Better Law Through Better Business

Implementing Legal Project Management and Efficiency Measures in Your Practice

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Introduction:
Goals of this Presentation

• Introduce the concept of Legal Project Management

• Describe how a successful LPM program can be used to create a project plan which sets clear goals and confirm expectations

• Identify LPM tools which encourage collaboration with the legal team, improve communication and reduce waste
What are Clients Looking for from their Attorneys? 

Association of Corporate Counsel (ACC)

In February of 2012, the ACC conducted a Legal Service Management Workshop and identified the following traits of the “Perfect Law Firm”:

- **Ask** before making a change in the matter
- **Be responsive**
- **Plan the work and work to the plan**
- **Design the representation** to align with business needs
- **Prepare budgets** and provide estimates for briefing and research
- Provide **accurate and timely billing**
- Provide **appropriate staffing** and alternate staffing solutions
- **Perform a post mortem** and analyze with the team what went right and what went wrong
What are Clients Looking for from their Attorneys?
Association of Corporate Counsel (ACC)

ACC Value Challenge – What it covers?

The ACC Value Challenge focuses on providing resources and training — for law firms as well as law departments — on these key value levers:

- Aligning Relationships
- Value-Based Fee Structures - not based on the "billable hour"
- Staffing and Training Practices
- Budgeting
- **Project Management**
- **Process Improvement**
- Use of Technology
- Data Management
- Knowledge Management
- Change Management
What are Clients Looking for from their Attorneys?  
*Efficiency and Predictability*

**Traditional Law Firm Practice**

- The practice of law has historically been focused on following **procedural requirements, researching** and evaluating facts, analyzing cases and statutes and **negotiating** on behalf of the client;

- The time to accomplish these tasks was **rarely estimated**;

- The days of attorneys developing **solutions by intuition**, experience, with undefined resources and timing, and **without a budget** is fast becoming a thing of the past;

- The objective of **Legal Project Management** is to drive down costs and to make attorneys more efficient and strengthen client relationships with more transparency.
What are Clients Looking for from their Attorneys?

Legal Project Management - How can it help?

What does the ACC Value Challenge establish?

• In today's economic climate, being a legal expert is not enough

• Exceptional legal service includes being a good steward of our client's resources and providing predictable costs

• For years, other industries such as manufacturing, construction and engineering have seen the efficiencies that can be realized by implementation of project management processes and developing a detailed plan for scope, tasks, schedules and budgets before beginning the project
Legal Project Management:
Legal Project Management Overview

Boake and Kathuria in their book “Project Management for Lawyers, identify the following as support for implementation of Legal Project Management in law firms:

- Addressing disparity – the misalignment between the way law firms work and the way clients work is not sustainable. Law is a service business that must align itself more closely with the interests of corporate clients. Project management is a structured approach that will bring a law firm’s service delivery model close to the business requirements of its clients.

- Making the link – clients want to see a clearer link between the cost of legal services and the value of those services to their business. This is more easily done within a project management framework, where the client defines what a successful outcome will look like and has a reliable estimate of the costs involved in achieving it.

Legal Project Management:

Legal Project Management Overview

Boake and Kathuria in their book “Project Management for Lawyers, identifying the following as support for implementation of Legal Project Management in law firms:

- Staying competitive – the market has placed a premium on predictability, efficiency and cost control. This is not likely to change. Law firms must improve their planning, estimating and matter management skills in order to stay competitive.

- Responding to pricing pressures – alternative fee arrangements pose a threat to firm profitability unless they can be priced and managed using some kind of project management framework.

Boake and Kathuria, Project Management For Lawyers (Ark 2011), p.6-7
Legal Project Management: Legal Project Management Overview

Hassett identifies the following symptoms that LPM is needed in the practice of law (Hassett p. 7-8):

- missed deadlines;
- over-researched tasks or issues;
  - failure to communicate objective or limited scope
  - responding to a last minute request
  - charging the client for training
- hours spent well in excess of pre-set quotas;
  - Parkinson's Law: "The amount of time which one has to perform a task is the amount of time it will take to complete the task."
- miscommunication;
- typos; and
- personnel substitutions;
  - new team members must be educated on the case - the client typically pays for this unless they push back
Legal Project Management:  
*Legal Project Management Overview*

Others are:

- collaboration with the client to tailor the matter to fit the business need;
- "increased numbers" - really unanticipated costs or unidentified risks;
- starts and stops in matters;
- communication with the client to clearly identify objectives;
- demystifying for the client what is required to administer the case;
- timely communication to the client regarding changes;
- failure to use the right resource for the task;
- communication to the team of expectations;

As Hassett points out, technology can assist with curing some of these issues (p.8):

- more regular time entry (real time communication, more reliable information)
- methods for real time exchange of group information
- approved checklists and outlines for the engagement
- monitoring status of team members without walking to their office
Legal Project Management:  
**Legal Project Management Overview – What is it?**

• **Legal Project Management.** The application of the principles of project management to legal cases/matters to efficiently manage legal matters with the following goals:
  - Completed within time constraints,
  - Completed within budget,
  - Utilizing assigned resources effectively and efficiently,
  - Accepted by the client

• **Skills of a Legal Project Manager:** Must be a good communicator, organized, have an understanding of budget constraints, conflict management, leadership and team-building skills. Legal project management complements what successful attorneys already know and do.

• **Justification:** Legal project management is not just about fixed fees. “We will be good stewards of our client’s resources regardless of the fee arrangement.”
Legal Project Management:
Legal Project Management Overview - Elements

• **Most attorneys already:**
  o Understand the nature of the engagement at intake
  o Identify the tasks to be performed
  o Assemble team members to undertake the matter
  o Use basic communication tools to manage and complete the matter

• **Some attorneys (although rarely all the time):**
  o Develop a written task list
  o Develop a written schedule of tasks to be performed and assigned team members
  o Conduct periodic scheduled meetings of team members to review status of the matter
Legal Project Management:

**Legal Project Management Overview - Elements**

- *Rarely do attorneys:*
  - Take the time at the initial engagement to develop a written scope statement including activities which are outside the scope of the engagement and circulate same to client and team members
  - Develop a matter budget
  - Track actual performance to the schedule and budget
  - Develop a formal communications plan
  - Regularly communicate with the client the status of the matter
  - Notify client of changes to schedule and budget in a timely manner
  - Conduct a post-matter review with team members and the client
Legal Project Management: Legal Project Management Overview - Benefits

• **Efficiency**
  - Relentless focus on Client value
  - Control/better understand costs in real time
  - Standardize matter management practices across the Firm
  - Increase profitability of engagements

• **Predictability**
  - Measurable success metrics aligned with Client goals
  - Define upfront work necessary to meet client’s needs and expectations
  - Fewer (and lower) write-offs and discounted fees
  - Better preparation for unplanned events

• **Innovation**
  - Improvements to resources, capabilities and skills across the Firm
  - Templates for budgets, task lists, procedures, and form documents to ensure consistency of work product to improve the Firm’s knowledgebase
  - Focus on use of most appropriate resource to do work

• **Communications**
  - Provide more and better communications with clients and team members
  - Higher level of client satisfaction
  - Less focus by client on discounted fees and AFA’s
  - Generate new business
It will be business as usual . . . but improved

• Some Attorneys, Paralegals, and Law Firms are already doing some of the typical project management processes, although maybe not in a systematic way. It’s not whether attorneys want to manage better, it’s how.

• LPM does not require complex tools, but leverages and capitalizes on the skills Attorneys already possess to bring order to an otherwise chaotic process.

• LPM develops helpful templates and guides for future matters of a similar nature.

• LPM is not “one size fits all” – but can be implemented in a low, medium or high level based upon the information available, the nature of the matter and the time frame involved.

• LPM provides a key marketing advantage in an environment where Client legal budgets are being reduced.
Introduction: What is Legal Project Management?

- LPM draws upon processes focused on planning, monitoring and closure of an engagement.
- LPM improves planning, monitoring and communications to ensure that an engagement adheres to a set of defined objectives for scope, cost, and time.
- Coordinating scope, cost and time is sometimes referred to as the triple “constraint.”
- If scope remains the same, but time is reduced, cost and necessary resources increase; likewise, if costs and resources are reduced, time is increased.
Legal Project Management: Legal Project Scoping

Scope Statement (Engagement Letter)
Legal Project Management: Legal Project Scoping

A legal engagement is typically initiated by a telephone call or meeting with the client.

- The initial meeting may last only a few minutes or may be a lengthy meeting where a significant amount of information is exchanged.

- In most cases, the client attorney will follow up by running conflicts on the parties identified in the meeting, setting up the matter internally and then following up with the Client regarding any additional information required.

- An engagement letter will be then be prepared and once executed, work will commence.

- Depending on the urgency of the matter, it is possible that the Client could incur significant expense after the execution of the engagement letter.
Legal Project Management:
Legal Project Scoping

Scope of the Engagement - normally clarified in a short statement in the engagement letter:

(Excerpt from a typical Attorney Engagement Letter)

We are pleased that you have retained the Firm to represent you in connection with [description of scope of engagement].

We will bill you monthly based upon hourly rates. Hourly rates for shareholders are currently $305.00-$330.00; associates who may be working on this matter are currently billing at $240.00-250.00 per hour; and paralegals who will work on this matter currently bill at $130.00-$150.00 per hour.

Budget estimates based upon a general and high level description of scope will be off target of expectations.
Legal Project Management: Legal Project Scoping

The scope of the engagement should be clarified to confirm that the tasks to be completed, schedule and budget are limited by the scope and will be on target with expectations.

• There are resources that identify the skill and expertise of attorneys, but nothing provides a client with a reasonable estimate of what a matter should cost and what typical services should be provided.

• The client is used to this type of predictability in most of the other services that they receive.

• Therefore, in the initial call with the client, the object is to ask a series of questions that can assist the attorney with the development of a detailed plan for the administration of the case in order provide the client with a predictable estimate of the potential costs.
Legal Project Management: Legal Project Scoping

What Can You Do?

• Request clarification of the initial engagement for your own purposes, if not the client’s

• Develop templates based upon your normal work processes or on ABA/UTBMS matter plans

• Be the driver behind the change
Legal Project Management:  
*Legal Project Identification of Stakeholders*

- Attorneys are typically contacted by a single individual. For corporate or entity clients, the attorney should confirm who are the other **stakeholders** who need to be consulted regarding the project objectives. For corporate clients, in many cases the business department, who approves the legal department's budget, may need to be consulted to confirm the estimate for the work. What type of information should you obtain about stakeholders?

  - position
  - contact information
  - expertise
  - responsibility
  - decision making authority
  - expectations goals
Legal Project Management:  
*Legal Project Identification of Stakeholders*

Ask yourself:

**Who...**

- is the main point of contact in the client organization? Third party? Opposing counsel/firm?
- in the client organization has an interest in the matter budget?
- needs to be involved in discussion of strategy or budget?
- should be copied on correspondence?
- can provide initial information and identify the issues on the matter?
- has ultimate decision making authority?
Legal Project Management: 
*Legal Project Identification of Stakeholders*

Why is stakeholder input so important?

• Whether a new matter with a new client or a new matter with an existing client, it is critical to understand those individuals or groups who could have a significant impact, either positive or negative, on the matter

• It helps to identify the client's business needs, key client business strategies, market conditions and risk tolerance

• **DON’T JUST DO IT IN YOUR HEAD.**
Legal Project Management: Legal Project Identification of Stakeholders

What can you do?

- Develop the stakeholder list
- Request input from the legal team
- Develop and inform the team of a working procedure regarding the gathering and sharing of the stakeholder list
Legal Project Management:

**Legal Project Scoping**

- Statement of Work
- Identification of Stakeholders
- Scope Statement
Legal Project Management: 
Legal Project Statement of Work

• The client should be consulted regarding shared responsibilities in the administration of the case. Most legal projects involve some element of non-legal responsibilities - whether it is collecting and evaluating documentation for a litigation matter or collecting and evaluating due diligence information for a transactional matter. The client should be consulted regarding whether any of the tasks to be performed will be handled by the client. This may also include legal issues that will be handled by the client's in house legal team. These issues should be identified at the outset of the engagement in order to provide the client with the opportunity to save costs for any matters that are out of scope. Dyson, Sally, *Budgeting and Negotiating Fees with Clients: A Lawyer's Guide* (Ark 2011), p.19

• Out of scope also identifies issues that may arise which cause the matter deviate from the original plan. This could occur if the client changes or expands its instructions, or if events beyond the control of either party create a new line of work which was not previously contemplated (Walgreens example)
Legal Project Management: 
*Legal Project Statement of Work*

- The next step is to confirm any other client **requirements** with regard to staffing, reporting and communication regarding status, approval of certain aspects of the engagement, changes in the original specifications for the engagement. Some sophisticated clients may also provide detailed specifications for the attorney client relationship.

- **Example "Guidelines for Outside Counsel":**
  
  o Goal is to provide "quality legal representation in a cost effective manner";
  
  o Identifies a point of contact for the representation within the organization - i.e. supervising attorney;
  
  o Mandatory communications with supervising attorney (initial case evaluation, pre-mediation, pre-trial evaluation, after action review;
  
  o Document approval required for dispositive motions and mediation statements;
Legal Project Management: 
*Legal Project Statement of Work*

- **Example "Guidelines for Outside Counsel"**:  
  - Budget estimate should be provided within 2 weeks of the assignment and should include phase and task estimates and be categorized by tracking codes;  
  - Budget changes or revisions must be approved and explained;  
  - Rates and time estimates should be provided in the budget;  
  - All expenses should be approved in advance;  
  - Staffing should be with the minimum number of attorneys consistent with high quality legal services - no more than one partner and one associate, and meetings, depositions, mediations, hearings and arguments should be efficient as possible;  
  - Staffing should be at the most cost efficient level and matters should be assigned to an attorney who has the lowest billing rate while still possession the requisite experience;
Legal Project Management:
Legal Project Statement of Work

• Example "Guidelines for Outside Counsel":
  o Bills should indicate the person doing the work and detail the work;
  o Attorneys initially assigned to the case should remain assigned to the case, and staffing changes should be approved by the supervision attorney, and no spot assignments should be made without prior approval;
  o Consider whether or not certain tasks can be handled by inside counsel;
  o Bills should be provided in an electronic format using a specified format;
  o No block billing, rather each task should be set out separately with an amount of time associated with it;
  o Hourly Fees should not be charged for preparation of budgets, invoices, clerical or administrative matters (conflicts, copies, mailing), training, travel time, research into areas within the Firm's expertise, internal conferences;
  o Travel expenses should be at reasonable rates (coach air travel);
Legal Project Management:

**Legal Project Statement of Work**

- **Example "Guidelines for Outside Counsel":**
  - Expenses which are not permitted are:
    - Secretarial, word-processing, proofreading, or other clerical services
    - Photocopy expenses at more than actual cost or 10 cents a page, whichever is less (unless specifically authorized)
    - Internal computer time
    - Lexis, Westlaw, or other computerized research unless approved in advance by US Industrial Legal
    - Costs associated with the maintenance of offices
    - Local telephone expenses
    - Local travel
    - Local outgoing or any incoming faxes
    - Other overhead or capital expenses
Legal Project Management: 
*Legal Project Statement of Work*

- **Assumptions:** Factors known to be true that must be validated throughout the project life cycle.
  
  - Factual Assumptions regarding the facts of the matter which if proved untrue could result in expansion of the scope and additional tasks to be performed.
  
  - Procedural or Strategic Assumptions regarding the opposing parties litigation or negotiation tactics which are factored into the tasks to be performed and the time estimates provided.

- **Constraints:** Factors that limit the options such as timelines, deadlines or regulatory issues.
Legal Project Management:
Legal Project Statement of Work

• **Risks:** Factors that may be encountered during the matter and how these risks can be minimized. The objective is to provide a description of the risk, quantify it (in terms of probability) and identify actions that can be taken to minimize the risk.

  o A chart can be created for risks which identifies the risk, description, impact (% increase in cost or time), probability (high, medium or low), rating (based upon potential impact) and management strategy.

  o Management strategies can include mitigate, avoid, accept or transfer the risk.

• **Scope Creep:** Based upon the litigation, negotiations or new facts that arise, the scope of work expands beyond what was originally anticipated by the client and the attorney performs the work without first obtaining approval from the client.
Legal Project Management: Legal Project Statement of Work

- **Success Criteria:** Provide a description of the client's expected success criteria for the administration of the case with regard to the objectives, requirements, and deliverables.

- **Client’s Anticipated Project Timeline:** To the extent that the client must meet deadlines or milestones, this information should be set out in the Scope of Work.

- **Client’s Anticipated Cost:** Most clients have a general idea of what they believe is a reasonable charge for the services provided. This may be based upon prior experience with an engagement that is different from the current engagement. The objective of the remainder of the planning process will be to confirm whether or not the client’s expectation is reasonable in light of the work to be performed.
Legal Project Management: Legal Project Statement of Work

What can you do?

- Utilize the tools available to calendar client/matter milestones and dates; inform your team of where to find this information.

- Be knowledgeable regarding the work to be performed by the legal team; assist your legal team by keeping a running log of issues, updates, changes, etc.

- Monitor your own work – make sure you’re only doing that which has been agreed upon with the client.
Legal Project Management: 
*Matter Specific Communication*

What do you do with all of this information?
Legal Project Management: 
*Matter Specific Communication*

• *What are the next steps:*
  
  o Develop a Communication Plan
  
  o Communicate the Plan to the Client
  
  o Communicate the Plan to the Team
Legal Project Management:  
Develop a Schedule and Identify Responsibilities

**Schedule and Team Responsibilities:**

- Traditional Project Management practices include the development of a RACI diagram to communicate and track team member assignments (“RACI” table – i.e. Responsible, Accountable, Consulted and Informed).

- This is very similar to the way that legal matters are managed within a law firm. A **supervising attorney** is typically “Responsible” for the work. Legal **team members** are “Accountable” for their individual tasks. Attorneys with **specialized expertise** may be “Consulted” on specific areas of law, and Client **relationship attorneys** and **clients** are typically required to be “Informed” of progress.

- The assignments on the Matter Plan Task List identify who will be “Accountable” for certain tasks. However, a RACI table can be developed as part of the Project Plan to confirm expectations.
Legal Project Management:  
*Finalize the Plan and Communicate with the Client*

**Review and Approval of the Project Plan documents with the Client:**
- Scope of Work
- Matter Plan Task List
- Communicate Plan
- Schedule and Responsibilities

**Confirmation of the fee arrangement:**
- Should not be addressed with sufficient detail until the Project Management Plan is developed.
- Will enable both the client and the Legal team to estimate the fee with more accuracy and reliability.
Legal Project Management: Communicate the Plan to the Team

What can you do?

• Become proficient in all of the office/tech tools at your disposal – ESPECIALLY THE EMAIL AND CALENDARING CAPABILITIES

• Determine the best ways to gather the necessary information for the requested reports

• Develop and inform team of where to find the information related to schedules, responsibilities, and general updates
Legal Project Management: Budgeting and Monitoring Progress

• *What are the next steps:*
  
  o Manage Tasks, Budget, Schedule and Resources (Creating Effective Teams)
  
  o Monitoring Performance with the UTBMS (Manual / Automated) and Status Reports
  
  o Assess Risk and Managing Changes in Scope, Budget and Time
  
  o Project Closure and Lessons Learned