

16<sup>TH</sup> Annual Survey

THE **Hoffman**  
**Alvary** SURVEY™  
2011

ON LAW FIRM ECONOMICS

# The Uneven Recovery:

Navigating in Turbulent Waters

**“The Hoffman Alvary report has become required reading for me – it is simply incredibly useful for our firm.”**

THOMAS H. MILCH, ESQ.  
CHAIR, ARNOLD & PORTER LLP

 **Hoffman Alvary**

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## Trends In the Profession

- Earnings divergence
- Rate escalations
- Reliance on large client relationships
- Re-evaluating the traditional staffing model
- Alternative pricing – types and frequency of use

## Summary Analyses for the Managing Partner and the Executive Committee

- The *Managing Partner Advisory* analyzes the market's overall trends during the past year and pinpoints the developments most likely to spur change in 2012 and beyond. These include new ways of doing business and strategies for managing the uneven recovery.
- The *Executive Committee Summary Report* graphically compares your firm's key indicators to peer firms.
- Over 30 separate detailed reports assess all the major financial and strategic indicators that participating firms have come to expect.

“We find the highly specific information about practice areas, rates and revenue particularly useful.”

LISANNE F. MORALES  
CHIEF FINANCIAL OFFICER, COOLEY LLP

“For the management information we use the most, the Hoffman Alvary Survey is our #1 choice. We rely on its comparison data to help enhance our operations and direct our strategy.”

STEPHEN P. VILLANO, ESQ.  
FINANCIAL PARTNER, HOLLAND & HART LLP

The Hoffman Alvary Survey, now in its 16th year, is a confidential and full-featured report on the economic and strategic factors affecting law firms like yours. It gives you cutting-edge information grounded in comprehensive historical data.

The Survey offers tailored peer group reporting based on size, earnings level and region. More than three-quarters of the participating firms in last year’s Survey have been relying on Hoffman Alvary for benchmarking information for each of the last five years.

The Hoffman Alvary Survey maintains its lead in providing customized solutions to most of the largest Intellectual Property firms in the United States. Last year, 12 of the largest IP firms participated in the specialized IP Survey.

### THE DIFFERENCE IS IN THE DETAILS

The Survey’s more than 30 schedules cover a broad range of important topics and provide the detailed information you need to make valid comparisons. In addition to providing competitive outcomes and five-year trends, the Survey delves deeper into the areas that matter most.

**Equity Partner Earnings** - More than just firm average earnings for equity and non-equity partners, the Survey provides earnings ranges, spreads, dispersions and new partner compensation by class year.

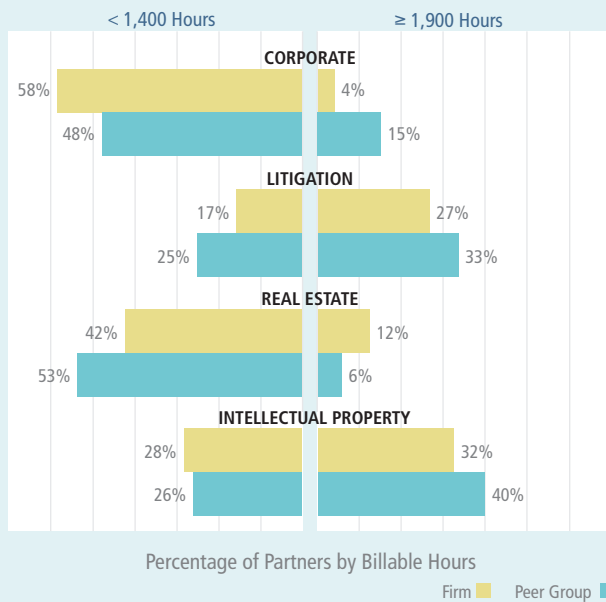
**Pricing, Billing Rates and Alternative Fees** - Detailed pricing information including billing rate reports by practice area, seniority and city, as well as alternative fee information showing which new structures are in frequent use.

**Top Clients** - Detailed reporting includes the number of large client relationships, trends in the average size of those relationships, changes in reliance on top clients, and billing realization for top clients.

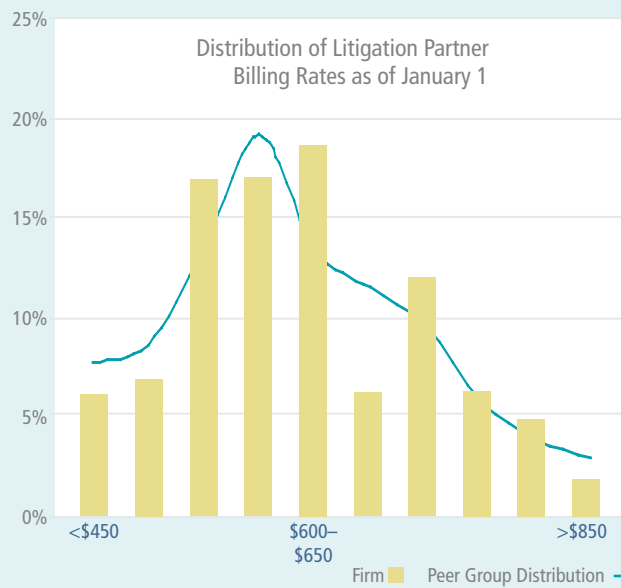
**Associate Compensation and Structures** - The Survey tracks compensation variability within each law school class, as well as the relationship between hours and compensation.

**Billable Hours** - The Survey includes reports by practice area, title, experience level, and market, including averages and dispersions identifying the outliers, both high and low, on billable hours.

### Do Your Average Billable Hours Mask Outliers?



### How Does Your Rate Dispersion Compare to That of Peer Firms?



“Competitive information and insights that are actually useful to us.”

STANLEY S. JASPAN, ESQ.  
MANAGING PARTNER, FOLEY & LARDNER LLP

“We have participated in the Survey for years and find its hours, rate and client information critical to making key management decisions. We especially value the interpretive insights from Hoffman Alvary.”

R. STEVEN KESTNER, ESQ.  
EXECUTIVE PARTNER, BAKER & HOSTETLER LLP

### EYE-OPENING COMPARISON GROUPS

With more than 30 standard firmwide comparison groups, as well as over 15 major market reports, the Hoffman Alvary Survey provides the data you need to make serious evaluations of just where you stand. Peer groups are defined by geography, earnings level, firm size and/or size of the local office. Custom peer group comparisons are available upon request and are provided at the same cost as the standard report offerings.

### FOCUS ON STRATEGY, NOT JUST FINANCE

The Hoffman Alvary Survey is conducted by a private management consulting firm—not bankers, not accountants, not the trade press—so it is less about expenses or collateral and more about what actually generates revenue.

### UNBIASED AND CONFIDENTIAL

Participation in the Hoffman Alvary Survey is strictly confidential, which encourages firms to submit accurate information. All submissions are reviewed and tested in detail by experienced management consultants before inclusion in the Survey.

### HOW TO PARTICIPATE

The Hoffman Alvary Survey will be published April 16, 2012. Completed input forms are due February 24, 2012.

To participate in the Survey or to receive more information, please contact us at 617.758.0500 or e-mail:

Brian Dies (bdies@hoffmanalvary.com)  
Cara Rhodes (crhodes@hoffmanalvary.com)

**Early submission discount** – Firms submitting input forms by February 10, 2012 will receive 10% off the cost of all reports ordered.

**New participant discount** – New law firm participants will receive 25% off the cost of all reports ordered. (This offer cannot be combined with the early submission discount.)

*Survey results are available only to participating law firms.*

### FEATURED INFORMATION:

Billing rates for partners by practice area, market, and years of experience (including much more detail than simple averages for the entire firm)

Billing rates for associates by law school class and market

Alternative pricing and fee structures

Reliance on top clients, including density, stability and growth of large client relationships both firmwide and per partner

Five-year trends on equity partner earnings, revenue per partner, and revenue per lawyer

All major components differentiated between equity and non-equity partners

Specialized reporting on IP firms' practices by technology, with separate categories for litigation and trademark

Associate structure and compensation approaches including ranges in base salaries, bonuses and total compensation

Annual and five-year percentage changes on key metrics

Billable hours by practice area, office, and experience level, both averages and dispersions

Leverage by practice area

Realization and write-off information firmwide and for the top clients

Contingency fee investments, recoveries and inventory

Operating expenses per lawyer, support staff ratios and compensation, and other expense detail

Compensation comparisons for 10- to 15-year lawyers across titles by law school class year

Capital and debt positions

## THE HOFFMAN ALVARY SURVEY ON LAW FIRM ECONOMICS™ 2012 Price List

Participating law firms can either pay per Report or can purchase a Package which includes unlimited Reports:

	First Firmwide Report	Each Additional Firmwide or Market Report	OR	Package (Unlimited Reports)
Firms with > 500 FTE lawyers	\$2,100	\$1,500		\$8,500
Firms with 125 – 500 FTE lawyers	1,850	1,250		7,500
Firms with < 125 FTE lawyers	1,200	800		4,000

**New Participant Discount.** New law firm participants will receive 25% off the cost of all reports ordered.

**Early Submission Discount.** Firms submitting fully completed input forms by February 10, 2012 will receive 10% off the cost of all reports ordered. (This offer cannot be combined with the new participant discount.)

**First Firmwide Report.** This report compares your firmwide information to a peer group that you select from either the standard peer group offerings defined by earnings level, firm size, and geography, or a custom peer group defined by the participating firm. The Report includes more than 30 schedules covering:

- Partner average earnings, including five-year trends, earnings ranges, spreads and dispersions for both equity and non-equity partners
- Revenue and client fee statistics, including realization and inventory information
- Billable hours, including averages and distributions by practice area and experience level
- Billing rates as of January 1, 2012, including averages and distributions by practice area and experience level
- Alternative billing practices, including which alternative structures are in frequent use
- Leverage and demographics, firmwide and by practice area
- Expenses per lawyer and per timekeeper, including staffing and salary levels
- Associate compensation, including January 1, 2012 base salary medians and distributions, as well as bonuses and total compensation for 2011, plus associate compensation structures

Your first Firmwide Report includes a customized **Executive Committee Summary Report**, which graphically compares your firm's key indicators to peer firms. Upon analysis of the detailed results, Hoffman Alvary also sends participants the **Managing Partner Advisory**, which examines the market's overall trends during the past year and pinpoints the developments most likely to spur change in 2012 and beyond.

**Additional Firmwide Reports.** You may choose to order additional Firmwide Reports that compare your firm against different peer groups. Many firms order multiple reports (for example, to compare the firm to local competitors and also to national peers). Custom peer group comparisons are available on request and are provided at the same cost as standard reports.

**Market Report.** This Report compares one office of your firm against peer firm offices in the same market location. This Report analyzes the data that is meaningful when reported on an office-by-office basis: billing rates, associate compensation, and billable hours. Many firms order one market report for each city where they are located.

**Package Pricing.** In lieu of ordering individual Reports, participating firms may order a Package, which includes an unlimited number of firmwide and market reports.

For more information or to participate, please contact Brian Dies ([bdies@hoffmanalvary.com](mailto:bdies@hoffmanalvary.com)) or Cara Rhodes ([crhodes@hoffmanalvary.com](mailto:crhodes@hoffmanalvary.com)).