

Legal Project Management – What is it and why should you care?

By [Susan Raridon Lambreth](#) on December 14, 2021

Many firms around the world are implementing this approach called “legal project management,” while others know nothing about it. It has been described as a “must have” by some firms and legal departments and a fleeting fad by others. In many law firms, it is seen as:

- A critical response to client pressure for greater efficiency from their firms; and
- A key strategy to maintain or improve the profitability of law firms.

So, what is legal project management?

Legal project management, frequently called LPM, is the process of:

- Defining the parameters of a matter upfront to ensure that the client and their lawyers are “on the same page” about expectations and assumptions that affect the matter;
- Planning the course of the matter with the facts you have at the time;
- Managing the matter effectively to keep it on time and on budget – to the extent possible; and
- Evaluating how the matter was handled overall, both from the internal point of view and from the client’s perspective.

Many successful lawyers were already managing their work using some elements of LPM. The difference today is that client pressure is driving the need in law firms, both large and small, to be more proactive, disciplined, and systematic in the execution of these steps. At its core, LPM is about better communication with the matter team inside your firm and between the lawyers and their clients, whether the matter is being handled by a law firm or a legal department.

Why should lawyers or other legal professionals care about LPM?

Starting with the global financial crisis in 2008, many clients began requesting fee quotes or even detailed budgets for their legal matters. At first, many lawyers assumed this would be similar to straw man budgets of the past: clients requested them, ticked off the box acknowledging receipt, and neither side looked at it again.

All of that has changed. Today, in many situations, when a lawyer gives a client a budget – even a soft estimate – that number is seen as a “cap” by the client. Clients are unlikely to pay more than the cap for work that is outside of scope. This means that unless the work is clearly defined in advance, partners will have difficult conversations regarding real or perceived budget overruns. Unless the law firm can explain clearly why the completed work was impossible to anticipate, it is unlikely the firm will receive additional compensation. The resulting budgetary difficulties have become the norm: millions of dollars in write-offs and write-downs for firms of every size.

Currently, some law firms receive many Request for Proposals with specific questions about LPM. Can your firm implement LPM? Can it provide legal project managers to help keep the matter on track? It used to be that law firms could

“fake it” by padding the proposal with vague language about efficiency, value to clients, and maybe even their approach to LPM – without actually having much of a program in place. Today, sophisticated clients ask for concrete examples of how your firm has utilized LPM techniques with clients, how it benefited clients, what roles your legal project managers play on matters, and more.

Another important reason lawyers should care about LPM is because it can play a significant role in risk mitigation. Leading malpractice insurers identified the common causes of claims to include failure to:

- Communicate early and often;
- Explain risks and cost;
- Manage outcome expectations; and
- Provide thorough documentation.

The core elements of LPM address these causes. LPM helps your firm manage risk and meet client expectations, avoiding costly financial mishaps, and damage to critical client relationships that have a lasting impact on long-term viability.

Another important reason lawyers should care about LPM relates to talent and morale. LPM helps you manage matters without burning out your lawyers, helps you train and develop lawyers, and helps issues when you can't recall when a deadline is, who you delegated part of the work to, or when they owe it back to you.

What are some of the benefits law firms and clients can achieve as they implement LPM?

Recent studies have shown considerable benefits to clients, including:

- Fewer surprises;
- Improved on-time, on-budget resolution of matters;
- Better communication between the law firm and the client team;
- Greater efficiency; and
- Reduced legal spend.

Benefits to the law firm can include reduced write-offs or write-downs resulting in:

- Greater matter profitability;
- Increased ability to attract new work;
- Enhanced client relationships;
- Better internal teamwork and morale.

Indeed, LPM can help prevent unnecessary fire drills and unanticipated obstacles, meaning less stress on matter teams and fewer keep-you-awake-nights issues for partners.

How has LPM evolved?

About a decade ago, primarily in North America and the UK, two trends converged:

1. There was a buyer's market for legal services: Clients were in the driver's seat.
2. Clients faced — and continue to face — pressures for lower cost products, including enhanced efficiency in how they run their businesses.

Consequently, clients pushed their outside vendors to be more efficient and reduce costs. In order to do so, they, necessarily, became more sophisticated consumers of outside counsel, increasing their understanding of the costs of legal services. In response, law firms became more aggressive in their competition for work, and, predictably, firm realization rates began to drop. Traditional year-on-year increases by outside legal counsel became a relic of the past.

As a result of these altered market dynamics, a handful of visionary law firms began to realize that LPM could help them provide more efficient services to their clients, thereby avoiding waste and duplication of effort. There would surely be fewer write-downs and write-offs. They were right.

At first, LPM was primarily used in many of the largest firms around the globe — particularly those with major, sophisticated clients pushing for the change. Now, LPM is used by firms large and small that are out in front of client demand. These firms recognize that even if clients are not asking for it, LPM makes life less stressful and matters more profitable when it is properly implemented.

How does LPM help smaller firms?

Over the last few years, we're seeing more and more smaller firms choose to reap the benefits of LPM. They have the same concerns as bigger firms, e.g., the issue of write-offs and write-downs.

However, there's more. The competitive field for smaller firms, particularly those that have traditionally competed on price, is becoming increasingly crowded. In addition to alternative service providers, large firms, as well, are able to enter the low-cost arena. This means that smaller firms can no longer afford to deliver exceptional service while competing on price. The historical go-to competitive advantage for small firms is no longer sustainable.

And just because smaller law firm clients may not specifically request LPM capabilities doesn't mean they can't reap the rewards. When your firm has it, clients notice. LPM brings value to each and every client relationship.

Similar to the benefits for larger firms, smaller firms see:

- Reduced write-offs and write-downs;
- Enhanced risk management;
- More efficient use of resources;
- Greater consistency across offices; and
- Improved teamwork.

Here's the caveat, though. Unlike large firms, smaller firms do not necessarily have the luxury of getting LPM wrong. That's because smaller firms have smaller pockets. If you're a small firm, it is best to start with a well-conceived strategy and make the investment, in both time and resources, to get it right. Getting started with basic education and training in LPM provides a solid foundation.

In addition to offering organizational benefits to law firms and legal departments as described above, the field of legal project management is a whole new career path with roles in all kinds of legal organizations – law firms and legal departments alike. Legal project managers fill a variety of roles, such as:

- Assisting matter teams in developing and managing scope of work documents, budgets, and project plans;
- Coaching lawyers on how to keep a matter on track and satisfy client expectations;
- Meeting with the client’s business or legal operations professionals to help them understand how the law firm is managing their matters efficiently.

Lawyers are not the only ones taking on LPM roles. Many allied professionals, as well, have developed LPM skills and transitioned into full- or part-time jobs in legal project management.

If you would like more information about LPM training, LawVision and the LPM Institute offer three courses on this topic that are available [here](#). Our books on LPM are available at this [link](#) and [here](#).