

2009 Networks for Counsel Study

**A Global Study of the Legal Industry's Adoption of
Online Professional Networking, Preferences, Usage
and Future Predictions**

A Study Conducted by:

Leader Networks (<http://www.leadernetworks.com>)

On behalf of LexisNexis Martindale-Hubbell (<http://www.martindale.com>)

On the Networks for Counsel Web site (<http://www.networksforcounsel.com>)

Study Goals

We examined the global adoption and use of social media among counsel in order to:

- Surface lawyer preferences for online networking features and uses
- Identify key professional benefits experienced through professional networking
- Benchmark counsel's expectations of the future impact of social media on the legal practice
- Compare 2009 results to 2008 to identify areas where the greatest change occurs

Study Background

Sample Composition:

- The survey “Networks for Counsel” was administered to 1,474 counsel – 764 private practice lawyers and 710 corporate counsel – in May and June of 2009; 33 countries were represented
- Financial Services, Manufacturing and Healthcare were the top three industries represented
- More than half of corporate counsel surveyed work for companies with over 10,000 employees; private practice lawyers generally work for firms with 100-999 employees
- Age was well distributed with the greatest proportion in the 26-45 range
- Most respondents were either the decision makers or influenced the decision maker

Analysis:

- All results were examined by counsel type (corporate counsel vs. private practice lawyers)
- 2009 results were compared to the 2008 sample of 449 corporate counsel and 224 private practice lawyers
- Responses of U.S. counsel were compared to those of international counsel
- Responses of counsel 45 years old and under were compared to those 46 and over

Key Findings

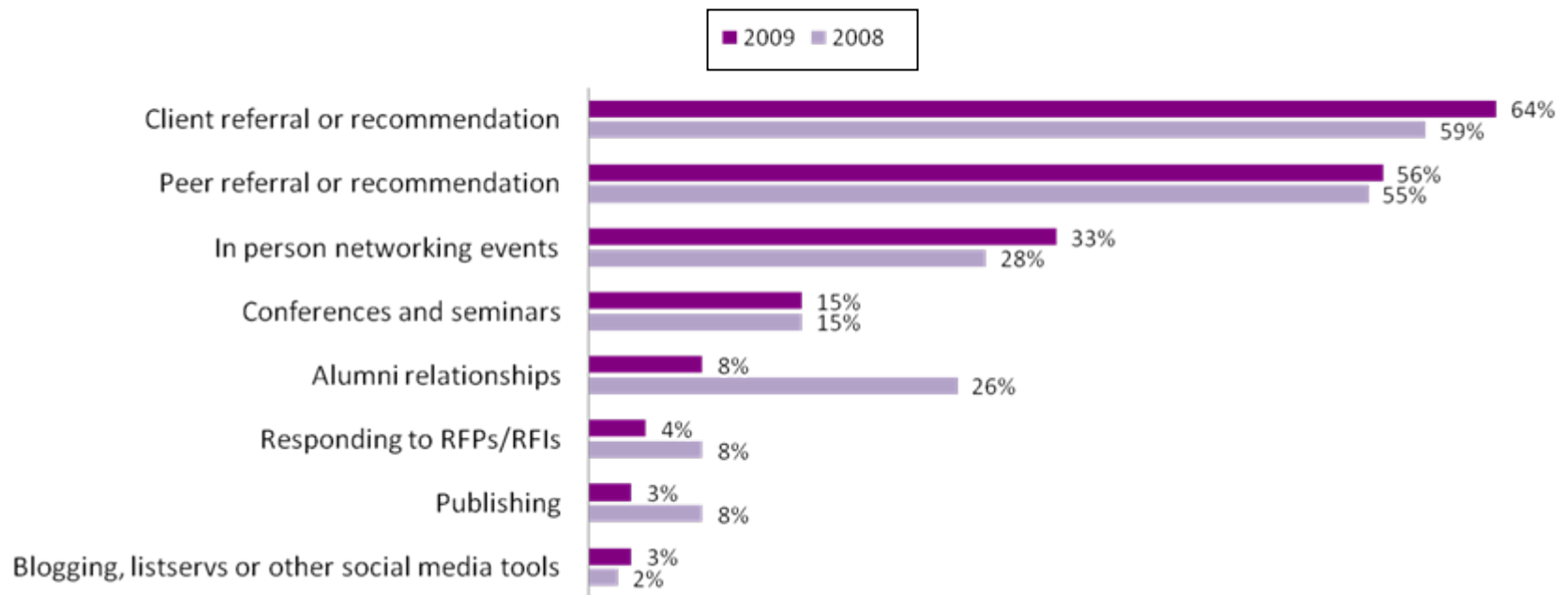
- Networking remains critical to the legal industry, yet resource constraints make it more difficult than ever
- Use of social networking sites has grown significantly over the past year, with three-quarters of all counsel now reporting they are members of a social or professional network
- Increasingly, counsel indicate a preference for a legal-only professional network – with nearly 10 % already having joined one
- Only a very small minority of counsel are engaging in other types of popular social media activities such as microblogging (e.g., Twitter), Wikis and social bookmarking
- Inside counsel and private practice lawyers view the benefits of online networking differently
- While counsel are taking a “wait and see” attitude about the strategic value of the networks they’ve already joined, there is general belief that online networking will change the business and practice of law over the next five years

Results

Networking Remains Critical to the Legal Industry

- The top three most effective means to get business involve networking; other sources trail far behind
- Importance of alumni relationships is declining (down from 26% in 2008)
- Importance of responding to RFPs and publishing both declined considerably, from 8% in 2008

Most Effective Method for Finding New Business



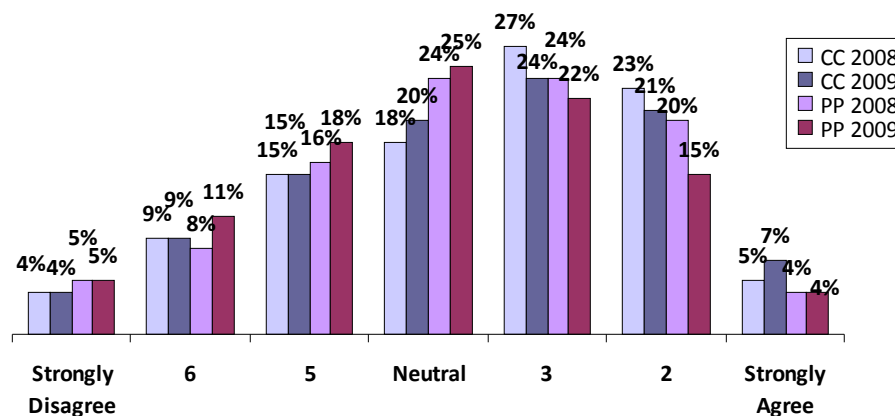
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PP: 764

Question: What is the most effective method currently in use for finding new business? Please select the two methods you use most often.

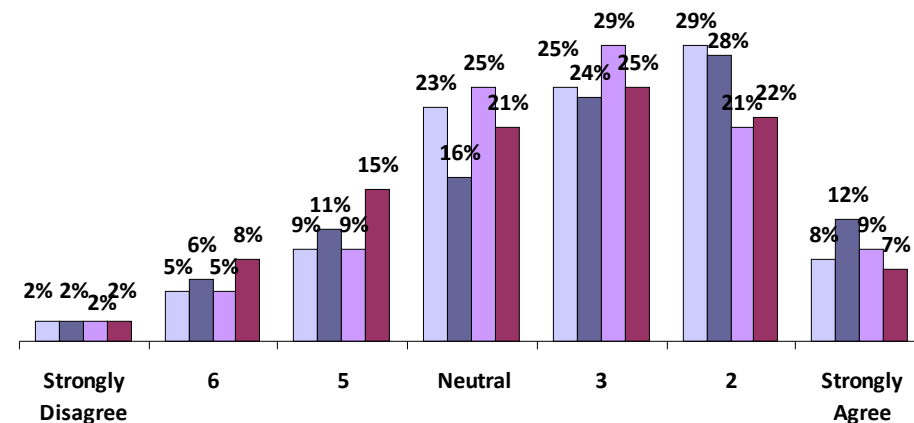
NOTE: This question was asked of private practice lawyers only.

Despite Its Importance, Networking Remains a Big Challenge for Corporate Counsel and Private Practice Lawyers Globally Due to Resource Constraints

It's harder to stay connected with my colleagues and peers



I don't have the time or resources to leverage current opportunities to network with my peers

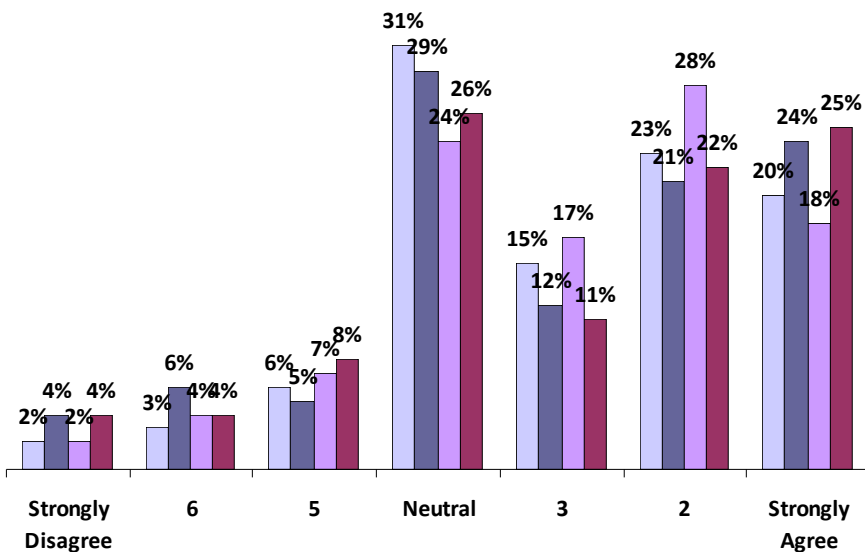


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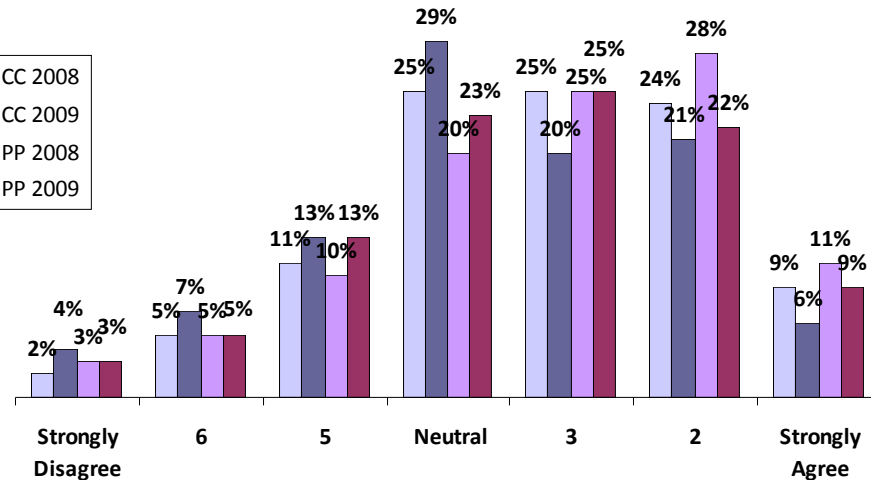
Question: Please think about the following statements as they relate to your current networking practices. How strongly do you agree or disagree with the following statements? 1=Strongly agree, 7=Strongly disagree

In-Person Networking Also Remains Difficult for Counsel

Networking internationally is particularly difficult



It's hard to connect with everyone I want or need to at conferences



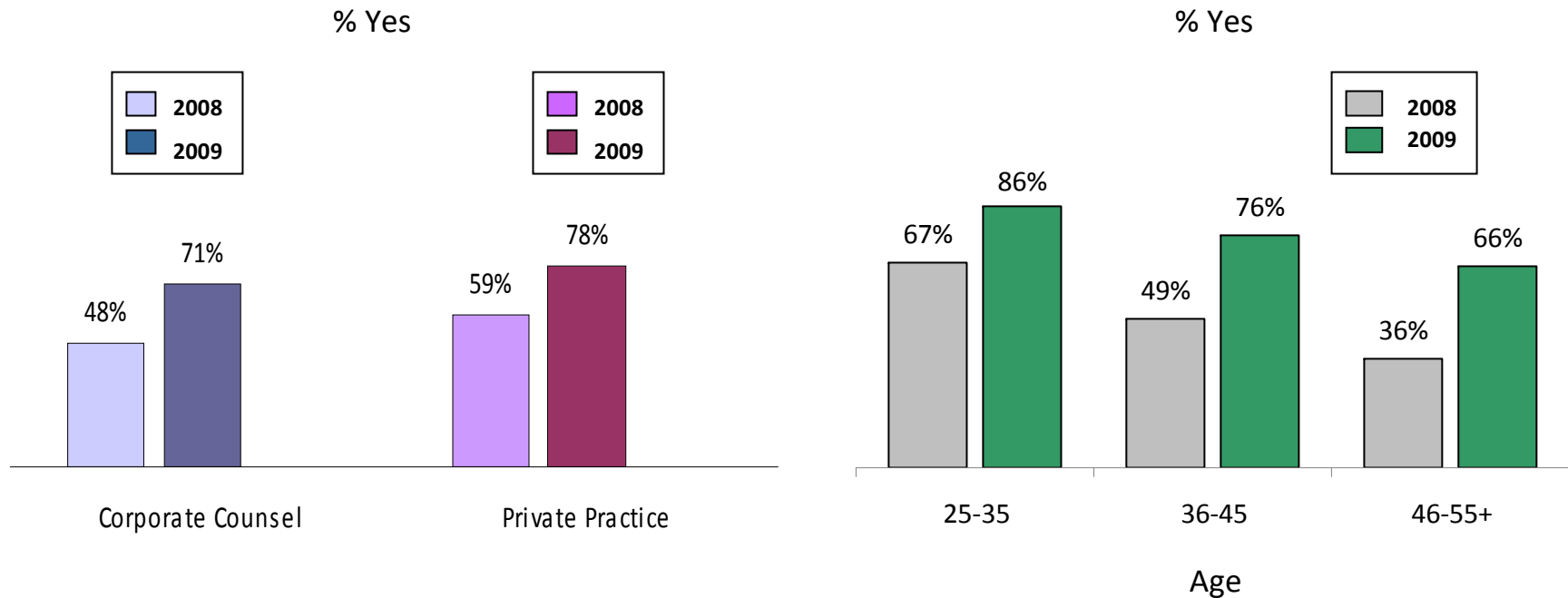
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Counsel's Use of Online Social Networks Is Expanding Rapidly

- Both corporate and private practice lawyers are significantly more likely to report being a member of an online social network this year as compared to last
- Approximately three-quarters of counsel now report being a member of such a network
- Growth in online network use is seen across all age groups

Are You a Member of an Online Social Network?



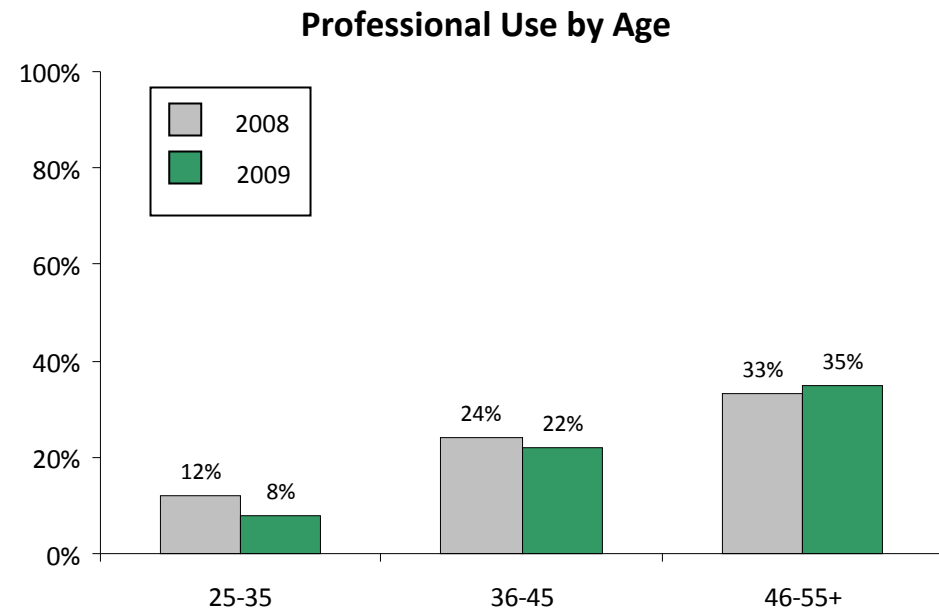
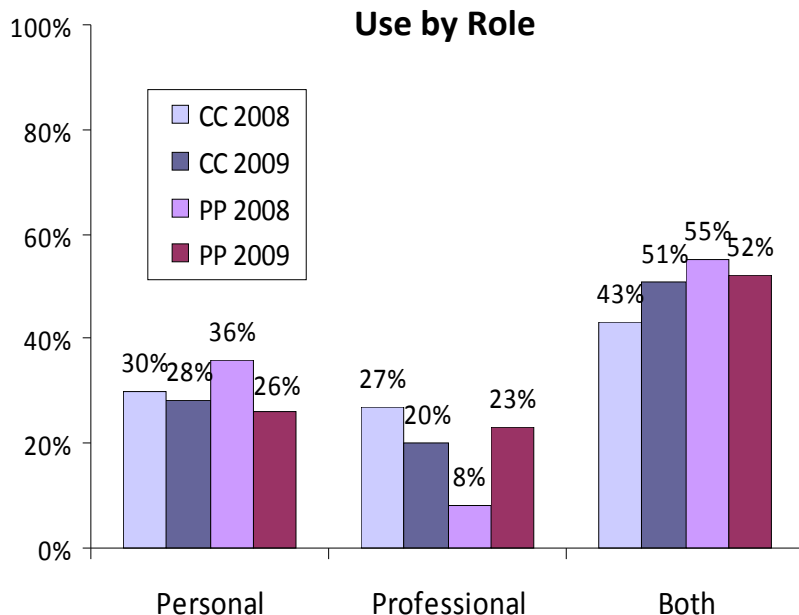
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Question: Are you a member of an online social network such as LinkedIn, Plaxo, Facebook, Xing or MySpace?

Online Network Use Is a Growing Trend

- The decline in CC use of professional-only networks is largely offset by the increase in the number of CC using online networks overall for both personal and professional use
- Moreover, while the percentages by age of those who use a network professionally did not change appreciably, due to the large increase in those who have joined a network over the last year, professional use has grown overall

Use of Online Social Networks



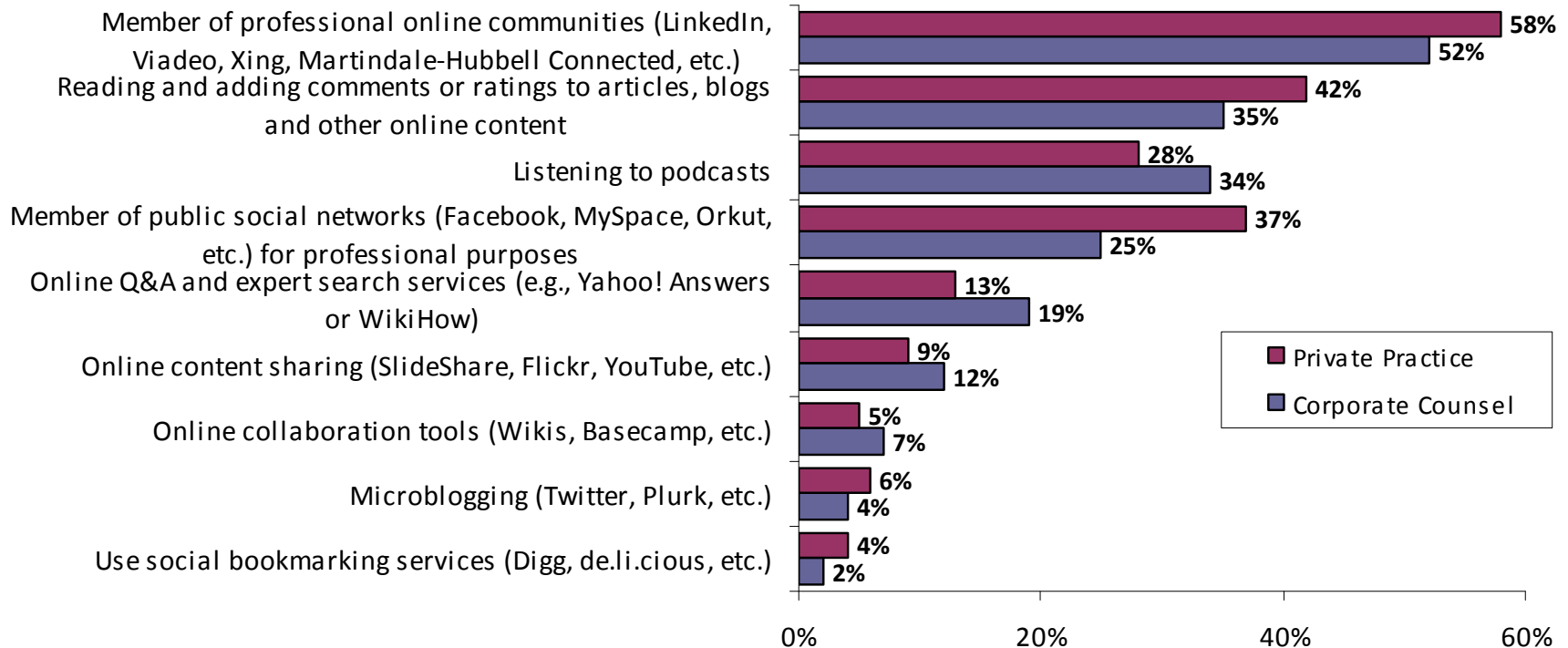
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Question: Do you use your ONLINE SOCIAL NETWORK MEMBERSHIP personally or professionally?

Counsel Rely Professionally on Many Social Media Activities, but Twitter Has Not Yet Caught On, Especially Among Corporate Counsel

- More than half of counsel are members of professional online communities
- More than a third also read and add comments or ratings to online content
- Very few counsel participate in social bookmarking, microblogging (e.g., Twitter) or online collaboration tools

Social Media Activities Engagement



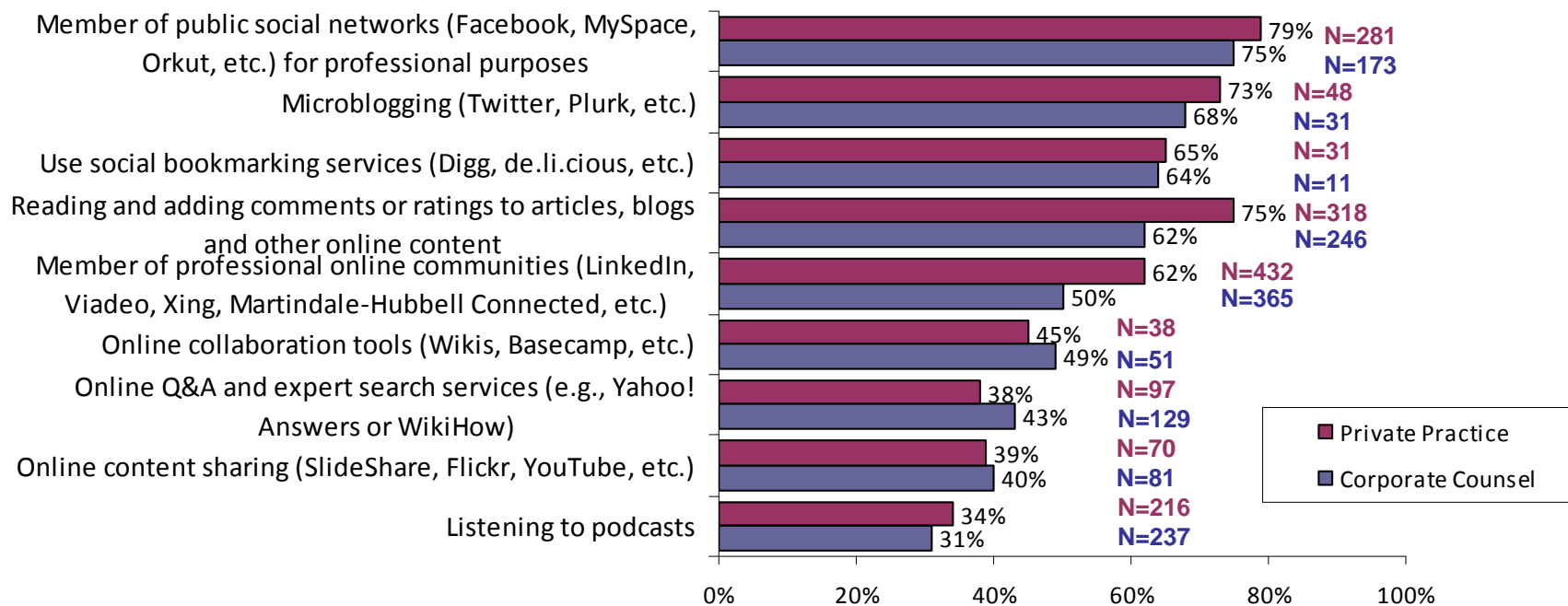
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Question: What type of social media activities do you engage in professionally? Select all that apply.
NOTE: New question for 2009.

Of Counsel Who Do Engage in Each of the Following Social Media Activities, They Are Likely to Use Them Regularly

- When counsel engage in activities such as social and professional networking, microblogging (e.g., Twitter), social bookmarking, commenting on content – they are likely to do so at least weekly
- Other activities they are engaged in, such as online collaboration (e.g., Wikis and SlideSharing) and listening to podcasts – they do so less frequently

% Use Weekly or More



N
CC: 710
PP: 764

Question: How frequently do you engage in this online activity?

While Lawyers See the Benefits of Online Networking, Corporate and Private Practice Lawyers View Those Benefits Differently

- Corporate counsel identify ease of exchange of information and experiences between peers as the top advantage of an online legal professional network
- Private practice lawyers most value the ability to increase visibility among peers

Advantages	Corporate Counsel	Private Practice
Facilitates easier exchange of information and experiences between peers	48%	36%
Access to information I couldn't get elsewhere	34%	23%
More quickly identify, evaluate and select outside counsel	27%	15%
Lower costs associated with traditional networking	27%	33%
Ability to increase my visibility among peers	24%	52%
Creates a formal and exclusive forum for professional collaboration	20%	18%
It increases the speed with which collaboration can take place	20%	21%
Facilitates finding the "right" lawyer directly	16%	17%
Increase speed of selection and decision-making process	14%	10%
Reduce scheduling demands associated with travel to and attendance at events	10%	8%
Improves the reliability of information	10%	8%

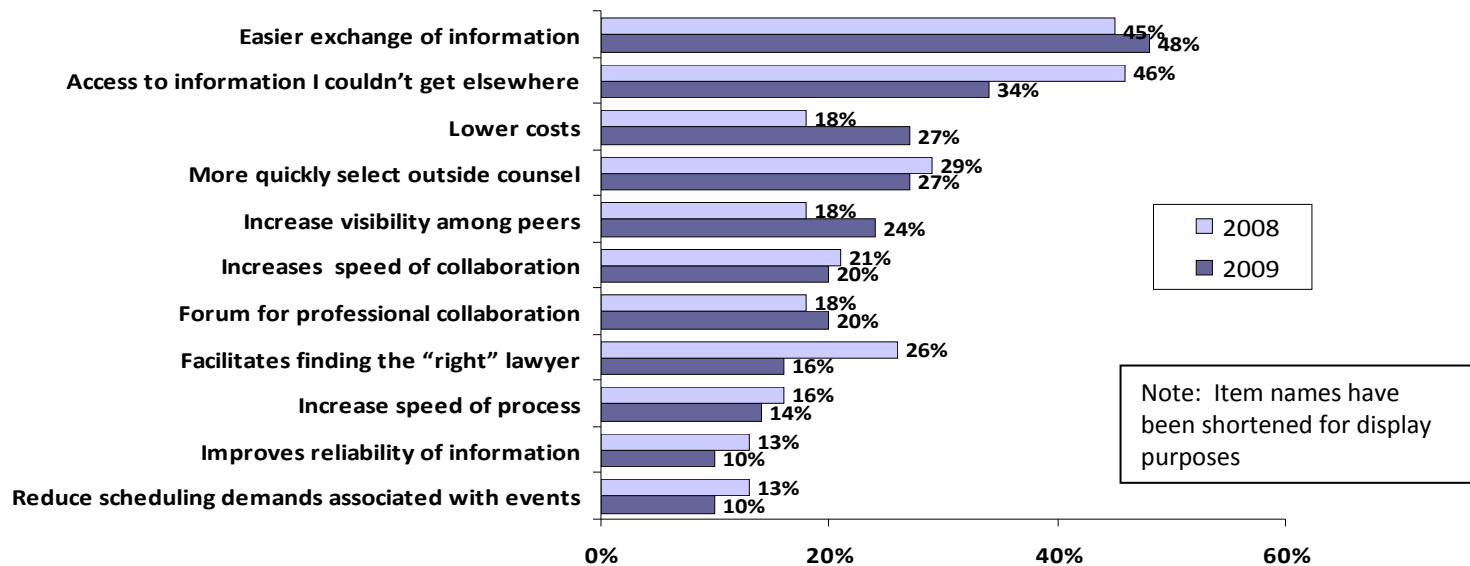
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Question: What do you think are the top advantages of participating in an online legal professional network?
Select up to three.

Corporate Counsel Continue to Value Online Networking for Access to Unique Content and Collaboration

- Easier exchange of information, desire to lower cost of networking and increase visibility among peers have grown in importance compared to last year; access to unique content, while still critical, is seen as less important compared to last year
- Outside counsel selection remains an important driver for corporate counsel participation in online networking

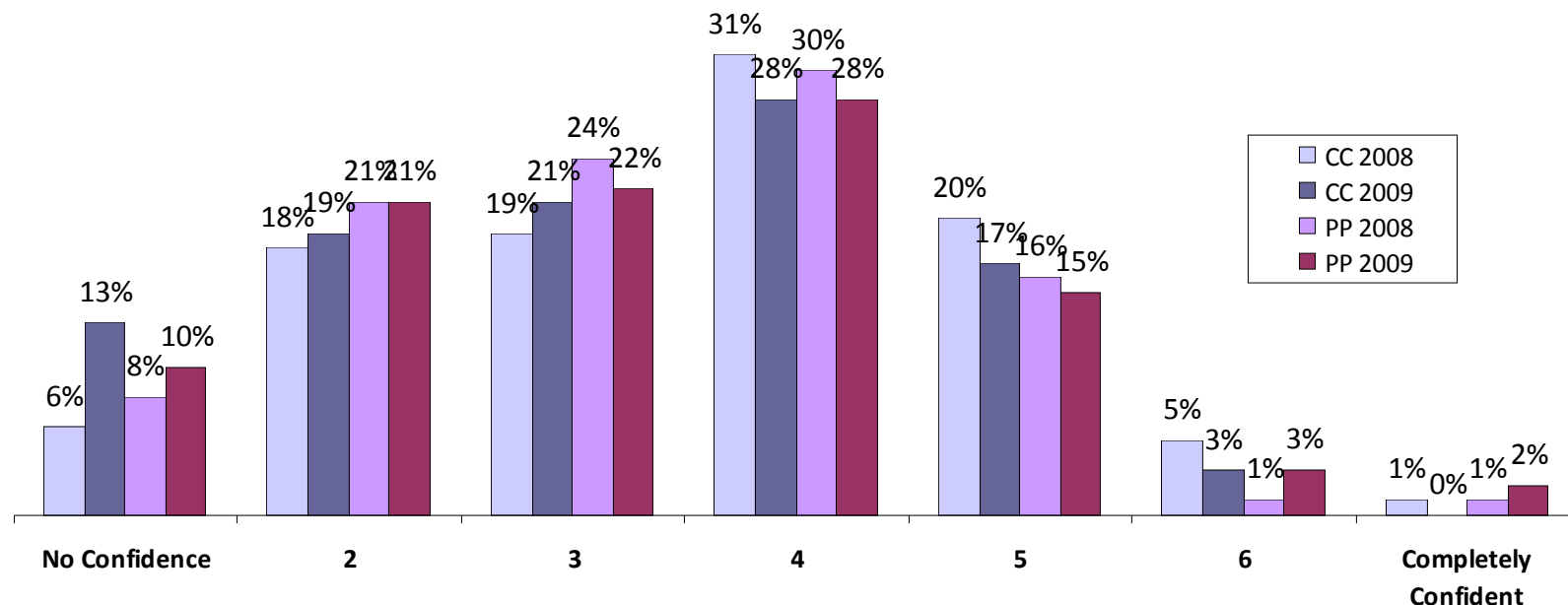
Corporate Counsel



Despite Growth Trends, Counsel Continue to “Wait and See” Regarding the Strategic Value of Networks They’ve Already Joined

- Majority still respond neutrally regarding level of confidence that online networks will help them do their jobs more efficiently

Degree of Confidence



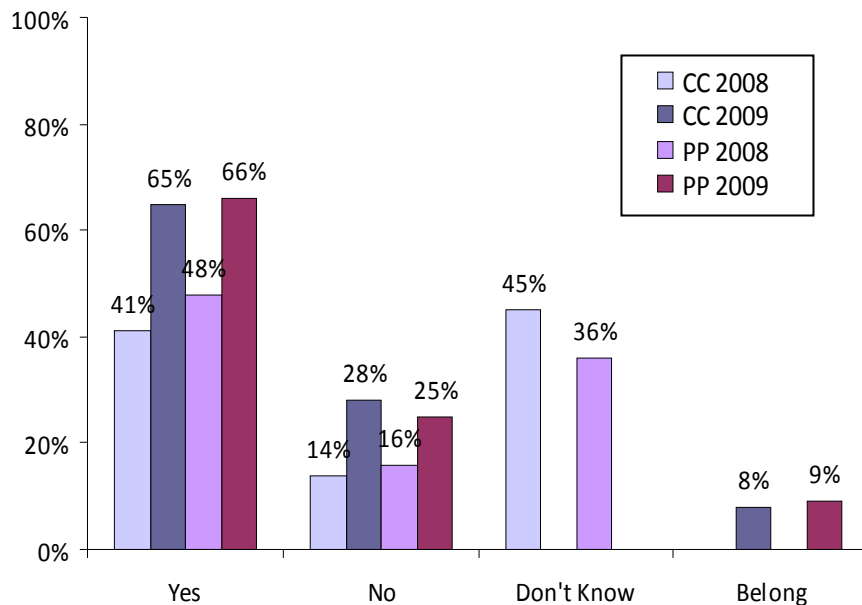
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Question: What degree of confidence do you have that the professional networks and online communities **you belong to** can help you do your job more efficiently and cost effectively? 1 = Not confident at all, 7 = Completely confident

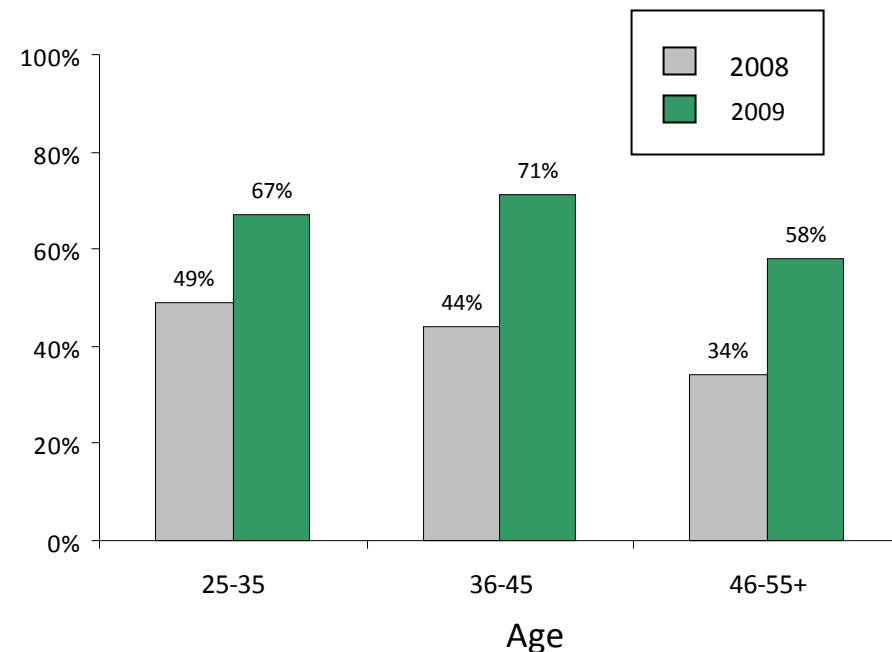
Interest in Private Legal Networks Is Growing Significantly

- 24% increase in corporate counsel interest; 18% increase in interest in private practice lawyers
- Also growth in “No Interest” suggesting counsel are more educated on these networks and are taking a position
- Trend to watch: Counsel are beginning to join legal-only professional networks (8% of CC and 9% of PP have already joined)
- There has been an increase in the percent interested across all age groups

Response by Role



% Yes



N
CC: 710
PP: 764

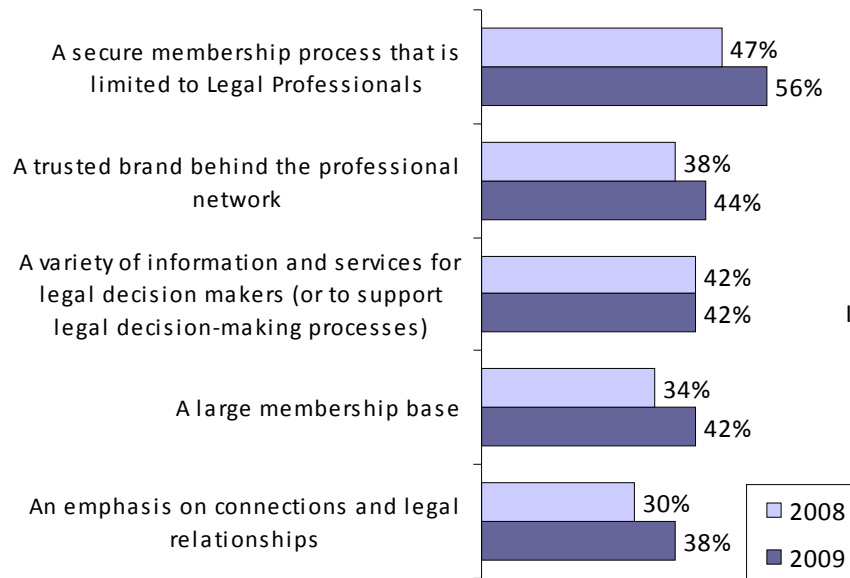
Question: Would you be interested in joining an online professional network designed specifically for lawyers?

NOTE: Response options changed in 2009 from Yes/No/Don't Know to Yes/No/Already Belong.

Counsel Are Seeking More From Their Legal Networks Today Than They Were a Year Ago

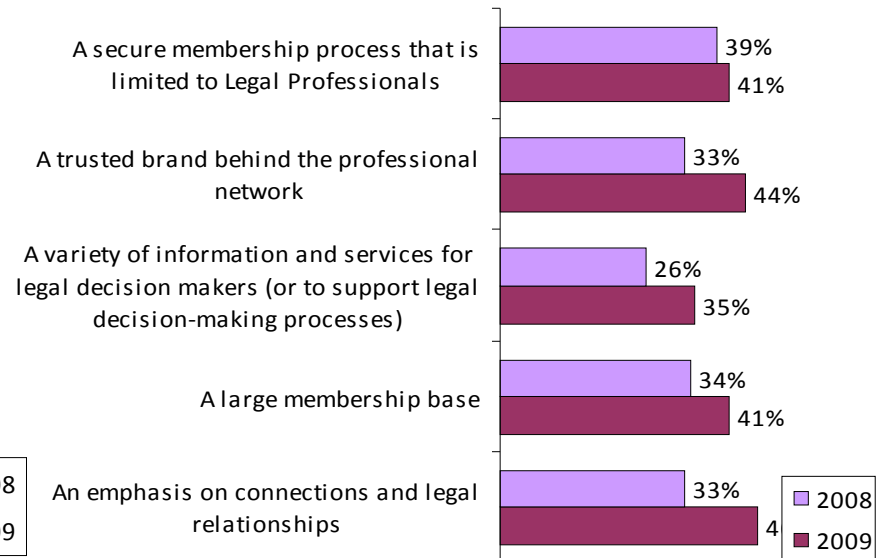
- The importance that counsel place on most features has increased in the past year
- This is true for both corporate and private practice lawyers

Corporate Counsel



Top Two Box %*

Private Practice



Top Two Box %*

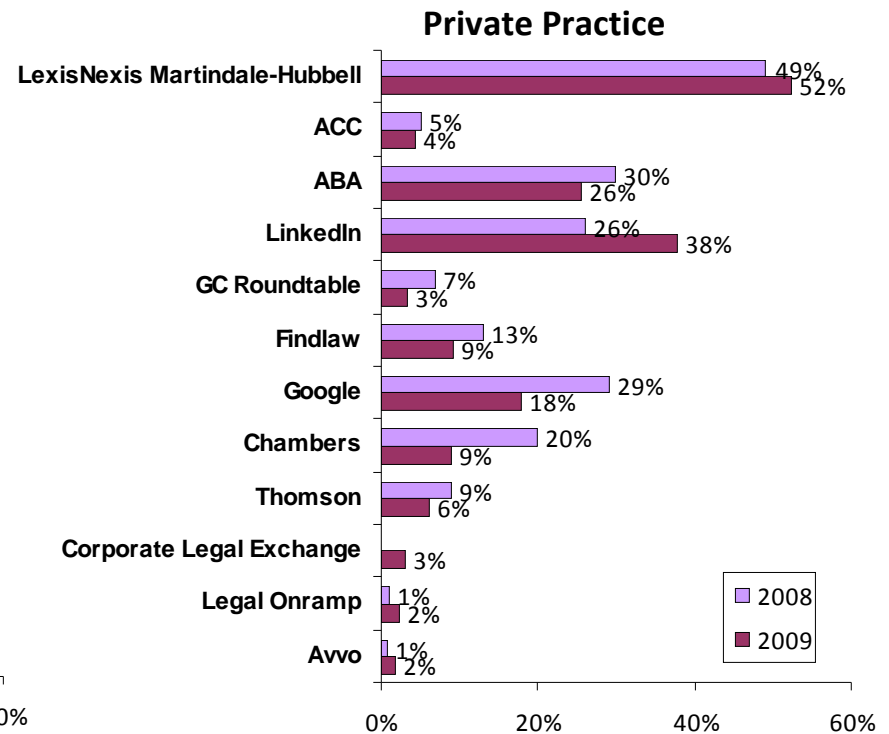
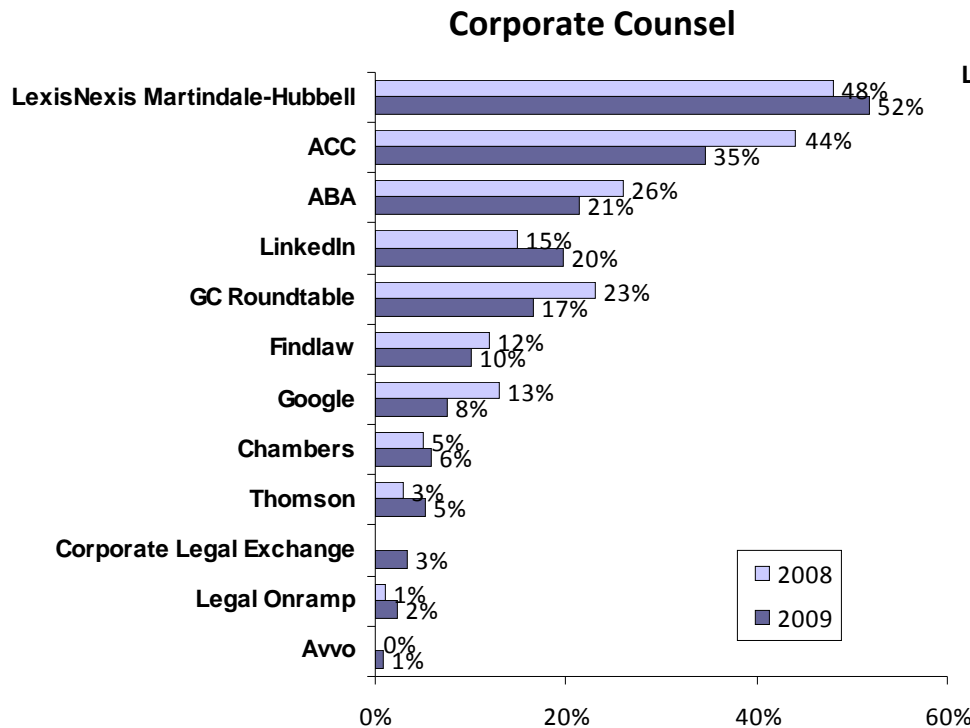
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Question: How important are each of the following attributes in your decision to join a professional legal network? 1= Not at all important, 7= Extremely important

*Top Two Box = % of respondents who selected 6 or 7 on the 7-point scale

Corporate & Private Practice Lawyers Continue to View Martindale-Hubbell as Best Positioned to Deliver a Professional Network for Lawyers

- Martindale-Hubbell grew supporters over the past year, while several other organizations were less likely to be identified as delivering on the value proposition* this year, including the ABA, ACC and GC Roundtable
- Google also lost ground compared to 2008
- LinkedIn gained some ground among corporate counsel, while increasing significantly (38% vs. 26%) among private practice lawyers



Question: Of the organizations listed below which two [2] do you believe can best deliver on this value proposition?

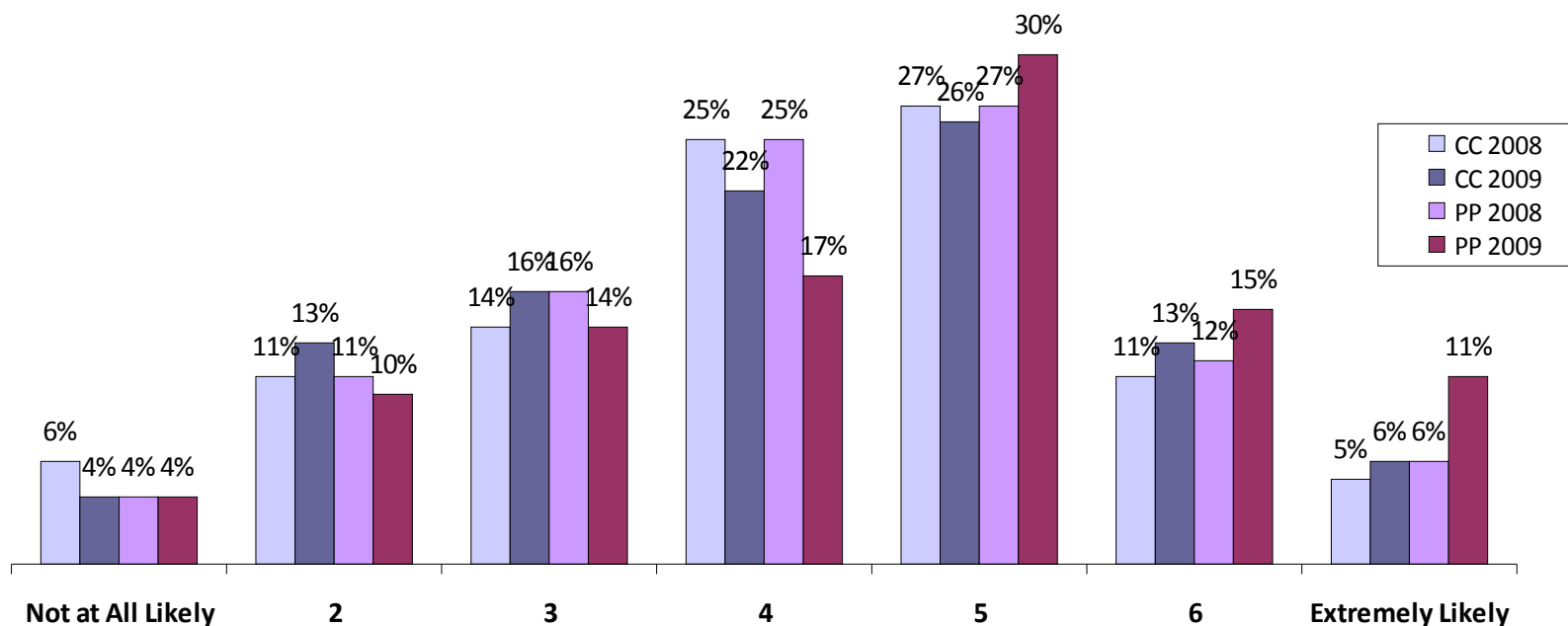
*The value proposition statement was "An online global legal community where counsel can connect with peers and expand professional referral networks, share information and insights, and access compelling content essential to the business and practice of law."

N
CC: 710
PP: 764

Counsel Continue to Be Optimistic That Online Networks Will Change the Business and Practice of Law in the Next Five Years

- About one in five corporate and one in four private practice lawyers feel that there is a high likelihood this will happen
- Only about one in six corporate and one in eight private practice lawyers consider this a low-likelihood event
- Private practice lawyers increasingly (26% vs. 18% in 2008) believe this is a high-likelihood event

Likelihood of Change



N
CC: 710
PP: 764

Question: Do you think online networks (i.e., social media) will change the practice and business of law in the next five years?
1 = Not at all likely, 7 = Extremely likely

Conclusions

- **Online networking is a fast-growing strategy for legal professionals to accelerate or augment traditional networking activities**
- **Online networking demographics are changing**
 - Older professionals are now embracing social media more than in 2008
 - Personal and professional usage of social media are becoming intertwined and more counsel are using online networking for both personal and professional reasons
- **As legal professionals become more sophisticated, they are demanding a greater variety of Web 2.0 features to support their needs**
 - Access to exclusive information in a single destination site appears to be a critical requirement for meaningful online engagement
 - Information exchange and peer-peer connections within a secure (private) network grows increasingly more important
 - Interactive engagement (e.g., blogging, online discussions and article exchange) is more important than other services such as microblogging (e.g., Twitter) or social bookmarking
- **Martindale-Hubbell Connected online community remains the preferred network that most counsel feel is likely to deliver on the value proposition of a legal-only network**
 - LinkedIn is considered the second-most popular by private practice lawyers and the ACC as an online resource specifically by corporate counsel
 - Notably, Google's position has declined since 2008
- **Online networking is anticipated by many, especially private practice lawyers, to change the business and practice of law over the next five years**

Supplemental Data

- Additional survey data on counsel's use of social media, along with more demographic details of the respondents, can be found in a supplemental presentation
- The supplemental presentation can be accessed and downloaded in the [Social Media for Lawyers group](#) on Martindale-Hubbell Connected
- To join this group and download the supplemental deck, go to www.martindale.com/connected

Questions?

Contact Vanessa DiMauro

CEO, Leader Networks

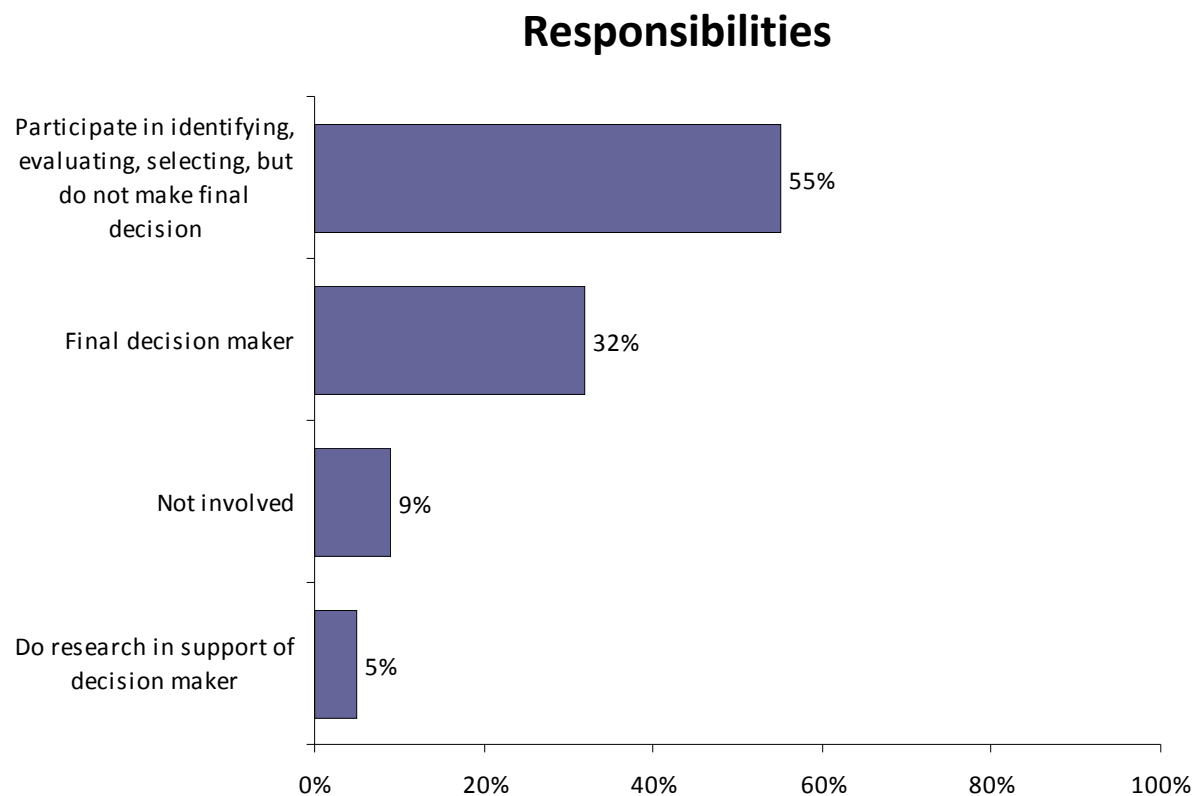
<http://www.leadernetworks.com>

vdimauro@leadernetworks.com

Or visit the project Web site: <http://www.networksforcounsel.com>

Demographics

Close to Nine in Ten Corporate Counsel Reported That They Are Either the Final Decision Maker in Regard to Hiring Private Practice Lawyers, or That They Participate in the Process

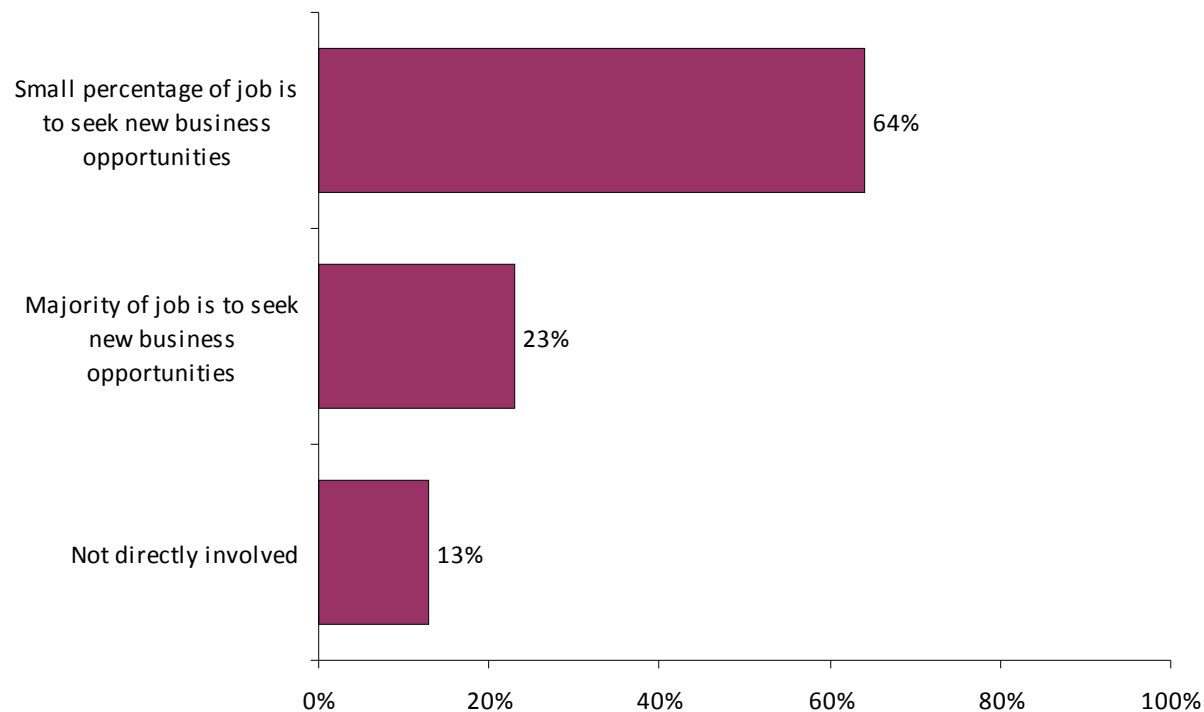


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CC: 710

Question: Which of the following best describes your responsibilities regarding your organization's need to hire outside counsel?

Close to Nine in Ten Private Practice Lawyers Reported Some Role in Seeking New Business Opportunities for Their Firms

Role in New Business Development

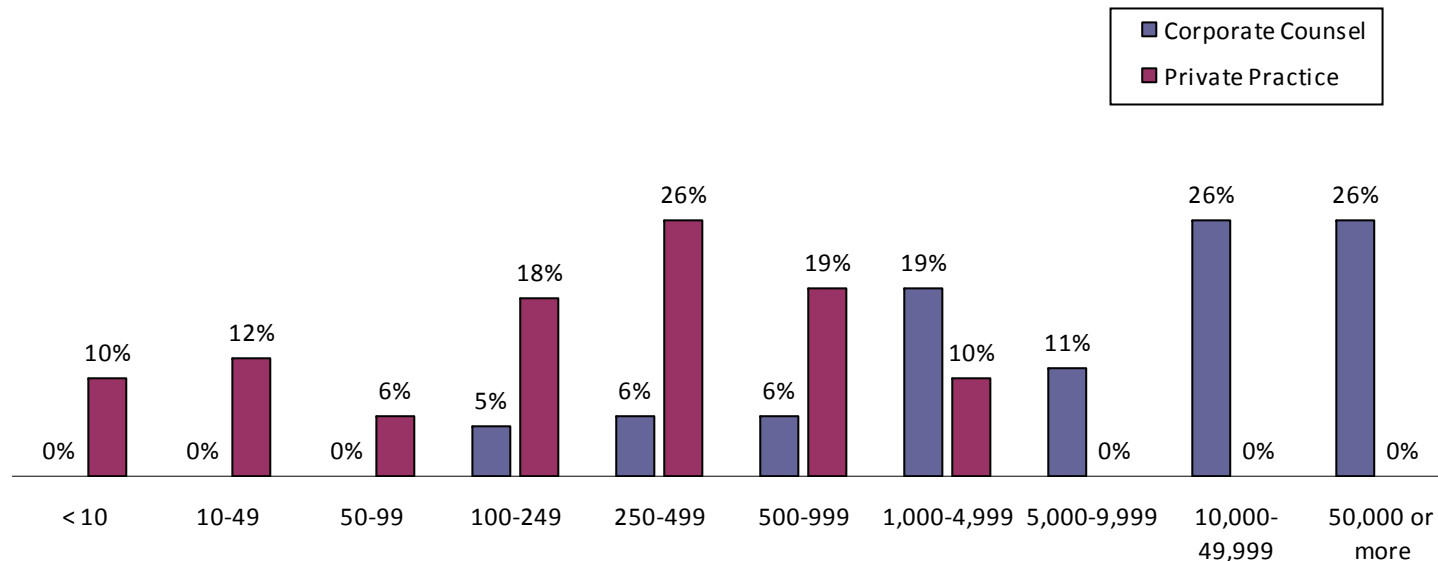


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Question: What is your role in new business development for your firm?

More Than Half of Corporate Counsel Work for Companies With Over 10,000 Employees; Private Practice Lawyers Generally Work for Firms With 100-999 Employees

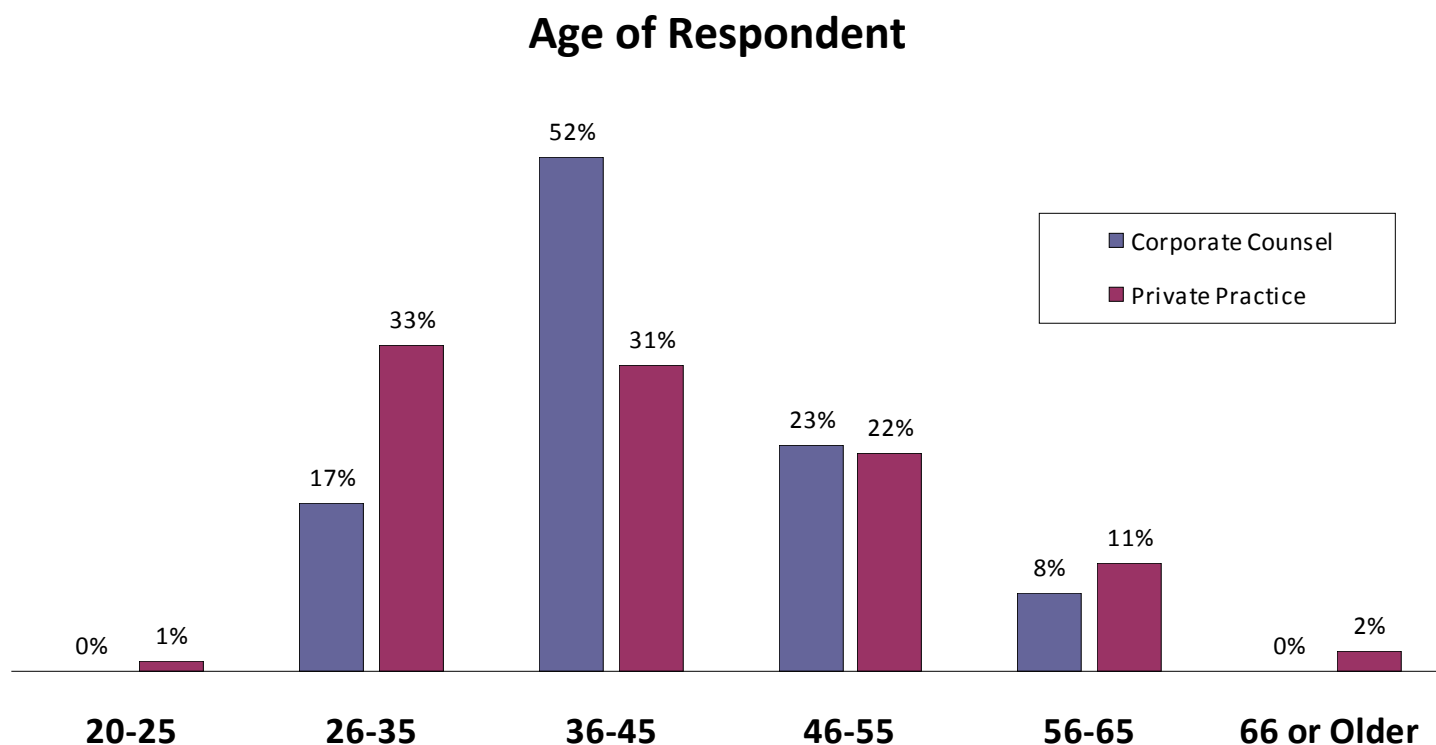
Number of Employees in Organization



N
CC: 710
PP: 764

Question: Approximately how many employees does your company have worldwide, including all divisions and locations?
NOTE: Percentages may not total 100 due to rounding.

More Than Half of Corporate Counsel and Almost a Third of Private Practice Lawyers Report Being 36-45

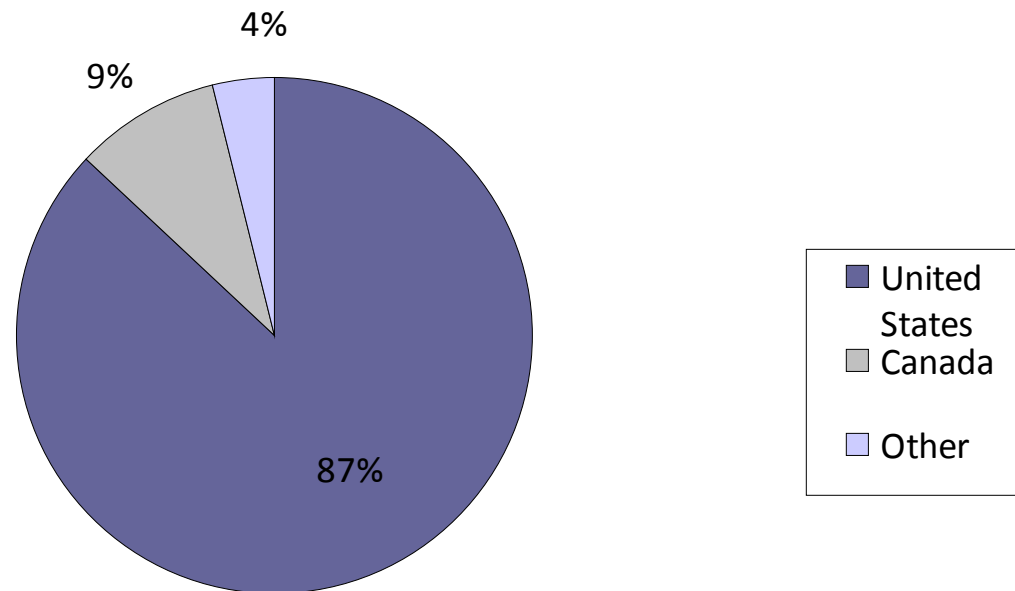


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CC: 710
PP: 764

Question: What is your current age?

Results Show That 87% of Counsel Report Their Offices Are in the United States; About Another Nine Percent Are in Canada, With the Remainder in Other Countries

Office Locations by Country



N
CC: 710
PP: 764

Question: Please tell us in which country your offices are located.