

What Clients Pay and What Law Firms Charge

BTI's Billing Rate Reference

Executive Summary



Produced in partnership with:



2014

Table of Contents ▶ Click on any title to go directly to the chapter

Executive Summary	3	• Labor and Employment	72
Market Overview		– Largest Law Firms	75
• Billing Rates by Firm Size	7	– Large Law Firms	79
• The Client Perspective	12	– Smaller Law Firms	83
• Methodology	17	– Billing Rates by Firm Size	87
BTI’s Billing Rate Reference		– Corporate Counsel	91
• Intellectual Property	18	– Rate Comparisons	95
– Largest Law Firms	21	• Litigation	99
– Large Law Firms	25	– Largest Law Firms	102
– Smaller Law Firms	29	– Large Law Firms	106
– Billing Rates by Firm Size	33	– Smaller Law Firms	110
– Corporate Counsel	37	– Billing Rates by Firm Size	114
– Rate Comparisons	41	– Corporate Counsel	118
• Intellectual Property Litigation	45	– Rate Comparisons	122
– Largest Law Firms	48	• M&A and Transactions	126
– Large Law Firms	52	– Largest Law Firms	129
– Smaller Law Firms	56	– Large Law Firms	133
– Billing Rates by Firm Size	60	– Smaller Law Firms	137
– Corporate Counsel	64	– Billing Rates by Firm Size	141
– Rate Comparisons	68	– Corporate Counsel	145
		– Rate Comparisons	149

Table of Contents ► Click on any title to go directly to the chapter

- Real Estate 153
 - Largest Law Firms 156
 - Large Law Firms 160
 - Smaller Law Firms 164
 - Billing Rates by Firm Size 168
 - Corporate Counsel 172
 - Rate Comparisons 176
- About The BTI Consulting Group 180**
 - Who We Are 181
 - Key Services to Help Our Clients 182
 - BTI Research and Publications 183
 - [Contact BTI](#) 184
 - Terms of Use 185



Executive Summary

How Do Our Rates Compare?

Bill This, Earn That

Billing rates drive revenue. It's a simple formula: charge more = earn more.

Except, of course, when you raise your rates so high it dilutes value or makes your firm non-competitive. Or you discount your rates to the point where profitability declines or undermines client confidence.

Interest in who charges what rates and how much clients are willing to pay increases each year; particularly as the market remains stagnant. Law firms use rate benchmarking data to compare their performance to key competitors, set pricing strategies, and identify potential opportunities to optimize rate structures.

What Clients Pay and What Law Firms Charge: BTI's Billing Rate Reference 2014 takes the speculation and guesswork out of managing billing rates and provides comprehensive metrics to:

1. See exactly where your rates stand
2. Improve the rates clients actually pay your firm
3. Identify potential opportunities to increase rates
4. Make informed strategic decisions about pricing

How to Use This Report

Make Benchmarking Work for You

What Is Benchmarking? More Importantly, Why Do We Do It?

At its core, benchmarking is the process of comparing your performance against others. Benchmarking your billing rates informs every pricing decision on the practices you offer. Benchmarks enable you to:

1. Measure
2. Compare
3. Improve

What Clients Pay and What Law Firms Charge: BTI's Billing Rate Reference 2014 is the only fact-based source to delineate exactly what clients pay and law firms charge. We provide you with the metrics you need to assess your firm's performance against other firms, industry norms and corporate counsel to improve your pricing.

After Reading This Report

Your ability to understand if your firm is above or below the rates corporate counsel pay enables you to have focused discussions around pricing.

1. Where is our firm priced at the market threshold?
2. In which practice is our firm currently charging below-market rates?
3. Are we enjoying a rate premium?

How to Use This Report

Benchmarks Tailored to Your Firm

Tailored Insights for the Most Relevant Benchmarks

The results from BTI's billing rate study are divided into 6 individual reports to provide you practice insights you care about most:

1. Intellectual Property
2. IP Litigation
3. Labor and Employment
4. Litigation
5. M&A and Transactions
6. Real Estate

Each Hour of Time Is Not Created Equal

BTI's billing rate data are analyzed by 3 different timekeeper levels to give you the most valuable set of benchmarks available:

1. Senior Partners
2. Partners
3. Associates

How to Use This Report

Benchmarks Tailored to Your Firm

The 360° Approach: Looking at the Numbers from Every Angle

Market dynamics have been changing and it's anyone's game. Firms of all sizes are changing their strategic approach. To give you the most in-depth look at the legal market, BTI shares hard-to-find billing rates divided into the following law firm segments:


1. Largest law firms (more than 400 attorneys)
2. Large law firms (between 151 and 400 attorneys)
3. Smaller law firms (firms with 150 or fewer attorneys)

While it's helpful to know the rate tables of our competitors, it's equally (arguably more) important to understand what clients are actually paying. BTI talked to law firms and corporate counsel to provide the most reliable, accurate look at today's legal market.

BTI Note: The rates reported in this analysis reflect billing rates charged and paid after discounts have been applied. On average, law firms and corporate counsel report discounts ranging from 15%–30% off stated standard rates.

Methodology

What Clients Pay and What Law Firms Charge: BTI's Billing Rate Reference

<i>SURVEY</i>	<ul style="list-style-type: none"> • BTI's billing rate benchmarking study draws on insights from 2 key groups: <ul style="list-style-type: none"> – 301 leading corporate counsel and legal decision makers – Partners and legal executives at law firms ranging in size from 10 to more than 2,000 attorneys • Participants are granted confidentiality at the individual and organizational level; responses are presented in aggregate only
<i>DATA COLLECTION</i>	<ul style="list-style-type: none"> • Data was collected from January 21, 2014 to February 14, 2014 • Interviews were conducted through an online survey tool and by telephone • Data was collected in partnership with 
<i>REPORTING</i>	<ul style="list-style-type: none"> • BTI's billing rate benchmarking study includes insights from 1,073 individuals <ul style="list-style-type: none"> – 199 attorneys from the largest law firms with more than 400 attorneys – 275 attorneys from large law firms with 151 to 400 attorneys – 298 attorneys from smaller law firms with 150 or fewer attorneys – 301 corporate counsel from \$1 billion+ organizations • This study has been divided into 6 practice-specific reports to provide the most targeted and relevant insights <ul style="list-style-type: none"> – Intellectual Property – Intellectual Property Litigation – Labor and Employment – Litigation – M&A and Transactions – Real Estate • Respondents receive a customized report which provides key billing rate benchmarks and metrics



About The BTI Consulting Group

About BTI: Who We Are

BTI dissects each and every aspect of the client experience through more than 13,000 independent interviews with C-level executives and systematic analysis. BTI has helped professional services firms boost client service for 24 years.

BTI is the leading provider of strategic research to the legal community—performing more market research about law firms than virtually anyone. BTI has helped more than 200 law firms and professional services firms improve client service through compelling research and advice. We conduct the only continuous benchmarking market study in the legal services industry, now in its 13th year.

More than 70 of the 100 largest law firms use BTI's services and research to:

- Implement robust client feedback programs
- Assess brand awareness and market positioning
- Target market opportunities
- Establish best practices and benchmarks to drive performance

BTI conducts the most insightful, custom client surveys as part of world-class client feedback programs to drive consistent client service delivery for leading professional services firms. Clients use BTI's fact-based approach and powerful decision-making tools to drive change, create urgency and substantially boost performance.

About BTI: Key Services to Help Our Clients

BTI performs a broad range of services for its clients, including:

Strategic Market Research

- High-Impact Custom Client Feedback Surveys
- Market Awareness and Brand Health
- Client Development Research
- Client Satisfaction Surveys
- Best Practices for Superior Client Service
- Private Briefings on Market Trends

Consulting

- Client-Centric Business Strategies
- Strategic Business Planning
- BTI Client Focus Boot Camp
- Garnering Premium Rates by Articulating Superior Value

Client Insight Briefings

BTI also offers private briefings both in person and via the web. Chock full of client-based insights, perspectives and facts, BTI briefings draw from our research, experience and other resources to provide provocative, constructive insights to help you boost client satisfaction, increase client retention and improve your performance. We can tailor our briefing to include specific feedback on your firm.

Please call Michael B. Rynowecer at +1 617 439 0333 to learn more about BTI's custom research and services.

BTI Research and Publications

BTI Brand Elite 2014: Client Perceptions of the Best-Branded Law Firms

<http://www.btibrandelite.com>

More than 3,700 in-depth interviews with corporate counsel reveal 9 distinct dimensions of law firm brand drive hirability—and are proven to generate new business and higher profits. See exactly how clients perceive nearly 450 law firms and which 26 enjoy the best brand image.

BTI Client Relationship Scorecard 2014: Ranking Law Firm Client Relationships

<http://www.bticonsulting.com/clientrelationships>

Profitability. Market share. Growth. Revenue. Law firms track their performance against any number of metrics, but at the heart of each of these is one vital component: client relationships. In the *BTI Client Relationship Scorecard 2014*, corporate counsel gauge the strength of their current relationships with law firms—by name—to provide you with the most accurate measure of your law firm’s breadth and strength of client relationships—and those of your competitors.

BTI Client Service A-Team 2014: Survey of Law Firm Client Service Performance

<http://www.bticlientserviceatteam.com>

17 activities drive superior client relationships. 4 matter most. Discover how clients rate more than 250 law firms in these key activities—including Client Focus, Commitment to Help, Legal Skills and Provides Value for the Dollar. Learn which firms rank best, The BTI Client Service 30.

BTI Client Service All-Stars 2014

<http://www.bticlientserviceallstars.com>

Corporate counsel’s keen assessment of outside counsel separates the attorneys who deliver excellent client service from those simply delivering good client service. This year, 330 attorneys step up to meet—and exceed—clients’ expectations and earn recognition, by name, from corporate counsel for delivering the absolute best client service.



BTI Litigation Outlook 2014: Changes, Trends and Opportunities for Law Firms

<http://www.btilitigationoutlook.com>

Delve into the world of Litigation with a comprehensive, high-impact analysis of client spending, buying habits and opinions on over 240 law firms—by name. The only fact-based tool based exclusively on 300 one-on-one interviews with corporate counsel. Proven to boost ROI on business development efforts. Get your copy of the *BTI Litigation Outlook 2014* today.

You can order these and other compelling BTI research or publications at www.bticonsulting.com.

Contact BTI

Please contact Michael B. Rynowecer, BTI President, at +1 617 439 0333 or at mrynowecer@bticonsulting.com with your questions, thoughts and comments.

Terms of Use

This copy of *What Clients Pay and What Law Firms Charge: BTI's Billing Rate Reference 2014* is licensed to you for private, non-commercial use for internal company purposes. No portion of this information may be copied or transmitted in any form, shape or manner without the prior written consent of The BTI Consulting Group, Inc., of Wellesley, MA. Any violation of this license may be punishable by applicable federal statutes and subject the user to additional and compensatory licensing fees. © Copyright The BTI Consulting Group, Inc., 2014.

Address any questions to:

The BTI Consulting Group, Inc.
396 Washington Street, Suite 314
Wellesley, MA 02481-6209
+1 617 439 0333





The BTI Consulting Group, Inc.
396 Washington Street, Suite 314
Wellesley, MA 02481-6209

Tel: +1 617 439 0333
Fax: +1 617 439 9174

www.bticonsulting.com