

# Law Firm Management

## Legal Project Management

### Legal Project Management in the Trenches: What Lawyers Are Doing Today to Increase Efficiency



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Any lawyer who has ever managed an associate or planned a budget has acted as a project manager. But a new movement is now underway to improve legal results by applying best practices from the formal discipline of project management.

The Project Management Institute (PMI) was founded more than 50 years ago for professionals who are focused on increasing efficiency in engineering, construction, government contracting, information technology, and other professions. PMI now has more than half a million members in 185 countries, organized into dozens of chapters and subgroups. But until last year, none

of them focused on the law. PMI's legal project management (LPM) community of practice was founded in September 2010, and already has more than 1,000 members.

When *The American Lawyer* published the results of its annual "Law Firm Leaders Survey" of AmLaw 200 firms last December, 55 percent reported that they offered legal project management (LPM) training to partners, and 34 percent said they offered it to associates. But there is a big difference between offering a workshop and getting lawyers to change their behavior. LPM requires a new mindset with increased focus on up-front planning, disciplined team management, and client communication. To date, there has been more talk than action.

Nevertheless, at some leading firms, internal champions have quietly begun taking the first steps toward changing the way the legal profession does business.

According to Samuel Goldblatt, former head of litigation at Nixon Peabody and now firm-wide co-chair of its LPM task force, the firm kicked off the Nixon Peabody Project Management initiative last January, and it has already led to a number of new engagements.

Nixon Peabody has trained hundreds of its attorneys and more than 80 of its paralegals and legal technology specialists in the methods, which include tools to assist with project scoping, budget planning, project/budget tracking, and client collaboration.

For example, one key aspect of the program is client debriefing - an exhaustive discussion between the lawyers and the key executives at the client company AFTER a deal or litigation is concluded. The topics, Goldblatt says, include: "How accurate was the budget? If there were changes, could we have anticipated

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them better? Did the economics work for the client? Did we have the right level of communication with the client during the matter?”

The constructive criticism at these debriefings, Goldblatt says, has often led to discussions of new engagements for the firm: “What is our next project going to be like?”

According to Stacy Ballin, the Litigation Group Business Partner at Squire, Sanders & Dempsey, and founding Chair of the firm’s Project Management Committee, her firm’s commitment to LPM grew out of the Association of Corporate Counsel’s Value Challenge.

“We accepted the Value Challenge a few years ago and rolled up our sleeves,” Ballin says. “The litigation group began by requiring an internal budget for all new cases, even if the client never requested one. We also required a case management plan that all team members could review to increase their efficiency.”

Then Squire Sanders opened the process to the client. A custom-designed extranet database called MyMatter contains all the relevant documents for each case - case plans, court pleadings, witness lists, expert information, deposition summaries, engagement letters, budgets, invoices, and more. This gives immediate access to the key documents in a single location to the Squire Sanders team, to in-house counsel, and to client representatives.

To illustrate how it works, Ballin described the example of a major international financial services company that is prosecuting a large number of foreclosure cases. Their in-house counsel and executives can access their MyMatter database in real-time and obtain a bird’s eye view of the status of every foreclosure case, including valuation determinations, expenses and potential risks. The client can also track the budget for each case and compare it to the legal spend to date.

At Squire Sanders, this extranet is just the tip of the LPM iceberg. Ballin was one of the first attorneys to complete LegalBizDev’s demanding Certified Legal Project Manager™ program, and she is now participating in its first Client/Firm Collaboration Workshop. In-house counsel from a large client and their Squire Sanders team will follow a structured brainstorming process to address the fundamental question raised in the ACC Value Challenge: “Working together, how can we improve the value of legal services?”

Similarly, David Simon, the Vice Chair of Strategy and Business Development for the Litigation Department at Foley & Lardner emphasizes a business-oriented approach to the firm’s cases. Litigators, he says, historically have been trained to read every single document that arrives at the doorstep during discovery - but “sometimes a client doesn’t want to pay for all that. We work with the client and say, ‘Here are the risks, the costs and the benefits. We need to make a judgment that is business-driven.’” Foley has developed a variety of internal tools to promote this business-driven orientation, including Foley LitAdvantage, a suite of tools that features, among other things, “a Master Checklist for

new cases, designed to help firm lawyers tailor litigation work plans to the client’s business objectives, and the firm’s highly regarded Budget Management Tool software.”

Simon says Foley & Lardner’s approach is not only good for the client; it can also help differentiate the firm and increase its market share.

“Two years ago, I read the marketing description that we sent to clients,” Simon recalls, “and I said, Who cares? Every law firm in the country can say this stuff. We started with what our clients want to hear and built our service delivery model around that. I want to describe our firm in a way that differentiates, and LPM is an indispensable part of that.”

The current competitive environment is making this new way of thinking take hold. As Simon put it, “When lawyers find that they have lost a client to a firm that is efficient and effective in LPM, they listen.”

As they transition to this new world, some firms are exploring increasing roles for professional project managers who are not lawyers. One example is Jim Hannigan, a project manager at Fenwick & West, who describes the goals of his firm’s LPM program very simply as: “Increased client satisfaction, increased realization, and increased productivity leading to more engagements.”

One thing Fenwick & West has been doing lately is “historical task coding,” in which financial analysts at the firm look back at past matters and use American Bar Association task codes to see how much particular aspects of each case cost and how much time they took. The firm then uses this past data as a basis for future bids in response to RFPs issued by prospective clients.

Another approach that Fenwick & West uses is to require the responsible attorney for every case over a certain amount to produce a budget in advance. To assist the lawyers, the firm employs a staff of four in-house budget analysts.

Non-lawyers also play a key role in Baker & McKenzie’s approach to LPM. In 2010, the firm brought in professional project manager Sarah Prime in its London office to help increase efficiency in key matters. Sarah often works as a billable member of the client team. In one instance a client requested that she be included on the team because “they valued the involvement of a project management resource and saw that it represented a cost effective approach, freeing up lawyer time to deliver high value services.”

Sarah works not just on individual matters, but also “on wider process efficiency. Both are equally important, as refinements captured on one matter can be fed into subsequent matters.”

The key to true efficiency is lawyer behavior, and the way things get done. Stuart Dodds, who was recently hired to fill Baker & McKenzie’s new position of Director of Global Pricing, explained that is why “Project management training is a key component of our associate and partner skills development, with a number of courses already implemented worldwide.”

According to Kirsty Wilson, Baker & McKenzie's global head of reorganization, the result of this broad and deep commitment to LPM is that "Our clients go home happy in the knowledge that throughout each stage of the project there is complete transparency."

While Fenwick & West has a required budget rule, Williams Mullen has instituted a two-hour staffing rule to eliminate the problem of "lawyer creep." When they systematically analyzed staffing of past cases, Williams Mullen found that some cases that were supposed to have four lawyers assigned ended up with twice as many lawyers billing time to the client in a given month. This type of lawyer creep surprises clients and adds unneeded expense.

These days, according to partner John Paris, chair of Williams Mullen's Innovation Committee, an essential element of any case management plan includes identification, in advance, of the lawyers who are authorized to work on the matter. Any member of the team who wants to bring in a new lawyer who will spend more than two hours on the matter must contact the responsible attorney for permission in advance.

"This does two things," says Paris. "It avoids lawyer creep and it makes the responsible attorney truly responsible. It forces them to think through and solve issues on their own. There's less redundancy. Fewer people need to know all the facts. It's not just what the tasks are, but who is going to do them, and when. This type of planning, including the staffing rule, has proven extremely attractive to our clients."

At Tucker Ellis & West, trial lawyer Jonathan Cooper has focused on process improvement, especially budgeting and risk assessment tools to plan litigation costs.

"We've developed software tools that help us estimate well in advance what something will cost, at least roughly, at the RFP stage," Cooper says. "The idea is to turn budgeting more into something like TurboTax."

The software, Cooper says, helps the firm ask questions like: "What are the really expensive points here? Do we really need to depose this expert?"

If you understand the risk, Cooper says, you can assess whether it's worth the potential reward. One result has been that Tucker Ellis & West, which works mostly in the areas of defending mass tort claims, product liability, and pharmaceutical liability, is now deriving 60 percent of its revenues from non-hourly alternative fee arrangements.

Fasken Martineau, one of the largest law firms in Canada, is making legal project management a part of the firm's culture through a series of "Lunch & Learn" and "Breakfast Club" sessions in which lawyers experienced in project management train six to eight other firm lawyers at one time.

"The intent is to break down barriers to understanding what LPM is," says Sean Morley, a partner in the business law section. "In many instances lawyers are intuitively practicing LPM but

not always in a disciplined way. We are developing standardized templates to assist in planning, budgeting and budget review, including task lists. We want to make the connection between planning discipline and cost-effective management of legal mandates. The firm is then in a better position to manage the file and to price it with a greater degree of confidence, whether the price is based on hourly rates or on an alternative fee arrangement."

Clearly, LPM is gaining momentum.

As Foley's David Simon summed it up: "It surprises me that more firms aren't doing this already. Litigators need to think about a case from the point of view of the client's business objectives. Corporate clients want more for less. . . . Your clients are telling you what they want you to do, so just do it."

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