

Key Issues in Legal Project Management

The following article is adapted from the recently published third edition of the *Legal Project Management Quick Reference Guide* by Jim Hassett and thirteen contributing authors. For more information on the book, visit www.legalbizdev.com or call 800-49-TRAIN.

Our book *Legal Project Management Quick Reference Guide* is organized around eight key issues in legal project management (LPM), listed below. Just pick an issue that could have an immediate impact on your practice, turn to that section of the book, and start identifying action items.

1. *Key issue:* Set objectives and define scope. *Description:* You must define your assumptions and specify exactly what is included in the assignment and what is not.
2. *Key issue:* Identify and schedule activities. *Description:* After the scope is clearly defined, the next step is to break down a complex matter into smaller tasks and to schedule them.
3. *Key issue:* Assign tasks and manage the team. *Description:* To maximize efficiency, the right people must be assigned to the right tasks, team members must understand the project's scope and their responsibilities, and performance must be monitored.
4. *Key issue:* Plan and manage the budget. *Description:* Estimating and controlling costs are a challenge in every profession, and represent the most critical area for many lawyers.
5. *Key issue:* Assess risks to the budget and schedule. *Description:* What can you do at the beginning of a matter to mitigate risks and increase the chances that work will be completed on time, within budget?
6. *Key issue:* Manage quality. *Description:* Most lawyers are very good at delivering high-quality legal work. However, it

becomes more challenging when schedules change and budgets get reduced.

7. *Key issue:* Manage client communication and expectations. *Description:* This issue is, of course, extremely important to clients, and it is an area in which many lawyers have room to improve. This section of the book describes best practices, including the use of an "RACI matrix" to clarify who is responsible, accountable, consulted, and informed for each task.
8. *Key issue:* Negotiate changes of scope. *Description:* No matter how well lawyers manage legal matters, things often change. The issue here is deciding when and how to negotiate these changes with clients.

The Top Best Practices

When picking action items on which to focus, you may find it useful to briefly review this list of the top best practices:

1. Make sure you understand client needs early on. What would the client consider to be a successful outcome? What are the client's priorities, both overall and for this particular matter? Also determine who the primary decision-makers are on the client side, especially in regard to cost issues.
2. Divide a large complex matter into a number of smaller tasks. Then schedule a meeting of key team members to define the schedule and budget the tasks. Bottom-up planning (which is interactive and iterative) is more effective than top-down planning (which is linear and one-way). Remember that it is human nature to be optimistic; don't underestimate how long tasks will take.
3. Aim for a cohesive team approach, with one lawyer managing all assignments

and monitoring the time of all lawyers assigned to the matter. Also assign primary responsibility for each task to a single individual. When specific people are assigned to tasks, each person will have a sense of ownership and you will have a clear view of who is responsible for what.

4. Individual tasks should be easy to track. Each activity should be budgeted for a manageable chunk of time (typically 8 to 80 hours) to give team members freedom to perform the task as they think best while still assuring accountability.
5. Communicate the budget and hourly expectations for each task to the team. Then ask the person who is responsible for each task to estimate how long they think it will take. If there is a large gap between their estimate and yours, discuss why and consider revising the estimate.
6. Always know what you have spent so far, and what you expect to spend in the future. Check at regular intervals to make sure the work is being done within the projected budget. Compare the percentage of the budget you have spent with the percentage of work you have completed. Focus attention on the largest tasks that will require a high percentage of the budget.
7. In large projects, schedule regular team meetings to review progress and remind members of the overall goals of the project and of upcoming tasks. Create status reports that are easy to review. Watch for and remove roadblocks that interfere with team progress.
8. If cost reduction is required, look for procedures that can be simplified or standardized. Also, consider delegating some tasks down if they can be performed efficiently at lower hourly rates. But note that the cost will often be lower if you “delegate up” to more senior lawyers who need less guidance and feedback.
9. Keep clients informed as the matter progresses. Consider whether it would be useful to send monthly one-page status reports that summarize what was accomplished last month, what is planned for next month, and any issues or challenges.

10. Effective managers spend twice as much time planning as do ineffective ones. (See Andy Crowe, *Alpha Project Managers: What the Top 2% Know that Everyone Else Does Not* (Volicitech Press, 2006.) Find the balance between planning too little and planning too much.

Start today. Select an issue, review your options, define your action item, implement it, and see the results for yourself. Or, if you’d prefer a bit more of the big picture first, read on and hear what Liz Harris, Steve Barrett, and Jonathan Cooper have to say.

—Jim Hassett

Liz Harris: Six Ways LPM Improved Our Practice

The following is based on a brief essay Liz Harris wrote when she completed the LegalBizDev Certified Legal Project Manager® program. It also includes information updated 18 months later, based on subsequent results.

Since I began focusing on LPM, our practice has improved in six major ways:

1. *Setting and defining the scope.* We undertake work on a fixed-fee basis and, in the past, the scope was often not clearly agreed on and defined. Our expectations often differed from those of the client regarding the work that was to be included within the fixed fee, and “scope creep” could easily develop. By improving the way in which we define scope at the beginning of every matter, we have been able to make fixed-fee work far more profitable.
2. *Identifying and scheduling tasks.* The identification of tasks is particularly important, as the failure to identify actions that will be required affects both the fee that is set and the schedule of work. In the past, work had been held up because dependencies had not been identified and there were consequential delays

in waiting for predecessor activities to be completed. By focusing up front on identifying and scheduling tasks, we have been able to reduce the number of situations in which failure to identify all the activities to be undertaken resulted in the fixed fee being too low and the schedule blown out. With more planning, we have a better understanding of what the finished product should look like, and work breakdown structures have helped us to formulate better estimates.

3. *Planning and managing the budget.* We have considerable control to introduce changes in the way work is undertaken, including who performs particular aspects of the work. In the past, we did not sufficiently consider this issue when planning the budget. Nor did we take into account the level of expertise of the person undertaking the work and the fact that the time likely to be spent on the task would vary depending on the person's experience. There was also little management of the budget as the matter progressed. By devoting more attention to planning and management, we have been able to identify potential problems much earlier in the process, and thus reduce the number of instances in which the budget is exceeded.
4. *Assessing risks to the budget and schedule.* Before we started focusing on LPM, we did not assess budget and schedule risks at the beginning of a matter. Risks can be both internal and external. Often, we are asked to give estimates by someone who has little understanding of the background to the matter and can therefore give us only very limited instructions. We have developed checklists of possible risks and questions to be asked in order to identify them. A brainstorming session with all team members often goes a long way toward addressing this issue.
5. *Negotiating changes of scope.* In the past, most of our descriptions of the scope of work were far too general and therefore gave us little ability to negotiate changes to the scope. We have, since then, trained our lawyers to better define scope in

the first place and be more aware of changes as a matter proceeds. We have also focused on promptly speaking with the client when there is a change of scope.

6. *Conducting end-of-matter reviews.* Before we began focusing on LPM, we did not take the time to carry out end-of-matter reviews. We now conduct them frequently and, as a result, we are learning from our experience and introducing process improvements to enhance future performance.

Steve Barrett: Warning Signs That You Need LPM

Are you uncertain whether or not you should really care about legal project management?

In an hourly billing environment, few incentives exist to be on the alert for warning signs of threats to the planned schedules or costs of a matter. More than a generation of lawyers has practiced without the pressures of creating and tracking budgets. With the recent client pressures on value, outright costs, and timeliness, however, the landscape is changing.

Even lawyers who are good matter planners and budget estimators sometimes fail to watch for early warning signs. Business analysts see such signs as critical, however. They will sometimes use the popular phrase "canary in a coal mine."

Early coal mines did not feature ventilation systems, so miners would routinely bring a caged canary into new coal seams. Canaries are especially sensitive to methane and carbon monoxide, which made them ideal for detecting any dangerous gas build-ups. As long as the canary in a coal mine kept singing, the miners knew their air supply was safe. A dead canary in a coal mine signaled an urgent need for immediate evacuation.

Many business and political analysts use the term "canary in a coal mine" to describe

a harbinger of the future. A melting glacier in Alaska, for example, may be described as a canary in a coal mine for global warming. One small event in an isolated area may not seem especially noteworthy, but it may offer the first tangible warning of a larger problem developing. (see <http://www.wisegeek.com/what-does-it-mean-to-be-a-canary-in-a-coal-mine.htm>.)

Just as miners needed to look for signs of silent, odorless, and lethal gases, lawyers in the “new normal” (see <http://amlawdaily.typepad.com/amlawdaily/2010/03/0319future.html>) must be especially alert to precursors of trouble that can upset the best plans and budgets, including:

- Missed internal deadlines
- Over-researched tasks or issues
- Hours spent well in excess of preset quotas, without warning
- Miscommunication
- Delays in people being released from prior or competing assignments
- Increased numbers, whether numbers of deponents, witnesses, experts, parties to receive copies, regulatory questions/clarifications, etc.
- Typos
- Missing time entries
- Last-minute personnel substitutions
- Poor attendance at scheduled meetings or calls
- Unexplained absences
- Long silences
- Work delivered that doesn't reflect the project or matter goals.

Many of these symptoms can be addressed or rectified in real time. Improved communications are vital. Too many problems are detected after it's too late to cure or correct them. Here are a few easy places to start:

- Improved time/dollar data updates—such as “pre-bills” provided daily or weekly, not monthly—at least for the lawyer managing each matter, and maybe for the whole team
- Daily time entry integrity (without it, projects can stumble and write-offs can result)

- Group communications discipline
- To-do list tracking/status tools
- Scheduled monitoring
- Better internal communications
- More efficient and briefer meetings
- Better client communications, starting with small communications, rendered steadily.

Ultimately, these vital skills must become automatic.

Jonathan Cooper: Four Ways Litigators Can Improve LPM

Project managers are required to plan and to set objectives, up front and in detail. I think that we as lawyers fall down on this job. Often, we do not consult with our clients and with our teams and discuss how to solve an issue. What is the objective? To win at all costs? To settle the case early? To settle the case between X dollars and Y dollars before the end of the year? We often dive right in and just start working.

As a second area for improvement, I do not believe that we as lawyers budget with the team in mind. Budgets are often drafted with almost no thought as to how to implement them or measure whether they are being followed or will be accurate. Budgeting needs to be done after a road map of the case has been at least sketched out. It then needs to be done in conjunction with the team of players involved.

Third, we do not do much to reassess our performance in the middle of the matter. We get some data, but we often do not get useful data. The budgeting that we do is seldom revised. In fact, it is seldom reviewed at any point after it is drafted. We need to start letting the budget drive our decisions, which means we need a better way to monitor the budget. This oversight is difficult when you have team members who are not dedicated exclusively to one project, but we need to track time spent on a case or a matter and then put it in the right bucket.

Currently, most budgets are built along topical lines to set forth dollar values for various portions of the case. But billing software often does not work that way. It is therefore hard to extract what Associate A did on the XYZ case that relates to drafting the first set of interrogatories without examining time entries. One solution is to create the budget using the ABA task and activity codes and to require billing according to those codes. That way, at least we would know what was billed to that particular task.

Finally, we need to do a much, much better job at the end to see if we achieved the client's goal.

For litigators, part of the problem is exacerbated by the fluidity of cases. You are never sure what the case will look like at the end. Unanticipated facts will emerge. Rulings will be made. Strategic choices will be made. However, I think for the reasons outlined above, we make it harder than necessary to anticipate such changes.

Better planning and orientation will lead to a better understanding of the case and fewer surprises. The possible results could be narrowed and ranked. There could be certain "check offs," as in football, when a wide receiver and a quarterback learn on the spot, depending on how they see the defense aligned.

With better budgets, and better ability to see where we are midstream with the budgets, we could have a much better chance of steering toward the expected or hoped-for result. With better budgeting and better

accountability, we will know, without hours of analysis, whether we came in under budget.

It is not just a budget issue. We also need to do a better job of holding people accountable for doing tasks in a timely manner. If the plan says that Associate A is going to draft the opening set of interrogatories within the first month, we ought to know if it happened according to the right timeline as well as whether or not it was done on budget. Without that oversight, you cannot really tell if you succeeded. All you may have is a sort of subjective belief that the client seemed pleased. Maybe the client is polite but dissatisfied.

The goal is to be able to show that you did what you promised. You changed strategy when events dictated and kept the client informed. The result was within the anticipated range and the budget was met. ■

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