The Oracle’s Temple: The State of the Global Legal Marketing & Business Development Profession

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The Oracle’s Temple:  
The State of the Global Legal Marketing & Business Development Profession

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2023 MARKETING PARTNER FORUM SURVEY
• Conducted for the first time since 2019
• Global responses from large and medium law firms
• Gathered via web October-December 2022
• Survey participants consisted primarily of marketing and/or business development leaders
• For their participation, respondents receive a copy of this presentation

FINANCIAL INSIGHTS
• Financial benchmarking
• Drawn directly from firms’ FMS
• 240 global participants
• Formerly Peer Monitor

MARKET INSIGHTS
• Market research
• Thousands of GC & Lawyer “live” interviews annually
• Formerly Acritas SharpLegal
Legal Industry Demand Patterns
Analysis
Data through November 2022
Demand – All Segments

Y/Y Change


-9% -6% -3% 0% 3% 6% 9%

All timekeepers
Billable time type; non-contingent matters
**Demand By Segment**

![Graph showing demand by segment over time with various segments represented.](image-url)
Client Spend Forecast

Total legal spend optimism: quarter-by-quarter view (Global $1B+ companies)
Percent of buyers planning to increase legal spend versus those planning to decrease

Plan to Increase | Plan to Decrease | Net Spend Optimism

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<th>Q4 '19</th>
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All timekeepers
Billable time type; non-contingent matters
MPF Survey Results
Analysis
Data Collected Oct-Nov 2022
MARKETING PARTNER SURVEY

Roles & Reporting Lines

What Is Your Role?

- Most senior marketing and business development officer in the firm (35%)
- Most senior officer in the firm (30%)
- Most senior business development officer in the firm (15%)
- Other marketing or business development role (10%)
- Marketing Partner (5%)
- Managing Partner (0%)

Who Do You Report To?

- Managing Partner/Chairperson
- Chief Operating Officer
- Other
- Marketing and/or Business Development partner/committee
Effectiveness

- Very effective
- Somewhat effective
- Not at all effective

MARKETING PARTNER SURVEY
What is the primary way your firm measures the effectiveness of the marketing/business development department(s)?
At what level does your firm develop and monitor sales/revenue forecasts?
What percentage of firm gross revenue is the marketing/BD budget not including salaries?
Marketing and Business Development
Dispersion of Law Firms - % of Revenue in 2022

- **All Firms**
  - 0% - 1%: 20%
  - 1% - 2%: 59%
  - 2% - 3%: 17%
  - > 3%: 4%

- **Am Law 100**
  - 0% - 1%: 27%
  - 1% - 2%: 70%
  - > 3%: 2%

- **Am Law Second Hundred**
  - 0% - 1%: 19%
  - 1% - 2%: 62%
  - 2% - 3%: 15%
  - > 3%: 4%

- **Midsize**
  - 0% - 1%: 16%
  - 1% - 2%: 50%
  - 2% - 3%: 28%
  - > 3%: 6%
Marketing and Business Development
Average % of Revenue since 2012
What is the percentage of your 2023 budget when compared against 2019?
Has your firm prioritized specific practice areas, industries or locations for increased investment?
Has your firm embraced legal process improvement?

- Yes, we have implemented a formal process improvement program.
- No, we have not implemented a formal process improvement program, but intend to do so.
- No, we have not implemented a formal process improvement program, and have no intention of doing so.
Has your firm embraced legal process management?

- Yes, we have implemented a formal approach for legal project management.
- No, we have not implemented a formal approach for legal project management, but intend to do so.
- No, we have not implemented a formal approach for legal project management, and have no intention of doing so.
MARKETING PARTNER SURVEY

Marketing/BD & Sales Teams

- How many firm employees are 100% dedicated externally-focused salespeople?
- How many firm employees are currently 100% dedicated to the marketing and business development functions, excluding dedicated salespeople?

- 0
- 1
- 2 to 4
- 5 to 9
- 10 to 19
- >20
**Pricing**

Does your firm employ dedicated pricing professionals?

- Yes: 48%
- No: 52%

If yes, how big is your pricing team?

- 1: 8%
- 2 to 4: 21%
- 5 to 9: 38%
- 10+: 33%

If no, what best describes your firm’s plan regarding hiring pricing professionals?

- We do not plan to add such positions: 5%
- We are considering adding such positions at some time in the future: 14%
- We plan to add such positions in the next year: 82%
Large firms invest in building out pricing functions to address post-GFC rate crunch and perceived increasing appetite for AFAs.
MARKETING PARTNER SURVEY

Key Account Management

Does your firm employ 100% Key Account Management people who are client-facing?

- Yes: 29%
- No: 71%

If yes, how big is your KAM team?

- 1: 29%
- 2 to 4: 14%
- 5 to 9: 14%
- 10 to 19: 36%
- 20 or more: 7%

If no, what best describes your firm’s plan regarding hiring KAM professionals?

- We do not plan to add such positions: 70%
- We are considering adding such positions at some time in the future: 3%
- We plan to add such positions in the next year: 27%
What is the greatest challenge your marketing/business development department faces?

- Lack of lawyer engagement: 35%
- Lack of resources: 30%
- Lack of technology-tool adoption: 25%
- Other (please specify): 15%
- External market change: 10%
- Lack of brand awareness: 5%
- Internal firm change: 5%
- Lack of planning: 1%
- Lack of information: 1%
What is the primary way your firm seeks to differentiate itself from competitors?
Business Savviness & Geographic Footprint Become Stronger Differentiators Over Last Year

What buyers are talking about significantly more

- Specialist knowledge: 27% (Jan '22-Dec '22) vs 20% (Jan '21-Dec '21)
- Responsiveness: 15% (Jan '22-Dec '22) vs 13% (Jan '21-Dec '21)
- Historical relationship: 10% (Jan '22-Dec '22) vs 7% (Jan '21-Dec '21)
- Commerciality of approach: 6% (Jan '22-Dec '22) vs 3% (Jan '21-Dec '21)
- Local company knowledge: 6% (Jan '22-Dec '22) vs 3% (Jan '21-Dec '21)

What buyers are talking about significantly less

- Quality of advice: 33% (Jan '22-Dec '22) vs 31% (Jan '21-Dec '21)
- Strength of individuals: 18% (Jan '22-Dec '22) vs 13% (Jan '21-Dec '21)
- Client service quality: 14% (Jan '22-Dec '22) vs 7% (Jan '21-Dec '21)
- Reputation / profile: 7% (Jan '22-Dec '22) vs 5% (Jan '21-Dec '21)

Significant difference

Number of responses: 2021 (4278); 2022 (4438)
Collaboration

Has your firm seen a rise in collaboration within and across practicing lawyer teams?

- Yes: 29%
- No: 71%

If yes, have you seen positive clients results because of collaboration?

- Yes: 100%
- No: 0%

If no, what best describes your firm’s approach to collaboration?

- Greater focus on collaboration is something we are considering/pursuing: 8%
- We do not focus on collaboration initiatives: 8%
- Other (please specify): 15%
- Collaboration initiatives have proved unsuccessful for the most part: 77%
7 Ways to Boost Share of Client Spending

14% of client external spend

27% DIVERSE LAWYERS
31% STANDOUT LAWYERS
32% INNOVATIVE APPROACH
33% BRAND AFFINITY
34% CLIENT FEEDBACK
43% INDUSTRY EXPERTISE
56% COLLABORATIVE TEAMS
Final Thoughts & Next Steps
Recommended Next Steps

• Increase lawyer engagement by starting with a few willing
• Demonstrate ROI by connecting dots from partner requests and activity to marketing and BD deliverables – quantifiable measurement
• Develop a Pipeline Report to tie marketing and BD to revenue – bring yourself and your team as close to the money as possible
• Continue professional development to stay ahead of the curve
• Build relationships—follow your own advice
• Conduct internal “client” feedback to stay aware of potential pitfalls and future opportunities
Thank You