

Case study in legal project management:

Bilzin Sumberg



*A LegalBizDev white paper by Jim Hassett and Jonathan Groner
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Executive summary

In March 2012, Bilzin Sumberg formally kicked off a major legal project management (LPM) initiative at its partner retreat.¹ A few months before, three influential partners had begun one-to-one LPM coaching to enable them to increase efficiency and client satisfaction. At the retreat, they discussed exactly what they did and how it had worked. All three reported numerous examples of increased client satisfaction, including one case in which LPM immediately resulted in a substantial amount of new business.

As a result of this discussion, a number of other partners became interested in seeing if LPM could help them increase client satisfaction, new business, and realization. All 51 partners were offered the option to complete the same coaching program that the three panellists had received. By May 2013, a total of 26 partners had volunteered for and completed the program, representing just over half of the firm's partnership.

By that point, belief in LPM had reached critical mass and developed enough momentum that no more coaching was needed. The partners themselves and Bilzin's internal staff took ownership of moving the effort forward and sustaining progress. The first quick wins had led to more wins and ultimately changed the firm's culture.

This white paper includes detailed examples of the impact of LPM from four practice groups: Government Relations and Land Development, Litigation, Real Estate, and Corporate. It also describes steps the firm took after the coaching to sustain progress, including the purchase of LPM software, the establishment of an LPM committee, and a simple system to track work that is out of scope.

The continuing experience described in this white paper provides valuable lessons on the best and most cost-effective ways to build LPM momentum. While no other law firm has achieved more behavior change more quickly than Bilzin Sumberg, their work is not done. LPM aims to change habits that have been reinforced over decades, and that kind of change will continue to occur one small step at a time.

How LPM got started at Bilzin Sumberg

Bilzin Sumberg is a Miami-based firm with over 100 lawyers. According to its web page, Bilzin is "the firm of choice for international companies doing business in Florida... at the helm of many of the region's exciting projects and most complex cases." One of the reasons it has been so successful in recent years, the web page goes on to note, is that "each of our practice groups has built models that assist us in estimating costs for specific tasks and aligning our pricing strategy with our clients' budgets. Our legal project management program has received

¹ This case study updates material that originally appeared in the book *Legal Project Management, Pricing, and Alternative Fee Arrangements* in 2013.

significant notice, and two of our partners sit on a national advisory council developed by industry consultants.”

In the six years that we have been working with, talking to, and writing about hundreds of law firms’ experience with LPM, we have come to the conclusion that no law firm on the planet has achieved more LPM behavior change more quickly or more efficiently Bilzin Sumberg.²

How did they do it? All of the firms that have used the approach below have achieved significant success, but Bilzin Sumberg has achieved the most due to its management’s commitment to sustaining progress and its unrelenting emphasis on increasing efficiency.

It all started in November 2011 when Executive Director Michelle Weber and Director of Professional Development Jessica Buchsbaum began searching for a speaker for their partner’s retreat the following March. When our turn came to be interviewed, they asked us what the most effective way of building support for the concept of LPM was, in our experience. We explained our approach: begin by coaching a few influential partners a few months before a retreat or group meeting. Then, at the meeting, we conduct a panel discussion in which the partners explain exactly what they did and how it worked. Needless to say, when a key partner says that LPM can help the firm, it has a much greater impact than if the same message is delivered by an outside consultant.

So that’s what they did. Partners Al Dotson, Jon Chassen, and Mitch Widom signed up with LegalBizDev coach Steve Barrett. Over several months, each lawyer selected real world matters to analyze and identified the key issues that were most critical in each situation, using the templates, job aids, and checklists in our *Legal Project Management Quick Reference Guide*. Then they reviewed the best practices described in the book and discussed exactly how to apply them to increase client value and protect profitability.

On the day of the retreat in March 2012, I began with a short speech describing what LPM is, why it is so important, and what other firms were doing. Then I interviewed the three key partners about their experience and results. The details of their results appear below, but it is worth mentioning here that Al Dotson’s remarks got the most attention because his LPM activities had already led to new business in just a few short months.

Dotson’s practice involves public-private partnerships in economic development in south Florida. It includes securing land use, zoning, and other key government approvals and permits

² Note: We are aware that others may challenge this claim. If a survey were taken asking lawyers what firm has made the most LPM progress to date, Seyfarth Shaw would almost certainly be at the top of the list. However, as explained in my book *LPM, Pricing, and AFAs*, Seyfarth’s effort began in 2006 and has cost millions of dollars by their own account. Seyfarth now has about 18 full time project managers and for years focused primarily on one aspect of LPM: process improvement. Bilzin’s LPM success was far more sweeping and more rapid, at a small fraction of the cost. It has been described not just in articles and blog posts by LegalBizDev, but also in books by other consultants such as Susan Raridon Lambreth and David Rueff in their book, *The Power of Legal Management*, and at national conferences such as the VANTAGE 2014 Worldwide Conference.

for large real estate developments. His clients loved the LPM approach because they use project management to run their own businesses. Within a few weeks of starting the coaching, one of his clients was so impressed by a legal project plan Dotson had produced that he asked Bilzin to take on a significant amount of new work.

It is interesting to note that the LPM movement at Bilzin Sumberg did not originate in the marketing department as a way to develop new business. It started in the executive committee as a way to provide more value and improve client service and satisfaction. But in the current competitive environment, there is no better way to protect longstanding relationships and to develop new ones.

As a result of the retreat discussion of all three lawyers' results, a number of other partners became interested in seeing if LPM could help them increase client satisfaction, new business, and realization. All 51 partners were offered the option to complete the same coaching program that the three panellists had received. Eight signed up right after the retreat, and then 15 others gradually followed over the next year. By May 2013, a total of 26 partners had volunteered for and completed the program, representing just over half of the firm's partnership.

By that point, belief in LPM had reached critical mass and developed enough momentum that no more coaching was needed. The partners themselves and Bilzin's internal staff took ownership of moving the effort forward and sustaining progress. The first quick wins had led to more wins, and ultimately changed the firm's culture.

Example 1: The Government Relations and Land Development Practice Group

Al Dotson is a member of the Executive Committee at Bilzin Sumberg and the practice group leader of its Government Relations and Land Development Practice Group. The reason he volunteered to be one of the first participants in the LPM program was that he "was looking for better ways to organize my work and to respond to clients' and prospective clients' desires for budgets. Clients were looking for a way in which I could describe the work in advance, both in terms of what the cost of the whole engagement will be and in terms of manageable segments of work."

Dotson described the LPM coaching he received as "spot-on" in that it helped him organize his complex matters in terms of their component parts and plan better for possible contingencies that may occur. "This coaching was far from a theoretical exercise," he said. "This was a discussion of specific matters that were before me and how to approach them."

In weekly telephone sessions of about 30 minutes each, coach Steve Barrett walked Dotson through key problems and issues that he was encountering in his practice and how best practices from other firms might apply. Dotson then followed up by completing written assignments based on our coaching materials and the existing project management literature.

When he summed up his experiences around the time of the retreat, Dotson said, “This coaching has been very beneficial to me in client management and in client development. I believe that it applies to all areas of law.... LPM demands a new way of thinking about providing legal services. Before I started on our firm’s LPM initiative, I approached new client engagements with a simple thought: ‘You, the client, have engaged me. My hourly rate is X,’ and that was the end of the discussion. Now I approach new engagements more in terms of developing a mutual understanding with the client about the services we will provide, the time it will take, the team required, the budget, and the relevant reporting milestones.”

In the firm’s first few experiences applying LPM, “We recognized that our focus on efficiency translated very well from a way of working with clients to a way of getting new business,” said Dotson. “We’ve since found that that our ability to demonstrate our skills in planning and budgeting matters continues to lead to new work. It’s one thing for us to tell a client that we know how to help them acquire land. It’s something else entirely for us to be able to say, here is the process that we will use to do that. You are really allowing all the business people to play it all out in advance.”

Dotson said he is now using LPM principles “in just about every matter that I have here. These principles are flexible and important enough to apply to nearly everything that I do.”

One key area is communication with the client and among team members. “Early communication with the client is absolutely essential for us to mutually understand what the expectations are,” he said. “In addition, I routinely set up non-billable team meetings to ascertain the status of the work at any given stage, to avoid duplication of effort, to identify issues sooner rather than later, and to communicate quickly with the client if there are any issues. This is done early and frequently throughout the project.

“You really can’t say you are engaging in LPM,” Dotson said, “unless the budget and the assumptions are continually being reviewed and updated on a going-forward basis. It’s an ongoing process, not just the mere act of creating a budget for a project. For example, changes occur regularly within a project. The initial assumptions will change, and we will need to change the staffing on a matter. Similarly, changes in a project will even begin to change how we define the concept of success for the project. Because of our use of LPM, all of these matters are now top of mind.”

These days, Dotson has access to LPM reports and budget tracking for all the matters on which he is working. To ensure consistency of data and to provide additional “eyes on the target,” Bilzin Sumberg now has a centralized process supported by finance staff who input budget information into the budgeting software. One of the finance team’s responsibilities is to “provide us with ticklers when certain milestones are reached.

“Bilzin Sumberg now provides attorneys with access to real-time information and this is critical to LPM. It enables better communication with the client and allows me to be even more timely and efficient on my matters.”

Partner Carter McDowell works with Dotson on projects involving land use, zoning, environmental, and other regulatory approvals for major building projects, including regional malls, resort hotels, industrial complexes, professional buildings, and marinas. Carter completed LegalBizDev's three-month coaching program in its second wave, after the pilot test.

"At the end of the day," Carter said, "LPM is mostly about organization. It enables you to step back and look at the process and compartmentalize it. It also enables you to look at it in the largest possible sense, from the very beginning."

When Carter was interviewed in 2013 about one major project on South Beach that he was working on, he made a very specific LPM outline of all the aspects of the project and of the budget associated with each aspect.

"We separated the project into several parts," Carter said, "and we made several updates to each part as we went along. The government, after all, doesn't take a linear path in granting approvals, so this LPM document has helped us plan each step. Our client used the LPM document on an ongoing basis.

"In the South Beach project, there have already been seven hearings at which some sort of approval was granted, and two more approvals remain to be granted," said Carter. "Each hearing is before a separate board. So the LPM document was helpful in documenting and managing the whole process.

"We actually prepared the LPM document as soon as our client acquired the property. It was that long ago. The client had asked us to put together a list of the most likely tasks that needed to be accomplished. So we used the LPM document to prepare that and we have updated and expanded it on an ongoing basis.

"The firm now has sophisticated budget software (ENGAGE). On this project, the financial department staff at the firm established the outline of the document before the current software was available. So in this case, I don't manipulate the software myself. I do receive reports from the financial people. They have been very helpful and responsive.

"The document has led us on more than one occasion to go back to the client and to say, 'Here's a hearing that we hadn't anticipated, so we updated the budget to include that process.'

"The LPM process is working well to enable us to provide our clients with better service at a lower cost. Some of the procedures that we documented repeat themselves in other projects, so I can reuse this outline for other clients and efficiently tailor it to fit their needs."

Example 2: The Litigation Practice Group

Litigation Partner Scott Wagner was one of the first lawyers to volunteer for LPM coaching after the retreat presentation. Although Wagner usually represents defendants in antitrust cases and other types of complex litigation, at that time much of his effort was devoted to representing plaintiffs in a huge civil antitrust case in the Northern District of California.

Wagner's clients were distributors and purchasers of products containing LCD screens. The background is that manufacturers of LCD screens were criminally charged with price-fixing and some were ultimately convicted. In cases like these, purchasers and others who suffered financial injury from the price-fixing conspiracy often sue the alleged conspirators for damages.

“When I signed up for the LPM coaching, I wanted to think about what I could do to get better in budgeting time and money for each case,” Wagner said. “To some extent, this sounds like simple math, but figuring out the whole universe of tasks isn't easy.”

One good example was accounting for the time that he and his team spent in daily monitoring of the criminal antitrust trial. “This is time that we had to budget, but it is also time that we wouldn't normally think about,” Wagner said. “What my coach helped me to do was to think through, in advance, all the phases of a case, all the possible twists and turns and the directions it can take.”

The result, Wagner said, was that he became much better at “giving the internal team and clients a more realistic estimate of what a case will cost.” He is now able to estimate how much time—and money—a case will require under various assumptions.

In addition, he said, the legal project management process can help plan the staffing of a case. “Perhaps instead of two associates assigned, you may find that you need just one, or maybe three or four.

“The biggest take-away,” Wagner continued, “is that budgeting is possible. The conventional wisdom is that it is not possible in litigation. But actually you can come up with a budget that is useful to your client and can lay out all the contingencies to know what the litigation will likely cost.”

These new skills had a significant impact on Wagner's practice after the coaching was concluded. For example, he reported, “In one case, we were approached about a plaintiffs' side antitrust action with a contingency fee arrangement. I was able to use my new budgeting techniques to better project the amount of time and resources it would take for us to see the matter through to completion. This gave us a much better springboard from which to analyze whether the matter was worth the firm's risk.”

Another Litigation Group partner who has changed his practice as result of shifts in Bilzin Sumberg's culture is José Ferrer, who has an extensive practice in international disputes and arbitration. Interestingly, although a majority of Bilzin Sumberg's partners completed our

individual coaching program, Ferrer was part of the “other half” who attended an initial retreat presentation and then developed LPM tactics on his own and in collaboration with partners who were coached.

As a litigator, Ferrer said, “you always work with your strategy in mind, and LPM helps you better define your strategy. It tells you what the next 90 days will involve and it enables you to think through your case.

“Sometimes we compete with firms that have lower hourly rates, and then we have to provide something else to our clients. Part of that ‘something else’ is certainty and the ability to budget. Of course, most clients’ litigation departments see outside counsel as a cost item. Our ability to produce and adhere to a budget improves a company’s ability to predict its own bottom line, which is of great value to the client.

“We track every hour billed by an attorney or any other timekeeper by task code. It takes longer to put your time into the system, but it represents a significant value-add to any client,” Ferrer said. This task-code system was developed at Bilzin Sumberg starting from standard ABA task codes and it is extremely well suited to the types of litigation they specialize in.

“The task codes force you to think about your strategy,” Ferrer said. “If you see that in the past 30 days, you have used only the discovery task codes, it forces you to think, ‘Did this discovery add or detract from your progress in the case?’

“I have an icon on my computer that represents our budgeting software, Engage. If I click on it, it will help me compare the planned budget with actual expenses, for example. It is relatively simple software and is easy to use. The benefit of the software is that it draws on past experiences in similar cases and tests how realistic the budget is when compared with them. We’ve been populating that system with our cases for two years, and we now have a reasonable amount of data in front of us.

“Engage offered training in the software, and it’s very hands-on. For example, for one footwear chain client we are using it to budget for current cases—breach of contract cases, landlord-tenant cases, other commercial cases—based on prior experience in similar cases. We have prior history that we can draw upon. Not only do we have an idea of what the current case will cost; we also can have an educated conversation with the client in advance about how the case will go and what strategy to use.

Example 3: The Real Estate Practice Group

Jon Chassen, a partner in the Real Estate group at Bilzin Sumberg, was one of the three lawyers in the firm's original pilot test of LPM coaching at the beginning of 2012 with LegalBizDev coach Steve Barrett, and his success encouraged other partners to give it a try. Chassen's practice focuses on complex real estate deals, especially on deals with unusual twists. He often works closely with litigators to solve his clients' problems, although he is not a litigator himself.

Chassen said that a lot of things he learned in the LegalBizDev coaching program were similar to techniques that he had been trying to implement throughout his career. The coaching crystallized and formalized these methods and techniques.

In Chassen's practice, LPM works best for larger transactions, where at the very outset you need to design an engagement letter that spells out what you will and will not do for the client. "This way, the engagement letter guides the entire project. It establishes the scope of the project so that everyone in the transaction, outside lawyer and client, knows what role they will play. Then, as the transaction changes in unexpected ways, the engagement letter can be modified to reflect changing expectations.

"Sometimes it's relatively easy to anticipate that the scope of work will change and that the project will become larger or smaller than originally anticipated," Chassen said. "Sometimes, the changes are completely unanticipated. Either way, LPM techniques permit the lawyer and client to make changes pretty much on the run. I can now see at a glance who needs to be added to the team, who is dropping off the team, and so on. I see immediately when we're at a fork in the road, and what the possible choices are at that decision point.

"LPM also permits me to delegate more effectively. Since all the assignments to attorneys are made well in advance and carefully specified, I don't need to be the funnel point on everything. If I have a lawyer working on a particular set of documents, I can trust that he or she will complete that assignment.

"I am a bit technologically challenged in terms of creating charts and work flows. But with the use of LPM techniques and with people in the firm who can help me, I can now create these charts in a very useful manner. The chart will tell me what happens next. Who needs to get involved? LPM helps me come up with answers to those questions."

The Real Estate Practice Group Leader, Jim Shindell, went through coaching after the retreat and said, "We have always thought that we need to be efficient, but LPM coaching has given us a much better understanding of how to get there and what interferes with efficiency in a transaction. We were reactive in the past. Now we are becoming more proactive."

In his weekly 30-minute coaching calls, Shindell said, "We worked on ways to help us manage transactions to be efficient, to price matters more effectively, and to think a project out well ahead of time in order to staff it properly."

Many of the calls involved looking back at historical transactions (with some of the facts changed to ensure client confidentiality), and re-engineering the transactions to see how they might be done differently if they were new projects.

“We are developing templates to help us identify all the tasks required in advance for any project so that we are not reinventing the wheel every time that we put out a price estimate,” Shindell said.

The idea is “to break each transaction into the smallest possible parts and then re-imagine the transaction and all that it requires.”

The resulting templates and checklists offer many benefits to clients, including an early identification of key steps in a transaction. They also offer the best way to predict what transactions will cost, Shindell said, so that no one is making things up by extrapolation or merely using wishful thinking. In time, Bilzin Sumberg plans to refine the task codes it uses to track costs and analyze the historical record of how long things take under a variety of conditions. But clients can’t wait, and templates and checklists provide a great way of offering more accurate estimates today.

“The idea is to be able to establish meaningful cost estimates, in advance, for our clients in the transactional matters that we handle,” Shindell explained. The process of making a time investment up front through better planning and analysis actually saves time in the long run by permitting the firm to respond quickly and accurately to client requests for quotations.

Things move fast in the world of real estate. When a project is ready, the developer wants it to start immediately, and time is money. “If we can move quickly with a cost estimate,” Shindell said, “that is a service both for our clients and for ourselves and that is why we are working so hard to develop the firm’s institutional knowledge and collective database.”

In the current highly competitive environment, Shindell said, “If you’re not able to properly and quickly determine your prospective costs in a matter, you will find yourself losing certain business, or perhaps not even being able to compete for business. And that includes a lot of good, highly sought real estate development business, not just business where the key determinant is price.”

In general, when it comes to LPM, “As a firm we have made significant progress, but we still have a long way to go. The firm’s leaders are squarely behind LPM, and just about everyone thinks it’s a good idea. But it’s a lot easier to say it than to do it.”

Example 4: The Corporate Practice Group

For Alan D. Axelrod, chair of the firm's Corporate Group, LPM training is all about looking at the law firm as a business. "I think that in the 80s and 90s people didn't look at law firms as businesses, but everyone has gotten a rude awakening in the last few years.

"From a project management viewpoint, you must develop skills to make sure that work is not duplicated. You always needed to get the deal done as quickly and effectively as possible. But now you also have to think about getting the deal done efficiently," Axelrod said. "There is often a balancing required between the goal of completing it as soon as possible and still being as efficient as possible."

More and more clients are requesting caps, estimates, and similar fee arrangements for M&A and other transactional work, Axelrod said. "One client whom I had worked with many years ago is now back and growing its business. We just did an M&A deal for them where we carved out the due diligence aspect on an hourly basis and came up with a flat number for all the rest of it, in the form of a cap. If it comes in lower, we told them, 'We'll bill you for whatever it is.'"

Another transaction he was working on during the coaching was cleared by the SEC and came in within budget. "In this one, we were aggressive in terms of the fixed fee number that we bid." Although Bilzin already had committed to the transaction's price before the coaching started, the coaching was still useful, and "it was very important to develop the template to help monitor the actual versus projected cost.

"The program was helpful, and as we get more and more experienced with LPM, it will become even more helpful," Axelrod said at the time.

"The bottom line is that the legal business has become so much more competitive. Clients are looking for value and recognizing that the required work needs to be correlated with cost. If you don't move with the times, you'll be in trouble. LPM is one of the key tools for keeping up."

Engage software

One key step in Bilzin's LPM progress was the purchase of Thomson Reuters' Engage software to improve both initial budgeting and tracking spending.³ In our opinion, most of the firms who install Engage or one of its competitors buy the software too soon, at a time when management recognizes the need for LPM but rank and file lawyers do not. Bilzin is one of the very few firms that bought LPM software at the right time: after their lawyers asked for it. The initial impetus came not from visionaries or the executive committee, but rather from a broad range of partners who had begun tracking budgets carefully and who wanted better tools.

³ Because LPM is so new, there are several competing software tools that are evolving rapidly. ENGAGE was clearly one of the leaders when Bilzin made its decision, but since then, according to a December 10, 2014 article in *Law Technology News* by Mark Gerlach, "Thomson Reuters Elite will end updates for its legal process management software Engage next month... but Elite will continue supporting the software through 2017, including bug fixes."

Engage has a built-in set of templates that break complex legal matters down into a series of smaller steps to improve planning and tracking. Marlon Thompson, a financial analyst and member of Bilzin's LPM committee, was assigned the task of talking to every lawyer who went through the LegalBizDev coaching process to ask each of them about the templates they are already using in their day-to-day work. He then adapted the Engage templates to match the lawyers' experience and needs.

Executive Director Michelle Weber summed up the advantage of this approach: "By the time lawyers are on Engage, what they're looking at is familiar and something they liked. This builds on one of the parts of the LegalBizDev program that I appreciated the most: lawyers don't have to change their world. They just have to change what they do a little bit."

Thompson described his responsibility as support: to "help the attorneys create and adhere to their project plan, and to convert it into dollars and cents. It's one thing for us to say we have a budget and a plan, and it's another thing when clients want to hold us to that. The software tools that we have can help us do exactly that, and to minimize the costs to the client and the firm."

Thompson said that he is the key point person for the firm in terms of training attorneys to use Engage. "There is so much more to be done," he said. "One of the key aspects is the use of phase and task codes. This enables us to analyze our work down to the smallest possible unit. It is impossible to budget without them."

Thompson said the firm started with the American Bar Association's phase and task codes but added carefully tailored task codes for the firm's practice groups, codes that are unique to the firm yet fit within the Engage software.

The LPM committee

One of the most important steps that Bilzin took to sustain progress after the coaching was the formation of an LPM committee to monitor and sustain progress, chaired by Michelle Weber, the firm's executive director for the last 20 years.

Weber has the kind of personality that takes naturally to the organized and disciplined aspects of LPM, and once told us, "If ever I get tired of my job, I'm going to become a Certified Legal Project Manager®, because I love this stuff."

Practice group leaders are required to report regularly to the committee and to the managing partner about how they are applying LPM and what works best. "We're following this so tightly because it's an enormous priority," said Weber. The result is that best practices are spreading. Many changes were quite simple but extremely effective. For example, she noted that, "As matters come in, we routinely have a discussion at the outset with all team members, including paralegals, so that everybody understands what the scope is. At the same time, we discuss the task codes that everyone's going to use so we don't have major problems with consistency later."

Knowledge management (KM) is also a key part of this initiative, and each practice group is identifying “information that should be highlighted and easily accessible, ranging from legal forms to white papers, so people can stop reinventing the wheel.” As with so many things in life, success is often based on the details.

As one example, Weber reported a major issue that she “tripped over in a discussion with an associate.” The problem was that associates were writing up their legal research—including ideas that could be made part of the firm’s permanent knowledge base—in emails. However, the firm’s KM software collected information by crawling only through PDF files and Word files, not through emails. As a result, many possible efficiencies were being missed. Needless to say, the process has been changed so that those results are now captured into the KM system.

According to Paul Vandermeer, the firm’s director of knowledge management and another member of the LPM committee, “The more successes we have gotten, the more converts we obtained, and the more that LPM has permanently changed the way we do business.

“As soon as the committee got started, I developed a document for each practice group to keep track of their use of LPM. We are now working with the groups to keep it up to date.”

KM is a very important part of that process. “For example, the land use group has certain documents that they want created, including some saved searches that they use all the time,” Vandermeer recalled, “so I made sure to save these key searches on the intranet of our document management software.

“Even in the library, we receive daily reports of Lexis and Westlaw usage by attorney, and we can help each attorney reduce his or her costs to the firm if he or she is not searching as efficiently as possible,” Vandermeer said. “These days, one needs to search for as much efficiency as possible in every area.”

Some examples of how all this works in the trenches came from Jay Sakalo, head of the firm’s bankruptcy and restructuring practice and also a member of the LPM committee.

“Let’s say we want to do a motion to lift the automatic stay in bankruptcy court,” Sakalo said. “We want to create forms to show what such a motion looks like. It’s important for us to start with a bank of such documents so that our clients don’t overpay us.”

Sakalo said his group is constantly deciding which documents—created by Bilzin Sumberg attorneys or by others—should go into the firm’s document bank. These can include litigation documents or bankruptcy documents like plans of reorganization or asset sales.

“The way we work in our department,” said Sakalo, “is that everyone in the group has access to each document in the index. But we will have a conversation before the lawyer just takes it. Before we use a document, there is a human process.”

Sakalo said that since bankruptcy lawyers usually file petitions in court to be paid for their time, they have been using task- and category-based codes for decades to substantiate the time they are claiming. “As we move toward the use of task codes as a firm-wide requirement because of the need to implement LPM, my department is looked to as a guiding light... At the firm level, all practice group leaders now try to ensure that they maximize the use of LPM in their practice, each group in its own way, because one size does not fit all,” he concluded.

Tracking work that is out of scope

Many improvements have resulted from the firm’s development of an LPM culture. For example, the firm has begun requiring lawyers to systematically track work that falls outside the scope defined by each engagement letter.

When coach Steve Barrett and I first heard this concept during one of our review calls, we thought, “Why didn’t we think of that?” It is such a simple idea, and such a valuable one, that neither one of us could believe we’d never suggested it, nor heard of anyone else doing it.⁴

At the beginning of every matter, lawyers should be asking clients about their goals and expectations, so that the legal team delivers what the client needs and is willing to pay for. A failure to get a clear understanding at the beginning of a matter can lead to unnecessary work, strained client relations, and ultimately to reduced realization and profitability if clients refuse to pay their bills.

Anyone who has ever worked at a law firm knows that a clear definition of scope at the beginning of a matter often simply does not happen. Since many lawyers are impatient problem solvers, they like to just jump in and start working. In the third edition of my *Legal Project Management Quick Reference Guide*, I quoted the executive director of an AmLaw 100 firm (who preferred to remain anonymous) about the ambiguities in a typical engagement letter: “The scope of work often contained in our engagement letters is generally no more than one or two lines. Lawyers are missing an opportunity to clearly specify the scope of what is included in each matter and what is not.”⁵

And even if an engagement letter is well defined, there is the question of who sees it. A senior executive at different AmLaw 100 firm (who also preferred to remain anonymous) recently did an informal survey of senior associates during a talk he gave on LPM. He asked very simply, “How many of you have seen the engagement letter on the matters you’ve worked on lately?” Only 1 in 4 raised their hands. To put it another way, 3 out of 4 of these lawyers had no way of knowing what was in scope and what was not. When this executive later shared those results with a group of partners, “they were horrified.”

⁴ Since then, we have heard of several other firms that independently came up with the same idea, including Baker & McKenzie and Faegre Baker Daniels.

⁵ Jim Hassett, *Legal Project Management Quick Reference Guide* (Boston: LegalBizDev, 2013), 15.

When I interviewed chairmen, managing partners, and other leaders from 50 of the AmLaw 200 for my book *Client Value and Law Firm Profitability*, I listed eight key issues in LPM and asked which was most critical to firms' short-term success. The clear winner was setting objectives and defining scope, which 50% of respondents classified as one of the most critical issues.⁶ For example, consider these quotes from four of the respondents:

Setting objectives and defining the scope are crucial. You can budget. You can do anything you want. But if you don't know what those objectives are, and what the client is willing to do or wants to do, you're just putting stuff on paper. – *Senior partner*

Defining scope is the most critical in my mind. That's where we struggle the most on the front end. – *Senior executive*

The critical issue is sitting down with the client at the beginning and deciding what their goals are with the matter. Is it getting it done quickly? Is it getting it done so that nobody ever brings a matter like this again? Is it getting it done in advance of the big merger on the books a year from now? There are all different considerations as to what will lead a client to think this was a successful representation. And I find that the more you push your client to think through what they care most about, the better off both of you are. – *Chair*

Obviously clients have got to know what they're paying for. How many times in a litigation matter do the clients say, let's beat the guy, and then after you spent the money, they have buyers' remorse? – *Senior executive*

This finding was so consistent that we developed a new half-day course entitled "How to Define Legal Scope and Negotiate Changes" to focus strictly on this issue.

Meanwhile, any system that requires lawyers to classify some hours as out of scope starts with a huge benefit, simply by requiring lawyers to be clear about the distinction.

At Bilzin Sumberg, they now post the statement of scope on their intranet at the beginning of key matters, where every team member can review it. Then lawyers are required to record each hour worked under two different codes in their accounting system for each matter: one for work within scope and the other for work that falls outside scope.

As Bilzin Sumberg Partner Al Dotson summed it up, "Keeping the scope of work top of mind has many benefits. The tactic of tracking out of scope work requires:

- An understanding by all billers to the file as to what the scope of work is
- An ongoing recognition of the status of the matter and when a task is out of scope
- An understanding of the protocols to be followed when out of scope work is requested or done

⁶ Jim Hassett, *Client Value and Law Firm Profitability* (Boston: LegalBizDev, 2014), 97.

This benefits both the client and the law firm and often is the basis for clearer communication before there is a problem.”

Sustaining momentum

Steve Barrett, the LegalBizDev principal who coached all 26 partners at Bilzin, ended most of the coaching programs by asking for written summaries of lessons learned in key areas. After reading all these reports, Executive Director Michelle Weber said, “If I were to distill the entire program into one highlight, one thing that everyone learned and changed, it was improved communication. It sounds so simple, but improving communication with clients and within the firm is very hard, and we still have a lot of work to do.”

What does Bilzin have planned for the future? They continue to refine procedures, including regular reviews of best practices and new LPM insights at department, partner, and practice group leader meetings. Leadership continues to push the firm through the uncharted wilderness of a complete transformation to new levels of efficiency.

Within the last year, the firm has conducted two LPM training courses for associates: a half-day course conducted by LegalBizDev Principal Steve Barrett for senior associates and a course run by Bilzin Partner Scott Wagner for junior associates.

It would be nice to be able to report that once Bilzin Sumberg completed coaching a critical mass of partners, their LPM work was done, but in fact it was just beginning. It is true that the firm’s clients have already seen significant benefits in reduced costs and greater responsiveness, and this in turn has led to new business. But when we interviewed firm leaders for a number of follow-up reports, they continued to use phrases like “baby steps,” “infancy stage,” and “aspirational rather than obligatory” to describe the firm’s current use of LPM.

They should see the other guys. Press releases often say one thing, but when we talk to firms confidentially, the story is different.

Many firms have offered training classes to a large number of lawyers, and a few have spent years in intensive re-engineering of business processes. But no other firm on the planet has gotten such a large percentage of the partnership actively involved so quickly in making immediate changes that benefit their clients and their business. The intensive LPM coaching approach works because each lawyer focuses on immediate ways to directly benefit their individual practice. And when it works, they tell their colleagues.

We spend our lives looking behind the curtain at a wide variety of law firms as we work with them to increase efficiency. Many firms have individual lawyers or practice groups that are quite advanced in LPM, but in our opinion not a single law firm in the world, including Bilzin Sumberg, can yet say that LPM has truly taken hold across the entire firm.

There are certainly dozens of firms that have put out more press releases than Bilzin Sumberg announcing their LPM success, and a few of them have spent millions more on their efforts. But the leaders of several AmLaw 200 firms interviewed for *Client Value and Law Firm Profitability* reported that although they had put all of their lawyers through project management training, they had seen little behavior change. As one managing partner put it, “Project management will probably have the longest-term positive impact but it’s been the biggest challenge, because when busy lawyers start scrambling around, the inefficiency creeps right up.”⁷

As long as other firms continue to improve, the LPM bar will keep going up. As the chair of one AmLaw 200 firm interviewed for my book *Client Value and Law Firm Profitability* said, “It’s an evolving process. I don’t think there’s ever going to be a point at which you can say: ‘Now I’ve arrived.’”⁸

But Bilzin Sumberg’s continuing experience provides valuable lessons in the best and most cost-effective ways to get started and what happens after initial training ends. And, in our opinion, at this moment in time no other law firm has achieved more behavior change more quickly or more efficiently. LPM aims to change habits that have been reinforced over decades, and that kind of change will always occur one small step at a time.

⁷ Hassett, *Value* (179).

⁸ Hassett, *Value* (171).

About the authors of this white paper



Jim Hassett is the founder of LegalBizDev, which helps law firms increase profitability by improving project management, business development, and alternative fees. Before he started working with lawyers, Jim had 20 years of experience as a sales trainer and consultant to companies from American Express to Zurich Financial Services. He is the author of 13 books, including *The Legal Project Management Quick Reference Guide*, *The Legal Business Development Quick Reference Guide*, *Client Value and Law Firm Profitability* and *Legal Project Management, Pricing and Alternative Fee Arrangements*. He has also published more than 80 articles in the *New York Times Magazine*, *Of Counsel*, *Legal Management*, *Strategies: The Journal of Legal Marketing* and other publications. Jim is a frequent speaker at law firms and at bar associations (including the New York City Bar, the New York State Bar, and the Massachusetts Bar), Harvard Law School, the Association of Corporate Counsel, the Defense Research Institute, the Ark Group, and at Legal Marketing Association meetings in Boston, New York, Philadelphia, Washington, Savannah, and Vancouver. He has conducted webinars through West LegalEdcenter, the National Law Journal, The International Lawyers Network, TAG Academy, and the Legal Marketing Association. Jim writes the blog Legal Business Development which was featured at the ABA TECHSHOW in 2009 and again in 2010 (in its list of “60 Sites: Latest and Greatest Internet Hits”) and by TechnoLawyer (in its list of “the most influential legal blogs” in BlawgWorld). He received his Ph.D. in psychology from Harvard University.



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About LegalBizDev

LegalBizDev helps law firms increase client satisfaction and profitability by improving project management and business development.

While many competitors offer educational programs in these important areas, only LegalBizDev has developed proprietary processes to help lawyers change their behavior. The company was founded 29 years ago by Jim Hassett after he earned his Ph.D. in Psychology at Harvard. Dr. Hassett is now a frequent speaker at legal conferences and the author of widely used *Quick Reference Guides* for both legal project management and legal business development.

LegalBizDev offers coaching, webinars, workshops, retreats, train the trainer programs, publications, and more to help each lawyer identify the action items that are most likely to produce immediate and practical results for their practice, their personality, and their schedule. Our behavior change processes help lawyers to make the best use of their limited time by quickly building on best practices from other law firms and other professions.

Through a strategic alliance with Altman Weil, we also offer clients a broad range of management consulting services in related areas, including strategic planning, practice group management, client surveys and custom benchmarking, lawyer compensation systems, marketing strategy, and much more. A second alliance allows us to integrate our behavioral training and consulting for lawyers and staff with cutting edge technology solutions offered by Project Leadership Associates, along with consulting on administrative operations.

LegalBizDev has developed and delivered award winning training since 1985. For more information, visit our web page at www.legalbizdev.com or contact us today to discuss the best way to meet your unique needs.



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