



THE NEW ELLIS GROUP

Monday Monday

Connecting the Dots with Karen Kaplowitz



*Helping you create and reinforce the habits of successful career building,
gleaned from my work as a business development strategist, trainer and coach*

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Remembering the Lessons Learned from 2008 and 2009

This year's economic crisis has different origins than the last one, but law firms have a lot of experience from 2008-2009 to help inform our choices. The most important tasks at hand are to consider what we were not ready for then and what worked and failed in our old strategies. There are of course new challenges. We are fortunate that there are many new technology tools which will enable remote work and particularly remote collaboration. Looking back, here are some of the challenges which will recur:

- [Helping Displaced Clients](#). The collapse of Lehman Bros. in September 2008 launched massive layoffs and unemployment. We will again face massive employment disruption as whole industries are impacted by the virus — airlines, hotels, restaurants, for example. [Helping displaced clients](#) is clearly again a priority. Displaced clients will be grateful — and loyal — to lawyers who help them through this crisis.
- [Survival of the Fittest](#). Law firms must take the high road even if that means short term pain: terminating, cutting back or slowing down non-essential projects, giving clients the option of hiring key law firm personnel in-house, moving work in-house or to a lower-cost provider and critically scrutinizing any new project.
- [Avoiding the Lure of Greener Pastures](#). It might be tempting to consider a move to a more secure law firm, but this is a time to be careful. Thorough [financial due diligence](#) is more essential than ever.
- [Treating Other Lawyers with Dignity](#). As the financial crisis persisted in 2009, some law firms treated “excess” talent shabbily or even harshly. By contrast, firms that cut profits per partner in order to retain talent built strong loyalty in their ranks. And firms that helped ensure soft landings for talent also avoided lost business when their former colleagues joined clients and became the clients themselves.

Lawyers learned many crisis-management lessons just a decade ago that will serve them and their firms well: helping displaced clients, avoiding near-term solutions that hurt long-term objectives, remaining very client-focused, and treating people with dignity. It is important not to forget the lessons learned in 2008 and 2009.

Example: When their clients in the hospitality and travel industries were immediately slammed by the worldwide effects of coronavirus, a law firm organized a task force to evaluate how to help their clients weather the economic crisis. The task force included bankruptcy lawyers, capital markets lawyers, securities lawyers, labor and employment lawyers and litigators. For example, the litigators were charged with assessing whether their clients had any plaintiff-side litigation pending in which they were likely to recover damages. Where they identified clients with litigation with potential recoveries in process or under consideration, they developed a list of options: delay the litigation, convert the litigation to a contingent fee or partial contingent fee case, or introduce the client to litigation funders who could take over the burden of the attorneys' fees. They then offered to meet with clients to assess their various options to cut their legal spend and to make introductions to litigation funding firms if their clients were interested.

Have you reviewed the lessons your firm learned in the last downturn and moved nimbly to protect your clients, your talent and the firm's goodwill?