The Seventh Annual General Counsel Report

Spotlight on Legal Data Intelligence and Governance Necessities

A White Paper from FTI Technology and Relativity

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Spotlight on Legal Data Intelligence and Governance Necessities

General counsel recognise the significance of data-related risks to their organisations. For some, mitigating these risks is a necessity to maintaining the health of their business. In spite of, or perhaps because of data's critical role, many general counsel lack confidence in their organisation's overall information governance and data management maturity. When asked to rate the sophistication of their company's data practices on a scale of one (insufficient) to five (sophisticated), 60% provided a rating of three or lower. Only 10% said their programs were sophisticated.

In its seventh consecutive year, The General Counsel Report continues to explore the ongoing evolution of how in-house counsel are being shaped by changes in policy, society and technology. FTI Technology and Relativity engaged Ari Kaplan Advisors to conduct the annual study of in-house legal department trends, challenges and best practices for 2026. Chief legal officers from a range of industries were interviewed about their roles. Participants include legal department leaders in the U.S., Latin America, the U.K., Europe and Asia Pacific.

Parts 1 and 2 of the report provided a comprehensive look at the current state of global corporate legal functions and year-over-year analysis of developing trends, including how corporate legal departments have become less reactive to external forces, technology adoption, and the role technology plays in addressing the challenges of the moment.

This supplement examines five insights from the portions of the survey that covered legal data intelligence and information governance, to shed light on how legal department leaders are addressing digital risk in the current environment.

1. General counsel focus on governance and outside expertise in their legal data intelligence priorities.

Respondents discussed numerous ways their teams have prioritised legal data intelligence. The most common option selected was ***"leveraging outside providers to support knowledge management and data governance within the legal department,"*** emphasising the value general counsel place on external expertise in data matters. One general counsel said, ***"We are actively interested in and looking at data governance skills, whether it is for law firms, vendors or new hires."*** A peer added, "***We consider how mature our external counsel is with data governance and data privacy.***"

DATA INTELLIGENCE PRIORITIES WITHIN THE LEGAL DEPARTMENT

Leveraging outside providers to support knowledge management and data governance within the legal department	38%
Leveraging outside providers to enable data-driven insights	31%
Hiring lawyers with experience in enabling and acting upon data-driven insights	28%
Hiring lawyers with data governance skills	21%
Other valued data-related skills	7%
All of the above	7%

**Based on qualitative survey; multiple responses allowed*

> *"We cannot survive without optimal information governance, management and protection, especially as a business that operates around the world."*

2. Data issues significantly impact legal work.

Across several questions, a pattern of responses underscored the extent to which data issues and digital risks impact the legal department's remit, from the complexity of disputes to the time required from the legal team, and the activities causing increases in workloads. For example, data privacy and data breaches were tied for the leading causes of increased demand on the legal department, and multiple data-related challenges were in the top five of issues driving disputes and investigations work. ***"You need to hire people in-house with these skills, but that is not a substitute for also hiring outside providers with these skills as well."***

Data breaches are a primary cause of disputes and investigations for **34%**

Data subject access requests are a top five driver for disputes and investigations for **34%**

Data privacy work takes up the most time for **31%** of legal departments

Governance takes up the most time for **29%** of legal departments

20% of general counsel have seen an increase in demand related to privacy violations and/or data breaches.

Data subject requests are increasing for **17%** of legal departments

15% of general counsel are being asked to spend time on activities related to improving data integrity and data quality

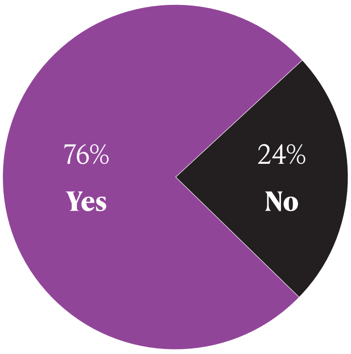
"We are subject to several regulatory obligations and requirements, so we need to get our data storage, retention and destruction policies to operate more efficiently and securely."

3. Intention aligns to risk, but investment does not always.

One legal leader said about the progress toward improving information governance, ***"We are taking steps, but they haven't been particularly effective."*** Another shared, ***"We understand the issues, but face budget restrictions, giving us very little flexibility to make additional investments."*** A third added, ***"We don't have the money to make investments."***

These were common sentiments throughout the interviews. General counsel see the issues clearly but often lack the resources needed to address them sufficiently. Or the issues are so many and so varied that leaders must pick and choose where to invest, with their priorities often shifting depending on the issue of the moment. Most have taken some steps but many view these steps as inadequate when measured against the seriousness of the risks they face.

HAS YOUR ORGANISATION TAKEN STEPS TO IMPROVE INFORMATION GOVERNANCE?



"We maximise our investments of time and resources of our talent and assign roles to achieve better information governance."

"Our information governance and artificial intelligence policies are under development."

4. Reactivity rules and general counsel can live with that.

A key theme in this year's edition of The General Counsel Report was that legal department leaders have notably shifted their approach to one of strategic composure and practical progress over perfection. Despite managing more than 20 areas of increased work and rising complexity, general counsel are meeting challenges with resourcefulness and accepting that it's infeasible to be proactive across every potential issue.

This means that a degree of reactivity has become an acceptable standard, particularly in the realm of legal data intelligence and information governance. One leader explained it, saying, ***"The biggest issue is that it is more challenging to look around corners and predict what will happen next year, which creates more value and opportunity for general counsel to help guide the organisation. It is a super exciting, exhausting, challenging time."***

"On one hand, you have more transparency and an assumption of more availability of information. You also have state and federal authorities who are at odds, so they are trying to one-up each other. That raises more concerns about potential governance issues externally. Internally, it is becoming increasingly difficult to maintain oversight over activities to ensure compliance and governance."

5. AI and geopolitics have enhanced the focus on data management.

When the study's chief information officer cohort was asked to rank their organisation's top legal risks, generative AI was the top response, followed by the implications, risks, ethics and compliance of advanced technology. While generative AI did not make the top five risk ranking among general counsel, it was the number one issue mentioned in risk commentary during interviews, with 70% of participants mentioning AI in some way when speaking about their riskiest categories. Geopolitics ranked third as a top risk area for general counsel and became a topic of focus in 37% of the risk discussions (a 25-point increase from the prior year).

Data risk and information governance were included in many of these discussions surrounding AI and geopolitics. For example, one general counsel said, ***"Geopolitical issues are increasing our information governance investments because we need to put in place more regulatory compliance and other safeguards."*** Another added, ***"Going forward, with the increasing relevance of AI, we will be seeking individuals with legal data intelligence skills."***

Conclusion

Like all aspects of the general counsel's role and responsibilities, the needs surrounding legal data intelligence and data governance continue to shift. Technology advancements, global regulatory priorities, geopolitical uncertainties and the ongoing challenges stemming from more and more data are adding importance to effective information governance. General counsel understand this and are doing what they can to address their organisations' unique needs. At the same time, they remain level-headed about what is possible, reasonable and proportionate to the demands on their teams. Those that pursue incremental improvement and continue to strategically hone their internal and external capabilities will be more prepared for the challenges ahead, without exhausting resources on a singular priority.

About FTI Technology

FTI Technology solves data-related business challenges, with expertise in legal and regulatory matters.

As data grows in size and complexity, we help organisations better govern, secure, find, analyse and rapidly make sense of information. Innovative technology, expert services and tenacious problem-solving provide our global clients with defensible and repeatable solutions. Organisations rely on us to root out fraud, maintain regulatory compliance, reduce legal and IT costs, protect sensitive materials, quickly find facts and harness organisational data to create business value.

Corporations and their law firms choose FTI Technology to effectively handle a wide range of challenges, including:

- Protecting data from internal and external threats
- Discovering data for legal and regulatory matters
- Assessing risks and ensuring compliance
- Maximising IT investments for better productivity

Learn more at ftitechnology.com.

About Relativity

Relativity is a leading legal data intelligence company that builds technology to help users organise data, discover the truth, and act on it. Its extensible, AI-powered cloud platform, RelativityOne, transforms complex data into actionable insights at massive scale for litigation, investigations, regulatory inquiries, data breach responses, and other legal use cases. The world's largest law firms and corporations, government agencies, and a robust network of channel partners rely on Relativity's legal AI software to securely surface and manage the most relevant and impactful information in their matters. The company also expands access to technology by providing its platform at no cost to academic institutions through its Relativity Academic program and to organisations supporting pro bono legal work through its Justice for Change initiative.

Learn more at relativity.com.