

The evolving role of directors of legal project management



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

The number of law firms who have hired directors of legal project management (LPM) has grown rapidly in the last few years. This white paper summarizes interviews with 15 LPM directors regarding how their jobs are defined, as well as their successes, challenges and future opportunities.

The responsibilities of these directors are quite varied, including such areas as pricing, training, developing awareness, one to one consulting with key attorneys, process improvement, RFPs, and evaluating and using LPM software. At all firms, lack of time and resources present a significant challenge.

The good news is that many firms are devoting significant resources to meeting client demands for greater efficiency, and that all of them are making progress. The challenge going forward is to find the tactics that will produce the greatest benefits for each firm, in the most cost effective way possible.

The most important conclusion from this research is that firm management must play an active role in defining the best way to implement LPM. Fundamental questions regarding the firm's business approach to profitability and client satisfaction are simply too important to be delegated.

The evolving role of directors of legal project management

As recently as five or six years ago, it was easy to calculate the number of law firms that had hired directors of legal project management (LPM): zero. As the field has grown in the last few years, it has gotten much harder to get a precise count. But there is no doubt that the number is growing.

As Hildebrandt Consulting and Citi Private Bank reported a few weeks ago in their 2016 Client Advisory:

An increasing number of law firms are making greater use of project managers, who are tasked with helping partners determine necessary resources, stay on budget and avoid scope creep. We expect to see greater use of project managers, as well as pricing specialists, to help partners understand the true cost of running a matter.¹

However, there is a great deal of variation in the job descriptions for these new positions and uncertainty about how well different tactics are working. To gain insight into these critical issues, we recently interviewed 15 people who currently perform the role of LPM director:

¹ <https://www.privatebank.citibank.com/pdf/2016CitiHildebrandtClientAdvisory.pdf>, 10.

- Kim Craig, Global Director, Legal Process Improvement, SeyfarthLean Consulting
- Stuart Dodds, Director of Global Pricing and LPM, Baker & McKenzie
- Pete Elliott, Director of Legal Project Management, Benesch Friedlander
- Chris Ende, Managing Director for Pricing and Project Management, Goodwin Procter
- Alex Erines, Pricing and Project Manager, Crowell & Moring
- Bart Gabler, Director of Pricing and LPM, K&L Gates
- Keri Gavin, Director of Pricing and Project Management, Winston & Strawn
- Bree Johnson, Director of Value Pricing and Legal Project Management, Stinson Leonard Street
- Rick Kathuria, National Director of Project Management and Legal Logistics, Gowlings
- Jennifer Mapp, Director of Pricing and Project Management, Dechert
- Linda Novosel, Chief Pricing and LPM Officer, Steptoe & Johnson
- Melissa Prince, Director of Pricing and Legal Project Management, Ballard Spahr
- Peter Secor, Director of Strategic Pricing and Project Management, Pepper Hamilton
- Tom Snavely, Manager of Legal Process Improvement and Project Management, Faegre Baker Daniels
- Kathleen Thompson, Strategic Pricing Analyst and Legal Project Manager, BakerHostetler

To maximize the frankness of their responses, we promised that while their names would be listed in this research summary, every quote we used could be reviewed by them in advance and none would be attributed to a particular person or firm.

We were quite surprised by the wide range and the variability of the responses. After reading and re-reading the interview summaries several times, our main conclusion was that there is a striking lack of consensus both on what the LPM director role should be and on what works best.

If we had interviewed 15 law firm executive directors or CFOs about their jobs, we would have expected to find some variations among firms but an underlying foundation of consistency on the central role. We did not find that kind of consistency here.

If, based on these interviews, we summed up the state of the art of law firm LPM directors' role in a single word, the word would be "pioneer." Like the pioneers in the American west, some are likely to end up with greater success than others. Which tactics work best? There is no shortage of consultants who will provide advice on this important question (including LegalBizDev; we are guilty as charged). But in this time of great change in the legal profession, a consensus has not yet emerged.

The people we interviewed did strongly agree on the benefits of LPM. As two interviewees put it:

Clients are more interested than ever before in requesting data from lawyers and in talking about costs and budgets and the value that they receive from the lawyers' work.

LPM improves the client experience by driving efficiency and value.

Indeed, LPM helps not just with clients but with the way lawyers perceive their work: “The client feels it is getting good value and the lawyers feel that they are improving the way in which they work.”

But there is much less agreement about how to get from here to there. For example, consider the role of LPM directors in selecting and supporting new software. One described the main goal for 2016 as “expanding our software program and showing firm management some quantifiable results from its use.”

Several others also felt this was the most important aspect of their job:

Our main achievement to date has been to build an in-house software tool based on Excel that the lawyers can use for project management.

One of the first things I did after accepting this position was to look for software that would help the firm’s lawyers answer LPM questions. But we haven’t yet found software that satisfies our needs.

Our biggest challenge centers on the lack of technology in the market. There are a great many software packages on managing to budget but very few or none that put together all the pieces of LPM, including staffing and document management as well as budgeting. So our firm built a budgeting and tracking system internally from scratch.... This took a full year. We are very pleased with the results. Not all the partners are using it, but a fair number of partners are on board and at least use some pieces of this tool.

In reviewing these comments and other off-the-record conversations, we were reminded of the split of opinion regarding software that we reported in the book *Client Value and Law Firm Profitability*, based on interviews with AmLaw 200 leaders, including this negative example:

We spent an incredible amount of time and resources coming up with a very sophisticated reporting system that would allow people, with a couple of clicks through our intranet, to go into any particular matter that had a budget, and see down to the timekeeper and task level, exactly how they were doing. Nobody uses them, as far as we can tell—literally, nobody. All they care about is the high level. Lawyers want an email once a week saying, where am I with my budget? They don’t care about the more detailed information.²

Perhaps that is why one LPM director described an important part of the job as “handling the firm’s roll-out of LPM technology effectively, since lawyers resist using technology unless it works well the first time.”

² Jim Hassett, *Client Value and Law Firm Profitability* (LegalBizDev, 2014), 118

And while some we interviewed emphasized their role with software, others did not mention it at all.

On the most fundamental level, the 15 people we interviewed had different definitions of what an LPM director is responsible for. This is not surprising given widespread disagreements about the very definition of LPM.

This lack of consensus can be seen in the name of the most influential professional conference in this area, the Legal Marketing Association's (LMA) P3 conference.³ When the first P3 conference was held in October 2013, the LMA website listed the 3 Ps as pricing, practice innovation, and project management. The second P was later changed from practice innovation to process improvement.

No one has asked us our opinion about the name of the conference, but if they did we'd say that the best title would be the simpler term "legal project management," since both pricing and process improvement should be considered subtopics under LPM. (For more on our view of LPM's broad definition, see Chapters 2 and 3 in my book *Legal Project Management, Pricing, and Alternative Fee Arrangements*.⁴)

This disagreement can also be seen in the titles of the people we interviewed. 11 included the word "pricing" and two included the phrase "process improvement." This difference is more than just semantics. It reflects the fact that law firm management has hired people with different goals in mind, and as a result their efforts have focused on different tactics.

When we asked people to define their job, here are some of the answers we got:

My role has evolved from training, in which I worked to acclimate lawyers to the idea of LPM, to an operational role putting LPM into practice.

In my earlier days here, my time was focused on building an awareness of project management at the firm through education and training. Now we are moving to become a group that acts as an internal consultant to the attorneys.

My first assignment was to diagnose and evaluate what the firm was doing well and not so well in LPM. Now my two main roles are counseling partners on budget and management for prospective and ongoing matters, and looking at process improvement.

My role is 50/50 pricing and LPM, and I supervise people in both areas.

Fifty percent of my job is creating fee estimates for each project based on a questionnaire that I give to all people who are billing on the matter. The other 50

³ <http://www.legalmarketing.org/P3Conference>

⁴ Jim Hassett, *Legal Project Management, Pricing, and Alternative Fee Arrangements* (LegalBizDev, 2013)

percent is more like “billing hygiene,” in which I make sure that the firm’s billing protocols are being followed and that bills are being sent on time and in the right format.

I have three roles: helping lawyers create budgets and partnering with them on pitches; managing existing matters as part of a client team in an ongoing case; and developing firmwide awareness of the firm’s LPM program.

The theme most often reflected in both job titles and job descriptions was pricing.

In 2012, we wrote an article for *Bloomberg Law Reports* entitled “The Rise of the Pricing Director.”⁵ At that time, despite extensive networking, we were able to find only a handful of people who held the title of pricing director in a law firm or performed that function. Law firms generally move a little slower than glaciers, but the growth in pricing directors has been meteoric. According to a 2014 survey by ALM Legal Intelligence, just two years after our article, “Seventy-six percent of big firms now employ some sort of pricing officer. And these positions are in the midst of a remarkable growth spurt.”

With 20/20 hindsight, it is easy to see the reason for the rapid growth of the pricing director title and function. The well-documented changes in the legal profession over the last few years have placed intense pressure on profits. It is therefore not surprising that a new group of high-level executives has emerged to help law firms set their prices in a way that will help them to maintain profitability.

In the current highly competitive environment, many law firms are struggling with two key issues:

1. Pricing: How do we bid high enough to make an acceptable profit, but low enough to get new work?
2. Managing: After we win work at a particular price, how do we manage the work to make a profit?

In our interviews with 15 LPM directors, we found far more attention devoted to pricing before the fact than to managing after the fact. For example, one respondent described the main LPM responsibility as:

... Working directly with attorneys on pricing proposals. When I started, many partners were skeptical about LPM and alternative pricing strategies, but now I get half a dozen phone calls a week from attorneys who want my help. Some are from the attorneys whom you’d least expect to be interested.

Said others:

⁵ <http://www.legalbizdev.com/news/Pricing-Bloomberg-LegalBizDev-Feb-2012.pdf>

I spend a good deal of my time advising lawyers about fee arrangements and about what to do in response to client requests. We work closely with the marketing department, especially when it comes to RFP responses.

One of our major initiatives is to incorporate budgeting into the RFP stage of every matter so that the budget can be incorporated into the proposed pricing. This would make RFP responses better and more efficient and would lead to an immediate return on investment.

Partners are under constant pressure from their clients to do more detailed budgeting and more creative pricing to meet client needs. We need to keep up the level of creativity and sophistication in our pricing.

A much smaller number of the people we interviewed mentioned internal management, as in these examples:

Our focus to date has been on pricing and AFAs, but I expect to focus on other aspects of LPM very soon.

My goals for the next year are to improve monitoring of ongoing matters, to ensure that every aspect of a case can be tracked efficiently, and to ensure that the partners have the tools and capabilities to have conversations with their clients about management and risk trade-offs in their cases.

While both better pricing and internal management will improve financial results, in our opinion more emphasis on improving the management of existing matters would lead to a faster financial return.

In an influential book entitled *Growth is Dead*, Bruce MacEwen has written about:

“...Suicide pricing” in response to RFPs. These are bids—from name-brand firms, mind you—that are so breathtakingly low one wonders how they could possibly make any money. The short answer is they can’t.⁶

Why do firms bid so low? Because they have too many lawyers and not enough work.

In the most recent *Law Firms in Transition Survey*, Altman Weil asked, “Are each of the following lawyer classes in your firm sufficiently busy?” The answer was no for a majority of partners (53% of equity partners and 59% of non-equity partners).⁷

⁶ Bruce MacEwen, *Growth is Dead: Now What?* (CreateSpace Independent Publishing Platform, 2013). Available on Amazon.

⁷ http://www.altmanweil.com/dir_docs/resource/1c789ef2-5cff-463a-863a-2248d23882a7_document.pdf

The result is lower prices. As one AmLaw 200 managing partner put it in our research on *Client Value and Law Firm Profitability*:

Sometimes we know a matter is not going to be profitable, but we take it anyway because we've got overcapacity that we're not going to be able to get rid of quickly. It's not profitable, but it's more profitable than zero.⁸

In this era of dog-eat-dog competition, firms sometimes have little control over pricing. But once the price is set they CAN control how the work is done. So why do so many firms concentrate on pricing before internal management? Starting with pricing is a practical way to get attorneys to begin to utilize and appreciate LPM. Accurate pricing starts with better communication in both directions: law firms must better understand client goals and clients must better understand the cost of developing and implementing various legal strategies. Risk assessment, efficient use of internal and external resources, and much more are all part of the process.

But it's a whole lot easier to get lawyers to agree to a budget than it is to get them to live within it, so LPM directors also need to help lawyers change their behavior, which is a major challenge.

In addition to pricing, several of those interviewed stressed process improvement, as in these examples:

I spend most of my time working with practice group leaders and individual partners to identify problems and opportunities for increased efficiency for the firm.

My major goal is to educate the lawyers on process improvement solutions, to make their jobs easier.

My chief goal is to help attorneys constantly plan their matters well and to think of new ways to do the firm's work. This is particularly useful in IP, because patent and trademark prosecutions often involve the same steps repeated in the same way, so careful attention to each step can save time and effort.

Our major achievement has been to teach lawyers how to deliver legal work in the most efficient way through process maps which show the most efficient paths to achieve a variety of legal goals. For clients, the results are reduced costs, greater predictability and transparency, more efficiency, better use of technology, and better legal and business outcomes.

Several people we interviewed also mentioned their role in helping lawyers to think more clearly about profitability:

⁸ Hassett, *Value*, 80

My group has helped introduce the concept of profitability of a particular engagement into the law firm's thinking. Profitability is not the amount that is billed; it is, broadly speaking, what remains after paying associates and everyone else who is involved in the matter.

A few mentioned improving communication. One said that:

The major advantage of LPM is to improve communications between the firm and its clients so that the client can understand what is going on at all times. We also use end-of-case reviews to evaluate what we did right in a case and what could be improved.... Through the appropriate use of LPM, I believe our firm can improve its realization by two percent annually on a consistent basis.

Several talked about working directly with clients, as in these examples:

My work is heavily client-driven, since the firm's clients are much farther along in their understanding of value and efficiency than some of the partners are. My role is to be a liaison between the firm's clients and its partners.... The firm's partners let me work directly with clients and understand what makes them tick. My job is to work with each client and to find out exactly what they're looking for from us. Do we want to partner with our clients to utilize new technology and to take advantage of innovation? Do we want to propose arrangements based on reduced rates and still remain profitable?

For the next year, my priority is to increase my visibility in client meetings—attending them more often and serving as more of a support system for the partners.

Whether it's the result of differences in firm culture or in the way that LPM director roles have been defined by management, there are differences in the degree of lawyer acceptance. On the positive side, one respondent reported, "While there are pockets of resistance, they are not vocal or persuasive."

More commonly, there was greater resistance to LPM:

In my director role, I need to have a thick skin vis-à-vis the attorneys. You are talking about people who have worked the same way for years. You can't force people to change.

My most important challenge is building relationships with the partners and developing their trust.

The biggest barrier to success is the need to instill a sense of urgency among the attorneys.

My major obstacle, in addition to technology, is dealing with a subset of partners who want to do things the way they have always done them.

I have a real question whether most lawyers have the resiliency to make changes in the way they practice law.

Another common theme was that the resources available for LPM are too limited. Indeed several directors described lack of time as their single biggest problem:

The biggest obstacle to achieving my objectives is the number of hours in a day.

Everyone is too busy. I just wish I had more time to show everyone the framework that's in place.

We know that our clients all over the world are interested in budgeting. We need to have the resources available in our department to answer all these client questions.

The question is, how do we staff everything when we have so few people to achieve all our goals?

This high demand is a good thing in that it proves that LPM directors are making progress in showing attorneys the benefit of LPM. But it also implies that going forward the biggest questions for firm management will be how much to invest in LPM and which activities produce cost-effective changes most quickly.

Our 15 interviews revealed 15 approaches to these tactics, some of the differences subtle and others quite significant.

To those views we would add a 16th opinion about what works best, based on our experience working with a number of firms. Our general approach is summarized in our article "LPM: An Evolving Process" in the February issue of *Managing Partner* magazine. As we wrote there:

Too many firms act as if hiring an LPM director and/or a pricing director will solve all their problems. This is clearly part of the solution for many firms, but it only works if partners are committed to changing their approach.

LPM and pricing directors are hungry for information about what works and what doesn't. A number of thought leaders have banded together to form the True Value Partnering Institute, described on its web page as "an invitation-only virtual Think Tank... [which organizes] Cohorts, which meet several times via one-hour conference calls and can also participate in specialty topic Sub-Groups to collectively explore topics of interest."⁹ For example, their "Legal

⁹ <http://www.tvp-institute.com/>

Project Management Leaders” Cohort has a sub-group devoted to “Defining the Role and Measuring the Value of a Legal Project Management Director.”

As a result of our interviews, we recently expanded our LPM Acceleration Program™ to include a wider variety of services to support in-house LPM directors, as well as access to the proprietary scripts and guidelines we have developed over the last several years (see Attachment A).

Whether a firm accepts our recommendations or those of others, the most important conclusion from this research is that firm management must play an active role in defining the best way to implement LPM. Fundamental questions regarding the firm’s business approach to profitability and client satisfaction are simply too important to be delegated.

As we reviewed all of our findings, the good news was that these 15 firms and many others are devoting significant resources to meeting client demands for greater efficiency, and that all of them are making progress.

But there is still a great deal of work to be done and LPM directors currently disagree about the best approach to using limited resources. The challenge is to find the tactics that will produce the greatest benefits for each firm, in the most cost effective way possible.

All this at a time when the pace of change needs to increase. In our survey of *Client Value and Law Firm Profitability*, when we asked AmLaw 200 leaders, “Will firms have a competitive advantage if they change more quickly?” 85% said yes, they would.¹⁰

At the end of the day, the burden is on the partners who own each firm and on the firm’s management committee to review all the conflicting opinions about LPM tactics and make the best decisions they can in an uncertain environment.

The stakes are high. As one senior executive in our AmLaw 200 survey put it:

I think the market’s going to shake itself out. [And] I think [firms] that can’t do this will fail.¹¹

¹⁰ Hassett, *Value*, 163

¹¹ Hassett, *Value*, 11

ATTACHMENT A

LEGALBIZDEV LPM ACCELERATION PROGRAM™

The *LPM Acceleration Program*™ helps firms increase the speed and cost-effectiveness of implementing legal project management (LPM) in their organizations, whether they have already started significant initiatives or are just beginning to formalize their efforts.

LegalBizDev is widely recognized as a thought leader in this rapidly growing field, and has unmatched knowledge of what others firms are doing, what's worked, and what hasn't. By applying our knowledge and extensive experience to your firm, we can help you produce change more quickly and cost effectively.

We offer three approaches to the *LPM Acceleration Program*™, customized to each firm's needs:

1. Planning - We will work with you to design a customized Strategic and Tactical LPM Plan that meets your firm's needs
2. Implementation - We will assist your internal LPM staff to accomplish well defined goals or provide LegalBizDev staff to accomplish them.
3. Advising - We will share our expertise with your management and/or internal LPM staff, in whatever way you find most useful

All of our *LPM Acceleration Programs*™:

- Are managed by LegalBizDev founder Jim Hassett (the author of three books and numerous articles on LPM) and include his personal consultation
- Are conducted by a LegalBizDev LPM Advisor who has significant experience coaching lawyers and staff in LPM at a variety of firms.
- Include access to proprietary materials such as coaching scripts and copies of our *Legal Project Management Quick Reference Guide*.

1. Planning: In our Planning Program we will conduct research and provide a Strategic and Tactical LPM Plan which includes a roadmap to maximize results, speed and cost effectiveness of LPM implementation in your firm.

The strategic plan provides a blueprint for firm LPM initiatives during the next two to three years. The tactical plan lists detailed steps your firm should take in the next three to six months to begin the process with changes that can immediately improve the bottom line and build momentum. The program's key deliverables are:

- A kickoff teleconference with your firm's primary contact, your LegalBizDev LPM Advisor, and LegalBizDev founder Jim Hassett
- Onsite interviews by your LPM Advisor with key stakeholders to assess:
 - Group goals and priorities for LPM
 - LPM capabilities, experience and capacity: accomplishments to date
 - LPM activities currently being considered for the future

- Perceived barriers to LPM implementation
- Two drafts of your LPM Strategic Plan and Tactical Plan which are reviewed and modified by the stakeholders to build consensus and ownership of the approach
- A final third draft to guide your future actions

The Planning Program can be completed in as little as two months, depending on the schedules of your stakeholders. It is offered for a standard fixed price, based on the number of trips and stakeholders.

2. Implementation: Whether you already have an LPM plan in place or develop one in our LPM Planning Program, your LegalBizDev LPM Advisor can work closely with your LPM staff to help them implement the most effective tactics. Alternatively, we can provide people to work on-site or off-site to meet your goals. The program is custom designed for each firm to include the appropriate number of:

- On-site visits (from a single visit to part-time at your offices for an extended period of time)
- Regularly scheduled telecons with your LegalBizDev LPM Advisor (and with Jim Hassett when needed)
- Monthly LPM Best Practices calls with the entire LegalBizDev team.

3. Advising: As an alternative to the other options above, we will work with senior management or internal staff to share our LPM expertise in whatever way you find most useful.

Our goal with all of these programs is to bring a more systematic and disciplined approach to what is now essentially an “invent it yourself” staff function. For more information, contact Jim Hassett (jhassett@legalbizdev.com, 617-217-2578) to discuss how our *LPM Acceleration Program*TM can help your firm to maximize the return on its investment in this critical area.

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 Washington, DC-based public relations specialist and freelance writer. He has previously worked as a marketing manager at Jenner & Block, as senior communications counsel at Womble Carlyle, and as managing editor of *Legal Times*. He is also trained as an attorney and is a member of the DC Bar.

About LegalBizDev

LegalBizDev helps law firms enhance client service and increase profitability by improving project management and business development. We offer coaching, webinars, workshops, retreats, train the trainer programs, publications, and more.

We help each individual identify the action items that are most likely to produce immediate and practical results for their practice, their personality, and their schedule. Our proprietary process helps lawyers 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, the leader in legal consulting for over 40 years, 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, and marketing strategy.

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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