

The future of work

Back to the office after Lockdown

Our aim is to give you a “how to” guide to the issues you as a leader need to look at to tailor your return to the office to the needs of your specific clients and your law firm or other professional firm.

2021 and perhaps the beginning of the end of the COVID-19 lockdown is emerging in many countries though many regions still have major challenges. Our clients are looking forward to getting people back to offices which are currently (at best) part utilized.

We are seeing a wide continuum of actions within our global law firm practice:

-  Simple cost reduction
e.g. negotiate with landlords to reduce space by 30% and/ or reduce rent
-  Adapt current space, cut costs and carry
e.g. some major London-based firms who had already scheduled major property moves before lockdown
-  Hub and Spoke
e.g., a São Paulo law firm establishing hub offices in the suburbs for both lawyers and clients rather than travel into the city centre office
-  Enhanced digital – both with the client and between colleagues across-practice and jurisdictional collaboration- it has long been the case that highest margins are paid by clients for complex matters requiring international cross-jurisdictional, cross-practice collaboration
-  Density/ de-density offices- re-design offices to allow agile teams to be created quickly and also to respond to second, third, and even fourth waves of lockdown as in Japan
-  Different practices in different cities- with London and New York being slower to return to the office than (for example) Frankfurt, partly caused by concerns over public transport and long commutes
-  Holistic approaches to re-shape the law firm’s business model e.g. a systems approach including Change, Colleague & Client Experience, Collaboration, Culture, Operating Model, Risk, ESG & Sustainability, Branding & Vision

This is set in the context of many firms having good years- “embarrassingly good” in the words of one managing partner- despite the initial fears of a double-digit collapse in revenue.

There are at least five key lenses to look through:



Your clients and your people rightly come top - talk and listen to them and find out their needs. If you don't, your competitors will.

For example, when did you last carry out a *client perception survey*?

Clients really appreciate their advisors showing interest and care for them both personally and as a business and at [Lexington Consultants](#) we have several programmes to assist law firms with client listening.

1. Your clients

Typically, your clients will want:

- Understanding of their specific needs
- Delivery of solutions to satisfy their needs
- Easy, safe collaboration across your offices and practices to deliver these solutions
- Management of their risk and compliance
- Great advice, as always
- Digitally enabled processes for all information
- Value for money in a tough economy

2. Your people and culture

Your people will have very different needs. Surveys show that:

- the majority of lawyers want to return to the office – but not five days a week and possibly with a very different office set up.
- Some will have had tough lockdowns, with family trauma.
- Others will be very conscious that their personal development and learning have suffered through lack of the informal coaching and support provided by partners and teams in the workplace- the “learning by osmosis”.
- Your people will also judge your leadership by your actions in the crisis and make the appropriate future career decisions as to whether they stay or leave.

A confidential internal questionnaire on what your people want from their careers and from you as their employer is likely to be revealing- and may well prevent you from losing some of your best people and will guide you in the Work from Home / Work from Office debate.

Some key issues to bear in mind:

- US surveys show:
 - Only 10% of Lawyers want to work from home full time
 - Most want to return to the workplace (with changes)
 - 74% want to work mainly in the office: c. 54% flexibly
- Some firms will see very different attitudes between partners (e.g. in spacious houses in wealthy suburbs) and associates (e.g. in apartments and shared houses)

3. Government

All businesses operate in an environment influenced by government- both local and central and have political risk to manage. Look at government policy and decisions particularly around COVID 19 - how will this influence you and your clients and where are the opportunities and threats? For example:-

- What are the tax policies and opportunities- and where are the future pinch points such as VAT payments?
- Public transport- especially in major cities
- Employment law
- Furlough
- How and where could a firm influence local or central policy- individually or collectively?

4. Your firm

Firms need to maintain and grow their competitive advantage. Without the Firm thriving and prospering, the clients and people's needs will not be served. Addressing the question "*what kind of firm do we realistically want to be?*" will require strategic options to be considered and may include: -

- Grow through new and existing clients
- Grow through recruitment, lateral partner hires or merger
- Develop your people (some of whom will never have visited your office)
- Build collaborative, agile teams to take advantage of the new opportunities and deliver the services clients want
- Develop and enhance the firm's culture- a huge challenge with working from home
- Manage supervision risk so reducing PII claims and reputational risk- has working from home with less supervision created a long tail of potential claims?
- Become more cost-effective- can you use the experience to (for example) deliver business services better and with less cost, perhaps in a lower cost location?
- Minimise overhead costs- how much office space do you really need?
- Cashflow forecasting- the financial lifeblood of the firm
- Maximise this year's PEP, but also...
- Maximise long term profitability

5. You, as a law firm leader

The final lens is you, as law firm leaders. We all bring our personal perspectives, values and experiences to all decisions. Phrases our clients have used describing being a law firm leader in 2020-2021 have included "tiring", "lonely", and "relentless". We have seen some great leaders buckle under the strain- if only privately. It is a truism, but you can only look after your people if you look after yourself. Every individual is different, and when taking your decisions, we advise you to be aware of your personal lens in assessing the situation- and be sure that this does not inadvertently lead you to a sub-optimal decision.

You need as a leader to do what is right for the firm as a whole and what is right for your firm's culture. So, talk and listen to your clients and colleagues in a structured way to find out their needs. Often external, neutral and objective independents can really help.

Look at your Firm's needs and strategy - do you have clarity and focus as to the way forward or do you need to review it in light of a changed future?

The COVID 19 pandemic has shown that law firms and partnerships can adapt quickly and effectively with the permafrost against change thawing impressively fast. However, the opportunity to reshape your firm may diminish as the crisis begins to abate and the winning law firms will be those who tailor their next crucial decisions.