

ACC CUSTOM LEGAL DEPARTMENT BENCHMARKING REPORT

YOUR COMPANY

June 2024

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BENCHMARKING PROFILES

The cases selected for inclusion in this report were collected via the 2024 Law Department Management Benchmarking Survey. A total of **ten (10) peer companies*** were identified for benchmarking purposes based on the following selection criteria:

Peer Company Profiles	
Company Revenue	<ul style="list-style-type: none"> US\$12 billion to US\$20 billion
Industry	<ul style="list-style-type: none"> Energy and Utilities
Company Type	<ul style="list-style-type: none"> Public
Global Regions	<ul style="list-style-type: none"> Asia, Europe, and North America

This report presents metrics on legal department structure, staffing, spending, work allocation, use of technology, law firm usage and fees structures, and diversity and inclusion.

** This is the number of companies included in the report. Note that not all companies provided all the requested data for every single benchmarking metric, which results in "n" size variation throughout the report.*

Statistical Terminology

Mean: The values of each observation are summed together and divided by the total number of observations.

Median: This is the middle value of all observations ordered from low to high (also called the 50th percentile).

Percentile: This is a value that divides a population according to a distribution of observations. It allows us to know the percentage of observations that fall above or below a particular value. For example, if we find that the 25th percentile of the number of lawyers in a department is three, we then know that 25 percent of departments have up to three lawyers, while the other 75 percent of departments have three or more.

n: This indicates the number of observations for a given metric or reported value.

METHODOLOGY AND DATA

Survey Instrument: The survey questionnaire was offered through an online survey platform. Personalized survey links were sent by email to the target population, which allowed participants to save their responses and fill out the questionnaire in more than one sitting, if needed.

Fielding Period: The survey opened on February 14, 2024, and closed on April 12, 2024. Reminder emails were sent weekly.

Target Population: We targeted relevant representatives in all legal departments with at least one ACC member. These individuals were selected based on their job position and their capability of reporting on the requested information, e.g., the highest-ranking legal officer and/or legal operations professionals. If no members in a given department held either of these positions, we targeted the highest-ranking individual available. Apart from personalized email messages, opportunities to participate were also sent through LinkedIn campaigns, through ACC's online network forums, and via outreach on the ACC website.

Comparability: Respondents were asked to report all information for the period January 1, 2023, to December 31, 2023, or the closest corresponding fiscal year. We asked legal departments within subsidiary companies to report their information at the level of the subsidiary rather than at the level of the parent company. Respondents were asked to enter all financial values in US dollars. Non-US respondents were asked to use the exchange rate on December 31, 2023, for currency conversion.

Anonymity: The results are only provided at the aggregate level. No specific data point or response is tied to any individual or organization.

Data Accuracy: Not all respondents answered all questions. The percentages and descriptive statistics provided are based on the number of valid responses received for each individual question or calculated for each individual metric. Many survey questions offered the opportunity to select multiple response options. In those cases, percentages may not total to 100 percent.

HEADCOUNT AND STRUCTURE

SECTION 1

1. HEADCOUNT AND STRUCTURE

In this section we present several metrics on legal department staffing and the business functions that are part of the legal department.

LEGAL DEPARTMENT STAFF BY POSITION

Overall number of lawyers, paralegals, legal operations professionals, administrative/secretarial staff, and other legal department staff in participating departments. The total number of legal staff and the number of contractor staff are also reported.

PERCENTAGE OF LEGAL DEPARTMENT STAFF BY POSITION

Percentage of lawyers, paralegals, legal operations professionals, administrative/secretarial staff, and other legal department staff as a percentage of total legal staff.

Calculation: $(\text{Number of staff} \div \text{Total legal staff}) \times 100$

IP AND LITIGATION LAWYERS AS A PERCENTAGE OF TOTAL LAWYERS

IP- and Litigation-dedicated lawyers relative to the total number of lawyers in the legal department, expressed as a percentage.

Calculation: $(\text{Number of IP/litigation lawyers} \div \text{Number of lawyers}) \times 100$

LAWYER TO OTHER LEGAL STAFF RATIOS

Number of lawyers per each of the other in-house positions, including all nonlawyer staff.

Calculation: $\text{Number of lawyers} \div \text{Number of other staff}$

Example: A department with 6 lawyers and 2 paralegals has $6 \div 2 = 3$ lawyers per paralegal.

LEGAL STAFF AS A PERCENTAGE OF COMPANY EMPLOYEES

Percentage of lawyers, paralegals, legal operations professionals, administrative/secretarial staff, other legal department staff, and total legal department staff as a percentage of total company employees.

Calculation: $(\text{Number of staff} \div \text{Number of company employees}) \times 100$

LAWYER AND LEGAL STAFF PER BILLION IN COMPANY REVENUE

Standardized number of lawyers and total legal staff per billion in company revenue.

Calculation: $\text{Number of lawyers} \div (\text{Company revenue} \div \$1\text{B})$

It is important to note that in organizations with a revenue below \$1 billion the calculation becomes more of a projection since the denominator in the division is smaller than one and, accordingly, the metric's result will be higher than the actual number of lawyers in the department. For example, if a \$500 million company employs five lawyers, the "lawyers per billion" metric is 10 lawyers per billion: $5 \div (\$500\text{M} \div \$1\text{B}) = 5 \div 0.5 = 10$ lawyers per billion.

LEGAL DEPARTMENT FUNCTIONS

For a list of 21 different business functions, the results report the percentage of participating departments for which each of the listed functions is a) part of the legal department; b) a separate function that reports to legal; c) a separate function that does not report to legal; or d) not known or not covered.

Table 1. Legal Department Staff by Position

	n	25th	Mean	Median	75th
Lawyers	10	87	110.8	100	101
<i>Lawyers – IP</i>	10	2	6.6	6	10
<i>Lawyers – Litigation</i>	10	3	6.2	4	8
Paralegals	10	10	21.3	20	23
Legal operations professionals	10	3	6.6	5	6
Administrative/secretarial staff	10	4	10.8	9	12
Other staff	10	16	43.8	39	53
Total legal staff	10	138	193.2	165	225
Contract (temporary) staff	10	1	7.1	3	8

Table 2. Percentage of Legal Department Staff by Position

	n	25th	Mean	Median	75th
Lawyers	10	51.7%	55.3%	57.2%	62.6%
<i>Lawyers – IP</i>	10	1.0%	3.7%	3.3%	5.0%
<i>Lawyers – Litigation</i>	10	1.6%	3.2%	2.4%	5.0%
Paralegals	10	5.9%	9.5%	6.9%	14.6%
Legal operations professionals	10	1.2%	4.5%	3.5%	4.3%
Administrative/secretarial staff	10	3.0%	7.0%	5.6%	7.7%
Other staff	10	11.9%	23.7%	26.8%	31.9%

Table 3. IP and Litigation Lawyers as a Percentage of Total Lawyers

	n	25th	Mean	Median	75th
Lawyers – IP	10	1.8%	7.0%	8.6%	11.0%
Lawyers – Litigation	10	2.4%	6.0%	4.2%	7.4%

Table 4. Lawyer to Other Legal Staff Ratios

	n	25th	Mean	Median	75th
Lawyers per paralegal	10	3.9	9.3	7.1	10.7
Lawyers per legal operations professional	10	11.2	28.1	16.8	45
Lawyers per administrative/secretarial staff	10	5.3	16.1	9	15
Lawyers per other staff	10	1.2	2.2	2	2.5
Lawyers per total nonlawyer staff	10	1.1	1.8	1.3	1.7

Table 5. Legal Staff as a Percentage of Company Employees

	n	25th	Mean	Median	75th
Lawyers	10	0.157%	0.182%	0.164%	0.208%
<i>Lawyers – IP</i>	10	0.005%	0.013%	0.013%	0.023%
<i>Lawyers – Litigation</i>	10	0.005%	0.010%	0.010%	0.013%
Paralegals	10	0.018%	0.037%	0.037%	0.041%
Legal operations professionals	10	0.005%	0.012%	0.007%	0.010%
Administrative/secretarial staff	10	0.008%	0.016%	0.016%	0.023%
Other staff	10	0.026%	0.078%	0.052%	0.119%
Total legal staff	10	0.256%	0.324%	0.292%	0.373%

Table 6. Lawyers and Legal Staff per \$1 Billion in Company Revenue

	n	25th	Mean	Median	75th
Lawyers	10	4	5.23	4.48	6.35
<i>Lawyers – IP</i>	10	0.11	0.32	0.26	0.48
<i>Lawyers – Litigation</i>	10	0.15	0.29	0.21	0.32
Legal staff	10	6.08	9.18	8.68	11.6

Table 7. Business Functions Reporting to Legal

	n	Part of legal	Separate function reporting to legal	Separate function NOT reporting to legal	Not known
Privacy	10	64.3%	14.3%	21.4%	0%
Ethics	10	50%	42.9%	7.1%	0%
Compliance	10	50%	35.7%	14.3%	0%
ESG / CSR	10	35.7%	0%	64.3%	0%
Government affairs	10	28.6%	14.3%	57.1%	0%
Information governance	10	14.3%	7.1%	71.4%	7.1%
Physical security	10	14.3%	7.1%	78.6%	0.0%
Risk	10	14.3%	7.1%	71.4%	7.1%
Administration	10	14.3%	0.0%	64.3%	21.4%
Public/corporate affairs	10	7.1%	14.3%	78.6%	0%
Internal audit	10	0%	14.3%	85.7%	0%
Environment, health, and safety (EHS)	10	0%	7.1%	92.9%	0%
Information security	10	0%	7.1%	92.9%	0%
Communications	10	0%	0%	100%	0%
Cybersecurity response	10	0%	0%	100%	0%
Finance	10	0%	0%	100%	0%
Human resources	10	0%	0%	100%	0%
Information technology	10	0%	0%	100%	0%
Procurement	10	0%	0%	100%	0%
Real estate/corporate facilities	10	0%	0%	100%	0%
Supply chain	10	0%	0%	100%	0%

COST MANAGEMENT

SECTION 2

2. COST MANAGEMENT

This section covers a wide range of legal spending metrics, based on the overall amounts of inside and outside legal spend provided by participating legal departments.

LEGAL DEPARTMENT SPENDING – OVERALL AMOUNTS

Participants were asked to report overall spending numbers for the period January 1, 2022, to December 31, 2022, or to the closest corresponding fiscal year. Only expenses allocated to the legal department should be included.

Participants reported their legal departments' overall inside and outside spend separately, and we calculated the amount of total legal spend.

Calculation: *Total legal spend = Inside spend + outside spend*

Additionally, participants were asked to break down their internal spend in the following three categories:

- **Lawyer compensation**
- **Nonlawyer compensation**
- **Any other additional inside spend**

Participants were asked to include salary, cash bonus, taxes, and benefits in the reported compensation amounts.

Outside spend was broken down in the following three categories:

- **Outside counsel spend**
- **Alternative legal services provider spend**
- **Any other additional outside spend**

Participants were asked to *not* include settlement costs, judgements, fines, recoveries, or costs associated with claims or capitalized expenses.

Finally, participants were asked to report the percentage of *outside counsel spend* allocated to the following:

- **Outside counsel spend on litigation (excluding intellectual property):** All outside counsel expenses allocated to litigation matters, excluding intellectual property litigation. These amounts are also included as part of the total spend on outside counsel and total outside spend metrics.
- **Outside counsel spend on intellectual property litigation:** All outside counsel expenses allocated to intellectual property litigation matters. These amounts are also included as part of the total spend on outside counsel and total outside spend metrics.
- **Outside counsel spend on intellectual property (non-litigation):** All outside counsel expenses allocated to other, non-litigation intellectual property matters. These amounts are also included as part of the total spend on outside counsel and total outside spend metrics.

PERCENTAGE OF LEGAL SPEND BY CATEGORY

Inside spend and outside spend as a percentage of **total legal spend**.

Calculation: $(\text{inside/outside legal spend} \div \text{total legal spend}) \times 100$

Lawyer compensation, nonlawyer compensation, and other inside spend as a percentage of **total inside spend**.

Calculation: $(\text{lawyer comp/nonlawyer comp/other} \div \text{total inside spend}) \times 100$

Outside counsel spend, spend on alternative legal services providers (ALSPs), and other outside spend as a percentage of **total outside spend**.

Calculation: $(\text{outside counsel spend/ALSP spend/other} \div \text{total outside spend}) \times 100$

Outside counsel spend on litigation (excluding intellectual property), outside counsel spend on intellectual property litigation, and outside counsel spend on intellectual property (non-litigation) as a percentage of **total outside counsel spend**.

Calculation: $(\text{spend on litigation (excl. IP)/spend on IP litigation/spend on IP (non-litigation)} \div \text{total outside counsel spend}) \times 100$

LEGAL SPEND AS PERCENTAGE OF COMPANY REVENUE

This metric provides a standardized value of legal department spending based on the company's revenue size. We present the results for total legal spend as a percentage of company revenue, as well as inside and outside spend as a percentage of company revenue.

Calculation: $(total/inside/outside\ legal\ spend \div company\ revenue) \times 100$

COST PER LAWYER HOUR

Based on the lawyer compensation amount provided by participants and the number of lawyers in the legal department, we calculated the average cost for the legal department for one hour of lawyer's work. We use the industry-standard value of 1,800 hours of work annually to make the calculation:

Calculation: $lawyer\ compensation \div (number\ of\ lawyers \times 1,800\ hours/year)$

LEGAL TECHNOLOGY BUDGET ALLOCATION

Results report the percentage of departments that follow any of the following three practices in relation to how the legal technology budget is allocated in the legal department and overall organization.

- Entirely contained within the legal department budget
- The budget for legal technology is shared between legal and other department(s) (shared services model)
- Spend on legal technology is not part of the legal department budget

LEGAL TECHNOLOGY SPEND

Spend allocated to legal technology costs expressed both in US Dollar amounts and as a percentage of total legal spend. Participating departments reported their legal technology costs as a percentage of total legal spend, excluding those departments that indicated that technology expenses are not part of the legal department budget.

- Legal technology spend amount: Legal technology costs in US Dollars
Calculation: $Total\ legal\ spend \times (Legal\ technology\ spend\ as\ a\ percentage\ of\ total\ spend \div 100)$
- Legal technology spend as a percentage of total spend

Table 8. Legal Department Spend – Overall Amounts

	n	25th	Mean	Median	75th
Total inside spend	8	\$31,985,191	\$45,366,620	\$40,400,000	\$55,250,000
Total outside spend	9	\$29,000,000	\$58,944,332	\$49,600,000	\$70,000,000
Total legal spend	8	\$59,343,488	\$103,678,994	\$100,529,000	\$126,250,000
Total compensation (lawyers)	6	\$23,498,101	\$30,099,620	\$27,000,000	\$29,000,000
Total compensation (non-lawyers)	6	\$7,000,000	\$11,841,407	\$11,000,000	\$15,000,000
All other additional inside spend	6	\$0	\$1,207,126	\$0	\$2,800,000
Total spend on outside counsel	8	\$24,969,452	\$53,491,875	\$39,028,594	\$66,000,000
Total spend on ALSPs	8	\$0	\$3,257,999	\$504,306	\$2,013,844
All other additional outside spend	8	\$0	\$812,500	\$0	\$875,000
Outside counsel spend on litigation (excluding Intellectual Property)	7	\$11,640,000	\$12,890,186	\$12,648,132	\$14,554,000
Outside counsel spend on Intellectual Property litigation	7	\$144,786	\$8,309,510	\$2,400,000	\$12,918,500
Outside counsel spend on Intellectual Property (non-litigation)	7	\$1,275,000	\$14,559,257	\$1,510,225	\$16,802,500

Table 9. Percentage of Legal Department Spend by Category

	n	25th	Mean	Median	75th
<i>As a percentage of total legal spend</i>					
Inside spend	8	43.3%	48.2%	47.8%	54.0%
Outside spend	8	46.0%	51.8%	52.2%	56.7%
<i>As a percentage of total inside spend</i>					
Lawyer compensation spend	6	65.6%	69.7%	70.4%	73.6%
Nonlawyer compensation spend	6	18.0%	26.8%	29.6%	34.4%
Other additional inside spend	6	0.0%	3.5%	0.0%	7.2%
<i>As a percentage of total outside spend</i>					
Outside counsel spend	8	87.5%	91.9%	95.2%	98.5%
ALSPs spend	8	0.0%	4.4%	1.4%	6.7%
Other additional outside spend	8	0.0%	3.7%	0.0%	2.0%
<i>As a percentage of total outside counsel spend</i>					

	n	25th	Mean	Median	75th
Outside counsel spend	8	23.0%	39.4%	34.0%	60.2%
ALSPs spend	8	0.7%	14.0%	13.0%	22.5%
Other additional outside spend	8	7.2%	18.9%	12.5%	32.7%

Table 10. Legal Spend as a Percentage of Company Revenue

	n	25th	Mean	Median	75th
Inside spend	10	0.119%	0.182%	0.168%	0.222%
Outside spend	8	0.127%	0.215%	0.187%	0.304%
Total legal spend	8	0.269%	0.405%	0.330%	0.577%

Table 11. Cost per Lawyer Hour

	n	25th	Mean	Median	75th
Cost per lawyer hour	8	\$107	\$167	\$180	\$211

Table 12. Legal Technology Budget Allocation

	n	Percentage
Entirely contained within the legal budget	6	66.7%
Shared between legal and other department(s)	3	33.3%
Not part of the legal budget	0	0%

Table 13. Legal Technology Spend

	n	25th	Mean	Median	75th
Legal technology spend amount	9	\$1,087,479	\$2,270,313	\$1,830,000	\$2,900,000
Legal technology spend as a percentage of total legal spend	9	2%	2.3%	2%	3%

WORK ALLOCATION

SECTION 3

3. WORK ALLOCATION

Legal departments were asked about how 17 different types of legal work were managed. Participants indicated whether each of those tasks was managed internally or outsourced to outside counsel and/or to alternative legal service providers (ALSPs).

ALLOCATION OF WORK – IN-HOUSE, OUTSIDE COUNSEL AND ALSPs

Because some tasks may be handled both internally and externally, multiple responses were allowed. The results show which types of work are more commonly handled internally and those legal tasks that are more likely to be outsourced to outside vendors.

The following table reports the percentage of legal departments that handled each of the 17 work areas in-house, externally through outside counsel, and externally through ALSPs. Because multiple responses were allowed (i.e., a specific area may be handled concurrently by the legal department, law firms, and ALSPs) the results may add up to more than 100 percent.

Participants were also able to indicate that a specific task was not applicable to their specific situation, or that it was either not covered or not known. For each of the 17 work areas, the percentage of participants that indicated any of the three scenarios that we have just described is based on the total number of responses received concerning each type of work.

The percentages reported for work allocated in-house, to outside counsel, and to ALSPs are based on the “valid” responses, thus excluding those departments in the non-applicable scenarios described above. The 17 work areas are sorted by the percentage of legal departments that handle the work in-house, from highest to lowest.

Table 14. Allocation by Work Type

	n	Managed In-house	Managed by Outside Counsel	Managed by ALSP/LPOs	Not Covered or Not Known	Not Applicable
Compliance	9	100%	22.2%	22.2%	0%	0%
Contract management	9	100%	22.2%	0%	0%	0%
Corporate and governance	9	100%	22.2%	11.1%	0%	0%
Due diligence	9	100%	55.6%	11.1%	0%	0%
Intellectual property services	9	100%	55.6%	11.1%	0%	0%
Invoice review	9	100%	0%	0%	0%	0%
Legal operations	9	100%	0%	0%	0%	0%
Litigation – case/project management	9	100%	33.3%	11.1%	0%	0%
Litigation – legal hold	9	100%	0%	0%	0%	0%
Privacy and security	9	100%	22.2%	11.1%	0%	0%
Records management	9	100%	12.5%	12.5%	11.1%	0%
Regulatory	9	100%	66.7%	11.1%	0%	0%
Discovery – data collection	9	88.9%	22.2%	11.1%	0%	0%
Document management – review and drafting	9	88.9%	33.3%	33.3%	0%	0%
Labor and employment	9	88.9%	66.7%	11.1%	0%	0%
Legal research	8	87.5%	50%	12.5%	0%	0%
Discovery – data processing/hosting	9	66.7%	44.4%	33.3%	0%	0%

LEGAL TECHNOLOGY ADOPTION

SECTION 4

4. LEGAL TECHNOLOGY ADOPTION

The legal landscape is undergoing a digital revolution, with technology playing an increasingly vital role in optimizing legal operations. This section explores how in-house legal teams are harnessing the power of legal technology. We cover the following:

Technology adoption trends: The specific legal technology solutions that departments are actively utilizing to automate tasks, improve efficiency, and enhance legal service delivery.

The results report the percentage of departments that use each of the following 26 legal technology tools.

Table 15. Legal Technology Tools Used

	n	Percentage
Legal research services	9	100%
eSignature	9	100%
eBilling	8	88.9%
Artificial Intelligence	7	77.8%
Board portals	7	77.8%
Compliance office tools	7	77.8%
Corporate secretary	7	77.8%
Legal hold	7	77.8%
Remote connectivity	7	77.8%
eDiscovery—identification/preservation/collection	7	77.8%
eDiscovery—processing/analysis	7	77.8%
Contract management	6	66.7%
Document comparison	6	66.7%
IP management	6	66.7%
Survey/information gathering software	6	66.7%
Document management	5	55.6%

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	n	Percentage
Matter management	5	55.6%
Online virtual data room repositories	5	55.6%
Patent search	5	55.6%
eDiscovery—review/production	5	55.6%
Business intelligence	4	44.4%
Record management	4	44.4%
Workflow tools	4	44.4%
Integration tools	3	33.3%
Knowledge management	1	11.1%
Project management	1	11.1%

SAMPLE

LAW FIRMS, ALSPs, AND FEE ARRANGEMENTS

SECTION 5

5. LAW FIRMS, ALSPs, AND FEE ARRANGEMENTS

In this section we present results related to law firm and ALSP engagement, including the number of providers used, whether the number of engaged providers changed last year compared to the year before, and the types of outside counsel fees used by participating legal departments.

NUMBER OF LAW FIRMS ENGAGED AND ALSPs ENGAGED IN 2022

Participating departments reported the number of law firms and alternative legal service providers that they engaged in 2022. Alternative legal service providers (ALSPs), or legal process outsourcers (LPOs), refer to any vendors other than law firms that provide legal services.

CHANGE IN THE NUMBER OF LAW FIRMS AND ALSPs ENGAGED IN 2022

This statistic provides the percentage of participating legal departments that reported that the number of law firms and ALSPs that they engaged in 2022 had increased, stayed the same, or decreased compared to the number of vendors engaged the previous year.

TYPES OF OUTSIDE COUNSEL FEES USED

Percentage of departments that used each of the following outside counsel fee types in any of these 11 practice areas: commercial and contracts; corporate; employment and labor; environmental; finance, loan, and investment; insurance; intellectual property; litigation; merger and acquisitions; real estate; and regulatory and compliance.

Fee Types

- **Standard hourly:** Fees are based on the number of hours each lawyer works on a matter and the lawyer's billable rate.
- **Discounted hourly:** The timekeeper's hourly rate is discounted proportionately to the volume of work provided.
- **Capped:** Capped fees are based on the number of hours each lawyer bills to the matter and the lawyer's billable rate but are capped at a certain amount.

- **Blended:** Fees are based on the number of lawyer hours billed and an agreed-to billable rate. Every timekeeper is billed to the client at the same hourly rate.
- **Fixed/flat:** An agreed sum fee paid for specified services.
- **Contingency:** Fees based on a percentage of the client's award (or savings) realized at the end of the matter.
- **Collars:** Based on hourly fees subject to a case budget and a collar (a range above and below the budget). If the fees are less than the lower collar, outside counsel receives a bonus. If the fees are higher than the upper collar, the client receives a discount from the regular hourly rate.
- **Holdbacks:** Used with hourly and fixed fee arrangements, a portion of the client's fees is placed in a separate bank account. On reaching predetermined benchmarks, fees are dispersed to outside counsel, refunded to the client, or divided between them.
- **Success fee:** Used with hourly and fixed fee arrangements, outside counsel earns a bonus on achieving a certain benchmark.

SAMPLE

Table 16. Number of Law Firms and ALSPs Engaged in 2023

	n	25th	Mean	Median	75th
Law firms	10	78	135.4	107	220
Alternative legal service providers	10	0	6.9	1	8

Table 17. Change in the Number of Law Firms and ALSPs Engaged in 2023 Compared to 2022

	Increased		Stayed the same		Decreased	
	n	Percentage	n	Percentage	n	Percentage
Law firms	0	0%	5	62.5%	3	37.5%
Alternative legal service providers	1	11.1%	6	66.7%	2	22.2%

Table 18. Percentage of Departments that Use Each Fee Type by Practice Area

	n	Discounted hourly	Standard hourly	Fixed/flat	Capped	Blended	Contingency	Success fee	Collars	Holdbacks	Not applicable
Commercial and contracts	9	100%	44.4%	22.2%	0%	0%	0%	0%	0%	0%	0%
Corporate	9	100%	44.4%	22.2%	0%	11.1%	0%	0%	0%	0%	0%
Employment and labor	9	100%	33.3%	44.4%	11.1%	33.3%	0%	0%	0%	0%	0%
Environmental	9	100%	33.3%	11.1%	0%	0%	0%	0%	0%	0%	0%
Finance, loan, and investment	9	88.9%	44.4%	22.2%	0%	0%	0%	0%	0%	0%	0%
Insurance	9	100%	44.4%	11.1%	0%	0%	0%	0%	0%	0%	0%
Intellectual property	9	88.9%	33.3%	33.3%	11.1%	22.2%	0%	0%	0%	0%	0%
Litigation	9	100%	33.3%	44.4%	11.1%	44.4%	11.1%	0%	0%	0%	0%
Mergers and acquisitions	9	88.9%	44.4%	22.2%	11.1%	0%	0%	0%	0%	0%	0%
Real estate	9	100%	44.4%	11.1%	11.1%	0%	0%	0%	0%	0%	0%
Regulatory and compliance	9	100%	44.4%	22.2%	0%	11.1%	0%	0%	0%	0%	0%

DIVERSITY, EQUITY, AND INCLUSION

SECTION 6

6. DIVERSITY, EQUITY, AND INCLUSION

This section reveals to what extent legal departments are tracking diversity and inclusion metrics both in terms of their own internal composition and in relation to their outside counsel. Departments that do track diversity metrics were also asked to share which specific items they evaluate.

LEGAL DEPARTMENT INTERNAL DIVERSITY METRICS

We report the percentage of legal departments that indicated tracking internal diversity with metrics or targets related to legal staff.

Question: *Does your department have diversity metrics and/or targets with respect to its own composition?*

Those who answered positively were inquired about which specific areas or items were tracked, e.g., hires, departures, promotions. This same population was also asked whether a formal strategy was in place to improve diversity in the legal department.

Question: *Is there a formal strategy to improve departmental diversity with tangible consequences for success or failure?*

OUTSIDE COUNSEL DIVERSITY METRICS

We also report the percentage of departments that indicated having diversity metrics or targets related to their outside counsel vendors.

Question: *Does your department have diversity metrics and/or targets with respect to its outside counsel?*

Resembling the structure followed for internal diversity metrics, those that indicated tracking outside counsel diversity metrics were asked to report on the areas or items that were evaluated for outside counsel providers, e.g., matter teams working for the department, partners in a firm, all lawyers in a firm. The results indicate the percentage of departments that evaluate each item regarding diversity among those participants that track outside counsel diversity metrics.

Finally, we asked the same population whether formal requirements for outside counsel to improve diversity were in place.

Question: *Are there formal requirements for outside counsel to improve diversity with tangible consequences for success or failure?*

LEGAL DEPARTMENT INTERNAL DIVERSITY

Table 19. Legal Department Has Diversity Metrics with Respect to Its Own Composition

	n	Percentage
Yes	6	66.7%
No	3	33.3%

Table 20. Legal Department Diversity Is Evaluated Based on the Following Factors

	n	Percentage
Hires	5	100%
Promotions	4	80%
Departures	3	60%
Levels or functions	3	60%
Training	1	20%
Matter staffing	0	0%
Other	0	0%

Table 21. Formal Strategy to Improve Departmental Diversity with Tangible Consequences

	n	Percentage
Yes	3	50%
No	3	50%

OUTSIDE COUNSEL DIVERSITY

Table 22. Legal Department Has Diversity Metrics with Respect to Its Outside Counsel

	n	Percentage
Yes	3	33.3%
No	6	66.7%

Table 23. Outside Counsel Diversity Is Evaluated Based on the Following Factors

	n	Percentage
All lawyers in a firm	3	100%
Matter teams working for your department	3	100%
Firm leadership positions, such as key committees	1	33.3%
Matter leaders or responsible partners	1	33.3%
Incoming associate classes	0	0%
Partners in a firm	0	0%
Promotions to partner	0	0%
Other	1	33.3%

Table 24. Formal Requirements to Improve Diversity for Outside Counsel with Tangible Consequences

	n	Percentage
Yes	1	33.3%
No	2	67.7%

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