

# The Keys to Legal Project Management Success



*A LegalBizDev white paper  
By Jim Hassett and Tim Batdorf  
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## Executive summary

In the last few years, many legal clients have been demanding greater efficiency and more predictable budgets. To meet this need law firms have taken a wide variety of approaches, including legal project management (LPM) coaching, consulting, training, hiring LPM staff, and investing in new software. Some of these initiatives have been quite effective in changing lawyers' behavior, and others have not.

This brief white paper summarizes LegalBizDev's analysis of what works and what doesn't, based on a decade of LPM research and consulting with hundreds of law firms. It is divided into three sections:

Part 1: The top three facts law firm leaders need to know about LPM:

1. Clients want LPM.
2. Experts disagree about the best way to define LPM.
3. LPM is hard. Success requires long-term management support.

Part 2: The five most effective ways to increase LPM results:

1. Focus on changing behavior and solving problems.
2. Aim for quick wins to create internal champions.
3. Publicize successes within the firm.
4. Use just-in time training materials.
5. Take action now and follow up relentlessly.

Part 3: Implications for your firm.

## Part 1: The Top Three Facts Law Firm Leaders Need to Know About LPM

Law firm leaders who are interested in legal project management (LPM) should begin by focusing on the three central facts described below.

### **1. Clients want LPM**

Any law firm that has responded to an RFP in the last few years knows that client requests for LPM are growing rapidly. Survey after survey has shown that legal clients are seeking greater efficiency from firms. For example, in its 2017 Chief Legal Officers (CLO) Survey,<sup>1</sup> Altman Weil provided 280 CLOs with a list of ten possible service improvements and asked them to "please select ... [the improvements] that you would most like to see from your outside counsel." The top three things clients want are:

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<sup>1</sup> <http://www.altmanweil.com/CLO2017/>, 37

1. Greater cost reduction (51%)
2. Improved budget forecasting (46%)
3. Non-hourly based pricing structures (39%)

In other words, clients want LPM, LPM and more LPM. Our experience tells us that clients also want fewer surprises and better communication. LPM addresses *all* of these concerns.

If you believe that your clients are different and that they care only about legal quality and not about cost, consider yourself very lucky. But you'd better be right, because you may be at risk of losing these clients to competitors who focus on improving service with LPM.

## **2. Experts disagree about the best way to implement or even define LPM**

There is widespread agreement that clients want LPM and that it can benefit firms by protecting business and increasing realization and profitability. But LPM is so new that experts still disagree about exactly how it should be defined. These arguments have slowed LPM's progress, as seen in this quote from an AmLaw 200 firm leader from one recent survey:

We were just at a board meeting last week where we were talking about whether we should do formalized project management training. My answer to that is obviously yes, we absolutely should. But first we need to agree on what legal project management is.<sup>2</sup>

Here is the definition we've used for years: *LPM increases client satisfaction and firm profitability by applying proven techniques to improve the management of legal matters.* Note that this is a broad definition that embraces a very wide range of management techniques, including pricing, communication, process improvement, and much more.

By our definition, any lawyer who has ever planned a budget or managed a team has served as a legal project manager. But what was "good project management" for lawyers a few years ago is no longer good enough. Clients are now choosing law firms based on their ability to apply a more systematic and disciplined approach that delivers more value more quickly.

We argue that LPM revolves around eight key issues:

1. Set objectives and define scope
2. Identify and schedule activities
3. Assign tasks and manage the team
4. Plan and manage the budget
5. Assess risks to the budget and schedule
6. Manage quality
7. Manage client communication and expectations
8. Negotiate changes of scope

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<sup>2</sup> Jim Hassett, *Client Value and Law Firm Profitability*. (LegalBizDev, 2014), 89

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The key to success is to find the “low-hanging fruit”: The management tactics that are most likely to help each individual to increase value and/or profitability.

As Barbara Boake and Rick Kathuria summarized in their book *Project Management for Lawyers*: “project management is a tool box—choose only what you need to most effectively manage [each] project.”<sup>3</sup>

This pragmatic approach is closely related to the Agile approach to project management, an iterative process that focuses on key issues, one at a time, in their order of importance. In an article entitled “Agile: A Non-traditional Approach to Legal Project Management,” Kim Craig, then SeyfarthLean’s<sup>4</sup> global director of legal process improvement, and Jenny Lee, a senior project manager with Seyfarth, explained why Agile is particularly relevant to the legal profession:

Traditional project management focuses on robust, comprehensive, mandatory project documentation with lengthy project charters, detailed project plans, complex status reports and rigorous, formal change control logs... [But] the world of legal service delivery is fast-paced and unpredictable. In legal matters, we cannot possibly know everything that will be involved with litigation at the outset. Developing an overall strategy is generally common practice, but detailed, cradle-to-grave planning is impossible.<sup>5</sup>

Agile contrasts with the more traditional approach to project management which holds that every project should start with a well-defined plan. Only after that is completed and approved do you begin working your way to the end, one sequential step at a time.

The traditional approach is also known as the “waterfall” approach because progress is seen as flowing steadily from the top to the bottom (as in a waterfall). It typically sees projects in terms of five key phases or steps such as:

- Analysis
- Design
- Implementation
- Testing
- Evaluation

In some cases, firms have hired LPM Directors based on their “waterfall” project management experience in construction, government contracting, and other areas where traditional techniques are used but Agile techniques are not. This has led to stories of LPM Directors who could not or would not adapt to a legal environment, and who wound up working with a very small group of

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<sup>3</sup> Barbara Boake and Rick Kathuria, *Project Management for Lawyers* (Ark Group, 2011), 14

<sup>4</sup> <http://www.seyfarth.com/seyfarthlean-background>

<sup>5</sup> [http://www.seyfarth.com/dir\\_docs/publications/ilta122013.pdf](http://www.seyfarth.com/dir_docs/publications/ilta122013.pdf). The article originally appeared in the International Legal Technology Association’s (ILTA’s) December 2013 white paper titled, “Business and Financial Management: Wrangling the Wild Ride”

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partners that were interested in project charters, Gantt charts, and tools like Microsoft Project software.

So, if anyone tells you that LPM is defined by five steps such as analysis, design, implementation, testing and evaluation, you should be aware that they are describing the traditional waterfall approach, not the Agile approach which we believe applies better to lawyers. As the old cliché says, you won't get a second chance to make a first impression, and attempts to apply the traditional waterfall approach have set back the cause of LPM at many firms.

Another challenge in implementation caused by the controversy over definitions can be seen in the resources firms have devoted to two key questions addressed by LPM:

1. Pricing: How do I bid high enough to make an acceptable profit, but low enough to get new work?
2. Managing: After I set a price how do I manage the work to assure client satisfaction and a reasonable profit?

In a study based on interviews with 15 LPM directors<sup>6</sup> we found that almost all of their firms' emphasis has been placed on the first question – pricing – rather than the second – management. We believe this is a mistake. As we wrote in that study:

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... [Frankly], it's a whole lot easier to get lawyers to agree to a budget than it is to get them to live within it... LPM directors need to help lawyers change their behavior, which is a [much more difficult] challenge.<sup>7</sup>

Interestingly, since completing that study we have talked to clients who have performed their own internal proprietary “gap analyses” to determine how to improve LPM, and they have reached this same conclusion: They need more emphasis on changing lawyers' behavior. Of course, the financial side of setting budgets is important. But if lawyers did a better job of living within those budgets and communicating with clients, the impact on the bottom line would be faster and more significant.

### **3. LPM is hard. Success requires long-term management support**

In our LPM work with hundreds of law firms, we've seen the importance of follow-up over and over again. In every single case where we have seen a firm make significant LPM progress, it was led by influential partners or members of the executive committee who were strong believers in LPM. In fact, in a few cases, we've seen LPM programs make an enormous amount of

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<sup>6</sup> Jim Hassett et. al, *Legal Project Management Quick Reference Guide, 4<sup>th</sup> Ed.*, “The evolving role of LPM directors,” (LegalBizDev, 2016), 292

<sup>7</sup> Hassett et. al, *Legal Project Management Quick Reference Guide, 4<sup>th</sup> Ed.*, 298

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progress when they were led by a powerful internal champion, and then slow to a crawl when that decision-maker left the firm.

In our view, no law firm on the planet has achieved more LPM behavior change more quickly or more efficiently than Bilzin Sumberg, a Miami firm with about 100 lawyers.

Bilzin started several years ago with individual coaching for key partners aimed at creating quick wins. Based on their success increasing client satisfaction and new business, these partners became LPM champions who spread best practices throughout the firm. Practice group leaders are now required to report regularly to an LPM committee and to the managing partner about how they are applying LPM and what works best.<sup>8</sup>

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 can yet say that LPM has truly taken hold across the entire firm. LPM aims to change habits that have been reinforced over decades, and to help firms constantly adjust to evolving client demands.

As Bilzin Sumberg Executive Director Michelle Weber summed it up, “Applying LPM is a continual ongoing process. It’s all about modifying behavior one small step at a time.”

## **Part 2: The Top Five Ways to Increase LPM Success**

### ***1. Focus on changing behavior and solving problems***

In 2011, when the LPM movement was still getting started, the Association of Corporate Counsel and the American Bar Association published an account of a meeting “at which leaders of corporate and law firm litigation departments rolled up their sleeves and tackled the complex issues surrounding present day concepts of value in litigation.” After the meeting, the authors of a follow-up report emphasized that future progress will not be based on improved understanding or increased knowledge. Instead, “The challenge is change/behavior management.”<sup>9</sup>

At about the same time, many firms started implementing LPM by launching large-scale education programs. Lawyers love precedent, so when one AmLaw 200 firm announced that it had trained all of its partners in LPM, a number of others jumped in to do the same thing. These training programs enabled firms to “check the LPM box,” write RFP responses praising their own LPM efforts, and put out press releases. What they did not accomplish, however, was to change the behavior of their lawyers.

As the chair of one AmLaw 200 firm that invested heavily in LPM training put it in our survey *Client Value and Law Firm Profitability*:

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<sup>8</sup> For more details on Bilzin’s approach and its results, see the full case study at <http://www.legalbizdev.com/aboutus/case-studies.html>

<sup>9</sup> Susan Hackett, Barb Dawson, and Laura Ariane Miller, “Valuing Litigation: Lessons Learned from Collaboration,” *ACC Docket* (May 2011), 130

Every shareholder and top level associate [in our firm] has had a full day of project management training. I'd like to tell you that they use it, but they don't.<sup>10</sup>

LPM requires partners to change the very way they practice law. And as another managing partner of an AmLaw 200 law firm stated in our survey:

Project management is not natural to lawyers. We've always been trained to get the case done well to win, but now we also have to get the case done efficiently, and that is not part of the natural toolkit for most people.<sup>11</sup>

It is not exactly news that education does not necessarily lead to behavior change. Taking a workshop about how to lead a healthier life by exercising regularly, losing weight, and eating more vegetables does not mean that you will actually do any of these things.

The key to getting started in changing behavior throughout an organization is to help lawyers solve the problems they face, such as living within a fixed fee budget or increasing realization. And the best way to do that is to first identify lawyers who are motivated to change, and then to coach them one-on-one and create quick wins.

## **2. Aim for quick wins to create internal champions**

Lawyers are most likely to change their behavior if they are provided with convincing evidence that it is in their own self-interest. If respected colleagues say that LPM helped to make a fixed fee deal more profitable, or to avoid a write-down with a difficult client, they will listen.

As ALM Legal Intelligence noted in a survey entitled *Legal Project Management: Much Promise, Many Hurdles*, "The quicker there are demonstrable positive benefits, the faster other partners will take notice."<sup>12</sup>

The value of quick wins in changing behavior has also been shown in many other professions.

A few years ago, John Kotter published a Harvard Business School Review article entitled "Leading Change: Why Transformation Efforts Fail,"<sup>13</sup> summarizing a ten-year study of more than 100 companies. Most of their change efforts had failed, and Kotter outlined eight phases that were necessary for success: generating a sense of urgency; establishing a powerful guiding coalition; developing a vision; communicating the vision clearly and often; removing obstacles; planning for and creating short-term wins; avoiding premature declarations of victory; and embedding changes in the corporate culture.

Kotter, who is now a Professor Emeritus at Harvard Business School, went on to refine these ideas in a number of publications, including the book *Leading Change*, which TIME magazine

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<sup>10</sup> Jim Hassett, *Client Value and Law Firm Profitability* (LegalBizDev, 2014), 193

<sup>11</sup> Hassett, *Client Value*, 191

<sup>12</sup> ALM Legal Intelligence, 2012, "Legal Project Management: Much Promise, Many Hurdles," 17

<sup>13</sup> <https://cb.hbsp.harvard.edu/resources/marketing/docs/95204f2.pdf>

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listed as one of the "Top 25 Most Influential Business Management Books" of all time. According to Kotter, short-term wins:

- Provide evidence that sacrifices are worth it
- Reward change agents with a pat on the back
- Help fine-tune vision and strategies
- Undermine cynics and self-serving resisters
- Build momentum<sup>14</sup>

When LegalBizDev coaches lawyers in LPM, we look for the low hanging fruit that makes it easiest for each individual lawyer to generate short-term wins. The issues lawyers focus on will vary from group to group and even from lawyer to lawyer, ranging from better budget control, to improved client communication, to more effective delegation to negotiating changes of scope.

In more than three decades in the training business, LegalBizDev has found that the single most important factor in success is selecting the right people to be trained. This is particularly critical in an area like LPM, where there is resistance and scepticism about changing behavior.

We recommend starting with lawyers who are open to new ideas and who have the most to gain. That could be the key partners who are responsible for new alternative fee arrangements. It could be relationship partners who are worried about protecting business with key clients that are looking for greater efficiency and increased value from their outside counsel. It could be an entire practice group that is considering new checklists, templates, and processes to improve its competitive position.

Experience has shown that our training pays for itself several times over by enhancing client relationships and profitability. That success creates a new group of champions within the firm who will spread the word that legal project management can help serve clients better.

The exact individuals and groups will vary from firm to firm. But in every case, the best lawyers to begin focusing on LPM are those who are (i) open-minded about change and efficiency, (ii) in a position to benefit when LPM makes a difference, and (iii) influential enough to credibly spread the word of their success.

### **3. Publicize successes within the firm**

The lawyers who achieve quick wins often become internal champions who spread the word to their partners. This is most effective when the firm establishes procedures to publicize successes internally.

For example, Bilzin Sumberg, a Miami-based firm with more than 100 lawyers, started with a panel discussion at a retreat in which three lawyers who had completed LPM coaching described their experience and results. One of the three, Al Dotson, the firm's Land Development &

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<sup>14</sup> John Kotter, *Leading Change*, Harvard Business Review Press; 1<sup>st</sup> revised edition (November 6, 2012), 123



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Government Relations Practice Group Leader, described how his LPM activities had led to new business in just a few 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 for large real estate developments. His clients loved the LPM approach because they use project management to run their own construction 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.

Based on the endorsement of internal champions, the majority of Bilzin Sumberg's partners volunteered for and completed LPM coaching. They then proceeded to work LPM concepts into the very fabric of the way the firm operates.<sup>15</sup>

LPM successes can also be publicized in practice group meetings; through emails from firm leadership; at firm retreats, lunch and learns, or panel discussions; and in many other ways.

#### **4. Use just-in time training materials**

In our three decades in the training and coaching business, the training profession has changed radically. When we started our company in 1985, most training was built around classes and workshops. These days, it is far more common to use a just-in-time training approach which enables people to solve the problems they have, the moment they have them.

For example, if you need to use some unfamiliar features of Microsoft Word, it is very unlikely that you would consider taking a class. You will simply find the exact information you need in online help, precisely when you need it.

This approach has been applied in almost every field you can think of, including project management. When a research study of "The use of just-in-time training in a project environment" was published in the *International Journal of Project Management*,<sup>16</sup> the authors pointed out that "Around 40% of the knowledge acquired in training is lost after a break of one month, rising to 90% after six months." They then performed an experiment to show how this problem could be solved by providing access to tools that allow people to solve the problems they care about, just in time.

Based on our firm belief in the just-in-time training approach, LegalBizDev began offering an electronic version of the fifth edition of our *Legal Project Management Quick Reference Guide* in 2017.<sup>17</sup> This is the most complete library of tools and templates to support just-in-time training for LPM that is available for purchase. Using this library avoids the expense of reinventing the wheel, and it provides LPM Directors, champions and others with over 150 tools and templates which have been proven to increase client satisfaction and firm profitability. Each can be customized to fit a firm's precise needs. Licenses also include consulting support and handouts to help LPM leaders determine the best way to assure that lawyers actually use these tools.

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<sup>15</sup> For more details see the case study at <http://www.legalbizdev.com/aboutus/case-studies.html>

<sup>16</sup> <http://www.sciencedirect.com/science/article/pii/S0263786300000120>

<sup>17</sup> <http://www.legalbizdev.com/projectmanagement/>

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Lawyers can access these tools anytime, anywhere using their laptop, tablet, or phone. The online templates are also updated to provide our most current thinking on LPM.<sup>18</sup>

Lawyers in our coaching and training programs have used these tools and templates to quickly find the information they need when they need it. Whether they want to define the scope for a new matter, plan a budget, increase delegation, improve client communication, or increase efficiency in other ways, these tools and templates provide checklists and step-by-step advice to save lawyers time in finding the solution that best fits their client and their personality.

A number of firms have also begun developing their own custom tools, such as budgeting spreadsheets to checklists for planning an alternative fee arrangement.

Firms that want to apply the just-in-time training approach to LPM must decide whether to “build or buy.” They can create their own complete library of firm-specific LPM tools and templates, or they can avoid the expense of reinventing the wheel by starting from the foundation we provide with over 150 customizable electronic LPM tools and templates that provide step-by-step advice to solve the most common problems.<sup>19</sup>

## **5. Take action now and follow up relentlessly**

To retain current clients and find new ones, a law firm simply needs to be just a little better than its key competitors. The good news is that until recently that was easy, because other lawyers were not focused on efficiency. The bad news is that it is getting harder to beat competitors, as more of them focus on LPM. The bar is going up, and what was good enough to win new business last year may not work this year.

To this day, some law firms are trying to identify a complete LPM solution before they take the initial step. A committee is formed, monthly meetings are held and delayed, and months or years are devoted to analysis and debate before anyone actually does anything.

The simple fact is that no one can possibly know what LPM will look like in ten years, or even in two years, because the legal profession is changing so rapidly. The key to implementing LPM is taking action.

Continuing to improve in an ever more competitive marketplace will require constant attention and support from management. As a senior executive from one AmLaw 200 firm summed it up in an interview for our book *Client Value and Law Firm Profitability*:

LPM will require a lot of work, and daily support from the top, not just lip service from the partner team twice a year.<sup>20</sup>

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<sup>18</sup> For background on the first six firms that are using these online tools and templates, see [http://adverselling.typepad.com/how\\_law\\_firms\\_sell/2017/03/six-law-firms-take-legal-project-management-just-in-time-training-to-the-next-level.html](http://adverselling.typepad.com/how_law_firms_sell/2017/03/six-law-firms-take-legal-project-management-just-in-time-training-to-the-next-level.html)

<sup>19</sup> [www.legalbizdev.com/projectmanagement/](http://www.legalbizdev.com/projectmanagement/)

<sup>20</sup> Hassett, *Client Value*, 192

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## Part 3: Implications for your firm

What does all this mean for you?

If your firm is just getting started with LPM:

1. Start small by creating a core group of influential LPM champions through one-to-one coaching and/or other tactics.
2. After the champions have developed a track record of success and shown that LPM has actually increased client satisfaction and/or profitability, facilitate a panel discussion at a retreat or practice group meeting to discuss their successes, and how others at the firm might benefit.

If your firm already has LPM initiatives underway:

1. Find the right balance between investing in pricing vs management. Focusing on changing lawyers' behavior so that they live within the budget while meeting client needs will generally produce faster results than over-analyzing pricing.
2. Consider building or buying "just-in-time" LPM training materials to multiply the effectiveness of your investments.

Whether you are just getting started or have been working on LPM for years:

1. Support champions in every possible way to help them spread successful techniques.
2. Plan for many LPM policies and approaches to evolve at the practice group level, not at the firm-wide level, so that each lawyer can apply the concepts that best fit their needs.
3. Don't stop. LPM requires long-term management support, as firms adjust to changing client needs.

## About the authors



**Jim Hassett** is the Chairman and 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 has spoken frequently at law firms and at bar associations (including the New York City Bar, the New York State Bar, and the Massachusetts Bar); at institutions such as Harvard Law School, the Association of Corporate Counsel, the Defense Research Institute, and the Ark Group; at the P3 conference; 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.



**Tim Batdorf** is LegalBizDev’s Chief Executive Officer and manages the day-to-day operations of all coaching and training programs. After earning his JD at DePaul University College of Law and an LLM in Taxation from the University of Miami School of Law, Tim worked for a prominent Michigan law firm and later formed a solo law practice. At LegalBizDev, Tim has been certified to coach lawyers in both legal project management and business development, and he has supervised numerous coaching programs conducted by other LegalBizDev coaches. Tim is a contributing author of the *Legal Project Management Quick Reference Guide*, and for the last several years he has worked closely with Jim Hassett to ensure the overall quality of LegalBizDev coaching programs and to develop new and innovative products and services.

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## About LegalBizDev

LegalBizDev helps law firms increase client satisfaction and profitability. We literally wrote the books that helped start the legal project management movement, and we are also widely recognized as leaders in legal business development.

While many competitors offer educational programs in these important areas, only LegalBizDev has developed proprietary processes to help lawyers change their behavior. LegalBizDev offers coaching, consulting, webinars, workshops, publications, just-in-time training tools, and more to help lawyers and law firms identify the action items that are most likely to produce immediate and practical results.

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.

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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