

# Case study in legal project management:

## Stinson Leonard Street



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

Stinson Leonard Street was formed in January 2014 by the merger of two firms that had both previously emphasized legal project management (LPM).

When LegalBizDev announced a new half-day workshop entitled “How to Define Legal Scope and Negotiate Changes,” Stinson Leonard Street decided that it could help them accelerate their rate of LPM implementation and became the first firm to sign up. When the course was offered in October 2014, 14 attorneys actively participated in the workshop and 10 firm leaders sat in as observers. The post-workshop evaluations were extremely positive, with one participant calling it the “best presentation by a consultant that I can remember.”

This case study describes details of the impact for three partners who specialize in bankruptcy, insurance litigation, and labor and employment, and how this effort related to other LPM initiatives at the firm.

As Co-managing Partner Lowell Stortz summing up the results and the firm’s philosophy, “We’ve picked lawyers who are willing to learn, with clients for whom we can have the most immediate impact. We’re building LPM a brick at a time, from the ground up... In a law firm environment that sells better than ‘preaching’ and then hoping that it catches on.”

## The case of Stinson Leonard Street

Stinson Leonard Street has nearly 500 attorneys in 14 offices, with major operations centered in Minneapolis and Kansas City. It was formed in January 2014 by the merger of two firms that had previously made independent commitments to legal project management (LPM), including educational presentations by several leading consultants, hiring LPM staff, developing a task code system to track the cost of work, and more.

When he became one of two co-managing partners of the newly combined firm, one of Lowell Stortz’s top priorities was to accelerate this progress:

LPM is a great tool to provide more value and predictability to clients. From the time I started practicing law over 30 years ago there have always been lawyers who were good at this. But we are now devoted to spreading these practices throughout the firm. For example, thinking through how you are going to break a matter into phases, how you are going to charge the client for each phase, and whether an alternative fee arrangement is in order really helps clients to see more clearly the value you can deliver. LPM also encourages us to strategically participate in a little risk sharing now and then, which only makes sense to the client and to us if we’re really transparent about what’s going on.

For example, we had one client that looked at multiple transaction opportunities every year, although not all of them proceeded to a closing. So we agreed to perform due

diligence, up to the “go/no go” phase, on a fixed fee basis. We know that we did not recover our rates on the transactions that did not go forward, so there was a clearly identified value to the client when a transaction didn’t proceed. They spent less and had a lawyer’s help in figuring out whether to proceed. From our side, however, we had the opportunity to get a look at every new deal. We feel like we had more deal flow because we were willing to help them on the front end. What does that have to do with project management? We could not have set a reasonable fixed fee unless we properly analyzed our internal data and accurately defined the scope for the project.

The firm’s other co-managing partner, Mark Hinderks, explained the importance of this new area in a similar way:

Project management is just a term for some things that are pretty basic on the wish lists of clients. Clients want to know what something’s likely to cost and how long it will take. Assuming we continue to do good legal work, the better we are at those things, the happier clients will be. Lawyers have notoriously avoided being pinned down on cost and time, due to the potential existence of factors beyond their control. But in other businesses, such as construction, there can be delays or disruptions from matters beyond a contractor’s control, such as material shortages, unanticipated site conditions, poor weather, and more. Yet professionals in that arena have learned to project time and cost in a reliable way while accounting for risk. Increasingly, we as lawyers need to do the same whenever possible.

A few months ago, when LegalBizDev announced a new half-day workshop entitled “How to Define Legal Scope and Negotiate Changes,” Stinson Leonard Street became the first firm to sign up.

The reason we developed this course was that in interviewing chairs, managing partners, and other leaders of AmLaw 200 firms for the book *Client Value and Law Firm Profitability*, we had heard over and over that defining scope was the single most important factor in LPM success. As one chair put it:

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 the more you push your client to think through what they care most about, the better off both of you are.

And when scope changes as a matter proceeds, as it so often does, lawyers need to know when and how to talk with the client about the best way to proceed, rather than just jumping ahead now and sending a bill later. As a senior executive at another firm we interviewed described:

We have people who recognize that the scope of a project has changed, but you would think they were 15 years old again and asking a girl to a dance. They never get around to making the phone call.

Defining scope and negotiating changes had always been important parts of our introductory workshop, “How to Increase Client Satisfaction and Profitability with Legal Project Management,” but after analyzing our research results, we decided it also needed a course of its own.

LegalBizDev Principal Gary Richards took on the task of developing a highly interactive workshop built around six hands-on exercises, leading up to an action plan designed to immediately change behavior in each lawyer’s practice.

At the time of the merger that formed Stinson Leonard Street, Matt Wahlquist, the director of practice management at the firm, had been charged with accelerating LPM progress and building LPM principles into lawyers’ day-to-day practice. When he heard about LegalBizDev’s new scope course, Wahlquist thought it was a great example of the “very practical approach” he had been looking for and he helped arrange the first session, which was held last fall in Kansas City.

Fourteen attorneys actively participated in the workshop and 10 firm leaders sat in as observers. Their presence was living proof of the importance the firm places on LPM.

Both co-managing partners were among the observers because, as Mark Hinderks noted, the concept of “defining expectations clearly right from the start of each matter is critical. Very often, when there is friction between law firms and their clients, it is based on a disconnect between expectations and what actually happens.” This course was designed to minimize that friction by helping to clarify expectations upfront.

The post-workshop evaluations were extremely positive, with one participant calling it the “best presentation by a consultant that I can remember.”

After Wahlquist observed the course, he noted that it:

...was extremely practical. We have had conceptual training before from other companies, but our lawyers are always looking for something they can use on a day-to-day basis, and that is exactly what this workshop provided. Some people put their lessons into practice that very day. After all, if we can decrease our write-offs as a result of improved upfront conversations on scope, those results flow through directly to the bottom line. A proactive five-minute conversation with a client can pay for itself very quickly from a return-on-investment perspective.

Co-managing Partner Stortz said that before the course was offered:

I was somewhat skeptical of the results, because we chose people for the workshop who already had some interest in and/or knack for scoping. It’s always easy to show progress when you start with someone who’s at zero; it’s much harder to show progress when you

start with people who are already pretty good at something. At the suggestion of the course leader, three weeks after the course I sent an email to this group of accomplished, busy, successful lawyers and asked them to respond as to how they'd used it, if at all. Virtually all of them responded (and in a law firm environment that alone is amazing) with good insights.

One participant reported to Stortz that:

I have one client that I thought just wasn't interested in LPM or scoping. But as a result of the workshop, I reached out to the client and engaged them in a conversation and it turned out that there really was a place for this. The training led me to give it a shot, not only from my side, but also inviting the client to think about it. This yielded some benefits right away.

Another participant, Scott Hecht, is an insurance litigation partner at the firm and head of the insurance department. He explained that at any given time he is responsible for managing dozens of matters pending for a particular client, although a group of other attorneys do the bulk of the work. He took the class because he wanted:

To enhance my ability to manage those matters, communicate effectively with the client, and maximize efficiencies in billing and other areas.

Each of these matters is a litigation matter or an administrative investigation. They are all somewhat similar in scope on the surface. The variation is based on the number and nature of opposing parties, counsel, witnesses, and documents in each case. What I took away from the scope course is the need to have a constant sense of the client's expectations in each matter and the way in which external factors sometimes only known by our defense attorneys handling the matters can still substantially affect the scope of each matter. It's a question of getting and keeping your ducks in a row for each of dozens of similar matters.

In this client organization, there are 30 or more people who are my points of contact; they all have different personalities, levels of experience, and expectations, and I need to be very responsive to all of them. I expect LPM techniques to translate to a better experience for my client contacts, which differentiates our law firm from others.

Course participant Paul Hoffmann, a bankruptcy partner, pointed out that the office of the U.S. Bankruptcy Trustee, which supervises bankruptcy matters nationwide, recently set forth a rule change that requires advance budgeting in all larger bankruptcy cases. Therefore, bankruptcy lawyers have a legal obligation in many of their cases to develop budgets in advance.

I took the course because I wanted to improve my ability to estimate fees and to draft engagement letters. This will help to reach agreement in advance with clients on nontraditional billing matters and also help clients draw up budgets on traditional hourly billing matters.

There are so many ways in which a lawsuit can change as it unfolds. There can be a change in parties, a change in issues, or there can be the need to document a settlement or an appeal.

The course did a very good job of telling us how to explain budgetary changes to clients so as to minimize any client concerns that might arise. And it also did a very good job of showing us how the billing attorney must meet with the entire team to discuss the budget and to discuss any budgetary changes that may arise as time goes on.

Tracey Donesky, still another course participant, represents employers in many types of matters, particularly both federal and state wage and hour suits under the Fair Labor Standards Act and other various employment discrimination claims brought under various state and federal employment laws. According to Donesky, the single most important fact about LPM is that:

Clients want LPM, so law firms will have to use it to increase client satisfaction and better manage their cases. LPM needs to be integrated into every aspect of every case. The course helped solidify in my mind the need for LPM from a client expectations standpoint.

Donesky has recently begun to use LPM techniques on a number of matters, including several for one firm client where she is lead counsel. She seeks to budget for each case 30 days in advance, working with partners, associates, paralegals, and other timekeepers on the file to identify what litigation activities are anticipated for the month ahead and then allocating estimated hours expected to complete such activities. This provides the clients who use LPM an estimated budget, which helps increase predictability and manage expectations in advance. While there is some level of trial and error to the process in these beginning stages, the hope is that over time and as similar cases begin to work through the LPM system and historical data is gathered, the budgeting and estimating process will become more predictable and precise.

As Donesky summed up the experience to date, “The firm is only going to get better at this process as time goes on and more data is analyzed.”

Given the success of the course “How to Define Legal Scope and Negotiate Changes,” what comes next for LPM at Stinson Leonard Street?

It all comes back to providing clients with greater value, according to Jill Weber, the firm’s chief marketing and business development officer. The firm frequently conducts client satisfaction surveys, both in person and online, and has consistently found that when it comes to value, the definition varies from matter to matter and client to client. For value, “one size fits one,” Weber summed up, quoting an in-house lawyer who spoke at an ACC Value Challenge event a few years ago:

I see tremendous potential in LPM for improving the delivery of services, especially where we have multiple matters for a single client and there can be some consistency in how you plan matters and staffing. Mind you, that is not the only place for LPM, but it is

the easiest place to become more efficient while still remaining effective and meeting and exceeding clients' expectations.

Matt Wahlquist is continuing to integrate LPM efforts across every office, practice division, timekeeper, and administrative department.

A few months ago, Wahlquist hired Rodney Miller, a former practicing attorney, as an in-house LPM specialist. Miller joined the firm after the scope workshop and has worked extensively on follow-up activities related to the course.

There was always a good deal of interest in LPM at the firm, but now the lawyers are running toward it as a result of client demand. There is a synergy between client needs and attorney needs that puts LPM in the middle of it. I reach out to our lawyers to help them further their LPM goals. And I work with clients as well, when they want a change in scope in an alternative fee arrangement matter or a traditional hourly matter.

Wahlquist's core team has now grown to include two legal project managers and three pricing professionals. The most recent hire, Bree Johnson, completed LegalBizDev's Certified Legal Project Manager® program when she worked for another firm.

The team is already helping to improve performance on a variety of matters, including assisting in the development of a pilot test of a highly innovative new LPM-based process to design and implement a new pricing regimen with one of the firm's largest clients.

According to Co-managing Partner Hinderks:

Clients often fear alternative fee arrangements as "black boxes" with which they might be gouged, but we are working to combine project management principles with the advanced cost and pricing analytic capability we have been using for several years to create a new transparency in pricing. We believe this will prove very appealing, especially as an alternative to arbitrary discounting from rack rates that firms establish in different ways. It should provide assurance of savings to the client while also preserving a reasonable return to the law firm in a mutually sustainable relationship.

This is not an approach that a firm would want to use with just any client, but we expect it will be very helpful for large clients where there is a strong relationship built on mutual trust. Stay tuned as we pilot this.

Plans are also underway for individual coaching and other programs. Next June, Wahlquist will be reporting on the firm's progress at the Ark Group's Legal Project Management Showcase & Workshop on June 8 in Chicago. When the firm holds its retreat in Phoenix next October, Jim Hassett will conduct a panel discussion of partners who are LPM leaders within the firm to internally publicize their progress and recommendations for next steps. Hassett will also give a keynote speech summarizing the firm's efforts to date, how it compares to what other firms are doing, and his predictions for the future.

Co-managing Partner Stortz summed up the firm's philosophy and plans like this:

We've picked lawyers who are willing to learn, with clients for whom we can have the most immediate impact. We're building LPM a brick at a time, from the ground up, with those clients, and I think in a law firm environment that sells better than "preaching" and then hoping that it catches on.

Given the way legal practice is changing, we need to continue to improve. A year from now, we need to be further down the road than we are, and I am confident we will be there.



## 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*, *Legal Project Management, Pricing, and Alternative Fee Arrangements*, *Client Value and Law Firm Profitability*, and the *Legal Business Development Quick Reference Guide*. He has also published more than 80 articles in the *New York Times Magazine*, *Bloomberg Law*, *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 the Ark Group, 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 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.



**Jonathan Groner** is a public relations specialist, a freelance writer, and a lawyer. He has previously worked as a marketing manager at Jenner & Block, as senior communications counsel at Womble Carlyle, and as managing editor at *Legal Times*.

## 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](http://www.legalbizdev.com) or contact us today to discuss the best way to meet your unique needs.



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