

WHAT HAVE BEEN THE 2020'S KEY TRENDS OF LEGAL DEPARTMENTS?

Posted on 23 December 2020



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Company leader, with more responsibility and fewer resources. This is the portrait of how the pandemic has changed the figure of the general counsel - and the face of the legal departments. First of all, the challenge of working remotely, the increase in responsibilities and functions within the management and an unprecedented situation, which, being in constant evolution, has been even more difficult to tackle. However, GCs emerged as a leading figures within the company, showing their entire strategy in multiple sectors. From the flexibility of remote coordination, to quality control on efficiency and a leader in corporate social responsibility. All this with a lower budget and an increased amount of work - and, often, lower wages. Summing up, various international reports and research translate five significant trends of 2020 into numbers.

Health Officer

The pandemic has forced 84 percent of general counsel to fulfill the critical role of chief health officer and/or manage employee well-being. Many of the general counsel surveyed said they are now responsible for assessing and recommending policies to balance maintaining business activities with the health and safety of their employees. This is one of the main figure from [The General Counsel Report 2021: Rising to Today's Challenges and Building Resilience for the Future](#). Respondents also indicated their roles have changed or intensified this year, with many taking on heavier workloads and new responsibilities, largely due to the pandemic. These include decision-making

regarding company-wide COVID-19 plans, increased emphasis on risk management, more time on team support and engagement and preparation for an anticipated uptick in litigation.

Efficiency credo

The [2020 State of the European Corporate Legal Department](#) by Thomson Reuters and Acritas – which includes 578 in-house counsels interviews – underlines that, both effectiveness and efficiency were mentioned more frequently as priorities than safeguarding the business. Though as COVID-19 struck, the latter shot up the priority roster for many legal teams. Cost control is a principal driver of efficiency. However, for other respondents it is also about innovation, modernisation, and technology. Legal technology plays indeed an increasingly important role for in-house legal teams. Finally, this trend varies significantly from country to country and, overall, geographical regions: the Europeans in-house counsels who make it a priority are in fact 52%, compared to a world average of 43%.

Low budget

A new survey [released by Altman Weil](#) found that 66% of companies' chief legal officers reported their organization's revenue was down, while [nearly 77%](#) of those top attorneys said workload is up. According to the report, 11% of legal departments were forced to lay off employees in response to the COVID-19 pandemic. [Nearly 45%](#) of 119 law departments surveyed by consultant group are also slashing their budgets for 2021. This is the first time in a decade that more law department budgets will shrink than grow and budgeting for outside law firms is expected to take a particular hit. About 40% of law departments plan to increase spending next year. Also, according to the latest [ACC 2020 Law Department Compensation report](#), a third of in-house lawyers interviewed said they had had pay cuts due to the pandemic.

Sustainability

[According to the latest data from Ethisphere](#), 74% of companies look at environmental efforts during the due diligence process for mergers and acquisitions. A trend that has actually continued since 2019 and which has not been held back by the pandemic, but has even become a priority for the legal departments. 2021 will thus see an increasing role of general counsels in business sustainability. Furthermore, the study's data shows that social responsibility is increasingly incorporated into the supply chain: approximately 90% of companies communicate with third parties about sustainability and 97% are taking additional measures to manage third-party sustainability risk. This trend is therefore increasingly becoming a central element of business strategy.

Cybersecurity

71% of organizations place their CLO in either a leadership role regarding cybersecurity strategy or as part of a team with cyber responsibilities. However, only 17% of organizations have their CLO directly oversee both cyber and privacy functions. This figures arise from the latest [2020 State of Cybersecurity Report, an In-house Perspective](#). However, only 18% of organizations have an internal legal service dedicated to cybersecurity, which has however risen – and tends to increase – from 12% in 2018. An issue that became more strategic during the pandemic, where home office becomes the new normal. Considering the increase of data breach within companies, lawyers are at the forefront: research shows that 76% of organizations have a specific cybersecurity response team compared to 59% two years ago. 83% of these see a lawyer or a member of the legal department being part of that team.