



**AXIOM'S 2023
DEPUTY GENERAL
COUNSEL SURVEY
REPORT**

SPOTLIGHT ON

**Investment
Banking
DGCs**

INTRODUCTION

The Importance of the DGC Role:

The role of the DGC is a universally important one. At many enterprises, DGCs operate with considerable latitude in consulting, advising, and representing the company on a variety of highly complex legal, transactional, regulatory, and corporate governance-related matters. In addition to providing strategic advice to management and the board, the DGC will also help set the strategy for the legal function in general while leading a team of legal professionals and overseeing a vast network of outside providers. In some companies, DGCs also liaise with the CFO and assume budgetary autonomy. And, in almost all environments, the DGC will be closer to the resourcing nuances of the legal department and its day-to-day operational challenges than the GC. Finally, the role is made even more important by the fact that its current occupants represent the next generation of in-house legal leadership.

SPOTLIGHT ON INVESTMENT BANKING DGCs:



Of course, the specific function of the role and its pain points vary by industry. This companion spotlight to our broader report on DGCs (Axiom's 2023 Deputy General Counsel Survey) highlights benchmarking data on investment banking DGCs specifically. Our spotlight examines the investment banking DGC perspective on legal department resourcing, budgetary constraints, anticipated headcount cuts, and how best to leverage external support networks. It also examines the career satisfaction of investment banking DGCs currently in-seat and reveals the obstacles that prevent them from climbing the last rung of the in-house legal ladder.

THE THREE HEADLINE INVESTMENT BANKING TAKEAWAYS:

- Much like their peer DGCs from other sectors, investment banking DGCs are struggling to navigate budget cuts and hiring freezes which they believe will ultimately affect the efficacy of their already under-resourced department.** According to a survey conducted by Arzient and [American Banker](#), one of the top five trends for investment banking this year could be that “economic recovery will remain uncertain” and the “effects of rising interest rates, and subsequent inflation, can be wide-ranging,” which can lead to consumers being too “crunched” to utilize banks’ services.
- So how does this uncertainty affect legal resourcing? Investment banking DGCs, more so than DGCs in other sectors, do not believe that law firms or internal hires can effectively address their resourcing challenges:**

 - With respect to law firms, cost is a paramount concern. (As well it should be, with [Corporate Counsel](#) recently reporting 2023 law firm rate increases of between 5% to 15%, with some “hikes topping 30%.”) Perhaps more surprising but of equal concern to investment banking DGCs is the administrative burden of managing a vast network of providers, something investment banking DGCs feel more acutely than their non-sector peers.
 - As for hiring new lawyers internally, few investment banking DGCs feel this is an effective resourcing solution due to headcount reductions and budgetary concerns. But there’s a broader talent problem with hiring lawyers: investment banking DGCs have trouble finding the right type of lawyer to meet their needs.
- In terms of career satisfaction and development, investment banking DGCs are more likely to see themselves on an accelerated path to a GC role:** three to six years on average, as compared to seven-plus years for their non-industry peers. And while all DGCs share similar pain points regarding their ability to access the skillsets required to advance to a GC position, investment banking DGCs are far more likely to perform at higher levels than their peers outside the sector.

OVERVIEW

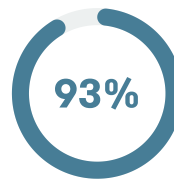
Key Findings

ECONOMIC PRESSURES:



99% of business services DGCs have seen budget cuts as the result of economic uncertainty

49% say some or a great deal was cut



93% predict a potential hiring freeze is likely due to economic circumstances

35% report it's very likely or already happening

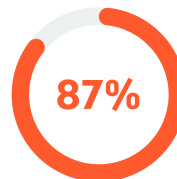
RESOURCING ISSUES:



100% report seeing an increase in volume and complexity of legal matters in the last few years

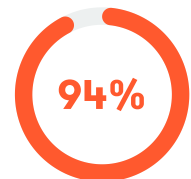


99% say they have seen an increase in attrition within their own legal departments in the last year (suggesting that DGCs will need to be careful with their resourcing)



87% note their teams are lacking the expertise, bandwidth, or structure to effectively tackle their workloads

For investment banking DGCs, the most notable deficiencies are lawyers well-versed in **banking/finance, data privacy/cyber security, labor/employment, litigation, and new or emerging areas**



94% share that their legal department doesn't have the necessary staffing resources in-house to meet the needs of those increasing legal demands

100%

of investment banking DGCs say it is **difficult to hire the right attorneys** to meet their needs

44%

report it very or extremely difficult

SOLUTIONS TO RESOURCING CHALLENGES:**► Internal Hires**

of business services DGCs **don't believe** that investing in full-time permanent hires is a very effective solution to address resourcing challenges

WHY INTERNAL HIRES DON'T WORK:

- 38%** cite difficulty finding the right talent to meet their needs

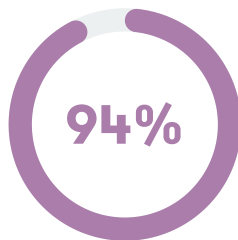
- 48%** say they only require part-time help

- 47%** note the potential for turnover

- 44%** are concerned about hiring freezes on the horizon

► Law Firms

Compared to their non-industry peers, a little more than half of investment banking DGCs (52%) are more willing to increase support from traditional external legal providers (like law firms.) But at what cost?



of business services DGCs feel **there are limitations** to how effective law firms can be in addressing departmental resourcing needs

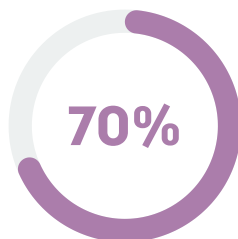
WHY LAW FIRMS DON'T WORK:

- 60%** note the burden of managing law firms (requiring too lengthy an onboarding process forcing DGCs to spend too much time on administrative tasks)

- 45%** believe that law firms provide more conceptual legal advice than practical and lack institutional knowledge

- 40%** cite that they lack commercial/business acumen

- 41%** begrudgingly share that law firms don't prioritize their business

► Flexible Legal Talent Providers

of business services DGCs believe that flexible talent providers would be a **more effective resource**, providing more value for their money

WHY FLEXIBLE TALENT DOES WORK:

- 40%** share that flexible talent provides more practical advice than conceptual

- 57%** cite that this solution is easier to manage and takes less time to onboard than law firms

- 44%** note that this solution offers more specialized industry/practice knowledge to address their departmental needs

- 46%** recognize flexible talent providers actually prioritize their business

- 64%** believe this leads to better value and greater efficiency when considering the stringency of today's budgeting concerns

CAREER PROGRESSION:

While more than half (69%) of the investment banking DGCs reported they were completely satisfied with their current position, 64% noted that they were **not happy** with the opportunities for professional development or career advancement in their current roles.



54% say that they feel very or extremely stressed and/or burned out

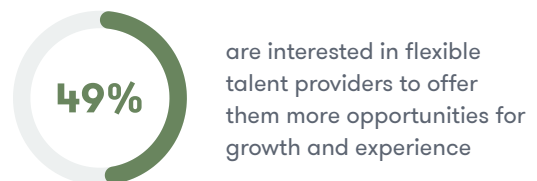


57% are likely to look for a new position within the next year

71% say they will need to change employers to advance their careers



69% believe it is their proactiveness and ability to perform at the highest level that has gained them the necessary skillset to take their career to the next level



CONCLUSION**The Bottom Line:**

Being an investment banking DGC is hard. The work is relentless and complex. The work-life balance is unideal. Almost every sub-sector of the industry is fast-paced, requiring in-house lawyers to accelerate the pace of work in order to get products or services to market quicker. Not only must investment banking DGCs address novel and emerging areas of legal work frequently, but their budget to do so has significantly shrunk. In fact, the investment banking industry was among the first sectors to meet the recession with belt-tightening moves, including hiring freezes. According to a legal recruiter, investment banking DGCs “know the bloodbath has begun.”

As a result, the internal resourcing required to achieve best-in-class legal outcomes is insufficient. Hiring to gain additional support is hard, and now almost impossible due to headcount reductions. Budgets are not only impacting the ability to hire, but spend cuts are also upending the use of law firms (given their hefty price tags, which are only getting heftier).

WHAT'S AN INVESTMENT BANKING DGC TO DO?

One answer is to turn to flexible talent. It's an idea embraced by the current crop of sector DGCs, who represent the next generation of in-house legal leaders. Almost three-quarters of investment banking DGCs see these flexible talent providers as a very effective solution to their departments' resourcing challenges. Most progressive investment banking DGCs know these challenges are about far more than “overflow work.” Leveraging flexible lawyers can empower them to navigate economic volatility by employing 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 specifically addresses the two major investment banking DGC pain points as it relates to the use of law firms:

**Cost:**

It decreases cost by minimizing law firm spend, providing better value for every budgeted dollar.

**Management Burden:**

It reduces the burden on in-house counsel who manage multiple law firms.

When will investment banking DGCs be empowered to employ such a model? Those with budget autonomy are already engaging flexible talent in advance of expected hiring freezes. Others can demonstrate fiscal leadership by proposing flexible lawyer piloting projects to their GCs.

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

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