



**Increasing Efficiency and Driving Results with Legal Project Management:
A Program for In-House and Outside Counsel**

***Interview with Helga Butcher, Chris Grant and Stephanie Hamon of Barclays
By Susan Raridon Lambreth, LawVision Group/LPM Institute***

I am speaking with Helga Butcher, Vice President – Legal Project Portfolio Lead, Chris Grant, Director – Head of Relationship Management, Legal, and the head of their team Stephanie Hamon, Managing Director, Head of External Engagement, Legal, all with the global financial organization, Barclays.

Why did your organization decide to implement a legal project management program with your outside counsel? — What was the impetus? Why LPM vs other cost reduction or efficiency approaches?

Implementing legal project management was part of a bigger program of change within the Barclays legal department when Bob Hoyt joined Barclays as General Counsel. A major priority was controlling costs since legal was the second largest area of spend for the bank. The program included bringing together the whole engagement team led by Stephanie Hamon to ensure that the outside counsel were more “fit for purpose,” truly understanding Barclays’ expectations, understanding the pressures on the in-house legal team and overall enhancing the relationships between our inside legal professionals and outside counsel.

The Barclays panel program for outside counsel has been in place for decades and had initially been driven by procurement and the business to institute a level of control and panel rights. However, recent pressures on legal departments, including corporations move toward greater value for legal spend has caused many legal departments to re-think their use of panel programs and outside counsel generally. Barclays began this process in 2012 when we had over 1000 law firms on its panel and over the past five years reduced that number to just over 100 by implementing new standards for selection and evaluation of counsel and their performance, in line with Barclays’ strategic approach to value for legal services. This group breaks down into 15 “Primary firms” and the rest as specialist firms. We also have an 800-person legal department. Our legal spend splits as follows 75% with outside counsel, 25% internal costs.

The panel program changes we implemented were not driven by a goal to reduce legal spend – as many outside counsels typically think when companies initiate these convergence programs.



Instead, our goals were to (1) create better relationships with our panel and better understand them, while ensuring they could meet the data security standards for the bank and (2) make the relationship valuable to our panel firms by providing a sufficient volume of profitable work to justify participating in the panel processes that can be quite rigorous and time-consuming. Now, as the panel has evolved since 2012, approximately 95% of the bank's work performed by outside counsel is by panel firms. The five percent that is not is only for unusual niche expertise or a new jurisdiction where Barclays is not typically operating.

As we started to work with law firms in this way, we also started to look at the costs for outside counsel. We conducted "deep dives," analyzing spend for each matter. When we asked our in-house lawyers "how do we know this price is right?" the answers were not good enough to give to our management. So, we started working on the foundations of a budgeting process and as we did that, we realized the need for legal project management. As we started to more actively manage these budgets, we began to see differences in cost profiles – even on matters that had been long-running. That made us realize we could achieve much greater efficiencies if we started budgeting and managing differently at the outset of a matter.

How did you introduce it to your outside counsel?

We began by road-mapping the project management piece. We made sure there were questions in the RFP process about LPM. We used every angle to get them thinking about project management and the need for it on every matter. In relationship meetings, some of our panel firms would mention their legal project managers so over time we required or strongly suggested that they assign a legal project manager to our matters. One panel firm even asked us to interview someone they were considering as a candidate to be the legal project manager for our work.

Barclays wanted to create real collaboration with their outside counsel and we see legal project management (LPM) at the core of all service delivery. It means clear understanding of the matter at the outset, clear scoping of the work ... it is the foundation of everything. It means having the right stakeholders involved, ensuring the right deliverables and the right fees for the value of the matter. We frankly didn't see a lot of LPM coming from many firms.

As a result, we organized what we now call our LPM Consortium. We invited our top 15 panel firms to join and bring their LPM teams to meet with us. The goal was to bring them together to help Barclays solve some of the challenges in handling matters. We had an initial meeting where we discussed our views of LPM, what it means to us and its importance and the panel law firms shared about some of their LPM programs. At first, some law firms didn't understand the importance of it and would send the wrong people (such as a partner who didn't



understand LPM or a business development person, rather than someone who understood Barclays work and how it was being managed). The goal of the Consortium was to bridge the gap between the Barclays' relationship team and the firms' teams.

As a group, we then discussed where we could have the greatest impact and decided to focus on LPM around litigation and investigations initially. We saw an opportunity to help law firms improve their business while also showing them how to manage the equation of legal cost and risk for a value-based price. We also wanted to develop uniform approaches, so every firm did it the same way, for the benefit of the broader industry.

Panel firms were put into smaller task forces, to work on different projects to enhance the use of LPM approaches and tools on Barclays matters. Different sub-groups worked on templates for certain kinds of work, taxonomy or task codes, e-discovery, etc. This program has put competitor firms on the panel working together to share best practices and thought leadership while developing new approaches for Barclays.

What have been some of the accomplishments of the LPM Consortium?

A major early accomplishment was the development of what we call "activity-based budgeting" or ABB. It is the process where firms develop detailed budgets for our matters and is changing the way our outside firms and our internal teams' budget and manage matters. It also has been a key driver to resource and deliver matters in a more effective way. Other accomplishments included the development of a taxonomy of activities for litigation and investigation matters (used by law firms' legal project managers to own and manage workstreams on matters), best practices in LPM from firm to firm, and pricing and commercial arrangements.

The Consortium is raising the level of LPM across the panel firms involved, even those that were not that advanced when we began it. We feel the more firms adopt LPM, the better it will be for us and for the legal industry. One firm participating in the LPM Consortium has added 10 LPMs to their team as a result of understanding the value that role brings.

Other areas the Consortium is working on include a collaboration platform which will be rolled out soon. They are also looking at secondments. Secondments are a very significant investment for the law firms and Barclays is a heavy user. Our Consortium members are looking at the process and best practices so it can be beneficial to both sides.

At one of our panel firm meetings, our General Counsel, Bob Hoyt, gave an example of firms where the quality was comparable but one did well in LPM and use of Effective Fee



Arrangements (EFAs). They also proactively completed our ABB without being asked and showed their more effective service delivery. As a result, they won the mandate. Right now, LPM is very much a differentiating factor where proactive firms have an advantage with it ... and probably will be for the next two years. Then, we expect others will catch up.

In a recent Consortium meeting, we invited the relationship partners, LPMs and our relationship team and used design thinking approaches to tackle the challenge of the gap between what is offered in the pitch situation and the actual service delivery. The group was split into five teams and they did a project addressing each of the five pillars of Barclays' program.

How can you tell if law firms are really using legal project management or if they are “faking it”?

Some of the ways we can tell are the use of generic marketing materials or language in pitches. That is contrasted with firms that bring an experienced LPM person to the pitch. Through the Consortium, we now know who really has a LPM team and who doesn't. Some firms will say they have LPM professionals and even give names but then, we don't see any of them involved in the management of our matters. The legal project manager, if really involved, understands the resourcing of the matter, the workstreams and the commercials (i.e., the business metrics) – and the firm is reducing write-offs and becoming more profitable. They are the intersection between the relationship team and effective and efficient service delivery.

If they truly have someone and value LPM, they will have the legal project manager involved in the commercial and efficient management of workstreams. The legal project manager is an integral member of the matter team, seen by the lawyers as a peer and is visible in meetings – as contrasted with the “mute” person in a meeting that the lawyers treat in a mere administrative role. For larger programs of work, the legal project manager is like a “chief of staff” for the lead partner. We want to see the legal project managers treated as high level professionals rather than simply administrative assistants. One panel firm didn't have this role but hired a person just for Barclays' work. In a few firms, the lead partner or associate essentially takes on that role but can't bill for this type of work.

Do you measure the results of legal project management on your matters?

First, since implementing LPM with our outside counsel over the past two years, we have seen an efficiency gain of 25% by being clearer on scope and using the budgeting template. We also



track savings achieved through our budget forecasting and commercial management processes (of which LPM is a key part). We had a target to expand our LPM team that Helga heads and when we evaluated it, we found it was a three-fold savings that adding another internal legal project manager could save Barclays over what we initially projected.

Second, measurement of performance is very important to us at Barclays. LPM fits into a wider piece of our process. We evaluate firms with a feedback tool on every interaction with us including RFPs, training, the actual matters, call, a diversity and inclusion event, etc. Barclays created a capability framework we call “Expectations of Law Firms” with objectives under each capability. These are included in a “scorecard” that is used in ongoing assessments of panel firms with evaluations at the end of each matter and quarterly. The four categories are as follows:

- **Legal Advice** Excellent technical legal advice, quality control, incorporating collective experience across the firm (not just individuals servicing the matter) and bringing a strategic approach to legal matters;
- **Collaboration** Operating as extension of in-house team, working collaboratively with other Barclays outside firms, capturing knowledge across firm to provide value to Barclays;
- **Value for Money** Provide accurate cost estimates and understand the cost drivers and most efficient approaches for matters, offer alternative fee arrangements (AFAs); and,
- **Thought Leadership** Provide advice based on innovation and changes in the industry to enhance quality of work and service to Barclays and help us deliver to our strategy.

This year, two new categories of Innovation & Technology and Diversity & Inclusion will be added. In addition, a new part of the Value for Money category will be Effective Fee Arrangements (EFAs) because not every AFA is a good solution for Barclays. We have lots of data about the cost of services so we usually have a ballpark number for each legal area. Now, we are developing a “cost catalog” for common areas like a witness interview in an investigation or due diligence for a simple M&A transaction. In addition to these six categories for evaluation, we also use quantitative metrics including evaluating them on Pricing and the use of Effective Fee Arrangements

Finally, collaboration is one of our key values and law firms who are collaborating with other panel firms to share technologies or bring us thought leadership are given “brownie points”. LPM is a metric in our value proposition and is included in several of the categories of evaluation related to teamwork and collaboration, thought leadership and value for money. We use a scorecard and rate law firms from A to D and one of the metrics is LPM. LPM is also a key selection criterion for us to award new major instructions.



Currently, our in-house lawyers are evaluated informally on the performance of the outside counsel they select and manage, but this year, we are rolling out a more formal framework for our lawyer relationship managers.

We share a lot of financial data and other metrics and we also provide a lot of qualitative feedback in a bid to encourage transparency. We want the firms to know where they stand in rankings and ratings. We have a scattergram we share with each firm that shows their position relative to other panel firms (though not identifying the other firms). We can tell them where they are, where they fell short and what they need to do to improve. One firm was not performing up to the required standards but met with us and made significant efforts to turn things around by engaging pro-actively.

Overall, our theme is to get the right work to the right firm at the right price – that is what our panel program is striving for. As you might imagine, LPM is critical to achieving this.

Our LPM and Relationship Management teams sit together to provide feedback to firms at least quarterly and sometimes more often. Being open, honest and transparent are critical values to Barclays. Those meetings include the Barclays' relationship management team (us), selected in-house lawyers and the relationship team on the law firm side (hopefully including their legal project manager or similar role). The feedback meetings are part of our governance and control framework and how we are trying to drive change in the legal industry. Failing to do this has a detrimental effect on the law firm / client as issues and pain points can't be addressed and praise not given.

Do you have case studies of LPM at work?

We had two stark contrasts in matters that involved legal project managers. In one that involved one of the bank's largest matters, the outside firm has a dedicated team that knows Barclays' needs well – LPM, finance and billing team and the lawyers. The legal project manager makes sure everyone who onboards knows Barclays' requirements for working on this matter. And from the law firm perspective, they run a profitable and efficient portfolio of work. In another firm, they had a project manager assigned but they were ineffective and unable to manage the lawyers on the team. The lack of management led to a huge overrun on the matter that the law firm had to absorb. If the law firm sees an issue with a deliverable, we want them to hold their hand up promptly and be honest – not avoid these conversations.



What does your day-to-day LPM process look like?

For our larger matters, we developed a project phase lifecycle. It has five phases: scoping (internal), scoping (with law firms or other outside providers), planning, executing and completing. We go over this with our panel firms so they understand the elements of the support provided by the Commercial Management team on our end and the roles of the law firm project manager on their side. Scoping from our perspective is not primarily about driving costs down but rather ensuring value for the dollars spent. Active matter management ensures that scope is reviewed regularly and matter financials remain well managed throughout the life of a matter, thus ensuring profitability for outside counsel and accurate, predictable cost management for Barclays.

How do you encourage thought leadership and collaboration among your panel firms?

We hold “panel days” twice a year where we invite the top 30 panel firms. We discuss different topics ranging from LPM, research on “voice of the client”, alternative legal service providers and more. We have small group discussions, in addition to panels or speakers, where they discuss how to improve these in their individual firms. We actually did a “speed networking” session where the partners from the panel firms had five minutes with each of our senior executives or lawyers to discuss their expertise, their firm or some other aspect of their delivery. Initially some of the panel lawyers were uncomfortable with it but they ended up finding it very valuable. It helped our internal team get to know them better and for some panel firms, it led to follow up meetings with our lawyers or other executives.



Stephanie Hamon is a Managing Director, Head of External Engagement, Legal for Barclays. In conjunction with the Group General Counsel and his leadership team, her role aims to set and deliver the commercial management strategy for Barclays legal function which includes devising and implementing strategies to manage the total cost of legal. The role is also responsible to set vision and clear objectives for the law firm panel and enhance the relationship model, similarly for other players in the legal ecosystem. She has also been driving key initiatives around Legal Project Management, Pricing and Diversity. Prior to joining Barclays, she held leadership roles in the client service and business development functions of several global law firms.



Chris Grant is a Director, Head of Relationship Management in Barclays Legal. He has responsibility for Legal's external relationships with a primary focus on Law Firms and active management of the Barclays Legal Panel. His team works with our external service providers to ensure they are aligned to Barclays Legal's expectations and deliver a consistent service across all interactions with the Bank, particularly from a commercial efficiency perspective.

Chris first joined Barclays Capital in 2005 from Freshfields Bruckhaus Deringer working on the Bank's netting projects, subsequently holding a number of COO positions within Legal.



Helga Butcher is a Vice President, Legal Project Portfolio Lead and heads up Barclays commercial Legal Project Management team. Her focus is on ensuring that the commercial aspects of high risk, complex legal matters are managed effectively through active matter management. Prior to joining Barclays Helga held a senior legal project management role at a large global law firm. She has a background in designing and implementing marketing systems for leading global law firms and professional services firms.



Susan Raridon Lambreth, JD, MBA, is a Principal with LawVision Group and the Founder and Chair of the LPM Institute. She has consulted to the legal profession for over 25 years and specializes in Legal Project Management and Practice Group Leadership and Management. She has trained thousands of lawyers in the use of LPM and has helped many legal organizations implement effective LPM initiatives. She has also written 6 books on these subjects. She may be reached at slambreth@lawvision.com.