

InBrief

AlixPartners 2018 litigation and corporate compliance survey: technology and data security loom large

Our annual survey of general counsel and compliance officers revealed data security and technology are rising concerns for legal departments.

AT A GLANCE

- 1 Data security is regarded as increasingly important for legal departments
- 2 Controlling mounting litigation costs is a growing challenge for corporate legal executives
- 3 Cross-border disputes are becoming a normal part of doing business overseas

Litigation costs keep climbing

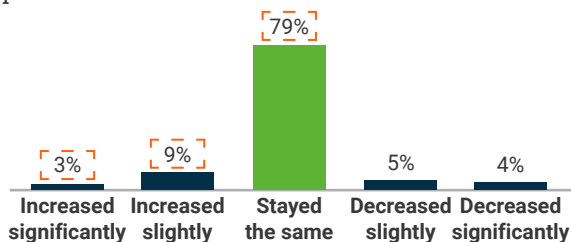
Companies trying to strike the right balance between doing more work in-house and hiring outside counsel focused more on internal resources last year. Although few respondents (17%) said they hired more law firms in 2017, 90% said their own litigation departments either increased or stayed the same size. Respondents cited controlling costs, including the management of eDiscovery spending, as a critical issue in their litigation departments.

92%

said they've spent the same amount or more on litigation in the past 12 months.

91% of respondents say the number of cross-border disputes increased or stayed the same

FIGURE 1: Over the past 12 months, the number of commercial disputes your company has been involved in dealing with overseas business partners or cross-border transactions has:



International arbitration remains prevalent—and is poised to continue

Contract disputes, employment disputes, and regulatory matters were the most common cross-border commercial issues that respondents reported. Around 46% said they were involved in at least one international arbitration case, and only 8% said they expected the number of cases to decrease, indicating that arbitration remains a popular means to resolve disputes in a cost-efficient manner, especially costly cross-border disputes.

Technology is becoming a bigger concern

Whether it is to improve data security or support growing litigation demands, technology is of increasing value to senior legal and compliance executives. Thirty-three percent (33%) said they would pay a premium price for top-level data security. Similar to 2016 survey results, 17% said they had retained outside eDiscovery experts, while 33% said they purchase eDiscovery and data services on a case-by-case basis.

58%

said data security is an important issue their legal departments face.

53%

said proactive risk management is critical.

Early and often remain the keys to compliance

Like in 2016, compliance-program-gap identification, education and training, and audits were the most common steps that respondents said they took to reduce the risk of potential litigation in 2017. Some (27%) said their companies are using analytics to gather more information and acquire more knowledge about where they stand on compliance.

The road ahead in 2018

This year, we expect to see companies testing a range of different strategies to identify and resolve compliance gaps and risk factors as early as possible. It is safe to say that such tactics will probably involve assessing new forms of technology, increasing compliance spending, and conducting more training of staff.

The protection of important data, in particular, will remain crucial because a single breach can expose a company to significant risk. Given that most companies today do business overseas and have significant amounts of sensitive data, proactive risk management continues to be a critical priority.

ALIXPARTNERS' FIFTH ANNUAL LITIGATION AND CORPORATE COMPLIANCE SURVEY

The AlixPartners 2018 litigation and corporate compliance survey was conducted during August, September, and October in 2017. The survey polled more than 200 general counsel and compliance officers at US and European companies with annual revenues of \$150 million or more.

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