

The Evolution of LPM – Performance & Expectations

By [Susan Raridon Lambreth](#) on January 24, 2019

A year ago, I wrote that virtually every article in the legal press mentioned the need for new service delivery approaches, [including legal project management](#). As 2018 progressed, the buzzword became innovation. Last week, Harris Tilevitz, CTO for Skadden, happily declared that [“2018, the year of ‘innovation’ in law firms, is over”](#) and encourages law firms to redirect their attention to what clients really want. While we have all heard clients state they want greater efficiency, transparency and predictability, a key way many firms are addressing these wants or needs of clients is through LPM.

The [Citi Hildebrandt Consulting 2019 Client Advisory](#) describes it this way, “many have told us that the biggest changes to their business models will be a shift in how they approach the delivery of legal services based even more from the mindset of the client, solving their complex business issues within defined budgets, using alternative pricing, project management and emerging technologies.” (page 8). They go on to suggest that the “surveyed law firm leaders indicated a strong – and increasing – commitment to project and pricing initiatives. Just over three quarters of the firms said they planned to employ project managers in the near future.” This is considerably higher than in past surveys. In fact, we know from other reports that approximately 80% of the AmLaw 100 firms have legal project management professionals and many have a large number of them.

The Citi/Hildebrandt report also states that “Collectively, law firms’ project management and pricing efforts appear to be paying off: the vast majority of law firms we surveyed reported that both initiatives have had a positive impact on both realization and margins.” As we know, law firms cannot continue to increase PPP the same ways they did in the past (primarily rate increases, leverage and expense management). Changing the service delivery model using LPM techniques to achieve a higher profitability through reduced write-offs/downs, can be extremely effective.

The positive results that law firms are achieving through LPM is the likely driver of the planned growth in 1) the hiring of LPM resources and 2) the provision of LPM training to partners, associates and other timekeepers. It’s no longer enough to just “say” you manage your matters effectively, [clients now expect proof](#). The significant increase in the number of firms wanting a baseline understanding of LPM is the reason we developed and just launched our new online [LPMAware](#) course. This short, introductory program enables firms to cost-effectively train large numbers of people in key LPM concepts. Our online and live [LPM certification courses](#) continue to be popular as well but many firms only have a small number of lawyers or other legal professionals who want the credential of certification. Many see the need to have a large population of their firm, if not the entire firm, educated in what is LPM and why it matters to clients.

Increasingly, the legal operations professionals implementing efficiency and improvement initiatives like LPM are involved in the selection of counsel (not just the management after hiring) and evaluating how outside counsel manage the clients’ matters. For example, at Barclays, there is a scorecard grading each panel firm on a variety of factors including LPM specifically. Legal expertise in particular has been commonly referred to over the last year as “assumed” because these companies are only considering or selecting among top firms who they believe all have the necessary legal expertise. Changes in service delivery are increasingly the reason for selection.

This should serve as a wakeup call to some partners and firms where they think the primary drivers of selection and evaluation are still their legal expertise and their relationships with the in-house lawyers.

Additional Resources

- [February 6th: Practising Law Institute: Project Management for Lawyers](#). “Tune in” on February 6th to hear more about the evolution in LPM, including what clients want from their firms in LPM and how law firms are responding. I am honored to have Rebecca Benavides, Director, Legal Business, Microsoft as my co-chair for the 9th annual program. If your organization is a PLI subscriber, it is free to sign up (check with your professional development department if you are in a law firm to find out how to register on your firm’s account).
- [LawVision LPM Roundtable](#): This is for legal professionals in LPM roles and it provides opportunities for sharing of best practices, professional development and networking.
- [The Citi Hildebrandt Report](#): see in particular Chart 5.