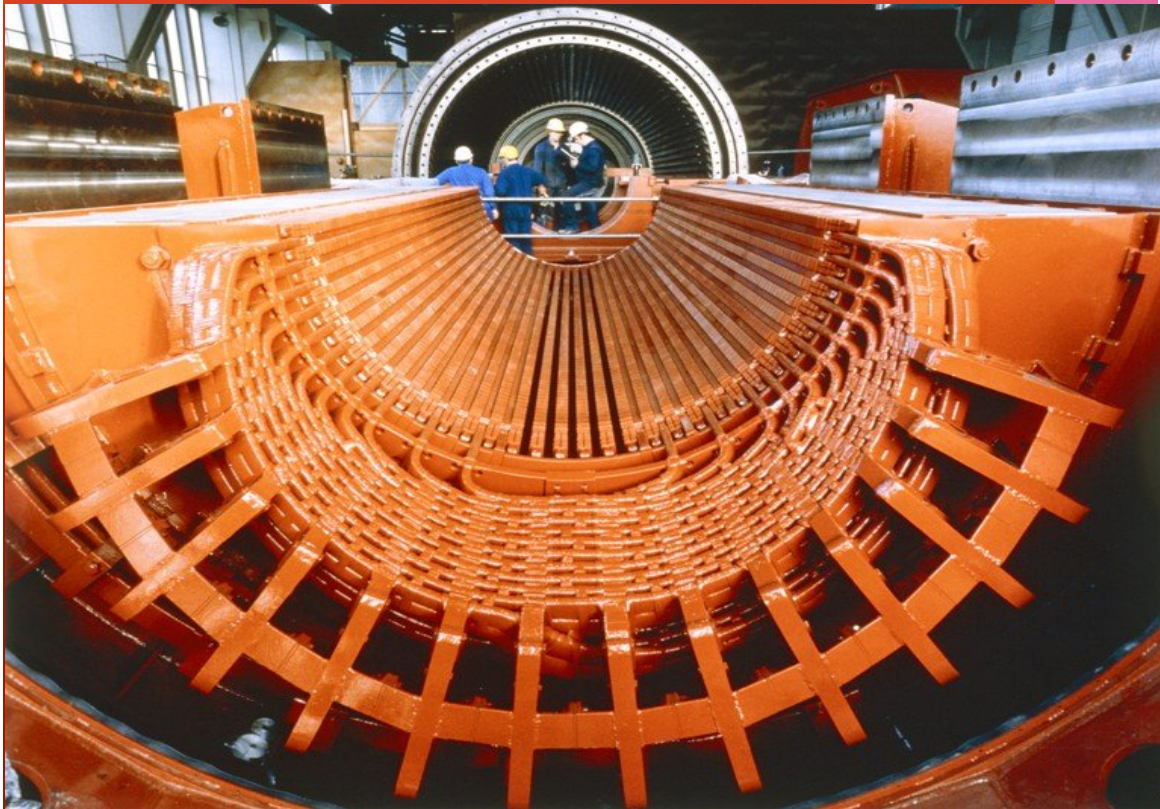


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# 2010 Law Firm Statistical Survey

Detailed Operations Report (DOR)

Issued: May 2011



**pwc**

# Detailed Operations Report

*National Groups X-XIII Combined - Firms (49 members)*

**Issued: May 2011**

## **Group Report**

The Detailed Operations Report (DOR) was developed to supplement the revenue and expense benchmarking information contained within the Finance & Operations Reports. The benchmarking information contained within each DOR is derived from the detailed worksheets provided with each Survey participants' data submission. To ensure the breadth of benchmarking information provided within each Report, we only produced DOR's for those comparison groups with at least 7 members.

### **Confidential**

*This report is intended solely for the use of Partners and authorized employees of the participating firm.*

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## *Comparison Group Information*

### National Groups X-XIII Combined - Firms

*Number of Members in the Group*

*Your Firm/Office Displayed in this Report is a Member of the Group*

*Defined Size Range\* of Group Members (# of Attorneys)*

Maximum

Minimum

*Your Firm/Office Size (# of Attorneys)*

*Average Size\* of Group Members (# of Attorneys)*

*Reporting Entities Included in the Group*

Number of Total Firms (single office firms or multi-office firms)

Number of Principal Offices

Number of Non-Principal Offices

Group Information
49
No Maximum
251
554
49
0
0

\* For all groups that have a defined size range and include data for total firms and individual offices of multi-office firms, group membership is based on the size of the total firm and not the size of the individual office.

\*\* omitted due to insufficient data

2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

Operations per Lawyer

	Your Firm		2010		
	Average	Rank	1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
<input type="checkbox"/> Gross Fees			\$678,038	\$594,184	\$529,042
<b>Operating Expenses</b>					
<b>Compensation</b>					
Lobbyists			**	**	**
Specialists		‡	3,999	2,020	808
Litigation Support		‡	2,776	1,459	990
Patent Agents		‡	1,025	471	229
Paralegals			12,614	9,828	8,380
Case Clerks		‡	2,238	1,368	655
Law Clerks & Trust Accountants			1,574	980	604
Administrative Management			6,161	4,840	3,320
Secretarial			24,986	23,580	21,240
Word Processing			2,798	1,756	1,297
Professional Staff Recruiting			1,133	876	589
Human Resources			2,207	1,824	1,461
Professional Development		‡	1,091	681	489
Finance			6,800	5,411	4,582
Information Systems			9,816	8,215	6,616
Library			1,694	1,353	968
Marketing			4,040	3,270	2,558
Business Intake & Conflicts			1,280	888	581
Other Staff			9,502	6,846	4,882
<b>Other Employee Costs<sup>1</sup></b>			24,571	21,706	17,998
<b>Employee Costs<sup>1</sup></b>			112,197	101,466	88,275
<input type="checkbox"/> Occupancy *			59,826	46,607	35,235
<input type="checkbox"/> Office Operating Expense *			15,083	11,499	9,246
<input type="checkbox"/> Information Systems *			16,212	12,792	9,449
<input type="checkbox"/> Professional Activities *			5,592	4,439	3,612
<input type="checkbox"/> Marketing *			9,753	8,242	6,427
<input type="checkbox"/> Professional Recruiting *			2,995	1,732	966
<input type="checkbox"/> Professional Liability Insurance			7,976	6,311	5,176
<input type="checkbox"/> Other Insurance & Taxes *			6,394	4,785	2,664
<input type="checkbox"/> Communications *			6,219	5,093	4,541
<input type="checkbox"/> Reference Materials *			8,375	7,039	5,018
<input type="checkbox"/> Professional Services *			5,654	3,924	3,038
<input type="checkbox"/> Client Disbursements Written-Off/Misc. *			3,885	2,455	1,336
<b>Other Expenses</b>			139,302	120,083	101,291
<b>Operating Expenses<sup>1</sup></b>			249,324	222,872	196,485
<b>Operating Income</b>			415,212	376,458	325,408
<input type="checkbox"/> Payments to Former/Inactive Partners & Of Counsel *			16,841	6,963	2,972
<input type="checkbox"/> Other Non-Operating Charges/Credits *			4,221	2,420	1,293
<b>Net Income Prior to Attorney Compensation</b>			\$403,705	\$371,207	\$316,515

These categories have detailed components on subsequent pages.

<sup>1</sup> Excludes compensation, discretionary benefits and taxes of Associates, Senior and Staff Attorneys. If a firm does not provide a benefits percentage value, a default of 15% of compensation is used.

\*\* omitted due to insufficient data  
‡ less than 75% population response

2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

Detailed Revenue Components - per Lawyer

Gross Fees

	Your Firm		2010		
	Average	Rank	1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
<b>Include Fees For:</b>					
Legal services: Law Firm Timekeepers			\$678,442	\$608,733	\$536,290
Legal services: Contract Timekeepers			**	**	**
Commissions and other fees			**	**	**
Directors' fees			**	**	**
Other professional service income			**	**	**
Revenue from other personal services			**	**	**
Recovery of non-legal time (support staff time billed)			**	**	**
Other		‡	\$1,894	\$755	\$183
<b>Deduct (if included above):</b>					
Fees paid to outside participating attys for client srvcs			**	**	**
Expenses associated with the contract timekeepers			**	**	**
Fees paid to consulting orgs. for lit. support services			**	**	**
Any hard disb. recoveries for non-personnel expenses			**	**	**
<b>Total Gross Fees</b>			\$678,038	\$594,184	\$529,042

Your firm total may not foot due to rounding.

\*\* omitted due to insufficient data

‡ less than 75% population response

2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

**Detailed Expense Components - per Lawyer**  
**Occupancy & Office Operating**

	2010			
	<i>Your Firm</i>	<i>Group</i>		
	<i>Average</i>	<i>Median</i>	<i>3<sup>rd</sup> Quartile</i>	
	<i>Rank</i>	<i>1<sup>st</sup> Quartile</i>		
<b>Occupancy Expenses</b>				
Rent - premises only		\$46,686	\$36,366	\$28,010
Apartment rental fees		**	**	**
Building chargebacks		**	**	**
Depreciation of owned premises		**	**	**
Utilities		2,009	1,256	781
Occupancy and real estate taxes	‡	5,722	1,477	498
Leasehold improvements (amortization)		2,627	1,365	882
Maintenance and repairs to premises		1,387	958	464
Off-site storage		1,436	1,181	989
Office moving settlement costs	‡	278	179	116
Outside consultant fees (architects)		**	**	**
Office housekeeping		**	**	**
Security		**	**	**
Other	‡	1,714	379	134
<b>Subtotal</b>		\$58,761	\$46,488	\$34,071
Deduct: Sublease income & occupancy from clients for OT	‡	3,624	2,003	840
<b>Total Occupancy</b>		\$59,826	\$46,607	\$35,235
<b>Office Operating Expenses</b>				
Photocopying		\$2,540	\$1,305	\$190
Stationery, printing, supplies and binding		2,248	1,888	1,347
Small office equipment (non-IS related)	‡	133	75	53
Facilities management/sub-contracted svcs	‡	4,928	3,026	1,215
Office furniture & fixtures depreciation		3,956	2,617	1,746
Interest expense for purchased assets (non-IS)		**	**	**
Maintenance and repairs to office equipment		489	219	83
Rental of office furniture & fixtures	‡	532	188	52
Administrative dues/education		385	196	98
Admin travel, meals and accommodations		1,867	842	432
Overtime parking and taxi charges		**	**	**
Overtime meals for administrative staff		**	**	**
Automotive expenses		**	**	**
Non-lawyer hiring expense		519	244	138
Office coffee, soda, parties, etc.		1,245	913	717
Moving expenses for admin inter-office transfer	‡	227	108	57
Gifts, flowers for employees	‡	202	104	60
Plants - rental and care	‡	165	89	65
Other		2,232	925	337
<b>Subtotal</b>		\$16,915	\$14,137	\$11,416
Deduct: Client reimbursement of hard/soft disbs.		3,864	2,669	1,870
<b>Total Office Operating Expenses</b>		\$15,083	\$11,499	\$9,246

Your firm total may not foot due to rounding.

\*\* omitted due to insufficient data

‡ less than 75% population response

2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

**Detailed Expense Components - per Lawyer**  
*Information Systems, Professional Activities & Marketing*

	Your Firm		2010		
	Average	Rank	1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
<b>Information Systems Expenses</b>					
Depreciation of technology			\$4,338	\$3,227	\$2,551
Computer supplies and equipment (non-capitalized)			1,052	569	250
Interest on debt for purchased technology			**	**	**
Amortization of software		‡	2,756	1,700	820
Lease payment/rental expenses		‡	3,442	2,306	1,059
Maintenance and repairs to computer equipment			1,783	859	487
Software licensing fees		‡	2,867	1,529	293
Software maintenance fees		‡	4,726	3,434	2,491
Outside consulting service fees		‡	1,396	816	399
Other		‡	1,302	423	141
<b>Subtotal</b>			\$16,219	\$12,795	\$9,314
Deduct: Client reimbursement of hard/soft disbs.			**	**	**
<b>Total Information Systems</b>			\$16,212	\$12,792	\$9,449
<b>Professional Activities Expenses</b>					
Professional association dues			\$1,703	\$1,325	\$1,050
Association travel, meals and accommodations		‡	948	522	184
Continuing legal education and seminars			1,139	926	676
Partner/firm meetings and retreats			2,234	1,520	651
New Associate development programs		‡	243	96	40
Bar Review Fees		‡	179	91	66
Other		‡	381	198	74
<b>Total Professional Activities</b>			5,592	4,439	3,612
<b>Marketing Expenses</b>					
Advertising and listings in publications/directories			\$865	\$543	\$208
Brochures and other publications		‡	295	206	52
Internet home page and website expenses		‡	242	150	69
Marketing consulting and training		‡	545	253	105
Market research		‡	291	143	22
Seminar expenses (where firm is a sponsor)		‡	972	411	162
Club dues and expenses		‡	889	379	64
Practice/Business development meals & ent.			4,332	2,929	1,571
Attendance at industry meetings			**	**	**
Client relations & business promotion expenses			3,300	1,504	566
Travel, meals & accommodations seminars/speaking engagements		‡	1,596	613	79
Other		‡	968	350	101
<b>Total Marketing</b>			\$9,753	\$8,242	\$6,427

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\*\* omitted due to insufficient data

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2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

**Detailed Expense Components - per Lawyer**  
**Professional Staff Recruiting, Other Insurance/Taxes & Communications**

	2010				
	Your Firm		1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
	Average	Rank			
<b>Professional Staff Recruiting Expenses</b>					
Travel, meals and accommodations			\$336	\$164	\$83
Summer associate program costs			271	157	55
Brochures and other publications			**	**	**
Recruiting agency fees and advertising			2,092	869	477
Campus registration fees/Interview fees		‡	94	43	19
Relocation of new lawyer hires		‡	132	56	37
Moving exp. for inter-office transfer of legal staff			**	**	**
Other		‡	277	120	33
<b>Total Professional Staff Recruiting</b>			<b>\$2,995</b>	<b>\$1,732</b>	<b>\$966</b>
<b>Other Insurance &amp; Taxes</b>					
<b>Insurance</b>					
Property		‡	\$1,144	\$697	\$440
Auto			**	**	**
Travel/Accident			**	**	**
Other		‡	1,408	582	131
<b>Taxes</b>					
Personal Property			710	446	273
State and local business taxes and fees		‡	2,561	1,181	370
Local profit-related taxes			**	**	**
Sales & Use tax		‡	245	114	71
Other		‡	940	273	47
<b>Total Other Insurance &amp; Taxes</b>			<b>\$6,394</b>	<b>\$4,785</b>	<b>\$2,664</b>
<b>Communications Expenses</b>					
Telephone			\$2,754	\$1,432	\$1,003
Postage			926	565	437
Personal Digital Assistant (PDA) costs		‡	1,066	753	525
Facsimile			**	**	**
Outside data communication		‡	2,050	1,586	623
Maintenance & repairs to equipment		‡	282	111	14
Outside messenger services			1,153	486	213
Depreciation on purchased telephone systems			**	**	**
Depreciation/rent on telecommunications systems			**	**	**
Other			**	**	**
<b>Subtotal</b>			<b>\$6,628</b>	<b>\$5,544</b>	<b>\$4,769</b>
Deduct: Client reimbursement of hard/soft disbs.		‡	1,104	674	294
<b>Total Communications</b>			<b>\$6,219</b>	<b>\$5,093</b>	<b>\$4,541</b>

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\*\* omitted due to insufficient data

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2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

**Detailed Expense Components - per Lawyer**

*Reference Materials, Professional Services & Client Disbursements Written-Off/Misc.*

	2010				
	Your Firm		1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
	Average	Rank			
<b>Reference Materials Expenses</b>					
Purchases of books, subscriptions, etc.			\$4,380	\$3,437	\$2,603
Depreciation of capitalized library books			**	**	**
Automated legal research services			6,790	5,099	3,975
Library software maintenance costs			**	**	**
Supplies & research materials			**	**	**
Other		‡	245	150	50
<b>Subtotal</b>			\$10,962	\$9,307	\$7,754
Deduct: Client reimbursement of hard/soft disbs.		‡	4,033	3,071	1,851
<b>Total Reference Materials</b>			\$8,375	\$7,039	\$5,018
<b>Professional Services Expenses</b>					
Fees paid to outside attorneys for services to the firm (vs. to clients)			2,937	1,236	503
Accounting/bookkeeping		‡	806	417	256
Auditing		‡	588	401	218
Human Resource & Training Consultants		‡	282	205	30
Payroll processing		‡	272	194	111
Management consulting		‡	967	440	151
Legal Survey participation fees		‡	40	27	18
Other			1,919	850	132
<b>Total Professional Services</b>			\$5,654	\$3,924	\$3,038
<b>Client Disb. Written-Off &amp; Miscellaneous Expenses</b>					
Unbilled disbursements written-off		‡	\$2,735	\$1,288	\$573
Billed disbursements written-off		‡	1,547	1,018	484
Business meals and entertainment chargeable to clients written off			**	**	**
Miscellaneous			**	**	**
<b>Subtotal</b>			\$4,209	\$2,602	\$1,315
Deduct: Subsequent recoveries of unbilled and billed disbs.			**	**	**
<b>Total Client Disb. Written-Off &amp; Miscellaneous</b>			\$3,885	\$2,455	\$1,336

Your firm total may not foot due to rounding.

\*\* omitted due to insufficient data  
‡ less than 75% population response

2010 LAW FIRM STATISTICAL SURVEY

National Groups X-XIII Combined - Firms (49 members)

**Detailed Expense Components - per Lawyer**

**Payments to Of Counsel, Former/Inactive Partners & Non-Operating Charges/Credits**

	Your Firm		2010		
	Average	Rank	1 <sup>st</sup> Quartile	Group Median	3 <sup>rd</sup> Quartile
<b>Payments to Of Counsel &amp; Former/Inactive Partners</b>					
Payments to former/inactive partners (and estates, where applicable)		‡	\$2,815	\$1,226	\$380
Unfunded retirement plan payments			**	**	**
Payments to Of Counsel		‡	15,642	10,125	3,334
<b>Total Pmts. to OC &amp; Former/Inactive Ptnrs</b>			<b>\$16,841</b>	<b>\$6,963</b>	<b>\$2,972</b>
<b>Non-Operating Charges &amp; Credits</b>					
<b>Charges</b>					
Charitable contributions			\$1,847	\$1,127	\$540
Political contributions		‡	387	252	113
Interest on loans to fund working capital needs		‡	1,190	518	174
Interest on retained earnings			**	**	**
Investment real estate property tax			**	**	**
Other		‡	2,682	1,381	587
<b>Subtotal Charges</b>			<b>\$4,317</b>	<b>\$2,991</b>	<b>\$1,562</b>
<b>Credits</b>					
Gains (losses) on sale of assets		‡	5	(150)	(965)
Interest/dividend income			182	51	12
Other		‡	1,386	284	(26)
<b>Subtotal Credits</b>			<b>\$1,221</b>	<b>\$74</b>	<b>(\$457)</b>
<b>Total Non-Operating Charges &amp; Credits</b>			<b>\$4,221</b>	<b>\$2,420</b>	<b>\$1,293</b>

Your firm total may not foot due to rounding.

\*\* omitted due to insufficient data

‡ less than 75% population response