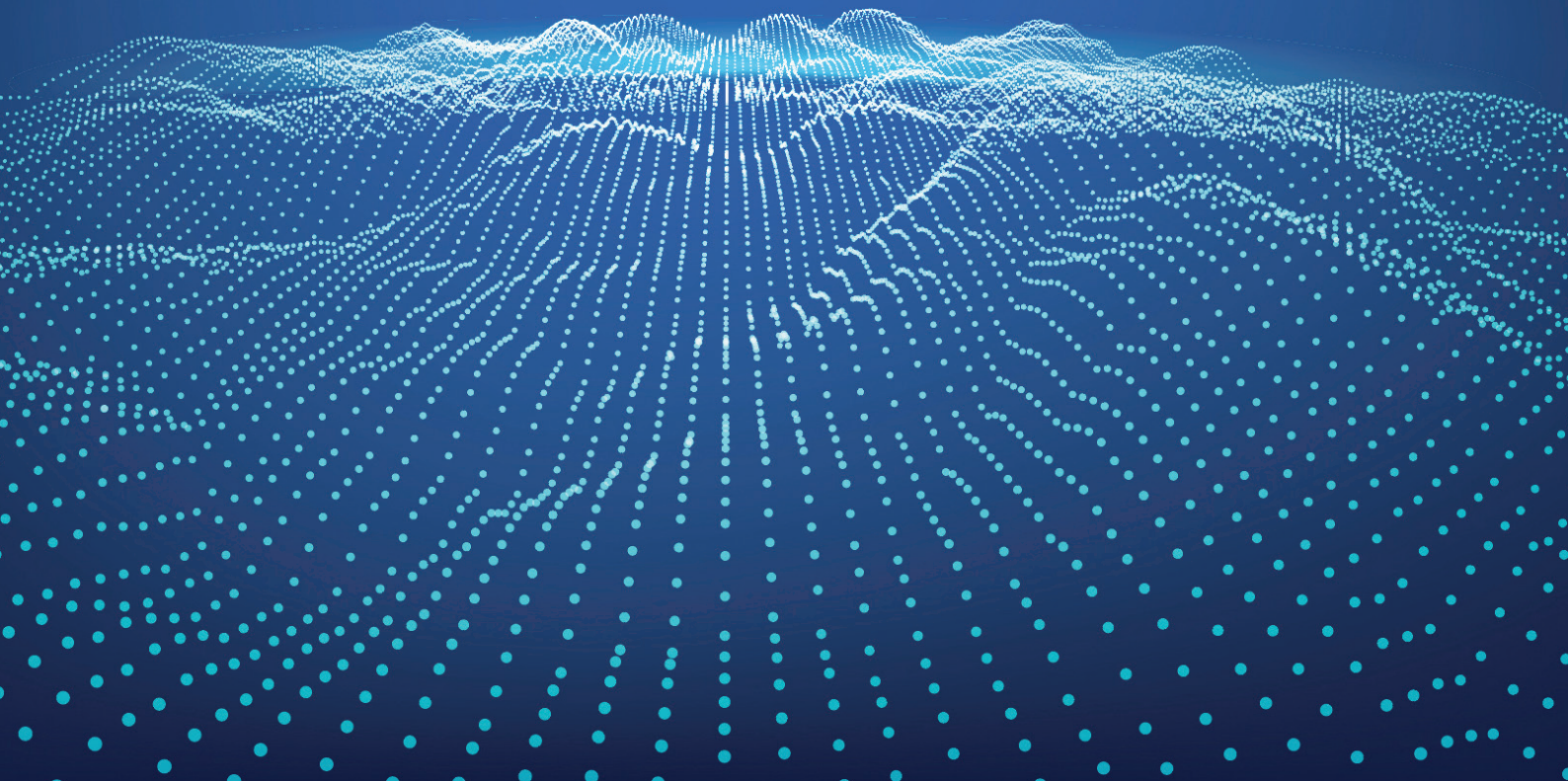




EUROPEAN COMPANY
LAWYERS ASSOCIATION

LEGAL DEPARTMENTS ON THE MOVE

In what direction is our profession heading?



Wolters Kluwer

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DIGITALISATION, PANDEMICS AND ESG – LEGAL DEPARTMENTS FACE COMPLEX CHALLENGES

DEAR COLLEAGUES,

Digitalisation of our legal profession is exciting. The dynamic changes that new solutions have brought to the workplace have enabled our workplaces to change considerably and show potential for much more to come. By removing repetitive tasks, limiting human errors, and increasing collaboration possibilities, the increasing introduction of legal technology has enabling us to work more flexibly and efficiently, providing more value to the business. It has given corporate lawyers the potential to transforming our profession into a proactive position.

Change can of course be challenging. Setting the correct culture, getting the department to buy into changes, and making the right investments for your department specifically are all legitimate hurdles that can hinder progress and demotivate the transformation process altogether. By now we have all heard some stories of failed transformation projects that have sunk significant investments whilst not providing any of the promised efficiency.

The common pitfalls and errors that legal departments share with regards to their digital transformation journey are human in nature. This means that the solutions to limit such hindrances and enable progress are also what have made us excel, from clear communication strategies to sharing best practices amongst peers to creating successful and feasible plans to implement. This is not a task for just one person. By working collectively, we can bring about the change that we wish to achieve.

Currently, the necessity to change has been thrust onto us. The ongoing COVID-19 pandemic has already shown company lawyers flexibility in their work that we would not have even considered a few years prior. Collaboration tools and remote working solutions have become essential for effective legal departments across Europe. In addition, the status of the World has brought upon additional legal challenges that have become

high priority in many legal departments, most notably questions revolving around environmental, social, and governance issues. These ongoing developments could potentially transform the positioning of legal departments in the business.

Legal Departments on the Move, a follow-up to “Legal Departments in a Digital Era” (2020), our in-depth overview of the status of digitalisation across Europe, serves as an insight into how legal departments have responded to these active challenges. It touches some key issues that all legal departments currently are faced with and shows how our legal profession has fared in Europe over the last few years.

We are excited to provide these findings together with Wolters Kluwer, a leader in the digital solutions sphere for corporate lawyers, to showcase how legal work has changed. Questions such as “What processes do we need to improve most urgently?”, “How has COVID-19 impacted the way we work?”, and “Does digitalisation help in addressing ESG issues?” are all addressed in the findings, in addition to much more. Only one question remains: where is our profession heading?

Yours sincerely,



Marcus M. Schmitt
General Manager, ECLA



DEAR READER,

We at Wolters Kluwer are proud to present to you, together with ECLA, our 2nd survey on the latest trends in the workplace of the corporate legal professional. What insights does it show and what can we learn from it, to better meet the demands from the corporate legal professionals that we serve?

In 2020, we saw in our first survey that the relevance of having a clear strategy to form a more digitally mature legal department could not be underestimated, and that digitalization was already high on the agenda of corporate legal departments. However, it was often not yet executed because an appropriate budget was absent. Now, this 2021 report shows that the pandemic has pushed the adoption of legal software into the daily workflow of the corporate legal professional.

While in our 2020 report only 36% of all corporate legal departments had dedicated budgets for digitalization, the 2021 study sees a prominent increase here, with 65% of all CLD's having a dedicated budget. And with those budgets increasing, Legal Departments are under pressure to set a fast pace for executing their digital strategy and adopting technology, to keep the business running.

A new element is that Environmental, Social and Governance (ESG) is now also driving the agenda in the most innovative corporations, with legal departments supporting the business stakeholders to meet ESG-goals. Digitalizing processes is a key element here. It is noted that Corporate Legal Departments with a higher digital maturity level are better armed to deal with all processual and procedural changes dictated by the ESG-standards.

On the other hand, some highly relevant focus areas for improvement remain - such as contract management, collaboration, and e-signing - to enable smooth digital processes while working from home. A relevant newcomer, compared with the 2020 report, is the introduction of corporate e-meetings and e-voting by half of all surveyed corporate legal departments. Interestingly,

all these improvements are required to be able to work more accurately, up to date and in a proactive manner with both internal and external parties.

This need for cost-efficient, straightforward tools can be better met by a complete, extended offering, integrated with other tools and systems within the corporation and creating end-to-end workflows. As a legal professional, you do not want to lose precious time by speaking with multiple vendors and facing integration problems. With Legisway we aim at supporting our customers with an all-in-one flexible platform, providing a 'legal hub' for all activities, and supporting collaboration between departments and with law firms. A solution that can easily be scaled, adapted to specific needs, and easily integrated with other tools without additional effort and without the need to go to other providers.

These valuable insights will further help us to determine how to adapt our offering to the evolving needs of the corporate legal professional. Please join me now in further exploring the findings of this survey, giving insights into how legal departments are seeking to improve their performance and the changes they have recently gone through.

Yours sincerely,



Giulietta Lemmi

CEO of Wolters Kluwer

Legal & Regulatory's global Legal Software unit



MANAGEMENT SUMMARY

HOW ARE LEGAL DEPARTMENTS SEEKING TO IMPROVE?

Process improvement

- 54% of legal departments see contract management as needing urgent improvement, similar to the results surveyed prior to the COVID-19 pandemic
- One in two legal departments need to improve their collaboration processes with other departments
- AI capabilities for legal work seen as a high priority topic by 33% of legal departments

Digital Budgets

- The number of legal departments without an established digital budget is decreasing
- 25% of legal departments received approval for larger digital budgets
- 39% of legal departments with increased digital budgets had to prepare a business plan/return-on-investment calculation

Outlook of corporate lawyers

- Nine out of ten legal departments use legal software solutions daily
- Over half of European legal teams use legal technology in 1%-20% of their everyday work
- Legal departments expect a substantial increase in the use of legal technology over the next five years

THE ONSET OF ESG PROJECTS AND CHALLENGES FOR LEGAL DEPARTMENTS

The effect of ESG priorities on digitalisation

- ESG-related acceleration of digitalisation projects has enabled such legal departments to identify (64%) and start (44%) additional digitalisation projects
- 22% of legal departments who have seen an acceleration in ESG-related digitalisation projects have received budget increases
- 48% of legal departments who have had to shift focus due to ESG projects have had to postpone planned digitalisation projects

The benefits of digitalisation to ESG projects

- 78% of legal departments consider properly digitalised legal departments to be at an advantage when managing ESG projects
- 95% of legal departments who have observed ESG to have an accelerating effect on their digitalisation goals, see properly digitalised legal departments to be at the forefront of the legal management of ESG projects

THE CHANGES THAT LEGAL DEPARTMENTS HAVE UNDERGONE DURING THE COVID-19 PANDEMIC

Internal changes

- Increase in remote working seen by 85% of legal departments
- 7 out of 10 legal departments in Europe have introduced flexible working hours
- Electronic signatures gained widespread use during the COVID-19 pandemic

Improvements in processes involving internal clients

- Document automation processes seen as improved in 57% of legal departments
- 45% legal departments now provide more proactive legal advice
- 40% of departments have introduced self-service modules internally

Improvements in processes involving external clients

- E-billing and legal spend management for collaboration seen significant changes during the COVID-19 pandemic by 35% and 36% of legal departments respectively
- Though no significant changes have been experienced by the majority of respondents, multiple elements have changed significantly for at least 30% of legal departments

INTRODUCTION & DEMOGRAPHICS

Working as a company lawyer has significantly changed in a short amount of time. Due to the COVID-19 pandemic, legal departments across Europe were thrust into remote working, where whole businesses had to go digital in just a matter of days or weeks. The profession, which has historically been rather traditional in terms of how legal departments operate, has had to embrace processes and approaches considered unthinkable just a few years ago.

While the legal profession has been undergoing a digital transformation over the last decade, the onset of the pandemic put the digital capabilities of legal departments directly to the test. Online collaboration processes, digital repositories and much more have seen widespread implementation within legal departments.

Legal Departments on the Move is a follow-up to our in-depth study Legal Departments in a Digital Era (2020), finalised just prior to the onset of the COVID-19 pandemic. The goal of the study is to present concise and contemporary reference material on digitalisation for legal departments, which company lawyers can draw on and use as a comparison tool for the advancement of their own legal departments. Due to the immense value that properly digitalised legal departments have to their businesses, the results from this study give a clear picture of how legal departments across Europe see themselves, what areas that they wish to improve on, and how corporate legal departments fared with the challenges brought on by digitalisation.

From mid-September to mid-November 2021, ECLA distributed a 13-question survey to its pan-European corporate lawyer audience. The goal was to have a diverse, yet proportionate rate of participants across Europe. This means that while there was no clear focus country, the study does provide a near-proportionate overview of the status of European corporate legal departments.

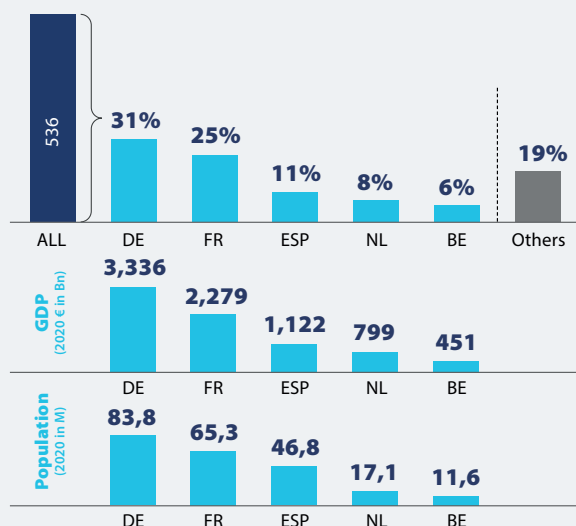
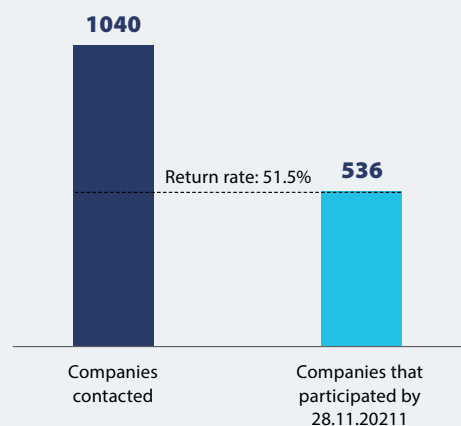
A total of 1,040 corporate lawyers were contacted for this study, with a total of 536 respondents ultimately taking part. The return rate of 51.5% can be attributed not only to how highly relevant the topic of digitalisation is within in-house legal circles but also because the survey, on average, took participants just seven minutes and seven seconds to complete.

31% of participants work for German legal departments. A further 25% are based in France, with another 11% in Spain, 8% in the Netherlands and 6% in Belgium. The remaining 19% of participants represented other European jurisdictions from countries including Italy, Sweden and Poland, among others.

The results of this survey are processed strictly anonymously, with no conclusions drawn on individual results. In addition, respondents were also given the option of participating in this survey anonymously. The majority of participants, however, did opt to include their contact details when filing out the survey. This has enabled us to conclude that 38% of the study participants were women and 62% were men who took the time to share their points of view.

536 PARTICIPATING COMPANIES, RETURN RATE OF 51,5%

Return rate / participation rate



CORNERSTONES OF LEGAL DEPARTMENTS SEEN AS NEEDING URGENT IMPROVEMENT

The first third of the study concerns the parts and processes within European corporate legal departments. This section provides clarity on what corporate lawyers place high value on within their own legal departments and what in their view needs urgent improvement to better the department and the business overall.

In addition, the digital budgets of corporate legal departments are highlighted, taking a look at whether the COVID-19 pandemic has influenced the digital budgets on a permanent basis and whether legal departments in Europe must work with return-on-investment calculations. The outlook for the in-house counsel profession is also presented, which is compared to the results of the same question asked just prior to the onset of the COVID-19 pandemic.

Participants were asked to identify the processes and parts of their current organisational structure that they believe require the most urgent improvement. Respondents could choose more than one option. The results give general insight into what European company lawyers see as needing urgent attention and essential for their work.

Over half of the respondents consider contract management (54%) as needing urgent improve-

ment within their departments. Contract management includes the processes related to the contract lifecycle, with the overarching goal of maximising the operational and financial capabilities of the organisation while limiting exposure to risk. A well-organised set up can ensure consistency in clauses across contracts, convenient accessibility to past invoices and agreements, and compliance with regulatory issues.

That over half of the European legal departments still identify a need for improvement in the organisation and management of their agreements and legal obligations could indicate certain trends, and can demonstrate how challenging the digitalisation process can be for an organisation.

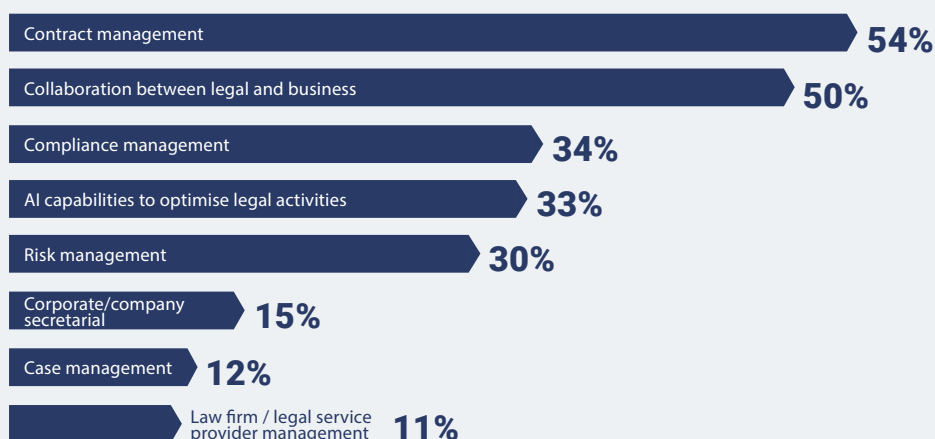
We asked company lawyers a similar question in Legal Departments in a Digital Era (2020), the precursor to this study. There, under Figure 2.1.1., participants across Europe were asked to identify the parts and processes within their departments that they were planning to improve or saw as requiring improvement, had they not already done so. At that time, 35% of respondents had already made improvements in contract management, with an additional 56% of respondents seeing the necessity to urgently make improvements within the next few years. Just 8% of respondents surveyed then

KEY FINDINGS:

- 54% of legal departments see contract management as needing urgent improvement, similar to the results surveyed prior to the COVID-19 pandemic
- One in two legal departments need to improve their collaboration processes with other departments
- AI capabilities for legal work seen as a high priority topic by 33% of legal departments

CONTRACT MANAGEMENT AND COLLABORATION WITH BUSINESS SEEN AS REQUIRING URGENT UPGRADE BY OVER HALF OF LEGAL DEPARTMENTS

What part of the current organisation and processes in your CLD would you improve most urgently?



did not see a necessity to improve. Thus, the proportion of legal departments who see the need to improve their contract management tools and processes has not significantly changed in the last two years.

The other area in which one out of two legal departments (50%) see the need for urgent improvement concerns collaboration between the legal department and other departments within the company. In contrast to contract management, for which improvement requires a systematic transformation of both the tools and the processes that the legal department uses, improvements regarding collaboration with internal clients require buy-in from other departments of the organisation as well.

When asked a similar question under Figure 2.1.1 in our previous study, 47% of respondents had already improved their collaboration capabilities, followed by 41% of company lawyers who saw the need to urgently improve within the next few years and another 12% who did not have any plans for improvement. This shows that there has been an increase of 10 percentage points regarding legal departments seeing the need for improvement in their collaboration possibilities.

Three other areas reached at least a threshold of one in every four legal departments: compliance management (34%), improving AI capabilities (33%), and risk management (30%). Both compliance management and risk management concern areas which are highly important for a considerable proportion of legal departments across Europe. Similarly to contract management tools and process-

es, it can be concluded that neither compliance management nor risk management have yet to mature in terms of how an organisation should set up such processes.

It is surprising to see almost a third of respondents consider AI capabilities aimed at optimising legal activities as in need of urgent improvement. As this is still a novel area, corporate lawyers could have considerable expectations on how artificial intelligence can transform their day-to-day tasks and processes. Numerous solutions have already entered the market over the last few years, providing legal departments with options to choose from and showcasing success stories.

Overall, the priorities for improving internal processes have not changed much over the last few years, even though the way in which company lawyers deliver high quality legal advice has changed significantly. Areas such as collaboration with other business units and contract management are still regarded as highly valuable within in-house legal circles. These elements continue to be viewed as high priority areas by corporate lawyers themselves, regardless of whether the business invests in these processes. The 10 percentage-point increase for improving collaboration processes could highlight the increased challenges that remote working has brought to legal departments during the COVID-19 pandemic.

“Improving collaboration with our internal stakeholders has been in focus for years and we have seen significant progress, leading especially to a more proactive approach.”

– Marius Van Haaren, General Counsel Benelux at L’Oréal

IMPROVEMENTS MOST URGENTLY NEEDED IN LEGAL DEPARTMENTS (2019)

What part of the current organisation and processes would you improve most urgently?

What do you plan to change in the next three years?

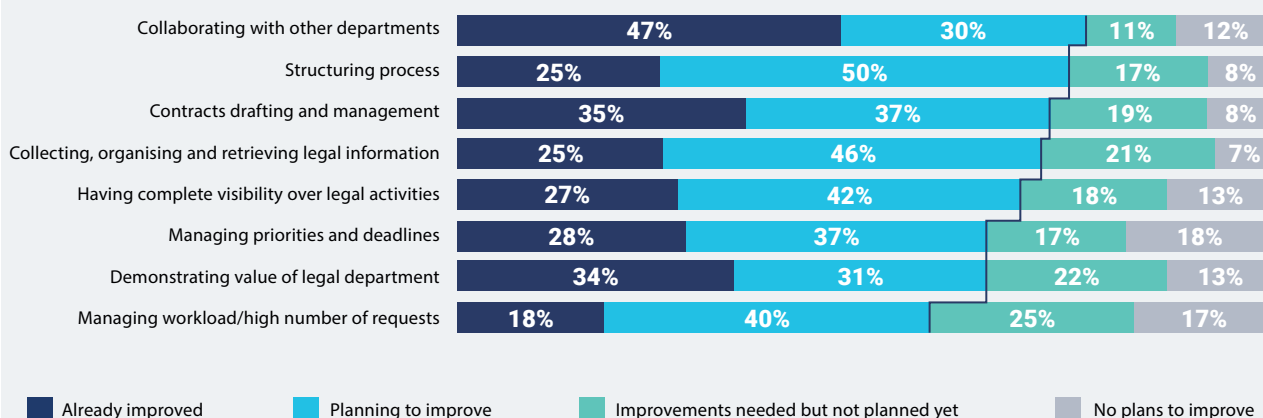


Figure 2.1.1., Legal Departments in a Digital Era (2020)

ONE IN FOUR PARTICIPANTS RECEIVED APPROVAL FOR A LARGER BUDGET FOR DIGITALISATION DUE TO COVID-19

The ongoing COVID-19 pandemic has transformed the ways in which corporate lawyers, like many other professions, can work efficiently and continue to be of value to their organisation. A look into how the effects of COVID-19 on the budgets for digitalisation of legal departments can provide insight into whether the pandemic has contributed to a permanent increase in budgets, rather than a temporary one.

A total of 25% of responding legal departments have received approval for larger digital budgets. A distinction must be drawn between this type of long-term approval and the ad hoc spending increases allocated during the initial response to the pandemic. It should be seen as a permanent increase in budgets approved by management. That almost one in four legal departments saw an increase in their digital budget is a significant

overall rise and could potentially be attributed to the fact that the ongoing COVID-19 pandemic has accelerated the digitalisation process in European corporate legal departments.

Of the 25% who did see an increase in their digital budgets, 21% have budgets below €25,000, 31% have budgets ranging between €25,000 to €100,000, 7% have budgets between €100,000 to €250,000, and 6% of legal departments have budgets above €250,000. 35% do not have a fixed digital budget, even though they can attest to the fact that the actual budget amount approved by management is higher than it was prior to the pandemic.

The proportion of legal departments with digital budgets across Europe has changed considerably since the start of the pandemic. In 2019, two out of three legal departments did not have a digital budget specified. The biggest increases have been

KEY FINDINGS:

- The number of legal departments without an established digital budget is decreasing
- 25% of legal departments received approval for larger digital budgets
- 39% of legal departments with increased digital budgets had to prepare a business plan/return-on-investment calculation

DIGITAL BUDGET

Has the pandemic contributed to a higher digital budget?

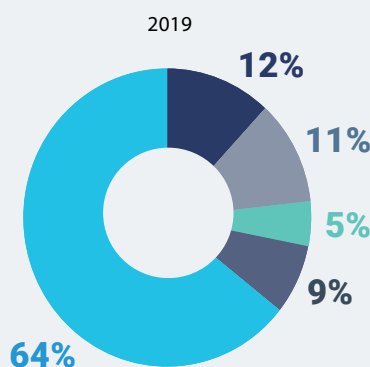
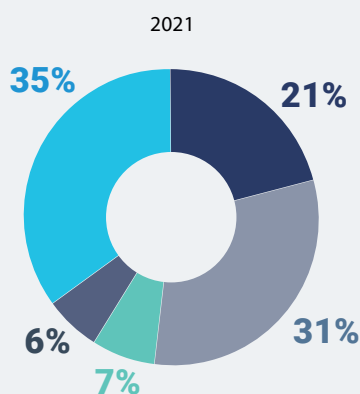


yes 25%



no 75%

What category does your digital budget belong to?
(answered in 2021 only by those who said YES in the previous question)



Legend

Less than €25,000
€25,000 – €100,000
€100,000 – €250,000
More than €250,000
No specific budget

for budgets less than €25,000 and budgets ranging between €25,000 to €100,000, with an increase of 8 percentage points and 19 percentage points, respectively.

For the legal departments that received approval for a budget increase during the pandemic, 34% had to prepare either a business plan or a return-on-investment calculation for their budgets. An additional 5% of respondents finalised the plan or calculation with external consultants. A total of 60% of legal departments that did receive an approved increase in budget did not have to prepare a plan or calculation for management.

A strong majority (73%) of European legal departments have not had to provide either business plans or return-on-investment calculations for their digital budgets. The usage of external consultants for such plans is rare in European companies with only 3% of all participants.

The most significant differences between the budgets for digitalisation surveyed in 2021 and 2019 concern the decreasing proportion of unspecified

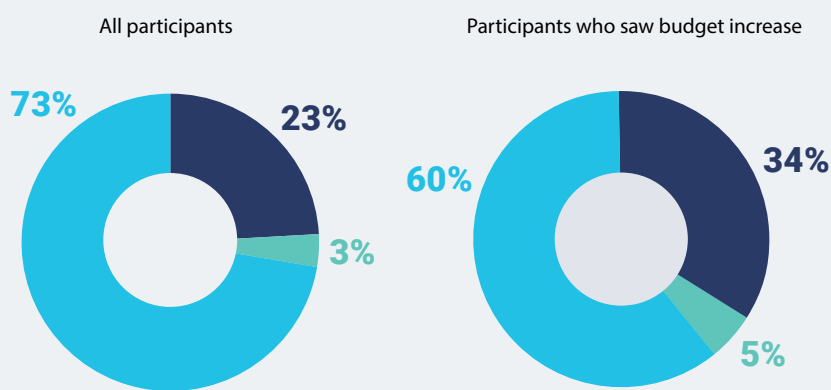
budgets and the increase of budgets ranging up to €100,000. Whereas two-thirds of all participating legal departments in 2019 did not have a specific budget for their digital transformation, the number has decreased to 35% for companies who did approve such higher budgets during the COVID-19 pandemic.

The decrease of unspecified budgets could be attributed to the fact that companies which have approved a higher digitalisation budget for their legal departments tend to have a budget already set prior to the approval. However, the increase of budgets up to €100,000 by 29 percentage points in under two years does demonstrate that when companies do consider and approve higher digitalisation budgets for their legal departments, such companies are willing to invest significantly to ensure the success of their digital transformation journey.

Whether the budget sizes for the digital transformation of corporate legal departments are temporary, pursuant to the global COVID-19 pandemic, or a start of a new general trend, remains to be seen.

THE VAST MAJORITY OF LEGAL DEPARTMENTS HAVE NOT HAD TO PREPARE A BUSINESS PLAN NOR A RETURN-ON-INVESTMENT FOR THEIR BUDGET

Did you have to prepare a business plan or a return-on-investment calculation for the digital budget?



Legend
 Yes and we did it by ourselves
 Yes and we did that with external consultants
 No

MOST LEGAL DEPARTMENTS USE LEGAL TECHNOLOGY REGULARLY

Participants were asked to assess the percentage of day-to-day work where legal software solutions currently play a role. This assessment was then contrasted with how participants expect the usage to shift over the next five years.

In 2021, nine out of ten legal departments are using legal software for at least some proportion of their everyday tasks. The highest proportion of company lawyers see legal technology playing a role in up to 20% of their daily work. Few legal teams use legal software in completing most of their routine work. Nevertheless, 3% of legal departments have managed to fully integrate legal technology in every aspect of their daily tasks. 10% of legal departments do not see the regular usage of legal software solutions.

There is a 5-percentage point increase of legal departments today who do not use legal software solutions compared to their assessment prior to the pandemic. However, this should rather be seen as legal departments gaining more understanding in the legal technology landscape and redefining what they consider to be legal software solutions, rather than opting to decrease their digital capabilities.

The expectations of company lawyers for how legal technology will influence work in five years is still op-

timistic. Though the expectation for legal technology to assist in most of the legal work has decreased in the last two years, company lawyers still expect legal software usage to increase. 35% of company lawyers think that legal software will be used in 41%-60% of daily tasks, with another 26% expecting a 21%-40% usage.

"The use of legal technology has significantly increased in recent years. However, the giant leap forward has yet to come."

– Nathalie Debeir, VP & Deputy General Counsel at Group Renault

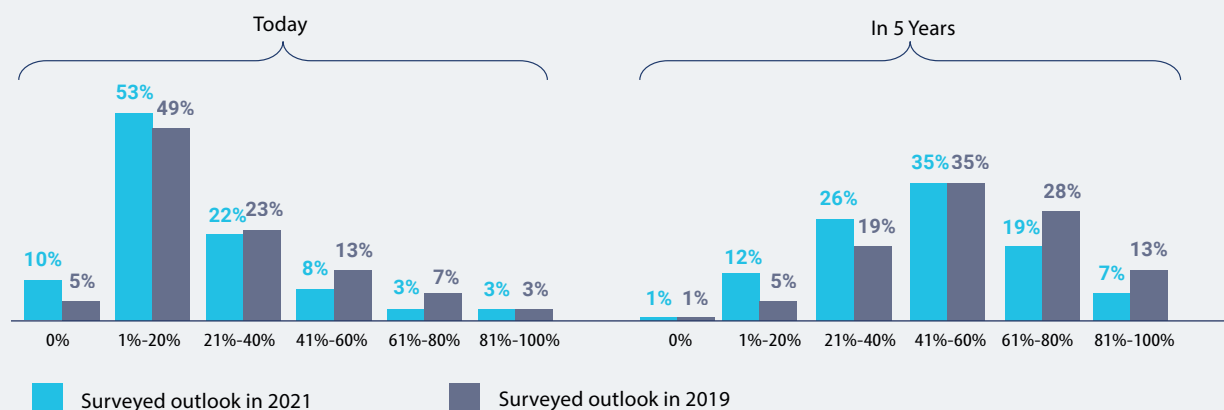
The difference between the expectations of corporate lawyers today and when asked the same question prior to the pandemic showcases a drop in the higher percentages of usage. The proportions of legal departments who expect legal software solutions to play a role in between over 61% of their everyday work has decreased, whereas responses expecting a usage between 21% to 60% has grown. That the role of legal software has not significantly changed over the last two years should be noteworthy, showcasing that the digital transformation process is slower than what company lawyers themselves expect.

KEY FINDINGS:

- Nine out of ten legal departments use legal software solutions daily
- Over half of European legal teams use legal technology in 1%-20% of their everyday work
- Legal departments expect a substantial increase in the use of legal technology over the next five years

LEGAL DEPARTMENTS HAVE A HIGHLY OPTIMISTIC OUTLOOK FOR THE FUTURE

What is the percentage of everyday work in your legal department where legal software solutions play a role today?
In your opinion, what will the percentage be in 5 years?



ESG HAS ACCELERATED THE RATE OF DIGITALISATION FOR A THIRD OF EUROPEAN LEGAL DEPARTMENTS

The second part of the study focuses on ESG and the impact that the onset of ESG-focused issues has had on legal departments, specifically as to whether it has impacted the ongoing digital strategies. Participants were asked to identify the extent that ESG projects have impacted the course of digitalisation within their departments. The choices respondents were given either implied acceleration, whereby ESG priorities have sped up the digitalisation process, deceleration, in which the additional legal challenges take the departmental focus away from digitalisation, or that ESG has not had an impact on digitalisation projects.

35% of legal departments have seen ESG strategies and projects further accelerate their digitalisation projects. Another 10% of participants have seen the opposite, as ESG prioritisation has shifted priorities and slowed down the overall digitalisation rate. 55% of respondents have not seen ESG having an impact on their ongoing digitalisation projects.

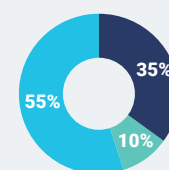
We asked participants to identify what effects the on-

set of ESG priorities specifically has had for the legal departments. For many legal departments that have experienced an accelerating effect, ESG has enabled additional digitalisation projects to be identified (64%) and started (44%). These are rather significant proportions and do show that when embraced, the overall digitalisation journey of a legal department can be headed by auxiliary legal challenges not related to digitalisation itself. This can also be seen by the fact that a fifth (22%) of respondents have seen their digital budgets increased.

When looking at the legal departments who have seen a decelerating effect, additional ESG projects can also shift priorities away from digitalisation. The main changes it has brought for such legal departments include the postponement of planned digitalisation projects (48%), downscaling (30%) and re-allocation of staff (23%). That only 23% of decelerating legal departments have decided to leverage on synergies does show that most of such legal teams do not see combining these projects as feasible.

IMPACT OF ESG ON DIGITALISATION

To what extent do ESG (Environment, Social & Governance) and sustainability projects impact the digitalisation in your legal departments?



Legend

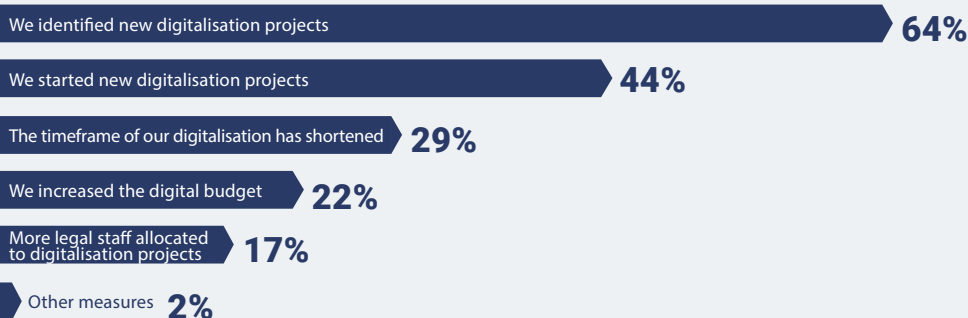
Accelerator – ESG strategies and projects have accelerated our digitalisation projects

Slow down – additional legal challenges around ESG have shifted our priorities away from digitalisation

No impact on existing digitalisation projects

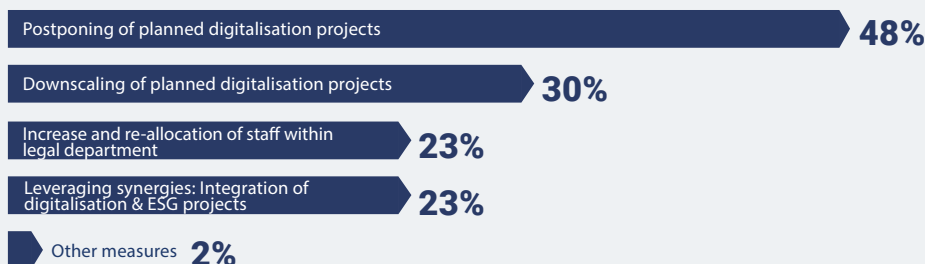
ESG AS AN ACCELERATOR FOR DIGITALISATION

To what extent do ESG (Environment, Social & Governance) and sustainability projects impact the digitalisation in your legal departments?



STRATEGIES TO COPE WITH ESG AND DIGITALISATION AT THE SAME TIME

Which strategies did you and your colleagues develop in order to cope with these new decelerating challenges to digitalisation projects?



KEY FINDINGS:

- ESG-related acceleration of digitalisation projects has enabled such legal departments to identify (64%) and start (44%) additional digitalisation projects
- 22% of legal departments who have seen an acceleration in ESG-related digitalisation projects have received budget increases
- 48% of legal departments who have had to shift focus due to ESG projects have had to postpone planned digitalisation projects

MOST LEGAL DEPARTMENTS SEE DIGITALISATION AS AN ADVANTAGE FOR REACHING ESG TARGETS

Another important aspect to consider is how corporate lawyers view digitalisation, specifically considering the ongoing challenges stemming from ESG-related projects. Participants were asked to voice their opinions on whether digitalised corporate legal departments will have an advantage over non-digitalised corporate legal departments when managing ESG projects. Though there is some notable variance when considering other factors, the general responses show an overwhelming trend: 78% of respondents see digitalised legal departments to be at the forefront of the legal management of ESG projects. In contrast, 22% of respondents do not see digitalisation as influencing their ability to achieve company-set ESG targets. This corresponds to the general outlook that properly digitalising a legal department does enable corporate lawyers to tackle incoming challenges better, whether it is related to ESG or something else entirely.

However, when looking at only the legal departments who saw ESG projects as accelerating their digitalisation projects within their units, the belief that digitalisation is an advantage is becoming even more apparent. 95% of legal departments experiencing acceleration see properly digitalised legal departments to be at the forefront of the management of ESG targets.

On the other hand, the position shifts notably when considering legal departments where ESG projects have had a decelerating effect. Where 66% of respondents see digitalised legal departments as having an advantage.

“A higher level of digital maturity will provide solid support to legal departments in the process of ESG transformation”

– Giuseppe Catalano, Company Secretary & Head of Corporate Affairs at Assicurazioni Generali

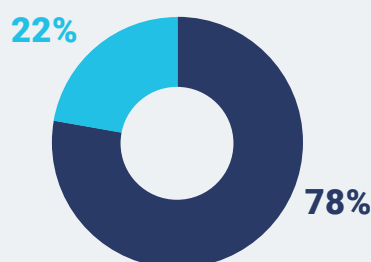
The discrepancy between legal departments experiencing acceleration and deceleration may be attributed to exposure and experience. Legal departments that have had more positive success stories with their digitalisation projects do see it as being beneficial, while legal departments that have had to postpone certain plans see it as less advantageous. Nevertheless, the fact remains that four legal departments out of five see digitalisation as having a positive impact on an area that has quickly become a focal topic across Europe. One could conclude that corporate lawyers are, at least in theory, open to revamping their internal processes and increasing the digitalisation of their routines to increase efficiency.

KEY FINDINGS:

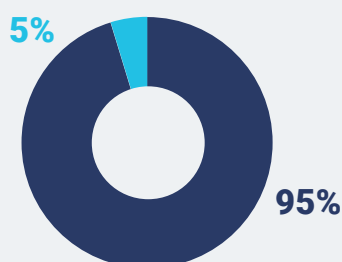
- 78% of legal departments consider properly digitalised legal departments to be at an advantage when managing ESG projects
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FOUR IN FIVE CLDS SEE DIGITALISATION AS A GAME-CHANGER IN MANAGING ESG PROJECTS IN EUROPEAN COMPANIES

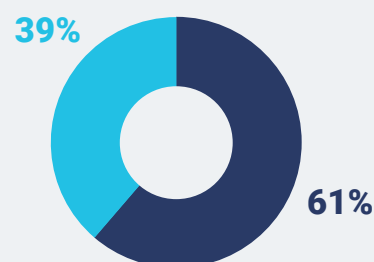
Do digitalised corporate legal departments have an advantage over non-digitalised departments when managing ESG projects?



Do digitalised corporate legal departments have an advantage over non-digitalised departments when managing ESG projects? (Legal departments who answered “Accelerator”)



Do digitalised corporate legal departments have an advantage over non-digitalised departments when managing ESG projects? (Legal departments who answered “Slow down”)



Legend

YES – Properly digitalised legal departments will be at the forefront of legal management of ESG projects
NO – The state of digitalisation does not have any effect on the legal management of ESG targets

COVID-19 SIGNIFICANTLY NORMALISED FLEXIBLE WORKING

Participants were asked to identify how the ongoing COVID-19 pandemic has impacted their daily work. With regards to their own internal processes, much has changed. 85% of legal departments

“The real impact of the Covid-19 pandemic is this new challenge: How to stay engaged with your team and other colleagues when working remotely.”

– Nicolas Pourbaix, Legal Director at Amgen

have seen higher acceptance for remote working. In a similar context, 68% of respondents have seen increased flexibility with regards to their working hours. Though this is directly attributable to gov-

ernmental mandates and necessary adaptations during the pandemic, it will certainly be interesting to see whether flexible working policies are sustainable for company lawyers.

71% of European legal departments have also seen wider use of electronic signatures. Half (51%) of legal departments have also seen the introduction of corporate e-meetings and e-voting as a significant change within their department.

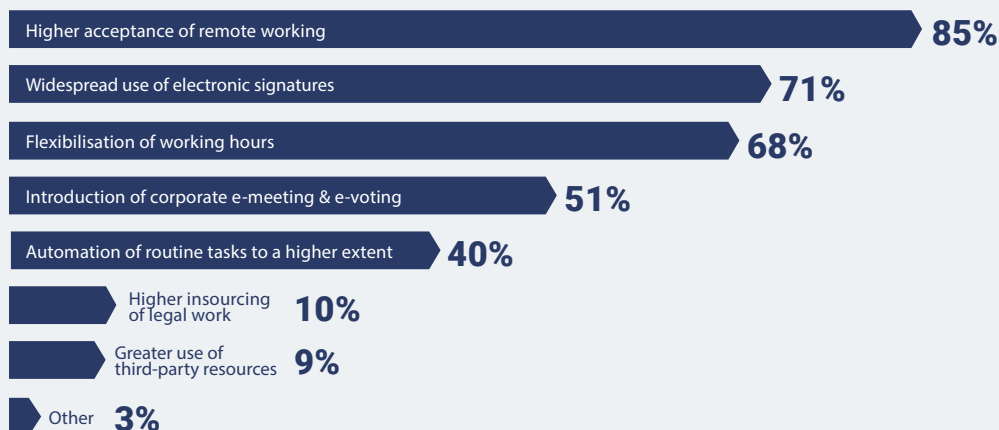
Two out of five legal departments have also seen a higher rate of automation of routine tasks within their departments. This should be seen as a one-way-street, meaning that legal departments who have successfully automated certain tasks within their legal teams will only seek to improve these processes even further.

KEY FINDINGS:

- Increase in remote working seen by 85% of legal departments
- 7 out of 10 legal departments in Europe have introduced flexible working hours
- Electronic signatures gained widespread use during the COVID-19 pandemic

MOST CLDS HAVE TRANSFORMED THEIR APPROACH TO REMOTE WORKING AND FLEXIBLE WORKING HOURS, ELECTRONIC SIGNATURES ARE ON THE MOVE

Impact of the COVID-19 pandemic: What has significantly changed regarding the internal processes in the legal department?



LEGAL DEPARTMENTS ARE BECOMING MORE PROACTIVE

In addition to the internal processes of legal departments, respondents have also experienced changes with how they work with other business units. Notably, 57% of respondents have seen an increase in their document automation processes. As document generation is a process done regularly by most legal departments across Europe, seeing such widespread adoption, whether it be contract templates, invoice generation, or other similar processes, is a positive sign that legal departments in general are moving towards becoming more digitalised.

Furthermore, several solutions have been introduced – 40% of legal departments have started to introduce self-service modules for their internal clients. In addition, 20% of legal departments have set up a process whereby legal advice can be accessed remotely by other business units.

This should be seen as a significant shift from the way that legal departments operated prior to the

“Covid-19 has certainly acted as a catalyst for legal departments to further embrace digital workflows, especially with regard to communication and processes within the business”

– Mark Cockerill, VP, Legal – EMEA and Head of Global Privacy at ServiceNow

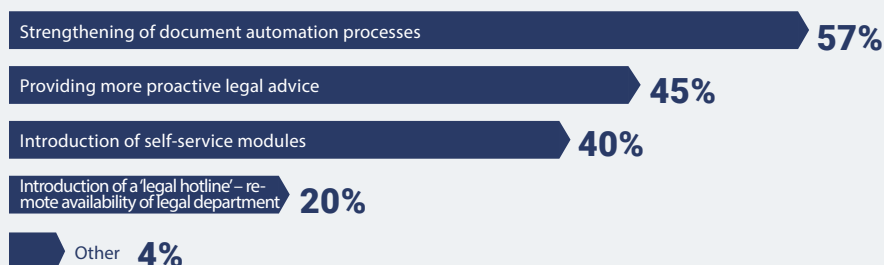
COVID-19 pandemic. That two out of five legal departments are functioning on a more proactive basis and that the same proportion of legal departments have introduced modules that the business can refer to when dealing with general legal questions specific to the company highlights how the traditionally reactive profession is shifting. Similarly, one in five legal departments have set up remote legal access, which further showcases the changing nature of corporate legal teams.

KEY LEARNINGS:

- Document automation processes seen as improved in 57% of legal departments
- 45% legal departments now provide more proactive legal advice
- 40% of departments have introduced self-service modules internally

DOCUMENT AUTOMATION PROCESSES SEEN AS ESSENTIAL BY OVER HALF OF LEGAL DEPARTMENTS

Impact of the COVID-19 pandemic: What has significantly changed regarding collaboration with internal clients?



IMPROVEMENTS IN COLLABORATING WITH EXTERNAL LAW FIRMS FOLLOW INDIVIDUAL APPROACHES

Furthermore, the participants elaborated on how the global Covid-19 pandemic affected the collaboration between inhouse legal departments and external law firms. In this regard, there has not been a specific aspect that European legal departments have universally sought to improve upon, given that no option provided reached a higher statistical relevance than one third. Nevertheless, it would be an understatement to say that the pandemic did not affect the operational side of in-house counsel and their external advisors.

Those participants who have seen changes due to the global development of the last 21 months report that they have seen their legal spend management better optimized in recent months – 36% of all participating in-house colleagues chose this answer. On a similar level, 35% of respondents increased the utilization of e-billing solutions in their corporate legal departments.

Another significant change most probably occurred due to work-from-home policies: 31% of corporate

legal departments across Europe have also seen a higher usage of various document collaboration software solutions, with another 30% of participants reporting an increase in the compatibility of their technological solutions and systems designed for data exchange and retention. Still, 25% of legal departments have also seen an increase of automation with regards to their legal processes.

The low variance in the results does entail that when necessary, corporate legal departments have sought to specifically improve upon deficiencies that they have experienced when collaborating with external law firms - unique to every legal team. It also means that there has not been a unanimous deficiency that legal teams have had to focus on in Europe.

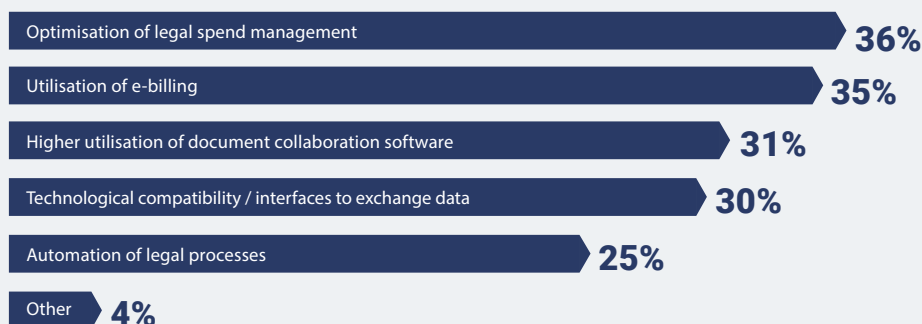
The lack of a common choice deemed necessary to change does also show how collaboration with external law firms is tailored for the specific legal department. As such collaboration requires an excellent rapport, it is reassuring to see the lack of any fundamental deficiencies.

KEY FINDINGS:

- E-billing and legal spend management for collaboration seen significant changes during the COVID-19 pandemic by 35% and 36% of legal departments respectively
- Though no significant changes have been experienced by the majority of respondents, multiple elements have changed significantly for at least 30% of legal departments

E-BILLING AND LEGAL SPEND MANAGEMENT ARE IN FOCUS FOR CLDS AS IS TECHNICAL COMPATIBILITY AND COLLABORATION

Impact of the COVID-19 pandemic: What has significantly changed regarding external law firms?



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