

THE Hoffman Alvary SURVEY™ 2020

ON LAW FIRM ECONOMICS

2020—A Year Like No Other

Full Firm Operations with a Special Section on **COVID-19** Actions:

Pay Cuts

PPP Loans

Layoffs

Pay Restorations

Special Bonuses

Delayed Start Dates

Incoming Class Sizes

Real Estate Implications

- Results available beginning April 30
- Our insights on your data at your request
- Discounts for new participants and early submission

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

LISANNE F. MORALES, GLOBAL CHIEF OPERATING & 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., CHIEF FINANCIAL OFFICER
HOLLAND & HART LLP

THE DIFFERENCE IS IN THE DETAILS

The Survey's more than 35 schedules cover a broad range of important topics and provide the detailed information you need to make valid comparisons. In addition to providing comparative outcomes and five-year trends, the Survey delves deeper into the areas that matter most.

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

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

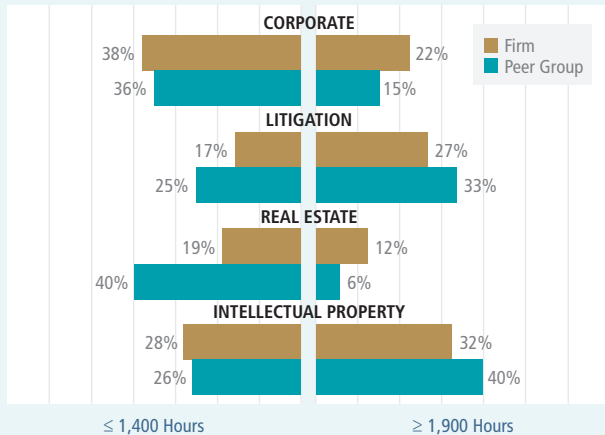
Top Clients – Detailed reporting includes the number of large client relationships, trends in the average size of those relationships, changes in reliance on top clients and billing realization for top clients.

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.

Intellectual Property – Historically, the largest IP firms have participated in our specialized IP report. Our survey distinguishes between IP litigation and non-litigation work and includes reporting by technology area such as biotechnology, chemical, electrical, etc.

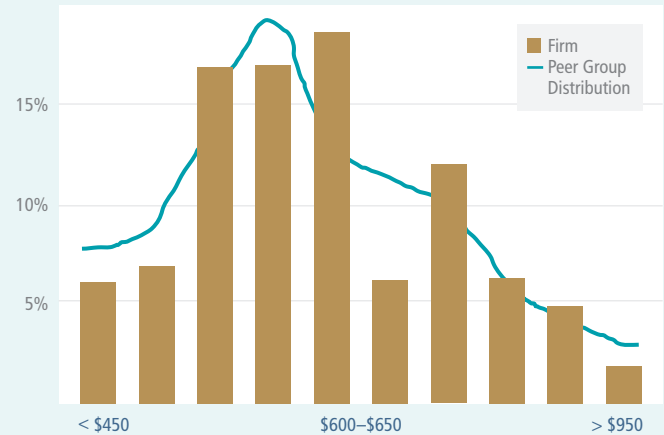
Do Your Average Billable Hours Mask Outliers?

Percentage of Partners by Billable Hours



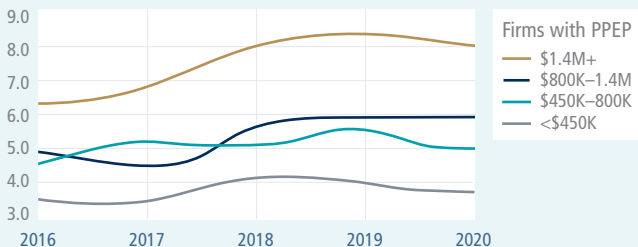
How Does Your Rate Dispersion Compare to That of Peer Firms?

Distribution of Litigation Partner Billing Rates as of January 1



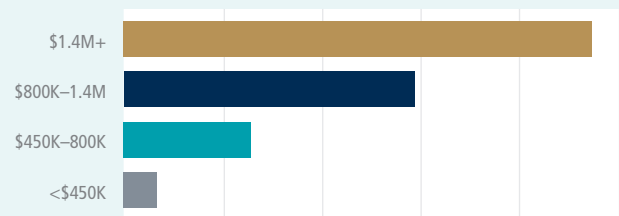
What Range in Partner Compensation Is Competitive?

Median Spread in Equity Partner Compensation



Fees from Top Clients Are Key to High Earnings

Median Number of \$1M+ Clients per Partner



“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.”

PAUL M. SCHMIDT, ESQ., CHAIR
BAKER & HOSTETLER LLP

EYE-OPENING COMPARISON GROUPS

With more than 75 participating firms, more than 30 standard firmwide comparison groups and 20 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 and firm size. 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.

ADDITIONAL TOPICAL INFORMATION:

COVID-related austerity measures including salary reductions, layoffs and furloughs used by firms and understanding restoration approaches

Changes to associate bonus approaches, summer associate programs and first year associate start dates and class sizes in response to the pandemic

Changes under consideration at peer firms in response to the pandemic including remote work policies, real estate needs and more

Five-year trends on revenue statistics, hours, leverage and expenses

Compensation practices and approaches for equity and non-equity partners

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

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

Leverage by practice area

Realization and write-off information firmwide and for top clients

Contingency fee investments, recoveries and inventory

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

Capital and debt positions and approaches

Partner retirement practices and unfunded payment plans

KEY DATES AND HOW TO PARTICIPATE

Input forms received by **February 19, 2021** will qualify as early submissions.

Completed input forms are due **March 5, 2021**.
Reports will be published starting **April 30, 2021**.

Timing for firms with offset fiscal year – Hoffman Alvary makes accommodations to submission deadlines for firms with offset fiscal years. Please contact Cara Rhodes, Scott Golin or Samantha Dennis to inquire.

New participant discount – New participants will receive 25% off the cost of all reports ordered.

Early submission discount – Firms submitting input forms by **February 5, 2021** will receive 20% off the cost of all reports ordered; firms submitting by **February 19, 2021** will receive a 10% discount.

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

Cara Rhodes (crhodes@hoffmanalvary.com)

Scott Golin (sgolin@hoffmanalvary.com)

Samantha Dennis (sdennis@hoffmanalvary.com)

Survey results are available only to participating law firms.

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

THOMAS H. MILCH, ESQ., FORMER CHAIR
ARNOLD & PORTER KAYE SCHOLER LLP

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THE HOFFMAN ALVARY SURVEY ON LAW FIRM ECONOMICS™ FOR 2020

PRICE LIST

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

	If Your Law Firm Has:		
	> 500 Lawyers Firmwide	125 to 500 Lawyers Firmwide	< 125 Lawyers Firmwide
First Firmwide Report	\$2,100	\$1,850	\$1,200
Each Additional Report	\$1,500	\$1,250	\$800
<i>or</i>	<i>or</i>	<i>or</i>	<i>or</i>
Package Pricing (Unlimited Reports)	\$8,000	\$7,000	\$4,000

Early Submission Discount – Firms submitting fully completed input forms by **February 5, 2021** will receive 20% off the cost of all Reports ordered, and completed forms submitted by **February 19, 2021** will receive a 10% discount.

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

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 35 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, 2021, 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, 2021 base salary medians and distributions, as well as bonuses and total compensation for 2020, plus associate compensation structures
- Plus for our 2020 Survey, a special section on **COVID-19** actions

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. The Report analyzes the data that is meaningful when reported on an office-by-office basis: billing rates, associate compensation, billable hours and leverage. 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.

Completed input forms due by March 5, 2021

Reports available beginning April 30, 2021

For more information or to participate, please contact Cara Rhodes (crhodes@hoffmanalvary.com), Scott Golin (sgolin@hoffmanalvary.com) or Samantha Dennis (sdennis@hoffmanalvary.com).