

Our Observations on the Coronavirus for the Legal Industry

By [LawVision](#) on March 13, 2020

Here at LawVision, we are privileged to have a unique position as a consistent and intense observer of issues that impact the legal industry, which is a microcosm of the global economy. We have spent decades talking daily with law firm leaders, lawyers, law firm clients, other industry experts, law school representatives, technology companies, and each other. Given the extreme uncertainty in our current business environments and personal lives, we thought we would share our observations with you.

Before proceeding, it is vitally important to acknowledge that the Coronavirus pandemic is a global disaster that is creating legitimate concerns, real suffering, and sometimes fatal outcomes. Our thoughts are not intended to make light of the broader context or to try to distract from the magnitude of our current day-to-day situations. We are here to help you, our valued clients and friends, start to think about next steps because, as history has shown, certainty and confidence will return, and we will need to move forward within our "new normal."

Updates from your LawVision team –

- 1) Now IS the time for an abundance of caution. We fully support the postponement of meetings and retreats and we fully endorse policies cancelling all internal and non-essential travel. Given all of the unknowns related to the coronavirus and the ease of transmission, we all need to do whatever we can to stay healthy and keep those around us healthy.
- 2) Many firms had a very solid start to 2020. In our recent travels, we heard many optimistic reports from law firm leaders at the start of the year. By many accounts, the hours/workloads for the first two months of this year were above budget/expectations, and many firms experienced more robust inventory flow from 2019 to Q1'20.
- 3) There are few industries as resilient as the legal industry. While past performance is never a guarantee of future outcomes, the legal industry has always learned from each recession/challenge and used it, broadly, as a catalyst for advancing and improving. The lesson learned from the recession in 1990 was that legal was transitioning from a profession to a business. The lesson from the tech bubble/burst was that strategic positioning and differentiation were vitally important. Next came the terror of 9/11, from which we learned about disruption and disaster planning. Then, the Great Recession forced us into a whole new environment in which the overall demand for services grew modestly (year-over-year), many firms were too large for their client bases, and "growth" meant strategically taking market share from competitors.
- 4) The key elements of the economy are still largely sound. While corporate debt was creeping up to relatively high levels, many other key measures of economic health were well-positioned. The current downturn is driven by uncertainty and fear of a new unknown around us. At some point, the outbreak of new cases will peak in the US and confidence will start to return. In theory, this should be a "quick-recovery" situation with respect to our psyches. Of course, recoveries of business processes and supply chains will take longer.
- 5) Many law firm leaders, privately, remain "pessimistically optimistic" about 2020. For example, yesterday, our partner Mark Medice, conducted a profitability webinar with about 40 pricing leaders from major law firms. During the session, he did some real-time polling on their financial expectations for 2020 and found the group to be surprisingly optimistic.

So, what will be the unintended silver lining for the industry from our current global challenge? A new business model. Due to actions/policies related to the aggressive combat of the coronavirus by both governments and law firm leaders, many law firms are about to jump forward by at least a decade on the planning and implementation of remote working policies and the use of technology in the practice of virtual law. While this will cause great consternation among traditionalists, there is no short-term alternative to this long-term, inevitable outcome. The law firm world is in a positive and useful “fast-forward” mode with respect to the core business model and innovative thinking related to the provision of legal services.

We, like you, hope that new cases of Coronavirus peak soon so we can start to settle into our new normal, flexible, and increasingly remote work-lives. As we move through these challenges, please know that –

- We are experienced with where the industry is going...the new normal. Beyond being a virtual organization, we always have active projects related to where the business of law is going so our collective knowledge and experiences are ever-increasing.
- We are a team. Business continuity is inherent in our organizational design – each of our key service areas are supported by more than one expert, and we are constantly sharing best practices, and forward-looking ideas.
- We are here for you right now. We will always tell you what you need to hear...and if you don't want us in person right now, we are all experienced hosts for Zoom meetings!
- We are thinking over the next horizon. Soon, you will be thinking about your critical next steps to ensure your firm's footing and success in the short and long run. We stand by to offer counsel on those questions and will be offering additional thoughts and perspectives in the coming weeks and days.

Professionally, we wish each of you a swift return to relatively normal operations and an open-ness to the next step in the evolution of your firm's business model.

Personally, we wish each of you and your families health, confidence, and peace of mind.

With warmest regards,

Your LawVision Team and Friends