

Understanding Legal Portfolio Management

Legal Project Management and Legal Portfolio Management are different and complementary disciplines

It's critical to understand the difference and choose the right tools for the job!

This article supports lawyers, legal teams and firms of all shapes and sizes to understand how Legal Project Management (LPM) and related disciplines like Legal Portfolio Management fundamentally change the way that lawyers work. These changes are critical to the sustainability and transformation of the legal profession. It's a change or die proposition!

As a leading global expert in legal innovation, I have worked with thousands of lawyers over the last decade to raise awareness and develop capabilities in Legal Project Management, Legal Portfolio Management and Legal Process Improvement. It is interesting, that despite client pressure and radical changes within the legal sector, most law firms and internal legal departments are still struggling to implement the innovative legal practices associated with Legal Portfolio Management. This collection of disciplines is forming into a framework often referred to as Legal Operations – although this is defined differently by large law firms and the Corporate Legal Operations Consortium (CLOC). Another article in this series will cover my thoughts on Legal Operations and emerging trends in this area.

The benefits of Legal Portfolio Management

The benefits of portfolio management are well recognised within traditional project management. The Project Management Institute in its Pulse of the Profession™ In-Depth Report: Portfolio Management, November 2012. PMI.org/Pulse found that projects that are undertaken in an organisation with highly effective portfolio management are 36% more likely to deliver on time; 19% more likely to be completed on budget; and 18% more likely to achieve the business outcomes and objectives.

Legal Portfolio Management (LPortM) provides the framework, tools and techniques that enables lawyers to –

1. Understand milestones across matters
2. Juggle competing priorities across matters
3. Juggle team members across matters
4. Manage client expectations
5. Deliver on all commitments

For individual lawyers...

LPortM also provides benefits to individual lawyers and sole practitioners by providing visibility of major milestones across all client matters allocated to their personal portfolio to ensure delivery and prioritisation of work effort according to client commitments. It also supports the prevention of effort accidental over allocation and the slippage of delivery dates.



For law firms...

LPortM provides substantial benefits to external firms, especially large firms and large practices that need to juggle a suite of matters for different clients. The effective use of LPortM –

1. enables the availability of adequate legal resources to meet the delivery timeframes and major milestones for all legal matters
2. improved management of client expectations and delivery on client objectives
3. fulfilment of portfolio based reporting for major clients with significant legal matter portfolios
4. improved workforce planning to predict future demand and hiring decisions
5. improved utilisation across practice areas and continuation of work when key resources are not available
6. reduced write offs due to overlooking a deliverable that has gone over time or over budget

For in-house legal teams...

LPortM is likewise applicable to in-house teams and provides significant benefits for organisations by ensuring the availability of legal (and other) resources to meet the delivery timeframes and major milestones for all legal projects or legal workstreams of major projects. It also enables the identification of additional resourcing requirements that may be filled externally or on a temporary basis.

Using the disciplines and tools of LPortM enables in-house legal teams to have visibility of ALL legal matters underway across the organisation including –

- Matters being undertaken solely by in-house team members
- Legal workstreams as part of major organisational projects
- Legal work outsourced to external counsel
- Legal matters being undertaken solely by external counsel

"The primary reason for managing legal projects as part of a portfolio is that more benefits and client outcomes can be achieved by managing the matters as an integrated set as opposed to managing them individually."

What is Legal Portfolio Management?

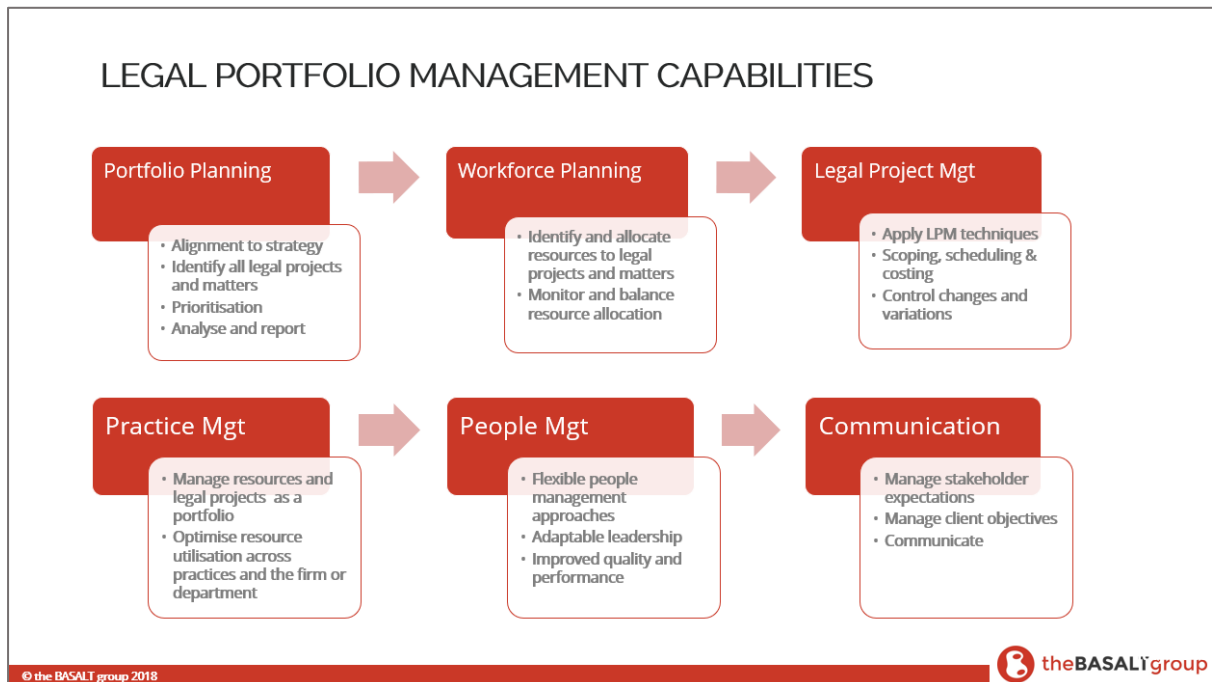
The concept of Legal Portfolio Management (LPortM) is of great importance to the efficient and effective allocation of resources and juggling of priorities across a suite of legal projects and matters.

Within the context of legal project management, a portfolio is a collection of legal projects or matters that are related and will benefit from co-ordinated oversight. The grouping of the legal projects together and the application of sophisticated project portfolio management techniques contributes to the efficient and effective delivery of legal project outcomes. The key reason for managing legal projects as part of a broader portfolio is that more benefits can be achieved by managing the matters as an integrated set as opposed to managing them individually.

Given that legal matters generally exhibit all the characteristics of traditional projects, then it follows that applying Legal Portfolio Management to the execution of a set of legal projects would also result in improved execution of the individual legal matters. Indeed, given the (current) relatively low levels of understanding and capability with respect to legal project management, it could be deduced that the application of legal portfolio management techniques will improve legal matter delivery to a greater degree than in traditional project management where the capability is already much higher.

Legal Portfolio Management Capabilities

The key concepts of Legal Portfolio Management have been largely derived from traditional project management and adapted for ease of adoption and understanding in the legal project management context.



The capabilities (skills, knowledge, tools and techniques) that are required in order to design and deliver a portfolio of legal projects and legal matters are –

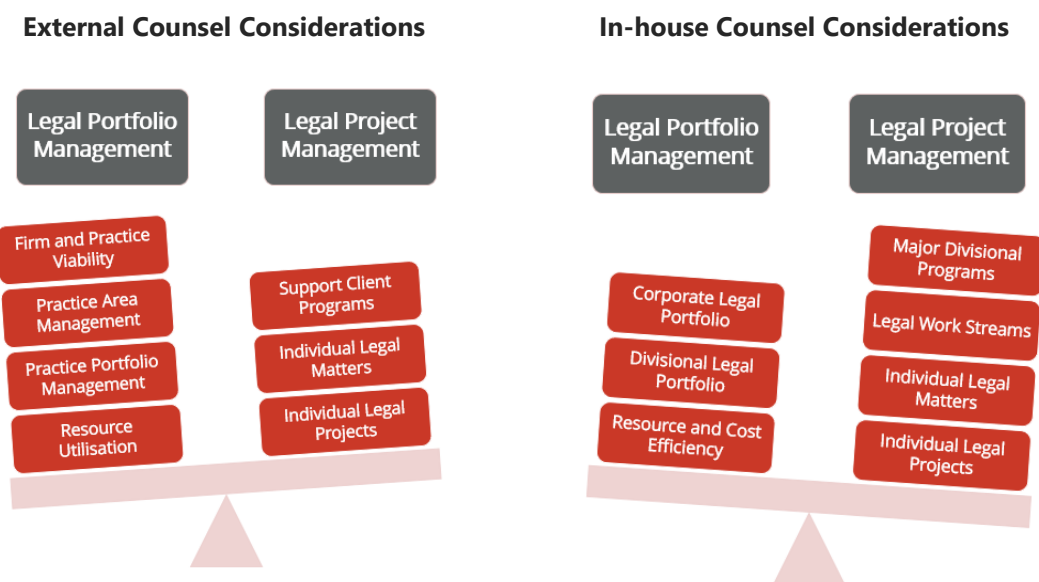
1. **Portfolio Planning** – this involves identifying all of the legal matters and legal projects that are required in the next planning period. It is recommended that this is done annually to coincide with the organisation or firm’s typical planning cycle. This portfolio plan sets the foundation that will then need to be reviewed and adjusted regularly in order to maintain focus on the overarching strategic objectives and priorities. A reasonable timeframe for the review process is quarterly and whenever a major shift in strategic priorities occurs for the organisation or a major client. In-house legal need to ensure that they are represented on strategic management forums by senior legal staff – often the General Counsel or a Chief Legal Officer (to borrow terminology from the US). External counsel need to have conversations with their major clients to prioritise the current legal matters and forecast the likely future demand.
2. **Portfolio Analysis and Reporting** – This involves understanding the portfolio of legal matters and projects in detail so that any issues with resourcing congestion; inter dependencies; and potential milestone slippage can be predicted in advance or resolved once they occur. This is a complex activity, especially for larger portfolios being delivered by teams larger than 10. The complexity increases exponentially as team size, matter size and matter volumes increase. Often specific skills are required in the form of Portfolio Management and also more sophisticated software support.
3. **Workforce Planning and Resource Allocation** – This activity involves the allocation of resources across the portfolio of legal matters and projects. It is critical that the major milestones and delivery dates for each matter is understood so that sufficient resources can be allocated to ensure that all major delivery dates can be achieved. This process often highlights resourcing gaps and also peak periods where additional resources may be required from external sources or another practice area. A basic spreadsheet (as included later under Team Based Resource Allocation) can support the activity until the number of team members and matters becomes unwieldy.
4. **Legal Project Management Methods** – The frameworks, tools and techniques LPM are the foundation upon which Legal Portfolio Management can be built. It is far easier to undertake portfolio management when the underlying projects are all being delivered using good project management practices. These LPM practices can then be applied at a macro level to the portfolio.
5. **Practice Management** – This involves the management of the resources and legal matters within a specific practice area in order to maximise utilisation and also deliver on client commitments in terms of budgets and timeframes. It can be very challenging to move resources across portfolios due to incompatible experience and skills, but also due to unpredictable activity levels which are largely driven by inadequate legal project management.

6. **People Management** – This involves the people side of executing the legal work and needs to include activities such as performance management; career development; objective setting; leave management; and workplace health and safety considerations. An adaptive leadership style is recommended in order to obtain the best performance out of both individuals and teams.
7. **Stakeholder and Client Communication** – This involves understanding the expectation of stakeholders and clients and then clearly communicating on matter progress and any variations due to external factors. If resource allocation issues arising from Legal Portfolio management will impact the delivery of other matters, then action needs to be taken to resolve the issues and conversations need to be undertaken with clients to ensure that expectations can be managed.

Learnings from practice

I've had lawyers come along to my introductory workshops on Legal Project Management only to discover that what they really need to understand and apply are techniques which relate to legal portfolio management. Anecdotally I would say that the primary need is portfolio management in around 5% of the attendees. Some of these attendees are somewhat perplexed and disgruntled when they realise that Legal Project Management (LPM) is very different to Legal Project Portfolio Management (LPPM). So far at least, they have all remained at the sessions and have taken away foundational concepts that will support them when they look to implement portfolio management across all their legal matters.

Different priorities for External and In-house Counsel



Specific applications for In-house Counsel

The relationships between LPM, LPortM and organisational strategy is particularly important to in-house legal teams as the effective and efficient execution of legal projects and deliverables plays a critical role in the achievement of organisation outcomes. All organisations (large, medium, small, corporate, government and not for profit) achieve their strategic objectives via the execution of projects. Related concepts, such as program management and portfolio management, become more important the larger an organisation becomes.

The expectations and challenges for in-house legal teams are as follows –

- **Contribution to strategic planning and prioritisation** at the organisational level based on the legal activities and deliverables that are required to support the strategic direction
- **Understanding the legal resource requirements** so as to ensure sufficient internal legal resources and external legal resources are available when required
- **Becoming an informed purchaser of external legal services** in order to manage the delivery of external legal work that is aligned to the organisation's requirements and timeframes
- **Developing Legal Project Management capabilities** in order to deliver legal projects more effectively and to integrate legal workstreams into larger organisation programs that support the achievement of organisational objectives
- **Applying Legal Portfolio Management** practices to ensure the efficient allocation of legal resources across all legal matter and legal projects

About the author...



This article was written by Therese Linton, Founder and Principal Consultant of The BASALT Group® encompassing The Positive Lawyer® and the Academy of Legal Leadership®. She is a global leader in the field of Legal Project Management and literally wrote the book. She also has unique expertise in Legal Portfolio Management, Legal Process Improvement, Legal Transformation and Legal Operations.

As a leading global expert in Legal Project Management, she has worked with thousands of lawyers to develop their capabilities and skills. As part of this work, she supports lawyers to improve their personal productivity and create habits that underpin their success.

Next steps...

My book on Legal Project Management can be purchased from LexisNexis and Booktopia at the following links – LexisNexis – [click here](#) and Booktopia – [click here](#).

As part of this work, I developed a ground-breaking Legal Project Management Competency Framework that outlines the LPM skills that all lawyers need at different levels of seniority. I'd like to



share with you. Please click here to access my LPM Competency Framework

<https://products.basaltgroup.global/lpmcf>

Downloading the LPM Competency Framework is the first step to becoming a better lawyer through the understanding and application of legal project management. Congratulations and I look forward to supporting you along the way.

My aim is to inspire you to achieve great things and I look forward to joining you on your journey! Cheers....T

