

BTI Practice Outlook 2023: **Target the New Work and Business** **Development Strategies for an Uncertain Economy**

Changes, Trends, and Opportunities for Law Firms

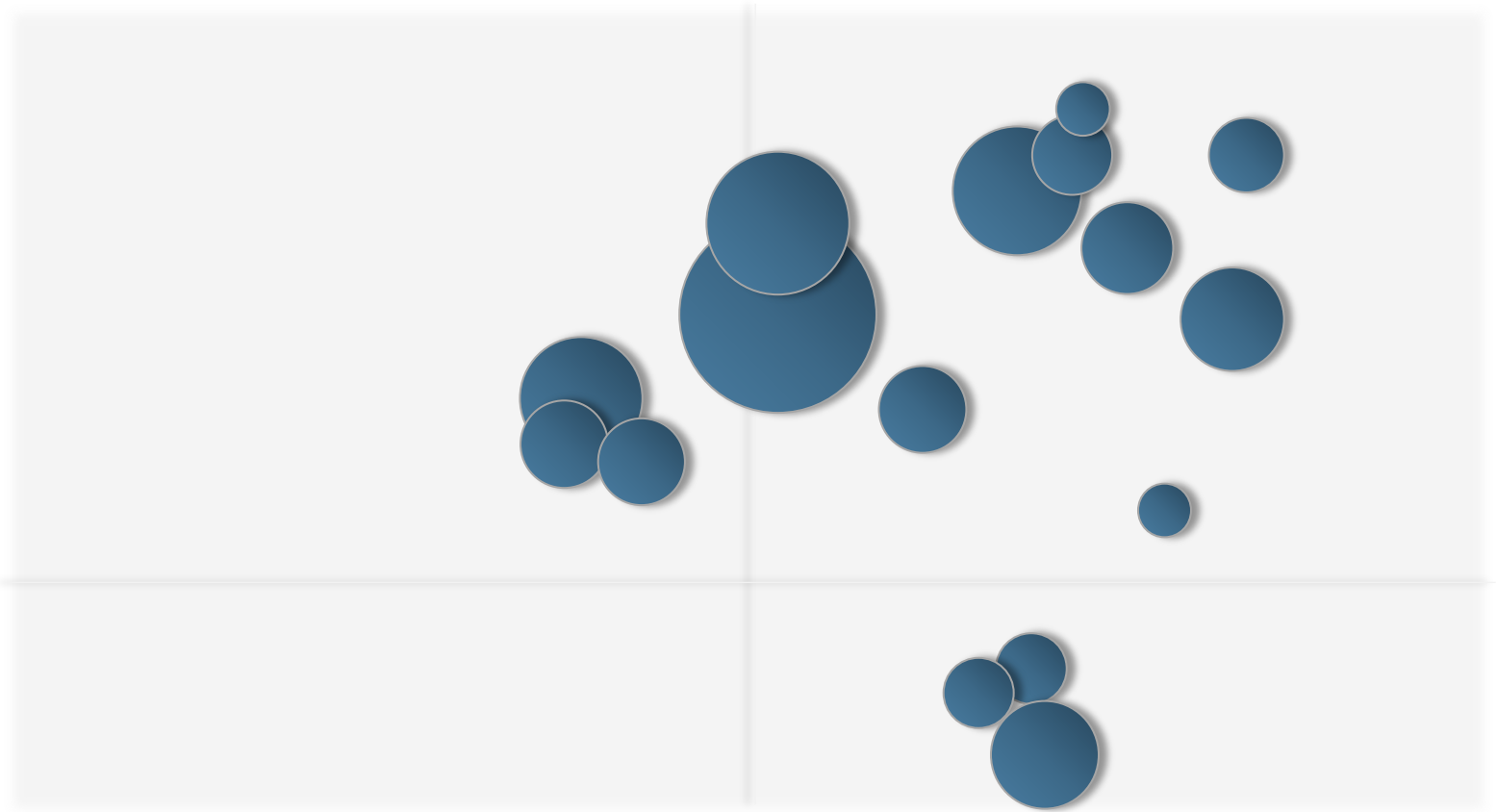


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AT A GLANCE

- Outside counsel to set another record
- 8 practices are slated for premium rates in 6 industries
- 7 practices growing 2x faster than all others

The legal spending fire hose is still open.

Previously unseen matters are pouring in along with the old. It's just what every attorney wants — new, meaty, and intellectually challenging. All you have to do is find and develop it before somebody else. The *BTI Practice Outlook 2023* shows you exactly where these opportunities lie.

And clients are seeing more and more reasons to relook at M&A; not to mention the record backlog. Combine this with in-house attrition and retention issues — it all adds up to record demand for outside counsel.

The icing on the cake may be the flow of new types of matters into client portfolios. This includes new claims from company use of social media, broad pursuit of forever chemicals, state-level data privacy (all of which are different and far reaching), and a bevy of labor-related issues.

The *BTI Practice Outlook 2023* is your guide — and the gold standard — for laying out the next phase of legal markets — as our research has been for 31 years. In use by more than 200 law firms, this is the source to map out your business development with precision.

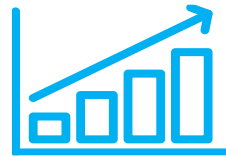
***BTI Practice Outlook 2023:
Target the New Work and
Business Development
Strategies for an Uncertain
Economy** is your only guide to
outside counsel spending as
corporate counsel face the
surge in their legal needs —
and record backlog.*

*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.*

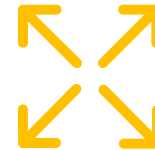
7 Trends In Corporate Legal Spending



Clients put a floor under Outside Counsel spending



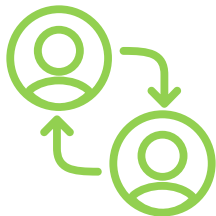
7 practices grow 2x faster than all others



Clients face the broadest set of legal needs in a generation



Spending for Outside Counsel to set another record



Clients want to give more work to existing providers



6 industries have the most acute needs

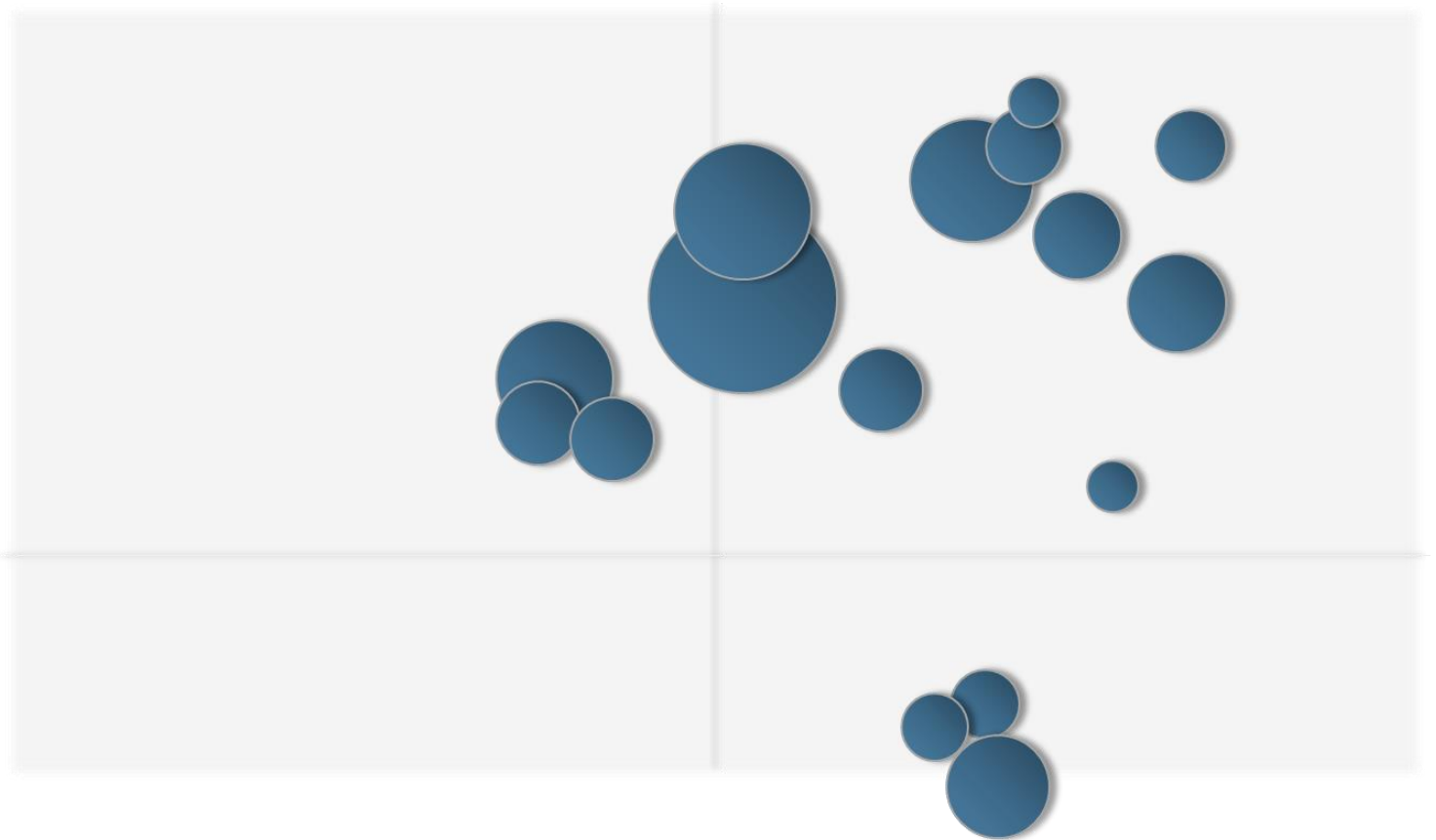


8 practices commanding premium rates

7 Trends in Corporate Legal Spending in 2023

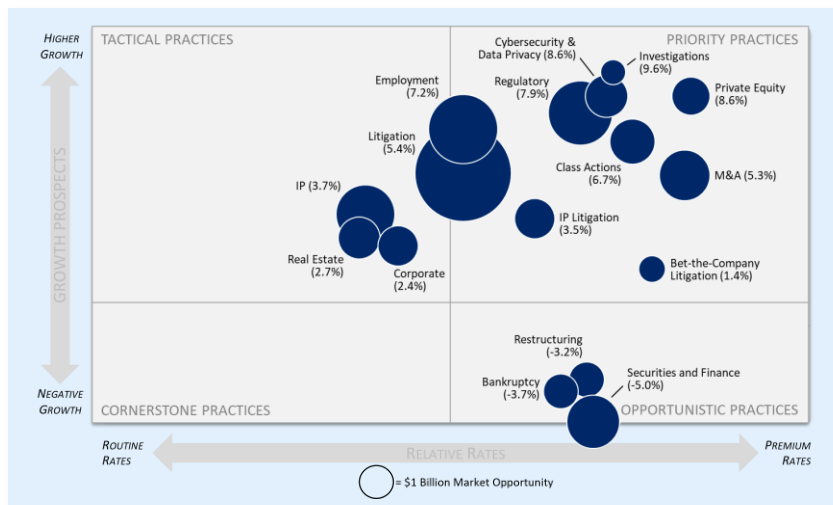
BTI Practice Outlook

WHERE TO FIND GROWTH IN 2023



Opportunity Hot Spots in 2023: 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 340 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 2023 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 2023. 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 2023

The practice opportunities for law firms in terms of growing market share and profitability in 2023 are organized around 3 core criteria in BTI's Practice Roadmap 2023.

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

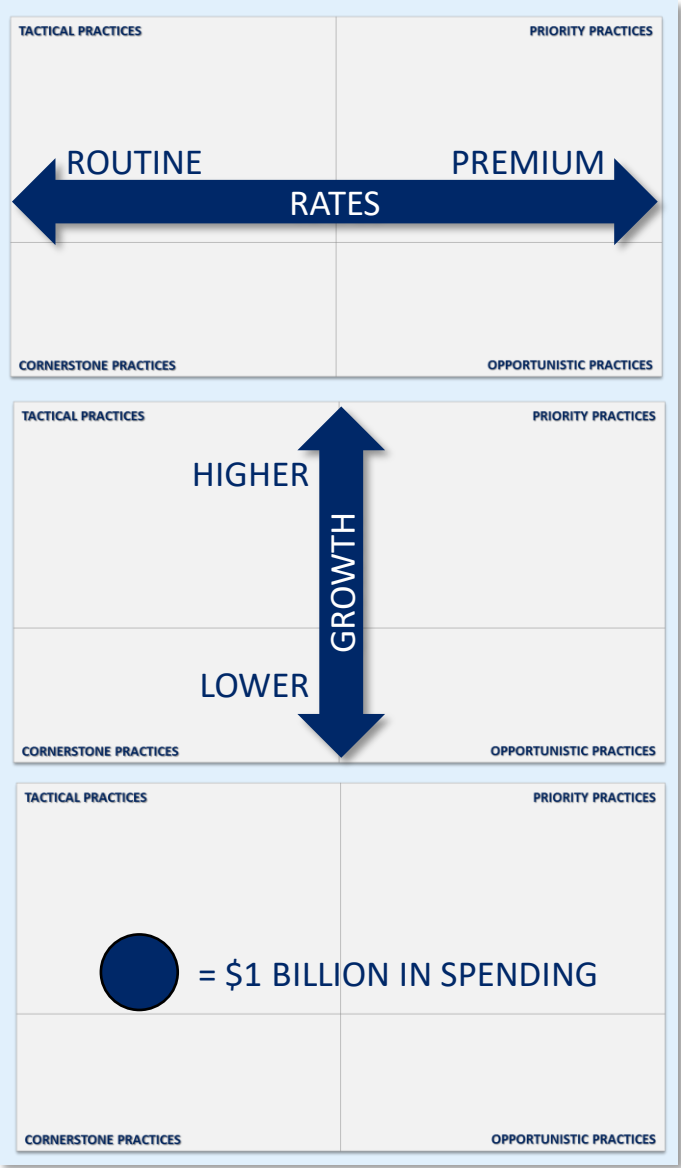


In the current legal market, predicting and reacting to how companies are allocating their legal budget can be a major source of advantage. Most law firms are expecting an unstable market. But you can use this report to guide you to the best opportunities by rates, need, and industry. The practices expected to see the most growth in 2023 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

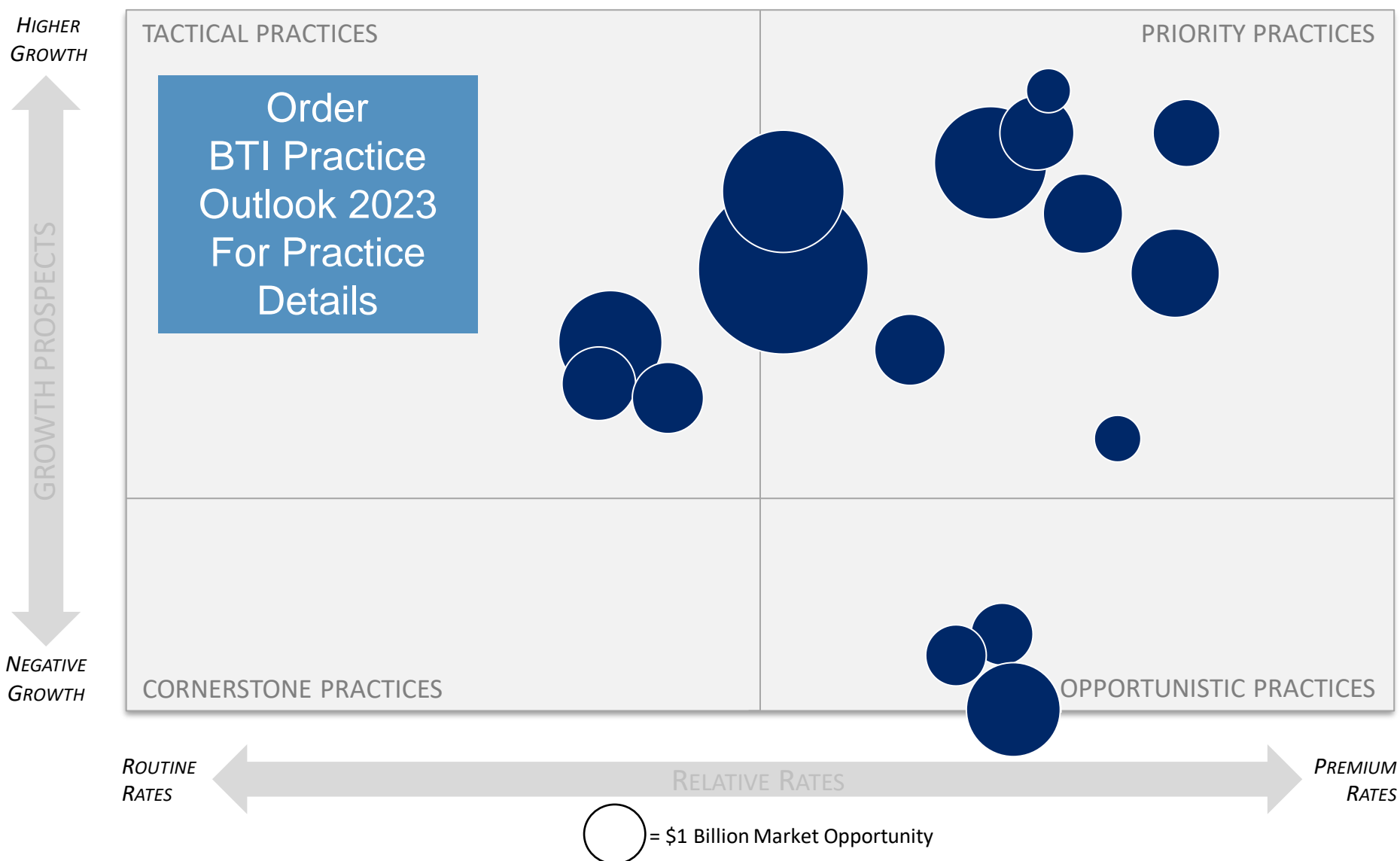


A critical factor for any law firm is understanding the total potential revenue a practice can deliver to your firm. This information helps inform several strategic decisions such as: practice offerings, resource allocation, lateral hiring, business development initiatives, and potential partnerships.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



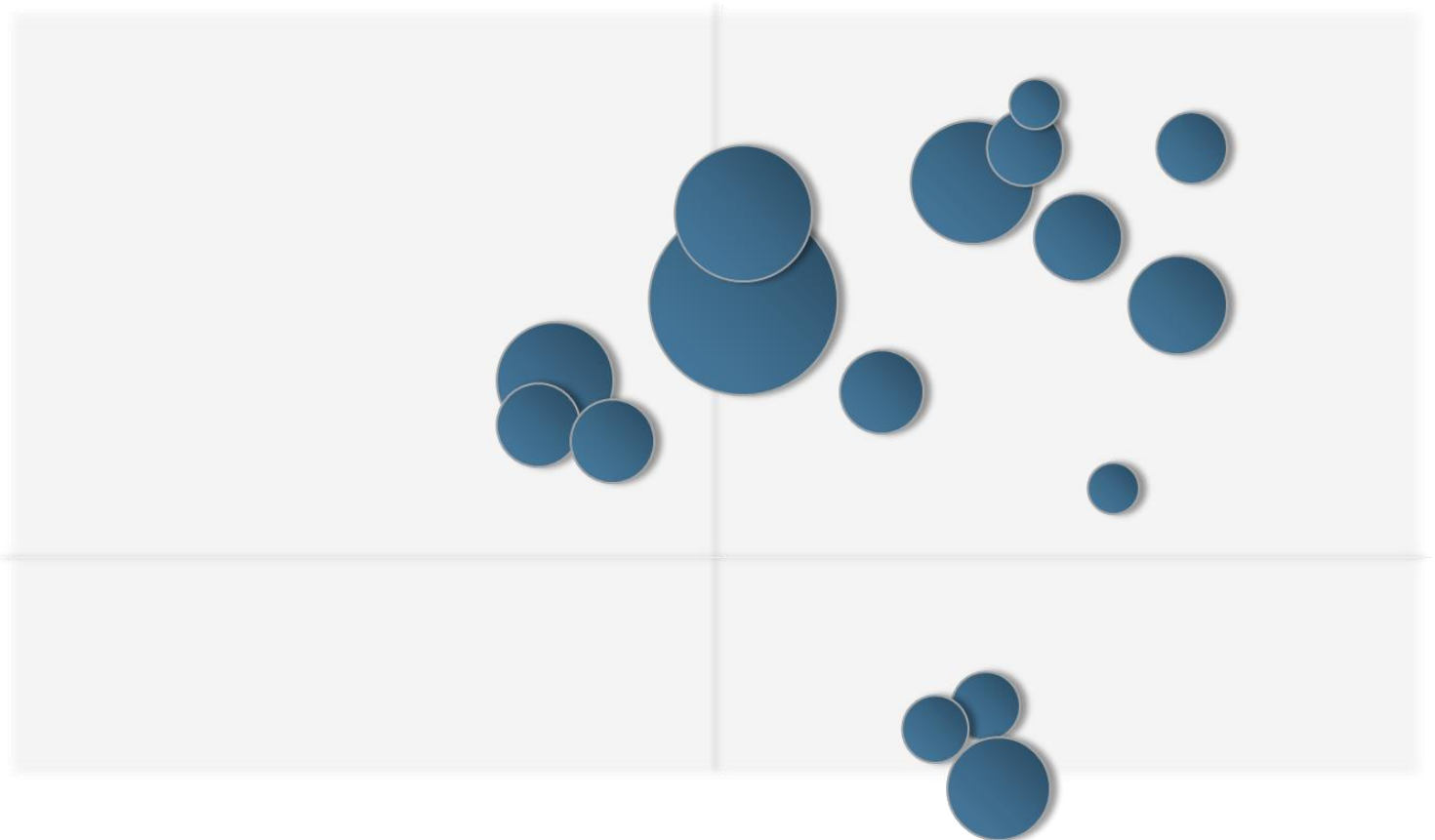
BTI's Practice Roadmap 2023

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



BTI Opportunity Zone

IDENTIFYING HOT SPOTS & PRESSURE POINTS IN 2023



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 zeroes in on the industries and practice areas promising strong growth opportunities in 2023. Actively target clients within these industries for access to increased spending and premium billing rates.

Top growth prospects

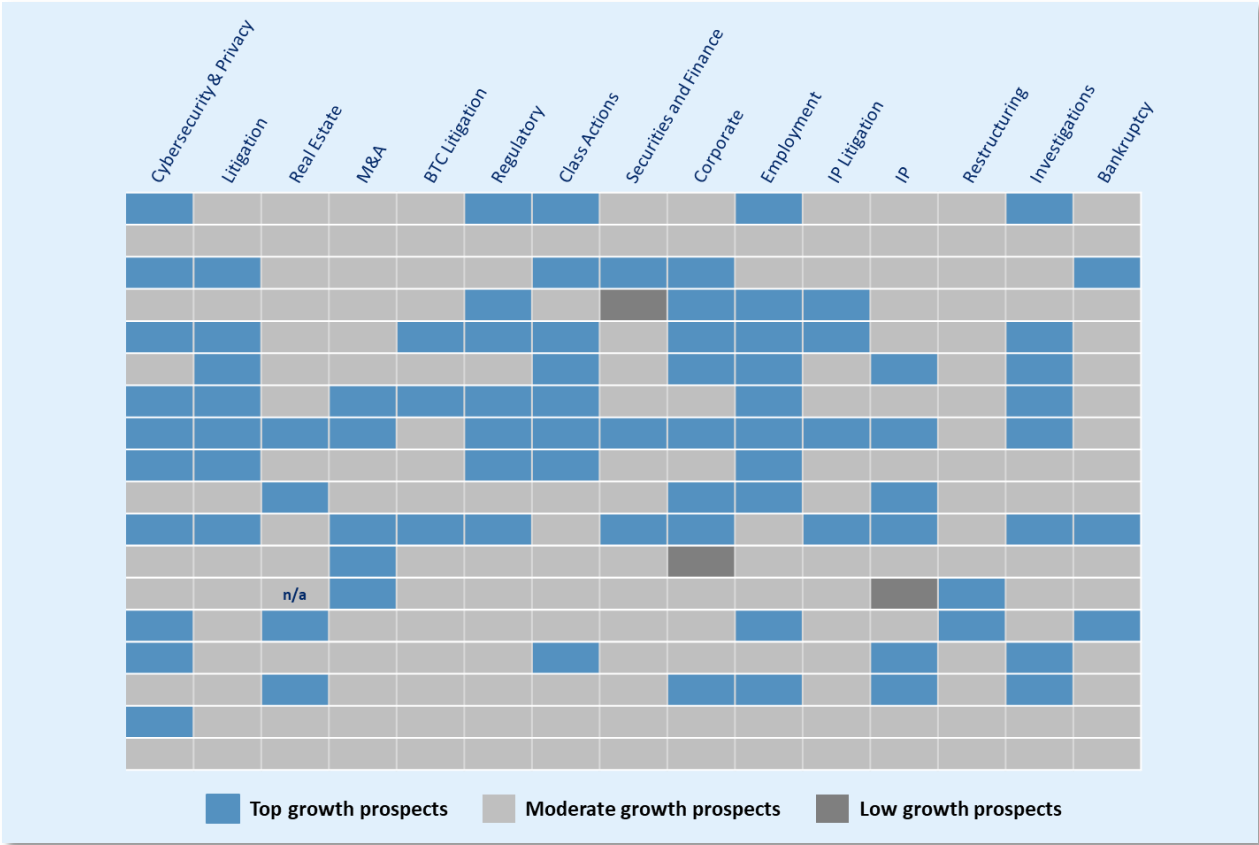
Even as the overall market for outside counsel services shows signs of growth, certain opportunities are more attractive than others. These areas are slated for prime growth and higher-than-market rates.

Moderate growth prospects

The legal market in 2023 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.



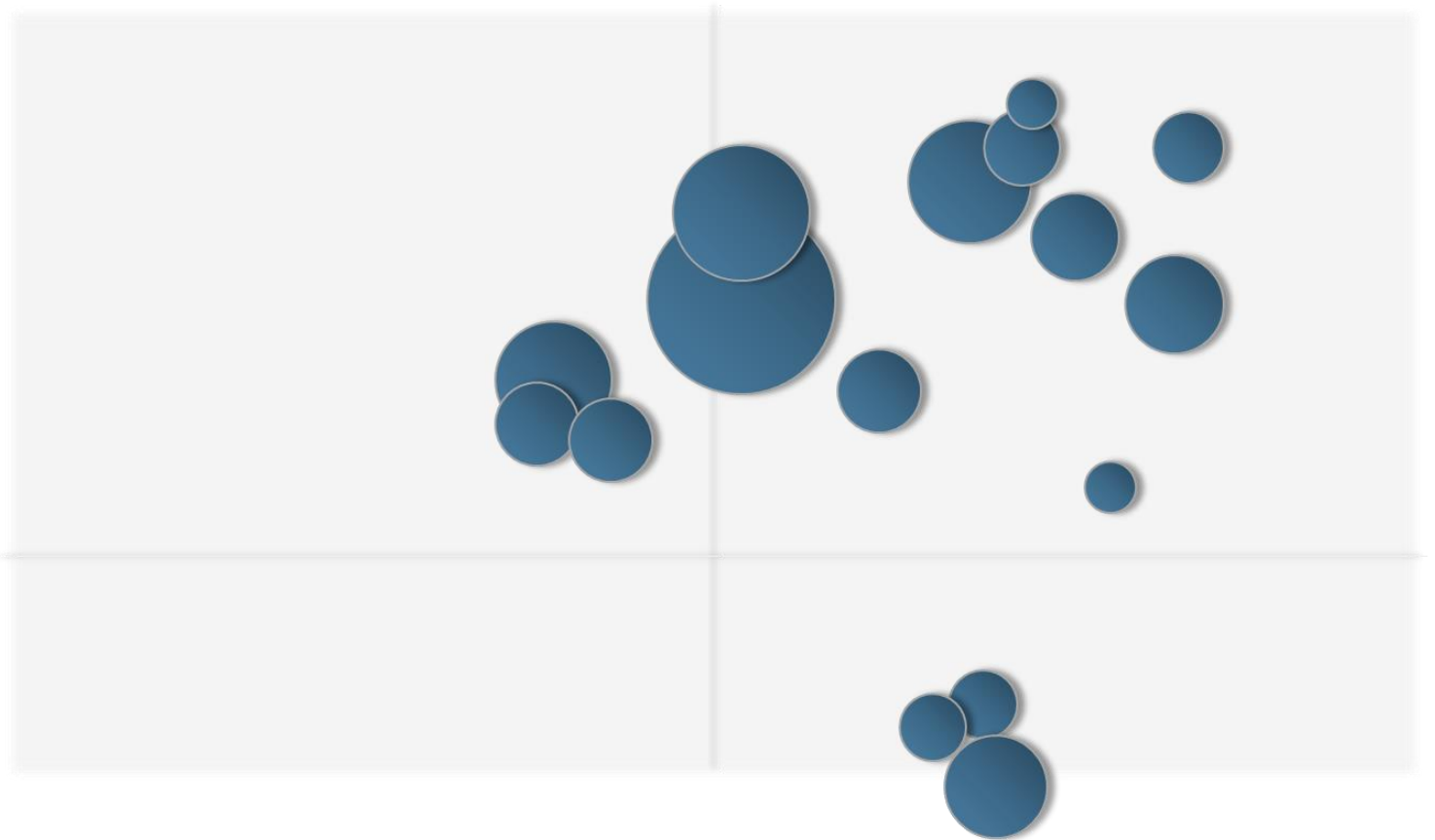
BTI's Industry Opportunity Zone: Looking for Growth by Practice & Industry

Order
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Practice
Outlook
2023
For
Industry
Details



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.

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Practice Outlook: Practice Trends by Industry

Practice Trends

M&A is down but not quite out. More companies are waiting to better understand the economy, valuations and the regulatory climate. But, at the same time, more clients are leaning towards making strategic moves based on attractive valuations and the need to improve operating margins or strategic positioning. In addition, public to private transactions are increasing as valuations decline.

Small and midsize transactions continue at a steady pace — largely unaffected by uncertainty, valuations, and interest rates. These transactions typically represent strategic additions to the acquiring company — such as technology, talent, market access, broader product lines and operational knowledge to drive digital transformation.

Winning the Work

30% of clients are open to hiring new law firms for their M&A work, down from 41% last year — but still high by historical standards. These decision makers, many new to their company, want firms referred by peers through networking, who bring understanding of industry nuance, the regulatory impacts and strategies to make the deal happen. The key factors for new and incumbent law firms include:

- ▶ An insight-rich initial response
- ▶ Keen knowledge of potential obstacles and strategies to overcome
- ▶ Industry knowledge and nuance
- ▶ Bringing a deeper understanding of industry-specific issues
- ▶ Due diligence designed to capture all the regulatory issues — however remotely related to the deal
- ▶ Outstanding communication skills in the business development process

M&A MARKET SIZE (\$B)



INDUSTRY OPPORTUNITY ZONE

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

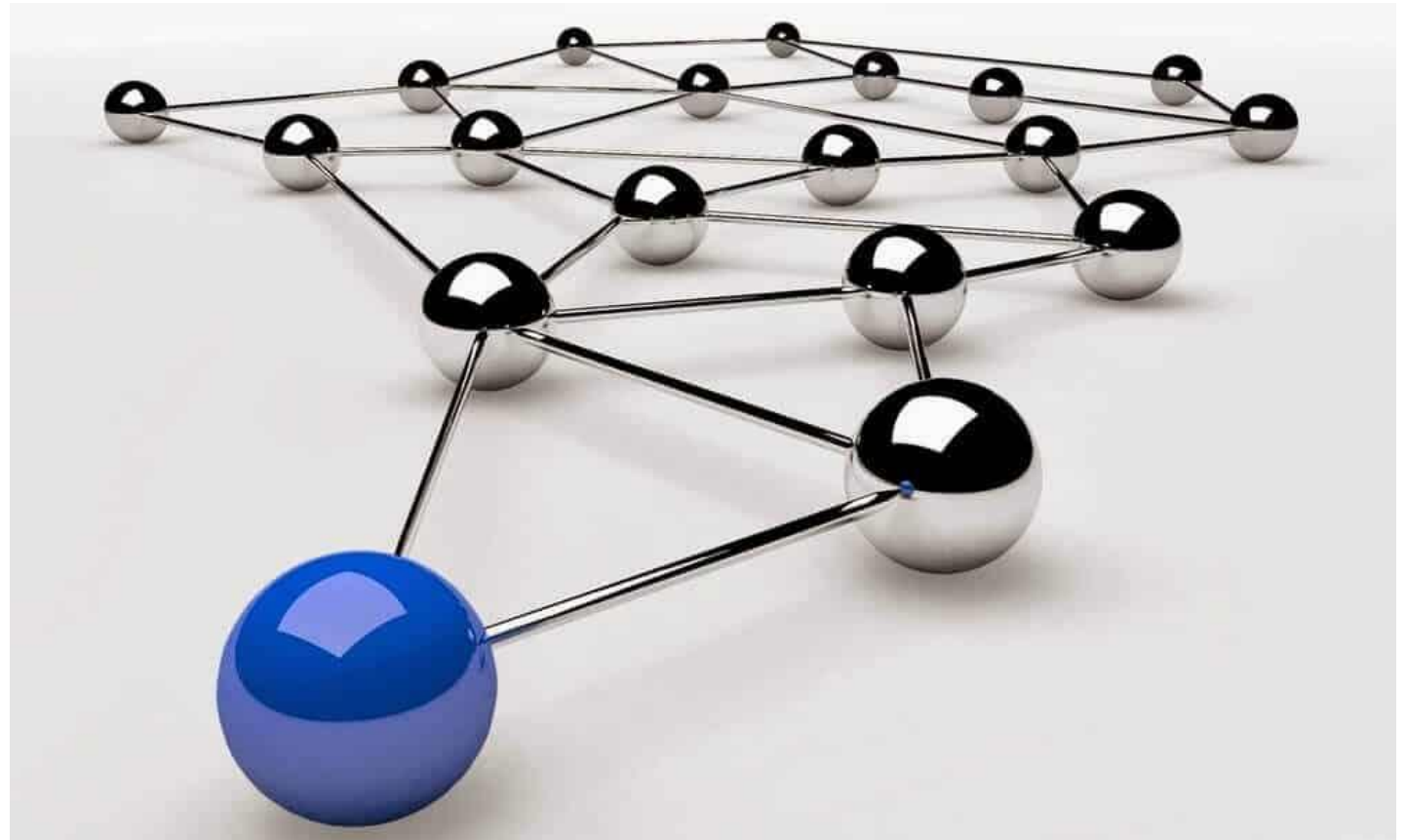
Banking	
Chemicals	
Consumer Goods	
Energy	
Financial Services	
Food	
Healthcare	
High Tech	
Insurance	
Manufacturing	
Pharmaceuticals	
Professional Services	
Real Estate	
Retail Trade	
Telecom	
Transportation	
Utilities	
Wholesale Trade	

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 2023

METHODOLOGY



Our Methodology and Approach

INDEPENDENT, UNBIASED RESEARCH, BASED SOLELY ON CLIENT FEEDBACK

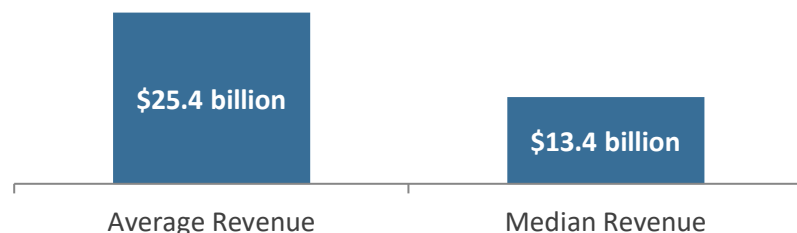
2023 Survey Participant Demographics

Interviews	More than 340 in-depth telephone interviews
Time Frame	Conducted between March 2022 and September 2022
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
- Health Care
- High Tech
- Insurance
- Manufacturing
- Pharmaceuticals
- Professional Services
- Retail Trade
- Real Estate
- Telecom
- Transportation
- Utilities
- Wholesale Trade

***BTI Practice Outlook 2023** 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.

BTI Consulting Group

ABOUT US



What We Do

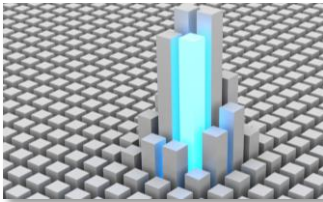
For 30 years, we've successfully helped our clients strategically drive revenue, boost performance, attract and retain clients, develop more business in new and existing markets, and create enduring relationships with our data-driven customized programs and solutions tailored to meet each client's specific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

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BTI Litigation Outlook 2023



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 2023: Legal Spending in the Uncertain Economy 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 2022



Long considered the gold standard in measuring client service performance by clients and law firms alike, the BTI Client Service A-Team 2022 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



Michael B. Rynowecer, President

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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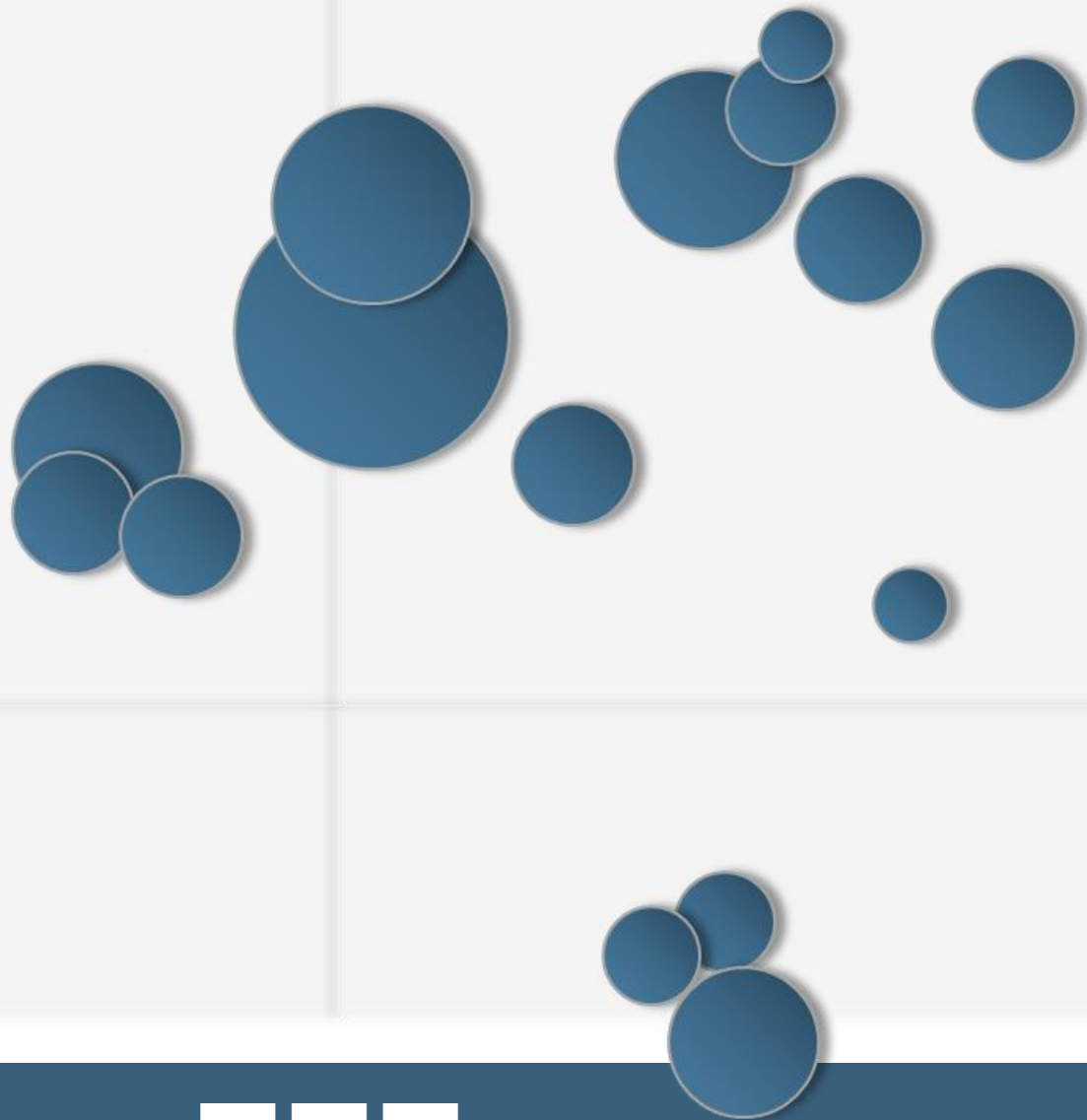
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