

BTI Practice Outlook 2024: Navigating Legal Spending and Needs in the New Unpredictable World

Changes, Trends, and Opportunities for Law Firms

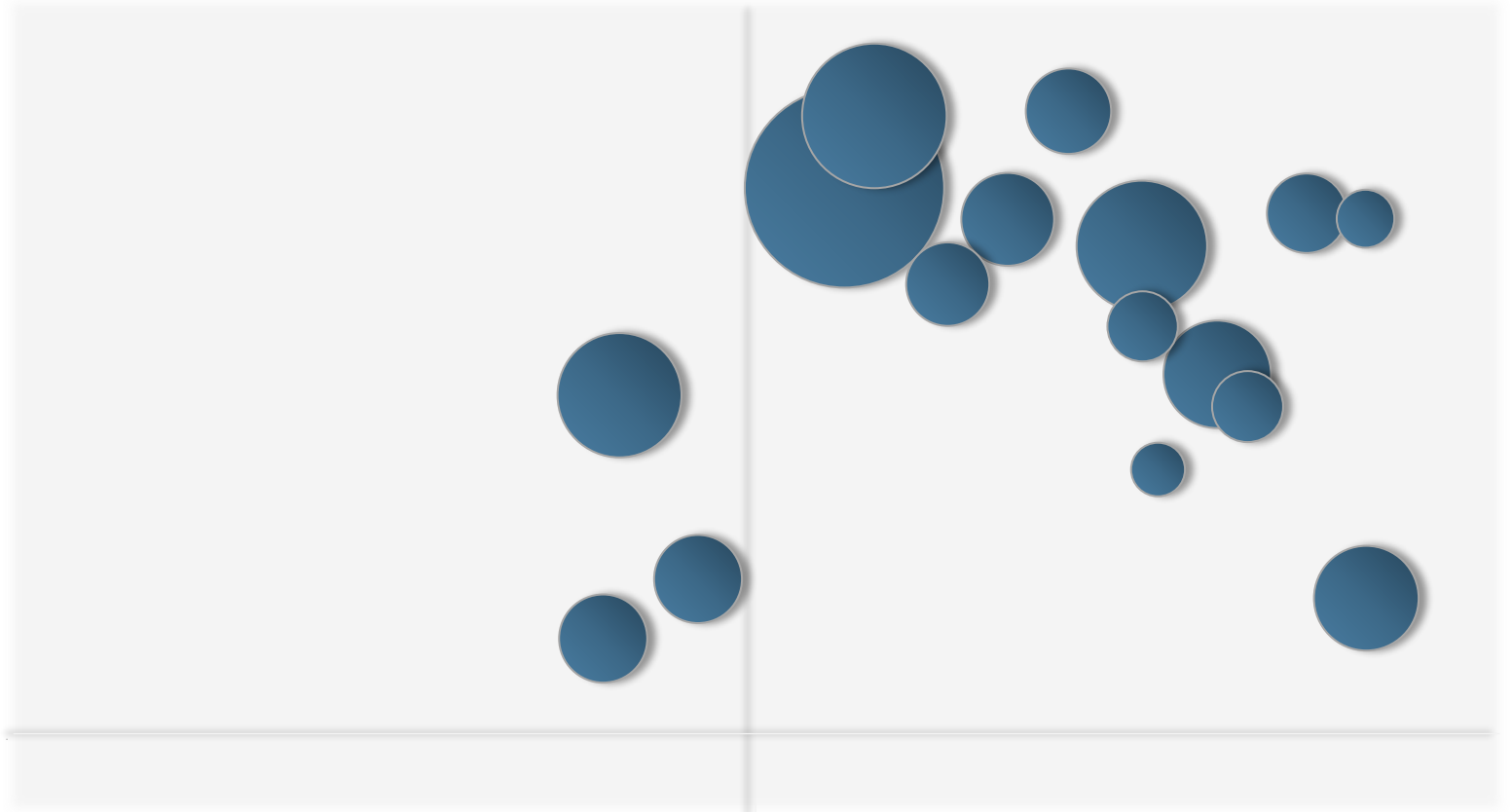


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AT A GLANCE

- Outside counsel spending to set another record
- **6 practices command the highest rate premiums in years**
- Few in-house legal departments making meaningful additions to staff
- Clients face the widest spectrum of needs they have faced in decades

It's the widest spectrum of needs corporate counsel face in decades. Few in-house legal departments are hiring in a meaningful way. And almost no clients expect a slow down in legal needs — in fact — most see the opposite. All this adds up to one thing: increased demand for outside counsel.

New matters, new regulations, regulatory headwinds and employee activism are unrelenting. False claims are driving regulatory issues and litigation. Data privacy is wreaking havoc as breaches and ransomware attacks soar — and a higher proportion of these are ending in litigation. And there are hostile regulators at every turn.

The *BTI Practice Outlook 2024* is your guide — and the gold standard as our research has been for 31 years — for laying out the next phase of legal markets. In use by more than 200 law firms, this is the source to map out your business development with precision.

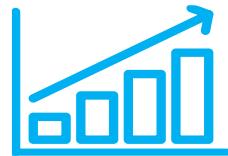
***BTI Practice Outlook 2024:
Navigating Legal Spending and
Needs in the New Unpredictable
World*** is your only guide to outside
counsel spending as corporate
counsel face a surge in their legal
needs — and record backlog.

*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.*

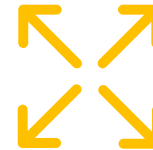
7 Trends In Corporate Legal Spending for 2024



More clients increasing spending than not



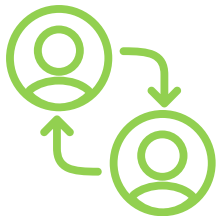
Spending increases outpace decreases by 4 to 1



Clients face the widest spectrum of legal needs in a generation



Spending for outside counsel to set another record



New business development rules in play

Clients engaged in quiet law firm convergence — but still trying new firms



6 practices command the highest rate premiums in years

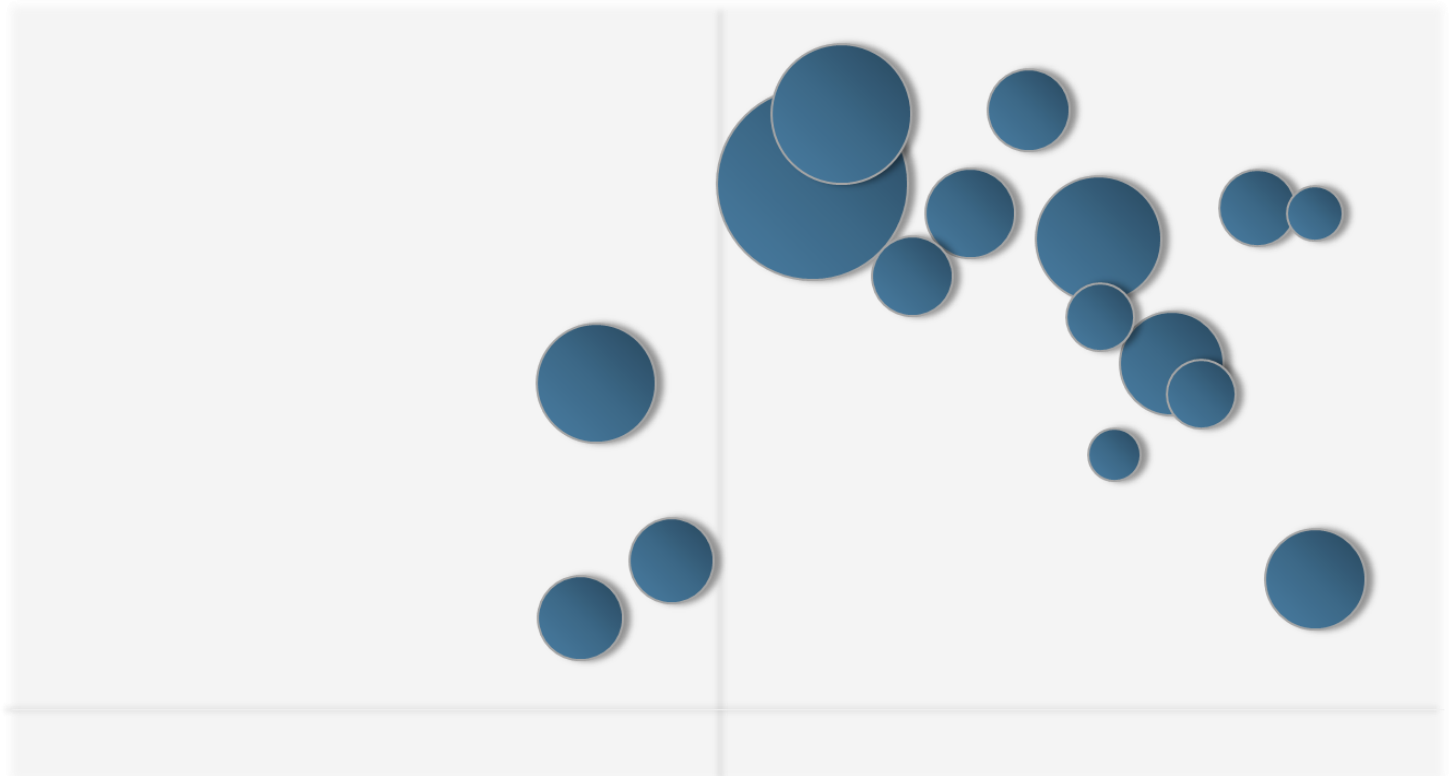


Few clients adding staff in a meaningful way

7 Trends in Corporate Legal Spending in 2024

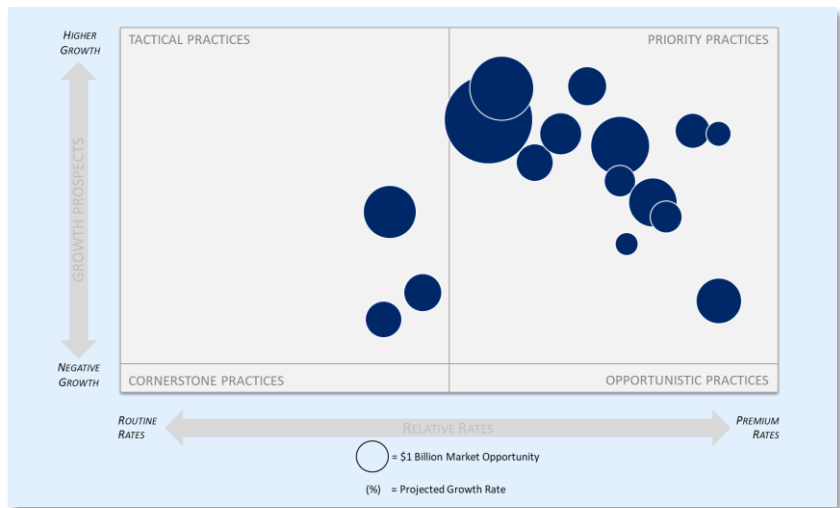
BTI Practice Outlook

WHERE TO FIND GROWTH IN 2024



Opportunity Hot Spots in 2024: 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 290 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 2024 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 2024. 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 19](#))

How to Read BTI's Practice Roadmap 2024

The practice opportunities for law firms in terms of growing market share and profitability in 2024 are organized around 3 core criteria in BTI's Practice Roadmap 2024.

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

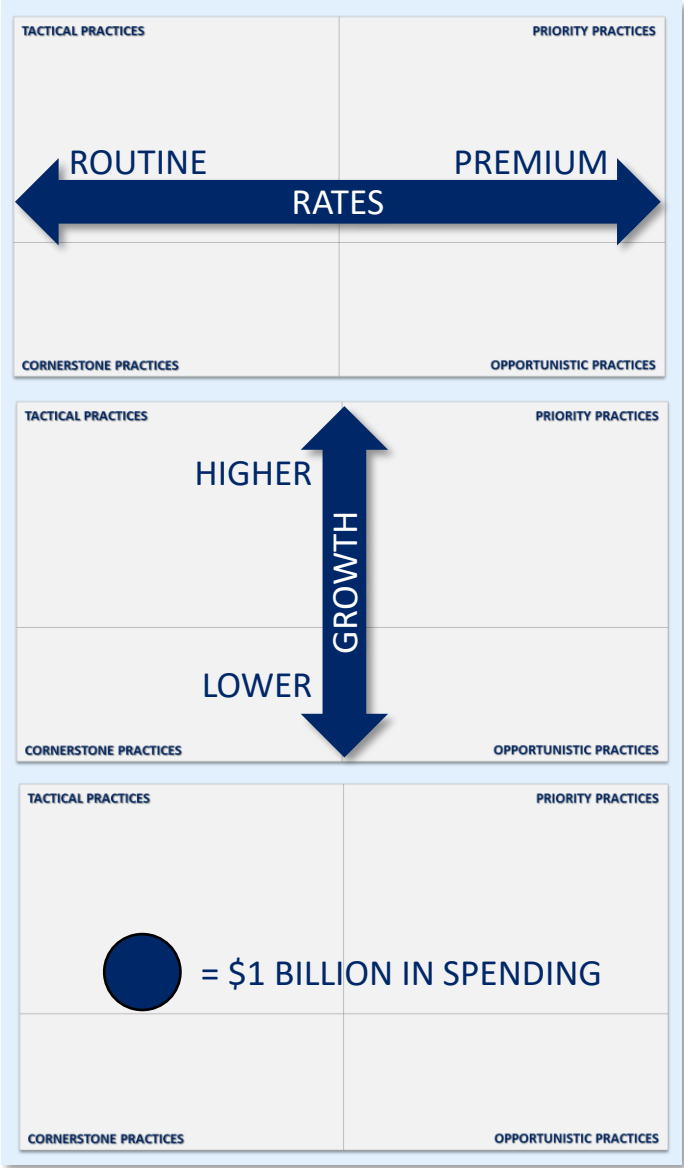


In the current legal market, predicting and reacting to how companies are allocating their legal budget can be a major source of advantage. Most law firms are expecting a soft and unstable market. But you can use this report to guide you to the best opportunities by rates, need, and industry. The practices expected to see the most growth in 2024 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.



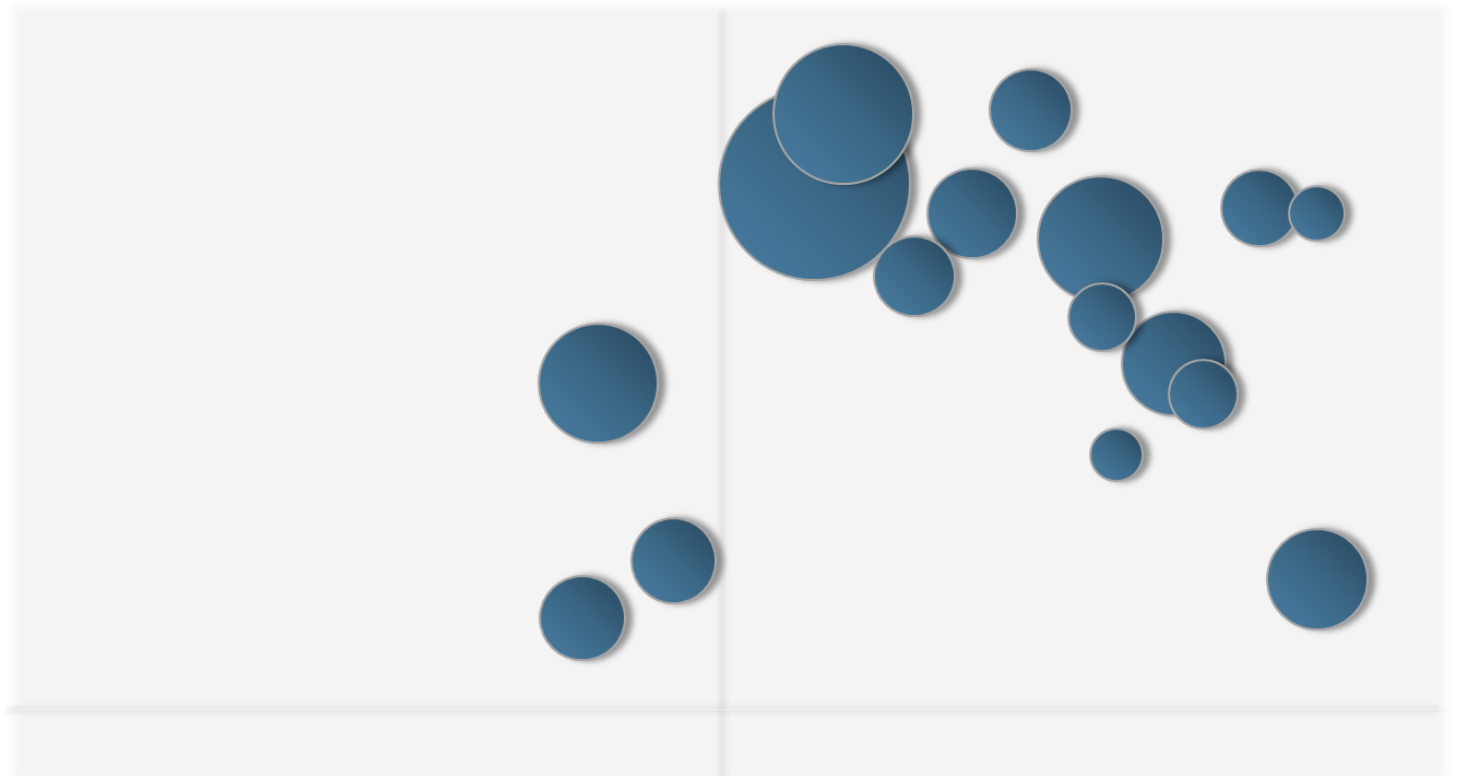
BTI's Practice Roadmap 2024

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



BTI Opportunity Zone

IDENTIFYING HOT SPOTS & PRESSURE POINTS IN 2024



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 2024. Actively target clients within these industries for access to increased spending and premium billing rates.

Top growth prospects

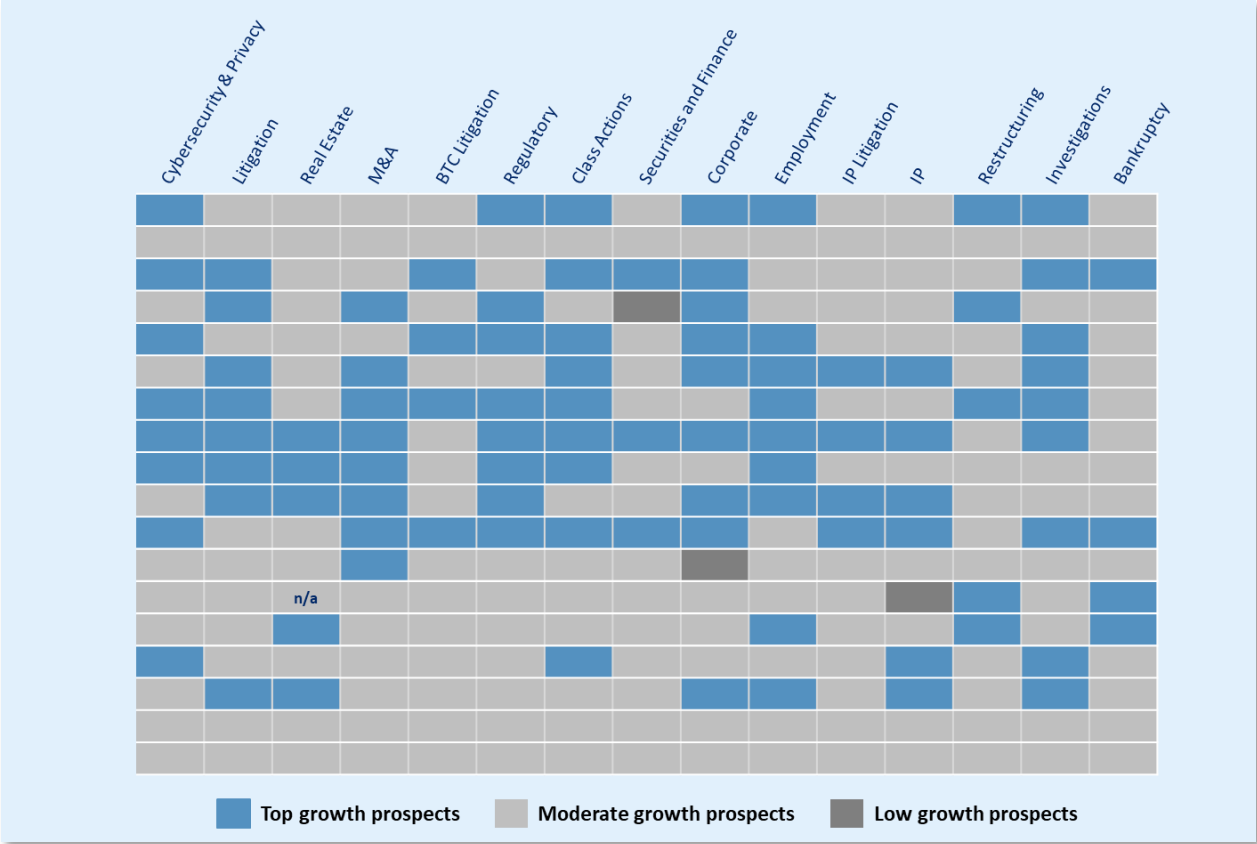
Even as the overall market for outside counsel services shows signs of growth, certain opportunities are more attractive than others. These areas are slated for prime growth and higher-than-market rates.

Moderate growth prospects

The legal market in 2024 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.



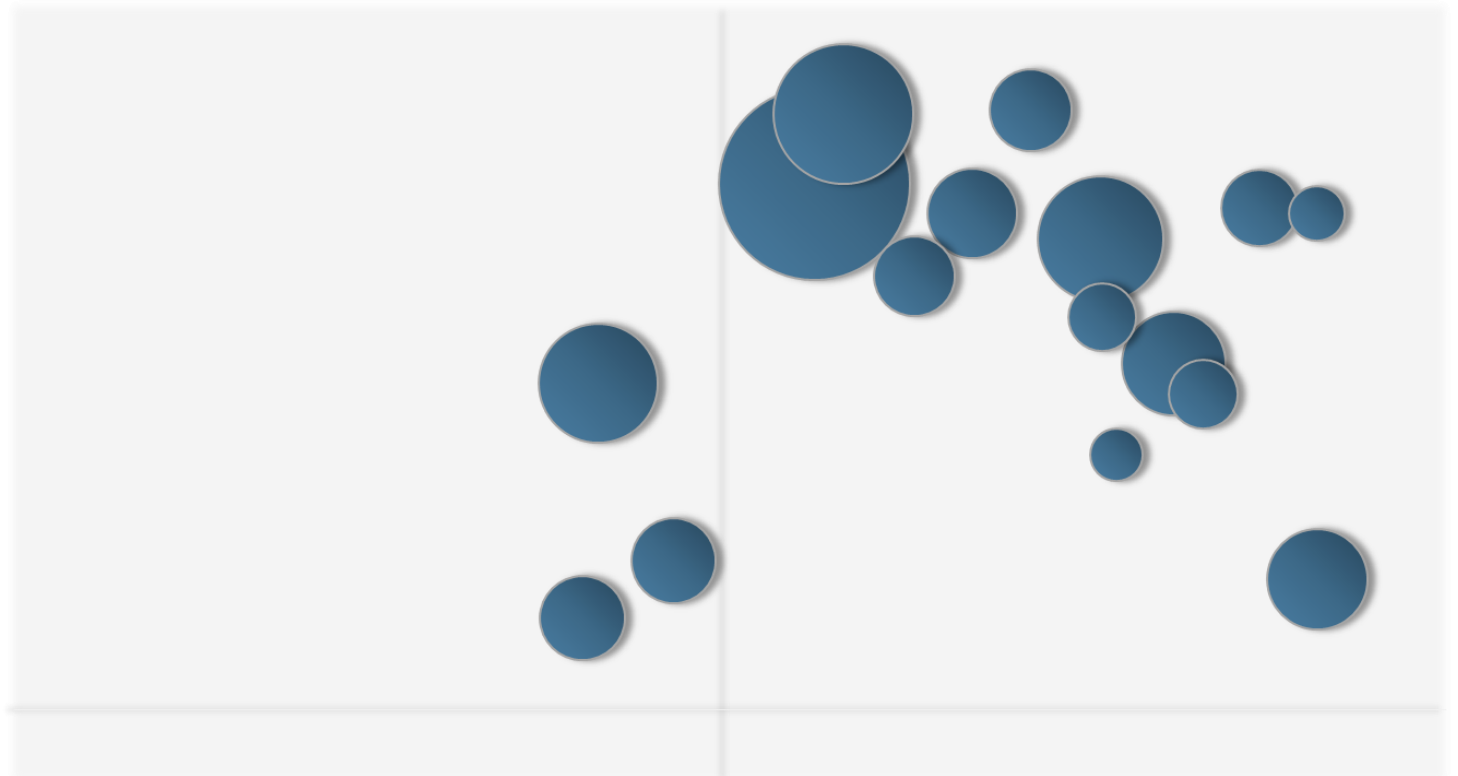
BTI's Industry Opportunity Zone: Looking for Growth by Practice & Industry

Order
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Outlook
2024
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

The research reveals 2 drivers keeping M&A increasing ever so slightly: smaller and medium-sized deals and the occasional high-profile mega deal.

The smaller and midsize market is helping larger companies extend product lines, transform themselves, enter new markets and add new product lines and technology. The mega deals are strategic and compelling to the initiator — so they will take on the headwinds of hostile regulators, high interest rates and other hurdles.

At the same time — more large companies are under pressure to improve their business dynamics — and see large scale M&A as the primary tool. So, the large M&A deals will remain flat to small increase — largely tied to ever larger deals.

Winning the Work

Clients talk about watching a changing of the guard. Top M&A attorneys are changing firms and only about 1/3 indicate following their partner is a slam dunk. They want to know the new firm has the right team in place. The small and midsize work favors incumbents — but only those who remain in voice dialogue even if there is no deal in play. The tactics winning the business include:

- ▶ Keeping clients updated on the state of play
- ▶ New and interesting deal structures
- ▶ Industry trends in M&A for large and small deals
- ▶ Educating clients in the art of deal making
- ▶ Offering options and ideas
- ▶ Providing due diligence check lists
- ▶ Sharing case studies
- ▶ Alerting clients to competitor and industry deals

M&A MARKET SIZE (\$B)



INDUSTRY OPPORTUNITY ZONE

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

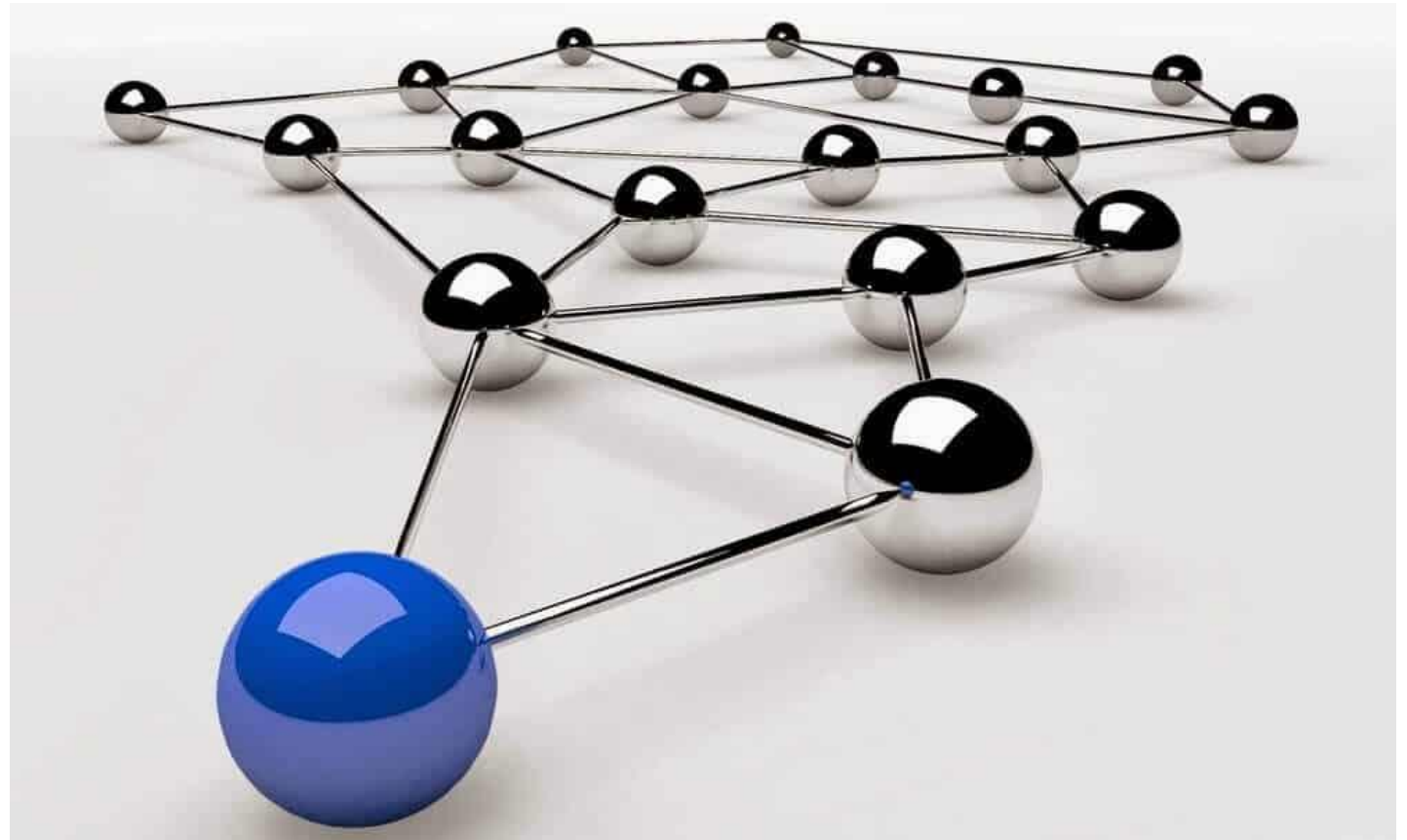
Banking	
Chemicals	
Consumer Goods	
Energy	
Financial Services	
Food	
Healthcare	
High Tech	
Insurance	
Manufacturing	
Pharmaceuticals	
Professional Services	
Real Estate	
Retail Trade	
Telecom	
Transportation	
Utilities	
Wholesale Trade	

MARKET SIZE TRENDS

BTI has tracked the legal market for the past 22 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 2024

METHODOLOGY



BTI Methodology and Approach

INDEPENDENT, UNBIASED RESEARCH, BASED SOLELY ON CLIENT FEEDBACK

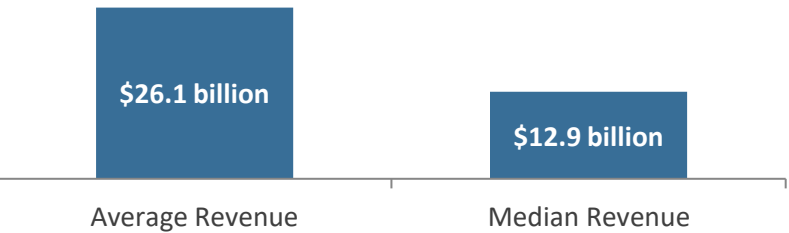
2024 Survey Participant Demographics

Interviews	More than 290 in-depth telephone interviews
Time Frame	Conducted between March 2023 and October 2023
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 2024** is based solely on in-depth telephone interviews with leading legal decision makers. This comprehensive analysis trends data from more than 24,000 corporate counsel client interviews conducted over the span of 22 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

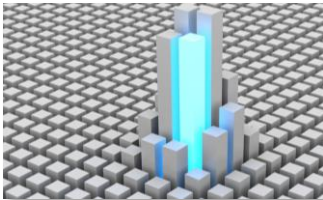
For over 30 years, we've successfully helped our clients strategically drive revenue, boost performance, attract and retain clients, develop more business in new and existing markets, and create enduring relationships with our data-driven customized programs and solutions tailored to meet each client's 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 2024



In a reversal from last year, client spending is growing faster than cases. And just like last year, clients face record levels of cases. Complex and high stakes matters are the sweet spots. This is the where the money is headed. The BTI Litigation Outlook 2024: Navigating Litigation Spending in the New Unpredictable World is available now to help you decipher the new market dynamics and seize the opportunity.

 **Order Now**

BTI Benchmarking Law Firm LinkedIn Performance 2023



Your firm's LinkedIn engagement prowess drives new business, inbound leads, and provides an outlet for attorneys. BTI Benchmarking Law Firm LinkedIn Performance 2023 delineates how law firms are performing along 12 key metrics and includes detailed recommendations on improving your position.

 **Order Now**

BTI Client Service A-Team 2023



Long considered the gold standard in measuring client service performance by clients and law firms alike, the BTI Client Service A-Team 2023 is the only source for measuring client service solely from the client perspective. Now in its 22nd year — this is the most important edition ever with 350 new, in-depth interviews.

 **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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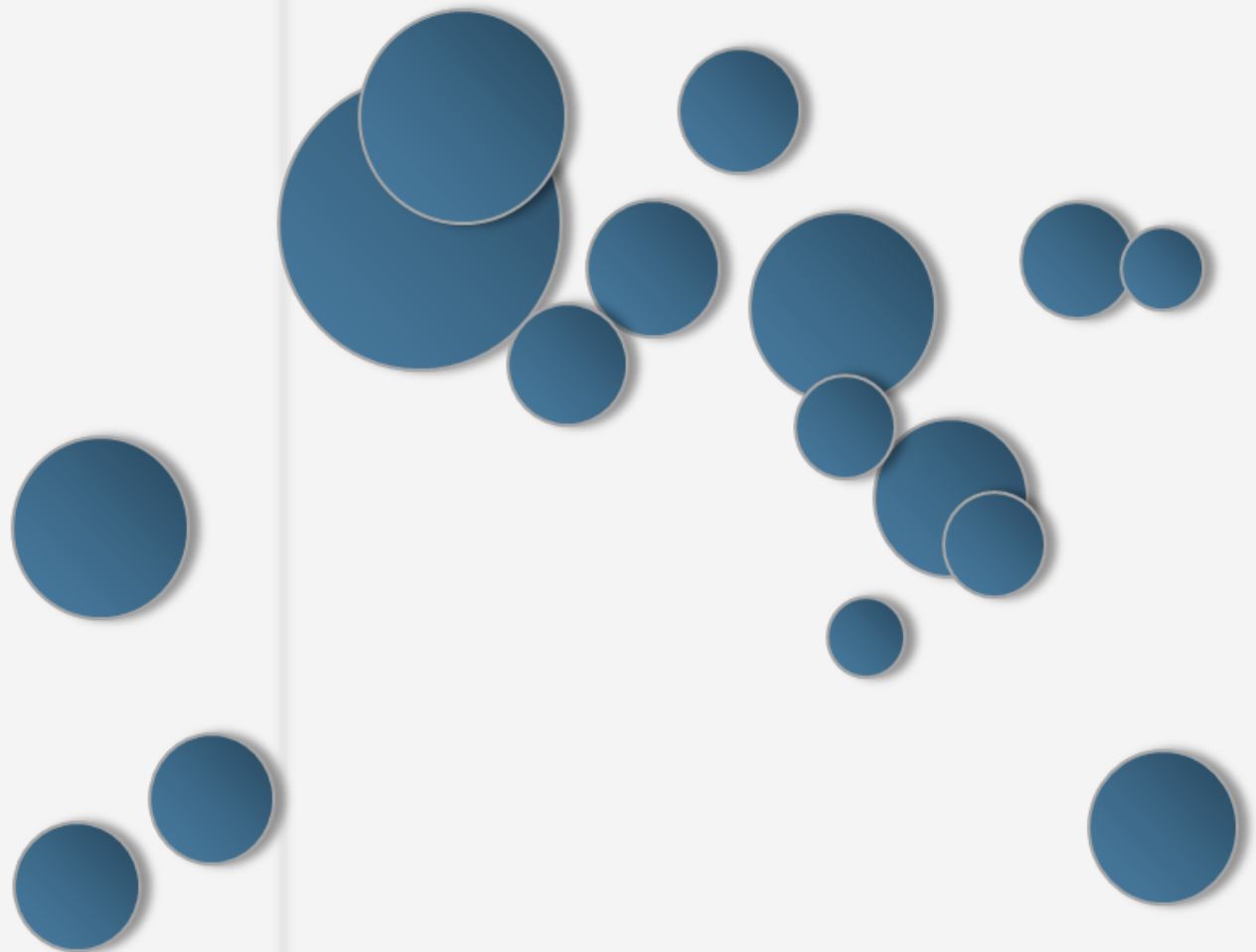
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