2025

ACC LAW DEPARTMENT MANAGEMENT BENCHMARKING REPORT

Association of Corporate Counsel

Major, Lindsey & Africa

MAJOR, LINDSEY & AFRICA

CHANGING LIVES ONE PLACEMENT AT A TIME

Does your legal department have the right talent?

If you answered no, then Major, Lindsey & Africa is here to help. Our in-house counsel recruiting team specializes in building out your legal and compliance team for success now and into the future. We can assist with finding and placing top legal and compliance professionals to strengthen your team.

Let us help you build a legal department that is efficient, effective, and ready to meet the challenges of today and tomorrow.

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INTRODUCTION

The Association of Corporate Counsel (ACC), in collaboration with Major, Lindsey & Africa (MLA), is proud to present the 2025 Law Department Management Benchmarking Report. Developed specifically for in-house legal professionals, this report delivers strategic insights into the evolving landscape of legal department operations. Drawing on comprehensive data from 395 legal departments across 23 industries and 34 countries, it offers a robust set of benchmarks to evaluate performance, identify opportunities, and drive informed decision-making in key operational areas.

SECTION 1. HEADCOUNT AND STRUCTURE

This section analyzes legal staff composition. You will find breakdowns of legal staff by position type (lawyers, paralegals, legal operations professionals) along with staffing ratios. This data provides a starting point for evaluating your headcount relative to industry standards. Additionally, we explore team size compared to overall company size, offering perspective on resourcing relative to your business needs. Finally, the section examines which business functions typically fall under the legal department's purview.

SECTION 2. COST MANAGEMENT

This section focuses on legal spending metrics, providing a foundation for establishing cost-based benchmarks. We present how legal spend is allocated between internal staff and external resources like outside counsel and alternative legal service providers (ALSPs). We also offer a more granular look at external legal costs, highlighting intellectual property and litigation. In addition, we provide critical data points and metrics such as total legal spend as a percentage of revenue, cost-per-lawyer-hour, and legal technology expenses.

SECTION 3. WORKLOAD ALLOCATION

Here we examine a crucial aspect of efficiency – workload allocation. We analyze how companies distribute legal work across 17 distinct legal work areas. Responses provided nuanced data, specifying whether each work type is handled in-house, by outside counsel, by ALSPs, or through a combination of resources. By examining these allocation choices, we gain valuable insights into how companies leverage internal and external resources to manage their legal needs effectively.

SECTION 4. LEGAL TECHNOLOGY ADOPTION

This section examines budget allocation strategies for legal technology, providing valuable insights for optimizing technology investments. Additionally, we explore specific legal technology solutions departments are utilizing to automate tasks, improve efficiency, and enhance legal service delivery. Finally, the section examines how legal technology adoption trends vary based on company size.

SECTION 5. LAW FIRMS, ALSPS, AND FEE ARRANGEMENTS

This section analyzes how companies are leveraging law firms and ALSPs, exploring trends in the number of vendors used of each type and comparing this data to previous years. Furthermore, we examine how fee structures (e.g., hourly billing, fixed fees) are utilized across different legal matter categories, offering insights into optimizing fee arrangements for various practice areas.

SECTION 6. DIVERSITY, EQUITY, AND INCLUSION

This section explores how companies are monitoring DEI metrics within their own teams and among their outside counsel firms. We examine specific metrics used to track internal diversity and trends over time. Additionally, we analyze how companies assess and benchmark the diversity practices of their outside counsel partners.

TAILORING YOUR ANALYSIS

All participating organizations receive the complete set of metrics through an online interactive dashboard, offering deeper insights. The dashboard provides detailed breakdowns of all listed headcount and spending metrics by company revenue, industry, and company type. For a more specific peer group analysis, tailored reports with customized segmentation criteria can be commissioned by contacting research@acc.com.

KEY TAKEAWAYS

The survey results reveal an overarching imperative for greater efficiency and a more strategic allocation of resources. This drive is demonstrably influenced by company size, growth trajectories, and the continuous integration of innovative technologies.

1. THE EXPANDING STRATEGIC FOOTPRINT OF THE LEGAL DEPARTMENT:

A pivotal finding is the significant expansion of the Chief Legal Officer's (CLO) oversight beyond traditional legal functions. The increased CLO responsibility for non-legal areas such as compliance, risk management, ESG, and government affairs signals a growing recognition of the legal department as a critical strategic advisor within the broader organization. This expanded remit positions CLOs as central figures in navigating a wider spectrum of business risks and opportunities, necessitating a more strategic and potentially higher proportion of lawyers within internal legal teams to address these complex advisory roles effectively.

2. EFFICIENCY AND COST MANAGEMENT DRIVE SHIFTS IN LARGE ENTERPRISES ($20B+):

The largest companies are actively pursuing strategies to optimize their legal operations. A notable trend is the decrease in median legal staff, coupled with a dip in overall legal spending primarily attributed to inside legal costs. This suggests a concerted effort to enhance internal efficiency and streamline operations. While internal headcount is being trimmed, outside legal spend has remained flat, indicating a continued reliance on external counsel for highly specialized or high-stakes matters. Interestingly, despite reduced total legal staff, the uptick in lawyers per $1 billion in revenue across larger companies suggests a strategic focus on retaining core legal expertise within leaner internal teams, potentially to manage increased strategic responsibilities. The stability of inside spend as a percentage of revenue, contrasted with a marked increase in outside spend as a percentage of revenue, highlights rising costs associated with external legal services relative to company revenue. This dynamic further underscores the push for internal efficiency and the growing importance of legal operations functions.

3. MID-SIZED COMPANIES ($1-5B) PRIORITIZE INTERNAL CAPABILITIES AND GROWTH:

In contrast to their larger counterparts, mid-sized companies are in a phase of building out their internal legal capabilities. Staff increases in this segment, coupled with a shift towards a greater proportion of inside legal spend, indicate a strategic move to handle more work in-house. This strategy is likely driven by a desire for greater control over costs and the development of internal expertise as these companies continue to grow and mature.

4. TECHNOLOGY AS A CATALYST FOR TRANSFORMATION, ESPECIALLY AI:

The survey highlights the significant role of technology, particularly the major spike in AI adoption, as a key enabler of efficiency gains across the legal sector. AI's ability to automate routine tasks, expedite document review, and provide valuable insights allows legal departments to manage a larger workload with the same or even fewer resources. This technological advancement is likely a significant contributing factor to the observed staff adjustments in the largest companies, empowering leaner teams to handle more strategic and complex work.

5. A MORE STRATEGIC APPROACH TO EXTERNAL LEGAL SUPPORT:

Companies are exhibiting a more strategic and discerning approach to engaging external legal providers. A reduction in the number of law firms used, particularly within the $1B to $20B revenue range, suggests a move towards consolidating relationships with fewer firms. Concurrently, there is a notable increase in the use of Alternative Legal Service Providers (ALSPs) among companies exceeding $1 billion in revenue. This trend suggests a growing willingness to explore more cost-effective and specialized alternatives to traditional law firms for certain types of work, further optimizing external legal spend.

6. EVOLVING FEE ARRANGEMENTS AND WORK ALLOCATION:

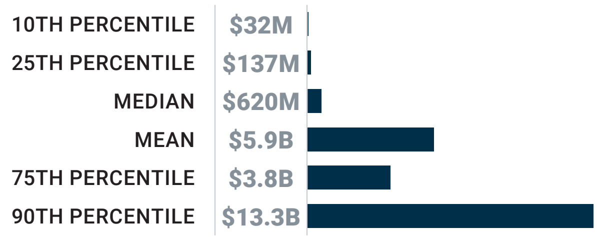
While hourly rates continue to dominate, there is a clear appetite for more predictable pricing models in specific practice areas. The increased use of fixed/flat fees in intellectual property (IP) and capped fees in litigation and M&A signifies a growing desire for greater cost certainty. In terms of work allocation, core legal functions continue to be handled predominantly in-house, emphasizing control, expertise development, and cost-effectiveness for routine and sensitive matters. Specialized areas such as IP and discovery, however, continue to be outsourced at higher rates, reflecting the need for niche expertise and resources that may not be efficient to maintain internally. The nuanced changes in discovery outsourcing, coupled with a slight increase in ALSP usage in some areas, suggest a growing openness to leveraging alternative providers for specific tasks, potentially driven by cost considerations or the need for specialized technology.

Overall, the data reveals a dynamic and responsive legal environment where organizations are actively adapting their internal structures, spending patterns, and external partnerships. The overarching themes of efficiency, strategic resource allocation, and a keen eye on cost containment are pervasive, manifesting in distinct ways depending on a company's size, growth stage, and strategic priorities. The rapid adoption of new technologies, particularly AI, is a crucial facilitator in this ongoing transformation.

PARTICIPANT PROFILE

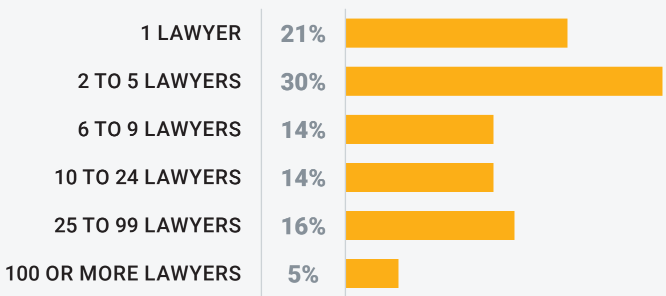
INDUSTRY

COMPANY REVENUE

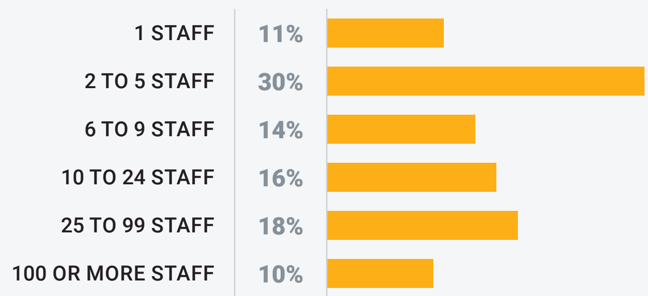


LAWYERS AND LEGAL STAFF

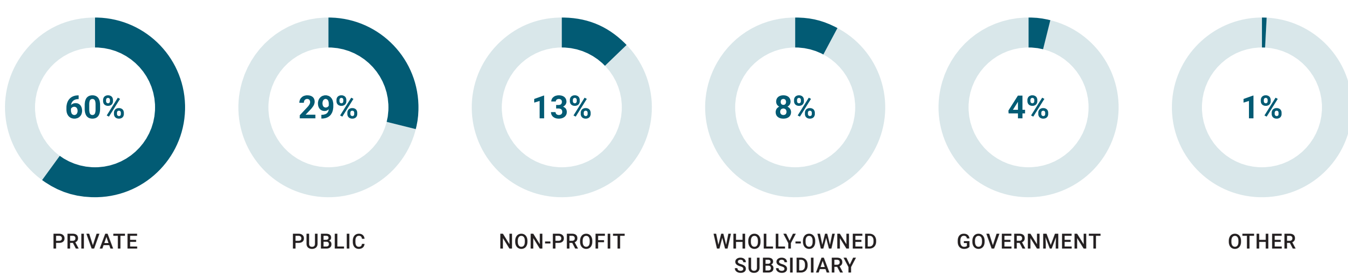
LAWYERS



LEGAL STAFF

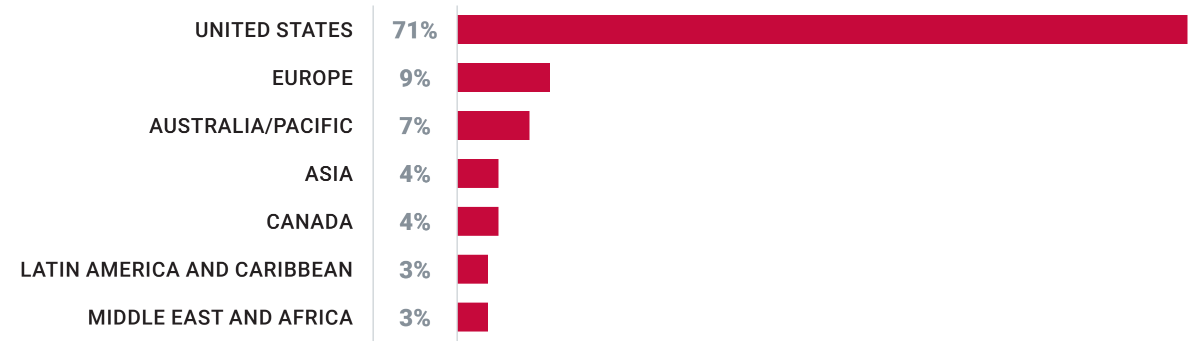


COMPANY TYPE

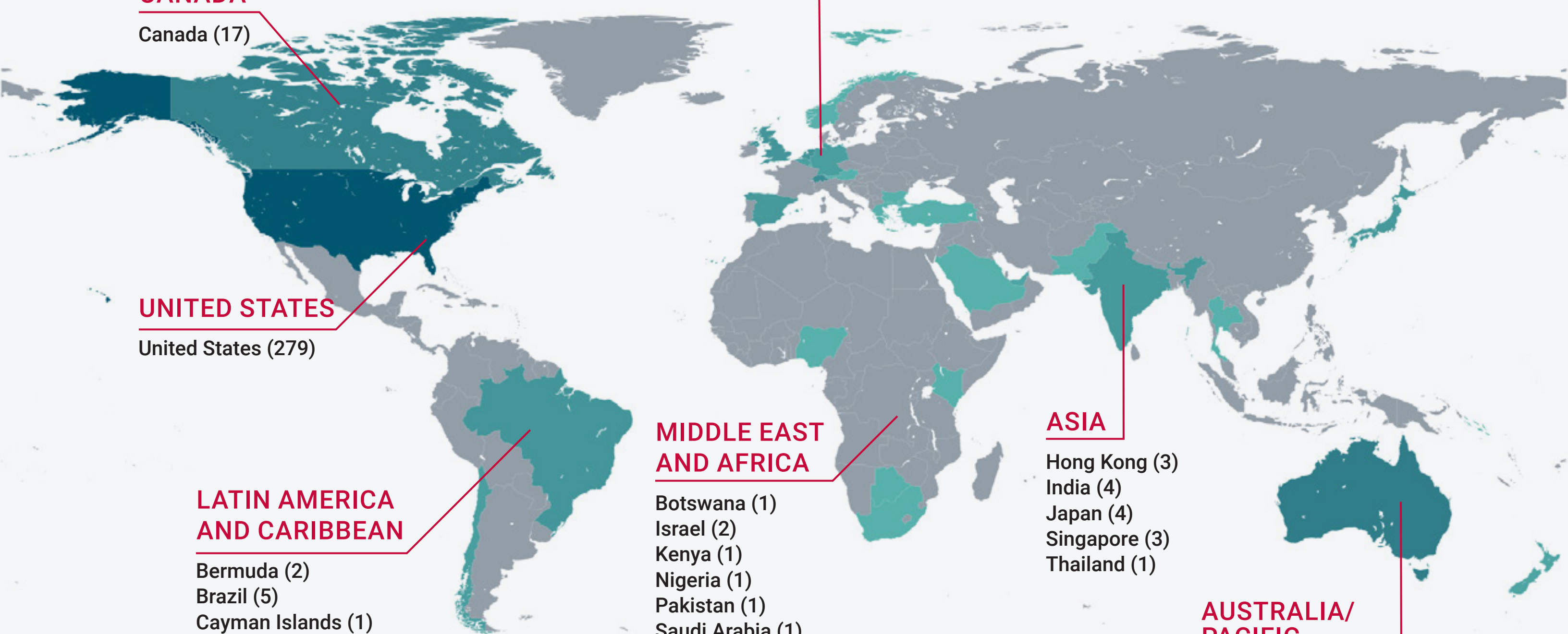


HEADQUARTERS' LOCATION

GLOBAL REGION



COUNTRIES REPRESENTED



EUROPE

Austria (1)
Belgium (3)
Bulgaria (1)
Germany (3)
Greece (1)
Liechtenstein (1)
Luxembourg (1)
Netherlands (6)
Norway (1)
Spain (4)
Switzerland (9)
United Kingdom (5)

CANADA

Canada (17)

UNITED STATES

United States (279)

LATIN AMERICA AND CARIBBEAN

Bermuda (2)
Brazil (5)
Cayman Islands (1)
Chile (3)

MIDDLE EAST AND AFRICA

Botswana (1)
Israel (2)
Kenya (1)
Nigeria (1)
Pakistan (1)
Saudi Arabia (1)
South Africa (1)
Turkey (1)
United Arab Emirates (2)

ASIA

Hong Kong (3)
India (4)
Japan (4)
Singapore (3)
Thailand (1)

AUSTRALIA/ PACIFIC

Australia (23)
New Zealand (2)
Soloman Islands (1)

SECTION 1

HEADCOUNT AND STRUCTURE

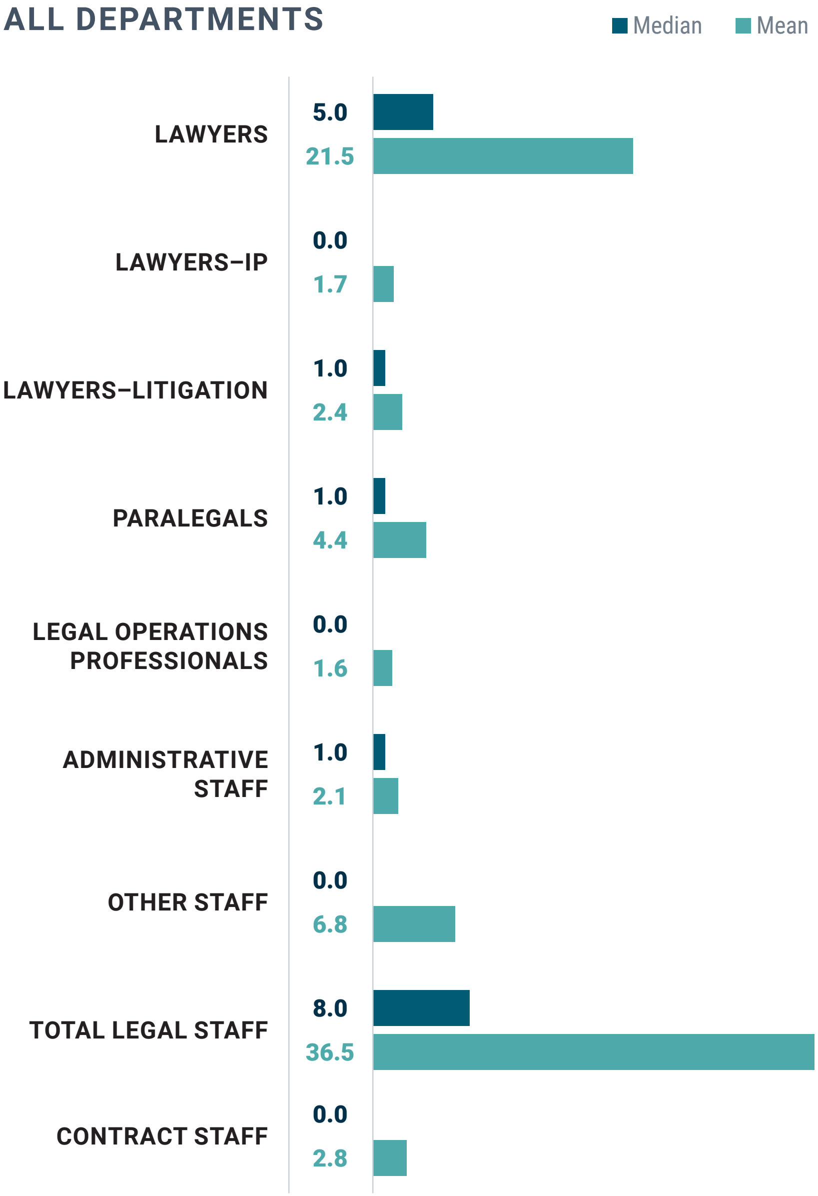
This first section explores the fundamental building blocks of your legal department: its people and organizational framework. By analyzing essential metrics, this part of the report offers a valuable starting point for legal departments seeking to benchmark their headcount. We explore the following key aspects:

- **Legal staff breakdown:** We begin by examining the different roles within legal teams, including lawyers, paralegals, and legal operations professionals.
- **Lawyer-to-staff ratios:** This analysis looks at the proportion of lawyers compared to other professional staff, a common benchmark for evaluating resource distribution.
- **Legal team size relative to the organization's revenue:** We present how the number of lawyers compares with the overall size of the company, providing context for departmental resourcing in relation to business scale.
- **Scope of business function support:** We identify which business areas are typically part of the legal department and which are less commonly under the direct responsibility of the chief legal officer.

Legal departments typically include a core group of lawyers, with some specialization in litigation, and are supported by paralegals and administrative staff. While many departments may not have dedicated intellectual property (IP) lawyers, legal operations professionals, and other support staff, these positions are more common as company size grows. Contract staff are also utilized in some cases, though not universally. A representative legal department, based on our survey participants' median values, consists of five lawyers, one paralegal, and one administrative staff.

NUMBER OF LEGAL STAFF BY POSITION

ALL DEPARTMENTS

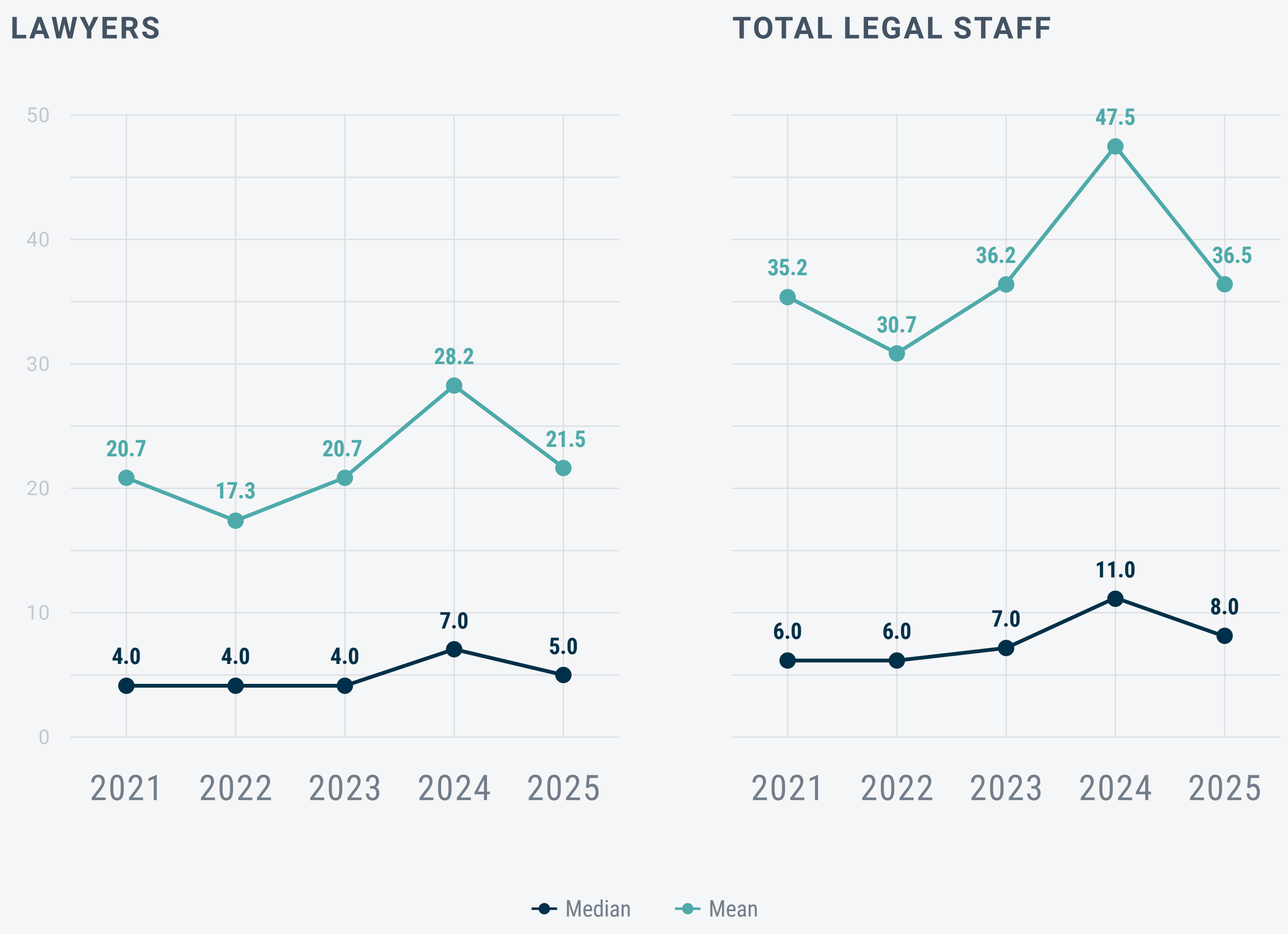


Lawyers–IP and Lawyers–Litigation are lawyers that dedicate **at least 50 percent** of their time on the job to IP and Litigation matters, respectively.

Over time, we observe growth in the staffing of legal departments, particularly noticeable in the number of total legal staff. The median number of lawyers remained relatively stable at four from 2021 to 2023, before increasing to seven in 2024 and then settling at five this year. The mean number of lawyers shows more fluctuation due to the changing composition of the survey population.

The upward trend is clearer for the number of total legal staff, with the median increasing from six in 2021 and 2022 to seven in 2023, then jumping to 11 in 2024 and settling at eight in 2025. This evolution could suggest a growing need to support the core team of lawyers in the department with additional roles, including paralegals, legal operations professionals, administrative staff, and other specialized positions. The decrease observed since 2024 should be put into a context of higher participation from large organizations last year, rather than being solely due to an overall decrease of legal staff.

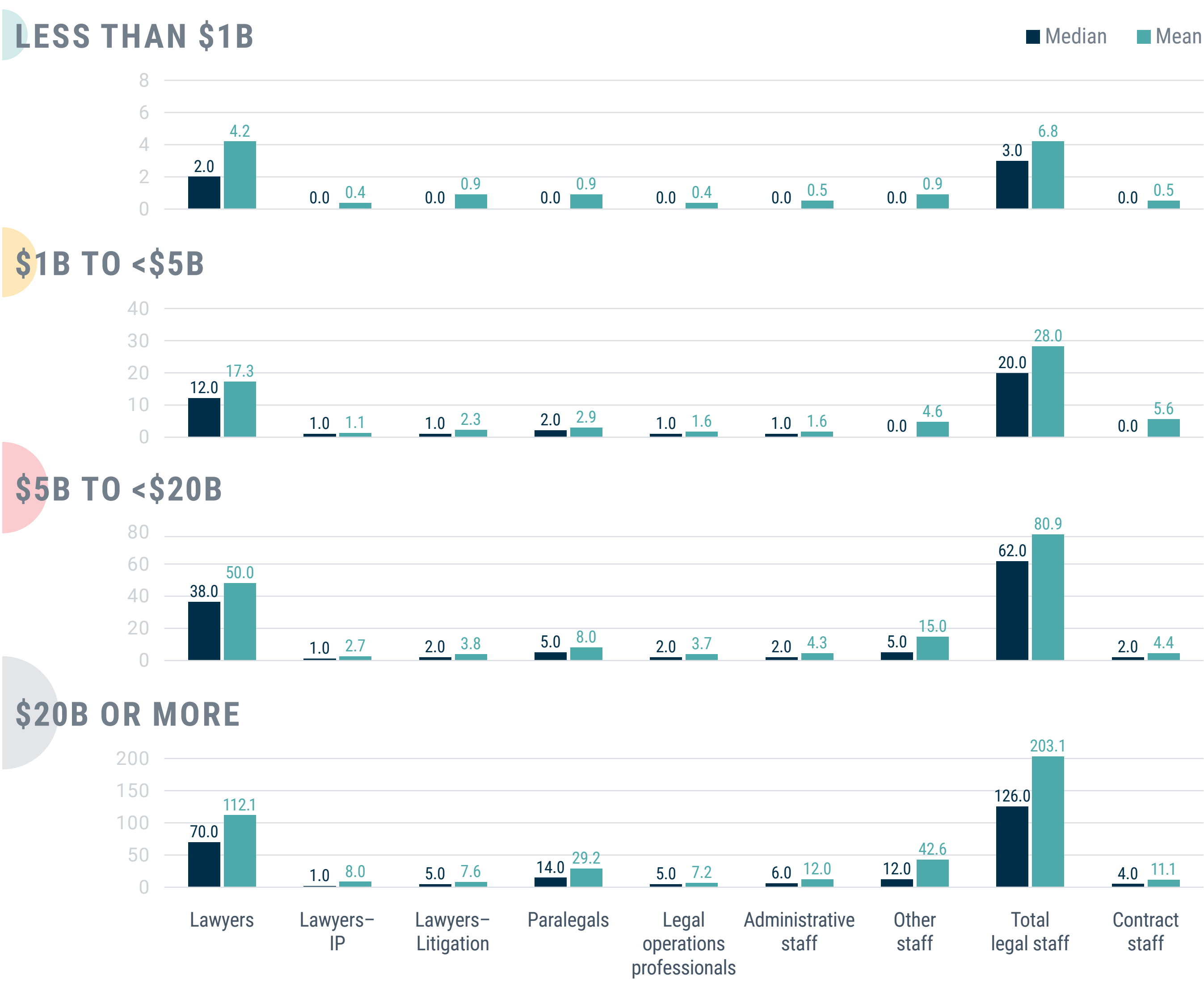
LAWYERS AND LEGAL STAFF OVER TIME



Legal department staffing numbers vary significantly among companies of different sizes. Companies with less than US$1 billion in revenue have the leanest legal teams, with a median of just two lawyers and three total legal staff. In stark contrast, companies with revenues of US$20 billion or more have a median of 70 lawyers and 126 total legal staff. Larger companies also exhibit a greater specialization of roles. While smaller companies may have lawyers handling a broader range of responsibilities, larger companies are more likely to have dedicated lawyers for IP and litigation, and they also employ more paralegals, legal operations professionals, and administrative staff. For instance, the median number of legal operations professionals in companies with less than US$1 billion in revenue is zero, compared to five in companies with $20B or more.

This prevalence of non-lawyer roles in larger companies likely reflects the increased complexity and volume of legal work as company size and revenue grows. As legal departments handle more complex matters, a greater degree of specialization becomes necessary. This specialization drives the need for more paralegals to handle routine tasks, legal operations professionals to manage processes and technology, and administrative staff to support the larger legal teams.

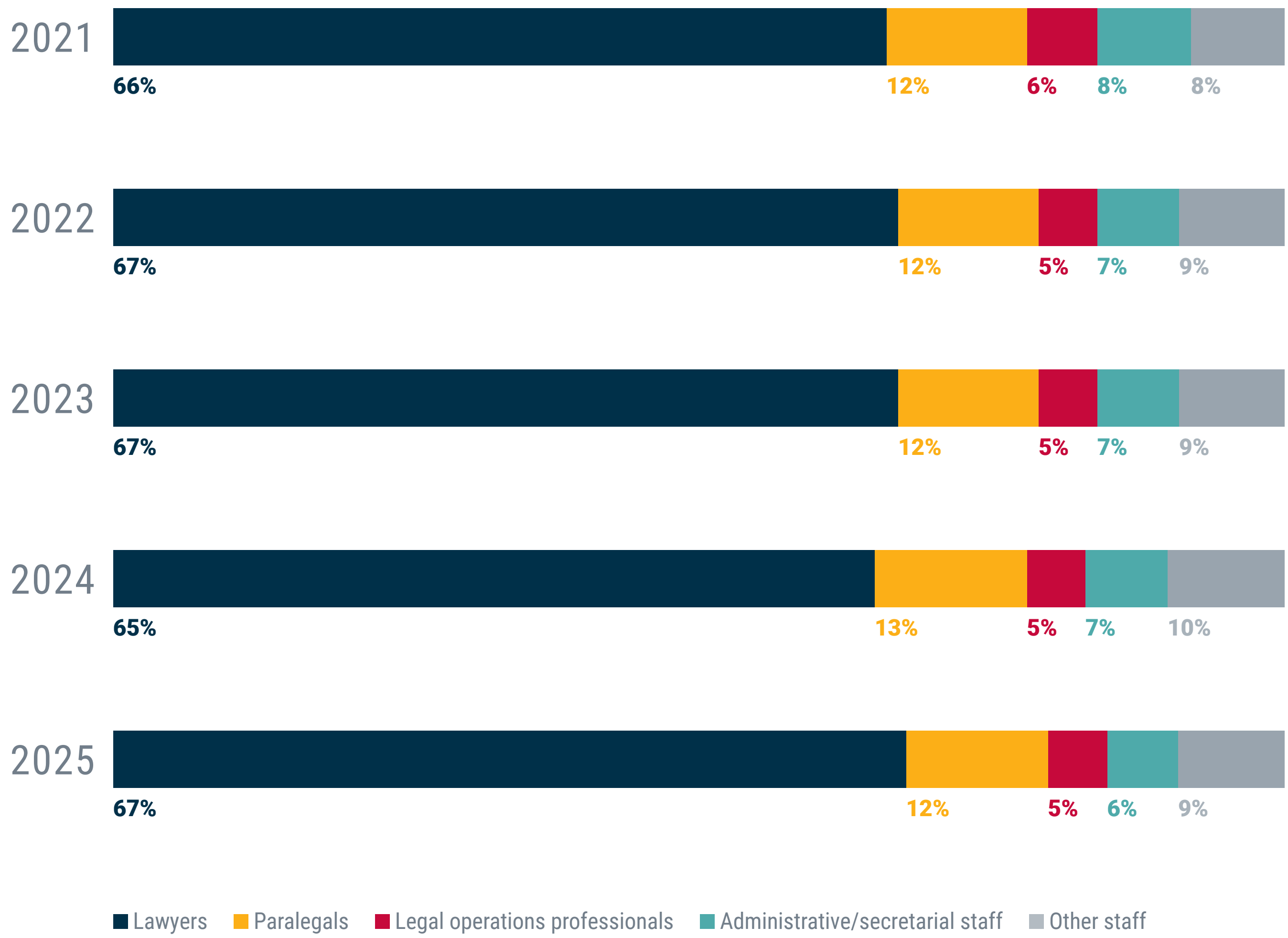
LEGAL STAFF BY COMPANY REVENUE



Over the period from 2021 to 2025, the distribution of staff within corporate legal departments has remained stable, with lawyers having consistently comprised the largest legal staffing group. The average percentage of lawyers in participating departments generally remains around two-thirds, reaching 67 percent in 2025. Paralegals have consistently made up the second-largest group, hovering around 12-13 percent. Notably, the proportion of other legal staff has increased slightly over the years, reaching nine percent in 2025 (and 10 percent last year), while administrative staff has seen a slight decline, reaching six percent in 2025 (the lowest point in the series). Legal operations professionals have remained a smaller proportion of the total, at five percent in 2025.

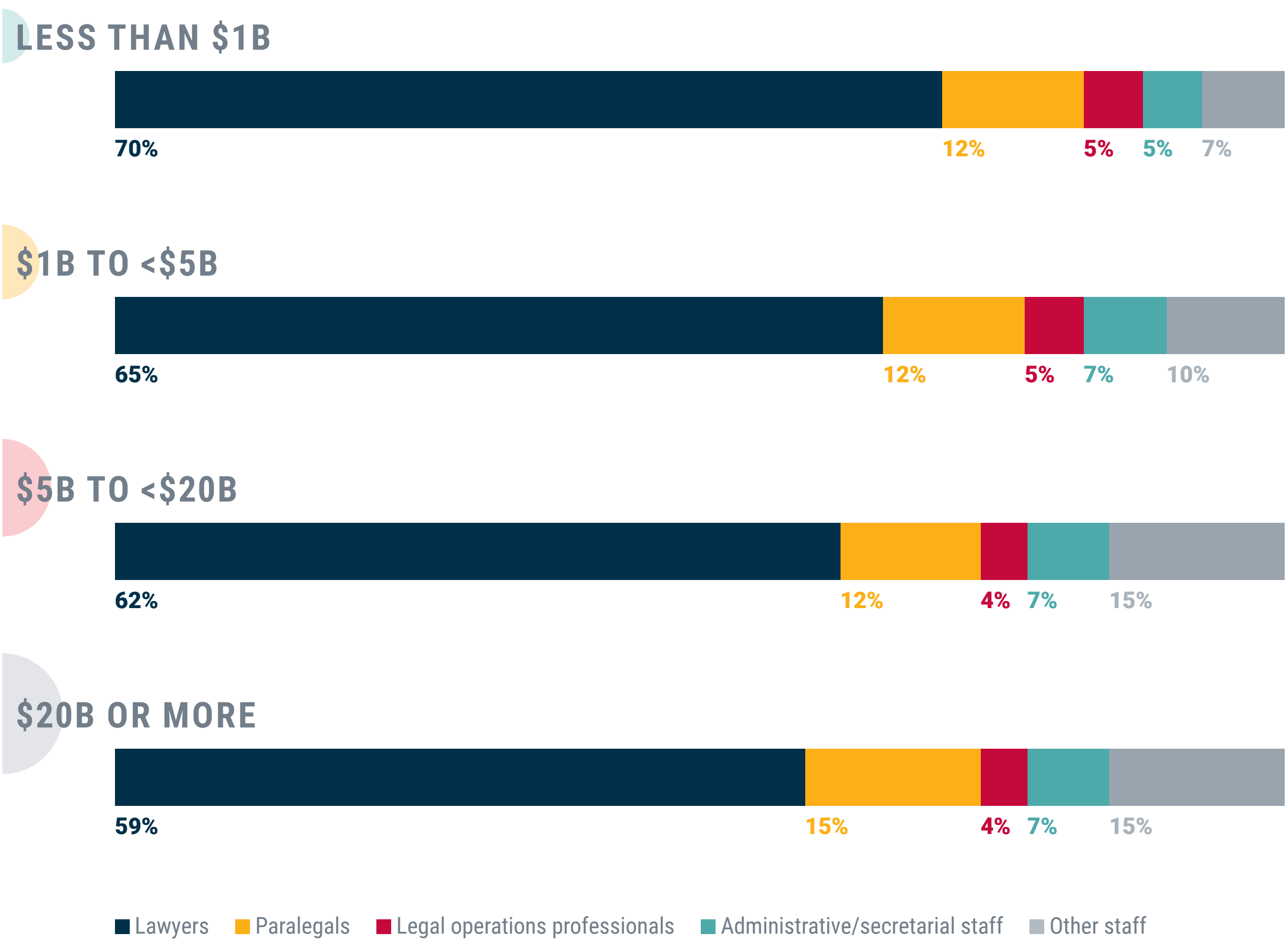
PERCENTAGE OF LEGAL STAFF BY POSITION TYPE

ALL DEPARTMENTS



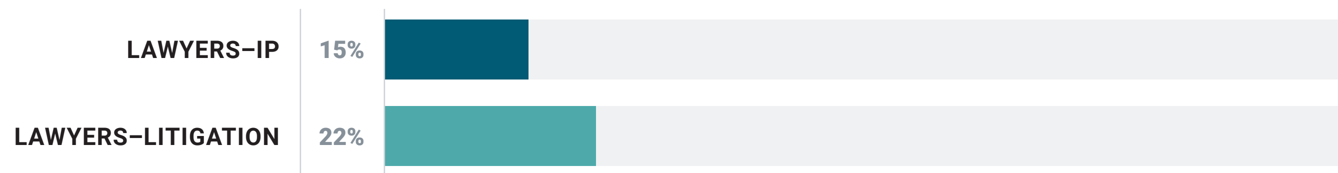
The distribution of legal staff varies across company sizes. For companies with less than US$1 billion in revenue, lawyers constitute the largest portion at 70 percent, followed by paralegals at 12 percent, with other staff at seven percent and both legal operations professionals and administrative staff at five percent each. In contrast, the largest companies with US$20 billion or more in revenue show a more balanced staff distribution: while lawyers still make up the largest group (59 percent), other support staff accounts for a considerably larger share (15 percent), followed by paralegals (15 percent), administrative staff (seven percent), and legal operations professionals (four percent). This evolution is a result of the larger number of specialized staff in larger companies, stressing the need to add specialized roles to the legal as company size grows and complexity increases.

PERCENTAGE OF LEGAL STAFF BY POSITION AND COMPANY REVENUE



We asked participants in departments with more than one lawyer to indicate whether any lawyers were either IP or litigation specialists, meaning that they focus 50 percent or more of their time on either of these two areas. The results show the average percentage of IP and litigation lawyers in legal departments that employ these types of specialized lawyers, excluding departments where these types of lawyers are not present. Litigation-dedicated lawyers (22 percent) are slightly more prevalent in legal departments than IP-dedicated lawyers (15 percent). This is likely attributed to the fact that most companies, regardless of industry, face some level of litigation risk, whether it is related to contracts, employment disputes, or regulatory issues. Intellectual property, while crucial for certain industries, may be less universally applicable across all sectors compared to the broad scope of potential litigation matters. The breakdown of the results by industry sector further illustrates this point.

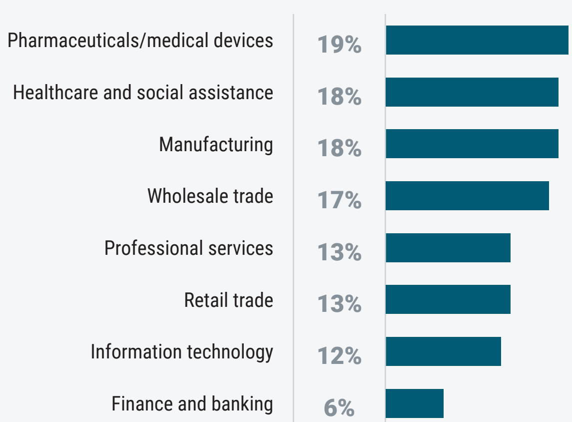
IP AND LITIGATION LAWYERS AS A PERCENTAGE OF TOTAL LAWYERS



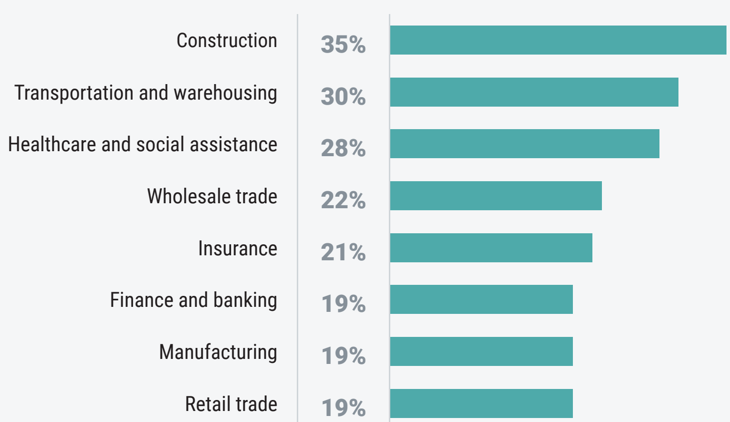
Regarding the percentage of IP-dedicated lawyers, companies in pharmaceuticals/medical devices (19 percent), healthcare and social assistance, and manufacturing (both 18 percent) lead the ranking, suggesting a strong need for IP expertise in these sectors due to the critical nature of patents, trademarks, and regulatory compliance in these fields. For litigation lawyers, construction (35 percent) and transportation and warehousing (30 percent) have the highest percentages, likely due to the inherent risks and regulatory environments in those industries.

ALL DEPARTMENTS

LAWYERS–IP



LAWYERS–LITIGATION



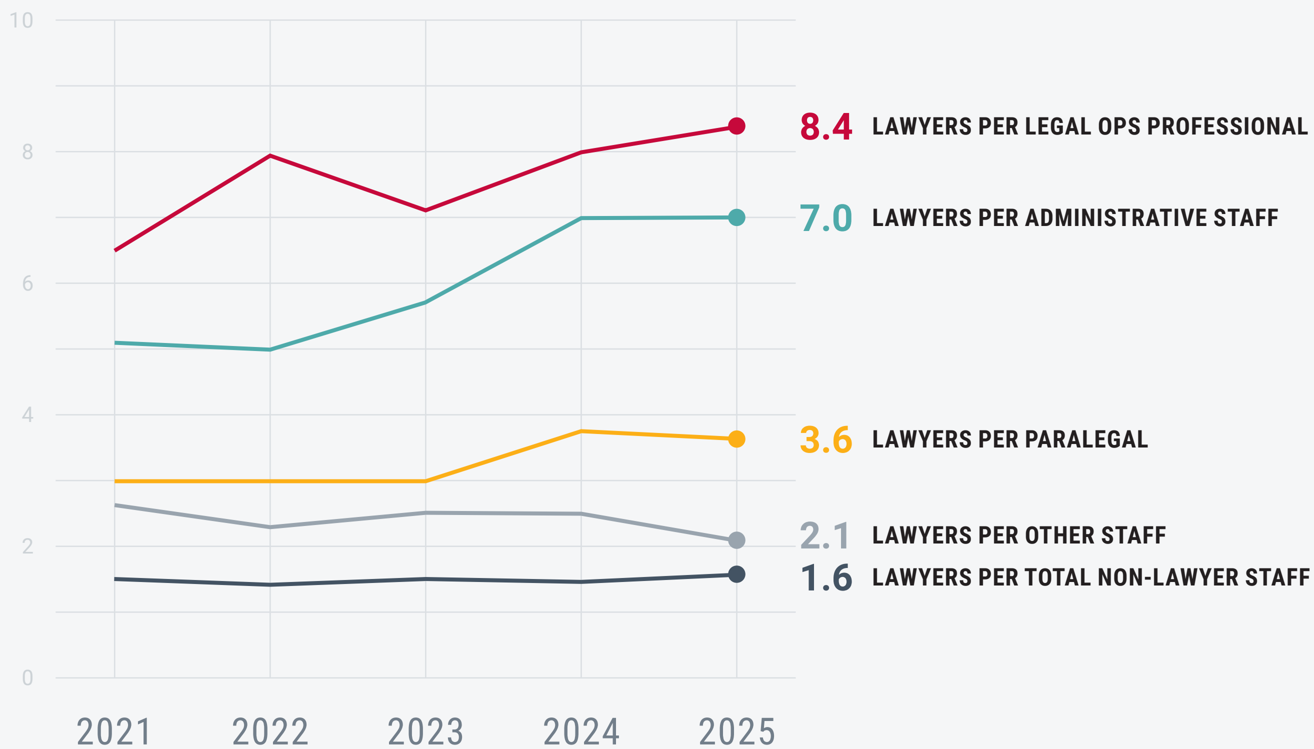
Note: Percentages based on departments with more than one lawyer that employ at lease one dedicated IP or litigation lawyer, respectively.

This metric tracks the number of lawyers divided by all other staff types to calculate a ratio. The metric is not calculated for departments that do not have staff in any given non-lawyer role to avoid dividing by zero. Since 2021, the median ratios of lawyers to various non-lawyer staff categories have shown some changes. The ratio of lawyers per paralegal has increased slightly from three in 2021 to 3.6 in 2025, indicating a small increase in the number of lawyers relative to paralegals. Similarly, the ratio of lawyers per legal operations professional has risen from 6.5 in 2021 to 8.4 in 2025, and the ratio of lawyers per administrative staff has grown from 5.1 to seven.

In contrast, the ratio of lawyers per other staff has decreased from 2.6 in 2021 to 2.1 in 2025, suggesting a greater need for additional support and specialized roles. Overall, the ratio of lawyers per total non-lawyer staff has remained relatively stable, fluctuating around 1.5. This year's median result of 1.6 lawyers per total non-lawyer staff means that for every non-lawyer staff there are 1.6 lawyers or, to give an example, a typical legal department with five non-lawyer staff would also employ eight lawyers.

LAWYER-TO-OTHER-STAFF RATIOS

ALL DEPARTMENTS

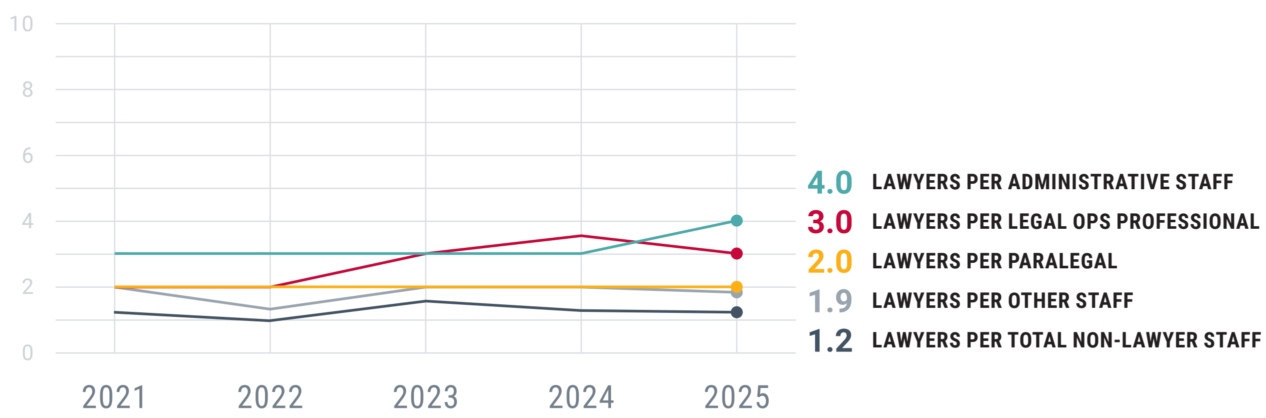


When comparing lawyer-to-non-lawyer staff ratios across different company sizes, notable differences emerge between the smallest and largest revenue categories. For companies with less than US$1 billion in revenue, the ratio of lawyers to total non-lawyer staff has remained relatively low, hovering around 1.2 in 2025. This indicates a higher proportion of non-lawyers to lawyers in smaller legal departments. In contrast, companies with US$20 billion in revenue or more show a higher ratio of lawyers to total non-lawyer staff, at 1.6 in 2025. For companies in the US$1 billion to US$5 billion range it is 2.1, and 1.8 for the remaining group of companies up to US$20 billion. This trend suggests that, as companies grow in size, they tend to hire more lawyers, and the largest companies increase the ratios of non-lawyer staff as workload and complexity become more pronounced. Furthermore, larger companies consistently exhibit higher ratios of lawyers to legal operations professionals (16.9 in 2025) and administrative staff (9.8 in 2025) compared to smaller companies (three and four respectively in 2025).

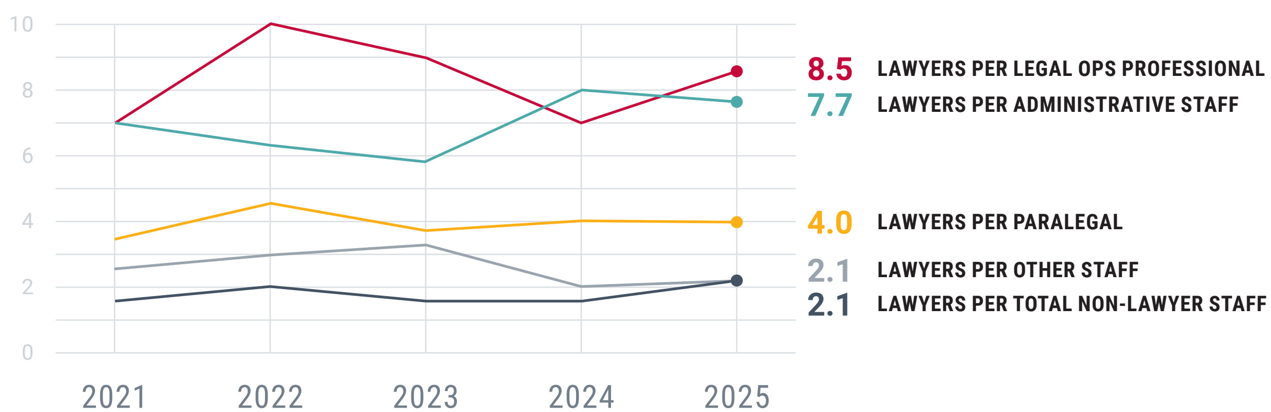
LAWYER-TO-OTHER-STAFF RATIOS

BY COMPANY REVENUE

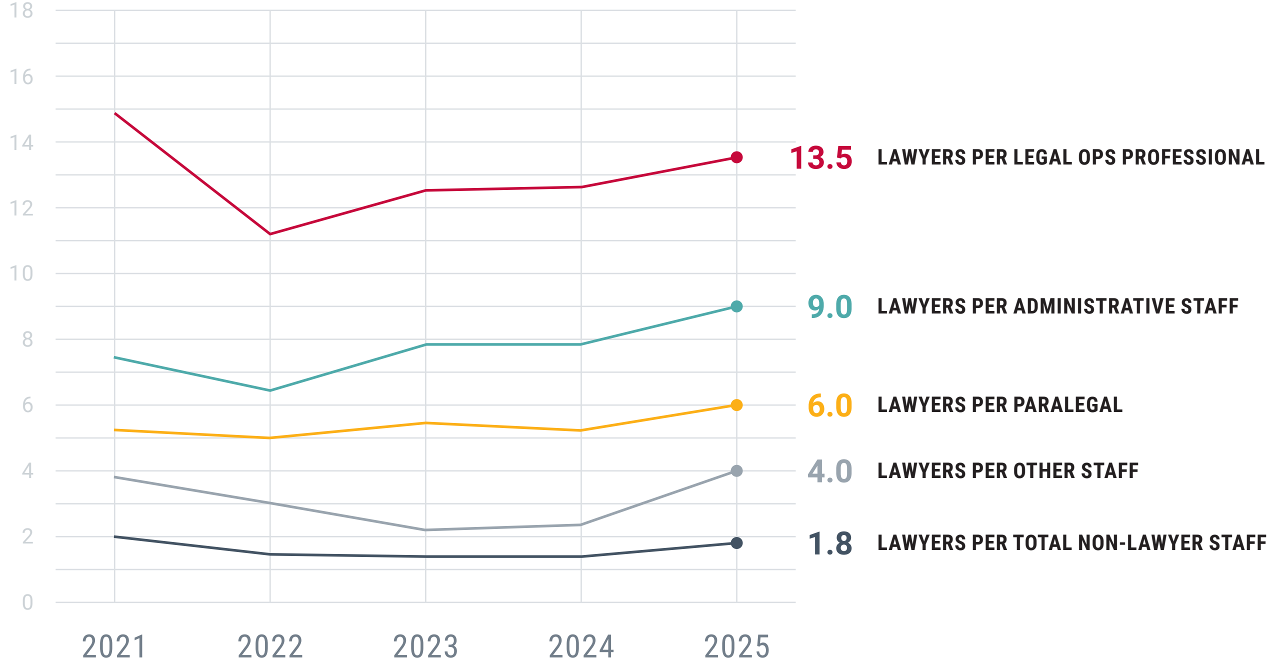
LESS THAN $1B



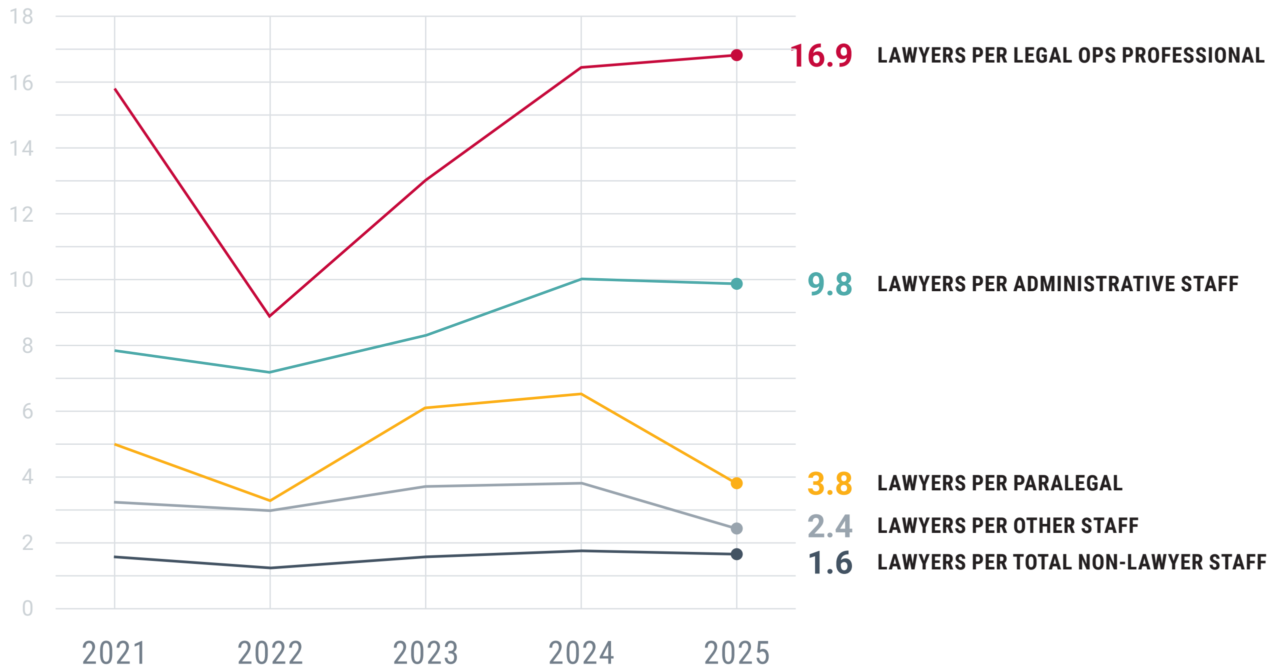
$1B TO <$5B



$5B TO <$20B



$20B OR MORE

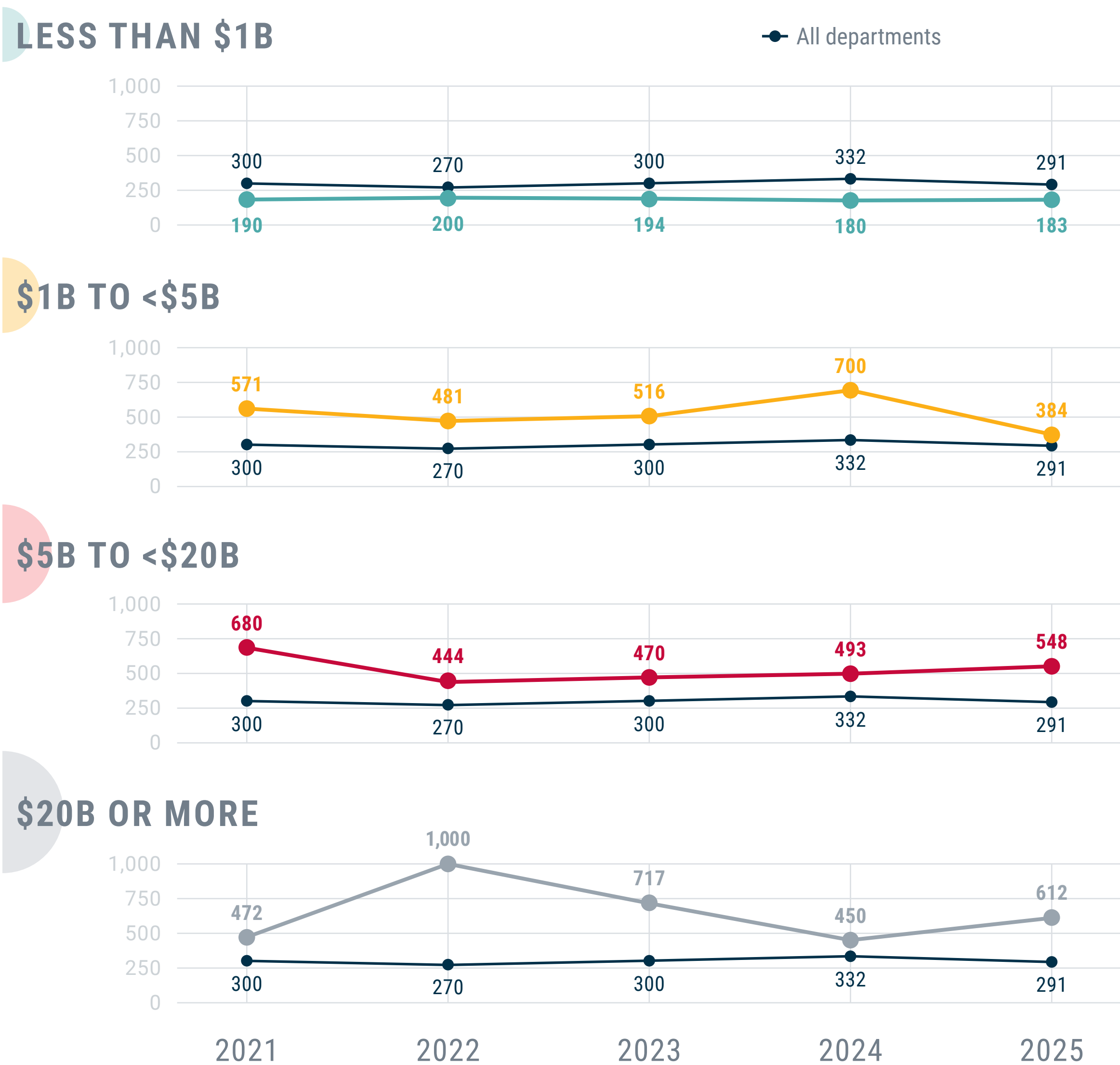


Dividing the number of company employees by the number of lawyers tells us the number of employees supported by each lawyer in the department. Overall, the median number of employees supported by each lawyer has remained relatively stable since 2021, with a ratio of around 300 employees supported by each lawyer. In 2025, the median value is 291, down from 332 last year.

As company size grows and so does the number of employees, lawyers in the legal department tend to support a larger number of staff. Companies with less than US$1 billion in revenue typically have the lowest median number of employees supported per lawyer, with figures ranging from 180 to 200 (183 in 2025). In contrast, lawyers in companies with revenues of US$20 billion or more support a median of 612, up from 450 in 2024 but lower than the 1,000 employees supported by each lawyer recorded in 2022. While there are year-to-year variations within each revenue category, due to the variable composition of the pool of participating companies, the overall trend shows how lawyers in larger organizations tend to support more of their colleagues.

LAWYERS AS A PERCENTAGE OF COMPANY EMPLOYEES

Company employees supported by each lawyer (median)



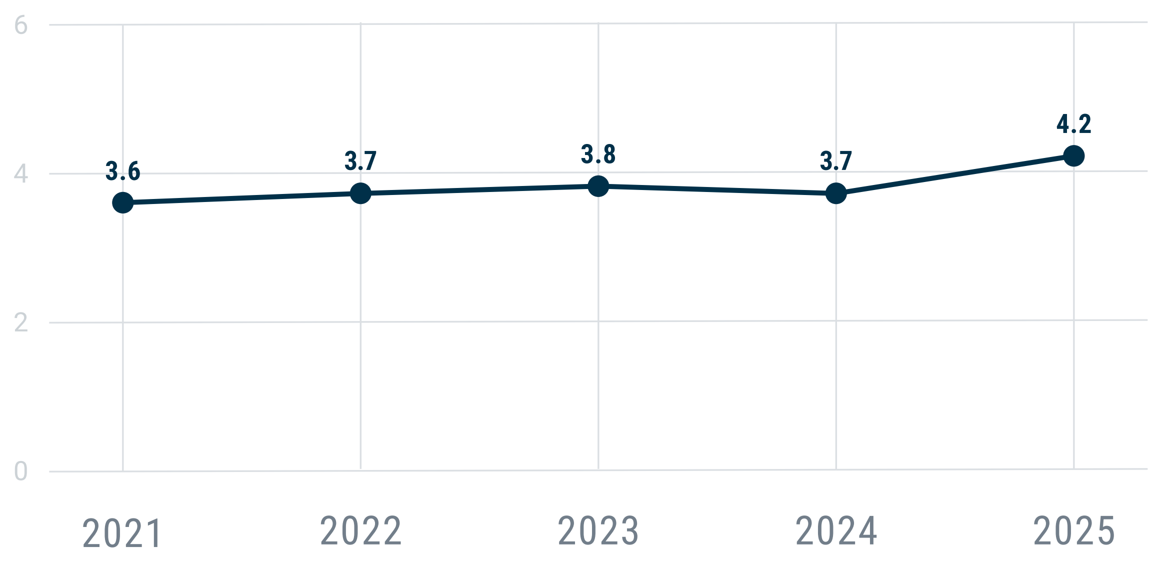
An industry-standard staffing metric for lawyers in the legal department is lawyers per US$1 billion in company revenue, which provides a comparable number across organization by standardizing the company revenue size in billions. The calculation of the metric is straightforward, taking the number of lawyers in the legal department and dividing them by the company's revenue divided by US$1 billion. For example, a company with a revenue of US$5 billion and 15 lawyers would have a standardized number of three lawyers per billion: 15 lawyers ÷ ($5B÷ $1B) = 15 lawyers ÷ $5B = 3 lawyers per billion.

We provide a timeline of the median number of lawyers per billion in companies with more than US$1 billion in revenue. Between 2021 and 2024, the median number of lawyers per billion in company revenue in legal departments remained remarkably stable, starting at 3.6 in 2021 and rising to 3.7 in 2022 and 3.8 in 2023 before slightly declining to 3.7 in 2024. We observe a moderate jump to 4.2 lawyers per billion in company revenue this year.

LAWYERS STANDARDIZED BY COMPANY REVENUE

ALL DEPARTMENTS

Lawyers per $1B in company revenue (median)



Note: Only includes companies with revenues of $1B or more.

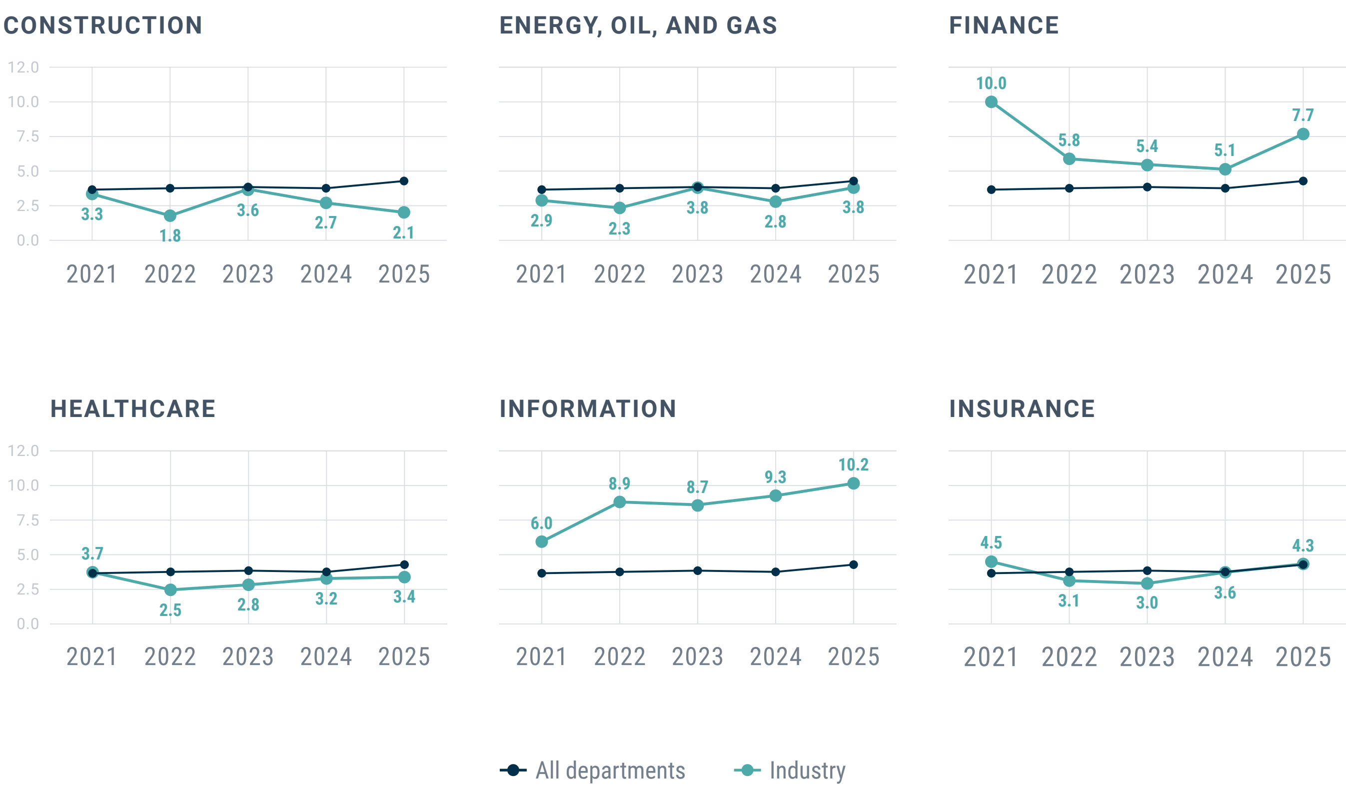
Here we provide a trendline of the median number of lawyers per billion in company revenue across industries. The trends vary significantly, with certain industries consistently showing higher or lower ratios of lawyers per billion in revenue compared to the overall values. Legal departments in organizations in construction, energy, healthcare, manufacturing, retail and wholesale consistently have lower values compared to the overall population. In 2025, retail companies have a median of 1.5 lawyers per billion, followed by wholesale (1.9), and construction (2.1), while healthcare (3.4), energy (3.8), and manufacturing (4) show values that are closer to the overall median.

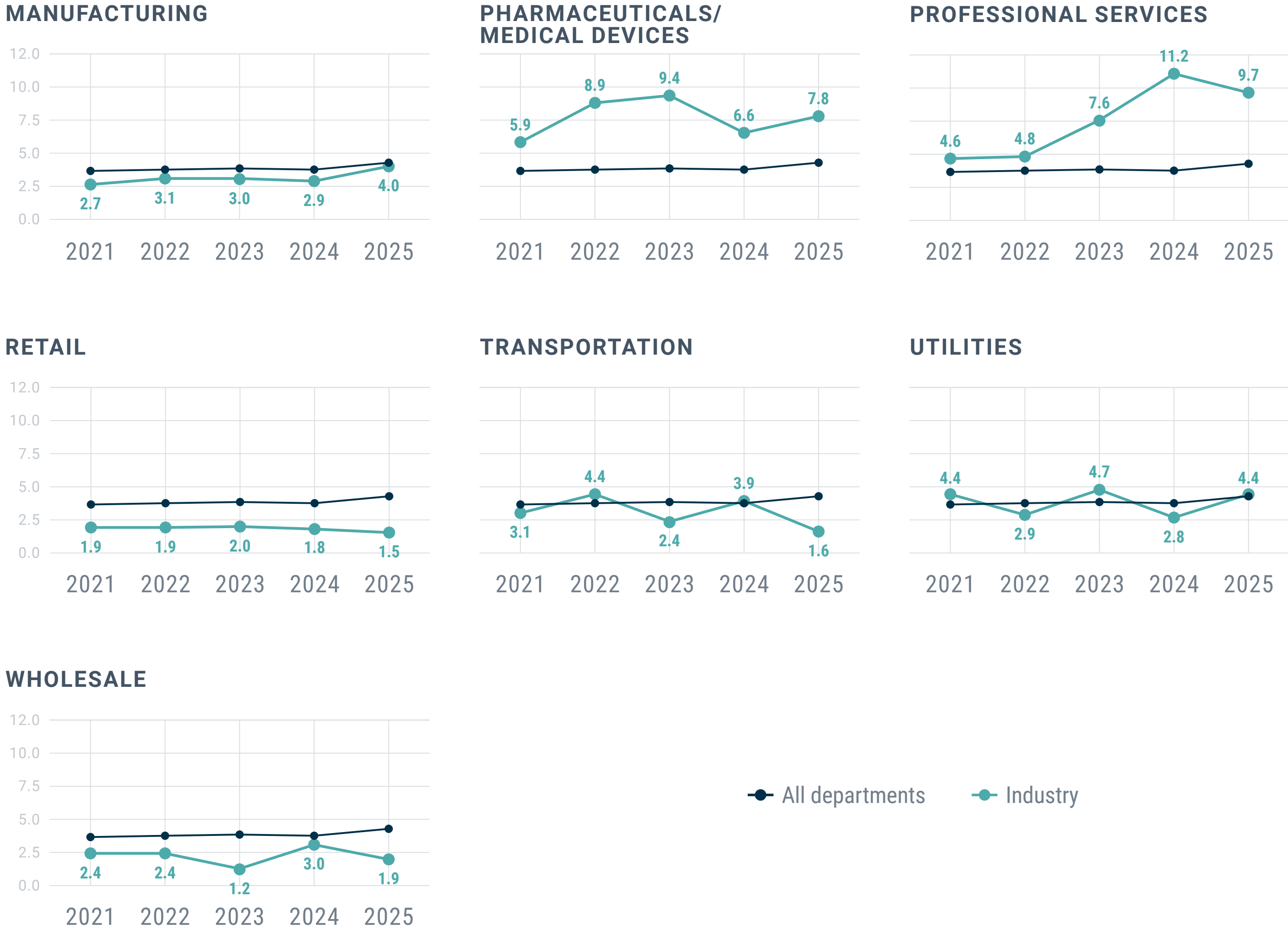
On the other hand, the industries with the highest number of lawyers per billion are information (10.2), professional services (9.7), pharmaceuticals and medical devices manufacturing (7.8), and finance (7.7). Companies in the information and professional services sectors, especially, show a strong upward trend in the last five years, whereas the trend in the lawyer staffing numbers in the pharmaceutical and finance sectors is also increasing, but more modestly.

These variations can be attributed to several factors. Highly regulated industries like finance and pharmaceuticals and medical devices may require more legal oversight and professional services firms' clients often fall within these and similarly complex, regulated industries. The information industry's growth could be driven by increasing complexity in intellectual property and data privacy. Conversely, retail and wholesale trade companies, with a stronger focus on high-volume, lower-margin transactions, may have a less demanding legal environment.

Some of the other industries show mixed trends. The evolution of the number of lawyers per billion in revenue in the insurance, utilities, and transportation industries oscillates around the overall trendline, though the 2025 value observed in the transportation industry is noticeably lower (1.6) than the overall median value (4.2).

LAWYERS PER $1B IN COMPANY REVENUE BY INDUSTRY



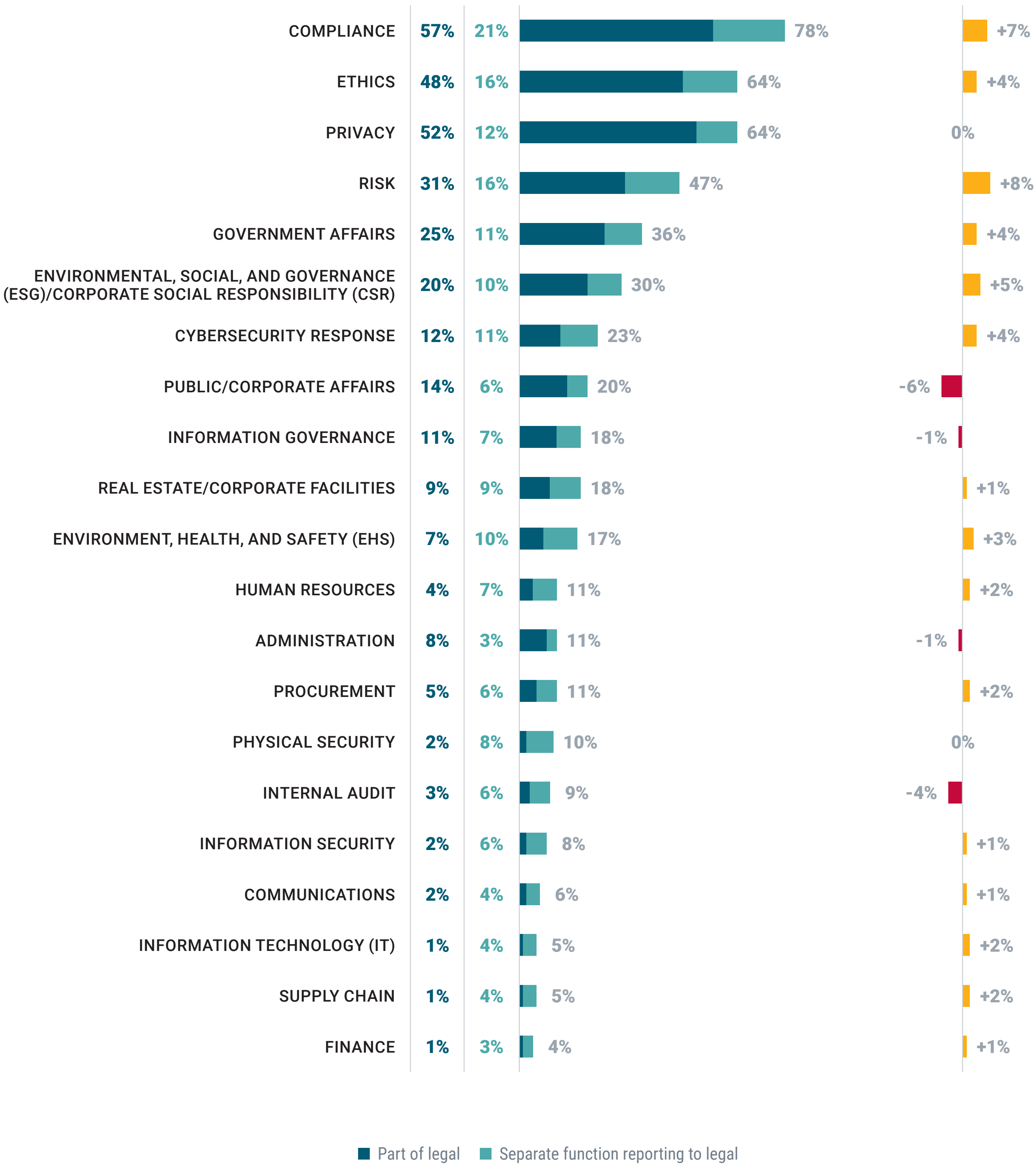


Compliance, ethics, and privacy are the business functions most commonly overseen by the chief legal officer (CLO), with over 60 percent of departments indicating that they are either part of legal or separate functions that report into legal both in 2024 and 2025. This is consistent with the core responsibilities of legal teams, as these functions directly relate to legal obligations, risk mitigation, and regulatory adherence. These areas often fall under the CLO's oversight because they require a deep understanding of laws and regulations, and any missteps can lead to significant legal and financial repercussions for the organization. Risk management is also a key area, overseen by nearly half of legal departments (47 percent), reflecting the increasing importance of proactive risk identification and mitigation in today's complex business environment.

Incidentally, risk is the area that showed the largest year-over-year increase in the share of legal departments that oversee this function (eight points, from 39 percent to 47 percent). Compliance saw a notable, seven-point rise (from 71 percent to 78 percent), as did and environmental, social, and governance (ESG) and corporate social responsibility (CSR) with a five-point increase (from 25 percent to 30 percent). This suggests a growing trend for legal departments to play a more central role in these areas. Conversely, Public and corporate affairs saw a moderate six-point decrease (from 26 percent to 20 percent), and internal audit also experienced a decline (from 13 percent to nine percent) in legal department oversight. These shifts may indicate a realignment of responsibilities, with other departments taking on a greater role in these specific areas.

Overall, the data confirms legal's increasing focus on core regulatory and risk-related functions, while their involvement in other areas may vary depending on the specific needs and structure of the organization.

BUSINESS FUNCTION OVERSIGHT



SECTION 2

COST MANAGEMENT

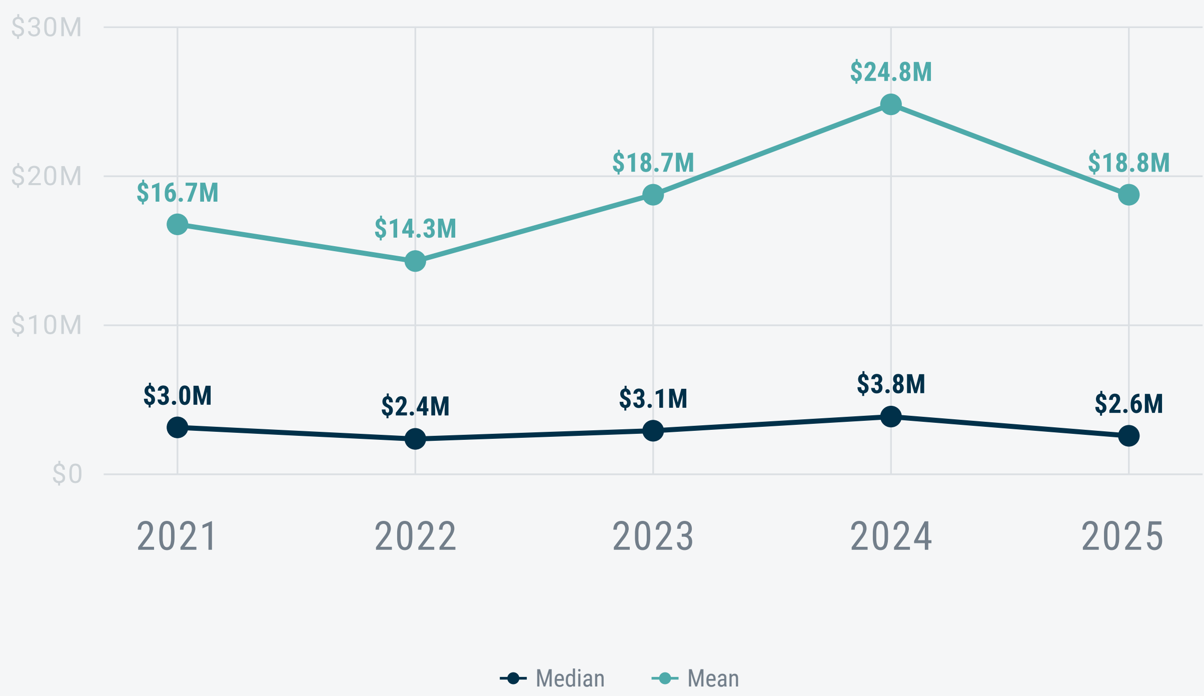
This section focuses on a vital dimension of legal department efficiency: the strategic management of costs. We offer a detailed analysis of key legal spending metrics, providing a foundation for law departments seeking to establish benchmarks in this crucial area. Our exploration includes:

- **Internal vs. external resource allocation:** We present how legal budgets are distributed between in-house resources and external vendors, such as outside counsel and alternative legal services providers (ALSPs).
- **Detailed spending categories:** We offer a deeper dive into legal expenditures by presenting specific data on external legal costs across significant areas like intellectual property and litigation.
- **Legal spend in relation to company revenue:** We show how legal spending patterns relate to company revenue, enabling departments to assess industry benchmarks for resource allocation relative to organizational scale.
- **Key cost benchmarks:** We present essential data points for metrics such as cost-per-lawyer hour and investments in legal technology, offering valuable benchmarks to allocate resources efficiently.

The median total legal spend for legal departments showed a general upward trend from 2021 to 2024, rising from US$3 million to US$3.8 million, before decreasing in 2025 to US$2.6 million. This is, in part, a result of the changing survey population year-over-year rather than more limited legal spending across legal departments, as the median company revenue size was larger in 2024 compared to 2025, and legal spend is strongly associated with the size of the company.

The average (mean) legal spend is consistently and significantly higher than the median across all years, which is a result of the presence of very large companies in the population with high spending amounts. The resulting skewness is typical in expenditure data because a small number of large legal departments with very high spending pull the mean upwards, while the median, representing the middle value, is less affected by these extreme values, as shown by the median's relatively flatter trendline.

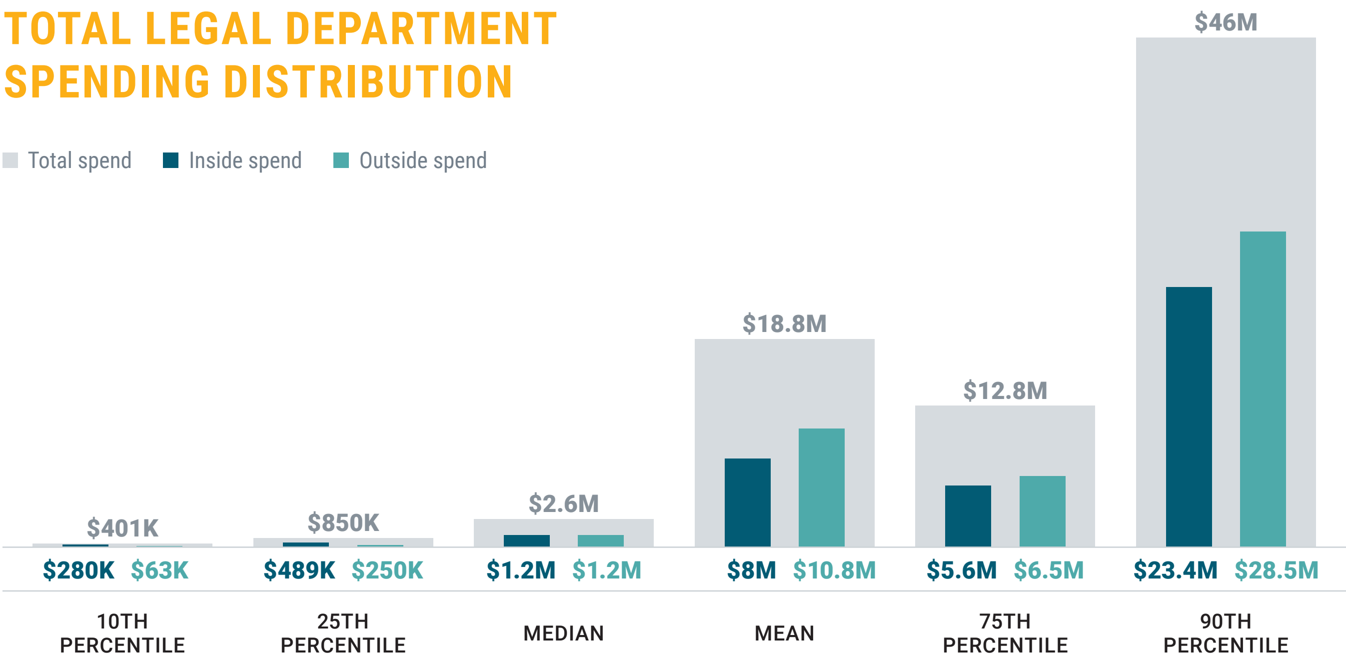
TOTAL LEGAL DEPARTMENT SPENDING OVER TIME



Total legal spend is a combination of inside spend, which includes lawyer and non-lawyer spend (salaries, benefits, etc.), and outside spend, which typically includes spend on outside counsel and alternative legal services providers (ALSPs). A full statistical distribution of spending amounts shows how dramatically legal spend changes across companies. The 10th percentile of total legal spend indicates that the 10 percent of departments with the lowest total legal costs spend about US$400,000, while the top 10 percent spenders show costs of about 100 times more at US$46 million.

Both the median inside spend and outside spend amounts are US$1.2 million. For inside spend, the 10th percentile is US$280,000 and the 90th percentile amounts to US$23.4 million. The outside spend amount for the 10th percentile of legal departments is just US$63,000, whereas the 10 percent of departments with the highest outside spending amounts spend US$28.5 million or more. The average total spend of US$18.8 million is a combination of internal expenses averaging US$8 million and outside expenses with an average value of US$10.8 million.

TOTAL LEGAL DEPARTMENT SPENDING DISTRIBUTION



INSIDE SPEND typically includes costs associated with the internal legal department's operations, including salaries, benefits, technology, training, and other overhead expenses directly related to maintaining and running the in-house legal team. This includes compensation for lawyers, paralegals, support staff, and other professionals working within the legal department.

OUTSIDE SPEND typically includes costs paid to external legal service providers, such as law firms, alternative legal services providers, consultants, and expert witnesses. This encompasses fees for litigation, transactional work, regulatory advice, specialized legal services, and any other legal work performed by individuals or organizations outside the corporate legal department. However, outside legal spend does not include settlement costs, judgements, fines, recoveries, or costs associated with claims or capitalized expenses.

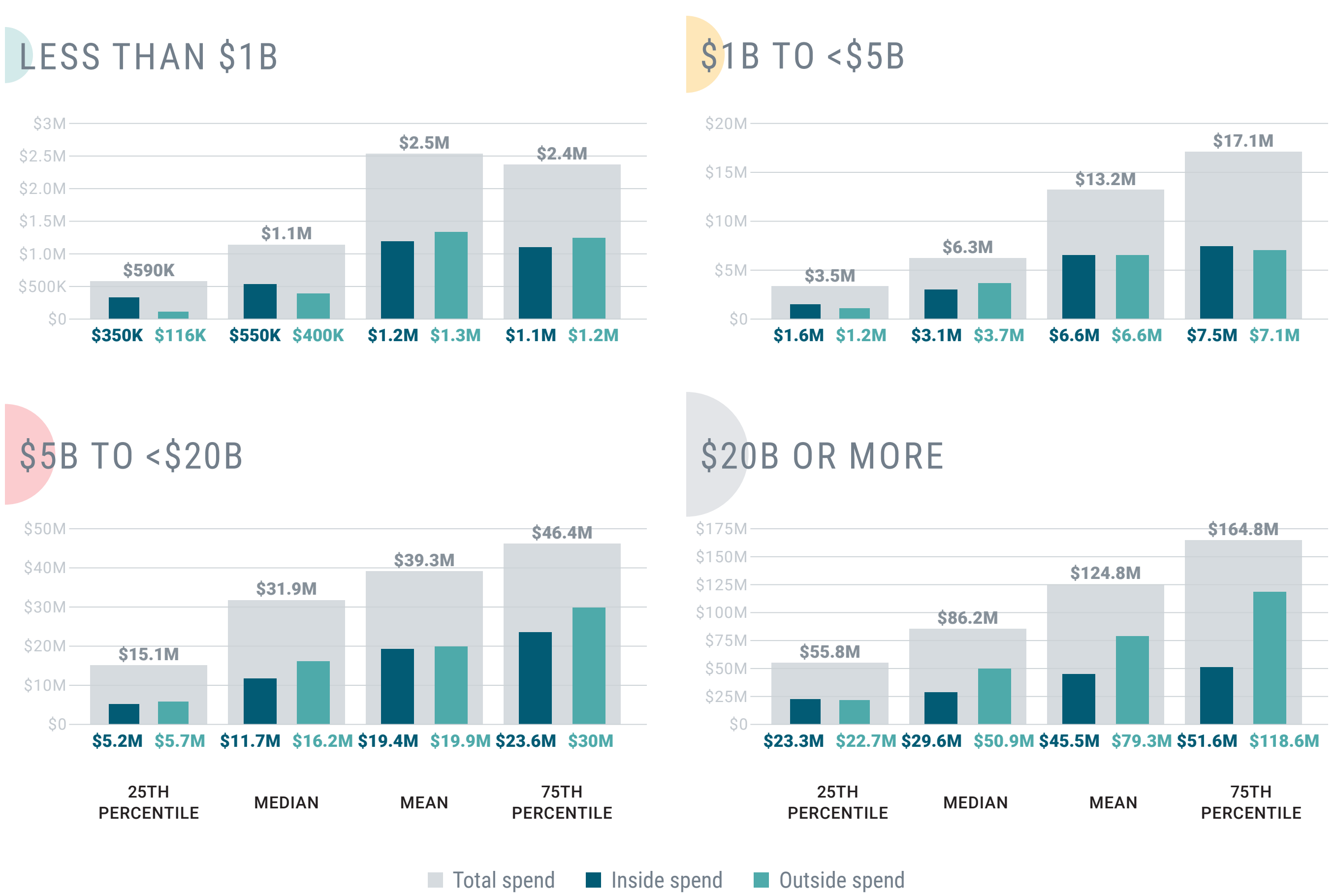
Total spend is the combination of inside spend and outside spend.

With such extreme differences in legal costs, it is imperative to review the results broken down by company revenue size. For smaller companies with less than US$1 billion in revenue, total legal spending is relatively low, with a median of US$1.1 million and a mean of US$2.5 million. Inside spending for this group has a median of US$550,000, while outside spending is lower, with a median of US$400,000. In contrast, companies with revenues larger than US$20 billion incur substantially higher legal costs. Their median total legal spend is US$86.2 million, and the mean reaches US$124.8 million. Inside spending for these large companies has a median of US$29.6 million, and outside spending has a median of US$50.9 million.

The data highlights a clear trend: as company revenue increases, so does both inside and outside legal spending, but at a disproportionate rate. The largest companies spend tens of times more than the smallest ones. For illustrative purposes, while the 25th percentile of total spending for companies with less than US$1 billion in revenue is US$590,000, it is a whopping US$55.8 million for companies with US$20 billion or more in revenue. This indicates that the sheer scale and complexity of legal matters for these large corporations necessitate much greater legal resources, both in-house and external.

This visual also introduces another trend related to how inside and outside costs are distributed across companies of different sizes: the median inside spend is higher than outside spend among companies in the smallest revenue category, but median outside spend is larger than inside spend across the other categories with companies with revenues above US$1 billion. Showing the inside-outside spend distribution as a percentage of total spend further stresses this point, as we show next.

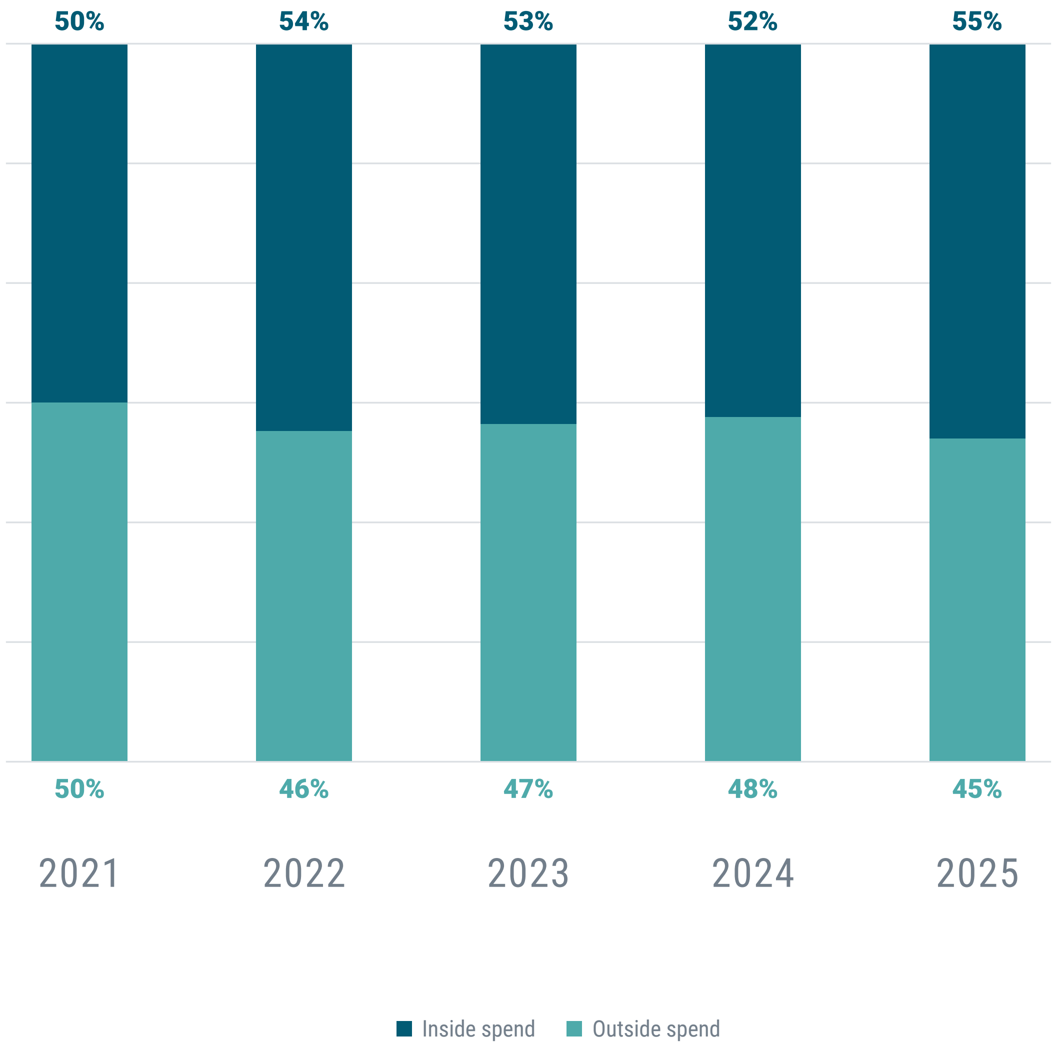
OVERALL SPENDING AMOUNTS BY COMPANY REVENUE



Overall, the results indicate a general trend towards increasing inside legal spending relative to outside spending in the last five years. In 2021, the average inside spend and outside spend was evenly split. By 2025, the overall inside spend average has risen to 55 percent, while outside spend has decreased to 45 percent. Although there are slight fluctuations, this shift could suggest that legal departments are increasingly handling more work in-house, potentially to control costs, develop greater expertise within the company, and improve responsiveness.

INTERNAL AND EXTERNAL SPEND DISTRIBUTION

ALL DEPARTMENTS

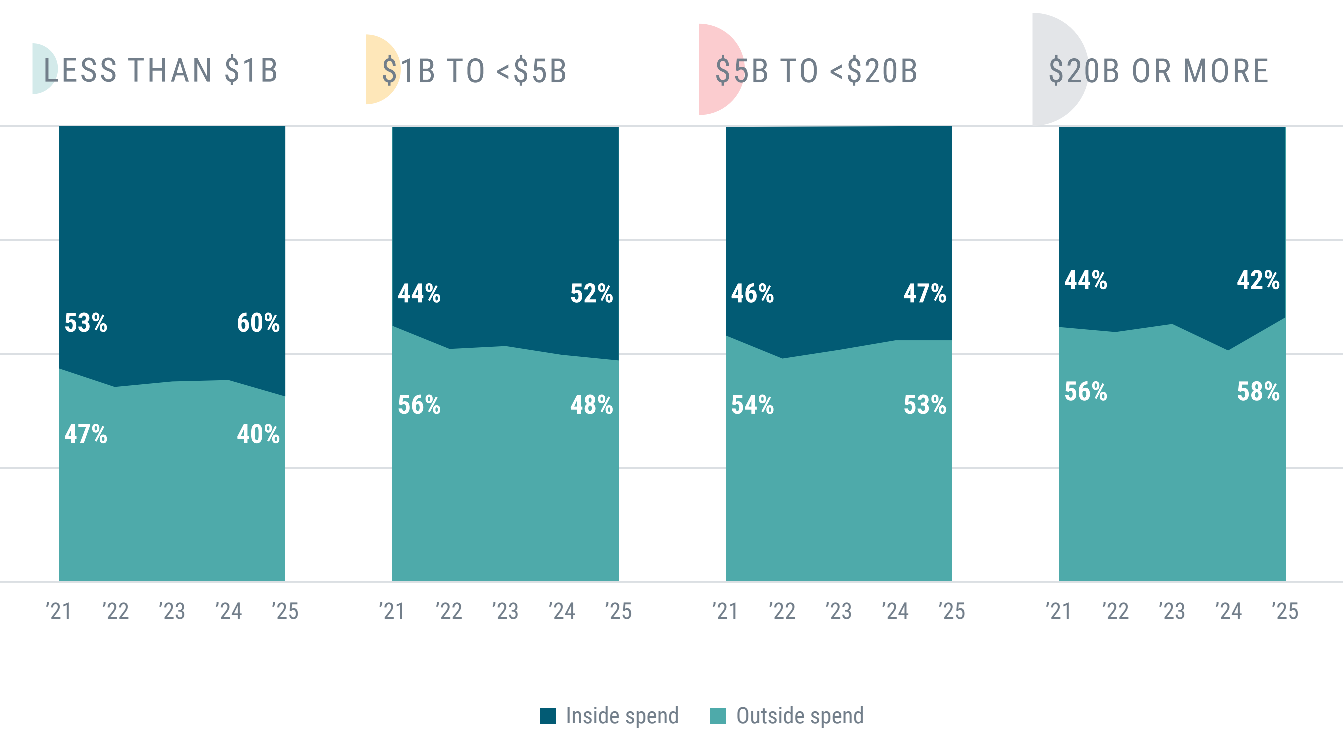


However, this shift toward increased inside spend could be related to the size of the company, and we have acknowledged that this year's participating departments are on average in smaller companies than in 2024. By exploring the data broken down by company revenue size we can observe varying trends in the distribution of inside versus outside legal spend.

Companies with less than US$1 billion in revenue consistently allocate the highest proportion to inside spending, starting with an average of 53 percent in 2021 and increasing to 60 percent by 2025, a seven-point shift. Similarly, companies with revenues ranging between US$1 billion and US$5 billion show the same pattern, with inside spending increasing from 44 percent in 2021 to 52 percent in 2025.

In contrast, larger companies tend to allocate a larger share of their legal expenses to outside costs. Departments in companies with revenues ranging from US$5 billion to US$20 billion reflect a more stable pattern, with a 47 percent to 53 percent inside-outside spend split, but for the largest companies with revenues exceeding US$20 billion the share of outside spending costs has increased by two points since 2021, with a 58 percent to 42 percent split in favor of outside spending costs. Overall, these trends suggest not only that smaller companies tend to rely more on their in-house legal teams, but also that the investment on inside expenses is increasing, while largest companies tend to consistently spend more on outside counsel and other external providers.

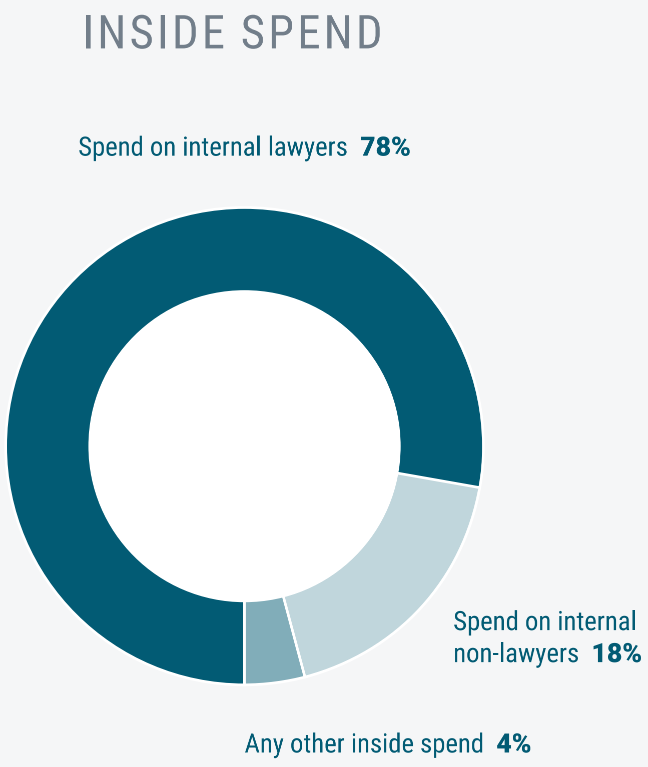
INSIDE AND OUTSIDE SPEND DISTRIBUTION BY COMPANY REVENUE

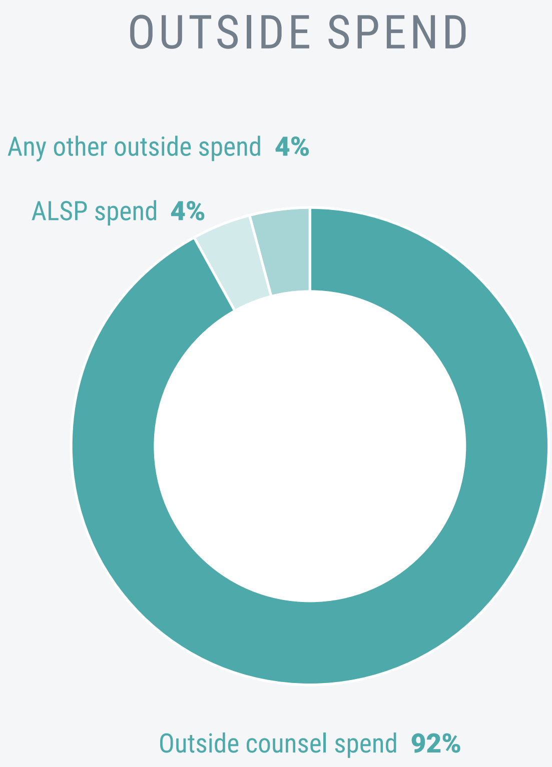


The majority of inside legal spending (78 percent) is directed towards internal lawyer salaries, benefits, and other associated costs (up from 72 percent in 2024), while a smaller portion (18 percent on average) is allocated to internal non-lawyer staff expenses. The remaining four percent of inside spend falls into other categories, such as legal technology and other uncategorized expenses. Similarly, for outside legal spend, the bulk (92 percent, up from 87 percent last year) is for outside counsel, while ALSPs and other outside expenses, such as consulting engagements or other outsourced services, each account for about four percent. The results confirm the established practice that law firms remain the dominant recipients of outside legal spending, and inside spending is primarily driven by lawyer compensation.

INSIDE AND OUTSIDE EXPENSES

ALL DEPARTMENTS



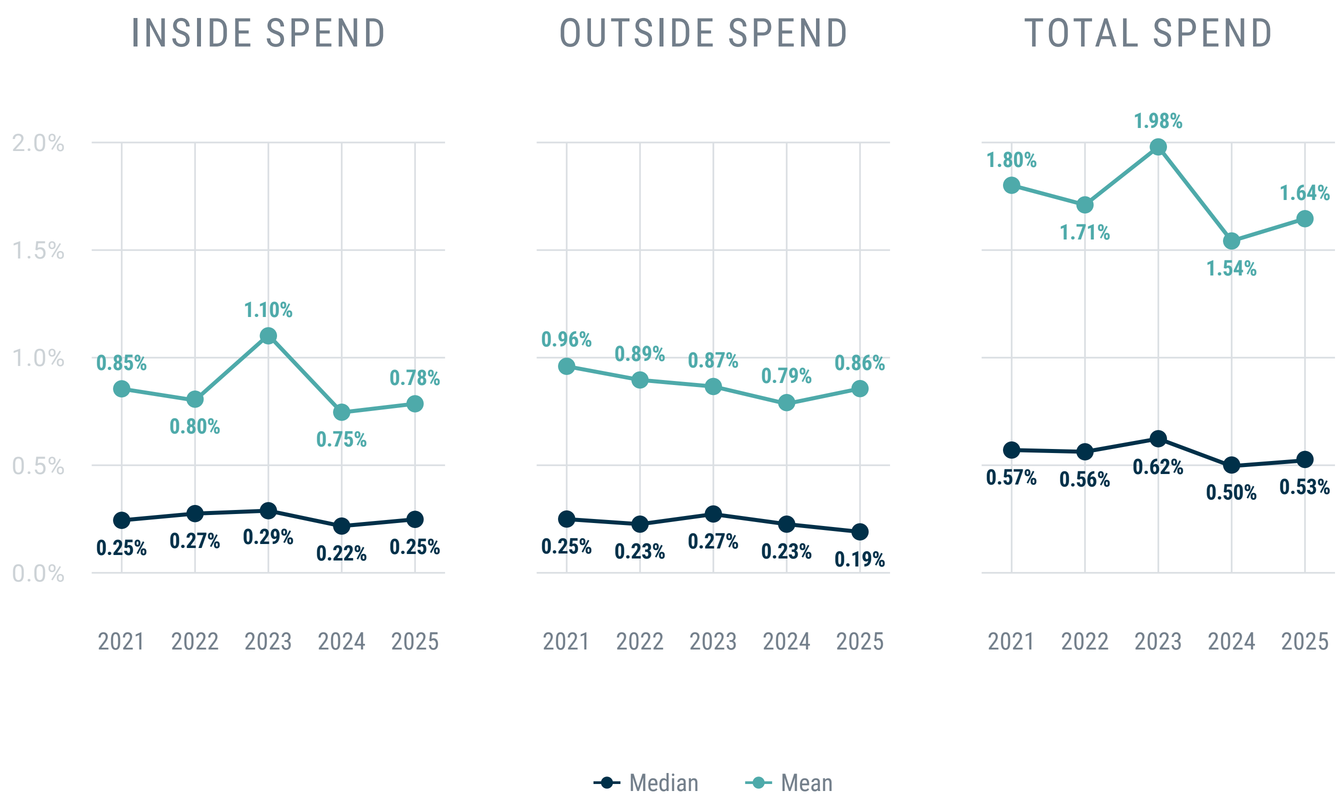


This chart shows the median and mean values for inside, outside, and total legal spending as a percentage of revenue, which is a critical metric to standardize legal costs across companies of different sizes. Median values are more stable than mean values across the five-year period, as the mean is more susceptible to the influence of extreme values. These are often small companies with relatively large legal budgets that drive the metric's value upward. Median total spend amounts typically fluctuate between 0.5 percent and 0.63 percent, while mean total spend values range from 1.54 percent to 1.98 percent.

The median inside spend as a percentage of revenue is 0.25 percent, up three basis points from 0.22 percent in 2024, while the median outside spend decreased four basis points compared to last year's (from 0.23 percent to 0.19 percent). In terms of the mean values, average inside spend as a percentage of revenue is 0.78 percent, while outside spend is slightly higher at 0.86 percent for a combined total legal spend as a percentage of revenue average of 1.64 percent.

LEGAL SPEND AS A PERCENTAGE OF COMPANY REVENUE

ALL DEPARTMENTS

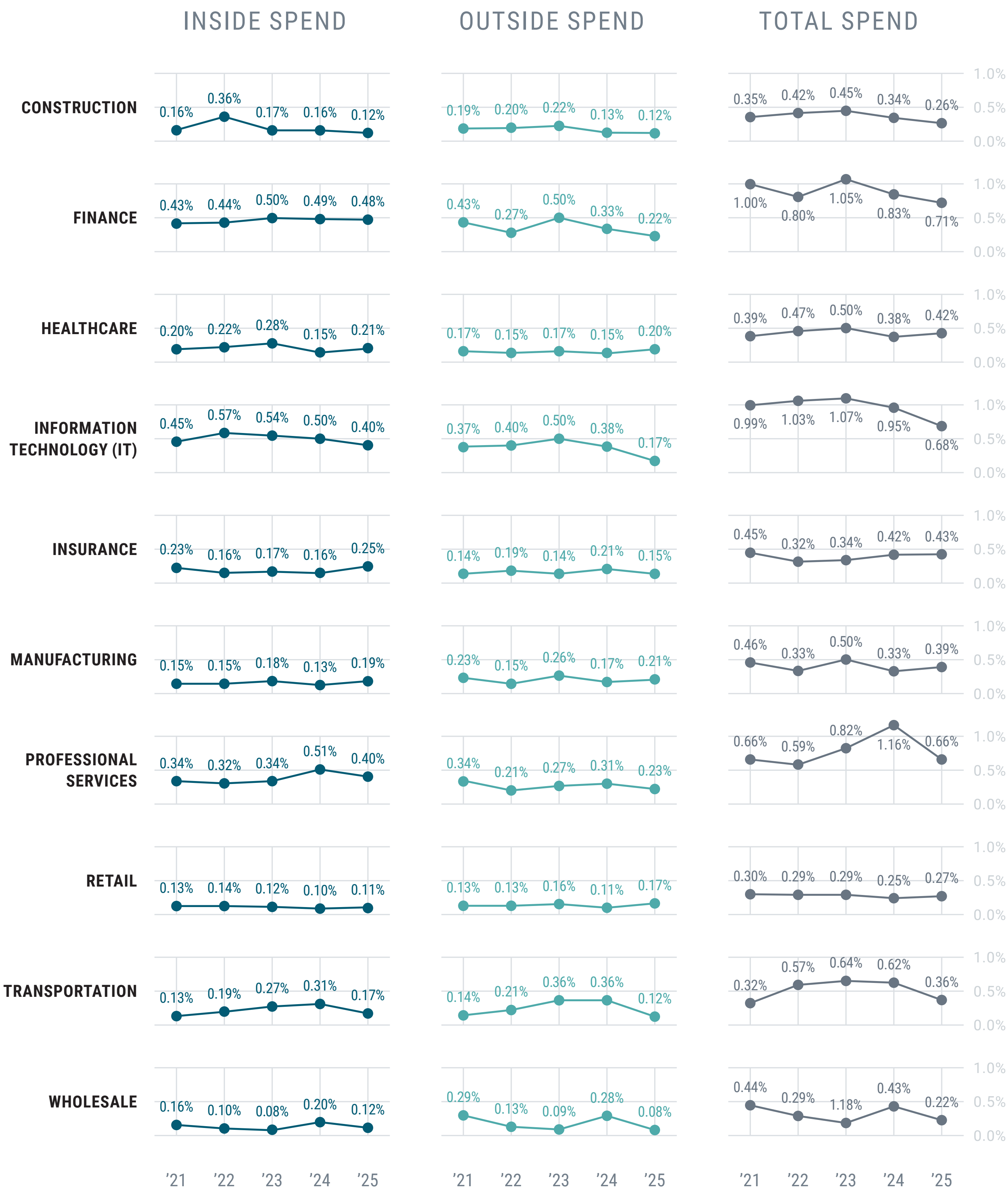


Spending as a percentage of revenue varies across different industries. Finance and information technology (IT) companies (total spend of 0.71 percent and 0.68 percent, respectively, in 2025) tend to have higher total legal spending, reflecting the complex regulatory and technological landscapes they operate in, including significant litigation risks. Retail and wholesale trade, on the other hand, generally show lower legal spending.

The median inside spend as a percentage of revenue tends to be higher than outside spend in finance, information, and professional services, which we saw have the highest numbers of lawyers per billion in company revenue. Larger headcounts consequently increase internal costs. Manufacturers, on the other hand, tend to have slightly larger median outside costs as a percentage of revenue than inside costs, though the difference is small in 2025 (0.19 percent inside compared to 0.21 percent outside).

There is no uniform trend on whether spend has changed across industries over time, although spend as a percentage of revenue tends to be lower than what we observed in 2021 in some industries. For instance, IT saw a decrease in total spend from 0.99 percent in 2021 to 0.68 percent in 2025, finance also saw a decrease from 1 percent to 0.71 percent in the same period, and professional services shows a decrease from 1.16 percent last year to 0.66 percent in 2025. As these are the same industries with the highest number of lawyers standardized by revenue, one hypothesis could be that expanding the size of the legal department has resulted in decreased overall legal costs over time. Other industries also have shown declines in overall costs as a percentage of revenue, including construction, manufacturing, and wholesale trade, but these are more constrained.

LEGAL SPEND AS A PERCENTAGE OF REVENUE BY INDUSTRY



We calculate additional spending metrics included in the table below, which reports median values. There is a stark contrast in legal spending between companies of different sizes. While the typical legal department spends a median of US$800,000 on internal lawyers, this figure is significantly larger for the largest companies at a substantial US$18.5 million. The same pattern occurs across other spending amounts, including on outside counsel spend related to litigation and IP.

Legal technology spending and cost-per-lawyer hour also vary with company size. Overall, legal technology accounts for four percent of total legal spend, with the typical legal department spending US$123,000 on legal technology tools and licenses. Companies with less than US$1 billion in revenue allocate a slightly higher percentage (five percent) to legal technology but spend a smaller absolute amount (US$70,000). In contrast, the largest companies spend substantially more on legal technology (US$1.8 million) but allocate a smaller percentage of their total budget to it (about two percent) due to their relatively high overall budgets. The cost-per-lawyer hour also increases with company size, from US$127 for the smallest companies to around US$160 for the largest, likely reflecting the higher salaries of lawyers at larger corporations.

ADDITIONAL SPENDING BENCHMARKS

	ALL DEPARTMENTS	LESS THAN $1B	$1B TO <$5B	$5B TO <$20B	$20B OR MORE
TOTAL SPEND ON INTERNAL LAWYERS *Combined compensation among all department lawyers–salary, bonus, taxes, and benefits*	$800K	$450K	$2.4M	$8.5M	$18.5M
TOTAL SPEND ON INTERNAL NON-LAWYERS *Combined compensation among all non-lawyer staff–salary, bonus, taxes, and benefits*	$200K	$100K	$425K	$3.2M	$7.5M
ANY OTHER INSIDE SPEND	$0	$0	$0	$0	$233K
OUTSIDE COUNSEL SPEND	$1.1M	$364K	$3.3M	$13.8M	$44M
OUTSIDE COUNSEL SPEND ON LITIGATION (EXCL. IP)	$286K	$75K	$1.2M	$3M	$15.5M
OUTSIDE COUNSEL SPEND ON IP LITIGATION	$0	$0	$0	$0	$138K
OUTSIDE COUNSEL SPEND ON IP (NON-LITIGATION)	$44K	$16K	$200K	$363K	$1M
ALSP SPEND	$0	$0	$0	$123K	$316K
ANY OTHER OUTSIDE SPEND	$0	$0	$0	$0	$0
COST-PER-LAWYER HOUR *Total spend on internal lawyers divided by (lawyers × 1,800 hours)*	$139	$127	$147	$162	$160
PERCENTAGE OF TOTAL SPEND ALLOCATED TO LEGAL TECHNOLOGY	4%	5%	4%	2%	2%
LEGAL TECHNOLOGY SPEND	$123K	$70K	$296K	$618K	$1.8M

SECTION 3

WORK ALLOCATION

In this section, we explore another fundamental aspect of legal department effectiveness: how legal work is distributed and managed. The findings reveal the various approaches organizations take to allocate their legal tasks across 17 specific legal work areas. The survey captures the nuances of work assignment by asking respondents to indicate how each work type is handled through:

- **Internal legal teams:** Work managed directly by the company's in-house legal professionals.
- **External law firms:** Work handled by outside counsel.
- **Alternative legal services providers (ALSPs):** Work managed by non-traditional legal service providers.
- **Strategic blends**: Work handled through a combination of internal and external resources.

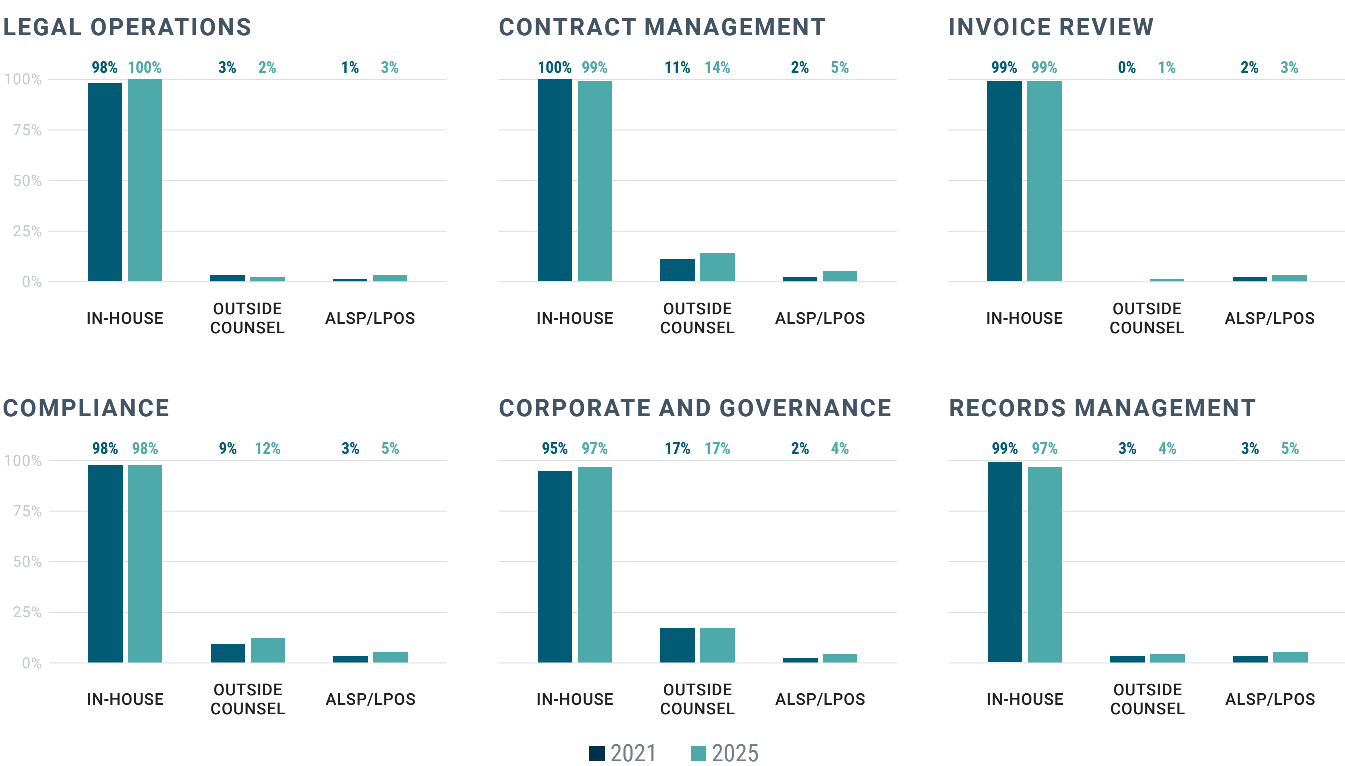
For 17 different work areas, participants indicated whether each type of work is handled in-house, by outside counsel, by ALSPs, or not covered. Some areas can of course be handled both by the in-house team and outside vendors. Here we show the percentage that say they handle each of these areas in-house, and the percentage that outsource each area to outside counsel or ALSPs while comparing this year's results to the results from 2021.

The results show a strong preference for handling several legal work areas in-house, with the list of areas sorted by the percentage that handle each type of work in-house, from highest to lowest. Compliance, contract management, corporate and governance, document management, invoice review, legal operations, privacy and security, records management, and regulatory were handled in-house by over 90 percent of departments in both 2021 and 2025. These areas often involve core business functions, standardized processes, and sensitive company information, making in-house management more practical and secure.

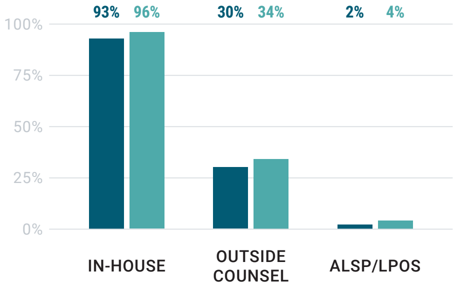
Conversely, IP services, and both discovery categories (data collection, and data processing/hosting) show higher rates of outsourcing to outside counsel. In 2021, 70 percent of departments outsourced IP services to outside counsel, and this increased to 73 percent in 2025. Similarly, both discovery categories have outside counsel involvement above 40 percent in both 2021 and 2025. These areas often require specialized expertise, technology, and resources that may not be readily available in-house. Areas with higher outsourcing to outside counsel also tend to have lower percentages of in-house handling.

Comparing 2021 and 2025, the most significant change is a slight increase in ALSP usage across several areas, although usage remains relatively low overall. For example, ALSP outsourcing in compliance increased from three percent in 2021 to five percent in 2025, and in contract management, it increased from two percent to five percent. However, the two work areas more commonly outsourced, even if limited, to ALSPs, the two discovery categories, show slightly lower engagement rates in 2025 compared to 2021 (nine percent compared to 13 percent for data collection, and 17 percent compared to 20 percent for data processing and hosting). Incidentally, more departments are now outsourcing these two discovery areas to outside counsel, and a slightly increased percentage of departments also handle them in-house.

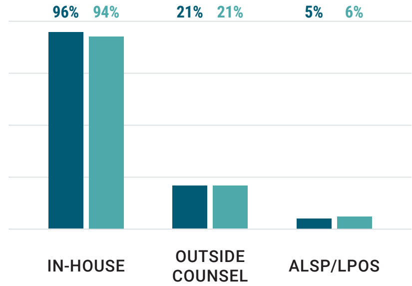
WORK ALLOCATION



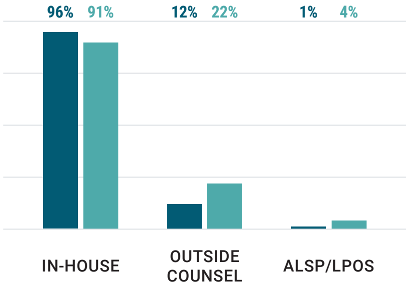
REGULATORY



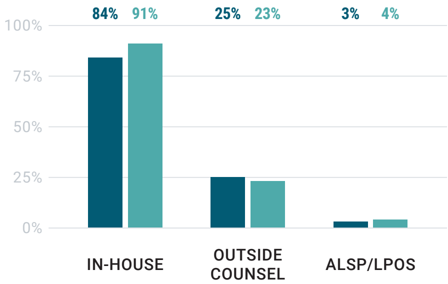
PRIVACY AND SECURITY



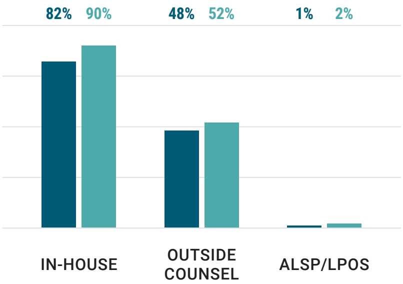
DOCUMENT MANAGEMENT - REVIEW AND DRAFTING



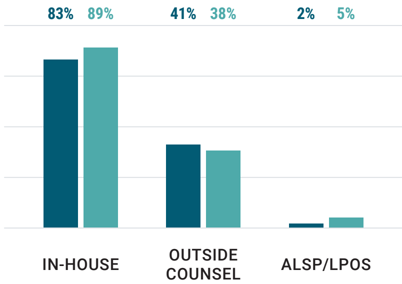
LITIGATION - LEGAL HOLD



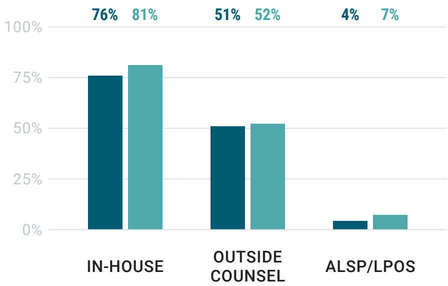
LABOR AND EMPLOYMENT



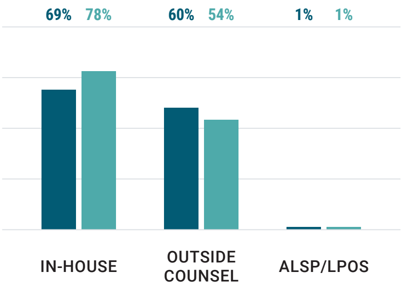
LEGAL RESEARCH



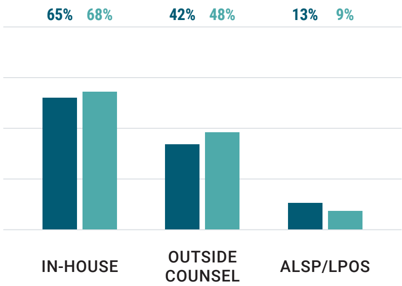
DUE DILIGENCE



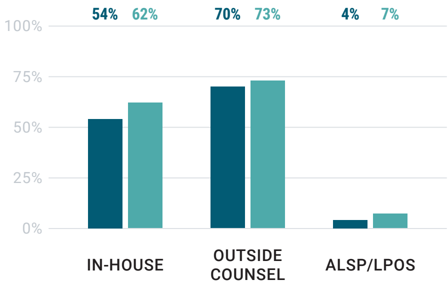
LITIGATION - CASE/ PROJECT MANAGEMENT



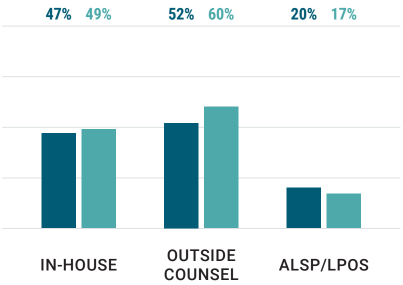
DISCOVERY - DATA COLLECTION



INTELLECTUAL PROPERTY SERVICES



DISCOVERY - DATA PROCESSING/HOSTING

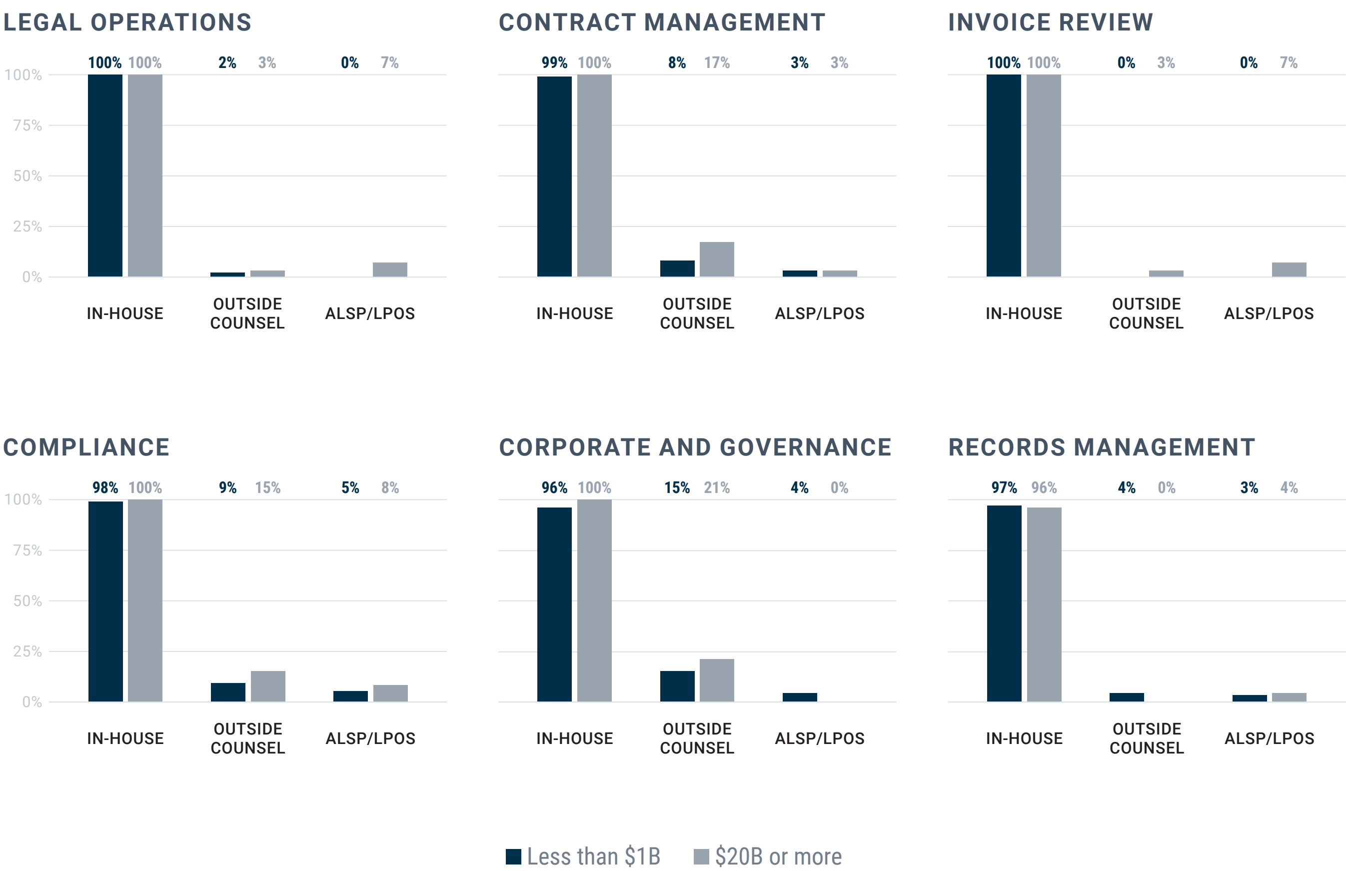


2021 2025

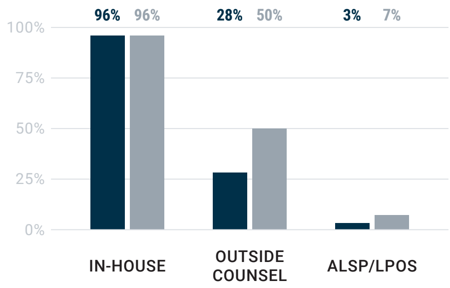
Legal departments in large and small companies show some similarities in their approach to handling these different types of legal work, but also exhibit key differences, likely driven by scale and complexity. Legal teams across companies of different sizes heavily favor in-house handling of core functions like compliance, contract management, legal operations, and records management, with the number of in-house departments handling these tasks at or near 100 percent. This suggests that these fundamental areas are considered essential to the legal function, regardless of company size. Invoice review is also handled almost exclusively in-house in both small and large organizations.

However, larger companies with revenues of US$20 billion or engage both outside counsel and ALSPs across a broader range of legal work. While small companies with less than US$1 billion in revenue rely on outside counsel primarily for specialized areas like IP services (74 percent outsource this area to outside counsel) and discovery (over 40 percent handled by outside counsel), large companies also involve outside counsel more frequently in areas like litigation, labor and employment, and regulatory. ALSP usage is also notably higher among large companies, particularly in discovery and IP, suggesting they leverage these providers for efficiency and specialized support.

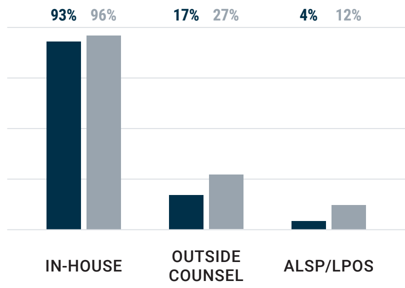
WORK ALLOCATION BY COMPANY REVENUE



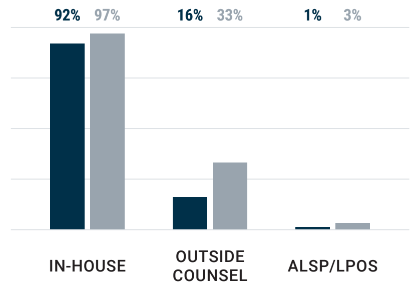
REGULATORY



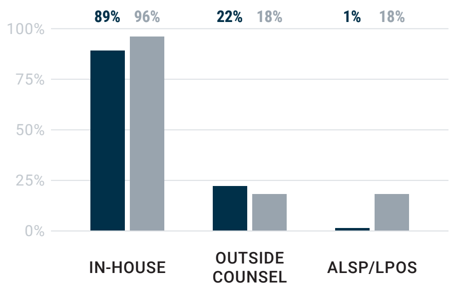
PRIVACY AND SECURITY



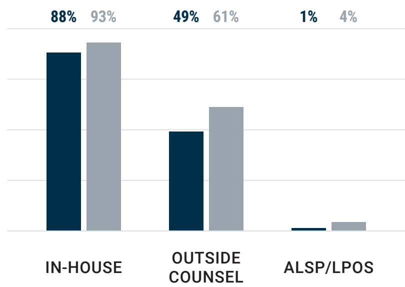
DOCUMENT MANAGEMENT - REVIEW AND DRAFTING



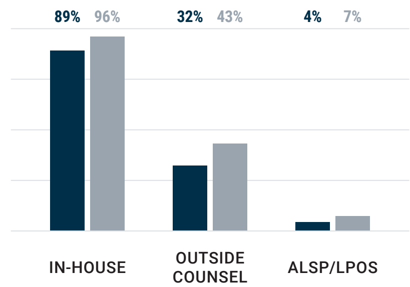
LITIGATION - LEGAL HOLD



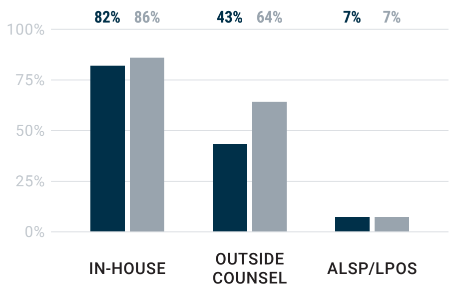
LABOR AND EMPLOYMENT



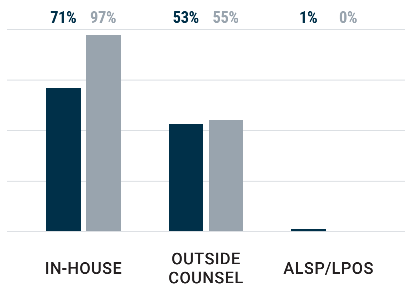
LEGAL RESEARCH



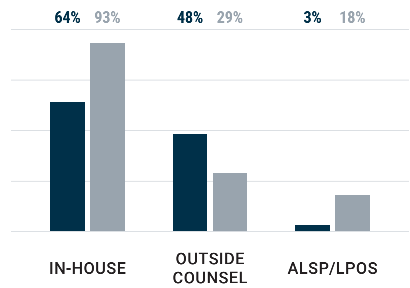
DUE DILIGENCE



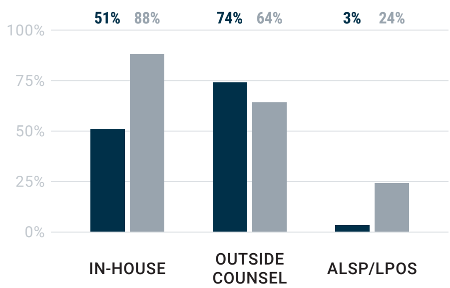
LITIGATION - CASE/ PROJECT MANAGEMENT



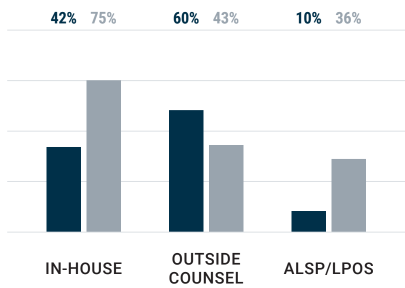
DISCOVERY - DATA COLLECTION



INTELLECTUAL PROPERTY SERVICES



DISCOVERY - DATA PROCESSING/HOSTING



■ Less than $1B ■ $20B or more

SECTION 4

LEGAL TECHNOLOGY ADOPTION

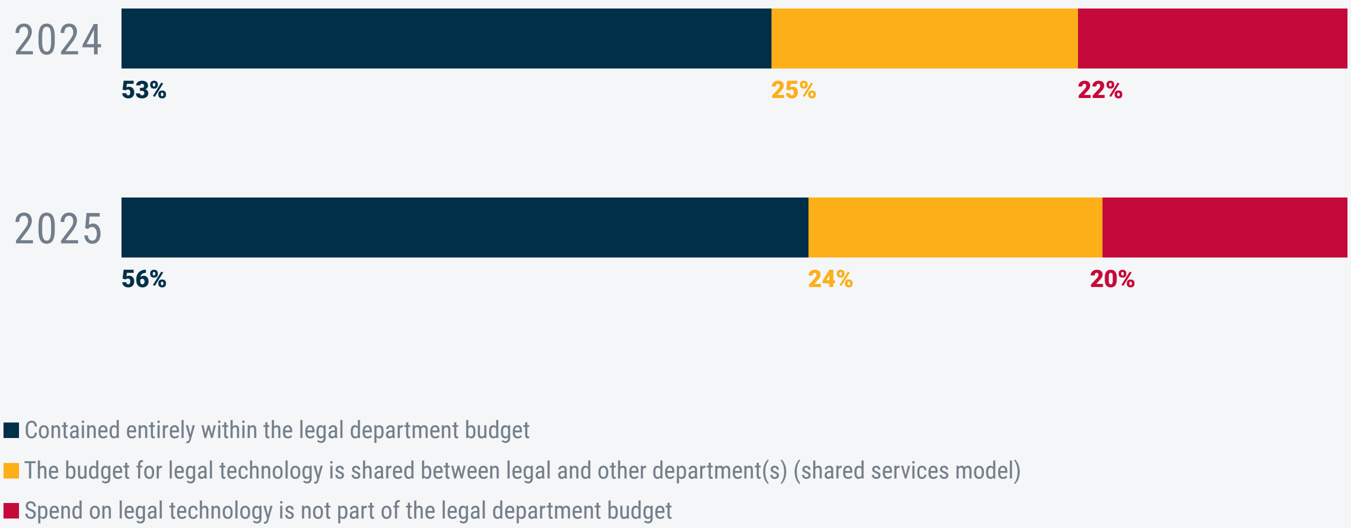
The legal function is rapidly evolving, with technology emerging as a critical enabler of operational excellence. This section examines the ways in which in-house legal teams are embracing the potential of legal technology to enhance their operations. The results show that smaller law departments often rely on more basic tools, while larger ones leverage technology for more sophisticated functions. This section includes:

- **Legal technology budget strategies:** We show how legal departments are allocating their financial resources towards legal technology, offering benchmarks for those looking to optimize their own tech investments.
- **Current technology utilization:** We present the specific legal technology solutions that are gaining traction among legal teams for automating processes, boosting efficiency, and improving the delivery of legal services.
- **Technology adoption by company size:** We further breakdown how the adoption of legal technology differs across organizations of varying sizes, providing valuable context for industry standards and best practices.

Most participating legal departments (53 percent in 2024 and 56 percent in 2025) have legal technology spend entirely contained within their own budgets. Around one-quarter of legal departments share the budget with other business units (25 percent in 2024 and 24 percent in 2025). Finally, a smaller percentage of participants said that legal technology is not included in the legal department budget (22 percent in 2024 and 20 percent in 2025). While legal technology is increasingly crucial for efficiency, some organizations still manage it through shared services, especially for enterprise-wide systems. The trend shows a slight increase in legal departments controlling their tech budgets.

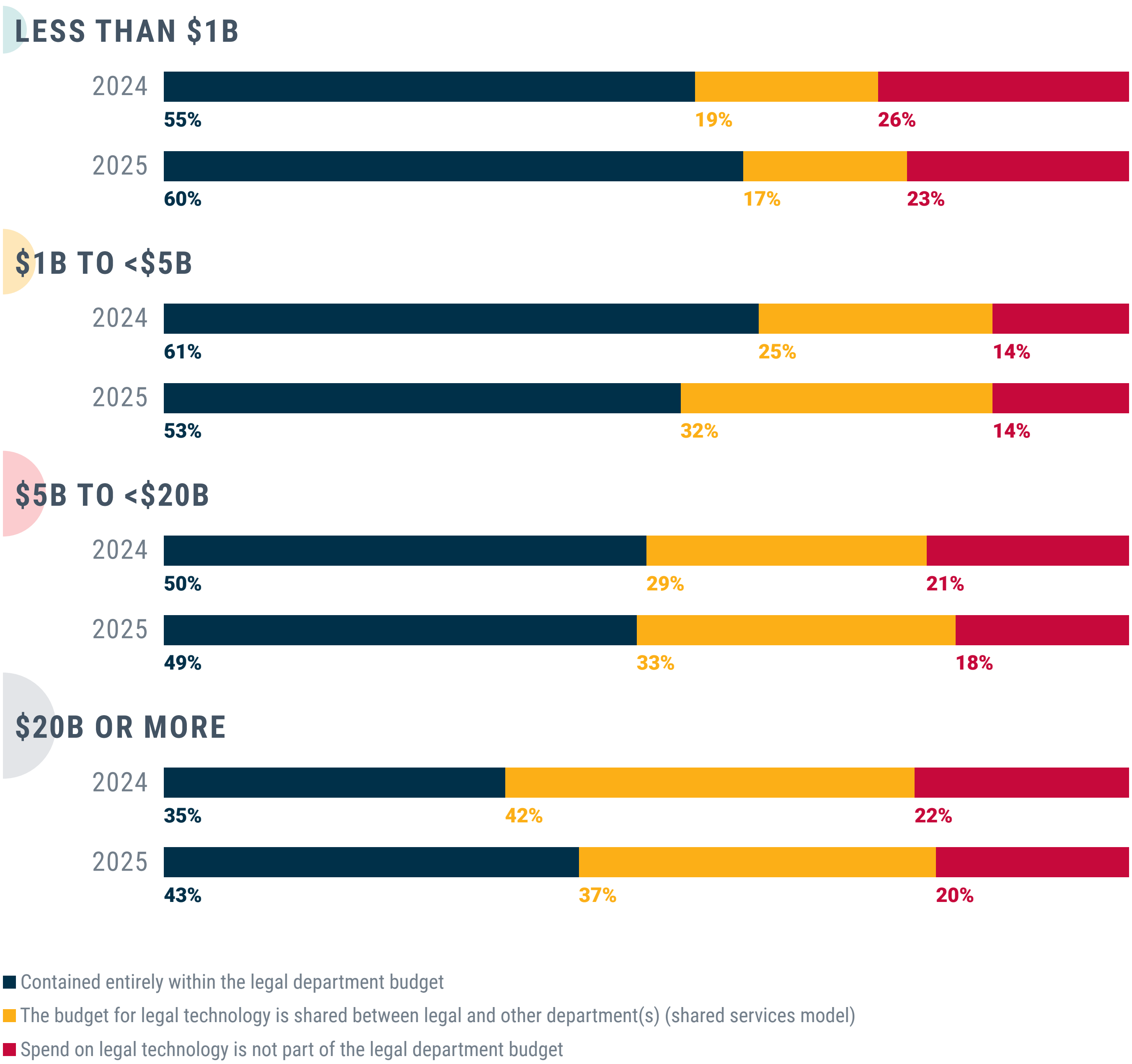
LEGAL TECHNOLOGY BUDGET ALLOCATION

ALL DEPARTMENTS



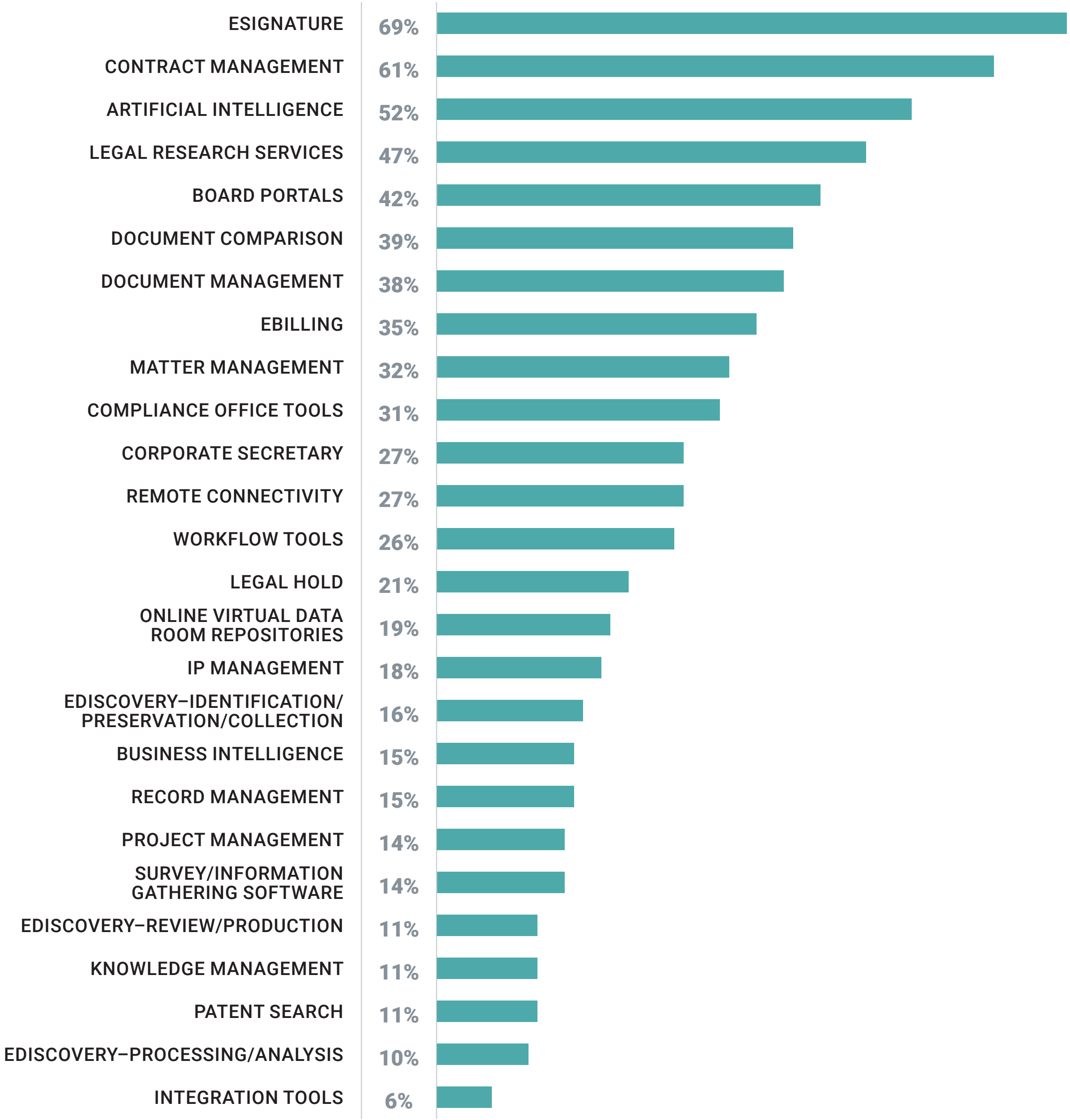
By looking at legal technology budget allocation by company revenue size, we see that smaller companies tend to control their legal technology spending more directly, while larger enterprises often integrate it into broader IT or operational budgets. Legal departments at small companies with less than US$1 billion in revenue are most likely to have legal technology spending entirely within their own budget. In 2025, 60 percent of these departments reported this, compared to 43 percent of companies with US$20 billion or more in revenue. These larger companies are more inclined to share the legal technology budget with other departments; in 2025, 37 percent of these companies use a shared services model, while only 17 percent of companies in the under US$1 billion category did so.

ALLOCATION OF LEGAL TECHNOLOGY BUDGET BY COMPANY SIZE



The most widely adopted legal technology tools among participating departments are eSignature (69 percent) and contract management (61 percent). These tools streamline routine but crucial tasks, enabling in-house lawyers to expedite contract execution and manage contractual obligations more efficiently. Artificial intelligence (52 percent) is also prevalent, likely assisting with tasks like document review and legal research. Legal research services (47 percent), board portals (42 percent), document comparison (39 percent), and document management (38 percent) are also commonly used. These technologies enhance research capabilities, facilitate board communication, improve document accuracy, and organize legal documents, ultimately improving in-house lawyers' daily productivity and decision-making.

LEGAL TECHNOLOGY TOOLS USED



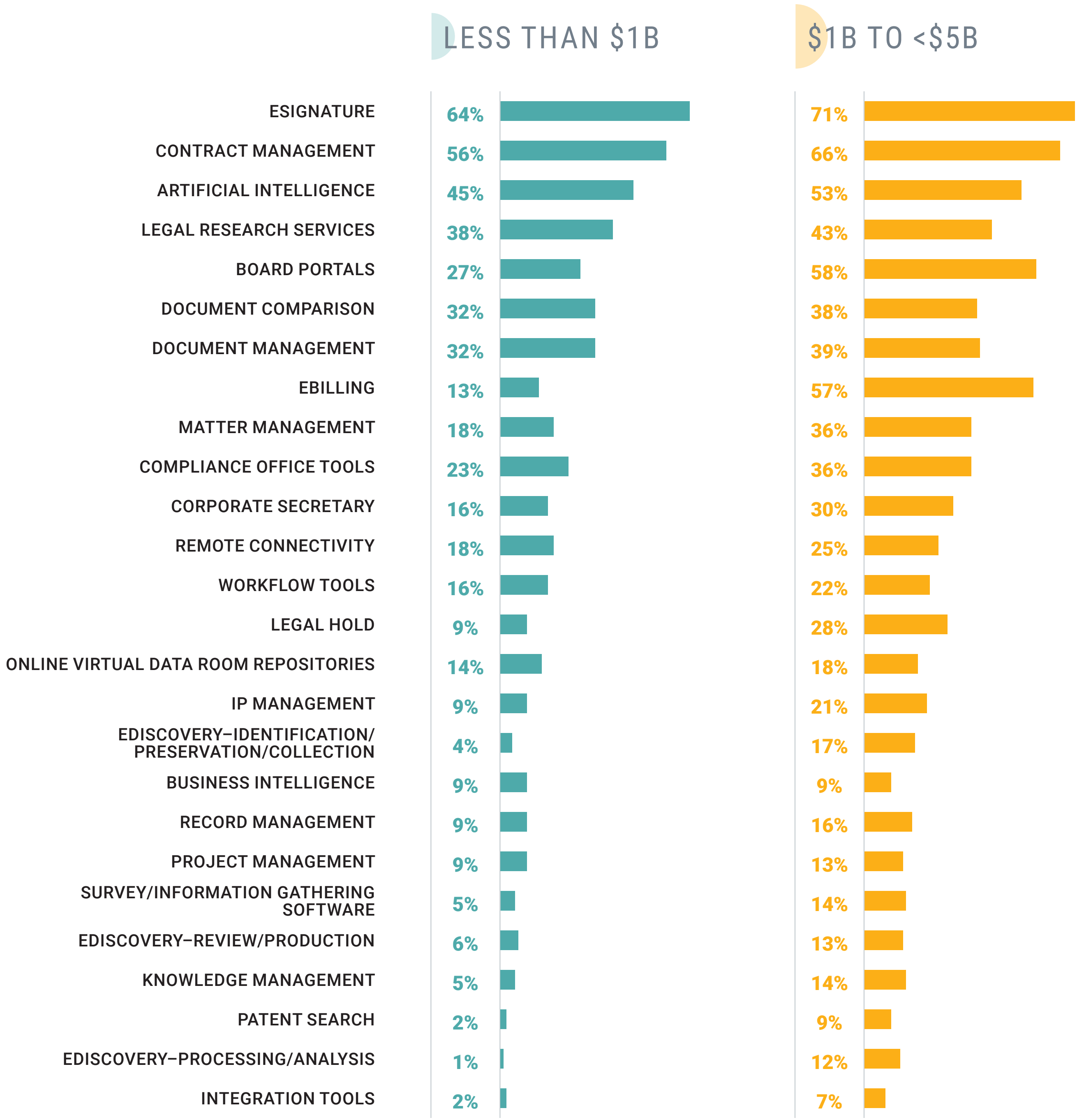
Note: For a list of legal technology tool definitions, please refer to the definitions section at the end of the report.

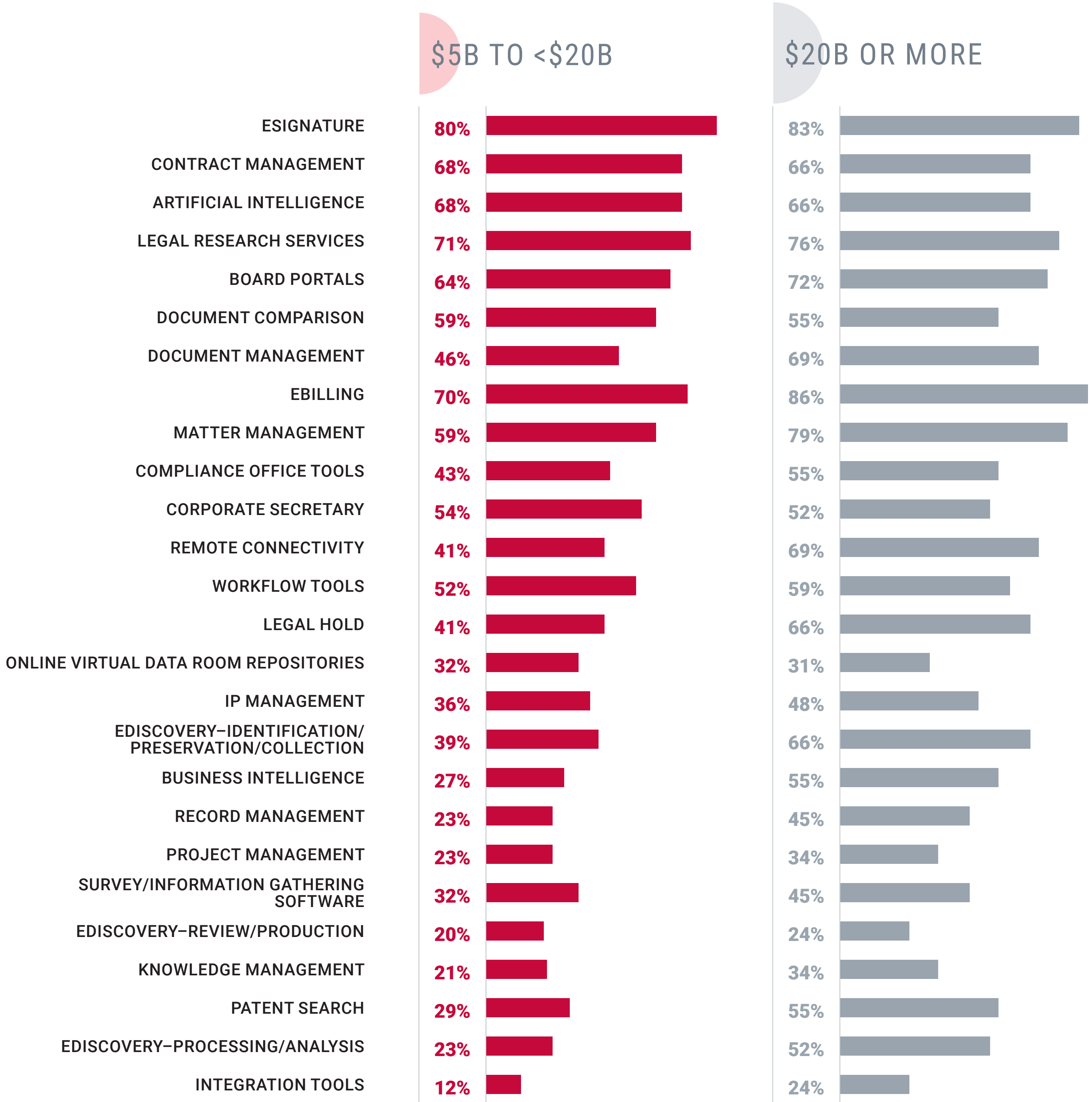
LEGAL TECHNOLOGY ADOPTION BY COMPANY REVENUE

Legal departments in large companies use a wider range of legal technology tools than small legal departments. For instance, 64 percent of departments in the smallest revenue category use eSignature, compared with 83 percent of departments in the largest company revenue group. Similarly, only 38 percent of the departments in small companies use legal research services compared to 76 percent of departments in large multibillion companies.

Furthermore, large companies use several advanced tools at significantly higher rates, indicating a greater investment in technology for complex legal operations. For example, eDiscovery tools (identification/preservation/collection, processing/analysis, and review/production) are used by more than half of departments in companies with US$20 billion or more in revenue, but by less than 20 percent of smaller departments in companies with less than US$1 billion.

Integration tools, IP management, knowledge management, legal hold, matter management, patent search, project management, record management, remote connectivity, survey/information gathering software, workflow tools, business intelligence, compliance office tools, corporate secretary, document comparison, document management and eBilling all follow this pattern. This clearly indicates that smaller departments often rely on more basic tools, while larger ones leverage technology for more sophisticated functions like eDiscovery, IP management, and complex case management.


LESS THAN $1B
$1B TO <$5B
ESIGNATURE 64% 71%
CONTRACT MANAGEMENT 56% 66%
ARTIFICIAL INTELLIGENCE 45% 53%
LEGAL RESEARCH SERVICES 38% 43%
BOARD PORTALS 27% 58%
DOCUMENT COMPARISON 32% 38%
DOCUMENT MANAGEMENT 32% 39%
EBILLING 13% 57%
MATTER MANAGEMENT 18% 36%
COMPLIANCE OFFICE TOOLS 23% 36%
CORPORATE SECRETARY 16% 30%
REMOTE CONNECTIVITY 18% 25%
WORKFLOW TOOLS 16% 22%
LEGAL HOLD 9% 28%
ONLINE VIRTUAL DATA ROOM REPOSITORIES 14% 18%
IP MANAGEMENT 9% 21%
EDISCOVERY–IDENTIFICATION/ PRESERVATION/COLLECTION 4% 17%
BUSINESS INTELLIGENCE 9% 9%
RECORD MANAGEMENT 9% 16%
PROJECT MANAGEMENT 9% 13%
SURVEY/INFORMATION GATHERING SOFTWARE 5% 14%
EDISCOVERY–REVIEW/PRODUCTION 6% 13%
KNOWLEDGE MANAGEMENT 5% 14%
PATENT SEARCH 2% 9%
EDISCOVERY–PROCESSING/ANALYSIS 1% 12%
INTEGRATION TOOLS 2% 7%


$5B TO <$20B
$20B OR MORE
ESIGNATURE 80% 83%
CONTRACT MANAGEMENT 68% 66%
ARTIFICIAL INTELLIGENCE 68% 66%
LEGAL RESEARCH SERVICES 71% 76%
BOARD PORTALS 64% 72%
DOCUMENT COMPARISON 59% 55%
DOCUMENT MANAGEMENT 46% 69%
EBILLING 70% 86%
MATTER MANAGEMENT 59% 79%
COMPLIANCE OFFICE TOOLS 43% 55%
CORPORATE SECRETARY 54% 52%
REMOTE CONNECTIVITY 41% 69%
WORKFLOW TOOLS 52% 59%
LEGAL HOLD 41% 66%
ONLINE VIRTUAL DATA ROOM REPOSITORIES 32% 31%
IP MANAGEMENT 36% 48%
EDISCOVERY–IDENTIFICATION/PRESERVATION/COLLECTION 39% 66%
BUSINESS INTELLIGENCE 27% 55%
RECORD MANAGEMENT 23% 45%
PROJECT MANAGEMENT 23% 34%
SURVEY/INFORMATION GATHERING SOFTWARE 32% 45%
EDISCOVERY–REVIEW/PRODUCTION 20% 24%
KNOWLEDGE MANAGEMENT 21% 34%
PATENT SEARCH 29% 55%
EDISCOVERY–PROCESSING/ANALYSIS 23% 52%
INTEGRATION TOOLS 12% 24%

SECTION 5

LAW FIRMS, ALSPS, AND FEE STRUCTURES

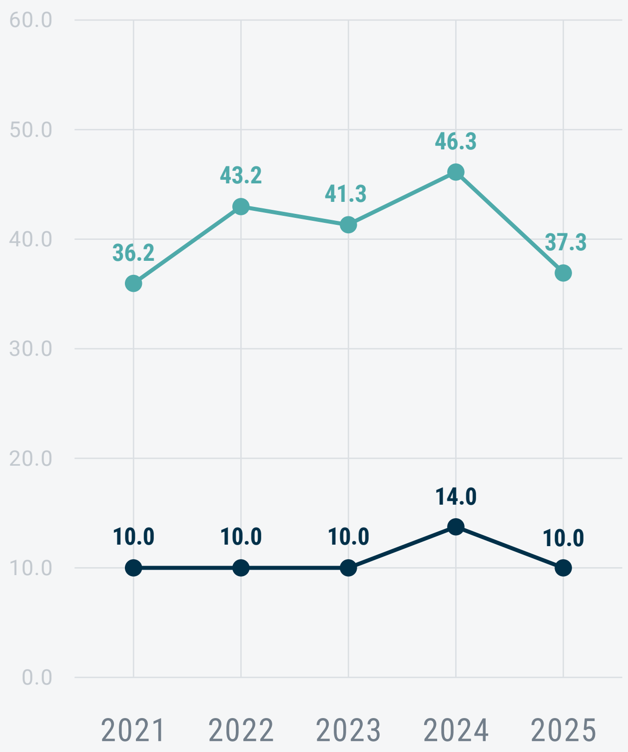
The way companies procure external legal support is in constant flux, with a growing emphasis on innovative and efficient solutions. This section examines the evolving landscape of legal service providers, specifically looking at the number of law firms and ALSPs that legal departments are utilizing. Additionally, we analyze the fee structures employed across various legal matter categories. Our analysis focuses on:

- **Vendor engagement trends:** We explore the number of law firms and ALSPs that companies engaged last year, providing a valuable benchmark for understanding the typical scope of external vendor utilization within legal departments.
- **Strategic fee arrangement usage:** We provide key utilization rates of different fee structures (such as hourly rates and flat fees) across a range of 11 different legal practice areas.

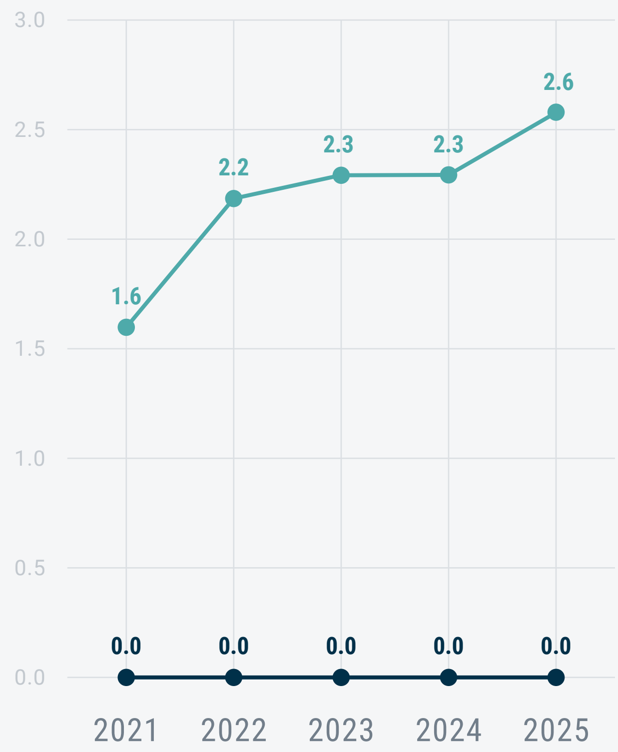
Corporate legal departments engage a substantially higher number of law firms compared to ALSPs, as indicated by both mean and median values over the five-year period since 2021. While for all participating departments the median number of ALSPs engaged remains at zero across all years, confirming that at least half of departments engage none, the mean number shows a gradual increase from 1.6 in 2021 to 2.6 in 2025, indicating a slow but steady adoption of ALSPs by some departments. In contrast, the median number of law firms engaged fluctuates but stays significantly higher and constant at around 10 law firms engaged (jumping to 14 in 2024), and the mean number of law firms shows more volatility, ranging from 36.2 to 46.3, suggesting a greater diversity in the extent to which departments rely on external law firms, with a peak in 2024. Last year's survey included a greater number of larger companies, and company size clearly impacts the number of outside vendors that legal departments engage, as we show next.

NUMBER OF LAW FIRMS AND ALSPS ENGAGED OVER TIME

LAW FIRMS



ALSPS



Median Mean

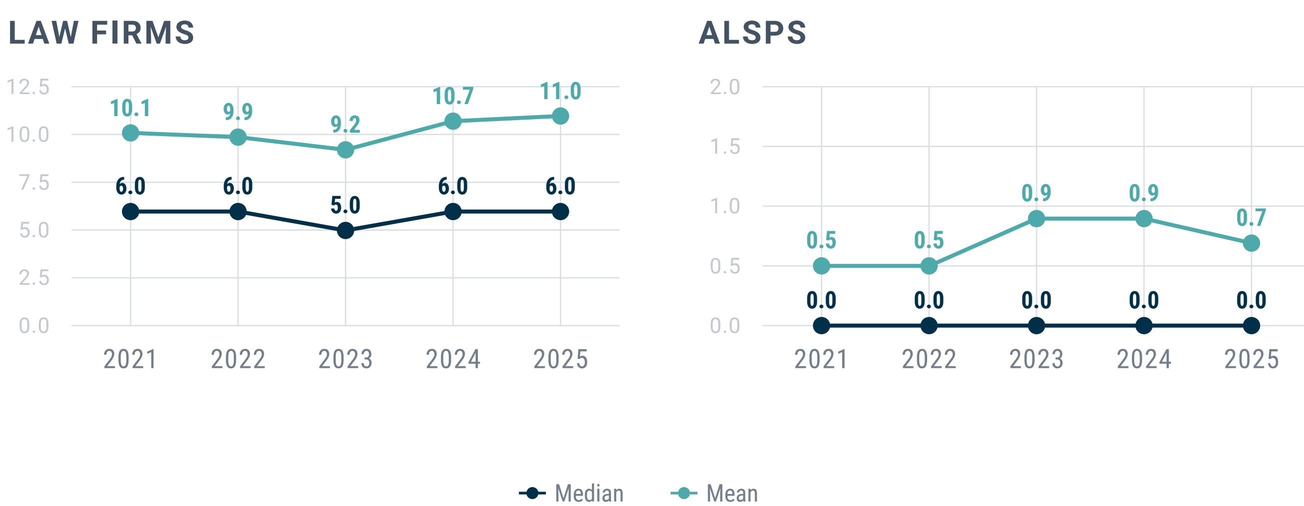
Across the entire time series, larger companies consistently have engaged a significantly higher number of both law firms and ALSPs compared to smaller ones. In 2025, companies with revenues of US$20 billion or more engaged a median of 102 law firms, while those with less than US$1 billion had a median of only six. This disparity is even more pronounced in the mean values, with the largest companies engaging a mean of 149.2 law firms in 2025, compared to 11 for the smallest. This suggests that larger organizations with more complex legal needs and resources tend to rely on a broader network of external legal expertise.

While the median number of ALSPs remains low or zero for companies with revenues under US$5 billion across the years, the mean values show a gradual increase, suggesting a slow adoption by some of the smaller companies, echoing the overall participant trend. In contrast, larger companies, particularly those with revenues of US$20 billion or more, demonstrate a more consistent and increasing engagement with ALSPs, with the median rising from 3 in 2021 to 4 in 2025, and the mean increasing from 5.9 to 9.7 in the same period. This suggests that larger companies are more actively exploring and integrating ALSPs into their legal service delivery models.

Overall, the trendlines suggest a slow but steady increase in ALSP adoption, especially among larger companies, while the engagement of law firms remains a core component of legal operations across all company sizes, with larger companies maintaining a much more extensive network.

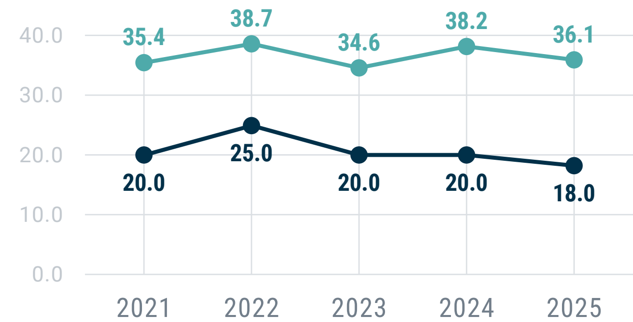
LAW FIRMS AND ALSPS ENGAGED BY COMPANY SIZE

LESS THAN $1B

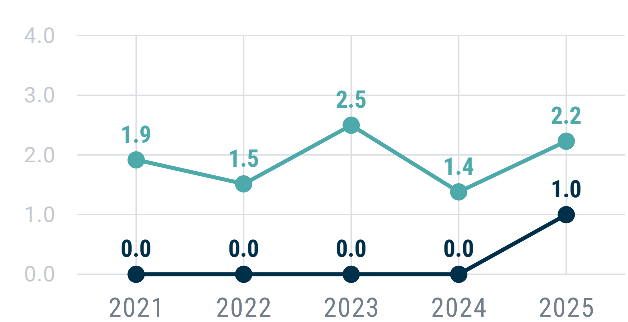


$1B TO <$5B

LAW FIRMS

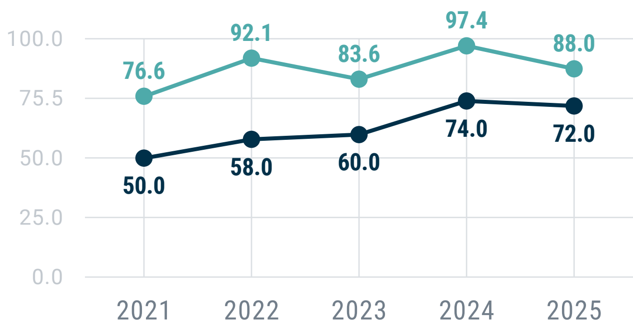


ALSPS

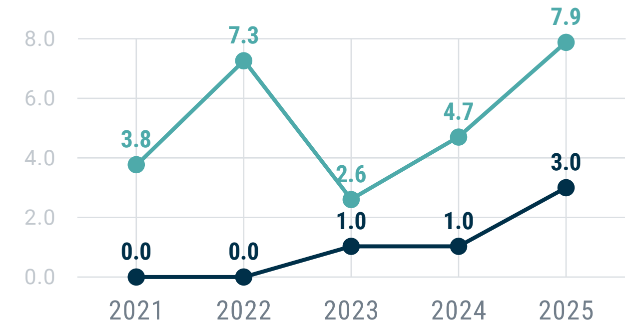


$5B TO <$20B

LAW FIRMS

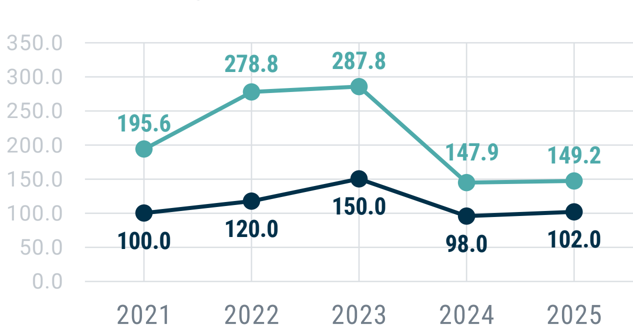


ALSPS

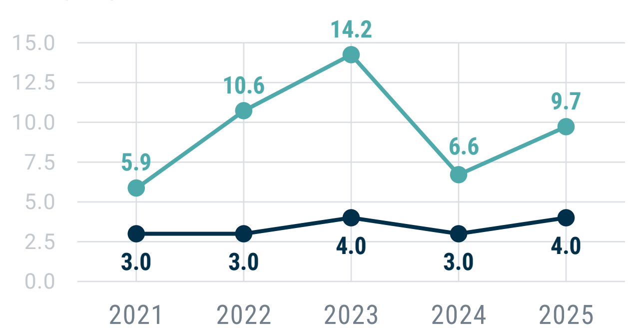


$20B OR MORE

LAW FIRMS



ALSPS



Median   Mean

This tile chart shows the percentage of legal departments that use each type of outside counsel fee for each of 11 different legal practice areas. Darker colors indicate a higher usage percentage. Standard hourly and discounted hourly rates remain the most prevalent fee arrangements across all practice areas. Standard hourly is consistently used in over 50 percent of cases for most areas, including employment and labor (59 percent), litigation (58 percent), corporate (55 percent), regulatory and compliance (55 percent), commercial and contracts (54 percent), IP (53 percent), and real estate (50 percent).

Discounted hourly is also common, ranging from 21 percent in environmental to 45 percent in litigation. Fixed or flat fees are also used across all practice areas, with IP (25 percent), corporate (20 percent), and employment and labor (19 percent) showing a slightly higher usage. Blended and capped fees are also used across all areas, but in a more limited way, with both fee types reaching the double digits in commercial and contracts, litigation, and mergers and acquisitions (M&A). Contingency and success fees are relatively rare, used by less than 10 percent of legal departments across all areas.

Certain fee types show a stronger association with specific practice areas. For example, litigation is the only area where contingency fees reach seven percent. Capped fees are also more common in litigation (12 percent) and M&A (14 percent), likely due to the need for cost control in complex and potentially lengthy matters. Many departments indicated that fee types are not applicable across practice areas. Environmental (55 percent) and insurance (47 percent) have the highest not applicable rates, which may indicate that these types of matters are not relevant to the company's operations, or that a significant portion of the work is handled in-house.

TYPES OF OUTSIDE COUNSEL FEES USED

	STANDARD HOURLY	DISCOUNTED HOURLY	FIXED/FLAT	BLENDED	CAPPED	SUCCESS FEE	CONTINGENCY	COLLARS	HOLDBACKS	NOT APPLICABLE
COMMERCIAL AND CONTRACTS	54%	37%	14%	10%	11%	2%	2%	1%	0%	19%
CORPORATE	55%	40%	20%	12%	9%	2%	1%	2%	0%	12%
EMPLOYMENT AND LABOR	59%	44%	19%	11%	6%	1%	0%	0%	0%	7%
ENVIRONMENTAL	29%	21%	5%	5%	3%	0%	0%	0%	0%	55%
FINANCE, LOAN, AND INVESTMENT	44%	29%	9%	6%	9%	2%	1%	1%	0%	30%
INSURANCE	35%	22%	5%	5%	3%	1%	1%	1%	0%	47%
INTELLECTUAL PROPERTY	53%	34%	25%	7%	8%	1%	1%	1%	0%	14%
LITIGATION	58%	45%	16%	17%	12%	7%	7%	3%	0%	10%
MERGERS AND ACQUISITIONS	47%	33%	14%	11%	14%	6%	2%	2%	0%	24%
REAL ESTATE	50%	29%	8%	5%	5%	1%	0%	0%	0%	29%
REGULATORY AND COMPLIANCE	55%	35%	16%	9%	7%	1%	1%	1%	0%	18%

Note: For a list of outside counsel fee definitions, please refer to the definitions section at the end of the report.

SECTION 6

DIVERSITY

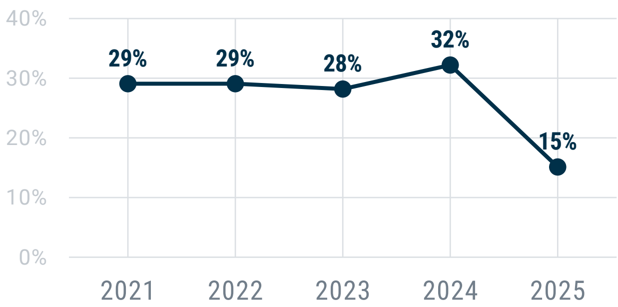
This section examines how extensively legal departments are monitoring diversity metrics, focusing on two key areas:

- **Internal measurement:** We present how companies are tracking and measuring diversity within their own legal teams, including the specific metrics used and trends over time.
- **Outside counsel assessment:** We present how companies are assessing and benchmarking the diversity practices of their outside counsel firms, including the specific metrics and trends over time.

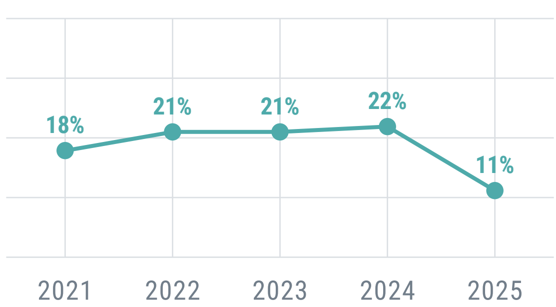
TRACKING DIVERSITY METRICS

The results indicate that while tracking diversity metrics had become more common over time, there has been a significant drop in 2025. In 2021, 29 percent of legal departments tracked their legal department's internal diversity, and 18 percent tracked diversity with respect to the legal department's outside counsel partners. This increased to 32 percent for internal and 22 percent for outside counsel by 2024. However, in 2025, tracking dropped to 15 percent for internal and 11 percent for outside counsel diversity. This clearly highlights a potential reversal with a significant decline in the practice of formally tracking diversity metrics.

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



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



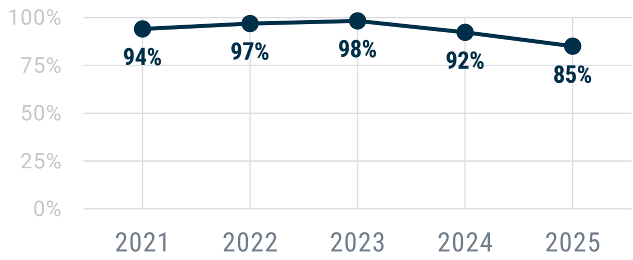
DIVERSITY COMPONENTS

Among those who track internal legal department diversity metrics, a strong majority consistently track data on legal department hires, the most tracked area for diversity metrics across all years, with over 90 percent of departments tracking it until 2025, where it dropped to 85 percent. Promotions and levels or functions are also tracked by a significant portion of departments, generally above 50 percent, though there is also a noticeable drop in 2025. Tracking employee departures is also common, with around 50-to-60 percent of departments doing so until 2025 (down to 34 percent). Training and Matter staffing are tracked less frequently, generally by around 20-to-30 percent of departments. Overall, there is a decline in the tracking of all these specific diversity components in 2025 compared to previous years, in line with the overall decline in the number of departments that track this type of metrics.

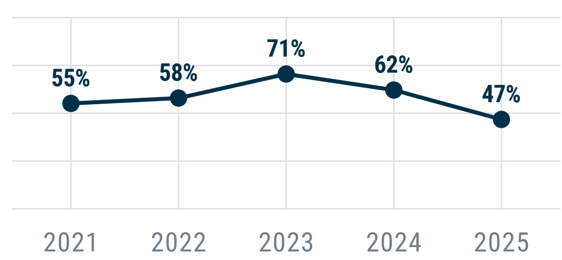
Regarding tracking diversity in relation to outside counsel, most departments that track external diversity metrics tend to focus on the overall number of lawyers in the firm and on the matter teams working for the department. Tracking these metrics has generally been the most prevalent across all years, although there is also a decline in 2025. Tracking diversity metrics for partners in a firm and matter leaders or responsible partners is also relatively common, though slightly less so than the overall composition of the firm or the specific matter teams working for the department. Metrics related to the pipeline and progression of diversity within law firms, such as promotions to partner and incoming associate classes are tracked less frequently, and firm leadership positions is only tracked by a smaller percentage of legal departments. Overall, as in internal diversity tracking, the trend shows a decrease in tracking across all this components in 2025 compared to previous years.

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

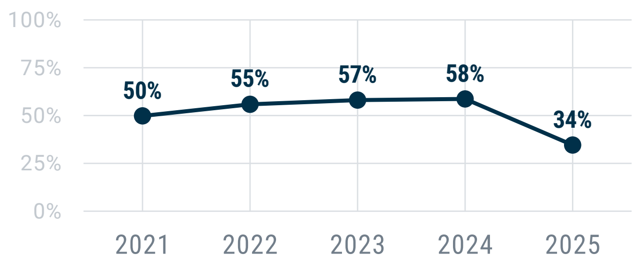
HIRES



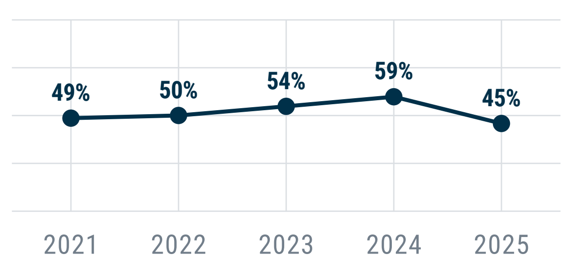
PROMOTIONS



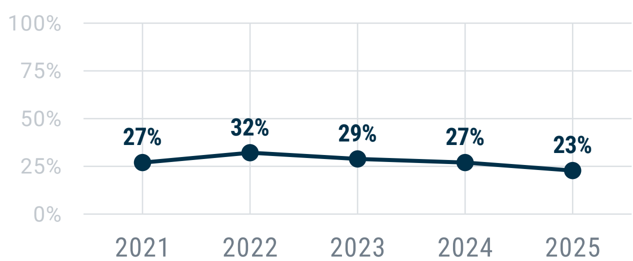
DEPARTURES



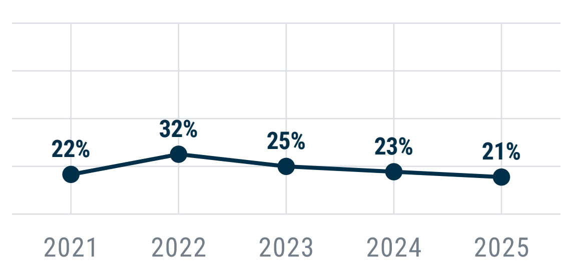
LEVELS OR FUNCTIONS



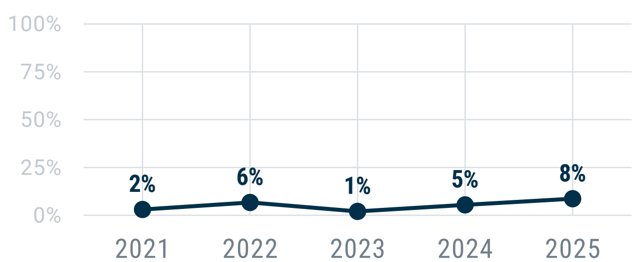
TRAINING



MATTER STAFFING

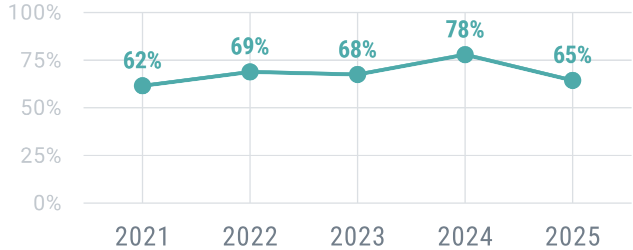


OTHER

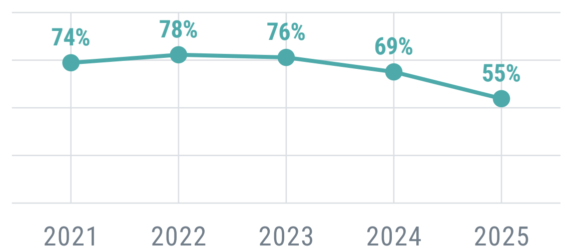


Percentage of departments that evaluate the diversity of any of the following with respect to its outside counsel

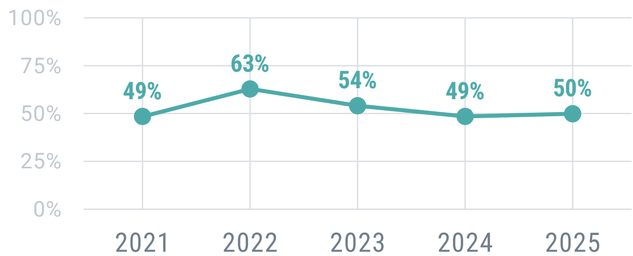
ALL LAWYERS IN A FIRM



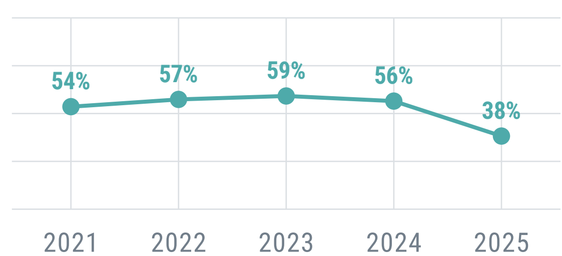
MATTER TEAMS WORKING FOR YOUR DEPARTMENT



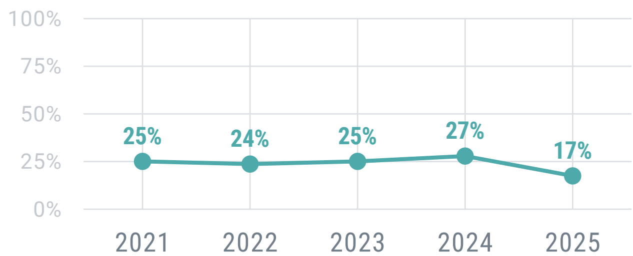
MATTER LEADERS OR RESPONSIBLE PARTNERS



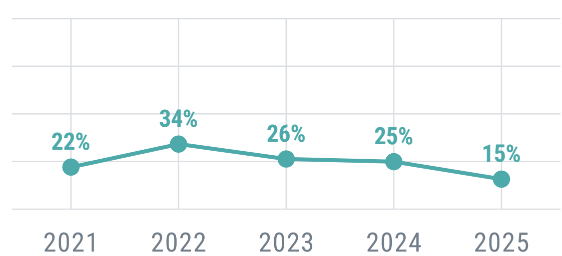
PARTNERS IN A FIRM



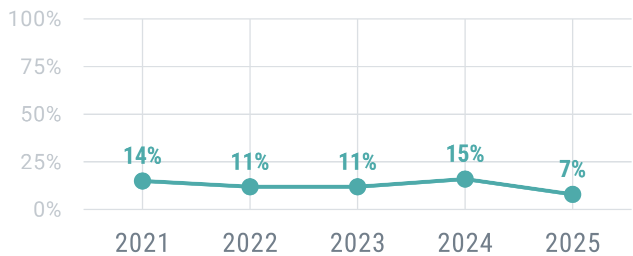
PROMOTIONS TO PARTNER



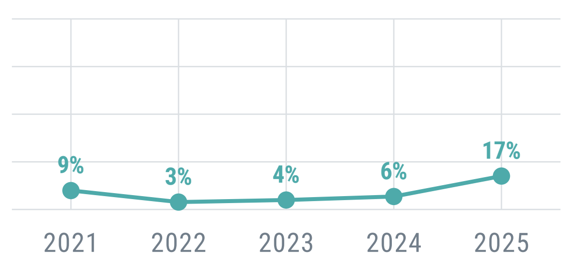
FIRM LEADERSHIP POSITIONS



INCOMING ASSOCIATE CLASSES



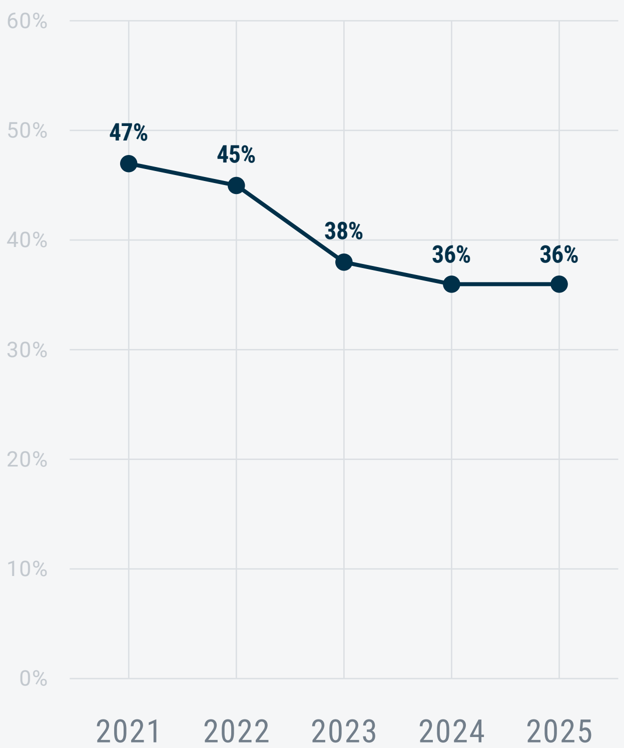
OTHER



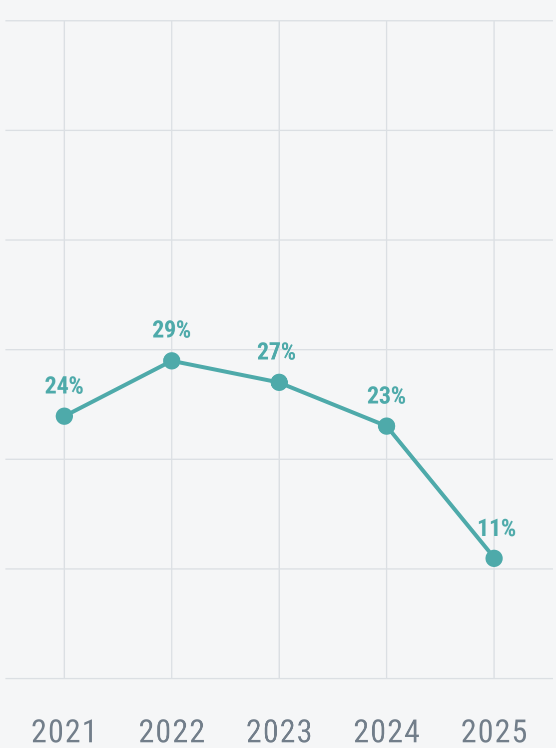
Since 2021, the percentage of legal departments with a formal strategy to improve diversity, both internally and in relation to their outside counsel, has steadily declined. For internal diversity, the percentage of departments with a formal strategy to improve diversity with consequences for success or failure ranged from 47 percent to 36 percent between 2021 and 2025. The trendline shows that establishing formal requirements for outside counsel to improve diversity has consistently lagged behind internal strategies, with between 23 percent to 29 percent of departments in the 2021-2024 period, but this dropped further to just 11 percent in 2025. A significantly smaller percentage of legal departments have a formal strategy for improving diversity in their outside counsel engagements (11 percent) compared to their own internal legal department (36 percent). This latter value remains stable (same result as last year) compared to the general decline across diversity metrics tracking observed in 2025.

FORMAL STRATEGY TO IMPROVE DIVERSITY

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 13, 2025, and closed on April 11, 2025. 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 legal 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 395 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 the 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.

REPORTING MEDIAN AND MEAN VALUES FOR SPENDING AND STAFFING TOTALS

This report primarily utilizes median values to represent the typical spending and staffing levels within legal departments. For metrics like total legal spend (comprising inside and outside spend) and total legal staff (the sum of different staff roles), the median is calculated based on the distribution of the total values reported by each participating department.

However, it is key to note that the median value of the total may not equal the sum of the median values of its individual components. That is, the median inside spend plus the median outside spend will not always equal the median total legal spend. This occurs because the median represents the middle value in a distribution, and the departments at the median for each component (inside and outside spend, in this case) are likely not the same departments that fall at the median for the total spend. The distributions of these individual components are not uniform, meaning the “middle” department for each will have a different overall profile.

In contrast, the mean (or average) of the components will always add up to the mean of the total. To provide an additional layer of clarity and allow for additive comparisons, we have also included the mean values for total spending and staffing. While means can be influenced by extreme values and tend to be higher than medians in skewed datasets like legal spending, their additive property offers a different perspective on the overall financial and staffing landscape.

DEFINITIONS

LEGAL TECHNOLOGY TOOLS

Artificial Intelligence Tools: Software applications that use algorithms to perform tasks and solve problems (e.g. Chat GPT). Note: we understand that AI is integrated into many of the technology tool categories listed below (e.g., AI-assisted contract management). For this category, we are specifically referring to AI-only tools.

Board Portals: Collaborative software solutions that help manage and distribute board meeting materials as well as facilitate corporate leadership communication.

Business Intelligence Software: Used to gather and analyze data about your legal functions. Examples of data that can be analyzed include legal spend, legal case data allows, and eDiscovery metrics. It typically provides dashboard, report creation, or other methods to represent data in various formats.

Compliance Office Tools: Used for policy, risk, incident and procedure oversight and management.

Contract Management Tools: Used to support contract lifecycle management, including requesting, authoring, negotiating, approving, signing, analyzing and storing contracts.

Corporate Secretary Tools: Used to manage board governance cycles including online board books, event scheduling, collaboration and reporting.

Document Comparison Tools: Used to identify changes between two versions of the same document for the purposes of document editing and review.

Document Management Tools: Used to manage, track and store digital documents and email, and reduce paper.

eBilling Tools: Used to electronically submit and review invoices from outside counsel or other external entities over the internet to organizations and support the processing of invoice payments electronically.

eDiscovery Tools - Identification/Preservation/ Collection Tool(s): Used to identify, preserve, collect, analyze, process and/or review data for discovery in legal proceedings and support the phases of the Electronic Discovery Reference Model.

eDiscovery Tools - Processing/Analysis Tool(s): Used to support processing and analysis of electronic discovery in legal functions.

eDiscovery - Review/Production Tool(s): Used to support review and production of electronic discovery in legal functions.

eSignature Tools: Used for electronic sending, signing and managing of agreements.

Integration Tools: Used to provide a way to connect and manage software applications and automate a variety of critical business processes.

IP Management Tools: Used to track and manage IP portfolios (Patents and Trademarks), provide deadline and docketing support, which incorporates workflow for proper IP management and process annuity payments.

Knowledge Management Software: Used to identify, save and index prior work product and knowledge, to be used as a resource for future matters and projects.

Legal Hold Tools: Used to automate and manage the entire process of legal hold notifications, and supports tracking of responses, interviews, reminders, and escalations.

Legal Research Services Tools: These assist attorneys and paralegals in researching case law, statutes and regulations.

Matter Management Tools: Used to manage and track legal matters, day-to-day matter work and matter budgets.

Online Virtual Data Room Repositories: Used as part of due diligence and acquisition activities to allow the secure exchange of information between the parties.

Patent Search Tools: Patent research and analytics platform which provides access to published patents and scientific literature worldwide.

Project Management Software: Tools designed to assist a project manager in developing a schedule, assigning resources to tasks, tracking progress, managing budgets, and analyzing workloads.

Record Management: Used to manage your inventory of records.

Remote Connectivity Tools: These allow users to communicate and access the systems they need when not physically in the office.

Survey/information Gathering Software: Used to collect information from specific groups of respondents, and usually feature software assistance throughout the process, from creation through results analysis.

Workflow Tools: Used to automate business processes.

OUTSIDE COUNSEL FEES

Blended: Fees are based on the number of lawyer hours billed and an agreed-to billable rate. Every timekeeper is billed to the client at the same hourly rate.

Capped: Capped fees are based on the number of hours each lawyer bills to the matter and the lawyer's billable rate but are capped at a certain amount.

Collars: Based on hourly fees subject to a case budget and a collar (a range above and below the budget). If the fees are less than the lower collar, outside counsel receives a bonus. If the fees are higher than the upper collar, the client receives a discount from the regular hourly rate.

Contingency: Fees based on a percentage of the client's award (or savings) realized at the end of the matter.

Discounted Hourly: The timekeeper's hourly rate is discounted proportionately to the volume of work provided.

Fixed/Flat: An agreed sum fee paid for specified services.

Holdbacks: Used with hourly and fixed fee arrangements, a portion of the client's fees is placed in a separate bank account. On reaching predetermined benchmarks, fees are dispersed to outside counsel, refunded to the client, or divided between them.

Standard Hourly: Fees are based on the number of hours each lawyer works on a matter and the lawyer's billable rate.

Success Fee: Used with hourly and fixed fee arrangements, outside counsel earns a bonus on achieving a certain benchmark.

PARTICIPATING ORGANIZATIONS

ABF
Aboitiz Foods
AbsenceSoft
Acrisure
ADP (Australia)
Adtalem Global Education
Advanced Energy (AEI)
Advanced Micro Devices
Advocare
AdvoCare International
AeroVironment, Inc.
Affordable American Insurance, Inc.
Ag Growth International Inc.
Agfa HealthCare Corporation
Agilent Technologies, Inc.
AGT Food and Ingredients Inc.
Ahold Delhaize USA
AISIN World Corp of America
Albemarle Corporation
Aldi Inc.
Allegheny County Airport Authority
Allied Mineral Products
Alnylam Pharmaceuticals
Alon Blue Square Israel Ltd.
AltoQi
Ambry Genetics Corporation
American Airlines
American Coatings Association, Inc.
American Institutes for Research
American Society of Travel Advisors
Amneal Pharmaceutical LLC
AmTrust Financial Services, Inc.
Analog Devices, Inc.
Anglo American
Anomalo, Inc.
AOP Capital
APCO Worldwide
ARA Group Limited
Arbonne
Armstrong Group
ASML
Aspen Aerogels
Asset Marketing Services
AtriCure, Inc.
Attentive
Aurecon
Auria
Avaloq
Avnet
AW Chesterton Company
Bacardi Limited
Banyan Software
Basler Electric Company
Bayer
Bayraktar Holding
Beacon Building Products
Belk, Inc.
BHP
Bill’s Heating & A/C
BioNTech US Inc.
BioTeam, LLC
BioXcel Therapeutics, Inc.
Blanchard Machinery Company
Blue Cross and Blue Shield of Nebraska
Blue Insurance
Blundstone
Booking.com
Breakthrough T1D
Canadian Medical Association
Catholic Archdiocese of Melbourne
Cayman National
CenterPoint Energy
CGI Federal Inc.
Challenger Limited
Chevron Phillips Chemicals International
Chime Financial, Inc.
Church Pension Group
Cirba Solutions, LLC
Citizens Bank of Edmond
Citizens Property Insurance Corporation
Cleanaway Waste Management Limited
Cleveland Clinic
CMT
CoBank
Cognia
Coinbase
Colt DCS India LLP
Command Alkon
Concentrix
Concentrix (Brazil)
ConcertoCare
Conner Strong & Buckelew
Constellation Energy
CoorsTek
Copeland
Copic Insurance
Corebridge Financial
Corporation Service Company
CrowdStrike, Inc.
Daiichi Sankyo, Inc.
Dana-Farber Cancer Institute
Danone North America
Data Analysis Inc.
Data Driven Holdings, LLC
DaVita Chile S.A.
Dayforce, Inc.
Debswana Diamond Company
Dentsply Sirona
Diageo South West & Central Africa
DNV
Docusign
DoubleDay Acquisitions, LLC (dba CSafe)
Dovetail Legal Solutions
Dow Inc.
DQE Communications LLC
Dr. Goodenowe Enterprises
DrinkPAK, LLC
DSM-Firmenich
Dudek
DXC Technology
Earl Enterprises
eClinical Solutions LLC
Edward Jones

Elastic
Electro Rent
Elevance Health
Eli Lilly and Company
Employbridge
Enerkem
Enlyte
Epiphany Dermatology
Equisoft Inc.
Essential Brands, Inc.
Expedia Group, Inc.
EYDAP
Florida Crystals Corporation
FMC Corporation
Ford Motor Company - South America
Fors Marsh
Fraport Bulgaria
Freddie Mac
Fresh Del Monte Produce Company
Gadens
GardaWorld
GardaWorld Federal Services
GEA Systems North America LLC
Geosyntec Consultants, Inc.
GlobalLogic, Inc.
Good Place Holdings Company
GOWell International, LLC
Graham Packaging Company
Graybar Electric Company, Inc.
Greater Los Angeles Zoo Association
Greening Group
Greif
GuideWell Source
Hanbaobao Pte Ltd
Harbor Freight Tools
Health Care Service Corporation
Health E Systems, LLC
Helix Electric
Hermeus
Hewitt
HM.Clause, Inc.
HonorHealth
Hybrid Apparel
Hypebeast
Hyundai Translead
I Am Boundless
icare
Illinois Department of Transportation
Imagine Pharma
ImmunityBio, Inc.
Inclusive Prosperity Capital, Inc.
Indiana Municipal Power Agency
Infosys BPM Ltd.
InStep Health, LLC
Instinct Science
InStride
Intrado
IP Pathways, LLC
IQVIA
Ivoclar
J. F. Ahern Co.
Jackson National Life Insurance Company
Jama Software, Inc.
James G. Davis Construction Corporation
JAS
John Cockerill Services
Jones Lang LaSalle (JLL)
Kent Corporation
Kids Empire
Kinetic Pressure Control Limited
Knowles Corporation
KPIT Technologies
Kyndryl
L.A. Care Health plan
LAB Quantitative Strategies
Laidig Systems, Inc.
Lakeland Regional Health
Lamont, Hanley & Associates, Inc.
Lange Companies Inc
LawVu
Lennox International
Levi Strauss & Co.
Lindt & Sprüngli
Linxon
LMI Consulting
LRS Recycles
Ludan Engineering Co. Ltd.
lululemon usa inc.
Manulife
Marmon Holdings, Inc.
McCarthy Holdings, Inc.
Medibank Private Ltd
MedVida Partners
Mellick Group
Menasha Packaging Company, LLC
Mercedes-Benz Vans, LLC
Merrick & Company
MicroVention, Inc.
MNP LLP
MOL (Americas) LLC
Monoova
Morgan White Group
Mortenson
MRK Partners, Inc.
MS Aerospace
MSCI Inc
MSI
MTC Holding Corporation
National Church Residences
National Student Clearinghouse
Nationwide Insurance
NAVEX Global, Inc.
NCC Group
Nexteer Automotive Corporation
Nigerian Financial Intelligence Unit
Nissan Australia
Nitto
NMPP Energy
Nomura
Nordstrom
Northwest Bank
Northwestern Mutual
Novartis Corporation
Novogradac
NSF International
NTT Docomo, Inc.
Olympus Corporation
Omega Flex, Inc.
Omega Morgan
Omni Retail Enterprises
ONEOK, Inc.
Optimal Blue, LLC
Orbis Investments
Pakistan Petroleum Limited
Panasonic Automotive Systems America, LLC
Panasonic Holdings Corporation

Papa, Inc.
Patient Voice AI
PCN
Penguin Solutions
Perryman Company
Pi Securities Public Company Limited
Plenti Group Limited
Preferred Pump & Equipment L.P.
PriceSmart, Inc.
Providence
Purple Innovation, LLC
Qive
QlikTech Inc.
Queensland Curriculum and Assessment Authority
Qure.ai Technologies Private Limited
Radial
Rakuten Viber
Reflection Window + Wall
Refresco
RenaissanceRe
Rodan Energy Solutions
Rosewood Companies
Rotech Healthcare
Rove Charging, LLC
Rovensa
Royal FrieslandCampina
RxBenefits
SADA
Safe Software
Sagard Holdings
SageNet
Salem Media Group, Inc.
Schindler Management Ltd.
Schréder S.A.
SDC
Seagate Technology
Seddiqi Holding
Sedgwick
SEEK Ltd
Sempra
Shamrock Foods Company
Shelf Drilling
Shelter Afrique
Shinkansen SpA
Short Elliott Hendrickson, Inc.
Silicon Laboratories Inc.
Simeio Solutions, LLC
Society of Critical Care Medicine
Société des Produits Nestlé S.A.
Soliant
Solomon Islands Electricity Authority
Sommet Education
SOPREMA, Inc.
Southeastern Surveying and Mapping Corporation
Sports Drug Testing International
Square One Development Corporation
Starbucks Coffee Company
Stealth Monitoring
Stewart Title
Sunrider International
Suntory Global Spirits Inc.
Superior Group of Companies, Inc.
Swing Education
Talison Lithium Australia Pty Ltd
Tamer Group
Target
Telamon Corporation
ten23 health
Tennis Channel
Teradata Corporation
Teranet Inc.
Tetra Pak
Texas Precious Metals, LLC
Textron Inc.
The Campbell's Company
The Children's Museum of Indianapolis
The Forge Companies
The Lottery Corporation
The Middlesex Corporation
The New York Times Company
The Sherwin-Williams Company
The Williams Companies, Inc.
Thoughtworks, Inc.
TIOTE B.V.
Togetherwork Holdings, LLC
Toll Brothers
Transcend Inc.
TransCore, LP
Transforming Age
Trimac Transportation
True Manufacturing Co. Inc.
Truth Initiative
U.S. Green Business Council
U.S. Multimodal Group
UChicago Medicine
UKG Inc.
Uline
Ulteig
Unirac, Inc.
Universidad Catolica de Chile
Valor Healthcare, Inc.
Vantage SantoLubes Research LLC
Velocity Solutions
Vertical Bridge
Vivacity Infrastructure Group, LLC
Vodafone
WCG
Weekley Homes
Wellesley College
Western Alliance Bank
Western Governors University
Westland Real Estate Group
Willmeng
Windstar Cruises Marshall Islands, LLC
Wise Publishing, Inc.
Woolworths Group Limited
Woop Group
Xero
Zachry Holdings Inc.
Zurn Elkay Water Solutions
Anonymous (16)

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CUSTOM BENCHMARKING

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

COMPANY REVENUE
(total gross annual in $US)

TOTAL COMPANY EMPLOYEES

GEOGRAPHIC LOCATION
(country or global region)

INDUSTRY SECTOR
(using North American Industry Classification System (NAICS) codes)

DATA WEIGHTING

COMPANY TYPE
(public, private, wholly-owned subsidiary, non-profit)

TAKE A LOOK INSIDE!

Legal Department Spending Metrics — Medical Technology & Life Sciences

	n	25th Percentile	Mean	Median	75th Percentile
Total inside spend *Includes lawyer and non-lawyer compensation and other inside spend not categorized*	29	$500,000	$17,352,024	$1,290,000	$21,000,000
Total outside spend *Includes spend on outside counsel and ALSPs and other remaining outside spend not categorized*	29	$413,000	$18,018,658	$2,795,400	$10,000,000
Total legal spend *Total inside spend + total outside spend*	29	$900,000	$35,370,682	$6,318,313	$25,949,509
Lawyer compensation *Combined compensation among all department lawyers—includes salary, cash bonus, taxes, and benefits*	23	$274,000	$8,786,876	$550,000	$4,950,000
Non-lawyer compensation *Combined compensation among all non-lawyer legal staff—includes salary, cash bonus, taxes, and benefits*	21	$75,000	$6,492,421	$296,000	$7,515,341

Peer Company Profile

Company revenue	US $500 million to US $3 billion
Industry	Organizations in "Medical Technology and Life Sciences": • NAICS Code 334 - Computer and Electronic Product Manufacturing • NAICS Code 335 - Electrical Equipment, Appliance, and Component Manufacturing • NAICS Code 541 - Professional, Scientific, and Technical Services
Company type	Private companies and subsidiaries
Number of lawyers	12 to 18
Number of staff	Not selected
Total legal spend	$6M to $10M
Region	Organizations headquartered in Asia, North America, or Latin America
Data weighting	Data weighted by percentage of revenue in each industry sector: • NAICS Code 334: 20% • NAICS Code 335: 30% • NAICS Code 541: 50%

HAVE QUESTIONS? WE'RE HERE TO HELP.

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

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

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