

UK law firms recognise the need to innovate and change in response to COVID-19

UK law firms are recognising the need to innovate and adapt through the use of technology in light of the pandemic, according to a new report from HSBC UK.

The report, written in collaboration with *Briefing*, found that 51% of law firm leaders are increasing technology spend while just 19% say they plan to reduce investment.

As spend increases, priorities have changed, with more than three quarters (77%) prioritising investment in tools for agile working followed by management information (58%) and process automation (56%).

Firms showed less intention to make further investment in the areas that were identified as most important last year - cybersecurity and client collaboration.

Chloe Clift, Head of Professional Services sector for HSBC UK Commercial Banking, said: “The pandemic vindicates law firms’ previous technology investment with many surprised by the efficient transition to remote working. However it is also a catalyst for greater use of agile working technology and process automation tools.

“This focus on technology appears to be here to stay and the research shows a clear commitment from firms to improve these digital tools to enable further flexibility in the future.”

The survey also found that firms are increasingly focusing their investment plans on the UK. A large majority (88%) of law firm leaders identified the UK as one of their top three regional priorities in 2020, a substantial increase on the 68% from last year. Europe (32%) and North America (31%) were the next regional priorities identified in the report.

Despite increased focus on the UK, there remains an appetite for future global expansion with two fifths (40%) of those surveyed saying they still have plans to grow internationally despite the current global economic challenges. Only 1% said they would reduce global activity.

Chloe Clift adds: “This has truly been a year unlike any other for UK firms and there will undoubtedly be further headwinds to face as the combination of COVID-19 restrictions, deferred tax, job support schemes and the end of the Brexit transition period play out over the coming months.

“It’s encouraging to see that, despite these economic challenges, there remains a commitment to further invest in the UK and firms have not lost their global ambitions for opportunities to grow in both new and existing markets.

“HSBC UK remains well placed to support these strategic growth opportunities.”

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Notes to editors:

The report is based on a survey of 80 of the top 100 law firms.

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