

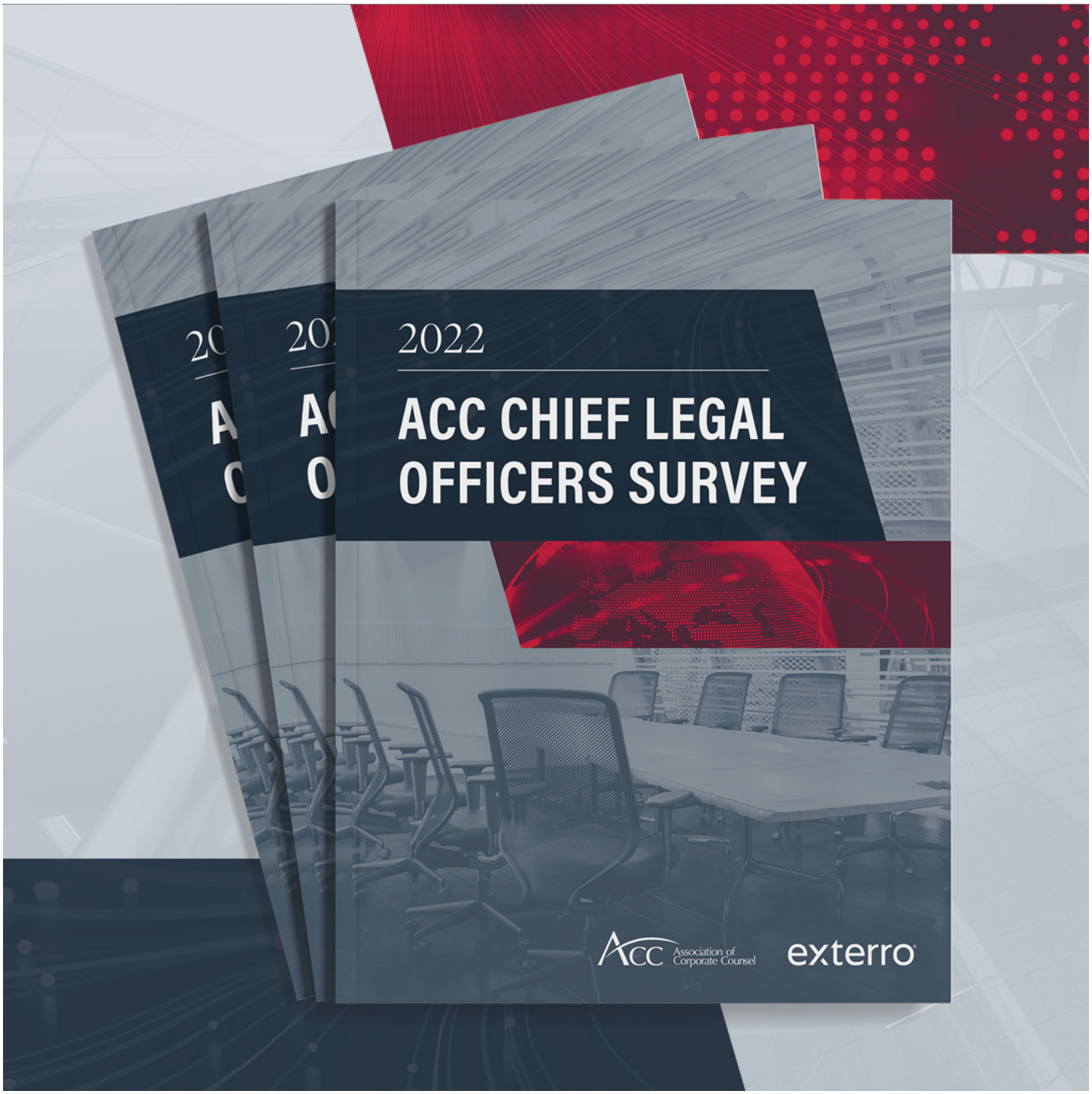
ACC Publishes 2022 CLO Survey

Community



ACC and Exterro, the exclusive ACC Alliance Partner for eDiscovery, data privacy, and cybersecurity, released the 2022 Chief Legal Officers Survey on Jan. 25, 2022.

One of the largest and most comprehensive studies of CLOs available in the market, the survey analyzed data from 861 CLOs across 20 industries and 38 countries. It provides new insights on the CLO role and reach, the value of the legal department to the business, and the political and regulatory landscape's impact on the legal department.



Respondents noted the need to devote more legal resources to significant transactions (M&A, spin-offs, etc), focus on cybersecurity, compliance, and data privacy (highlighted as the most critical areas for the business), anticipate greater workloads due to increased regulatory enforcement, and further navigate ESG-related issues in 2022. As a result, CLOs highlighted plans to increase capacity in their legal departments, which include hiring more staff across the board and increasing investments in legal operations.

> “For the past several years, we’ve observed the CLO’s role steadily continue to expand in the C-suite and have pronounced these times to be the ‘age of the CLO.’ But the disruption of the global pandemic and complexity of other challenges facing today’s businesses have

> accelerated unprecedented growth in the CLO's range of responsibilities. CLOs are overseeing more corporate functions and to handle the additional workload, they are anticipating hiring increases across their departments. The unique skillsets and abilities that CLOs bring to the table make them invaluable business partners both strategically and for day-to-day operational issues – ensuring that this 'age of the CLO' will continue well into the foreseeable future."
>
> - Veta T. Richardson, ACC President and CEO

The "age of the CLO" continues, with 80 percent of respondents reporting to the CEO and maintains a long-term trend seen over several years. The survey also found that CLOs are being tasked to oversee more functional areas of the business in 2022 versus 2020, including ESG (plus nine percent), public/corporate affairs (plus five percent), compliance (plus four percent), risk (plus four percent), and communications (plus four percent).

With the additional responsibility and work for corporate legal departments, 45 percent of respondents anticipate hiring lawyers and 29 percent expect to hire more paralegals, a 13-point and nine-point increase from 2021, respectively. Even with hiring more staff, 41 percent expect to send more work to law firms in 2022, the highest percentage observed since 2019 and seven points higher than last year.

> "The 2022 survey provides insights that reinforce the critical need for CLOs to adopt new strategies for managing the legal governance, risk, and compliance obligations facing their broadening scope of responsibilities, including legal operations, privacy, and regulatory and cybersecurity compliance."
>
> - Bobby Balachandran, Exterro President and CEO

Legal operations investments also continue to accelerate, with six in ten legal departments having at least one dedicated legal operations professional, three times higher than in 2015. In addition, 70 percent of CLOs reported legal operations as their department's top strategic initiative.

The survey's additional key insights include:

- **The CLO as a key business partner is only intensifying**, as a solid majority of CLOs always attend board meetings, meet with other business leaders to discuss operational issues, and are consulted by other executives on key business decisions.
- 55 percent of CLOs report **planning to adopt new technology solutions** in 2022, and of those, 70 percent identified **contract management** as their top technology priority.
- **Cybersecurity, compliance, and data privacy remain the most critical areas for businesses**. The high importance given to these three areas aligns with CLOs' expectations that industry-specific regulations and data protection privacy rules will most likely pose the biggest legal challenges to the business. Sixty-six percent anticipate that industry regulations will cause the biggest legal challenges this year and 55 percent list data protection rules as a cause for legal concern.
- **ESG continues to gain relevance and impact business strategy.** Four in ten CLOs indicate that ESG issues are forcing companies to improve their compliance efforts to adapt to new environmental regulations and satisfy the growing number of investors and customers that are emphasizing ESG and corporate social responsibility.
- Half of CLOs report **delivering value to customers** as their organization's top priority.

Interestingly, 19 percent of CLOs say their organization's top **focus will be on investing in employees**, a nine-point increase from the 10 percent seen in 2020.

The *ACC 2022 CLO Survey* is available to both ACC members and non-members.

Download the Survey

Download Key Findings

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