

Special Excerpt: Alternative Fees

2010

Law Firms in Transition

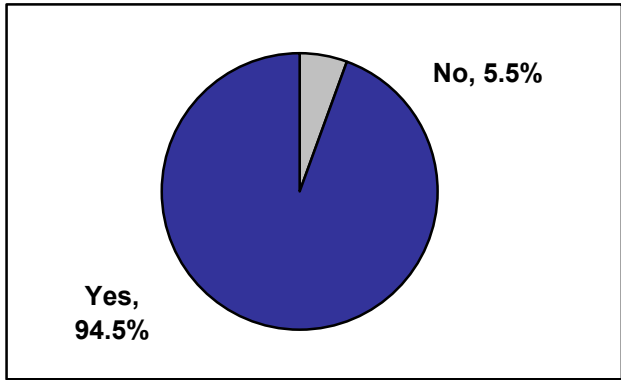
An Altman Weil Flash Survey



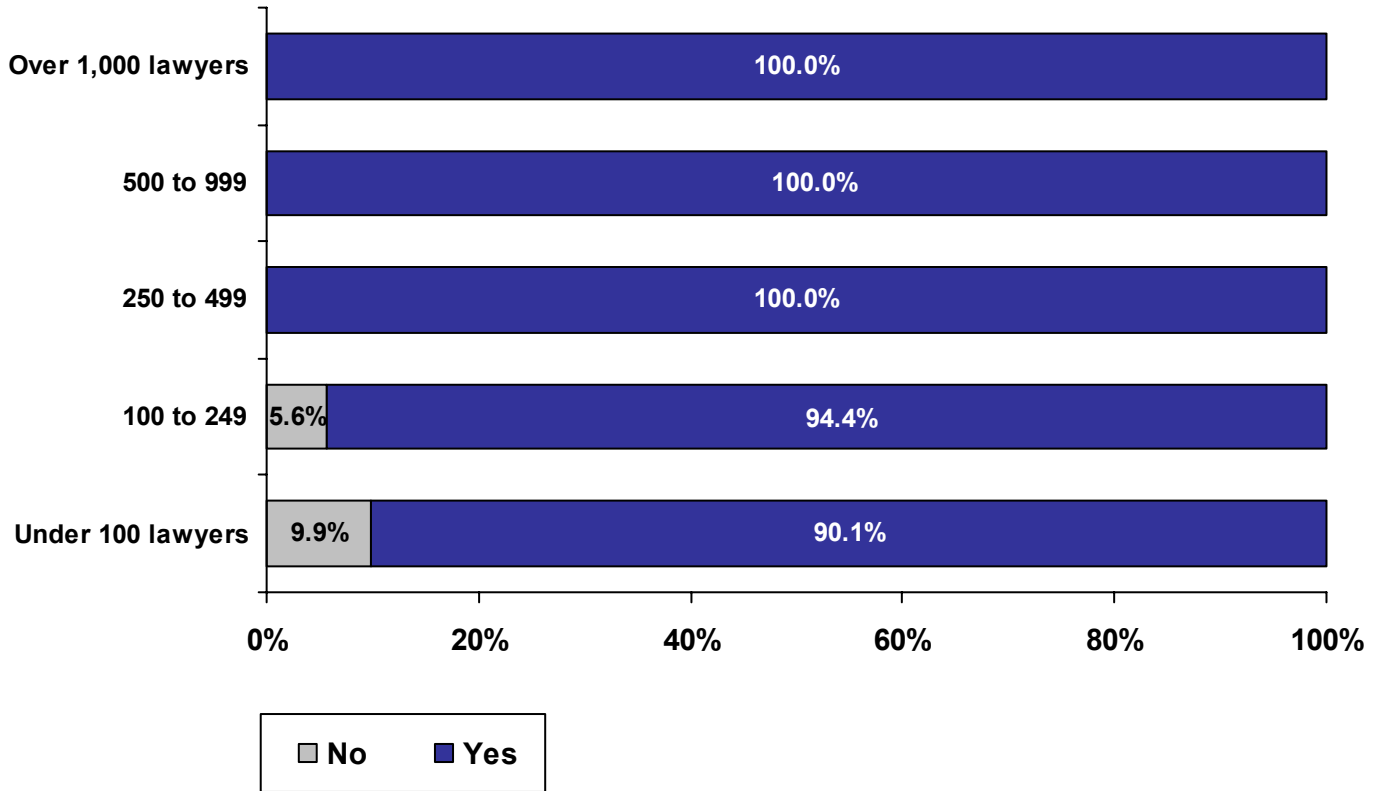
Alternative Fees - Use

Does your firm use any non-hourly based billing?

All firms



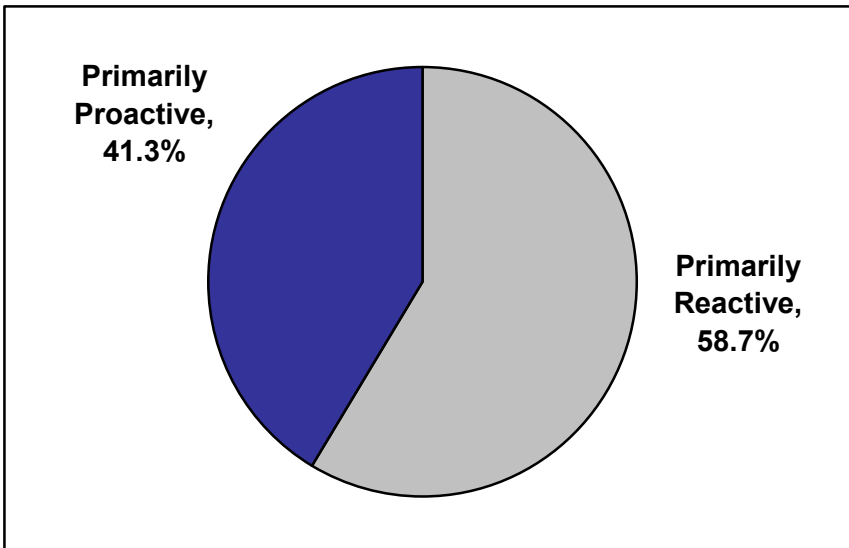
By firm size



Alternative Fees - Motivation

If yes, is your firm's use of alternative fee arrangements primarily reactive (in response to client requests) or primarily proactive (arising from your belief in the competitive advantage of alternative fees)?

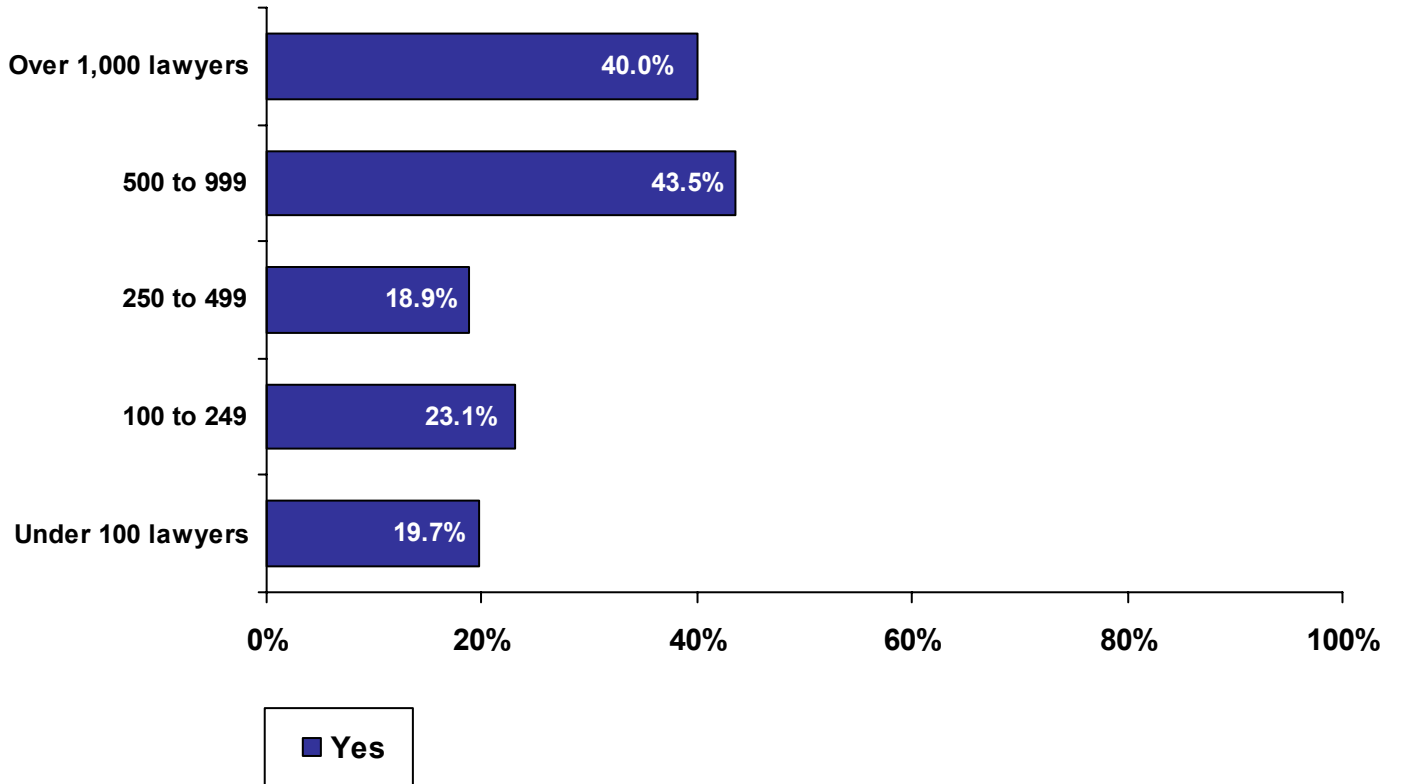
All firms



Alternative Fees – Communication to Clients

Does your firm initiate communication with clients on alternative fee options?

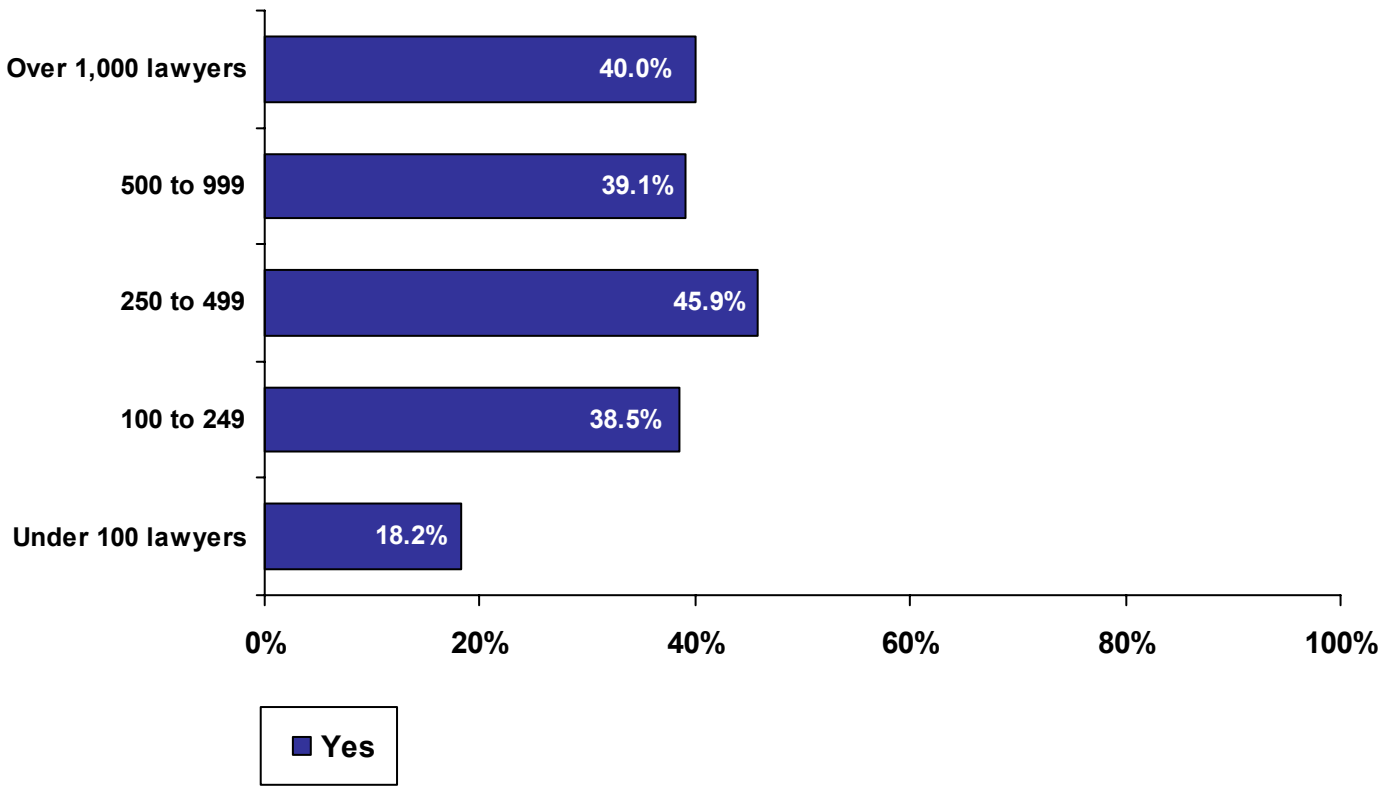
By firm size



Alternative Fees – Tracking

Does your firm track alternative fee arrangements offered by the firm and profitability outcomes?

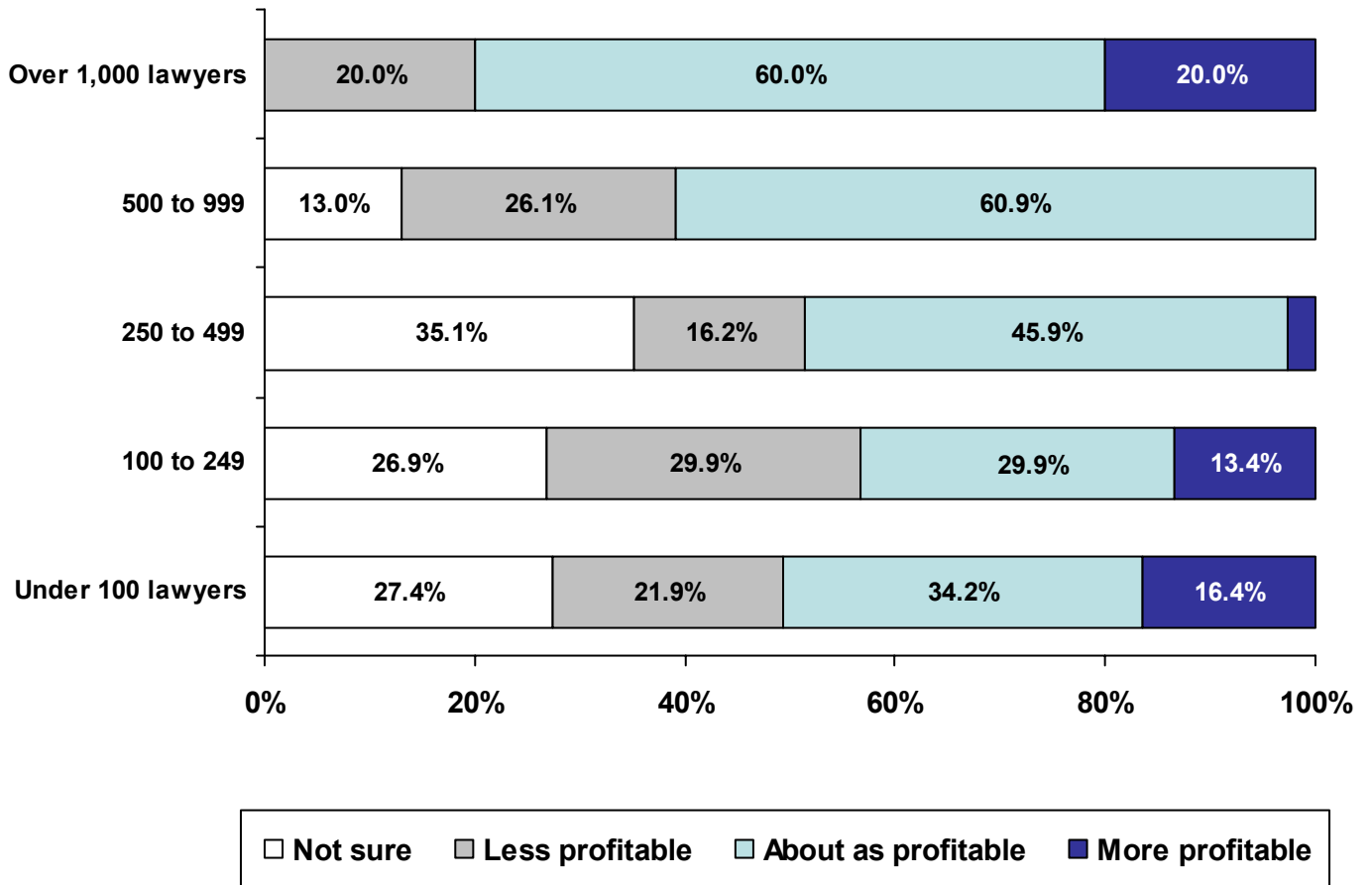
By firm size



Alternative Fees - Profitability

Overall, compared to projects billed at an hourly rate, are your firm's non-hourly projects more profitable or less profitable?

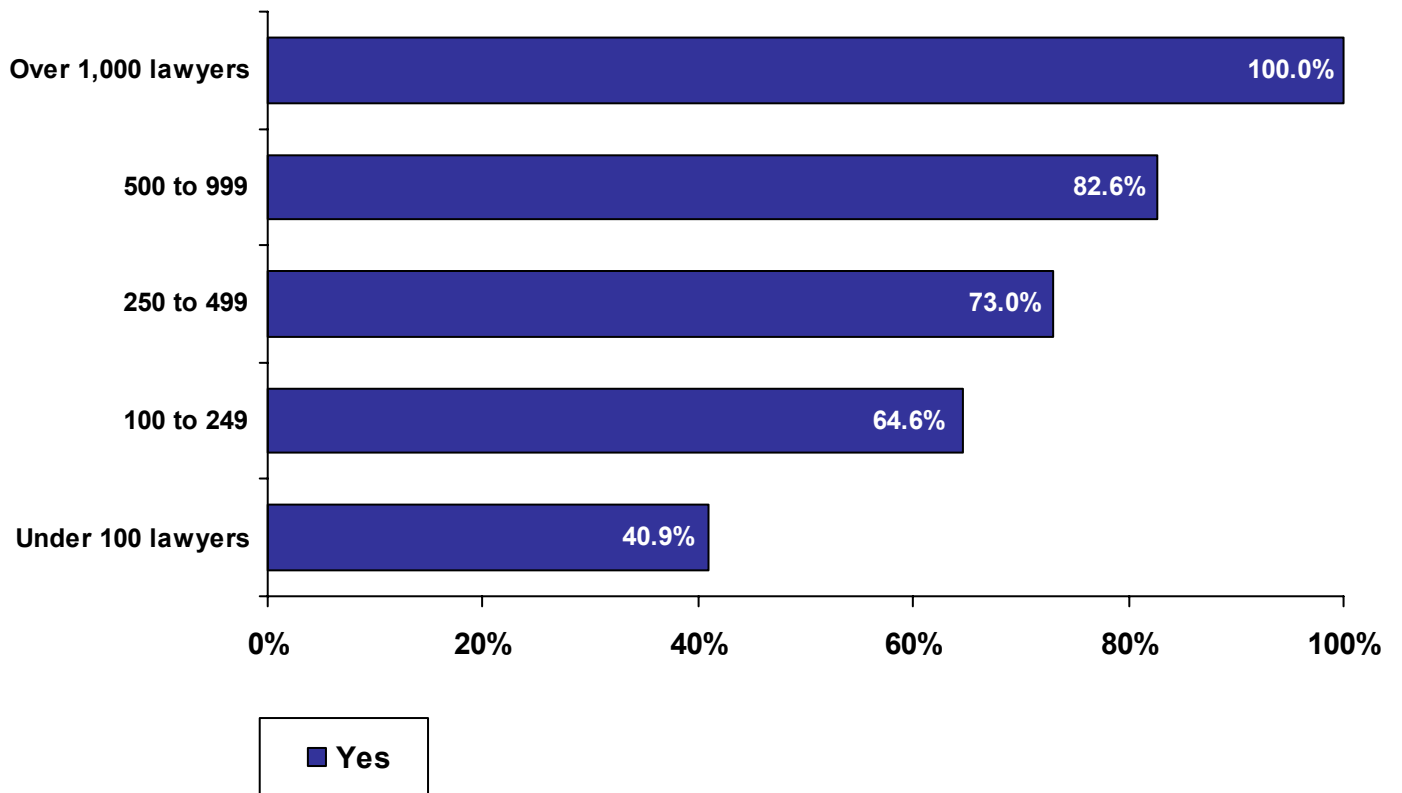
By firm size



Alternative Fees – Cost analysis

Does your firm perform cost analysis to establish a basis for new alternative fees?

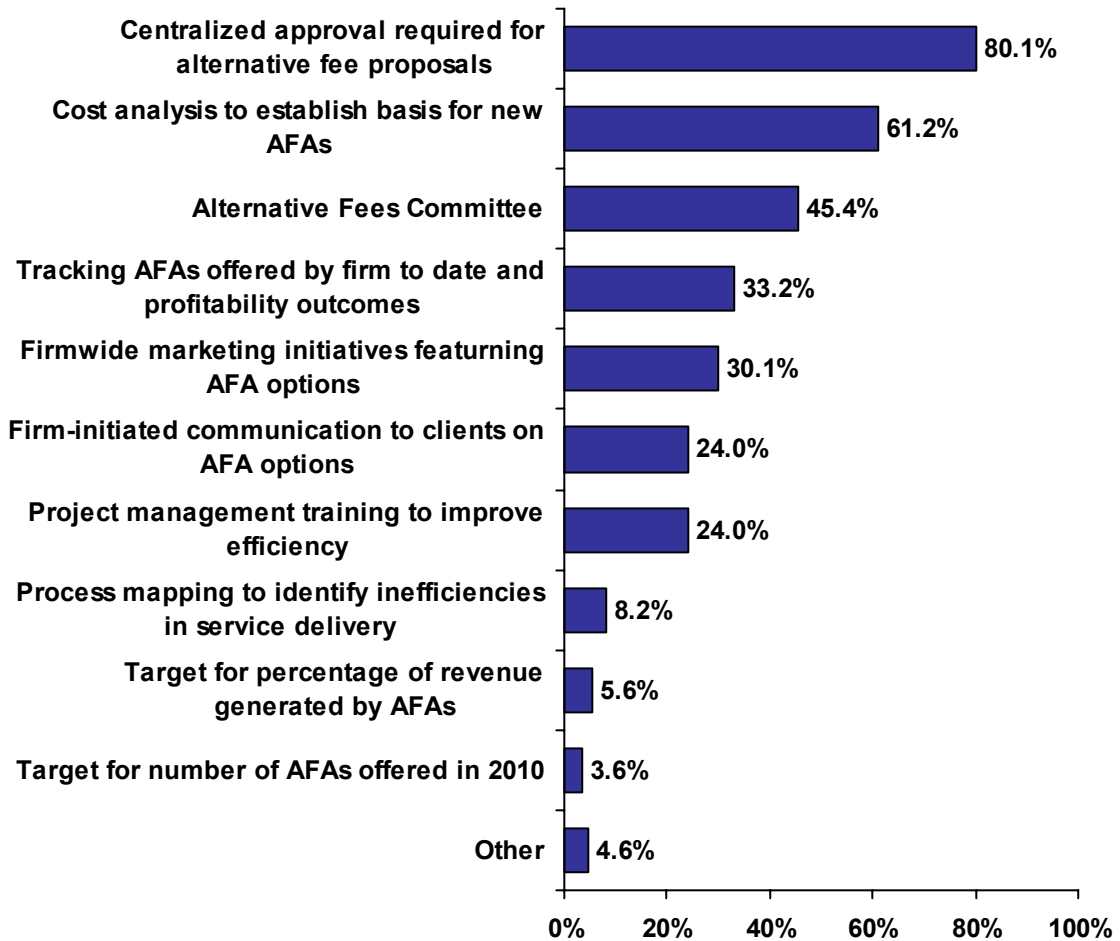
By firm size



Alternative Fees – All Tactics

If your firm uses non-hourly based billing, which of the following tactics has your firm implemented?

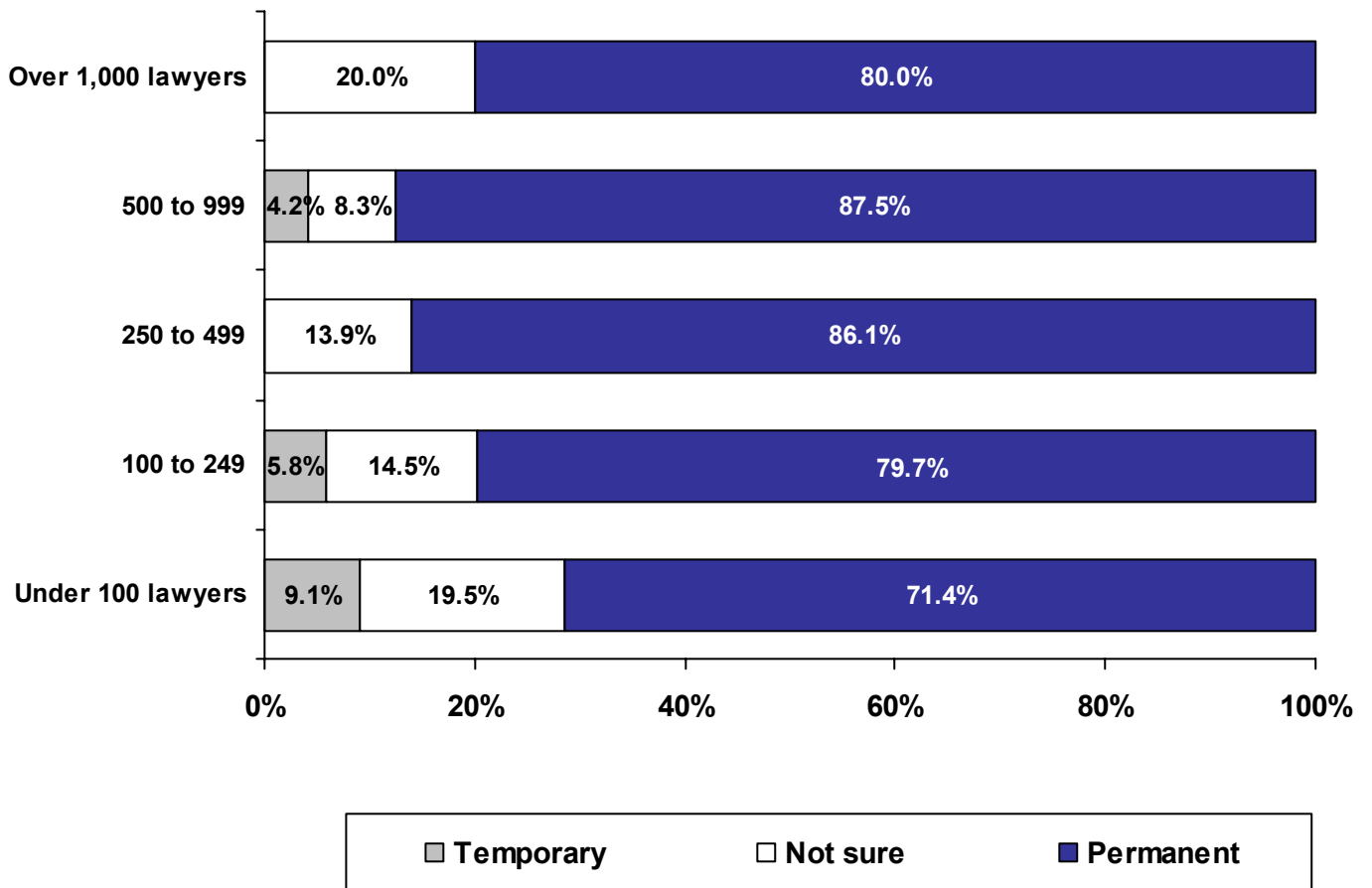
All firms



Alternative Fees - Future

In light of the events of 2009, do you think more non-hourly billing is a temporary trend or will it be adopted as standard by most firms going forward?

By firm size



Demographics

In April and May 2010, Altman Weil surveyed Managing Partners and Chairs at 787 law firms with 50 or more lawyers. We received responses from 218 firms for a 28% response rate.

Firm Size	All US Law Firms	Survey Participants	% Response
1,000 +	19	5	26%
500 – 999	62	24	39%
250 – 499	83	37	46%
100 – 249	253	71	28%
50 – 99	370	81	22%
All	787	218	28%

The respondent group includes:

- 38% of 2009 NLJ 250 law firms
- 37% of 2010 AmLaw 200 law firms

* The exact number of lawyers in a law firm changes frequently. The universe of law firms surveyed is based on published directories and league tables available in spring 2010. Survey participants reported their own headcounts.

* Five firms invited to participate in the 50-100 lawyer category reported their size as under 50 at the time of the survey. We have included their responses in the 50-99 lawyer category.