

UNVEILING THE 2024 LAW DEPARTMENT BENCHMARKING RESULTS

JUNE 25, 2024



Lee Udelsman
Partner
Major, Lindsey & Africa

Terrene Collins
Director of Legal
Operations & Chief of Staff
Panasonic North America

Roel Staes
SVP, General Counsel,
International Operations
FedEx Express

Blake Garcia, Ph.D.
Sr. Director of Research
ACC

SPEAKERS

Data Overview & New Items This Year

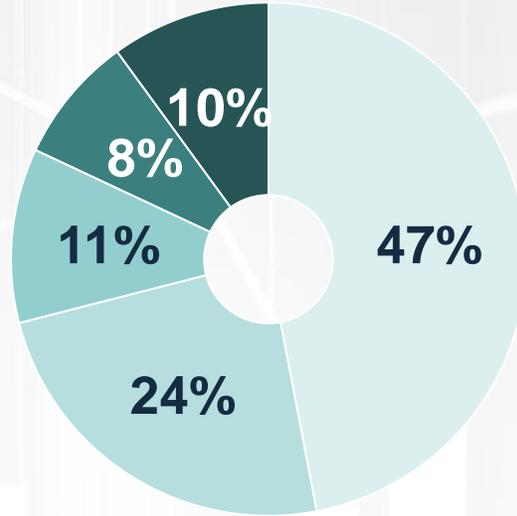
- Headcount & Structure (new items)
- Cost Management (new items)
- Work Allocation
- Legal Tech Adoption (new section)
- Optimizing Legal Services (new items)
- DE&I

PARTICIPANT PROFILE

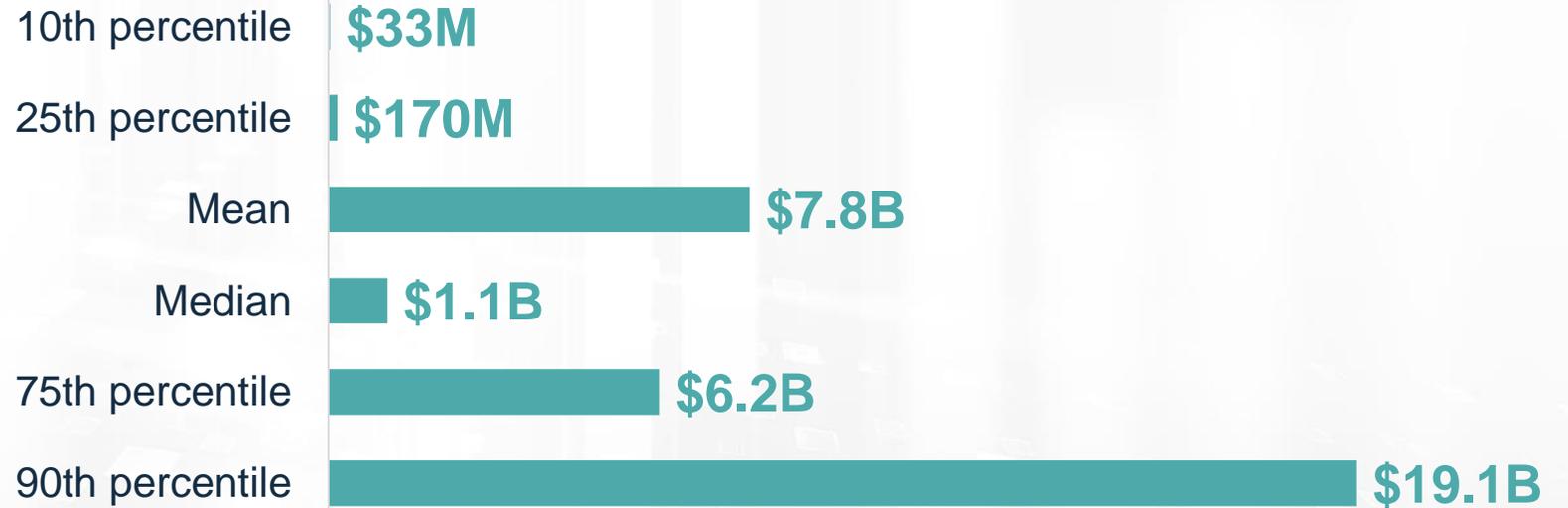
Industry



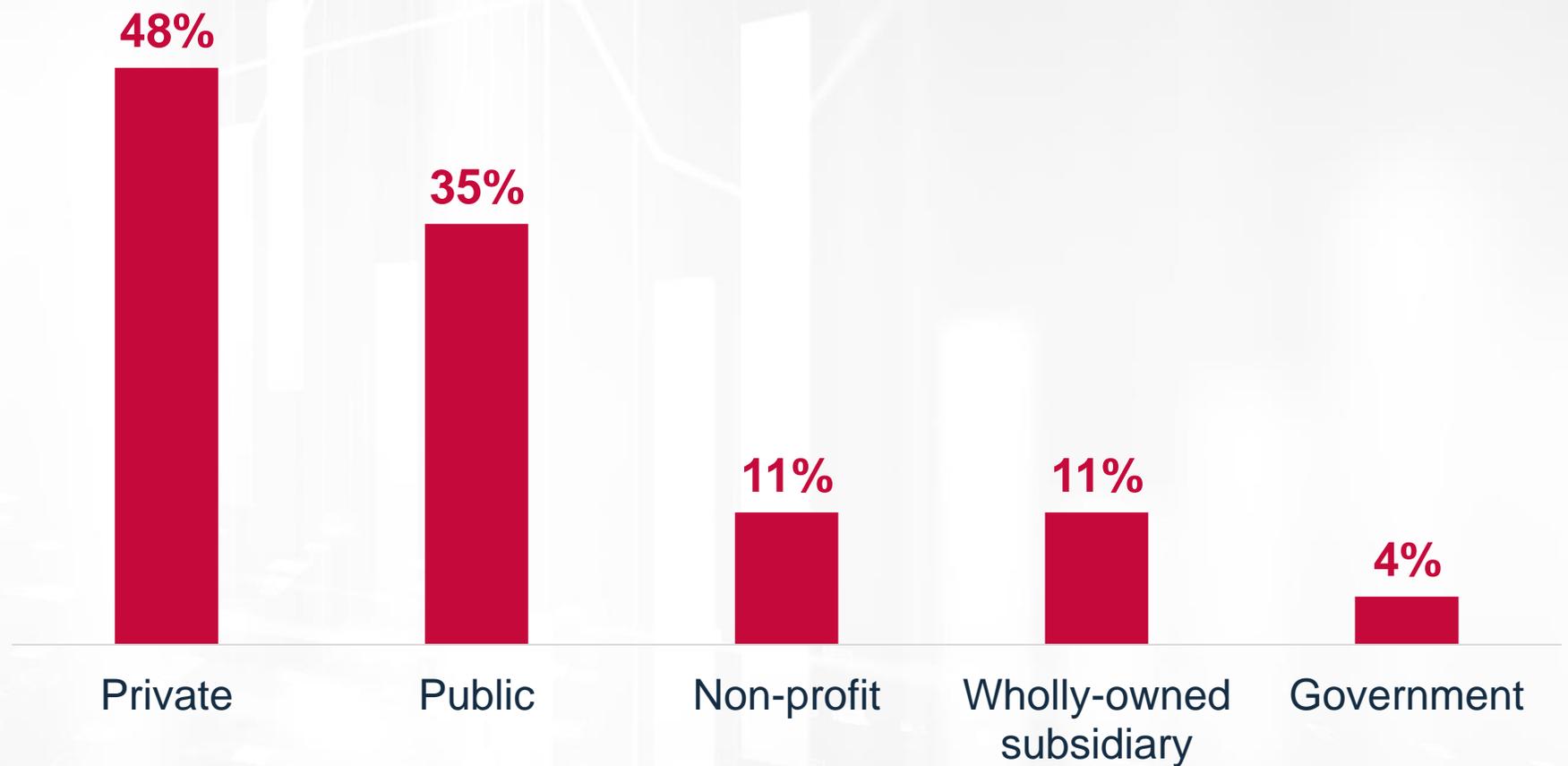
Company Revenue



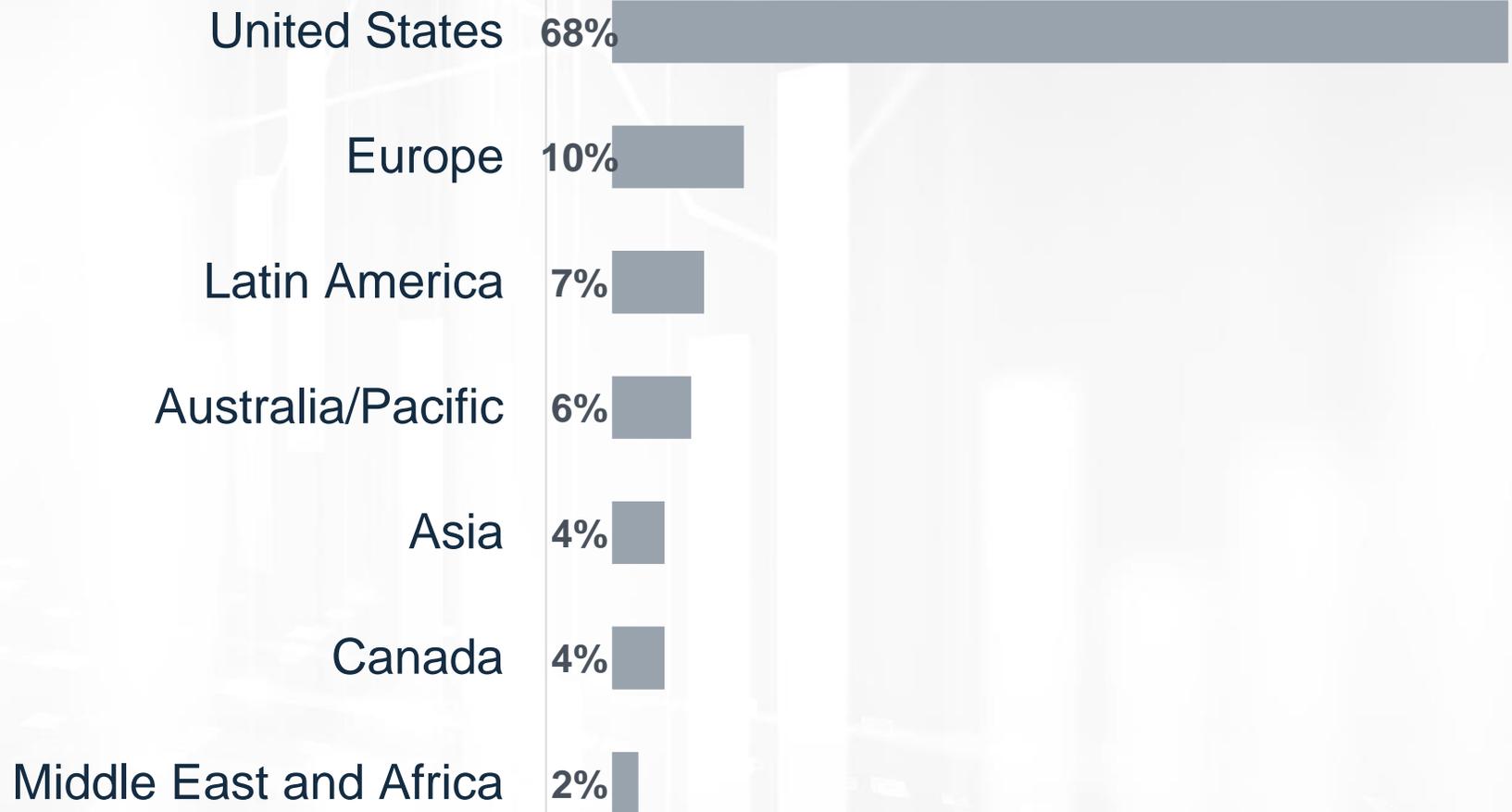
- Less than \$1B
- \$1B to <\$5B
- \$5B to <\$10B
- \$10B to <\$20B
- \$20B or more



**Company
Type**



Global
Region



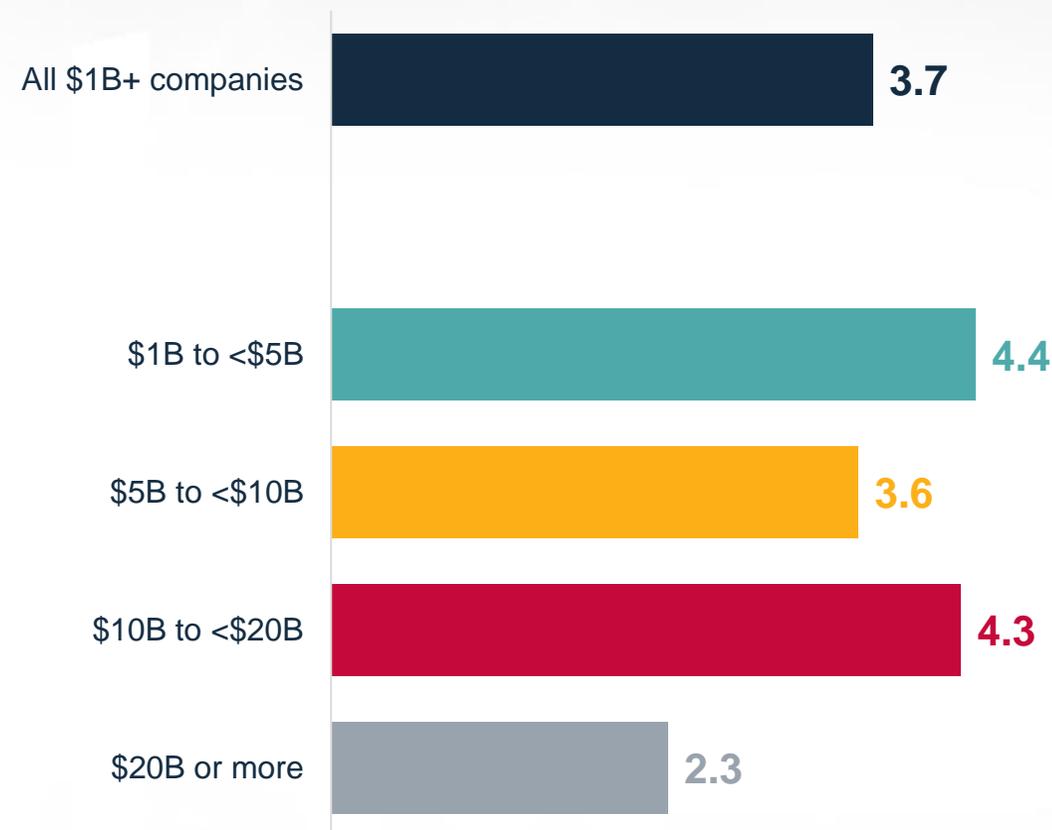
What is the Purpose of Benchmarking?

Number of Staff per Position and Company Size

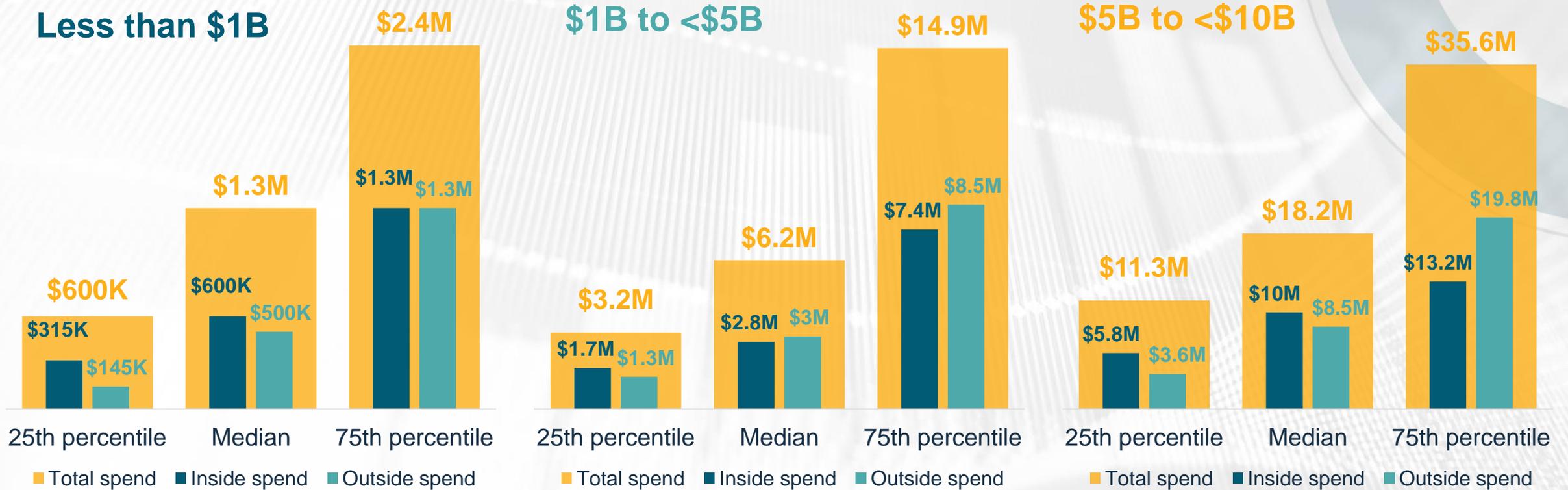
	ALL	< \$1B	\$1B TO <\$5B	\$5B TO <\$10B	\$10B TO <\$20B	\$20B OR MORE
LAWYERS	7	2	9	23	57	92
LAWYERS – IP	0	0	0	1	2	3
LAWYERS – LITIGATION	1	0	1	2	4	7
PARALEGALS	2	0	2	4	10	20
LEGAL OPS PROS	1	0	1	1	4	6
ADMIN STAFF	1	0	1	3	5	11
OTHER STAFF	0	0	0	5	16	10
TOTAL LEGAL STAFF	11	4	16	46	105	158
CONTRACT (TEMP.) STAFF	0	0	0	1	2	4

Median values reported.

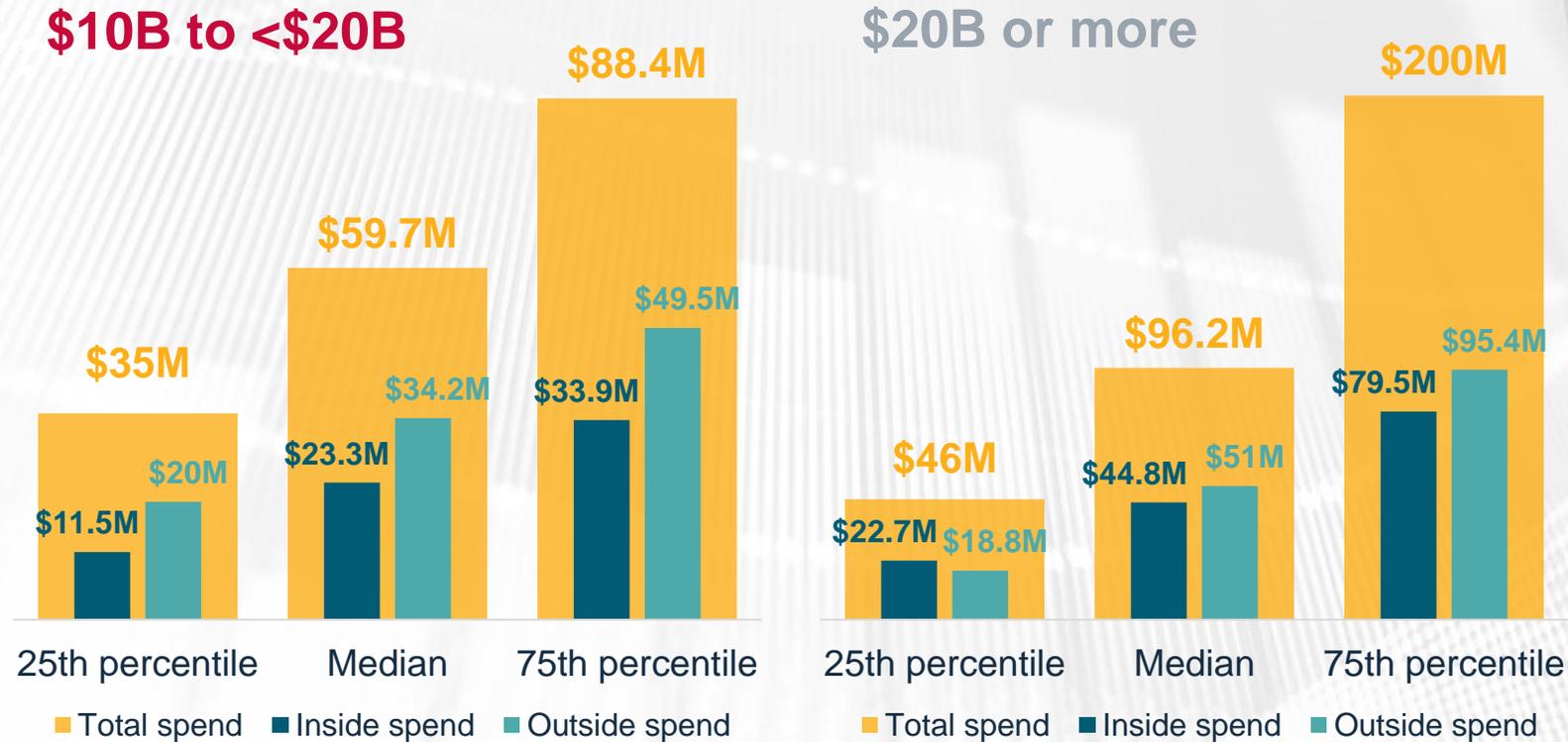
Lawyers per \$1B in Company Revenue Companies with \$1B or More



Overall Legal Spending Amounts by Company Size

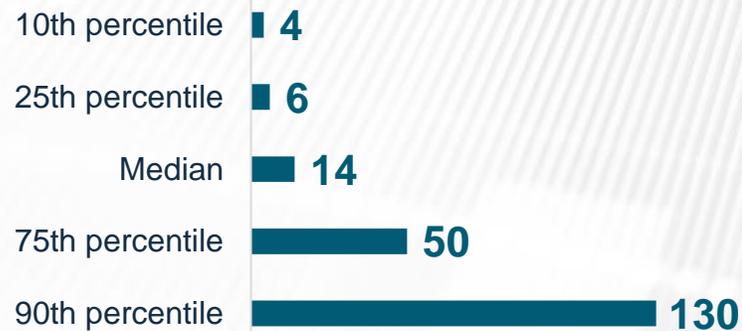


Overall Legal Spending Amounts by Company Size (cont.)

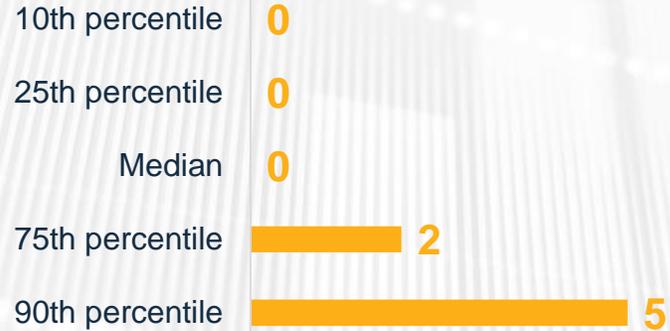


Number of Law Firms & ALSPs Used

Firms Engaged in 2023

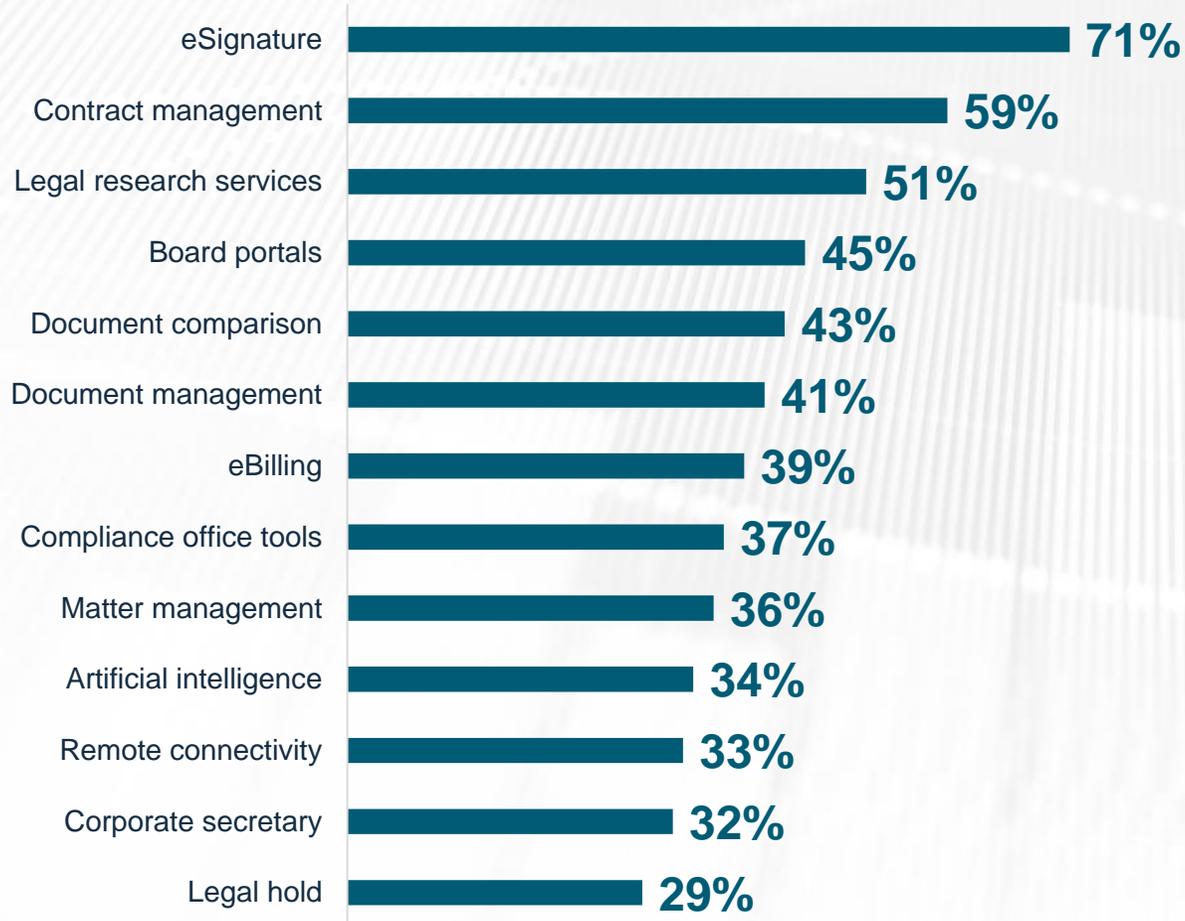


ALSPs Engaged in 2023



Legal Technology Tools Used

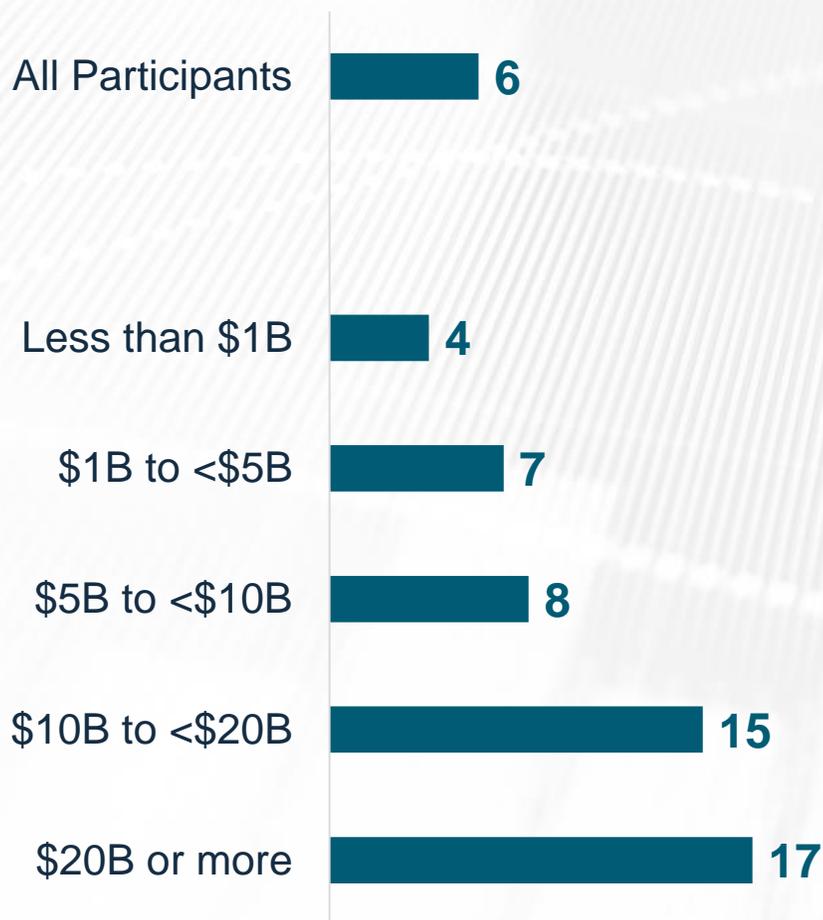
Technology Tools



Technology Tools (cont.)



Number of Different Tools Used



Top 3 Most Common Technology Tools Used

eSignature (66%), contract management (57%), legal research (42%)

eSignature (64%), contract management (62%), board portals (60%)

eSignature (73%), eBilling (69%), legal research services (58%)

eBilling (91%), eSignature (88%), legal hold (79%)

eBilling (88%), eSignature (88%), matter management (83%)

Median values reported.



Types of Outside Counsel Fees by Practice Area

	Discounted Hourly	Standard Hourly	Fixed/Flat	Capped	Blended	Contingency	Success Fee	Collars	Holdbacks	Not applicable
Commercial and contracts	59%	46%	23%	16%	11%	2%	2%	1%	0%	5%
Corporate	57%	49%	19%	12%	9%	1%	0%	1%	0%	4%
Employment and labor	60%	44%	22%	13%	13%	2%	2%	0%	0%	2%
Environmental	39%	43%	10%	6%	6%	1%	1%	0%	0%	23%
Finance, loan, and investment	46%	46%	14%	12%	7%	1%	1%	0%	0%	11%
Insurance	42%	40%	11%	6%	6%	1%	0%	0%	0%	19%
Intellectual property	49%	44%	30%	11%	12%	1%	1%	0%	0%	5%
Litigation	60%	48%	24%	18%	16%	10%	5%	2%	1%	3%
Merger and acquisitions	53%	46%	17%	16%	9%	4%	3%	2%	1%	10%
Real estate	49%	47%	16%	10%	8%	2%	1%	0%	0%	11%
Regulatory and compliance	54%	49%	22%	11%	9%	1%	1%	0%	0%	4%

How Can Legal Be Viewed as a Value-Add and Not a Cost Center?

Contact Us!

Lee Udelsman
Major, Lindsey & Africa
Email: ludelsman@mlaglobal.com

Blake Garcia
Association of Corporate Counsel
Email: b.garcia@acc.com

APPENDIX

SECTION 1

HEADCOUNT AND STRUCTURE

THE FOUNDATION OF YOUR LEGAL DEPARTMENT

Number of Staff per Position and Company Size

	ALL	< \$1B	\$1B TO <\$5B	\$5B TO <\$10B	\$10B TO <\$20B	\$20B OR MORE
LAWYERS	7	2	9	23	57	92
<i>LAWYERS – IP</i>	0	0	0	1	2	3
<i>LAWYERS – LITIGATION</i>	1	0	1	2	4	7
PARALEGALS	2	0	2	4	10	20
LEGAL OPS PROS	1	0	1	1	4	6
ADMIN STAFF	1	0	1	3	5	11
OTHER STAFF	0	0	0	5	16	10
TOTAL LEGAL STAFF	11	4	16	46	105	158
CONTRACT (TEMP.) STAFF	0	0	0	1	2	4

Median values reported.



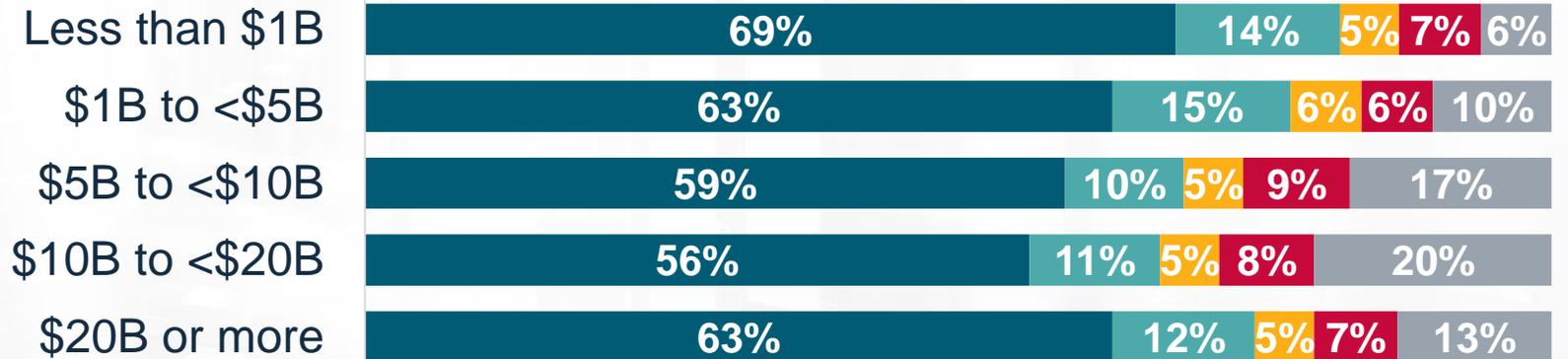
Percentage of Legal Staff by Position Type

All Participants

■ Lawyers
 ■ Paralegals
 ■ Legal operations professionals
 ■ Administrative/secretarial staff
 ■ Other staff



By Company Revenue

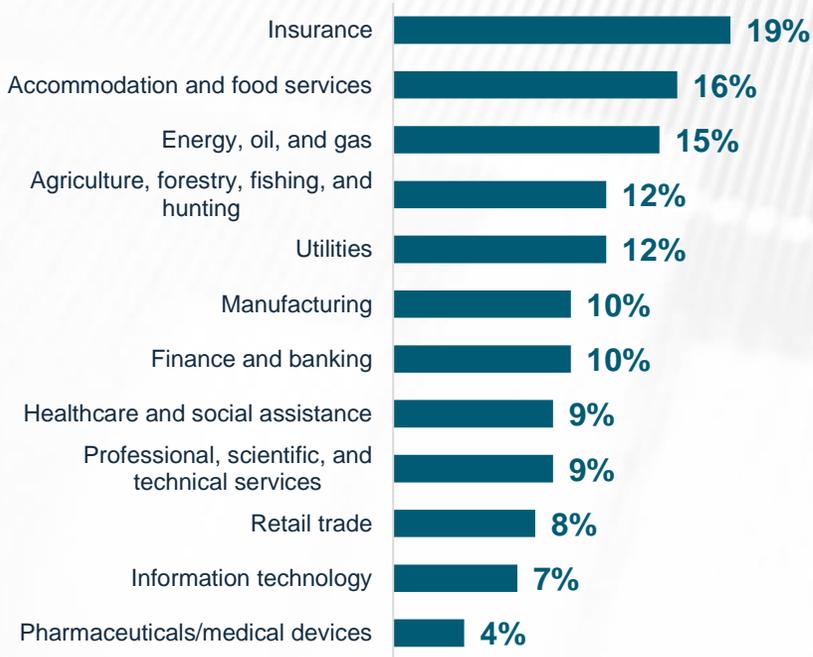


Mean values reported. Values may not add to 100 percent due to rounding.

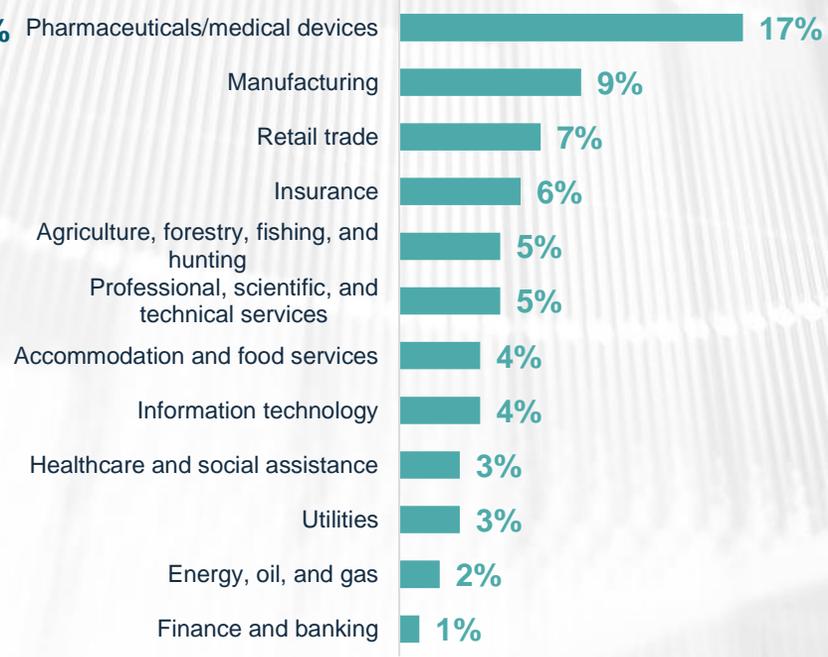
IP and Litigation Lawyers as a Percentage of Total Lawyers



Litigation Lawyers by Industry



IP Lawyers by Industry

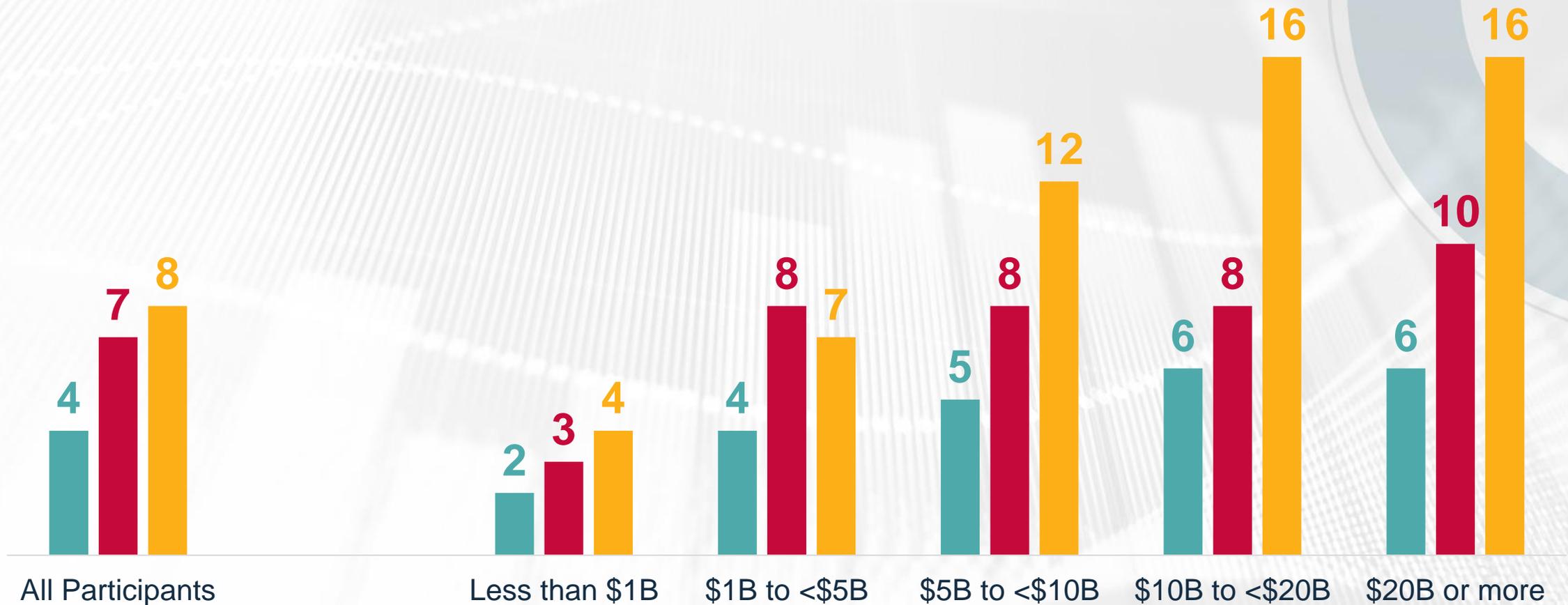


Litigation- and IP-dedicated lawyers spend at least 50 percent of their time at work on litigation or IP matters, respectively.

Mean values reported. Only companies with \$1B or more in revenue are included. Industries represented include categories with 10 or more observations.

Lawyer-to-Other Staff Ratios

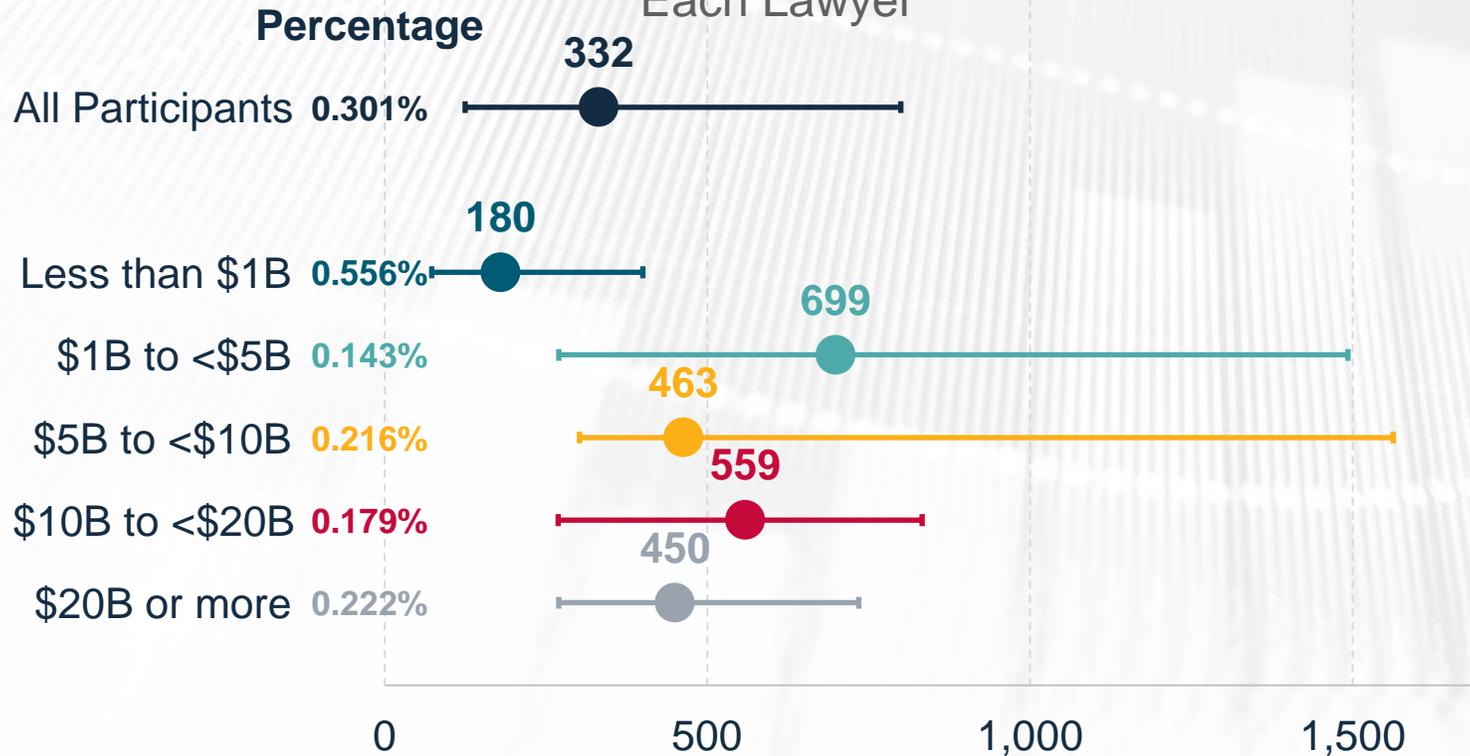
■ Lawyers per paralegal ■ Lawyers per administrative/secretarial staff ■ Lawyers per legal operations professional



Median values reported.

Lawyers as a Percentage of Company Employees

Typical Range of Company Employees Supported by Each Lawyer



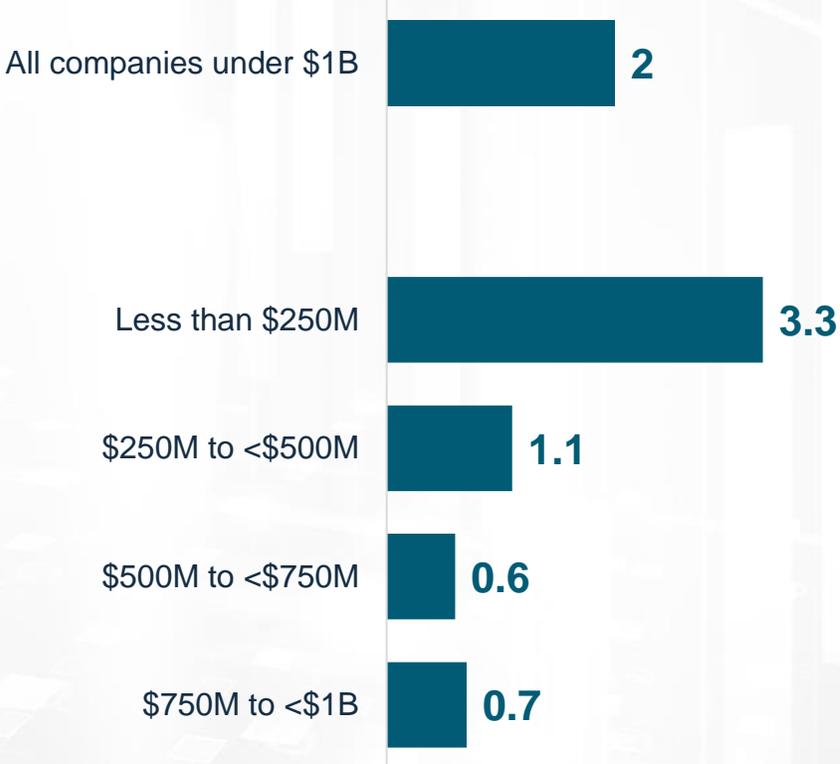
Median values reported.



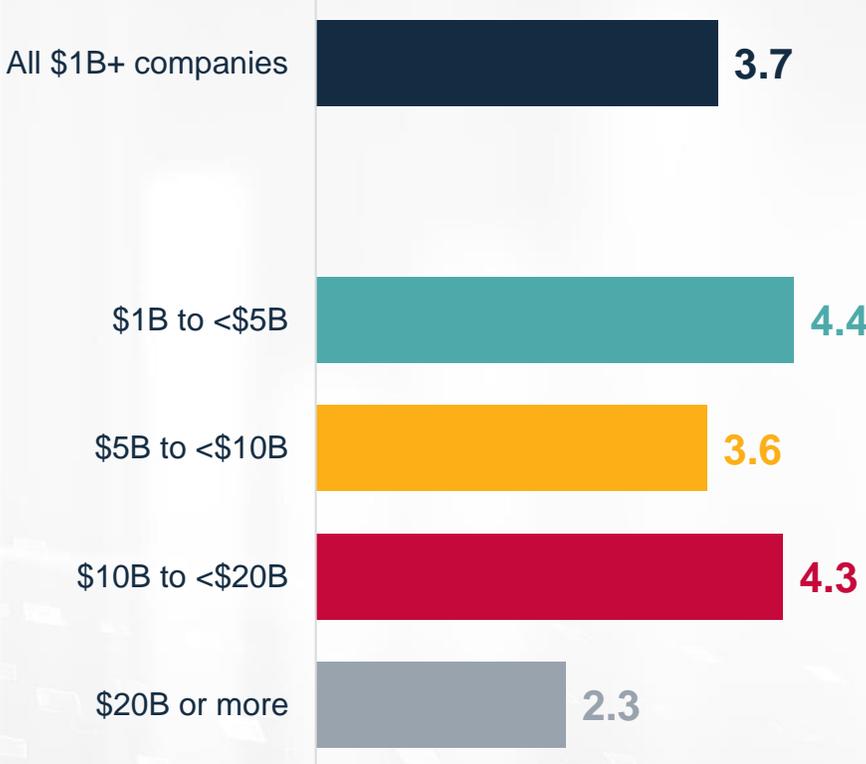
The number of employees supported is obtained by calculating the inverse of the metric's value. The ranges of the number of employees supported represented the values between the 25th and 75th percentiles.

Number of Lawyers Standardized by Company Revenue

Lawyers per \$100M in Company Revenue
Companies with Less than \$1B



Lawyers per \$1B in Company Revenue
Companies with \$1B or More

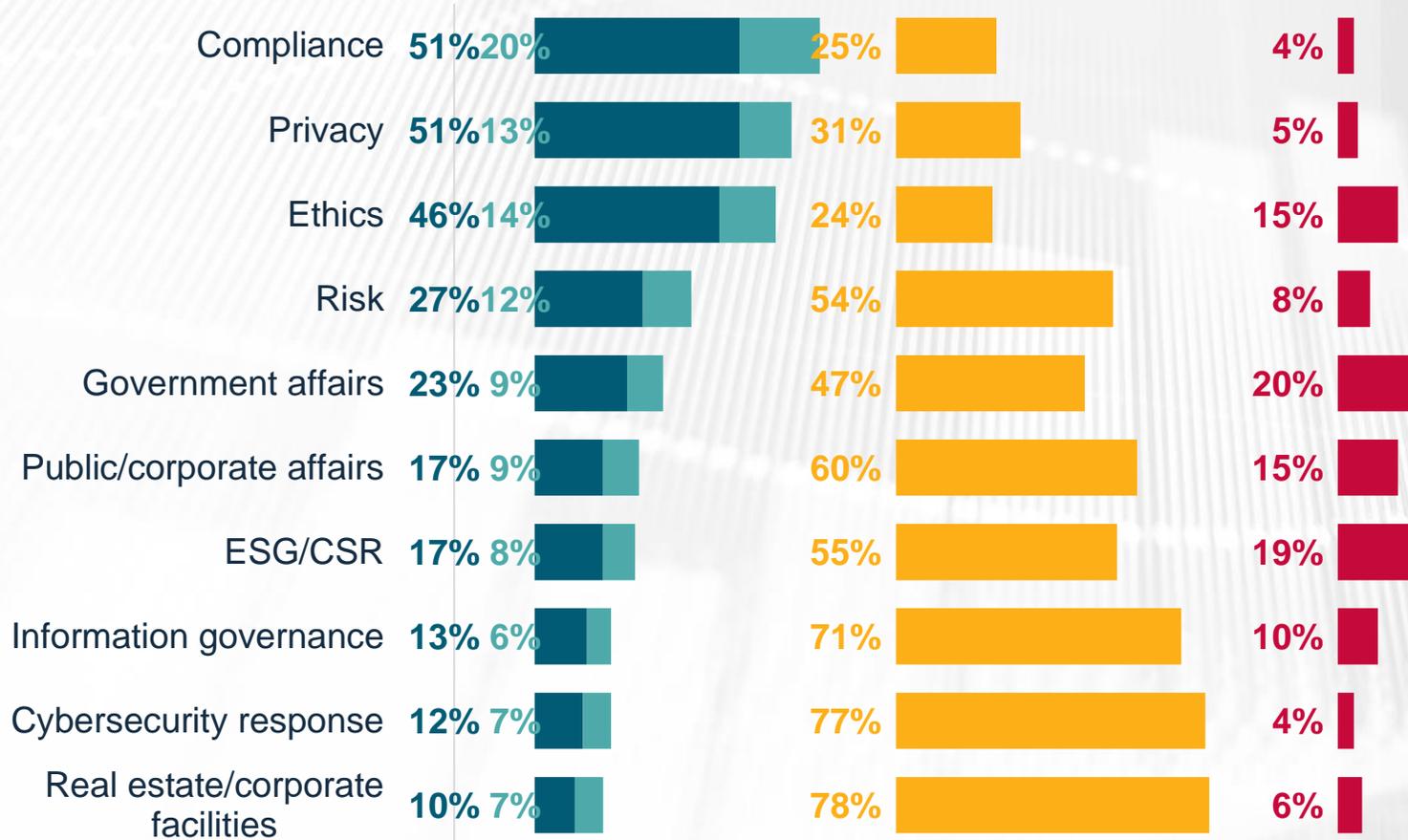


This metric is calculated by dividing the total number of lawyers employed by a company by its standardized annual revenue. For instance, a company with a revenue of \$5 billion and 10 lawyers would have a ratio of lawyers per \$1 billion in revenue of 10 lawyers ÷ (\$5 billion ÷ \$1 billion) = 2 lawyers per \$1 billion.

Median values reported.

Business Function Oversight

- Part of legal
- Separate function reporting to legal
- Separate function NOT reporting to legal
- Not applicable/Not known



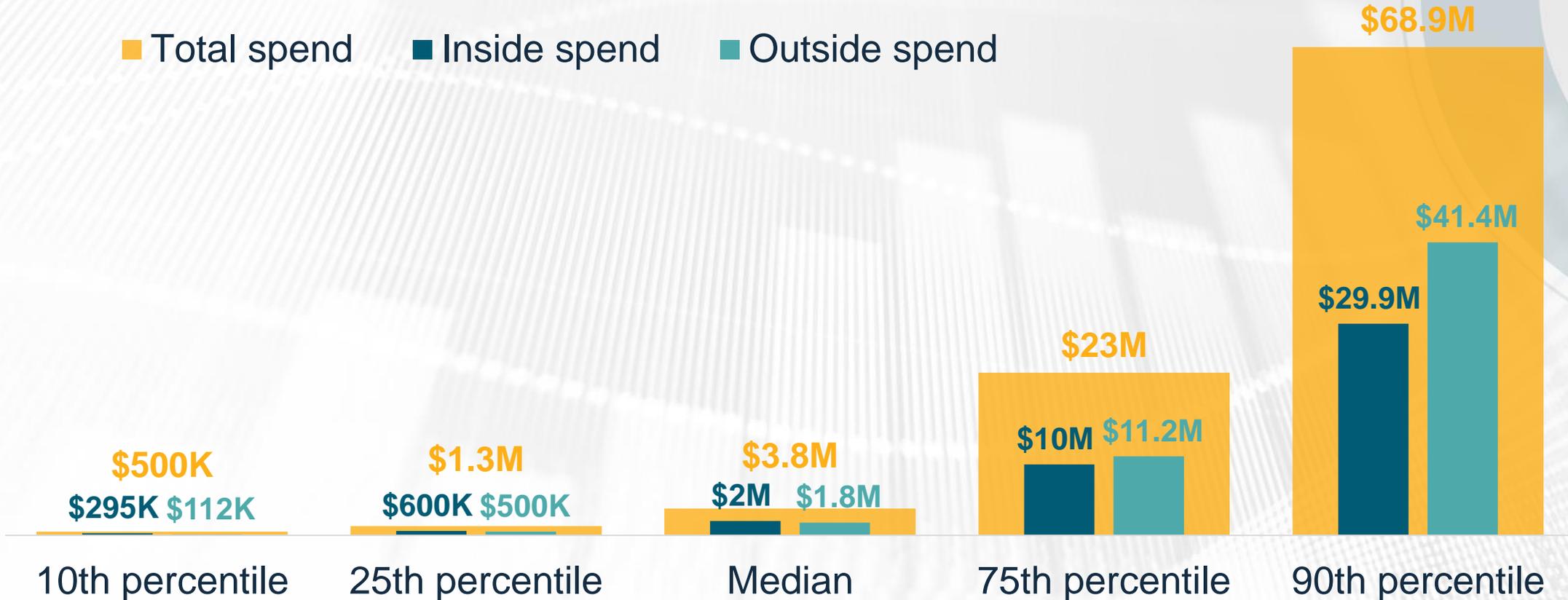
Only functions that are overseen directly by 10 percent or more of departments reported. Other functions listed are administration (9%), environment, health, and safety (6%), procurement (5%), internal audit (4%), physical security (4%), HR (3%), information security (2%), communications (2%), finance (1%), supply chain (1%), and IT (0%).

SECTION 2

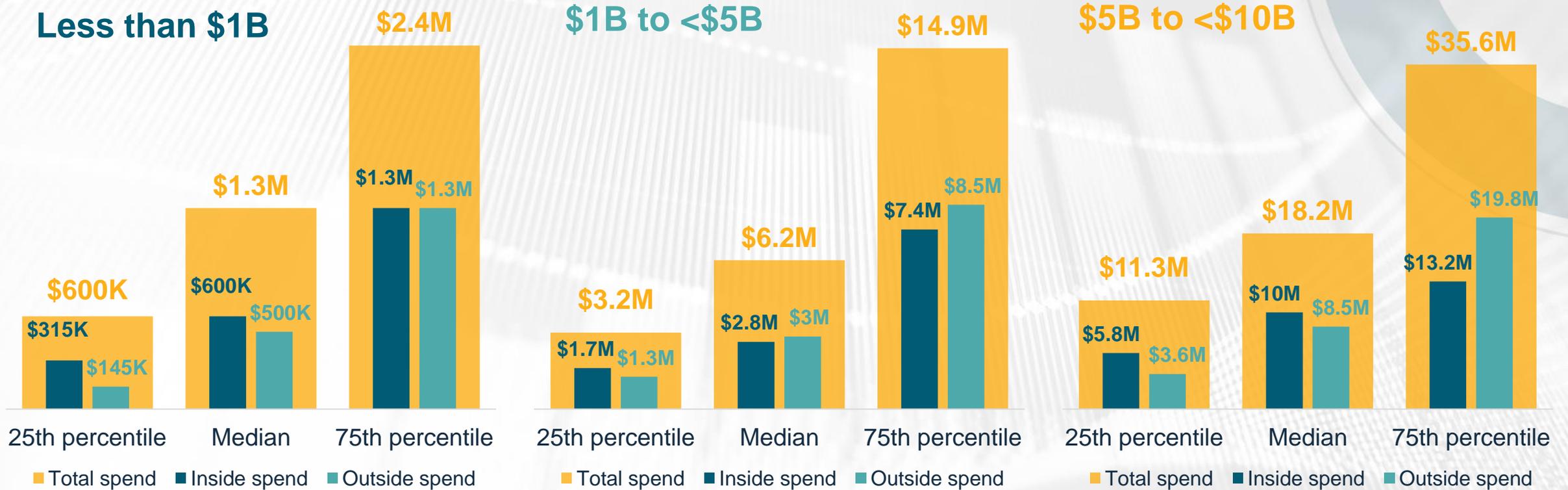
COST MANAGEMENT

OPTIMIZING LEGAL SPEND

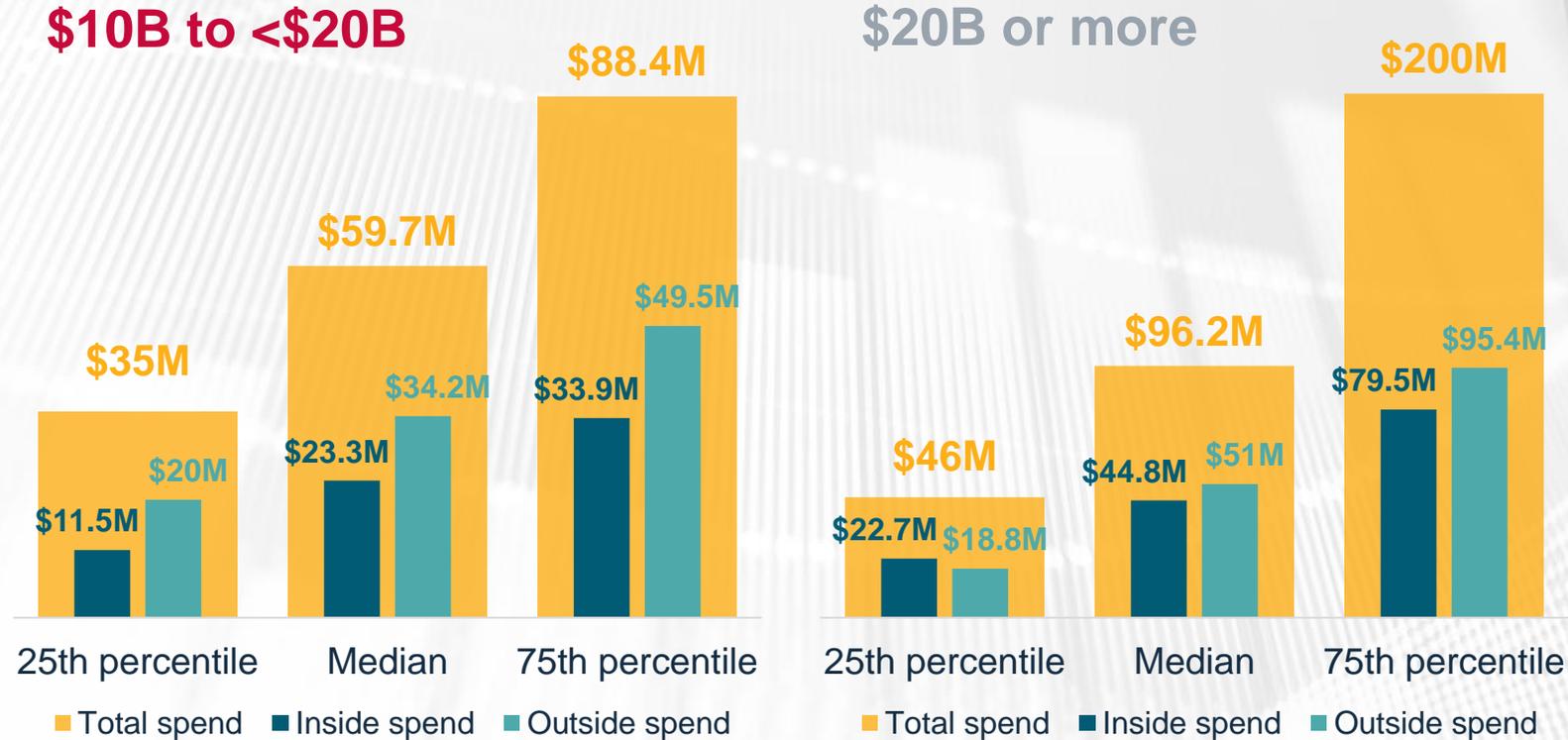
Overall Legal Spending Amounts



Overall Legal Spending Amounts by Company Size

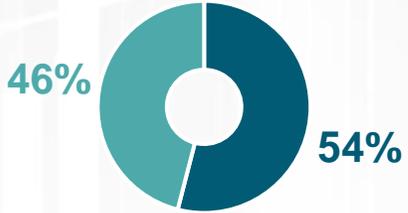


Overall Legal Spending Amounts by Company Size (cont.)

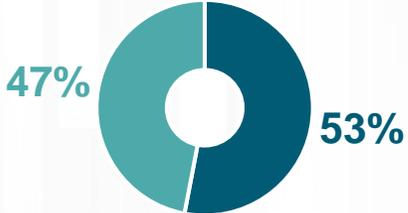


Internal and External Spend Distribution

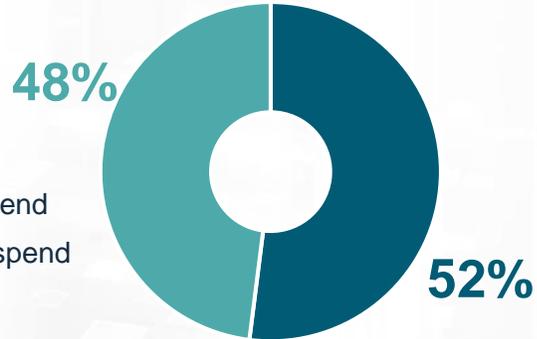
2022



2023



2024



■ Inside spend
■ Outside spend

By Company Size

Less than \$1B



\$1B to <\$5B



\$5B to <\$10B



\$10B to <\$20B



\$20B or more

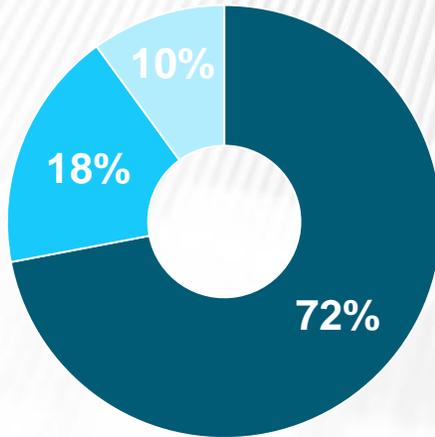


■ Inside spend ■ Outside spend

Inside and Outside Expenses

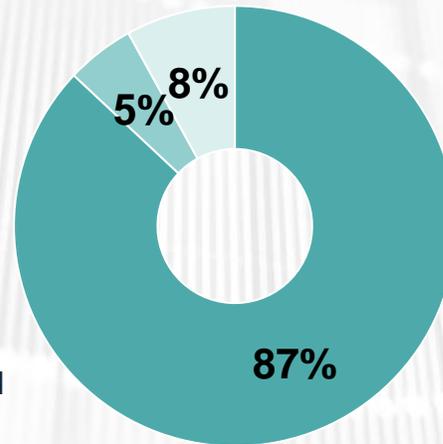
Inside Spend

- Lawyer compensation spend
- Non-lawyer compensation spend
- Any other additional inside spend



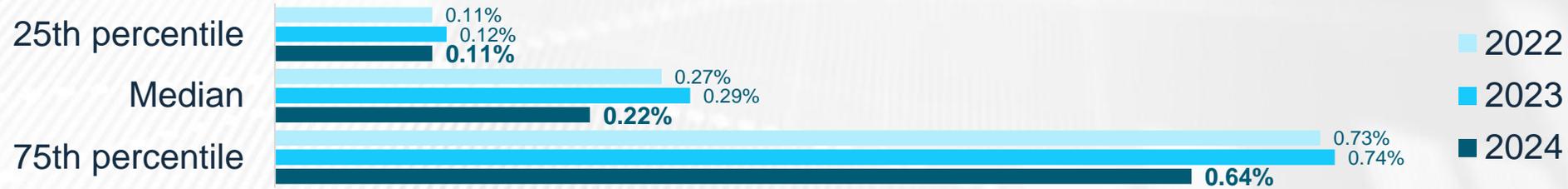
Outside Spend

- Outside counsel spend
- ALSP spend
- Any other additional outside spend

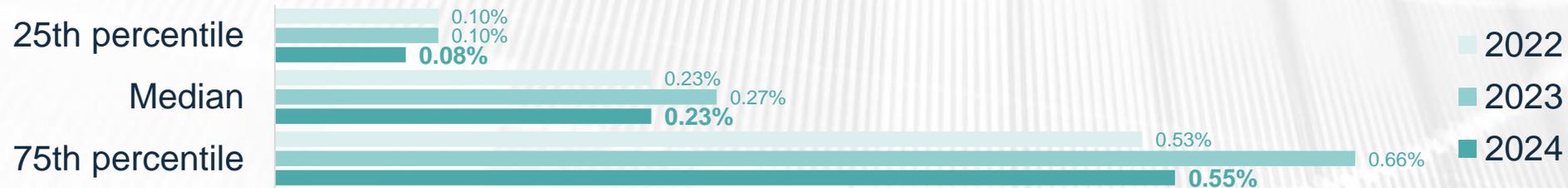


Legal Spend as a Percentage of Company Revenue

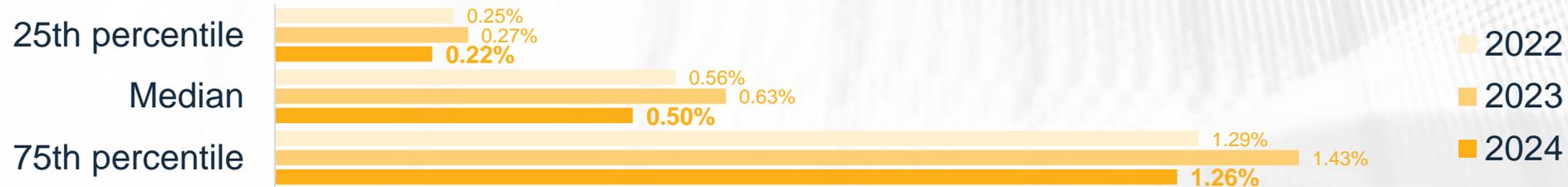
Inside spend



Outside spend



Total spend



Additional Spending Benchmarks

	ALL	LESS THAN \$1B	\$1B TO <\$5B	\$5B TO <\$10B	\$10B TO <\$20B	\$20B OR MORE
TOTAL INSIDE SPEND	\$2M	\$600K	\$2.8M	\$10M	\$23.3M	\$44.8M
TOTAL OUTSIDE SPEND	\$1.8M	\$500K	\$3M	\$8.5M	\$34.2M	\$51M
TOTAL LEGAL SPEND	\$3.8M	\$1.3M	\$6.2M	\$18.2M	\$59.7M	\$96.2M
INSIDE SPEND PER COMPANY REVENUE	0.22%	0.56%	0.14%	0.13%	0.16%	0.1%
OUTSIDE SPEND PER COMPANY REVENUE	0.23%	0.38%	0.15%	0.12%	0.26%	0.09%
TOTAL SPEND PER COMPANY REVENUE	0.5%	1%	0.32%	0.29%	0.42%	0.19%
LEGAL TECHNOLOGY SPEND	\$128K	\$58K	\$199K	\$381K	\$1.1M	\$2.9M
PCT. SPENT ON LEGAL TECHNOLOGY	3%	5%	4%	2%	2%	3%

Median values reported.

Additional Spending Benchmarks (cont.)

	ALL	LESS THAN \$1B	\$1B TO <\$5B	\$5B TO <\$10B	\$10B TO <\$20B	\$20B OR MORE
LAWYER COMPENSATION	\$900K	\$400K	\$1.8M	\$5.9M	\$15.8M	\$21.6M
NON-LAWYER COMPENSATION	\$200K	\$70K	\$318K	\$1.2M	\$5.6M	\$8.4M
TOTAL OUTSIDE COUNSEL SPEND	\$1.5M	\$440K	\$2.5M	\$8.4M	\$26M	\$44.7M
LITIGATION SPEND (EXCL. IP)	\$479K	\$93K	\$780K	\$2.4M	\$9.8M	\$15.2M
IP LITIGATION SPEND	\$0	\$0	\$0	\$0	\$12K	\$600K
IP SPEND (EXCL. LITIGATION)	\$55K	\$16K	\$100K	\$186K	\$405K	\$1.8M
ALSPs SPEND	\$0	\$0	\$0	\$79K	\$395K	\$1M
COST PER LAWYER HOUR	\$130	\$122	\$129	\$142	\$158	\$150

Median values reported.

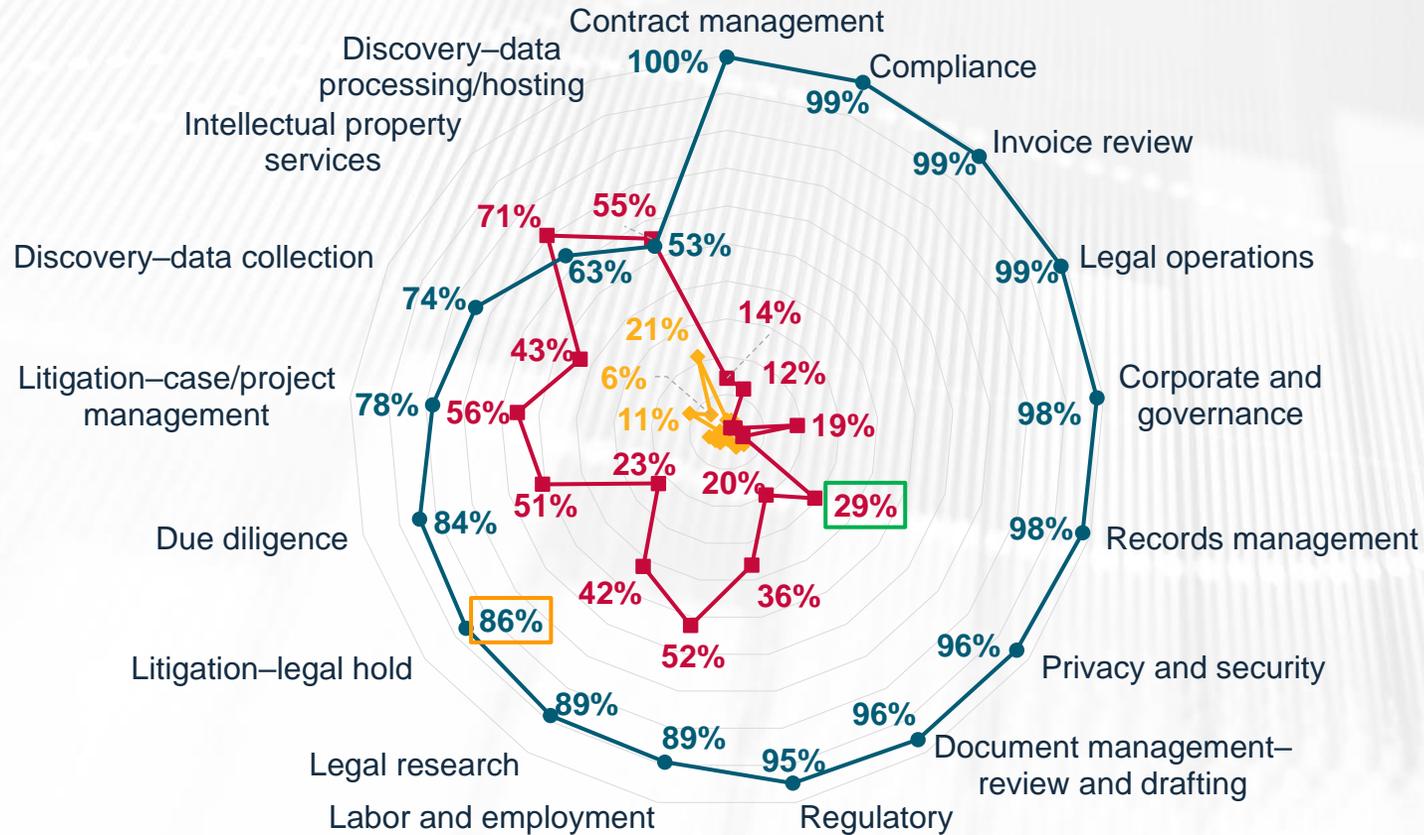
SECTION 3

WORK ALLOCATION

STREAMLINING YOUR WORKFLOW

Work Allocation

◆ ALSP/LPOs
 ■ Outside Counsel
 ● In-house



Only values higher than 5% are labelled. Values highlighted in green indicate an increase larger than 3% compared to last year's survey. Values highlighted in orange indicate a decrease larger than 3% compared to last year's survey.

SECTION 4

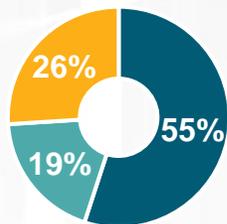
LEGAL TECHNOLOGY ADOPTION

EMBRACING THE DIGITAL REVOLUTION

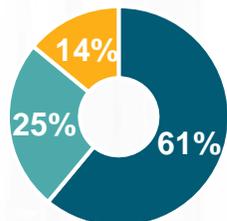


Legal Technology Budget Allocation

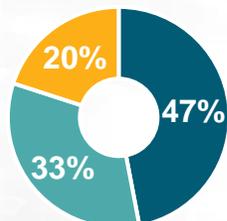
Less than \$1B



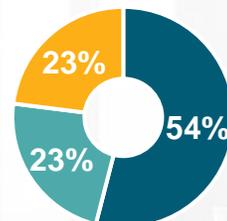
\$1B to <\$5B



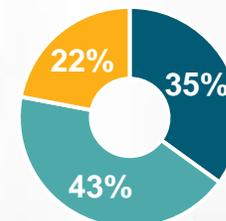
\$5B to <\$10B



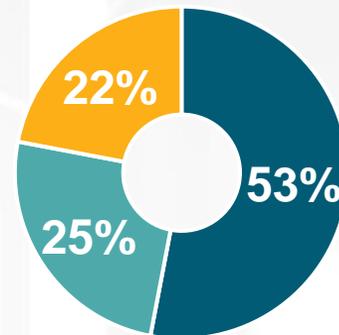
\$10B to <\$20B



\$20B or more



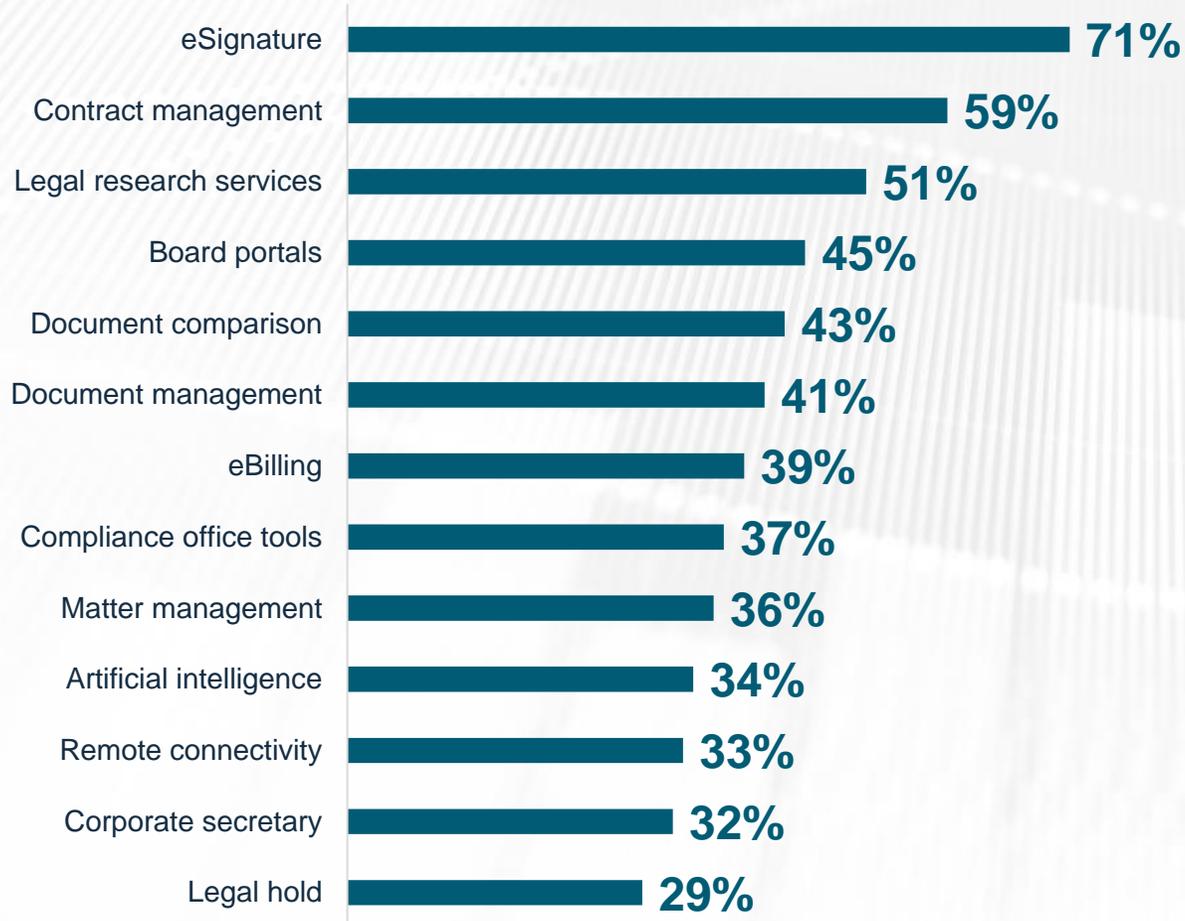
All Participants



- Yes, entirely contained within the legal department budget
- The budget for legal technology is shared between legal and other department(s) (shared services model)
- No, spend on legal technology is not part of the legal department budget

Legal Technology Tools Used

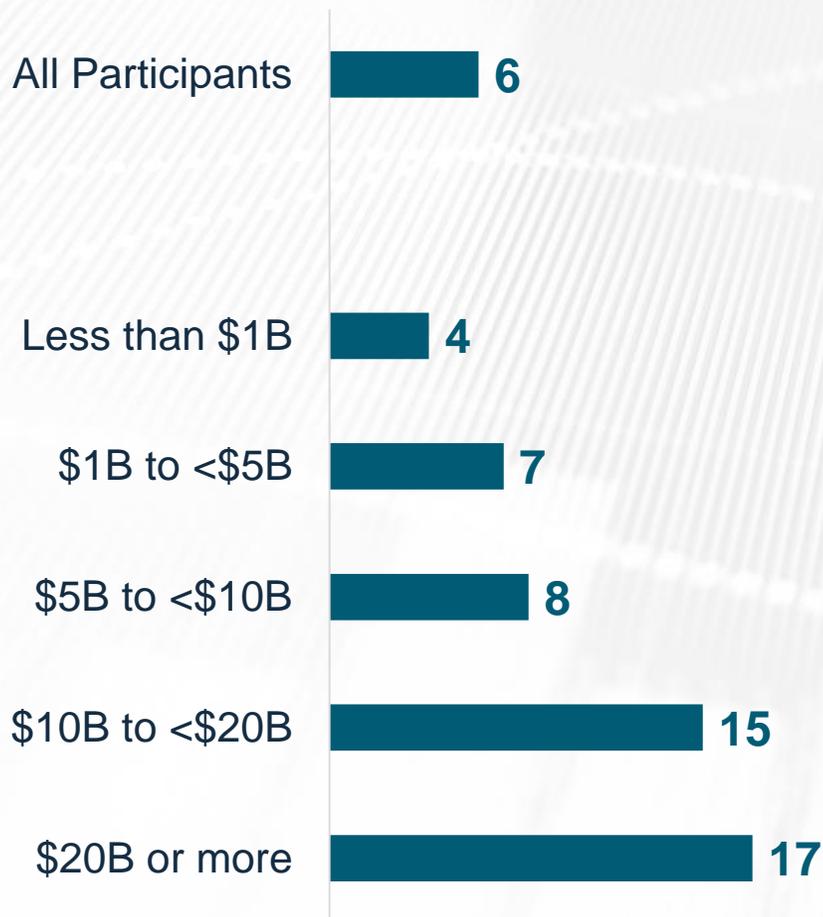
Technology Tools



Technology Tools (cont.)



Number of Different Tools Used



Top 3 Most Common Technology Tools Used

- Less than \$1B: eSignature (66%), contract management (57%), legal research (42%)
- \$1B to <\$5B: eSignature (64%), contract management (62%), board portals (60%)
- \$5B to <\$10B: eSignature (73%), eBilling (69%), legal research services (58%)
- \$10B to <\$20B: eBilling (91%), eSignature (88%), legal hold (79%)
- \$20B or more: eBilling (88%), eSignature (88%), matter management (83%)

Median values reported.



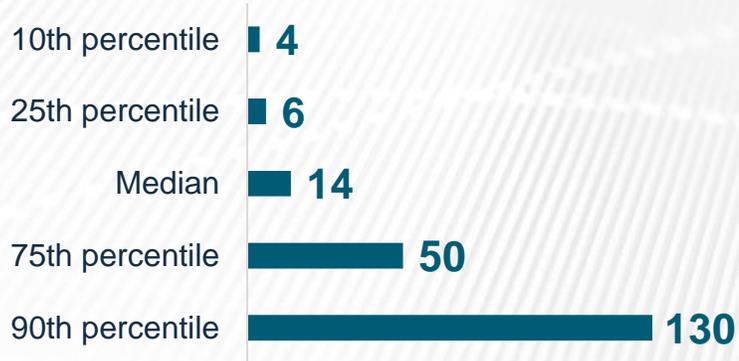
SECTION 5

OPTIMIZING LEGAL SERVICES

LAW FIRMS, ALSPs, AND FEE ARRANGEMENTS

Number of Law Firms Used

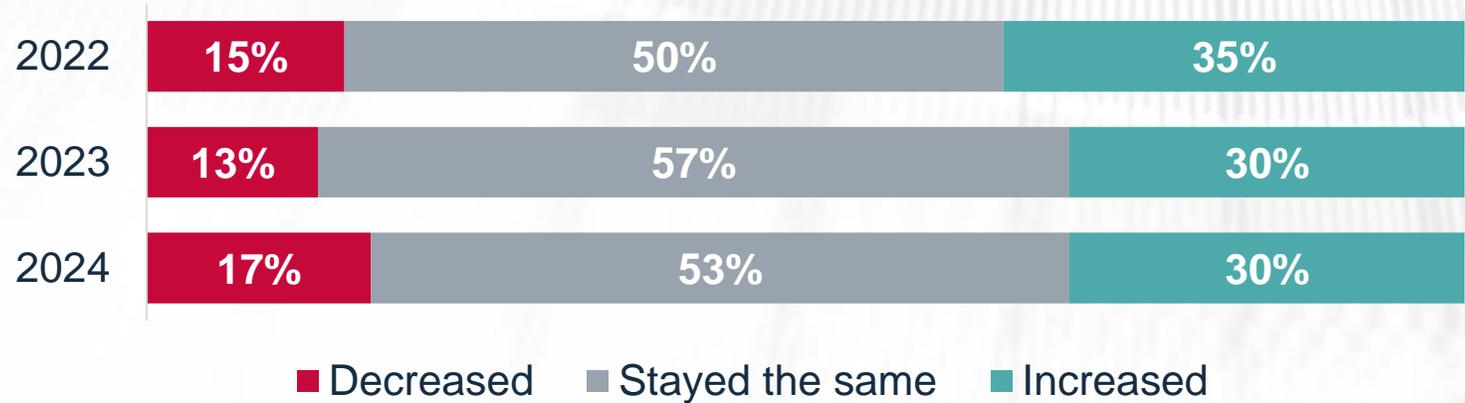
Firms Engaged in 2023



Firms Engaged by Number of Work Areas Outsourced to Law Firms



Change in the Number of Law Firms Used Compared to Last Year



Number of ALSPs Used

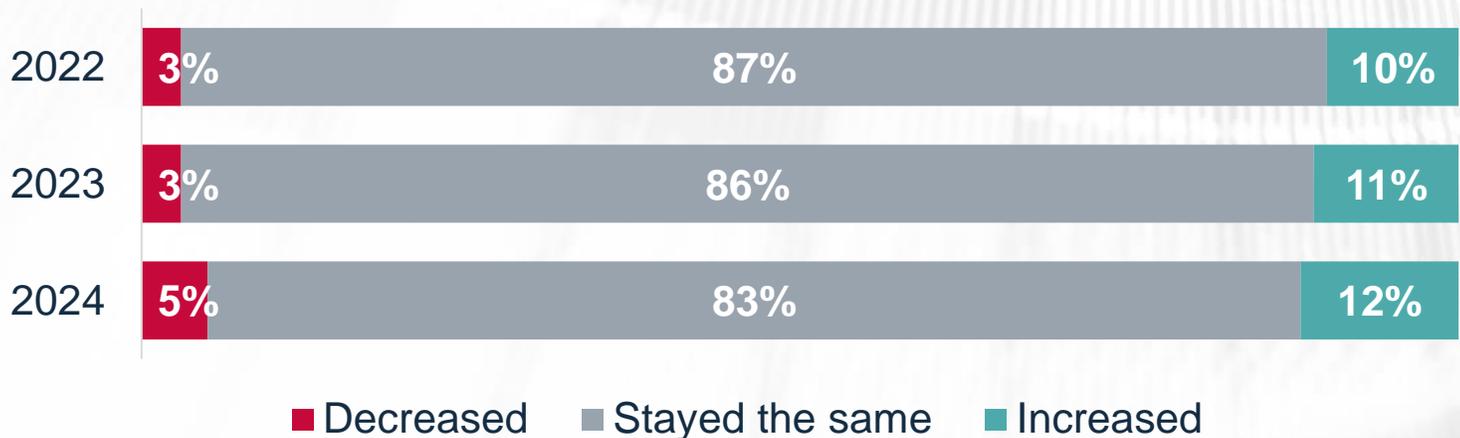
ALSPs Engaged in 2023



ALSPs Engaged by Company Size



Change in the Number of ALSPs Used Compared to Last Year



Types of Outside Counsel Fees by Practice Area

	Discounted Hourly	Standard Hourly	Fixed/Flat	Capped	Blended	Contingency	Success Fee	Collars	Holdbacks	Not applicable
Commercial and contracts	59%	46%	23%	16%	11%	2%	2%	1%	0%	5%
Corporate	57%	49%	19%	12%	9%	1%	0%	1%	0%	4%
Employment and labor	60%	44%	22%	13%	13%	2%	2%	0%	0%	2%
Environmental	39%	43%	10%	6%	6%	1%	1%	0%	0%	23%
Finance, loan, and investment	46%	46%	14%	12%	7%	1%	1%	0%	0%	11%
Insurance	42%	40%	11%	6%	6%	1%	0%	0%	0%	19%
Intellectual property	49%	44%	30%	11%	12%	1%	1%	0%	0%	5%
Litigation	60%	48%	24%	18%	16%	10%	5%	2%	1%	3%
Merger and acquisitions	53%	46%	17%	16%	9%	4%	3%	2%	1%	10%
Real estate	49%	47%	16%	10%	8%	2%	1%	0%	0%	11%
Regulatory and compliance	54%	49%	22%	11%	9%	1%	1%	0%	0%	4%

DIVERSITY, EQUITY, AND INCLUSION

BUILDING A MORE EQUITABLE LEGAL ECOSYSTEM



Internal Legal Department Metrics

Does your legal department have diversity metrics and/or targets with respect to its own composition? (Percentage “Yes”)



Is there a formal strategy to improve departmental diversity with tangible consequences for success or failure? (Percentage “Yes”)



Percentage of departments that evaluate the diversity of the following with respect to its own internal composition





Outside Counsel Metrics

Does your department have diversity metrics and/or targets with respect to its outside counsel? (Percentage "Yes")



Are there formal requirements for outside counsel to improve diversity with tangible consequences for success or failure? (Percentage "Yes")



Percentage of departments that evaluate the diversity of any of the following with respect to its outside counsel



THANK YOU
