

# Legal project management

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**Abstract—Starting from the fact that the legal project management is in the development phase, the author point to the significance of legal project management, as a relatively new concept. Legal project management adapts proven management techniques to the legal profession to help lawyers achieve their business goals, including increasing client value and protecting profitability. The work essentially determines the project management, and then reviews recent developments in legal project management. The aim of the paper, respecting article size limit, is to present specific features of the project management as well as legal project management.**

**Key words—project management, legal project management, project life cycle.**

## I. INTRODUCTION

Project management is a key driver for improving the efficiency and competitiveness of a company and achieving sustainable competitive advantage. The most successful global companies are adopting project management as a business culture and part of their business strategy. The aim of the paper is to point out the importance of legal project management, as a new tendency in the field of project management. The first part of the paper highlights the importance of project management. The second part of the paper is devoted to project life cycle and benefits realization management. Legal project management is the focus of analysis in the third part of the paper. Following a comprehensive analysis of legal project management, with a focus on project management and the project life cycle, relevant conclusions are presented.

## II. PROJECT MANAGEMENT

The world's most successful companies are increasingly adopting project management as a "way of working", not just as a methodology or toolkit. Projects are essential for organization's growth and survival (Cleland, 1999). The Project Management Institute defines a project as a temporary endeavor undertaken to produce a unique product, service or result (PMI, 2008). The company's business strategy should incorporate the strategic project management that is aligned with the long-term perspective (Shenhar, 2004). Project management is a key driver for improving the efficiency and competitiveness of a company (Eve, 2007). Project Management Institute defines project management as the application of knowledge, skills, tools and techniques in project activities to meet project goals and achieve desired results (PMI, 2004; Patton & White, 2002).

Project management can be defined as managing all project tasks that need to be completed on time and within budget to achieve the required scope and quality. Therefore, the project should have specific starting and ending points (time), budget (cost), clearly defined framework - or scope of work to be done and specific performance requirements to be achieved. These four aspects (time, budget, scope and quality) are a balance quadrant. The balance quadrant shows the interconnectedness of these four aspects and indicates how changing one of these aspects can affect the other aspects (PMI, 2004). In practice, every project decision affects these four aspects: it can make the project more expensive, it can influence the project to last longer, it can influence the project quality and the project scope (Williams, 2008).

Previous research on project management has mainly focused on critical success factors, project management methods and project management tools/techniques. Critical success factors (CSFs) are characteristics, conditions or variables that can have a significant impact on the project success (Milošević&Patanakul, 2005, p. 183). Numerous CSFs have been identified in various studies. Fortune et al. (2011) found that the most commonly cited CSFs are: clear goals, realistic scheduling, senior management support and adequate resources. Project management methods provide guidance and checklists to ensure proper practice monitoring (Jugdev et al., 2013). Gowan and Mathieu (2005) examined 5 general practices including: problem identification, risk assessment, cost

calculations, compliance planning, and testing and verification. Numerous studies have analyzed various project management tools and techniques. According to Jugdev et al. (2013), project management tools and techniques are designed to help practitioners do their jobs and execute processes (Papke-Shields & Boyer-Wright, 2017).

A strong core company's competences in the field of project management are necessary condition for the company to maximize profits and achieve a sustainable competitive advantage. Organizations have been focusing on developing the product lifecycle of their products for years and ensuring that their project managers have the necessary project management knowledge and skills. Companies seek to improve project management competencies through structured training programs. Large companies are investing significant sums of millions of dollars in developing project management systems. The companies that successfully implement project management have a continuous focus on identifying the life cycle of their products and developing their knowledge and competencies (Eve, 2007).

### III. PROJECT LIFE CYCLE

Project management is achieved through the implementation and integration of 42 logically grouped project management processes that can be classified into 5 process groups: initiating, planning, executing, monitoring and controlling and closing (PMI, 2008). Generic project life cycle is quite simple: first you need to formulate a project (Initiating, which involves concept development and problem definition), then you have to implement the project (Planning, Executing and Controlling) and finally you need to evaluate the completed project (Closing). A lot of project managers spend most of their project time working in the phases of Executing and Controlling, performing tasks in the project outline, realizing the project, and verifying that the project has been properly implemented (Williams, 2008).

The project life cycle includes the stages that the project goes through to its final realization. These are the following stages: Concept development, Problem definition, Planning, Execution and Closeout (Fig. 1). The project begins with a concept development phase, which includes marketing research, obtaining the right inputs and researching the competition. After developing the concept, the project manager should identify the problem that needs to be addressed by the project. It is necessary to formulate a business strategy that is in line with the defined project, with a focus on formulating the mission and vision. At this stage, the desired end result is visualized. The project manager analyzes all possible solutions for a defined problem and identifies the best option.

The third phase is planning. At this stage, project manager should answer the questions: what should be done, when, how and who should accomplish the project's tasks. The project manager develops the strategy and implements it. The next phase is execution, which involves putting the plan into action. It is very common for project managers to make a good plan, but there is a lack of adequate implementation. In order to avoid this mistake, it is necessary to continuously monitor the progress of the project and to take corrective action if necessary. The closeout phase involves submitting final reports to confirm that the project has been completed. This phase also involves revising the project and analyzing lessons learned from the realized project (Heagney, 2012).

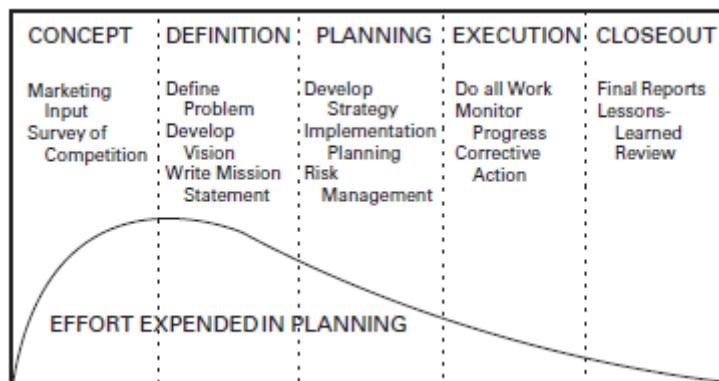


Figure 1. Project life cycle. Adapted from *Fundamentals of project management* by J. Heagney, 2012, American Management Association, USA

Companies that formulate a clear strategy and define objectives before the start of the project are more likely to achieve the desired results. Benefits realization management (BRM) is an approach that allows bridging the gap between strategic management and project management. Benefits realization management provides measurable benefits. According to a survey conducted by the Project Management Institute (PMI), companies that report having mature BRM capabilities in place are 1.6 times more likely to meet project objectives and 3 times more likely to meet or exceed their target ROI on individual projects (Fig. 2). BRM supports the flow of information and effective dialogue between all key stakeholders: C-suite executives, business owners, and project managers. It is necessary to coordinate the activities of C-suite executives who formulate the strategy, business owners who translate the strategy into projects with targeted results and project managers who manage the project implementation in order to realize the set goals. Continuous engagement of these three groups of key stakeholders is a key factor for the successful implementation of the strategy and project and the achievement of the desired results (Langley, 2016).

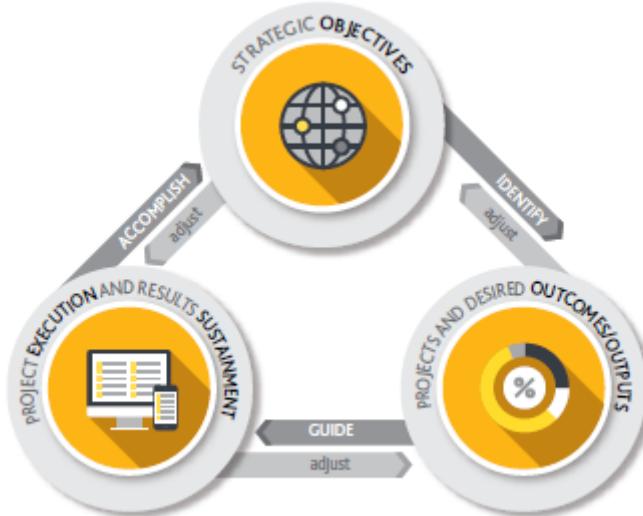


Figure 2. Benefits Realization Management (BRM) by Langley, 2016.

#### IV. LEGAL PROJECT MANAGEMENT

In the last few years, many legal clients have been demanding greater efficiency and more predictable budgets. To meet this need law firms have taken a wide variety of approaches, including legal project management (LPM) coaching, consulting, training, hiring LPM staff, and investing in new software. Some of these initiatives have been quite effective in changing lawyers' behavior, and others have not. (Hasset&Batdorf, 2018, p. 80).

"Legal project management (LPM) can be thought of as fitting between legal processes and legal practice management". In legal project management, the aims are to reduce waste and improve efficiency, and organizing and developing broad programs. When organizations practice LPM with right direction, LPM can provide program management, helping to manage several strategically related projects. According to the Guild, there are four types of programs: strategic programs, operational programs, multi-project programs, and mega projects. For legal industry, it can be multi project programs and operational programs, since the existence of legal project management is to minimize the negative effect on suit case also get the benefits from synergies of multiple projects. For larger law firms, they might start to strategically manage multiple programs when the program management gets mature. It can also be portfolio management. "The objective being to minimize the risk and optimize the return," a portfolio of projects can be used to develop the best outcome of projects via "mix" of projects that generate the preferable returns on assets. An asset is either tangible or intangible, which law firms own and expect to bring future benefits. For a law firm, each lawsuit case is regarded as a project, and when a law firm has more than one case from the same client, we can consider it an operational program. And for law firms which only focus on specialized areas, for example the firms only taking divorce cases, all the cases are relevant, then we can assume it is a portfolio. There are many positions in law firms; all the human resources are viewed as their assets. Furthermore, the reputation, equipment, fixed cost, cash flow, and initial investments are law firms'

portfolio assets. Especially the reputation for law firms and individual lawyers which they work so hard to get is an important intangible asset (Lai, 2019, p. 2).

How does LPM work specifically? For Itkowitz legal project management is a unique, systematic, and stimulating approach to practicing law that stresses heightened attention to the following: 1. Information Gathering. We seek to attain a deep understanding of your business model and your legal matter. 2. Understanding and Defining the Client's Goals. We constantly seek to clarify your goals for the engagement, even as they evolve. We document and circulate those goals in a project charter. 3. The Utilization of an Evolving Project Charter to Guide the Case. Every significant project needs a project charter. And your litigation is a significant project. Your case is of vital importance to you, you are spending a lot of money on it, it is complex, and there are many people involved both on the client side and on the firm side. Therefore, your case deserves a project charter to keep the lawyer-client project team focused on success. At Itkowitz the Project Charter is expressed through a series of "Legal Project Management Letters". 4. Communication with the Client. We communicate with you frequently and preemptively, in a variety of ways, and with absolute clarity. 5. Allocating Resources, Budgeting, and Cost Control. We provide you with realistic cost estimates and discounted and capped fees, if appropriate. 6. Risk Management. We help you to identify, assess, and prioritize risks in your case, and then coordinate resources to minimize and monitor the probability and/or impact of bad events. 7. Critical Thinking. This systematic approach forces one to consider the case methodically and think about it critically (Maratto Itkowitz, 2018, p.6-7).

The commercial drivers behind the rise of LPM have as their origins one ultimate source: the well-known demand by clients of all types for legal service providers to deliver 'more for less'. This demand in turn increases pressure on legal service providers to:

- become ever more responsive to client need
- reduce costs
- improve fee earner productivity
- manage risks better.

Many law firms in the USA, and a rapidly growing number in the UK, are finding that applying LPM principles can help achieve the above.

But where should a law firm start on its LPM journey? The general advice for those contemplating improving their process and project capability is, counter-intuitively perhaps, not to overanalyse: start where need appears most immediate, return on investment most likely and thereafter grow the LPM capability throughout the organisation incrementally. My discussions with law firms in the UK which have started to implement LPM confirm US-based research which shows that, of all the potential benefits of applying LPM, being 'able to work more closely and productively with clients' is the factor most often cited. Commercial clients in particular appreciate a project based approach to legal service delivery and it seems that when they see evidence of this they are much more inclined to work more proactively with their external legal advisers. Some would say that this benefit alone makes LPM a worthwhile endeavour (Smith, A, 2013).

At its most effective, LPM works across the lifecycle of a matter or matters:

- Engagement/Initiation, during which are identified key stakeholders, objectives and expectations; defined scope of work; determined suitable fee arrangements; and established initial budgets;
- Planning, during which are outlined tasks and timelines; assigned resources; and agreed on a communication and changed management plan;
- Execution, during which are actively managed the matter(s); monitored activities and expenses; addressed scope and budget changes; and regularly communicated project status;
- Evaluation/Closing, during which are conducted project analyses, internal and external feedback sessions; and documented lessons learned (Legal Project Management, 2015).

For a law firm, it's getting complex the industry, customers want more service, and they often expect law firms to offer one-stop service. To reach the level of expectation of customers, law firms must seek for a more efficient, structured way to offer service. With the relevant analysis, we can see the advantages for law firms to embrace legal project management. LPM increases client satisfaction and firm profitability by applying proven techniques to improve the management of legal matters.

#### V. CONCLUSION

Although we do believe that firms wishing to implement LPM fully would do well in the short term to leverage their existing software, it is also becoming apparent that legal IT vendors are positioning more of their products to assist with LPM activity. Not all products are accompanied by the overt LPM marketing which accompanies Engage, but references to legal software systems helping with ‘resource allocation’, ‘budgeting’ and ‘matter planning’ are becoming much more common. All of these are tasks which typically form part of a successful LPM approach to legal service delivery. Legal IT vendors appreciate that LPM is becoming much more widespread – because law firm clients are demanding the results which flow from it. Legal project management provides a structured approach to planning, pricing and managing legal work that will bring a law firm’s service delivery model in line with the changing expectations of its clients. It is a framework that allows lawyers to provide more reliable fee estimates, better matter management and improved matter profitability. In a highly-competitive, fixed-fee environment that is becoming the ‘new normal’, legal project management can be a law firm’s lifeline.

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