



THE NEW LEGAL SERVICE DELIVERY MODEL: *THE LEGAL SERVICE TEAM*



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Law firm clients are demanding efficient work process and predictable legal fees in the delivery of legal services. Clients want to budget for legal services prior to engagement. How can law firms improve current legal services to deliver the new model of legal services demanded by clients?

Law firms have implemented many strategies to streamline the process and delivery of legal services including:

- practice specific technology
- work process systems
- document automation
- alternative fees and value-based billing

but law firms have not committed to systematically change the way legal services are processed and delivered. Law firm leaders surveyed feel that commoditized legal work is a permanent change. Some law firms have identified strategies for delivering commodity work, but are stopping short of using the same strategies in delivering all legal services.

Law firms are facing two new competitors in the industry. Corporate clients are now keeping routine legal work in-house by investing in paraprofessionals and technology. Alternative Legal Service Providers ("ALSP") are also taking work away from law firms. This is impacting the law firm bottom line.

IN THE MEDIA

FORBES: Jan 2 2018

Differentiation in the New Legal Marketplace and Why It Matters

<https://www.forbes.com/sites/markcohen1/2018/01/02/differentiation-in-the-new-legal-marketplace-and-why-it-matters/#7548075e38ef>

THE NEW YORK TIMES: Aug 3 2017
Microsoft shifts from Paying Outside Lawyers by the Hour

Microsoft is aiming to move 90% of legal work to alternative fee arrangements within 2 years

<https://www.nytimes.com/2017/08/03/business/dealbook/paying-lawyers-by-hour-microsoft.html?mwrsm=Email>

Continue reading to learn how your organization can build and effectively utilize its **Legal Service Teams**.

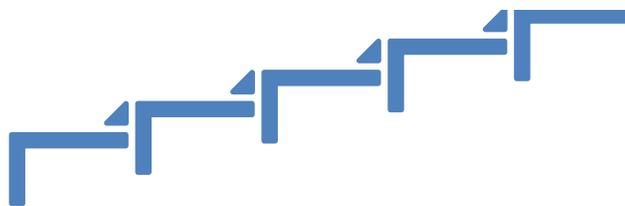
It may be necessary to create Legal Service Teams for each practice group and where applicable, multiple Legal Service Teams where there are specialized services within a practice group.

Lawyers repeatedly use the argument that legal work is customized for each client and each case or transaction and cannot be commoditized. This is partly true, but in each case or transaction there are a multitude of repetitive documents and processes where unnecessary work can be eliminated, steps can be added, combined or rearranged where necessary.

Is your organization in the best position to compete? What is missing? The **LEGAL SERVICE TEAM** is the vehicle that law firms are missing to remain competitive and retain client work.

Over the last decade, law firms have increased their investment in technology, are collecting data on pricing, and talking to their clients about value-based billing and alternative fee solutions. To date law firms have failed to efficiently and effectively bundle technology, resources, artificial intelligence and legal knowledge to create the right vehicle for delivery of high quality legal services at predictable costs to their clients. So how do law firms build **Legal Service Teams**?

12 STEPS IN CREATING THE LEGAL SERVICE TEAM



1. **Review and evaluate talent.** In order to create a team, you must **FIRST** determine whether you have the right skill, expertise and capacity to build the team. Your talent must be assessed and any deficiencies or training resolved **BEFORE** building the team. Conduct a review of associates, paraprofessionals, internal teams (searches, e-discovery, process servers, data rooms, legal project managers, Litigation Support, practice specific technology support) and ALSP.
2. **Identify the type of legal work for the Legal Service Team.** Consider the type of legal work performed in each practice group. This will allow you to start defining a new legal service delivery model.
3. **Create work process maps.** Identify the steps, documents and processes required for the legal work, i.e. gather process facts (what, who, where, when) from the people who do the work. Include work performed by lawyers, paraprofessionals, internal teams, and ALSP.
4. **Identify technology.** Law firms have invested heavily in technology but routinely, the technology isn't maximized in performing legal work. Get lawyers excited about using technology as part of the legal service. Analyse and identify the technology and IT resources necessary to process the work. Law firms generally do not assign IT resources to specific technology. This is an important part of building the legal services team. Law firms partnering with ALSP may present a solution to the technological challenges to come.

Automate all documents identified in Step 3. *It is understood that legal work is customized, but customization should not prevent it from being automated. Don't forget about the multitude of documents that the paraprofessionals routinely create. These documents are less complicated and can be easily automated.*

Law firms report a significant improvement in profitability when incorporating pricing in all planning efforts and more than 50% feel that alternative fee arrangements are as profitable or more profitable than hourly rate fees.

*When law firms utilize **ALSPs**, it has a team of resources at its disposal for large volume or time sensitive legal services. This is a "win, win" for the law firm and the client. With clients examining legal fees very closely, the "old" service delivery model is no longer tolerable.*

5. **Automate documents.** There are two things standing in the way of document automation success. One, is the lawyers, who have difficulty agreeing on precedent documents; and two, the lawyers and paraprofessionals do not utilize the law firm precedent documents available to them, but modify documents from another case or transaction which creates risk in the validity of the document.

6. **Assign value to legal work.** In most instances, lawyers either start the legal work before considering the cost of the legal services or set a fee for the legal work without analysing the time, process and resources required for the full service delivery which in both cases results in writing off or discounting legal fees. Taking the time to build AFA's and value-based pricing (by fixing the cost of the work on data collected for similar work or the value of the legal work) will enable the law firm to deliver predictable legal fees to its clients and to ensure profitability in delivering those legal services.

7. **Project Management.** One of the biggest demands in-house chief legal officers are making on law firms is incorporating project management in delivering legal services to increase efficiency and lower legal fees. Not all work requires a project manager or project management tools, however, by implementing the basic project management principles in building your team and work process, you will increase efficiency and profitability.

8. **Create guidelines and policies.** Every process works best if there are guidelines and policies. For example: timelines, resources, tools, follow-up, reporting, etc. Guidelines and policies provide continuity and accuracy in the delivery of legal services.

9. **ALSP.** Ensure that you include ALSP where applicable and show the client the efficiency and savings of using the law firm's ALSP rather than clients keeping the work in-house and establishing a separate ALSP relationship. **Example:** When working with one of my law firm clients, I noticed that there was a client charge of \$210 for filing a document with the Court office. The charge was high because there were no other documents to file at the same time. In comparison, the cost for ALSP to do the filing was approximately \$30.

10. **Test.** Encourage the lawyers and paraprofessionals to test the process and delivery of the legal work against the value assigned. Analyze the results and adjust where necessary. Fifty percent of law firm leaders report that firms are engaged in creating special projects to test innovative ideas or methods.

11. **Build Legal Service Teams.** Now that you have reviewed the steps above, consider how your organization can build **Legal Service Teams** utilizing technology, systems, talent and expertise in your firm.

12. **Manage.** Ensure the continued effectiveness of your **Legal Service Teams** by managing your teams and routinely reviewing and monitoring processes, talent and pricing

The biggest obstacles law firms must overcome in this new model are:

- **Buy-In** of the lawyers that legal work can be standardized and valued
- **Time commitment** of in building processes and precedents
- **Firm resources** to maximize technology and document automation

It is time for law firms to overcome these obstacles and change the delivery model of their legal services.

Building **Legal Service Teams**, will give innovative law firms new potential avenues for growth by providing efficiencies that the market craves and cost reductions that it demands while remaining profitable and competitive.

Ensure your law firm remains competitive and retains clients by establishing your **Legal Service Teams** in 2018!

*To learn more about building your organization's **Legal Service Teams**, please give me a call or send me an email to schedule an appointment. I look forward to hearing from you.*

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