



2023

ACC LAW DEPARTMENT MANAGEMENT BENCHMARKING REPORT

**EXECUTIVE
SUMMARY**

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





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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.

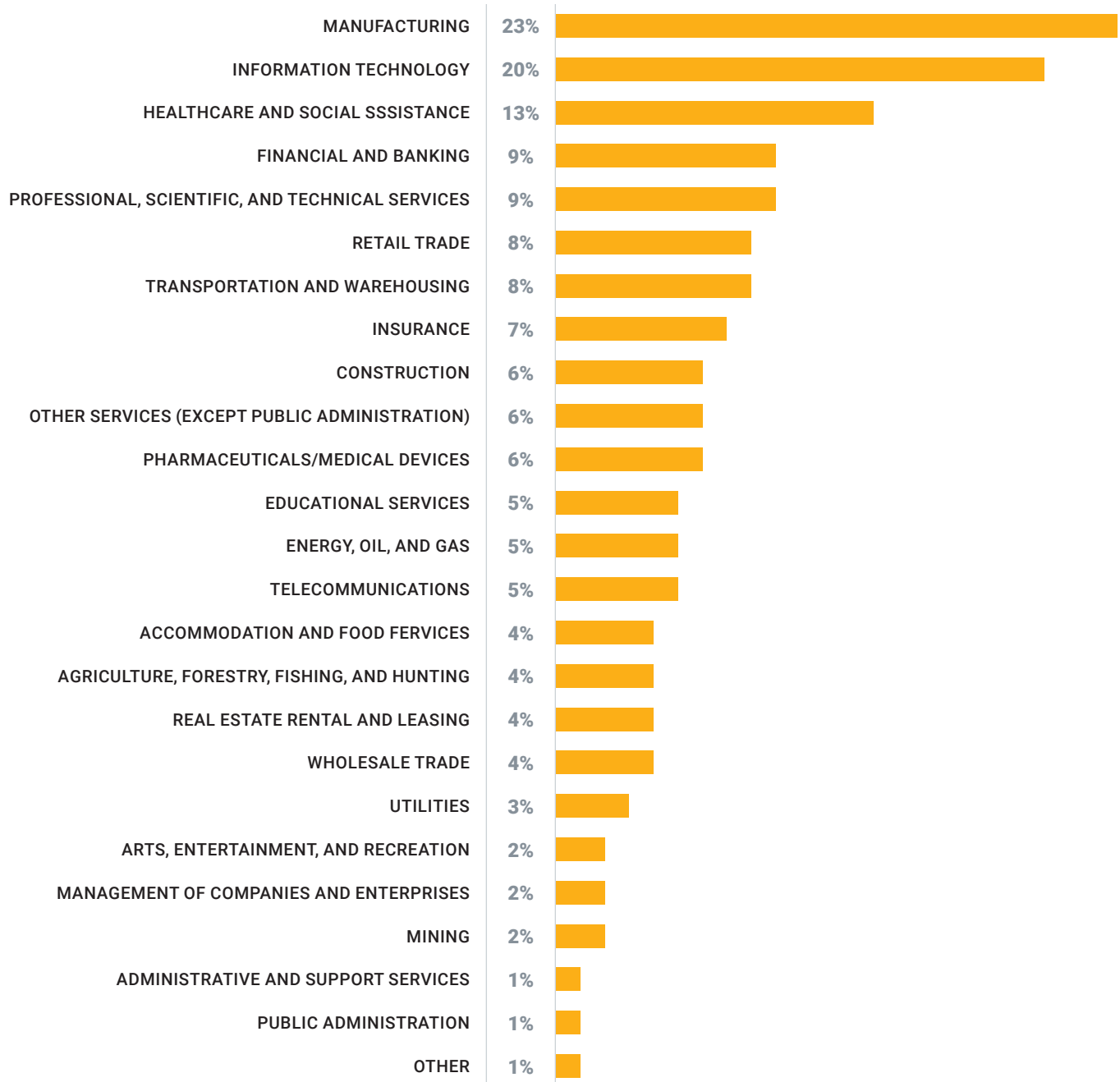
ACC and MLA deeply appreciate all survey participants for taking the time to share their data and allowing us to build benchmarking resources like this report. We hope you find the survey results useful.



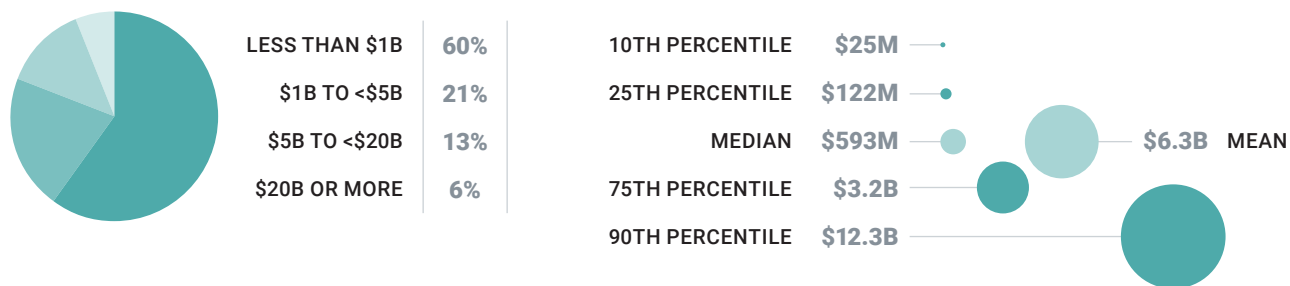
PARTICIPANT PROFILE



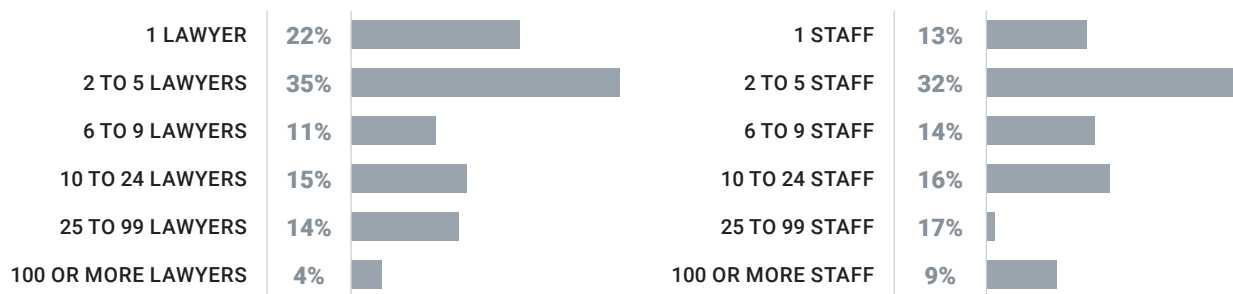
INDUSTRY



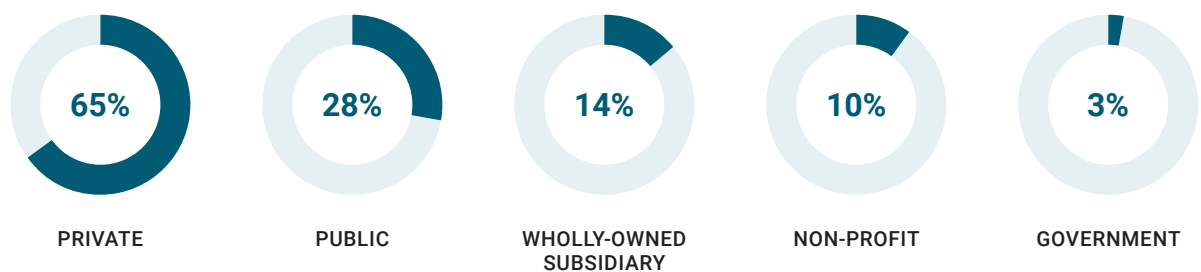
COMPANY REVENUE



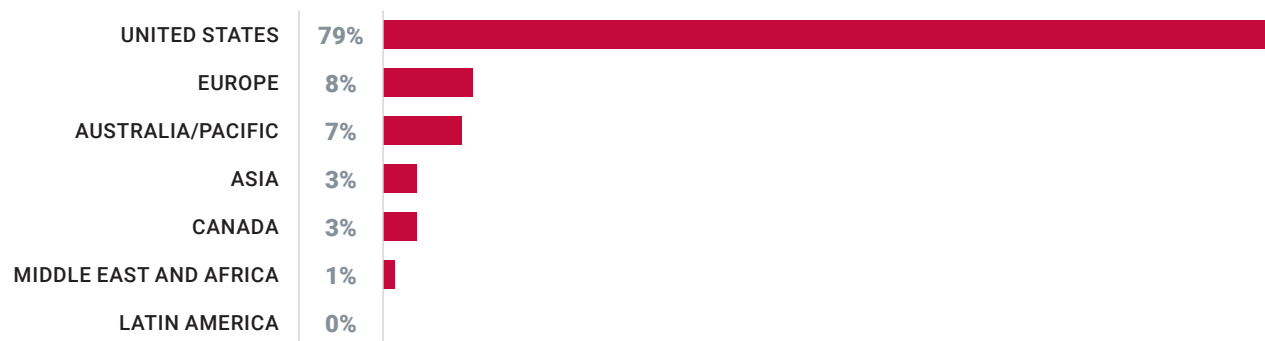
LAWYERS AND LEGAL STAFF



COMPANY TYPE



HEADQUARTERS' LOCATION



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

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

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.

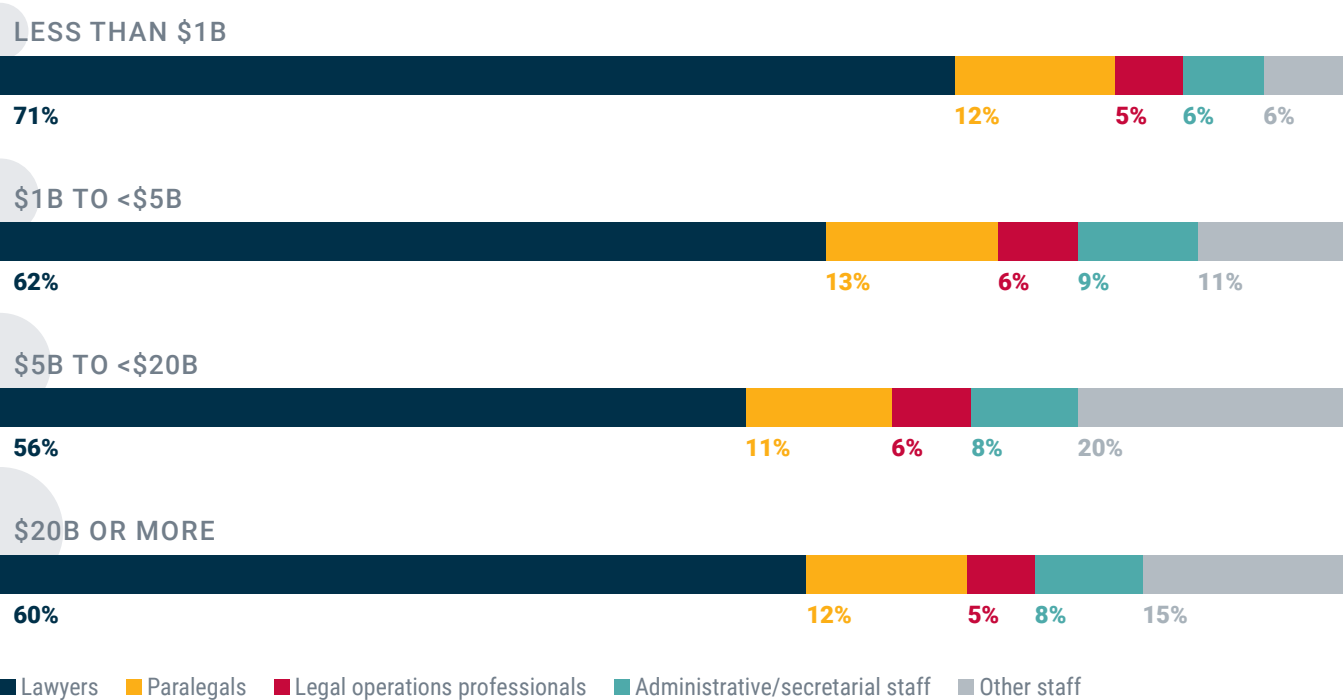
Lawyers account, on average, for more than seven-in-ten legal staff in small companies with under \$1 billion in revenue. As company size increases, other types of professionals are hired to provide additional support. This is the case for administrative staff and, particularly, for other staff, e.g., 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



BY COMPANY REVENUE

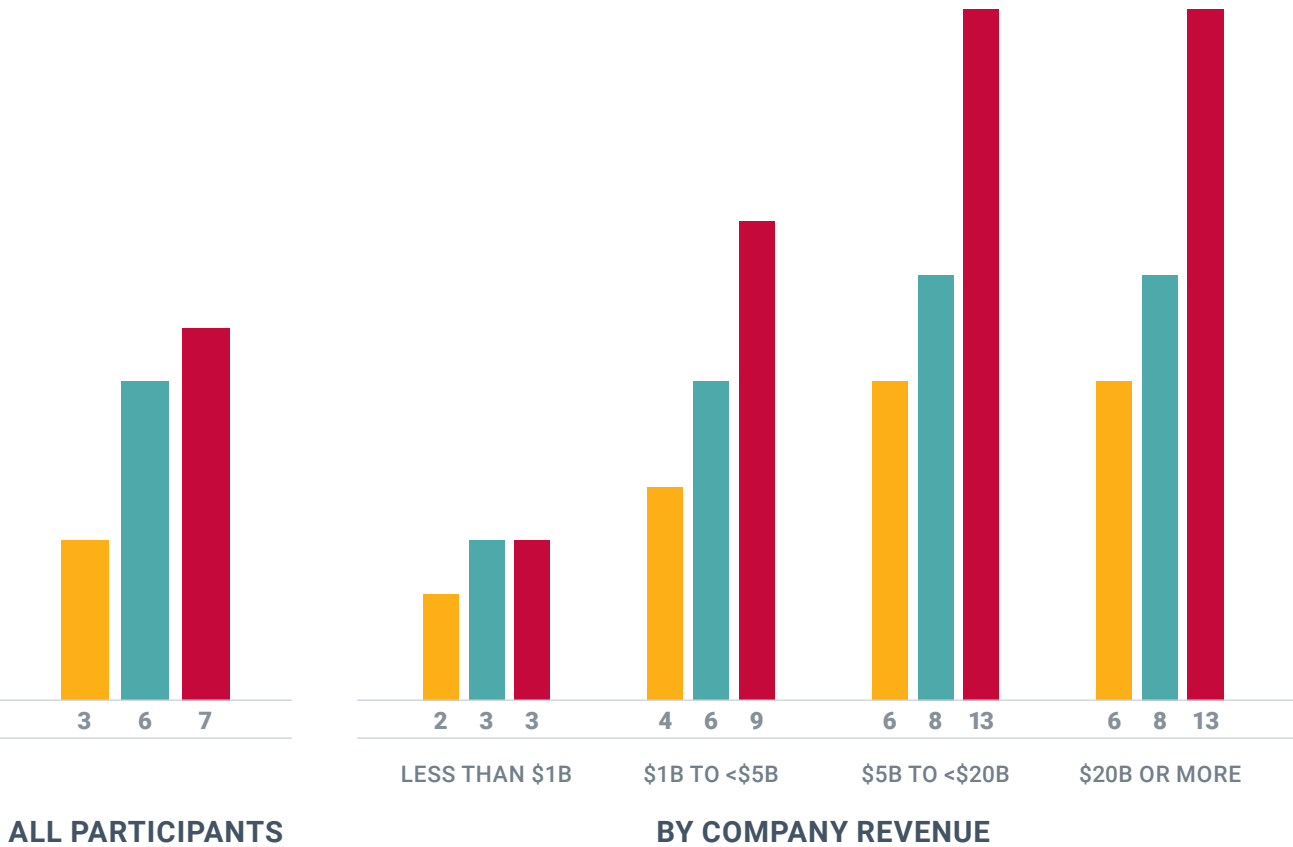


Mean values reported. Values may not add to 100% due to rounding.

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



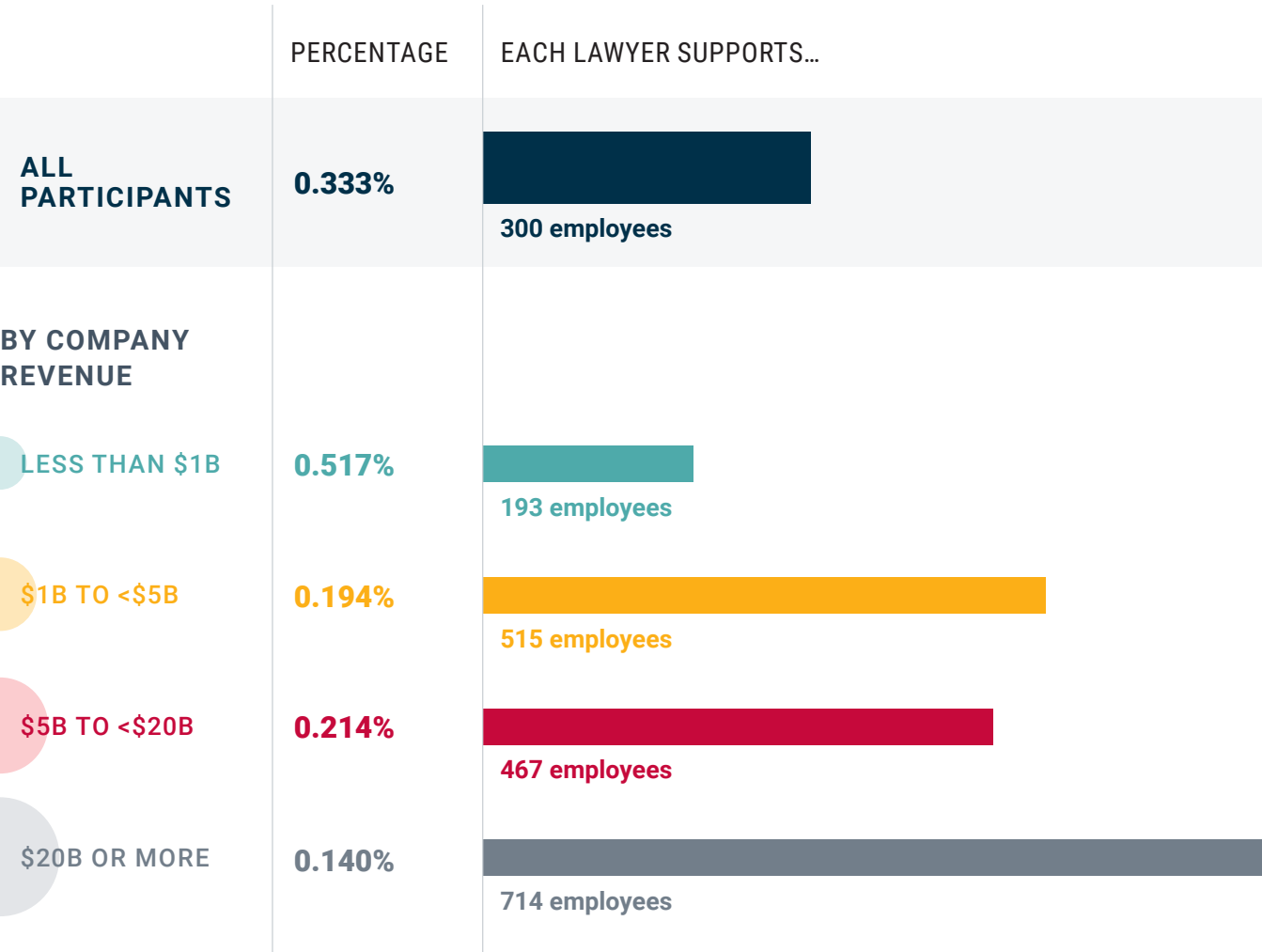
■ Lawyers per paralegal ■ Lawyers per administrative/secretarial staff ■ Lawyers per legal operations professional

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.

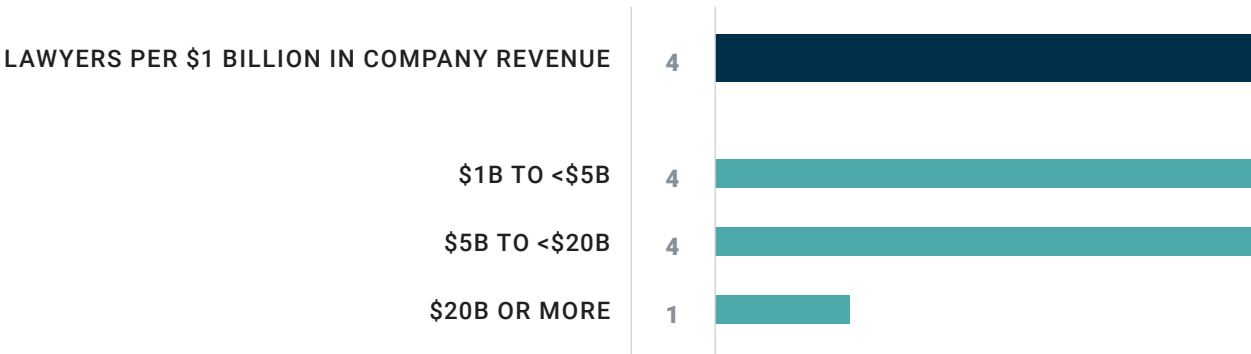
LAWYERS AS A PERCENTAGE OF COMPANY EMPLOYEES



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: $10 \text{ lawyers} \div (\$5 \text{ billion} \div \$1 \text{ billion}) = 10 \text{ lawyers} \div \$5 \text{ billion} = 2 \text{ lawyers per } \$1 \text{ billion in company revenue}$. 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



Median values reported.

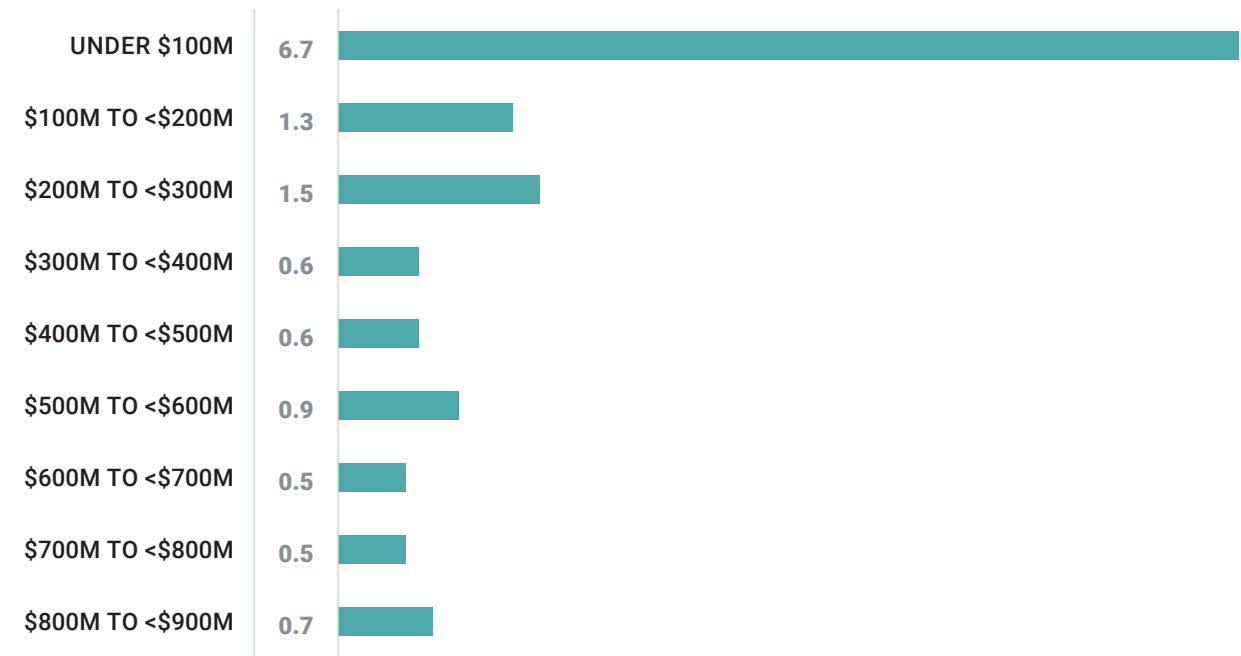
By company size, we find that organizations with a revenue ranging from \$1 billion to \$5 billion employ a median of four lawyers per billion, the same amount reported by companies in the \$5 billion to \$20 billion category, while larger organizations with more than \$20 billion in revenue report a 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: $4 \text{ lawyers} \div (\$200 \text{ million} \div \$100 \text{ million}) = 4 \text{ lawyers} \div 2 = 2 \text{ lawyers per } \$100 \text{ million in revenue}$.

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.

LAWYERS PER \$100 MILLION IN REVENUE – COMPANIES WITH UP TO \$1 BILLION

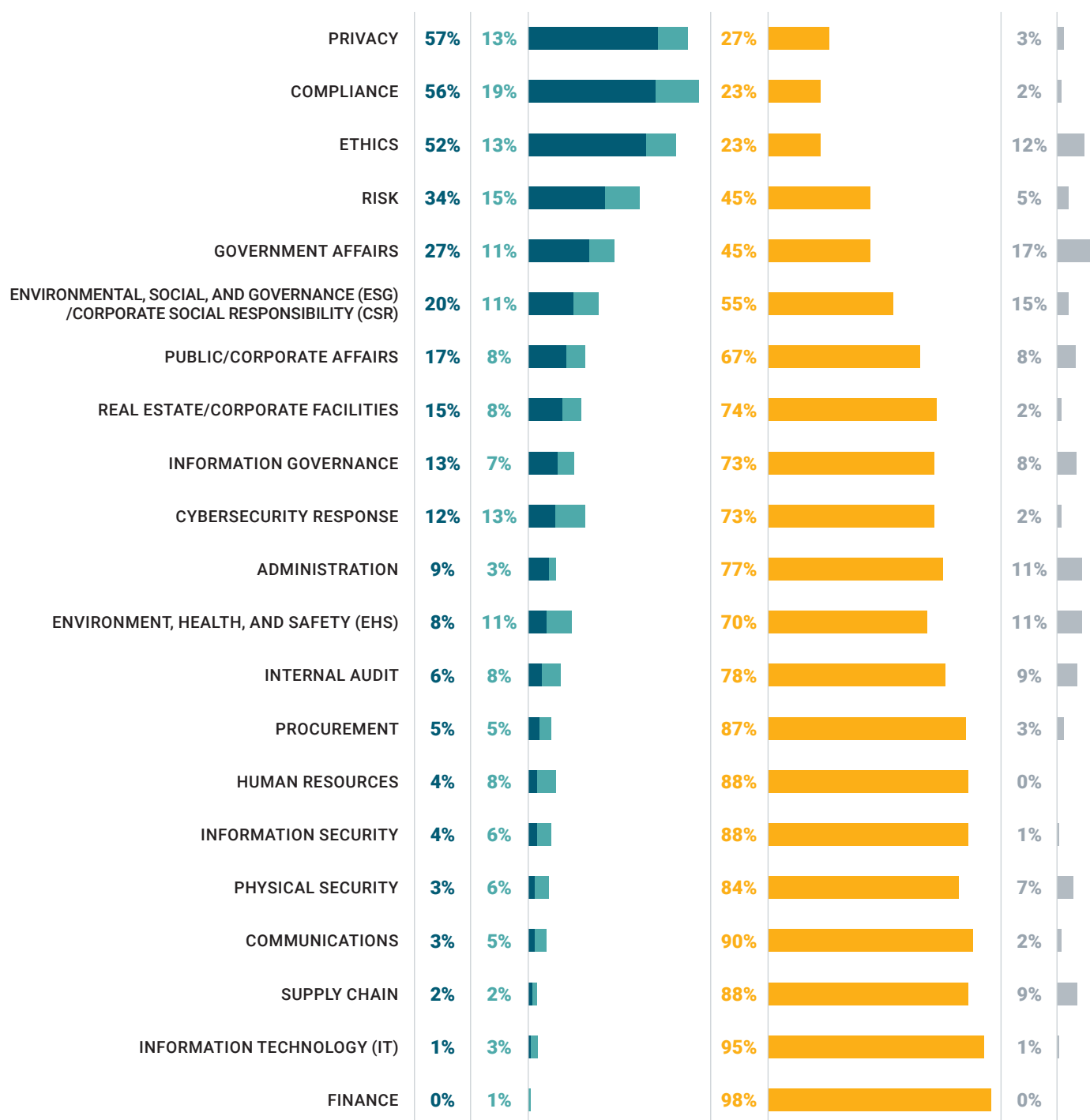


Median values reported.

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



■ Part of legal ■ Separate function reporting to legal ■ Separate function NOT reporting to legal ■ Not known

SPENDING

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 sub-categories. 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

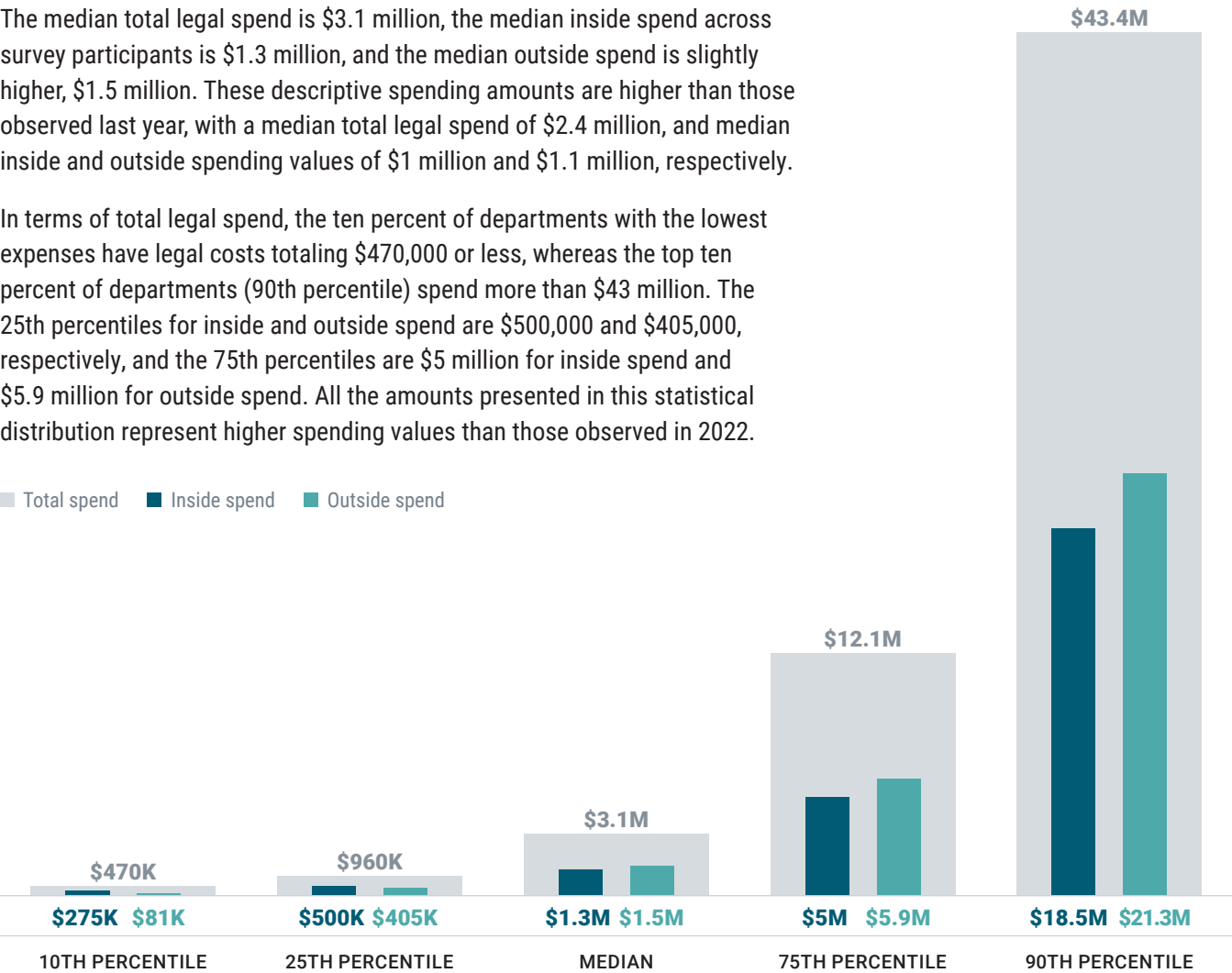
The results reported in this section are calculated independently for each specific metric, e.g., inside spend, outside spend, total legal spend, etc. Although for each individual participant we calculate the total spend amount by adding the inside and outside spending amounts, this does not result in 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.

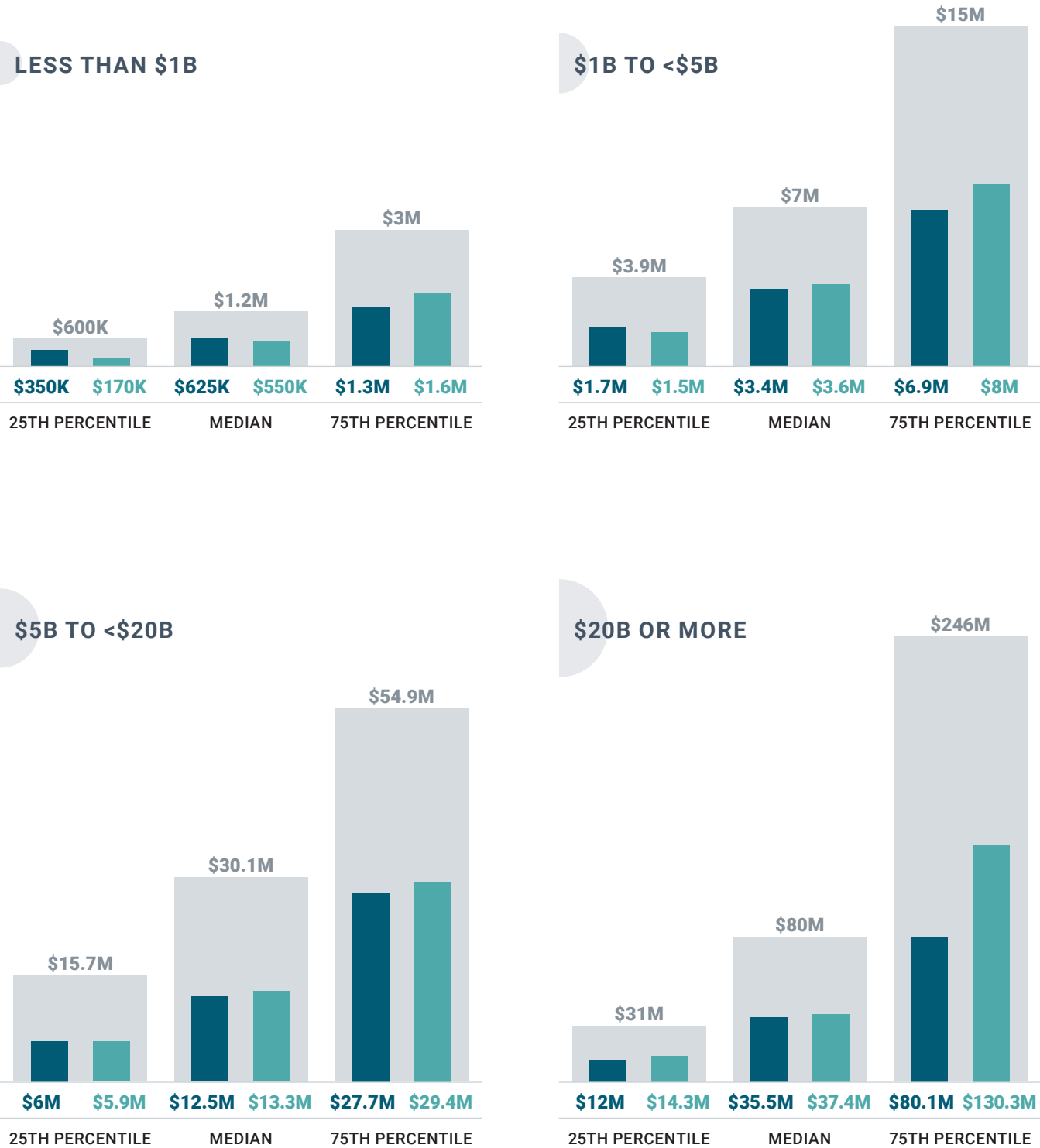


Legal spending scales along with company revenue size. Companies with under \$1 billion in revenue report a median total legal spend of \$1.2 million, those with a revenue ranging from \$1 billion to \$5 billion report a median total spend of \$7 million, the next revenue group up to \$20 billion has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

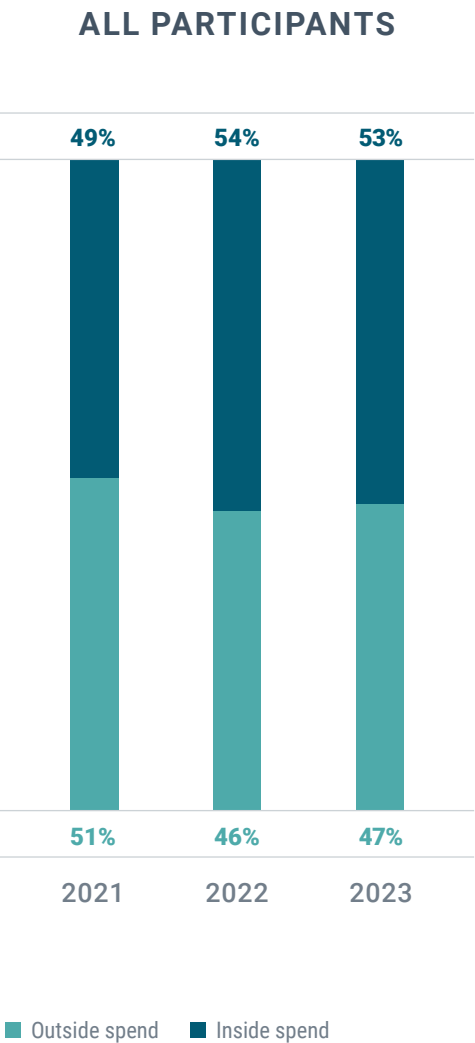
Total spend Inside spend Outside spend



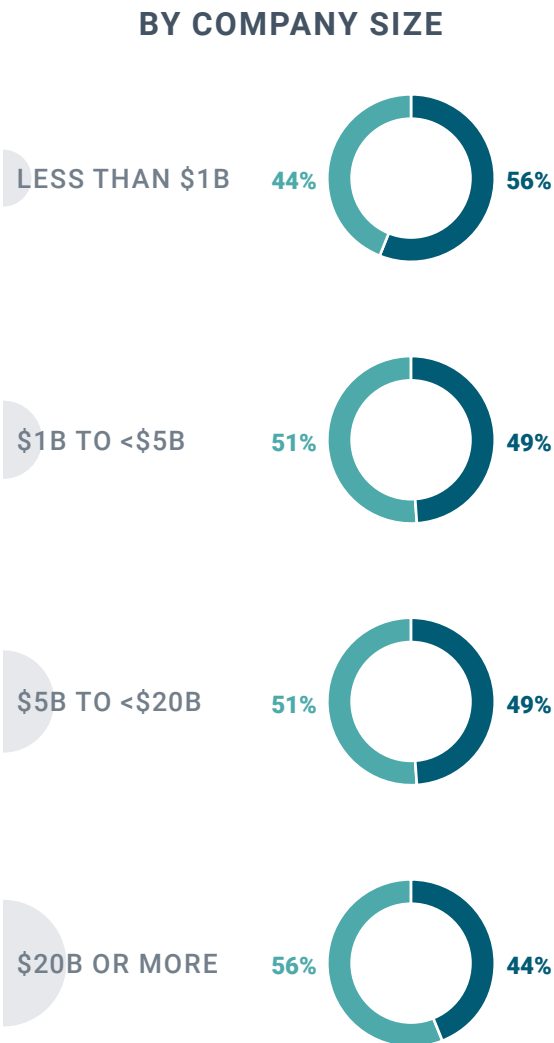
Participating legal departments have a higher average internal spend than external spend. Inside spend accounts on average for 53 percent of total legal spend compared to 47 percent allocated to external costs. This result is similar to the split observed last year (54 percent inside per 46 percent outside) 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



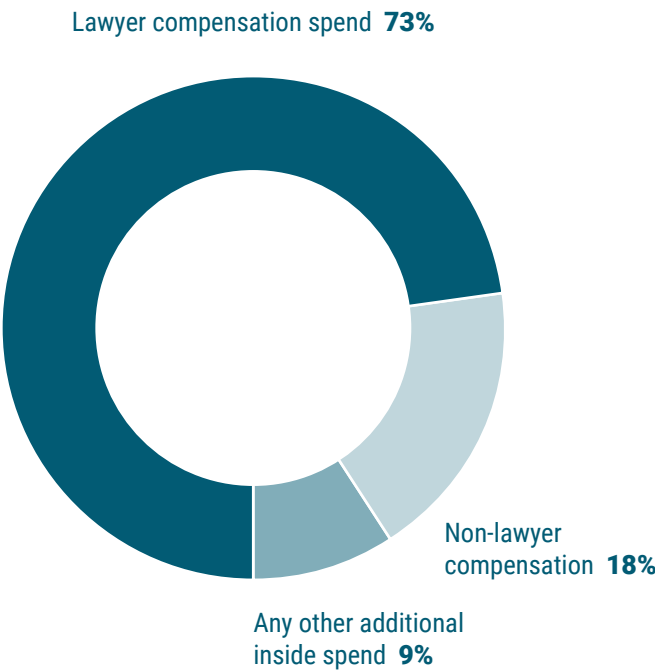
Average values reported.



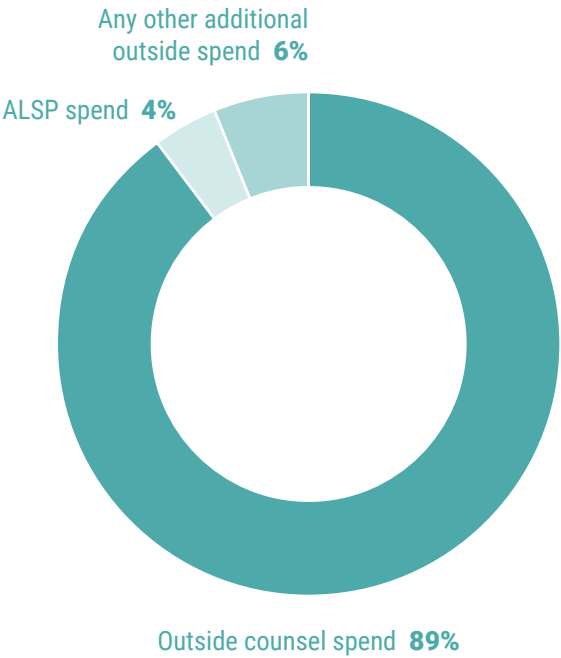
On average, 73 percent of inside spending is allocated to lawyer compensation, 18 percent to non-lawyer compensation, and nine percent is allocated to other types of in-house spending. Participating departments allocated on average nine out of every ten US dollars of outside spend to outside counsel, 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



OUTSIDE SPEND

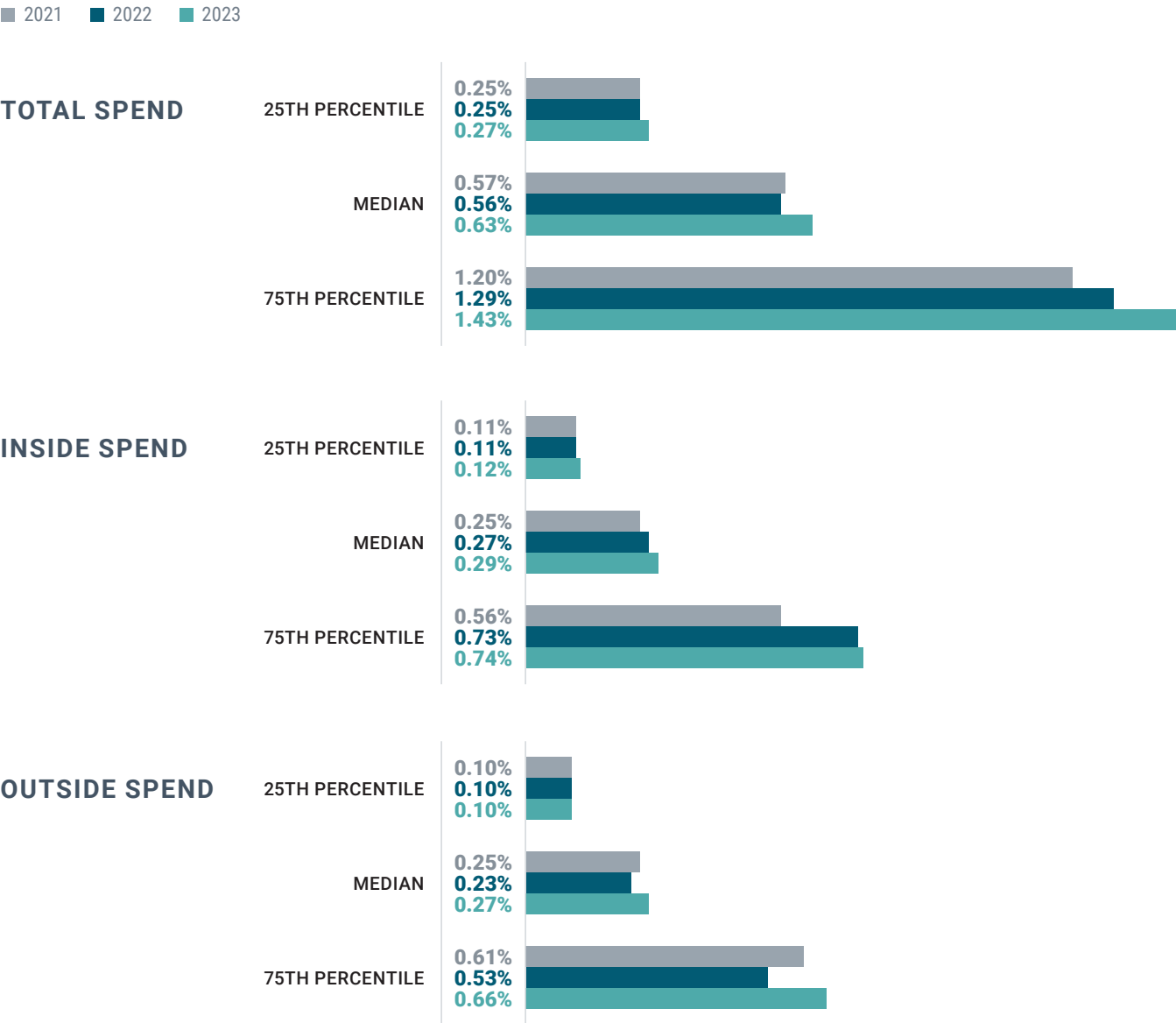


Average values reported. Values may not add to 100% due to rounding.

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



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

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

Median values reported.

WORK ALLOCATION

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.



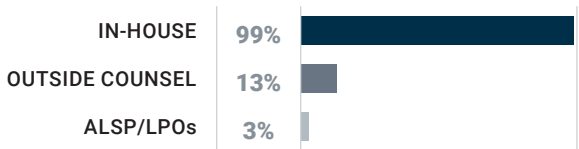
Legal departments overwhelmingly handle legal operations, compliance, contract management, invoice review, records management, corporate and governance, document management, and privacy and security, with at least 95 percent of departments handling these in-house. Intellectual property services and discovery – 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

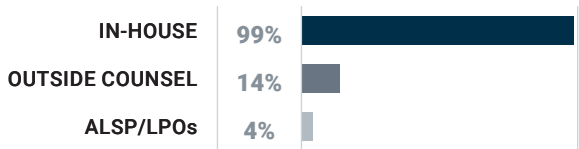
Percentages in **green/red** indicate variations larger than three percentage points compared to the 2022 results.

ALLOCATION OF WORK BY TYPE

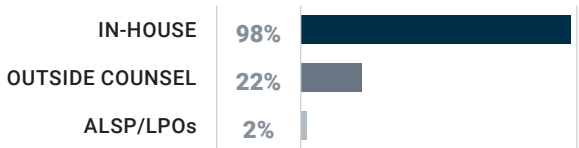
COMPLIANCE



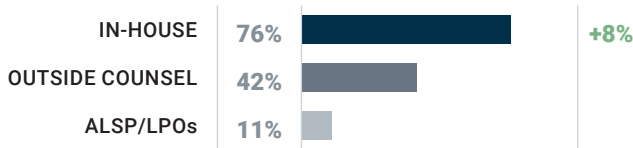
CONTRACT MANAGEMENT – REVIEW AND DRAFTING



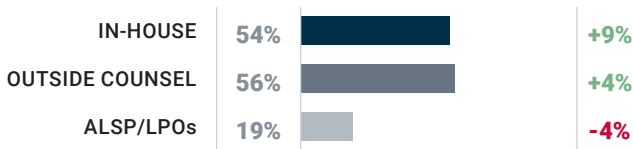
CORPORATE & GOVERNANCE



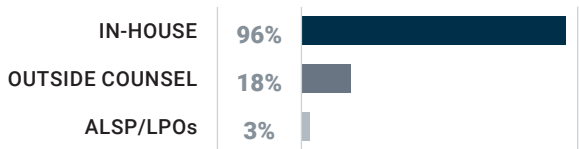
DISCOVERY – DATA COLLECTION



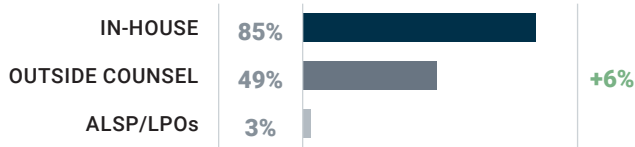
DISCOVERY – DATA PROCESSING/ HOSTING



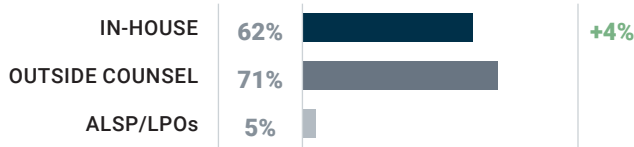
DOCUMENT MANAGEMENT – REVIEW AND DRAFTING



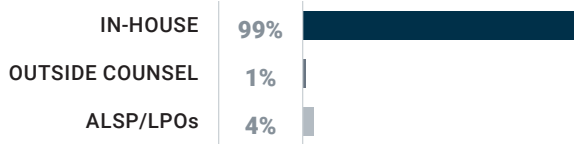
DUE DILIGENCE



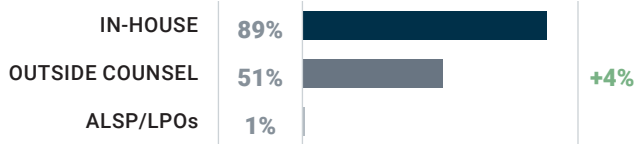
INTELLECTUAL PROPERTY SERVICES



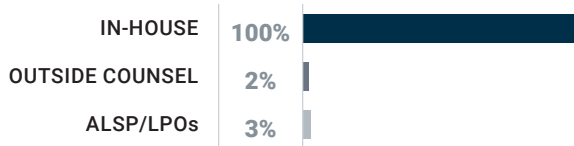
INVOICE REVIEW



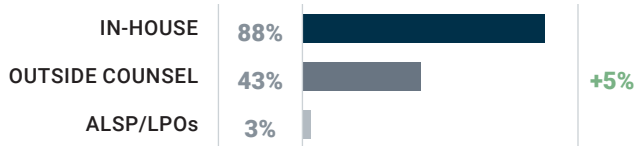
LABOR & EMPLOYMENT



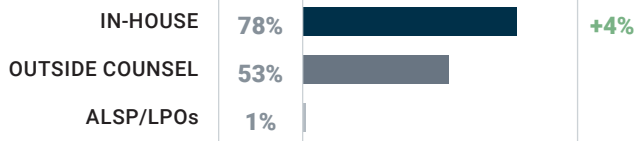
LEGAL OPERATIONS



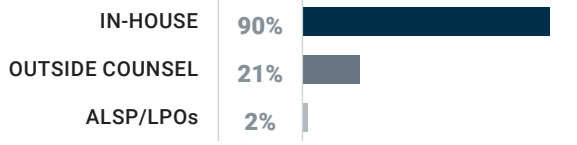
LEGAL RESEARCH



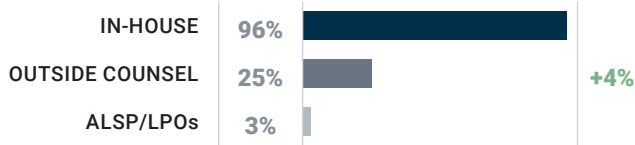
LITIGATION – CASE/PROJECT MANAGEMENT



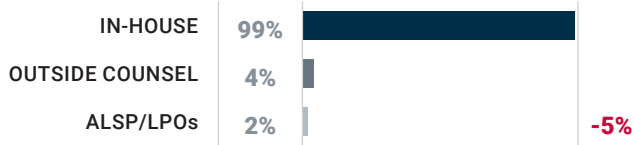
LITIGATION – LEGAL HOLD



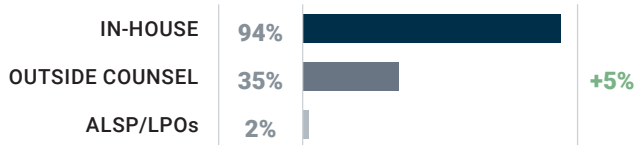
PRIVACY & SECURITY



RECORDS MANAGEMENT



REGULATORY



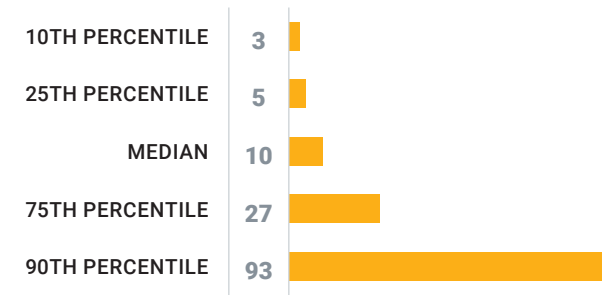
LAW FIRMS AND ALSPs

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.

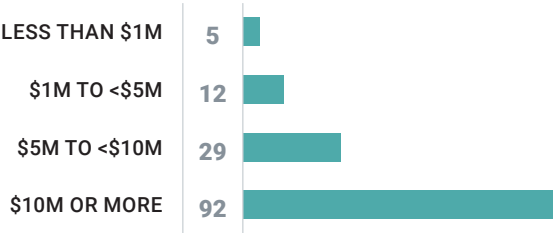


The median department engaged ten law firms in 2022, the same number recorded in last year’s survey. The 10th percentile and 25th percentile are three and five firms, respectively, also the exact same numbers observed last year. The 75th percentile is 27 (compared to 30 last year) and the top ten percent 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



BY OUTSIDE SPEND



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.

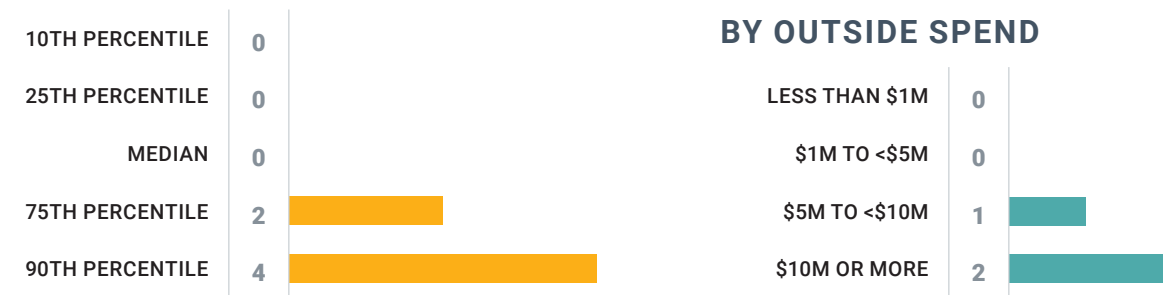
CHANGE IN THE NUMBER OF LAW FIRMS ENGAGED

ALL PARTICIPANTS



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



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



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.

TYPES OF OUTSIDE COUNSEL FEES USED

	ALL PARTICIPANTS	LESS THAN \$1B	\$1B TO <\$5B	\$5B TO <\$20B	\$20B OR MORE
DISCOUNTED HOURLY RATES	83%	75%	95%	93%	100%
STANDARD HOURLY RATES	77%	75%	75%	83%	79%
FLAT FEES FOR ENTIRE MATTERS OR FOR SOME STAGES OF MATTERS	61%	51%	66%	86%	83%
CAPPED FEES	46%	38%	53%	59%	79%
RETAINERS (INCLUDING PERIODIC RETAINER FEES FOR A PORTFOLIO OF SERVICES)	38%	27%	45%	57%	72%
BLENDED HOURLY RATES	37%	27%	38%	64%	76%
CONTINGENCY FEES (INCLUDING REVERSE CONTINGENCY FEES)	15%	9%	15%	28%	41%
INCENTIVES OR SUCCESS FEES	12%	7%	12%	31%	24%
PERFORMANCE-BASED HOLDBACKS	4%	3%	3%	7%	7%
OTHER	2%	1%	3%	5%	0%

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.

DIVERSITY

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.

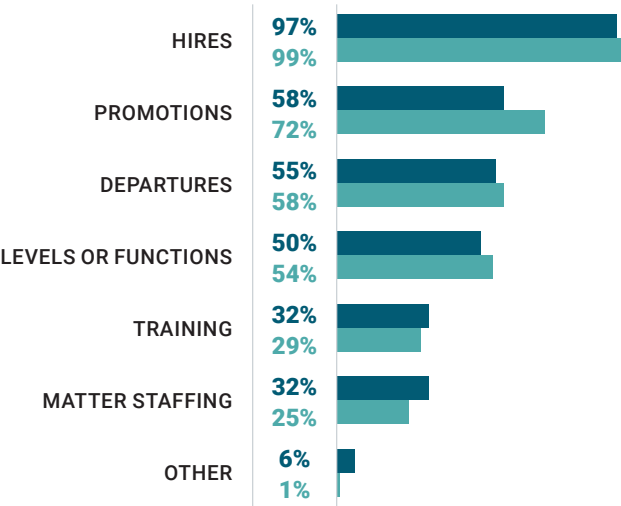


INTERNAL LEGAL
DEPARTMENT METRICS

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



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



OUTSIDE COUNSEL
METRICS

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



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



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



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



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

PARTICIPATING ORGANIZATIONS

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

PARTICIPATING ORGANIZATIONS

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

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.

The diagram illustrates six data sources used for company selection, arranged in two rows of three. Each source is represented by an icon, a title, and a brief description.

- COMPANY REVENUE** (total gross annual in \$US): Icon of a dollar sign and a bar chart.
- TOTAL COMPANY EMPLOYEES**: Icon of three stylized human figures.
- GEOGRAPHIC LOCATION** (country or global region): Icon of a globe.
- INDUSTRY SECTOR** (using Standard Industry Classification (SIC) codes): Icon of a factory building.
- DATA WEIGHTING**: Icon of a magnifying glass over a bar chart.
- COMPANY TYPE** (public, private, wholly-owned subsidiary, non-profit): Icon of a multi-story office building.

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

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