

Tim Powers in *The American Lawyer*: 'How Law Firms Are Handling the 'Most Interesting' Budgeting Season in Years'

October 6, 2020 Timothy Powers

PRACTICES Finance

Haynes Boone Managing Partner Tim Powers talked with *The American Lawyer* about how firms are wrestling with their budgeted 2021 expenditures in the wake of COVID-19.

Below is an excerpt:

In conventional times, law firms budgeting for the next fiscal year can look to their financial performance from the one that's coming to an end to set benchmarks for spending.

These, however, are not conventional times. And consequently, some firms are initiating these internal discussions earlier than usual. But even those getting a head start don't have a crystal ball into the coming year.

At Haynes Boone, the leadership team started the process in September, roughly a month earlier than usual, in order to game out what 2021 could have in store.

"We're preparing various scenarios that range anywhere from back to normal immediately to another similar year, and multiple things in between," said managing partner Tim Powers, whose board also does not lock in the annual budget until shortly before the end of the first quarter.

The course of the pandemic is not the only thing Haynes Boone is trying to predict. Even without COVID-19, the outcome of the U.S. presidential election is the source of substantial uncertainty about the future, as is the end result of ongoing negotiations about the terms of Britain's departure from the European Union. For Haynes Boone clients, the trajectory of the U.S.'s volatile trade relationships with both Mexico and China will also make a difference.

"We're talking with clients about how they're doing their own forecasting and how they would look at their business in [the] coming year," Powers said. "They're pretty optimistic."

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