

FUTURE SEATS AT THE TABLE RESERVED FOR BUSINESS SAVVY GCS WITH SOFT SKILLS

► **An inside look at FTI Technology and Ari Kaplan Advisors' recent survey of chief legal officers about the future of the legal industry.**

The legal industry is at a crossroads in 2020. Advanced analytics and machine learning are growing more commonplace within legal work. New privacy regulations are causing organizations to rethink their approach to enterprise data and customer relationships. Certain legal functions are growing more commoditized. And law school admissions, while up slightly in 2019, remain historically low.

Against this backdrop, FTI Technology and Relativity partnered with Ari Kaplan Advisors to survey chief legal officers about the future of the legal industry and the skills and expertise needed for the next generation of lawyers. To understand their perspectives, Ari Kaplan personally interviewed 32 general counsel from corporations of all sizes. The results indicate an industry in transition across four key areas: the evolving role of in-house counsel, risk factors and how the modern legal department is addressing them, technology and innovation in law, and advice that general counsel have for law firms and future lawyers.

1. The Evolving Role of In-House Counsel

From the inherent dangers of a bring-your-own-device mobile workforce to the frequent headlines about data breaches, risk is ubiquitous in today's business environment. According to 97 percent of respondents, the role of today's general counsel is to help companies navigate these daily calculations about risk and business strategy – a dramatic shift and expansion of their responsibilities.

As the general counsel's role has evolved, law departments have become much less binary, with

respondents emphasizing that they are less likely to summarily reject a request or idea than they used to be. No longer is legal “The Department of No.” The expectation now is that legal is an innovative unit that helps the company creatively solve problems and achieve objectives.

2. Risk Factors and How the Modern Legal Department Is Addressing Them

As risk has grown, compliance has become increasingly important, and this is a key area where legal can show quantifiable business value. Regulatory penalties are costly, and reputational damage can have dire long-term consequences. Fortunately, demonstrating compliance – especially around data privacy – can earn customer loyalty.

More than half of respondents reported that data privacy regulations and compliance pose the greatest enterprise risks today, and two-thirds reported changing their data privacy policies to comply with the General Data Protection Regulation. For many, their organizations had an “important wake-up call” in the form of an internal or external breach, leading to formal, substantive plans and additional investments in privacy compliance.

3. Technology and Innovation in Law

Like other business departments, legal is embracing cloud-based apps, with 75 percent of respondents reporting the use of service-as-a-



Ari Kaplan, founder Ari Kaplan Advisors, is a leading industry analyst and the principal researcher for a variety of widely distributed benchmarking reports. He often speaks with students and professionals on how they can leverage technology and distinguish themselves in the downturn.



software tools for legal work. From contracts and e-discovery to case management, general counsel view best-of-breed applications as a cost-effective means of remaining agile.

Growing data volumes impact many legal functions beyond e-discovery, which may be why 44 percent of respondents reported that they are using or planning to leverage artificial intelligence for other functions as well, such as reviewing and managing contracts.

4. Advice From General Counsel to Law Firms and Future Lawyers

From technical skills to thoughts on the value that working at a large law firm can provide, respondents shared a lot of practical advice for current law students. For some, the legal profession is “a calling,” albeit a highly competitive one at which some do not succeed. Most advised law students to gain a broad set of technical and soft skills, develop an appreciation for how businesses work, and research all of the career options available to them after law school, from large and small law firms to corporate and government work.

When it comes to working with outside law firms, general counsel report that their legal departments want practical advice, better communication and lower fees – but most of all, they want these law firms to know what they and their companies value most, and to focus on delivering exactly that.

What Lies Ahead

This is a period of transition for the legal industry and especially for the role of general counsel. As the position grows in stature, so do expectations, which includes broadening responsibilities to encompass more of a business-strategist role, adopting emerging technology and innovation to combat growing external threats, and running a legal team with a service-oriented approach. Successful general counsel of the future will need a wide array of practical business experience and soft skills in order to keep a seat at the table and help companies navigate an increasingly complex global environment.

Read the entire General Counsel Report
<https://bit.ly/2WuBXyj>. ■