



## Process Improvement & Project Management Module 3A



A WORLDWIDE NETWORK OF LEADING LAW FIRMS

**Catherine Alman MacDonagh, JD**  
[Catherine@LegalLeanSigma.com](mailto:Catherine@LegalLeanSigma.com)  
[LegalLeanSigma.com](http://LegalLeanSigma.com)


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1

## Today's program


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**PI and PM – what are they? How do they work together?**



**Lean Six Sigma**



**Project Management**



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2

## Defining Efficiency



3

**EFFICIENCY. IT'S NOT  
ABOUT DOING MORE  
WITH LESS.**

*It's about doing the right things and doing them  
right, the first time, every time.*

4

## PI & PM – A Powerful Combination

### *Process Improvement*

Helps us determine the best way to carry out a certain kind of work to achieve

- Efficiency
- Excellent quality of work and service
- High probability of successful outcomes
- Predictability

### *Project Management*

A role and set of skills that ensures that for a particular engagement, we

- Use our “best process” appropriately
- Actively manage schedules, staff, and deliverables throughout this matter

*Note: PM skills are used for managing PI projects*

5

“If you can’t describe what you are doing as a process,  
You don’t know what you are doing.”



W. Edwards Deming  
1900 - 1993

6

## Benefits

- Better client and project outcomes
- Predictability
- Improved efficiency and speed
- Reduced errors and rework
- Lower costs, better pricing, and higher profitability
- Increased client and employee satisfaction
- Higher performing, higher functioning, diverse teams

## Lean

### *Do the right things*

- Simplify processes
  - Eliminate waste / steps
  - Maximize process speed
  - Greatly improve productivity
- Focus on resource efficiency

## Six Sigma


### *Do things right*

- Understand relationships between variables
- Understand process capability and align with requirements
- Reduce and control undesirable variation

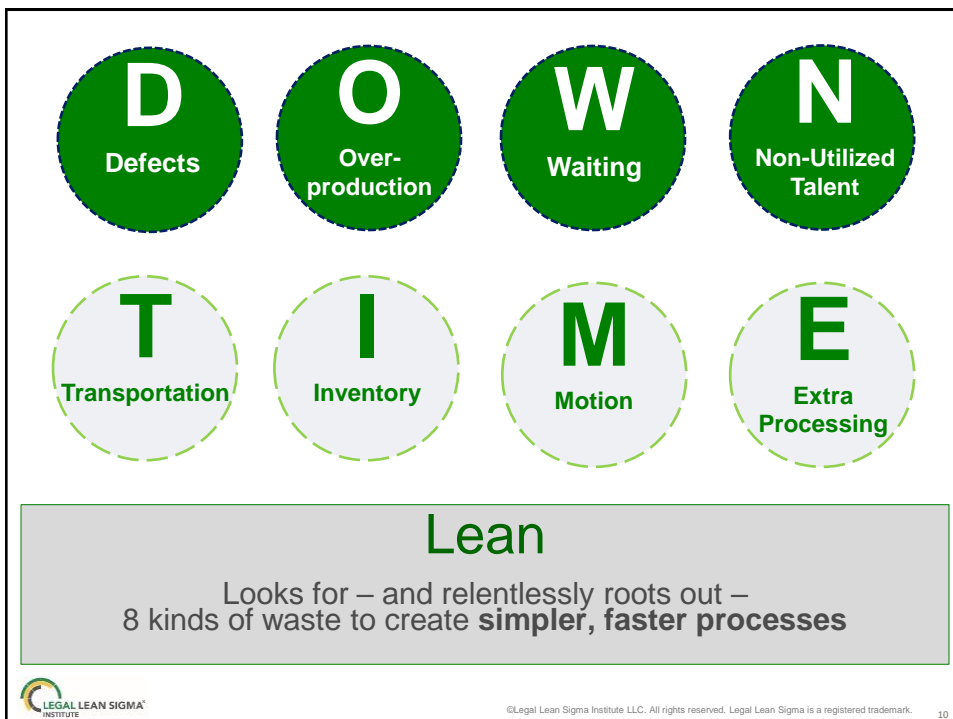
Lean and Six Sigma are complementary and are usually used together.

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DMAIC Project Charter Worksheet			
Project Title:			
Project Leader:		Team Members:	
Problem/Opportunity Statement:			
Business Case:		Goal Statement:	
Project Scope:		Stakeholders:	
Preliminary Plan	Target Date	Actual Date	Concerns and Issues:
Start Date:			
DEFINE			
MEASURE			
ANALYZE			
IMPROVE			
CONTROL			
Completion Date:			

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9



10

## Lean – Translating to Legal – Examples of Waste

- |  |          |
|--|----------|
| 1. <u>Defects</u> - missing a filing deadline, incomplete forms, bad drafting, data entry errors   | <b>D</b> |
| 2. <u>Overproduction</u> – starting work before clearing conflicts, making too many hard copies, copying too many people   | <b>O</b> |
| 3. <u>Waiting</u> – people late to meetings, documents waiting to be worked on, boot up/warm up time for technology, interruptions, late responses from clients, employees, opposing counsel, etc. | <b>W</b> |
| 4. <u>Non-Utilized Talent/Excess Capacity</u> – not using talented paralegals, partners doing associate level work, outside counsel doing work that is best done by the client                     | <b>N</b> |
| 5. <u>Transportation</u> – sending docs by courier v. email, multiple deliveries to one client, checks v. direct deposit, too many handoffs  | <b>T</b> |
| 6. <u>Inventory/ WIP</u> – unanswered email, voicemail, files waiting to be worked on, marketing items, conflicts awaiting clearance.  | <b>I</b> |
| 7. <u>Motion</u> – unnecessary travel, extra keystrokes/clicks to find documents, poor office design/layout  | <b>M</b> |
| 8. <u>Extra processing steps</u> – too much research, triple checking, over staffing a file  | <b>E</b> |

11

## Six Sigma

Sigma	Defects Per Million Opportunities
1	691,462
2	308,538
3	66,807
4	6,210
5	233
6	3.4

### Translation

In reviewing documents for privilege, we make a mistake on only 3.4 documents out of every 1 million documents reviewed

12

## Six Sigma Thinking

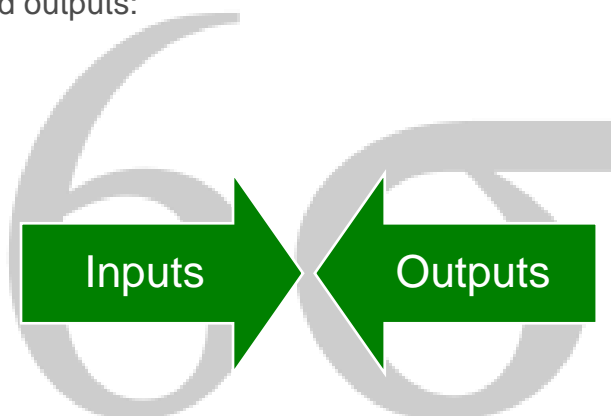


- What are the key inputs and other factors that affect outputs and outcomes?
- What is the “best way” to do something? How can we increase our probability of a positive outcome?
- What are the benefits of consistency and standardization?
- How carefully does a process need to be controlled to give the results desired by the client? By us?

13

## Six Sigma

Six Sigma works to understand the relationships between inputs and outputs:



*The application is a more natural fit for processes that are repetitive, routine, and require a high degree of accuracy.*

14

## Six Sigma Example: NOVUS Law

- “Six Sigma is what we use to eliminate defects as we measure and analyze our work processes. Typically, undocumented processes will yield 20,000—60,000 defects per million opportunities. Six Sigma is designed to get that down to fewer than 4/million.
- On our most recent document review we performed at Five Sigma, or approximately 200 defects per million. By the way, that’s about 200 times better than the average in the legal industry today.”



15

## What Processes Benefit from Improvement?



**BUSINESS**



**LEGAL**

16

## DMAIC: The Framework for a PI Project

Lean Sigma uses a disciplined problem-solving approach:

### Define

Define the problem and why it needs to be solved

### Measure

Measure the current performance of the process

### Analyze

Analyze the opportunities to reduce waste or variation

### Improve

Improve the process by identifying, implementing and validating process changes

### Control

Control the process by implementing methods to ensure improvements will be sustainable

17

## How to Pick a Process Improvement Project

- Where is work at a high volume?  
Where is the trend increasing?
- Where are you experiencing PAIN POINTS, pricing pressure, high write offs, and/or write downs?
- What is paper intensive and/or form driven?
- What seems to be taking longer than it should and/or causing frustration?
- Where do we have opportunities and demands to expand our capacity and/or capability to handle particular kinds of work?
- What are our drivers for efficiency, excellent quality of work and service, high probability of successful outcomes, Predictability
- What are clients asking for/demanding?



18



## Process Mapping

19



20

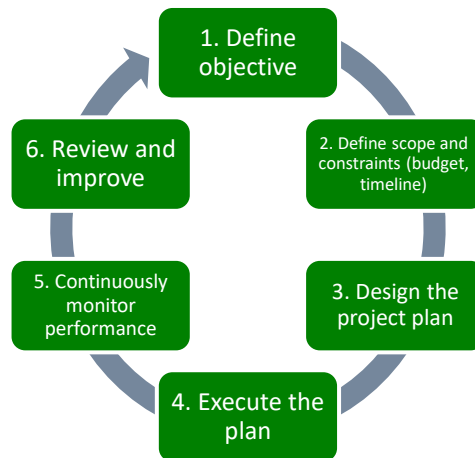


21



22

## Introduction to Project Management



## 1. Define Objective

What constitutes a *win*  
("What are we solving for?")

Opportunity to serve as advisor



## 2. Define Scope and Constraints

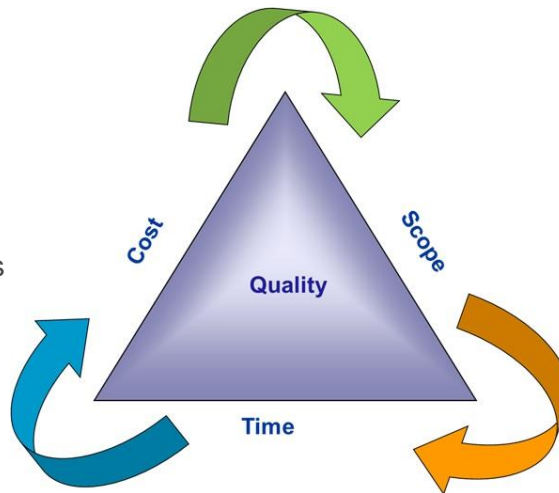
What's "out of scope"  
AND what's "in scope"

Budget

Timeline

Stakeholders

Reporting requirements



pmwares.com

## 3. Design the Project Plan

Identify standard, variable &  
volatile tasks

Establish task timelines and  
budgets

Staff the project

Review, revise

Task	Deliverable Name	Description	Assignment Category	Assigned To	Estimated Hours
Initiation					
Planning					
Requirements Analysis					
Business Analysis					
Design					
Implementation					
Testing					
Close					

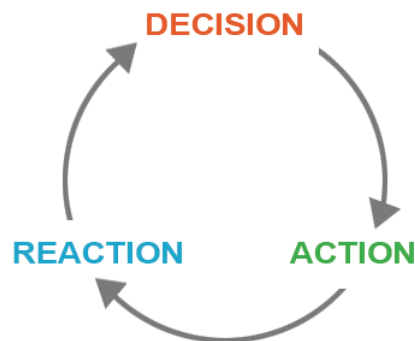
## 4. Execute the Plan

- Start working
- Use project plan to guide all efforts
- Update as needed
- Track efforts, time, budget, results

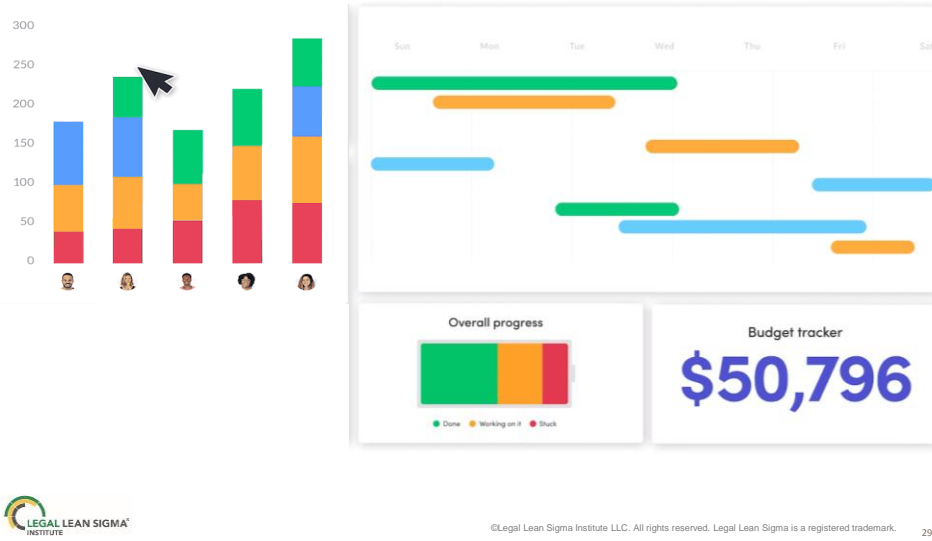


## 5. Continuously Monitor Performance

- Regular communication is critical
- Continuous “feedback loop”
  - “What’s going well?”
  - “What can we improve?”
  - “Are we on time and on budget?”
  - “If not, why not?”
- How and when to act/adjust?



## 5. Continuously Monitor Performance



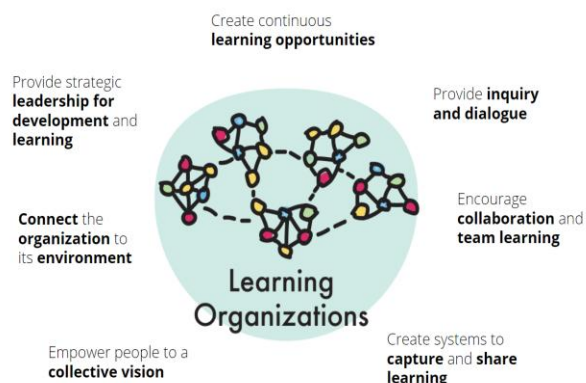
29

## 6. End of Project “After Action” Review

Learning organizations focus on improvement over time:

What did we do well?

What can we improve for next time?



30

## No Tradeoffs – Everyone Wins

*Courtesy Rebekah Fisher, JD, Waller Lansden Dortch & Davis*

### PRACTICE

- Law firm prepares, negotiates, and executes a significant number of commercial leases for a large retailer every year
- Opportunity to propose fixed fee for portfolio of work

### APPROACH TO IMPROVEMENT

- Tightly standardized process, communications, forms, leases
- Uses only very organized and efficient timekeepers
- Used lowest-cost timekeeper capable of doing each activity
- Captures detailed data about effort to continually refine model process

### RESULTS

- **Improved response time** from receipt of request to draft of lease to same or next day
- **Reduced overall time** from receipt of request to execution of lease from 168 days to 62 days
- Fast, reliable results allowed client to open stores an average of 8 weeks earlier: worth **tens of millions of dollars/** year in increased revenue for client
- This process allows the law firm to **deliver this service profitably and reliably for a low fixed fee**
- Client's satisfaction with results brought firm **new referral business**



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31

31

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32

32



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