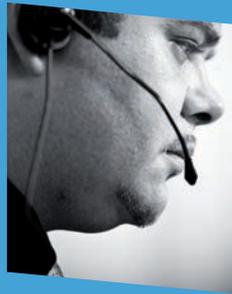


Acritas' Canadian Law Firm Brand Index 2013

HOW THE WORLD'S BIGGEST CLIENTS
RANK THE TOP CANADIAN FIRMS





Acritas
SHARPER INSIGHT

Acritas, the global legal market research specialist, reveals its second annual Index of the Canadian law firm brands most favoured by influential clients from Canada and around the world.

In this report, you will learn about the market forces that are driving the pace of change in the Canadian legal market and significantly altering the relative positions of the country's leading law firm brands.

You will also discover the critical importance of brand awareness and favourability in winning and retaining business as well as gaining insight into the brand strategies adopted by the top-ranking law firms in Canada.

The Leading Canadian Law Firm Brands 2013

Rank	Firm		Brand Index
1	 NORTON ROSE	Norton Rose	100
2	 mccarthy tétrault	McCarthy Tétrault	97.2
3	 <i>Blakes</i>	Blake Cassels	92.9
4	 STIKEMAN ELLIOTT <small>STIKEMAN ELLIOTT LLP</small>	Stikeman Elliott	88.1
5	 FASKEN MARTINEAU	Fasken	71.8
6	 gowlings	Gowlings	61.8
7	 TORYS	Torys	61.4
8	 OSLER	Osler Hoskin	60.3
9	 BLG <small>Borden Ladner Gervais</small>	Borden Ladner Gervais (BLG)	53.2
10	 FMC <small>LAW</small>	FMC Law*	50.9
11	 Bennett Jones <small>Your lawyer. Your law firm. Your business advisor. www.bennettjones.com</small>	Bennett Jones	34.1
12	Heenan Blaikie LLP	Heenan Blaikie	33.0
13	 Goodmans ^{LLP}	Goodmans	32.1
14	 BD&P Burnet, Duckworth & Palmer LLP <small>Law Firm</small>	Burnet, Duckworth & Palmer	28.5
15	 mcmillan	McMillan	24.4

*Research was conducted prior to the March 2013 combination of FMC law with Salans LLP and SNR Denton, forming new firm Dentons.

How the Index is compiled

The Canadian Law Firm Brand Index is determined by combining the responses to five open-ended questions. These are designed to find out from 245 Canada-based general counsel which Canadian law firms:

- First come to mind
- They most favour
- Are considered for top level M&A
- Are considered for 'bet-the-company' litigation
- Are used most for high value work.

In addition, 55 general counsel from international organizations outside Canada with legal needs in Canada told us which firms they were most likely to use in Canada.

Internationalization driving change

Internationalization is a powerful trend that we first observed gathering momentum in the Canadian legal market in 2010. The 2013 Index reflects the extent to which internationalization has taken hold and become one of the most powerful influences on brand strength.

Acritas' Sharplegal data shows a clear rise in the proportion of Canadian businesses which have a need for legal advice outside Canada, as well as an increasing number of non-Canadian organizations requiring legal advice in Canada as they expand their operations in the country.

This evolving pattern of demand is fuelling a change in fortunes for Canada's law firms, putting those with established international capability into an enviable position of strength.

A further development, is that the list of firms which are top of mind for Canadian general counsel has diversified to include more firms which don't have physical presence in Canada – testament to the increasingly cross-border nature of clients' legal needs.

One firm in particular – Norton Rose – has gained significant ground, thanks to its most recent merger with Macleod Dixon and its expanding global reach, following further mergers with South African and Australian firms.

The rise and rise of Norton Rose

The increased strength of the Norton Rose brand in Canada has resulted in significant disruption to the Canadian legal market's status quo.

Rising from eighth place in the 2012 Index to first place in 2013, Norton Rose has achieved a brand position that surpasses the sum of the legacy brands combined.

This increase is significant not only in terms of awareness (which in isolation could be attributed to heightened levels of marketing activity surrounding the merger with Macleod Dixon), but also in terms of favourability and consideration for multi-jurisdictional work – proof that the firm's global platform is attractive to the market.

However, perhaps most importantly, the firm is now also more likely to be considered for top-level work, reflecting the fact that the perceived quality of the brand has not been compromised by the merger. In other words, the brand potential of the merger has been fully realized.

This is not only important news for Norton Rose, but for the Canadian legal market as a whole. In shaking up the traditional hierarchy and introducing a healthy new degree of competition, this firm's pioneering growth strategy is raising the bar.

Clients stand to benefit from the improvements that law firms will have to make to their service if they are to grow and thrive in this new competitive landscape.

Differing routes towards brand strength

International capacity

Norton Rose has followed one very clearly defined path to achieve growth and service its international clients' needs. However, not all firms have such expansive global ambitions.

Beyond the number one rank, three leading brands continue to dominate the market – McCarthy, Blakes and Stikeman – all of which are strong national brands with international capabilities.

These firms offer a different solution to clients with international requirements. In addition to their own overseas outposts, they have developed strong referrer networks and trusted relationships with firms in other jurisdictions in order to meet rising cross-border demand. In particular, our data shows that Blakes is most likely to be used by overseas multi-nationals with needs in Canada.

A regional view

Considering that Canada's economy is predominantly driven by its regional strengths, so too are many firms' footprints.

Acritas' Sharplegal data reveals that in Alberta, while Norton Rose and Blakes still hold the same ranks as they do nationally (first and third respectively), three firms jump into the top five which were ranked tenth or below in the national Index rankings, namely Burnet, Duckworth & Palmer, Bennett Jones and FMC Law.

Focusing on the finance-driven Ontario province, we see Torys taking the lead, packing an impressive punch in brand strength relative to headcount. Blakes consistently holds its national third-place position here too plus Stikeman and McCarthy make up the top four. Fifth position is taken by Osler which jumps back up the Index here from its eighth position overall. However, Norton Rose is noticeably absent from the upper-most ranks.

Analysis of brand movement

Index scores

Although Norton Rose has achieved the greatest increase in brand rank overall this year and displaced the former leading brand at the top end of the market, Index scores have improved for other firms too. McCarthy, Stikeman, Fasken and Gowlings have all moved up the ranks and Blakes, although dropping from second in 2012 to third in 2013, has also achieved an improved score of 92.9 up from 85 the previous year, closing the gap on the leader.

Top-of-mind awareness

This measure is used to test respondents' day-to-day awareness of various firms. It is a useful measure given the close correlation between being at the forefront of a client's mind and being more likely to be considered when a new matter arises.

In the main, firms' rankings for awareness follow the order of the Brand Index rankings, with the exception of

Gowlings which performs more strongly in the Index overall than on awareness i.e. it has achieved a stronger Brand Index position despite weaker levels of awareness. This is due to strengths in other aspects of brand performance such as being considered for top level litigation.

Favourability

Favourability is a strong indicator of brand affinity, i.e. how clients feel a law firm's offering and values align with their own. Where favourability is strong, clients are more likely to remain loyal – representing a valuable potential stream of future revenue for firms.

On this criterion, Blakes competes very closely with Norton Rose – they are both highly favoured brands. However, looking at general counsel's responses in detail, Blakes emerges as the firm that respondents most frequently name first when asked to list their three most favoured brands. Blakes' favourability score is therefore driven by receiving more 'first mentions' and being foremost in the minds of general counsel.

Norton Rose and McCarthy however, are most likely to be mentioned second or third in respondents' lists of their three most favoured brands.

It is important to know if clients and prospects are ranking your firm as the first, second or third most favoured firm as a healthy position is weighted more towards being first to come to mind.

What do the Index rankings mean for law firms?

Given the rapid changes taking place across the legal market, law firms can benefit greatly from undertaking regular 360 degree analysis of the competitive landscape and by being vigilant about the likely sources of new pressure on their position.

It is critical that law firms do not discount the potential threat posed by ambitious firms with aggressive growth strategies simply because they have not traditionally been within the same competitor set or been seen as a challenge.

As the Canadian Brand Index shows, rapid growth is taking place in some unexpected places. Even if you don't think a particular firm poses much threat to your client base, against a backdrop of intense competition, there is a very good chance that that firm is planning on competing with you.

As firms grow their footprints and capabilities through consolidation, they also expand their expertise, client base and areas of best practice. When well-executed, the transition from legacy brands to newly merged brand should take effect quickly in order to combine the benefits of the firms that have joined forces. Ideally it creates a synergistic effect that fortifies the new firm's offering to the market thereby posing a significant challenge to the established players.

The Canadian law firm brandscape – a five-year view

For the past five years, Acritas has been measuring law firm brand strength across Canada as part of its annual Sharplegal survey of general counsel.

Since 2008, we have seen significant alterations in the strength of law firm brands across all levels – from the major players, through the mid-tier, to smaller regional practices – every size of firm has been affected to some degree.

In 2008, there was a clear pattern of leading brands, followed by mid-tier national firms and then the chasing pack made up of smaller, more regional firms.

The leading brands, mostly Seven Sisters firms, gained higher levels of awareness by virtue of being associated with that group – if you can recall one Seven Sisters firm you are likely to think of the others.

Five years on and the picture today looks very different. A group of new, acquisitive and forward-thinking firms is gaining strength, moving ahead and widening the gap between the leaders and the rest of the field at the top end of the market.

The power of the challenger brands

We observed in 2010 that a group of 'challenger brands' had grown through mergers, lateral hires and much more strategic investment in brand. Even then, it was clear that these efforts were paying off for firms like BLG, Fraser Milner Casgrain and Ogilvy who were gaining on the leaders, aided by the fact that the traditional group of elite brands had dissolved and smaller ones were declining in brand strength. In other words, a normalization of the market was in progress with the earlier leaders falling back to their natural place relative to the rest of the market.

Now in 2013, these trends and movements have been further consolidated by the significant rise in brand awareness and favourability of Norton Rose.

The future is client-focused

In a hyper-competitive marketplace, the firms which have adopted a strategic approach to marketing and brand development are at a considerable advantage. As well as having a clear brand vision, these firms are usually more advanced in their client servicing too, with many having had sophisticated client review programs in place for some time. The insight into clients' future needs gained during reviews has proved invaluable for the successful long-term planning of these rising stars.

Client feedback can not only highlight specific areas of service that are working well or need to be improved when conducted consistently across a range of clients, it can also give firms early warning of wider trends emerging.

Clients have been talking about the ways in which their roles have been changing for some time. Only the law firms who were actively listening to what they had to say could act on this valuable insight. Gaining an early understanding of these changes and the financial pressures under which clients were working gave forward-thinking law firms a sizeable first-mover advantage in the market.

Despite this example, some firms are yet to put any formal client feedback program in place. As a result, they continue to miss out on valuable information about clients' future requirements and are putting themselves at an unnecessary disadvantage during difficult market conditions.

Future-proofing your brand

Drawing on Sharplegal research data, the following provides an overview of the legal 'brandscape' and offers some proven techniques for building brand strength over time:

- In a crowded market, achieving and maintaining visibility is harder than ever – what worked last year will not necessarily work now or tomorrow. Conducting or referring to research that highlights emerging market trends and rising demand is vital to maintaining and growing your brand profile and market share
- Now more than ever it is critical to invest in brand, relationships and people. Your firm has a brand, whether or not you invest in it is a decision which will directly affect your standing and performance in the market
- Successful brands are authentic, relevant, unique – and delivered consistently. It is crucial to understand what your brand stands for in the minds of clients and prospects in order to build on this position or re-align your brand strategy. Brands are never static, so the monitoring process should be carried out on a regular basis
- The messages that help to communicate your brand values should be founded in robust research conducted among clients, the market and your people. In this way you can avoid the damaging consequences of a mismatch between external perceptions of your brand and the values you wish to communicate
- A clear, consistent message needs to be communicated to the market through:
 - Your firm's client-facing team who must be equipped with clear and effective brand messages
 - A marketing strategy that keeps pace with market changes in order to future-proof your brand and attract future clients, employees and international partners
 - Client-focused delivery channels which are appropriate to the relevant industry/sector in which you are operating.

Measure your firm's brand strength

An important step in harnessing the power of your firm's brand is to take stock of the existing perceptions held of it – external as well as internal. It is crucial that this look at your brand strength be undertaken independently and from as many different angles as possible. It is easy to fall into the trap of thinking that your own interpretation of your firm's brand is shared by all.

Acritas' Sharplegal research reveals the current levels of awareness and favourability of law firm brands across the globe. By capturing the responses of more than 2,500 influential buyers of legal services every year, the survey provides your firm with clear insight into the relative strengths and weaknesses of leading law firm brands and the factors which lead to awareness and favourability among the leading buyers of legal services. As a result, Sharplegal data is used as a foundation for strategic growth by some of the fastest growing law firms in the world.



Acritas' Sharplegal – Essential Global Legal Market Intelligence

Acritas is the world's leading provider of legal market research. Our portfolio of services is broad and ranges from brand tracking and thought leadership to client feedback and analysis of emerging trends.

We work closely with our clients, including many of the Global 100, AmLaw 200, and leading Canadian firms, and we shape our research programs to meet clients' needs.

The Acritas difference lies in our individual approach and extensive benchmarking capabilities – thanks to the six years of historical data contained within our flagship product Sharplegal – the world's most comprehensive annual study of the legal market.

Sharplegal from Acritas covers many aspects of the legal business in great depth, and helps leading global law firms to:

- Understand current perceptions of their brand and strength in respective target markets
- Ensure they are operating in/moving into the right markets
- Access the latest market insight to help increase their pitch success rate
- Improve their client retention by better understanding clients' needs
- Analyze their pricing policy in light of peer group and world trends.

Sharplegal data is compiled every year from interviews with the most influential general counsel in the world's largest companies operating in 55 countries including the key jurisdictions of Canada, the US, Brazil, the UK, Germany, France, China, Japan, Australia and the Middle East.

Interviewees include:

- Over 1,400 senior law firm clients in \$1bn+ revenue 'global elite' companies
- Over 1,000 general counsel in \$50m to \$1bn revenue companies
- 245 decision makers in Canadian companies each year.

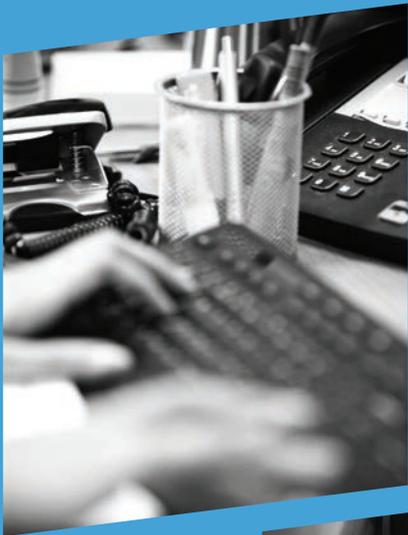
The design and interpretation of the Sharplegal survey is directed by Acritas' Advisory Board, comprising a number of pre-eminent general counsel and law firm leaders.

The wide global spread, high number and seniority of the respondents makes Sharplegal data unique. In addition, the survey provides access to six years of benchmarking data from over 12,000 interviews.

The comparative view that this body of data allows is not available by any other means, which is why the world's leading law firms use Acritas research to develop the sharpest global strategies.

Contact us

To find out how Acritas can help sharpen your firm's competitive edge, call Elizabeth Duffy **+1(212) 590 2583** or **+44(0)808 178 3020**, email **eduffy@acritas.com** or visit **acritas.com**



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