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SHARPER INSIGHT

Building a stronger value proposition

Lisa Hart Shepherd, CEO, Acritas

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1. Back to basics
    - How law firms need to improve?
    - Where firms get it right?
2. Marketing efforts
    - Feedback
    - Strategy
    - Leadership
    - Brand
    - Role of Stars
3. Building competitive advantage
    - Younger buyers

Data sources - Acritas

The Client voice

Sharplegal

- Global telephone survey of 2,000+ senior in-house counsel every year
- Questions - attitudes, perceptions, needs and experiences
- From this survey identifying exceptional individual lawyers that stand out from the rest

The Partner voice

Acritas Stars

- Annual web survey of c1,000 Star lawyers at 301 firms across the world
- Questions - Star qualities, how firms can create more Stars, comp systems, engagement levels and attractive firms to move to

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Back to basics

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Most frequent criticism of law firms

from the 20,000 clients Acritas surveyed over the last decade is

poor value

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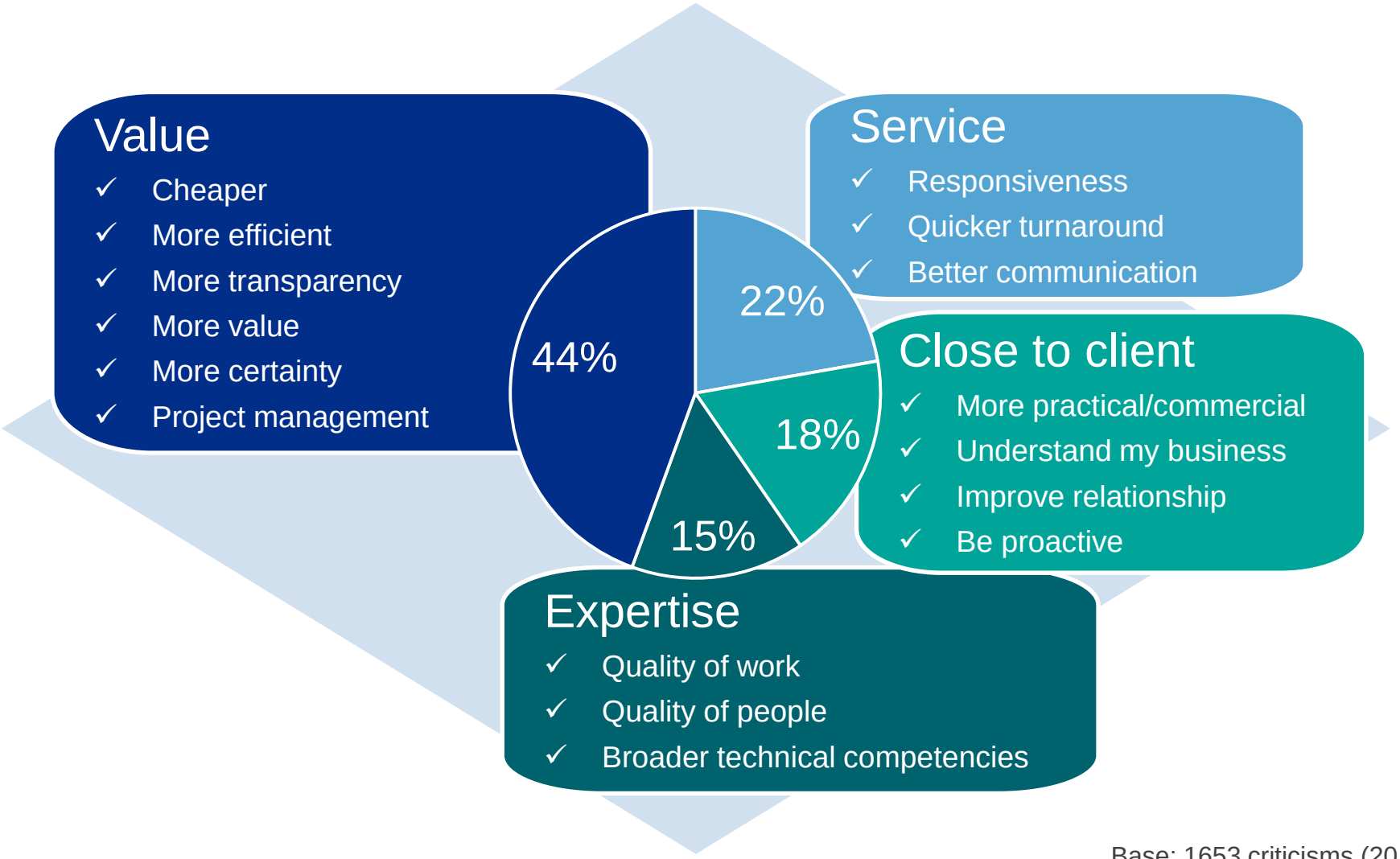
How firms can improve

From the client perspective

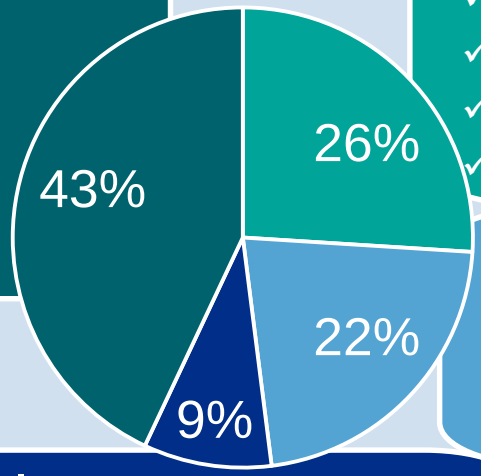


Base: 1653 criticisms (2016)

When firms get it right

Why recommend? Promoters

Expertise
- ✓ High quality
- ✓ Specialized knowledge
- ✓ Star lawyers
- ✓ Multi-jurisdictional
- ✓ Results
- ✓ Breadth



Close to client
- ✓ Commerciality/pragmatism
- ✓ Understand my business
- ✓ Good working relationship
- ✓ Trusted and reliable
- ✓ Understand my industry

Service
- ✓ Responsiveness
- ✓ Met deadlines
- ✓ Effective communication

Value
- ✓ Efficient
- ✓ Good value for money
- ✓ Competitive costs

Base: 2742 reasons (2016)

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Objectives that GCs struggle to meet

1. Unable to meet budget
2. Implementing better practices
3. In-house work targets
4. Unable to close matters in a quick enough time

Triggers:

- ✓ Unrealistic budget
- ✓ Insufficient resources
- ✓ Extraordinary events

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Marketing

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1. Systemise structured

feedback

to keep control of your brand experience

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If you don't ask, you can't fix it!

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75% of firms

told us they conduct client feedback

However, only 16% of clients

have been asked to give formal client feedback

These clients are more satisfied and more likely to recommend the firm

2. Develop a data-led strategy to create buy-in

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Data-led strategy

- Bring the voice of the client to your firm
- Use data to develop and fine-tune your strategy
- Use data as evidence to convince Partners of the need to invest and change

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Factors that most correlate with high engagement

Star lawyers

	Correlation factor
Belief in the firm's direction and strategy	.68

And for Stars who wouldn't recommend their firm, known as detractors…	→	'Lack of' or weak strategy
Passive Stars also talked about…	→	Need for a clearer strategy

3. Strength of

leadership

to execute effectively

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4. Bolster your

brand platform

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Standing out in an extremely competitive landscape

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- Extremely crowded market

1572
firms mentioned in the global client survey

16
number of firms the average client works with

By building a strong brand platform, you are more likely to come to mind for work opportunities

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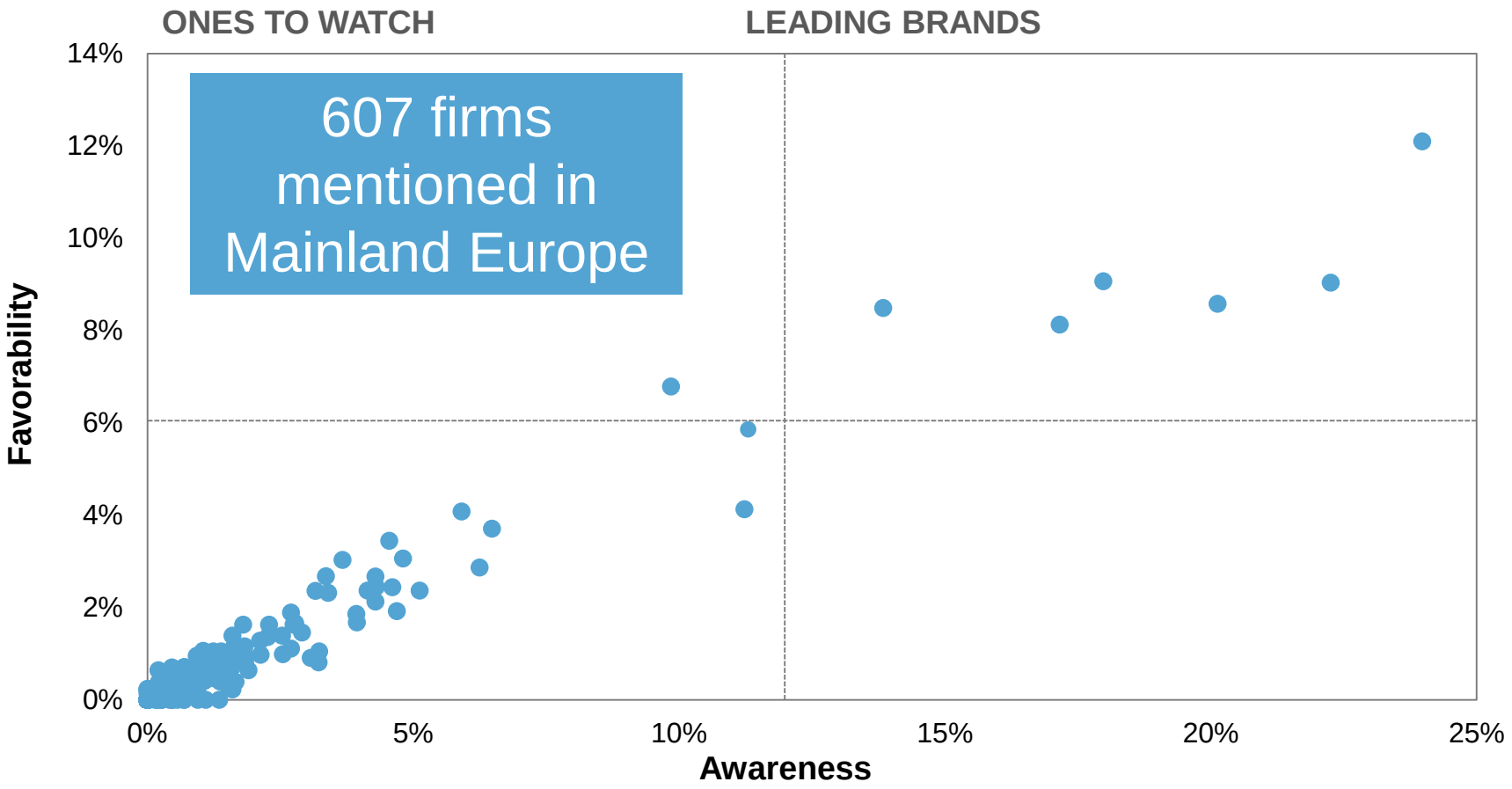
Global Elite brands 2016

Mainland Europe

- **Which are the first five law firms to come to mind?**
- **Which three do you feel most favorable towards?**



Global Elite

Base [weighted/unweighted]: 2016 (324/463); 2011 (336/383)

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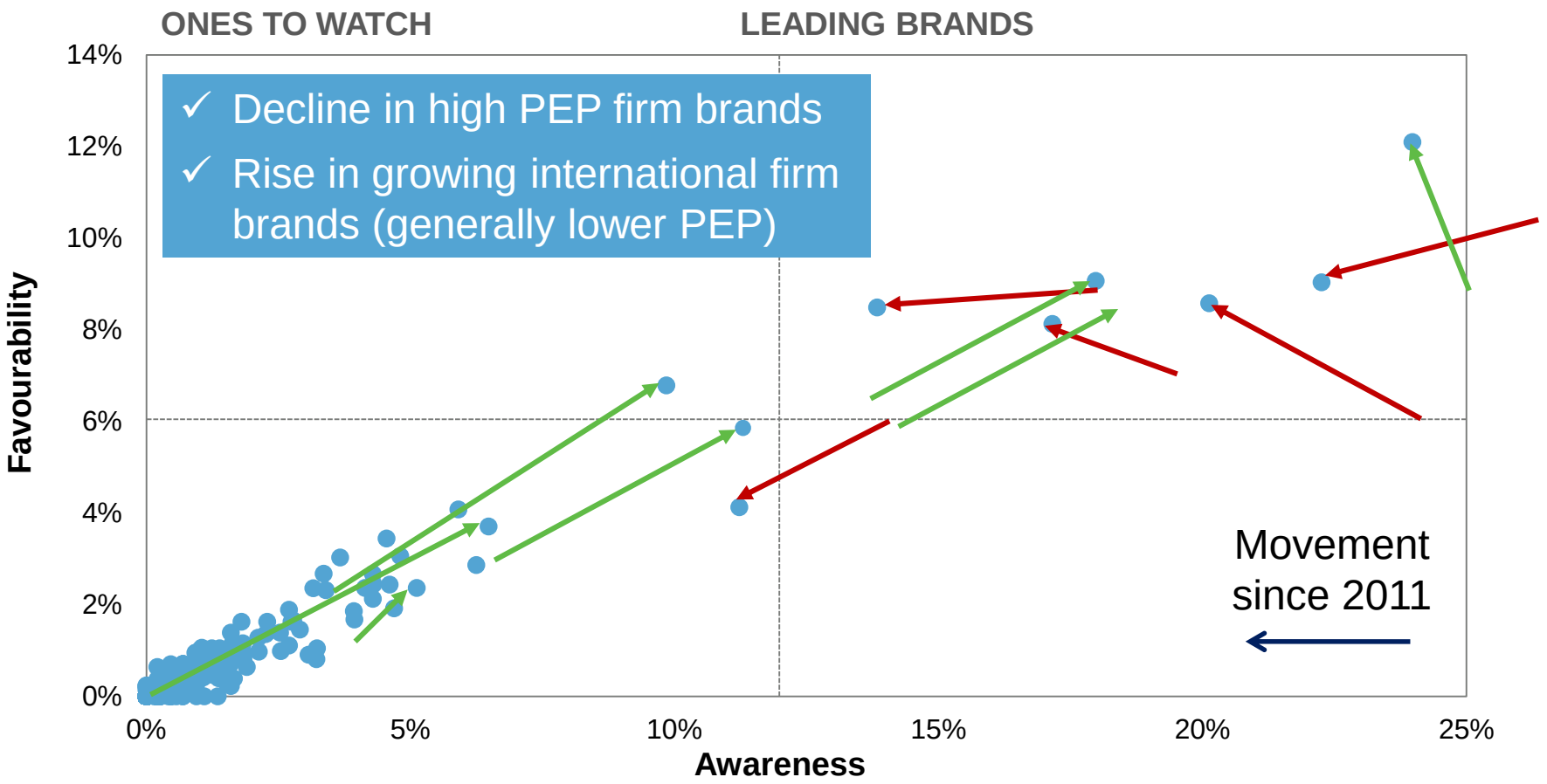

Global Elite

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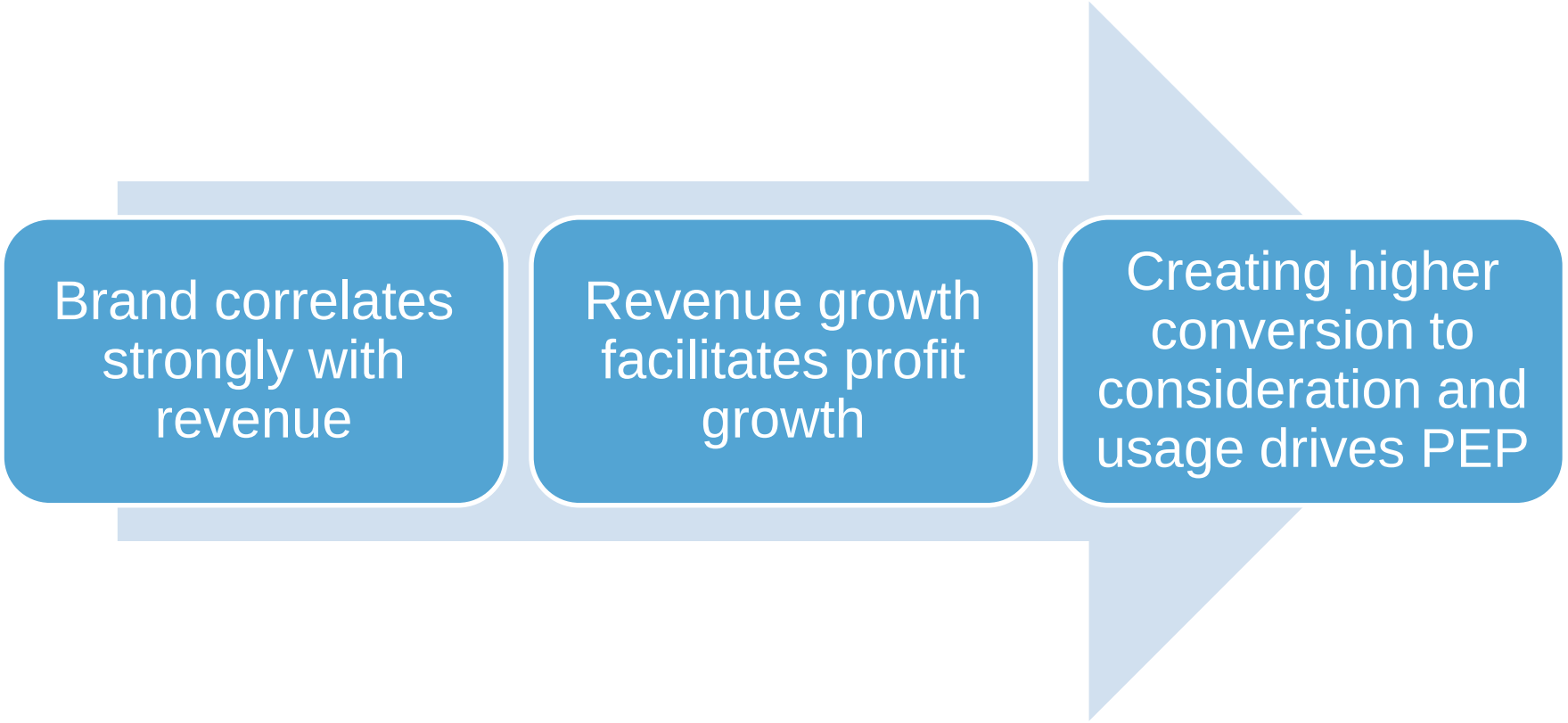
Why brand matters



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Key steps in building brand

1. **Strategy**
   Creating a distinctive proposition that resonates with clients

2. **Scale**
   More people = more touch points reinforcing the brand

3. **Marketing investment**
   To communicate proposition to market

4. **Time**
   And commitment to see a return on investment

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5. Firm brands and star lawyers

A virtuous circle

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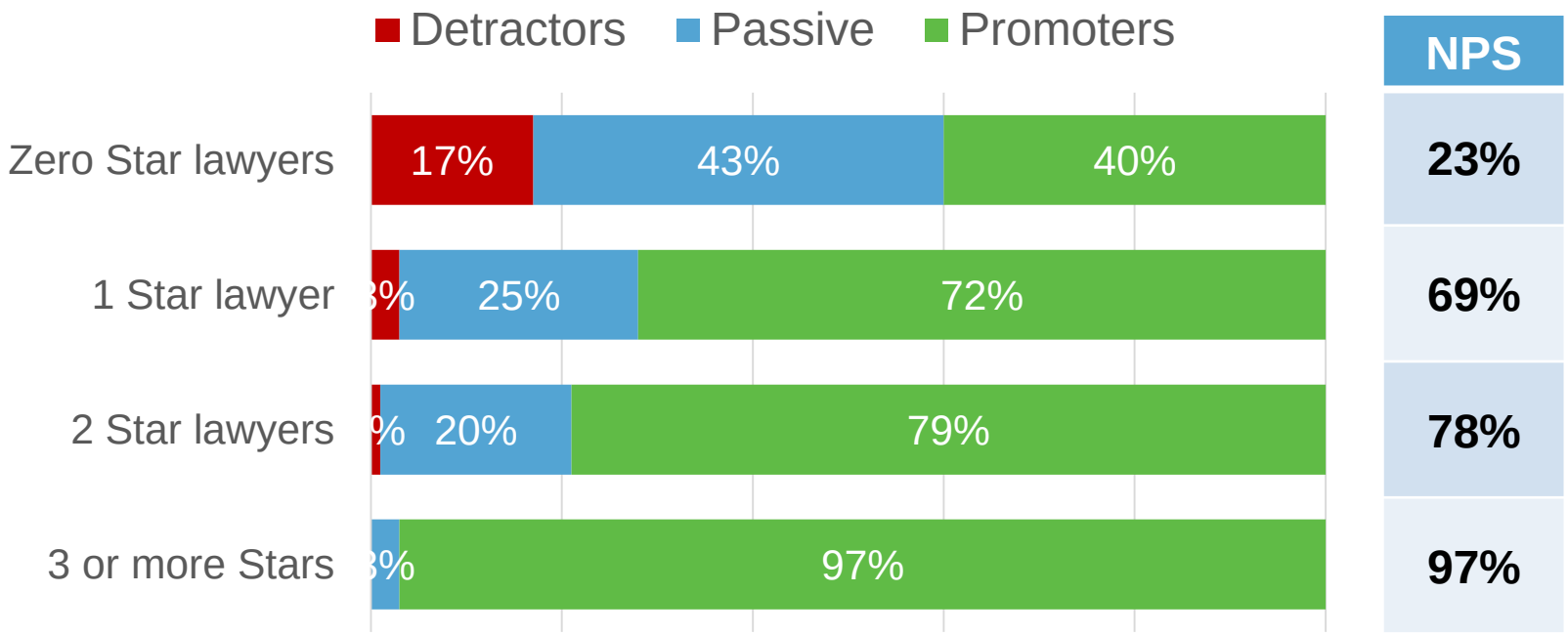
Building brand advocacy



The more Star lawyers a client recognises at a firm, the higher the net promoter score
Answer – foster a culture of client sharing

Base: Zero Stars (1265), One Star (932), Two Stars (242), Three or more Stars (67)

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Star lawyers bring…

1. More brand favourability
2. Higher net promoter score
3. Higher share of wallet
4. More PEP

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Star Lawyers: Attractive Employer Brands

Star lawyers have a very **traditional** view of law firm brands

Reputation is the **No. 1** reason for being attracted to a firm

Despite being the 8th strongest driver of Partner satisfaction

Firms need to **invest** in their employer brands in order to **attract** more Stars

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Building competitive advantage

Future-proof your proposition

Over 50s v Under 50s

More spend savvy

Overs	Unders	
66%	79%	Set objectives
22%	30%	Procurement involvement
22%	40%	Average use of AFA
32%	18%	Have exceeded budget

More international

Overs	Unders	
10	12	Number of countries needed

More women

Overs	Unders	
19%	30%	Proportion of female clients

Winning favor

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Over 50s significantly
more likely to favor:

- ✓ Specialized knowledge
- ✓ Ability to handle important work
- ✓ Hard work / tenacity

Under 50s significantly
more likely to favor:

- ✓ International reach
- ✓ Meeting deadlines
- ✓ Professionalism
- ✓ Relationships
- ✓ Reputation
- ✓ Good communication

More satisfied

Less satisfied
Hourly rates, relationships

In summary

Understand the future market

Develop (and execute) a strategy and value proposition that aligns with those needs

Scale helps but sophisticated marketing can boost your brand

Star lawyers add to your brand – develop more!

Create a culture which fosters smart client sharing

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