



LEARN ABOUT how the Age of the CLO intersects with business and strategy.

FIND OUT what CLOs predict will affect legal departments and companies.

DISCOVER INSIGHT from over 1,600 CLOs in 55 countries.

2019 ACC
CHIEF LEGAL OFFICERS SURVEY

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Each year, the Association of Corporate Counsel (ACC) conducts a global study of the issues and environment in which chief legal officers (CLOs) operate. With the publication of last year's *ACC Chief Legal Officers Survey*, ACC marked the start of the Age of the Chief Legal Officer. Feedback from 1,639 CLOs in 55 countries indicates the Age of the Chief Legal Officer is advancing on a strong foundation.

The Age of the Chief Legal Officer means that CLOs are occupying positions of power and influence within their organizations and taking on roles beyond that of technical legal adviser. This is being driven by the pace of change in regulation, globalization, technology, and the growing expectation that organizations address environmental, social, and governance issues. These challenges have elevated the importance of ethics, compliance, and corporate culture within an organization. Organizational health depends on strong governance and leadership in ethics and compliance to insulate the business from threats that CEOs and boards simply cannot predict. ACC's 2017 white paper, *Leveraging Legal Leadership: The General Counsel as a Corporate Culture Influencer*, noted the critical role the CLO plays in setting the right ethical tone and the importance of ensuring that the CLO is a direct report to the CEO and has regular interaction with the board of directors, including attending board meetings.¹

The findings of the 2019 *ACC Chief Legal Officers Survey* support the importance of having a CLO who is well positioned to influence corporate strategy. CLOs who report to the CEO are more often sought for their input on business decisions than those who do not. CLOs who report to the CEO are also more likely to frequently attend board meetings. Independent research has also suggested the positive influence that a well-positioned CLO has on a company's compliance and legal exposure. One study found that companies with CLOs among the top five compensated officers have a 50 percent reduction in compliance failures compared with companies where CLOs were not among the top five compensated officers.² Another study suggests that companies with CLOs in top management have more accurate management earnings forecast disclosures — and the higher the CLOs' managerial status, the more accurate the forecasts.³ To be sure, in the world's leading companies, general counsel report directly to the CEO. According to ACC's analysis of organizational structure in Fortune 500 companies (ACC Age of the CLO Annual Data Project 2018), 93 percent of Fortune 500 CLOs have a direct reporting line to the CEO.

**WILL SIGNIFICANTLY
INFLUENCE COMPANY
BUSINESS DECISIONS
INTO 2019**

47%

Regulation

39%

Brand and
reputation issues

37%

Disruptive technology

While the corporate governance community in the United States has recognized the importance of a well-positioned CLO (see, for example, recommendation number five in the 2017 Blue Ribbon Commission Report from the National Association of Corporate Directors), the idea has had a slower uptake in other parts of the world. ACC surveys have shown that compared to the US, Europe, Asia, and at times Canada have generally had lower percentages of CLOs reporting to the CEO, more frequently preferring alternative reporting arrangements, like having the CLO report to the chief financial officer (CFO) instead. This can lead to perilous situations where legal and compliance advice is not heeded at the highest levels of the organization.⁴ The question “Where were the lawyers?” often arises in the wake of a corporate scandal, but lawyers who are sidelined from the upper reaches of corporate decision-making never have a chance to prevent corporate wrongdoing.

The past few years have brought the CLO’s role to the forefront in preventing problems and proactively addressing legal and regulatory trends. In 2019, CLOs predict that new regulations, brand and reputation issues, and disruptive technology will have the most impact on company decisions. These are all issues with clear legal implications, making the role of the CLO more important than ever.

With increasing attention paid to corporate sustainability — environmental, social, and governance issues — ACC used this year’s survey as an opportunity to examine the CLO’s role in corporate sustainability efforts. More than 80 percent of CLOs in an organization with a formal corporate sustainability plan report having meaningful influence on sustainability decisions within their organization. The participation of the CLO in this rising area of importance reinforces the CLO’s role as a top champion of culture and ethics, with a focus on mitigating brand and reputation issues.

Thus, all indications are that 2019 continues the Age of the Chief Legal Officer, with the role expanding in scope to match massive transformations underway in the business sector. While it was always a good idea for CLOs to be at the executive table, in the boardroom, and reporting to the CEO, it is now essential.

A large, stylized red percentage graphic consisting of the numbers '47' followed by a percentage sign, positioned between two horizontal red lines.

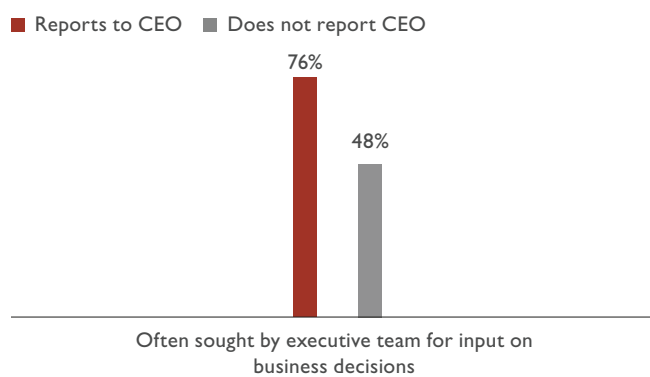
of CLOs have a significant
role in sustainability

KEY FINDINGS

The Age of the Chief Legal Officer gains momentum

Acceleration of change in the geopolitical and business climate makes it even more important that companies set the right tone from the top. Companies recognize this; 78 percent of CLOs report to the CEO. This percentage is higher for CLOs in Fortune 500 companies. The ACC Age of the CLO Annual Data Project (2018) reveals that 93 percent in this group report to the CEO. When the CLO or general counsel (GC) reports directly to the CEO, it sends a signal to the company and its stakeholders that ethics and compliance are a top priority.

CLOS WHO REPORT TO THE CEO ARE MORE LIKELY TO HAVE INPUT ON BUSINESS DECISIONS



Executives seek CLO input on business

When the CLO isn't at the executive table, risk increases. Given the range of legal, regulatory, and reputational risks facing companies — from data breaches to high-stakes mergers — it is not surprising that nearly 70 percent of CLOs indicate that the executive team almost always seeks their input on business decisions.

CEOs think about growth; boards ask about risk

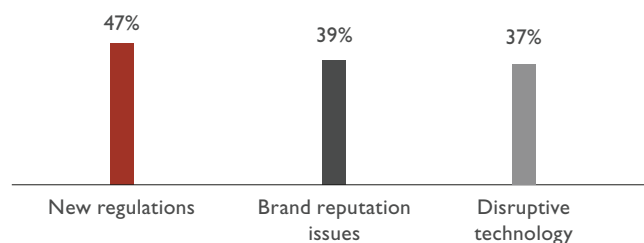
Risk — whether risk management, risk assessment, or determining areas of risk — is the most frequently cited topic CLOs discuss with their board of directors.

Growth is the biggest focus for CEOs, say survey respondents. Over half of the CLOs surveyed say their CEO is focused on growth in some way — revenue, customers, new markets, etc.

What's keeping CLOs up at night?

In 2019, CLOs have their eyes on data. Data breaches, regulatory changes, and information privacy top the list of concerns for CLOs in 2019. With new regulations like GDPR governing data sharing and storage, it is foreseeable that a majority (68 percent) of respondents to this year's survey say they are very or extremely concerned with data breaches and the protection of corporate data, followed by 66 percent who cited regulatory or governmental changes as highly important. Information privacy (65 percent) rounds out CLOs' top three concerns in 2019.

TOP ISSUES SIGNIFICANTLY AFFECTING COMPANY'S BUSINESS DECISIONS FOR 2019?



New regulations and reputation are driving business decisions

CLOs report that new regulations, brand and reputation issues, and disruptive technology will have significant effects on company decisions. In companies with more than US \$10B in annual revenue, ethics and compliance are among the most important issues CLOs expect to navigate. When M&A is on the horizon, companies are clearly paying attention to factors that may affect perception, solidifying reputation as a top area of focus for company leaders.

M&A expected by nearly half — driving decisions for those anticipating activity

In this year's survey, CLOs were asked which single issue, among those they rated extremely important, would have the greatest impact on legal departments in the coming year. M&A and regulatory changes share the top spot. For the second year in a row, nearly half of the CLOs surveyed report anticipation of M&A activity.

Sustainability: CLOs playing a significant role

CLOs and members of the corporate legal team play a significant role in various aspects of sustainability, helping to guide or even lead sustainability efforts. Ninety-three percent of CLOs in a company with a sustainability plan report some level of participation in the company's corporate sustainability efforts. CLOs outpace the CFO and chief operating officer (COO) when it comes to direct oversight of sustainability teams or individuals.

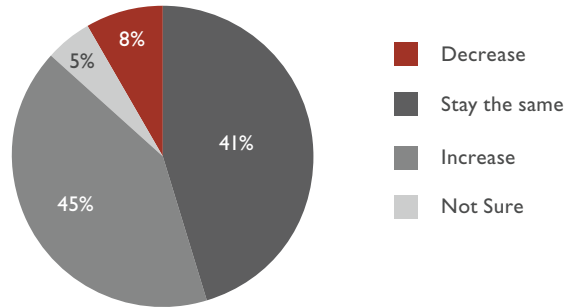
Reputation is the link between M&A and corporate sustainability

When asked what prompted the organization to develop a sustainability plan, those anticipating M&A activity in 2019 were slightly more likely (61 percent) than those who do not (55 percent) to say that reputation was a major driver of sustainability planning. Forty-three percent expecting M&A activity in 2019 report that being a "choice brand" was a driver in their decision to undertake sustainability planning, compared with 33 percent of CLOs who don't expect M&A action this year.

Law department budgets anticipated to grow in 2019

Though not as high a percentage as seen in 2018, law department budgets are mainly on trend for growth, mirroring data dating back to 2015. This year, 45 percent of CLOs anticipate law department budgets will rise in 2019, down slightly from 2018's high of 56 percent but on par with earlier findings that range from 43 to 48 percent expecting budgets to increase.

DO YOU ANTICIPATE YOUR DEPARTMENT'S OVERALL BUDGET WILL DECREASE, STAY THE SAME, OR INCREASE IN THE NEXT 12 MONTHS?



A majority of in-house legal departments will maintain their current staffing mix

Over half of all CLOs surveyed intend to maintain their current staffing numbers across positions. The largest increases in corporate legal department staffing are predicted in the in-house counsel position. Thirty-one percent of respondents say they intend to add lawyers in the coming year. One in three CLOs will create new positions in contracts and/or general corporate commercial law. Top legal skills CLOs seek include leadership, business management, and communication.

Legal operations continues to expand its footprint

Legal operations professionals continue to see growth in their profession, with 15 percent of CLOs reporting they predict increasing legal operations staff in their departments. This is nine percentage points higher than 2015, when just 6 percent intended to add legal operations professionals to their departments.

EXECUTIVE SUMMARY

The Age of the Chief Legal Officer Continues

ACC marked 2017 as the start of Age of the Chief Legal Officer, and the data from 2019's survey shows no signs of the end in sight. The CLO is the critical linchpin of an organization's risk management systems. The CEO, board of directors, and shareholders benefit from having a strong leader at the helm of the legal department who brings an ethical and risk-management perspective to the C-suite and the boardroom.

When the CLO is consulted about business decisions, there is a greater likelihood that those decisions will account for legal and regulatory risks. As corporate guardian and business partner, the CLO has a panoramic view of the company that helps to ensure that ethics and compliance are considered in key strategy decisions. Having a permanent seat at the executive table signals to the company and its employees that compliance with laws and regulations is a corporate priority and a vital step to ensuring company well-being. The CLO is a critical ally to the board of directors and CEO in establishing and supporting a culture of corporate compliance and ethics, especially during times of great legal, regulatory, and geopolitical change.

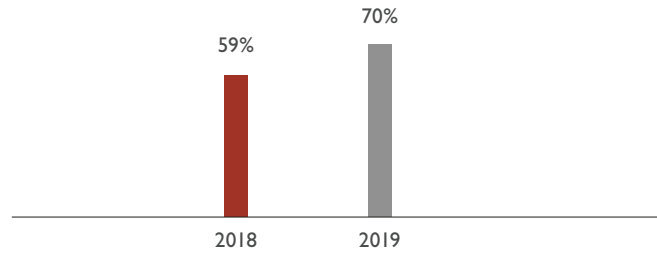
Increasingly, CLOs are called on to be trusted advisers on executive-level strategic business decisions as well as on risk and operational issues. A global scan of the legal landscape conducted in 2019 confirms the ascent of the CLO as a critical adviser on legal, ethical, and policy decisions.⁵

Given the range of legal, regulatory, and reputational risks facing companies — from data breaches to trade tariffs to activist shareholders — it is not surprising that nearly 70 percent of CLOs indicate that the executive team almost always seeks their input on business decisions. Last year, that level was 11 percentage points lower, indicating a more robust role for CLOs when it comes to today's business decisions.

MOST CLOs REPORT TO THE CEO, RECOGNIZED AS INTEGRAL MEMBER OF BUSINESS TEAM

The CEO's reporting structure is a proxy for organizational influence and power with a seat at the chief executive's table being the measure. In the vast majority of Fortune 500 companies (93 percent, according to the ACC Age of the CLO Annual

EXECUTIVE LEADERSHIP TEAM FREQUENTLY SEEKS CLO INPUT ON BUSINESS DECISIONS



Data Project 2018), the CLO reports to the CEO. While few argue against the best practice of having the CLO report to the CEO and serve as part of the executive leadership team, this year's CLO Survey indicates that beyond the world's largest companies outside the Fortune 500, about one in four companies still reject this best practice. Overall, 78 percent of respondents report to the highest-ranking executive officer in the company. Regional differences in this year's survey are strongest in Canada and Asia, where only 63 and 67 percent of CLOs report to the CEO, respectively.

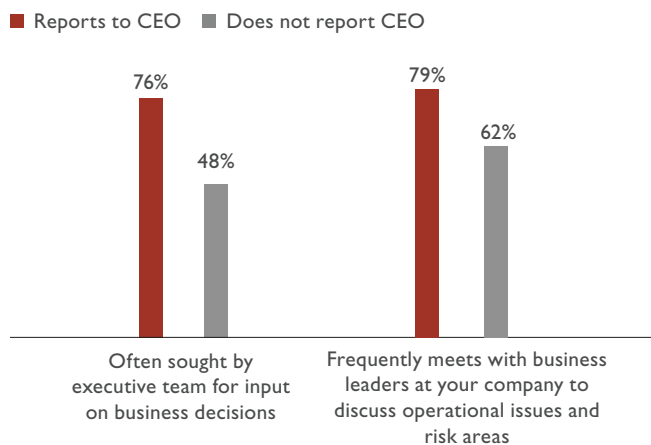
Among the 22 percent of CLOs who report no direct reporting line to the CEO, the most common reporting line is to the CFO (42 percent), followed by the COO (19 percent). The problem with reporting to other C-suite officers is that it diminishes the ability of the CLO to influence high-level business decisions and to advise on operational issues and risk areas. For example, CLOs who report to the CEO are more likely to report that the executive leadership team almost always seeks the CLO's input on business decisions (76 percent vs. 48 percent for CLOs who do not report to the CEO).

While there are no significant differences in the percentage of CLOs reporting to the CEO by company type (public vs. private) or company revenue levels, there are differences across industries. The information industry (encompassing IT) stands out as having only 65 percent of its CLOs reporting to the CEO, while all other industries have at least 73 percent of CLOs reporting to the CEO. Given the swirl of new regulations and governmental inquiries in the tech industry, these information industry CEOs would appear misguided.

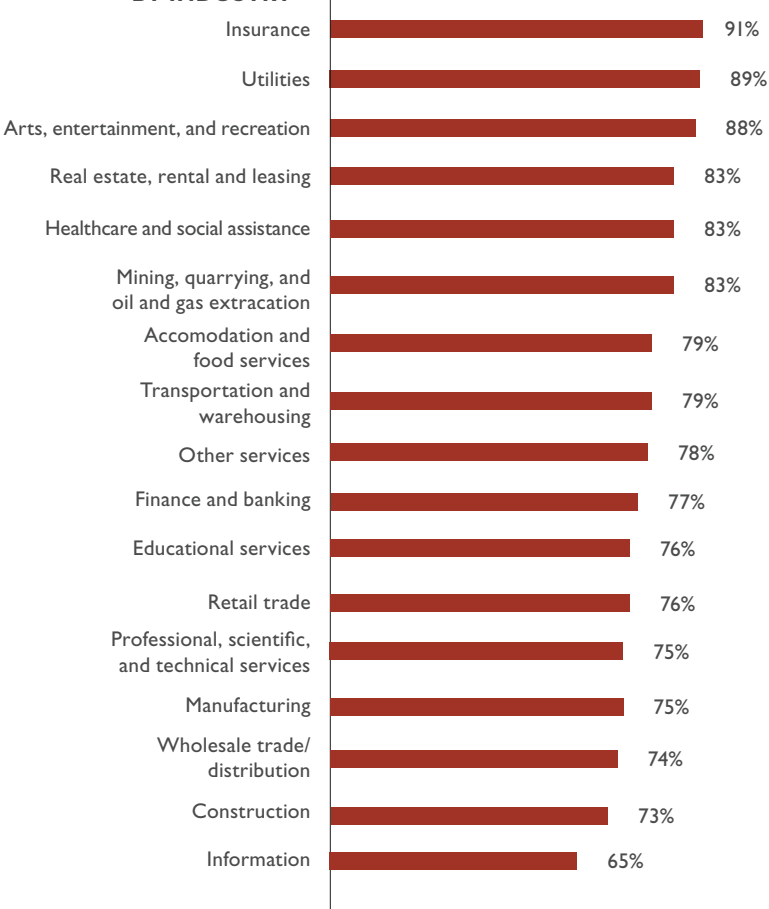
PERCENTAGE REPORTING DIRECTLY TO THE CEO/HIGHEST-RANKING EXECUTIVE OFFICER IN COMPANY

	US	Canada	Europe	Middle East and Africa	Latin America	Asia	Australia/Pacific
Yes	81.9	62.7	73.9	76.9	72.7	66.8	75.4
No	18.1	37.3	26.1	23.1	27.3	33.2	24.6
If not the CEO/top executive officer, to whom do you report?							
CFO	48.7	45.5	51.6	40.0	66.7	17.4	42.9
COO	26.2	9.1	9.7	13.3	0.0	10.1	17.1
Chief administrative officer	9.6	0.0	3.2	0.0	0.0	39.1	5.7
Chief legal officer of the holding company	5.9	22.7	12.9	33.3	33.3	14.5	0.0
Other	14.4	27.3	25.8	13.3	0.0	33.3	34.3

CLO INFLUENCE: REPORTS TO CEO



PERCENTAGE OF CLOs WHO DIRECTLY REPORT TO THE HIGHEST-RANKING EXECUTIVE OFFICER/CEO BY INDUSTRY



CLOs MOVING BEYOND LEGAL

As CLOs solidify their place in the C-suite, they increasingly oversee corporate functions other than legal. Compliance is the most common corporate function reporting to the CLO, but even beyond this legal-adjacent function, CLOs are ex-

panding influence in their companies. For example, one in four oversee government affairs, and one in five oversee human resources and administration.

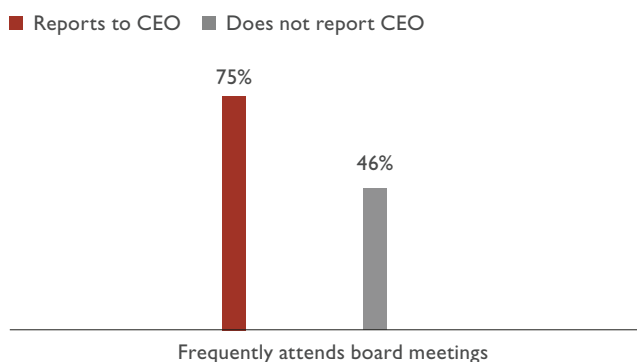
PERCENTAGE OF CLOs REPORTING RESPONSIBILITY FOR CORPORATE FUNCTION

Administration	19
Communications	7
Compliance	75
Corporate social responsibility	13
Environment, health, and safety	10
Government affairs	24
Human resources	20
Information Technology	7
Internal audit	12
Public/corporate affairs	13
Real estate/corporate facilities	15
Security	12
Other	20

AN ALLY TO THE BOARD

Another important measure of organizational influence for CLOs is their relationship with the board of directors. More importantly, a strong relationship between the CLO and the board of directors enables the board to set the right tone for the company's legal, ethical, and compliance culture. While the relationship between the CLO and the board can take various forms, it is important that the CLO have regular contact with the board, most commonly achieved through attendance at board meetings. Overall, ACC CLO survey data show that two in three CLOs regularly attend board meetings (68 percent). CLOs who report to the CEO are more likely to state that they almost always attend board meetings (75 percent vs. 46 percent). They are also more likely to have a reporting relationship to the board. CLOs in Europe have the largest percentage of respondents who both report to the CEO and have a direct reporting line to the board of directors.

BOARD ATTENDANCE BY CLO REPORTING LINE



CEOs THINK ABOUT GROWTH; BOARDS ASK ABOUT RISK

We asked heads of legal departments, “What is the most important topic or issue your CEO is focused on right now?” and “What does your board of directors most often ask you about?” Though significant variation in comments from respondents is typical, a high-level summary provides insight into what CLOs are talking about with their boards and what CLOs perceive as the main focus area for their CEO. These two items provide a qualitative look at company leadership as experienced by the CLO.

THE CEO IS FOCUSED ON GROWTH

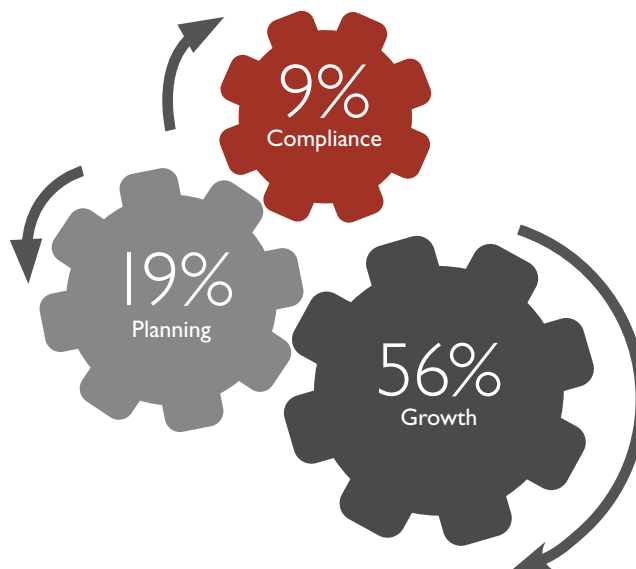
More than half (56 percent) of the 1,460 survey participants who shared their impressions of the CEO’s current focus believe it to be growing the company. While this is undoubtedly one of the top executive’s main responsibilities, it takes many forms. Some CLOs emphasize the financial aspect of growth, focusing on increasing revenue, profits, sales, or customers, while others place their attention on territorial expansion — comments referred to market expansion into the US, China, and Asia in general or growing through “diversification of company products” or the “launch of a new product.”

Almost one in five respondents say their CEO’s current top priority is related to strategy and planning (18.7 percent). Respondents highlight the CEO’s focus on the “business,” “company,” or “corporate” strategy.

MOST IMPORTANT TOPICS THE CEO IS FOCUSED ON RIGHT NOW



MOST IMPORTANT TOPICS OR ISSUE FOR CEOs TODAY



Compliance is the third topic that respondents highlight as being the CEO’s top priority, with 9 percent of those who shared their views on the matter citing the top executive’s focus on issues such as “ethics and compliance,” “regulatory issues,” “employment law compliance,” or “sexual harassment.” Balancing business development with regulatory compliance is a challenge that several participants name. As one respondent put it, the CEO’s aim is “expanding our business footprint while ensuring compliance with federal and state law, as well as contracts with business partners.”

Other topics that occupy CEOs’ minds include mergers and acquisitions, or M&A (5 percent of respondents) and keeping up with current technological developments/innovation and effectively transitioning to a digital economy (4 percent).

Finally, a small minority of respondents (3 percent) point to geopolitics as the CEO’s current top concern, with “Brexit” and “tariffs” explicitly mentioned. General concern about the “global economy” and “global trade” is also noted, with the implication that the current world political climate affects the company, such as “how tariffs and a potential trade war will affect the business” and whether “international trade wars [will affect] agriculture.” This anecdotal data matches smaller percentages who rate these items as top factors in company decisions. Interestingly, these questions are either very important or off the radar entirely.

WHAT'S THE BOARD ASKING CLOs?

While a clear majority of respondents indicates that the CEO's focus is on growing the company, risk and compliance issues top the list of topics the board asks about in discussions with the CLO. Per one CLO, the board asks about "corporate governance issues, strategic business decision risks and solutions, and corporate compliance."

TOPICS THE BOARD MOST OFTEN ASKS THE CLO ABOUT



Although risk and compliance are related issues, almost 30 percent of respondents specifically mentioned "risk" when asked about what the board seeks input on (from the CLO) most often. The CLO's assessment and advice are valued from the legal standpoint when the company is engaging in new projects or in situations where uncertainty is a crucial factor: "Risk management," "risk assessment," and determining "areas of risk" were issues that respondents raised multiple times. One CLO confided that the board asks "how to execute its mission while navigating potential risks and barriers," while another mentions being "the main management lead for the Board Risk Committee," who "frequently engages with the board on a wide variety of risks, including those outside of the legal domain."

Besides risk, compliance is another subject that the board asks CLOs about, with a quarter of respondents referring to this sort of issue. Dozens of respondents cited "compliance" in a "legal" and "regulatory" context. Board members want to be sure the company's actions are legal, thus asking CLOs about the "interpretation of legislation" and "explanations and analysis on the legal issues." In a nutshell, and as a couple of survey participants bluntly put it, board members want a clear answer to questions such as "Can we do this legally?" or "Can [we] do X without getting in trouble?"

Issues relating to corporate governance were another significant area of inquiry. Twenty-two percent of respondents indicate that this is the area that board members most often ask them about. Many comments related to this category reference "administrative matters" that may relate to the CLO's role as corporate secretary, including "agenda of the board," "board functions," "responsibilities," "governance," and board "meeting minutes." Other comments point to the CLO's expertise and advice on corporate internal documents, organization, and bylaws. Finally, a few respondents also share that the board's main inquiries involve "executive compensation" and related issues, such as "stock options and company valuations" and "shareholder relations."

The fourth topic of importance is litigation updates. One in 10 respondents explain that the board asks them about "current" and "ongoing litigation," "pending disputes," and essentially all information related to "outstanding litigation [...] around labour, privacy, [or] competition."

Finally, a small minority of respondents say that the board asks them about "contracts" (3 percent), and this entailed "contract advice," "management," "negotiation strategy," "contractual rights," and "obligations." Other participants comment that the board seeks their views on "deal status" and "updates on transactions." Yet another smaller share of respondents (2 percent) indicates that M&A is the issue that the board most often asks them about.

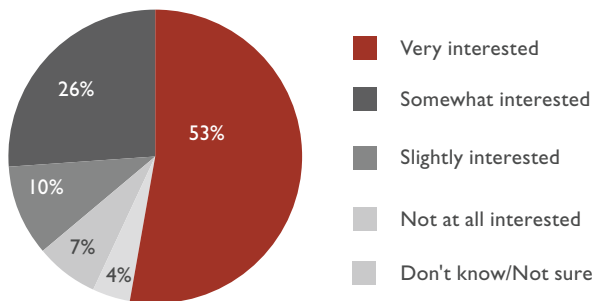
WHAT DOES YOUR BOARD OF DIRECTORS MOST OFTEN ASK YOU ABOUT?



CLOs INTERESTED IN CORPORATE BOARD SERVICE

CLOs have not traditionally been a common population from which to recruit corporate board members. However, in the Age of the Chief Legal Officer, it may become more appealing to recruit CLOs to boards of directors, not for their legal skills, but for their industry skills and ability to see company business matters through a highly strategic lens. The modern CLO manages company risk to facilitate growth and innovation in a complex business climate. Regardless of gender or ethnicity, having a highly experienced legal- and business-minded expert in the boardroom brings diversity of thought and strategy execution to the table. Seventeen percent of this year’s respondents sit on the board of a for-profit company other than their own, and that percentage is little changed from when we last asked the question in 2015. CLOs in Europe have the highest percentage serving on independent boards (31 percent), while US CLOs have the lowest (11 percent). Among our respondents, men and women are equally likely to serve on a board. Certainly, CLOs are intrigued by the opportunity to serve: 53 percent of respondents say they are “very interested” in sitting on a for-profit company board.

CURRENT LEVEL OF INTEREST IN SERVING AS AN INDEPENDENT DIRECTOR OF A FOR-PROFIT COMPANY



Regulatory Changes and Reputation Drive Company Business Decisions

Today’s global business climate is turbulent. Geopolitical changes, new collective business practices and shifts in the world order have resulted in a shape-changing landscape heavily affected by technology that links shareholders, investors, and consumers to information.

What drives company decision-making depends largely on the organizational strategy within its global market. CLOs state that they believe new regulations, brand and reputation issues, and disruptive technology, will have significant effects on company decisions.

It is clear that financial outcomes are tied to sustainable corporate practice, which in turn affects investor and consumer behavior. Seven in 10 millennials consider corporate and personal values when choosing where to spend.⁶ A recent study

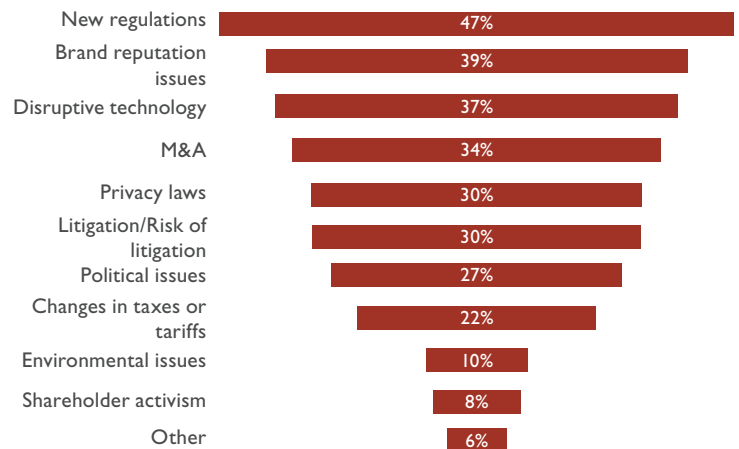
on climate change found that “89 percent of investors changed their voting and/or engagement policy to be more attentive to ESG [environmental, social, and governance] practices, with 63 percent reporting that this change has taken place in the past year.”⁷ It’s also good for business. Forbes reports that the labeled green bond market — securities issued by authorized bodies to support projects that benefit the environment — has grown by more than \$450 billion since 2007. The unlabeled market — assets that are climate-aligned but not carrying a green label — grew by an estimated three times that rate.⁸

When M&A is on the horizon, companies are clearly paying attention to factors that may affect perception, solidifying reputation as a top area of focus for company leaders. When asked what prompted the organization to develop a sustainability plan, those anticipating M&A activity in 2019 were slightly more likely (61 percent) than those who do not (55 percent) to say that reputation was a major driver of sustainability planning. Forty-three percent expecting M&A activity in 2019 report that being a “choice brand” was a driver, compared with 33 percent of CLOs who aren’t expecting M&A action this year.

Political issues such as elections, national policy, or social unrest and changes in taxes and tariffs are widely cited as drivers of top issues for companies focused on M&A and growth. These weigh heavily on respondents to this ACC survey. Roughly one in four ranks these as issues that will significantly affect company decision-making.

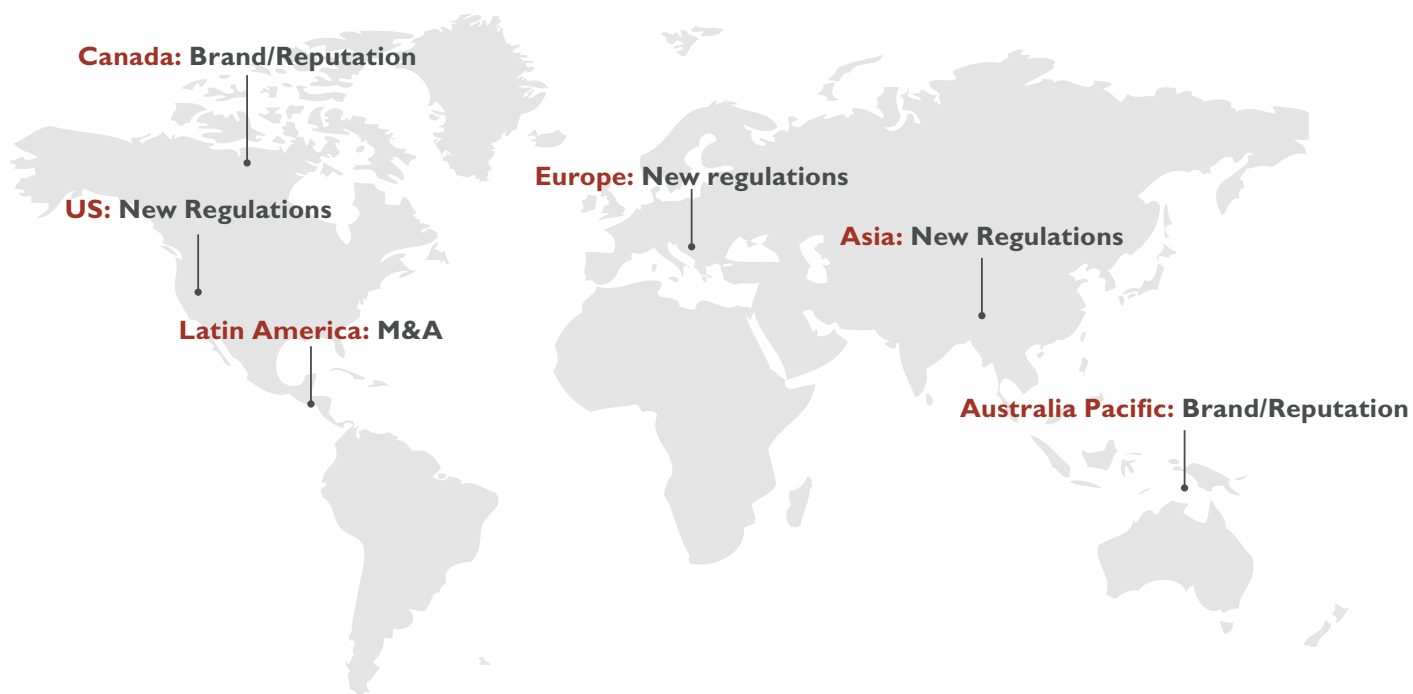
One in 10 CLOs indicates that shareholder activism and environmental issues will heavily affect business decisions in 2019. Shareholder activism was at its peak in the 1980s, but it is a trend to watch over the next few years given its recent revival. Expanding in global markets, shareholder activism has the potential to grow more influential in decision-making.⁹

WHICH OF THE FOLLOWING WILL SIGNIFICANTLY AFFECT YOUR COMPANY’S BUSINESS DECISIONS FOR 2019?*



*Percentages add up to more than 100 percent, as many respondents listed two or more factors influencing their decisions. Numbers indicate the percentage of respondents who chose that item.

TOP ISSUES AFFECTING COMPANY DECISIONS BY REGION



TOP ISSUES SIGNIFICANTLY AFFECTING COMPANY'S BUSINESS DECISIONS FOR 2019 BY REGION*

	Asia	Australia/ Pacific	Canada	Europe	Latin America	Middle East and Africa	US
Brand reputation issues	40.0	56.4	52.5	32.2	22.7	15.6	38.4
Changes in taxes or tariffs	22.0	5.7	23.7	17.8	31.8	12.5	25.0
Disruptive technology	31.0	48.6	45.8	39.0	36.4	23.4	37.0
Environmental issues	23.5	11.4	13.6	6.8	9.1	4.7	6.9
Litigation/Risk of litigation	24.5	19.3	25.4	27.1	18.2	35.9	33.6
M&A	32.0	27.1	47.5	37.3	9.1	48.4	34.0
New regulations	50.5	52.1	40.7	50.8	59.1	45.3	45.8
Political issues	17.5	45.7	28.8	36.4	54.5	37.5	23.8
Privacy laws	21.5	30.0	39.0	32.2	36.4	21.9	32.4
Shareholder activism	13.5	12.1	18.6	7.6	4.5	15.6	5.7
Other	3.0	5.7	0.0	6.8	0.0	4.7	6.5

*Percentages add up to more than 100 percent, as many respondents listed two or more factors influencing their decisions. Numbers indicate the percentage of respondents who chose that item.

WHAT DRIVES ORGANIZATIONAL DECISION-
MAKING AROUND THE WORLD?

Reputation tops the list of influences on business decisions for those in Canada and the Australia/Pacific region, while new regulations tops the list for CLOs in Asia, Europe, and the US.

Political issues will have the largest impact on company decisions in Australia/Pacific, the Middle East and Africa, and Europe. Litigation will have a significant effect on decisions in the companies of US-based CLOs, while disruptive technology plays a significant role in company decisions for those in the Australia/Pacific region and Canada. In fact, over half of all CLOs surveyed in Canada and the Australia/Pacific region

report that disruptive technology will influence business decisions at the company level. One in four in the US, Europe, and Latin America also identifies disruptive technology as a major influencing force for 2019 business decisions.

In the US and Canada, one in four CLOs says changes in taxes and tariffs will affect 2019 business decisions. Twenty-two percent of respondents in Asia and 32 percent in Latin America view taxes and tariffs as a driver of business decisions in their company. Taxes and tariffs were less significant in the Australia/Pacific region, Europe, and the Middle East and Africa compared with other regions.

What Keeps CLOs Up at Night (importance rankings)

Data breaches and protection of corporate data, regulatory/governmental changes, and information privacy will continue to keep CLOs awake at night in 2019. Two-thirds of the over 1,600 CLOs surveyed rated each issue as extremely or very important in the coming year. The timing fits: The past year saw significant regulatory changes enacted, for example, the European General Data Protection Regulation (GDPR) came into effect, new regulations on cryptocurrency were passed in countries including France¹⁰ and Australia¹¹, and new housing regulations affected business in Japan.¹² In the US, New York State passed the first state-level cybersecurity regulation, the NYDFS Cybersecurity Regulation (23 NYCRR 500), in 2018.

Concerns about the protection of data are warranted. Breaches directly affect company brand and reputation, top decision drivers for organizational leadership. CLOs are becoming an experienced group when it comes to data breaches. In 2018, the

ACC Chief Legal Officers Survey found that one in four CLOs worked in companies that had experienced a data breach. The 2018 ACC Foundation: the State of Cybersecurity Report highlighted the importance of data and privacy regulations such as the GDPR.¹³ Thirty-nine percent of respondents said their company would be required to comply with the GDPR, and half were discussing with their board of directors its impact on business regulations.

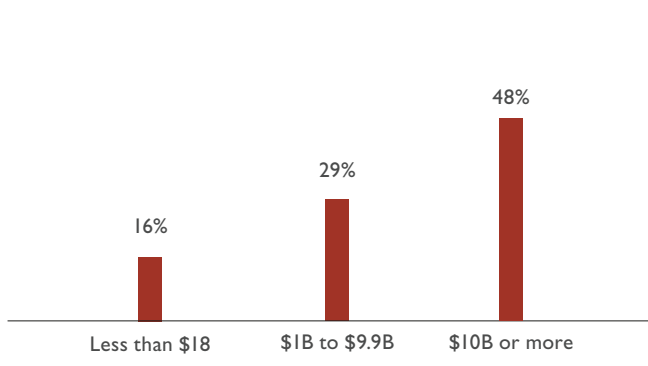
Whistleblower issues weigh more heavily in higher-revenue companies in 2019. CLOs in companies earning US \$3 billion in annual revenue were three times more likely to say that whistleblower issues, as well as ethics and compliance, were more important than those in small companies (with under US \$100 million in annual revenue). Whistleblower issues were also rated of greater importance by in-house counsel in Asia, where 57 percent say the issues are very or extremely important, compared with 26 percent in the Australia Pacific region and 22 percent in Europe.

WHAT'S KEEPING CLOs UP AT NIGHT?

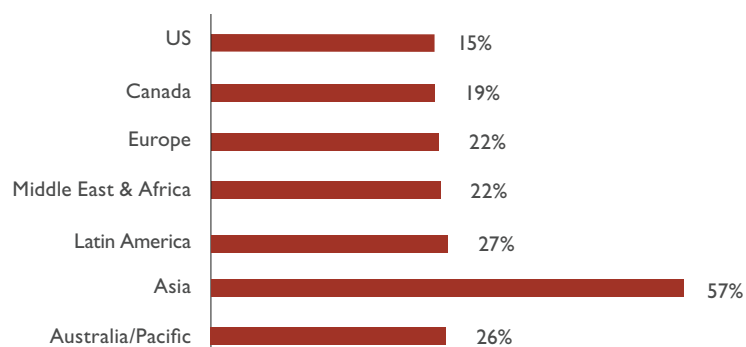
Rate the level of importance each of the following will hold over the next 12 months: Percentage who selected very or extremely important

	Overall	Asia	Australia/ Pacific	Canada	Europe	Latin America	Middle East and Africa	US
Data breaches and protection of corporate data	67.6	71.3	66.7	62.1	68.6	68.2	56.3	67.8
Regulatory or governmental changes	65.7	62.9	78.0	66.1	65.8	90.9	66.2	63.9
Information privacy	65.0	69.2	65.2	59.3	72.0	81.8	53.1	64.0
Technology developments	58.7	65.7	56.7	57.6	59.8	63.6	53.8	57.6
Ethics and compliance including antibribery issues	50.6	76.1	51.8	45.8	61.9	86.4	61.5	42.8
M&A	48.0	56.9	44.0	62.7	51.3	36.4	58.5	45.8
Protection of intellectual property or related disputes	45.0	55.0	39.7	33.9	42.2	36.4	43.1	45.1
Litigation	44.1	52.5	35.0	35.6	36.4	50.0	55.4	44.1
Investor relations	35.8	46.5	44.3	46.6	38.5	54.5	37.5	31.1
Corporate social responsibility	29.6	50.5	36.9	27.1	33.9	27.3	16.9	24.9
Social media management/governance	27.4	42.6	30.5	32.2	29.1	36.4	24.6	23.4
Whistleblower issues	21.9	56.5	25.5	18.6	21.6	27.3	21.5	14.7

WHISTEBLOWER ISSUES "VERY/EXTREMELY IMPORTANT" BY COMPANY ANNUAL REVENUE (USD)



WHISTEBLOWER ISSUES "EXTREMELY/VERY IMPORTANT" BY REGION



WHAT'S MOST IMPORTANT TO CLOS IN THE COMING YEAR BY COMPANY ANNUAL REVENUE

Percentage who rated each issue very or extremely important*	Company annual revenue (USD)		
	Less than \$1B	\$1B to \$9.9B	\$10B or more
Data breaches and protection of corporate data	65.1	69.2	77.6
Regulatory or governmental changes	64.6	68.0	65.8
Information privacy	62.7	65.2	76.4
Technology developments	57.5	56.4	71.4
Protection of intellectual property or related disputes	46.2	39.6	50.6
M&A	44.1	60.4	54.7
Ethics and compliance including antibribery issues	42.0	64.2	75.8
Litigation	38.0	55.4	57.1
Investor relations	34.1	37.2	46.0
Social media management/governance	26.5	24.9	40.4
Corporate social responsibility	24.6	37.0	48.1
Whistleblower issues	15.7	29.3	48.1

*Percentages add up to more than 100 percent, as numbers represent the percentage who rated each issue very or extremely important in each revenue category.

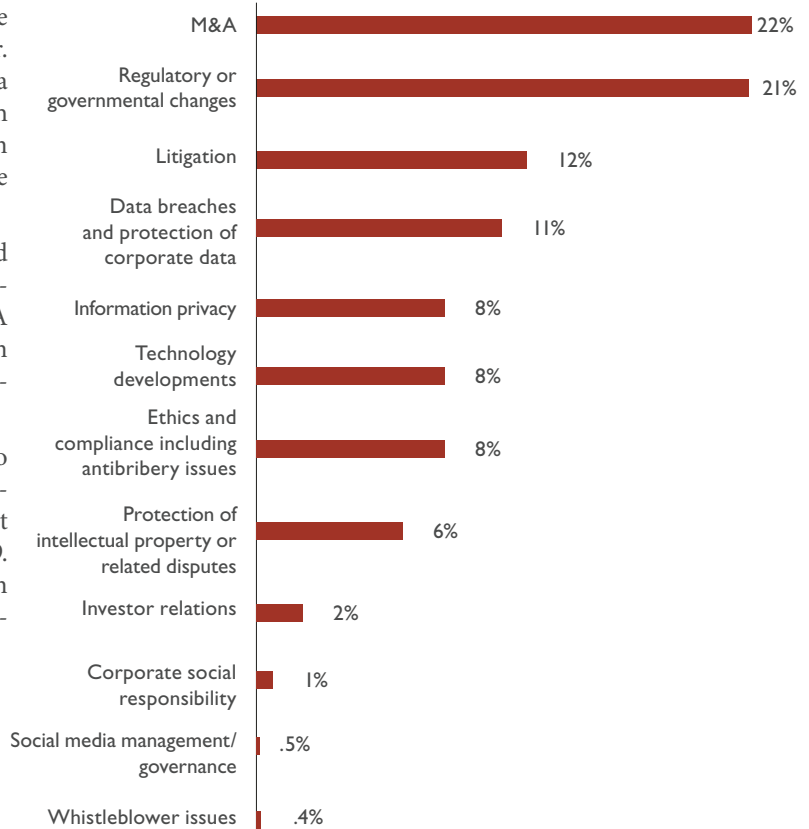
**LOOKING AHEAD—TOP ISSUES AFFECTING
CORPORATE LAW DEPARTMENTS**

In this year’s survey, CLOs were asked which single issue, among those rated extremely important to them, would have the greatest impact on legal departments in the coming year. M&A and regulatory changes share the top spot, while data breaches and information privacy placed only fourth and fifth (despite being highly ranked in terms of importance). CLOs in Latin America ranked regulatory changes their number-one issue, more frequently than in any other region.

The primary issue was M&A for those engaging in mergers and acquisitions. Regulatory issues were tops for those not anticipating any M&A in 2019. CLOs are certainly discussing M&A plans and regulatory concerns with CEOs who are focused on growth and with board members who wish to discuss the relative risk.

M&A activity will influence corporate legal departments into 2019. Forty-seven percent of respondents report that they anticipate M&A activity in 2019. ACC will publish a special report highlighting additional findings and trends in February 2019. Visit www.acc.com/surveys to sign up to receive notification when the report on M&A trends is released. [Sign up](#) for notification when the report is available.

**WHICH ONE ISSUE WILL HAVE THE GREATEST
IMPACT ON THE LEGAL DEPARTMENT IN 2019**



PERCENTAGE INDICATING WHICH ISSUE WILL HAVE THE GREATEST IMPACT ON THE LEGAL DEPARTMENT IN 2019

	Asia	Australia/ Pacific	Canada	Europe	Latin America	Middle East & Africa	US
M&A	20.0	18.3	27.5	23.7	15.0	30.0	21.6
Ethics and compliance including antibribery issues	18.1	5.8	2.5	18.3	10.0	12.0	4.3
Regulatory or governmental changes	14.2	32.7	10.0	16.1	45.0	24.0	21.6
Litigation	12.9	8.7	10.0	7.5	10.0	14.0	12.8
Technology developments	11.6	7.7	2.5	5.4	0.0	6.0	8.0
Data breaches and protection of corporate data	9.0	12.5	17.5	16.1	5.0	8.0	10.4
Protection of intellectual property or related disputes	3.9	6.7	10.0	5.4	10.0	0.0	6.9
Information privacy	3.2	4.8	10.0	5.4	5.0	6.0	10.6
Investor relations	2.6	1.0	5.0	0.0	0.0	0.0	2.7
Corporate social responsibility	2.6	1.0	5.0	2.2	0.0	0.0	0.3
Whistleblower issues	1.9	1.0	0.0	0.0	0.0	0.0	0.1
Social media management/governance	0.0	0.0	0.0	0.0	0.0	0.0	0.8

*Respondents selected top issue from among those they rated "extremely important" in 2019

Legal Departments and CLOs Play an Integral Role in Sustainability Efforts

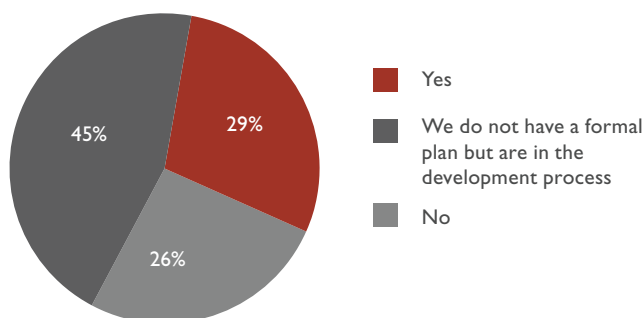
71% currently have or are developing a sustainability plan

With increasing importance to shareholders, investors, and consumers, corporate sustainability, and ESG are growing in significance to companies around the world. CLOs and members of the corporate legal team play a significant role in various aspects of sustainability, helping to guide or even lead sustainability efforts. ACC will publish a unique report discussing trends and important findings related to corporate sustainability in March 2019. [Sign up](#) for notification when the report is available.

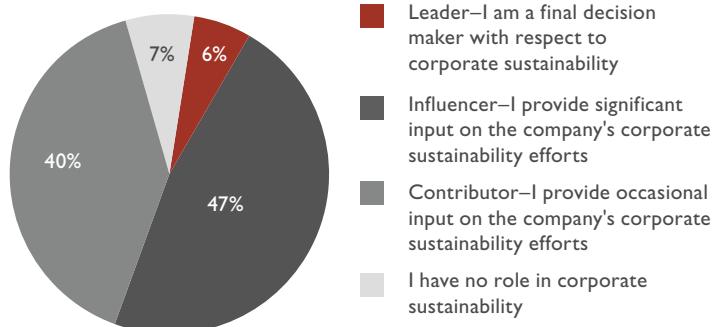
This year we examine the CLO's role in corporate sustainability efforts. For the purposes of this survey, respondents were asked to take a broad view of corporate sustainability and include corporate social responsibility projects, ESG plans, or other inward- or outward-facing sustainability topics their company is currently addressing.

Globally, 29 percent of 1,639 respondents work in an organization with a corporate sustainability plan. An additional one-quarter of respondents report that their company does not have a formal plan but is in the process of developing one. CLOs are well positioned to address governance and corporate culture. Asked about their role in corporate sustainability, 93 percent of CLOs in a company with a sustainability plan report some level of participation in the company's corporate sustainability efforts, which includes the 53 percent of CLOs that are either final decision-makers or who play a significant role with respect to corporate sustainability.

DOES YOUR ORGANIZATION HAVE A CORPORATE SUSTAINABILITY PLAN?



CHOOSE THE DEFINITION THAT BEST DESCRIBES YOUR ROLE WHEN IT COMES TO CORPORATE SUSTAINABILITY



COMMENTS ON SUSTAINABILITY

For a company to succeed in its corporate sustainability plan, this vision needs to be integrated in all departments and not in one area in isolation. This idea motivated the group legal department to establish in 2016 the legal in Sustainability and Creating Shared Value team. This of course requires a new mindset, that we also want to promote across the whole legal department; the responsibility of lawyers is not only to advise on “what is legal” but also on “what is right”. We are convinced of the extraordinary and immediate business opportunities that lay behind the efforts of a company that decides to operate with a long term vision and responsibly, with all its stakeholders and the planet.

ESTEBAN MEZZANO, GENERAL COUNSEL | ZONE AMERICAS, NESTLÉ, SWITZERLAND

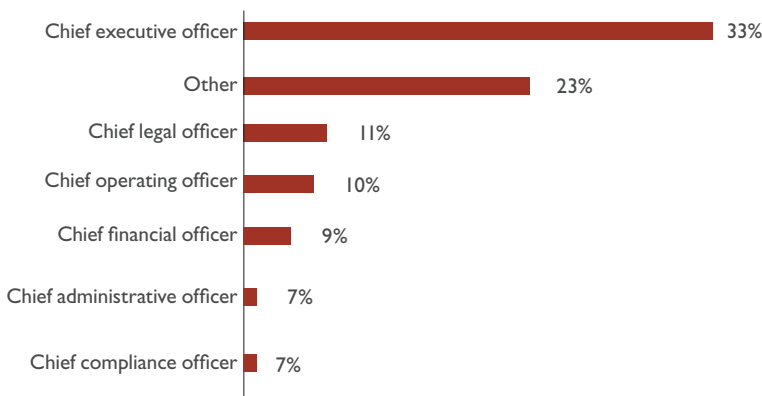
I recommend CLOs and corporate lawyers to get involved in their company's sustainability efforts, to the extent they are not already. Society is increasing its expectations from companies in this area, as reflected in legislation, corporate governance codes and financial and legal reporting requirements. In-house lawyers can also add great value to the business in this area in view of their intimate knowledge of the company's business combined with their legal and analytical skills.

AXEL VIAENE, GROUP GENERAL COUNSEL & COMPANY SECRETARY, GRANDVISION, NETHERLANDS

SUSTAINABILITY TEAMS MORE OFTEN REPORT TO THE CEO, CLO THAN CFO, COO

Compared with CFOs, a higher proportion of CLOs supervise sustainability efforts when individuals and teams are dedicated to the endeavor. Seventy-two percent of CLOs in companies with a sustainability plan report that a person or department is specifically designated to lead corporate sustainability efforts. Eleven percent of CLOs say this person or department reports to the CLO or to another individual such as a chief or head of corporate affairs, human resources, or other department (23 percent). The CFO and COO were slightly less likely than the CLO to oversee sustainability at 9 and 10 percent, respectively. CLOs heading departments in Canada reported in higher-than-average percentages that they directly oversee the person or team leading sustainability for their company.

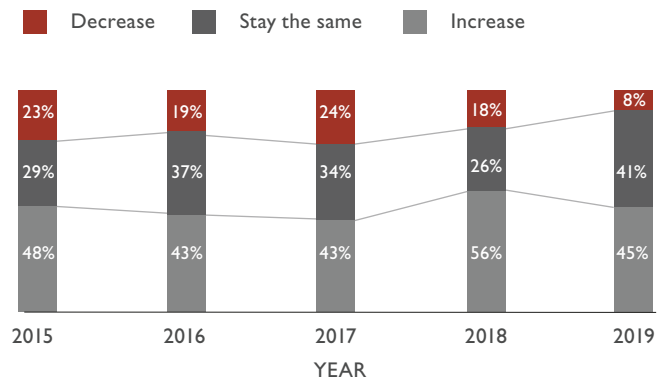
REPORTING LINE FOR INDIVIDUAL OR DEPARTMENT LEADING COMPANY'S CORPORATE SUSTAINABILITY EFFORTS



Law Department Budgets Continue to Increase

Though not as high a percentage as seen in 2018, law department budgets are mainly on trend for growth, mirroring data dating back to 2015. This year, 45 percent of CLOs anticipate law department budgets to rise in 2019, down slightly from 2018's high of 56 percent but on par with earlier findings that range from 43 to 48 percent expecting budgets to increase. Budget predictions were fairly uniform across all fields and industries. Notably, 41 percent expect budgets to remain the same after this year. This is the largest percentage reported since 2015. At 8 percent, this 2019 survey reports the smallest percentage of CLOs in five years predicting budgets will decrease next year.

DO YOU ANTICIPATE YOUR DEPARTMENT'S OVERALL BUDGET WILL DECREASE, STAY THE SAME, OR INCREASE IN THE NEXT 12 MONTHS?*



*Percentages may not add to 100. Don't know/Not sure responses are not shown.

Once again, companies with smaller revenue outpace those with larger revenue when it comes to expanding legal department budgets. Just as in 2018, CLOs in the smallest companies were more likely to anticipate an increase in department budget compared with larger-revenue companies (46 percent to 35 percent). We see the same pattern extending into 2019, indicating that smaller companies are continuing to invest in their legal departments.

PERCENTAGE REPORTING 2019 BUDGET CHANGES BY COMPANY ANNUAL REVENUE (USD)

	Less than \$1B	\$1B to \$9.9B	\$10B or more
Decrease	6.6	11.6	13.8
Stay the same	41.2	39.1	45.3
Increase	46.3	45.8	35.2
Not sure	5.9	3.5	5.7

CLOs in the information and insurance sectors anticipate larger budgets in 2019. On average, respondents in the mining and accommodation sectors are most likely to say their department budgets will shrink in 2019. Notably, although CLOs in larger-revenue companies and those in the mining and insurance sectors are more likely to expect lower budgets in 2019, they are also more likely to expect M&A activity next year.

PERCENTAGE REPORTING 2019 BUDGET CHANGES BY INDUSTRY

	Decrease	Stay the same	Increase	Not sure
Accommodation and food services	24.1	37.9	34.5	3.4
Arts, entertainment, and recreation	11.9	45.2	35.7	7.1
Construction	2.3	50.0	38.6	9.1
Educational services	10.0	54.0	34.0	2.0
Finance and banking	11.3	37.6	47.5	3.5
Healthcare and social assistance	8.5	38.0	46.5	7.0
Information	3.6	34.5	50.9	10.9
Insurance	10.8	32.3	53.8	3.1
Manufacturing	6.7	46.6	42.6	4.0
Mining, quarrying, and oil and gas extraction	17.2	48.3	31.0	3.4
Professional, scientific, and technical services	3.9	41.4	49.2	5.5
Real estate, rental and leasing	11.4	35.7	47.1	5.7
Retail trade	9.0	37.2	48.7	5.1
Transportation and warehousing	9.8	43.9	34.1	12.2
Utilities	11.4	42.9	37.1	8.6
Wholesale trade/distribution	9.3	50.0	37.0	3.7

LAW DEPARTMENT STRUCTURE BY COMPANY TYPE

Percentage reporting law department structure is best described as:	Overall	Private	Public	Non-profit organization	Wholly owned subsidiary
Centralized – attorneys housed in corporate center	60.4	64.8	47.4	76.7	58.1
Mostly centralized – most attorneys in corporate center but some embedded in individual business units	25.0	22.7	32.1	19.4	24.8
Mostly decentralized – most attorneys embedded with individual business units, but control is through the office of the GC	10.9	8.9	15.6	1.9	13.7
Decentralized – attorneys embedded in individual business units	2.1	2.1	2.5	1.0	2.6
Other	1.6	1.5	2.5	1.0	0.9

Corporate Law Department Staffing and Structure

Decentralized law departments remain rare. An average of 85 percent of respondents lead centralized or mostly centralized departments. The structure of the legal department is greatly influenced by company type, however. Forty-seven

percent of CLOs in public companies work in centralized departments compared with 77 percent in non-profits and 65 percent in private companies.

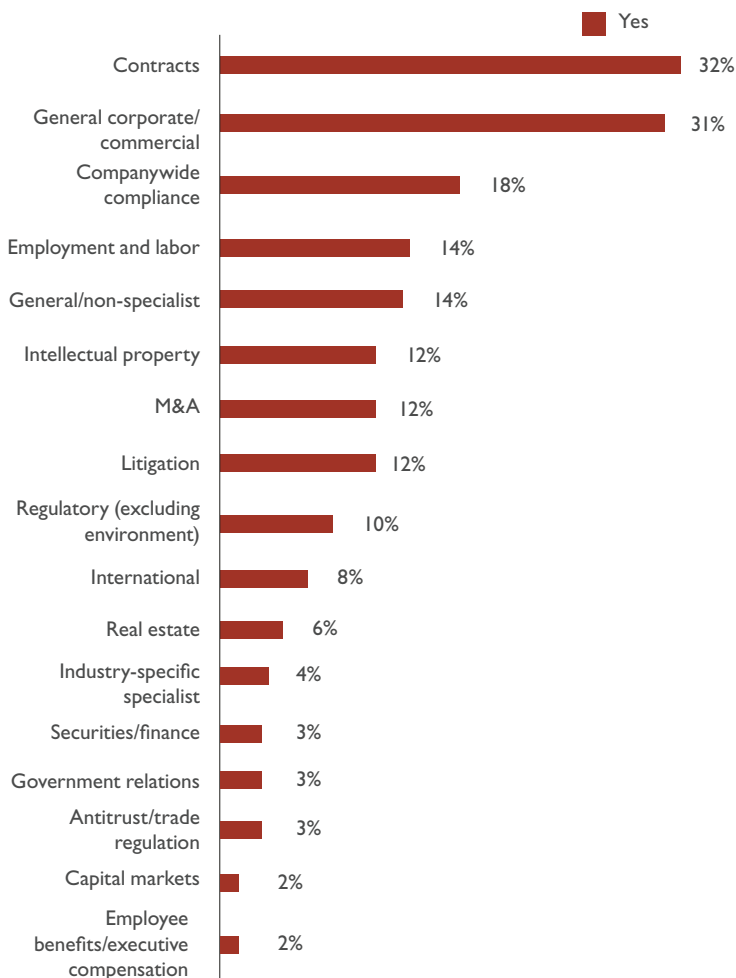
Most CLOs anticipate increasing staffing levels in 2019. Thirty-two percent anticipate adding in-house counsel, 15 percent will add legal operations professionals, and 19 percent foresee adding paralegals in 2019.

ANTICIPATED STAFFING CHANGES BY POSITION

	Decrease	Stay the same	Increase	Not sure
In-house counsel	3.9	61.0	31.8	3.3
Legal operations professionals	2.8	74.3	15.4	7.5
Paralegals	3.3	70.8	18.5	7.4
Administrative staff	4.6	75.9	14.0	5.5
Exempt employees/non-legal professionals	2.9	74.3	12.2	10.6

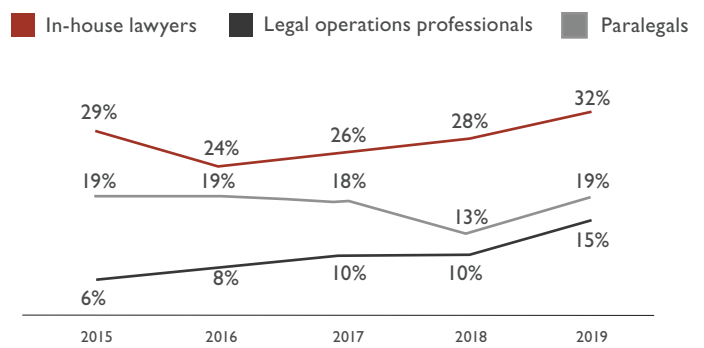
While departments continue to be budget constrained, CLOs are nonetheless allocating staffing to compliance and contracts. Considering the CLO’s focus on regulatory changes and data breaches, it makes sense that nearly one in five CLOs created new positions in the compliance area. One in three CLOs created new positions in contracts. Another 31 percent created new jobs in general corporate or commercial law.

IN THE PAST 12 MONTHS, HAS YOUR LAW DEPARTMENT CREATED NEW LAWYER POSITIONS IN ANY OF THE FOLLOWING PRACTICE AREAS?



*Under 1.5 percent: Trade, Tax, Environment (regulatory only), Property and casualty, Bankruptcy)

PERCENTAGE OF CLOs ANTICIPATING STAFFING INCREASES OVER THE NEXT 12 MONTHS BY POSITION AND YEAR



Globally, respondents who most often predict increasing in-house counsel staffing are from Canada (41 percent), Asia (39 percent), and Australia/Pacific (36 percent). Those in the US are less likely to foresee an increase in in-house counsel this year (30 percent).

Among industries, utilities (46 percent), transportation and warehousing (42 percent), information (including IT) (36 percent), insurance (35 percent), finance and banking (33 percent), and healthcare (33 percent) are the most likely to report anticipating their department hiring more in-house counsel over next 12 months. When it comes to legal operations staffing, CLOs in Asia have the highest percentage reporting an increase in legal operations professionals for the upcoming year (39 percent) followed by Europe (16 percent). Twelve percent in the US will add legal operations staff, and 7 percent in Canada and Australia/Pacific expect to do so.

Even in a time of controls on internal hiring – perhaps especially in such times – bringing in a Legal Operations person makes a lot of sense. Legal Ops folks are invaluable in cutting outside counsel spending, which can either be banked as cost savings – which makes you popular with your business colleagues – or re-invested in new in-house hires.

CAMERON FINDLAY, SENIOR VICE PRESIDENT, GENERAL COUNSEL & SECRETARY, ARCHER DANIELS MIDLAND COMPANY

The industries most likely to foresee hiring legal operations professionals in the next 12 months are manufacturing (20 percent), transportation and warehousing (19 percent), construction (18 percent), information (18 percent), healthcare (16 percent), accommodation and food services (16 percent), and finance and banking (15 percent).

RESOURCE ALLOCATION: SLIGHT SHIFT IN AMOUNT OF LEGAL WORK SENT TO LAW FIRMS AND LEGAL SERVICE PROVIDERS

Just over half of respondents (55 percent) anticipate the amount of work sent to law firms will remain the same in the next year. Seventy-two percent expect no change in the amount of work sent to legal service providers. Twenty percent of CLOs who expect to decrease work sent to outside vendors/legal service providers this year will increase in-house staffing during this time, indicating at least some in-house departments will replace outside providers with in-house staff.

CHANGES IN LEGAL WORK SENT TO LAW FIRMS AND LEGAL SERVICE PROVIDERS

		Percentage
Do you anticipate the amount of work you send to law firms will increase, stay the same, or decrease in next 12 months?	Decrease	9.9
	Stay the same	54.9
	Increase	35.2
Do you anticipate the amount of work you send to outside vendors/legal service providers will increase, stay the same, or decrease in next 12 months?	Decrease	6.2
	Stay the same	71.8
	Increase	22.0

STAFFING PREDICTIONS SLIGHTLY DIFFERENT FOR THOSE PREDICTING M&A

Four in 10 respondents (38 percent) who anticipate upcoming merger or acquisition activity believe their department will increase the number of in-house counsel in the next 12 months. Likewise, 36 percent of respondents who report that M&A will significantly affect their companies' business decisions in the upcoming year said their departments will increase the number of in-house counsel on staff.

Eighteen percent of those reporting upcoming merger/acquisition activity also predict that their department will increase staffing of legal operations professionals in the upcoming year.

Top Non-legal Skills for Corporate Lawyers

Leadership, business management, and communication top the list of non-legal skills that law department leaders seek to develop among their corporate legal teams. CLOs report that project management and executive presence are also widely sought.

The growing areas of data analytics and visualization along with cross-cultural awareness are new to this year's non-legal skills list. Each garnered interest from 15 percent of respondents. This may be indicative of growing interest in skills related to big data needed for decision-making and expanding global awareness that is essential for those combining operations and possibly multicultural workforces as part of an international merger or acquisition.

In-house counsel seeking new positions in a specific industry may wish to stay abreast of the non-legal expertise and expanding practice areas of interest to CLOs. Below is a general profile of the top skills and hiring areas by industry.

STAFFING AND M&A PREDICTIONS BY POSITION

	Do you anticipate that your company will be engaged in any merger or acquisition activity in 2019?			
	Yes	No	Don't know	Not sure
In-house counsel	Decrease	4.9	3.9	2.3
	Stay the same	54.7	69.3	63.6
	Increase	37.7	24.9	28.0
	Not sure	2.7	1.9	6.1
Legal operations professionals	Decrease	2.9	3.1	2.3
	Stay the same	72.3	78.2	73.7
	Increase	18.2	12.2	13.7
	Not sure	6.7	6.6	10.3

NEW POSITIONS / NON-LEGAL SKILLS: PERCENTAGE BY INDUSTRY

	Overall	Accommodation and food services	Arts, entertainment, and recreation	Construction	Educational services	Finance and banking	Healthcare and social assistance	Information	Insurance	Manufacturing	Mining, quarrying, and oil and gas extraction	Other services	Professional, scientific, and technical services	Real estate, rental and leasing	Retail trade	Transportation and warehousing	Utilities	Wholesale trade/distribution	
Last year, created new lawyer positions in the following practice areas	Antitrust/trade regulation	3	0	0	0	1	4	2	3	7	0	1	4	0	3	11	17	5	
	Bankruptcy	1	0	0	0	3	0	0	0	0	7	1	0	0	0	11	0	0	
	Companywide compliance	2	11	4	13	25	21	25	20	14	20	13	18	14	0	18	28	17	15
	Contracts	18	33	29	33	31	23	39	43	24	32	27	42	41	12	21	44	17	30
	Capital markets	32	0	0	0	0	11	2	4	0	1	7	1	0	0	0	0	0	0
	Employee benefits/executive compensation	2	0	0	0	0	1	0	2	3	2	0	5	0	0	0	6	0	0
	Employment and labor	14	11	13	7	13	3	25	16	10	18	13	15	8	8	18	39	8	15
	Environment (regulatory only)	1	0	0	0	0	1	0	0	0	3	7	2	0	0	0	0	0	5
	General corporate/commercial	31	67	38	13	31	24	18	49	21	28	53	32	27	27	32	39	42	30
	Generalist/non-specialist	14	11	17	13	13	11	12	10	7	9	13	18	20	8	12	28	8	50
	Government relations	3	11	0	0	0	1	2	6	7	4	7	3	6	0	3	6	0	0
	Industry-specific specialist	4	0	0	0	6	8	4	8	7	1	7	4	2	8	0	0	17	0
	International	12	0	4	0	13	3	12	10	3	13	0	8	10	0	9	6	8	5
	Intellectual property	8	33	25	0	6	4	18	14	3	22	0	9	12	0	21	0	8	15
	Litigation	12	11	8	13	0	17	20	8	17	12	7	6	4	15	15	22	17	15
	M&A	12	22	8	7	0	11	14	12	7	18	7	12	12	4	3	22	17	15
	Property and casualty	1	0	4	7	0	0	2	0	7	0	0	1	0	4	0	6	0	0
	Real estate	6	11	4	7	6	4	8	0	3	4	7	4	2	35	15	11	8	10
	Regulatory (excluding environment)	10	22	8	7	0	13	16	10	10	6	7	12	10	4	9	11	33	15
	Securities/finance	3	0	4	0	0	15	2	8	3	3	0	0	0	0	0	6	0	0
Tax	1	0	0	7	0	0	2	0	0	2	0	1	2	4	0	6	8	0	
Trade	1	0	0	0	0	1	2	0	3	2	0	2	2	0	0	0	0	5	
Seek to develop the following non-legal skills for the lawyers in your law department	Business management	50	52	51	47	36	45	48	51	41	48	54	58	45	59	55	67	59	
	Communication/listening	45	56	59	39	58	45	50	54	41	50	37	40	38	37	39	45	52	36
	Conflict resolution	18	20	35	33	22	16	22	15	22	17	11	16	18	8	19	24	15	18
	Cross-cultural awareness	15	24	16	19	11	9	13	16	5	27	11	13	12	0	11	13	9	20
	Data analytics and visualization	15	16	3	17	18	18	13	15	17	16	4	16	18	15	18	11	21	18
	Emotional intelligence	29	44	41	28	51	30	37	31	27	26	33	27	23	21	23	29	21	32
	Empathy	10	24	11	11	7	10	8	14	12	11	7	10	6	3	9	3	9	16
	Executive presence	38	36	41	19	67	40	38	39	41	32	41	38	40	31	46	50	52	32
	Finance skills	28	28	16	31	24	28	27	29	20	31	41	26	29	24	32	32	39	32
	Language skills	12	4	14	6	2	15	12	13	7	26	4	9	8	2	9	11	6	14
	Leadership	51	64	46	39	64	47	54	52	54	54	41	47	50	44	50	55	64	41
	Presentation skills	31	40	38	33	42	35	29	32	32	32	22	29	23	29	28	29	21	32
	Project management	42	52	43	19	42	46	46	44	46	43	37	41	44	37	38	34	52	43
	Talent management	11	12	5	6	20	14	12	9	20	12	7	8	5	8	18	13	12	25
	Technical skills	21	20	30	22	22	24	25	22	10	16	19	24	21	26	19	18	12	30

PROJECT OVERVIEW & METHODOLOGY

Project Overview

The 2019 ACC *Chief Legal Officers Survey* opened on October 14 and closed on November 13, 2018. A total of 1,639 respondents completed the survey. ACC current and former members with the title of GC, head of legal, or CLO were invited to participate. To expand participation, ACC collaborated with partner bar associations to invite their qualifying members to participate.

All participants, regardless of membership in ACC or path to the survey, were required to confirm their status as the highest-ranking lawyer in their company. We recognize that in-house leadership titles vary by industry, company, and region. Not all in-house legal leaders hold the title of GC or CLO. For the purposes of this report, we include all participants who entered the survey by identifying as the highest-ranking lawyer in the company. In this report, we refer to those in this position as CLO for readability, though functional titles vary globally.

Interpreting the Data

The overall results present all survey responses question by question. These responses were analyzed by several relevant demographics at both the individual and department/company levels, including gender, minority status, industry, department size, company revenue, and region/country. By analyzing responses in this way, we attempt to decrease the influence of overrepresentation among audience segments. Cross-tabulations are presented to assess the influence of these segments of the survey population, and t-tests were used when appropriate to determine whether differences between groups or between time periods were statistically significant at the .05 level. Industry analysis was conducted among industries with a minimum of 30 responses, and in some cases with a minimum of 50 responses. These are noted where industry is referenced.

Due to rounding, some table and chart percentage totals may not sum exactly to 100. When adding percentages, the whole number is rounded evenly. Tables may not reflect 100 percentage points where “Don’t know/Not sure” is not shown. In some cases, due to changes in question structure and/or response measurement, year-over-year trend comparisons are not presented. Further, some response categories were collapsed in the presentation of results to provide a clearer or more holistic summary of the data. Data for company type is shown for public, private, and non-profit companies only. Nine percent of respondents are employed in wholly owned subsidiaries and are noted where data for this subgroup is unique. Two percent of respondents are employed in government or other types of companies. All respondents were included in analysis, even where not shown.

Additionally, some results presented by regional segments have relatively low sample sizes or skew toward a small number of countries in the region. Therefore, readers should be cautious in generalizing regional results and judicious in drawing strong conclusions. Data shown for Latin America includes 23 responses. We show regional results for informational purposes but were unable to conduct significance testing due to the low number of responses. Japan (64 percent), India (19 percent), and Hong Kong (10 percent) account for 93 percent of responses in the Asia region.

DEMOGRAPHIC PROFILE

Gender

Participants in this year's ACC Chief Legal Officers Survey included 1,639 lawyers from 55 countries.

There was no change in the distribution of men and women in this year's survey. Last year and this year, the population was 63 percent male.

Department size (employee and lawyer count)

LAWYERS IN DEPARTMENT

	2018	2019	Percentage point change from 2018
1 lawyer	39.5	28.4	-11
2-9 lawyers	47.5	53.3	+6
10-24 lawyers	8.3	9.9	+2
25-49 lawyers	2.5	3.7	+1
50 or more lawyers	2.2	4.7	+3
Employees in department			
1 employee	18.7	14.8	-4
2-9 employees	56.0	57.4	+1
10-24 employees	14.5	14.2	0
25-49 employees	5.7	5.0	-1
50 or more employees	5.1	8.6	+3

Experience

Nearly half of the respondents have under five years of experience as a CLO. Almost 19 percent have more than 10 years of experience. Sixteen percent are new to the CLO position with one year or less of experience. Five percent are very experienced, with at least 18 years in the role.

Functional Title

This year, 193 respondents indicated they hold a title other than GC or CLO. Respondents outside of the US were more likely than those working in the US to say they head their legal department but are not the CLO or GC by title. Among those who indicated they are not the CLO, GC, or head of legal, 34 hold the manager title (group, senior, or general). Many are vice president or senior vice president. Globally, 51 percent hold the title of corporate or company secretary.

Industry

This year's survey includes over 100 respondents in the following sectors: manufacturing, banking, professional services, healthcare, and information.

There are more than 50 respondents in each of the following industries: retail, real estate, insurance, wholesale trade, and education.

The construction, transportation/warehousing, entertainment, and utilities industries are all represented by at least 30 respondents.

INDUSTRY

For full descriptions of each industry, visit https://www.bls.gov/IAG/TGS/iag_index_naics.htm

	n	Percentage
Manufacturing	299	18.4
Finance and banking	142	8.7
Professional, scientific, and technical services	129	7.9
Healthcare and social assistance	129	7.9
Information	111	6.8
Retail trade	78	4.8
Real estate, rental and leasing	71	4.4
Insurance	66	4.1
Wholesale trade/distribution	54	3.3
Educational services	50	3.1
Construction	44	2.7
Transportation and warehousing	42	2.6
Arts, entertainment, and recreation	42	2.6
Utilities	35	2.2
Mining, quarrying, and oil and gas extraction	29	1.8
Accommodation and food services	29	1.8
Agriculture, forestry, fishing, and hunting	16	1.0
Management of companies and enterprises	15	.9
Public administration	6	.4
Administrative and support and waste management and remediation	5	.3
Other services	231	14.2

Geography

Six in 10 respondents work in the US. Japan represents a strong majority of participation in Asia, followed by India and Hong Kong. The United Kingdom garnered the highest response by country in Europe.

Office location	Percentage 2018	Percentage 2019
US	64.0	62.2
Canada	6.0	3.6
Europe	11.4	7.3
Middle East & Africa	2.7	4.0
Latin America	1.6	1.3
Asia	5.8	12.4
Australia/Pacific	8.5	8.7
Not specified		.5
	100.0	100.0

	n	Percentage
Afghanistan	1	0.1
Argentina	5	0.3
Armenia	1	0.1
Australia	141	8.7
Austria	2	0.1
Belgium	6	0.4
Brazil	5	0.3
Canada	59	3.6
Chile	2	0.1
China	3	0.2
Colombia	2	0.1
Costa Rica	1	0.1
Cyprus	1	0.1
Czech Republic	1	0.1
Denmark	1	0.1
El Salvador	1	0.1
Finland	3	0.2
France	7	0.4
Germany	9	0.6
Ghana	1	0.1

	n	Percentage
Greece	10	0.6
Grenada	1	0.1
Hong Kong (S.A.R.)	20	1.2
Iceland	1	0.1
India	38	2.3
Ireland	2	0.1
Israel	23	1.4
Italy	12	0.7
Japan	131	8.0
Kenya	2	0.1
Kuwait	1	0.1
Malaysia	1	0.1
Mexico	2	0.1
Netherlands	2	0.1
New Zealand	1	0.1
Pakistan	1	0.1
Peru	1	0.1
Poland	2	0.1
Qatar	2	0.1
Republic of Korea	1	0.1
Romania	1	0.1
Russian Federation	1	0.1
Saudi Arabia	3	0.2
Singapore	7	0.4
South Africa	11	0.7
Spain	10	0.6
Switzerland	13	0.8
Thailand	1	0.1
Turkey	3	0.2
Uganda	1	0.1
United Arab Emirates	16	1.0
United Kingdom of Great Britain and Northern Ireland	36	2.2
United States of America	1,019	62.5
Uruguay	1	0.1
Cayman Islands	1	0.1
Not specified	9	

Company Annual Revenue

Half (56 percent) are in companies with revenue of less than US \$500 million, and 20 percent are in companies with US \$3 billion or more in annual revenue. One in 10 CLOs work in companies with at least US \$10 billion in annual revenue. Thirty-one percent work in smaller companies with less than US \$100 million in annual revenue. Half of respondents are in companies with less than \$499 million in revenue. Thirty-three percent work in companies with \$1 billion or more in annual revenue.

COMPANY ANNUAL REVENUE (USD)

	Percentage
Less than \$25M	14.1
\$25M to \$49M	7.4
\$50M to \$99M	10.2
\$100M to \$299M	15.7
\$300M to \$499M	8.7
\$500M to \$999M	10.4
\$1B to \$1.9B	8.5
\$2B to \$2.9B	4.6
\$3B to 3.9B	3.3
\$4B to 4.9B	2.4
\$5B to \$9.9B	4.5
\$10B or more	10.2

COMPANY ANNUAL REVENUE (USD) DISTRIBUTION

	Percentage
Less than \$1B	66.5
\$1B to \$9.9B	23.3
\$10B or more	10.2

Generational Participation

Generational representation among CLOs is subtly shifting toward Generation X and especially millennials as baby boomers retire. Baby boomers accounted for a smaller proportion of the survey group (29 percent) this year than in 2018, when they accounted for 33 percent of respondents. Gen X and Gen Y now account for 71 percent of respondents to the CLO survey.

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