

# Levels of LPM Implementation

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The purpose of this chart is to help you assess the status of LPM at your firm and assist you in determining where to focus future LPM efforts. Note that many law firms do not fit neatly into a single level. For example, a law firm may operate at a beginning level (Level One) in virtually every category but may operate at an emerging level (Level Two) when it comes to a specific item (e.g., Technology).

	Level One: Beginning	Level Two: Emerging	Level Three: Maturing
Characteristics	<ul style="list-style-type: none"> <li>• An individual or group within the firm seeks to introduce LPM, overcome obstacles, and build trust.</li> <li>• Firm has difficulty knowing where to begin. Resilience is important, as initial steps may fail.</li> </ul>	<ul style="list-style-type: none"> <li>• Firm attempts to spread the word about LPM and may begin using LPM as a differentiator in the marketplace.</li> <li>• Firm learns firsthand how LPM improves client relationships.</li> <li>• LPM focus tends to be on reporting and technology tools.</li> </ul>	<ul style="list-style-type: none"> <li>• Firm has adopted LPM practices throughout the organization. LPM is the firm's new language, as it has become an integral part of firm culture.</li> <li>• Lawyers see the value of LPM, have a working knowledge of LPM, and involve LPM staff on their matters.</li> <li>• Firm collaborates with its key clients on LPM.</li> </ul>
Challenges	<p>The major challenge is how to introduce LPM. Four common and effective ways are:</p> <ol style="list-style-type: none"> <li>1. Firm lawyers become LPM champions;</li> <li>2. Firm hires outside LPM consultant;</li> <li>3. Firm hires internal legal project manager; and/or</li> <li>4. Firm establishes LPM committee.</li> </ol>	<ul style="list-style-type: none"> <li>• Some benefits of LPM have been experienced, either on a few client matters, within a specific practice group, or on an LPM issue.</li> <li>• The next major challenge is to broaden the impact of LPM throughout the firm. LPM advocacy is still paramount.</li> </ul>	<ul style="list-style-type: none"> <li>• Firm is faced with the challenge of creating a formal and systematic approach to LPM by standardizing LPM practices, adopting LPM policies, and implementing LPM infrastructure. This includes the hiring and management of additional LPM staff.</li> <li>• New relationships within the firm and with clients must be forged as LPM plays an ever-expanding role.</li> </ul>
Leadership Support	<ul style="list-style-type: none"> <li>• At this stage, some practice group leaders and/or members of the executive committee want to try LPM, but there is no firm consensus.</li> </ul>	<ul style="list-style-type: none"> <li>• The CEO, Managing Partner, COO and/or other key leaders are strong supporters of LPM, but others may be skeptical or uninterested.</li> </ul>	<ul style="list-style-type: none"> <li>• All of the firm's key leaders are united in a strong belief that LPM is important to the firm's future. They see this as an important priority, and support LPM programs.</li> </ul>

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Training and Coaching	<ul style="list-style-type: none"> <li>• Firm may introduce LPM with traditional CLE-type seminar to groups of lawyers. Such programs tend to have little long-term impact.</li> <li>• Firm may also engage in one-to-one LPM coaching with group of lawyers. Success depends on lawyer selection.</li> <li>• Resilience is important at this stage.</li> </ul>	<ul style="list-style-type: none"> <li>• Educational resources are directed to coaching individual lawyers on exactly how to use LPM to increase client satisfaction and/or profitability.</li> <li>• This coaching may be conducted by external or internal LPM experts who have a proven track record of producing benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• Formal coaching programs and/or ad hoc LPM coaching to address specific challenges are widely available throughout the firm, to any lawyer who can benefit.</li> <li>• Internal LPM staff typically lead these efforts.</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Firm attempts to obtain financial reporting from existing computer systems for internal use.</li> <li>• Firm begins to explore ways to improve financial reporting.</li> <li>• Lots of talk about technology, but not quite sure how to use it in a way that supports LPM.</li> </ul>	<ul style="list-style-type: none"> <li>• Firm broadens analytics and reporting suite by obtaining sophisticated technology, but that technology is not fully integrated with LPM.</li> <li>• Firm confuses and conflates upgrading technology and data gathering with LPM.</li> <li>• Firm begins to see how technology supports client collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>• Technology supports and is integrated with LPM. Data and analytics are used to actively manage legal matters.</li> <li>• Software allows for information to be shared with clients in real-time through collaborative platforms.</li> <li>• Lawyers and legal staff have ready access to LPM tools, which they frequently use, to support LPM efforts.</li> <li>• Emerging LPM technologies are explored and tested.</li> </ul>
Policies	<ul style="list-style-type: none"> <li>• The firm has no LPM-related policies.</li> </ul>	<ul style="list-style-type: none"> <li>• An LPM committee is formed, if not already in place.</li> <li>• LPM policies begin to be implemented within practice groups and/or firmwide.</li> <li>• Consideration is given as to how and where to implement initial policies (e.g., office-wide versus practice groups).</li> </ul>	<ul style="list-style-type: none"> <li>• LPM policies have been implemented firm-wide.</li> <li>• Firm has solidified several policies including policies for compensation, client intake, pricing, communication, budgeting, hiring, and billing for legal project managers.</li> </ul>

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<b>Culture</b>	<ul style="list-style-type: none"> <li>• LPM has made no cultural impact.</li> </ul>	<ul style="list-style-type: none"> <li>• LPM is introduced into sub-cultures of the firm that are open to change (e.g. a practice group or office), or among lawyers who work in a particular industry.</li> <li>• These sub-groups see the benefits of LPM and become more LPM-friendly.</li> <li>• Sub-groups within the firm begin to coordinate efforts to support LPM on a wider scale throughout the firm.</li> </ul>	<ul style="list-style-type: none"> <li>• The law firm culture is open to LPM. LPM is a frequent topic of discussion at retreats and practice group meetings.</li> <li>• LPM is embedded in the firm, as legal project managers work directly with lawyers, practice groups, and other departments (IT, marketing, pricing).</li> <li>• LPM is used to establish and enhance relationships with clients.</li> </ul>
<b>Compensation</b>	<ul style="list-style-type: none"> <li>• Traditional compensation system is in place which rewards lawyers for the number of hours they bill, without regard to efficiency or profitability.</li> <li>• This causes tension with early LPM efforts.</li> </ul>	<ul style="list-style-type: none"> <li>• The traditional compensation system remains in place, but its flaws become apparent as LPM gains traction.</li> <li>• Firm management explores ways to implement new compensation system that favors profitability and aligns with LPM best practices.</li> <li>• Firm seeks to build consensus to change the old system.</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation system is implemented that emphasizes profitability and those factors that drive profitability.</li> <li>• This system provides incentives for lawyers to change their behaviors and adopt LPM best practices.</li> <li>• It also encourages lawyers to work with LPM staff to become more profitable.</li> </ul>
<b>Staffing</b>	<ul style="list-style-type: none"> <li>• Usually no LPM staff, although some firms hire a Legal Project Manager as a first step. Other firms work with consultants initially to gain support from management and develop internal LPM champions.</li> <li>• Hiring LPM staff has been challenging in past years due to lack of experience in launching an LPM program.</li> </ul>	<ul style="list-style-type: none"> <li>• Firm creates LPM staff position, often from within. LPM staff person typically has dual roles ("Pricing and LPM Director").</li> <li>• Firm tries to marry LPM with a more traditional area like pricing to gain greater credibility with lawyers. However, having dual roles makes it more difficult for staff to focus on LPM.</li> </ul>	<ul style="list-style-type: none"> <li>• Law firm has several LPM staff members. Firm seeks to establish the right ratio of LPM staff to lawyers, and how best to get them to work together.</li> <li>• LPM staff roles have been further refined and differentiated (e.g., client-facing, internal support and coaching, technology).</li> <li>• LPM Director may be a member of the executive committee.</li> </ul>

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Consultants	<ul style="list-style-type: none"> <li>External consultants are most likely to be hired at this stage, to design and implement initial LPM programs.</li> <li>Consultants may work directly with the firm's LPM staff, or with firm lawyers and management.</li> </ul>	<ul style="list-style-type: none"> <li>After launching its LPM program, the firm may seek advice from consultants to determine how best to maintain their program, accelerate progress, or reenergize their program.</li> <li>Consultants also assist in strategic planning and offer advice on industry best practices.</li> </ul>	<ul style="list-style-type: none"> <li>Firm hires outside consultants to meet well-defined needs that require outside expertise. For example, firms may hire consultants to train LPM staff about the best ways to change lawyer behavior and adopt LPM best practices through LPM coaching.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>The benefits of LPM are uncertain, but firm keeps hearing about it.</li> <li>Firm clients may be asking for LPM, and/or firm is being asked about LPM in RFPs.</li> </ul>	<ul style="list-style-type: none"> <li>LPM champions within the firm discover that LPM improves efficiency, client satisfaction, and profitability. However, there is not yet a formal measurement system in place that can definitively prove these results.</li> </ul>	<ul style="list-style-type: none"> <li>The benefits of LPM are unquestioned, as firm has begun collecting formal data showing the positive impact of LPM on client relationships and profitability, and firm publicizes these results internally.</li> </ul>

*The information contained in this table is based upon three major legal surveys: (i) Altman Weil's Law Firms in Transition survey;<sup>1</sup> (ii) Altman Weil's Chief Legal Officer Survey;<sup>2</sup> and (iii) the Citibank Client Advisory survey,<sup>3</sup> as well as hundreds of hours of discussions with law firm leaders. Special thanks to Kevin O'Sullivan, Associate Director of LPM at Baker McKenzie, who inspired its creation and provided assistance with its structure and some of the nomenclature.*

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<sup>1</sup> <http://www.altmanweil.com/LFiT2019/>

<sup>2</sup> <http://www.altmanweil.com/CLO2019/>

<sup>3</sup> <https://www.privatebank.citibank.com/ivc/docs/2019CitiHildebrandtClientAdvisory.pdf>