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STANDARDS
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AXIOM'S 2023

APAC General Counsel Survey Report:

Managing the Unmanageable

Note: Research conducted by global research firm Coleman Parkes. Respondents included 150 Singapore-based and 150 Hong Kong-based GCs at companies with an average annual revenue of US\$1B. Audience profile includes GCs across 20 industry sectors. Survey was fielded online in January and February of 2023.

INTRODUCTION

Growing Demands + Shrinking Support = Stressed GCs

There's no question that being an APAC-based GC is hard. The results of Axiom's first annual survey of 300 Hong Kong (HK) and Singapore-based GCs across a wide range of industries reveal that the job is only getting harder. The work is relentless and often described as 'unmanageable'. The work-life balance is unideal. In addition, while the volume and complexity of legal matters grow, APAC-based GCs are seeing their budgets shrink.

Not only must APAC-based GCs address more matters for which they have a dearth of in-house expertise but they must also identify the right resources to engage in order to increase support while controlling costs. Hiring to gain additional support has always been difficult but it's now nearly impossible due to headcount reductions. Belt-tightening is not only impacting the ability to hire, these spending cuts are also upending the use of law firms given their historically large 2023 rate increases.

This isn't—or at least shouldn't be—news. GCs across the globe are struggling to do more with less. The APAC legal leaders we surveyed are all in the same boat, amidst a storm that's testing the ship's seaworthiness. As a result, the three headline takeaways from our APAC GC survey resemble findings we have seen in our surveys of peer GCs around the globe. Still, they are no less notable or concerning. APAC GCs are:

- 1 Struggling to navigate budget cuts and hiring freezes:** GCs believe budget constraints will ultimately affect the efficacy of their already under-resourced department. Many believe the cuts will be deep and the freezes imminent.
- 2 Sceptical that either law firms or internal hires can, alone, address their resourcing challenges:** why? First, because of the high costs associated with both. Costs aside and specific to internal legal talent, these GCs also note the tremendous difficulty of finding and hiring the right talent to meet their needs.
- 3 Unhappy with their careers:** they are stressed and dissatisfied, citing an unmanageable workload and poor work-life balance.

The intent behind this survey report, however, is to dig deeper. We want to explore the pain points, concerns and findings behind these headlines. If budget cuts are impacting the legal team, where and how exactly is that impact felt? **It's not enough to understand that GCs feel under-resourced; we want to identify where, specifically, they feel a dearth of expertise or bandwidth and how they anticipate those needs will change over time.** If hiring more full-time legal staff isn't the answer to solving under-resourcing, why is that the case? Is it because the solution is moot due to expected hiring freezes on the horizon or are there deeper, more fundamental reasons that make investing in a larger in-house department an ineffective remedy to meet the specific demands and expectations placed on the legal team? If APAC GCs are unhappy in their careers—having reached the pinnacle of the in-house profession—what's behind that dissatisfaction? Is it the nature of the job itself or the increased difficulties of the role at this particular time and within a volatile economic climate?

In addition, while we are looking holistically at APAC-based GCs, and have found more universal agreement than disagreement, we also want to explore those (rare) occasions where Singapore and HK-based GC needs and priorities differ based on region.

Finally, in addition to identifying the budgeting, resourcing and career-related challenges impacting the in-house legal leader, we also aim to explore those solutions that can address or minimise their concerns. If we have diagnosed that doing more with less is a primary pain point, what is the right 'medicine' to reduce that pain? How can APAC-based GCs get out from under the constancy of reacting to risks and get out in front of departmental management, strategically rethinking resourcing models? What are the solutions and new models that can better help them transition from fixed to flexible costs in order to effectively navigate economic volatility while still achieving optimal legal outcomes? The report that follows aims to answer those questions.

ECONOMIC PRESSURES:

- **90%** of APAC-based GCs have experienced budget cuts as the result of economic uncertainty
 - Singapore-based GCs experienced deeper cuts (averaging US\$3.7M), with HK-based GCs seeing a smaller, but still significant, average budget cut (of US\$1.7M)
- **93%** of APAC-based GCs believe that a hiring freeze due to economic circumstances is likely; **12%** report it has already happened

RESOURCING ISSUES:

- **73%** of APAC GCs say their teams are under-resourced (i.e. the department does not have the right aggregate resources to do its job effectively)
 - HK-based GCs feel the strain more (with **77%** reporting under-resourcing compared to **69%** of Singapore-based GCs)
- Specific resourcing challenges include:
 - **65%** report their team spends too much time on administrative issues
 - **58%** say they don't have the proper staffing bandwidth to support legal work
 - **50%** cite the burden of managing a network of external law firms
- **94%** of APAC GCs say it is very difficult to hire the right legal consultants to meet their needs

SOLUTIONS TO RESOURCING CHALLENGES:

In terms of what type of resource would make for an effective solution to address resourcing needs:

- **72%** of APAC GCs say flexible talent providers
- **72%** of GCs also point to law firms (although with notable concerns)
- **59%** say hiring additional permanent legal consultants would address core concerns

Examining these three resources in more detail:

- Law firms—GCs cite reasons why working with a law firm, alone, won't solve all their resourcing needs
 - **53%** call law firms too expensive
 - **46%** cite their lack of institutional knowledge
 - **44%** say they only provide conceptual advice
 - **44%** cite the burden of management
- In-house hires—GCs also report problems with the efficacy of investing in more permanent staff
 - **61%** cite high cost
 - **45%** say they are difficult to hire due to a shortage of talent
 - **36%** cite turnover potential
 - **31%** note the lengthy time to onboard new full-time employees
- Alternative Legal Services Providers (ALSPs)—conversely, GCs point to many advantages of working with flexible talent providers
 - **62%** cite better value for every budget dollar (**72%** of HK-based GCs in particular)
 - **46%** cite ease of management burden
 - **40%** cite quick onboarding
 - **37%** cite practical rather than conceptual advice

CAREER PROGRESSION:

- Almost half (**49%**) of APAC GCs say they are not satisfied with their current position
- **95%** of APAC GCs feel stressed in their role

What are some of the factors contributing to dissatisfaction and stress?

- **60%** cite poor work-life balance
- **46%** have issues with company culture
- **39%** point to their “unmanageable” workload
- **33%** are unhappy with what they perceive to be an insufficient budget for staffing

As a result, 81% of APAC GCs are open to finding a new position, including 17% who are actively looking.

Where are they looking?

- **45%** are most interested in looking for a position with a flexible legal talent provider, virtual law firm or ALSP
- **39%** are looking to leave the legal world in pursuit of a broader business role
- **34%** are interested in a new in-house GC position



DIVING DEEPER

Struggling to Do More with Less

As with their global peers, APAC GCs are facing a parallel crisis of budget cuts and increasingly complex workloads. Ninety per cent of APAC GCs say their legal department budget has been cut as a result of economic conditions and ongoing volatility. On average, APAC budget cuts represent 3% of company revenue—which in real dollars, is significant. Singapore-based GCs have seen their budgets shrink by US\$3.7M and their HK peers have experienced budget cuts averaging US\$1.7M. This is despite the fact that **approximately half (45%) of APAC GCs report** their department is seeing an increase in both the volume and complexity of legal matters.

These compounding issues create a perfect storm for GCs struggling to maintain a staff capable of doing more with less.

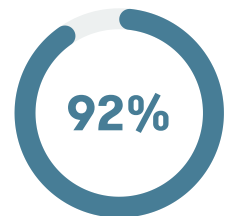
The vast majority of APAC GCs (92%) say their department does not have the necessary staffing resources in-house to do its job effectively.

Indeed, most GCs (92%) have seen an increase in attrition in their legal department in the past year, with 55% describing this as a moderate to significant increase.

Perhaps more alarming, it's not just that legal departments are generally understaffed, requiring team members to pick up more work. Instead, it's that many GCs don't feel their team is capable of being successful with what they have available to them—more than one-third (35%) of APAC GCs feel they do not have the right legal expertise on their team to address current or anticipated legal needs.



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SPOTLIGHT

Current Needs and Future Focus Areas

THE WHAT

As we know, **more than one-third of APAC GCs feel handcuffed by a deficiency in expertise on their team.** Staffing appropriately has always been a difficult puzzle for GCs to solve. The need for specific expertise on the legal team ebbs and flows. The expertise required for a product launch last month, for example, is not the same as that required to address employment issues now, nor will it be the same to resolve the data privacy issues of the workforce of tomorrow.

As a result, hiring permanent headcount often only addresses past needs. As survey results indicate, frequently, in-house hiring does not do a very good job of responding to the needs of the moment. In addition, it can equally fail to anticipate future-state needs and challenges. APAC GCs are, therefore, short in depth for expertise on emerging/unexpected issues or more-nuanced matters.

Current in-house expertise deficits

1. Labour and Employment
2. Regulatory and Compliance
3. Real Estate
4. New/Emerging Areas
5. Data Privacy and Cyber Security

Future in-house expertise deficits

1. New/Emerging Areas
2. Banking/Finance
3. Data Privacy and Cyber Security
4. Intellectual Property
5. Regulatory and Compliance

That these deficits are set to change so quickly suggests a fast-moving environment where expertise is incredibly valuable and retaining talent is key.

THE WHERE

APAC needs are not only relegated to the 'what'. They also have an important 'where' quality. APAC is a diverse region and Singapore and HK-based GCs have more prominent talent shortages in some regions compared to others. Interestingly, they anticipate that these needs will change significantly over the next few years, with some countries taking on greater importance as they look to recruit staff or support.

The top 6 locations where APAC GCs report current needs

1. Singapore
2. Hong Kon
3. China
4. Japan
5. Thailand
6. Malaysia

The top 6 locations where APAC GCs anticipate future needs

1. Hong Kong
2. Singapore
3. China
4. Japan
5. Thailand
6. South Korea

Notably, Singapore is anticipated to cede its ranking to Hong Kong as the APAC region most in need of additional legal support. Some of this projected need may be attributed to normal course of business and changing strategy around regional growth targets. However, it is also likely indicative of how geo-political tension between Hong Kong and China is prompting an exodus of human capital that will impact business in the region for years to come.

ADDRESSING RESOURCING CHALLENGES

Why More In-house Hires Won't Work

So, budgets are shrinking, workloads are rising and in-house expertise is wanting. Unfortunately, APAC GCs can't just hire their way out of trouble—and they know it: only 21% call hiring additional full-time legal consultants a mostly/completely appropriate solution to address their resourcing issues. Why? There are a few reasons.

First, you will remember that 93% of APAC GCs anticipate a mandated hiring freeze this year, making hiring a nonstarter. But even if it were a budgetary option, most GCs surveyed (94%) reported difficulty finding and hiring the right legal consultants to meet their needs.

Second, we know that hiring permanent staff does not address current or anticipated expertise needs across a variety of focus areas. And, even when hiring staff might address expertise needs, it doesn't necessarily do so efficiently, given the GC would be hiring permanent headcount for what may only be a part-time or transitory matter.

Third, permanent headcount is expensive. In fact, the majority of APAC GCs (61%) cited cost as the primary reason full-time hires are not an adequate response to resourcing needs. These GCs correctly understand the often overlooked fully loaded expense of permanent hires. Indeed, salary and bonus alone are a woefully insufficient measure of cost per full-time hire, leaving too many GCs in the dark on this metric. Employing full-time support involves a host of variables in addition to salary and bonus, including equity-related costs, benefits and taxes, bar association fees, facilities and related overhead costs, training and development expenses, hiring and recruiting, exit spend and more. Other factors, such as geographic region within Asia, industry experience, tenure and practice area, also substantively influence spend per hire.

Even when taking all of the above—cost, dearth of quality talent and inability to address in-the-moment needs—into account, there are still more substantive reasons that APAC GCs are wary of investing in additional full-time support.

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TOP 5 REASONS HIRING PERMANENT EMPLOYEES DOES NOT EFFECTIVELY ADDRESS APAC GC LEGAL NEEDS:

1. TOO EXPENSIVE

2. DIFFICULT TO HIRE/SHORTAGE OF RIGHT TALENT

3. POTENTIAL TURNOVER

4. LENGTHY TIME TO ONBOARD

5. ONLY REQUIRE PART-TIME HELP



ADDRESSING RESOURCING CHALLENGES

The Law Firm Option

When 'staffing up' doesn't work, GCs look to 'send out' to law firms. Many GCs have long-standing relationships with law firm partners who have expertise in commercially relevant practice areas and to whom they can turn for high-quality and experienced counsel. These relationships are particularly critical for exceptional events and bet-the-company matters. They are less helpful for supporting 'overflow' work, as noted by the fact that only 33% of APAC GCs say law firms are a completely/mostly effective solution for their current concerns.

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WHY?

According to over half of survey respondents, much of it is a matter of cost. Globally, law firm clients expect rate increases between 5-15% in 2023, with some firms expected to hike rates by 30%+. While cost may be the GC's primary concern with law firms, it is not the only reason that APAC GCs believe that law firms, alone, are an insufficient solution to address all their resourcing needs.

TOP 5 REASONS LAW FIRMS DO NOT, ALONE, EFFECTIVELY ADDRESS APAC GC CURRENT LEGAL NEEDS:

1. TOO EXPENSIVE

2. LACK OF INSTITUTIONAL KNOWLEDGE

3. PROVIDE CONCEPTUAL VS PRACTICAL ADVICE

4. MANAGEMENT TAKES TOO MUCH TIME/
IS TOO MUCH OF A BURDEN

5. LAW FIRMS DON'T PRIORITISE CLIENT BUSINESS

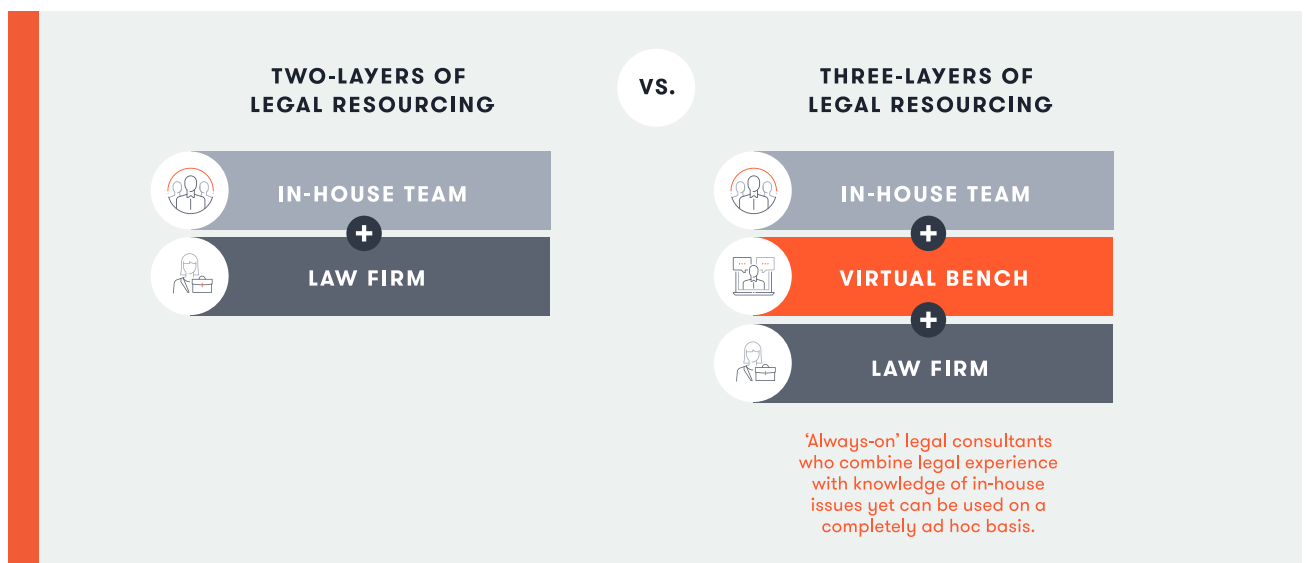


SPOTLIGHT

A Modern Model

Staff up or send out; that is the traditional legal resourcing paradigm. The idea is that the legal universe includes two 'layers' of legal resourcing: the internal department and law firms. The modern APAC GC, facing hiring freezes, budget cuts and law firm rate increases, knows that this model is outdated and inadequate for a recessionary environment.

Rather than confining their thinking to the 'either/or' of in-house or law firm, progressive APAC GCs are leveraging a third layer. **This layer of flexible talent is used to create a virtual bench of 'always-on' legal consultants who combine legal experience with knowledge of in-house issues yet can be used on a completely ad hoc basis.**



Critically, this model does not undermine the value of internal teams or external counsel. Instead, it embraces the unique capabilities of outside counsel while enabling organisations to engage with them on a more strategic scale.

HOW?

Building a 'flexible' layer of the legal function creates a bridge between the in-house team and law firms, providing support for unexpected matters as well as a level of internal organisational understanding that allows for immediate action. It supports the core internal team with on-demand legal consultants whose experience can be drawn on to deal with emerging risks, workload surges and even law firm management, without incurring the costs of outside counsel or full-time hires.

This modern model incorporating flexible talent improves risk mitigation by matching legal matters to the right legal talent on an as-needed basis when, for example, the workload balloons suddenly or there's a time crunch. It extends in-house expertise and availability, thereby limiting what needs to be sent to a law firm and when. It decreases costs by minimising law firm spend and it reduces the burden on in-house counsel by providing practical, business-focused oversight to teams who are managing multiple law firms.

The model also empowers GCs to better identify when, during the course of a legal matter, is the optimal moment to call on external firms for counsel or to invest in a full-time hire.

Critically, this three-layer model doesn't just control costs; it provides the legal department with better value for every budgeted dollar. APAC GCs aiming to fight budgetary limitations on their department need to know that flexible talent is the right resourcing solution to complement in-house teams and law firms, particularly in a recessionary economy when cost mitigation is paramount.

FOCUSING ON

Flexibility

The modern model for resourcing isn't just conceptual. Our survey findings indicate that APAC GCs are realising its tangible benefits. **Unlike expensive law firms and in-house hires, 62% of APAC GCs overall (and 72% of HK-based GCs in particular) say flexible talent providers offer better value for every budgeted dollar.**

It's important to note the distinction between elite ALSPs (like flexible talent providers) and legal recruitment firms. The former has its own vetted and highly curated bench of legal consultants whose experience is on par with in-house hires or experienced law firm consultants but are embedded into the legal team and can be used in an on-demand manner for workload surges or distinct expertise needs. These providers partner with in-house teams to understand the strategic requirements of the business, address the specific needs of the legal team (leveraging one legal consultant or many) and facilitate the entirety of the relationship from onboarding through engagement end. Recruiting firms, on the other hand, are staffing agencies that 'place' legal consultants from an external pool of talent and work with clients on a transactional basis.

Given these unique differentiators, **APAC GCs also recognise the many benefits of working with elite ALSPs that extend well beyond cost.** Reminder: these GCs feel burdened by the demands of managing a network of external providers and the more administrative elements of their job. The time spent on these cumbersome tasks highlights just how appealing elite alternative providers can be. **Almost half (46%) recognise that flexible talent providers offer effective administrative management.**

But flexible talent providers are more than just a convenience: they are also real providers of the type of legal guidance that many APAC GCs struggle to receive. Whereas GCs have complained about the conceptual advice offered by firms, they praise the practical nature of ALSP guidance.

That said, flexible talent mustn't only be compared to law firms. **These survey findings also reveal the benefits of leveraging elite ALSPs instead of investing in more full-time hires.** We know cost was a primary area of concern relative to full-time employees. Flexible talent is not only less costly in a 1:1 comparison but it can also be more flexibly deployed. Instead of comparing a single full-time hire to a single flexible resource, APAC GCs can reimagine the cost of an employee as a bucket of additional budget. That budget can be used more efficiently on a single flexible legal consultant or it can be effectively divided and deployed across multiple on-demand consultants to address numerous workstreams and expertise needs.

APAC GCs are also aware that their teams must not only move fast but they must also pivot quickly. This need for immediacy is the reason the lengthy onboarding process for new hires (sifting through resumes, conducting multiple interviews, finding the right talent, extending an offer and acclimating that legal consultant to the work in a reasonable timeframe) can be such a thorn in the GC's side. By contrast, APAC GCs cite an easy and accelerated onboarding process as a benefit of working with flexible legal consultants. Said more succinctly, the benefits of working with flexible talent mirror and address APAC GC pain points.



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SPOTLIGHT

Addressing APAC GC Career Dissatisfaction

It's clear the role of a GC is a difficult one and the current economic climate certainly isn't helping. What may be less clear is just how 'unmanageable' APAC GCs' jobs have become. Almost half of respondents report being dissatisfied in their careers and almost all (95%) report feeling stressed.

Those statistics are leading to GC departure. **Eighty-one per cent of APAC GCs are open to finding a new position, including the 17% who are actively looking. Looking ahead, 29% of those who are not yet currently looking say they are highly likely to do so in the next year.**

Where are they looking? Perhaps unsurprisingly, based on current concerns with work-life balance and corporate culture, many (45%) are looking to assert more autonomy over their careers by joining flexible talent providers. Others (39%) are looking to leave the law altogether.

But there is another important group: the 34% seeking the same position, just in a different environment. It's unwise to rely on inertia to keep them in roles—with hiring talent proving difficult, there is a risk that head-hunters may successfully poach in-demand staff. These are the flight risks that can be retained if employers attempt to understand and address their pain points.

And for 40% of APAC GCs, their most acute functional pain point is trying to manage an 'unmanageable' workload. They need support—the kind of support they believe is unattainable given dwindling resources and headcount freeze; the kind of support that is unaffordable in the traditional 'staff up or send out' paradigm.

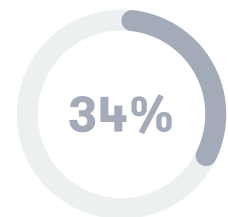
Flexible talent providers and elite ALSPs, however, can provide these GCs with the high-performing legal department they wouldn't otherwise be able to hire. As a result, GC 'flight risks' may be more tempted to stay if empowered to invest in agile legal resourcing strategies that truly support legal team demands without exhausting the legal budget.



of APAC GCs are open to finding a new position



are looking to join a flexible talent provider



are seeking the same position in a different environment



are looking to leave the law altogether



CONCLUSION

How Can Growing Demands + Shrinking Support = High Performing Legal Teams?

One way is to turn to flexible talent. It's an idea embraced by many in the region. Three-quarters of APAC-based GCs see flexible talent providers as an effective solution to their department's resourcing challenges.

Of course, those resourcing challenges include tackling 'overflow work' but the most progressive GCs know it's about far more than that. Leveraging flexible legal consultants can empower APAC GCs to reimagine the legal department in order to variabilise costs so that they may better navigate economic volatility.

What does that reimaged department look like? It looks like a leaner in-house team supported by an always-on bench of flexible talent.

This modern model not only improves risk mitigation by matching legal matters to the right legal talent, but it also allows APAC enterprises to minimise the sunk costs of permanent in-house hires and limit law firm spend to exceptional events. Our survey findings reveal that flexible talent is the right resourcing solution to complement in-house teams and their firms as GCs seek to navigate a recessionary economy.

If your legal department is facing staffing challenges, bandwidth issues or headcount freezes, now is the time to engage an experienced Axiom legal consultant. Thanks to our [Access Legal Talent](#) platform, you can receive and review instant talent matches and view APAC-based Axiom legal consultant bios filtered by industry experience, practice area, specific APAC location and more. Browse our legal talent to get started.

Axiom is a global alternative legal service provider where legal teams go to find the right talent for everything from ongoing in-house matters to complex outside counsel work. Too many legal consultants and legal departments are stuck in a forced compromise. Legal departments have high standards when it comes to finding the right talent and getting the right value. Plus, top legal consultants want more control over how, when and where they practice. Axiom shares and meets the higher standards of its global clients and 14,000+ legal consultants — connecting mid-market and Fortune 500 companies with the world's deepest and widest bench of experienced, highly qualified legal talent.

Axiom. Higher standards welcome.

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