



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

Catherine Alman MacDonagh, JD
CEO, Founder
Legal Lean Sigma Institute
Catherine@LegalLeanSigma.com

Audrey Rubin, JD
Vice President, C.O.O.
Aon Global Law

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

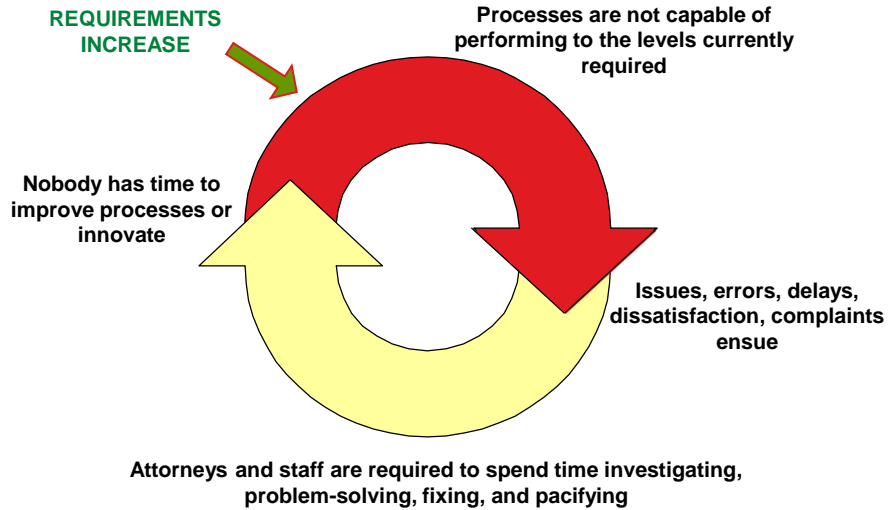
In the current legal environment, **the language that resonates with in-house counsel is project management and process improvement.**



Thomas L. Sager
Former DuPont General Counsel
Partner at Ballard Spahr

2

The Fire-Fighting Doom Loop



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

3

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

YOU HAVE TO PULL OVER.



4

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

©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

5

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



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

Six Sigma Example: NOVUS Law

NOVUSLAW
The Measure of Certainty

Document review, management and analysis for lawyers
Measurably more accurate, faster and less expensive

ABOUT
SERVICES
PROCESS
How we deliver measurably better results.
VALUES
KNOWLEDGE
CONTACT

The Novus Process™

How we deliver measurably better results.

Measurable certainty doesn't just happen. It requires significant thought, planning, preparation and execution. It requires the Novus Process™.

At the heart of every Novus Law engagement is the Novus Process™ – a proven solution for measurably more accurate, faster and far less expensive document review, management and analysis – an idea whose time has come!

Built using globally recognized **Lean Six Sigma** principles for process management and quality control, the Novus Process™, when compared to "industry-standard" processes, has proven to be:

- 88% more accurate, regularly achieving accuracy rates of 88% and above, using scientifically-based and statistically valid independent audits
- 52% faster, based on the actual amount of time required to complete engagements
- 78% less expensive, based on amounts clients typically pay for "industry-standard" alternatives

These outstanding results have not gone unnoticed. In 2008, the Novus Process™ received the highly coveted global Innovation Award from College of Law Practice Management and Novus Law was inducted into the College's Hall of Fame. This is the first time in the history of the College that either distinction has been awarded to a non-law firm.

The Novus Process™ is a powerful combination of three inter-related components that work together to give you a measurably more accurate work product faster and less expensively than ever before:

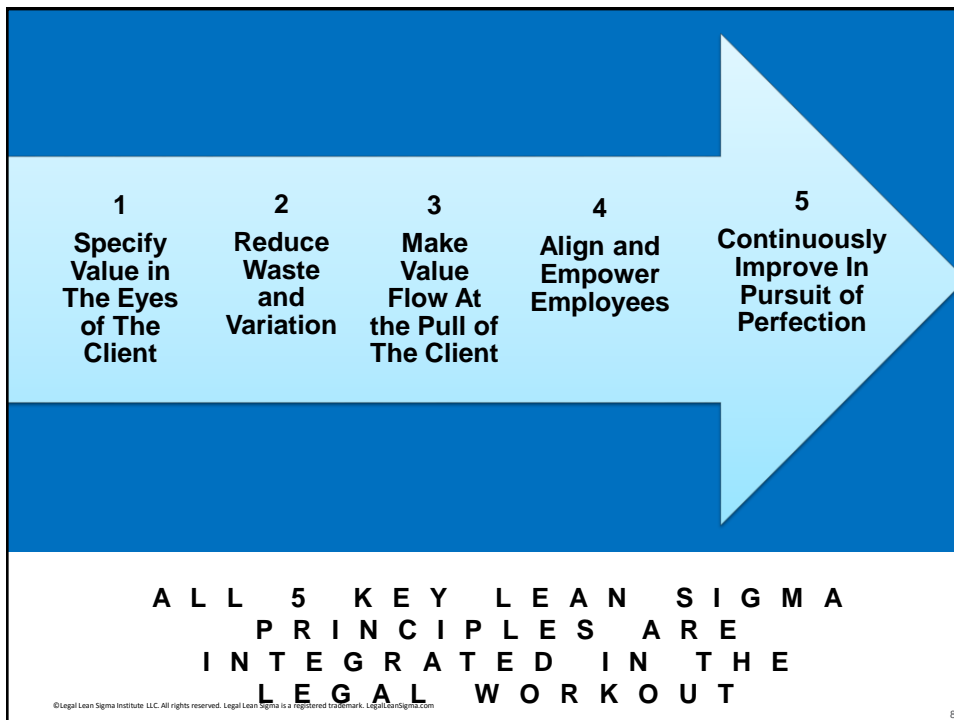
- **Novus One-Touch™** – a superior process management methodology
- **Novus QM™** – a comprehensive quality management and control program
- **Novus CM™** – a leading-edge knowledge management and collaboration application

When used in combination, Novus One-Touch™, Novus QM™ and Novus CM™ will measurably improve the quality, significantly accelerate the time to completion,

- “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.”

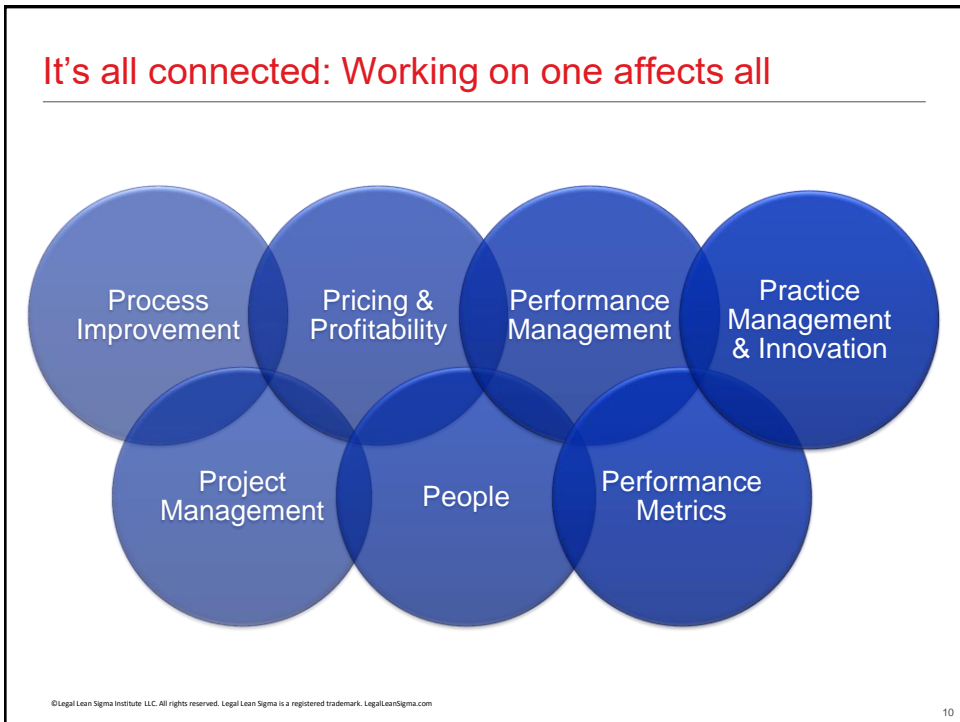
©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

7



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

8



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

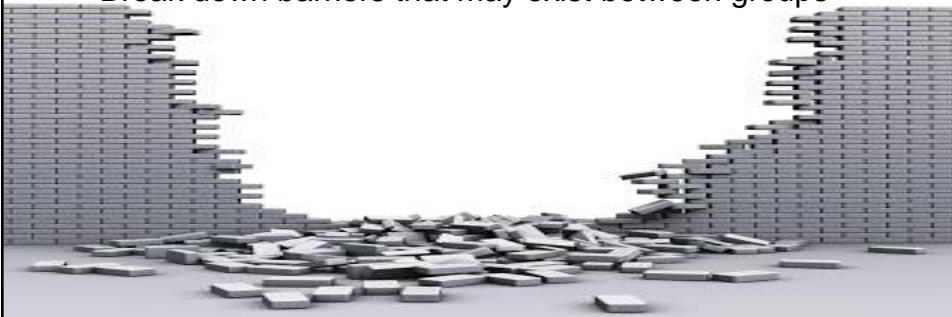


©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

11

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



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

13

Aon's Legal WorkOut®

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

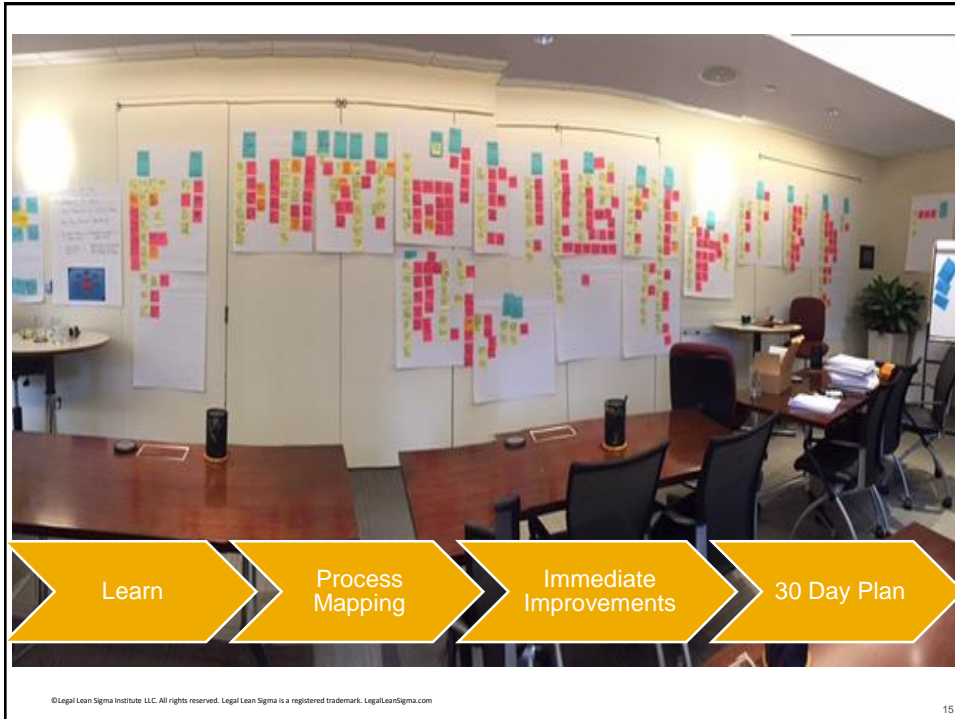
Processes selected

- Billing
- Litigation
- Subpeona

©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

14

14



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



16

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


©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

17

Aon's Strategic Improvement Project

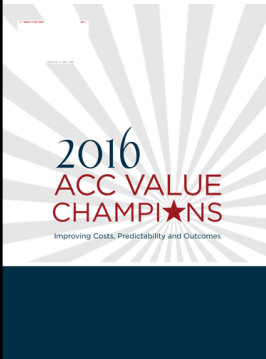


AON PLC
CORPORATE COST-
CONSCIOUSNESS
INSPIRES VARIED
PEOPLE AND PLACES
FOR LEGAL WORK



BUILDING
FOUNDATIONS
DELIVER
RESULTS

Left to right: Richard Perry, Crystal Basso, Anne Allen, Michel Kado, Cindy Daffern, Audrey Rubin, Tracy Stevens, Ann Grant, Kristine Scott, Kathleen Swadlow, Peter Lee, Alison Woodruff, Sarah Starbuck, Carl Kasten, Amanda McCarthy, Darin Singh, Katherine, Catherine Swadlow, Susan Zuber, Maria Kasper, Stephanie Korman, Eric Bennett



2016
ACC VALUE
CHAMPIONS
Improving Costs, Predictability and Outcomes

- 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.

18

Process Improvement Project

Billing & Invoicing



September 9, 2016

Metric Summary	Baseline Averages (2014-2015)	2016 Totals (as of date above)	2016 Projections	2016 Performance Estimates (based on 2016 projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	41 rejections	59.1 rejections	29.6% reduction	25% reduction
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	22.2 days (combined)	22.2 days (assuming average remains constant)	48.4% reduction	20% reduction

October 5, 2016

Metric Summary	Baseline Averages (2014-2015)	2016 Totals (as of date above)	2016 Projections	2016 Performance Estimates (based on 2016 projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	43 rejections	56.25 rejections	33.0% reduction	25% reduction
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	22.4 days (combined)	22.4 days (assuming average remains constant)	48.0% reduction	20% reduction

21

November 10, 2016

Metric Summary	Baseline Averages (2014-2015)	2016 Totals (as of date above)	2016 Projections	2016 Performance Estimates (based on 2016 projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	46 rejections	53.3 rejections	36.6% reduction	25% reduction
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	21.9 days (combined)	21.9 days (assuming average remains constant)	49.1% reduction	20% reduction

22

December 8, 2016

Metric Summary	Baseline Averages (2014-2015)	2016 Totals (as of date above)	2016 Projections	2016 Performance Estimates (based on 2016 projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	46 rejections	51.2 rejections	39.0% reduction	25% reduction
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	21.9 days (combined)	22.5 days (assuming average remains constant)	47.6% reduction	20% reduction

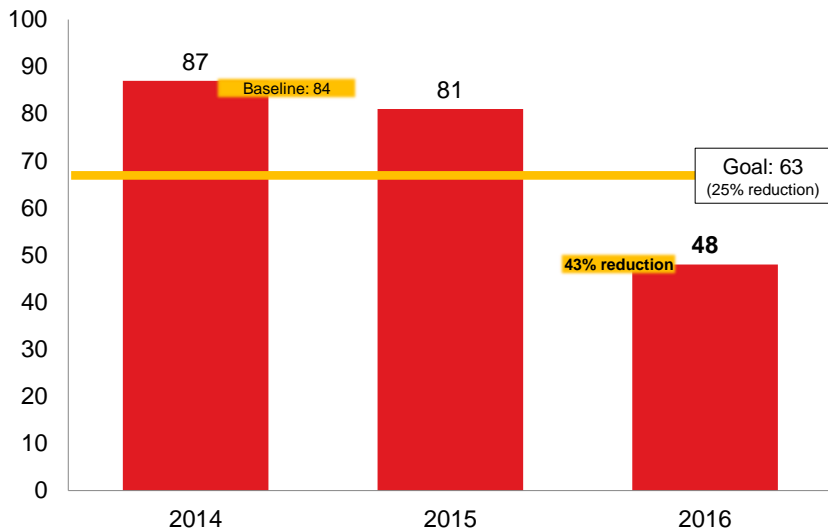
23

2016 Metrics Summary

Metric Summary	Baseline Averages (2014-2015)	2016 Totals (Dec. 31, 2016)	2016 Performance Estimates (based on 2016 projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	48 rejections	42.9% reduction	25% reduction
Number of invoices rejected (timekeeper setup)	14.5 rejections	4 rejections	72.4% reduction	50% reduction
Number of line items rejected (wrong matter identification)	291 rejections	92 rejections	68.4% reduction	2016: 25% reduction 2017: 40-50% reduction
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	26.5 days (combined)	38.7% reduction	20% reduction

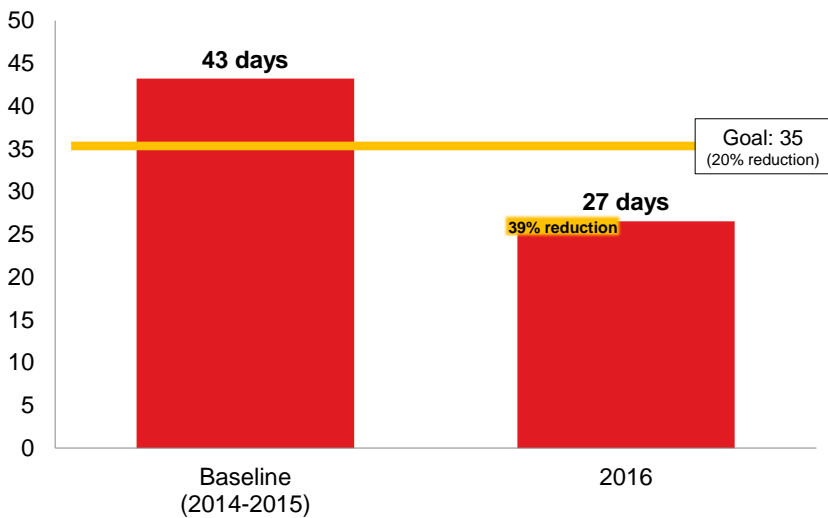
24

Number of Invoices Rejected – Aggregate (All Reasons)



25

Average Aon Review Period (approvers 1 and 2 only)



26



Process Improvement Project

Billing & Invoicing

Metrics Update – April 2017

Updated: April 14, 2017

Metric Summary	Baseline Averages (2014-2015)	2016 Total (actual results)	2017 Totals (as of date above)	2017 Projections	2017 Performance Estimates (projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	48 rejections	8 rejections	28.1 rejections	41.5% reduction	25% reduction (Y-o-Y)
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	26.5 (combined)	18.0 (combined)	18.0 (combined)	32.1% reduction	20% reduction (Y-o-Y)

28

Updated: May 6, 2017

Metric Summary	Baseline Averages (2014-2015)	2016 Total (actual results)	2017 Totals (as of date above)	2017 Projections	2017 Performance Estimates (projections)	Goals Established
Number of invoices rejected (all reasons)	84 rejections	48 rejections	8 rejections	23.2 rejections	51.7% reduction	25% reduction (Y-o-Y)
Average number of days for Aon attorneys to review invoices (approver 1 and approver 2 only)	43.2 days (combined)	26.5 (combined)	18.3 (combined)	18.3 (combined)	30.9% reduction	20% reduction (Y-o-Y)

29

What was the biggest challenge?



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

30

What is your proudest moment?



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

31

What now?



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

32

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



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

Contact

Catherine Alman MacDonagh, JD
CEO and Founder
Legal Lean Sigma Institute
Catherine@LegalLeanSigma.com
857.272.5695
@cathmacdonagh
LegalLeanSigma.com

Audrey Rubin, JD
Vice President, C.O.O.
Aon Global Law
arubin@aon.com



©Legal Lean Sigma Institute LLC. All rights reserved. Legal Lean Sigma is a registered trademark. LegalLeanSigma.com

34