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# The Legal Intelligencer

## Lessons From the Frontlines: Flexibility as a Competitive Advantage

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## How Legal Departments Can Excel Through Economic Volatility

These days volatility isn't the exception. It's the rule. From international tariff fluctuations and economic turmoil to regulatory changes and technological disruptions, corporate legal departments are weathering waves of uncertainty and increased complexity. What separates thriving legal functions from those merely surviving or, worse, sinking is their approach to uncertainty itself.

#### **Resilience Through Economic Cycles**

History provides valuable context, especially when it's a history you've personally lived through. Axiom's history is a case in point. We were founded during the dot-com boom in the year 2000, with our first office standing in the shadows of the Twin Towers.

We all remember 9/11. Not long after, the dotcom boom gave way to the dot-com bust. Both hit within our first three years—when our focus was tech and financial services clients. Yet despite the upheaval, our business grew rapidly. Why? Because our model was built for change. As the first company to deliver top-tier legal talent on demand, we offered clients a cost-effective way to flex their teams—adding specialized expertise



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or scaling up during workload spikes when they needed it most.

A few years later, the housing bubble burst in concert with the subprime mortgage crisis, triggering the Great Recession. We were still serving many financial services clients—the industry at the epicenter of the crisis—and we expanded our reach and impact *again*.

What we've learned over the past 25 years is that flexibility in legal support becomes *more*—not less—critical during times of disruption and uncertainty.

Indeed, adding full-time staff during uncertain times gets harder because it's a fixed cost commitment that many organizations can't justify.



But the legal work continues to grow in both volume and complexity. Whether addressing international trade compliance issues arising from new tariffs or responding to evolving regulatory requirements, legal departments frequently lack the capacity and specialized knowledge needed to address emerging issues effectively.

Law firms are available but at a high cost, with even mid-level associates commanding premium rates that put additional pressure on legal budgets. Big law's pricing model becomes increasingly difficult to justify in environments where every department is being asked to better manage costs under intensified cost scrutiny.

In volatile times, the ability to access high-quality legal talent on demand, without long-term commitments, isn't just helpful—it's a strategic advantage.

#### The AI Conundrum

Rapid advancements in legal AI add a new dimension to this complexity. For legal departments, AI represents an enormous opportunity, a significant challenge, and path fraught with risk for the uninitiated (which is most of legal)—including fears of existential risk. The technology landscape resembles a mostly unexplored legal wilderness where expert guidance is essential and hard to come by, with dangers lurking for those who move too fast, for those who move too slowly, and those who are strategically unprepared.

That's the conundrum. You're stuck if you do and stuck if you don't. Legal departments can't afford to ignore these developments yet becoming Al experts in weeks or Al-enabling your team in a few months is unrealistic. The evaluation and testing of effective tools require significant investment—time and resources most legal departments simply can't spare.

Legal team members and leaders alike must stay current with technological developments, but they don't need to undertake this journey alone. Specialized assistance with emerging technologies becomes particularly valuable during periods of rapid technological change, allowing legal departments to adopt proven solutions rather than navigating the complexities of technology implementation independently.

This is exactly why we introduced our Tech+Talent solution portfolio earlier this year. The goal: to help our clients cut through the Al hype and identify, screen, pilot, and deploy the tools that meet our high standards for accuracy, trustworthiness, time savings, usability, and risk, so they can be put to work quickly by our clients.

#### **Turning Uncertainty Into Action**

The path ahead isn't about predicting the unpredictable, but about building systems that remain effective when plans and predictions fail. By incorporating greater flexibility into their operational models, in-house teams can turn periods of uncertainty from threats into opportunities, from business buster to business builder, all the while demonstrating their strategic business value.

Economic, political and regulatory uncertainty isn't going away. It's the new normal. In what's sure to be an unpredictable socio-political and economic landscape for several years to come, flexibility isn't a nice-to-have feature—it's the essential building block for survival, and for success. Ensure your legal team is equipped for success by institutionalizing flexibility.

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