

# An evolving process



## Jim Hassett looks at lessons learned in legal project management, and provides examples of successes and failures

If you believed what you read on the internet, you'd think that legal project management (LPM) has swept the legal profession and that a large number of firms have developed a solid track record of success. However, it is an open secret among people in the field that there is a huge gap between the success that many firms claim on their web pages and the slow pace of LPM adoption within even the most vocal firms.

In one sense, LPM has been around since the first time a lawyer planned a

budget or managed an associate. But in the last few years, clients have substantially increased the pressure to provide greater value and manage legal matters more efficiently. This has led many firms to apply management techniques from other businesses to improve budgeting, communication, knowledge management, time management, and much more.

While many law firms have publicised their LPM success, clients have been less impressed. In its 2015 Chief Legal Officers Survey, Altman Weil asked respondents

to rate how serious law firms are 'about changing their legal service delivery model to provide greater value to clients' on a scale from 0 (not at all) to 10 (doing everything they can). The median rating was just 3.<sup>1</sup>

And even the firms that have been most serious about making this change have found that progress is slow. One of the best-known names in LPM, Seyfarth Shaw, began working with Six Sigma and SeyfarthLean® several years before the Association of Corporate Counsel

announced its influential 'Value Challenge' programme in 2008.

Although Seyfarth is at the top of many LPM lists, in 2012 the firm's chair and managing partner Steven Poor wrote in the *New York Times* 'Dealbook' blog that one should 'never underestimate lawyers' resistance to change.' That's the bad news. The good news was summarised by Lisa Damon, the partner who leads the SeyfarthLean Six Sigma programme, who has said: 'If you get a group of lawyers and staff into a room to discuss how to make things more efficient, it's very easy to find savings.'

When you put these two facts together – it's easy to figure out how to be efficient, but hard to get lawyers to act on it – you begin to see why there is so much confusion about what works best for LPM and about which firms have made the most progress. Add in the vested interest that firms have in publicising any success they do achieve, the fact that there are wide individual differences between lawyers within a single firm, and secrecy within firms, and it becomes clear that it is almost impossible for outsiders to compare firms on their progress.

Nevertheless, a consensus is starting to emerge about what works best in implementing LPM, starting with the five points listed below.

**1. Focus on behaviour change, not education**

LPM requires partners to change the way they have practiced law for several decades. And as the managing partner of one AmLaw 200 firm put it in our confidential survey 'Client Value and Law Firm Profitability': '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.'

When the LPM movement was just getting started, the Association of Corporate Counsel and the ABA 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 emphasised that future progress will not be based

on improved understanding or increased knowledge. Instead, as Susan Hackett, Barb Dawson, and Laura Ariane Miller say in 'Valuing Litigation: Lessons Learned from Collaboration', 'the challenge is change/behaviour management.' It's not a question of knowing what to do; it's a question of helping lawyers to do it.

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Nevertheless, at about the same time, many firms started implementing LPM by launching large-scale education programmes. Lawyers love precedent, so when Dechert announced in 2010 that it had trained all its partners in LPM, a number of firms jumped in to do the same thing. This led to some great press releases about how these training programmes had proved that firms were committed to LPM, but precious little in the way of behaviour change. As the chair of one AmLaw 200 firm that invested heavily in LPM training put it in our survey several years later, '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.'

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Training programmes enabled firms to 'check the LPM box,' write RFP responses explaining about what they've done in LPM, and put out press releases. What they did not do was get many lawyers to change the way they practice law.

It is not exactly news that education does not necessarily lead to behaviour change. Taking a course or reading a book about how to lead a healthier life by quitting smoking, eating more vegetables, and exercising regularly does not mean that you will actually do any of these things. Changing behaviour requires a different approach.

**2. Develop internal champions with quick wins**

There is a large body of research on tactics that promote behaviour change in large organisations. In the book, *Leading Change*, John Kotter, professor emeritus at the Harvard Business School, argues that one of the most effective tactics is to create short-term wins that '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, and build momentum.'

This approach is the key to behaviour change in law firms. As ALM Legal Intelligence noted in its 2012 survey 'Legal Project Management: Much Promise, Many Hurdles', 'the quicker there are demonstrable positive benefits, the faster other partners will take notice.'

The most effective programmes we've seen were built around one-to-one LPM coaching for influential partners to enable them to directly experience its benefits. When they do, many become internal champions who lead efforts to adapt LPM to the particular needs of their firms, practice groups, and clients.

Bilzin Sumberg, a Miami firm with over 100 lawyers, was one of the first to put this approach into practice with a significant proportion of the firm. In our opinion, no other firm on the planet has gotten such a large percentage of the partnership actively involved so quickly in using LPM.

In March 2012, Bilzin Sumberg formally kicked off its LPM initiative at a partner retreat. A few months before, three influential partners had begun one-to-one LPM coaching to enable them to increase efficiency and client satisfaction. At the retreat, they discussed exactly what they did and how it had worked. All three reported numerous examples of increased client satisfaction, including one case in which LPM had immediately led to a substantial amount of new business. Not surprisingly, the testimony of these respected colleagues

was far more persuasive than the words of any outside consultant ever could be.

As a result of this discussion, a number of other partners became interested in seeing if LPM could help them increase client satisfaction, new business, and realisation. All 51 Bilzin partners were offered the option to complete the same coaching programme that the three panelists had received. By May 2013, a total of 26 partners had volunteered for and completed the programme, representing just over half of the firm's partnership.

At that point, belief in LPM had reached critical mass and developed enough momentum that no more coaching was needed. The partners themselves and Bilzin's internal staff took ownership of moving the effort forward and sustaining progress. The first quick wins had led to more wins, and an LPM committee was formed to assure that LPM continued to change the firm's culture.

According to Paul Vandermeer, the firm's chief knowledge officer and a member of the LPM committee: 'The more successes we have gotten, the more converts we obtained and the more that LPM has permanently changed the way we do business.' To cite just one small example, the firm has begun requiring lawyers to systematically track work that falls outside the scope defined by each engagement letter. This idea came not from any outside consultant, but from within the firm itself.

This basic model – start by coaching a few lawyers one-to-one and then have them publicise their success – has been used in many other firms. In our experience, it works best when there is strong management support and a continuing commitment, and is clearly the most effective way for any firm to get started.

### 3. Assign staff to support lawyers

It is impossible to keep a project on time and within budget if the relationship partner cannot obtain timely information about how much has been spent and what has been accomplished. Therefore, after key partners have made a commitment

to LPM, the next obvious step is to assign staff to provide lawyers with financial information and perform tasks that help partners to manage more effectively.

## In the past few years, clients have substantially increased the pressure to provide greater value and manage legal matters more efficiently

As the chair of one AmLaw 100 firm that has committed to LPM put it, 'we are starting to hire different people to manage the non-legal aspects of the practice, not the relationships. Lawyers are notoriously bad managers. You could be a fabulous trial lawyer, but you might not be able to get your hours in on time, or bill on time.'

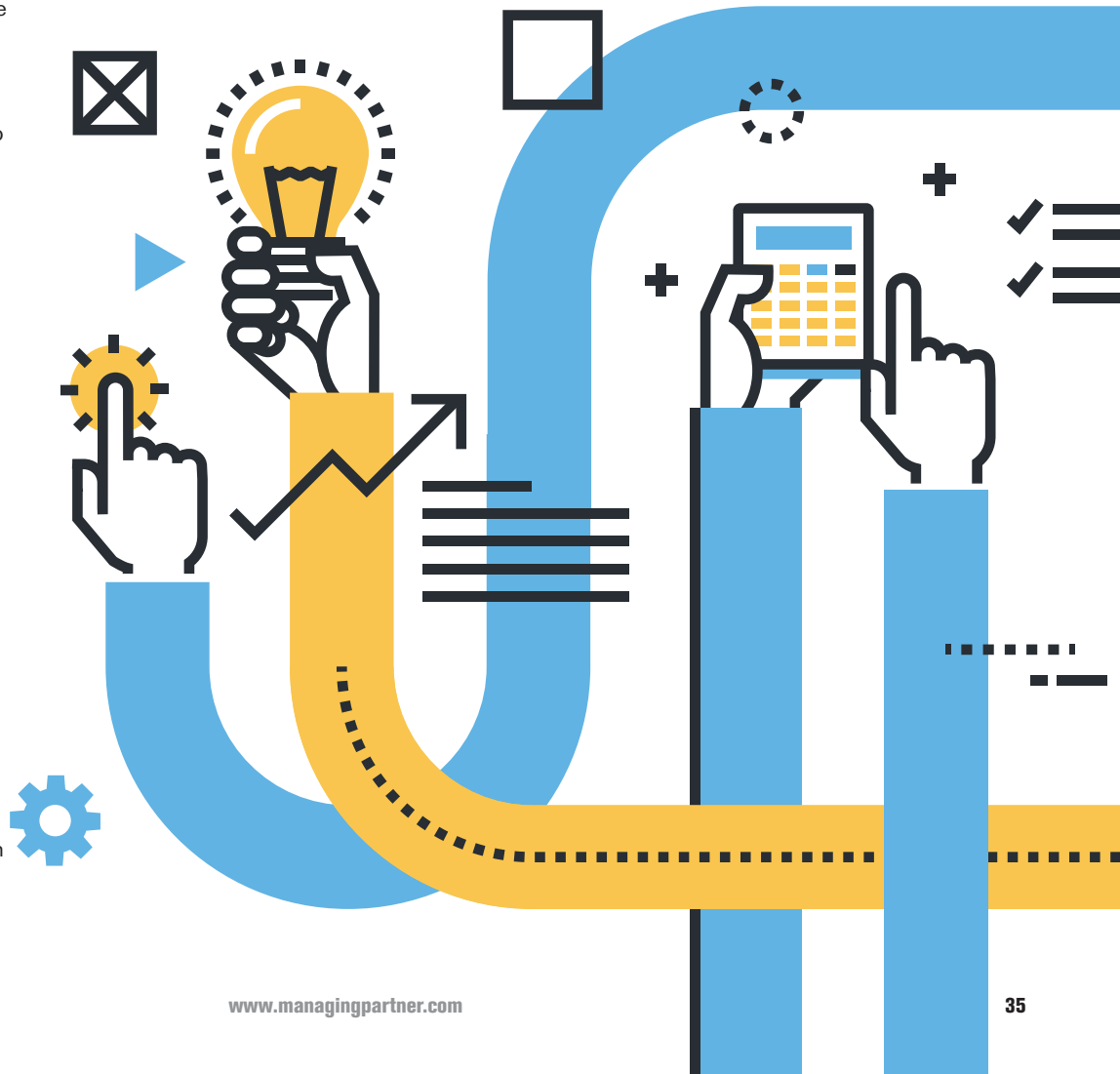
In our experience, it is often more

effective to promote from within for this role than it is to hire outsiders, which is why we used the word 'assign' above. To be effective in the support role, one must be detail-oriented, willing to learn, and familiar with the individuals and the culture of the firm. This last factor – inside knowledge – is critical to success and can take time for an outsider to develop.

The larger the matter or the firm, the more sense it makes to delegate management of the budget and schedule to staff. However, some key aspects of LPM cannot be delegated.

In our survey, we asked AmLaw 200 leaders to rank the urgency and importance of eight key issues in LPM. The top two were defining scope at the outset of a matter and communicating with the client as it proceeds. Neither can be delegated to project management staff.

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.



#### 4. Invest in technology at the right moment

As firms gradually implement LPM to increase efficiency and avoid surprises, a time is likely to come when firms will need to invest in software to improve tracking of budgets, assignments, and more. However, many firms have wasted time and money by focusing on technology before lawyers had clearly defined their needs or were ready to change their behaviour.

In his book *Smarter Pricing, Smarter Profit*, Stuart J T Dodds, director of global pricing and LPM at Baker & McKenzie, noted that 'many of the initial LPM efforts failed... due [in part] to an initial focus on technology... [LPM software] was frequently difficult to learn and then apply to matters at hand, leading to lawyer frustration and limited adoption.'

To cite just one cautionary tale, consider this report from a senior executive at an AmLaw 200 firm in our survey: '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.'

Paula Uscian, director of quality assurance at Project Leadership Associates (PLA), the largest US business and technology consulting provider focused on the legal market, notes that 'there are very useful LPM software programmes available, but we advise clients to first look at the tools

that they already have and to leverage the investments that they have already made in software, without buying anything new.'

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#### 5. Don't stop

As one AmLaw 200 senior executive in our survey summed it up: 'I think that [LPM] will require a lot of work, and daily support from the top, not just lip service from the partner team twice a year.'

The Bilzin Sumberg case study cited above provides an excellent example. It would be nice to be able to report that once Bilzin Sumberg completed coaching a critical mass of partners, their LPM work was done, but in fact it was just beginning.

One of the most important steps that Bilzin took to sustain progress after the coaching was the formation of an LPM committee to monitor and sustain progress. Practice group leaders are required to report regularly to the committee and to the managing partner about how they are applying LPM and what works best. 'We're following this so tightly because it's an enormous priority,' said Michelle Weber, the firm's chief operating officer. The result is that best practices are spreading.

It is true that the firm's clients have already seen significant benefits in reduced costs and greater responsiveness, and this in turn has led to new business. But when we interviewed Bilzin's leaders for a number of follow-up reports, they continued to use phrases like 'baby steps,' 'infancy stage,' and 'aspirational rather than obligatory' to describe the firm's current use of LPM.

They should see the other guys. We spend our lives looking behind the curtain at a wide variety of law firms as we work with them to increase efficiency. 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, including Bilzin Sumberg, can yet say that LPM has truly taken hold across the entire firm.

And the LPM bar will keep going up. As the chair of one AmLaw 200 said: 'It's an evolving process. I don't think there's ever going to be a point at which you can say: Now I've arrived.'

*Jim Hassett, PhD, is the founder of LegalBizDev (www.legalbizdev.com).*

#### References

1. ([www.altmanweil.com/CLO2015/](http://www.altmanweil.com/CLO2015/))



HOW TO AVOID PITFALLS IN IMPLEMENTING LPM		
	What works best	What doesn't
<b>Training</b>	Coach key lawyers to change their behavior and become internal LPM champions with quick wins.	Begin with large scale training of lawyers and staff.
<b>Staff</b>	Hire or assign staff to provide the financial and other help that lawyers ask for.	Hire LPM staff too soon and expect them to accomplish their objectives without lawyers' support.
<b>Technology</b>	Begin by providing lawyers with the budget and other information they ask for using existing systems, even if it is awkward at first.	Invest time and money in new technology too soon, before you have a clear idea of what lawyers want and need.