



Today's law department: **Key challenges, insights** **& practical solutions for** **success**

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2023 Trends driving legal priorities

Controlling outside legal spend remains a top priority for law departments

While **matter volumes are increasing**, many have a **flat or declining budget**, driving them to do more with lower spend.

Trends



65% see matter volumes increasing, with nearly half bringing more work in-house, yet **59%** see a flat or decreasing budget outlook.



52%



85% view controlling costs as top priority

49% view bringing more work in house as a top priority

“It's important to ask how customers will be approaching a potential recession. How do they make the most of the resources that they have? There will be a greater focus on productivity. ”

- *CLO of large corporation*

“Leading change is a top priority right now. Retaining talent is still a challenge, as any economic downturn won't impact the best talent. It's important to lead teams with change expectation -- on their roles and commitment to the legal department.”

- *Fortune 500 General Counsel*

Regulatory & Data Privacy high on the future horizon

Data privacy is one of the most common future concerns

- Every company is a data company

DEI as a multi-faceted consideration

- Enterprise focus
- Department focus
- Outside counsel priority

Economic risks highlight the prominence of **cost control** as a priority

Corporate law department anticipated future risks:

Current priorities	Risks on the horizon
Compliance/regulatory requirements 22%	Frequency and complexity of regulatory changes 21%
Proactive risk/litigation management 21%	Data privacy 19%
Cost control 19%	ESG/DEI 18%
Commercially ready advice for business 18%	Cybersecurity 14%
Efficiency/process improvement 12%	Currency/economic instability 11%
Technology/automation 8%	Exportation risks/restrictions to trade 6%

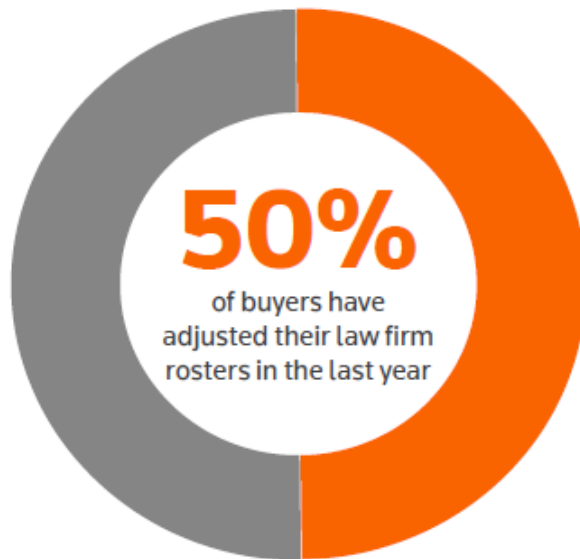
Number of responses: (342-346)

Source: Thomson Reuters

Corporate law departments seeking **greater value**

Additional evidence from corporate clients

Is there a firm you have started using or used substantially more in the last 12 months?



Market holistically seeing dramatic increase in demand mobility, along with disconnects:

- Law firms raising rates by nearly 5% on average
- Not all corporate clients are paying that level of increase. How?
 - Tiering of legal work
 - Sending more work to firms where they receive value
 - Legal spend management tools

Alternative providers factor into search for value

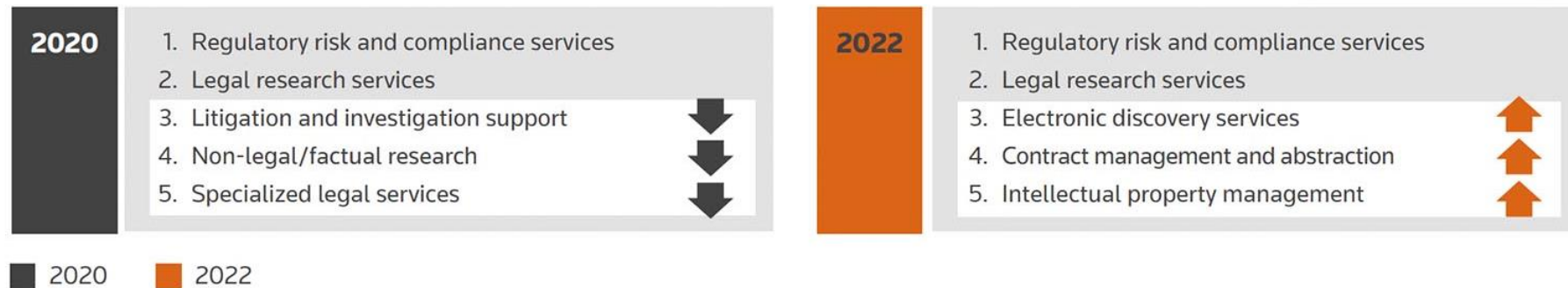
Alternative Legal Service Providers(ALSPs) increasingly used for different types of work

- Regulatory risk is a perennial choice
- eDiscovery
- Contract management
- IP management

Large law firms seeing demand shrink

- Am Law 100 saw demand contract in 2022 while Midsize firms' share grew
- Litigation particularly shifting away from large firms, especially among the largest businesses

US Corporations: Trends in use of ALSPs



Roundtable Discussion

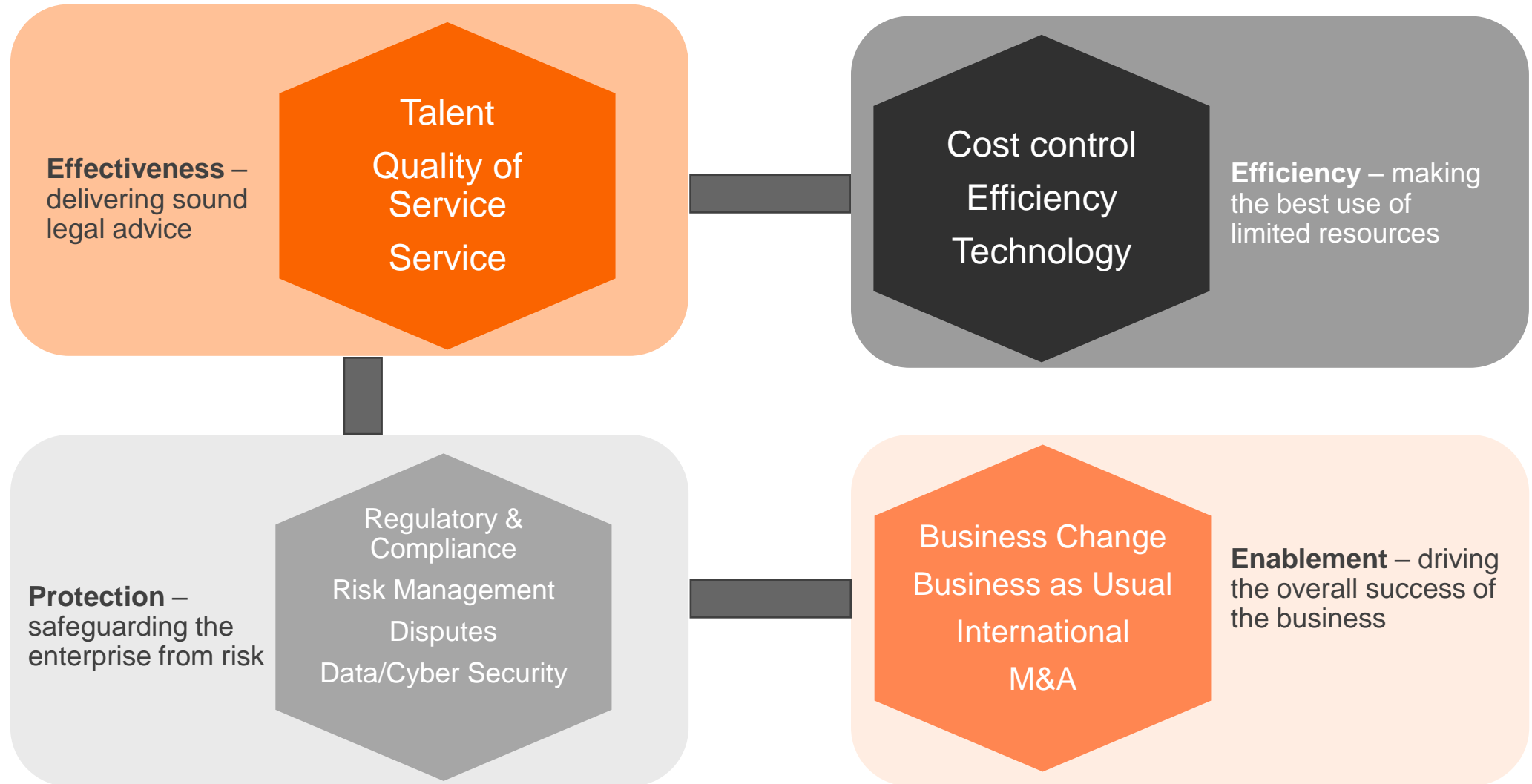


1. 30-minute discussion with peers around your challenges and areas of best practice
2. Aggregate feedback and 2-3 best practices to share with the larger group

Questions for consideration:

- How are you seeking/utilizing outside counsel?
- How do you manage rate negotiations?
- What compliance or regulatory strategies are you implementing or struggling with?
- Are you considering bringing more work in-house?
- How do you currently leverage Legal Ops to measure and track the value of efficiency changes?
- What areas of your legal department do you automate, and where do you have opportunity?
- What are your early thoughts on how generative AI (i.e., Chat GPT) will impact the legal workflow and law firm billing model?

2023 Strategies for Legal Departments



Corporate Legal Department Solutions | Integration to **maximize impact**

Thomson Reuters solutions transform legal teams' ability to optimize workflows and empower their problem solvers by connecting technology, intelligence, and automation.

Legal Research

Westlaw, the standard for legal research will help you be more strategic, responsive, and current on statutory and regulatory compliance.

Legal Guidance

Powered by 650+ global attorney editors, **Practical Law** offers the actionable, expert guidance to advise your business with confidence.

Spend & Matter Management

Harness the power of AI-analytics and industry insights with **Legal Tracker Advanced** to take control of legal spend and strengthen spend management.

Contract Management & automated review

Simplify CLM with connected **HighQ** workflows and leverage next-gen contract review with AI-powered document understanding from **Document Intelligence**.

Thank You!
