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2015 Detailed Operations Report

Compiled from the 2015 Law Firm Statistical Survey
(LFSS)

Issued: May 2016



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Detailed Operations Report

National Custom Small/Midsize - Firms (xNYC) (11 members)

Issued: May 2016

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 participant's data submission.

Confidential

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

TABLE OF CONTENTS

<i>Topic</i>	<i>Page</i>
Guide to Interpreting the Statistics Presented in this Report	
Comparison Group Information	1
Operations per Lawyer	2
Detailed Revenue Components - <i>per Lawyer</i>	
Gross Fees	3
Occupancy	4
Office Operating	4
Information Systems	5
Professional Activities	5
Marketing	5
Professional Staff Recruiting	6
Other Insurance & Taxes	6
Communications	6
Reference Materials	7
Professional Services	7
Client Disbursements Written-Off & Miscellaneous	7
Payments to Of Counsel & Former/Inactive Partners	8
Non-Operating Charges & Credits	8

Guide to Interpreting the Statistics Presented in this Report

The statistics reported in the PricewaterhouseCoopers 2015 Law Firm Statistical Survey include quartile and median group information based on the number of members in each comparison group. As such, the PwC Survey results are generated and presented in the Final Reports using Microsoft ® Excel worksheet functions.

Median Value

The middle value of a set of numbers arranged in descending order. The median, unlike the mean, is not affected by extreme data values. The median divides the data so that half of all the data items are greater than or equal to the median.

Remarks:

- If a range of numbers contains empty cells, those values are ignored; however, cells with the value zero are included.
- If there is an even number of values in the set, then the median returns the average of the two values in the middle.

Quartile Values

Any of three points that divide an ordered distribution into four parts each containing one-quarter of the values.

One-fourth of the data lies above the first quartile (hence three-quarters below it). Similarly, one-quarter of the data lies below the third quartile (hence three-quarters above it). The first and third quartiles are the medians of the lower half and upper half of the data.

Remarks:

- A quartile is a number or cutoff, and not a range of values. Your Firm may be above or below the first quartile, but not in the first quartile.
- The second quartile is by definition the median.

Example

The Phoenix comparison group includes 11 members. The standard billing rates are sorted in descending order and the median and quartile values are determined as follows:

Firm Value:	Firm Rank:	
\$1,000	1	
900	2	
875	3	
850	4	\$863 - Represents the value at the first quartile; 3.5 represents the entry point to the top 25%
850	5	
840	6	\$840 - Represents the value at the median; 6.0 represents the entry point to the top 50%
800	7	
750	8	
700	9	\$725 - Represents the value at the third quartile; 8.5 represents the entry point to the bottom 25%
650	10	
650	11	

Note: If your firm is ranked 12th in the above example, then your firm is NOT a member of the comparison group and falls below all 11 firms included in the group.

Comparison Group Information

National Custom Small/Midsize - Firms (xNYC)

Number of LFSS 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

Group Information
11

Minimum

100

25

Your Firm/Office Size (# of Attorneys)

Average Size of Group Members (# of Attorneys)*

75

Reporting LFSS Entities Included in the Group

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

11

Number of Principal Offices

0

Number of Non-Principal Offices

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

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

Operations per Lawyer

Gross Fees
Operating Expenses

Compensation

Lobbyists
Specialists
Litigation Support
Patent Agents
Paralegals
Case Clerks
Law Clerks
Administrative Management
Practice Group Management
Secretarial
Word Processing
Professional Staff Recruiting
Human Resources/Personnel
Professional Development
Finance/Accounting
Information Systems
Knowledge Mgmt/Library Svcs
Marketing
Business Intake & Conflicts
Other Staff

Other Employee Costs¹

Employee Costs¹

Occupancy *
 Office Operating Expense *
 Information Systems *
 Professional Activities *
 Marketing *
 Professional Recruiting *
 Professional Liability Insurance
 Other Insurance & Taxes *
 Communications *
 Reference Materials *
 Professional Services *
 Client Disbursements Written-Off/Misc. *

Other Expenses

Operating Expenses¹

Operating Income

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

Net Income Prior to Attorney Compensation

		2015		
Your Firm		Group		
Average	Rank/Of	1 st Quartile	Median	3 rd Quartile
	/ 11	\$586,273	\$438,194	\$416,066
<input checked="" type="checkbox"/> Gross Fees			**	**
Operating Expenses			**	**
Compensation			**	**
Lobbyists		17,494	10,890	9,359
Specialists		3,574	2,046	1,766
Litigation Support		1,279	833	721
Patent Agents		6,830	2,685	2,192
Paralegals	/ 11	28,377	24,013	20,411
Case Clerks	/ 3 ‡	2,914	1,849	963
Law Clerks	/ 7 ‡	1,135	953	919
Administrative Management	/ 10	3,116	1,941	1,494
Practice Group Management		**	**	**
Secretarial	/ 11	8,133	5,955	4,679
Word Processing	/ 4 ‡	7,092	5,642	4,939
Professional Staff Recruiting	/ 3 ‡	1,142	1,035	739
Human Resources/Personnel	/ 8 ‡	2,876	2,210	1,384
Professional Development		1,742	882	638
Finance/Accounting	/ 11	5,988	5,491	2,968
Information Systems		23,233	19,576	15,838
Knowledge Mgmt/Library Svcs		104,898	89,152	72,070
Marketing		36,845	26,781	17,713
Business Intake & Conflicts		12,281	11,099	7,941
Other Staff		15,609	13,085	10,144
Other Employee Costs ¹		5,010	4,558	3,493
Employee Costs ¹		9,487	8,261	6,541
Occupancy *		1,578	447	359
Office Operating Expense *		6,744	5,547	4,940
Information Systems *		6,457	3,245	1,293
Professional Activities *		5,334	3,842	2,380
Marketing *		6,559	5,626	5,009
Professional Recruiting *		4,614	3,715	1,474
Professional Liability Insurance		2,049	1,097	520
Other Insurance & Taxes *		103,965	89,784	74,413
Communications *		217,025	181,192	150,033
Reference Materials *		371,040	301,534	264,645
Professional Services *				
Client Disbursements Written-Off/Misc. *				
Other Expenses				
Operating Expenses ¹				
Operating Income				
<input checked="" type="checkbox"/> Payments to Former/Inactive				
Partners & Of Counsel *	/ 9	6,448	4,143	1,327
<input checked="" type="checkbox"/> Other Non-Operating Charges/Credits *	/ 11	1,871	885	418
Net Income Prior to Attorney Compensation	/ 11	\$367,558	\$294,457	\$259,638

These categories have detailed components on subsequent pages.

¹Excludes 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

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

Detailed Revenue Components - per Lawyer

Gross Fees

	2015				
	Your Firm		1 st Quartile	Group Median	3 rd Quartile
	Average	Rank/Of			
Legal services: Law Firm Timekeepers		/ 10	\$612,668	\$454,552	\$427,398
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		/ 5 ‡	2,629	1,072	12
Deduct (if included above):					
Fees paid to outside participating attys for client svcs			**	**	**
Expenses associated with the contract timekeepers			**	**	**
Fees paid to consulting orgs. for lit. support services			**	**	**
Any hard disb. recoveries for non-personnel expenses			**	**	**
Total Gross Fees		/ 11	\$586,273	\$438,194	\$416,066

Your firm total may not foot due to rounding.

** omitted due to insufficient data

‡ less than 75% population response

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

Detailed Expense Components - per Lawyer

Occupancy & Office Operating

Occupancy Expenses

			2015		
	<i>Your Firm</i>		<i>1st Quartile</i>	<i>Group Median</i>	<i>3rd Quartile</i>
	Average	Rank/Of			
Rent - premises only		/ 10	\$32,200	\$25,317	\$15,662
Apartment rental fees			**	**	**
Building chargebacks			**	**	**
Depreciation of owned premises			**	**	**
Utilities	/ 6	‡	584	397	203
Occupancy and real estate taxes			**	**	**
Leasehold improvements (amortization)	/ 8	‡	1,188	508	380
Maintenance and repairs to premises	/ 9		648	518	266
Off-site storage	/ 9		1,597	1,332	1,159
Office moving settlement costs	/ 5	‡	411	333	121
Outside consultant fees (architects)			**	**	**
Office housekeeping			**	**	**
Security	/ 3	‡	232	218	115
Other	/ 3	‡	276	184	128
Subtotal		/ 10	\$37,672	\$28,163	\$19,105
Deduct: Sublease income & occupancy from clients for OT		/ 4	833	569	329
Total Occupancy		/ 11	\$36,845	\$26,781	\$17,713

Office Operating Expenses

			2015		
	<i>Your Firm</i>		<i>1st Quartile</i>	<i>Group Median</i>	<i>3rd Quartile</i>
	Average	Rank/Of			
Photocopying		/ 8	1,799	\$1,467	\$682
Stationery, printing, supplies and binding		/ 10	1,946	1,851	1,697
Small office equipment (non-IS related)		/ 6	367	242	120
Facilities management/sub-contracted svcs		/ 5	4,226	798	519
Office furniture & fixtures depreciation		/ 8	4,883	2,284	855
Interest expense for purchased assets (non-IS)		/ 5	927	432	184
Maintenance and repairs to office equipment		/ 8	398	163	54
Rental of office furniture & fixtures		/ 4	2,602	1,093	137
Administrative dues/education		/ 9	276	233	193
Admin travel, meals and accommodations		/ 8	1,399	341	191
Overtime parking and taxi charges			**	**	**
Overtime meals for administrative staff			**	**	**
Automotive expenses		/ 4	129	43	12
Non-lawyer hiring expense		/ 9	873	651	556
Office coffee, soda, parties, etc.		/ 10	1,449	933	667
Moving expenses for admin inter-office transfer		/ 4	356	139	97
Gifts, flowers for employees		/ 6	329	245	160
Plants - rental and care		/ 4	226	196	164
Other		/ 10	956	398	250
Subtotal		/ 10	\$14,051	\$11,366	\$8,848
Deduct: Client reimbursement of hard/soft disbs.		/ 7	1,932	283	181
Total Office Operating Expenses		/ 11	\$12,281	\$11,099	\$7,941

Your firm total may not foot due to rounding.

** omitted due to insufficient data

‡ less than 75% population response

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

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

			2015		
	<i>Your Firm</i>	Rank/Of	<i>1st Quartile</i>	<i>Group Median</i>	<i>3rd Quartile</i>
Information Systems Expenses					
Depreciation of technology	/ 7 [‡]		\$3,674	\$2,813	\$1,466
Computer supplies and equipment (non-capitalized)	/ 10		954	477	404
Interest on debt for purchased technology			**	**	**
Amortization of software	/ 3 [‡]		2,287	1,931	1,807
Lease payment/rental expenses	/ 6 [‡]		5,783	4,046	1,177
Maintenance and repairs to computer equipment	/ 9		1,769	483	129
Software licensing fees	/ 6 [‡]		1,549	392	333
Software maintenance fees	/ 8 [‡]		6,525	3,009	2,630
Outside consulting service fees	/ 7 [‡]		1,232	499	242
Other	/ 5 [‡]		1,634	528	435
Subtotal	/ 10		\$16,967	\$13,421	\$10,098
Deduct: Client reimbursement of hard/soft disbs.			**	**	**
Total Information Systems	/ 11		\$15,609	\$13,085	\$10,144
Professional Activities Expenses					
Professional association dues	/ 10		\$1,850	\$1,754	\$1,598
Association travel, meals and accommodations	/ 6 [‡]		1,196	884	592
Continuing legal education and seminars	/ 10		1,478	952	717
Partner/firm meetings and retreats	/ 9		1,559	1,365	466
New Associate development programs			**	**	**
Bar Review Fees			**	**	**
Other	/ 3 [‡]		592	345	314
Total Professional Activities	/ 11		5,010	4,558	3,493
Marketing Expenses					
Advertising and listings in publications/directories	/ 9		\$2,434	\$1,546	\$1,097
Brochures and other publications	/ 6 [‡]		574	252	90
Internet home page and website expenses	/ 4 [‡]		1,147	598	252
Marketing consulting and training	/ 4 [‡]		695	337	279
Market research			**	**	**
Seminar expenses (where firm is a sponsor)	/ 4 [‡]		471	202	65
Club dues and expenses	/ 6 [‡]		1,868	1,115	680
Practice/Business development meals & ent.	/ 7 [‡]		3,200	1,697	1,256
Attendance at industry meetings			**	**	**
Client relations & business promotion expenses	/ 9		3,340	1,222	785
Travel, meals & accommodations					
seminars/speaking engagements	/ 4 [‡]		1,207	732	492
Other	/ 5 [‡]		628	418	62
Total Marketing	/ 11		\$9,487	\$8,261	\$6,541

Your firm total may not foot due to rounding.

** omitted due to insufficient data

[‡] less than 75% population response

PricewaterhouseCoopers LLP

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

Detailed Expense Components - per Lawyer

Professional Staff Recruiting, Other Insurance/Taxes & Communications

	2015				
	Your Firm		Group Median	3 rd Quartile	
	Average	Rank/Of	1 st Quartile		
Professional Staff Recruiting Expenses					
Travel, meals and accommodations	/ 6 ‡		\$272	\$195	\$147
Summer associate program costs	/ 5 ‡		193	160	145
Brochures and other publications			**	**	**
Recruiting agency fees and advertising	/ 8 ‡		1,321	525	170
Campus registration fees/Interview fees			**	**	**
Relocation of new lawyer hires	/ 4 ‡		305	194	113
Moving exp. for inter-office transfer of legal staff			**	**	**
Other			**	**	**
Total Professional Staff Recruiting	/ 11		\$1,578	\$447	\$359
Other Insurance & Taxes					
Insurance					
Property	/ 8 ‡		\$863	\$664	\$490
Auto			**	**	**
Travel/Accident			**	**	**
Other	/ 6 ‡		2,605	584	260
Taxes					
Personal Property	/ 5 ‡		609	381	290
State and local business taxes and fees	/ 6 ‡		3,791	3,460	1,140
Local profit-related taxes			**	**	**
Unincorporated business taxes			**	**	**
Sales & Use tax	/ 6 ‡		230	71	17
Other	/ 4 ‡		969	312	18
Total Other Insurance & Taxes	/ 11		\$6,457	\$3,245	\$1,293
Communications Expenses					
Telephone	/ 10		\$1,849	\$1,634	\$1,047
Postage	/ 9		725	580	442
Smartphones	/ 3 ‡		1,131	1,022	762
Facsimile	/ 3 ‡		60	58	35
Outside data communication	/ 8 ‡		1,754	1,203	737
Maintenance & repairs to equipment	/ 4 ‡		284	67	22
Outside messenger services	/ 6 ‡		940	246	118
Depreciation on purchased telephone systems	/ 3 ‡		621	616	423
Depreciation/rent on telecommunications systems			**	**	**
Other			**	**	**
Subtotal	/ 10		\$5,377	\$4,373	\$2,837
Deduct: Client reimbursement of hard/soft disbs.	/ 5 ‡		104	86	69
Total Communications	/ 11		\$5,334	\$3,842	\$2,380

Your firm total may not foot due to rounding.

** omitted due to insufficient data

‡ less than 75% population response

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

Detailed Expense Components - per Lawyer

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

2015

	<i>Your Firm</i>		<i>Group</i>		
	Average	Rank/Of	1 st Quartile	Median	3 rd Quartile
Reference Materials Expenses					
Purchases of books, subscriptions, etc.		/ 10	\$3,447	\$3,047	\$2,697
Depreciation of capitalized library books			**	**	**
Automated legal research services		/ 8 ‡	5,813	4,051	1,793
Library software maintenance costs			**	**	**
Supplies & research materials			**	**	**
Other			**	**	**
Subtotal		/ 10	\$8,709	\$7,144	\$5,865
Deduct: Client reimbursement of hard/soft disbs.		/ 7 ‡	2,388	994	655
Total Reference Materials		/ 11	\$6,559	\$5,626	\$5,009

Professional Services Expenses

Fees paid to outside attorneys for services to the firm (vs. to clients)		/ 7 ‡	1,074	119	41
Accounting/bookkeeping		/ 5 ‡	577	471	251
Auditing		/ 4 ‡	840	595	402
Human Resource & Training Consultants			**	**	**
Payroll processing		/ 9	518	362	344
Management consulting		/ 6 ‡	1,673	552	204
Legal Survey participation fees		/ 4 ‡	115	81	57
Other		/ 9	1,148	518	266
Total Professional Services		/ 11	\$4,614	\$3,715	\$1,474

Client Disbs. Written-Off & Miscellaneous Expenses

Unbilled disbursements written-off		/ 5 ‡	\$2,346	\$1,435	\$848
Billed disbursements written-off		/ 9	1,097	459	270
Business meals and entertainment chargeable to clients written-off			**	**	**
Miscellaneous		/ 3 ‡	801	154	(278)
Subtotal		/ 10	\$2,198	\$1,401	\$512
Deduct: Subsequent recoveries of unbilled and billed disbs.			**	**	**
Total Client Disb. Written-Off & Miscellaneous		/ 11	\$2,049	\$1,097	\$520

Your firm total may not foot due to rounding.

** omitted due to insufficient data

‡ less than 75% population response

PricewaterhouseCoopers LLP

2015 LAW FIRM STATISTICAL SURVEY

National Custom Small/Midsize - Firms (xNYC) (11 members)

Detailed Expense Components - per Lawyer

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

2015

Payments to Of Counsel & Former/Inactive Partners

Payments to former/inactive partners (and estates, where applicable)
Unfunded retirement plan payments
Payments to Of Counsel
Total Pmts. to OC & Former/Inactive Ptnrs

Your Firm		Group		
Average	Rank/Of	1 st Quartile	Median	3 rd Quartile
	/ 5 ‡	\$2,415	\$1,523	\$661
		**	**	**
	/ 6 ‡	7,436	5,168	1,967
	/ 9	\$6,448	\$4,143	\$1,327

Non-Operating Charges & Credits

Charges

Charitable contributions
Political contributions
Interest on loans to fund working capital needs
Interest on retained earnings
Investment real estate property tax
Other

Subtotal Charges

Credits

Gains (losses) on sale of assets

Interest/dividend income

Other

Subtotal Credits

Total Non-Operating Charges & Credits

	/ 9	\$848	\$766	\$374
		**	**	**
	/ 6 ‡	752	501	180
		**	**	**
		**	**	**
		**	**	**
	/ 10	\$2,183	\$928	\$787
	/ 3 ‡	455	444	136
	/ 7 ‡	293	83	55
	/ 3 ‡	47	32	(199)
	/ 9	\$444	\$98	\$65
	/ 11	\$1,871	\$885	\$418

Your firm total may not foot due to rounding.

** omitted due to insufficient data

‡ less than 75% population response