

With COVID, 'Liquid Workforce' Presents Alternative to Traditional Legal Help

With businesses reeling from the pandemic, an alternative legal model might get a boost

by: Jim Cavan | in Business Insights, COVID-19 Coverage, Economics



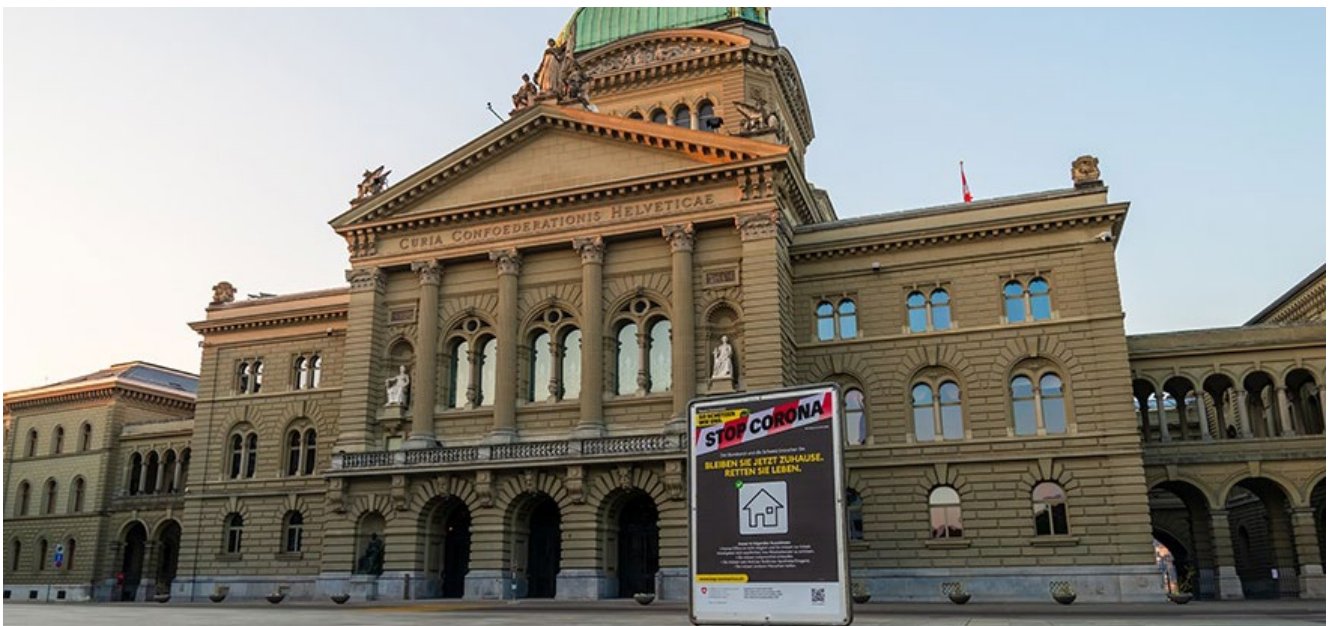
Share



Tweet



Share



Tuesday, July 7, 2020

Even before the COVID pandemic struck, Global Workplace Analytics, a research-based consulting organization, predicted that 25 to 30 percent of the U.S. workforce would be working from home multiple days a week by the end of 2021.

That trend could be—and already has been—especially disruptive to the legal industry, where in-person meetings have long been considered vital to the attorney-client relationship. But while many

firms and in-house legal teams anticipate an unprecedented challenge, Richard Ossen sees an opportunity.

“I think COVID-19 has accelerated a change that was already occurring in the legal and compliance world,” says Ossen, co-founder and managing partner for Flex Suisse, a legal consultancy based in Switzerland. “It’s happening everywhere. What we’re trying to do is offer a different approach to how internal legal departments leverage external resources.”

Finding a third way

Launched in 2018, Flex Suisse uses what Ossen calls a “liquid workforce” model. Unlike traditional law firms, which typically bill clients by the hour, Flex Suisse staff are “loaned out” on a per-project basis. Depending on an attorney’s expertise, per-day rates vary from \$1,200 to \$1,600.

By paying for a defined legal service (such as ensuring compliance with a new regulation), companies avoid the exorbitant costs of having the project run longer than expected—due to delays in processing paperwork, for example. That, in turn, allows Flex Suisse to better manage its staff, ensuring clients receive the expertise needed to get the job done. Such is the argument in favor.

“If you’re an in-house counsel, your goal is to do everything you can to encourage internal growth,” Ossen says. “But hiring full-time staff is very expensive, and that can impact the organization. With this model, general counsels can get the required resources, without committing the company to long-term costs—and the internal politics they create.”

Our services are most requested by international banks and insurance companies because those businesses are so important to dealing with the crisis.

Brave new world

While the concept of liquid workforce has existed for years, the idea has gained momentum in recent years, and Flex Suisse isn’t without competition—LegalZoom, for instance, was founded 19 years ago and offers help covering everything from forming a business to writing a will.

Likewise, a quick Google search reveals a plethora of other options in the U.S.: PracticePather; BizCounsel; JustAnswer, and a few others that advertise quick, hassle-free legal and business services without a retainer. So how does one stand out in what appears to be an emerging market?

“Our services are most requested by international banks and insurance companies because those businesses are so important to dealing with the crisis,” Ossen says. “On the one hand, insurance claims are rising. On the other, the government is jumping in with large rescue packages that require compliance. This requires properly trained legal professionals to do it.”

In Switzerland, he says that the conversation is complicated by the fact that banks and insurance providers are required to give employees three months' notice before firing them.

Brave new world

As the COVID crisis deepens, these organizations will be faced with a stark choice: make massive cuts in anticipation of an economic downturn, only to scramble to rehire; or be forced to pay staff that's no longer needed, given the economic realities.

Law firms, too, are exploring alternative payment models says Yves Gogniat, a veteran attorney and partner at the Zurich firm of Wicki Partners AG who has helped businesses throughout Europe become compliant with the strict General Data Protection Regulation, one of the toughest privacy regulations in the world.

Having worked closely with the IT department of these businesses, many of which rely on "freelance" experts for certain projects, Gogniat sees similarities between that model and the one offered by companies like Flex Suisse.

"As law firms, we're often asked how long it will take us to do a certain project, or if there's a fixed price. Most firms are reluctant to do this," Gogniat says. "In a sense, we're moving towards being more like a service provider, where there's at least some kind of price range associated with the work."

Best of both

Still, clients aren't the only ones who can benefit from the model, he acknowledges. In the past, attorneys who wanted to ply their trade (and make good money doing it) had two options: work in private practice or become an in-house counsel.

According to Ossen, companies like Flex Suisse offer the best of both worlds: the variety of work one might find at a law firm; and the ability to see a project through from start to finish—just as one would as part of an in-house legal team.

"In private practice, you're often just giving your opinion on certain matters without seeing the finished product," Ossen explains. "Here, you're putting yourself in the shoes of an in-house counsel. The environment and challenges are always changing."

What's more, unlike most law firms which must provide a physical space for employees, Flex Suisse lawyers work almost exclusively with their clients, reducing Flex Suisse's overhead and allowing Ossen to better compensate his team.

"We're saving up to 30 percent of what it costs to run a law firm," Ossen says. "That flexibility is what makes us different and will allow us to succeed—especially in these uncertain times."