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***CLM 2020: Seeing Clearly Through Effective Legal Project Management***

**I. Overview of Legal Project Management and Legal Process Improvement**

Although the terms Legal Project Management and Legal Process Improvement have been the subject of many discussions in the legal industry, oftentimes the terms are used interchangeably and create confusion. It is important for attorneys at all levels of the firm to develop a basic understanding of what these terms mean, and how they affect their day-to-day activities. Neither Legal Project Management, nor Legal Process Improvement are meant to be replacements for sound legal judgment. Instead they augment the practice of law by providing structure, clarity and efficiency, thereby allowing the practitioner to focus on those value-added activities that only the lawyer and his or her legal skills and expertise can provide.

**A. Legal Project Management**

**1. Definition**

In its simplest form, Legal-project Management is the application of the concepts of project management to the control and management of legal cases or matters. It is a collaborative effort which takes the business needs and goals of the client both overall and for the particular case, and translates those needs and goals into a plan of action for handling. It includes understanding the scope of the work necessary to achieve the desired outcome; translating the scope into a plan on what needs to be done to reach the desired outcome; and creating a budget reflective of the work effort necessary to get to the end goal.

**2. Importance**

Legal Project Management is important because it acts as a roadmap for how the particular case or matter will be handled. It fosters communication and sets expectations for both the law firm and the customer. It helps keep the practitioner on track, allowing him or her to undertake those legal activities necessary to achieve the desired goal.

**B. Legal Process Improvement**

**1. Definition**

Legal Process Improvement takes our collective experience and leverages it to refine our processes. There are various formalized approaches to process

improvement, including Lean and Six Sigma for example, however the key elements are the same. Each involves identifying and isolating the true cause of the problem, developing and implementing a solution, and then checking to see if the solution has had a positive impact on the process.

## **2. Importance**

By identifying those areas where improvement on how work can result in increased efficiency, greater consistency and cost savings, law firms and attorneys can focus on those value-added activities that only the attorney can provide in the representation, and drives customer satisfaction.

## **II. Client Guidelines**

The mere mention of guidelines in any audience comprised of attorneys is certain to elicit moans, groans and even eye rolls. To the practitioner they are often times viewed as a nuisance, and a limit on what can or cannot be done in the defense of the client. Our panel will discuss the real purpose of these guidelines and dispel the misconceptions regarding their true reason and purpose.

### **A. Why do we have them?**

Fundamentally, a client's guidelines *are* its legal project management program. They are the result of a client's efforts to establish and promulgate an ongoing and overarching litigation management program that will apply to all of its cases.

As one carrier states, "Guidelines are the foundation of a successful relationship between insureds, retained counsel and the Company." So why the negative view of them? It is because they are seen as limits on what can and cannot be done and, more importantly to the law firm bottom line, what can and cannot be billed for. While at first blush it may appear that way, the same carrier continues, " (These Guidelines are) not intended to interfere with counsel's obligation to exercise independent legal judgment in representing the insured. Rather, the purpose of these Guidelines is to foster active communication, activity coordination and collaborative decision-making, which along with common sense and good business judgment, are essential to a cooperative, effective, economically sound and results-oriented approach to litigation management." Understanding this is the key to a successful relationship between the attorney, the claims professional and the insured.

### **1. Communication**

Litigation Management Guidelines force the attorney and the claims professional to interact and discuss the matter either during set intervals or at key events during the litigation process. This communication ensures that everyone is on the same page in what should happen, avoids misunderstanding, and allows for frank discussions regarding each possible course of action.

### **2. Issue Identification/Strategic Resolution Planning**

Guidelines help the attorney and claims professional stay focused on what the issues are in a given engagement and what course of action will be taken to resolve them.

### **3. Financial Considerations**

Strategically planning and thereafter budgeting for how a case will be handled will allow the claims professional to accurately reserve for a matter, and provide the foundation for a cost-benefit analysis of settlement versus continuation of the litigation.

## **B. How Different Guidelines promote Legal Project Management and Legal Process Improvement**

There are many forms of guidelines, however the three most common types are guidelines that focus on billing, reporting and budgeting. Each plays a major role in sound legal project management principals and encourages the attorney to look at current processes with an eye toward process improvement. The Panel will discuss their view of each of these types of guidelines and how they promote Legal Project Management and Legal Process Improvement.

### **1. Billing Guidelines**

Billing guidelines generally provide a listing of services that will or will not be paid for by an insurance company or a client, or a timekeeper level that should be performing the service, or even an expected time associated with an activity or event. These not only help the attorney provide an accurate reflection of the costs of defense, but also promote the implementation of efficient processes to meet these guidelines.

### **2. Reporting Guidelines**

Reporting Guidelines can either be time or event driven. Both have the same purpose of enforcing regular communication between the attorney and the carrier or client, to discuss changes in the Legal Project Management case strategy, and to explore settlement and cost-saving opportunities.

### **3. Budgeting Guidelines**

Budgeting guidelines can provide for a budget to encompass the contemplated activities based on the plan over the life of the matter; for a specified period, or a combination of both. This allows for an effective cost-benefit analysis of each course of action, and a determination of whether or not it makes more sense to pursue early resolution rather than mount a full-blown defense.

## **III. Practical Examples of Implementing Legal Project Management**

During this segment, each of our panelists will share their experiences in the implementation of Legal Project Management in their organization. This will provide the attorney with both the breadth of hearing how those dealing with multiple clients have approached the implementation (i.e. Wilson Elser; AON; Gallagher Bassett); but also the depth of how an individual carrier has approached it (AIG; AmTrust).

### **A. Individual Client Perspective**

AmTrust and AIG will share their experiences of how they implement Legal Project Management across the multiple firms and lines of business they represent. They will discuss their use of guidelines and audits, and how they use metrics to assist in driving Legal Project Management and Legal Process Improvement at their firms.

### **1. AmTrust**

AmTrust will share the rationale behind the recent changes to their guidelines, how they utilize the audit process to identify opportunities for improvement, and how they measure performance across the firms handling their work.

### **2. AIG**

AIG will share how their guidelines and audit process has evolved over the years to further drive effective legal project management, and their particular tools for measuring law firm performance

## **B. Multiple Client Perspective**

Wilson Elser, AON and Gallagher Bassett will share their observations as to how different clients and carriers are approaching the implementation of Legal Project Management and Legal Process Improvement in the industry through the use of guidelines, audits, and the metrics around firm performance.

### **1. Wilson Elser**

By combining firm-wide training in overall Legal Project Management and Legal Process Improvement with specific process reviews and recommendations for improvement at the client-level, the firm has been able to practically implement both at a large-scale level.

### **2. AON**

AON will share how its industry-wide clients implement Legal Project Management and Legal Process Improvement.

### **3. Gallagher Bassett**

Gallagher Bassett will share its experience across the industry, its work to monitor the performance of the firms utilized by its clients, and how the sharing of this information will lead those firms to a greater focus on Legal Project Management and Legal Process Improvement.

## **IV. How Legal Project Management and Legal Process Improvement reduce cost and increases profitability**

During this segment, each of our panelists will discuss their perspective on how the implementation of Legal Project Management and Legal Process Improvement impacts the bottom line. At the highest level, the implementation of sound Legal Project Management principles ensures that only those activities necessary to achieve the desired goal are undertaken, and by the right level of resource. The implementation of Legal Process improvement techniques, including the use of technology, allows for increased productivity and profitability.

### **A. Law Firm Perspective**

From the Law Firm Perspective, the effective use of Legal Project Management is a crucial factor for customer satisfaction, and as such can lead to increased case

assignments. By developing efficient processes, the capability to handle more work lends itself to increased profitability.

**B. Claims Perspective**

From the Claims Perspective, the effective use of Legal Project Management allows for predictability of costs, accurate reserving, and identifying cases which should be resolved early.

**C. Risk Management Perspective**

The benefits from a claims perspective apply equally to the management of risk.

**V. Lessons Learned – Successes and Failures**

During this segment, each of our panelists will provide insight from their experiences in implementing Legal Project Management and Legal Process Improvement in their respective areas. By taking advantage of this information, both the attorney and claims professional can avoid some of the common pitfalls associated with such implementations.

**A. Law Firm Perspective**

To the practicing attorney, the concepts of Legal Project Management and Legal Process Improvement may be completely foreign. Without a solid foundational understanding, practitioners may feel that unreasonable activity and billing limitations are being imposed. At other times it seems like it is just another box that they have to check off in their daily work. Therefore a proper change management plan, including education, is the key to success.

**B. Claims Perspective**

From the claims perspective, much of what can be said of the law firm also applies to the claims professional. The benefits to an effective Legal Project Management Plan must be demonstrated and stressed to ensure success.

**C. Risk Management Perspective**

In some cases, risk managers may not appreciate the value of activities such as reporting, and instead view these types of activities as an unnecessary expense. Practitioners should emphasize the reasoning behind communication and collaboration activities. By doing so, their import should be apparent.