



## **Top 4 Findings from ACC's 2023 Law Department Benchmarking Survey**

**Law Department Management**



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The fourth edition of ACC's Law Department Benchmarking Survey, produced in collaboration with [Major, Lindsey & Africa](#), found that median total legal spend increased, driven mainly by large companies. Total legal spend for all companies increased from US\$2.4 million last year to US\$3.1 million this year.

### **The annual survey captures:**

- Patterns in legal spending;
- How departments are staffed across various position types;
- Different areas of the business that are overseen by legal and how different legal work categories are managed; and
- How legal departments are progressing with respect to their [Diversity, Equity, and Inclusion \(DEI\)](#) efforts.

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High-level insights are revealed in the publicly available [executive summary report](#). The [full](#)

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[benchmarking report](#) is available for purchase and is especially useful for those engaging in benchmarking exercises using industry standard metrics.

## **1. Privacy overtakes compliance**

Privacy was ranked the most common business function directly overseen by the legal department, with 57 percent of respondents reporting that it is the legal department's responsibility. The six-point increase means privacy overtook compliance (56 percent), which traditionally tops the list, as the most common business function for the legal department.

## **2. Large companies drove the increase in median total legal spend**

While the median total legal spend increased from US\$2.4 million to US\$3.1 million occurred across companies of all sizes, the largest increases were driven by companies with greater than US\$20 billion in revenue, with a median total legal spend of US\$80 million this year compared with US\$50 million last year.

## **3. The legal department is getting more expensive**

The median total legal spend as a percentage of company revenue, a key measure of legal's overall cost to the business, also increased to .63 percent compared to .56 percent last year. However, the total inside/outside spend distribution has remained roughly the same, with 53 percent of total spend going to internal costs and 47 percent of total spend going to outside costs.

## **4. DEI progress is stalled**

About three in 10 legal departments track internal diversity metrics related to the legal department's composition, and 21 percent report tracking outside counsel diversity metrics. Despite the increased attention and desire to establish a more inclusive and equitable environment within the legal profession, there has been little movement in DEI numbers over the past three years.

## **Learn how to apply the benchmarking results**

Although the survey results reveal many interesting findings, the primary purpose of this data collection is to enable ACC members to benchmark their key performance indicators with a broader pool of legal departments. This is why we offer a [full benchmarking report](#) and the ability to receive a [custom benchmarking report](#).



In addition to these reports, which are designed to help you understand how your department stacks up with peers, we also offer a complimentary member-only consultation that can help you take the critical next steps by showing what these results mean and how they can be improved through simple and practical recommendations. Learn how to apply the benchmarking results by requesting a [consultation](#).

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