

BTI Practice Outlook 2022: The Surge In Legal Spending Arrives

Changes, Trends, and Opportunities for Law Firms

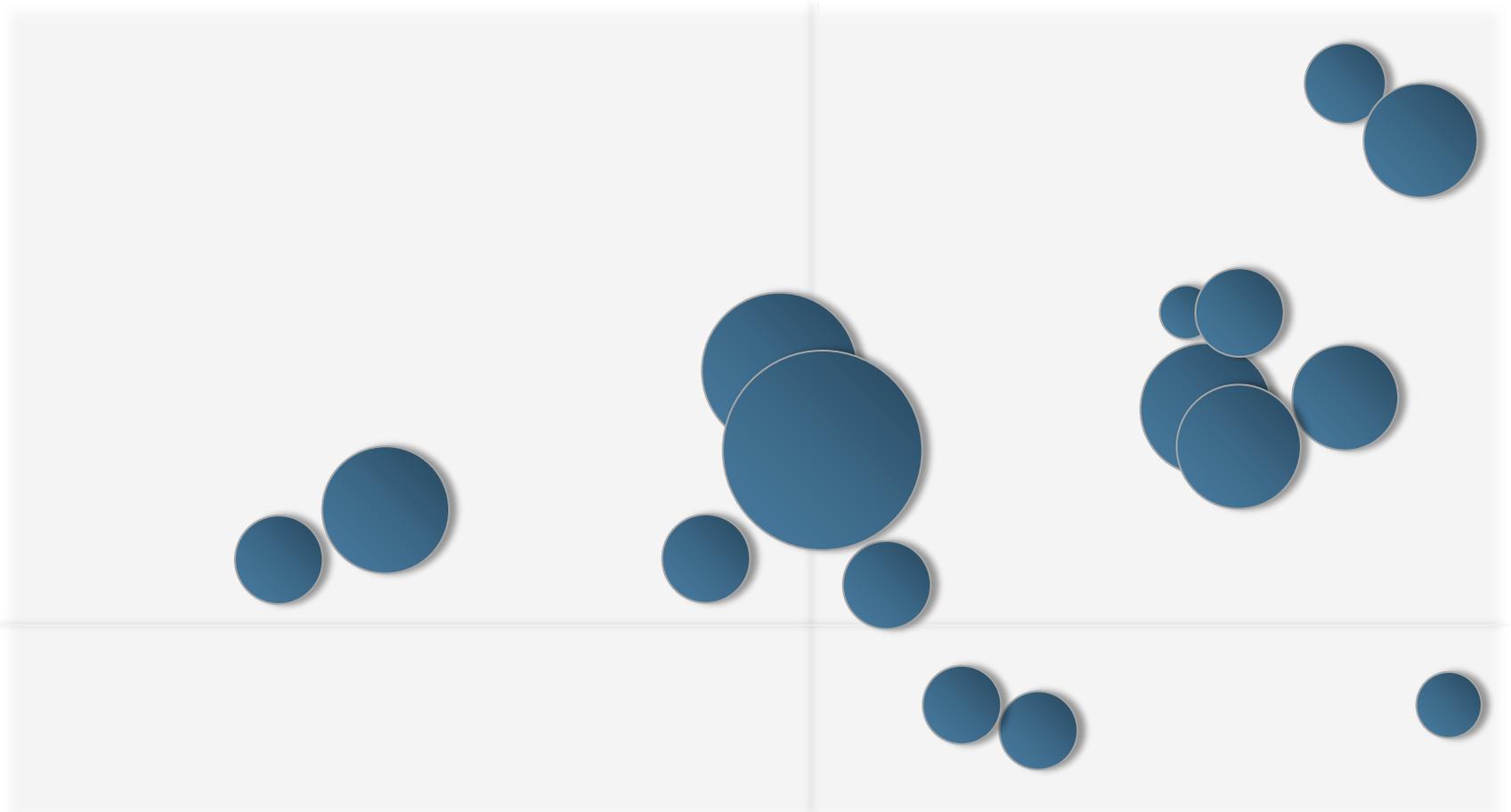


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AT A GLANCE

- Outside counsel spending surges to record levels
- 5 practices are slated for premium rates in 9 industries
- 7 practices will see substantially increased spending per matter

High-end legal work for law firms is set to soar. The one-two punch of a surge in new matters — including a more active DOJ — and the backlog of matters are triggering the biggest increases in over a decade. Top legal decision makers report a continuing stream of new complex matters — and they want to deal with them head-on.

After building their in-house staffs at the start of the pandemic — they shifted gears and started looking to outside counsel — and this shows no signs of abating.

The *BTI Practice Outlook 2022* is your guide — and the gold standard — for laying out the next phase of legal markets — as our research has been for 30 years. In use by more than 200 law firms, this is the source to map out your business development with precision.

BTI Practice Outlook 2022: The Surge In Legal Spending Arrives is your only guide to outside counsel spending as corporate counsel work off the backlog and face the surge in their legal needs.

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 spending — and the tactics and tips to win the new business.

9 Trends In Corporate Legal Spending



Legal spending to surpass all previous records



Outside counsel spending growing at peak rates



M&A to surpass all records



Investigations to soar



5 industries face an especially wide spectrum of complex needs



6 practices are growing faster than all others



5 practices will command especially high rates



Client spending for each individual matter jumped — and heading higher

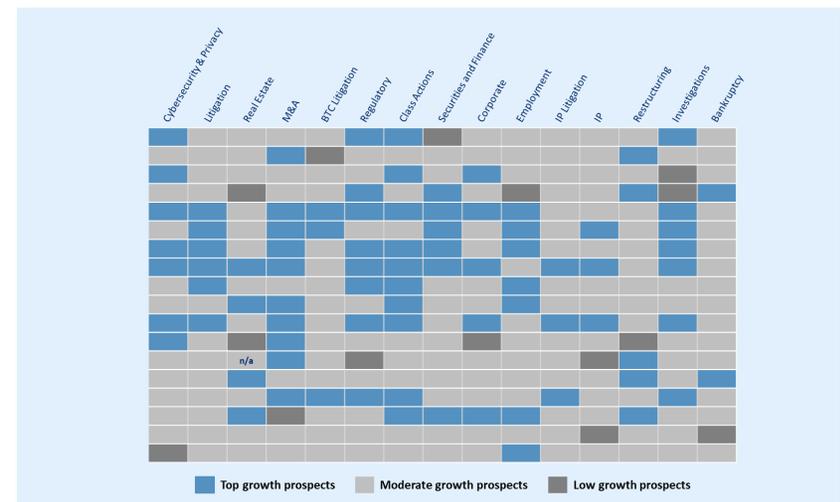


Clients choosier than ever in picking law firms as they trim panels

9 Trends in Corporate Legal Spending in 2022

Opportunity Hot Spots in 2022: 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 2022 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 2022. 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 20](#))

How to Read BTI's Practice Roadmap 2022

The practice opportunities for law firms in terms of growing market share and profitability in 2022 are organized around 3 core criteria in BTI's Practice Roadmap 2022.

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

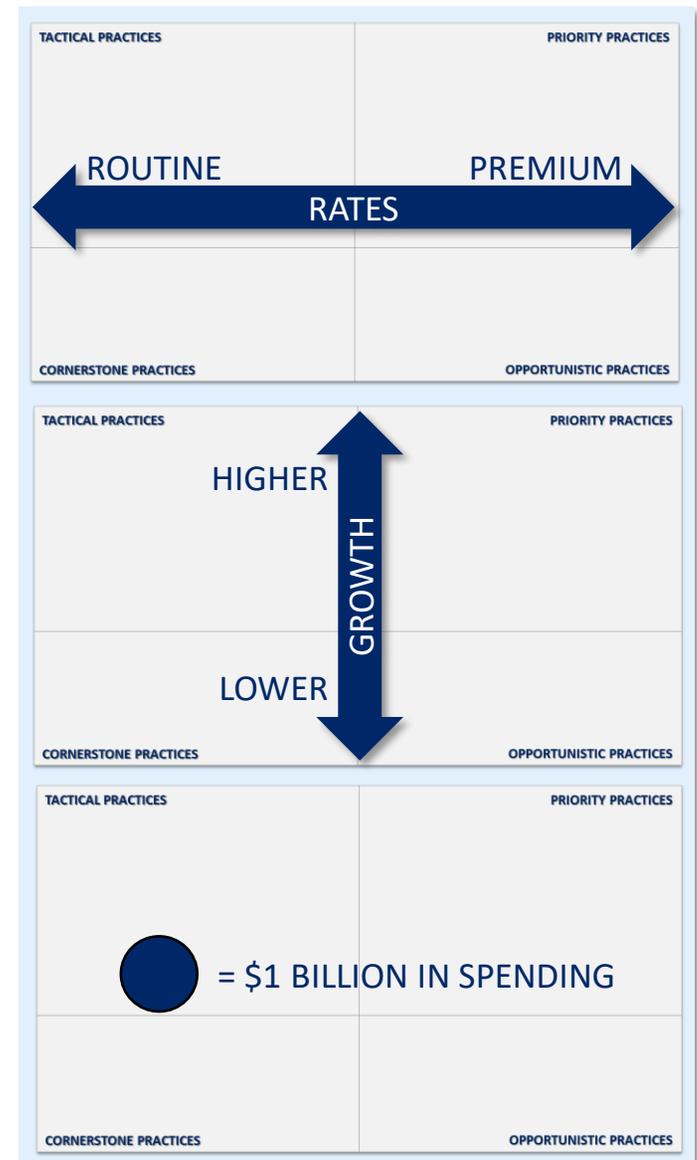


In the current legal market, predicting and reacting to how companies are allocating their legal budget can be a major source of advantage. Most law firms are expecting a soft and unstable market. But you can use this report to guide you to the best opportunities by rates, need, and industry. The practices expected to see the most growth in 2022 are on the top of the roadmap. The practices garnering the highest rates are on the right-hand side of the chart as you look at the page.

Practice Revenue Potential

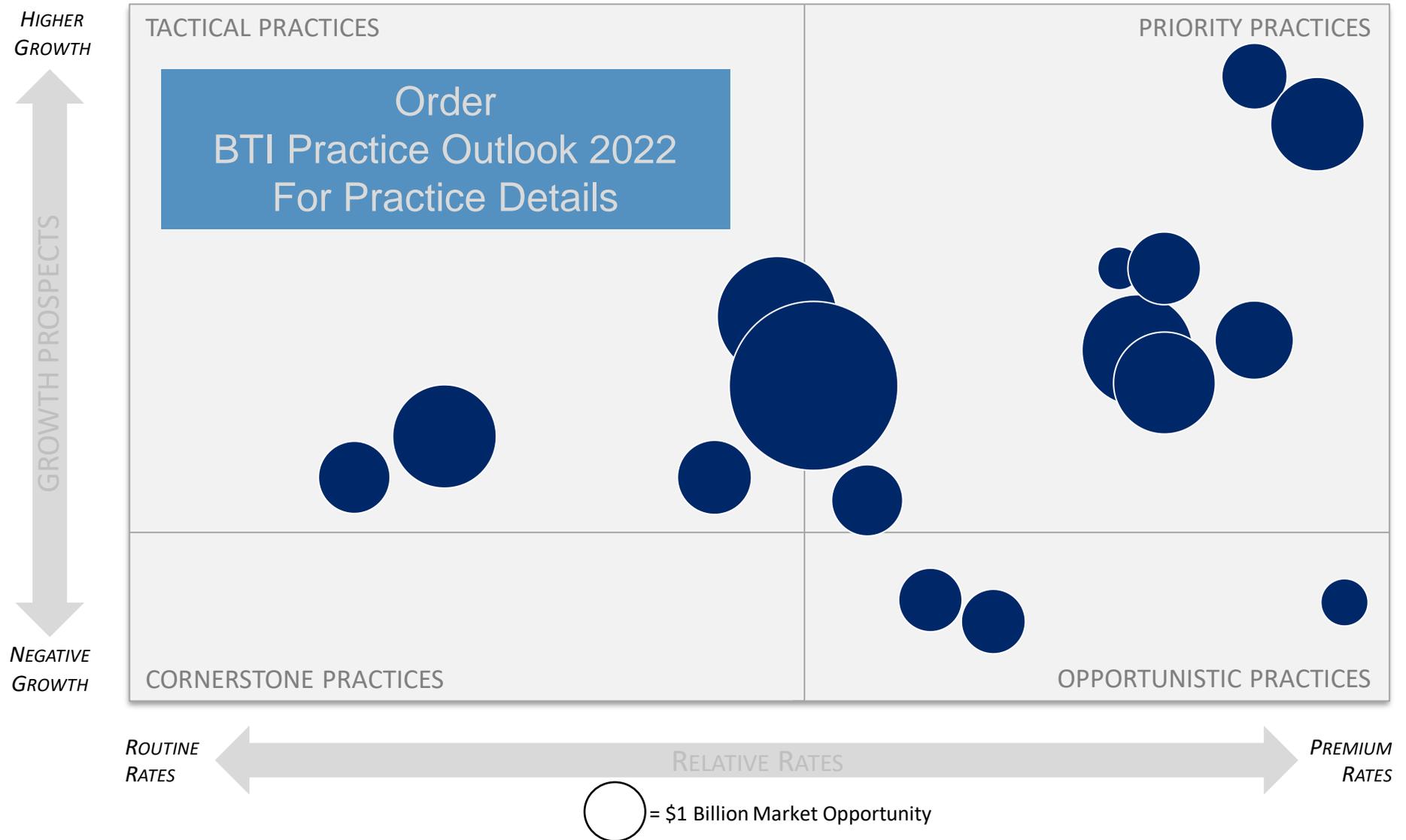


A critical factor for any law firm is understanding the total potential revenue a practice can deliver to your firm. This information helps inform several strategic decisions such as: practice offerings, resource allocation, lateral hiring, business development initiatives, and potential partnerships.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



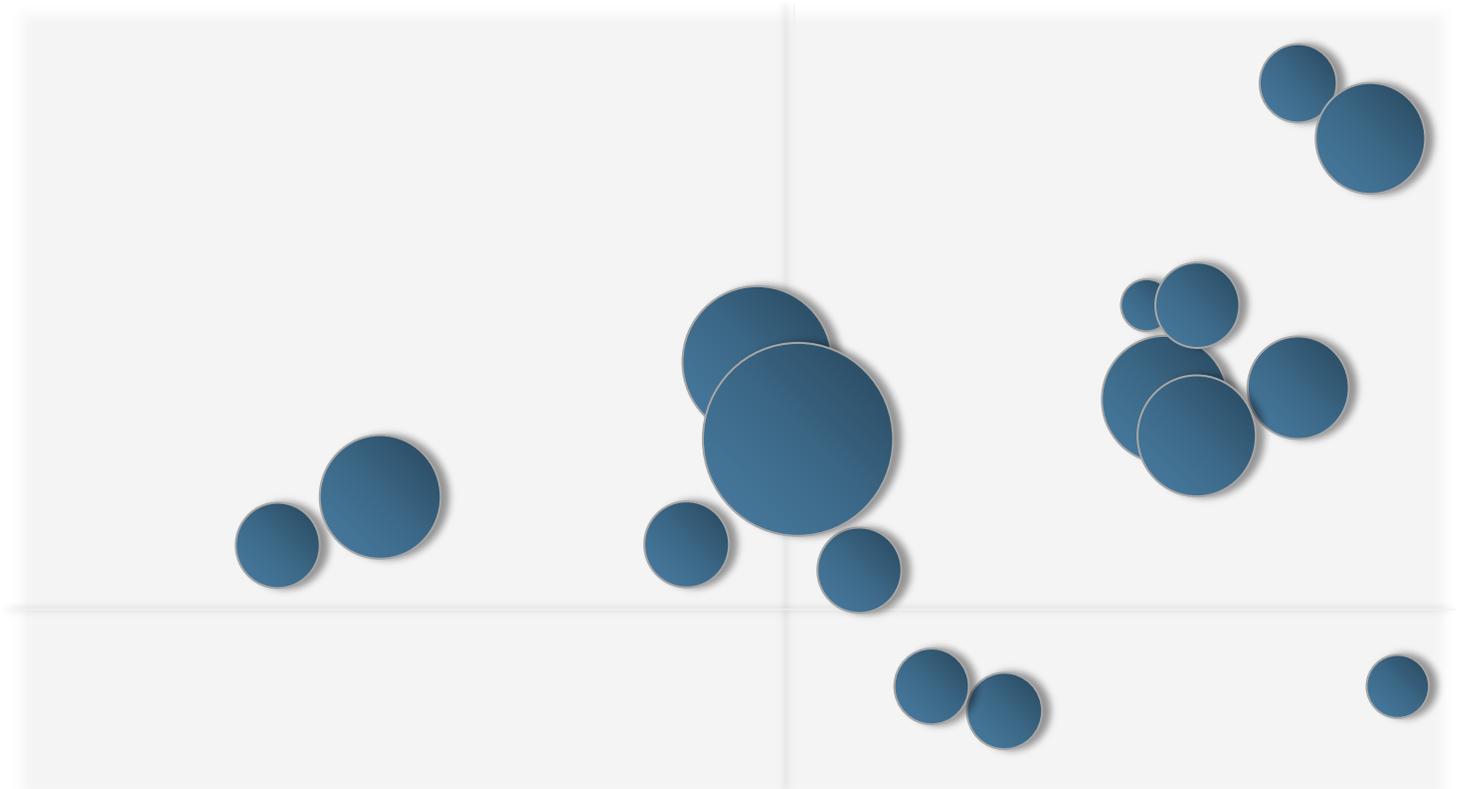
BTI's Practice Roadmap 2022

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



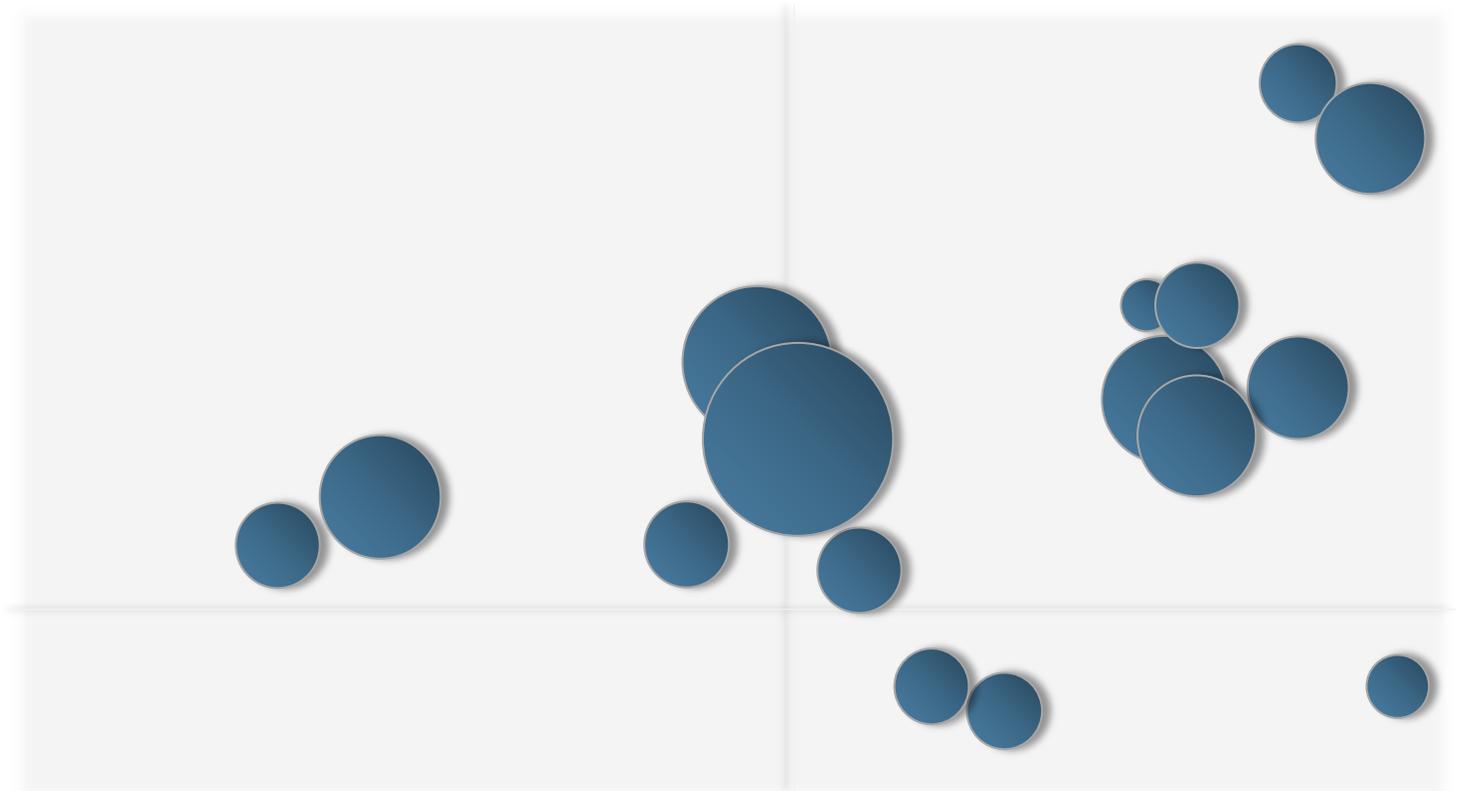
BTI Opportunity Zone

IDENTIFYING HOT SPOTS & PRESSURE POINTS IN 2022



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.

Moderate growth prospects

The legal market in 2022 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.

Practice Outlook: Practice Trends by Industry

Practice Trends

Data privacy and cybersecurity are among the fastest growing practices. Demand continues to surge based on a combination of:

- ▶ Growth in ransomware
- ▶ New data privacy laws and regulations at the state level
- ▶ Remote employees using the internet instead of VPN inviting hacks and breaches
- ▶ GDPR and CCPA interpretations
- ▶ Public Policy

Client demand reaches across a range of needs including:

- ▶ Compliance
- ▶ Policy and procedures
- ▶ Readiness
- ▶ Counseling
- ▶ Security
- ▶ Incident response

Clients look for defense experience and implementing best-in-class compliance programs. Reach these clients online — they are active in online forums, thought leadership, and digital outreach. We note: 34% of clients report no meaningful business development outreach from their current law firm relationships.

Winning the Work

- ▶ Use semi-custom CLEs to educate clients
- ▶ Be active in online forums
- ▶ Draft sample policies and audit checklists you can use to initiate discussions
- ▶ Share your experiences 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

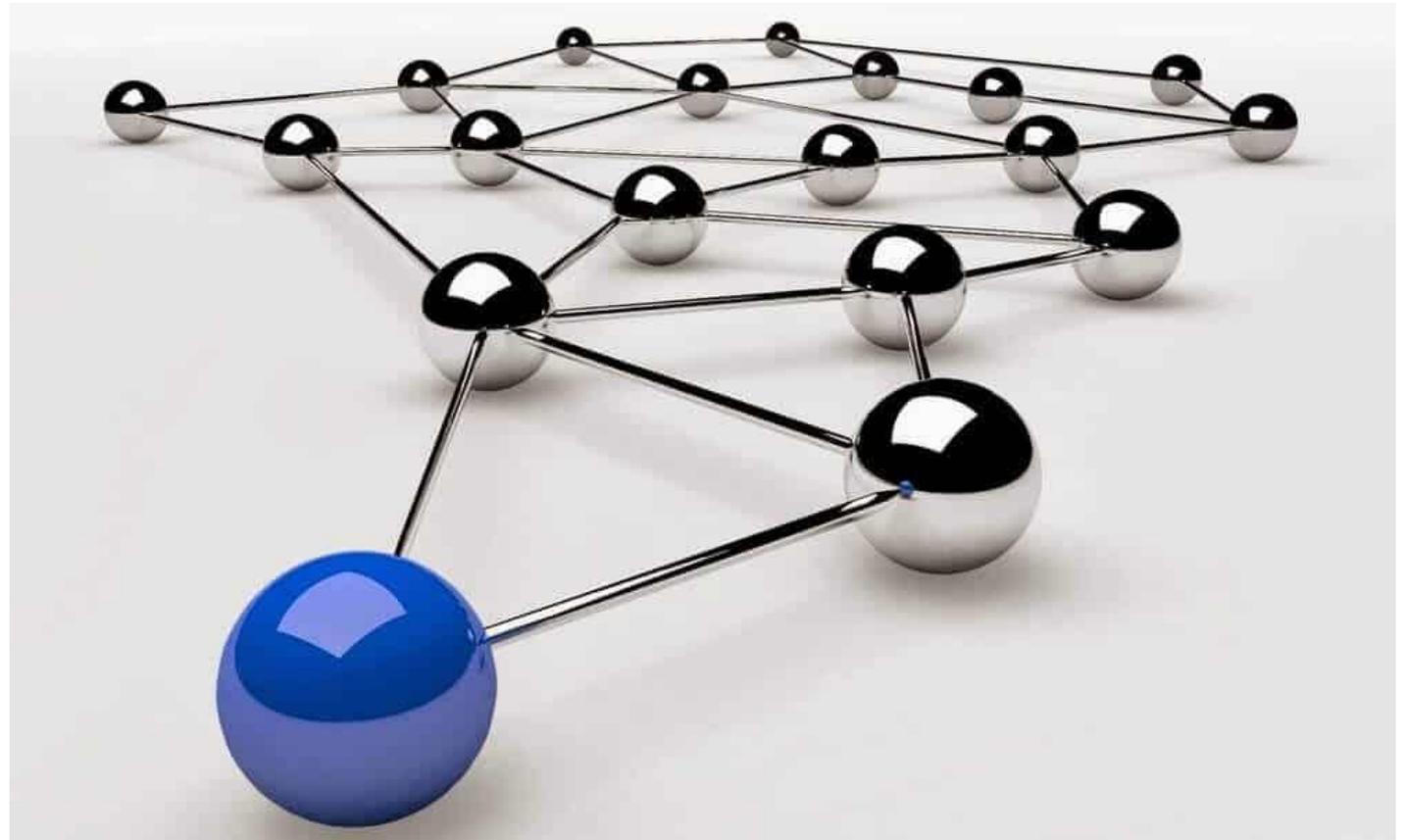


MARKET SIZE TRENDS

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 Practice Outlook 2022

METHODOLOGY



Our Methodology and Approach

INDEPENDENT, UNBIASED RESEARCH, BASED SOLELY ON CLIENT FEEDBACK

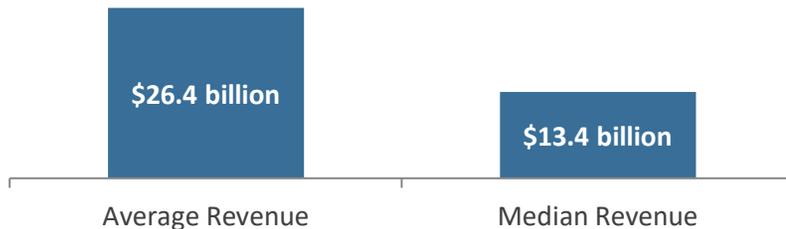
2022 Survey Participant Demographics

Interviews	More than 240 in-depth telephone interviews
Time Frame	Conducted between February 2, 2021 and September 27, 2021
Incentives	Respondents receive a complimentary report of benchmarks and metrics

Highest-Ranking Legal Decision Makers

- 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 & Agricultural
- Healthcare
- High Tech
- Insurance
- Manufacturing
- Pharmaceuticals
- Professional Services
- Retail Trade
- Real Estate
- Telecom
- Transportation
- Utilities
- Wholesale Trade

BTI Practice Outlook 2022 is based solely on in-depth telephone interviews with leading legal decision makers. This comprehensive analysis trends data from more than 19,000 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.



What We Do

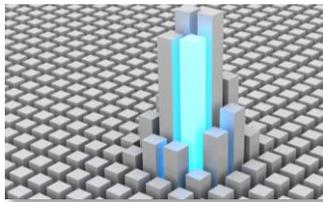
For 30 years, we've successfully helped our clients strategically drive revenue, boost performance, attract and retain clients, develop more business in new and existing markets, and create enduring relationships with our data-driven customized programs and solutions tailored to meet each client's specific 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.

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BTI Litigation Outlook 2022



The spending surge is about to begin. Clients are poised to tackle their growing backlog of litigation — and take on the growing new caseload as well. This takes time and money — and the money is starting to flow to outside counsel. The BTI Litigation Outlook 2022: Post-Pandemic and Beyond is available now to help you decipher the new market dynamics and seize the opportunity.

 **Order Now**

BTI M&A Outlook 2022



M&A activity is about to set a record — 71% of large corporations will be pursuing acquisitions by October 30, 2021. You have only one source to map out the opportunities — the BTI M&A Outlook 2022. Get there first and learn exactly how clients are picking their M&A firms, dealing with all the firms getting into this market, and the industries where the action is.

 **Order Now**

BTI Client Service A-Team 2021



Long considered the gold standard in measuring client service performance by clients and law firms alike, the BTI Client Service A-Team 2021 is the only source for measuring client service solely from the client perspective. Now in its 20th year — this is the most important edition ever with 350 new, in-depth interviews conducted during the pandemic.

 **Order Now**

Contact Us



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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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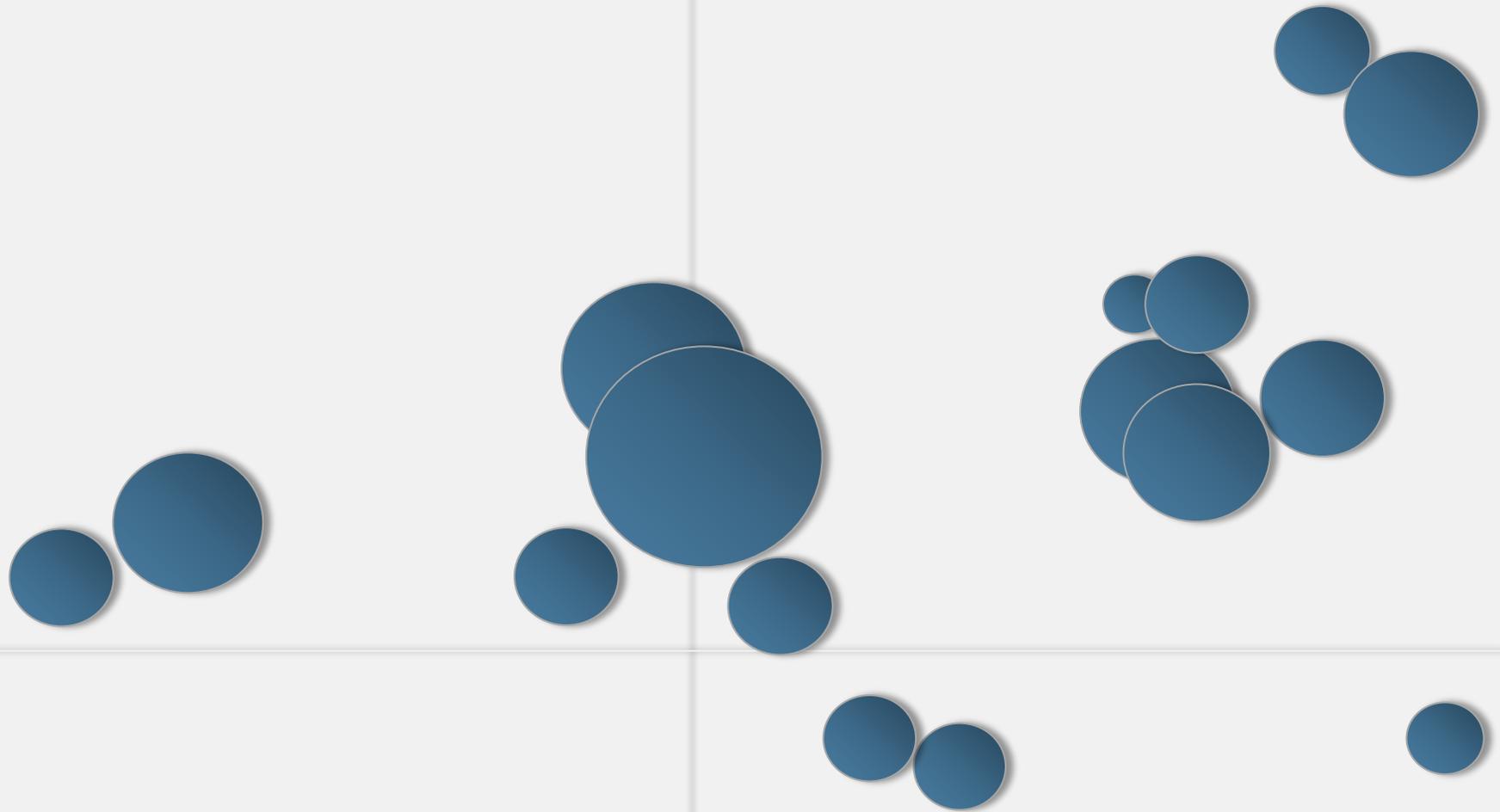
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