



J&A Associates

COVID-19 Law Firm Survey Results

We talk to the owners of small and mid-size law firms every day. As a result, one might assume that J&A Associates would have its collective fingers on the pulse of this sector of the legal community, especially during a year as tumultuous as 2020. The truth is, we had plenty of anecdotal information about how our client law firms were doing, but we knew there was more to the story.

In late summer, J&A launched a survey with the goal of gathering more quantitative data about how small and mid-size law firms were dealing with the business challenges brought on by the pandemic. The survey was sent to owners and partners of more than 60 law firms in the San Francisco Bay Area and Los Angeles. Responses were anonymous and the participation rate was more than 50%. Although we can't claim a survey process as robust as one conducted by a professional research firm, our questions were carefully curated and included a variety of response mechanisms. Zoho Professional was used to administer the survey.

The report acknowledges a seismic shift from lawyers working in physical spaces to working remotely.

As our survey results indicate, the practice management tool Clio is utilized by 38% of our respondents. Clio's recently published *2020 Legal Trends Report* included results from the company's ongoing research into the impact of the pandemic on law firms. Not surprisingly, the report acknowledges a "seismic shift from lawyers working in physical spaces to working remotely," since the pandemic. Also noted is the increase in technology adoption among firms during this time, which, according to the report, "has laid the foundation for a new legal-service model that will be better suited to the needs of clients." Although J&A's survey did not tap into this area, we are intrigued by the concept and will continue to explore its possibilities for our clients. For those interested in learning more about the pandemic's impact on the legal profession, real time industry data from Clio's extensive research can be accessed at <https://www.clio.com/resources/legal-trends/covid-impact/>.

So, what did we learn from our survey?

Working remotely.

Prior to pandemic:

78% of firms had less than 20% of employees working at least partially remotely.

2nd Quarter 2020:

Slightly more than 80% of firms had more than 50% of their workforce working remotely.

41% of firms had 90-100% of their workforce working remotely.

Concerns with managing a remote workplace, ranked by most important.

Problems with workflow, communicating expectations, monitoring progress, meeting deadlines.

Maintaining positive employee relations; morale, teamwork.

Effectively supervising employees.

Continuing meaningful attorney collaboration.

Least important (by far) - ensuring firm policies and procedures are followed.

Will staff want to continue working remotely, as things return to normal?

66% expect that less than half of their staff will want to continue working remotely, even partially.

33% expect that more than half of their staff will want to work remotely, either partially or completely.

Will attorneys want to continue working remotely?

57% expect that more than half of their attorneys will want to work remotely 2 or more days per week.

Management's success in communicating expectations to a remote workforce.

38% believe they have been very successful.

56% have been moderately successful.

6% are struggling.

Has billable time changed since 1st Quarter 2020?

44% of firms report that billable time is about the same as in first quarter.

28% reported higher/considerably higher; 28% reported lower/considerably lower.

Worth noting: 9% reported considerably higher, while 15% reported considerably lower.

Understanding employee challenges and needs.

More than half of respondents believe they have a pretty solid understanding of what is going on with their employees. The remaining firms thought that they knew what was going on with some, but not all, of their employees.

Quality of work.

Nearly all respondents thought that the quality of work being performed was meeting or exceeding the firm's standards.

So, what did we learn from our survey?

Training needs.

Most firms did not have training needs; 33% had experienced some impact on training; 20% were adapting their training protocols and comfortable with their progress.

Recruitment plans.

30% plan to hire additional attorneys before year end.

28% of firms have a hiring freeze.

25% are up in the air on plans.

9% expect to hire new staff.

6% had or anticipate layoffs.

6% plan to use contract attorneys in the interim.

Office space needs.

50% of firms expect their need for office space to decrease over the next 12 months.

38% expect their needs will remain the same.

9% are unsure.

3% expect to increase their space.

Payment options for clients.

50% have not had to offer any type of reduced or deferred payment options.

For firms that have offered options, those include deferring payments, setting up monthly payment plans, and, to a lesser degree, discounting invoices.

Effective metrics in place.

Nearly all firms report having good metrics to measure expenses and collections.

The vast majority of firms reported having good metrics for timekeeper productivity and cash flow.

Only 40% report having good metrics to measure realization rates.

Online communication tools.

82% use Zoom

72% use Outlook

50% use Office 365

22% use Microsoft Teams

12% use Slack

Practice management tools.

38% use Clio

60% use Quickbooks

Among the tools listed or added by respondents, none were used by more than 10% of the firms.