



A Roadmap to Success: Process Mapping in Action

Legal Process Management for Law Firms

A law firm client was experiencing significant cost pressures from numerous investment banking clients on a certain type of underwriting transaction. This was several years after the financial crisis of 2008, and despite the significant increase in deal-flow and demand, the issuers and underwriters were demanding steep discounts off of the standard billable hour. From the law firm's perspective it was important to their business strategy to maintain the stream of revenue and the relationships with these financial institutions that this work facilitated. However, if cost pressures and profitability pressures did not relent, this work would need to be carefully reevaluated and potentially abandoned or referred out.

At Bill's suggestion, we convened a series of four monthly meetings that was attended by the law firm as well as two representatives from each of the financial institutions – one person from the corporate legal department and one from the relevant business unit. We started by identifying the steps involved in the transaction and created a map to visually set out all of the key steps and deliverables involved in closing the deal. Then, we applied our custom analysis to identify seven forms of waste in the process and ultimately focused on four key areas where efficiency could be improved. This new workflow model was leveraged into a practice management tool that included an integrated communications plan as well as fully integrated model precedents from the law firm client's existing knowledge management resources. Finally, we developed training tools and a communications package to roll out the "new normal" to the entire business unit of the financial institutions and the law firm's own lawyers.

After three months of working in this new manner, legal fees were down on average 12% at each of the financial institutions, while profitability of these matters at the law firm client was improved approximately 8%. Because of additional deal flow that was given to the law firm as a result of this initiative, the overall revenue stream from this type of work was essentially flat year-over-year.