



# **Collaborative improvement: Use Lean Six Sigma to become a trusted business partner to clients**

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**Law firms can use Lean Six Sigma to become trusted business partners to clients, say Catherine Alman MacDonagh and Thomas L. Sager**

Client satisfaction studies demonstrate that it is critically important for lawyers to become more than service providers and perform instead like business partners. Engaging in process improvement through Lean Six Sigma (or just Lean Sigma) demonstrates deep commitment on both sides to a business partnership. When law firms and clients employ Lean Sigma in a collaborative fashion to identify and solve priority problems, the conversation changes to one that enables both parties to truly understand and improve key aspects of their businesses together.

Lean Sigma methodologies and tools help law firms and their clients to determine the best way to carry out particular types of work to achieve:

- greater efficiency;
- excellent quality of work and service;
- high probability of successful outcomes; and
- high predictability.

Law firms that are not engaged in process improvement will not have the same compelling culture and mindset of continuous improvement or the metrics to ensure they deliver particular types of work to a high standard. They are at a serious competitive disadvantage in winning new work from existing and prospective clients.

Competitive advantage

Lean Sigma and project management, which are separate but complementary disciplines, should be used together to ensure greater alignment between the law firm and client through better, structured and far more frequent communication.

Lean Sigma can be used to develop more than just best practice - in fact, process improvement can help to create competitive advantage. Whether you begin with process improvement or project management, ultimately, you should employ both.

Project management is, essentially, a role and set of skills which ensures that the law firm, for a particular engagement, selects and uses its best processes appropriately, and then actively manage the client relationship, schedules, staff and deliverables throughout the matter.

Lean Sigma is not designed to stifle lawyer or service provider creativity or professionalism. In fact, process improvement dramatically improves the quality of the firm's representation through a robust data-driven process that reinforces the importance of partnering and improved communication. And, by applying these tools to end-to-end processes - as DuPont did with its revenue-generating Recovery Initiative (see below) - in-house and external counsel can together improve the client's bottom line; it's not all about cost control and headcount reduction.

Process improvement methodologies like Lean and Six Sigma have spread to virtually every industry in the world. The use of six sigma methodologies has resulted in more than half of Fortune 500 and as many as 82 per cent of Fortune 100 companies saving \$427 billion together in the 20 years to 2007, according to an iSixSigma study.

With numbers like that, it's no wonder that companies' requests for proposals (RFPs) are increasingly requiring law firms to discuss their approaches to process improvement, process management and project management. Candidate firms are also being asked questions such as 'what changes could we implement in our company to make the work for us more cost efficient?'

Many law firm make bold statements about their focus on 'value' and being 'client centred', but not all of them actually demonstrate that they are asking or listening to what clients say is valuable to them. Corporate clients can be extremely vocal, however, about their needs, desires and expectations, so there are still plenty of opportunities for law firms to take action.

#### Successful examples

There are a range of examples in which law firms and their clients have successfully collaborated to improve processes at both organisations.

One example in which Lean Sigma has been deployed effectively by law firms and clients involves Foley & Lardner, an international law firm with a long history of working with manufacturing clients. It was only recently that one of the firm's lawyer participated in a continuous improvement process called 'kaizen' with a client. This work took place at the client site - and the process was in manufacturing, not legal. The insights and relationships gained from this experience were significant.

While some law firms are new to process improvement, others have been immersed in it with their clients for a significant amount of time. DuPont Legal has led the change in how legal departments partner with outside counsel with the DuPont Legal Model, which has provided an integrated approach to providing services to DuPont Company since 1992.

The DuPont Legal Model's competitive edge has been derived by applying business discipline to the practice of law, offering corporate law departments and the law firms that serve them a wide range of corporate law best practices. The legal model also serves as a unifying framework that adjusts to change and new challenges. It helps to cut costs, increase productivity, improve the quality of internal and external legal services, create easier access to new opportunities and solidify relationships among DuPont staff members, primary law firms and other service providers. Through this model, DuPont Legal has created a successful legal network of members with a common vision and unifying goal.

Continuous improvement is another principle of Lean Sigma. At the immigration and global mobility practice at Faegre Baker Daniels, the embracing of Lean Six Sigma methods and a continuous improvement mindset has produced significant results for clients. In one instance, the firm worked with a Fortune 50 client to eliminate waste from routine immigration services through process optimisation and automation, document management and collation, effective delegation, and customisation of cutting-edge technology. As a direct result of these collaborative efforts, the firm reduced the preparation time for various temporary and permanent visa processes for the client to just over half the average time required in other settings.

Another firm which has been successful in process improvement is the US-based law firm Seyfarth Shaw, with its [SeyfarthLean initiative](#).<sup>1</sup> According to the firm, it has made listening to clients a key part of its process improvement, using 'voice of the client' techniques to help establish clear goals, desired business outcomes and benchmarks for success.

UK law firm Eversheds has also been investing in project management, process improvement, pricing and budget predictability to improve its services and value to clients. [Its innovative billing structures for clients](#) resulted in the firm making a 27 per cent reduction in fees for its client, Tyco, the number of Tyco's litigation cases falling by 60 per cent, and the amount of the firm's high-quality work for Tyco increasing by over 300 per cent.<sup>2</sup>

This approach is in no way limited to law firms; in fact, it's being successfully employed by legal and business process outsourcing providers like Integreon, which worked with its client, Microsoft, to develop its contract review processes so that it delivers high quality and faster services at a lower cost.

Morgan Lewis is another firm which has successfully used Lean Six Sigma. Its entire e-data group is certified in its usage and has worked with clients to train them in its application. In 2014, it delivered a private yellow-belt certification course specifically tailored to clients. At each table, a client and members of the client team spent two days in learning and working together. Each team used a selected process for the duration of the certification course to use in its table work, allowing it to both learn about and how to apply the tools and concepts, using a relevant example. The course structure and facilitation also provided opportunities for the participants to simultaneously discuss areas where both the firm and the client could work together to improve the processes.

### Collaborative intelligence

There are significant opportunities for law firms to not only use lean six sigma in their own businesses but also to work with legal departments that have not yet learned about or employed process improvement methodologies. By introducing clients to these transformational approaches and then employing them in a collaborative fashion, firms are more likely to have better and longer-lasting client relationships.

The increasing commoditisation of legal work means there is a greater need than before for law firms to embrace lean sigma to increase both their efficiency and profit margins. Which law firm wouldn't want to use process improvement to not only improve its own business and deliver greater value to clients, but also to connect with clients in novel and more deeply satisfying ways?

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## **Endnotes**

1. See '[Lean and agile](#)', Karen Dalton and John Duggan, *Managing Partner*, Vol. 15 Issue 7, April 2013
2. See '[Post-recession innovative billing structures](#)', Stephen Hopkins, *FD Legal*, Vol. 4 Issue 3, February/March 2010