Trends & Opportunities
in Law Firm Outsourcing

2016–2017 Survey

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Sandpiper Partners LLC

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1.0   Introduction and Highlights

As the pace of change increases exponentially and more useful and innovative technologies come to market, firms are finding new ways to strike the all-important balance between answering client demands and at the same time improving firm profitability.

Against this backdrop, the Fifth Annual Trends and Opportunities in Law Firm Outsourcing Survey conducted by Sandpiper Partners LLC and commissioned by Williams Lea Tag provides insight into which areas' firms are making investments and where they are decreasing expenditures. The survey also provides a greater understanding of the types of client pressures that are driving firm behavior.

Technology is a major ally in meeting client expectations and firm challenges.

Firms see technology tools and upgrades positively affecting process improvements. 60% of firms are seeing investments in technology paving the way for cost reductions through process improvements. A majority of surveyed firms expect to move ahead rapidly with plans in 2017.

Now, more than ever, firms need to be prepared to deliver more value, increase efficiency all while reducing expenses.

60% of firms are seeing investments in technology paving the way for cost reductions through process improvements.

Highlights

1. **Law Firm leaders are keen to learn and share trends.** Nearly half (46%) of respondents were from law firms with 400 to over 1,500 lawyers. Over 70 percent of those who took the survey are C-level executives, directors or managing partners; a 13% increase in the senior business executive ranks compared to a year ago.

2. **Back office/administrative functions are being handled increasingly with a mixed approach;** 48% of respondents are choosing mixed solutions over centralized (46% which was the top cited preference last year). Regardless of location, the overwhelming majority of service provisions remain onshore. This seems like a strong trend unlikely to be reversed, but there are still portions of mixed back office functions that have remained in captive/shared services centers (30%) and offshore areas (20%).

3. **The heat is still on to reduce costs.** When it comes to cost and savings, firms see the most opportunity to reduce cost for clients in process improvement (60%).

4. **Overall firm expense budget to increase at (45%) of firms** while 37% say they expect it to remain the same. Out of those predicting increases, they nearly unanimously predict budgets will be up between 1% and 10%.

5. **Headcount is on the chopping block in several areas.** Firms are planning more reductions in headcount of secretarial staff (79%) and back office/ administrative staff (76%). Firms' secretary to attorney top target ratio has moved from 1:4 last year to 1:5 this year. The percentage of firms whose target ratio is 1:5 and above grew by 23% since last year. The other three top areas where firms plan to reduce back office/administrative staff are reception, hospitality and facilities management (58%); mailroom and copy (50%); and document processing (50%).

Cyber security and data protection security are the clients' top concerns that are impacting firm behavior.

Firms are looking for a cost effective way to protect their clients' data while simultaneously reducing costs. Over 80% say these concerns will have the most significant impact on their decisions in technology investment. 67% of those surveyed report that their technology budget will increase 1–5% to address cyber security concerns. 28% expect those increases to be in the 6–10% range.

6. **Firms are investing in talent to meet technology challenges, protect client data and grow their revenue base.** 51% of respondents say their firm has plans to increase support staff. The majority of staffing increases are expected in IT/technology functions (62%) followed by financial/data analytics functions (38%), and then cyber security and data protection (35%) and business development (35%).

7. **Digitization is moving ahead rapidly.** Over 80% of respondents currently have, or plan to have, an initiative to reduce reliance on paper. That is a 17% increase from last year. Although a sizeable number of firms have organized implementation firm-wide all at once (40%), they have not zeroed in on a uniform method of implementation. Respondents suggested that the responsibility to drive the initiative falls mostly on the executive committee (37%) and IT (35%), but 40% think that the general counsel should enforce the records retention policy.

8. **Increasing marketing spend is foreseen.** A majority of firms (52%) are planning to increase their marketing spending in 2017, and almost half (48%) plan to increase spend by up to 5%.

9. **RFPs will proliferate.** The majority of firms (58%) are completing 25-75 RFPs each year. Two-thirds of those firms say their number of completed RFPs will increase in the next 12 months, and of those, 81% say it will be an increase of 1%-10%.

Technology upgrades positively impact process improvements

By use of greater amounts of technology, firms see the most opportunity to provide process improvements at lower cost (60%). Firms report that their technology budgets are likely to rise up to 5% in 2017. Implementing more technology was the chief strategy to achieve savings this past year listed by two-thirds of respondents. By use of greater amounts of technology, 60% of respondents see the most opportunity to provide process improvements at lower cost.

technology budgets are likely to rise up to **5%**

2.0   Methodology

The Williams Lea Tag survey Trends and Opportunities in Law Firm Outsourcing was conducted by Sandpiper Partners LLC in January 2017.

The survey was sent to Managing Partners, Chairmen and senior business executives of selected AmLaw 150 firms, large firms in the United Kingdom and to registrants at Sandpiper Partners' events. Not all respondents answered all questions. Respondents were contacted via e-mail and could complete the survey via fax, phone, e-mail or online using Survey Monkey.

The survey asked questions in six categories: Background Information, Firms Current Situation and Outlook, People, Process and Outsourcing, Paper Reduction Initiatives and Marketing/ Business Development. For some questions, respondents could select more than one answer; in these instances, the total percentage for that question will be greater than 100 percent. The charts were compiled from the completed survey data.
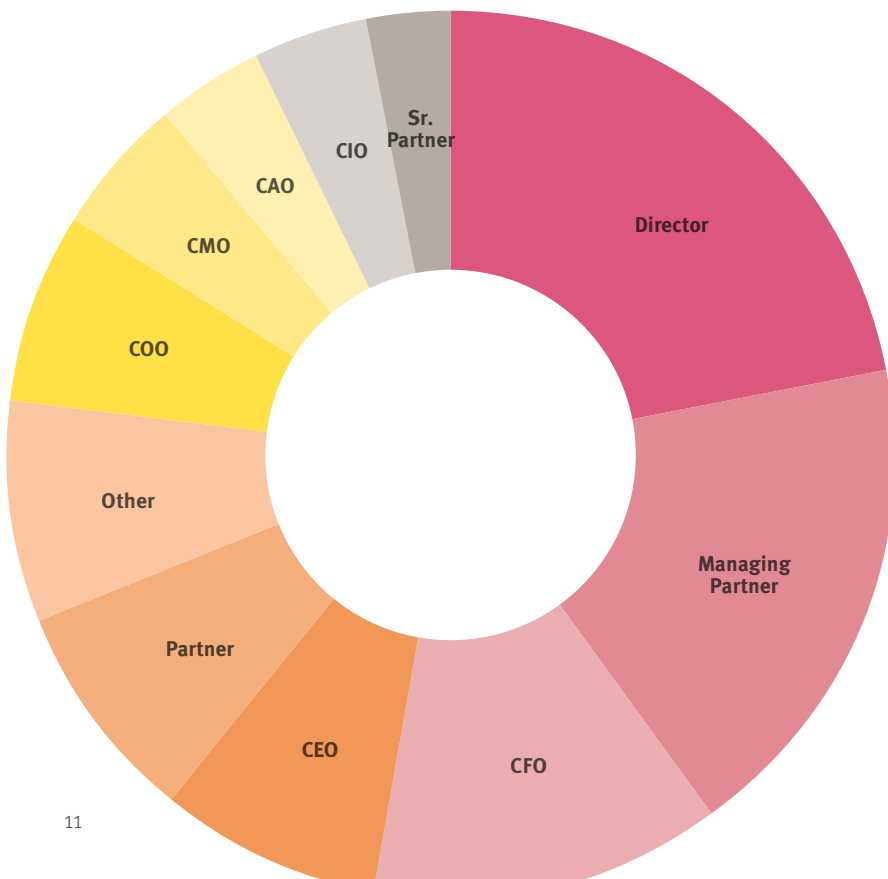
3.0   Survey Respondent Demographics

The global appeal of the survey continues to grow.

This year, 83% of respondents are from U.S. based firms with the remaining 17% of respondents from firms headquartered in the UK. In past years, only 10% of the survey participants were in the UK. Firms of all sizes are well-represented in the survey results. 49% of respondents hold a C-level position at their firm; 22% are directors and 18% are managing partners at their firm.

Location of law firm

United States 83%
United Kingdom 17%

Respondents role

■ Director (Administrative, Executive, Finance, etc.)		22%
■ Managing Partner		18%
■ Chief Financial Officer (CFO)		13%
■ Chief Executive Officer (CEO)		8%
■ Partner		8%
■ Other (please specify)		8%
■ Chief Operating Officer (COO)		7%
■ Chief Marketing Officer (CMO)/Head of Marketing		5%
■ Chief Administrative Officer (CAO)		4%
■ Chief Information Officer (CIO)		4%
■ Senior Partner		3%
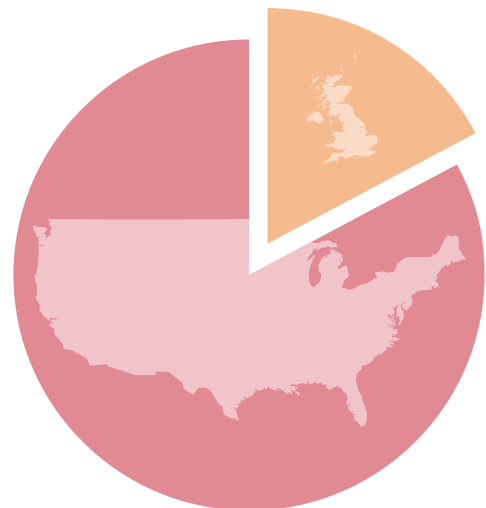
Size of law firm

■ 1–100		23%
■ 101–200		11%
■ 201–400		21%
■ 401–600		5 %
■ 601–999		12%
■ 1000–1500		11%
■ Over 1500		17%

Trends & Opportunities in Law Firm Outsourcing 2016–2017
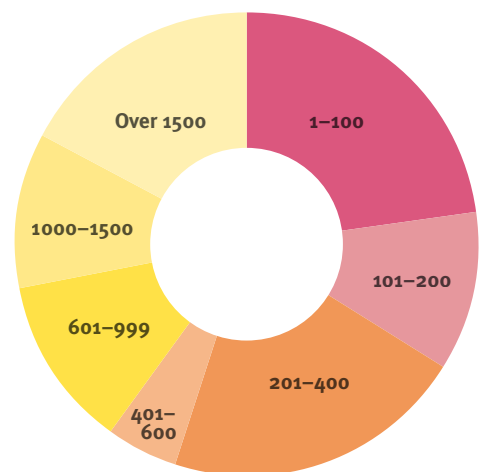
4.0   Current Back Office/Administrative Functions Landscape

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With almost half of firm respondents (46%) reporting that their back office/administrative functions are performed at a centralized operation and 48% reporting a mix of central, local and regional support, it is clear that centralization of services is here to stay.

Location of respondents' back office/administrative functions

Mixed (Combination)	48%
Centralized (One centralized operation center)	46%
Local (Locally at each office)	12%
Regional (Regional operating center)	6%

More than one response can be selected. Percentages may add up to more than 100%
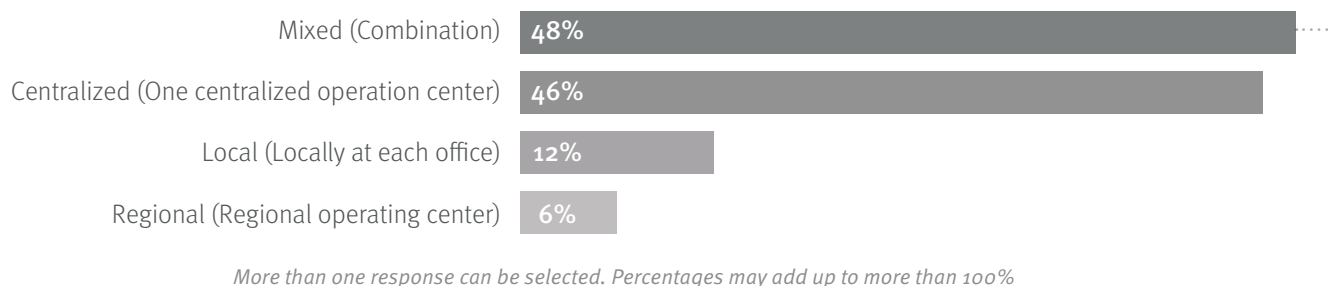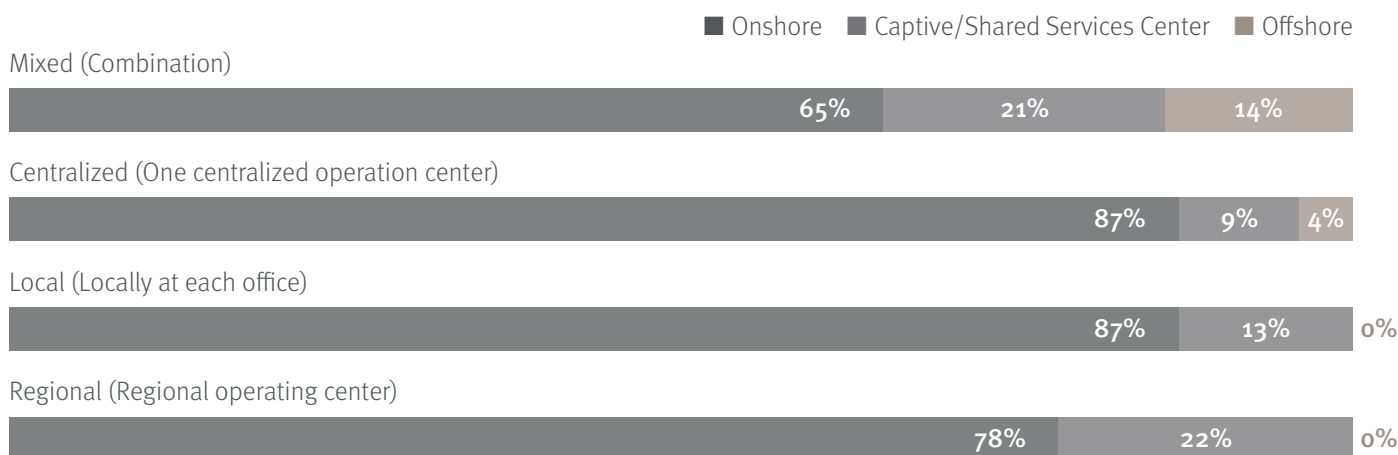
Location of centralized back office/administrative functions

■ Onshore ■ Captive/Shared Services Center ■ Offshore

Mixed (Combination)

Onshore	Captive/Shared Services Center	Offshore
65%	21%	14%

Centralized (One centralized operation center)

Onshore	Captive/Shared Services Center	Offshore
87%	9%	4%

Local (Locally at each office)

Onshore	Captive/Shared Services Center	Offshore
87%	13%	0%

Regional (Regional operating center)

| Onshore	Captive/Shared Services Center	Offshore
78%	22%	0%

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This year, we asked respondents to tell us their highest priorities for their firm's back office.

Reducing costs (29%) and **improving service levels** (24%) topped the list. Both of these objectives are well-supported by centralized back office operations. Process improvement is the top area that 61% of respondents see as the best opportunity to reduce costs.

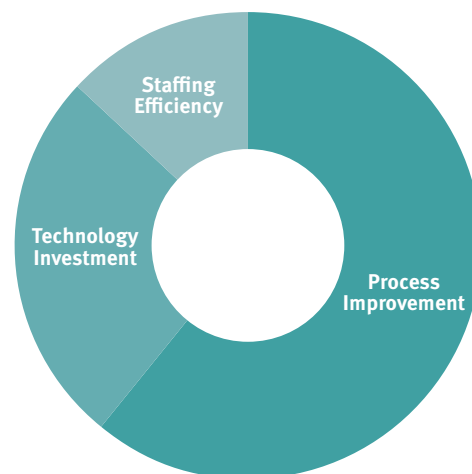### Respondents' highest priority in 2017 for the back office

- Reducing Costs — 29%
- Improving Service Levels — 24%
- Data Security and Confidentiality — 23%
- Real Estate/Relocation or Build Out — 9%
- Digitization — 8%
- Compliance with Cyber Audits — 4%
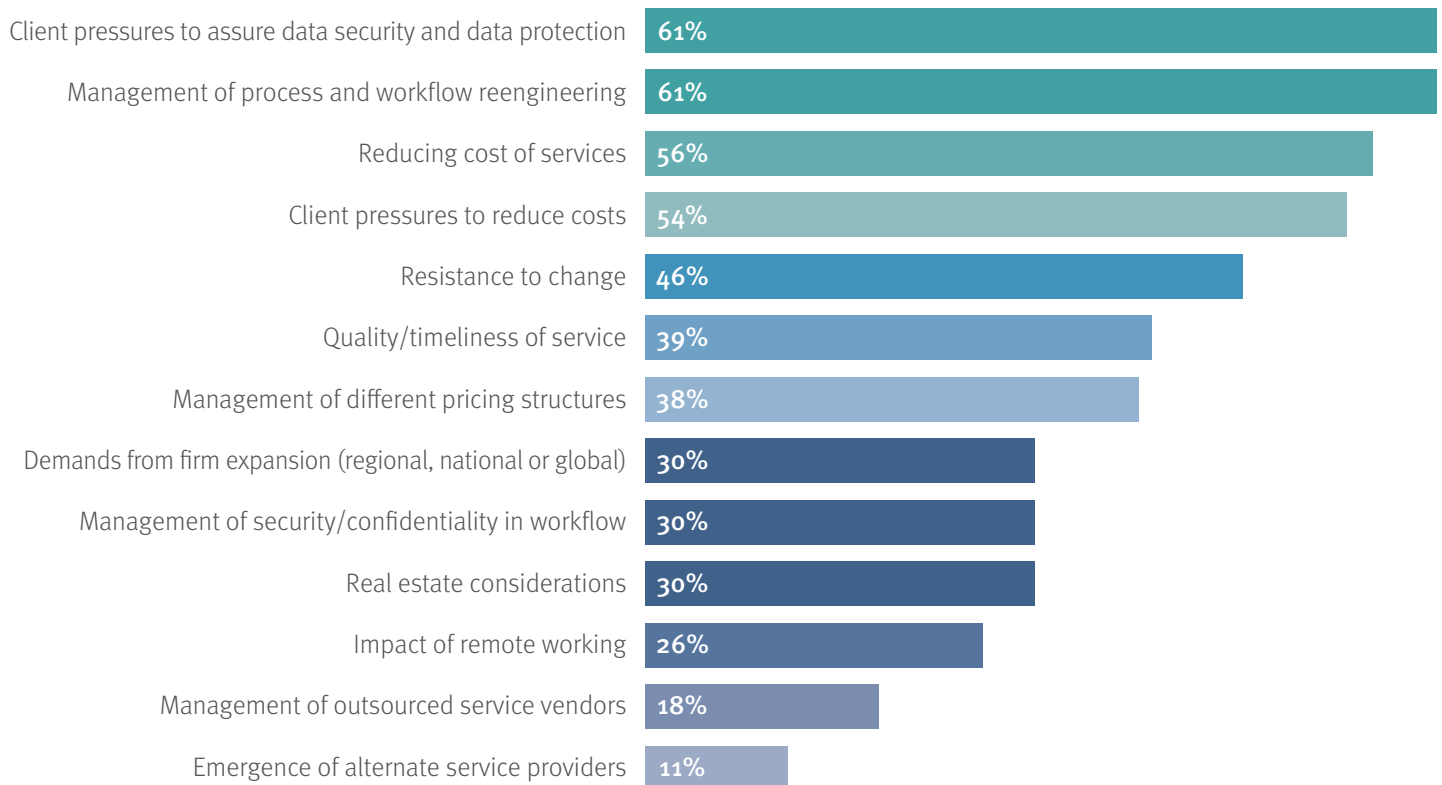- Outsourcing — 3%
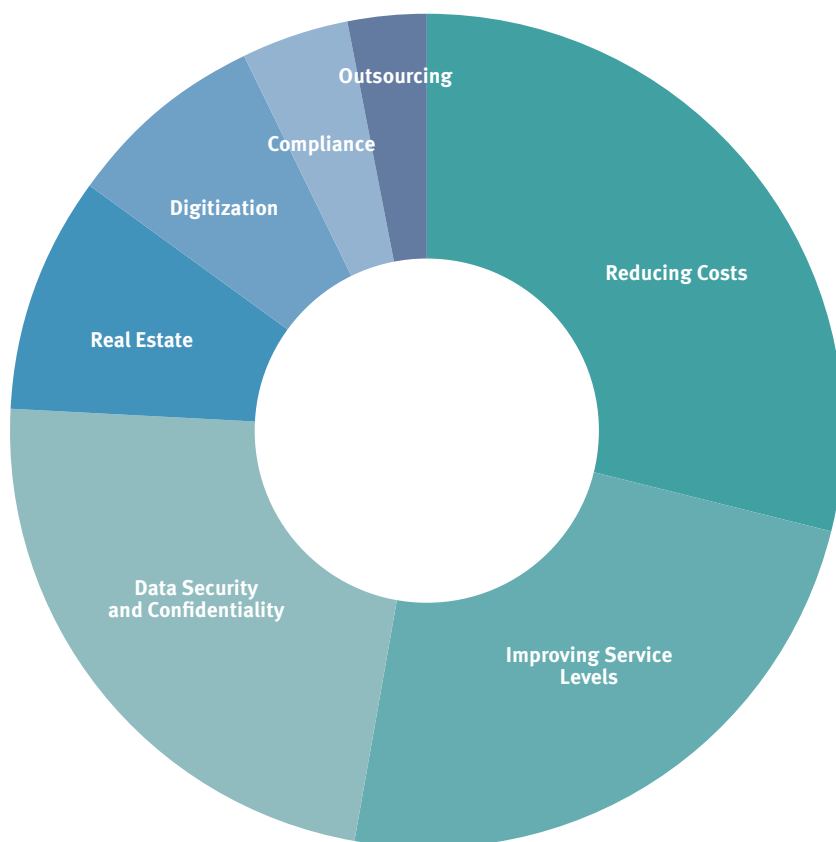
Areas of opportunity to reduce costs

- Process Improvement — 61%
- Technology Investment — 26%
- Staffing Efficiency — 13%

Key challenges facing firms back office and administrative functions

Client pressures continue to have a growing impact on how firms manage their back office and administrative support functions. In 2012 and 2013, the key challenges firm leaders cited were reducing costs and improving service quality. While those challenges remain top-of-mind today, priorities appear to have shifted to account for client concerns such as data security, cost reduction and improved workflows.

Challenge	Percentage
Client pressures to assure data security and data protection	61%
Management of process and workflow reengineering	61%
Reducing cost of services	56%
Client pressures to reduce costs	54%
Resistance to change	46%
Quality/timeliness of service	39%
Management of different pricing structures	38%
Demands from firm expansion (regional, national or global)	30%
Management of security/confidentiality in workflow	30%
Real estate considerations	30%
Impact of remote working	26%
Management of outsourced service vendors	18%
Emergence of alternate service providers	11%

More than one response can be selected. Percentages may add up to more than 100%

Growing impact of technology as an enabler to lean out back office/administrative areas

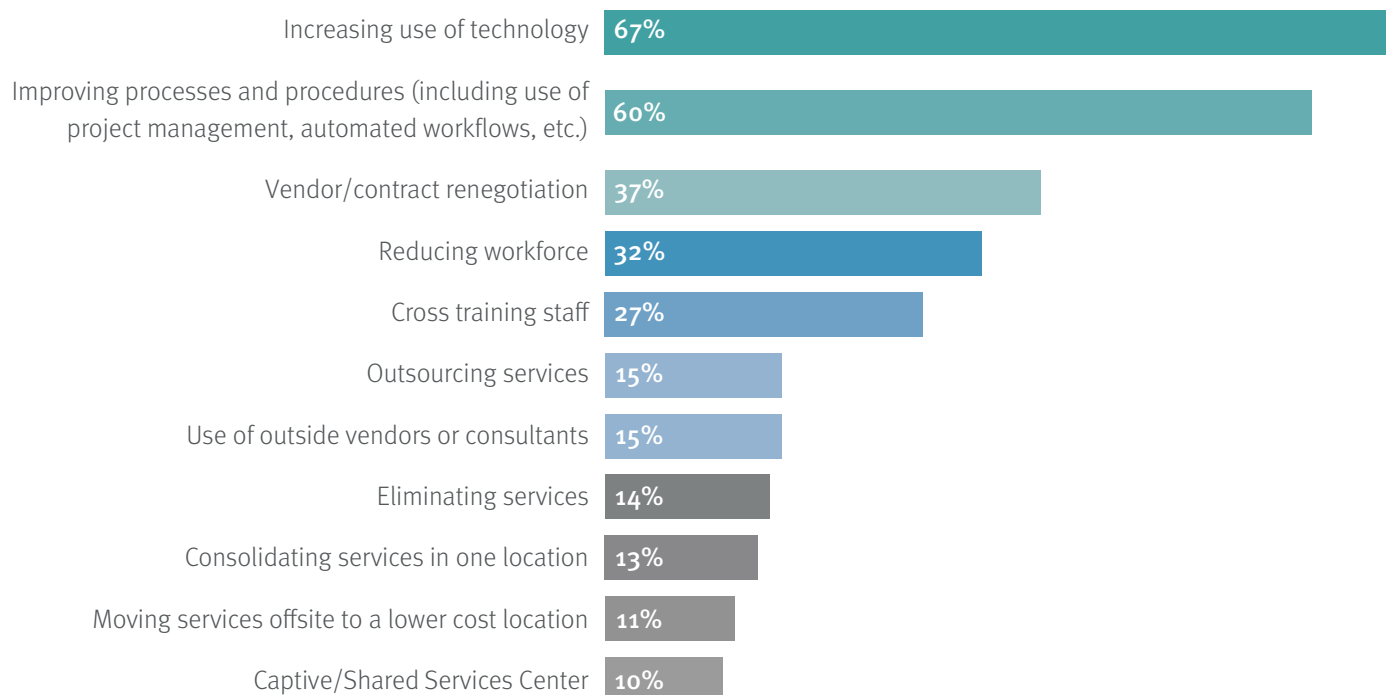|	2012	2013	2014	2015	**2016**
Cost savings achieved in administrative support functions	41%	43%	62%	60%	**64%**
Use of technology as a strategy	25%	17%	52%	53%	**67%**

Significant cost saving measures firms have achieved over the past 12 months

Firms continue to find opportunities for cost savings by further streamlining their administrative support activities, with more than 64% of respondents citing that they were able to reduce costs in that area in 2016. Technology appears to be playing a growing part in supporting cost reduction strategies, with more respondents each year citing increased use of technology as the main lever deployed to reduce costs.
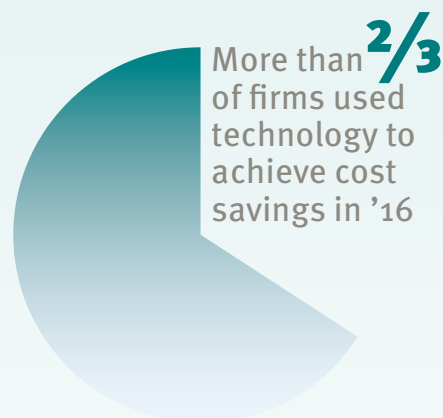
- Administrative support (secretarial, reception, IT, travel, document management, etc.) other than finance — 64%
- Centralized services (HR, marketing, etc.) — 14%
- Supplier management of procurement initiatives — 12%
- Finance functions — 6%
- Litigation support — 4%
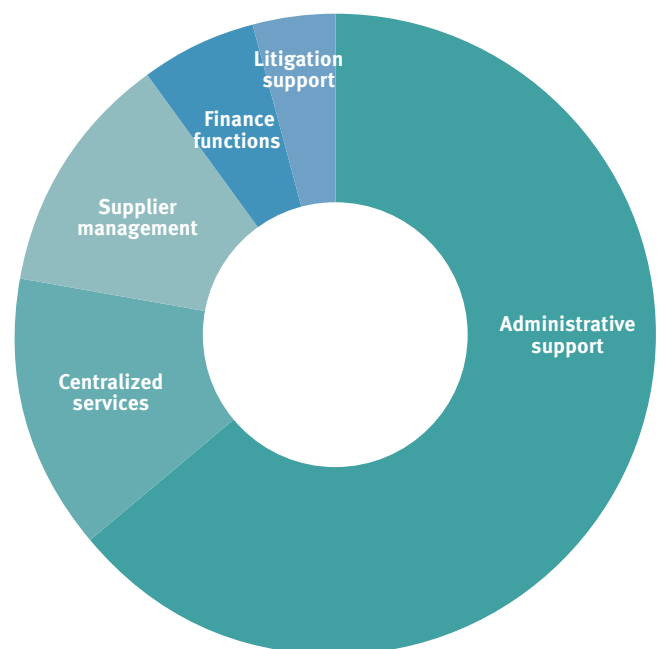
Strategies most utilized to achieve cost savings

Strategy	Percentage
Increasing use of technology	67%
Improving processes and procedures (including use of project management, automated workflows, etc.)	60%
Vendor/contract renegotiation	37%
Reducing workforce	32%
Cross training staff	27%
Outsourcing services	15%
Use of outside vendors or consultants	15%
Eliminating services	14%
Consolidating services in one location	13%
Moving services offsite to a lower cost location	11%
Captive/Shared Services Center	10%

More than one response can be selected. Percentages may add up to more than 100%

More than **2/3** of firms used technology to achieve cost savings in '16
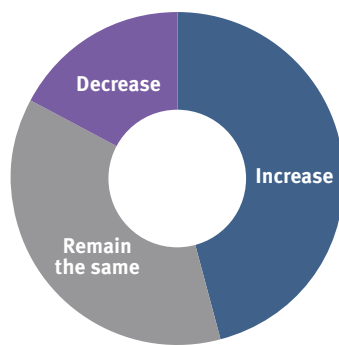
5.0   2017 Outlook for Back Office/Administrative Functions

For the 5th year, the majority of respondents (46%) expect the budgets that support back office/administrative functions will increase in the upcoming year. None of the respondents expect more than a 10% increase. Similarly, most (97%) of the 17% who say that their budgets would decrease don't anticipate reduction of more than 10%.

Investments in cyber security and data protection (61%) top this year's list of areas where respondents expect increased spending. It's followed by investment in in-house technology and staffing (58%), and in business development, sales (47%).

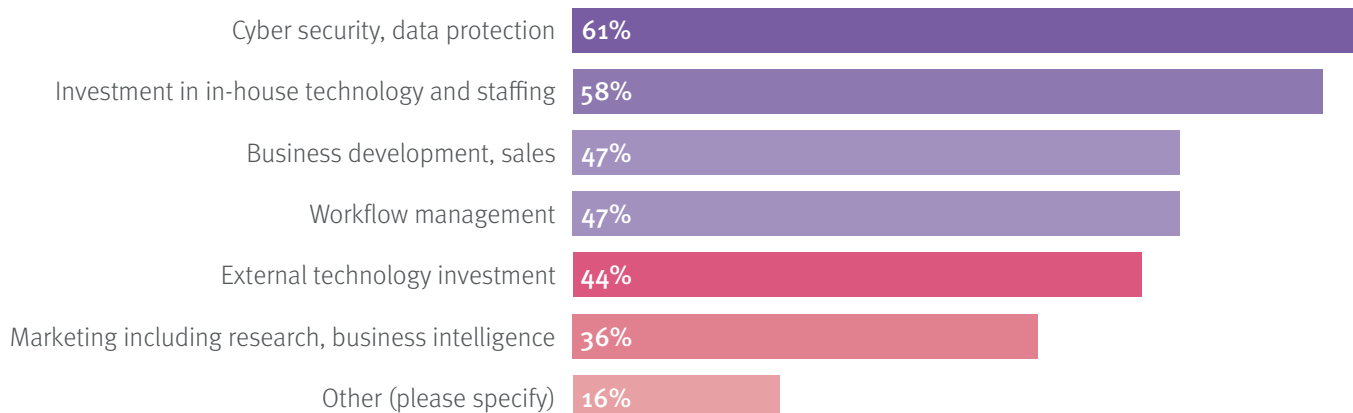### Anticipated expense budget growth in the next 12 months

■ Increase	46%
■ Remain the same	37%
■ Decrease	17%

Increase 1%-5%	**57%**
Increase 6%-10%	**43%**
Increase 11%-15%	**0%**
Decrease 1%-5%	**57%**
Decrease 6%-10%	**40%**
Decrease 11%-15%	**3%**

More than one response can be selected. Percentages may add up to more than 100%

61% of those surveyed report that their technology budget will increase 1-5% to address cyber security concerns. 28% expect those increases to be in the 6-10% range.
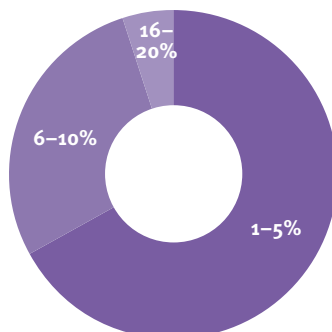
Areas respondents will increase costs

Cyber security, data protection	**61%**
Investment in in-house technology and staffing	**58%**
Business development, sales	**47%**
Workflow management	**47%**
External technology investment	**44%**
Marketing including research, business intelligence	**36%**
Other (please specify)	**16%**

More than one response can be selected. Percentages may add up to more than 100%

Expected technology budget increase due to cyber concerns

|	
■ 1–5%	67%
■ 6–10%	28%
11–15%	0%
■ 16–20%	5%
More than 20%	0 %

More than half (57%) of the survey respondents expect that their third party/shared solution provider will also increase costs in the next 12 months, although the majority (55%) expect those increases to be minimal (between 1-5%). Only 5% of respondents expect costs for third party provider to decrease in 2017.
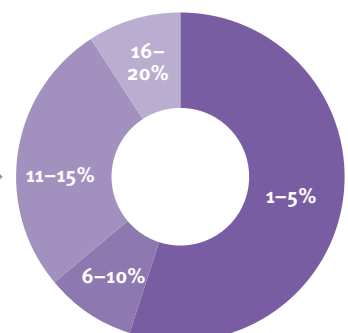
Expectation of third party or shared solutions provider costs in the next 12 months

■ Increase	57%
■ Remain the same	38%
■ Decrease	5%
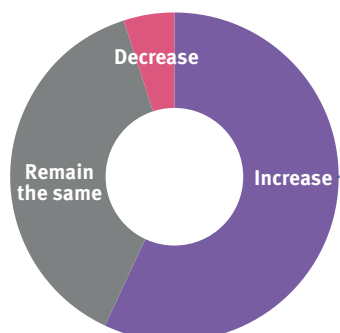
Percent increase expected

■ 1–5%	55%
■ 6–10%	9%
■ 11–15%	27%
■ 16–20%	9%
More than 20%	0%

As in previous years, better command and more efficient use of workflow processes and data is the number one factor (61%) respondents say will impact their back office costs over the next 12 months. Increased use and investment in in-house technology and staffing (47%) will also impact costs.
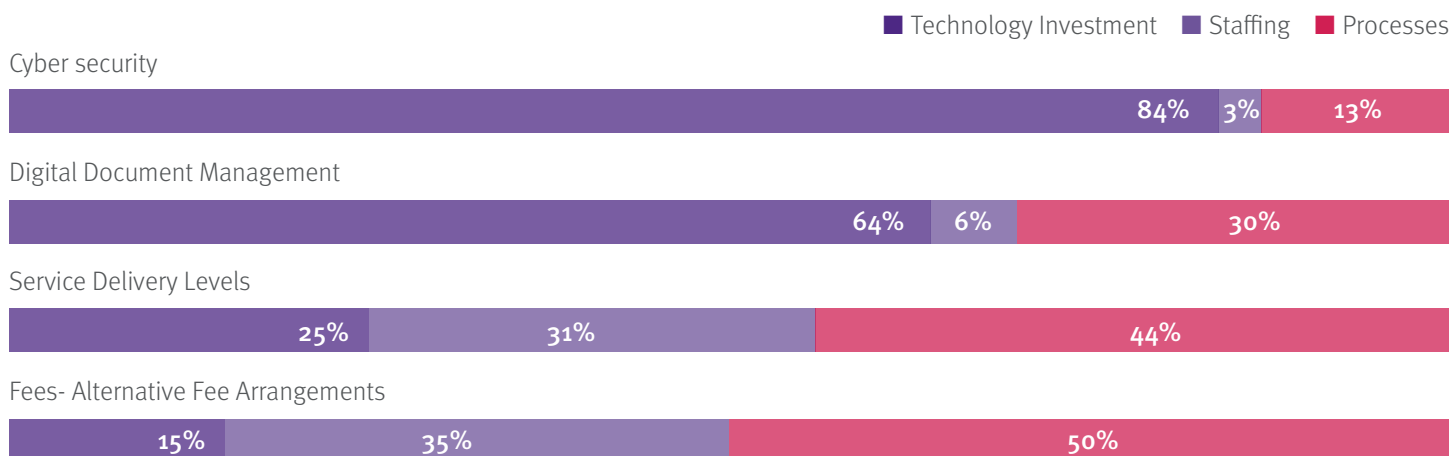
Top factors impacting back office costs over the next 12 months

Factor	%
Better command and more efficient use of workflow processes and data	61%
Increased use and investment in in-house technology and staffing	47%
Cyber security/data protection investment	32%
External technology investment	32%
Real estate/property requirements	32%
Staffing needs	29%
Business development, sales	24%
Volume of transactions, litigation, regulatory matters and government investigations	21%
Working from remote locations	13%
Vendor/third party vendor service fees	12%

More than one response can be selected. Percentages may add up to more than 100%

Client pressure to invest in specific areas

84% of respondents report that they are making technology investments in response to client pressures around cyber security and 64% report that technology investments are impacted by client demands for digital workflows. Respondents also cite the pressure of alternative fee arrangements as a driving factor in their staffing (35%) and process (50%) investments.

Legend: ■ Technology Investment ■ Staffing ■ Processes

Area	Technology Investment	Staffing	Processes
Cyber security	84%	3%	13%
Digital Document Management	64%	6%	30%
Service Delivery Levels	25%	31%	44%
Fees- Alternative Fee Arrangements	15%	35%	50%

More than one response can be selected. Percentages may add up to more than 100%

6.0 Back Office/Administrative Staffing Trends

By a small margin, 2017 marks the first year of the past five that more respondents (51%) plan to increase support staff. In the past, staffing reductions have been favored by an average of 55% of respondents. The majority of staffing increases are expected in IT/technology functions (62%), followed by financial/data analytics functions (38%) and then cyber security, data protection (35%) and business development (35%).

As in years past, the 49% of respondents who are forecasting headcount reductions are anticipating the majority of those to be in the secretarial (79%) and back office/administrative (76%) areas.

Respondents' plans for business support, litigations support or back office/administrative staff head count in the next 12 months

- Reduce   49%
- Increase   51%

Increase   Reduce
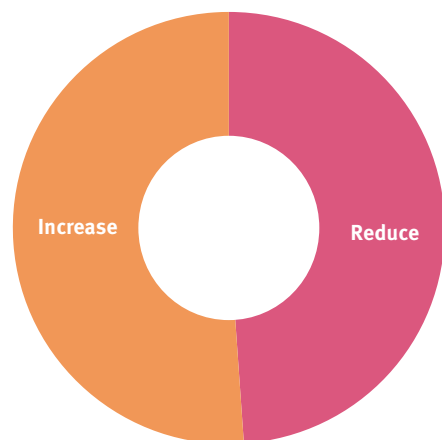
Areas of focus for planned headcount increases in 2017

Department	Response
IT/Technology	62%
Financial/Data analytics	38%
Cyber security and data protection	35%
Business development	35%
Marketing	24%
Business intelligence	24%
Document management	24%
Regulatory compliance	18%

More than one response can be selected. Percentages may add up to more than 100%

Areas of reduction by support function

Area	Response
Secretarial staff	79%
Back office/administrative staff	76%
Business support	15%
Technical support	9%
Litigation support	9%

More than one response can be selected. Percentages may add up to more than 100%

Planned back office/administrative staff reductions by areas and percentage

As in years past, reception, hospitality and facilities management, document processing and mailroom and copy continue to be focus areas for back office/administrative staffing reductions. The records function remains an area of opportunity for attorney support staff reductions, with 50% of respondents citing that as an area of focus.

Department	Response
Reception, hospitality and facilities management	58%
Document processing	50%
Mailroom and copy	50%
Accounting and finance	19%
Human resources	15%
Marketing, business development and sales	15%
IT/technology	12%

More than one response can be selected.
Percentages may add up to more than 100%

Forecasted areas of attorney support staff reductions in 2016

Department	Response
Records	50%
Litigation and practice support	35%
Paralegals	25%
Legal research	15%
Conflicts	5%

More than one response can be selected.
*Percentages may add up to more than 100%*

Respondents' current and target ratio of secretarial staff to attorneys

Over the past five years, we have seen a shift toward higher secretary to attorney target ratios and closer alignment of current ratios to that ideal. In past years' surveys, 1:4 was the secretary to attorney target ratio of the majority (averaging 40%). This year, 66% of respondents cite 1:5 or higher as their firm's secretary to attorney target ratio, with 37% of respondents citing 1:5 as their firm's target ratio, and only 19% citing 1:4 as their target.

In actuality, only 39% of respondents report that their firm has achieved ratios of 1:5 or greater. 23% of respondents have achieved 1:4 ratios, but the bar appears to be rising to a preferred 1:5 ratio.
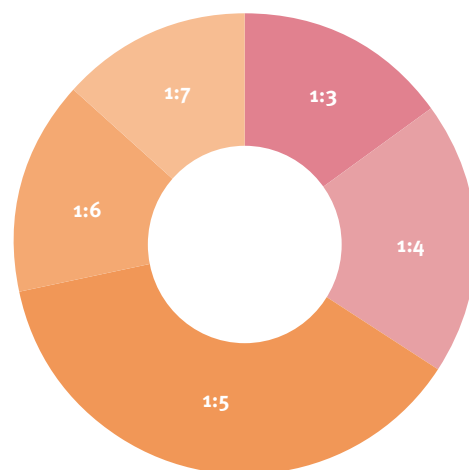
Current Ratio

■	1:2	6%
■	1:3	32%
■	1:4	23%
■	1:5	16%
■	1:6	17%
■	1:7	6%
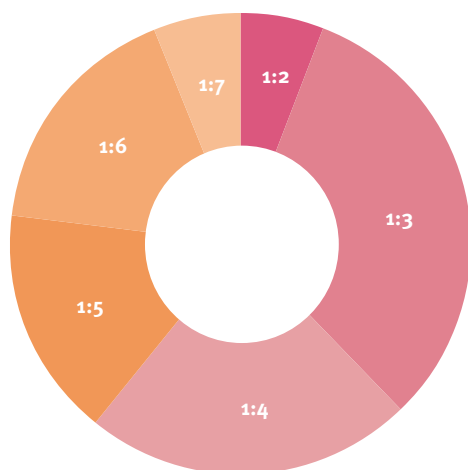
Target Ratio

	1:2	0%
■	1:3	15%
■	1:4	19%
■	1:5	37%
■	1:6	15%
■	1:7	13%

the bar appears to be rising to a preferred
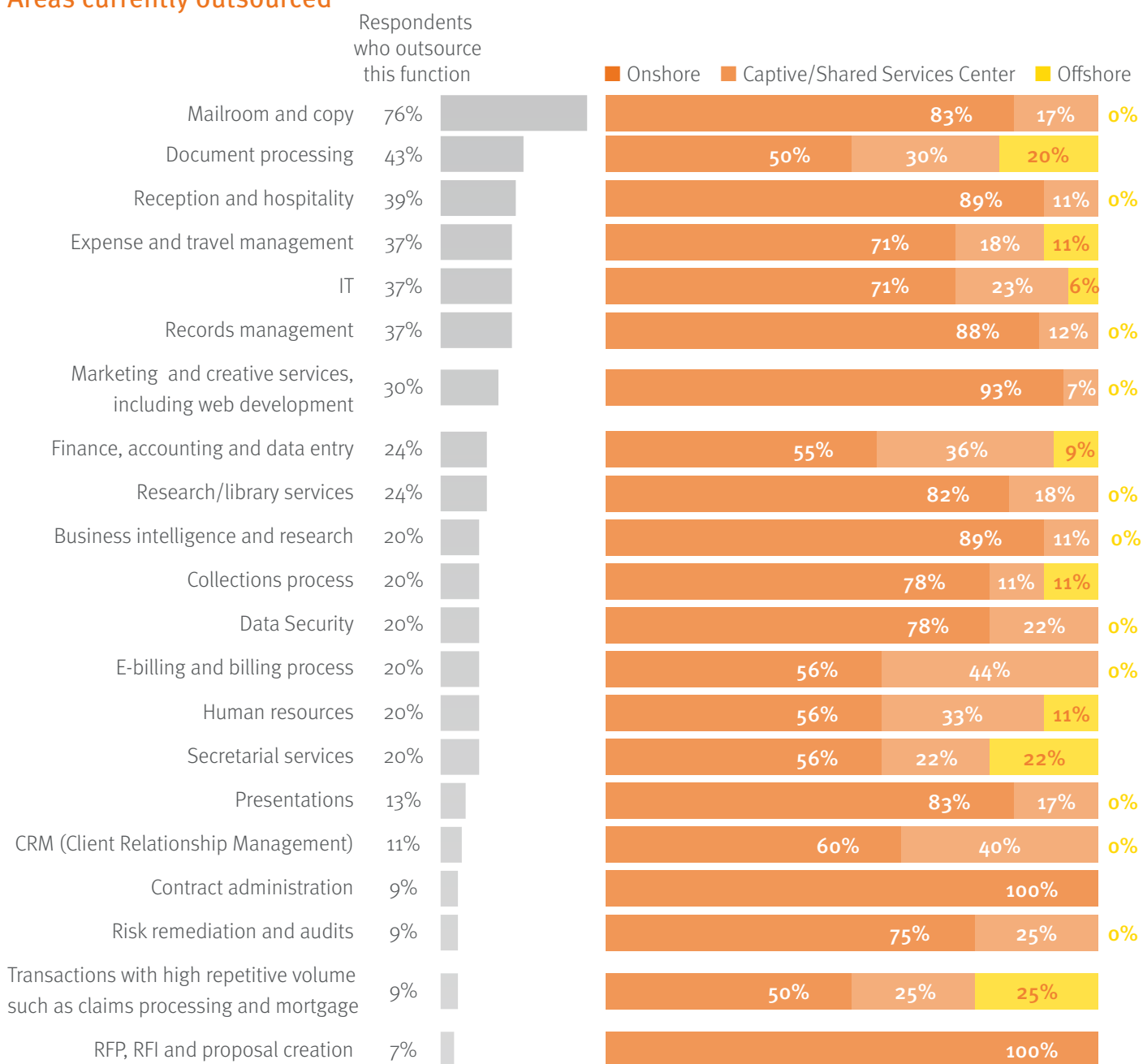
1:5
secretary to attorney ratio

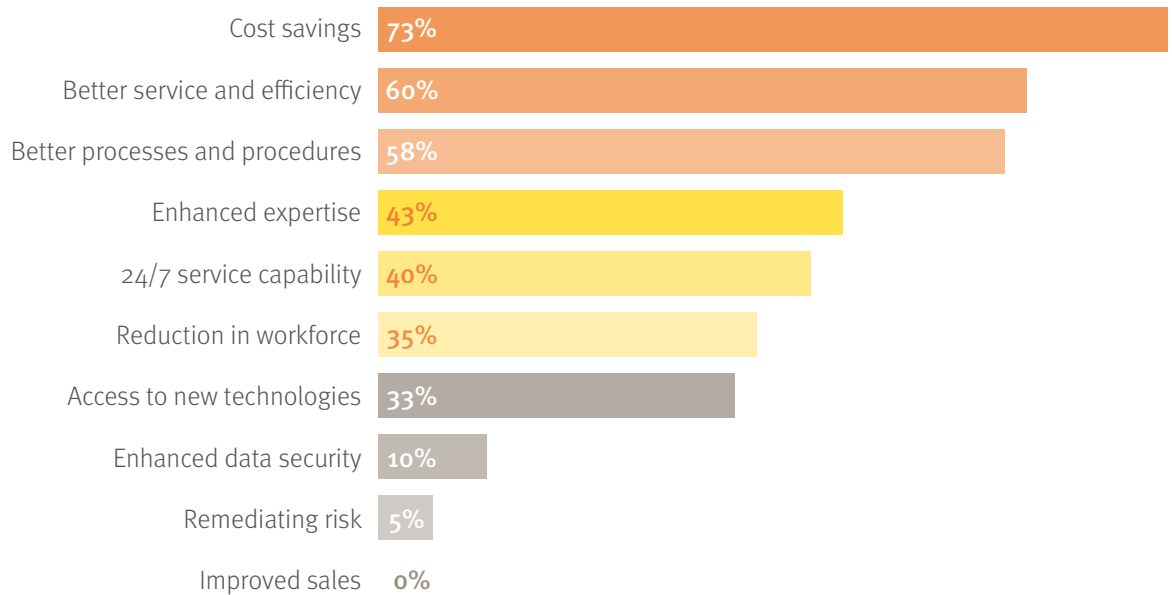7.0 Back Office/Administrative Outsourcing

61% of respondents report outsourcing some or all of their back office functions. As in the past 5 years, mailroom and copy (76%), document processing (43%) and reception and hospitality (39%) are the most common areas outsourced.

Firms that outsource various back office/administrative functions report that cost savings, better service and efficiency and improved processes and procedures in those areas are benefits achieved through outsourcing. These findings have remained consistent over our five-year survey period.
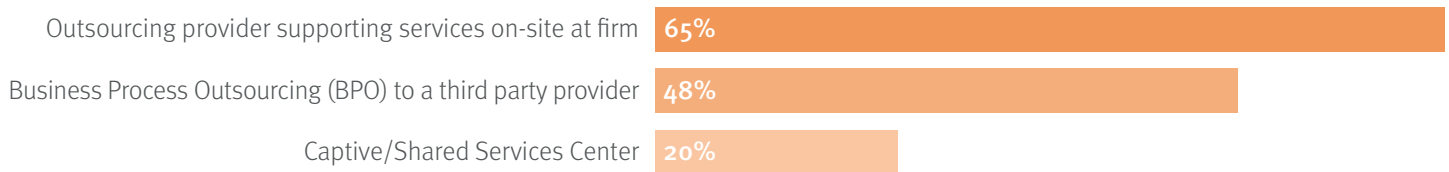
Areas currently outsourced

Area	Respondents who outsource this function	Onshore	Captive/Shared Services Center	Offshore
Mailroom and copy	76%	83%	17%	0%
Document processing	43%	50%	30%	20%
Reception and hospitality	39%	89%	11%	0%
Expense and travel management	37%	71%	18%	11%
IT	37%	71%	23%	6%
Records management	37%	88%	12%	0%
Marketing and creative services, including web development	30%	93%	7%	0%
Finance, accounting and data entry	24%	55%	36%	9%
Research/library services	24%	82%	18%	0%
Business intelligence and research	20%	89%	11%	0%
Collections process	20%	78%	11%	11%
Data Security	20%	78%	22%	0%
E-billing and billing process	20%	56%	44%	0%
Human resources	20%	56%	33%	11%
Secretarial services	20%	56%	22%	22%
Presentations	13%	83%	17%	0%
CRM (Client Relationship Management)	11%	60%	40%	0%
Contract administration	9%	100%		
Risk remediation and audits	9%	75%	25%	0%
Transactions with high repetitive volume such as claims processing and mortgage	9%	50%	25%	25%
RFP, RFI and proposal creation	7%	100%		

Reported results/benefits achieved through outsourcing

Cost savings	73%
Better service and efficiency	60%
Better processes and procedures	58%
Enhanced expertise	43%
24/7 service capability	40%
Reduction in workforce	35%
Access to new technologies	33%
Enhanced data security	10%
Remediating risk	5%
Improved sales	0%

More than one response can be selected. Percentages may add up to more than 100%

Types of outsourcing models currently in place at respondent firms

Almost two-thirds of respondents (65%) who outsource rely on an outsourcer who provides services on-site at their firm, and almost (50%) of the survey respondents also use an offsite BPO provider.

Outsourcing provider supporting services on-site at firm	65%
Business Process Outsourcing (BPO) to a third party provider	48%
Captive/Shared Services Center	20%

More than one response can be selected. Percentages may add up to more than 100%

Almost **2/3** who outsource rely on an outsourcer who provides services on-site

Tasks related to cyber security/data protection currently outsourced

This year, we expanded our questioning to gain insight into how firms are meeting their cyber security needs. Only 10% of respondents report outsourcing tasks related to cyber security. Of those, the largest portion of tasks (42%) outsourced are those related to auditing of cyber and data protection processes.
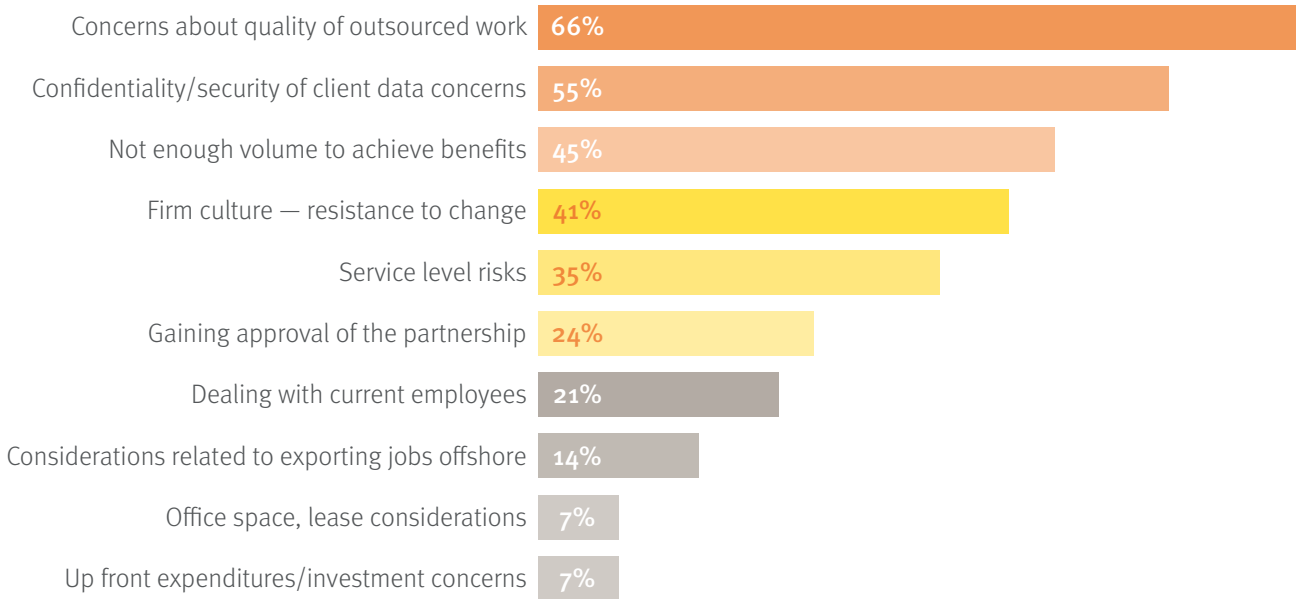
- Audit — 42%
- Testing — 25%
- Digital Documentation — 17%
- Assessment — 16%
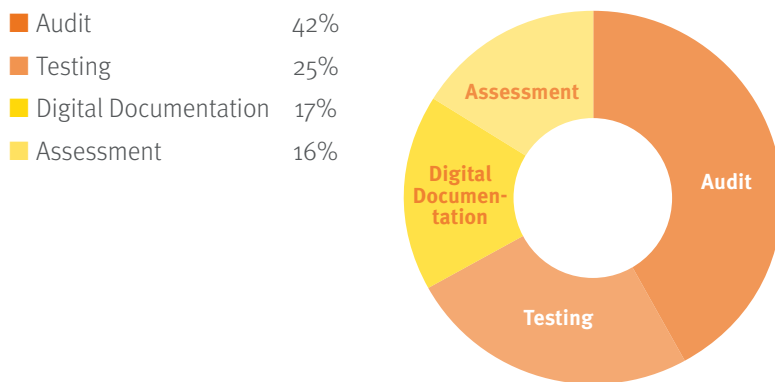
Respondents considering further outsourcing

Nearly half of respondents said that their firm was considering the expansion of outsourcing. 35% of respondents are considering firm-managed onshoring, captive/shared services or offshoring of their back office/administrative functions.

- Considering expansion of outsourcing — 48%
- Not considering expansion of outsourcing — 52%

- Considering onshoring, captive/shared services center or offshoring — 35%
- Not considering onshoring, captive/shared service center or offshoring — 65%
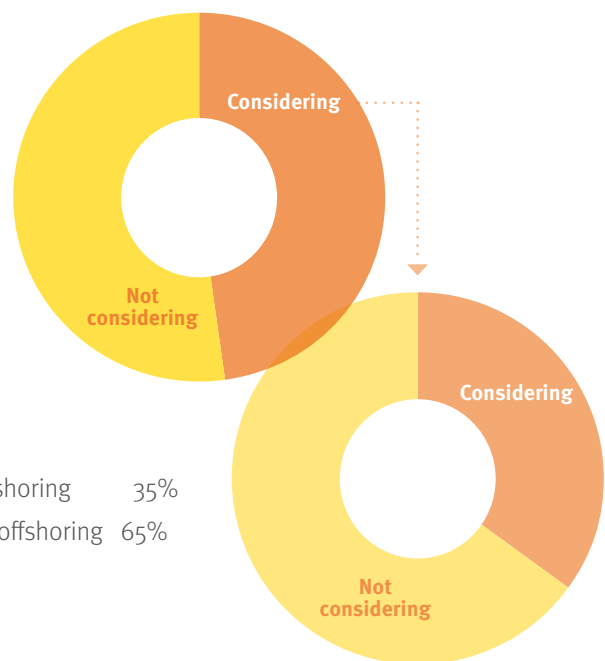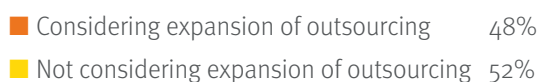
Biggest barriers to implementing outsourcing strategies

Concern over the quality of outsourced work was cited as the biggest barrier to developing an outsourcing strategy (66%), followed by concern over confidentiality/security of client data concerns (55%). Protecting client data is a growing concern among our survey respondents and is impacting their outsourcing strategies.

Concerns about quality of outsourced work	66%
Confidentiality/security of client data concerns	55%
Not enough volume to achieve benefits	45%
Firm culture — resistance to change	41%
Service level risks	35%
Gaining approval of the partnership	24%
Dealing with current employees	21%
Considerations related to exporting jobs offshore	14%
Office space, lease considerations	7%
Up front expenditures/investment concerns	7%

More than one response can be selected. Percentages may add up to more than 100%

Growing concern over the confidentiality and security of data

2012–13
14%

2013–14
22%

2014–15
39%

2015–16
50%

2016–17
55%

More than **1/2** of firms have a growing concern over confidentiality/ security of client data
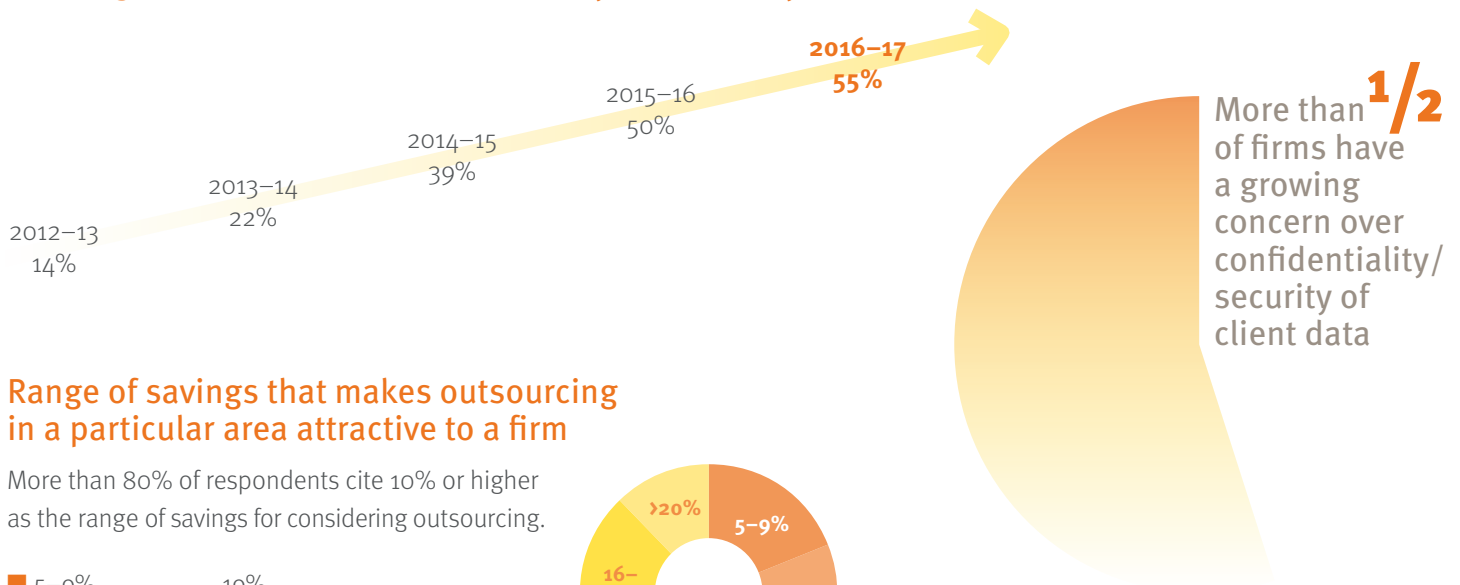
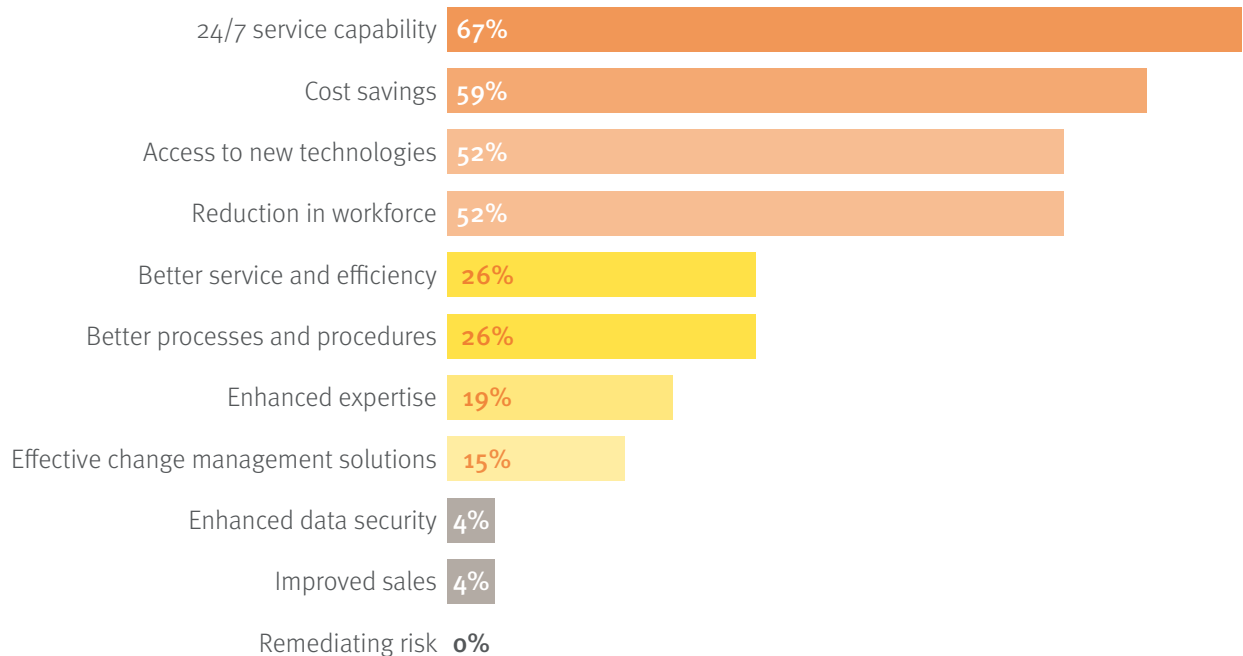# Range of savings that makes outsourcing in a particular area attractive to a firm

More than 80% of respondents cite 10% or higher as the range of savings for considering outsourcing.

■ 5–9%	19%
■ 10–15%	49%
■ 16–20%	20%
■ More than 20%	12%
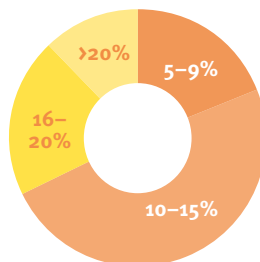
Perceived benefits of outsourcing

Around-the-clock access to service (67%) and cost savings (59%) top the list of benefits respondents believe outsourcing delivers. A growing number of respondents also cite access to new technologies as a benefit (52% this year versus 41% in 2015, and less than 10% in 2012 through 2014).

Benefit	Percentage
24/7 service capability	67%
Cost savings	59%
Access to new technologies	52%
Reduction in workforce	52%
Better service and efficiency	26%
Better processes and procedures	26%
Enhanced expertise	19%
Effective change management solutions	15%
Enhanced data security	4%
Improved sales	4%
Remediating risk	0%

More than one response can be selected. Percentages may add up to more than 100%

Respondents' greatest areas of interest for further outsourcing

Perhaps in keeping with the firms' focus on cyber security and data protection this year, the top functional area respondents cite as their greatest area of interest for outsourcing is the IT function (34%).

Department	Response	Department	Response
IT	34%	Human resources	19%
Business intelligence and research	31%	Research library services	16%
E-billing	31%	Marketing and creative services, including web development	13%
Records management	31%	Finance, accounting and data entry	13%
Data security	28%	Contract administration	9%
Document processing	28%	RFP, RFI and proposal creation	6%
Secretarial services	28%	Presentations	3%
Project Management	28%	Repetitive transactions and mortgage processing	3%
Reception and hospitality	25%		
CRM (Client Relationship Management)	22%		
Mailroom and copy	22%		

More than one response can be selected. Percentages may add up to more than 100%

8.0   Digitization/Paper Reduction Initiatives
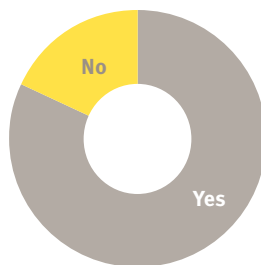
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A growing number of respondents cited that their firms had a paper reduction plan in place (82% this year versus 65% last year.) Once again, cost savings (79%), better service (73%) and improved access to information (73%) were the most cited perceived benefits of paper reduction initiatives.
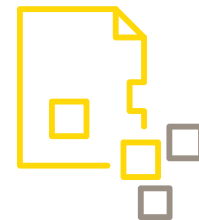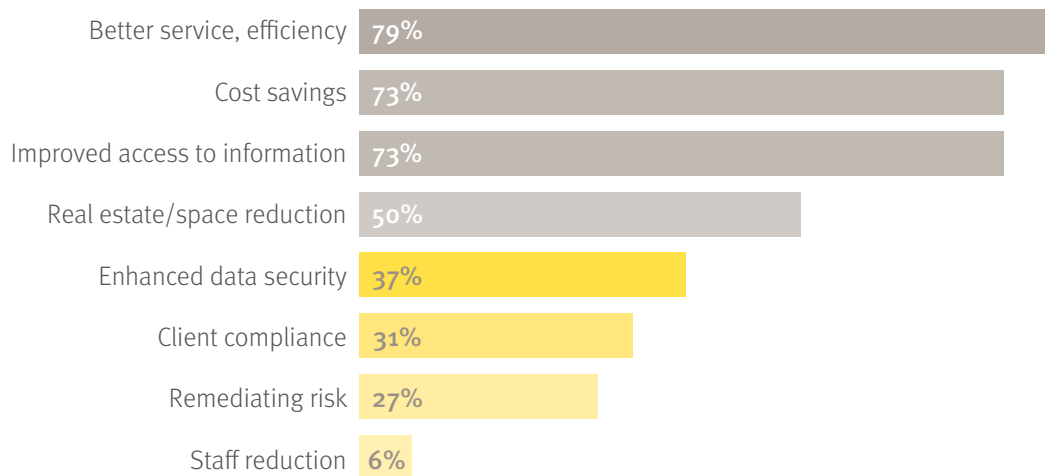
Only 40% of those with a plan in place reported a firm-wide implementation process, with one-third of respondents implementing at a practice level, and one-third implementing by office location.

Plans to reduce reliance on paper and increase digital workflow

- ■ Yes   82%
- ■ No   18%

No
Yes

Client-centric benefits digitization/paper reduction initiatives expected to be achieved

Better service, efficiency	79%
Cost savings	73%
Improved access to information	73%
Real estate/space reduction	50%
Enhanced data security	37%
Client compliance	31%
Remediating risk	27%
Staff reduction	6%

More than one response can be selected. Percentages may add up to more than 100%

How implementation is organized

- ■ Firm-wide all at once   40%
- ■ One practice/ department at a time   31%
- ■ One office at a time   29%

Office
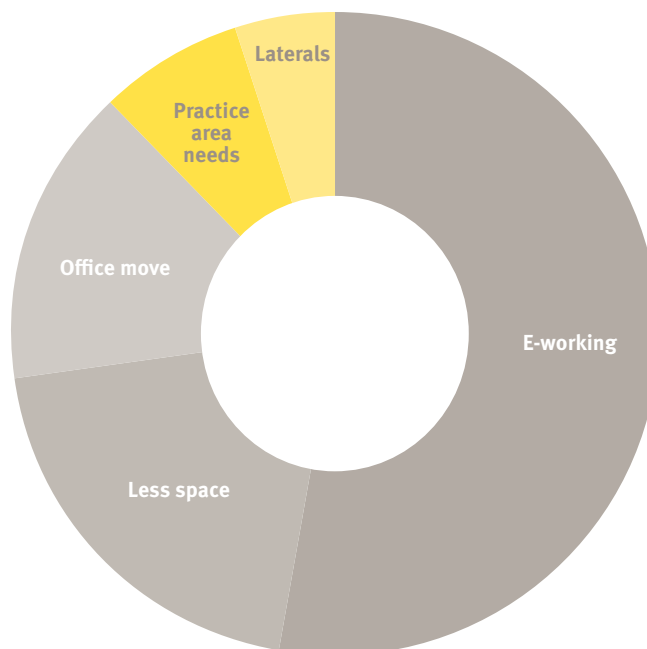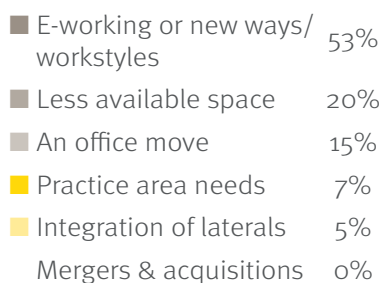Firm-wide
Practice/department
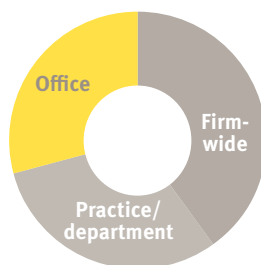
Biggest perceived barriers to reducing the reliance on paper and transitioning to digital workflows

Consistent with last year, an overwhelming majority of respondents (90%) cited resistance from Partners and Associates as the biggest barrier to reducing reliance on paper and transitioning to digital workflows. This year, we also asked firms to tell us the key factors driving paper reduction/digitization initiatives. E-working and new workstyles were the most often cited driver of paper reduction/digitization programs (53%) followed by less availability of space to store documents (20%) and office moves (15%).

Resistance from Partners and Associates	90%
Cost	30%
Technology	30%
Security Risks	0%
Laterals	0%
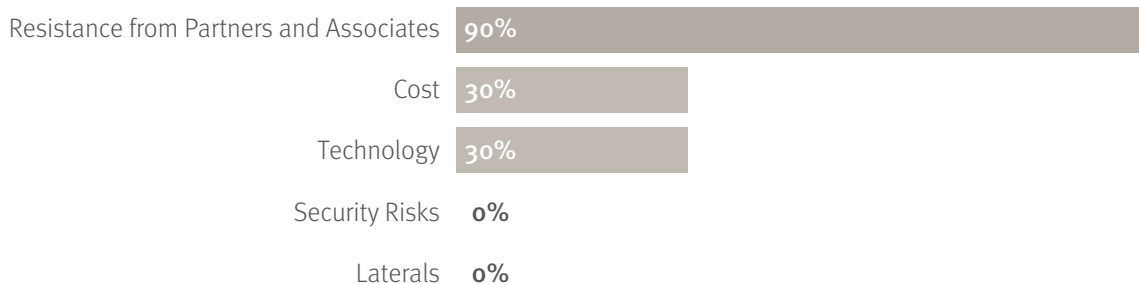
More than one response can be selected. Percentages may add up to more than 100%

Drivers of paper reduction initiatives

- E-working or new ways/workstyles — 53%
- Less available space — 20%
- An office move — 15%
- Practice area needs — 7%
- Integration of laterals — 5%
- Mergers & acquisitions — 0%

Areas best suited for paper reduction initiatives

There does not appear to be one specific practice area that offers the best opportunity for focus when it comes to paper reduction/digitization initiatives.

Litigation	**70%**
Intellectual Property, Patent, Trademark, Licensing	**61%**
Transactions including due diligence	**61%**
Other (please specify)	**7%**
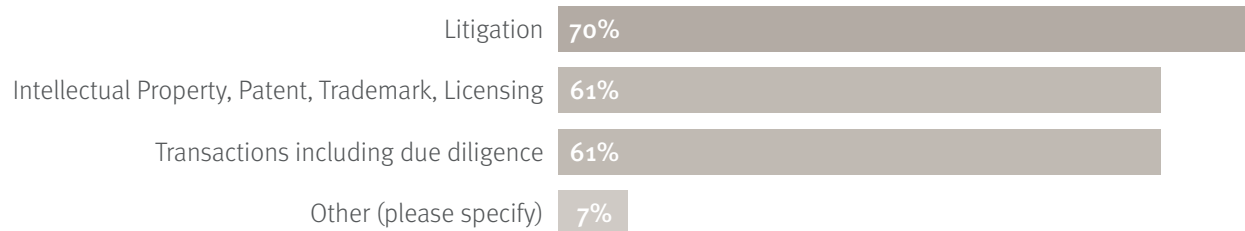
More than one response can be selected. Percentages may add up to more than 100%

Ownership of digitization/paper reduction initiatives

Responsibility for digitization/paper reduction initiatives varies by firm, with the Executive Committee or IT leadership the most reported owners.

- Executive Committee   37%
- IT   35%
- Records   16%
- Information Governance   10%
- General Counsel   2%

More than three quarters of respondents (78%) say their firms have a documented records policy. While most respondents agree that the firms' General Counsel shouldn't drive paper reduction initiatives, 43% report that the GC's office at their firm owns enforcement of records retention policies
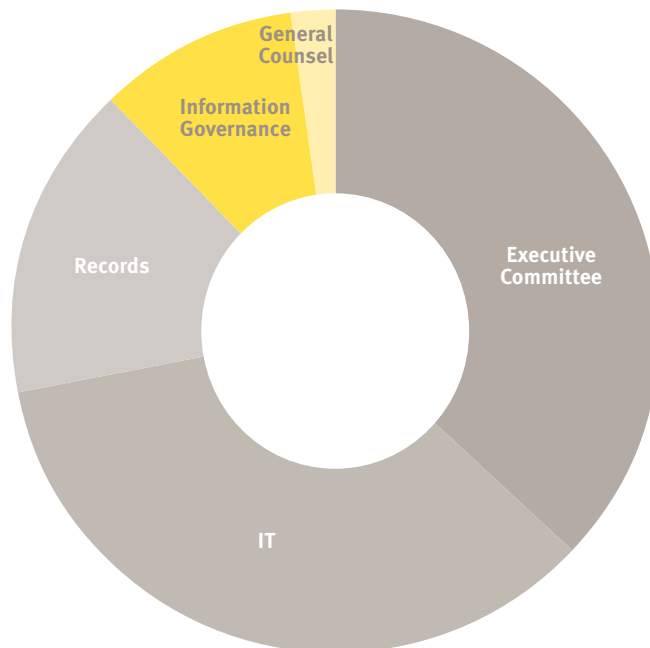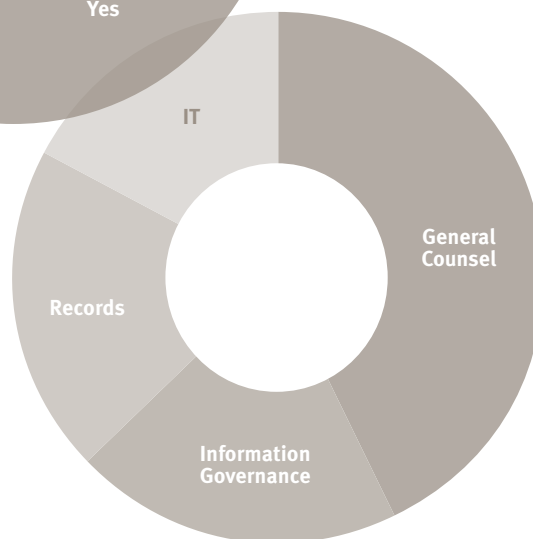
Firms that have a documented electronic records retention policy

- ■ Yes   78%
- ■ No   22%
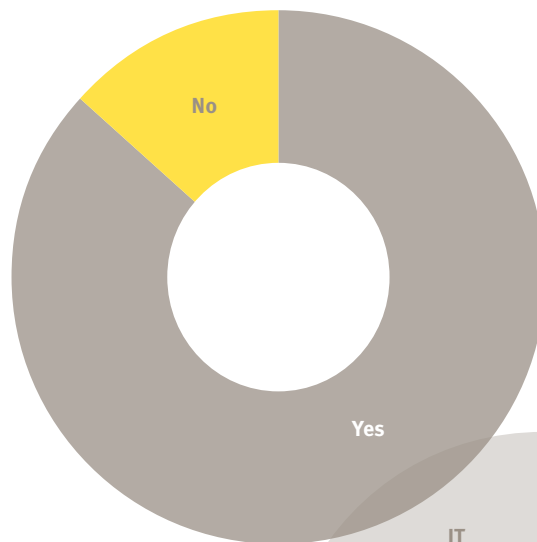
Document retention policy enforcement

- ■ General Counsel   43%
- ■ Information Governance   20%
- ■ Records   20%
- ■ IT   17%

Hard copy records retention and offsite storage

Although the number of respondents with paper reduction/digitization initiatives in-place at their firm has increased, the number of firms still sending paper records to storage has not decreased. This year, it rose slightly from 82% to 85%. However, the number of respondents saying their firm spends more than $500,000 annually on offsite paper storage dropped from 36% in 2016 to 22% this year — providing some support for the notion that paper reduction/digitization initiatives are having an impact on volumes.

- ■ Firms that are still sending paper records to storage   85%
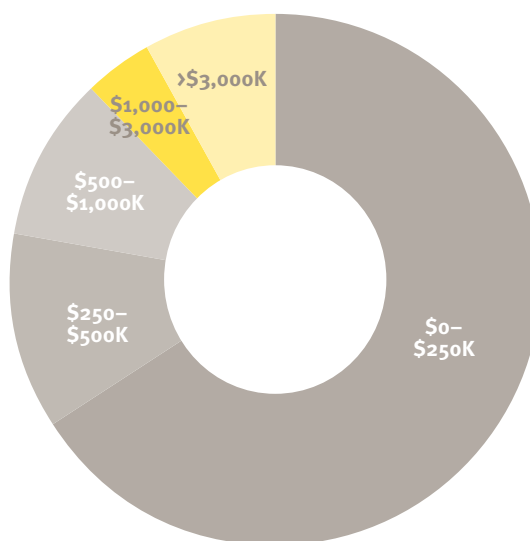- ■ Firms that have stopped sending paper records to storage   15%
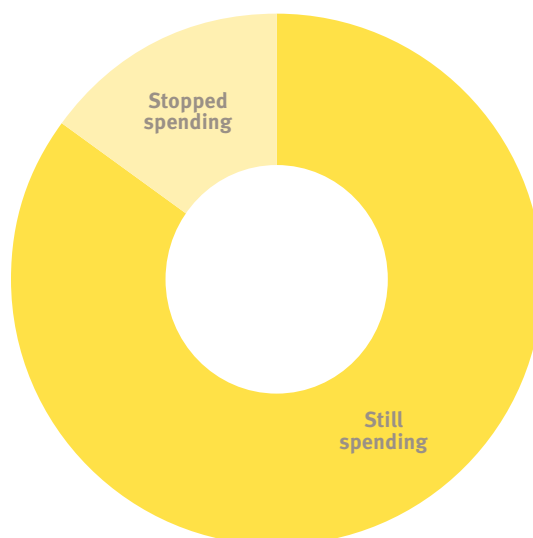
Annual cost of offsite storage at respondent firms

■	$0–$250,000	57%
■	$250,001–$500,000	21%
■	$500,001–$1,000,000	9%
■	$1,000,001–$3,000,000	13%
	Greater than $3,000,000	0%
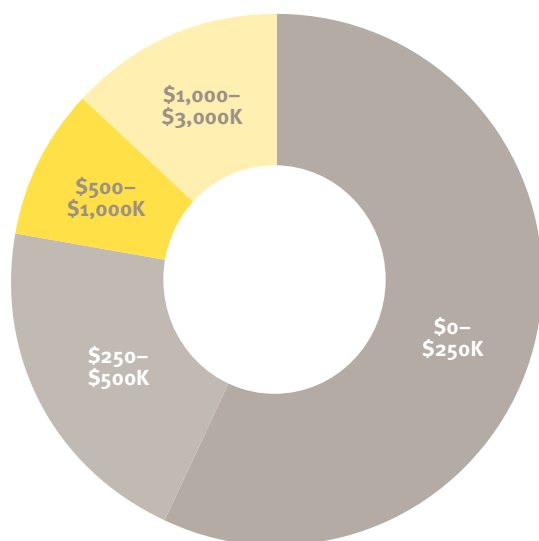
Annual cost of electronic data storage at respondent firms

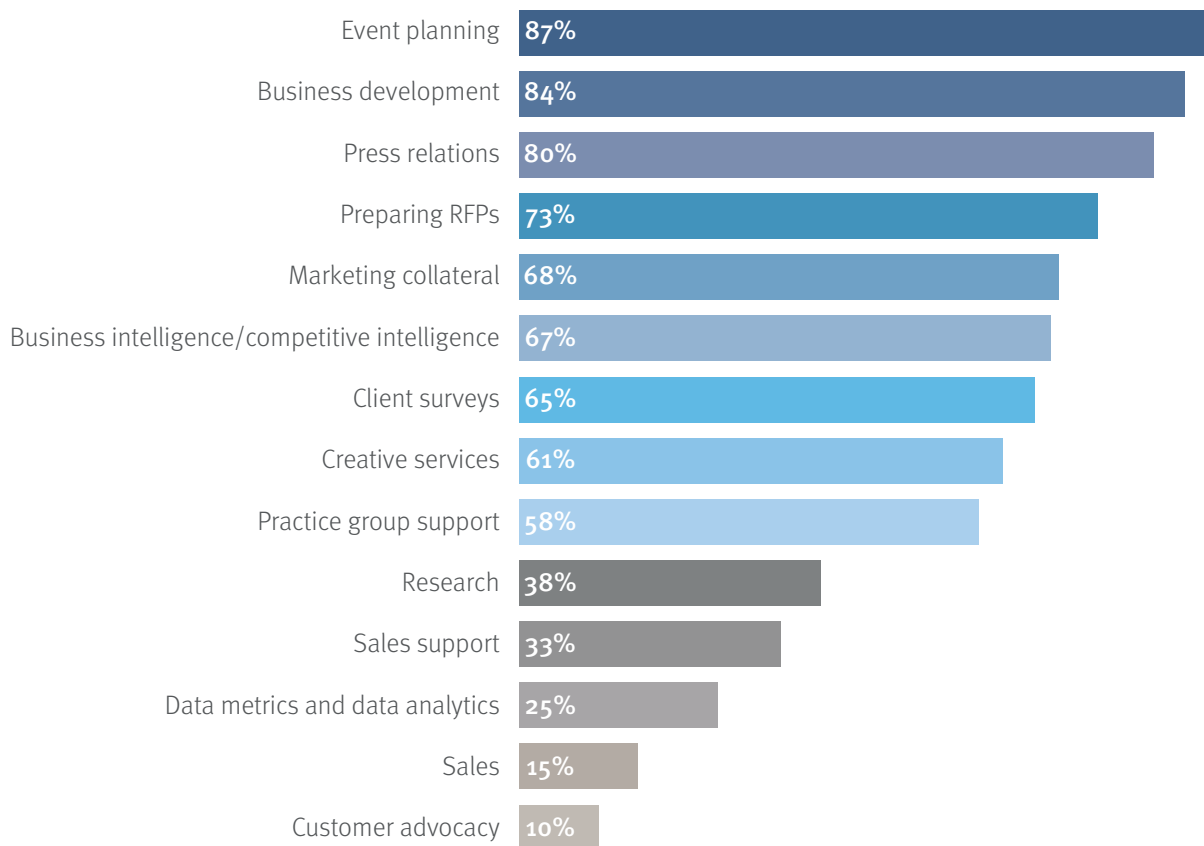|		
■	$0–$250,000	66%
■	$250,001–$500,000	12%
■	$500,001–$1,000,000	10%
■	$1,000,001–$3,000,000	4%
■	Greater than $3,000,000	8%

9.0   Marketing Communications Support

Traditional marketing activities, such as event planning and PR, top the list of roles in respondents' marketing departments. Business development activities and RFP response preparation are also most likely part of marketing's remit. 99% of respondents say they rely on internal resources or a combination of in-house and external providers to perform marketing functions. Only 1% of respondents report their firm relies solely on external resources for marketing support.

Roles managed as part of the marketing function

Role	Percentage
Event planning	87%
Business development	84%
Press relations	80%
Preparing RFPs	73%
Marketing collateral	68%
Business intelligence/competitive intelligence	67%
Client surveys	65%
Creative services	61%
Practice group support	58%
Research	38%
Sales support	33%
Data metrics and data analytics	25%
Sales	15%
Customer advocacy	10%

More than one response can be selected. Percentages may add up to more than 100%

Provision of marketing services

■ In-house	70%
■ External provider	1%
■ Both	29%

Both

In-house

External provider
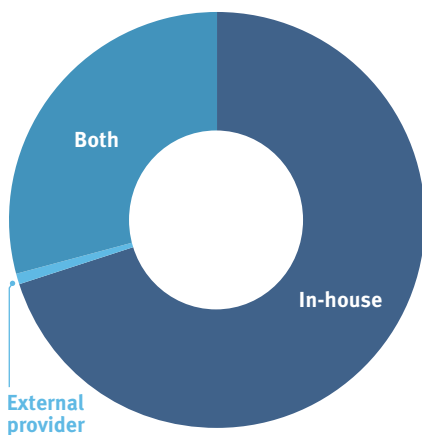
Number of full-time marketing staff

■ 1–10	33%
■ 11–20	26%
■ 21–50	23%
■ 51–100	7%
■ More than 100	11%

>100

51–100

1–10

21–50

11–20
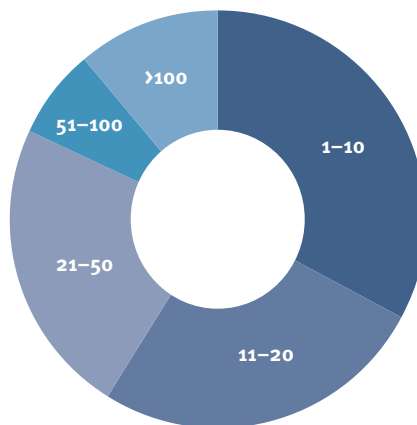
Marketing staff focus

As expected, most respondents report that the focus of their marketing resource is on areas that fall under marketing's remit, such as business development (92%) and event planning (88%). However, a majority of respondents also cite several ancillary activities, such as business/competitive intelligence (79%), practice group support (71%) and client surveys (67%) as focus areas for their marketing teams.

Business development	92%
Event planning	88%
Business intelligence/competitive intelligence	79%
Marketing collateral	71%
Press relations	71%
Practice group support	71%
Client surveys	67%
Creative services	63%
Research	58%
Data metrics and data analytics	54%
Sales support	46%
Customer advocacy	33%
Sales	25%
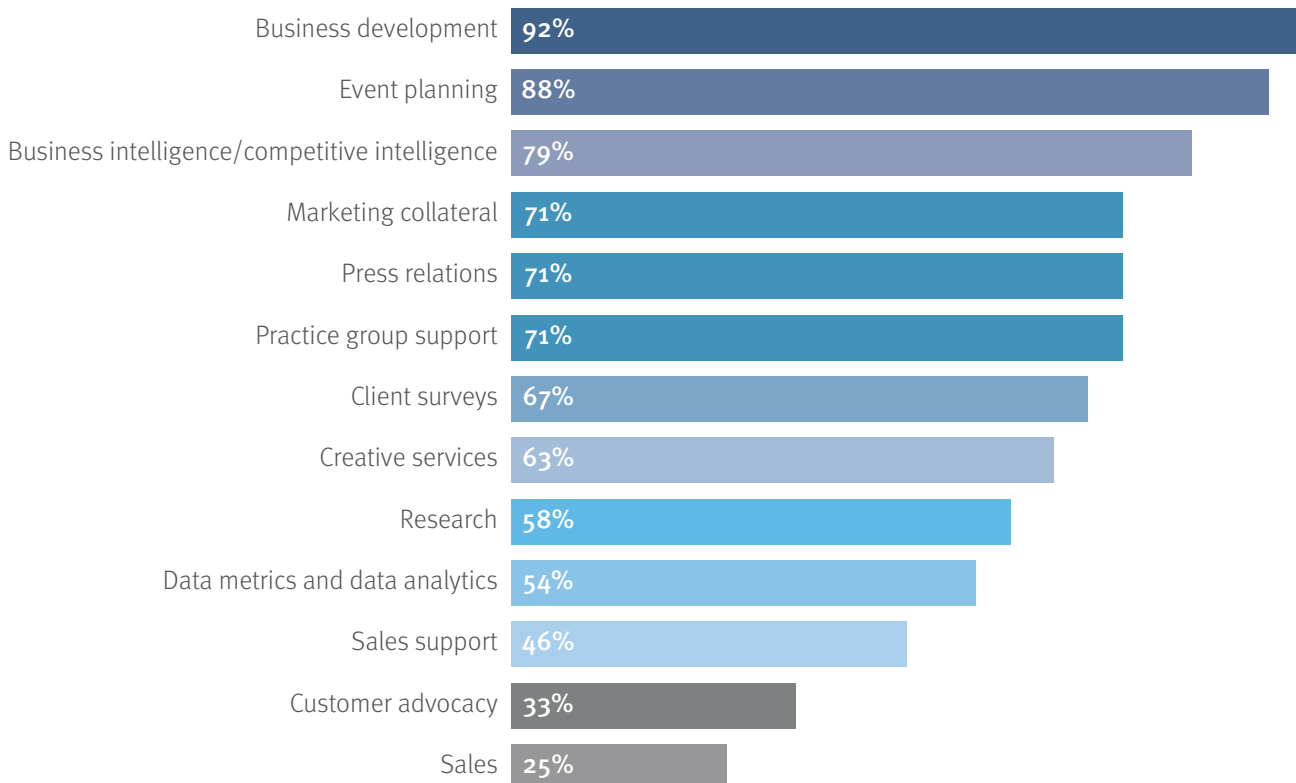
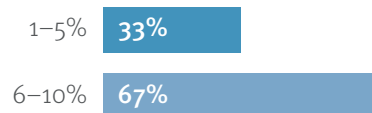*More than one response can be selected. Percentages may add up to more than 100%*

Plans to increase/decrease marketing spend in 2017

The number of respondents reporting that their firm is going to spend more on marketing in 2017 rose slightly from last year's 46% to 52%. Most respondents (85%) expect those increases to be less than 10%. Business Development (91%) is the greatest focus area for this increased marketing spend.
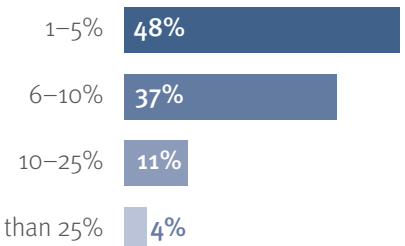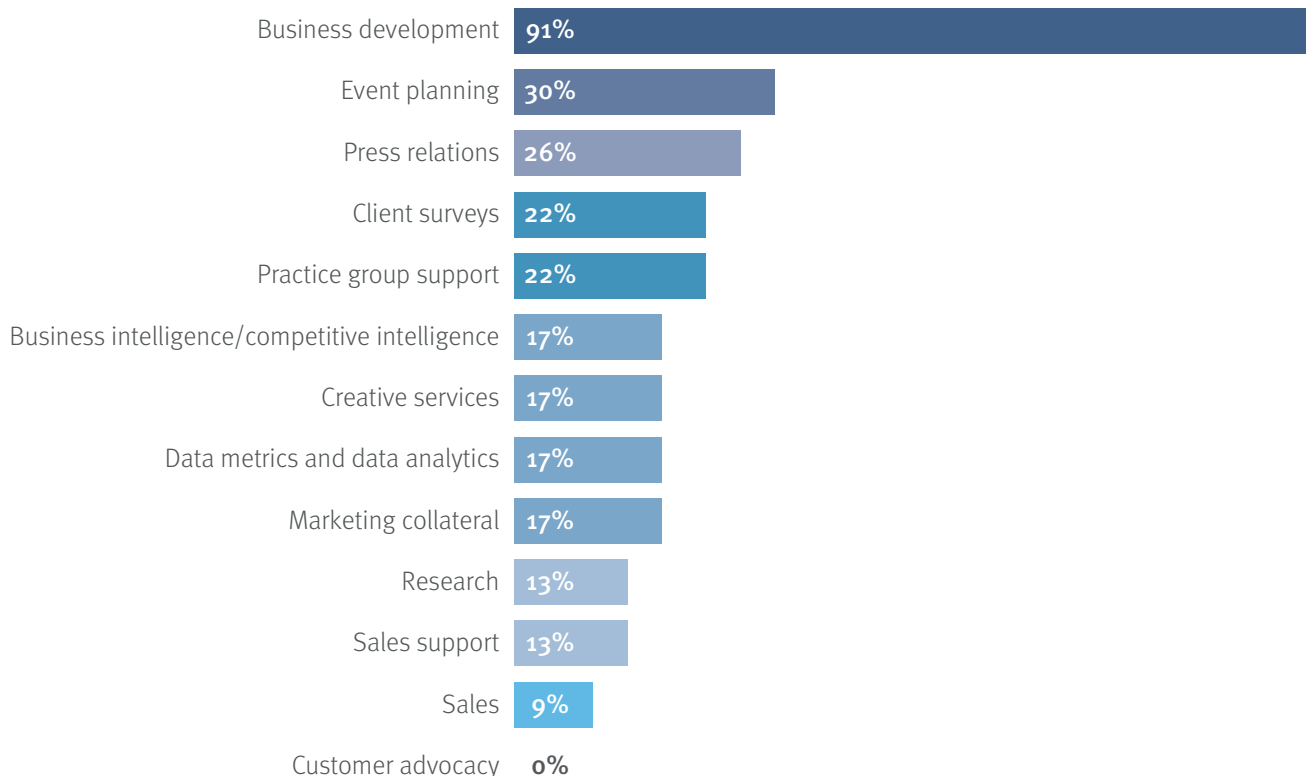
- ■ Increase — 52%
- ■ Decrease — 5%
- ■ Remain the same — 43%

Same **Increase** **Decrease**
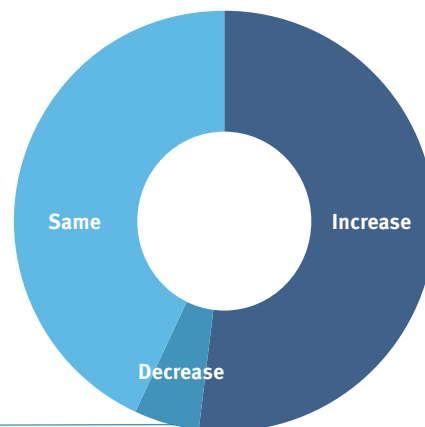
Planned percentage decrease

1–5%	33%
6–10%	67%

Planned percentage increase

1–5%	48%
6–10%	37%
10–25%	11%
More than 25%	4%

Categories of increased marketing spend in 2017

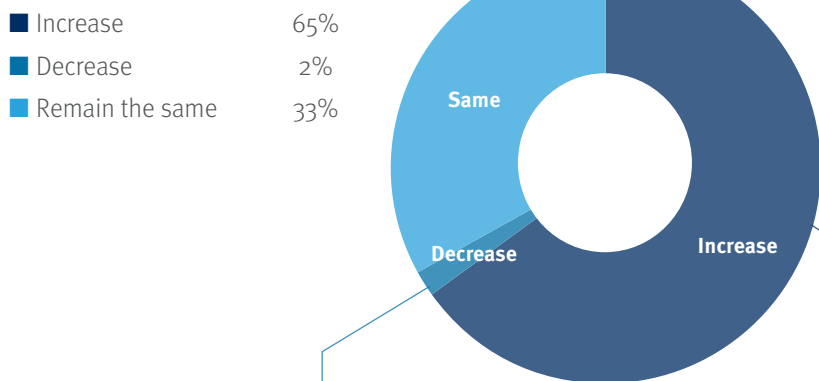| Category	Percentage
Business development	91%
Event planning	30%
Press relations	26%
Client surveys	22%
Practice group support	22%
Business intelligence/competitive intelligence	17%
Creative services	17%
Data metrics and data analytics	17%
Marketing collateral	17%
Research	13%
Sales support	13%
Sales	9%
Customer advocacy	0%

More than one response can be selected. Percentages may add up to more than 100%

Managing the growing volume of RFPs is becoming increasingly important to marketing teams. While 58% of respondents say their firm answers between 25-75 RFPS each year, the remaining 42% report volumes of 75 to 500. A small number of respondents (4%) report that their firm responds to more than 500 RFPs each year. 65% of respondents expect the volume of RFPs to grow in the upcoming year. Only a small number of respondents (2%) think that number is going to decrease.
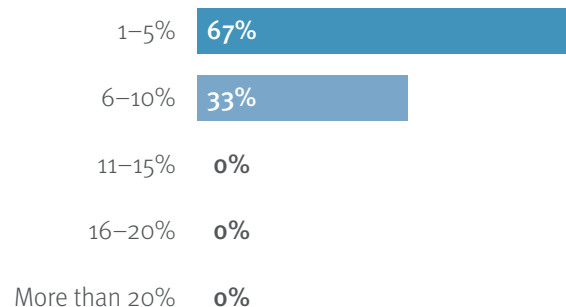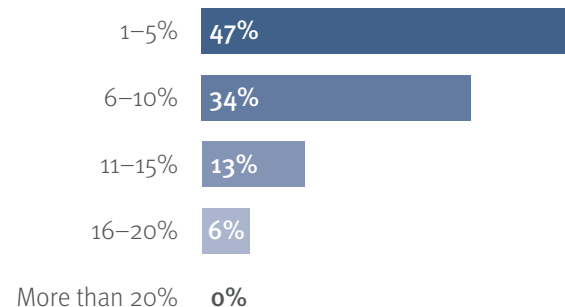
Annual RFP volume

■ 25–75	58%
■ 76–200	25%
■ 201–500	13%
■ 501–1000	2%
■ Over 1000	2%
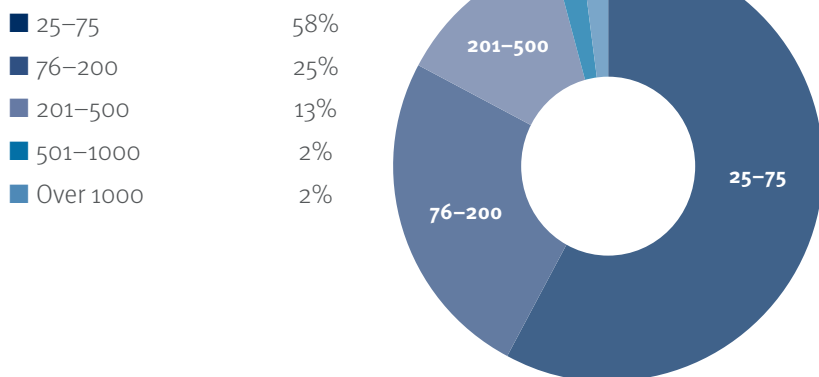
Forecasted change in RFP volume in the next 12 months

■ Increase	65%
■ Decrease	2%
■ Remain the same	33%

Decrease by what %

1–5%	67%
6–10%	33%
11–15%	0%
16–20%	0%
More than 20%	0%

Increase by what %

1–5%	47%
6–10%	34%
11–15%	13%
16–20%	6%
More than 20%	0%

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