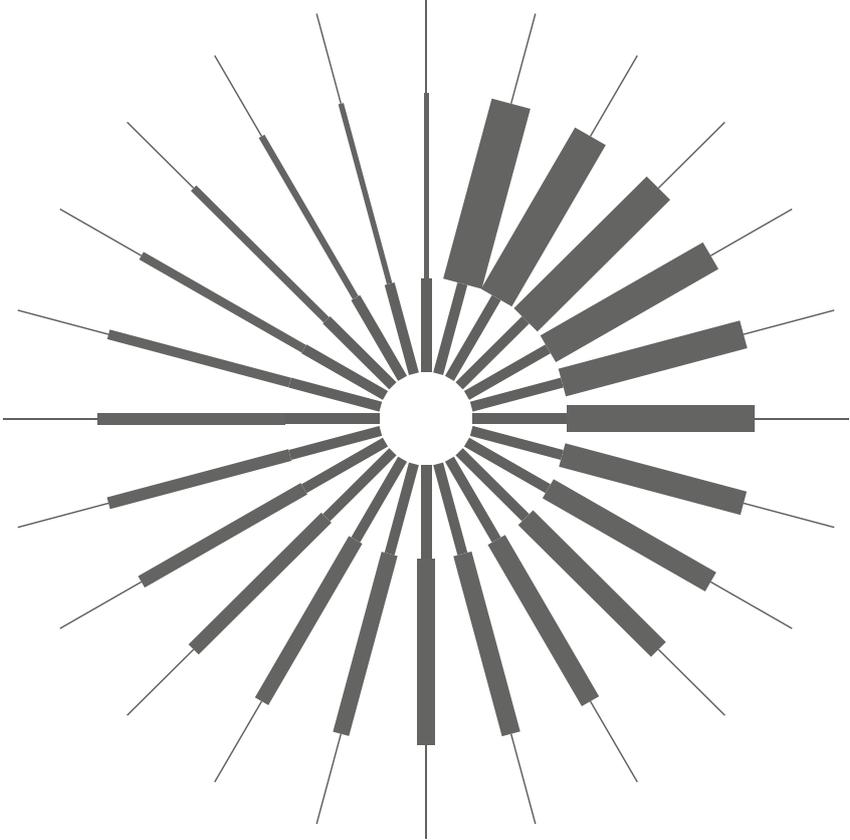


The Future for Legal Talent

A major study into how lawyers view their careers in a new world
May 2018



Peerpoint.

by ALLEN & OVERY

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Foreword

In today's changing legal marketplace, there is much said about the impact on in-house functions, law firms and other providers. It is, of course, individual lawyers who are at the sharp end of that change. Our survey, exploring lawyers' career aspirations, expectations, hopes and fears, aims to bring their voice to the centre of the debate.

What the results tell us is that lawyers are satisfied with their choice of profession. Yet at the same time they are frustrated by the conventional career opportunities the industry offers them. They are optimistic about the changing shape of legal services and the role of technology but feel poorly prepared for the future. It was clear that in specific cases there are differences between the genders but on the whole the outlook, priorities and ambitions of both were very similarly aligned.

Peerpoint is in the business of creating opportunities for lawyers to shape their own careers beyond the confines of the conventional. These results are very much consistent with the conversations we have every day with lawyers seeking challenge, variety and control. Consulting has entered the mainstream and is likely to become an ever more popular career path.

Our survey findings provoke questions both for individual lawyers and for decision makers – in-house, in private practice and in the profession:

- How can in-house teams and firms create more career opportunities?
- What are the career development implications of technology and automation?
- What can we learn from other services industries?
- What are the implications of the rise of independent consulting?

We hope our survey can contribute to building a broader dialogue on the future for legal talent as the profession grapples with pervasive change.

Richard Punt

CEO, Peerpoint

Background to the survey

The world of work is being reshaped by new business and delivery models, a globalised approach to resourcing and the impact of technology. But change is also being driven by the expectations and needs of individuals who want more control and greater flexibility in what, for many, will be an extended working life.

The legal industry, like many others, is being disrupted. Much has been written and commented on about new business models, the role of technology and AI and the emergence of new providers. But how do the lawyers feel about it? What are they looking for from a legal career in terms of job satisfaction and professional fulfilment? What do they expect the industry to look like in five to ten years' time? What kind of career opportunities will be open to them?

To answer these important questions, Peerpoint, Allen & Overy's platform for consultant lawyers, commissioned one of the biggest pieces of research of its kind, gathering the views of over 1,000 lawyers and law students. We talked to people working at all levels of seniority in private practice, in-house and as consultants in Peerpoint's markets, principally in the UK and Asia Pacific.

Here we summarise some of the key findings from the research, drawing out an intriguing picture of changing career expectations and demands, and of growing frustration with traditional models. We uncovered a degree of pessimism among some and concerns that people felt unprepared for the challenges that lie ahead for a profession in flux. But the overwhelming view was one of optimism in the face of unprecedented change. It is a turning point which calls for clear choices to be made by both individual lawyers and decision makers.

Our respondents represent a broad cross-section of the legal industry

Geography

| | |
|-----|----------------|
| 59% | United Kingdom |
| 33% | Asia Pacific |
| 8% | Other |

Experience (years post qualified)

| | |
|-----|----------|
| 8% | 26+ |
| 21% | 16-25 |
| 34% | 6-15 |
| 21% | 0-5 |
| 16% | Students |

Gender

| | |
|-----|-------|
| 57% | Women |
| 43% | Men |

Organisation

| | |
|-----|------------------|
| 54% | Private practice |
| 28% | In-house |
| 18% | Legal consultant |

'It is a rigid industry but it is transitioning and I'm hopeful for the future.'

What drives lawyers today?

Lawyers are content with their choice of profession

Lawyers are generally satisfied with the choices they have made with some 74% of our sample saying they are happy with their profession. Satisfaction ratings are pretty balanced for all lawyers across both private practice and in-house, or those working as consultants.

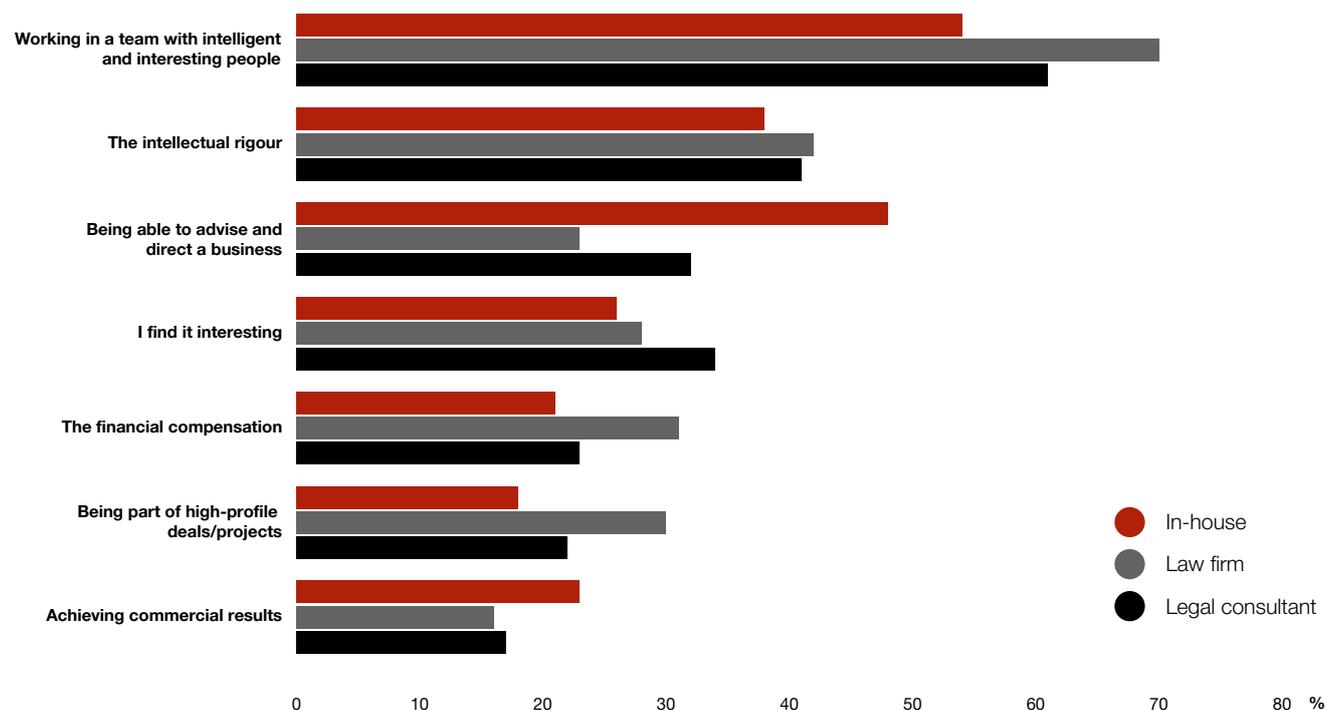
But their reasons for entering the profession reveal some interesting differences in motivation. Most (54%) cited the intellectual rigour of legal work as the main attraction of a career in law, with little more than a third (36%) identifying financial reward.

Interestingly, being part of a community rates very low in importance at the outset of a career but, as it develops, working closely with peers becomes the major attraction of the job, with 64% saying that 'working in a team of intelligent and interesting people' was the aspect they enjoyed most.

Although not traditionally employed, independent consultants achieve that aspect of community by embedding themselves in their assignments, meeting new colleagues and through joining platforms such as Peerpoint to expand their professional networks.

'I have had a career filled with challenge, variety, responsibility, travel and client appreciation. I have had a career that I would never have envisaged when I first qualified. No regrets.'

What do you enjoy most about being a lawyer?



Respondents were asked to rank up to three

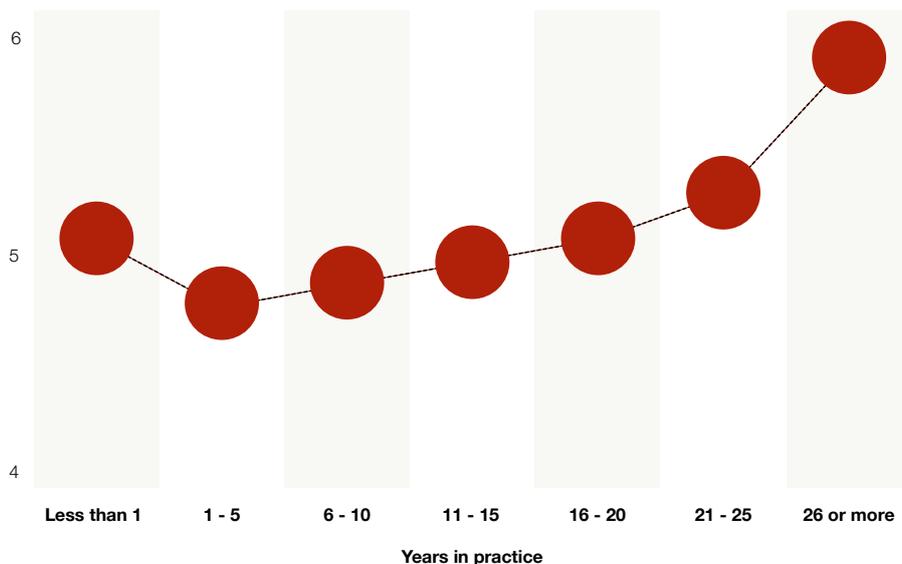
N=835

Career satisfaction changes over time

It's clear that levels of satisfaction ebb and flow throughout lawyers' careers. After the initial enthusiasm it appears new lawyers hit a slump when encountering the realities of law firm life. That is further evidenced by

the fact that in the first five years satisfaction with work/life balance and the amount of control lawyers have over their work is at its lowest. After this initial dip in the first five years, satisfaction starts to steadily increase.

How satisfied are you with your career?



Respondents were asked to what extent they agreed with the statement "Overall, I am satisfied with my career" (1 strongly disagree – 7 strongly agree)

N=832

Lawyers are frustrated with the range of conventional career opportunities

Despite generally high satisfaction ratings, it's clear that not all are happy with the career opportunities the legal industry has offered them.

Some 24% say they have considered quitting the profession all together. More than a third have looked to move out of private practice or in-house work and into consulting, the latter option proving particularly popular with more senior lawyers who feel that the further they progress in conventional paths the more their role moves away from the pure practice of law.

The commentary from respondents demonstrates that many see their career options as limited and have no clear sense of direction of how their careers will develop.

Some 55% of law students say they have a clear vision of where their careers will go. But, when we tracked their more experienced peers, this sense of direction dipped significantly to just 23% for lawyers in the first five years of practice and rose only fractionally after that.

'Status quo often remains the default for large firms despite their rhetoric.'

Even among private practice lawyers, the draw of partnership has faded

The draw of partnership within private practice is less of a driver than might be expected. Some 46% said that although they would like to make partner, it was not the most important thing to them in their career. 81% of current lawyers believe that many young lawyers entering the profession will feel that undertaking the path to partnership is not worth it.

Although when asked, students were far more optimistic about their chances of reaching a senior position and disagreed with the statement that 'the road to partnership was not worth it'.

The difficulty in achieving a work/life balance and the amount they would have to sacrifice were the two main reasons why lawyers were not interested in partnership.

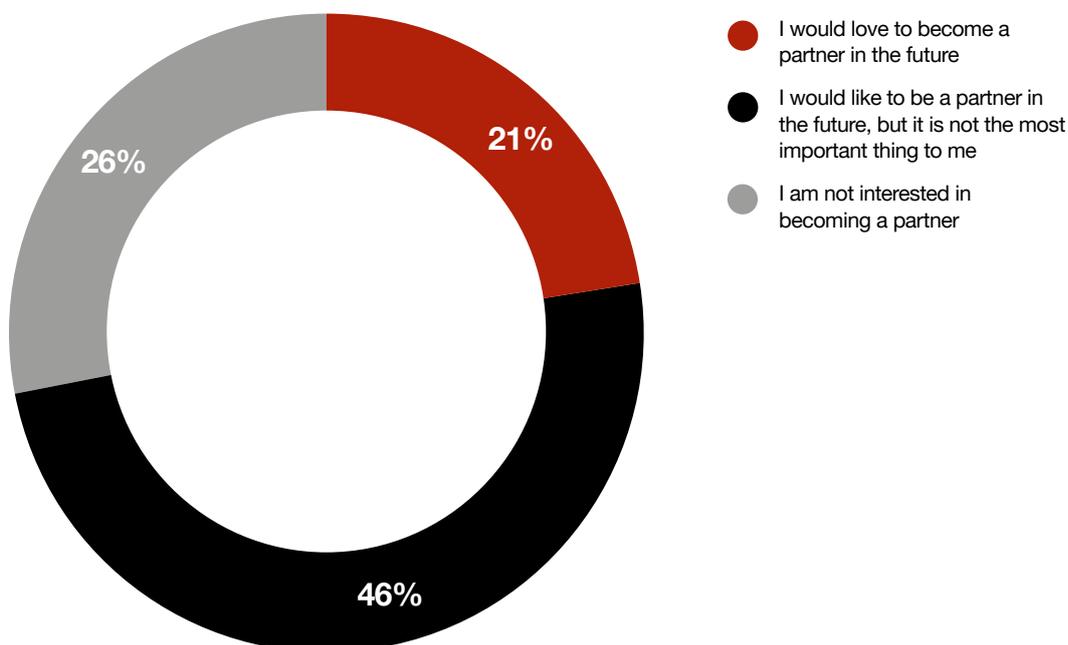
The lack of role models was also a particular issue and demonstrated a significant gender difference, with three times as many female lawyers as male citing it as a reason for not being interested in partnership.

And of those who said they wanted to be a partner, only 21% thought they would actually make it.

The competition within the firm and a lack of clients were cited as the chief roadblocks to them making partnership. It was also clear that confronting unacceptable sacrifices and tradeoffs along the way would ultimately prove the greatest challenge to them staying the course.

Views about the value of the partnership model are varied. Some 20% strongly agreed the profession needed to move away from it but 29% strongly disagreed with this sentiment.

What is your attitude towards becoming a partner in the future?



‘The model... is still entrenched in hierarchy...
Those that are more entrepreneurial and who stand out
often are told to be more patient and wait your turn.’

The changing landscape – opportunity and challenge

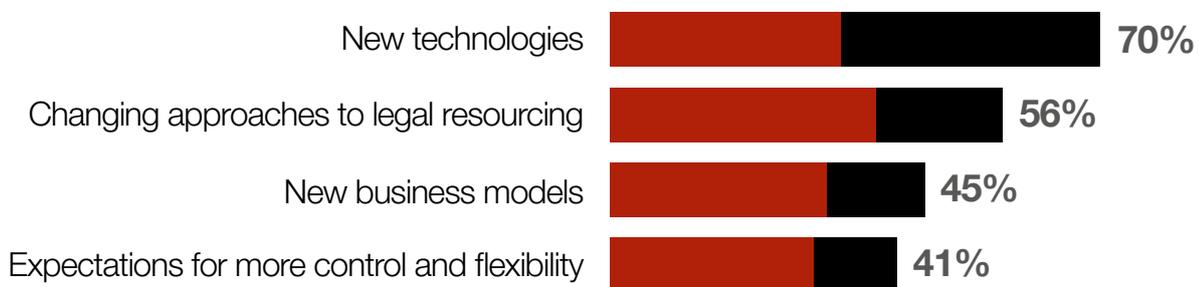
Lawyers are optimistic about the future, but worried that they are not prepared for change

Some 83% of our sample believe a lawyer starting out today will have a very different career experience to one who started five to ten years ago. It demonstrates the rapidity of change happening. An even higher proportion of lawyers say they will require completely new skills to navigate these changes.

There is clear agreement around what the four main drivers of change are: new technologies, changes to legal resourcing, new business models, and expectations of greater control and flexibility in careers.

Attitudes towards technology are broadly optimistic, particularly amongst younger lawyers and students. Overall 61% believe new technologies will augment their careers, while 81% of students believe technology will free them to focus on the more creative aspects of their roles. Only 5% of students and 3% of current lawyers believe it will increase their risk of redundancy in the future.

Key drivers of legal market change



Respondents were asked what top four trends will have the most impact

% of lawyers on a seven point scale who believe there will be an impact on the legal profession over the next five to ten years

N=835

● A significant effect
● A transformational effect

83% believe a lawyer starting out today will have a very different career experience to one who started five to ten years ago.

New times call for new skills

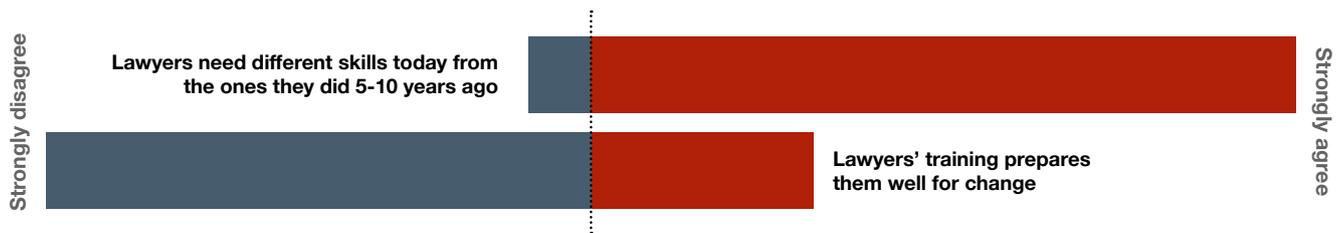
A high proportion, although optimistic about the direction of the industry, feel ill-prepared. When asked whether lawyers would need different skills today from the ones they needed five to ten years ago, an overwhelming 84% agreed. However, just 30% of lawyers felt that their training prepared them well for change.

The need for further study and learning is widely felt, with one in four lawyers just starting out expecting they will need to enhance their skills or retrain, and a third of students saying they expect to return to study at some point during their careers.

While greater technological expertise is seen as the most important skill set by lawyers, other skills rated highly too. For instance, they cited having a strong personal brand, a well-developed network of contacts and peers and greater commercial awareness as the next most important skill sets. For perhaps obvious reasons, personal brand and network rated as a particularly important issue for consultants.

This demonstrates a real need for the legal industry to better support lawyers. Law schools, legal functions and HR teams all need to decide how best to equip their lawyers for the future.

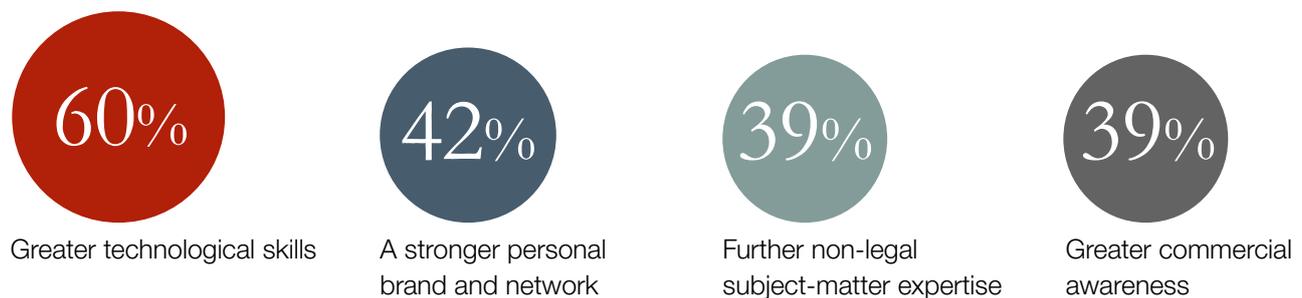
To what extent will lawyers need different skills today and are they prepared?



Respondents were asked to what extent they agreed (scale of 1-7)

N=835

What skills and/or attributes do you think you will need as a lawyer in the future?



Respondents were asked to select their top four

61% say new technologies will significantly and positively change how their career path develops.

Brexit and legal careers

Brexit has created a sense of uncertainty for UK and European lawyers, although our research suggests that many regard it as an opportunity rather than a risk.

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- **45% of all respondents believe it might open up new and challenging projects for them to work on**
 - **38% believe it might create new career opportunities**
 - **Legal consultants, in particular, see it as an opportunity, with clients likely to need additional help to steer them through uncertain waters. 61% of consultants thought it might lead to new and challenging work.**

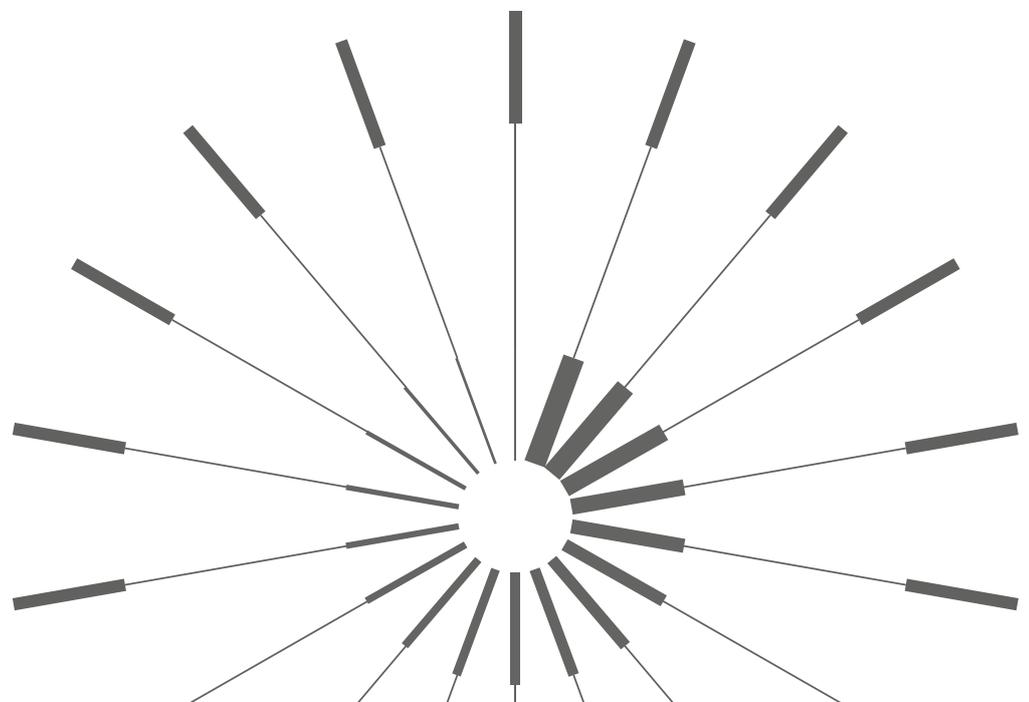
Our research also exposed a gulf between young and more experienced lawyers, with young professionals far more pessimistic about the impact of Brexit.

-
- **51% of lawyers in their first five years post qualification say it could bring a lot of uncertainty to their roles, compared to just 29% of those who have been qualified for 16 years or more**
 - **39% of young lawyers say it could limit career opportunities, compared with 19% of their older peers.**

In part this disparity could be explained by the fact that young lawyers worry that they might be caught between two eras – having left law school before the issue was on the agenda and part of their learning, and not yet professionally experienced enough to offer clients guidance on how to navigate the challenges of Brexit.

It is clear that navigating the legal complexities of Brexit will create new challenges for the profession. Lawyers need to make the most of the career opportunity these challenges present.

Businesses, by the same token, will need to think about how they can harness the skills of their legal advisers, and their natural love of the practice of law, to help them address the commercial and resourcing challenges that Brexit will inevitably create.



New definitions of success and satisfaction

Balance and the quality of the work are most highly valued

For decades the conventional definition of career success was pretty clear. It meant reaching a senior position in a firm, and if possible achieving partnership. Our survey clearly shows that attitudes have changed. Now achieving a fulfilling work/life balance is the single most important criterion which lawyers identify for career success.

The changing notions of what success looks like become even clearer when lawyers are asked what they would be prepared to give up to achieve those goals.

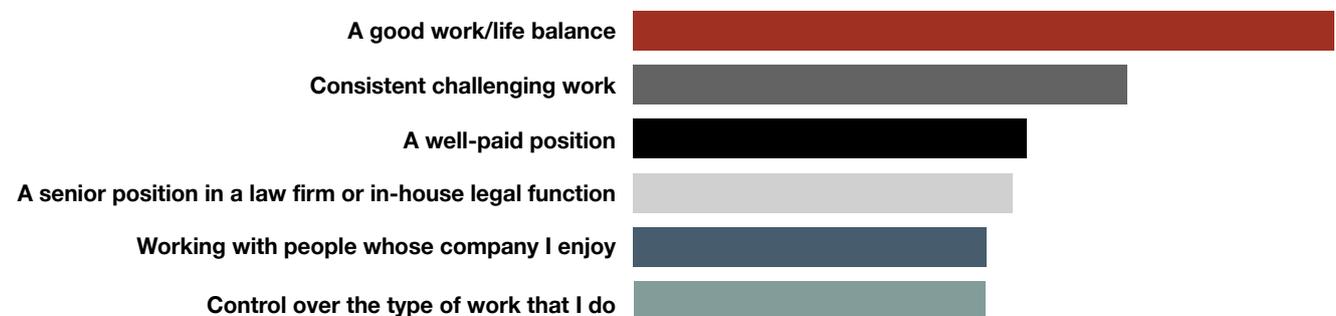
Many more lawyers told us that they would be prepared to sacrifice a degree of seniority and income, rather than the ability to control their work and career and achieve balance. Peers and colleagues are clearly an important part of lawyers' career experience with only 8% of surveyed lawyers willing to compromise on working with those whose company they enjoyed in order to achieve career success.

The issue of control was a particularly marked finding. Amongst dissatisfied lawyers, only a fifth felt they have control over the type of work they do, compared with three in five satisfied lawyers. Unsurprisingly, legal consultants put particular store by this issue, with 61% placing high value on a sense of control, compared with 33% of private practice lawyers.

Interestingly, and contrary to popular commentary, the issue of work/life balance was only slightly more important for women in our sample than for men with 28%, versus 23% of men, saying that balance was a contributing factor in their sense of career satisfaction. However, many more women expect to take an extended break during their careers than men.

It is clear that 'balance' means a myriad of different things to different individuals. It is important for decision makers to take the time to understand what 'work/life balance' actually means to their people in the context of providing them with fulfilling careers.

What does success look like to lawyers?



Respondents were asked to rank their top three

N=835

Different career paths, different benefits

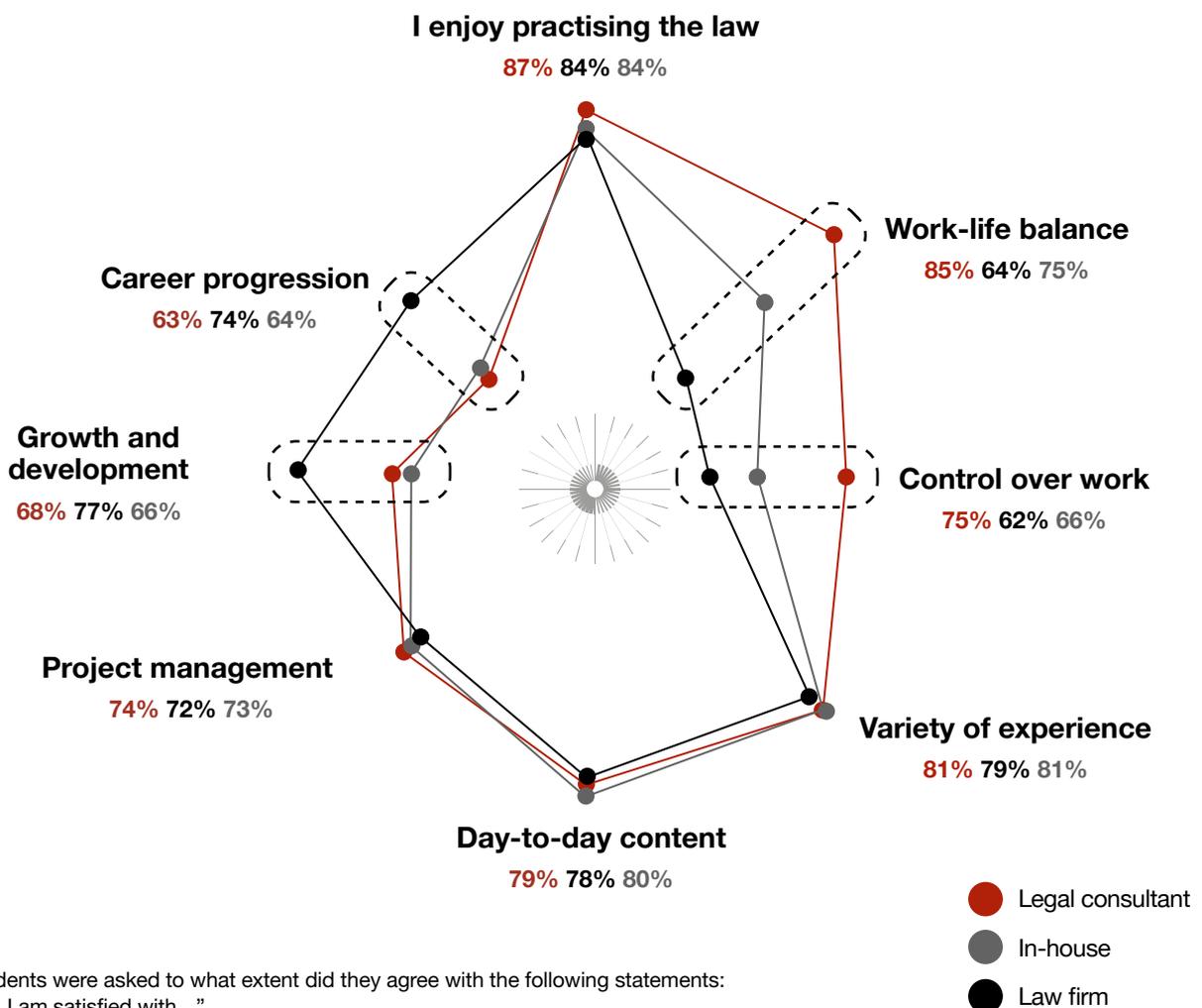
Respondents clearly demonstrated that different career paths offer different sets of benefits.

Private practice lawyers emphasise the opportunity they have to develop and grow personally as their careers progressed, while consultants relish the chance to have greater control and a better work/life balance. Balance was also seen as being achievable for in-house lawyers, although overall satisfaction was lower for this group.

Ambitions and priorities change over the course of a career, a reality that established career paths can struggle to cater to. Consulting has the ability to be relevant and meaningful to an ambitious lawyer for a longer duration because it can flex accordingly to meet these changing ambitions and priorities.

The dotted lines below denote the gaps in satisfaction between different career paths. The percentages correspond to how satisfied different lawyers are with different aspects of their careers.

How satisfied are lawyers with the different aspects of their career paths



Respondents were asked to what extent did they agree with the following statements:
 "Overall, I am satisfied with..."

N=354

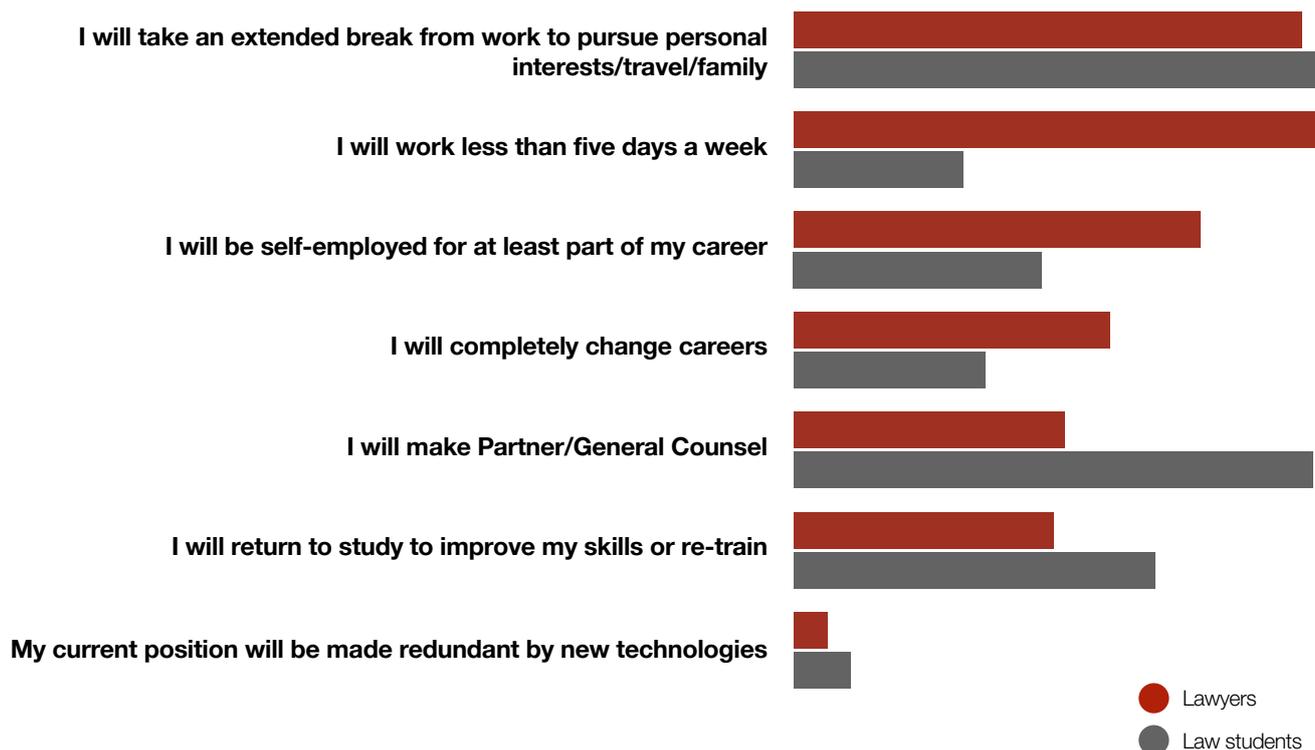
Lawyers expect to have careers more on their own terms

Across the board it is clear that few expect current ways of working to persist – something that has significant implications for law firms and leaders of in-house teams.

Many lawyers say they do not expect to work conventional hours over the course of their career. Almost half said they anticipate working less than five days a week, with many more women expecting to work a shorter week than men (55% versus 36%) or take a career break.

Some 36% of lawyers say they expect to be self-employed for at least part of their careers, while 47% of students about to enter the workforce expect to take an extended break from work to pursue other interests during their career. As previously noted, students also have a higher expectation of returning to study at some point in their career.

Which of these statements do you believe will apply to you over the course of your career?



Respondents were asked to select all that apply

N=984

‘Frankly, the law firm model is broken. Things have to change.’

But money and reputation still count when it comes to job selection

Despite changing attitudes to career satisfaction, many lawyers take a different stance when it comes to choosing a job.

Factors most likely to influence job decisions still veer towards more traditional considerations – income, benefits, reputation of the new organisation, and people and culture.

When it comes to changing roles, money is the single most important driver.

Although a quarter have considered completely leaving the profession and a third have looked at moving elsewhere in the industry, many remain inherently cautious. Nearly half said they would favour staying in their current role, rather than taking on a series of shorter roles.

When considering moving jobs what factors most affect your decision to leave your organisation?



Respondents were asked to rank the top four factors

N=835

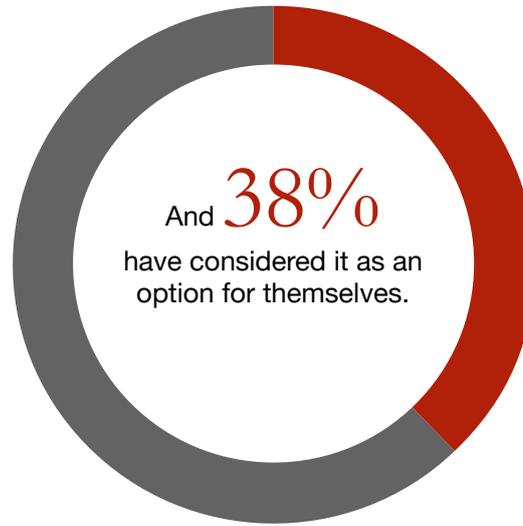
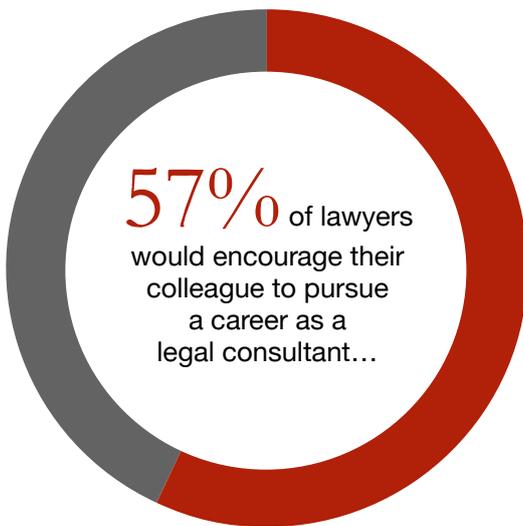
Consulting has entered the mainstream

It's clear from our findings that the majority of lawyers are in the profession because they love the practice of law. But it's equally clear that they are not happy with what the industry is offering them by way of career progression.

Lawyers are looking for alternatives to the traditional working structures of the profession. Within that, consulting and platforms such as Peerpoint are clearly seen as a routes worth exploring.

We found that 38% of our sample had actively considered consulting as an option, evenly balanced between men and women. And an even larger proportion, some 57%, said that they would encourage a colleague who was considering consulting as an option.

'I didn't want to sit in a law firm and take the easy option just because I didn't want partnership.'

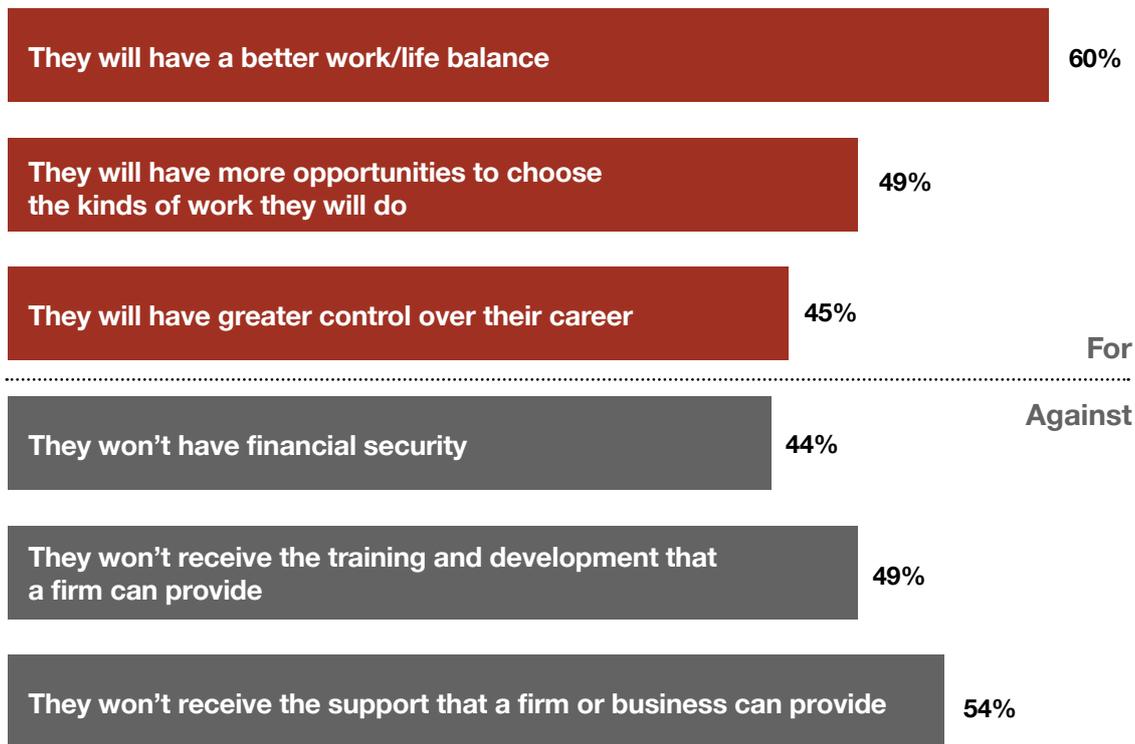


Perceived fears of becoming a consultant do not always match reality

Given the perhaps surprising levels of support for consulting, we also asked lawyers the reasons they might discourage a colleague from choosing consulting which demonstrated some interesting gaps in understanding. As expected, the main reasons for encouraging a move to consulting were the ability to have a better work/life balance, opportunities to choose what they worked on and increased control over their career. Concerns lay around the lack of training and development opportunities, the lack of support of a business or firm and the question of financial security. These factors are classically perceived as the benefits of permanent roles.

However, the lack of training, development and general support scored low when current consultants were asked about the challenges they face working as a consultant. For example Peerpoint offers high quality training through its own programme and through access to Allen & Overy's array of training. Consultants are also offered regular one-to-one support and career coaching by those with a legal background to ensure they are progressing their careers in the way they want to. Financial security is rarely seen as problematic if consultants are organised with their finances and plan ahead.

What are some of the reasons for advising your colleague to choose/not to choose consulting?



Respondents were asked to pick their top three reasons
N=534

- Advising for consulting
- Advising against consulting

New opportunities call for new skill sets

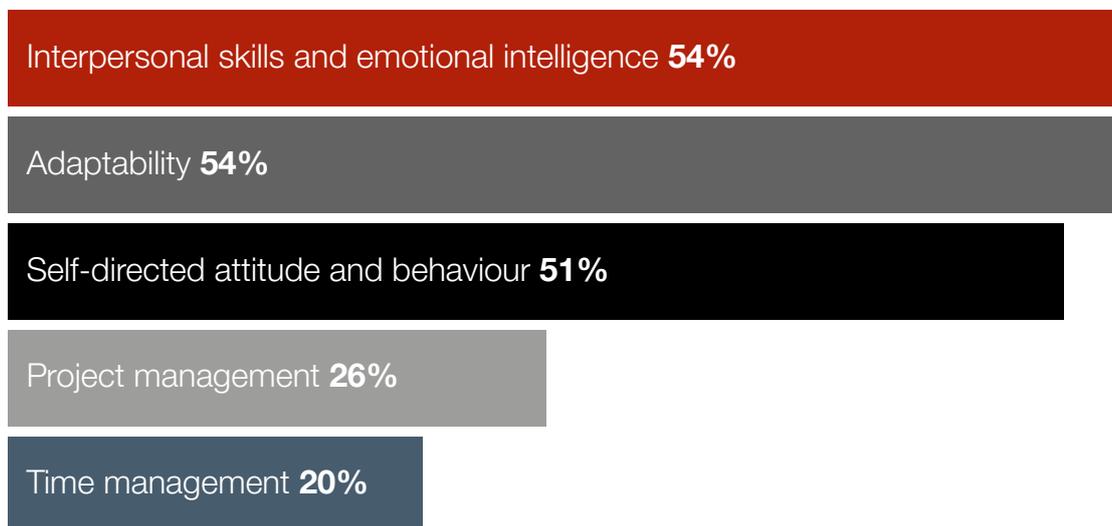
Market research shows that an increasing number of clients are making use of consultant lawyers.

As lawyers, making the most of these client opportunities will require a different set of skills to those required in a traditional setting. Our own research shows that the skills, alongside legal expertise, that will be most important to lawyers considering such a move are increased interpersonal skills and emotional intelligence as well as adaptability.

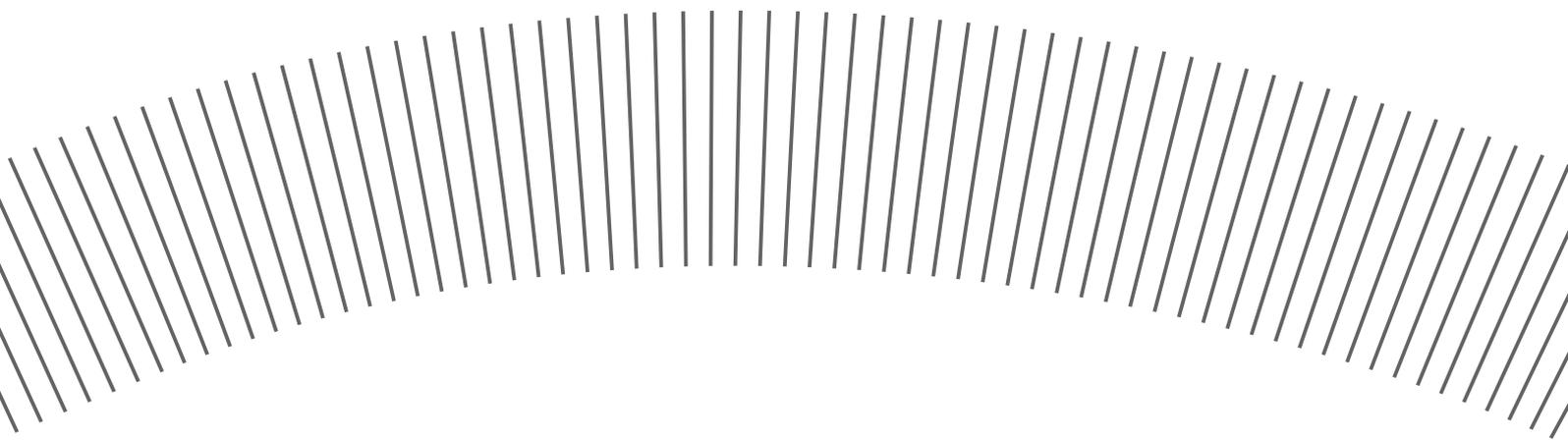
Self-direction is also undoubtedly an important attribute for consultant lawyers.

Although daunting for some, the emergence of new platforms offering the chance to become part of a community where experience and knowledge can be shared, and where skills can be developed, means that stepping out on what can look like a solitary path doesn't have to mean going it alone.

Other than legal expertise what do you think makes a good consultant lawyer?



Top five answers from respondents
N=835



Key questions and conclusions

We hope our findings encourage lawyers to reflect on their future career development and to make choices about how they can achieve success and fulfilment in a changing marketplace. The findings reinforce our direct experience in the marketplace. There is no shortage of opportunity for lawyers, and those who recognise that and are prepared to step away from the conventional can take control of their careers in a more fulfilling way.

Our research also raises some fundamental questions for decision makers across the industry – in-house, in private practice and in policy making. All of which have significant implications for their clients and users of legal services. Amongst the most pressing are:

- How can the legal industry harness lawyers' clear enthusiasm for the law in building rewarding career paths that meet rapidly changing expectations?
- As the profession goes through significant change, what can the legal industry do to open up new and varied career opportunities for the talent it wants to attract and retain?
- What development opportunities do law schools, firms and legal departments need to offer all lawyers – from students to the very experienced – to ensure they are ready for the challenges of tomorrow?
- What makes a good consultant platform and can it be set up in a way that has a positive influence on shaping the legal industry more broadly?
- Now that consulting has entered the mainstream as a career option, what can the industry do to integrate it into more flexible career paths?

Our research suggests that the traditional structures of the industry – structures that seem to have provided a clear pathway to success over many decades – are no longer fit for purpose for what many lawyers expect of their careers.

In tackling this issue, the industry must take advantage of the fact that lawyers have a genuine love of the practice of law – the rigour it entails, the enjoyment of working with teams of peers, and the rewards that come from solving tough legal challenges. These look set to remain an important attraction for people considering a career in law.

At a time when the profession is in flux, law firms, in-house legal functions and consulting platforms must be prepared to take action on a whole range of harder issues, some of which we have outlined over the course of this report, if they want to maintain a good and high quality pipeline of talent for the future.

Only by doing that will they be in a position to deal effectively with the forces of disruption now bearing down on the industry.

‘Disruptors will fundamentally change the nature of the legal industry.’

Contacts

Peerpoint is the global platform for self-directed consultant lawyers who want to access the best work, clients, bespoke support and resources. With over 300 consultants globally, we have offices in London, Amsterdam, Hong Kong, Singapore and Sydney.

We offer clients access to top-tier, senior lawyers who have the skills and expertise to work with their business' teams. All of our consultants have the support of A&O resources and partners.

If you would like more information about the survey or Peerpoint please do get in touch.

Peerpoint partnered with Kite Global Advisors to carry out the research for this study.

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