

Hitting Your Mark: Honing Your Strategy with Benchmarking

By [LawVision](#) on October 11, 2021

Considering how competitive the legal industry is, you might think that firms would be regularly benchmarking themselves against their competitors and leaders both in the legal industry and other service industries. In my 20 years of experience with top firms, however, that has rarely been the case.

Frankly, hubris (“we are already the best”) and sometimes tunnel vision on the part of firm leadership may prevent recognition that others might be doing something better and that there is something to learn from their competitors. The result is that law firms miss out on innovation and learning because regular benchmarking is a way to remain competitive, seek to equal and surpass best practices, and foment the type of thinking that propels creativity within the firm.

Benchmarking allows a firm to learn what competitors might be doing to improve in many areas including hiring, service delivery, client acquisition, collections pricing, marketing strategy, and more.

This post highlights the particular benefits of benchmarking for purposes of honing the firm’s marketing strategy. Strategic benchmarking is often used to identify and analyze world-class performance. That can mean going outside the legal industry. For example, Ritz Carlton has long been known for its devotion to client service and its rigorous training program that is considered the gold standard in the hospitality industry. The legal industry is a unique business, however, and it is often helpful to identify a three-stage approach for firms against which to benchmark:

1. Self-evaluation (for your firm)
2. Key Competitors
3. Best-in-Class Firms

When considering key competitors, think about not only who comes up in regular conversation but also use client feedback for real data points on whom your clients consider your competition. They may be comparing your firm against a firm you had not even considered. Of course, within a large law firm, the competitors can be different depending on the practice, geographic location, or law firm specialty.

When comparing firms for marketing best practices, it’s important to take into account the size of the firm as, obviously, the number of professional marketing staff should increase with the size of the firm. That’s why metrics that normalize size by looking at “per lawyer” or “percentage of total” can be so useful. The following are important benchmark metrics for marketing leaders:

- Number of marketing professionals per lawyer
- Marketing spend per attorney
- Percentage of marketing spend as a percentage of firm revenue

The data collected then can be used to inform strategy. For example, a firm that benchmarked and found it was an outlier in terms of the small number of marketing professionals compared to lawyers used the benchmarking to justify additional positions as a competitive imperative. Another realized that their marketing spend per attorney was much

higher compared to the average because they were running very expensive international events. What do these metrics say about your firm?

Taking the time to regularly compare your firm's efforts to those of your competitors can pay off in many ways. If you are not part of a peer group, consider joining one. If you are interested in a more formalized benchmarking process, talk to your LawVision consultant about the best way to design and execute on the project. In the next blog post, I'll discuss how to determine those firms that are "best-in-class."