AN ALTMAN WEIL FLASH SURVEY

LAW DEPARTMENT OFFICE SPACE

Periodic surveys on issues of interest to the legal community

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SECTION 1

BACKGROUND & OBJECTIVES

Background & Objectives

The idea for this survey arose when a number of General Counsel asked us about law department office space trends. Corporation-wide space efficiency and cost cutting measures are causing a number of corporate law departments to move some or all of their lawyers into cubicles.

In July 2004, Altman Weil, Inc. conducted a survey of 223 U.S. corporate law departments on this topic. Responses were received from 68 of those surveyed, for a response rate of 30%. Survey demographics are included in Section 3.

Highlights

- 76% of lawyers in reporting companies work in offices.
- In some reporting companies, all lawyers work in cubicles.
- · For lawyers who are housed in cubicles, the average height of most walls is 6'.
- 84% of lawyer offices are between 10' x 12' and 20' x 30'.
- At 51% of reporting companies, paralegals are all in cubicles, while in 31.8% of the cases, some paralegals are in cubicles while others are in offices.
- In 45.5% of the companies, comparable business unit members work in cubicles while the lawyers work in offices.
- For 75.8% of the survey respondents, inconsistent office / cubicle arrangements between business unit members and lawyers is not an issue.
- For companies that have lawyers working in cubicles:
 - 66.7% report lawyer productivity has remained the same or increased.
 - 26.7% indicate that lawyer recruiting and retention is harder with the cubicle arrangement.

- 13.3% attribute lawyer turnover to the cubicle arrangement.
- A majority of the companies with lawyer cubicles have taken steps to accommodate additional conference room, workroom and storage needs.
- 18% of the reporting companies expect cubicles for lawyers to be an issue in their law departments in the next 12 to 18 months.

Contact Us

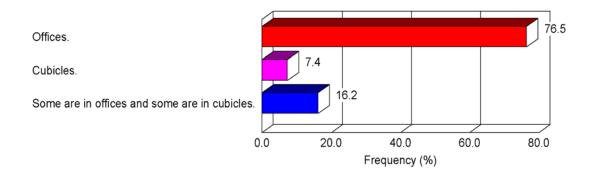
If you have questions regarding this Survey, or would like to propose a question for a future *Flash Survey* on a topic of interest to you and your law department, please contact Daniel J. DiLucchio, Principal, Altman Weil, Inc. at <u>djdilucchio@altmanweil.com</u> or (610) 886-2023.



SUMMARY OF RESULTS

Summary of Results

1. In what type of space do your Law Department in-house lawyers work?



Law Department In-house Lawyers Work In:

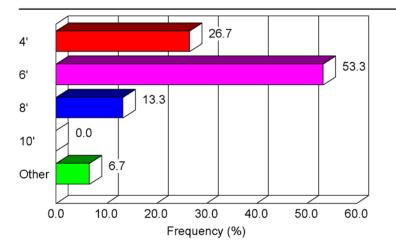
2. If any of your lawyers work in cubicles, how do you differentiate who works in one?

Differentiate by:	
Practice group (i.e., contracts, real estate)	0.0%; 0
Title	14.3%; 2
Officer Status	7.1%; 1
Management responsibility	7.1%; 1
Other	<u> 71.4%; 10 </u>
Totals	100.0%; 14

Other

- All lawyers are in cubicles.
- All work in cubes except the general counsel.
- Building policy may dictate cubicles for everyone.
- Dependent on corporate policies in place at the time the office space was remodeled.
- Geography (some locations do not provide individual offices).
- Grade level.
- Junior lawyers in our London offices.
- Location—[Specific city] office lawyers are all in cubicles.
- Only temp lawyers are in cubes -- all others are in offices.

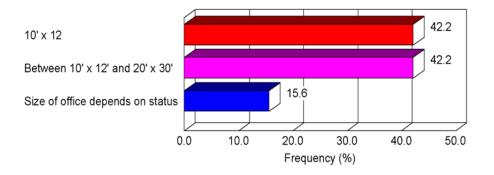
3. If lawyers are in cubicles, what is the average height of the cubicle walls?



Average Height of Cubicle

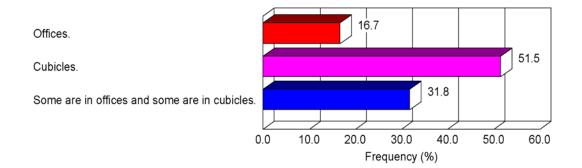
4. What is the average lawyer office size?

Average Lawyer Office

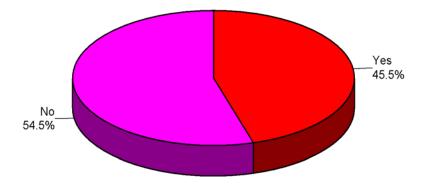


5. In what type of space do your paralegals work?

Paralegals Work In:



6. Do comparable business unit members work in cubicles, while the lawyers work in offices?



Business Unit Members Work In Cubicles

6a. If yes, please check all that apply:

Business Unit Members Work In Cubicles	
Clients resent the fact that lawyers are in offices.	3.0%; 1
Client relationships have been adversely impacted by the office arrangements.	0.0%; 0
The office / cubicle arrangements have not been an issue for us.	75.8%; 25
Other	30.3%; 10

Other

- Clients (especially in high tech industries) use cubicles to break down barriers to teamwork and to integrate lawyers into the business.
- Clients understand the need for private offices to permit confidential communication.
- Employees comparable to our paralegals do work in cubicles, however.
- Most lawyers' salary/grade qualifies for an office.

- Not an issue between lawyers and clients, but more an issue between lawyers in cubicles and lawyers in offices.
- Paralegals in offices has been an issue on occasion.
- · Some clients may resent it, but it does not impact working relationships.
- The lawyers recently moved from outside offices to inside offices. So it is too soon to tell.
- There is currently a Co. wide moratorium on the construction of new offices. At such time as Law needs to build office, an issue will develop.
- We transitioned most lawyers to non-window offices for which there was a lot of grousing at first but most seem to have adapted now.

7. If your lawyers work in cubicles, please check all that apply:

Lawyers Work In Cubicles:	
Lawyer productivity has decreased.	0.0%; 0
Lawyer productivity has remained the same.	60.0%; 9
Lawyer productivity has increased.	6.7%; 1
Lawyer recruiting and retention is harder with the cubicle arrangement.	26.7%; 4
Lawyer turnover occurred because of the cubicle arrangement.	13.3%; 2
Other	33.3%; 5

Other

- Communication has increased.
- Issue appears to be more one of status than productivity. Attempt is made to assure privacy in cubicle environment.
- Non-Law staff is near/next to cubicles, which can cause issues re: confidentiality.
- Our work environment is cubicles with very few offices. We have ample conference room space near the lawyers. Cubicles does not seem to be an issue.
- We have worked in cubes for 30+ years- no problems.

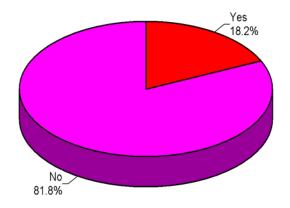
8. Please describe any arrangements you have made to accommodate the lawyer cubicle arrangement (check all that apply):

Arrangements To Accommodate Lawyer Cubicles	
We have added more conference rooms and workrooms.	73.3%; 11
Additional filing and storage areas have been added.	66.7%; 10
Additional steps to protect security and confidentiality have	
been taken.	46.7%; 7
Other	6.7%; 1

Other

- Our standard is 100 sq ' offices/smaller than you show above.
- If you have not faced the cubicle issue for your lawyers, do you expect that this will become an issue for your law department in the next 12 to 18 month?
- 9. If you have not faced the cubicle issue yet, do you expect that this will become an issue for your law department in the next 12 to 18 months?



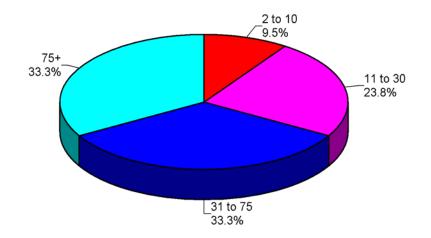




SURVEY DEMOGRAPHICS

Survey Demographics

How many in-house attorneys are in your department?



Law Department Size

SECTION 4

ABOUT ALTMAN WEIL

About Altman Weil, Inc.

Altman Weil provides management consulting services exclusively to legal organizations. Our clients include law firms, corporate and government law departments and legal vendors of all sizes and types throughout North America, the U.K. and abroad.

We offer a full range of consulting services, a vast menu of valuable publications and some of the most impressive credentials in the industry.

Consulting Services

- Law Firm Mergers and Acquisitions
- Merger Integration
- Compensation Systems
- Strategic Planning
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- Leadership and Management
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- Profitability Analysis and Planning
- Process Reengineering
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- Overhead Cost Reduction
- Branding
- Client Development and Market
 Planning
- Attorney and Staff Training
- Human Resource Management
- Quality Management Programs
- Financial Management
- Client Surveys
- Technology Services

Publications

Our surveys are the industry standard and are often utilized in courtroom expert testimony:

- Survey of Law Firm Economics (published annually)
- Survey of Law Firm Economics General Counsel Edition (published annually)
- The Law Department Management Benchmarks Survey (published annually in partnership with the Association of Corporate Counsel)
- The Law Department Compensation Benchmarking Survey (published annually in partnership with the Association of Corporate Counsel)

Contact Altman Weil

Contact Altman Weil, Inc. at <u>info@altmanweil.com</u>, visit our website at www.altmanweil.com, or call (610) 886-2000 to learn more about our services.