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Executive Summary:

Time – as they say – is money. It is not an uncommon fact that lawyers today spend unnecessary amounts of time seeking out information, and therefore unnecessary amounts of money. In well-established fields, change is often slow; perhaps none more so than in the legal world. Though progress is being made, uptake has been rather slow, much to the dismay of those in the information management business.

Conversely to its cousin, case management, matter management should be thought of more in terms of low-volume but high-value information. The process thus lends itself nicely to forming centralized systems within organizations. It is so pervasive as to allow users to make decisions (e.g.

conflict resolution) before matters are even opened, and can maintain a high level of time data accuracy and transparency via unalterable fundamental data.

From innovative and simple interfaces to enhanced reporting tools, from notification systems to customizable workflows, triumphs within matter management have enabled companies to become more efficient by saving time and money, and to engage stakeholders in a meaningful way. *Redefining Matter Management: A Best Practice Guide to Improving Processes and Profitability* is a collection of case studies that highlights some of the most important achievements and ideas in the field today. It is split into 10 chapters.

In Chapter 1, Aileen Leventon, principal at Edge International, outlines how law departments can effectively implement legal project management (LPM) as a tool for enhancing performance and adding value to their services. She describes the role of the legal department with reference to its inherent challenges, and breaks it down into five questions – why, what, when, how, and who. To round off, she runs through the four stages through which all legal matters flow – intake, planning, execution, and review – and outlines the various tools that can be leveraged to manage them.

Further building on the theme of legal project management in Chapter 2, Barbara Boake, national practice leader at McCarthy Tetrault, and Rick Kathuria, national director, project management office and legal innovation at Gowling WLG, outline a framework that can help lawyers manage the two-fold responsibility of performing the legal work itself and managing the work within a budget. This framework divides a legal project into its component project parts (as opposed to its substantive legal parts) as follows: define, plan, monitor and evaluate.

Catherine MacDonagh, CEO and founder at the Legal Lean Sigma Institute, relates the foundational concepts of Lean Six Sigma to various approaches to matter management in Chapter 3. She touches on the application of Lean Six Sigma to loan services, and how process improvement can be integrated within project management, auditing and litigation. She uses real-world cases at various firms and interweaves them with the theory behind process improvement to form a clear picture of the opportunistic and systematic approaches to employing the methodology, and how to deliver greater value from them.

Chapter 4 looks at how elements of project management, Lean Six Sigma, and knowledge management (KM) can complement one another to drive a process improvement program. We see how Littler Mendleson approached challenges and opportunities to reengineer their case management processes, create a new approach and learn valuable insights along the way. Via the “define, measure, analyze, improve, control” (DMAIC) methodology, a core tool in Lean Six Sigma, Scott Rechtschaffen, the firm’s chief knowledge officer, provides examples from law firms that have successfully employed both the full approach and the accelerated kaizen method to streamline their processes and boost profits.

Law firm KM succeeds when lawyers use it throughout their matters and when knowledge collection requires minimal extra work. However, matters are not static – they evolve through time. It is therefore necessary to focus on the entire matter lifecycle to genuinely understand and improve the underlying “assembly line” of processes. Chad Ergun, chief information officer at Davis Graham &

Stubbs LLP, focuses on data-driven KM and matter lifecycle management in Chapter 5, and shows how matter lifecycle management can be used as a means of combining past management experience and data analytics into an integrated decision-making approach that enables firms to be more competitive.

We see how the development of an innovation strategy is much more than a marketing device in Chapter 6 as Keith Lipman, progenitor of Matter Centricity and co-founder of Prosperoware, and Toby Brown, chief practice officer at Atkin Gump walk you step by step through matter taxonomy, matter types, matter sub-types and the matter task-coding process. They give a detailed explanation of how to use matter management to capture critical data and take knowledge management to a new, strategic level.

Director of strategic pricing and project management at Pepper Hamilton LLP, Peter Lane Secor, gives an overview of componentized pricing in Chapter 7. After a practical and succinct summary of componentized data, he discusses how to go about collecting it with reference to matter management and data collection systems in order to create a cost-benefit analysis, and how to implement that as a communication tool between firms and their clients. As clients start to scrutinize their legal spend more, Secor stresses, the importance of having a living document that details the exact cost and value of each activity and resource increases in line.

Chapter 8 has Sally Dyson, director at Firm Sense Limited guide us through the fundamentals needed to truly understand the cost of conducting matters, all the way from understanding why budgets are necessary, through showing how to create a matter budget, to tools that enable firms to execute them effectively.

Anthony Davis and Wendy Wen Yum Chang reflect on the concept of “bad revenue” in Chapter 9, and how firms are moving away from the “any work is profit” mentality to explore how they can use the client intake process to boost profitability. They bring to light to the fact that, with proper client management and the confidence to reject those clients destined to be unprofitable, a firm can make significant improvements to its profits and explain how firms can take steps towards automating their client intake processes.

Finally, Peter Bennett, partnership executive officer, explains how Bates Wells Braithwaite implemented a matter level risk management system in Chapter 10 and, by assessing risk at matter level, saved the firm £6m in insurance premiums. He makes the case for leveraging existing technology to improve operational risk management and making risk management part of the fee-earning process.

About the Authors:

Peter Bennett has been chief operating officer (COO) of Bates Wells Braithwaite (BWB) since 2006. During that time, BWB has expanded from £8 million to £25 million with a 225 headcount, converted to an LLP and then to an ABS, and has become the only law firm in the UK to gain world accreditation for being a socially responsible profit-making business (B Corps). Peter is the compliance officer for

finance and administration (COFA), risk manager, data protection officer, he leads the risk and compliance service as well as having director level reports in accounting, human resources (HR), finance, and information technology (IT). A director of professional standards and risk will complete the management expansion in August 2016.

Peter is a member of the management board working closely with BWB's managing partner. He represents BWB on two expanding non-law joint ventures as well as the BWB CIO charity, and also serves as the honorary treasurer of a major charity. He has a total of 28 years of experience as chief officer in law firms. Three of these were solicitors, including BLM and two were barristers' chambers including Maitland Chambers.

Barbara J. Boake is the national practice leader and a partner within the bankruptcy and restructuring group at McCarthy Tétrault LLP in Toronto. Barbara has extensive experience in acquisitions, dispositions and restructurings of financially distressed corporations. She also advises US and Canadian high-yield investors in their debt-trading activities. She has been involved in the restructuring proceedings under the CCAA of US Steel Canada, one of Canada's largest integrated steel producers, and was administrator of Nortel's Canadian pension plans in Nortel's global restructuring proceedings. She also led the development and implementation of the firm's Dialogue Project Management® program and co-authored *Project Management for Lawyers*, published by Ark Group in 2011.

In 2009, Barbara was named one of the Top 100 Most Powerful Women in Canada by the Women's Executive Network (WXN). She is listed in the current editions of *Chambers Global: The World's Leading Lawyers for Business* and *Chambers Canada* as a leading lawyer in the area of restructuring and insolvency. She was also named one of the top 40 international restructuring professionals under 40 by the Global Insolvency and Restructuring Review. In addition to her legal experience, Barbara has acted as a senior advisor to the Minister of Finance (Ontario).

Barbara received her LLB from The University of Western Ontario in 1985. She was called to the Ontario bar in 1987.

Toby Brown is chief practice management officer at Perkins Coie LLP. He leads the firm's revenue management and efficiency programs, legal project management, pricing, process improvement, practice innovation, alternative staffing and new partner integration. Toby has more than a decade of experience in practice management and pricing with Am Law firms and is the former director of the Utah State Bar.

Toby is an active member and leader in organizations devoted to legal knowledge management, and he speaks to national audiences on legal pricing, alternative fee arrangements and other law firm financial management issues. He is the founder of the Legal Marketing Association's annual P3 Conference, which brings together more than 400 pricing, project management and process improvement experts in the legal profession. Toby also co-founded the "3 Geeks and a Law" blog and co-authored the book *Law Firm Pricing: Strategies, Roles and Responsibilities*.

Wendy Wen Yun Chang is a partner at Hinshaw & Culbertson LLP. She represents lawyers in all types of complex matters that involve the practice of law, including risk management counseling, ethics, crises management, outside general counsel support, disqualification motions, fee-related issues, discipline defense, hotline counseling, professional liability defense and ethics litigation. She is a

certified specialist in legal malpractice law by the State Bar of California's Board of Legal Specialization, and is a member of the American Bar Association's Standing Committee on Ethics and Professional Responsibility. She also served as an advisor to the State Bar of California's Commission for the Revision of the Rules of Professional Conduct and is a past chair of the State Bar of California's Standing Committee on Professional Responsibility and Conduct.

Wendy also represents businesses in all types of business litigation, with particular emphasis in high exposure complex litigation, trials and appeals. She represents corporate and governmental entities in a variety of high-exposure media interest litigation, including complex tort defense, fraud and conspiracy claims, insurance litigation (coverage litigation, bad faith), contracts, and complex business disputes from filing through mediation, trial, arbitration, and/or appeal. She regularly appears before the trial courts and the courts of appeal. She represents businesses in defense of employment litigation, in discrimination, harassment and retaliation claims and has served as an independent workplace investigator for public entities in sensitive matters relating to human resource issues.

Anthony Davis is a partner at Hinshaw & Culbertson LLP. He is best described as a lawyer's lawyer. He is a member of the Lawyers for the Profession® practice group, and his practice focuses on the laws that govern lawyers. He advises attorneys and law firms on legal professional and ethics issues, law firm creation, merger and dissolution, risk management and loss control.

Sally Dyson is the founder and director of Firm Sense Limited, a consultancy specializing in providing client listening services and client relationship management advice to law firms. Sally qualified as a solicitor and practiced at Slaughter and May. She then worked as an in-house lawyer for nearly a decade before moving on from the pursuit of law to establish Firm Sense.

Sally combines expertise in client listening with an in-depth understanding of the legal market to advise law firms on aligning organizational practices and individual behavior with specific client needs in order to improve client retention, win business, and improve profitability. She is an Affiliate Member of, and is regulated by, the Market Research Society.

In the context of optimizing client relationships, she has developed particular knowledge on the topic of law firm fees and is the author of an Ark Group report entitled *Budgeting and Negotiating Fees with Clients: A Lawyer's Guide*. She is also a regular speaker at public conferences and private workshops and is a contributor to professional journals.

Chad Ergun has 20 years of experience in the legal technology sector, and has been driven by the idea that technology should be able to offer more to the business of running a law firm and its clients. Chad's focus has been in designing data-driven knowledge management platforms, improving practice services, offering advanced e-discovery solutions, and client-facing initiatives. Over the years, Chad has honed his expertise as he has worked to understand and build solutions across areas like knowledge management, practice support, business intelligence, e-discovery, finance, marketing, and human resources. In his current role, Chad leads the global practice services, business intelligence, and knowledge management groups at Gibson Dunn with members in multiple locations covering practice solutions, e-discovery, business intelligence, litigation support, application development, marketing technologies, knowledge management, and desktop and web applications. Chad holds a master's degree in information technology with a minor in

industrial management and workplace psychology. He is currently working on his PhD in information management, focusing on artificial intelligence and data mining.

Rick Kathuria is national director, project management and legal logistics, at Gowling WLG. In this role, he leads the firm's business transformation agenda and legal project management strategy, applying process optimization and project management principles to the delivery of sophisticated legal services.

As a certified project management professional, certified management consultant and professional engineer (P.Eng.), Rick has over 15 years of experience working on large international projects at top-tier consulting firms. A noted authority on legal project management (LPM), he co-authored the book *Project Management for Lawyers* (Ark Group, 2011).

He is also a founding member and sat on the executive committee of the Project Management Institute's LPM initiative, promoting the education and adoption of LPM around the world. Rick is also a sessional professor at the University of Calgary's Law School where he teaches legal project management to the next generation of lawyers.

Aileen Leventon, JD, MBA, is a business counselor to the legal industry and a practicing lawyer with over 30 years of experience. She consults with law departments, law firms and individual lawyers on strategies to manage and sustain sound financial performance and continuously improve the efficiency of legal work. In addition to advising, coaching, and training, Aileen has facilitated numerous after-action reviews of closed matters to promote buy-in of legal project management techniques. She has also been embedded in ongoing matters to provide analysis and coaching to bring distressed matters back on course.

Keith Lipman is a well-regarded expert in the area of information management and e-discovery, in which he has been involved for almost two decades. Prior to founding Prosperoware, he was the director of legal solutions at iManage, Interwoven, and Autonomy iManage. He developed the go-to-market strategy for iManage in the legal industry and was the progenitor of matter-centric collaboration and the electronic file in WorkSite 8. Before iManage, Keith served in a number of professional capacities, including paralegal, lawyer, IT director in a law firm, and technology consultant to law firms.

Keith earned his BA, JD, and MBA at Temple University. He is a frequent speaker and is a contributing author of the book *Corporate Governance Best Practices: Strategies for Public, Private, and Not-for-Profit Organizations*. He has also authored a number of articles on e-discovery and the management of email, documents, and records.

Catherine Alman Macdonagh, JD is a Legal Lean Sigma Black Belt and a certified Six Sigma Green Belt. A former corporate counsel, Catherine is well-known for her thought leadership and successes as a law firm marketing and business development professional. Now a highly rated speaker and consultant, she works with professional services firms to create competitive advantages and organizational transformation through the development, planning, and implementation of innovative strategies, process improvement projects, and business development training and coaching programs.

Catherine is an adjunct faculty at Suffolk Law School and at George Washington University (Master's in Law Firm Management). She is the chief enthusiasm officer of The Legal Mocktail, an

experiential networking training program, and has her own consulting practice, FIRM Guidance. She is also a co-founder of the Legal Sales and Service Organization, and the co-author of two books: *The Woman Lawyer's Rainmaking Game* and *The Law Firm Associate's Guide to Personal Marketing and Selling Skills*.

Catherine is a co-founder of the Legal Sales and Service Organization (LSSO). She served on the international board, as New England Chapter President, and on many committee and task forces of the Legal Marketing Association (LMA).

Scott Rechtschaffen is chief knowledge officer at Littler Mendelson and leads Littler's effort to provide innovative client services by integrating new technologies and work processes and enabling attorneys and clients to access the collective knowledge and experience of the firm's more than 1,000 attorneys. He combines over 25 years of experience representing companies in every area of labor and employment law with a broad understanding of technology to help the firm's attorneys and their clients in tailoring unique solutions that enhance the firm's ability to deliver legal information and legal services to its clients. Scott heads Littler's knowledge management department, comprising of dedicated KM attorneys, research specialists, and technologists. He was a member of the multi-disciplinary team that developed the award-winning Littler CaseSmart® approach to legal case management. He oversees the firm's electronic and print publications, internal KM systems, and online client subscription services. He is also the co-founder of ComplianceHR, an innovative joint venture launched by Littler and Neota Logic, a legal software company.

Scott has been awarded the Distinguished Peer Award as KM Champion of the Year by the International Legal Technology Association, named to the Fastcase 50 – an annual compilation “honoring the law's smartest, most courageous innovators” – and was named among the 10 most innovative lawyers in North America by the Financial Times in 2014.

Peter Lane Secor is the director of strategic pricing and project management with Pepper Hamilton LLP. He concentrates on legal project management with a focus on improving efficiencies through shared management responsibilities, strengthening communication, and making value transparent. Peter's expertise includes client/matter profit analysis and providing partners with performance evaluations from a financial perspective.