

Acritas
SHARPER INSIGHT

Buying Legal Services in the UK

SHARPLEGAL INSIGHT GUIDE 2012



Introduction

This exclusive report has been specifically prepared for in-house counsel with responsibility for buying legal services in the UK.

Drawing on data and quotes from Acritas' Sharplegal, the world's most comprehensive study of the global legal market, the report explores a focused area of the research to provide you with background on what to expect when purchasing legal services in the UK.

Through insight generated from peers, this guide will help you to:

- ▶ Understand the current trends and challenges faced by clients in the UK market and help you understand what to expect from UK law firms
- ▶ Identify the firms most used for high value work and those most often considered for specialist work types, to inform your decision-making process when instructing firms for specific work types
- ▶ Identify the UK firms most favoured by global legal buyers to help you choose the right type of law firm to meet your legal needs
- ▶ Discover the differences in hourly rates paid by various organisations and equip you with the evidence to demand the right price and value from your law firm.

Background

Sharplegal is a global survey of 2,500 law firm clients from the world's largest organisations. As such, it is the world's most comprehensive study of the global legal market.

Sharplegal data is compiled every year from interviews with the most influential general counsel in the world's largest companies, including:

- ▶ Over 1,400 senior law firm clients in \$1bn+ revenue 'global elite' companies
- ▶ Over 1,000 general counsel in \$50m to \$1bn revenue companies

operating in over 40 countries including the key jurisdictions of the US, Canada, Brazil, the UK, Germany, France, China, Japan, Australia and the Middle East.

This report focuses on analysing responses from Global Elite respondents who buy legal services in the UK.

Acritas conducts the Sharplegal survey from March to December, primarily through telephone interviews in local languages. The survey is in its sixth year and measures changes in the legal industry across spend patterns, performance of law firms, rates paid, challenges faced and expected new developments.

Sharplegal is conducted on behalf of a number of the world's leading law firms to help them better meet the needs of their clients. Please treat this document confidentially. We ask that you do not share any of the intelligence within this report outside your organisation.

Market trends

The legal market in the UK includes a number of UK headquartered international firms such as Freshfields, Norton Rose, Hogan Lovells, DLA Piper and US international firms with offices in London such as Latham & Watkins, MoFo, Reed Smith as well as UK national and regional firms such as Dickinson Dees.

When asked how the market is likely to change in the coming years, clients expect that law firms will offer creativity and flexibility on fees and, specifically, reforms mean that some buyers in the UK market are expecting multi-disciplinary collaboration/alternative business structures and offshoring:

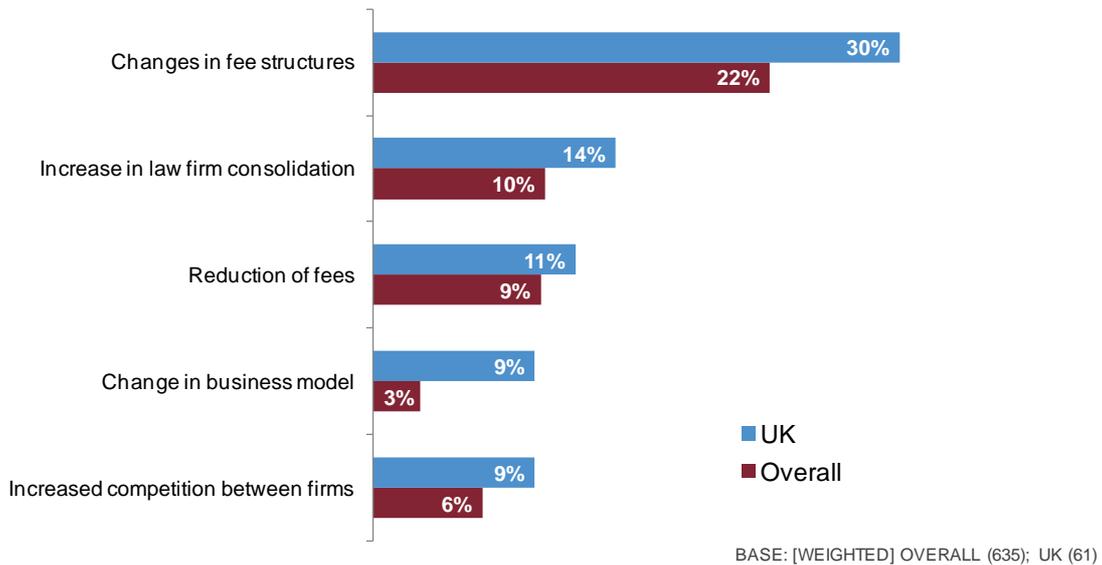


Figure 1: What do you believe will be the major changes in the legal services market over the next two years? [Global Elite respondents]

*“Some change on the litigation side with the **Jackson reforms** [which] will **have quite an effect on fee structures**. Firms will have to remain fairly fleet of foot to meet clients’ needs and be more competitive.” – Insurance*

*“Hopefully a move away from the chargeable hour. Clients will be tougher in their negotiations, a lot of work is commodity and shouldn’t be charged by the hour and law firms need to **demonstrate more value**.” – Engineering*

*“Possibly the formation of multi-disciplinary practices. **Lawyers being allowed to practice with other professionals, i.e. ‘Tesco Law’**.” – Engineering*

*“I think firms are finally waking up to the need to make use of cheaper resources. They are starting to **offshore some of the routine work** to give a cost benefit to themselves and their customers.” – TMT, Business Services*

*“I should think that all of the various different law firms are trying to reduce cost and come up with more **innovative pricing approaches** for customers so, when times are hard, people will still use them.” – Transport/Logistics/Distribution, Engineering*

As the legal market becomes increasingly competitive, UK buyers expect law firms to offer added value and commercial innovation:

*“Law firms will get **more creative and offer more value-add services**.” – Healthcare, Public Sector/Charity/Not-for-Profit*

*“I think that more law firms are keen to take on more outsourced work and [are] integrating with the legal department. They will take more pragmatic non-law advice on things like HR and **offer more bespoke project business support**.” – Healthcare*

Firm usage and consideration

International buyers

International buyers named four international firms among their most used firms for high value work in the UK ...

To continue reading this report you will need to complete Acritas' Sharplegal 2012 survey.

Sharplegal: What is involved?

The survey is conducted by phone. Your interview will take approximately 10 minutes to complete, depending on the length of your answers. Your responses will be gathered in line with the Market Research Society's Code of Conduct ie Acritas will keep your individual answers strictly confidential and they will not be forwarded to any third party without your permission.

Take part

To schedule a convenient time to be interviewed please contact Michelle mnesbitt-burrell@acritas.com or call +44(0) 808 1783020

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