

2021

LAW DEPARTMENT
MANAGEMENT
BENCHMARKING
REPORT

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Table 49. Legal Department Functions – \$500M to \$999M

	Function is part of the legal department		Separate department reporting to legal		Total	
	n	Pct.	n	Pct.	n	Pct.
Compliance	186	79.8%	13	5.6%	199	85.4%
Privacy	137	58.8%	11	4.7%	148	63.5%
Risk	128	54.9%	12	5.2%	140	60.1%
Ethics	130	55.8%	9	3.9%	139	59.7%
Real estate/corporate facilities	87	37.3%	6	2.6%	93	39.9%
Government affairs	59	25.3%	11	4.7%	70	30.0%
Procurement	59	25.3%	11	4.7%	70	30.0%
Environmental, social, and governance (ESG) / corporate social responsibility (CSR)	52	22.3%	14	6.0%	66	28.3%
Information security	36	15.5%	28	12.0%	64	27.5%
Information technology (IT)	49	21.0%	10	4.3%	59	25.3%
Internal audit	34	14.6%	15	6.4%	49	21.0%
Administration	27	11.6%	12	5.2%	39	16.8%
Communications	24	10.3%	12	5.2%	36	15.5%
Environment, health and safety (EHS)	23	9.9%	11	4.7%	34	14.6%
Finance	22	9.4%	9	3.9%	31	13.3%
Human resources	14	6.0%	11	4.7%	25	10.7%
Physical security	9	3.9%	15	6.4%	24	10.3%
Public/corporate affairs	8	3.4%	9	3.9%	17	7.3%
Supply chain	4	1.7%	9	3.9%	13	5.6%

Table 52. Legal Department Staffing Metrics – Information Technology

	n	25th Percentile	Mean	Median	75th Percentile
Lawyers	113	1.0	3.9	2.0	4.0
Paralegals	113	0.0	0.9	0.0	1.0
Legal operations professionals	113	0.0	0.5	0.0	0.0
Administrative/secretarial staff	113	0.0	0.5	0.0	1.0
Other staff	113	0.0	0.5	0.0	0.0
Total legal department staff (FTE)	113	2.0	6.2	4.0	7.0
Contract (temporary) staff	106	0.0	0.5	0.0	1.0
Lawyers as a percentage of total staff	113	50.0%	68.2%	66.7%	100.0%
Paralegals as a percentage of total staff	113	0.0%	12.5%	0.0%	22.2%
Legal operations professionals as a percentage of total staff	113	0.0%	5.4%	0.0%	0.0%
Administrative/secretarial staff as a percentage of total staff	113	0.0%	8.4%	0.0%	14.3%
Other staff as a percentage of total staff	113	0.0%	5.5%	0.0%	0.0%
Lawyers as a percentage of total company employees	113	0.15%	0.70%	0.33%	0.71%
Paralegals as a percentage of total company employees	113	0.00%	0.14%	0.00%	0.14%
Legal operations professionals as a percentage of total company employees	113	0.00%	0.07%	0.00%	0.00%
Administrative/secretarial staff as a percentage of total company employees	113	0.00%	0.09%	0.00%	0.08%
Other staff as a percentage of total company employees	113	0.00%	0.08%	0.00%	0.00%
Legal department staff as a percentage of total company employees	113	0.28%	1.07%	0.57%	1.05%
Lawyers per paralegal	55	1.00	3.38	2.00	4.00
Lawyers per legal operations professional	25	1.00	4.00	2.00	6.00
Lawyers per administrative/secretarial staff	41	2.00	4.47	3.00	5.00
Lawyers per other staff	26	2.00	3.16	2.22	4.00
Lawyers per total non-lawyer staff	82	1.00	1.82	1.38	2.00
Lawyers per \$1 billion in company revenue	113	5.56	16.39	10.00	18.81
Legal staff per \$1 billion in company revenue	113	9.01	25.67	17.53	31.35

Table 99. Legal Department Spending Metrics – 10 to 24 Staff

	n	25th Percentile	Mean	Median	75th Percentile
Total inside spend <i>Includes lawyer and non-lawyer compensation and other inside spend not categorized</i>	11	\$560,000	\$6,200,336	\$1,050,000	\$12,000,000
Total outside spend <i>Includes spend on outside counsel and ALSPs and other remaining outside spend not categorized</i>	10	\$220,000	\$10,312,826	\$711,130	\$12,916,000
Total legal spend <i>Total inside spend + total outside spend</i>	10	\$820,000	\$17,077,196	\$4,034,157	\$34,800,000
Lawyer compensation <i>Combined compensation among all department lawyers—includes salary, cash bonus, taxes, and benefits</i>	10	\$465,000	\$5,012,945	\$847,500	\$10,000,000
Non-lawyer compensation <i>Combined compensation among all non-lawyer legal staff—includes salary, cash bonus, taxes, and benefits</i>	7	\$70,000	\$1,531,028	\$350,000	\$3,073,199
Spend on outside counsel	10	\$180,000	\$9,315,380	\$711,130	\$12,000,000
Spend on ALSPs/LPOs	11	\$0	\$780,455	\$0	\$400,000
Total inside spend as percentage of total spend	10	45.45%	59.42%	60.27%	73.17%
Total outside spend as percentage of total spend	10	26.83%	40.58%	39.73%	54.55%
Total spend as percentage of revenue	10	0.456%	3.993%	1.064%	1.377%
Cost per lawyer hour <i>Total lawyer compensation spend divided by (lawyers x 1,800 billable hours)</i>	10	\$103.70	\$133.50	\$135.10	\$175.93
Percentage of legal spend allocated to other business units	10	0.0%	23.7%	0.0%	44.0%
Percentage of total legal spend allocated to legal technology	11	1.0%	3.0%	3.0%	5.0%

Table 133. Technology Areas by Allocated Spend – Non-profit Organizations

	Ranked #1		Ranked #2		Ranked #3		Net Top 3	
	n	Pct.	n	Pct.	n	Pct.	n	Pct.
Contract Management	25	27.2%	13	14.1%	9	9.8%	47	51.1%
Legal Research Services	14	15.2%	10	10.9%	12	13.0%	36	39.1%
Document Management	10	10.9%	8	8.7%	2	2.2%	20	21.7%
Compliance	7	7.6%	11	12.0%	5	5.4%	23	25.0%
e-Signature	5	5.4%	10	10.9%	9	9.8%	24	26.1%
Board Portals	5	5.4%	2	2.2%	5	5.4%	12	13.0%
Matter Management	4	4.3%	6	6.5%	3	3.3%	13	14.1%
IP Management	4	4.3%	1	1.1%	3	3.3%	8	8.7%
Corporate Secretary tools	3	3.3%	9	9.8%	1	1.1%	13	14.1%
e-Discovery: Identification/Preservation/Collection	3	3.3%	1	1.1%	0	0.0%	4	4.3%
e-Billing	2	2.2%	3	3.3%	2	2.2%	7	7.6%
Online Virtual Data Room repositories	2	2.2%	1	1.1%	1	1.1%	4	4.3%
Document Comparison	1	1.1%	2	2.2%	3	3.3%	6	6.5%
Artificial Intelligence (AI)	1	1.1%	1	1.1%	1	1.1%	3	3.3%
Business Intelligence (BI)	1	1.1%	1	1.1%	1	1.1%	3	3.3%
Legal Hold tools	1	1.1%	1	1.1%	0	0.0%	2	2.2%
Patent Search tools	1	1.1%	1	1.1%	0	0.0%	2	2.2%
Record Management	1	1.1%	0	0.0%	2	2.2%	3	3.3%
Project Management	1	1.1%	0	0.0%	0	0.0%	1	1.1%
Remote Connectivity tools	0	0.0%	1	1.1%	3	3.3%	4	4.3%
e-Discovery: Review/Production	0	0.0%	1	1.1%	1	1.1%	2	2.2%
Knowledge Management	0	0.0%	1	1.1%	1	1.1%	2	2.2%
Survey/Information Gathering tools	0	0.0%	1	1.1%	1	1.1%	2	2.2%
e-Discovery: Processing/Analysis	0	0.0%	1	1.1%	0	0.0%	1	1.1%
Integration tools	0	0.0%	0	0.0%	1	1.1%	1	1.1%

Table 176. Allocation by Work Type – Energy, Oil, and Gas

	Managed Internally	Managed by Outside Counsel	Managed by ALSP/LPOs	Managed Exclusively In-house	Not Covered or Not Known	Not Applicable
Compliance	100.0%	13.8%	10.3%	81.0%	3.2%	3.2%
Contract management – review and drafting	100.0%	17.7%	4.8%	77.4%	0.0%	1.6%
Corporate and governance	100.0%	19.4%	0.0%	80.6%	0.0%	1.6%
Document management – review and drafting	100.0%	11.7%	0.0%	88.3%	1.6%	3.2%
Labor and employment	100.0%	38.7%	1.6%	61.3%	1.6%	0.0%
Legal operations	100.0%	0.0%	3.4%	96.6%	1.6%	4.8%
Privacy and security	100.0%	17.7%	6.5%	77.4%	0.0%	1.6%
Records management	100.0%	0.0%	0.0%	100.0%	6.6%	6.6%
Litigation – legal hold	98.4%	18.0%	1.6%	80.3%	1.6%	1.6%
Regulatory	98.4%	24.6%	1.6%	73.8%	3.2%	0.0%
Invoice review	98.3%	0.0%	5.1%	94.9%	3.2%	1.6%
Litigation – case/project management	90.3%	59.7%	1.6%	38.7%	1.6%	0.0%
Legal research	87.7%	38.6%	1.8%	59.6%	4.8%	4.8%
Due diligence	78.3%	63.3%	8.3%	33.3%	3.2%	0.0%
Discovery – data collection	77.6%	37.9%	22.4%	44.8%	3.2%	4.8%
Intellectual property services	76.7%	65.0%	11.7%	31.7%	1.6%	3.2%
Discovery – data processing/hosting	56.9%	53.4%	34.5%	24.1%	3.2%	4.8%

	Professional, Scientific, and Technical Services	Real Estate Rental and Leasing	Retail Trade	Telecommunications	Transportation and Warehousing	Utilities	Wholesale Trade
Blended hourly rates	24.1%	50.0%	38.5%	66.7%	41.7%	40.0%	24.1%
Retainers	34.5%	25.0%	30.8%	33.3%	41.7%	22.9%	34.5%
Incentives or success fees	20.7%	0.0%	19.7%	50.0%	16.7%	14.3%	20.7%
Contingency fees	6.9%	0.0%	17.9%	33.3%	20.8%	14.3%	6.9%
Performance-based holdbacks	3.4%	0.0%	2.6%	0.0%	8.3%	0.0%	3.4%
Other	0.0%	0.0%	0.9%	0.0%	4.2%	8.6%	0.0%

Table 219. Types of Outside Counsel Fees Used – Legal Department Size

	1 staff	2 to 9 staff	10 to 24 staff	25 to 99 staff	100 or more staff
Discounted hourly rates	76.1%	84.5%	89.9%	94.4%	93.7%
Standard hourly rates	78.8%	79.3%	67.4%	70.4%	68.3%
Flat fees	54.0%	67.2%	67.4%	75.9%	79.4%
Capped fees	38.1%	46.6%	55.1%	75.9%	66.7%
Blended hourly rates	29.2%	27.6%	40.4%	59.3%	55.6%
Retainers	23.9%	25.9%	33.7%	38.9%	41.3%
Incentives or success fees	12.4%	17.2%	20.2%	27.8%	25.4%
Contingency fees	7.1%	15.5%	21.3%	24.1%	23.8%
Performance-based holdbacks	2.7%	1.7%	3.4%	3.7%	6.3%
Other	2.7%	3.4%	1.1%	3.7%	6.3%

Table 220. Types of Outside Counsel Fees Used – Company Type

	Private	Public	Wholly-owned subsidiary	Non-profit	Government
Discounted hourly rates	75.0%	80.3%	83.3%	87.5%	97.1%
Standard hourly rates	62.5%	78.6%	66.7%	66.7%	74.3%
Flat fees	62.5%	66.7%	50.0%	70.8%	71.4%
Capped fees	12.5%	51.3%	66.7%	54.2%	48.6%
Blended hourly rates	50.0%	38.5%	66.7%	41.7%	40.0%
Retainers	25.0%	30.8%	33.3%	41.7%	22.9%
Incentives or success fees	0.0%	19.7%	50.0%	16.7%	14.3%
Contingency fees	0.0%	17.9%	33.3%	20.8%	14.3%
Performance-based holdbacks	0.0%	2.6%	0.0%	8.3%	0.0%
Other	0.0%	0.9%	0.0%	4.2%	8.6%

Table 221. Legal Department Has Diversity Metrics with Respect to Its Outside Counsel

	Yes		No	
	n	Pct.	n	Pct.
Overall results	145	29.4%	348	70.6%
Company Revenue				
Less than \$100M	14	12.7%	96	87.3%
\$100M to \$499M	20	17.7%	93	82.3%
\$500M to \$999M	11	19.0%	47	81.0%
\$1B to \$2.9B	34	38.2%	55	61.8%
\$3B to \$9.9B	21	38.9%	33	61.1%
\$10B or more	45	71.4%	18	28.6%
Industry				
Accommodation and Food Services	4	33.3%	8	66.7%
Agriculture, Forestry, Fishing and Hunting	6	40.0%	9	60.0%
Arts, Entertainment, and Recreation	5	45.5%	6	54.5%
Construction	4	13.3%	26	86.7%
Educational Services	3	18.8%	13	81.3%
Energy, Oil & Gas	9	30.0%	21	70.0%
Financial & Banking	22	48.9%	23	51.1%
Healthcare and Social Assistance	9	26.5%	25	73.5%
Information Technology	24	28.9%	59	71.1%
Insurance	11	37.9%	18	62.1%
Management of Companies and Enterprises	2	25.0%	6	75.0%
Manufacturing	37	31.6%	80	68.4%
Mining	2	33.3%	4	66.7%
Other Services (except Public Administration)	9	37.5%	15	62.5%
Pharmaceuticals/Medical Devices	11	31.4%	24	68.6%
Professional, Scientific, and Technical Services	11	22.0%	39	78.0%
Real Estate Rental and Leasing	5	26.3%	14	73.7%
Retail Trade	10	25.0%	30	75.0%
Telecommunications	6	40.0%	9	60.0%
Transportation and Warehousing	8	36.4%	14	63.6%
Utilities	4	33.3%	8	66.7%
Wholesale Trade	7	31.8%	15	68.2%
Legal Department Size				
1 staff	3	5.2%	55	94.8%
2 to 9 staff	41	17.8%	189	82.2%
10 to 24 staff	25	28.4%	63	71.6%
25 to 99 staff	39	52.0%	36	48.0%
100 or more staff	37	88.1%	5	11.9%
Company Type				
Private	50	20.0%	200	80.0%
Public	77	45.0%	94	55.0%