

KEY FINDINGS

1,007 
PARTICIPANTS

20 
INDUSTRIES

47 
COUNTRIES

SECTION 1: THE CLO'S ROLE AND REACH



FOUR IN FIVE CLOs SURVEYED REPORT DIRECTLY TO THE CEO.

A five-year high, which reflects the growing importance for CLOs to have a seat at the executive table.



COMPLIANCE AND RISK ARE THE TOP TWO CORPORATE FUNCTIONS THAT REPORT TO THE CLO.

Over three-quarters of CLOs surveyed oversee compliance and more than one-third are in charge of risk management.



ONE-THIRD ANTICIPATE OUTSOURCING MORE WORK TO LAW FIRMS NEXT YEAR.

Although departments are pressured to do more with less and insource work, the number of CLOs expecting to outsource more work to law firms remains stable.

SECTION 2: THE LEGAL DEPARTMENT'S VALUE TO THE BUSINESS



BUSINESS LEADERS CONSULT WITH THE CLO, BUT THERE IS STILL ROOM TO ADVANCE.

While 75 percent of CLOs report that executives almost always look to them for input on strategic decisions and risk areas, less than half regularly attend board executive sessions.



COMPLIANCE, DATA PRIVACY, AND SECURITY ARE THE MOST IMPORTANT ISSUES FOR BUSINESSES.

These three topics continue to top the list of most relevant issues with no change from 2019.



THE CLO HAS A MULTIFACETED PROFILE: LAWYER AND BUSINESS LEADER.

CLOs spend on average around one-third of their time providing legal advice. The rest is dedicated to managing the department, board matters and corporate governance, contributing to strategy development, and advising executives on nonlegal issues.



LEADERSHIP AND BUSINESS APTITUDES ARE THE MOST DESIRED NONLEGAL SKILLS FOR IN-HOUSE COUNSEL.

Sixty-two percent of respondents expect in-house counsel to demonstrate leadership capabilities. Business management and executive presence complete the top three most desired nonlegal skills.

SECTION 3: THE POLITICAL AND REGULATORY LANDSCAPE



NEW REGULATIONS AND DATA PROTECTION ISSUES EXPECTED TO POSE THE BIGGEST LEGAL CHALLENGES.

Around six in ten CLOs believe that new industry-specific regulations and data protection and privacy rules are likely to be the cause for future legal concerns, while 36 percent indicated that mergers and acquisitions will also create challenges.



COMPANIES ARE READY TO FACE NEW REGULATIONS AND MITIGATE EMERGING RISKS.

Sixty percent of CLOs are very or moderately confident that their organization can keep track of changing regulations and 54 percent believe that they are ready to tackle new risk threats.



REGULATORY COMPLIANCE SPEND IS UP.

Fifty-eight percent of CLOs indicated that expenditure on regulatory compliance increased in the last year, with accommodation and food services, wholesale trade, and finance and banking reporting the highest percentages across all industries.



GEOPOLITICAL EVENTS HAVE LIMITED EFFECT ON ORGANIZATIONAL DECISIONS.

Around one-third of CLOs indicated that geopolitics triggered changes in the company's plans to enter new markets, and in insurance and employee safety policies. Overall, the impact of geopolitical events was lower compared with 2017.

SECTION 4: THE OUTLOOK FOR THE LEGAL DEPARTMENT



CLOS ARE IMPLEMENTING NEW TECHNOLOGIES TO IMPROVE EFFICIENCY.

More than half of respondents either plan to adopt a new technological solution or have already done so recently. By generation, 48 percent of baby boomers are keen on adopting new technology solutions compared with 56 percent of millennial CLOs.



USE OF ARTIFICIAL INTELLIGENCE EXPECTED TO ACCELERATE.

Sixty-nine percent of CLOs expect the use of artificial intelligence in legal technology applications to accelerate, while just 7 percent believe it is a temporary trend.



DELIVERING VALUE TO CUSTOMERS IS NOW A PRIORITY OVER MAXIMIZING PROFITS.

Fifty percent of CLOs ranked delivering value to customers as their organization's top priority over the next five years. Maximizing profits came second, with 35 percent, and investing in employees ranked third, with ten percent of CLOs identifying this as their company's top priority.

FOR MORE INFORMATION: research@acc.com

VIEW THE FULL REPORT: acc.com/clo2020