Anatomy of a Legal WorkOut™ Using PI and PM for the Win-Win

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Aon Global Law

Today's lawyers with significant corporate clients must speak the language of their clients.

In the current legal environment, the language that resonates with in-house counsel is project management and process improvement.

Thomas L. Sager
Former DuPont General Counsel
Partner at Ballard Spahr
The Fire-Fighting Doom Loop

- Requirements increase
- Processes are not capable of performing to the levels currently required
- Issues, errors, delays, dissatisfaction, complaints ensue
- Nobody has time to improve processes or innovate
- Attorneys and staff are required to spend time investigating, problem-solving, fixing, and pacifying

You can’t fix the engine of the car while you’re driving it.

YOU HAVE TO PULL OVER.
PI & PM – A Powerful Combination

Process Improvement

- Helps us determine the best way to carry out a certain kind of work to achieve
  - Efficiency
  - Excellent quality of work and service
  - High probability of successful outcomes
  - Predictability

Project Management

- A role and set of skills that ensures that for a particular engagement, we
  - Use our “best process” appropriately
  - Actively manage schedules, staff, and deliverables throughout this matter

*PM skills are used for managing PI projects*

Lean

*Do the right things*

- Simpler, faster processes
- Focus on resource efficiency

Six Sigma

*Do things right*

- Understand process capability and align with requirements
- Reduce and control variation
Six Sigma Example: NOVUS Law

“Six Sigma is what we use to eliminate defects as we measure and analyze our work processes. Typically, undocumented processes will yield 20,000—60,000 defects per million opportunities. Six Sigma is designed to get that down to fewer than 4/million.

On our most recent document review we performed at Five Sigma, or approximately 200 defects per million. By the way, that's about 200 times better than the average in the legal industry today.”
Lean
*Do the right things*

Six Sigma
*Do things right*

Project Management
*The first time, every time*

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It's all connected: Working on one affects all

- Process Improvement
- Pricing & Profitability
- Performance Management
- Practice Management & Innovation
- Project Management
- People
- Performance Metrics
The Legal WorkOut® = Collaborative, Accelerated PI

▪ Cross-functional, cross-organizational, diverse teams of people
▪ Converts ideas into results in 30 to 90 days AND provides a framework for longer-term improvement work
▪ Unleashes know-how and creativity of those closest to the action

Where to Use the Legal WorkOut®

▪ Where ideas / experience contribute to immediate change(s)
▪ Non-technical problems and ‘low hanging fruit’
▪ Process focused group activities are a way for those with knowledge of specific aspects of a process to:
  – Map how the process works as a whole
  – Share ideas
  – Break down barriers that may exist between groups
The WorkOut Framework for Immediate & Longer Term Improvements

- Prepare
- Work Out
- Fixes / Metrics
- Report Out
- 2016 Work Plan
- 2017

Aon’s Legal WorkOut®

Worked with preferred law firms to map the current and future state processes and identify improvements

Processes selected
- Billing
- Litigation
- Subpeona
Process Mapping - Billing

- Originally expected 8-12 steps
- Discovered 57 possible steps in the process
- 7 primary roles
- 14 possible handoffs between roles in the process
Initial Results

- **Aon**
  - Decreased the total dollar amount of rejected invoices by 41%
  - Improved legal outcomes: decreased the average subpoena cycle time by 44%, from 175 days in 2014 to 98 days in 2015

- **A-Ha Moments**

Aon’s Strategic Improvement Project

- To gain alignment and buy-in, legal department and law firm staff attend Legal Lean Sigma Institute workshops together
- Partnership with procurement department for RFP process on trademark and other legal matters
- Areas of focus: faster completion time, lower cost, and fewer errors.
## Process Improvement Project

### Billing & Invoicing

### September 9, 2016

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<tbody>
<tr>
<td>Number of invoices rejected (all reasons)</td>
<td>84 rejections</td>
<td>41 rejections</td>
<td>59.1 rejections</td>
<td>29.6% reduction</td>
<td>25% reduction</td>
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<tr>
<td>Average number of days for Aon attorneys to review invoices (Approver 1 and Approver 2 only)</td>
<td>43.2 days (combined)</td>
<td>22.2 days (combined)</td>
<td>22.2 days (assuming average remains constant)</td>
<td>48.4% reduction</td>
<td>20% reduction</td>
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### October 5, 2016

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<td>Number of invoices rejected (all reasons)</td>
<td>84 rejections</td>
<td>43 rejections</td>
<td>56.25 rejections</td>
<td>33.0% reduction</td>
<td>25% reduction</td>
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<tr>
<td>Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)</td>
<td>43.2 days (combined)</td>
<td>22.4 days (combined)</td>
<td>22.4 days (assuming average remains constant)</td>
<td>48.0% reduction</td>
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### November 10, 2016

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<td>Number of invoices rejected (all reasons)</td>
<td>84 rejections</td>
<td>46 rejections</td>
<td>53.3 rejections</td>
<td>36.6% reduction</td>
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<tr>
<td>Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)</td>
<td>43.2 days (combined)</td>
<td>21.9 days (combined)</td>
<td>21.9 days (assuming average remains constant)</td>
<td>49.1% reduction</td>
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### December 8, 2016

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### 2016 Metrics Summary

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<tr>
<td>Number of invoices rejected (timekeeper setup)</td>
<td>14.5 rejections</td>
<td>4 rejections</td>
<td><strong>72.4% reduction</strong></td>
<td>50% reduction</td>
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<td>Number of line items rejected (wrong matter identification)</td>
<td>291 rejections</td>
<td>92 rejections</td>
<td><strong>68.4% reduction</strong></td>
<td>2016: 25% reduction 2017: 40-50% reduction</td>
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<td>Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)</td>
<td>43.2 days (combined)</td>
<td>26.5 days (combined)</td>
<td><strong>38.7% reduction</strong></td>
<td>20% reduction</td>
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Number of Invoices Rejected – Aggregate (All Reasons)

- 2014: 87
- 2015: 81
- 2016: 48

Goal: 63 (25% reduction)

Baseline: 84

43% reduction

Average Aon Review Period (approvers 1 and 2 only)

- Baseline (2014-2015): 43 days
- 2016: 27 days

Goal: 35 (20% reduction)

39% reduction
# Process Improvement Project

## Billing & Invoicing

### Metrics Update – April 2017

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<td>48 rejections</td>
<td>8 rejections</td>
<td>28.1 rejections</td>
<td>41.5% reduction</td>
<td>25% reduction (Y-o-Y)</td>
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<td>18.0 days (combined)</td>
<td>18.0 days (combined)</td>
<td>32.1% reduction</td>
<td>20% reduction (Y-o-Y)</td>
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Updated: April 14, 2017
### Updated: May 6, 2017

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What was the biggest challenge?

![Image](https://example.com/impossible.png)
What is your proudest moment?

What now?

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Benefits of a Legal WorkOut®

▪ Provides a structure for collaboration
▪ Captures ideas for immediate improvements
▪ Enhances relationships, improves communication, and builds trust
▪ Strengthens teams
▪ Sets the stage for near and longer term improvements
▪ Empowers employees

Contact

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