

The background of the entire page is a photograph of a law firm. In the foreground, a Black woman with long dark hair, wearing blue-rimmed glasses and a dark blue blazer over a light blue collared shirt, is smiling broadly at the camera with her arms crossed. In the blurred background, other professionals in business attire are visible, including a man in a dark suit on the left and a man in a light blue suit on the right.

LAW FIRM

GROWTH STRATEGIES

2023 REPORT

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INTRODUCTION

Welcome to the 2023 Law Firm Growth Strategies Report

In the first quarter of 2023, Nexl conducted a comprehensive global survey to collect data on the strategies employed by law firms to enhance their revenue streams. The respondents consisted of 100 lawyers from law firms of diverse sizes, operating on different continents, and practicing in various areas of law.

The findings derived from the survey were truly remarkable. Nexl delved into the realm of law firm growth strategies by initially examining the percentage of firms that have successfully implemented such strategies instead of those encountering difficulties in their implementation.

Furthermore, Nexl expanded upon these insights by identifying the specific challenges encountered by law firms when implementing their selected growth strategies.

Concluding the survey, Nexl provided an analysis of the percentages of law firms utilizing Customer Relationship Management/Enterprise Relationship Management (CRM/ERM) systems to support the implementation of their growth strategies, as well as the percentages of firms considering the adoption of such systems.



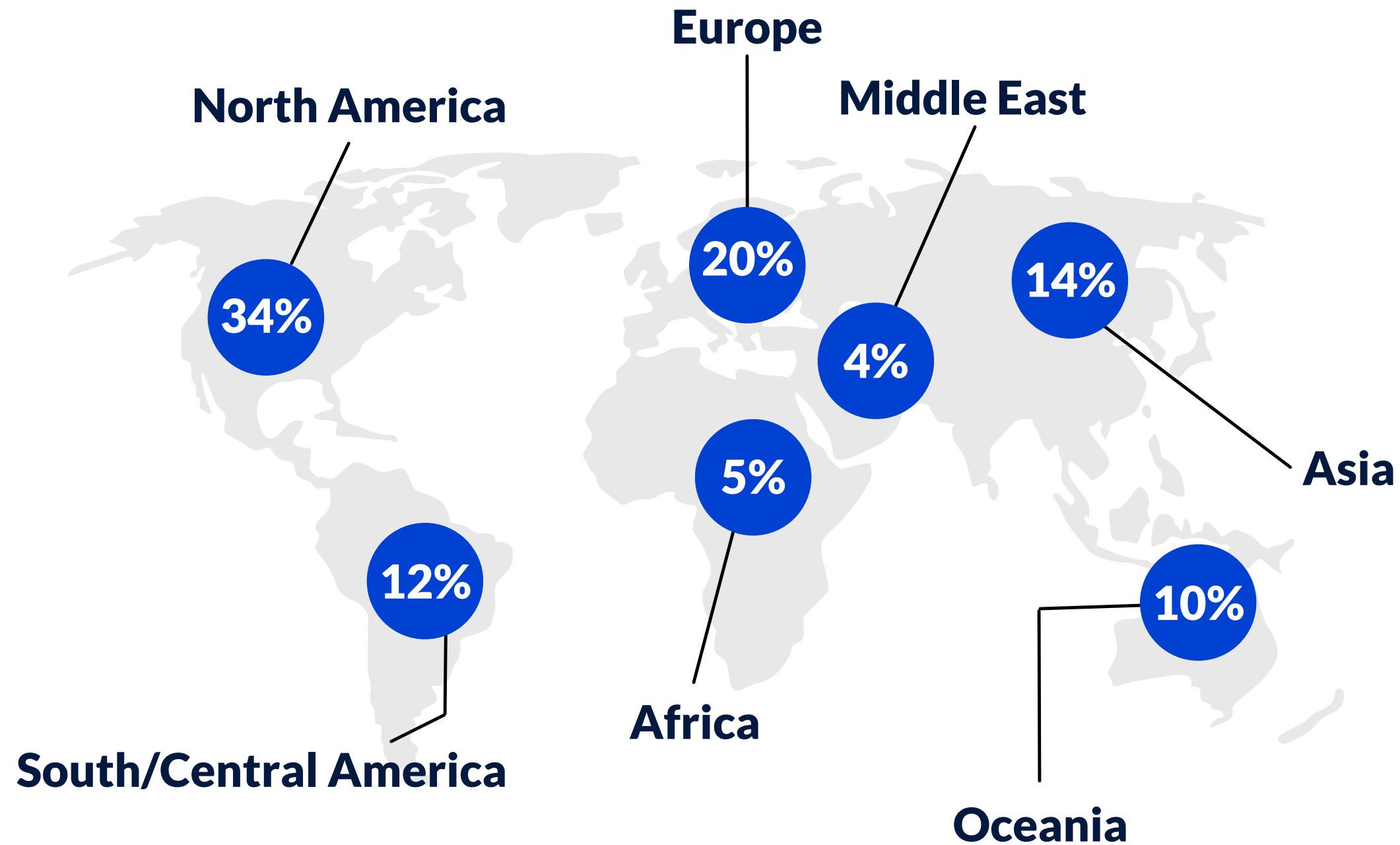
100 Lawyers Surveyed

7 Regions Worldwide

8 Legal Experts

6 Nexl Experts





The lawyers that took part in the growth strategies survey consisted of 100 lawyers across various firm sizes, career stages, and global regions. The largest percentage of respondents were based in North America (34%), followed by Europe (20%), Asia (14%), South and Central America (12%), Oceania (10%), Africa (5%), and the Middle East (4%).

THE LEGAL EXPERTS



Ben Paul
CEO | BD Ladder



Bruce MacEwen
President | Adam Smith Esq.



Jennifer Ramsey
Co-founder | Stage, LLC



Jenny Williamson
Head of Business Development
FB Rice



Kathleen Hilton
Co-founder & Principal
Stage, LLC



Megan Senese
Co-founder & President
Stage, LLC



Norman Clark
Founding Principal
Walker Clark, LLC



Ryan Purkey
Founder | rQuadrant
(Digital Consultant)



OUR NEXL EXPERTS



Philipp Thurner
Chief Executive Officer



Ben Chiriboga
Chief Growth Officer



Steven Ongenaet
Head of Client Services



Ian Stewart
VP, Sales & Partnerships



Lynn Tellefsen Stehle
Revenue Consultant



David Prada
Revenue Consultant





OUR KEY FINDINGS

41%

Of Lawyers Surveyed Struggle to Find Effective Strategies For Winning New Business.

48%

Of Lawyers Surveyed Use Law Firm Networks as Their Main Growth Strategy.

26%

Of Law Firms Surveyed Struggle to Show a Clear ROI With Their Chosen Growth Strategies.

25%

Of Lawyers Surveyed Feel Their Partner's Time & Firm Resources Are Wasted.

32%

Of Law Firms Surveyed Struggle to Drive Referrals From Their Relationships.

35%

Of Law Firms Surveyed Struggle to Convert Prospects Into Clients.

60%

Of Law Firms Have Marketing, BD, and/or Growth Teams in Place.





OUR KEY TRENDS

**TWO TRENDS WERE IDENTIFIED BY NEXL AMONG
THE LAWYERS AND LAW FIRMS SURVEYED**

1

Majority of law firms prefer to use growth strategies that involve client growth and personal growth.

2

Fewer law firms rely on Cross-Selling, Upselling, and Referral Acceleration initiatives for growth.





EXECUTIVE SUMMARY

Nexl, Turning Relationships into Revenue

In the legal world, relationships are everything. Since 2008, most law firms have invested in people, processes, and technology—and especially when it comes to marketing. However, despite this heavy investment, most law firms continue to lose market share today. The problem stems from siloed practiced areas, misaligned teams, and inaccurate relationship data.

Nexl's goal is to help lawyers improve how they manage client relationships to turn those relationships into revenue. In an effort to further investigate where law firms are struggling, Nexl conducted a global survey to identify what growth strategies law firms are using today, and what struggles they face when implementing these strategies.

The respondents consisted of 100 lawyers in various countries and positions, in various-sized firms, and various stages of their careers. To analyze the survey results, Nexl gathered experts across the industry to provide insights and opinions from unique perspectives, providing a holistic view for lawyers, law firms, and legal professionals.

The insights of this report will unveil clear trends in the preferred growth strategies of law firms across the globe, and the respective challenges law firms are facing in 2023. By the end of this report, you'll understand the growth strategies that work, those that don't, and what can be done about it—so you can ensure your growth strategies are working for you, and not the other way around.

**NEXL WORKS NOT ONLY FOR LAW FIRMS
BUT FOR EVERY TEAM IN EVERY LAW FIRM.**



| KEY FINDINGS

41% of Lawyers Surveyed Struggle To Find Effective Strategies For Winning New Business

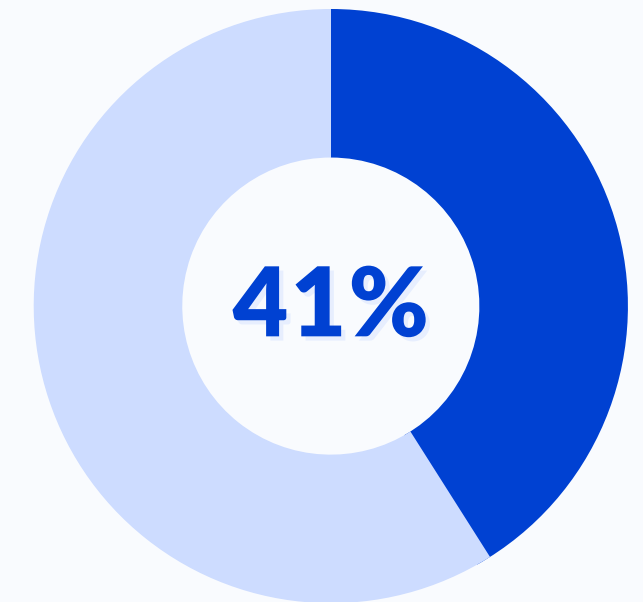
KEY FINDING 1

When Nexl asked attorneys what challenges their law firms face when implementing their growth strategies, 41% responded that they struggle to find effective strategies for winning new business.

The survey responses revealed that many lawyers don't know what kind of strategies will suit their practice area and/or law firm to generate revenue growth.

This statistic highlights the pressing need for law firms to adapt and invest in marketing and business development strategies, plans and operations, especially given the fierce competitiveness and fragmentation of the legal services market. Law firms need to find a way to differentiate themselves from the crowds.

This finding also reveals that lawyers need to further develop their business development skills.



41% of survey respondents said they struggle to find effective strategies for winning new business.

Furthermore, this statistic underscores the importance of embracing technological advancements and leveraging digital platforms to reach a wider and more diverse audience.

Overall, the implications of this finding suggests a proactive approach is needed from law firms and lawyers to reevaluate their strategies and adapt to the evolving landscape in order to thrive in today's highly competitive legal industry.





Analysis of Why Law Firms Struggle to Win New Business



BY: BEN PAUL

CEO OF THE BD LADDER, A CONSULTANCY HELPING LEGAL FIRMS GROW THEIR REVENUE AND BUILD EFFECTIVE BD AND MARKETING STRATEGIES.

Many law firms and Partners have built very healthy and profitable businesses based on the principle that if you do good work for your clients, they will use you again. And this is absolutely true. However, it creates an issue if you want to grow your firm and win or attract new clients. Which is perhaps why it is no surprise that in Nexl's 2023 Growth Strategies Survey, of around 100 firms, 41% of law firms admitted that they struggle to find effective strategies for winning new business.

While on the outside this may seem surprising, in many ways for those within the legal profession it is perhaps not. The main question is whether this is actually an issue or not for firms. After all, over the last few years, legal work has continued to be steady. Work has flown in for firms, and in many ways, this is due to the market conditions which have necessitated the use of the services of law firms.

However, the notion of the Pareto principle and that 80% of a firm's revenue comes from 20% of its clients, means that for the long-term sustainability of any legal firm, there is a risk. Should one of those clients leave the firm, be acquired, or even cease trading, then there is an immediate revenue hole that needs to be filled, quickly.

This is why, alongside law firms focusing on their existing clients and delivering an exceptional customer experience, they also need to have methods to win new work.





The firm acknowledging the need to win new work is key.

Digging deeper into the firms surveyed, approximately 60% of law firms have marketing and/or business development teams in place, and 45% of law firms have a CRM in place. So, investment is being made in these areas.

This indicates that firms know they need help to win work and become more successful, but due to being busy, or having enough immediate work, not utilizing these resources enough. The talent and expertise within the legal BD and marketing profession is exceptionally high and the skills to win new work are there. They're just not being utilized.

It all comes down to one key factor: if firms, individual partners, and practice areas currently have enough work, then they will not see the need to chase more. After all, they are not salespeople at heart.

This means, explaining why a clear method must be in place, even a long-term pipeline of building new relationships to nurture and win in 6 months – 1 year, or even further afield needs to be a priority. Like everything within a law firm, getting firm buy-in, particularly from senior leaders and key stakeholders is vital.

Having a clear firm-wide process helps facilitate change.

To help busy legal practitioners understand the winning work process, it is key to outline how it works. This also helps to explain where marketing fits in (helping to attract and nurture clients) and where BD fits in (qualification and engaging stages).

Having this process then also allows you to utilize your CRM effectively to drive client engagement and the BD actions of your internal teams. Below is an example of the client life cycle or BD process for a typical law firm.

Provide and support BD skills and discipline.

Having a process is a great start, but having the leadership team drive and encourage it is fundamental. Those tasked with actioning it will then need support and training/coaching to upskill themselves where it is needed. They will also need help to form a regular discipline that puts these skills into action. Training is great, but if new skills aren't utilised within a week or so of leaving the training room, they become lost and forgotten. Having a clear Business Development Playbook is key for busy legal professionals to follow, which they can adapt to the time they have available to do BD.

Having this in place then creates the platform to unlock the power of your firm's CRM. As you look to develop new relationships, knowing who else knows these people outside of your practice area, but within your firm is vital. It allows you to start cross-referring, cross-selling, and makes the whole winning work process easier.

Trying to engage with someone you don't know is hard, but if a colleague can provide a route in for you, it is much easier.

Don't leave winning work to when it is a panicked necessity.

As I mentioned at the start of this article, I suspect the main reason 41% of firms are struggling to win new work is because they have no real burning reason to do so. Without that, any new business-generating initiatives are not actively supported or driven. When the work is rolling in the door that's fine. However, when the market turns and realization and profits start to drop, then for those 41% who struggle to win new work, they'll be playing catch-up to the 59% who don't.

| KEY FINDINGS

48% of Law Firms Surveyed Use Networks as Their Main Growth Strategy.

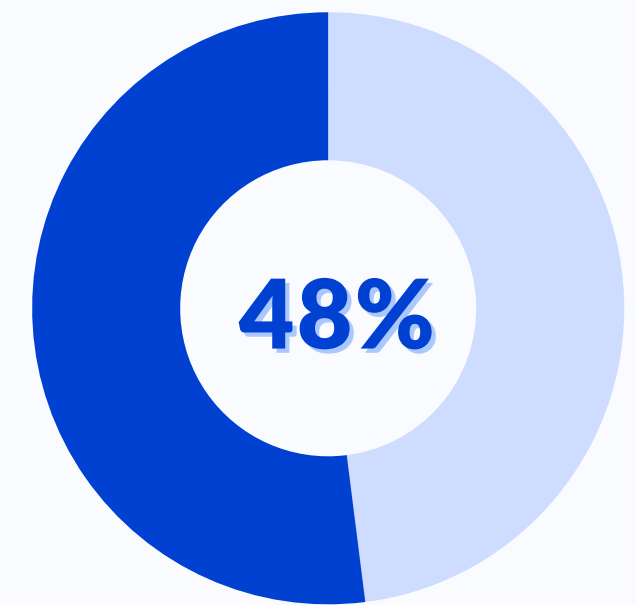
KEY FINDING 2

When Nexl asked the lawyers what type of growth strategy their respective law firms prefer, a large amount of them responded that they use Law Firm Networks.

The survey responses to this question indicate that lawyers rely heavily on their individual networks to grow their respective law firms.

The statistic reveals that law firms and lawyers place significant emphasis on the importance of building strong professional networks and relationships. A consideration is that law firms that prioritize networking will benefit from referrals, collaborations, and knowledge-sharing opportunities. This will then advance both growth and reputation.

It is thus essential that lawyers develop effective networking skills to enable them to create new business opportunities.



48% of the sample lawyers revealed that their respective law firms rely on Law Firm Networks as their main growth strategy.

On an industry level, this statistic highlights the significance of interpersonal connections and collaborative efforts among law firms. It suggests a trend towards a more interconnected legal ecosystem, where firms actively engage in professional networks to leverage collective expertise and expand their reach.

Essentially this statistic tells us that there is great power in networking and that law firms shouldn't underestimate the value that can be driven by fostering a healthy network of relationships.





Analysis of the Power of Networks to Transform Growth Strategies



BY RYAN PURKEY

FOUNDER OF rQUADRANT, A DIGITAL MARKETING CONSULTANCY
HELPING 1-100M ARR COMPANIES GROW THEIR REACH

"Networks have the power to transform law firm growth strategies as we know them."

The in-place networks of established law firms bring in the bulk of their referrals-word-of mouth from clients, references from other legal professionals, and conflicted inquiries from other law firms. These combine to form their largest revenue-generating referral source. Further, these referrals are more likely to become more significant matters, drive ongoing business, and generate new inquiries. **POWER TO THE NETWORK!**

But what about the newly minted lawyers looking to grow their practice?

Strategies that may work for established firms will likely flounder in a law firm's infancy. For nascent law firms, the absence of robust referral channels presents a challenge. However, it also offers an opportunity to leverage networks creatively and proactively to cultivate a flourishing practice. As a first step, align strengths.

In almost any location, an extensive network can flourish with local connections. More specific still, being specialized in a single vertical or area of law will further strengthen the relationships made within a network.



Why?

Specialization facilitates high-clustering. In other words, the word-of-mouth generated by happy clients will reach the ears of similar people.

Further, a specialist lawyer with a matching specified website will rank highly for relevant searches. Specificity allows new law firms to engage actively within their networks and establish themselves as reliable partners. This active, domain-specific participation aids in building a reputation for expertise and trustworthiness, both of which are critical for attracting and retaining clients.

New law firms should also prioritize building networks within their local community. Engaging with local bar associations, participating in community events, and volunteering legal services for local non-profits can be powerful ways to establish a firm's presence and attract local clients. These local connections often lead to referrals, helping the firm establish a solid foundational client base. And local community becomes all the more apparent when you recognize the high clustering of a client base: Industry-specific organizations and trade groups. By demonstrating expertise and providing valuable legal insights to members of these groups, firms can establish themselves as go-to resources within the industry.

This sector-focused approach often leads to direct referrals and opens doors to new business opportunities within the industry.

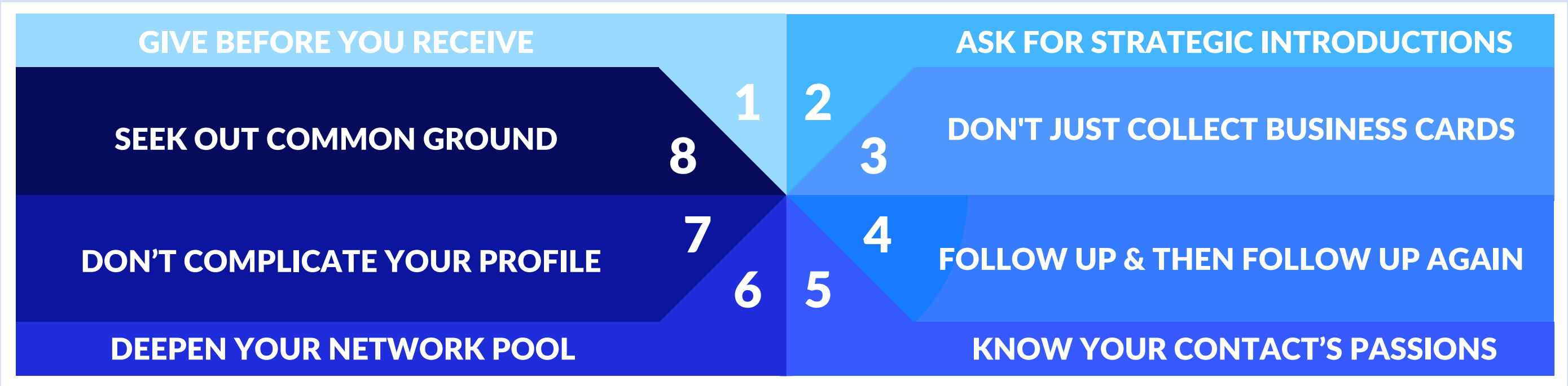
These tactical efforts likewise carry over into social media. LinkedIn, for instance, prioritizes home feeds by connections, so connecting with professionals in specific industries and geographical boundaries will help pay dividends digitally. Establishing a knowledgeable presence on such platforms allows firms to share thought leadership, engage with potential clients, and network with other legal professionals, generating new business opportunities.

Continuing education events and legal seminars also present a wealth of networking opportunities.

By attending, participating, or even presenting at such events, firms can showcase their expertise to a live audience. These educational opportunities often attract focused professionals, providing fertile ground for cultivating targeted referral sources.

"Growing a nascent law firm to an established one is not accomplished overnight. It requires strategic planning, active networking, and consistent engagement."

While the networks of established firms might be their primary source of referrals, new firms can build their networks from scratch, shaping them to align with their vision and values. So, even in their infancy, law firms can harness the power of networks to chart a path to growth and success.



| KEY FINDINGS

26% of Lawyers Surveyed Struggle To Show A Clear ROI.

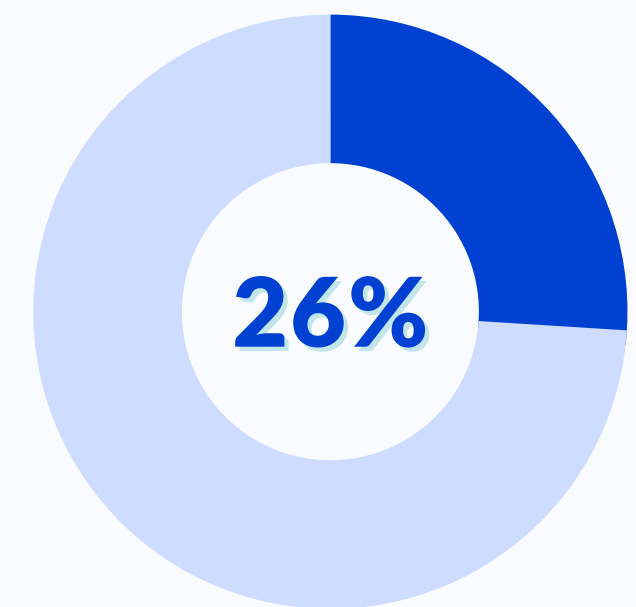
KEY FINDING 3

When Nexl asked the sample of lawyers to identify a challenge they face with their growth strategies 26% said that their growth strategies aren't showing a clear ROI (Return On Investment).

This statistic carries significant implications for lawyers, law firms, legal service professionals, and the legal industry as a whole.

The most obvious is that the statistic indicates law firms need to critically evaluate their chosen growth strategies because growth strategies must generate measurable returns on investment. This is simply because growth strategies use up a good chunk of firm resources. Thus law firms must ensure they invest their resources wisely and focus on strategies that yield tangible outcomes.

This statistic highlights the importance of strategic planning, data analysis, and performance tracking.



26% of lawyer respondents answered that they struggle to show an ROI with their firms' chosen growth strategy.

These tasks will help determine the effectiveness of law firm growth initiatives.

Law firms should reassess their marketing tactics, and business development approaches to identify and adjust their strategies accordingly. Moreover, lawyers should ensure they are a part of the evaluation process and provide input on the chosen strategy.

Overall, the implications of this statistic emphasize the significance of aligning growth strategies with measurable ROI and continuously refining approaches to ensure sustainable success.



Analysis of Why Law Firm Growth Strategies Don't Show a Clear ROI

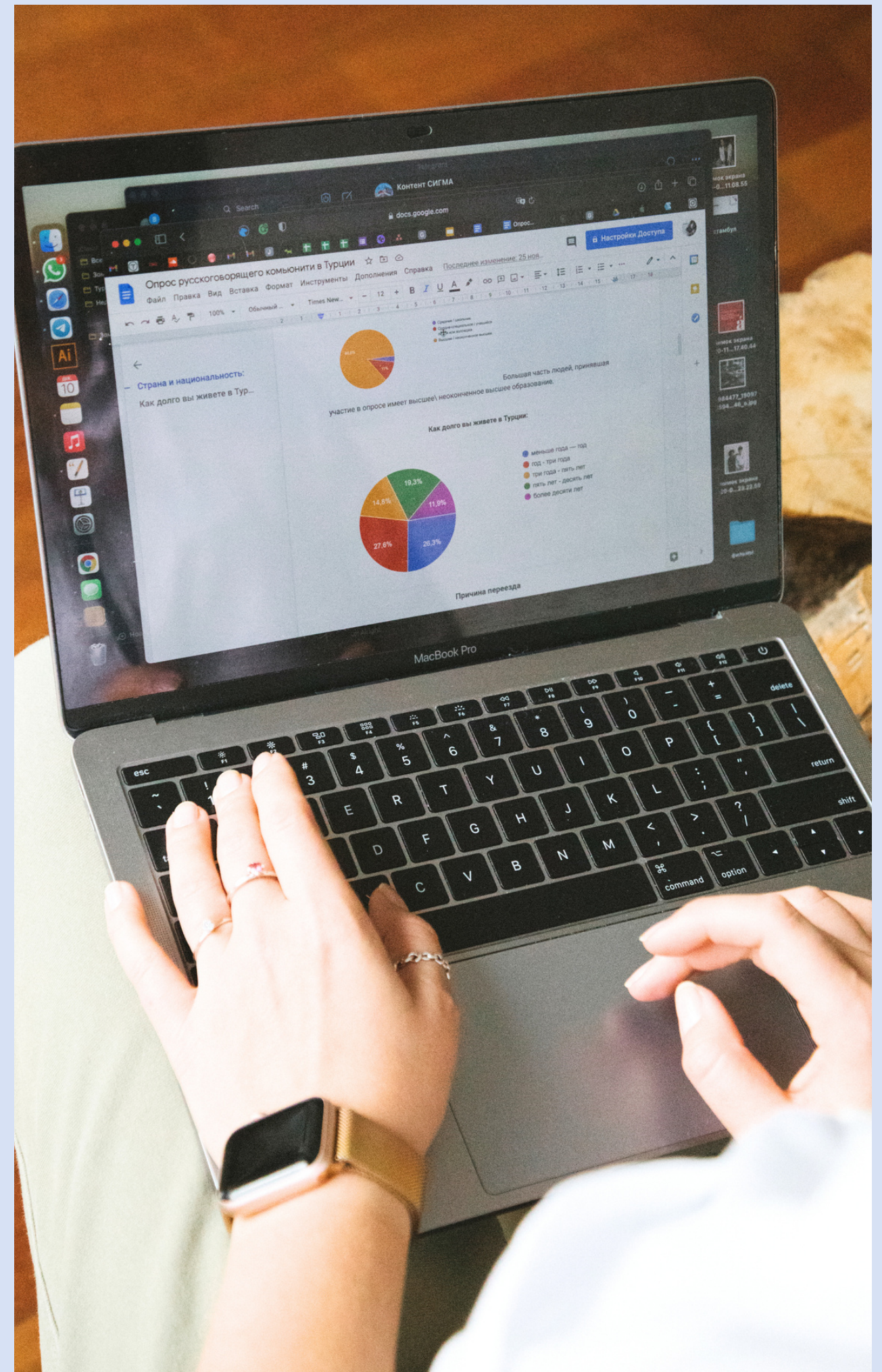


BY STEVEN ONGENAET
HEAD OF CLIENT SERVICES AT NEXL

Professional services firms, and law firms in particular, often struggle to demonstrate a clear return on investment (ROI) in their growth strategies. Even in a world increasingly defined by data, the adage that “in Marketing, half your budget is wasted, you just don't know which half” continues to hold true.

There are various reasons why it remains a huge challenge to demonstrate ROI in legal. To start, the strategies themselves may be fundamentally flawed. The underlying reasons can vary - from not properly identifying the target market or failing to differentiate from competitors to setting unrealistic targets or trying to incorporate too many initiatives at once. For a strategy to be effective and offer a clear ROI, it must be well-conceived and actionable, focusing on the firm's unique strengths and value proposition.

The next area of struggle is data management itself. A surprising number of firms lack robust, reliable data that can provide insights about their clients, competition, financial performance, and market trends. If it exists at all, such data often lives in silos, without anyone having the ability to connect the dots. Without this critical information, firms are essentially flying blind in the marketplace. Even when they do have data, they may not deploy it to the best effect, due to poor analytics capabilities or a lack of integration between various data sources. Additionally, in many



3 Strategies To Invest More **DOLLARS** Without Doing **MORE** Legal Work

THE POWER OF MEASURING YOUR LAW FIRM'S ROI

IMPROVE THE FIRM'S COLLECTION RATE

INCREASE YOUR VENDOR PAYMENT TERMS

IMPROVE COLLECTION & BILLING PROCESSES

Understanding your law firm's return on investment (ROI) is crucial as it guides decision-making. You'll maximize returns by highlighting the importance of identifying and addressing any financial inefficiencies within the business.

law firms, there's often a lack of alignment between various stakeholders – from partners and salaried lawyers to business developers, marketers, and operation teams. Each group may have different goals, priorities, incentives, and perceptions about what constitutes success. This misalignment can lead to strategic confusion and operational inefficiency, making it hard to discern an ROI for growth initiatives.

"Even in a world increasingly defined by data, the adage that 'in Marketing, half your budget is wasted, you just don't know which half' continues to hold true."

In recent years, there has been a shift in law firms' approach toward business development and marketing. Traditionally, these teams were primarily responsible for promoting the firm's capabilities and assisting the partners to win new business.

However, their roles increasingly involve using data analytics to identify market trends and growth opportunities, developing strategies to exploit these opportunities, and working collaboratively with lawyers to implement growth initiatives and manage client relationships. They are often at the forefront of establishing specific KPIs for the growth strategy as well as tracking and reporting on progress, thus contributing to a clearer picture of ROI.

Lastly, many law firms continue to suffer the consequences of being too inward-looking – focused on their operations, profit margins, and internal politics – rather than being client-centric, prioritizing the needs and expectations of their clients. This approach can hinder growth because it detaches the firm from market realities and client perceptions, thus making it more difficult to gauge the impact of growth initiatives on clients and eventually on the return on investment. Client feedback programs are still not industry standard, despite obvious an obvious need for them.

In conclusion, to improve ROI visibility, law firms need to tackle multiple fronts: they should be clear and realistic about their strategic growth objectives, enhance their data and analytics capabilities, create better alignment between internal stakeholders, further evolve the roles of business development and marketing teams, and foster a more client-centric culture. This will not only strengthen their performance but also their ability to track and enhance their ROI from various growth initiatives.

"Law firms must enhance data capabilities, align stakeholders, and foster a client-centric culture to improve ROI visibility." - Steven



| KEY FINDINGS

25% of Lawyers Surveyed Feel Partner's Time & Firm Resources Are Being Wasted

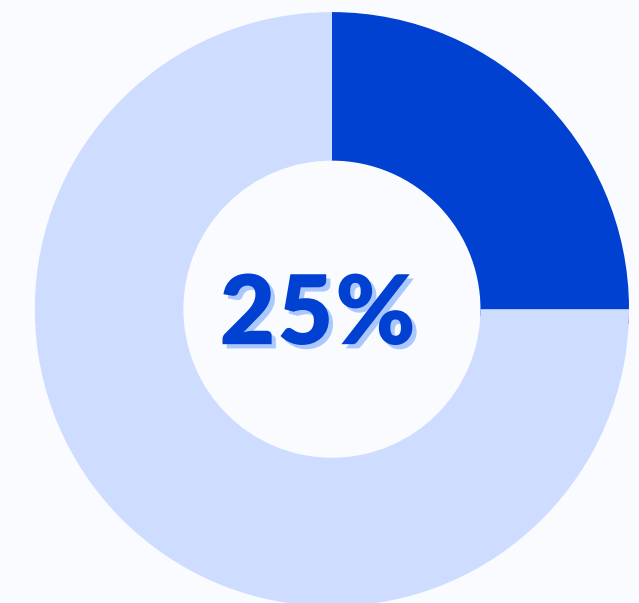
KEY FINDING 4

When Nexl asked the sample of lawyers whether they felt that partner time and firm resources are wasted when implementing strategies, 25% agreed and were dissatisfied with their agreement.

This statistic is an important statistic for law firms to consider because it reveals that there are inefficiencies within the firm. There is a major concern regarding the allocation and utilization of valuable resources.

The statistic spotlights the need for changes such as time management optimization and resource allocation within law firms. It calls for a reevaluation of internal processes and systems to ensure that partner time and firm resources are utilized effectively and efficiently.

Law firms should consider implementing more effective communication and collaboration mechanisms to minimize wastage.



25% of the sample lawyers answered that they feel their partners' time and firm resources are being wasted.

Additionally, lawyers should actively participate in identifying areas for improvement and propose solutions to maximize the productivity and value of their time and firm resources.

This statistic indicates a potential opportunity for a culture change within law firms. Lawyers and partners should take accountability where they are responsible so that everyone is held responsible for managing resources wisely.

Ultimately, the implications of this finding emphasizes the importance of fostering a productive and efficient work environment within law firms to optimize time budgets and firm resources.





Analysis of Why Law Firm Growth Strategies Don't Show a Clear ROI



BY BRUCE MACEWEN

PRESIDENT AT ADAM SMITH, ESQ. A LAW FIRM MANAGEMENT CONSULTANCY

This statistic is completely true, in actual fact, I would be surprised to hear it any other way. This data sheds light on an ongoing challenge within the legal industry, where the allocation of time and resources often becomes a point of contention.

I believe this sentiment is to be expected, considering the nature of lawyers. Based on extensive personality tests, most lawyers prioritize the practice of law above all else. Their training, education, and professional identity are centered around the delivery of legal services and the pursuit of justice. As a result, engaging in activities such as client relations, marketing, and business development can be perceived as secondary or even peripheral to their core responsibilities.

Lawyers often view their role as that of legal practitioners rather than salespeople. They tend to embrace the intellectual aspects of their work, such as legal analysis, research, and argumentation. Client acquisition and retention, on the other hand, may be seen as more transactional or commercial in nature, and therefore deemed outside the purview of their profession. This mindset can lead to a certain degree of skepticism and discomfort when it comes to actively pursuing business development initiatives.



Recognizing this inherent discomfort, I underscore the significance of automation and no-data entry tools like Nexl to address lawyers' hesitations and ensure the success of both individual practitioners and law firms. By automating routine tasks and streamlining processes, these tools enable lawyers to focus on what they do best: providing legal expertise and delivering value to their clients. This automation can free up valuable time and resources, allowing lawyers to allocate their efforts more effectively and strategically.

"As a consultant, I'd strongly discourage anyone from opting for a relationship or CRM tool that demands data-entry, because let's face it, that's just not gonna fly"

I advocate for assigning business development responsibilities primarily to professionals with expertise in that domain. Hiring dedicated business development

personnel can provide a fresh perspective and bring specialized skills to the table. These professionals can focus on identifying and pursuing growth opportunities, building relationships with potential clients, and implementing effective marketing strategies. By leveraging their expertise, law firms can maximize their revenue growth potential while allowing lawyers to concentrate on their core competencies.

Moreover, I emphasize the need to eliminate data entry requirements in relationship or customer relationship management (CRM) tools. Lawyers, by nature, possess traits of autonomy and skepticism, which serve them well in serving clients but can hinder their effectiveness in management and business development. Lawyers often prefer to have direct control over client interactions and the information exchanged, as they value maintaining a personal touch and a sense of ownership in their relationships.

Consequently, lawyers are resistant to relinquishing control to technology-based relationship management

tools that rely heavily on manual data entry. The time-consuming nature of data entry and the perceived risk of errors or miscommunication can further exacerbate their apprehension. To overcome this resistance and enhance the adoption of CRM tools, automation becomes crucial. Implementing tools that automatically capture and organize relevant data, such as client communications and interactions, can alleviate lawyers' concerns while enabling them to access valuable insights and analytics.

In light of this insight, I strongly advise against utilizing relationship or customer relationship management (CRM) tools that rely on manual data entry, as it is unlikely to be accomplished consistently. Instead, firms should prioritize the adoption of technology solutions that streamline processes, automate data collection, and provide actionable intelligence. By embracing automation and assigning business development responsibilities strategically, law firms can navigate the challenges of revenue growth strategies more effectively, ultimately benefiting both lawyers and clients alike.



5 WAYS LAW FIRM'S WASTE MONEY

"As a busy attorney today, there are countless ways to lose time in the hustle and bustle of the workday. Here's a graph that helps explain the statistic that 25% of the firm's resources and PARTNER'S time are being squandered."

By Steven Fretzin



| KEY FINDINGS

32% of Lawyers Surveyed Struggle To Drive Referrals From Their Relationships

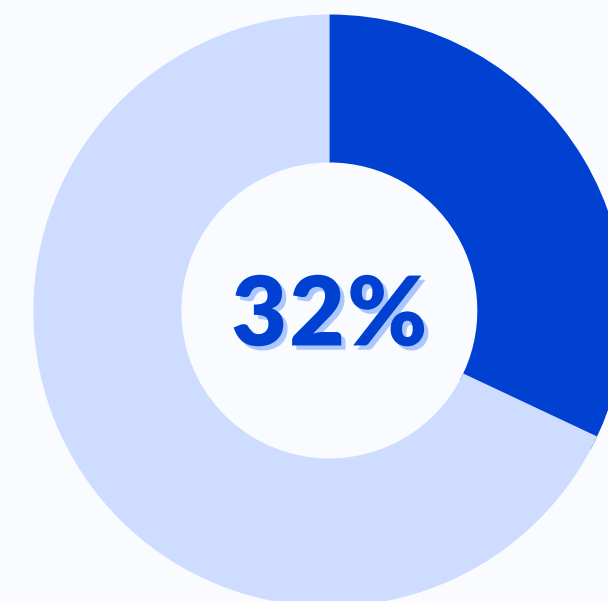
KEY FINDING 5

When Nexl asked the sample of lawyers to identify a major issue they have when growing their revenue, 32% said that they have plenty of relationships but struggle to drive referrals from them.

An important observation this statistic shows us is that there is a specific need for lawyers to focus not just on building relationships but also on nurturing them effectively to generate referrals. Having a large network of clients and other legal professionals is important. However, cultivating those relationships into more than a connection is where the real value lies.

The statistic also reveals the value of developing strong client relationships based on trust, communication, and consistently delivering excellent legal services.

A potential solution could be for law firms and lawyers to invest in client satisfaction initiatives and implement strategies to encourage referrals.



32% of the sample lawyers answered that they have many relationships but struggle to drive referrals from them.

These can range from an incentive referral program to a client feedback initiative. By remaining top of mind, lawyers can increase their chances of being referred.

Furthermore, lawyers must develop networking skills. There is always room for growth. Bettering these skills will enable lawyers to drive referrals from some of their strong relationships.

Overall, the implications of this statistic highlight the need for law firms and lawyers to focus on relationship cultivation and referral strategies to maximize the potential of their existing networks and drive sustainable business growth.





Analysis of Why Lawyers Struggle to Drive Referrals



BY NORMAN CLARK

FOUNDING PRINCIPLE AT WALKER CLARK, LLC

A recent survey by NEXL reported that 32% of the responding law firms admitted to struggling to develop relationships with their multitude of contacts. Based on my experience advising law firms on strategic business development, I suspect the actual figure might be substantially higher when the full impact of lost opportunities is included. The problem starts with a failure to understand the client base and to focus on current and recent clients that offer the best return on investment in business development.

Many law firms overlook the "80-20" phenomenon observed in many professional services businesses, law firms included. Approximately 80% of the fee revenues in most law firms are generated by about 20% of the clients. The segment at the top of the "client pyramid" is critically important for both client-retention efforts and the development of new legal work.

Law firms, practice groups, and even individual lawyers should evaluate realistically the client sectors and service lines that they already have. What is the current relative profitability of each one? Which ones have the greatest growth potential? This does not necessarily mean that the firm should jettison relatively unprofitable clients or services. Instead, it can help the firm identify the areas for focused investment of time, attention, and resources.

Law firms should invest in – and use! – robust client-centric analytics to help answer these questions.

By doing so, they can not only pinpoint the clients that generate the most revenue but also anticipate their legal needs, thereby offering more relevant and personalized services. Don't be afraid of the word analysis. Almost every law firm in the world, regardless of size or location, already has the data it needs to develop a reliable, comprehensive understanding of its client base. The key is to focus on client relationships with the greatest long-term growth potential and to maintain an ongoing, relevant, and personalized relationship with them. To the extent possible, every communication should be tailored to their specific needs and context, rather than being generic or an obvious sales pitch.

Client communications also should attempt to anticipate "over-the-horizon" trends and their potential impacts on the client – sometimes even before the client is aware of them. This is where the real competitive advantage lies: in demonstrating a deep understanding of the client's business, their industry, and the challenges they face. Building these relationships should be a continuous part of business operations, not a one-time effort. Lawyers, not their marketing staff, need to take the lead and be personally involved.

To achieve sustainable growth and profitability, law firms must shift their focus from merely searching for new clients to analyzing, understanding, and leveraging relationships with existing ones. The path to sustainable growth is not just about finding new clients; it's about fully leveraging the opportunities with the ones you already have.



Analysis of Why Lawyers Struggle to Drive Referrals

BY BRUCE MACEWEN

PRESIDENT AT ADAM SMITH, ESQ. A LAW FIRM MANAGEMENT CONSULTANCY



There are a couple aspects to spotlight with this statistic. One significant aspect is the inherent mindset and behavior of lawyers. When considering their strong clients, they often perceive introducing them to partners from different practice areas as risky. They fear potential mishaps that could damage the established relationship, or worse, that their colleagues might outperform them and replace them as the client's go-to lawyer. This hesitation stems from the compensation system prevalent in many big law firms, where lawyers are primarily rewarded based on their individual business generation. Although this system is flawed, it remains widespread across the industry.

A more effective approach would involve providing lawyers with incentives for bringing in business and recognizing its importance. However, these incentives should have a limited duration to prevent lawyers from relying solely on past accomplishments. Law firms should emphasize a culture that encourages their lawyers to actively seek new opportunities while aligning compensation with the overall performance of the firm. This would create an environment where lawyers are motivated to share clients, as increased client engagement benefits the entire firm, irrespective of practice area or office location.

Fortunately, lawyers existing mindset can be transformed through persistent efforts led by their firm's leadership, including the managing partner and executive committee. This entails consistent communication, preaching, urging, and providing compelling examples of successful collaboration. The aim is to instill the belief that the firm's success translates into individual success. Additionally, initiatives like Nexl's focus on enhancing internal transparency within law firms are crucial. Recording and making all client relationships and interactions accessible to all members of the firm ensures visibility and accountability. Automating the tracking of touchpoints becomes essential, considering lawyer's reluctance to manually document interactions.

By addressing these factors collectively, law firms can overcome the challenges associated with driving referrals from their existing relationships.

"In the realm of law, success comes from embracing collaboration and shared growth to transform risks into remarkable opportunities."



| KEY FINDINGS

35% of Law Firms Surveyed Struggle To Convert Prospects Into Clients

KEY FINDING 6

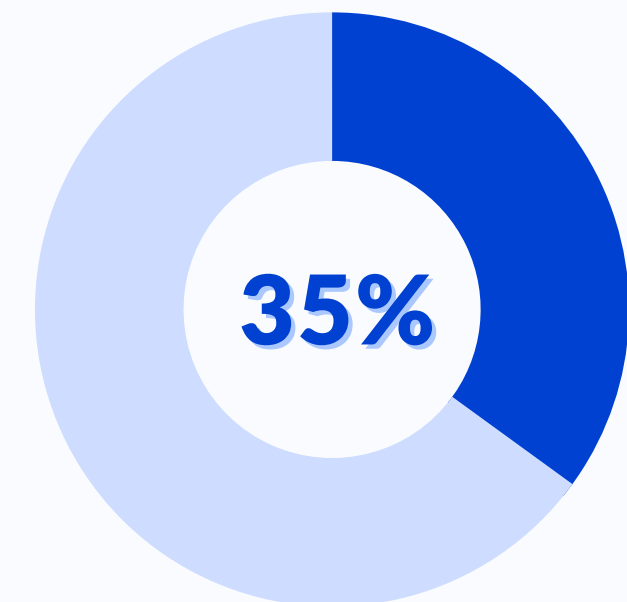
When Nexl asked the sample of lawyers to identify a challenge they face in their respective law firms, 35% responded that they struggle to convert their prospects into clients.

Here we see a potential opportunity for skill development among lawyers. Law firms should encourage their lawyers to hone in on the skills and strategies required to effectively convert potential clients into actual clients.

Law firms also need to focus on enhancing their client acquisition processes, from initial contact to engagement and retention.

Essentially this statistic spotlights that there is a need for law firms to invest in training their lawyers.

Another potential opportunity is for law firms to elevate their unique selling proposition to differentiate themselves in the market.



35% of the sample lawyers answered that they struggle to convert their prospects into clients.

Additionally, law firms may need to improve their marketing and lead nurturing efforts to increase the conversion rate.

Overall, the implications of this statistic emphasize the need for law firms and lawyers to refine their prospect conversion strategies, improve their sales and communication skills, and focus on delivering value to potential clients.



Analysis of Why Lawyers Struggle to Convert Prospects to Clients



BY BEN CHIRIBOGA

CHIEF GROWTH OFFICER AT NEXL

I was once told that the best way to teach was through the story, so here goes...

Once upon a time in a bustling city, there was a law firm called Ash & Associates. The firm had a team of talented attorneys, but they were struggling to convert prospects into clients. Determined to turn their fortunes around, they embarked on a journey to discover the secrets of successful law firm business development and marketing.

Their first stop was a seminar on-demand capture, where they learned that capturing existing demand was more effective than merely generating leads. Inspired by this new distinction – lawyers love distinctions -- they dove into market research, seeking to understand their target audience on a deeper level. They discovered that corporate business owners often needed law firms who understood the nuances of their specific industry – not just the law. Armed with this knowledge, they developed a strategy to capture the existing demand within this specific niche.

Next, the team focused on personalization. They realized that one-size-fits-all approaches were ineffective for these corporate clients. They wanted to create meaningful connections with prospects by addressing their unique needs. Implementing a customer relationship management (CRM) system (like Nexl -- sorry I had to), they analysed prospect interactions and preferences.



With this “relationship data”, they crafted personalized email campaigns, dynamically tailored website experiences, and offered one-on-one consultations to ensure each prospect felt understood and valued.

As they delved deeper into their journey, the team understood the importance of follow-up. They attended workshops and learned that effective follow-up could make or break a conversion. They were determined to be proactive in their engagement, staying in touch with prospects, and nurturing the relationship over time. With the help of automated email sequences, they sent timely follow-ups and provided additional resources and information to keep prospects engaged and informed.

Ash & Associates also recognized the power of storytelling. They began sharing success stories of clients they had helped in similar situations, demonstrating their expertise and building trust. These stories resonated with prospects, giving them the confidence to choose the firm as their legal partner.

Their hard work and dedication paid off. Prospects started responding positively to their personalized communications, appreciating the firm's understanding of their unique industry challenges. The team witnessed an increase in conversions, from meetings to work, as prospects felt a genuine connection and trust in Ash & Associates' ability to handle their legal matters.

Embarking on this transformative journey, Ash & Associates learned the true art of business development and marketing. They discovered that capturing existing demand, personalizing their approach, and implementing effective follow-up were the keys to converting prospects into satisfied clients.

"DISCOVER THE SECRETS TO CONVERTING PROSPECTS INTO SATISFIED CLIENTS THROUGH PERSONALIZED CONNECTIONS, STRATEGIC FOLLOW-UP, AND CAPTIVATING STORYTELLING."

Join Ash & Associates on their transformative journey and unlock the power of successful law firm business development.

The only question is – "Will YOU be the next Ash & Associates?"



| KEY FINDINGS

Only 60% of Law Firms Surveyed Have Marketing, BD, and/or Growth Teams

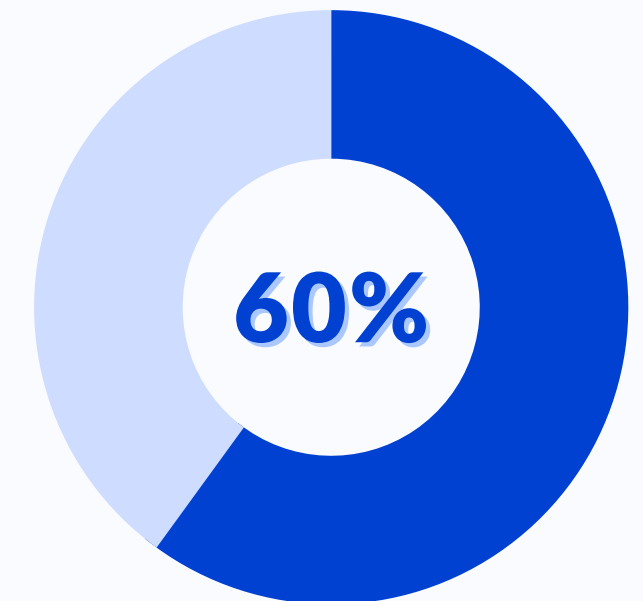
KEY FINDING 7

When Nexl asked the sample of law firms whether they have a marketing, business development and/or growth team in place, only 60% answered yes to having one or more of these teams.

This statistic revealed a prominent gap in the strategic focus of law firms and their approach to business development and growth. Having dedicated teams for marketing, BD, and growth is crucial in today's legal industry. These teams promote the firm's services, generate leads, and drive business growth all simultaneously.

The statistic also suggests that there is a considerable number of law firms missing out on opportunities to expand their client base and maximize their potential.

Most importantly, the statistic raises awareness of the importance of having dedicated professionals or teams who can develop and execute comprehensive marketing and growth strategies.



Only 60% of the sample law firms answered that they have a marketing, BD, and/or growth team in place.

Herein is also an opportunity for lawyers to enhance their business development skills and contribute to firm-wide efforts to attract and retain clients.

Overall, the implications of this statistic spotlight the significance of having dedicated teams or professionals to drive marketing and growth strategies in law firms, enabling them to compete effectively.



Analysis of Why FEWER Law Firms Have a Marketing, BD, or Growth Team



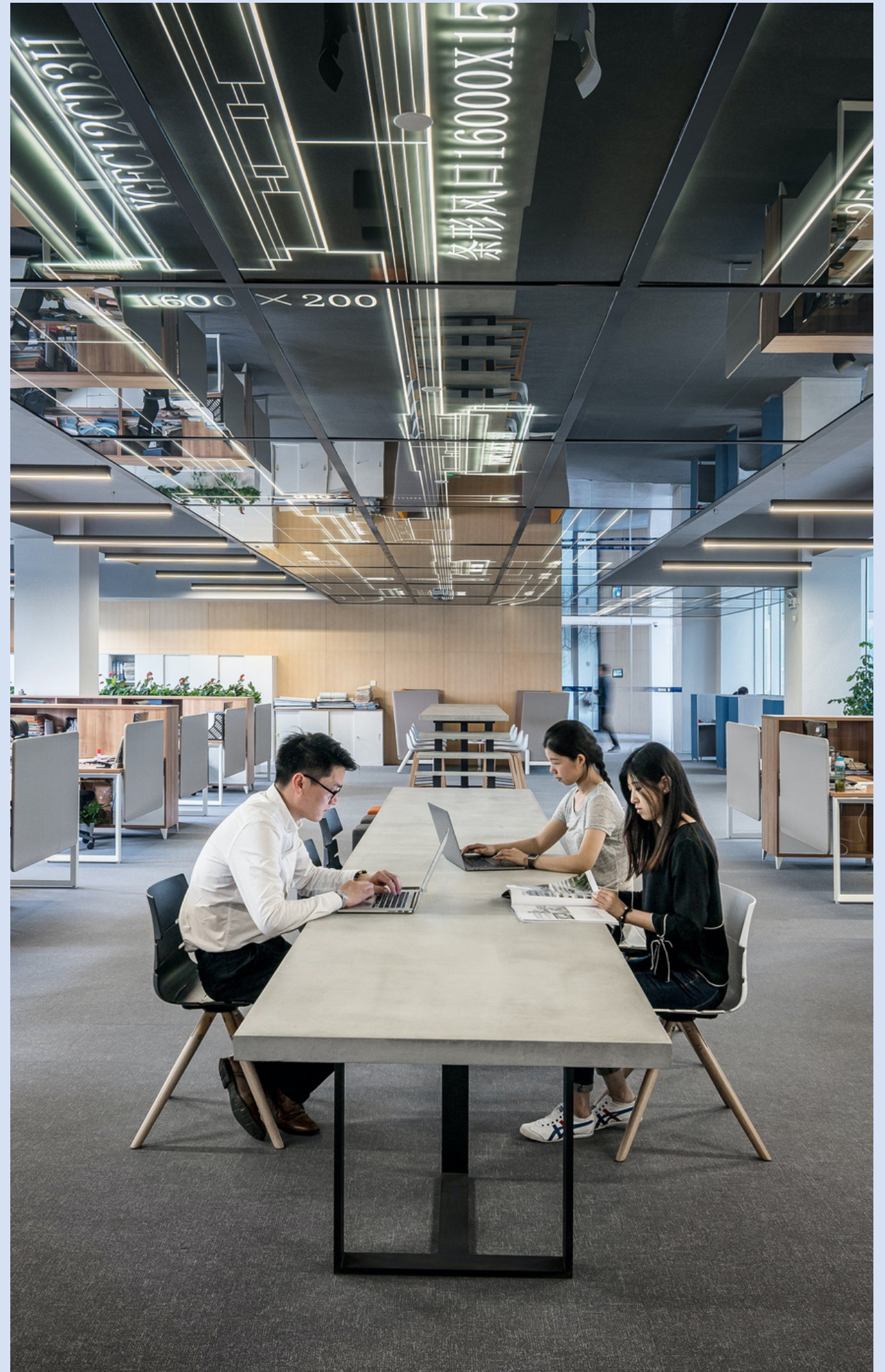
BY IAN STEWART

VP, SALES & PARTNERSHIPS AT NEXL

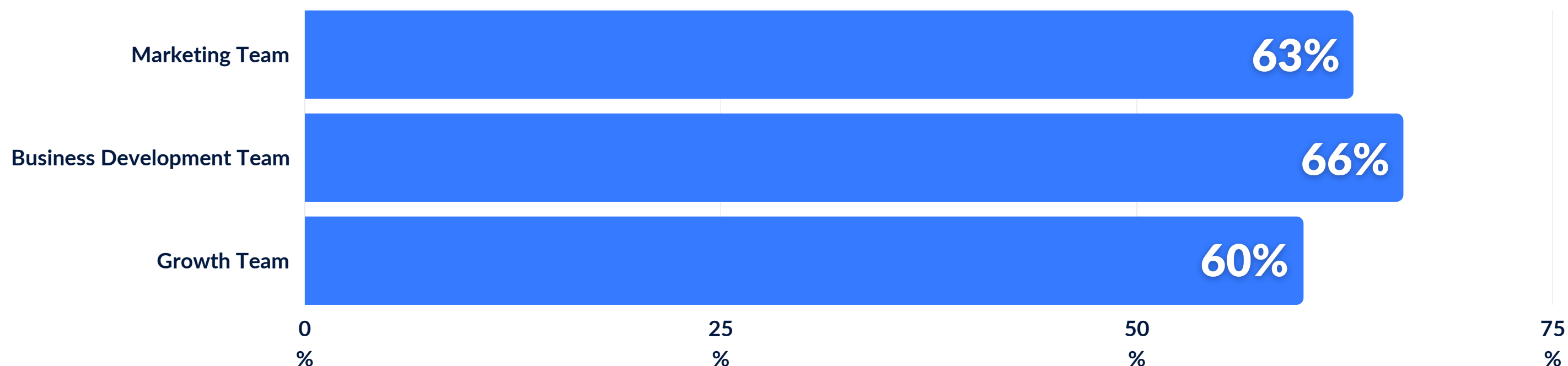
Historically, law firms have been run by legal experts primarily focused on brand-building through reputational mechanisms. The thinking used to be that delivering legal expertise to clients was the only thing required to drive and sustain growth. However, times have changed, and the ways legal counsel is selected and retained have evolved. We now see a market in transition, with 60% of law firm survey respondents having developed marketing and BD teams, while 40% have yet to build out this function within their firms. Pressures from consolidation, shifting legal procurement or legal operations mandates, and new technological and economic advancements necessitate a new way of organizing and allocating resources to support a firm's go-to-market strategy.

The legal industry has traditionally been slow to adopt modern marketing and business development practices compared to other industries. Resistance to change, slow adoption of modern practices, lack of familiarity with emerging trends, misalignment of incentives, and limited resources have all contributed to a lagging focus on marketing and business development that hasn't matched best practices found in other industries. Business development was not typically a core competency or priority for many firms.

Attorneys, constrained by time and stuck between two worlds as "seller-doers," often reflexively devoted their time to legal matters rather than business development activities.



Percentage Breakdown of How Many Law Firms Surveyed Have a Marketing, BD, and/or Growth Team



The lack of training, time, and tools exacerbates the problem. Lawyers receive extensive training in legal theory and practice, but they rarely receive formal training in business development. The skills required for successful business development, such as networking, sales, and marketing, may not be emphasized during legal education, leading to a gap in expertise and how they value and prioritize funding these critical areas within the business. Law firms have also been slow to prioritize marketing and business development due to their short-term focus on immediate revenue generation in a billable hour model, making it challenging to allocate resources and time to long-term business development efforts that may not yield immediate results.

This challenge is especially compounded within smaller firms where limited resources pose a hurdle. Restricted budgets often prevent investment in dedicated business development professionals or marketing initiatives. The legal industry's slow adoption of modern marketing

practices, resistance to change, limited knowledge of digital tools, and unfamiliarity with emerging trends hinder the effective implementation of business development strategies.

Conversely, while these reasons highlight common challenges to building out a marketing and business development function within a law firm, it's important to note that many law firms have recognized the importance of business development and are actively investing in these areas.

As the legal landscape evolves, firms increasingly realize the need to prioritize business development efforts to remain competitive and sustainable in a rapidly changing market.

There are several compelling reasons why savvy firms are prioritizing investment in their marketing and business development teams now:

1. Increasing Competition:

The legal landscape is becoming increasingly competitive, with deregulation, new alternatively structured firms entering the market, and existing firms expanding their services more broadly across professional services. Investing in a dedicated marketing team can help a law firm differentiate itself, enhance its brand visibility, and attract new clients in a crowded marketplace.

2. Changing Client Behavior:

Clients now have more options when seeking legal services and are increasingly using digital channels to find and evaluate law firms. By investing in a marketing team, a law firm can develop a strong online presence, optimize its website for search engines, and engage with clients through content marketing and social media, aligning with changing client behavior.





3. Enhanced Client Relationships:

Marketing teams can play a vital role in maintaining and nurturing client relationships. They can create personalized and targeted communications, provide regular updates on legal developments, and facilitate meaningful interactions to improve client satisfaction and loyalty.

4. Lead Generation and New Business:

An effective marketing team can generate leads and expand a law firm's client base. By implementing strategic marketing campaigns, leveraging digital advertising, and utilizing lead generation tactics, a law firm can proactively attract new clients and expand its business opportunities.

5. Reputation Management:

Building a strong reputation is essential for a law firm's success. A dedicated marketing team can help shape the firm's public image, manage its online reputation, and highlight its expertise and accomplishments through thought leadership, public relations, and reputation management strategies.

6. Demonstrating Expertise & Thought Leadership:

A marketing team can assist in showcasing a law firm's expertise and establishing its attorneys as thought leaders in their respective practice areas. By creating and promoting high-quality content, participating in industry events, and leveraging media opportunities, a law firm can enhance its reputation and credibility among clients and peers.

7. Long-Term Growth & Sustainability:

Investing in a marketing team demonstrates a commitment to long-term growth and sustainability. By strategically positioning the firm in the market, building brand equity, and nurturing client relationships, a law firm can create a strong foundation for future success and expansion.

8. **Technological Advancement:**

A new era in BD and marketing tools that specifically support law firms and all of the goals above is here. Solutions like Nexl leverages the most modern technology and approach to support law firm growth in ways that were only a dream a few years ago.

For all these reasons, we expect to see the need to prioritize marketing/BD increase, the initial costs for small firms of investing in a marketing team fall, and the recognition by law firms of all sizes to prioritize investment at a greater rate. This will lead to an increased percentage of firms with established and well-supported marketing/BD teams in the marketplace.

"Unlocking the power of marketing and business development is the key to transforming law firms from traditional titans to dynamic trailblazers in the legal landscape" - Ian





Analysis of Why FEWER Law Firms Have a Marketing, BD, or Growth Team



BY JENNY WILLIAMSON

HEAD OF BUSINESS DEVELOPMENT AT FB RICE

What's in a name?

Way back when law firms first introduced marketing roles, their understanding of the role and their needs were quite basic. The tasks revolved mostly around events and marketing communications – namely brochures and client newsletters with a few sponsorships added into the mix.

As the industry has become more sophisticated, and more client savvy, lawyers have realized the importance and value of developing deep client relationships, therefore, the marketing roles have grown to encompass business development responsibilities. I have no doubt that this is due in most part to the sophistication of the enterprising law firm marketers that originally paved the way, constantly pushing the boundaries, demonstrating how their expertise could assist the business beyond the marketing tasks they were implementing.





Survey results:

The results from the Nexl survey, therefore, make sense - the number of business development teams has grown to surpass, ever so slightly, marketing teams. To develop client relationships and win work, strategic growth plans are required – whether those plans be:

- growing business from new clients
- winning new clients in existing or new industries
- growing the business into new regions.

Business development skills have become a necessity for success. Previously, business development was also new to lawyers, so business development responsibilities were either brought into the marketing roles, or the teams were expanded to include both marketing and business development expertise.

How the professional firm landscape looks today:

Today you will find most firms have a combination of marketing and business development expertise. Whether these roles report to a Head of Business Development, a Chief Marketing Officer, or individually to a Head of Clients, successful firms will have a blend of skills.

As an example, the marketing and business development professionals at FB Rice are known as the business development team. However, within that team, we have business development experts, marketing experts, and communications and digital professionals. Those with business development roles actively perform essential marketing tasks to achieve their business development objectives while those in marketing and communications roles understand the strategic business development initiatives and implement campaigns to support these initiatives.

The importance of collaboration:

The most successful firms will be those where the business development roles and marketing roles work collaboratively to achieve the same objectives. Each understands the skill set of the other team members and the strategic goals they are wanting to achieve, and they help each other work towards these goals.

Put into context, if the business development team is working with lawyers to target the top 20 national private healthcare organisations with their cybersecurity offering, time and effort is wasted if the marketing team is sponsoring a local small business conference, focused on writing articles for the finance sector and holding an event for referrers that don't have healthcare contacts.

No matter the name of the team – whether it be marketing, business development or a combined marketing, communications and business development (MCBD) team, it is crucial to have a well-considered combination of marketing and business development strategies and activities to win new business from existing clients, new clients or referrers. And a team of marketing and business development experts working collaboratively will help the firm go a long way in successfully achieving these goals.

"Collaboration between marketing and business development is key for success in professional firms. Together, they achieve remarkable goals."



Analysis of Why FEWER Law Firms Have a Marketing, BD, or Growth Team



BY BRUCE MACEWEN

PRESIDENT AT ADAM SMITH, ESQ. A LAW FIRM MANAGEMENT CONSULTANCY

Historically, law firms have placed greater emphasis on having a marketing team rather than a dedicated business development team. However, the recent survey shed light on a noticeable shift in priorities within the industry, with an increasing focus on business development. This shift does not come as a surprise to me, and I am convinced that it is the right approach.

The nature of legal services makes it incredibly difficult to articulate and demonstrate what truly sets one law firm apart from another. The intangible nature of the work and the complexity of legal matters make it almost impossible to establish a clear and compelling distinction. Instead, law firms often rely on their lawyers' credentials and track records as a means to indirectly communicate the firm's quality and expertise. For example, introducing a partner who has successfully litigated similar cases all the way to the Supreme Court serves as a powerful testament.

In essence, the approach adopted to promote law firms and acquire new clients aligns more closely with business development rather than marketing. It resembles a one-on-one sales process, where lawyers actively engage with prospective clients. As the industry becomes more populated and thus competitive, the ability to distinguish law firms from one another has become a paramount challenge.

"I firmly believe that having a dedicated business development team is now an essential component of our firm's success."

The expertise, strategic thinking, and proactive approach that a business development team brings to the table are crucial in navigating the complexities of the legal marketplace. While marketing still plays a role in our overall strategy, the need for a specialized team that focuses on cultivating relationships, identifying new opportunities, and driving revenue growth has taken precedence.

By investing in a robust business development team, we can proactively adapt to the evolving landscape of our industry, stay ahead of our competitors, and effectively position our firm as a trusted and sought-after legal service provider. As we continue to navigate the challenges and seize the opportunities that lie ahead, prioritizing business development is not just a smart decision but a necessary one to ensure our firm's long-term success and sustained growth.



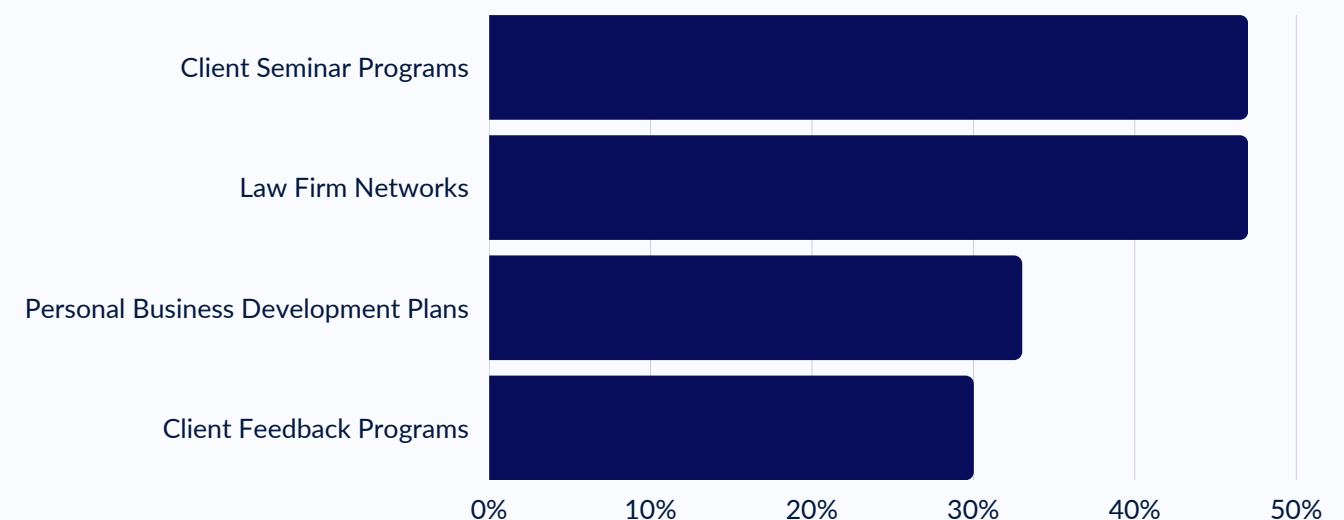
KEY TRENDS

Law Firms Prefer to Use Growth Strategies That Involve Client Growth and Personal Development

KEY TREND 1

When Nexl asked the sample of law firms about the growth strategies they prefer to use, we identified a trend among the answers. Majority of the chosen strategies aligned with client growth and personal development.

Percentage Breakdown of the Most Commonly Used Growth Strategies Amongst The Law Firms Surveyed



The observed trend among law firms, where they increasingly prioritize growth strategies centered around client expansion and personal development, reveals valuable insights about the evolving landscape.

Firstly, it highlights that by placing a strong emphasis on client growth, firms can bolster their reputation and attract a diverse clientele. Secondly, a dedicated focus on personal development cultivates a highly skilled and proficient workforce, thereby enhancing the overall quality of legal services rendered. Ultimately, this trend holds the potential to reshape the legal industry and propel its ongoing advancement.



Analysis of Law Firms Prefer to Use Growth Strategies That Involve Client Growth and Personal Growth



BY LYNN TELLEFSEN STEHLE

REVENUE OPERATIONS CONSULTANT AT NEXL

The trend of law firms prioritizing growth strategies that involve client growth and personal growth reflects a rapidly evolving global legal services market and the emergence of a modern, highly sophisticated buyer of legal services.

Today's general counsel or chief legal officer expects their outside counsel to generate favorable outcomes and deliver continuous value to their organization and their in-house teams. And, to do so in a proactive, holistic, and convenient way. For instance, to bolster (e.g., via secondments) and/or educate and inform their boards, directors, lawyers, and employees, help to minimize risks, anticipate blunts to their prosperity, help identify business opportunities, and connect them to the resources they need when they need them.

Just as general counsels have evolved in recent years to earn their seat at the C-Suite, so too must attorneys and firms evolve as collaborative advisors who are prepared and willing to develop and nurture client relationships – to sell. Internal collaboration helps firms to deliver a consistent, proactive service that meets and anticipates clients' needs.

Easier said than done.

Meaningful or radical change is challenging for every organization and perhaps especially so for law firms, which suffer from the stigma as protectors of the status quo, as slow technology adopters, and as resisters of change.

The question is: how dangerous is the status quo?



Law firms that seek sustainable revenue growth are likely to recognize the danger in maintaining the status quo. Because the market is evolving amidst VUCA, heated competition from alternative legal service providers, and an unprecedented, massive generational shift as boomers leave the workplace. In 2019, population data revealed over half of North America's total population belongs to the millennial generation or younger. And according to the Association of Corporate Counsel, the average age of today's general counsel is just 46.

Firms that adopt a growth mindset and continue to invest in preparing their attorneys to sell are positioned to win. Firms that proactively empower and outfit their marketing leaders and teams to support fee earners and exercise their expertise to market their firm will prosper and grow. Those who don't are likely to contract and lose share.

Finally, based on these trends, I anticipate firms will invest heavily in business development training and coaching, will build, or expand client teams, and institute, or expand client feedback programs, engage in sector marketing and business development initiatives. And adopt and leverage modern technologies like Nexl. Every firm's path to growth is unique. Nexl balances a firm's own data with AI and data enrichment to create a powerful infrastructure for revenue operations based on a firm's specific business concerns, network, and relationships. It also offers a complete marketing operations tech stack so marketing teams can do more and increase their effectiveness to work synergistically with attorneys to plan and execute the activities needed to deliver continuous value to clients.



Analysis of Law Firms Prefer to Use Growth Strategies That Involve Client Growth and Personal Growth



BY MEGAN SENESE, JENNIFER RAMSEY, & KATHLEEN HILTON

CO-FOUNDERS OF STAGE LLC, BUSINESS DEVELOPMENT & MARKETING FOR LAWYERS & LAW FIRMS

Law firm transformation, market consolidation, and business development reframing, we have seen it all during our collective 55+ years in Big Law. Looking across the industry, we observe law firms making Vegas-level bets (and investments) on these cards:

- **Leveraging a co-sourced model for internal business development:**

Law firms regularly outsource digital communications and design/brand. Co-sourcing for other marketing disciplines is on the horizon - we predict business development, relationship building, key account management, and direct sales will be co-sourced to take full advantage of resources to scale and complement existing investments of human talent. This evolving model is an elegant and economical option - a relatively underutilized business model where your co-sourcing partner collaborates with an internal team to design actionable plans to achieve goals. Law firms only pay for the time they need and, in return, receive experienced and specialized talent at a competitive rate. Co-sourcing is an attractive and flexible alternative as law firms announce a delay of new associate classes (Cooley) and firms look to cut expenses - yet concurrently stay true to their vision and strategy for growth.

- **Double down on client growth grounded in empathy:**

As lawyers, law firms, and legal marketing professionals, we see a shift moving toward a new way of doing business. For law firms to gain additional market share and compete amid mergers, distressed markets, and inflation, law firms need to go back to the basics—people, relationships, and authenticity. People are looking for a deeper connection to their business and an empathy-forward approach. Building strong relationships builds trust, which in turn leads to loyalty, and increases the likelihood that the client will continue to engage with the firm - versus jumping ship to a competitor.

- **Triple down on collaboration:**

Activate collaboration to achieve commercial outcomes, bringing together a diversity of perspectives and expertise, driving strategy and execution to attain better results - whether cultural or economic. When business relationships are strong and personal, it is easier for businesses to initiate changes and adapt to the market. When you have a personal relationship that is rooted in trust, the lawyer understands the client's needs and objectives and can deliver against the right baseline. Simply put, collaboration cuts down on the knowing/doing gap, resulting in transparency and shared purpose.



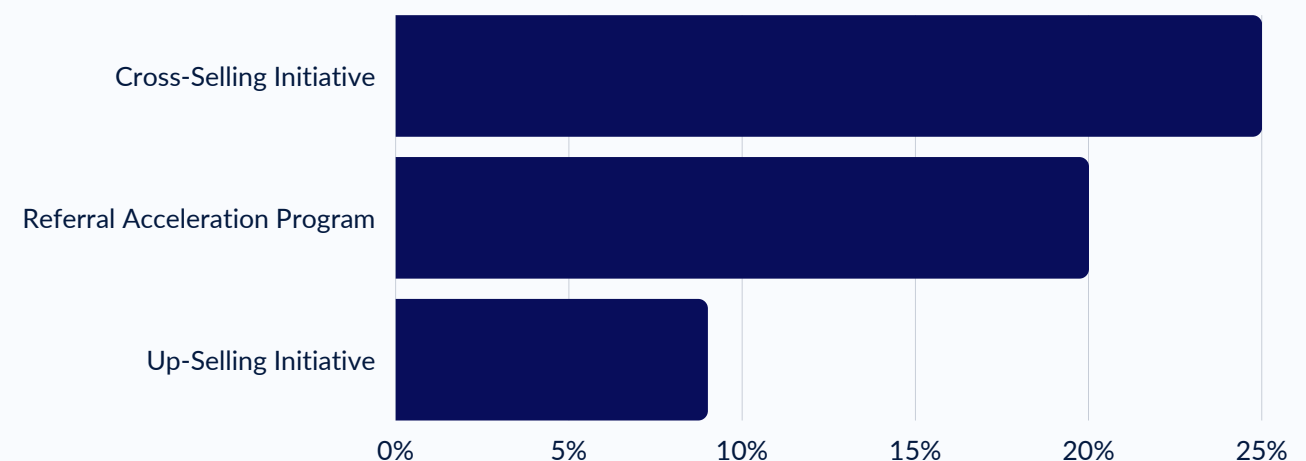
| KEY TRENDS

Fewer Law Firms Rely on Cross-Selling, Upselling, Referral Acceleration Initiatives

KEY TREND 2

When Nexl asked the sample of lawyers about the growth strategies they prefer to use, we identified that there were a few strategies that were omitted by firms despite the value these strategies bring. These three strategies are; cross-selling initiatives, upselling initiatives, and referral acceleration programs.

Percentage Breakdown of the Most Uncommonly Used Growth Strategies Amongst the Law Firms Surveyed



That only a quarter or less of survey respondents said their firm relies on cross-selling, and referral acceleration initiatives suggests missed opportunities for firms and lawyers to address client needs through key client programs, client feedback initiatives, and other strategies focused on serving and anticipating client needs.

Internal and external collaboration will help to strengthen and expand individual and firm networks. Those with marketing and business development teams are poised to leverage their expertise to plan and implement a range of initiatives focused on meeting and anticipating client and market needs.



Analysis of Why FEWER Law Firms Rely on Cross-Selling, Upselling, Referral Acceleration Initiatives



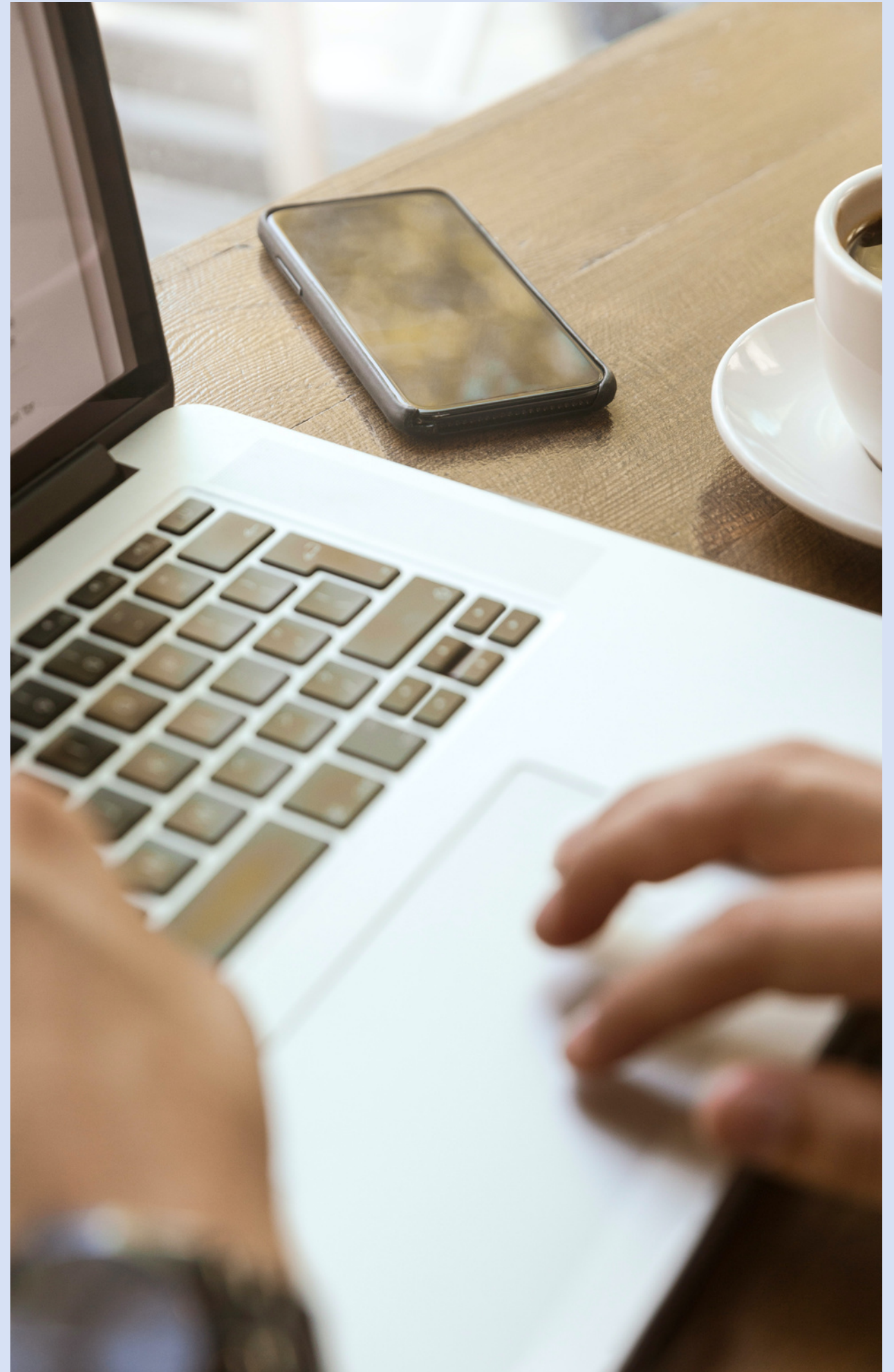
BY DAVID PRADA

REVENUE OPERATIONS CONSULTANT AT NEXL

In today's rapidly evolving legal landscape, law firms are constantly seeking effective strategies to drive profitable revenues and maintain a competitive edge. However, a recent survey conducted by Nexl in the first quarter of 2023 reveals an interesting trend: fewer law firms are relying on traditional growth strategies such as cross-selling, upselling, and referral acceleration initiatives. This article explores the reasons behind this shift and sheds light on the emerging alternatives law firms are embracing.

The Current Landscape:

Nexl's survey, which encompassed 100 law firms across various continents, practice areas, and sizes, uncovered intriguing insights into the status of law firms' growth strategies. Based on the findings, it seems that a limited number of law firms are putting into practice initiatives for cross-selling, upselling, and referral acceleration. For instance, only 2% of law firms utilize cross-selling initiatives, while referral acceleration initiatives are adopted by a mere 16% of firms. The decrease in conventional methods of achieving growth urges us to investigate the underlying reasons responsible for this transformation.





"Unveiling the path to success in modern legal growth requires embracing client-centricity, personal development, and technology."

Preference for Client and Personal Growth:

One possible explanation for the decline in these traditional growth strategies lies in the shifting preferences of law firms.

Nexl's survey indicates that law firms are increasingly opting for growth strategies that revolve around client growth and personal development. Law Firm Networks emerged as a particularly popular choice among the surveyed firms, with a notable 47% employing this strategy. Collaborating with other firms within a network allows for expanded client reach and access to specialized expertise. Furthermore, 33% of firms prioritize Personal Business Development Plans, emphasizing the significance of individual growth and skill enhancement to attract and retain clients.

Challenges faced in Execution:

Another factor contributing to the reduced reliance on cross-selling, upselling, and referral acceleration initiatives is the challenges law firms encounter during their implementation. Nexl's survey revealed that many firms struggle to effectively execute these strategies. Implementing cross-selling and upselling requires coordination and collaboration within the firm, which can be challenging in practice. Law firms often encounter obstacles such as departmental silos, communication breakdowns, and resistance to change within their internal structure. However, prioritizing client growth and personal development strategies can yield quicker results and require less coordination among internal departments.

Technology Adoption and Support:

The survey results also shed light on the role of technology in growth strategies. Approximately 45% of law firms surveyed have a Customer Relationship Management (CRM) system in place. CRM systems can play a vital role in identifying cross-selling and upselling opportunities, as well as managing client relationships. However, the relatively low adoption rate of CRM systems in certain regions may be limiting the effectiveness of these traditional growth strategies. Law firms need to recognize the benefits of implementing CRM systems to streamline business development efforts and maximize revenue potential.

Alternative Approaches:

Law firms are increasingly exploring alternative growth strategies that align with changing client preferences and evolving market dynamics. Client Seminar Programs emerged as a favored approach, with 47% of firms utilizing this strategy. These programs allow firms to engage with existing and potential clients, demonstrate expertise, and foster relationships. It's worth noting that 30% of companies are utilizing customer feedback programs to gather valuable insights on client satisfaction and identify areas for improvement. Law firms can improve client loyalty and meet their expectations by actively seeking feedback and adapting their services accordingly.

In conclusion, there are various reasons why law firms are reducing their dependence on growth strategies like cross-selling, upselling, and referral acceleration initiatives. Some of these factors include changing preferences of clients, challenges in executing these strategies, and the emergence of alternative approaches. As law firms adapt to the evolving legal landscape, it is crucial to consider these factors and explore innovative approaches that prioritize client growth, practice area development, and leveraging technology to enhance growth strategies. By embracing these changes, law firms can position themselves for success in the future and cultivate sustainable revenue growth.



Phil's Thoughts



Philipp Thurner
Chief Executive Officer

Reflecting on the key insights derived from our whitepaper, it is abundantly clear that relationships form the cornerstone of the legal world. Despite the heavy investments that most law firms have made since 2008 in people, processes, and technology—particularly in marketing—many continue to lose market share today. This problem can be traced back to siloed practice areas, misaligned teams, and inaccurate relationship data.

Our comprehensive survey, which encompassed the perspectives of 100 lawyers from various countries, positions, and career stages, has given us a holistic view of the preferred growth strategies of law firms globally, as well as the unique challenges they face in 2023. We discovered that many law firms grapple with finding effective strategies for winning new business, converting prospects into clients, and demonstrating a clear ROI for their chosen growth strategies. Alarming, a substantial number of law firms have numerous relationships but struggle to generate referrals from them.

We also observed a surprising trend: a limited number of law firms rely on growth strategies such as cross-selling, upselling, and referral acceleration initiatives.

The implications of this finding are profound, highlighting an urgent need for law firms to pivot and invest in marketing and business development strategies, plans, and operations.

To differentiate their firms amidst the fiercely competitive and fragmented legal services market, lawyers need to further hone their business development skills. The insights drawn from this report are a testament to Nexl's steadfast commitment to assisting law firms and lawyers in understanding the growth strategies that work, those that don't, and the measures that need to be taken to ensure their growth strategies work for them, rather than against them.

At Nexl, our vision extends far beyond the here and now. We envision a future where progress is achieved through collaboration. We see data and relationship insights as the bedrock of strategy, enabling seamless collaboration between marketing, business development, and lawyers. We are optimistic about seeing more law firms investing and focusing on better go-to-market initiatives, and we are ready to support them every step of the way.

Our guiding principle is to empower law firms to start small, focus on the basics, and build relationship momentum. Leveraging the right data can facilitate collaboration and drive progress. We aim to help lawyers improve how they manage client relationships, turning those relationships into a significant source of revenue, and ultimately propelling the industry forward.

But our vision is not just about achieving growth—it's about fostering an environment of continuous learning, adaptation, and innovation. It's about empowering law firms and lawyers with the right tools, insights, and strategies to navigate the rapidly evolving landscape and thrive in today's highly competitive legal industry.

We are excited about the journey ahead and are committed to walking this path with you. Together, we can shape the future of the legal industry—one relationship at a time.

A handwritten signature in black ink that reads "Phil Thurner". Below the signature, the letters "CEO" are printed in a small, sans-serif font.

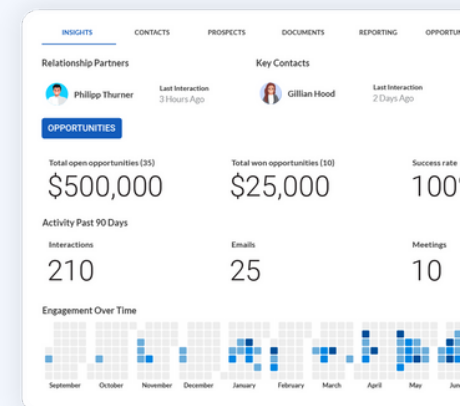


NEXL IS IN THE BUSINESS OF TRANSFORMING RELATIONSHIPS

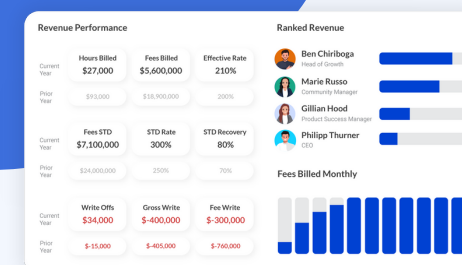
Nexl is more than a technology company. We're a relationship company, helping law firms connect to clients in a deeper way than ever before possible. To stay competitive and meet client expectations, law firms must now deliver a personalized client experience and do it as #OneFirm. Nothing else matters. And yesterday's tools won't get you there.

Nexl can...

It's the only Revenue Operations platform for law firms, natively combining CRM (relationship management), ERM (relationship intelligence), Revenue Intelligence, and a collaboration platform to align your firm and execute your strategy.



Legal CRM. Reimagined.



Nexl gives marketing and business development teams the tools they need to turn their relationships into revenue with our Collaborative Relationship Management platform.

Enterprise Relationship Management (ERM)

Opportunity and Referral Tracking

No-Data-Entry CRM

In-Built Client Prospecting

Project Management Tools





Nexl is a leading provider of innovative legal technology solutions aimed at creating efficiencies, accelerating growth and providing data-driven insights that enable smart decision making. We offer scalable solutions for law firms of all shapes and sizes.

Founded by legal professionals with vast experience working within law firms globally, Nexl grew out of a desire to fundamentally change the way that legal firms grow and engage with internal and external stakeholders. The existing way of managing these relationships doesn't work. Today, we're driving the delivery of smart, innovative and technology-driven services to clients worldwide.

Smart, insight-driven solutions underpin Nexl's purpose. Drawing from our own practical experience working within the professional services industry, our purpose is to develop and deliver technology solutions that will drive positive change in how law firms manage their client relationships and grow their practice.

To get started with Nexl, visit us at <https://nexl.cloud> today.