



HYBRID WORKING IN THE LEGAL SECTOR

A GUIDE FOR LAW FIRMS TO REDUCE PAPER

Guy Spragg is Managing Director of ClearSpace Group and has worked in the Information Management and Digital Transformation space for over 20 years. Guy has a passion for transforming traditional office spaces into modern working environments with a digital-first approach. With a focus on minimising paper use and streamlining manual processes, Guy has helped multiple Law firms to work flexibly and significantly reduce real estate footprint.

Author bio



Introduction:

The legal sector stands on the precipice of change. With the advent of hybrid working, the industry will be forced to adapt to allow information to be accessed anywhere and anytime.

Having always been paper dependent with levels of filing in offices exceeding 30 sq.ft. per person, the need for this is diminishing and firms in this space are being forced to welcome new ways of working.

In this eBook you will learn:

- ⬡ How the industry is changing
- ⬡ Key drivers for office rationalisation projects
- ⬡ Steps to take to reduce paper in your office
- ⬡ How to successfully adopt a digital-first approach in legal
- ⬡ Building a business case for change



Contents

PAGE 2

Introduction

PAGE 3

Contents

PAGE 4-6

Five reasons why law firms' offices are changing forever

PAGE 7-8

Three steps to reducing paper in your law firm's office

PAGE 9-10

A change to digital-first ways of working in the legal sector

PAGE 11-12

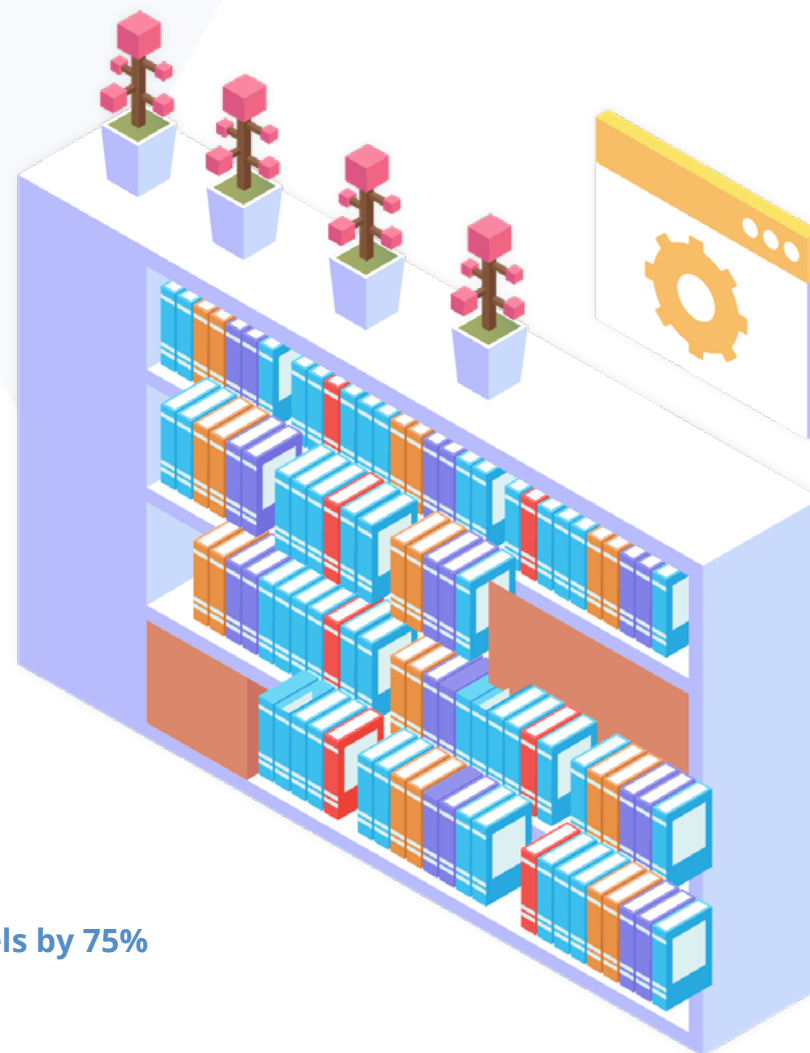
Building a cost benefit case for reducing paper in your law firm

PAGE 13-14

Case Study: City based Legal Firm in London reduces onsite filing levels by 75%

PAGE 15

Contact details



Five reasons why law firms' offices are changing forever

While nothing is completely certain about how law firms will operate in the future, it's fair to say that there is a waning appetite for pre-pandemic arrangements, otherwise known as business as usual.

If anything, the sudden need for legal professionals to work remotely from home exposed a number of previously undisclosed, or at least unacknowledged, issues.

1 Not every firm that has invested in a case management system is using it to its optimum performance

With an increase in home working, paper case files are likely to be routinely couriered between different locations, risking accidental loss as well as non-compliance with GDPR.

Case management systems are effective at eradicating onsite filing if implemented with a change management strategy. Otherwise, parallel paper files will be retained, regardless of whether these documents replicate documents already held within online systems. If onsite storage space is available and bad filing habits are not corrected with a supporting records management policy, hard-copy files will continue to be created and fill office storage.

Therefore, with the introduction of a new case management system, it is imperative that a comprehensive training programme is devised and rolled out, typically starting with one high profile department within the organisation who buy-in, adopt it and demonstrate the benefits before being rolled out to other departments. Building internal advocacy is key and is certain to be the difference between a successful implementation and an unsuccessful one.

2 Law firms still have too much paper

Partly as a result of issue 1, we see offices in which 20% or more of floorspace is taken up with unnecessary filing cabinets and box files.

When we carry out audits, we also find that many paper files relate to cases that are either closed (and should therefore be archived) or simply require a quick action to close them.

A thorough review and inventory of all hard-copy files/cases onsite can very quickly help you to identify quick wins for instant paper rationalisation opportunities and will lead the way of a roadmap to reduce filing over time.

Again, start the process with a large and paper dependent department and roll out over time. Removing or locking filing cabinets as they are emptied will prevent them being refilled.



3

Lawyers, partners and administrators can work remotely

Despite long-held misgivings about allowing legal professionals to operate from home, law firms have acknowledged that it is actually possible and can be more productive for selected elements of work, if not all.

The COVID-19 pandemic has accelerated digital ways of working and the legal sector has been no exception. Pre-pandemic, this would have been thought impossible. Law firms typically store between 10 and 15 linear metres of filing per person onsite.

This has been proven to be unnecessary, and so for law firms to avoid reverting back to bad filing habits and paper intensive ways of working, they should look to address abandoned filing in their offices, establish status of that filing and action it appropriately.



4

Less office space is needed than previously thought

We've seen many instances of firms giving up their occupancies of one, two or more floors in their office buildings. There have also been reports of some of the largest firms putting planned moves on hold, or seeking to sub-let space in the post pandemic world.

As leases come up for renewal, we expect to see many more examples of law firms evaluating the space they need to operate on a more flexible basis going forward.

Lawyers still need to meet colleagues and learn from their peers and seniors, but it's now acknowledged that they don't need to be at their own desk 100% of the time.

Where paper previously acted as an anchor, the removal of paper will transform the office environment for the better and encourage new digital ways of working and improved compliance.



5

Having excess storage facilities encourages hoarding

Just as nature abhors a vacuum, so empty filing cabinets and floor space attract paper that should be either archived, scanned or safely recycled. By implementing a stricter records management system, law firms can reduce the amount of paper that is saved 'just in case'. If the space is available it will be filled and so ensuring empty filing cabinets are locked or removed, will prevent that from happening. It is also not only filing that fills cabinets.

A storage and filing audit will identify media and stationery occupying space that should really be offsite or centralised.

Taken altogether, these five issues spell out a new model for law firms' offices in the future. Space will be more limited, but used more effectively to provide an efficient workspace for legal professionals when they are at an office desk.

Paper may never disappear altogether, but the switch to virtual working that was imposed on law firms by the lockdown shows just how much more efficient and productive digital processes can be.

It's also true that many legal professionals, in line with peers in other sectors, have appreciated the superior work/life balance they achieved during the pandemic, as well as a break from commuting.

"Law firms typically store between 10 and 15 linear metres of filing per person onsite."



To attract and retain their best people, law firms will need to consider how to maintain at least a hybrid model of working. Firms such as Linklaters and Freshfields have already announced that staff can work from home for a portion of their working week, though these policies may well be reviewed in future.

A new office model saves money in terms of reducing square footage in areas of towns and cities that are normally running at the highest levels. It creates a modern workspace that is more attractive to people used to accessing and sharing documents online, rather than searching through cabinets or box files. It also helps to present a more efficient, up-to-date image to clients, who are likely to be adopting or accelerating highly digitalised work processes themselves. And finally, it prepares the firm for any future interruptions to service, whatever and whenever they may be.

It's the ideal time for law firms considering the future shape of their office space to audit the documents they have, the documents they should have, the policies they have in place to manage documents, and ultimately, how much room they really require.



Three steps to reducing paper in your law firm's office

The reality of abandoned law firm offices with files left on desks, in desk drawers or in overstuffed filing cabinets has encouraged many senior partners to consider how they can finally bite the bullet and reduce the amount of paper their firm uses and stores for good. Not only does paper take up valuable space, but it introduces unnecessary security and regulatory risks that could have a negative impact on a firm's reputation.

The lockdown has presented a golden opportunity for law firms to address their paper-dependency and adopt a new approach. But having decided to reduce paper in the office, where should law firms begin? At ClearSpace, we recommend a tried and tested three step approach.

1

Undertake a document audit

Consider where you are now and where you want to be in the future. Key questions to ask at this stage include:

- Who works where?
- When do they work?
- What information do they need access to?
- What information does their team own?
- How much space does their filing occupy?
- How will they work from home in a safe and compliant environment?
- What are their filing processes and retention guidelines?

While the same questions would apply to organisations in any sector, law firms in particular are built around cases, which can run into the tens of thousands per firm.



So as well as mapping out and calculating the space your team will need, you need to understand how many of the case files currently stored in the office should actually be there.

By instructing ClearSpace, you gain access to an audit team that is experienced in working with law firms and understands how paper files relate to digital case management systems. We quickly classify paper files (wherever they have landed during the lockdown) into three categories of case: open, closed and pending.

All closed case files can be immediately moved off-premise and archived. Pending files normally relate to those cases that are closed, but require an additional signature or agreement on small disputes over final fees. Pending and open cases require additional investigation and checks.



2

Carry out interviews

The next stage is to ensure that pending and open case files are dealt with safely. We currently carry out this stage by interviewing legal administrators remotely, as they have the best overview of cases and which ones belong to which groups. This presents an opportunity to close pending cases by securing the necessary signatures or agreement on fees, for example, releasing files into the closed category for immediate archiving.

Remote interviews also provide the opportunity to plan for the future location of paper files that need to remain, and a chance to consider which documents could be scanned and stored electronically.

The interview phase also presents an opportunity for you to understand more about filing habits that exist within your organisation at a department level. These 'unwritten rules' can prevent more paperwork from being rationalised.

These filing habits are reviewed in line with your organisations records management and retention policy to ensure they are justified and if not, staff can be re-educated in line with the company's policy and adapt their processes to more urgently reduce paper.



3

Rationalisation

It can be tempting to adopt a policy of scanning every document so it is available online, but the cost and resources of this approach need to be carefully balanced against the much cheaper one of storing documents in an off-site location and accessing them on a scan-back service.

The most successful projects we've seen by law firms that seek to reduce paper in their offices don't just take a 'one and done' approach, but begin with the commitment to introduce change. After all, there is little point in spending time and resources removing paper documents only to let it build up again in the future.

By modelling the future office according to the questions listed in the audit stage, you will know the optimum space required and the size of the planned budget. Allowing space requirements to creep up again will mean these budgets are not met, and the risks of non-compliance and reputational damage return.

Understanding the lifecycle of each document type in the office and what this means in terms of triggers for certain processes such as allowing paper to go offsite, be confidentially destroyed or digitised, returned to the client etc, will result only necessary paperwork occupying your floorspace. Empowering paralegals and secretaries with the permissions they need to act on these triggers (signature, payment etc) will mean documents are actioned in a more urgent fashion.

While the lockdown has created the opportunity to reduce paper records, it's advisable for law firms to build on this with a more holistic approach that encompasses digitisation and process change.

This will prevent legal professionals from slipping back into bad habits when they return to the office, either part or full-time, in the months and years ahead.

A change to digital-first ways of working in the legal sector

The legal sector has not always been a front-runner when it comes to the adoption of new technology, but a combination of factors is now prompting a change of strategy towards 'digital first' operations.

There is no doubt that the interruption to normal working processes in 2020 accelerated the adoption of digital processes, while economic uncertainty has encouraged firms to rethink decisions about the size of office properties they may require in the future.

Property is one of the biggest fixed costs that law firms have on their balance sheets, so it stands to reason that we are seeing a growing interest in downsizing and repurposing expensive real estate, especially now it has been proven that lawyers and administrators can work successfully from home.

The obvious place to start is by reducing a firm's reliance on paper, working with a specialist partner to audit and rationalise existing case files and storage, freeing up 20% or more of floor space. But to really move forwards, legal practices need to adopt a top-down approach to records and case management.

This is not as simple as introducing case management software and assuming that this basic level of automation will bring long-lasting and effective change in itself.



In our work with law firms we continue to see the following challenges:

- ⬡ Lack of rationale to adopt a paperless workspace
- ⬡ Lack of time and resource available for identifying duplicated documents
- ⬡ High volumes of unnecessary printing
- ⬡ 100% duplication of hard copy documents to soft copy
- ⬡ High volumes of archive boxes
- ⬡ No firm-wide understanding of records management policy
- ⬡ Incoming documents and correspondence from other law firms

Where case management or workflow software is in place, it has often been introduced without in-depth training or change management policies. As a result, the original benefits planned are not delivered and firms risk wasting their investment, while unnecessary paper files continue to proliferate, leading to wasted time and space.

Adopting a digital first mindset was already on the agenda for many law firms, and long overdue for some. The lockdown has created the push that many needed to change, but the shape of the new workplace itself has also transformed to accommodate flexible and agile working.

"Economic uncertainty has encouraged firms to rethink decisions about the size of office properties they may require in the future."



Yet to continue attracting and retaining the best people, a law firm needs to find ways to maintain its unique culture, as well as continue to provide the training and mentoring that is so important in the development of new joiners and graduate trainees. Planning for a new world where staff may be working remotely for 50% of their time is vital, and successful change programmes will not happen by accident in this new environment.

The responsibility for establishing new efficient digital processes needs to come from senior partners, who must demonstrate buy-in and adoption themselves. However, given their busy workloads the answer is often to identify a partner with experience of similar digitisation projects that can advise on how to manage the combination of property, people and information.



ClearSpace is working with a number of law firms that have seized the opportunity to reorganise all three of those elements before staff return to full or part-time work in their offices.

Services include the following:

- Property: changes relating to office relocation, office rationalisation, space planning, office clearance, move management, furniture storage and furniture re-use/charitable gifting
- People: ensuring firms' most important assets are supported with staff engagement software, health and safety assessments, home office set-ups, personal item relocation and office attendance timetabling
- Information: providing safe and compliant access to documents and files with digital mailrooms, cyber security, document hosting, document storage and archiving, asset management and filing audits



Using process maps, we can evaluate how IT-enabled processes can replace previously inefficient paper-based, manual work patterns.

Since every law firm is different, we work with you to develop the best possible approach, then provide the people and resources to make change happen successfully.

Building a cost benefit case for reducing paper in your law firm

Any office move or reallocation of space begins with a cost benefit case. The driver for change in most instances is likely to be the need to reduce costs, especially in today's post-pandemic times.

Law firms need to find ways to remove unnecessary paper and filing cabinets from their expensive office floors, leaving as much room as possible for valued fee-earners to work, potentially within a new hybrid model. But the impetus to secure the investment and implement this kind of project must first be justified by the actual cost-savings that will result from it.

Where do I start?

The process starts with a calculation of the amount of paper and storage cabinets currently in place. We regularly see law firms in London, for example, that have rows of filing cabinets with the filing within measuring the same linear meterage as the equivalent of the height of Mount Everest!

Not just that, but when the cabinets are full, documents spill over into storage boxes. In one recent case, we discovered 500 extra archive boxes occupying valuable space as well as making information difficult to find.



Of course the lockdown has exacerbated the paper problem, since many lawyers have simply not been back in the office since March 2020 - and files are in the same location as they were left, whether that's on a desk or in a drawer. This abandoned filing will be need to be reviewed and given an appropriate action when staff begin to return to the office. It is certain that many of the records will be superseded.



While some firms have placed a blanket ban on printing paper documents in their home working environments in the interests of data security, others have continued with traditional practices of couriering files between different locations.

What is clear is that lawyers have been working without paper for some time now and proven this way of working to be both possible and efficient. This is evidence enough that a paperless way of working in law firms is possible.

Calculating potential cost savings

Looking forward to when everyone is back in the office, firms can calculate the proportion of their office floors that is occupied by filing cabinets. A single filing cabinet takes up eight square feet, including the space needed in front of it to access documents. When multiplied by the £70 per square foot charged for prestigious buildings in the City, this means a filing cabinet costs £560 a year, even if it's empty or unused.

And when you consider that a law firm can have as many as 500 cabinets, the opportunity cost escalates considerably. As well as freeing up space for more productive work to be done by reducing stored paper files, law firms can cut back altogether on the number of floors that they need to lease.

In one example, a law firm wanted to reallocate its office space to make it more open and spacious for fee-earners, while also cutting back on unnecessary onsite storage that encouraged the hoarding of non-file items as well as redundant materials. Of the 6706.2 linear metres (Lm) included in these calculations, a reduction of 21.9%

(1470.2 Lm) was required to fit in the proposed floor space. This consisted of 1166.3 Lm of shared storage and 303.8 Lm of office storage.

We are seeing more and more reports of law firms cancelling moves to new offices, or putting off plans to take on extra floors. In some cases we are even seeing firms reduce the number of floors they have available, or considering sub-letting space to third parties. Without careful planning to support those decisions, including cost benefit calculations, they may have to reverse them in the near future – which could turn out to be a costly process in itself.

We worked with the law firm to implement the following:

Allocation of filing cabinets in the new layouts and file mapping to those locations

The return of all boxed archive material that was held onsite to the off-site storage provider (784.3 Lm)

Reduction and centralisation of stationery in areas where local stock piles were being maintained (268.5 Lm)

Rationalisation of remaining 640.6 Lm of filing required to fit in proposed space



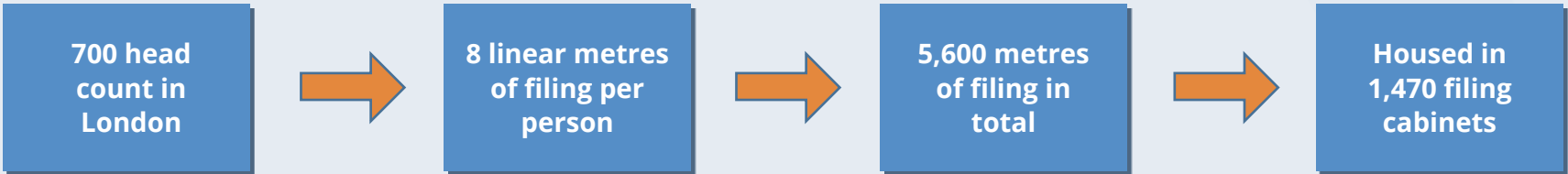
City based Legal Firm in London reduces onsite filing levels by 75%

As has been the case for all UK professional services firms, the majority of law firms' staff have been working remotely from home since March 2020. A year later, firms are now planning carefully for their return to head office.

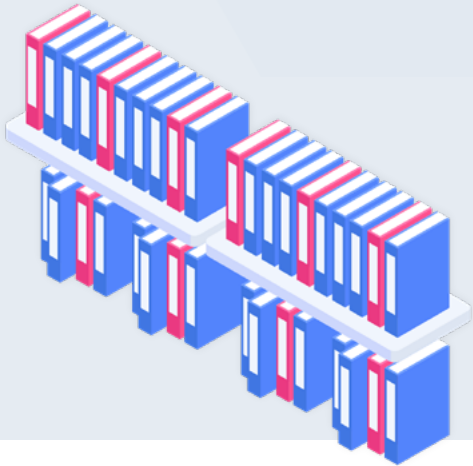
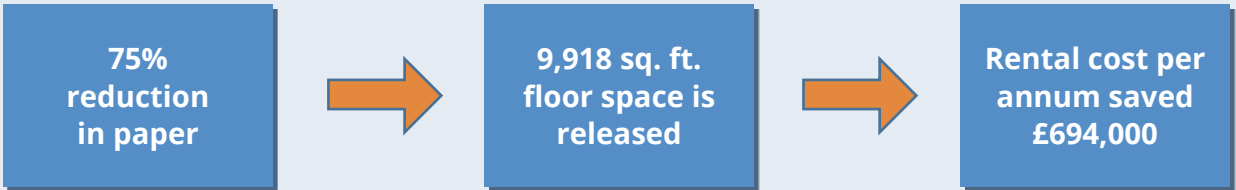
Based in the City of London, our client is a top 30 Law Firm with over 1,000 employees in the UK and provide legal services across multiple industry sectors. They have undertaken proactive measures to free up office space and reduce overheads by disposing of unnecessary paper documents and filing cabinets.



Cost benefit analysis for top 30 legal firm



Cost benefit outcome



The challenge

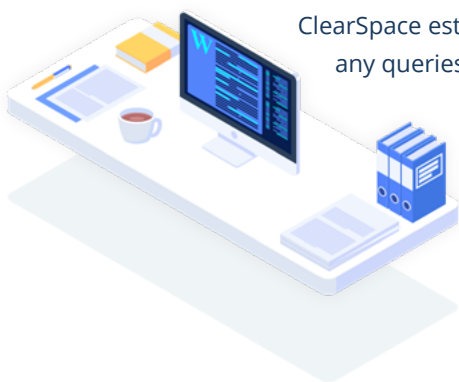
While partners, legal teams and administrators were successful in adjusting to working away from their office space, firms continue to face a number of challenges relating to the documents they use, share and store. They had invested in a case management IT system, but this had not been fully adopted. To illustrate this, during the pandemic paper files were still being couriered between home-based partners and their teams.

Filing cabinets also took up a huge amount of the firm's expensive office space. The majority of papers held in the cabinets and boxes were printouts of documents already held on the firm's IT systems, and a large proportion were related to closed cases. And with employees likely to continue working from home two to three days a week, there was a perfect opportunity to consolidate their office space and change ingrained manual processes around the use of paper.

The approach

The ClearSpace team proposed a solution to significantly reduce the paper files held by the firm. Since nobody had been in the offices for a year, many folders were left on desks or in drawers used by individual lawyers. ClearSpace carried out an audit of all files within the building, determining which paperwork related to which case, and whether cases were still live, closed or required a quick action to conclude them, such as a signature from a partner or the resolution of a dispute over fees charged.

The ClearSpace team's experience working with law firms meant they understood how to navigate often sensitive information, and how to quickly cross-reference hard-copy documents with matter numbers on the case management system. Files relating to closed cases were catalogued, boxed and moved to an off-site archive.



ClearSpace established an exceptions process to deal with any queries on matters to be closed, and resolution was achieved through virtual or face-to-face interviews with senior secretarial staff. ClearSpace then reviewed live matter documentation, scanned relevant documents and added them to the case management system. Exceptions were identified by senior partners on a case-by-case basis but these were a minority of documents.

The impact

An initial audit covered papers relating to 36,000 cases, stored in over 60,000 lever arch files and spanning 5.6 kilometres of filing held in storage units across several floors. Nearly 10,000 sq.ft of floor space was freed-up as a result of this process allowing the firm to reduce the number of floors leased in one of its buildings.



It also enabled a more creative use of the floorspace with increased collaboration and meeting spaces. This supported the agile working environment adopted by the firm ensuring employees could work remotely for 2 or 3 days per week.

This wouldn't be possible without the ability to access electronic documents, wherever they are working, via the case management solution. All new cases are now subject to a revised process where matters are created and held electronically. The new process reduces the risks of non-compliance with the GDPR as well as lost documentation, and meets the expectations of clients for a faster, more seamless service from their law firm. The firm has now created a future proofed solution based on a digital first basis, meaning that hard copy storage should be very limited in the future.

**Address:**

20 Little Britain | London | EC1A 7DH

**Web:**

www.clearspacegroup.com

**Email:**

info@clearspacegroup.com

**Telephone:**

0203 476 9655

