PCA LAW

YoudAndrews

PCA LAW | YoudAndrews

Table of contents

The Why - Exposing the Sales Gap 3

2023 ACC Chief Legal Officers Survey 6

The Digital Legal Exchange Study 9

Frederick Reichheld of Bain and Company 11

Harbour Litigation Funding Law Partner Survey 2022 14

Thomson Reuters Alternative Legal Services Providers 2023 Report 16

Thomson Reuters and Said Business School 19

The So What - Supporting a change in mindset to be fit for the future 21

PCA LAW | YoudAndrews

The Why – Exposing the Sales Gap

We have noticed an evident rise in the sales gap within the legal industry, working with a hundred companies of various kinds, including nine of the world's ten biggest law firms and a lot of national ones. We felt that the sales gap that had been pre-COVID was only intensifying in 2020, forming what has become a classic perfect storm. Subsequently, in response to this trend, we acquired Youd Andrews, specialists in C-level interactions. Youd Andrews have over thirty years of expertise and at the crux of their services is a diversified network of higher-level administrators. Through providing their insight and know-how, these specialists challenge our clients' habitual operations and evaluate their willingness to explore novel ideas.

For the past few months, we have been gathering feedback from a wide array of our legal sector clients to determine the major stressors for their firms concerning business development and sales, which has been made more complicated due to current difficult circumstances. After analysing their input, we have identified four core areas of concern.

PCA LAW | YoudAndrews

The Why – Exposing the Sales Gap

- **Change in GC role and C-Suite influence.**

  GCs have a broader commercial function within the firm to be facilitate business strategy

- **The growing importance of key client retention and growth.**

  Lower operating costs that come with key client retention, the increased ROI, the increased loyalty that you tend to get the increased number of referrals.

PCA LAW | YoudAndrews

The Why – Exposing the Sales Gap

• Increased pressure to have successful cross-selling.

It is essential to strategically focus on cross-selling to encourage clients to remain with you. Clients that have a comprehensive range of products and services have higher customer lifetime values, are less prone to fee-related pressure, and help ensure greater overall financial resilience considering current post-harbour litigation reforms.

• Strategic relationship strength to trump technology.

We are well-aware of how technology has become a major factor in the legal sector, and that it will be even more so in the future. To stay ahead of the competitive landscape during this tech revolution, it is imperative for law firms to create and foster strategic relationships with key stakeholders, especially those within the C-suite and general counsel level.

2023 ACC Chief Legal Officers Survey

Source:

https://www.pcalaw.com/wp-content/uploads/2023/03/ACC_2023_CLO_Survey_Report.pdf

2023 ACC Chief Legal Officers Survey

77%

Report to the CEO
(and of those who don't 42% into CFO)

82%

'Almost always' attend board meetings

65%

Are asked to input on key business decisions

61%

Either hold the title of corporate secretary or the corporate secretary reports directly into them

PCA LAW | YoudAndrews

Skills the GCs are looking to develop in their own lawyers

64%
Communication and listening.

64%
Leadership.

59%
Business Management.

59%
Executive Presence.

43%
Emotional Intelligence.

The Digital Legal Exchange Study

Source:

https://www.dlex.org

PCA LAW | YoudAndrews

The Digital Legal Exchange Study

97%

C-Suite want the legal function's success metrics to be aligned with business goals.

Frederick Reichheld of Bain and Company

Source:

https://media.bain.com/Images/BB_Prescription_cutting_costs.pdf

Frederick Reichheld of Bain and Company

5%

Increasing customer retention rates by 5%...

Frederick Reichheld of Bain and Company

95%

Increases profits by 25% to 95%

5%

Increasing customer retention rates by 5%

Harbour Litigation Funding Law Partner Survey 2022

Source:

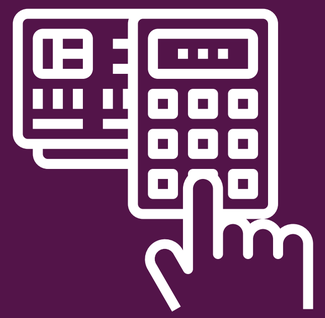
https://harbourlitigationfunding.com/clients-vote-with-their-feet-as-rising-costs-bite%EF%BF%BC/

PCA LAW | YoudAndrews

Harbour Litigation Funding Law Partner Survey 2022

46%

Partners said clients were moving work to less expensive competitors.



44%

Partners reported they were under pressure to reduce their fees in the face of increasing costs.

Thomson Reuters Alternative Legal Services Providers 2023 Report

Source:

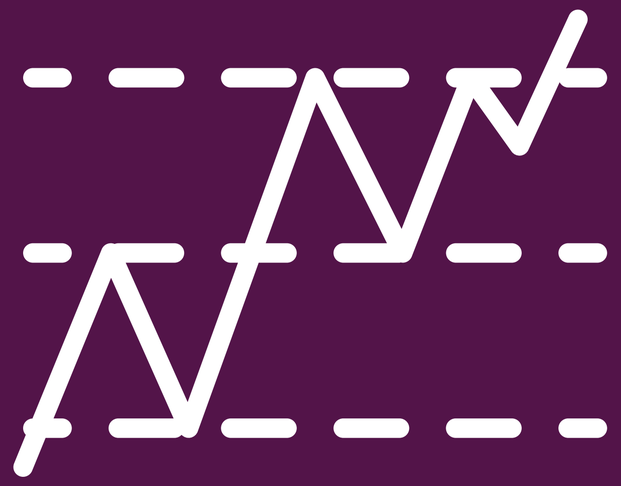
https://www.thomsonreuters.com/en-us/posts/legal/alsp-report-2023/

Thomson Reuters Alternative Legal Services Providers 2023 Report

$20.6 Billion

Alternative legal services providers (ALSPs) now comprise a $20.6 billion segment of the legal market.

Thomson Reuters Alternative Legal Services Providers 2023 Report



ALSPs Growth

ALSPs experienced a compounded annual growth rate (CAGR) of 20% from 2019 to 2021, a significant jump from the 15% AGR recorded between 2017 and 2019.

Thomson Reuters and Said Business School

Source:

https://www.lawgazette.co.uk/practice/big-four-increasing-share-of-legal-market/5115164.article

PCA LAW | YoudAndrews

Thomson Reuters and Said Business School

$1.5 b

Legal services revenues have now reached $1.5 billion.

$1.2 b

A 5% compound annual growth rate from $900m in 2015 and $1.2b in 2017.

X3

EY is looking to triple its number of lawyers in the UK and Ireland in the next three years.

X2

PwC is looking to double its legal headcount.

The So What

Supporting a change in mindset to be fit for the future

PCA LAW | YoudAndrews

The So What

Supporting a change in mindset to be fit for the future

1. Select the right clients and plan plan plan.
2. Move towards strategic ‘horizontal’ conversations.
3. Keep asking The Why.
4. Connection is the glue for growth.
5. Leverage a ‘one firm’ approach before, during and after the conversation.
6. Use ‘second-order’ thinking when developing solutions.
7. Develop your ‘strategic intelligence.’

PCA LAW | YoudAndrews

Thank you

For further information please contact email: hello@pcalaw.com

Return to beginning