

WHITEPAPER

How Firm-Wide Collaboration Can Address Legal Industry Challenges

2025



The legal services industry is at a critical juncture amid economic uncertainty and other trends, such as the rapid evolution of artificial intelligence (AI) technology, the war for talent, and pressure on the billable hour business model. While recent years have seen growth, it has taken place against a backdrop of increased competition and mounting pressure to maintain revenue growth amid rising costs.

Over the last decade, competition has increased dramatically within the legal sector, driven primarily by the rise of DIY software tools and offshore services. Small- to mid-sized firms have also been forced to compete with 'Big 4' legal departments, which have started offering service bundles as a market differentiator. In 2022, nearly half of partners at **more than 200** UK law firms **reported** that clients were transitioning to less expensive competitors, while **44%** said they felt pressure to reduce their fees amid rising costs.

In addition to experiencing heightened competition, the legal industry is also facing a host of challenges. Some of the most pertinent ones include maintaining revenue growth, retaining clients, addressing the rising cost of doing business, and preserving operational efficiency. To address these issues, top law firms have evolved to leverage the power of collaboration through client intelligence, which has been shown to have company-wide benefits. This guide will explore the challenges law firms are facing and how effective firm-wide collaboration and the use of relationship intelligence can help position them for success.



Legal sector challenges in 2025 and beyond

1

Maintaining revenue growth

In the post-pandemic world, the legal industry has faced a multitude of changes that have affected revenue growth. In recent years, the industry saw some improvements, with the rates clients paid to law firms growing by **more than 6%**, according to a **Reuters report**.

In 2025, the legal sector continues to face economic headwinds that could have detrimental effects on revenue generation. These pressures also pose challenges for firms that are witnessing resistance from clients with respect to rate hikes.

As clients push back against price hikes, law firms are struggling to retain important and high-value customer relationships. According to UK-based **BTI Consulting Group**, the average law firm loses 15% of its top clients every year.

Part of the issue is that lawyers aren't capitalizing on service expansion opportunities, which have the potential to foster and retain client loyalty and generate more revenue. "Cross-selling services have been a perennial challenge for law firms," said Alan Mercer, Introhive's UK and EMEA Sales Director. "It stems from them not being able to understand who has relationships with whom and the inability to collaborate internally across the firm on clients' needs." To tackle the issue, some firms are creating client teams by bringing stakeholders together across practice groups to serve large clients with far-reaching needs.

2

Retaining legal talent and succession planning

One of the biggest challenges facing the legal sector is retaining top talent and planning to mitigate any adverse impacts on clients when associates leave.

In 2024, U.S. law firm employment rebounded to **1.18 million** after earlier declines, while UK firms faced headcount drops of up to **20%**, reflecting ongoing global pressures.

For each associate departure, firms lose an estimated average of \$200,000 to \$500,000 due to recruiting, development, replacement, and other costs. At the same

time, firms may encounter problems retaining clients that are dissatisfied with the transition of a departure and follow associates when they leave. Risk of client churn means succession planning is essential and makes developing firm-wide client relationships increasingly important. When law firms plan effectively and foster cross-practice client relationships and build strong ties across key client stakeholders, it reduces the probability of client attrition and associated revenue loss.

3

Addressing the rising cost of doing business

As the macroeconomic climate grows more uncertain, law firms have begun wrestling with high inflation rates and skyrocketing operating costs. According to **Thomson Reuters Institute's State of the Market Report**, represented challenges in profitability for many firms, with overhead expense growth increasing by **7.1%** and core overhead expense climbing to **6.3%**. Coupled with flat demand growth posted by Am Law 100 firms, the pressure to maintain revenues amid rising costs will persist into 2024.

To account for high expenses, law firms have significantly raised their rates to maintain profitability. However, more clients are pushing back on this and demanding outcome-focused fee arrangements, as opposed to time-based billing methods. This highlights the need to build client-lawyer relationships over the long-term, rather than taking short-term approaches that may place key relationships in jeopardy. If law firms are unable to substantively raise their rates, this could also pose difficulties for firms looking to maintain revenue growth.

4

Preserving operational efficiency

Amid heightened expenses and revenue growth expectations, law firms must maintain operational efficiency to help them deliver high-value services.

A recent report found there to be 10 key operational efficiency priorities for law firms over the next two years, including redesigning their staffing models; investing in technologies; enhancing their pricing models and realization levels; and increasing cross-selling.

In addition, many law firms have antiquated or ineffective systems in place that don't facilitate the sharing of client data, leading to inefficiencies. For example, it takes 12 to 18 months at minimum to see value in the investment of client relationship management (CRM) systems, which require manual data entry and enrichment. While CRM software is crucial for managing client interactions, failing to maximize its potential can have negative implications, resulting in lost billable time and a lack of cross-selling opportunities.

Time spent per communication target



Bai Q.



You saved **7 hours** this week



Alice W.

Prospect **17h**
Opportunity **14h**
Lead **3h**



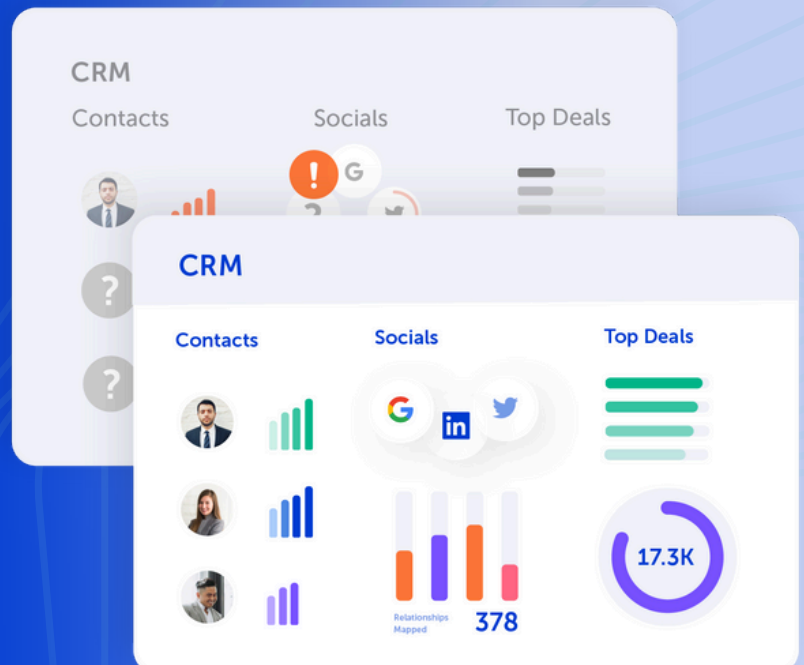
Alex P.

Prospect **24h**
Opportunity **10h**
Lead **1h**

Leveraging collaboration as a solution

To combat the legal sector's current challenges, firms are looking to break down silos through collaboration and by utilizing relationship intelligence. Both of these represent central tenets of sustained business success in legal environments, where intricate client relationships, nuanced interactions, and timely insights are critical.

Some of the world's top law firms — like Hogan Lovells and Freshfields Bruckhaus Deringer — are harnessing client intelligence platforms like Introhive to improve firm-wide collaboration. This has the power to boost company revenues, promote client retention, address rising expenses, and elevate operational efficiencies.



Increasing revenue generation

There is mounting evidence that collaboration has significant effects on revenue growth for legal firms. Research published in the **Harvard Business Review** by distinguished fellow Heidi Gardner reveals that cross-disciplinary collaboration also helps to protect lawyers from economic downturns. Her findings show legal professionals who collaborated with 10 other partners each year in the three years before the 2008 financial crisis maintained their revenue during the recession and were able to expedite revenue growth when the economy recovered. At the same time, solitary lawyers found their revenue numbers substantially declined during the 2008 recession.

Another real-world example that underscores the impact of collaboration on revenue can be seen with international law firm **Baker McKenzie**, which implemented a year-end appraisal model that evaluated internal collaboration as part of performance.

Since prioritizing collaboration within performance reporting, the firm's North America division has seen its revenue increase by **more than 40%**.



CASE STUDY:

Fenwick and West

Law firm Fenwick and West discovered **over \$1 million** in new revenue opportunities by using Introhive's relationship intelligence platform to boost internal collaboration. When initially engaging Introhive, the firm hoped to identify organization-wide relationships, new business avenues, and to achieve both time and cost savings from manual data entry and enrichment services.

Introhive provided Fenwick and West with a solution for identifying, scoring, and mapping client-attorney relationships. In addition to generating over \$1 million in new opportunities from client data and insights gathered through Introhive, the firm spent zero hours on manual data entry, signifying massive time and cost reductions.

FENWICK

2

Greater client retention

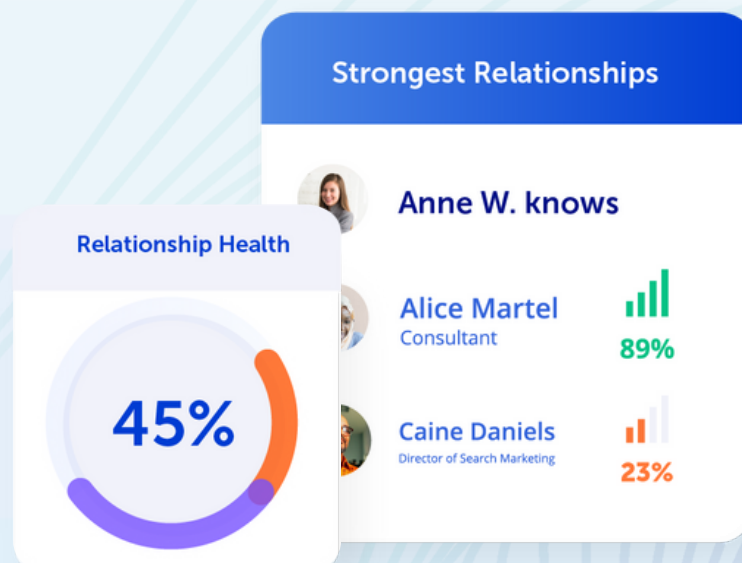
Fostering collaboration and teamwork among legal professionals can lead to increased client retention, which has the potential to generate more revenue. "The firm has to protect itself by introducing other partners to the same clients in different ways in other practices," said Joe Przybyla, Introhive's North America Legal Vertical Lead and Senior Sales Director. "If you only have one partner assigned to one of your top clients, the likelihood of client stickiness is low."

Moreover, recent research shows client loyalty has lessened among professional services firms over the last five years, highlighting a greater need for collaboration. "If law firms could just get 5% of their lawyers to do a 5% better job at engaging with clients and helping to build client relationships across the firm, maybe they'd reduce their firm's churn rate by 1%," Mercer said, emphasizing that law firms could achieve substantial payouts as a result.

Your relationships are stronger than you think

Exclusive Introhive data shows it's not just senior level employees who are contributing valuable relationships to law firms. While senior staff show a high percentage of senior relationships, more junior employees have a greater volume of relationships, allowing them to contribute a large amount of high value contacts.

	Volume of Relationships	Distribution of Relationships					
	Total	C-Suite	VP	Director	Manager	Below Manager	Unknown
C-Level	959,452	45.7%	2.0%	18.8%	9.7%	20.8%	3.0%
VP Level	100,111	44.8%	2.5%	17.7%	10.3%	21.2%	3.6%
Director Level	627,089	35.8%	1.9%	24.9%	17.5%	17.0%	2.9%
Manager Level	982,683	26.5%	1.6%	30.7%	20.7%	17.8%	2.7%
Below Manager	4,374,016	26.2%	1.2%	29.1%	22.1%	18.9%	2.5%



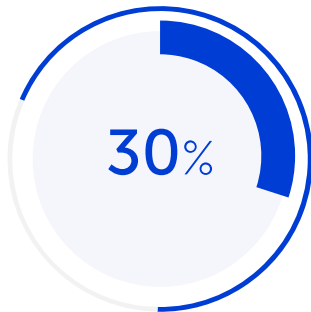
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Boosting billable services

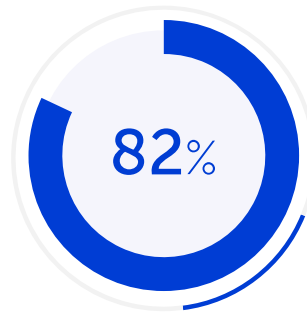
To address rising expenses, many lawyers are looking at raising their billable rates despite client pushback. Collaboration has the power to help lawyers increase their billable services, which has positive financial implications for legal firms. **Research** has found cross-practice collaboration to be a determinant as to whether lawyers could raise their rates faster than their peers within the same firm who engaged in more individualized work.

An example published by Gardner in the **Harvard Business Review** examined two lawyers with identical practice areas, professional and educational backgrounds, and annual hours billed. While both charged for a similar amount of time, one lawyer brought six times more partners into his client work, two-thirds of which were from other practice areas. This lawyer generated four times the client revenue compared to his peer who failed to leverage collaboration to the same degree.

Introhive boosts law firms' cross-selling rate



An independent study conducted by research and advisory firm Forrester shows firms that invested in Introhive experienced an increased cross-sell rate of **up to 30%** by their third year of using the platform.



The research also found that firms boosted net new revenue by **up to 82%** and deal win rates by **up to 36%** during that same time period. From a time-saving perspective, revenue-generating professionals improved their productivity by **2.5%** and non-revenue-generating professionals by **7.5%**.

4

Elevating operational efficiencies

Lawyers can leverage collaboration, teamwork, and relationship intelligence to help them improve productivity and operational efficiencies. A **study** out of the Institute for Corporate Productivity and the US's Babson College found high-performance firms are 5.5 times more likely to reward collaboration compared to low-performing organizations. As lawyers learn how to collaborate appropriately across disciplines, they free up their time for more high-value work that can help to boost revenues and profits. Research also shows that collaboration can lead to lawyers gaining client referrals from their peers, which is more efficient than individual business development efforts.

Client intelligence platforms like Introhive can help to maximize operational efficiencies by cutting down the amount of time spent on non-billable legal tasks, such as manual data entry, client data analysis, and enrichment. This frees up lawyers' time for high-value tasks that clients will pay a premium for.



CLIENT TESTIMONIAL

A much richer view of our relationships

"We were working with out-of-date, unmanaged, siloed information from around the firm to manage marketing and business development efforts. There was a real need to put the infrastructure in place to resolve all of the disparate processes. With Introhive, data and information collection happens passively in the background and our lawyers can focus their time on revenue generating activities, not data entry. This has resulted in a much richer view of our relationships without requiring additional work from our legal team."

*Director of Business Development
and Marketing*



HOWARD
KENNEDY

Why CRM alone isn't the answer

While client relationship management (CRM) systems are important for law firms, they're mostly ineffective and inefficient without additive client intelligence platforms like Introhive. A recent [analysis](#) of 70 US legal firms found that while **80%** use CRM platforms, **only 20%** consider them effective across both marketing and business development functions. At same time, marketing and business development professionals at over 4 in 10 law firms reported that CRMs deliver low return on investment (ROI), while the second highest percentage of respondents said they deliver no ROI.

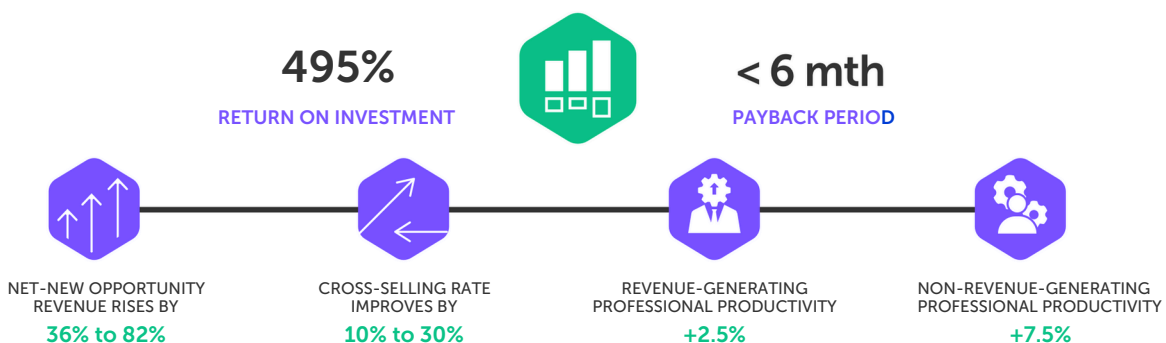
The other issue is that CRM systems provide limited visibility into an organization's client relationships and require manual data entry. This often results in piecemeal and fragmented information that is unhelpful

for law firms. "The problem with CRM that everyone knows is that the data sucks," Mercer said. "What Introhive does is solve that problem. It's everything that lawyers want to do with their CRM. Firms can now easily give partners deep insights into the relationships they have with their clients from an objective perspective."

Relationship intelligence platforms help to solve law firms' CRM challenges by uncovering contacts and relationships that automatically sync into CRM systems and by enriching client data. For example, Introhive's software uncovers **300** new contacts per user on average and reduces stale contacts by **125%**. This helps to drive user adoption and ROI, positioning the firms' CRMs as a single source of truth that helps to maximize collaboration and revenue.

Independent study shows Introhive delivers 495% ROI

An independent analysis by Forrester shows a 495% return on ROI in under a six month payback period for those who are taking full advantage of Introhive's platform.



Looking ahead

With the legal industry facing several challenges in the year ahead, it's essential for law firms to leverage the appropriate solutions. Research has shown that both collaboration and relationship intelligence are value multipliers that can have numerous benefits for law firms. By understanding client relationships and leveraging the power of collaboration, law firms can generate more revenue opportunities, improve customer loyalty, boost billable services, and cut down on time spent on non-billable tasks.

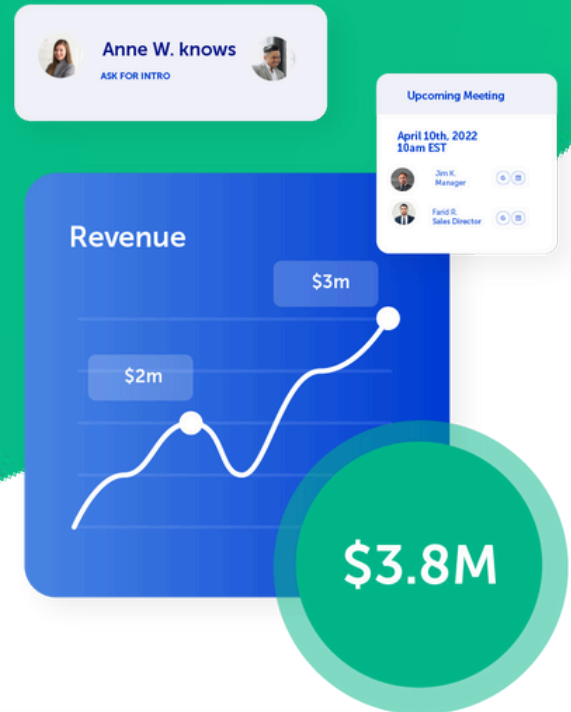
To foster collaboration and improve client insights, law firms are adopting relationship intelligence platforms, which help to maximize the value of CRM systems by automatically uncovering and enriching important data. Platforms like Introhive support streamlined processes and increased transparency, helping law firms to break down silos and unite as One Firm to generate more revenue and exceed business objectives.



The screenshot displays the Introhive user interface. On the left, a sidebar shows a 'Messages' section with 999 items and a 'Pre-Meeting Digest' section. The main content area shows a 'Pre-Meeting Digest' for Margaret C. with a 'Mark as resolved' button. Below this, there are sections for 'Introhive', 'Meeting Notes', 'Agenda For Tomorrow', and 'Margaret <-> Jack Intro'. At the bottom, a progress bar indicates 'Updating 1,907 contacts' with '96% complete'. To the right of the progress bar are buttons for 'Email', 'Files', 'Phone numbers', 'Meetings', and 'Calendars', each with a checkmark.

Why Introhive?

Introhive is a Client Intelligence Platform that empowers legal services firms to dismantle silos, maximize the value of their CRM, and leverage collective relationships to foster collaboration and increase revenue. Trusted by world-renowned brands, Introhive supports over 250,000 users in 90+ countries.



Uncover your firm's contacts, relationships, and activities, and automatically sync them into your CRM



Automatically streamline and enrich your firm's client data quality to maintain your CRM as a source of truth



Inform lawyers with deep client insights that can provide firm-wide value

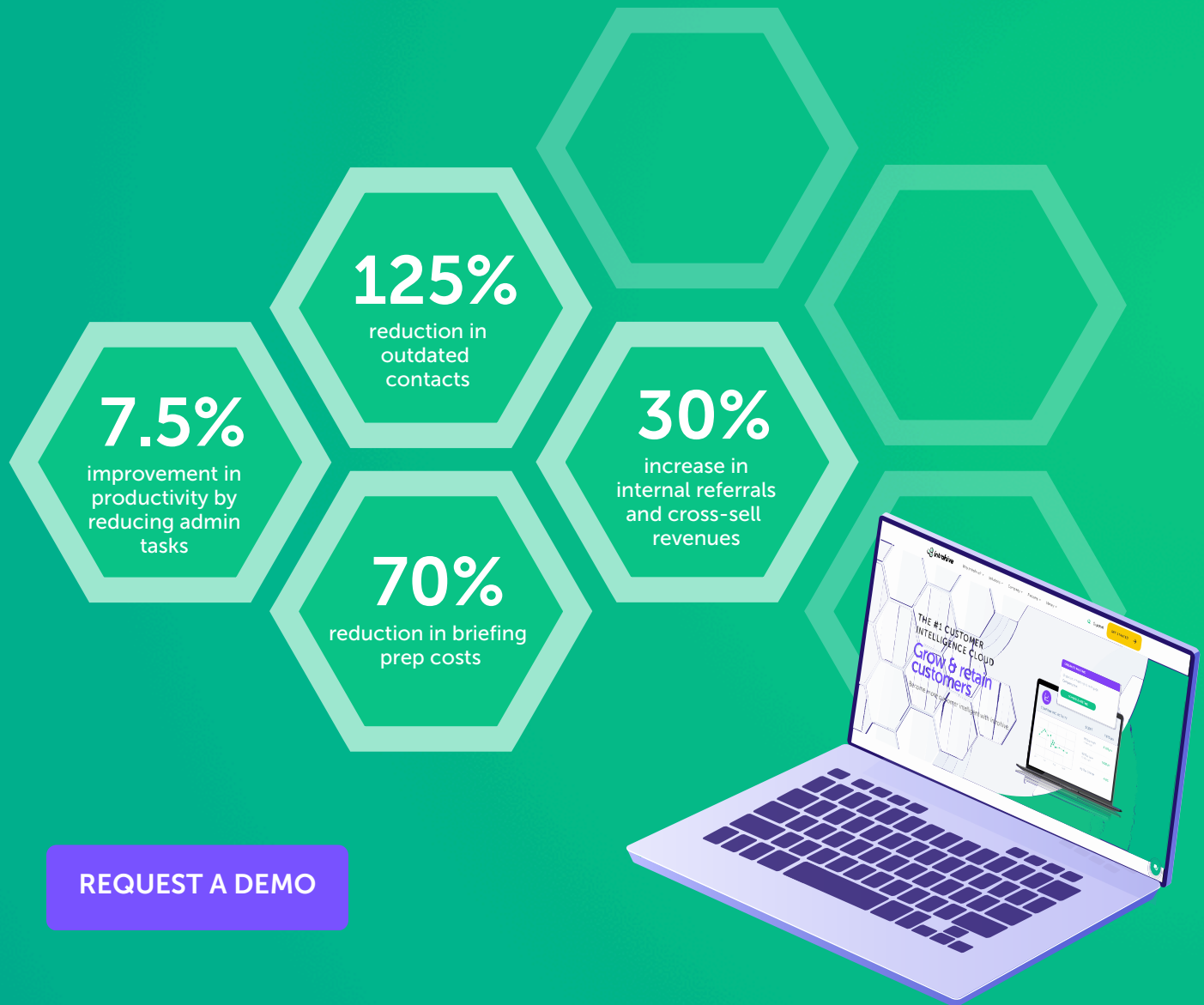


Collaborate across your law firm by strategically uniting teams across practices to win new clients and expand services

Where do I begin?

Law firms can integrate Introhive's platform into their CRM software, helping to unify important client information in a centralized place. This helps firms discover new contacts, understand the depth of their relationships with key client stakeholders, and bring together the right people from across the firm for success.

What results can you expect?



[REQUEST A DEMO](#)