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PRESS RELEASE

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Data from ELM Solutions' LegalVIEW database suggests there's room to negotiate, even amongst the industry's biggest firms

February 15, 2023 – Corporate legal departments have long regarded the regular substantial rate increases of some of the largest and most prestigious law firms in the United States as an inevitability beyond the reach of negotiations. But a new study featured in Wolters Kluwer ELM Solutions' ongoing LegalVIEW Insight Report series suggests that in-house legal teams actually hold substantial pricing negotiation power with large and small law firms alike, with even seemingly monolithic firms demonstrating some room for negotiation.

Leveraging the more than \$155 billion in legal invoice data used in ELM Solutions' LegalVIEW database, the LegalVIEW Insights 2023-1 report published this month revealed that approximately 32% of the timekeepers comprising the powerhouse law firms that form the Am Law 100 received no rate increases

at all during the period July 2021 to June 2022. Furthermore, approximately 13% of all timekeepers saw the average rate they charge across all clients decrease, a shift that most likely can be attributed to a timekeeper losing a high-paying client or onboarding a new client at a lower rate.

“What this suggests is that timekeepers working at some of the industry’s largest firms are willing to work for less than what many of their clients have already resigned themselves to paying,” said Nathan Cemenska, Director of Legal Operations and Industry Insights at Wolters Kluwer ELM Solutions. “The pricing power wielded by some of America’s largest firms is not immovable, and can be successfully challenged by corporate legal departments willing to adopt a comprehensive approach to better understanding their legal spend and rate management practices.”

Additional highlights from the LegalVIEW Insights 2023-1 report include:

- Rate increases in excess of 10% were achieved by approximately 21% of law firm timekeepers. However, 40% of law firm timekeepers received no increases at all.
- The average rate increase experienced by associates was 62% higher than the rate increase seen by partners, which could reflect in part firms optimizing associate hours and rates in an effort to boost profit margins.
- Rate increases vary widely among business sectors, with financial companies continuing to pay the highest rates of any industry. Law firm timekeepers billing into financial companies in 2022 secured an average rate increase of 5.9% – well over the 2.8% increase they obtained in 2021.

ELM Solutions, part of Wolters Kluwer GRC, is the market-leading global provider of enterprise legal spend and matter management, contract lifecycle management and legal analytics solutions. The company provides a comprehensive suite of tools

that address the growing needs of corporate legal operations departments to increase operational efficiency and reduce costs. Corporate legal and insurance claims departments trust its innovative technology and end-to-end customer experience to drive world-class business outcomes.

Wolters Kluwer ELM Solutions was named a leader in both the IDC MarketScape: Worldwide Enterprise Legal Spend Management 2020 Vendor Assessment and IDC MarketScape: Worldwide Enterprise Matter Management 2020 Vendor Assessment. The company's award-winning products include Passport®, one of the highest rated ELM solutions in the latest Hyperion MarketView™ Legal Market Intelligence Report and TyMetrix® 360°, the industry's leading SaaS-based e-billing and matter management solution. CLM Matrix, meanwhile, was named a "strong performer" in The Forrester Wave™: Contract Lifecycle Management For All Contracts, Q1 2021 report. ELM Solutions' LegalVIEW® portfolio of legal analytics solutions is based upon the industry's largest and most comprehensive legal spend database, with more than \$155 billion in invoices.

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## **About Wolters Kluwer**

Wolters Kluwer (Euronext: WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2021 annual revenues of €4.8 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

For more information, visit [www.wolterskluwer.com](http://www.wolterskluwer.com), follow us on LinkedIn, Twitter, Facebook, and YouTube.

Media Contacts for Wolters Kluwer GRC  
(Including Wolters Kluwer ELM Solutions, Wolters Kluwer CT Corporation, Wolters Kluwer Compliance Solutions and Wolters Kluwer Finance, Risk & Regulatory Reporting)

**Paul Lyon**

Senior Director, External Communications  
Global Branding & Communications  
Wolters Kluwer  
Office +44 20 3197 6586  
[Paul.Lyon@wolterskluwer.com](mailto:Paul.Lyon@wolterskluwer.com)

**Frank Ready**

Senior Specialist, Corporate Communications, Legal Services  
Governance, Risk & Compliance Division  
Wolters Kluwer  
717-205-3647  
[Frank.Ready@wolterskluwer.com](mailto:Frank.Ready@wolterskluwer.com)