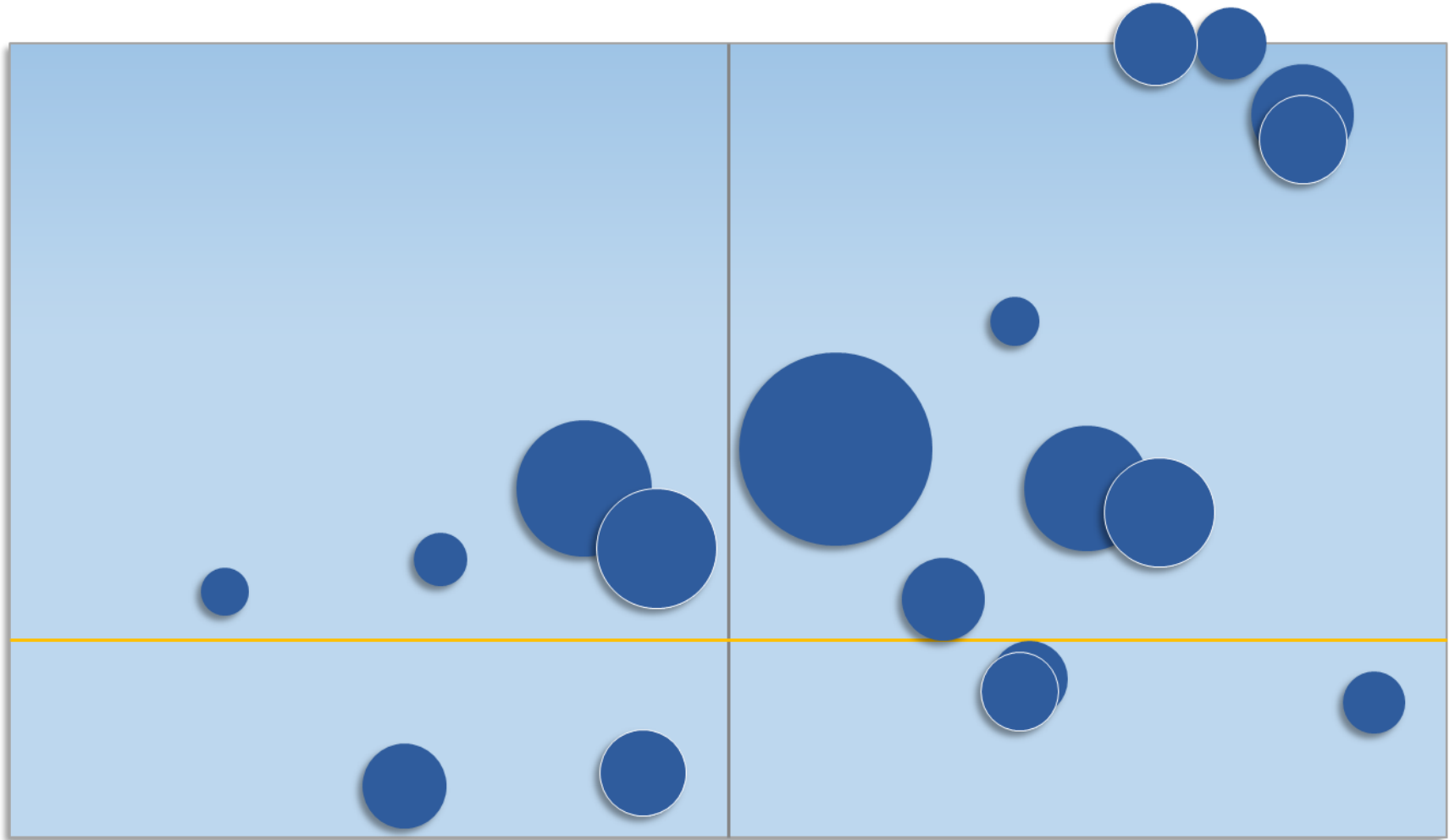


# BTI PRACTICE OUTLOOK 2021: PANDEMIC-LED LEGAL SPENDING

CHANGES, TRENDS AND OPPORTUNITIES FOR LAW FIRMS



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## AT A GLANCE

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- Outside counsel spending is up and heading higher
- 6 practices are slated for premium rates in 9 industries
- 8 practices will see substantially increased spending per matter

Clients have few sources of refuge. Facing a tsunami of new matters, they are increasing outside counsel spending in more than 10 practices. The new pandemic-driven world creates nothing but new work for outside counsel.

But clients are moving quickly. They want to get ahead of this work, plan for it, and develop strategies where they can. The law firms who know where the opportunities are will get there first. The BTI Practice Outlook 2021 is the only tool to guide your business development plans with precision and lead you to where clients need help most — and where they will pay premium rates.

Chock full of tactics and strategies you can use immediately, we go beyond the numbers to demystify the most difficult market to present itself in decades.

Join the more than 200 law firms using the BTI Practice Outlook 2021 to develop premium work with the most effective strategies.

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*BTI Practice Outlook 2021: Pandemic-Led Legal Spending is your only guide to outside counsel spending during the pandemic.*

*Guide your business development plans with precision straight from your clients — and your potential clients. Learn how they plan to divvy up their increase in outside counsel budgets as the pandemic continues and throughout the remainder of 2021.*

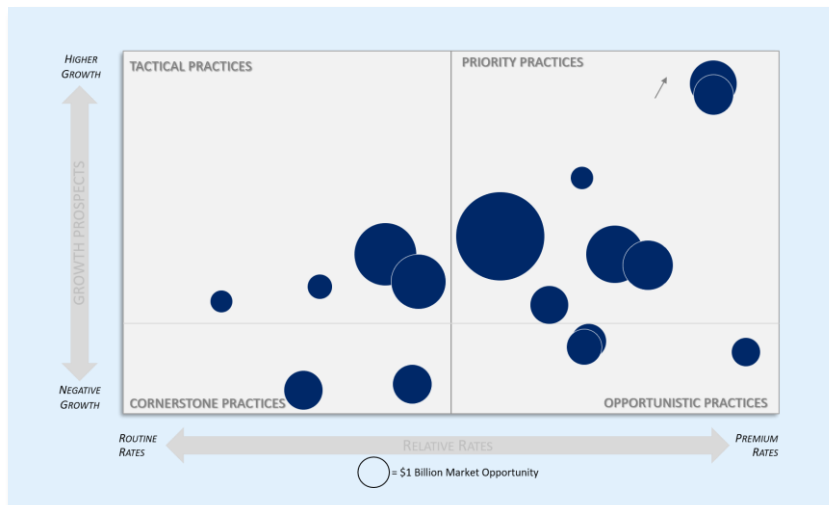
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# 11 Trends Shaping the Legal Market in 2021

<b>11</b> Trends Shaping the Legal Market in 2021	<b>1</b> Client workload is turning into a tsunami of new work	<b>2</b> 4 Practices are growing more than 10%	<b>3</b> An astonishing 12 practices are poised to grow in 2021	<b>4</b> Clients expect to pay premium rates in 12 practices	<b>5</b> Cybersecurity is a top priority in 8 industries with the largest legal spenders
	<b>6</b> Class Actions is a top priority in 8 key industries	<b>7</b> Health Care has the need for more practice areas than any other industry	<b>8</b> Pharma and High-Tech rival Health Care for its broad needs and spending increases	<b>9</b> Clients are more open to awarding work to midsize firms than any time in the last 10 years	<b>10</b> Clients are flooded with new regulations covering the workforce and anyone who came near stimulus money
	<b>11</b> Despite bringing some work in-house, clients know they need outside counsel help in a big way, and the issues they face are only growing				

# Opportunity Hot Spots in 2021: Looking for Growth by Practice & Industry

As spending with outside counsel takes an unexpected turn up, growth for law firms is dependent on targeting the right clients with the right needs. BTI translates its unmatched research, based on in-depth telephone interviews with more than 240 top legal decision makers into the best opportunities for growth — by practice and by industry.



## Practice Trends

BTI's Practice Roadmap details how companies are changing the way they allocate their legal budgets in 2021 and what impact these changes will have on the opportunities available to law firms. Each practice has a distinct set of characteristics law firms can use to their advantage. Firms can use this to assemble their strategies and resources with tremendous precision to drive the highest returns.

(discussion starts on [page 14](#))

## Industry Needs

BTI takes this analysis one step further in our Industry Opportunity Matrix. This chart identifies industries with the largest and most compelling needs in 2021. This tool offers the deepest insight into exactly where the opportunities are. You can use it to target opportunities and your pitches.

(see full-size chart on [page 21](#))

# How to Read BTI's Practice Roadmap 2021

The practice opportunities for law firms in terms of growing market share and profitability in 2021 are organized around 3 core criteria in BTI's Practice Roadmap 2021.

## Relative Rate Premiums



Legal decision makers have been putting more rate pressure on their law firms. We evaluate each practice, and the rates clients are paying — or plan to pay. Savvy law firms will have clear strategies to capture premium rates and have different strategies to work more efficiently in practices with higher rate pressure. Practice areas with the most potential for premium rates are on the right side of the roadmap.

## Projected Spending Growth

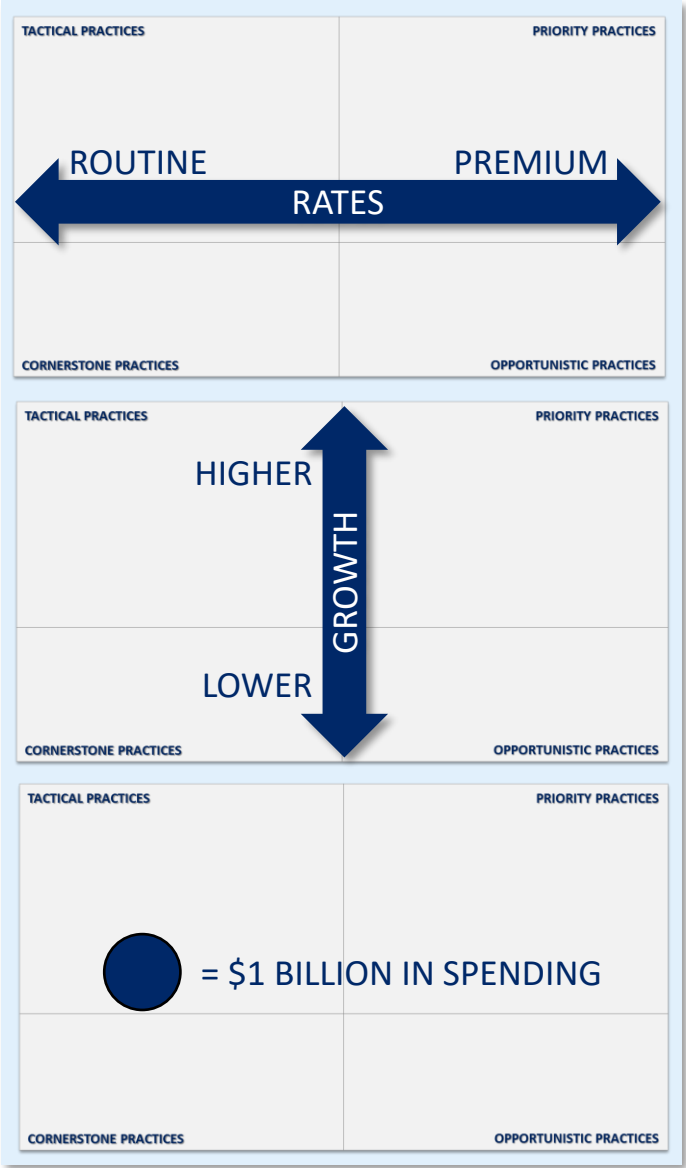


In the current legal market, predicting and reacting to how companies are allocating their legal budget can be a major source of advantage. Most law firms are expecting a soft and unstable market. But you can use this report to guide you to the best opportunities by rates, need, and industry. The practices expected to see the most growth in 2021 are on the top of the roadmap. The practices garnering the highest rates are the right-hand side of the chart as you look at the page.

## Practice Revenue Potential

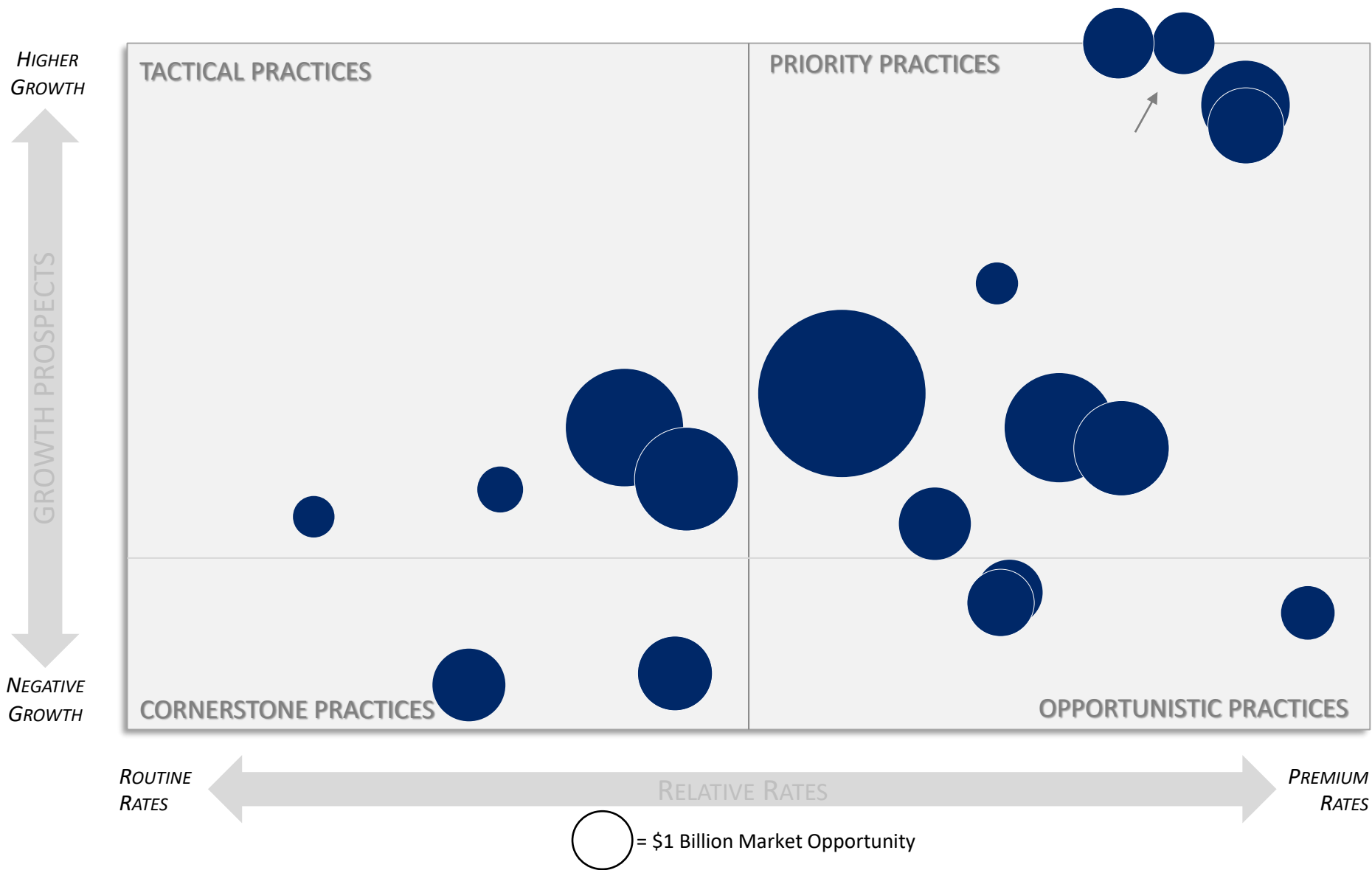


A critical factor for any law firm is understanding the total potential revenue a practice can deliver to your firm. This information helps inform several strategic decisions such as: practice offerings, resource allocation, lateral hiring, business development initiatives, and potential partnerships. The larger the bubble representing a practice, the more revenue potential.



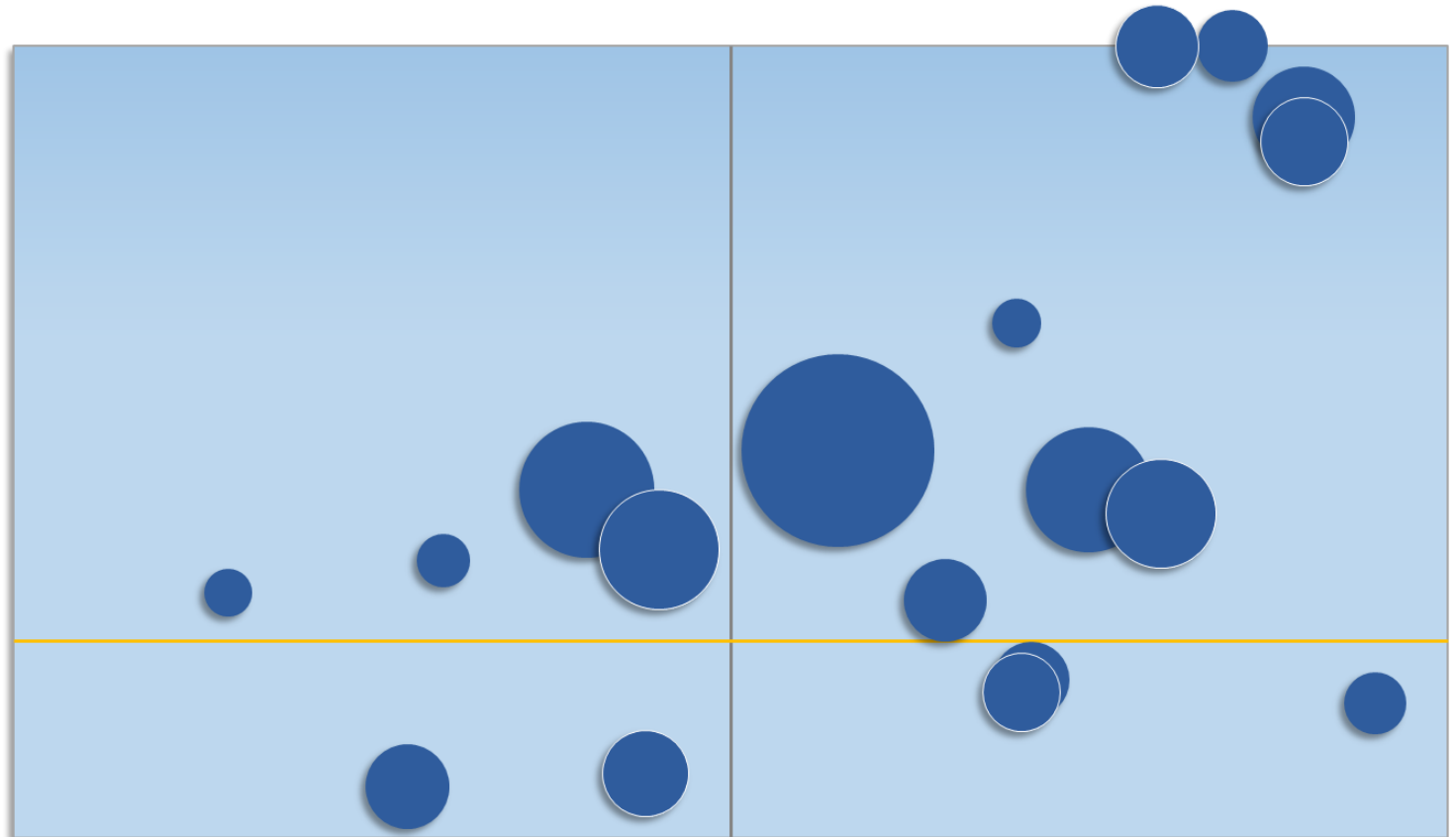
# BTI's Practice Roadmap 2021

Analysis of legal practices by growth, relative rates, and market size



# BTI Opportunity Zone

IDENTIFYING HOTS SPOTS & PRESSURE POINTS IN 2021





## How to Read BTI's Industry Opportunity Zone

For every major practice segment, BTI analyzes which client industries are expected to have increased needs and spending, and which are declining. BTI's Industry Opportunity Zone matrix zeroes in on the industries and practice areas promising strong growth opportunities in 2021. Actively target clients within these industries for access to increased spending and premium billing rates.

## Top growth prospects

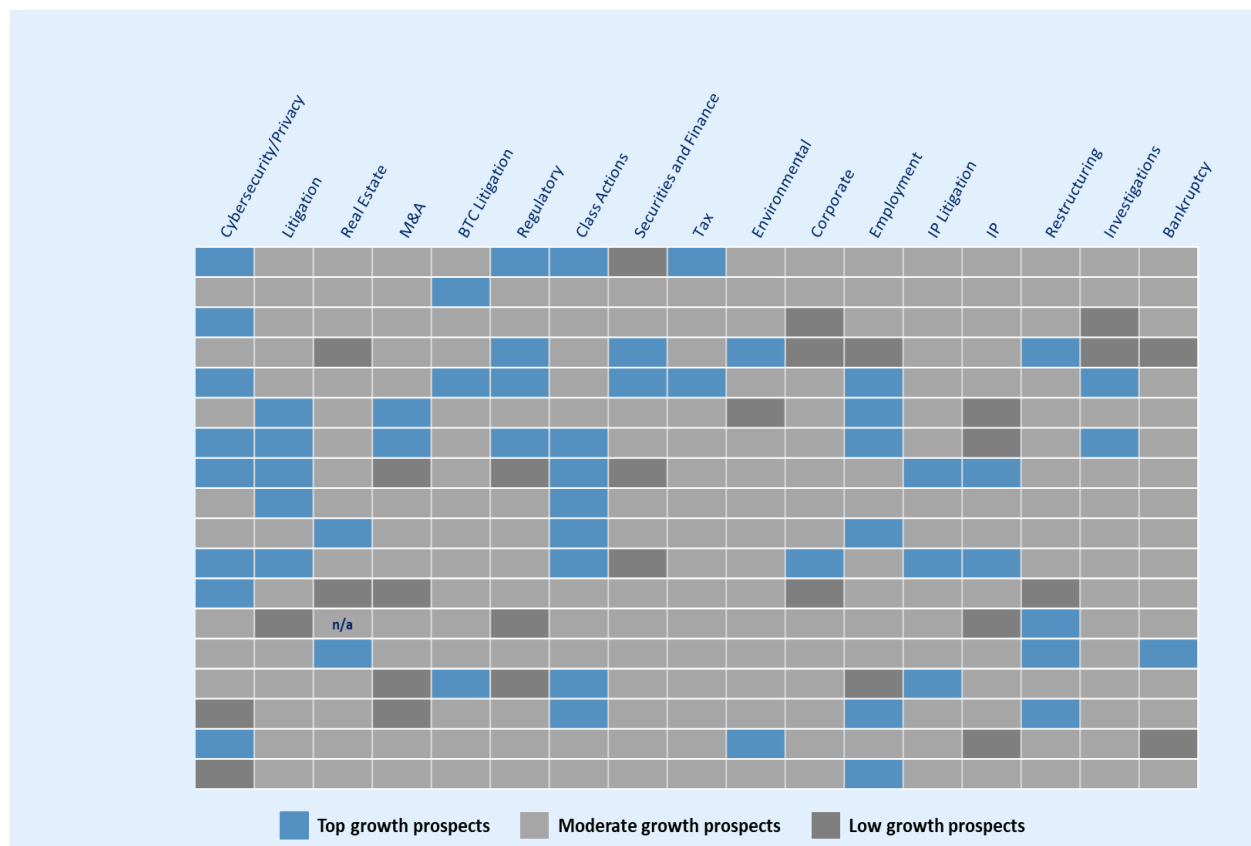
Even as the overall market for outside counsel services shows signs of growth, certain opportunities are more attractive than others. These areas are slated for prime growth and higher-than-market rates.

## Moderate growth prospects

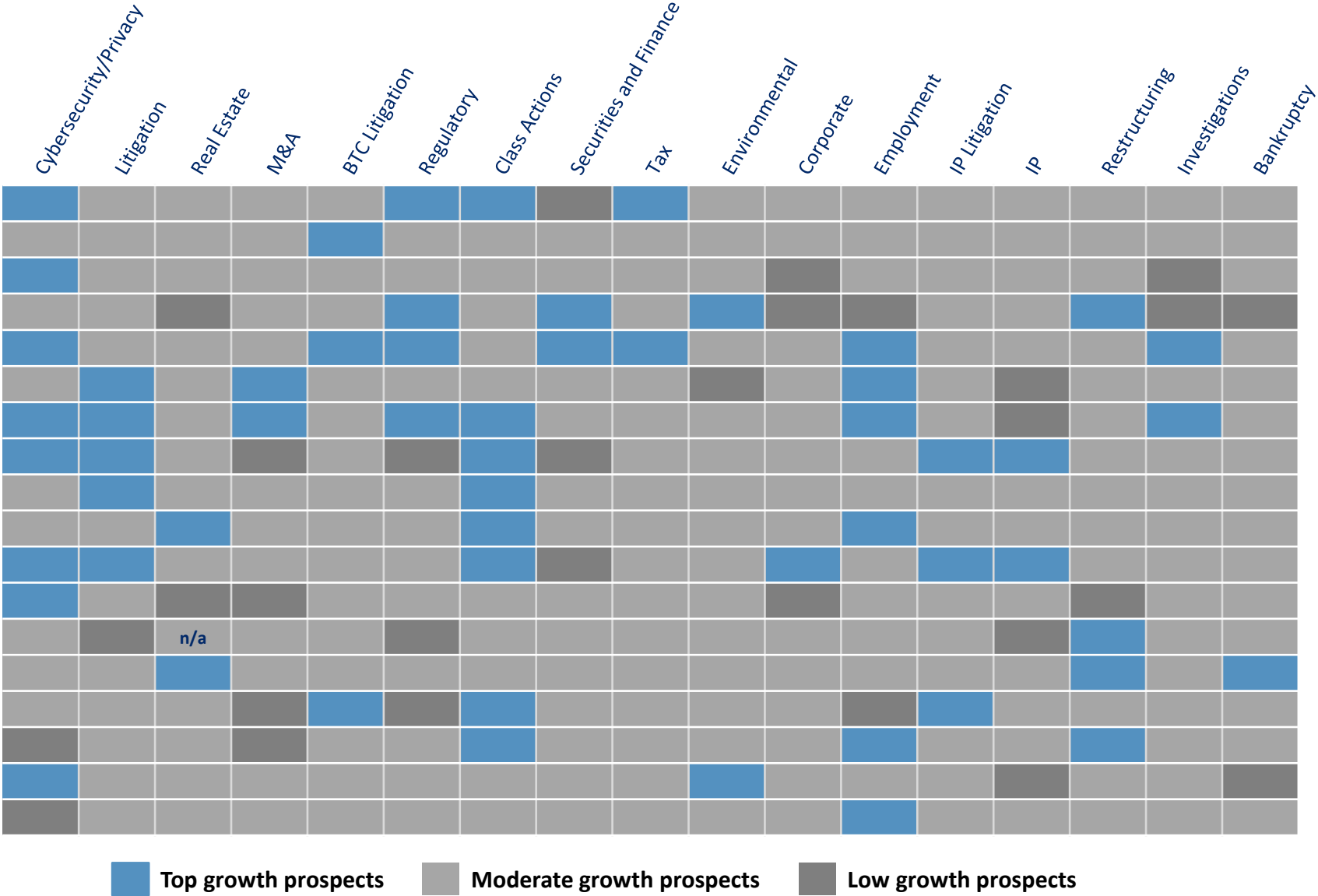
The legal market in 2021 will largely be neutral in terms of dollar growth. There will be little change in terms of spending and clients' needs in these practice segments.

## Low growth prospects

The most successful growth strategies are consistent with market realities — and in these low-growth-prospect sectors rapid growth is not going to return in the near future.

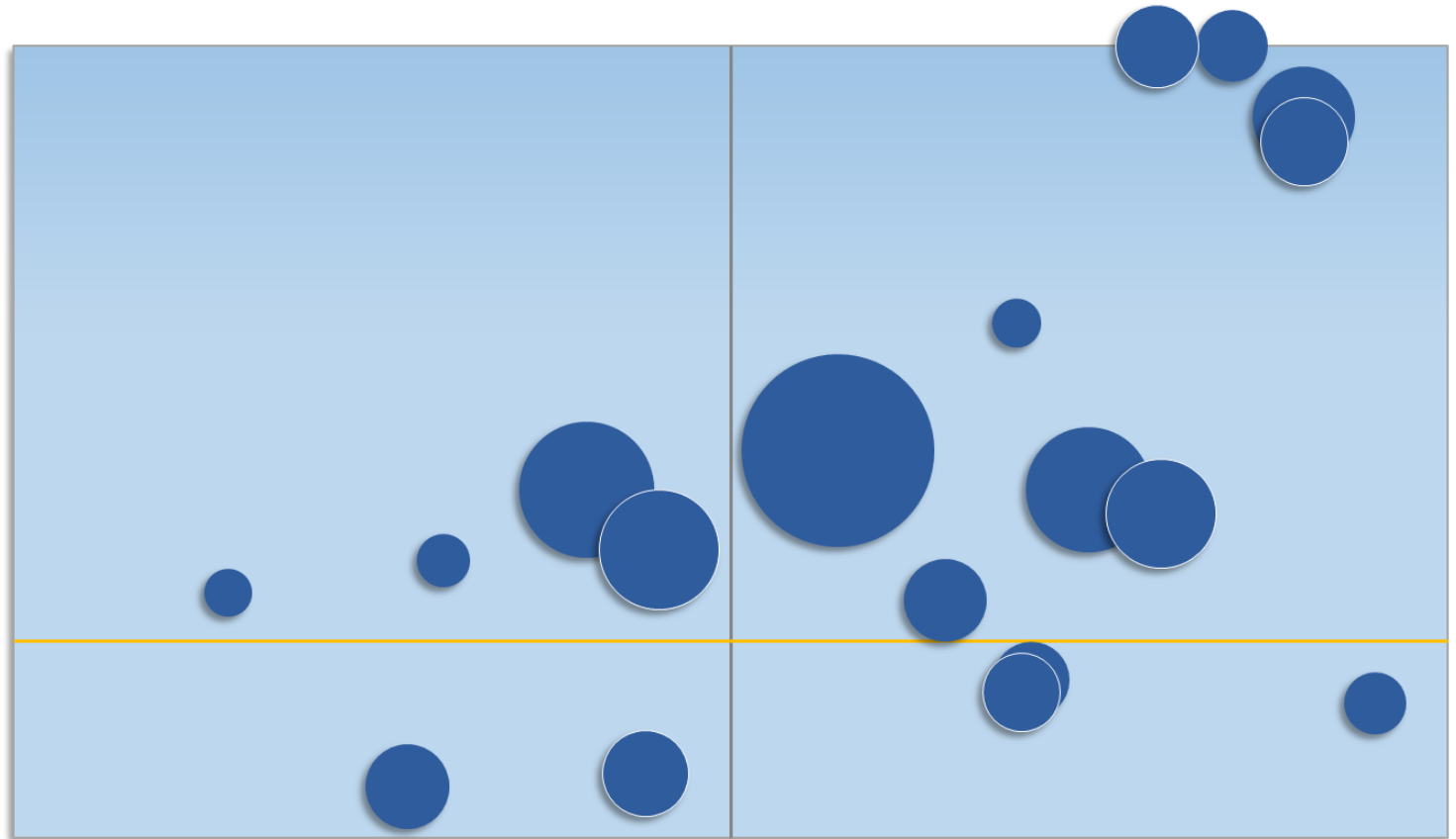


# BTI's Industry Opportunity Matrix: Looking for Growth by Practice & Industry



# Practice Spotlights

## MARKET DRIVERS & TRENDS BY PRACTICE



# Reading BTI's Practice Spotlights

## PRACTICE DRIVERS

Current trends and developments impacting the type of opportunities available.

## INDUSTRY OPPORTUNITY ZONE

For every major practice segment, BTI analyzes which client industries are expected to have increased needs and spending — and which are declining.

### Top growth prospects

Even as the overall market for outside counsel services shows signs of growth, certain opportunities are more attractive than others. These areas are slated for prime growth and higher-than-market rates.

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### Low growth prospects

The most successful growth strategies are consistent with market realities — and in these low-growth-prospect sectors rapid growth is not going to return in the near future.

### Practice Outlook: Practice Trends by Industry

#### Practice Trends

This is one of the fastest growing practices. The unexpected surge of remote work is fueling an already heated demand for these services. The growth is coming on a number of fronts including:

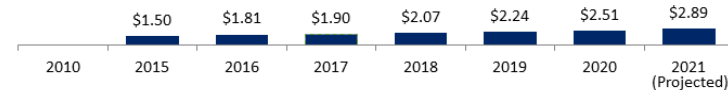
- ▶ Compliance
- ▶ Security
- ▶ Policy and Procedures
- ▶ Counseling
- ▶ Incident Response

Clients face more than the remote work surge. They are looking at issues in connection with The Privacy Shield, GDPR and CCPA. All this leads to high need and what top legal decision makers describe as a shortage of experienced attorneys. These clients indicate many attorneys are entering the field, but a large number are still learning the ropes. They say industry specific experience trumps knowledge. And prior experience with your client beats all.

#### What to Do

- ▶ Use semi custom CLEs to educate clients
- ▶ Engage clients about the specific issues they face — and help prioritize
- ▶ Draft sample policies and audit checklists you can use to initiate discussions
- ▶ Share your experience and observations with other clients
- ▶ Create roundtable discussions with small groups of clients and potential clients

#### MARKET SIZE (\$B)



#### INDUSTRY OPPORTUNITY ZONE

- Top Growth Prospects
- Moderate Growth Prospects
- Low Growth Prospects

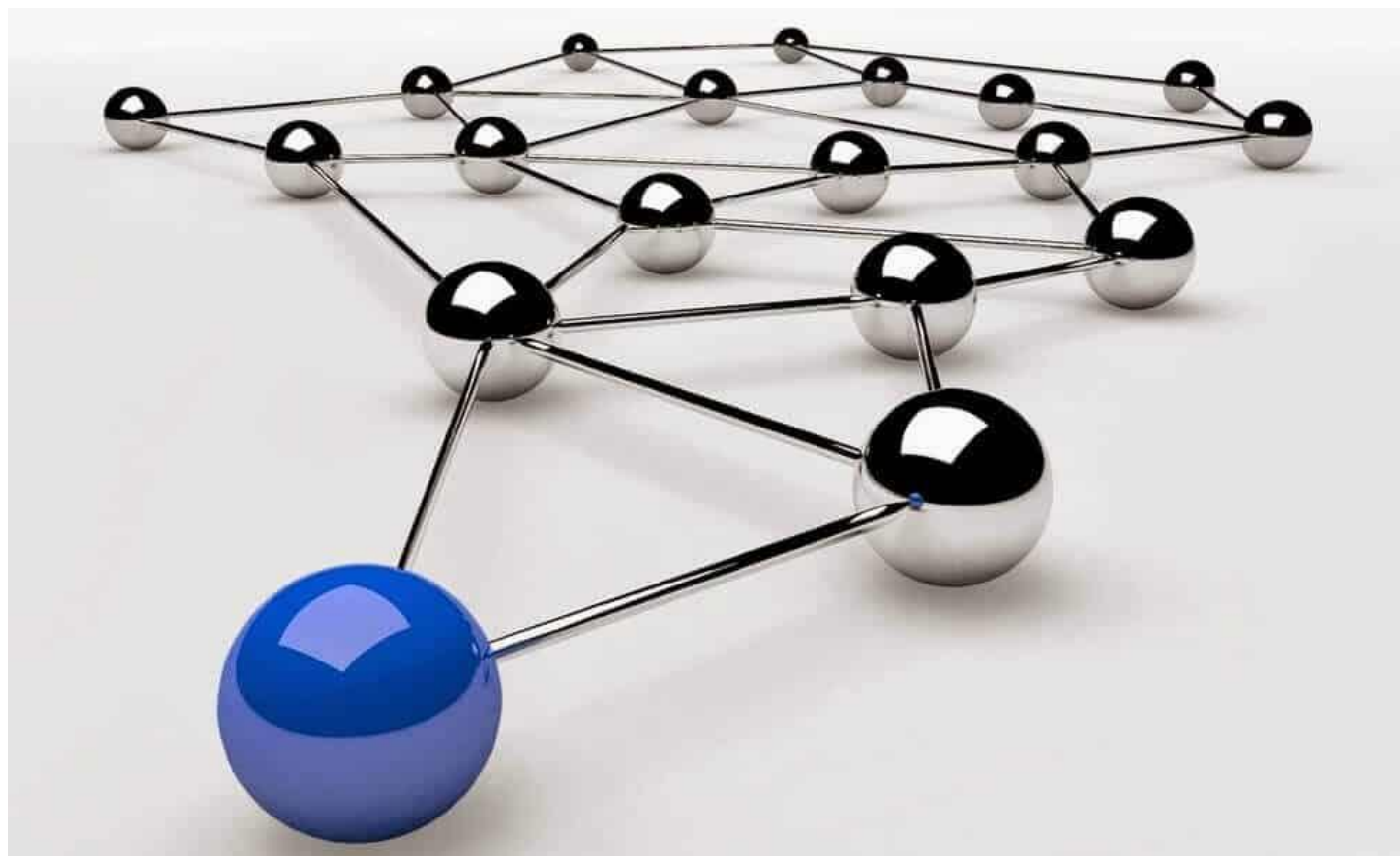


## MARKET SIZE TRENDS

BTI has tracked the legal market for the past 20 years. Use this data to understand the potential revenue opportunities available in each practice — and how major changes have impacted your firm's ability to be profitable.

# BTI Litigation Outlook 2021

## METHODOLOGY



# Our Methodology and Approach

INDEPENDENT, UNBIASED RESEARCH, BASED SOLELY ON CLIENT FEEDBACK

## 2021 Survey Participant Demographics

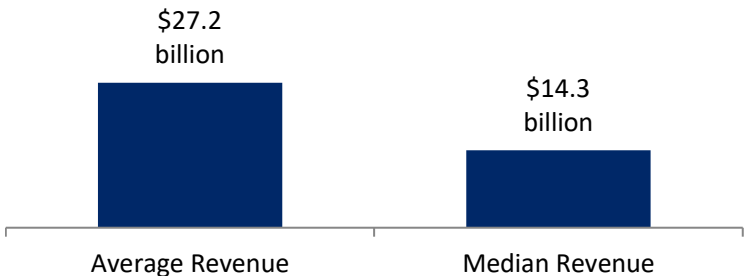
### Overview

Interviews	More than <b>240</b> in-depth telephone interviews
Time Frame	Conducted between <b>February 12, 2020</b> and <b>October 28, 2020</b>
Incentives	Respondents receive a complimentary report of legal benchmarks and metrics

### Legal Decision Makers Responsible for Legal Spending

- Chief Legal Officer
- General Counsel
- Deputy General Counsel
- Associate General Counsel
- Vice President – Legal
- Senior Counsel

### Organizations with Highest Levels of Legal Spending



### Representative of more than 15 Industry Segments

- Banking
- Chemicals
- Consumer Goods
- Energy
- Financial Services
- Food & Agriculture
- Health Care
- High Tech
- Insurance
- Manufacturing
- Pharmaceuticals
- Professional Services
- Retail Trade
- Telecom
- Transportation
- Utilities
- Wholesale Trade

*BTI Practice Outlook 2021* is based solely on in-depth telephone interviews with leading legal decision makers. This comprehensive analysis trends data from more than 11,000 corporate counsel client interviews conducted over the span of 20 years.

**This research is independent and unbiased — no law firm or organization other than BTI sponsors this study.**

Each year, BTI reaches out to a strategically designed group of top legal decision makers at large organizations with \$1 billion or more in revenue. We target the decision makers in the industries who spend the most on legal affairs as well as thought leaders and innovative Chief Legal Officers. Our survey also includes Chief Legal Operating Officers and business executives who hire and influence the selection and hiring of law firms.

We grant interviewees confidentiality at the individual and organizational level.

# BTI Consulting Group

## ABOUT US





# What We Do

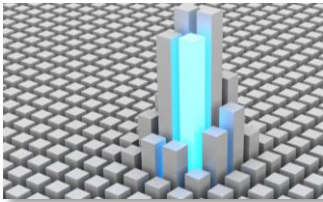
For 30 years, we've successfully helped our clients strategically drive revenue, boost performance, attract and retain clients, develop more business in new and existing markets, and create enduring relationships with our data-driven customized programs and solutions tailored to meet each client's specific and unique needs. We examine the market from your client's perspective with a measurable, innovative, and high-impact approach.

From in-depth independent research to one-on-one interviews with C-suite executives, top legal decision makers and market leaders, our expertise and insight will help you understand — as well as benchmark — how clients acquire, manage, and evaluate their professional services providers.



## Client Feedback Programs

We help you reveal powerful, defining client insights you simply can't get anywhere else through innovative, world-class feedback.



## Business Development Training

We help you and your firm catapult your business development skills, culture, and mindset, fast.



## Client Service Excellence

We help you redefine how clients think about you and your firm for the short- and long-term.



## Market Research & Insightful Client-Centric Reports

Authoritative, innovative & practical advice from our research. BTI's client service rankings, brand health assessments, market forecasts, and more are the industry gold standard.



# Market Research, Expertise & Insights

*Authoritative, innovative, and practical advice from our research*

Law firms who would otherwise have little insight into corporate counsel hiring decisions, goals, law firm preferences, market positions, and detailed recommendations can now gain access to the same research used by the largest and best-performing firms in the world. The data and insight found in BTI's reports are used to train attorneys, guide business development, inform strategy, and calibrate market trends against firm tactics. In short, you get many of the benefits of a custom study commissioned for your firm, at a fraction of the cost. These insights are proven to drive growth and client retention and protect fees.

Our reports come with a 100% satisfaction guarantee and complete telephone support to help you maximize the value from our publications.

Order today at [bticonsulting.com](https://bticonsulting.com)

## BTI Litigation Outlook 2021



Our 10<sup>th</sup> BTI Litigation Outlook uncovers how client behavior and spending are changing in 2021. This comprehensive deep dive immediately helps you identify the most current and vexing client needs — helping you meet these needs before competitors realize there's new work for the taking.

**Order Now**

## BTI Cybersecurity & Data Privacy 2020



Cybersecurity & Data Privacy is the fastest growing practice of any area of law. The opportunities for law firms are enormous. Our in-depth conversations with more than 250 top legal decision makers have revealed groundbreaking and compelling insights law firms need to know today to deliver excellence to your clients.

**Order Now**

## BTI Client Service A-Team 2020



Clients identify *Dealing with Complexity* as a core attribute of the best client service. This change means every law firm is subject to new evaluation criteria and new testing of your client service. 30 law firms stand above their peers, earning unmatched recognition in new factors driving superior client relationships.

**Order Now**

# Contact Us

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## Michael B. Rynowecer, President

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For questions, research inquiries, and information on BTI's client feedback programs, market insight research, seminars, training, or workshops, please contact us via email or by calling **+1 617 439 0333**.

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