

Four Strategic Benefits for Law Firms That Conduct External Data Surveys

By Rees W. Morrison

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Despite the prevalence of data-research surveys sponsored by law firms, little has been written about their strategic value. After explaining the term "data-research surveys" and providing demographic context, this article lays out a four-part framework of benefit based on the demand for legal services among clients and prospective clients — the market. In summary, data-research surveys by law firms (hereafter, "surveys") can:

- Reach your market,
- Gauge the size of your market,
- Grow your market, and
- Explain your market.

Every year law firms sponsor dozens of online surveys to collect data regarding companies — data-research surveys¹. We have found more than 300 of them extending back as far as 1995, and undoubtedly many more were conducted during that 23-year period.²

External research surveys have different characteristics than intra-firm surveys, such as those that assess morale or technological savvy, or substantive surveys across some legal field, such as those

¹ If you know of a firm that has conducted such a survey, the author would greatly appreciate hearing from you regarding the name of the firm and, ideally, the topic of the survey and approximate year.

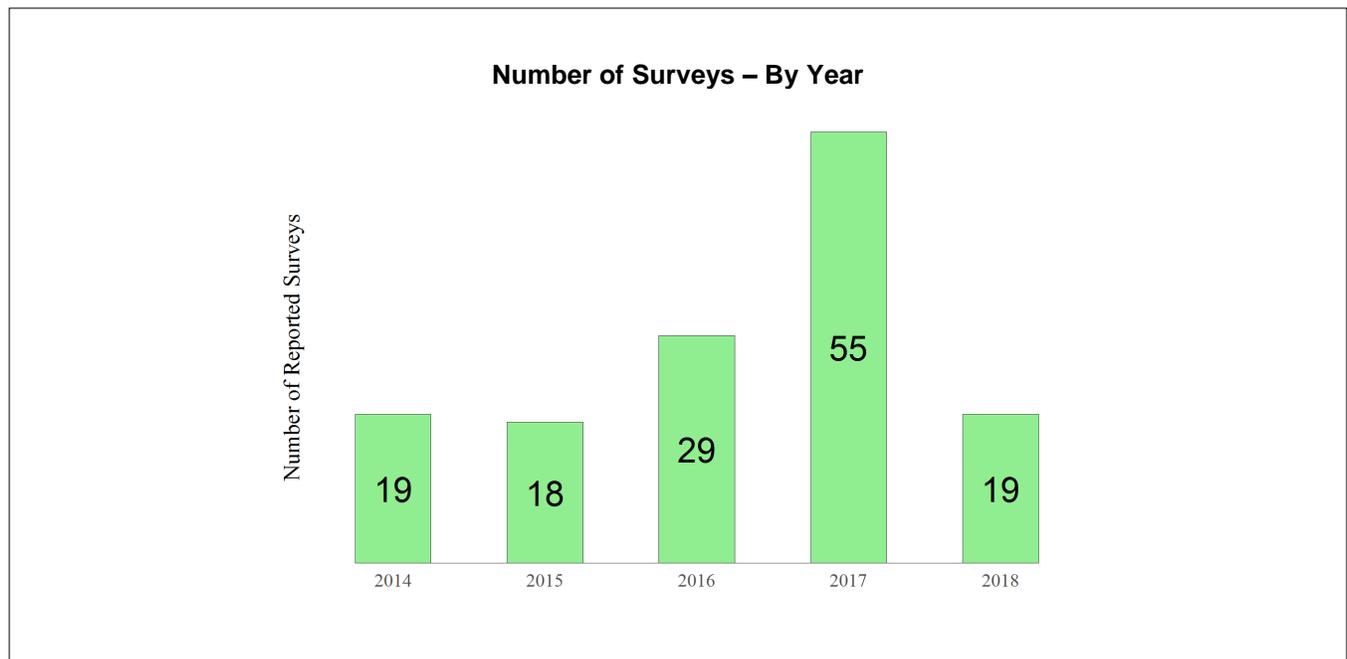
² The author has been collecting data surveys in the legal industry for years, but only recently focused his searches on data surveys by law firms. They have been located by online searches, submissions from various people, inquiries of law firms and investigations of law firm websites. The collection has focused on surveys in English. The process has been reasonably extensive but can make no claim whatsoever of having located all the research surveys of the firms for which surveys have been found, let alone the (possibly) scores of other firms that might have done so.

that compile the laws in all 50 states about phone-tapping or report recent transactions of a certain kind. True, all surveys share methodological and analytic characteristics, but external data-research surveys fundamentally aim to gather from companies' numeric data that interests executives and managers.

Partners in law firms, whether they lead individual offices, practice groups, countries, or the entire firm, will think more strategically about the value of surveys if they appreciate their short- and long-term advantages. Out-of-pocket costs are modest but benefits are major. Furthermore, understanding the benefits will help marketing, pricing, practice support, and knowledge management professionals in law firms.

Number of Surveys by Law Firms

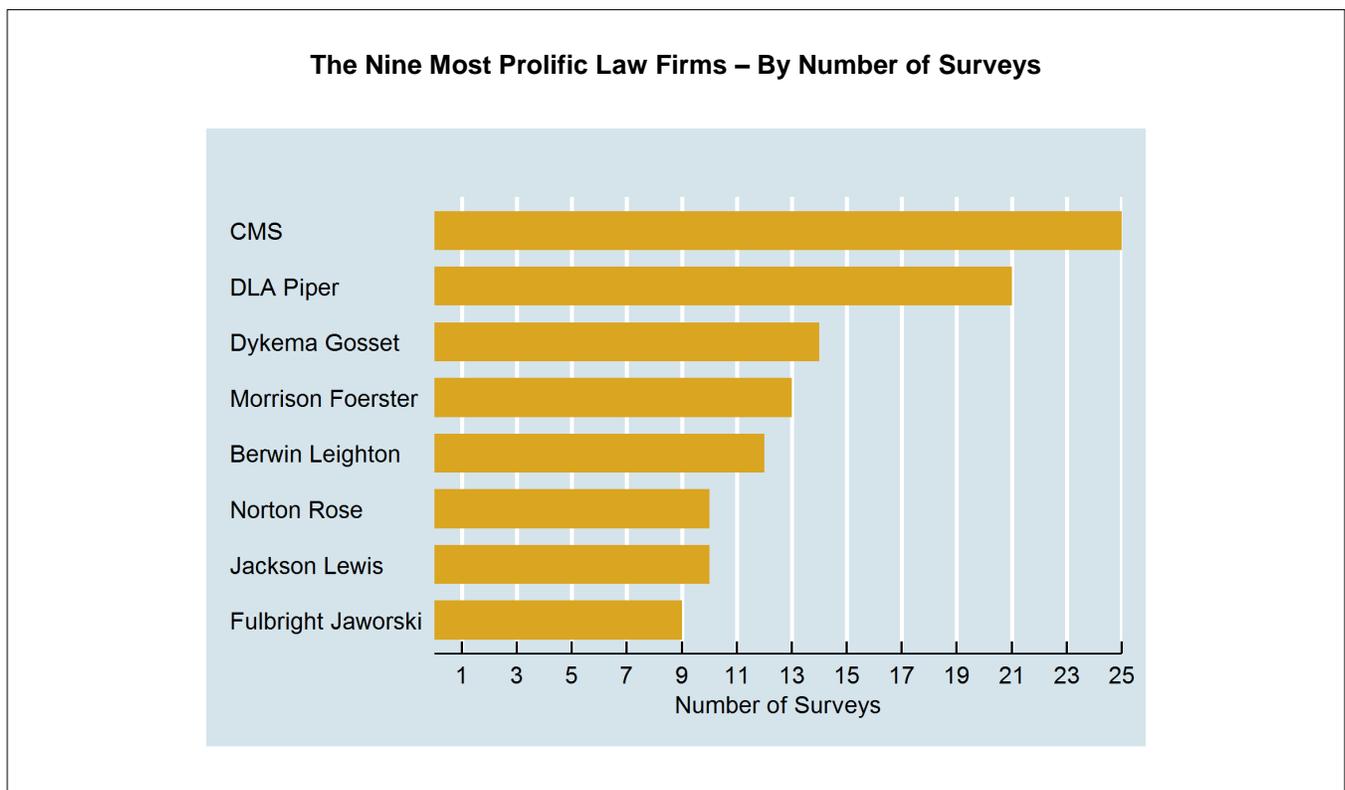
How many surveys have been conducted so far? No one knows the complete tally, but the plot below shows for the past five years only the 205 survey reports or announcements of findings we have located for that period. We refer to "findings" because, of the surveys located to date, about three quarters resulted in a published report in PDF; the remainder we know of from press releases, articles, or other references.



Law Firms that Survey

At least 77 law firms around the world are known to have sponsored or been involved in a survey (aside from the U.S.A and the U.K., we have found surveys from law firms based in Australia, Canada, Israel, New Zealand, and South Africa). We are aware of single surveys by 32 of those firms and only a pair of surveys by 14 other firms. Some firms pay an organization to conduct the survey, others team with a co-sponsor (as we discuss below), but most of them conduct the surveys on their own.

Of the *National Law Journal* 500's 20 largest firms in 2017, at least eight of them have had a role in a survey. Altman Weil has identified at least 38 surveys by these BigLaw firms. Looking more broadly, the plot that follows shows the nine law firms that have surveyed most prolifically and the number of surveys attributed to them, or sometimes to firms that have merged into them (you could combine the Norton Rose figure and the Fulbright Jaworski figure, given the two firms have merged, to place them third on this ranking).

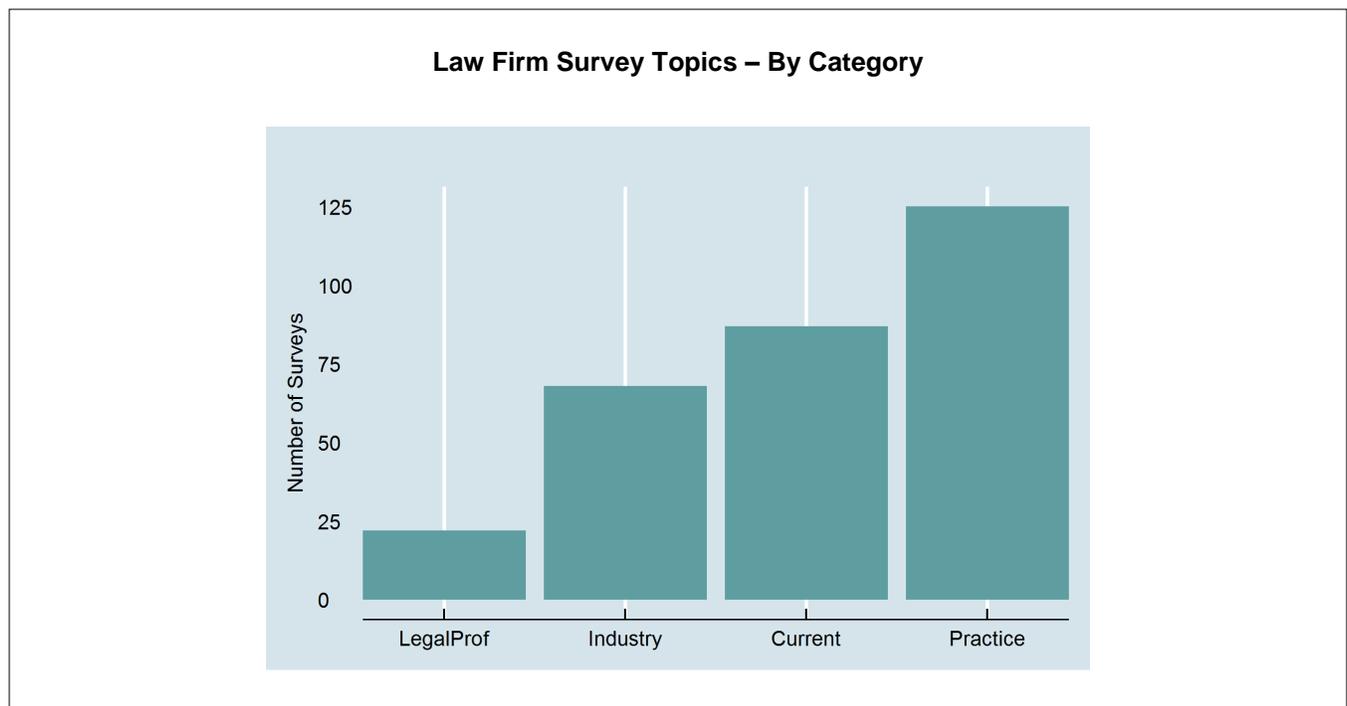


As for the number of lawyers in the firms identified so far, at least six have fewer than 200 lawyers, a dozen or so have between 200 and 500 lawyers, and 16 of them have more than 1,000 lawyers. Clearly, large firms can marshal greater resources and expertise. They also have professional staff on

hand to manage the survey software, distribution, analysis, and publication. But, like all management tools, wielded skillfully data-surveys can be a good strategy for smaller firms.

Topics of Law Firm Surveys

Not only are the sheer volume of surveys and breadth of surveying firms remarkable, but the topics studied range widely. Some explore broad concerns, such as worldwide legal risks, while some address narrow niches, such as telemedicine. A coding of survey topics at a high level provides one perspective. The coding assigned surveys as those relating primarily to: (1) a practice area, such as employment discrimination or tax; (2) current events, such as Brexit or the GDPR; (3) the legal profession, such as outside counsel management or innovation by law firms; and (4) industry, such as manufacturing or technology. The plot below presents the breakdown. The column chart shows how many surveys fall into each meta-topic.



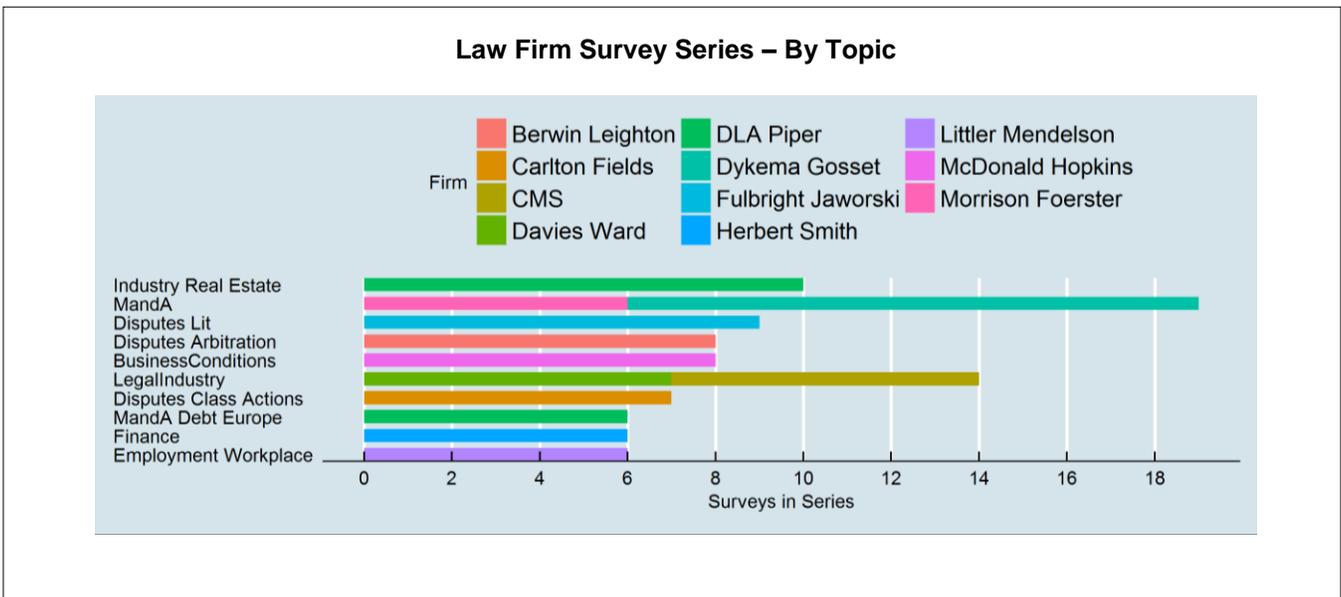
The four powerful benefits listed above complement each other, as is discussed at the end of this article, but let's first consider each of them individually.

1. Reach Your Firm's Market

For most law firms, reaching prospective clients dominates their thinking about whether to roll out a survey. Survey reports promote the expertise of the firm and raise awareness of the firm among potential buyers of legal services. Burnishing a firm's brand, a survey leverages the knowledge possessed by the partners, their contacts and relationships with companies, and what they know about legal issues. Combining those resources with data analysis skills and graphical capabilities, a survey and the published report make tangible the smarts of the law firm.

Moreover, firms build around their survey findings an integrated set of publicity. A published report comes first to mind, but we find many examples of exploiting the analysis and insights. Firms host breakfast briefings, sponsor webinars, meet one-on-one with executives, interview with journalists, produce podcasts, post blog entries, publish articles, and issue white papers. The intellectual capital generated by a survey propels all manner of promotions over a long period.

When a firm carries out a survey for a few years in a row, it builds a brand as the series becomes increasingly better known by the market and reaches increasingly more of the market. Many firms see the value in a multi-year survey project and improve them each year. The longest has been ongoing for 13 years (including through a major merger), while 16 series have either just begun, have repeated once so far, or ended after two iterations. Out of 40 series that we have spotted, the plot below tells about 10 topics that have had one or more series of surveys running at least five years. To explain the plot, two firms have each carried on a series of surveys regarding M&A while two others surveyed on the legal industry.



The total count of all surveys in a series is 170, which is slightly more than half of all the surveys [55%].

2. Gauge Your Market

A thoughtful survey, or even better a series of surveys on a topic, can guide a law firm's strategists toward opportunities to clarify the size of a market. As alluded to above, this kind of insight grows over time when a firm conducts a series of surveys for several years; the firm will develop trend data.

A law firm can analyze certain questions in terms of how clients answer it and how non-clients answer it to project what the potential market might be. Combining data from other sources (for example, the international revenue of companies), a firm can deepen its analysis of how robust the demand for services might be. They can also sprinkle in survey questions that help them estimate the frequency of legal problems that might require counsel, and thus the amount of potential fees. For example, research surveys by law firms have helped their sponsors get a better handle on how many class action law suits are filed each year (a good example can be found in the Carlton Fields survey in 2017 regarding class actions) or how many international arbitrations (such as Berwin Leighton Paisner has been researching).

The percentage of people you invite to take the survey who in fact take it lets you gauge interest in the topic. So too does the number of participants who respond to specific questions or fill in text answers. Numbers of participants year-over-year and comments by participants offer more insights into where the demand stands for various services, how that demand might be growing.

3. Expand Your Market

Surveys not only bring a firm's skills and expertise to the attention of prospects (reach your market) and measure the potential revenue from that work (gauge your market), but they can also actively grow your market.

For example, the recent spate of surveys about cybersecurity risks stimulates demand for legal services. Those who took the surveys and those who read findings based on them will be more sensitive to legal risks of website breaches and will increase the number of prospects that might reach out for assistance. A well-done example can be found in the survey report by DLA Piper in 2017 regarding the number and types of law suits respondents were facing.

Prospects and clients may not realize fully when circumstances raise legal issues or, if they do, they may not realistically gauge the potential severity of the consequences. Survey findings can increase

that sensitivity and can therefore stoke demand for the expertise of the firm. Especially this is true of surveys that highlight a worsening of problems over time, increasing complexity or new disadvantages. These findings bring to the attention of prospects and clients the value to them of seeking legal counsel.

Expansion of your market niche can take other forms. A survey report can not only strengthen ties with existing clients but can also cross-sell them new services. Ideally, the firm also invites participants to the online questionnaire from companies that are not currently retaining the firm. A timely survey also brings attention to the firm from legal academics who might be pondering similar lines of analysis and future directions of the law. Or, a partner at another firm, one that hasn't spotlighted an emerging legal issue so skillfully, might entertain thoughts about joining the survey firm and bolstering its expertise.

4. Understand Your Market

A fourth strategic benefit of research surveys derives from their contributions to a firm's knowledge and understanding. Put simply, astute firms learn from crafting the questions and poring over the responses. Quite often, also, firms interview some of the respondents to deepen their learning.

Proprietary data, known at the un-aggregated level only to the law firm that collects it, creates a potentially very valuable asset. Surveys by law firms that collect empirical data call out for data analysis. What law firms collect from several hundred participants creates a database that can be described statistically. Inferences can be drawn from the data. At a time where data analytics has such bright lights shining on it, surveys perform well on that stage. For instance, it is possible to run a regression analysis on the data set and infer new insights about it. Stratifying the data that is collected by demographics, such as revenue of the company or industry, can enable even more insights. Surveys collect numbers and numbers drive understanding.

Surveys also enable law firms to develop working relations with like-minded entities. For example, a survey might be conducted in conjunction with a university or a consulting firm. The following table lists a sampling of the 47 co-contributors identified in the research surveys collected so far. Each of the participants brings its own knowledge to create the questions, analyze the responses, and spread the word. Additionally, each has its own roster of contacts to invite. Law firm partners who are embedded in an intellectual community with shared purposes learn more and faster.

Co-contributors to Law Firm Surveys

451 Research	ELD International and Right Hat	Oxford Economics
Acritas	FinanceAsia	PEF Services and WithumSmith+Brown
Acuris (Mergermarket)	Forbesinsights	Pricewaterhouse Coopers
ALM Intelligence	FT Remark	Queen Mary Sch. Intl Arbitration
Assoc. of Claims Professionals; Bickmore	J.D. Power; Univ. of Mich.	Rafi Smith Research Inst.
Assoc. of Corp. Counsel	Local Area Property Assoc.	Rothschild, debtwire, Mergermarket
Biopharm Insight; Merger Market Group	Local Gov't New Zealand	RSG Consulting
Canadian Corp. Counsel Assoc.; IPSOS	Merger Market Group (Remark)	UCLA Anderson Forecast
Deloitte	Meridian West	VB/Research and The Lawyer
EEF		WeAreTheCity

Conclusion and a Look to the Future

The four market-based concepts discussed above complement each other. Effective collection and exploitation of survey data attracts clients, which in turn not only builds insights into the revenue potential in an area of law but also expands that market, all the while deepening the firm's expertise, network, and practical knowledge. Firms often supplement the online questionnaire data with interviews, which greatly expand their learning.

An exciting future for law-firm research surveys appears ahead. Surveys are probes into a factual unknown that drive demand for the services a law firm can provide. Moreover, this multi-purpose tool can help determine the size of the addressable market. In the future, law firms will improve their survey and statistical methodologies, present findings with a wider array of data visualization techniques and integrate more closely with substantive legal knowledge. For example, it would be straightforward in a survey report to intersperse hyperlinks to traditional legal analysis or bibliography.

Small wonder that so many law firms have deployed research surveys. Astute and innovative firms continue to evolve survey techniques and thereby gain competitive advantages from the four strategic benefits.

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