

Law Firm Maturity Index

Data and Insights for General Counsels

"I recommend that all legal leaders look at the Law Firm Maturity Index. By linking culture, leadership and human capital management to reconciling high performance and corporate responsibility, this should be an invaluable tool for leadership teams. The rigour and evidence behind the methodology is impressive. I believe it can be of real help for firms navigating from a financially driven business model to one that embeds true, stakeholder value."

Gareth John, Ex-European Director of Legal, Sodexo.

Powered by OMINDEX®
Improving culture, value and impact



02 Why use the Law Firm Maturity Index?

The Law Firm Maturity Index (LFMI) is a live database of law firm health measured through a comprehensive human systems framework.

For General Counsels, the Law Firm Maturity Index has specific application in helping to assess the suitability of law firm suppliers, as follows:

- LFMI acts as a measure and assessment of law firm culture and human systems and allows companies to evaluate alignment and fit.
- LFMI data provides objective and independent evidence of responsibility and sustainability capabilities and claims.
- LFMI sets out gaps and opportunities for general counsels to build stronger, value-focused relationships with panel firms.

LFMI provides data and insights for better human system design, leading to superior outcomes for companies, their legal service suppliers, and wider stakeholders. Appendix 1 provides an overview of key LFMI analyses and findings.

The Law Firm Maturity Index uses 32 diagnostic factors to measure the extent to which a firm is authentically, purpose-driven, has coherent management systems, and has a corporate culture that creates Total Stakeholder Value. “TSV” is a measure of true, total value; one that reconciles financial performance and responsible business.

Law firms are facing complex leadership challenges:

- Managing true value by synthesizing financial performance, quality, impact and responsibility
- Integrating sustainability into business models
- Managing wellbeing and workforce mental health
- Embedding inclusiveness that drives true diversity
- Assessing and managing culture risk

Alongside LFMI ratings and rankings, in-depth reports have been produced for each law firm.

The LFMI analysis provides unique data and insights on a firm’s capabilities to address these key challenges.

The reports are an invaluable source of evidence for key stakeholders with a vested interest in law firm value and risk; such as clients, regulators, insurers, and professional bodies.

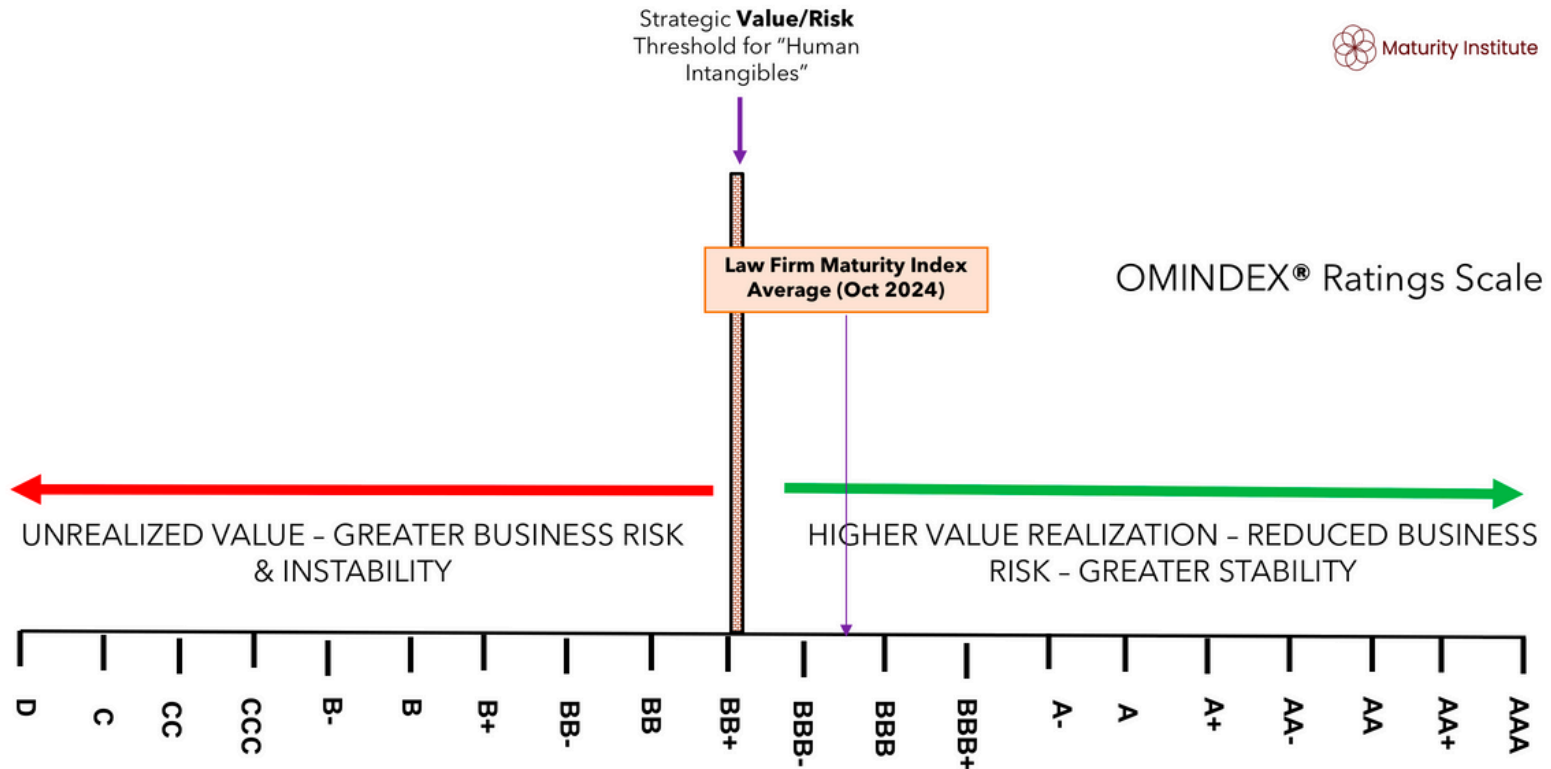


03 Law Firm Maturity Index for General Counsels

Below are the LFMI factors likely to be the most material for in-house counsels in assessing law firm quality, alignment, and fit. In Appendix 2, we have set out data and findings against each factor for law firms currently in the database,

Law Firm Maturity Index Factor	Relevance to a General Counsel
• Purpose	Is a firm's purpose clear? Does it integrate quality and impact? Is it embedded and impactful?
• Value	Is value just financial performance or is stakeholder value integrated into business models?
• Trust	Is a firm trusted by all stakeholders? Does the firm have a high-trust work environment?
• Values/Principles	Do espoused values and principles influence decisions, actions and behaviours?
• Human value realisation	How does a firm seek and realise potential value from its whole, human system?
• Strategic alignment	Are partners, associates and support staff aligned or disconnected?
• Whole system	Does a firm work seamlessly across functions, services, and locations?
• Culture	Is culture linked to strategy and risk management through coherent measures and management?
• Quality system	Are services underpinned by a robust system of quality assurance?
• Learning and innovation	How does a firm acquire and use knowledge? Is there a system for learning and innovation?
• Performance management	How is performance defined, measured and managed?
• Cooperation	To what extent is cooperation a characteristic of systems and human relationships?
• People risk	Is human risk assessment coherent and comprehensive? Are key issues like wellbeing integrated?
• Adaptability	How adaptable is a firm to change or transformation?
• Authenticity	How big is the gap between rhetoric and reality? Can we believe what a firm says about itself?

04 Comparing Law Firm Health using a Human Lens



Maturity measures organizational health by capturing how human intangibles (e.g. leadership, purpose, learning, and innovation), create value and risk for any firm. OMINDEX® data shows how improving human value creates a stronger corporate culture, drives firm performance, and enhances impact. The diagnostic provides an in-depth, external assessment of organizational health across 32 maturity factors, or human value drivers. The rating uses a "AAA" financial type scale. OMINDEX® has been specifically designed to sit alongside conventional financial ratings and analysis.

"OMINDEX is about harmonizing the needs and demands of capitalism (i.e. growth of shareholder value) with the needs and demands of society (i.e. sustainable well-being), two competing objectives most market observers and practitioners know don't always converge but which they nevertheless, increasingly agree, should."
Bonds & Loans Magazine

05 Rankings

LFMI law firms are relatively tightly grouped. A small number of firms have differentiated themselves but not significantly.

Consequently, as with maturity exemplars in other industry sectors, there is material opportunity for those with appetite to build more mature leadership and management. Mature firms differentiate themselves from peers and can do so over the very long term.

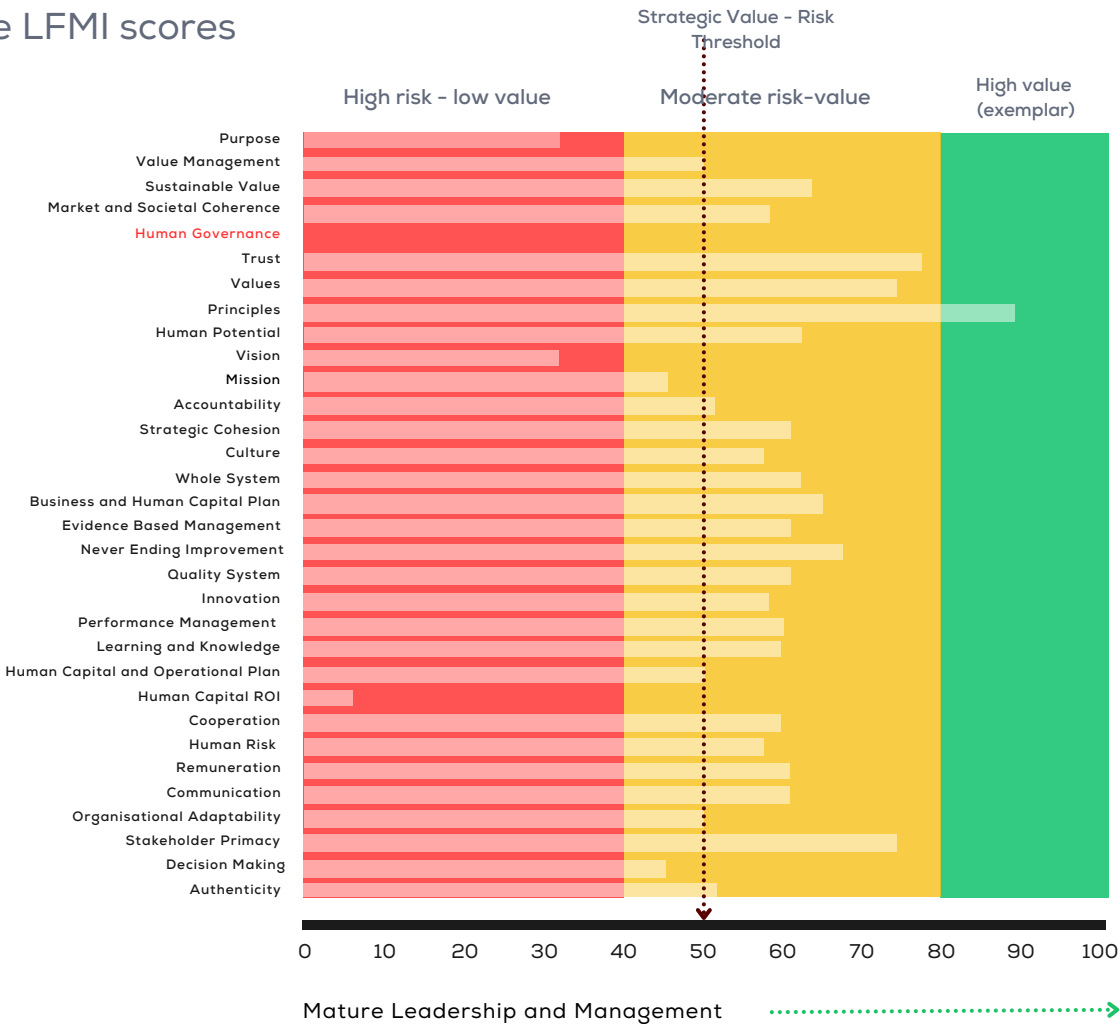
Our aim is to help the sector as a whole. Better outcomes will arise for everyone if all firms are able to become more mature over time.

OMINDEX Ranking	Law Firm	OMINDEX Grade
1	Freeths	BBB+
2	Linklaters	BBB+
3	Herbert Smith Freehills	BBB+
4	Clifford Chance	BBB+
5	DLA Piper	BBB
6	Eversheds	BBB
7	Freshfields	BBB
8	Norton Rose Fulbright	BBB
9	AO Shearman*	BBB
10	Pinsent Masons	BBB
11	Hogan Lovells	BBB
12	Addleshaw Goddard	BBB
13	Taylor Wessing	BBB
14	Clyde & Co	BBB
15	Bird & Bird	BBB
16	Osborne Clarke	BBB

OMINDEX Ranking	Law Firm	OMINDEX Grade
17	Fieldfisher	BBB
18	CMS	BBB
19	Stephenson Harwood	BBB
20	Slaughter & May	BBB
21	DWF	BBB
22	Travers Smith	BBB
23	Mishcon de Reya	BBB-
24	DAC Beachcroft	BBB-
25	Ashurst	BBB-
26	Simmons & Simmons	BBB-
27	Macfarlanes	BBB-
28	Kennedys	BBB-
29	Bryan Cave Leighton Paisner	BBB-
30	Womble Bond Dickinson	BBB-
31	Withers	BBB-

*Assessed as A&O as merger completed in 2024

06 Average LFMI scores



This table above shows average scores for LFMI law firms across each of the 32 OMINDEX diagnostic factors.

An in-depth diagnostic question underpins each factor. For example, Q1 Purpose evaluates the clarity and nature of any stated corporate purpose, and the degree to which it is embedded and drives decisions, actions, and behaviors. The methodology then applies detailed guidance for assessment, analysis, and measurement.

In the appendices, we explain how these scores relate to findings relevant for GCs.

07 What now?

- The Law Firm Maturity Index ratings and rankings are becoming a recognised standard against which firms are measured.
- LFMI will continue to grow while live ratings will be updated as new evidence becomes available, including through law firm engagement.
- General Counsels and legal teams can obtain summary LFMI reports for panel firms.
- LFMI data will be most important for any new RFP process. It is also valuable for companies and their incumbent panel firms, especially for those GCs who are working to develop deeper, value-based relationships with their legal suppliers.
- Let's talk about how this can help you.



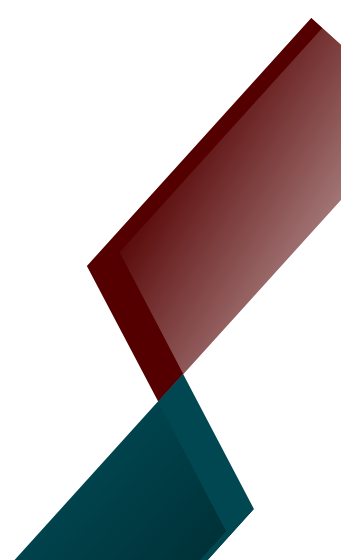
Contact us



Stuart Woollard is a co-founder at The Maturity Institute. He has over 20 years of experience in helping organizations become purpose-driven and human-powered. Stuart co-designed the OMINDEX® diagnostic tool, showing how firms can build better systems and cultures that drive sustained value. Stuart was made a Kings College London Innovation Fellow (2010). He co-authored "The Mature Corporation - a Model of Responsible Capitalism", a textbook that offers a new vision and framework for sustainable Total Stakeholder Value creation. www.linkedin.com/in/stuartwoollard1967



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Appendix 1: Law Firm Maturity Index Overview

- Organizational Maturity is a research-tested, whole human-system measure, of a firm's ability to generate value for all its stakeholders.
- For General Counsels, the Law Firm Maturity Index provides a coherent assessment of a law firm's ability to deliver true, long-term stakeholder value.
- The Law Firm Maturity Index currently comprises Organizational Maturity (OMINDEX®) ratings for 33 UK-based firms.
- The average LFMI rating for the largest UK firms is BBB. Mature exemplars rate at A+ and above. Highly mature management practice is rare within the legal sector.
- Law firm 'value' remains primarily defined and managed as financial performance. Most law firms put revenue and growth at the heart of business strategy suggesting that the 'billable hour' model remains dominant.
- Most of the largest law firms articulate clear statements of purpose. Yet, the evidence shows that, while firms may have a stated purpose beyond pursuing profit, this does not mean it is a central tenet of an underlying business model.
- Many firms carry material human risk. Capabilities to assess, manage, and mitigate people and culture risk are rudimentary. The fundamentals of whole system, human governance remain missing.
- The absence of coherent human governance means solving complex challenges, such as integrating ESG, embedding true inclusion, and managing workforce well-being, will continue to be challenging, and often elusive.
- Law firm reporting is poor and focuses more on activity (e.g. training) than outcomes. With low to moderate authenticity scores, law firm reports should also be treated with caution.
- Elements of mature practice exist but do not arise from whole system design. Recommendations for improvement include areas such as culture measurement, adaptability, decision-making, risk assessment and accountability.

"This confirms that the benefits to shareholders and stakeholders are not mutually exclusive; in other words, the value to business, shareholders, stakeholders, and society are aligned. A company can maximise profits and create wealth for shareholders mainly by establishing a mature institution that enhances wellbeing for all legitimate stakeholders, as well as create positive externalities to the environment and wider society."

Appendix 2: LFMI factor findings for GCs (Page 1 of 2)

Purpose: Most law firms in the LFMI have a clearly stated purpose. However, only a small proportion integrate key elements that set out to drive true, stakeholder value. Moreover, only a small minority of firms can be described as purpose-driven, with intention embedded into culture, systems, and activities.

Value: Mature firms define and manage value as an interrelated system comprising 5 factors: Output, Cost, Revenue, Quality, and External impact. No law firms in the LFMI strategically manage value in this way. Many have a primary focus on financial and productivity elements. The prevalence of the 'billable hour' as a core performance objective remains. Most firms ignore or may have simplistic and soft measures for other factors.

Trust: LFMI constituents generally achieve high levels of trust from stakeholders, although this is less uniform with workforces. There is little evidence that firms seek to measure and provide reporting on trust levels, a key causal factor driving human risk e.g. trust underpins psychological safety and encourages 'employee voice', while it also enhances well-being.

Values and principles: There is a wide variation in whether firms are values (and principles) led. A minority appears to have clearly articulated values that are widely communicated and operationally embedded. Others have more superficial values that are likely to have little impact. Some firms appear confused about how values can galvanize and drive human value. Several firms have failed to understand the importance of alignment i.e. how values should align with purpose, business models, and strategic goals.

Human value: Most firms use professional HR or L&D policies and practices that enable moderate scores to be reached. However, firms lack more sophisticated human capital systems that can leverage the full potential of latent human value, especially across all stakeholders. Additionally, no firm has provided evidence of a coherent, comprehensive system designed to manage people and a firm's performance, enterprise value, and risk.

Strategic alignment: Two firms are exemplars in ensuring alignment (e.g. between roles such as partners and associates). More firms show worryingly low levels of strategic cohesion suggesting disconnection and potential disfunction within teams, service lines, functions, or locations.

Culture: Most firms display a good understanding of the strategic imperative of a healthy culture. This is likely to be discussed with respect to work environments, DEI, or wellbeing. However, evidence of rigorous culture assessment frameworks is far less evident. Firms seeking to manage culture as a source of value, or as part of risk management, need enhanced culture capabilities to develop better measures.

LFMI Factor findings for GCs (Page 2 of 2)

Whole system effectiveness: A narrow spread of moderate scores suggests that law firms continue to operate with silos, levels of fragmentation, and potential dysfunction. There is significant room for improvement. Culturally and operationally, a seamless “one firm” appears more like an aspiration than a reality for many LFMI constituents.

Quality system: The quality of legal services is fundamental for all LFMI firms, which is reflected in good scores. However, law firms do not appear to have embedded the kind of [total] quality systems that can provide the kind of assurance found in exemplar firms. Many may be carrying quality-related risks as a consequence.

Learning and innovation: Most firms show good levels of internal learning (knowledge utilization) and innovation. However, evidence of management systems remains thin and cultures designed to embed never-ending improvement appear rare. Consequently, this suggests that many firms can realise significant value opportunities, especially through external stakeholders.

Performance management: As with human value, professional capabilities mean that LFMI firms generally score well. Yet, with value defined and managed according to narrow factors, in-role performance will be constrained and potential value lost. Performance primarily driven by fee generation will also carry human-related risks e.g. disengagement, low levels of well-being etc.

Cooperation: General levels of cooperation appear good, suggesting that teams, functions, and service lines work well, as a whole. Firms differentiate themselves by demonstrating coherent narratives and evidence of the strategic value of high levels of cooperation, both internally and externally.

People risk: Conventional people risks (e.g. attracting and retaining talent) appear well understood. However, most firms have significant gaps in understanding and assessing the full spectrum of human and culture-related risks. There is little to no evidence that human risk integrates key areas such as learning, decision-making, or strategic alignment.

Adaptability: Evidence suggests that few firms put adaptability and flexibility at their heart. An ability to constantly transform and be agile in the face of external challenges and changes is a core tenet of a mature organization.

Authenticity: There is a worryingly wide range of LFMI scores that measure the gap between a firm’s communications (rhetoric) and the lived experience of its people (reality). The authenticity of any organisation is critical to long-term success. If firms are inauthentic, this will eventually undermine trust. For a law firm and its clients, authenticity must be nurtured and protected for relationships to be sustained over the long term.