2015 MPF SURVEY OF SMALLER AND MID-SIZE LAW FIRMS

August 15, 2015
MPF Survey Methodology

- Confidential, online survey with 27 questions
- 165 law firm leaders participated
- Mostly smaller and mid-size firms with 10-250 lawyers
- In partnership with Thomson Reuters
- Conducted in March 2015
SIZE OF LAW FIRM
by Number of Attorneys

- Fewer than 30 attorneys: 4%
- 30 - 79 attorneys: 8%
- 80 - 174 attorneys: 32%
- 175-249 attorneys: 18%
- 250 or more attorneys: 38%
SIZE OF LAW FIRM
by Number of Attorneys

- Fewer than 30 attorneys: 62
- 30 - 79 attorneys: 53
- 80 - 174 attorneys: 30
- 175 - 249 attorneys: 7
- 250 or more attorneys: 13
NUMBER OF OFFICE LOCATIONS

- One: 58
- Two: 29
- Three: 33
- Four or Five: 24
- Six or More: 21

The Remsen Group
WRITTEN JOB DESCRIPTION

- Yes: 38%
- No: 55%
- Work in Progress: 7%
YOUR MOST IMPORTANT CONTRIBUTION

- Leading Change in Firm: 34%
- Building Consensus Among Owners: 17%
- Achieving Long-Term Firm Goals: 26%
- Managing Day-to-Day Administration: 6%
- Serving as "Face of the Firm": 2%
- Visiting Clients & Referral Sources: 15%

Managing Partner Forum
ADVANCING THE BUSINESS OF LAW

TheRemsenGroup
TERM BEST DESCRIBING FIRM’S SERVICES

- Full-Service Firm: 47%
- Several Prominent Practice Areas: 31%
- Single Practice Area Boutique: 14%
- Insurance Defense Firm: 7%
- Other: 1%
MEMBERSHIP IN LAW FIRM NETWORK

- Yes: 41%
- No: 56%
- Actively Looking: 3%
**Which Law Firm Network**

- ALFA International - 6
- Terralex - 6
- State Capital Group - 5
- TagLaw - 5
- Lex Mundi - 4
- Meritas - 4
- Primerus - 3
- World Law Group - 3
- Other - 41
Most Important Strategic Objectives

(Select your firm’s top three priorities)

- Marketing/Business Development: 123
- Cohesive Firm Culture: 92
- Current Practice Areas: 82
- Laterals & Acquisitions: 53
- Succession Plan: 47
- Associate Development: 45
- Improved Technology: 21
- New Practice Areas: 18
- Governance Model: 12
CONFIDENCE IN FIRM’S FUTURE SUCCESS

- Extremely Confident: 39%
- Very Confident: 33%
- Moderately Confident: 24%
- Slightly Confident: 3%
- Not at All Confident: 1%
Firm Strategic Plan

- Yes: 37%
- No: 43%
- Work in Progress: 20%
IMPLEMENTATION OF FIRM STRATEGIC PLAN

- 62% Good
- 18% Fair
- 20% Excellent

The Remsen Group
MAJOR CHANGES TO FIRM STRATEGIES

- Yes: 30%
- No: 58%
- Not Sure/Don't Know: 12%
REASONS BEHIND CHANGES
(Select your firm’s top two reasons)

- Response to Market Changes: 33
- Accelerate Pace of Change: 21
- Improve Service Quality: 19
- New Practice Area: 11
- Cost Reduction: 10
INVESTMENT IN TECHNOLOGY
(Total Investment 2015 vs. 2014)

- Significantly Higher (+5% or more): 44
- Somewhat Higher (+1-4%): 62
- About the Same: 49
- Somewhat Lower (-1-4%): 4
- Significantly Lower (-5% or more): 6
INVESTMENT IN MARKETING

(Total Investment 2015 vs. 2014)

- Significantly Higher (+5% or more): 47
- Somewhat Higher (+1-4%): 66
- About the Same: 48
- Somewhat Lower (-1-4%): 4
- Significantly Lower (-5% or more): 0
INVESTMENT IN LEGAL RESEARCH
(Total Investment 2015 vs. 2014)

- Significantly Higher (+5% or more): 2
- Somewhat Higher (+1-4%): 10
- About the Same: 127
- Somewhat Lower (-1-4%): 21
- Significantly Lower (-5% or more): 5
Investment in Time & Billing
(Total Investment 2015 vs. 2014)

- Significantly Higher (+5% or more): 5
- Somewhat Higher (+1-4%): 18
- About the Same: 133
- Somewhat Lower (-1-4%): 8
- Significantly Lower (-5% or more): 1
INVESTMENT IN PROF’L DEVELOPMENT
(Total Investment 2015 vs. 2014)

- Significantly Higher (+5% or more): 3
- Somewhat Higher (+1-4%): 64
- About the Same: 94
- Somewhat Lower (-1-4%): 3
- Significantly Lower (-5% or more): 1
MOST FREQUENT COMPETITORS

(Select all that apply)

- AmLaw 200 Firms: 42
- Large Regional Firms (>150 attorneys): 100
- Mid-Size Firms Like Ours: 86
- Smaller Firms (<25 attorneys): 46
Areas Where Firm Performed Well
(Select your firm’s top three areas in 2014)

- Grew Selected Practice Areas: 77%
- Won New Business Based on Value: 72%
- Improved Process and Efficiency: 54%
- Enhanced Reputation among US Companies: 46%
- Managed Overhead/Expenses: 46%
- Improved Quality of Services: 45%
- Invested in Firm Infrastructure: 44%
- Addressed Chronic Underperformance: 33%
- Invested in Talent Development: 25%
- Partnered More Effectively with Clients: 14%
- Employed Effective Client Teams: 13%
- Changed Partnership Structure: 12%
- Enhanced Reputation among Int’l Companies: 6%
OPPORTUNITIES FOR IMPROVEMENT

(Select your firm’s top three areas in 2015)

- Win New Business Based on Value: 87%
- Grow Selected Practice Areas: 82%
- Improve Process and Efficiency: 48%
- Enhance Reputation among US Companies: 47%
- Improve Quality of Services: 45%
- Invest in Talent Development: 34%
- Address Chronic Underperformance: 33%
- Invest in Firm Infrastructure: 29%
- Partner More Effectively with Clients: 26%
- Employ Effective Client Teams: 16%
- Manage Overhead/Expenses: 9%
- Change Partnership Structure: 8%
- Enhance Reputation among Int'l Companies: 7%
FINANCIAL PERFORMANCE
(Overall Firm-wide Profitability in 2014)

- Significantly Above Goal (+10% or more): 21
- Somewhat Above Goal (+5-10%): 44
- Slightly Above Goal (+1-4%): 33
- At Goal: 39
- Slightly Below Goal (-1-4%): 16
- Somewhat Below Goal (-5% or more): 12
FUTURE USE OF
ALTERNATIVE FEE ARRANGEMENTS

- Increase: 54%
- Stay the Same: 40%
- Decrease: 6%
- Not Sure: 0%
TOPICS OF INTEREST TO FIRM LEADERS

(Select your top three areas of interest)

- Marketing/Business Development: 65%
- Profitability: 63%
- Law Firm Innovation: 62%
- Succession Planning: 53%
- Staying Competitive in Flat Market: 52%
- Growth Strategies: 51%
- Leading Change: 49%
- State of the Legal Profession: 36%
- Compensation Systems: 33%
- Productivity and Efficiency: 31%
CONTACT US

John Remsen, Jr.

404.885.9100

J Remsen@TheRemsenGroup.com