An Insider's View: Strategy Survey of Law Firm Marketing and Business Development

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• Choppy Seas

• AmLaw 51-100 needs to find it’s mojo

• Top 5 continue to pull away
  - 2016 - $350M between #5 & #6;
  - 2017 $500M between #5 & #6

• Most categories didn’t see growth as years before (profits still good)

Key Word
Differentiate
Is Legal Stuck

or

On the Precipice of Massive Change?
LexisNexis & LSSO Business Development Survey

- **Hot Off The Presses:**
  Survey conducted End of March-April

- Includes additional questions asked of CMOs from AMLaw 100

- 75% of respondents are manager and executive level

- 73% of respondents are from the AmLaw 200
Please indicate your level of agreement to this statement:
The strategies and activities law firms require to win new business today have changed considerably in the last two years.

2017 Survey

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<th>Strongly disagree</th>
<th>Disagree</th>
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2015 Survey

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“I have been in legal marketing for approximately 2.5 years. I feel like there's about to be a shift (at least in my firm) with business development and how we retain clients and obtain new ones.”

“The landscape has become so competitive that we have to be innovative to stand out.”

“The value proposition clients are demanding of law firms has been shifting for several years now, and firms are responding.”
## Business Development Maturity Assessment

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- **Amlaw Top 50**
- **Amlaw 101-200**
- **Amlaw 51-100**
- **Outside AmLaw 200**
Top Challenges

- Utilization/implementation of tech tools
- Competitive pressures
- Building deeper customer relationships
- Producing unique, original content
- Collaborating across the firm to cross-serve clients
- New business development
- Talent acquisition
- Budget constraints
- Pricing or requests for alternative fee arrangements
- Keeping pace with customer needs

Overall:

CMOs from AmLaw 100

**Top Challenges**
- Finding experienced talent
- Career path for their team

**Top Competitors**
- Internal law departments
- Peer firms
Top 3 challenges for winning new business

Overall

1. Lack of leadership support
2. Insufficient resources
3. No long-term firm strategy

- Impossible demands from clients
- No accountability
- Pursuing too many opportunities
- Lack of follow-up on BD activities
- Lack of BD training for lawyers
- Our pricing models
- Obtaining lawyer participation
- Competition
- Need to improve data quality
- Technology integration challenges
- Inefficient Systems
- No/little investment in technology
- No long-term firm strategy
- Insufficient resources
- Lack of leadership support
How satisfied are you with the current results of your firm’s business development and/or marketing investment?

Overall

- Extremely satisfied
- Very satisfied
- Moderately satisfied
- Slightly satisfied
- Not at all satisfied

“Managing Partners/Executive Leadership have conflicting views on how to maximize spending in certain areas (i.e. technology and client engagement), so recommendations are often rejected or approaches are minimized to reduce costs.”

“We have increased strategic BD services considerably, but the firm hasn’t invested enough in support staff and technology to enable us to meet the increased demand without considerable strain (read burnout) on senior personnel.”
Survey Demographics

**Job Titles**

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<td>Specialist / Coordinator</td>
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<tr>
<td>Managers</td>
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<td>Director Level</td>
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<td>C-Level</td>
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**Years at Current Firm**

- 13% are new to legal industry (within last 3 years)
- 63% of those at current firm less than 3 years have worked at another law firm
Organization Structure

Most Senior Level Position at Firm:

- C-Level – 51%
- Director – 39%
- Manager – 10%
- 47% report to Managing Partner
- 25% of CMOs from the AmLaw 100 are members of the management committee
AmLaw 150 have higher opinion of the strength of marketing/BD Teams

- C-Level has the most favorable – 70% (77% of AmLaw 100)
- Director level – 58%
- **Managers** – 32%
- Coordinators/Specialists – 48%

Outside AmLaw 150, all levels significantly less favorable
In 2017, what percentage of your firm’s revenue will be spent on marketing / business development?

**Overall**

- **< 2%**
- **2-5%**
- **6-10%**
- **> 10%**
- **Unknown**

**2-5%, In Detail**

- **4.5-5.0%**
- **4.0-4.5%**
- **3.5-4.0%**
- **3.0-3.5%**
- **2.5-3.0%**
- **2-2.5%**

Average: 3.65%

Median: 3%

**Average: 3.53%**

Median: 3.5%

No differences in size of firm
How Marketing / BD investments are changing

Overall

- Significantly increasing (>20%)
- Increasing (<20%)
- Not much change
- Decreasing (<20%)
- Significantly decreasing (>20%)

0% 10% 20% 30% 40% 50%

% Response
Areas Firms are Investing

Percent of Firms Investing

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<th>Area</th>
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<td>Events</td>
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<td>Digital Marketing</td>
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<td>Training for Teams</td>
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<td>Thought Leadership</td>
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<td>Client Market Research</td>
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<td>Technology</td>
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Average Percent of Budget

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Am Law 100 CMOs are Investing More In:

- Technology
- Digital Marketing
- Salaries
Goal Alignment Across Firm:

- Our strategic goals are quantitative, drive all other goals in the organization and are continuously monitored.
- Individual goals are aligned to practice group and strategic goals; compensation is tied to goal achievement.
- Each practice group reviews progress against their goals at least quarterly.
- Practice group heads know and understand the strategic goals and have plans to meet those goals.
- We set goals once a year at the firm level, but don’t really refer back to them until the next year.
- We do not have specific goals, but have general high-level objectives for the firm.

Overall % Response: [Graph with bars indicating percentage response for each statement.]
Measuring business development and/or marketing ROI

Overall

- Tied to specific firm-wide revenue goals
- It’s not measured
- By campaign or program
- Specific business development metrics
- Firm-wide strategic initiatives
- Other (please specify)

% Response
Which of these describes your firm’s use of metrics?

- Our attorneys have KPIs, dashboards or spreadsheets that show pipeline health, contacts, and BD activities
- We use analytics to score leads and create prospecting lists that are acted upon
- We understand patterns that lead to success and adjust accordingly
- The firm uses historical data when setting goals
- We have a dashboard or monthly report
- We capture and report basic marketing metrics
- We don’t track or report metrics

AmLaw 100 CMOs’ Biggest Gap: Marketing analytics
Of the following metrics, which does your firm track?

- Leads
- Lead source
- Goals by practice area or group
- Individual attorney goals
- Effect of nurturing across the opportunity lifecycle
- Win/loss
- ROI of lead source
- Other (please specify)

[Graph showing percentage responses for each metric]
24%
Caution: Don’t Underestimate the Big 4

**PWC**: Just posted 24% growth in PWC Legal

“Our strategy is simple. It is to offer clients a legal service that complements something that PWC is doing, giving clients a truly holistic service. [It] is our differentiator in the market.”

**Deloitte** has 1,677 lawyers (up 25% since 2014)
Grew 9.5%

“Deloitte is focused on creating the premier global law firm…”
Top 3 challenges for winning new business

1. Lack of leadership support
2. Insufficient resources
3. No long-term firm strategy
Specific Investments

- Training: Attorneys – Business Development
- Training: Business Development Team
- Training: Marketing Team
- Technology: ERM
- Technology: Business Development (non-CRM)
- Technology: Proposal Generation
- Technology: Experience Management
- Technology: Experience Platform
- Technology: Content Management
- Technology: Analytics
- Technology: Marketing Automation
- Technology: CRM
- Digital: Paid Search and/or SEO
- Digital: Firm Website
- Digital: Social Media
- Traditional Marketing: Email Marketing
- Traditional Marketing: Print Advertisements and/or...
- Traditional Marketing: Telemarketing
- Traditional Marketing: Direct Mail
- Events: Firm-Hosted Events
- Events: Client Events and Meetings
- Events: Trade Shows / Conferences

% of Firms Doing This
What Can You Do?

• “Stop Goals” – what can you stop doing or reduce how often?

• Track Impact Metrics (Quality NOT Quantity)
  - Increase in engagement & improved relationship profiles
  - Increased awareness (traffic/activities from key accounts)
  - Increase in the number of qualified opportunities
  - Increase in the number of wins
  - Opportunity velocity - move to the next stage
  - Is the average value of the matter increasing
  - Increase in advocacy (referrals, net promotor score)

• Lateral Hires – before/after metrics

• How can you use e-marketing or marketing automation to remind or alert attorneys?
“Stop thinking like a law firm and start thinking like a business.”

“Break down the silos we have within the firm from the marketing and business development team to our practices, industries, and offices so everyone communicates and works together better.”

“Create a good brand and figure out what makes us different from our competitors. Currently, lawyers think it’s "service" "experience" "knowledge"...they don't seem to understand that every law firm thinks this.”

“Define success and long term goals per PG, Industry Teams.”

“Communicate the importance of strategy planning and accountability across the firm.”
Is Legal Stuck

or

On the Precipice of Massive Change?
Questions and Contact Information

Toni Minick
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