

GENERAL COUNSEL NL

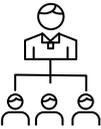
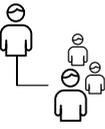
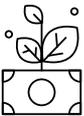
BENCHMARK SURVEY
2020



General Counsel Netherlands

Where General Counsel meet
and share best practices



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Preface



October, 2020

Before you lies the fourth General Counsel NL Benchmark Survey. The first GCN Benchmark Survey was published in 2014. Every other year this is carried out on behalf of General Counsel Netherlands (GCN) by the specialised agency Motivaction Research and Strategy. This year the results will be shared digitally for the first time. Previously, it was only distributed in printed form to GCN Members and GCN Partners. You can find all information about GCN on page 57.

In the summer of 2020, a record of almost a quarter of all GCs in the Netherlands completed the extensive questionnaire of this General Counsel NL Benchmark Survey 2020. The results can therefore be called very representative. This time the results are more interesting than ever because, in response to many requests, extra attention is paid to salary (components) and personal development. This allows General Counsel to better compare their position with that of other GCs. The most striking conclusions can be found at the beginning of each chapter and on the back page of this report.

At the time the participating General Counsel completed the questionnaire (summer 2020), the world was dominated by the Covid-19 pandemic. The consequences of this are still unclear, also for the business community and the legal departments. Currently most GCs are extremely busy and there is of course the strong hope that the consequences will remain manageable.

We would like to thank all General Counsel in the Netherlands who participated in this General Counsel NL Benchmark Survey. It was an extensive questionnaire and it took the participants quite some time to complete it. As a result, it has provided a wealth of information for all GCs! We hope for your cooperation again in 2022.

Best regards,

General Counsel Netherlands

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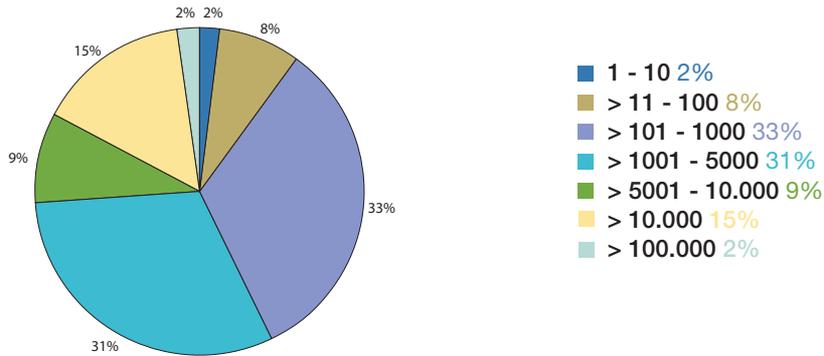


About the Company

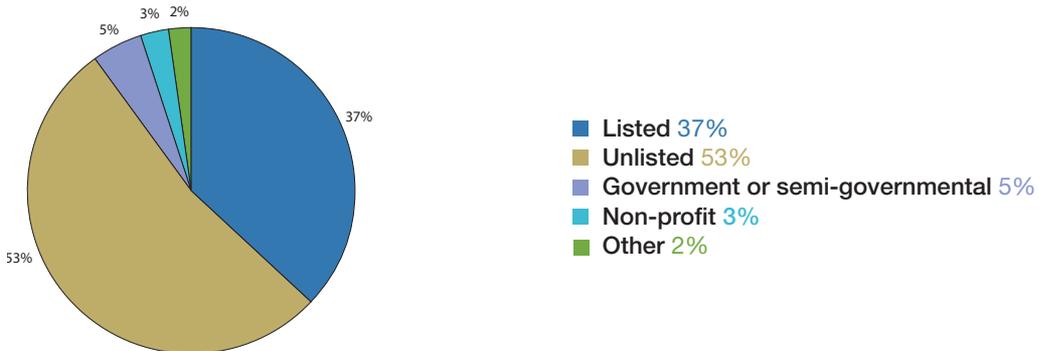
Most striking conclusions

- The majority of GCs (53%) work for an unlisted company. 37% work for a listed company.
- Almost 80% of the GCs provide not only support to the Dutch activities but also to activities in countries outside the Netherlands. 21% Even support activities in more than 20 countries.
- GCs work in various sectors. No sector is represented with more than 10%.

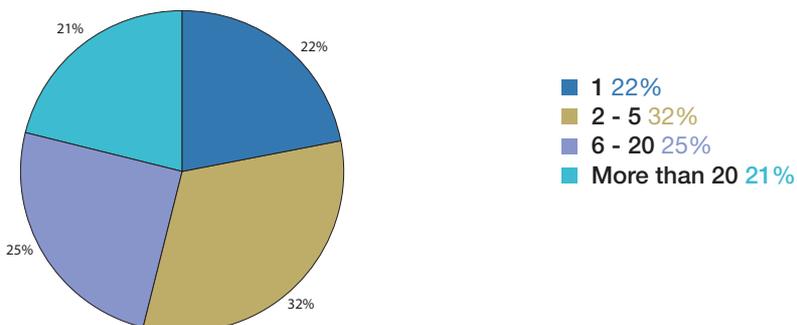
1 How many FTE's are working within your organisation as of the First of June, 2020?



2 The parent company/holding is:

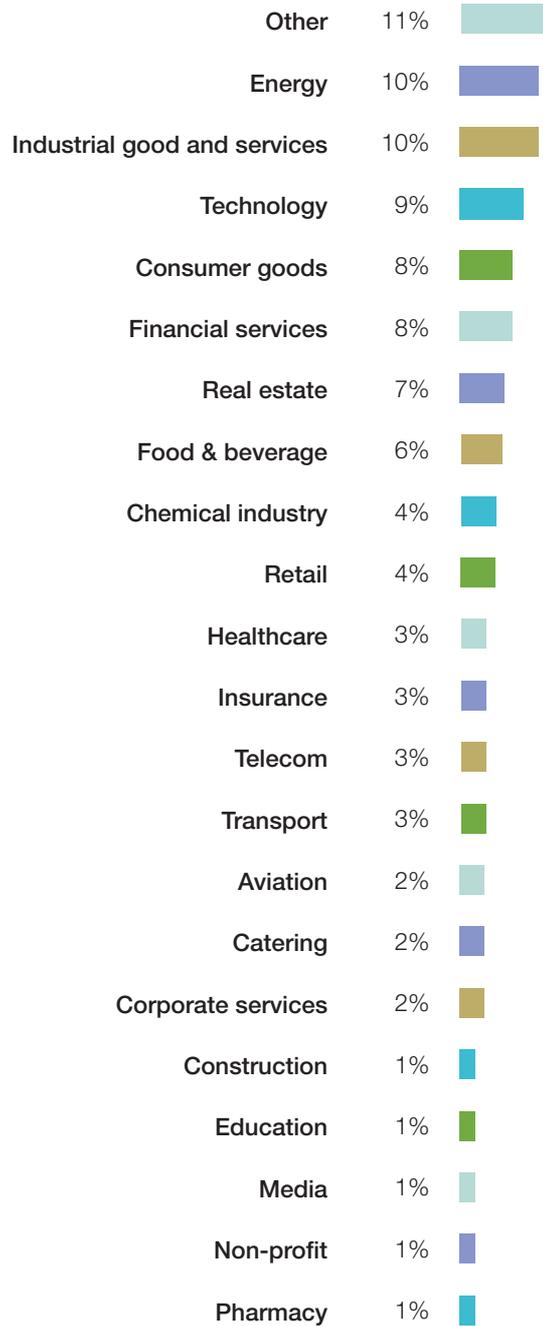


3 In how many countries, in which your organisation is active, does your department provide support?





4 In which sector is your organisation primarily active?





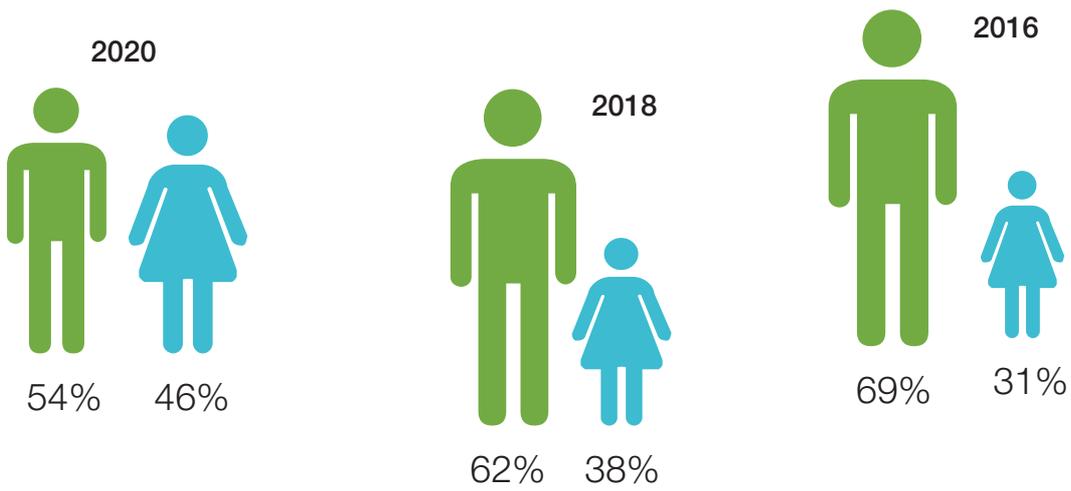


About the General Counsel

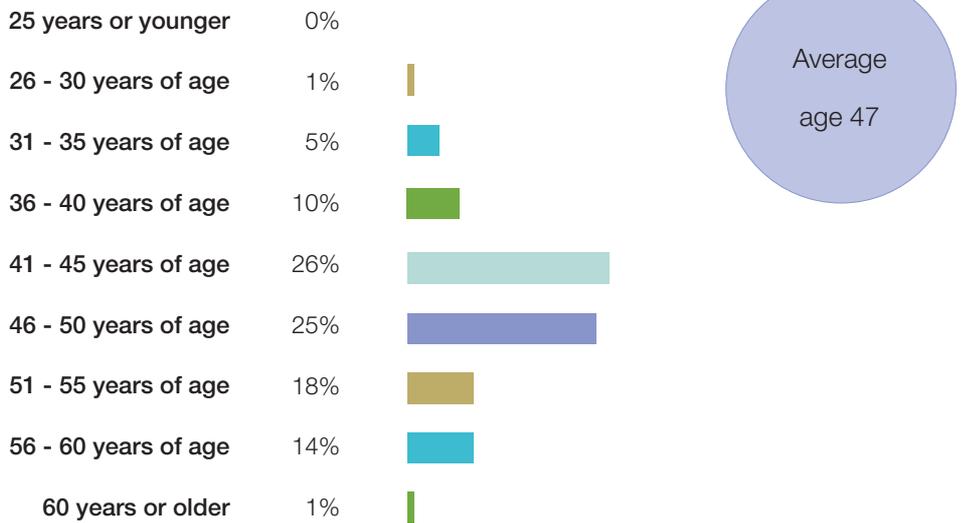
Most striking conclusions

- At the moment 46% of the GCs are women. This number has increased continuously in recent years. In 2016 only 31% of GCs were female and in 2018 this was 38%.
- The average age of a GC is 47 years. This figure has been more or less the same for years in a row.
- One half of the GCs works less than 5 years in their current position, the other half more than 5 years. In previous years, a higher percentage worked less than 5 years in the current position. GCs thus appear to remain in their role for a little longer.
- A whopping 60% of GCs somewhat or strongly agree that the General Counsel must be a member of the Board of Directors. This percentage has been increasing for years.
- The GC is less responsible for employment law than before (decreased from 44% to 38%).
- 12% is now responsible for Corporate Social Responsibility, compared to just 6% two years ago.
- 8% Of the GCs look actively for a new job, while almost 40% are orienting more often than before towards a new job. A new position is preferably a GC position at another company (64%) or a broader management position (28%).

5 What is your gender?

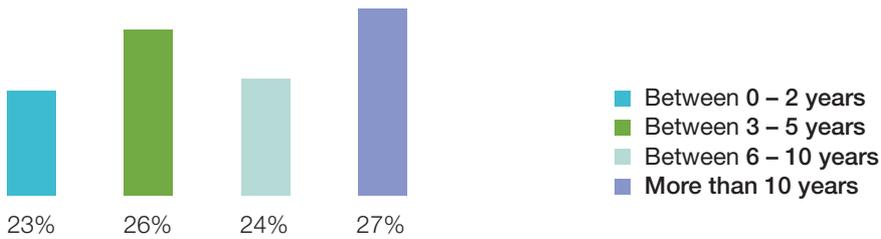


6 What is your age?

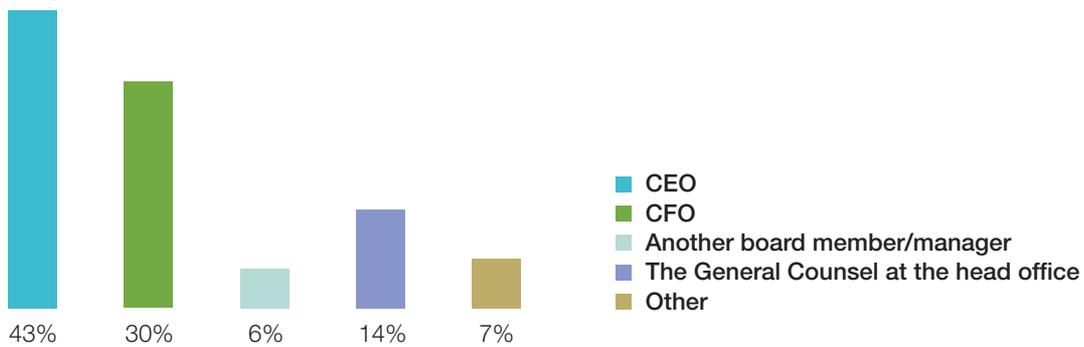




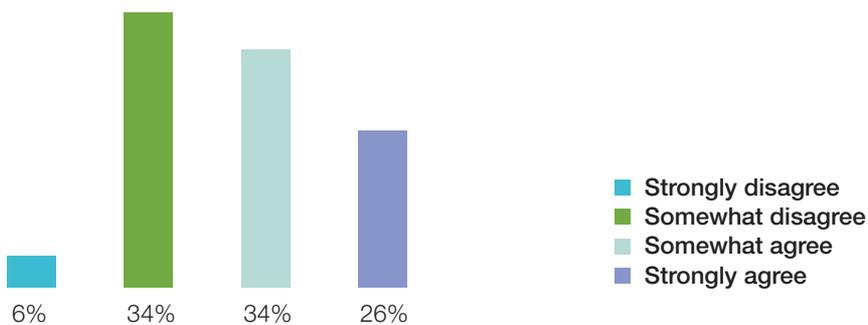
7 For how many years have you been in your current position with your current employer?



8 What is the job title of your direct supervisor?

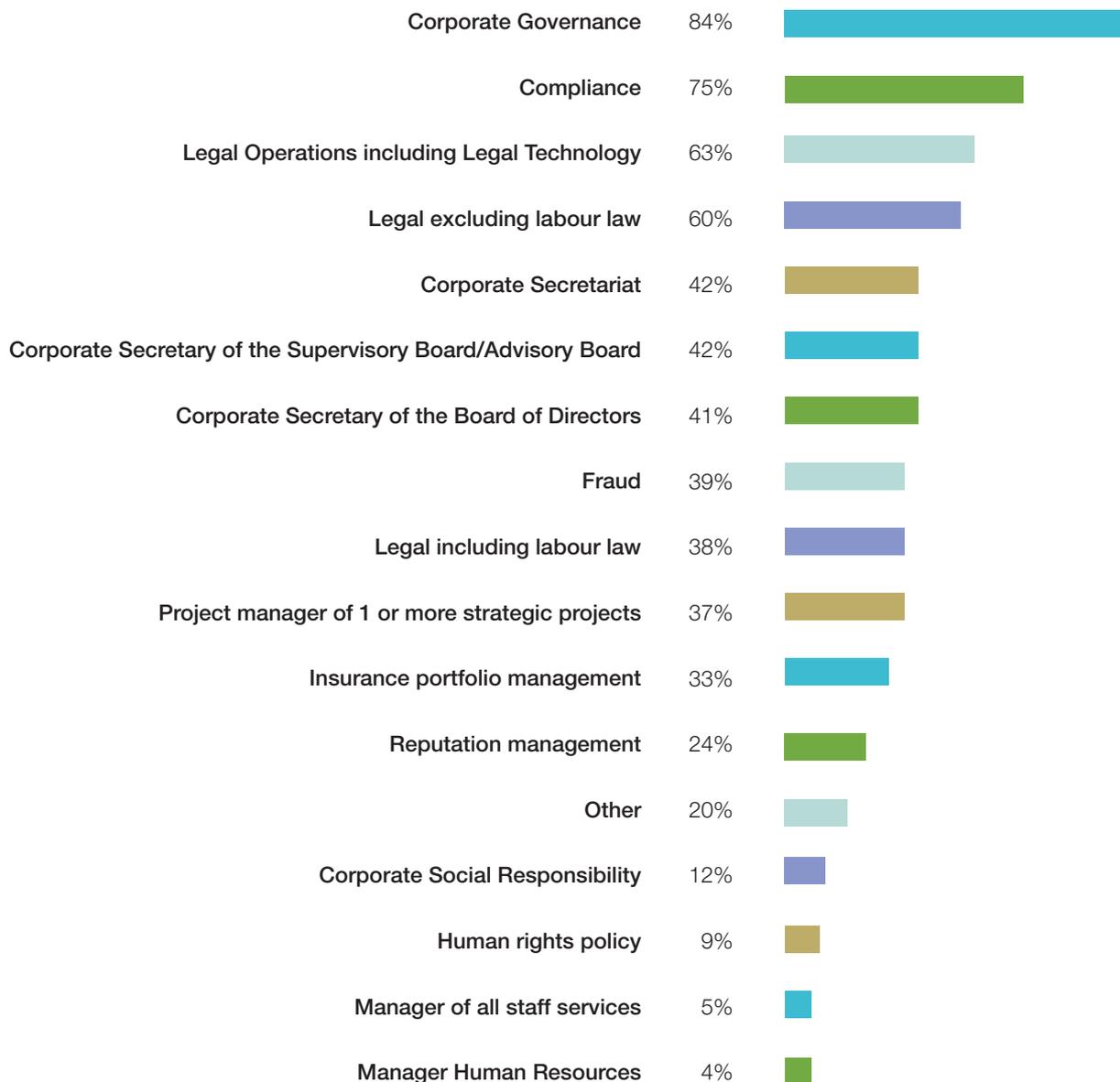


9 To what extent do you agree or disagree with the following statement? The General Counsel must be a member of the Board of Directors.



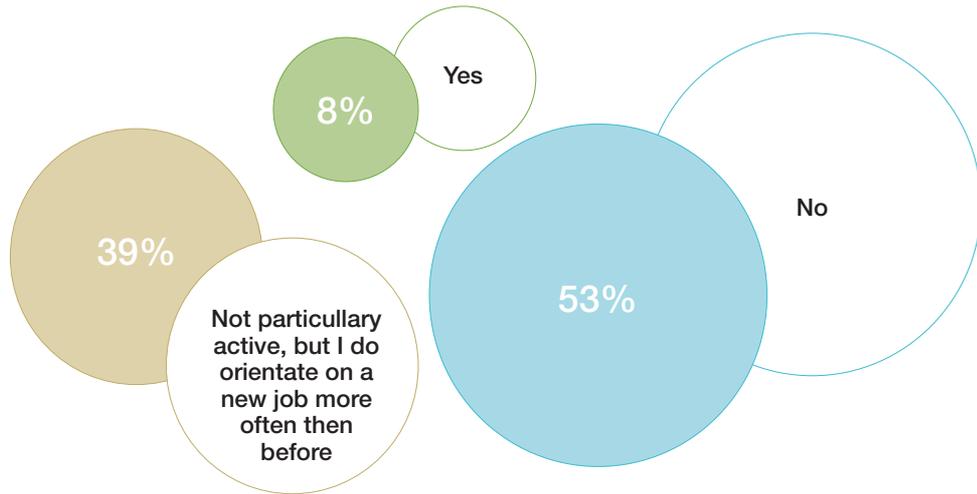
GC in Board?
60%: Yes!

10 Which activities fall within your range of responsibilities and/or of those of whom you are in charge of? (Multiple answers possible)

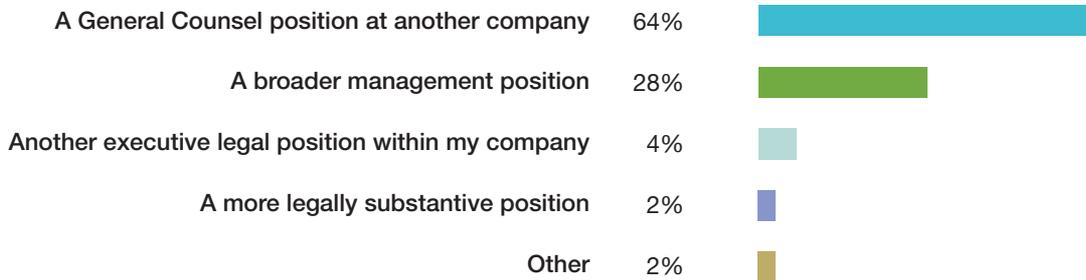




11 Are you actively looking for another job?



12 If you were allowed to select a new job, what would be your preferred position?



GC position at
another company
64%



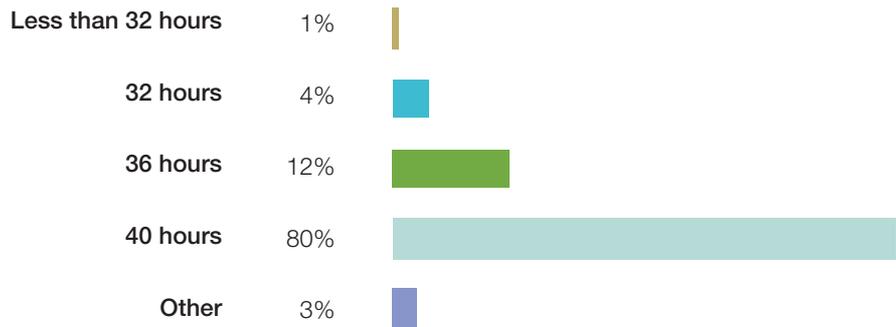


Compensation and Education

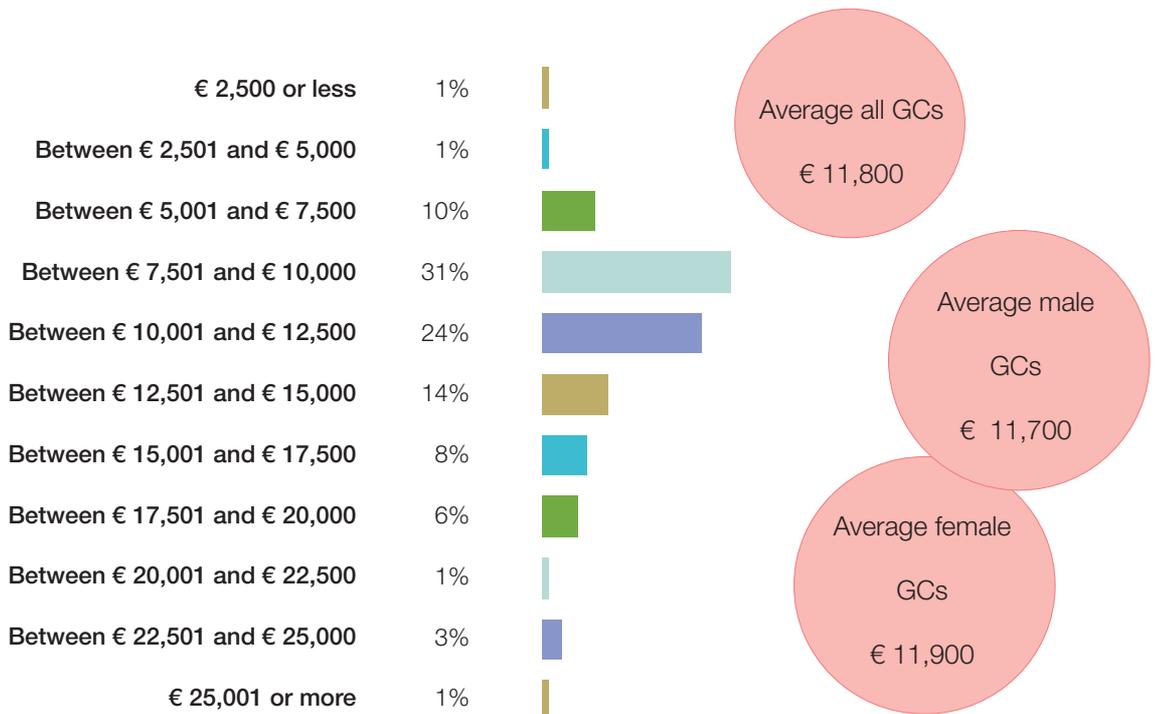
Most striking conclusions

- No less than 92% of GCs are employed full-time.
- The average gross monthly salary is € 11,800.- (average male: € 11,700,- and average female: € 11,900.-), but the differences are considerable.
- On the basis of their employment contracts, General Counsel have an average of 28 annual leave days.
- 84% of the GCs receive some sort of annual bonus and/or collective profit-sharing.
- 60% of GCs are entitled to a lease car, 18% of them already have an electric lease car and another 53% are considering a (semi-) electric variant as the next lease car.
- 95% of GCs work overtime and almost 90% of them do not receive extra compensation for this.
- Three quarters of the GCs experience the workload as heavy or very heavy.
- At the top of the GC wish list are the option for a sabbatical (37%) and more flexibility to work from home (31%), followed by sports facilities (20%).
- The training budgets of the General Counsel differ widely.
- Of the GCs that have a personal training budget, no less than 78% do not or only partially use it.
- In 2016, only 31% of GCs were interested in a general management training (such as a mini-MBA), in 2018 this was already 45% and now that percentage has increased to 56%. Followed by the activities of General Counsel Netherlands with 48%.

13 How many hours a week do you work according to your employment contract?



14 How high is your regular gross monthly salary that you actually receive, regardless of the number of hours you work according to your employment contract?





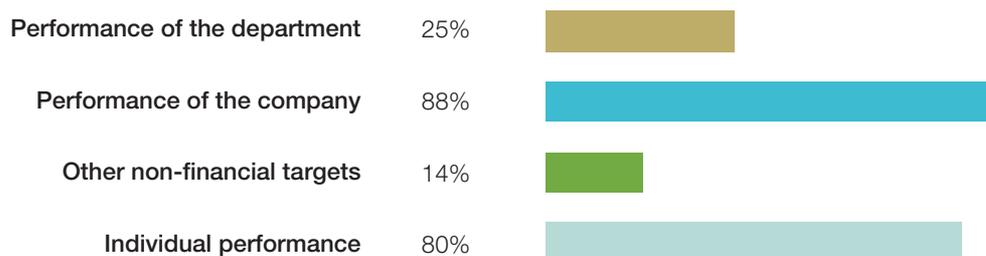
15 How many annual leave days do you have on a full-time basis (including any days off due to a reduction of working time) according to your contract?



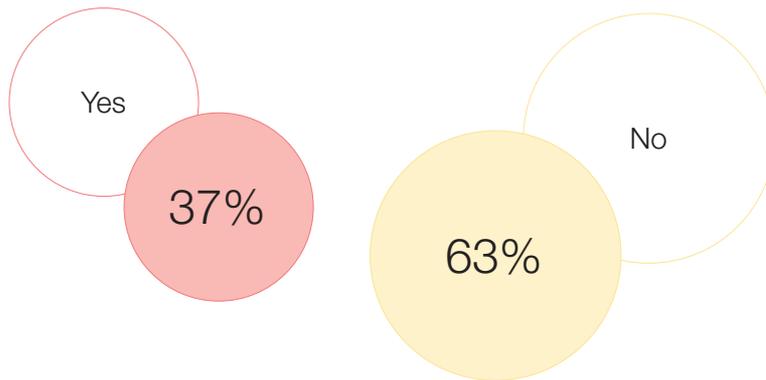
16 Do you usually receive an annual bonus and/or collective profit-sharing in addition to your regular gross salary and, if so, how high is that bonus/profit-sharing?



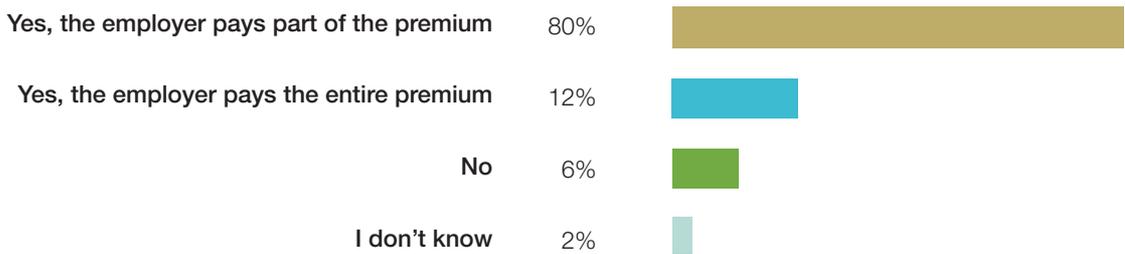
17 For those who usually receive an annual bonus, what does your bonus depend on?
(Multiple answers possible)



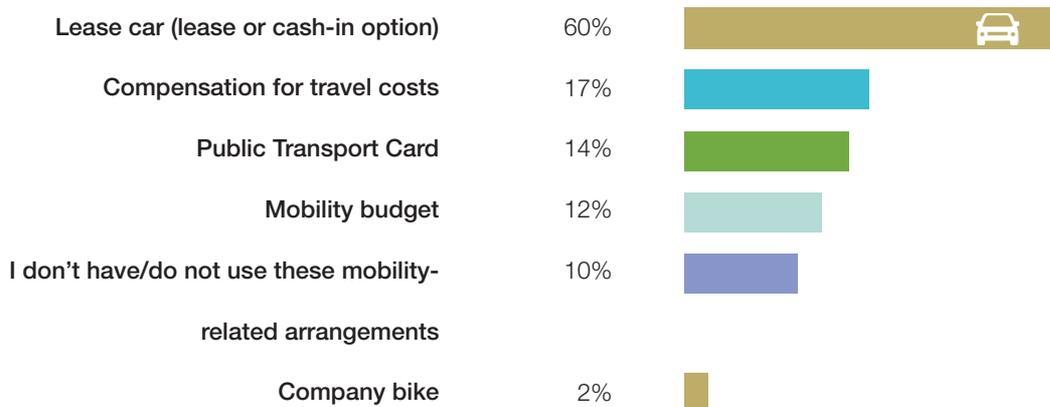
18 Do you have a share option arrangement?



19 Does your employer offer a collective retirement arrangement?



20 Do you make use of one of the following mobility-related arrangements?

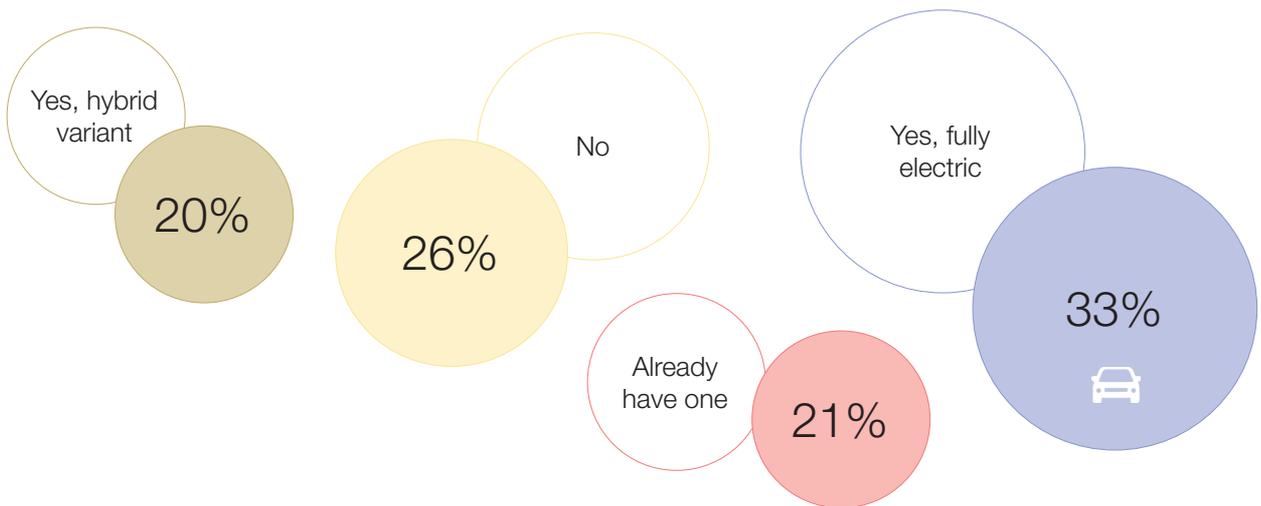




21 For those who have a lease car, what is the lease rate?



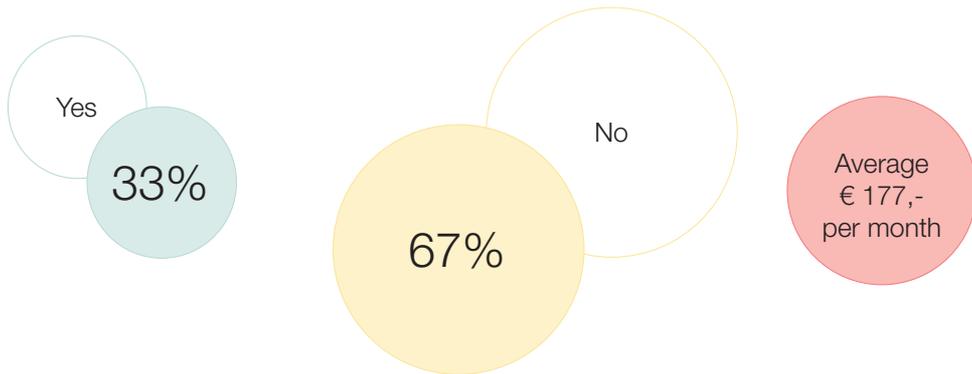
22 For those who have a lease car, are you considering taking an electric car as your next lease car?



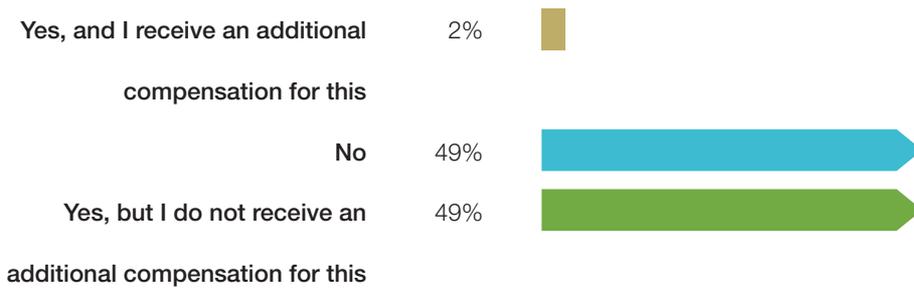
23 Are you entitled to other special emoluments (other than telephone, computer, etc.), such as discounts on your employers products?



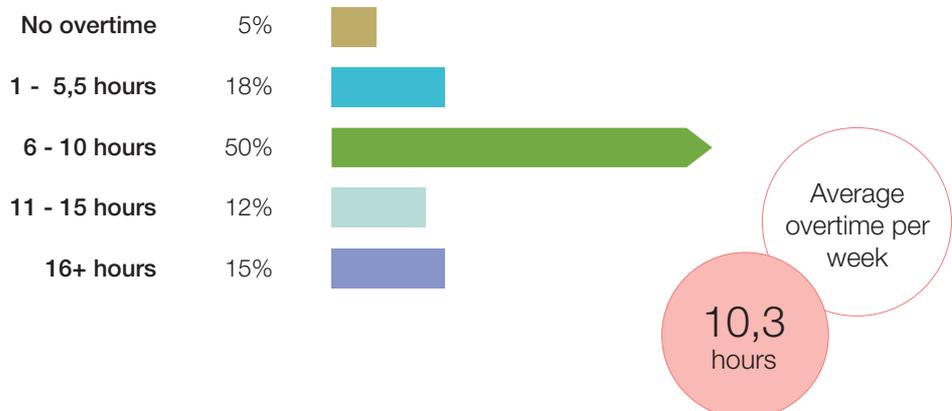
24 Do you receive a representation allowance/reimbursement of expenses in addition to your salary (in euros)?



25 Do you travel abroad regularly and, if yes, do you receive an additional compensation for this?

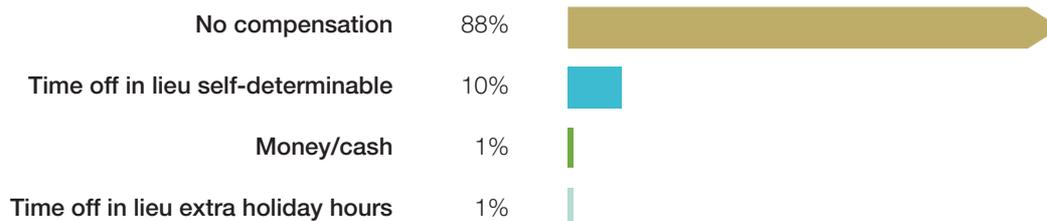


26 How much overtime do you make on average on a weekly basis (in hours)?

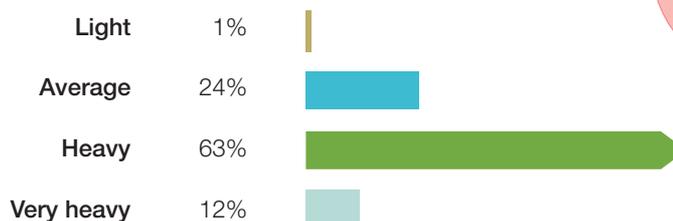




27 How is (your) overtime compensated?

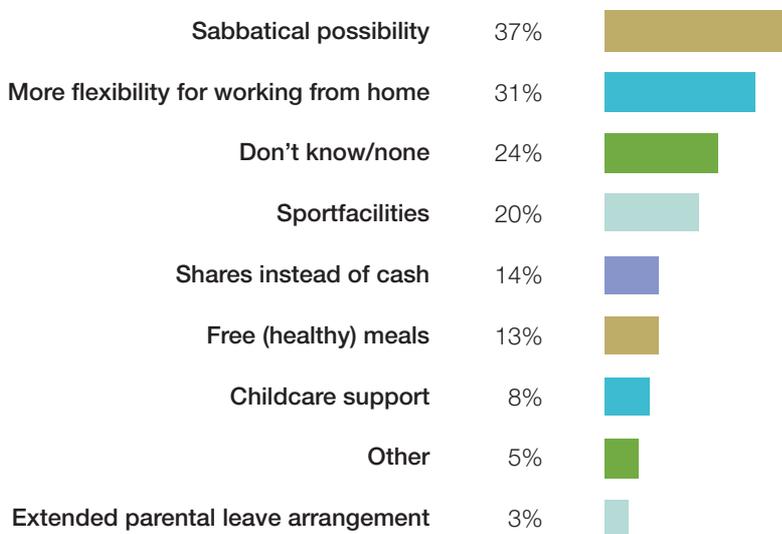


28 How do you experience your average workload?

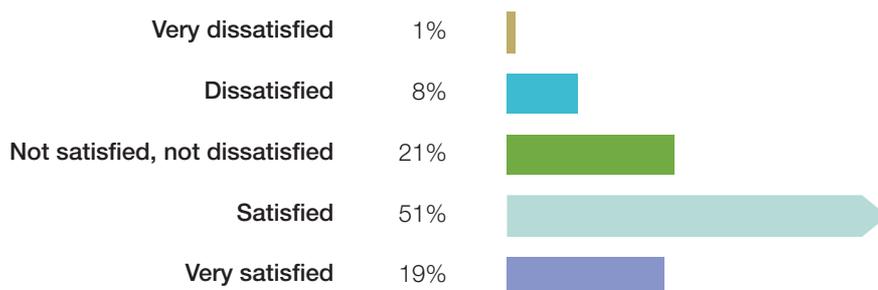


Workload (very) heavy: 75%

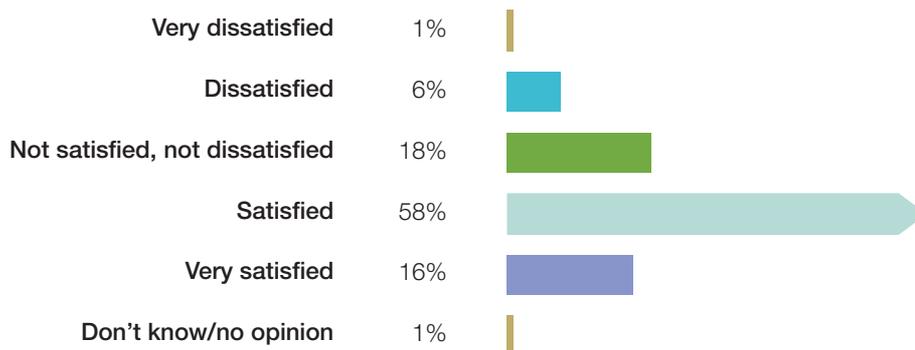
29 Is there an employment condition that you would like to make use of but do not yet have? (Multiple answers possible)



30 How satisfied or dissatisfied are you with the following aspects of your job?
My primary and variable terms of employment (salary/bonus)

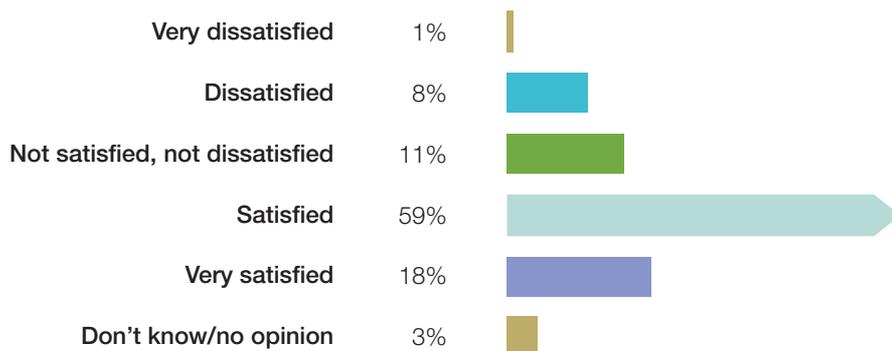


31 How satisfied or dissatisfied are you with the following aspects of your job?
My secondary terms of employment

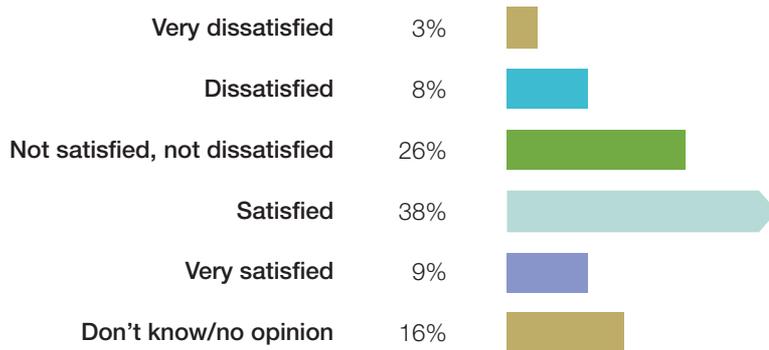




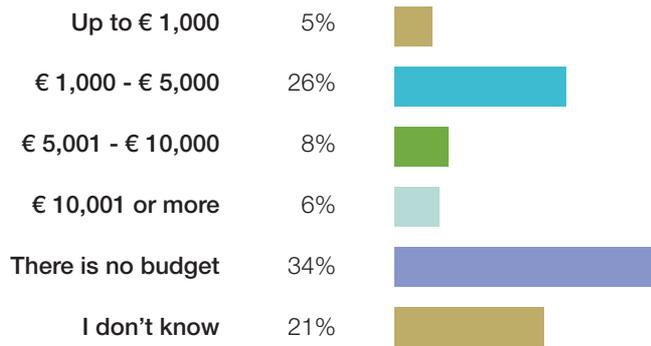
32 How satisfied or dissatisfied are you with the following aspects of your job?
My mobility arrangement



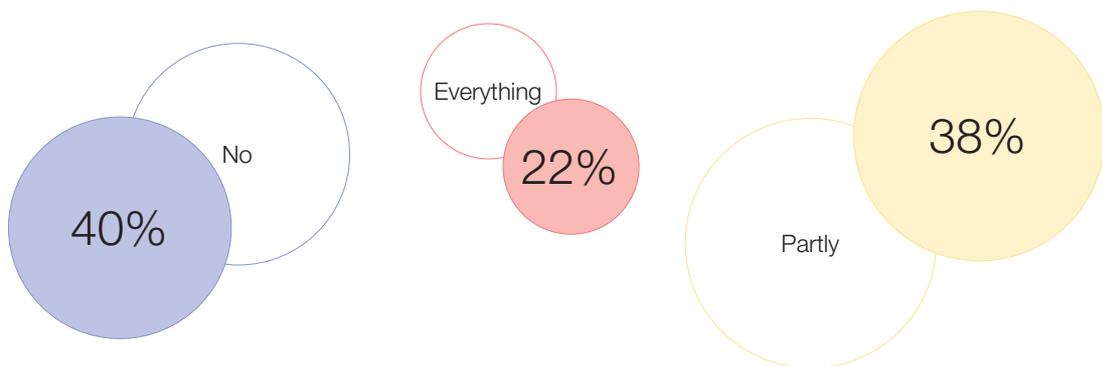
33 How satisfied or dissatisfied are you with the following aspects of your job?
The opportunities to work parttime



34 What was your personal educational training budget last year (in euros)?



35 Did you spent that personal training budget?

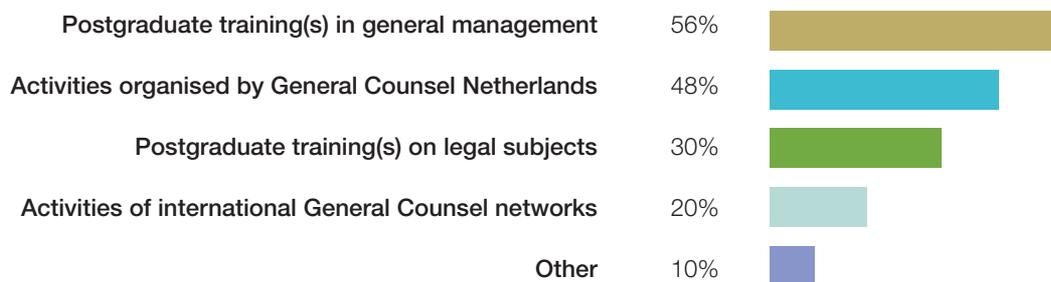




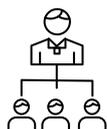
36 Currently there is no obligation for General Counsel to attend permanent education in the Netherlands. Do you think it is important that this obligation does become a reality?



37 In which of the following activities would you prefer to participate in the coming years, in order to maintain/improve your knowledge and skills? (Up to two answers possible)







About the Legal Department

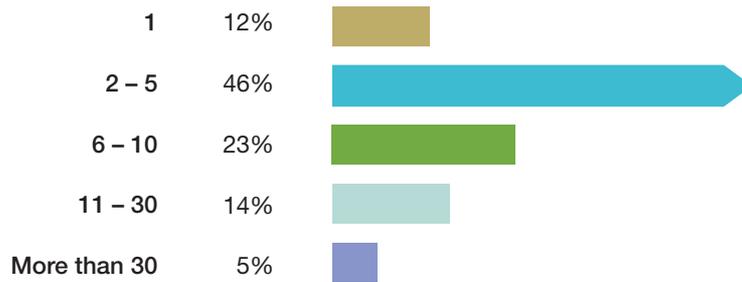
Most striking conclusions

- On average, the GC supervises 11 FTEs.
- Today, one or more HBO lawyers work within a quarter of all legal departments.
- In 13% of the legal departments a Legal Technology support employee is working and in 16% a Legal Operations support employee.
- This year the majority of the legal departments has again grown. The main reasons are: more legal work, more complex work and new extra activities. In addition, 41% of the GCs expect the legal departments to grow even further in the coming year, while half of the GCs expect the legal department to remain the same size in the coming year.
- More often than before, jointly agreed KPIs are used to measure whether the legal department is successful (2016: 23%, 2018: 40%, 2020: 47%).
- Nearly half of the GCs (46%) think the legal department has insufficient capacity.

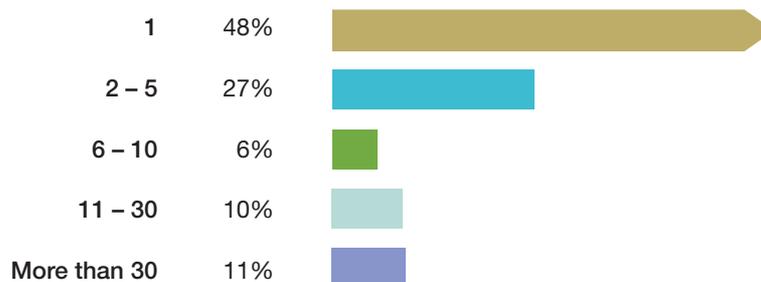
38 How many FTEs were working within your department at the first of June, 2020, including yourself?



39 How many in-house lawyers (FTEs) were working within your department at the first of June, 2020, including yourself?



40 How many other academic qualified employees (FTEs) were working within your department at the first of June, 2020, including yourself?

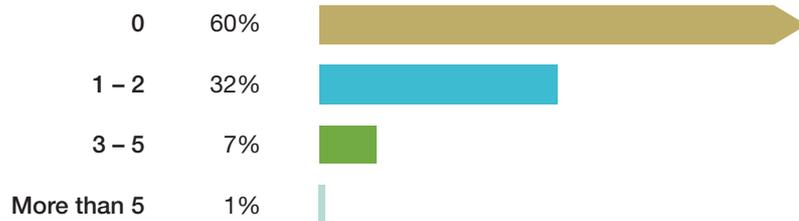




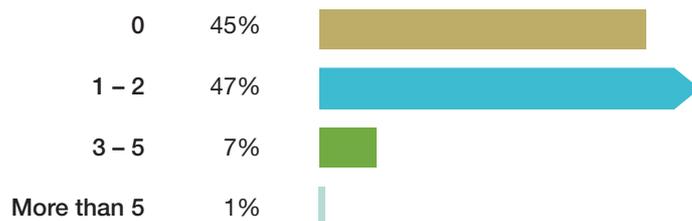
41 How many HBO lawyers (FTEs) were working within your department at the first of June, 2020?



42 How many (other) paralegals (FTEs) were working within your department at the first of June, 2020?



43 How many administrative support (FTEs) were working within your department at the first of June, 2020?



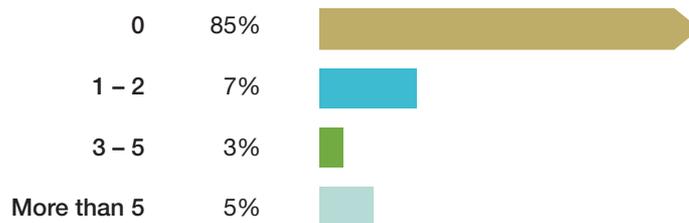
44 How many Legal Technology support employees (FTEs) were working within your department at the first of June, 2020?



45 How many Legal Operations support employees (FTEs) were working within your department at the first of June, 2020?

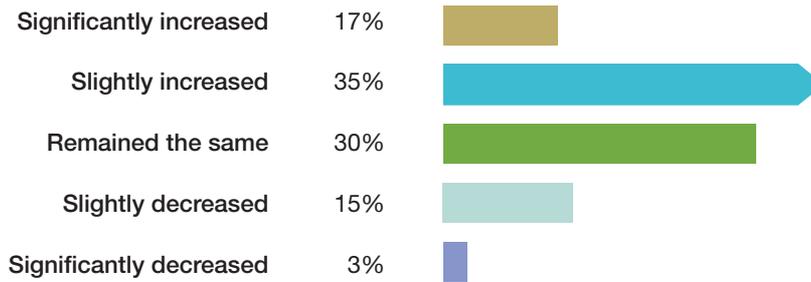


46 How many other employees (FTEs) were working within your department at the first of June, 2020?

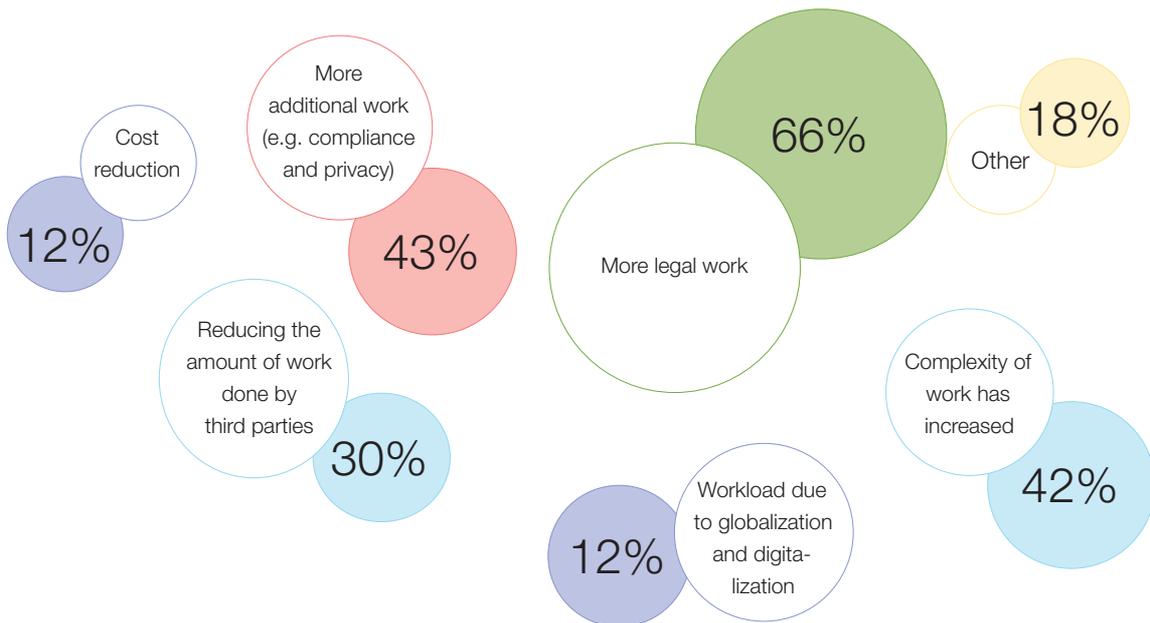




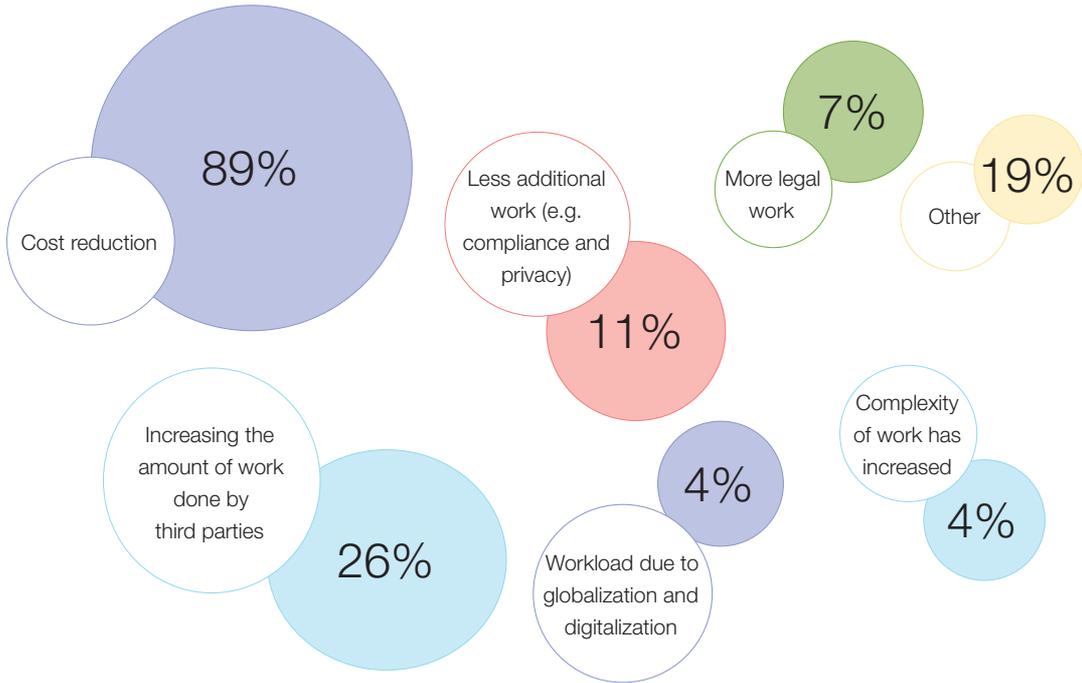
47 To what extent has the number of FTEs in your department increased or decreased over the past two years?



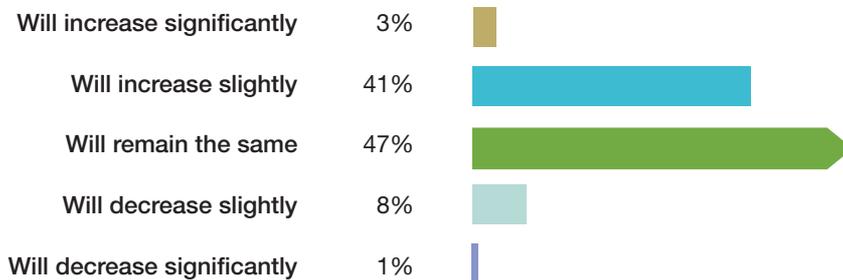
48 For those who mention that the number of FTEs has increased, what are the reasons for this? (Multiple answers possible)



49 For those who mention that the number of FTEs has decreased, what are the reasons for this? (Multiple answers possible)

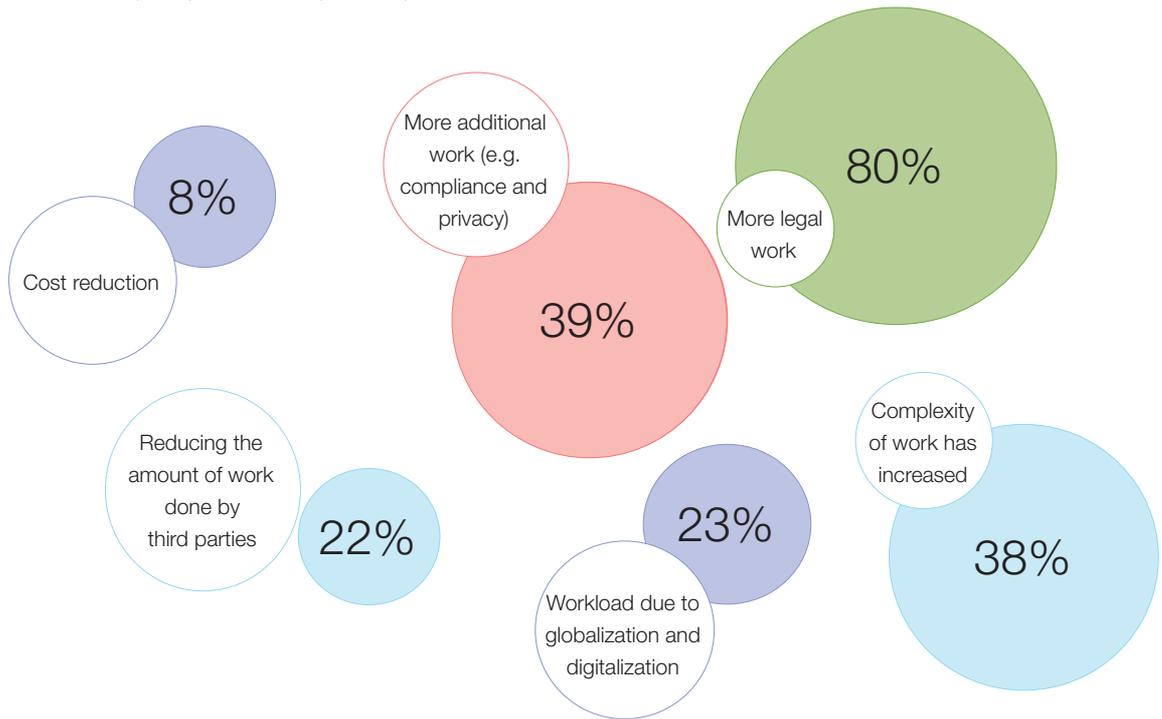


50 To what extent do you expect the number of FTEs in your department to increase or decrease over the following two years?

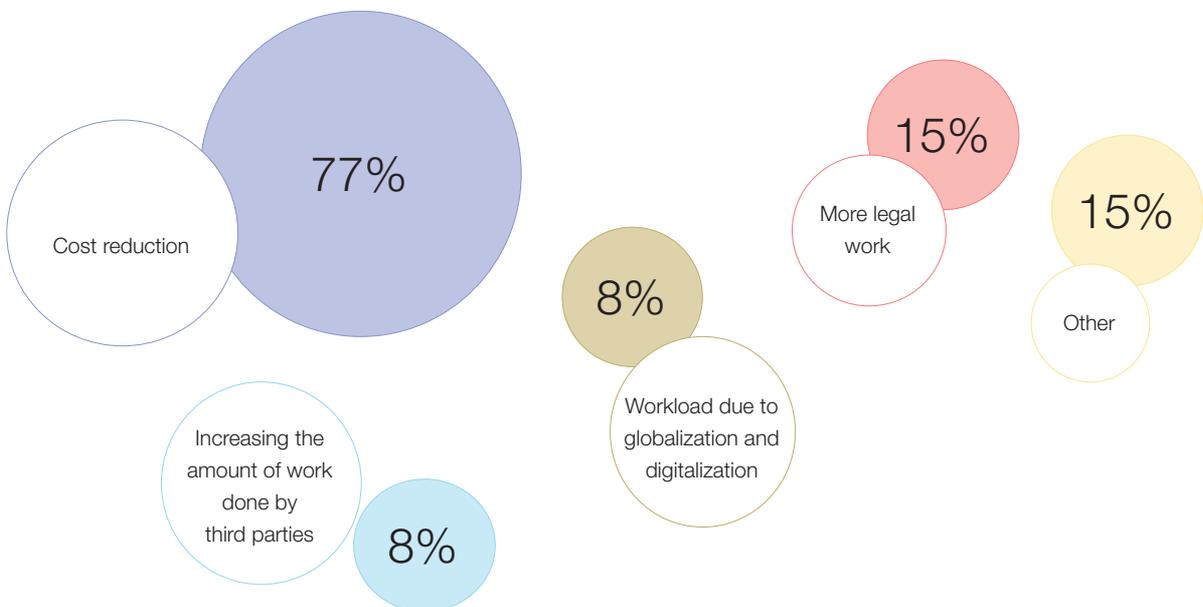




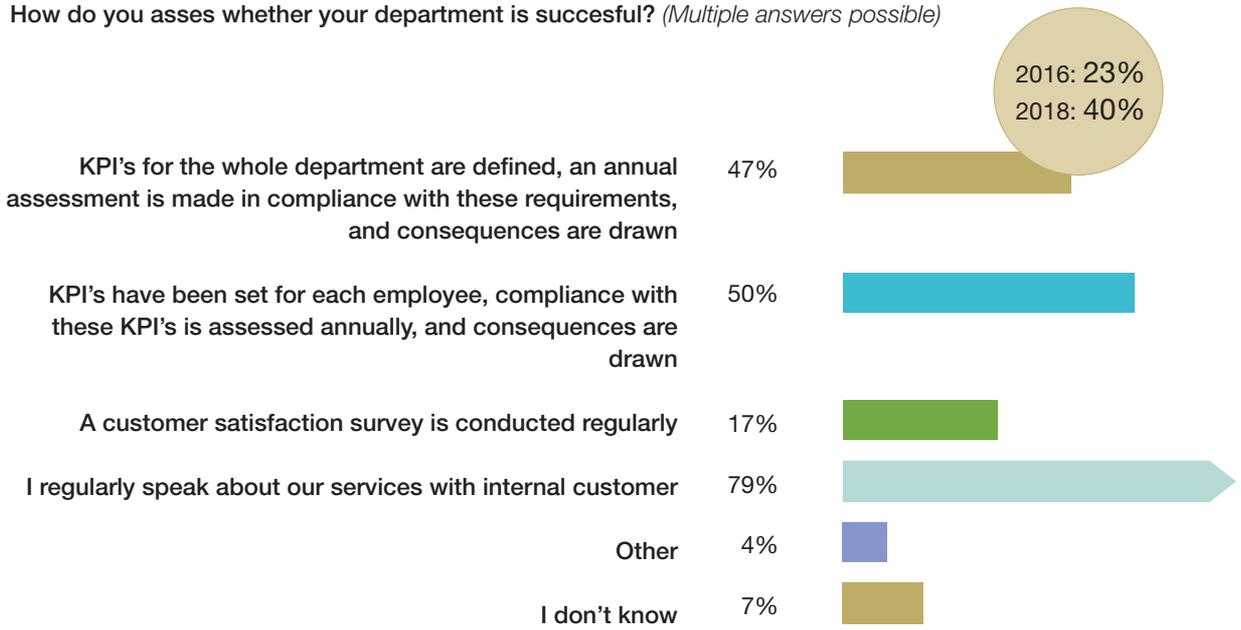
51 For those who mention that the number of FTEs will increase, what are the main reasons for this? (Multiple answers possible)



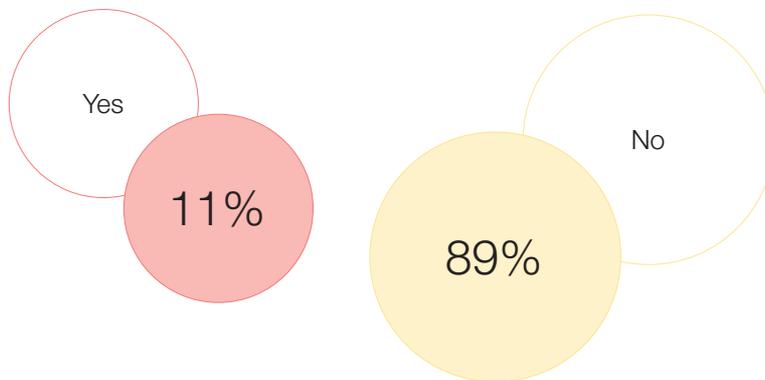
52 For those who mention that the number of FTEs will decrease, what are the main reasons for this? (Multiple answers possible)



53 How do you assess whether your department is successful? (Multiple answers possible)

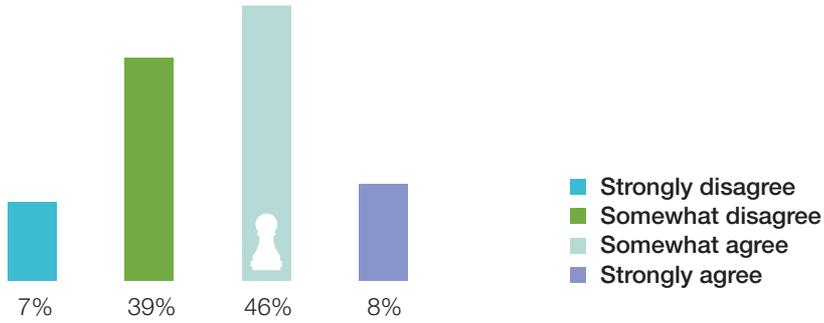


54 Are you considering employing non-lawyers into your team in the near future, for example people with an IT and/or operations background?

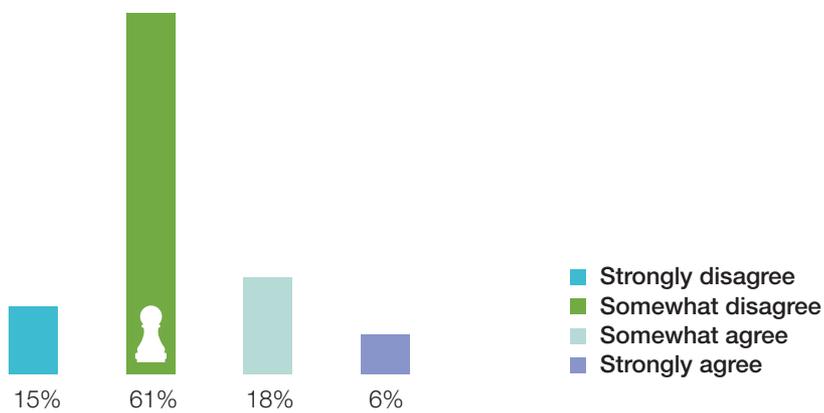


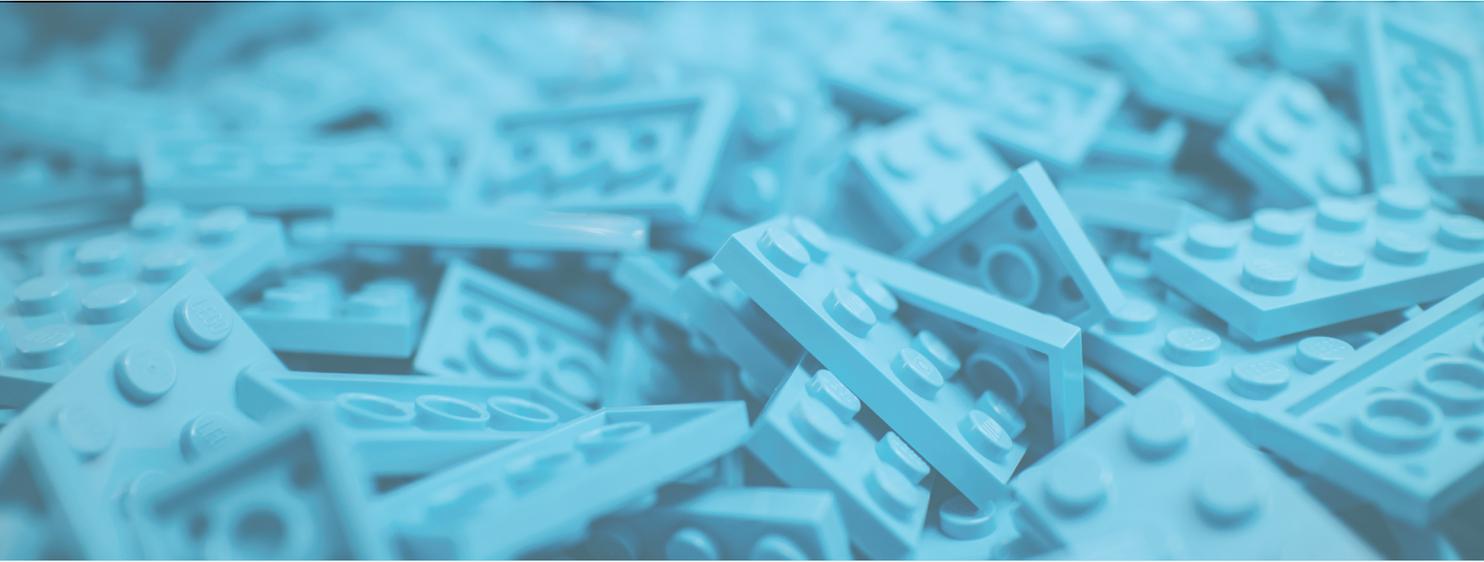


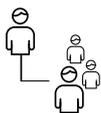
55 To what extent do you agree or disagree with the following statements?
My department has enough capacity



56 To what extent do you agree or disagree with the following statements?
The salaries of my employees are out of line with what is demanded of them





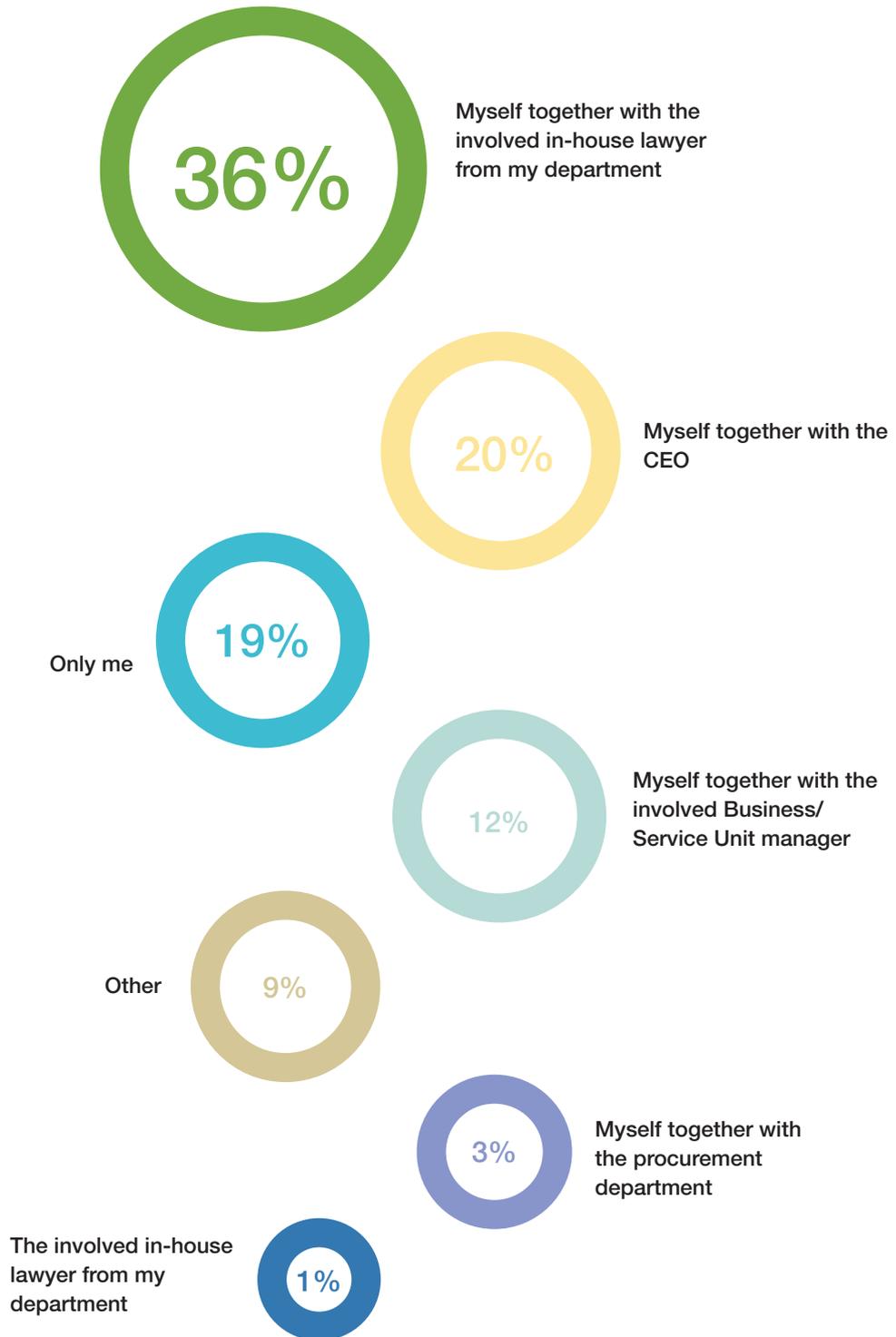


Sourcing external parties

Most striking conclusions

- In at least 90% of the cases, the General Counsel decides alone, or with another person, which external service providers will be contracted to do business with.
- In 2016, only 36% of GCs considered “practical and clear advice” one of the three decisive points in the choice of legal service providers, in 2018 this was already 53% and now it is even 66%, making it by far the most important point. Followed by “good value for money” (43%) and “the extent to which the external lawyer involved is able to be a real business partner” (41%).
- The majority of GCs want to do business more often in the future on the basis of alternative fee arrangements.
- Only 5% of the General Counsel evaluates external service providers on the basis of predetermined KPIs.

57 Who, within your organisation, decides which external service providers will be contracted to do business with?



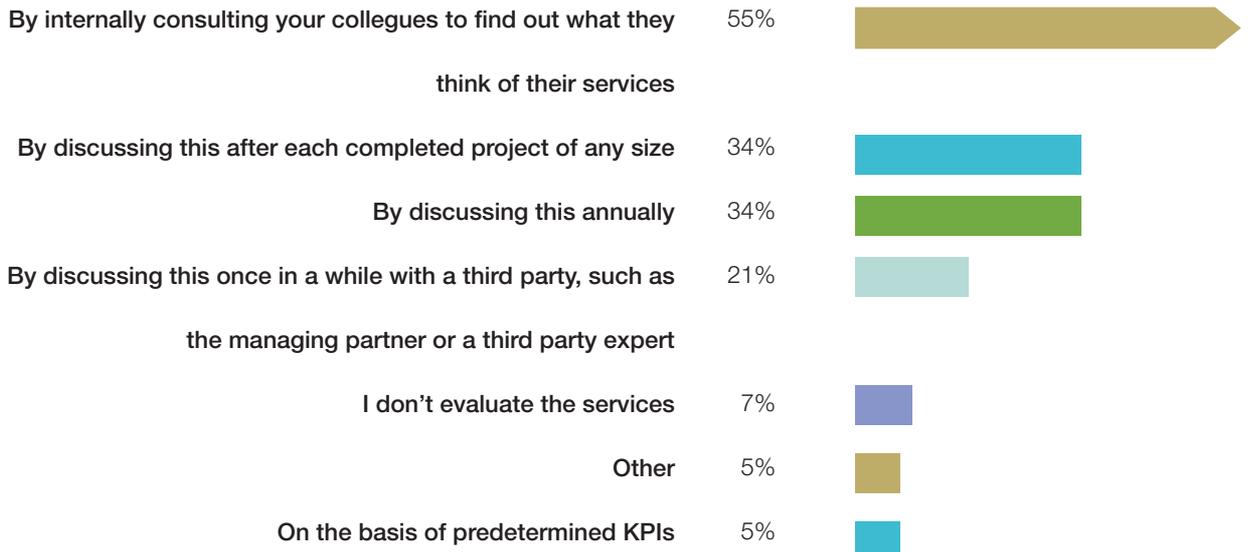


58 What are the most decisive factors for you to be able to choose a particular external service provider? (Up to three answers possible)



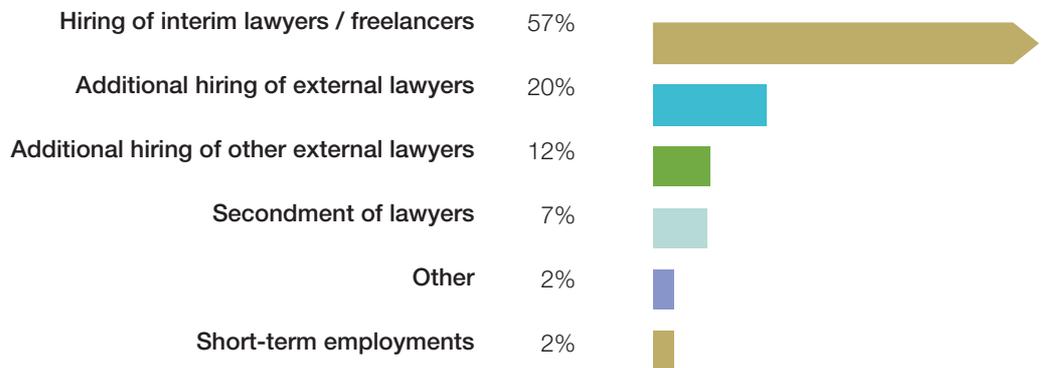
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How do you evaluate the services of external service providers in particular?
(Multiple answers possible)



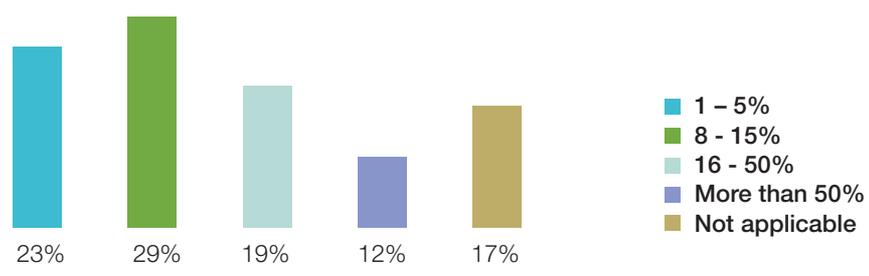
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Which of the following options do you prefer to use if you temporarily need extra capacity for your department?

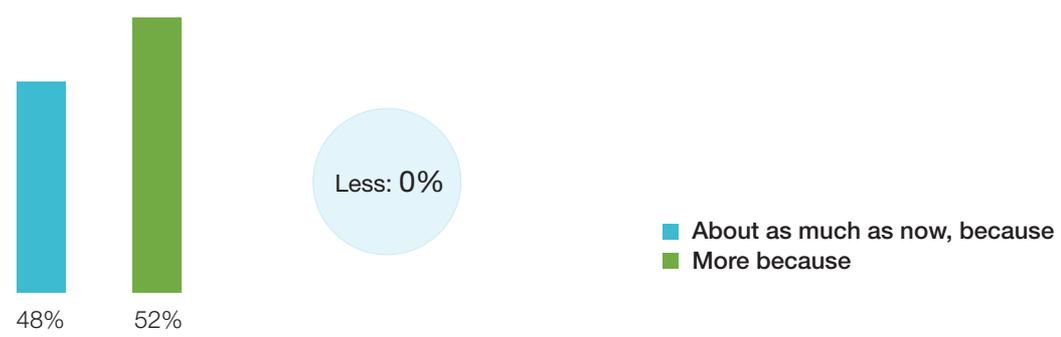




61 What percentage of the total external legal costs in 2019 was not declared on the basis of an hourly rate but on the basis of, for example, a fixed fee, blended rate, capped/flat fee, contingency payment, etc.?



62 When hiring externals in the future, would you like to make more or less use of fee alternatives based on an hourly rate and why?



About as much as now, because:

- It is not always workable, it very much depends on the type of project
- Hour billing works well to maintain a good long-term relationship
- I have not yet or hardly come across any alternatives in the market
- We already have good tariff agreements
- I am satisfied with how things are going now
- We already outsource many things on the basis of a fixed fee

More, because:

- It offers more insight into and certainty about costs and efficiency
- It forces us and the service providers to think carefully about the scope in advance
- Hourly rate is outdated, it sends out the wrong signal
- The focus on costs is increasing
- It offers options for customization
- It forces the external person to behave as an entrepreneur
- I want more flexibility at law firms
- It ends up being cheaper for me this way



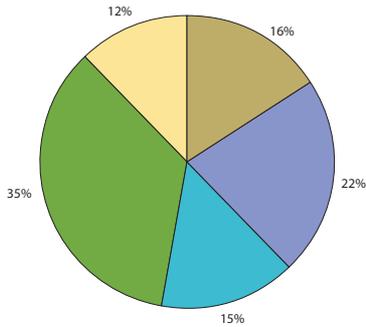


Cost management

Most striking conclusions

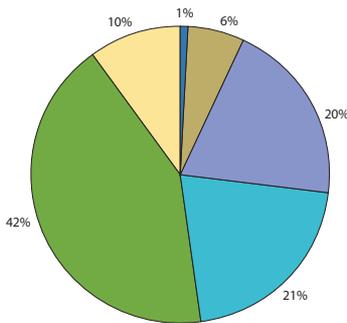
- 50% of the General Counsel work for an organisation with an annual turnover of more than € 500 mio.
- 40% of the GCs expect that the total legal costs will increase in the next two years, while the same percentage expects those costs to remain more or less the same. About 20% expect a decrease.
- 36% of the GCs believe that he or she does not have sufficient financial leeway to allow the department to function in the desired manner, compared to 30% in 2018 and 24% in 2016.
- 42% of the GCs think their supervisor acknowledges that the legal department needs more budget nowadays, compared to 37% in 2018.

63 The following questions will focus on cost management. How high was the organisation's annual turnover in 2019?



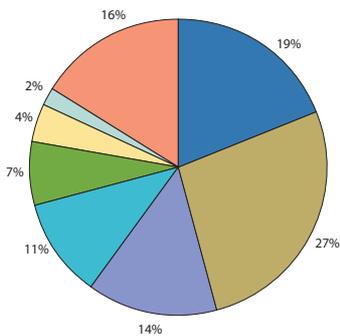
- 0 - € 10 mio 0%
- € 10 mio - 100 mio 16%
- € 100 mio - 500 mio 22%
- € 500 mio - 1 bn 15%
- More than € 1 bn 35%
- These figures are confidential 12%

64 How high were the total legal costs of your organisation in 2019?



- 0 - € 100.000 1%
- € 100.000 - € 200.000 6%
- € 200.000 - € 500.000 20%
- € 500.000 - € 1 mio 21%
- More than € 1 mio 42%
- Would rather not say 10%

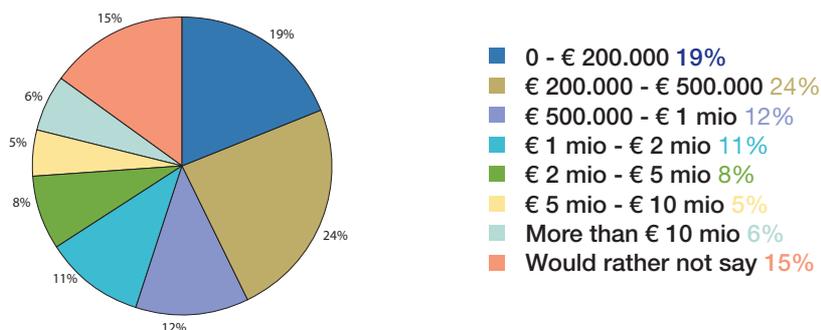
65 How high were the internal legal costs in 2019?



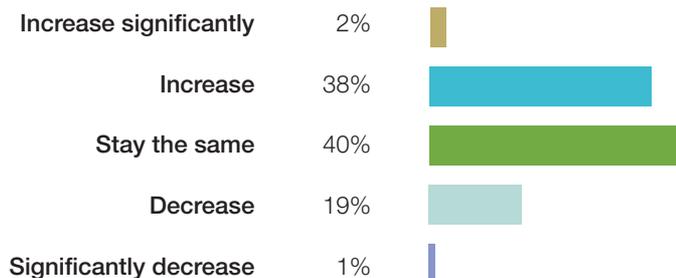
- 0 - € 200.000 19%
- € 200.000 - € 500.000 27%
- € 500.000 - € 1 mio 14%
- € 1 mio - € 2 mio 11%
- € 2 mio - € 5 mio 7%
- € 5 mio - € 10 mio 4%
- More than € 10 mio 2%
- Would rather not say 16%



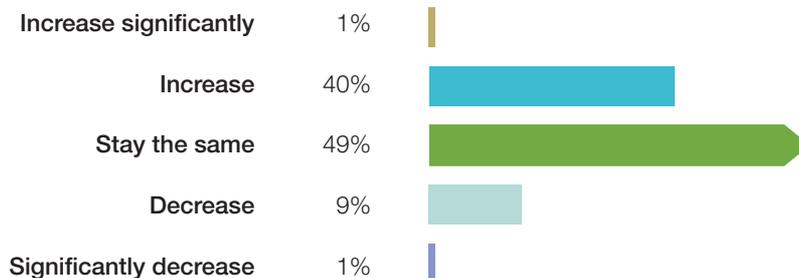
66 How high were the external legal costs in 2019?



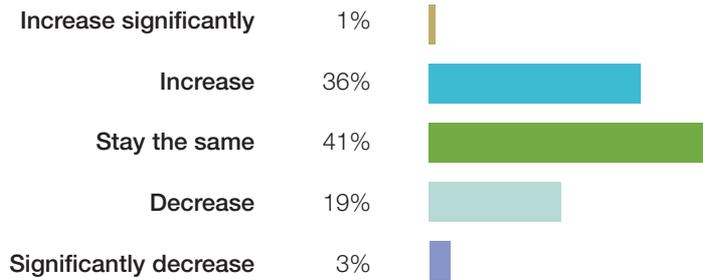
67 Do you expect that the **total legal costs**, within your organisation, will increase, stay the same or decrease within the next two years?



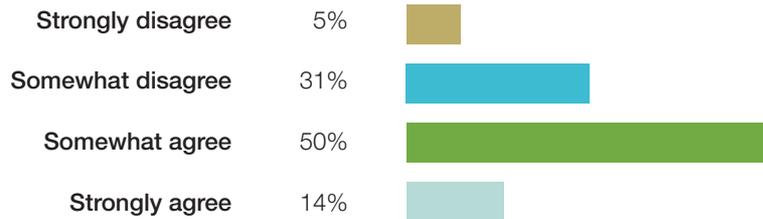
68 Do you expect that the **internal legal costs**, within your organisation, will increase, stay the same or decrease within the next two years?



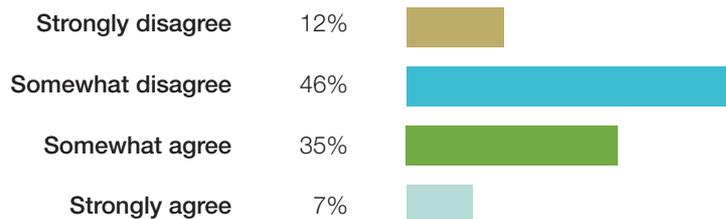
69 Do you expect that the **external legal costs**, within your organisation, will increase, stay the same or decrease within the next two years?



70 To what extent do you agree or disagree with the following statements? I have sufficient financial resources at my disposal to allow my department and myself to function as I wish



71 To what extent do you agree or disagree with the following statements? My supervisor believes that the current time calls for more budget for legal costs







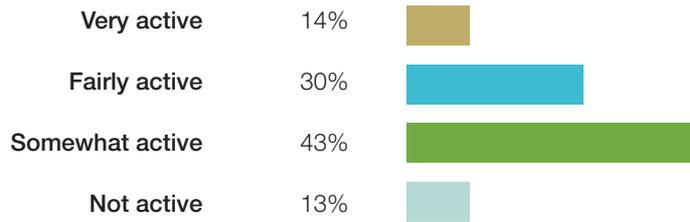


Technology

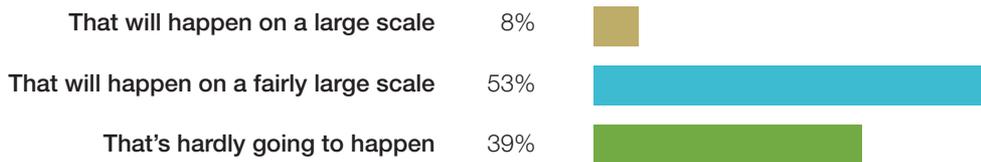
Most striking conclusions

- 61% of the GCs expect new technological solutions to be deployed on a fairly large scale in the next two years.
- 13% of the GCs are not actively working at all to use new technology to improve the level of service. In 2018, 58% was still quite active or very actively engaged in this, now 43%. Most (45%) are somewhat actively involved in it.
- 67% of the GCs plan to spend 6 - 10% of the budget on Legal IT tooling/software in 2020/2021.
- Roughly 7 out of 10 legal departments use E-signatures, 6 out of 10 use contract management systems and 5 out of 10 use corporate data management systems. This makes these three tools by far the most popular technological innovations within legal departments at the moment.
- In the coming years, the legal departments will mainly invest in contract management systems, E-signatures, contract assembly/drafting software and Legal spend/cost tracking software in terms of technology.

72 To what extent are you and your department actively engaged in using new technology to improve the level of service?

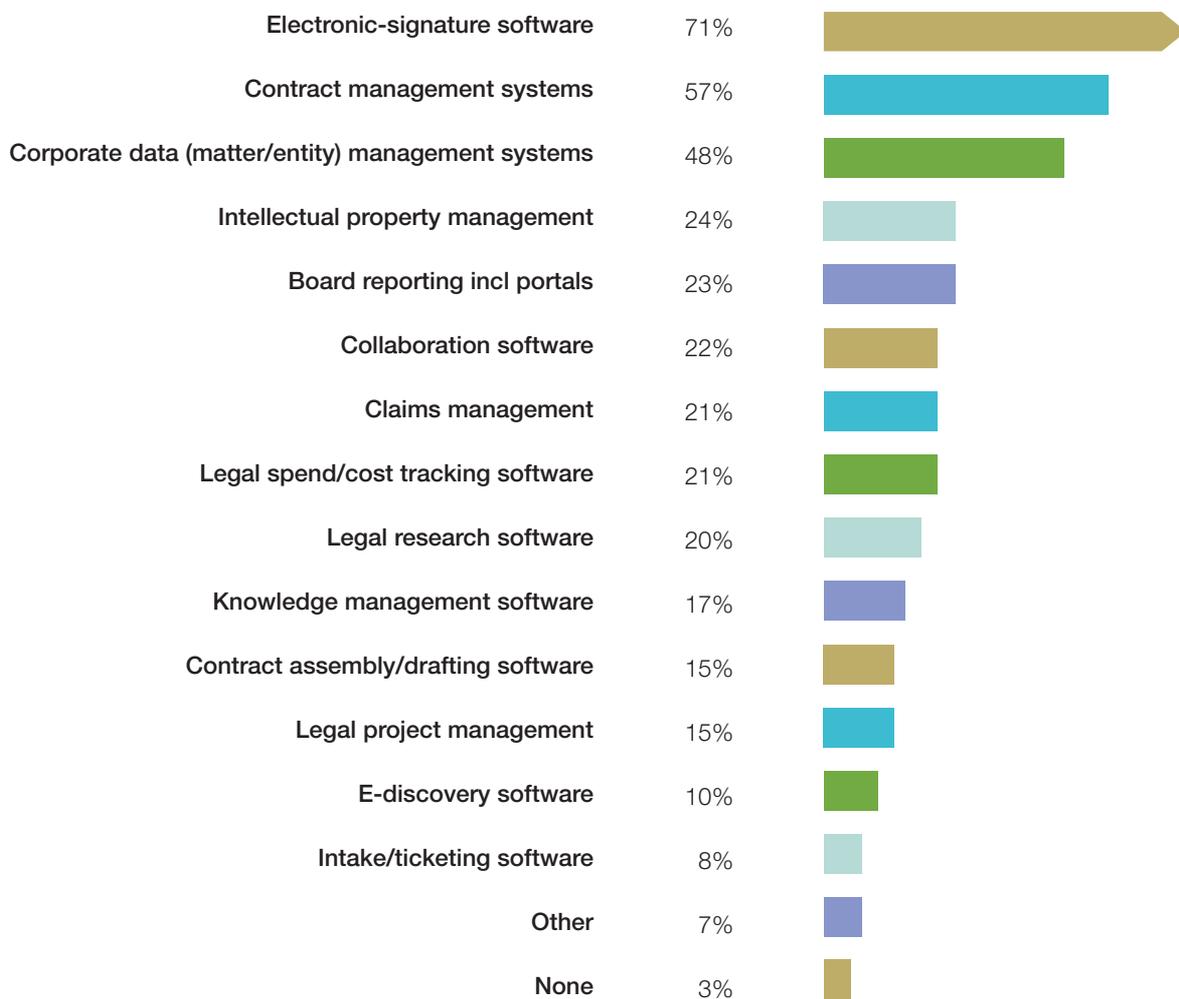


73 To what extent do you expect to use new technological solutions within your department in the next two years to improve the level of service?



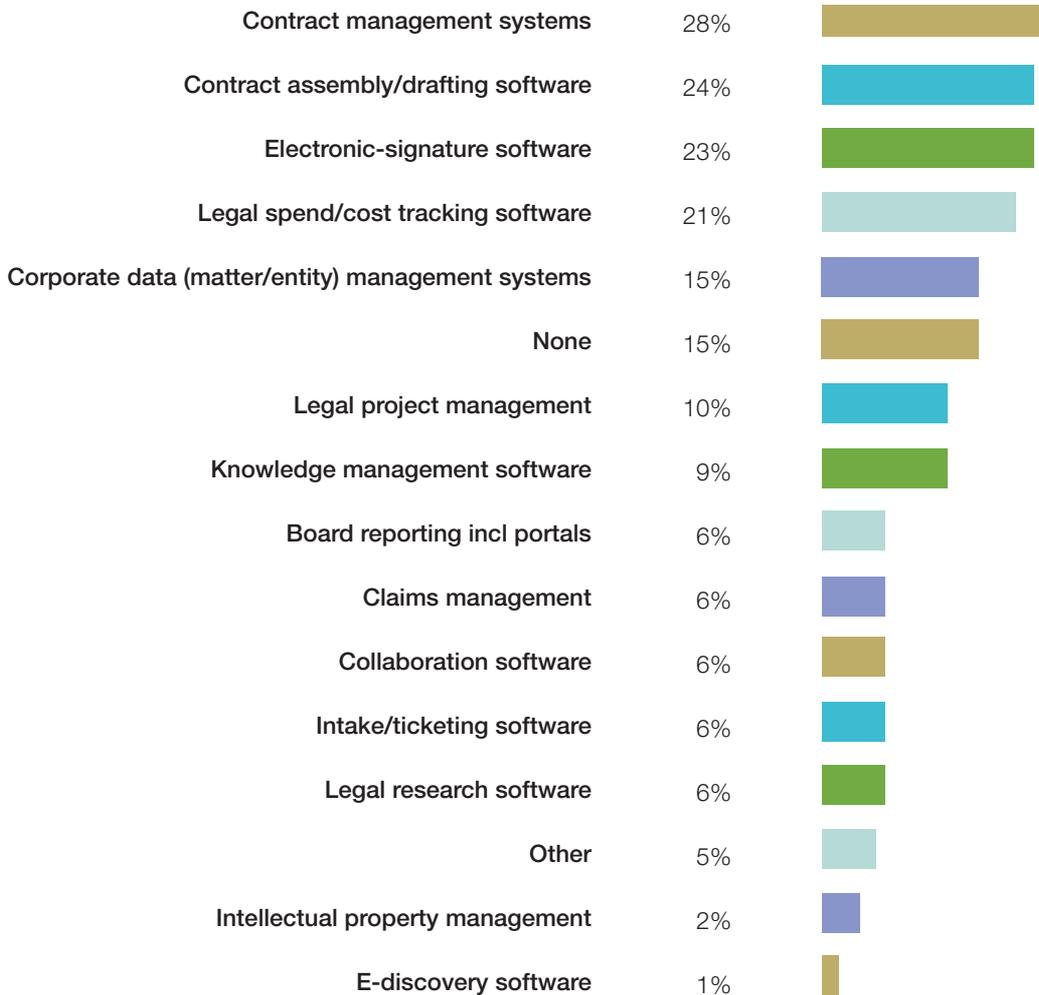


74 Which of the following technological innovations are you already using within your department? (Multiple answers possible)



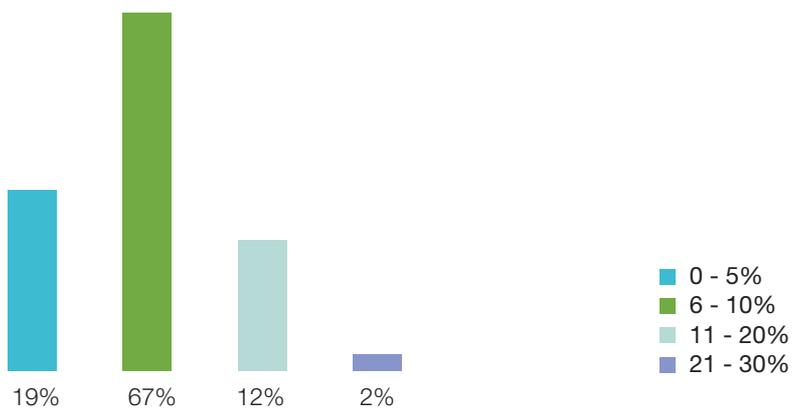
75

Which of the following technological innovations do you intend to be the first to implement within your department in the coming years? (Up to three answers possible)





76 What percentage of your budget do you plan to spend on Legal IT tooling/software in 2020/2021?



Why this General Counsel NL Benchmark Survey?

One of the main goals of GCN, the network for General Counsel, is to further professionalize and profile the General Counsel profession. Exchange of knowledge and thoughts between peers is essential for this. In the Netherlands, many GCs are looking for the optimal interpretation of their profession. Of course, it helps to know how others are organised and how they deal with the challenges of our time. Not 'from hearsay' or 'that you think so', but based on representative figures.

The GCN network stands for sharing knowledge with each other. How do other GCs solve their affairs? Especially the managerial affairs: what is the range of task of other GCs, what is the structure of their division, how do they manage costs, which tasks do they perform themselves and which labour is hired (and in what way) and how do they innovate? The General Counsel NL Benchmark Survey is an important pillar under GCN as the central platform where GCs meet and share best practices. It is also one of the world's largest General Counsel benchmark studies.

COLOFON

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About GCN

General Counsel Netherlands is the professional organisation and creative network for ultimate responsible (in-house) lawyers in the Netherlands. A platform where General Counsel meet and share best practises.

GCN-members have different titles such as General Counsel (“GC”), Chief Legal Officer or Head of Legal Affairs. But they are always head of legal and the ultimate responsible in-house counsel towards senior management regarding legal risks. Both GCN founders were General Counsel themselves. They founded GCN out of a need to let General Counsel share knowledge and experience with each other and with other innovative parties from the legal world.

The GC as strategic Business Partner

The range of tasks of the General Counsel has expanded enormously over the last decade. The modern General Counsel is not only the legal expert and the ethical compass of the company, but is also expected to be a strategic business partner. Someone who shows leadership and vision at boardroom level and understands digitisation, reputation, crisis management and globalisation. GCN supports General Counsel in their challenges and helps with further professionalize their job.

Knowledge and know-how

GCN works with GCN-partners who support GCN and GCs with the transfer of valuable knowledge and know-how, share specialised expertise and draw attention to certain products and tools without commercial interest. GCN is an independent network and not part of any other organisation.

GCN organises a large number of meetings and other activities (conferences, peer-to-peer groups), with emphasis on not-purely legal themes that are of interest to the GC. All information can be found on our website www.generalcounsel.nl

GCN initiatives

GCN is also the initiator of the General Counsel Executive Program (www.gcexecutiveprogram.com), an international academic mini-MBA and facilitates the EQUAL in LEGAL platform (www.equalinlegal.com) where various social impact topics are shared.

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Nearly half of all GCs are female, the income of female and male GCs hardly differs

MOST GCs BELIEVE THAT THE GC SHOULD BE A MEMBER OF A BOARD OF DIRECTORS

Nine out of ten GCs work fulltime

Three-quarters of GCs experience the workload as heavy or very heavy

A LARGE MAJORITY OF THE GCs PREFER TO FOLLOW A GENERAL MANAGEMENT TRAINING, SUCH AS A MINI-MBA

Above all, GCs want practical and clear advice from service providers

THE MAJORITY OF GCs ARE OPEN FOR ALTERNATIVE FEE ARRANGEMENTS

One third of the GCs need more money to allow their department to function in the desired manner

In the coming years, most GCs will deploy technological solutions more often

Next GCN Benchmark Survey: 2022



General Counsel Netherlands

Where General Counsel meet
and share best practices