



# 2021 LEGAL DEPARTMENTS SURVEY REPORT

March 2021

Contributors:

Basha Rubin, CEO & Co-Founder  
Meg McEvoy, Senior Marketing Manager

## INTRODUCTION

Priori's 2021 Legal Departments Survey, fielded in January and February 2021, received responses from more than 130 GCs, counsel, legal operations leaders and other in-house professionals. Respondents answered questions about finding and engaging outside counsel, pain points with their outside legal services and general legal technology use.

The legal industry, particularly the world of corporate legal departments, is fairly opaque, as many of the workings of corporate legal remain internal to organizations. Yet in-house counsel share similar challenges with respect to process optimization, technology, efficiency and legal staffing. Industry surveys play a key role in identifying these trends and hurdles.

Our survey found that in-house attorneys share similar pain points when finding and engaging outside counsel. Manual, individualistic processes for finding outside lawyers still predominate, even though more than half of in-house professionals agree that their legal departments are being called on to be more data-driven.

Furthermore, legal departments may be making decisions about outside counsel based on subjective factors at the expense of departmental imperatives like diversity and controlling costs.

We hope this report provides valuable insight into legal departments' process and challenges in engaging outside counsel.

**We asked respondents in corporate legal departments about efficiency, outside counsel hiring, legal spend & diversity considerations in hiring outside attorneys.**

## PROFILE OF RESPONDENTS

**133**  
**Total Survey Respondents**

**27%**

are at publicly listed companies

**66%**

are at privately held companies

**7%**

are at other organizations

**50%**

have the title General Counsel

**8%**

are Legal Operations professionals

**20%**

are at organizations of more than 1,000 employees

**53%**

are at organizations of more than 500 employees

**38%**

are in legal departments with between 2 and 9 attorneys

## DATA & ANALYSIS

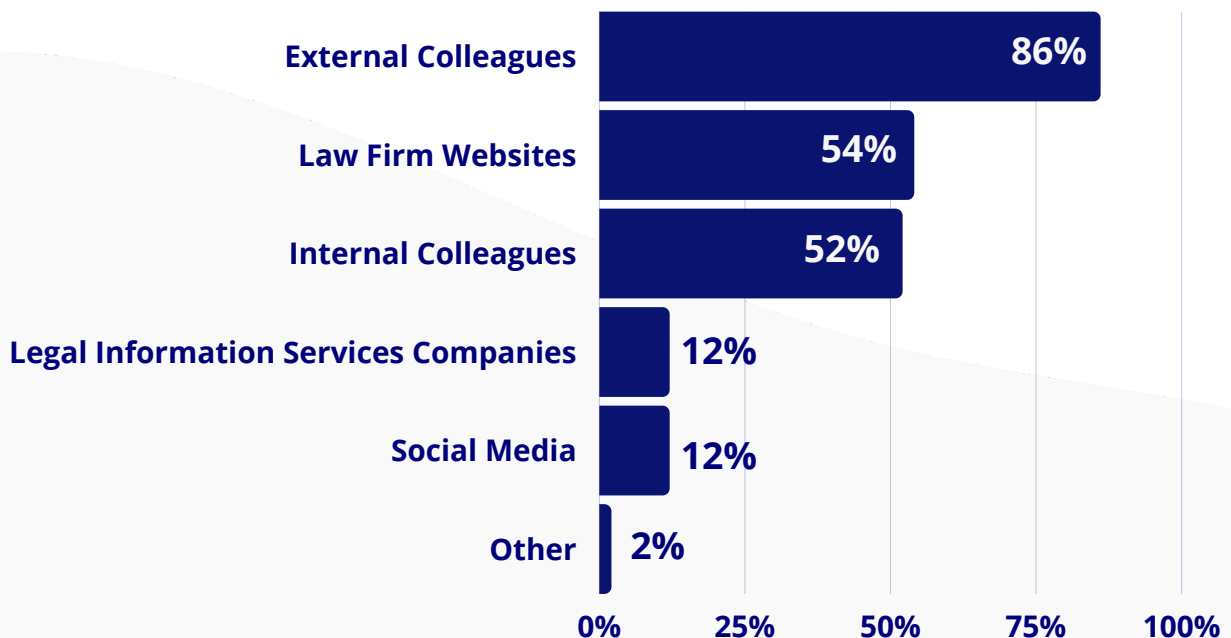
### The Hunt for Outside Counsel

A common decision point for in-house legal departments is finding and engaging new outside counsel, whether because they need expertise outside of their existing law firm panel or are seeking to optimize their legal staffing mix.

Nearly half (47%) of in-house professionals say their process for finding outside counsel is efficient, yet the data indicates that the outside counsel search is still dominated by labor-intensive, manual processes.

When legal departments start the hunt for outside counsel, the vast majority (86%) say they go to external colleagues for recommendations.

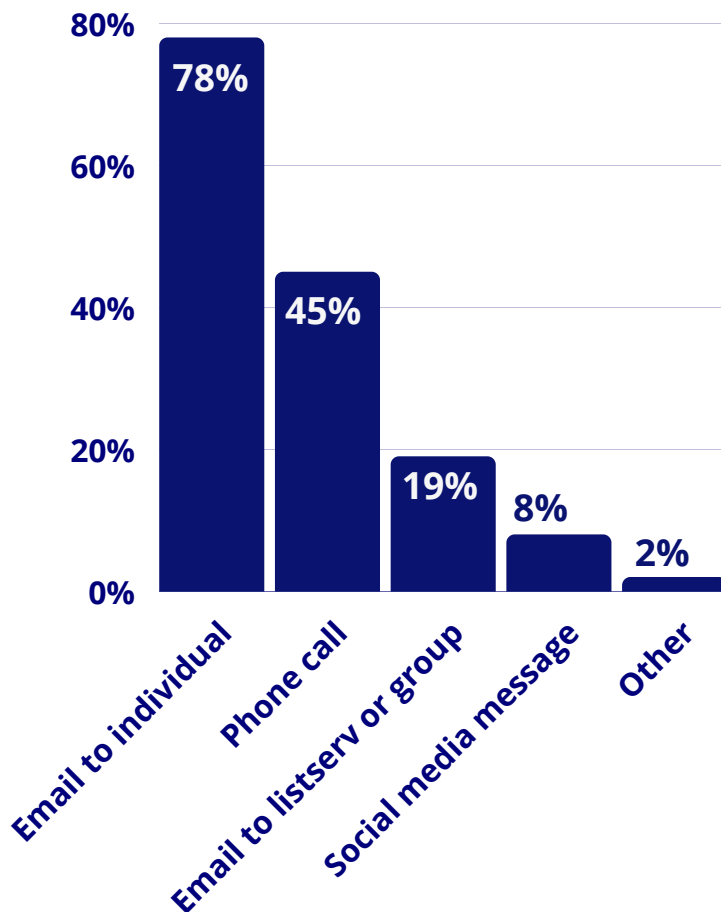
#### Where do you go to find information about lawyers' experience or expertise when considering which outside counsel to engage?\*



\*Respondents were asked to select all options that applied.

**Nearly half (47%)** of respondents say their process for finding outside counsel is efficient, but the outside counsel search is dominated by manual processes.

**When you request personal referrals or recommendations for outside counsel, do you most frequently do so by:\***



*\*Respondents were asked to select all options that applied.*

When in-house counsel seek outside attorney recommendations, 78% do so by email to an individual. This could mean that in-house attorneys are sending sometimes dozens of separate emails to their contacts to find one lawyer.

Just over half (52%) are seeking information on what outside counsel to use from internal colleagues. This indicates that nearly half of respondents either don't think internal colleagues would have the right recommendations, or that organizations haven't implemented processes to facilitate the sharing of internal attorney reviews.

Fewer than one-fifth (19%) reach out to a listserv or group when seeking outside counsel, an avenue that could, at least, yield many responses to one request for information.

In-house professionals are almost **four times** more likely to seek outside counsel recommendations via a phone call than they are to use legal information technology

## Manual Research Predominates

There is also a lack of technological optimization for the outside counsel decision process. A majority (54%) of in-house professionals use law firm websites to do research on attorney expertise when seeking outside counsel, which is a manual process and relies on subjective data sources.

Only 12% of respondents reported using legal information services companies that provide analytics on attorney experience, such as tools from companies like PACERPro or Bloomberg Law that show litigation success rates or historical client representation.

This means that in-house professionals are almost four times more likely to seek outside counsel recommendations via a phone call than they are to use legal information technology.

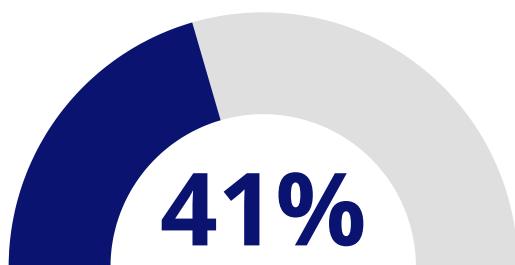
**45%**

most often seek personal referrals for outside counsel via a phone call

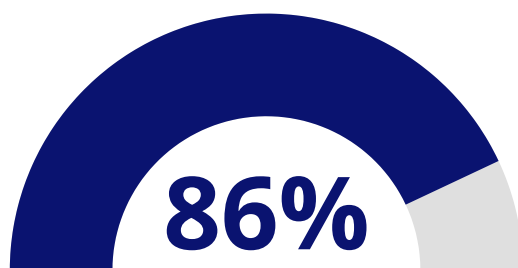
**12%**

use legal information services to find information on outside counsel experience & expertise

**More than 40%** of respondents said a top pain point was getting information about attorney quality or experience



said it was difficult to find information on attorney experience/expertise



said legal expertise was among their top three considerations when choosing a lawyer

## Vetting Attorney Quality a Challenge

Despite a large reported amount of manual, time-intensive searching, it may be that in-house legal departments are still unable to sufficiently vet attorney quality or expertise.

More than 40% said a top pain point was getting information about attorney quality or experience. Yet finding information on this expertise is very important to in-house professionals. The majority (86%) of respondents said legal expertise was among their top three considerations when choosing a lawyer.

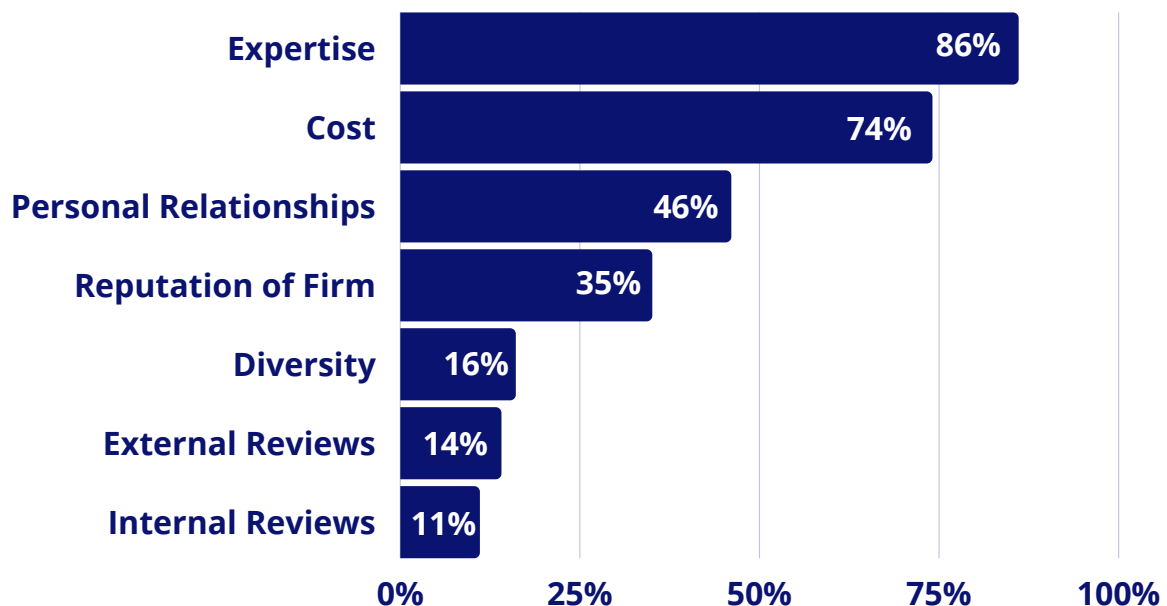
## Personal relationships, firm reputation drive hiring decisions

The majority of in house legal departments are focusing on qualitative rather than quantitative factors when selecting outside counsel.

Nearly half (46%) said that personal relationships were a top factor driving outside counsel selection, and more than a third (35%) said a firm's reputation was a top consideration.

External or internal reviews of a firm's performance, information sources that might provide more objective data, were top considerations only for 14% (external reviews) and 11% (internal reviews) of respondents. This indicates that organizations are not leaning heavily on internal reviews of attorney performance, probably due to a lack of systematized data-gathering and sharing of this information.

**Top Factors When Selecting Outside Counsel\***



*\*Respondents were asked to select their top 3 considerations. 2% of respondents who selected "Other" not shown.*



## Impacts of Subjective Decisionmaking

There are impacts to choosing outside counsel purely based on subjective, relationship-driven information. For example, there are negative effects on the diversity of outside counsel teams. A subjective process is also less cost-effective and may promote false perceptions of attorney quality.

All this while 51% of respondents reported that their legal departments are being called on to be more data-driven. There is room for in-house legal departments to trend away from relationship or reputation-based outside counsel hiring and be more data-focused in engaging outside counsel.

**51%**

said their legal departments are being called on to be more data-driven

## IN-HOUSE IMPERATIVES: DIVERSITY & INCLUSION

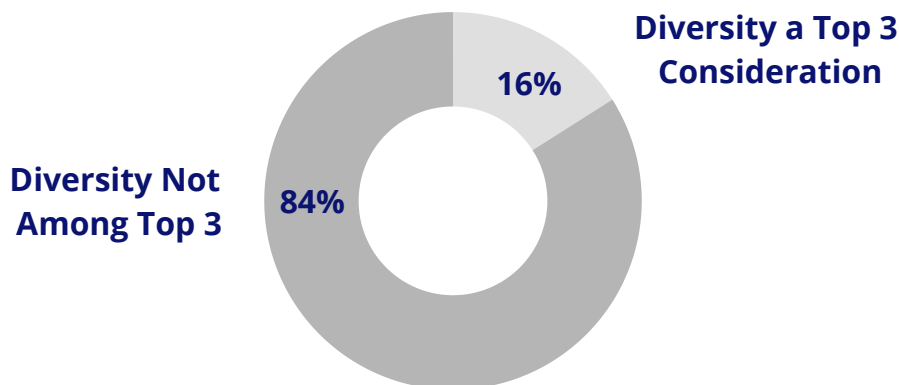
### Diversity Not a Top Consideration

Our survey also inquired about some of in-house legal departments' top imperatives, including engaging more diverse outside counsel teams.

Our survey found that despite calls for in-house teams to increase the diversity of their attorney rosters, diverse hiring is still not a top consideration when selecting outside counsel. 16% of respondents said it was a top three consideration. **Respondents were therefore approximately five times**

**more likely to cite attorney expertise or cost as important and three times more likely to cite personal relationships as important.**

While it is understandable that in-house legal departments would most emphasize expertise when selecting outside attorneys, there may be room for deeper consideration of diversity factors relative to personal relationships and firm reputation when selecting outside counsel.

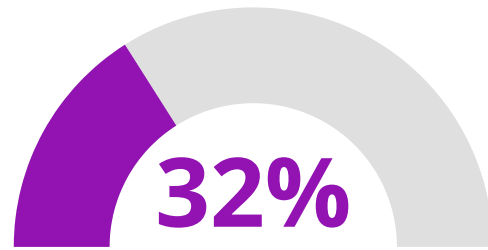


*Respondents were asked to select their top three considerations when hiring outside counsel from the following options: Expertise, Cost, Personal Relationships, Reputation of Firm, Diversity, External Reviews, Internal Reviews & Other. Full question results on page 8, above.*

Fewer than one-fifth of respondents said that identifying diverse attorneys to engage was a top pain point when hiring outside counsel. The fact that diverse hiring was not cited as a main challenge could reflect that hiring diverse attorneys is not a challenge for in-house legal departments.

But, that seems unlikely given that a lack of diversity in outside counsel teams has remained a widely discussed issue. For example, Bradley M. Gayton, the General Counsel of Coca-Cola, recently announced that not enough progress had been made on diversity in the company's panel firms and that his department was implementing firmer benchmarks and policies.

It is instead likely that legal departments are more focused on other pain points of engaging with outside counsel and that more consideration of diversity factors may be needed.



thought their legal department has enough information to ensure they are working with diverse teams

Our survey also found that fewer than one-third (32%) of respondents agreed that their legal department has enough information to ensure they are working with diverse outside counsel teams. More and better access to data on attorney diversity characteristics could help this issue be more top-of-mind for in-house counsel.

**Top 5 Pain Points When Selecting Outside Counsel\***



\*Respondents were asked to select all pain points that applied from among a list.

## IN-HOUSE IMPERATIVES: OUTSIDE COUNSEL SPEND

### Spend a Key Driver

Spending on outside counsel continues to increase in legal departments. Nearly 40% of respondents said their outside counsel spending had increased over the past year.

Cost was respondents' second most-cited consideration when selecting outside counsel, with three-quarters of respondents saying cost was a top issue. Cost was also the top cited pain point for legal departments obtaining outside counsel: 75% said that cost was a big challenge.

**75%**

said cost was among their top 3 considerations when selecting outside counsel

**86%**

said cost was a top pain point when selecting outside counsel

**39%**

said spend on outside counsel increased over last year

## ABOUT PRIORI

### The legal marketplace for in-house teams

Priori offers in-house counsel a vetted, global network of attorneys at firms of all sizes. Using thousands of data points, legal teams can find, compare, select and engage outside counsel based on their specific budget and experience requirements.

Priori rapidly connects legal departments from 1 to 1000+ with the right lawyers and streamlines the engagement process, reducing the cost of legal services for corporate clients by 60% and the time it takes to engage an attorney by 80%.

### Report Contributors



**Basha Frost Rubin** is the CEO and Co-Founder of Priori. She speaks and writes extensively about how technology is changing the market for legal services. Her writing has been featured in Forbes, Entrepreneur, TechCrunch, VentureBeat, Women 2.0 and Under30CEO. Basha holds a J.D. from Yale Law School and a B.A. from Yale College and is a member of the New York Bar.



**Meg McEvoy** is Senior Marketing Manager at Priori. She was a journalist and analyst at a legal media company where she collected data and wrote about legal innovation, technology and the business of law. She holds a B.A. from the University of Virginia and a J.D. from William & Mary Law School and is a member of the Virginia Bar.

[www.priorilegal.com](http://www.priorilegal.com)  
[admin@priorilegal.com](mailto:admin@priorilegal.com)  
(+1) 646-650-2025

