



White Paper

# **A smarter practice: beyond legal project management**

## Lawyers become lawyers to tackle complex problems requiring high-level critical thinking and strategising.

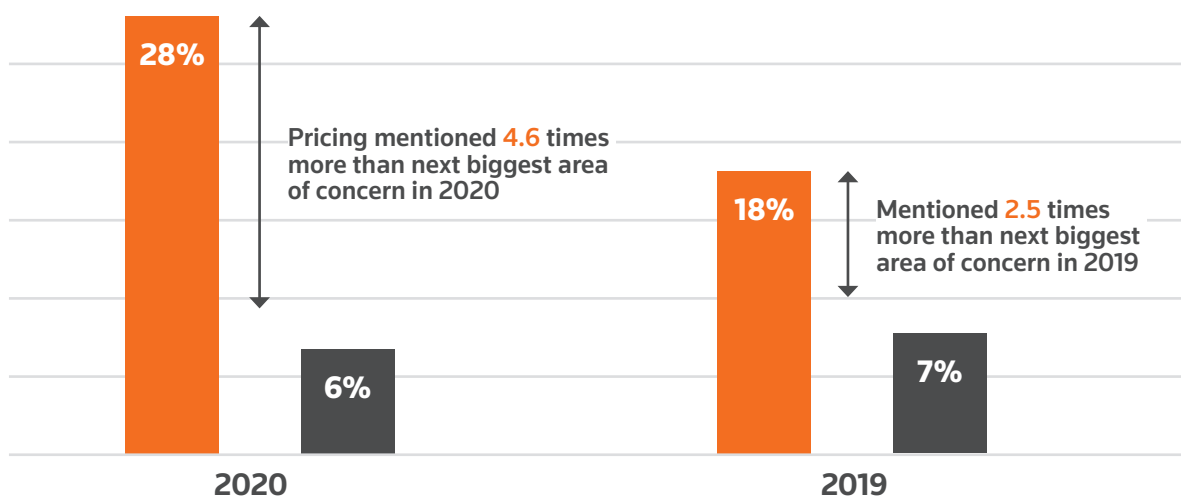
They spend their days leveraging their education, experience, and judgment to assess nuanced circumstances and deliver positive outcomes for their clients. Put simply, what they do is art.

But law firms are businesses, and businesses must turn a profit. Many modern firms have embraced efficiency, project management, and productivity systems designed to maximise profit and minimise waste. These binary systems are the manifestation of science in today's law firms – and often the only way that leaders and finance teams can hope to track and evaluate the complex work the firm performs.

With increasing reliance on technology and digital systems post-pandemic, the industry has an opportunity to reimagine its approach to legal project management (LPM). Firms with existing project management functions likely see better engagement and more data than ever before. Those who've yet to embrace LPM might find a growing appetite where there was resistance before. In either case, the timing is perfect to make a big step forward in productivity and profitability.

### An inflection point<sup>1</sup>

Get between competitive pricing and next biggest area of concern for corporate legal departments



Source: Thomson Reuters

<sup>1</sup>State of the UK Legal Market 2021, Thomson Reuters Institute

The data paints a very clear picture. More than anything, clients today are concerned with cost. The pandemic forced them to move work in-house, reduce outside spend, and shift their focus. Firms that demonstrated an ability to deliver value – efficient, predictable, cost-effective legal outcomes – are the clear winners. As the head of innovation at one large firm reflected, “Being able to proactively budget and communicate about matter progress and deadlines is required to make that client pitch stick.”

There have been incremental improvements to tracking matters and managing client expectations. But the challenges in today’s legal market are too great and LPM alone is not enough. Fortunately, advancements in technology, properly coupled with a more dynamic mindset by firms, offer a path forward to overcome these obstacles.

## It’s not getting easier

In a given day, a lawyer’s task list is essentially a list of pre-sold time commitments. It’s up to him or her to fit those commitments into the reality of a working day. Most lawyers have created their own systems for managing their workflow. But they often do not integrate with firm technology. “There is a giant ‘clash of resources’ in that we have separate tools for almost everything,” according to the head of one large law firm.

Certainly, lawyers rely on firm systems discretely, but the gaps between these systems are where critical connections and insight are lost. Perhaps more perilous, a firm full of lawyers with unique workflows requires the work to adapt to each lawyer as it moves through the firm, leading to communication issues, knowledge gaps, and inefficiency.

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At the most basic level, every lawyer must understand what to do, how to do it, why it needs to be done, and above all, how to bill for it. For experienced lawyers, answers to some or all these questions will be innate. Less experienced lawyers require more robust support systems to help them accomplish their tasks. Alongside basic task lists and standard legal guidance, these lawyers often need access to that innate knowledge living inside more senior lawyers’ and partners’ minds. While many firms leverage knowledge management tools to capture this knowledge, they struggle to deploy it effectively.

Similarly, firm leadership feels the pressure to drive efficiency, predictability, and profitability. Success requires firms to manage the minutiae of legal work while simultaneously maintaining a view of matters and the business as a whole. Historically, matter management has been an imprecise endeavour. Even with modern matter and project management tools, determining the current work or budgetary status of a matter often requires calls and emails to multiple teams to obtain answers that are more directional than data driven.

## An outdated solution

Broadly speaking, project management is focused on planning and managing the execution of the work of a team to achieve specific goals and meet given success criteria. In law firms, project managers are tasked with overseeing the intake, planning, execution, and evaluation of matters.

LPM was introduced to law firms to help meet client demands for clarity about matter cost, timeline, and outcome. Indeed, LPM methodologies necessarily require increased collaboration with clients that can strengthen client relationships and yield valuable insights.

As important as LPM has been in advancing the practice of law, these solutions address only a portion of the larger legal workflow challenge. Advancements in legal technology and data analysis have positioned integrated workflow solutions, leveraging LPM, to fundamentally improve how legal services are managed and delivered. Put simply, today's LPM solutions are inadequate to fully address the challenges firms face.

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## The future of legal workflow: beyond project management

Project management is indeed in the vanguard for the push toward holistic matter and firm management. But as lumber alone cannot build a home, so LPM is only the first step in creating a smarter legal practice. Thoughtful and deliberate integrations with core firm functions yield opportunities to dramatically improve existing legal workflows. This future state of legal workflow comprises four components.

### LPM typically follows a four-step process:

1

**Define the scope.** Determine objectives of legal work requested and what amount of lawyering the client expects and/or can afford.

2

**Define the strategy and what-ifs.** Set the budget. Divide the work into phases and determine which tasks are required.

3

**Conduct the legal work.** Manage teams, budgets, and schedules while mitigating risk. Provide updates to the client and update the scope of work as needed. Prioritize client objectives during legal work.

4

**Conduct lessons learned.** Gather all lawyers, timekeepers, and managers to reflect and identify opportunities for improvement. The best firms include the client in these conversations.



## 1. Formalized matter planning and pricing

Matter planning systems are often overlooked as areas for improvement. Those forward-looking firms who have developed formal matter planning functions (often comprising project management, pricing, and legal personnel) understand the difficulty of codifying the often-informal procedures lawyers use to onboard new matters. While this knowledge is often present in the firm for common matter types, the work of capturing it is tedious and time-consuming. Workflow solutions should provide standard templates for common matter types that can be customized by the firm and saved for future use.

Once a template is created, the work of planning must be supported by insight into previous similar matters' pricing, cost, timelines, and outcomes. Most firms' matter management solutions lack visibility into firm financial data. Accurate planning is nearly impossible without access to real financial data. As clients put more pressure on firms to provide precise and transparent pricing and project plans, this kind of whole-firm visibility will be mandatory.

Finally, every lawyer knows that matters are dynamic. Many solutions lack the capability for lawyers to easily make changes to matter facts once work has begun. If a user succeeds in making a change, that alteration is not reflected across the firm's systems, creating bad data, confusion, and increased costs. Integrating LPM, matter management, and financial technology will allow lawyers to update matters as they evolve and propagate the effects of those changes to relevant systems and stakeholders automatically.



## 2. Visibility and foresight into pricing and profitability

Some firms have rightly begun introducing dedicated pricing functions to meet new client demands and maximise profitability. Pricing and project management functions often work closely in firms where both are present, but the systems that support them are frequently separate. Along with efficiency gains, integrating pricing and LPM technologies enables greater visibility into historical matter profitability, timelines, and contingencies.

While associates have a better scope and plan for working their matters, partners have at-a-glance visibility into matter progress and financial status. By empowering partners with a complete view of their book of business, they can better manage client expectations and unforeseen changes, while significantly reducing "fire drill" scenarios.

Furthermore, senior leaders and financial professionals gain visibility into firm-level profitability and workflow metrics. With the ability to conduct detailed analysis on both historical and current data, firm leadership will be able to make smarter decisions regarding all dimensions of the firm.



### 3. Collective knowledge management and support systems

Assuming successful integration of the tools previously mentioned, firms will be in an excellent position to tell lawyers what needs to be done regarding a given matter. However, that lawyer's success hinges on his or her understanding of how and why to perform the tasks that have been assigned. While seasoned lawyers may have all they need, junior associates have traditionally relied on what one lawyer calls the "folkloric transfer of knowledge."

As legal work becomes increasingly digital and the idea of the "office" increasingly flexible, folkloric simply isn't enough. So much information lives in the minds of individuals that firms run the risks of conflicting or outdated information disseminating, key knowledge-holders leaving the firm, and, most riskily, junior lawyers too afraid or unable to get the answers they need.

Happily, there are several knowledge management, legal know-how, and legal research solutions that aim to provide support. However, their primary challenge is delivering support at the point of need. These solutions require the lawyer to switch applications and search for the resources he or she needs. For a firm focused on efficiency, predictability, and profitability, this loss of time is unacceptable. An ideal solution will deliver both standard legal guidance and firm-specific intelligence contextually within the lawyer's normal workflow.



### 4. Analytics to inform decision-making

A unified view of the firm's practice should enable robust analytics. Alongside critical financial data, firms gain the ability to answer a variety of important questions. Which support resources are used most often and regarding which matters? On high volume, repeatable matters, what tasks require the most time? Which matters require the most changes and how does that affect delivery and profitability?

Data-driven answers to critical questions like these are imperative for firms who want to succeed in a market where competition is increasing. Leaders gain access to business intelligence that can help to answer the many whys that today's billing and business management solutions create. With streamlined project management tools and reporting, partners can spot trends across legal teams and matters.

These analytics can also help firms better understand their clients. Examining all of a client's matters with an end-to-end view can yield invaluable insights, such as how to facilitate more accurate scoping and pricing to reduce write-downs and improve outcomes. In years past, firms have differentiated on things like legacy or big-name talent. As the events of 2020 demonstrated, legal clients are increasingly swayed by consistent service delivery and the technology and services that drive it.

As the market continues to change, legal clients will be increasingly swayed by consistent service delivery and the technology and services that drive it.

## **A bold step forward**

As the legal industry evolves, few things are certain. However, what does seem certain is that the seismic shift brought on by the pandemic has created an opportunity for law firms of all sizes to rethink the approach to project management. But this is the beginning, not the end. A focus on efficiency and delivering value will yield dividends for those firms bold enough to embrace change and proactively seek solutions.

Among the tools vying to address these problems, legal project management is perhaps the most well-known. However, it solves only a portion of the larger, long-term needs of modern law firms. True integrated workflow solutions are the clear next step in the evolution of the way lawyers and firms work. By simplifying the planning, managing, and execution of legal work, firms can begin to marry the business and practice of law in ways that truly empower every stakeholder. Whether you prefer heart and mind, art and science, or business and practice, it is only through deep and integrated connection that the best law firms will thrive.

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