

2024

ACC CHIEF LEGAL OFFICERS SURVEY

ACC Association of
Corporate Counsel

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What's keeping you up at night?



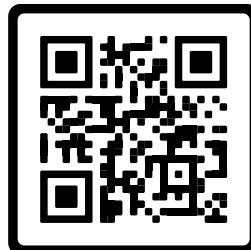
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- Cybersecurity Threats
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INTRODUCTION

The Association of Corporate Counsel (ACC) is pleased to present the results of the *2024 Chief Legal Officers Survey* in partnership with [Exterro](#), the leading data risk management solution for legal professionals. In its 25th consecutive year, this survey aims to provide the in-house legal community with insights on the evolving role of the Chief Legal Officer (CLO) and how legal departments are positioning to help organizations most effectively adapt to the broader business environment. This report provides unparalleled insights directly from CLOs as they share their expectations, challenges, and opportunities for the year ahead.

This year's results show that CLOs and the legal departments they manage continue to face intense pressure to do more with less. Forty-two percent of departments received a mandate to cut legal costs and 58 percent experienced major rate hikes by their law firms. At the same time, 59 percent of CLOs say their workload increased over the past year, with a majority overseeing at least three additional business functions beyond legal, including areas like compliance, privacy, ethics, and risk. Most CLOs report also having responsibility for helping to lead their organization's environmental, social, and governance (ESG) and diversity, equity, and inclusion (DEI) strategies. It is no wonder that CLOs rank operational efficiency as their top strategic initiative for the coming year, with 45 percent planning to invest in new technology to enhance their department's efficiency.

CLOs must also contend with a host of other challenges. Regulations and enforcement were the main issues cited as keeping CLOs up at night, as well as an increasing lack of clarity around their compliance obligations, leading to difficulty in effectively responding to those obligations. The increasingly complex data privacy and cybersecurity threat environment also continues to be top of mind, as the data showed a significant reduction in confidence to respond effectively to those threats over the past year. However, despite the challenges faced, this increase in responsibility and oversight in critical business areas is a sure sign that the CLO and legal departments are continuing to showcase the immense value they bring to the businesses they serve.

Providing relevant data-driven insights from CLOs worldwide on their challenges, priorities, and outlook is critical to ACC's core purpose of supporting the needs of the in-house law department. This year's report contains insights from 669 participants from organizations spanning 20 industries and 31 countries, from small one-lawyer legal departments to hundreds in some of the world's largest multinational corporations.

We thank the CLOs who dedicated a few minutes of their valuable time to participate in this survey and [Exterro](#) for underwriting this research. Without your generosity and support, this important annual study would not be possible. We hope that you find the survey results enlightening and relevant to your role as law department leaders.

Sincerely,

Veta T. Richardson

PRESIDENT & CEO
ASSOCIATION OF CORPORATE COUNSEL

Blake E. Garcia, Ph.D.

SENIOR DIRECTOR OF BUSINESS INTELLIGENCE
ASSOCIATION OF CORPORATE COUNSEL

KEY FINDINGS

01

CLOs continue to face intense pressure to do more with less

Forty-two percent of CLOs say their legal department received a cost-cutting mandate from their organization over the past year. At the same time, 58 percent of legal departments were impacted by law firm rate hikes, with 23 percent of CLOs saying the increases have been difficult to manage. Accordingly, the results show a decrease in the percentage of departments saying they will add staff in 2024 and a decrease in the amount of work being sent to law firms and other vendors.

02

Regulations and enforcement keep CLOs up at night

The top three issue areas that keep CLOs up at night as impactful to their organizations are regulations and enforcement (53 percent), privacy and data security (41 percent), and cybersecurity threats (37 percent). Outside of the US, talent retention is the top issue (42 percent), and cross-border work is more pronounced (24 percent), while litigation is a greater concern in the US.

03

Data breaches are the biggest data-related threat CLOs want to mitigate in 2024

Thirty-four percent of CLOs say that data breaches are the biggest data-related threat to mitigate in 2024, followed by privacy/regulatory enforcement (32 percent), and other cybersecurity threats (24 percent). Forty percent reported that they plan on instituting new processes to help defend against these threats. Yet, despite years of focus and spending on data-related threats, just nine percent of respondents are “very confident” in their organization’s ability to mitigate emerging data risks.

04

CLOs rank operational efficiency as their top strategic initiative

Forty percent of CLOs rank operational efficiency as their law department’s top strategic initiative for the coming year, followed by the “right-sourcing” of legal services (15 percent), and talent management/retention (10 percent). To improve efficiency, 45 percent of CLOs say they will invest in new technology and 27 percent say that greater collaboration with the organization’s overall operations department would improve business outcomes.

07

Most CLOs believe that artificial intelligence (AI) will have a positive impact on the profession

Sixty-seven percent of CLOs believe that AI will have a “mostly positive” or “somewhat positive” impact on the in-house legal profession. The legal applications identified with the most potential to benefit from AI are in document analysis (35 percent) and drafting documents (28 percent). However, sentiment toward AI varies greatly by industry, with 77 percent of CLOs in the IT and professional services industries having a positive outlook, while only 52 percent in the education industry are positive.

08

CLOs want their staff to develop greater business acumen

Sixty-three percent of CLOs say they are seeking to develop greater business acumen among the lawyers in their department, followed by communication skills (51 percent) and executive presence (45 percent). When it comes to their own professional development, 38 percent of CLOs say that their CEO would like them to develop greater business acumen and industry knowledge, followed by leadership (28 percent), and financial acumen (24 percent).



09

Three out of four CLOs are involved in leading their organization's ESG strategy

Despite 77 percent of CLOs being involved in leading their organization's ESG strategy, just 29 percent say they are "very involved," and 36 percent say they are "somewhat involved." Nineteen percent say their organization has no ESG strategy in place at all. CLOs are more actively engaged in ESG strategy outside of the US with 91 percent having some degree of involvement, compared with 70 percent in the US.

10

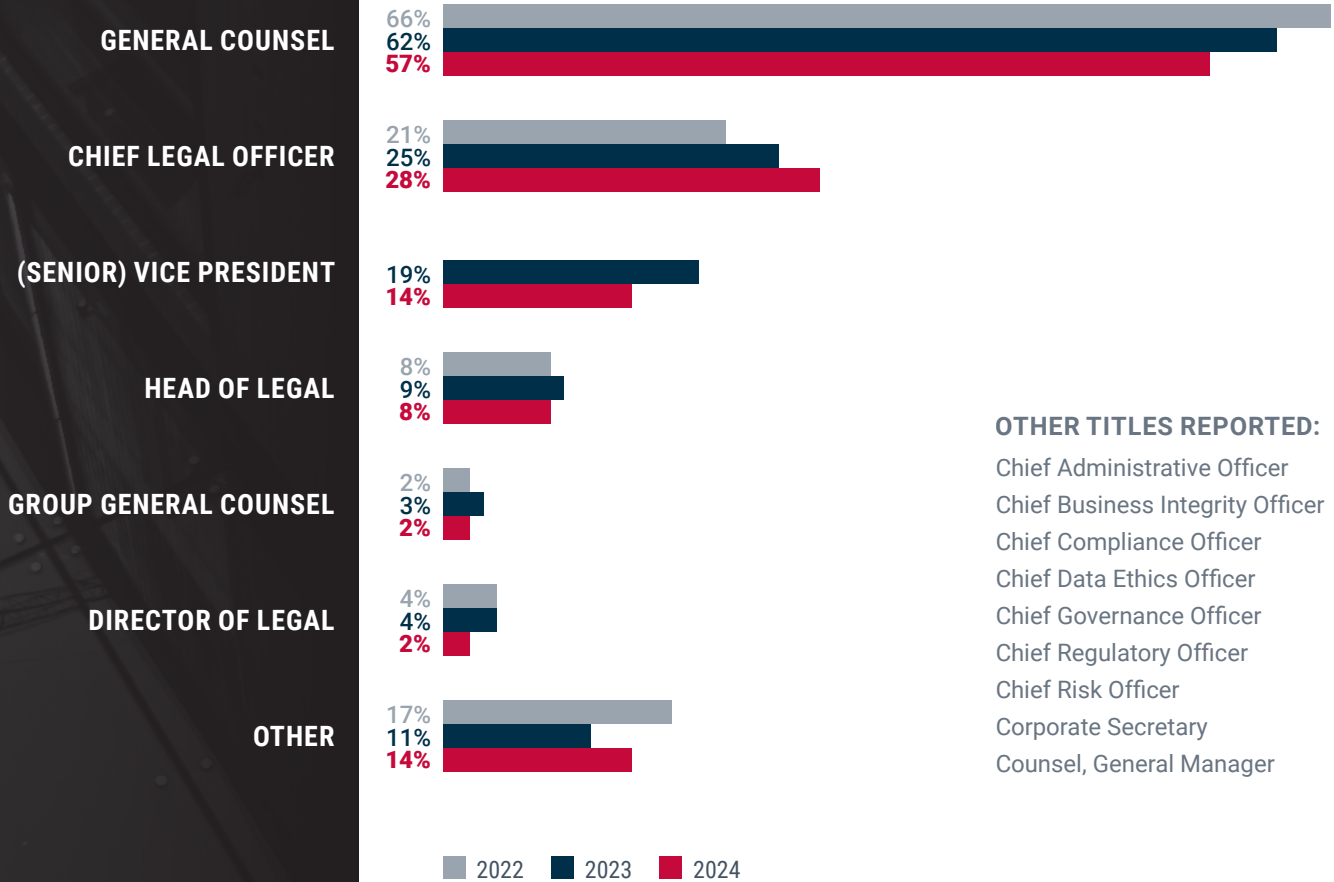
The Chief Legal Officer title is becoming more common

Twenty-eight percent of participants hold the "Chief Legal Officer" title—an increase of 7 percentage points since 2022. Although "General Counsel" is still the most common title for the company's top lawyer, there has been an associated reduction in its usage among survey respondents, with 57 percent now holding this title compared with 66 percent in 2022.

SECTION 1

THE CHIEF LEGAL OFFICER'S ROLE AND REACH

As the highest-ranking lawyer in your organization, what title do you hold?

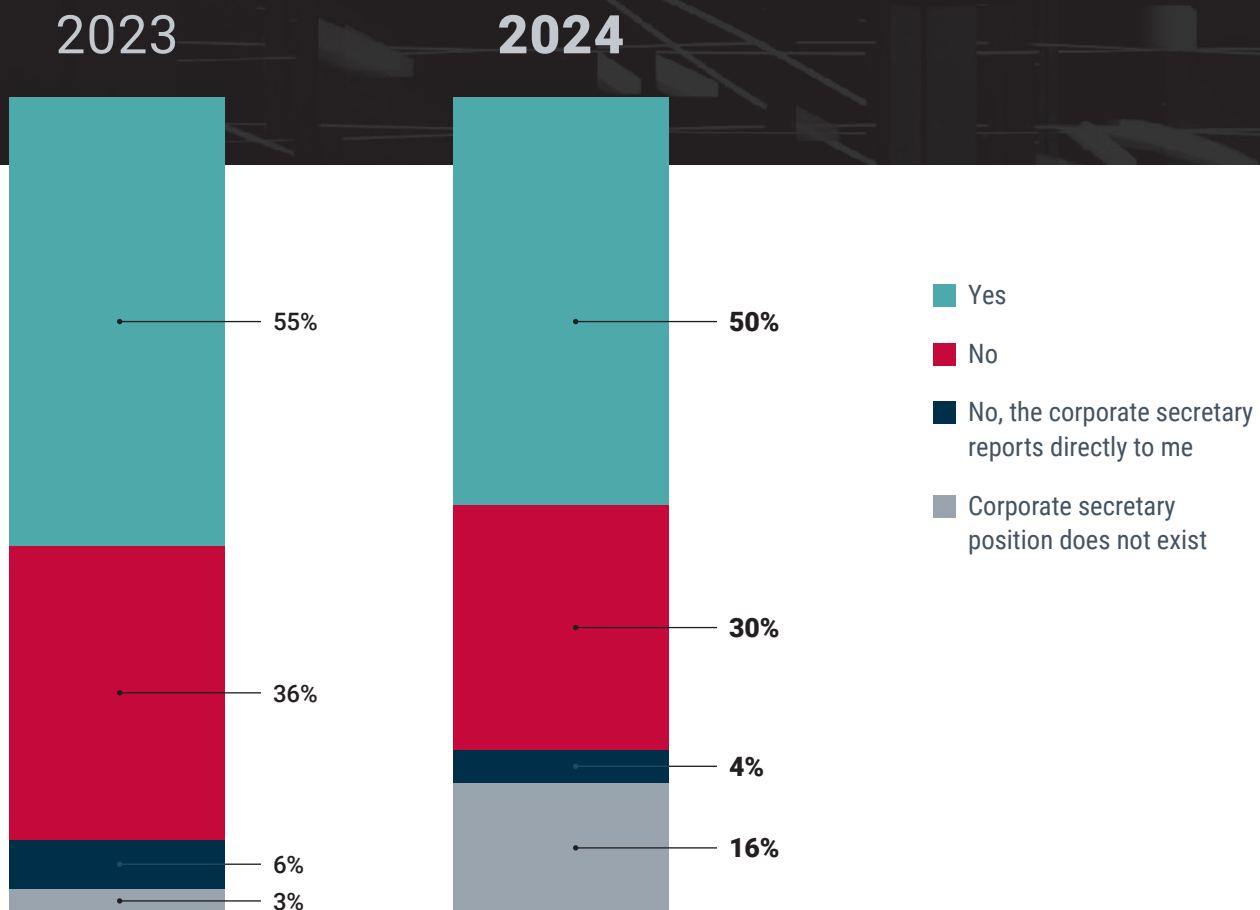


Twenty-eight percent of participants hold the chief legal officer title, which has increased by 7 percentage points since 2022. Although general counsel is still the most common title for the company's top lawyer, there has been an associated reduction in its usage among survey respondents, with 57 percent now holding this title compared with 66 percent in 2022.

Fourteen percent also hold executive level titles such as executive vice president or senior vice president.

Other titles, including head of legal and director of legal are less common, and 14 percent also reported other job titles. In many cases these reflect dual roles of the CLO, such as chief administrative officer, chief compliance officer, or chief risk officer.

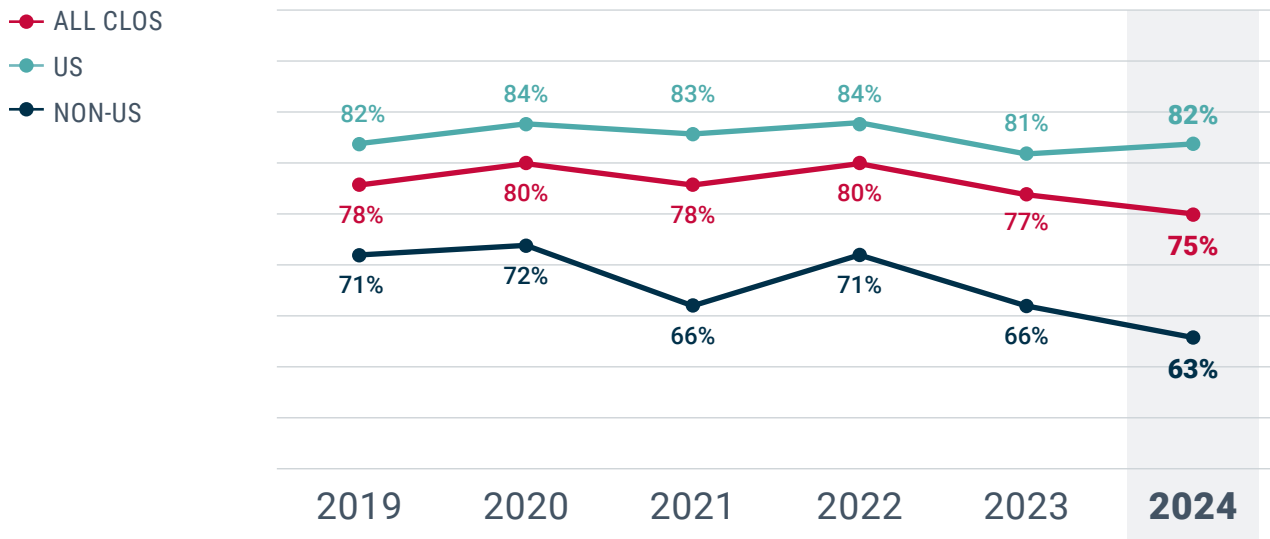
Do you also hold the title of or assume the role of corporate/company secretary (NOT assistant corporate secretary)?



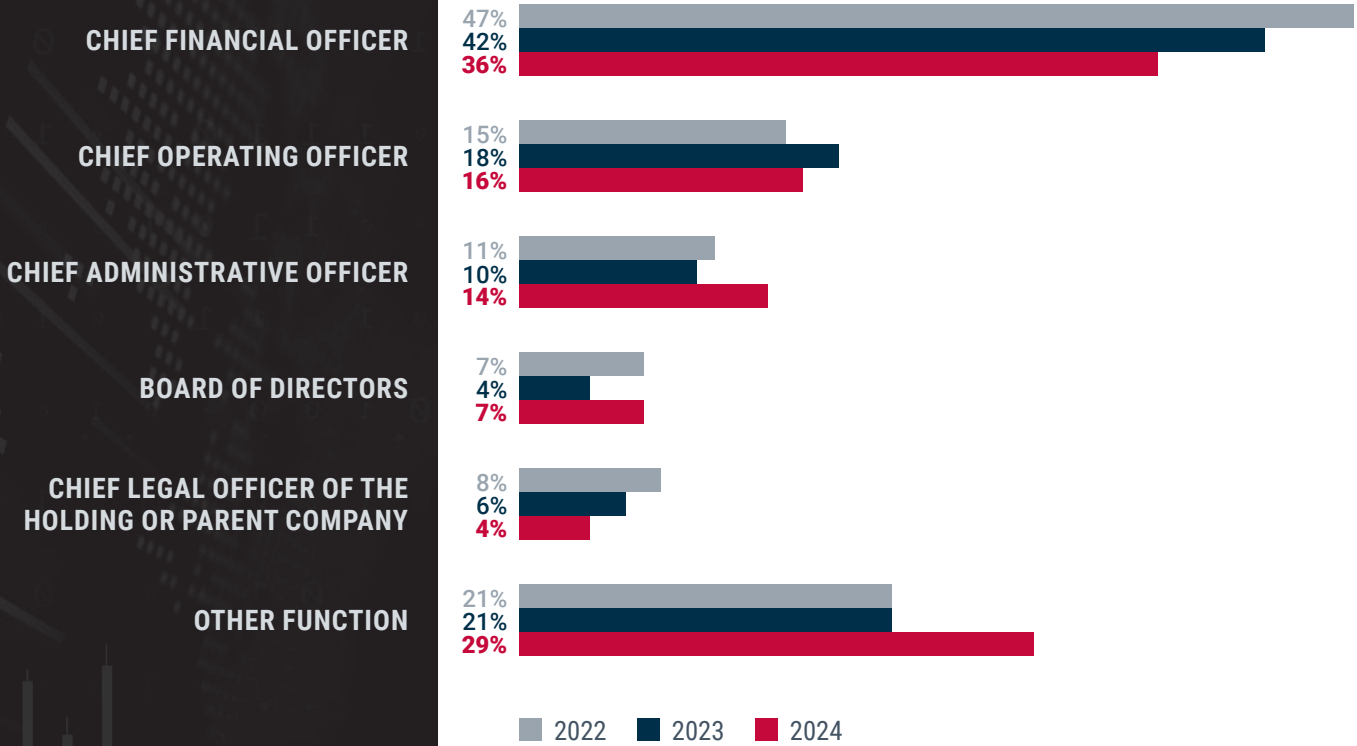
One in two respondents hold the title or assume the role of corporate secretary. This represents a five-point decrease compared to last year's survey, partly due to the larger share of respondents this year that indicated that the corporate secretary position does not exist in their organization (16 percent). The survey population this year is more global compared to previous years, and the corporate secretary position is less common in countries other than the United States – 25 percent of non-US respondents say this position does not exist, and 35 percent indicate so in Japan.

Do you report directly to the Chief Executive Officer (CEO) or highest-ranking executive officer?

The majority of CLOs report directly to their company's chief executive officer, although the 75 percent metric is the lowest value observed since 2019. The expansive global reach of the survey explains this moderate decline, where we consistently see fewer CLOs outside of the US report directly to the top executive of their organization. While the historical results show that more than 80 percent of US-based participants report directly to the CEO, the number for those outside of the US peaked at 72 percent and the 63 percent recorded this year is the lowest value since 2019.



To whom do you directly report in your organization?*



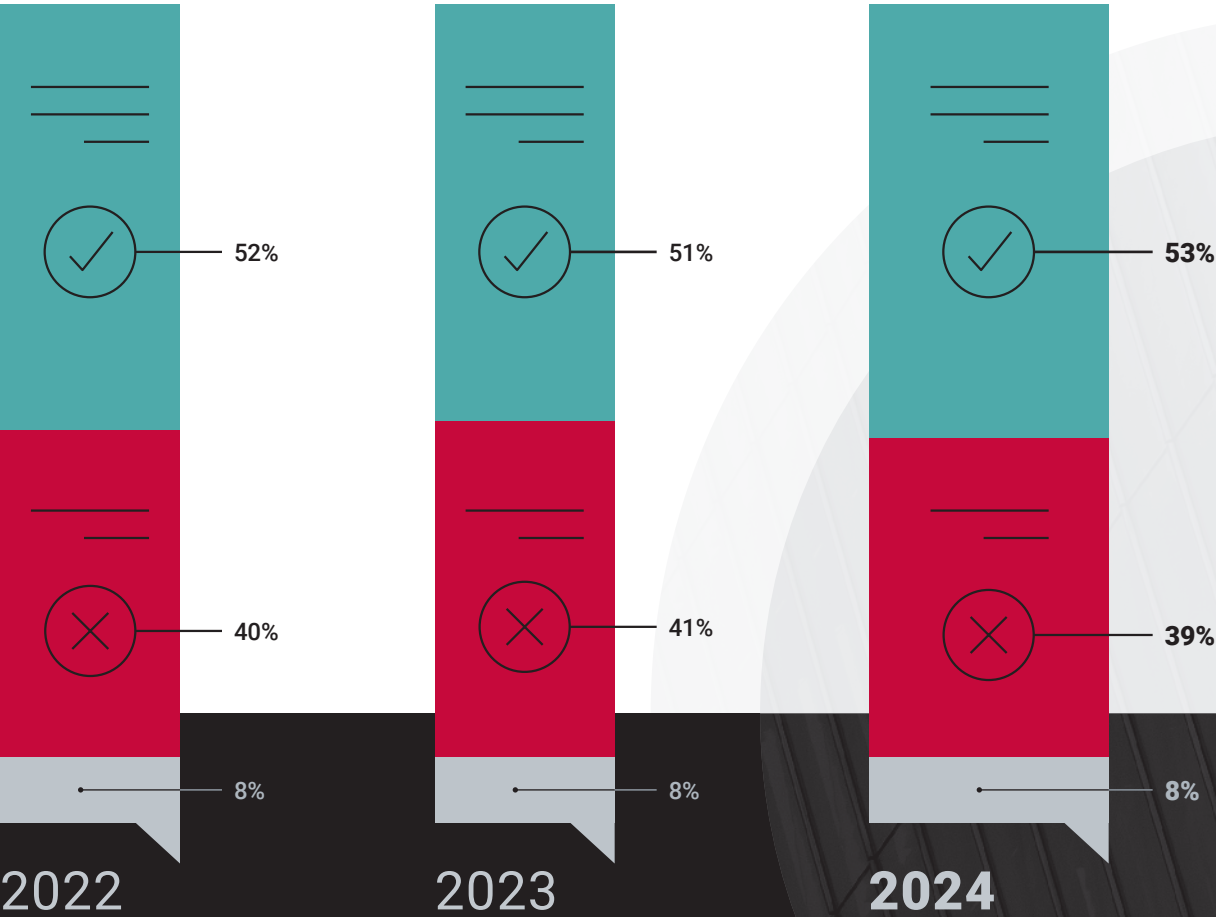
*Results among those who do not directly report to the CEO.

Those who do not report to the CEO most frequently report directly to the chief financial officer (36 percent, though declining consistently since 2022), followed by the chief operating officer (16 percent), and the chief administrative officer (14 percent). Three-in-ten of those who do not report to the CEO report to another business function or position, including compliance, global governance, or human resources, or to other senior management in the organization.

OTHER FUNCTIONS AND POSITIONS LISTED:

- Chief Compliance Officer
- Chief Human Resources Officer
- Chief People Officer
- Chief Technology Officer
- Executive Director
- Executive Vice President
- Head Of Global Governance
- Managing Executive Officer
- President

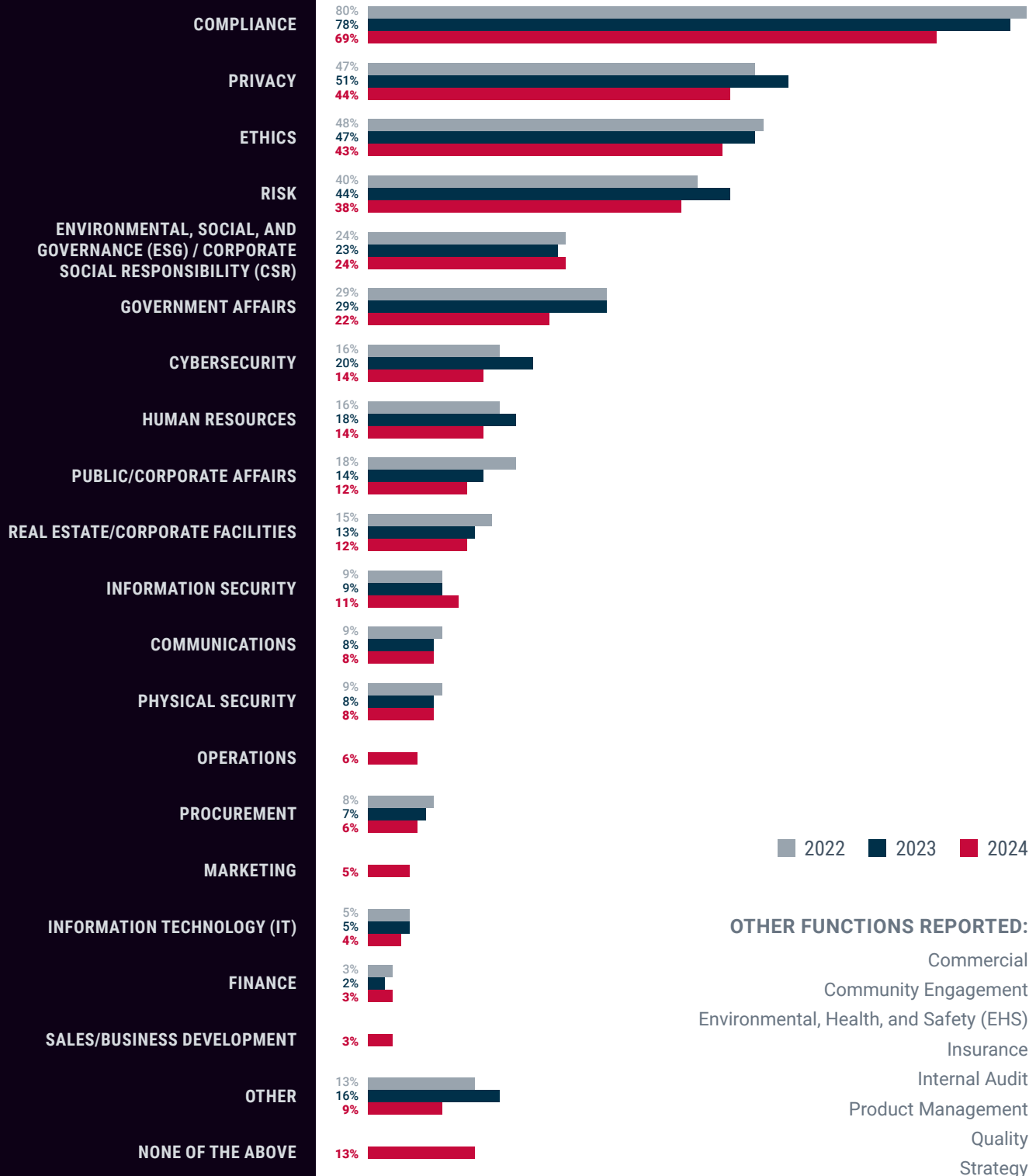
Do you have a reporting line to the board of directors?



- Yes
- No
- Do not have a board of directors

Fifty-three percent of respondents have a reporting line to the company’s board of directors, a result that has remained stable for three years. Thirty-nine percent say that they do not have a reporting line to the board, and a small minority say that their organization does not have a board.

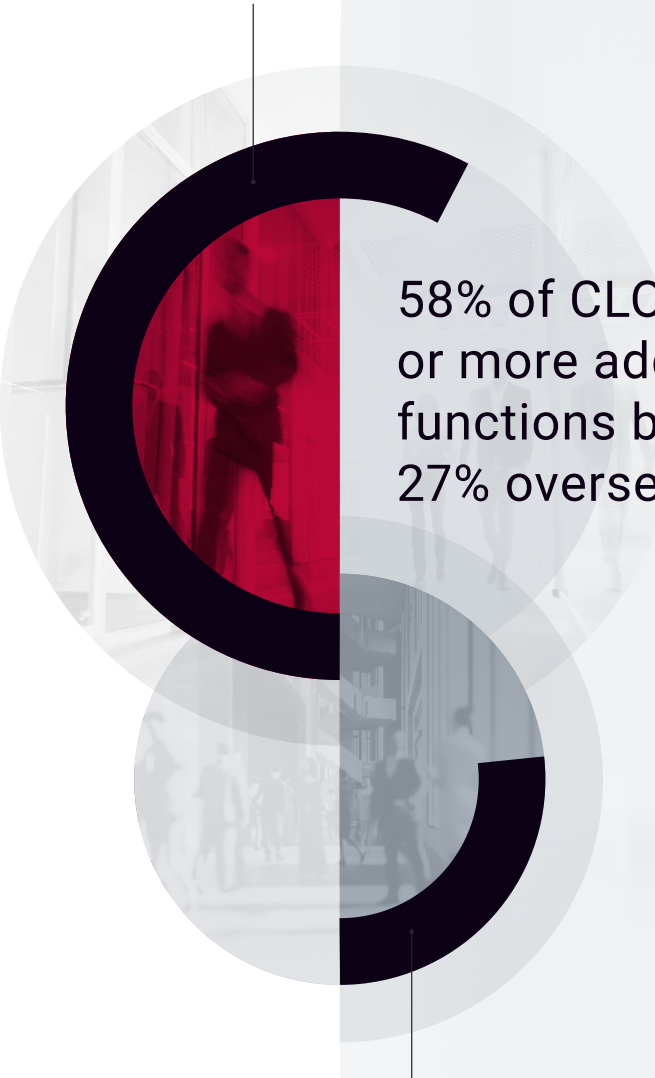
Which of the following corporate functions report to you?



- OTHER FUNCTIONS REPORTED:**
- Commercial
 - Community Engagement
 - Environmental, Health, and Safety (EHS)
 - Insurance
 - Internal Audit
 - Product Management
 - Quality
 - Strategy

The corporate functions which most often report to CLOs are compliance (69 percent), privacy (44 percent), ethics (43 percent), and risk (38 percent). Twenty-four percent also oversee ESG. There is little year-over-year change in the most common functions overseen by the legal department, other than ESG/CSR overtaking government affairs, which dropped to 22 percent from 29 percent in 2023. Despite these minimal changes over time, the majority of CLOs have extensive oversight outside of strictly legal issues, with 58 percent overseeing three or more additional business functions beyond legal and 27 percent overseeing five or more.

58% oversee 3 or more



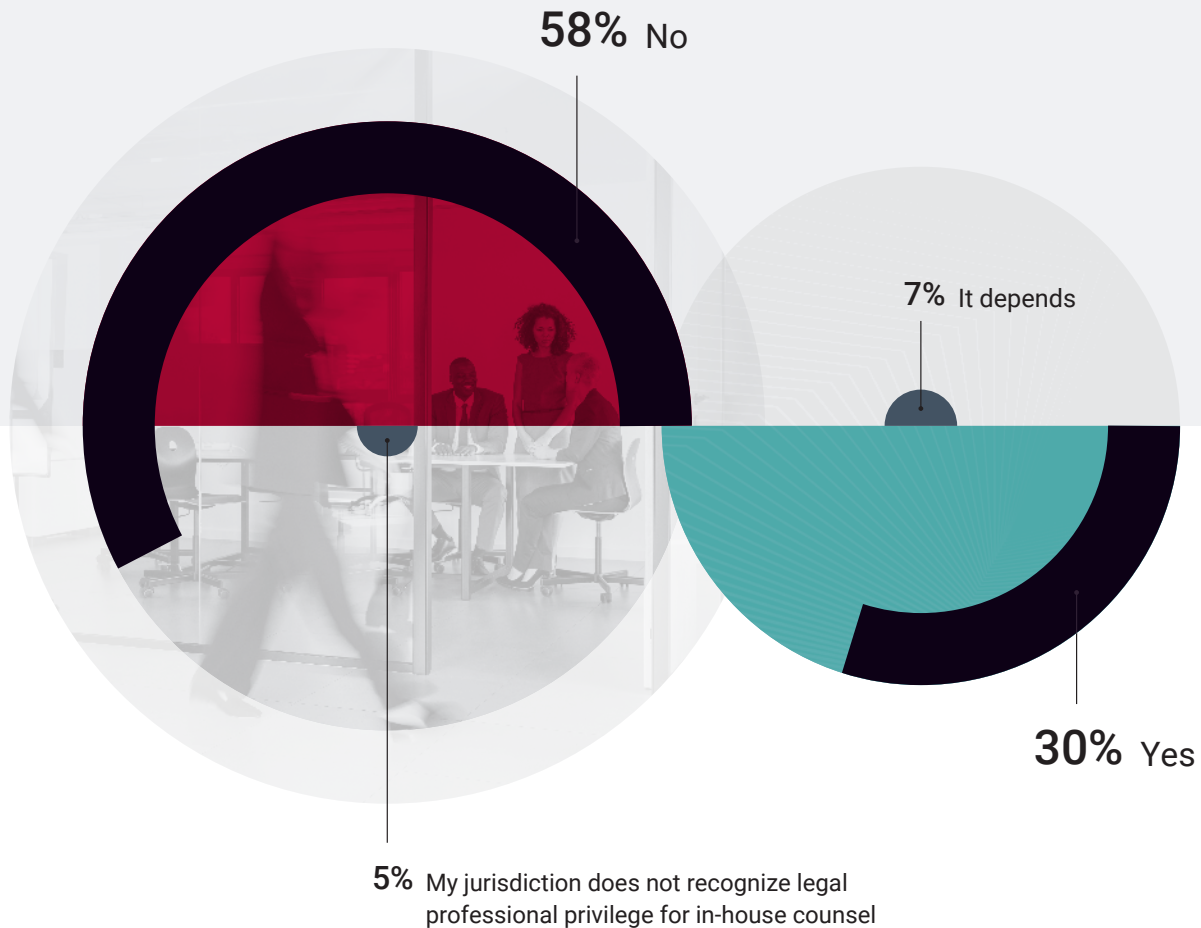
58% of CLOs oversee three or more additional business functions beyond legal and 27% oversee five or more.

27% oversee 5 or more

Are you concerned that overseeing additional corporate functions (beyond legal and compliance) may adversely impact your ability to ensure that legal advice is protected by legal professional privilege?

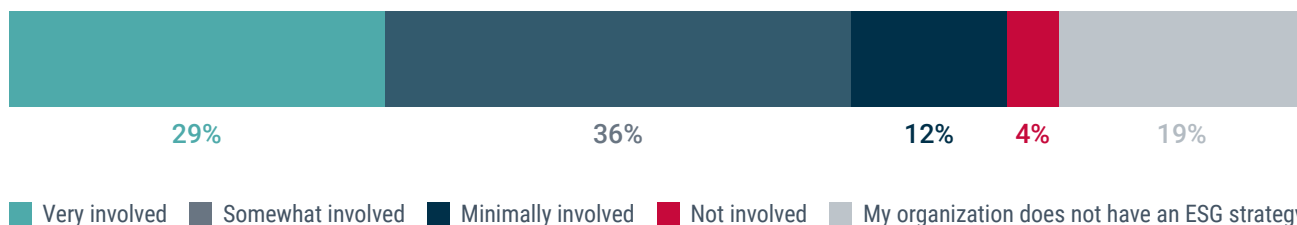
Thirty percent of CLOs globally say they are concerned that overseeing additional corporate functions other than legal and compliance may negatively impact their ability to ensure that the legal advice they provide is protected by professional privilege. Fifty-eight percent say they are not concerned. In the US specifically, the percentage increases to 39 percent who say they are concerned.

Seven percent of respondents said it depends, and expressed challenges about having to wear different hats depending on whether conversations were about legal or operational issues, and having to be very mindful about this in their communications with other company stakeholders. Others pointed to the challenge that internal clients often assume that communications are privileged just because they are communicating with a lawyer. Another challenge mentioned relates to diverging implications for in-house legal privilege depending on the jurisdiction where the company operates – five percent of respondents, incidentally, indicated that their jurisdiction does not recognize privilege for in-house counsel.



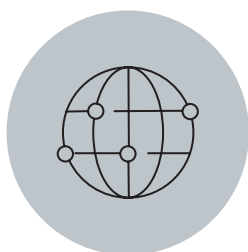
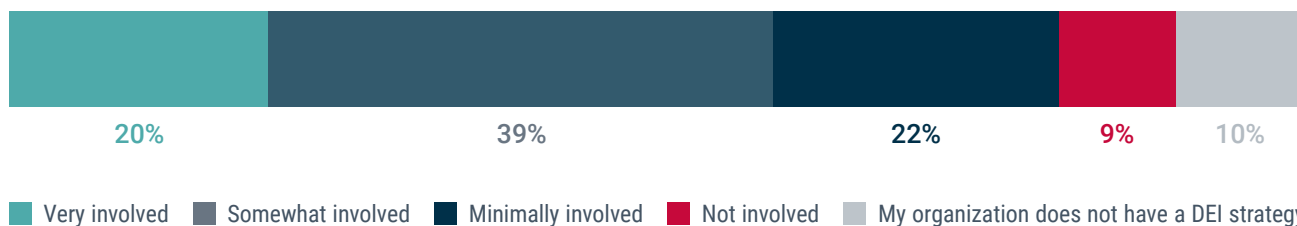
How involved are you in leading your organization's environmental, social, and governance (ESG) strategy?

Twenty-nine percent of CLOs are very involved in their organization's ESG strategy, and an additional 36 percent report that are somewhat involved. Almost one in five participants say their organizations does not have an ESG strategy in place, though this is highly related to company size: 36 percent of small companies with a revenue under US\$100 million do not have an ESG strategy, but just six percent of large companies with US\$3 billion or more in revenue lack a formal ESG plan.



How involved are you in leading your organization's diversity, equity, and inclusion (DEI) strategy?

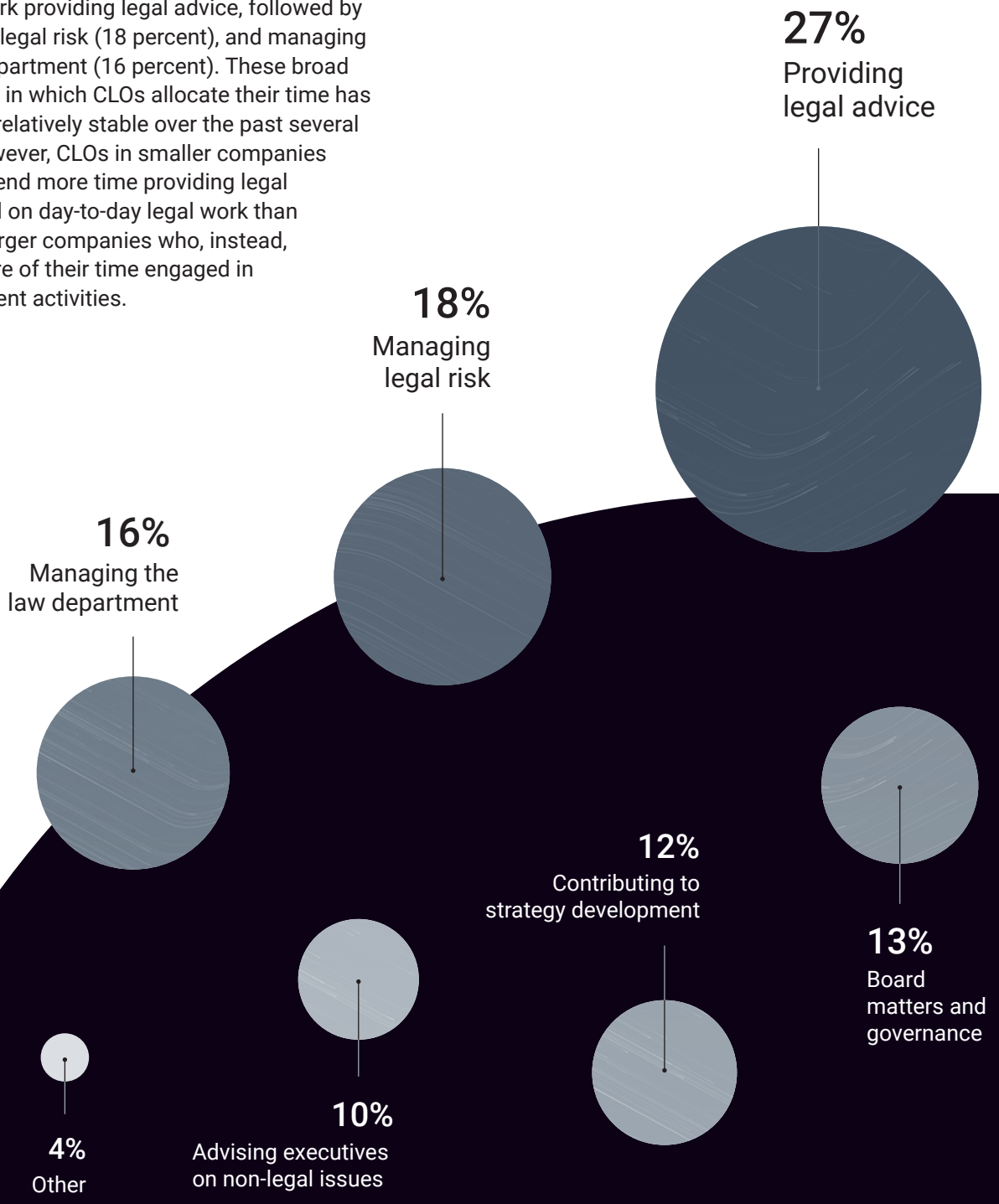
Fewer CLOs say they are very involved in leading their organization's diversity, equity, and inclusion (DEI) strategy (20 percent), and about four-in-ten report that they are somewhat involved. Ten percent say that their organization does not yet have a DEI strategy – 21 percent of small companies with under US\$100 million in annual revenue do not have a DEI strategy, but just four percent of large companies do not have one in place.



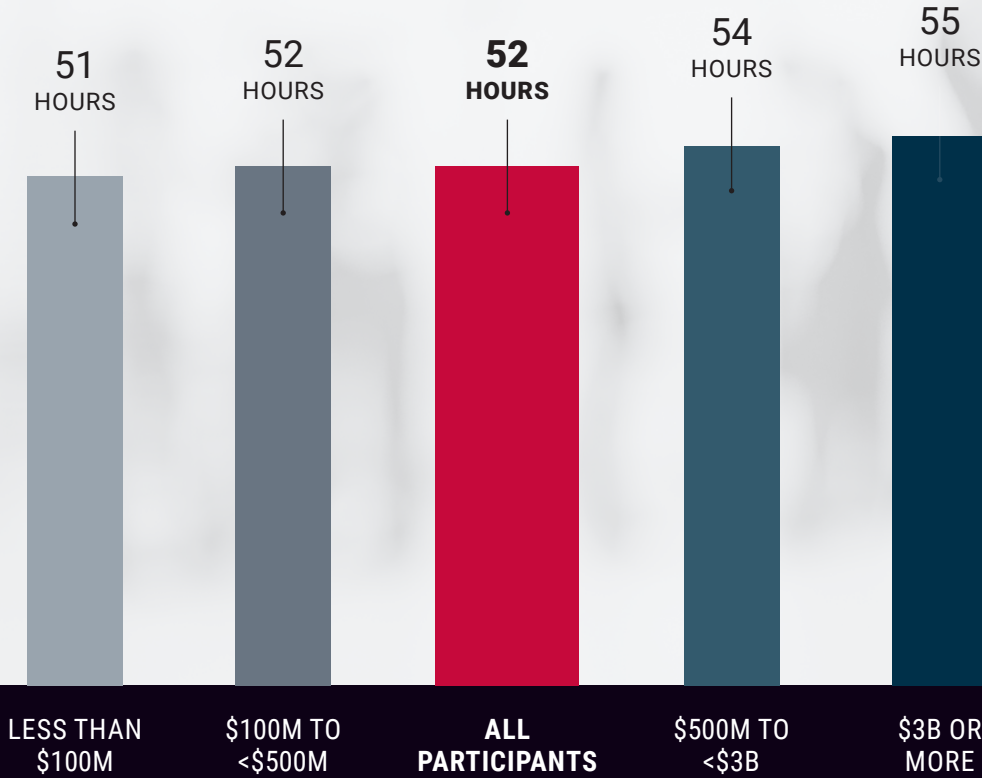
14% of CLOs surveyed in the US say their organization does not have a DEI strategy, compared with just 6% of those outside of the US.

Please estimate the percentage of time you allocated over the past 12 months for each of the following...

CLOs spend an average of 27 percent of their time at work providing legal advice, followed by managing legal risk (18 percent), and managing the law department (16 percent). These broad categories in which CLOs allocate their time has remained relatively stable over the past several years. However, CLOs in smaller companies tend to spend more time providing legal advice and on day-to-day legal work than those in larger companies who, instead, spend more of their time engaged in management activities.



How many hours on average do you work (for your primary employer) each week?*



* Average number of hours worked for each revenue size category.

COMPANY REVENUE SIZE

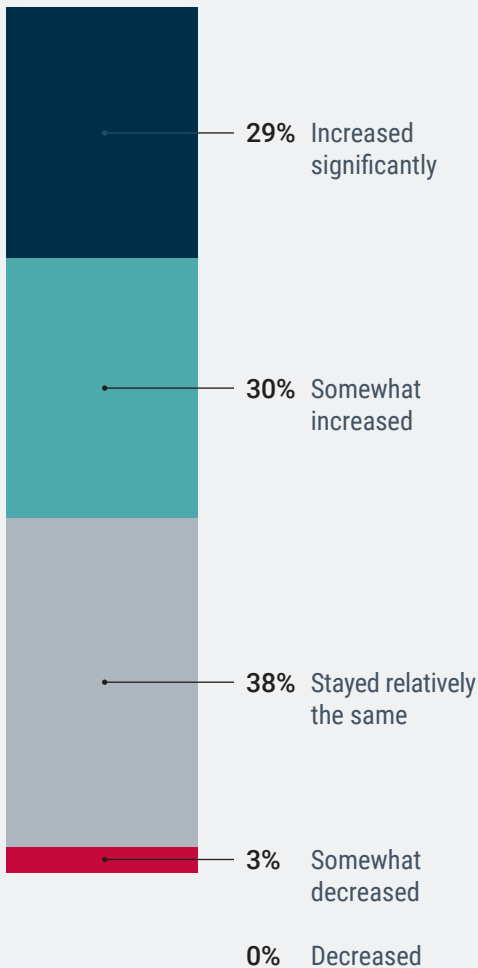
CLOs report working an average of 52 hours per week, with those in larger organizations working slightly longer 55-hour weeks. CLOs in smaller organizations report a slightly lower average than the overall survey population, at 51 hours of work per week. Ten percent of CLOs work 60 or more hours each week.



10% of CLOs work 60 or more hours each week.

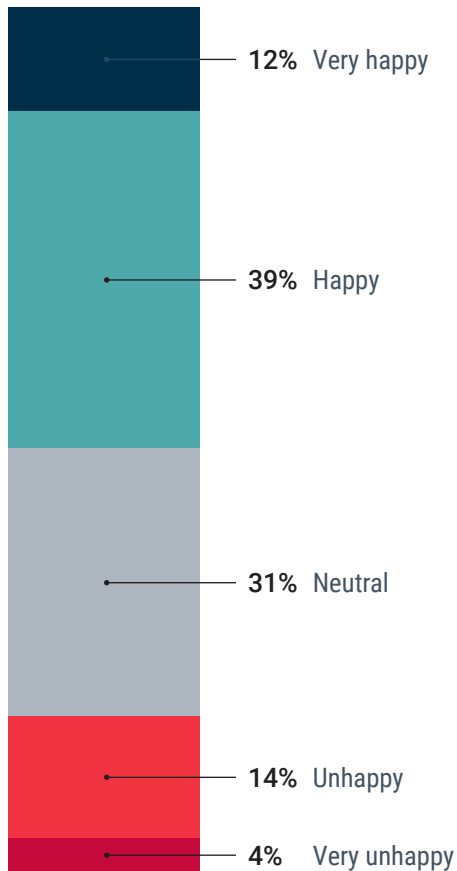
The majority of CLOs report experiencing an increase in workload over the past year. Fifty-nine percent say their workload has increased significantly or somewhat increased and just three percent say their workload has decreased.

Which statement best matches how you feel about your workload over the past 12 months? My workload has...



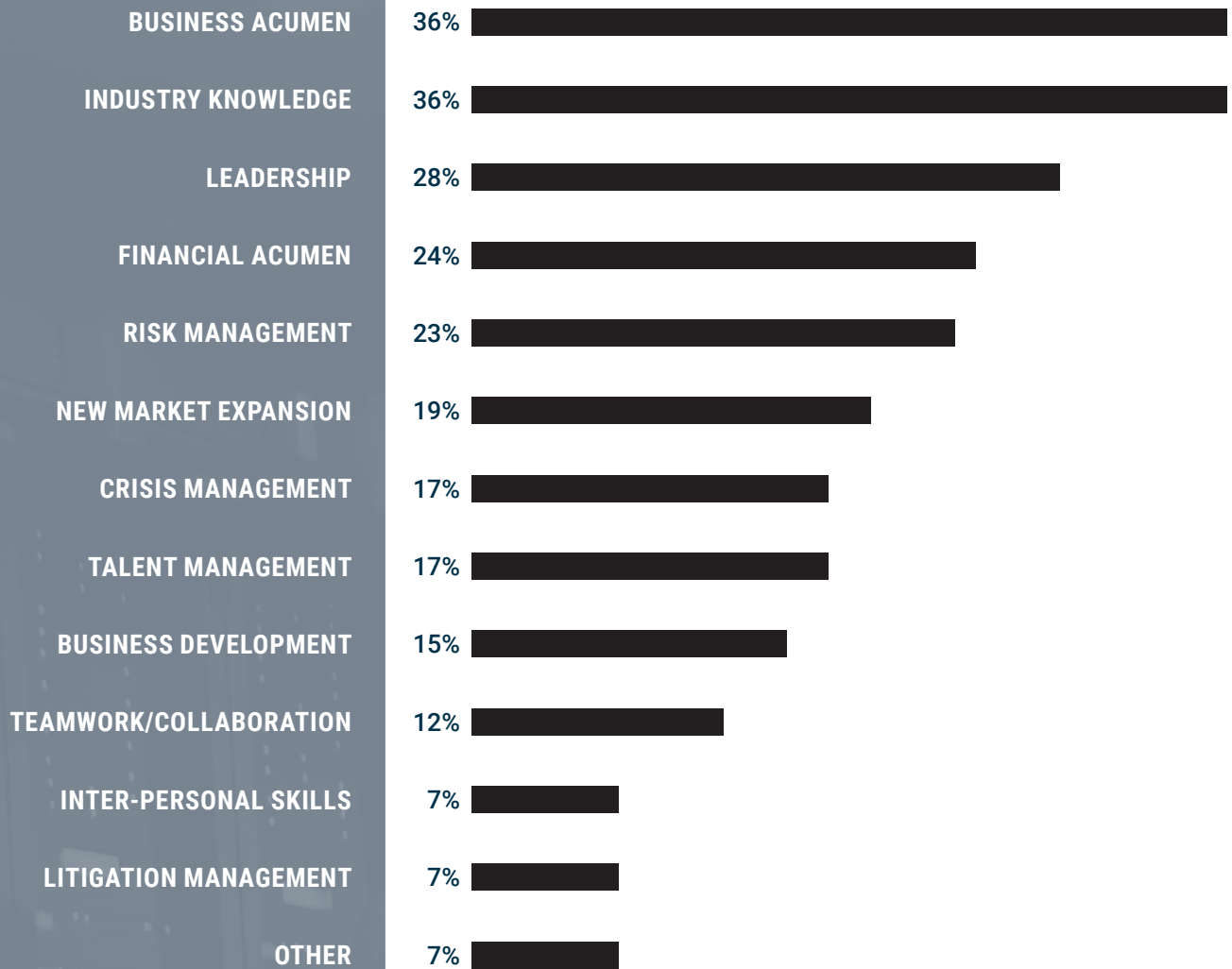
In spite of an increasing workload, a majority of CLOs report that they are happy with their overall work-life balance – 39 percent report being happy and 12 percent are very happy. Three-in-ten participants are neutral, and almost one in five are unhappy, with four percent saying that they are very unhappy with their current work-life balance.

Based on the current demands of your job, how happy are you with your overall work-life balance?



In which areas do you believe the CEO would like you to further develop?

CLOs were asked to indicate in which areas they believe their CEOs would like them to further develop, and the results show a wide variation in skills and expertise, with no particular area reaching a wide consensus. More than a third of CLOs say that their CEOs are likely to want them to develop their business acumen and industry knowledge (both 36 percent), and 28 percent cite a need to develop leadership skills. More than 20 percent of respondents also believe their CEO wants them to improve their financial acumen and risk management skills.

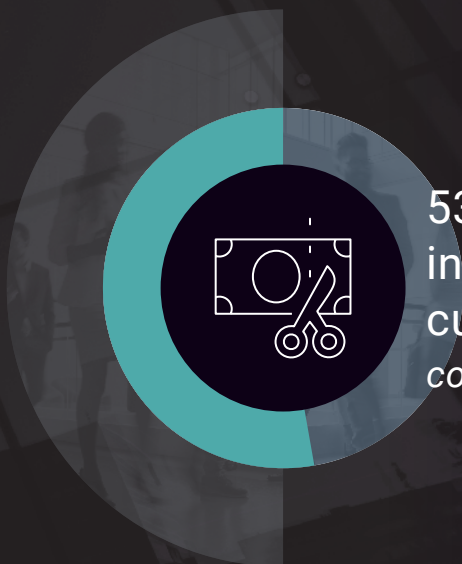
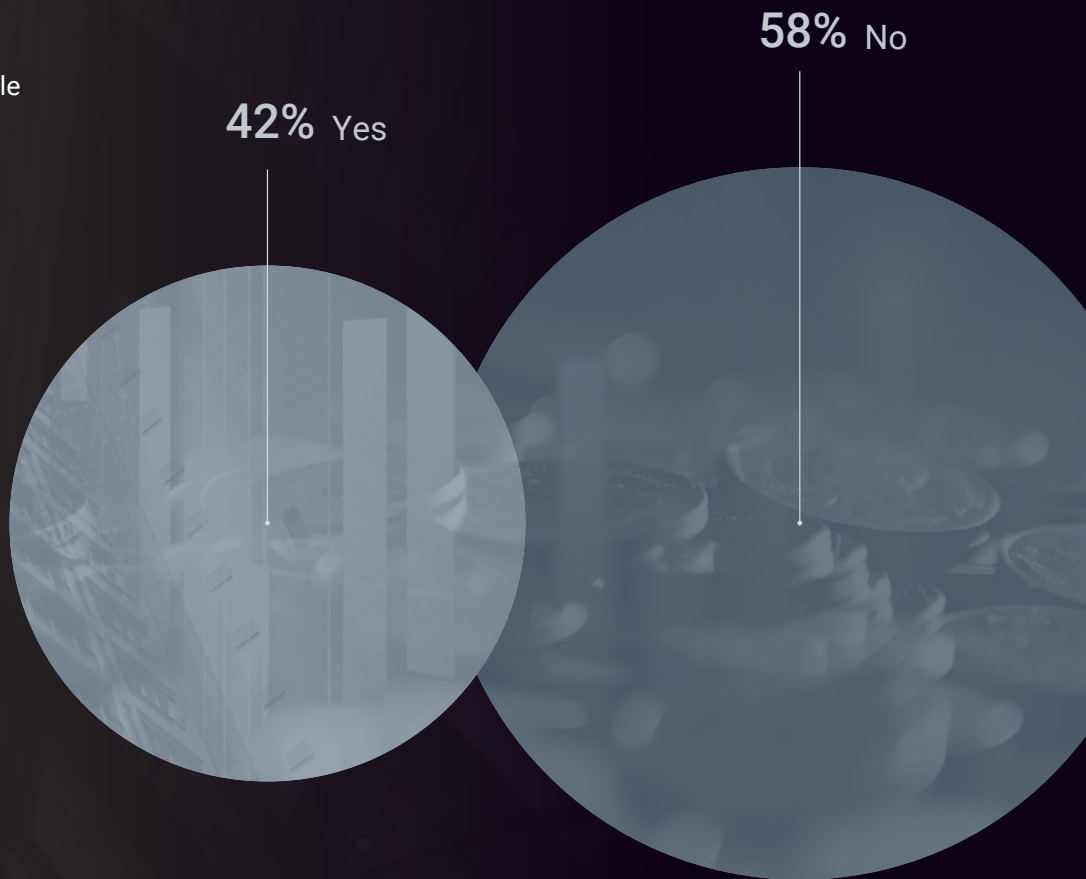


SECTION 2

MANAGING THE LAW DEPARTMENT

Has your legal department received cost-cutting mandates from the organization in the past year?

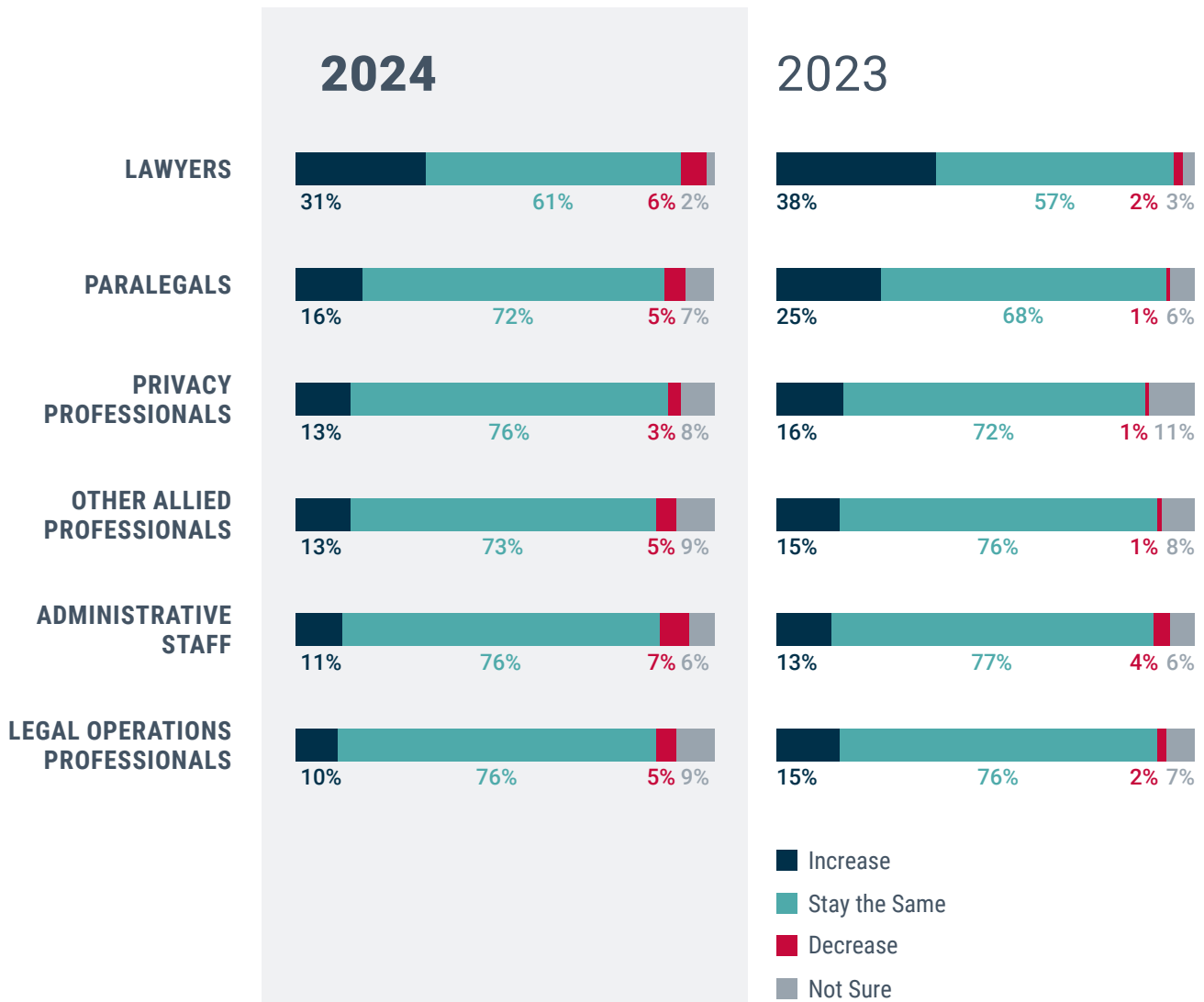
Forty-two percent of CLOs say they have received cost-cutting mandates from their organization in the last year, while the remaining 58 percent say that they have not received any direction to cut legal costs.



53% of CLOs in the IT and healthcare industries say they received a cost-cutting mandate this past year, compared with just 19% of those in real estate.

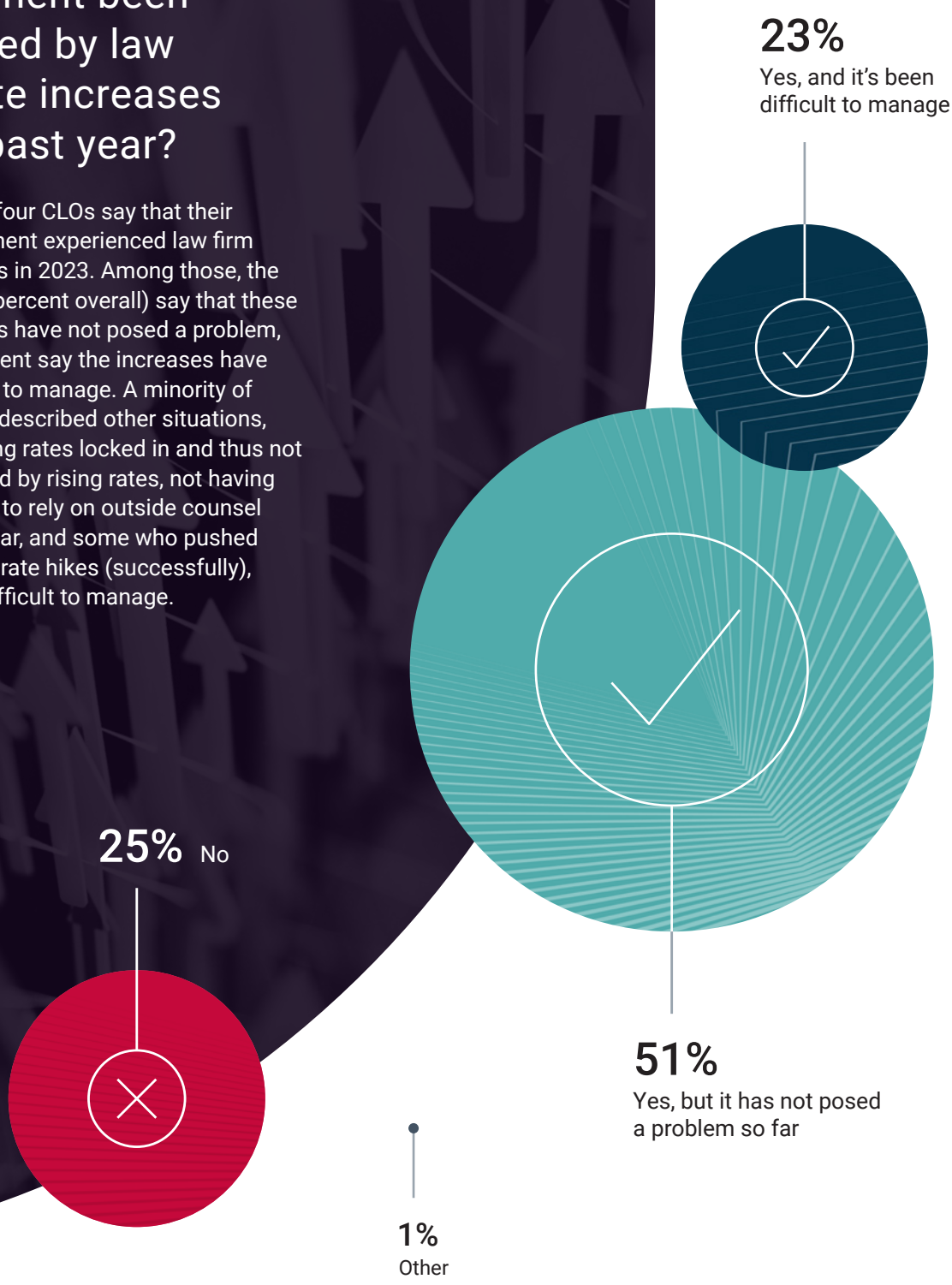
Do you anticipate your department's staffing levels will decrease, stay the same, or increase in the next 12 months?

CLOs expect fewer staff increases in 2024 compared to last year across all legal department positions. Thirty-one percent expect to hire new lawyers and 16 percent will likely add paralegals to their legal department, but these results are down from 38 percent and 25 percent, respectively, in 2023. Thirteen percent will hire privacy professionals and another 13 percent expect to hire other allied legal professionals (e.g., other corporate secretary personnel, technologists, contract, data, and compliance analysts, etc.) Eleven percent say that they will hire administrative staff and one-in-ten CLOs will also hire legal operations professionals in 2024. The percentage of CLOs who expect to see staff decreases are low, but still higher than they were last year across all legal department positions.



Has your legal department been impacted by law firm rate increases in the past year?

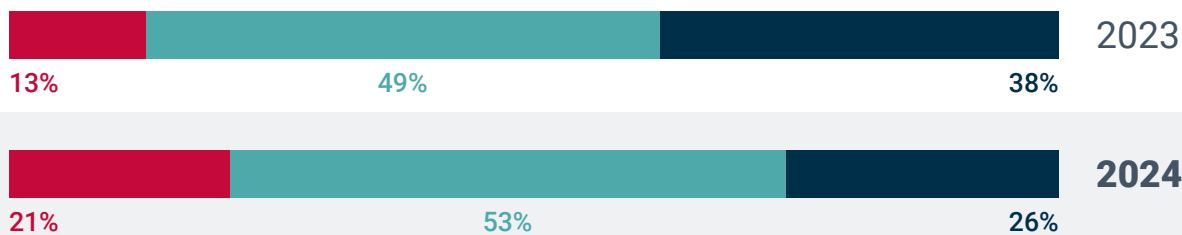
Three out of four CLOs say that their legal department experienced law firm rate increases in 2023. Among those, the majority (51 percent overall) say that these rate increases have not posed a problem, while 23 percent say the increases have been difficult to manage. A minority of respondents described other situations, such as having rates locked in and thus not being affected by rising rates, not having had the need to rely on outside counsel in the past year, and some who pushed back against rate hikes (successfully), which was difficult to manage.



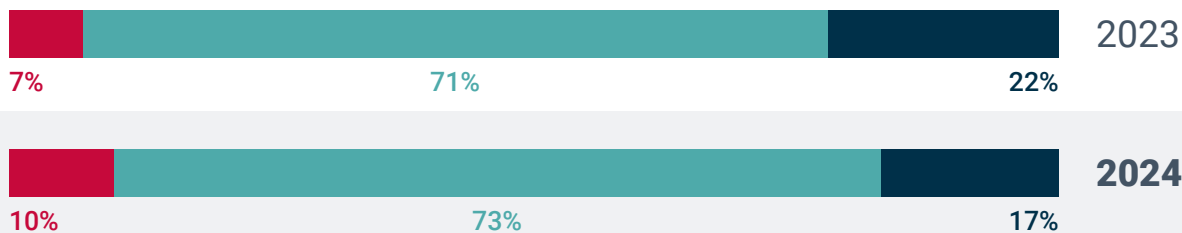
Do you anticipate the amount of work you send to law firms and other legal service providers will decrease, stay the same, or increase in next 12 months?

The percentage of CLOs who expect to send more work to law firms fell by 12 percent, from 38 percent in 2023 to only 26 percent in 2024. Conversely, those who anticipate decreasing the amount of work to law firms saw a considerable uptick, rising eight points to 21 percent in 2024, from 13 percent in 2023. A similar pattern was reported for sending work to other legal service providers, with fewer CLOs planning to increase work (17 percent in 2024 from 22 percent in 2023).

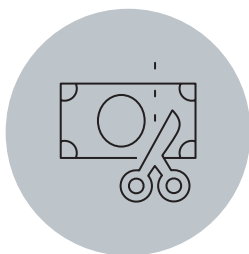
LAW FIRMS



OTHER LEGAL SERVICE PROVIDERS



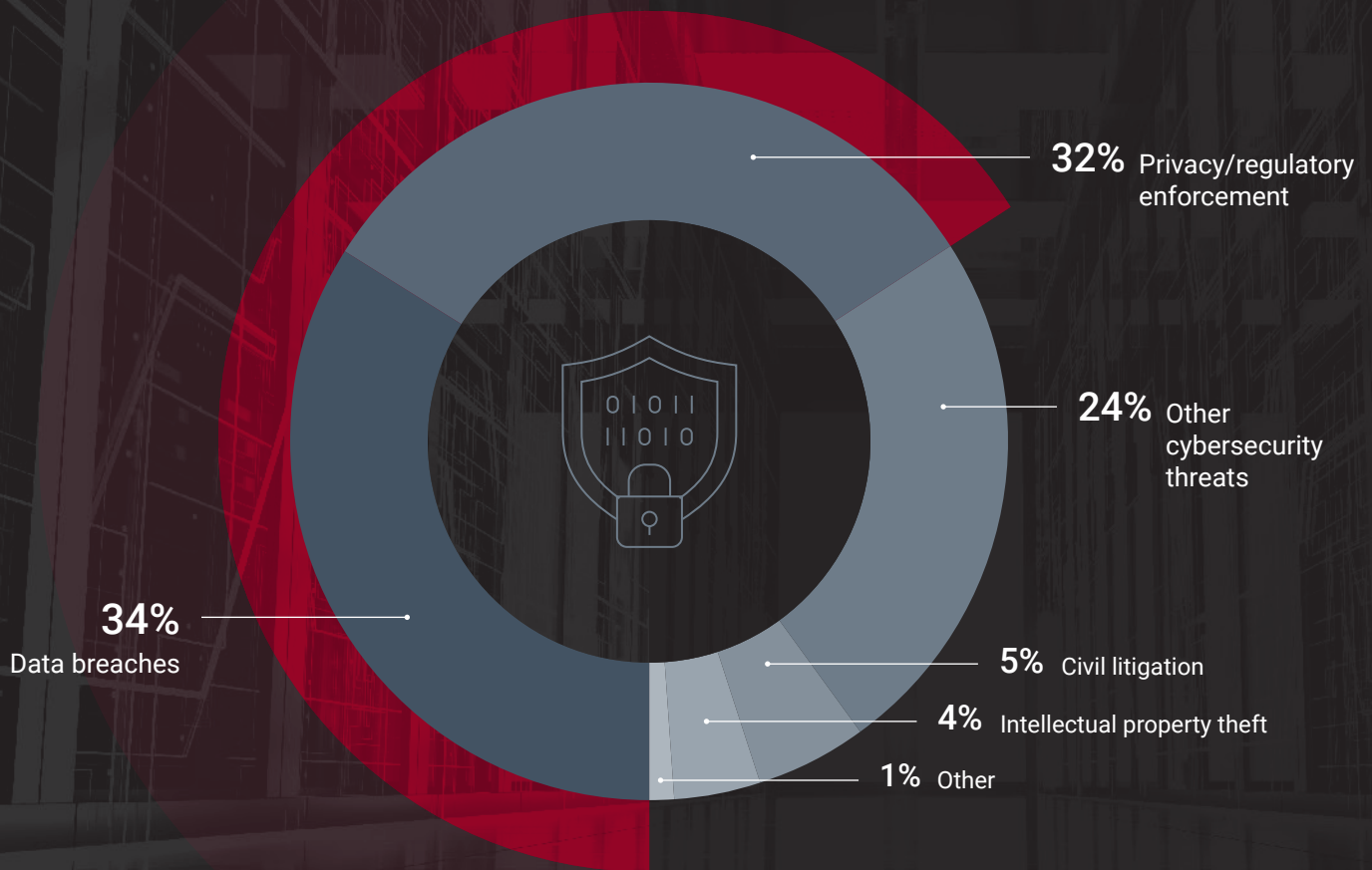
■ Decrease ■ Stay the Same ■ Increase



Among those who received a mandate to cut costs, 32 percent say that they will send less work to law firms in 2024 compared to just 14 percent that did not receive a cost-cutting mandate. Similarly, those who reported having challenges managing law firm rate increases are more likely to reduce the amount of work that they outsource (36 percent), than those who were not impacted by increased rates (just 13 percent expect to send out less work to law firms in 2024).

What is the biggest data-related threat you are focusing on mitigating in 2024?

The most common data-related threats that CLOs plan on mitigating in 2024 are data breaches (34 percent), closely followed by addressing privacy and regulatory enforcement (32 percent). About one-quarter will be focusing on other cybersecurity threats, while only a minority of respondents cite civil litigation (five percent) and intellectual property theft (four percent) as their biggest focus areas.

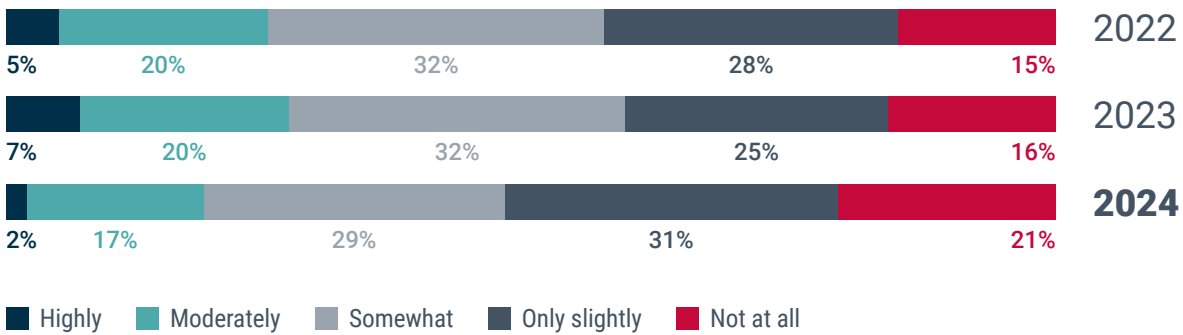


OTHER THREATS REPORTED:

- AI Data Collection
- Corporate Formalities
- Proper Use of Foundation Models
- System Denial Attacks
- Third-Party Subpoenas

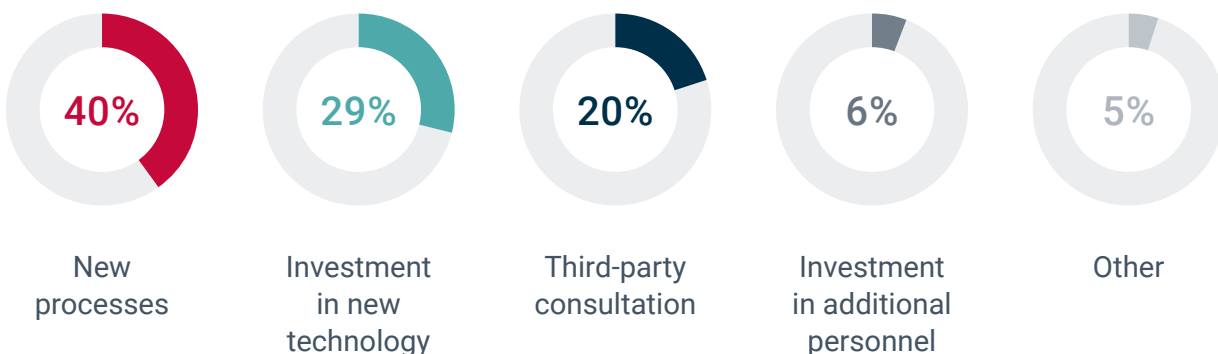
Over the next 12 months, are your department's expenditures expected to increase for cyber breach and regulatory compliance solutions?

In a context of relatively high cost-cutting mandates and limited staff increases, CLOs also expect to limit their expenses dedicated to cybersecurity breaches and regulatory compliance solutions. Twenty-one percent anticipate that these expenses will not increase at all (five points more than in 2023) and 31 percent expect only a slight increase (six points more than in 2023).



How are you planning to increase defensibility against litigation and compliance threats (cyber attacks, data breaches, regulatory fines, civil litigation sanctions)?

In order to increase defensibility against litigation and compliance threats, four in ten CLOs plan on establishing new processes, while 29 percent will invest in new technology, and 20 percent will rely on third-party consultation. Six percent said they will increase defensibility by hiring new staff dedicated to this task. Five percent of CLOs selected another response, with some saying that they are planning to combine two or more of the above strategies, and others saying that they do not have any plans in place at the moment to increase their company's defensibility against these threats.

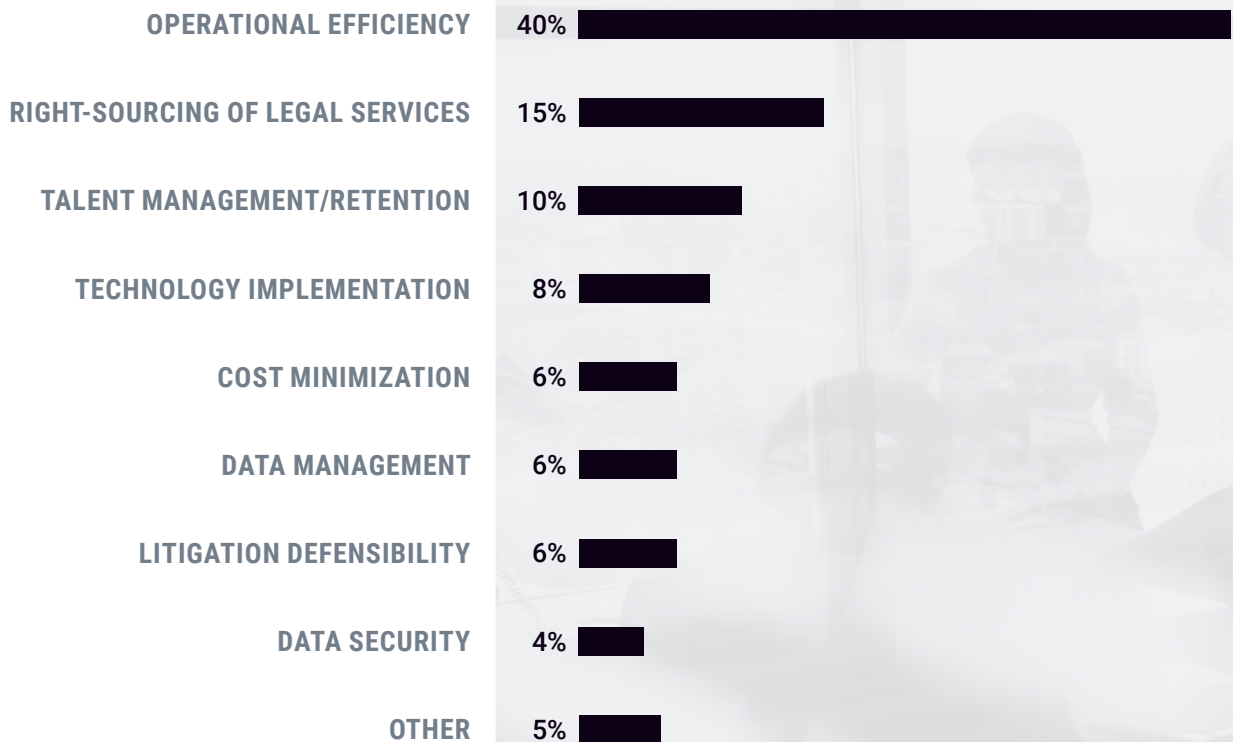


What is your legal department's top strategic initiative over the next 12 months?

CLOs identified operational efficiency as the top strategic initiative for legal departments in 2024 (40 percent). The right-sourcing of legal services ranks second, with 15 percent, and focusing on talent management and retention ranks third with 10 percent. Operational efficiency is the most common strategic initiative planned for this year across legal departments in all company sizes.

"Leadership should support legal work and operations to improve efficiencies of all internal processes impacting the entire company."

—CLO Survey Respondent

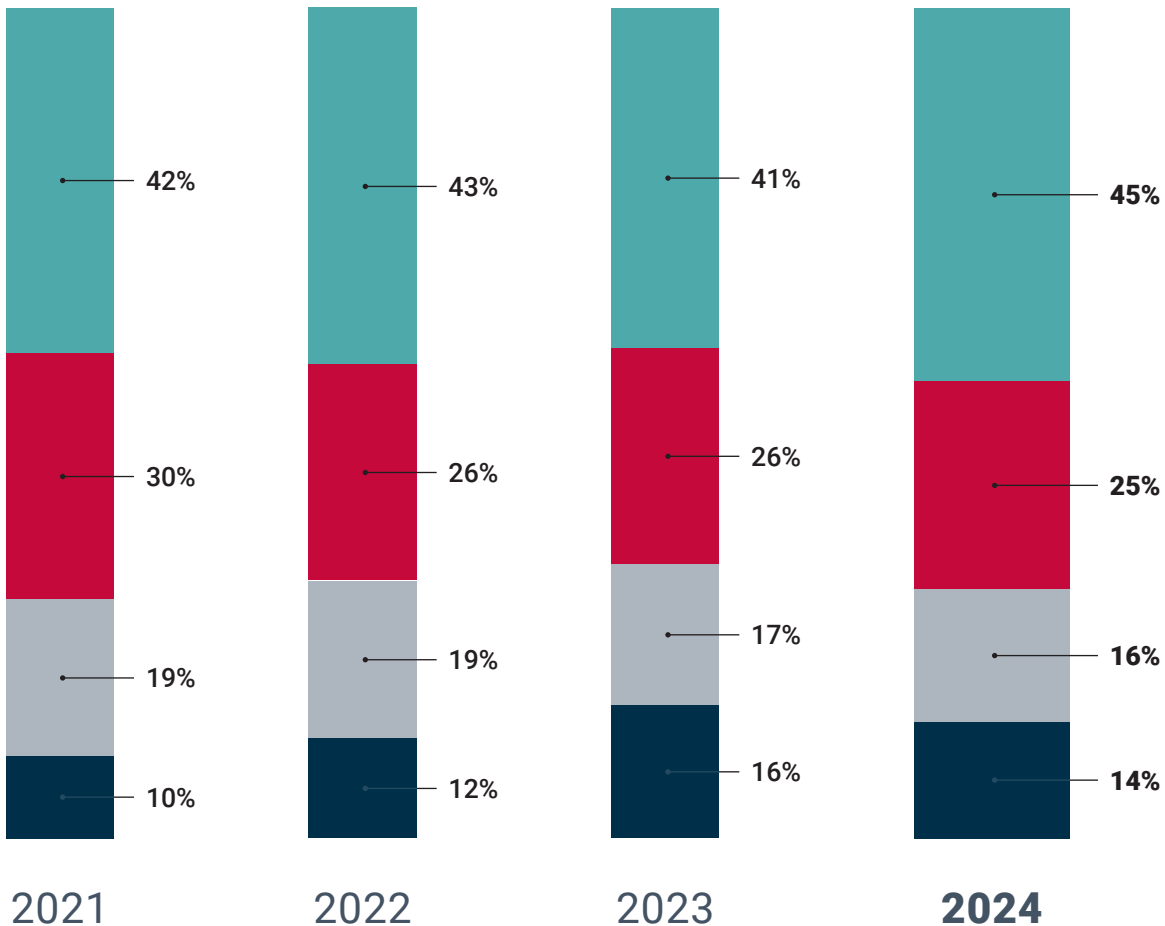




Are you planning on adopting any new legal technology solutions in your department to improve efficiency in the next 12 months?

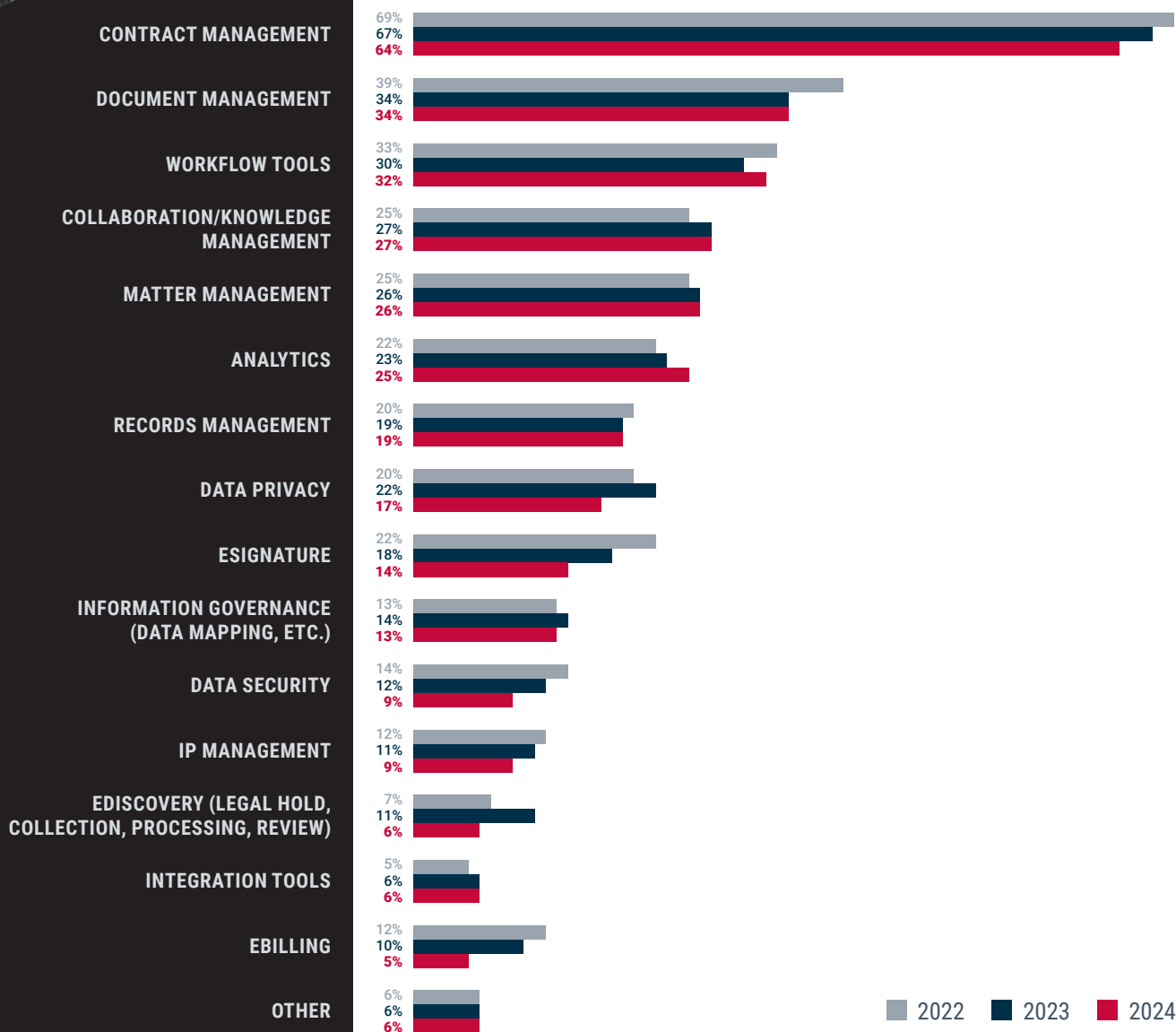
Forty-five percent of CLOs say they will invest in new technology solutions to help improve operational efficiency in 2024, the highest percentage since 2021. An additional 14 percent say that they will not invest because they have recently adopted new technologies already to improve efficiency in the legal department. One in four say that new technology investments are not planned for this year, and 16 percent are still uncertain.

■ Yes
 ■ No
 ■ Not sure at this time
■ No, because we recently adopted new technology solutions



Specifically, what types of legal technology are you looking to invest more in the next 24 months?

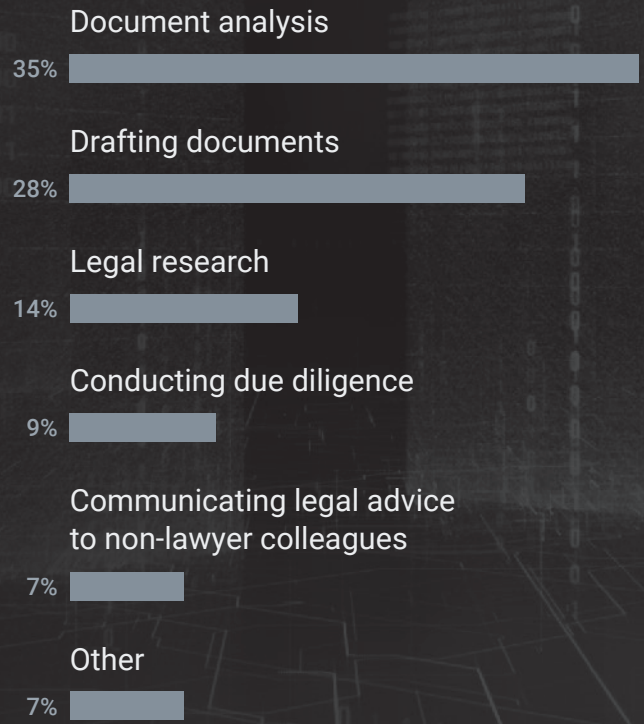
Sixty-four percent of CLOs say they will invest in contract management tools over the next two years. The ranking of technology tools that CLOs will invest in remains largely unchanged over the past several years tracking these results, with document management (34 percent), workflow tools (32 percent), collaboration and knowledge management (27 percent), matter management (26 percent), and analytics (25 percent) sorted in the same order as last year. However, an identifiable pattern appears in the persistent decline of new investments in eSignature and eBilling solutions, with just 14 percent and 5 percent of CLOs, respectively, considering investing in these technology tools – results that show an eight-point drop for eSignature and a seven-point drop for eBilling since 2022.



In which area do you see the most potential to use generative Artificial Intelligence (GAI) in your legal department?

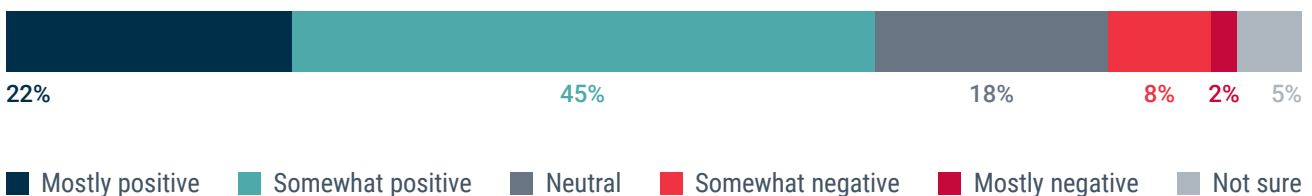
2023 witnessed the breakthrough of many popular online generative artificial intelligence (GAI) tools available to wider audiences, and debates arose prominently on the role of GAI in the workplace, including in corporate legal departments. CLOs are somewhat divided in identifying what they think may be the most impactful use of these types of tools, with 35 percent saying GAI will greatly assist with document analysis, but 28 percent saying that its potential lies in drafting new documents.

Other uses of GAI in the legal department, including legal research (14 percent), conducting due diligence (nine percent), and communicating legal advice to non-lawyers (seven percent) have more limited potential, according to CLOs. The seven percent who selected the “other” response category shared that they are still uncertain about the areas where GAI can be most useful, while a small minority said that they do not see any potential applications of GAI in the legal department.



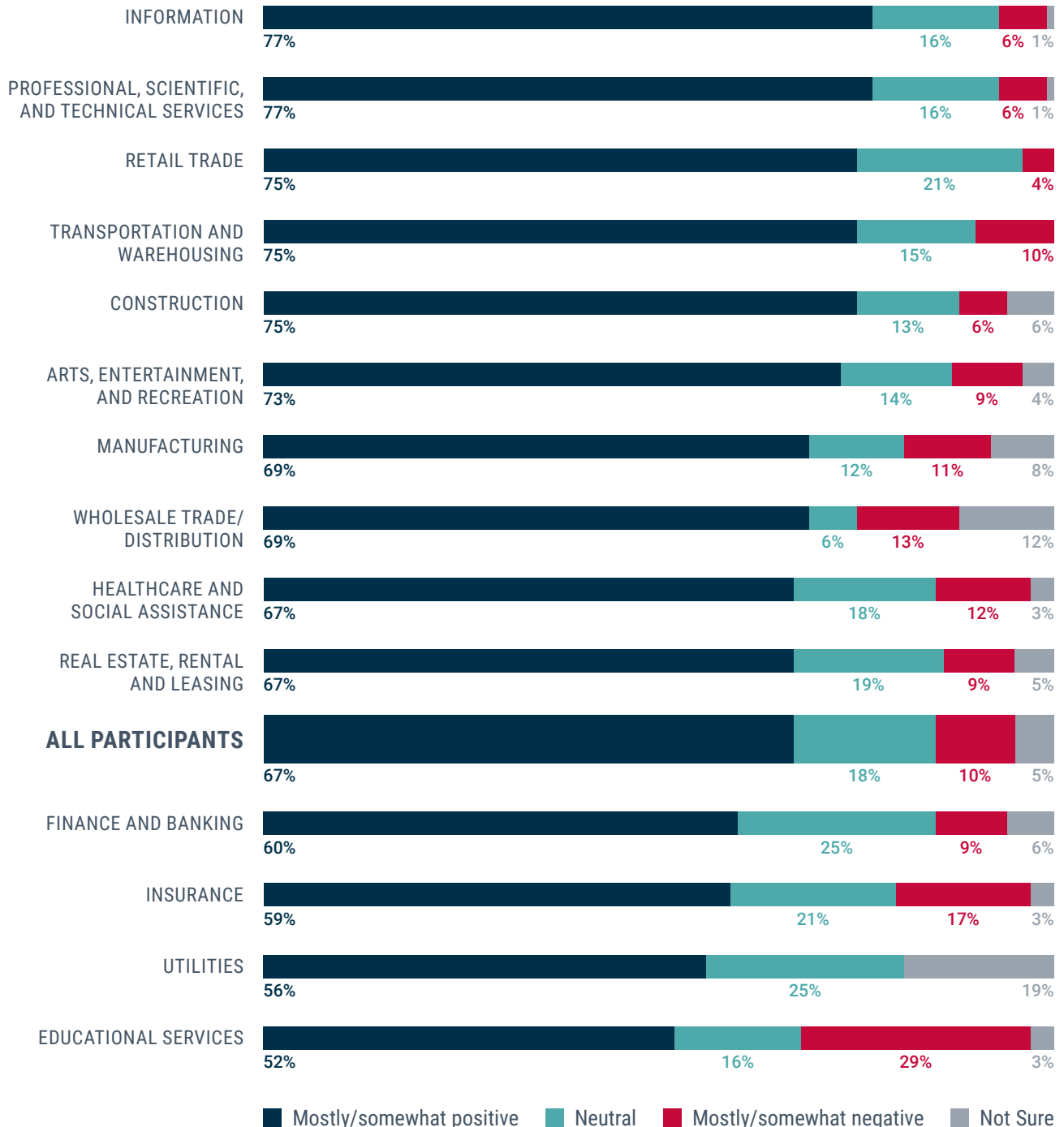
Overall, what do you believe the impact of GAI will be on the in-house legal profession?

Two-thirds of CLOs believe that applying GAI to the legal department’s work will have a positive impact on the in-house legal profession – 45 percent think that it will have a somewhat positive impact and 22 percent say that it will be mostly positive. One in ten think the opposite, with two percent saying GAI’s impact will be mostly negative. Five percent of participants are uncertain about the impact.



A majority of CLOs across industries believe the GAI's impact will be positive – either mostly or somewhat positive; but some variation exists. CLOs in the information technology industry and in professional services for example report the highest percentage of perceived positive impact (77 percent), followed by CLOs in retail, transportation, and construction (all three with 75 percent). Conversely, just 52 percent of CLOs in education believe the impact will be positive, followed by utilities (56 percent), insurance (59 percent), and banking (60 percent).

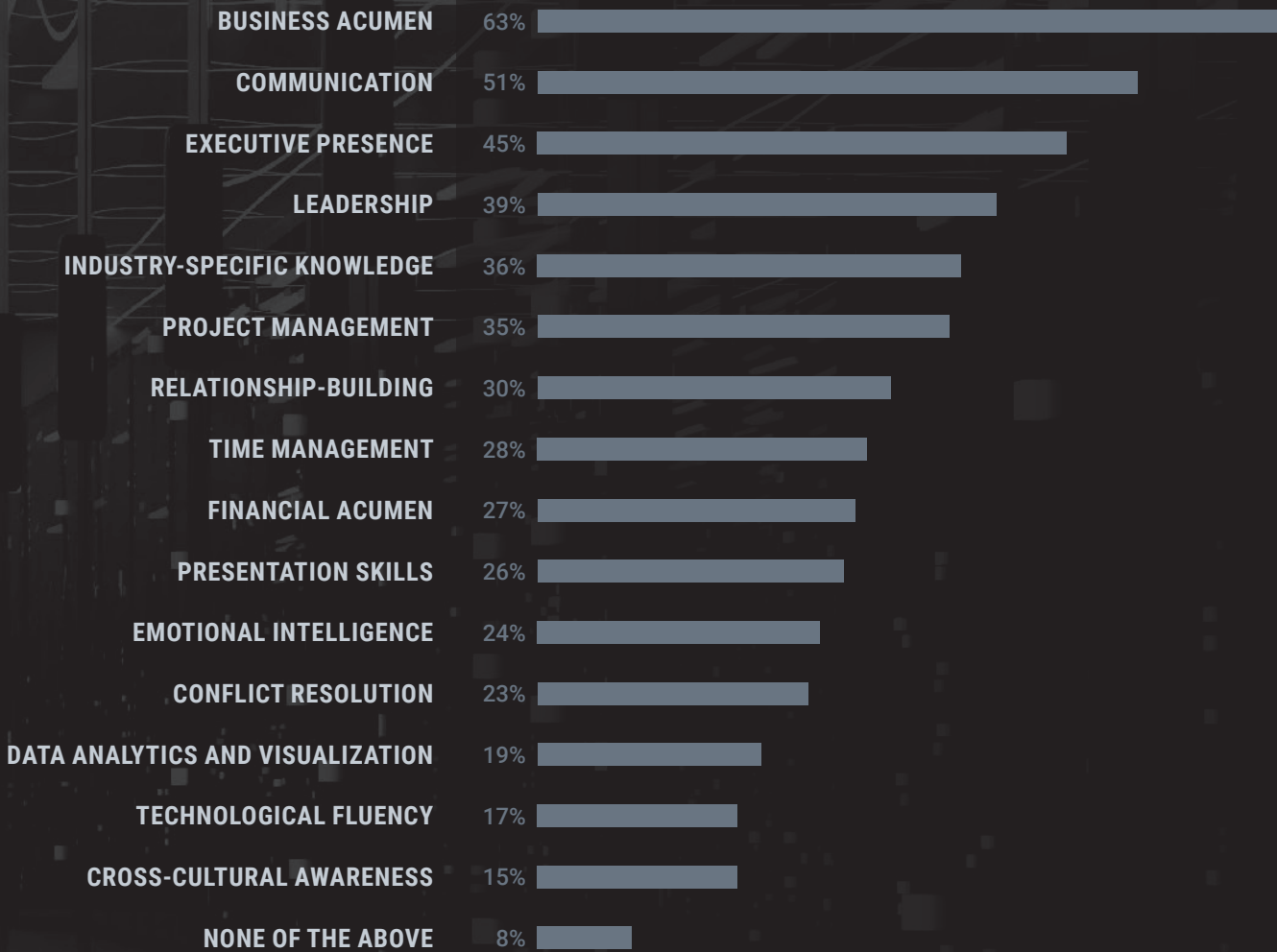
PERCEIVED IMPACT OF GAI BY INDUSTRY



*Only industries represented by at least 15 participants are included.

Which of the following skills are you seeking to develop for the lawyers in your department?

Business acumen (63 percent), communication (51 percent), and executive presence (45 percent) are the top three skills that CLOs are seeking to develop for lawyers in their legal department. Although minor changes were made to this year's list of skills, there was a 13-percentage point drop in the number of CLOs who selected communication and a 25-percentage drop in those who selected leadership compared to 2023. Business acumen received a 4-percentage point increase from last year.



Leadership and industry-specific knowledge are desired more by CLOs in the US, while CLOs outside the US place an emphasis on developing project management, presentation skills, and conflict resolution skills among their lawyers.

Do you believe that law firm work experience is necessary before beginning a career in-house?

When asked whether law firm experience is necessary before beginning a career in-house, responses were mixed. Almost half (47 percent) believe that law firm experience is necessary, while 39 percent say that previous work at a law firm is not necessary. Fourteen percent of CLOs say that it depends, with many further commenting that it is not necessary, but extremely useful or beneficial.

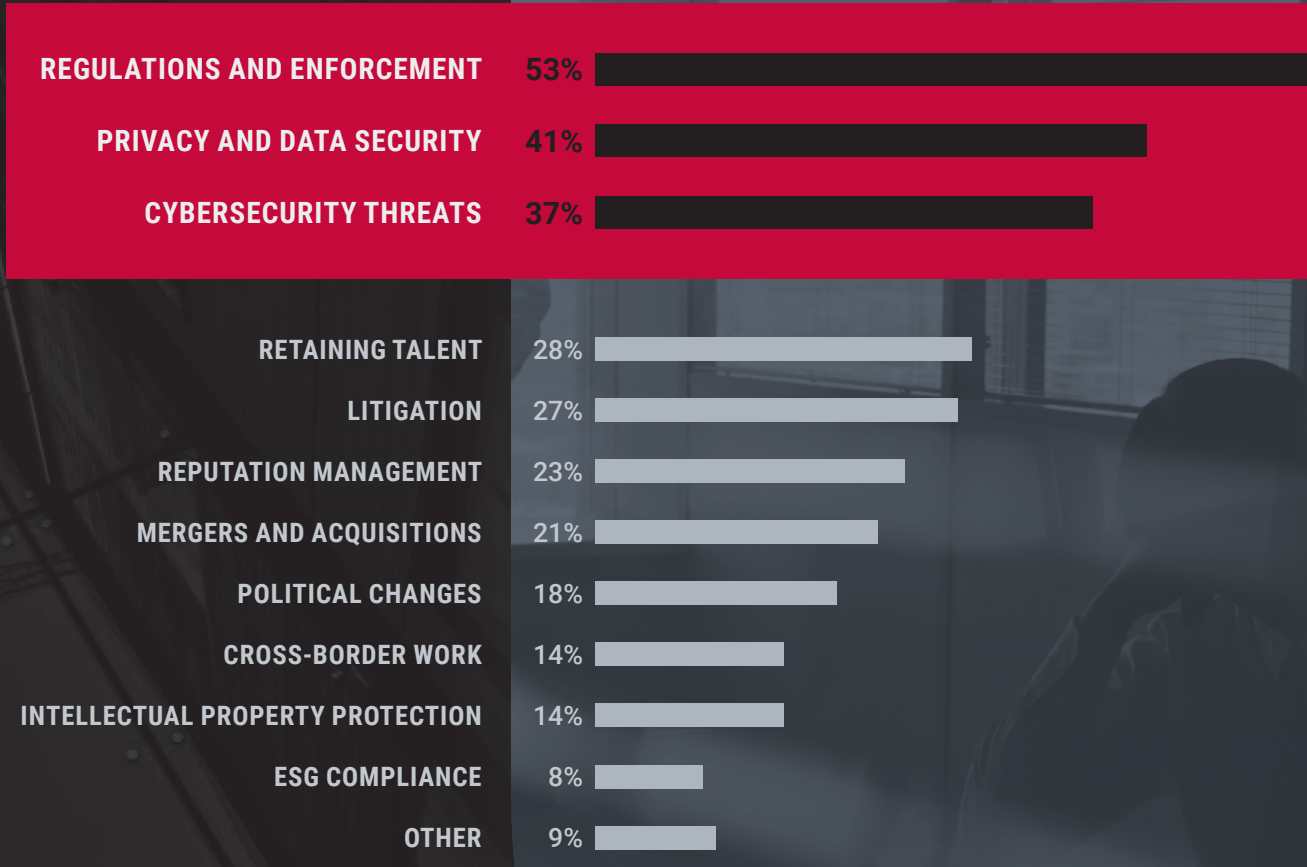
Among those that responded saying it depends mentioned the type of legal work, with previous law firm experience being critical for specialized areas such as litigation. Another element respondents referenced is the size of the company and department – in small companies, law firm experience is crucial because the department does not have the resources, bandwidth, and training necessary for lawyers to develop their legal skillset. An alternative to law firm experience for the latter scenario of working in a small in-house legal department, according to some CLOs, is having experience either in government or in a large organization with solid training and mentoring programs.



SECTION 3

LEGAL'S IMPACT ON THE BUSINESS

As the highest-ranking lawyer in your organization, what are the top three issue-areas impacting your organization that keep you up at night?

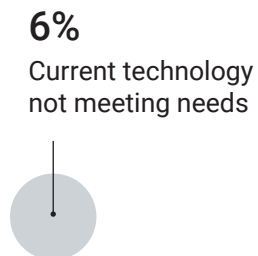
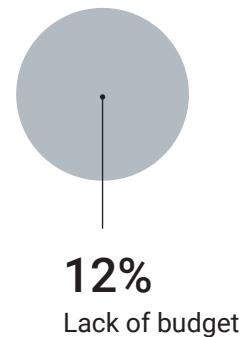
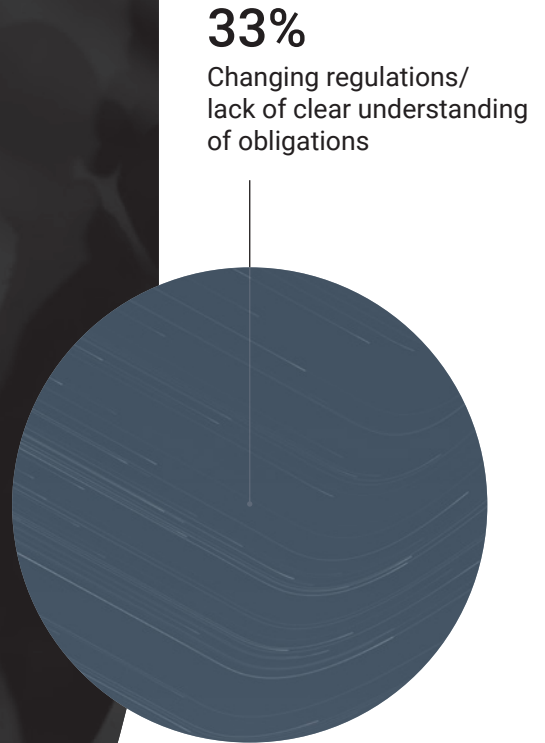
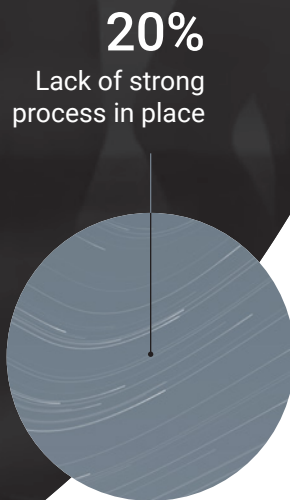
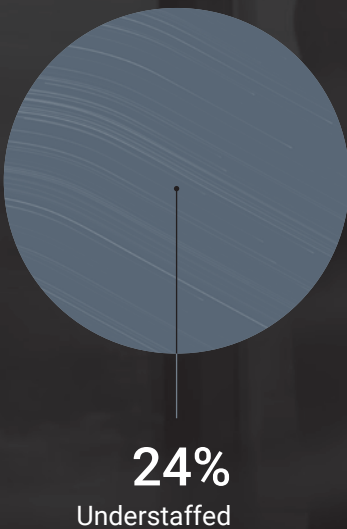


The top three issues keeping CLOs up at night are regulations and enforcement (53 percent), privacy and data security (41 percent), and cybersecurity threats (37 percent). Retaining talent (28 percent) and litigation (27 percent) are top of mind for more than one-quarter of CLOs, while 23 percent are concerned about reputation management and 21 percent about mergers and acquisitions. One-in-ten CLOs are preoccupied with other issues beyond those listed, such as internal company culture and politics, macroeconomic trends, risk management, and succession planning.

While CLOs globally are focused on most of these issues, there is variation across countries. While regulations and enforcement is the top concern for US CLOs (60 percent), the main concern for CLOs outside of the US is retaining talent (42 percent), closely followed by regulations and enforcement (41 percent, a 19-point difference with the US result). CLOs in the US worry more about litigation (33 percent compared to 16 percent in other countries), while CLOs globally place greater concern around cross-border work (24 percent compared to just nine percent in the US) and ESG compliance (15 percent to four percent in the US).

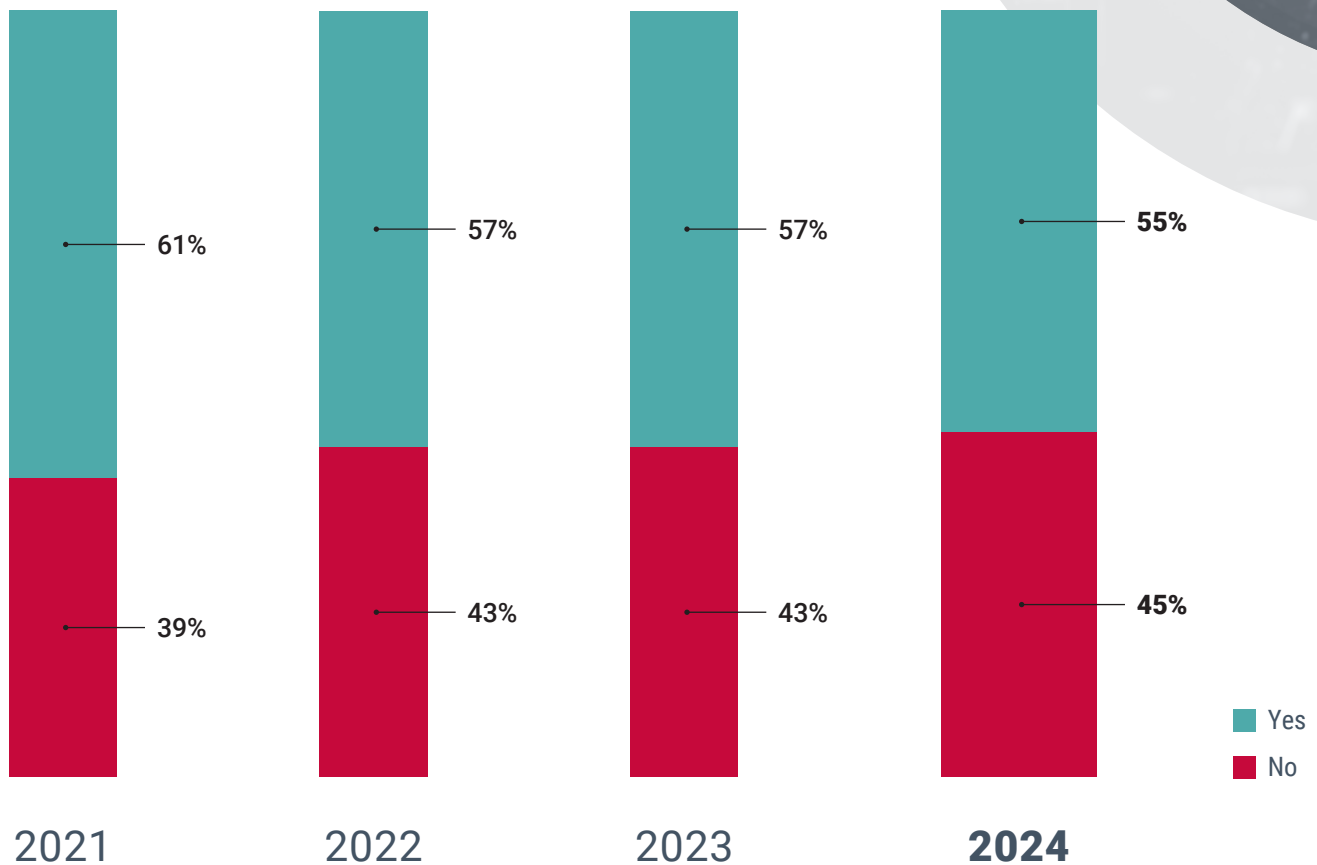
What is the biggest barrier preventing/hindering your organization from effectively responding to litigation, privacy, and compliance obligations?

One-third of CLOs say that changing regulations and a lack of clear understanding of obligations are the biggest obstacles preventing their organization from effectively responding to litigation, privacy, and compliance requirements. Twenty-four percent say they do not have the necessary staffing resources to respond to those challenges effectively. Twenty percent of CLOs say that the lack of strong processes is what is preventing the organization from responding successfully, and 12 percent of participants put the focus on the lack of budget to get the work done.



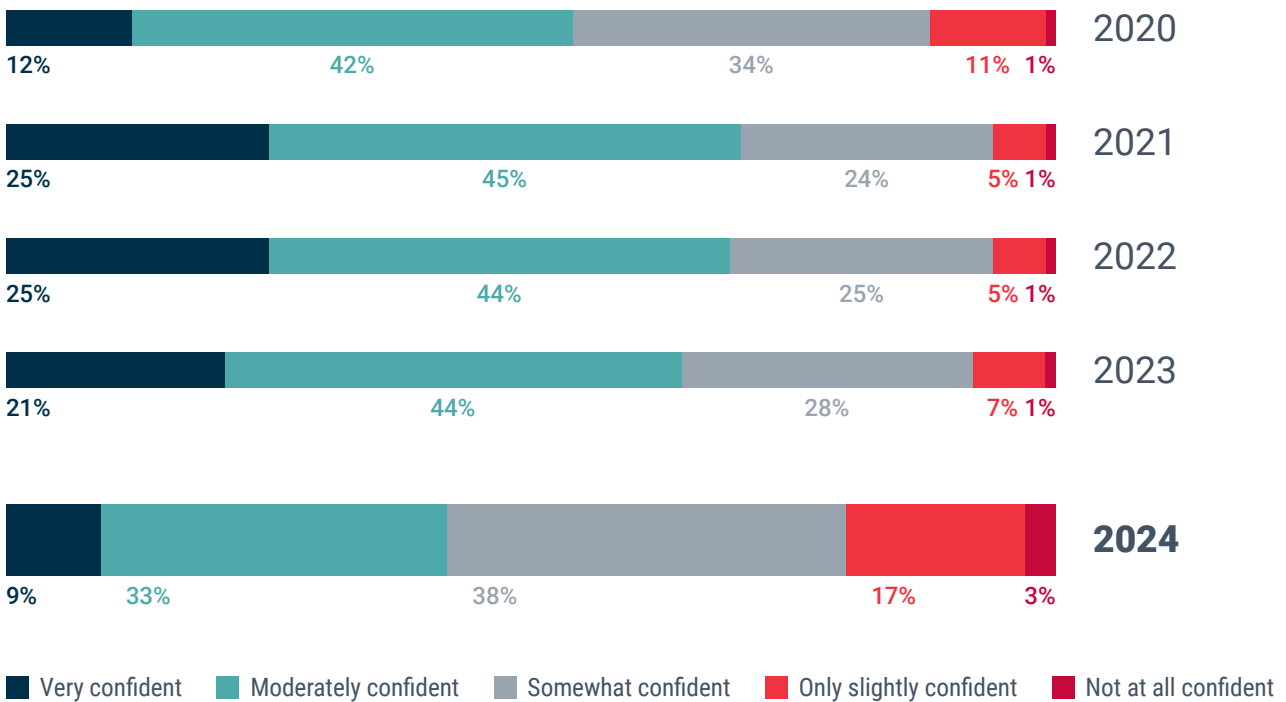
Does your organization have a comprehensive data management strategy to ensure regulatory compliance, data security and legal defensibility?

Just under half of CLOs (45 percent) report that their organization does not have a comprehensive data management structure to satisfy regulatory requirements, and to ensure data security and legal defensibility. This number has been growing steadily since 2021, when under 40 percent of CLOs reported not having such a strategy in place. This trend may be due to increasing awareness of the complexity of a holistic management strategy and technology suite.



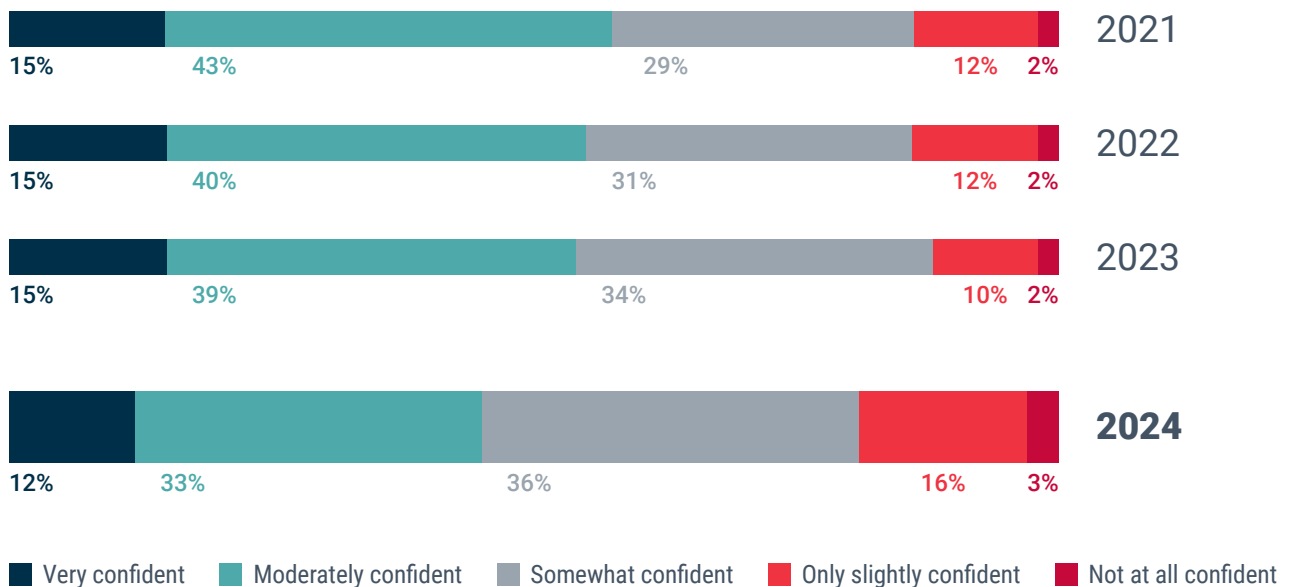
How confident are you in your organization's ability to mitigate against emerging data risks (cyber, litigation, privacy)?

Just nine percent of CLOs are very confident that their organizations' ability to mitigate emerging data risks—a dramatic reduction from 21 percent last year and 25 percent in 2022. Furthermore, just one-third are moderately confident, and 17 percent are only slightly confident, which more than doubles the percentage for this group observed in 2023.

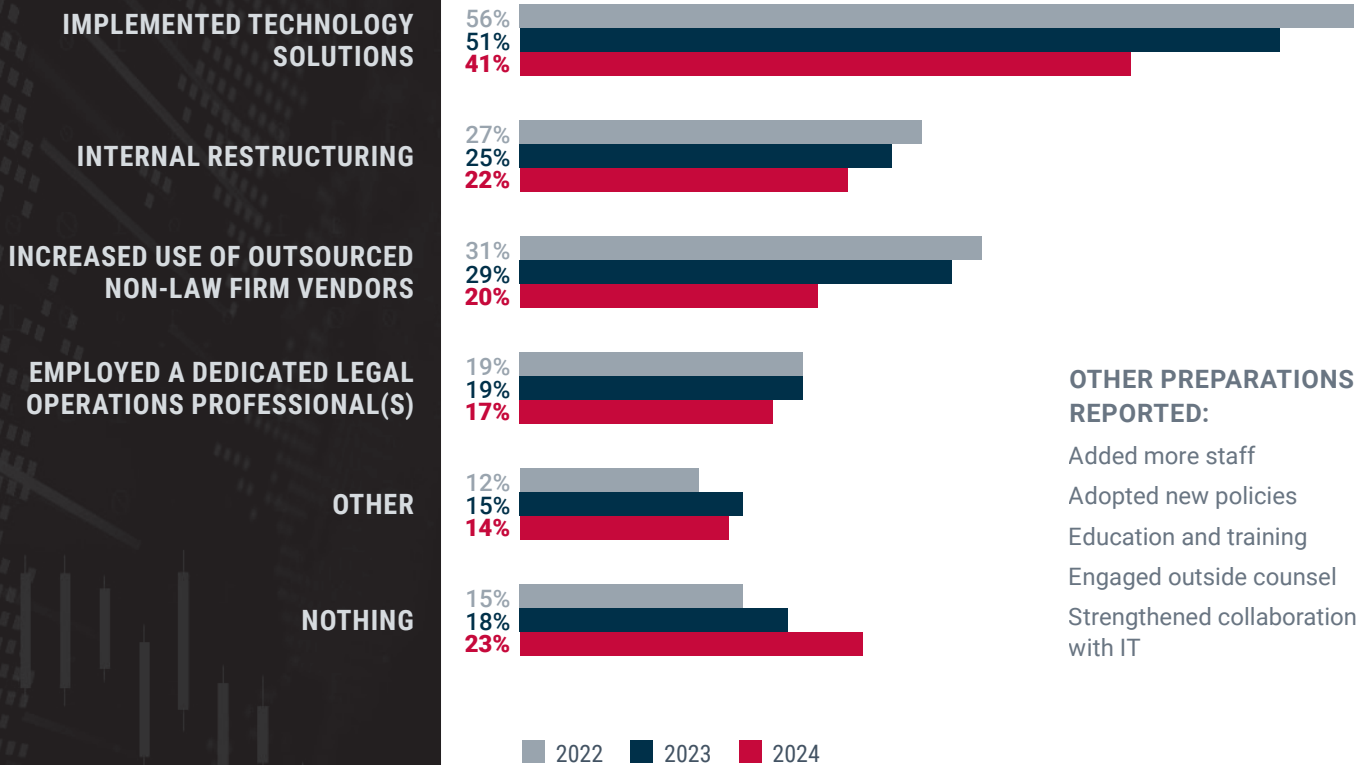


How confident are you in your organization's ability to consistently and defensibly respond to cybersecurity incidents and privacy breaches?

Similarly, CLOs are also less optimistic about their organizations' ability to satisfactorily respond to cybersecurity incidents and privacy breaches. Forty-five percent are either very confident (12 percent) or moderately confident (33 percent), a 12-point decrease compared to last year. As a result of this shift, 16 percent say that they are only slightly confident that the organization can effectively defend against cybersecurity threats, a six-point increase compared to last year.



How have you prepared your organization for complying with data privacy regulations in the past 12 months?



OTHER PREPARATIONS REPORTED:

- Added more staff
- Adopted new policies
- Education and training
- Engaged outside counsel
- Strengthened collaboration with IT

Over the past year, in order to better prepare their organization for complying with data privacy regulations, 41 percent of CLOs have implemented technology solutions, 22 percent have undergone internal restructuring, and 20 percent have increased their use of non-law firm vendors. Twenty-three percent say that they did nothing last year to prepare – a percentage that has grown from 15 percent two years ago. Some of this increase may be due to having taken significant action prior to 2023, but the clear drop in confidence around potential data risks this past year makes this result surprising.

Seventy-six percent of CLOs almost always attend company board meetings, and even though this result is six points lower than the data point observed in 2023, it remains stable within the timeline going back to 2020. CLOs in the US tend to participate in board meetings more frequently (80 percent) than CLOs in other countries (70 percent).

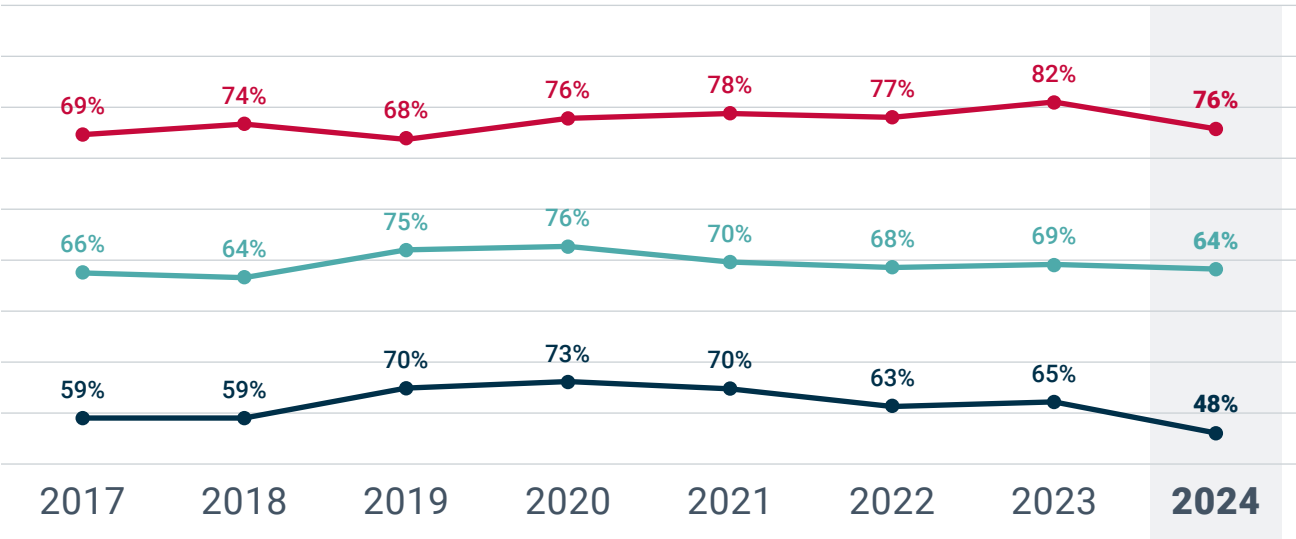
Almost two-thirds of CLOs (64 percent) almost always meet with other leaders at their organization to discuss operational issues and risk areas. While the overall result is lower compared to recent years, regional differences play a role, with CLOs in the US being involved in these discussions more regularly than CLOs in other countries – 68 percent to 58 percent, respectively. Furthermore, CLOs who directly report to the CEO engage in these operational discussions more frequently as well – 71 percent compared to just 44 percent of CLOs that do not report directly to the CEO.

CLOs say that they are far less likely to almost always be involved in strategic business decisions taken by the company’s executive leadership. Just under half of CLOs are consistently involved in this decision-making process, showing a sharp decline compared to the results observed in recent surveys.

Select your most accurate response for the following...

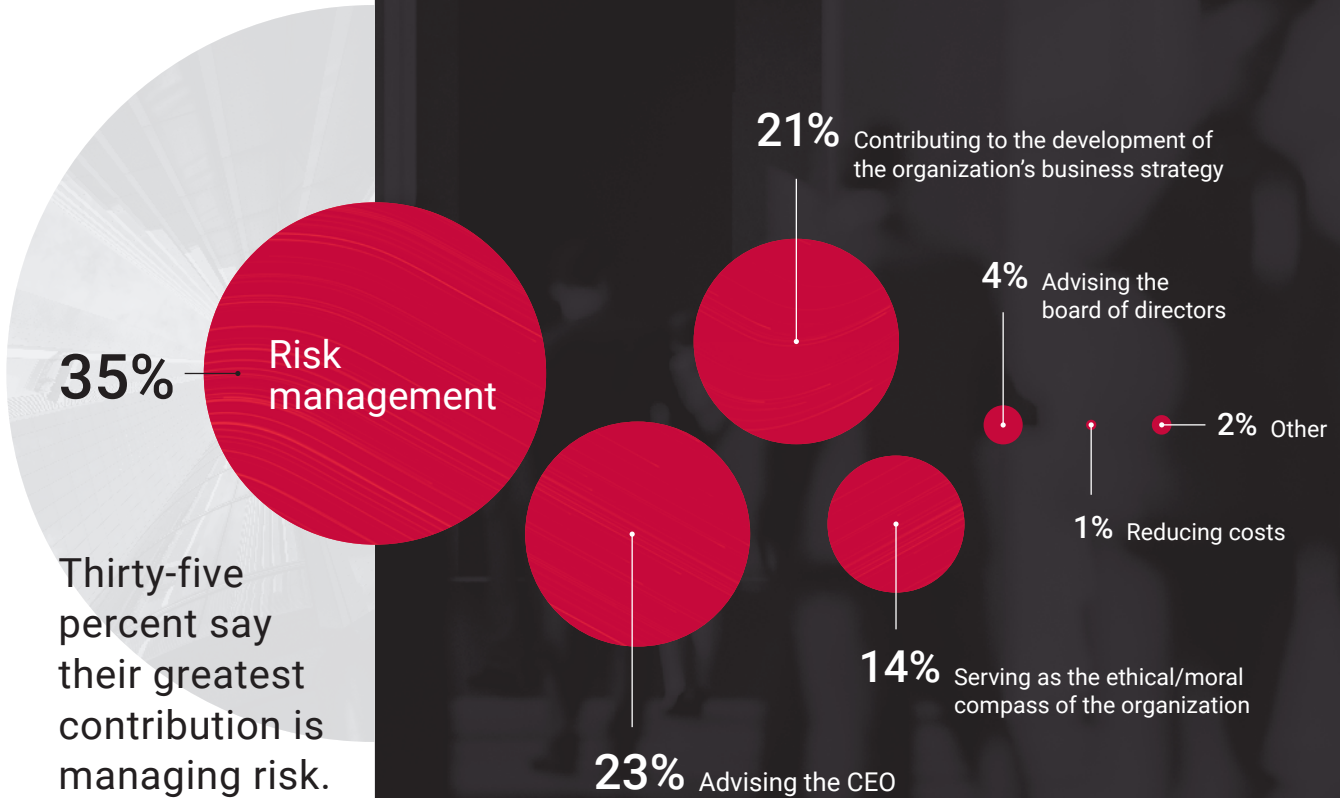
PERCENTAGE OF PARTICIPANTS WHO “ALMOST ALWAYS” ARE INVOLVED IN THE FOLLOWING SITUATIONS:

- When your organization holds a board meeting, how often do you attend?
- How often do you meet with business leaders at your organization to discuss operational issues and risk areas?
- How often does the executive leadership team seek your input on strategic business decisions?



In what way do you believe you are making the greatest impact on your organization?

CLOs lead in-house legal departments that provide critical value to the organization and respondents selected several ways in which they offer the greatest impact on their organization. Thirty-five percent say their greatest contribution is managing risk, followed by 23 percent who say they make the most meaningful impact by advising the CEO, and 21 percent who contribute to business strategy development. Fourteen percent believe that their main strength is serving as the ethical and moral compass of the organization. Fourteen percent believe that their main strength is serving as the ethical and moral compass of the organization.



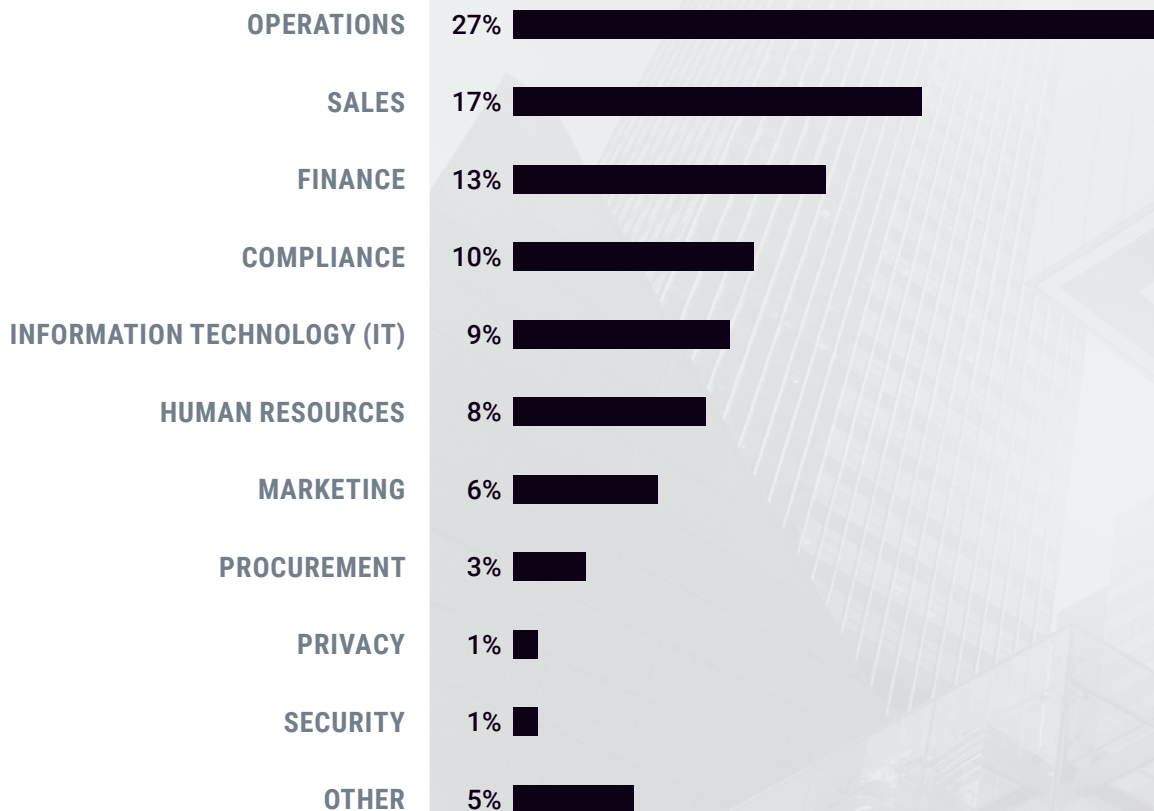
"We talk about the revenue drivers (Sales, Marketing, Operations) but this puts Legal in the background. We play an integral role in protecting profitability. The challenge is: How do we measure success? How do we measure a negative? How do we measure that we were NOT sued? That a regulatory agency did NOT file an action?"

—CLO Survey Respondent

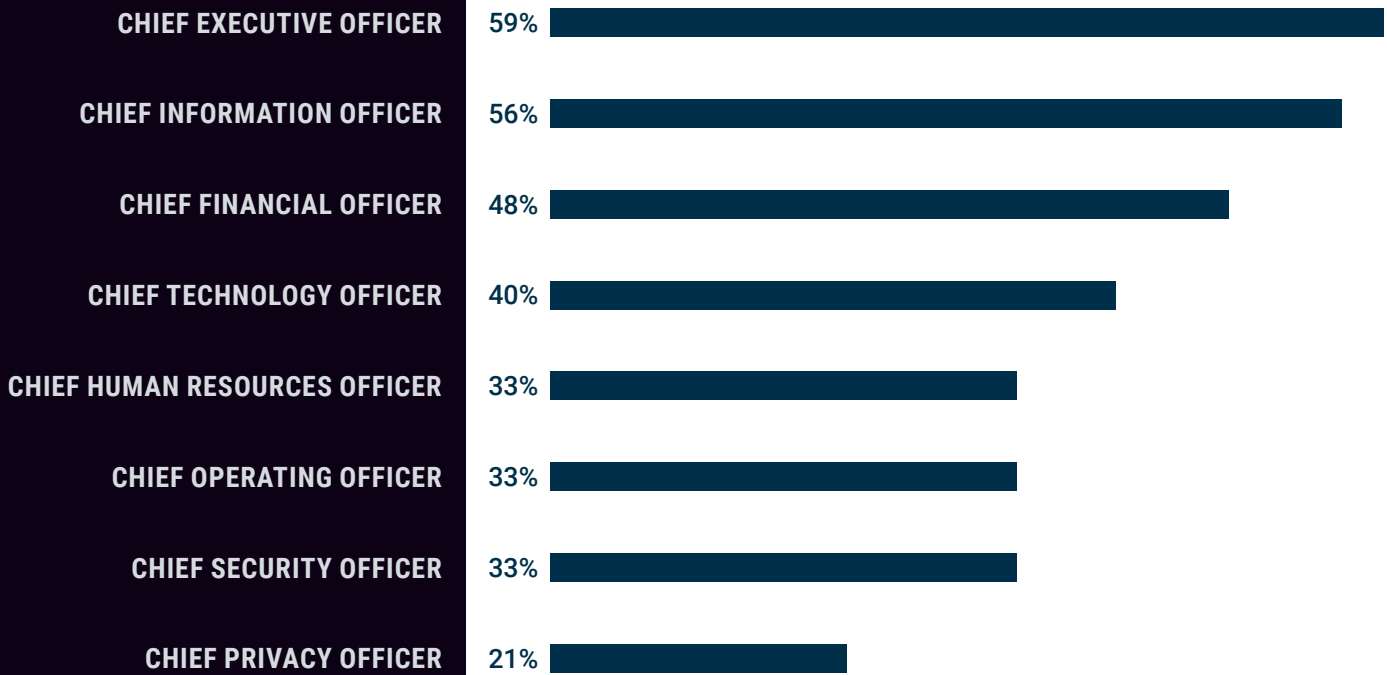
With which business unit do you believe having greater collaboration could most help improve business outcomes?

Twenty-seven percent of CLOs say that greater collaboration with business operations would help most with improving business outcomes, while 17 percent say that this would be achieved by working more closely with the sales team. CLOs are divided on where to direct stronger collaboration efforts, with an additional 13 percent saying that aligning the legal team with the finance department would deliver better results, 10 percent say it should be compliance, nine percent IT, eight percent HR, and six percent marketing.

27 percent of CLOs believe that greater collaboration with the operations team would help the most to improve business outcomes.



When addressing growing data risks related to privacy, compliance, breach, and litigation, I need to collaborate with...



Stronger collaboration with the CEO (59 percent) and the chief information officer (56 percent) are the main drivers to effectively address the growing data risks that organizations face in the current environment, according to more than half of CLOs. Just under 50-percent say that collaboration with the chief financial officer is also critical, and four-in-ten believe that collaborating with the company's chief technology officer is also necessary. One-third say they also need to collaborate with the leaders in charge of human resources, operations, and security, and 21 percent say that addressing data risks requires them to collaborate with the chief privacy officer.

In what way(s) could your organization further support you in your role as CLO?

CLOs concluded this year's survey by providing an open-ended assessment of what they thought their own organizations could do to help support their role and the legal department more broadly. They emphasize the need for the CLO to have a seat at the table with direct access to the CEO and to the board, and the need to be involved in strategic and operational decisions affecting the business at an early stage. They also say that organizations could further support their work by becoming more aware of risk and compliance issues and following the legal team's advice.

In addition, many CLOs highlighted that they simply need more resources, including larger budgets to manage increasing outside counsel costs, and additional staff to handle larger workloads and higher internal client expectations more effectively. Organizations could also provide additional resources by investing in technology solutions to improve efficiencies and streamline processes, and opportunities for training and professional growth for both legal and non-legal employees.

CLOs' observations are grouped in six general categories with quotes provided as examples that illustrate each grouping.



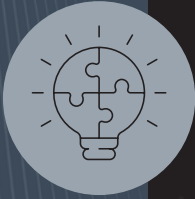
GIVING THE CLO A SEAT AT THE TABLE

CLOs want to be full members of the executive team and be more involved in business strategy. Those who do not report to the CEO want a direct reporting line to the top.

"Invest in my development and integration into the senior team, especially around business strategy."

"More involvement of the CLO in business-related meetings."

"Realignment of the reporting structure and enforcement of the role of the CLO at the executive table."



INVOLVE LEGAL IN STRATEGY AND OPERATIONS

By bringing in Legal early in strategy planning, CLOs can make a critical contribution to better anticipate legal issues, rather than having to intervene later in the process when it may be too late.

“Bring the legal team in at the inception of project discussions when we can help identify pathways and solutions, not at end when we may find foundational legal and compliance issues that present obstacles, delay project completion, and frustrate all involved.”

“Communicating the organization’s plan is key to the legal department’s ability to proactively spot legal opportunities and risk. Bringing in legal early in planning prevents the need for firefighting, prevents costly course corrections, and reduces missed opportunities for the business.”

“The biggest challenge is that parts of the organization view Legal as an after-thought or clean-up department rather than a strategic partner who can improve financial and business outcomes with early engagement. We are still too often looped into matters when something has gone awry.”



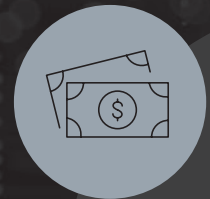
COMPLIANCE AND RISK AWARENESS

CLOs emphasize the need for the company to support Legal’s compliance efforts and better understand that mitigating risks is adding value to the organization.

“My main need is around compliance. I need dedicated compliance resources, vocal support from the CEO and CFO, and business leaders buy-in around risk areas.”

“Recognize that the legal department is not a cost center, but a risk-mitigating and value-driving function that supports and makes possible a responsible business strategy.”

“Understanding that my role is to protect them and the company from legal risk. I am not just an impediment to them executing operations.”



INCREASED BUDGET

A larger budget would make the CLO’s life easier by adding additional human and material resources to enhance the work of Legal in compliance and risk management.

“A greater investment in our budget would be helpful in managing the increased cost of outside legal fees.”

“Provide more budget to hire staff within legal department and to purchase technology.”

“Recognition that the cost of legal and compliance should increase as a percentage of revenue, based on the potential adverse impact that a failure to adequately resource and partner with the legal function can have.”



MORE LEGAL STAFF

CLOs need help. Many say they are understaffed, overstretched, and would welcome additional lawyer and non-lawyer staff to better meet the high expectations set by the organization.

“Additional staff with specialized experience in the areas of data privacy, litigation, and employment.”

“There is too much work for one person, but they will not hire another person. I spend a lot of time on administrative tasks, which could be better spent on compliance.”

“Provide more staffing support and/or increase budget for third party solutions.”

PROVIDE ADDITIONAL RESOURCES

Organizations could help CLOs and legal departments by providing other resources, including investment in technology solutions to improve efficiencies, and providing training opportunities for both legal and non-legal staff.

“Greater investment in tools to make my team more effective and efficient.”

“Increasing business and legal acumen among employees.”

“Provide opportunities and financial support for participation in various seminars and work events.”



CLOS ALSO FEEL SUPPORTED AND APPRECIATED

Fortunately, many CLOs say that they feel very much supported by their organization and that their work is highly appreciated.

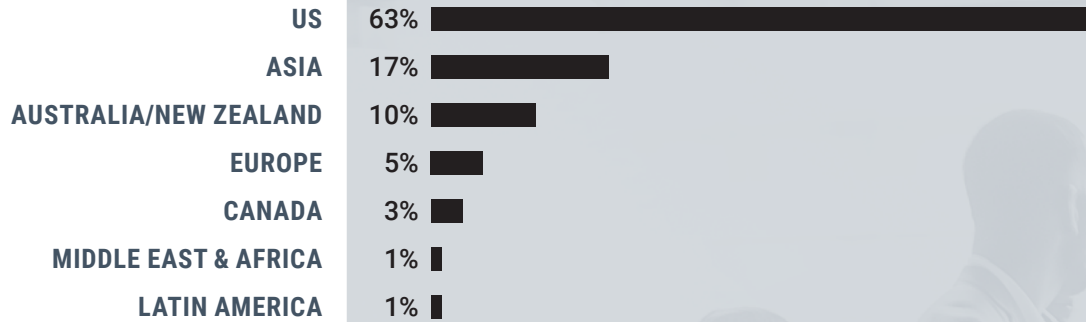
“I am generally very happy with the support I receive from the management, their tone at the top really helps our function to play our role well.”

“I believe I get a tremendous amount of support from the executive team and invitations to key meetings and an opportunity to contribute ideas and advice. Continued inclusion in key meetings and business initiatives will further underscore the importance and influence of the legal department.”

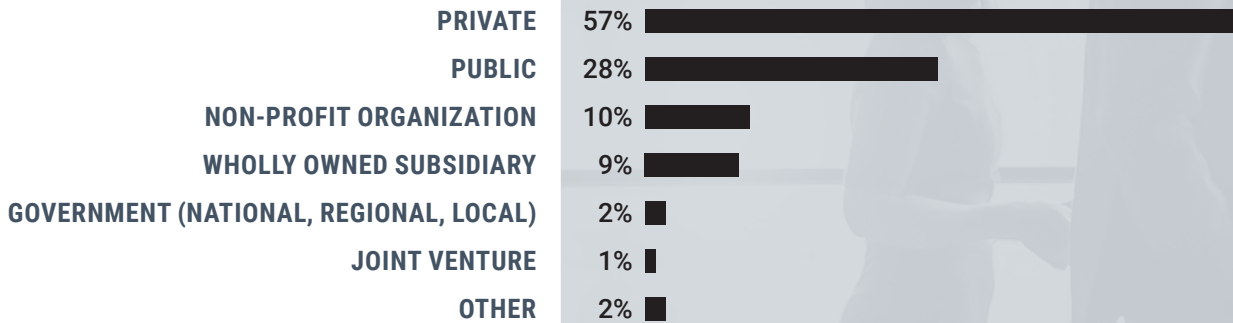
“The organization values my input greatly because of the quality of the relationship that we have built.”

PARTICIPANT PROFILE

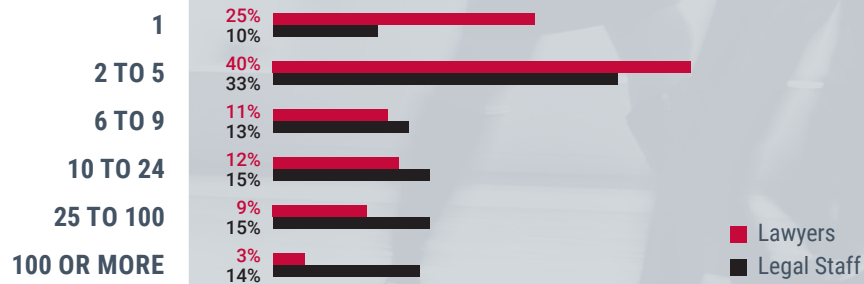
GLOBAL REGION



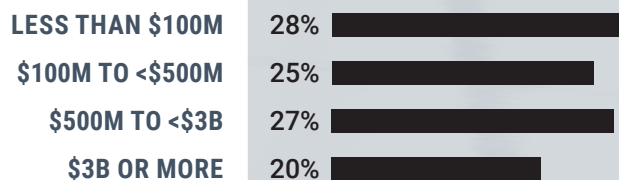
COMPANY TYPE



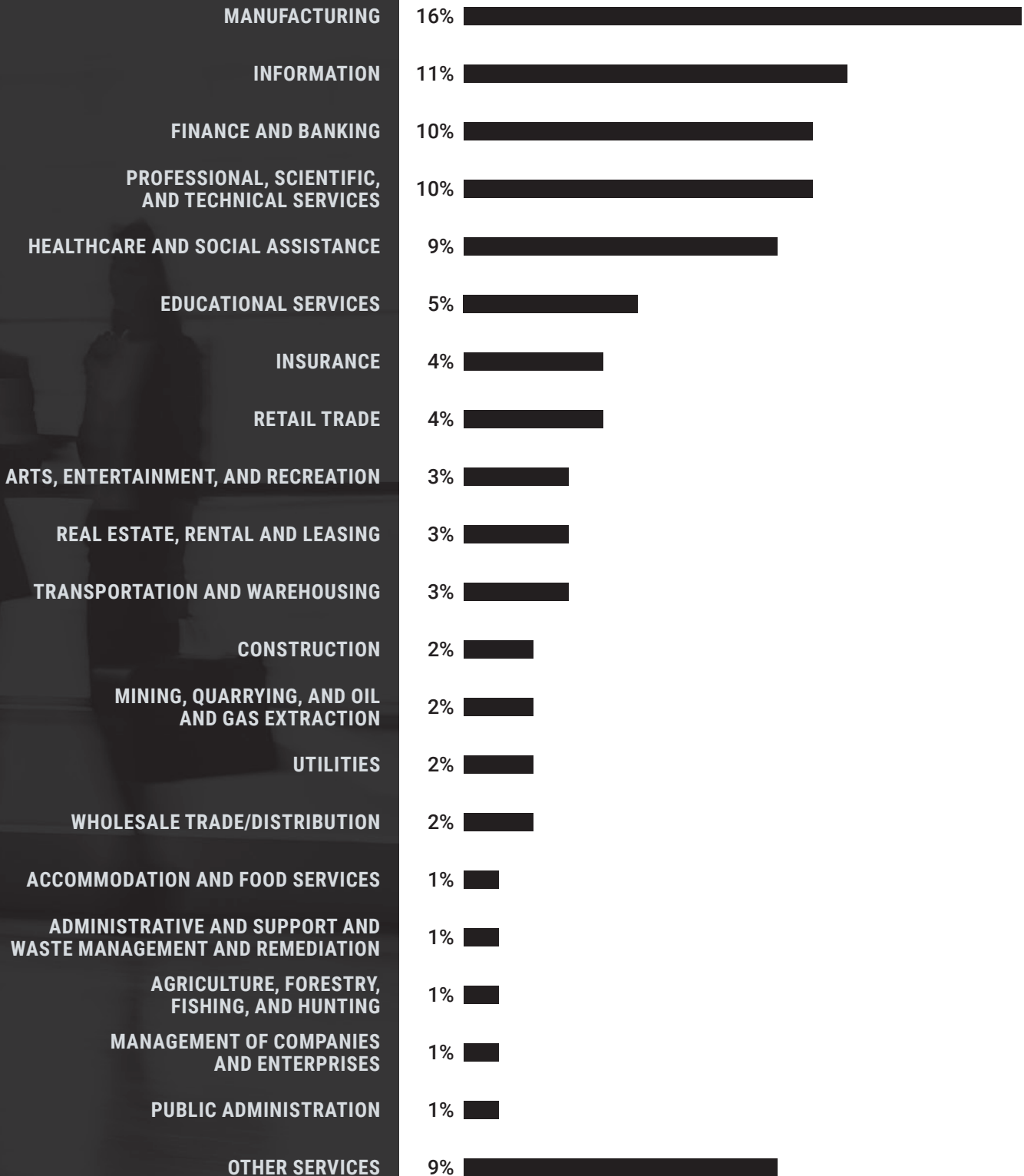
NUMBER OF LAWYERS AND LEGAL STAFF



COMPANY REVENUE



INDUSTRY



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. The online survey was also offered in Japanese to participants in Japan.

FIELDING PERIOD

The survey opened on September 7, 2023, and closed on November 3, 2023. Reminder emails were sent weekly.

TARGET POPULATION

We targeted ACC members worldwide who are the highest-ranked legal officers in their respective legal departments. A screener question was asked to help determine the most relevant population. To further expand our reach, we also sent participation invites through other ACC partner organizations, and opportunities to participate were also sent through LinkedIn campaigns. A total of 669 CLOs participated.

ANONYMITY

Survey responses were completely anonymous. No information is linked in any way to an individual respondent. The results are provided only at the aggregate level, and respondents' quotes from open-ended responses were carefully reviewed and edited, if necessary, to remove any identifiable information related to respondents or their organizations.

DATA ACCURACY

Not all respondents answered all questions. The percentages provided are based on the number of valid responses received for each individual question. Many survey questions offered the opportunity to select multiple response options. In those cases, percentages may not total to 100 percent. Additionally, in some cases percentages do not total to 100 percent because of rounding.

OPEN-ENDED RESPONSES

A few survey questions required open-ended responses. Many of the quotes and citations from participants that we present throughout the report were shortened or edited due to space or style needs.

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).

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