

# Sharplegal 2013 Global Elite Brand Index

HOW THE WORLD'S BIGGEST CLIENTS RANK  
THE WORLD'S TOP LAW FIRMS






















**Acritas**  
SHARPER INSIGHT

**Acritas, the global legal market research specialist, reveals its fourth index of the global law firms with the highest brand equity, as viewed by senior decision-makers in elite global companies i.e. those with revenues of \$1bn and above.**

In Acritas' Sharplegal 2013 Global Elite Brand Index report, you will learn about the power of strong international brands in influencing clients' buying decisions across the world. Gone are the days when premium firms were the automatic choice. Clients, under ever-greater pressure to demonstrate value from the investments they make in outside counsel, are being very selective in their decision-making. Law firms across the world are feeling the effects of this major shift in attitude.

# Sharplegal 2013 Global Elite Brand Index

Rank	Firm		Brand index
1	 贝克·麦坚时国际律师事务所北京代表处	Baker & McKenzie	100
2		Clifford Chance	66.0
3	 Freshfields Bruckhaus Deringer	Freshfields	60.0
4		Linklaters	57.3
5		DLA Piper	52.5
6		Allen & Overy	46.6
7		Norton Rose Fulbright**	46.1
8		Jones Day	44.2
9		Hogan Lovells	38.1
10		Herbert Smith Freehills	32.2
11		White & Case	31.5
12		Latham & Watkins	27.2
13	 <small>Skadden, Arps, Slate, Meagher &amp; Flom LLP &amp; Attorneys</small>	Skadden	25.4
14		Kirkland & Ellis	23.3
15	 金杜律师事务所	King & Wood Mallesons**	23.2
16		Mayer Brown	22.1
17	 Law, Tax	CMS	21.0
18		Reed Smith	20.9
=19*		Sidley Austin	18.2
=19*		K&L Gates	18.2
=19*		Dentons**	18.2
20		Cleary Gottlieb	17.9

\*Three firms share 19th rank with tied position. \*\*When legacy brands have been carried forward into newly merged firm brands, historic scores for the legacy brands have been aggregated to account for the effects of brand combination.

## Methodology

Acritas' Sharplegal 2013 Global Elite Brand Index is compiled from analysis of an extract of data from the Sharplegal 2013 Global Elite survey dataset. All data is derived from 815 interviews with respondents, in \$1 billion+ revenue organizations across the world, who have senior responsibility for buying legal services.

All interviews were conducted by telephone in local languages across 55 countries between January and September as part of the ongoing Sharplegal 2013 survey.

All interviewing was undertaken by Acritas in strict accordance with the rules governing best practice in research. As such, no law firm or other third party had any involvement in selecting sample, analyzing or influencing responses or the Index rankings.

The Sharplegal Global Elite Brand Index is determined through four open-ended questions from the full survey to find out from general counsel:

- The first law firms to come to mind
- The firms they feel most favorable towards
- The firms most considered for multi-jurisdictional deals
- The firms most considered for multi-jurisdictional litigation.

Full Sharplegal 2013 results will be available from January 2014.

## Strong brand, strong revenue

Law firms that increased their brand strength during the economic downturn have achieved revenue growth 149% higher than the average Global 100 performance over the last four years.

This striking finding reflects the increasing momentum and power of the 'challenger' brands. These forward-thinking, internationalizing firms with a strong focus on clients' needs continue to gain rapidly on the 'more traditional' firms.

### **The rapid risers (brands which have increased by 12 index points or more over four years)**

- Kirkland & Ellis
- DLA Piper
- King & Wood Mallesons\*
- K&L Gates
- Gibson Dunn\*\*

*\* Historic brand scores for merged firms are based on aggregated legacy firms' brand scores in order to exclude the effect of merger.*

*\*\* Gibson Dunn is the only brand outside the top 20 to increase 12 points or more.*

Five brands – the rapid risers listed above – have grown by 12 index points or more and achieved an average 22% growth in revenue from the 2009/10 to the 2012/13 financial year.

These results contrast with those of three brands – Clifford Chance, Slaughter and May and Skadden – which have lost 12 index points or more over the same period and achieved an average 5% increase in revenue.

The Global 100 as a whole has achieved growth of 9% over the same four-year period. (N.B. Revenue growth was calculated using firms' home currencies thereby excluding the effect of exchange rate fluctuations over a four year period.)

Among the 'rapid risers' are several firms that have pursued aggressive international growth through merger and expansion. They include firms which have recently developed new brands – DLA Piper, King & Wood Mallesons and K&L Gates – and those which have achieved significant growth in brand and financial strength without high profile mergers, namely: Kirkland & Ellis and Gibson Dunn.

It is interesting to note that Kirkland & Ellis and King & Wood Mallesons have each pursued very different growth strategies, yet have followed similar brand trajectories.

In 2010, both firms ranked outside the top 20 in positions 39 and 40 respectively. Now, four years on, they are ranked 14th and 15th respectively, having more than doubled their rank position.

King & Wood Mallesons entered the top 20 in 2012, significantly strengthening its brand that year primarily driven by strong awareness levels and has held strong into 2013.

Kirkland's brand, on the other hand, has performed exceptionally well in the year-to-date – largely due to its strength in consideration for multi-jurisdictional work among

mainly US clients – achieving most of its four-year progress since 2012.

DLA Piper has held steady in fifth place this year having risen from tenth in 2011. Following a series of mergers, the firm has consolidated its brand position in 2013 with a consistent performance across all areas of brand measurement.

## What do the top five rising brands have in common?

Since 2010, geographic reach and capabilities have become stronger drivers of favorability among clients.

Although rapid growth is borne of many different factors working in synergy, the common denominators among the fastest growing group of firms are their international footprints and the fact that they all have a significant number of clients with increasing international needs.

In the US, traditionally a more domestically-focused market, the proportion of clients with legal requirements outside the home market has also increased substantially over four years. Given the importance of cross-border work in fuelling law firm growth, it is very important that a firm's brand values and proposition translate effectively across borders if brand equity is to be maximized in local markets.

### **The ones to watch (top 20 brands which have consistently gained strength over four years)**

- CMS
- Dentons\*
- Latham & Watkins
- Norton Rose Fulbright\*
- Reed Smith

*\* Historic brand scores for merged firms are based on aggregated legacy firms' brand scores in order to exclude the effect of merger.*

This group, whose progress is also driven by the factors that have boosted the growth of the rapid risers, includes the firm with the largest rank rise this year. Jumping ahead 42 places in 2013, the newest brand on the block, Dentons, has performed exceptionally well, gaining 21 places, fuelled largely by a substantial increase in brand awareness on the back of high profile deals. For newer brands trying to win mindshare from incumbent firms, the basis of Dentons' growth is an important example. High levels of awareness are a crucial first step to winning business and growing a firm's client base, particularly when the firm is rapidly increasing its footprint and capability.

Latham & Watkins LLP has also performed well, steadily increasing its rank every year to 12th in 2013 from 17th in 2010. This solid performance has occurred across all measures of awareness, favorability and consideration, including gains in the less crowded deals market.

Another continuing success story is that of Norton Rose Fulbright. Globally, the market appears to be responding favorably towards this expanding firm, which completed its US merger earlier in 2013. This US brand addition comes

after a stellar year for the firm in Canada, where it became the strongest brand in 2012, having completed two mergers with Canadian firms.

In the Canadian market, this translated not only into higher levels of brand awareness and favorability but also improved brand consideration for premium work and overall usage – proving the power of brand as a vehicle for business development.

### A note on favorability

As the measure of brand likeability – its ‘appeal’ so-to-speak – favorability is a very influential factor in winning client business. Understanding what drives favorability towards a certain brand or among a target group of clients, whether grouped by region or industry, holds the key to growing brand strength and financial success.

In the US for example, responsiveness is a highly valued service attribute, while in the UK, clients are more likely to be drawn to a firm based on its business understanding. In China on the other hand, professionalism is held in high regard. A brand that genuinely aligns with clients’ most valued attributes will naturally appeal to a broader market share and more successfully convert targets to clients.

### Static heavyweight brands

This year’s Index paints a more positive picture for the top flight premium firms than last year’s results, with several seeing a slight rebound, despite longer term decline.

Many of these elite firms have historically enjoyed super-brand status, a halo effect from being in groups such as the ‘Magic Circle’. In the face of intensifying price resistance and increased international competition, the longer term trend clearly visible in Sharplegal results is the erosion of the ‘untouchable’ position these firms previously enjoyed. While premium firms saw a dip in brand in 2012, those with solid international platforms have fared better this year and continue to feature in 2013’s top 20.

Indeed, the stable ‘tier one’ firms have held ranks two to four since 2010. All are global Magic Circle firms with prestige brands and premium rates: Clifford Chance, Freshfields and Linklaters.

The fourth global Magic Circle firm - Allen & Overy - has remained relatively stable too, dropping only one place over four years. Norton Rose, however, is closing in.

### The world is getting smaller and more crowded

As choice broadens at this top international level, average market share is likely to reduce in the short term. There are a number of firms who make up this increased international competition, taking more mind-share from general counsel across the world. These firms are gaining in power as they merge or expand overseas. They are therefore becoming more visible and viable choices for the ever-increasing volume of multi-jurisdictional matters. Not all will succeed because this type of expansion is expensive and, for many, it will prove unsustainable.

To demonstrate this point, we looked at brand consideration for multi-jurisdictional litigation and deals covering three or more countries. The top five firms in 2010 which took an average of 58% of the total mentions take a mere 29% this year.

Clients’ international needs are diversifying with ever-increasing demand for more countries and with more markets opening up every year attracting foreign investment. Naturally, few firms can be in every possible location that clients require but calling on solid market intelligence to understand which markets your clients are most in need of will certainly increase the chances of success.

### International outlook

Today’s legal world has changed dramatically. Clients have greater choice and take full advantage of the benefits this brings. Just because a client is based in the US does not mean they will automatically use US firms for their international work.

Sharplegal data clearly shows the extent to which clients have become more international in their outlook over the last few years. Their knowledge of, and familiarity with, firms extends well beyond the domestic market, either as a result of directly working with firms as their organizations globalize, or through referrals.

For the strongest domestic brands, this presents a challenge. Formerly, brand-building came naturally in these firms’ home markets; they were the go-to firms for the top clients and their formidable reputations perpetuated success.

However, forging known and trusted brand status in new territories is quite a different matter requiring new approaches and, in some cases, a complete change of thinking – something these firms are not always set up to do.

Newer brands face similar brand-building challenges to their longer established counterparts – both at home and abroad. However, they generally monitor clients’ needs and satisfaction levels more closely and are consequently in a better position to offer valuable solutions. They also adapt more quickly to changing market conditions and combine marketing efforts across offices to build their profile, thereby reaping the rewards of greater efficiency. For these firms, the fight for brand recognition is of paramount importance, central to winning business and as critical for the Chicago office as it is for the team in, say, South Africa or Singapore. A firm that has a strong and united brand across the world is in a naturally strong position to win work.

### The importance of understanding your true competitor set

Frequently, firms tell us “we don’t compete with firm X” or “we’re in a different league to firm Y” and discount those firms as competitors. However, Sharplegal data shows that clients are using an increasingly diverse portfolio of legal services providers and that they do not categorize their firms in the same way as firms may.

Clients are regularly telling us that they have appointed 'challenger brand firms' because of the attractive value/expertise combination they offer. As we also know that clients favor the firms they have successfully worked with before, regardless of directory rankings or prestige, it is clear that the more the new work goes to new firms, the more this momentum will grow.

A further area of competitive risk lies in the loss of individual lawyers or, in some cases, whole teams, to rival firms. Top-flight, specialist teams are increasingly mobile and, if they transfer to a new firm, can boost that practice's ability to win work in new areas, posing a significant threat to the established players.

In today's legal market, every firm is a competitor. Law firm leaders who understand this new competitive context and seize the opportunities it presents are at a great advantage.

## The secrets of success

There has been a great deal of commentary and speculation in the press of late about the future of the legal market and which firms will come out winning.

Whether you compete in the premium, mid-level or volume market, there are some universal factors which, when addressed well, effectively pave the way towards success:

### 1. Market leadership

Sharplegal research clearly shows that choosing the markets where your firm has genuine strength in capabilities, client base and opportunity is the foundation upon which to build a successful strategy for achieving leadership status.

The views of clients and prospects should be the first port of call when assessing the strength of the foundation your firm has. They should also be your barometer as your firm travels through the many stages towards leadership in your chosen market. Monitoring market opinion of your firm brand is also crucial once you have achieved your goal, in order to maintain your position and stay competitive.

### 2. Investment

As clients work faster and take on more areas of responsibility, they demand greater efficiency, more specialist expertise and deeper industry knowledge. Law firms which are able to identify ways of meeting these demands as they evolve are in prime position to grow and thrive. However, this kind of forward-thinking calls for wise and timely investment in technology, training and innovative solutions which will deliver value to clients and sustainable growth to the firm.

### 3. Strong, present leaders

There is a direct link between leadership and results. Clear and decisive leadership is essential to developing and executing a successful strategy. When every member of a team is focused on achieving a particular set of well-defined objectives and they understand how they can best contribute to the end goal, the chances of success are greatly enhanced.

Whether a firm aims to expand globally, or focus on dominating a particular niche, strong leadership and decision-making accompanied by a simple approval procedure that minimizes delays are critical factors in staying ahead of the competition.

### 4. Client focus

In business, as in the Index, clients decide the winners. To prove the point, in the last year, we have seen many instances when global clients take big ticket work away from the premium firms which not two years prior were their automatic, go-to firms. Instead, they have increasingly favored 'challenger brand' firms, which have shown themselves to be more in tune with clients' needs and pressurized budgets.

Clients are broadening their portfolios and evaluating firm performance on more than expertise and historic relationship alone. The firms which proactively seek out clients' views, preferences and priorities and then build their strategies around these stand to gain most in the long term.

### 5. Evidence-based decisions

As the legal industry adapts to meet client expectations of efficiency, value and innovation, the need to make wise investments in areas likely to bring the highest returns will be paramount. Many variables are involved in making the right decision and hard evidence is the best insurance against taking the wrong course.

Market intelligence, client feedback and brand tracking are already fundamental tools for the leaders of the fastest-growing law firms. They are set to become the norm, rather than the preserve of the legal market's innovators.



## Sharplegal from Acritas – Essential Global Legal Market Intelligence

We can provide you with a tailor-made report on your firm's brand, your markets and your competitors.

**Acritas** is the world's leading provider of legal market research. Our portfolio of services is broad and ranges from brand tracking and thought leadership to client feedback and analysis of emerging trends.

We work closely with our clients, including many of the Global 100, and shape our research programs to meet firms' individual needs.

The Acritas difference lies in our customized approach and extensive benchmarking capabilities – thanks to the wealth of historical data contained within our flagship product Sharplegal – the most comprehensive annual study of the global legal market available.

**Sharplegal** research covers many aspects of the legal business in great depth, and helps leading global law firms to:

- Understand current perceptions of their brand and strength in respective target markets
- Ensure they are operating in/moving into the right markets
- Identify suitable firms for potential mergers/combinations
- Access the latest market insight to help increase their pitch success rate
- Improve their client retention by better understanding clients' needs
- Analyze their pricing policy in light of peer group and world trends.

Sharplegal data is compiled every year from interviews with the most influential general counsel in the world's largest companies, including:

- 1,400 senior law firm clients in \$1bn+ revenue 'global elite' companies
- 1,000 general counsel in \$50m to \$1bn revenue companies.

The survey includes over 55 countries including the key jurisdictions of the US, Canada, Brazil, the UK, Germany, France, the Middle East, China, Japan and Australia.

The design and interpretation of the Sharplegal survey is directed by Acritas' Advisory Board – an influential group of pre-eminent general counsel and law firm leaders.

The wide global spread, high number and seniority of the respondents makes Sharplegal data unique. In addition, the survey provides access to five years of benchmarking data from over 12,000 interviews.

The comparative view that this body of data allows is not available by any other means, which is why the world's leading law firms use Acritas research to develop the sharpest global strategies.

### Contact us

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