2020
CORPORATE LEGAL LEADERS SURVEY

DATA GOVERNANCE AND LEGAL'S ROLE

exterro® + Today's GENERAL COUNSEL

About the 2020 Corporate Legal Leaders Survey

With the converging priorities among enterprise Legal, IT, Security, Privacy, and Compliance departments becoming more apparent each day, Today's General Counsel and Exterro sought to conduct a survey that could investigate the way Legal Departments are handling new inter-departmental challenges like those created by new data privacy laws and the recent COVID-19 pandemic.

Because so many different business units are critical to the success or failure of a defensible and efficient enterprise risk mitigation program, we wanted to find out how businesses of all sizes are handling these challenges.

In this 2020 Corporate Legal Leaders Survey, we surveyed **153 Legal department heads**—typically the General Counsel or Chief Legal Officer—at businesses with in-house teams ranging from five or fewer (**42%**) to more than **50** (**18%**) and got their insights into how they work with other departments that are critical to compliance.

4 KEY TAKEAWAYS FROM THIS REPORT:

1. The General Counsel's Business Influence is Growing

2. Most Compliance Challenges Start with Defensibly Managing Data

3. A Comprehensive Data Management Strategy is the Only Way to Overcome Evolving Data Risks

4. Comprehensive Data Management Means Enterprise-Wide Collaboration Led By Legal

IN THIS REPORT WE WILL EXPLORE THESE KEY TAKEAWAYS IN MORE DEPTH AND HELP YOUR ORGANIZATION OVERCOME THESE INCREASING CORPORATE DATA RISKS.

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Summary of Results

In some cases, percentages will not add up to 100% due to rounding.

TAKEAWAY #1

The General Counsel's Business Influence is Growing

The General Counsel's role is evolving. General Counsel (GC) must now proactively assess potential vulnerabilities in corporate processes that can lead to fines, reputational harm, and impact the business's bottom line. This is indicated by the fact that nearly 4-in-5 GCs and Chief Legal Officers now report directly to their company's CEO. While this is the first year we've performed this study, other research, like the _Association of Corporate Counsel's Chief Legal Officers survey_, has tracked similar growth along these lines.

To be proactive and tackle high-risk areas, many Legal Leaders feel that it is now incumbent upon Legal to quarterback the increasingly-complex compliance efforts between departments—a new challenge led by new data privacy regulations that organizations didn't necessarily face a decade ago.

Despite the need to greatly increase cross-communication between departments to solve these challenges, only two departments directly involved in risk mitigation efforts are very likely reporting to the GC: Legal Ops and Litigation. It's imperative that GCs play an integral role in establishing a defensible strategy within Compliance activities even though Privacy, Security, and Ethics only report to the GC a little less than half the time.

4 -IN- 5
GCs AND CHIEF LEGAL OFFICERS **NOW** REPORT DIRECTLY TO THEIR COMPANY'S
C E O

> **But Legal Leaders believe the General Counsel's scope of influence is likely to continue expanding for the foreseeable future, primarily due to growing risks surrounding:**
>
> › Data Breaches
>
> › Data Privacy
>
> › Increasing Litigation
>
> › COVID-19

TAKEAWAY #2

Most Compliance Challenges Start with Defensibly Managing Data

For most Legal Leaders, the biggest challenges they face all have one thing in common: how to defensibly manage their organization's data. This is due largely to the implementation of new data privacy regulations in the EU (General Data Protection Regulation) and U.S. (California Consumer Privacy Act), which feature consumer rights that include a "*right to be forgotten*".

As evidence of Legal's important role in managing data, the survey results show that cloud storage and collaboration/messaging platforms are creating the biggest concern for most Legal departments right now, considering the national expansion of working remotely—as well as layoffs—due to COVID-19. But directly specific to COVID-19, Legal Leaders say they're most worried about the surrounding legal obligations regarding management of employee data, given the influx that some departments are facing.

> **3-out-of-5 GCs are either concerned or very concerned about new data privacy laws and the way they might affect business, with:**
>
> ❯ the CCPA ranking as the top concern
>
> ❯ the GDPR ranking second
>
> ❯ and other state laws coming in third

Much to the chagrin of some respondents in our survey, only 1-in-6 Legal departments is tasked with ensuring data is managed in compliance with privacy or litigation requirements. A majority of the time, it's IT, which can present big risks if Legal Leaders aren't involved in developing the strategy.

ASKED ABOUT THEIR **TOP THREE** DATA PRIVACY CONCERNS

IN **2020**

LEGAL LEADERS RANKED THE FOLLOWING CHALLENGES:

1 PREVENTING A DATA BREACH

2 RESPONDING TO DISCOVERY REQUESTS FOR NEW DATA SOURCES

3 RESPONDING TO CONSUMER REQUESTS

TAKEAWAY #3

A Comprehensive Data Management Strategy is the Only Way to Overcome Evolving Data Risks

GCs need a comprehensive strategy to effectively manage data in accordance with growing regulatory requirements due to the risk of litigation, fines, and a ballooning legal spend. Nearly half of respondents say they have a high or very high level of concern regarding how their organization manages its data. And although only about 1-in-5 say that their organization has a plan for managing its data in relation to Privacy, Legal, Compliance, and Cybersecurity issues, 99% of respondents acknowledged the importance of having such a policy in place.

> "All of this is very important, but the reality for us (and I know from many conversations with other GCs at other organizations) is that we are severely overworked, overwhelmed, and understaffed, so the urgent crisis always takes precedence over the 'we need to do' list," says one respondent. "Ironically, that often only changes when the *crisis du jour* is something that could and should have been avoided altogether by having addressed the subject in a comprehensive way up front."

A good deal of the GC's concern lies in the fact that about 7-in-10 don't have a data minimization/defensible deletion program in place at their organization. Organizations that are storing too much data—in particular those governed by regulations like the CCPA or GDPR—and don't have or regularly enforce retention policies are sitting on a timebomb that could blow via a data breach or litigation. Either proposition could be a far more expensive outcome than the time and effort required to establish defensible deletion processes.

1 -IN- 5

SAY THAT THEIR ORGANIZATION HAS A PLAN FOR MANAGING ITS DATA IN RELATION TO **PRIVACY, LEGAL, COMPLIANCE,** AND **CYBERSECURITY ISSUES,**

99%

OF RESPONDENTS ACKNOWLEDGED THE IMPORTANCE OF HAVING SUCH A POLICY IN PLACE

TAKEAWAY #4

Comprehensive Data Management Means Enterprise-Wide Collaboration Led By Legal

Right now, 7-in-10 Legal Departments are managing their data-related problems by sharing technology to manage litigation, data privacy, compliance, and cybersecurity—but for many, the silos that companies are still operating within make inter-departmental collaboration difficult.

Only transparency and visibility into all organizational data can translate into total compliance with new and evolving litigation requirements, privacy regulations, and data security risks. And that transparency is only made possible with technology that can connect to all of these data sources within your organization.

With the right people operating the right technology through orchestrated processes, enterprises can begin the process of future-proofing their compliance efforts.

7 -IN- 10

LEGAL DEPARTMENTS ARE MANAGING THEIR DATA-RELATED PROBLEMS BY SHARING TECHNOLOGY TO MANAGE

LITIGATION

DATA PRIVACY

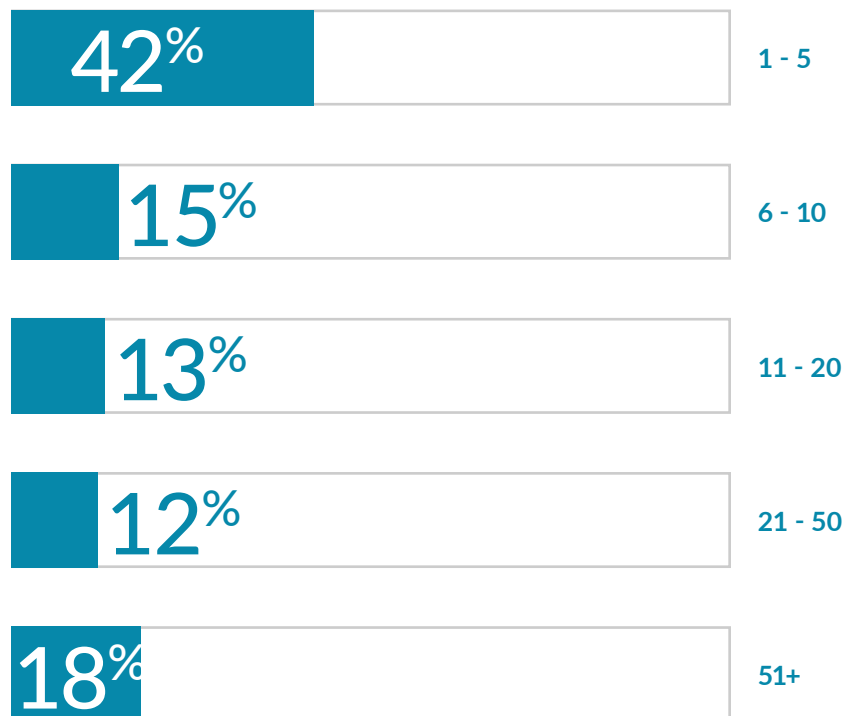COMPLIANCE

CYBERSECURITY

2020

CORPORATE LEGAL
LEADERS SURVEY

-21247.352

DEMOGRAPHICS

Approximately how many employees does your in-house legal department include?

42% 1 - 5

15% 6 - 10

13% 11 - 20

12% 21 - 50

18% 51+

Who does the general counsel report directly to in your organization?

78% CEO

7% CFO

0% CIO

15% OTHER
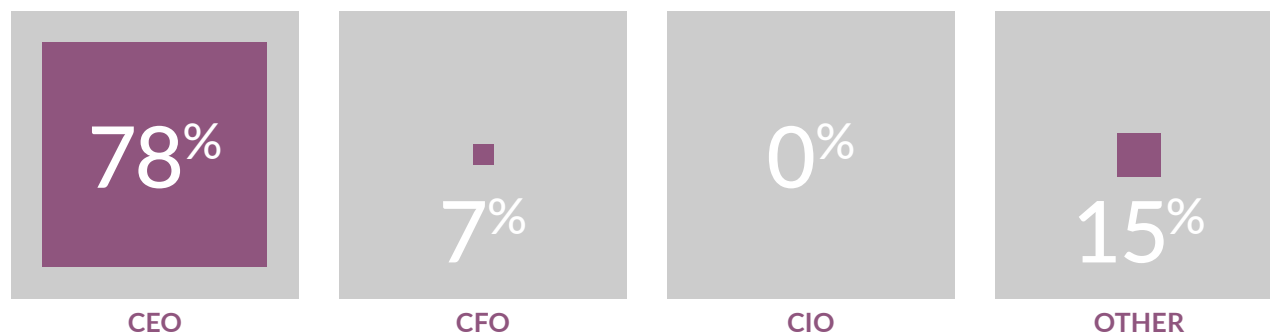
What areas within your organization report directly to the GC/CLO?

86%
LEGAL OPERATIONS

83%
LITIGATION

64%
COMPLIANCE

49%
PRIVACY

47%
ETHICS

36%
OTHER

17%
SECURITY
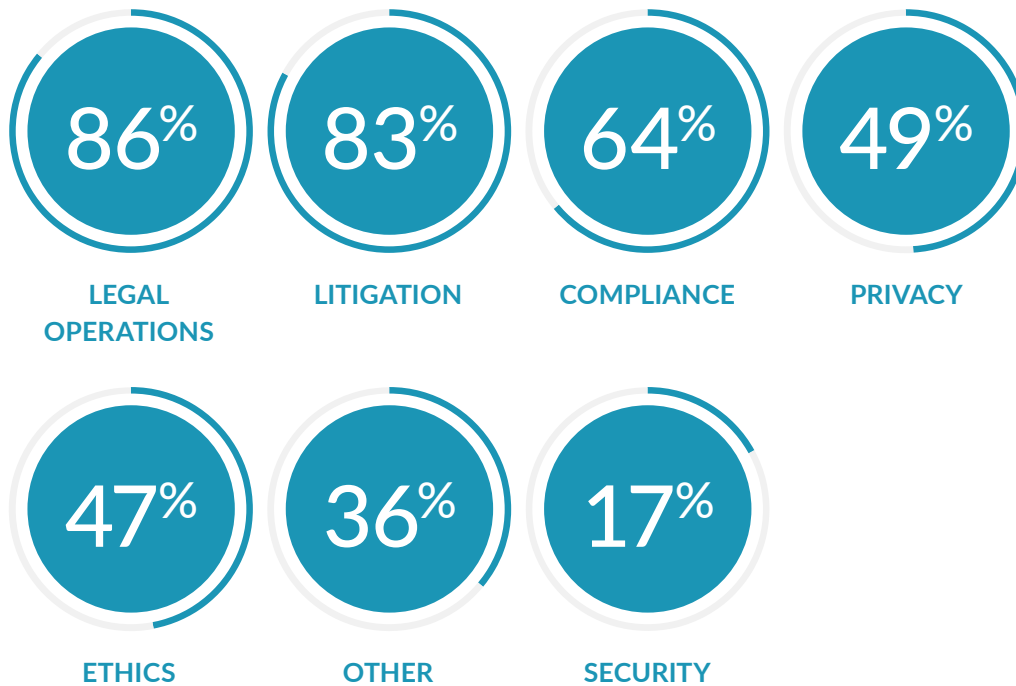
What areas within your organization have strong dotted line connections to the GC/CLO/Legal Department?

47%
SECURITY

46%
COMPLIANCE

45%
PRIVACY

36%
ETHICS

30%
LITIGATION

25%
LEGAL OPERATIONS

20%
OTHER
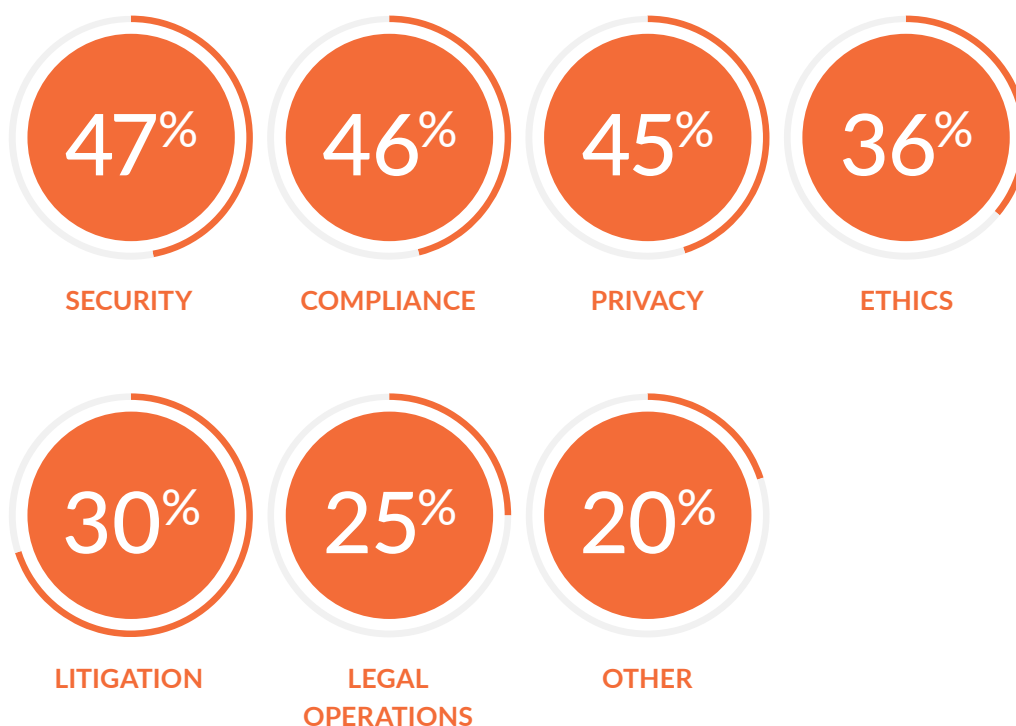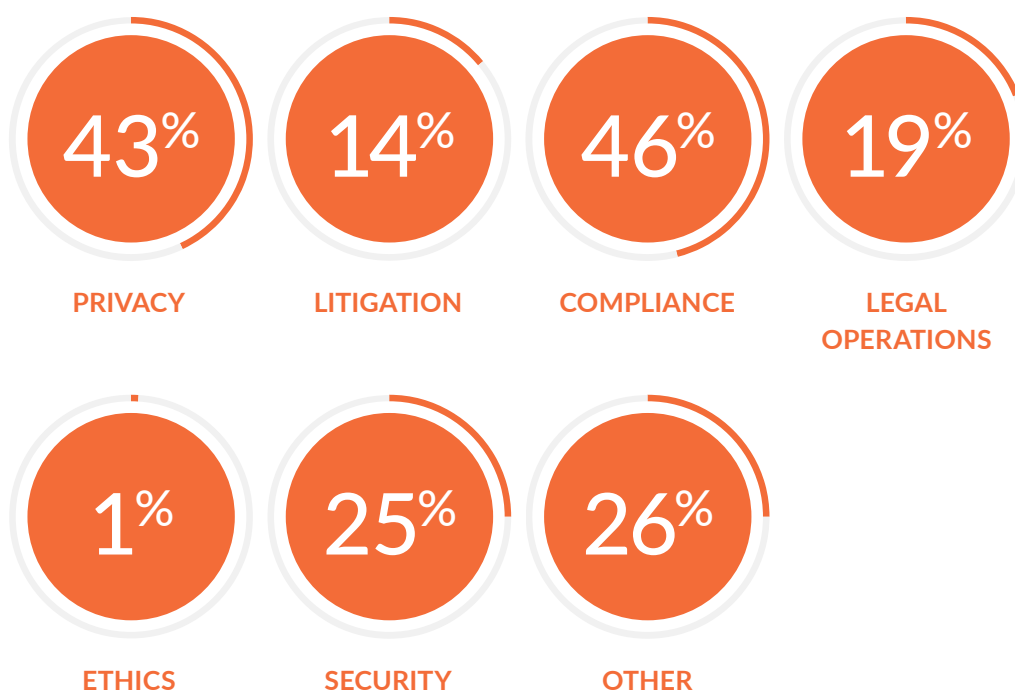
THE EVOLVING LEGAL DEPARTMENT

Has the scope of the GC/CLO's responsibility expanded in the past five years:

29%

NOT AT ALL - SAME RESPONSIBILITIES AS OF 5 YEARS AGO

22%

SLIGHTLY - MORE INTERACTION WITH OTHER GROUPS, 1-2 MORE DEPARTMENT

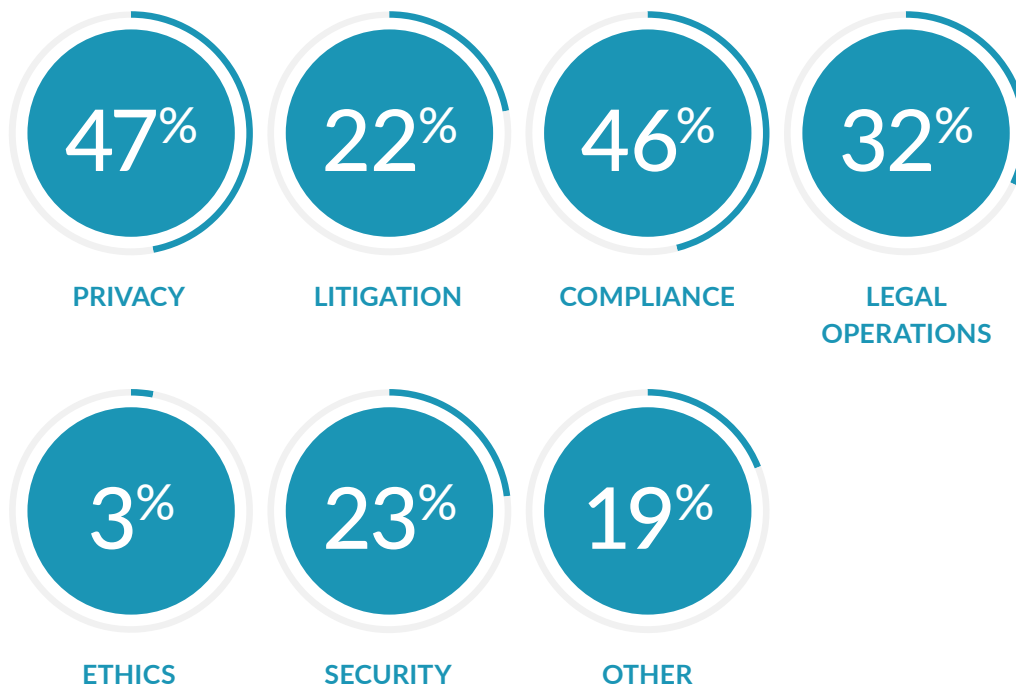**50%**

YES - MUCH MORE INVOLVED IN AREAS SUCH AS PRIVACY, COMPLIANCE, SECURITY, ETC.

To help combat emerging corporate risk, which areas do you predict most growth within your legal team over the next year?

43%

PRIVACY

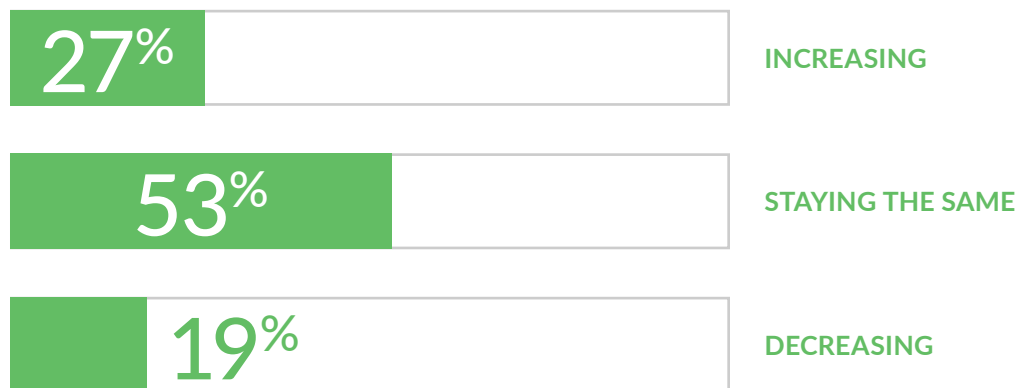**14%**

LITIGATION

46%

COMPLIANCE

19%

LEGAL OPERATIONS

1%

ETHICS

25%

SECURITY

26%

OTHER

What areas do you predict the most growth within your legal department over the next five years?

47% PRIVACY

22% LITIGATION

46% COMPLIANCE

32% LEGAL OPERATIONS

3% ETHICS

23% SECURITY

19% OTHER

The budget for legal resources is _____.

27% INCREASING

53% STAYING THE SAME

19% DECREASING

Do you believe in increased scrutiny and consumer beliefs around data privacy rights will increase/ become stronger in the future?

84%
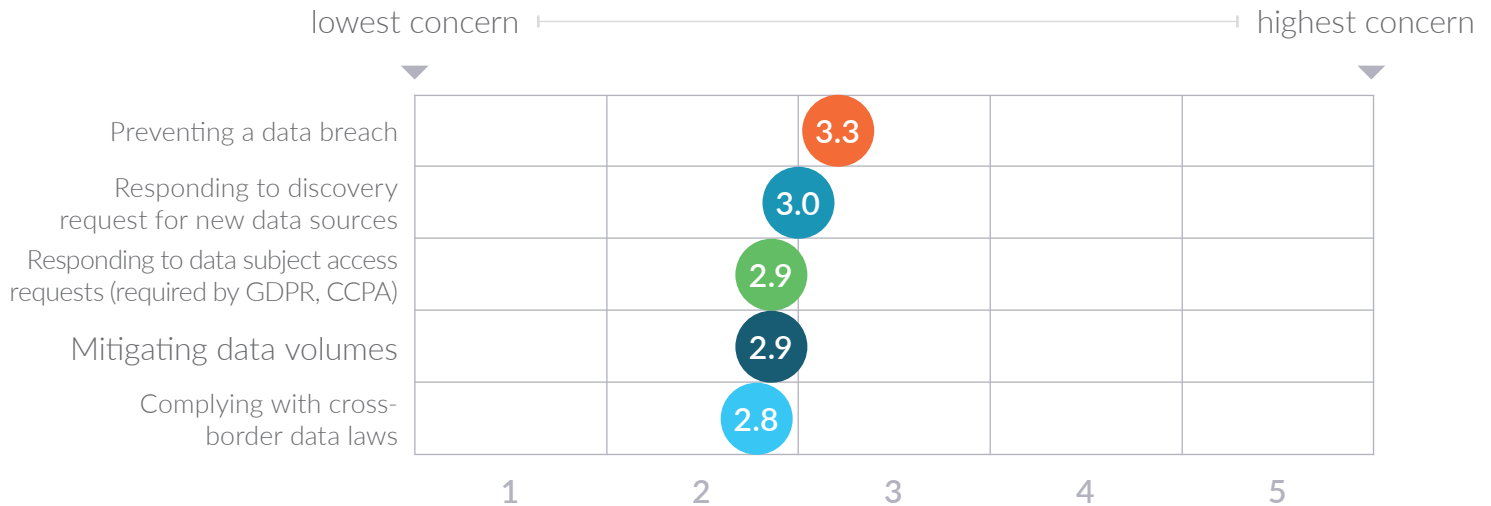YES

13%
NO, EXPECT TO STAY RELATIVELY THE SAME AS CURRENTLY

2%
NO, EXPECT THIS TO FADE

How concerned are you about new data privacy legislation (e.g., CCPA, GDPR) and its potential effects on your business?

15% VERY CONCERNED
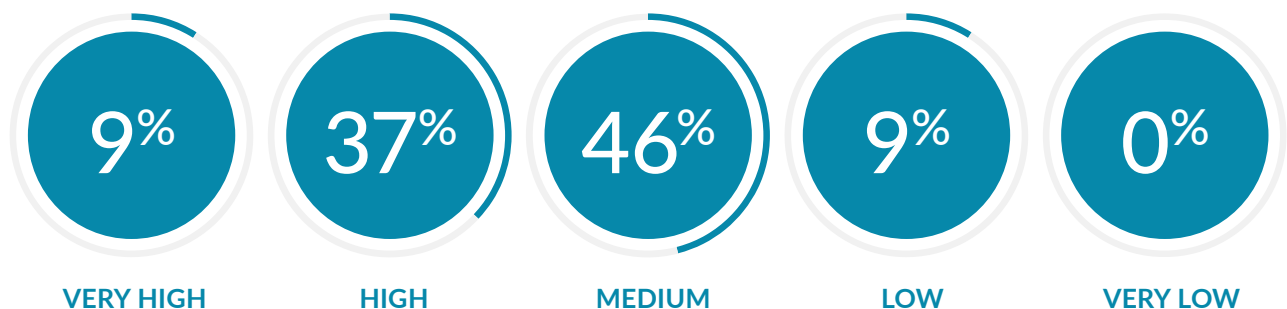
47% CONCERNED

32% NEUTRAL

6% NOT CONCERNED
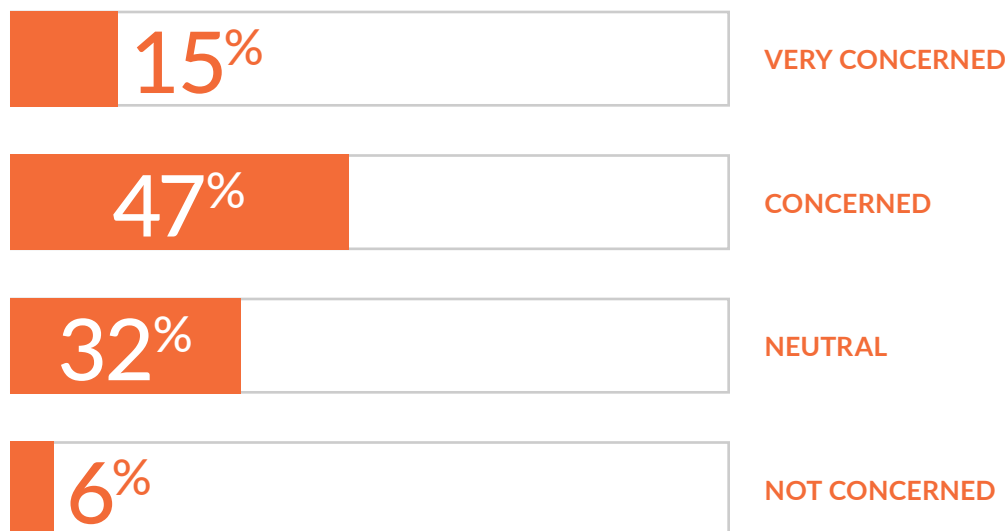
CORPORATE DATA MANAGEMENT & LEGAL

Rank from smallest (1) to greatest (5) your level
of concern for the following issues:

lowest concern ⊢————————————————⊣ highest concern

	1	2	3	4	5
Preventing a data breach			3.3		
Responding to discovery request for new data sources			3.0		
Responding to data subject access requests (required by GDPR, CCPA)			2.9		
Mitigating data volumes			2.9		
Complying with cross-border data laws		2.8			

My concern over my organization's
management of data is....

9%	37%	46%	9%	0%
VERY HIGH	HIGH	MEDIUM	LOW	VERY LOW

Does your organization have an active formal data minimization/defensible disposition program?
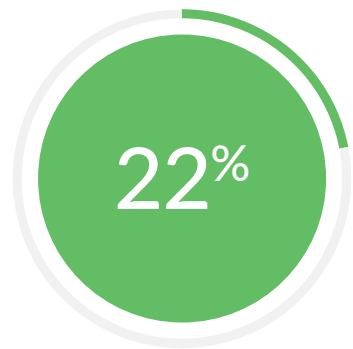
22%	47%	31%
TO MY KNOWLEDGE, WE DON'T HAVE AN ACTIVE PROGRAM. WE KEEP MOST EVERYTHING	WE HAVE A PLAN, BUT IT IS NOT APPLIED CONSISTENTLY ACROSS OUR ENTIRE ORGANIZATION	YES, WE HAVE AN ACTIVE, FORMAL PLAN AND APPLY IT REGULARLY ACROSS ALL DEPARTMENTS WITHIN OUR ORGANIZATION
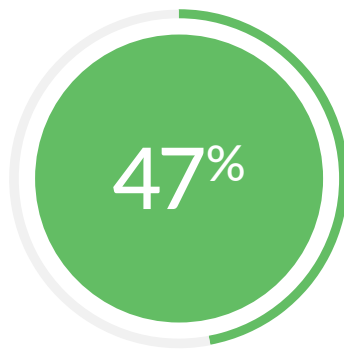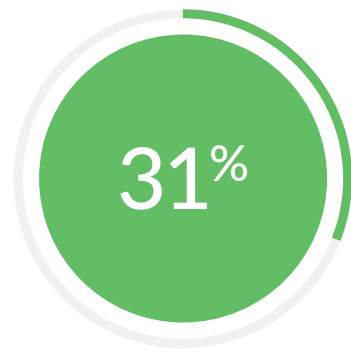
My organization's strategy for managing data related to the various privacy, legal, compliance, and cybersecurity requirements is _____:

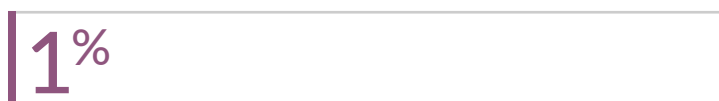**33%** WE HAVE STRONG STRATEGIES IN SOME, BUT NOT ALL AREAS

27% WE HAVE A DECENT BUT NOT COMPREHENSIVE STRATEGY IN ALL AREAS

21% WE HAVE A COMPREHENSIVE STRATEGY IN ALL AREAS
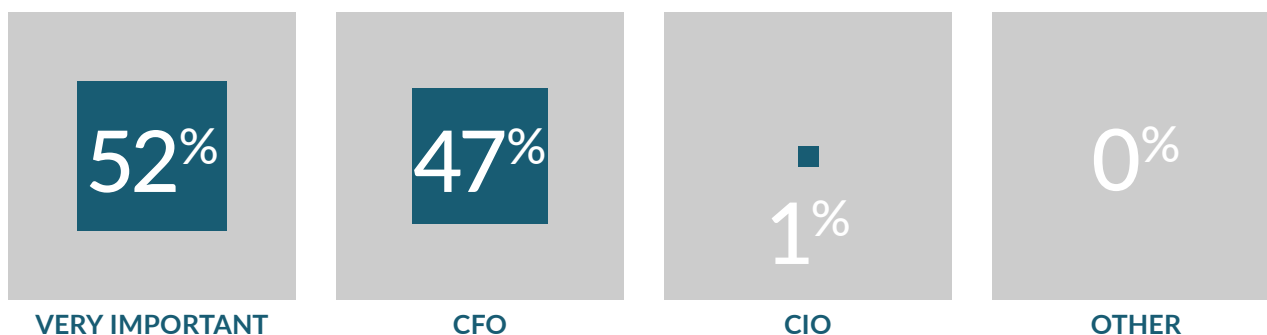
**18%** WE HAVE A STRATEGY IN A COUPLE OF THESE AREAS
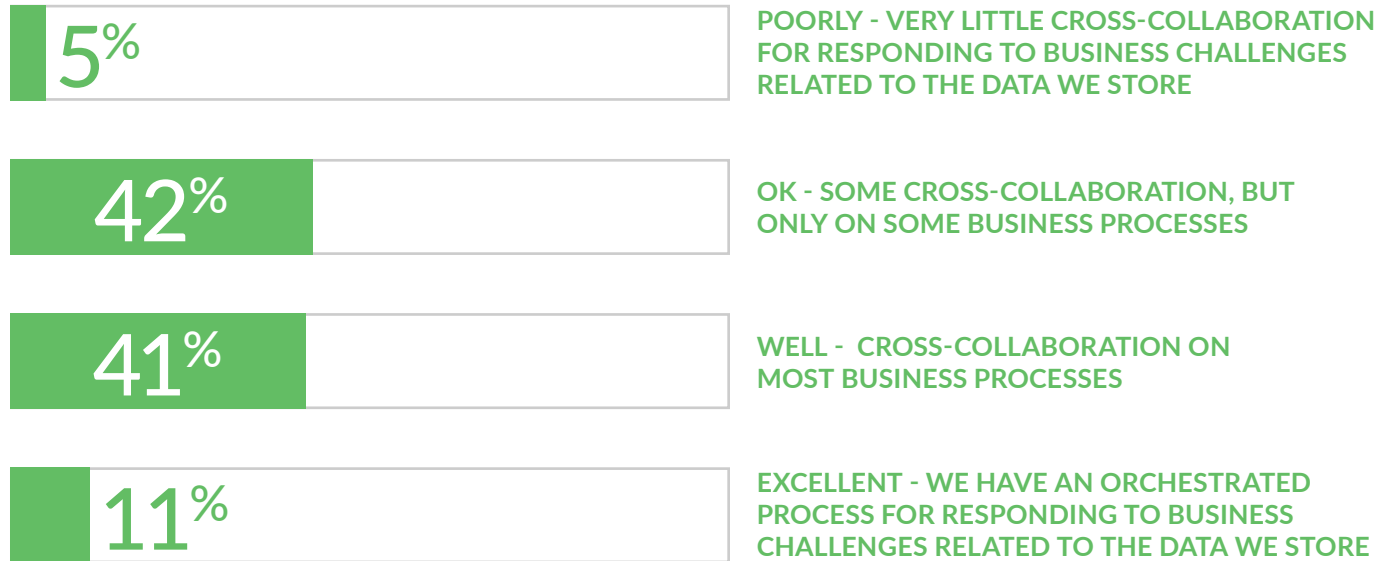
1% POOR

CROSS-DEPARTMENTAL COLLABORATION

How important is it to have a comprehensive strategy for managing data related to data privacy, litigation, cybersecurity requirements?
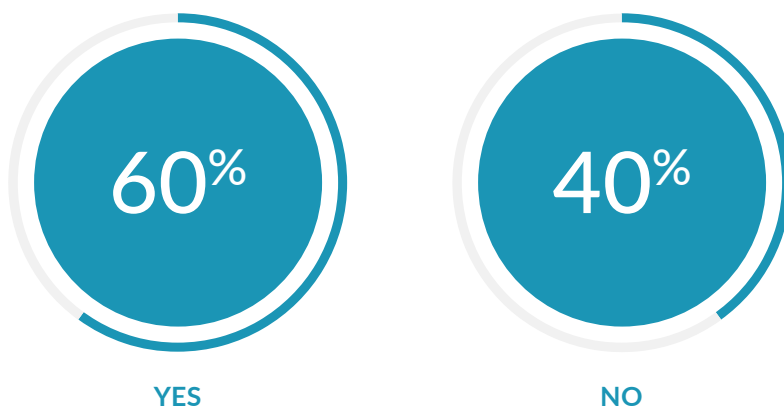
52%	**47%**	**1%**	**0%**
VERY IMPORTANT	CFO	CIO	OTHER

Is technology to manage litigation, data privacy, compliance cybersecurity shared between departments within your organization?

69%	**31%**
YES	NO
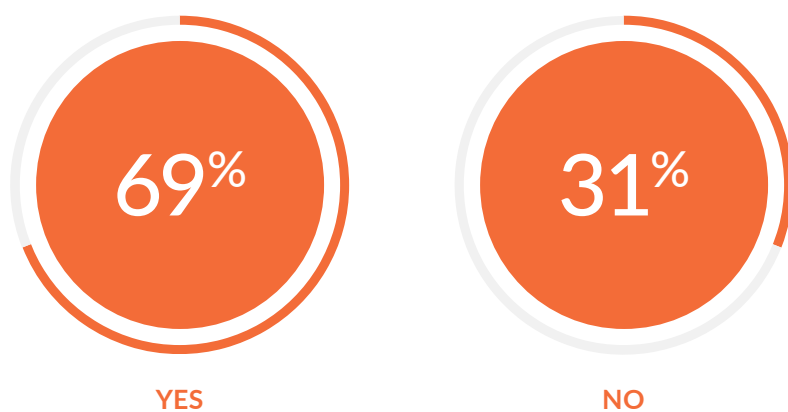
How well do you think your Compliance, Privacy, Legal, Security, Records Management, and IT teams collaborate to address business challenges like responding to Data Subject Access Requests, defensibly deleting data, responding to security breaches and incidents, etc.?

5%   POORLY - VERY LITTLE CROSS-COLLABORATION FOR RESPONDING TO BUSINESS CHALLENGES RELATED TO THE DATA WE STORE

42%   OK - SOME CROSS-COLLABORATION, BUT ONLY ON SOME BUSINESS PROCESSES

41%   WELL - CROSS-COLLABORATION ON MOST BUSINESS PROCESSES

11%   EXCELLENT - WE HAVE AN ORCHESTRATED PROCESS FOR RESPONDING TO BUSINESS CHALLENGES RELATED TO THE DATA WE STORE
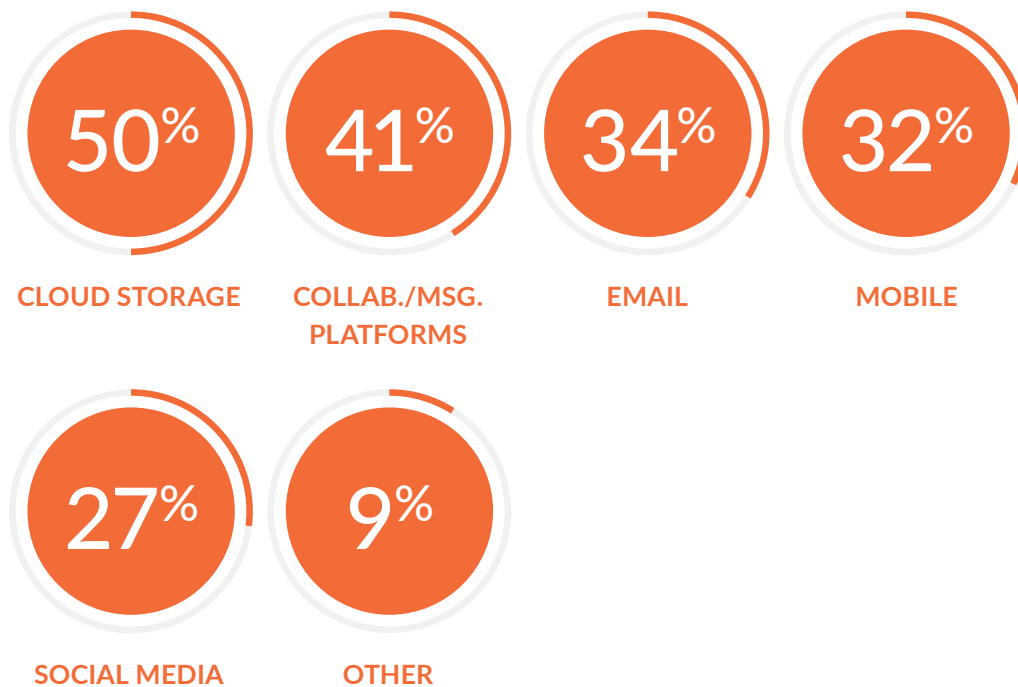
Do you feel your organization may have redundancies in process and technology between units that involve legal activities (compliance, privacy, litigation, contracts, etc.)?

60%
YES

40%
NO

When thinking of corporate risk, what new data sources are you most worried about?

50%
CLOUD STORAGE

41%
COLLAB./MSG. PLATFORMS

**34%**
EMAIL

32%
MOBILE

27%
SOCIAL MEDIA

9%
OTHER

Which department is primarily tasked with ensuring data is managed to comply with legal requirements (compliance, litigation, cybersecurity)?
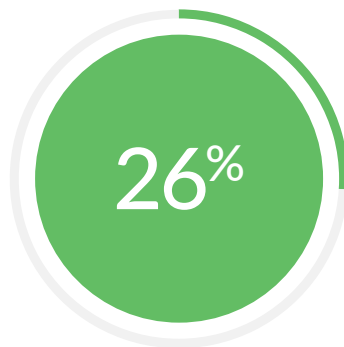
54%
IT

17%
LEGAL

14%
SECURITY

9%
COMPLIANCE

6%
OTHER
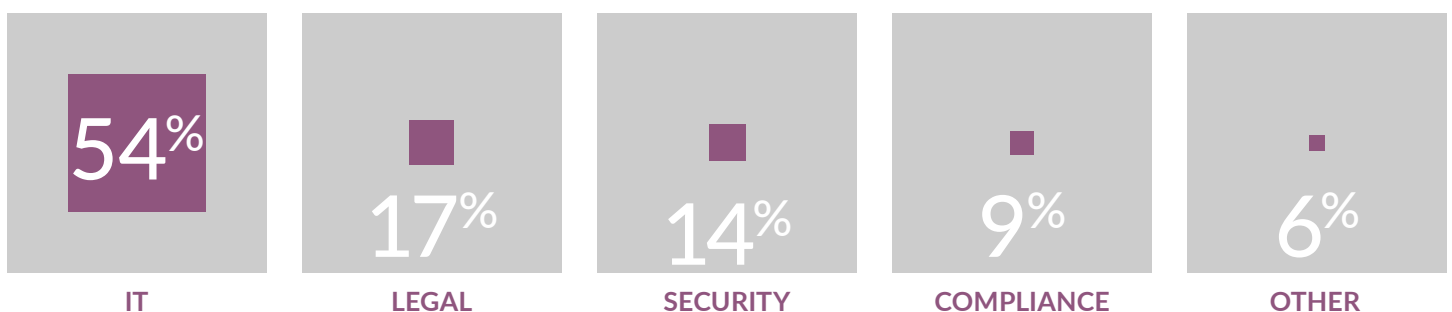
Do you believe having more employees work remotely presents more corporate risk when it comes to defensibly managing data for cybersecurity, compliance, litigation, and privacy issues?

74%

YES

26%

NO
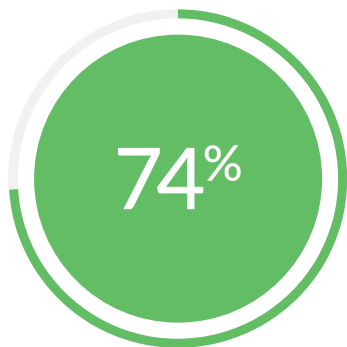
The survey results indicate major changes and fluctuation in legal departments over the next year, as businesses adjust to the "new normal" of a post-COVID-19 world, as well as new challenges presented by global data privacy regulations. It is incumbent upon legal leaders everywhere to confront these business challenges head-first, and help foster an environment conducive to smooth compliance efforts.

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is the only award winning publication to address the information needs of all members of the C-Suite. Our circulation continues to expand and we reach more in-house readers than any other legal publication.

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