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## Remote Work Has Permanently Altered Law Firm Life, for Better and for Worse

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## By Christine Simmons for <u>Law.com <</u> <u>https://www.law.com/2021/04/13/business-of-law-remote-work/></u>

The shift from office work to working-from-home has triggered a massive transformation in Big Law. From lawyer productivity, billing and dealmaking to staffing, growth opportunities, financials and real estate—you name it, nearly every facet of legal operations has adjusted under new remote working conditions.

"We've evolved 10 years in six weeks. I don't mean my firm, but the market. That's how dramatic of an effect it's had," Jerry Justice, CIO at law firm Benesch, <u>told Law..com <</u>

https://www.law.com/legaltechnews/2020/09/28/law-firms-techrenaissance-397-38976/>.

For law firms, transitioning to a remote operation was a **heavy lift** < https://www.law.com/legaltechnews/2020/05/20/small-midsize-firms-takeno-frills-budget-friendly-approach-to-remote-work/>. There was hardware like laptops and routers to deploy to employees' homes, for example, and software like VPNs to get up and running. And with firm employees relying more on emails < https://www.law.com/legaltechnews/2020/09/16/for-legalmore-emails-means-more-stress-and-more-cyberrisk/>, there was heightened risk for cyber scams < https://www.law.com/2020/08/02/lawcom-trendspotter-law-firms-keep-getting-cyberscammed-and-covid-19isnt-helping/>, so cybersecurity training <</p> https://www.law.com/legaltechnews/2021/01/25/with-healthy-level-ofparanoia-firms-tweak-cyber-training-for-remote-workforce/> had to be updated for a workforce no longer shielded by a centralized network. And then there were ongoing IT disruptions < https://www.law.com/legaltechnews/2020/03/19/system-error-the-itissues-plaguing-attorneys-transition-to-remote-work/>, such as slow home WiFi < https://www.law.com/2021/04/06/four-things-to-learn-from-the**people-who-saved-law-firms**/>, to address—remotely of course, since most employees were on their own.

Even law firms that already had the cloud-based **infrastructure to support** <u>remote < https://www.law.com/legaltechnews/2020/05/07/dont-get-cocky-</u> <u>firms-may-not-be-prepared-for-long-term-remote-work/></u> employees well before COVID-19 struggled. After all, they didn't have it at the scale needed for a majority of their workforce. Nor did many have <u>data or cyber policies <</u> <u>https://www.law.com/legaltechnews/2020/11/17/law-firms-are-allowingmore-flexibility-byod-policy-adjustments-should-follow/></u> in place to support remote work long-term.

What was needed, therefore, was adoption and deployment of new technology at a pace and scale likely never seen before in the industry. And herein lies the pandemic's <u>contradictory impact <</u> <u>https://www.law.com/legaltechnews/2020/09/28/law-firms-tech-</u> <u>renaissance-397-38976/></u> on firm innovation: while firm tech budgets shrunk, and big projects were put on the backburner, the transition to a fully remote operation took on such an urgency and primacy that it forced the legal industry to <u>evolve faster < https://www.law.com/legaltechnews/2020/09/28/law-</u> <u>firms-tech-renaissance-397-38976/></u> than ever before.

But after all the effort that went into making the nearly overnight transition to full-time remote work during the pandemic, the question now is: which changes will last?

## **Point of No Return?**

One major factor will be when and how law firms come back to the office. Several leaders of law firms are gravitating toward required office returns <u>in</u> <u>September. < https://www.law.com/americanlawyer/2021/03/02/ropes-gray-targets-early-september-for-return-to-office/></u> However, some have said <u>even later. <</u> <u>https://www.law.com/americanlawyer/2021/04/09/perkins-coie-anticipating-hybrid-work-to-scale-back-office-footprint/></u> Meanwhile, law firm leaders continue to worry about the <u>risks of working remotely <</u> <u>https://www.law.com/dailybusinessreview/2021/03/16/florida-law-firms-eager-for-return-to-office-citing-in-person-associate-mentorship-as-top-priority/></u>, including the impact on culture, firm loyalty, training and mentorship.

Even when lawyers and staff do return, firm leaders expect a more flexible remote-working schedule for their personnel. Some firms are reducing their <u>real</u>

estate footprint < https://www.law.com/dailyreportonline/2021/03/19/lawfirms-are-planning-major-office-changes-for-post-pandemic-era/> to take advantage of the reduced costs that come with fewer people working in an office and when office workers are hoteling. Perkins Coie < https://www.law.com/americanlawyer/2021/04/09/perkins-coieanticipating-hybrid-work-to-scale-back-office-footprint/>, for instance, said it will adopt a "hybrid workplace" model after October for a mix of in-office and remote work, and space reductions will collectively result in a 24% contraction in the firm's total footprint. Womble Bond Dickinson < https://www.law.com/dailyreportonline/2021/04/01/womble-to-cut-officespace-by-balf-for-post-pandemic-workplace/> plans to reduce its U.S. office-

**space-by-half-for-post-pandemic-workplace**/> plans to reduce its U.S. office space by up to 50%, with the firm expanding its policy on remote working for lawyers and staff post-pandemic.

The nature of attorneys' work continues to shift in other respects. <u>Virtual</u> <u>dealmaking < https://www.law.com/americanlawyer/2021/03/23/take-this-</u> <u>show-off-the-road-the-year-dealmaking-went-digital/></u>, for example, is likely to stick around in some form as attorneys and clients have come to appreciate the efficiency and cost-savings of less travel, as well as <u>the lack of unproductive</u> <u>"bombast" and "theatrics" < https://www.law.com/2021/04/07/bombast-</u> <u>and-theatrics-are-muted-by-virtual-dealmaking-will-they-return-post-</u> <u>pandemic/></u> in virtual negotiations.

But as lawyers continue to work remotely, **burnout <** https://www.law.com/2021/04/01/theres-a-burnout-crisis-competitivecomp-wont-cure-it/>, especially among associates, is becoming a big concern. Attorneys are working longer and weirder hours < https://www.law.com/2021/04/12/client-demands-timezones-and-acorporate-boom-why-attorneys-are-working-longer-and-more-erratichours/> as lines between home and work have evaporated and clients and colleagues across various time zones have gotten more comfortable communicating at all hours of the day and night.

Lawyers' commute time is no longer a divider and the around-the-clock hours have been accelerated with a **boom in dealwork <** <u>https://www.law.com/americanlawyer/2021/03/15/deal-watch-2021s-two-</u> <u>biggest-deals-so-far-and-its-already-a-record-year-for-spacs/?</u> utm source=email&utm medium=enl&utm content=20210401&utm camp aign=lawbarometer&utm term=law>. Attorneys are billing more time in the evenings, early mornings, nights and weekends. Associate moves < https://www.law.com/americanlawyer/2021/04/01/same-day-hiring-andsigning-bonuses-the-corporate-associate-market-is-on-fire/> are up by double digits. But firms are handing out large special bonuses < https://www.law.com/americanlawyer/2021/03/23/associate-bonus-battlehits-big-law/> that will be paid in installments through the fall—one incentive to stick around.

But with remote work here to stay, the burnout problem will not be cured with money alone.

Having expected "off" hours would go a long way, as well as recognition for working parents who are **beyond the point of exhaustion** < https://link.law.com/click/23399919.11768/aHR0cHM6Ly93d3cubGF3LmNv bS9hbWVyaWNhbmxhd3llci8yMDIxLzAzLzI1L3dlcmUtanVzdC10aXJlZC1hbG wtdGhlLXRpbWUtYS1kYXktaW4tdGhlLWxpZmUtb2Ytd29ya2luZy1wYXJlbnR zLWR1cmluZy10aGUtcGFuZGVtaWMtNDA1LTc5Nzc2Lz91dG1fc291cmNlPWVt YWlsJnV0bV9tZWRpdW09ZW5sJnV0bV9jb250ZW50PTIwMjEwNDAxJnV0bV9j YW1wYWlnbj1sYXdiYXJvbWV0ZXImdXRtX3Rlcm09bGF3/518aa6f634b9b0a80 49af071Bb09516c8>. Working parents, more than anything, are asking for their firms < https://link.law.com/click/23399919.11768/aHR0cHM6Ly93d3cubGF3LmNv bS9hbWVyaWNhbmxhd3llci8yMDIxLzAxLzI2L2JpZy1sYXdzLXdvcmtpbmctcG FyZW50cy1hcmUtaHVydGluZy1tb25leS1pcy1ub3QtdGhlLWFuc3dlci8 dXRtX 3NvdXJjZT1lbWFpbCZ1dG1fbWVkaXVtPWVubCZ1dG1fY29udGVudD0yMDIxM DQwMSZ1dG1fY2FtcGFpZ249bGF3YmFyb21ldGVyJnV0bV90ZXJtPWxhdw/51 **8aa6f634b9b0a8049af071Ccd440493>** to be understanding and flexible with their lawyers' time, both now and when the world moves past the pandemic. The cost of ignoring that request is clear: Talented lawyers have one foot out the door < https://www.law.com/mid-market-report/2021/04/09/formidsize-firms-the-pandemic-has-made-the-young-lawyer-hiring-marketbetter-than-its-been-in-many-many-years/>.

Those firms that offer reasonable employment policies, such as creating time boundaries for work and offering incentives for associates to take vacations and

weekends, will find they are winning the talent battle. That goes for firms that bring in more resources to meet demand as well, such as hiring more associates.

Law firm leaders and others have also worried about the ability to train and develop young lawyers in a remote setting, where it's more difficult for associates to observe more senior lawyers in action or walk down the hall to ask them a question.

But others have argued that law firms need to adapt their approaches to professional development to fit a setting in which not everyone will be in the office at the same time, five days a week.

"We like to think we develop people in an apprenticeship model," Precious Williams Owodunni, founder and CEO of legal consulting firm Mountaintop Consulting, <u>told Law.com < https://www.law.com/2021/03/08/whos-at-riskbeing-left-behind-when-firms-return-to-the-office/></u>. "But do we really want to go back to this line-of-sight staffing mentality that requires office time?"

Even after earlier austerity measures in spring 2020, several more firms in the second half of 2020 **underwent layoffs <** 

https://www.law.com/americanlawyer/2020/10/12/layoffs-continue-aseven-stabile-firms-face-shifting-work-environment/> in the name of efficiency, with some citing a "fundamental" change in legal operations with a fully remote workforce.

Many legal industry observers believe that quiet layoffs will continue to **percolate in 2021 <** <u>https://www.law.com/americanlawyer/2021/03/31/law-firms-likely-to-</u>

**<u>continue-quietly-trimming-employee-rosters/></u>**, as some jobs become obsolete with new technology and as outsourcing continues.

Law firms continue to eye practice and <u>case management tools <</u> <u>https://www.law.com/legaltechnews/2021/02/01/as-case-management-</u> <u>software-usage-grows-lawyers-call-for-more-integrations/></u> that allow their remote employees to track their own time and billing, deploying <u>digital</u> <u>payment < https://www.law.com/legaltechnews/2021/02/09/lawpays-</u> <u>parent-company-acquires-competitor-clientpay-expanding-deeper-in-law-</u> <u>firm-market/></u> solutions, and relying more on online <u>legal research <</u> <u>https://www.law.com/legaltechnews/2020/07/24/covid-19-has-allowed-law-</u> <u>librarians-to-flex-their-tech-prowess/></u> tools, among other innovations.

The effect has been to give lawyers working from home and away from the support staff they'd grown accustomed to leaning on more administrative responsibilities.

One Am Law firm leader, speaking on the condition of anonymity, **told Law.com** <<u>https://www.law.com/2020/11/29/as-firms-restructure-staffs-for-the-post-</u> **pandemic-future-who-will-be-protected-and-exposed**/> that their firm's support structure will be permanently changed by the pandemic.

"Our attorneys have really been more autonomous when it comes to their dayto-day practice," the leader said. "We are going to benefit from that autonomy and the way they've embraced technology will increase efficiency."

But it <u>remains to be seen < https://www.law.com/2021/04/05/law-com-</u> <u>trendspotter-law-firms-are-looking-harder-than-ever-at-replacing-humans-</u> <u>with-tech-but-where-is-the-line/></u> how much nonbillable work attorneys will be willing to take on once the pandemic subsides. Likewise, we may not know the limit to which human support staff can be replaced by tech until firms start to cross that invisible line.

Expense savings in 2020—from cancelled partner retreats to some austerity measures—led firms to see big profit margin increases. But legal industry observers say it will be <u>challenging <</u>

https://www.law.com/americanlawyer/2021/01/15/rate-pressure-andrising-expenses-are-expected-to-challenge-firms-in-2021/> to beat that financial growth in 2021, when law firm clients resist billing rate increases; expenses climb with some reopenings and office returns; and there's less urgency for intense partner counseling. While deep challenges remain in Big Law, the pandemic and remote working conditions have also opened up opportunities in the industry.

Elite firms are taking advantage of the uncertainty in the market by <u>luring talent</u> < <u>https://www.law.com/americanlawyer/2021/04/08/as-profits-boom-for-new-yorks-elite-firms-lateral-partner-hiring-accelerates/></u> from their competitors, especially when profit margins and partner compensation spreads are widening.

And the calculus for new offices has changed amid remote work: at least half a dozen Am Law 200 firms have launched in high billing rate areas in <u>California < https://www.law.com/americanlawyer/2021/03/30/for-new-california-entrants-talent-and-fit-outweigh-critical-mass/></u> in the last year.

In fact, a number of firms, including Quinn Emanuel Urquhart & Sullivan and several regional midsize firms around the country, have expressed an openness to hiring partners outside their physical geographic footprints to work remotely.

"The geography doesn't matter as much. It's not irrelevant because local context still matters," Quinn Emanuel leader John Quinn <u>told Law.com <</u> <u>https://www.law.com/2020/12/10/learning-from-the-pandemic-quinn-</u> <u>emanuel-will-now-hire-attorneys-outside-its-footprint-405-73048/></u>. "But I don't think we have to be hobbled by the standard practice of, 'We're going to open an office here, and what does that investment look like in terms of space?"

Still, there are unique <u>tax challenges < https://www.law.com/2020/10/13/as-</u> <u>firms-weigh-hiring-partners-outside-of-footprint-tax-challenges-await-405-</u> <u>69227/></u> for firms that hire lawyers to work exclusively from home in states where the organization didn't previously have a presence. It also takes a certain type of firm culture to successfully integrate those lawyers who don't have a hub office nearby.

And lawyers at so-called "distributed" firms, where all or most of their operations are conducted virtually, have said they're skeptical of whether traditional brick-and-mortar firms that hire fully remote partners or decide to shutter or shrink existing physical office spaces will pass the overhead savings along to associate and nonequity partners. "I don't think that's their plan at all," Chris Wilson, a corporate and finance partner at hybrid remote law firm Taylor English Duma, <u>told Law.com <</u> <u>https://www.law.com/2020/09/24/if-midsize-law-firms-ditch-their-offices-</u> <u>will-their-attorneys-see-the-savings-292-74392/></u>. "It's a cost-savings benefit to the firm that's going to accrue to the equity partners."</u>

Rhys Dipshan and Zack Needles contributed to this report.

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