

How investors value law firms

Understanding what drives value isn't just relevant for firms considering external investment. The same factors that attract investors are the foundations of a stronger, more profitable and more resilient law firm.

Sources of value

Market

- Exposure to high-growth segments with strategy to capture market share
- Global reach through international footprint and a leading brand

Client base

- Diversified and resilient; recurring revenue and reduced dependence
- Multiyear contracts or frameworks supporting retention and revenue visibility

AI readiness and adoption

- Back-office process maturity
- Front office workflow standardisation
- Adoption track record

Talent

- Ability to attract, develop, and retain top talent
- Scalability of pyramids; Focus on high or consistent utilisation
- Succession plans for senior partners and principal

Cost discipline

- Infrastructure and op model that enables growth without raising costs
- Standardised delivery, cost control, strong governance
- Use of technology for process automation and innovation

Scalable back office

- Proven ability to acquire and add new businesses
- Robust tech infrastructure and application landscape
- Integrated and mature data model

Financial strength

- Performance across market cycles with visibility on revenue and profit or PEP growth
- High cash conversion
- Margin expansion through pricing and efficiency initiatives

Think like an Investor



Shape the future
with confidence

The value creation levers

The levers that law firms should pull, irrespective of external investment



01

Growth and commercial
Revenue quality

Portfolio: Segment clients and practices to prioritise investment

Commercial: Pricing strategy, qualification discipline, matter scoping, reduced discounting

Horizon scanning: Demand disruption, new sources of value

02

Matter delivery
Delivery effectiveness

Delivery model: AI, automation, location strategy, pyramids

Partner productivity: Incentives, scorecards, make vs take

Team dynamics: Strategic workforce planning, compensation review, churn

03

Business services
Efficient platform

Simplified ops: Standardising processes, eliminating duplication and reducing complexity across organisational layers

Demand reduction: Zero-based budgeting, spend consolidation, contract optimisation

Tech and data: AI, automation and tech to reduce manual effort, and outsourcing.

04

Cash
Improve working capital

Reduce lock-up: Accelerate billing, strategic prioritisation of collections

AI enablement

Foundations for meaningful deployment

1. Use case and AI opportunity clarity
2. Workflow readiness
3. Data and knowledge readiness
4. Platform and integration readiness
5. Governance and adoption model

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