The MPF 2017 Law Firm Leadership & Governance Survey
154 Law Firm Leaders – April 2017

SURVEY OBJECTIVES, METHODOLOGY AND PARTICIPATING LAW FIRMS
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SURVEY OBJECTIVES

- Create the most comprehensive survey about leadership and governance models of smaller and mid-size US law firms
- Provide important benchmarking data to help firm leaders be more effective in their challenging, often ill-defined, roles
- Determine how firms select their leaders and what firm leaders do in their increasingly important roles
- Understand the strategic priorities of smaller and mid-size US law firms, including their investments in marketing and technology

SURVEY METHODOLOGY

- Confidential, online survey with 40 questions
- 154 law firm leaders participated
- Firms ranging in size from 10-200 lawyers
- Powered by Jaffe and TheRemsenGroup
- Conducted in April 2017
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**How Many Lawyers Practice at Your Firm?**
(by number of lawyers)

- < 10 lawyers: 14
- 11-25 lawyers: 53
- 26-40 lawyers: 34
- 41-75 lawyers: 24
- 76-125 lawyers: 13
- > 125 lawyers: 15

**Which Term Best Describes Your Firm’s Current Practice**

- Full-Service Commercial Firm: 13%
- Several Recognized Practice Areas: 19%
- Single-Practice Boutique Firm: 40%
- Plaintiff/Consumer Firm: 27%
- Insurance Defense Firm: 1%
HOW LONG HAVE YOU SERVED IN THE LEADERSHIP ROLE AT YOUR FIRM?

- < 1 year: 5%
- 1-2 years: 16%
- 3-5 years: 20%
- 6-10 years: 23%
- > 10 years: 36%

DO YOU HAVE A FORMAL JOB DESCRIPTION?

- Yes, in writing and we follow it: 9%
- Yes, but not closely followed: 22%
- No: 10%
- Work in progress: 59%
IF YES, HOW DO YOU FEEL ABOUT IT?

- 81% Glad, it gives me guidance.
- 8% Wish firm paid more attention to it.
- 11% Wish I didn't have one.
- Other

IF NO, DO YOU WANT ONE?

- 85% No
- 15% Yes
HOW DOES YOUR FIRM SELECT ITS MANAGING PARTNER?

- Formal Election Process: 7%
- Rotation Among Equity Partners: 18%
- By Consensus w/out Election: 31%
- Founding Partner Still In Charge: 1%
- Other: 43%

WHAT IS THE LENGTH THE MANAGING PARTNER’S TERM?

- 1 year: 9%
- 2 years: 8%
- 3 years: 20%
- Not Defined: 55%
- Other: 8%
**Are There Term Limits?**

- 1% for 1 term
- 9% for 2 terms
- 2% for 3 terms
- 92% for No Term Limit
- 9% for Other

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**What are Your Most Important Contributions as Firm Leader?**

(rate on 1-7 scale. 7 is the highest.)

- Consensus Building: 5.18
- Strategic Objectives: 5.12
- Change Agent: 4.84
- Day-to-Day Operations: 4.23
- Tough Decisions/Accountability: 4.13
- Rainmaking: 3.31
- Billable Hours/Collections: 2.08

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ARE YOU GROOMING YOUR SUCCESSOR?

- Yes: 33%
- No: 29%
- Somewhat: 38%

DO YOU ENJOY THE LEADERSHIP ROLE?
(Rank on 1-7 scale, 1= love it, 7= hate it.)

- 1: 20%
- 2: 43%
- 3: 12%
- 4: 15%
- 5: 6%
- 6: 4%
- 7: 1%
ABOUT YOUR FIRM’S GOVERNANCE MODEL

WHICH TERM BEST DESCRIBES YOUR FIRM’S GOVERNANCE MODEL

- Benevolent Dictatorship: 1%
- Established Oligopoly: 17%
- Representative Democracy: 23%
- Open Democracy: 33%
- Office Sharing Arrangement: 26%
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**Does Your Firm Have an Executive/Management Committee?**

- 34% Yes
- 66% No

**If Yes, How Often Does It Meet?**

- 20% Weekly
- 19% Twice/Monthly
- 39% Monthly
- 2% Every Other Month
- 3% Quarterly
- 18% Ad Hoc

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**Does Your Firm Administrator Attend Exec/Management Committee Meetings?**

- Active Participant: 71%
- Present, Not Active: 6%
- Limited Participation: 9%
- Rare: 6%
- No: 4%
- Other: 3%

**If Yes, Is There “Forced” Representation?**

- Yes, by Practice Area: 12%
- Yes, by Office: 6%
- Yes, by Seniority: 6%
- Yes, by Two or More Criteria: 4%
- No: 74%
- Other: 4%

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**IF YES, IS THERE A SEPARATE COMPENSATION COMMITTEE?**

- Yes: 55%
- No: 45%

**DOES YOUR FIRM HAVE FIRM RETREATS?**

- More than once/year: 4%
- Annual: 34%
- Every two years: 13%
- Every three to five years: 25%
- More than five years: 16%
- Never: 8%
IF YES, BRIEFLY DESCRIBE LEADERSHIP TRAINING AT YOUR FIRM

- Outside consultant
- Successors “shadow” predecessors
- External meetings and conferences
- Internal meetings and training sessions
- Assignments to chair important projects and initiatives
- Self-selected mentorship program
- Recommended reading: Books and articles
HAVE THERE BEEN CHANGES TO YOUR FIRM’S GOVERNANCE MODEL IN THE LAST FIVE YEARS?

- Significantly More Structure: 9%
- Somewhat More Structure: 34%
- About the Same: 54%
- Somewhat Less Structure: 3%
- Significantly Less Structure: 0%

DOES YOUR FIRM HAVE A MULTI-TIERED PARTNERSHIP STRUCTURE?

- Yes. Longer than five years: 26%
- Yes. Relatively new: 48%
- Yes. Considering eliminating it: 12%
- No. But considering it: 2%
- No. Don’t want it: 2%
HAS YOUR FIRM CLEARLY ARTICULATED THE CRITERIA TO BECOME A FIRM OWNER?
(Rank on 1-7 scale. 1 = Very clear, 7 = Very unclear)

ABOUT YOUR FIRM’S PROFITABILITY
ABOUT YOUR FIRM’S PLANS FOR THE FUTURE
**Does Your Firm Have a Written Firm-wide Strategic Plan?**

- Yes. Longer than five years: 19%
- Yes. Relatively new: 28%
- No. But considering it: 15%
- No. Don’t need one: 37%

**If Yes, How is Your Firm Doing on Implementation?**

- Excellent: 10%
- Very Good: 55%
- Fair: 34%
- Poor: 2%
ABOUT YOUR FIRM’S MARKETING AND BUSINESS DEVELOPMENT
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**Does Your Firm Have These Marketing Functions?**

- Marketing Partner: 20%
- Marketing Committee: 37%
- Marketing Director: 36%
- Business Development Director: 17%
- None: 28%

**Does Your Firm Have Support Staff to Assist Lawyers with BizDev Activities?**

- 54% Yes. We have in-house staff.
- 33% Yes. We outsource it.
- 9% No
- 4% Work in progress
About Your Firm’s Investment in Marketing and Business Development
MARKETING STAFF
(Total Investment 2017 vs. 2016)

- Significantly Higher (+25% or more): 8
- Moderately Higher (+11-25%): 6
- Somewhat Higher (+2-10%): 18
- About the Same: 88
- Somewhat Lower (-2-10%): 7
- Moderately Lower (-11-25%): 1
- Significantly Lower (-25% or more): 4

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LAWYER SALES TRAINING
(Total Investment 2017 vs. 2016)

- Significantly Higher (+25% or more): 3
- Moderately Higher (+11-25%): 10
- Somewhat Higher (+2-10%): 13
- About the Same: 88
- Somewhat Lower (-2-10%): 4
- Moderately Lower (-11-25%): 3
- Significantly Lower (-25% or more): 2

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YOUR FIRM’S INVESTMENT IN TECHNOLOGY AND INFORMATION SYSTEMS

CASE MANAGEMENT SOFTWARE
(Total Investment 2017 vs. 2016)

- Significantly Higher (+25% or more): 12
- Moderately Higher (+11-25%): 16
- Somewhat Higher (+2-10%): 25
- About the Same: 74
- Somewhat Lower (-2-10%): 3
- Moderately Lower (-11-25%): 0
- Significantly Lower (-25% or more): 0
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CRM AND DATABASE
(Total Investment 2017 vs. 2016)

- Significantly Higher (+25% or more): 3
- Moderately Higher (+11-25%): 6
- Somewhat Higher (+2-10%): 20
- About the Same: 80
- Somewhat Lower (-2-10%): 3
- Moderately Lower (-11-25%): 1
- Significantly Lower (-25% or more): 0

COMPETITIVE INTELLIGENCE
(Total Investment 2017 vs. 2016)

- Significantly Higher (+25% or more): 0
- Moderately Higher (+11-25%): 3
- Somewhat Higher (+2-10%): 6
- About the Same: 92
- Somewhat Lower (-2-10%): 0
- Moderately Lower (-11-25%): 2
- Significantly Lower (-25% or more): 0

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**LEGAL RESEARCH**
(Total Investment 2017 vs. 2016)

- Significantly Higher (+25% or more): 0
- Moderately Higher (+11-25%): 8
- Somewhat Higher (+2-10%): 20
- About the Same: 91
- Somewhat Lower (–2-10%): 10
- Moderately Lower (–11-25%): 3
- Significantly Lower (–25% or more): 0

**HOW DO YOU FEEL ABOUT YOUR FIRM’S FUTURE?**

- Highly Optimistic: 2%
- Somewhat Optimistic: 25%
- Not Sure, Work to Do: 59%
- Somewhat Pessimistic: 14%
CONTACT US

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