What's next?
The impact of COVID-19 on Australian corporate legal departments

dazychain

ACC Association of Corporate Counsel — AUSTRALIA —

yarris Technologies

Contents

Foreword

Our lives have changed irreparably over the last months. No one knows the long-term impact COVID-19 will have on the world, our economies, our communities and the individual. The pandemic will likely be etched into the psyches of all who experience it over our lifetimes.

Fortunately, the resilience of humanity is inspirational, with stories of national leadership, community support, heroism from our health and community workers, and outreach to those in need. However, that support is not evenly distributed, with communities across the world suffering not just the pandemic, but poverty, injustice, racism and dislocation. The world is experiencing an unprecedented political and social upheaval.

It's hard sometimes to concentrate, let alone to make an impact. How do we respond as a world community? A nation? An individual?

Sometimes, we just have to keep going, placing one foot in front of another, supporting those within our circle of influence, however small, sharing our stories and discoveries, doing what we can to contribute to the body of knowledge within our own sphere.

With those thoughts in mind, we are pleased to share the findings of our study on how Australian legal counsel, legal departments and their organisations have managed the pandemic to date. We examine the specific procedures undertaken, the emergence of remote working, the types of technologies employed, changes to workloads and budgets, and the legal counsels' predictions for their communities, organisations, teams and working lives.

We welcome your feedback, comments and input on our research.

Dr Katherine King

17 July 2020
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Research notes

Dazychain and the Association of Corporate Counsel Australia (ACC Australia) conducted an online survey of legal departments in Australia from 21 May 2020 to 19 June 2020. The survey considered:

- The impact and challenges faced by legal teams due to the COVID-19 outbreak
- Organisations' responses to the pandemic
- The post-pandemic future of in-house legal teams

Legal teams have, to date, only had anecdotal information about how their peers are being affected by the COVID-19 pandemic. With economic predictions varying wildly between business-as-usual and doomsday scenarios, we were keen to objectively measure the impact the pandemic has had on legal teams in Australia.

Sixty responses were received from our online survey and 10 follow-up interviews with respondents were conducted by Dazychain. This report synthesises the quantitative and qualitative analyses of the impact of COVID-19 on Australian legal departments.

Respondent profile

Respondent profile by industry

Sixty respondents from 19 industries completed the survey, with the majority from the following economic sectors:

- Financial services (18%)
- Information technology and services (18%)
- Food and beverages (12%)
- Hospital and health care (7%)

Respondent profile by industry

Percentage of respondents by industry

Mental Health Care, 2%
Medical Devices and Practice, 2%
Human Resources, 2%
Environmental Services, 2%
Biotechnology, 2%
Automotive, 2%
Transportation/Trucking/Railroad 3%
Telecommunications 3%
Insurance 3%
Health, Wellness, and Fitness 3%
Defense and Space 3%
Computer Hardware and Software 3%
Publishing 5%
Law Practice 5%
Government 5%
Hospital and Health Care 7%
Food and Beverages 12%
Informa Technol and Ser 18%
Financial Services 18%

Throughout this survey we have collated a holistic perspective of the impact of COVID-19 on the different industries present in the Australian economy.

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Respondent profile by size of their organisation

Respondents representing a cross-section of organisational sizes participated in the study:

- Organisations with 2 to 10 staff (2%)
- Organisations with 11 to 50 staff (7%)
- Organisations with 51 to 200 staff (25%)
- Organisations with 201 to 500 staff (12%)
- Organisations with 501 to 1,000 staff (7%)
- Organisations with 1,001 to 5,000 staff (30%)
- Organisations with 5,001 to 10,000 staff (3%)
- Organisations with more than 10,000 staff (15%)

Respondent profile by size of organisation

Size	Percentage
2-10	2%
11-50	7%
51-200	25%
201-500	12%
501-1,000	7%
1,001-5,000	30%
5,001-10,000	3%
10,001+	15%

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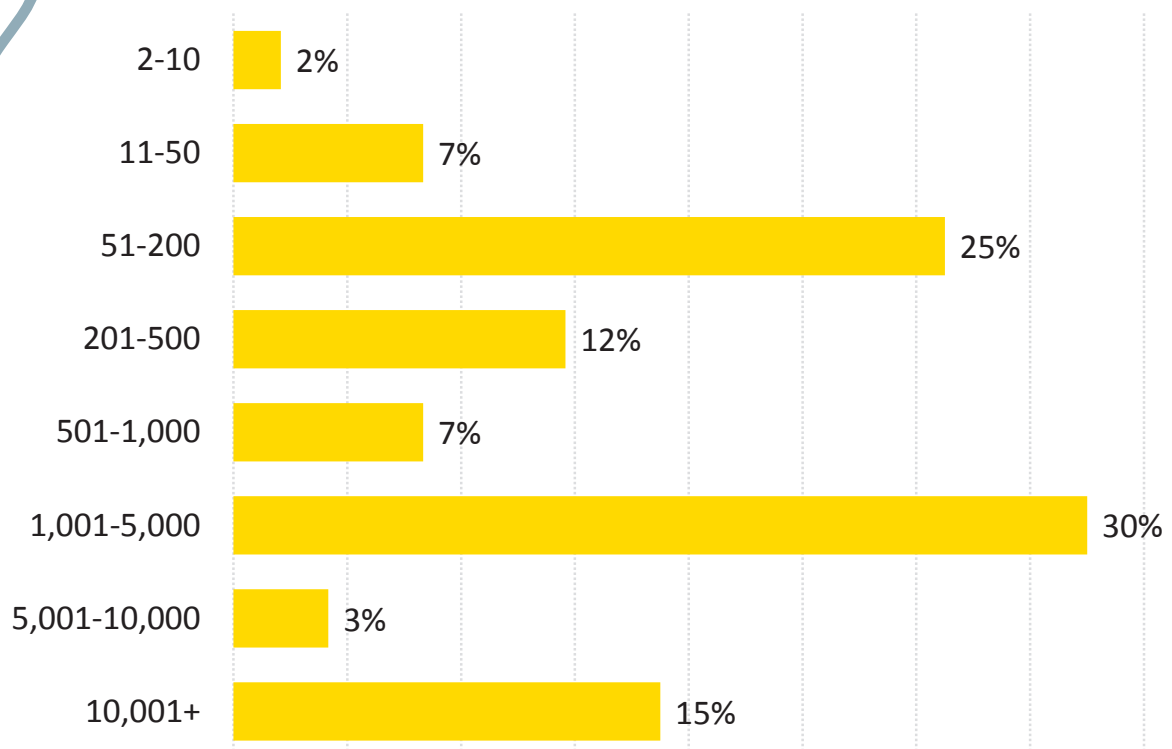
Respondent profile by size of the legal team

The sizes of legal teams at respondents' organisations vary. Interestingly, close to half (44%) of the respondents' legal teams are comprised of 2-5 lawyers:

- 13% have a legal team of 1
- 50% have a legal team of 2-5
- 10% have a legal team of 6-10
- 15% have a legal team of 11-20

Respondent profile by size of legal team

Size of legal team

1	2-5	6-10	11-20	21-50	51-100	101+
13%	50%	10%	15%	3%	3%	5%

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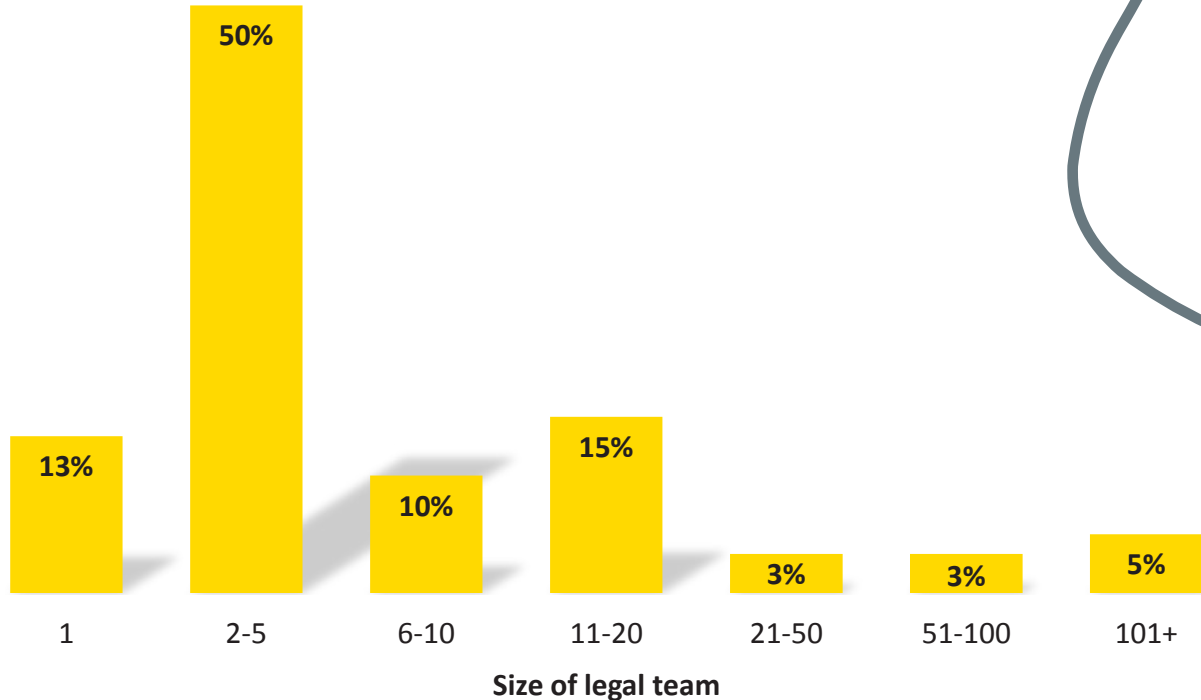
Size of legal team by size of organisation

Our results begin to paint a picture of the correlation between the size of an organisation and the size of its legal team.

Size of legal team by size of organisation

Size of legal teams by organisation	1	2-5	6-10	11-20	21-50	51-100	101+	Total
1								0%
2-10	2%							2%
11-50	5%	2%						7%
51-200	3%	18%	2%	2%				25%
201-500		10%			2%			12%
501-1,000			3%	3%				7%
1,001-5,000		17%	2%	7%	2%	2%	2%	30%
5,001-10,000	3%							3%
10,001+		3%	3%	3%		2%	3%	14%
Total	13%	50%	10%	15%	4%	4%	5%	100%

A majority of the respondents' legal teams are between one and ten lawyers, although the respective workforces that these teams support can range from very small to very large organisations. While legal teams of over 20 corporate counsel are generally found in the largest corporates, teams of 2-5 lawyers support corporates ranging from 11-50 employees through to more than 10,000 employees. Our quantitative interviews drew on a range of such respondents' legal teams.

Respondents by title

The survey attracted responses from a diverse group of senior legal executives in positions that included 'General Counsel', 'Senior Legal Counsel' and 'General Counsel & Company Secretary'. A word cloud analysis revealing the different positions held by the respondents underscores the diversity of legal talent found in the in-house legal profession in Australia.

Respondent profile by position title

Legal Practice Manager
Corporate Secretary/Compliance Manager/Deputy to Head of Legal
Assistant General Counsel
Manager   Corporate Counsel
Head of Regional Team
Overseeing all legal matters for Asia Pacific region
Regional Specialist (employment) counsel
Senior Legal Counsel
General Counsel
Company Secretary   Corporate Executive   Legal Director
Sole Lawyer   Lawyer   Paralegal   Senior Property Lawyer
In-house counsel   General Counsel & Company Secretary
Chief Legal Counsel   Special Counsel
Group General Counsel   Senior Corporate Lawyer
Investments
Legal Counsel
Officer
Head of Legal
Global Legal Director

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How organisations have responded to COVID-19

Essential vs non-essential businesses

As the pandemic unfolded in Australia, each state issued different closure directions and business restrictions for businesses. Only 'essential businesses' were allowed to continue to work from their office premises but were required to operate with minimum staff to ensure strict physical distancing measures were followed.

Fifty-seven percent of the respondents in this survey revealed that their organisations are classified as essential businesses, which permits a small proportion of a workforce to attend the office premises while the majority of staff work from home.
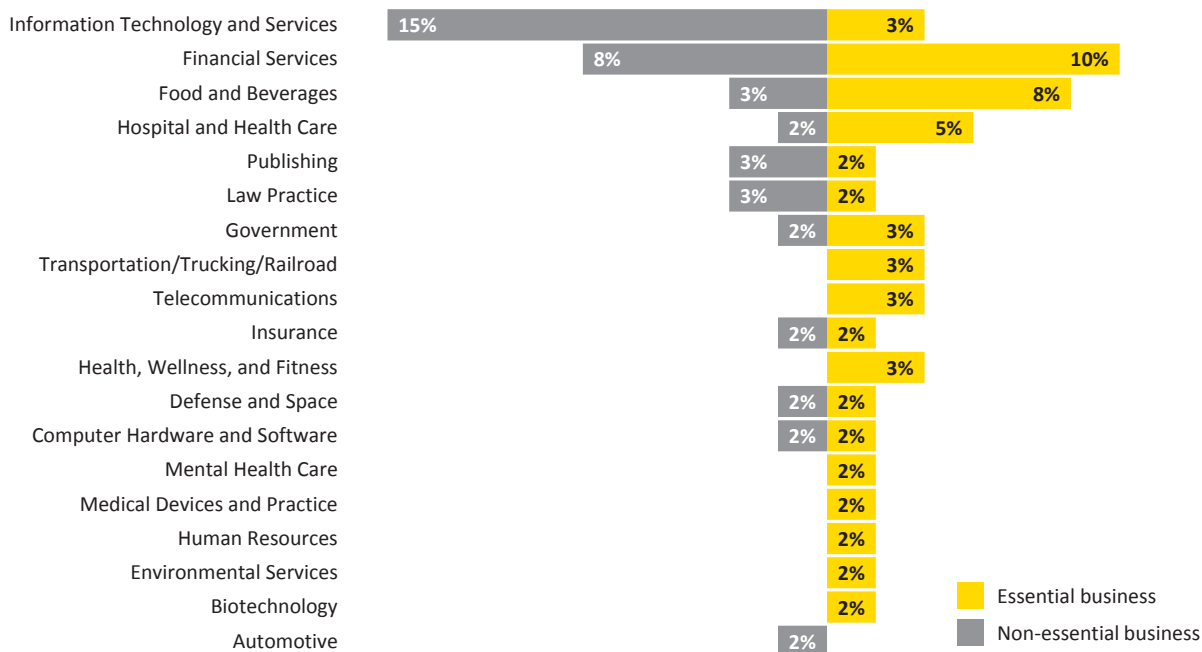
Essential and non-essential businesses

43%

57%
of respondents' organisations
are essential businesses

57%

Non-essential business   Essential business

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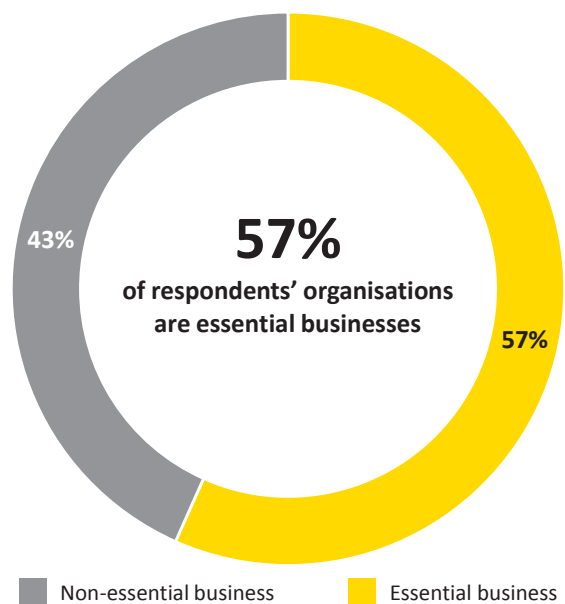
Essential and non-essential organisations by industry

As the pandemic unfolded, only those organisations classified as 'essential businesses' could continue to work from their office premises. Most respondents in the financial services, food and beverage, and hospital and health care industries were classified as essential businesses.

Essential and non-essential organisations by industry

Industry	Non-essential business	Essential business
Information Technology and Services	15%	3%
Financial Services	8%	10%
Food and Beverages	3%	8%
Hospital and Health Care	2%	5%
Publishing	3%	2%
Law Practice	3%	2%
Government	2%	3%
Transportation/Trucking/Railroad		3%
Telecommunications		3%
Insurance	2%	2%
Health, Wellness, and Fitness		3%
Defense and Space	2%	2%
Computer Hardware and Software	2%	2%
Mental Health Care		2%
Medical Devices and Practice		2%
Human Resources		2%
Environmental Services		2%
Biotechnology		2%
Automotive	2%	

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Organisations with a business continuity plan

The requirement for all our respondents' organisations to transition to remote work (a requirement for most staff even at businesses classified as 'essential') pulled into focus the necessity to have a business continuity plan.

Our survey reveals that the majority (82%) of respondents' organisations had a well-developed business continuity plan already prepared.
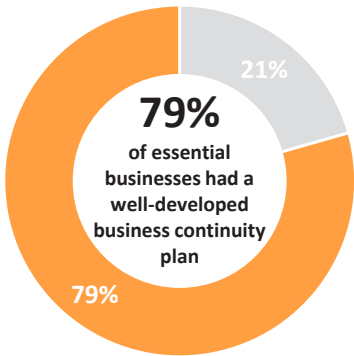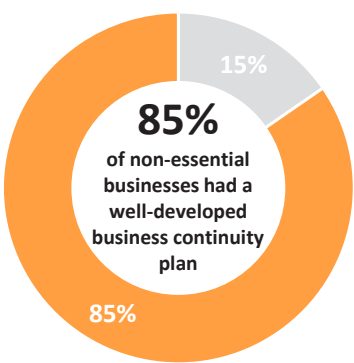
Respondents with or without a business continuity plan

18%

82%
of respondents' organisations had a well-developed business continuity plan prepared

82%
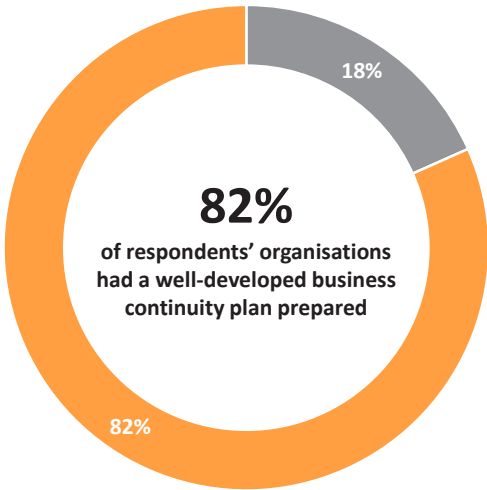
- Had a business continuity plan
- Did not have a business continuity plan

Delving further into these results reveals that a slightly higher proportion of essential businesses had a business continuity plan in place than did non-essential businesses. This may be driven by regulatory requirements that apply to these businesses, given that a majority of them are from the financial services and information technology sectors.

Essential and non-essential businesses reporting the existence or absence of a business continuity plan

15%

85%
of non-essential businesses had a well-developed business continuity plan

85%

43%

57%
of respondents' organisations were classified as essential businesses

57%

21%

79%
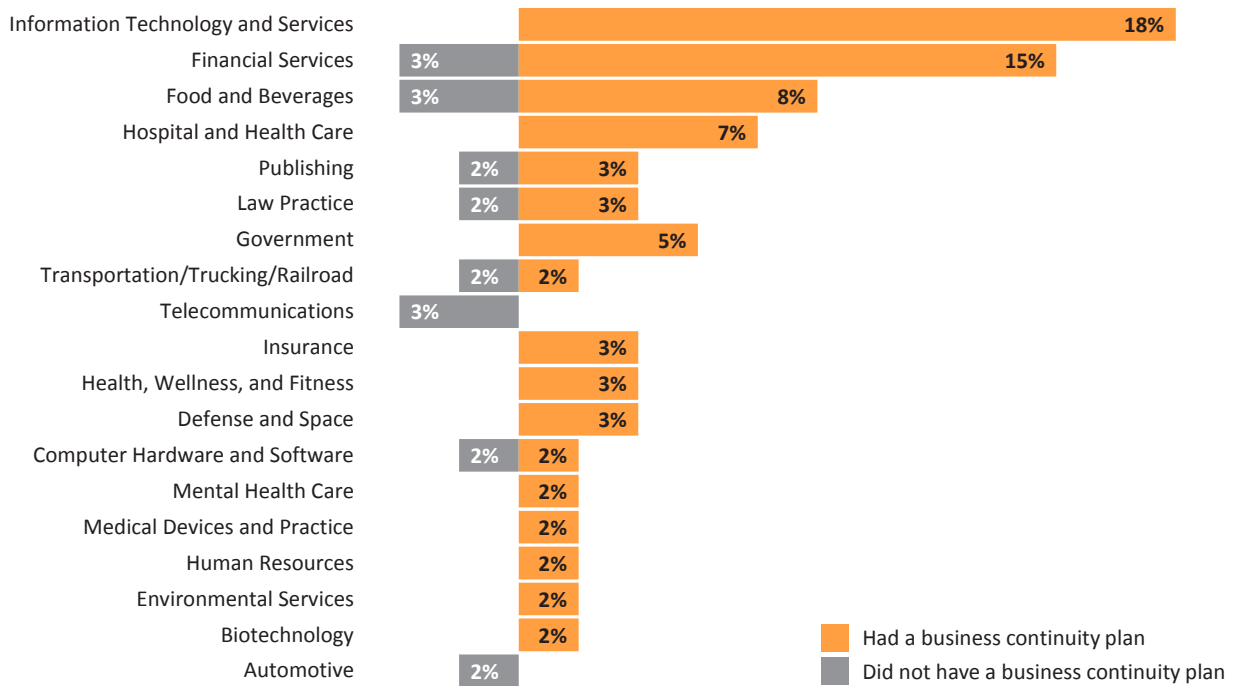of essential businesses had a well-developed business continuity plan

79%

- Essential business
- Non-essential business
- Had a business continuity plan
- Did not have a business continuity plan

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Organisations with a business continuity plan by industry

The importance of a well-developed business continuity plan came into focus as the pandemic unfolded in Australia. Organisations in information technology and financial services were the most well prepared, and those in telecommunications and automotive least prepared.
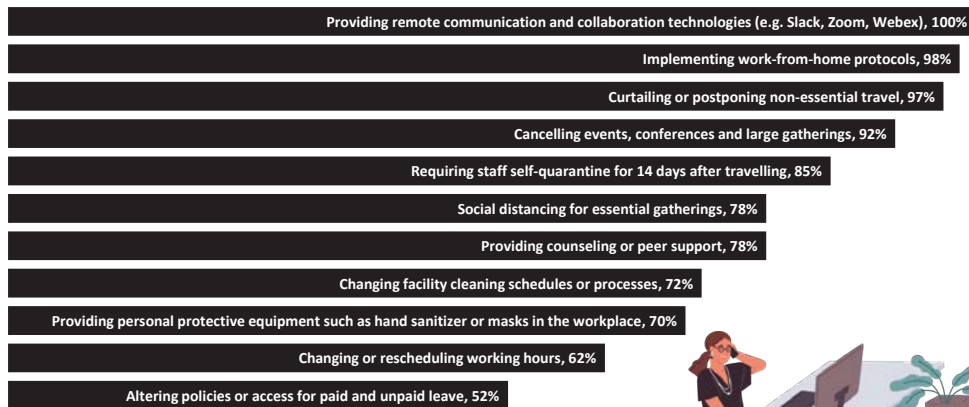
Business continuity plans by industry

Industry	Had a business continuity plan	Did not have a business continuity plan
Information Technology and Services	18%	
Financial Services	15%	3%
Food and Beverages	8%	3%
Hospital and Health Care	7%	
Publishing	3%	2%
Law Practice	3%	2%
Government	5%	
Transportation/Trucking/Railroad	2%	2%
Telecommunications		3%
Insurance	3%	
Health, Wellness, and Fitness	3%	
Defense and Space	3%	
Computer Hardware and Software	2%	2%
Mental Health Care	2%	
Medical Devices and Practice	2%	
Human Resources	2%	
Environmental Services	2%	
Biotechnology	2%	
Automotive		2%

🟧 Had a business continuity plan
⬛ Did not have a business continuity plan

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Procedures implemented by organisations

To shed a light on the different measures implemented, we also asked the respondents about the procedures implemented by their organisations.

Procedures implemented by organisations

Providing remote communication and collaboration technologies (e.g. Slack, Zoom, Webex), 100%

Implementing work-from-home protocols, 98%

Curtailing or postponing non-essential travel, 97%

Cancelling events, conferences and large gatherings, 92%

Requiring staff self-quarantine for 14 days after travelling, 85%

Social distancing for essential gatherings, 78%

Providing counseling or peer support, 78%

Changing facility cleaning schedules or processes, 72%

Providing personal protective equipment such as hand sanitizer or masks in the workplace, 70%

Changing or rescheduling working hours, 62%

Altering policies or access for paid and unpaid leave, 52%

Providing remote working technologies (100%), activating work-from-home protocols (98%), curtailing non-essential travel (97%), and cancelling events, conferences and large gatherings (92%) were the main procedures implemented across Australia. Other measures introduced included requiring staff to self-quarantine for 14 days after overseas travel (85%), social distancing for essential gatherings (78%), providing counselling or peer support (78%), changing facility cleaning schedules or processes (72%), providing personal protective equipment such as hand sanitizer or masks in the workplace (70%), and changing or rescheduling working hours (62%). Noting also that 52% of the respondents' organisations altered policies for, or access to, paid and unpaid leave.

Senior in-house lawyers interviewed following the survey revealed that 70% of their organisations developed and implemented a business continuity plan before the pandemic unfolded. The following statement from an interviewee illustrates how an organisation in Australia implemented its business continuity plan.

"We've had quite a robust response, quite early and have followed the developments in China. We were following government guidelines about quarantining and restrictions on travel. We've been communicating with our team early on. So soon as the pandemic unfolded in Australia, we got a crisis management plan that we were able activate quickly."

– Counsel in food and beverage multinational

In addition, the interview respondents noted that their organisations implemented work-from-home and other flexible work policies. The following observation from another counsel reveals how this measure was rolled out at a large multinational company's Australian office:

"We implemented work-from-home protocol very quickly. We were the first [telco service provider] in Australia to move everyone into a work-from-home environment. No one was allowed in the office unless for exceptional reasons linked to customer service or for a quick short task. In addition, a risk assessment form has to be filled so that we have a record of people going into the office to ensure that we complied with physical distancing rules and to ensure that we organised appropriate cleaning procedures."
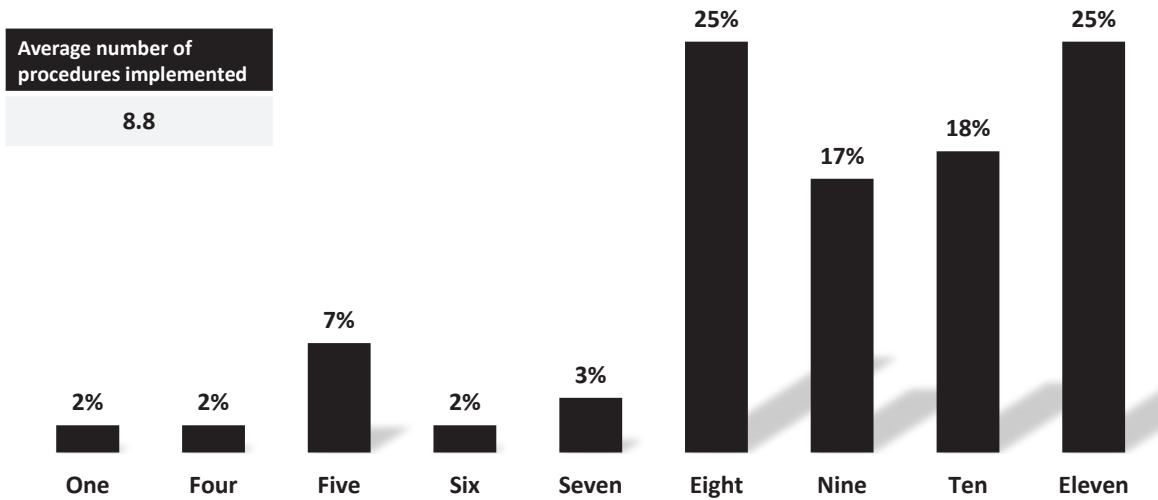
- Counsel at a telco company
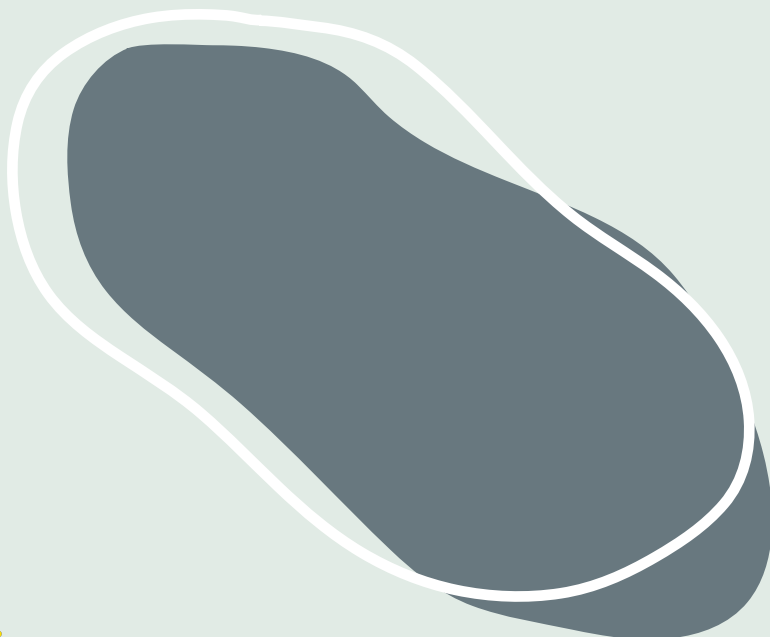
Average number of procedures implemented

Several themes that came through from the interviews were the importance of constant communication with internal and external stakeholders, and the formation of a crisis management team to coordinate the organisation's response, including staying updated with the evolving federal and state responses to the pandemic. In addition, having a business continuity plan, the technology infrastructure and an organisational focus on the health and well-being of employees helped ease the transitions at interviewees' organisations as they implemented their plans.

The majority of respondents' organisations implemented eight or more procedures as the pandemic unfolded and Australia's government continued to announce additional lockdown restrictions.

Number of procedures implemented by organisations

Average number of procedures implemented
8.8

Percentage								
2%	2%	7%	2%	3%	25%	17%	18%	25%
One	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven

What could be done differently?

When asked about what the respondents' organisations could have done differently to improve their response to the COVID-19 pandemic, most (60%) of respondents indicated that they were satisfied with their organisation's COVID-19 response.

What could companies have done differently

Category	Percentage
Better preparedness	15%
Better systems	10%
Better communication	10%
Greater work and cultural flexibility	5%
We have responded in a timely and flexible way	60%

Another 15% felt that their companies had the necessary components but were not prepared to deploy them. For example, some companies had business continuity plans in place but were not well prepared to activate them. The remaining respondents felt that their organisations' responses contained gaps in systems (10%), communication (10%), and cultural flexibility (5%). These are areas that legal teams can assist their organisations to resolve as the Australian economy recovers.
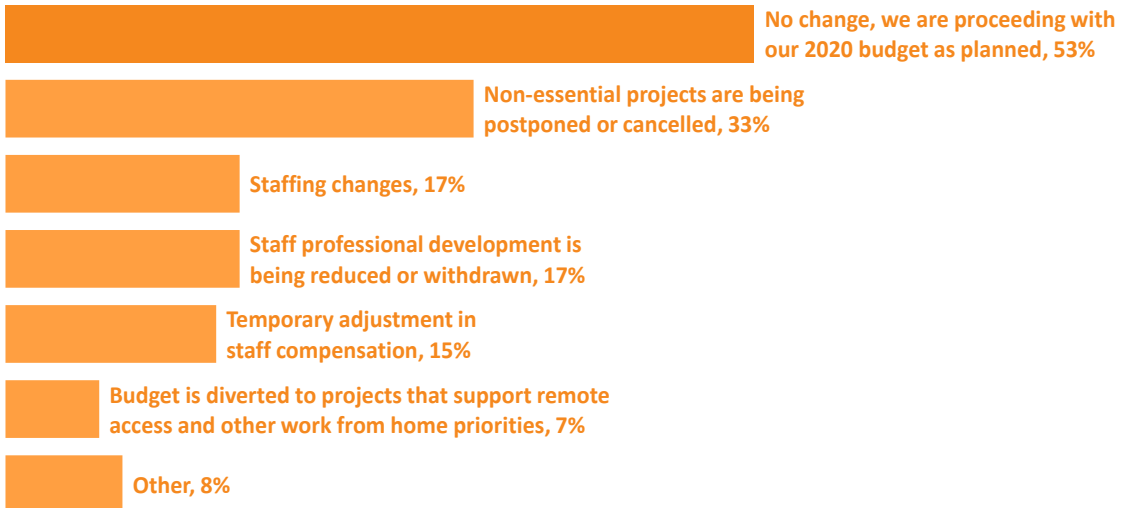
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How legal departments have responded to COVID-19

Impact of COVID-19 on the legal budget

As the COVID-19 pandemic unfolded, in-house lawyers have had to adjust their service models on the fly to ensure they can still service the whole of the organisation's legal needs, while also complying with the shifting government advisories regarding workplace health and safety orders. These measures ranged from physical restrictions at offices to split teams, work-from-home protocols, temperature screening, notices to employees regarding personal health and hygiene, and increased cleaning frequency of office common areas.

When asked about the impact of COVID-19 on legal department budgets, more than half of respondents (53%) noted no change to established budgets.

Impact of COVID-19 on legal budget

- No change, we are proceeding with our 2020 budget as planned, 53%
- Non-essential projects are being postponed or cancelled, 33%
- Staffing changes, 17%
- Staff professional development is being reduced or withdrawn, 17%
- Temporary adjustment in staff compensation, 15%
- Budget is diverted to projects that support remote access and other work from home priorities, 7%
- Other, 8%

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Thirty-three percent reported non-essential projects being postponed or cancelled, 17% indicated staffing changes and another 17% highlighted staff professional development being reduced or withdrawn. A few respondents (15%) also indicated temporary adjustment to staff compensation as organisations have had to readjust their budgets as a result of decreased economic activity due to the lockdown, or that budget was being diverted to support remote working and other work-from-home priorities (7%). "Other" responses included prioritising projects required due to COVID-19 and starting new projects to respond to COVID-19 or reducing spend with external legal counsels.

A breakdown of respondents who indicated no change to their legal department budget (48%) by industry and legal team size reveals an interesting trend. A majority of these respondents are from financial services (19%), information technology and services (16%) and hospital and health care (13%); industries where the majority of businesses are classified as essential.
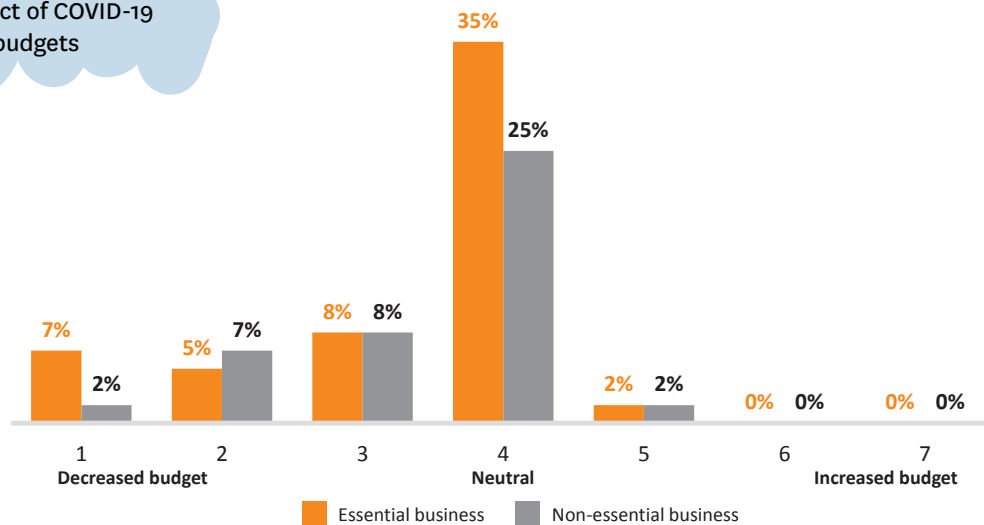
The change to legal budgets

To shed a further light on the impact of COVID-19 on legal department budgets, we also asked respondents whether their legal department budgets have increased, stayed the same (neutral) or decreased, on a scale of 1 to 7.

Most of the respondents (60%) indicated no impact to their legal department budgets because of COVID-19, while 37% indicated a decrease in legal department budget. Only 3% indicated an increase in their legal department budget to meet changing organisational needs. In other words, those reporting an impact reported decreases in legal department budgets ten times more frequently than increases.

Classifying responses by essential and non-essential businesses reveals proportionately more essential businesses (20%) indicated a negative impact on legal department budgets than did non-essential businesses (17%).

The impact of COVID-19 on legal budgets

	1 Decreased budget	2	3	4 Neutral	5	6	7 Increased budget
Essential business	7%	5%	8%	35%	2%	0%	0%
Non-essential business	2%	7%	8%	25%	2%	0%	0%

Looking at the impact of COVID-19 on legal department budgets by industry reveals a negative impact to some legal department budgets at companies in financial services, food and beverages and information technology and service sectors.

That being said, the majority of respondents from information technology and service, financial services and food and beverages sectors revealed no impact (neutral) to their legal department budgets.

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Impact of COVID-19 on workload

As most legal department budgets were either neutral or negatively impacted, we also asked respondents about the impact of COVID-19 on workloads in their legal departments.

The majority of respondents (79%) indicated that COVID-19 has increased their legal team's workload. Interestingly, this compares to 37% of respondents who indicated that their legal department budgets have decreased.

Applying a filter of essential vs non-essential business classification to respondents' responses on the impact of COVID-19 on legal department workloads reveals that workload has increased for most legal teams in Australia, with somewhat higher increases reported by essential-classified businesses.

The impact of COID-19 on the legal team workload
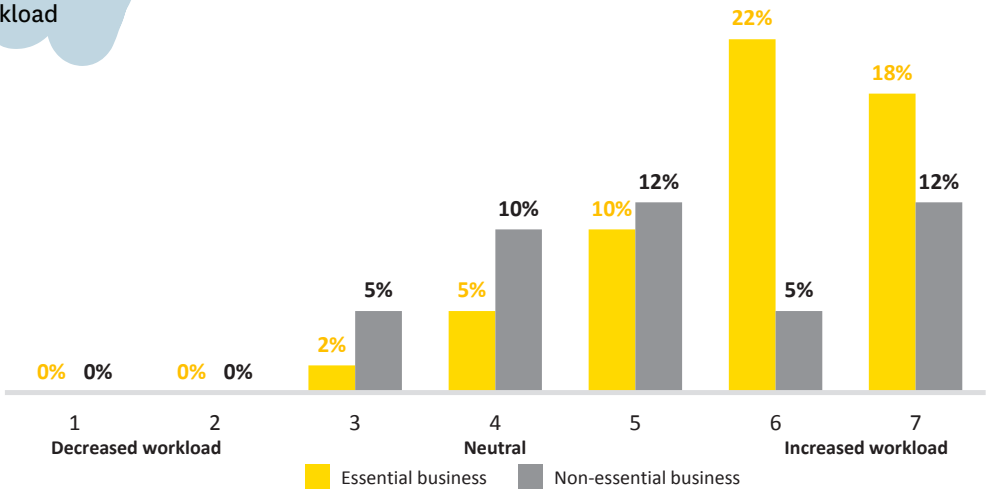
More legal departments from essential businesses (50%) indicated an increase in workload than did legal departments at non-essential businesses (28%). This is unsurprising as essential businesses were still operating from their premises as the lockdown rules were announced and companies have had to adjust their operating models to ensure they comply. This undoubtedly increased workloads for legal departments in essential businesses.

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Impact of COVID-19 on legal departments' budgets and workloads

Our cross analysis of respondents' responses on the impact of COVID-19 to legal departments' budgets and workloads reveals that 74% of respondents have seen their workloads increase with either no change or a decrease in their legal budgets. The pandemic has hastened Susskind's 'more-for-less' world for these respondents.

Decreasing budgets with increasing workloads

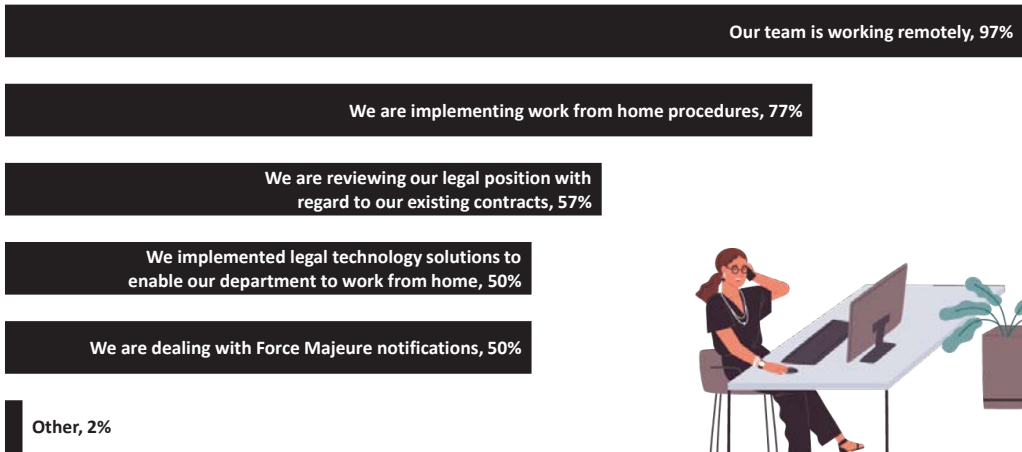|				Decreased workload		Neutral				Increased workload
Increased legal budget	7									
	6									
	5							2%		2%
Neutral	4				3%	8%	13%	15%	20%
	3				2%	2%	5%	5%	3%
	2				2%	2%	2%	3%	3%
Decreased legal budget	1					3%		3%	2%
	0	1	2	3	4	5	6	7

Only four percent of the respondents reported an increase in legal department budgets to cope with increased workload resulting from COVID-19. At the other end of the spectrum, another four percent indicated a decrease in legal department budgets that mapped with a decrease in workload for their legal departments.

As workloads have increased and legal budgets are being squeezed, 80% of the senior in-house counsel that we interviewed following the survey are briefing out work to law firms. Law firms on panels and pre-approved lists were legal departments' go-to while the pandemic created legal queries from the wider business on implications to their contractual obligations.

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Legal teams' response to COVID-19

When asked how respondents' legal departments are responding to COVID-19, almost all the respondents (97%) report working remotely, and the majority have implemented work-from-home procedures (77%). Another 50% indicated that they have implemented legal technology solutions to enable their legal department to work from home.

Legal teams' response to COVID-19

Our team is working remotely, 97%

We are implementing work from home procedures, 77%

We are reviewing our legal position with regard to our existing contracts, 57%

We implemented legal technology solutions to enable our department to work from home, 50%

We are dealing with Force Majeure notifications, 50%

Other, 2%

In terms of legal work being done, 57% of the respondents are reviewing their organisation's legal position in existing contracts in order to assess and advise on contractual impact and risk brought on by the pandemic. Unsurprisingly, half of respondents also reported dealing with Force Majeure notifications during the unfolding pandemic.

To shed a light on legal departments' responses to the pandemic, the challenges they faced and the external resources they deployed, we also interviewed 10 general counsels who also participated in the survey. It was resoundingly clear that in-house counsels have had to scale up their support quickly and remotely to assist their organisations through the lockdown.

Through the interviews, we found that corporate legal departments with an existing work-from-home policy and a business continuity plan have transitioned seamlessly. Those without one or both of these items have had to develop and implement them on the fly. There was a rush to get hardware like laptops, monitors and peripheral devices as well as software like videoconferencing applications and cybersecurity measures like VPN access to facilitate the transition to remote working.

At multinational organisations, general counsels have been able to tap into global crisis management resources to help them with their transition to remote working. Other companies have matched their response to the government advisories as they were announced, especially for office and hygiene protocols, as this quote from a general counsel reveals:

"From a crisis management perspective, we dealt with this first as a health crisis. This meant implementing office protocols for visiting clients, hygiene processes for our staff and contractors. We have had to develop special protocols for our creative work in dealing with people, filming and photography. The travel restrictions have also stalled our production schedule and it's an ongoing concern as we continue to track travel restrictions at the state, country and global level."

A majority of interviewees also shared that they continue to instruct external counsels as they have. Most have also shared that they are experiencing cost pressures from their management team although this trend is more pervasive in some industries than in others.

There have also been limitations and challenges with remote working, as this general counsel of an energy and construction company explains:

"Data transfer has been a challenge for us while working remotely. We are involved in a litigation matter and transferring large volumes of documents in a secure way to experts who are located in the UK or the US has been a challenge. We have historically relied on in-person meetings with counsel and experts to speed things along. We believe that those briefings have been delayed by going virtual."

Another theme that surfaced through the interviews were the challenges of maintaining team engagement, ensuring well-being of lawyers and promoting mental health. The blurring of the lines between work and home is a struggle as remote working is now the norm. Regular team catch ups and discreet check-ins with staff has been a great way to help address this issue. A general counsel from a telecommunication provider shared the following:

"I think the biggest learning for us was just making sure that we were having very inclusive conversations. And what I mean by that is, we were very focused early on, on the impact of remote working on people with children, and we realise quickly that we can't alienate others without children. Specifically, our colleagues who live alone or those that have to care for someone else full time. As a result we have had to be conscious that when we talk about adjusting working hours or adjusting the way that people work and even how we would assess their performance, we have to really consciously change that to think more broadly and not just narrow the conversation to people with children."

There are also bright spots in remote working, as some of the interviewees observed that flexible working has also allowed them to be more productive:
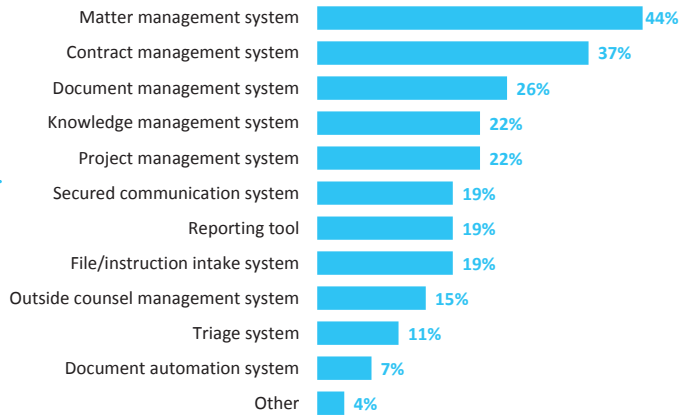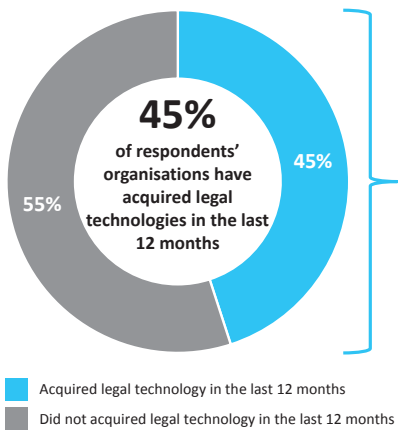
"I have talked more to people working from home than I was working in the office. I would say that is a good thing because it means you are collaborating more. They are not wasted meetings. They are actually the ones you need, although there's a lot more work because of the crisis. If you do it right, it does produce efficiencies. You can get some really good outcomes from this as it changes the culture of your organisation."

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COVID-19 driven legal technology consumption

Acquiring legal technology

As legal departments have adjusted to remote working, the importance of legal technology to supporting lawyer productivity has come into focus. Forty-five percent of respondents indicated that they have acquired legal technology in the last 12 months. This has eased the transition to remote working for many in-house lawyers.

Legal technology solutions acquired

45% of respondents' organisations have acquired legal technologies in the last 12 months

45%

55%

■ Acquired legal technology in the last 12 months
■ Did not acquired legal technology in the last 12 months

Legal technology solution	Percentage
Matter management system	44%
Contract management system	37%
Document management system	26%
Knowledge management system	22%
Project management system	22%
Secured communication system	19%
Reporting tool	19%
File/instruction intake system	19%
Outside counsel management system	15%
Triage system	11%
Document automation system	7%
Other	4%

For those respondents who reported acquiring legal technology in the last 12 months, 44% acquired matter management systems, 37% acquired contract management systems, 26% acquired document management systems, 22% acquired knowledge management systems and 22% acquired project management system. These are all lawyer productivity tools that would facilitate the transition to working remotely.
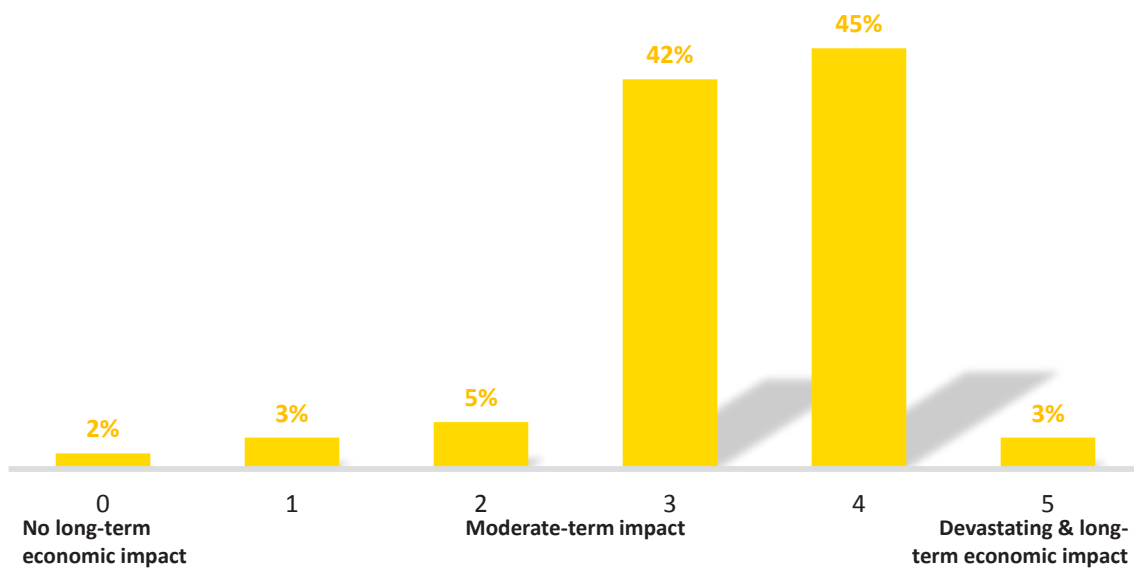
Twenty-seven percent indicated an intention to acquire legal technology in the next 12 months while six percent indicated that they might do so. The remainder were uncertain or did not expect to acquire legal technology in the next 12 months.

Strategising for a post-COVID-19 world

The perception of the impact of COVID-19 on the economy

To get an insight into how legal departments are preparing for a post-COVID-19 world, we asked respondents for their predictions on the impact of the pandemic to the economy.

The impact of COVID-19 on the economy

2%	3%	5%	42%	45%	3%
0	1	2	3	4	5
No long-term economic impact		Moderate-term impact			Devastating & long-term economic impact

Virtually all respondents predict that COVID-19 will have a moderate-term impact or a devastating and long-term impact on the economy.

The perception of the impact of COVID-19 on organisations

We also asked the respondents for their predictions on the impact of COVID-19 to their organisation's financial performance.

The impact of COVID-19 on the organisation

3%	12%	30%	37%	12%	7%
0	1	2	3	4	5
Negative impact			**Neutral impact**		**Positive impact**
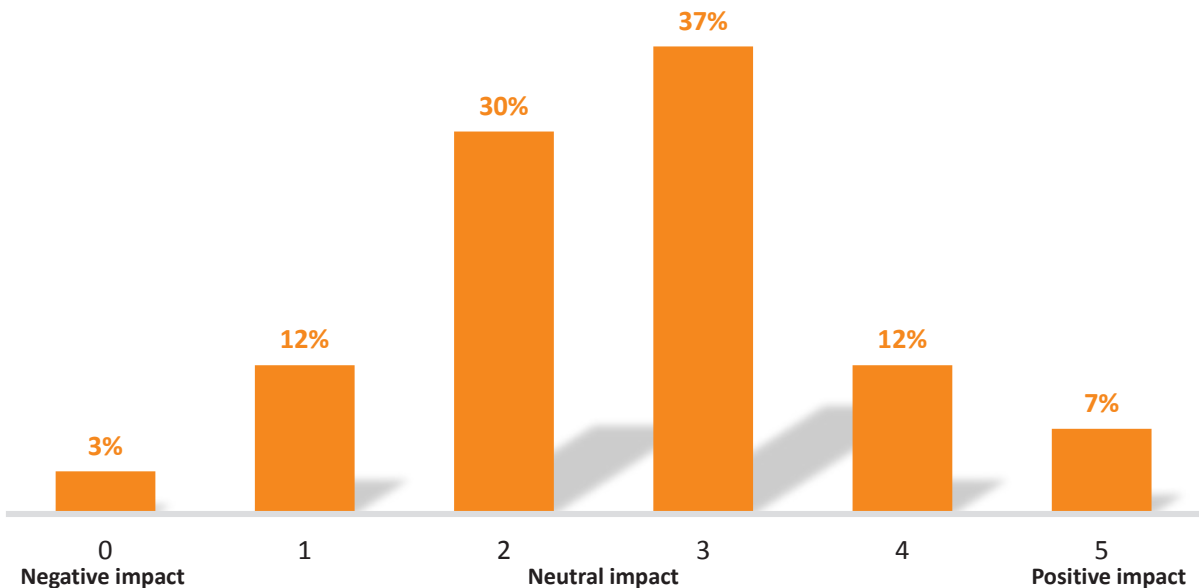
Interestingly, respondents are evenly divided as to whether COVID-19 will have a negative or positive impact on their organisations. Fifteen percent of respondents predict a negative impact while another 19% believe that the pandemic will deliver a positive impact to their organisation.

In our interviews, we were keen to understand the views of in-house counsel about the post-pandemic financial future for their companies. The interviewees expressed mixed views about this issue, with some suggesting that they had generally been unaffected while others were less optimistic. Several in-house counsel expressed the view that recovery was going to take longer than expected (well beyond 6 months) but it was necessary to keep moving forward.

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Being categorised as an essential or non-essential business does not make a substantial difference to the respondents' predictions of financial impact for their organisations.

Two of the interviewees noted that, as essential businesses, their organisations should continue to grow during the pandemic. This, however, would depend on international supply chains not being affected. A counsel in the IT sector noted, *"There's going to be a renaissance in how we deal with low-cost, fast moving goods and where we get value out of products from in the near future."*

Another interviewee, from the construction sector, was less hopeful. Taking into account changing oil prices, the counsel observed:

"An engineering construction company is only as profitable as the engineering and construction to be done. We received another massive slowdown all across oil and gas and chemicals. That's where the money is to be made for an engineering and construction company."

Perceived impact of COVID-19 on the economy and financial performance

Our cross analysis of respondents' predictions on the impact of COVID-19 to the economy and financial performance of their organisations reveals that nine percent of legal teams are bracing for negative financial impact to their organisation along with devastating and long-term impact to the economy.

Perceived impact of COVID-19 on the economy and financial performance of respondents' organisation

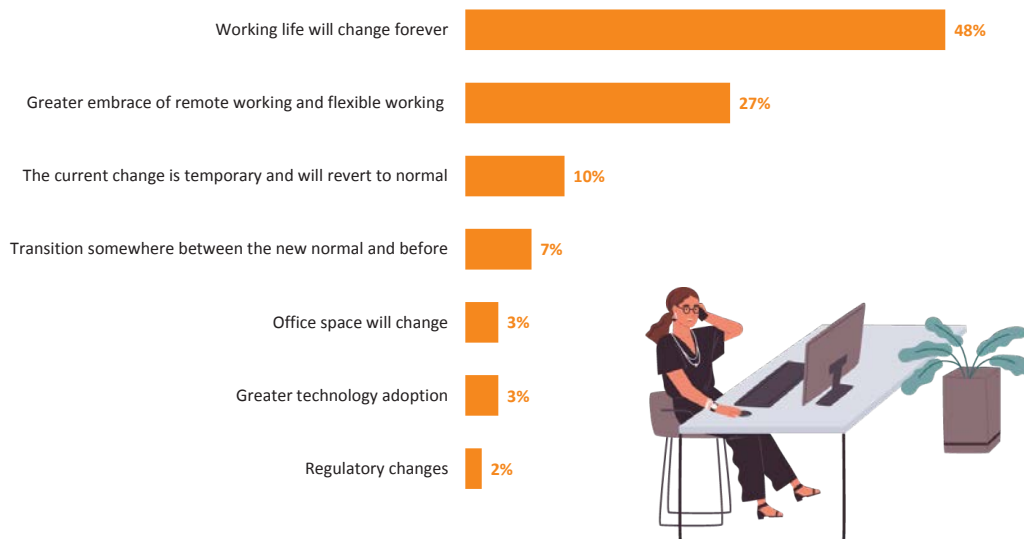|			Negative financial impact		Neutral impact		Positive financial impact	
Devastating & long-term economic impact	5		3%	3%				
	4			3%	17%	17%	5%	
Moderate-term impact	3			2%	12%	18%	7%	3%
	2			2%	2%			2%
	1			2%		2%		
No long-term economic impact	0							2%
	-		0	1	2	3	4	5

Interestingly, while 15% of respondents forecast devastating and long-term economic impact from the COVID-19 pandemic, they also predict a positive financial impact to their organisation's business. An interviewee in the food and beverage sector shared:

"It's certainly been a challenge and we look at it from a global perspective too. We're doing quite well in Australia and New Zealand when compared to the rest of the world. In the first couple of weeks, I think like most businesses, we took a nose-dive and it was really quite concerning. But we were able to quickly start building that back. It didn't build back up immediately and still incremental each week. We're not back to where we were by any means but as dining starts to open again, we'll certainly get there."

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Changes to work life post-COVID-19

To further understand the impact of COVID-19 on working life, we asked the respondents whether work life will change post-COVID-19.

Working life changes post-COVID-19

Working life will change forever	48%
Greater embrace of remote working and flexible working	27%
The current change is temporary and will revert to normal	10%
Transition somewhere between the new normal and before	7%
Office space will change	3%
Greater technology adoption	3%
Regulatory changes	2%

Respondents generally believe that working life will change post-COVID-19. Responses ranged from working life changing forever (48%), through greater embrace of remote working and flexible working (27%), to those who believe that that the current change is temporary (10%).

Those respondents predicting that working life will change forever believe that the current change is for the better and that we will not be returning to the same ways of working. Respondents that believe a greater embrace of remote working and flexible working will transpire note that the current remote working arrangements have proven that the workforce can still be productive outside of the office.

Our qualitative interviews highlight what in-house lawyers believe a post-COVID-19 world will look like for their companies. All of the interviewees echoed the sentiment that work life will change post-COVID-19. One view was particularly emphatic: *"There is no scope for it not to change. The impact we have had in the last three months has been so significant."*

There will be greater embrace of remote working because the pandemic has not negatively impacted productivity, as this quote from a general counsel reveals *"I think a big lesson was for our Chief Executive Officer, who was not a big fan of working from home. He has realised it is actually quite productive when you have multiple people working from home."*

Remote working will also mean that staff can be less location-centric, as noted by a corporate lawyer:

"I think geography is not really going to be considered an issue. People should be able to work from anywhere to do legal work. I think companies need to think more broadly about when they recruit and how they recruit, because just because someone is in Victoria doesn't mean they can't work for a company in Brisbane."

In addition, interviewees noted that offices will need a rethink; large offices may be split into smaller ones to ensure they comply with physical distancing rules, for example. Some of the interviewees also observed that wearing masks might be a social norm in the medium term.
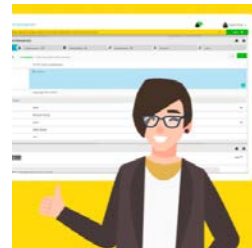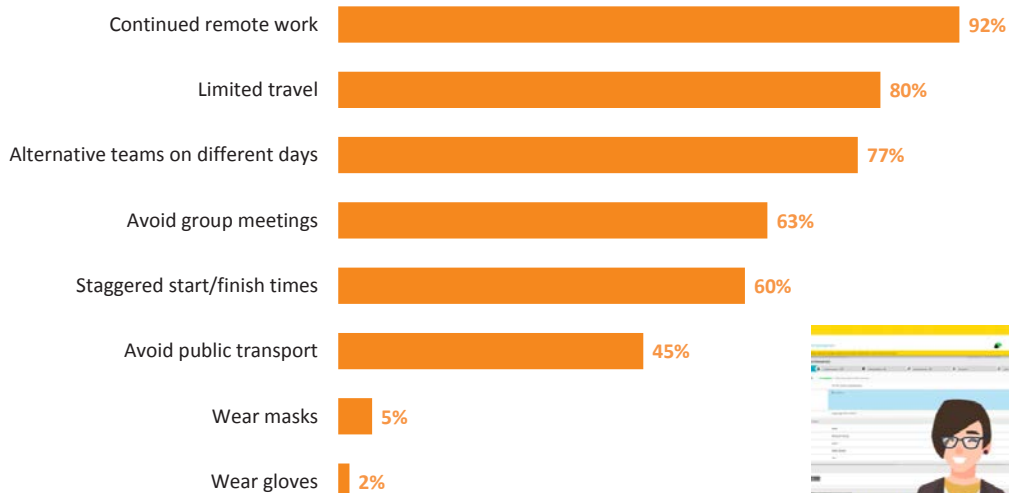
A common view shared by the interviewees is that we will come out of the pandemic with a more flexible workplace, as this quote reveals:

"I think everyone's got a bit more of an insight into family life with kids being at home and have people that are able to balance that. I think it's always sort of frowned upon, especially for women that if you've got children and you're working from home, how could you possibly do that? We have shown that you can actually do it. We are capable of it. I think people in leadership can see that it does work and provides them with comfort around that because it would be an important and positive change."

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Staffing protocols for reopening

As we transition to easing lockdown rules in parts of the country, corporate Australia is gearing up with staffing protocols as offices re-open. Unsurprisingly, virtually all of the respondents' organisations will continue remote working (92%) and limit travel (80%) when they eventually return to their workplaces. In addition, as offices re-open, respondents note that their organisations are staggering attendance, with alternate teams in the office on different days (77%), avoiding group meetings (63%) and introducing shifted start / finish times (60%). Very few have introduced new protocols around mandatory masks (5%) and gloves (2%), however a number of respondents thought this may happen at some point in the future.

Implementing staffing protocols for reopening

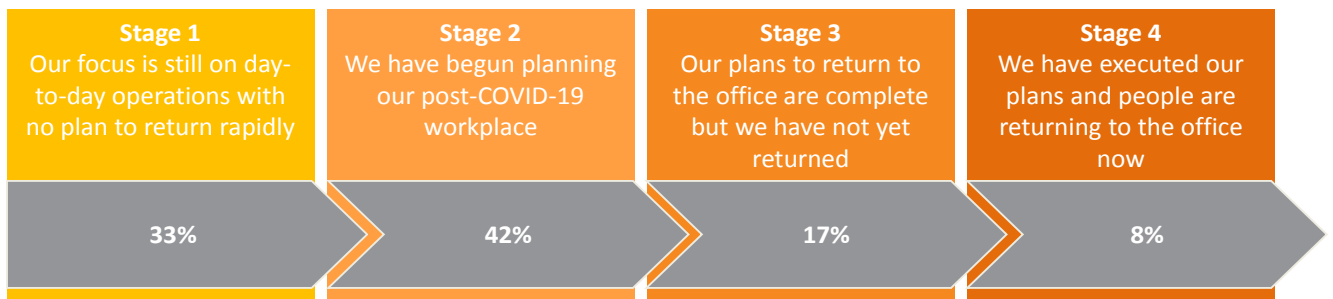| Protocol	Percentage
Continued remote work	92%
Limited travel	80%
Alternative teams on different days	77%
Avoid group meetings	63%
Staggered start/finish times	60%
Avoid public transport	45%
Wear masks	5%
Wear gloves	2%

Without a vaccine, it is unsurprising that remote working will continue to be the norm for everyone as 75% of the respondents reported. Only three percent have noted that their organisations are not going to continue or increase remote working even after offices re-open.

Returning to the workplace

Although legal departments are beginning to prepare for when they have to return to the workplace, our survey reveals that one in three (33%) is still focusing on day-to-day operations with no plans to return to their workplace.

Close to half of the respondents (42%) have begun to plan their post COVID-19 workplace returns, while 17% indicated they have completed their plans to return to work but have not yet returned to their workplace. Only eight percent of the respondents report having executed their return-to-workplace plan and have people returning to the office.

Stages of preparation for legal departments to return to the workplace

Stage 1 Our focus is still on day-to-day operations with no plan to return rapidly	Stage 2 We have begun planning our post-COVID-19 workplace	Stage 3 Our plans to return to the office are complete but we have not yet returned	Stage 4 We have executed our plans and people are returning to the office now
33%	42%	17%	8%

Interviewees also generally agreed that legal departments will need to be prepared to work flexibly or from home. Counsel were divided about how long it will take to get back to work, with several taking into account how adversely the global situation was evolving, and suggesting that recovery time may be longer than expected.

Preparing for a post-COVID world

Finally, we were interested in how corporate counsel and their organisations were preparing for a post COVID-19 world. The senior in-house lawyers interviewed noted that lessons learned included the importance of having a business continuity plan and the agility to evolve that plan to fit unfolding circumstances.

Strong leadership has also been a crucial factor. A counsel in the creative services business shared,

"Our Chief Executive Officer's plan is around creative, digital transformation so he's integrating that technology into our work, and that makes sense. I am supportive and I do actually perceive that makes sense. That's where we need to go."

Beyond leadership, interviewees shared that an organisation's ability to take a multi-pronged approach to the crisis mattered. This included identifying real strategic opportunities and initiatives, doing things differently, and reinventing an organisation to achieve product and brand alignment with evolving customer requirements or expectations. For example, a counsel in the retail sector reported a huge increase in online sales which drew the focus of the entire organisation to their online customers and the distribution channels that support these customers.

At a personal level, counsel shared many ideas about how they are overcoming their own limitations:

- Online professional development
- Broader, inclusive conversations
- IT infrastructure upgrades at home
- Better human interaction through secure communication channels

Many of the interviewees underscored the importance to the business of the unique skills that lawyers have, and how this has required them to be better prepared and more accessible. One summed it up best:

"There's not a meeting in the business now that can happen without Legal being involved. You're being pulled from pillar to post, which has been quite a challenge… But we've also got skills in organising and putting things sequentially; analysing things; and obviously [spotting] risks."

-Legal Counsel from multinational company

Conclusion

This report analysed the impact of COVID-19 on corporations and corporate legal teams in Australia and explored the ways in which the organisations have responded to the ongoing crisis.

When the pandemic began, organisations almost without exception immediately commenced remote working, except for a few essential services organisations requiring on-site presence. Challenges noted by our respondents included data sharing and transfer, access to technology, and implementing systems and processes to collaborate with the team. Most teams noted an increased workload and in some cases a decreased budget as well.

Organisations responded swiftly and effectively to the challenges by providing remote communication and collaboration technologies, work from home protocols, postponing travel, cancelling events, quarantining following travel, social distancing and counselling. Some organisations have implemented legal technology solutions over the past year, which were useful for collaborating remotely. Further, over 80% of teams are briefing out to external counsel to manage workloads.

Our respondents were evenly divided as to whether COVID-19 will have a negative or positive impact on their organisations. Fifteen per cent of respondents predicted a devastating or negative impact while another 19% believed that the pandemic would deliver a positive impact on their organisation. Respondents were aware that even in adversity, a commercial opportunity may evolve for their organisations, such as those in FMCG or transportation and warehousing.

Respondents generally believed that working life will change post-COVID-19. Responses ranged from working life-changing forever (48%), through to a greater embrace of remote working and flexible working (27%), to those who believe that that the current change is temporary (10%). Those who believed that working life will change forever believed that the current change is for the better and that we won't be returning to the old ways of working. Respondents noted that the current remote working arrangements have proven that the workforce can still be productive outside of the office. This was a surprise to many of our respondents' managers.

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With more remote work, a number of respondents noted that there will be less emphasis on employees' locations, changes to offices and leases will take place over the course of time, and organisations will offer greater levels of flexibility as a recruitment and retention benefit.

Preparing for the post-COVID world, many respondents noted the importance of having a business continuity plan and the agility to evolve that plan to fit unfolding circumstances. Strong preparation and leadership was a crucial factor in the effective response to the pandemic. Our respondents noted that an organisation's ability to take a multipronged approach to the crisis mattered. This included identifying strategic opportunities and initiatives, doing things differently, and reinventing an organisation to achieve product and brand alignment with evolving customer requirements or expectations.

Above all, our research demonstrated that lawyers are critical in the workplaces of the future. Corporate counsel bring deep skill, structure, order, logic, leadership and advisory capabilities imperative for decision making, commercial planning, managing complex work and responding to current and future challenges for their organisations.

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