Legal Innovation Lab

It's time to rethink the legal workplace

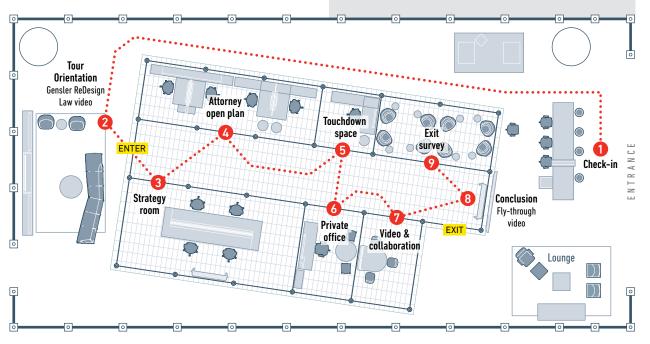


Law firms are ready for change.

New design strategies will be required to keep the legal workplace up to pace with shifting work patterns, employee expectations, and market realities. To test opportunities to evolve the legal office, we built a pop-up workplace at the 2014 Association of Legal Administrator's Conference in Toronto. The exhibit showcased opportunities to create an efficient, highperformance workplace to meet the future of legal work. Responses from a participant survey highlight a strong desire and need for change as law firms look to the future.

How will lawyers work in the future?

Innovation Lab We led 600+ conference attendees on a guided tour highlighting progressive workplace strategies tailored to attorney needs and work processes.



WHAT WE DID

Gensler's Legal and Professional Services Firms practice area designed and built a "legal innovation lab" in partnership with the ALA and leading technology, software, and furniture manufacturers.* The lab was comprised of a series of vignettes used to share and test ideas for the future legal workplace. We developed the strategies and design solutions showcased in this exhibit based on the findings of our prior research into the legal workplace, including a roundtable of legal leaders and an analysis of our workplace performance data for lawyers and legal staff. At the end of the exhibit, we gave the 600+ attendees an exit survey, and analyzed the results of over 250 survey responses on the current state of the legal workplace as well as their firms' openness to change.

THE CONTEXT

The practice of law is undergoing a fundamental transformation. Our previous research and experience highlight numerous shifts, from a market in which lawyers' clients are increasingly cost-conscious and value-focused, to a growing focus on teamwork and quality-of-life concerns. The design of the future law office must address these rapidly changing influences and align with a fundamental reengineering of how legal work is, and will be, done.

We anticipate the law office of the future to be smaller, more flexible, more collaborative, more client-focused, and more technology enabled—employing workplace qualities many associate with business or management consulting firms today. Yet we also know that lawyers will continue to have workplace needs specific to their profession and tasks. An exploration of progressive workplace strategies through the lens of legal work today is necessary to create future work environments that continue to support legal work while adapting to new realities of the profession and market.

*Bernhardt Design, Steelcase, Microsoft, Thomson Reuters, Herman Miller, Knoll, Hitplay, Creative Wood, POI Business Interiors, Interface.

FUTURE PROOF: ADAPTABLE & RECONFIGURABLE DESIGN

Law firms are ready for change, and are seeking progressive, tech-enabled workplace strategies that improve efficiency while enhancing their ability to attract, retain, and support talent.

Exit survey results

 Q: How receptive are the firm's partners to change?

 PERCENT RESPONDING "RECEPTIVE," BY FIRM SIZE (EMPLOYEES)

 AVERAGE

 82% 50 OR LESS

 70% 51-500

 84% 501 OR MORE

 78%

THE RESULTS

Change is a fact of life for law firms today, and leadership is fully aware—three in four survey respondents noted their firm's partners are receptive to change. This need for change centers around two central premises: the need to improve real estate efficiency to stay lean and cost-competitive, and the need to evolve to attract talent and accommodate new ways of working.

Space efficiency and reduction trends we've observed in the marketplace are confirmed by our respondents. The majority of firms have off-site archives, and one in three (36%) have off-site data centers. Off-site administrative functions currently exist only for 17% of respondents, with the most among larger firms.

PERSPECTIVES

Some law firms looking to cut real estate expenses—one of their biggest fixed costs are giving themselves 21st-century makeovers. They are shrinking private offices, swapping out walls for glass, and installing high-tech meeting rooms in dead space once occupied by law libraries and filing cabinets.

-Jennifer Smith, "Law Firms Say Good-Bye Office, Hello Cubicle," The Wall Street Journal (July 2012)

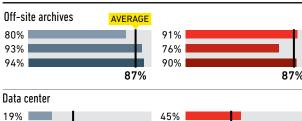
Despite these initiatives, the majority of respondents reported that their firm continues to lease more space than is necessary. Larger firms are more likely to have excess space on their books. Recently designed firms are less likely to have excess space, confirming the focus on space reduction in recent years—though even among those whose offices have been redesigned recently, one in three reported their firm still has more space than is necessary.

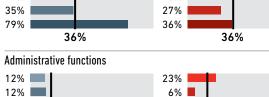
Respondents noted the **adoption of new technology**, managing an increasingly multi-generational workforce, and the war for top talent as key trends impacting the legal industry, confirmed through discussions with attendees and a companion panel held at the ALA Toronto conference. Approaching these trends proactively is of vital importance for a firm's long-term survival. Panelists also felt they were lacking a consistent set of best practices by which to adopt these trends successfully, particularly given a future that is largely unknown.

KEY: FIRM SIZE (EMPLOYEES)		KEY: RECENCY OF DESIGN		
	50 OR LESS	WITHIN THE LAST 3 YEARS		
	51-500	3-5 YEARS AGO		
	501 OR MORE	6 OR MORE YEARS AGO		

Q: Does your firm/company have off-site facilites?

PERCENT RESPONDING "YES," BY FIRM SIZE AND BY RECENCY OF DESIGN







your business the most? TRENDS RANKED FROM MOST TO LEAST, BY FIRM SIZE (EMPLOYEES)

New technologies Ability to retain talent 74% 33% 45% 74% 74% 55% 74% 42% Multi-generational workforce Fee based on assignment 71% 35% 67% 41% 45% 71% 69% 39% **Competition for talent** High associate salaries 54% 43% 72% 30% 77% 16% 65% 34% Shrinking sunnort staff ratio Merners/acquisitions

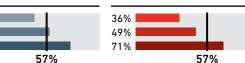
77%	60%	19% 11%	
BBA (4.00%	
59%		15%	
56%		4%	
Shi niking Sup		Mergers/acquisitions	

47%

59%

76%

Q: Does your firm lease more space than actually needed? PERCENT RESPONDING "YES," BY FIRM SIZE AND BY RECENCY OF DESIGN



WHAT THIS MEANS

Tech-enabled mobility is gaining wide acceptance.

When respondents were asked about the likelihood of their firms implementing the progressive work and workplace strategies highlighted in our exhibit, technology and out-of-office mobility topped the list, followed by in-office mobility and reduced paper. Importantly, all of these strategies are reliant on effective mobile work and tools as well as organizational policies that encourage flexibility and anywhere-working. Currently these strategies appear focused on attorneys-mobility for non-legal staff ranks lower in likelihood.

Adoption of open environments is tentative.

While firms appear focused on increasing choice and mobility, the parallel adoption of more open-plan environments that often comes alongside these shifts is slower to be embraced. While early adopters exist, mostly in the UK, US firms have been more likely to seek efficiency via interior and/or smaller attorney offices, and multi-use spaces.

Talent and workforce shifts are top-of-mind.

Generational and talent issues ranked among the top trends impacting the legal business. This focus on talent, alongside the recognized importance of technology, may explain legal firms' interest in mobility and technology, and their tentative approach to adopting more open or shared workplace environments.

WHAT'S NEXT

Respondents noted significant openness to change, underscoring that dramatic shifts will continue in the legal workplace. Our findings suggest that as law firms increasingly embrace alternative workplace strategies, their focus will be on those that help them maximize space efficiency while also improving the workplace experience. Building in flexibility from the start is a key example, and allows today's work environments to adapt to and support future needs while ensuring firms get the most out of their real estate investments.

Flexibility is the first line of defense against uncertainty.

With an uncertain future ahead, our respondents noted the importance of keeping the workplace flexible to accommodate change. Three out of four respondents ranked the ability to reconfigure their workplace easily and quickly as important, and the importance appears to be even more paramount for larger firms. These strategies are all the more important as firms seek to carry less inventory, opting to manage staff fluctuations by reconfiguring furniture and density levels instead of allowing space to stay empty while waiting for future occupants.

Q: How important is it to reconfigure vour workplace easily and quickly?

PERCENT RESPONDING "IMPORTANT TO VERY IMPORTANT," BY FIRM SIZE (EMPLOYEES)

		AVEF	AGE
69%	50 OR LESS		
79%	51-500		
93%	501 OR MORE		
		 77	%

Q: How likely is it that you firm will implement some the ideas seen at the exhi

the needs seen at the exhibit?	
Mobility outside office (Lawyers)	
Investment in technology	
Dramatically reduced paper	
Mobility/alternate settings (Lawyers)	
Mobility/alternate settings (Staff)	
Interior offices for lawyers	
Mobility outside office (Staff)	
Double associates	
Open-plan associates	

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Gensler established its Research Program to support research investigations important to our firm, our clients, and to the ongoing learning and development of Gensler professionals. Research projects are practitioner-led with involvement across the globe spanning our 46 offices, 31 practice areas, and 4,500+ professionals. Our teams bring thought leadership to the table as we seek to solve our clients' and the world's most pressing challenges by creating high-performance solutions that embrace the business and world context in which we work, enhance the human experience, and deliver gamechanging innovation.

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