates.

What will we need from those junior lawyers? Professors Scott



Westfahl and David Wilkins at Harvard Law School have argued that if AI absorbs much of the routine work through which junior lawyers historically learned, legal education is likely to move towards a more integrated model combining technical expertise with judgement, leadership, technology and problem-solving across organisational boundaries. The future lawyer may therefore need to be developed less as a pure technical specialist and more as a professional capable of operating within increasingly complex systems and as a lifelong learner rather than someone whose education effectively ends at qualification.

In my advisory work with elite law firms, the studio remains, in many ways, the most attractive of the future options although perhaps hard to actually reach.

The economics are not the problem. Wachtell, Lipton, Rosen & Katz hit \$12.15 million per equity partner in 2026, with an associate-to-partner ratio of 1.4:1 - the lowest leverage of any peer in the American market, and the highest profit.

But the majority of elite firms have already outgrown the studio, even if they may not want to realise it and walking it backwards would mean a significant reduction in practices and partners - hence it is unlikely to go down well at the partner meeting.

With such strong personalities and individual practices at its core, the studio can also be a fragile model. The structures that protect it - lockstep compensation, single-tier partnership and deliberate selectivity - depend on a settled culture and a partnership of like minds. Wachtell lost nine partners in 2025 alone to higher-leverage rivals offering eight-figure guarantees.

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The atelier in the European tradition was a hybrid model: a master's studio sitting on top of a wider production workshop, combining elite advisory work with more systematised delivery underneath. The partner here is running the workshop - leading and managing the teams that generate the revenue.

The strategic logic is what one managing partner described to me as the need to “sell the chips to sell the hamburgers”. Clients want a broader relationship, and firms able to serve a wider range of needs hold the client more securely. The lower-margin work becomes the price of admission to the high-margin work.

In effect, AI may strengthen the atelier model because it allows firms to access leverage without necessarily building huge associate pyramids. Assuming firms can pivot away from billable hours, much of the work firms spent the last thirty years externalising will become economically attractive again as the cost of delivery falls. Again, from the client's perspective, there are also advantages in keeping more of this work inside one trusted firm rather than managing increasingly fragmented delivery across multiple providers.

### **The studio / The atelier / The new school / The platform**

The third model is more radical and is included here primarily to help us understand the emerging competitive environment: AI-native firms in which the leadership is more likely to consist of shareholders or employees than traditional partners.

As my original 2017 article observed, new entrants enjoy a structural advantage precisely because they start from a single question: what would a client want in a law firm?

Although these new firms are attracting substantial investor interest - with new and major investments announced every day - I can see three strategic challenges.

The first is the glass ceiling on higher value work - whether they can compete where the client is solving unique issues and, also, seeking institutional confidence.

My current expectation is that they will eat into the middle market first - the tier-two and tier-three firms with neither the brand to survive on reputation nor the systems to run a production line. Equally, in-house teams may absorb that work themselves. It would appear that the middle is always being squeezed from both ends.

The second is regulation. Concerns that regulators will materially constrain AI-led providers may be overstated. As more legal work becomes standardised and systematised, clients may not always require traditional regulated law firms.

The third is economics. Building an AI-native firm requires substantial upfront investment in engineering, data and platform infrastructure. The revenue model — per document, fixed fee, subscription - works at scale, but the path to scale is long and capital-intensive. Many current entrants will not survive. We may see the ones that do being acquired by “real” firms or consolidate into the AI providers such as Wv or Legora - who I believe may eventually become legal advisers in their own right.



## The studio / The atelier / The new school / The platform

The fourth scenario is the platform firm, sometimes called the legal consultancy. The historical parallel is the medieval guild: a shared infrastructure - a hall, regulatory standing, a recognised brand - within which individual craftsmen kept their own practices and their own earnings. The modern platform works the same way, with the infrastructure now including compliance, technology, knowledge management and billing. The lawyers operate as self-employed consultants, keeping the majority of the fees they generate. There are no equity partners in the traditional sense, no annual profit distribution, no leverage.

The model answers several of the structural challenges in partnership – which we will come to in the next section. The platform is a corporate entity that retains earnings, and the lawyers are paid by fee-share rather than equity-share. A platform that invests in AI is rewarded through better margins rather than punished through reduced billable hours. The interest from investors has followed: many are PE-backed or publicly listed.

The historical limit on the platform model has been junior leverage - they struggled to build the depth of support team that complex matters demand. AI takes that constraint off the table. I still doubt these structures can carry the most complex, highest-stakes work, where the client is paying for institutional weight over and above an elite partner's signature. The platform firms have grown most rapidly in the high-street and mid-market segments. Whether they can do the same at the top will be one of the more interesting strategic questions of the next few years.

The biggest question for the platforms themselves is what they offer their members that the consultant cannot get directly. AI is no longer the answer - they can buy that themselves. The platform's strategic proposition will rest on client relationships and brand. If the most valuable client relationships sit with the individual consultant lawyers, the platform is a service for self-employed practitioners. If the platform owners can build institutional relationships of their own, it becomes a firm in the traditional sense.

## 5. The partnership challenge

Although it is still early days, in my scenario-thinking workshops with law firms these future models are becoming increasingly clear.

Whichever direction firms move towards, they are likely to involve more complexity and require significant change. My concern is that this points directly towards the familiar weaknesses of the partnership model.

More than thirty years ago, academics such as Brock, Cooper, Greenwood, Hinings and Powell were already writing about the pressure on traditional professional partnerships to evolve into more managed forms of professional business. The challenge today is that AI accelerates those tensions significantly.

The first is incentives. Partners within elite firms may struggle to take these major future decisions. Over the years I have seen many strategy reviews produce broad agreement, only for relatively little to change afterwards. The reason is simple: whatever the partnership rewards is usually what gets done. The strategic plan may say one thing, but the compensation system often says another. Most firms still prioritise individual origination, individual hours and individual client ownership, while the future models being discussed are likely to require more collective, firm-first behaviour.

The second challenge is leadership. Elite firms have always been, to some extent, federations of highly talented and highly independent



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individuals. Who would really want to lead a partnership full of Leonardos?

As Professor Stephen Mayson wrote in *Making Sense of Law Firms* (Blackstone Press, 1997): “Lawyers confuse leadership with management. They appoint very able leaders to manage and almost always neglect leadership.”

The challenge is both cultural and structural. Managing partners are elected by their peers, usually for fixed terms, and rarely with a mandate to challenge the incentives system or take decisions that materially affect partner income. The expectation is often to keep the show on the road, not redesign the road itself. As firms become more complicated to run, the gap between what leadership may require and what the partnership is prepared to tolerate could widen significantly.

And of course, partners might reasonably ask: why change when many elite firms continue to experience record growth and increasing profits? Many of our elite law firm clients continue to report strong growth and rising profitability, but this does not contradict the wider argument.

The current global uncertainty, economic volatility and increasing regulatory complexity are accelerating the flight towards quality, reputation, trust and institutional confidence.



AI within legal services is going to reinforce rather than weaken this - I would predict a short-term boost in profits for firms embracing AI effectively.

My concern, however, is that current success may blind partners to the need for deeper thinking about the future. The firms performing best today may paradoxically face the weakest incentives to undertake the steps required.

Part of this is simply human nature. Partners closer to retirement may naturally ask why they should invest heavily in changes where much of the benefit will only emerge after they have left the partnership.

The biggest leadership challenge may be whether elite partnerships can recognise the scale of change required while the existing model still appears highly successful.

The third is capital. The next generation of elite firms is likely to require substantial investment in technology, systems and new delivery capability, yet the partnership model was built around annual profit distribution rather than long-term capital accumulation. AI investments will sharpen the tension further. Time is still easier to reward than outcomes, and greater efficiency could reduce revenue rather than increase it. I have started to think of



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this as implanting a new brain in the old body. The economic structure around it struggles to recognise where value is actually being created.

One more point cuts through all three. Under each of these archetypes, partners will need to work much more closely with business professionals, many of whom will increasingly move into the senior leadership and operational roles previously occupied by lawyers. This remains uncomfortable territory within many firms. In my original 2017 article, I noted how some partners questioned the ability and authority of the “non-lawyers” being hired and, sadly, I have not seen much progress since.

Perhaps the debate about the future of elite firms is ultimately a debate about organisational form and, beneath that, the motivations of the partners within them and their ability to develop a shared vision of the future. The challenge may not simply be adopting AI. It may be whether the partnership model can adapt quickly enough to support the kind of firm the market increasingly demands.



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## 6. Conclusion: value, delivery, and structure

The future of law is being redesigned. Law firms are not simply adapting; they are being forced to reconsider where they add value and how that value is delivered.

The question posed by Michael E. Schneider, founding partner of LALIVE and now Senior Counsel - our original “da Vinci partner” back in 2017 - remains the right one, but it now demands a more urgent answer: in an AI-enabled world, what will remain of the “face and hands” of legal work, and who, or what, does the rest?

The legal value curve itself is not disappearing, but AI is reshaping it fundamentally - accelerating the speed at which work moves across it, fragments within it, and is redistributed between firms, clients and systems.

Although these are still early days, we can already see clear trends and start working with law firm leadership and the wider

partnership on what needs to happen next. As we have seen, the pressure is unlikely to fall evenly across the market.

Some work will become increasingly systematised, while the lawyers and firms operating at the highest end of judgement, accountability and strategic counsel may become more valuable than before.

It is already clear that standing still is not an option. For me, the real challenge is whether the partnership model can adapt quickly enough to support the kind of firm the next phase of the market is likely to require. Most firms are still asking for new behaviours from their partners while continuing to reward the old.

I am a huge optimist about the changes and challenges ahead, but elite lawyers and their firms may have only a decade - perhaps much less - to determine whether they can move beyond the assumptions of the old model.

AI may not destroy elite law firms. But it may expose whether the traditional partnership model is structurally capable of supporting the scale of change that will be required.



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## Insert A: The legal value curve

In Finding an answer to the da Vinci question (2017) I set out a simple model for thinking about how legal work creates value. It plots legal matters along two axes: how important the matter is to the business (the Y axis) and how legally difficult it is (the X axis).

That gives four quadrants of work:

**Rocket science** (high importance, high difficulty): the “bet the company” matters where clients turn to the leading experts and pay the high prices required.

**Standard** (low importance, low difficulty): the routine work — volume tasks, repeatable processes, increasingly delivered through technology and managed-service models.

**Putting out fires** (high importance, low difficulty): the day-to-day issues that are technically straightforward but matter to the business, usually handled in-house.

**Risk and compliance** (low importance, high difficulty): regulatory work, parts of which have moved up the importance axis into mission-critical territory while other parts have become standardised.

A fifth category sits across the middle: **relationship work** — the everyday advisory matters that are neither rocket science nor standard, but where the trusted external adviser adds value through judgement, context and continuity. For many elite firms this is the bread and butter.

The value curve is the diagonal that runs from the top right (rocket science) down to the bottom left (standard) and as I argue in the main article, this marks the increasing speed of commoditisation of legal services.

In reality, a single matter rarely belongs in one quadrant: a major M&A transaction will contain genuinely strategic elements and a great deal of contractual review besides, and the line between the two is rarely as clean as the model implies. Clients and firms also disagree, often quietly, about which work belongs where — a piece of advice the client regards as routine may be one the firm has priced as bespoke. The value of the model is in the conversation it forces, not in the labelling.

Work does not always go where the model predicts. I know of a £10 million disposal that was handled by one of the leading London firms at full London rates — work that a comparable firm would have routed to its lower-cost offices, or declined. Brand, relationship and habit shape the flow of work as much as the value curve does. ■

*The model first appeared in Finding an answer to the da Vinci question (Modern Legal Practice, October 2017).*

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The views expressed are those of the author only.