

Preparing to Pivot: From Recovery Mode to Proactive Strategic Leadership

By [Joseph B. Altonji](#) on June 2, 2020

It's been a crazy three months and we're not out the woods yet on the COVID-19 crisis, but by this time all well-run law firms have 1) figured out how to keep functioning and serving their clients virtually and 2) at least begun thinking through the myriad issues associated with reopening their offices. We are in the early days of the "Cautious Recovery" stage outlined in our [Recovery Playbook](#) some weeks back. Businesses are beginning to reopen and at least some people are getting back to work. The stock market has recovered a significant portion of its early losses, although the companies driving the recovery are somewhat different than the ones sustaining the biggest losses. We will get through this, though the ramifications will be huge and multifaceted. Most importantly, it is becoming obvious to everyone that the "New Normal" is going to look somewhat different on many levels than the good old days of a few months back. As a law firm leader, *now* is the time to begin thinking about how you can best position your firm to not just survive this crisis but to thrive in the new emerging world and build resilience to protect the firm when the inevitable next Black Swan comes along.

Unlike the financial crisis of 2008-2009, the pandemic will do more than just accelerate underlying trends that affect our law firms. On various fronts, it will serve as an inflection point, changing the direction of some trends and creating multiple new ones. As a society, we will work differently, interact with each other and with other societies in new ways, and change how we go about our daily lives. While we highlighted many potential areas of change in our recent "[Legal Profession in a Post-COVID World](#)" series, the critical question for the moment should be "how, as a leader, do I reposition my firm to thrive in this new world?" Law firms need to adapt to societal changes, or they will risk becoming the "[losers](#)" of the post-COVID legal world.

Successful firms in the Post-COVID world will need to adapt across a range of critical areas, including:

- Clients, and the firm's relationship to its client base.
- Platform, including real estate usage, technology, support structures and staffing, capital investments, and many other areas.
- Economics, including profitability management, pricing, cost allocation and cost control.
- Compensation system design, criteria and system implementation.
- Talent management in a significantly virtual world, including talent acquisition, development, management and retention.
- Culture management, including integration of virtual members, building cohesion, teamwork and collaboration, communications and transparency.
- Strategic flexibility based on the operative word we introduced in our series – **resilience**.

The short-term goal for the firm should be to quickly pivot the firm's strategy and put in place a plan for adapting the firm's platform to maximize resiliency and support the shift in strategic direction required to respond to changing client needs and shifting societal trends.

What do we mean by “short term?” After all, we are in the midst of a crisis and most firm leaders are literally “up to their a%\$#s in alligators” and draining the swamp seems like a stretch. How can we start the process of resetting strategy and planning to rebuild the firm, while still dealing with everything on our plates? Can’t this wait till next year? Maybe, but it has been clear for a long time that those willing and able to move quickly and focus on the future are always in a better position in the long run. We believe that over the next few months, the best led firms will focus on a strategic pivot that better positions them for long term success, begin outlining a strategy to build their platform of the future, and start incorporating new strategic agility capabilities which significantly increase the firm’s flexibility and speed of adaptation. Our suggested *starting point*? Plan and hold a “Strategic Pivot Leadership Retreat.” To accomplish this, we suggest putting the remaining recovery operations planning and implementation in the hands of a very capable team, with a clear leader (perhaps the firm’s COO) and establish a Strategic Direction Team to begin the process of planning and executing the retreat.

The goal of the Strategic Pivot Retreat is not to conduct a full-blown traditional “strategic planning” exercise. Rather, it is to quickly pull together a reasonable body of knowledge about what is actually happening with the firm’s client base, talent base, economics and culture and gather together a leadership group to accomplish two critical things. First, identify and coalesce around a set of critical strategic-level opportunities and challenges which allow or require the firm to begin moving in a different direction or begin rebuilding aspects of how the firm works. Second, design and agree on a set of processes to build strategic thinking and flexibility into the everyday leadership and fabric of the firm.

The process does not end with the retreat – the retreat just gets it started. If done well it will spur the team to continue over the long term to function as a core strategy group that will focus on keeping the firm at the front of the pack in terms of market positioning and adaptation. It does not require months and months of work to prepare – but does take some effort to get it right, and it would be helpful if the firm already has a well-established *strategic* client contact process. The retreat doesn’t even need to be in person – in these times of restricted travel, we are conducting Virtual Strategic Pivot Retreats (complete with virtual cocktail hours!), and anticipate these may become the norm, even once less restricted travel resumes.

We are not going back to the way things were before COVID-19, but how your firm fares over the next decade or more will depend in significant part on the actions and efforts you take now. It will also be much easier to achieve change now than it will once we get back to a more comfortable position. As various people have said, “a crisis is a terrible thing to waste.” Don’t!