

2001 Salary Survey for Top Marketing Professionals

in Top 50 Law Firms

Origin of Survey: During the fourth quarter of 2000, several in-house Marketing Director and Managing Partner clients called our offices to determine whether the compensation they were paying, receiving and/or were planning to offer candidates was competitive with other law firms. Originally, as a service to them, we sent out the original survey to determine definitive responses to their queries and during the process of receiving responses defined the scope of this survey.

Survey Sample: Top 50 law firms by size as measured by total number of lawyers (as listed in the 2000 Am Law 100 and Corporate Legal Times list of 1,000 Largest Firms). To encourage strong response, the survey was sent to the following three categories of personnel: top marketing professional employed in-house by the firm, Chief Administrative Officer (or equivalent) and Managing Partner (or equivalent).

Survey Distribution: A total of 50 law firms received the survey. Several law firms generated responses from multiple categories described above. In those instances, we tallied the Chief Administrator (or equivalent) and/or the Managing Partner (or equivalent) response before the top marketing professional's response, rationalizing that the most accurate data will be received from those in overall charge of the firm and not the target of this survey.

Response Rate: Of the top 50 law firms surveyed, 35 law firms or 70% responded. There could be several reasons for no-response from the other 30% including confidentiality concerns or lack of an official 'top' marketer employed in the firm (perhaps coordinator-level assistance only).

Survey Questions: Please see copy of original survey questions behind tab 1.

Survey Results & Analysis: Please see Executive Summary behind tab 2.

Executive Summary of Responses from Each Question

Notes, Observations & Analysis in Italics by Julie Savarino

Firm Size: Range - 400-1,500
Average - 786 lawyers firm wide

To insure confidentiality of survey responses, precise firm size will not be disclosed, nor will data points from specific responses be provided. Instead, responding firms were analyzed and categorized into one of four categories as follows: 1000+, 800-999, 600-799 or 400-599 lawyers firm wide (please see graph behind tab 3).

Firm's Total Number of Offices: Range - 4-26
Average - 14 offices firm wide

Common sense tells us that there is a direct correlation between the total number of offices a law firm has and the scope of managing the marketing function for the firm. Multiple office locations affect among other things: on-location marketing support & infrastructure; turnaround and travel time; ability to coordinate & follow-up activities at the firm and office levels, etc. As a consequence, it makes sense that with a greater number of offices comes greater marketing management responsibility, usually more marketing staff and therefore, a correlation between average size of staff and a greater salary of the firm's top marketer.

Firm's Region:

Total Midwest	=	48% of respondents
Total New York	=	11%
Total Mid-Atlantic	=	17%
Total West	=	20%
Location Not Provided	=	4%

Again, to insure confidentiality, depending upon the city where the firm's headquarter office is located, respondents were categorized into four regions of the United States – either Midwest, New York, Mid-Atlantic or West. For those firms with multiple headquarter locations, either the original founding office was categorized or where the majority of the firm's leadership and administrative staff reside (please see graph behind tab 4).

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Title of Highest Level Marketing Person:

To maintain confidentiality, specific titles provided will not be disclosed - as promised in the original survey questionnaire (please see copy behind tab 1). Instead, suffice it to note that 26% of respondents held the title of Chief Marketing Officer, connotating a title higher than Marketing Director, which in previous years has been the most common highest title used within the vast majority of law firms. 66% of firm still have 'Director' titles as the highest position. Next year's survey can include an analysis of the differing responsibilities and authority between C.M.O.'s and Directors.

Gender: Total Female = 16 = 48%
Total Male = 19 = 54%

Statistical correlation analysis found gender equity in both average salary for top marketing personnel (average annual salary is \$192,000) and in range (\$93-325K).

Total Number of Lawyers' Marketing Department Supports: Average = All Attorneys in Firm

Regardless of total number of offices, 100% of the respondents of this survey support ALL lawyers within their firms, even if there is office-level support geographically disbursed. Thus, 100% of the respondents have a CENTRALIZED marketing function within their law firm overseen by the firm's top marketing officer. This suggests that de-centralized support at the office and/or practice group levels is mostly administrative rather than strategic.

Total Number of Marketing Staff Supervised: Range = 0-30
Average Staff Size = 15

In our 1994 'Benchmarking Best Practices' study, we found that the average attorney-to-marketing support staff ratio was 75 to 1, with an 'ideal' being 45 to 1 (the 'ideal' found in the accounting firm and other professional services firm models). In this salary survey, the average responding firm size is 768 and the average staff size is 15, which equates to approximately a 50 to 1 ratio. So, in seven years, the average ratio has reduced (in my opinion) because a high attorney-to-marketing support staff ratio caused excessive workloads, quality compromises, burnout and subsequent turnover, which in turn reduced the return on investment for law firm's total marketing budget. More law firms are learning to value marketing for what works and making investments in appropriately required support staff.

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Number of Years Experience Specifically in Law Firm Marketing: Range = 0-25 years
 Average = 9 years

Total years experience in law firm marketing is relevant to annual salary and total compensation because without a track record of success in developing an effective marketing infrastructure in a very similar environment, an offer for a top position is unlikely. One respondent had only 4 years of specific law firm marketing experience, but 14 years of accounting firm marketing experience for a total of 18 years relevant experience where a demonstrable track record was built.

Highest Degree Earned:	Total BA (or Equivalent)	=	17	=	49%
	Total Masters	=	15	=	43%
	Total Doctorate (non-JD)	=	0		
	Total JD	=	1	=	3%
	No Response	=	2	=	5%

Respondents to this survey do not yet seem to reflect the trend of more lawyers turning their careers towards law firm marketing, which we will see more and more in future years. This should drive the percentage of those that hold JDs higher. One respondent to this survey is a lawyer who did such an exemplary job as C.M.O. was voted in as a firm partner earlier this year. It is much more common that existing practicing attorneys within a firm take on the role of ‘marketing partner’ and much less common for a lawyer not practicing law but responsible for the firm’s marketing department to earn Partnership status as a result. I am aware of only three occasions where this has occurred in the past ten years.

Annual Salary Paid: Range = \$93-\$325,000
 Overall Average = \$192,000

Our analysis of this survey proves that salary variations are driven primarily by location (please see graph behind tab 4). However, one would assume that would equate to New York firms paying the highest salaries since NYC ranks highest in cost-of-living. Instead, the key determinant in my opinion is location as defined as the geographic area where law firm marketing is at it’s most advanced and sophisticated. Advanced and sophisticated as measured in number of year’s total the firm has had a dedicated, organized, professional in-house department operating over time, combined with either a high degree of aggressive, concentrated competition or a proactive business model. When analyzing the survey responses, the three markets where this phenomenon has had the greatest impact are San Francisco, Seattle and Chicago.

Of the country's major legal markets, these three markets have been in the organized law firm marketing game about as long as anyone, putting their toes-in-the-water around the mid-1980's, with many firms in those markets averaging about 10-15 years of overall organized legal marketing experience. With that experience came successes and failures. Over the course of 10-15 years that experience provides an internal learning curve of what marketing works best for that firm and what doesn't. Eventually, appreciation and value builds for what works and consensus willingness forms to invest in people and activities to support and sustain success into the future.

Bonus Structure in Place: Have Bonus Structure = 94%
 No Bonus Structure = 6%

An overwhelming percentage of law firms choose to reward performance of their top marketing professional using an incentive bonus. I predict we will be seeing more sophisticated bonus packages for the top level personnel and greater percentages of incentive pay for performance in coming years.

Bonus Method: Discretionary = 76%
 Guaranteed = 10%
 Combination = 14%

In almost all cases, the discretionary bonus has a top (usually percentage based or top-dollar amount) limit whether communicated up-front or not. This is an area in need of clarification by all parties involved.

As Percent of Annual Salary: Range = 0-40%
 Average = 5%

At the high end, 11% of respondents earned over 30% of their annual salary as an incentive bonus.

Other Cash Perquisites:

<u>Type</u>	<u>Frequency</u>	<u>Amount</u>
14% received signing bonus	one time – around hire date	Average \$28,000
11% paid parking	monthly/annually	Varies
8% health club membership dues	“	“
5% received relocation assistance	one time – upon hire	Varies upon locations
5% airfare home, furnished apt.	Not provided	not provided

Total Cash Value of Standard Benefits Package: Range = \$5,100-\$35,433
Average = \$22,900

These survey responses were not definitive since each firm includes different items within their standard benefits package that others do not – please note that several firms include parking in their package while others do not. Most common are insurance benefits, participation in retirement accounts and pension funds – each of which varies in scope firm-to-firm.

Other Remuneration: ***I. Listed Once Each:***

\$1,000 Annual Technology Allowance plus Cell Phone & Laptop
15 Partnership Units – Values at Approx. \$1,100 Each
\$500 Annual Attendance Bonus
25% Annual Salary – 401(k) Match
Severance Pay – (amount not provided)
4 Weeks Paid Vacation

II. Listed Multiple Times:

Professional Association Membership Dues
Professional Development Seminar/Conference Attendance Fees
Relevant Periodicals
Reimbursed Firm Expenses

END NOTE

Thank you for this opportunity to be of service!

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