

Project Management for CLE Professionals

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Implementing Legal Project Management:

What's the Best Way to Grab the Flame?

The rapid emergence of legal project management (LPM) as a powerful new source of energy in the legal profession resembles the discovery of fire. It's hot, it's new, and everyone is gathered around, trying to figure out how to put it to best use. Cautious types shrink from picking it up. But first-movers who dare to grab it and bend it to their will suddenly find themselves in positions of power at the head of the clan.

By Pamela Woldow

Stripped to its essence, legal project management is a logical sequence of activities in which a law firm and its client collaborate to agree on goals, define the value of service, allocate resources, create a realistic and comprehensible budget and action plan, develop critical work paths and performance measures, try to anticipate and limit bad surprises, and employ transparent communication protocols.

We shouldn't oversimplify LPM, because managing complex legal projects demands equally sophisticated planning and execution. But in working with clients to implement LPM training, we do try to demystify LPM as much as we can. LPM's sheer novelty and its frequent association with quantitative, IT-driven industrial project management approaches tends to generate predictable resistance among lawyers. Effective LPM training programs must respect and address this resistance.

LPM is a discipline still in its infancy, and law firms are struggling with the challenge of how to introduce it, initiate it, implement it and develop it until it becomes an accepted part of the fabric of the firm.¹ As a basis for any law firm LPM training initiative, let me suggest a few pointers:

1. MAKE LPM AN EXERCISE IN LPM

LPM can practice what it preaches. By that I mean, the basic LPM action sequence can and should be applied to the rollout of LPM itself and to the design of LPM training initiatives. LPM calls on all stakeholders to collaborate to:

- A. scope the project;
- B. allocate resources and identify constraints;

¹ * Legal departments also wrestle with internal LPM-related implementation challenges, but the stakes are slightly different because in law firms, LPM has direct consequences for profitability. LPM holds enormous promise for cost centers (i.e., legal departments) as well, but implementing LPM in-house tends to be easier. Few legal departments are as large as major firms, with their hundreds of partners, associates and paralegals, so LPM implementers are not immediately faced with daunting challenges of scope and geography. This article will confine itself to law firm LPM implementation.

- C. plan the project thoroughly, carefully, and comprehensively;
- D. execute the plan;
- E. monitor progress objectively and dispassionately; and
- F. review and discuss lessons learned.

This last step is incredibly important. In large firms with many offices and hundreds of lawyers, there will be an understandable desire to cast all the LPM protocols in stone at the outset and then start the implementation machine rolling forevermore. But it's not enough that a lot of people receive training; given what the firm is promising clients about the benefits of LPM, it is imperative that lawyers and paralegals actually learn from the training.

So you must solicit participant feedback, ask for suggestions, swallow pride of authorship, and be willing to make mid-course corrections, even during Phase 1 rollout.

2. START SIMPLE

Too frequently, experienced project management practitioners cross the line to become zealots, touting the myriad capabilities of fully mature, fully institutionalized LPM. This can really terrify the troops, or at least turn them off.

At the early stages of LPM implementation, don't tout it as a Swiss army knife that can do anything, if only you can get it to open. Just as your child's first car should be a Toyota and not a Ferrari, accept that initial LPM efforts must be at the level of "LPM 101": comprehensible, manageable, and built around core constructs to which greater sophistication can be added later.

3. BITE THE BULLET

In large firms, LPM training can get expensive. In particular, the cost of designing reams of materials customized to different lawyer levels and conducting scores of focused workshops may make your eyes water. Why so many workshops? Why not a smaller number of mass presentations?

Our team's experience is that if LPM is ever to get beyond lip service in your firm, lawyers must dive in and get their hands dirty with numerous LPM activities in a highly interactive process keyed to real-life case studies — preferably ones designed around the firm's actual clients, practice and engagements. Workshops with more than about 25 participants miss out on that experiential learning, resulting in bored lawyers turning to their BlackBerries.

The process of gathering initial information, designing the program, and

customizing case studies requires time and expense. The good news is that these upfront design costs will be amortized as the firm's LPM training continues over time. True, total program costs correlate with the number of workshops. But the unit cost of each workshop drops dramatically once initial scoping and planning are done and LPM training enters the execution stage.

4. CHOOSE A HORIZONTAL OR VERTICAL APPROACH

In our LPM design work, we often find ourselves at the heart of the "horizontal vs. vertical" debate. The "horizontal" perspective says you should train all the firm's lawyers at a certain level in an intensive series of workshops. This approach says, in effect: "In order to get full-immersion LPM exposure and teach large groups of lawyers the same precepts as quickly as possible, let's have workshops that include same-level lawyers from different practice areas." This is the fastest way to build LPM momentum within a firm.²

Inherent in the horizontal approach is the need for layers of programs. Typically, we recommend training the partners first, because the "value proposition" is different: their programs go lighter on the "nuts and bolts" of daily matter management and heavier on teaching the powerful business development and client relations benefits that LPM confers. For lower-level lawyers and staff, our team will focus more on teaching practical tactics, tools and techniques to the people who will do the actual LPM heavy lifting day-to-day.

In contrast, the vertical approach trains members of particular client teams together. This "intact group" approach allows the people who work together daily not only to learn the mechanics of effective LPM, but also to develop the collaborative relationships and trust that really make LPM sing. Vertical LPM training is extremely interactive. Its costs may be higher, however, because a firm with many different client teams will require several customized workshops with attendant design demands.

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² A horizontal sub-category adds: "Let's bring all the practice group members together in their own workshops, so we can design bespoke case materials that will be realistic and useful to them." This is an effective training approach, but it does require an extra increment of design time.

Different LPM training approaches are not mutually exclusive. One enlightened AmLaw 100 firm has planned an intensive hybrid Phase 1 program that includes awareness briefings, pilot programs, LPM 101 workshops, client team workshops, “train-the-trainer” sessions, and post-training coaching. At the end of Phase 1, the firm will know what works best for its lawyers, and Phase 2 will draw on those lessons.

Post-training coaching for participants often makes the difference between adoption of LPM and backsliding. The first few weeks after an initial LPM workshop are the most crucial in determining whether a lawyer will put LPM to use thereafter. Applying LPM to a real-life project is the best way to get lasting buy-in, and the availability of an LPM-trained coach to address practical application questions is invaluable at this point.

5. HOW LONG SHOULD A MAN'S LEGS BE?

Long enough to reach the ground, said Abraham Lincoln. Similarly, the ideal workshop length is shaped by the tension between training effectiveness and the practical constraints of feasible attendance. It's just not reasonable to take large “horizontal” groups of timekeepers away from their desks for much more than half a day.

In the course of a full-spectrum LPM rollout, we often plan immersion at different depths: perhaps

- A. a basic LPM Awareness Program to build buy-in with executive firm management (the “sniff test”);
- B. a longer LPM Pilot Program for practice group leaders (the “tasting menu”);
- C. a series of hands-on, case-study driven “LPM 101” programs for partners; and/or
- D. longer “nuts-and-bolts” programs for vertical client teams or associates.

6. LET THE LAWYERS SPEAK

LPM is not about manufacturing processes designed to punch out identical widgets; it's about giving lawyers better ways to do their jobs. Therefore, at the start of an LPM initiative, make lawyers your loudest LPM sponsors and its most visible teachers.

Be careful how you integrate your IT, financial, matter management,

performance management and professional development professionals into your training. Make no mistake: these experts are extraordinarily important contributors to making LPM really perform, and some firms already are developing remarkable budgeting, task-coding, and Gantt-charting tools. But many lawyers will head for the hills if they believe LPM is going to be “IT-centric,” “data-driven,” or even “process-based,” or if they think their training will be conducted by techies.

7. DENIAL IS NOT THE NAME OF A RIVER

From managing partners of smaller firms, I frequently hear something like: “This whole LPM thing is irrelevant, because our clients are content with hourly rates, and they've always been content with our service.”

Wrong. Whether they prefer time-based or value-based billing, all clients welcome efforts by their outside counsel to operate more efficiently, keep legal expenses tightly controlled, avoid unexpected surprises, and communicate more continuously and conscientiously.

I am a strong LPM adherent, because every day, I witness the legal profession through the eyes of the consumer: general counsel, chief legal officers, directors of litigation management, CFOs, and risk managers. And let me assure you, *they* are fast becoming LPM adherents.

These clients want to see legal representation that is both effective and efficient, and they will reward the firms that give it to them. They crave shared-power relationships rather than battles of bargaining leverage. They relish constant, open and collaborative communication. And they prefer not to delegate total control for their matters to outside counsel and then pray for the best.

So my best advice for firms that want to stay on top of clients' hit parade? *Give them what they want.*



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Legal Project Management Moves In-House

by Pamela H. Woldow

The message to General Counsel and Chief Legal Officers from their CEOs and Chief Financial Officers could hardly be clearer: *'Get the costs of your legal department under control or face the consequences. In the last decade general corporate operating expenses have gone up about 20%, but overall legal costs have gone up 75%, far outpacing inflation. Our business got beaten up big time by the recession; time for you to share the pain and share the accountability.'*

Henceforth, the memo goes, you must manage the legal function as proactively and efficiently as the company manages every other business unit – perhaps even more so, since the legal department is, after all, a cost center and not a profit generator for the company. Yes, you have more on your plate these days with increasing legal and regulatory demands, but it's time to do more with less. Skip the excuses and rationalizations; it's time for lean-and-mean budgets, aggressive cost management, and clear standards for demonstrating the value you provide the company. Yes, quality legal service matters, but tightening the screws on legal costs matters more. Your bonus – and perhaps even your job – depends on your ability to reduce your total legal spend.

The issue of increasing costs certainly is not a new one for general counsel. In surveys for the last five years, general counsel have consistently identified the need to control costs as one of their top concerns and most important priorities. Until 2008, though, that concern rarely translated into significant changes in many legal departments. Then, when the economy tanked, they had to at least appear to tighten their belts.

For many senior in-house counsel, this was a rude awakening. Like beleaguered law firms, they took some painful emergency short-term action steps, that often translated into cutting some staff lawyers, fewer employees (or FTEs) and fewer trips to conferences. The result, however, was not doing more with less. It really was doing the "same with less," and even that heavily stressed the legal department.

Long term, they prayed for a return to the *status quo ante*: Many still hope to continue to enjoy "black box budgets" ("Just give us what you gave us last year, plus 20%"). Many claim that cost predictability is impossible in an "uncertain legal environment." Others believe that no solid metrics exist for measuring the value of lawyers' experience and expertise.

Wiser heads embrace Stephen Covey's famous quote, "If we keep doing what we're doing, we're going to keep getting what we're getting." Savvy CLOs realize that the upside of the pressure to control costs put on them by their own management is the increased leverage it gives them in their relationships with outside counsel. They no longer can afford to buckle under to steep annual hikes in law firm billing rates; they no longer can allow law firms to pass all expenses and inefficiencies through to the client. They must learn to wield the whip hand, a skill alien or uncomfortable for many of them. This shift in the law firm- client balance of power has left some general counsel a little bewildered. "I feel like the dog that, after years of chasing the fire engine, finally caught it," says one. "Now I have to figure out what to do with it." Through convergence programs, RFPs and value-based alternative fee arrangements

(AFAs), many general counsel are significantly altering the balance of power between client and law firm. Among law firms that understand the implications of this sea change, there has been a rush to embrace Legal Project Management (LPM) as a discipline to manage legal tasks efficiently, consistently and predictably – and deliver on the promises they are making to clients in their AFAs. Properly implemented, LPM is a discipline that yields efficiently planned and delivered legal services and permits more accurate costing and budgeting. However, many law firms still regard LPM primarily as an internal approach to work process management, quality assurance and cost control. They resist the idea that LPM can create a powerful bridge to better communication and better relationships with their clients.

On the legal department side, the lights have been even slower to come on, although among cutting-edge legal departments LPM now is rapidly emerging as a valuable tool for serving “internal clients” better and improving internal communications, as well as imposing accountability and predictability on the actions of outside counsel across the full spectrum of legal services. General counsel who realize that their legal department budgets are unlikely to increase in 2010 and 2011 suddenly are interested in getting more out of the resources they have.

LPM embraces a simple philosophy: efficiency comes from doing better what is already being done. So, legal departments should start using LPM by first examining the work that they perform and then finding processes to perform the work better and more efficiently. That includes harnessing and harvesting the knowledge that legal departments have accumulated over the years. Even in many Fortune 100 companies, legal departments do not capture and effectively re-use the learning gained through handling diverse legal matters. There is simply no process for institutionalizing and

sharing legal knowledge. Frequently, information about particular matters resides only in the head of one attorney -- or maybe on that attorney's computer hard drive. Often no one else in the department knows how that attorney's matters are handled. If that person leaves the company or is struck by lightning, the replacement has to re-invent the wheel, resulting in inefficient use of time and loss of institutional knowledge.

The lack of disciplined processes or consistent use of technology results in untold wasted hours even in the normal course of the legal department's business. Recently, I was interviewing each attorney in a Fortune 100 company's legal department to identify challenges to operating more efficiently. One attorney reported he was spending six to eight hours per week re-reading documents he had prepared, sent to his internal client and received back in order to check for any changes the client might have made. He wanted to know how he could make the client use “Track Changes” (a function in Microsoft Word that a user can activate to highlight document edits). He described how he had to print out both the document he sent and the one received back from the client, lay them side-by-side and compare every sentence.

In fact, the problem lay not with the client, but with this attorney, who did not know that in mere seconds Word can compare two documents and highlight the differences without even needing to trigger track changes. Spending hours doing a task that should have taken seconds was an enormous waste of time and resources. And, sadly, this example is hardly unique. Large departments handling a broad variety of matters invariably suffer enormous friction losses.

Effectively-implemented LPM initiatives can produce very significant incremental changes, both in improved service delivery and more efficient use of time. Put most simply, LPM draws on and brings discipline to the way that attorneys handle matters – and it's

not really that hard. LPM asks each attorney – whether working independently or supervising other attorneys and staff -- to consciously and rigorously work through six basic steps for each matter:

1. **Define Outcomes and Scope:** *What is the objective or the “win” for this matter and what scope of work needs to be performed to reach the objective?*
2. **Project Plan:** *“Deconstructing” the overall task into a series of discrete action steps and mapping out a step-by-step approach that allows progress to be tracked in terms of available budget (which includes time, resources, people and dollars).*
3. **Executing to Plan:** *Performing legal work in accordance with the project plan.*
5. **Monitoring:** *As a constant ongoing process, tracking all the activities on the plan, whether they are being performed in-house or by outside counsel.*
6. **Post Project Review:** *After a matter is completed, check the level of client satisfaction, review the course of the project and memorialize lessons learned*

in a form others can access and learn from.

Some lawyers kick and scream that LPM is a mechanistic process that adds to their work burdens and limits their judgment and discretion. Others get the deeper point: “Hey, this is what I already do – all LPM does is make me think explicitly about activities I’ve always managed implicitly.” True, because LPM utilizes a common vocabulary and a uniform approach to tasks, implementing LPM does require training and an institutional commitment to building it into all legal processes. True, that costs time and money, as well as the discomfort of moving from one service delivery mindset to another. But our experience shows that the “earn-back” on this LPM effort is immediate and significant, especially in high-stakes or high-volume matters.

LPM works, and frankly it is not all that hard to master given the determination to work more efficiently in today’s legal environment. As one attorney recently observed, “it’s not rocket science, but we are not doing it. It’s time for in-house counsel to buckle up, dig in and put the LPM engine to work.

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