



General Counsel Report from FTI Consulting and Relativity Finds Resounding Agreement Over Mounting Risk, Demand and Pressure

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In-Depth Survey Uncovers How Global Uncertainties, Economic Turbulence, Technology Advancements, Regulation and ESG Requirements Will Impact In-House Counsel in 2023

WASHINGTON, Dec. 06, 2022 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE: FCN) today announced findings from its [Technology](#) segment's annual study of corporate legal departments, in partnership with global legal and compliance technology company [Relativity](#). Based on a detailed survey and one-on-one interviews between Ari Kaplan and chief legal officers at large corporations, [The General Counsel Report 2023: Global Legal Departments Alleviate and Respond to Critical Pressure Points](#) revealed that dozens of new and escalating issues are placing increased risk and demand on legal departments. In a series of three installments, the report will cover key areas, including the current risk, demand and uncertainty paradox, the evolution of legal departments as a hub for environmental, social and governance ("ESG") and diversity, and how automation and specialization are impacting general counsel success.

The findings of the study made clear that the strain upon corporate legal departments has not abated. Of the general counsel and chief legal officers surveyed this year, 79% reported increased risk and demand, compared to 60% in the previous year's study. Among those, 100% reported overall concerns and strains on capacity have been amplified across seven unique areas, including ESG, business strategy, risk management, crisis and breach incident response, data privacy and compliance monitoring. Respondents also reported increases in numerous types of matters that fall on the legal department, including fraud, misconduct, data privacy violations, class action litigation, contract management demands, internal investigations and more. Only 7% of respondents indicated they did not see increases in any of the areas listed.

"Many chief legal officers are experiencing the most turbulent period of their entire careers," said [Sophie Ross](#), Global Chief Executive Officer of FTI Technology. "While it's not surprising that legal departments are feeling increased pressure given the current climate, what stands out in this year's General Counsel Report is just how universal their challenges have become. While even a year ago legal departments would have reported increased demand over a varied and diverse array of risk areas, today we're seeing unanimity across many categories. At the same time, new, unprecedented issues are emerging. It's our intention that the detailed insights in this year's study will provide legal departments with a springboard for engaging in conversation with their peers and finding ways to alleviate the most intense pressure points."

Key findings covered in Part 1 include:

- 40% or more of respondents cited regulatory change, compliance, data protection and global and/or geopolitical uncertainty as their top risk areas.
- In ranking their top five risks, 33% of respondents listed data protection first, 23% said regulatory compliance is at the top of the list and 20% selected data privacy first.
- 57% of respondents included ESG issues among their top five risks, and 53% placed information and data governance in their top five.
- New regulations that require policy refreshes and additional headcount were reported as an area of rising challenge for 60% of respondents.
- 57% of respondents said they are concerned about the impact of unsanctioned uses of emerging data sources within their organization, which was a 10% increase from the 2022 report. One respondent said, "There are an increasing number of sources of data, and in a remote environment, it is harder to understand where those sources are...It is very hard to understand the governance about what you control and how to contain all of your data."
- Feelings of preparedness to handle risks relating to data privacy and cybersecurity increased from the prior year, with weighted averages on a scale of one (not prepared at all) to five (very prepared) rising from 3.27 to 3.43 and 2.59 to 3.37, respectively. Preparedness for risks relating to emerging data sources decreased slightly, from 2.9 in the 2022 report to 2.73 in the current survey.
- Respondents also indicated they feel reasonably prepared for increased volumes in litigation and investigations (weighted average of 3.93), but few expressed confidence that their organizations are "very prepared" in any of the critical categories.
- 73% of respondents said that risks relating to AI and other advanced tools, including the use of unsanctioned AI-based applications, are key threats for which most organizations are not prepared, with almost three-quarters of the participants rating it at a one or two out of five.

"Concern about regulatory risk and ESG issues may be the biggest takeaway from our fourth annual edition of the *General Counsel Report*," said David Horrihan, Discovery Counsel and Legal Education Director at Relativity. "Granted, regulatory risk was the second largest concern, and only 57% of the chief legal officers interviewed listed ESG in their top five risks. However, when we consider that regulatory risk often didn't rank at all in previous reports and that, a couple of years ago, most had never heard of ESG, these issues being top of mind is a significant development."

Part 1 of *The General Counsel Report 2023: Global Legal Departments Alleviate and Respond to Critical Pressure Points* is available for download [here](#), and the findings will be discussed during a joint webcast on January 17, 2023. Speakers include FTI Technology Senior Managing Director Wendy King, Mr. Horrihan and Mr. Kaplan. Free registration is available [here](#). Part 2 and Part 3 of the report will be released in early 2023.

Demographics and Methodology

From August 22, 2022 through September 7, 2022, Ari Kaplan personally interviewed 30 leaders serving as the general counsel or chief legal officer of their organizations. Forty percent work in organizations with more than \$1 billion in annual revenue and 60% work for companies with more than 1,000 employees.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 7,500 employees located in 31 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$2.78 billion in revenues during fiscal year 2021. In certain jurisdictions, FTI Consulting's services are provided through distinct legal entities that are separately capitalized and independently managed. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

About Relativity

[Relativity](#) makes software to help users organize data, discover the truth and act on it. Its SaaS product [RelativityOne](#) manages large volumes of data and quickly identifies key issues during litigation and internal investigations. The AI-powered communication surveillance product, [Relativity Trace](#) proactively detects regulatory misconduct like insider trading, collusion and other non-compliant behavior. Relativity has more than 300,000 users in approximately 40 countries serving thousands of organizations globally primarily in legal, financial services and government sectors, including the U.S. Department of Justice and 198 of the Am Law 200. Relativity has been named one of Chicago's Top Workplaces by the Chicago Tribune for 12 consecutive years. Please contact Relativity at sales@relativity.com or visit <http://www.relativity.com> for more information.

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