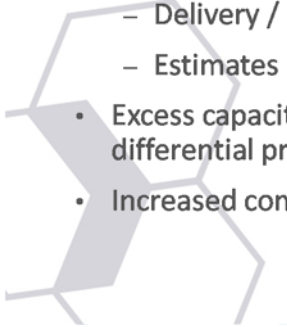




Trends in the Legal Profession

- Performance polarisation
- Smaller firms squabbling over the pie
 - my rewards / my contribution = others rewards / others contribution
- Chargeable hours decreasing, expectations and working hours increasing
 - Delivery / expectation gap
 - Estimates have become quotes
- Excess capacity => pricing pressure => lower profits => differential profit shares
- Increased competition – sole practitioners and in-house



Trends in the Legal Profession

- ↳ Consolidation
 - ↳ More mergers
 - ↳ Valuations decreasing
 - ↳ Profitable smaller firms seeking to realise equity
- ↳ An aging profession
- ↳ Commoditisation of legal services
- ↳ Embracing a saviour – ‘Value Billing’, LPO or labour arbitrage
- ↳ Thrift has its place



NPPP – All Firms

Graph 2 - Net Fees (*bps) per Equity Principal

