



**PROCESS IMPROVEMENT
FOR GENERAL LEGAL
COUNSEL AND LAW FIRMS.
A FOLLOW UP TO THE 26th
ANNUAL GENERAL
COUNSEL CONFERENCE**

**By George Dunn, President
CRE8 Independent Consultants
Conference Sponsor**

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During AGC conference presentations and discussions, an on-going theme stated is that in today's economic and regulatory environment General Counsel and Law Firms need to actively seek new ways to improve process cost, control, efficiency, quality, service, measurement, compliance and governance. This white paper talks about areas of opportunity and 5 key steps to support process improvement.

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It was clear during presentations and discussions at the 26th Annual General Counsel Conference that both GC and Law Firms are actively seeking new ways to improve process cost, control, efficiency, quality, service, measurement, compliance and governance.

However, challenges to achieving process improvement can include: objectivity, process silos, conflict between conventional wisdom and best practices, workload, lack of expertise in process improvement methods, resources and resistance to change.

So what is the best approach to support process improvement? As an independent consultant, with over twenty five years of experience improving processes for organizations ranging in size from 100 to 250,000, including Law Firms and GC, I believe there are 5 key steps.

1. **Previous to starting the project, select a process improvement facilitator.** The facilitator should be independent of the process, skilled in working with cross functional teams, experienced in different process improvement methods, understand best practices within and from other industries, provide objectivity in the evaluation of process and technology changes and provide change management facilitation.
2. **Define process improvement goals and areas.** Goals should be specific, achievable, and identify what is to be accomplished within a precise timeline. Example process improvement areas include, for:
 - **General Counsel** - budget, litigation spending, contracting, regulatory, compliance, data, risk, litigation, arbitration, discovery, work product, fees (alternative and predicable), outside counsel (management, approved list, guidelines, engagement letters, RFP, selection, management, and e-payable); communication (letters, pleadings, responses, and requests), reviews and comments (briefs, position statements, and other court filings), subrogation, insurance, case management, disclosure and records (governance, regulatory compliance, policy, procedure, schedule, retention, and disposition).
 - **Law Firms** - practice areas, finance, human resources, legal personnel, recruitment, professional responsibility, administration, and practice development. Within the above areas examples include: document

production, e-discovery, billing, e-billing, collections, accounts payable, payroll, benefits, on-boarding, off-boarding, changes, recruiting, conflicts, matter set up, records, pitch and proposal, events, holiday gifts, and league tables.

3. **Before starting process mapping, select a process improvement methodology.** Example methodologies include: Continuous Process Improvement (CPI), Business Process Management (BPM), Re-engineering, LEAN and Six Sigma. Example descriptions include the following (note: it is important to match the methodology with the type of problem to be resolved, not to try to fix all process issues with one singular method).

- **Continuous Process Improvement (CPI)** is an ongoing “never ending” effort to improve people, processes, and systems. CPI is focused on incremental improvements over time where processes are constantly evaluated and improved versus a single large improvement event. CPI focuses on everyone working together from senior management to workers to identify how to improve the process instead of placing blame. According to Wikipedia, W. Edwards Deming, a pioneer of the field, saw CPI as part of the 'system' whereby feedback from the process and customer were evaluated against organizational goals.
- **Business process management (BPM)** focuses on innovation and flexibility through examination of procedural change, technology changes and process optimization. BPM steps include:
 - Vision – Strategize,
 - Define – Baseline “step / task level” current process,
 - Model – Identify redesign options using process and technology,
 - Analyze – Select best redesign,
 - Improve – Identify / implement,
 - Control – Dashboard / measure, and
 - Application - Design (changes / new system).

According to Wikipedia, Business process management (BPM) has been referred to as a "holistic management" approach to aligning an organization's business processes with the wants and needs of clients. BPM uses a systematic approach in an attempt to continuously improve business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology.

- **Re-engineering** according to experts Michael Hammer and James Champy, is the "fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed. Re-engineering asks the question “why are we doing this at all” and encourages leaps forward, not

incremental change. Re-engineering assumes the majority of process steps and structure are non-value added and encourages an organization to toss out everything and start over with a brand new picture.

According Wikipedia, Reengineering starts with a high-level assessment of the organization's mission, strategic goals, and customer needs. Basic questions are asked, such as:

- Does our mission need to be redefined?
- Are our strategic goals aligned with our mission?
- Who are our customers?

An organization may find that it is operating on questionable assumptions, particularly in terms of the wants and needs of its customers. Only after the organization rethinks what it should be doing, should it go on to decide how best to do it.

- **LEAN** made popular by Toyota focus primarily on reduction of waste to improve value to the customer. Muda waste is a Japanese term effort that is unproductive. The seven wastes include: transportation, inventory, motion, waiting, over-processing, over-production and defect-rework or rescheduling. LEAN is founded on the belief that waste can be eliminated and asks the question does the process step provide value from the customer perspective?

One important LEAN tool is the development of a value stream map. A value stream focuses on identifying value from customer standpoint (pull production) versus the organizations point of view (push production) and identifies ways to seek perfection. Value is defined by what the customer is willing to pay.

- **SIX SIGMA** is based upon work by Shewhart and Deming (post WWII Japan), further developed by Motorola in 1980's and made popular by Jack Welch at GE in 1995. Six Sigma focus on improving quality of process by identification and removal of the cause of defects and reduction of variability. Six Sigma goals towards 99.99966% of the products manufactured to be statistically free of defects (3.4 defects per million).

Six Sigma follows Demming's Plan-Do-Check-Act Cycle. Or DMAIC ("duh-may-ick") which has the following phases.

- Define problem, voice of customer, and project goals.
- Measure key aspects of current process. Collect data.
- Analyze data to understand and verify cause – effect relationships. Seek out root causes of defect.
- Improve / optimize current process. Set up pilots.
- Control future state. Make sure future state deviations are corrected before they result in defects. Monitor.
- Recognize (optional) at beginning. RMAIC

The process improvement methodology selected should be based upon process improvement goals. For example if:

- a. on-going incremental change is needed consider Continuous Process Improvement,
- b. the process is complicated with numerous process and computer interdependencies examine BPM,
- c. a dramatic level of change is required look at a Re-engineering,
- d. process waste is troubling, evaluate LEAN or
- e. process defects are the issue Six Sigma may be the choice.

As mentioned, it is not uncommon to use one or a mixture of different process improvement methodologies to resolve a problem, sometime a specific method is the answer and other times a combination of tools from different methodologies works best.

4. **To contain process improvement costs and maximize results** during the improvement effort, it is important to focus:
 - a. first on procedural changes to re-align and clean up the process,
 - b. next on increased utilization of owned technologies to better automate the process, and
 - c. then as required, selection/deployment of new technologies to further improve the process.
5. **Ensure results by establishing accountability.** During process improvement for:
 - a. procedural process changes: identify process steps to be eliminated, added, modified or removed, assign a change manger, determine target dates, and completion dates.
 - b. expansion of owned technology, add: develop application design, workflow maps, and acceptance criteria.
 - c. new technology, add: vendor RFP development, vendor assessment, detailed statement of work, project plan, and quality assurance checklist.

For all of the above areas, measure completion and results.

I hope this paper has been of assistance. If you have any questions regarding this paper or how to approach process improvement, for your organization or firm, feel free to reach out to me at dunn@cre8inc.com or (888) 963-6524.

Best George Dunn, President of CRE8 Independent Consultants

ABOUT GEORGE DUNN



Mr. George Dunn, Founder and President of CRE8 Independent Consultants www.cre8inc.com has extensive experience assisting General Legal Counsel, Law Firms, and Courts with process improvement (efficiency, quality, service, governance and regulatory compliance) and technology (paperless and data) planning.

Mr. Dunn is a worldwide recognized consultant, speaker, instructor, and author on business process improvement, paperless technology planning and legacy system replacement planning. Mr Dunn has consulted hundreds of organizations and trained thousands of individuals. He has served in executive and leading roles with CRE8, GTE, Wang Labs, ASA, and KPMG.

In the area of process improvement, George holds expertise/certifications in Continuous Process Management, Total Quality Management, Quality is Free, Business Process Management, Re-engineering, Lean and Six Sigma. He is a former KPMG EDP Auditor and CPA. George has improved processes for organizations 100 to 250,000 in size, rapidly growing to mature and across industry sectors.

In the area of technology planning, George is a subject matter expert in “Paperless System” planning including: scan, capture, e-forms, electronic content management (ECM), workflow, digital signatures, records retention/disposition and in Data System planning. He has successfully designed systems from 25 to 25,000 users and contributed to worldwide workflow standard committees. George is a worldwide speaker for the AIIM, and is a subject matter presenter for DSF and ARMA.

ABOUT CRE8 INDEPENDENT CONSULTANTS

Since 1995, CRE8 has provided independent consultant process improvement, paperless technology planning, and legacy system replacement planning services. As independent consultants, CRE8 does not represent or resell technology. This allows CRE8 to provide an independent voice regarding evaluation of process improvement and technology change options, requirements, return on investment, vendor evaluation and implementation quality assurance review.

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As planning for process improvement must to be tailored to the specific need of each organization, the information provided in this white paper should be treated as an introduction. As such, without a direct consultation of requirements by CRE8 Independent Consultants, CRE8 cannot assume responsibility for the use, implementation or results information provided.

This white paper contains CRE8’s understanding of process improvement methods. As there are many different definitions and books espousing process improvement methods,

PROCESS IMPROVEMENT WHITE PAPER FOR GENERAL COUNSEL AND LAW FIRMS

the reader should conduct research to fully familiarize themselves with the specifics of the methodology and technology.

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CRE8 Independent Consultants

Web: www.cre8inc.com

Email: consulting@cre8inc.com

Phone: (888) 963-6524