

ACC Chief Legal Officers 2015 Survey

Association of Corporate Counsel

January 2015

OBJECTIVE:

The survey examines practices, trends, and changes in the role of the chief legal officer (CLO) by key segments such as industry, compensation, gender, and region. The survey was conducted in order to better understand the chief legal officer's perspective.

METHODS USED:

A confidential web-based survey was emailed out to 9,489 individuals. The survey was conducted from October 9, 2014 to November 28, 2014. Of the 1,289 responses received from 46 countries, 1,063 were from ACC members and 226 were from nonmembers.

KEY FINDINGS:

- The majority of law departments range in size from 1 to 24 employees.
- 27% of respondents reported experiencing data breaches within their organization over the past two years.
 - 50% of respondents in the health care industry reported having data breaches within the past two years.
- The average direct cost of a data breach is \$3.5 million, which does not include indirect costs such as customer turnover.
- Only 1 in 3 companies have data breach protection insurance.
- A majority of CLO's reported having an annual salary between \$150,000 to \$399,000.
 - Females were more likely to report salaries of under \$200,000 and males were more likely to report salaries of over \$600,000 per year.
- 65% of CLO's forecast little or no change to their total budget in the next 12 months.
 - The most commonly cited strategy used by CLO's to reduce legal spending on external counsel was to negotiate/set alternative fee arrangements.
- 77% of respondents reported holding the title General Counsel. 29% reported as Corporate Secretary and 24% reported as Chief Legal Officer. (Many respondents selected more than one title.)
- 6% of CLO's spent a considerable amount of time in the past year on their staff's professional development. This aligns with the trend of moving more work in-house.
- 32% reported they actively encourage employees to engage in pro bono work. CLO's in law departments with 25 employees or more were more likely to encourage their staff to do so.
- Although 60% of CLOs reported a desire to dedicate their time to strategy development and execution, less than a quarter of CLOs reported doing so over the past 12 months.

- 44% of CLO's were very satisfied with their current role. 55% were happy with their work-life balance, which has been linked to lower employee turnover rates and increased productivity.
- 96% of CLO's rated compliance as extremely important. CLO's reported spending 13% of their time ensuring that the company was in compliance with relevant regulations.

CONCLUSION:

- Due to the rise in online business transaction and big-data tracking, organizations must ensure the secure and legal collection and storage of client and customer financial, demographic, and transactional data, due to the rise in online business transaction and big-data tracking.
- It is not about the most philosophical argument, it's about the most practical one. Business cannot be approached like work in a law firm.
- Minimizing the risk of compliance violations during periods of sustained growth is a key responsibility of many CLOs.

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