



Process Improvement for Law Firms ***MBD: Are You Operating at Optimum Efficiency?***

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All law firm leaders are responsible for ensuring that processes are running at optimum efficiency. Management, marketing and business development and other business professionals, lawyers, practice group leaders – really, everyone – all deal with many processes every day. Often, we live with these processes without really understanding their direct and serious impact on law firm revenue, something everyone cares about.

If you're not operating at that 'optimal' level, you're in very good company, since very few firms are even focused on process improvement. It is only recently that services businesses have begun to utilize a powerful and effective approach that has been embraced for decades by manufacturers.

The reason for this could be that, until now, process improvement courses have been designed to serve the needs of those in manufacturing rather than professional services. Perhaps it is because process improvement requires a certain organizational commitment and discipline that some law firms just don't possess. Or maybe it's because we don't know where to start - and besides, how can we focus on this when we fight fires all day long anyway?

We know we should and could make things more efficient. But, from minor tweaks to major overhauls, we all face the same questions: how do we identify and prioritize which process – or part of a process – will benefit from an improvement project? Can I chart a course and make my case to management in a way that not only delivers a substantial return on investment but gets me the credit I'll deserve? Is there a methodology that outlines a disciplined problem-solving approach to execute projects reliably?

The answer to these questions is a resounding YES.

Why Process Improvement is For You

Everything we do is a process. Simply put, a process is a describable, repeatable sequence of activities that generates an outcome. Processes are the "machines" that create and deliver value to the client; they embody the knowledge of the firm. Ideally, they define the best way to do something.

In a marketing and business development department, there are many processes. Consider all of the activities in which we are engaged: firm events, responding to RFPs, the sales cycle, client team models, coaching, client development, lateral integration, strategic planning, client service, and so on.

The marketing and business development department exists to serve – we are the service arm of a service business. Our clients are both internal (the firm) and external (the firm's



clients). The things we do and the way we do them affect ourselves, the firm and our clients, so we must care about our processes.

As soon as we start to describe and measure a process, we will begin to see things that could be improved, either in the client's eyes or the firm's eyes or both. In fact, most of our processes fall far short of their potential and improving them will benefit BOTH the client and the firm.

There is tremendous external pressure for a firm to engage in process improvement. Changes in the business environment are constant and are taking place at an ever-increasing rate. Clients, partners, employees, and regulators all contribute to these changes, which, in turn, create requirements for higher process capabilities and higher process efficiencies.

Marketing and business development professionals understand the power of service excellence. We are often the "voice of the client" and are always responsible for driving change and helping our firms to be more client-focused. As such, we are naturals for introducing process improvement into our firms.

Our primary role is to help our firms and lawyers to be successful in a highly competitive, crowded marketplace. It is well established that clients are sophisticated buyers and that their expectations are high. As such, law firms must be dedicated to the development and deployment of effective strategies and tactics that are based on gathering – and then listening to – the voice of the client. The initiatives that are selected are likely to deliver a significant and measurable return on investment.

If you're not already engaged in process improvement, there's another compelling reason to start now. Other law firms and, more important, clients are already using process improvement to their advantage.

"Raytheon Company has subscribed to a unique approach to the Six Sigma methodology for five years. Seeing the potential benefits, our Office of the General Counsel (OGC) quickly embraced Raytheon Six Sigma (R6s) as a methodology to develop, implement and improve processes throughout the organization."¹

Solving the Fire Fighting Doom Loop

Getting out of the "doom loop" takes some doing – it certainly seems that a good portion of any law firm administration professional's career is spent putting out fires, leaving little time

¹ Metropolitan Corporate Counsel, March 2005 (p. 52) interview with Woods Abbott, Senior Manager of Legal Operation and Six Sigma Champion and Expert for Raytheon's Office of the General Counsel



for proactive work. There are three steps we can take to solve the seemingly inescapable “doom loop:” Evaluate, Prioritize and Improve.

First, we evaluate. This is done by objectively measuring process capabilities and efficiencies. Then, we prioritize by deciding which processes (and which aspects) most need attention. Then, we improve by employing a process improvement methodology (such as Six Sigma, Lean or LeanSigma) to bring the process to the required performance and efficiency level.

Lean Sigma uses a disciplined problem solving approach to execute projects. It is commonly known as DMAIC and is almost a mantra for process improvement practitioners. The acronym stands for:

- **Define** the problem and why it needs to be solved
- **Measure** the current performance of the process
- **Analyze** the opportunities to reduce waste or variation
- **Improve** the process by identifying, implementing and validating process changes
- **Control** the process by implementing methods to ensure improvements will be sustainable

Lean + Six Sigma = Lean Sigma

Lean and Six Sigma are complementary methodologies and now are often used together. The focus of Lean is to simplify processes (or do the right things), eliminate waste or extra steps, maximize process speed, greatly improve productivity and scrutinize resource efficiency.

Six Sigma is concerned with variation and therefore looks at the relationships between variables. Our focus is on process capability and aligning capabilities with requirements. Our goal is to reduce and control variation (do things right). We care about variation because if processes vary, sometimes the results will be outside the client’s acceptable range. Also, they can be harder to operate, and require more resources, if they vary.

One easy example of this concept can be illustrated by the firm visitor experience. The first step in the process of visiting the firm might be categorized as “initial contact” or awareness of the firm. Firm reputation, website, advertisements, events, and so forth are all ways that clients, prospects and referral sources initially come into contact with the firm. The next step in the process would be “scheduling the visit or meeting.” If you are thinking about telephone and reception protocols, you’re on the right path. Consider also: How do meeting rooms get reserved? How are confirmations made? Does your building have a security list? What about directions? Parking?

If we were to map the visitor process to completion, the next steps might include arrival, meeting room, the meeting itself and follow up. As with the initial contact and scheduling, there is an abundance of detailed items that make up each of these steps.



If you have one office, consider the effect on a visitor who comes to the firm twice and has completely different experiences. In a multi-office environment, what impression might variations in experiences leave on a key client contact? We ask not only how much variation do visitors to the firm experience but also what consequences does this variation produce?

Systematic Process Improvement

The important thing to know is that process improvement isn't just about a project. It's about baking it into your firm culture, it's continuous and systematic.

Take a case study from Morgan Lewis's Richard J. Sabat, a Six Sigma Green Belt. Morgan Lewis developed a Six Sigma legal services model "that reduces, often by more than 25%, the cost of delivering legal service for mortgage loan transactions." Reportedly, the project was commenced first in 1974, employed on an institutional basis in 1988, retooled in 1997 and then again from 2000-2003.

Most firms that use Lean or Six Sigma to improve processes begin by focusing on learning and applying tools to improve local "hot spots." In fact, Process Improvement programs should be thought of as having a place on a continuum which varies in scope and depth, and particularly in effectiveness and impact.

For example, Kathleen T. Pearson, a business development professional and process improvement practitioner, fixed a problem at her firm (and, I'll bet, one commonly found in the industry): "We were not capturing our firm experience efficiently. Not having this information resulted in having to initiate a fire drill every time we needed specific experience for a proposal or client meeting; we ultimately were submitting incomplete information."

She tackled the project by first mapping the process in detail. This allowed her to identify issues and explore alternative process designs. The solution that was developed eliminated waste and rework, educated employees and created a very useful tool in the form of new data input screen. The results speak for themselves. The firm improved the capture rate of firm experience from 6% to 100%.

If the firm's improvements were continuous and systematic, refinements would continue. There's more to measure than capture rate: win rates, dollar amounts, time spent and so forth. But progression along the continuum does not happen automatically; leaders must deliberately choose to move from an opportunistic to a systematic approach to really build organizational capability and accrue permanent benefits.

In sum, process improvement involves a learning curve, complex concepts and real discipline. However, when you're a process improvement practitioner, you can articulate the case for specific projects within your law firm that produce significant, measurable results. This is not only empowering, it adds to your credibility and makes you truly valuable.



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