

ALB 2020 ASIA



IN-HOUSE SURVEY

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The ALB 2020 Asia In-house Survey results are in – and while the numbers may map conservative change, the emerging picture is far from mundane. As the in-house role continues to evolve, lawyers are no longer tied to their desks 24/7. Instead, they're out speaking to customers, designing new ways of working and drastically reshaping the role as we know it. As a new decade dawns, the role has never been more interesting.

For the 2020 edition of the survey, respondents spread across mainland China, Hong Kong, Japan, Korea, Southeast Asia and India considered the coming year and weighed in on the key developments shaping in-house legal teams.

While the expansion of cross-jurisdictional work across Asia has resulted in greater emphasis on regulatory monitoring, for in-house teams – particularly those on the cutting edge who are working in pioneering businesses – there's another challenge they're up against: Waiting for the law to catch up.

Christopher Y. Chan is the general counsel and head of government affairs at Alibaba-backed Lazada Singapore. In his role, Chan, who oversees Thailand, Philippines and Singapore, leads a team of around 14 lawyers – but they are far from confined to a life of paperwork.

"If you're looking at a tech company like Lazada (part of the Alibaba Group), we're not just doing e-commerce anymore. We are fusing what it means to engage with consumers," Chan says. "Entertainment and shopping are intertwined so that we can engage better, gain more insights, and provide customers with a specialized experience."

"In Singapore, we are lucky. Online you can save time, have a great selection of global products, and pay reasonable prices. You can buy your milk, eggs, craft beer, Japanese whisky, foie gras, cell phone charger, and new sneakers and have them all delivered straight to your house," he says.

But this high-tech reality is exactly where Chan's legal expertise becomes critical in guiding the company at a time when regulations are yet to catch up to its level of innovation.

"Regionally, most laws and regulations did not anticipate the internet, let alone online shopping. As such, governments generally try to apply traditional retail buying laws – such as when you go into a brick and mortar store – to the e-commerce context. This does not always work," says Chan, who spends a large portion of his time meeting with regulators "sharing how the business works (and where it is going), how marketplaces differ from retailing, and how laws should apply differently. We cover everything from food safety, to cross border logistics, to digital payments, and even data privacy. It's a fascinating field," he says.

IMPROVING CUSTOMER EXPERIENCE

Vincent Ng, general counsel at Hong Kong tech unicorn Klook, says that in 2020 efficiency and user experience are key priorities for in-house counsel, and this is something he focuses on in the way his firm operates. "Our legal operations team helps us track performance, collect data and prepare strategic planning. These are not new ideas, but we are putting these into practice in a way that fits a high-growth company like Klook," says Ng.

"We have a Legal Operations Lead who takes charge of process optimization, team performance tracking and financial planning... by background, he's a very experienced project manager, though

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How large is the size of your legal department in Asia?

1-10	64%
11-50	22%
51-100	4%
More than 100	10%

What are the main legal challenges that your organisation is facing?

Ethics and compliance issues	60%
Regulatory or governmental changes	83%
Information privacy	46%
Protection of intellectual property	30%
Mergers and acquisitions	26%
Anti-bribery issues	23%
Others	13%

What kind of work does your department primarily focus on?

Contract management: review and drafting	91%
Discovery: data collection	13%
Discovery: data processing/hosting	6%
Document management: review and drafting	63%
Due diligence	48%
Intellectual property services	33%
Investigations	31%
Invoice review	16%
E-discovery	4%
Legal operations	63%
Legal research and writing	57%
Litigation: case/project management and legal hold	59%
Records management	32%

“At Lazada, we complete global projects through tech-enabled meetings using our internal software that connects us globally to all the Alibaba family of companies and a chat service called DingTalk, which is like WhatsApp or Line but for business but better. The style and pace is much faster and it’s a lot more collaborative. For perspective, many colleagues do not even use e-mail anymore for work.” — Christopher Y. Chan, Lazada

not legally trained, and this has worked out well. I think that gives him a fresh perspective of how non-lawyers think about the legal processes and support generally, and how to make things work from a user’s perspective,” he adds.

Ng, meanwhile, has a unique approach to his department that extends beyond his hiring picks. His team is afforded a 360 view of the business by stepping out of their lanes. “I like to think of legal as a dedicated and highly skilled customer service centre. We think of lawyers as customer service agents that service the internal clients, so they come to us with contract drafting or review requests, or questions on data privacy or compliance requests. We deal with it like we’re a customer service centre, focusing not just on risk management but also the customer experience itself,” he says.

But while this may sound somewhat different from your traditional hierarchical in-house team, the approach is consistent with the wider push for innovation in the industry. “I think for general counsel nowadays, it’s a much more dynamic and strategic role. At this company, I get involved in a lot of different initiatives – for example, given the importance of data privacy and cybersecurity, I lead the Security Task Force together with our Chief Technology Officer. These are the areas I don’t think 10

years ago a lot of lawyers would be doing,” says Ng.

“I also deal with customer issues as well, together with the customer experience team... maybe 10 years ago the lawyers would only provide the legal analysis, but now we tend to focus on customers’ feedback and reputation of the company. These call for a completely different skillset - empathy and understanding of the customers is far more important than what the law is,” he says.

Chan’s team also has a firm grasp on the customer side – this is something he has ingrained through the way he trains new staff members, and continues to develop them.

“As for training my teams...I had my Singapore team conduct deliveries with experienced delivery drivers this week. I want them to meet their colleagues, understand the end to end customer experience, and to empathize with our drivers. In e-commerce, drivers are the only part of the chain that meets the customer. They also have a difficult job. Not only does our legal team better understand our drivers and customers; we can better spot risk factors during issues that may arise.” he says.

For Chan, it’s essential his team are adaptive, and they gain an entrepreneurial spirit.

“When experienced lawyers join my team, they already have

How has the mix of your external vs internal work changed in the past year?

More legal work is done internally	47%
More legal work is given to external law firms or other service providers	20%
No change since last year	33%

Has external legal spend by your legal department increased in the past year?

No	52%
Yes	48%

What are the main practice areas you use law firms for?

Antitrust	69%
Bankruptcy	43%
Contracts	40%
Capital markets	37%
Cybersecurity/IT governance	37%
Data privacy	35%
Employee benefits/ executive compensation	32%
Employment/labour	29%
Environmental	22%
General/corporate commercial	21%
Government relations	21%
Industry-specific	19%
International	18%
Intellectual property	18%
Litigation	16%
Mergers and acquisitions	16%
Property and casualty	15%
Real estate	13%
Regulatory	11%
Securities/finance	7%
Tax	5%
Others	2%

How satisfied are you with the external law firms you are using?

Extremely satisfied	9%
Generally satisfied, although there are a few areas for improvement	88%
Not satisfied; there are one or more significant areas of concern	3%

“I like to think of legal as a dedicated and highly skilled customer service center. So, we think of lawyers as customer service agents that service the internal clients – so they come to us with contract drafting or review requests, or questions on data privacy or compliance requests, and we deal with it like we’re a customer service center, focusing not just on risk management but also the customer experience itself.” – Vincent Ng, Klook

a legal background, but most of them don’t understand the business. We also can’t expect them to when they join, because e-commerce is so new in the region. They just need to be hungry, open-minded, and willing to learn. You need these skills to think to navigate our complex and constantly changing space,” says Chan, noting that equipping his team with a good understanding of business is a top priority.


FUTURE-FIT

As traditional law firms continue to grapple with the possibilities of technology and slowly roll out tools to automate previously labour-intensive work, in 2020 in-house lawyers say investment in legal tech is on the up. But while technology is prized for its timesaving qualities, for in-house teams, it also drastically speeds up their workloads – particularly when it comes to the speed of communication.

“Something that has also changed in the legal environment – at least for a tech company like Alibaba is how employees communicate legal work. With traditional companies and firms, legal work is shared generally via memos and e-mail. At Lazada, we complete global projects through tech-enabled meetings using our internal software that connects us globally to all the Alibaba family of companies and a chat service called

DingTalk, which is like WhatsApp or Line but for business but better. The style and pace is much faster and it’s a lot more collaborative. For perspective, many colleagues do not even use e-mail anymore for work,” says Chan.

But it’s not just the way lawyers are using technology that has had a knock-on effect. Businesses are also rapidly developing, launching new products and in new markets, and with this comes a demand for different types of skills, sometimes almost immediately.

For Ng, who was the first lawyer hired at his firm and built his legal department from scratch, outsourcing is essential. “I think it’s impossible not to outsource. We make strategic decisions about what to outsource, for example very specific local law advice where we do not have internal coverage,” he says. But when it comes to building a legal department that can go the distance, he says there’s no magic formula. “Of course, we have a vision, but because the company is very fast-growing, it’s almost like building a skyscraper on a moving train,” he says. “It’s not like you’re able to stand still and think about where you can put your foundation and how deep. So that’s a challenge, but it’s also an incredibly interesting job, because you’ve got to build something fast, and that is also flexible enough to adapt to the future,” he says. 

What kind of technology are you primarily using?

Analytics	45%
Collaboration/knowledge management ...	44%
Contract management	32%
Document management	26%
eBilling	24%
eDiscovery (analytics and review)	23%
eDiscovery (collections and processing) ...	20%
eDiscovery (legal holds)	18%
eSignature	11%
Integration tools	9%
IP management	8%
Matter management	4%
Records management	2%
Workflow tools	2%
Others	2%

What are the kinds of non-law firm ALSPs that you use?

We don’t use any	45%
Accounting firms such as the Big Four	34%
LPOs	4%
Flex/contract lawyer services	16%
Legal software providers	16%
Others	1%

In 2020, do you expect investment in legal technology will grow?

It will grow	57%
It will shrink	4%
It will remain the same	39%

If you were to employ new external counsel in 2020 what factors would influence your selection?

Expertise in your industry	88%
Favorable fees/billing policies	74%
Responsiveness	80%
Brand name/reputation of the law firm/lawyer	45%
Personal relationship with the law firm/lawyer	46%
Geographical reach/office locations	36%
Use of the most up-to-date technology	21%
Policies related to diversity:	
Gender, LGBTQ+ etc	9%
Others	4%