

The 21st Annual

# LAW FIRM LEADERS FORUM

## A Comprehensive Update on Law Firm Financial Performance & Metrics

Moderator:

**Beau Grenier**, *Chairman*, Bradley Arant Boult Cummings LLP

Panelists:

**David Gaulin**, *Partner, Law Firm Services Leader*, PricewaterhouseCoopers LLP

**William Josten**, *Senior Analyst, Client Relations & Thought Leadership*, Thomson Reuters

**Elizabeth A. Sharrer**, *Partner & Firm Chair*, Holland & Hart LLP

**Ted Tinson**, *Chief Operating Officer*, Sheppard, Mullin, Richter & Hampton LLP



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# Comprehensive Update on Law Firm Financial Performance & Metrics

21<sup>st</sup> Annual Law Firm Leaders Forum  
October 6, 2016

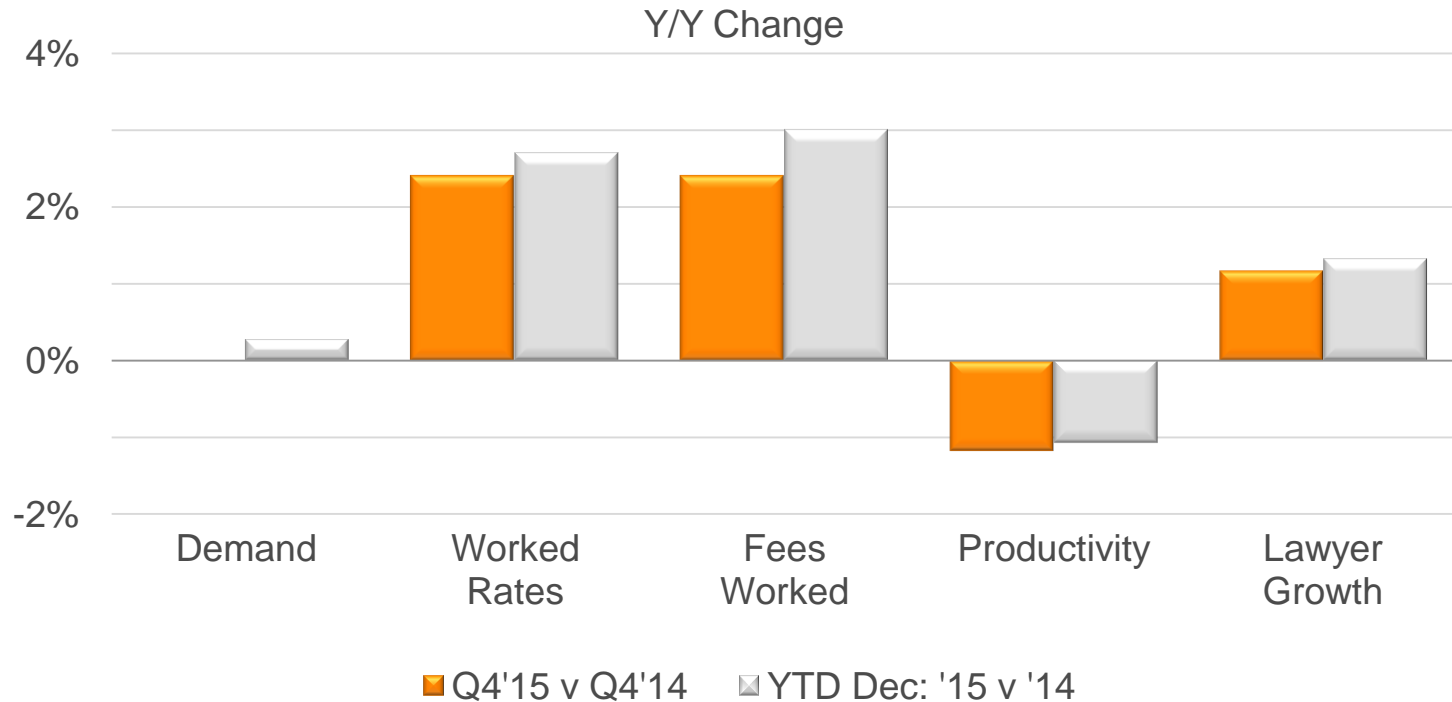
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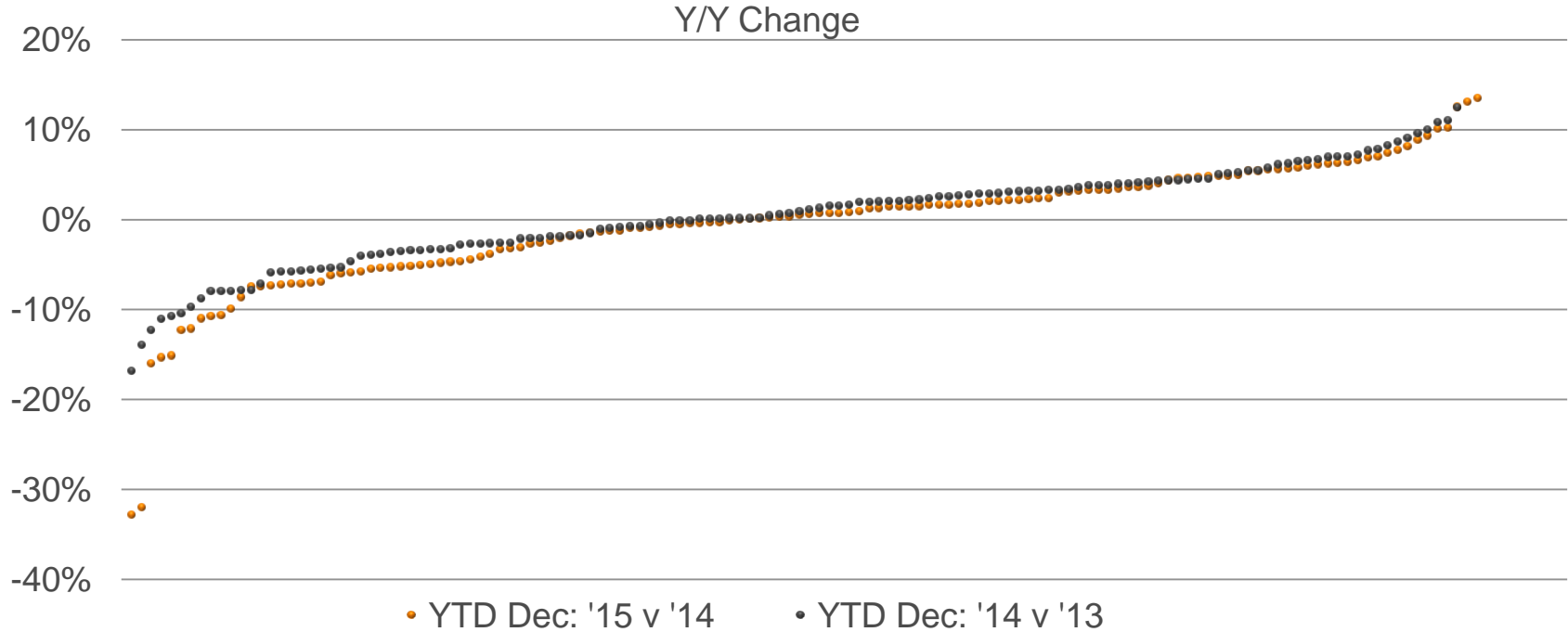
## ALL SEGMENTS

# Key Performance Measures



ALL SEGMENTS

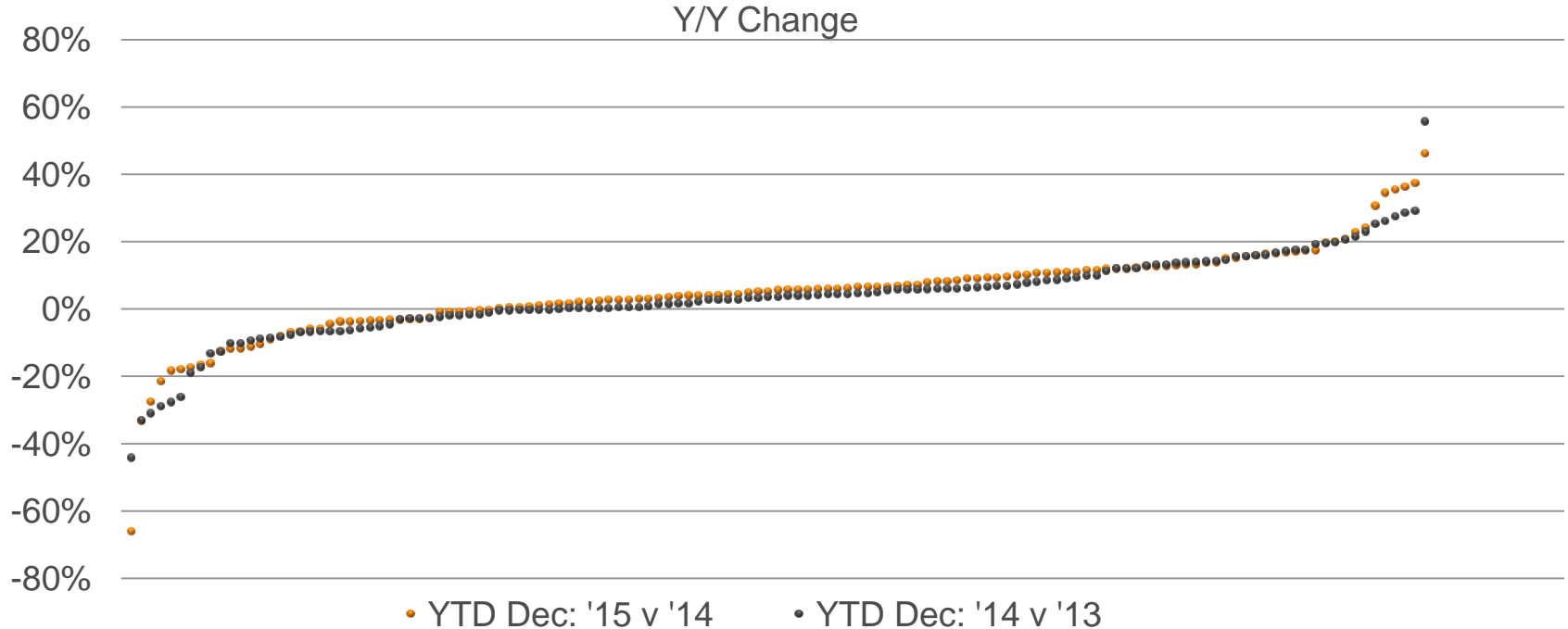
# Demand Growth by Firm, YTD Dec.



*Firms with positive growth are experiencing average of **4.5%** during this period in contrast to those in negative territory experiencing **-6.0%***

## ALL SEGMENTS

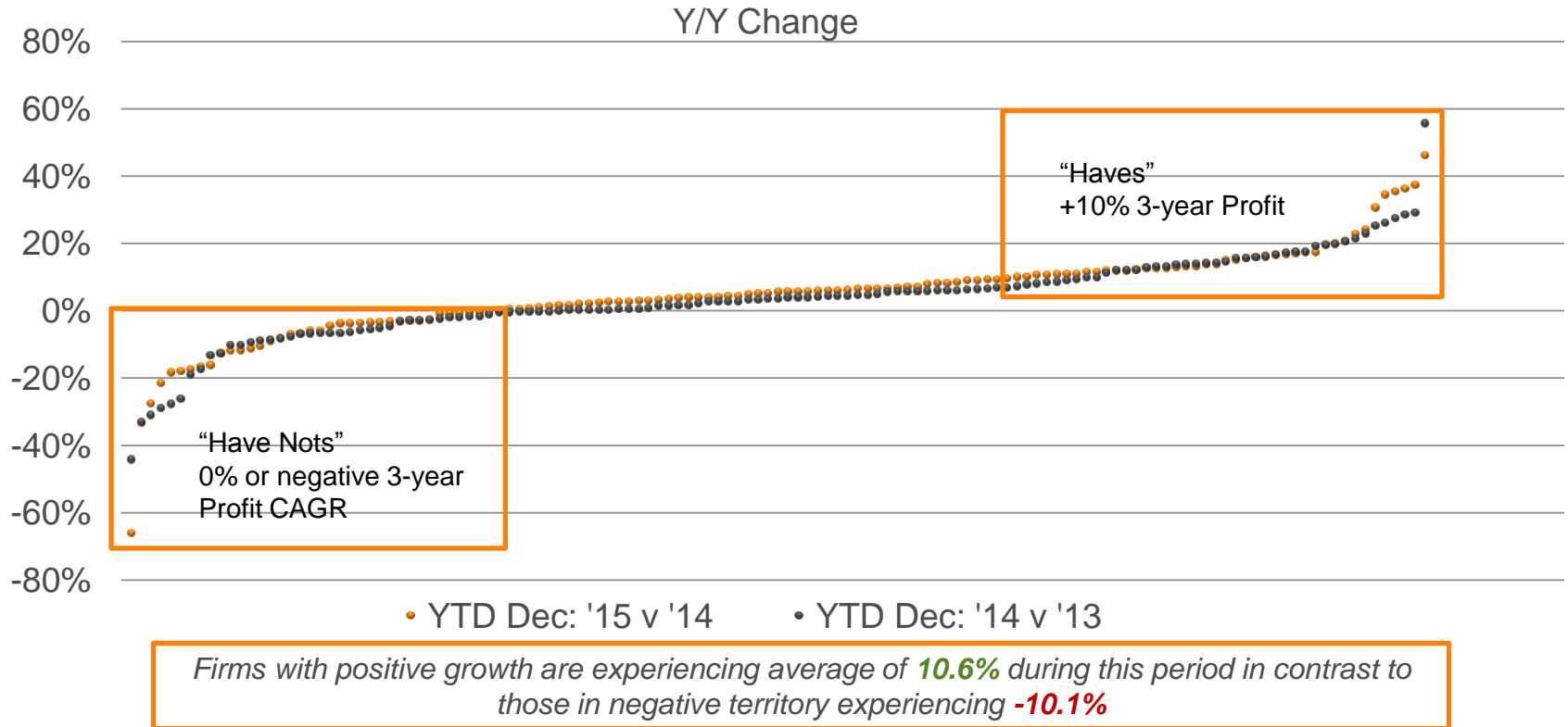
# Profit Growth by Firm, YTD Dec.



*Firms with positive growth are experiencing average of **10.6%** during this period in contrast to those in negative territory experiencing **-10.1%***

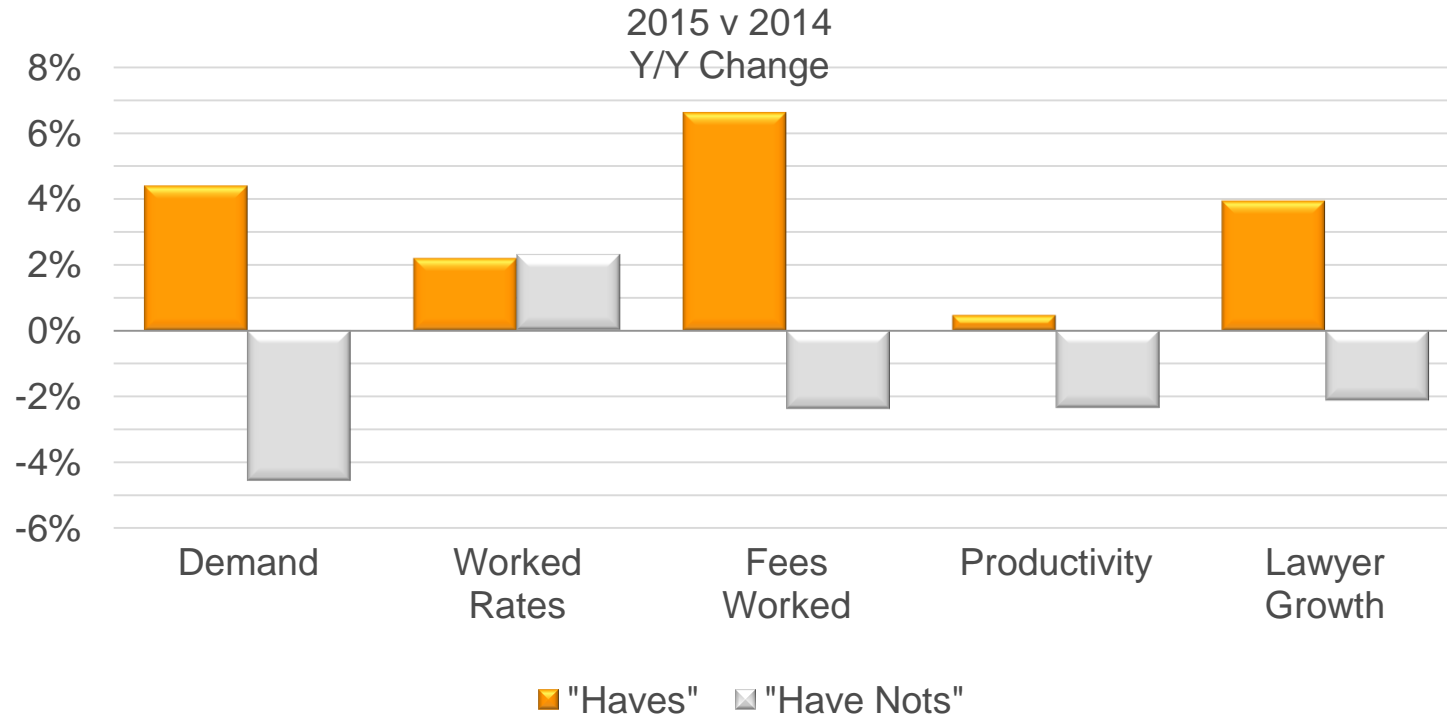
## ALL SEGMENTS

# Profit Growth by Firm, YTD Dec.



## “Haves” v. “Have Nots”

# Key Performance Measures



# “Haves” and “Have Nots”

## What Didn't Matter

### Rates

- Worked rate growth the same for both groups

### Geography

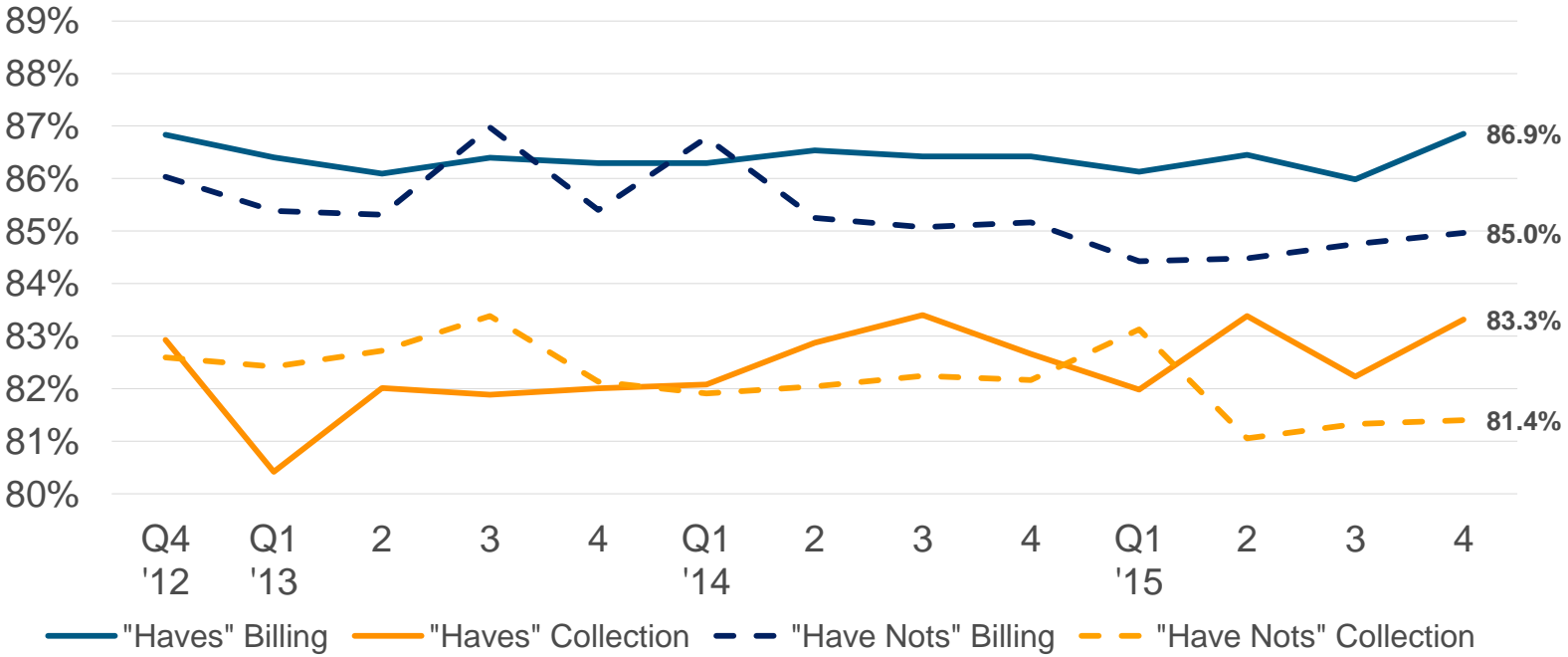
- Among the “Haves”
  - 7 Northeast
  - 7 Southeast
  - 9 Midwest
  - 3 Southwest
  - 6 West
- Among the “Have Nots”
  - 9 Northeast
  - 5 Southeast
  - 13 Midwest
  - 2 Southwest
  - 5 West

### Segment

- Among the “Haves”
  - 12 Am Law 100
  - 8 Am Law Second 100
  - 12 Midsize
  - 16 Global
  - 8 National
  - 8 Regional
- Among the “Have Nots”
  - 9 Am Law 100
  - 9 Am Law Second 100
  - 16 Midsize
  - 12 Global
  - 3 National
  - 18 Regional

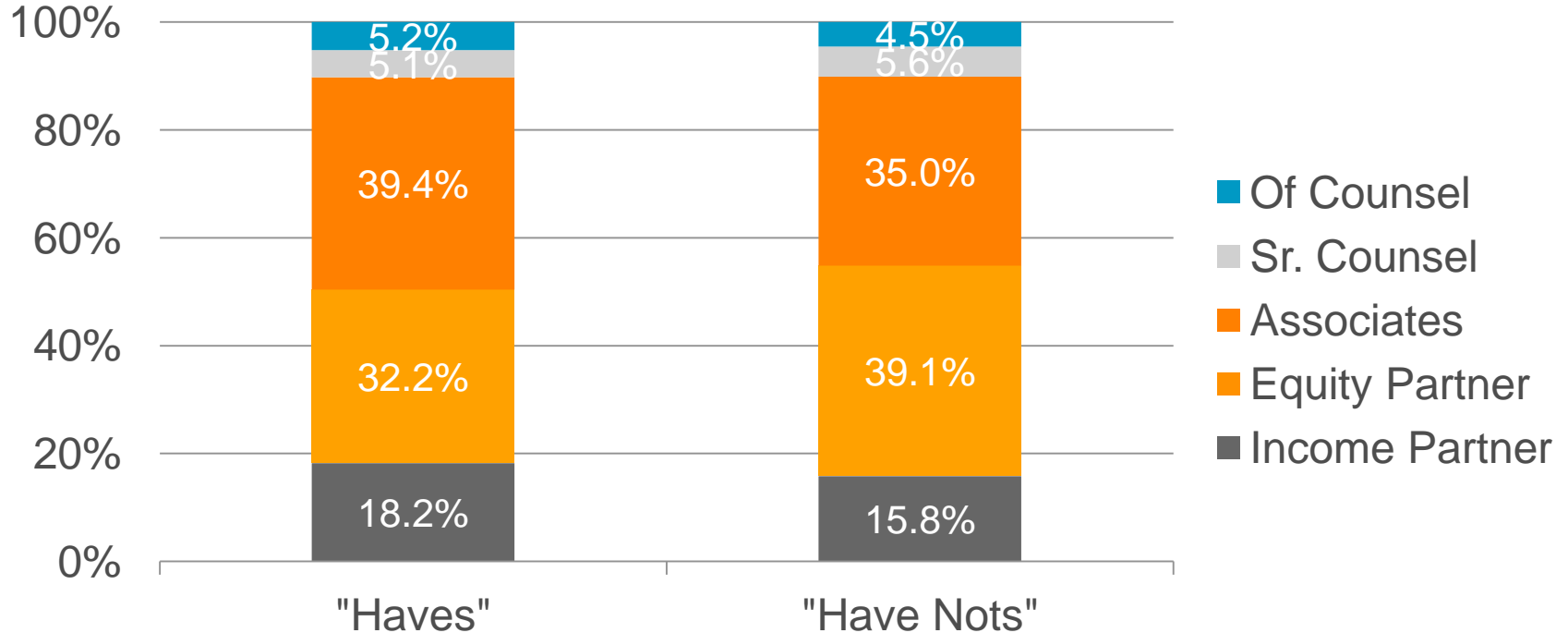


# Realization against Standard



“Haves” v. “Have Nots”

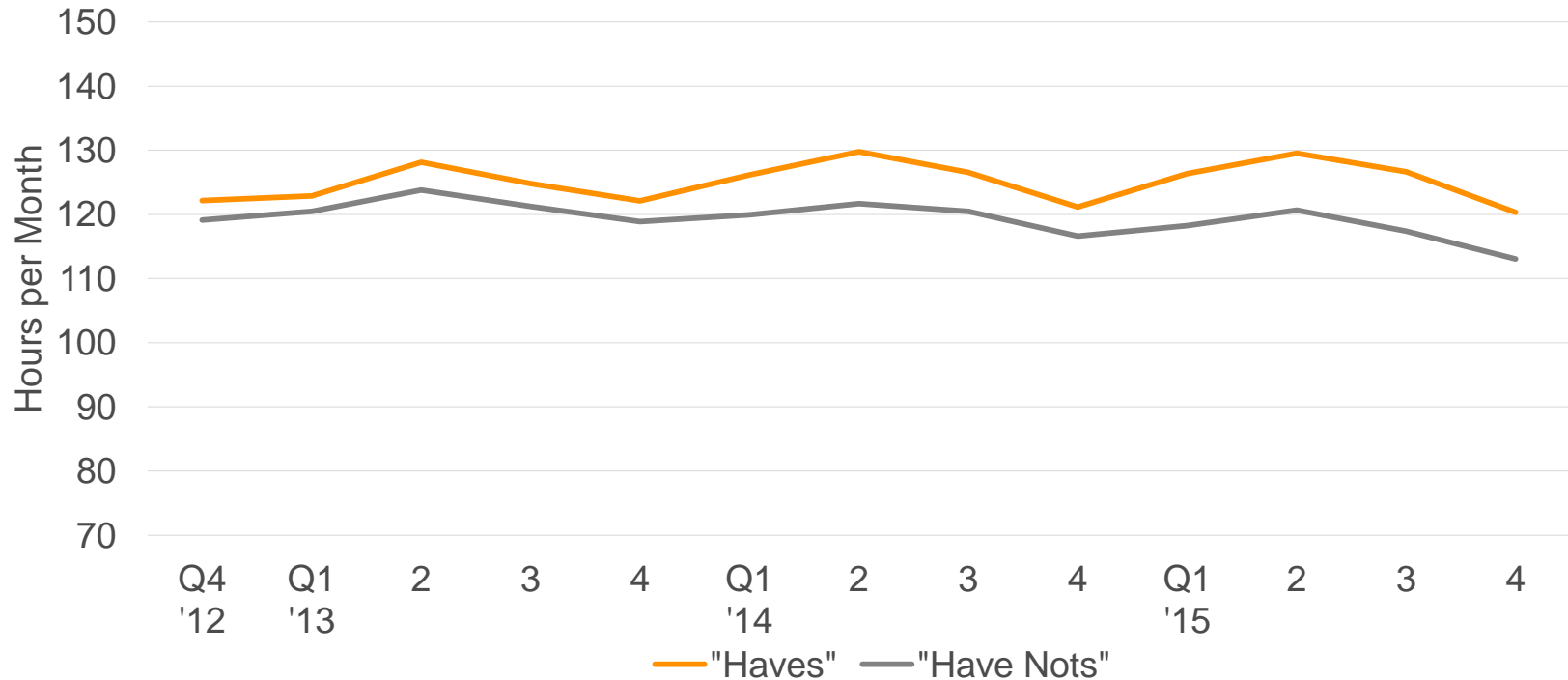
# Timekeepers – 2015



Only 2 “Haves” reported no Income Partners, compared to 3 “Have Nots.” There were also 3 “Haves” with no Of Counsel and 9 with no Sr. Counsel. Compare that to 8 “Have Nots” with no Of Counsel and 5 with no Sr. Counsel.

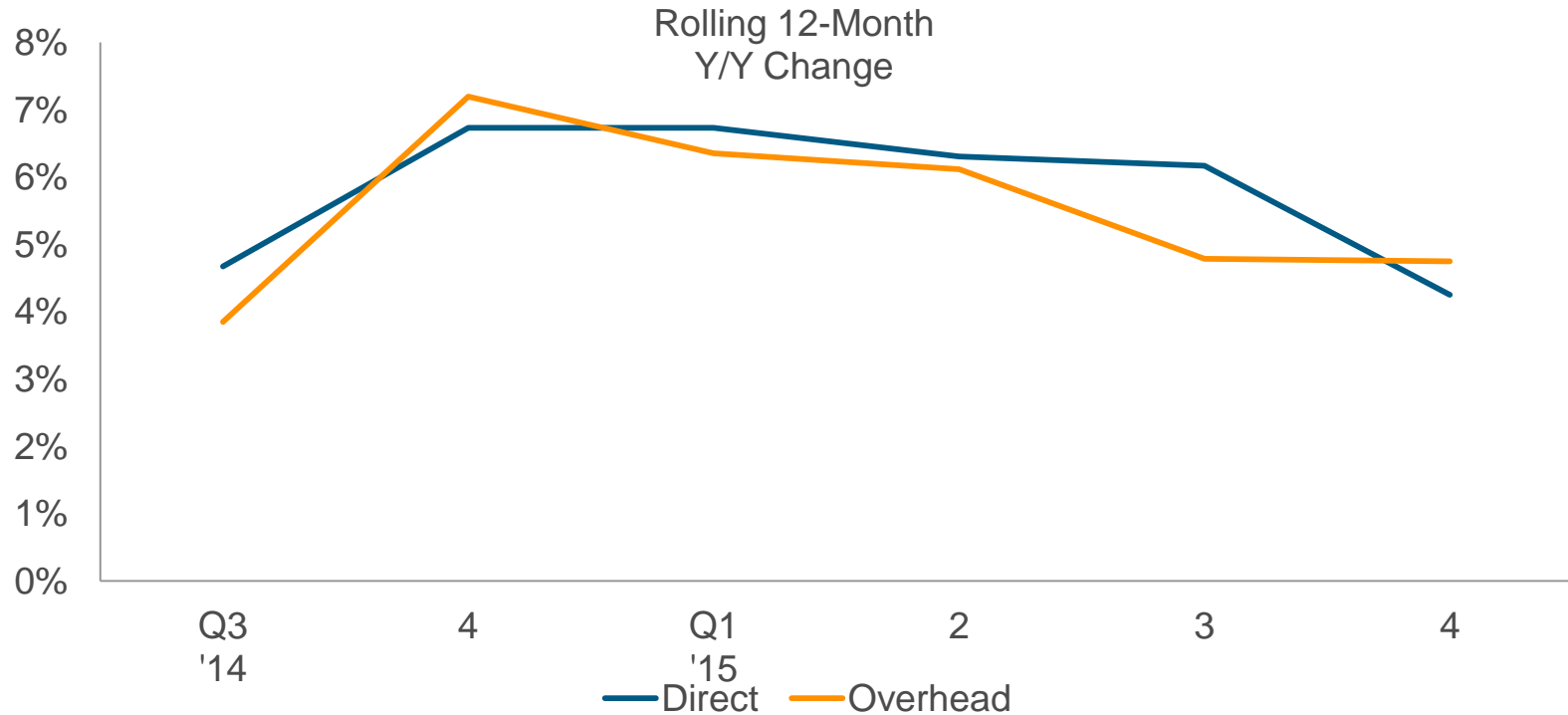
## “Haves” v. “Have Nots”

# Hours Worked per Lawyer



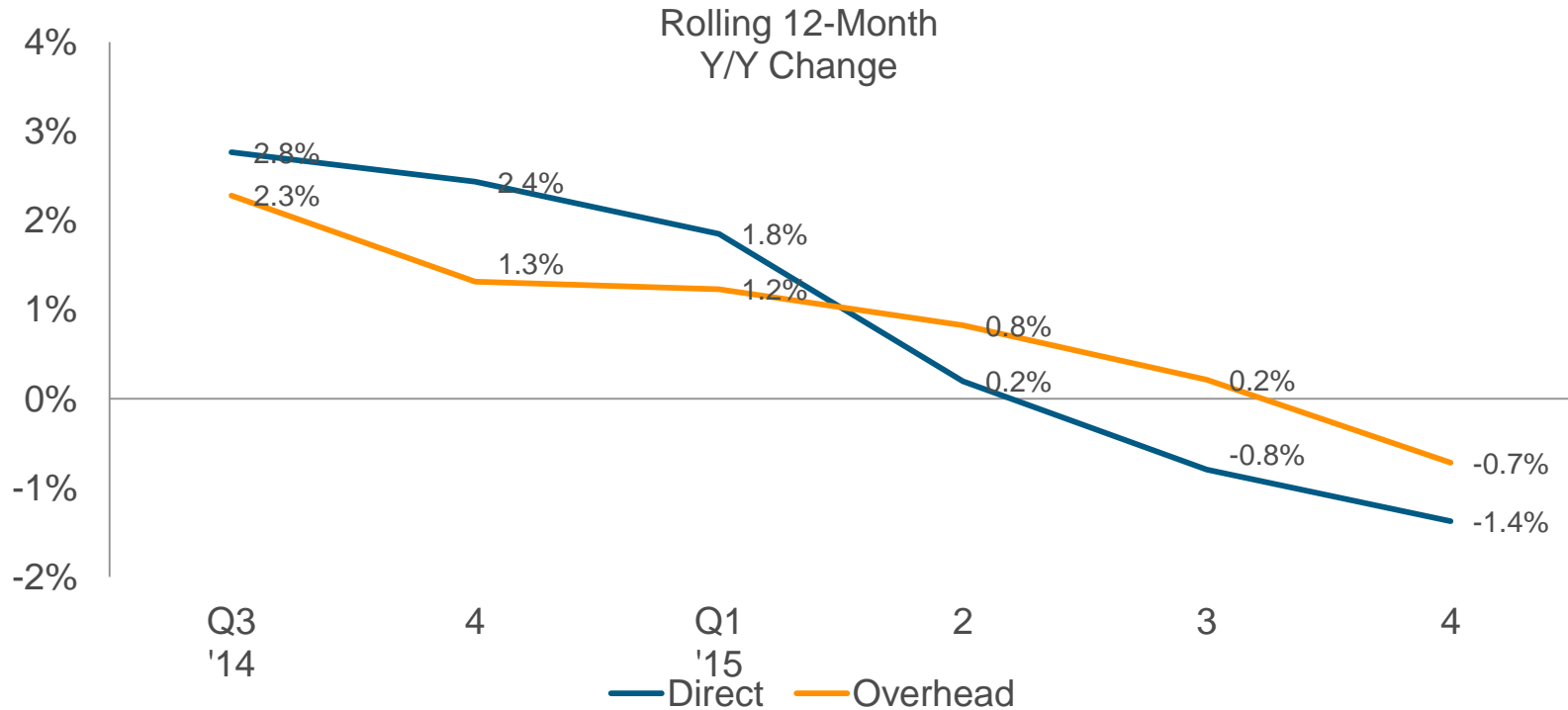
“Haves”

## Expense Growth



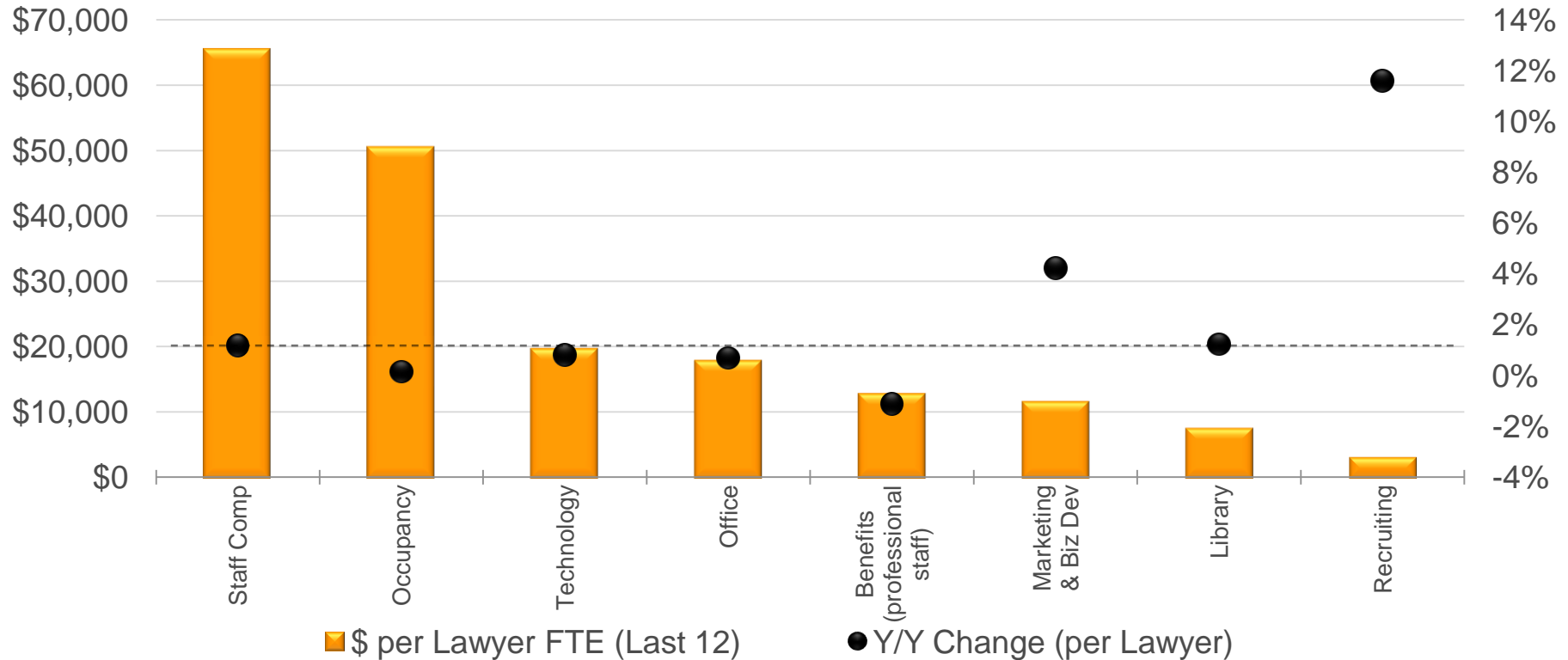
“Have Nots”

# Expense Growth

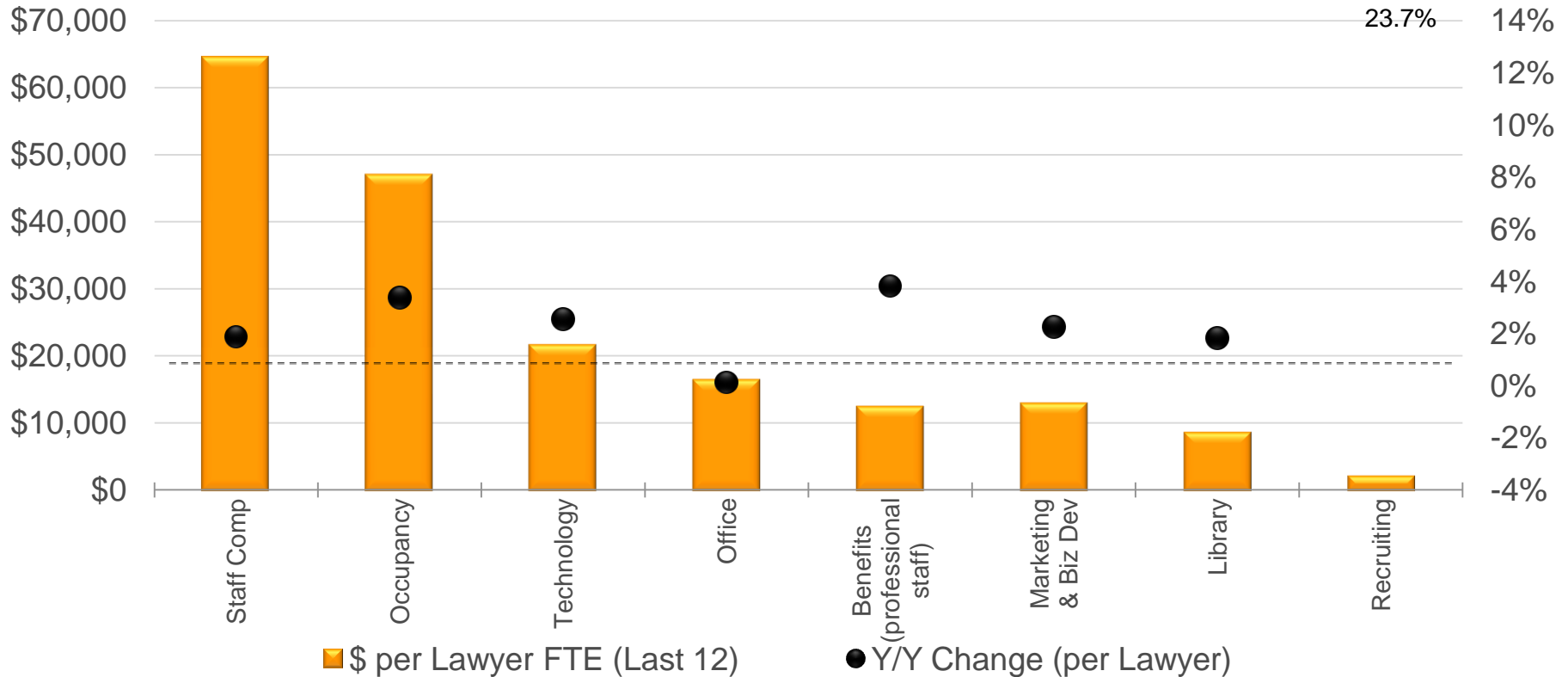


“Haves”

# Overhead Detail



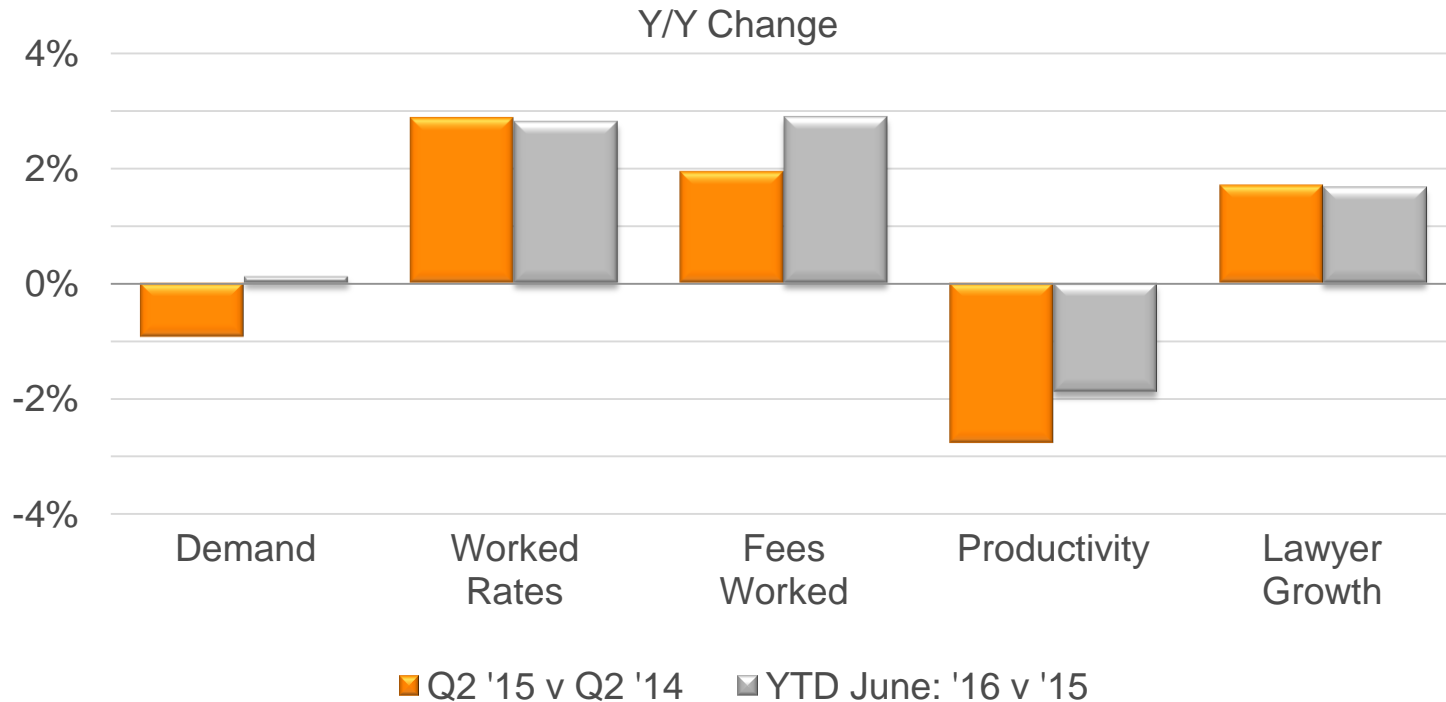
# “Have Nots” Overhead Detail



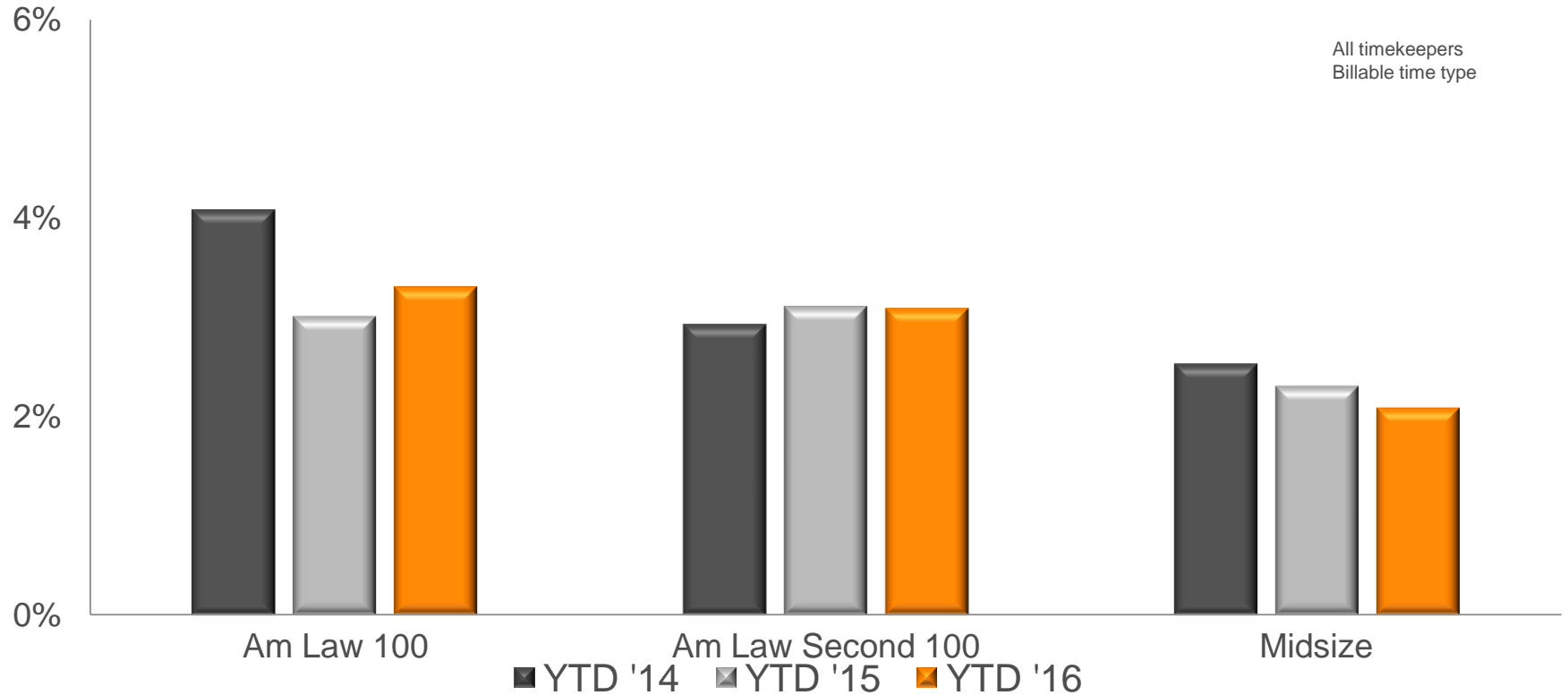
# How will 2016 impact us all?



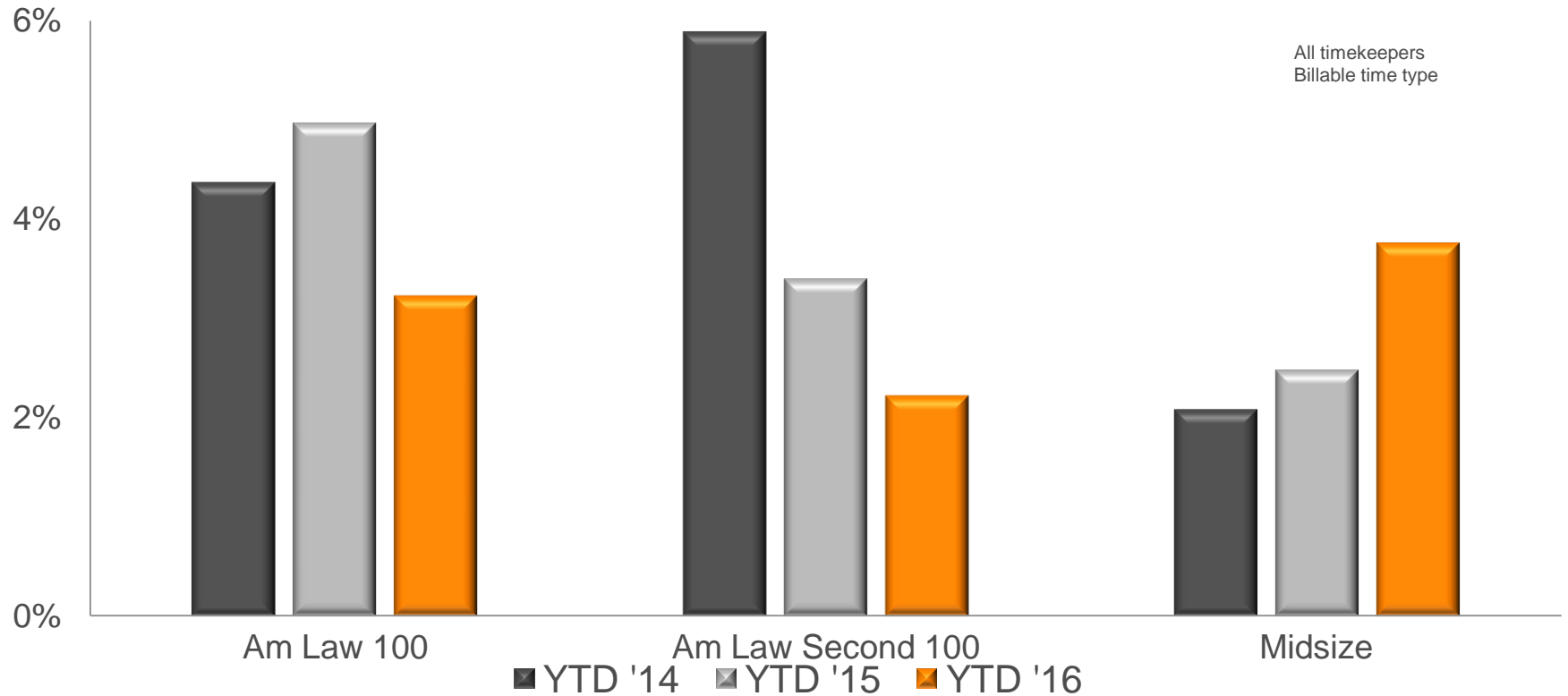
# Key Performance Measures



# YTD Worked Rate Growth: 3-Year Analysis



# YTD Fees Worked Growth: 3-Year Analysis



# Panel Discussion