Survey Objectives, Methodology and Participating Law Firms
• Create the most comprehensive survey about how smaller and mid-size US law firms are evolving and adapting to the changing marketplace for legal services
• Provide important bench-marking data to help law firms operate in a more profitable and business-like manner
• Assist law firm leaders to be more effective in their challenging, and increasingly important, roles
• Understand the strategic priorities of smaller and mid-size US law firms, including their investments in marketing, business development and technology
• Identify how law firms are using KPIs and metrics to measure and improve firm performance and profitability
• Confidential, online survey with 40 questions
• 167 law firm leaders participated
• Firms ranging in size from 10-200 lawyers
• Conducted in April 2019
• Powered by TheRemsenGroup
How many lawyers are currently at your firm?

- < 10 lawyers
- 11-25 lawyers
- 26-40 lawyers
- 41-75 lawyers
- 76-125 lawyers
- 126-200 lawyers
- > 200 lawyers
Which term best describes your firm’s current practice?

- **Full-service commercial firm**
- Recognized for several practice areas, but not full-service
- Boutique firm recognized primarily for one or two practice areas
- Plaintiff's firm
- Insurance defense firm
- Other
About You and Your Role as Firm Leader
What is your title?

- Managing Partner: 15%
- President: 8%
- Chief Executive Officer: 5%
- Chief Operating Officer: 4%
- Director of Administration: 8%
- Chairman: 3%
- Other: 15%

THE MPF 2019 LEADERSHIP SURVEY RESULTS
How long have you served in your current leadership position?

- < 1 year: 10%
- 1-2 years: 15%
- 3-5 years: 25%
- 6-10 years: 20%
- > 10 years: 30%
What do you believe to be your most important contributions in your role as firm leader?

- Long-term strategic goals
- Building consensus
- Day-to-day operations
- Leading change
- Making tough decisions
- Rainmaking
- Succession plan
- Billable hours and collections
- Chronically under-performing partners
- Calling out bad behavior
Do you have a formal job description?

- No: 55%
- Yes, but not closely followed: 11%
- Yes, closely followed: 16%
- Work in progress: 18%
If yes, which most closely reflects your opinion about your job description?

- I'm glad I have one (61%)
- I wish the firm paid more attention to it (19%)
- Other (17%)
- I'd rather not have one (2%)
If no, do you want one?

- No: 21%
- Yes: 79%
Are you grooming your successor?

- No: 28%
- Somewhat: 38%
- Yes: 34%
How does your firm select its managing partner?

- By consensus, without a formal election process
- Formal, sometimes contested, election process
- Never had an election. Founding partner runs the show.
- Position is rotated among partners every year or two
- Other
About Your Firm’s Governance Model
How frequently do the Partners/Shareholders of your firm meet?

- 0% Weekly
- 5% Twice a month
- 40% Monthly
- 15% Quarterly
- 10% Twice a Year
- 5% Yearly
- 5% Ad hoc
- 5% Other
Does your firm have an Executive/Management Committee?

- Yes: 27%
- No: 73%
How often does the Executive/Management Committee meet for decision-making purposes?

- Weekly: 15%
- Twice a month: 20%
- Monthly: 45%
- Every other month: 5%
- Quarterly: 5%
- Ad hoc: 5%
Is there “forced” representation on the Executive/Management Committee?

- No
- Yes, by practice group
- Yes, by office
- Yes, by seniority
- Yes, by 2+ criteria
- Other
Does your firm have a separate Compensation Committee?

- Yes: 37%
- No: 63%
How often does your firm have Firm Retreats?

- More than once a year: 0%
- Once a year: 30%
- Every two years: 20%
- Every three to five years: 15%
- Longer than five years: 10%
- Never: 5%
Has your firm established industry-focused practice groups?

- Yes - we're "all in" on IPGs: 30%
- Yes - trying them out: 35%
- No - but considering: 15%
- No - they won't work for us: 5%
- Other: 0%
Has your firm moved toward a more structured governance model in the last five years?

- Significantly more
- Somewhat more
- About the same
- Somewhat less
- Significantly less
Does your firm have a multi-tiered partnership structure?

- Yes, for more than five years: 60%
- Yes, recently implemented one: 10%
- No, considering one: 20%
- No, don't want one: 10%
About Strategic Planning at Your Firm
Does your firm have a written firm-wide strategic plan?

- Yes - more than five years: 30%
- Yes - recently: 16%
- No - but considering one: 33%
- No - OK without one: 21%
If yes, how well has your firm implemented its strategic objectives?
If yes, can you attribute improved firm performance to your firm's strategic plan?

- **Yes - strong correlation**
- **Yes - some correlation**
- **Not sure**
- **No**
If no, what is your personal opinion about strategic planning for your firm?

- I’m sold, but not enough of my partners agree.
- We’re too busy. Not enough time.
- It’s too expensive with little return to show for it.
- I don’t think we need one and most of my partners agree.
- Not sure. I’ve never seriously thought about it.
What are your firm’s most important strategic priorities?

- Marketing/business development
- Succession planning
- Improved lawyer productivity
- Firm-first culture
- Growth - selected practice areas
- Associate development
- Processes and procedures
- Technology
- Generational issues
What have been your firm’s biggest challenges to improve profitability?

- Pressure on rates
- Lawyer productivity
- Competition from other law firms
- Rising salaries
- Retiring senior lawyers
- Investment in mktg/technology
- Clients taking work in-house
- More demanding clients
- Increasing rent
- Less loyal clients
- Competition from ASPs
Has your firm changed how it prices legal services in the last five years?

- Significantly: 0%
- Moderately: 5%
- Limited: 10%
- No: 15%
About Your Firm’s Investments in Technology
Which statement best reflects your opinion about technology and its impact on the future delivery of legal services?

- Game-changer
- Will replace lawyers in some areas
- Will assist, but never replace
- Minimal impact

![Survey Results Chart]
On a 1-10 scale (with 10 as the highest), how satisfied are you with your firm’s overall IT systems?
What percentage of revenue did your firm invest in technology in 2018?

NOTE: 20% were unsure
Case Management Software
(Change in investment over last three years)

- Increase - >25%
- Increase - 11-25%
- Increase - 2-10%
- About the same
- Decrease

NOTE: 16% were unsure
Cyber-Security
(Change in investment over last three years)

- Increase - >25%
- Increase - 11-25%
- Increase - 2-10%
- About the same
- Decrease

NOTE: 8% were unsure
E-Discovery
(Change in investment over last three years)

Increase - >25%
Increase - 11-25%
Increase - 2-10%
About the same
Decrease

NOTE: 12% were unsure
Website and Internet Marketing
(Change in investment over last three years)

- Increase - >25%
- Increase - 11-25%
- Increase - 2-10%
- About the same
- Decrease

NOTE: 5% were unsure
Artificial Intelligence
(Change in investment over last three years)

NOTES: 28% were unsure
CRM / Marketing Database
(Change in investment over last three years)

- Increase - >25%
- Increase - 11-25%
- Increase - 2-10%
- About the same
- Decrease

NOTE: 18% were unsure
Competitive Intelligence
(Change in investment over last three years)

Increase - >25%
Increase - 11-25%
Increase - 2-10%
About the same
Decrease

NOTE: 26% were unsure
Legal Research
(Change in investment over last three years)

- **Increase - ->25%**
- **Increase - 11-25%**
- **Increase - 2-10%**
- **About the same**
- **Decrease**

NOTE: 8% were unsure
Over the last 3 years, in which areas of technology has your firm invested the most resources?

- Cyber-Security
- Website & Internet-based Marketing
- E-Discovery
- Legal Research
- CRM & Marketing Database
- Case Management Software
- Competitive Intelligence
- Artificial Intelligence
What are your firm’s top technology priorities this year?

- Cyber-security
- Process improvement
- Remote access
- Training lawyers
- Software updates
- Move to "cloud"
- New hardware
- Training support staff
How does your firm handle its IT management and support?

- All in-house: 18%
- Blend - in-house and outsourced: 36%
- All outsourced: 46%
On a 1-10 scale (with 10 as the highest), how confident are you with your IT staff’s capabilities?
About Your Firm’s Key Performance Indicators (KPIs)
What was your firm's Revenue per Lawyer (RPL) in 2018?

NOTE: 13% were unsure
Billable Hour Expectation – Equity Partner/Shareholder

- 0%
- 5%
- 10%
- 15%
- 20%
- 25%

Bar chart showing the percentage distribution of billable hours for equity partners/shareholders in different ranges.
Billable Hour Expectation – Non-Equity Partner/Shareholder
Billable Hour Expectation – Associate Attorney
Billable Hour Expectation – Of Counsel
Does your firm closely monitor attorney utilization and realization rates?

- Yes: 82%
- No: 18%
What percentage of revenue is generated through Alternative Fee Arrangements (AFAs) at your firm?

- <10%
- 10-19%
- 20-29%
- 30-39%
- 40-49%
- 50%+

NOTE: 7% were unsure
What percentage of revenue is generated by lawyers 60 years and older at your firm?

- <20%
- 20-39%
- 40-59%
- 60-79%
- 80%+

NOTE: 6% were unsure
What percentage of Equity Partners/Shareholders are women and/or minorities at your firm?

NOTE: 0% were unsure
Does your firm provide leadership training for its current and future firm leaders?

- Yes: 40%
- No: 23%
- Work in progress: 37%
Does your firm systematically measure client satisfaction in any way?

- Yes: 23%
- No: 77%
Does your firm systematically measure employee satisfaction in any way?

- Yes: 29%
- No: 71%
How do you feel about your firm's future?

- Highly optimistic
- Somewhat optimistic
- Not sure
- Somewhat pessimistic
- Highly pessimistic

Options:
- 0% 10% 20% 30% 40% 50% 60% 70%
CONTACT US
John Remsen, Jr.
404.885.9100
jremsen@theremsengroup.com