

Law Firm Adviser On Pushing Forward Pandemic Innovations

By Xiumei Dong

Law360 (April 27, 2022, 1:19 PM EDT) -- Matt Sunderman serves as president of the advisory business at HBR Consulting, a consultancy that provides strategy and operation services for both law firms and corporate law departments.

In the past 20 years, he has advised law firms on creating new ways of working to become more efficient and save costs. According to Sunderman, the COVID-19 pandemic has accelerated that process for many firms as they adopt a virtual or hybrid work environment.

Here, Sunderman speaks with Law360 Pulse about some of the most notable changes law firms made to adapt to the pandemic, the challenges they faced, and how they can improve efficiency by investing in new technologies and innovative legal services.



Matt Sunderman

This interview has been edited for length and clarity.

The pandemic has drastically changed how law firms function in many ways. What are some of the biggest changes you have seen so far?

We view the pandemic as an accelerator. I said that we were in motion, but maybe taking a little bit more time to get adoption in the legal space. And that's everything from flexibility on how people were able to and can work, or ways of work — more mobile or transient, less of office-bounded office space — and then to enable that or unlock all the modern technology advancements that we've seen around cloud adoption, mobility, and the security associated with that.

The other thing that we've seen is on client centricity. During this period of time, law firms had to think a lot about how can they partner with and serve the corporate law departments in a different way, in a virtual or hybrid environment. So law firms started to think a little bit more about how we come up with a client centricity standpoint, evolve how we're partnering with firms, how we're thinking about industry verticals, how we're thinking about practice groups, how we're thinking about jurisdiction. And then also internally, now that it's more of a hybrid virtual environment, can we serve those clients in a different way, maybe more cross-functionally across practice, across office and geography?

What were some challenges firms faced as they went through these changes?

It's been hard for law firms to focus on efficiency given how busy they have been. They want to get more efficient and more modern and more tech-enabled, but they've also got huge volumes of demand coming from their corporate clients. I'm sure you've seen in the general industry, it is the balance between serving clients in traditional matters to keep up with the demand and being innovative to become more modern at the same time, which can be challenging.

Have law firms gotten more efficient during the pandemic?

There is a tremendous opportunity still for efficiency, whether that's the use of non-lawyers in the delivery of legal services, tech-enabled solutions, partnering with third parties like alternative legal service providers, or building internal captives that help legal service delivery that maybe aren't the traditional way that law firms would serve clients, partners and associates. So there's a lot of efficiency gains to be had over the next two to five years.

And the other thing that we believe is, firms are taking a more practice- or area-of-law-centric approach to driving efficiencies, so you're not necessarily seeing an enterprise-wide [approach] across the firm. You might be seeing it for individual clients or in specific areas of law, like IP, M&A, funds groups, or labor and employment.

Where are law firms with regard to returning to the office?

The clients that we have up and down the AmLaw 100 and Global 150 are all beyond "how often, what is the policy, and what are our expectations?" I think now they're trying to drive adoption. So, how do they get people to come into the office? What's the value of the office? How can it be used for training, for get-togethers, for culture, for client interaction? They're trying to figure out the best ways to get a critical mass of people to come in. While the final point is, they are all acknowledging there's going to need to be a dimension of flexibility that maybe a lot of leaders didn't anticipate in the early stages of COVID. But as the pandemic spans two-plus years, there isn't a return to the office in the way that maybe people thought there might be early on. Now, it's a bit more flexible, nimble, and we're seeing different firms take different approaches.

Most BigLaw firms' revenue went up significantly last year. Where have firms been investing with all this extra cash?

We're seeing investments in talent, so recruitment and attraction of new talent, training of existing talent. We've seen firms do MBA courses and design thinking courses. And then a repositioning of the operational budget may be from traditional items like facilities and on-premise technology to more modern and cloud tech adoption.

Do you think profit growth will remain high in 2022?

I think firms aren't necessarily anticipating that revenue growth in the top line and the bottom line or that the profits per partner are going to continue at the same trajectory as the last couple of years. But nobody's planning for necessarily a pullback either. Maybe slower growth on both fronts.

--Editing by Alyssa Miller.