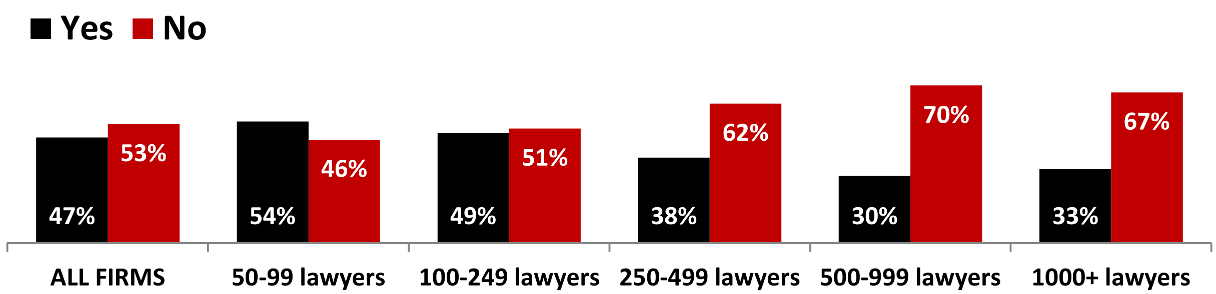
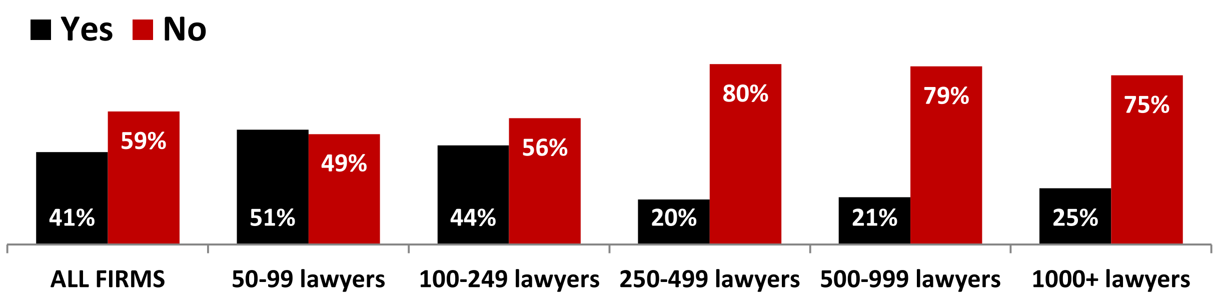
# Law Firms in Transition: Lawyer Staffing

## Q: Are Your Lawyers Sufficiently Busy?

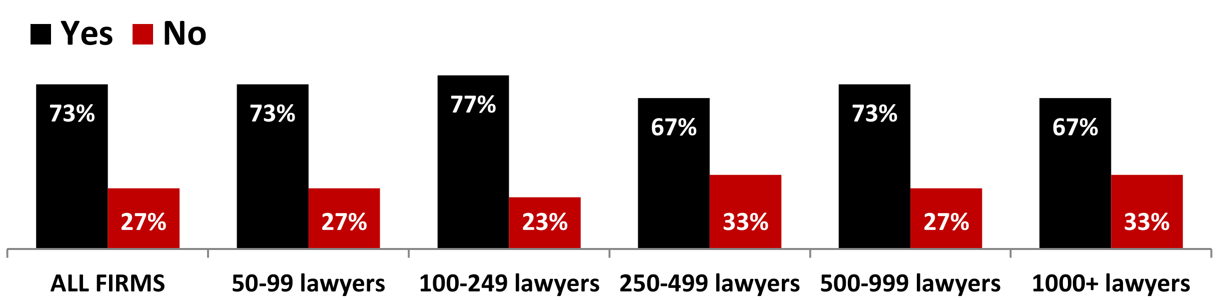
### EQUITY PARTNERS




### NON-EQUITY PARTNERS




### ASSOCIATES



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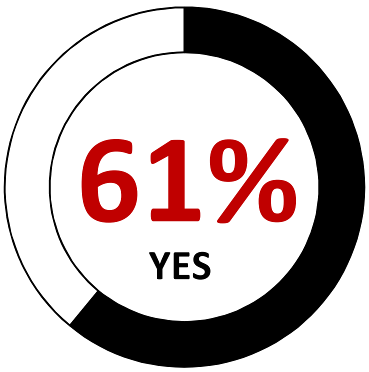
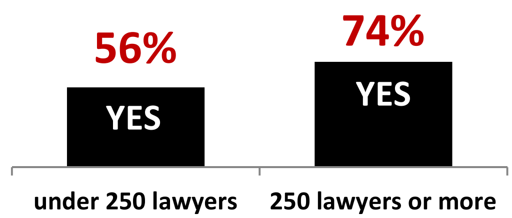
## Q: Is Overcapacity Diluting Firm Profitability?

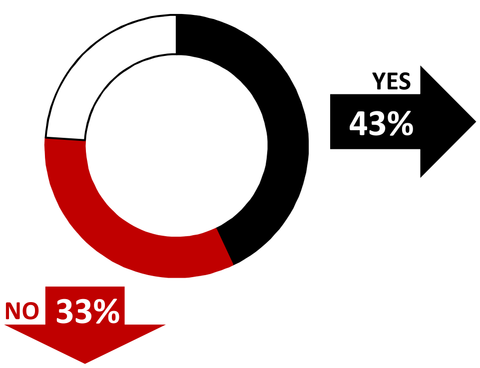


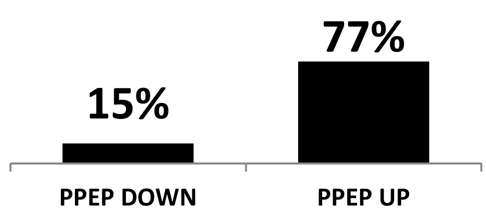

Overcapacity is **<u>diluting profitability</u>** in 61% of law firms — and the impact in larger firms is even greater.

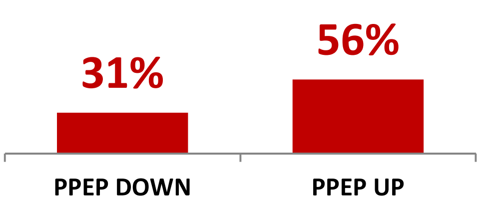



## Q: Has Your Firm Changed its Strategic Approach to Lawyer Staffing?

■ Yes ■ No □ Under consideration




Firms that have changed their strategic approach to lawyer staffing were more likely to see **<u>increases in Profits per Equity Partner</u>** than those that had not.

# Law Firms in Transition: Lawyer Staffing

**Lawyer Staffing 2015**

Perhaps the greatest legacy of the recession and its aftermath for the legal profession is overcapacity — too many lawyers and not enough work. Despite painful cuts made during the downturn, many firms are still grappling to right-size their workforces.

In over half of all law firms responding to the *Law Firms in Transition Survey*, partners are not sufficiently busy in 2015. Not surprisingly, 61% of firms say overcapacity is diluting firm profitability, and that's the case in 74% of firms with 250 or more lawyers.

**Drivers of Success**

Despite a general uptick in reported financial results for 2014, there is clear divergence of performance. Some law firms are doing a lot better than others. For some firms this may be due to an auspicious practice mix that meets current market needs or the geographic variables of local markets.

But the survey also reveals strategic choices that are affecting law firm performance.

Law firms that have changed their strategic approach to lawyer staffing, efficiency of legal service delivery and pricing are consistently more likely to see increases in gross revenue, revenue per lawyer (RPL) and profits per equity partner (PPEP) than those firms that have not embraced strategic change.

The greatest impact comes from strategic changes to lawyer staffing. In each case, the greatest performance differential is seen in Profits Per Equity Partner.

77% of law firms that changed their strategic approach to lawyer staffing reported an increase in PPEP from 2013 to 2014, compared to 56% of firms that had not made such a change – a 21-point difference.

**About the 2015 Law Firms in Transition Survey**

Conducted by Altman Weil in March and April 2015, the *Law Firms in Transition Survey* polled Managing Partners and Chairs at 797 US law firms with 50 or more lawyers. Completed surveys were received from 320 firms (40%), including 47% of the 350 largest US law firms. The full survey is available online at: www.altmanweil.com/LFiT2015.