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PwC's Law Firms' Survey

31 January 2018

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Agenda

- Overall findings
- Detailed findings on Business Support functions
- Questions

Law Firms' Survey 2017
– Overall findings

1

Law Firms' Survey 2017 – overall findings

Financial performance:

- **Nominal fee income increases**
- **Profits under pressure**
- **Net profit margins falling for many firms**

People:

- **Chargeable hours are falling**
- **Firms continue to recruit fee earners despite spare capacity**

Working Capital

- **Lock up days have deteriorated and continue to be poor**
- **Law firms considering capital account balances and timing of profit distributions**

Risk

- **Key areas are getting onto Board agenda's, e.g. Cyber risk, Business continuity**

*Law Firms' Survey 2017
– Detailed findings on
Business Support
functions*

2

Qualitative assessment of support functions

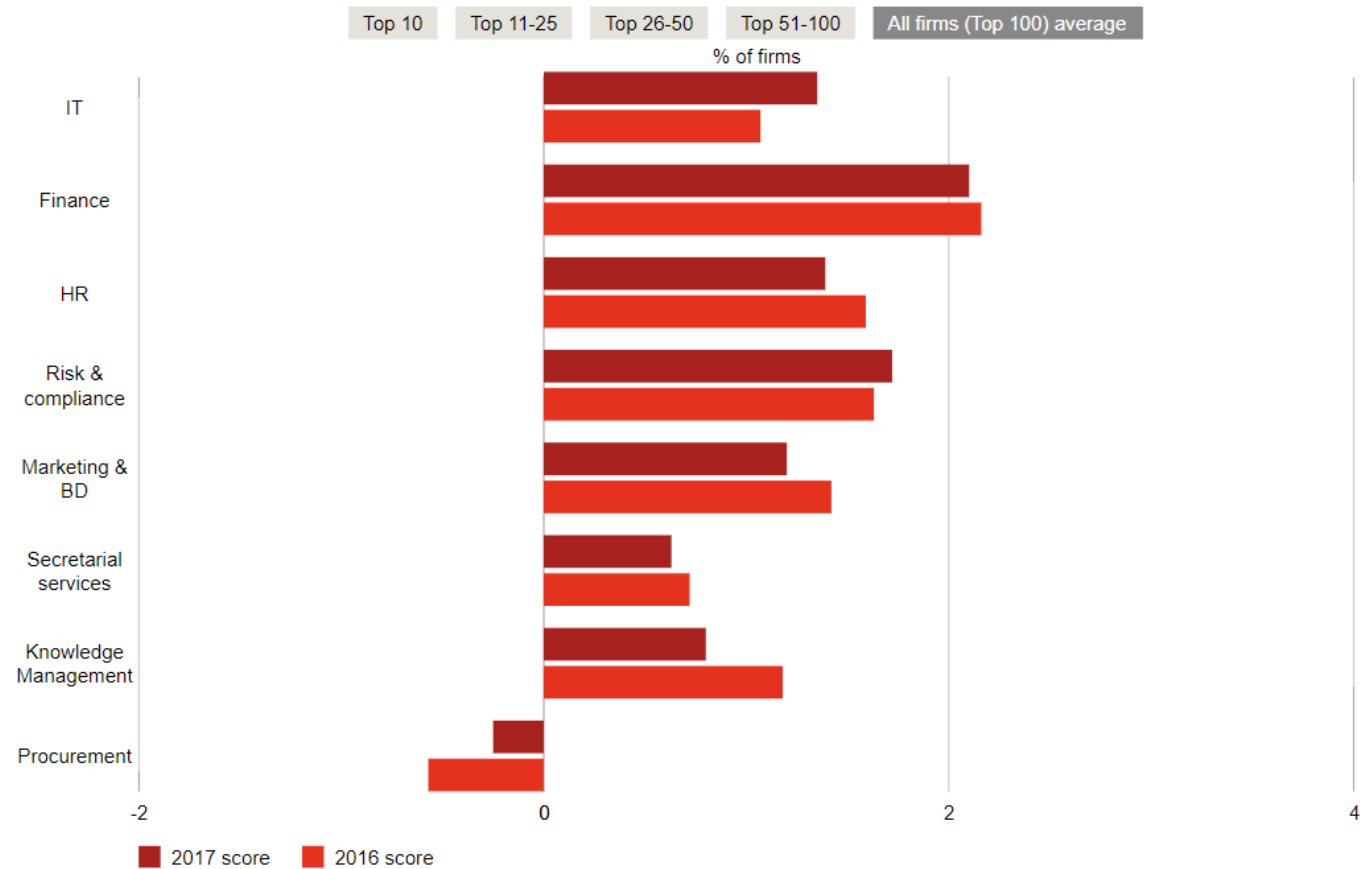
2017

Business Support

The qualitative assessment of support functions in law firms

-3 A weakness
1 Adequately supports the business
3 A strength

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Top priorities for business support over the next 12 months

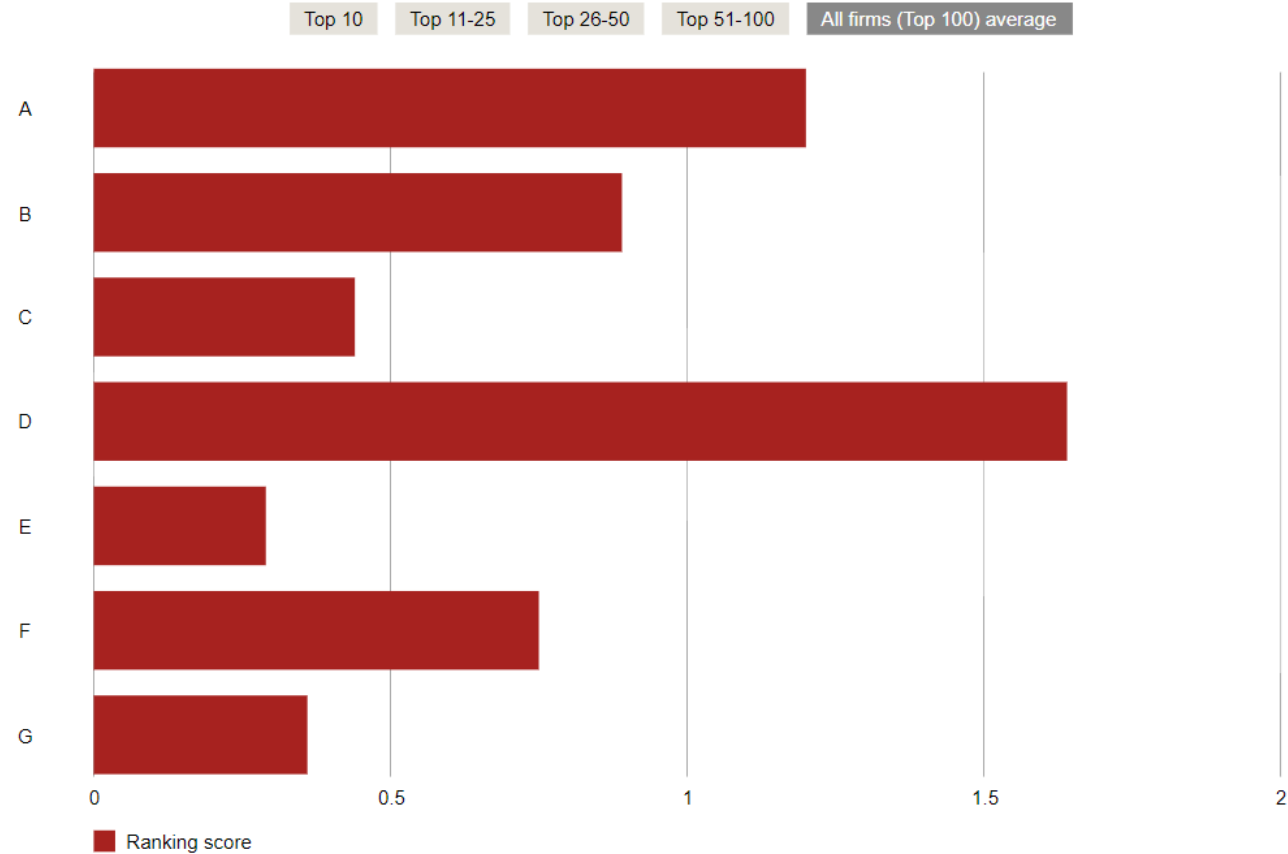
2017

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Top priorities for business support in next 12 months

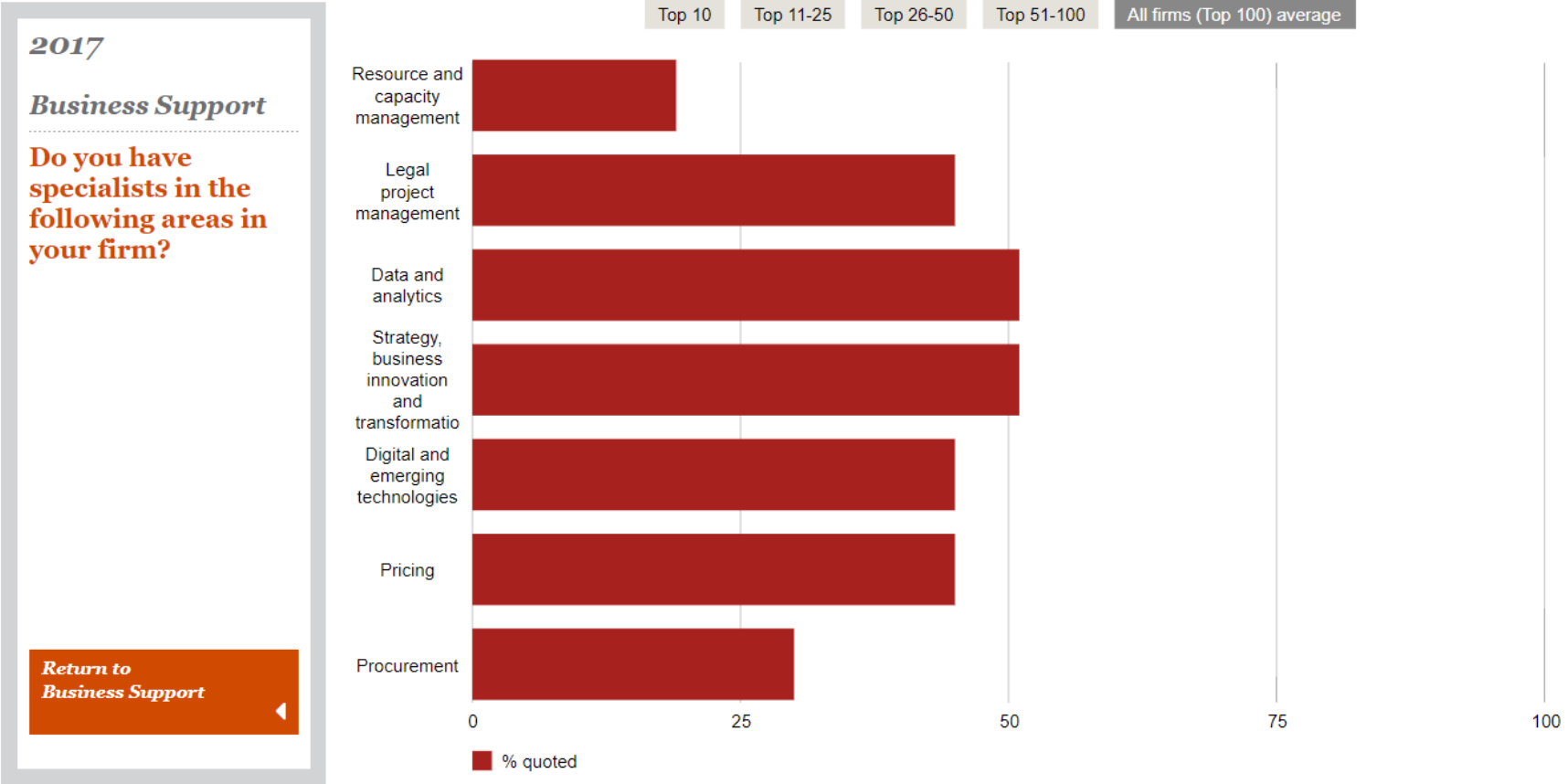
- A: Standardise business processes
- B: Support improvements in legal service offering
- C: Data analytics to make informed and timely decisions
- D: Improve the use of technology
- E: Reduce the level of transaction processing activity
- F: Increase the level of business partnering support
- G: Reduce cost

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Number of firms with specialists



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IT projects recently delivered, underway and planned

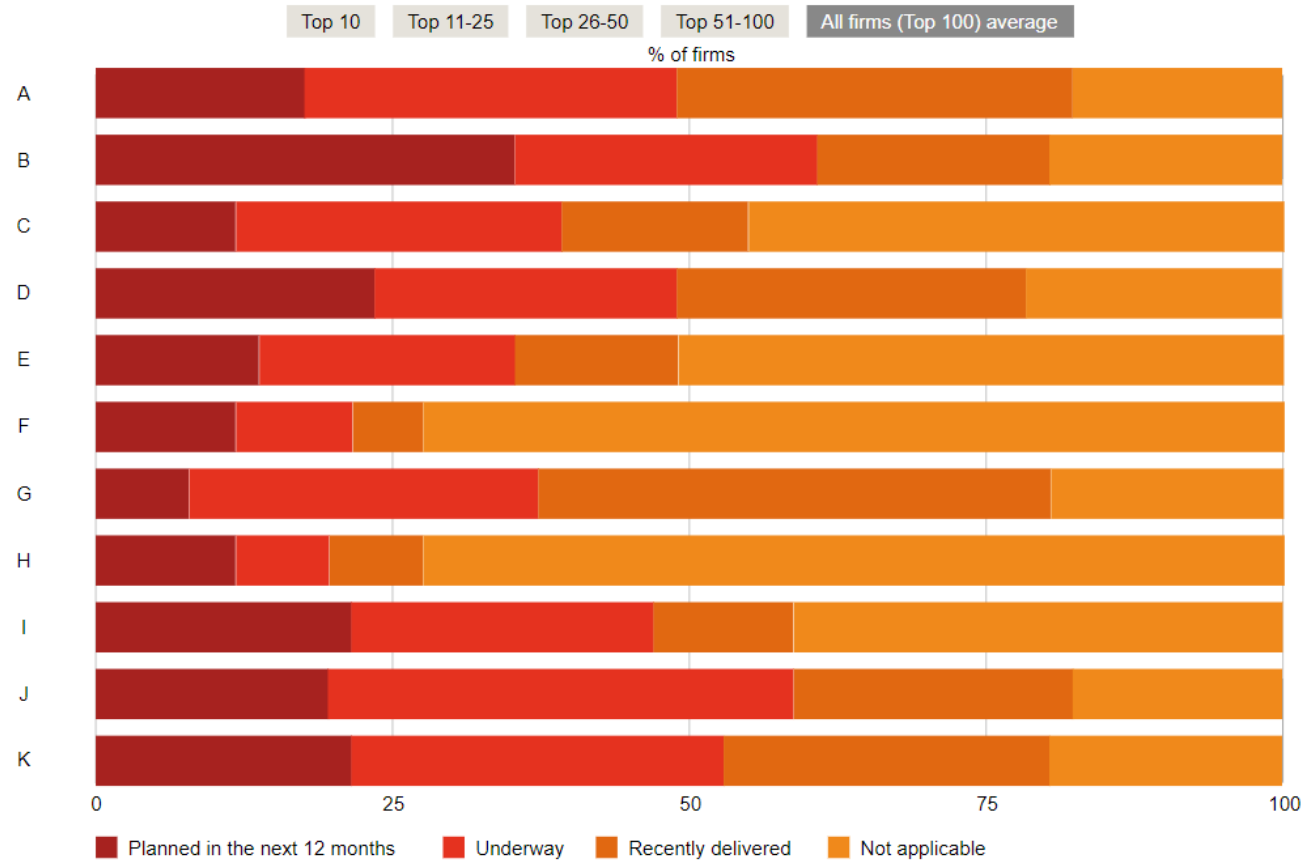
2017

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IT projects recently delivered, underway and planned

- A. Time disbursement & capture
- B. Finance & Practice Management System (PMS)
- C. Client Relationship Management (CMS)
- D. HR & learning & development
- E. Knowledge management
- F. Resource management / workforce planning
- G. Mobile & remote access to firm systems
- H. Procurement & supplier management
- I. Matter pricing
- J. Risk & compliance
- K. Data analytics / visualisation

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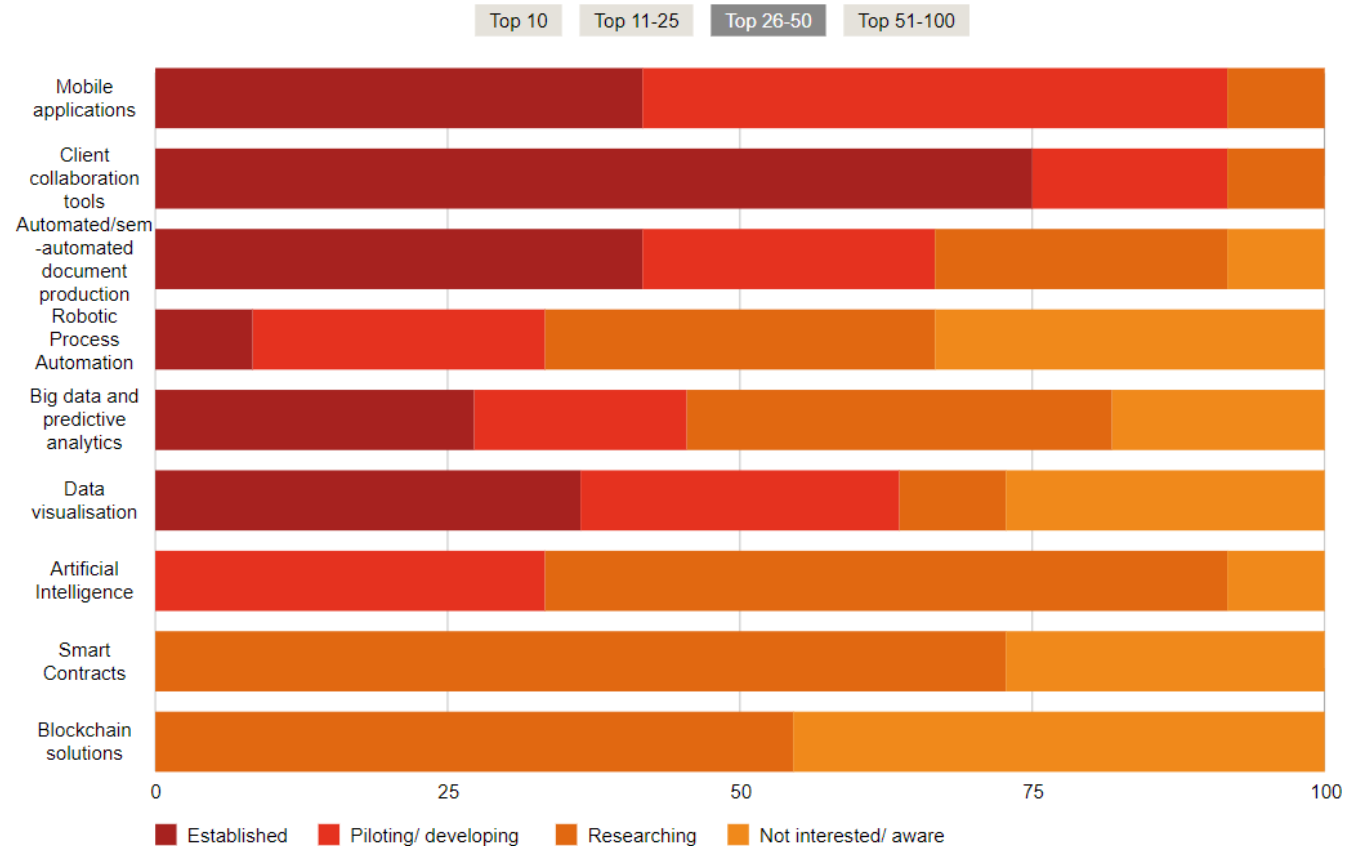
Digital and emerging technologies (maturity) – Top 26-50 firms

2017

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Digital and emerging technologies (maturity)

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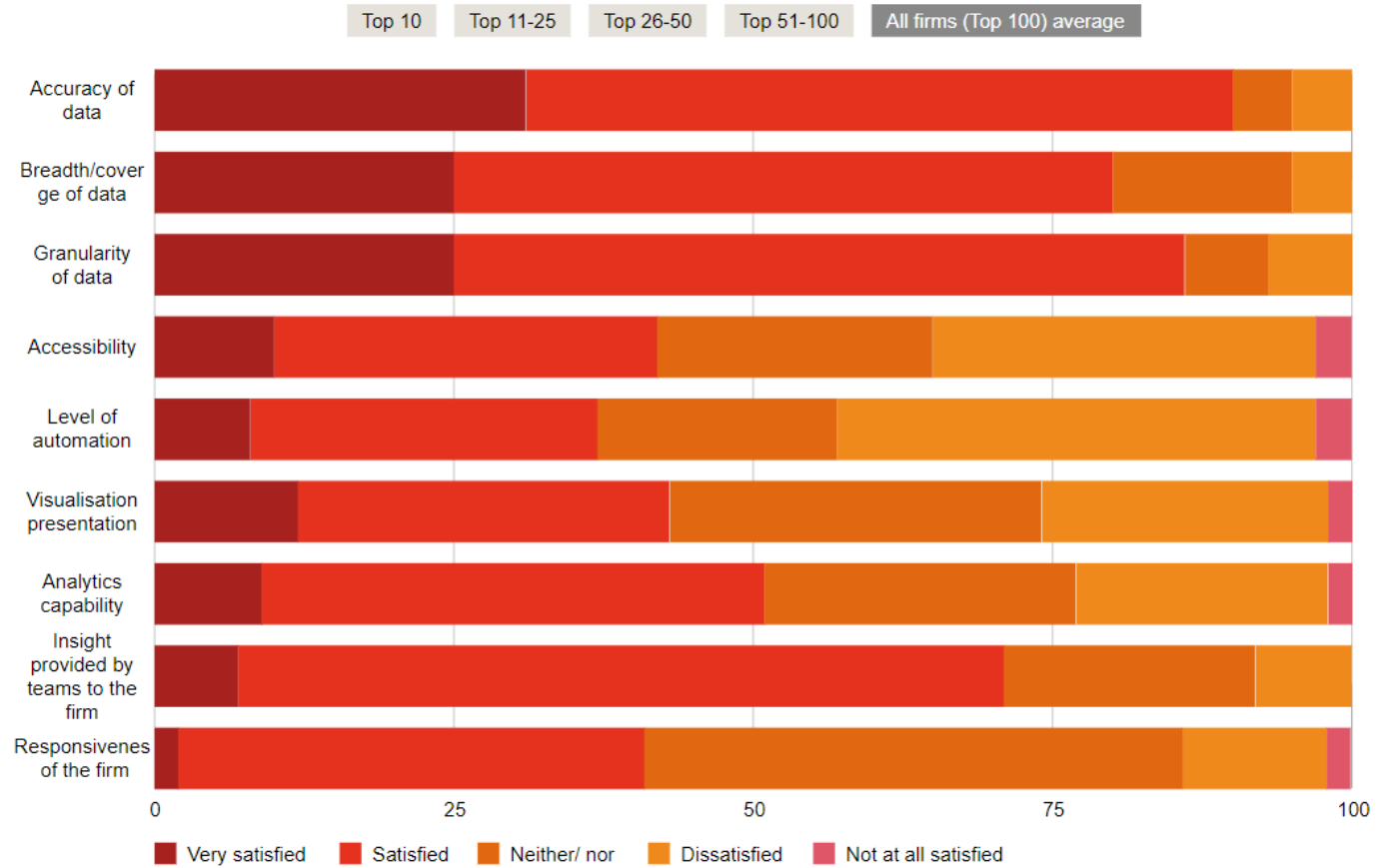
Satisfaction with Management Information and Reporting

2017

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Satisfaction with Management Information and Reporting

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Pricing: Perceived importance vs Current performance – Top 26-50 firms

2017

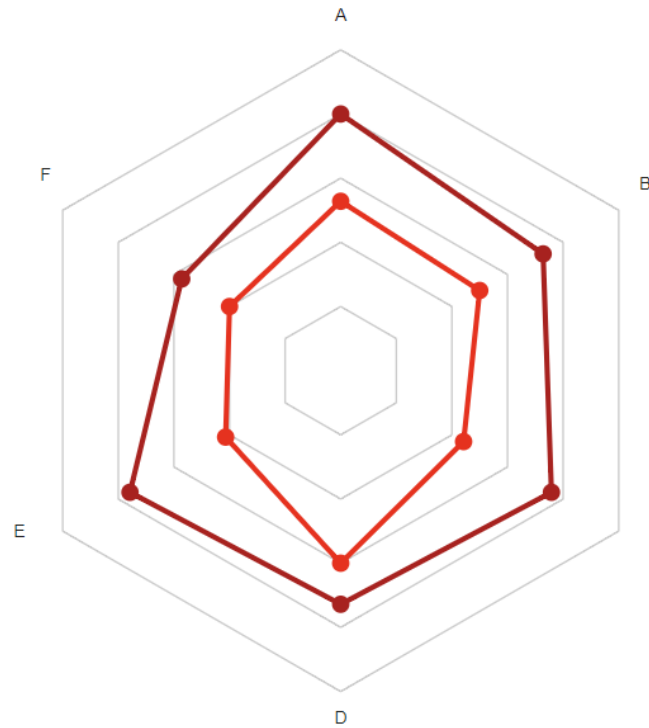
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Pricing: Perceived importance vs Current performance

- A: Understanding of purchasing sophistication, perceived value and price sensitivity
- B: Well-controlled approach to pricing decisions
- C: Profitability estimates are considered for pricing decisions
- D: Partners are able to use alternative fee arrangements
- E: Partners have the required pricing tools and information
- F: Pricing tools and information can be shared with clients to facilitate fee structuring and negotiation

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Top 10 Top 11-25 **Top 26-50** Top 51-100



● — Current performance
● — Perceived importance

Questions?

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