



# Workshop #1: In Search of El Dorado: Measuring Profitability & Efficiency in Marketing & Business Development Departments



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# In Search of El Dorado

Measuring Profitability & Efficiency in Marketing &  
Business Development Departments

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## **Session objective**

What must Chief Marketing Officers or law firm business development committees measure to quantify success?

# Agenda

*'Where can it be—This land of Eldorado?'*

-Edgar Allan Poe

- Introductions
- State of the legal market
- Competitive Advantage Model
- Breakout groups
- Final remarks

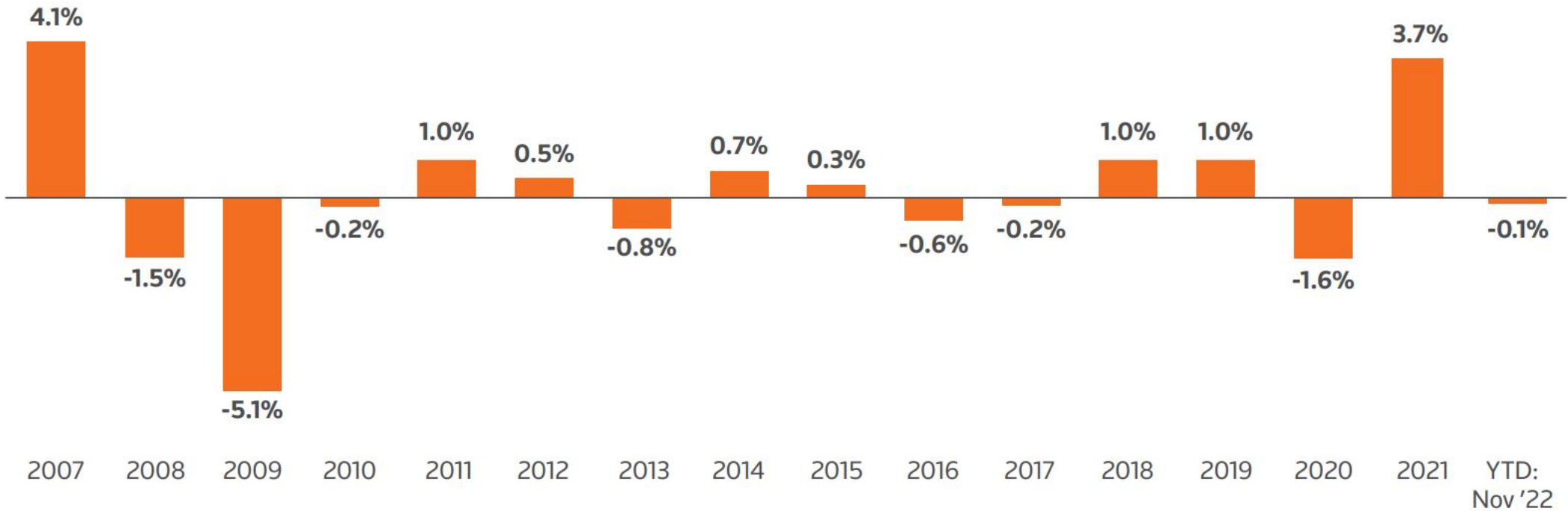
# State of the Legal Market

Uncertainty on the horizon

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## Growth in demand for law firm services

Y/Y % change

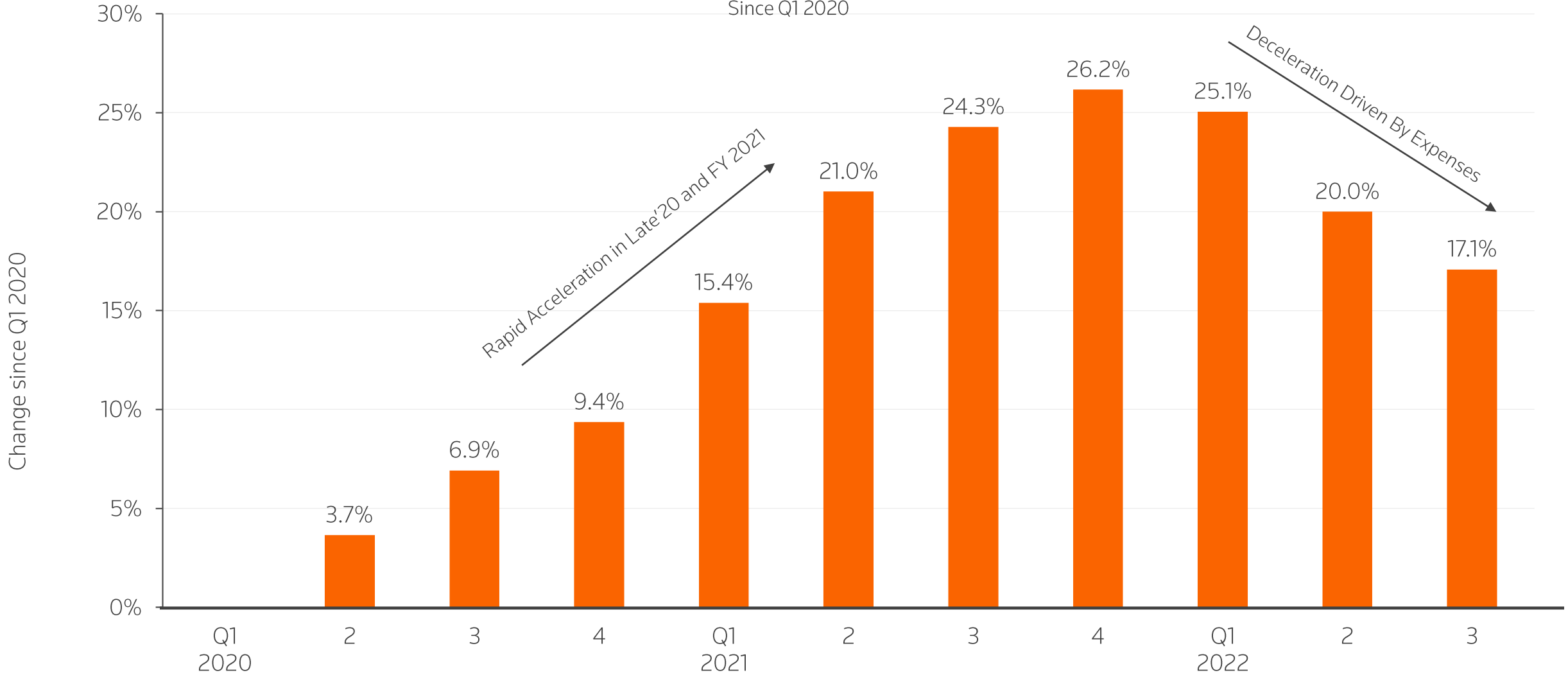


All timekeepers. Billable time type; non-contingent matters.

Source: Thomson Reuters 2023

# Profit per Lawyer (FTE) – Change Since Q1 2020 - All Segments

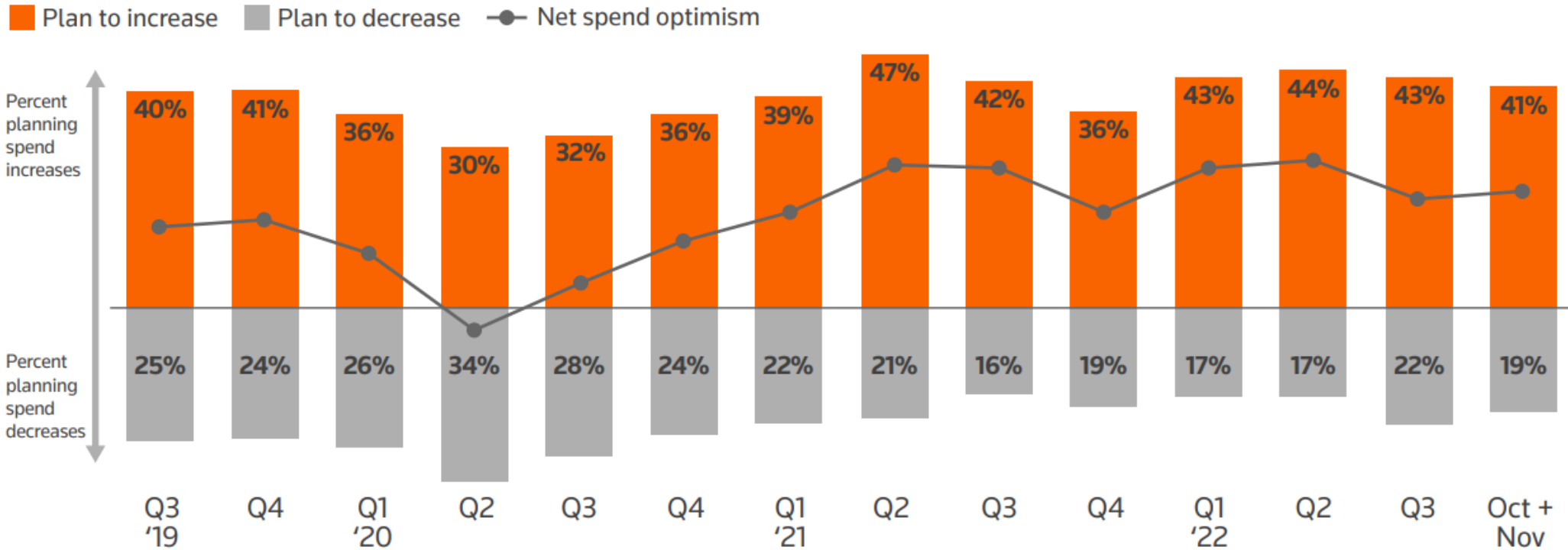
Rolling 12-Month Change  
Since Q1 2020



NET OPTIMISM FOR INCREASED SPENDING GREW DURING THE FIRST TWO QUARTERS OF 2022 AND FELL IN THE SECOND HALF OF THE YEAR

## Buyer sentiment: where is the legal market headed?

Total legal spend optimism: quarter-by-quarter view (\$1B+ companies)



Net spend optimism equals the percent of buyers planning to increase legal spend minus those planning to decrease.

Source: Thomson Reuters 2023

4 Figure 3 and this paragraph is based on data from Thomson Reuters Market Insights, which provides legal buyer information from around the globe based on annual interviews with around 2,500 legal buyers with revenues above \$50 million (US).



## Is there a firm that you have started using or used substantially more in the past 12 months?





# Reactions

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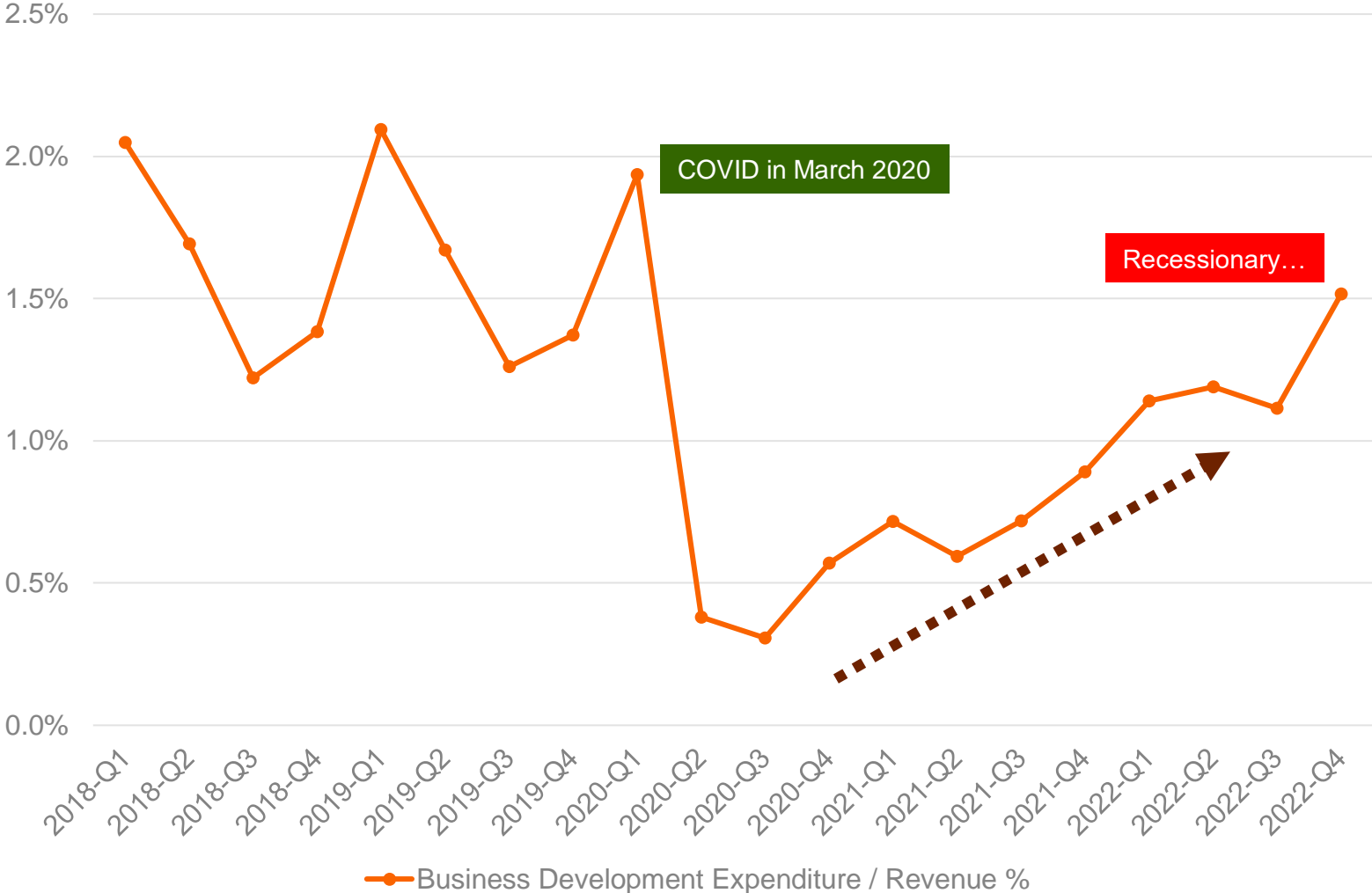
# Business Development Macro-Trends

## US Law Firms

	2018	2019	2020	2021	2022
Expenditure / Revenue %	1.5%	1.6%	0.7%	0.7%	1.3%
Compensation / Revenue %	0.7%	0.8%	0.8%	0.8%	0.8%
FTE in 600+ Firms	60	64	67	69	71

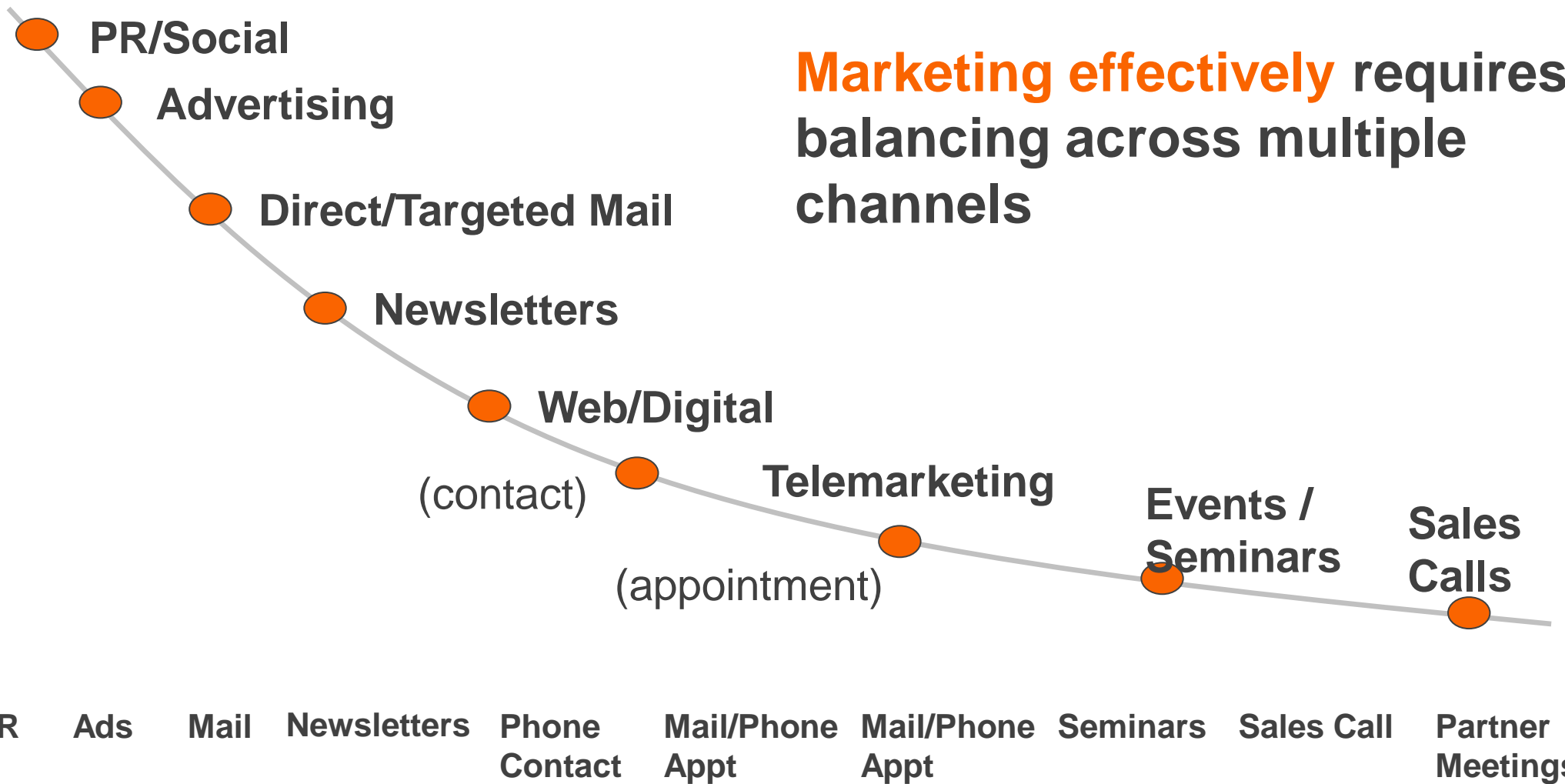
# BD Expenditure: Pre and Post COVID-19

## US Law Firms



MANY

# OF PROSPECTS REACHED



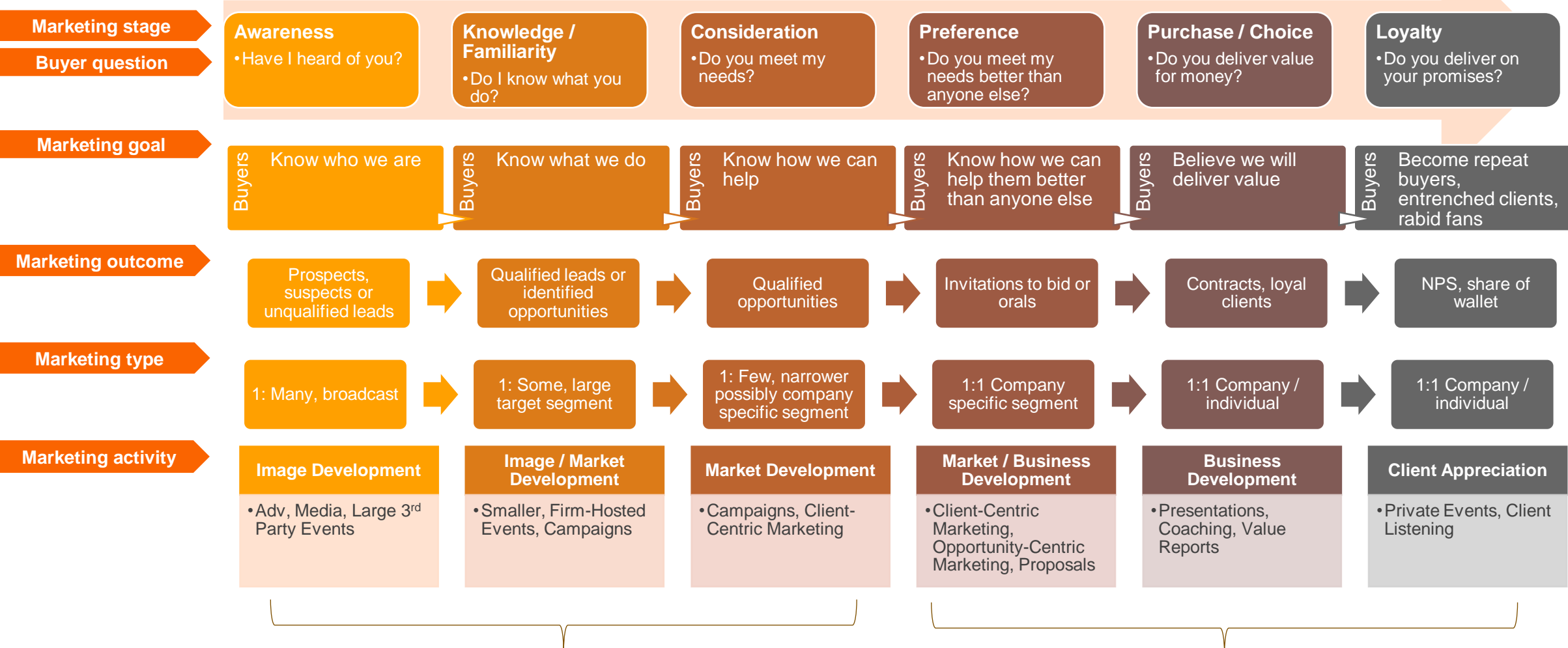
**Marketing effectively** requires balancing across multiple channels

FEW

PR    Ads    Mail    Newsletters    Phone Contact    Mail/Phone Appt    Mail/Phone Appt    Seminars    Sales Call    Partner Meetings

DEGREE OF PERSONAL INTERACTION

# Marketing supports the client journey from lead to work and beyond



**CREDIBILITY**

**CHEMISTRY**

# Breakout Session

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## What must Chief Marketing Officers or law firm business development committees measure to quantify success?

### Top-of-mind Awareness & Favorability

Be the firm clients think of first

Differentiate from other firms

### Consideration & Usage

Get a seat at the table more frequently for the right work

### Experience & Growth

Get more work from clients and keep competitors out

- **Leading** indicator helps predict future success
- **Lagging** indicator of past performance and measures if a result was achieved





# Final thoughts

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