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Mattern's President On Its Survey On Hybrid Model Costs

By James Boyle

Law360 (August 6, 2021, 3:23 PM EDT) -- A new survey launched by a consulting company in the Philadelphia suburbs is gathering data to better prepare law firms for a future when the office hybrid models used during the pandemic will become standard operating procedure.

Mattern & Associates, based in Chadds Ford, Pennsylvania, sent out its 2021 Cost Recovery and Hybrid Law Firm Operations Survey to law firms nationwide, asking participants how they recover the costs for the new hybrid work environments.

Law firms around the country scrambled last year to keep their operations running as the pandemic forced everybody to work from home. They quickly adapted to the new normal, and many even thrived for the last year and-a-half.

As the firms start to return to the office, several have made work-from-home options part of their ongoing models. The question Mattern wants answered is how they will recoup their costs. Overhead, or backroom, expenses at the office may decrease, but more money may have to go toward cybersecurity and other virtual systems.

The five-minute, seven-question survey **will be available** for submissions until Aug. 15. Only participants will receive the full results.

Robert Mattern, president of Mattern & Associates, spoke with Law360 Pulse about creating the survey and what he hopes to gain from the data. This interview has been edited for clarity and length.

Can you explain why you launched the new survey? What do you hope to learn from the data?

Our company helps firms manage their outsourcing contracts with third-party providers. Those contracts are based on things like printer and copier output volume, or how much paper is consumed.

We are hearing from clients across the board that office volume is down dramatically because everyone is at home. Their system maintenance contracts are coming up for renewal, and they are asking us if they should capture the new volume numbers for the renewals. Are there better methods for law firms to recover these costs from clients?

Another issue for law firms is cybersecurity costs going through the roof. Are firms trying to recover those costs from clients? We don't know because we never asked that question before. It's a great time to ask these questions. We have pretty good data of what they are currently doing, but we want to know what they should be doing moving forward.

Was this trend of hybrid work-from-home models already organically growing, and the pandemic supercharged it? Or was it more like a light switch last March when they all had to leave the office?

It was definitely more like a light switch. Firms have started to give direction to staff on coming back to the office, and any firms that are taking the hard line of forcing everyone to stay in the office are

going to be at a disadvantage for talent recruitment. The toothpaste is out of the tube.

Let's be realistic: Firms are, generally, doing well. Billable hours are down in some places, but it has been working out. There are some disadvantages, such as mentoring and stuff like that, but firms with a hybrid will address that through technology.

Firms that don't jump on the hybrid model are going to be at a big disadvantage, though. You are going to see them come up with policies that allow flexibility, with some time in the office and for social gatherings.

What are the major concerns for having a work-from-home option?

Well, there's the mentoring that I mentioned before. It's also going to be harder to keep track of people as they work from home.

Firms will also have to learn to rely less on paper, which I think is excellent and will help them in the long run. They will not have to make as many copies and print as many documents as they go into a more virtual environment.

A lot of companies and firms have said they want to go more paperless. That initiative got a giant kick in the pants last year, and it worked. Most of our projects right now are dealing with information governance, firms making the digital transformation that need help migrating from paper. The question is how are they going to store that digital information in the long term. I'm not saying they will completely get rid of paper; some documents still need to be physically handled.

What are some strategies firms intend to use to offset the higher cybersecurity costs?

Well, that is one of the questions on the survey. Firms are getting hacked, and they are pouring more money into cybersecurity to address those concerns. Clients are always pushing back on cost recovery, and this is one area where it's tough to add to the billing. I don't want to add too much of my own comments and influence the survey answers.

Firms can try to recover cybersecurity costs through technology fees or some type of add-on through billable hours. They can also find savings in other areas, like office equipment and floor space. If the firm doesn't need a piece of equipment anymore because a lot of work is done remotely, it becomes a pretty expensive paperweight.

There are offices in downtown New York City that are reducing their square-footage. They are going with conference center arrangements, where they book a conference room for four hours, then hop on a train to go home or work in a hotel office for a few more hours, and then go home.

--Editing by Peter Rozovsky.