HOW WELL DO YOU KNOW YOUR ORGANIZATION’S DATA CONSIDERING THE RISKS?

→ Preserve, review, redact and produce ESI
→ Find hidden data
→ Enforce retention schedules
→ Respond to data privacy requests

→ Get complete transparency across data requirements
→ Automate cybersecurity response
→ And more!

Exterro is the only software that empowers you to manage and mitigate these risks in one simple platform.
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2023 LEGAL TECHNOLOGY REPORT FOR IN-HOUSE LEGAL PROFESSIONALS

ACC.COM/SURVEYS
The Association of Corporate Counsel (ACC) and Exterro, the leader in Legal GRC software, are pleased to present our 2023 Legal Technology Report for In-house Legal Professionals. In today's in-house legal department, technology is no longer just a nice-to-have. With growing amounts of data to review, and an evolving set of e-discovery, compliance, incident response, information governance, and data privacy requirements, legal staff must leverage technology to adequately protect and serve their organization.

With survey responses from 252 in-house counsel and legal operations professionals across 22 countries, this report presents the types of legal technology organizations are using and their perceived effectiveness, purchasing behavior, and top technology challenges. The results reveal that legal processes are slowly becoming more sophisticated within legal departments, and more are using a greater number of software tools, with a particular increase in contract management technology over the past two years. However, departments are also experiencing a greater number of pain points as more technology becomes implemented. Respondents continue to point toward a desire for software interoperability as many software applications that are purchased have little or no interconnectivity. Yet, there is also a clear understanding and appreciation for the benefits that legal technology can bring and is considered a “must-have” for legal departments by 78 percent of respondents.

We hope this report will be useful to in-house legal professionals and other key stakeholders in compliance, information technology, and information security. Many thanks to the survey participants for taking the time to share their valuable experience and perspectives.
KEY FINDINGS
KEY FINDINGS

1. Legal technology is now a must-have
Seventy-eight percent of respondents now say that legal technology is a “must-have” for in-house legal departments. Compared with two years ago, this is an increase of 15 percent. One hundred percent of legal departments who said their processes were optimized thought legal technology is a must-have. Based on that, to achieve an optimized state, technology cannot be overlooked.

2. More companies are showing greater structure and sophistication in their legal processes
Legal processes can range from unsophisticated and ad hoc with no management or budget (level one) to highly sophisticated and optimized with significant budget, resources, and buy-in (level five). Compared to 2021, more companies are now at a level three or four, having more structured and well-defined legal processes with dedicated support, budget, and sponsorship. Fewer companies reported having legal processes at a level one or two.

3. Contract management is the most used legal technology and is considered most effective
Sixty-five percent of companies surveyed are now using contract management technology, up 14 percentage points from 2021, and it is now the most used technology, ahead of legal research tools. Overall, contract management technology is seen as the most effective, but there are differences across job roles. For example, legal operations professionals believe that e-billing and matter management technology are both more effective than contract management.
Legal departments looking to broaden technology use cases

The biggest increases in use of legal technology have occurred in contract management (up 15 percent), legal hold (13 percent), matter management (nine percent) and data collection and processing (eight percent). Nevertheless, legal departments are still looking to leverage software more effectively in areas like contracts, privacy/compliance, litigation, and cybersecurity/data breach response.

Top challenge: software interoperability

Legal teams face numerous pain points when using legal technology such as having to learn a variety of user interfaces, lack of intuitive design, having manual processes within the software, and experiencing a lack of IT support. However, the top pain point identified by 62 percent of respondents is the lack of interconnectivity across their various software applications. Forty-three percent of respondents thought a comprehensive technology platform could help reduce the challenge of using multiple, disparate technology solutions.

Highly optimized departments are more likely to purchase additional technology

Thirty-eight percent of all respondents said their organization will purchase or upgrade legal software over the next year. Contract management, matter management, and document repository software are the top three technology categories that organizations are currently assessing for purchase. Sixty-four percent of highly optimized departments plan to purchase additional software, whereas only 23 percent of departments with ad hoc processes plan to make a technology purchase.
section 1

TECHNOLOGY USE AND EFFECTIVENESS
This section presents the results of how participants define legal processes at their organization, the technology tools that they use, and which of those they find most effective to assist in their day-to-day work.

Survey participants were asked to categorize legal processes at their organization on a five-point scale ranging from ad hoc (level 1) to optimized (level 5) processes. The table below provides definitions for each of the five levels in this progressive scale that assesses how structured and sophisticated legal processes are in participating legal departments.

The distribution of responses has varied slightly compared to the 2021 results. Fewer respondents indicated that legal processes are in the two lowest categories, ad hoc (1) and defined (2), with a combined 28 percent compared to 39 percent in 2021. A plurality indicated that legal processes are structured (3), the middle point on the scale, with 38 percent – a nine-point increase since 2021. Finally, about one-third of respondents categorized legal processes in the upper two levels, managed (4) and optimized (5), a practically identical result to the one observed in 2021.

### How would you categorize legal processes at your organization?

<table>
<thead>
<tr>
<th>LEVEL 1 – AD HOC</th>
<th>Experimental, ever-changing process, with no management and no budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL 2 – DEFINED</td>
<td>Management is aware of the process but doesn’t enforce it, only part-time resources allocated</td>
</tr>
<tr>
<td>LEVEL 3 – STRUCTURED</td>
<td>Formal projects with defined roles throughout the process, dedicated budget along with management buy-in</td>
</tr>
<tr>
<td>LEVEL 4 – MANAGED</td>
<td>Well-defined and dedicated resources to support the defined process, requirements driven along with executive sponsorship</td>
</tr>
<tr>
<td>LEVEL 5 – OPTIMIZED</td>
<td>Prioritized by executive team with a significant budget, staff uses metrics and other business intelligence to influence and optimize the process</td>
</tr>
</tbody>
</table>

### OVERALL RESULTS

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>16%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>23%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>27%</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>26%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>8%</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>
The results show a clear relationship between the legal processes level and company size: a greater number of large companies tend to have managed and optimized legal processes compared to smaller organizations.

As company size increases, those reporting having either ad hoc or defined process, the two lowest points on the measurement scale, continues to diminish: with 49 percent of participants in companies with under US$100 million in revenue, compared to 37 percent in mid-sized companies ranging from US$100 million to US$1 billion, and just 18 percent of those in large companies with US$1 billion or more.

However, only seven percent of respondents in large companies reported having optimized legal processes, five percent in mid-size organizations, and none in the smallest participating organizations. Despite the progress and increasing focus, the small number of organizations achieving a Level 5 may indicate the amount of time and budget that is required.
What legal technology does your organization use?

Contract management is the most used legal technology software among departments with 65 percent, a 14-point increase compared to 2021, having replaced legal research technology (61 percent) from the top of the list. E-billing (55 percent, with an eight-point increase) and document repository technology (54 percent, no change) are used by more than half of participants, while legal hold and matter management fall just short of the halfway mark but are more widely used than in 2021.

Data collection and processing technology is also more used than in 2021, showing an eight-point increase, while the remaining technologies listed are used by under one-third of participants with no relevant changes compared to the 2021 results.
What legal technology do you find most effective?

Contract management remains the legal technology that most participants find most effective, with 52 percent, while none of the other tools earned more than 50 percent – respondents were allowed to select up to four options. E-billing (39 percent), legal research (also 39 percent), and matter management (38 percent) follow suit, with legal research technology showing a five-point decrease and the other two showing a minor increase. One-quarter of participants listed document repository tools as one of four most effective technologies that they use (with a seven-point increase compared to 2021) and 23 percent said that legal hold technology is among the most effective.
The perceptions of which legal technologies are most effective vary significantly depending on the job roles of participants. Among the most effective technologies overall, CLOs and other in-house counsel tend to find contract management and legal research technologies more effective than legal operations professionals. Conversely, the latter strongly rely upon e-billing and matter management technologies.
Why do you find these legal technologies the most effective? [OPEN-ENDED]

Respondents provided open-ended comments on the reasons why they found particular technologies the most effective in assisting with everyday tasks. This figure provides examples of how participants leverage the top five most effective technologies on aggregate: contract management, e-billing, legal research, matter management, and document repository.

1ST

CONTRACT MANAGEMENT

“Contract management system [helps automate contract requests], creates audit trail, allows multiple colleagues to collaborate on the same document, and houses all the executed agreements.

“It allows for superior efficiency and confidence of the legal department’s ‘one version of truth’ when it comes to contracts utilized across the organization.”

“We use a contract automation tool to streamline the contract review process. It creates consistency and efficiency in contract building and review, approval, and execution process.”

2ND

E-BILLING

“Effective management of external legal spend through E-Billing technology frees up time for other value-added work.”

“E-billing helps us track spend and achieve better alternative arrangements, streamline data captured, and reduce the risk of lost documents/contracts.”

“E-billing solutions help us track our spend and pay our partners on time. Budget planning and tracking is so much easier with this type of technology.”
MATTER MANAGEMENT

“Matter management is essential for organizing and regularly reviewing matters. This technology saves time and keeps matters organized.”

“It is often difficult to track requests sent to the Legal team from the various company departments. Tracking various approvals, reviews, intra-department review requests, and replies from the various interested parties is difficult to do without a central matter management system.”

“Matter management technology forces you (in a good way) to stay up to date on your matters with the ability to communicate the most recent updates to the business in an efficient and digestible way.”

DOCUMENT REPOSITORY

“A structured document repository is the basis for effective collaboration, knowledge, and precedents management.”

“It allows us to remain organized, pull up prior work, transition projects between counsel and business partners, and it allows business partners to have access to contracts and other documents pertinent to their areas of responsibility.”

“Document management assists with version control especially when working heavily with departments outside of Legal.”

LEGAL RESEARCH

“Legal research is a mature technology that is easy to use.”

“We use electronic research services with the available categorization and folders for recurring issues.”

“The ability to research laws and regulations is crucial in a legal role.”
section 2

TECHNOLOGY ASSESSMENT AND PURCHASING BEHAVIOR
We now turn our focus to the process of purchasing legal technology by presenting data on whether departments are looking to purchase new technology in the coming year and which areas and types of software participants are most interested in upgrading. We also look into which business units are involved in the decision of purchasing new legal software, how long the process lasts, and the main factors impacting the decision to invest in new technology solutions.

About four in ten participants responded that their legal department is considering buying additional legal software or upgrading existing software in the next year. Eighteen percent indicated that their organization will definitely buy new technology and 21 percent said that purchasing new technology is being assessed. The results are practically identical to the 2021 survey, which show only limited variations across the other categories in this question.
Organizations with optimized legal processes are more likely to purchase new technology this year, with 43 percent of those optimized legal departments saying that they will definitely upgrade the technology toolkit and an additional 21 percent reported that they are assessing new purchases.

Forty percent of respondents in departments with either structured or managed legal processes are also likely to buy new technology, while the percentage in departments with defined processes that are probably upgrading legal technology software falls to 34 percent and is just 23 percent of those in the lowest, ad hoc level of legal processes.

Departments with more structured and sophisticated legal processes are more likely to keep up with their technology investment and rely on these tools to streamline and improve legal processes.

### PLAN TO BUY OR UPGRADE LEGAL SOFTWARE BY LEGAL PROCESSES LEVEL

<table>
<thead>
<tr>
<th>Level</th>
<th>Yes, definitely</th>
<th>Yes, we are assessing</th>
<th>Maybe, not sure</th>
<th>No, probably won’t</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL 1 – AD HOC</td>
<td>13%</td>
<td>10%</td>
<td>37%</td>
<td>13%</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>LEVEL 2 – DEFINED</td>
<td>10%</td>
<td>24%</td>
<td>37%</td>
<td>22%</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>LEVEL 3 – STRUCTURED</td>
<td>18%</td>
<td>22%</td>
<td>32%</td>
<td>17%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>LEVEL 4 – MANAGED</td>
<td>18%</td>
<td>22%</td>
<td>25%</td>
<td>13%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>LEVEL 5 – OPTIMIZED</td>
<td>43%</td>
<td>21%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
<td>7%</td>
</tr>
</tbody>
</table>

ACC.COM/SURVEYS 2023 LEGAL TECHNOLOGY REPORT FOR IN-HOUSE LEGAL PROFESSIONALS
What legal technologies are you currently assessing or looking to purchase or upgrade?

Only asked to those that responded yes or maybe in the previous question.

Almost half of participants who said they are considering buying new technology – including those that were not sure – would invest in upgrading their contract management technology (46 percent), 31 percent are looking into new matter management options, and 23 percent are considering revamping their document repository technology. These all represent lower percentages than those observed in 2021, although 15 percent of respondents also indicated that they are looking to purchase or upgrade other technology tools that were not listed in the survey.
Why are you looking to purchase or upgrade your selection(s)?

[OPEN-ENDED]

Based on open-ended responses, we identified three main reasons why legal departments are looking to purchase or upgrade their legal technology solutions across multiple areas. Many among those who are looking to make technology purchases expect to better leverage technology to increase efficiencies and streamline processes in the legal department. Another main reason for a technology upgrade is to replace old or outdated systems with better solutions that are now available in the market. Other respondents indicated that they are currently dissatisfied with specific technologies or the services provided by vendors and are looking at other options to improve performance and vendor support.

**EFFICIENCY**
- Willingness to increase efficiencies, reduce costs, and streamline processes
- "It will increase efficiency and reduce outside counsel legal spend."
- "Streamline the matter management process and the contract building, review, approval, and execution processes."
- "These are areas that have been identified as having higher risk due to lack of automation and/or areas that could generate significant efficiency gains."

**UPGRADES**
- Need to upgrade old systems and processes, better solutions are available on the market
- "The current system is old and newer platforms have better interface and more customizable options."
- "We want to move to a more sophisticated and supported platform. Our current platform was developed in-house and has become outdated."
- "These are areas where we have been looking for a while and believe that the technology is now up to standard for adoption."

**DISSATISFACTION**
- Desire to replace technology because of dissatisfaction with current features and vendor support
- "Because we are not satisfied with our existing solution."
- "Our current technologies have some pain points that we hope different/new vendors will be able to address more efficiently."
- "The software we use now is buggy and bloated. We need better UX and greater ability to pull from and generate actual contracts instead of just having them serve as a repository."
Three in four participants responded that they are looking to leverage legal software more effectively in handling contracts, 41 percent wanted to use technology more effectively in privacy and compliance matters, and 30 percent said that their focus is on litigation. The results remain very similar to those observed in 2021 with those three areas topping the list.

Which areas in your legal department are you looking to leverage software more effectively?

- **Contracts**: 77% in 2023, 76% in 2021
- **Privacy/Compliance**: 40% in 2023, 41% in 2021
- **Litigation**: 25% in 2023, 30% in 2021
- **Cybersecurity/Data Breach**: 21% in 2023, 22% in 2021
- **Internal Investigation**: 13% in 2023, 12% in 2021
- **Intellectual Property**: 20% in 2023, 11% in 2021
- **M&A**: 10% in 2023, 9% in 2021
By job type, a clear majority of in-house counsel and legal operations professionals are looking to better leverage technology regarding contracts, though non-GC in-house counsel and legal operations professionals indicated that preference in larger numbers than general counsel and CLO participants. Almost half (48 percent) in this group wanted to better use technology to address privacy and compliance matters compared to 40 percent of legal operations professionals and 36 percent of other in-house counsel. Separately, legal operations professionals are more keen on leveraging technology for litigation purposes – 55 percent in that group said so compared to just 29 percent of non-GC in-house counsel and 16 percent of CLOs.

### AREAS TO LEVERAGE SOFTWARE MORE EFFECTIVELY BY ROLE

- **Contracts**:
  - In-house Counsel (non-GC): 81%
  - General Counsel/CLO: 66%
  - Legal Operations Professional: 79%

- **Privacy/Compliance**:
  - In-house Counsel (non-GC): 36%
  - General Counsel/CLO: 48%
  - Legal Operations Professional: 40%

- **Litigation**:
  - In-house Counsel (non-GC): 29%
  - General Counsel/CLO: 16%
  - Legal Operations Professional: 55%

- **Cybersecurity/Data Breach**:
  - In-house Counsel (non-GC): 23%
  - General Counsel/CLO: 27%
  - Legal Operations Professional: 12%

- **Intellectual Property**:
  - In-house Counsel (non-GC): 13%
  - General Counsel/CLO: 9%
  - Legal Operations Professional: 10%

- **Internal Investigation**:
  - In-house Counsel (non-GC): 14%
  - General Counsel/CLO: 5%
  - Legal Operations Professional: 10%

- **M&A**:
  - In-house Counsel (non-GC): 7%
  - General Counsel/CLO: 13%
  - Legal Operations Professional: 10%
Most participants reported that the biggest factor in deciding whether to purchase legal technology is its impact on efficiency (57 percent), while cost reduction is the most important factor according to 27 percent of respondents. Compliance and defensibility considerations are key to one in ten respondents and six percent named consistency as the most important factor to determine whether to purchase legal technology. The results remain largely the same as those observed in 2021.

Efficiency is consistently the most important factor in deciding whether to buy new legal technology across legal department roles and company sizes. However, CLOs are especially seeking to improve efficiencies by purchasing new technology, particularly CLOs in large companies as shown by the 86 percent of participants in that group that rate efficiency as the most important factor.

In-house counsel other than CLOs value cost reduction and the positive effect of legal technology in assisting with compliance issues and defensibility in greater numbers than CLOs do, while legal operations professionals focus on the prospective cost savings that legal technology can bring – with 40 percent of legal operations professionals in companies with up to US$1 billion in revenue saying that cost reduction is the biggest factor in deciding to purchase legal technology.

What is the biggest factor in deciding whether your legal department will purchase legal technology?

<table>
<thead>
<tr>
<th>Factor</th>
<th>2021</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>64%</td>
<td>57%</td>
</tr>
<tr>
<td>Cost Reduction</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Compliance/Defensibility*</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Consistency</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*B Category referred as "Defensibility" in the 2021 survey.

**BIGGEST FACTOR TO PURCHASE LEGAL TECHNOLOGY BY ROLE AND REVENUE SIZE**

<table>
<thead>
<tr>
<th>Role</th>
<th>Efficiency</th>
<th>Cost Reduction</th>
<th>Compliance/Defensibility*</th>
<th>Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-House Counsel (Non-GC)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $1B</td>
<td>47%</td>
<td>31%</td>
<td>18%</td>
<td>2%</td>
</tr>
<tr>
<td>$1B or more</td>
<td>56%</td>
<td>26%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>General Counsel/CLO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $1B</td>
<td>60%</td>
<td>26%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>$1B or more</td>
<td>86%</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Legal Operations Professional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $1B</td>
<td>60%</td>
<td>40%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>$1B or more</td>
<td>61%</td>
<td>24%</td>
<td>9%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Fifty-four percent of participants said that between two and five individuals are usually involved in the process of buying new technology at their organizations, and 20 percent indicated that the number of individuals involved is between five and 10. Twelve percent said that more than 10 people are involved in the purchasing process. The results remain similar to those recorded in the 2021 survey, although the number of participants who do not know how many people are involved in purchasing new legal technology rose to 13 percent (from eight percent) and the number of departments where only one person is involved decreased from eight percent to just two percent.
The number of individuals involved in new technology purchases tends to go up as company size increases, although 40 percent of participants in larger companies with US$1 billion or more in revenue said that between two and five individuals are involved. This is the number of people involved in technology purchases in 90 percent of small companies and 59 percent of mid-size companies.

In the largest company size group, 23 percent said that between 10 and 15 people are involved in the process, and an additional 18 percent reported that the individuals involved numbered more than 10.
In addition to the legal department, two-thirds of respondents indicated that the information technology (IT) department is involved in the purchasing of legal technology (a five-point decrease since 2021), 47 percent said that finance is involved, 45 percent also reported that the procurement division is part of the purchasing process, and 40 percent indicated that information security is also involved. Eighteen percent noted that the compliance department is also involved in legal technology purchases if that division is separate from the legal department.

It is worth noting that the big increase observed in the involvement of finance is due to adding this department to the list of available response options to the question. Nine percent of respondents in 2021 indicated that finance was involved in the process of buying legal technology as a write-in included in the "other" department response category.

Which business units outside of legal are involved in the purchasing of legal technology at your organization?

(Please select all that apply)

- INFORMATION TECHNOLOGY [69% (2021), 64% (2023)]
- FINANCE* [9% (2021), 47% (2023)]
- PROCUREMENT [50% (2021), 45% (2023)]
- INFORMATION SECURITY [39% (2021), 40% (2023)]
- COMPLIANCE (IF OUTSIDE OF LEGAL) [18% (2021), 18% (2023)]
- OTHER [5% (2021), 5% (2023)]
- DON’T KNOW [8% (2021), 10% (2023)]
- NONE [5% (2021), 2% (2023)]

* In 2021, Finance was not offered as a response option. Nine percent of respondents wrote in "Finance" as part of the "Other" response category.
The length of time it takes to purchase legal technology is longer on average compared to the results observed in 2021. Just nine percent of respondents said it normally takes less than three months, half the value recorded in the previous survey. Thirty-five percent of participants said it takes between three and six months (a four-point increase) and 30 percent reported it taking between six and twelve months (a seven-point increase). Nine percent said new technology purchases normally take more than 12 months.
Purchasing new technology takes longer in large organizations. In smaller companies, 28 percent said it takes less than three months and 43 percent said it takes between three and six months to buy new legal technology software. In mid-size companies, these percentages are 13 percent and 37 percent, respectively, and just three percent of respondents in larger organizations said the purchasing process takes less than three months. A plurality of 37 percent of respondent in large organizations said that the process takes on average between six and 12 months.
When deciding among different technology options, a majority of participants (58 percent) said that the software’s features and functionalities are the most important factor to consider, while 37 percent said that price is what matters the most. These two factors are overwhelmingly considered the two most important elements to consider when making the decision to buy. Other factors are far less relevant, though 54 percent ranked software support as the third most important and 17 percent ranked this factor as the second most important to consider. The results closely resemble those recorded in 2021, with features and functionalities and price, also topping the ranking of most important factors with 60 percent and 35 percent, respectively, being selected as the most important elements to decide among different software options.

69% of legal ops professionals say software features and functionalities are the biggest factor compared to 57% of CLOs and 56% of other in-house counsel.

What are the biggest factors that influence your legal technology purchases?
section 3

CHALLENGES TO IMPLEMENTATION
Here we dive into the biggest pain points that participants experience when using legal software, which specific tools are most helpful to reduce costs and maintain defensibility, and the participants’ views on the extent to which legal technology is a must in the modern corporate legal department.

The main hurdle is that software applications are not connected to one another, which is a problem for 62 percent of participants. Almost half are challenged with having to learn and use a variety of user interfaces (48 percent), the software being confusing, cumbersome, and not intuitive (also 48 percent), and a lot of manual, ad hoc processes within the software (47 percent). Forty-three percent also find it painful to deal with too many different applications and would rather have a comprehensive software platform aimed at accomplishing multiple tasks. This desire for software interoperability was also voiced in 2021 and based on the data, we have a long way to go.

**When using legal technology, my biggest pain points are:**

- **Software applications are not connected to one another:** 59% (62% in 2021)
- **Learning and using a variety of user interfaces:** 45% (48% in 2021)
- **Using the software is confusing, cumbersome and not intuitive:** 42% (48% in 2021)
- **A lot of manual, ad hoc processes within the software:** 42% (47% in 2021)
- **Too many different applications, would rather have a comprehensive software platform:** 39% (43% in 2021)
- **Lack of IT support:** 26% (27% in 2021)
- **Ensuring data security:** 20% (17% in 2021)
- **Other:** 3% (4% in 2021)
Software applications that are not connected to one another is the biggest pain point across legal department roles. Non-GC in-house counsel also find it challenging to learn and use a variety of user interfaces and confusing software applications in larger numbers than CLOs and legal operations professionals.

### BIGGEST PAIN POINTS BY ROLE

<table>
<thead>
<tr>
<th>Issue</th>
<th>In-house Counsel (non-GC)</th>
<th>General Counsel/CLO</th>
<th>Legal Operations Professional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software applications are not connected to one another</td>
<td>62%</td>
<td>57%</td>
<td>67%</td>
</tr>
<tr>
<td>Learning and using a variety of user interfaces</td>
<td>52%</td>
<td>43%</td>
<td>40%</td>
</tr>
<tr>
<td>Using the software is confusing, cumbersome and not intuitive</td>
<td>58%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>A lot of manual, ad hoc processes within the software</td>
<td>46%</td>
<td>50%</td>
<td>47%</td>
</tr>
<tr>
<td>Too many different applications, would rather have a comprehensive software platform</td>
<td>42%</td>
<td>41%</td>
<td>47%</td>
</tr>
<tr>
<td>Lack of IT support</td>
<td>31%</td>
<td>16%</td>
<td>33%</td>
</tr>
<tr>
<td>Ensuring data security</td>
<td>18%</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>2%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Legend:
- In-house Counsel (non-GC)
- General Counsel/CLO
- Legal Operations Professional
Four in ten participants said that contract management software is the most helpful in reducing costs, 20 percent indicated that the most helpful are E-billing tools, and 19 percent selected matter management software. Other software including E-discovery, compliance and privacy, project management, and cybersecurity tools were selected as the most helpful to reduce costs by fewer than 10 percent of respondents.

Some interesting differences arise when looking at the results by legal department role. Many CLOs and other in-house counsel pointed to contract management technology as the most helpful in reducing costs, while legal operations professionals are more divided on the issue, with 36 percent saying it is E-billing, and 23 percent selecting contract and matter management tools.
Contract management is also the software that a plurality of respondents believe helps to maintain defensibility the most, with 25 percent, but opinions on this area are more divided. Twenty percent selected compliance and privacy software, 17 percent chose matter management, 16 percent E-discovery, and 11 percent cybersecurity.

Thirty-six percent of general counsel indicated that contract management is the most helpful tool to maintain defensibility, and 25 percent of other in-house counsel selected this technology as well. A plurality of legal operations professionals selected E-Discovery technology instead (27 percent), and just 14 percent chose contract management.

To maintain defensibility, the software that has helped me the most is:

- **Contract Management:** 25%
- **Compliance/ Privacy:** 22%
- **Matter Management:** 17%
- **E-Discovery:** 16%
- **Cybersecurity:** 11%
- **E-Billing:** 5%
- **Project Management:** 4%

**MOST HELPFUL SOFTWARE TO MAINTAIN DEFENSIBILITY BY LEGAL DEPARTMENT ROLE**

<table>
<thead>
<tr>
<th>Software</th>
<th>In-house Counsel (non-GC)</th>
<th>General Counsel/CLO</th>
<th>Legal Operations Professional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Management</td>
<td>25%</td>
<td>36%</td>
<td>14%</td>
</tr>
<tr>
<td>Compliance/ Privacy</td>
<td>22%</td>
<td>23%</td>
<td>16%</td>
</tr>
<tr>
<td>Matter Management</td>
<td>18%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>E-Discovery</td>
<td>15%</td>
<td>9%</td>
<td>27%</td>
</tr>
<tr>
<td>Cybersecurity</td>
<td>10%</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>E-Billing</td>
<td>6%</td>
<td>0%</td>
<td>8%</td>
</tr>
<tr>
<td>Project Management</td>
<td>2%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>
More than three-quarters of participants said that legal technology is a must have (78 percent), a result that is 15-points higher than the one observed in 2021. Twenty-one percent said that having legal technology in-house is nice, and just two percent believed that it is not needed in today’s digital age.

By legal department role, about 75 percent of in-house counsel, including CLOs, believe that legal technology is a must have, but the percentage is even higher for legal operations professionals (86 percent).
The importance of having legal technology is strongly related to the level of legal processes in participating departments. All participants who said that their legal department had optimized legal processes believed that legal technology is a must have, but just 57 percent of the participants in the lowest grade on the legal processes scale, ad hoc, thought legal technology is a must.

### IMPORTANCE OF HAVING LEGAL TECHNOLOGY BY LEGAL PROCESSES LEVEL

<table>
<thead>
<tr>
<th>Level</th>
<th>Must have</th>
<th>Nice to have</th>
<th>Not needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1 – Ad Hoc</td>
<td>57%</td>
<td>43%</td>
<td>0%</td>
</tr>
<tr>
<td>Level 2 – Defined</td>
<td>85%</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>Level 3 – Structured</td>
<td>76%</td>
<td>23%</td>
<td>1%</td>
</tr>
<tr>
<td>Level 4 – Managed</td>
<td>79%</td>
<td>18%</td>
<td>3%</td>
</tr>
<tr>
<td>Level 5 – Optimized</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

100% of participants with optimized legal processes believe technology is a must-have.
SURVEY DETAILS
### COMPANY REVENUE

- **LESS THAN $100M**: 16%
- **$100M TO <$500M**: 17%
- **$500M TO <$1B**: 8%
- **$1B OR MORE**: 59%

### PARTICIPANT PRIMARY LEGAL DEPARTMENT ROLE

- **IN-HOUSE COUNSEL (NON-GC)**: 57%
- **GENERAL COUNSEL/CLO**: 22%
- **LEGAL OPERATIONS PROFESSIONAL**: 17%
- **OTHER**: 4%
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 March 8, 2023, and closed on March 24, 2023. Reminder emails were sent weekly.

PARTICIPATION
A total of 252 in-house counsel, legal operations professionals, and other legal department staff participated. Apart from targeted email messages, opportunities to participate were also sent through various 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 appropriate, 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.
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.

To learn more about ACC's Research & Insights please contact ACC Research at +1.202.293.4103 or visit acc.com/surveys.

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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