

Value Practice: Use of Tailored Six Sigma Methodologies at Seyfarth Shaw

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Seyfarth Shaw is full service law firm serving clients all over the globe through offices in nine U.S. cities and Brussels.

This ACC Value Practice piece focuses on Seyfarth's efforts to apply a tailored version of Six Sigma practices to reengineer legal projects so they deliver better results while utilizing resources more efficiently.

Managing Costs and Improving Budget Predictability Through More Efficient Processes and a Shared Value Proposition

Background Summary. Seyfarth's leaders recognized several years ago that to meet client needs, deliver increased value, and expand its business, the firm needed to develop methods for achieving favorable legal outcomes while aligning costs to value and providing clients with improved budget predictability.

After considering many options, the firm elected to undertake a trial effort with Six Sigma by having 30 senior lawyers go through an initial training program. The "off-the-shelf" version of Six Sigma created cultural and logistical problems in the law firm setting. The solution developed by Seyfarth was to work with Six Sigma experts to create a tailored "lean" version.

Since then, across major practice areas, the firm has fully embraced its version of Six Sigma with extraordinarily good results:

- Project cycle times and costs are down
- Results achieved and client satisfaction are up
- Enthusiasm of both internal and client lawyers using the methodology is up and climbing
- Value and costs are aligned – clients pay only for the talent they need, the appropriate level of resource is handling the work, and inefficiencies are removed from the process which reduces the total number of hours required
- Underlying costs of performing the work are understood and transparent
- Clients are assigning a greater number of larger matters which is generating increased revenue overall for the firm

The major investment made in widely adopting this approach to reengineer their practices has paid off through increased engagements from current clients and through new clients coming to the firm specifically because of the dramatic benefits and results. This approach is a different way of thinking about and delivering legal services to bring consistent quality while providing budget predictability and

value. It is, the firm believes, a new relationship paradigm built upon a shared definition of success, benchmarks, and tangible quantitative and qualitative results. Law departments in many companies have invited Seyfarth partners to make presentations at departmental management meetings as to how the departments can benefit from a similar version of Six Sigma and from Seyfarth's services. In effect, Seyfarth partners have become consultants to law departments to help them utilize practical Six Sigma tools to reengineer major portions of their internal case load.

Seyfarth's "Lean" Six Sigma. Improved collaboration, communication and efficiency are key objectives in adopting the process-driven methodologies that comprise this approach¹.

- **Process Mapping approach:** Teams of lawyers, sometimes including both Seyfarth lawyers and client lawyers, meet to *create a "process map", perhaps literally on a huge piece of drafting paper, that depicts all the steps involved in completing a legal assignment.* Discussion among team members about the steps in the process and how they are implemented, leads to insights about how to eliminate or modify steps to save time and money. *Any activity that does not add value is eliminated.*
- **Pilot Implementation & Review:** Using the process map with streamlined steps, the team implements the new process and subsequently reviews the pilot implementation to resolve problems and potentially eliminate or modify the steps further. "Why do we do it this way?" is asked frequently by group members to stimulate the identification of improvements.

Note: During process mapping sessions, decisions can be made as to where special care and effort needs to be made because of inherent sensitivities or the need for special caution. In some projects, more time and effort than may have been previously given to certain steps in the old process may be assigned in the new process because experience shows that rushing through these steps is counterproductive.

Benefits: Using this and other related methodologies, Seyfarth and its clients have gained unique clarity about how projects will be managed, how value and success are defined, and the specific results to be achieved:

- **Budget Predictability; Greater Confidence in Offering Fixed and Alternative Fee Proposals:** Use of these techniques enables the firm to be very specific and accurate in predicting what the costs will be for projects, leading to greater confidence on the part of the firm in *offering fixed and other alternative fee proposals* to help clients gain budget predictability.
- **Specificity in Defining Work Processes Leads to Greater Economies:** The firm has been very successful in responding to RFPs because these methodologies have enabled the firm to be very specific in designing work processes that both meet the clients' objectives and align costs to value delivered. In situations where the firm participates in a financial negotiation with a client or prospective client, the firm can focus attention on each step of the project to identify ways through collaboration to reduce the time required to complete the step. This ultimately leads to greater economies and leverages value for the client.

Current Snapshot. Among the 750 lawyers at Seyfarth, more than 200 lawyers have been directly involved in Six Sigma projects.

- More than 75 members of the staff – including some secretaries, paralegals, IT staff in addition to lawyers -- have attained the Green Belt certification, which requires completion of an intensive four month training program, and the successful completion of two Six Sigma projects.
- More than 75 projects have been completed in the firm to improve its efficiency and client services delivery, of which more than 50 projects are client facing.
- Total fees on certain legal projects reengineered through Six Sigma have been reduced from 13% up to 50%.
- The firm is able to use process mapping and other Six Sigma approaches to identify and understand the underlying costs of providing the work. This allows productive two-way conversations between the firm and clients on how to achieve the best results, align costs to value, and provides a transparent pricing package. This enables clients to understand quickly what steps are involved in meeting their objectives.

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ⁱ Seyfarth Shaw offers an 8-page booklet summarizing the “tools you can use”. Ask for “Seyfarth Shaw: Six Sigma Solutions”.