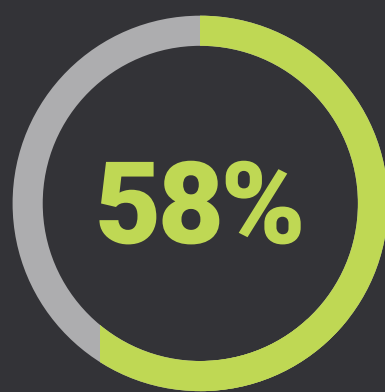




Legal Sector Survey Results Now, for Tomorrow Business strategy

Strategy since Summer 2020



of survey respondents have changed some aspect of their business strategy since Summer 2020.



We have seen 2 years' worth of change in this short time"

25% of change **"focused on core areas or locations"** with smaller office space being taken, and some office locations closing.

21% of Firms **"changed working practices to include remote working"**. Following the March 2020 lockdown, decisions had to be taken on how to continue working effectively.

17% of Firms made **"survival"** the key strategy noting **"a cautious approach"**, **"slowing down until the future is more secure"**, with **"major infrastructure projects on hold"**.

13% of Firms have **"focused on credit control and billing"** with some reporting **"tighter financial forecasting"**, **"reduced partner drawings"**, **"looking at profitability of different work types"**.

Strategy for early 2021

Looking forward to the first 6 months of 2021, we asked Firms to tell us which areas they were planning on a change in strategy. The December 2020 figures are shown in blue and the May 2020 comparative response is shown in green.



Respondents are continuing with digital tactics (29%), but also prioritising personal communication (23%), with overall plans to increase marketing activity (18%).



Plans have stopped (24%) for some, but others are trying to take advantage of recruiting from new entrants to the job market (24%), while growth service line recruitment (24%) is prioritised.



Firms are planning for investment (88%), as well as recruiting in to this department.



Firms are planning for reduced space (47%), reviewing their needs in detail (26%), and redesigning and repurposing office space (16%).

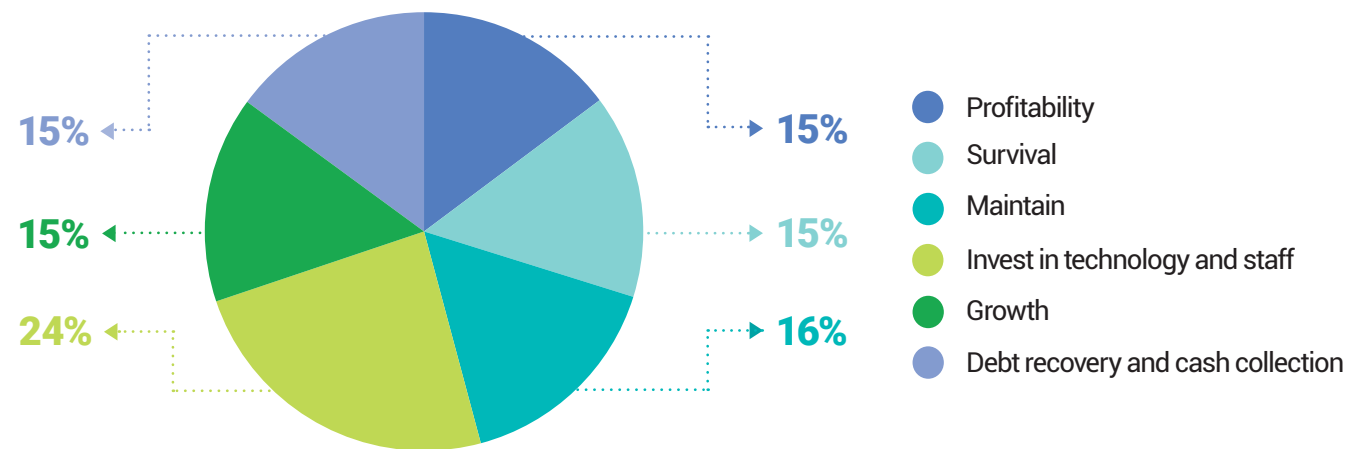


Firms have seen focus on credit control (46%), detailed reviews (20%), and changes in billing procedures (13%).

● December 2020
● May 2020

2021 priorities

What is your priority for 2021



Profitability
15% of respondents are planning profitability as key for 2021. Firms differ slightly from those on one extreme who want to "keep going and make a profit" to those who want to build on an already positive position, "leverage higher return and greater profitability from our prior investment".

Survival
Along the same lines, 15% of Firms said that they are prioritising "survival" for 2021. Some of this survival plan is perhaps based on a reaction to the pandemic, but spinning a positive view on the future "to get through, reorganise and go forward as a leaner and fitter business". However, there are worries of an economic downturn and its impact on the Firm "to preserve jobs and do our best to ensure that we come out of the other side intact".

Maintain
16% of Firms are prioritising "maintain" for 2021. This can be summarised as "maintaining momentum on the positive aspects of change that the virus has forced upon us".

Growth
15% are prioritising growth for 2021. This can be summarised into "growing in a way that best serves our clients" and "development of new markets to increase the quality of our business".

Invest in technology and staff
When asked about the priority for 2021, 24% of Firms said an investment in technology and staff would be key. The plans tend to flow into three streams:

The first is IT investment, with many looking to "get even better technology for staff to continue to work flexibly". Some of the necessary home working was undertaken rapidly with very little planning, and IT spend was hurried. The last 6 months has allowed consideration of more efficient working practices, but all are based upon a solid IT infrastructure.

The second part of the priority plan is some extension of changed working practices, with the aim of retaining valued staff members so that Firms can "continue to be agile", "empower staff and keep training excellent lawyers", with a focus on "people, engagement and welfare".

The third element is simply recruitment. We have seen some Firms recognising profitable work streams and the opportunities that an extended fee earning base could generate. This is combined with opportunities within the marketplace with regards to "recruiting high quality talent".

Debt recovery and cash collection
The final 15% of Firms are prioritising debt recovery and cash collection. Some of this centres around "unlocking the WIP that has built up throughout 2020" but much of the planning looks at "better operational procedures" as businesses have seen the impact of coronavirus lockdown on cash flow.