

legalabacus

2017 Salary
Survey -
the results!



The Institute of
Legal Finance
& Management

Psst - how much is your marketing budget?



Knowing which opportunities to investigate and which to ignore can be difficult, if your firm does not have a detailed budget to accompany your marketing plan. Sue Bramall, managing director of Berners Marketing (and once a management

Lawyers often tell me they are bombarded with marketing opportunities. They face a constant assault from advertising agency sales calls, search consultants, conference organisers and even charities - and it can be difficult to spot the snake oil from the genuine opportunities.

Benchmarking within the legal profession

While there are surveys claiming to provide comparative information about levels of marketing expenditure among law firms, this should not be your starting point. These surveys are often carried out for promotional purposes and the questions, sample size and analysis may not be very robust or directly relevant to your firm.

The latest Financial Benchmarking Survey from the Law Management Section of the Law Society reports the overall median marketing budget as 2.1%, with a quarter spending over 3% and a quarter just 1%. In contrast, the latest figure I could find from US law firms was 3.4%.

A 2015 survey by Macquarie Bank of 226 Australian firms highlighted how marketing budgets varied according to the size of firm as follows:

Size of firm by fee income	Percentage of fee income
Small (<\$4m)	6%
Medium (\$4-\$20m)	4%
Large (\$20m+)	3%
Average	5%

However, as yet there is no standard or agreed means of calculating marketing expenditure across the legal profession. The Macquarie survey reports on 'Marketing and business generation activities including advertising', but there is no further clarity on what this

includes. Where do membership fees and client entertainment sit? Are the wages of marketing staff included under 'marketing' or under 'salary & wages'? How do you compare two firms, where one employs a marketing manager on the payroll and the other employs a freelance marketing consultant? Is the cost of a new website deemed marketing or technology? Is training in business development skills a marketing or HR cost?

There is certainly scope for better benchmarking of marketing expenditure among law firms. Any volunteers?

What do other businesses spend?

It is also worth taking a look outside the legal profession to see how much importance other sectors place on their marketing budgets. A survey of chief marketing officers by Deloitte Digital shows that only the energy sector operates with levels of marketing investment similar to that of the legal profession, lagging well behind potentially comparable sectors of banking, finance and insurance at 8% and service consulting at 12%.

Investment or expense?

Many of these sectors see marketing costs as an investment rather than an overhead. Certainly, in many retail businesses, digital

marketing expenditure has replaced investment in property – clicks rather than bricks.

For example, pharmaceutical companies invest substantially in the research, development and launch of new drugs over many years because they know only a few will make it onto the market. Automotive companies invest huge sums in infrastructure before the first car rolls off the production line.

In contrast, professional partnerships usually want to see an immediate return on their marketing investment and partners can be prepared to pull the plug before an initiative has had a chance to gain momentum.

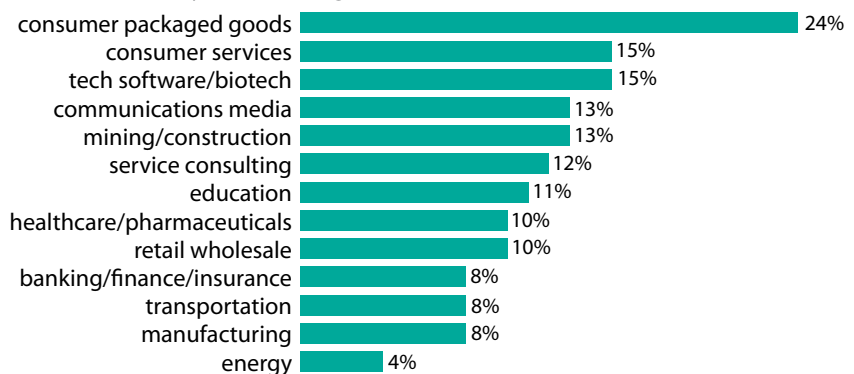
I have sat in many meetings shortly after the launch of an event or initiative and heard partners complain they didn't get any work from it – when they have barely had a chance to follow up with new contacts, never mind build a relationship of trust and understanding.

I can vividly remember one partner comparing the cost of a certain marketing activity to expenditure on boys' skiing weekends.

One of the reasons cited by many firms for converting to an ABS has been that it shifts focus away from driving returns in the short

Marketing budgets by industry

source: The CMO Survey and Deloitte Digital



Sue Bramall is the founder of Berners Marketing which works exclusively with independent law firms.



accountant), outlines the key considerations when setting your annual marketing budget.

term and allows firms to invest in longer-term strategic developments. It will be interesting to see to what extent this is true in practice.

Budget setting

The most effective approach is to base a marketing budget on what you wish to achieve over the next few years. The budget will need to have at least two levels of expenditure:

- **Firm-wide marketing infrastructure.** All law firms need a corporate identity and website. Some may have firm-wide brand guidelines and a suite of materials used across the firm. Costs are generally spread widely and should be relatively easy to forecast and budget for. If you are planning a major undertaking, such as a new website or a rebrand, you will need to plan well in advance. This budget can also provide for strategic developments, such as research into client satisfaction, mystery shopping, training and new software, such as a CRM system.
- **Practice area and sector.** If practice and sector groups are producing departmental business plans, they should have a marketing activities plan for the coming year, together with the associated costs, to back up their specific communications plans.

In addition, you may also allocate budgets for:

- **Location-based activities.** In a firm with more than one office, you may have community activities which are local but spread across multiple practice areas.
- **Growth markets.** If you are planning to expand into a new market, service, sector or geographical area, you will need to allow for a specific budget to cover launch materials and activities.

A calendar should be clearly communicated within the firm to show dates for receiving budget proposals, for review and for approval.

Management teams need to keep sight of the big picture. It is important that your processes for setting budgets and authorising expenditure do not encourage a “silo” mentality: this discourages departments from working together in initiatives such as cross-selling.

Some flexibility needs to be maintained, but a good budget will provide a clear framework against which partners can evaluate any unexpectedly fabulous last-minute offers that come their way.



Chadwick Lawrence official legal partners for Leeds Rhinos for another year

Yorkshire’s Legal People, Chadwick Lawrence, have renewed their contract as official legal partners to Leeds Rhinos for another year.

The renewal sees the strengthening of an already long standing relationship between the two organisations, which currently spans over 10 years. This affiliation will see the team at Chadwick Lawrence working with Leeds Rhinos on a regular basis, providing legal, regulatory and HR advice, as well as supplying support to the Leeds Rugby Foundation.

Chadwick Lawrence are longstanding supporters of local sport and community events, and boast an impressive Sports Law offering. They have engaged with Leeds Rhinos on a number of occasions, most recently working in partnership with Leeds Rhinos to raise money for local charity Candlelighters in November 2016.

Alongside this partnership, Chadwick Lawrence will continue to enjoy a heightened presence at Headingley Carnegie Stadium through a wide range of sponsorship. This will include advertising at the ground and access to hospitality to give clients the opportunity to sample the atmosphere of a game.

The team at Leeds Rhinos have already formed a strong relationship with the team at Chadwick Lawrence, with an extension of the sponsorship deal cementing this.

Gary Hetherington, CEO, of Leeds Rugby said: “We have developed a very strong partnership with Chadwick Lawrence over the years and we’ve benefitted from their experience and expertise. The extension of our agreement is good news for Leeds Rhinos and we look forward to a big year ahead”

Neil Wilson, Managing Partner of Chadwick Lawrence said “Our partnership deal with Leeds Rhinos and Leeds Carnegie over the years has grown further than just providing legal support, and we look forward to continuing to support the team and enjoy a partnership that is mutually beneficial for both parties.”

Photo show (L-R) Carl Ablett, Joel Moon, Danny Maguire (Leeds Rhinos Captain), Neil Wilson of Chadwick Lawrence, Rob Burrow, Ryan Hall.

