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Process Improvement in a Changing Legal Landscape

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Over the last few years, law firms have blamed trends, the economy and even competitors for forcing them to change the way they run their businesses. Ultimately, it doesn't matter where the blame lies — the profession is changing. To fully leverage those changes for the benefit of your firm, however, you need to think like a practice group administrator.

The axiom that "it takes a village" is likely the reason that practice group administrators, or PGAs, were created. They handle day-to-day management and administration, overseeing budgets, tracking attorney assignments, coordinating associate evaluations and even planning client development initiatives. It's a unique role.

This article focuses on a few key topics — process improvements, technology and client service — that not only intersect with the role of the PGA, but also will inevitably affect law firm business today and in the years to come. By ensuring you're dialed in to the same perspectives PGAs have, you'll be better positioned to make decisions on those changes affecting firms today.

Process Improvement vs. Project Management

There is a lot of talk in the legal industry about legal project management (LPM). But are those firms and consultants making strides in this area engaged in project management or process improvement? There is a lot of confusion or misunderstanding about the differences — and there are differences.

According to the Legal Lean Sigma Institute, process improvement (PI) helps us determine the best way to carry out a certain kind of work to achieve efficiency, excellent quality of work and service, high probability

of successful outcomes and predictability. Project management (PM), meanwhile, is a role, and requires a set of skills that ensure that, for a particular engagement, the "best process" is used appropriately, and that schedules, staff and deliverables are actively managed throughout a matter.

LLSI CEO and co-founder Catherine Alman MacDonagh, who is a former corporate counsel and law firm executive, said that "given the connection between PI and PM, we have a very strong bias with regard to first improving a process and then applying project management." Many firms, however, are working in reverse.

"I suspect it's because it is sometimes easier to start with PM," MacDonagh said. "PI requires a certain discipline and adherence to a rigorous methodology to which not every firm is capable of remaining committed."

Those that do reap significant rewards, according to MacDonagh. LLSI has gathered many examples of improved legal and administrative processes and includes them in its courses. While some firms have sought and received recognition for their efforts, others, MacDonagh said, have been "more quietly engaged in PI. Either way, there are competitive advantages to improving the way work gets done and delivered."

Recently, firms have begun to be recognized for their PI and PM efforts, and legal industry associations (LMA, ILTA and others) have started to focus more and more on these issues. In fact, Seyfarth Shaw (for Seyfarth Lean) and Littler Mendelson (for CaseSmart) are being recognized by the College of Law Practice Management for re-engineering the legal process — something very few firms have been able to do to this point.

So, to get the most of your project management efforts, you might want to first consider undergoing process improvement to re-engineer the legal process or specific support functions to improve efficiency and service before implementing project management. Technically, you do not need one with the other; however, they do go hand-in-hand extremely well.

Procurement

While some seem to think that the role of procurement in the purchasing of legal services is fairly new, they have in fact been involved as either influencers, gatekeepers, initiators or decision-makers since the mid-1990s. A 1999 article, "I Bought the Law: Purchasing Legal and Other Professional Services," by Lynn Krauss for the Institute of Supply Chain Management, is as relevant today as it was then. And last month, Lexis Nexis issued an "RFP Activity Survey & Summary Report" in which 42 percent of law firms nationwide saw an increase in RFP requests.

Frequently, procurement departments are seen as interfering in the client relationship. It is perceived that their only interest is to drive down costs. However, while a large part of their role is to drive value-driven purchasing for their companies, most are also focused on excellent work product and service. In a recent survey conducted by Dr. Silvia Hodges in collaboration with the Institute for Supply Management and the American Purchasing Society, a much larger number than would be expected have a legal background.

In a recent Bloomberg Law Reports article titled "Legal Procurement: Sourcing is a Team Sport" by Hodges, she quoted Howard Kravitz of PricewaterhouseCoopers:

"The growing involvement of procurement has not been easy for law firms. They are now confronted with a new, additional set of buyers. Howard Kravitz of PwC calls procurement the 'new sheriff in town.' These new sheriffs often start out with a lot of tire-kicking, such as sending out RFPs. ... Kravitz suggests speaking directly with the client to learn more about how procurement works in their organization, what influence procurement has, and how the two departments collaborate. At some point, says Kravitz, you will need to approach procurement. 'In these instances, consider the value to them of building a relationship with you. As a key stakeholder with growing influence, most procurement officers are open to learning more about what services you currently provide and those you may be able to provide in the future. They may be looking for ways to consolidate spend, or to increase spend with the goal of getting volume discounts.'

Kravitz advises firms to do their homework, ask thoughtful questions about procurement's goals, objectives, challenges and strategies. 'Be prepared to share insight on key issues you believe may be facing the company, particularly those that align with the topics any good procurement officer is worried about. These include driving down costs, improving efficiency, speeding up the buying process, making sure vendors deliver on their promise and maintaining integrity in the decision making process.'"

Hodges, who has written and spoken widely on the role of procurement in law firm selection added, "When answering RFPs, law firms must understand the clients' strategic aims and the criteria they use to evaluate potential suppliers, in particular when procurement is involved."

Practice Group Administrators

You might ask yourself what all this has to do with practice group administration. The answer lies in that unique role we discussed earlier. PGAs are, by necessity, able to see many different facets of a law firm's business.

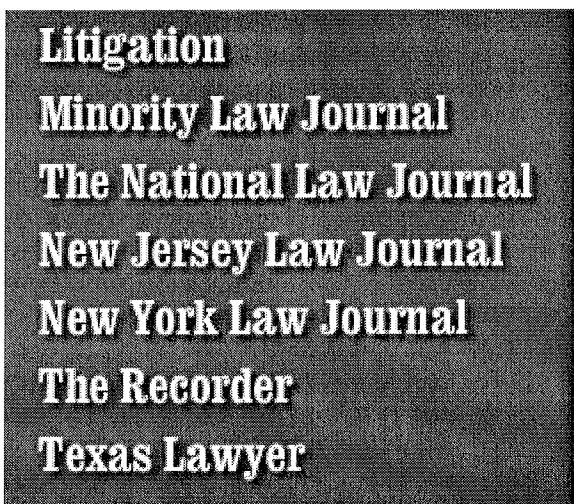
Not unlike the efficiency project management affords process and procurement affords pricing, practice group administrators afford increased effectiveness when it comes to running a forward-thinking practice.

By following multiple client matters from beginning to end, PGAs are afforded the opportunity to understand exactly how a client experience could have been enhanced, or where the attorney's value may have diminished and can be improved upon next time.

As trends within practices boom or bust, administrators are in a position to recommend retooling of lawyering skills. At the intersection of legal talent and training, it is important to have a set of eyes on the horizon. •

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