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 **Applied Discovery**



**2013 General Counsel
Data Survey** Facts & Analysis

INTRODUCTION

2013 General Counsel Data Survey

During the first half of 2013, Fortune 1000 general counsel faced a variety of imposing tasks. From managing an uptick in M&A activity to IP protection and monetization to anticipating and preparing for the continued evolution of labor and employment law in Obama's second term, there was certainly no shortage of work to go around. The legal landscape continues to change in new and complex ways, and today's General Counsel must not only stay informed but navigate their organizations through a churning sea of risk while supporting financial growth.

This survey, presented in partnership with Applied Discovery, Inc., was developed in connection with an invitation-only event hosted by Consero Group in San Diego, CA in May 2013 for a group of Fortune 1000 General Counsel who gathered to learn and share best practices. While the survey was limited to 52 participants, the answers provide some useful benchmarking data, as well as insight into the perspective and concerns of this group of senior in-house lawyers.

Survey Structure And Methodology

Consero's 2013 General Counsel Data Survey comprised a total of 8 questions in the following areas:

- Cyber Security
- Social Media
- Outside Counsel
- Succession Planning

The questions were posed to all Fortune 1000 General Counsel in attendance at Consero's invitation-only May 2013 General Counsel Forum. A total of 52 responses were provided, which appear with some analysis on the pages that follow.

CYBER SECURITY

In 2013, the topic of cyber security seems to have received as much attention as any other, and for good reason. Compromises of corporate data can have disastrous effects, from the disruption of critical business activities to the theft of intellectual property—not to mention the embarrassing disclosure of sensitive client and employee information. Unfortunately, nearly a third of the survey participants acknowledged having experienced a corporate cyber breach over the last year.

In a positive sign, over three quarters of the participants indicated that their companies are prepared to defend against cyber attacks, and a slightly smaller percentage believed their companies to be sufficiently prepared to stop intellectual property theft. However, until those percentages reach 100%, there is clearly more work to be done in these areas.

Figure 1: Has Your Company Experienced A Cyber Security Breach In The Last 12 Months?

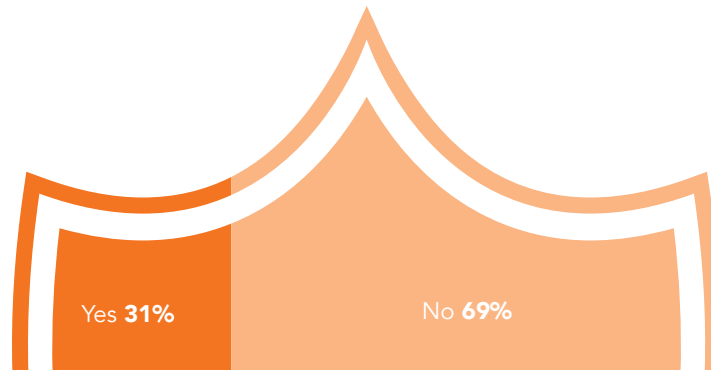
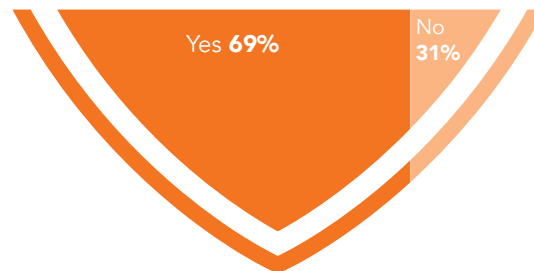


Figure 2: Is Your Company Prepared For Cyber Attacks?



Figure 3: Is Your Company Prepared To Defend Against Intellectual Property Theft?

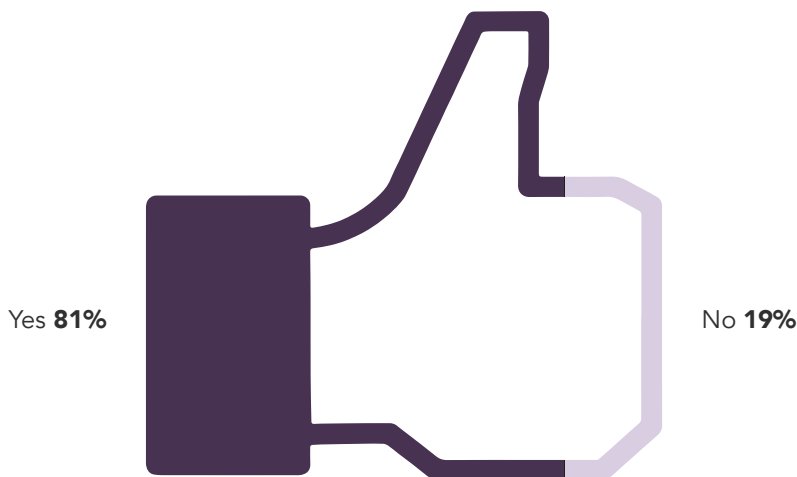


SOCIAL MEDIA

As global use of social media platforms like Facebook, LinkedIn, and Twitter continue to rise, the need for corporate policies that govern corporate treatment of social media in the workplace has become increasingly important. General Counsel must provide guidance to their companies regarding a wide array of issues relating to the use of social media, including the extent to which Human Resources may use social media to investigate candidates, the kinds of information that the company may disclose without running afoul of securities rules, the limitations that the company may place on employee postings, and much more.

The most common method for addressing these complex issues proactively is through the use of a social media policy. While still a relatively new phenomenon in the corporate community, these policies have given General Counsel a useful framework for handling social media. However, because the social media landscape continues to evolve, requiring continuous tinkering with corporate social media rules, it is hard to imagine that any social media policy is perfect. Fortunately, the vast majority of General Counsel are satisfied with their companies' social media policies.

Figure 4: Are You Satisfied With Your Company's Social Media Policy?



OUTSIDE COUNSEL

Over the years, General Counsel have become increasingly focused on obtaining more value from their outside counsel. From scrutinizing bills to restricting the kinds of work performed by law firms to employing alternative-fee arrangements, today's General Counsel are more focused on outside legal spend than ever before. But despite having worked diligently to optimize legal spend, chief legal officers remain under substantial pressure to reduce legal expense. It is therefore no surprise that most of the surveyed General Counsel believe that the rates they pay to outside counsel are too high. A majority of the survey participants also noted that they currently use alternative-fee arrangements with outside counsel, and that they plan to increase their use of such arrangements over the next 12 months.

Figure 5: Are You Satisfied With Your Outside Counsel Rates?



Figure 6: Are You Currently Using Alternative-Fee Arrangements For Outside Legal Work?



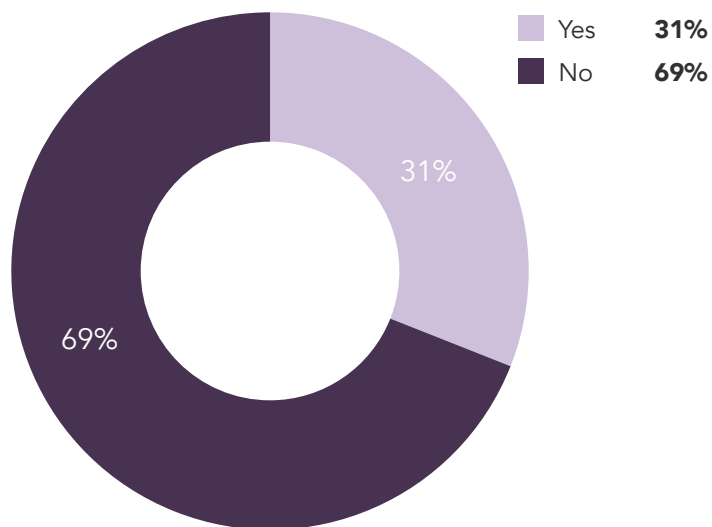
Figure 7: Do You Plan To Increase, Decrease, Or Leave Unchanged Your Use Of Alternative-Fee Arrangements Over The Next 12 Months?



SUCCESSION PLANNING

The role of the General Counsel in corporate America has grown increasingly important over time. In contrast to those of the past, today's typical Fortune 1000 General Counsel serves not only as the company's in-house legal expert, but as a trusted partner of the CEO and the Board in developing and executing corporate strategy. As the General Counsel has become more critical to the business, so has the need for proper succession planning in the legal function. However, less than a third of the survey participants indicated that they had identified a successor General Counsel, which seems to be an area warranting greater attention in the future.

Figure 8: Have You Identified A Successor?



CONCLUSION

Today's General Counsel is right in the thick of virtually every newsworthy topic facing today's large corporations. From risks to corporate data to the challenges posed by social media, General Counsel are being called upon to steer their businesses through murkier waters than ever before. But with the efficient use of outside counsel and an eye toward ensuring continuity of internal legal guidance, the General Counsel can help to protect the company, as well as fuel growth with steady contributions to corporate strategy.



How Is Consero Different From Other Conference Companies?

Branded as the anti-conference company¹, Consero's model is a vast improvement over the traditional model for conferences and trade shows in several important ways.

Exclusivity, Intimacy, and Commonality. Consero puts its executives first. Unlike other conferences, a Consero Forum brings together executives with common levels of experience and seniority, as well as similar business challenges. This ensures optimal networking and collaborate development of best business practices.

Original Content and Thought Leadership. Consero views its events as a means to an end – solving business problems. Consero prides itself on generating exceptional, original content that contributes to practical discourse, yielding impactful takeaways that help participants to improve their own performance, as well as that of their departments and organizations. By permitting its programs to evolve until the Forum takes place, Consero can integrate the most current significant developments—e.g., a late-breaking Supreme Court decision impacting antitrust law—into the solutions that emerge from the Forum. This focus on world-class content is an important differentiator for Consero.

What Problems Does Consero Solve?

Today's senior executives are busier than ever and inundated with information, too little of which addresses their specific current needs. Consero brings together those senior executives so that they can learn from one another in an efficient, exclusive format, and build relationships that facilitate ongoing post-Forum dialogue. One of the primary components of a Consero Forum's substantive program is its KnowledgeBridges™, 10- to 15-person roundtable discussions on specific topics of interest that relate to common business challenges. During these highly interactive discussions, each moderated by an industry expert, executives share ideas and address particularly difficult problems with their counterparts in the room. There is no substitute for this kind of professional learning.

In addition to superior educational opportunities, Consero Forums expose senior executives to participant-requested and Consero-vetted industry solution providers that offer innovative enterprise solutions to business issues identified by the executives themselves. Consero's highly selective criteria for solution providers and insistence that those companies send their own executives (not salespeople) ensures that Consero executives are constantly educating themselves about world-class solutions that can improve their business.

¹ Gonsalves, Antone. "Consero Takes Aim at Bored C-Suiters with Its 'Anti-Conferences.'" *Bloomberg*. Jan. 28, 2011. <www.bloomberg.com/news/2011-01-28/consero-takes-aim-at-bored-c-suiters-with-its-anti-conferences-.html> Jan. 28, 2011.



Who is Applied Discovery?

Through the market-leading combination of experience, expertise, and quality, Applied Discovery® delivers outstanding value on investigations, disputes and discovery projects of all types and sizes. Our comprehensive offerings include global data breach, incident response, computer forensics, collection, early case assessment (ECA), data analysis, data analytics, processing, hosting, production, and managed review services for law firms, corporations, and government agencies.

Throughout the organization, Applied Discovery professionals are industry pioneers with the highest levels of experience and expertise. Clients leverage our world-class infrastructure and long history of superior project management, support, and responsiveness to ensure success in any matter. Since 1998, we have worked on thousands of cases, serving more than 500 clients.

Applied Discovery is an industry leader and member of leading discovery organizations, including the Electronic Discovery Reference Model (EDRM), The Sedona Conference, and the Text Retrieval Conference (TREC). The company is the Association of Corporate Counsel's exclusive Alliance Partner for discovery services and publishes an unmatched number of substantive resources on a regular basis, including the Black Letter Book, monthly case summary alerts, and weekly industry snapshots.

Applied Discovery was founded in 1998 and is headquartered in Bellevue, Washington.

Opportunities To Participate at Future Consero Forums may be available on a limited basis. Please contact our team for additional information.

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