



COVID-19 and Litigation Famine, Then Feast

By Sarah Schaaf
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Over the past few months the legal industry, like the rest of the world, has seen unprecedented effects as a result of COVID-19. Litigation is one of the hardest hit areas: courts are closed, new filings have declined, and firms have had to focus on how to adapt to working virtually instead of their pipeline of next business. Some firms are beginning to panic. **The real question is: which firms can last long enough to see the end of the litigation famine and the rise of the coming feast?**

Let me break down what I mean. First, there is the issue of adaptability. Which firms have been able to adapt to the “new normal” the fastest? Which were able to transition to an entire WFH workforce in a matter of days instead of weeks? I think of it as a spectrum.

On one side, the solos and very small firms.

Incredibly nimble, able to quickly try new technology, but generally low on cash reserves. So although the firms at this side of the spectrum may be able to adapt quickly, can they last and ride out the storm?

On the other side, the very large firms. Tons of cash reserves to wait it out, but also tons of overhead and bureaucracy. They are unable to adopt new technology at the pace they need to—generally it can take these firms months if not years to try something new or change out their tech vendors. So they may be okay for the short term, but how can they really adapt long term?

Then we have the firms in the middle, those in the range of 20 to 200 attorneys (give or take) that don’t have the cash reserves of the big firms nor the adaptability of the small firms. The firms in this middle part of the spectrum may be in trouble as we face this “new normal”, but only time will tell.

Now, what does all of this have to do with a firm’s pipeline of new business, especially a firm that specializes in litigation? Well, a lot actually.

You see, COVID really has changed everything. At the moment the legal industry is waiting for the dust to settle. Once it does in a few months (hopefully), we will see that the legal industry is more essential than ever in the “new normal”. COVID will undoubtedly negatively affect some practice areas, but it will also be the reason that new practice areas emerge and some existing areas see some major uptick in business. Why? Because in life



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post-COVID, everyone is confused and many people have suffered irreparable damages. When people are confused and broken, they turn to lawyers and they file claims.

Class action suits will be filed at a higher rate than we've seen in decades; litigation funders will flourish. Firms that specialize in employment law, medmal, and bankruptcy will be busier than ever. There will be many business disputes to untangle after this and a lot of consumer complaints about businesses that didn't adequately perform services or give timely refunds. Not to mention the claims that

will be filed with and against insurance companies for COVID -related coverage issues. Even areas like family law and immigration law will need to assist in a post-COVID landscape we couldn't even imagine 6 weeks ago.

At the end of all of this, we will see a wave of litigation related to COVID. There will be ample work for lawyers that have these specialties or can adapt to these newly popular practice areas quickly. For now, it's all about staying power. The firms that can adapt quickly now and hold on long enough for the famine to pass will feast soon enough.

About the Author



Sarah Schaaf is an attorney, payments expert, and founder and CEO of [Headnote](#). Sarah practiced as a litigator at firms in San Francisco including Hawkins Parnell Thackston & Young LLP prior to working as an attorney at Google. In 2014 she left Google to begin Headnote with the singular focus of changing the way law firms run the most important (and often most disliked) part of their legal ops —the AR department. She is an active member of several legal tech and Fintech groups in Silicon Valley including NFX Guild, Commerce Innovated and Founders for Change.

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