

## RFPs/Surveys Show Clients are Demanding Legal Project Management

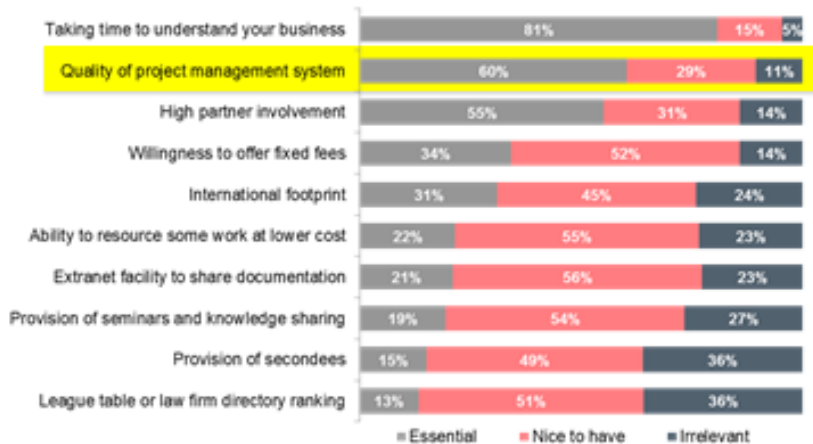
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Just three short years ago, the term “legal project management” (“LPM”) was virtually unknown in law firms. Those who did know it thought it was simply a new buzzword being popularized by consultants or the latest fad that would quietly disappear in a few months – as many other topics had during their years in practice. So what is it about legal project management (LPM) that has caused it to have such a profound impact in law firms in such a short period of time? First and foremost, LPM is being driven by the clients of law firms. This is evident in the Acritas annual survey of the “global elite” general counsel where 60% indicated that the “quality of a firm’s project management system” was “essential” in their selection of counsel to represent them.

### How Clients Select Counsel

Global elite (GCs of largest 1000 global companies)

Q. When evaluating a tender or making a panel selection, are each of the following essential, nice to have or irrelevant to you?



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8

Another example is from the recent request for proposal (RFP) sent to over 500 major law firms by a major financial institution included the following information requests (excerpted from various parts of the proposal):

1. Indicate the number of dedicated legal project managers employed by your firm.

2. Indicate the number of dedicated legal project managers that your firm will commit to providing on our matters.
3. Describe the key tasks performed by your firm's legal project managers.
4. What were the quantifiable benefits achieved by utilizing legal project managers on these matters?

Another corporation's recent RFP included this language: "If the Responsible Attorney and appropriate Practice Group Head have determined that a project manager shall be utilized on a matter, only a project manager certified as a PMP from the Project Management Institute or other reputable certifying body, as determined by Legal & Compliance, may serve in such capacity. Project managers may bill on an alternative fee basis or an hourly rate basis, subject to any volume discount agreements then in effect with [Name of Organization] and Outside Counsel, if Outside Counsel is a Sourced Law Firm. Approved project management tasks shall be billed to the appropriate ABA Code series L600."

Client interest in this topic is also evident in the attendance at the annual conference on project management which I chair for the Practising Law Institute. Last year, over 45% of the 350+ attendees at the 2012 PLI program Project Management for Lawyers were from corporations, not law firms. This year, the percentage of "client" attendees looks to be similar. Some of the companies attending include Dell, Cisco, Goldman Sachs, USAA, Nikon, SAP Labs, Microsoft, GE, Nike, Chartis, Bank of America, Pitney Bowes, Ernst & Young, Deloitte, Morgan Stanley Smith Barney, Accenture, Kraft Foods, Wells Fargo, and Citi. These are just a few of the "household" names of major companies that will be there learning how legal organizations are implementing LPM. My co-chair for the event this year is Michael Walker, Assistant General Counsel and Chief IP Counsel for DuPont Legal, who has been a leader in implementing project management within his legal department.

A second primary driver of LPM is the impact it can have on law firm profitability. At a time when law firm profit margins are flat or shrinking, LPM has the potential to increase the efficiency and productivity of the firm in significant ways. Consider the fact that the typical AmLaw 200 firm has over \$10 million in write offs/downs, much of which is directly attributable to insufficient discipline in LPM techniques (setting clear client expectations about budget and cost upfront, clarifying scope of work, developing a detailed budget and managing to it, having timely conversations about scope changes, communicating clearly and regularly with the internal and external team on a matter, managing lawyer and staff work allocation, etc.). In our recent experience working with firms on LPM initiatives, the amount of write offs/downs that the firms had identified could be reduced by \$6 million to \$40 million with improved project management of their matters.

A third driver is the simple fact that clients are in the "driver's seat" in terms of the relationship with outside law firms today and law firms are trying to quickly respond to new client expectations. As such, it is difficult, if not impossible, for any law firm to claim it does an excellent job in each of the LPM techniques mentioned in the paragraph above -- without a more structured, disciplined approach than they have used in the past. Virtually every law firm can identify where they can improve in several critical LPM components:

- Setting and managing client expectations.
- Defining clear scope of work and discussing it regularly with the client.
- Developing a detailed budget and managing the matter throughout – pursuant to that budget.
- Enhancing the communication within the project team in the law firm and with the client contacts or other key stakeholders externally.

These are not radical concepts or approaches. In fact, they are ones that many lawyers would suggest they have done historically and they don't "need LPM" to help them do it. But, increasingly, lawyers and firms are admitting that they have not done these well on a systematic and consistent basis and that the simple processes and approaches that make up LPM can benefit their firm and their clients substantially.

In 2011, a survey of the attendees of the Practising Law Institute Project Management for Lawyers program revealed that over 28% of the over 400 attendee's organizations had implemented a legal project management initiative in the 12 months or more before the program. In the January 2012 program, when the audience for the PLI program was asked the same question, that number had soared to 44%. Further, a survey of managing partners published by The American Lawyer titled "Building a Breakout Firm", the top area mentioned to enhance law firm efficiency was project management – they no longer considered it simply a fad for the legal profession.

What are some of the indicators that legal project management is here to stay?

- Over half of the AmLaw 100 firms have professionals functioning as legal project managers or leading their LPM initiatives.
- Over 50% of legal organizations have a budgeting tool for developing budgets or estimating the cost of legal matters prior to initiating the project.
- Over 50% of legal organizations are requiring more detailed engagement letters or scope of work agreements at the start of new legal matters.
- Several state bars or other legal governing bodies have passed requirements that all legal matters or those over a certain threshold budget include a detailed scope of work.

With the large number of clients driving this with their outside counsel, it is likely the changes law firms are implementing in legal project management will not fade away but rather increase traction.

We are documenting the success law firms and legal departments are having in implementing LPM approaches so if your law firm has examples to share, please contact us. Our online LPM courses show examples of the different approaches law firms and legal departments are using and the success they are achieving. We welcome your input as we track the success of LPM across the legal profession.

Also, as a result of the expectation that legal project managers be certified, we have had many law firms who are bidding for this work sign up their lawyers or other legal professionals to take our online LPM certification courses available through West LegalEdcenter or our website. If your lawyers can obtain CLE credit for the courses in your state, you can access them through West. If that is not applicable, you can access them through our website, [lawvisiongroup.com](http://lawvisiongroup.com) and click on Education.

### About the Author

Susan Raridon Lambreth has her J.D. and M.B.A. and is a principal with LawVision Group LLC where she focuses on the issues involving legal project management, leadership training and development and practice group management and training. Over the past 20 years, she has trained over 4,500 lawyers in practice management positions. In the past three years, she has also trained 1,500 professionals in law firms in legal project management skills. Susan can be contacted at [slambreth@lawvisiongroup.com](mailto:slambreth@lawvisiongroup.com) or (615) 377-3128.