

MANAGING CHANGE IN A LAW FIRM

Our prior articles, *Operation Audits for Law Firms* and *Methods Improvement for Law Firms* presented some tools that can be used to identify operational problems and formulate solutions. Implementing those solutions can be quite challenging, especially if it requires significant changes in the work routines of multiple people, which is usually the case. This article addresses the tactics used to create positive change and attain the benefits of methods improvement efforts.

There are four basic principles for successful change management: 1) Involve those who will be affected by the change in creating the improvement plan; 2) Communicate the plan and the benefits to be gained; 3) Monitor performance to assure that the plan is being followed and is producing the desired results; and 4) Act upon any discrepancies. The following example will demonstrate these four principles.

An Operations Audit performed at a medium size law firm revealed that the Accounting Department had to revise 30% of the invoices created by the billing system. This caused delays in the billing process, wasted paper, and resulted in excessive overtime. Data was gathered, and analysis revealed that the most significant root cause of billing errors was a failure to communicate to the billing staff special fee arrangements that attorneys had made with certain clients.

A focus group consisting of attorneys, billing clerks, administrative assistants, and information technology staff was formed to develop a plan to change the process used in opening files. Under the new plan, an engagement letter document number would be required

when a new file was opened on the billing system. In addition, all new files opened on the system would be checked by a billing clerk to assure that the billing rates assigned to the matter were in agreement with those stated in the engagement letter.

The focus group facilitator revised the matter intake policy and created a flow chart which were then used clearly communicate the change to everyone in the firm. The new process was explained in small group meetings that were led by firm leaders. The change was presented in a way that helped everyone recognize the confusion, extra cost and delays in that were being addressed and understand the benefits to be gained from adopting a new process.

During the weeks following the implementation of the new procedures, each file was checked by a billing clerk. If the engagement letter document number was not included, the billing clerk was instructed to send the file back for correction by the responsible administrative assistant. Firm leaders supported the change by meeting with those who chronically violated the new policy.

The number of defective invoices were checked again after the new process had been in use for several weeks. Although progress had been made and the number of billing revisions had been reduced, some problems still plagued the billing process. The focus group reconvened to conduct more analysis and devise additional corrective actions. Each time a change was made the very same improvement cycle (plan, do, check, act) was employed until the group was satisfied with the efficiency of the new procedures.

This example is somewhat simplified for demonstration purposes. Many complications and variations will need to be addressed in real time situations. Most change management is marred by unforeseen obstacles. For example, focus group members are not always in

agreement on how to make changes and, even when they resolve their differences, other staff may disagree and resist change. Consequently, the methods improvement process does not always happen in an orderly fashion. However, structured analysis and persistence to resolve issues will eventually create a culture of continuous improvement, keep employees engaged and help your firm remain competitive.