Scaling up LPM:

The current state of
Legal Project Management

Introduction

Legal Project Management (or LPM) is becoming essential for law firms. And for good reasons.

Firms often run countless numbers of complex matters at once. Keeping track of all this; the wins, the losses, whether something is over or under budget; is impossible without good project management. However, LPM's are often held back by an inability to scale what they do. Without scale, firms can never truly benefit from the oversight and control project management can bring to their firm.

So, how can the legal industry tackle this problem? In this e-book, we'll be looking at the state of LPM right now. Next, we'll examine where LPM could go in the future and how to maximise its potential. We'll share practical tips from project managers for those working in the industry. Finally, we will walk through a case study of how a firm made LPM scalable in order to improve more than just matter management.

The current state of Legal Project Management →

Why Excel is holding back LPM, why not all matters are bespoke, and the reasons why law firms should be embracing LPM at scale

Nobody excels when using Excel

How does project management operate in modern firms? Due to the lack of data on, and oversight of, matters in most firms, many LPM's are assigned to only a small portion of a firm's most high value or complex matters. Keeping track of these matters isn't easy. Complex cases often span multiple practice groups and can stretch out over months or years. Making sense of the thousands or even millions of time cards to be logged on one or two complex matters, is easily a full-time job.

The most common tool used by project managers to keep track of their matters is Excel. As anyone who has had to use Excel will tell you, this isn't the most user-friendly solution. Most LPM's will put together their own spreadsheet to keep track of the relevant information for each matter they manage. This could be budget used, hours logged per practice group or activities completed. The list goes on. Inevitably this is also a time consuming solution. Each project manager must still log the information manually into

the spreadsheet. Which means they have to track down these streams of information separately. Additionally, each spreadsheet will be unique to each manager. Making them incomprehensible (and therefore all of that lovely data useless) to anyone but the person who made them.

You can't scale the bespoke
The second key problem currently barring LPM's from scaling, is the nature of the work they manage. Law firms still treat the vast majority of matters as bespoke. They approach each matter in a different way, with little standardisation of the matter management process. This case-by-case approach sits entirely at odds with the way most project management functions. To explain this, we need to use an example from the world of technology.

Standardising development work - a tech perspective
Most development work done in tech firms is unique. Each week teams will be working on a new feature, or updating a new piece of code. However, fundamentally most tech teams are project managed in the same way. Despite the output being different, the process is the same. They use sprint work. It breaks down work into set time frames, say two weeks, in which developers scope and size what needs to happen. They then manage that work in bite-size chunks and keep the project manager updated on progress through a ticket system.

It is for this reason that tech companies find it so easy to scale up. Development work is done in a standardised way, with easy oversight. Teams cannot release anything without it having been developed and tested in line with the company's principles. This means that tech companies keep costs low, but output high, in a controlled way.

Because firms do not standardise the way matters are handled, an LPM must tailor their methods to each matter. This is time-consuming and can lead to confusion, or information falling

through the cracks. It also prevents matters being compared like-for-like. Firms accordingly lose much of the data insights that good project management can bring. LPM data can track the success of time saving or cost saving measures firms introduce. But if each project is managed differently, a fair comparison and assessment is impossible.

Firms lose where LPM isn't fully supported

So why does it matter that LPM is often held back by poor data, or confined to a few select and bespoke matters? Arguably, because it defeats the purpose of introducing project management to firms at all.

Project management is the practice of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals and meet specific success criteria at the specified time.
- Wikipedia

For many firms, the specific goals are more than just creating a desired outcome for the client. It is also about staying on budget, or reducing the cost of matters. Many firms look to LPM to improve transparency for clients, to ensure out of scope work doesn't get out of hand and to reduce write-offs.

So, when firms only project manage large matters, the impact is never going to be sufficient to justify the effort. Looking to the future, firms must find a way of standardising project management. This will allow them to address write-offs and streamline processes in a way that manifestly improves the firm's returns. If they fail to do this, project management in firms will be too small scale to have the impact a firm wants it to.

The benefits of LPM

Ensuring a desired outcome for the client

Staying on budget

Reducing the cost of matters

Increasing client transparency

Reducing write-offs

Keeping matters to budget

Streamlining processes

Identifying and testing efficiencies

Some LPM myths →

MYTH 1   LPM is expensive

MYTH 2   LPM means high staff costs

MYTH 3   LPM is valuable

So what is LPM at scale?

At its most simple, scaling up LPM is about making it part and parcel of service delivery. Project Managers work to ensure clients enjoy work delivered on time and on budget. In turn, this leads to better client retention.

Additionally LPM's can identify work which is prime for commoditization or automation. Work which has a high labour cost, but low recovery rate. For LPM to truly reach this potential, it must become an essential component of service delivery.

In order to achieve this firms must face and overcome the myths surrounding legal project management. These myths are currently holding back firms from truly reaping the benefits good LPM provides. How? By embracing the standardisation of project management. Each and

every matter must have a project manager. This means that law firms must look at how to scale project management effectively. Because each firm works differently, there is no one-size-fits-all approach. However, this does not mean that each matter within a firm must be handled differently. Effective project management may change between institutions, but it is standardised across matters.

LPM is expensive

Firms must overcome the belief that LPM is only designed for the most valuable matters. This myth retains such power because of the current cost of LPM. This high cost, in turn, exists because firms have failed to standardise project management and often do not use technology to support it effectively.

Clearly, if project managers need to create bespoke monitoring plans for each new matter, and then go about collecting the relevant information to provide oversight, costs will run out of hand. When a firm sets a standard for how projects are managed, tools like Clocktimizer can automatically collect the relevant information for oversight and put it in one place. The role of the LPM is then optimised. Project managers can intervene where necessary, and focus on cost saving exercises rather than data collection and administration. A far more cost effective use of their time.

LPM means high staff costs

The next myth that pervades law firms is that to effectively implement project management, you need to throw staff at the problem. The difficulty in addressing this myth is that firms must accept that not every matter is unique. Matters taken as a whole are generally formed of smaller, repetitive tasks. While they compile together to tackle a unique client with unique problems, the individual tasks themselves overlap. This sort of work is ripe for automation and the same can be said for project management. Each project may be different to the last, but the tasks that form project management as a whole can be repetitive.

So what can be automated in project management to reduce staff costs?

Data collection and analysis. Currently, firms keep track of the progress of a project by identifying what work has been done, and what work has yet to be done.

This is time-consuming for a human to do, and until now most firms have used employees to complete the task. However, tools like Clocktimizer can automatically track the work assigned to a matter through time cards. This can then be analysed for the project managers and assembled into neat dashboards to help keep track of progress.

Communication between teams is another resource sinkhole for law firms. Nowadays, replying to emails could be a full-time job. How can you keep track of which conversation thread is the most recent? Remember which document is the most up to date (and whether you remembered to reply to the client query!)? Instead of hiring more project managers to keep track of this information, use tools like Slack or HighQ to bring project management into one environment. This will reduce cost and improve the transparency of your project management processes.

LPM isn't valuable

The final, and most pervasive LPM myth, is that it isn't valuable to scale LPM across a whole firm. This is likely as a result of a compound of factors. As previously mentioned, the high cost, and bespoke nature of legal project management has made it an unattractive prospect for law firms. This has been a justifiable cost to bear for high value matters or clients, but unsustainable for low cost, high volume matters. However, this simply isn't the case when LPM is appropriately implemented and supported. The evidence for this comes from the legal industry itself. The 2019 Citi Hildebrand Report on the legal market surveyed firms who had implemented new project management initiatives.

Collectively, law firms' project management and pricing efforts appear to be paying off: the vast majority of law firms we surveyed reported that both initiatives have had a positive impact on both realization and margins.
- Citi Hildebrand Report 2019

In a move towards fixed price fee structures, project management improves profitability in the easiest way: by reducing the cost of working on the matter. As such, firms which automate and standardise project management can reap this benefit across the whole firm. This in turn makes a firm more attractive to clients. In a survey of 200 General Counsel, responsiveness and price were two of the top reasons why external counsel were chosen. Both of these are directly improved by project management.

LPM tips
and tricks →

How to empower your team, offer choices to improve uptake, celebrate your successes and rethink how you communicate LPM

Empower your team

Integrating LPM at scale successfully can be tough. In addition to implementing new metrics, and measuring new data streams, you also have to manage team integration. This can mean internal integration between Project Managers and the teams whose matters they must manage. But it can also mean between client legal teams and internal ones. For advice on how to make this a success, we must turn to Barclays. In order to ensure LPM existed across all of their counsel, Barclays developed an LPM Consortium.

"We invited our top 15 panel firms to join and bring their LPM teams to meet with us. The goal was to bring them together to help Barclays solve some of the challenges in handling matters. We had an initial meeting where we discussed our views of LPM, what it means to us and its importance and the panel law firms shared about some of their LPM programs. The goal of the Consortium was to bridge the gap between the Barclays' relationship team and the firms' teams." - LawVision/LPM Institute

Barclay's approach has empowered their counsel to work more closely and share best practices for LPM with each other. In turn, their counsel are offered a better idea of their performance, how they can improve it. Empower teams to take this proactive approach with clients to strengthen relationships and ensure LPM scales naturally.

Offer a choice

Internally, it is also important to allow teams to approach LPM incrementally. Shanna Davidson, Legal Operations Manager at Barnes and Thornburg suggests offering three 'versions' of LPM to lawyers who can then self select the level most suited to them.

Shanna Davidson's 'versions' of LPM

Self-Service: A library of checklists, budget templates and language are provided to the lead attorney.

Monitored: LPM staff helps create the initial budget, assumptions, and estimates; lawyers subsequently receive weekly/monthly budget-to-actual reports.

Managed: LPM staff helps create the initial budget, assumptions, and staffing plan. LPM staff conducts a kick-off call with the matter team before work commences and continues to hold weekly/monthly status calls to address budget assumptions, scope changes, billing complications, and budget-to-actual performance. An end-of-matter debrief occurs at the conclusion of the matter to memorialize lessons learned.

This advice ensures that at least one manner of LPM has to be implemented, but in a way that leaves some control (and therefore enthusiasm) to the lawyer making the selection.

Celebrate your success

Everyone knows that the best way to ensure something keeps getting done, is to show that it works. It's not good enough to say that LPM is increasing profitability, or improving client satisfaction. Scaling LPM is about showing exactly how it helps and then inspiring others to push change through themselves. This can be done in two ways. Through **project champions** and through **firm-wide reporting.**

The first method, creating LPM champions, is about finding inspiring people who enjoy LPM and offering them the opportunity to train and inspire others. It's a technique we use at Clocktimizer. Rather than training the whole firm to use our tool, we train select project champions who become advocates for our platform. Uptake tends to be higher as a result of the authenticity of the champions you select.

Secondly, firms must measure and share their LPM success stories. Take the analysis of time cards. It's the first essential step to determining everything from profitability to keeping a matter on track. This used to be a time consuming and thankless task. But at Hogan Lovells, Stephen Allen has reduced this to a matter of seconds.

"As a test, we ran 75,000 lines of who, what, for whom and how much, plus a billing narrative of anything from one word to 150 words, through the software. [Clocktimizer] designated those tasks to activities in 36 seconds. We timed it!"
- Stephen Allen

Exciting news like this should be shared with the firm regularly to emphasise how and why LPM at scale is so important.

Rethink how you communicate LPM

Our final tip for implementing LPM at scale comes again from Shanna Davidson of Barnes and Thornburg and it involves communication.
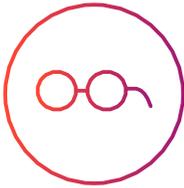
"Focus on enhancing the communication loop, both internally and externally. Often the term "legal project management" can be intimidating for both clients and attorneys alike. By initially focusing solely on improving communication, whether that be clearly defining a matter's scope of services, sharing the alternative fee arrangement with the team, or providing client stakeholders regular updates at preferred intervals, you set your firm up for "easy win" opportunities with your clients. We have experienced significant traction with our attorneys by focusing on the basic LPM principles centered on communication."

Often the barrier to implementing LPM at scale is because of a misunderstanding of what it entails. Reframing it in terms of communication makes it more accessible and likely to be accepted.

A case study in LPM at scale from CMS →

How CMS is using LPM principles to ensure their R&D projects are a success, including tips for scoping and ways to keep your projects on track

What LPM offers R&D

Fundamentally, LPM works on the basis of scoping a challenge and identifying what the project intends to achieve. Then, it leverages tools and data to maintain oversight and deliver cost-effectively. As such, it is effective at more than just case management. Research and Development (R&D) is vital to the evolving law firm. Identifying new tools and developing proprietary software helps firms become more competitive. They also improve customer service and strengthen client relationships.

However, law firms are not software companies. Managing the development of these new ideas can be difficult and expensive without good management. By using LPM techniques, development projects can be managed well, with a strong focus on the challenges and innovations being faced. Accordingly, firms can ensure their R&D projects have the best possible chance of success. And let's face it, there's nothing more frustrating than badly designed technology.

R&D at CMS with Katja van Kranenburg

CMS is certainly ahead of the curve in this respect. Katja van Kranenburg, a Partner in their Amsterdam office, has been running a number of R&D projects using LPM principles which she applies to her other matters. For CMS, R&D is about identifying how innovation can improve the services the law firm provides to their clients. This could be about the quality of the advice offered, but it could be about improving how the firm communicates with clients or manages the matters themselves.

One of the key challenges facing firms developing new technology has been ensuring they do not become bulky, expensive projects. Having handled this problem in her matters by using LPM, Katja has brought these techniques over to her development work. One of the first changes she made was to ensure potential solutions are properly scoped before getting started. In doing so she has avoided bloated projects which fail to address the initial problem being solved.

The second key technique Katja has introduced is in properly managing projects once they are underway. This ensures that, once the viability of a project is determined, it can remain agile and responsive to challenges as they appear in the development cycle.

The questions essential to scoping success

Having listened to Katja explain the importance of scoping, we took down some tips for fellow LPM's. After all, where should one start? And how do you even determine the scope of an R&D project? According to Katja, it is about asking the right questions.

1. What is the challenge and innovation being faced?

Can you really explain what you are working on succinctly? If not, are you sure you understand the project's focus?

2. What are the key features needed to do so?

For each challenge, what feature corresponds? Does it need to work alone, or can it be integrated?

3. Can technology currently address these features?

For this, seek out experts. Does the technology exist? Is it likely to any time soon? If not, why not?

4. Will clients use the solution/tool in its proposed form?

Far too many of us forget our client research. Consider more than sending out a survey. Involving clients in a focus group is likely to make them more invested in the project, and the project itself to better satisfy their requirements.

5. How can you involve the end users in the development of the solution?

An end product is only as useful as its design process. Get your clients involved and ensure their feedback is incorporated in the design.

6. Who are the stakeholders needed to carry out this project and how can you educate yourself on what they bring to the table?

No design process is an island. You are likely to need to bring technical or design team members on board. Before you do so, you should invest time in understanding what they know and why they are important. It will ensure the project tasks are better delegated and integrated with each other.

Three LPM tips to keep your project on track

Unfortunately, scoping your project is only half the battle. Once underway, LPM techniques are essential to keep any R&D project working to the challenges and avoiding bulk. Katja shared three key techniques she uses to ensure her project's success.

TIP 1

Use technology

First and foremost, use technology to help keep you on track. Tools like Clocktimizer can provide oversight and ensure projects are running to schedule. By reading and categorising timecard information, you can get good oversight on project progress based on tasks. Additionally, collaborative working tools can ensure the time you are spending is more efficiently used. Shared workspaces like Slack keep project communications in one place. Joint documents ensure there is no confusion between which version is the most current. Either way, technology is your friend and can both streamline processes and offer project oversight.

Embrace Agile

Embrace Agile working. For those unfamiliar, we have written a full introduction to Agile in a previous blog here. In short, Agile working involves breaking large projects down into smaller tasks. These tasks are individually scoped (to identify their complexity, who must work on them, and the business reasons behind them). These tasks are then allocated to week, or two week long 'sprints'. As such, it provides a flexible way of working which can be changed sprint by sprint in response to the project's demands. If a solution isn't working, or the end-user isn't happy, Agile LPM allows you to identify this quickly and change course preventing projects from getting bogged down in sunk costs.

Link technical and non-technical personnel

Finally, it is essential to maintain a link between technical and non-technical personnel so that both are able to understand potential problems for the project and work together to find solutions for them. In order to do so, both need to have some understanding of the role and skills of the other. Cross-functional knowledge and the ability to listen and communicate are decisive elements if you want innovative projects to succeed.

Are you ready to scale LPM?

LPM at scale. It is about making your firm not only more cost-effective, but also about improving client relationships and even developing new tools. Better yet, as our e-book shows, it is not the personnel heavy, time consuming task many think it is. We believe good LPM is key to ensuring the longevity and success of firms in the future. Learning from pioneers like Katja van Kranenburg, and implementing her advice, should be the next step for any firm.

> ⓘ To help in that goal we regularly share tips and advice on our website for LPM's, Heads of Finance, Firm Executives or Client Value. Follow our social media on Twitter or Linkedin for more information. We also wish to extend a huge thank you to Katja and Shanna for sharing their words of wisdom!

Do you want to learn more about how Clocktimizer can help your firm scale its legal project management initiatives? Reach out to support@clocktimizer.com or claim a free demo at https://www.clocktimizer.com/schedule-an-online-demo