

Understanding Legal Process Improvement - critical changes to the way that lawyers work!

Stand out from the crowd by delivering more efficiently on time, on budget and delighting clients

Critical skills that ALL lawyers need today and tomorrow...

This article is part of a series designed to support lawyers, legal teams and firms of all shapes and sizes to understand how Legal Project Management (LPM) and related disciplines like Legal Process Management and 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 that started with the economic turmoil of the Tech Wreck and continued to gain traction after the Global Financial Crisis and will certainly intensify with the COVID-19 pandemic.

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 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 Process Management. This collection of disciplines is forming into a framework often referred to as Legal Operations – although there tend to be different models across large law firms, in-house legal teams and the Corporate Legal Operations Consortium (CLOC).

Previous articles covered [Legal Project Management](#) and [Legal Portfolio Management](#) and the next in this series will cover my thoughts on Legal Operations and emerging trends in this area.

What are the benefits of Legal Process Improvement?

Legal Process Improvement (LPI) draws on Business Process Redesign and Lean Six Sigma techniques to provides the framework, tools and techniques that enables lawyers to –

- Increases understanding of client expectations
- Improves quality delivered to customers
- Reduces lead times for delivery
- Increases customer satisfaction, loyalty and retention
- Lowers costs and increases value
- Improves use of capital and resources – deliver more with less
- Reduces stress for legal teams

Clients are interested in better value, lower costs and reduced delivery timelines, or at least more confidence around on time and on budget delivery.

This sometimes conflicts with Law Firm objectives of reduced costs and increased profit. Even though both strive to lower costs, clients want to be billed less and firms want to reduce their costs but not always charge less, especially as a majority of them are still wedded to the billable hour, or 6 minute increment..



It is critical to note that any form of process improvement, or redesign effort, always places the client at the centre of the experience – in this way a client-centric approach is at the core of Legal Process Simplification (LPI). Indeed, LPI work is often undertaken by law firms at the specific insistence of clients.

Design thinking is the most modern approach to process simplification and combines the traditional tools and techniques of Lean Six Sigma with the more modern Agile concepts of client centric collaboration.

What is Legal Process Improvement?

Legal Project Improvement and Legal Process Improvement first appeared a decade ago after the Global Financial Crisis as law firms and in-house teams were under significant pressure to change their approach and the fundamental cost models of legal services. Firms were going out of business; in-house teams were expanding; clients were demanding alternative costing models and better service; and the entire legal sector was being demystified. Firms started looking for better ways to engage clients and new ways to perform their work. They needed to be more effective and more efficient and reduce costs - so Legal Process Improvement was born.

Legal Process Improvement (LPI) is an emerging discipline in the legal sector that utilises Lean Six Sigma frameworks and tools within a legal context. It is equally relevant to in-house teams and external firms. The techniques can be applied by legal teams and law firms of all shapes and sizes to drive more effective and more efficient client based legal outcomes.

The tools and techniques from Lean Manufacturing and Six Sigma are applied to the processes of providing the legal services to improve quality, reduce resource requirements and deliver more quickly. Typically, substantial improvements can be obtained in both the legal and administrative processes involved in delivering legal outcomes. By doing so legal processes can be made more efficient and more effective, and the quality of legal outcomes improved.

Difference between LPI and LPM

There is a critical difference between Legal Process Improvement and Legal Project Management and whilst both disciplines work synergistically together, they are used to address fundamentally different challenges. It can be frustrating when inexperienced practitioners attempt to apply the wrong framework to the wrong problem. Simply put, LPM is applied to project based work that has a discrete scope, start date and end date, whilst LPI is applied when improvement is required to on-going operational processes. Legal Process Design is closely related to LPI and uses the same tools and techniques when designing new processes for new products and services.

Process Improvement Concepts

It is important to start with the basic assumption that all work is a process and that all processes can be improved. A process is no more than the steps and decisions involved in the way work is accomplished and the improvements focus on removing waste, defects and non-value added activities from the process.

Efficiency – relates to resources and costs. The aim is to reduce the effort spent on activities to achieve consistent or improved quality, this in turn reduces how much the process costs and improves future viability.

Effectiveness – relates to meeting the quality standards of the client. The aim is to ensure key performance indicators and service level standards for WCQ continue to be met or exceeded across the board.

Lean Manufacturing – seeks to reduce the cycle time of a process by removing waste and non-value added activities

Six Sigma – seeks to improve the quality of process outputs by identifying and removing the causes of defects (errors) and minimising variability.

Lean Six Sigma - combines the key tools and techniques from both frameworks

Legal process simplification involves –

1. **Reviewing the approach** to specific legal work to determine if it can be made more efficient and more effective
2. **The application of specific tools and techniques** from Lean Manufacturing and Six Sigma to improve quality
3. **Removing defects and streamlining legal work** to deliver more efficiently and more effectively
4. **Delivering exactly what the clients requires** in less time and for less cost

Quality Assurance – activities that are undertaken before and during a process to ensure quality outcomes, reduce defects and avoid rework - e.g. recruitment and training activities, development and use of precedents, regular interim reviews of work product, peer reviews, collaboration, coaching and mentoring

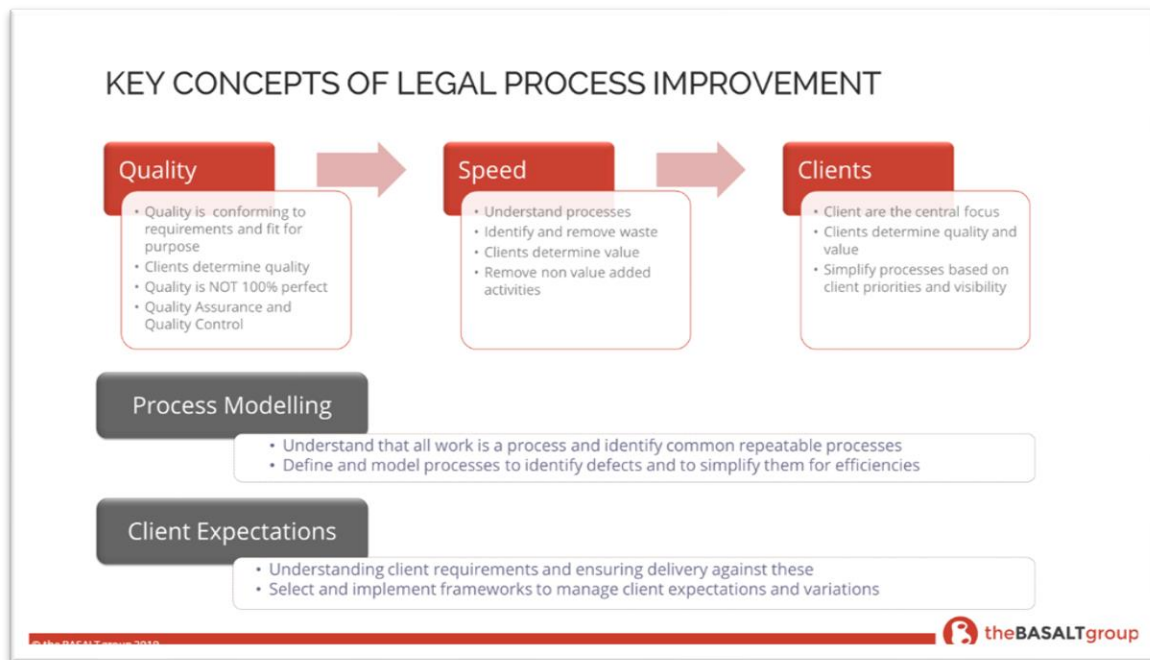
Quality Control – activities that are undertaken at the end of the process or the end of a work product to identify defects – e.g. supervisor reviews.

Quality assurance is always preferred over quality control.

The aim is to remove defects from the process, so none are found at the end. The later a defect is found the more expensive and the longer it takes to rectify.

Legal Process Improvement Framework

I developed the following Legal Process Improvement Framework to help legal clients understand the basics of process design and improvement. In my view, all lawyers benefit from some understanding of these concepts, so they are more receptive to improving their processes in order to satisfy client expectations and requirements. Although very few lawyers need to become specialists in Lean Six Sigma. A better model is for firms to hire Lean Six Sigma specialists (probably an LSS Black Belt*) to assist them from time to time.



* Expert Lean Six Sigma practitioners normally have a university degree and then undertake specialist training and competency assessment that can take many years in order to become a certified LSS Green Belt or Black Belt. Green Belts have the competency required to participate as a team member in form LSS process design or improvement projects, whilst LSS Black Belts have the competency to lead these projects.

Rather than retraining Lawyers in these areas, it is more efficient and more effective to engage external specialists to support specific initiatives or to bring them into a Legal Operations function to support the entire firm.

Given that all lawyers don't need to become legal process improvement experts, the below framework covers the basics that are useful for all legal and non-legal team members to know in order to participate in process improvement initiatives in a positive way.

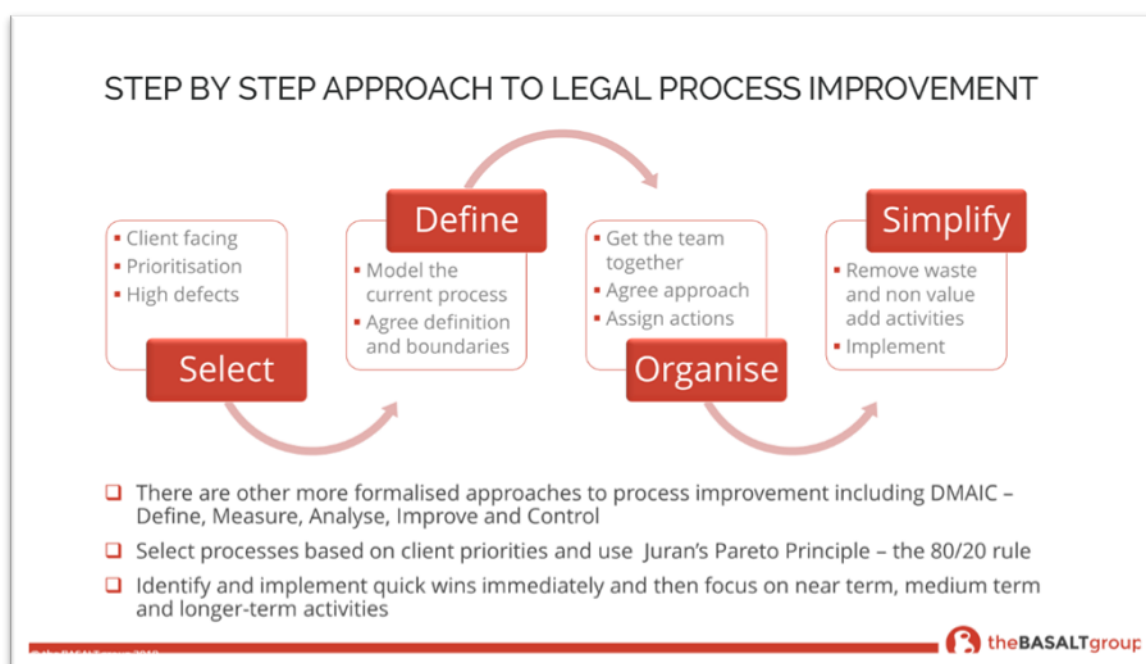
Legal Process Improvement STEP-BY-STEP

1. **Select the processes** using the following principles –
 - highest priority according to clients
 - generating the highest levels of negative client feedback
 - experiencing the highest levels of defects and rework
 - trending downwards in terms of profit (not revenue)

2. **Define the existing processes** considering the following –
 - model the current process to identify areas of improvement – you will be VERY surprised by what you find!
 - Agree the boundaries of the process – it can be MUCH harder than you think!
 - Consider both legal and non-legal processes that contribute to client outcomes

3. **Organise contributions from all team members** in order to –
 - Identify opportunities for improvement
 - Generate action plans and delegate responsibility
 - Gain buy-in to the improvements
 - Ensure consistency across the team

4. **Simplify the processes** using the following principles –
 - Remove defects and rework
 - Remove activities that are not valued by the client
 - Simplify processes to reduce handoffs
 - Disaggregate processes into activities requiring specialised skills and those requiring general skills
 - Build quality into the process and before the process – quality assurance
 - Do not rely on checking at the end of the process – quality control



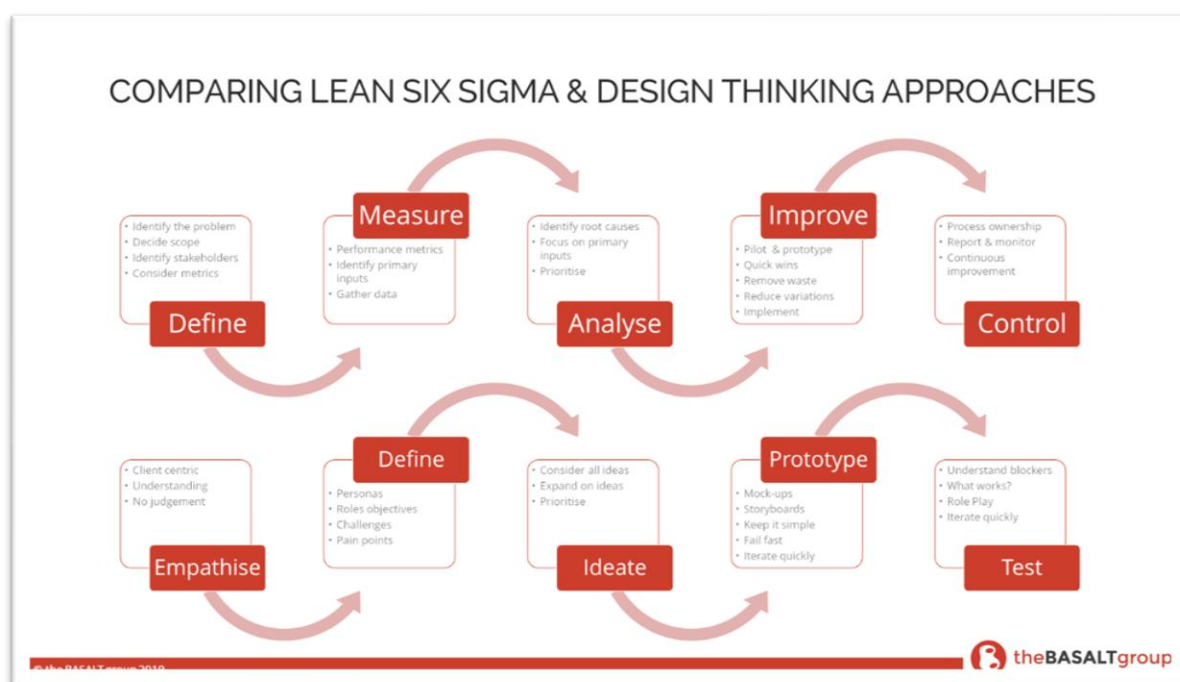
Comparing Lean Six Sigma to Design Thinking

There are several leading frameworks available to change the way that legal work is conducted, the most mature is Lean Six Sigma. It was developed during the 1980s and 90s in Japan and the US and derives from a combination of Lean Manufacturing and Six Sigma process improvement methodologies, which in turn both draw on concepts from Total Quality Management.

It is a highly mathematical approach to process improvement that aims to reduce all defects down to 3.4 per every million units or opportunities. It is used to great effect in manufacturing processes that produce physical deliverables. It has been applied to service based processes since the early 2000s. The six sigma unit of measure for defects is often unreasonable in service based processes, resulting in a less formal application of the statistical analysis and a broader application of the concepts and principles when it comes to these types of processes.

More recently, we have seen firms looking to more modern frameworks such as Design Thinking. Legal Design combines the basic principles of process improvement and simplification with a more human-centred approach that puts the client first. LSS does this as well by considering the Voice of the Customer when improving or designing processes and also taking the client's definition of quality as the benchmark for process performance.

It is becoming more common for firms to adopt Legal Design as opposed to LSS as it is more accessible and doesn't require the mathematical rigor or statistical analysis. The diagram below shows a comparison between the core approach DMAIC (Define, Measure, Analyse, Improve, Control) used in LSS and a common approach from design thinking EDIPT (Empathise, Define, Ideate, Prototype, Test).



From above you can see that there are major similarities and common components of both frameworks. Indeed, my preference is a hybrid approach – I like to think of Legal Process Improvement as a combination of Lean Six Sigma and Legal Design Thinking.

Legal Process Improvement is essentially Lean Six Sigma with the addition of a client centric focus, and without the statistics.

The lack of statistics within Legal Design frameworks makes them more accessible to the average lawyer and the greatest implementation success comes when humanising of Lean Six Sigma is combined with Design Thinking to emphasise the human elements and de-emphasise the mathematical elements. I used to teach a very successful one day masterclass called Lean Six Sigma without the Statistics. A similar version is now under development to support lawyers and legal teams with Legal Process Improvement frameworks to ensure they can deliver better client outcomes in a more efficient and effective manner. These tools can improve client satisfaction and loyalty, whilst simultaneously increasing profit and improving the viability of legal teams into the future.

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 Process Improvement, Legal Portfolio Management, 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. And as a Lean Six Sigma Black Belt she has worked with many legal teams to simplify and improve legal processes., The results have been amazing!

Next steps...

More articles are on the way highlighting case studies and results from our legal process improvement work and a short course on Legal Process Improvement Fundamentals will be launching later this year. In the meantime, reach out via our website www.baslgroup.global if you're interested in Legal Process Improvement training or consulting support.

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

