

COVID-19 Is Driving Long-Term Changes in Big Law for Remote Work, Fees, Hiring

By **Andrew Maloney** | octobre 05, 2020 *The American Lawyer*

Even before the pandemic, Davis Wright Tremaine partners were considering long-term structural changes at the firm. But the fallout from COVID-19 accelerated that schedule, according to Pete Johnson, the partner-in-charge of the firm's Seattle office. Last month, Seattle-based Davis Wright Tremaine made headlines for [laying off 39 staff members](#). Other changes could be on the way.

Johnson is leading a firm effort to evaluate long-term policy modifications. Specifically, Davis Wright partners are considering adjustments around remote work, reduced and flexible hours, fee models, non-local hires and other trends that leaders believed were already ascendant.

Davis Wright is not alone in the industry. Other law firms are also undergoing the same kind of deep evaluations on how to adjust their business operations, changes that will likely come sooner because of the pandemic.

While it's still not clear what policies will officially take hold post-pandemic at Davis Wright, Johnson said the firm is considering a hybrid of remote and in-office work, which could alter how the firm tailors its real-estate and its operations. "The move toward more remote working among our attorneys was already happening, but with Covid, people moved virtual in a short amount of time, and that accelerated that trend," Johnson said in an interview.

He noted most firms still have an office for every attorney and that law firms generally will be looking at how to be more efficient with space when people don't always need to be there. He said Davis Wright is "looking at all the options" on that front. "I definitely envision a future where we still have real-estate, we're still around our clients in important communities around the country we've always been in. But what that space looks like will likely change over time," he said.

The firm for six months has seen how productive employees are when they work from a distance, Johnson said. "People can work remotely. We have data that shows people can be busy and get their substantive jobs done," he said.

Johnson said the 39 staff layoffs weren't necessarily part of the plan prior to Covid and don't necessarily signal a long-term trend in staffing reduction. "There are so many unknowns with the pandemic, it would be irresponsible to say a concrete, 'This is what's going to happen,'" Johnson said. At the time of the layoffs last month, the firm said it wasn't "a cost-cutting measure" but instead the "result of a fundamental shift in how we expect to operate." The Am Law 100 firm also said its financial performance had exceeded expectations, allowing it to bring back other furloughed staff and to restore 50% of the salary reductions it made in May. The firm also planned to increase the third-quarter distribution for equity partners. Hiring partners and staff outside the firm's geographic footprint is another real consideration when people are working from home, Johnson said.

At the same time, Davis Wright is considering in which circumstances employees would still benefit from coming together. Professional development and case prep are two areas that may still require in-office interaction, and more broadly, "innovation tends to happen best when people are together," Johnson said. "If you envision a greater amount of remote work in the future – I think both on the lawyer side, litigators developing case strategy, and on the transactional side, how to effectively serve clients – those are things that require getting together to spend time," he said.

Davis Wright is also looking into more alternative fee structures, which Johnson said were already coming down the pipeline before the pandemic. He noted that big clients have pushed such fee arrangements more aggressively, and accounting firms and consulting firms have already moved in that direction.

A crisis like the Covid-19 pandemic is never desirable, but it can upend routines and make big changes easier, said Jim Cotterman, a principal at Altman Weil. "There's a pliability right now you want to take advantage of," he said.