



GIMBAL
CANADA

Lean Practice Management Advisors

A Guide to Going Lean

LEANLEGAL™ THE EIGHT WASTES

WASTE COSTS YOU MONEY AND ANNOYS YOUR CLIENTS

Chances are you'll be able to identify some (maybe all) of Lean's classic wastes in your law firm or in-house department. Once you learn to see waste, you'll never look at your practice the same way again.

What if...

- You could clear conflicts sooner?
- You could move that closing up by a week?
- You could work, uninterrupted, for the entire morning?
- You could turn that contract around 48 hours faster?
- You could manage your budget with less stress?
- You could meet demands for lower fixed fees, and know you could still make money?

You can!

Whether you're in private practice or in-house, there are some practical ways you can **improve work flow and quality by identifying and eliminating waste** in your practice.



DOWNTIME - Lean's 8 Wastes

Eliminating waste is one way you can do more...with less

WHAT IS VALUE?

Whatever your client thinks it is

WHO IS YOUR CLIENT?

Whomever you pass your work on to

THE VALUE CRITERIA

Your work only adds value if you can answer "yes" to every one of these questions:

- Does your work move the matter forward?
- Is it something the client wants **and** is willing to pay for?
- Is your work done right the first time?

That last one is tough for lawyers. We are perfectionists. We write and rewrite. We correct and edit. We move commas. Sometimes we need to, but not always.

The next time you are tempted to make a stylistic change to a colleague's document or a contract from opposing counsel, ask yourself:

- Does the client want to pay for that change?
- Does it advance the matter?

If it doesn't, then let it go.

**If it doesn't add value,
it's waste!**

DOWNTIME: An easy way to spot waste

Waste comes in 8 classic forms: defects, overproduction, waiting, non-utilized talent, transportation, inventory, motion, and extra processing. We've adapted the 8 wastes to law, giving you concrete examples to look for in your practice.

D DEFECTS: Any work product that is defective is waste. If your work has to be corrected or reworked because of errors or omissions, that's waste. If you make a mistake on a filing, that's waste. If you enter the wrong task code or client number, that's waste. Data entry mistakes, poorly communicated instructions that result in you or a junior having to redo a memo, incomplete "Know Your Client" forms that hold up conflicts checks...all of these are defects.

O OVERPRODUCTION: Time is your most limited resource. Doing more than what's required, sooner or faster is a misallocation of resources. Too many emails, too many hard copies, too much communication. We may never be completely paperless, but keeping electronic *and* paper copies costs everyone money - clients pay for production and you pay for storage. Asking for memos or research on a subject already covered in another matter is waste that can be solved with appropriate knowledge management.

W WAITING & DELAYS: Waiting for a colleague to show up for a meeting is obviously waste, but waiting includes much more. Time lost when people, machines or information are waiting, idle, warming up, or awaiting processing is time wasted. And then there are the interruptions. Most employees spend about 30% of their day dealing with interruptions and getting back on track. Given the proliferation of smart phones and tablets, that number is certainly higher today. Getting back up to speed is called set-up time. It's a pernicious and pervasive waste that costs you and your clients time and money.

N NON-UTILIZED TALENT: A Lean organization uses the skills and talents of its resources to the fullest. Failing to recognize the potential of all the people in your team is wasteful. So, too, is failing to allocate work to the most appropriate internal or external resources. It includes using someone over-qualified for the task —work done by a partner that could be done as effectively by an associate, or work allocated to a lawyer that could be handled by a paralegal or legal assistant.

Start eliminating waste and you'll see immediate results.



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DOWNTIME: An easy way to spot waste

T **TRANSPORTATION:** Transportation wastes might seem hard to spot in the legal context, but they're everywhere. Any unnecessary or inefficient movement of equipment, documents or information is waste. Moving stacks of files from office to office, using a courier service instead of email, using cheques (requiring signature) rather than direct deposit, even poorly organized internal mail routing. These are all examples of transportation waste.

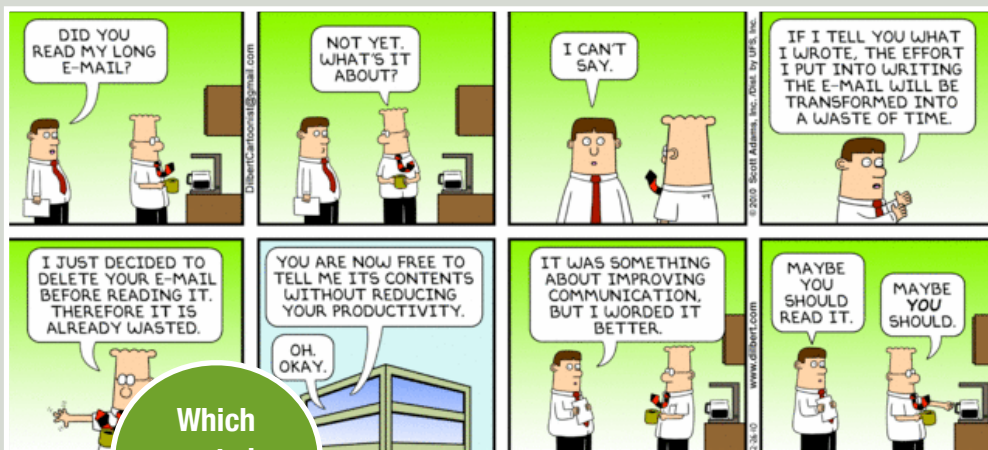
I **INVENTORY:** A major and often obvious source of waste in manufacturing, inventory also occurs in legal and business processes law firms and legal departments—it just looks a little different.

Inventory is simply another word for work in progress. Excess work in progress costs your firm or legal department money. It suggests inefficient workflows or staffing problems. Whether it's documents awaiting signature, unanswered emails and voicemails, or a client matter languishing on someone's desk, reducing work in progress is a sure way to improve turnaround time, improve workflow and drive up productivity.

M **MOTION:** Wasted motion is movement of people that does not add value. It could be physically tracking people down for meetings, signatures or other approvals. It might be searching for a missing file or moving through a poor office layout. It can even be a poorly organized computer desktop that requires you to make 7 or 8 clicks to find the file you're working on or to add something to your knowledge management system.

E **EXTRA-PROCESSING:** Every time you give your clients a Ferrari when all they need is a Ford, you're being wasteful. Gilding the lily is common in law: doing unnecessary research to cover the just-in-case scenario; overstaffing; double or triple-checking what's already been checked just to be sure. Eliminating the extra touches and unnecessary rework will save you time and your clients money.

Remember, if it doesn't add value, it's waste.



Which waste is this?



What would you do if you had more time?



Time: the Lean side-effect

Learning to spot the waste in your practice is the first step towards process optimization.

Eliminate or reduce waste and you will free up human, financial and technical resources for other valuable work. You'll also give yourself more time.

How you use that time is up to you. Take on more work and become more profitable if you're in private practice. Be proactive rather than reactive if you're in-house. Find new and creative ways to better serve your clients. Or...





Who's going Lean?

Here are just a few of the law firms and legal departments who have realized the powerful benefits of going Lean.

Seyfarth Shaw
Borden Ladner Gervais
The Royal Bank of Canada
Hunoval Law Firm
Barley Snyder

What do we mean by going Lean?

Going Lean means creating an innovative law firm or legal department that optimizes its legal and business processes, always looking for ways to reduce waste and improve the flow of work through a practice group or administrative function.

For in-house counsel, it means creating a legal department that better balances risk, cost and headcount.

By optimizing your internal processes and eliminating the waste, you'll be able to improve your turnaround and ensure you're allocating the right work to the right resources at the right time.

You'll be able to increase compliance and coverage, and improve client satisfaction among the business units without necessarily increasing the size of your department or the length of your workday. You'll have more time to devote to specific business challenges and participate in the strategic decisions affecting your company.

Going Lean lets you do more...with less

For law firms, it means cutting costs, improving pricing models, and becoming more profitable and more competitive.

Eliminating the waste, reducing the number of steps to complete a given transaction, lowering your overhead, and improving the speed of administrative processes like conflicts clearing will improve your bottom line.

You'll build a solid foundation for legal project management and a deeper understanding of exactly what a given process costs your firm in resources and time. You can use that knowledge to structure AFAs that meet client demands and still ensure a healthy profit margin for you and your firm.

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