

**Plenary 1 : Economic downturn
Managing Change
Anthony Hilton, The Evening Standard**

"Normal" recovery

Growth rate during this recession is the same as during others
Banks don't lend during "green shoots"
Not back to the 2008 levels!
But who cares, as they were unsustainable anyway!
Long term growth rates should perhaps be 1.75%, not 2% plus

70 currency unions broken up since World War II

Don't worry about....

....recession, the worst is over
....debt, we've had more before
...the economy, it's getting better

Business risk

Supply chain is global
Where do "claims" get made in a global world?

Law Firm Structures

Are lawyers being disintermediated?
Like in medicine and in journalism?
Will virtual firms come to the fore?
More lawyers as freelancers working from home?

Company Lifecycles

Not like Smiths Industries – 100yrs as a public company
Predicted we'll have 1m new companies in the next decade
On top of the 5m we have already
Companies may now be 1-2 product companies only e.g. MySpace

He's an optimist on the economy

Since 1968 it's....
...his 4th recession
....his 7th banking crisis
Each crisis prompted regulation to prevent it happening again
Highest employment rate ever
Now downturn before 2008 for over 15 years

He gave Robert Peston his first job in financial journalism...so it's "his fault"!

Quarterly growth rate

Ignore whether positive or negative
As it's always wrong
0.9% uplift on negative quarterly figures (on average)
Equiv. of 3.6% over the year!
To solve recession...work through lunchtime

The floor of averages

e.g. average no. of children is 1.8
Economic growth = 1%
Some at 10%, some decline at 9%, hence 1%
Always some do well, some do badly