

Law Office Design Primer, Vol. I: Defining the Needs

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It has been said that law firms are traditional, conservative and resistant to change. But the practice of law is a-changing, and law firms are changing. These changes are occurring in a number of areas, all of which impact physical space.

In a recent survey by *Management Today* magazine, 94% of respondents viewed their workplace as a symbol of whether or not they were valued by their employer, but only 39% thought that their office had been designed “with people in mind.”

The Silo Effect is a term that refers to the historical manner of businesses managing major aspects of their business by constituent – Technology, Human resources, marketing, Strategic planning, instead of in an interactive dynamic manner where changes in any one area imply discreet and occasionally significant responses in other areas.

Technology has had major impacts on law firms in the past 10 years. Distributed word processing to an increasingly techno-savvy workforce has reduced support staff ratios from 1.5:1 and 2:1 to 3:1 and 4:1.

Internet-based information systems have distributed the majority of the law library to the desktop, eliminating the needs for large hard copy repositories. In fact, the manner in which information is searched, accessed, distributed, managed, integrated and assimilated into deliverables and transported has changed the nature of legal work at every level.

Consolidations, mergers and acquisitions expand the geography, leverage and value of a law firm. They also add debt and create financial pressures for increased performance, productivity and diminished administration and reduced expenses. More with less.

Space Utilization

Next to headcount, space is typically every firm’s second most significant cost, accounting for 5% - 9% of gross expenses. In most markets, occupancy costs continue to escalate and with firm growth comes expanded occupancy costs.

For firms that occupied their space 10 – 15 years ago, their “suit” doesn’t fit anymore. Their support staffing ratios are now much different, and every other secretarial station has become a document storage repository. The massive law library sits empty and unused. Their paralegal offices are too small, in part, because paralegal work tasks have transformed. Partner offices are too big. Retired partner offices sit empty. Or worse –



they are occupied without revenue generation to defray the cost of occupancy. Support needs have evolved and shifted as some practice groups have expanded while others receded or were eliminated.

Nationally prominent design firms continue to tell their major law firm clients to budget 1000 usf per attorney when projecting space needs. But the reality is that most firms' space needs will be comfortably met with much less space.

- Law Libraries are getting very much smaller if not being eliminated altogether.
- Word Processing departments of the 1980's are gone, replaced by distributed technology to the desktop of secretary, paralegal and attorney.
- Support Staff levels are reduced. Attorney-to-Secretary ratios are now 3:1 and 4:1 instead of 1.5:1 or 2:1.
- Filing needs are streamlined. Many firms are scanning documents immediately and saving all records electronically, eliminating hard filing altogether. E-mails replace fax machines and eliminate much of large document production obligations.



An average of 1,000,000 sf of the law firms designed by our firm in the 1990's reflected an average space consumption of 700 usf per attorney. But since 2000, our law firm projects are now in the 500 usf – 700 usf range, depending upon their size and whether they elect to incorporate a law library at all.

Collaboration/ Teamwork

While it was the ancient Greek philosopher Aristotle who in 350 BC said, "The rule of law is better than the rule of any individual," the practice of law in the centuries since has largely involved the attorney working on a matter as an individual. While large cases can involve larger teams, much of the work of attorney continues to be singular and somewhat cellular. But that too is starting to change.

We meet annually with a Law Firm Design Advisory Group we formed a few years ago a few years ago with representatives of three firms in the top 50, as well as a 50-attorney firm from Delaware, an independent international law firm consultant and a student from Harvard Law School. We learned that law firms are far more concerned today with the experience of their Associates and are committing themselves to giving them interesting work and nurturing them if they hope to keep the good ones and succeed. So mentoring initiatives have more work happening in small teams.

Flexibility

Partner office sizes are receiving a new level of scrutiny. And they are getting smaller. All of the top 50 firms in our Advisory Group have standardized all attorney offices at 130 – 140 sf.

For one recent client with 16 offices in the US, four in Asia, six in Latin America and 11 in Europe, they have adopted space guidelines that standardize all offices to a single size to afford maximum flexibility in managing firm growth and practice group co-location where desirable. They also require space needs to be met within 700 – 800 usf per attorney, regardless of office size. But they also listen to their local leaders. For a regional office of 100 attorneys, the managing partner and executive committee were anxious about taking away offices that Partners had worked hard to earn.

Despite our incorporation of additional war rooms, informal refreshment areas to encourage interaction and collaboration throughout the space, and a central stair connecting stair all four floors, we were able to retain the traditional 170 sf partner offices with 130 sf associate offices and still achieve 700 usf/ attorney.

Demographics

Much attention has been directed at multi-cultural changes in society, reflecting the increasing diversity in the workplace. But our law firm clients tell us that the more relevant issue for them is the multi-generational aspect of the workplace today.

We now have four generations in the workplace:

- Traditionalists (born before 1945)
- Boomers (born 1946 – 1964)
- Generation X (born 1964 – 1977)
- Millennials (born 1978 – 1999)

Most law firms have lots of Boomers, a small group of Gen X'ers and smaller groups of Traditionalists and Millennials. But the first Boomers are over 60 and beginning to retire and the mix is shifting.

The youngest generation, the Millennials, are entering the workforce. While still in their 20's, they are creating workplace trends. Millennials are three times more likely than co-workers to work off-site or while traveling. Formal meeting spaces are less important to Millennials than their co-workers. Millennials are less distracted by noise.

With four out of five college campuses offering wireless networks, it is no surprise that Millennials enter the workforce expecting technology to be right there 24/7. They want more flexibility, more technology and cool spaces. They would rather meet at Starbucks. And they are not looking for a workplace that is more primitive than what they experienced at school.

But it is the interaction dynamic where change is most needed. Millennials grew up with unrestricted access via the automobile, telephone and internet. They use their cell phones, text messaging and Facebook to constantly stay in touch with a large circle of contacts. They share more information, faster, with people they trust. Terry West, Director of WorkSpace Futures Research at Steelcase observes, "To trust someone, you have to know someone, and to know them, you have to *meet* them. Social interaction builds the trust network in the organization and Millennials stay in contact with others all the time."

So we are seeing our law firm clients being more open to informal meeting areas that look like living rooms, and fun collaboration and refreshment areas where people can meet and interact. We continue to bundle printers, fax machines and refreshment areas as magnets that cause interaction. But Millennials want interaction spaces that are open and fun. They want work stations that are flexible and fluid that they can personalize. They want visual display flat screens everywhere and the network has to be wireless or plug-n-play everywhere.



The culture of law firms is becoming a more significant issue in identifying the character, quality and brand identity of the law office. In the words of one recent client's facilities committee chair, "We've got 150 attorneys here. But I'm making decisions for the younger members of this firm who view "work" and utilize technology and staff very differently than do the Baby Boomers and Traditionalists who make up this firm's executive committee. We need to be designing these offices for *them*, not us." And while a law firm is typically 40%+ female (18% of Partners are women, with 44% of Associates female. 48.6% of law school graduates are women.), most decisions about law firm planning and design are made by males.

As a result, a number of focus groups were incorporated into the needs assessment process to identify workstyles, environmental preferences, technology and work tools and interaction behaviors that would serve as work quality/ productivity enhancement and differentiate the firm in its recruitment/ retention of Gen X'ers and Millennials.

Security:

In a post-9/11 world, security will affect layout and may be an important criteria for location selection. For some of our clients, the city's emergency evacuation plans are reviewed to determine how a given location relates to safe and timely egress for all in not only exiting the building, but leaving the CBD as well.

Process:

Attorneys are adept at the practice of law. Their skills and experiences at projecting space needs are less substantial. An experienced design team that is knowledgeable of law firm trends will be an invaluable teammate in assisting with the definition of space needs.

The definition of needs should include both quantitative and qualitative factors that define the design criteria and results for the space planning and design process. The more formal and comprehensive the assessment, the more clear the planning and design criteria is for both the law firm and the design professionals in preparing and evaluating space plans, alternative locations and establishing and meeting appropriate cost parameters.

A design firm knowledgeable with law firm design trends will be helpful in determining appropriate space allocations for conferencing, document storage, training and support areas. Historical data will provide comfort for the law firm to make informed decisions.

One interesting issue is the identification of shifting work demands for the firm. This is often considered in the context of each practice group. Current events and economic trends and factors can create demand cycles that push and pull a law firm's practice groups. But the oscillation and duration of these cycles can be challenging to predict with accuracy and comfort. Additionally, the degree to which attorneys work among different practice groups can complicate projecting space needs in specific ways.



The number of people to involve in projecting future space needs and headcount can be a challenge. We have seen instances where the vision and trajectory of the firm is not shared by every practice group leader, who often tend to view the firm in narrow terms - theirs.

For one recent client with 100+ attorneys, the process began with a simple and quick summary of anticipated headcounts over the initial lease 5-year term and changes desired to the existing space allocation paradigm, which meant 80% less library space, a different mix of conference rooms with state-of-the-art visual display assets, more project/ war rooms, fewer support staff, more distributed printers, a central kitchen/ catering facility embedded in the conference suite and more distributed refreshment centers for staff interaction and convenience.

We are also finding that our law firm clients are wanting to be seen as different from their more traditional or transitional competitors. They want to be seen as having the same entrepreneurial attributes of their clients.

Defining the qualitative aspects of the desired image/ brand is essential at the project's inception, for these factors imply material qualities, speech and visual privacy characteristics, layout characteristics and the level of detail that will meet the firm's needs that all have budget implications. Shareholders appreciate the stewardship associated with establishing appropriate budget parameters at the project's onset so that resource management can address needs with appropriate pre-planning. And when the project's implementation proceeds and stays within budget, everyone gets to keep his or her job and head.

Law Office Design Primer, Vol. II: Location Analysis

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The objective of any business is to align its operational needs with physical space in order to maximize performance, employee satisfaction and client service and satisfaction.

The change in the needs of law firms has resulted in a change in the characteristics of the real estate that most efficiently meets their needs. In the 1980's and 1990's, law firms had large law libraries to not only support their practices but to impress clients. Today, most legal data is available from online sources and is at every attorney's desktop, and client visits are down. While clients still visit law firms, today law firms want to develop a strong sense of client loyalty and they are more willing to go to their clients' offices to be read as a value-adding business partner. In the '80's and '90's, law firms has word processing departments and large copy/ reproduction/ mail facilities. These support areas were typically located near the core of multi-tenant office buildings, and for law firms of 25+ attorneys, larger floorplates of 22,000 – 28,000 sf proved most efficient.

Today, with these support areas reduced, outsourced or eliminated, the perimeter still commands timekeeper offices, and smaller floorplates are often more efficient.

SZD Example

As a result, the identification and evaluation of alternative locations takes on a more complex significance today, with newer, smaller floorplates and larger mature floorplates in a competition for efficient space utilization. But efficient space utilization is not the only criteria. The qualitative aspects of alternative locations must be assessed. Parking, security, available power, accessibility, amenities, hours of operation and after-hours HVAC charges can all impact a given location's ability to meet all needs.

Newer locations typically have a higher connected load of available power for lights and power than pre-1980 buildings that were designed and built before everyone had a desktop computer as well as the average of six peripheral devices at each desk or workstation (printer, scanner, graphics card reader, external speakers, iPod, cell phone charger, etc).

Similarly, older buildings typically have larger HVAC zones than newer buildings, meaning that HVAC design and engineering will be challenged to provide user control and comfort as effectively as newer buildings. Older buildings were also designed for fewer air changes per hour, meaning air quality will be different unless renovation has increased air flow, which can cause more noise with higher air velocities.

The law firm Location Analysis Team needs to include senior management, the office administrator, representatives of constituents and stakeholders as may be appropriate, the design professional and commercial real estate broker. Relocations are excellent opportunities to implement change albeit technology-related, space standards, culture, branding/ image or functional relationships.

While every firm has its unique characteristics, we have seen some movement back towards attempting to deploy practice groups together to mentor younger associates and provide them with meaningful work and access to leadership that can be challenging when practice groups are dispersed.

The law firm Location Analysis team needs to be of a manageable size. Too many cooks can dilute an effective assessment of available alternatives, and the more people involved, the greater the potential for idiosyncratic bias. Additionally, there are key steps in the Location Analysis process where confidentiality is critical to the interests of the shareholders in identifying alternatives and negotiating the best possible deal.

With Facility Needs Assessment and design criteria determined, a market survey from the commercial broker can typically identify a large number of alternatives. Tours may be appropriate to identify a short list of 4 – 6 alternatives that will most effectively meet the firm's needs. Preliminary space Plans should be prepared by the design team to deploy the law firm's program of needs in each location.

This allows all members of the team to visualize function and flow, as well as determine precise useable and rentable area factors that indicate the efficiency and occupancy costs for each location. In most markets, prospective landlords reimburse the design professionals for some or all of their costs in the preliminary planning process.

The space plans may themselves compel a reduction in the number of viable alternative locations. But competition is a healthy ingredient at this point. But too much competition is not. Many landlords will be apprehensive to pay for space plans and tender competitive proposals if too many locations are in play, or if there are inconsistencies in the quality and location of the locations under consideration, for such irregularities convey the message that the law firm does not know precisely what it is looking for, or is simply not serious.

With the Space Plans as land use maps to define the ability of the various locations to accommodate the functional needs of the firm, a qualitative assessment is often appropriate. Increasingly, we find our clients considering traditional multi-tenant spaces as well as non-traditional locations as well. Non-traditional locations can include new mixed-use developments as well as older renovation projects which can often involve larger buildings such as department stores, manufacturing or warehouse facilities which are often in prime locations. In a field where differentiation is of value to both marketplace clients and talent, these non-traditional locations can be effective at providing functional space that is quite different from the norm and demonstrates to prospective clients that the firm is entrepreneurial in nature and is willing to think outside the box for itself and its clients.

These non-traditional locations are attractive to Gen X and Millennials, who are more

Green:

Quality/ Cost:

No one wants to do business with someone who is not successful. But very few law firms want a client or prospective client to walk in and consciously ask, "How much did this cost?!"

We call this factor the OpuloMeter – the device that sounds the alarm when you have traversed that piece of turf from "successful" (good) to "opulent" (bad!). One of our recent clients, Weston Hurd LLP, felt that a large part of their brand identity had to do with their historical role as "trusted advisor" and "steward" to the extent that they wanted their offices to be tasteful, but not lavish with high quality materials throughout the space. Instead, they wanted their budget to deliver daylight to interior zones since they were moving from very small floorplates (six floors at 7000 sf each) to moderate floors (2 floors at 17,400 sf each) where secretaries and paralegals who had perimeter windows would now be in an interior zone. They also wanted good lighting that would promote

interaction among staff and clients. So instead of costly custom millwork for secretarial stations, work stations with wood veneer faces were utilized and the project was completed below budget.