

2022

ACC CHIEF LEGAL OFFICERS SURVEY



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TABLE OF CONTENTS

INTRODUCTION	4
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KEY FINDINGS	5
--------------	---

SECTION 1: The Chief Legal Officer's Role and Reach	10
---	----

SECTION 2: The Legal Department's Value to the Business	24
---	----

SECTION 3: The Political and Regulatory Landscape	34
---	----

SECTION 4: The Outlook for the Legal Department	48
---	----

Participant Profile	60
---------------------	----

Research Methodology	64
----------------------	----

INTRODUCTION

The Association of Corporate Counsel (ACC) is pleased to present the results of the 2022 *Chief Legal Officers Survey* in partnership with Exterro, the exclusive ACC Alliance Partner for E-Discovery, Data Privacy and Cybersecurity Compliance. For over 20 years this annual survey has sought to capture insights from Chief Legal Officers (CLOs) on the evolution of their role and that of the complex corporate legal department environment. It serves as a cornerstone for the entire in-house community as to the trends, challenges, and opportunities for the year ahead from the CLO perspective.

This year's results reveal a rapidly evolving and dynamic corporate legal environment where legal officers and their departments are playing an even greater role to shape and influence the broader business. The COVID-19 pandemic, diversity and equity issues, and the sociopolitical environment worldwide intensified many of the challenges faced by Legal, but it has also brought into focus the immense value Legal brings to the businesses it serves. As a result, several trends to note include expected significant transactions (M&A, spin-offs, etc.) have risen to become the number one upcoming resource challenge, while cybersecurity and data privacy issues continue to pose enormous legal challenges. CLOs are taking on far more responsibility and oversight, particularly related to Environmental, Social, and Governance (ESG) issues. The increased responsibility and workload are leading CLOs to increase hiring across the board this year and they are especially interested in investing in legal operations to further improve costs and efficiencies for their legal departments. In this challenging employment environment, CLOs also described a heightened focus on prioritizing the needs of their employees as they work to fill a particular need for staff who possess strong leadership and communications skills in addition to their specialized legal knowledge.

It is clear that for legal departments and their organizations to remain competitive, an ability to adapt, reprioritize, and act decisively are more important than ever. Providing relevant data-driven insights from member CLOs worldwide on their challenges, priorities, and outlook is critical to ACC's core purpose of advancing the interests of the in-house legal profession. This year's report contains key insights from 861 participants from organizations spanning 20 industries and 38 countries, from small legal departments in companies with under US \$25 million in annual revenue to large multinational corporations with revenues larger than US \$50 billion. It is one of the largest and most comprehensive surveys of CLOs on the market.

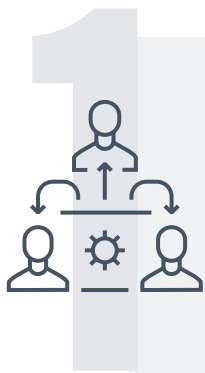
We want to thank the CLOs who dedicated a few minutes of their valuable time to participate in this survey. Without your generosity and support, this important study would not be possible. We hope that you find the survey results interesting and relevant to your role as law department leaders.

Sincerely,

Veta T. Richardson
President & CEO
Association of Corporate Counsel

Blake E. Garcia, Ph.D.
Senior Director of Business Intelligence
Association of Corporate Counsel

KEY FINDINGS



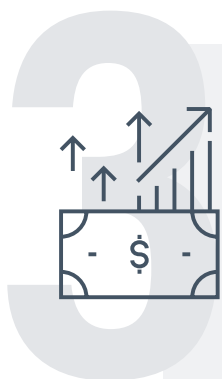
THE CLO CONTINUES TO PLAY A VITAL ROLE IN THE BUSINESS

The CLO plays a critical role in the company's leadership. Eighty percent of CLOs report directly to the CEO, a metric that has remained stable around this threshold for the last four years. Furthermore, a solid majority of CLOs always attend board meetings, meet with other business leaders to discuss operational issues, and are consulted by other executives on key business decisions. CLOs dedicate on average more than one-third of their time at work contributing to strategy development, advising executives on non-legal issues, and handling board and governance matters, thus providing value to the business far beyond their legal expertise.



INCREASING RESPONSIBILITY IS BEING PLACED ON CLOs

On top of managing the legal department and providing legal advice, which represents on average around fifty percent of the job, CLOs also oversee other critical business functions: 80 percent oversee compliance, practically half oversee ethics and privacy, and four in ten handle business risk. Out of 21 different business functions, more CLOs have direct oversight over 18 of these functions than they had in 2020. Of particular note, nearly one quarter of CLOs are now responsible for ESG, up nine percentage points from 2020.



INVESTMENT IN LEGAL OPERATIONS IS ACCELERATING

Six in ten legal departments have at least one dedicated legal operations professional, three times higher than in 2015, and this is the case in more than half of participating departments since 2020. At least 50 percent of legal departments across all company sizes have one or more legal operations professionals, and 75 percent of companies with US \$3 billion or more in annual revenue have dedicated legal operations staff. In addition, 70 percent of CLOs listed legal operations as the area of focus for their department's top strategic initiative.



CLOs EXPECT TO HIRE MORE STAFF THIS YEAR

Across six different types of staff positions, CLOs expect to hire more personnel in 2022 compared to last year. Forty-five percent anticipate hiring lawyers and 29 percent expect to hire more paralegals, a 13-point and nine-point increase from 2021, respectively. Participants list increasing headcount as one of the actions taken to improve internal client satisfaction with the department's delivery of legal services, aimed at shortening delivery times and providing more coverage and better service. Leadership, communication and listening, and business management are the most relevant skills that CLOs expect for lawyers in the legal department to develop.



CYBERSECURITY, COMPLIANCE, AND DATA PRIVACY REMAIN THE MOST CRITICAL AREAS FOR THE BUSINESS

Cybersecurity, regulation and compliance, and data privacy remain the top three issues that CLOs rank as most important for the overall business, with averages of around eight points on an importance scale ranging from one to ten. All three areas scored slightly higher than last year. The high importance given to these three areas aligns with CLOs' expectations that industry-specific regulations and data protection privacy rules will most likely pose the biggest legal challenges to the business. Sixty-six percent anticipate that industry regulations will cause the biggest legal challenges this year and 55 percent list data protection rules as a cause for legal concern. Nevertheless, most CLOs are at least moderately confident that their organization can consistently defend and respond to cybersecurity incidents and breaches.



HIGHER REGULATORY ENFORCEMENT WILL LIKELY LEAD TO GREATER WORKLOAD IN 2022

Sixty percent of participants expect an increase in the volume of privacy regulatory enforcement in 2022, with CLOs in the insurance (90 percent), information (89 percent), and accommodation and food services (85 percent) industries overwhelmingly anticipating higher pressure from regulators. Two-thirds of participants expect that the regulatory environment will require organizations to improve its compliance efforts, and accordingly a majority of CLOs expect that compliance-related expenses will increase to some extent in 2022. Additionally, 41 percent of CLOs expect to send more work to law firms this year, the highest percentage observed since 2019 and seven points higher than last year.



M&A POSES TOP UPCOMING LEGAL RESOURCE CHALLENGE

Significant corporate transactions (M&A, spin-offs, etc.) will be the area that requires the most additional departmental resources in 2022, according to 25 percent of CLOs—a four-point increase from last year. This is followed by compliance with 16 percent and data privacy with 13 percent. In addition, thirty-nine percent of CLOs say that M&A issues are most likely to cause the biggest legal challenges for their organizations. This expectation is particularly pronounced among CLOs in Europe, Middle East, and Africa (EMEA) and North America.



ESG ISSUES CONTINUE TO GAIN RELEVANCE AND IMPACT BUSINESS STRATEGY

Four in ten CLOs indicate that ESG issues are forcing companies to improve their compliance efforts to adapt to new environmental regulations and satisfy the growing number of investors and customers that are emphasizing ESG and CSR. One in six respondents in public organizations reported having received pressure from investors for taking a stand or refraining from taking a stand on social and political matters. CLOs are getting more involved in handling ESG and CSR: 24 percent of CLOs declared that they oversee these functions as part of the legal department, compared to just 15 percent of CLOs in 2020.



CONTRACT MANAGEMENT IS TOP TECH AREA IN WHICH CLOs PLAN TO INVEST

Fifty-five percent of CLOs are either planning on adopting new technology solutions in the legal department in 2022 or have just recently added new technologies to improve efficiencies and streamline processes. Among those who anticipate expanding or updating the legal department's technology capabilities, 70 percent are looking into improving their contract management software, around one-third intend to invest in document management and workflow tools, and one-quarter want to acquire new technologies in collaboration management, matter management, data privacy, analytics, and eSignature. Technology is deemed essential to successfully comply with data privacy regulations, with 56 percent of participants stating that they implemented new technology last year to assist with this critical task, and CLOs also recommend the automation and digitalization of legal department processes to improve internal client satisfaction and streamline operations.



CLOs SEE DELIVERING VALUE TO CUSTOMERS AS THE TOP PRIORITY, BUT INVESTING IN EMPLOYEES GROWS IN IMPORTANCE

Half of participating CLOs rank delivering value to customers as their organization's top priority in the next five years, an item that has consistently been the top priority since we started asking in 2020. Maximizing profits is the main corporate goal according to 26 percent of CLOs, but this number is down from 35 percent in 2020. Conversely, investing in employees has grown by nine points, with 19 percent of CLOs stating that this is what their organization will primarily focus on in the next five years, compared to just 10 percent in 2020. This result aligns with the observed tendency of a stronger focus on ESG and CSR issues that CLOs have also noticed.

SECTION 1

THE CHIEF LEGAL OFFICER'S ROLE AND REACH

This section explores the organizational structure of the legal department and the role and reach of general counsel and chief legal officers. It presents key metrics, including the percentage of CLOs that report directly to the CEO and that have a reporting line to the company's board of directors, as well as a general outlook into the legal department's current state of affairs.

SECTION HIGHLIGHTS

80% Eight in ten CLOs report directly to the CEO

Over half of participants also assume
the role of corporate secretary **54%**

52%
of CLOs have a
direct reporting line
to the company's
board of directors

24%
One in four
CLOs oversees
environmental, social,
and governance (ESG)
and corporate social
responsibility (CSR)

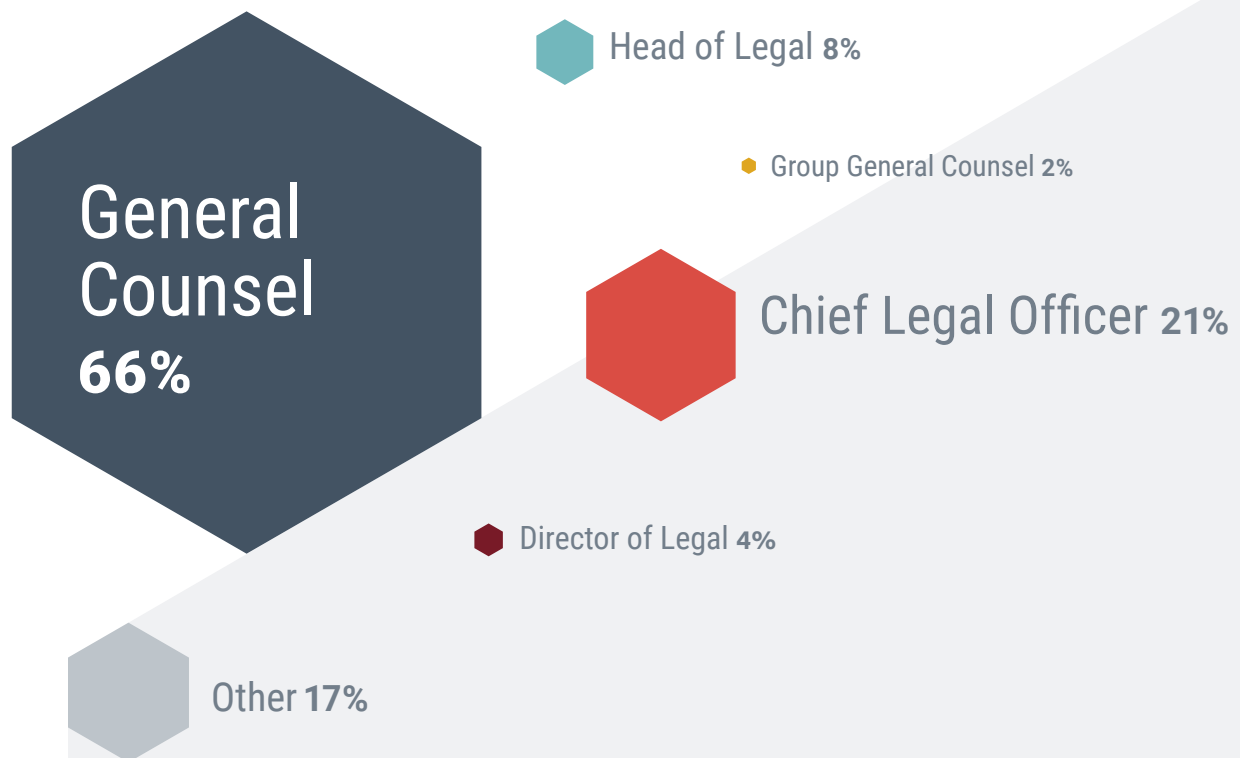
Six in ten departments have at least
one legal operations professional **60%**

45% of CLOs anticipate hiring more
lawyers in 2022

As the highest-ranking lawyer in your organization, what title do you hold?

General counsel is the most common title for the highest-ranking lawyer in the legal department. Sixty-six percent of survey participants indicated their title to be general counsel, the same result observed in 2021. However, this year's question allowed respondents to select more than one title, if applicable, which provided for additional flexibility. As a result, the percentages shown add up to more than 100 percent.

One in five respondents hold the title of chief legal officer, while the other listed options are much less common: Head of legal (8 percent), director of legal (4 percent), and group general counsel (2 percent). Seventeen percent of respondents reported another title, up from eight percent last year. These include additional responsibilities reflected in their titles, such as chief administrative officer, chief compliance officer, and company secretary. Executive level titles are also common alongside the legal job title, namely executive or senior vice president.

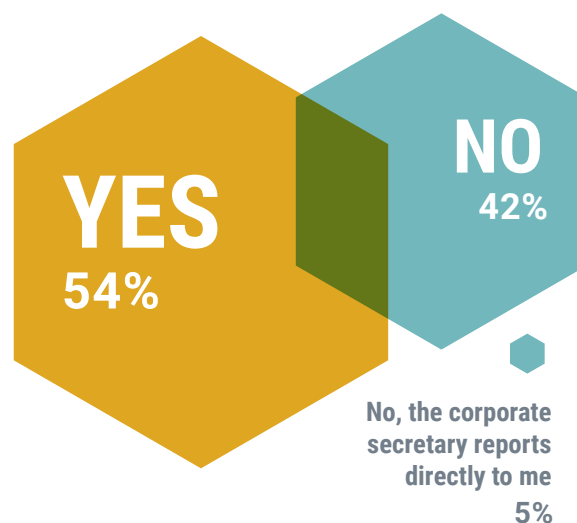


OTHER TITLES USED

- Chief Administrative Officer
- Chief Compliance Officer
- Chief Human Resources Officer
- Chief Risk Officer
- General Manager, Legal
- Vice President, Legal

Do you also hold the title of or assume the role of corporate/company secretary?

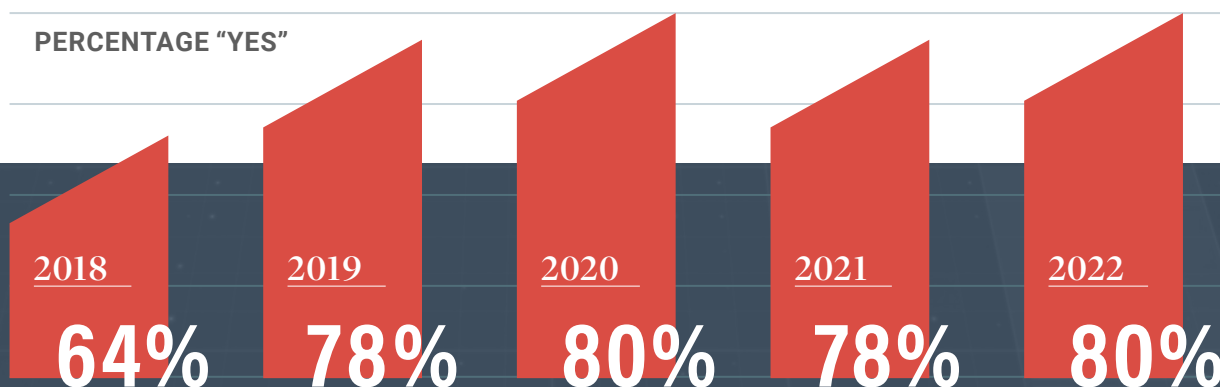
Fifty-four percent hold the title or assume the role of corporate secretary, while five percent of participants reported that the corporate secretary reports directly to them. These results are largely unchanged compared to last year's survey.



KEY TREND

Do you report directly to the Chief Executive Officer (CEO) or highest-ranking executive officer?

PERCENTAGE "YES"



Eighty percent of survey participants responded that they report directly to the chief executive officer (CEO) in their organization. The trend shows how the value of this critical metric has become stable across the last four editions of the survey, with four in five participants reporting to the CLO, a considerable increase from the value of 64 percent observed in 2018. Across all company sizes, CLOs in organizations headquartered in North America tend to report directly to the CEO in larger numbers than those in organizations headquartered in other global regions.

Participants that do not report directly to the CEO were then asked which other position they report to. The 2022 results do not differ from those recorded in previous editions of the survey. Almost half of participants who do not report to the CEO report to the company’s chief financial officer (CFO), 15 percent report to the chief operating officer (COO), and 11 percent report to the chief administrative officer (CAO). Eight percent report to the chief legal officer of their holding or parent company, and seven percent report directly to the company’s board of directors. Although it represents a minor percentage of participants, this number has increased annually since 2020. One in five CLOs in this group report to yet another individual in their organization, such as the chief compliance officer, the chief risk officer, or to a company vice president.

To whom do you directly report in your organization? Select all that apply.
Only asked to those who do not report directly to the CEO (n = 175).

CHIEF FINANCIAL OFFICER



CHIEF OPERATING OFFICER



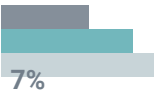
CHIEF ADMINISTRATIVE OFFICER



CHIEF LEGAL OFFICER OF THE HOLDING OR PARENT COMPANY



BOARD OF DIRECTORS



OTHER



OTHER FUNCTIONS AND POSITIONS

- Chief Compliance Officer
- Executive Vice President
- Chief Human Resources Officer
- General Manager
- Chief Risk Officer
- President

2020 2021 2022

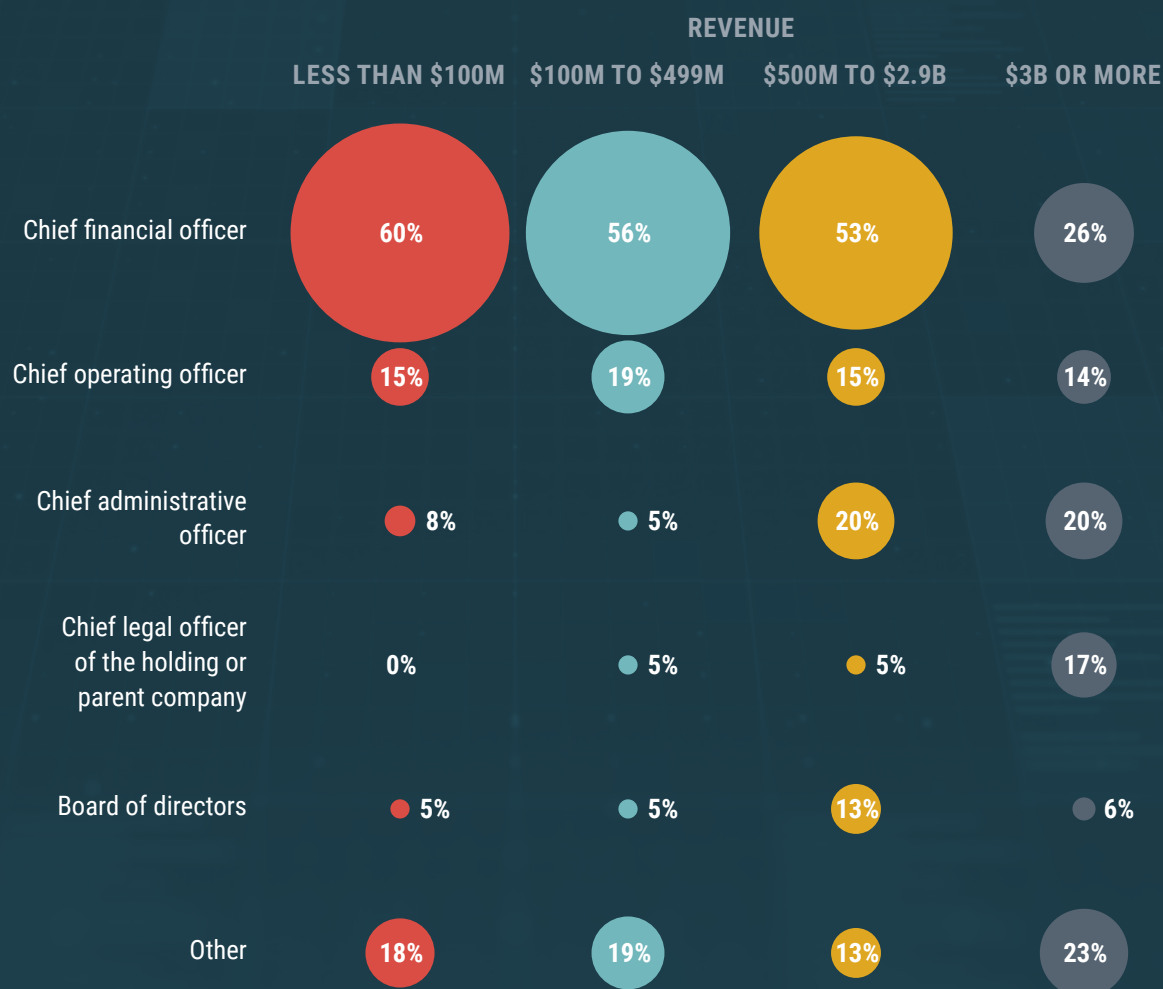


KEY COMPARISON

CLOs directly reporting to someone other than the CEO by company revenue

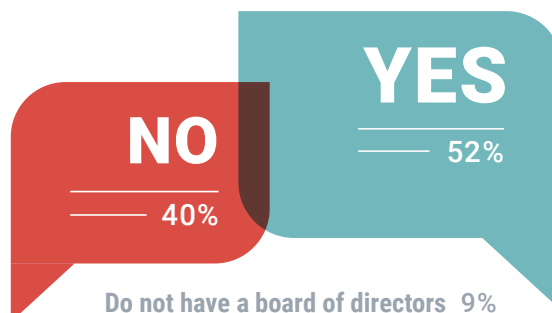
Some variation exists when looking at the results by company size, as shown in the following key comparison. A majority of respondents in smaller companies (less than US \$100M in revenue) that do not report directly to the CEO report to the chief financial officer, but only 26 percent of those in larger companies do so.

CLOs in these organizations report to a more diverse field of individuals and functions, with 20 percent reporting to the chief administrative officer, 17 percent to the CLO of the holding or parent company, and 14 percent to the chief operating officer. The results are similar to those recorded in last year's survey, with the main differences observed in the US \$500 million to US \$2.9 billion revenue range: the 53 percent of participants reporting to the chief financial officer is 20 points higher than last year, and those reporting directly to the board of directors also increased by 10 points (from just 3 percent in 2021).



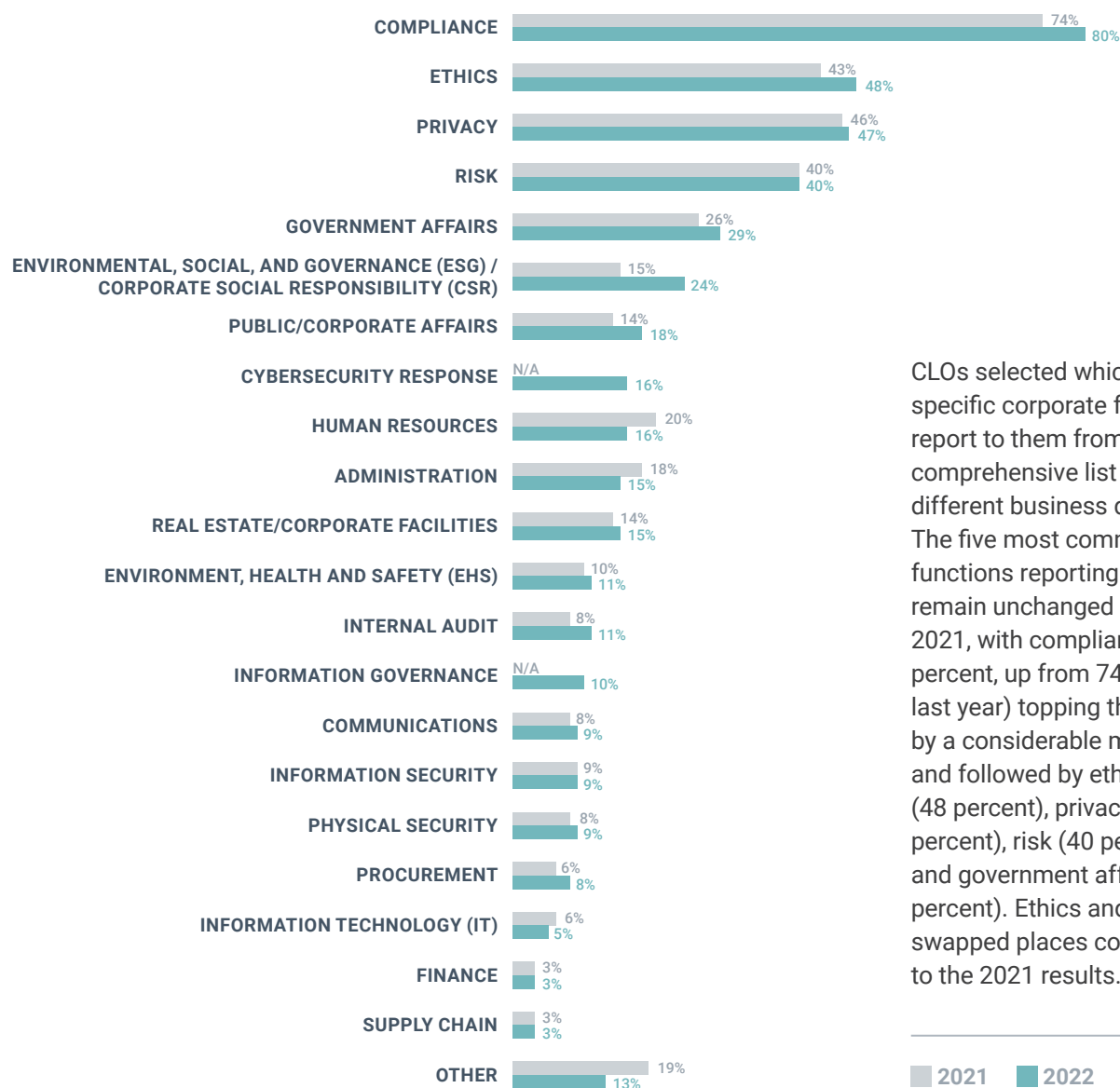
Do you have a reporting line to the board of directors?

Half of all participants indicated that they have a reporting line to the organization's board of directors, 40 percent responded otherwise, and nine percent of participating organizations do not have a board of directors. The distribution is very close to that of the 2021 survey.



Which of the following corporate functions report to you? Select all that apply.

The cybersecurity response and information governance functions were not listed in 2021.



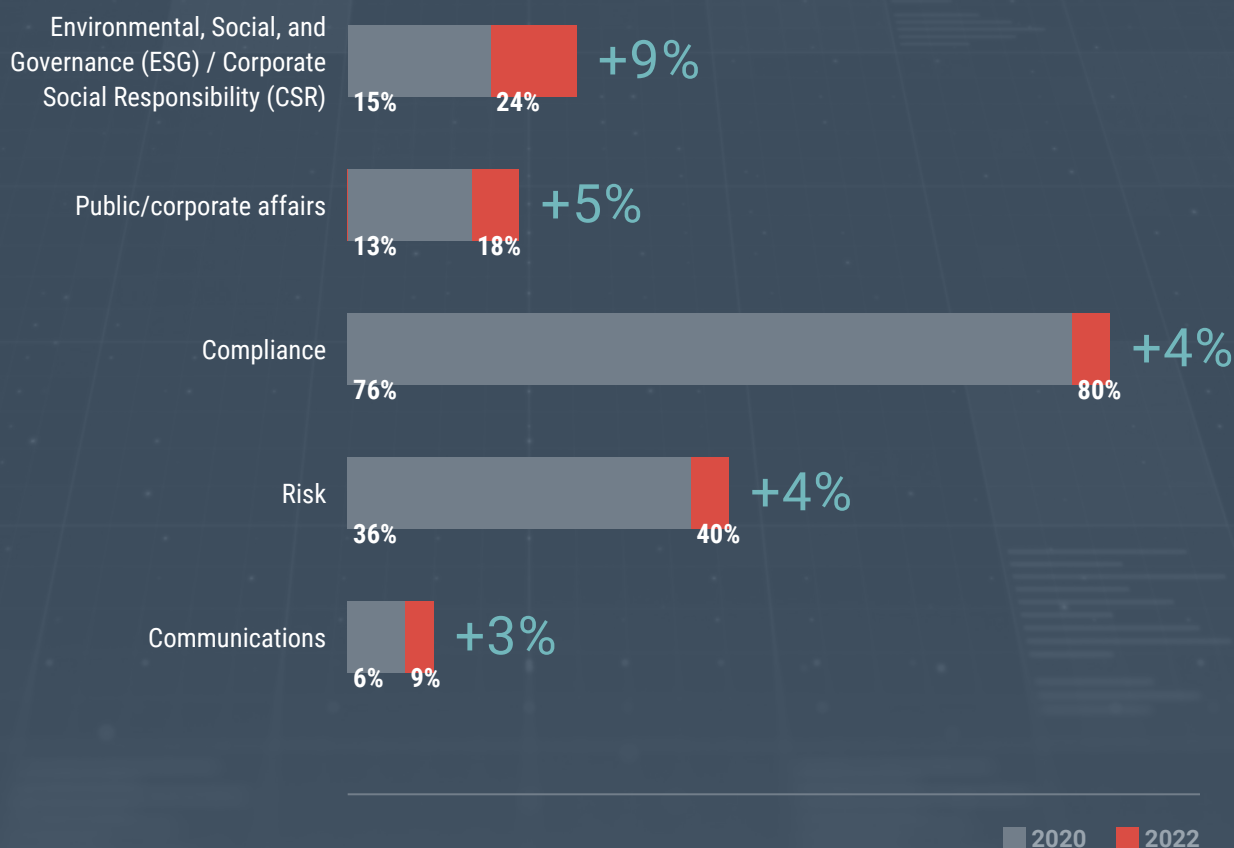
CLOs selected which specific corporate functions report to them from a comprehensive list of 21 different business divisions. The five most common functions reporting to CLOs remain unchanged since 2021, with compliance (80 percent, up from 74 percent last year) topping the list by a considerable margin, and followed by ethics (48 percent), privacy (47 percent), risk (40 percent), and government affairs (29 percent). Ethics and privacy swapped places compared to the 2021 results.



KEY TREND

Legal department functions that have become more common in the last two years

Having inquired about which functions report to the CLO starting in 2020, the following chart shows the five functions that have become more common in the CLO's portfolio of responsibilities in the last two years. Environmental, social, and governance (ESG) and corporate social responsibility (CSR) top the list, with a considerable increase of nine points in the 2020-2022 period. One in four CLOs oversees ESG/CSR compared to just 15 percent two years ago. Public and corporate affairs show an increase of five points, followed by compliance and risk (four percent), and communications (3 percent) closes this top five list.





KEY COMPARISON

The following key comparison provides the results of the corporate functions that CLOs oversee if they oversee either of the four most common functions: compliance, ethics, privacy, or risk. The results shed some light to better understand which functions are most often grouped together under the CLO's supervision.

A majority of those who oversee compliance also oversee ethics (55 percent) and privacy (51 percent), and 45 percent oversee risk. Among those who oversee ethics, nine in ten oversee compliance (ten points larger than the overall survey results) and a majority also oversees privacy and risk. Similarly, 55 percent of those that oversee privacy also oversee ethics, but only 47 percent oversee risk. Finally, those overseeing risk have the highest percentages of ethics and privacy oversight (62 percent and 55 percent, respectively), and 35 percent of them also oversee ESG/CSR.

Percentage of legal departments that oversee each function among those who...

... oversee Compliance



... oversee Ethics



... oversee Privacy



... oversee Risk

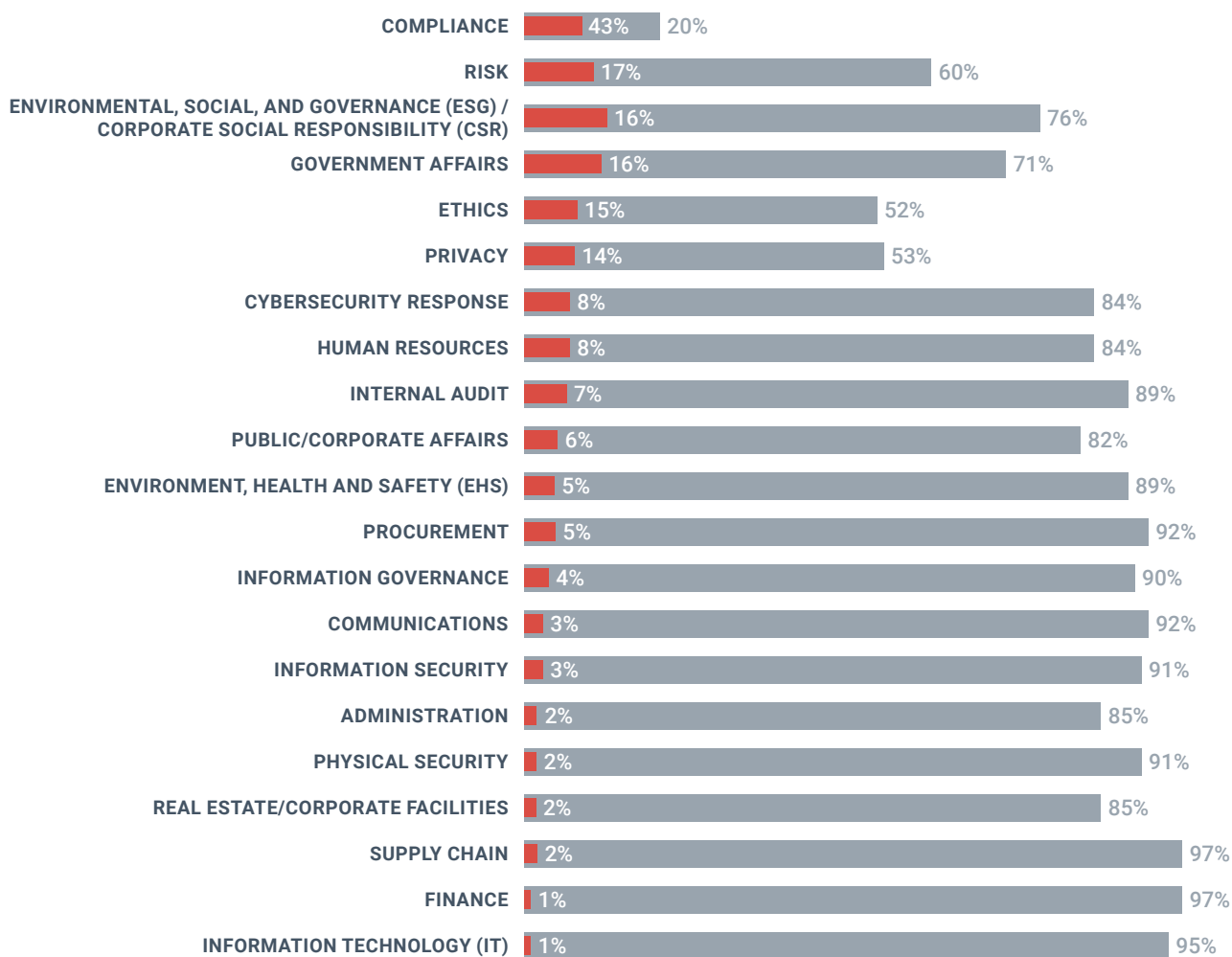


Are there any functions that don't report to you that you believe should?

Participants were also asked about whether there are any corporate functions that they believe they should oversee. This bar chart lists the functions that CLOs believe they should oversee based on the percentage of participants that would like to oversee each function among those who do not currently oversee them. The inner bars reflect the share of CLOs that would like to oversee each function among those who reported not overseeing each function, which is represented by the outer bars.

For example, 20 percent of survey participants indicated that compliance does not report to them, but 43 percent of them believe that it should. Therefore, in relative terms, compliance tops the list because it has the largest percentage of participants that would like to oversee this function among those who currently do not oversee it.

Although only a minority of participants expressed willingness to oversee each of the listed functions, there are some interesting changes compared to last year's results. Risk remains the second function in this list with 17 percent of those who do not currently oversee it wishing to do so (two points less than in 2021), but ESG/CSR is now the third function that CLOs believe should oversee with 16 percent, compared to just eight percent last year (it also ranked eight). Government affairs and ethics (16 percent and 15 percent respectively) complete the top five.



■ FUNCTION DOES NOT REPORT TO ME (AMONG ALL RESPONDENTS)

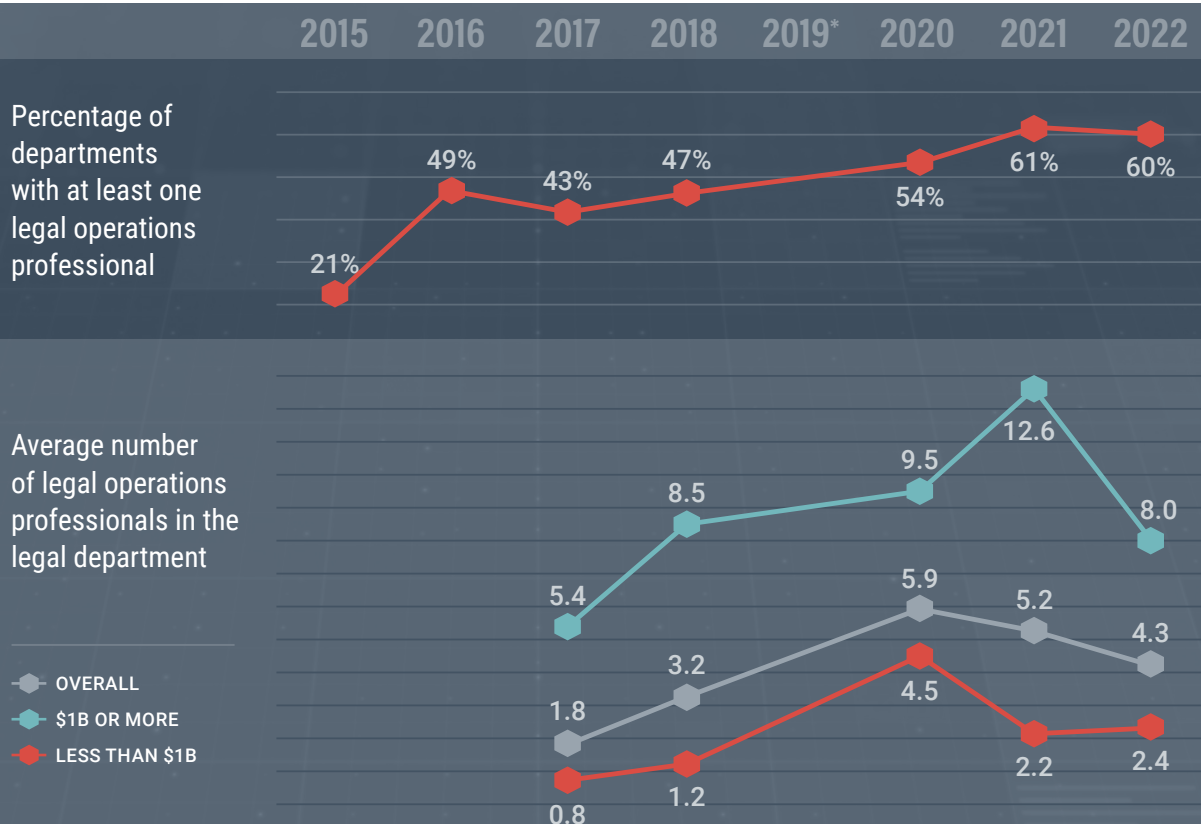
■ FUNCTION SHOULD REPORT TO ME (AMONG THOSE WHO DO NOT OVERSEE EACH FUNCTION)



KEY TREND

The prevalence of legal operations in the legal department as shown in this time series remains positive and reflects that a majority of participating legal departments have at least one dedicated legal operations professional in the staff. Since 2015, when we first tracked this metric, the number of departments with one or more legal operations professionals has nearly tripled.

Please indicate the number of legal operations staff that are employed in your legal department in all locations. (Staff that are solely dedicated to operations - i.e., not doing any legal work):



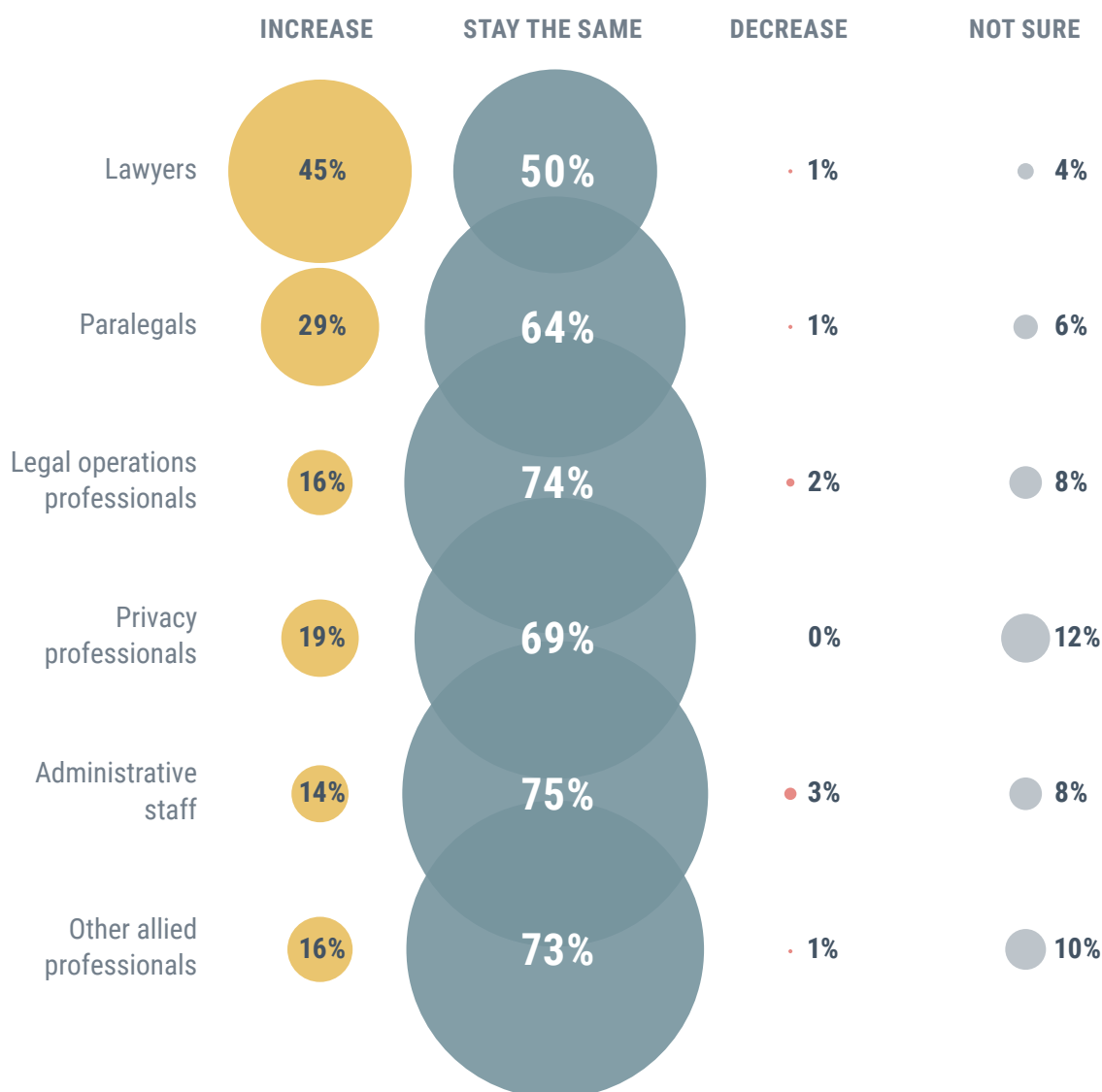
In terms of the average size of the legal operations team, the overall trend shows a decrease since 2020, with the current average number of legal operations professionals in participating legal departments being 4.3 compared to 5.9 in 2020. The breakdown of the results by company size shows a particularly large average number of legal operations professionals in companies with under US \$1 billion in revenue in 2020 (4.5 legal operations professionals), but the overall trend since 2017 remains positive. In 2022, the average size of the legal operations team for companies under US \$1 billion is 2.4, and eight for larger companies, compared to averages of 0.8 and 5.4 in 2017, when we first tracked this metric in the CLO Survey. The median remains stable since 2020 at one legal operations professional per participating legal department.

*Questions were not asked in 2019.

Do you anticipate your department's staffing levels will decrease, stay the same, or increase in the next 12 months?

Forty-five percent of participating CLOs expect to hire more lawyers in 2022, while 50 percent expect the number of lawyers in the legal department to remain the same. In last year's report, only 32 percent of participants expected to hire more lawyers in 2021.

Across all other legal department positions, a majority of CLOs expect no change in staffing numbers, with only a small minority of participants expecting the headcount to decrease. The percentage of CLOs who expect to hire more staff this year, however, increases across all legal department positions: paralegals (29 percent compared to 20 percent in 2021), privacy professionals (19 percent to 14 percent), administrative staff (14 percent to 10 percent), other professionals (16 percent to 12 percent), and legal operations professionals (16 percent to 13 percent).

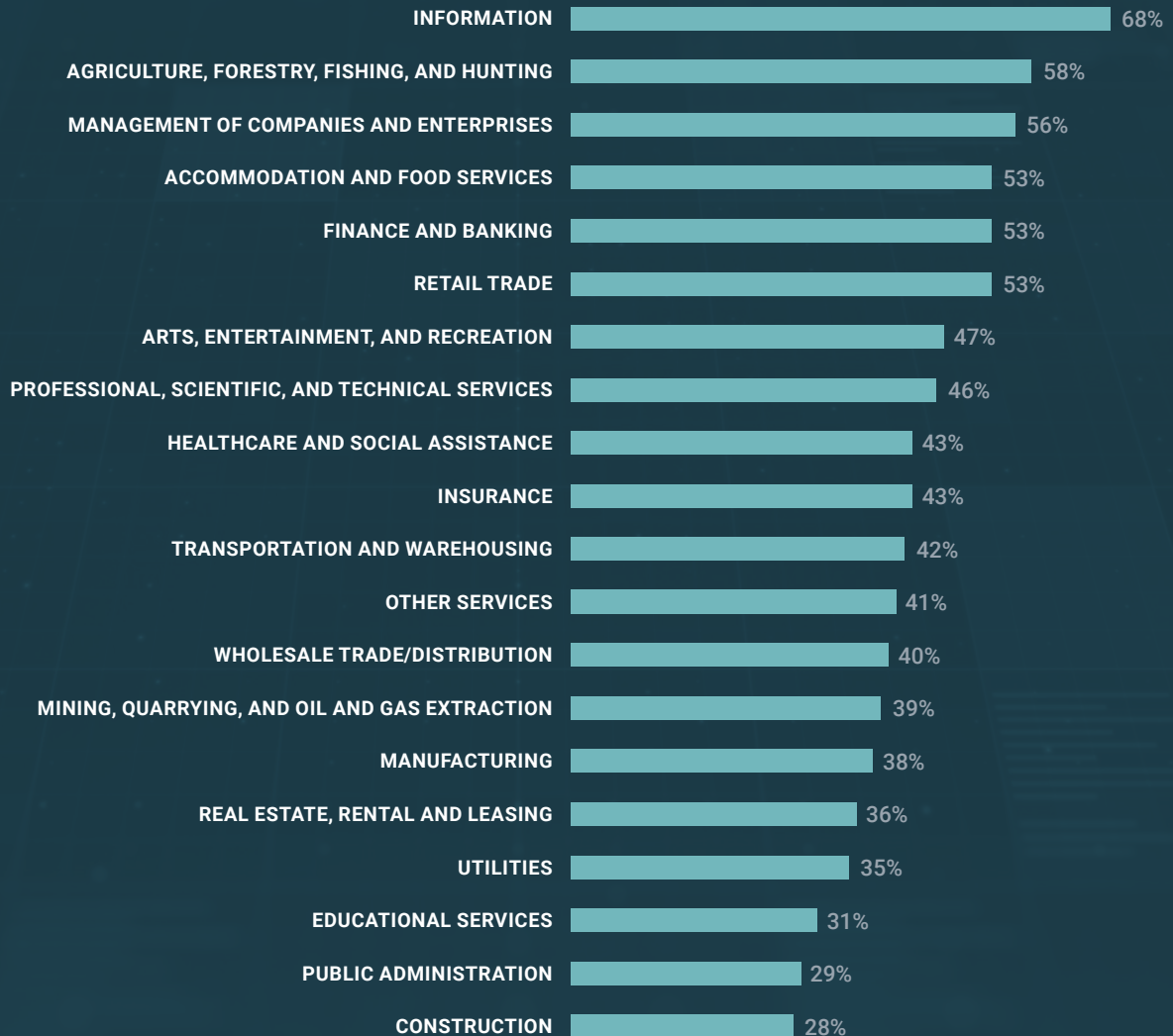




KEY COMPARISON

Percentage of departments that expect to hire lawyers in 2022 by industry

Expectations about hiring more lawyers in 2022 vary substantially by industry, from practically seven in ten CLOs in the information industry expecting to hire more lawyers next year compared to just three in ten among those in the construction sector. A majority of participants in the agriculture, management of companies, food and accommodation, finance and banking, and retail industry sectors expect to hire more lawyers in 2022.

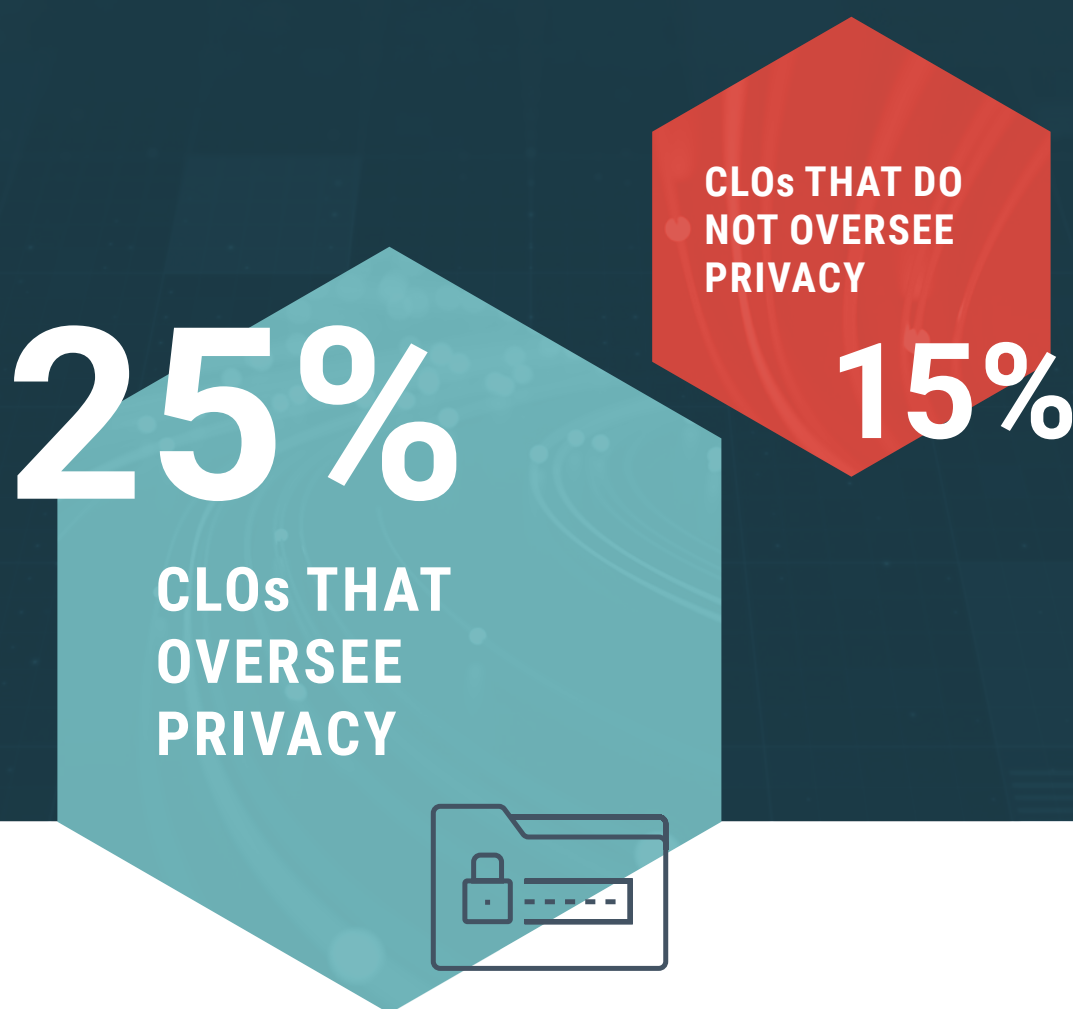




KEY COMPARISON

Expectations to hire more privacy professionals in 2022 are slightly different depending on whether the participating CLO oversees the privacy function or not. As the key comparison shows, 25 percent of the CLOs that oversee privacy expect to hire a privacy professional this year, but only 15 percent of those who do not oversee privacy expect to do so.

Percentage of CLOs who expect to hire more privacy professionals in 2022 among...



Do you anticipate the amount of work you send to law firms and other legal service providers will decrease, stay the same, or increase in next 12 months?

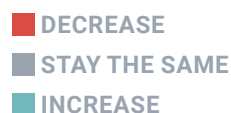
Four in ten CLOs expect to send more work to law firms this year, and one in four anticipates outsourcing more legal work to alternative legal service providers (ALSPs). Only eight percent and four percent of participants expect that the outsourced work to law firms and other legal service providers will decrease this year, respectively.

In tune with the higher expectations to hire more staff compared to last year, these results also show an increase in the expectations of outsourcing more work in 2022 compared to 2021. Only 34 percent of participants expected to send more work to law firms last year and 18 percent expected to do the same for alternative legal providers, as shown in the key trend chart. In fact, the expectation to send more work to law firms had remain rather stable since 2019, with this year's result representing a substantial seven-point increase.

LAW FIRMS

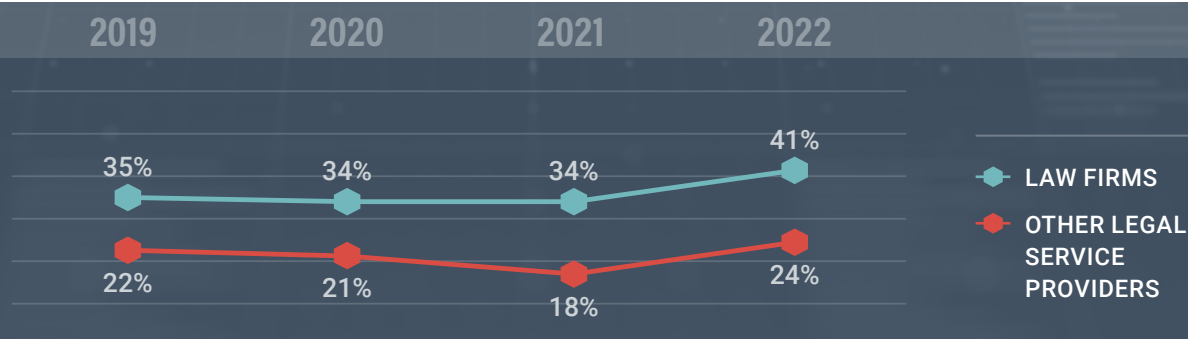


OTHER LEGAL SERVICE PROVIDERS



KEY TREND

Percentage of CLOs expecting the amount of outsourced work will increase in the coming year



SECTION 2

THE LEGAL DEPARTMENT'S VALUE TO THE BUSINESS

In this section, we explore the value that CLOs and the legal department bring to the overall business. It includes insights on how often CLOs are involved in key corporate meetings and play a role in decision-making processes. We further explore the most relevant issues for the organization and the legal department's current top strategic priorities.

SECTION HIGHLIGHTS

77% of CLOs “almost always” attend their organization’s board of directors meetings

Cybersecurity and compliance remain the most important issues for the business according to CLOs, with an average score of 8.1 in a 1-to-10 importance scale

8.1

98%

Nearly all respondents are consulted by the company’s leadership on strategic business decisions at least “sometimes”

36%

CLOs now spend over one-third of their time contributing to business strategy and advising executives compared to just 28 percent providing legal advice

A majority of CLOs reported that their organization has a comprehensive data management strategy to ensure compliance, defensibility, and security

57%

**SEVEN
in TEN**

CLOs report that legal operations in one of the top three key strategic initiatives currently underway in their legal department

In order to evaluate the impact and influence of CLOs in the business, we asked participants how often they get involved in five different situations. The general trend shows that fewer CLOs “almost always” get involved in the scenarios we inquired about compared to previous years.

Seventy-seven percent of participants declared that they almost always attend board meetings, which is in line with the results observed since 2020. Sixty-eight percent indicated that they almost always meet with business leaders to discuss operational issues and risks areas. Although this number is down two points since 2021 and eight since 2020, two thirds of participating CLOs have a direct and constant influence in the company’s assessment of operational and risk issues.

The percentage of participants that are almost always consulted on business decisions by the company’s leadership is 63 percent, also down compared to last year by seven points. An additional 35 percent of participating CLOs, however, declared that they are “sometimes” consulted, which accounts for 98 percent of participants being consulted on business decisions to some degree. In any case, a solid majority of CLOs almost always get involved in these three situations.

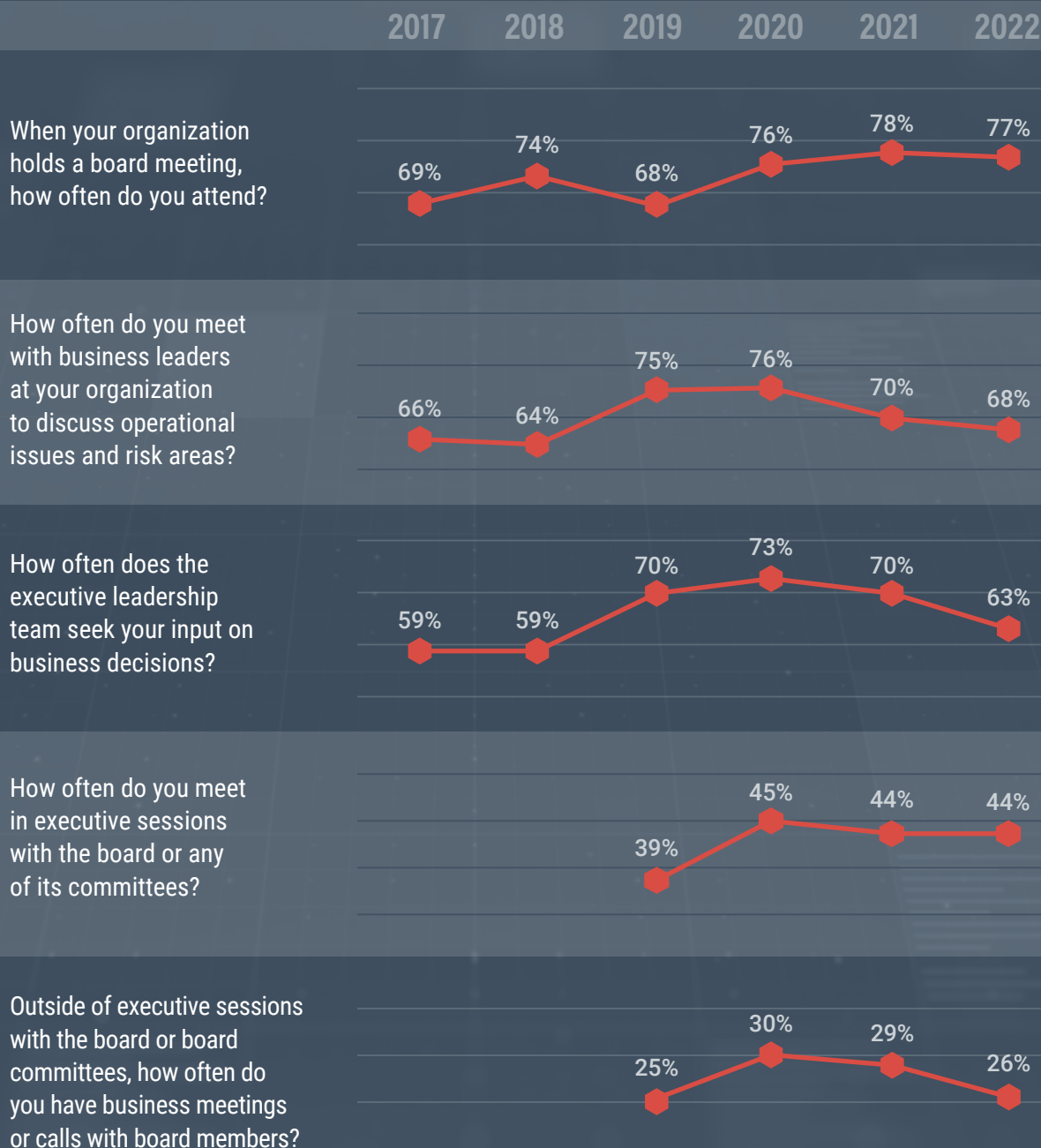
Forty-four percent of respondents almost always meet with the board in executive sessions, a result that has remained stable since 2020. An additional 27 percent participate in executive board and committee sessions at least sometimes, for a combined seven in ten participating CLOs having some degree of influence in these settings. Finally, one in four participants almost always meet with board members outside of executive sessions, which represents a slight decrease compared to the result observed in 2021. An additional 44 percent of CLOs sometimes have business calls or meetings with board members outside of executive sessions, bringing the number of participants that occasionally take part in this situation to 70 percent.

“For CLOs to be most effective, they must have a deep knowledge of their organization’s business operations and build a good rapport with the rest of the executive leadership team.”



KEY TREND

CLO's input and influence based on the percentage of respondents who "almost always" are involved in the following situations:



Rate the following types of issues in terms of their importance to your overall business “1” being “very low importance” and “10” being “very high importance.”

Cybersecurity, regulation and compliance, and data privacy remain the top three issues that CLOs consider to be the most important to the business. The average rate given by participants in a 1-to-10 scale where one represents “very low importance” and ten represents “very high importance” for these three issues is far ahead than the other items listed, with cybersecurity and regulation and compliance scoring 8.1, and data privacy 7.7.

These averages are slightly higher than those observed in 2021, a pattern that is common for all issues — the average importance rate of all listed issues is higher than the previous year’s, except for tax and dispersed workforce, which was not asked.

Intellectual property, and ongoing or anticipated litigation remain the fourth and fifth most important issues for the business according to participants, but corporate social responsibility climbs to the sixth place, leapfrogging tax and enforcement/investigations, in line with the results observed in the previous sections reflecting the increase in ESG/CSR oversight by CLOs.

At the bottom of the list, competition and antitrust issues, corruption and bribery, and whistleblower issues (all with an average of 4.8 on the importance scale), sanctions and export controls (4.2), and money laundering (3.7) repeat as the five least important issues to the business from last year.

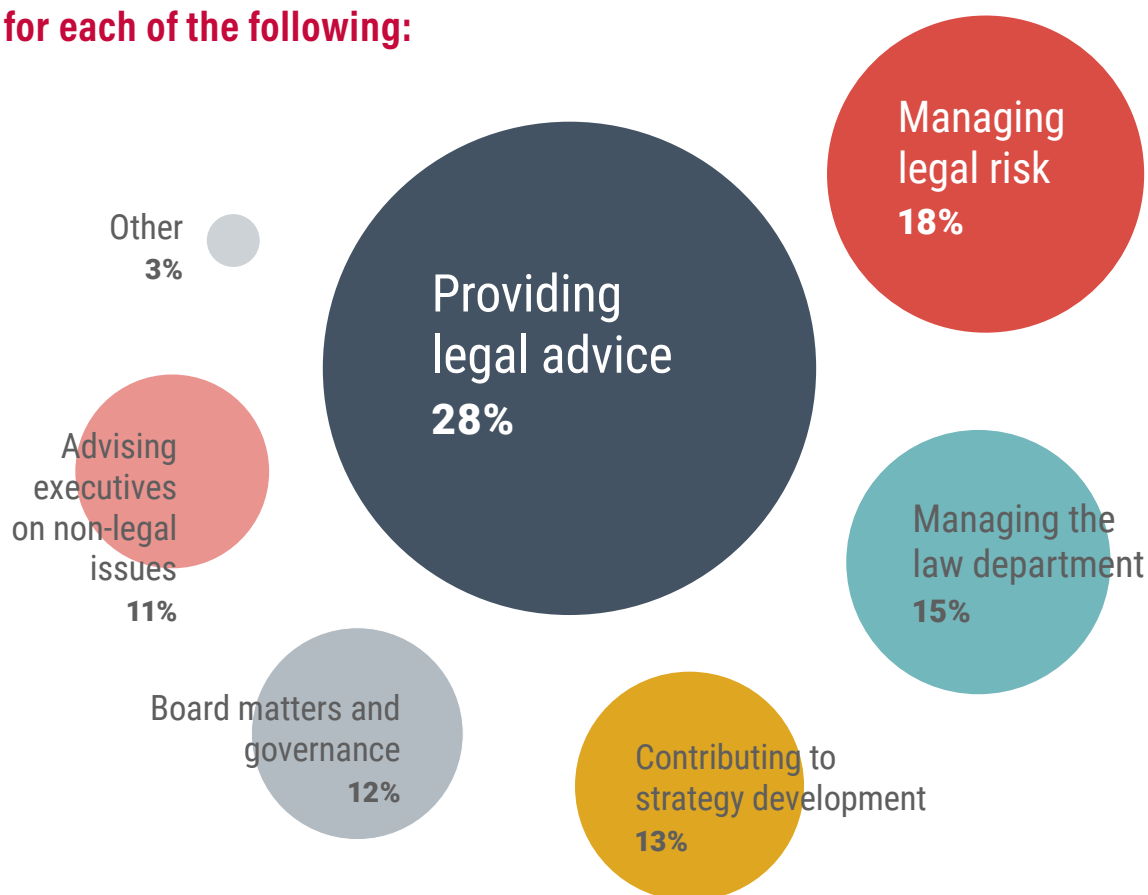


*Not asked in 2021.

2021 2022

Participants were asked to provide an estimate on how much time they dedicated to six different aspects of the job in the previous year. The averages of the percentages allocated to each type of work are reported. Providing legal advice is the task that CLOs allocated the most time, with an average of 28 percent of their time at work. Managing legal risk came second, with 18 percent, followed by managing the legal department with 15 percent of the time. The remaining three tasks combined, on average, to slightly over one-third of the CLOs typical workday, namely contributing to strategy development (13 percent), board matters and governance (12 percent), and advising executives on non-legal issues (11 percent). CLOs also dedicate, on average, three percent of their time to other tasks, such as compliance matters, contract management, insurance matters, mergers and acquisitions support, and privacy issues. The distribution of CLOs' work allocation remains practically identical to the results of the 2021 CLO Survey.

**Please estimate the percentage of time
you allocated over the past 12 months
for each of the following:**





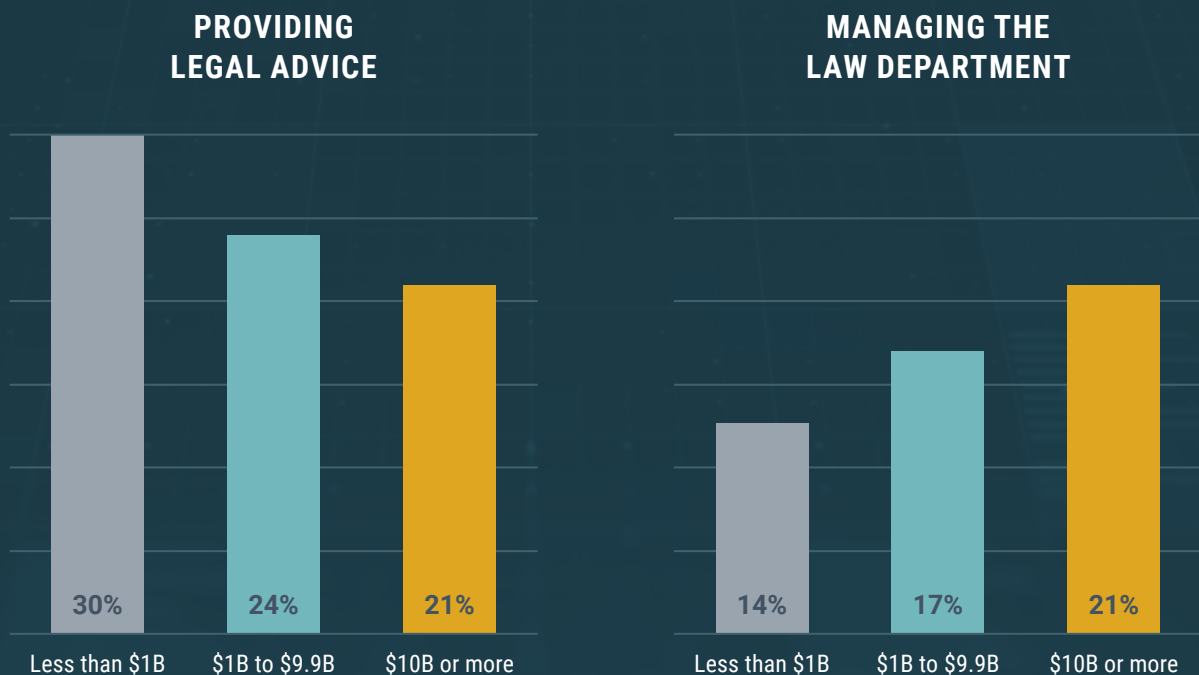
KEY COMPARISON

Percentage of time allocated to each type of work by company size

The following key comparison explores whether CLOs in smaller and large companies spread their time differently across different tasks. There were no remarkable differences in companies of different sizes related to the CLOs' allocated time to managing legal risk, contributing to development strategy, board matters and governance, and advising executives on non-legal issues.

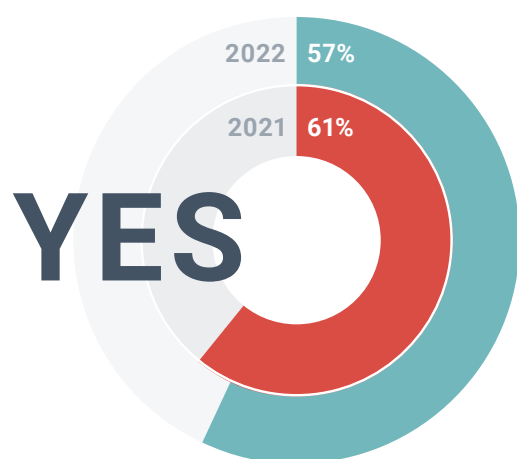
The results show a relationship between company size and the time spent providing legal advice and managing the law department. CLOs in smaller organizations tend to spend more time providing legal advice than those in larger organizations, whereas CLOs in larger organizations dedicate more time to managing the law department. Naturally, larger organizations tend to have also larger, more complex legal department structures, higher staff headcount, and cover more areas of work, requiring CLOs in these organizations to dedicate more time to managing the legal team.

On average, CLOs in smaller companies allocated twice the time to providing legal advice than managing the law department, those in mid-size companies between US \$1 billion and US \$10 billion spend 24 percent of their time providing legal advice and 17 percent managing the law department, and those in large companies with US \$10 billion or more in annual revenue spend, on average, the same amount of time to providing legal advice and to managing the law department (21 percent).



Does your organization have a comprehensive data management strategy to ensure compliance, defensibility, and security?

Fifty-seven percent of participants reported that their organization has a comprehensive data management strategy to ensure compliance, defensibility, and security, four points lower than the percentage observed in 2021. In departments where the CLO oversees cybersecurity response, the percentage of organizations that have such a data management strategy is slightly higher than the overall result, with 61 percent. Organizations where the CLO oversees risk and information security are also marginally more likely to have a data management strategy.



IN ORGANIZATIONS WHERE THE CLO OVERSEES...

CYBERSECURITY RESPONSE 61%

RISK 60%

INFORMATION SECURITY 58%

PRIVACY 57%

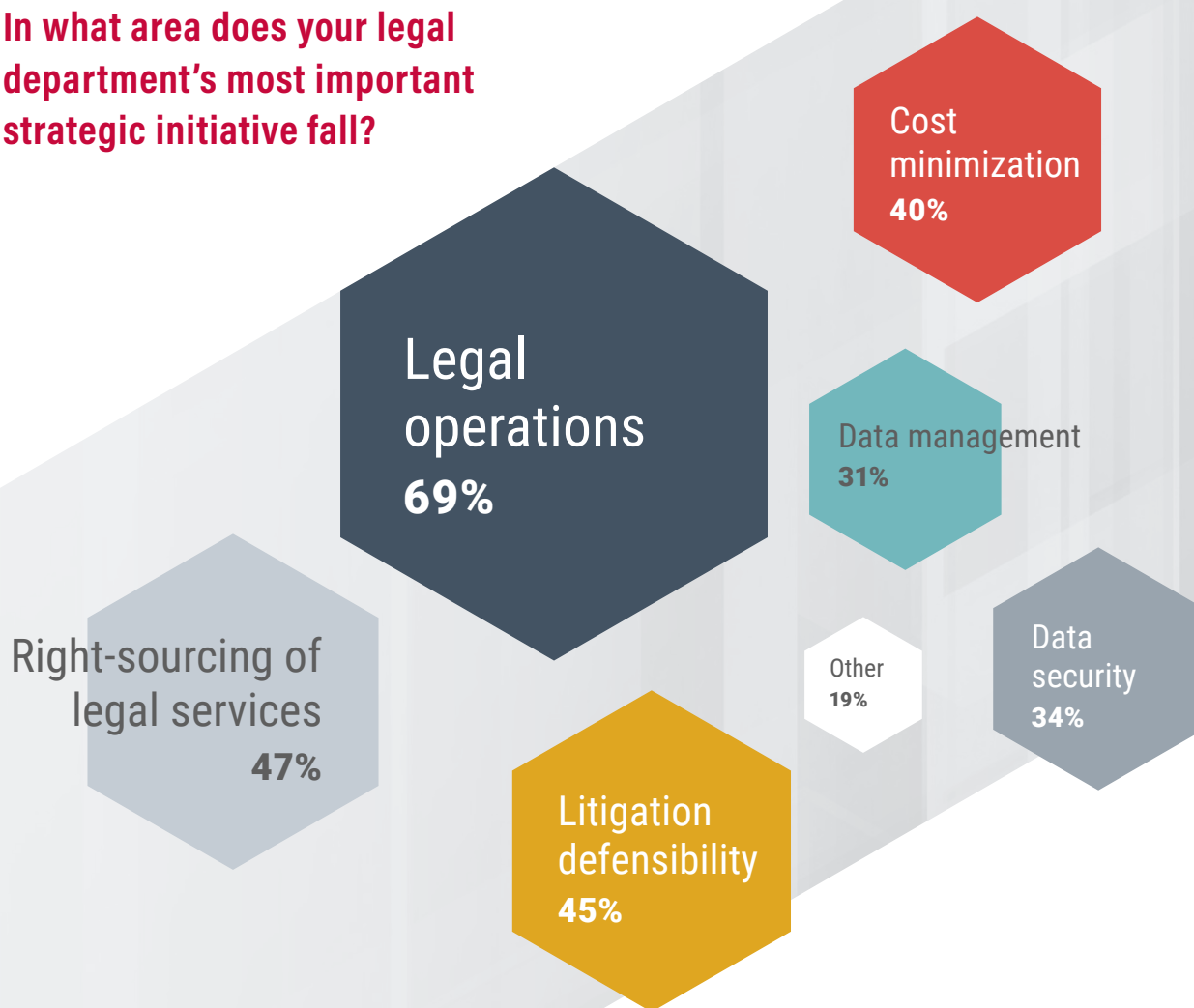
COMPLIANCE 56%

INFORMATION GOVERNANCE 53%

Legal operations is the area that most legal departments are focusing on in terms of their key strategic initiative. Seven in ten selected this area among three choices from the list provided. Just under half of respondents indicated that right-sourcing of legal services is another key area of focus, 45 percent emphasized litigation defensibility, and four in ten responded that cost minimization is among their top three current priorities. Data security (34 percent) and data management (31 percent) come slightly behind in the ranking of legal department's most strategic initiatives.

The order of priorities has not changed much since last year, although an apples-to-apples comparison is difficult because the question changed slightly in this current edition of the survey. Legal operations, insourcing of legal services, and litigation defensibility were the top three strategic initiatives in participating legal departments in 2021.

In what area does your legal department's most important strategic initiative fall?



One in five respondents (19 percent) indicated that one of the department's key strategic initiatives was in another area. The list below contains a representative summary of the areas listed by participants:

OTHER LEGAL DEPARTMENT STRATEGIC INITIATIVES

- Board-related matters
- Compliance
- Contract management
- Corporate governance
- Digitalization and efficiency
- Diversity, equity, and inclusion
- Environmental, social, and governance support
- Human resources and labor relations
- Improving processes
- Intellectual property
- Mergers and acquisitions
- Organizational risk management
- Privacy
- Product and strategy development
- Regulatory compliance
- Risk management
- Strategic growth
- Strategy development

What actions, if any, are you taking to improve internal client satisfaction with your department's delivery of legal services?

More than 300 participating CLOs shared details on specific actions that they are taking in the legal department to improve internal client satisfaction. The following figure summarizes the rich diversity of strategies presented in five broad categories of actionable items: automate services and implement new technology; conduct regular client surveys to receive feedback and keep constant communications with key business stakeholders; hire more legal staff to improve coverage; provide education and training to all staff to make better use of internal legal services; and streamline and improve operations to be more responsive and improve turnaround times.

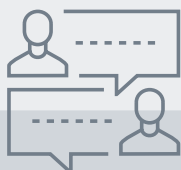


AUTOMATION AND TECHNOLOGY

"Automation of services for faster self-service transactions."

"Implemented new technologies to manage workflows."

"More integration of technology and data analysis as it relates to legal and compliance matters."



CLIENT SURVEYS AND CONSTANT COMMUNICATION

"Annual survey of business leaders supplemented by periodic informal discussions about the needs, quality and timeliness of legal services and support."

"Regular meetings, surveys, and informal ad-hoc discussions with internal stakeholders."



INCREASE HEADCOUNT

"Added headcount to continue to provide prompt service."

"Hiring additional resources."

"Hiring additional, more highly-qualified staff."



STAFF TRAINING

"More training so staff are empowered to 'issue spot' and seek help early."

"Training sessions with internal stakeholders."

"Education, training, and outreach."



STREAMLINE AND IMPROVE OPERATIONS

"Streamlining and digitizing processes."

"Building a team to insource work for both cost minimization and quality control."

"Develop legal operations to improve turnaround time and meet changing needs."

"Showing responsiveness and being a facilitator."

"As in-house counsel, our service is based on three legs of a stool:

1. strong knowledge of applicable laws and regulations;
2. strong understanding of our business and the industries in which we operate; and
3. being able to understand and manage the interaction between business risk and legal risk.

If any of those three elements is missing, the stool collapses and the attorney is not effective."

SECTION 3

THE POLITICAL AND REGULATORY LANDSCAPE

In this section, CLOs shed light on the impact that political, regulatory, and social issues have, and are expected to have, in the corporate legal department. The focus is particularly placed on industry-specific and data privacy regulations, how the legal department's compliance budget has evolved, and how confident participants are about their organization's ability to respond to several risk threats.

SECTION HIGHLIGHTS

16%

One in six CLOs in public companies reported having received pressure from investors to either take a public stand or refrain from taking a public stand on political and cultural issues

58%

Most CLOs are either moderately or very confident that their organization can effectively respond to cybersecurity breaches and incidents

Industry-specific regulations will pose the biggest legal challenges to organizations this year, according to two-thirds of participating CLOs

2/3

80%+

More than eight in ten CLOs in accommodation and food services (85 percent), information (89 percent), and insurance (90 percent) expect increased privacy regulatory enforcement

A majority of CLOs reported that their organization invested in new technology last year to comply with data privacy regulations

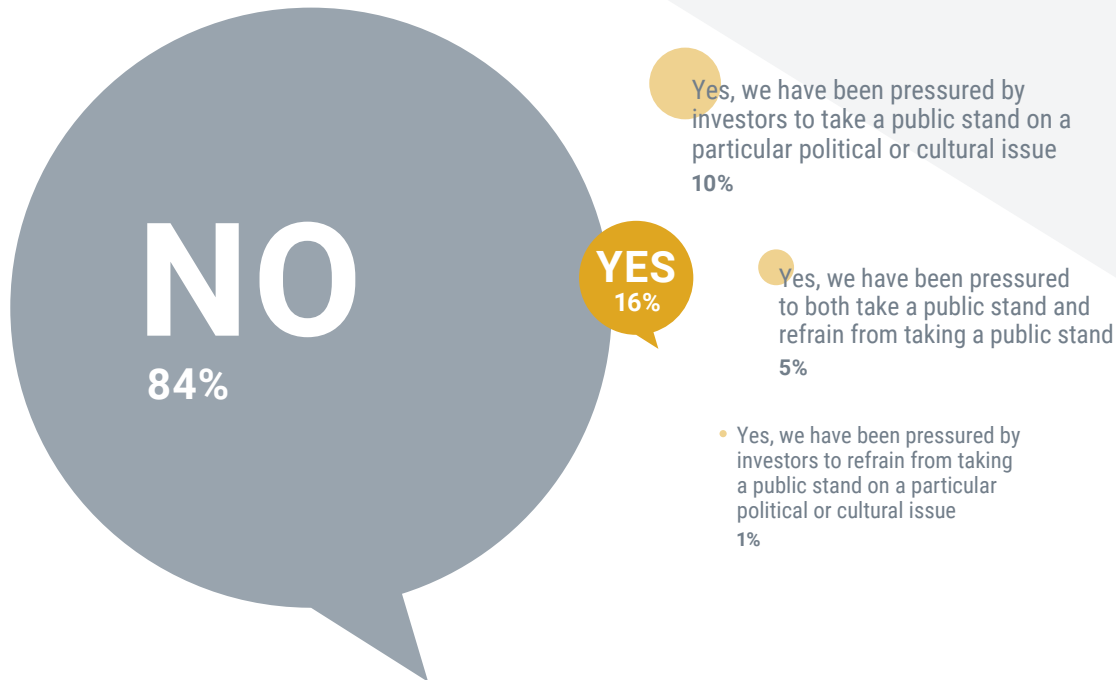
56%

68%

Almost seven in ten CLOs anticipate implementing new, strengthened processes to face upcoming litigation and compliance threats

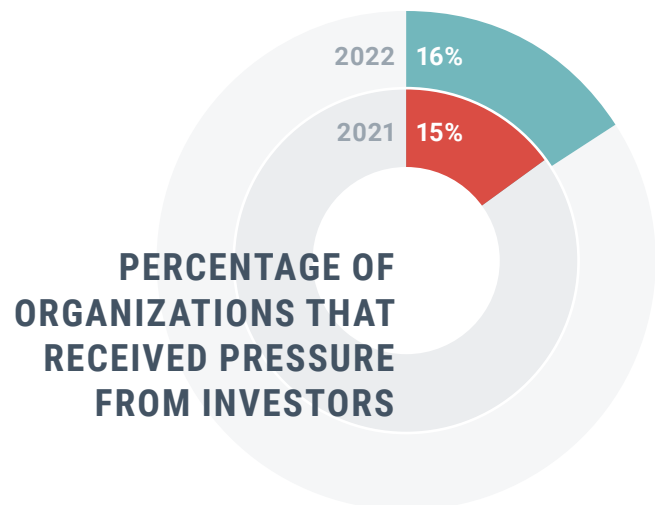
Have investors requested or pressured your organization to take or refrain from taking a public stand on a particular political or cultural issue in the past 12 months?

Only asked to those in publicly owned organizations (n = 216).



One in six CLOs in publicly owned organizations reported that the company had received pressures or requests from investors to take or refrain from taking a public stand on a cultural or political issue. This is practically the same result observed in 2021.

Ten percent of participants in public companies reported pressures from investors to take a public stand on a particular socio-cultural issue, while only one percent reported pressures to refrain from taking a position. Five percent of CLOs reported having received pressures in both ways.



Which of the following issues are most likely to cause the biggest legal challenges for your organization? Please select all that apply.

Industry-specific regulations are expected to cause the biggest legal challenges this year, according to CLOs. Sixty-six percent selected this issue from a list of nine areas for concern, a five-point increase compared to last year's survey. Respondents in all global regions, with the exception of Latin America, expect that regulations will pose the biggest legal challenges in 2022.

A majority of CLOs (55 percent) also selected data protection privacy rules as a challenging issue for legal departments and organizations worldwide, including a majority of respondents in Europe, Middle East, and Africa (59 percent), North America (56 percent), and the Asia-Pacific region (52 percent). CLOs in Latin America are more concerned about taxation (65 percent) and political changes (61 percent) to cause the biggest legal challenges to businesses in that region.

Slightly over one-third of respondents overall also list mergers and acquisitions (39 percent, seven points higher than last year) and political changes (36 percent) as causing potential legal challenges, while 23 percent globally believe that taxation will also create legal issues for companies, and 22 percent expect climate and environmental changes to impact companies legally (a seven-point increase compared to last year).

Tariffs (18 percent), antitrust and competition enforcement (17 percent), and changes to foreign direct investment rules closed the list. One in ten CLOs listed other areas of concern, especially matters related to the ongoing Covid-19 pandemic: changing regulations, remote workforce, and vaccine mandates.

INDUSTRY-SPECIFIC REGULATIONS



DATA PROTECTION PRIVACY RULES



MERGERS AND ACQUISITIONS



POLITICAL CHANGES



TAXATION



CLIMATE/ENVIRONMENTAL CHANGES



TARIFFS AND OTHER TRADE-RELATED ISSUES



ANTITRUST AND COMPETITION ENFORCEMENT



CHANGES TO FOREIGN DIRECT INVESTMENT RULES



OTHER

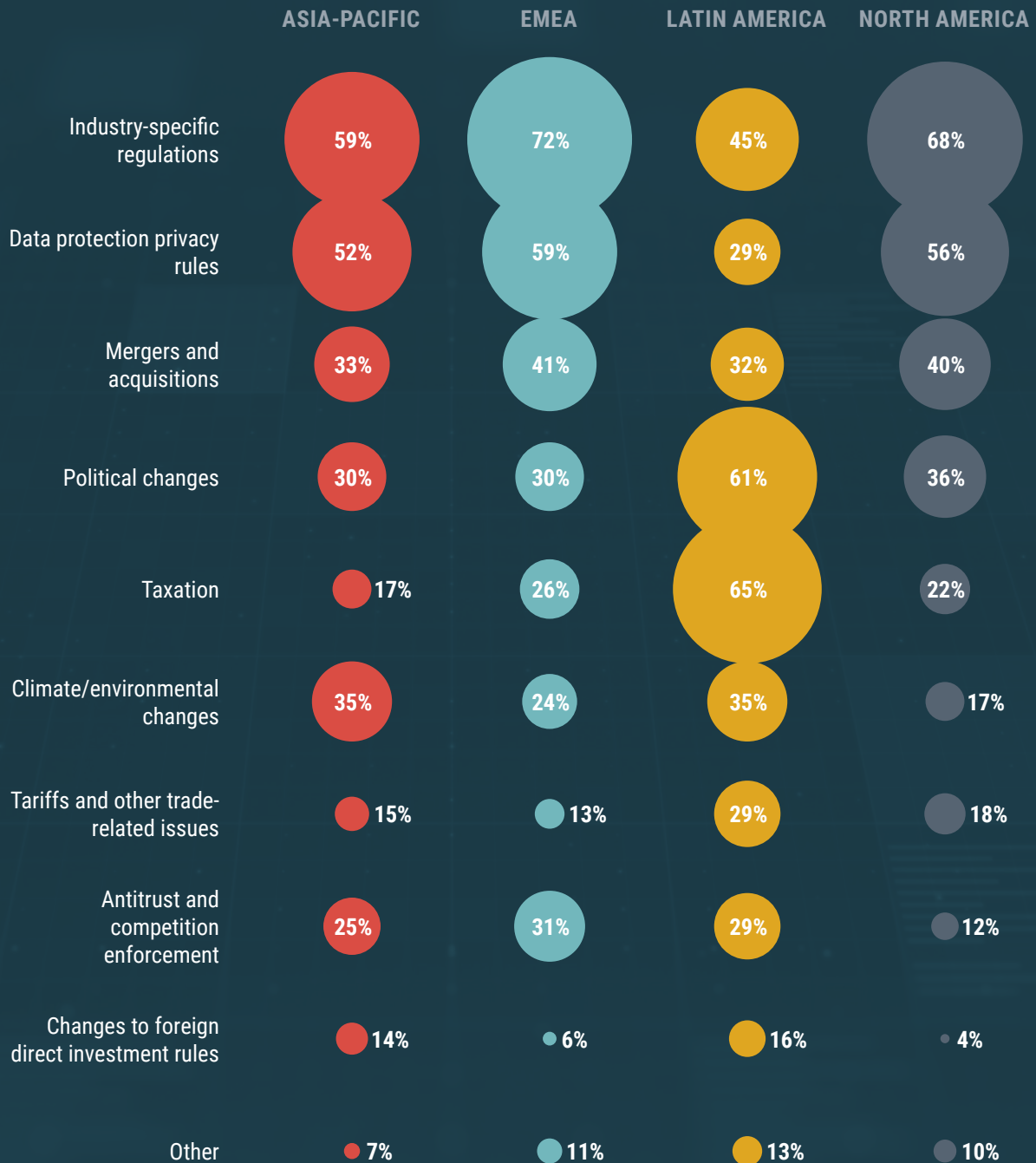


■ 2021 ■ 2022



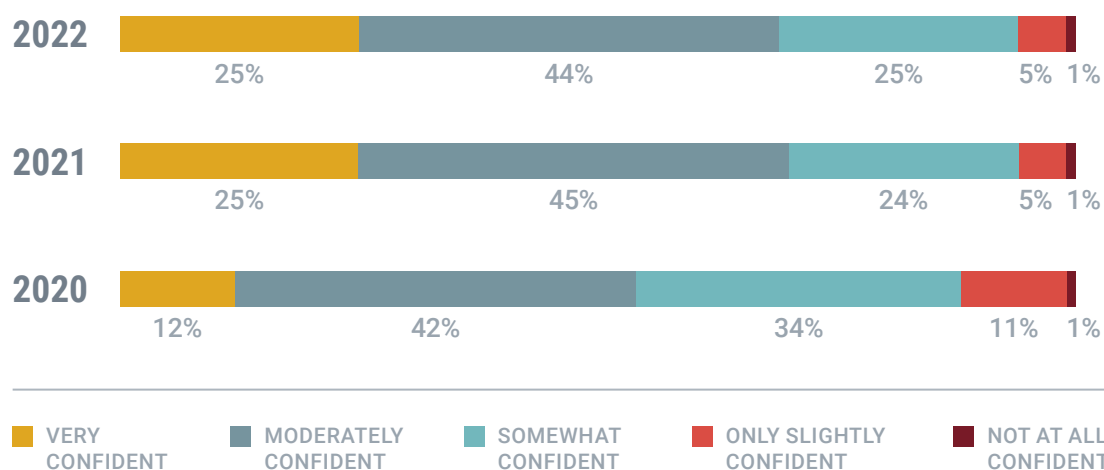
KEY COMPARISON

Issue most likely to cause the biggest legal challenges by global region



How confident are you in your organization's ability to mitigate against emerging risks?

CLOs remain confident that the organization will be able to mitigate against emerging risks, with seven in ten participants being either very confident or moderately confident. This is similar to what was observed in 2021, but fifteen points higher than the results from the 2020 survey. The 2020 data was collected before the outbreak of the Covid-19 pandemic, with the recent results perhaps pointing to an increased confidence among CLOs in their organizations' ability to mitigate against emerging risks as a result of the upheaval caused by the global pandemic in 2020 and beyond.



Almost half of respondents indicate that the changing privacy landscape in the United States is either highly or moderately impacting the business (48 percent). Not surprisingly, CLOs in the U.S. report the highest levels of impact on the business of new privacy regulations and concerns, with 22 percent saying the company has been highly impacted, and 36 percent reporting a moderate impact. Only two percent of U.S.-based participants responded that the changing privacy landscape has not had any impact on the organizations.

Changing privacy laws in the U.S. have impacted organizations headquartered elsewhere to a lesser extent, with 39 percent of participating CLOs in Europe, Middle East, and Africa reporting either a high or moderate impact on the business, 29 percent of those based in Latin America, 27 percent of those located in Asia, and 17 percent of those in Australia-Pacific reporting higher or moderate levels of impact on business operations. Interestingly, only five percent of CLOs in Canada reported that the changing privacy landscape in the U.S. is highly impacting the business, though an additional 21 percent reported a moderate level of impact.



KEY COMPARISON

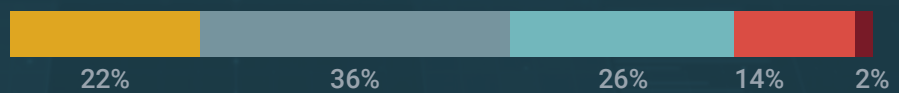
How do you see the changing privacy landscape in the U.S. impacting your business operations?

OVERALL RESULTS

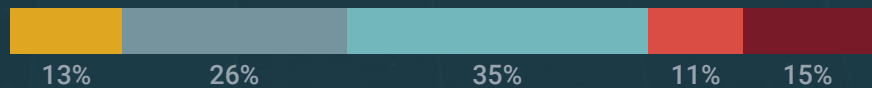


By global region:

UNITED STATES



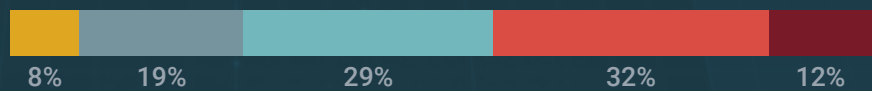
EMEA



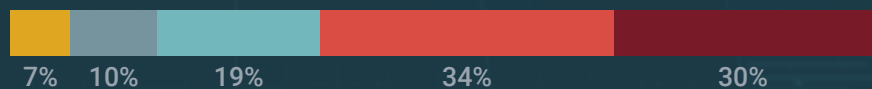
LATIN AMERICA



ASIA



AUSTRALIA/PACIFIC



CANADA



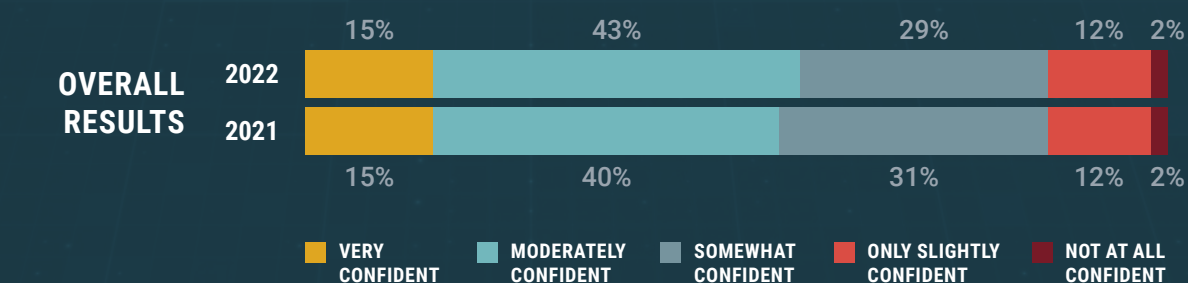


KEY COMPARISON

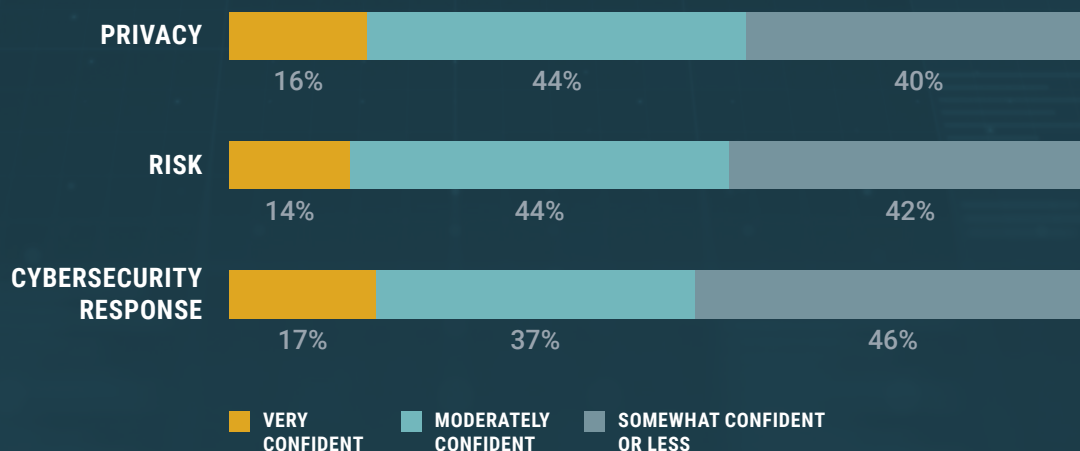
How confident are you in your organization's ability to consistently and defensibly respond to cybersecurity incidents and breaches?

Fifty-eight percent of CLOs are at least moderately confident that their organizations can consistently and defensibly respond to cybersecurity breaches and incidents, a result three points higher than the observed in 2021. Twenty-nine percent responded that they are somewhat confident, 12 percent said they are only slightly confident, and just two percent reported not being confident at all in their organizations' ability to effectively respond to cyberthreats.

Sixty percent of the CLOs that oversee privacy are at least moderately confident that the organization can successfully defend itself from cybersecurity incidents and breaches. Fifty-eight percent of CLOs that oversee risk are moderately or highly confident, but just 54 percent of participants who oversee cybersecurity response are equally confident, which still represents a majority within this group but is slightly lower than the overall result. Rather than having lower confidence in the company's cybersecurity efforts, CLOs who lead cybersecurity response may be better aware of the challenges and complexities posed by cyberattacks.



Among CLOs who oversee...



How have you prepared your organization for complying with data privacy regulations in the past 12 months? (Select all that apply.)

Faced with the complexity of complying with all existing data privacy regulations, most CLOs indicated that they implemented new technology solutions in the last year to ensure that customer and corporate data are safe. Thirty-one percent of participants increased the use of outsourced non-law firm vendors to provide expertise and services in accomplishing this critical task, and 27 percent indicated that they did some internal restructuring to address the issue of privacy compliance. Nineteen percent employed a legal operations professional to support data privacy compliance.

Other initiatives taken by 12 percent of CLOs include employing a dedicated data privacy professional, designing and implementing data privacy policies, and providing staff with education and training. Fifteen percent of CLOs, however, admitted that they did nothing additional in the last year to prepare the organization for complying with existing and new data privacy regulations.

IMPLEMENTED TECHNOLOGY SOLUTIONS

56%
56%

INCREASED USE OF OUTSOURCED NON-LAW FIRM VENDORS

27%
31%

INTERNAL RESTRUCTURING

26%
27%

EMPLOYED A DEDICATED LEGAL OPERATIONS PROFESSIONAL(S)

19%
19%

OTHER

7%
12%

NOTHING

15%
15%

■ 2021 ■ 2022

OTHER INITIATIVES

- compliance policies and frameworks
- education and training for staff
- employed a data privacy professional
- increased use of law firms

How do you anticipate the volume of privacy regulatory enforcement in your industry changing in the next 12 months?



Six in ten CLOs expect an increased amount of privacy-related regulatory enforcement in the coming year, while the rest of participants believe that regulatory pressure will not change. Not a single participating CLO believed that the volume of regulatory enforcement in the privacy area would ease moving forward.

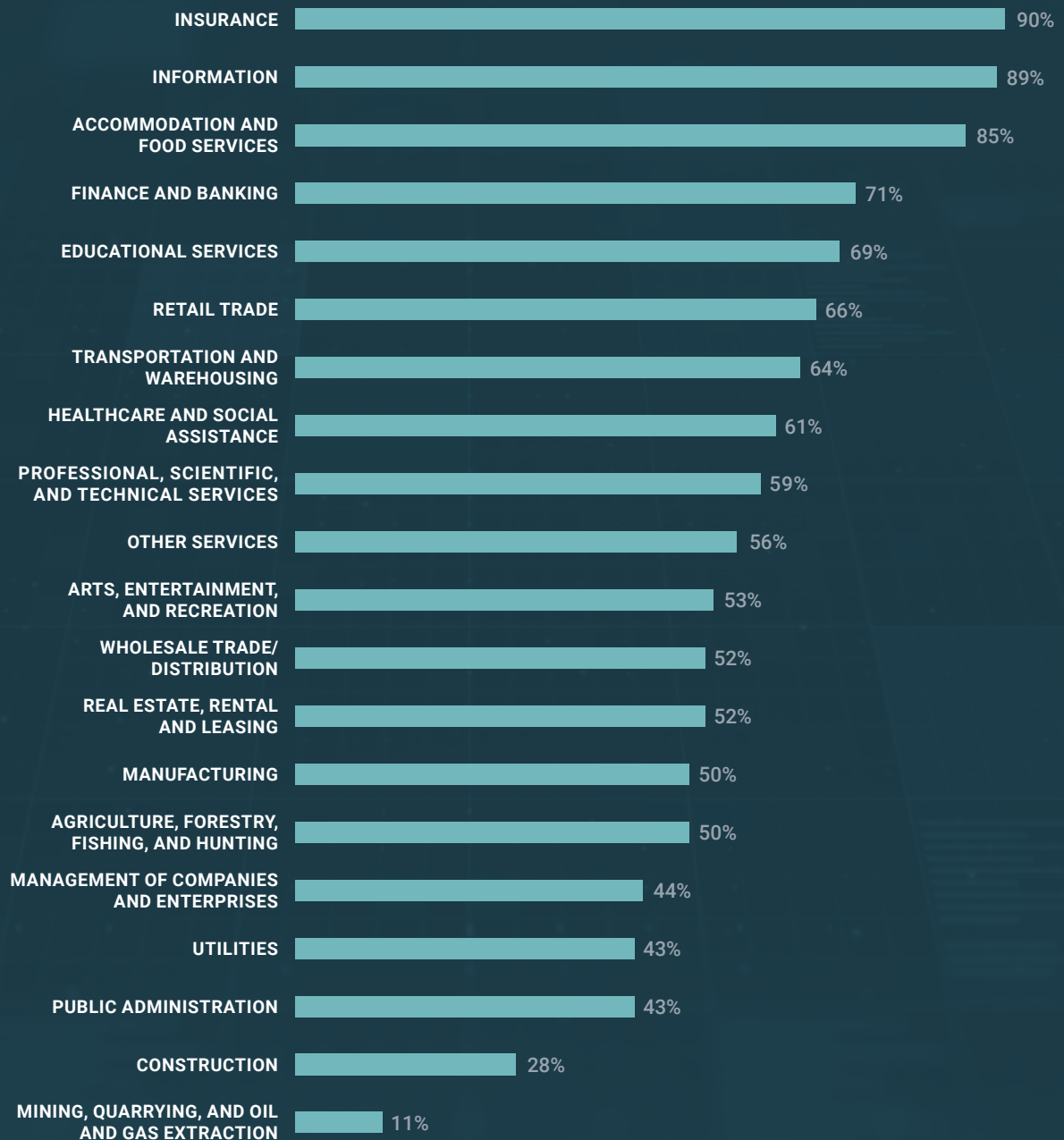
However, there is substantial variation across industries in the CLOs' expectations on whether privacy regulation enforcement would increase in the next 12 months. Across all industries except for management of companies, utilities, public administration, construction, and mining, at least half of participants believed the volume of privacy regulatory enforcement would increase.

Such an increase is overwhelmingly expected from CLOs in the insurance, information, and accommodation and food services industries, with 90 percent, 89 percent, and 85 percent, respectively. CLOs in finance and banking (71 percent), education (69 percent), retail (66 percent), transportation (64 percent), and healthcare (61 percent) also expect an increased enforcement of privacy regulations above the overall survey's average (60 percent).



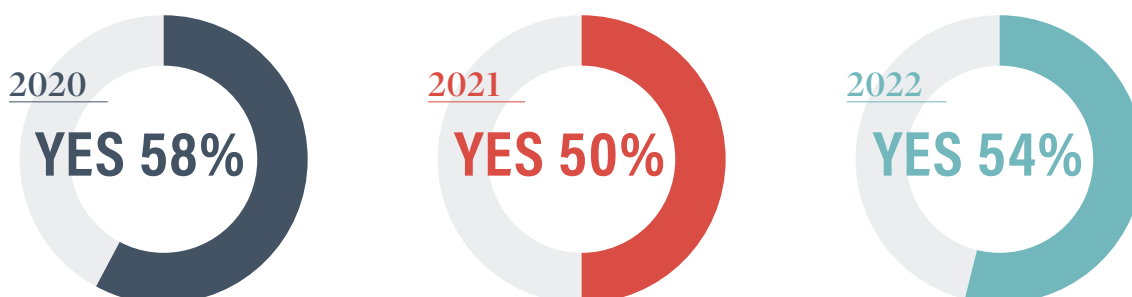
KEY COMPARISON

Percentage of CLOs who expect increased privacy regulatory enforcement by industry



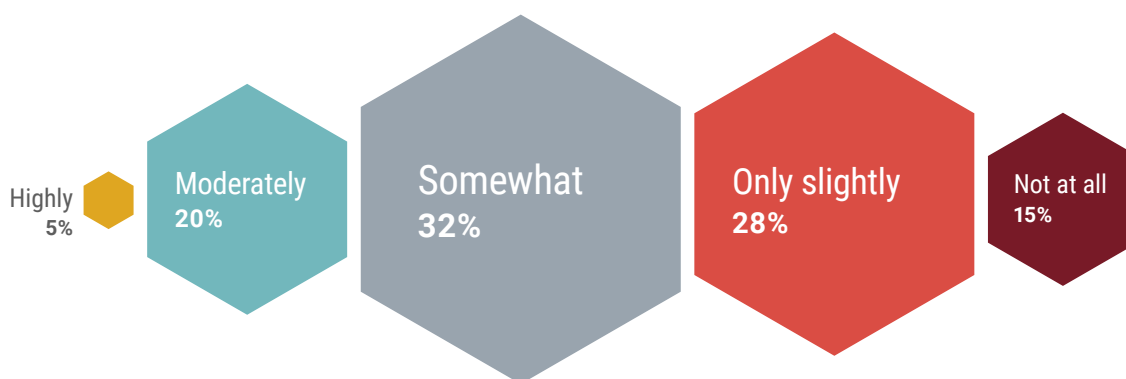
Over the past 12 months, did your department's expenditures increase for regulatory compliance?

A majority of legal departments report an increase in the spending allocated for regulatory compliance in the last year. Although slightly higher than the 2021 result (50 percent), the percentage of departments that increased their compliance-related expenses is slightly lower than that registered in the 2020 survey. However, at least 50 percent of departments reported an increase in compliance expenditures across the last three editions of this survey.



Over the next 12 months, are your department's expenditures expected to increase for regulatory compliance solutions?

A plurality of legal departments (32 percent) expect that compliance expenditures will increase "somewhat", while 20 percent expect a moderate increase, and five percent of participants expect a high increase in compliance related expenses. Fifteen percent of participants responded that their legal department will not spend more on compliance in 2022.



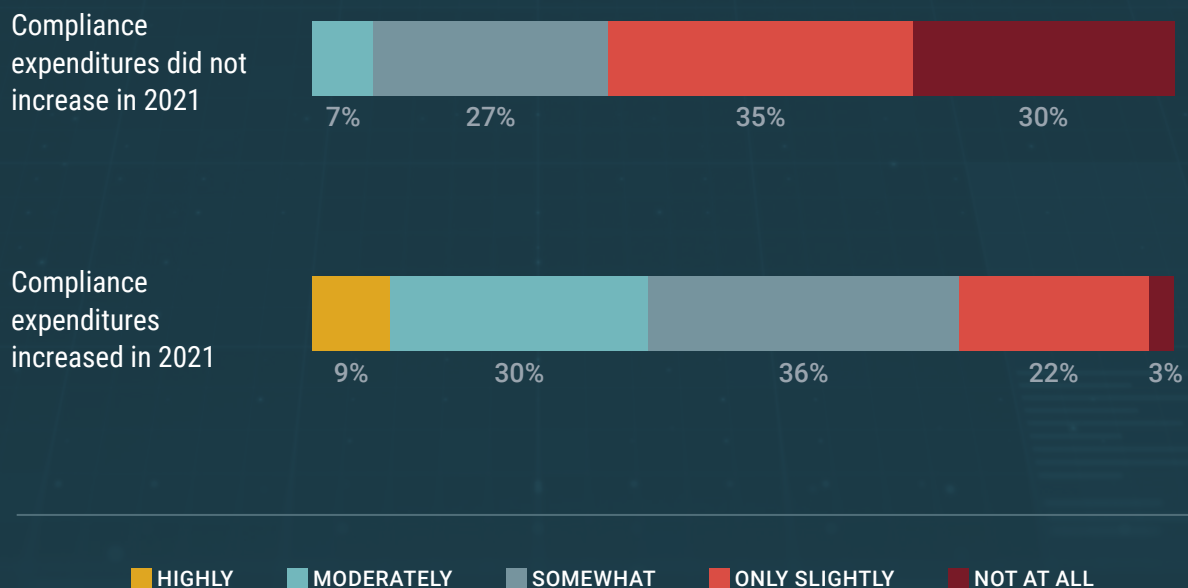


KEY COMPARISON

Expenditures for regulatory compliance solutions expected to increase based on whether they increased last year

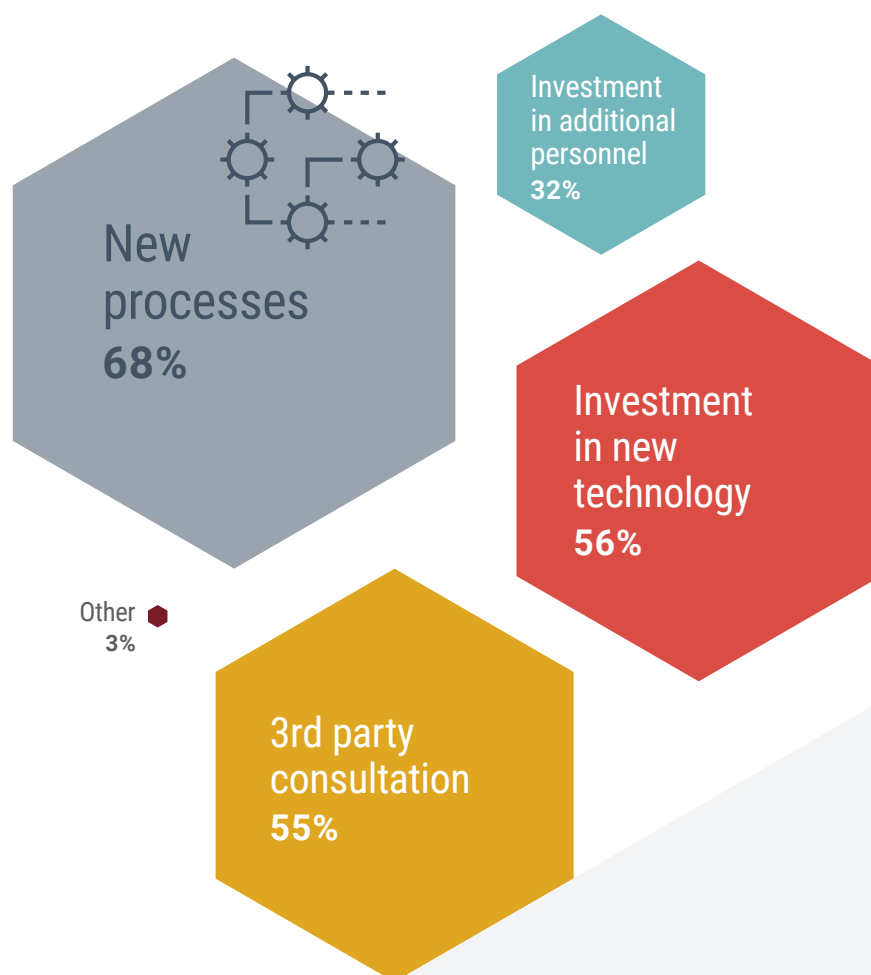
The following key comparison explores the compliance spending patterns of legal departments. We classify legal departments depending on whether their compliance-related expenses increased last year and see what the expectations on increased compliance spending reported by CLOs in 2022. The results are interesting.

Departments that reported an increased spend on compliance last year are more likely to also spend more this year, whereas departments that did not increase their spending las year are more likely to keep it the same way in 2022. Put differently, 75 percent of the departments which increased compliance spending last year will at least increase compliance spending somewhat in 2022; while only 34 percent of departments that did not increase compliance expenses last year will do so this year.



How are you planning to increase defensibility against litigation and compliance threats (cyberattacks, data breaches, regulatory fines, civil litigation sanctions)?

Survey respondents prefer a comprehensive approach to increase the company's defensibility against litigation and compliance threats, including cyberattacks, data breaches, regulatory fines, and other civil litigation sanctions. Two-thirds of participating CLOs plan on establishing new process to increase defensibility, and over a half also intend to invest in new technology and consult with third parties to limit exposure to litigation and compliance threats. An additional one-third of participants intends to invest in additional personnel to support this critical goal. Other strategies shared by CLOs include increased education and training for staff and maximizing the efficiency of the current technological resources.



“Continuously develop and improve the legal operations service catalog to improve turnaround time and meet changing needs; and engage with leadership on data governance issues and cyber-risk management.”

Please list any macro trends causing your organization to improve its compliance efforts:

In this open-ended question, 238 participants shared their thoughts on the ongoing trends that are causing organizations to dedicate more efforts to compliance. Almost two-thirds of participants point to the existing regulatory environment across multiple jurisdictions as the main driver of enhanced compliance effort, 41 percent specifically refer to privacy regulations and mitigating cybersecurity risks, and 39 percent say that the current focus on environmental, social, and governance is guiding the company's efforts on improved compliance. About 18 percent of CLOs listed additional trends.

64%

REGULATIONS

The current regulatory environment and the expectations that regulatory enforcement will increase in the next year is listed by 64 percent of participants as one of the main drivers of enhanced compliance efforts in the organization.

41%

PRIVACY AND CYBERSECURITY

The focus on privacy regulations across multiple countries and jurisdictions (China, European Union, United States, including California) is forcing companies to step up its compliance efforts, as well as cybersecurity risks.

39%

ESG

CLOs also list environmental, social, and governance issues as a key reason to improve the organization's compliance efforts, with many citing the need to comply with new environmental rules to combat climate change, and the strong focus that investors are putting on ESG and CSR.

18%

OTHER TRENDS

Other efforts to improve compliance respond to demands from customers and investors (6 percent), supply chain disruptions and shortages (4 percent), global and domestic economic and political changes (4 percent), employment issues, including adjusting to the new work environment post-Covid (3 percent), and diversity and inclusion initiatives (1 percent).

SECTION 4

THE OUTLOOK FOR THE LEGAL DEPARTMENT

This final section summarizes the views and expectations of participating CLOs on the corporate legal department's immediate future. We explore which areas CLOs expect to invest more in the next year, from strategic initiatives to legal technology, and their thoughts on their organizations' most important strategic priorities in the near future. Participants also provided insights on the key business skills that they seek to develop for the lawyers in the legal department, and shared valuable wisdom about the ins and outs of the position for aspiring CLOs.

SECTION HIGHLIGHTS

25%

One quarter of respondents believe that M&A is the issue that will require the most additional legal resources in the coming year

84%

Five in six CLOs expect greater collaboration between legal and other departments due to increased regulations and the need to optimize internal processes

43 percent of CLOs anticipate implementing new technology solutions in the legal department this year

43%

50%+

Leadership (61 percent), communication (58 percent), business management (56 percent), and executive presence (50 percent) are the most common skills that CLOs seek to develop for the lawyers in their department

Among those who will invest in new technology, 7 in 10 will update or invest in new contract management technology

**SEVEN
in TEN**

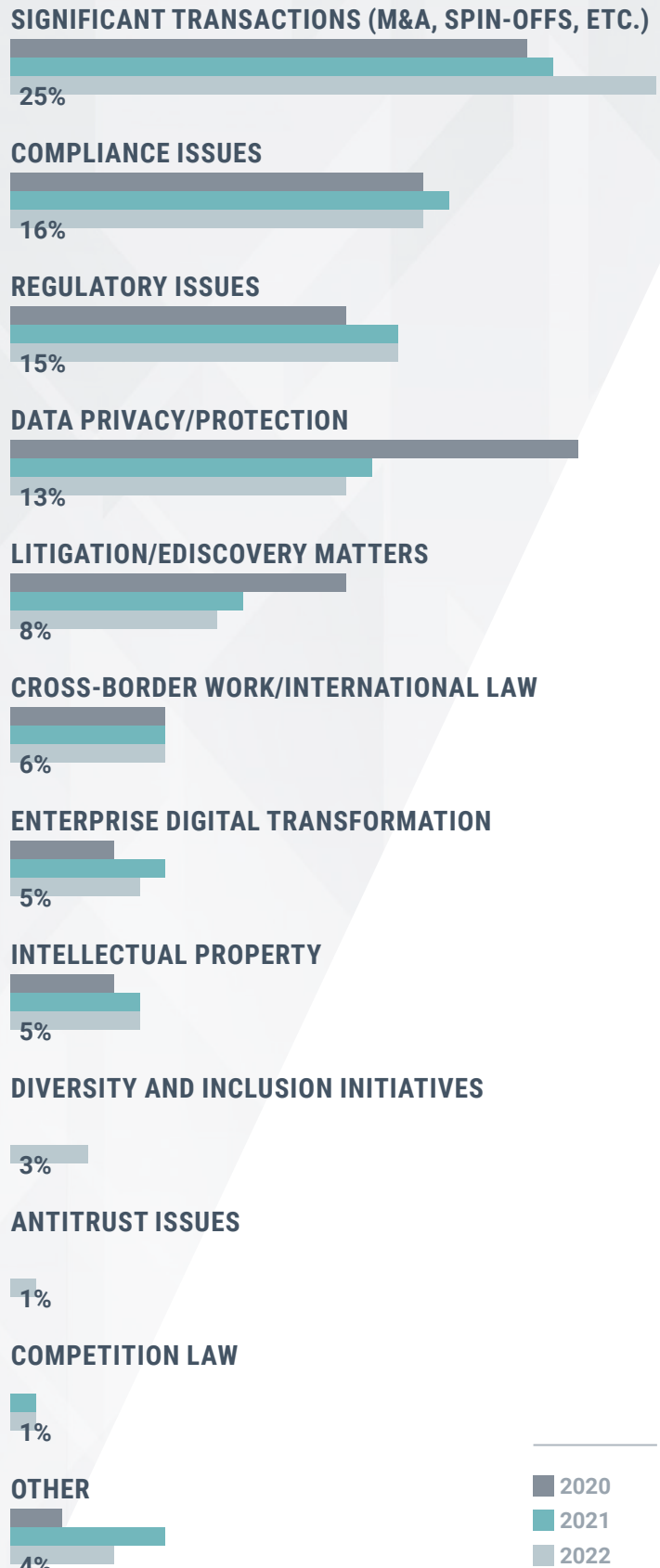
1st

Delivering value to customers remains the top organizational priority in the next five years, according to half of participating CLOs

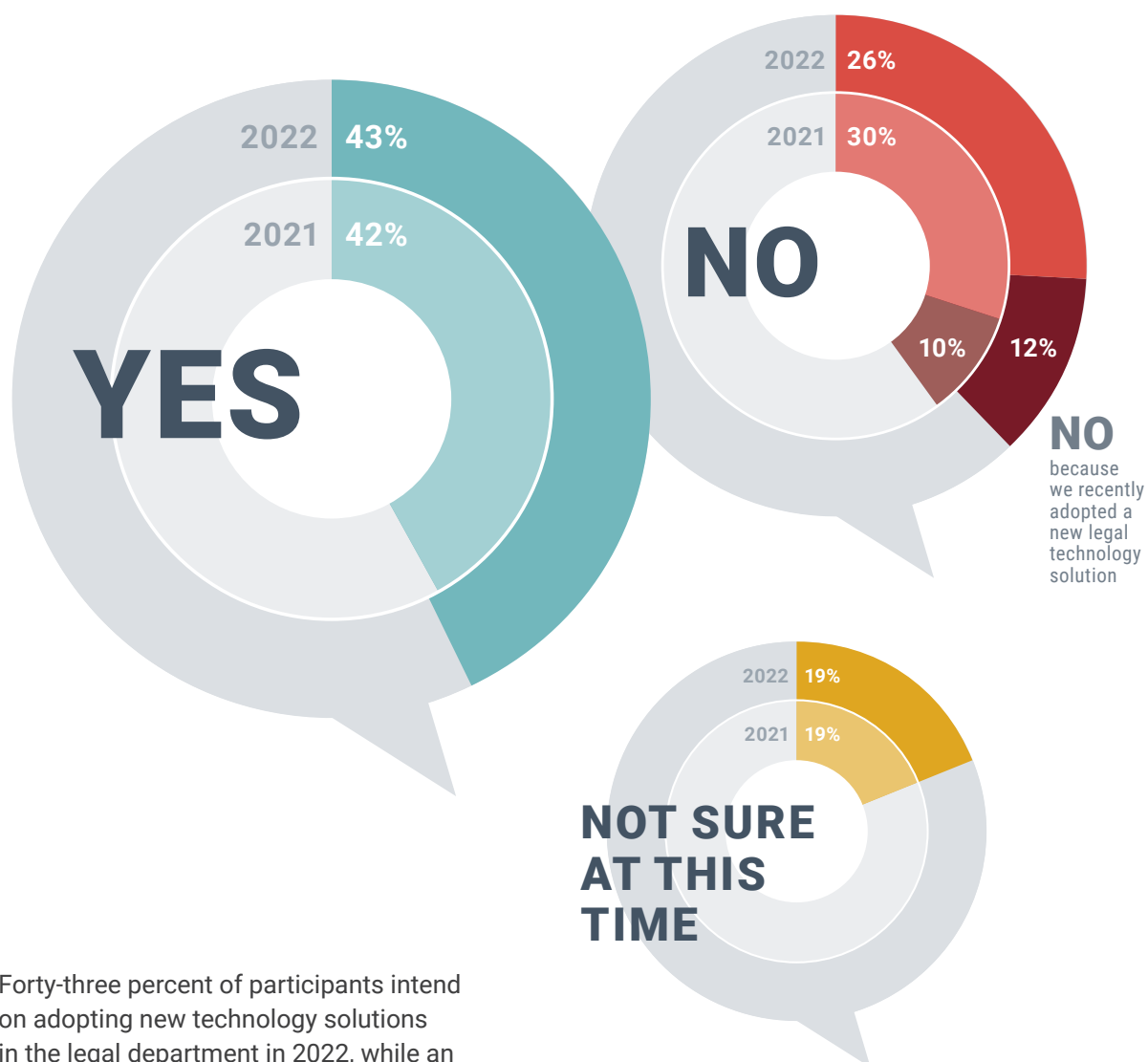
Please select one area that you think will require the most additional resources in the next 12 months.

CLOs believe that significant corporate transactions, including mergers and acquisitions, and spin-offs, will be the area that requires the most additional departmental resources in 2022. From a list of 12 topics, 25 percent of participants selected significant transactions as the issue that will need more focus, with a four-point increase compared to last year. Compliance issues (16 percent) and regulatory issues (15 percent) complete the top three, with identical results compared to last year's survey. Data privacy and protection comes fourth with 13 percent, 9-point lower than in 2020, when CLOs thought it would be the area that would require the most resources that year.

“We are focused on engaging with the senior leadership team on strategic matters, M&A and market development opportunities, litigation management, employee safety and security, and general business advice.”



Are you planning on adopting any new legal technology solutions in your department to improve efficiency in the next 12 months?

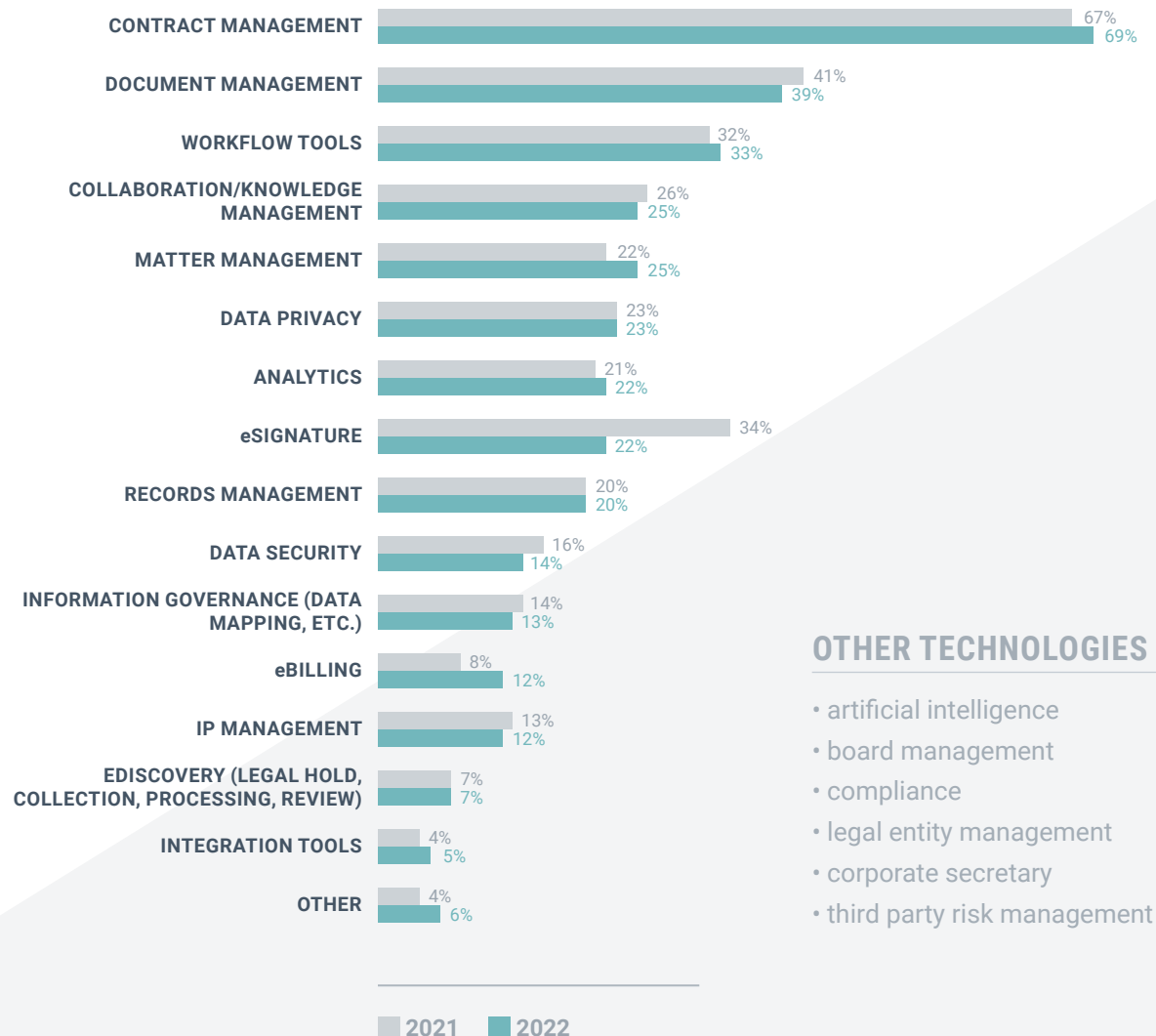


Forty-three percent of participants intend on adopting new technology solutions in the legal department in 2022, while an additional 12 percent indicated that they do not intend to do it because they recently upgraded their technology portfolio. Twenty-six percent reported not considering adopting any new legal technologies this year, and 19 percent are not sure yet. The results closely resemble those observed last year.

Specifically, what legal technology are you looking to invest more in the next 24 months?

Among those who are looking into investing in new technology solutions, seven in ten stated that they want to invest in contract management technology, which remains the most common technology are that CLOs are considering investing on since last year, by a considerable margin. At least one in four survey participants are looking into upgrading document management technology solutions (39 percent), workflow tools (33 percent), collaboration and knowledge management tools (25 percent), and matter management technology (25 percent).

The results closely resemble those observed last year, with the notable exception of eSignature technology tools. Only 22 percent of those CLOs surveyed that intend on spending in new technology solutions are looking into investing on eSignature tools, compared to 34 percent last year. As a result, eSignature dropped from ranking third to eight on the list. Six percent of respondents indicated other technologies aside from those listed, including artificial intelligence technology, legal entity management tools, and third-party risk management software.

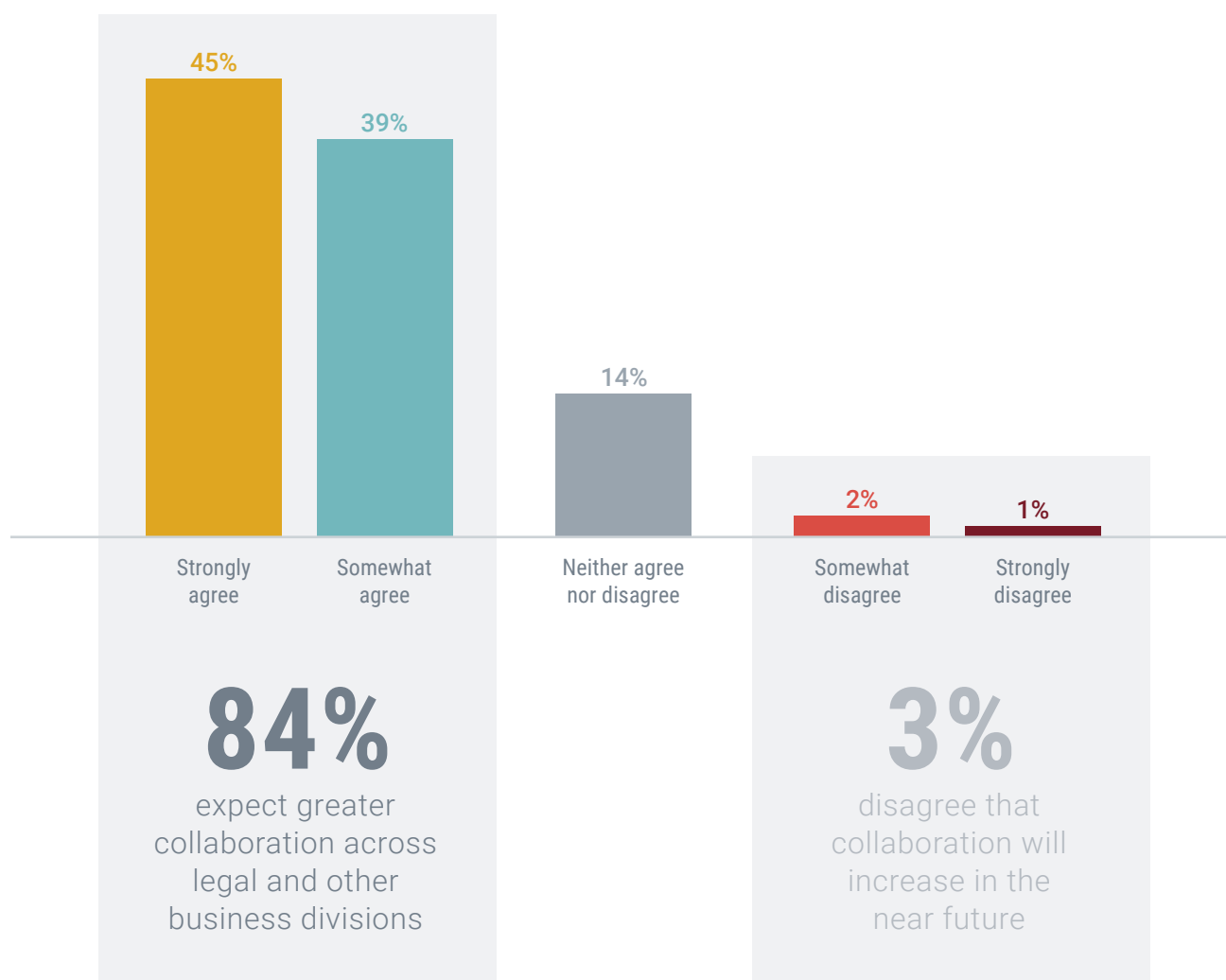


OTHER TECHNOLOGIES

- artificial intelligence
- board management
- compliance
- legal entity management
- corporate secretary
- third party risk management

To what extent do you agree with the statement: “I am seeing and expect to continue to see greater collaboration across legal, compliance, privacy, and other departments due to increased regulations and need to optimize internal processes.”

An overwhelming majority of participants (84 percent) expect collaboration across legal and other business divisions, such as compliance and privacy, to continue growing as a result of the increased regulations and the need to optimize internal processes. Forty-five percent of CLOs strongly agree with this statement and an additional 39 percent agree to some extent. Fourteen percent neither agree nor disagree to increased inter-departmental collaboration as a result of regulatory pressure, and only three percent disagree that collaboration will increase in the near future.





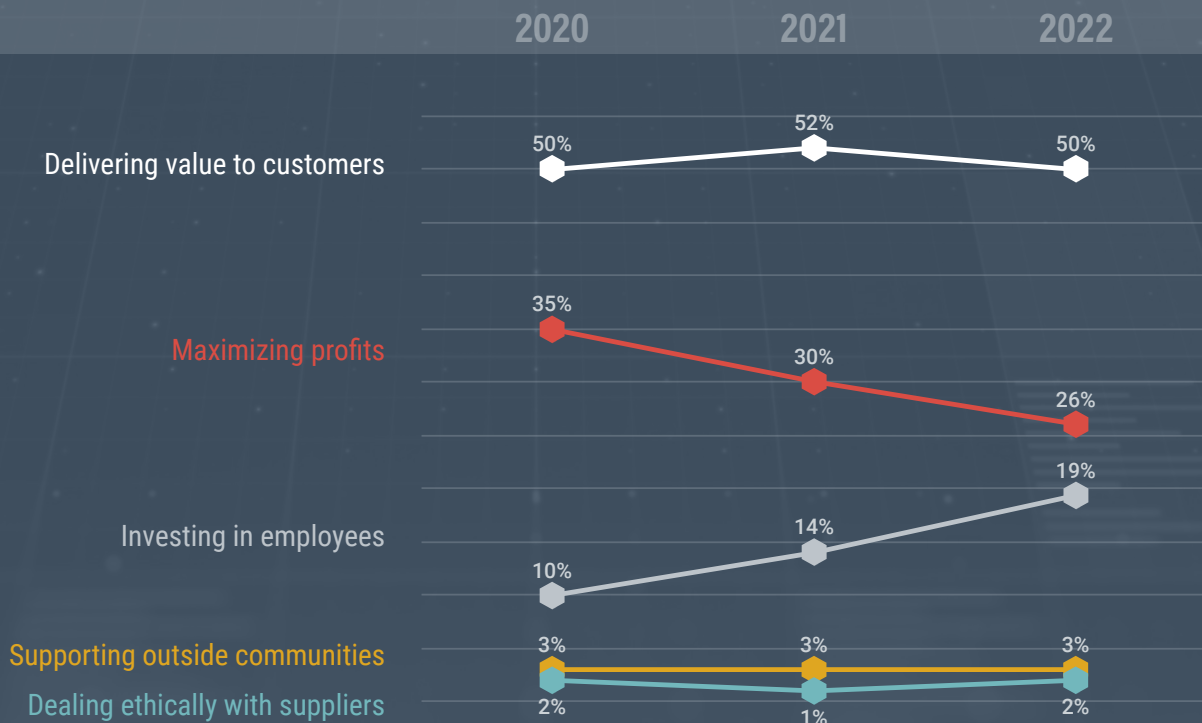
KEY TREND

CLOs were asked to rank the following five priorities in terms of what they thought would be most important for their organization in the next five years: dealing ethically with suppliers, delivering value to customers, investing in employees, maximizing profits, or supporting outside communities.

The following trend shows the percentage of CLOs who selected each priority as their company's top choice in the last three years. Delivering value to customers remains the most common organizational priority, with half of participating CLOs ranking this as their organization's top priority in the next five years. Maximizing profits remains second (26 percent) and investing in employees (19 percent is third). It is interesting, however, how the gap between these two priorities has closed since 2020. Maximizing profits was the top priority for 35 percent of participating organizations in 2020 while only 10 percent selected investing in employees as the top issue to prioritize that year, a 25-point gap. In 2021, this gap has been reduced to just seven points.

Only a combined five percent of participants selected the other two options, supporting outside communities (three percent) and dealing ethically with suppliers (two percent), as their organization top priority in the next five years.

Please rank the following items you foresee your organization prioritizing over the next five years from "1" to "5," with "1" being the top priority, to "5" being the lowest priority.

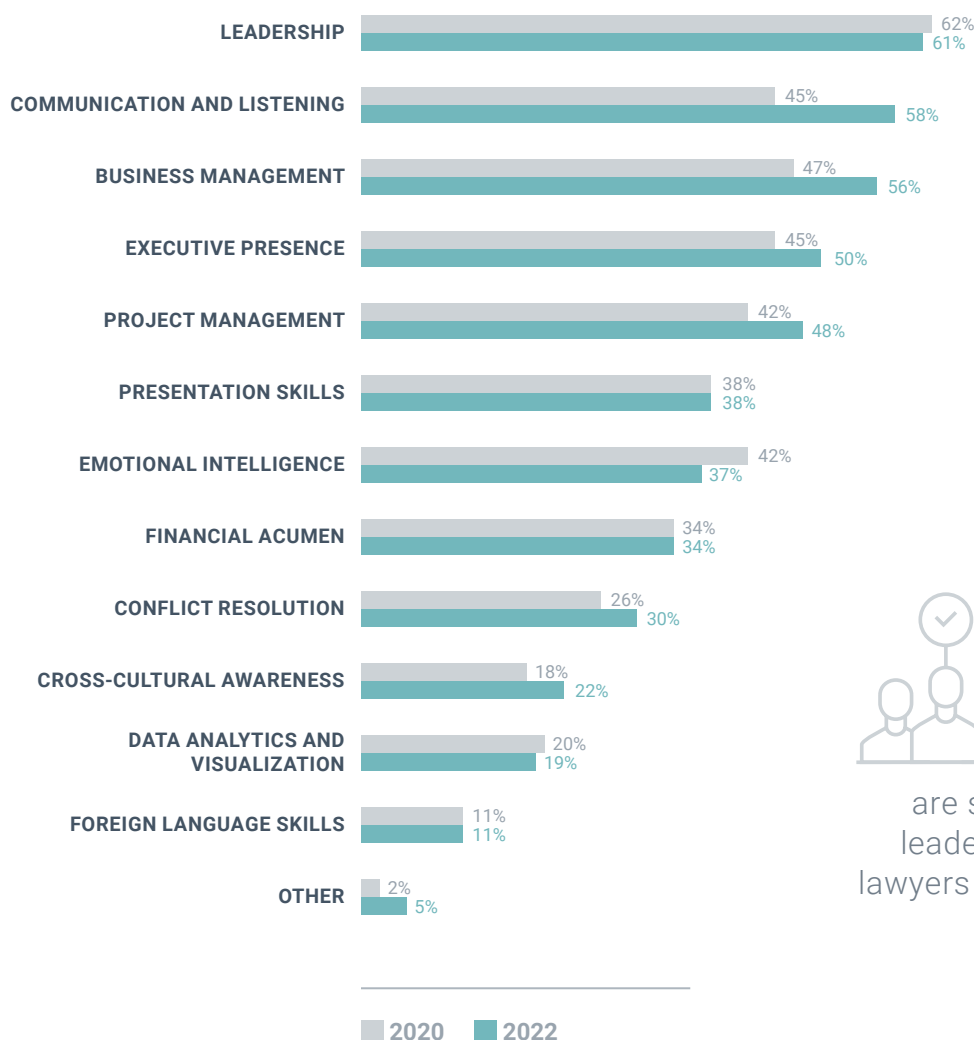


Note: Values indicate the percentage of respondents that ranked each item as their organization's top priority.

Which of the following skills are you seeking to develop for the lawyers in your department?

Leadership is the business skill that most participating CLOs are seeking to develop for the lawyers in the department, according to 61 percent of participants. This result is practically the same as that observed in 2020 (the question was not included in the survey last year). Communication and listening (58 percent), business management skills (56 percent), and executive presence (50 percent) are the other skills that at least half of CLOs consider key assets to the in-house counsel's skillset.

A few skills are considerably more sought after by CLOs compared to 2020, including communication and listening skills (13 points more), business management skills (nine-point increase), project management (six points more), and executive presence (five points more). Conflict resolution and cross-cultural awareness also show a four-point increase compared to 2020. Comparatively, only a few other skills are less sought after, with emotional intelligence receding the most, from 42 percent to 37 percent (five points).

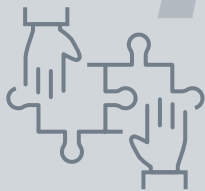



61%
are seeking to develop
leadership skills for the
lawyers in the department

What advice do you have for aspiring chief legal officers?

Almost 200 participants provided a few words of advice to aspiring or new chief legal officers and general counsel. The following diagram presents a mock Q&A session with our experienced participants providing useful answers and tips for aspiring CLOs that ask the following hypothetical questions. The quotes from survey participants have been edited for styling reasons and to preserve anonymity, if applicable.

Q IS THE CLO ROLE MORE ABOUT BEING A LEGAL ADVISOR OR A BUSINESS PARTNER?



"Be a business leader first, then a legal advisor."

"Be a trusted advisor that delivers commercial practical solutions."

"Be cognizant of the balance between legal risk and business priorities."

"Be part of the solution, not part of the problem."

"Become more of a business partner than a lawyer, meaning you must understand the business in order to be an effective chief legal officer."

"Help your business partners find solutions, not roadblocks."

"Do all you can to understand the business, and find ways to become a trusted business partner and advisor, not just a legal advisor."

"Go beyond just 'being a lawyer' and try to become viewed as a valued business partner."

"Perform the difficult work of understanding the business. I spend more time providing business advice than legal advice."

"Understand that legal management is different from lawyering and remember that we serve the business."

"We provide a service. Learn the business inside and out to maximize your value."

"You cannot provide the highest levels of service to your company if you do not fully understand what it does."

Q

WHAT ARE KEY SKILLS I SHOULD DEVELOP?

A



"Always learn and always listen."

"Be curious and strive to learn from every situation you face."

"Broaden your skill set and show interest in a variety of areas and projects."

"Continue to improve your ability to communicate complex legal concepts in a 'business-friendly' manner."

"Develop resilience and executive leadership skills. You are already a good lawyer."

"Gather as much breadth in your experience as possible! The more you learn, the better you will lead!"

"Learn how to be concise. Executives and board members do not have patience for long-winded discussions."

"Portray confidence, transparency, and authenticity."

"Have confidence in your ability to adapt and learn new things."

"Learn to walk a tight rope as you need to protect the company while not getting in the way."

"Listen carefully and remember we are 'helpers' to others."

"Never stop learning. Be courageous about trying new things."

"Read all you can on leadership to help you develop and define your leadership style."

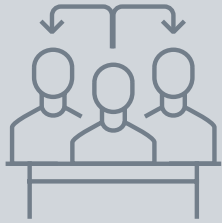
"Understand that your network is an extremely valuable asset, invest in it."

"Work hard."

"Learn to communicate effectively and efficiently."

Q

WHAT MATTER MOST WHEN BUILDING MY TEAM?



“Be a generalist and don’t expect to be an expert at anything. Surround yourself by people who can best get you the answers you need as quickly as possible and let them know how much you appreciate them always being available.”

“Build a team with people that enjoy going to work and that support each other. Be generous with positive feedback.”

“Surround yourself with smart people whose judgment you trust.”

“Hire great talent.”

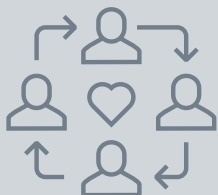
“Put the best team in place so you can and rely on them.”

“The more you invest in the development of your team, the better your team will function and the more likely you’ll achieve success yourself.”

“Without a team, you cannot do your job. Invest time and resources in it.”

“Show leadership, inclusivity and diversity focus, and invest time in the development of your team.”

Q WHAT SORT OF RELATIONSHIPS SHOULD I DEVELOP?



"The more value you can provide to your executive team and the more they trust you, the better for the business."

"Always start with 'how can I help you?'"

"Broaden your legal and business knowledge and your network at every opportunity because the CLO needs broad, comprehensive knowledge and contacts."

"Build good relationship with your business partners, listen to what they say, and help identify how you can help them reach their goals while remaining compliant."

"Develop strong relationships with peers and executives."

"Develop relationships with key players, leaders, and information holders across the company."

"Develop strong relationships with executives, where you are a trusted partner."

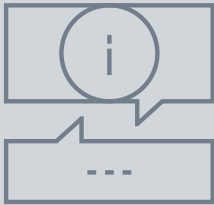
"Make yourself an indispensable partner and resource for not only legal issues but business as well."

"Participate in as many of the business strategy discussions and planning sessions as you can."

"Business people want pragmatic legal advice and will afford greater respect to a CLO whom they view as being informed and experienced regarding business."

"Invest in building relationships with your colleagues as having their trust is paramount — high performance executive teams are based on trust."

Q A



ANY OTHER ADVICE FOR AN ASPIRING CLO?

“Get involved with professional organizations, like the amazing Association of Corporate Counsel.”

“Join ACC, particularly if you have a small legal department.”

“Speak to experienced CLOs and CEOs, ask them questions, find a mentor.”

“Seek out a mentor. The ACC has a great program.”

“Tap into the excellent resources ACC has to offer and especially those directed at new GCs/CLOs and small law departments.”

“It’s a fun, fast-moving, challenging, but rewarding position.”

PARTICIPANT PROFILE

Geographic location of participants

UNITED STATES 67%



ASIA 10%



AUSTRALIA/PACIFIC 9%



EMEA 6%



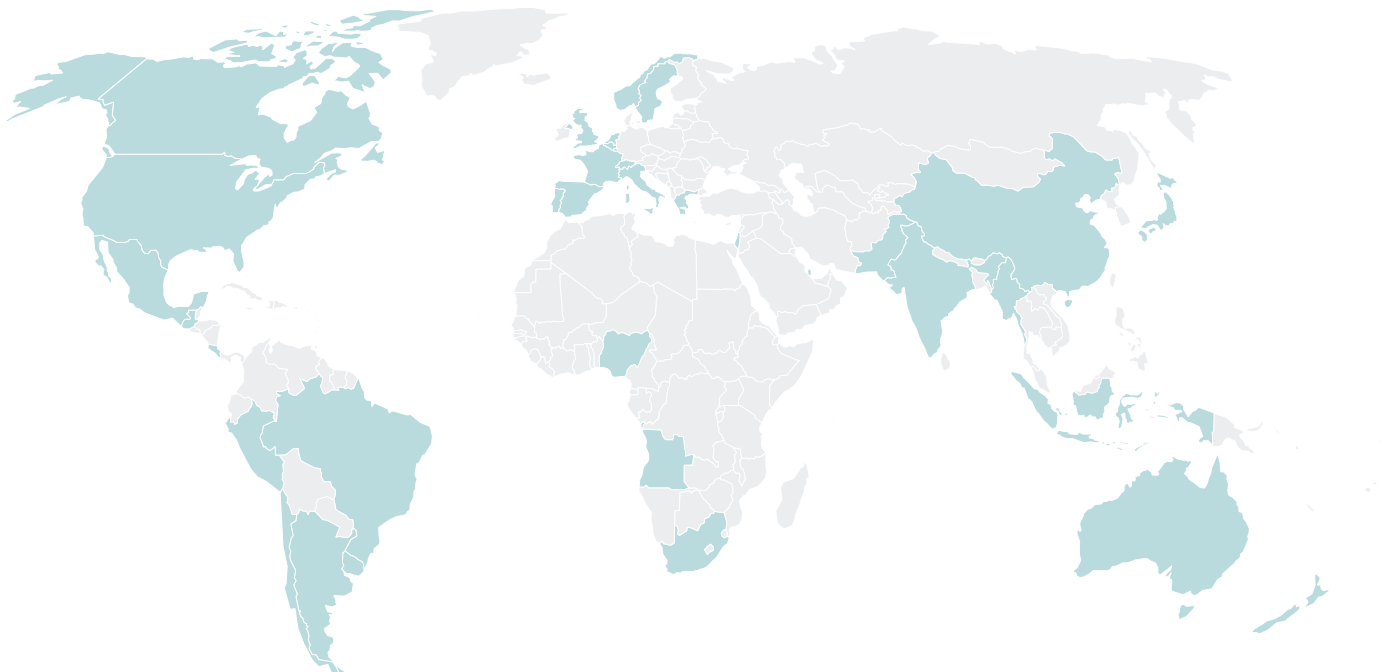
CANADA 5%



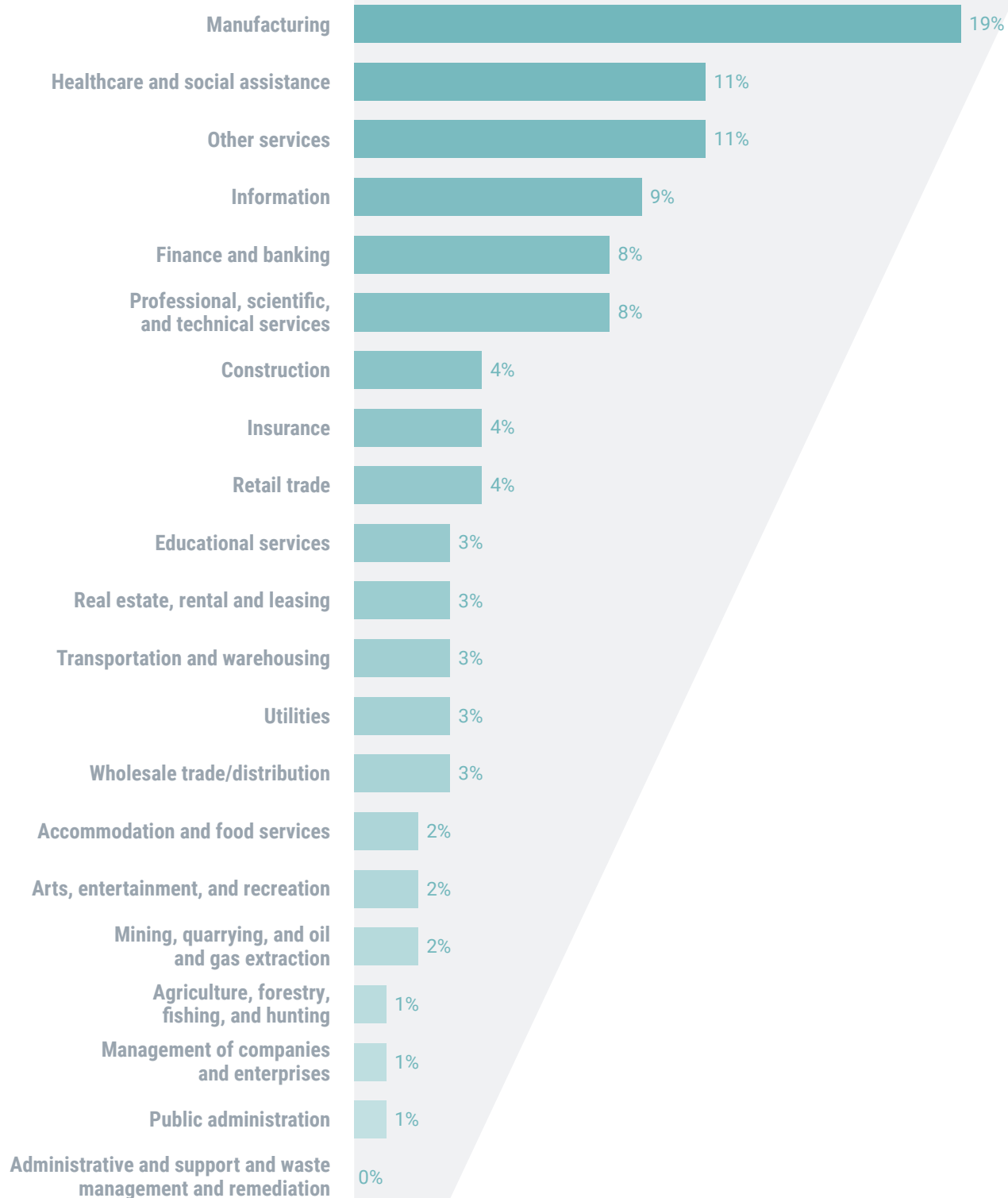
LATIN AMERICA 4%



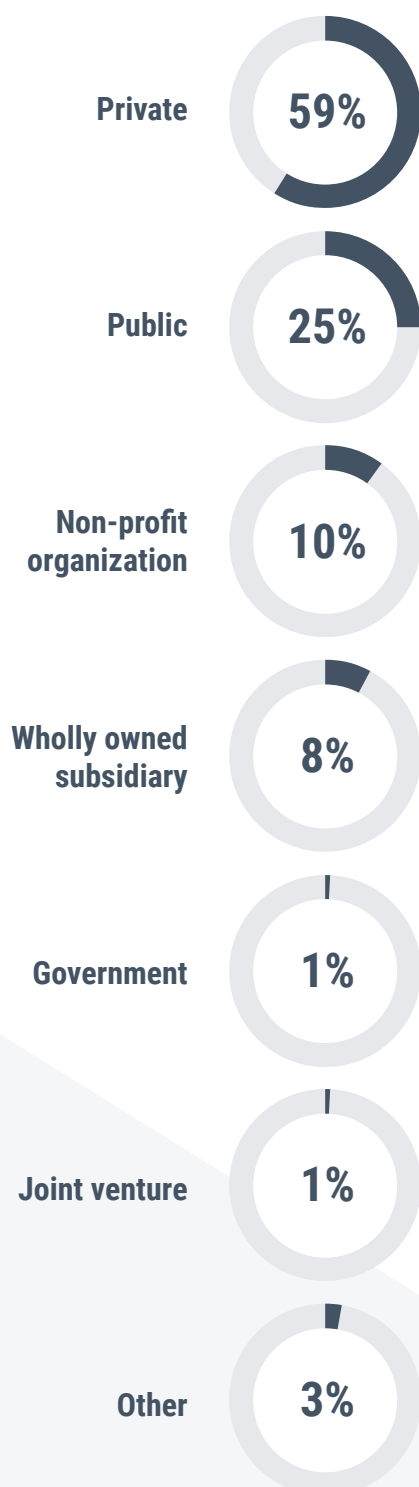
COUNTRIES REPRESENTED



What is your organization's industry affiliation?



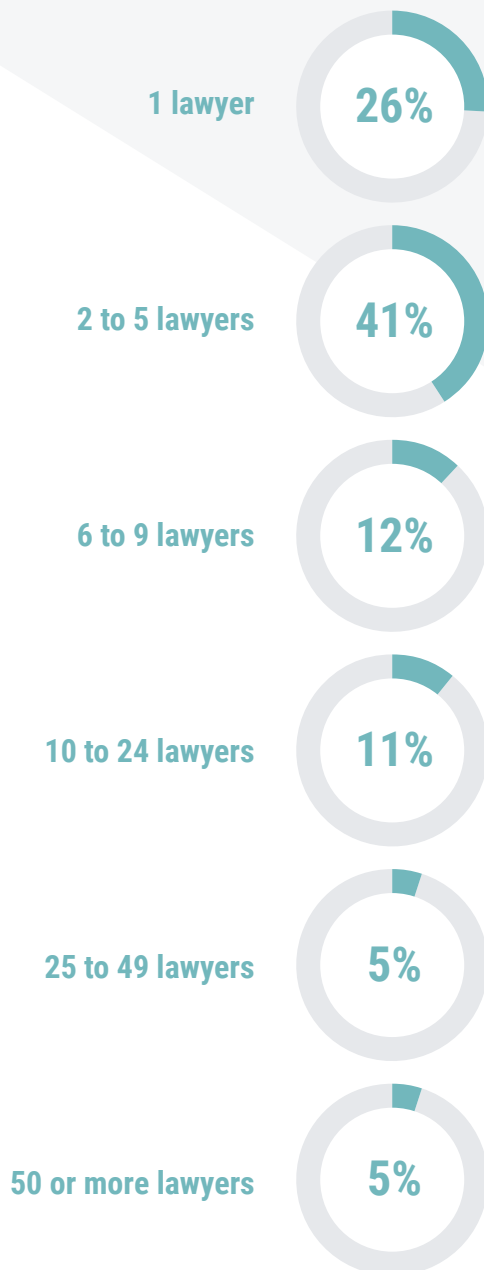
**Which of the following describes your organization?
Please select all that apply.**



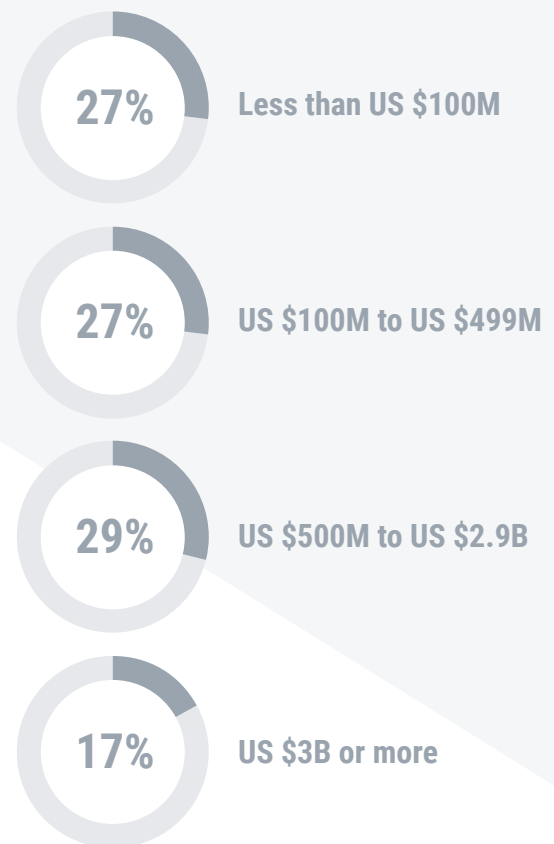
What is the total number of employees in the organization's law department, including all locations?



Including yourself, what is the total number of lawyers in your law department, including all locations?



Please select the category that represents your organization's worldwide total gross revenue for the last reported fiscal year in US dollars.



METHODOLOGY

SURVEY INSTRUMENT

The survey questionnaire was offered through an online survey platform. Personalized survey links were sent by email to the target population, which allowed participants to save their responses and fill out the questionnaire in more than one sitting, if needed.

FIELDING PERIOD

The survey opened on September 9, 2021, and closed on October 31, 2021. Reminder emails were sent weekly.

TARGET POPULATION

We targeted ACC members worldwide who are the highest-ranked legal officers in their respective legal departments. A screener question was asked to help determine the most relevant population. To further expand our reach, we also sent participation invites through other ACC partner organizations.

PARTICIPATION

A total of 861 CLOs participated. Apart from targeted email messages, opportunities to participate were also sent through LinkedIn campaigns.

ANONYMITY

Survey responses were completely anonymous. No information is linked in any way to an individual respondent. The results are provided only at the aggregate level, and respondents' quotes from open-ended responses were carefully reviewed and edited, if necessary, to remove any identifiable information related to respondents or their organizations.

DATA ACCURACY

Not all respondents answered all questions. The percentages provided are based on the number of valid responses received for each individual question. Many survey questions offered the opportunity to select multiple response options. In those cases, percentages may not total to 100 percent.

OPEN-ENDED RESPONSES

Several survey questions required open-ended responses. Many of the quotes and citations from participants that we present throughout the report were shortened or edited due to space or style needs.

STATISTICAL TERMINOLOGY

Mean: The values of each observation are summed together and divided by the total number of observations (also called the average).

Median: This is the middle value of all observations ordered from low to high (also called the 50th percentile).

n: This indicates the number of observations for a given metric or reported value.

ABOUT ACC

The Association of Corporate Counsel (ACC) is a global legal association that promotes the common professional and business interests of in-house counsel who work for corporations, associations and other organizations through information, education, networking opportunities and advocacy initiatives. With more than 45,000 members employed by over 10,000 organizations in 85 countries, ACC connects its members to the people and resources necessary for both personal and professional growth.

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By in-house counsel, for in-house counsel.®

ABOUT EXTERRO

Exterro was founded with the simple vision that applying the concepts of process optimization and data science to how companies manage digital information and respond to litigation would drive more successful outcomes at a lower cost. We remain committed to this vision today. We deliver a fully integrated Legal GRC platform that enables our clients to address their privacy, regulatory, compliance, digital forensics, and litigation risks more effectively and at lower costs. We provide software solutions that help some of the world's largest organizations, law enforcement and government agencies work smarter, more efficiently, and support the Rule of Law.

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