Leaders within law firms and legal departments have identified that business and legal process improvements are mandatory to stay competitive in an ever-changing market. This topic is a great fit for ILTA’s Law2020 initiative that focuses on ways in which legal organizations must adapt to thrive in the future. We enlisted three of your ILTA peers to share their thoughts on improvements to make today for a better tomorrow, and they shared visions of the future. Each participant was interviewed separately, and we highly recommend you listen to the associated podcasts to hear all that our participants had to say. Here is a preview:
What are the benefits of making improvements to business and legal processes?

Angela Dowd: Reduction of waste is one of the first benefits that comes to mind. Since the Great Recession, we continuously hear that firms and law departments are being challenged to do more with less, both internally and from clients. Process improvements are a way to not only cut costs but also to eliminate tedious tasks. Process improvements can reduce errors and improve the quality and consistency of the work produced. Business and legal process improvements ultimately are about delivering value to the client.

Ted Theodoropoulos: The management consultant Edwards Deming once said that if you can’t describe what you’re doing as a process, you don’t know what you’re doing. I believe that to be true, and it’s widely accepted in most industries. Firms would benefit from adopting that mantra and incorporating it into the DNA of their business. They can differentiate their firm from others by demonstrating to clients a commitment to efficiency.

Toby Brown: On the business side, there’s definitely room for improvement in the way firms are run, separately from how we deliver our services. Those benefits are somewhat obvious in terms of efficiencies. I see more important benefits in being responsive to the lawyers and partners in the firm. On the legal side, the canary in the coal mine for me is write-offs and write-downs, depending on how you define those. If we look to process improvements in the way we deliver our services, we can reduce our exposure to work for which we don’t get paid. I would call that the short-run benefit. The long-run benefit will be happier clients because we’ll be more competitive in our pricing and cost of services.

How do you determine whether your process can be better improved with a people change or a technology change?

Ted: I don’t see these as being mutually exclusive — there usually is significant people and technology change required when improving a process. Step one in a firmwide effort to adopt business process improvements (BPIs) is getting buy-in at the executive level. Step two is getting leaders to show commitment to BPI, and that can take the form of getting certified, having explicit communications with the rest of the firm regarding the initiative, structuring incentives around compliance or even publicly recognizing excellence in the realm when it happens. All of those things are people-centric. Once the people at the firm have been aligned in this way, then you can bring in the technology.

Toby: I start on the people side of things. I’m very focused on profitability, so first I see how things are being staffed. Are we using the right level of expertise to perform different tasks? If not, go back and ask why the process is driving work to that level of timekeeper. Beyond that, pressures related to pricing and rates can dictate where we use technology. For example, we’re looking to use technology to speed up a process that could no longer be affected by staffing changes.

Angela: That’s going to depend on the process and the firm or law department. Every organization has a different appetite for change and for fiscal investment in process improvements. There is a tendency for people to think that technology will be some magical panacea for process problems, but technology alone can’t fix an issue. As Ted mentioned, technology and people must go hand-in-hand. And when I think about a technology change, I don’t necessarily mean a new technology. Often we reuse or better leverage existing technology to help solve a problem.
**What process improvements should firms and legal departments implement now?**

**Toby:** Legal departments and law firms should look at processes related to how they develop budgets for matters and engagements because that typically is done haphazardly. Both firms and legal departments would benefit significantly from having a well-defined, thoughtful process for determining the budget for an engagement. That process improvement would provide high value, and it has immediacy because everyone is concerned about fees and budgets.

**Angela:** It’s going to depend on the type of practice your firm does and the culture of your firm or law department. New matter intake and conflicts are at the top of most people’s lists. These often have multiple administrative groups backing the project, and there are mature technologies already set up to help with this. However, some organizations aren’t ready for that big a step, so take a look at smaller processes. Look for a stakeholder who has a problem with a current process. By starting with that bite-sized chunk, you will have an audience that has an interest in working with you to make a process improvement. A win with one stakeholder can lead to their help with buy-in from a larger audience.

**Ted:** Pick that low-hanging fruit first. Those are usually highly repetitive processes that are easily identified and relatively well-understood. Processes done hundreds of times a day are good candidates for dividing up responsibilities across different labor tiers and can provide immediate and measurable cost savings.

**What’s the one piece of advice you’d give to someone embarking on a long-term process improvement initiative?**

**Toby:** You always hear “start simple,” but my advice is to follow the money. If you’re looking to where you want to have impact or where you need to have impact — I mentioned write-downs and write-offs earlier — that’s the place to start. Look at the work you’re doing that you’re not getting paid for, whether it’s a fixed fee, an hourly billing or other fee structure. You want to have an immediate impact on the bottom line.

**Angela:** My one piece of advice is to be patient. We work in legal, and we are not the fastest to adopt new things. Don’t give up. It’s a continuous process. You might want to jump in and start a big project to kick things off, but sometimes it’s about starting small and building that momentum organically. If something doesn’t work, look at it from a different angle. There’s this idea in the corporate world about learning from failure. We don’t necessarily have that in our DNA in law firms and law departments, but process improvement is not a set-it-and-forget-it fix. You need to continuously go back, get feedback, refine your processes, improve your change management or marketing tactics, etc. Patience throughout it all will work in your favor.

**Ted:** The key words here are “long-term.” In any long-term endeavor, it’s always good to have a solid starting point. Get some quick wins on the board, and leverage an existing disciple like Lean Six Sigma. The benefit of Lean Six Sigma is you will always do a baseline, so you’ll measure how a process performs before and after you’ve re-engineered it. That will give you the ammunition you need to generate senior-level buy-in, which will help you move your BPI initiative across the rest of the business. The most important thing is to demonstrate that it works. Once you do that, it becomes much easier to knock down walls into different silos of the business.

**Imagine the “modern law firm” in the year 2040. Tell me what that looks like.**

**Ted:** 2040 — that’s a long time from now! It’s hard to talk about the future of law without incorporating some of Richard Susskind’s ideas into the conversation. I recently read Susskind’s *Tomorrow’s Lawyers*, and he talks about three main drivers of change.

- The “more-for-less” challenge, which is where rising regulatory pressures on businesses and declining legal budgets create a market scenario where firms that embrace efficiency get rewarded
- Liberalization, which is a relaxation of the laws and regulations that govern who can perform legal work, which means certain categories of legal services will be done by non-lawyers in the future
- Information technology (any attorney who doubts that IT will have a major impact in legal should watch the Jeopardy series where Watson beats the brightest minds the show ever had)

We’re seeing “minute clinics” and 24-hour urgent care facilities pop up everywhere, and medical care is even being delivered via Skype. There has been a tremendous amount of change there. Legal isn’t far behind.
Alternate business structures are already being accepted, and they will not have the limiting mindset a lot of law firms have where they think this is a profession and not a business. This brings the medical profession to mind. We’re seeing “minute clinics” and 24-hour urgent care facilities pop up everywhere, and medical care is even being delivered via Skype. There has been a tremendous amount of change there. Legal isn’t far behind.

**Toby:** Law firms will need to act like a business by then. Client satisfaction must be at the forefront as we move into that phase of the market’s evolution. Continuous improvement and product innovations are important aspects of maintaining client satisfaction. In terms of innovation, think of proactive, risk-reduction offerings that law firms rarely serve up to their clients.

**Angela:** In 2040, stakeholders and rainmakers will have different cultural backgrounds, and law firms will be much more agile and responsive to client needs. Matters will be much more collaborative and better managed. Many tasks attorneys do today will be automated or even self-service from the client perspective. There will be greater transparency, forcing firms to continuously refine their processes. I also see less stratification of attorneys, less emphasis on the big corner office, which will go hand-in-hand with increased collaboration, both internally and externally. That will tie to there being a larger respect and reliance on the skills of the professional staff to manage the business of law.