



# BTI's Benchmarking Law Firm Marketing and Business Development Strategies

## EXECUTIVE SUMMARY VERSION

2007

prepared by

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# Introduction



## **About BTI's Benchmarking Law Firm Marketing and Business Development Strategies**

BTI conducted over 120 in-depth, individual interviews with Chief Marketing Officers (CMOs), Marketing Directors and Directors of Business Development at the world's leading law firms. We probed strategic and tactical aspects of a broad range of business development and marketing activities including:

- ◆ Goals and objectives
- ◆ Strategic priorities
- ◆ Spending
- ◆ Budgets
- ◆ Budget expectations
- ◆ Staffing
- ◆ Use of client teams
- ◆ Client service strategies

...and a host of other tools, tactics and processes

In short, BTI investigated how law firms drive robust growth and boost profits per partner.

BTI draws on these insights to develop a compelling, comprehensive analysis of key benchmarks and best practices in legal marketing.

We uncovered key trends in law firm marketing, comparing this year's responses with thousands of data points gathered in similar interviews with CMOs, Marketing Directors and Directors of Business Development over the past 4 years. We also analyzed these responses, in conjunction with other independent BTI research, to devise what we are confident will be an invaluable tool to help you measure and track your marketing performance.

### *Law Firms Upping Their Game— More Money, More People, More Client Input*

BTI's exclusive research shows what could be a new day dawning in the world of legal marketing. We found across-the-board increases in the investment law firms are making in marketing and business development. Key growth areas include:

1. Marketing spending per attorney climbs more than 20%
2. Marketing staffs expand by nearly 15%
3. Overall marketing spending up by \$1 million to \$2 million
4. Client-centric marketing activities drive change



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### *Marketing Spending Climbs by \$1 to \$2 Million*

BTI benchmarks reveal a sharp increase in marketing investment at law firms of all sizes. Marketing budgets at the largest law firms grow 3 times faster than the average law firm's revenue.

- ◆ Overall marketing spend
- ◆ Marketing spend
  - By partner
  - By attorney
- ◆ Marketing dollars as a percent of firm revenue
- ◆ Plus! Marketing budget breakdown
  - Salaries
  - Business development

...and more

Benchmark Your Law Firm's  
Spending And Staffing

### *Marketing Staffs Grow*

BTI Benchmarks track a steady climb in the size of the largest marketing departments. AmLaw 100 law firms add 5 marketing full-time employees (FTEs) to their team; the latter half of the AmLaw 200 see one addition.

- ◆ Marketing FTEs
- ◆ Key productivity metrics
  - Partners per marketing FTE
  - Attorneys per marketing FTE

Assess Your Department's  
Productivity

### *How Law Firms Sell—Business Development Tactics*

Business development is the number one marketing goal at law firms, according to this year's research. *BTI's Benchmarking Law Firm Marketing and Business Development Strategies* provides a comprehensive analysis of how marketing and sales are helping to drive law firm growth.

- ◆ How law firms track business development
- ◆ Who defines business development goals
- ◆ Why cross-selling isn't working at most law firms
- ◆ Which clients get top billing for law firm business development
- ◆ What incentives law firms use to motivate partners

Learn Exactly What Activities  
Law Firms Engage In To  
Boost Performance



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### *Client Service Strategies*

BTI's analysis uncovers a rise in the number of law firms engaging in client-focused marketing activities. Our independent research reveals that just 32.1% of corporate counsel recommend their primary law firm.

- ◆ Why CMOs rate their firm's client service performance a "C"
- ◆ How clients rate law firms in client service
- ◆ How client teams are gaining advantage

See For Yourself What Law Firms Are—and Are Not—Doing To Satisfy Clients

### *The Role of the CMO*

*BTI's Benchmarking Law Firm Marketing and Business Development Strategies* also provides a sneak peek into the daily activities of the CMO.

- ◆ Top marketing goals
- ◆ CMO tenure
- ◆ Key changes in leading marketing departments

Learn Top Goals And Strategies Driving CMOs

#### **Special**—How CMOs Spend Their Time

- ◆ *Not enough time in the day?*  
Discover how CMOs spend their time and how you stack up

### *How to Use BTI Benchmarks*

BTI encourages you to use this summary of key benchmarks and core results to boost your everyday performance. We recommend that you join other BTI Benchmarking Partners worldwide and use this exclusive research to:

- ◆ Calculate your return on marketing investments
- ◆ Plot your path to superior performance
- ◆ Measure productivity
  - Staff
  - Spending
  - Sales
- ◆ Benchmark performance
- ◆ Marshal resources

BTI welcomes you to use the recommendations in this report to your immediate, tangible benefit. Please do not hesitate to contact us for additional information, best practices in action or suggestions on the benefits and challenges of implementation.

Contact Michael B. Rynowecer, President of The BTI Consulting Group, Inc. at (617) 439-0333 or at [mrynowecer@bticonsulting.com](mailto:mrynowecer@bticonsulting.com).



## **Introduction**

### *BTI Methodology and Approach*

BTI conducts all interviews using multiple techniques; this includes open-ended, unstructured methods that enable you to define your needs and priorities according to your understanding and perceptions. Our interview team has an average of more than 10 years of experience.

This fact-based, comprehensive analysis draws on more than 500 interviews conducted over the span of 3 years. Spending, budget and practice area assessments for 2005/2006 are based on more than 120 brand new, individual, independent interviews with Chief Marketing Officers, Marketing Directors, Directors of Client Relations and Directors of Business Development at the world's 250 largest law firms. Our most recent interviews were conducted between November 2005 and March 2006, and represent:

- ◆ 58% of the AmLaw 200
  - including 60% of the AmLaw 100
- ◆ The world's largest law firms:
  - Average revenue: \$357,563,954
  - Average number of equity partners: 154
  - Average number of attorneys: 547

### *Independent, Objective Research*

BTI identifies the target law firms and individuals to be surveyed. We design and develop the survey instrument based on over 25 years of experience in the research industry. Each interview is conducted individually via telephone. We draw on a variety of sources, including our own research, to identify the individuals in the survey. BTI does not conduct any mass mailings, solicitations or group invitations. All of our interviews are conducted using this objective approach.

### *Full, Unlimited Telephone Support*

Each and every BTI report comes with unlimited telephone support. We encourage a dialogue with all our clients, and are dedicated to helping them get maximum benefit from this report. Please call Michael Rynowecer, President, at (617) 439-0333 or send an email to [mrynowecer@bticonsulting.com](mailto:mrynowecer@bticonsulting.com). You will find us responsive, helpful and to the point.



## About The BTI Consulting Group



## About The BTI Consulting Group

### The BTI Consulting Group—Who We Are

The BTI Consulting Group (BTI) is the leading provider of strategic market research to law firms and professional services firms. BTI performs more market research about law firms than virtually anyone. We conduct the only continuous benchmarking market study in the legal services industry based on nearly 1,300 independent interviews with General Counsel and key decision makers that hire law firms.

BTI uses powerful, robust analysis to help clients define new approaches to key issues that boost performance including:

- ◆ 17 activities that drive relationships between law firms and clients
- ◆ 12 power marketing practices that drive growth and profits
- ◆ 7 tactics to command premium rates
- ◆ 4 key differentiators that separate law firms in the mind of clients
- ◆ 6 core barometers to gauge market position
- ◆ 5 drivers of favorable awareness that attract the best new clients

BTI regularly publishes this compelling research in independent publications, reports and summaries. Learn more about BTI's publications on pages 55–56.

BTI conducts private benchmarking, market awareness and client satisfaction research for some of the best-run organizations in the world. BTI boasts one of the world's largest knowledge bases of professional services research based on more than 6,000 interviews conducted over the last 17 years.

BTI enjoys a far-reaching client base that includes:

- ◆ More than 70 of the 100 largest law firms
- ◆ Over 250 of the leading professional services firms worldwide
- ◆ Over 35% of the Global 500
- ◆ More than 450 Fortune 1000 companies



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## About The BTI Consulting Group

### Key Services to Help Our Clients

In addition to our publications, BTI works with the world's leading professional service firms and companies to help them in all aspects of their client relationships. BTI brings our vast understanding of clients drawing on unparalleled research with over 6,000 interviews with C-level executives.

BTI offers the following key services for law firms:

#### *Strategic Market Research*

- ◆ Market Awareness Research
- ◆ Client Satisfaction Surveys
- ◆ Practice Awareness and Measurement
- ◆ Client Needs Assessment
- ◆ Rate and Fee Studies
- ◆ Partner and Associate Surveys
- ◆ New Market Assessments
- ◆ Best Practice and Benchmarking Studies
- ◆ Competitive Analysis
- ◆ Due Diligence Support
- ◆ Strategic Research

#### *Consulting*

- ◆ Key Client Strategies
- ◆ Client-Focused Business Practices
- ◆ Strategic Business Planning
- ◆ Advanced Business Development Training

#### *Private Briefings*

BTI also offers private briefings both in person and via the web. Chock full of client-based insights, perspectives and facts, we draw from our research, experience and other resources to provide provocative, constructive insights to help you boost client satisfaction, increase client retention and improve your performance. We can tailor our briefing to include specific feedback on your firm.



## About The BTI Consulting Group

*Additional Insights from BTI Publications*

### ***The Survey of Client Service Performance for Law Firms: The BTI Client Service A-Team 2007***

This landmark report profiles the law firms that clients believe are the best at client service, and all of the key attributes which define good client relationships.

Use this proprietary research to find out, by name, which firms clients see as the best performing law firms across a number of categories—not only on the tangible, basic skills like legal services, but also on many of the intangible ones, including client service, business advice, quality work product and a true commitment to help the client. The report cites 238 law firms by name. And, we single out the cream of the crop—*The BTI Client Service 30* law firms.

### ***The BTI Client Service All-Star Team for Law Firms 2007***

A report on law firms and individuals who have been nominated by their clients because they provide superior service. In this exclusive *BTI Client Service All-Star Report*, based on hundreds of interviews with Fortune 1000 corporate counsel, clients identify the individual lawyers that provide the best client service—by name.

### ***BTI Premium Practices Forecast 2007: Survey of Corporate Legal Spending***

18 industries represent the bulk of spending in the U.S. corporate legal market. 16 practices account for the lion's share of outside counsel dollars. Out of 288 opportunities, 38 offer high-growth spending and premium rates. Use this report to target resources with precision—by practice and industry—and drive robust growth for 2007 and beyond.

### ***BTI Power Rankings:***

#### ***The BTI Client Relationship Scorecard for Law Firms 2006***

BTI's groundbreaking analysis of which law firms dominate the legal market and boast the biggest, most prestigious client base in the world. Based on 376 interviews with large and Fortune 1000 clients, *BTI Power Rankings* reveals what it takes to join the ranks of *The BTI Power Elite*—the 21 law firms who enjoy clients' highest kudos, most enthusiastic recommendations—and dollars. See which law firms enjoy primary relationships with clients, who clients recommend to their peers, which law firms get short-listed and who are the top Bet-the-Company firms. Plus, discover the 9 types of law firms and see how you stand up against your competitors.

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## About The BTI Consulting Group

### ***How Clients Hire, Fire and Spend: Landing the World's Best Clients 2006***

BTI's *How Clients Hire, Fire and Spend: Landing the World's Best Clients* is an unparalleled tool to boost your understanding of clients and how to win more business. Drawing on over 1,000 client interviews and more than 25 years of experience building 8-figure client relationships, *How Clients Hire, Fire and Spend* delivers no-nonsense insight into getting more leads and closing more business now. BTI's *How Clients Hire, Fire and Spend: Landing the World's Best Clients* is your key to developing 7- to 9-figure client relationships. Learn what works—and what doesn't—based on more than 1,000 interviews with corporate counsel. Hear directly from your clients what it takes to get hired.

### ***BTI Maximum Marketing:***

#### ***The 12 Power Marketing Practices for Pacesetting Performance***

Imagine getting \$2.64 extra in profits per attorney for every dollar other firms get. Based on more than 110 in-depth interviews with top CMOs and financial analysis of more than 200 law firms, *BTI Maximum Marketing* is chock full of key insights and tools. The typical law firm engages in at least 160 different interrelated and interdependent marketing processes. BTI analyzed each and every one. This innovative, comprehensive analysis isolates the 12 power marketing practices that give law firms more bang for the buck: \$2.64 for each buck at an average law firm.

### ***BTI Market Opportunities for Law Firms 2006***

This powerful, comprehensive report pinpoints exactly where the best opportunities for growth are in 2006. Discover the practice areas that promise increased spending and premium rates. Learn how to target clients' high-priority goals and needs for increased revenue and higher profitability. Based on over 200 client interviews, *BTI's Market Opportunities* is a must-have tool to grow your business. *BTI's Market Opportunities* shows how to access high-growth areas for your firm's benefit. Follow the legal dollars!

### ***Investment Banks and Their Law Firms:***

#### ***Client Service Performance and Market Dynamics***

The first of its kind, BTI's *Investment Banks and Their Law Firms: Client Service Performance and Market Dynamics* provides a valuable perspective into the unique spending habits, buying patterns, needs and expectations of the world's most demanding legal services clients: investment banks. Based on in-depth, individual interviews with over 60 corporate counsel and business leaders at 21 of the largest global investment banks, *Investment Banks and Their Law Firms* details client needs and expectations, delineates core and growing practice areas and pinpoints which law firms serve as primary providers. Find out how to tap into this \$2.4 billion market—and which law firms stand out for their superior client service performance, by name.



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