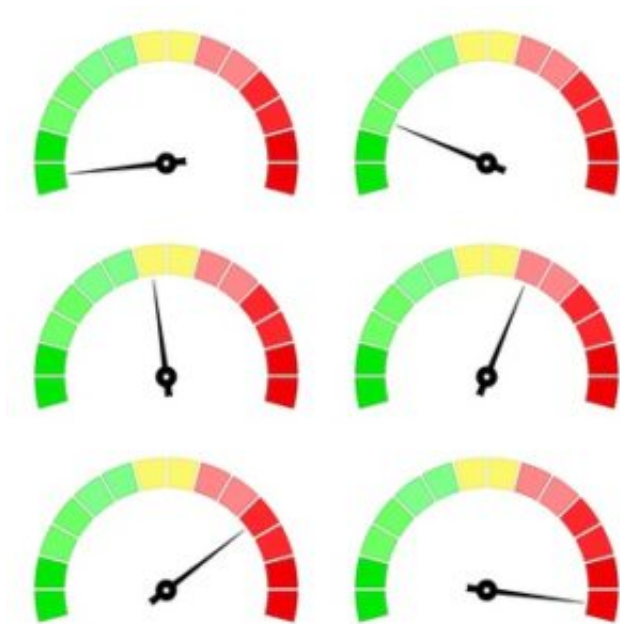


Establishing the Proof of Concept for Legal Project Management

Featured in the January 2017 edition of the [Edge International Communiqué](#)

By Aileen Leventon



Law firms consider using Legal Project Management (LPM) as a strategy to protect margins and improve competitiveness and client satisfaction. The first steps a firm takes towards LPM implementation may be generic training programs or practice group seminars. Others designate a few key partners or professional staff to participate in industry groups so they can benchmark and serve as an internal resource. Staff and paralegals may be tasked with matter-specific reporting or facilitation.

In each approach, cultural, operational and financial issues are at play. Workshops and online programming—bespoke or generic—can be cost-effective on a per-head basis to introduce concepts widely. Training staff or hiring PMPs (Project Management Professionals) helps if LPM is not yet viewed as a lawyer’s job. Training a few influential lawyers may work: if they are onboard, others may believe they can safely follow suit. Many approaches can build awareness of how LPM addresses profits, margins and client satisfaction.

Ten years into our work with Legal Project Management, we find that the one factor that determines whether the LPM framework actually takes hold and pays back is that a proof of concept has been established and communicated by leadership. Until this happens, partners are apt to say “LPM makes sense theoretically, but it won’t work in my practice or with my clients.”

How to Prove the Concept

LPM can improve economics and client satisfaction, and Key Performance Indicators (“KPI”) can prove it. Here is how.

Identify a high-grossing partner who handles multiple similar matters, or a partner with an important client relationship that is not meeting your firm’s realization or profitability targets, or a partner with a history of write-offs for a significant client. Alternatively, work from a client’s perspective: Identify a client who has retained the firm after asking about LPM as part of an RFP or pitch, a client who has complained about your fees, or a client you believe would be receptive to a joint LPM program.

Set benchmarks so you know how previous comparable matters turned out, using for example, the fees, expenses, duration, staffing, variance from plan, and client communication process that characterized the matter. Identify the factors that consumed resources excessively or unexpectedly and created billing “surprises” for the client. These benchmarks create useful KPIs such as pre-bill and post-billing write-offs, leverage, budget vs. actual vs. percent expended against budget, etc. From a law firm

perspective, KPIs will also be reflected in profitability and realization metrics. Engage partners in tutorial-style discussions. Drill down on causation: what was it about the specific matter or portfolio of matters that drove use of resources, variance from plan, or friction?

With this in hand, establish the proof of concept. Determine which LPM tools have an impact on the selected KPIs. The next time there is a comparable matter, use relevant LPM practices. Engage a coach or facilitator if a lawyer is not sufficiently skilled to apply the framework from beginning to end.

Anticipate the lessons learned about cost drivers and variance from plan, and address them in real time. Analyze. Track. Monitor. The goal is to compare the metrics from the “unmanaged” matter to a matter where LPM tools have been applied. If the client has not asked for a budget, work with the partner to develop one anyway; it is essential to manage a matter against a baseline. Use a Work Plan as the gateway LPM tool. Configure performance reports that produce metrics against the Work Plan. Make comparisons with other matters, particularly those that have benefited from the application of LPM tools. Which KPIs changed and why? Did economics and client satisfaction improve? Almost certainly the answer will be yes. Applying LPM to specific matters and clients resonates in a completely different way than will a general training program.

This is the proof of concept that underlies almost any kind of change program. Different aspects of LPM are valuable for each lawyer, client, and matter type. Adherence to a single LPM approach within a firm is unlikely to produce results across the board—that’s the limit of one-size-fits-all generic training. Variation in the use of LPM is important—LPM provides a tight framework and a loose fit. Encourage lawyers to determine the KPIs and LPM tools relevant to different clients and matters. Let them prove to their own satisfaction that LPM works. That’s when it takes hold.