

The Lawyer's Guide to Legal Process Improvement

EDITED BY LAURA SLATER



The Lawyer's Guide to Legal Process Improvement

is published by Ark Group in association with Managing Partner



UK/EUROPE/ASIA OFFICE

Ark Conferences Ltd
6-14 Underwood Street
London N1 7JQ
United Kingdom
Tel +44 (0)207 566 5792
Fax +44 (0)20 7324 2373
publishing@ark-group.com

NORTH AMERICA OFFICE

Ark Group Inc
4408 N. Rockwood Drive
Suite 150
Peoria IL 61614
United States
Tel +1 309 495 2853
Fax +1 309 495 2858
publishingna@ark-group.com

AUSTRALIA/NZ OFFICE

Ark Group Australia Pty Ltd
Main Level
83 Walker Street
North Sydney NSW 2060
Australia
Tel +61 1300 550 662
Fax +61 1300 550 663
aga@arkgroupasia.com

Head of Content Strategy

Fiona Tucker
fiona.tucker@wilmington.co.uk

UK/Europe/Asia enquiries

Irene Pardo
irene.pardo@ark-group.com

ISBN:

978-1-78358-179-5 (hard copy)
978-1-78358-180-1(PDF)

Reports Content Manager

Helen Roche
helen.roche@wilmington.co.uk

US enquiries

Daniel Smallwood
dsmallwood@ark-group.com

Copyright

The copyright of all material appearing within this publication is reserved by the authors and Ark Conferences 2015. It may not be reproduced, duplicated or copied by any means without the prior written consent of the publisher.

Assistant Editor

Laura Slater
laura.slater@ark-group.com

Australia/NZ enquiries

Steve Oesterreich
aga@arkgroupasia.com

Online bookshop

www.ark-group.com/bookshop

MP0014

The Lawyer's Guide to Legal Process Improvement

EDITED BY LAURA SLATER



Contents

Executive summary.....	VII
------------------------	-----

Part 1: Introduction

The case for process improvement: A Lean Six Sigma perspective	3
<i>By Catherine Alman MacDonagh, CEO and founder, Legal Lean Six Sigma Institute</i>	
Most processes fall far short of their potential	3
Understanding changing client expectations	3
The profession is changing	5
The risks are greater than the challenges	6
The pressure to deliver value	7
Gaining buy-in for process improvement	7
Linking quality and performance.....	8
Technology and process improvement.....	9
The DuPont Legal Model.....	10
Clients expect efficient processes	11
Uptake of Lean Six Sigma in law firms	12
Award-winning examples of process improvement in action.....	13

Dissecting processes: How to create a legal process improvement program.....	17
<i>By Kim R. Craig, global director, legal project management office, and Andrew M. Baker, global director, legal technology innovations office, Seyfarth Shaw</i>	
Understanding processes	17
Supporting other strategic foci	19
Introducing LPI internally	20
Taking it to the next level	20
Getting started with process improvement	21

Part 2: Process improvement approaches

Mastering complexity: Current and future tools for legal process optimization	25
<i>By Tim Hanson and Simon Thompson, directors, Change Harbour, and Robert Millard, partner, Møller PSF Group</i>	
Legal process workflows	25
Future disruptive technology.....	27

Tools for the present	28
Improving legal processes	28
Building a simple process map of your organization	31
<i>By Chris Bull, executive director, Kingsmead Square</i>	
Use a process reference model	31
The electronic discovery reference model	31
5S	35
<i>By Chris Bull, executive director, Kingsmead Square</i>	
Process principles of 5S	35
Implementing 5S	36
Part 3: Project management, Lean Six Sigma, and KM	
DMAIC: The framework	41
<i>By Catherine Alman MacDonagh, CEO and founder, Legal Lean Six Sigma Institute</i>	
The five steps of DMAIC	41
Step 1: Define	42
Step 2: Measure	42
Step 3: Analyze	44
Step 4: Improve	45
Step 5: Control	45
The Kaizen approach	46
Creating valuable knowledge in the firm through legal project management	49
<i>By Lann Wasson, senior manager of knowledge management, Husch Blackwell LLP</i>	
Launching the legal project management program	50
Creating knowledge that has competitive value	51
A simple legal project management framework	55
<i>By Barbara J. Boake, partner, McCarthy Tétrault, and Rick A. Kathuria, national director, project management office and legal logistics, Gowlings</i>	
Legal mandates are projects	55
Legal mandates have four project stages	55
Each project stage has two project management tasks and one project management deliverable	56
Your client participates at every stage of the project	56
A project manager's responsibilities can be delegated	57
Designing a framework that works	57

Linking project management to pricing strategy	59
<i>By Barbara J. Boake, partner, McCarthy Tétrault, and Rick A. Kathuria, national director, project management office and legal logistics, Gowlings</i>	
Basic practice economics	59
Maximize profitability through efficiency and leverage	61
Managing AFAs.....	62
How KM staff can help drive successful legal project management initiatives	65
<i>By Antony Smith, founder, Legal Project Management Limited</i>	
What is legal project management?	65
How to start improving LPM capability	66
Aligning LPM with law firm strategy.....	67
Securing support of senior business owners and managers	67
Break projects down	68
Some tactical ideas for LPM implementation	69
Rethinking workflows: Re-engineering case management processes	71
<i>By Scott Rechtschaffen, chief knowledge officer, Littler Mendelson</i>	
Challenge and opportunity	71
Creating a new approach	72
Lessons learned.....	74
Part 4: Online delivery for process improvement and client satisfaction	
Why deliver services online?	79
<i>By Stephanie Kimbro, fellow, Stanford Law School Center on the Legal Profession and co-director, Center for Law Practice Technology</i>	
What is the competition?	80
What are the benefits for the public?	81
What are the different structures of online delivery?	82
Who will be in charge?	83
Case study: Samuel Phillips	83
Establishing a clear and achievable strategy for online delivery.....	84
Pricing models	86
Creating the client portal	88

Executive summary

"If you can't describe what you are doing as a process, you don't know what you are doing." W. Edwards Deming

OVER THE past decade, law firms and the legal market have changed irrevocably. New service models have invaded traditional law firm territory and new technologies are transforming the practice of law. Clients now have a greater say about how their work is carried out, and they expect law firms to employ the same process improvement techniques they themselves use to reduce costs and improve efficiency and predictability of outcomes.

Respondents to Altman Weil's 2014 Law Firms in Transition survey¹ only expected the internal and external pressures on law firms to increase over the next ten years – yet less than a third said that they were taking steps to address the situation by making their work processes more efficient. For those firms that are embracing process improvement now, this is a huge opportunity to get ahead of the competition. Bringing together the advice, guidance, and expert knowledge of lawyers and consultants with first-hand experience of process improvement in law firms, this report outlines how to devise, implement, and manage an effective legal process improvement strategy.

There are many approaches to process improvement and several are described in this report. Whichever direction a firm takes, it is going to require a considerable culture change, and the first stage of any program

must always be to gain firm-wide support. The opening article in this report makes the case for process improvement and provides successful examples of legal process improvement (LPI) in action. Following on from this, the second chapter in the introductory section discusses process improvement as a growing trend amongst law firms and outlines points to consider when to introducing an effective LPI program, from planning through to managing the internal change program.

Legal processes can often seem too complex to break down, yet however many variables there may be, there are common, repeatable steps in all legal work that can be recorded, examined, and improved upon. The second section of the report describes how to build a simple process map that will enable you to understand how the various processes in your organization interrelate, and how they can be managed better, staffed more appropriately, or otherwise improved in order to make them more efficient and cost-effective. The articles that follow introduce several tried-and-tested approaches to process improvement in a law firm environment.

Section three looks at how elements of project management, Lean Six Sigma, and knowledge management can complement and drive a process improvement program. One article describes the define, measure, analyze, improve, control (DMAIC) methodology, which is a core tool in Lean Six Sigma, and the author provides case examples from law firms that have

successfully employed both the full DMAIC approach and the accelerated “Kaizen” method to streamline their processes and boost their profits.

While process improvement is about the bigger picture, project management provides the tools to effect change on a matter-by-matter, lawyer-by-lawyer basis, and it will form an integral part of any process improvement strategy. Key topics covered in this section include the relationship between legal project management (LPM) and LPI (and how the former can pave the way for the latter), practical advice on how to implement a simple LPM framework, and the role of LPM in devising a pricing strategy that will both satisfy clients and increase profitability on a matter-by-matter basis.

A firm’s KM staff will likely have valuable experience of implementing firm-wide initiatives and they will almost certainly play an important role in any LPM and LPI projects. Therefore, this section also provides guidance on the key points knowledge officers should be aware of when working to implement a successful project management initiative. This is followed by an illuminating case study from the chief knowledge officer at Littler Mendelson, who describes how the firm responded to a client challenge to lower costs by revolutionizing its case management process. The study describes the development and implementation of the firm’s case management system, Littler CaseSmart, from the initial process mapping stage, to considering questions of staffing and the technology required, and the lessons the firm learned from the project.

Online services are transforming the legal market; with innovative new service models increasingly meeting client demand for cost-effective, easy-to-access legal advice from a reliable source, traditional law firms that have not yet embraced online services are at

risk of losing ground to more forward-thinking competition. The final section of this report considers how firms can take advantage of the opportunities offered by online portals to meet the needs of the modern client while also reducing costs. Accompanied by case examples, it covers the various types of online delivery available and describes how to establish and implement an effective online strategy.

Today’s clients don’t just want to know what work the firm has carried out on their behalf, they also want to know *how* that work was completed. By mapping, analyzing, and then optimizing their processes, law firms will be able to assure their clients of greater predictability and efficiency and, ultimately, better value while also significantly improving their own bottom line.

Reference

1. Altman Weil, 2014 Law Firms in Transition: An Altman Weil Flash Survey, see www.altmanweil.com/dir_docs/resource/f68236ab-d51f-4d81-8172-96e8d47387e3_document.pdf.