DOES YOUR Legal Department FUNCTION Efficiently And Effectively?

DO YOU HAVE The Right Talent IN YOUR Legal Department?

If you answered NO to either of these questions, then Major, Lindsey & Africa is here to help. Our Advisory Services team can work with you to evaluate and assess your current team and organizational structure and then identify areas for improvement and growth. Then our In-House Counsel Recruiting and Interim Legal Talent teams can help you build out your team for success now and into the future.

We can help with:
1. Integration and Transition Coaching
2. Legal Department Maturity Assessment
3. Legal Department Benchmarking
4. Legal Department Operating Model Review
5. Legal Department Operations Infrastructure and Technology Review
6. Talent Development and Retention Review
7. Legal Staffing & Executive Placement
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>4</td>
</tr>
<tr>
<td>PARTICIPANT PROFILE</td>
<td>5</td>
</tr>
<tr>
<td>1. STAFFING AND STRUCTURE</td>
<td>7</td>
</tr>
<tr>
<td>2. SPENDING</td>
<td>15</td>
</tr>
<tr>
<td>3. WORK ALLOCATION</td>
<td>22</td>
</tr>
<tr>
<td>4. LAW FIRMS AND ALSPs</td>
<td>25</td>
</tr>
<tr>
<td>5. DIVERSITY</td>
<td>29</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>31</td>
</tr>
<tr>
<td>PARTICIPATING ORGANIZATIONS</td>
<td>32</td>
</tr>
</tbody>
</table>
INTRODUCTION

The Association of Corporate Counsel (ACC) and Major, Lindsey & Africa (MLA) are pleased to share the 2023 Law Department Management Benchmarking Report—Executive Summary. The main objective of this report is to provide ACC members and the broader in-house legal community with key law department financial and operational data to support legal departments in assessing performance in the areas of business function reporting, staffing, spending, work allocation, law firm and alternative legal service provider (ALSP) usage, and diversity and inclusion metrics. This executive summary report is based on responses from 449 legal departments in organizations spanning 24 industries, 20 countries, and all company sizes. The report contains a high-level overview of the survey results and key trends compared to the 2022 edition of the survey. The results reveal several key findings:

• Privacy is now the most common business function directly overseen by Legal (57 percent and six points more than reported in 2022) overtaking compliance, which traditionally tops the list (56 percent). An additional 19 percent of departments, however, indicated that compliance is a separate department that reports to legal. Therefore, in total, 77 percent of legal departments reported that the CLO ultimately oversees compliance compared to 70 percent that have oversight over privacy.

• The median total legal spend for all participating companies increased from $2.4 million last year to $3.1 million this year and although this increase occurred across companies of all sizes, the largest increases were driven by companies with greater than $20 billion in revenue, with a median total legal spend of $80 million this year compared to $50 million last year.

• The median total legal spend as a percentage company revenue (a key measure of Legal’s overall cost to the business) also increased to 0.63 percent compared to 0.56 percent last year. However, the total inside/outside spend distribution has remained roughly the same with 53 percent of total spend going to internal costs and 47 percent of total spend going to outside costs.

• About three in ten departments track internal diversity metrics related to the legal department’s composition, and 21 percent report tracking diversity metrics with respect to their outside counsel. There has been little movement in these numbers over the past three years despite the increased attention and desire to establish a more inclusive and equitable environment within the legal profession.

All participating organizations receive the full survey results, which is also available for purchase at acc.com/benchmarking-reports. The full report includes detailed breakdowns of all available metrics by company revenue, industry, legal department size, and company type, allowing organizations to benchmark against key demographic segments. Tailored reports with more specific peer group definitions involving multiple segmentation criteria can be commissioned by making a request to research@acc.com.

ACC and MLA deeply appreciate all survey participants for taking the time to share their data and allowing us to build benchmarking resources like this report. We hope you find the survey results useful.
PARTICIPANT PROFILE

INDUSTRY

- MANUFACTURING: 23%
- INFORMATION TECHNOLOGY: 20%
- HEALTHCARE AND SOCIAL ASSISTANCE: 13%
- FINANCIAL AND BANKING: 9%
- PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES: 9%
- RETAIL TRADE: 8%
- TRANSPORTATION AND WAREHOUSING: 8%
- INSURANCE: 7%
- CONSTRUCTION: 6%
- OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION): 6%
- PHARMACEUTICALS/MEDICAL DEVICES: 6%
- EDUCATIONAL SERVICES: 5%
- ENERGY, OIL, AND GAS: 5%
- TELECOMMUNICATIONS: 5%
- ACCOMMODATION AND FOOD SERVICES: 4%
- AGRICULTURE, FORESTRY, FISHING, AND HUNTING: 4%
- REAL ESTATE RENTAL AND LEASING: 4%
- WHOLESALE TRADE: 4%
- UTILITIES: 3%
- ARTS, ENTERTAINMENT, AND RECREATION: 2%
- MANAGEMENT OF COMPANIES AND ENTERPRISES: 2%
- MINING: 2%
- ADMINISTRATIVE AND SUPPORT SERVICES: 1%
- PUBLIC ADMINISTRATION: 1%
- OTHER: 1%
PARTICIPANT PROFILE

COMPANY REVENUE

- **Less than $1B**: 60%
- **$1B to <$5B**: 21%
- **$5B to <$20B**: 13%
- **$20B or more**: 6%

**10th Percentile**: $25M
**25th Percentile**: $122M
**Median**: $593M
**75th Percentile**: $3.2B
**90th Percentile**: $12.3B
**Mean**: $6.3B

LAWYERS AND LEGAL STAFF

- **1 Lawyer**: 22%
- **2 to 5 Lawyers**: 35%
- **6 to 9 Lawyers**: 11%
- **10 to 24 Lawyers**: 15%
- **25 to 99 Lawyers**: 14%
- **100 or more Lawyers**: 4%

**1 Staff**: 13%
**2 to 5 Staff**: 32%
**6 to 9 Staff**: 14%
**10 to 24 Staff**: 16%
**25 to 99 Staff**: 17%
**100 or more Staff**: 9%

COMPANY TYPE

- **Private**: 65%
- **Public**: 28%
- **Wholly-Owned Subsidiary**: 14%
- **Non-Profit**: 10%
- **Government**: 3%

HEADQUARTERS’ LOCATION

- **United States**: 79%
- **Europe**: 8%
- **Australia/Pacific**: 7%
- **Asia**: 3%
- **Canada**: 3%
- **Middle East and Africa**: 1%
- **Latin America**: 0%
STAFFING AND STRUCTURE

In this section, we present legal department staffing metrics, including number of legal staff per position type, percentage of legal staff per position and as a percentage of total company employees, the ratio of lawyers to other legal position types, and the number of lawyers standardized by company size. We also report on the corporate business functions that are part of the legal department or that are separate units that report into Legal.

Participating companies reported a median of four lawyers and one paralegal in the representative legal department, the same numbers observed last year. The median number of total legal staff is seven, one more than the median value reported in 2022.

METHODOLOGICAL NOTE

The median results reported in this section are calculated independently for each specific metric, e.g., number of lawyers, number of paralegals, number of total staff, etc. The total legal staff metric is calculated for each participating legal department by adding the values reported for each position type. Because the internal distribution of legal staff, however, is not homogeneous across legal departments, we should not expect the median value for total legal staff to match the sum of the median values of all staff positions. In other words, the median of the sum is not necessarily equal to the sum of the medians.
The number of legal staff scales as company size increases. Companies under $1 billion have a median of two lawyers and four legal staff, companies ranging from $1 billion to $5 billion have ten lawyers and 17 legal staff, those between $5 billion and $20 billion report median values of 38 lawyers and 81 legal staff, respectively, and the largest participating companies with more than $20 billion in revenue report median values of 80 lawyers and 145 total legal staff.

The table below provides the results by company size for each position type: lawyers, paralegals, legal operations professionals, administrative and secretarial staff, and other staff. We also report the number of contractors or temporary staff hired by legal departments in 2022, but this position category was excluded from the calculation of the total legal staff metric.

### NUMBER OF STAFF PER POSITION AND COMPANY SIZE

<table>
<thead>
<tr>
<th></th>
<th>ALL PARTICIPANTS</th>
<th>LESS THAN $1B</th>
<th>$1B TO &lt;$5B</th>
<th>$5B TO &lt;$20B</th>
<th>$20B OR MORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAWYERS</td>
<td>4</td>
<td>2</td>
<td>10</td>
<td>38</td>
<td>80</td>
</tr>
<tr>
<td>PARALEGALS</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>LEGAL OPERATIONS PROFESSIONALS</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>ADMINISTRATIVE/SECRETARIAL STAFF</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>OTHER STAFF</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>NUMBER OF TOTAL LEGAL STAFF</td>
<td>7</td>
<td>4</td>
<td>17</td>
<td>81</td>
<td>145</td>
</tr>
<tr>
<td>CONTRACT (TEMPORARY) STAFF</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

*Median values reported.*
On average, two-thirds of legal staff are lawyers (67 percent), 12 percent are paralegals, five percent are legal operations professionals, seven percent are administrative staff, and nine percent are other legal department staff. This distribution is practically identical to the one observed in the 2022 survey.

Lawyers account, on average, for more than seven-in-ten legal staff in small companies with under $1 billion in revenue. As company size increases, other types of professionals are hired to provide additional support. This is the case for administrative staff and, particularly, for other staff, e.g., analysts, database managers, librarians, technologists, etc. The percentage of paralegals and legal operations professionals remains rather similar across company sizes, ranging from 11 to 13 percent for the former and five to six percent for the latter position type.

### PERCENTAGE OF LEGAL STAFF BY POSITION TYPE

#### ALL PARTICIPANTS

<table>
<thead>
<tr>
<th>Position Type</th>
<th>Less Than $1B</th>
<th>$1B to &lt;$5B</th>
<th>$5B to &lt;$20B</th>
<th>$20B or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyers</td>
<td>71%</td>
<td>62%</td>
<td>56%</td>
<td>60%</td>
</tr>
<tr>
<td>Paralegals</td>
<td>12%</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Legal operations</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Administrative/secretarial</td>
<td>7%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Other staff</td>
<td>9%</td>
<td>6%</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Mean values reported. Values may not add to 100% due to rounding.
We calculate the ratios of lawyers to paralegals, administrative staff, and legal operations professionals for each legal department by dividing the number of lawyers by the number of each of these three staff position types. If there are no individuals in any of these three job categories, the value of this metric is not calculated.

The representative legal department has three lawyers for each paralegal – the same result observed last year. There are six lawyers for each administrative staff and seven for each legal operations professional, compared to five and eight, respectively, observed last year.

**LAWYER-TO-OTHER-STAFF RATIOS**

<table>
<thead>
<tr>
<th>Company Revenue</th>
<th>Lawyers per paralegal</th>
<th>Lawyers per administrative/secretarial staff</th>
<th>Lawyers per legal operations professional</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN $1B</td>
<td>3</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>$1B TO &lt;$5B</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>$5B TO &lt;$20B</td>
<td>4</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>$20B OR MORE</td>
<td>6</td>
<td>8</td>
<td>13</td>
</tr>
</tbody>
</table>

Median values reported.
Lawyers represent 0.33 percent of the company employees in a representative participant organization. This implies that each lawyer supports about 300 employees. The percentage tends to decrease as company size grows and organizations employ individuals in the thousands.

In companies with under $1 billion in revenue, lawyers account for about 0.517 percent of total employees, but just 0.14 percent in companies with $20 billion or more in annual revenue. This translates into each lawyer in a company of up to $1 billion in revenue supporting a median number of 193 employees and each lawyer in the largest organizations supporting more than 700 company employees.

<table>
<thead>
<tr>
<th>LAWYERS AS A PERCENTAGE OF COMPANY EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERCENTAGE</td>
</tr>
<tr>
<td>ALL PARTICIPANTS</td>
</tr>
<tr>
<td>BY COMPANY REVENUE</td>
</tr>
<tr>
<td>LESS THAN $1B</td>
</tr>
<tr>
<td>$1B TO &lt;$5B</td>
</tr>
<tr>
<td>$5B TO &lt;$20B</td>
</tr>
<tr>
<td>$20B OR MORE</td>
</tr>
</tbody>
</table>

Median values reported.
An industry-standard metric accounts for the number of lawyers per $1 billion in company revenue. This is calculated by dividing the number of lawyers by the company revenue divided by $1 billion. For example, the calculation for a $5 billion company with ten lawyers would be as follows: 10 lawyers $\div (\$5 \text{ billion} \div \$1 \text{ billion}) = 10$ lawyers $\div \$5 \text{ billion} = 2$ lawyers per $1$ billion in company revenue. For companies with a revenue with $1$ billion or more, the median number of lawyers per billion is four.

**LAWYERS PER $1$ BILLION IN REVENUE – COMPANIES WITH $1$ BILLION OR MORE**

<table>
<thead>
<tr>
<th>LAWYERS PER $1$ BILLION IN COMPANY REVENUE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$1B$ TO $&lt;$$5B$</td>
<td>4</td>
</tr>
<tr>
<td>$5B$ TO $&lt;$$20B$</td>
<td>4</td>
</tr>
<tr>
<td>$20B$ OR MORE</td>
<td>1</td>
</tr>
</tbody>
</table>

*Median values reported.*

By company size, we find that organizations with a revenue ranging from $1$ billion to $5$ billion employ a median of four lawyers per billion, the same amount reported by companies in the $5$ billion to $20$ billion category, while larger organizations with more than $20$ billion in revenue report a median of one lawyer per billion in revenue.

In order to make the number of lawyers standardized by company revenue easier to read for those organizations with a revenue below $1$ billion, this year we also provide the results standardized by $100$ million in revenue. The only difference in the calculation is that we divide the company revenue by $100$ million instead of $1$ billion. Thus, for example, a company with $200$ million in revenue and four lawyers will have the following standardized number of lawyers per $100$ million in revenue: $4$ lawyers $\div (\$200 \text{ million} \div \$100 \text{ million}) = 4$ lawyers $\div 2 = 2$ lawyers per $100$ million in revenue.

The following chart reports this standardized metric for participants in companies with under $1$ billion in revenue broken down by $100$ million intervals. Note that the result for the revenue category ranging from $900$ million to $1$ billion is not reported because of insufficient data.

Companies with less than $100$ million in revenue have a median number of 6.7 lawyers per $100$ million, those ranging from $100$ million to $300$ million have between one and two lawyers per $100$ million, and those with revenues from $300$ million to $900$ million report median values ranging from 0.5 to 0.9 lawyers per each $100$ million in revenue.
The most significant change in the functions that are part of the legal department compared to the 2022 survey is that privacy is the most common function directly overseen by Legal (57 percent, six points more than last year) overtaking compliance, which traditionally tops the list (56 percent). An additional 19 percent of departments, however, indicated that compliance is a separate department that reports to Legal, so in total 77 percent of legal departments reported that the CLO ultimately oversees compliance compared to just 70 percent that have oversight over privacy.

Other than this change, the ranking of business functions being part of legal remains identical to the list observed last year with the exception of information governance and cybersecurity response swapping places compared to the 2022 results. A majority of legal departments also directly oversee ethics (52 percent, a three-point increase), and risk (34 percent, also a three-point increase) and government affairs (27 percent, one-point decrease since 2022) complete the top five of the most common functions that are part of the legal department.
### Legal Department Functions

<table>
<thead>
<tr>
<th>Function</th>
<th>Part of Legal</th>
<th>Separate Function Reporting to Legal</th>
<th>Separate Function NOT Reporting to Legal</th>
<th>Not Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy</td>
<td>57%</td>
<td>13%</td>
<td>27%</td>
<td>3%</td>
</tr>
<tr>
<td>Compliance</td>
<td>56%</td>
<td>19%</td>
<td>23%</td>
<td>2%</td>
</tr>
<tr>
<td>Ethics</td>
<td>52%</td>
<td>13%</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>Risk</td>
<td>34%</td>
<td>15%</td>
<td>45%</td>
<td>5%</td>
</tr>
<tr>
<td>Government Affairs</td>
<td>27%</td>
<td>11%</td>
<td>45%</td>
<td>17%</td>
</tr>
<tr>
<td>Environmental, Social, and Governance (ESG)</td>
<td>20%</td>
<td>11%</td>
<td>55%</td>
<td>15%</td>
</tr>
<tr>
<td>Public/Corporate Affairs</td>
<td>17%</td>
<td>8%</td>
<td>67%</td>
<td>8%</td>
</tr>
<tr>
<td>Real Estate/Corporate Facilities</td>
<td>15%</td>
<td>8%</td>
<td>74%</td>
<td>2%</td>
</tr>
<tr>
<td>Information Governance</td>
<td>13%</td>
<td>7%</td>
<td>73%</td>
<td>8%</td>
</tr>
<tr>
<td>Cybersecurity Response</td>
<td>12%</td>
<td>13%</td>
<td>73%</td>
<td>2%</td>
</tr>
<tr>
<td>Administration</td>
<td>9%</td>
<td>3%</td>
<td>77%</td>
<td>11%</td>
</tr>
<tr>
<td>Environment, Health, and Safety (EHS)</td>
<td>8%</td>
<td>11%</td>
<td>70%</td>
<td>11%</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>6%</td>
<td>8%</td>
<td>78%</td>
<td>9%</td>
</tr>
<tr>
<td>Procurement</td>
<td>5%</td>
<td>5%</td>
<td>87%</td>
<td>3%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>4%</td>
<td>8%</td>
<td>88%</td>
<td>0%</td>
</tr>
<tr>
<td>Information Security</td>
<td>4%</td>
<td>6%</td>
<td>88%</td>
<td>1%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>3%</td>
<td>6%</td>
<td>84%</td>
<td>7%</td>
</tr>
<tr>
<td>Communications</td>
<td>3%</td>
<td>5%</td>
<td>90%</td>
<td>2%</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>2%</td>
<td>2%</td>
<td>88%</td>
<td>9%</td>
</tr>
<tr>
<td>Information Technology (IT)</td>
<td>1%</td>
<td>3%</td>
<td>95%</td>
<td>1%</td>
</tr>
<tr>
<td>Finance</td>
<td>0%</td>
<td>1%</td>
<td>98%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- Part of legal
- Separate function reporting to legal
- Separate function NOT reporting to legal
- Not known
This second section covers a wide range of legal spending metrics. We present statistical distributions of inside, outside, and total legal spend amounts, the results of the distribution between inside and outside legal spend and how these two types of expenses are further classified into subcategories. We also provide standardized legal spending metrics by company revenue and other key benchmarks, including the cost per lawyer hour and the percentage of the legal budget allocated to legal technology. Spending results are broken down by company revenue.

METHODOLOGICAL NOTE

The results reported in this section are calculated independently for each specific metric, e.g., inside spend, outside spend, total legal spend, etc. Although for each individual participant we calculate the total spend amount by adding the inside and outside spending amounts, this does not result in the sum of the median inside spend and median outside spend amounts matching the median total spending amount. This is because the spending distribution is not homogeneous across legal departments, and therefore the department that represents the median inside spend is likely not to be the median department in outside spend. The same phenomenon occurs for the other percentiles provided throughout this section.
OVERALL LEGAL SPENDING AMOUNTS

There is wide variation across departments in legal spending amounts, which reflects the large range in company sizes represented in the survey. The median total legal spend is $3.1 million, the median inside spend across survey participants is $1.3 million, and the median outside spend is slightly higher, $1.5 million. These descriptive spending amounts are higher than those observed last year, with a median total legal spend of $2.4 million, and median inside and outside spending values of $1 million and $1.1 million, respectively.

In terms of total legal spend, the ten percent of departments with the lowest expenses have legal costs totaling $470,000 or less, whereas the top ten percent of departments (90th percentile) spend more than $43 million. The 25th percentiles for inside and outside spend are $500,000 and $405,000, respectively, and the 75th percentiles are $5 million for inside spend and $5.9 million for outside spend. All the amounts presented in this statistical distribution represent higher spending values than those observed in 2022.

Legal spending scales along with company revenue size. Companies with under $1 billion in revenue report a median total legal spend of $1.2 million, those with a revenue ranging from $1 billion to $5 billion report a median total spend of $7 million, the next revenue group up to $20 billion has a median total spend of $30.1 million, and the largest companies with more than $20 billion in revenue report a median total spend of $80 million.

The differences resulting from company size are even more noticeable when looking at the spending quartiles. For departments in companies with under $1 billion in revenue, the 25th percentile of total legal spend is $600,000 and the 75th percentile is $3 million. Companies in the larger revenue category report a 25th percentile in total legal spend of $31 million and the top 25 percent of companies with more than $20 billion in revenue in terms of total legal spend have legal costs surpassing $246 million.
LEGAL SPENDING AMOUNTS BY COMPANY SIZE

- Total spend
- Inside spend
- Outside spend

### LESS THAN $1B

- 25TH PERCENTILE: $600K
- MEDIAN: $1.2M
- 75TH PERCENTILE: $3M

### $1B TO <$5B

- 25TH PERCENTILE: $3.9M
- MEDIAN: $7M
- 75TH PERCENTILE: $15M

### $5B TO <$20B

- 25TH PERCENTILE: $15.7M
- MEDIAN: $30.1M
- 75TH PERCENTILE: $54.9M

### $20B OR MORE

- 25TH PERCENTILE: $31M
- MEDIAN: $80M
- 75TH PERCENTILE: $246M
Participating legal departments have a higher average internal spend than external spend. Inside spend accounts on average for 53 percent of total legal spend compared to 47 percent allocated to external costs. This result is similar to the split observed last year (54 percent inside per 46 percent outside) whereas the 2021 survey showed that participants had spent more outside than inside (51 percent to 49 percent, respectively).

By company size, smaller companies tend to spend more on internal costs on average. Those departments in companies with up to $1 billion in revenue spend 56 percent of their total legal spend internally, compared to just 49 percent of those departments in companies ranging from $1 billion to $20 billion, and 44 percent of spend allocated in-house for the largest companies exceeding $20 billion in revenue.

**INTERNAL AND EXTERNAL SPEND DISTRIBUTION**

<table>
<thead>
<tr>
<th>Year</th>
<th>ALL PARTICIPANTS</th>
<th>BY COMPANY SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internal spend</td>
<td>Internal spend</td>
</tr>
<tr>
<td>2021</td>
<td>51%</td>
<td>44%</td>
</tr>
<tr>
<td>2022</td>
<td>46%</td>
<td>51%</td>
</tr>
<tr>
<td>2023</td>
<td>47%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Average values reported.
On average, 73 percent of inside spending is allocated to lawyer compensation, 18 percent to non-lawyer compensation, and nine percent is allocated to other types of in-house spending. Participating departments allocated on average nine out of every ten US dollars of outside spend to outside counsel, while alternative legal services provider spend only accounts for four percent on average. Six percent of outside spend is allocated to other external expenses.

### INSIDE AND EXTERNAL EXPENSE CATEGORIES

**INSIDE SPEND**

- Lawyer compensation spend 73%
- Non-lawyer compensation 18%
- Any other additional inside spend 9%

**OUTSIDE SPEND**

- Outside counsel spend 89%
- Any other additional outside spend 6%
- ALSP spend 4%

*Average values reported. Values may not add to 100% due to rounding.*
The larger overall spending amounts observed in this year’s survey population translates into slightly higher legal spending values when standardized by company revenue as well. The calculation of this key industry metric is straightforward and results from dividing the legal spending amounts by the company revenue. We report a statistical distribution of inside, outside, and total legal spend by company revenue.

The median total legal spend as a percentage of revenue is 0.63 percent, slightly higher than last year’s, 0.56 percent. The 25th percentile for total legal spend is 0.27 percent whereas the 75th percentile is 1.43 percent. Both the median inside and outside spend amounts as a percentage of company revenue are higher than last year. The median inside spend for all participants is 0.29 percent (compared to 0.27 percent in 2022) and the median outside spend is 0.27 percent (up from 0.23 percent).

### LEGAL SPEND AS A PERCENTAGE OF COMPANY REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL SPEND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25TH PERCENTILE</td>
<td>0.25%</td>
<td>0.25%</td>
<td>0.27%</td>
</tr>
<tr>
<td>MEDIAN</td>
<td>0.57%</td>
<td>0.56%</td>
<td>0.63%</td>
</tr>
<tr>
<td>75TH PERCENTILE</td>
<td>1.20%</td>
<td>1.29%</td>
<td>1.43%</td>
</tr>
<tr>
<td><strong>INSIDE SPEND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25TH PERCENTILE</td>
<td>0.11%</td>
<td>0.11%</td>
<td>0.12%</td>
</tr>
<tr>
<td>MEDIAN</td>
<td>0.25%</td>
<td>0.27%</td>
<td>0.29%</td>
</tr>
<tr>
<td>75TH PERCENTILE</td>
<td>0.56%</td>
<td>0.73%</td>
<td>0.74%</td>
</tr>
<tr>
<td><strong>OUTSIDE SPEND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25TH PERCENTILE</td>
<td>0.10%</td>
<td>0.10%</td>
<td>0.10%</td>
</tr>
<tr>
<td>MEDIAN</td>
<td>0.25%</td>
<td>0.23%</td>
<td>0.27%</td>
</tr>
<tr>
<td>75TH PERCENTILE</td>
<td>0.61%</td>
<td>0.53%</td>
<td>0.66%</td>
</tr>
</tbody>
</table>
The following table provides the median values for several spending metrics for both the overall survey population and by company size. The benchmarks included are the overall inside, outside, and total legal spending amounts, the inside costs allocated to both lawyer and non-lawyer compensation, the outside costs dedicated to outside counsel and alternative legal services providers, spending amounts standardized by company revenue, cost per lawyer hour, and the percentage of total legal spend allocated to legal technology.

The results by company revenue clearly show how spending amounts across categories increase progressively as companies get larger while spending as a percentage of company revenue tends to go in the opposite direction. The results for cost of lawyer hour and percentage of total spend allocated to legal technology do not show a straightforward relationship with company size, with the cost of lawyer hour ranging from $122 to $139 and the spend allocated to legal technology being about two percent across company sizes.

**ADDITIONAL SPENDING BENCHMARKS**

<table>
<thead>
<tr>
<th>Metric</th>
<th>ALL PARTICIPANTS</th>
<th>LESS THAN $1B</th>
<th>$1B TO &lt;$5B</th>
<th>$5B TO &lt;$20B</th>
<th>$20B OR MORE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LEGAL SPEND</strong></td>
<td>$3.1M</td>
<td>$1.2M</td>
<td>$7M</td>
<td>$30.1M</td>
<td>$80M</td>
</tr>
<tr>
<td>Total inside spend + total outside spend</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL INSIDE SPEND</strong></td>
<td>$1.3M</td>
<td>$625K</td>
<td>$3.4M</td>
<td>$12.5M</td>
<td>$35.5M</td>
</tr>
<tr>
<td>Includes lawyer and non-lawyer compensation and other inside spend not categorized</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OUTSIDE SPEND</strong></td>
<td>$1.5M</td>
<td>$550K</td>
<td>$3.6M</td>
<td>$13.3M</td>
<td>$37.4M</td>
</tr>
<tr>
<td>Includes spend on outside counsel and ALSPs another other outside spend not categorized</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LAWYER COMPENSATION SPEND</strong></td>
<td>$750K</td>
<td>$450K</td>
<td>$2M</td>
<td>$7M</td>
<td>$10M</td>
</tr>
<tr>
<td>Combined compensation among all department lawyers—includes salary, cash bonus, taxes, and benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-LAWYER COMPENSATION SPEND</strong></td>
<td>$170K</td>
<td>$90K</td>
<td>$560K</td>
<td>$3.1M</td>
<td>$5.7M</td>
</tr>
<tr>
<td>Combined compensation among all non-lawyer legal staff—includes salary, cash bonus, taxes, and benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OUTSIDE COUNSEL SPEND</strong></td>
<td>$1.3M</td>
<td>$500K</td>
<td>$3.5M</td>
<td>$11.5M</td>
<td>$34M</td>
</tr>
<tr>
<td><strong>ALSP SPEND</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$69K</td>
<td>$1.9M</td>
</tr>
<tr>
<td><strong>TOTAL LEGAL SPEND PER COMPANY REVENUE</strong></td>
<td>0.63%</td>
<td>1.09%</td>
<td>0.35%</td>
<td>0.37%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Total legal spend divided by company revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INSIDE SPEND PER COMPANY REVENUE</strong></td>
<td>0.29%</td>
<td>0.45%</td>
<td>0.14%</td>
<td>0.18%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Inside spend divided by company revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OUTSIDE SPEND PER COMPANY REVENUE</strong></td>
<td>0.27%</td>
<td>0.41%</td>
<td>0.16%</td>
<td>0.18%</td>
<td>0.08%</td>
</tr>
<tr>
<td>Outside spend divided by company revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COST PER LAWYER HOUR</strong></td>
<td>$130</td>
<td>$122</td>
<td>$139</td>
<td>$132</td>
<td>$136</td>
</tr>
<tr>
<td>Total lawyer compensation spend divided by (lawyers x 1,800 billable hours)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PERCENTAGE OF TOTAL SPEND ALLOCATED TO LEGAL TECHNOLOGY</strong></td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Median values reported.
Here we present the results of 17 different types of work categories and how these are allocated, whether it is handled in-house, externally by outside counsel, or externally by alternative legal services providers (ALSPs). This was a multiple-choice question and respondents could indicate that some work types were handled both internally and externally.
Legal departments overwhelmingly handle legal operations, compliance, contract management, invoice review, records management, corporate and governance, document management, and privacy and security, with at least 95 percent of departments handling these in-house. Intellectual property services and discovery – data processing and hosting are handled by outside counsel in larger numbers, although 62 percent and 54 percent of departments, respectively, still handle these areas in-house. Discovery work is the only task that more than ten percent of legal departments send to ALSPs.

**Note**

Percentages in green/red indicate variations larger than three percentage points compared to the 2022 results.

**Allocation of Work by Type**

### Compliance
- **In-House**: 99%
- **Outside Counsel**: 13%
- **ALSP/LPOs**: 3%

### Contract Management – Review and Drafting
- **In-House**: 99%
- **Outside Counsel**: 14%
- **ALSP/LPOs**: 4%

### Corporate & Governance
- **In-House**: 98%
- **Outside Counsel**: 22%
- **ALSP/LPOs**: 2%

### Discovery – Data Collection
- **In-House**: 76%
- **Outside Counsel**: 42%
- **ALSP/LPOs**: 11%

### Discovery – Data Processing/Hosting
- **In-House**: 54%
- **Outside Counsel**: 56%
- **ALSP/LPOs**: 19%

### Document Management – Review and Drafting
- **In-House**: 96%
- **Outside Counsel**: 18%
- **ALSP/LPOs**: 3%
## WORK ALLOCATION

### SECTION 3

<table>
<thead>
<tr>
<th>Service Area</th>
<th>IN-HOUSE</th>
<th>OUTSIDE COUNSEL</th>
<th>ALSP/LPOs</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Due Diligence</strong></td>
<td>85%</td>
<td>49%</td>
<td>3%</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>100%</td>
<td>2%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td><strong>Litigation – Case/Project</strong></td>
<td>78%</td>
<td>53%</td>
<td>1%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Privacy &amp; Security</strong></td>
<td>96%</td>
<td>25%</td>
<td>3%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Regulatory</strong></td>
<td>94%</td>
<td>35%</td>
<td>2%</td>
<td>+5%</td>
</tr>
<tr>
<td><strong>Invoicing Review</strong></td>
<td>99%</td>
<td>1%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td><strong>Legal Operations</strong></td>
<td>100%</td>
<td>2%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td><strong>Legal Research</strong></td>
<td>88%</td>
<td>43%</td>
<td>3%</td>
<td>+5%</td>
</tr>
<tr>
<td><strong>Legal Hold</strong></td>
<td>100%</td>
<td>3%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td><strong>Litigation – Legal Hold</strong></td>
<td>90%</td>
<td>21%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td><strong>Labor &amp; Employment</strong></td>
<td>89%</td>
<td>51%</td>
<td>1%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Intellectual Property Services</strong></td>
<td>62%</td>
<td>71%</td>
<td>5%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Records Management</strong></td>
<td>99%</td>
<td>4%</td>
<td>2%</td>
<td>-5%</td>
</tr>
</tbody>
</table>
Law Firms and ALSps

This section covers law firm and alternative legal services provider engagement and types of law firm fees used. We report the number of providers engaged and how these numbers have changed compared to the previous year, and the percentage of participants that use each of several fee types.
The median department engaged ten law firms in 2022, the same number recorded in last year’s survey. The 10th percentile and 25th percentile are three and five firms, respectively, also the exact same numbers observed last year. The 75th percentile is 27 (compared to 30 last year) and the top ten percent of departments engaged a minimum of 93 firms (two fewer than in 2022). Departments that spend more externally engage a larger number of firms. Those that spent up to $1 million engaged a median number of five firms, while those that spent $10 million or more engaged 92.

### LAW FIRMS ENGAGED IN 2022

<table>
<thead>
<tr>
<th>PERCENTILE</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th Percentile</td>
<td>3</td>
</tr>
<tr>
<td>25th Percentile</td>
<td>5</td>
</tr>
<tr>
<td>Median</td>
<td>10</td>
</tr>
<tr>
<td>75th Percentile</td>
<td>27</td>
</tr>
<tr>
<td>90th Percentile</td>
<td>93</td>
</tr>
</tbody>
</table>

### BY OUTSIDE SPEND

- **Less than $1M**: 5
- **$1M to <$5M**: 12
- **$5M to <$10M**: 29
- **$10M or more**: 92

Median values reported.

A majority of departments (57 percent) reported that the number of law firms engaged in the previous year stayed the same compared to the year before, while 30 percent report an increase in the number of firms engaged, and 13 percent say they worked with fewer firms last year compared to the year before.

### CHANGE IN THE NUMBER OF LAW FIRMS ENGAGED

#### ALL PARTICIPANTS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Decreased</th>
<th>Stayed the same</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>16%</td>
<td>55%</td>
<td>29%</td>
</tr>
<tr>
<td>2022</td>
<td>15%</td>
<td>50%</td>
<td>35%</td>
</tr>
<tr>
<td>2023</td>
<td>13%</td>
<td>57%</td>
<td>30%</td>
</tr>
</tbody>
</table>
Most departments do not engage any alternative legal services providers (ALSPs), a result that was also observed last year. Those in the top 25 percent of departments engaged two or more ALSPs, and those in the top ten percent or 90th percentile engaged a minimum of four different providers. Large departments with significant outside spending amounts are more likely to rely upon ALSPs. Departments with an outside spend ranging from $5 million to $10 million engaged a median of one alternative provider, and those that spend more than $10 million engaged a median of two.

### ALSPs ENGAGED IN 2022

<table>
<thead>
<tr>
<th>BY OUTSIDE SPEND</th>
<th>10TH PERCENTILE</th>
<th>25TH PERCENTILE</th>
<th>MEDIAN</th>
<th>75TH PERCENTILE</th>
<th>90TH PERCENTILE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN $1M</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>$1M TO &lt;$5M</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>$5M TO &lt;$10M</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>$10M OR MORE</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Median values reported.

Most participants say that the number of ALSPs engaged last year has remained the same compared to the year before (87 percent), while only one in ten participants report that they engaged a larger number of ALSPs in 2022 compared to 2021. The results year-over-year remain largely unchanged.

### CHANGE IN THE NUMBER OF ALSPS ENGAGED

<table>
<thead>
<tr>
<th>ALL PARTICIPANTS</th>
<th>Decreased</th>
<th>Stayed the same</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>5%</td>
<td>83%</td>
<td>12%</td>
</tr>
<tr>
<td>2021</td>
<td>3%</td>
<td>86%</td>
<td>11%</td>
</tr>
<tr>
<td>2021</td>
<td>3%</td>
<td>87%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Departments use a variety of different fees with outside counsel. Discounted hourly rates are the most common fee type used (83 percent), followed by standard hourly rates (77 percent), and flat fees (61 percent). Almost half (46 percent) use capped fees, and over one third of participants use retainers (38 percent) and blended hourly rates (37 percent).

The tile chart provides guidance to interpret the usage of outside counsel fees by company size, with the darker cells representing a larger percentage of usage and lighter cells representing a low percentage of usage. Large companies with more than $20 billion in revenue use a wider range of outside counsel fee types. Seventy-five percent or more among these organizations use discounted and standard hourly rates, flat fees, capped fees, and blended hourly rates. Smaller companies with up to $1 billion in revenue, on the other hand, mostly use discounted and standard hourly rates.

<table>
<thead>
<tr>
<th>Types of Outside Counsel Fees Used</th>
<th>ALL PARTICIPANTS</th>
<th>LESS THAN $1B</th>
<th>$1B TO &lt;$5B</th>
<th>$5B TO &lt;$20B</th>
<th>$20B OR MORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Hourly Rates</td>
<td>83%</td>
<td>75%</td>
<td>95%</td>
<td>93%</td>
<td>100%</td>
</tr>
<tr>
<td>Standard Hourly Rates</td>
<td>77%</td>
<td>75%</td>
<td>75%</td>
<td>83%</td>
<td>79%</td>
</tr>
<tr>
<td>Flat Fees for Entire Matters or For Some Stages of Matters</td>
<td>61%</td>
<td>51%</td>
<td>66%</td>
<td>86%</td>
<td>83%</td>
</tr>
<tr>
<td>Capped Fees</td>
<td>46%</td>
<td>38%</td>
<td>53%</td>
<td>59%</td>
<td>79%</td>
</tr>
<tr>
<td>Retainers (Including Periodic Retainer Fees for a Portfolio of Services)</td>
<td>38%</td>
<td>27%</td>
<td>45%</td>
<td>57%</td>
<td>72%</td>
</tr>
<tr>
<td>Blended Hourly Rates</td>
<td>37%</td>
<td>27%</td>
<td>38%</td>
<td>64%</td>
<td>76%</td>
</tr>
<tr>
<td>Contingency Fees (Including Reverse Contingency Fees)</td>
<td>15%</td>
<td>9%</td>
<td>15%</td>
<td>28%</td>
<td>41%</td>
</tr>
<tr>
<td>Incentives or Success Fees</td>
<td>12%</td>
<td>7%</td>
<td>12%</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>Performance-Based Holdbacks</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: These results present only a high-level overview. The types of fee structures used will vary dramatically across matter type. We did not attempt to capture this level of granularity in the survey.
This section shows to what extent legal departments are tracking diversity and inclusion metrics both related to the internal composition of the legal department and in relation to the outside counsel providers that they engage.

The results show a certain stability compared to the results observed since 2021. About three in ten departments track internal diversity metrics related to the legal department’s composition, and 21 percent report tracking diversity metrics with respect to outside counsel.

Among those who track internal diversity, almost all evaluate diversity related to new hires, and 72 percent also track diversity metrics related to promotions (a 14-point increase compared to 2022). A majority also track diversity metrics related to employee departures (58 percent) and diversity by level or job function (54 percent). Thirty-eight percent say that there is a formal strategy to improve legal department diversity, a result seven point lower compared to the one observed last year (45 percent).

Those who track outside counsel diversity metrics mostly focus on the matter teams working for the legal department (76 percent), while also considering diversity statistics related to all lawyers in the firm (69 percent), the firm’s partners (59 percent), and the matter leaders or responsible partners (54 percent, down nine points compared to 2022). Twenty-eight percent of those who track outside counsel metrics say that they have formal diversity requirements for law firms to improve diversity, a result that is just one point lower than the one recorded last year but four points higher than the one observed in 2021.
Does your department have diversity metrics and/or targets with respect to its own composition? (Percentage “Yes”)

- 2021: 29%
- 2022: 29%
- 2023: 28%

Percentage of departments that evaluate the diversity of any of the following with respect to its own internal composition:

- Hires: 97% (2022), 97% (2023)
- Promotions: 58% (2022), 58% (2023)
- Departures: 55% (2022), 53% (2023)
- Levels or functions: 50% (2022), 48% (2023)
- Training: 32% (2022), 30% (2023)
- Matter staffing: 32% (2022), 30% (2023)
- Other: 6% (2022), 1% (2023)

Is there a formal strategy to improve departmental diversity with tangible consequences for success or failure? (Percentage “Yes”)

- 2021: 47%
- 2022: 45%
- 2023: 38%

Does your department have diversity metrics and/or targets with respect to its outside counsel? (Percentage “Yes”)

- 2021: 18%
- 2022: 21%
- 2023: 21%

Percentage of departments that evaluate the diversity of any of the following with respect to its outside counsel:

- Matter teams working for your department: 78% (2022), 77% (2023)
- All lawyers in a firm: 69% (2022), 69% (2023)
- Partners in a firm: 57% (2022), 59% (2023)
- Matter leaders or responsible partners: 63% (2022), 54% (2023)
- Firm leadership positions, such as key committees: 34% (2022), 26% (2023)
- Promotions to partner: 34% (2022), 25% (2023)
- Incoming associate classes: 11% (2022), 11% (2023)
- Other: 3% (2022), 4% (2023)

Are there formal requirements for outside counsel to improve diversity with tangible consequences for success or failure? (Percentage “Yes”)

- 2021: 24%
- 2022: 29%
- 2023: 28%
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 February 16, 2023, and closed on April 14, 2023. Reminder emails were sent weekly.

TARGET POPULATION
We targeted relevant representatives in all legal departments with at least one ACC member. These individuals were selected based on their job position and their capability of reporting on the requested information, e.g., the highest-ranking legal officer and/or legal operations professionals. If no members in a given department held either of these positions, we targeted the highest-ranking individual available. Apart from personalized email messages, opportunities to participate were also sent through LinkedIn campaigns, through ACC’s online network forums, and via outreach on the ACC website.

PARTICIPATION
A total of 449 legal departments participated.

ANONYMITY
The results are only provided at the aggregate level. No specific data point or response is tied to any individual or organization.

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

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).
- **PERCENTILE**: This is a value that divides a population according to a distribution of observations. It allows us to know the percentage of observations that fall above or below a particular value. For example, if we find that the 25th percentile of the number of lawyers in a department is three, we then know that 25 percent of departments have up to three lawyers, while the other 75 percent of departments have three or more.
PARTICIPATING ORGANIZATIONS

98 Ventures
Academy Sports + Outdoors
Acrisure
ACT, Inc.
Adaptimmune
ADP
ADS, Inc.
ADT Inc.
Advance
AdvoCare International
AeroVironment, Inc.
Affordable American Insurance, Inc.
Ag Growth International Inc.
Agfa HealthCare Corporation
Aggreko
AIA Singapore
Air Canada
ALDI Inc.
AllStripes Research Inc.
Ally
Alnylam Pharmaceuticals
Alphonso
Amcor
American Academy of Orthopaedic Surgeons
American Automobile Association, Inc.
American Council on Exercise
American Massage Therapy Assn
American Rivers
Amplitec Pty Ltd
Analog Devices, Inc.
Appen Limited
ARDA Group Limited
Aramco
Arbonne
ARC INSTITUTE
Arcadia
Archer-Daniels-Midland Company
ARKO Corp.
Arterra Wines Canada, Inc.
ASGN Incorporated
ASML
Assa Abloy Entrance Systems US Inc.
Astellas Pharma Inc.
Atkins
Atkore Inc.
Atlas Air
Auramet International, Inc.
Auria
Awardco, Inc.
Barry-Wehmiller
Basler Electric
BBOXX LTD
Beam Suntory Inc.
BearingPoint
Beech-Nut Nutrition Company
Beehive S.p.A.
Belvedere Trading
Benchling, Inc.
Benefit Recovery Group, LLC
BerganKDV, Ltd.
BestSelf Behavioral Health, Inc.
Bigfork Technologies, LLC
Biocept, Inc.
BioLegend, Inc.
Biorasi, LLC
Blue Cross and Blue Shield of Louisiana
Bonterra
Booking.com
Brighter Super
Brighthouse Financial
Brinker International
British Columbia Pension Corporation
BTL Group Limited
Cambridge University Press & Assessment
Canam Steel Corporation
Capacity
Capital Power Corporation
Cardinal Group Companies
Care Initiatives
CareVet
Carta
CBRE
Celonis
Centene Corporation
CGI Federal Inc.
Challenger Limited
Citadel Completions LLC
City Electric Supply Company
Cleveland Clinic
CMA CGM Asia Pacific
Cobham Advanced Electronic Solutions Inc.
Collaborating Docs
Community Capital Corporation
Community Health Northwest Florida
CompuSecure, L.L.C.
Connecticut Airport Authority
Consolidated Edison, Inc
Consumers Energy
Cook Children’s Health Care System
Core Capital Partners LLC
CoreCivic
Cornerstone Building Brands
Corvias Group
Council on Rural Services
Cox Enterprises, Inc.
CPS Solutions, LLC
Crate & Barrel Holdings, Inc.
Cribi, Inc.
Cross Border Xpress
Cross River
Cvent
Damien Center
Dana-Farber Cancer Institute
David Yurman
DaVita Inc.
Daxko
Delaware River and Bay Authority
Demandbase
Divisions, Inc.
Dome U.S. Inc.
Dundee Bank
Dymax Corp
E+J Gallo Winery
Earl Enterprises
eClinical Solutions LLC
ECMC Group
Edgewell
Egger Wood Products, LLC
Elastic
Electrify America
Electro Rent Corporation
Electronic Transaction Consultants Corporation
Elevance Health
Eli Lilly and Company
Emery Oleochemicals LLC
Emory University
EmpowerMe Wellness
Energo Group Limited
Enlyte
Enstar Group
Entergy Corporation
EPAM Systems
Equiniti Trust Company
Essential Brands, Inc.
Ethos
PARTICIPATING ORGANIZATIONS

Ethos Therapy Solutions
European Broadcasting Union
Everlaw, Inc.
Evolution Well Services
Excellus Health Plan, Inc.
Excelya
Expedia
Extreme Networks
Fannie Mae
Farmer's Business Network, Inc.
Fazz Financial Group
Federal Home Loan Bank of New York
First National Bank of Omaha
First Star Logistics, LLC
Fletcher Building Limited
Flex Technology Group
Florida Crystals Corporation
Florida Peninsula Ins Co
Flynn Restaurant Group
Ford Motor Company
Forney Corporation
Fortis Life Sciences, LLC
FrieslandCampina
Frontiers Media
Fulgent
GARDA Property Group
gategroup
Genomics plc
GEON Performance Solutions
Geotab Inc.
GitLab Inc.
Glassbox
Glazer's Beer and Beverage, LLC
Graham Packaging Company LP
Grane Healthcare
Greenway Health, LLC
Greif
GSK
Hagerty
Haleon
Harbor Freight Tools
HEARST
Heaven Hill Distilleries
Hermes
Holcim
Home Depot
HonorHealth
Huge
Humana Inc.
Hybrid Apparel
Hydro Extrusion North America
Hydro-Québec Inc.
IMMI
Imperial College
Infillion
Infrastructure Australia
Ingenico
INRIX, Inc.
InStride
Interlaken Capital, Inc.
Intermountain Health
Inteva Products, LLC
Intralot Inc.
Ionis Pharmaceuticals, Inc.
Iridium Pharmaceuticals
ISS Facility Services
J.C. Cannistraro, LLC
Jack Henry & Associates, Inc.
Jacuzzi Group
Jani-King International, Inc.
Jardine Cycle & Carriage
Jenny Craig
Jobcase
JobsOhio
Jones Lang LaSalle
Jovian Concepts, Inc.
Juniper
Kate Farms, Inc.
KBR
Kent Corporation
Kiewit Corporation
Kimball Electronics, Inc.
Kinetic Pressure Control Limited
Knight Material Technologies LLC
Knowles Electronics LLC
Kohler Co.
Kosmos Energy
KPMG New Zealand
Kudelski SA
Landmark Recovery
Lanvin Group
LendingClub
LeoRose Consulting
Liberty Mutual Insurance
Lithia Motors, Inc.
LPL Financial
Lyft
Lyra Health, Inc.
Maravai LifeSciences
Maricopa County Community College District
Maritime New Zealand
Marmon Holdings, Inc.
McKesson
Merz Aesthetics
MetaMap
MetroHealth
Metropolitan Nashville Airport Authority
Metropolitan St. Louis Sewer District
MFA Inc.
Milan Laser
Milliken & Company
Mitrelli Group
Mitsubishi Heavy Industries, Ltd.
MN8 Energy LLC
MNP LLP
Mondi AG
Morgan White Group
Motiva Enterprises LLC
Movado Group, Inc.
Nakheel PJSC
Nanoramic Laboratories
National Resilience, Inc.
NAVEX Global, Inc.
Navistar, Inc.
Nea Odos S.A.
Netlify
Netrush, LLC
New York Medical College
Nexteer Automotive
Niolabs
Nippon Value Investors KK
Northwest Fiber, LLC
Nsight
Nutreco
Nutrien
Odeko
Olam Agri Americas, Inc.
Olympus Corporation
Ontic Technologies, Inc
OPEX Corporation
OPSWAT
Opeon
Optum Medical Care, P.C.
Overseas Private Investment Corporation
Palo Alto Networks
Panasonic Automotive Systems Company of America
Parkland Health & Hospital System
Pathward, N.A.
Peak Utility Services Group, Inc.
Perforce Software, Inc.
Pharmscience Inc
PARTICIPATING ORGANIZATIONS

Philip Morris International
Pinnacle Group
Pittsburgh Regional Transit
PLH Group
Power and Water Corporation
PowerPlan, Inc.
Procore Technologies, Inc.
project44
Prologis, Inc.
PROS Holdings, Inc.
Prudential Financial, Inc.
Psomas
Public Library of Science
Quadspire Technologies, Inc.
Quorum Ventures
RAD Data Communications Ltd.
Rainbow Sandals, Inc.
RAZR Marketing, Inc.
Read King
Red Hat, Inc.
Red Stag Fulfillment
Refined Technologies, Inc.
RenoFi
ResMed, Inc.
Riskified Ltd.
Riverside Marine
Roquette Frères
SADA Systems, Inc.
SAIF Corp
SantoLubes Manufacturing
Sasser Family Companies
Savage Services Corporation
Schindler Management Ltd.
Seaman Corporation
SecondMuse
Sedgwick
Service Inspired Restaurants
SGS Australia Group
Shape Technologies Group
Sky Warrior Bahamas, Ltd.
Smart Metering Systems plc
SMS Equipment Inc.
Snappy
SNC-Lavalin Group Inc.
Social Finance, Inc.
Sommet Education
SOPREMA, Inc.
Southern Cross Austereo
Sovos Brands
Sparkfund
Sphero, Inc.
Spire Motorsports
Spreetail, LLC
SprintRay, Inc.
St. Jude Children’s Research Hospital
Stallion
StayWell Holdings
Strata Solar, LLC
Subaru of Indiana Automotive, Inc.
Sumitomo Rubber USA, LLC
Superior Group of Companies, Inc.
Supernal, LLC
Supplemental Health Care
Surgical Information Systems, LLC
Synchrono Group Inc
Syneos Health
Taboola
Target
TEG Group
Telstra Limited
Temple Health
Teradata Corporation
Tetra Pak
Textron Inc.
The Beachbody Company, Inc.
The cancer council NSW
The Capital Good Fund
The Earnest Analytics Company
The Estee Lauder Companies
The Gibraltar Life Insurance Co., Ltd.
The Institute of Internal Auditors, Inc.
The Lovesac Company
The New York Times Company
The Scollar Company
The START Center for Cancer Care
The Wonderful Company
Thomas Jefferson University
Thoughtworks
Thrasio
Togetherwork Holdings, LLC
Tomo
Tourism Australia
Traditional Medicinals, Inc.
Traffic and Parking Control Co., Inc.
Transocean
Transurban
Trimac Transportation
Trussardi S.p.A
Truth Initiative
TTEC Services
Tuatahi First Fibre
Tutor Perini Corporation
Ucare
UKG Inc.
Uline
Ulta Inc
Ulteig Engineers, Inc.
United Airlines
University of Phoenix
Unlimited Horizons
US Foods, Inc.
US Vision
UW Health
Valley Health System
Valor Healthcare, Inc.
Vandemoortele
Vault Insurance
Verdesian Life Sciences
Verge Technologies
Vertafore, Inc.
Vertex Pharmaceuticals Incorporated
VIA Outlets BV
ViewRay, Inc.
Virginia REALTORS
Vontier Corporation
Wastequip
WatchGuard Technologies
Wesco International
Western Alliance Bank
Western Governors University
Western Union
WEX Inc.
Wheel Pros, LLC
White Cap
WIN Technology
Wolverine Power Cooperative
Woolworths Group Limited
World Travel Protection Canada Inc.
Wowza
WSFS Financial Corporation
Xtek, Inc.
Zebra Technologies Corporation
Zenitas Healthcare
Zenith
Zenviro Tech US Inc
Zoeller Company
Zoom Video Communications
Zurich Insurance Company Ltd.
Zurn Elkay Water Solutions
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We understand that for a true benchmarking exercise you will need the survey data only among a clearly defined apples-to-apples peer group. You define the population to compare against and we provide a tailored report to fit your requirements.

Benchmarking reports can be customized to your organization’s peer group based on:

- **COMPANY REVENUE** (total gross annual in US$)
- **TOTAL COMPANY EMPLOYEES**
- **INDUSTRY SECTOR** (using Standard Industry Classification (SIC) codes)
- **GEOGRAPHIC LOCATION** (country or global region)
- **DATA WEIGHTING**
- **COMPANY TYPE** (public, private, wholly-owned subsidiary, non-profit)

TAKE A LOOK INSIDE!

### Legal Department Spending Metrics — Medical Technology & Life Sciences

<table>
<thead>
<tr>
<th></th>
<th>25th Percentile</th>
<th>Mean</th>
<th>Median</th>
<th>75th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total inside spend</td>
<td>$500,000</td>
<td>$17,352,024</td>
<td>$1,290,000</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>Total outside spend</td>
<td>$413,000</td>
<td>$10,018,658</td>
<td>$2,796,480</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Total legal spend</td>
<td>$910,000</td>
<td>$37,370,682</td>
<td>$6,318,313</td>
<td>$25,949,509</td>
</tr>
<tr>
<td>Lawyer compensation</td>
<td>$274,000</td>
<td>$8,786,876</td>
<td>$550,000</td>
<td>$4,950,000</td>
</tr>
<tr>
<td>Non-lawyer compensation</td>
<td>$75,000</td>
<td>$4,495,621</td>
<td>$296,000</td>
<td>$7,515,341</td>
</tr>
</tbody>
</table>

Peer Company Profile

- **Company revenue**: US $500 million to US $3 billion
- **Industry**: Organizations in “Medical Technology and Life Sciences”:
  - SIC Code 35: Industrial Machinery and Equipment
  - SIC Code 36: Electronic and Other Electronic Equipment
  - SIC Code 38: Instruments and Related Products
- **Company type**: Private companies and subsidiaries
- **Number of lawyers**: 12 to 18
- **Number of staff**: Not selected
- **Total legal spend**: $6M to $10M
- **Region**: Organizations headquartered in Asia, North America, or Latin America
- **Data weighting**: Data weighted by percentage of revenue in each industry sector:
  - SIC Code 35: 20%
  - SIC Code 36: 30%
  - SIC Code 38: 50%

HAVE QUESTIONS? WE’RE HERE TO HELP.

To request a custom benchmarking report or to speak with a member of ACC’s research team, please call +1 202.293.4103 or email research@acc.com.

For more information on ACC’s benchmarking offerings visit acc.com/benchmarking.
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