

Business & Careers



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‘Traditional’ can be costly

Better project management skills can get you from start to finish much more efficiently

LUIGI BENETTON

Prior to his entrepreneurial ventures, Joe Milstone was involved in collaboration between a law firm and its client, a public company that was going private. The firm’s initial estimate for the legal work was hundreds of thousands of dollars.

The transaction ended up costing millions of dollars. The client forked out four or five times the amount of the original estimate, by Milstone’s reckoning.

Milstone faults the firm. “The traditional law firm approach is to throw as many bodies as they can at the matter,” says the co-founder and owner of Caravel Law and founder of Axiom Canada, adding, “The estimates you give must have some meaning.”

This haphazard traditional approach Milstone describes belies an undeniable fact: lawyers work on a project basis. Another fact: many lawyers have only recently started to view matters as projects that must be managed. “It used to be approached in more of an artsy, bespoke way,” says Dominic Jaar, partner and national leader in information management and e-discovery for KPMG Canada.

Market pressure makes artsy and bespoke approaches to law passé. Lawyers must better understand project management in order to improve the service they provide.

That matters are a type of project becomes obvious when lawyers improve their understanding of projects. What also becomes obvious is that matters are best handled as projects.

In simple terms, a project is a temporary endeavour with a beginning and an end. The desired result can be a product or service.

Many lawyers can improve project planning skills. Consider Rachael Chadwick’s habits, which speak to the benefits of an ounce of prevention. “I might ask questions about something so far down the road that nobody wants to talk about it,” says the senior e-discovery analyst and project manager for information management consultancy Wortzmanns. “We need to address it early so it’s easier to deal with and not

a problem at the end of the project.”

“I’ll spend an hour up front with the project manager outlining where we’re at and what needs to be achieved,” Jaar says, outlining his perspective on the process. “The project manager maps every single task in between. Then we meet for 15 minutes to assign the tasks.”

Jaar hands off management to the project manager while keeping a broad perspective of all projects he oversees, allocating resources optimally based on their abilities, availability, rate and other criteria.

An effective plan helps prevent the budget uncertainty Milstone experienced helping to take a company private. He believes firms can develop project management discipline (and improve their budgeting skills) when clients demand fixed fees.

“If the firm doesn’t work off fixed fees, the culture of project management is difficult to instill,” he says. “It’s always easier to just go back to variable costing, the billable hour, and have the invoice turn out to be what it turns out to be.”

That isn’t the path Milstone advocates. “Once you have a project management culture, it’s often more lucrative,” he says. “You get more marketing and client relationship benefits.”

Jaar acknowledges communications was a “gap” that existed when he worked in a law firm. “Unless the client called me to ask where it stood, I didn’t have a natural inclination to provide status reports on a matter,” he admits.

“About 90 per cent of project management is communications,” Chadwick says. “The ability to talk to every stakeholder in a project — a partner, the client, the IT people, vendors — that’s critical.”

Communications plans cover information sharing between all parties in a project at agreed-upon intervals. Methods can range from the informal to the formal, meetings to phone calls to e-mails.

The specific information to be shared also has to be part of the plan. “Our clients are increasingly demanding updates on fees,” says David Cohen, noting they want to

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Wrapup: Closing out a project is a repeatable process

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compare budget to actual spend as well as progress to both the end result and individual milestones along the way.

"It makes us move quicker in developing the technology to support that," adds the leader of McCarthy Tétrault's client service innovation group. "In other words, no surprises when they receive the bill."

Full and ongoing disclosure like this is better than an after-the-fact approach that can irritate clients. "Clients are often more reasonable than lawyers think they will be," Milstone says. "If lawyers identify deviations up front, clients are more amenable to price changes, change orders, things like that."

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Dominic Jaar
KMPG Canada

"We deliver this message repeatedly to our lawyers," Cohen adds, "and while I can't say that we're never seeing writeoffs due to poor project management, [we have

reduced] the frequency and severity of those writeoffs."

"Keeping track of metrics is something I do on a daily basis when I manage projects," says Chadwick. After the project ends, "I compare the metrics with assumptions I made at the beginning of the project, as well as the original budget and timeline, and look for gaps. Then I use that information for future projects to try to avoid those gaps."

"When I'm asked for an alternative fee arrangement, I have concrete data to refer to, using parametric estimating," she adds

Closing out a project may be the most consistently repeatable part of any project. Post-

mortem meetings with stakeholders, final reports to clients, reviewing invoices and disconnecting users from software are on the typical closeout checklist.

Firms can subtly outsource parts of the closeout to clients. During his pre-KPMG days as a solo consultant, Jaar had clients billed directly for cloud tools used during an engagement. This tactic ensured visibility of this cost, rather than having it bundled into an amorphous set of project fees.

When the engagement was wrapped up, clients no longer wanted to pay for these cloud-based work environments, so they contacted Jaar to shut them down.

ANNOUNCEMENTS

The verdict
is in.

We are delighted to announce **Paul-Erik Veel** has joined our partnership.

Already a seasoned trial and appellate counsel, Paul-Erik has experience in a wide range of areas of practice. He will now continue his practice as our partner.

Paul-Erik is also a regular contributor to professional journals, having published articles on topics from contracts to competition law and constitutional issues.

Beyond the courtroom, Paul-Erik teaches law and economics at the University of Toronto Law School, and is an avid runner, music enthusiast and social media guru.

Please join us in congratulating him, before he dashes off to his next court date.



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