



THE BUSINESS OF
**YOUR
PRACTICE**
REPORT | 2023



 martindale • avvo

Covering legal trends, budget concerns,
attorney marketing efforts,
& the future of legal AI.

Martindale-Avvo's Business of Your Practice Report: Navigating the Legal Landscape in 2023

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Executive Summary

The Business of Your Practice report sheds light on the 2023 legal landscape, offering insights into attorneys' challenges and strategies for success in an ever-changing environment. Our main takeaways:

- Attorneys are deeply passionate about helping others, but non-legal tasks often take up a significant part of their day, emphasizing the importance of business skills in their profession.
- **Key Insight:** Most attorneys got into the profession to help people, and this remains their primary motivation. With an added focus on work-life balance, attorneys report that the firm-level marketing and administrative duties detract from time spent with clients or family.
- Attorneys have a cautious but optimistic outlook on the impact of Artificial Intelligence (AI) in law, and recognize the need to adapt.
- **Key Insight:** AI has been a popular topic of conversation in the legal technology sector, and the feedback we received was lengthy. Most approach AI with a healthy dose of skepticism, pondering the confidentiality ramifications of its use, but do recognize that it could supplement a practice.
- When it comes to online marketing, attorneys understand their online reputation is of paramount importance. They favor referrals, yet securing client reviews for their profiles remains a challenge.
- **Key Insight:** We have often heard from our attorneys that securing positive reviews is difficult, and we are working hard to make that easier for both the attorney and the client. We're developing masterclass-level guides from others who secure reviews like a pro, and we'll share those details with you.



- As for future planning, most firms opt for moderate growth and work hard to adapt to changing economic conditions.
- **Key Insight:** The majority of attorneys prefer moderate growth, meaning they take sure risks and move business forward thoughtfully and strategically. We also discovered that flexibility during economic flux was of utmost importance, even if attorneys and business leaders preferred to stay the course.

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This report is a glimpse into the legal world of 2023, offering insights and guidance for attorneys and firms alike. We look forward to continuing this annual tradition of providing invaluable information to the legal community.

Read on for our deep dive.



CHAPTER ONE: Work-Life Balance in 2023

Attorneys love helping others but business tasks take up a lot of time.



Our survey revealed that a high number of attorneys are driven and passionate about helping others, but often find themselves dealing with non-legal matters that can consume much of their day: approximately up to 25% of the workweek. This percentage varies among attorneys, with those aiming for substantial growth spending even more time on non-legal activities.

Recognizing the critical role of business and marketing-related activities in serving clients, attorneys acknowledged their need for more preparedness in managing these tasks. Over 75% reported that business skills are “very important” to running their firm, but balancing life, business acumen, and their original intent to practice law was challenging.

AI feedback was mixed, suggesting positive and negative outcomes.

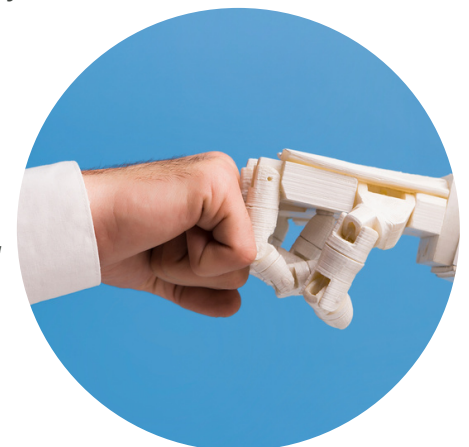


Attorneys contemplated the pros and cons of artificial intelligence (AI) in an attempt to strike a work-life balance. Although AI has garnered extensive attention in the legal sector, there remains a degree of hesitation due to concerns about accuracy, confidentiality, and privacy.

More than 85% of attorneys felt that the continued development of AI would have a moderate to significant impact on the legal field, with 40% believing that impact would be “very significant.” However, opinions on the nature of that impact varied. Even attorneys anticipating a similar degree of impact had viewpoints ranging from extremely optimistic to highly pessimistic.

One attorney expected a very significant impact and believed that AI would “make firms more efficient and clients more self-sufficient”, drawing a comparison to the emergence of personal computers. But another attorney who expected the same impact felt some colleagues would be “tempted to rely too much” on AI and thereby cause their own skills as a lawyer to atrophy.

Similarly, one attorney felt that AI represented a true opportunity to “provide access to justice for underserved populations.” But another attorney worried that AI-assisted legal work would “appear competent” even if it actually contained errors and expected lawyers to find themselves “needing to unwind issues” faced by individuals who rely on AI tools.



The most accurate statement would be that our survey reflected a measured view of AI. While the impact of AI on the legal field might, as one attorney said, “not be the world-changer that so many are describing”, it could help speed up repetitive administrative tasks.

From a career standpoint, attorneys expected that the greatest impact of AI would be felt by non-lawyers working in the legal field, specifically assistants, clerks, and paralegals, as those positions perform some duties that AI might be able to automate. And while some had concerns that AI might one day replace lawyers altogether, the prevailing view was that AI would be used to “supplement law practices, not replace them.”

[*Read More: How Does AI Help Law Firms?*](#)



CHAPTER TWO: Are Firms Undercutting Marketing Efforts?

Challenges with marketing include budgetary planning as well as securing client reviews.

At Martindale-Avvo, marketing and advertising for attorneys is our specialty, but we wanted to know how attorneys approach it – seeking to understand budgetary forecasts (and restraints), the importance of online reputation, and how to maximize positive client feedback. While priorities varied, almost all respondents championed a good online presence.

- Online reputation emerged as a pivotal asset for law firms, with over 90% of attorneys considering it important. However, most attorneys (one out of four) faced challenges in securing reviews due to difficulties in soliciting them from clients as well as simply not having a process in place at all.
- When it comes to attracting new clients, referrals were the most popular method among attorneys, followed by directories, content marketing, and digital marketing. Referrals were also deemed the most effective method, but they recognized the need to diversify their client sources: Over 75% of attorneys whose firms brought in clients by referrals also used other methods to get clients.

In terms of planning, one clear take-away from the data is that many attorneys (almost half at 48%) felt that it was best to spend 5% to 10% of the firm’s budget on marketing. On the opposite side of that statistic, we observed that attorneys who wanted to significantly expand their firm would consider spending a larger percentage of their marketing budget to support these ambitious growth goals.

So while it is concerning that half of those surveyed may be underfunding marketing, if a firm or attorney is aggressively pursuing growth, they’ll find the means within their budgets to support it.



Attorneys turn to blogs for DIY marketing help.

Lawyers showed a strong preference for articles and blogs when it came to marketing, advertising, and legal trend subjects -- more than 20% above the next-most-popular choice of online learning portals or tutorials. Conferences and presentations were likewise a noticeable favorite.

As for the resources most used, we saw the clearest preference for getting information from national and local bar associations. Two other strong choices were lawyer associations (location-based or practice-based) and leading legal businesses (including the Martindale-Avvo legal network of brands as well as a couple of our competitors).

Publications and news organizations were also mentioned (such as The New York Times or The Wall Street Journal, among others), though again with clear preference towards those focused on the legal profession or business in general. Likewise, social media appeared, though overwhelmingly in the context of 'professional' (or B2B) social media platforms like LinkedIn.

[Read more: the complete list of publications, bar associations, and influencers attorneys report following.](#)



CHAPTER THREE: Planning for the Future

Attorneys weigh in on how the economy affects the business of their practice.

In the final chapter of our report, we explore how attorneys plan for the future of their practices. The majority of firms aimed for moderate growth, but we did see ranges from rapid expansion to a more measured approach. Annual planning was the most common method for business decisions.

Some interesting observations:

- Solo attorneys tended to favor shorter planning horizons, as compared to larger firms with more capital to fall back on. We reasoned that small businesses have to be more flexible due to smaller budgets, ensuring they can change paths quickly when navigating a downturn.
- A large portion of attorneys took changing economic conditions into account when making future plans, with many preparing for potential economic decline. Attorneys will most often re-evaluate spending in response to poor ROI, low profit, or slumps. They also prioritized assessing advertising and marketing spend and employee headcount during a recession, a situation that was common during the COVID-19 lockdown.



Attorneys were more likely to re-evaluate spending in response to negative trends than positive ones - more than double said they would re-evaluate their spending based on a negative ROI as compared to those who said they would do the same based on a positive ROI, with similar trends observed for overall profit figures and economic outlook.

Despite challenges posed by the COVID-19 pandemic, attorneys did notice benefits in the past three years, resulting in a wide variety of answers. Hiring additional employees was most popular at 29%, but could be a reflection of bouncing back post-lockdown. Other common choices included improved accounting and billing practices, improved time and task management, investment in their digital footprint, and improved intake systems.

Investment in offline presence was least favored, which makes sense considering the unexpected work-from-home, digital-only daily grind that 2020 brought in.

Third-party studies that discuss the impact of COVID on the legal field: We recommend the following two reports: [National Institute of Health's The impact of Covid-19 pandemic on overall well-being of practicing lawyers](#) and [Harvard's Practicing Law in the Wake of a Pandemic](#).



About our survey

We conducted this extensive survey with 745 lawyers. Our mission was to tap into current legal trends, with a focus on various facets of an attorney's work, as well as perspectives on the future of the legal profession and the notable publications followed and engaged with.

Our study consisted of many different demographics, but the majority were partners (38%) and solo practitioners (35%) with varying years of legal practice experience – roughly 30% fell into the 6 to 15 years bracket. The top three areas of practice reported by respondents were business law, lawsuits and civil disputes, and personal injury.



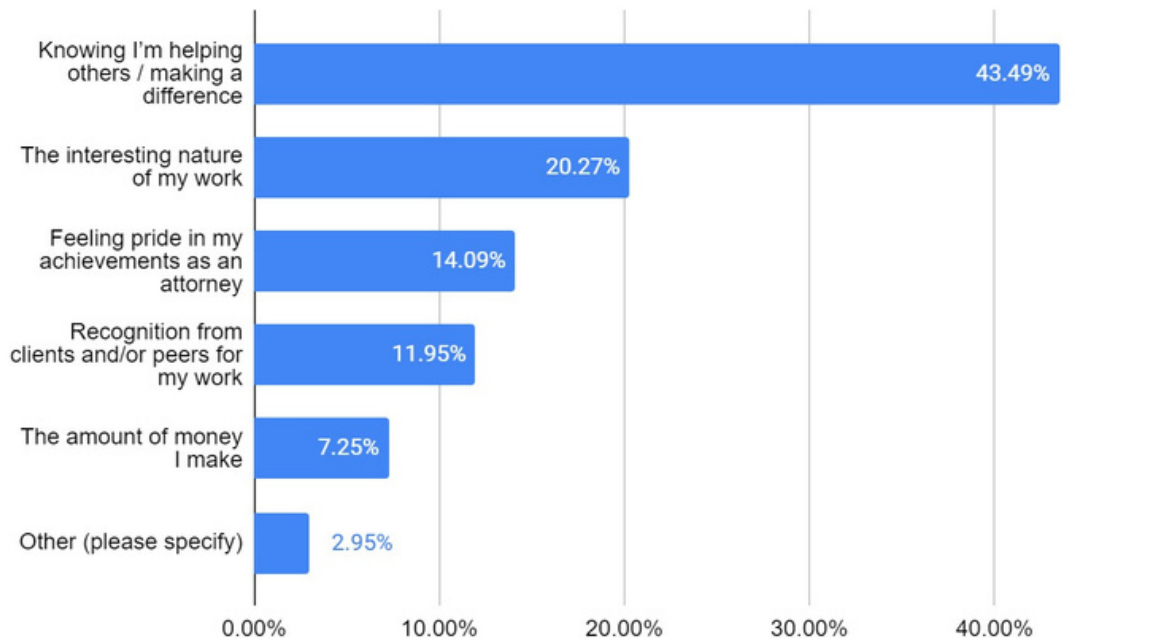
APPENDIX

Section 1: Working as an Attorney

We asked the attorneys we surveyed several questions about their experience working as an attorney, ranging from why they've chosen their profession to the daily activities that make their firm run.

We asked what was the most rewarding part of being an attorney?
You answered: Helping others.

What do you find to be the most rewarding part of being an attorney?

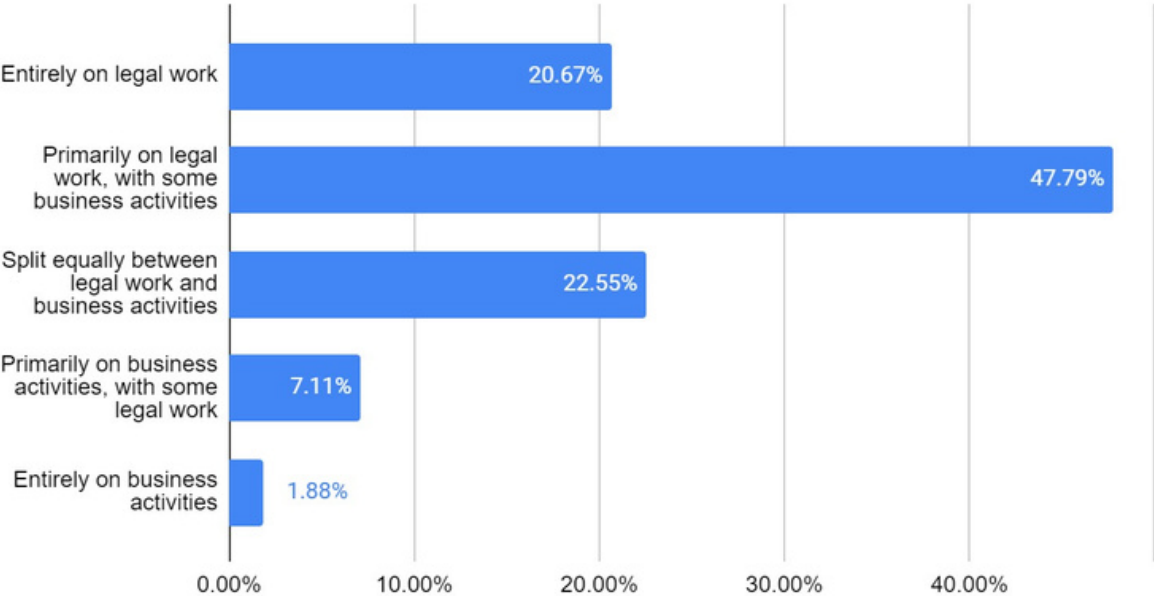


Attorneys overwhelmingly said that the feeling of helping others or making a difference was the most rewarding aspect of being an attorney. In fact, this was mentioned twice as much as the next most popular reason (that of finding the work interesting). Money was *least* likely to be chosen as the most rewarding factor, with just 7% of attorneys choosing this option.



Focused on practicing law: 7 in 10 attorneys prefer to focus on legal work over business activities

If you had the option, how would you personally prefer to spend your time?

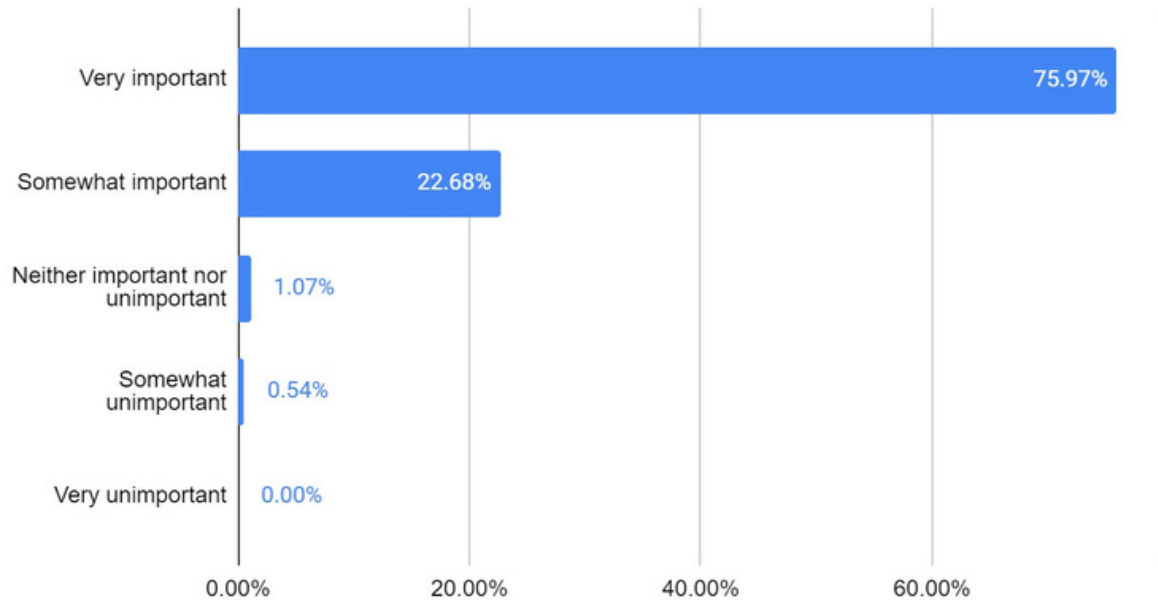


Given the choice, nearly half of attorneys would prefer to focus primarily on legal work, but still spend some time on business activities. Two smaller groups preferred to work entirely on legal matters, or split their time equally between law and running their business. Meanwhile, less than 10% of attorneys said they'd prefer to focus more on business activities than legal work.



Despite the preference for legal work, business skills are seen as critical.

How important do you think it is for a law firm's attorneys to have business skills?



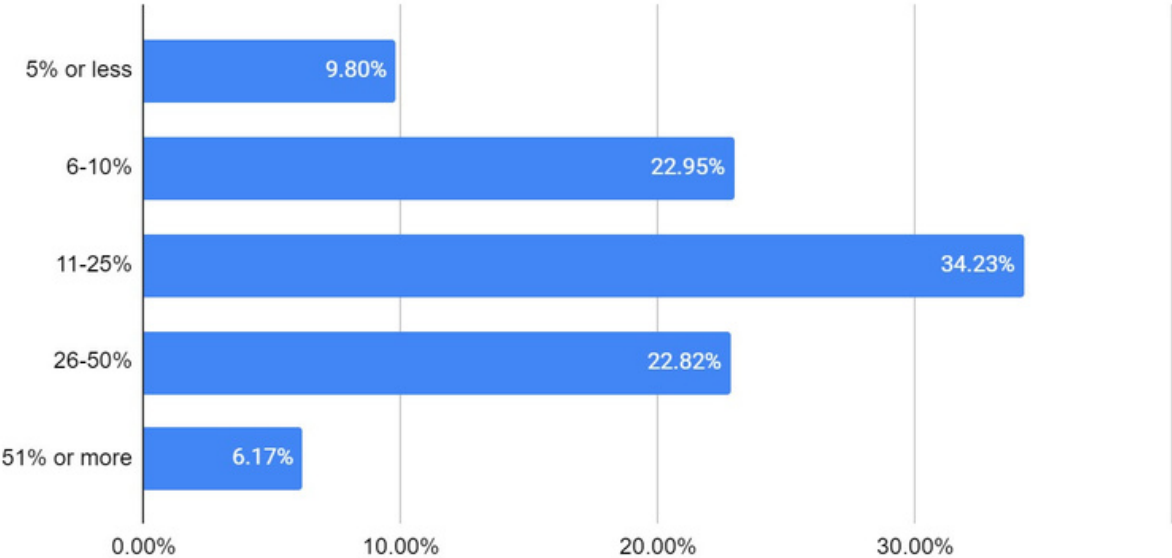
While less than 10% of attorneys wanted to focus more on business activities than legal work, more than 75% of attorneys still said that having business skills was “very important” in their line of work.

Furthermore, 98% said that it was at least “somewhat important.” *Not a single attorney we surveyed* told us that business skills were “very unimportant.”



Non-legal matters – like business tasks – often take 11-25% of the week.

In a typical week, what percentage of your time do you spend on work unrelated to legal matters? (e.g. business planning, managing staff, marketing, etc.)



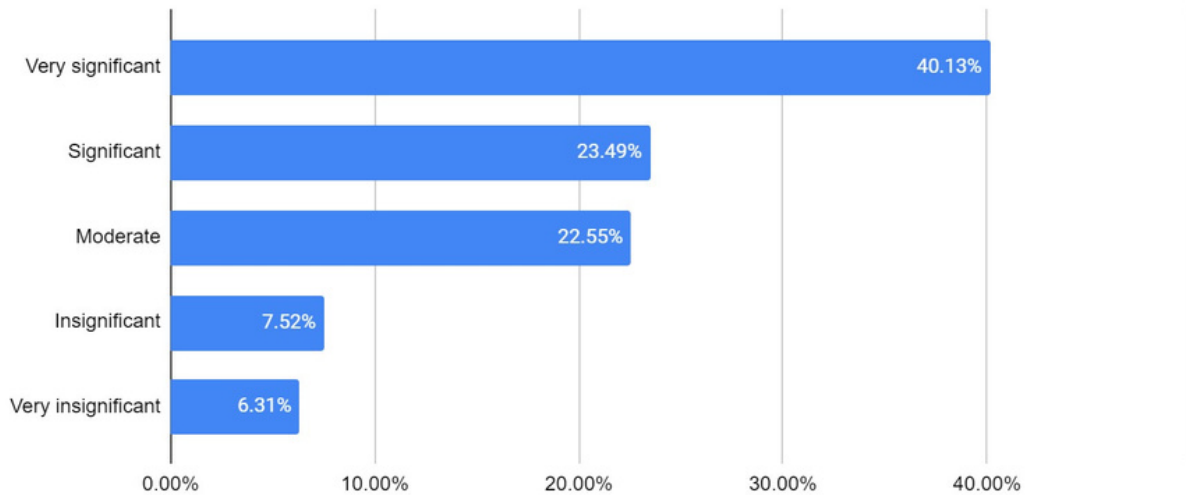
Roughly 80% of attorneys reported spending between 6% and 50% of their time on non-legal matters, with the most common timeframe being between 11-25% of their time (1 in 3 attorneys).

However, we observed a noticeable difference in the time spent on non-legal work when comparing attorneys who had a goal of significant growth for their firm against the typical attorney. Just over 40% of attorneys seeking significant growth spent more than 25% of their time on non-legal matters, compared to just less than 30% of the general population.



Attorneys predict that Artificial Intelligence (AI) will have a significant impact on law.

AI tools like ChatGPT allow artificial intelligence to write documents in response to a prompt, after training on examples of similar content. What impact do you think this developing technology will have on the legal field?

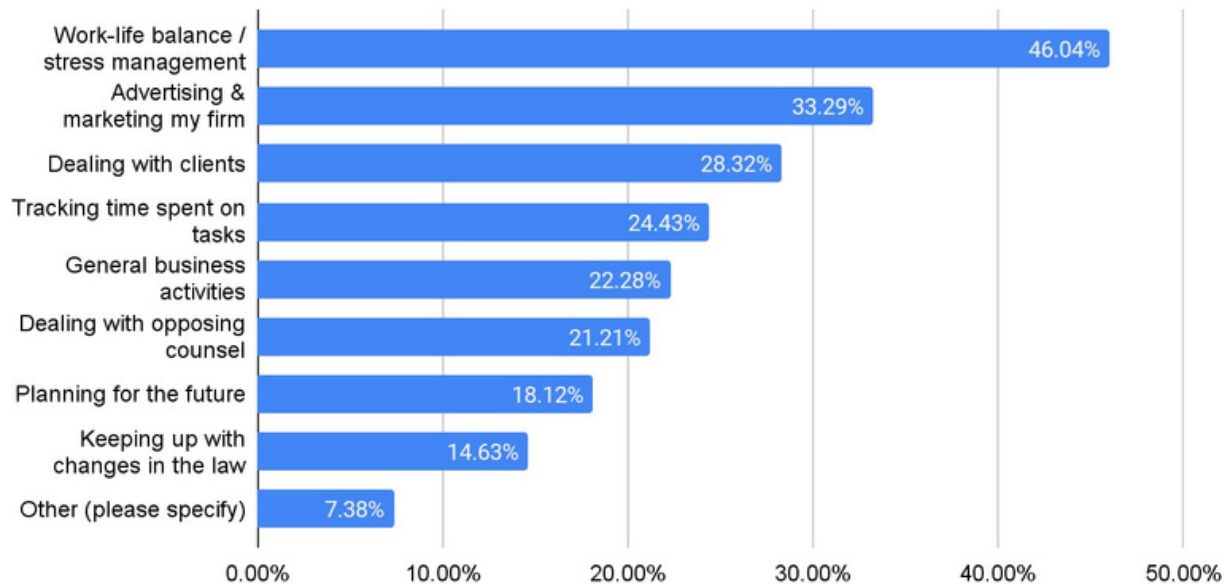


Over 85% of attorneys believed that AI would have a moderate to very significant impact on the legal field as it continued to develop, and 40% felt the impact would be 'very significant.'



Top three biggest challenges are work-life balance, marketing, and dealing with clients.

What do you find to be the most challenging parts of being an attorney? (select all that apply)



Nearly half of surveyed attorneys reported that work-life balance / stress management was among the biggest challenges of being an attorney. Advertising and marketing was a more distant second, followed by dealing with clients. Keeping up with changes in the law was seen as the least challenging aspect.

Age also played a role in what attorneys felt to be a challenge. Younger attorneys (below 40) more often reported that dealing with clients to be among the most difficult parts of being an attorney. Nearly 40% of this group felt this activity was a significant challenge, compared to 28% of the general population of lawyers.

Meanwhile, when it came to attorneys who had a goal of significant growth for their firm, their bigger focus on advertising and marketing also brought additional challenges. Forty-four percent of attorneys seeking significant growth felt that advertising and marketing their firm was among the most challenging parts of their job, compared to a rate of 33% among typical attorneys.

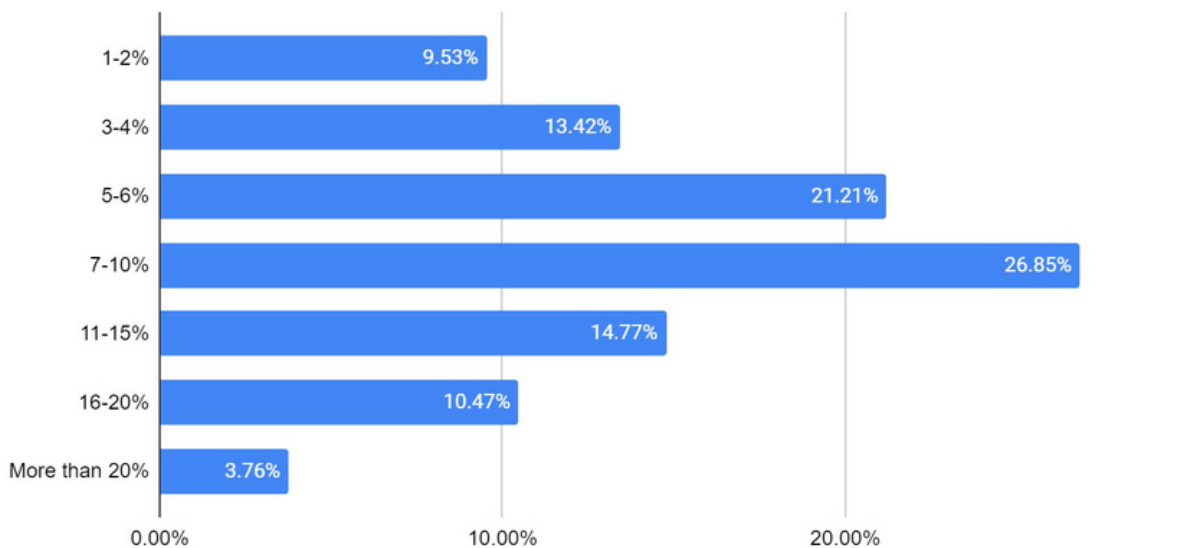


Section 2: Marketing a Firm

We wanted to know: what is the typical budgetary forecast for marketing, as well as addressing the importance of online reputation and client intake?

Most attorneys feel 5-10% of the budget should be devoted to marketing.

In your opinion, how much of a law firm's budget should be devoted to marketing the firm?



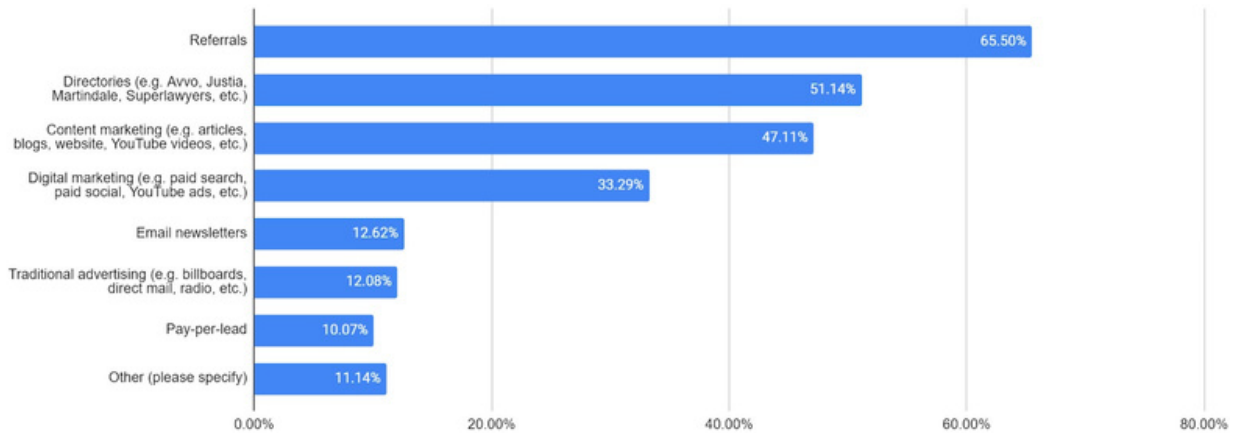
While attorneys gave a variety of answers on how much a firm should spend on marketing, attorneys most often felt that it was best to spend 5% to 10% of a law firm's budget on this task. This category represented nearly half of surveyed attorneys (48.06%).

However, we also observed that attorneys who expressed a desire to significantly expand and/or grow their firm tended to indicate that a larger percentage of their budget should be devoted to marketing to support their more ambitious growth goals.



Attorneys favor referrals & online marketing most to bring in new clients.

What do you / your firm currently use to attract new clients? (Select all that apply)

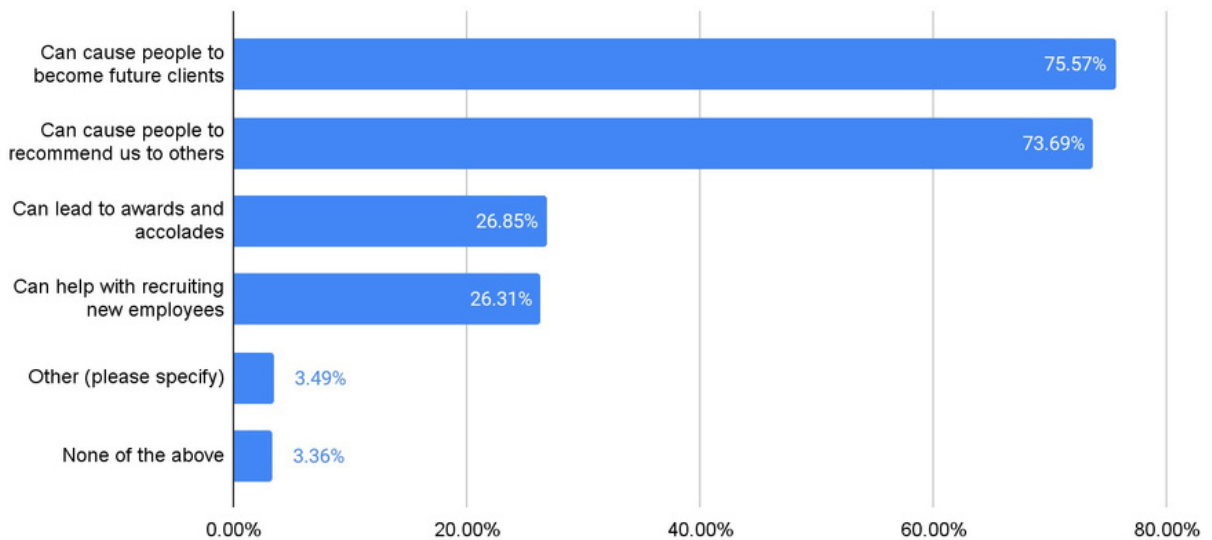


The methods attorneys use to attract new clients varies: referrals were most popular at 65%, followed by directories, content marketing, and digital marketing. Methods like email newsletters, traditional advertising, or pay-per-lead were less popular by comparison. Some 11% of attorneys also selected “other,” citing a wide variety of alternative methods for attracting clients to their firm.



Attorneys see their online reputation as a path to future clients and recommendations.

Which of the following do you see as benefits of a strong online reputation?
(select all that apply)

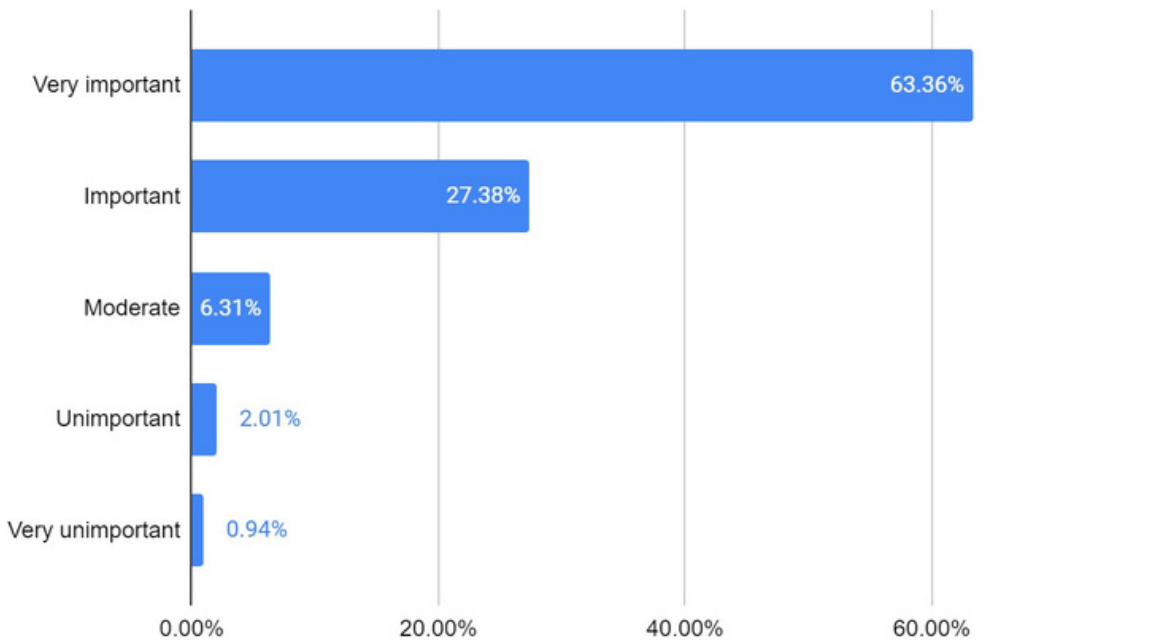


It may come as little surprise that the main benefit attorneys see in having a strong online reputation is related to how it can generate new clients (directly or indirectly). Around 1 in 4 attorneys also noted secondary benefits to the firm, such as receiving awards or accolades, or more easily being able to recruit employees with a strong reputation



>90% of attorneys believe their firm's online reputation is important.

How important is your firm's online reputation?

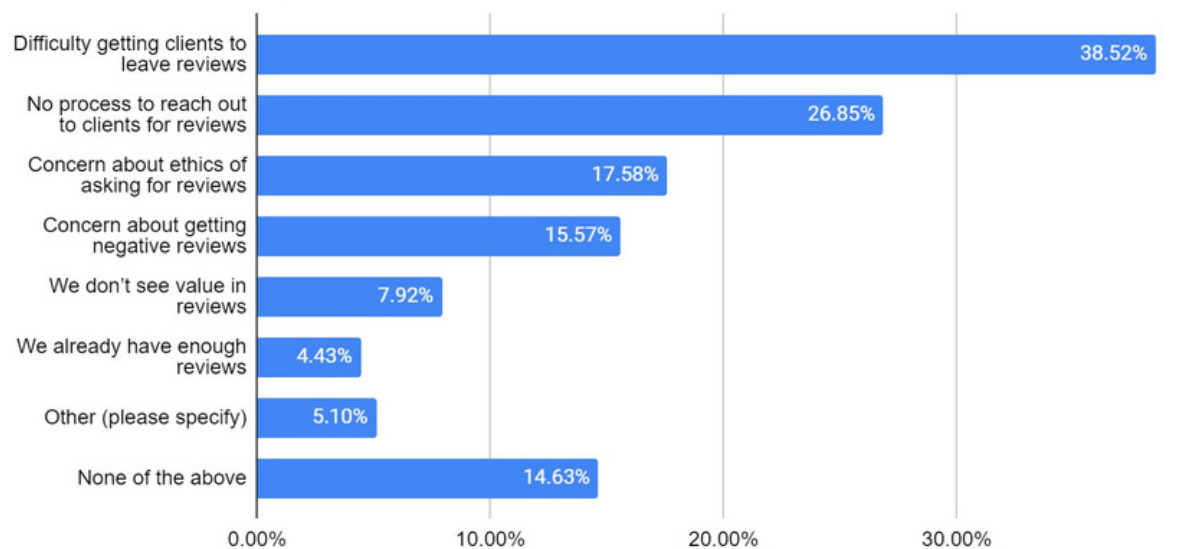


Overall, more than 90% of attorneys said that their firm's online reputation was important to them, with 63% saying that it was "very important." Almost all attorneys placed at least some value on their online reputation, with just 1 in 100 saying that they felt it was "very unimportant" to them.



Most attorneys find securing client reviews challenging for their firm.

What factors, if any, hinder you from securing client reviews for your firm?
(select all that apply)



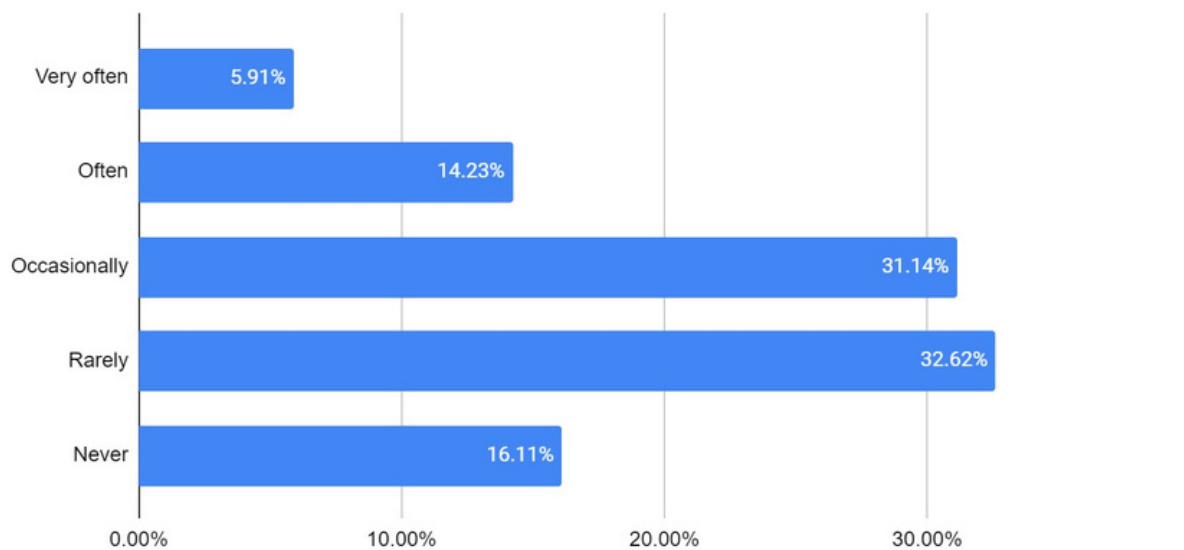
Despite saying online reputation is important, most attorneys said they were hindered by one or more factors when it came to getting reviews for their firm. The most common response (nearly 40% of attorneys) was “difficulty getting clients to leave reviews.” But far more surprising was that 1 in 4 attorneys didn’t have any process to reach out to clients for reviews at all.

Considering that >90% of attorneys felt their online reputation was important to their business, and ~75% felt a strong online reputation could result in new clients and recommendations, the area of opportunity to help attorneys set up a process and gain client reviews is significant.



Lawyers seek out marketing information infrequently.

How often do you find yourself searching for information on marketing your firm?



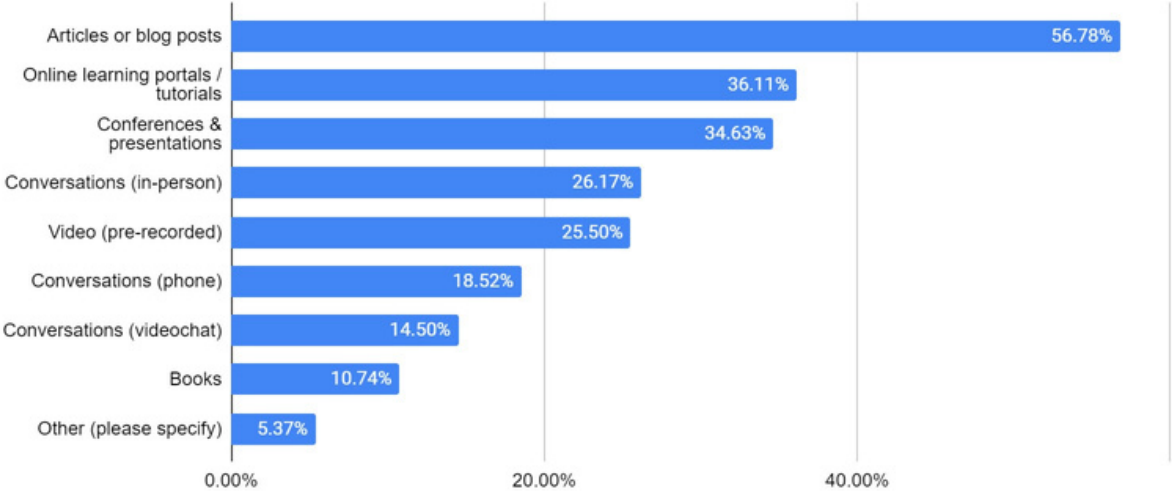
Interestingly, most attorneys said that looking for information on marketing their firm was not a common activity. Nearly 80% of attorneys search for marketing information “occasionally”, “rarely”, or “never.” Sixteen percent had *never* searched for information on marketing their firm.

The desire for additional customer support from marketing agencies or websites was slightly more common, with close to 30% saying they wished for this “very often” or “often.”



The most popular format for marketing information? Articles & blog posts.

Are there particular formats that you prefer for getting information about managing, marketing, or otherwise running a law firm? (select all that apply)

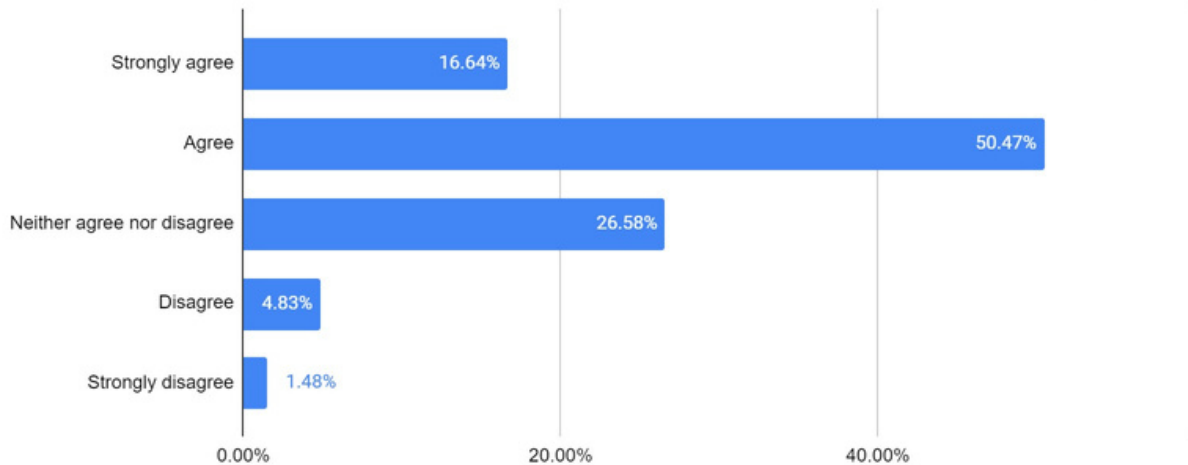


Overall, surveyed attorneys showed a strong preference for articles and blogs when it came to marketing information -- more than 20% above the next-most-popular choice of online learning portals or tutorials. Conferences and presentations were likewise a noticeable favorite.



Most attorneys agree that the business world can offer key learnings.

How much do you agree with the following statement? "For business matters, attorneys can learn from webinars, online content, and conferences run by non-legal professionals." (e.g. business leaders, small business owners, marketers, etc.)



Overall, 2 in 3 attorneys said they agreed that attorneys could learn about business matters from webinars, online content, and conferences run by non-legal professionals. Around a fourth of attorneys were more neutral on the matter, but just 6% were opposed to the concept.

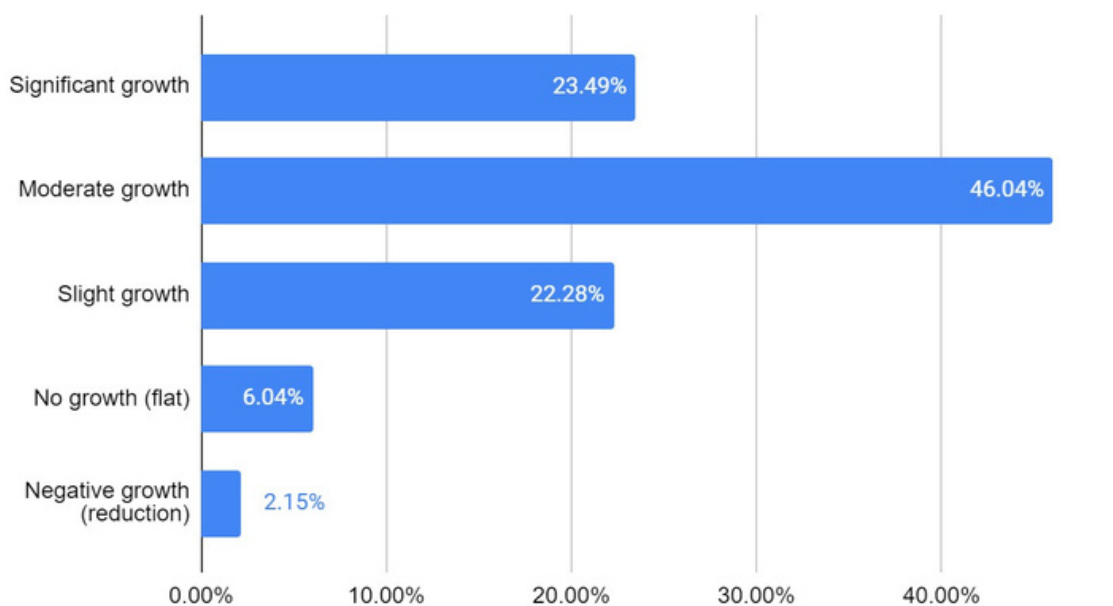


Section 3: Planning for the Future

When surveying attorneys, we set out to discover how future plans were developed – the timeline, the components that are most important, and if trends affect how the legal industry is run.

Most firms champion moderate growth goals.

Which of the following best describes your growth goals for your firm?

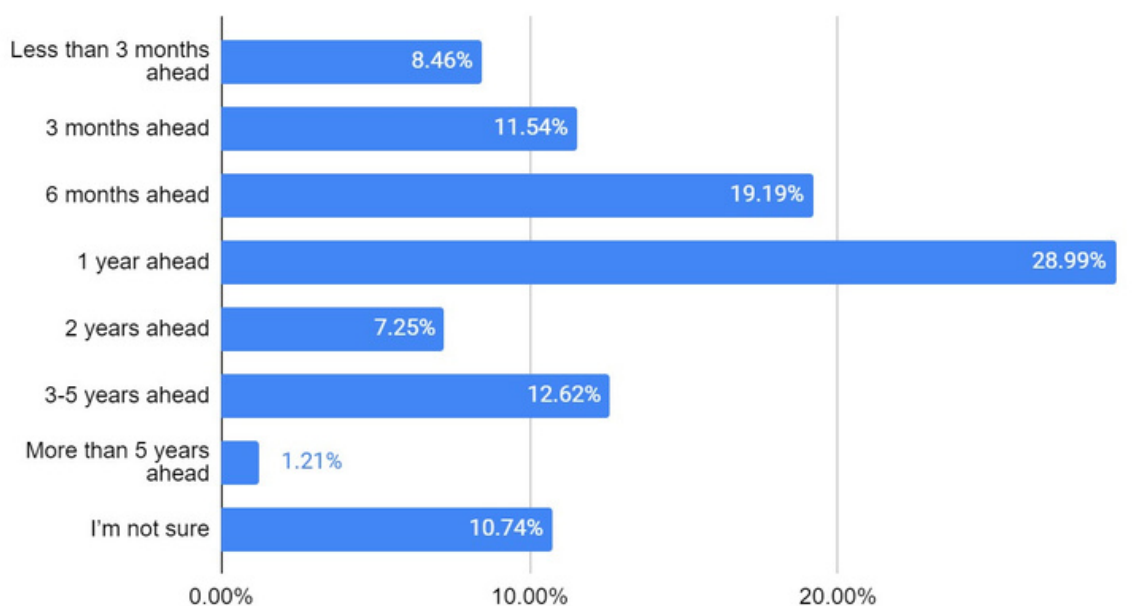


While >90% of surveyed attorneys said their firm wanted to grow, there was less agreement on how much. The biggest group (46%) targeted moderate growth. But almost as many attorneys (45%) had a different growth plan in mind: 23% wanted to expand more quickly, where 22% preferred a slower pace.



Firms plan most business decisions one year in advance.

On average, how far ahead do you (or your firm) look when making business decisions?



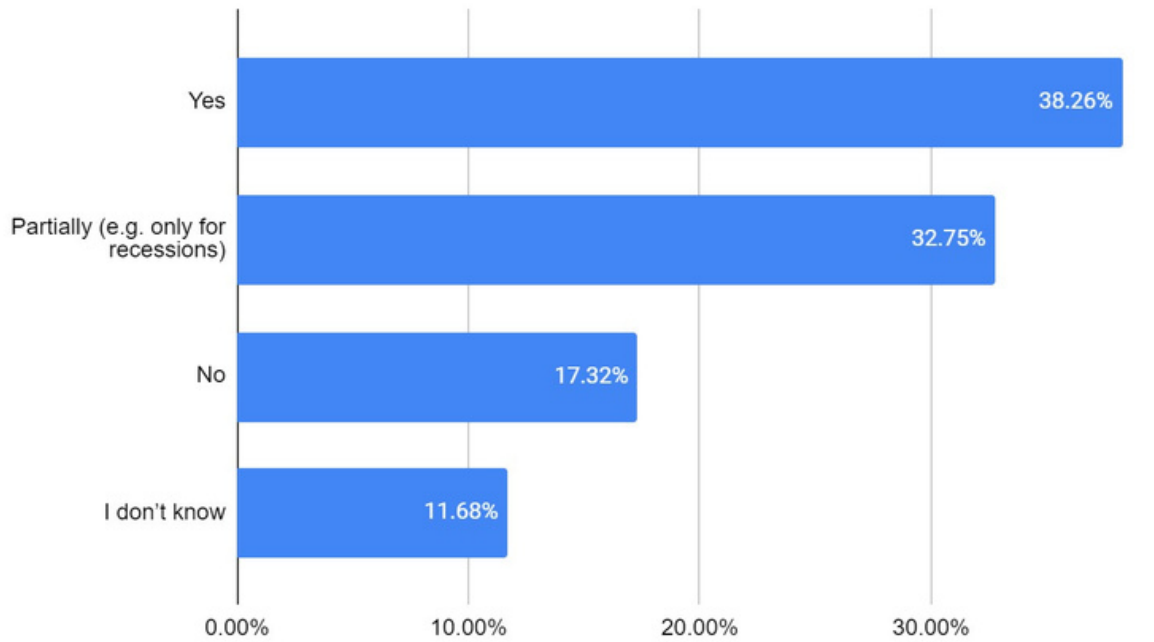
Annual planning appeared to be the most common method of approaching business decisions, with most attorneys (29%) favoring a 1-year outlook. Biannual planning (every six months) was also a popular choice, with 19% of attorneys stating they planned six months ahead instead. Interestingly, 13% of attorneys said they planned as far as 3-5 years in advance.

Firm size appeared to play a role in business planning as well, with solo attorneys seeming to prefer a more agile approach. Nearly half of solo attorneys reported that they planned less than a year into the future, compared to 39% of non-solos.



Changing economic conditions are considered by a majority of firms.

Do your firm's future plans account for varying economic conditions?

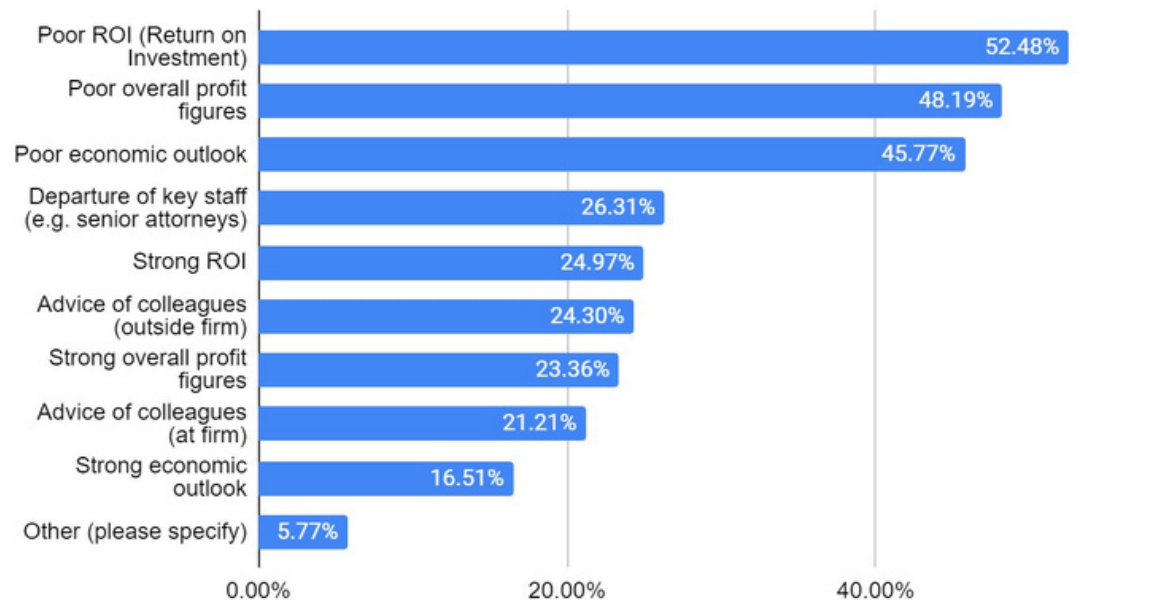


Overall, more than 70% of attorneys said that their future plans took into account the potential for economic changes. While 38% said their future plans made allowance for a range of changes (for good or ill), another 33% said they factored in certain economic conditions (such as a potential recession).



Firms typically re-evaluate spend if they see poor ROI, low profit, and economic downturns.

What would typically cause your firm to re-evaluate its spending?
(select all that apply)

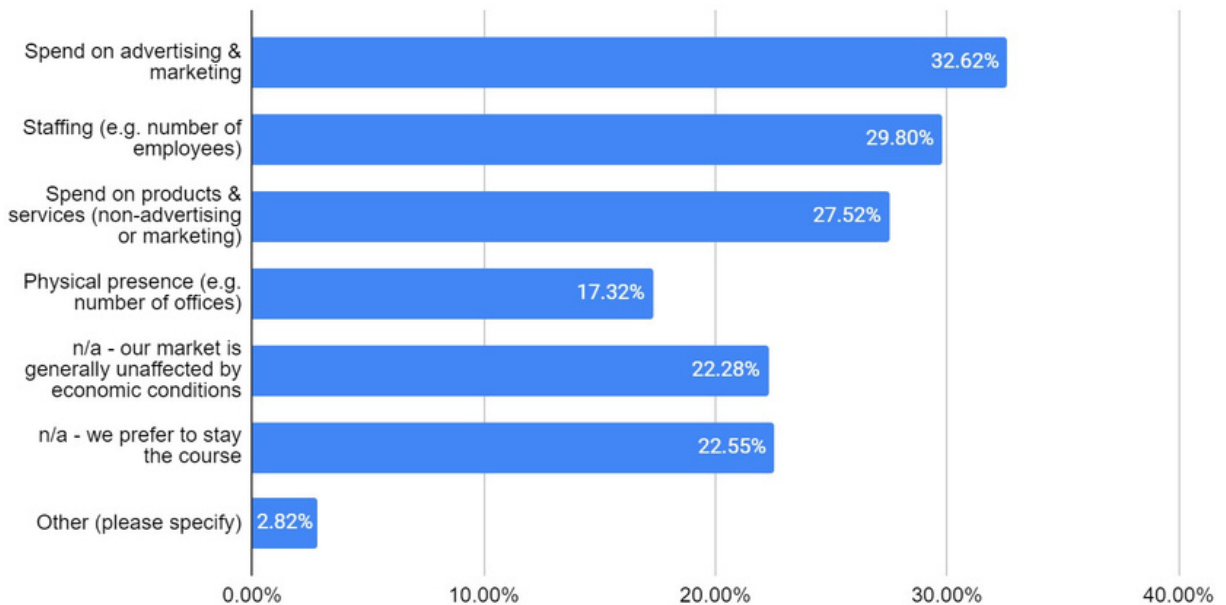


While perhaps not coming as a surprise, the main causes of re-evaluating spending were related to financial downturns, namely poor ROI, poor profit, or the chance of experiencing one or both in the future due to poor economic conditions. Leading the secondary factors was the departure of key staff (such as a senior attorney) and the impact it might have on the firm's branding and reputation.



Attorneys considered both marketing spend and employee headcount first during a recession.

If an economic downturn / recession occurred, what would your firm most likely re-evaluate? (select all that apply)



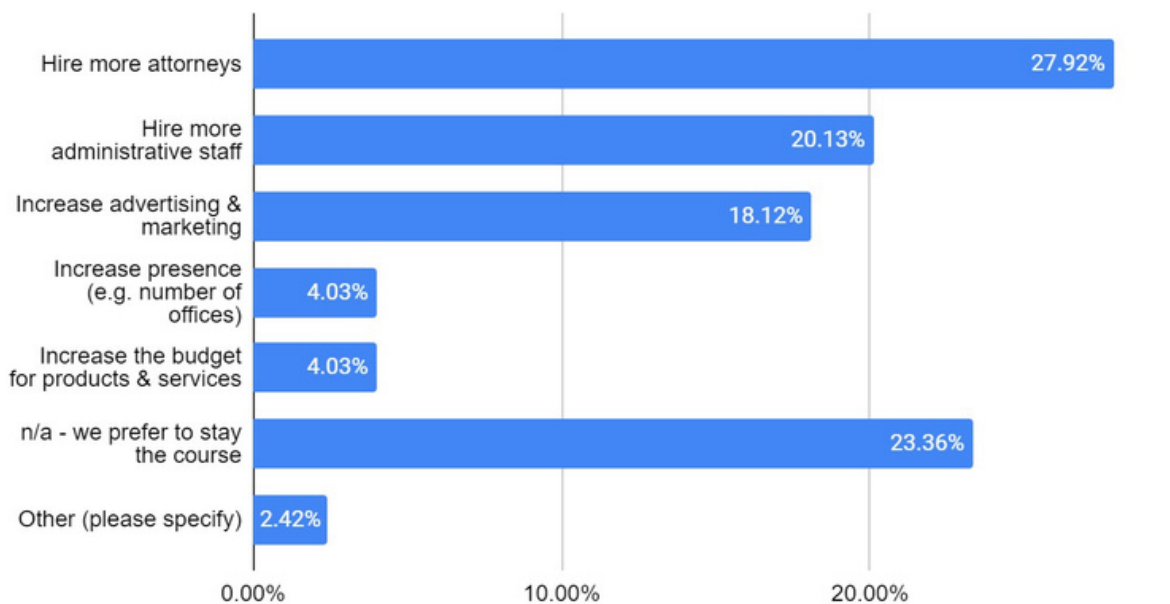
Attorneys reported that they'd most often look at advertising and marketing spend, staffing, and spend on non-advertising/marketing products & services during a recession. Physical presence (e.g. number of offices) was less of a focus by comparison.

Interestingly, just over one-fifth of firms said that their market/s were generally unaffected by recessions and about the same number said they would stay the course.



During economic growth, hiring additional attorneys would be looked at first.

If there were a time of rapid economic growth, what would be the first thing you would like to do with your firm?

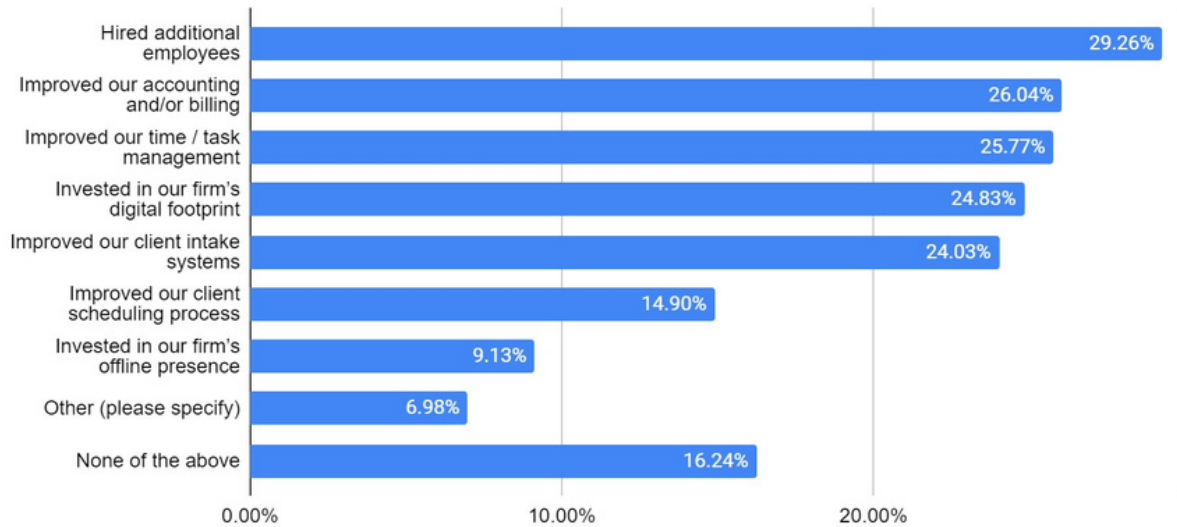


During a time of rapid economic growth, most firms would first look to hire more attorneys. A secondary focus would be hiring more administrative staff and increasing advertising/marketing. Much like during a recession, about one-fifth of respondents would, again, stay the course.



Attorneys have seen benefits from changes during the pandemic – except offline presence.

What changes has your firm made since 2020 that most benefited your practice? (select all that apply)



When asked what changes since 2020 were most beneficial to their practice, attorneys gave a wide variety of answers. Hiring additional employees was most popular. Other common choices included improved accounting/billing practices, improved time/task management, investment in digital footprint, and improved intake systems. Investment in offline presence was least popular, reflecting an increased focus on the digital post-2020.

Section 4: Methodology

Sample Size: 745 attorneys completed the survey.

Data Collection Period: 6/21/23 to 7/27/23

Survey Method: Online survey of attorneys present in the Martindale-Avvo database who are currently licensed to practice in the United States.

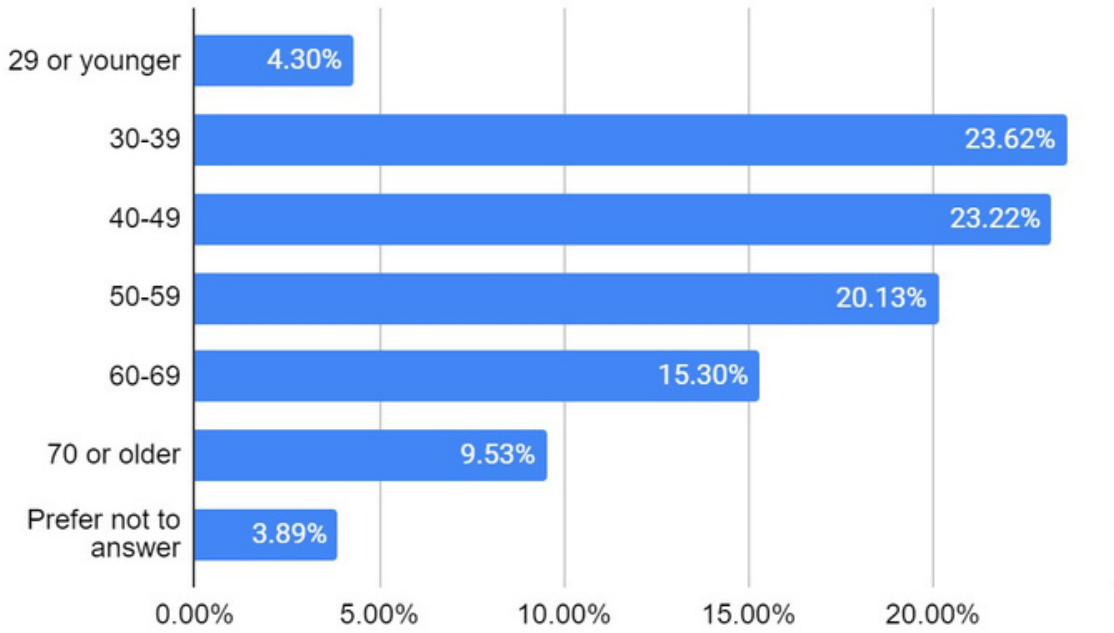
Sampling Error: The margin of error for the respondents was +/- 3.59% at 95% confidence



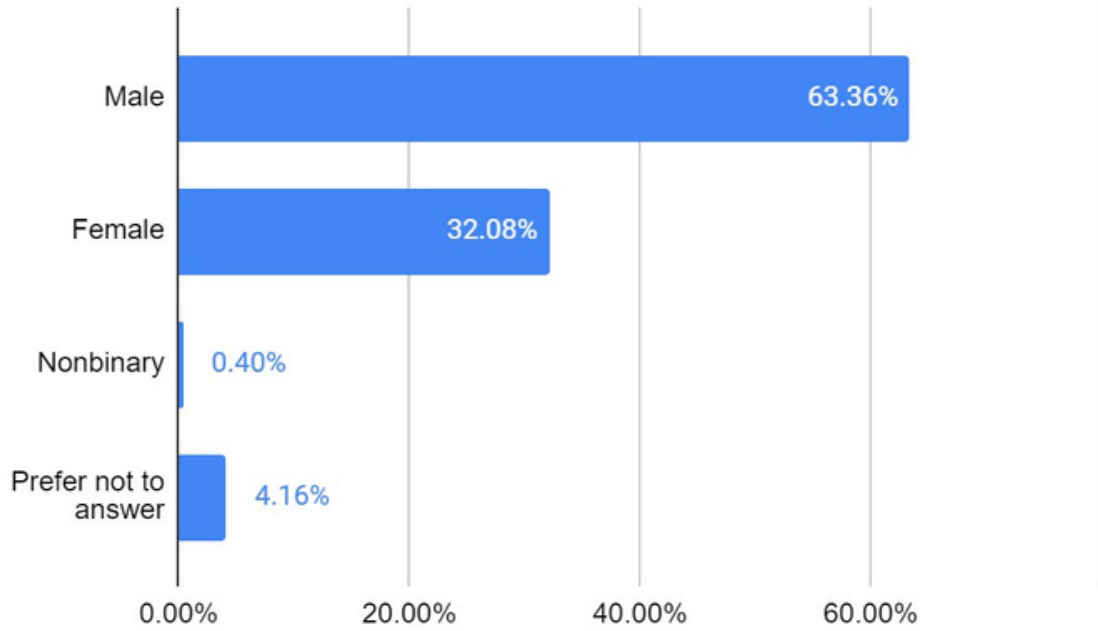
Section 5: Demographics

Age & Gender

What is your age?

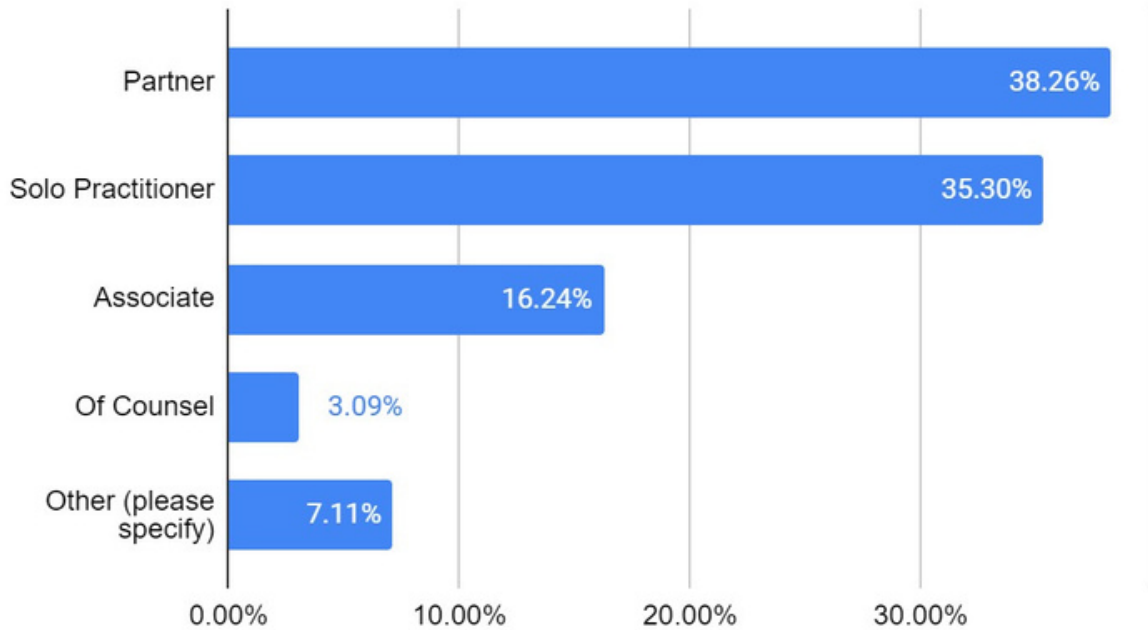


What is your gender?

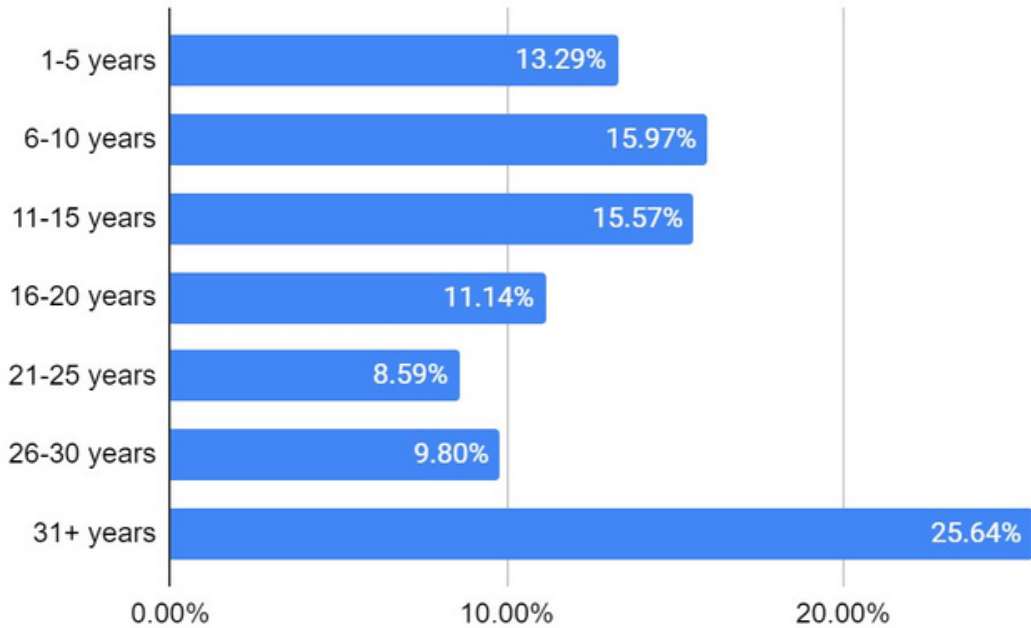


Role & Time in Practice

What best describes your current role?

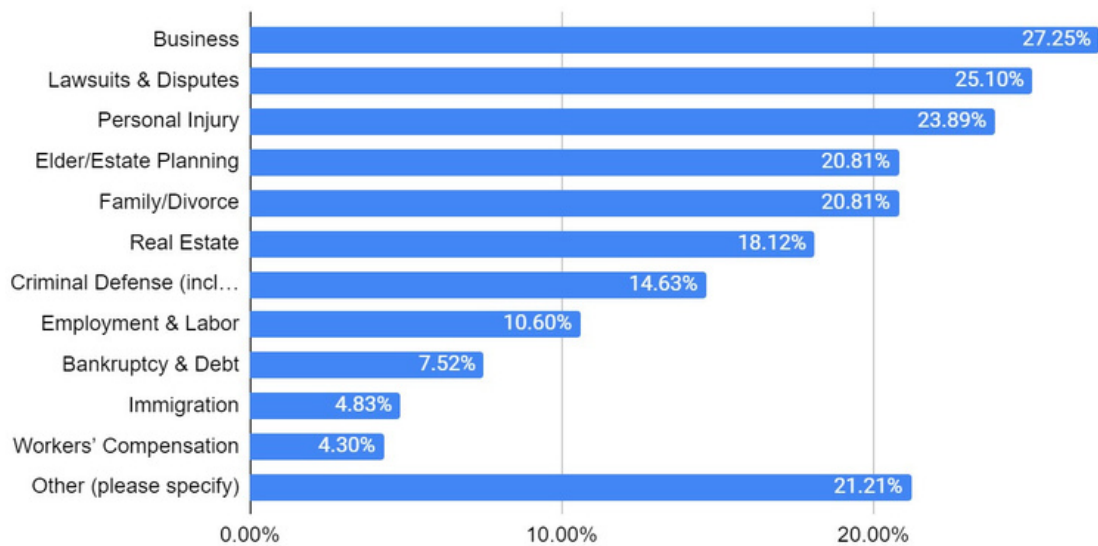


How long have you been practicing law?

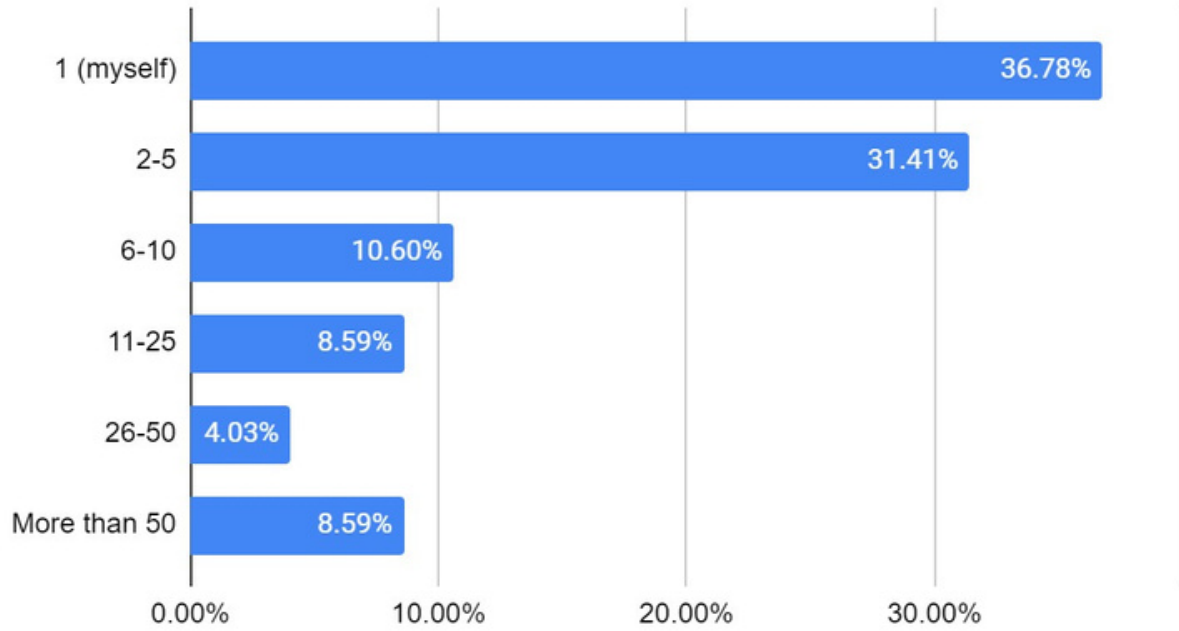


Practice Areas & Firm Size

What areas of law do you primarily take cases in? (Select all that apply)



Approximately how many attorneys work at your firm?



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