DIGITAL COMPLIANCE

Use of IT solutions to improve compliance functions

Allianz für Integrität

UN GLOBAL COMPACT
Global Compact
Netzwerk Deutschland

DICO
Deutsches Institut für Compliance

Imprint

Digital compliance – use of IT solutions to improve the compliance function

A study by the Alliance for Integrity based on surveys conducted by the German Institute for Compliance (DICO) of the UN Global Compact Network Germany (UN GCD) and the Alliance for Integrity by Dr Roger Strathausen, Deputy Chairman of the Supervisory Board of the Liquid Legal Institute (LLI)

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Executive summary: SMEs in the Global South have some catching up to do in terms of digital compliance – but they are further ahead than expected!

Two surveys conducted by the German Institute for Compliance e. V. and the Alliance for Integrity on the current and planned future use of IT solutions for compliance reveal that companies in the Global South, especially SMEs, already have a certain degree of maturity in terms of 'digital compliance', but still have weaknesses in the selection, implementation and operation of IT solutions for compliance.

The *digital compliance mindset*, i.e. the willingness to engage with digital solutions and make them usable for the company, plays a major role here. SMEs in the Global South with a digitalisation strategy are particularly successful in using compliance IT tools compared to companies without a digitalisation strategy: they are more likely to actually realise the expected benefits from using IT tools.

Overall, the differences in *digital compliance* between the Global North and the Global South are smaller than expected. In both surveys, slightly more than half of all companies surveyed have a digitalisation strategy for compliance and a corresponding budget.

Currently used IT solutions are mainly employed in the areas of e-learning and whistleblower systems, both in the Global North and the Global South.

There is also considerable agreement regarding the business benefits of *digital compliance*. The most important business benefit cited in both the Global North and the Global South is 'increased efficiency of the compliance function', which can lead to cost reductions. In addition, 'quality improvements', 'reduced complexity for employees' and 'increased audit security for critical business processes' are also seen as important benefits.

Digital compliance is therefore *not exclusively about financial aspects,* but also strongly about quality and risk aspects.

These findings on digitalisation strategy and -Budget, purpose of use and business benefits of IT tools indicate that awareness of the importance of digital compliance is already relatively strong in the Global South, and that companies in the Global North can expect both a growing willingness and (including through the use of IT solutions) to expect their business partners in the Global South to be increasingly capable of complying with compliance guidelines. However, this statement is only applicable to companies in the Global South to a limited extent, as the companies surveyed are exclusively those interested in sustainability and compliance issues that are already involved in a network. It can generally be assumed that this awareness is not so strongly anchored in companies.

2 Introduction: Digitalisation of the compliance function – today and tomorrow

In the wake of **digitalisation**, **IT solutions** have been increasingly used in recent years to strengthen integrity and compliance in companies. The coronavirus pandemic has accelerated this development. Numerous software companies now offer comprehensive digital **governance, risk and compliance (GRC) solutions** in the broadest sense.

For the many companies that are part of global supply chains, **these IT solutions can now offer the opportunity to increase efficiency and effectiveness when it comes to managing risks along the supply chain on the one hand and internal and external requirements on the other.** Due to the dynamics of IT technologies and increasing compliance requirements, companies are increasingly motivated to equip themselves with IT solutions. **However, it is largely unclear in which areas software solutions have proven particularly successful for companies and where the development is heading.**

Again**st** this backdrop**,** the **German Institute for Compliance (DICO)** conducted a survey among its members in 2021.

In a second step**,** the **16-question survey** was extended to cooperation partners in Latin America, Africa and Asia **(Global South)** in cooperation with the **UN Global Compact Network Germany** and the **Alliance for Integrity.** This provides anonymous data from **58 German and 6 other companies from countries in the Global North (64 companies in total)** from the first survey and from **98 companies from 11 Latin American countries and a further 18 companies from the Global South (116 companies in total) from various industries and of various sizes** from the second survey, providing a **non-representative*** insight into the use of IT solutions for compliance (**"digital compliance")** along global supply chains.

The study placed particular emphasis on the **current and planned future ("today and tomorrow")** use of IT solutions in **small and medium-sized enterprises (SMEs)** in emerging and developing countries,** particularly in the areas of "business partner verification" and "whistleblower systems".

The study shows that the importance of IT solutions for compliance is increasing in both the Global North and the Global South, and that companies would be well advised to consider the possibilities, business benefits and potential limitations of digital compliance at an early stage.

* This study does not claim to be scientific, but rather reflects the prevailing mood among companies affiliated with the Alliance for Integrity, the UN Global Compact Network Germany and companies associated with DICO.

** According to EU Recommendation 2003/361, small and medium-sized enterprises (SMEs) as companies with an annual turnover of up to €50 million.

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Digital compliance: market, areas of application, challenges and business benefits

By *compliance[1]* we primarily mean adherence to national and international legal requirements ('legal compliance'). These legal requirements no longer apply only to the company itself, but also to its respective suppliers and partners, who must be checked for legal compliance by the company, e.g. in accordance with supply chain laws[2].

In addition, *compliance* can also mean adherence to regulations and guidelines that companies impose on themselves and that go beyond the respective legal requirements ('corporate compliance').

Corporate compliance is placing greater emphasis on **ESG[3]**criteria (environmental, social and corporate governance). There is a global trend towards companies becoming more aware of their social responsibility and striving to operate **in a more sustainable manner** overall. In addition to ethical considerations, there is also a very specific business reason for the increasing focus on ESG: Strong *corporate compliance* and sustainable business practices promote innovation and help companies become more resilient and future-oriented. This enables them to gain **competitive advantages**. SMEs also improve their market position by complying with sustainability standards and gain better access to global supply chains, capital and skilled labour.

Companies ensure *legal and corporate compliance* by analysing and prioritising existing and new laws that affect the company and implementing them in internal guidelines and specifications that are published on websites or

documented in manuals. The controls, roles and budgets required to define, maintain and review the compliance function are ensured organisationally through appropriate **management processes** and are also audited regularly.

We now understand *digital compliance* to mean the use of IT solutions to improve the compliance function in companies. The term *digital compliance* has been used increasingly for several years.

Digital compliance solutions are developed by companies themselves, partly on the basis of existing office tools (e.g. MS Office Access, Excel or Word), or purchased from product providers specialising in compliance and adapted to the respective requirements.

The development of the software market for compliance solutions, also known on the internet as ***corporate compliance solutions***, is thus following a dynamic typical of new IT solutions, as has also been observed in recent decades with regard to other central corporate functions such as IT, finance, HR and legal.

First, companies attempt to meet newly emerging external and internal requirements using **IT tools they have developed themselves**. Growing customer demand is then met by specialised software providers with so-called **point solutions**, which must be integrated into existing enterprise resource management (ERP) back-end solutions within companies, e.g. business partner checks and third-party management in central finance and risk solutions, or gift & hospitality compliance tools into corporate travel and expense solutions. As customer interest continues to grow, large IT platform providers are finally entering the business and offering their compliance

1   See Governance, Risk & Compliance – Wikipedia

2   See Supply Chain Act – Wikipedia

3   See Environmental, social, and corporate governance – Wikipedia

4   Digital compliance does not therefore mean compliance with standards relating to the use of IT tools.

5   For the area of contract management, see, for example, the white paper by Strathausen/Couch on "The Evolution of Contracting" (English)

Tools as part of a comprehensive and already fully **i n t e g r** ated business suite solution.

The **implementation** of self-developed or purchased IT tools proves difficult for many companies because there is often a need to map specific requirements as optimally as possible. This leads to high costs for in-house developments and a great deal of effort for the adaptation, integration and updating of purchased products. Cloud solutions for compliance are viewed critically by many companies due to security concerns.

Furthermore, the importance of **organisational, procedural, personnel and contextual factors** for the use of IT is underestimated. Not every compliance issue is equally suited to automated IT processes. Software does not work in isolation, but is only one component of holistic solutions, which should always begin with the definition of specific **business objectives and areas of application (use cases)**.

The issue of **digital governance**, for example, often poses a major challenge for companies because differences can arise between business areas such as sales and purchasing on the one hand and central corporate units such as the legal and compliance department on the other hand as to who has authority over a particular compliance tool and is responsible for it.

It should also be noted that the use of IT solutions not only supports the compliance function, but also poses a **security and compliance risk** in itself. The **data** generated by the programmes, as well as access to and use of this data, must be organised in accordance with the law, which requires internal resources and budgets even after the implementation of a compliance solution, i.e. during the ongoing operation of the solution.

The use of IT solutions for compliance in companies is expected to continue to increase as a result of rising legal requirements, because companies need **data-driven analyses** to meet legal requirements. **Artificial intelligence (**AI) is already widely used in some areas of compliance (e.g. fraud prevention in banking and finance), while in other areas of compliance, AI will become increasingly important.

The above-mentioned marketing term *"corporate compliance solutions"* attempts to describe a young software market that is primarily driven by globalisation and risk management and for which high annual growth is forecast. This market is currently still highly fragmented due to the large differences between national and industry-specific compliance requirements. There are many different products that offer specific solutions (point solutions) and are offered under different names by different manufacturers.

The products may appear outside the category 'Governance, Risk & Compliance' (GRC), e.g. under the categories ESG and 'Corporate Social Responsibility' (CSR)[7].

The **technical areas** of application for IT solutions for compliance include **e-learning on compliance topics, training organisation, policy management, business partner screening, whistleblower systems, donations and sponsorship, gifts, hospitality and entertainment, conflicts of interest, insider lists, competitor contacts, risk assessment and code of conduct compliance.**

The **business objectives** to be achieved with the help of digital compliance include **better accessibility for all employees, increased audit security for critical business processes, reduced liability for the company and its management, increased efficiency of compliance work, increased quality of compliance work, monitoring of legal and other compliance, and reduced complexity for employees.**

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6   See Market for corporate compliance solutions to generate massive revenues in the future – GBS News (gbsg.ch)

7   See Corporate Social Responsibility – Wikipedia

Findings from the surveys and recommendations for action

Four key findings for strengthening *digital compliance* can be derived from the two surveys conducted by DICO and the Alliance for Integrity in cooperation with the UN Global Compact Network Germany.
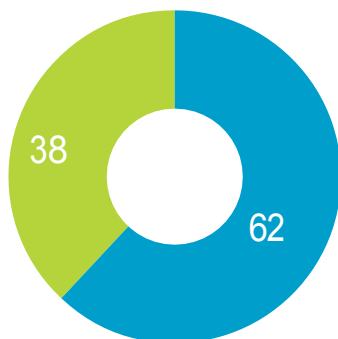
4.1
SMEs in the Global South in particular are lagging behind in the introduction of digital compliance

SMEs (companies with a turnover of up to €50 million) in the Global South have more catching up to do in terms of introducing *digital compliance* than large companies.

Of the 116 companies surveyed, 72 were SMEs (= 62%) and 44 were large companies (= 38%).

FIGURE 1

SMEs and large enterprises surveyed in the Global South
■ SMEs   ■ Large enterprises

Only 50% of SMEs have a digitalisation strategy, compared to 75% of large enterprises.

FIGURE 2
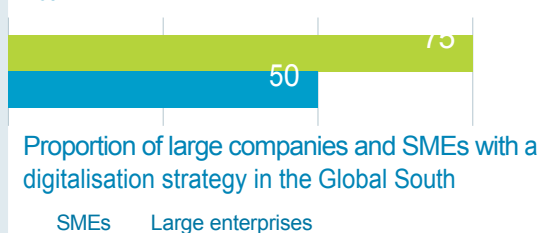
75
50

Proportion of large companies and SMEs with a digitalisation strategy in the Global South
■ SMEs   ■ Large enterprises

Only 42% of SMEs have a digitalisation budget, compared to 77% of large companies.

FIGURE 3

77
42

Proportion of large companies and SMEs with a digitalisation budget in the Global South
■ SMEs   ■ Large enterprises

Only 67% of SMEs currently use compliance IT tools, compared to 82% of large companies.
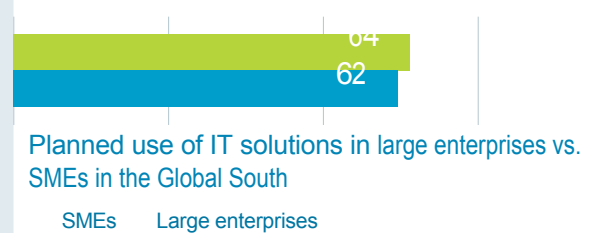
FIGURE 4

82
67%

Current use of IT solutions in large enterprises vs. SMEs in the Global South
■ SMEs   ■ Large enterprises

62% of SMEs plan to use compliance IT tools, compared to 64% of large enterprises.

FIGURE 5

64
62

Planned use of IT solutions in large enterprises vs. SMEs in the Global South
■ SMEs   ■ Large enterprises

4.
Strategy and budget are important success factors for digital compliance

Overall, more than half of the companies surveyed in the Global North and Global South have a digitalisation strategy and/or a budget for IT solutions for compliance.

FIGURE 6

Companies with a digitalisation strategy in the Global South vs. Global North

Global North   Global South

FIGURE 7

Companies with a digitalisation budget in the Global South vs. Global North

Global North   Global South

However, strategy and budget do not correlate in all companies, although looking at the identical percentages for strategy and budget in companies in the Global South in isolation might give this impression. **Only around three quarters of companies in the Global South with a strategy also have a corresponding budget;** some companies have a budget for *digital compliance* but no strategy.

Almost all companies in the Global South that have a strategy and/or budget already use IT tools (97%). Around a third of companies in the Global South that do not have a strategy or budget also already use IT tools.

FIGURE 8

Use of IT by companies in the Global South **with** vs. **without** strategy and/or budget

Use of IT in companies **with** strategy and/or budget Use of IT in companies **without** strategy and/or budget
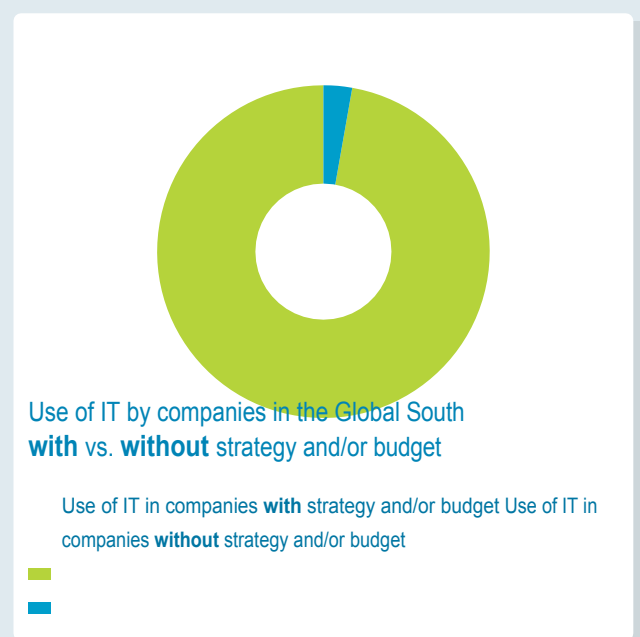
Companies (SMEs and large companies) in the Global South with a digitalisation strategy and (in most cases) a corresponding budget are more successful in using compliance IT tools than companies without a digitalisation strategy, based on their respective expectations.

For 46% of companies that have a digitalisation strategy, expectations regarding the use of compliance IT tools were fully met, while for 54% they were only partially met.

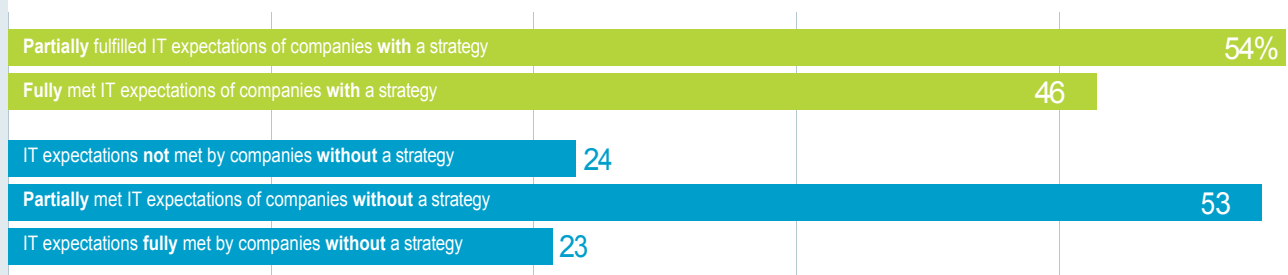Only 23% of companies that do NOT have a digitalisation strategy see their expectations for the use of compliance IT tools as fully met. 53% have partially met their expectations for the use of compliance IT tools, and 24% have NOT met their expectations for the use of compliance IT tools.

FIGURE 9

Partially fulfilled IT expectations of companies **with a strategy**	54%
Fully met IT expectations of companies **with a strategy**	46
IT expectations **not** met by companies **without a strategy**	24
Partially met IT expectations of companies **without a strategy**	53
IT expectations **fully** met by companies **without a strategy**	23

Comparison: IT expectations met by companies in the Global South **with** vs. **without** a strategy

It is noteworthy that of the 69 companies in the Global South with a digitalisation strategy, 45 companies (= 65%) employ only up to 5 FTEs in compliance, while the remaining companies employ up to 30 FTEs and more (although the size of the compliance department naturally depends on the size of the company). This is evidence that the existence of a digitalisation strategy does not necessarily depend on the size of the compliance department.

Rather, awareness of the importance of IT solutions for compliance, the *digital compliance mindset* (evident in the development of a digitalisation strategy), seems to be decisive in determining whether a company has a digitalisation strategy and (for the most part) a corresponding budget.
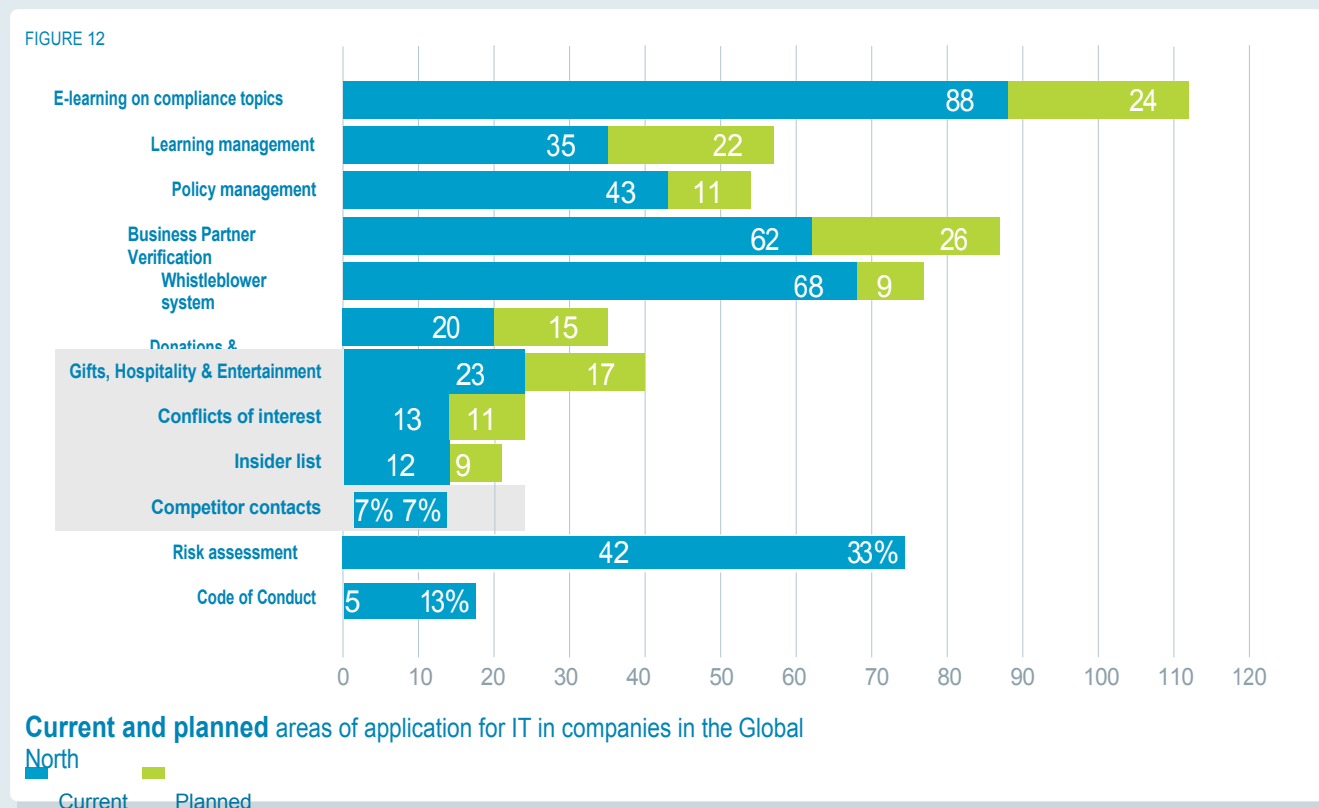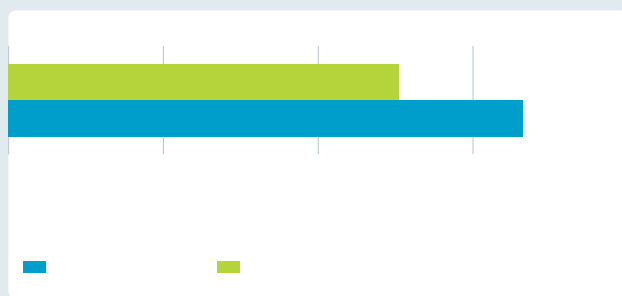
4.3
E-learning and whistleblower systems are currently the main areas of application for digital compliance

Overall, IT tools are **currently** used more extensively by companies in the Global North (94%) than in the Global South (75%).

With regard to the **planned** future use of IT tools, the Global North is also clearly ahead of the Global South (63%) at 83%.

FIGURE 10

Current IT use in companies in the Global South vs. Global North

- Global North
- Global South

FIGURE 12

E-learning on compliance topics	88 / 24
Learning management	35 / 22
Policy management	43 / 11
Business Partner Verification	62 / 26
Whistleblower system	68 / 9
Donations &	20 / 15
Gifts, Hospitality & Entertainment	23 / 17
Conflicts of interest	13 / 11
Insider list	12 / 9
Competitor contacts	7% / 7%
Risk assessment	42 / 33%
Code of Conduct	5 / 13%

Current and planned areas of application for IT in companies in the Global North

Current   Planned

This suggests that although the Global South is already well advanced in *digital compliance,* it still needs to make further efforts to catch up with the Global North.

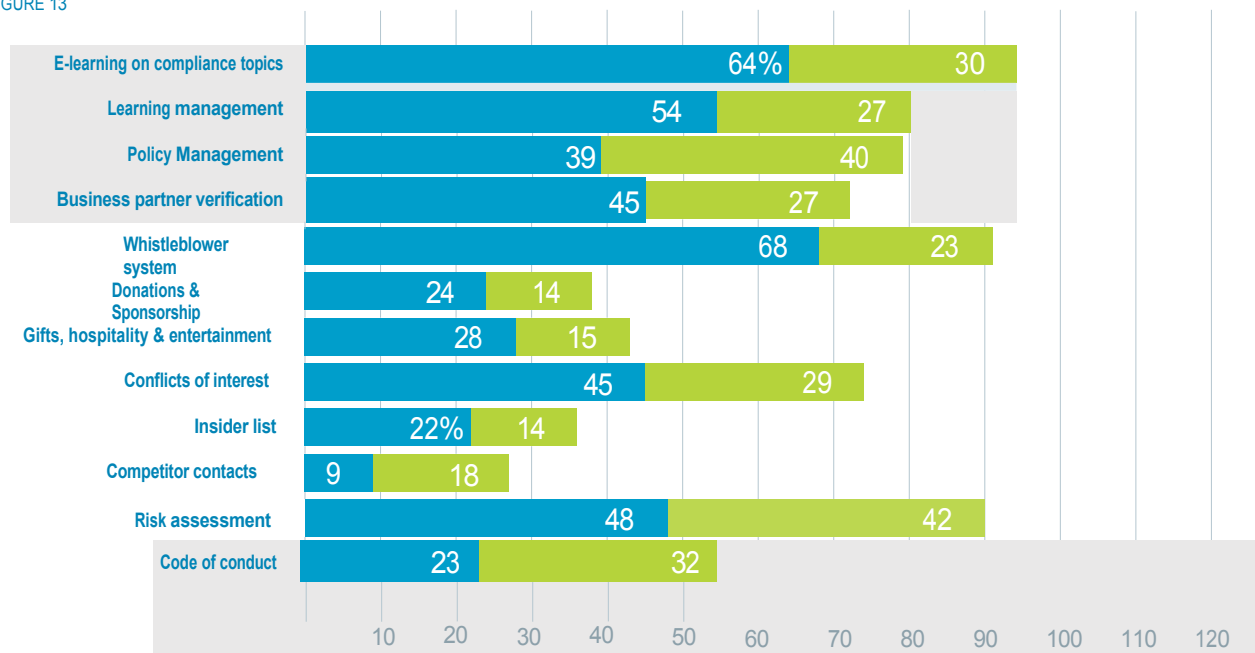In the Global North, the three main reasons for **current** use are 1. 'E-learning on compliance topics'

(88%), 2. 'Whistleblower system' (68%) and 3. 'Business partner screening' (62%).

The three main reasons for the **planned** use of IT tools in the Global North are 1. 'Risk assessment' (33%), 2. 'business partner screening' (26%) and 3. 'e-learning on compliance issues' (24%).

In the Global South, the three main reasons for the **current** use of IT tools are 1. 'Whistleblower system' (68%), 2. 'E-learning on compliance issues' (64%) and 3. 'learning management' (54%).

The three main reasons for the **planned** use of IT tools in the Global South are 1. 'Risk assessment' (42%), 2. 'Policy management' (40%) and 3. 'Code of Conduct' (32%).

FIGURE 13

Category	Current	Planned
E-learning on compliance topics	64%	30
Learning management	54	27
Policy Management	39	40
Business partner verification	45	27
Whistleblower system	68	23
Donations & Sponsorship	24	14
Gifts, hospitality & entertainment	28	15
Conflicts of interest	45	29
Insider list	22%	14
Competitor contacts	9	18
Risk assessment	48	42
Code of conduct	23	32

**Current and planned** areas of application for IT in companies in the Global South
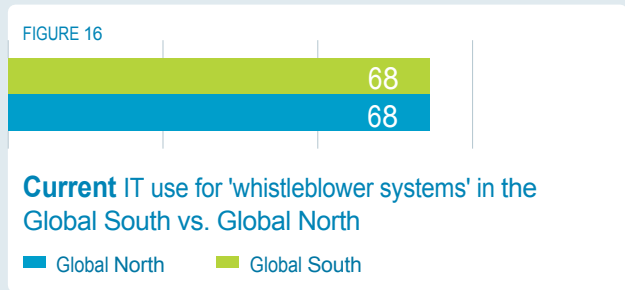
Current   Planned

The use of current IT solutions for 'business partner screening' is higher in the Global North (62%) than in the Global South (45%).
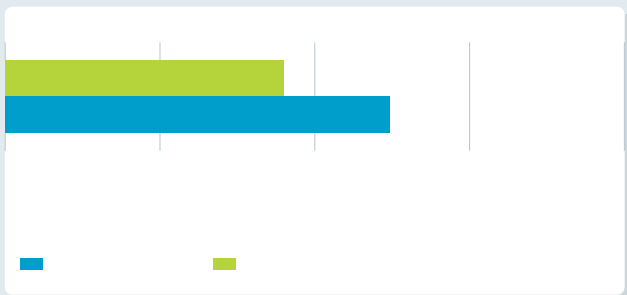
In terms of the planned future use of IT solutions for 'business partner verification', the Global South is slightly ahead of the Global North, at 27% compared to 26%.
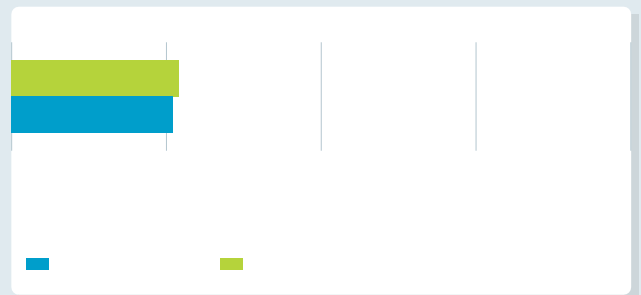
The same percentage of companies (68%) in the Global North as in the Global South currently use IT solutions as a 'whistleblower system'.

FIGURE 16

| | 68 |
| | 68 |

Current IT use for 'whistleblower systems' in the Global South vs. Global North

■ Global North   ■ Global South

The planned use of IT tools for learning management is also lower in the Global North (22%) than in the Global South (27%).

FIGURE 19

| | 27 |
| | 2 |

Planned IT use for 'learning organisations' in the Global South vs. Global North

■ Global North   ■ Global South

However, the proportion of companies planning to use IT solutions as a 'whistleblower system' in the future is significantly higher in the Global South (23%) than in the Global North (9%).
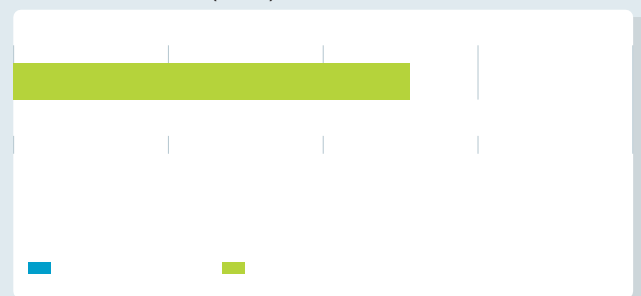North (9%).

FIGURE 17

| 23% |
| 9% |

Planned IT use for 'whistleblower systems' in the Global North vs. Global South

■ Global North   ■ Global South

The current use of IT tools for 'e-learning on compliance issues' ranks significantly higher in the Global North (88%) than in the Global South (64%).
ranks significantly higher in the Global North (88%) than in the Global South (64%).

The current use of IT tools for 'learning management' is not as high in the Global North (35%) as in the Global South (54%).
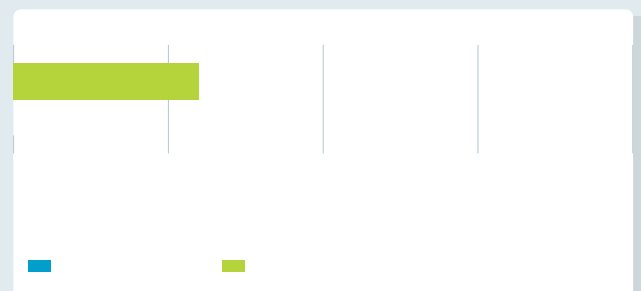
FIGURE 18

| | 54 |
| 35% |

Current use of IT for learning management in the Global South vs. Global North

■ Global North   ■ Global South

The planned use of IT tools for 'e-learning on compliance topics', on the other hand, is slightly higher in the Global South (30%) than in the Global North (24%).

4.4
Increased efficiency and quality as well as reduced complexity are the most important business benefits of digital compliance
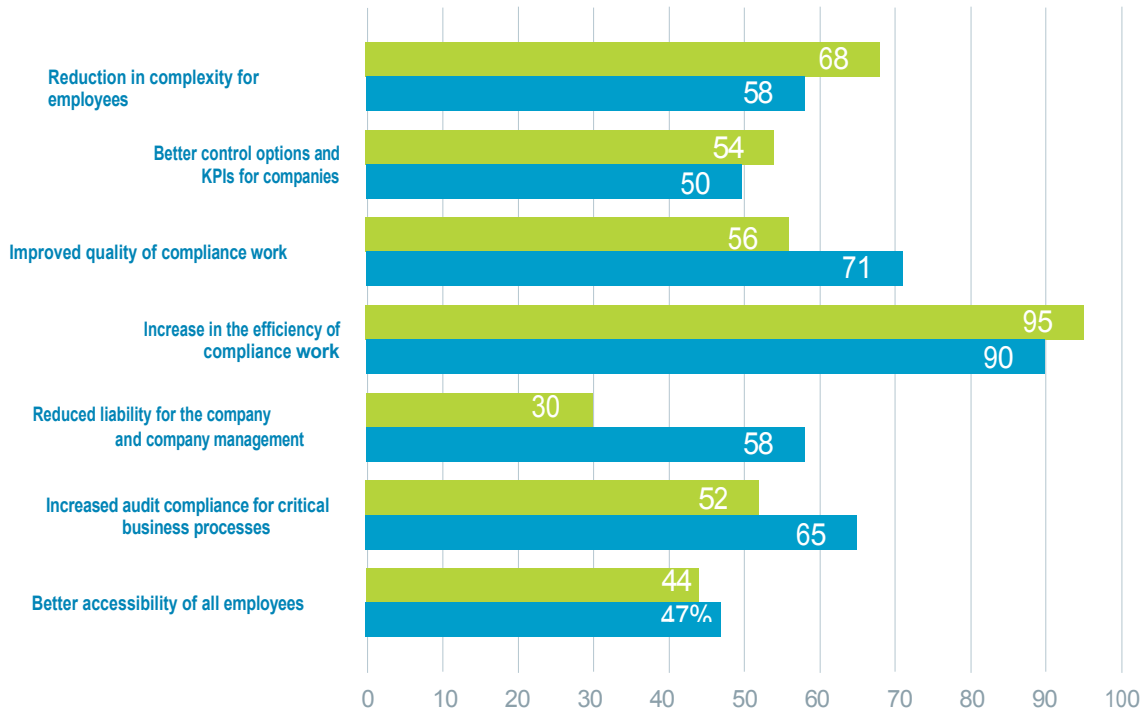
The business benefits of using IT compliance tools are viewed similarly by companies in the Global North and Global South: both groups see "increased efficiency in compliance work" as the greatest benefit.

In **the Global South,** the three most important business benefits of using IT tools are 1. "Increased efficiency of compliance work" (95%), 2. "Reduced complexity

for employees" (68%) and 3. "Improving the quality of compliance work" (56%).

In **the Global North**, the three most important business advantages of using IT tools are 1. "Increased efficiency of compliance work" (90%), 2. "Improved quality of compliance work" (71%) and 3. "Increased audit security of critical business processes" (65%).

FIGURE 22

|	Global South	Global North
Reduction in complexity for employees	68	58
Better control options and KPIs for companies	54	50
Improved quality of compliance work	56	71
Increase in the efficiency of compliance work	95	90
Reduced liability for the company and company management	30	58
Increased audit compliance for critical business processes	52	65
Better accessibility of all employees	44	47%

Business benefits of IT in the Global South vs. Global North

■ Global North   ■ Global South

In the Global South, the business benefit of 'complexity reduction for employees' is rated higher at 68% than in the Global North (58%).
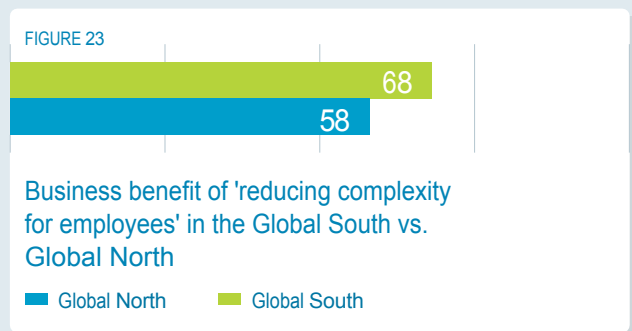
In the Global North, the business benefit of 'increasing the audit security of critical business processes' is rated higher (65%) than in the Global South (52%).

FIGURE 23

68
58

Business benefit of 'reducing complexity for employees' in the Global South vs. Global North

■ Global North   ■ Global South
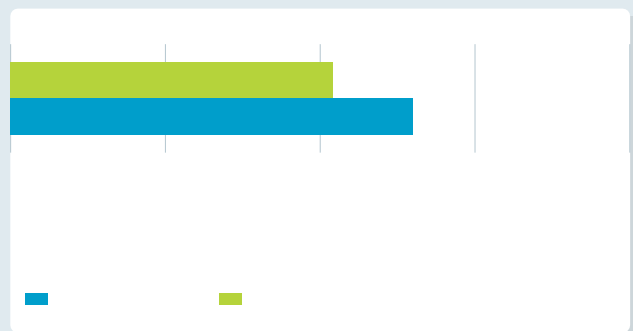
4.5
Recommended action: Strengthen your digital compliance mindset!

Based on the findings described above from the two surveys, the most important recommendation for action is that all companies, both SMEs and large corporations in the Global South and Global North, should promote a *digital compliance mindset* **in order to strengthen the compliance function and enable the targeted use of IT tools.**

The *digital compliance mindset* is an essential factor for companies in developing a **digitalisation strategy and answering the question of what exactly their challenges are and to what extent they can address them with which tools.** The **digitalisation strategy**, in turn, is crucial for the successful use of IT solutions in the area of compliance.

Suitable measures for strengthening the *digital compliance mindset* can include **conferences, training events and social media activities**.

Aspects such as **usability** and **'mobile compatibility'** of the IT solutions used are also becoming increasingly important for the success of digital compliance. Whether developed in-house or purchased, the tools should ideally be quick to implement, user-friendly and – depending on the area of application – often also easy to use on a smartphone.

SMEs in the Global South, which as suppliers often have to meet the **specifications of their customers** in the Global North and therefore, as well as for cost reasons, have little leeway when it comes to purchasing IT tools, would do well to examine the opportunities and risks of digital solutions and develop a digitalisation strategy in order to meet the increasing demands of their customers. **Buyers from the North**, in turn, should not leave their suppliers to tackle this task alone, but **should provide them with practical support in introducing IT solutions for compliance.** When considering future investments in digital compliance in the Global North, they should always bear in mind that suppliers in the Global South must also be able to provide the necessary digitised data in the required form and scope.

In addition to the direct contacts that companies maintain with their suppliers and business partners, exchange formats involving many players, for example in the context of **collective action** on compliance issues, can also be used to build the necessary capacities among SMEs in the Global South. Knowledge exchanges, training and the sharing of good practices can contribute to this.

Overall, the two surveys indicate that the future of the compliance function in all companies will be significantly shaped by *digital compliance.*

5

Study design and participant structure

This study is based on two written online surveys with 16 questions from 2021.

First, the **German Institute for Compliance (DICO)** conducted a survey among its members. **Fifty-eight companies from Germany and six other companies from countries in the Global North (a total of 64 companies)** took part. The turnover of the participating companies ranged from 'up to €100 million' to 'over €50 billion', and the number of employees from 'up to 100' to 'over 100,000'.

In a second step, also in 2021, the survey was extended to include the cooperation partners of the **UN Global Compact Network Germany** and the **Alliance for Integrity**. **Ninety-eight companies from 11 Latin American countries and a further 18 companies from Africa and Asia (Global South, 116 companies in total)** took part.

As the Alliance for Integrity is primarily interested in findings on SMEs in emerging and developing countries, the response options for 'turnover' were expanded to include the two categories 'up to 10 million euros' and 'up to 50 million euros', and the response options for 'number of employees' (MA) were expanded to include the two categories
'up to 10 employees' and 'up to 50 employees'. The rest of the structure of the two surveys is identical.

The anonymous data available from the two surveys and evaluated in this study is not representative and does not claim to be scientific. The aim is to provide an illustrative picture of the mood regarding *digital compliance* in order to formulate **insights and recommendations**. These insights and recommendations were **validated** between July and September 2022 with **ten selected international compliance experts** and are therefore not only empirically but also qualitatively sound.

6

The organisations involved in the study and the author

The Alliance for Integrity

The Alliance for Integrity is a peer-to-peer learning and implementation network commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) to support companies and governments in partner countries in jointly reducing corruption risks. It leverages the momentum created by international standards and national legislation in some industrialised countries, which has led to internationally active companies combating corruption in their supply chains. This creates an effective incentive system for companies in emerging and developing countries to take action against corruption themselves. **The Alliance for Integrity is supported by its supporters and partners in 14 partner countries in the Global South and in Germany.**

The UN Global Compact Network Germany

Based on 10 universal principles and 17 Sustainable Development Goals, the UN Global Compact pursues the vision of a more inclusive and sustainable economy. Over 19,000 companies and organisations have already signed up to the UN Global Compact and are contributing to the global vision. The UN Global Compact offers all participants comprehensive support on key sustainability issues and a wide range of high-profile international events.

The UN Global Compact Network Germany (UN GCD) currently has more than 800 participants – including approximately 740 companies ranging from DAX-listed corporations to medium-sized businesses and SMEs, as well as 60 representatives from civil society, academia and the public sector. With the aim of initiating change processes in companies and strategically anchoring sustainability, the UN GCD focuses on the topics of human rights and labour standards, environment and climate, corruption prevention, reporting and the SDGs.

The UN GCD promotes dialogue and knowledge exchange through a variety of learning and dialogue formats. The aim is to make companies aware of the relevance of social and environmental standards for their core business and to support them in implementing these standards. Furthermore, innovation and business opportunities within the framework of the SDGs are to be identified and promoted.

The German Institute for Compliance (DICO)

DICO – Deutsches Institut für Compliance e. V. is a non-profit association based in Berlin. Since its foundation in 2012, it has pursued the goal of setting and further developing standards for compliance practice with its more than 750 members, most of whom are companies.

It develops materials that are made available to members for their work. To this end, representatives from companies, associations, consultancies and academia discuss specific compliance topics and experiences from corporate practice in working groups and feed these back to the compliance community in the form of working papers, guidelines and standards.

This makes DICO a qualified point of contact for all those interested in compliance in business, associations, authorities and legislators, and a sought-after source of inspiration. DICO plays a key role in shaping good corporate governance, actively contributes its views to legislative processes and contributes to the discussion of compliance issues among the interested public.

DICO provides a forum for national and international networking among compliance experts. At the heart of DICO are the working groups, in which over 200 participants work on a voluntary basis. The professional and personal exchange among members is considered particularly valuable. DICO membership thus offers direct benefits for compliance work.

The Liquid Legal Institute (LLI)

The Liquid Legal Institute e.V. is a registered association under German law based in Munich with over 800 members from 16 countries. It is an open and interdisciplinary platform for promoting new thinking in the legal industry. Digitalisation, new business models and technological innovations are currently changing all major industries worldwide. However, the legal industry has not yet benefited sufficiently from these trends. To close this gap, the Liquid Legal Institute was founded by seven experts from the fields of law and business, design thinking and computer science.

As a neutral and non-profit platform for discussion, exchange and cooperation, the LLI works with partners and members to identify and promote new approaches in the legal field. In their projects, they put insights into practice, gather knowledge, create methodology kits, set standards and much more – all of which is available to members, who can quickly apply these resources in their daily practice.

Author

This study was written by Dr Roger Strathausen based on survey data provided by DICO and the Alliance for Integrity and expert interviews conducted by him. Dr Strathausen is one of the founders of the LLI, works full-time as an independent management consultant and currently serves as Deputy Chairman of the Supervisory Board of the LLI on a voluntary basis.