



Tap into the power of your data

Experience. Retention. Growth.

Jeffery Parrish, Global Head of Industry Strategy
Introhive



The Mad Clientist

Planning: Clients want to develop a systematic approach for their litigation, regulatory issues, and M&A.

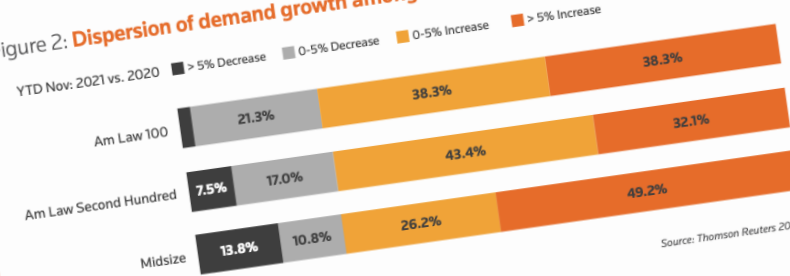
Early Assessment: Clients want to draw on law firms' experience to know what they are getting into — before they get started.

What Other Companies are Doing: Clients value the insight into what other companies are doing.

New and Relevant Ideas: Clients want new approaches to old and new issues

“Ongoing, Meaningful Personal Communications”

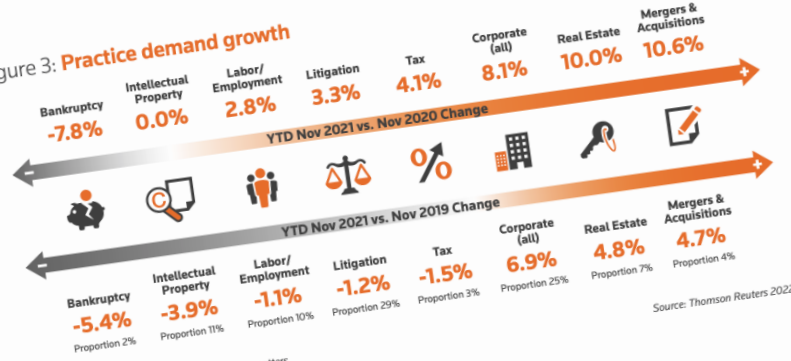
Figure 2: Dispersion of demand growth among law firms



All timekeepers. Billable time type; non-contingent matters.

Demand growth, as shown below in Figure 3, was driven primarily by real estate and corporate (including M&A) practice areas, although almost all practice areas experienced some amount of growth compared to 2020 — as seen with the numbers on top of Figure 3. Compared to 2019, however, demand growth — as shown with the numbers on the bottom of Figure 3 — was more modest, with only the corporate (including M&A) and real estate practices showing positive growth. This corporate and real estate practice surge sufficiently offset the much smaller recovery against pre-pandemic levels in other practice areas, such as litigation, labor & employment, and intellectual property.

Figure 3: Practice demand growth



All timekeepers. Billable time type; non-contingent matters.

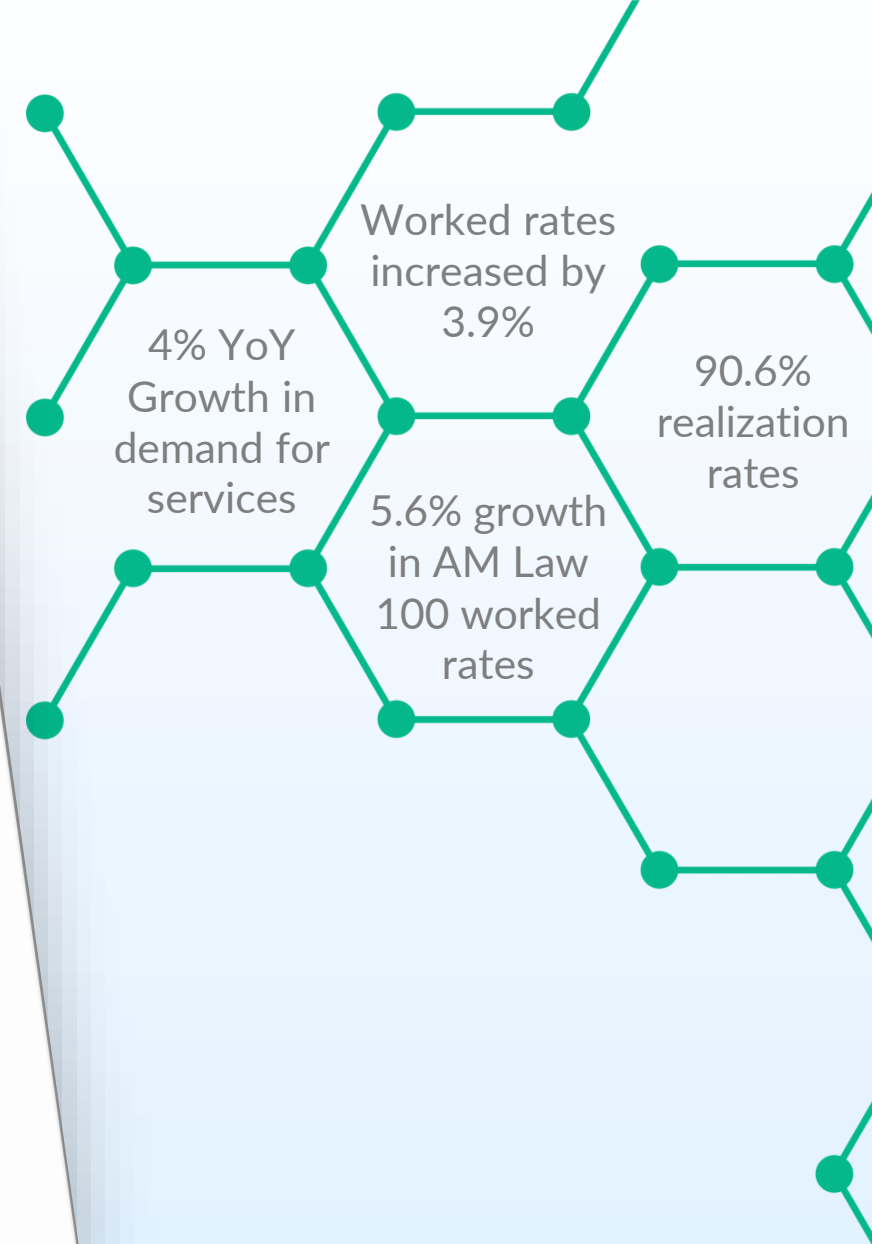
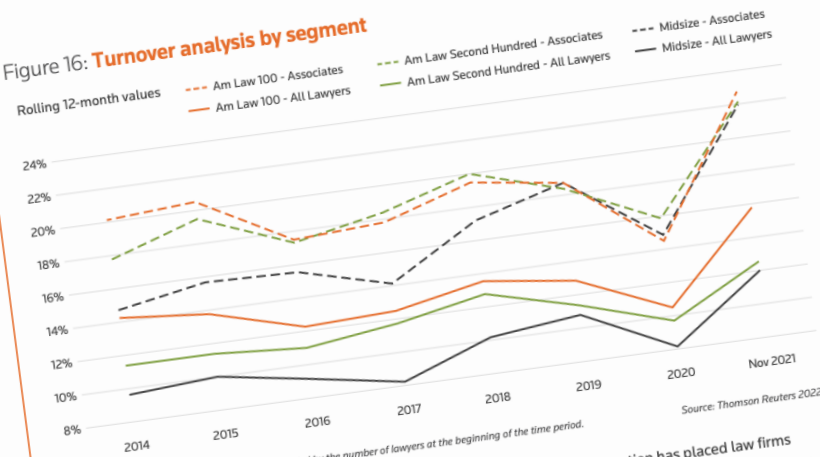


Figure 16: Turnover analysis by segment



Source: Thomson Reuters 2022

Turnover = Number of lawyers who left the firm divided by the number of lawyers at the beginning of the time period.

At the same time, the dramatic increase in associate compensation has placed law firms under growing economic pressure. As previously observed, through November 2021, direct expenses grew by a whopping 8.8%, on a rolling 12-month basis. For Am Law 100 firms, the expense growth was even higher — at 11.9%. This surge in direct expenses was the highest seen since the financial crisis of 2007-'08. And it's a change that will surely impact law firm profitability in the coming year. Yet, the lawyer headcount growth achieved through this enormous outlay of cash was comparatively modest — only 0.9% for Am Law 100 firms for YTD 2021 as compared to YTD 2020.

This data leads inevitably to the question of whether the approach to the talent war that is being taken by most firms is sustainable for the long term. In response to the fierce competition for talent, firms are spending huge amounts of money and putting their profits at increasing risk for fairly modest returns — at least if you consider the real costs of high levels of lawyer turnover.

The intriguing question thus becomes, whether refocusing recruitment strategies to emphasize factors other than (or in addition to) compensation might not prove more productive?

This question is particularly important as firms confront the realities of a post-pandemic workforce. As shown in phenomena like *The Great Resignation*, having spent months in pandemic-related isolation, many workers are returning to the labor market with very different attitudes and expectations than they may have had before. Many are more

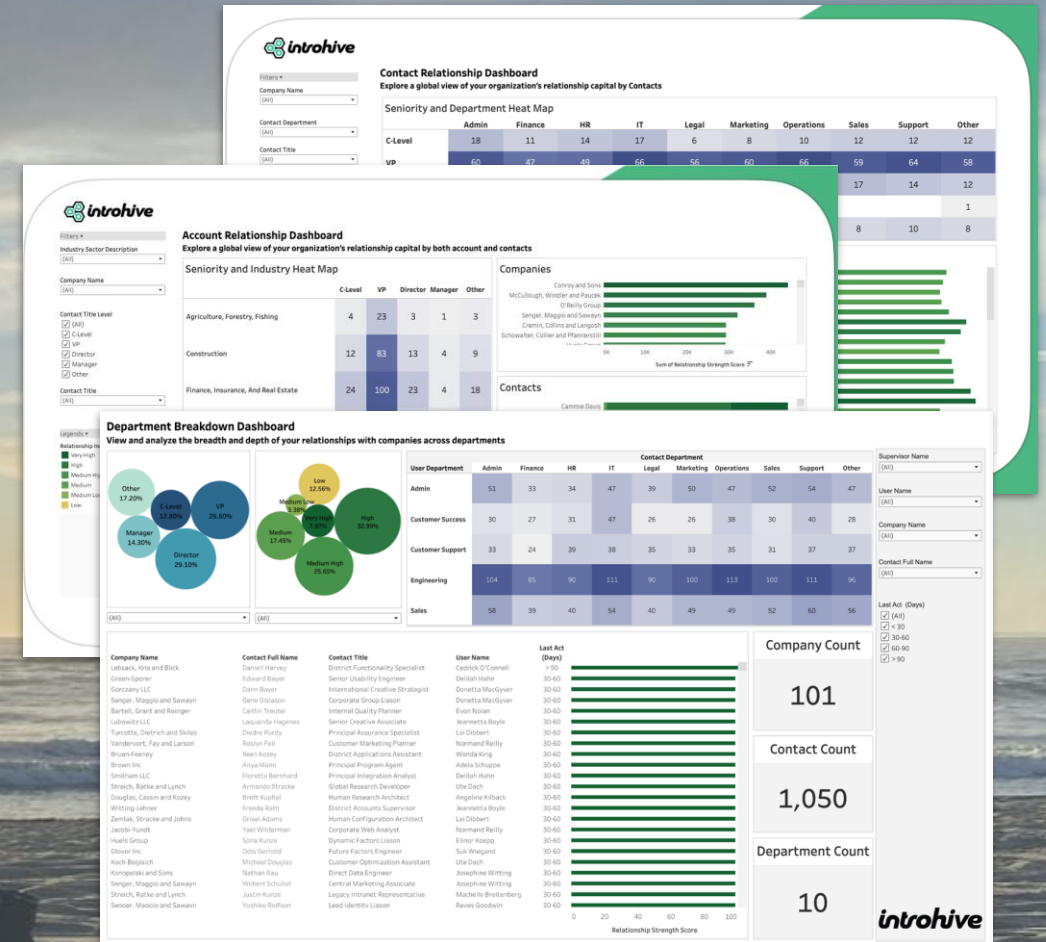
23.2%
Associate
turnover rate

23.7% Am
Law 100
turnover
rate

27% would
leave for
higher salary

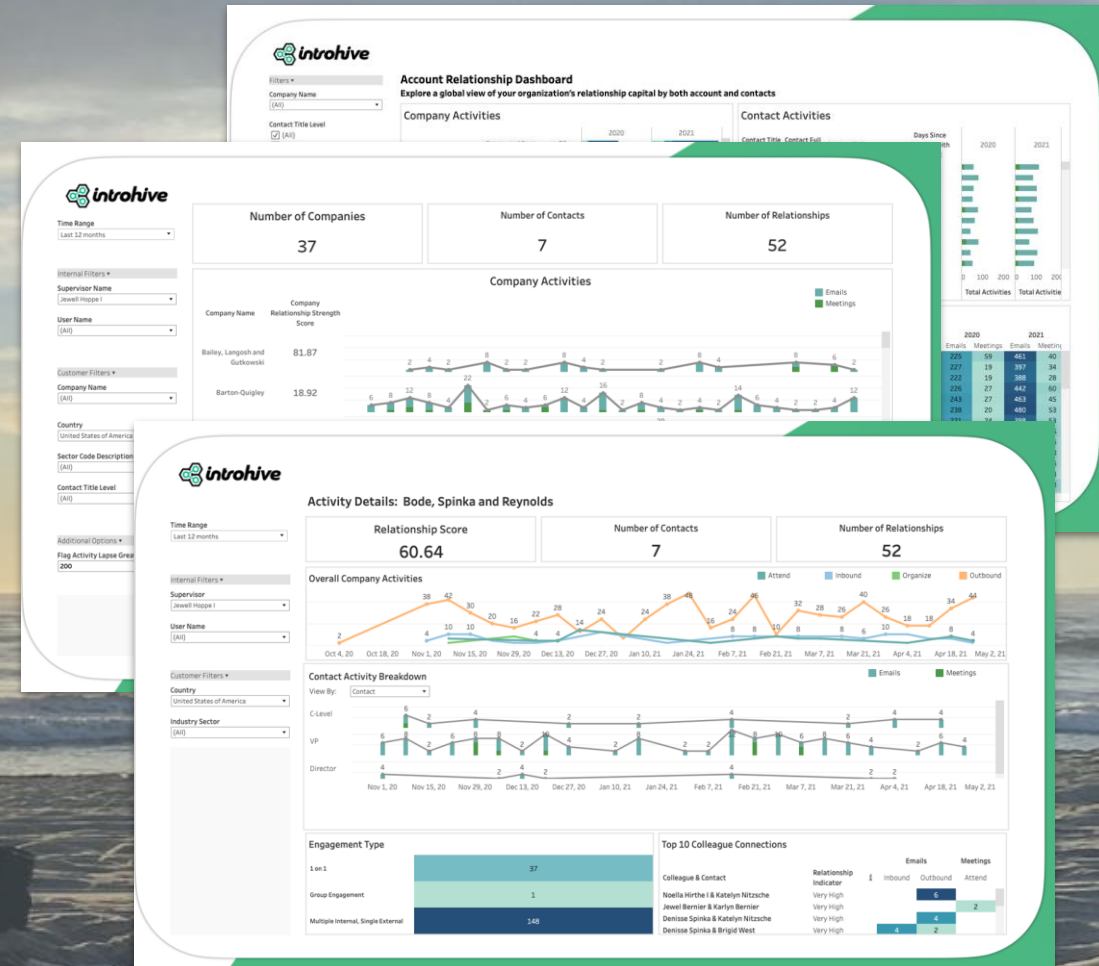
60% would
leave for
work-life
balance

How can I get a view
of all of my firm's
relationships across
clients and
prospects?



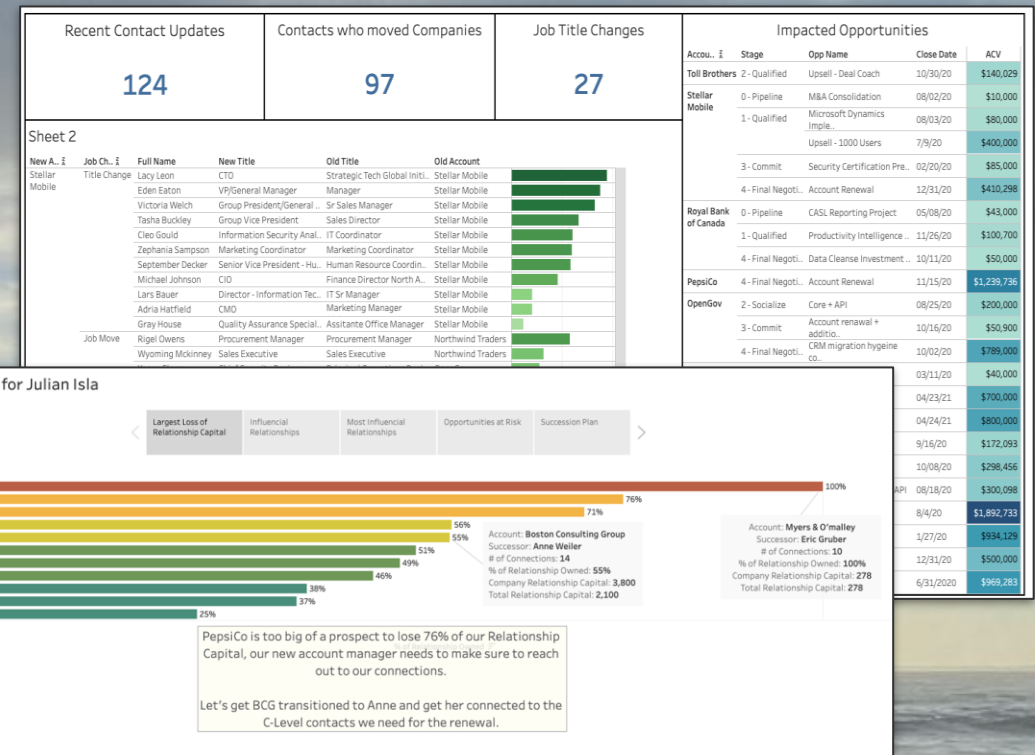
dashboards are examples and for illustration purposes.

How can I understand
the strength of my
firm's relationships
with clients and how
much we're
communicating with
them?




dashboards are examples and for illustration purposes.

How can I be prepared for when a key contact leaves my client, or attrition and defection at my firm?



dashboards are examples and for illustration purposes.

A person is shown in silhouette, wearing a patterned shirt, looking out at the ocean during a sunset. The sun is low on the horizon, creating a bright glow and reflecting on the water. A thought bubble is positioned above the person's head, containing the text "What do I call these heavenly insights?".

*What do I call
these heavenly
insights?*



Relationship Intelligence

Leverage the information you already have throughout the firm

Secure new business from cross-selling existing clients

Win new matters from current prospects

Prevent client defections and minimize the negative consequences of attorney defections

Reduce the odds of losing clients when the attorneys that service them depart





Grow Relationships. Grow Retention. Grow Revenue.

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