

ACC's Chief Legal Officers (CLO) 2013 SURVEY



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ACC Association of
Corporate Counsel

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Executive Summary

Law departments across the globe will need to manage a number of issues in order to successfully navigate the challenges they face today and in the future.

The ACC Chief Legal Officers (CLO) 2013 Survey provides an unbiased and comprehensive analysis of the highest ranking lawyers in corporate legal departments—taking a look at their top concerns for the past 12 months, today, and into the future, and a prioritization of their business issues. The report, the largest global survey of CLOs, also contains a profile of who is serving in the CLO role today and a snapshot of law departments in a variety of settings. A total of 1,104 individuals from 36 countries participated in the survey conducted by the Association of Corporate Counsel with support from Avenue M, an independent research and consulting firm.

A few highlights from the survey:

- ❖ Many organizations, both private and public, understand the importance of building a foundation that is supported by a strong ethics and compliance program. As such, chief among the top issues facing CLOs today is ethics and compliance and regulatory or governmental changes. These two issues rated high in terms of importance both for the past 12 months and the next 12 months.
- ❖ With a growing commitment to collecting and storing data; and a blurring of the lines between personal and professional use of computers and mobile devices; it should come as no surprise that information privacy is becoming a top concern for many organizations. In addition, the legal protection of the right to privacy varies greatly around the world. This study revealed 75 percent of study respondents indicated some level of importance for information privacy over the past 12 months. And, 20 percent of those who believe the issue to be less important in the past 12 months, indicated it would be of greater importance in the next 12 months. Whistleblower, anti-bribery and health care reform issues received the lowest ratings in terms of importance, both over the past 12 months and looking ahead.
- ❖ When asked to select the business issue of high importance, *awareness of company activities that may have legal implications* appeared at the top of

Executive Summary cont.

the list. There also appears to be a strong desire to maintain an open line of communication between the legal department and senior management by *keeping them apprised of legal developments that may impact business decisions*. Rounding out the top three in terms of prioritizing business issues was the importance of *staying current and well-informed of changes in the law*. An indicator that there is a growing sense of confidence about the overall state of the economy and the stability of organizational revenue is the lower ranking of issues related to managing costs and spending within the legal department.

- ❖ In 2013, study respondents expect to direct their attention to issues related to transparency and privacy obligations. A confluence of factors – increased data collection and storage; growing attention paid by regulators and heightened public scrutiny—may be working to sharpen the attention of these issues by both the public and private sectors. The decentralization of legal departments appears to be of much lesser importance at this time.
- ❖ Another indicator of a growing sense of confidence in the stabilization of the economy is the percentage of law departments that reported an increase in their total budget over the past year (66 percent saw an increase in their inside budget and 59 percent noted an increase in their outside budget). In addition, to help achieve their departmental objectives, nearly half of the study respondents report that they expanded law departments in 2012 and hired new staff. In-house lawyers account for most of the new hires. Over the next 12 months, 28 percent of study respondents plan to change the size of their law departments with in-house lawyers and paralegals as the top two anticipated hires.
- ❖ To measure the effectiveness and efficiency of law departments, one trend uncovered in this survey is the focus on outside legal spending by both private and public departments.

Executive Summary cont.

Other interesting findings from this survey include the following:

- ❖ Pro bono programs are not prevalent among the law departments of study respondents; primarily due to the fact that their departments are too small and the legal staff is stretched too thin. Respondents also cited issues with the right to practice as one of the reasons corporate law departments do not participate in pro bono programs.
- ❖ Overall, the majority (81 percent) of respondents report being satisfied with their current role. Only 2 percent are very dissatisfied. Thirty-four percent are very satisfied, 33 percent are satisfied and 14 percent are somewhat satisfied. Satisfaction did not vary by gender.
- ❖ Approximately two-thirds (68 percent) of the CLOs participating in this survey are male.
- ❖ Thirty-eight percent of survey respondents earn an average annual base salary of \$250,000.
- ❖ Forty-three percent of respondents are between the ages of 30 and 47 and slightly more than half (54 percent) are between the ages of 48 and 66.
- ❖ Over the past 12 months, the majority (77 percent) of respondents spent most of their time advising executives and participating in strategic corporate issues.
- ❖ The majority of legal departments (95 percent) direct administrative and operational functions to in-house resources. When applicable, ediscovery is one function that is primarily outsourced.
- ❖ The top three non-legal skills many survey respondents are seeking to develop within their department include business management (63 percent), communication (53 percent) and project management (52 percent).

Key Findings

The key findings highlight areas of interest and significance from the survey results. The following topics are discussed in the key findings:

What Keeps CLOs Up At Night

Respondents share their thoughts on the importance of issues over the past 12 months and their predictions for these issues over the next year.

Prioritizing Business Issues

Respondents rank important business issues according to the priorities of their law department for the coming year.

Trending Topics

Respondents indicate where professional attention should be directed.

Pro bono Initiatives

Respondents shared why some of their law departments do not have a formal pro bono program.

Measuring Success

Metrics used by respondents to evaluate the efficiency and effectiveness of their law department.

Law Department Budget and Staff Changes

Respondents report the changes in their law departments' staff and budget over the past year and indicate their plans for the future.

Career Satisfaction

Respondents share how they spend would prefer to spend their professional time and how it aligns with how they currently spend their time.

The key findings also cover points of significance for the above topics; additional information on each topic can be found in the Overall Survey Results section.

Key Findings • What Keeps CLOs Up At Night

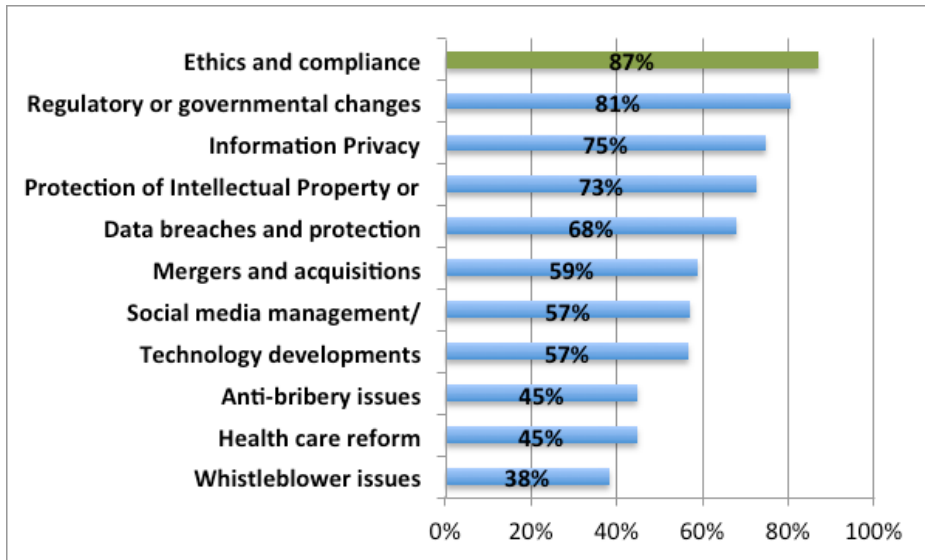
Respondents were asked to evaluate the importance of issues in law over the past 12 months and predict the future importance of each issue over the next 12 months. This helped to determine if the issues that were important in 2012 will continue to be relevant in 2013 or if their importance declines as other issues attract attention.

Issues:

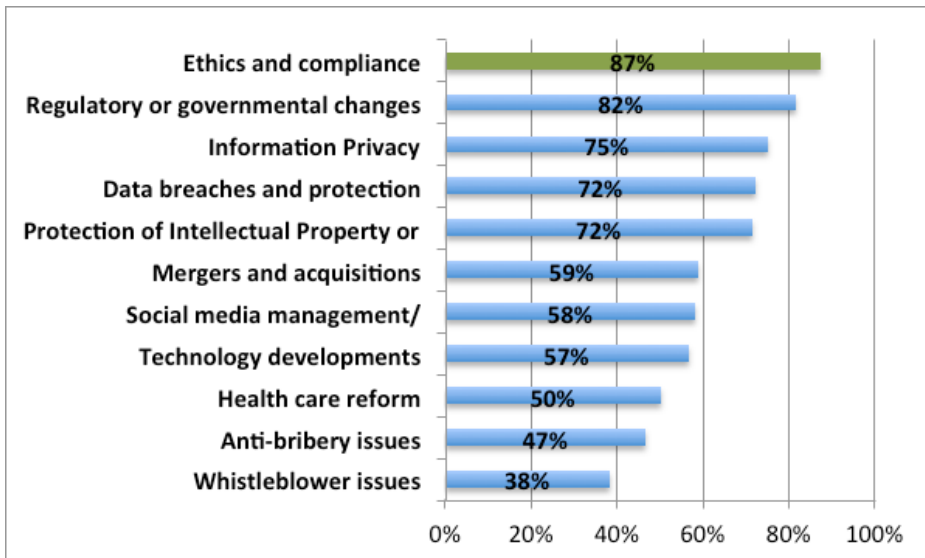
- **Anti-bribery issues**
- **Ethics and compliance**
- **Protection of Intellectual Property or related disputes**
- **Information Privacy**
- **Data breaches and protection**
- **Health care reform**
- **Mergers and acquisitions**
- **Social media management/governance**
- **Regulatory or governmental changes**
- **Technology developments**
- **Whistleblower issues**

Key Findings • What Keeps CLOs Up At Night

Important Issues Over Past 12 Months (Very Important, Important, Somewhat Important)

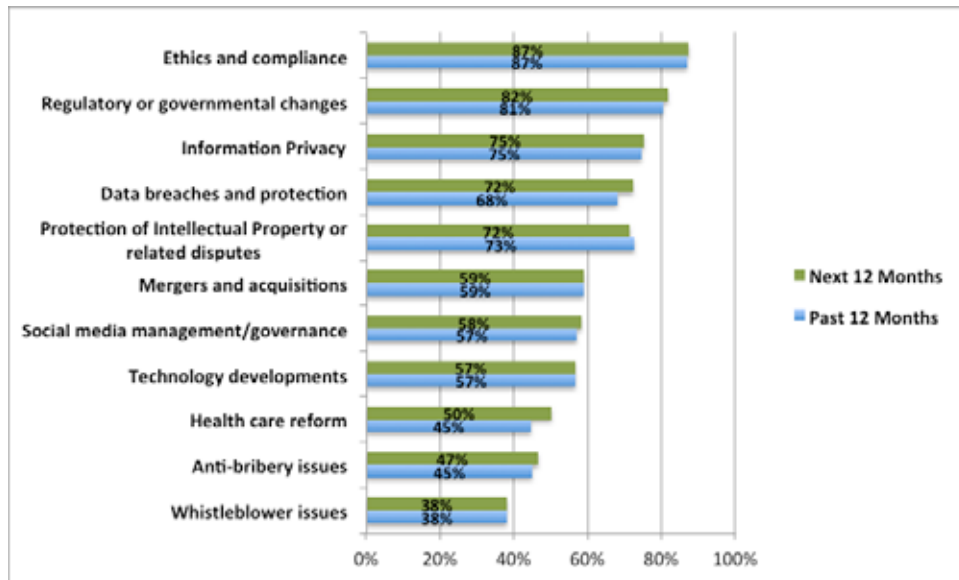


Important Issues Over Next 12 Months (Very Important, Important, Somewhat Important)



Key Findings • What Keeps CLOs Up At Night

Comparison of Past and Future Issues (Very Important, Important, Somewhat Important)



Key Findings • What Keeps CLOs Up At Night

Ethics and compliance retained the highest importance ratings (87%) amongst all issues, for both the past 12 months and the next 12 months.

Data Breaches: Sixty-eight percent of respondents indicated that data breaches and protection held some level of importance over the past 12 months; the overall level of importance increases by 4% for the next 12 months.

Social media management/governance: Slightly more than half of respondents (54%) in the Information Technology industry and 58% overall indicated a level of importance for this issue over the past 12 months; these respondents anticipate a slight increase (3%) of importance for the next 12 months.

Regulatory or governmental changes yielded the second highest overall importance from respondents for both the past 12 months (81%) and the next 12 months (82%).

Ninety percent of respondents who indicated a level of importance for this issue also indicated a level of importance for the highest rated issue: ethics and compliance.

Whistleblower issues was the most overall neutral issue for both the past year and the next year. Job function (e.g., Chief Legal Officer, General Counsel) did not appear to make a difference in the level of importance; however, respondents in organizations with more than fifty attorneys were more likely (than those with less) to attribute more importance to whistleblower issues.

Key Findings • Prioritizing Business Issues

Respondents were asked to rank business issues in order of importance, according to the priorities of their law department for 2013. These issues are listed below, in the order respondents ranked them.

Issues Ranked:

1. **Awareness of company activities that may have legal implications**
2. **Keeping management appraised of legal developments**
3. **Staying current and well-informed of changes in the law**
4. **Reducing outside legal costs**
5. **Improvement of internal efficiency through technology**
6. **Limited resources and/or finances for amount of work**
7. **Making legal spend more predictable**
8. **Reducing in-house legal costs**
9. **Convergence**

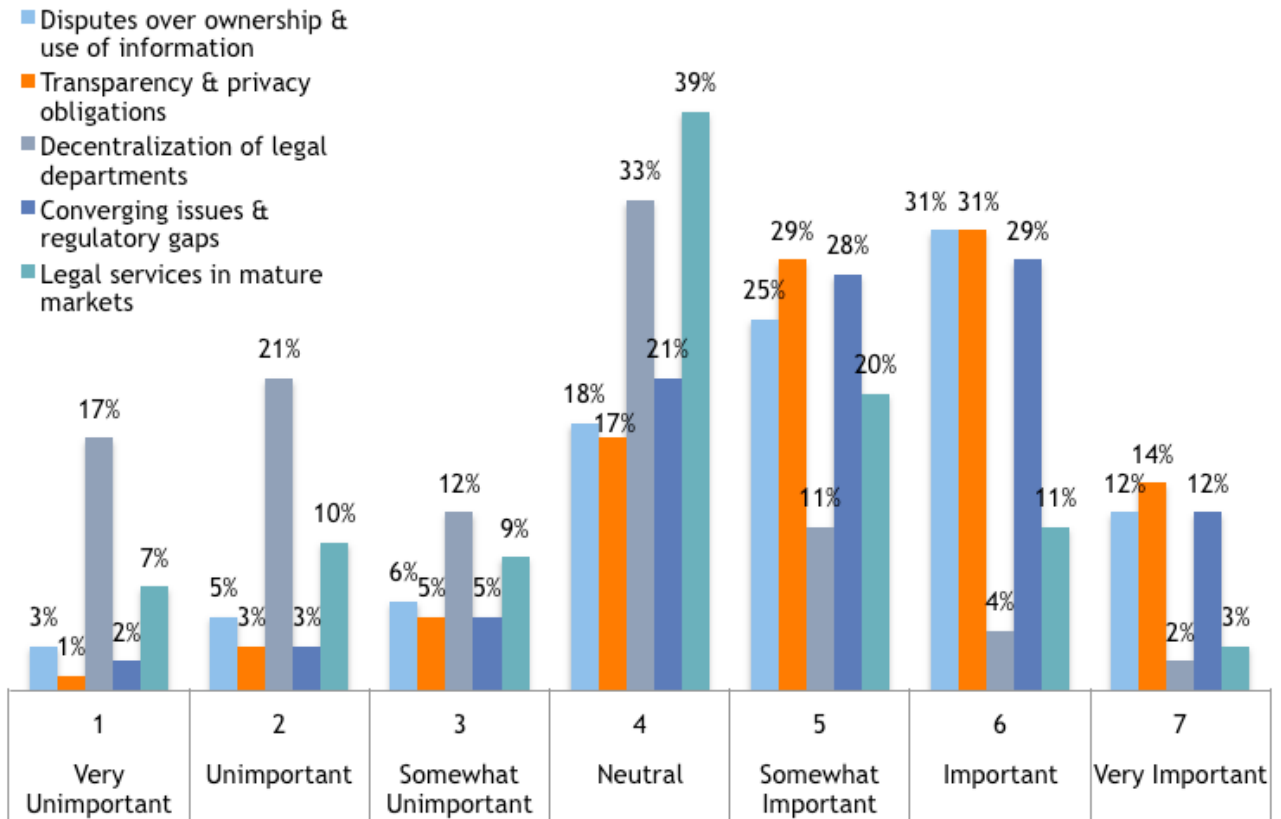
Key Findings • Trending Topics

Respondents were asked to rate the importance of various issues based on the amount of attention that should be given to each.

See respondents' responses to each issue below.

Highest level of importance issue:
Transparency and privacy obligations

Lowest level of importance issue:
Decentralization of legal departments



Key Findings • Pro bono Initiatives

The majority of respondents (95%) do not have a formal pro bono program at their law department. There was no significant difference of company revenue amongst these respondents.

Consequently, nearly two thirds (59%) of respondents whose law departments have a formal pro bono program work for a company/organization that collects revenue of \$4 billion USD or more, annually.

Sixty percent of respondents who indicated their legal staff is stretched too thin rely on inside legal staffing as one of their primary metrics to evaluate the effectiveness and efficiency of their law department.

When asked why their law departments did not have a formal pro bono program, the top three responses were department is too small, legal staff is stretched too thin and lack of resources.

Fifty percent of respondents who indicated lack of resources (as a reason for their law department not having a formal pro bono program) work for a company/organization that experienced budget cuts of at least 10% over the past year.

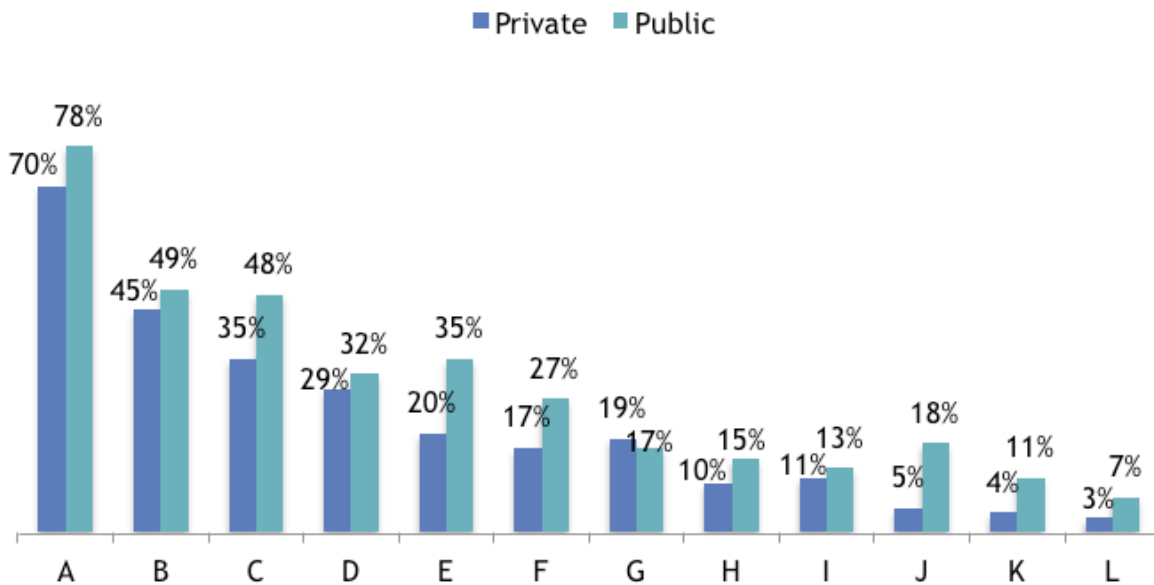
Key Findings • Measuring Success

Three quarters of respondents use outside legal spending to evaluate the effectiveness and efficiency of law departments, but it is used by a higher percentage of respondents from public companies.

CLOs of publicly held and privately owned companies reported that the top five metrics they use to measure success are outside legal spending, outside counsel management, inside legal spending, forecast for legal services and inside legal staffing.

Key Findings • Measuring Success

The chart and table below represents, the use of specific metrics by the respondents from private companies/organizations in comparison to respondents from public companies/organizations.



| Label | Value | Private | Public |
|-------|---------------------------------------|---------|--------|
| A | Outside legal spending | 70% | 78% |
| B | Outside counsel management | 45% | 49% |
| C | Inside legal spending | 35% | 48% |
| D | Forecast for legal services | 29% | 32% |
| E | Inside legal staffing | 20% | 35% |
| F | Law department organization | 17% | 27% |
| G | Corporate allocations and chargebacks | 19% | 17% |
| H | Other | 10% | 15% |
| I | Intellectual property information | 11% | 13% |
| J | Key staffing ratios | 5% | 18% |
| K | Trends in law department staffing | 4% | 11% |
| L | Trends in legal staffing | 3% | 7% |

Highlighted rows have a difference of 10% or more.

Key Findings • Law Department Budget and Staff Changes

Fifty-five percent of respondents reported (law department) budget changes over the past 12 months. **Seventy-two percent of these law departments had an increase in their total budget over the past year.**

Thirty-nine percent of respondents plan to change their law department's budget over the next 12 months.

Inside budget: Over two-thirds (66%) of respondents reported an increase in their inside budget over the past year.

Outside budget: Fifty-nine percent of respondents reported that their outside counsel budgets increased over the past year.

Key Findings • Law Department Budget and Staff Changes

Eleven percent of respondents' law departments made staff cuts over the past year unrelated to performance.

In-house lawyers took the brunt of the staff cuts, as three quarters of law departments (who made cuts) cut in-house lawyers. These cuts decreased in-house lawyer staffing by an average of 8%.

Nearly half of respondents' law departments hired new staff over the past 12 months. Law departments who did not make any staff cuts over the past year accounted for 88% percent of new hires.

In-house lawyers account for the most hires; 83% of law departments who hired new staff hired in-house lawyers. 91% of in-house lawyer staff hires were made by law departments who did not make any contract lawyer staff cuts over the past year.

Sixty-four percent of respondents' law departments created new positions over the past 12 months; amongst these law departments, 67% hired new staff over the past year. The top three areas in which new positions were created in were contracts, generalist and compliance.

Over the next 12 months, 28% of respondents plan to change the size of their law department. In-house lawyers and paralegals are the top two anticipated hires for 2013.

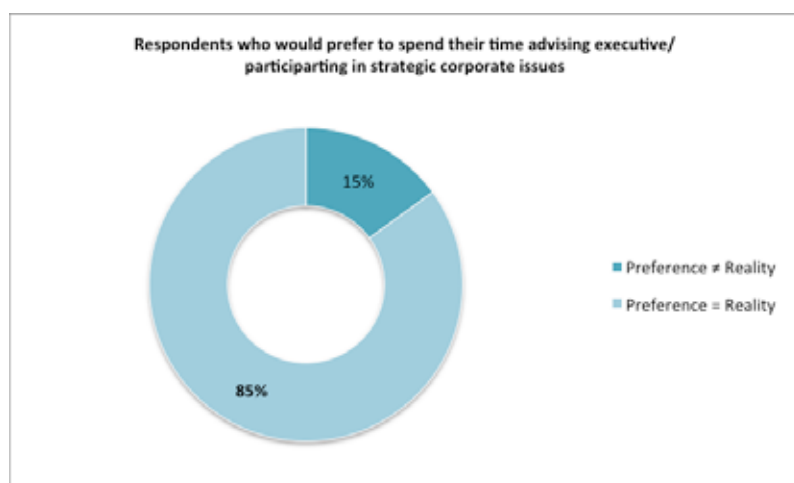
Key Findings • Career Satisfaction

The majority (81%) of respondents are satisfied with their current role within their company/firm/organization. Thirty-four percent are very satisfied, 33% are satisfied and 14% are somewhat satisfied.

This high level of satisfaction may be due to the fact that most respondents spend their professional time the way they would prefer to, given the options.

Respondents were asked what they currently spend the majority of their time doing and were later asked how they would prefer to spend their time. This information was cross-tabulated to see how respondents' reality (i.e., how they currently spend their time) aligns with their preference (i.e., how they would prefer to spend their time).

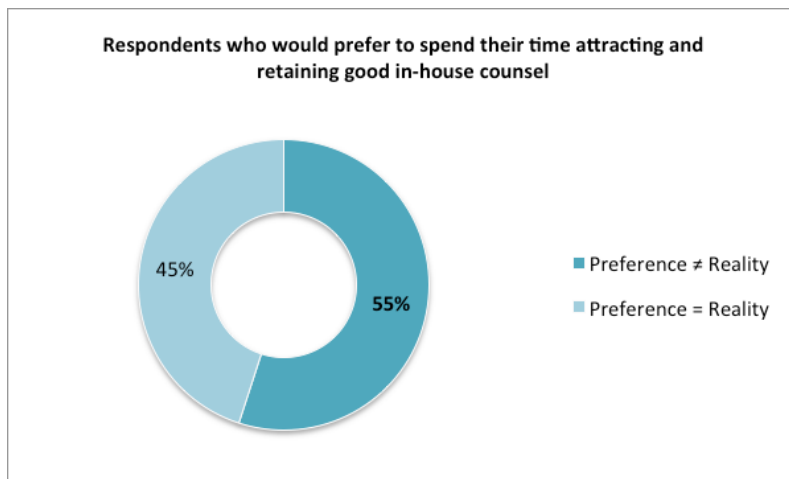
Most respondents (78%) would prefer to spend their time advising executives/ participating in strategic corporate issues; of these respondents, 85% report that they currently spend their time doing so.



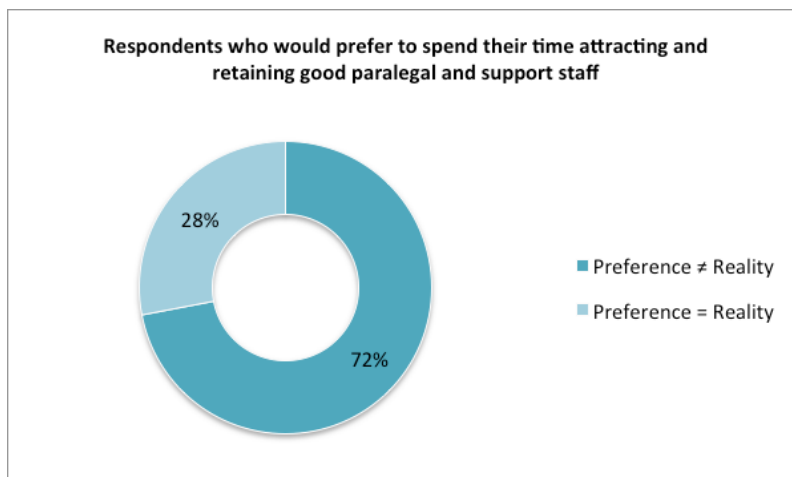
Key Findings • Career Satisfaction

For the most part, respondents' preferences align with their reality. For example, respondents indicated various ways they would prefer to spend their time. For every way they would prefer to spend time (with the exception on two*), at least half of those respondents were able to spend their time that way.

*Twenty percent of respondents would prefer to spend their time attracting and retaining good in-house counsel; of these respondents, 45% currently spend their time doing so.



Due to the fact that only a small portion of respondents (6%) would prefer to spend their time attracting and retaining good paralegal and support staff, it is unfortunate that only 28% of these respondents spend their time doing so.



Overall Survey Results

The overall survey results contain all of the questions from the survey and their respective answers. Each question will have a chart and/or table representing the percentage of respondents that chose each answer. Many of the questions will contain text with further analysis of the information based on data obtained from cross-tabulation of survey questions.

Question: What is your current title?

| Label | Value | Percent |
|-------|--------------------------|---------|
| A | General Counsel | 74% |
| B | Chief Legal Officer | 10% |
| C | Other | 4% |
| D | Senior Vice President | 3% |
| E | Executive Vice President | 2% |
| F | VP Legal Affairs | 2% |
| G | Vice President | 2% |
| H | Head of Legal | 1% |
| I | Legal Director | 1% |
| J | Counsel/Counselor | 1% |
| K | Chief Counsel | 1% |
| L | Corporate Secretary | 0% |
| M | Executive Board Member | 0% |
| N | Solicitor/Barrister | 0% |
| O | Compliance Officer | 0% |
| P | Advocate | 0% |

Overall Survey Results

Question: Which of the following best describes your company/organization?

| Label | Value | Percent |
|-------|---|---------|
| A | Private | 38% |
| B | Public | 25% |
| C | Limited Liability Company (LLC) | 15% |
| D | Non-profit | 11% |
| E | Subsidiary of foreign public corporation | 7% |
| F | Publicly held debt, privately held equity | 2% |
| G | Partnership | 1% |
| H | Limited Liability Partnership (LLP) | 1% |

Thirty-eight percent of respondents are employed by a private company/organization, 25% are employed by a public company organization, and 15% are employed by a Limited Liability Company (LLC). Female respondents were least likely (1%) to work for publicly held debt, privately held equity company/organization. Conversely, male respondents were least likely (1%) to work for a Limited Liability Partnership (LLC).

Overall Survey Results

Question: What is your company/organization's primary industry?

| Value | Percent |
|---|------------|
| Manufacturing | 12% |
| Finance & Banking | 10% |
| Information Technology/Software/Internet Related Services | 8% |
| Healthcare/Social Assistance | 7% |
| Other | 6% |
| Insurance | 5% |
| Energy | 4% |
| Retail Trade | 3% |
| Real Estate/Rental and Leasing | 3% |
| Professional, Scientific, and/or Technical Services | 3% |
| Construction & Engineering | 3% |
| Telecommunications | 3% |
| Pharmaceutical/Medical Devices | 3% |
| Educational Services | 2% |
| Wholesale Trade/Distribution | 2% |
| Biotechnology/Life Sciences | 2% |
| Service Company and Organization | 2% |
| Not for Profit Organization (i.e., Charity, Environment) | 2% |
| Arts, Sports & Entertainment/Recreation | 2% |
| Transportation & Warehousing | 2% |
| Aviation/Aerospace | 2% |
| Oil & Gas | 1% |
| Prepared Food Stuff & Beverages | 1% |
| eCommerce/Online Sales | 1% |
| Accommodation/Food Services | 1% |
| Fast Moving Consumer Goods | 1% |
| Chemicals & Plastics | 1% |
| Advertising/Marketing/Public Relations | 1% |
| Mining & Quarrying | 1% |
| Management of Companies & Enterprises (i.e., Holding Companies) | 1% |
| Agriculture/Forestry/Fishing/Hunting | 1% |
| Technical/Research & Development | 1% |
| Administrative/Business/Support Services | 1% |
| Waste Management, Remediation & Environmental Services | 1% |
| Broadcasting & Media | 1% |
| Trade Association | 0% |
| Utilities | 0% |
| Public Administration/Government Regulation and Support | 0% |

Overall Survey Results

Question: What best describes the size of your law department?

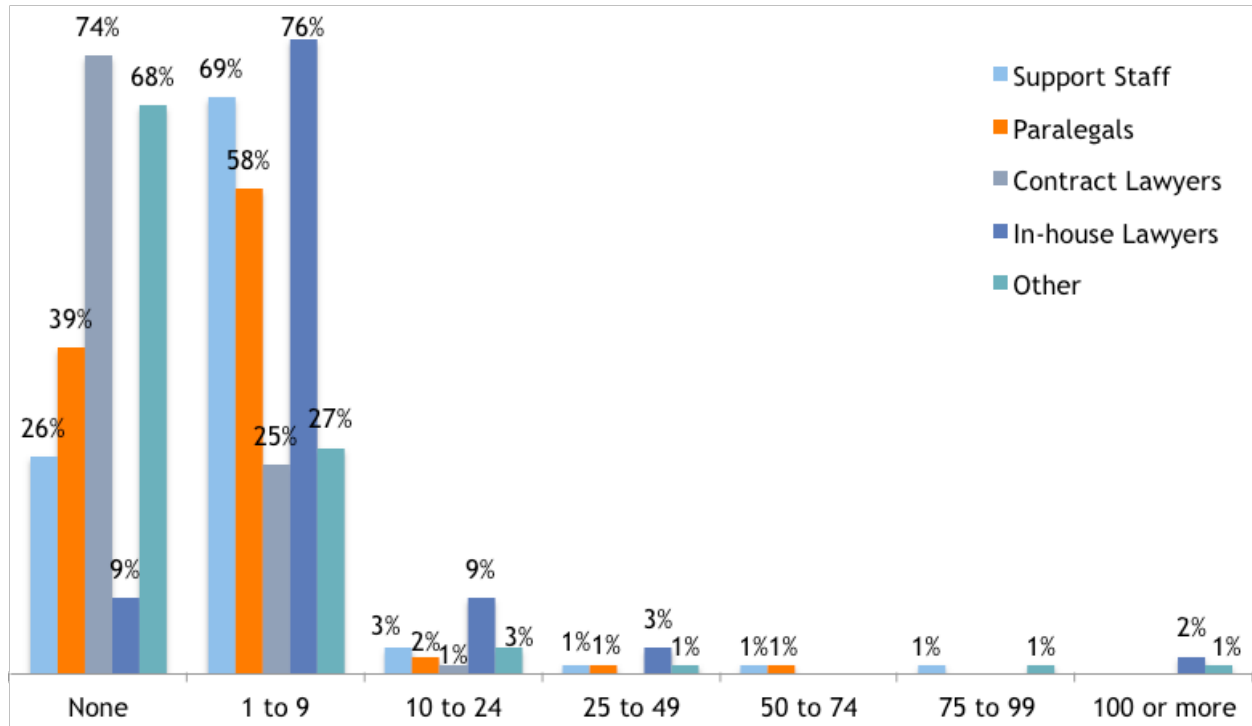
| Label | Value | Percent |
|----------|-------------------------|------------|
| A | 1 employee | 19% |
| B | 2 to 9 employees | 51% |
| C | 10 to 24 employees | 12% |
| D | 25 to 49 employees | 5% |
| E | 50 to 74 employees | 2% |
| F | 75 to 99 employees | 2% |
| G | 100 to 149 employees | 2% |
| H | 150 to 199 employees | 1% |
| I | 200 to 249 employees | 1% |
| J | 250 to 299 employees | 1% |
| K | 300 or more employees | 6% |

The majority of respondents reported that they have a law department of two to nine employees.

Nearly 20% of respondents work in a one-person law department.

Overall Survey Results

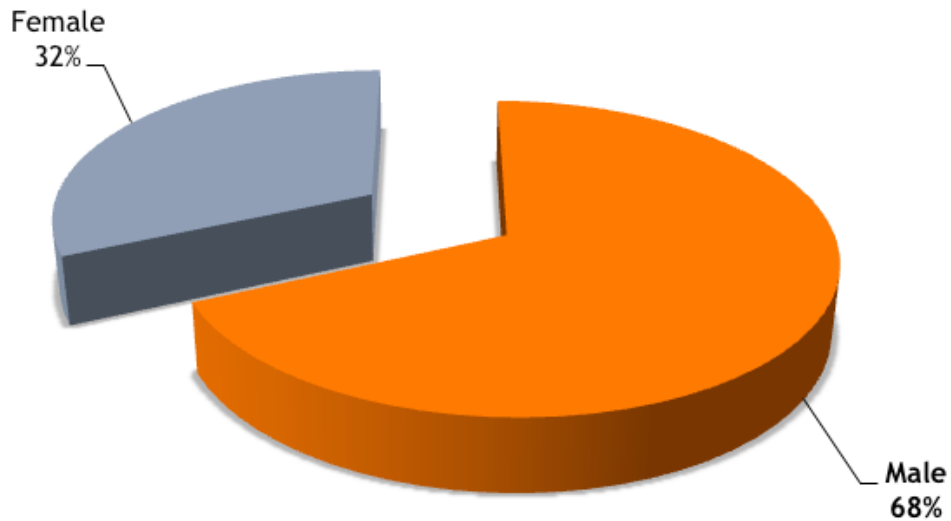
Question: How many of the following staff positions work in your law department?



| Position | None | 1 to 9 | 10 to 24 | 25 to 49 | 50 to 74 | 75 to 99 | 100 or more |
|------------------|------|--------|----------|----------|----------|----------|-------------|
| Support Staff | 26% | 69% | 3% | 1% | 1% | 1% | 0% |
| Paralegals | 39% | 58% | 2% | 1% | 1% | 0% | 0% |
| Contract Lawyers | 74% | 25% | 1% | 0% | 0% | 0% | 0% |
| In-house Lawyers | 9% | 76% | 9% | 3% | 0% | 0% | 2% |
| Other | 68% | 27% | 3% | 1% | 0% | 1% | 1% |

Overall Survey Results

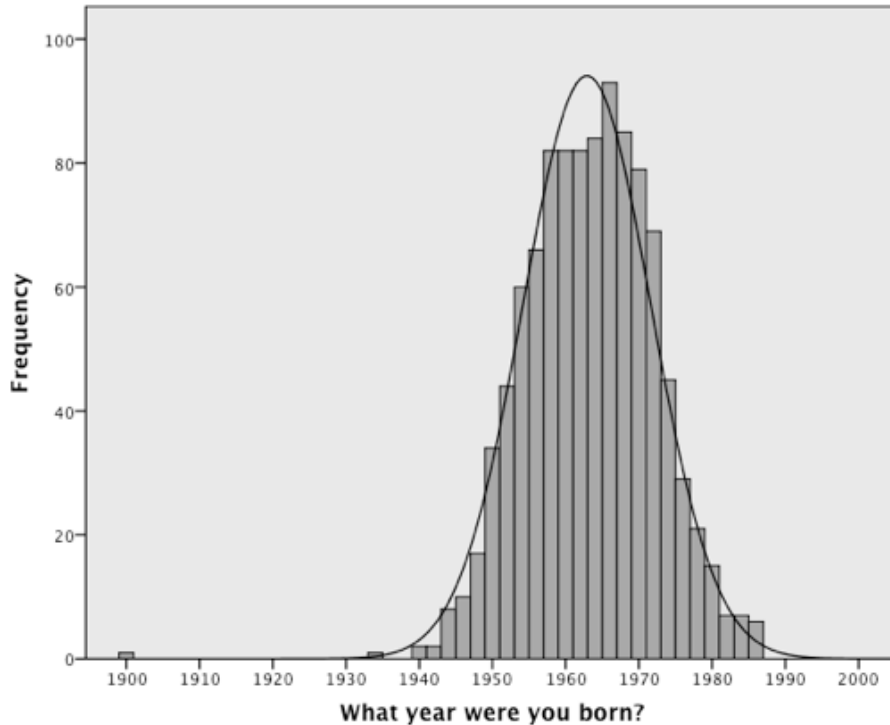
Question: What is your gender?



The majority (68%) of respondents were male; thirty-two percent of respondents were female. There were no significant differences between the responses of male and female respondents.

Overall Survey Results

Question: What year were you born?



Overall, there is a higher representation of males than females among respondents. However, there is a negative correlation between the gender gap and each advancing generation, with the highest relative percentage of women CLOs in Generation Y.

| Generation | Year Range | Percent |
|---------------------|--------------------|------------|
| Traditionalists | 1929 – 1945 | 2% |
| Baby Boomers | 1946 – 1964 | 54% |
| Generation X | 1965 – 1982 | 43% |
| Generation Y | 1983 - 1994 | 1% |

The Traditionalist generation is comprised of 96% male respondents and 4% female respondents. Among Baby Boomers, 70% were male and 30% were female. The gap between respondent genders continues to decrease with a 65% male respondent population and 35% female respondent population in Generation X. Finally, although there is a small respondent representation of Generation Y, 39% of these respondents were females and 62% were males.

Overall Survey Results

Question: Where is your office located?

| Country | Percent |
|---------------------|---------|
| United States | 87% |
| Canada | 5% |
| Israel | 1% |
| Argentina | <1% |
| Australia | <1% |
| Austria | <1% |
| Belgium | <1% |
| Brazil | <1% |
| China | <1% |
| Croatia | <1% |
| Denmark | <1% |
| France | <1% |
| Georgia | <1% |
| Germany | <1% |
| Ghana | <1% |
| Greece | <1% |
| Hong Kong | <1% |
| Hungary | <1% |
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| Japan | <1% |
| Luxembourg | <1% |
| Mexico | <1% |
| Monaco | <1% |
| Netherlands | <1% |
| New Zealand | <1% |
| Nigeria | <1% |
| Norway | <1% |
| Russia | <1% |
| Singapore | <1% |
| Spain | <1% |
| Sweden | <1% |
| Switzerland | <1% |
| Taiwan | <1% |
| Trinidad and Tobago | <1% |
| Turkey | <1% |
| United Kingdom | <1% |
| All other countries | 0% |

CLOs from more than 36 countries participated in the survey. The majority (87%) of respondents' offices are located in the United States; 5% of respondents' offices are located in Canada, and another 5% are located in Europe.

Overall Survey Results

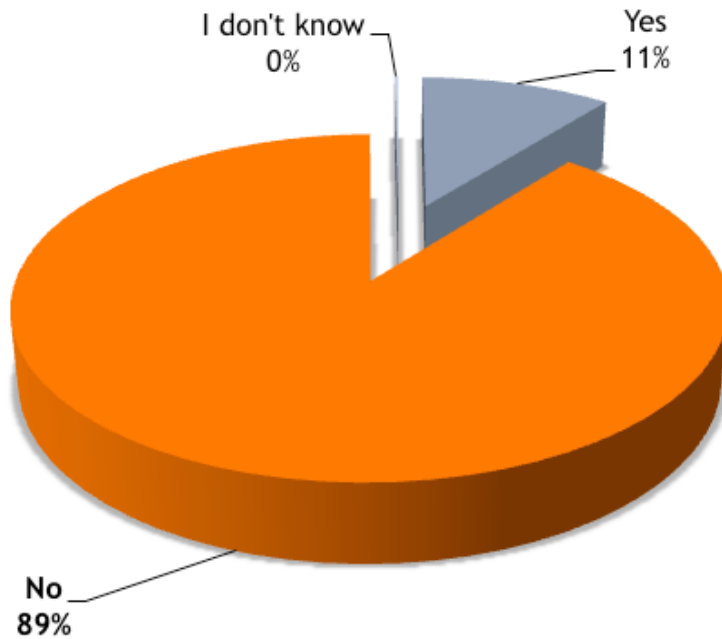
Question: What is your annual base salary (in USD) as of January 1, 2012 (i.e., excluding options, incentives/awards/bonuses)?

| Label | Value | Percent |
|----------|-------------------------------|------------|
| A | Less than \$75,000 | 2% |
| B | \$75,000 to \$99,999 | 3% |
| C | \$100,000 to \$149,999 | 11% |
| D | \$150,000 to \$199,999 | 20% |
| E | \$200,000 to \$299,999 | 38% |
| F | \$300,000 to \$399,999 | 16% |
| G | \$400,000 to \$499,999 | 5% |
| H | \$500,000 to \$599,999 | 2% |
| I | \$600,000 to \$699,999 | 1% |
| J | \$700,000 to \$799,999 | 1% |
| K | \$800,000 to \$899,999 | 0% |
| L | \$900,000 to \$999,999 | 0% |
| M | \$1,000,000 to \$1,999,999 | 0% |
| N | \$2,000,000 to \$2,999,999 | 0% |
| O | \$3,000,000 to \$3,999,999 | 0% |
| P | \$4,000,000 to \$4,999,999 | 0% |
| Q | \$5,000,000 or more | 0% |
| R | Prefer not to say | 4% |

Thirty-eight percent of respondents have an annual base salary between \$200,000 USD and \$299,999 USD. Of these respondents, 73% work for a company/organization that collects revenue of \$100 million USD or more annually.

Overall Survey Results

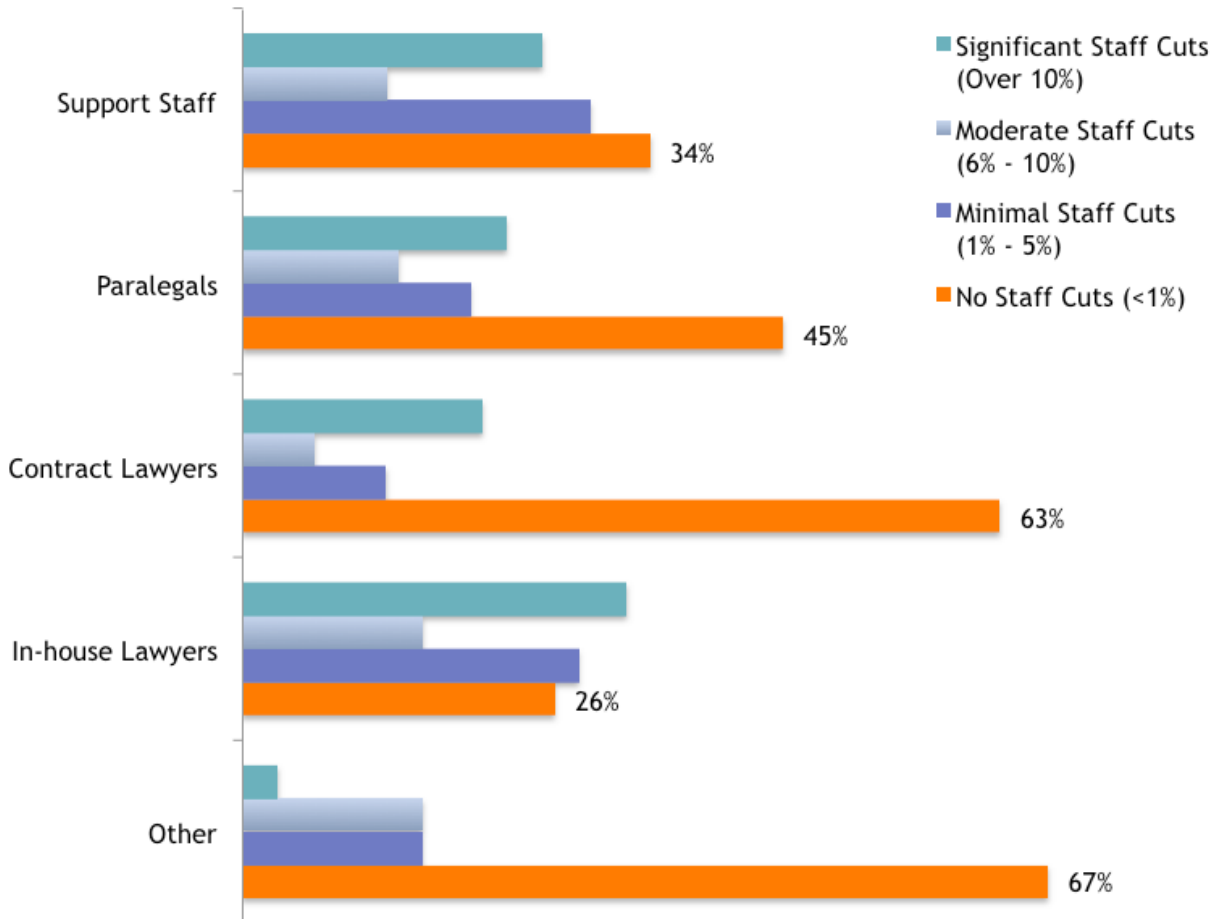
Question: Over the past 12 months, has your law department made any staff cuts (unrelated to performance)?



Overall, staff cuts decreased respondents' law department staff by an average of 8%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of staff cuts within each of the following positions?

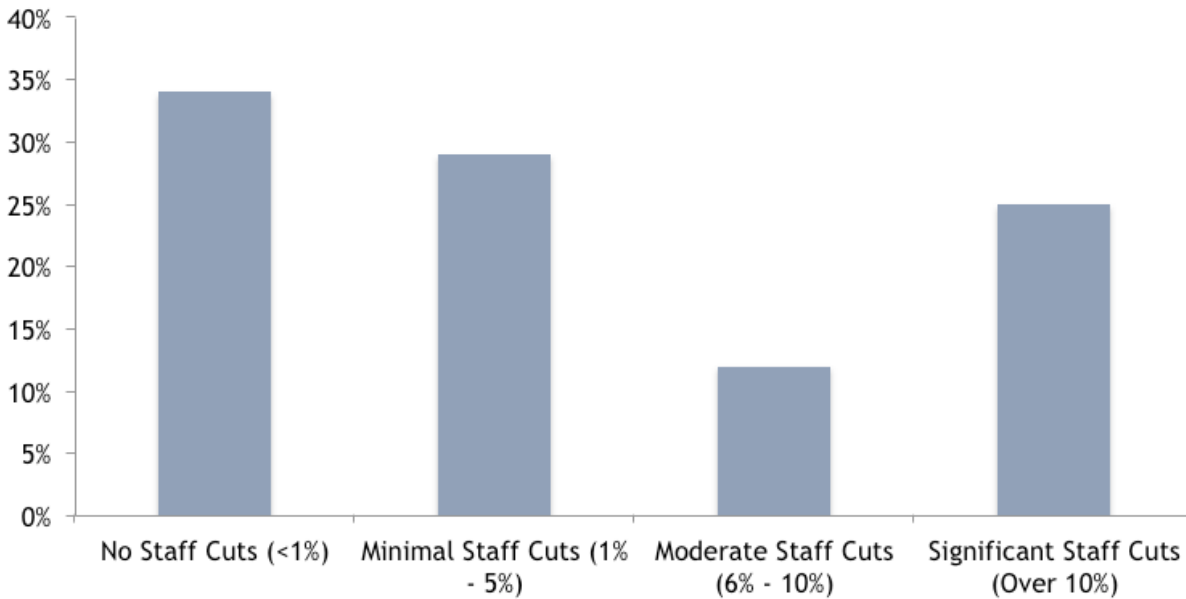


| Position | No Staff Cuts (<1%) | Minimal Staff Cuts (1% - 5%) | Moderate Staff Cuts (6% - 10%) | Moderate Staff Cuts (6% - 10%) |
|------------------|---------------------|------------------------------|--------------------------------|--------------------------------|
| Support Staff | 34% | 34% | 12% | 25% |
| Paralegals | 45% | 45% | 13% | 22% |
| Contract Lawyers | 63% | 63% | 6% | 20% |
| In-house Lawyers | 26% | 26% | 15% | 32% |
| Other | 67% | 67% | 15% | 3% |

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of staff cuts within each of the following positions?

Support Staff Cuts



Law departments who employ 1 to 9 support staff account for 78% percent of support staff cuts. These law departments decreased their support staff by an average of 8%.

Law departments who employ 10 to 24 support staff account for 9% percent of support staff cuts. These law departments decreased their support staff by an average of 7%.

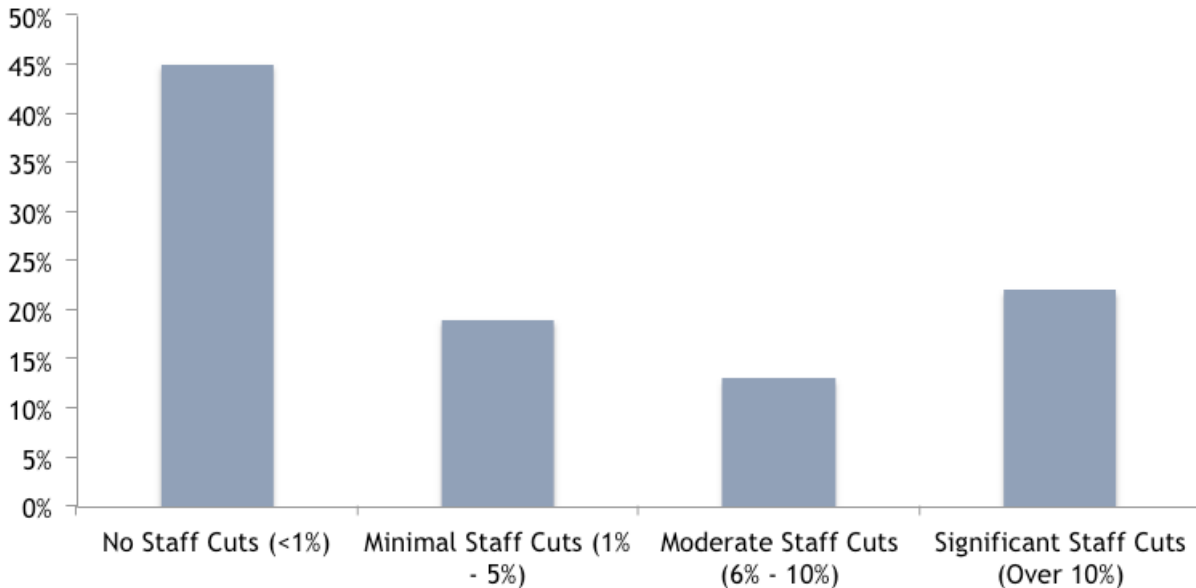
Law departments who employ 25 to 49 support staff account for 7% percent of support staff cuts. These law departments decreased their support staff by an average of 3%.

Law departments who employ 50 to 74 support staff account for 4% percent of support staff cuts. These law departments decreased their support staff by an average of 3%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of staff cuts within each of the following positions?

Paralegal Cuts



Law departments who employ 1 to 9 paralegals account for 80% percent of paralegal staff cuts. These law departments decreased their paralegal staff by an average of 8%.

Law departments who employ 10 to 24 paralegals account for 10% percent of paralegal staff cuts. These law departments decreased their paralegal staff by an average of 10%.

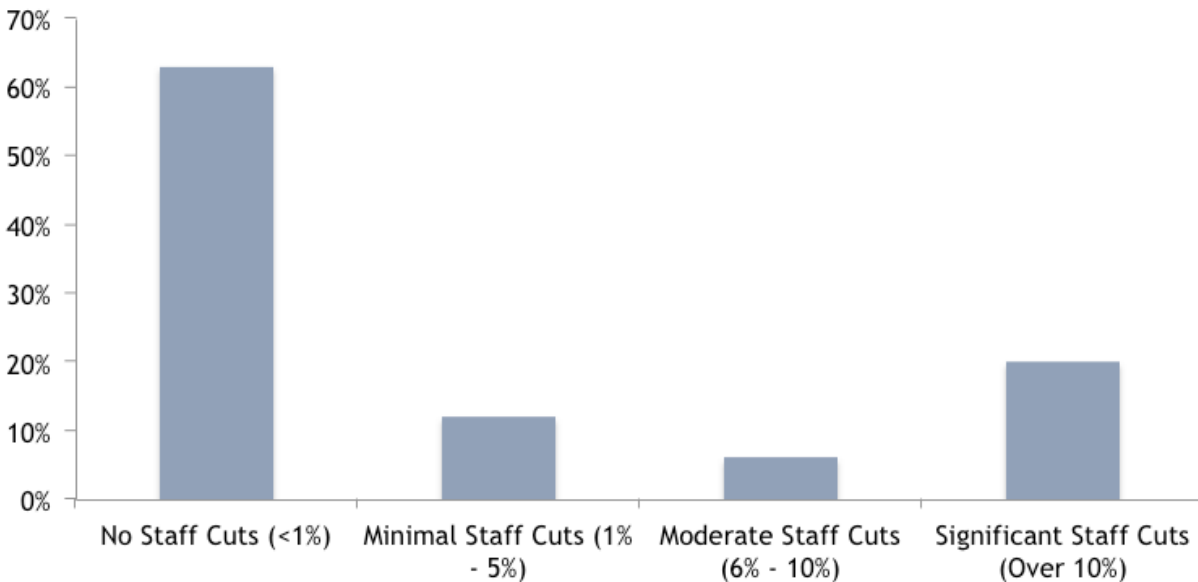
Law departments who employ 25 to 49 paralegals account for 7% percent of paralegal staff cuts. These law departments decreased their paralegal staff by an average of 3%.

Law departments who employ 50 to 74 paralegals account for 3% percent of paralegal staff cuts. These law departments decreased their paralegal staff by an average of 8%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of staff cuts within each of the following positions?

Contract Lawyer Cuts



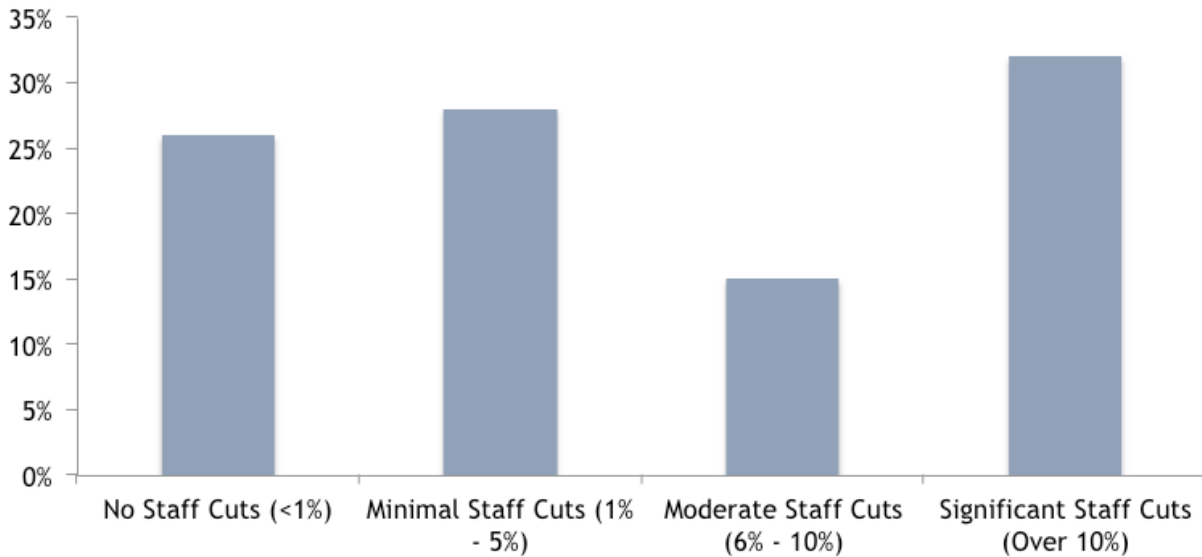
Law departments who employ 1 to 9 contract lawyers account for 94% percent of contract lawyer staff cuts. These law departments decreased their contract lawyer staff by an average of 8%.

Law departments who employ 10 to 24 contract lawyers account for 6% percent of contract lawyer staff cuts. These law departments decreased their contract lawyer staff by an average of 8%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of staff cuts within each of the following positions?

In-house Lawyer Cuts



Law departments who employ 1 to 9 in-house lawyers account for 63% of in-house lawyer staff cuts. These law departments decreased their in-house lawyer staff by an average of 10%.

Law departments who employ 10 to 24 in-house lawyers account for 19% of in-house lawyer staff cuts. These law departments decreased their in-house lawyer staff by an average of 5%.

Law departments who employ 25 to 49 in-house lawyers account for 9% of in-house lawyer staff cuts. These law departments decreased their in-house lawyer staff by an average of 6%.

Law departments who employ 50 to 74 in-house lawyers account for 1% of in-house lawyer staff cuts. These law departments decreased their in-house lawyer staff by an average of 8%.

Law departments who employ 75 to 99 in-house lawyers account for 1% of in-house lawyer staff cuts. These law departments decreased their in-house lawyer staff by an average of 3%.

Law departments who employ 100 or more in-house lawyers account for 7% of in-house lawyer staff cuts. These law departments decreased their in-house lawyer staff by an average of 3%.

Overall Survey Results

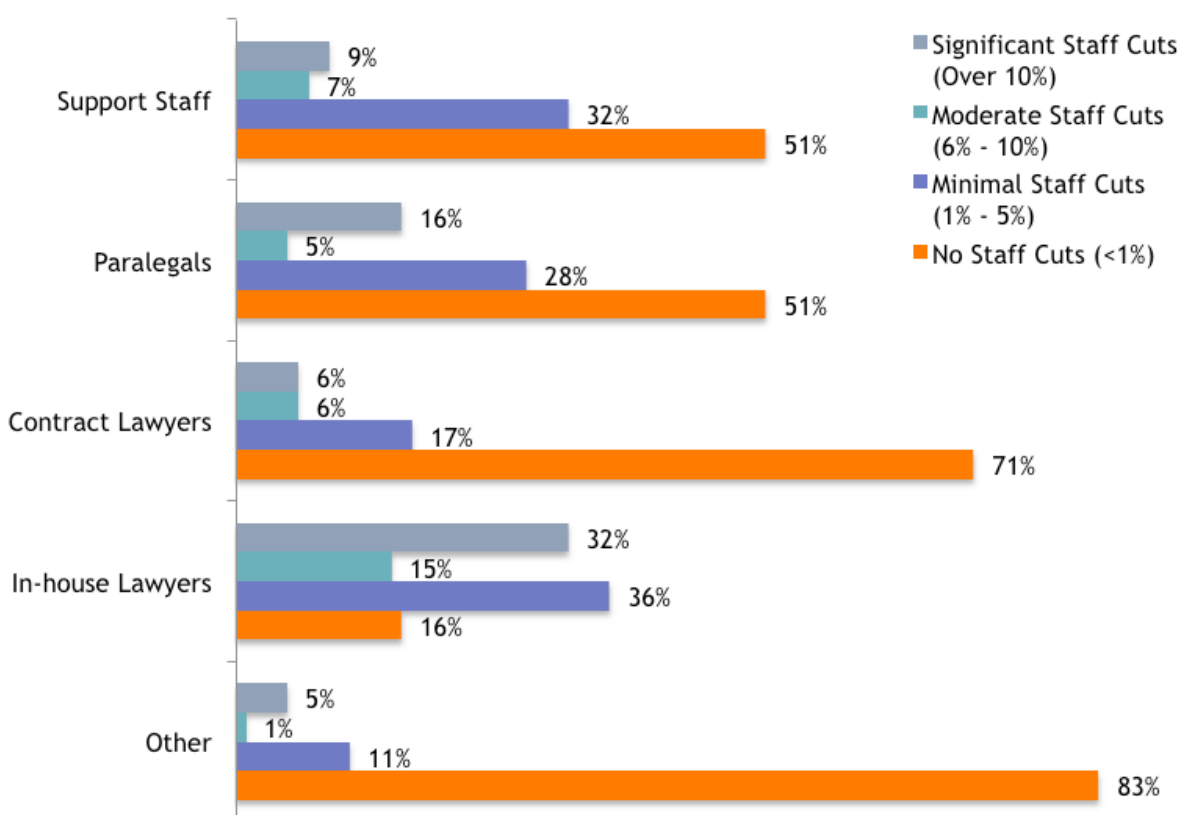
Question: Over the past 12 months, has your law department made any new hires?



Forty-eight percent of respondents' law departments made new hires over the past 12 months. Of the law departments that had new hires, 12% also made staffing cuts over the past 12 months.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of new hires within each of the following staff positions?



| Position | No Staff Hires (<1%) | Minimal Staff Hires (1% - 5%) | Moderate Staff Hires (6% - 10%) | Significant Staff Hires (Over 10%) |
|------------------|----------------------|-------------------------------|---------------------------------|------------------------------------|
| Support Staff | 51% | 32% | 7% | 9% |
| Paralegals | 51% | 28% | 5% | 16% |
| Contract Lawyers | 71% | 17% | 6% | 6% |
| In-house Lawyers | 16% | 36% | 15% | 32% |
| Other | 83% | 11% | 1% | 5% |

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of new hires within each of the following staff positions?

Support Staff Hires



Law departments who employ 1 to 9 support staff account for 84% of support staff hires. These law departments increased their support staff by an average of 6%.

Law departments who employ 10 to 24 support staff account for 6% of support staff hires. These law departments increased their support staff by an average of 4%.

Law departments who employ 25 to 49 support staff account for 3% of support staff hires. These law departments increased their support staff by an average of 4%.

Law departments who employ 50 to 74 support staff account for 4% of support staff hires. These law departments increased their support staff by an average of 4%.

Law departments who employ 75 to 99 support staff account for 1% of support staff hires. These law departments increased their support staff by an average of 3%.

Law departments who employ 100 or more support staff account for 1% of support staff hires. These law departments increased their support staff by an average of 3%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of new hires within each of the following staff positions?

Paralegal Hires



Law departments who employ 1 to 9 paralegals account for 90% of paralegal hires. These law departments increased their paralegal staff by an average of 7%.

Law departments who employ 10 to 24 paralegals account for 4% of paralegal hires. These law departments increased their paralegal staff by an average of 5%.

Law departments who employ 25 to 49 paralegals account for 3% of paralegal hires. These law departments increased their paralegal staff by an average of 5%.

Law departments who employ 50 to 74 paralegals account for 1% of paralegal hires. These law departments increased their paralegal staff by an average of 3%.

Law departments who employ 100 paralegals or more account for 1% of paralegal hires. These law departments increased their paralegal staff by an average of 3%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of new hires within each of the following staff positions?

Contract Lawyer Hires



Law departments who employ 1 to 9 contract lawyers account for 88% of contract lawyer hires. These law departments increased their contract lawyer staff by an average of 6%.

Law departments who employ 10 to 24 contract lawyers account for 7% of contract lawyer hires. These law departments increased their contract lawyer staff by an average of 4%.

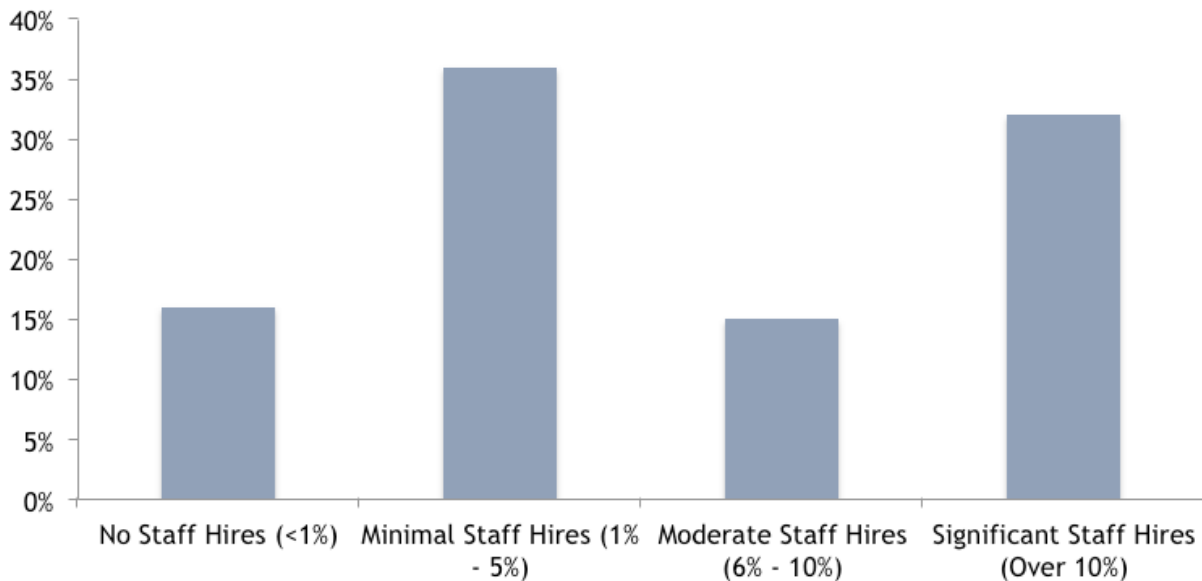
Law departments who employ 25 to 49 contract lawyers account for 1% of contract lawyer hires. These law departments increased their contract lawyer staff by an average of 8%.

Law departments who employ 50 to 99 contract lawyers account for 1% of contract lawyer hires. These law departments increased their contract lawyer staff by an average of 13%.

Overall Survey Results

Question: Over the past 12 months, what was the approximate percentage of new hires within each of the following staff positions?

In-house Lawyer Hires



Law departments who employ 1 to 9 in-house lawyers account for 51% of in-house lawyer hires. These law departments increased their in-house lawyer staff by an average of 9%.

Law departments who employ 10 to 24 in-house lawyers account for 6% of in-house lawyer hires. These law departments increased their in-house lawyer staff by an average of 6%.

Law departments who employ 25 to 49 in-house lawyers account for 7% of in-house lawyer hires. These law departments increased their in-house lawyer staff by an average of 6%.

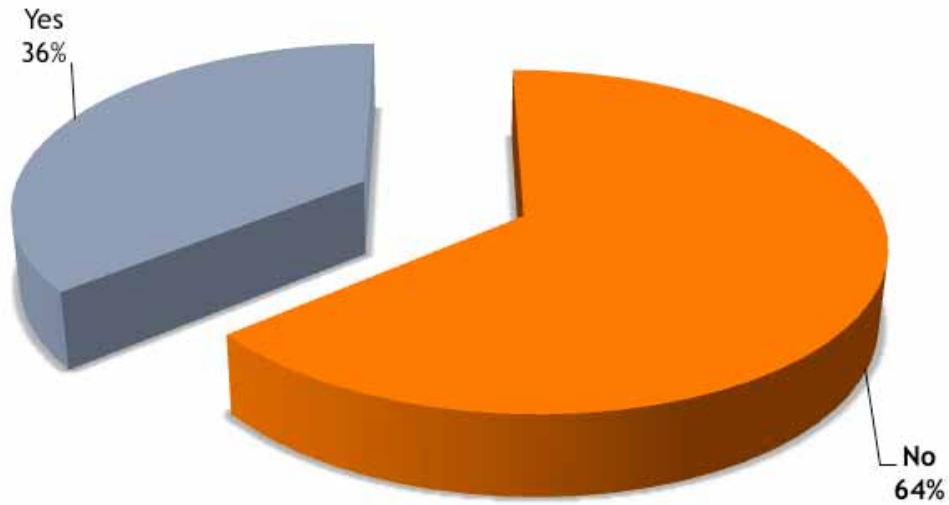
Law departments who employ 50 to 74 in-house lawyers account for 1% of in-house lawyer hires. These law departments increased their in-house lawyer staff by an average of 8%.

Law departments who employ 75 to 99 in-house lawyers account for 1% of in-house lawyer hires. These law departments increased their in-house lawyer staff by an average of 3%.

Law departments who employ 100 or more in-house lawyers account for 5% of in-house lawyer hires. These law departments increased their in-house lawyer staff by an average of 5%.

Overall Survey Results

Question: Over the past 12 months, has your law department created any new positions?



Thirty-six percent of law departments that created new positions hired staff over the past 12 months.

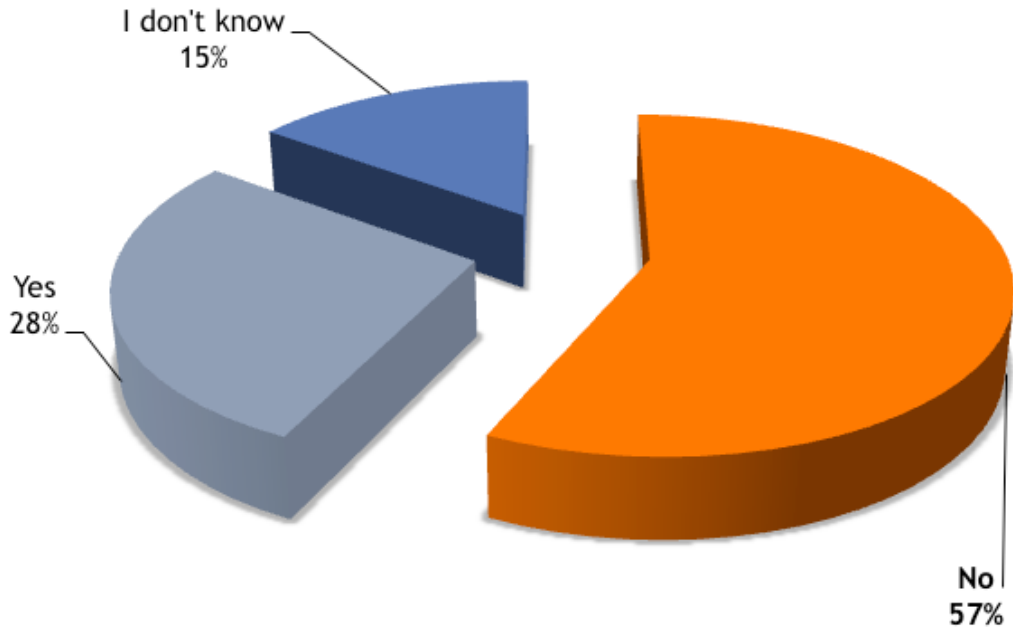
Overall Survey Results

Question: Within which of the following areas were these new positions created? (Check all that apply.)

| Label | Value | Percent |
|-------|------------------------------|---------|
| A | Contracts | 32% |
| B | Generalist | 31% |
| C | Compliance | 28% |
| D | Other | 17% |
| E | Litigation | 13% |
| F | Employment & Labor | 9% |
| G | Intellectual Property | 8% |
| H | Corporate & Securities | 8% |
| I | Mergers & Acquisitions | 5% |
| J | Financial Services | 5% |
| K | International Legal Affairs | 4% |
| L | IT/Ecommerce | 3% |
| M | Discovery | 2% |
| N | Environment & Sustainability | 2% |
| O | Energy | 2% |

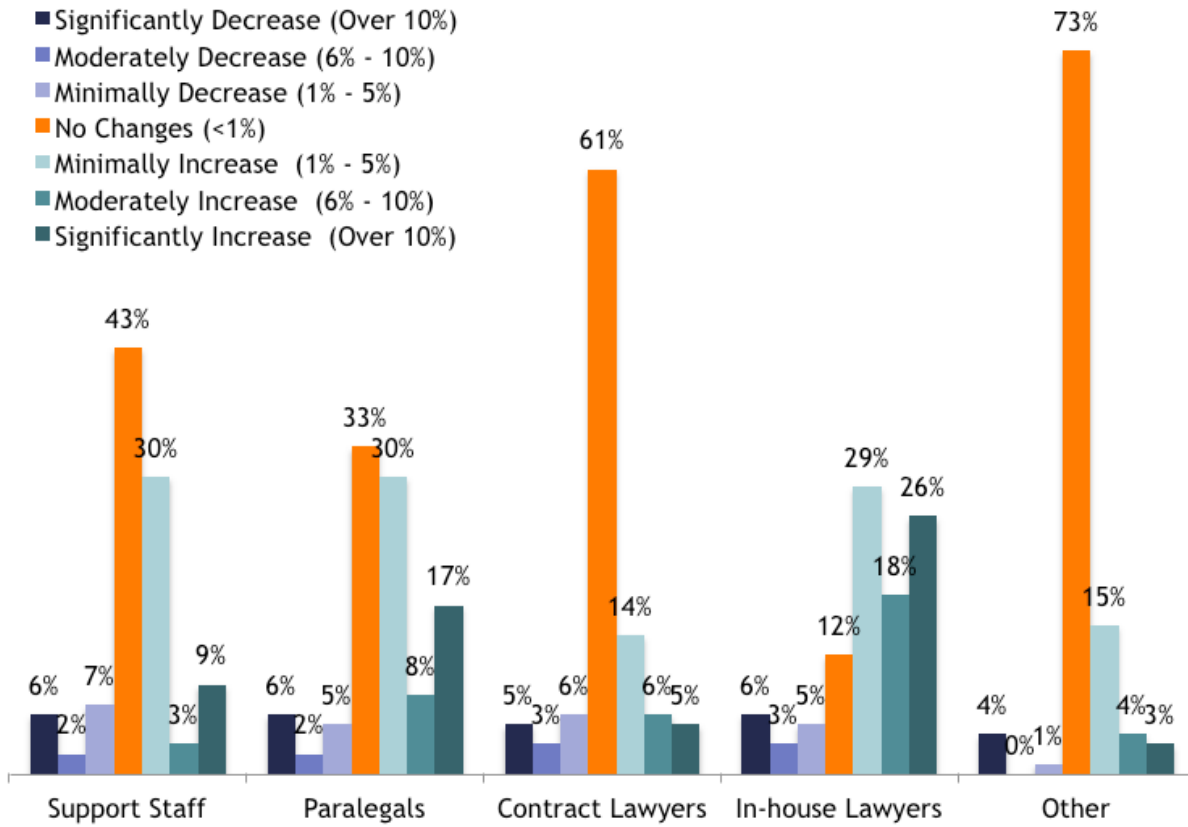
Overall Survey Results

Question: Over the next 12 months, do you plan to increase or decrease your law department's staff size?



Overall Survey Results

Question: How do you plan to increase or decrease your law department's staff size in the next 12 months?



| Position | Significant Decrease Over 10% | Moderate Decrease 6% - 10% | Minimal Decrease 1% - 5% | No Changes <1% | Minimal Increase 1% - 5% | Moderate Increase 6% - 10% | Significant Increase Over 10% |
|------------------|-------------------------------|----------------------------|--------------------------|----------------|--------------------------|----------------------------|-------------------------------|
| Support Staff | 6% | 2% | 7% | 43% | 30% | 3% | 9% |
| Paralegals | 6% | 2% | 5% | 33% | 30% | 8% | 17% |
| Contract Lawyers | 5% | 3% | 6% | 61% | 14% | 6% | 5% |
| In-house Lawyers | 6% | 3% | 5% | 12% | 29% | 18% | 26% |
| Other | 4% | 0% | 1% | 73% | 15% | 4% | 3% |

Overall Survey Results

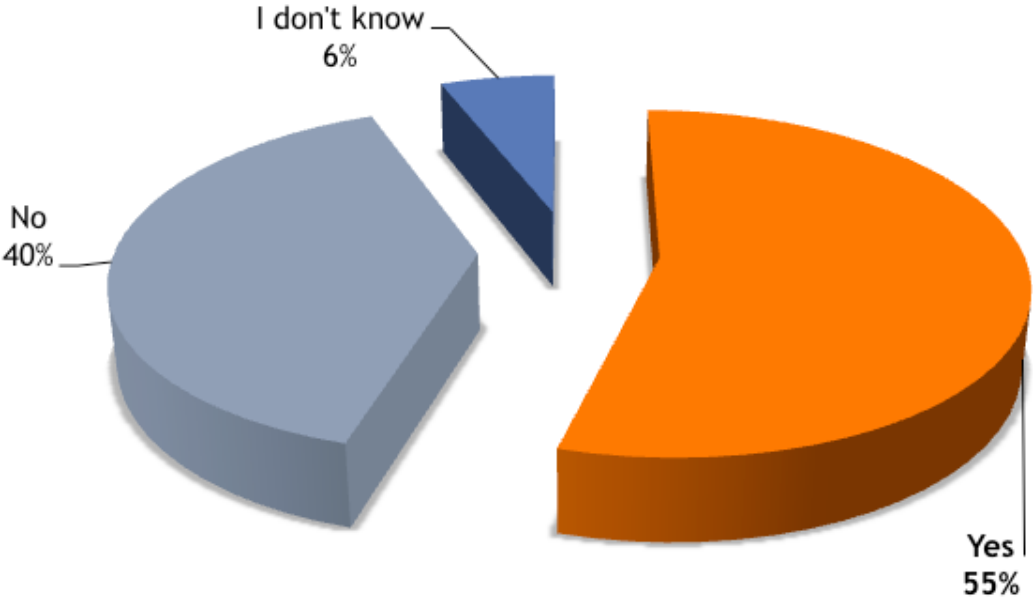
Question: What is your company's annual revenue (in USD)?

| Label | Value | Percent |
|----------|---------------------------------------|------------|
| A | Less than \$25 million | 14% |
| B | \$25 million to \$49 million | 9% |
| C | \$50 million to \$99 million | 11% |
| D | \$100 million to \$299 million | 18% |
| E | \$300 million to \$ 499 million | 10% |
| F | \$500 million to \$999 million | 10% |
| G | \$1 billion to \$1.9 billion | 11% |
| H | \$2 billion to \$2.9 billion | 4% |
| I | \$3 billion to \$3.9 billion | 3% |
| J | \$4 billion or more | 11% |

Sixty-five percent of respondents working for a company that generates revenue of \$4 billion USD or more annually, make an average of \$350,000 annual base salary.

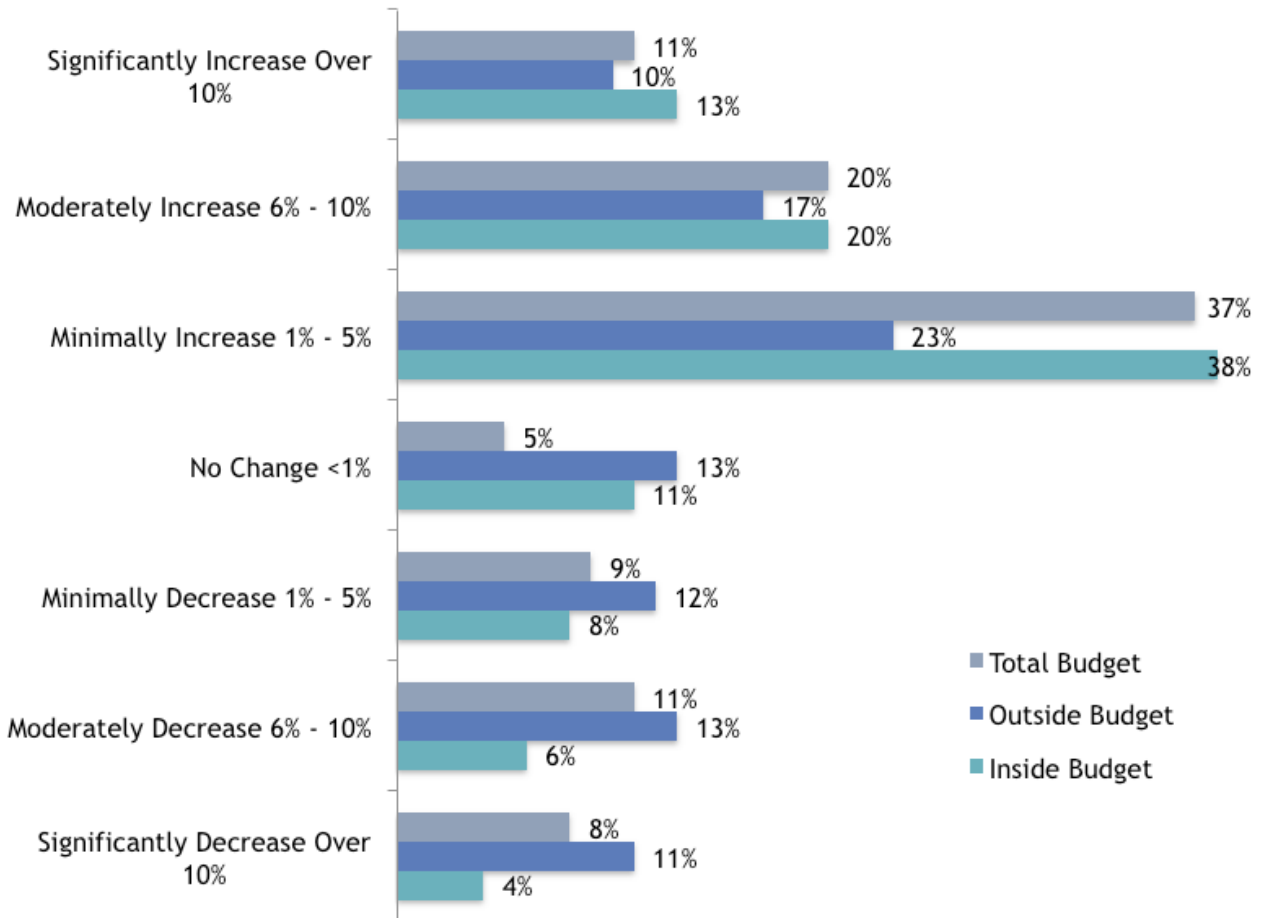
Overall Survey Results

Question: Over the past 12 months, has your law department's total budget increased or decreased?



Overall Survey Results

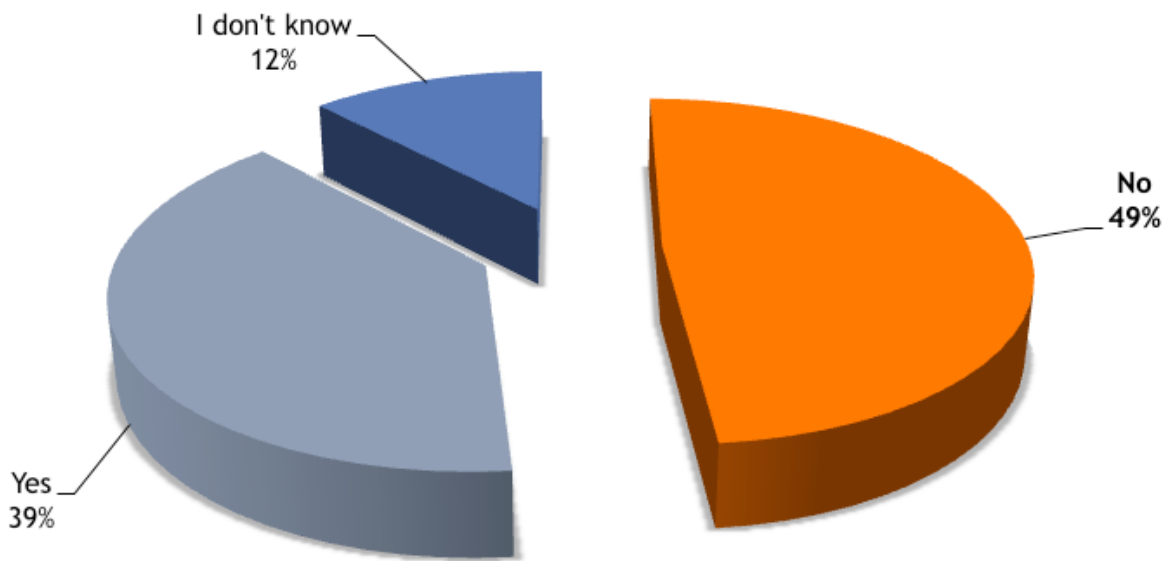
Question: How would you classify your law department's changes in budget, in the past 12 months?



| Budget | Significant Decrease Over 10% | Moderate Decrease 6% - 10% | Minimal Decrease 1% - 5% | No Changes <1% | Minimal Increase 1% - 5% | Moderate Increase 6% - 10% | Significant Increase Over 10% |
|----------------|-------------------------------|----------------------------|--------------------------|----------------|--------------------------|----------------------------|-------------------------------|
| Inside Budget | 5% | 6% | 8% | 16% | 32% | 19% | 15% |
| Outside Budget | 10% | 9% | 9% | 12% | 20% | 21% | 18% |
| Total Budget | 7% | 9% | 8% | 4% | 30% | 24% | 18% |

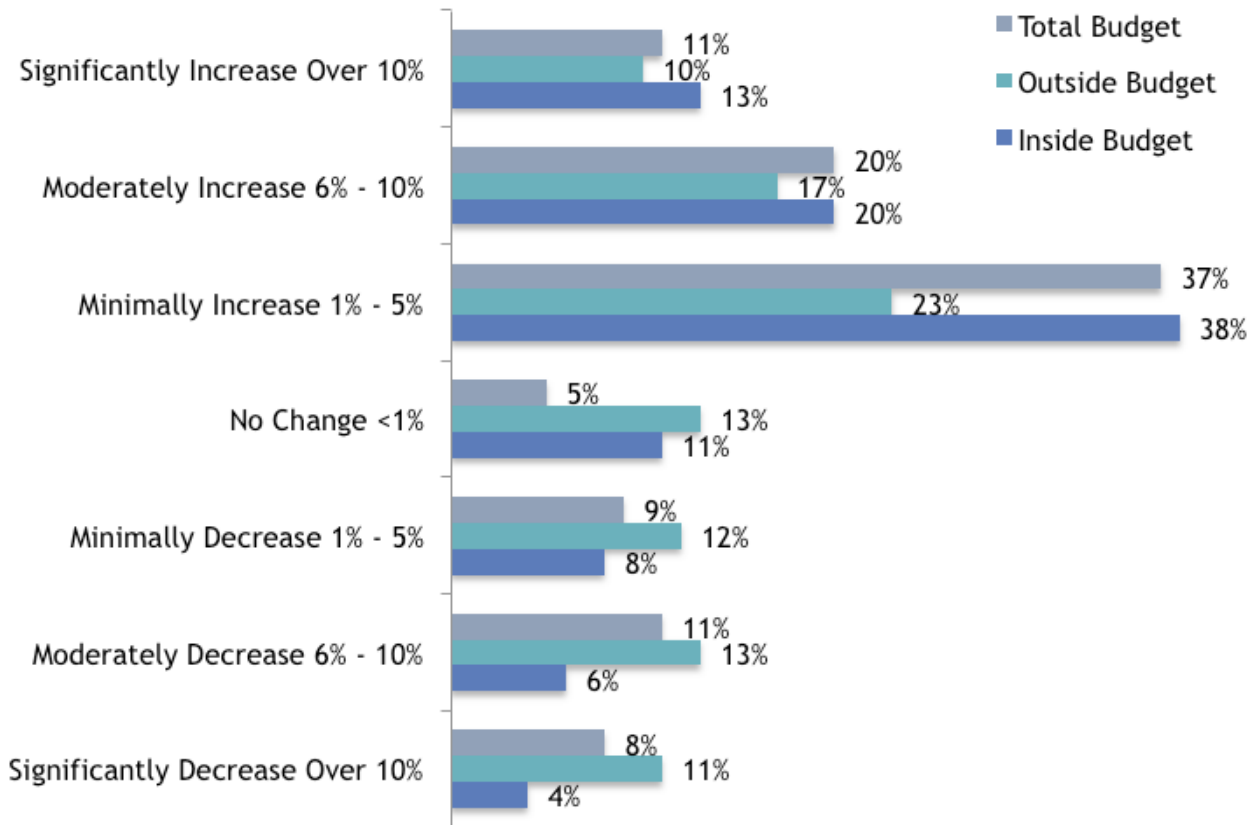
Overall Survey Results

Question: Over the next 12 months, do you plan to increase or decrease your law department's budget?



Overall Survey Results

Question: How do you plan to increase or decrease your law department's budget, in the next 12 months?



| Budget | Significant Decrease Over 10% | Moderate Decrease 6% - 10% | Minimal Decrease 1% - 5% | No Changes <1% | Minimal Increase 1% - 5% | Moderate Increase 6% - 10% | Significant Increase Over 10% |
|----------------|-------------------------------|----------------------------|--------------------------|----------------|--------------------------|----------------------------|-------------------------------|
| Inside Budget | 4% | 6% | 8% | 11% | 38% | 20% | 13% |
| Outside Budget | 11% | 13% | 12% | 13% | 23% | 17% | 10% |
| Total Budget | 8% | 11% | 9% | 5% | 37% | 20% | 11% |

Overall Survey Results

Question: What metrics do you primarily use to evaluate the effectiveness and efficiency of your law department? (Check all that apply.)

| Label | Value | Percent |
|-------|---------------------------------------|---------|
| A | Outside legal spending | 75% |
| B | Outside counsel management | 50% |
| C | Inside legal spending | 41% |
| D | Forecast for legal services | 33% |
| E | Inside legal staffing | 26% |
| F | Law department organization | 24% |
| G | Corporate allocations and chargebacks | 18% |
| H | Other | 12% |
| I | Intellectual property information | 11% |
| J | Key staffing ratios | 11% |
| K | Trends in law department staffing | 6% |
| L | Trends in legal staffing | 4% |

Three-quarters of respondents use outside legal spending to evaluate the effectiveness and efficiency of their law department.

Overall Survey Results

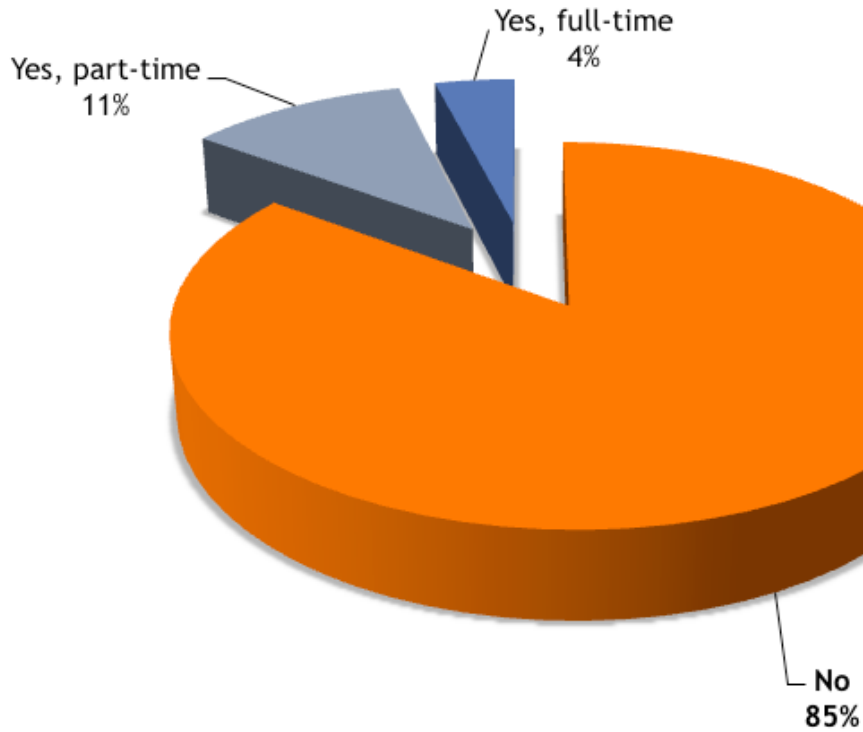
Question: How is the cost of your law department managed or dispersed for (cost) accounting purposes?

| Label | Value | Percent |
|-------|---|------------|
| A | The cost is part of organization's general overhead | 57% |
| B | Certain legal costs are charged back to the business units | 19% |
| C | A portion of the cost is allocated as an overhead to each business unit | 14% |
| D | The total cost is allocated as an overhead to each business unit | 8% |
| E | Other | 2% |

Forty percent of law departments with 50 to 74 employees allocate the cost as an overhead to each business unit.

Overall Survey Results

Question: Do you delegate operational management of the law department, either full-time or part-time?



| Value | Percent |
|----------------|---------|
| No | 86% |
| Yes, part-time | 11% |
| Yes, full-time | 4% |

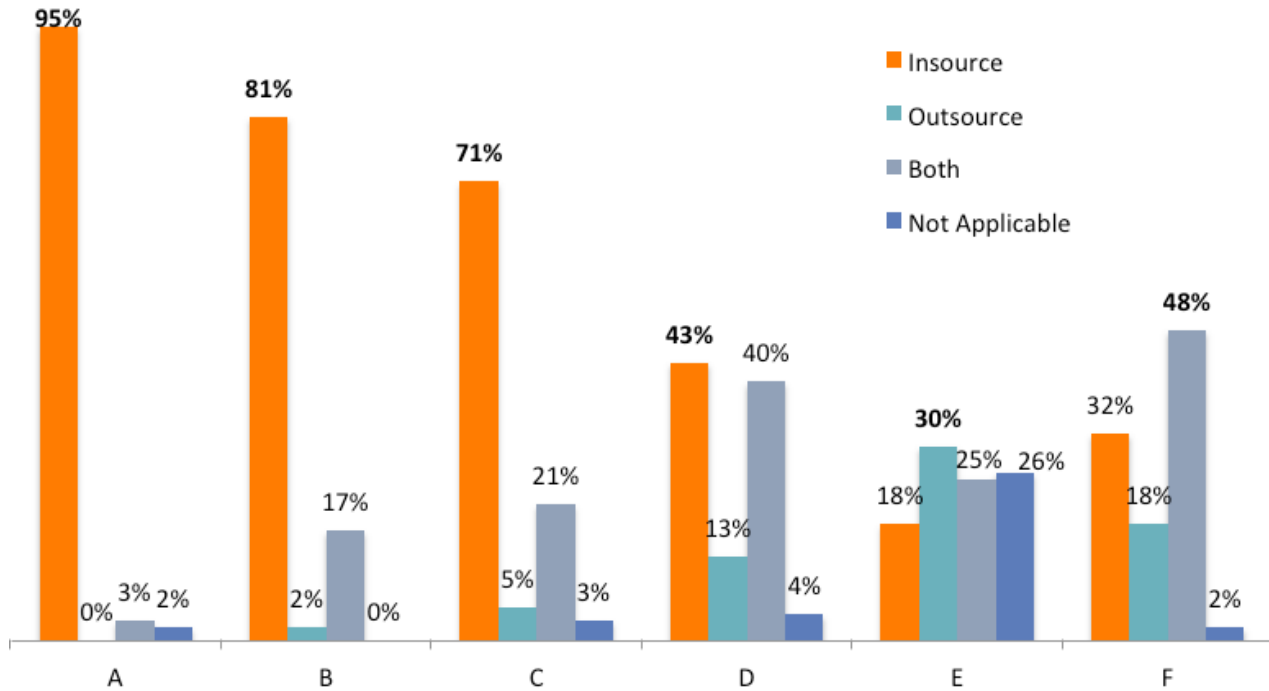
Overall Survey Results

Question: Where do compliance functions report in your company/organization? (Check all that apply.)

| Label | Value | Percent |
|-------|-----------------------------------|---------|
| A | Chief Legal Officer | 35% |
| B | Chief Executive Officer | 31% |
| C | Board of Directors | 28% |
| D | Compliance functions report to me | 27% |
| E | Chief Financial Officer | 21% |
| F | Chief Compliance Officer | 17% |
| G | Other | 10% |

Overall Survey Results

Question: Where do you primarily direct the following functions/responsibilities?



| Label | Responsibility | Insource | Outsource | Both | Not Applicable |
|-------|---------------------------|----------|-----------|------|----------------|
| A | Administration/Operations | 95% | 0% | 3% | 2% |
| B | Contract Creation | 81% | 2% | 17% | 0% |
| C | Document Review | 71% | 5% | 21% | 3% |
| D | Due Diligence | 43% | 13% | 40% | 4% |
| E | E-discovery | 18% | 30% | 25% | 26% |
| F | Legal Research | 32% | 18% | 48% | 2% |

Overall Survey Results

Question: How satisfied are you with your current role within your company/firm/organization? (Scale 1-7, 7 = Very Satisfied)

| Label | Value | Percent |
|----------|-----------------------|------------|
| A | Very Dissatisfied | 2% |
| B | Dissatisfied | 3% |
| C | Somewhat Dissatisfied | 7% |
| D | Neutral | 5% |
| E | Somewhat Satisfied | 14% |
| F | Satisfied | 33% |
| G | Very Satisfied | 34% |
| H | I am not a CLO | 1% |

The majority (i.e., 81%) of respondents are satisfied with their current role within their company/firm/organization.

Thirty-four percent are very satisfied, 33% are satisfied and 14% are somewhat satisfied. Satisfaction did not vary by gender.

Overall Survey Results

Question: Over the past 12 months, how have you spent the majority of you time?

| Label | Value | Percent |
|-------|---|---------|
| A | Advising executives/participating in strategic corporate issues | 77% |
| B | Attracting and retaining good paralegal and support staff | 7% |
| C | Attracting and retaining good in-house counsel | 17% |
| D | Attracting and retaining good outside counsel | 21% |
| E | Board and governance issues | 61% |
| F | Compliance | 61% |
| G | Government affairs | 21% |
| H | Litigation | 46% |
| I | Managing legal function domestically | 61% |
| J | Managing legal function internationally | 36% |
| K | Regulatory investigation | 23% |
| L | Strategy | 55% |
| M | Professional development of staff | 26% |
| N | Other | 7% |

Overall Survey Results

Question: Over the past 12 months, how have you spent the majority of your time?

77% of respondents reported spending the majority of their time over the past 12 months **advising executives/participating in strategic corporate issues**; of these respondents, 88% would prefer to spend their time this way.

61% of respondents reported spending the majority of their time over the past 12 months on **board and governance issues**; of these respondents, 75% would prefer to spend their time this way.

61% of respondents reported spending the majority of their time over the past 12 months on **compliance**; of these respondents, 44% would prefer to spend their time this way.

61% of respondents reported spending the majority of their time over the past 12 months **managing legal function domestically**; of these respondents, 60% would prefer to spend their time this way.

55% of respondents reported spending the majority of their time over the past 12 months on **strategy**; of these respondents, 89% would prefer to spend their time this way.

46% of respondents reported spending the majority of their time over the past 12 months on **litigation**; of these respondents, 25% would prefer to spend their time this way.

36% of respondents reported spending the majority of their time over the past 12 months **managing legal function internationally**; of these respondents, 55% would prefer to spend their time this way.

26% of respondents reported spending the majority of their time over the past 12 months on **professional development of staff**; of these respondents, 68% would prefer to spend their time this way.

23% of respondents reported spending the majority of their time over the past 12 months on **regulatory investigation**; of these respondents, 18% would prefer to spend their time this way.

21% of respondents reported spending the majority of their time over the past 12 months, **attracting and retaining good outside counsel**; of these respondents, 40% would prefer to spend their time this way.

21% of respondents reported spending the majority of their time over the past 12 months on **government affairs**; of these respondents, 51% would prefer to spend their time this way.

17% of respondents reported spending the majority of their time over the past 12 months, **attracting and retaining good in-house counsel**; of these respondents, 52% would prefer to spend their time this way.

7% of respondents reported spending the majority of their time over the past 12 months, **attracting and retaining good paralegal and support staff**; of these respondents, 23% would prefer to spend their time this way.

Overall Survey Results

Question: How would you prefer to spend the majority of your time?

| Label | Value | Percent |
|----------|--|------------|
| A | Advising executives/participating in strategic corporate issues | 78% |
| B | Attracting and retaining good paralegal and support staff | 6% |
| C | Attracting and retaining good in-house counsel | 20% |
| D | Attracting and retaining good outside counsel | 15% |
| E | Board and governance issues | 54% |
| F | Compliance | 30% |
| G | Government affairs | 16% |
| H | Litigation | 13% |
| I | Managing legal function domestically | 41% |
| J | Managing legal function internationally | 27% |
| K | Regulatory investigation | 5% |
| L | Strategy | 74% |
| M | Professional development of staff | 34% |
| N | Other | 4% |

Overall Survey Results

Question: How would you prefer to spend the majority of your time?

78% of respondents would prefer to spend their time **advising executives/participating in strategic corporate issues**; of these respondents, 85% currently spend their time this way.

74% of respondents would prefer to spend their time on **strategy**; of these respondents, 66% currently spend their time this way.

54% of respondents would prefer to spend their time on **board and governance issues**; of these respondents, 84% currently spend their time this way.

41% of respondents would prefer to spend their time **managing legal function domestically**; of these respondents, 89% currently spend their time this way.

34% of respondents would prefer to spend their time on **professional development of staff**; of these respondents, 52% currently spend their time this way.

30% of respondents would prefer to spend their time on **compliance**; of these respondents, 87% currently spend their time this way.

27% of respondents would prefer to spend their time **managing legal function internationally**; of these respondents, 75% currently spend their time this way.

20% of respondents would prefer to spend their time **attracting and retaining good in-house counsel**; of these respondents, 45% currently spend their time this way.

15% of respondents would prefer to spend their time **attracting and retaining good outside counsel**; of these respondents, 56% currently spend their time this way.

16% of respondents would prefer to spend their time on **government affairs**; of these respondents, 67% currently spend their time this way.

13% of respondents would prefer to spend their time on **litigation**; of these respondents, 92% currently spend their time this way.

Only 6% of respondents would prefer to spend their time **attracting and retaining good paralegal and support staff**; of these respondents, 28% currently spend their time this way.

5% of respondents would prefer to spend their time on **regulatory investigation**; of these respondents, 76% currently spend their time this way.

Overall Survey Results

Question: Which of the following (non-legal) skills are you seeking to develop in your law department? (Check all that apply.)

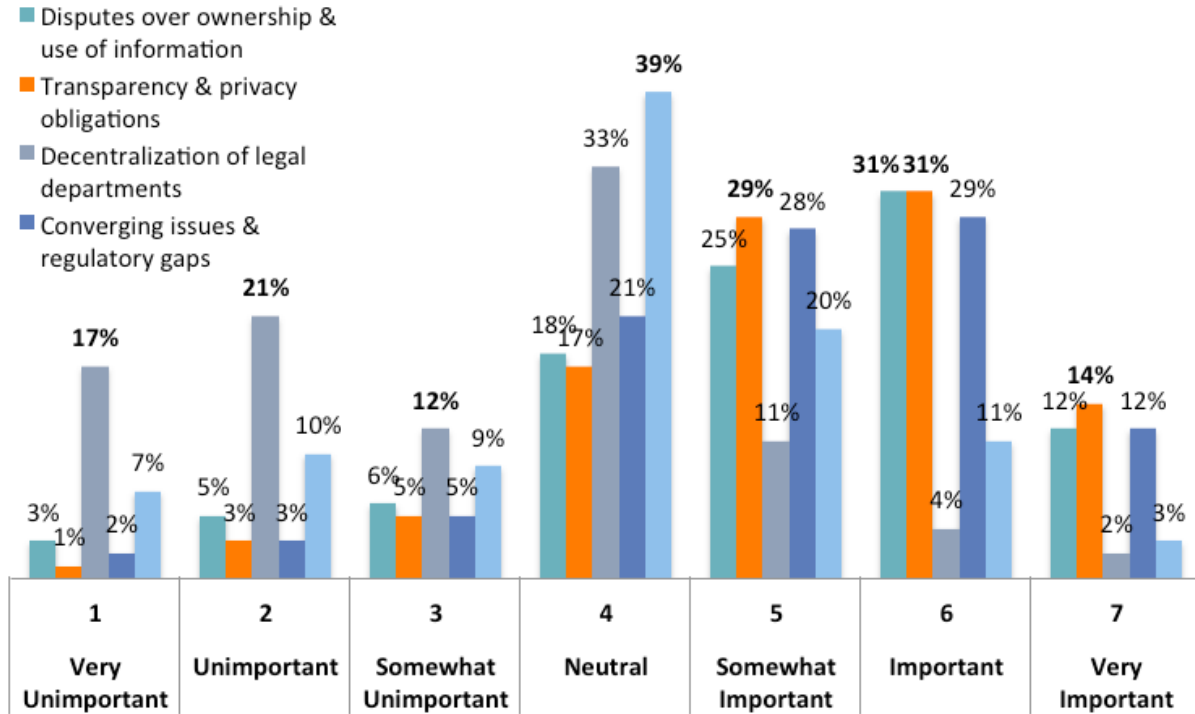
| Label | Value | Percent |
|-------|------------------------|---------|
| A | Business Management | 63% |
| B | Communication | 53% |
| C | Project Management | 52% |
| D | Emotional Intelligence | 29% |
| E | Technical | 21% |
| F | None | 8% |
| G | Other* | 4% |

*Singular values under G included the following

- Business development
- Business strategic outlook
- Client management skills
- Coping skills
- Data analytics
- Expertise regarding EU/international Regulations (REACH, RoHS, etc.)
- Finance
- Getting more done with limited staffing
- IT contract management
- Initiative, independence
- Institutional relationship
- Legal analysis
- Legal writing
- Negotiation
- People management
- Proficiency in electronic records management
- Risk management
- Risk readiness
- Strategy
- Leadership
- Understanding accounting
- Understanding of financials in contracts/business
- Budget discipline, sensitivity to different risk profile of various clients
- Compliance
- Cross cultural understanding
- Drafting skills
- Helping managers make better business decisions and think about risk better
- How to support innovation in a highly regulated business
- Lean six sigma
- Negotiation
- Security

Overall Survey Results

Question: Please rate the importance (based on the amount of attention that should be given to each) of the following current and future issues in law.
(Scale 1-7, 7 = Very Important)



Highest level of importance: **Transparency & privacy obligations**

Highest level of apathy: **Legal services in mature markets**

Highest level of unimportance: **Decentralization of legal department**

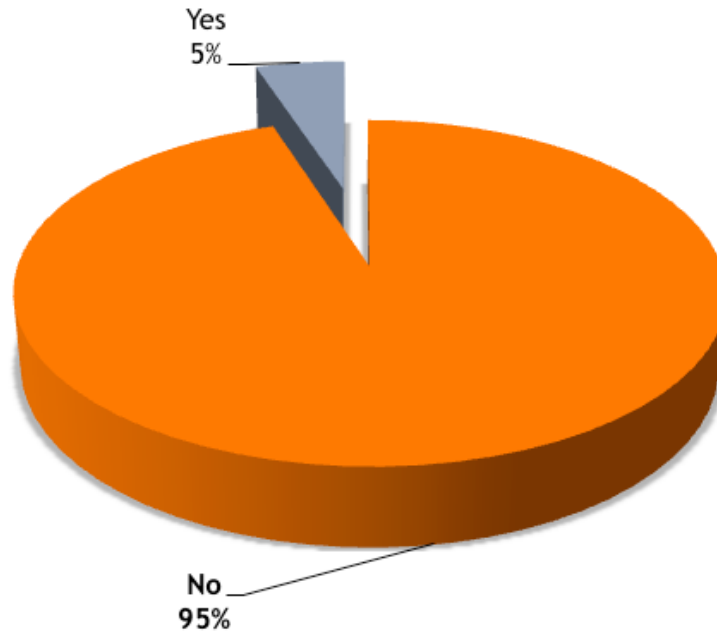
Overall Survey Results

Question: Please rank the following business issues in order of importance (according to the priorities of your law department for 2013). (1 = most important, 2 = next most important, ... 9 = least important)?

| Issue | Overall Ranking |
|---|-----------------|
| Awareness of company activities that may have legal implications | 1 |
| Keeping management appraised of legal developments | 2 |
| Staying current and well-informed of changes in the law | 3 |
| Reducing outside legal costs | 4 |
| Improvement of internal efficiency through technology | 5 |
| Limited resources and/or finances for amount of work | 6 |
| Making legal spend more predictable | 7 |
| Reducing in-house legal costs | 8 |
| Convergence | 9 |

Overall Survey Results

Question: Does your law department have a formal pro bono program?



The majority of respondents (95%) do not have a formal pro bono program at their law department.

Only 5% of respondents reported having a formal pro bono program at their law department. Nearly three-fifths (59%) of respondents, whose law departments have a formal pro bono program, work for a company/organization that collects revenue of \$4 billion USD or more annually.

When asked why their law departments did not have a formal pro bono program, the top three responses were: department is too small, legal staff is stretched too thin, and lack of resources.

50% of respondents who indicated lack of resources (as a reason for their law department not having a formal pro bono program) work for a company/organization that experienced at least a 10% budget cut over the past year.

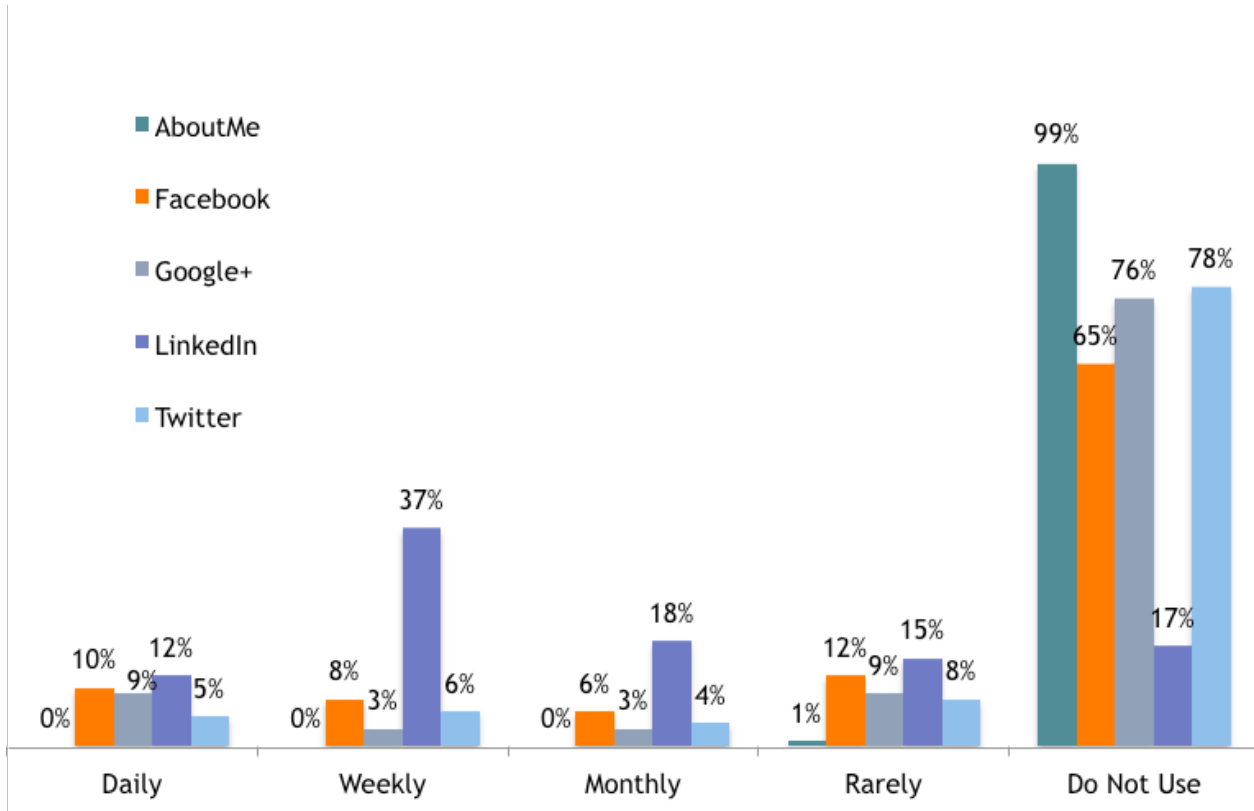
Overall Survey Results

Question: Why do you think your law department does not have a formal pro bono program? (Check all that apply.)

| Label | Value | Percent |
|-------|---|---------|
| A | Department is too small | 66% |
| B | Legal staff is stretched too thin | 51% |
| C | Lack of resources | 39% |
| D | Legal staff are encouraged to volunteer on their own time | 25% |
| E | Lack of insurance coverage for pro bono work | 15% |
| F | Legal staff are encouraged to volunteer through company's Corporate Social Responsibility program | 12% |
| G | Possibility of engaging in pro bono work outside of legal staff's skill set | 9% |
| H | Other | 8% |
| I | Practice rules restrict some department staff from engaging in pro bono work | 5% |

Overall Survey Results

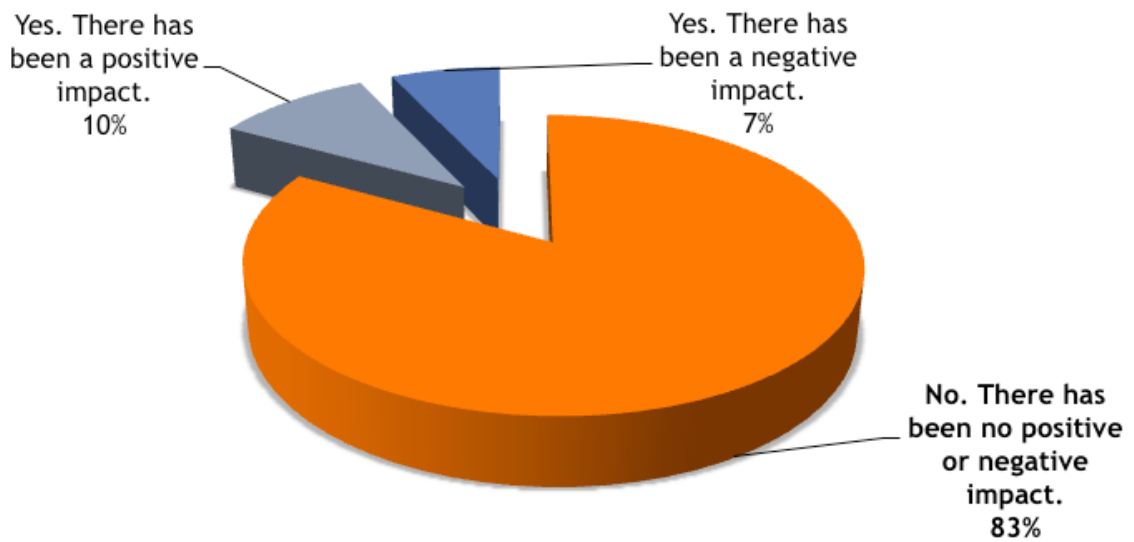
Question: What social media platforms do you use (professionally) and with what frequency?



| Platform | Daily | Weekly | Monthly | Rarely | Do Not Use |
|----------|-------|--------|---------|--------|------------|
| AboutMe | 0% | 0% | 0% | 1% | 99% |
| Facebook | 10% | 8% | 6% | 12% | 65% |
| Google+ | 9% | 3% | 3% | 9% | 76% |
| LinkedIn | 12% | 37% | 18% | 15% | 17% |
| Twitter | 5% | 6% | 4% | 8% | 78% |

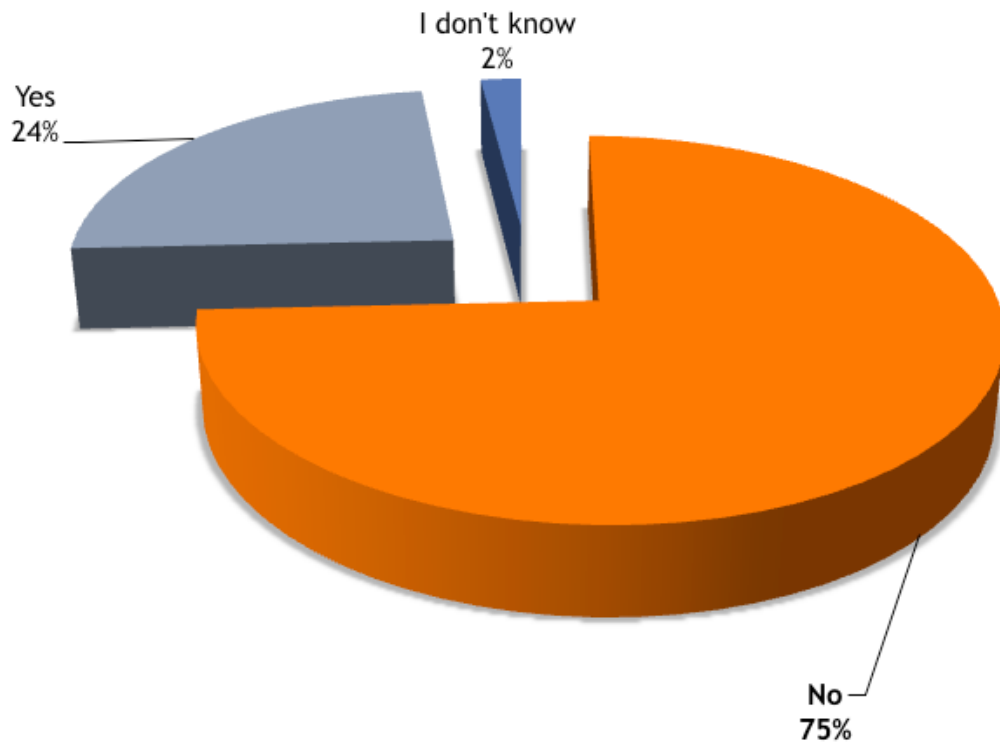
Overall Survey Results

Question: Has your law department been impacted by social media?



Overall Survey Results

Question: Over the past 12 months, have your law department's practices or policies changed due to social media?



Of the 24% of respondents who reported that their law department's practices or policies changed due to social media:

- 61% also reported the department had been negatively impacted by social media, and
- 53% also reported that the department had been positively impacted by social media.

Overall Survey Results

Question: How do you prefer to learn about the latest advancements and news within your professional field? (Check all that apply.)

| Label | Value | Percent |
|-------|-------------------------------------|---------|
| A | Email/E-news | 91% |
| B | Online news articles | 63% |
| C | Printed magazines/newspapers | 52% |
| D | Online newspapers | 37% |
| E | Industry blogs | 31% |
| F | Online videos and clips | 10% |
| G | Publications posted on social media | 9% |
| H | Other | 4% |

Overall Survey Results

Question: What device do you primarily use to check your email?

| Label | Value | Percent |
|-------|------------------|---------|
| A | Office laptop | 44% |
| B | Office desktop | 28% |
| C | Smartphone | 21% |
| D | Tablet device | 5% |
| E | Personal laptop | 2% |
| F | Personal desktop | 0% |

Respondents primarily use their office laptop to check email (45%).

Overall Survey Results

Question: Please rate the level of importance each of the following issues held over the past 12 months. (Scale 1-7, 7=Very Important)

| | Very Unimportant 1 | 2 | 3 | Neutral 4 | 5 | 6 | Very Important 7 |
|---|-----------------------|-----|-----|--------------|-----|-----|---------------------|
| Anti-bribery issues | 22% | 15% | 6% | 12% | 15% | 16% | 14% |
| Ethics and compliance | 1% | 1% | 4% | 7% | 18% | 33% | 36% |
| Protection of Intellectual Property or related disputes | 5% | 6% | 4% | 13% | 24% | 27% | 22% |
| Information Privacy | 2% | 4% | 4% | 16% | 25% | 29% | 21% |
| Data breaches and protection | 2% | 7% | 6% | 17% | 26% | 24% | 18% |
| Health care reform | 12% | 13% | 11% | 19% | 18% | 12% | 15% |
| Mergers and acquisitions | 8% | 11% | 6% | 16% | 24% | 20% | 15% |
| Social media management/governance | 4% | 6% | 10% | 22% | 32% | 18% | 7% |
| Regulatory or governmental changes | 2% | 2% | 4% | 12% | 23% | 31% | 27% |
| Technology developments | 2% | 7% | 9% | 25% | 32% | 19% | 6% |
| Whistleblower issues | 9% | 17% | 9% | 27% | 20% | 15% | 3% |

See explanation on page 8.

Overall Survey Results

Question: Please rate the level of importance you anticipate each of the following issues will hold over the next 12 months. (Scale 1-7, 7=Very Important)

| | Very Unimportant 1 | 2 | 3 | Neutral 4 | 5 | 6 | Very Important 7 |
|---|--------------------------|-----|----|--------------|-----|-----|------------------------|
| Anti-bribery issues | 20% | 12% | 6% | 15% | 15% | 18% | 14% |
| Ethics and compliance | 1% | 1% | 2% | 9% | 18% | 34% | 36% |
| Protection of Intellectual Property or related disputes | 4% | 5% | 4% | 16% | 20% | 28% | 24% |
| Information Privacy | 2% | 4% | 4% | 16% | 23% | 30% | 23% |
| Data breaches and protection | 2% | 3% | 5% | 18% | 27% | 25% | 21% |
| Health care reform | 12% | 13% | 7% | 19% | 19% | 14% | 18% |
| Mergers and acquisitions | 9% | 8% | 6% | 18% | 25% | 20% | 15% |
| Social media management/governance | 4% | 8% | 9% | 21% | 28% | 23% | 7% |
| Regulatory or governmental changes | 2% | 2% | 4% | 11% | 20% | 32% | 30% |
| Technology developments | 2% | 7% | 7% | 27% | 28% | 20% | 9% |
| Whistleblower issues | 9% | 15% | 9% | 28% | 21% | 13% | 4% |

See explanation on page 8.

Appendix: Survey Instrument

1) What is your current title?

- | | |
|--|--|
| <input type="radio"/> Corporate Secretary | <input type="radio"/> Legal Director |
| <input type="radio"/> Advocate | <input type="radio"/> Head of Legal |
| <input type="radio"/> Solicitor/Barrister | <input type="radio"/> VP Legal Affairs |
| <input type="radio"/> Compliance Officer | <input type="radio"/> Vice President |
| <input type="radio"/> Counsel/Counselor | <input type="radio"/> Executive Vice President |
| <input type="radio"/> General Counsel | <input type="radio"/> Senior Vice President |
| <input type="radio"/> Chief Counsel | <input type="radio"/> Other, please specify: |
| <input type="radio"/> Chief Legal Officer | _____ |
| <input type="radio"/> Executive Board Member | |

2) Which of the following best describes your company/organization?

- Limited Liability Company (LLC)
- Limited Liability Partnership (LLP)
- Non-profit
- Partnership
- Private
- Public
- Publicly held debt, privately held equity
- Subsidiary of foreign public corporation

3) What is your company/organization's primary industry?

- | | |
|---|--|
| <input type="radio"/> Accommodation/Food Services | <input type="radio"/> Manufacturing |
| <input type="radio"/> Administrative/Business/Support Services | <input type="radio"/> Mining & Quarrying |
| <input type="radio"/> Advertising/Marketing/Public Relations | <input type="radio"/> Not for Profit Organization (i.e., Charity, Environment) |
| <input type="radio"/> Agriculture/Forestry/Fishing/Hunting | <input type="radio"/> Oil & Gas |
| <input type="radio"/> Arts, Sports & Entertainment/Recreation | <input type="radio"/> Pharmaceutical/Medical Devices |
| <input type="radio"/> Aviation/Aerospace | <input type="radio"/> Prepared Food Stuff & Beverages |
| <input type="radio"/> Biotechnology/Life Sciences | <input type="radio"/> Professional, Scientific, and/or Technical Services |
| <input type="radio"/> Broadcasting & Media | <input type="radio"/> Public Administration/Government Regulation and Support |
| <input type="radio"/> Chemicals & Plastics | <input type="radio"/> Real Estate/Rental and Leasing |
| <input type="radio"/> Construction & Engineering | <input type="radio"/> Retail Trade |
| <input type="radio"/> eCommerce/Online Sales | <input type="radio"/> Service Company and Organization |
| <input type="radio"/> Educational Services | <input type="radio"/> Technical/Research & Development |
| <input type="radio"/> Energy | <input type="radio"/> Telecommunications |
| <input type="radio"/> Fast Moving Consumer Goods | <input type="radio"/> Trade Association |
| <input type="radio"/> Finance & Banking | <input type="radio"/> Transportation & Warehousing |
| <input type="radio"/> Healthcare/Social Assistance | |
| <input type="radio"/> Information Technology/Software/Internet Related Services | |
| <input type="radio"/> Insurance | |
| <input type="radio"/> Management of Companies & Enterprises (i.e., holding companies) | |

Appendix: Survey Instrument

4) What best describes the size of your law department?

- 1 employee
- 2 to 9 employees
- 10 to 24 employees
- 25 to 49 employees
- 50 to 74 employees
- 75 to 99 employees
- 100 to 149 employees
- 150 to 199 employees
- 200 to 249 employees
- 250 to 299 employees
- 300 or more employees

5) How many of the following staff positions work in your law department?

- Support Staff
- Paralegals
- Contract Lawyers
- In-house Lawyers
- Other

6) What is your gender?

- Male
- Female

7) What year were you born?

8) Where is your office located?

9) What is your annual base salary (in USD) as of January 1, 2012 (i.e., excluding options, incentives/awards/bonuses)?

- Less than \$75,000
- \$75,000 to \$99,999
- \$100,000 to \$149,999
- \$150,000 to \$199,999
- \$200,000 to \$299,999
- \$300,000 to \$399,999
- \$400,000 to \$499,999
- \$500,000 to \$599,999
- \$600,000 to \$699,999
- \$700,000 to \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 to \$1,999,999
- \$2,000,000 to \$2,999,999
- \$3,000,000 to \$3,999,999
- \$4,000,000 to \$4,999,999
- \$5,000,000 or more
- Prefer not to say

Appendix: Survey Instrument

10) Over the past 12 months, has your law department enforced any staff cuts (unrelated to performance)?

- Yes
- No
- I don't know

11) Over the past 12 months, what was the approximate percentage of staff cuts within each of the following positions?

- Support Staff
- Paralegals
- Contract Lawyers
- In-house Lawyers
- Other

12) Over the past 12 months, has your law department made any new hires?

- Yes
- No
- I don't know

13) Over the past 12 months, what was the approximate percentage of new hires within each of the following staff positions?

- Support Staff
- Paralegals
- Contract Lawyers
- In-house Lawyers
- Other

14) Over the past 12 months, has your law department created any new positions?

- Yes
- No
- I don't know

Appendix: Survey Instrument

15) Within which of the following areas were these new positions created?

- | | |
|--|---|
| <input type="radio"/> Compliance | <input type="radio"/> Generalist |
| <input type="radio"/> Contracts | <input type="radio"/> Intellectual Property |
| <input type="radio"/> Corporate & Securities | <input type="radio"/> International Legal Affairs |
| <input type="radio"/> Discovery | <input type="radio"/> IT/Ecommerce |
| <input type="radio"/> Employment & Labor | <input type="radio"/> Litigation |
| <input type="radio"/> Energy | <input type="radio"/> Mergers & Acquisitions |
| <input type="radio"/> Environment & Sustainability | <input type="radio"/> Other, please specify: |
| <input type="radio"/> Financial Services | _____ |

16) Over the next 12 months, do you plan to increase or decrease your law department's staff size?

- Yes
- No
- I don't know

17) How do you plan to increase or decrease your law department's staff size in the next 12 months?

- Support Staff
- Paralegals
- Contract Lawyers
- In-house Lawyers
- Other

18) What is your company's annual revenue (in USD)?

- | | |
|---|--|
| <input type="radio"/> Less than \$25 million | <input type="radio"/> \$500 million to \$999 million |
| <input type="radio"/> \$25 million to \$49 million | <input type="radio"/> \$1 billion to \$1.9 billion |
| <input type="radio"/> \$50 million to \$99 million | <input type="radio"/> \$2 billion to \$2.9 billion |
| <input type="radio"/> \$100 million to \$299 million | <input type="radio"/> \$3 billion to \$3.9 billion |
| <input type="radio"/> \$300 million to \$ 499 million | <input type="radio"/> \$4 billion or more |

19) Over the past 12 months, has your law department's total budget increased or decreased?

- Yes
- No
- I don't know

20) How would you classify your law department's changes in budget, in the past 12 months?

- Inside Budget
- Outside Budget
- Total Budget

Appendix: Survey Instrument

21) Over the next 12 months, do you plan to increase or decrease your law department's budget?

- Yes
- No
- I don't know

22) How do you plan to increase or decrease your law department's budget, in the next 12 months?

- Inside Budget
- Outside Budget
- Total Budget

23) What metrics do you primarily use to evaluate the effectiveness and efficiency of your law department?

- | | |
|---|---|
| <input type="radio"/> Corporate allocations and chargebacks | <input type="radio"/> Outside counsel management |
| <input type="radio"/> Forecast for legal services | <input type="radio"/> Outside legal spending |
| <input type="radio"/> Inside legal spending | <input type="radio"/> Trends in law department staffing |
| <input type="radio"/> Inside legal staffing | <input type="radio"/> Trends in legal staffing |
| <input type="radio"/> Intellectual property information | <input type="radio"/> Other, please specify: _____ |
| <input type="radio"/> Key staffing ratios | |
| <input type="radio"/> Law department organization | |

24) How is the cost of your law department managed or dispersed for (cost) accounting purposes?

- The cost is part of organization's general overhead.
- A portion of the cost is allocated as an overhead to each business unit.
- The total cost is allocated as an overhead to each business unit.
- Certain legal costs are charged back to the business units.
- Other, please specify: _____

25) Do you delegate operational management of the law department, either full-time or part-time?

- Yes, part-time
- Yes, full-time
- No

26) What metrics do you primarily use to evaluate the effectiveness and efficiency of your law department?

- | | |
|--|---|
| <input type="radio"/> Board of Directors | <input type="radio"/> Compliance functions report to me |
| <input type="radio"/> Chief Compliance Officer | <input type="radio"/> Other, please specify: _____ |
| <input type="radio"/> Chief Executive Officer | |
| <input type="radio"/> Chief Financial Officer | |
| <input type="radio"/> Chief Legal Officer | |

Appendix: Survey Instrument

27) Where do you primarily direct the following functions/responsibilities?

- | | |
|---|--------------------------------------|
| <input type="radio"/> Administration/Operations | Options: |
| <input type="radio"/> Contract Creation | |
| <input type="radio"/> Document Review | |
| <input type="radio"/> Due Diligence | |
| <input type="radio"/> E-discovery | |
| <input type="radio"/> oLegal Research | |
| | <input type="radio"/> In-source |
| | <input type="radio"/> Out-source |
| | <input type="radio"/> Both |
| | <input type="radio"/> Not Applicable |

28) How satisfied are you with your current role within your company/firm/organization?

- Very Unsatisfied
- Unsatisfied
- Somewhat Unsatisfied
- Neutral
- Somewhat Satisfied
- Satisfied
- Very Satisfied

29) Over the past 12 months, how have you spent the majority of your time as a Chief Legal Officer?

- | | |
|--|--|
| <input type="radio"/> Advising executives/ participating in strategic corporate issues | <input type="radio"/> Government affairs |
| <input type="radio"/> Attracting and retaining good paralegal and support staff | <input type="radio"/> Litigation |
| <input type="radio"/> Attracting and retaining good in- house counsel | <input type="radio"/> Managing legal function domestically |
| <input type="radio"/> Attracting and retaining good outside counsel | <input type="radio"/> Managing legal function internationally |
| <input type="radio"/> Board and governance issues | <input type="radio"/> Regulatory investigation |
| <input type="radio"/> Compliance | <input type="radio"/> Strategy |
| | <input type="radio"/> Professional development of staff |
| | <input type="radio"/> Other, please specify: _____ |

30) How would you prefer to spend the majority of your time as a Chief Legal Officer?

- | | |
|--|--|
| <input type="radio"/> Advising executives/ participating in strategic corporate issues | <input type="radio"/> Government affairs |
| <input type="radio"/> Attracting and retaining good paralegal and support staff | <input type="radio"/> Litigation |
| <input type="radio"/> Attracting and retaining good in- house counsel | <input type="radio"/> Managing legal function domestically |
| <input type="radio"/> Attracting and retaining good outside counsel | <input type="radio"/> Managing legal function internationally |
| <input type="radio"/> Board and governance issues | <input type="radio"/> Regulatory investigation |
| <input type="radio"/> Compliance | <input type="radio"/> Strategy |
| | <input type="radio"/> Professional development of staff |
| | <input type="radio"/> Other, please specify: _____ |

Appendix: Survey Instrument

31) Which of the following (non-legal) skills are you seeking to develop in your law department?

- Business Management
- Communication
- Emotional Intelligence
- Technical
- Project Management
- Other, please specify: _____
- None

32) Please rate the importance (based on the amount of attention that should be given to each) of the following current and future issues in law. (Scale 1- 7, 7=Very Important)

- Disputes over ownership & use of information
- Transparency & privacy obligations
- Decentralization of legal departments
- Converging issues & regulatory gaps
- Legal services in mature markets

33) Please rank the following business issues in order of importance (according to the priorities of your law department for 2013). (1 = most important, 2 = next most important, ... 9 = least important)

- Making legal spend more predictable
- Reducing outside legal costs
- Awareness of company activities that may have legal implications
- Reducing in-house legal costs
- Convergence
- Improvement of internal efficiency through technology
- Limited resources and/or finances for amount of work
- Keeping management apprised of legal developments
- Staying current and well-informed of changes in the law
-

34) Does your legal department have a formal pro bono program?

- Yes
- No

35) Why do you think your law department does not have a formal pro bono program?

- Department is too small
- Legal staff is stretched too thin
- Possibility of engaging in pro bono work outside of legal staff's skill set
- Legal staff are encouraged to volunteer on their own time
- Lack of insurance coverage for pro bono work
- Lack of resources
- Legal staff are encouraged to volunteer through company's Corporate Social Responsibility program
- Practice rules restrict some department staff from engaging in pro bono work
- Other, please specify: _____

Appendix: Survey Instrument

36) What social media platforms do you use (professionally) and with what frequency?

- AboutMe
- Facebook
- Google+
- LinkedIn
- Twitter

37) Has your law department been impacted by social media?

- Yes. There has been a negative impact.
- Yes. There has been a positive impact.
- No. There has been no positive or negative impact.

38) Over the past 12 months, has your law department's practices or policies changed due to social media?

- Yes
- No
- I don't know

39) How do you prefer to learn about the latest advancements and news within your professional field?

- Printed magazines/newspapers
- Email/E-news
- Online newspapers
- Online news articles
- Industry blogs
- Publications posted on social media
- Online videos and clips
- Other

40) What device do you primarily use to check your email?

- Office desktop
- Office laptop
- Personal desktop
- Personal laptop
- Tablet device
- Smartphone

Appendix: Survey Instrument

41) Please rate the level of importance each of the following issues held over the past 12 months. (Scale 1-7, 7=Very Important)

- | | |
|--|--|
| <input type="radio"/> Anti-bribery issues | <input type="radio"/> Mergers and acquisitions |
| <input type="radio"/> Ethics and compliance | <input type="radio"/> Social media management/ governance |
| <input type="radio"/> Protection of Intellectual Property or related disputes | <input type="radio"/> Regulatory or governmental changes |
| <input type="radio"/> Information Privacy | <input type="radio"/> Technology developments |
| <input type="radio"/> Data breaches and protection | <input type="radio"/> Whistleblower issues |
| <input type="radio"/> Health care reform | |

42) Please rate the level of importance you anticipate each of the following issues will hold over the next 12 months. (Scale 1-7, 7=Very Important)

- | | |
|--|--|
| <input type="radio"/> Anti-bribery issues | <input type="radio"/> Mergers and acquisitions |
| <input type="radio"/> Ethics and compliance | <input type="radio"/> Social media management/ governance |
| <input type="radio"/> Protection of Intellectual Property or related disputes | <input type="radio"/> Regulatory or governmental changes |
| <input type="radio"/> Information Privacy | <input type="radio"/> Technology developments |
| <input type="radio"/> Data breaches and protection | <input type="radio"/> Whistleblower issues |
| <input type="radio"/> Health care reform | |

Methodology

The methodology used in this research included the use of an online survey tool that allowed for the largest possible response rate. All General Counsel and Chief Legal Officers from the ACC database were invited to participate. Participation was completely voluntary, thereby producing the possibility of non-response bias.

Interpreting the Data

The data tables are set up to provide the total number of responses to the question and the percentages of the total sample that number represents. In the summary analysis, percentages have been rounded to the nearest whole number and therefore may not always total 100 percent.

Demographic Overview • Chief Legal Officer Profile



The following demographic profiles are fundamental to better understanding the key findings and overall results that emerged from this survey.

The demographic information provided in the profiles was self-reported by survey respondents. These profiles contain current information and information from the past 12 months. Additionally, respondents were asked to provide anticipated demographic information for the next 12 months (i.e., based on the plans of their law department). Please note, respondents were able to opt out of projecting future demographic information in an attempt to only collect viable data.

Gender

- 68% of respondents were male.
- 32% of respondents were female.

Age

- 43% of respondents were between the ages of 30 and 47.
- 54% of respondents were between the ages of 48 and 66.

Location

- 36 countries participated in this survey
- 87% of respondents work in the United States.
- 5% of respondents work in Canada.
- 5% of respondents work in Europe.

Salary

- 38% of respondents earn an average base salary of \$250,000 USD, annually. Amongst these respondents, 73% work for a company/organization that collects revenue of \$100 million USD or more, annually.

Job Title

- 74% of respondents identified as General Counsel.
- 10% of respondents identified as Chief Legal Officer.
- The remaining CLOs held variations of vice president, director and counsel titles.

Demographic Overview • Law Department Profile

Company/Organization Type

| Company/Organization Type | % of Survey Respondents |
|---|-------------------------|
| Private | 38% |
| Public | 25% |
| Limited Liability Company (LLC) | 15% |
| Non-profit | 11% |
| Subsidiary of foreign public corporation | 7% |
| Publicly held debt, privately held equity | 2% |
| Partnership | 1% |
| Limited Liability Partnership (LLP) | 1% |

Female respondents were least likely (1%) to work for a publicly held debt, privately held equity company/organization.

Conversely, male respondents were least likely (1%) to work for a Limited Liability Partnership (LLP).

Annual Company/Organization Revenue

| Revenue | % of Survey Respondents |
|--------------------------------|-------------------------|
| Less than \$25 million | 14% |
| \$25 million to \$49 million | 9% |
| \$50 million to \$99 million | 11% |
| \$100 million to \$299 million | 18% |
| \$300 million to \$499 million | 10% |
| \$500 million to \$999 million | 10% |
| \$1 billion to \$1.9 billion | 11% |
| \$2 billion to \$2.9 billion | 4% |
| \$3 billion to \$3.9 billion | 3% |
| \$4 billion or more | 11% |

Sixty-five percent of respondents, working for a company with annual revenue of \$4 billion USD or more, make an average base salary of \$350,000 annually.

Demographic Overview • Law Department Profile

Fifty-one percent of survey respondents' law departments are comprised of two to nine employees. Twenty-one percent have one employee, 12% have 10 to 24 employees, 9% have 25 to 99 employees, 5% have 100 to 299 employees and 6% have 300 or more employees.

Staff Positions:

- 69% of survey respondents' law departments currently have an average of five support staff.
- 58% of survey respondents' law departments currently have an average of five paralegals on staff.
- 74% of survey respondents' law departments currently have no contract lawyers on staff; 25% have between one and nine contract lawyers on staff.
- 76% of survey respondents' law departments currently have an average of five in-house lawyers on staff; 12% currently have an average of 22 in-house lawyers on staff.

ACC's Chief Legal Officers (CLO) 2013 SURVEY

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