Are You Ready For It?

The Law Office of the Future

Panelists

- Jessica Mazzeo, Chief Operating Officer, Griesing Law, LLC (Philadelphia, PA)
- Kasey Garcia, Senior Manager, CBRE Workplace (Los Angeles, CA)
- Tracy Elmblad, Chief Information and Operating Officer, Hinshaw (Chicago, IL)
- James Cornell, Office Administrator, Shook Hardy & Bacon, LLP (Philadelphia and Washington, D.C.)
How Many Lawyers Do You Have Firmwide?

- 1-10
- 11-50
- 51-200
- 201-500
- Over 500

Your Firm's Plans on Relocating/Renovating?

- Within next 6 months
- Within next 18 months
- Within next 24 months
- Moved within the last year
- Seems like we are never moving!
As of October 2018, the unemployment rate dropped to 3.7%, the lowest since 1969.

Source: U.S. Bureau of Labor Statistics
Fewer young professionals are choosing law as a career.

**CLASS OF 2013**
- 46,776 Law school graduates entering the job market

**CLASS OF 2017**
- 34,992 Law school graduates entering the job market

Source: National Association of Law Placement

Rapidly retiring Baby Boomers are creating succession-planning challenges.

- 16% of partners will retire by 2021
- 38% of partners will retire by 2026

Source: American Lawyer, 2016
CHALLENGE
How can we attract and retain the next generation of lawyers?

We all agree... work has changed.
Remote working and flexible work policies are on the rise.

43% Percent of employed Americans who work remotely some of the time

50% Percent of medium and large firms and in-house departments that offer flexible work arrangements

Source: Gallup, State of the American Workplace, 2017

Source: Special Counsel, 2019 Salary Guide for Legal Professionals

CHALLENGE

How can we create value in working from a physical office?
There is **aggressive rent growth** in major employment markets for legal talent.

NYC, LA, Miami, Chicago, DC, Philadelphia, Dallas/DFW, SF, Boston, Houston.

8 of 10 top markets for legal services employment rank among the most expensive downtown rental markets.

There has been an uptick in **contraction** activity in larger requirements of >50k sq. ft.

**Contraction & Expansion Transaction Activity (Q1 2016 – Q2 2017)**

- **Transactions >50K SF**: 6.6M SF (76% contraction, 24% expansion)
- **Transactions <50K SF**: 2.6M SF (79% expansion, 21% contraction)

Source: CBRE Research, Q2 2017
On average, law firms occupy 65% more space than their peers in corporations.

**CHALLENGE**

How can we be better stewards of our financial resources?
Increasing transparency & openness with low-panel workstations & glass-front offices.
Re-imagining libraries and break rooms as social venues for building community.

Investing in technology that enhances the ability to work anywhere, any time.
Reducing firm reliance on paper through digitization of work materials.

Committing to 1 or 2 standard office sizes, favoring functionality over prestige.
What's Next?

On a typical day, what percent of your attorneys work from the office?

- 100%
- 75%
- 50%
- 25%
- 0% - everyone works remotely
70-80% Average show-up rate for attorneys

60-70% Average show-up rate for general employees
55-65% Average desk utilization for attorneys

40-50% Average desk utilization for general employees

Activity Based Work (ABW): Definition

A workplace strategy that leverages the inherent mobility of people – in and outside the office.

Image Source: freepik.com
Activity Based Work (ABW): Sharing Ratios

15 attorneys share 10 desks

Will there be enough seats?

Enclosed Collab.  Open Collab.  Open Focus  Enclosed Focus
The Lease Negotiation

- Direct Correlation Between Lease Term and T&I Dollars
- Test Fit Plans
  - Usually at the landlord’s expense
- Cost Benefit Analysis
The New Normal

- Remote Working
- The Engagement Effect
- Collaboration Spaces
- Reduced Real Estate Footprint
  - Lower overhead
  - Shared Offices
Remote Working: The New Normal

- Even among lawyers who have private offices, 77 percent regularly work from home, 33 percent while traveling and 20 percent regularly work from clients’ or opposing counsel’s office or from court. Over 30% telecommute at least once per week.
- Almost 85% of lawyers work remotely at least 10% of the time
- Over one-third of lawyers work remotely at least 25% of the time
- More than 10% of lawyers work remotely more than half of the time.

- ABA TECHREPORT 2017

Work Environment: The Engagement Effect

- Millennial and Gen Z workers
- Not one size fits all
- Disengagement = overall employee productivity
Work Environment: Collaboration

- Open collaborative spaces stimulate workers
- Privacy
  - Still reserve areas for situations where the privacy of a closed door would be beneficial

Recent Law Firm Relocations

Griesing Law – Philadelphia, PA
Hinshaw – Chicago, IL
Shook, Hardy & Bacon, LLP – Washington, D.C.
• Spent 18 months looking at new spaces
• Increase in attorneys and staff working remotely
• Reduced real estate footprint from just under 9,000 s/f to just over 5,000 s/f
• Reduced office space overhead by 50%
Hinshaw Headquarter Move
April 2018

The 11 Coolest Offices in Chicago 2018

Hinshaw & Culbertson

Workplaces have never felt homier than they do in 2018. Call it a play to minimize the growing work-from-home trend or the influence of the hospitality world, but office bragging rights these days are all about intangible meeting areas, curated objects, fully stocked kitchens (and cafes) and flexible floor plans that can easily be repurposed to entertain staff and guests. A common thread among big companies is true seating that can double as hanging and conference-room meeting space. (Because why have huge conference rooms that are empty most of the year, just like those dining rooms that we no longer use in our homes?) This year’s Coolest Offices, narrowed down from 79 nominations to 11 winners by CoStar’s Assistant Managing Editor, Jean Fang, freelance art director Megan Duffy House and interior designer Greg Jagnic, all seem to invite you to come in and stay awhile. And yes, work, but also feel at home.
Cited reasons for MOVING

- Most cost effective option long term
- More cost effective than restructuring our current space
- Less disruptive to our practices (only requires one move rather than two)
- Offers the same commute
- Allows us to move toward the law firm industry standard of nicer buildings with smaller offices
History

- Q3 2013  Office Search Began
- Q4 2014  Decision to move to 151 N. Franklin
- May, 2015  Letter of Intent Executed
- November, 2015  Lease Executed
- October, 2017  Construction commenced
- April, 2018  Move into 151 N. Franklin
- May, 2018  Prior lease terminates

Other firms we looked at as information points

JENNER & BLOCK and MAYER BROWN – investment in reception/client facing areas
POLSINELLI, KIRKLAND AND BAKER – INVESTMENT IN CLIENT FACING HALLWAYS
BAKER, POLSINELLI-- INVESTMENT IN CLIENT FACING RECEPTION/CONFERENCE AREAS
BAKER AND POLSINELLI – UNIVERSAL ATTORNEY OFFICES WITH CLEAR GLASS FRONTS
Other firms we looked at as information points

MAYER, BAKER, MICHAEL BEST -- CLIENT LOUNGE/BEVERAGE/SERVER AREAS
McDERMOTT -- GLASS FRONT UNIVERSAL OFFICES AND LUNCHROOM WITH A VIEW

Space Layout

Perimeter Offices -- 158
Interior Offices -- 16
Case Rooms -- 26
Multi-Function Room -- Seats up to 140 (auditorium style)
Conference Rooms -- 20 (15 on 25th Floor Conference Center; 5 on other attorney floors)
Huddle Rooms -- 18 (12 on attorneys floors; 6 on staff floor)
Pantry/Lounge Area on Every Floor
Lunchroom/Casual Meeting Space on Perimeter Glass
Noteworthy Facts

- Attorney office size is 10 x 15 feet
- Sit to stand desks for everyone
- Full glass exterior and partial interior walls in attorney offices

23rd Floor – Full Attorney Floor, Lunchroom & HR
Shook, Hardy & Bacon, LLP: Designing Our Office Space of the Future, Today

“We only have two demands! Why don’t people just give us what we want?”
Shifts Occurring in the Legal Industry

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This slide compares the traditional legal model with an innovation model, highlighting the changes in mindset, approach, and success measures.
Panelists Contact Info

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Your opinion matters!
Please take a moment now to evaluate this session.
Thank You!