



ACC CHIEF LEGAL OFFICERS

CANADA

2014

SURVEY

LEARN ABOUT ISSUES keeping CLOs up at night, business priorities, career satisfaction and trends.

FIND OUT HOW CLOs manage their law departments and budgets and how they evaluate the effectiveness of their law departments.

DISCOVER INSIGHT from CLOs located in Canada.

TABLE OF CONTENTS

Executive Summary	01
Key Findings	04
Overall Survey Results	10
Project Overview and Interpreting the Data	52
Demographic Overview	54

Introduction

The ACC Chief Legal Officers Canada 2014 Survey is a special report from the Association of Corporate Counsel (ACC), a global bar association representing more than 33,000 in-house counsel. This report spotlights top legal and business concerns weighing on CLOs in Canadian corporate legal departments. CLOs from the region identified emerging trends, business priorities, budgets and staffing changes. Survey respondents were also asked to evaluate business issues of high importance over the past year and anticipate challenges in the coming months.

With evolving legal developments in play, including the Anti-Spam Legislation and the Corruption of Foreign Public Officials Act, the Canadian chief legal officer faces several challenges. Managing issues related to compliance and privacy while protecting the company from litigation in an efficient, cost-effective manner are top priorities.

It comes as no surprise that the majority (85 percent) of Canadian CLOs identified ethics and compliance as their top area of concern. Looking ahead over the next 12 months, this issue, as well as regulatory and governmental changes, is expected to increase in importance as Canadian CLOs seek to help their companies grow while mitigating related risks.

Other issues cited by survey respondents as top concerns include information privacy and the protection of intellectual property. Understanding how organizations collect, use and disclose personal information is a growing concern worldwide. Demand for increased disclosure will require legal expertise, guidance and oversight by the legal department.

Canadian CLOs are shifting to mid-size law firms.

To address regulatory challenges and stretch their budgets, Canadian CLOs use a variety of management practices. The vast majority (97 percent) of respondents indicated they have implemented the use of one or more management practices to control the costs of outside counsel. Internal employees handle work that was previously outsourced to large law firms or other legal service providers. Just over half (51 percent) of respondents have shifted work to non-legal internal resources and just under one-half (48 percent) of respondents have shifted work from traditional law firms to mid-size and/or mid-market law firms. In addition, Canadian CLOs are looking at other ways to control legal costs. Respondents identified value billing and alternative fee arrangements as areas of interest.

The majority of Canadian CLOs spend their time developing strategy.

Despite a shift in workload and management techniques, the percentage of Canadian CLOs stating they are satisfied with their current role rose over the last year. This increase in satisfaction may be attributed to their evolving role. Canadian CLOs spend time on the activities they most prefer and are frequently included in strategic conversations. For example, 86 percent of respondents prefer spending the majority of their time participating in strategic corporate issues and 82 percent of respondents currently spend their time this way. As the role of the Canadian CLO continues to expand, certain ongoing challenges persist. Protecting companies from litigation, ensuring compliance and providing legal support will enable Canadian CLOs to contribute to the revenue growth and profitability of their corporations.

DESPITE A SHIFT IN WORKLOAD AND MANAGEMENT TECHNIQUES, IT IS INTERESTING TO NOTE THAT THE PERCENTAGE OF CANADIAN CLOs STATING THEY ARE SATISFIED WITH THEIR CURRENT ROLE ROSE OVER THE LAST YEAR.



AS THE ROLE OF THE CANADIAN CLO CONTINUES TO EXPAND, CERTAIN ONGOING CHALLENGES PERSIST. PROTECTING COMPANIES FROM LITIGATION, ENSURING COMPLIANCE AND PROVIDING LEGAL SUPPORT WILL ENABLE CANADIAN CLOS TO CONTRIBUTE TO THE REVENUE GROWTH AND PROFITABILITY OF THEIR CORPORATIONS.

Other interesting findings from this year's study include:

- Over one-half (54 percent) of this year's respondents worked in a law department with just two to nine employees; similar to last year when 52 percent of respondents worked in a law department of two to nine employees.
- The CLO demographic is changing. The average age this year was 49, compared to an average age of 52 last year.
- Just over one-half (54 percent) of respondents dedicated a portion of their outside legal spend specifically to value-based fee arrangements.
- Salaries decreased relative to last year. The overall average base salary for respondents was \$238,126 CAD compared to the reported average of \$263,549 CAD in the previous year.

The original CLO survey posed salary questions in United States Dollars (USD). In this report, United States Dollar amounts are converted to Canadian Dollars using the USD to CAD nominal noon exchange rate on the first business day of each respective year (2012 & 2013). The exchange rates referenced are from the Bank of Canada.

Date of First Business Day of the Year	USD to CAD Exchange Rate
2012-01-03	1.0090
2013-01-02	0.9859

