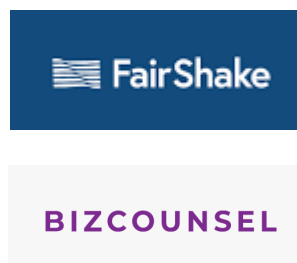


How do you successfully compete on value rather than on rates?

- Did not set out to be a lawyer
- Successful at selecting companies that survive and thrive (and helping them to do so)
- From the great state of New Jersey



@EddieRHartman

LegalZoom supports a large number of SMEs, integrating a network of provider firms into a technology platform

4 Million+

The number of people who have relied on us for their personal and business legal needs



"I had never started a business before, so LegalZoom was a perfect place to go. It let me take my vision for the company and make it a reality."

Janie Hoffman, Mamma Chia

2 Million+

The number of people we've helped start or run their business



"[Without LegalZoom] I probably would have not felt comfortable, both from a time and money and effort standpoint, establishing as many brands as I did."

Derek Rohlf, Winemaker Bravium Wines

450,000+

The number of requests for attorney consultations



"We've used [LegalZoom] for quite a few things over the years, and overall it's gone very smoothly. They've been easy to work with and very affordable."

Karen Yoo, McCalls Meat and Fish Co



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LegalZoom's presence is increasingly outside the United States



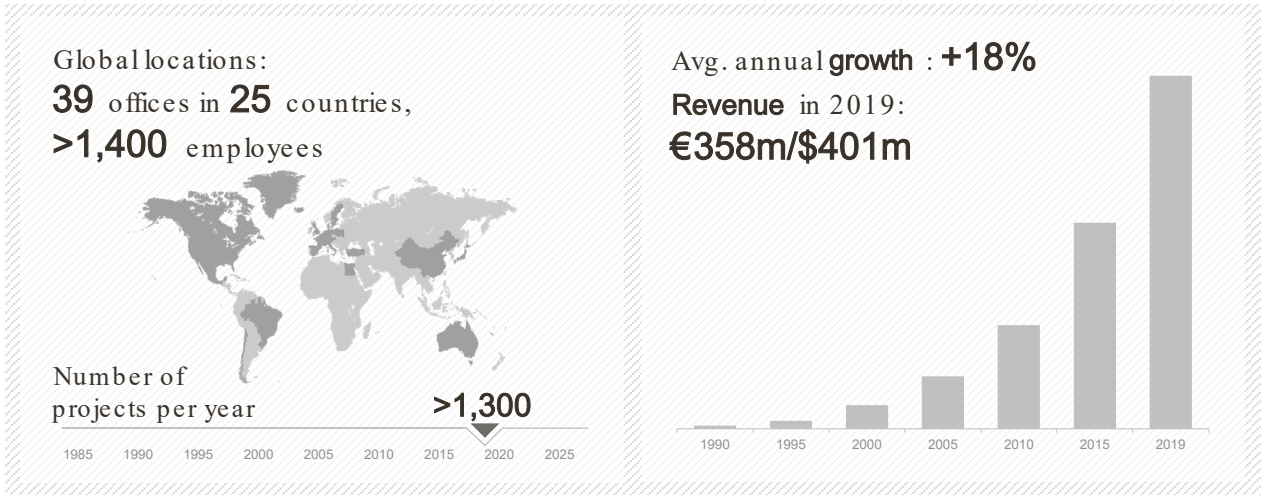
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Simon -Kucher & Partners at a glance

Globally renowned consultancy for top -line improvement



Facts and figures



What others say about us

No one knows more about pricing than Simon-Kucher.

Philip Kotler, marketing guru

Simon-Kucher is a down-to-earth consultancy, highly committed and trustworthy. They deliver what they promise.

Member of the executive board,
Bank Julius Baer & Co. Ltd.

Simon-Kucher was a great partner during our research phase. We appreciated their support, expertise, and partnership throughout the process of developing Uber Rewards.

Barney Harford, former COO, Uber

Pricing strategy specialists.

The Wall Street Journal

Simon -Kucher profile

TopLine Power®

This is what Simon-Kucher is all about. We boost our clients' revenue and profits by optimizing their pricing, sales, marketing, and strategy.

Simon-Kucher Digital

We advise clients on how to improve their top lines with digital technologies, from big data analytics, machine learning, and artificial intelligence to tailor-made pricing and sales tools.

THE unicorn advisors

We have worked for over 30 unicorns, such as Asana, Stripe, and Uber.

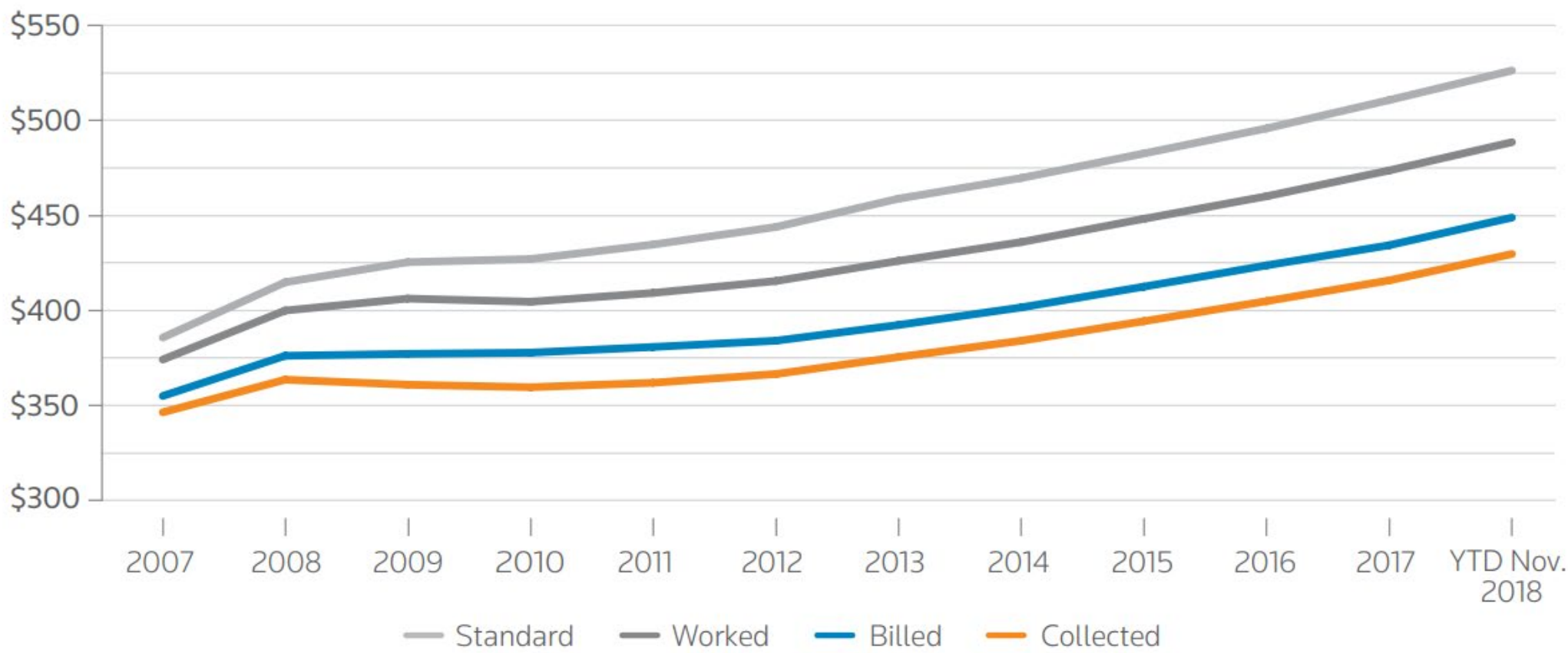


Price is fundamentally a measure of value



This directly translates into law firm rates, where higher fees stand in for quality

Figure 11 – Rate Progression



Lawyers only
Billable time type; non-contingent matters

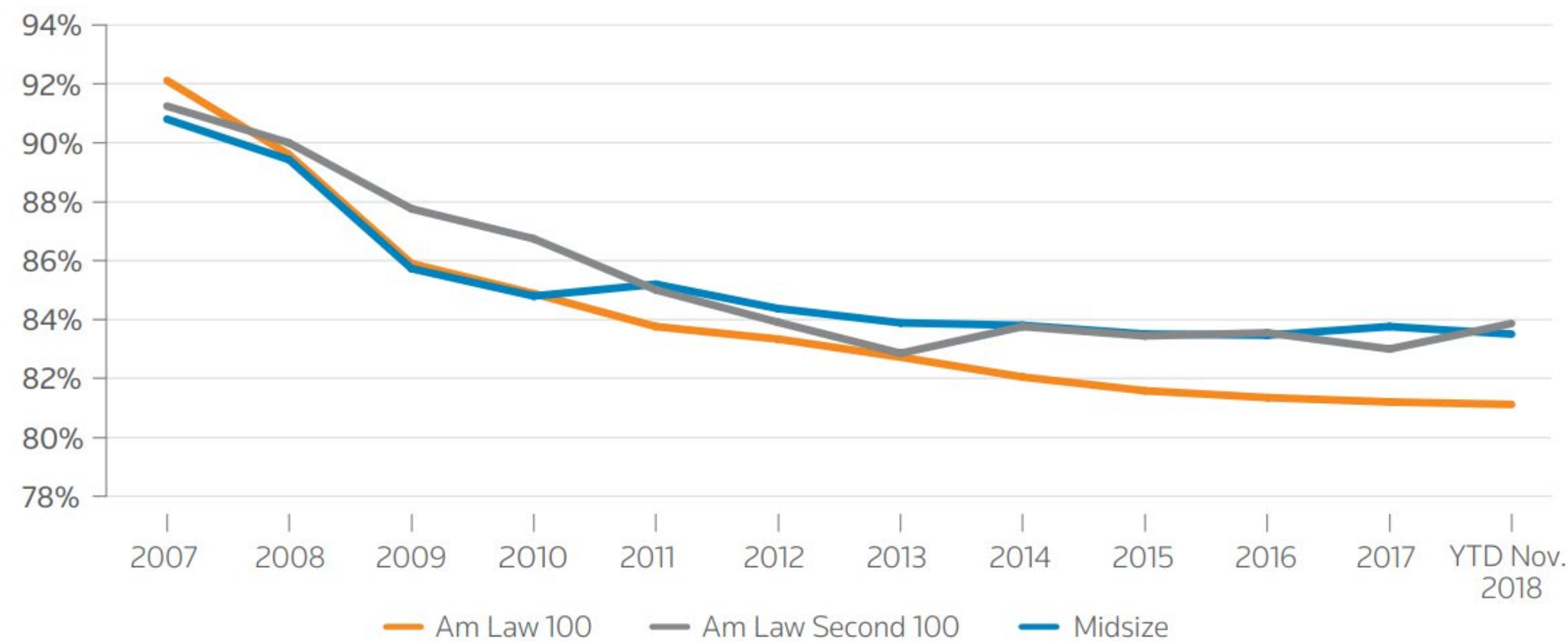
Source: Thomson Reuters Peer Monitor®

Source: Thomson Reuters Peer Monitor / Georgetown 2019 Report on the State of the Legal Market

The "rack rate" is not what most clients actually pay – although it does drive up tuition and affect expectations

In our research, we found multiple forms of discounting, only two of which are captured by the Georgetown study, below

Figure 12 – Collection Realization against Standard



Lawyers only
Billable time type; non-contingent matters

Source: Thomson Reuters Peer Monitor®

Source: Thomson Reuters Peer Monitor / Georgetown 2019 Report on the State of the Legal Market

Economists generally recognize three categories of goods



Commodity – Search Good



Experience Good



Credence Good

...credence goods put the "price story" in boldface

With Credence Goods, the fee becomes a convincing stand in for actual quality

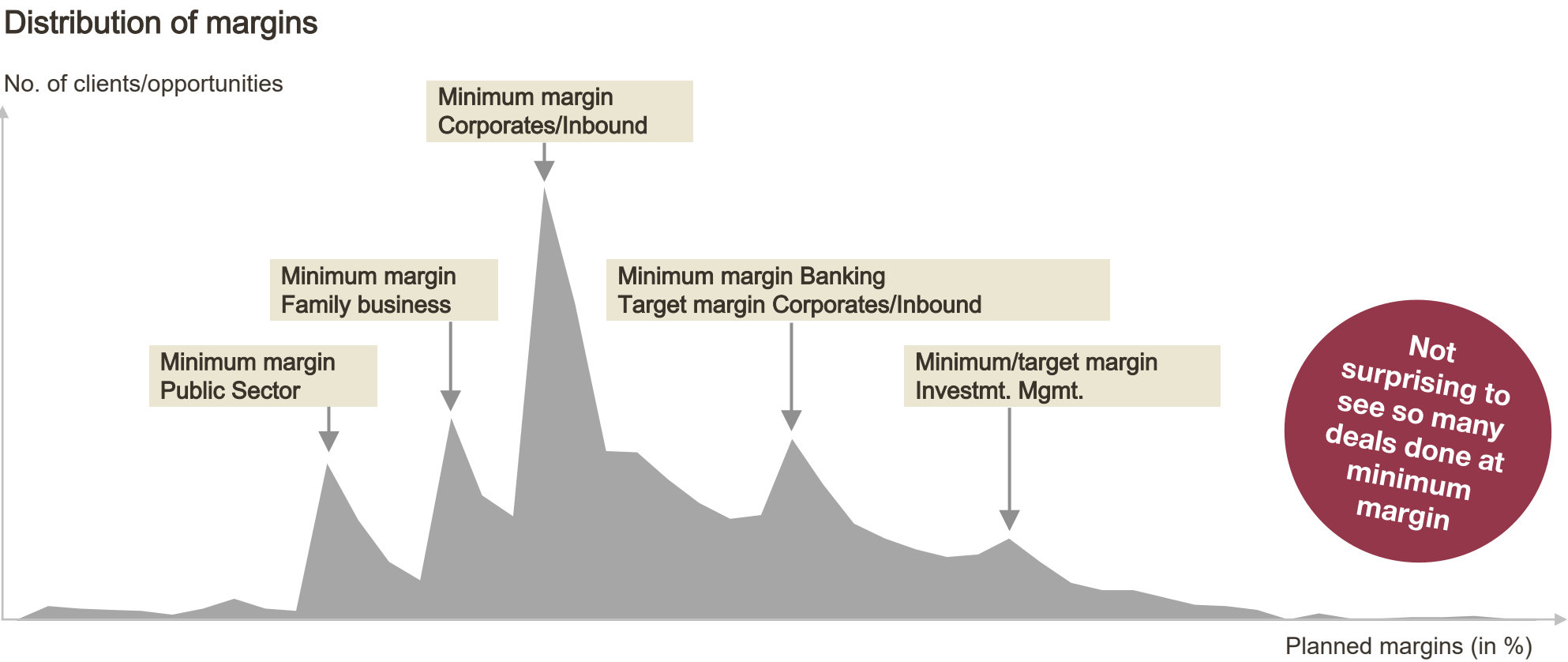
Participants of an experiment were asked to judge the pain relief effect of a pain-killing tablet after they were treated with (soft) electric shocks.

		Communicated price per tablet	Pain relief confirmed by...
	Group 1	 \$2.50	~ 100%
	Group 2	 \$0.10	~ 50%

Particularly with credence goods, price becomes a statement about quality

Source: Ariely, 2010

Massive uncertainty about how to set discounts, particularly among junior partners



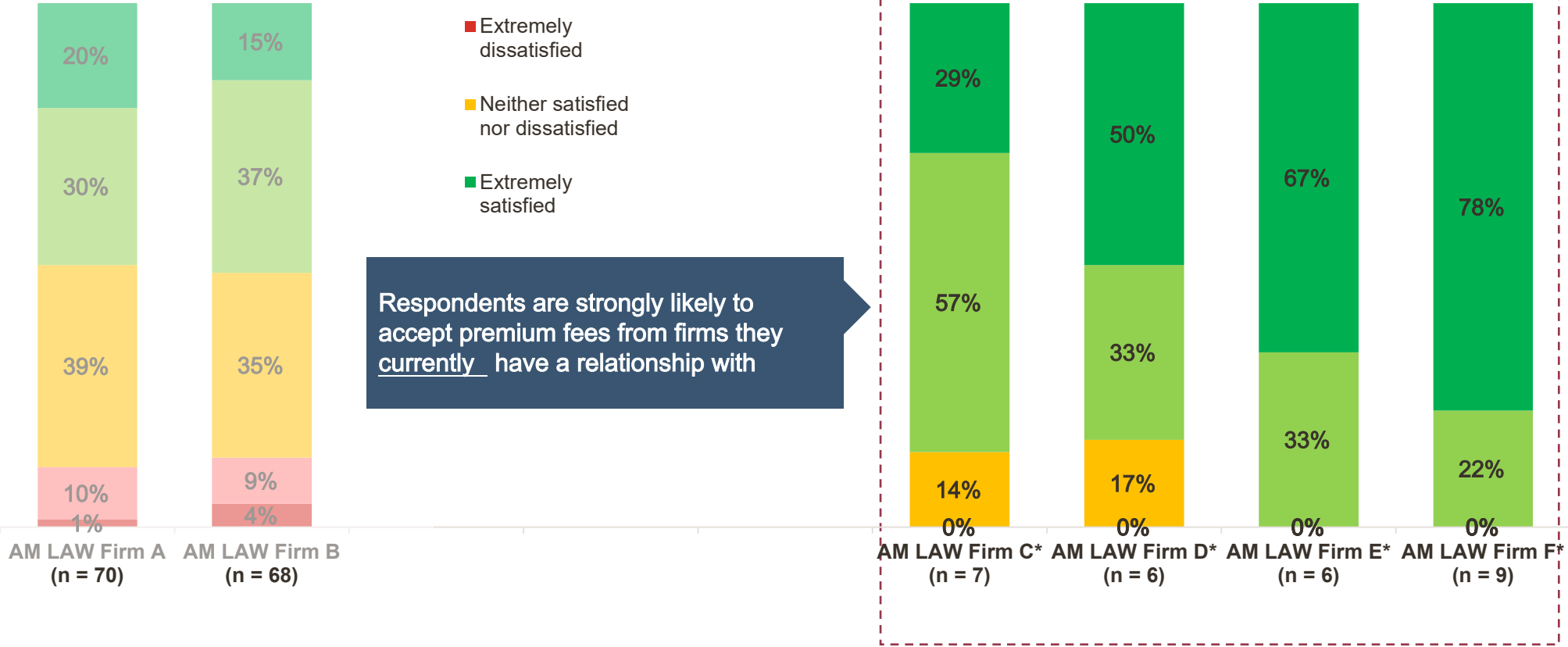
Ultimate price generated based on internal 'rules' with no consideration of HOW or WHY
willingness to pay (and therefore target margin) should differ between clients

Source: Simon-Kucher & Partners

...yet measured elasticity was low, particularly in a relationship context

Response to a 10% premium over expected median fees from AM LAW 100 clients

Q: For a typical matter in [chosen area], if the total fee for the engagement was [10% over reported median fee], how satisfied would you be in engaging each of the firms below?



Over 90% of respondents are satisfied paying 10% premium for firms they currently engage

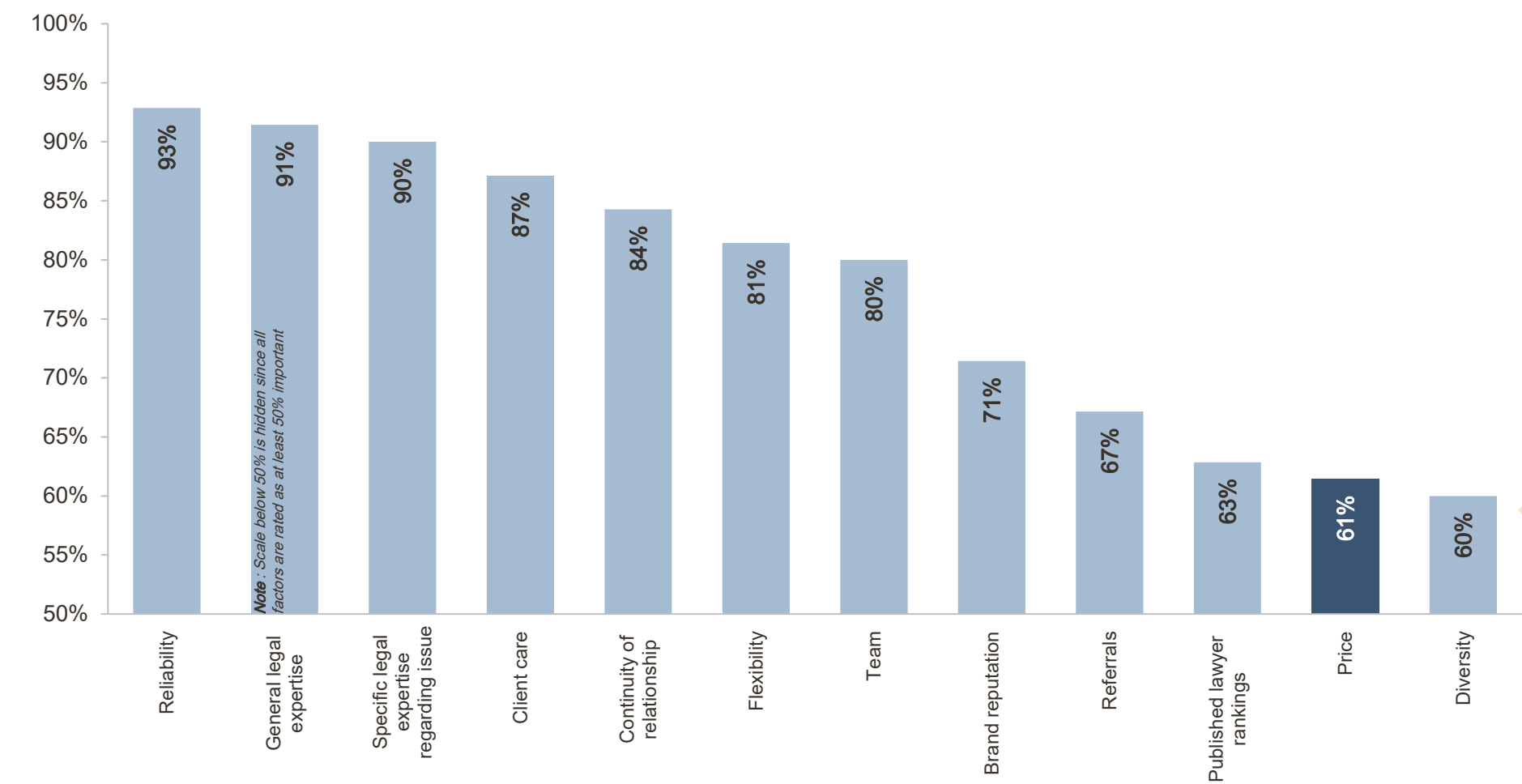
* Small sample each for individual firms selected from AmLaw 100: indicative results only
Source: Simon-Kucher Survey of Purchasers of Legal Time

...and purchasers of legal time showed a strong "value" profile, ranking quality drivers over price

Importance of specified factors in fee -setting decisions

Q: Below are listed a set of possible criteria for evaluating a law firm in a given matter. Please estimate the importance of each factor for the majority of matters you handle.

"Very" or "Extremely"
Important (0 -100%)



Price is one of the lowest -priority factors for decision -makers on purchase of legal time

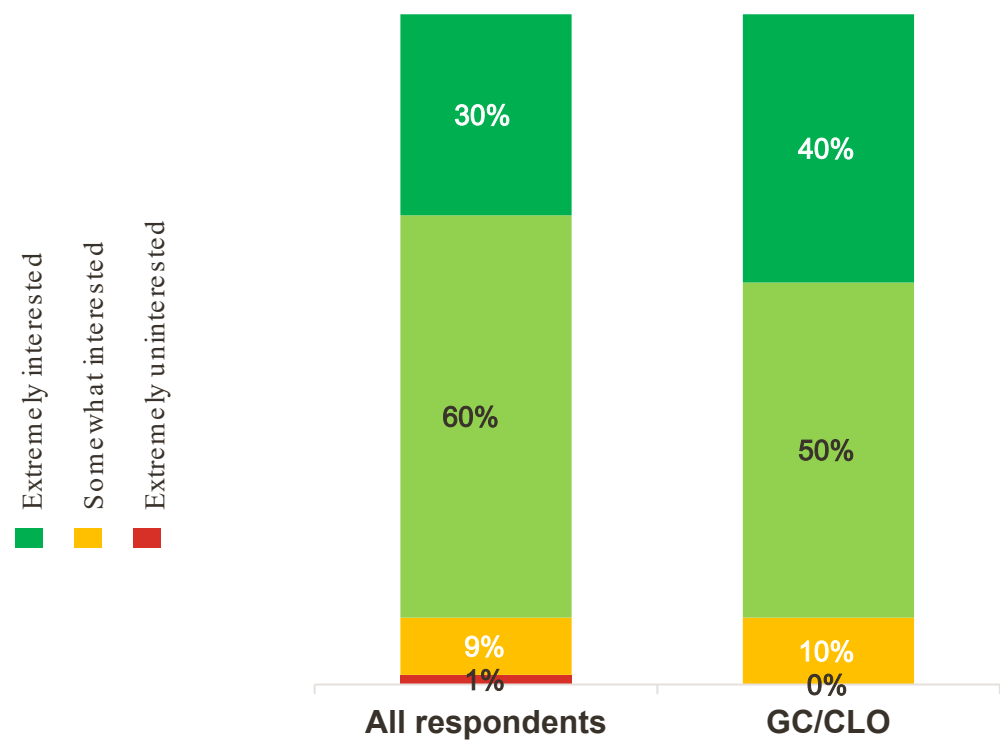
Indicates possibility of setting and realizing premium-prices, coupled with effective value-communication

Q: Below are listed a set of possible criteria for evaluating a law firm in a given matter. Please estimate the importance of each factor for the majority of matters you handle.
Source: Simon-Kucher Survey of Purchasers of Legal Time

While firms are historically resistant to AFA adoption, in most practice areas, "stair step" AFA approaches may be more acceptable

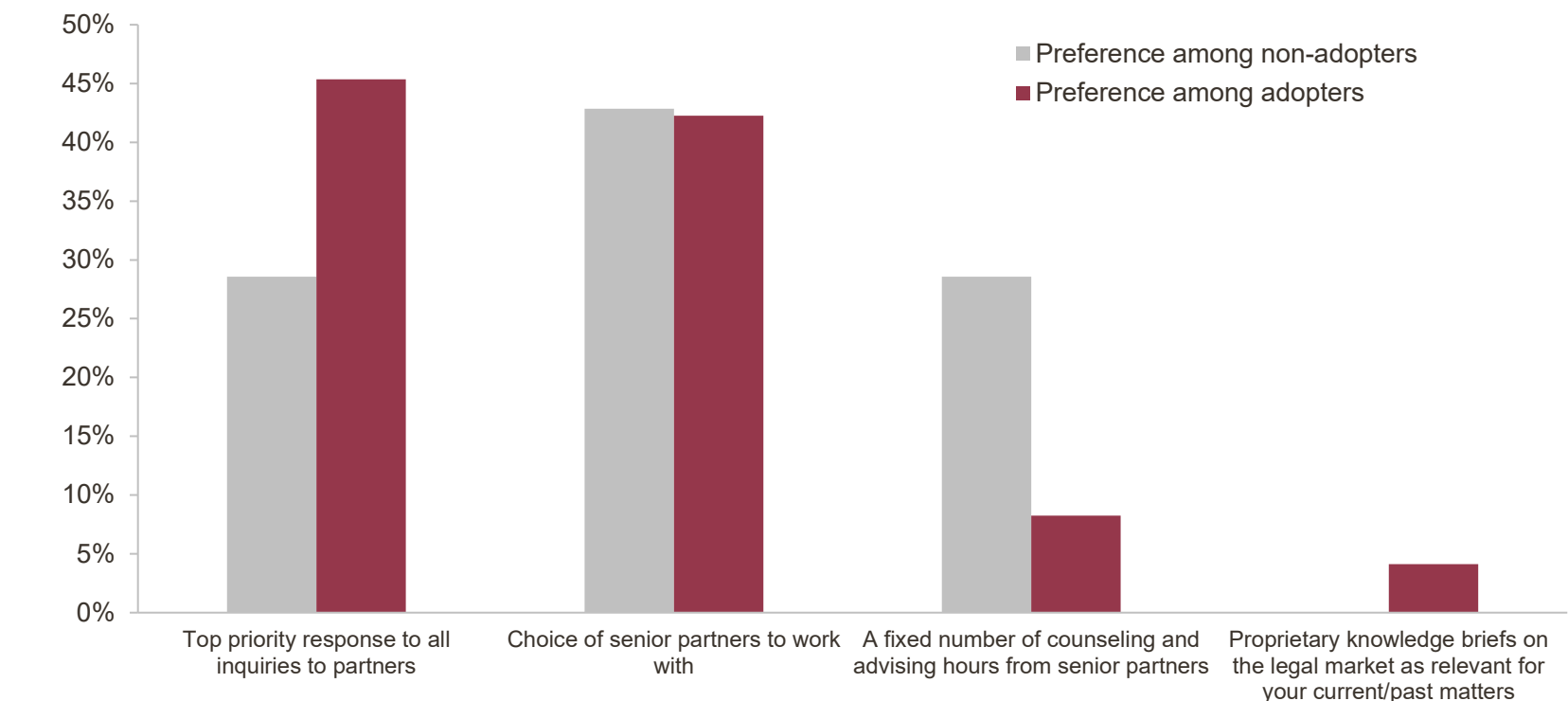
Adoption likelihood of Membership

Imagine a "membership program", where for a fixed annual fee, you obtain legal services over the year at strongly discounted hourly rates. How likely are you to join such a subscription?



Preferred Membership Features/Perks

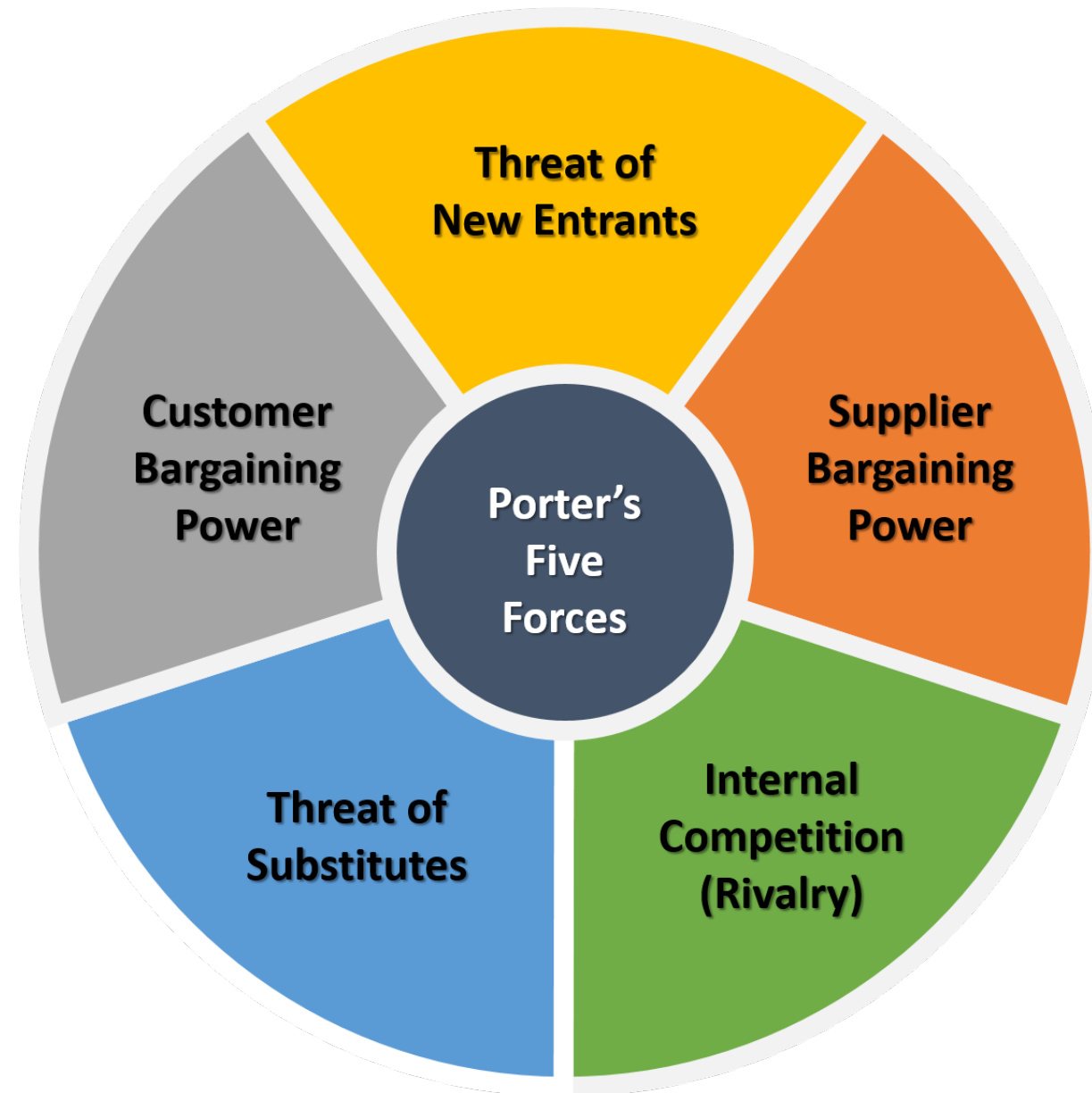
What non-financial benefits would [you also prefer to have / make you consider joining] as a part of this subscription?



Relationship factors, particularly access to partners, dominated over other non-monetary factors tested

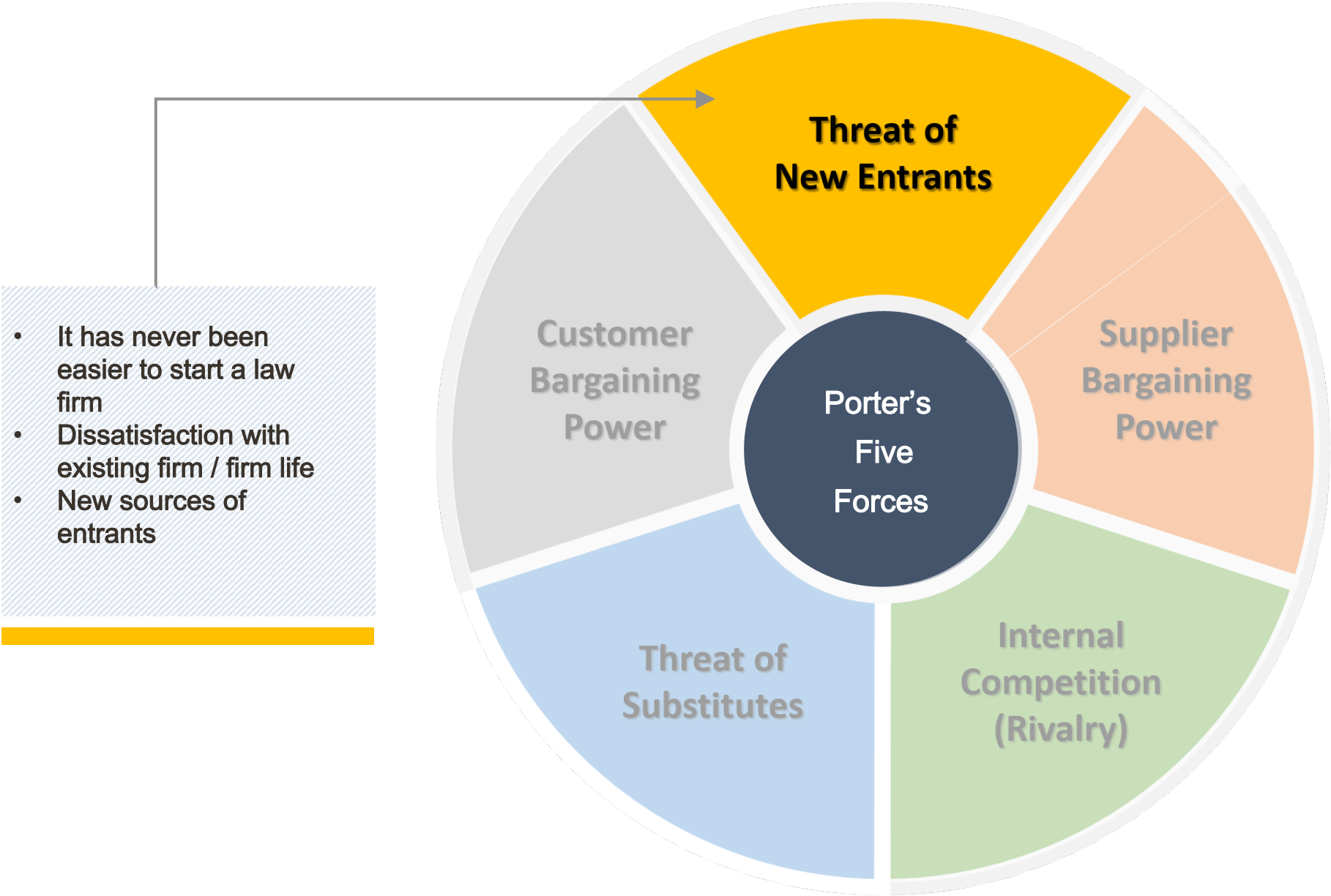
Source: Simon-Kucher Survey of Purchasers of Legal Time

“Five Forces” Analysis: Isolating the forces exerting pressure on the current legal economy

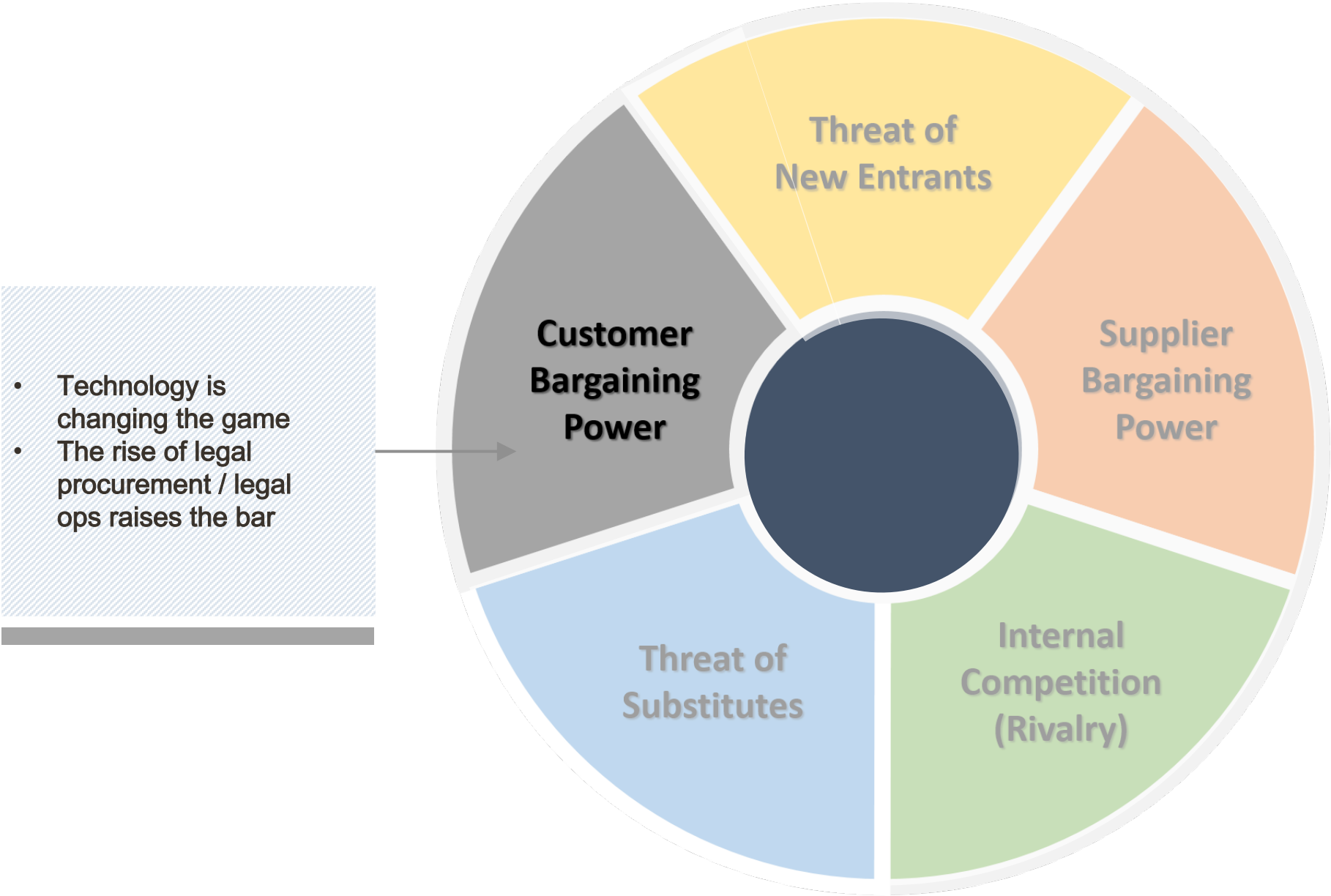


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Analyzing the forces exerting pressure on the delivery of legal services



Analyzing the forces exerting pressure on the delivery of legal services

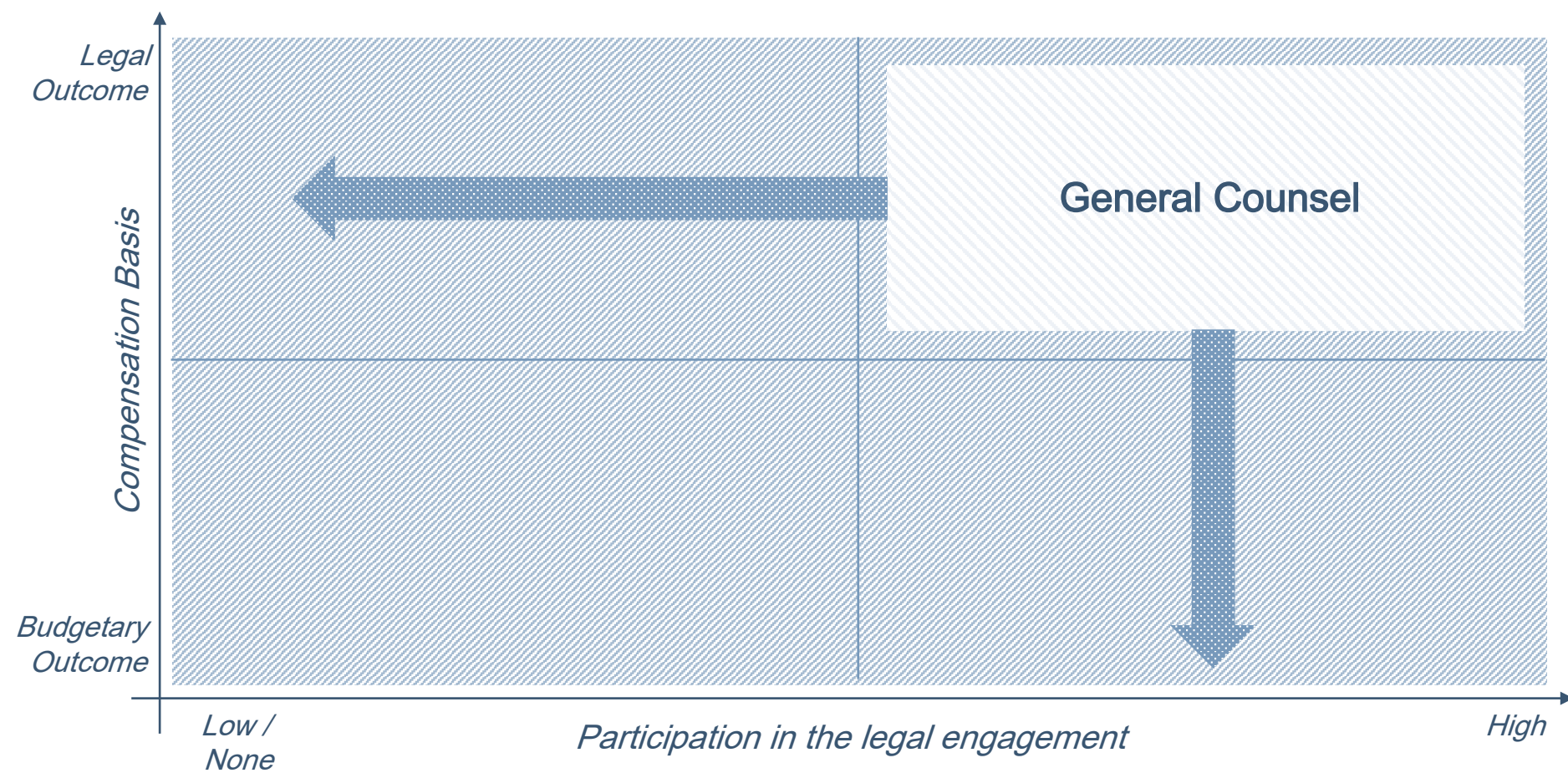


Technology is now being used to scrutinize lawyers' every move



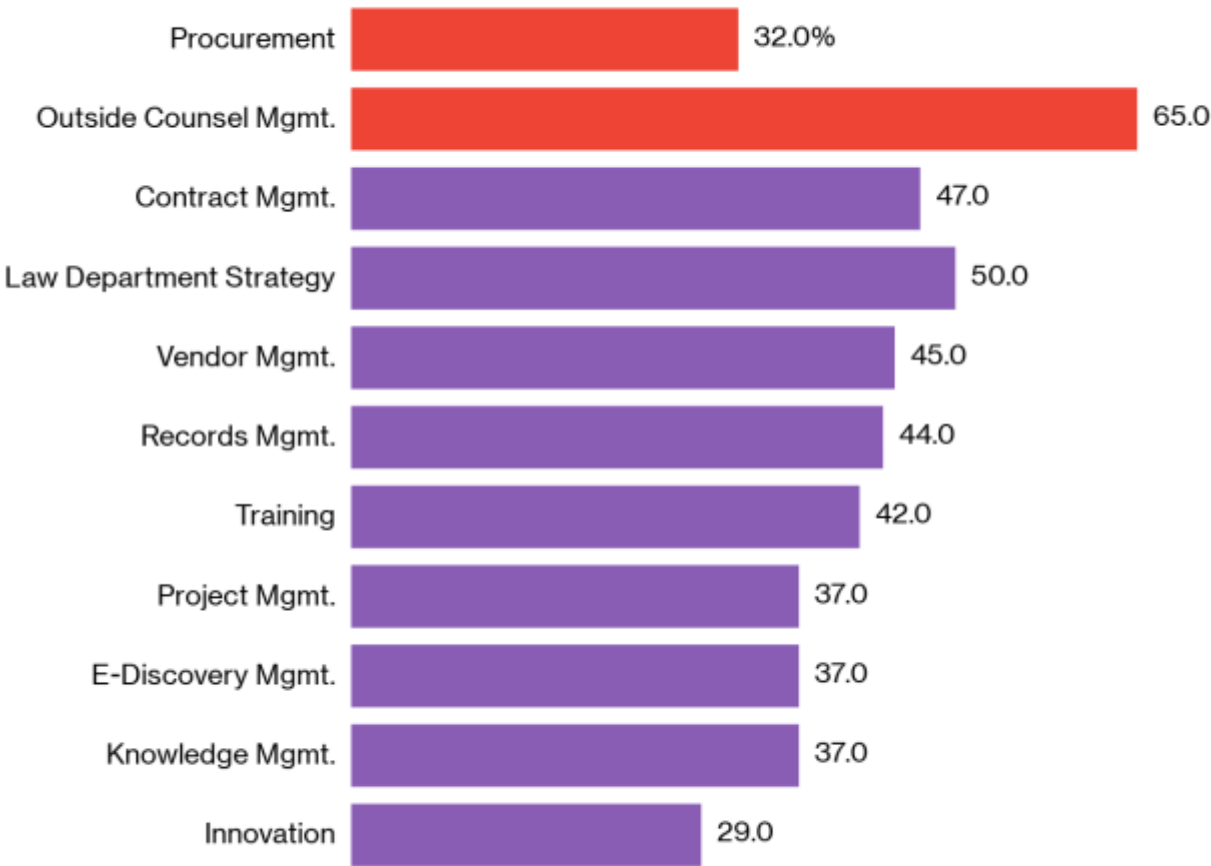
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Your new counterparty cares less about the relationship, and worries more about the expense



Enterprise - and mid -sized firms will increasingly put two layers of negotiation between you and the decision maker

Legal Operations: Scope of Responsibility



Source: Bloomberg Law 2019 Legal Operations & Technology Survey

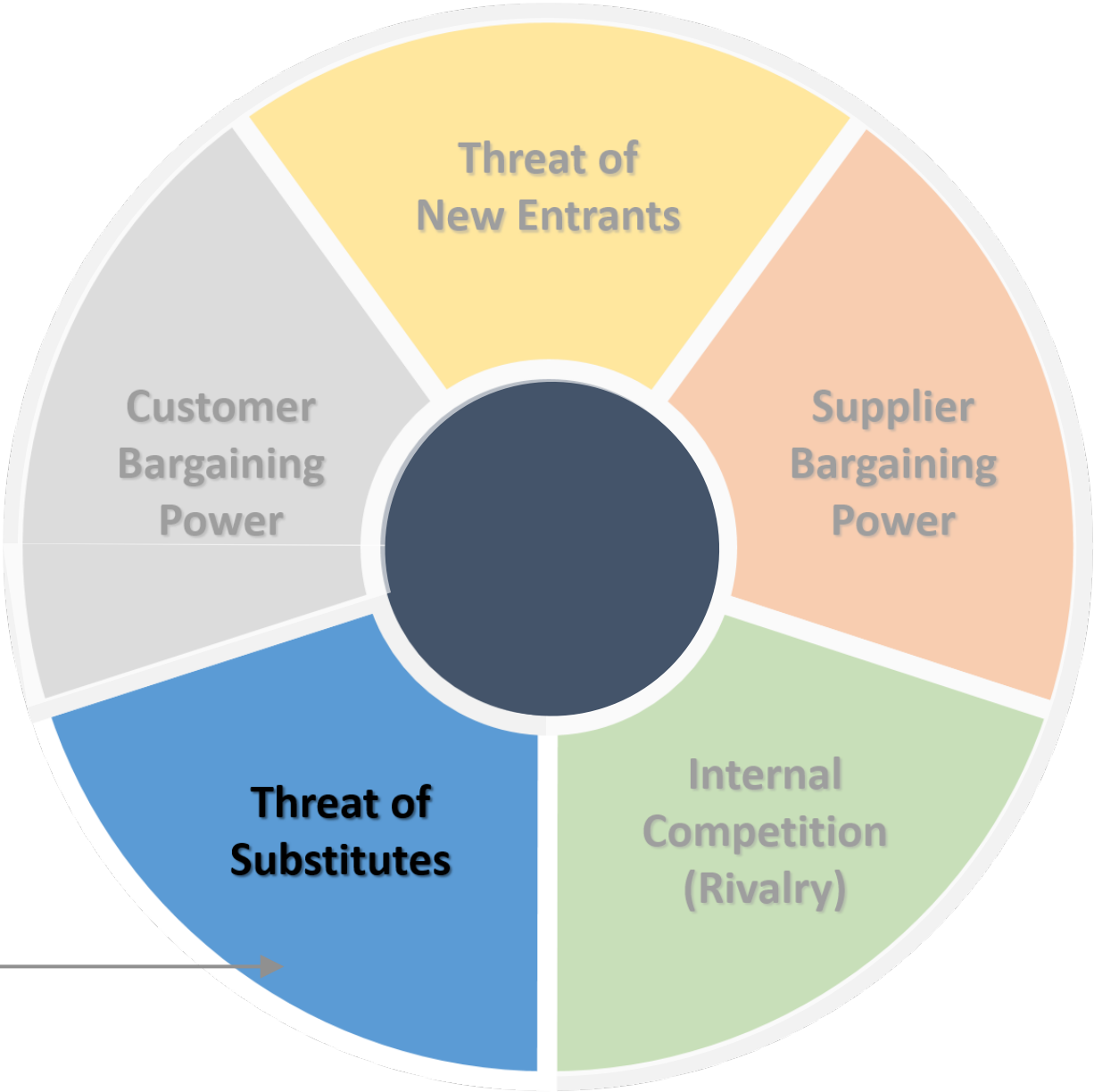
Bloomberg Law



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Analyzing the forces exerting pressure on the delivery of legal services

- Bigger, better funded companies are entering the “Alternative Legal Service Provider” (ALSP) Market
- Regulatory change is adding fuel to the fire



Analyzing the forces exerting pressure on the delivery of legal services



- With geographic barriers falling, competition will only grow from here



Our Excellent Panel



Kirsty Shenton

Head of client care
Mills & Reeve



Laila Aslam

General counsel and
company secretary
Waterstones



Dan Kayne

General counsel – regions
Network Rail

Thank you!



@EddieRHartman