

Study Finds More than Two-Thirds of Legal Department Leaders Seek Advanced Technology Solutions to Alleviate Capacity Demands

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Part Three of The General Counsel Report from FTI Consulting and Relativity Reveal Trends in In-House Counsel Management of People, Providers and Automation

WASHINGTON, March 16, 2023 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE: FCN) today announced additional findings from its <u>Technology</u> segment's annual study of corporate legal departments, in partnership with global legal technology company <u>Relativity</u>. Based on a detailed survey and one-on-one interviews between Ari Kaplan and chief legal officers at large corporations, Part Three of *The General Counsel Report 2023: Global Legal Departments Alleviate and Respond to Critical Pressure Points* revealed that legal department leaders are grappling with a delicate balancing act of boosting output while keeping budgets conservative, which has led many to accept flexibility as a vital ingredient to their success.

As discussed in Part One of The General Counsel Report 2023, the vast majority of respondents conveyed that their legal departments are experiencing a strain on capacity, resources and budgets, often as a result of the growth that their organizations have driven over the past two years. Today, a requirement to continually adapt is manifesting in the legal department across adoption of advanced technology, employee engagement, compensation frameworks and outsourcing decisions. More than two-thirds (67%) of respondents said their organizations have specifically evaluated the role of automation and advanced technology in enabling a higher standard of professional quality of life, alleviating capacity demands and increasing talent retention.

"Chief legal officers have become incredibly agile in how they navigate a rising tide of risks, demands, resource constraints and team needs," said Sophie Ross, Global Chief Executive Officer of FTI Technology. "Notably, as they look to increase productivity without burning out their department, general counsel are more open than ever before to automation and advanced technology solutions that can reduce the burden of time intensive tasks. At the same time, most in-house counsel are incorporating a mix of solutions alongside technology, including appointing internal specialists across their department and maintaining strong relationships with trusted outside counsel and other service providers."

Key findings covered in Part 3 include:

- Nearly half (47%) said they are hiring specialists within the legal department to support specific efforts and needs, while 20% are hiring generalists.
- 60% of respondents also listed reliance on law firms, as well as reliance on other outside providers, as among their top strategies for managing risk and capacity constraints.
- A notable portion of the current workload allocation within legal departments skews toward contracting, with one-third of
 participants reporting they spend at least 40% of their time in this area, while half spend more than 30% of their time on
 contract-related work.
- Despite that current legal department adoption of artificial intelligence remains flat only 20% reported they are currently using AI, a slight decline from previous years 57% said they expect to increase their use of AI.
- 45% advised that their organizations, and their legal departments specifically, have experienced new challenges associated with remote work, including 30% who said prolonged remote and hybrid work have directly influenced how they address their regulatory compliance and data privacy risks.

David Horrigan, Discovery Counsel and Legal Education Director at Relativity added, "The COVID-19 pandemic may have come to an end for many around the globe, but the research contained in Part 3 of *The General Counsel Report 2023* indicates workplace changes resulting from the pandemic have had a continuing impact on corporate legal departments. In recent years, *The General Counsel Report* has provided a barometer of the COVID effect on corporate counsel, and some of these trends continue in this year's report, including in personnel matters, with chief legal officers noting challenges in retaining employees and meeting compliance obligations with a remote workforce, while, at the same time, finding hiring advantages in the flexibility of a remote and hybrid team."

The complete edition of *The General Counsel Report 2023*, including Part 3, is available here.

Demographics and Methodology

From Aug. 22, 2022 through Sept. 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 7,600 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 \$3.0 billion in revenues during fiscal year 2022. 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. 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. Please contact Relativity at sales@relativity.com or visit www.relativity.com for more information.

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