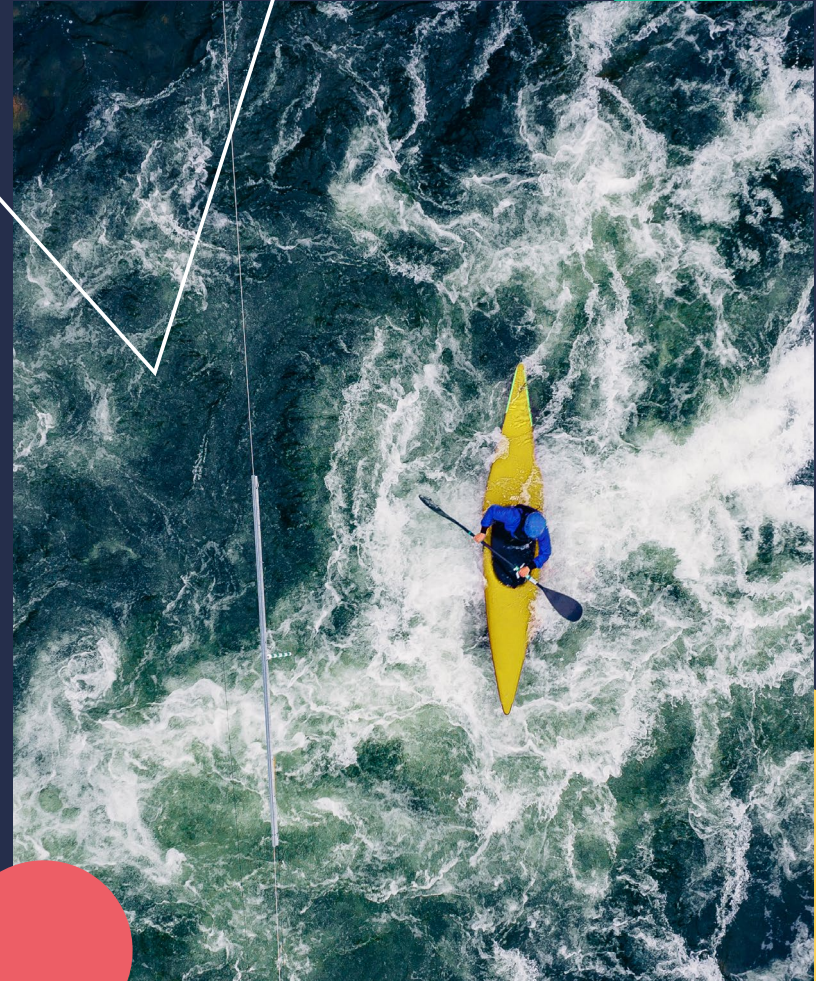


# RISKY BUSYNESS

## Dealing with growing risk & rising demand

A report into the state of in-house legal  
teams around the world in 2022



# About LOD + SYKE

We help in-house legal teams build their ideal legal function – one that is effective, agile, and able to prove its value to the business.

With the combination of our world-class people platform and unparalleled tech capability, we support legal leaders with the design and implementation of people-focused, tech-enabled legal services.



# Foreword

Everyone in your team is busy. Your to-do list is growing at an uncomfortable rate. Everywhere you look, risks abound. Does this sound familiar?

You're not alone. Looking at the state of in-house legal teams around the world, we see a common picture emerging: legal teams are struggling to prioritise large volumes of work and ensure that risk is managed. These twin challenges are interwoven as risk tends to rise in line with work levels and can skyrocket if vital work is left unreviewed by legal. Further, if legal teams remain over-stretched for extended periods, it can result in burn-out that leads to disruption and churn in your team.

It's a formidable landscape and navigating through it requires both a legal and commercial mindset. Astute General Counsels are meeting these challenges by ensuring that their team's service delivery is fit-for-purpose, not gold-plated. It's a well-worn adage, but it bears repeating that the perfect is the enemy of the good. And while risk can be managed and mitigated – it cannot be eliminated. This isn't to suggest the balancing act between controlling risk and getting all your work done is easy – it's a tightrope that requires experience to know where to focus your efforts.

Busyness is a challenge for many teams (not just legal) and leaders need to steer away from allowing busy to become a poor proxy for productive. You need your team focused and importantly you need the right type of work going to the right people. From our survey, we observed that the way highly valued legal departments are allocating work is decided through clear processes and pragmatic technology. Intelligent structuring of your workflows will help to ensure that routine work and strategic work are prioritised and handled differently – empowering your lawyers to focus on the value-add matters.

From the survey data and reading through the comments, there appears to be three hallmarks of successful legal teams: visibility, flexibility, and vision. Visibility in two ways – the team is visible across your organisation as a vital department, and also visibility in the form of objective data about the contracts and matters being run by the legal team. Flexibility in how the team is resourced – armed with data the team can scale up and down with the right blend of specialities and seniority. Finally, vision is having a strategy that underpins the operations of the team. The combination of these characteristics creates a legal function that is agile, effective and able to prove its value to the business.

**TOM HARTLEY**  
CEO, LOD GROUP | SEPTEMBER 2022

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# Executive summary

This report provides a snapshot into the state of in-house legal teams across the globe. Last year, our report *Trust: an antidote to uncertainty*, analysed the continued impact of the COVID-19 pandemic and how it had shifted priorities and challenges facing legal departments. Our 2021 report unveiled a growth in trust and observed how legal teams were embracing this moment to implement efficiency tools such as self-service.

Our 2022 report reveals interesting shifts in how legal teams view their top challenges, key priorities and where they're investing. The key theme is the double-headed problem of managing risk and the volume of work. Ensuring risk is tackled appropriately is the top strategic focus and has risen consistently over recent years. The emphasis on risk is also reflected in the priorities shared by In-house Leaders and how they're investing

in risk and compliance expertise. Part of the challenge of controlling risk is directly impacted by the secondary task of prioritising large volumes of work. How in-house teams deal with these twin struggles is explored throughout the report and some practical advice is shared at the back of the report.

Apart from the challenge of balancing risk management and rising workloads, this report also reveals:

- the global challenge of retaining and hiring good people
- the perception of legal department value by business
- the widespread lack of strategy behind technology
- the top tips for in-house leaders

In the final section of this report, we cast our eyes forward. If we pull on the thread of these emerging themes and new priorities, where do they take us? What will the in-house legal team of the future look like? Read on to find out!

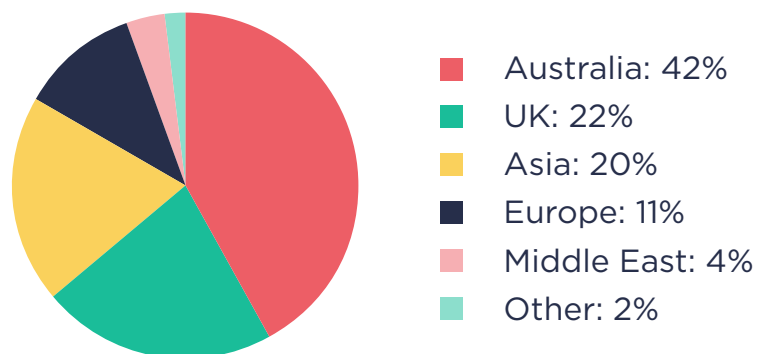
# Demographics & methodology

For this report, LOD surveyed **169** legal, risk and compliance professionals around the world. **75** of these were in-house legal leaders (**In-house Leaders**). **94** were LOD lawyers and compliance professionals (**In-house Professionals**).

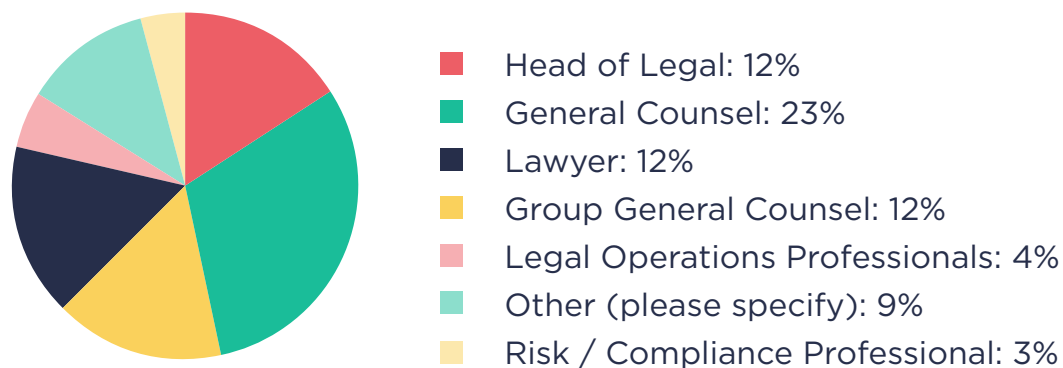
## Top 10 sectors of respondents:

- |                       |                          |
|-----------------------|--------------------------|
| 1. IT & Technology    | 6. Media                 |
| 2. Financial Services | 7. Public Sector         |
| 3. Law Firm           | 8. Professional Services |
| 4. Mining & Material  | 9. FMCG & Retail         |
| 5. Energy / Oil & Gas | 10. Healthcare           |

## Regional breakdown of respondents:



## Job titles of in-house leaders:

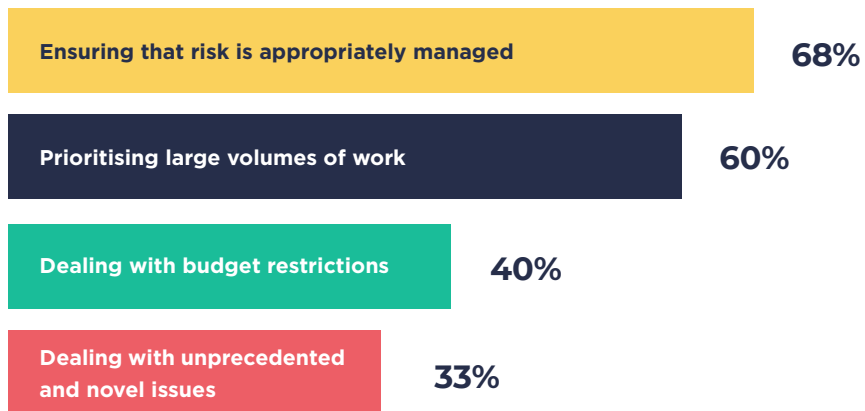




# Challenges & priorities

In-house Leaders

## Top four strategic challenges:



## Top four team management challenges:





# What are your top priorities?

**“Streamlining contracts and compliance monitoring.”**

Group General Counsel,  
Financial Services, Australia

**“The retention and development of our talent.”**

Head of Legal, Education, UK

**“Hiring good people is my number one priority.”**

Head of Legal, Transport Logistics, Asia

**“Creating more templates to help the business become more self-serve.”**

Group General Counsel,  
Consulting Firm, UK

**“Demonstrating value to senior business stakeholders.”**

Legal Operations Lead,  
Media, Europe

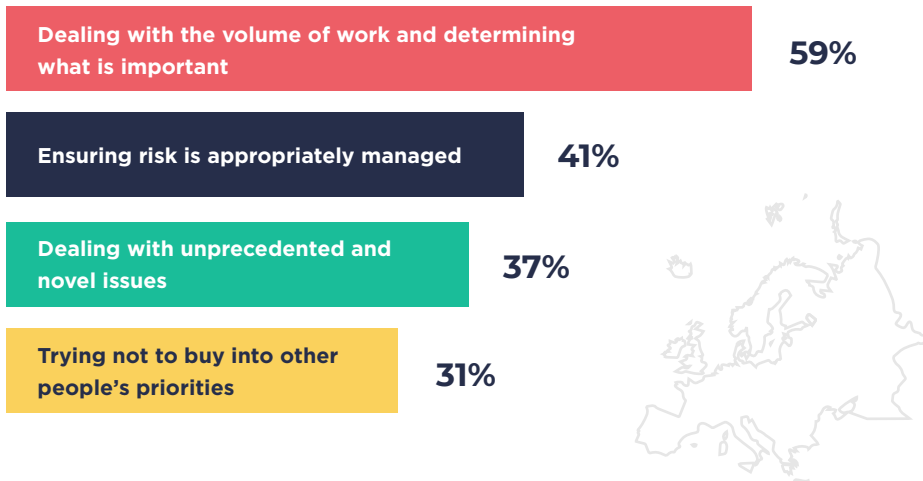
**“Assuring that low and no value-add work is handled in a way that it is not a frequent burden to the team.”**

General Counsel, Telecoms, The Middle East

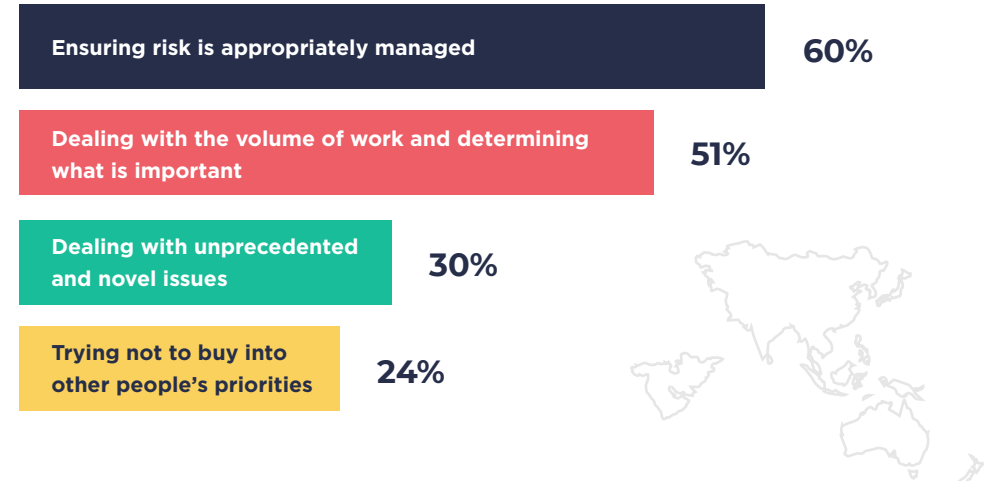
# Challenges & priorities

## In-house Professionals

### For professionals in the UK & Europe:



### For professionals across Asia Pacific & the Middle East:



# What are your top priorities?

**“Defining a structure for what legal support looks like.”**

**In-house Counsel, Energy, UK**

**“Speed to contract.”**

**In-house Counsel, Media, Europe**

**“Streamlining matter intake to minimise volume.”**

**In-house Counsel, FMCG & Retail, Australia**

**“Supporting the business in every possible way but also be a gatekeeper for every possible transaction.”**

**In-house Counsel, Professional Services, Asia**

**“Coping with day-to-day work.”**

**In-house Counsel, Healthcare, UK**

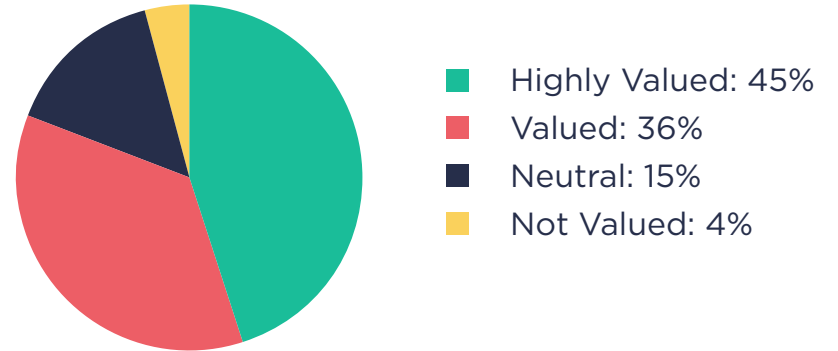
**“Quality of work and relationships with business units.”**

**In-house Counsel, Financial Services, The Middle East**

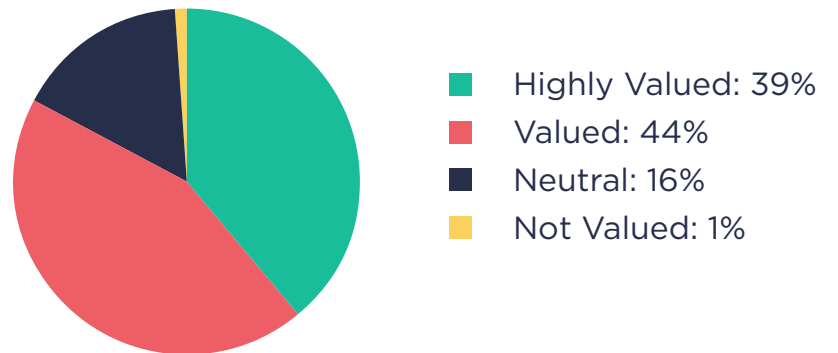
# Perception of value

In this year's survey, we asked In-house Leaders and In-house Professionals whether the in-house legal function is valued in their organisation.

**In-house Leaders:**



**In-house Professionals:**



# Why do you think this?

## In-house Leaders:

**“The business values our strategic and commercial advice as much as the legal advice.”**

Group General Counsel, Media, UK

**“We’re highly valued as we’re often the only function that identified real risk.”**

General Counsel, Education, Australia

## In-house Professionals:

**“Our strong culture means that we’re valued, but what holds it back is a lack of understanding of the legal function.”**

In-house Counsel, Mining & Materials, Europe

**“The legal function is highly valued as risk management is a priority.”**

In-house Counsel, Public Sector, Asia

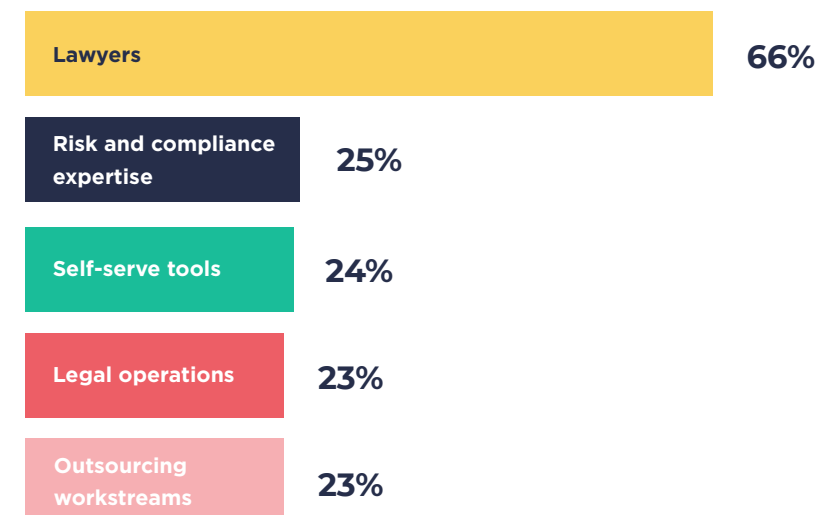
# Areas of investment

## INSIGHT

There has been strong investment in legal talent over the past year. **With tightening labour markets, it's unsurprising that the biggest area of investment is lawyers.** We saw earlier in this report that the hiring and retention of talent is front of mind for In-house Leaders.

Risk and compliance expertise comes in second, just pipping self-serve tools, legal operations and outsourcing workstreams. We've seen that managing risk and prioritising large volumes of work are the top two strategic challenges for In-house Leaders and In-house Professionals. **The tension between budget restrictions and implementing longer-term cost saving projects, like self-serve tools, is apparent.**

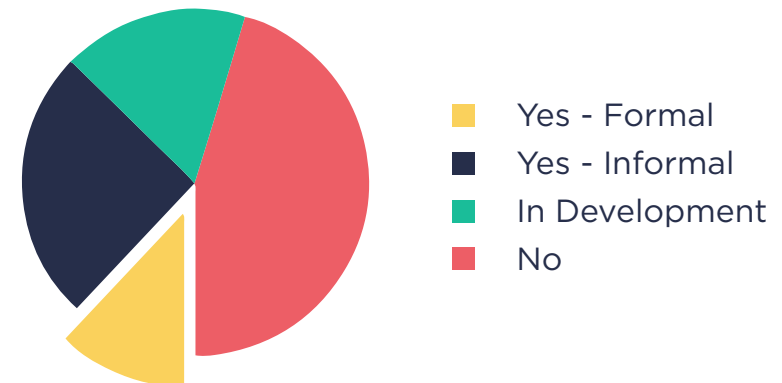
## Top 5 Areas of Investment:



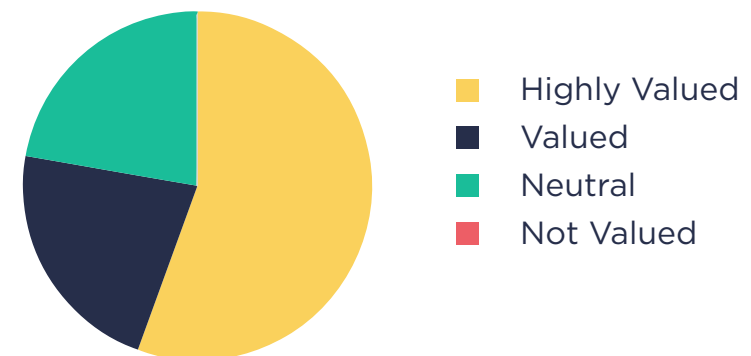
# Tech strategy

Of the In-house Leaders with a formal, written strategy, **over 55% reported that their legal department was ‘highly valued’ by their business.** For those leaders without a formal strategy, that figure drops to 44%. This observation might cause In-house Leaders without a formal strategy to pause and consider whether it’s time to set and document one.

Do you/your team have a technology strategy?



“Yes - Formal” respondents on the value of their legal function:

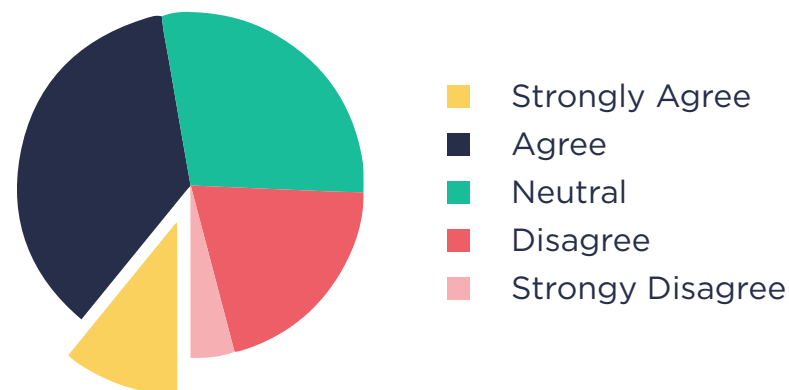


# Use of data to boost value

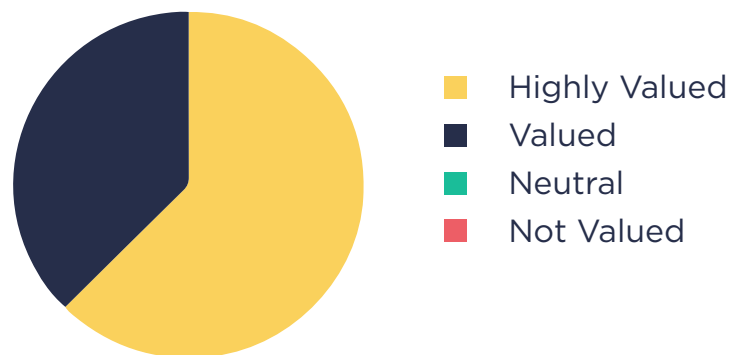
For In-house Leaders who ‘strongly agree’ that they are using data to boost their value, **nearly 2 out of 3 believe their legal function is ‘highly valued’**. This is perhaps unsurprising as it’s much easier to demonstrate your value if you have the data to show your performance.

Another advantage for data fluent In-house Leaders is a **more sophisticated ability to identify opportunities for improvement and optimisation within their team’s workflows**. Data intelligence is a maturing discipline across business and it’s being taken up by forward-thinking in-house legal teams.

To what extent do you agree that you use data to boost the value of your legal department?



“Strongly Agree” respondents on the value of their legal function:





# Tips for successful leadership



## Understand the Business

You need a deep and thorough understanding of the business. What drives the business? What are their requirements from legal? What's the risk appetite? What are the strategic priorities? Knowing the answers to these questions will stand you in good stead. And this isn't a 'set and forget' job as priorities and risks will constantly shift. You need to keep your finger on the pulse of the business.



## Know the People

You need to win the hearts and minds of the business. You cannot expect their joyful compliance without bringing them along with you. This is an active responsibility of legal leaders; you need to regularly meet and engage with senior business managers. It's your job to manage the expectations that the business has of the legal department - and try to ensure that those expectations are met or exceeded.

# Tips for successful leadership



## Trust the Process

Develop and implement protocols for how your business interacts with the legal function. Good processes will reduce waste, enhance speed, and better manage the expectations of your business colleagues. Clear protocols (sometimes referred to as 'SLAs' or 'charters') will not only help the business, but also will assist your team with their priorities and managing business stakeholders. Don't be afraid to get in external partners to help establish department playbooks and streamline workflows.



## Show your Value

Be able to demonstrate the effectiveness of the legal function. Whether it's via a dashboard of metrics or a written report, you should be able to clearly communicate the vital work of your team. This needs to be understood not just by the Board, but also by the senior managers across the business. As the survey results show, mastery of data will boost your ability to demonstrate your team's effectiveness.

# What are your top tips?

**“Prioritisation is key. Documented and clear departmental policies that define your scope and how you work will boost your effectiveness.”**

**General Counsel, Telecommunication Company, Middle East**

**“Become more commercial by understanding the business, the financial drivers and enough of the technical aspects so that you can “talk the talk” with operational staff.”**

**Group General Counsel, Mining Company, Australia**

**“Enable your commercial teams as far as is comfortable. You need to embrace risk - it will never go away. The job is to mitigate it at a level which works commercially and legally.”**

**Chief Privacy Officer, Professional Services Firm, UK**

**“One of my top tips is to implement a digital triage capability in your legal team.”**

**Head of Legal, IT Company, UK**

**“Prioritise your focus on process, templates, guidelines and training.”**

**Head of Risk and Compliance, IT Company, Global**

**“You need to ensure you have enough people. Not only that, you need specialised risk professionals.”**

**General Counsel, IT Company, Asia Pacific**

# Looking ahead

The last three years have powerfully demonstrated that predicting the future can be a fool's errand. Even when the prediction is accurate, it can often remain unheard. Nevertheless, casting our eyes forward to the next twelve months is a helpful thought exercise. It pulls on the thread of the trends we've seen in this year's survey and imagines what it might look like for legal departments.

In the same way the planning process can be more important than the plan: the predicting process is often more important than the predictions themselves. With that in mind, try considering the four future-focused themes below and imagine how they might apply to your legal team.

## 1. TALENT RETENTION STAYS TOP OF MIND

The legal labour market is tight across the board. It's an employee's market and businesses need to be thinking intentionally about how to engage and retain their staff. What does this look like? Competitive compensation, career progressions, stimulating work, learning and development, as well as managing the tricky balance between providing autonomy and support. It's often easier said than done and progressive legal leaders must think laterally around career development and what that looks like - sometimes it involves secondments into non-legal departments which allows their team to develop commercial skills (and helps with point 4 below).

**Leadership tip:** take time to consider your talent retention strategy. Depending on your organisation, you should be collaborating with your HR team so you're aligned with the wider business strategies. A key question for retention: are you giving your lawyers interesting work?

**2. BOOSTING VALUE THROUGH BETTER CONTRACTING**

A common question facing in-house legal leaders: how can I boost the value of my legal department? You can look at cutting costs, but this isn't an easy option – and in today's inflationary environment – that is only getting harder. You should be considering other ways to increase value and one well-reported strategy in our survey was to streamline your contracts. Streamlining often involves a hygiene review of your contracts before you can consider more advanced management and automation.

**Leadership tip:** speed of contract impacts the speed of business, so for many in-house legal leaders the optimisation of their contracting process is a commercial imperative. Remember that efficiency gains over the longer term are the goal (not this quarter) – so don't rush or DIY your streamlining project. Bringing in trusted legal ops and tech specialists is a better way to guarantee project success.

**3. SPECIALISTS ARE IN DEMAND AND 'ON DEMAND'**

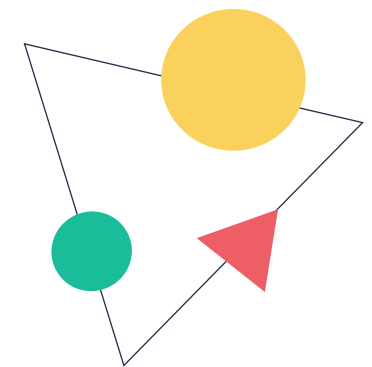
The demand for specialists, particularly risk and compliance experts, is growing in line with the deepening risk landscape and growing complexity. Generalists will likely be the core of your in-house legal team, but they often need to be joined by specialists to bolster your team's capability. The balancing act here for in-house legal leaders is to weigh the projected length of the expertise requirement with how to hire the best people. While the answer may depend on the size of your organisation, the rising practice of interim staffing is helping many businesses find the right balance.

**Leadership tip:** consider whether you need specialists permanently or whether you require them for a time-bound project. Similarly, if you have a large-scale project that requires special expertise, consider bringing in a Managed Team to handle the end-to-end workflow.

**4. TIGHTER INTEGRATION BETWEEN LEGAL AND BUSINESS**

Integrating yourself and your team closer to other business functions achieves a key objective: it boosts your understanding of the business and allows your team to better identify potential legal issues. It has an added impact of promoting awareness of the legal function and showing your value to stakeholders across the business. One of the core methods for in-house legal teams to become more strategic is to become more proactive – resolving issues before they blossom and spotting opportunities for commercial advantage. Developing self-service tools will allow for greater speed of business and also permit your team to focus on the more strategic work - helping with talent retention.

**Leadership tip:** participating in business processes is a key way for in-house leaders to be proactive and demonstrate their value. Tightening the collaboration between the legal department and other functions should improve your organisational responsiveness – a key element to success in today's Volatile, Uncertain, Vague and Ambiguous ("VUCA") world.



# How LOD + SYKE can help you

We help you choose the right combination of flexible resource and technology to help you build your ideal legal function. We then design and implement your people focused, tech-enabled legal service.

## PEOPLE

### Secondments and Flexible Retainers

Our legal and compliance professionals on secondment or flexible retainers help you get more done without overloading your team. If you have a short-term gap or need long-term team and cost flexibility, we have the perfect professionals for you.

## SERVICES

### Managed Teams

A natural extension of your team you can trust to 'get it done' with the in-house experience to smoothly take on your projects or BAU. Made up of expert lawyers and paralegals with a custom blend of roles, expertise and seniority.

### Legal Advisory

Get clear, pragmatic legal advice you won't have to translate for your business. Our people have all worked in-house so offer relevant, practical support whatever your needs.

## TECH

### Legal Operations & Technology Consultancy

Our experienced legal consultants design your ideal legal function. We take a holistic approach, looking at your immediate and future operational & technology needs to guide your choice.

### Implementation and Integration

We seamlessly implement and integrate your technology so that your business and users are ready to go from day one. We're independent but work with the majority of the leading technologies including DocuSign, Icertis, Thomson Reuters, SirionLabs, Microsoft, and Google.

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