



More than two thirds of legal firms will review their business processes and well over half are planning a major change in strategy following the Covid-19 pandemic, according to a survey of more than 100 UK law firms of all sizes by MHA. It showed that 59 per cent of firms will use the opportunity to change their business strategy with a focus on better IT, review of specialisms, and improving profitability. Firms are ready to embrace more agile working and nearly two thirds of firms surveyed said they found the transition to homeworking during the pandemic 'easy' or 'very easy'. Most said they expect to allow staff to work part of the week from home in future. The survey also showed that 85 per cent of firms said the pandemic would have a 'moderate' or 'major' impact on fee income. Jon Woolston, head of the professional practices team at MHA Larking Gowen, said: "Like many other sectors, legal firms will be hit financially in the short term by the pandemic, however, there's also a huge opportunity to use this as a catalyst for modernisation and achieving longer term financial stability."

"When it comes to business strategy, many firms have been telling us that the pandemic has encouraged them to take action to remove high-risk areas of work and to change their focus from increasing fee income to increasing profitability.

"There's clearly a huge opportunity around staff recruitment and retention due to the agile working practices we've all become used to in a very short space of time. This may enable some firms to staff the business and attract new work without geographic restriction."

Among the other key findings of the survey were:

- 68% are reviewing their current premises requirements or considering smaller offices
- 87% of firms have made use of the Coronavirus Job Retention Scheme (CJRS) and 31%

Survey points to major changes being planned at legal firms following pandemic

Written by editor

Monday, 06 July 2020 07:06 - Last Updated Monday, 06 July 2020 08:45

accessed the Coronavirus Business Interruption Loan Scheme to date

- 68% have deferred VAT payments and 31% have used the HMRC Time to Pay arrangement
- 66% are changing their plans for investment in IT systems and procedures to allow more homeworking
- 61% have changed their recruitment plans
- 40% said they are changing their plans to focus on credit control and tightening up requests for advance payments on account from clients

Jon added: “This has been a big reset moment for the legal sector and there’s definitely opportunities for those firms who can move quickly to take advantage of new profitable business generated online or from non-traditional routes or regions. Those firms who are looking forwards, taking positive lessons from lockdown, and making decisions to change, based upon a modern IT infrastructure, will be those to profit not just survive.”

An infographic summarising the main findings of the MHA Legal Sector Covid-19 survey is available here on the [MHA website](#)