



HIGHER
STANDARDS
WELCOME



AXIOM'S 2023 APAC
GENERAL COUNSEL SURVEY

First Look: Spotlight on Hong Kong- Based GCs

INTRODUCTION

The Role of a Hong Kong GC:

There's no question that being a Hong Kong (HK)-based GC is hard. Unfortunately, the results of Axiom's first annual survey of 150 HK-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. Not only must HK-based GCs address matters for which they have a dearth of in-house expertise, they must also manage a network of expensive external legal providers. The resourcing required to achieve best-in-class legal outcomes is, in a word, insufficient.

While the volume and complexity of legal matters grow, HK-based GCs are seeing their budgets shrink. 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, but spend cuts are also upending the use of law firms given their historically large 2023 rate increases.

THE THREE HEADLINE SURVEY TAKEAWAYS:

1. HK-based GCs are struggling to navigate budget cuts and hiring freezes, which they believe will ultimately affect the efficacy of their already under-resourced department. Many believe the cuts will be deep and the freezes imminent.
2. But HK GCs do not believe that either law firms or internal hires can effectively address their resourcing challenges given the costs associated with both. Costs aside, these GCs also note the tremendous difficulty finding and hiring the right talent to meet their needs.
3. In terms of their careers, HK-based GCs are stressed, dissatisfied, and looking to leave for greener pastures. They cite an unmanageable workload and poor work-life balance.



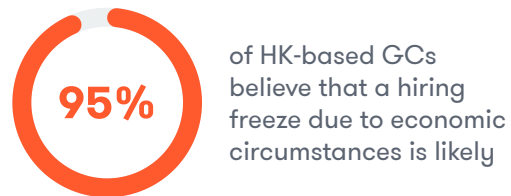
KEY FINDINGS

Economic Pressures:



77% say their budget cut has exceeded \$1M USD

11% are seeing budget cuts exceeding \$2M USD

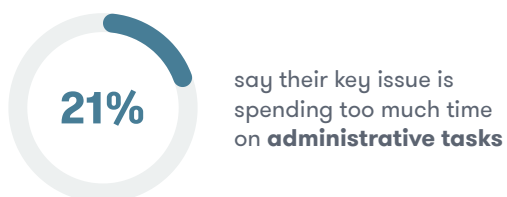


23% report it's very likely or already happening

Resourcing Issues:

Three-quarters (76%) say their teams are under-resourced (i.e., the department doesn't have the right aggregate resources to do its job effectively).

WHAT ARE THEIR SPECIFIC RESOURCING ISSUES?



In terms of areas of expertise, **100%** of HK-based GCs agree they have at least some expertise deficits on the internal team.

→ **THE TOP 5 AREAS FOR WHICH ADDITIONAL EXPERTISE IS CURRENTLY REQUIRED ARE:**

1. LABOR & EMPLOYMENT
2. REAL ESTATE
3. REGULATORY & COMPLIANCE
4. NEW/ EMERGING AREAS
5. BANKING & FINANCE

→ **CURRENT DEFICITS ARE NOTABLY DIFFERENT FROM ANTICIPATED FUTURE DEFICITS, THE TOP 5 OF WHICH INCLUDE:**

1. NEW/ EMERGING AREAS
2. DATA PRIVACY & CYBERSECURITY
3. BANKING & FINANCE
4. INTELLECTUAL PROPERTY
5. LITIGATION



Three-quarters of HK-based GCs (75%) find it very difficult to hire the right legal consultants to meet their needs, with 29% calling it very or extremely difficult. To make matters worse, even when found, quality talent can be hard to retain: 91% of HK-based GCs have witnessed an increase in legal team attrition relative to prior years.

Part of the problem with finding and retaining the right talent may be the work itself, which 45% of HK GCs note is more complex and abundant than in recent years.

Where in Asia do HK-based GCs most need resourcing help?

THE TOP 5 LOCATIONS WHERE THEY REPORT **CURRENT NEEDS** INCLUDE:

1. SINGAPORE (50%)
2. CHINA (42%)
3. HONG KONG (38%)
4. JAPAN (38%)
5. THAILAND (33%)

THE TOP 5 LOCATIONS WHERE THEY ANTICIPATE HAVING **FUTURE NEEDS** ARE:

1. HONG KONG (81%)
2. CHINA (42%)
3. SINGAPORE (31%)
4. JAPAN (23%)
5. SOUTH KOREA (19%)

External Networks:



of HK-based GCs believe that **law firms** serve as an effective solution for their resourcing challenges

WHY LAW FIRMS DON'T WORK:

58% cite cost as the primary problem (**too expensive**)

51% cite **lack of institutional knowledge** as the main issue

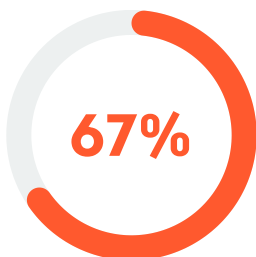


of HK-based GCs believe that permanent **in-house hires** are effective solutions to their resourcing challenges

WHY IN-HOUSE HIRES DON'T WORK:

59% say the fully-loaded costs of full-time legal employees are **too expensive**

50% say it is **difficult to find** the right legal talent to hire



of HK-based GCs believe that **flexible talent providers** make for a more effective resourcing solution

WHY FLEXIBLE TALENT PROVIDERS WORK:

✓ **69%** cite **cost-efficiency**, noting that flexible talent provides more value for every budgeted dollar

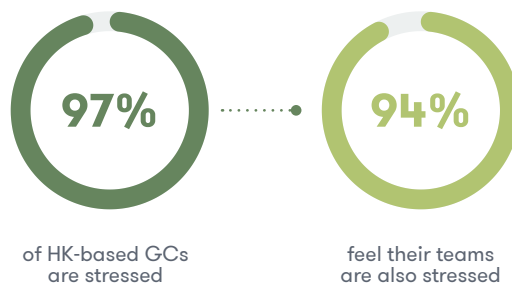
✓ **45%** cite **easy management**

✓ **41%** cite their **commercially-oriented** practical advice (as opposed to conceptual guidance)

✓ **41%** cite **quick onboarding**



Career Satisfaction:



55% of those point to **poor work-life balance**

48% cite an **unmanageable workload**

32% cite **insufficient budget** for resourcing/staffing

FOR THAT REASON:



WHERE ARE THEY LOOKING?

45% are most interested in looking for a position with a **flexible legal talent provider**

37% are looking to leave the legal world in pursuit of a **broader leadership position** or another business role

35% are interested in a **new in-house GC position**

CONCLUSION

How to Navigate Growing Demands and Shrinking Budgets?

One way is to turn to flexible talent. It's an idea embraced by many in the region. Two-thirds of HK-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 lawyers can empower GCs to reimagine the legal department in order to variabilize 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.

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 model improves risk mitigation by matching legal matters to the right legal talent on an as-needed basis. It also allows enterprises to minimize the sunk costs of permanent in-house hires, and it allows HK-based GCs to reduce law firm engagements to exceptional events.

Innovative HK-based GCs know that using flexible talent isn't about undermining the value of internal teams or external counsel. In fact, it embraces the unique capabilities of both while enabling HK-based organizations to engage with law firms more cost-effectively and invest in full-time talent more strategically.

ABOUT AXIOM

Axiom is where legal teams go to find the right talent for everything from ongoing in-house matters to complex outside counsel work. Too many lawyers 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 lawyers want to get more control over how, when, and where they practice. Axiom shares and meets the higher standards of its clients and lawyers—connecting mid-market and Fortune 500 companies with the world's deepest bench of experienced, highly qualified legal talent. **Axiom. Higher standards welcome.**

@ AXIOM@AXIOMLAW.COM

+852.3189.2900 (HONG KONG)

WWW.AXIOMLAW.COM/CONTACT-US

axiom | HIGHER
STANDARDS
WELCOME