



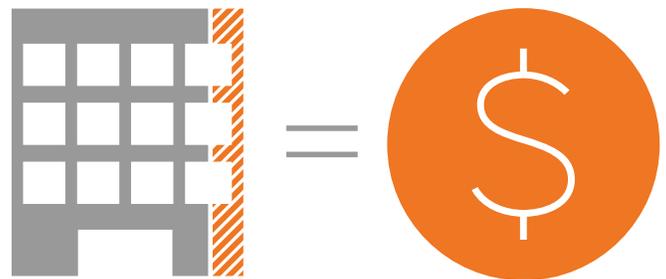
## Workplace Trends Influencing Law Firms

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Over the past decade, the amount of workspace devoted to conference, training and breakout areas has increased by almost 20% while individual workspaces are losing ground.<sup>1</sup> With smaller footprints, shorter leases and less square footage available, a new way of thinking about how space is designed and utilized is emerging. Demands for more efficiency, collaboration, attracting Millennial talent and implementing new technology are just some of the issues that companies are dealing with. For continued success in the future, law firms will need to evolve, acknowledge these trends and behave more like a contemporary business.

### Smaller Offices Increase Efficiency

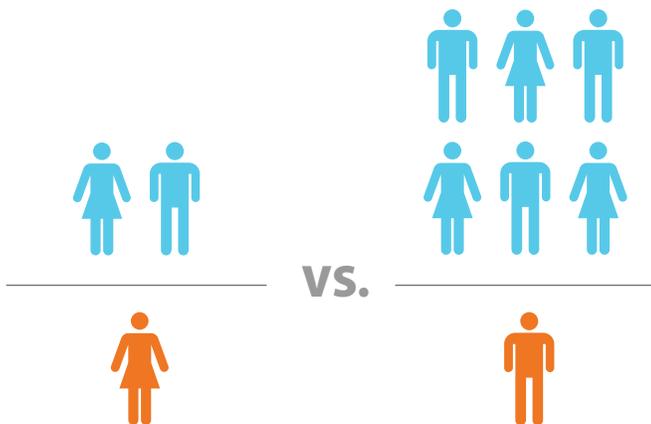
Many law firms are beginning to re-think their underlying assumptions about work processes, pricing, infrastructure and administrative support, with a view toward delivering legal services on a far more efficient and cost-effective basis.<sup>2</sup> Changes include increased investments to make practices more efficient, increased use of teams to manage projects, smaller private offices, less in-house staff and increased outsourcing of routine legal activities. The savings of reducing office size by 100 square feet at a current rental rate of \$50 per sq. ft. can easily deliver a savings of \$250,000 a year – or **\$2.5 million over a 10-year lease**.<sup>3</sup> All of these changes have an impact on the floor plan. Many U.S. firms have graduated to two standard size offices – partners at 200 sq. ft., and as low as 120 sq. ft. for associates. It used to be that there was a 1:1 or 1:2 ratio with one assistant assigned to one or two attorneys. Those days are gone. Now it's common for an attorney/assistant ratio to be as high as 6:1.



**-100 sq. ft. = \$250k/year**

### Breaking Down the Barriers

The increased need to collaborate within the office is changing the ratio between the amount of space devoted to individual workspace versus the amount of space devoted to conference, training and team areas. The old standard of hiring an associate or promoting an associate to partner, and the proverbial move to the corner or larger or window office is outdated.<sup>4</sup> Instead, exterior windows are being used less for offices and more for conference rooms, new café spaces and other large and small collaborative areas. Interior modular glass walls are being installed to signal accessibility to partners, transparency and teamwork. While law offices will always need some private, confidential spaces, the overall trend is to increase collaboration and co-worker accessibility by adding in glass walls and lowering panel heights. Additionally, these changes also offer more employees the benefit of access to daylight and views—increasing the overall productivity and satisfaction of everyone.



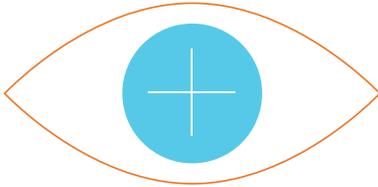
1 IFMA, 2010

3 DCMud, 2010

2 Hildebrandt Baker Robbins & Citi, 2011

4 DCMud, 2010

LAW FIRM OFFICE SPACE TRENDS

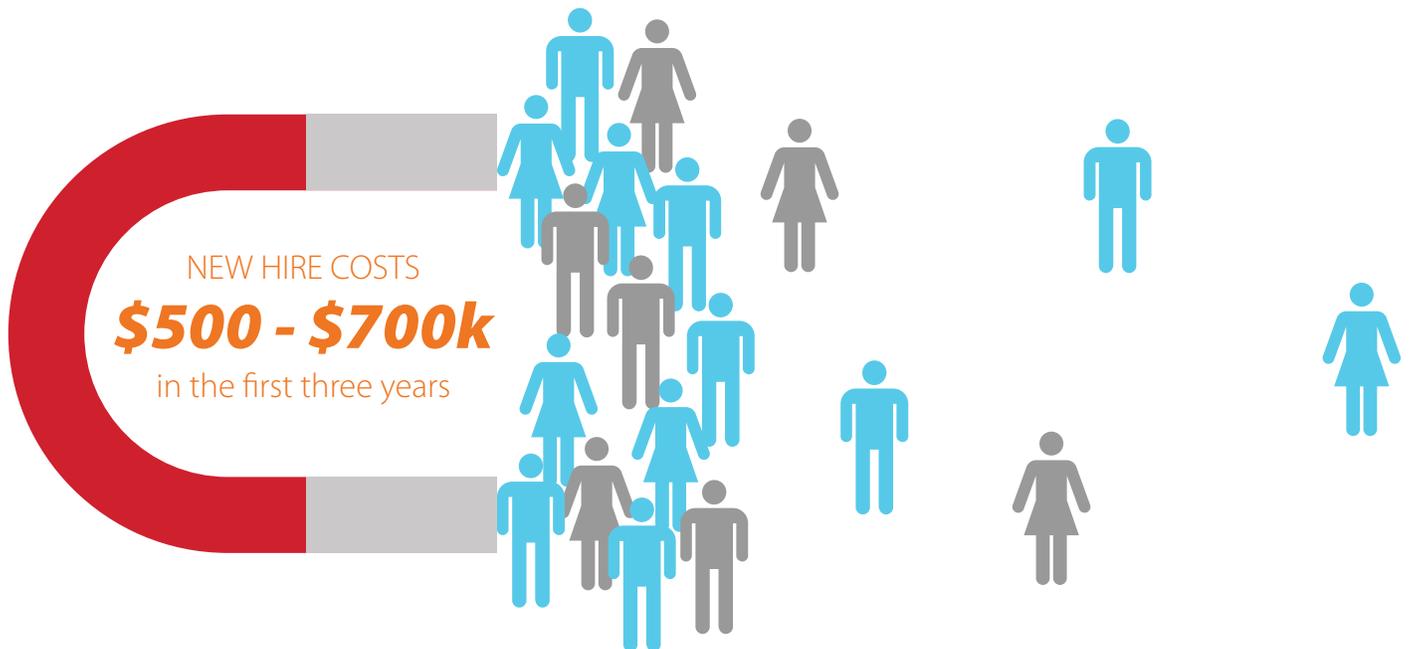


- ⊕ Technology that is more personal and incorporates small group access
  - ⊕ Smaller libraries as content goes digital
  - ⊕ Universal office sizes for every attorney
  - ⊕ Shared offices and increased collaborative spaces
- ⊕ Open office workstations for attorneys
  - ⊕ Glass doors and walls
  - ⊕ Interior offices off the window wall
  - ⊕ Increased access to natural daylight and views

**Attract and Retain New Hires**

By 2025, 76 million Millennials will comprise nearly 75% of the world’s workforce.<sup>5</sup> Recruiting and retaining this new workforce is critical to all business, including law firms. Competition for employees is time consuming and expensive. It’s estimated that to attract, recruit, train and retain new law firm hires costs from \$500,000 to \$700,000 during the first three years.<sup>6</sup> It’s reasonable to assume that with the large amount invested, firms are going to want to entice their employees to stay on and grow with the firm as long as possible.

Some firms are joining the ranks of *Fortune* magazine’s list of “100 Best Places to Work” by providing innovative benefits to attract and retain employees, including employee childcare campuses on the same block as the offices, paying 100% of employees’ healthcare costs and researching solutions for a mutually beneficial work/life blend.<sup>7</sup> There is also an increased recognition that the workplace can be used as a tool for engagement, recruitment and brand equity. Many potential new employees consider the workspace an extension of the brand and take into account how that fits with their beliefs. These benefit trends are indicative of the changing cultural attitudes, behaviors and expectations of current and future generations.



<sup>5</sup> *The Grindstone*, 2012

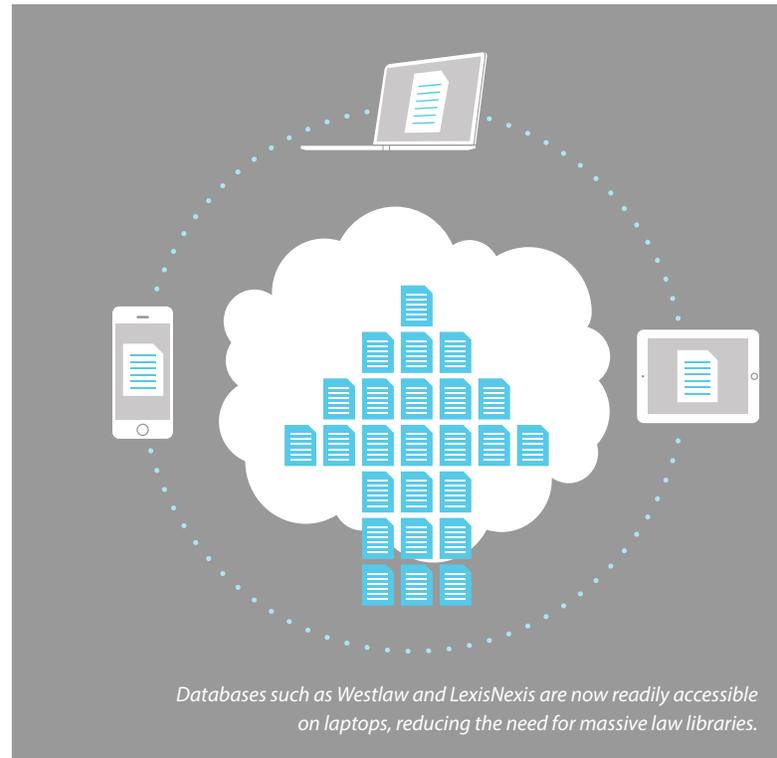
<sup>7</sup> *Fortune*, 2013

<sup>6</sup> New York State Bar Association, 2011

## Leading with Technology

Technology has dramatically changed many aspects of space allocation for all businesses, including law firms. Factors impacting reduced storage needs include technological advancements and changes in regulatory court system filing, which allows for document scanning, e-discovery, electronic filing and the option to outsource storage needs. Databases such as Westlaw and LexisNexis are now readily accessible on laptops, reducing the need for massive law libraries. This new-found space can be eliminated from the footprint or converted into a lounge, office café, breakout space or staff refresh. Spaces that support virtual teaming and seamless work between multiple offices may be as important as traditional sites. Tools seen as most critical to productivity are phones, teleconferencing equipment and wireless connectivity.<sup>8</sup>

Law offices of the future need to flex and evolve to meet the changing demands of the next generation of young lawyers—those who have never lived without technology and collaborative ways of working—preferably without great expense and disruption to employee productivity, clients and profits. As law firm trends mirror those in the corporate world, agility and interactive work environments will become increasingly desirable to enhance and support efficiency, collaboration, recruiting and new technologies.



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<sup>8</sup> DCMud, 2010