

## **Project Management**

The pressure is on in law firms these days. Clients are demanding more information about how their case is progressing. Expectations are increasing that work will be completed in shorter and shorter timescales. Discounts to chargeout rates are being negotiated regularly. New regulations in areas such as money laundering and increased risk management procedures required by the professional indemnity insurers are adding to the amount of non chargeable work required for each matter. All of these factors add up to one thing: lawyers are having to become much more efficient at what they do in order to maintain profits. All firms are looking at their back office teams and administrative tasks done by fee earners to decrease the overheads, but what about the fee earning work itself?

### **Case management?**

Some areas of legal services have been under this pressure for many years, and have found ways of work with these new ways of doing business. The prime example is conveyancing, which in most firms is now a highly automated process. The case management systems that do this are geared specifically to this high volume, repetitive work and do not lend themselves to being adapted to more general work, especially that involving larger teams in the bigger firms. If a highly adaptable version of a case management system is required, then workflow products need to be looked at closely. These have their place in a law firm for fee earning work, but area really only effective where automation of repeated tasks is possible. Most firms implementing workflow solutions are using them for automation of client inception and similar tasks, rather than for supporting legal work.

What is required to improve the efficiency of work on matters for clients in a law firm is a move to more formal project management. This is a combination of working methods and supporting systems.

### **Project management methodology**

There are many widely used project management standards or methodologies in use. By far the best known is PRINCE2, although there are many others, named with similar acronyms. Many of these were developed specifically for use in IT projects, but there are methodologies for almost every type of work and some, including PRINCE2, have been made general purpose to fit any type of project.

The most important part of the methodology is not what it defines, but that there is an agreed method for use in the organisation that everybody understands. Very few organisations except governments implement a method down to the last detail, as projects become very unwieldy, but it is usual to adapt and simplify one to meet your specific needs and culture.

All the methods cover four aspects of running any project (and every matter is a project in its own right): initiation; planning; control and review. The aim of the project management is to make sure that each stage is thought through, and to help make sure that early errors do not show up in the later stages of a project as a big problem. In other words, project management is about managing the risks on your project, and should therefore be part of the risk management structure in any firm.

## **Project initiation**

This is one area where all the methods can be simplified when applied to law firms. Part of the initiation process is concerned with prioritising projects, and selecting the next one that should be undertaken. Most firms would be grateful of having so much client work that they had to decide what to do and what to turn down! Having said that, most firms would benefit from including in their work a more formal assessment of whether the matter should be taken on. The risks that need to be assessed are largely around recovery of the fees – whether the work can be completed within the cost the client will pay, and whether the client will still be in business to pay at the end of it.

Much of the rest of the initiation is now defined practice with firm's money laundering, risk management and other client inception procedures. One of the biggest gaps though is in providing a clear project definition agreed by the project team (the lawyers) and the client. This should cover the work to be done, including clarifying what is not in the scope of the project, the responsibilities of each party, and timescales and costs. This may sound complicated, but is nothing more than a good engagement letter. Probably the biggest reduction in complaints and dissatisfaction among clients could be achieved if these were done properly, or indeed at all, for every matter.

## **Project planning**

This stage is almost entirely skipped by lawyers except for major cases, and even then it is often driven by a direct client request. Project planning is no more complicated than outlining the major phases and breaking these down into specific tasks. Key dates and deliverables should also be noted. Once this is done work can be allocated, and importantly a check can be made that the resources are available, and timescales set.

One key part of splitting up the tasks is to identify which of these tasks are dependent on each other and hence completed in sequence, and which are free standing. From this, the 'critical path' can be defined – the sequence of task that can only follow each other that will define the overall timescale. The benefit of having an initial project plan is that it provides a baseline as work progresses, providing early indication of any slippage in the schedule.

The project plan is almost always displayed as a Gantt chart. This is a diagram with tasks down the left hand side and time along the bottom axis, and bars representing the work. These are easily understood by everyone including lawyers, and provide one of the most important documents in project management. A useful skill is being able to sketch rough Gantt charts freehand on a piece of paper. In some cases that may be sufficient for planning and controlling small projects, and it is invaluable in the early stages of planning when software can prove to cumbersome.

There is a mass of software available to help with project planning, from simple shareware to draw Gantt charts to huge project and resource planning systems for managing worldwide teams. Most matters will only require a small amount of project planning, and the procedures are much more important than the software, so it software should be selected that is not too sophisticated for the requirements. Remember it will have to be used by the lawyers on a case while they are working on it, probably the hardest time to get them to do anything they may see as additional effort.

## **Project control**

Project control is all about actively managing work as it progresses, and taking any relevant action. Risk management is a key factor here, and assessing any risks to the project on a regular basis is very important. A regular meeting of the project team is essential, and this meeting should over and document reports on progress, changes to the project plan and similar items. Many clients are now demanding weekly reports on progress, and this can easily be integrated into the process at this point. Firms that not only deliver the factual status of what they have done, but also provide regularly updated project plans and a forward looking risk assessment are going to gain the confidence and trust of their clients in away that others cannot.

Task management, tracking who should be doing what when, is another area that can be supported by software, but for most matters the requirements could easily be met with Outlook, a simple intranet page or even as part of the time recording system. Investment in a large system is not required. A formal mechanism should be agreed though, even if this is based on paper or simple emails to a coordinator. If left up to individuals on each matter to create their own system for tracking tasks, it will often not be done at all.

Normally one of the hardest parts of good project control to implement is time recording. In a law firm, this is already in place, but some changes will need to be required. To use the time recording information, which often includes a narrative as well making it an excellent management tool, lawyers need to enter the time as they work. Few firms have achieved reliable daily time recording where time is correct at the end of every day. Most still have weekly deadlines at best, and often still only require timesheets to be correct at month end. Without up to date information, it is very hard to monitor any project. Once again client demand is driving improvement in this area, and while firms are resisting the move to providing access to WIP in real time that is the direction things are moving.

### **Project review**

This stage is almost non-existent in most firms, although a few firms are starting to undertake completion reviews. The point of the review is to learn from experience. Feedback is required from the project team and from the client, and original cost and resource estimates should be compared to reality. Changes to procedures may be required to deliver a better service, or to create a more accurate estimate of time and cost at the start of the project. With feedback from every matter, quality on delivery of services should improve rapidly.

The final review with the client should really be part of any client care programme, and far from viewing it as a waste of time most clients will be more than willing to participate and have a better and stronger relationship with their legal advisors as result. The internal review, especially financial, should be a key part of both credit control and risk management procedures.

### **The management perspective**

There is an increased focus in firms on the processes around fee earning work at present, but too much of this is looking at case management systems and hoping they are a magic solution. This is not the case. The application of tried and trusted project management techniques, much of which can be implemented as best practice in existing law firm procedures, is the simplest way for firms to improve. This improvement will manifest itself at improvements in profits and recovery rates, client perception and retention, and in the quality of the work. Firms who start to introduce project management type procedures now will have advantage over others, while other firms will be gradually forced down this route by client demand and by regulation.

An efficiently managed firm will have efficiently managed fee earning work. For once, this is an area where best practice and supporting tools are well established, and costs of implementation are low. Firms would be well advised to take advantage of this.

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