

## Announcing the first Certified Legal Project Managers™

Last December, we announced that Squire Sanders, Stewart McKelvey, and Harris Cost Lawyers were the first three firms to sign up for our new Certified Legal Project Manager™ program.

Lawyers from all three firms have now completed their final case studies and been awarded certification. We have also begun certifying additional lawyers in the United States, Canada, Brazil, China, and Germany. The smallest firm to sign up has eight lawyers, the largest has over 3,000.

The first certification group has provided an important proof of concept that busy senior partners can indeed complete this program within a few months, build a solid foundation of project management knowledge, and apply this knowledge to develop and implement new procedures that improve client service and increase profitability.

Over the course of the program, each participant studied over 300 pages of assigned readings from six textbooks and answered 17 essay questions about how the concepts applied to their practice. Then, in three phone conversations and numerous emails, we discussed their “low hanging fruit”: which of the concepts could be most efficiently applied to achieve immediate and practical results?

The first to finish was Fraser MacFadyen, a partner at Stewart McKelvey, a 220-lawyer firm in Atlantic Canada. Fraser decided to focus on improving practice-wide procedures for handling certain types of secured financings, starting with representing borrowers on a loan secured by real property and related personal property.

For his final project, Fraser developed several templates to increase efficiency:

- Standardized spreadsheets for estimating the cost of easy, moderate, and difficult transactions
- A standardized cost estimate letter to clients that explains what is included in the price and what is not
- A working agenda summarizing key tasks, who is responsible for each, and deadlines
- A closing agenda and checklist

We also discussed sustainable tactics to use these templates to maximize benefits to clients, and then to implement them throughout the firm. We agreed on minimum success criteria for the next 90 days, including using the forms in at least two of Fraser’s matters, getting in-depth feedback from at least two partners on how to improve the forms for their practices, and holding at least one client meeting to discuss how to work together to increase efficiency. Again, these are the minimum

goals. We both hope he can achieve much more in 90 days, including having other partners actually use the templates.

Although the program has technically ended, I will be calling Fraser after 30 days and after 90 days to check on his progress. I want to know what works and what doesn't.

The second to complete the program was Liz Harris, the founder of Harris Cost Lawyers, an eight-lawyer firm in Melbourne, Australia. Timing is everything in life, and Liz read about our program on the internet at exactly the right moment. She had just completed the first module in a program to become certified through the Project Management Institute (PMI) and concluded that while "the PMI program was extremely interesting, much of the content was not relevant to my practice." So when she saw an announcement that explained how our certification program was specifically designed for lawyers, she signed up right away.

For Liz's final project, she created over 25 pages of checklists and templates to enable her firm to better define scope for four types of fixed price matters, and to complete them within budget. For example, one of Liz's templates will help her firm to complete particular stages of litigation under Australian law. One of her checklists lists 12 issues to take into account when estimating the extent of work a matter will require, built around practical details and hard-won wisdom, including "Who is instructing us...a client with little litigation experience will need a more detailed explanation of concepts like instructions for experience offers of compromise" and, "Which court are we in - federal court objections need to be much more detailed and reference case law."

Harris Cost Lawyers has been using the templates for the last month, and has already started seeing results. The templates have "resulted in a clear change in focus on the part of the lawyers in planning matters upfront." The firm is planning to increase its percentage of fixed price work, measure the results, and continue to improve their processes. According to Liz, "the materials developed in this program give us a clear competitive advantage."

The third to finish was Stacy Ballin, a partner at Squire Sanders, which has over 1,200 lawyers. Stacy is co-chair of Squire Sanders' Project Management Committee, so she came to the program with a very strong interest and background in this area. She is also one of the people who convinced me to start the program, along with her partners Mitch Thompson and Howard Nicols. We met last fall after I gave a speech at the Squire Sanders Partners meeting, and we talked about the lack of standards in this rapidly growing field. After they convinced me that the profession needed to establish standards as quickly as possible, I went back to the office and started designing our Certified Legal Project Manager™ program.

Stacy's final project is likely to produce immediate results that go straight to the bottom line. As the Litigation Group Business Partner, she is responsible for approving discretionary write-downs, where a relationship partner decides not to bill a client for some of the time charged to a case and writes down a portion of the bill

before it is sent to the client. According to data reported in the 2011 Hildebrandt Client Advisory, the average large law firm write-down rate - also called billing realization - has been increasing for the last few years, and currently exceeds 11% (p. 13). (Firms also write off an additional 13% of the bills they send as uncollectible, but that is another story.)

Squire Sanders has not revealed its billing realization rate, but with annual revenues over \$500 million, a reduction of 1% would mean an immediate increase in profits of \$5 million.

When Stacy reviewed all 2010 litigation write-downs over \$10K as part of this program, she saw that a few young partners had unusually high write-down rates, which they explained as simply costs beyond budget or caused by a pattern of inefficiency. Inefficiency reduces the value clients receive and discretionary write-downs have an immediate negative impact on the bottom line. So Stacy decided to interview six of these young partners and explore with them how the firm could help them reduce inefficiency and write-downs in the future.

For her certification case study, Stacy developed a phone interview survey questionnaire based in part on the 17 questions she answered in the first part of our certification program. In the next few weeks she will conduct these interviews and “develop a plan as to how to use the results to reduce write-downs in the future, and to measure the financial impact of my recommendations.” Depending on what Stacy finds, her initiative may include future project management training to help key partners manage their teams more efficiently.

All three of these lawyers have been awarded certification and their programs are now officially over. However, I have planned additional follow-up with all three over the next few months. I want to hear exactly what happens next. And when I do, I will let you know.