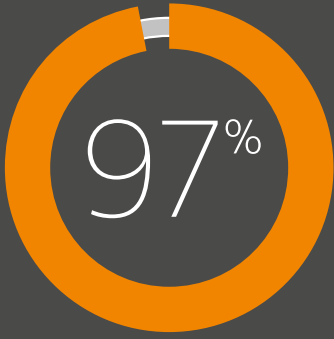


Small & Medium Law Firms (SMLF): challenges and opportunities



IN THE UK...

SMLF (1-50 fee earners) account for:



of all law firms, **9.2K** in total

52%



of all lawyers, **44.8k** in total

25.5%
of total billing



£6.4bn
in total annually

The Law Society

STRONG DEMAND IS DRIVING TOP-LINE GROWTH



"My salary has almost doubled since last year"

"Since 2007 we have almost doubled, growing from £3.7m to a £5.7m turnover business"

6%

Demand translated to **6% increase in fees**

4%

Median fee-per-fee-earner has **risen by 4%**

OVER 70% of respondents indicate robust growth

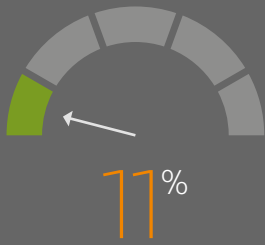
Q: How does your revenue compare with 12 months ago?

2016 NatWest Legal Benchmark Report

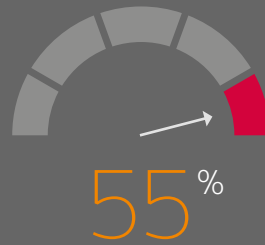
DESPITE GROWTH, LAWYERS ARE HAVING TO WORK HARDER TO DELIVER

There was **no change**

It got **easier**



It got **tougher**



Q: Has the market and competitive environment changed over the last 12 months?

INCREASING CLIENT AND COMPETITIVE PRESSURES



Q: Most pressing challenges you currently face as a firm?

DISPARITY IN FINANCIAL PERFORMANCE IS GROWING

BY FEE-PER-FEE-EARNER



2016 NatWest Legal Benchmark Report

CLEAR APPETITE FOR GROWTH, WITH DIFFERING APPROACHES



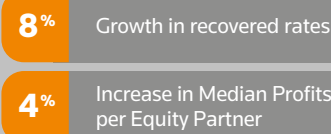
Business development is a popular goal, amongst recruitment and the temptation of a merger.

"We need to **keep pace with others** and deliver growth for our staff and enable **investment in new platform**"

"We will grow by improving our **customer experience** and **operational standards**"

Q: What best describes your firm's current ambitions and aims?

HOW A FIRM GROWS IS JUST AS IMPORTANT AS HOW MUCH

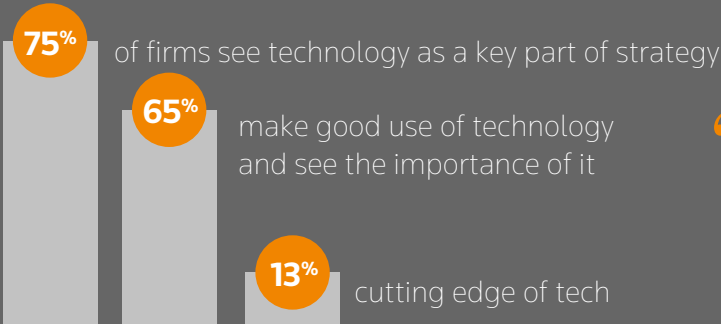


By reducing time written off, SMLF are looking to increase profit in smarter ways



2016 NatWest Legal Benchmark Report

TECHNOLOGY ENABLES GROWTH AND EFFICIENCY



"We recognise the value of technology. Manual working methods are too time consuming – we really want to **free up time to focus on clients**"

Q: What best represents your firm's attitude to technology?

PRACTICE MANAGEMENT SOFTWARE (PMS) IS KEY TO TECH STRATEGY

Improved **internal efficiency** is the top benefit of adoption, with respondents saying:

67%

of firms use specialist PMS

"PM tools enable us to **free up people from admin**"

Q: Does your firm use specialist software to manage its MATTERS/PRACTICE?



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