

BTI Premium Practices Forecast

Survey of Corporate Legal Spending

Executive Summary

2012



Executive Summary

The Game of Pitfall

In 1982, Atari released its second best-selling game *Pitfall*. A veritable obstacle course laced with threats and surprises at every turn, the game challenged players to navigate their way around a myriad of “pitfalls” in order to capture elusive treasures. Tar pits, underground scorpions and hungry crocodiles lurked at every step. Yet so too did treasures. In fact, 32 distinct opportunities to capture moneybags existed for those savvy enough to expertly avoid sinking into a vat of quicksand.

Fast-forward 30 years and relocate from the Amazon jungle: Welcome to the 2012 legal market. Though peppered with sinkholes and unforeseen traps, the legal environment for 2012 offers a myriad of opportunities to find and benefit from “treasures.” The key lies in knowing where to look—and what to avoid.

Overcoming the Pitfalls

By far, the practice area pocked with the single greatest number of pitfalls for 2012 is Litigation. A practice traditionally venerated for its resiliency in the face of economic pressures, Litigation is slated for a small, but directionally significant, decline in 2012. Its cousin, class action law suits, will be subjected to an even greater retrenchment. The primary driver behind the dip in Litigation: corporate counsel’s designation of the practice as public enemy number one. (See pages 75–78 for a detailed discussion of litigation.)

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The Game of Pitfall (CONT.)

Targeting Treasures for 2012

On the flip side, opportunities to target new business and drive modest growth in 2012 stem from varied sources.

IP and IP Litigation join hands at the top of the list, boasting the highest projected increases in spending in the 2012 forecast at 2.9% and 4.2% respectively.

Bankruptcy and Restructuring also enjoy renewed vigor in 2011 which promises to extend into the new year, accompanied by surprise newcomer, Tax, which is rebounding after a stint in the slow-to-no growth area.

(Detailed discussions of each market can be found on pages: 52–55 for IP; 23–26 for IP Litigation; 35–38 for Bankruptcy; 31–34 for Restructuring; and 27–30 for Tax.)



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Top Market Drivers for 2012

BTI Top Market Drivers for 2012

1. Economic uncertainty slams the brakes on outside counsel spending
2. Corporate counsel declare Litigation public enemy number one
3. Reinvigorated law firm consolidation designates clear winners—and losers
4. Uncompromising IP protection and patent reform propel highest growth opportunities
5. Lingering economic woes continue to spark Bankruptcy and Restructuring
6. Corporate counsel wield new buying power in full force
7. Tax reform breathes new life into a sleepy area



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About BTI

BTI is the leading provider of strategic research to the legal community—performing more market research about law firms than virtually anyone. BTI has helped more than 150 law firms and professional services firms improve client service through compelling research and advice. We conduct the only continuous benchmarking market study in the legal services industry.

Based on more than 2,800 one-on-one interviews, BTI brings a vast understanding of clients to help the world's largest professional services firms in all aspects of client relationships.

More than 70 of the 100 largest law firms use BTI's services and research to:

- Implement robust client feedback programs
- Assess brand awareness and market positioning
- Target market opportunities
- Establish best practices and benchmarks to drive performance

BTI conducts the most insightful custom client surveys as part of world-class client feedback programs to drive consistent client service delivery for leading professional services firms.





BTI Research and Publications

Coming soon...The BTI Client Service A-Team 2012: The Survey of Client Service Performance for Law Firms 17 activities drive superior client relationships. 4 matter most. Discover how clients rate more than 250 law firms in these key activities—including Client Focus, Commitment to Help, Legal Skills and Provides Value for the Dollar. Learn which firms rank best, *The BTI Client Service 30*. New release November 2012. Email Marcie Shunk at mshunk@bticonsulting.com to pre-order your copy now.

Litigation Outlook 2011: Changes, Trends and Opportunities for Law Firms

In BTI's first-ever in-depth look at the future of litigation, more than 310 corporate counsel and AmLaw 200 practice leaders weigh in on exactly how spending, management and law firm hiring criteria are changing. Discover how a rise in new matters combines with a flat spending outlook to drive hiring opportunities and increase competition. Learn which firms—by name—clients consider to be best positioned to serve them in 5 distinct types of litigation, including IP, Securities and Employment.

The BTI Client Service All-Star Team for Law Firms 2011

The only independent, client-driven attorney ranking. *The BTI Client Service All-Stars 2011* celebrates 318 attorneys who deliver the best client service according to candid feedback from more than 300 corporate counsel at large and Fortune 1000 companies. This year's honorees buck the trend, winning client recognition for unsurpassed client service in an environment of ambiguity and turmoil.

You can order these and other compelling BTI research or publications at www.bticonsulting.com.



Research Methodology and Approach

This report draws on more than 2,800 interviews conducted over the span of 10 years. BTI's study includes between 50% and 55% of companies participating in prior years. This approach provides for accurate analysis of longitudinal trends while simultaneously allowing for insights into new, changing and up-and-coming opportunities.

Spending, budget and practice assessments for 2011 and 2012 are based on more than 240 new interviews. One-on-one telephone interviews are ongoing. This year's new analysis relies on interviews conducted between May 23, 2011, and September 16, 2011.

This analysis includes interviews with decision-makers at top-spending companies:

- Average revenue of \$13.1billion
 - Median revenue of \$3.6 billion
- 55.2% General Counsel or Chief Legal Officer
 - 37.1% direct reports to General Counsel

Research Methodology and Approach (CONT.)

BTI conducts all interviews using multiple techniques. These include:

- Structured questions
- Forward-looking questions
- Quantitative questions
- Experience-based questions

Our interview team averages more than 15 years' experience interviewing C-level and top executives.

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