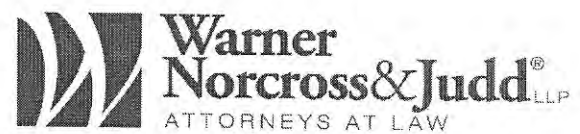


**Warner Norcross & Judd LLP
2014 Marketing Plan**

Confidential

Updated April 7, 2014



A BETTER PARTNERSHIP®

WNJ.com

Table of Contents

- Marketing Mission and Primary Strategies/Tactics** 1
- Marketing and Client Development Teams**..... 2
- Our Pipeline and Tactic Areas** 3
 - Creating Marketing Communications that Clearly Differentiate Us from Competitors..... 4
- Major Initiatives for 2014** 5
- Marketing Focus in the 2014 Firm Business Plan**
 - Growth Strategy..... 5
 - Client Targets 6
 - Geographic Strategy..... 6
 - Internal Strategies 7
- Marketing Strategies and Tactics**
 - Client Service, Internal Communications & Other..... 8
 - Community Relations 8
 - Public/Media Relations 9
 - Social Media 10
 - Advertising..... 10
 - Directories, Surveys and Award Programs..... 12
 - WNJ.com 13
 - Sales Tools..... 13
 - Marketing Intelligence & Client Relationship Management (CRM) 13
 - Events..... 14
 - Marketing Communications 15
 - Pursue Target Prospects, Cross Selling & Growth 16
- Connection with BTI Research Recommendations** 16
- Industry Overview**
 - Competition 17
 - Driving Forces Market Analysis (Porter’s Five Forces) 18
 - 2013 Michigan Economic Competitiveness Study 19
 - Fortune 500 Businesses in Michigan 20

This document complements the Firm Business Plan and research conducted by BTI Consulting. Please refer to these for detail on the firm’s overall strategies and market research.

Marketing Mission and Primary Strategies/Tactics

Marketing Mission

Build upon and help fulfil the firms' strategic focus

Vision:

To be the premiere law firm in Michigan, committed to provide the best "total client experience" to those we serve.

Culture Statement:

We value:

- ▶ A passion for excellence
- ▶ A dedication to client service
- ▶ The fun of working together as a team
- ▶ Our personal and professional integrity
- ▶ The satisfaction we derive from our work
- ▶ The pride we feel in ourselves and in one another

We strive to build:

- ▶ An institution that will long endure
- ▶ An environment that welcomes and supports a diverse workforce

Increase the volume and velocity of business in the pipeline (see page 3)

Primary Marketing Strategies and Tactics

1. Generate top-of-mind awareness and favorable perceptions in the marketplace:
 - a. Southeast Michigan
 - i. Public/media relations
 - ii. Advertising
 - iii. Industry event sponsorships
 - b. West Michigan
 - i. Public/media relations
 - ii. Community Relations sponsorships
 - iii. Industry event sponsorships
2. Create word-of-mouth client advocacy, gain a greater share of client business, and win business from competitors by providing:
 - a. Exceptional client service
 - b. A comprehensive client event process to nurture relationships and opportunities

Marketing and Client Development Teams



Randall Goble, Marketing Director, GR, x2446



Kevin Wilson, Client Development Director, GR, x2224



Robin Keith
Community Relations Manager
GR x2276



Peggy Paberzs
Desktop Publisher/
Webmaster
GR x2303



Jeff Alexander
Legal Editor
GR x2354



Elise Iafate
Client Dev. Manager
MD x5012



Lori Tuttle Measure
Client Dev. Coordinator
GR x2492



Sharon Sprague
Client Dev. Coordinator
GR x2326

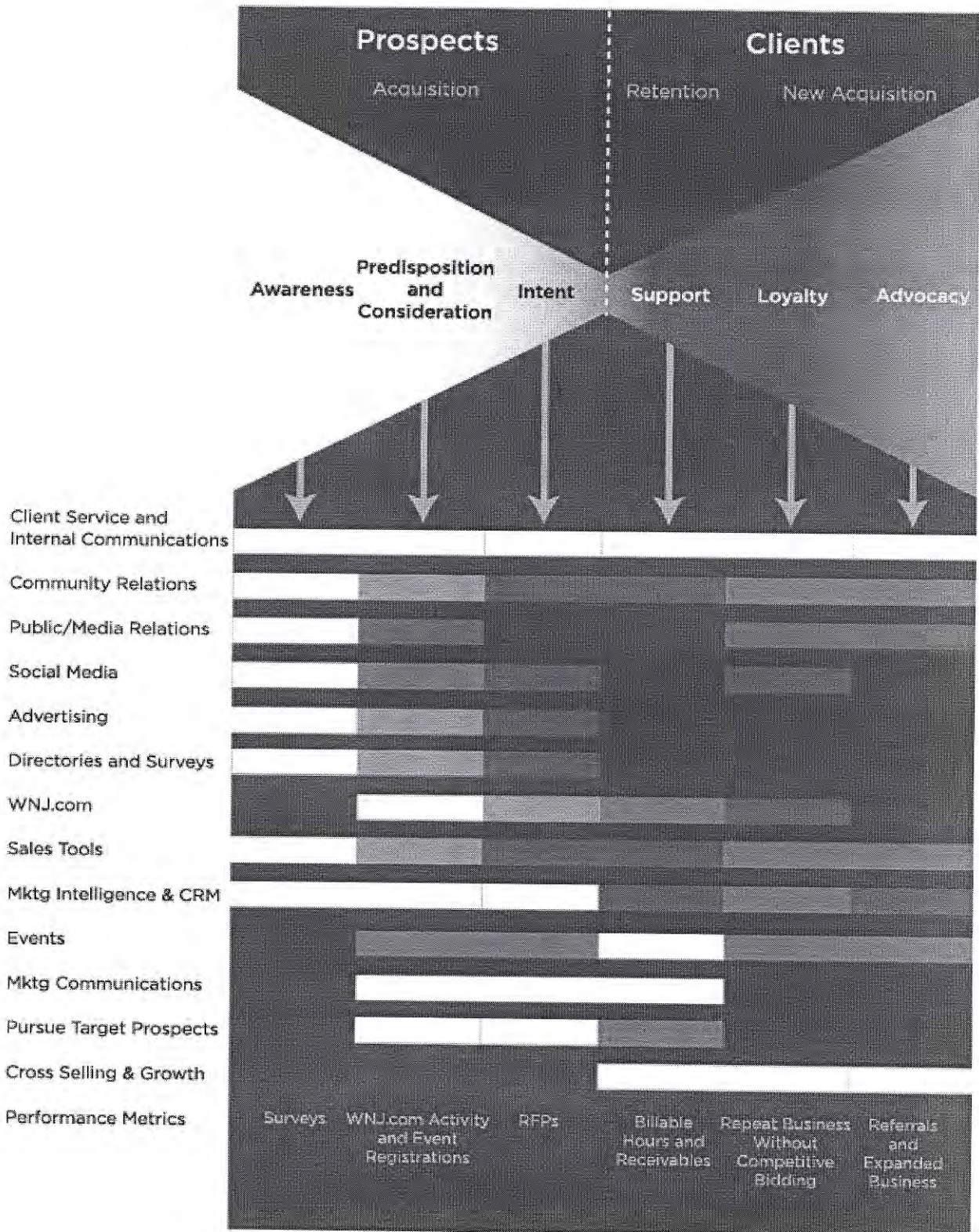
Media/Public Relations

Sabo PR (Mary Ann Sabo), 616-485-1432
West Michigan, Lansing and Midland

Liebler PR (Pat Liebler), 248-229-4418
Southfield and Macomb County

Our Pipeline and Tactic Areas

We are focused on developing prospect and client relationships to the point of loyal advocacy. The following table illustrates stages of our sales pipeline and the marketing focus in each stage (white boxes indicate the primary focus).



Creating Marketing Communications that Clearly Differentiate Us from Competitors

Demonstrate or Provide Value for Clients and Influencers

The test for this is simple: The communication must be engaging and whenever appropriate, it should be actionable...compelling the reader to take a specific action.

The written communications published by most law firms boast of size and provide grocery lists of services offered in a "me, talking about me" style. These communications do little to differentiate law firms, except to rank them by size. To differentiate Warner Norcross, our communications:

- ▶ Speak less about ourselves and more about our clients and what we accomplish for them
- ▶ Focus on value for clients
- ▶ Focus on results for clients
- ▶ Be written in an active (rather than passive or past tense) voice
- ▶ Speak to the audience, using terminology, style and content that is tailored to the specific audience

Raise the Bar on Branding

The essence of a brand is not a logo or tag line, but how clients perceive and talk about our service. A superior brand:

- ▶ Has a unique element that competitors cannot imitate
- ▶ Builds an emotional connection with clients
- ▶ Develops a long-lasting loyalty

Additionally, we:

- ▶ Help attorneys differentiate themselves, with profiles that are appropriate for individual practices and styles, showing each attorney in the best possible light
- ▶ Showcase each attorney's leadership, engagement in the trades and professional accomplishments to help foster familiarity in the minds of clients, prospects and influencers

"A Better Partnership" is our brand promise

- ▶ The best way to promote the brand promise is in our day-to-day interactions with our clients and with each other
- ▶ Marketing communications should illustrate the brand promise, proving examples (case studies and testimonials) and unique value propositions

Major Initiatives for 2014

- ▶ Kalamazoo – Communications and events supporting the opening of this office (TBD)
- ▶ Midland – Communications and events supporting the opening/moving into the new building (Q2 or Q3)
- ▶ Significantly improve our client relationship management (CRM) processes (year-long) – See page 13
- ▶ Web site enhancements
 - Continue to update and improve attorney profiles
 - Industry/Practice overhaul – Extensive rewrites with PDF/print improvements, so web pages can serve as final marketing documents (eliminating the need for the creation and maintenance of dozens of practice group brochures and collateral that become easily out of date)
 - Careers section overhaul
- ▶ Client service
 - Develop communications and resources that help foster exceptional client service throughout the firm

Marketing Focus in the 2014 Firm Business Plan

Growth Strategy

Resources, Energy and Environmental Law Group

- ▶ Repackage the practice to illustrate the interconnectedness of the related legal practice areas and how, collectively, they provide greater value than competitors
 - Web site content, eAlerts, RFPs, PR, marketing materials and speaking/presentation opportunities

Family Office Practice

- ▶ Help the group to develop marketing strategies and tactics as part of their business plan

Health Law Practice

- ▶ Help the group to develop marketing strategies and tactics as part of their business plan

TIP Practice

- ▶ Advertise in SE Michigan to increase market awareness
 - Crain's Detroit Business and WJR radio
- ▶ Client communications (statewide eAlerts)
 - Our practice attorneys believe that many clients and prospects are not familiar with our TIP practice and the value we offer. Our business client roster is a "who's who" list yet there have been no client eAlerts sent

since 2009. We need to identify opportunities to communicate with relevant corporate clients about our TIP practice.

- ▶ State-wide increase in PR
 - We have an opportunity to write bi-monthly columns for the Grand Rapids Business Journal, which can be further promoted through social media and client communications
- ▶ Consider other ideas such as webinars and speaking engagements

Client Targets

- ▶ Monitor social and news media for useful information that may identify emerging business opportunities and conversation starters

Geographic Strategy

Southfield and Macomb

- ▶ Continue significant PR and advertising efforts to keep WNJ top-of-mind in the market and shape client/community perceptions that we are a 220+ attorney law firm
- ▶ Develop community relations plans that dovetail with board memberships for attorneys and creating access to clients, prospects and influencers

Kalamazoo

- ▶ Our 2014 marketing actions depend on the outcome of in-process negotiation with lateral recruits. By now, most people in the legal industry have probably heard that John Cooper and Ian Kennedy have joined Warner, so it's common knowledge that the firm now has a Kalamazoo presence. To support John and Ian's practice, we will:
 - Join the Kalamazoo Regional Chamber of Commerce
 - Develop a community relations plan that dovetails with board memberships for attorneys and creating access to clients, prospects and influencers
 - There are no business publications focused solely on the Kalamazoo market, so we will identify key media sources for the Kalamazoo business community and create a public/media relations and advertising plan to feature our Kalamazoo attorneys
 - Host Warner client events
 - HR executive panel for general businesses
 - Estate planning, succession planning and compliance presentation for health care providers
- ▶ We will officially announce the office when additional attorneys are added and we have a critical mass. Initiatives may include advertising, PR and an open house (TBD)

Midland

- ▶ Announce the move to the new office with advertising, PR and an open house (Q2 or Q3)

- Public/Media Relations: When this office opened in March 2013, we had a strong PR push with significant results (including page 1 placement in the Midland Daily News.) This focused PR strategy eliminated the need for conventional advertising. We'll continue the PR push, as we do in all market areas.
- Community Visibility:
 - Sponsorship at Dow Diamond provides significant visibility to the 3,000-5,000 fans that attend each Midland Loons game with outfield signage, a program ad and announcements during games. This visibility is also key for clients and potential clients who are using the corporate suites at the ballpark and attending non-baseball events at the ballpark.
 - Sponsorship and participation in the Stevens Center for Family Business
 - Key sponsorship of the Dow Corning Tennis Classic (Feb 9-16, 2014)
- Develop a community relations plan that dovetails with board memberships for attorneys and creating access to clients, prospects and influencers

Grand Rapids, Lansing, Muskegon and Holland

- Develop a community relations plans that dovetails with board memberships for attorneys and creating access to clients, prospects and influencers
- Employ other advertising tactics that make sense and reach our target audience

Internal Strategies

Networking

- ▶ Continue social media workshops for attorneys and identify/promote participation in relevant networking organizations and events

Managing Partners Diversity Collaborative

- ▶ Continue involvement in the recruiting and marketing committees

Practice Group and Industry Team Management

- ▶ Work with groups to incorporate marketing calendars into business plans
 - Identify key industry events for possible attendance, presentations and sponsorships

Other

- ▶ Provide expert training for attorneys on effective speaking and presentations

Marketing Strategies and Tactics

Client Service, Internal Communications & Other

STRATEGY:

- ▶ Provide effective and efficient internal communications throughout the organization to help with organizational agility and client responsiveness
- ▶ Client Service: See WNJ Client Service Standards

ACTION/DETAIL:

- ▶ Client service communications and programs (Robin)
- ▶ Practice groups (Client Development Coordinators)
- ▶ Client entertainment (Client Development Coordinators)
- ▶ Contact database maintenance (Client Development Coordinators)
- ▶ Partner Retreat (Client Development Coordinators; assist Executive Director)
- ▶ Partner meeting reports (Kevin)
- ▶ Marketing reports (Randy)
- ▶ Events Photography (Jeff)
- ▶ Google Maps (Peggy)
- ▶ Desktop publishing (Peggy)
- ▶ Mailing fulfillment (Peggy)
- ▶ Email campaigns (Peggy)
- ▶ Attorney orientations and training (Kevin and Randy)
- ▶ Diversity (Robin)

Community Relations

STRATEGY: Community Relations at Warner Norcross is an important element of client development

- ▶ Support attorney involvement on non-profit boards and committees, creating access to clients, prospective clients and influencers
- ▶ Support contributions requests for causes that are important to clients

ACTION: Develop community support plans for each office (Q1)

- ▶ Provide the Community Relations Committee with a more holistic approach to making decisions on contributions requests

Managed by Robin Keith

- ▶ Community Relations Committee and requests
- ▶ Volunteering

- ▶ Chambers of Commerce
- ▶ Leadership programs

Public/Media Relations

STRATEGY: Create relationships with key media that result in the selection of our attorneys as the “go-to” people as expert legal sources, positioning our attorneys as experts on relevant news issues

Southeast Michigan

- ▶ Our PR partner in Southeast Michigan is the Liebler Group. As a result of their successful building of strong ties between key media sources and our attorneys, reporters are now contacting some of our attorneys directly as sources in news coverage. Our plan is to:
 - Increase awareness of our TIP practice
 - Help identify strategic opportunities for our attorneys to become involved with non-profit boards that provide better access to client prospects and key influencers
 - Be responsive to news opportunities as they emerge
 - Be proactive by researching editorial calendars and pitching coverage for our attorneys to the following news sources:
 - Crain’s Detroit Business
 - Automotive News
 - DBusiness
 - Detroit (publication of the Detroit Regional Chamber)
 - Hour Detroit
 - Detroit Free Press and Detroit News
 - See the 2014 Communications Plan for Southeast Michigan Offices for additional detail

West Michigan

- ▶ Our PR partner for West Michigan and Midland is Sabo Public Relations. Sabo has exceptionally strong relationships with regional media and non-profit organizations. In 2014, they will:
 - Continue to be responsive to news opportunities as they emerge
 - Continue to be proactive by researching editorial calendars for the following news sources and pitching coverage for our attorneys
 - MiBiz
 - Grand Rapids Business Journal
 - M-Live
 - Crain’s Detroit Business (through their West Michigan reporter in Grand Rapids)
 - Midland Daily News

- Secure exclusive opportunities for our attorneys to write columns for regional business publications
- Write and produce the firm's Diversity and Inclusion Annual Report
- Create and execute a PR plan for the Midland office when it moves into the new building
- When appropriate, create and execute a PR plan for the Kalamazoo office

Managed by Randy Goble

- ▶ Strategy
- ▶ Manage outside service providers (Sabo and Liebler)

Social Media

STRATEGY: Use social media to enhance professional networking for our attorneys and to facilitate media relations

ACTION:

- ▶ Create a steady stream of interesting and useful social media content that
 - Can be easily repurposed by our attorneys
 - Features clients to showcase their successes and create goodwill
- ▶ Provide ongoing training for attorneys on best practices in social media
 - Conduct annual workshops in each office
- ▶ LinkedIn
 - Host a firm page (Sabo and Goble)
 - Host the Warner Alumni group (Robin Keith)
- ▶ Twitter
 - Host a firm page (Sabo)
- ▶ Facebook
 - Facebook does not fit within our social media strategy
- ▶ Google+ is emerging as an important element for search engine optimization (SEO), so we'll have outside services conduct an audit of our current SEO practices and how we might employ Google+ to improve results

Advertising

In Southeast Michigan we have a relatively small presence as compared to other law firms in the area. With a strong PR and advertising strategy, market perceptions can and have been shaped to elevate the firm's visibility (see the results of the 2013 BTI report). In 2014, we will advertise in:

- ▶ Crain's Detroit Business
 - Half page ads on page two in @ 25 weekly editions

- Page one strip ads for editions that have greater utility, such as those with significant lists (largest automotive parts suppliers, financial institutions, etc.)
- Full page ad in the annual Book of Lists, opposite the list of Michigan law firms
- Full page ad in the North American International Automotive Show edition, which includes distribution to:
 - Automotive News World Congress + automotive executives, suppliers, marketers and insiders - 500 copies
 - Automotive News Michigan subscribers + Automotive executives, suppliers, marketers and insiders - 5,620 copies
 - Autoweek Design Forum + automotive enthusiasts, engineers, designers and industry insiders - 400 copies
 - North American International Auto Show
 - Press Preview - 1,000 copies
 - Industry Preview/Supplier Days - 10,000 copies
 - Supplier Suites - 1,000 copies
 - Black Tie Charity Preview - Business, community and policy decision makers and influencers - 5,000 copies (exclusive distribution)
 - Public Show - 10,000 single copy sales
 - Crain's Detroit Business subscribers - Southeast Michigan business executives, decision makers and influencers - 28,000 copies (84,000 readers)
 - Crain's Detroit Business online readers (digital issue) - Southeast Michigan business executives, decision makers and influencers - 272,000 average monthly site visitors
- Motor City Casino - Hotel guests attending NAIAS - 400 copies
- ▶ The Michigan Deal
 - Full page ad on the inside front cover to promote our M&A practice
 - Distributed statewide through Crain's Detroit Business and the Grand Rapids Business Journal
- ▶ WJR Radio
 - Weekly exclusive sponsorship of the Mary Cramer Michigan Morning program, which airs on Monday mornings (includes 60-second commercials plus host mentions during the broadcast)
 - Additional drive-time commercials:
 - During the North American International Auto Show (January 13-26)
 - Week prior to the Michigan Policy Conference (May 27-30)
 - Week prior to the Center for Automotive Research Management Briefing Seminars (August 4-7)

We've advertised in other regional media in the past but we can create a stronger impact by focusing on the major business news source (printed and online) and major radio news source.

In West Michigan, the firm enjoys top-of-mind awareness with decisions makers for the purchase of legal services (see the BTI report), so advertising is not a significant tactic. Instead, our marketing strategy includes:

- ▶ Maintaining awareness and demonstrating credibility through public/media relations
- ▶ Maintaining awareness through community relations sponsorships (which has the added strategic benefit of providing access for attorneys to prospects and influencers)
- ▶ Advertising where it makes sense (such as symphony/theatre programs)

Managed by Randy Goble

- ▶ Strategy, media mix and standards
- ▶ Creative development and execution for print, radio, online and other media

Directories, Surveys and Award Programs

STRATEGY:

- ▶ Participate in key directories and surveys that clients use in their research and selection of legal counsel
- ▶ Celebrate our attorney, client and firm successes and accomplishments

ACTION:

- ▶ Identify and participate in directories and surveys that are used by clients
- ▶ Respond to survey opportunities that present opportunities to highlight and celebrate our attorneys and workplace culture
- ▶ Seek out and respond to opportunities to highlight and celebrate clients and their accomplishments

Managed by Robin Keith

- ▶ Attorney directories
- ▶ Attorney surveys and awards
- ▶ Workplace surveys and awards

WNJ.com

STRATEGY: Maintain a best-in-class website that is easy to find and navigate and provides a high degree of utility/value for clients and client prospects

ACTION:

- ▶ Continually monitor search engine optimization results and enhance WNJ.com for optimal SEO
- ▶ Utilize the latest technology and methodology to create the best possible user experience
- ▶ Monitor web site activity/analytics to gauge success, make necessary modifications and identify opportunities for improvement
- ▶ Be proactive in conceiving and developing web features that provide useful content for visitors

Content managed by Jeff Alexander

- ▶ Attorney profiles
- ▶ Speaking engagements
- ▶ News/events
- ▶ Publications
- ▶ Videos
- ▶ Group pages
- ▶ Case studies

Updates (Kentico CMS) managed by Peggy Paberzs

Sales Tools

STRATEGY: Provide attorneys and clients with timely, relevant information and online resources that have distinct value and can help them succeed

ACTION: Create engaging and value-added marketing materials and online content

Managed by Jeff Alexander

- ▶ Collateral materials

Marketing Intelligence & Client Relationship Management (CRM)

STRATEGY: Utilize data to identify new business opportunities and enhance the delivery of services

ACTION: CRM implementation - Connect relevant accounting and Outlook contact data with marketing systems to:

- ▶ Enable better mining of client and prospect data to identify new business development opportunities
- ▶ Enable more personalized, automated marketing outreach, with the goal of increasing engagement with clients and prospects
- ▶ More quickly and effectively generate useful lists for marketing outreach (mailing, emailing, invitations, etc.), requiring less attorney time
- ▶ Eliminate manual re-entry and maintenance of client data. Currently, marketing data is created in the client intake process but must be manually re-entered in the marketing database because the systems do not communicate with each other. Automated updating of contact information will reduce errors and increase efficiencies.
- ▶ Overall, increase the speed, agility and effectiveness of marketing and client development

Managed by Randy Goble

- ▶ Marketing database processes
- ▶ Marketing automation
- ▶ Marketing personalization
- ▶ List generation
- ▶ Client Surveys
 - BTI (Kevin Wilson)
 - Client partners (Kevin Wilson)
 - End-of-matter (TBD – possibly automated in a new CRM process)

Events

STRATEGY: Deepen client and prospect relationships by hosting events that provide a high degree of engagement and networking

ACTION:

- ▶ Plan and implement the following successful events:
 - Open house in the new building in Midland (Q2 or Q3)
 - Open house in Kalamazoo (TBD)
 - HR Seminar in Grand Rapids (April 22)
 - HR Executive Panel in Birmingham, Midland, Kalamazoo and Grand Rapids (dates to be determined)
 - Higher Education Roundtable (date to be determined, but we may also do custom programs for the larger universities such as MSU, U of M, WMU, Ferris and GVSU)
 - Health Care Providers Conference in Kalamazoo and Grand Rapids (build on the success of the program hosted for St. Johns Providence health care providers on the topic of estate planning, succession planning and compliance issues – dates to be determined)

- Client holiday receptions in Detroit, Grand Rapids, Muskegon and Holland (December)
- Automotive Suppliers (February 27 in Macomb County, March 6 in GR, and other opportunities to be considered)
- Additional events to include webinars, co-marketing with strategic partners and other live events as needed.
- ▶ Work closely with practice groups and the Client Development Coordinators to identify and plan relevant industry association activities, such as conferences, sponsorships, speaking opportunities, etc. Include annual calendars in industry/practice group business plans
- ▶ Conduct other events as determined, such as webinars, live events and co-marketed events
- ▶ The newly created position of Marketing Strategist will give our events better strategic direction and follow-through. Objectives include:
 - Careful development of invitation lists to attract key decision makers
 - Improved value propositions for event content, to compel more key decision makers to attend
 - Greater engagement at events with attendees – create and moderate a unique environment for attendees to network with each other, share best practices and discuss timely issues related to legal services. (We should approach our events less as simple presentation delivery and more as moderators of conversations.)
 - Post event follow-up with attendees to keep the dialogue going

Managed by Client Development Coordinators

Industry Sponsorships include:

- ▶ ACC Sustaining Sponsorship (available for only two law firms)
- ▶ Van Andel Global Trade Center Automotive Suppliers Symposium (March 6)
- ▶ Crain's General and In-House Counsel Summit track sponsorship (week of June 9 – details not yet announced)
- ▶ OESA Annual Conference Sponsorship (December)
- ▶ MICHauto Conference keynote sponsorship (December)
- ▶ Other sponsorships being considered

Marketing Communications

STRATEGY: Help our clients and prospects succeed and be more effective by delivering timely communications that keep them updated on relevant changes and opportunities

ACTION: Provide regular and timely communications

Managed by Jeff Alexander

- ▶ Client newsletters

- ▶ eAlerts
- ▶ Blogs
- ▶ Alumni Association (Robin)

Pursue Target Prospects, Cross Selling & Growth

ACTION: Close collaboration with the Client Development team

Managed by Kevin Wilson

- ▶ RFPs - Assist the Client Development team with RFP responses. (When we're not in the room with a client/prospect, the RFP represents us.)
- ▶ Market research
- ▶ Client/prospect mixers
- ▶ Collaboration with strategic partners

Connection with BTI Research Recommendations

The four areas of recommendation by BTI are indeed areas of focus for our marketing communications:

- ▶ **Hyper-focus on developing new business**
 - Employ strategies and tactics that are focused on potential clients and influencers. It's generally not expected that someone will hire an attorney as a result of seeing an ad, but by creating familiarity and competitive differentiation, a prospect is more likely to be predisposed to choosing, endorsing, or recommending us.
 - Create opportunities for our attorneys to have access to new prospects and influencers at events, community relations activities and board memberships.
- ▶ **Practice extreme understanding of the client's business**
 - Contribute to this through market research and creating opportunities for our attorneys to have one-on-one access with clients, prospects and influencers where the attorneys can ask questions and learn about unmet or underserved needs that can lead to new legal matters.
- ▶ **Boost value for clients**
 - eAlerts and events deliver meaningful (and preferably actionable) information for clients.
- ▶ **Use experience-based tactics to build positive differentiation**
 - Events are the most effective marketing tactic to contribute to this area.

Industry Overview

Competition

Legal service is a competitive industry where differentiation is essential for success. We compete daily against local law firms and many that do not have offices in Michigan.

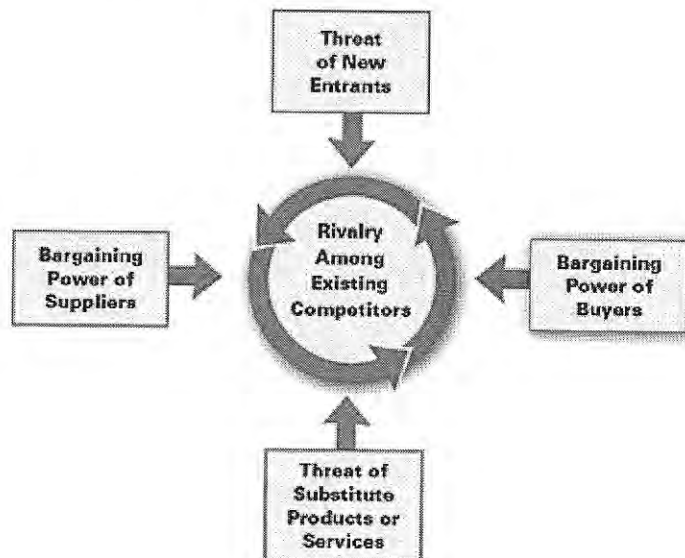
- ▶ Michigan has 33,995 active attorneys, or about 34 attorneys per 10,000 residents, according to 2013 ABA and Census data.
http://www.americanbar.org/content/dam/aba/administrative/market_research/2013_natl_lawyer_by_state.authcheckdam.pdf
- ▶ Warner is the third largest law firm in Michigan, based on the number of Michigan attorneys:

<i>Firm</i>	<i>Attorneys</i>	
1. Honigman	234	Full service, Michigan
2. Miller Canfield	226	Full service, international
3. Warner Norcross	220	Full service, Michigan
4. Dickinson Wright	211	Full service, regional
5. Dykema	181	Full service, national
6. Clark Hill	179	Full service, national
7. Plunkett Cooney	151	Full service, regional
8. Bodman	150	Full service, Michigan
9. Varnum	150	Full service, Michigan
10. Butzel Long	120	Full service, national
11. Jaffe	102	Full service, national
12. Foster Swift	99	Full service, Michigan
13. Miller Johnson	98	Full service, Michigan
14. Trott & Trott	95	Real estate finance, Michigan
15. Smith Haughey	90	Full service, Michigan
16. Kitch	88	Full service, regional
17. Garan Lucow	85	Business litigation, regional
18. Secrest Wardle	76	Full service, Michigan
19. Howard & Howard	72	Full service, national
20. Giarmarco Mullins	71	Full service, Michigan
21. Brooks Kushman	62	IP, MI and CA
22. Harness Dickey	62	IP, national
23. Maddin Hauser	56	Full service, Michigan
24. Kerr Russell	52	Full service, Michigan
25. Rhodes McKee	49	Full service, Michigan

Source: *Michigan Lawyers Weekly, 2013*

- ▶ Clients and prospects surveyed by BTI indicate that most use two or more (hundreds in some cases) law firms for 80% of their legal work. The survey sample included 70 Michigan businesses that identified the use of many “primary” law firms that do not have offices in Michigan.

Driving Forces Market Analysis (Porter’s Five Forces)



- ▶ **Bargaining Power of Suppliers** - The legal industry has seen a growing surplus of talent in recent years, leading to lower cost associates, staff and contract lawyers, giving more adaptive firms greater opportunities to introduce alternative fee arrangements. This provides greater efficiency and predictability for the client and potential profitability for the firm. At the same time, the competition for talent amongst lawyers with established books of business has never been stronger, leading to rising lateral recruiting costs and increased risk relative to the portability of client relationships.
- ▶ **Bargaining Power of Buyers** - While many in the industry may point to the ACC “Value Challenge”, the increased involvement of procurement departments in the hiring of outside counsel or just overall price sensitivity, there are two “under-the-radar” changes which have unleashed a great deal of change in the legal profession. First, the increasing number of corporate legal departments which are not outsourcing large amounts of legal work to outside counsel, deciding instead to leverage the oversupply of legal talent in the market to staff in their own departments in a much more cost efficient manner. For many firms, this can be a very uncomfortable scenario, when the client is also the competitor. Secondly, about five years ago many buyers of legal services stopped paying for research charges typically passed on by firms to their clients, on top of hourly rates. For many firms, this change immediately resulted in millions of dollars of added cost, making a sudden and intense impact on profitability.

- ▶ **Threat of New Entrants** - For the last decade, technology has been leveling the playing field between smaller firms and larger firms, creating an additional layer of competition that also distributes market forces to the rivalry amongst existing competitors. Smaller firms are now posing a threat to larger firms because the perceived value derived from smaller firms is seen to be equal to, if not greater, than larger firms in the eyes of many buyers. Additionally, an increasing number of international firms are making growth in the U.S. a strategic initiative, which is creating greater competition in markets and sectors traditionally dominated by U.S.-based firms.
- ▶ **Threat of Substitutes** - Legal Process Outsourcing (LPO) and the Legal Services Act are the primary drivers of this market force. More and more companies are utilizing LPO to grow their in-house staff and handle work internally as an alternative to outside counsel who have traditionally handled substantial volumes of legal work.
- ▶ **Rivalry Among Competitors** - The market forces discussed earlier, specifically the threat of new entrants, the war for lateral talent and the bargaining powers of buyers, jointly add more complexity to the rivalry already existing amongst competitors. Firms continue to compete against each other for existing demand, creating commodity offerings with little differentiation which leads to increased buyer power. Unfortunately for the firms, as more legal work continues to be retained in-house or handled by LPO, the competition amongst firms will continue to intensify.

Source: <http://www.elite.com/business-development/article/porters-five-forces/>

2013 Michigan Economic Competitiveness Study

In the past few years, Michigan has outpaced most states in the economic recovery. After several years of holding capital, businesses are now spending to expand capacity and invest in growth strategies.

- ▶ 4.12% personal income per capita growth (2010-2012), compared to the national average of 3.39%
- ▶ 2.85% gross state product growth (2010-2012), compared to the national average of 2.05%
- ▶ Michigan ranks 12th on the Business Tax Climate Index for 2013

Source: <http://www.northwood.edu/documents/publications/2013-MI-CHAMBER-REPORT.pdf>

Fortune 500 Business Clients

Rank		Company Name	Revenues (\$b)	Profits (\$mm)
US	Global			
21	66	Bank of America (Merrill Lynch)	100.1	4,188
37	120	Walgreen	71.6	2,127
52	166	Dow Chemical	56.8	1,182
71	262	Sears Holdings	39.9	-930
-	263	UBS	39.8	-2,679
154	-	Whirlpool	18.1	401
187	-	Lear	14.6	1,282.8
190	-	NextEra Energy	14.3	1,911
192	-	Kellogg	14.2	961
291	-	Rock-Tenn	9.2	249.1
299	-	DTE Energy	8.8	610
305	-	Stryker	8.7	1,298
317	-	Autoliv	8.3	483.1
358	-	BorgWarner	7.2	500.9
359	-	Visteon	7.2	100
361	-	Fifth Third Bancorp	7.1	1,576
406	-	CMS Energy	6.3	382
443	-	Auto-Owners Insurance	5.7	435.6
500	-	Nash-Finch (now SpartanNash)	4.8	-93.9

*Source:

http://money.cnn.com/magazines/fortune/fortune500/2013/full_list/index.html?iid=F500_sp_full