rocket matter

How to Run a Lean Law Firm: Business Tips from the World's Most Profitable Businesses

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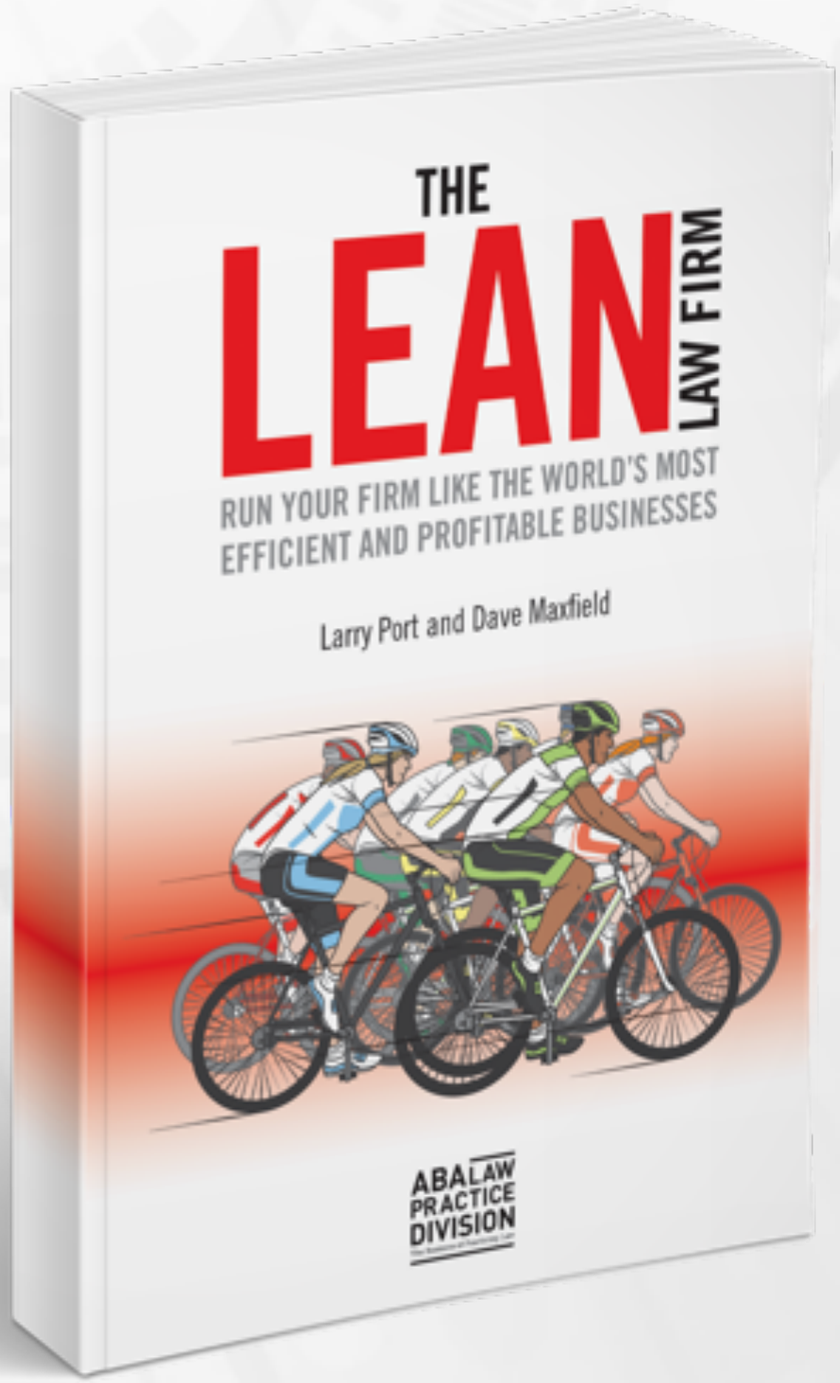
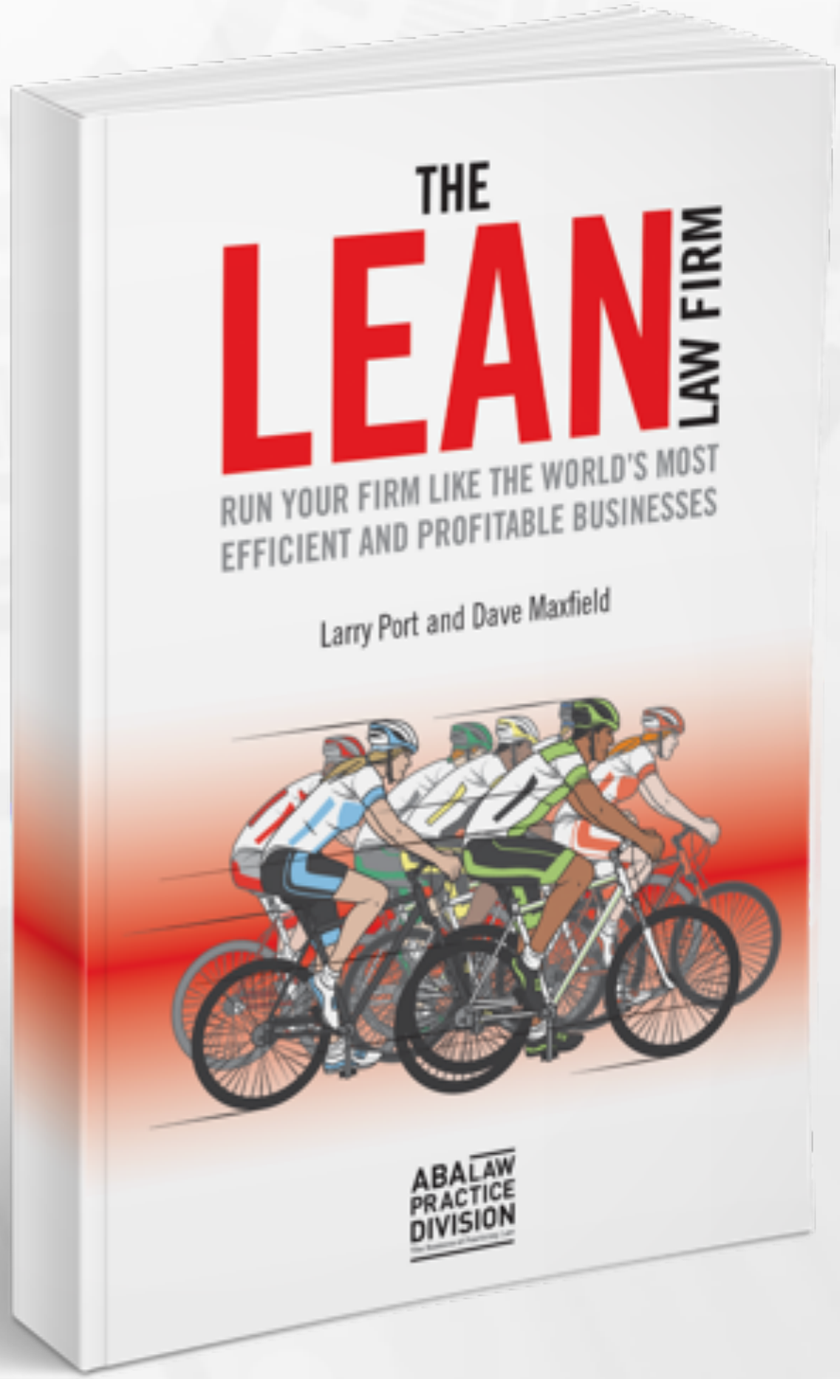
Coder. Software Exec.
Author. Little league coach. Fighter of hate.
Seeker of wellness.

I co-wrote a book for the ABA

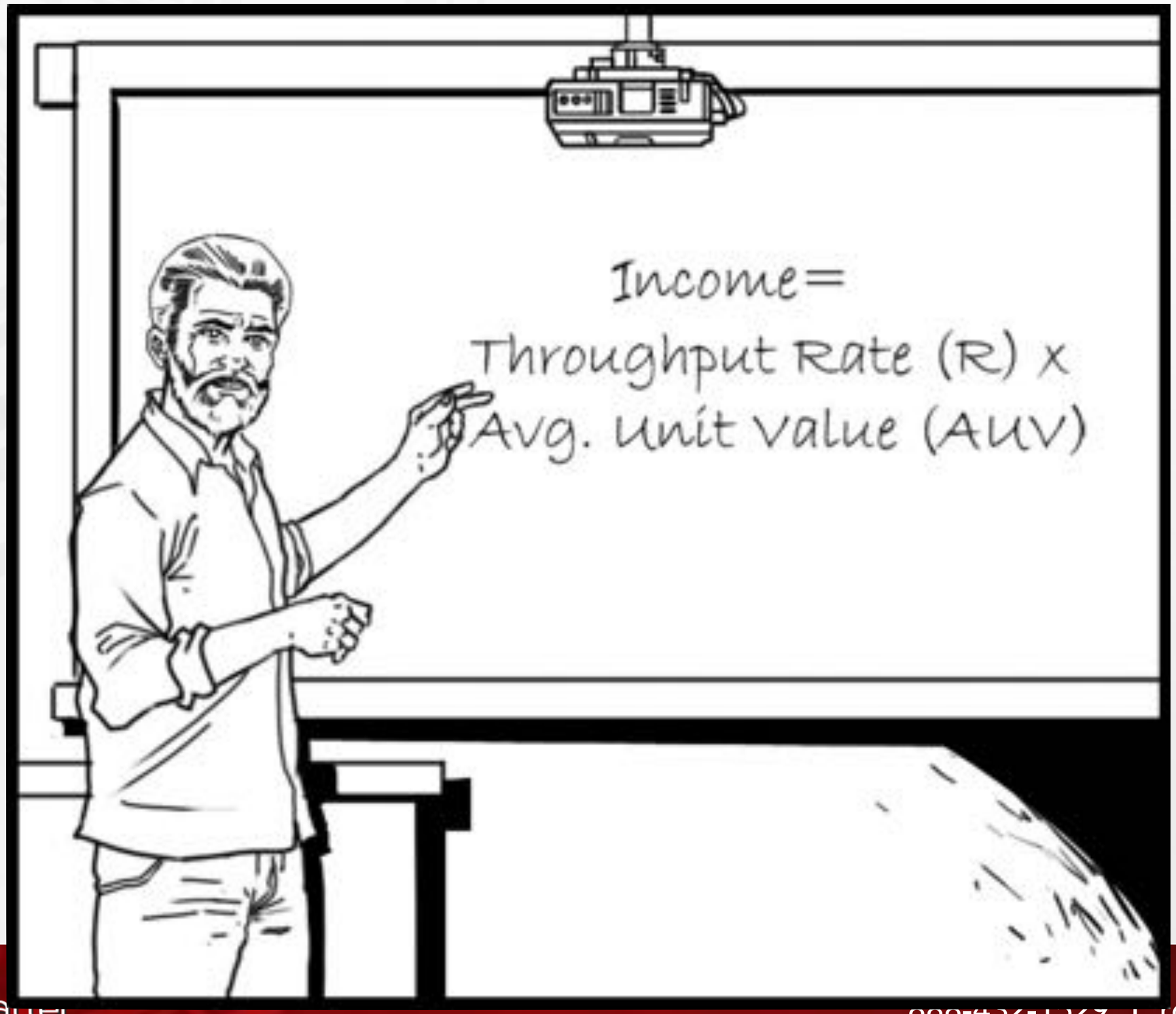


Overall Lean Concepts



The mindset where you understand what brings value to your client and what is waste. Then, continue to you eliminate waste and focus on value.

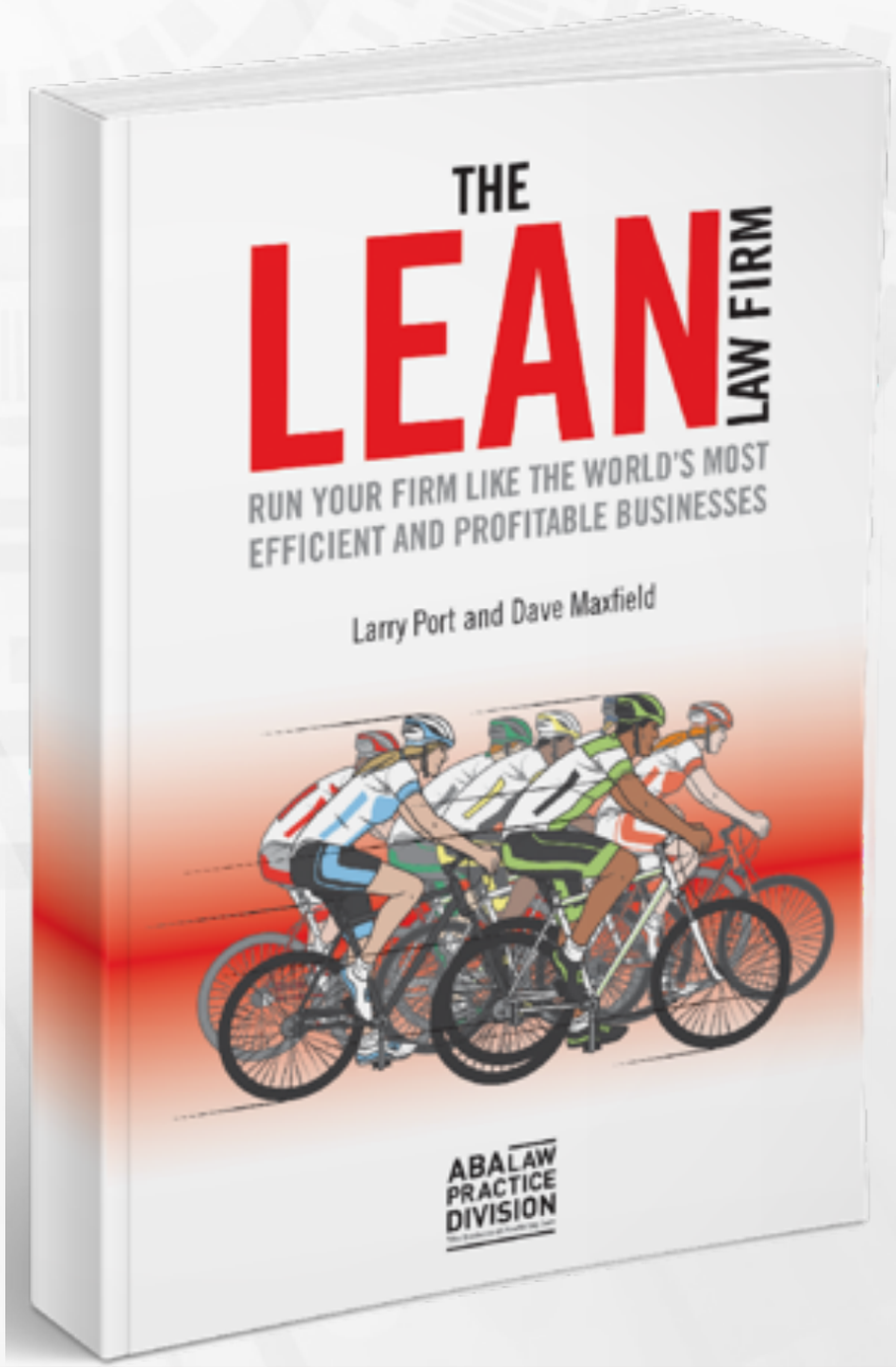
We're Going to Talk Revenue



We're Going to Talk Waste

We're Going to Talk Constraints

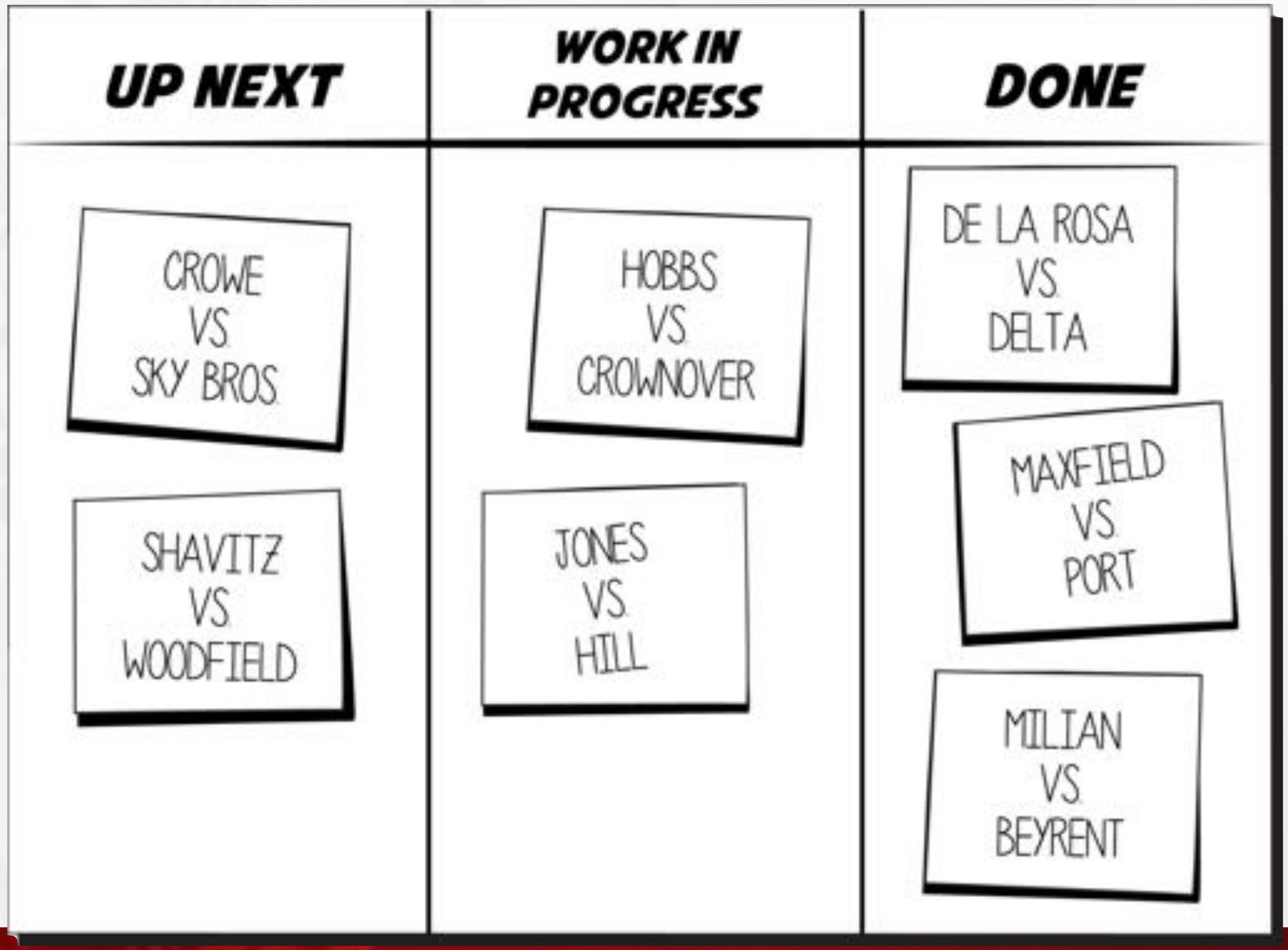
We're Going to Talk Technology



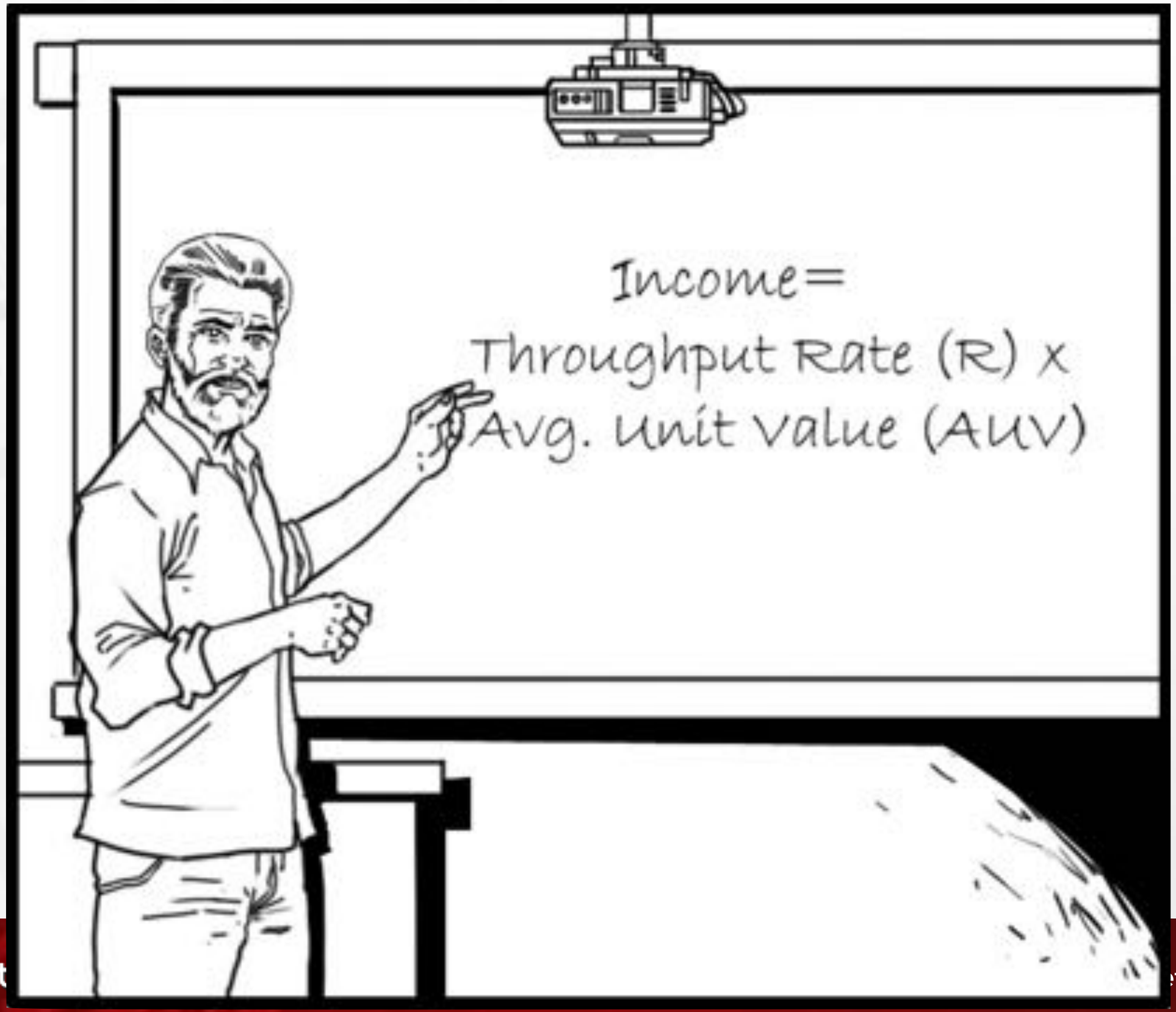
In Lean, waste is bad and must be eliminated whenever possible, which is where technology can really shine.

Is a Law Firm So Different From a Factory?

Law Firms Can Model their Process with Kanban Boards

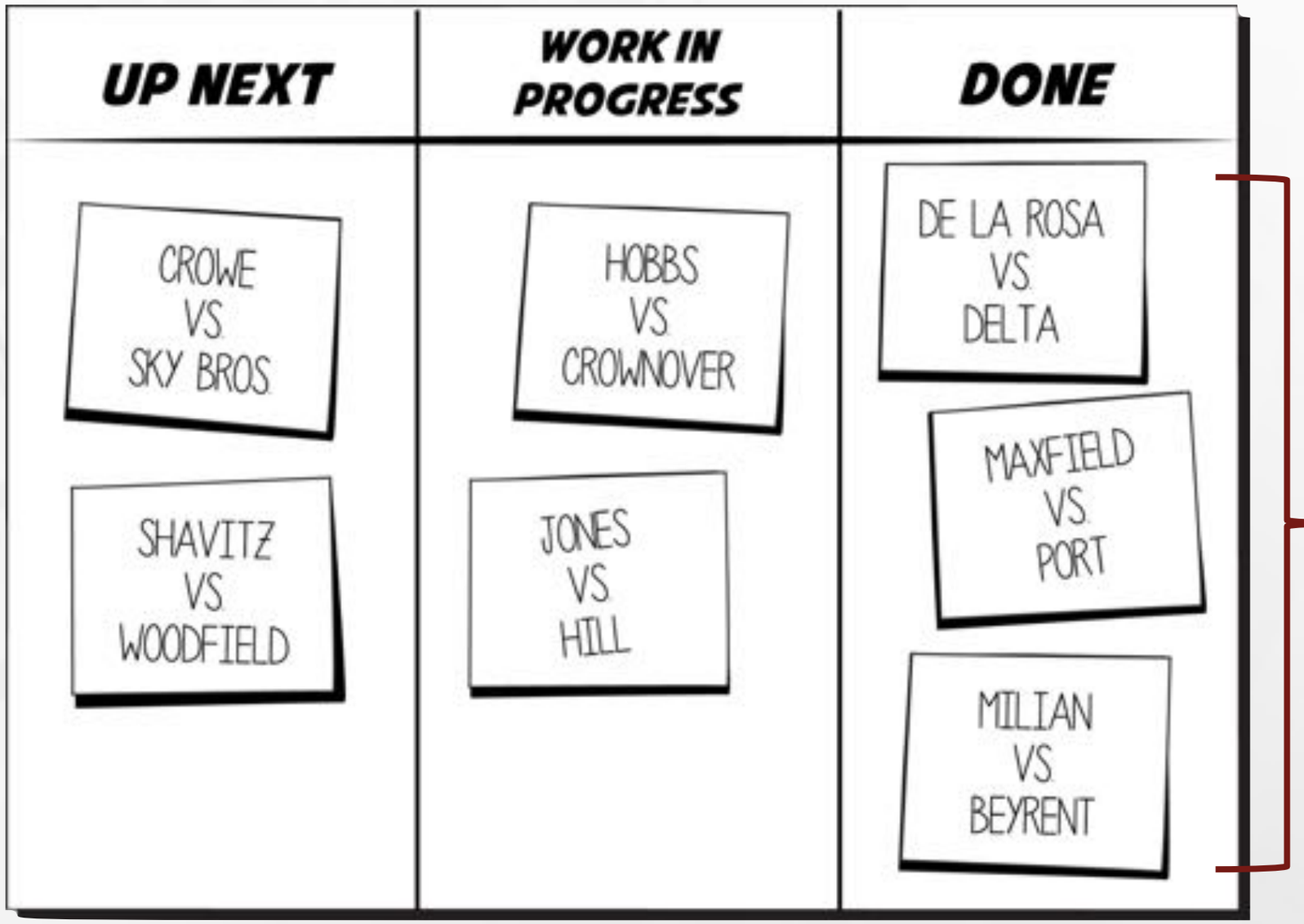


The Income Formula



Throughput Rate

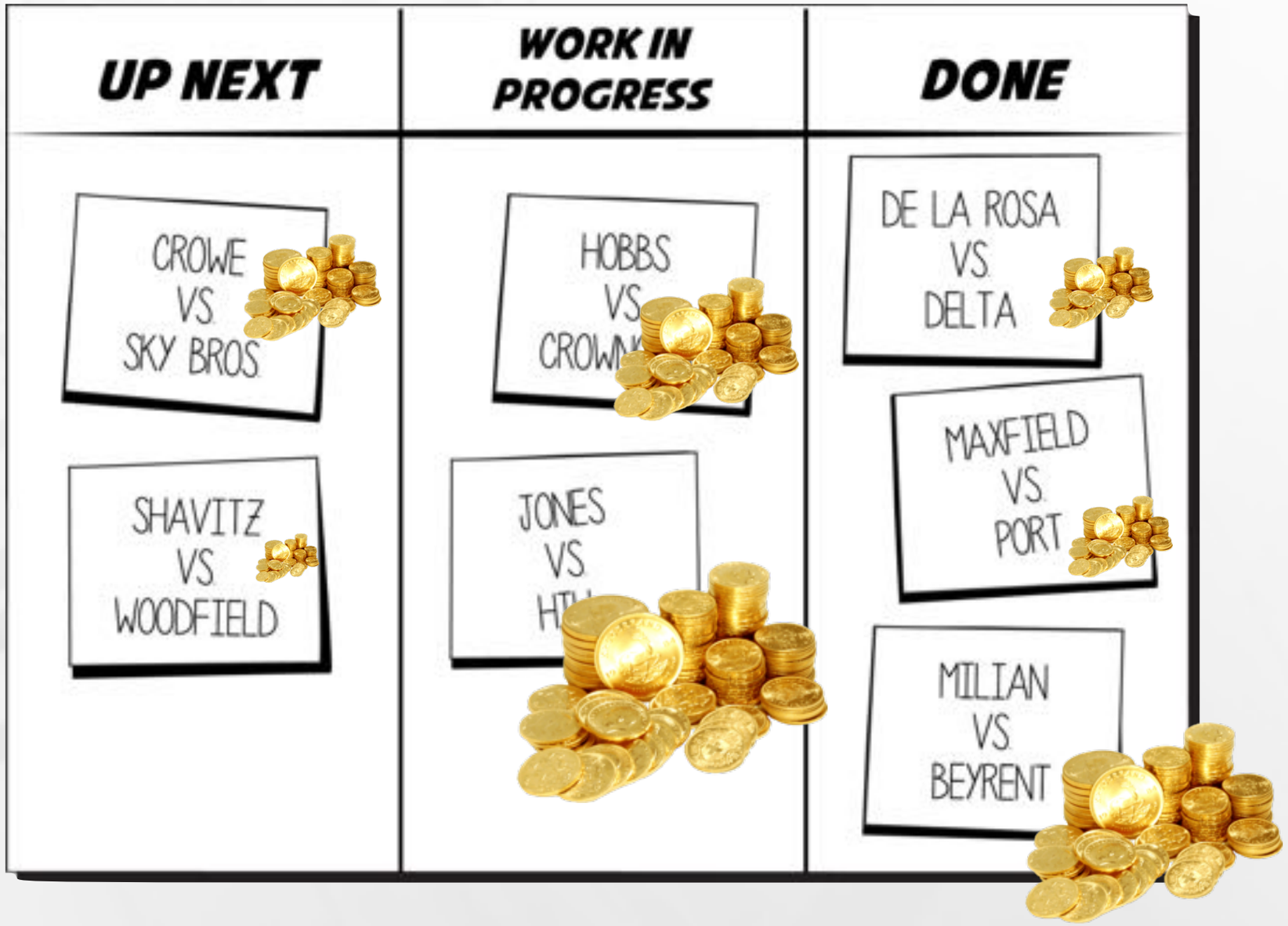
The number of “case units” your law firm *finishes* during a given time.



If these are finished in the same year, you have a throughput rate of three.

Average Case Unit Value (AUV):

Average value in $ to your firm, of each case "unit."
In a law firm we talk about ACUV - Average Case Unit Value.



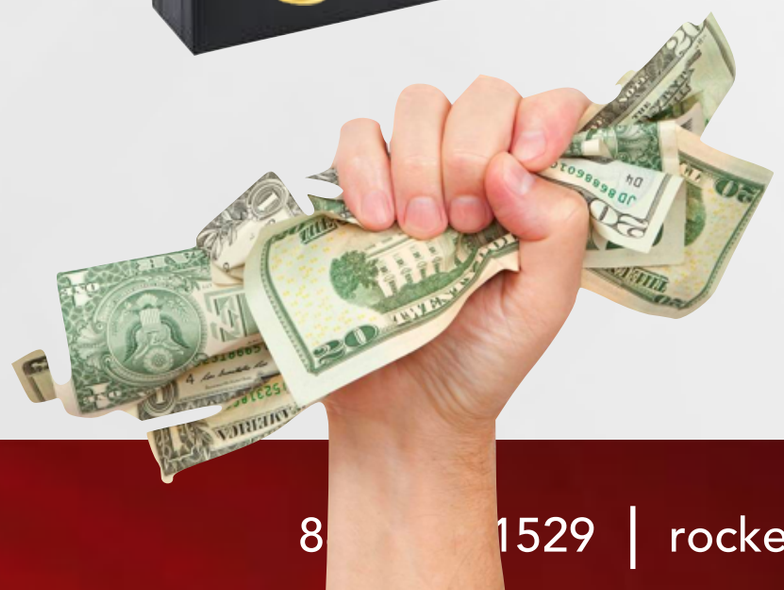
All cases have a value - what is the average?

Income = Throughput Rate x ACUV

If we can increase the number of cases we finish in a year

…and/or increase our ACUV

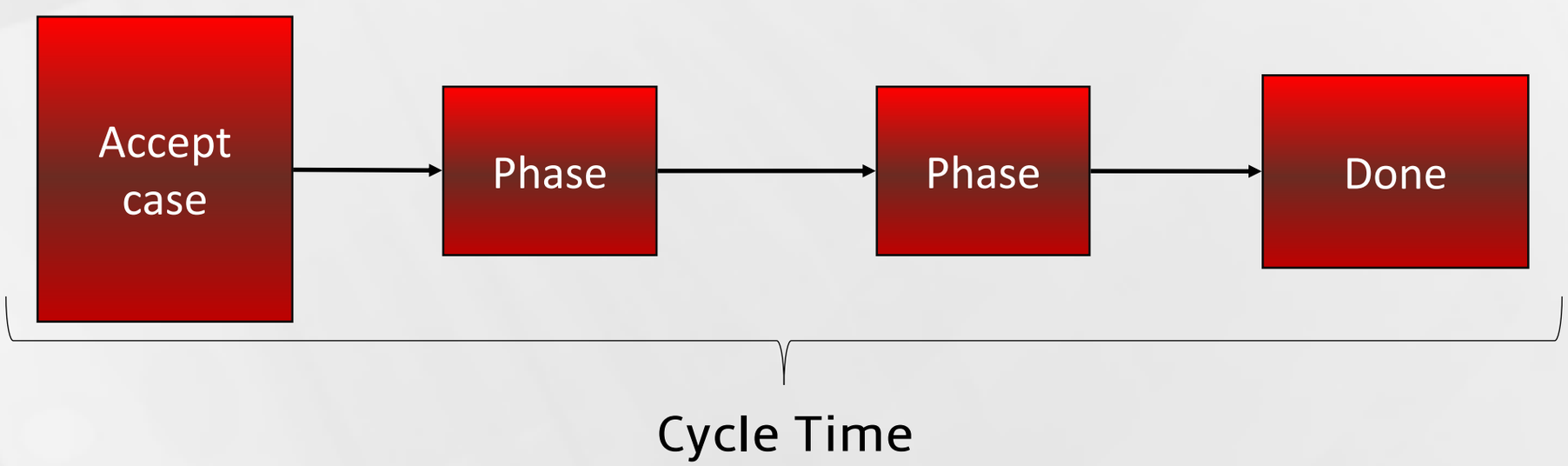
…we increase our income.



Increasing Throughput Rate

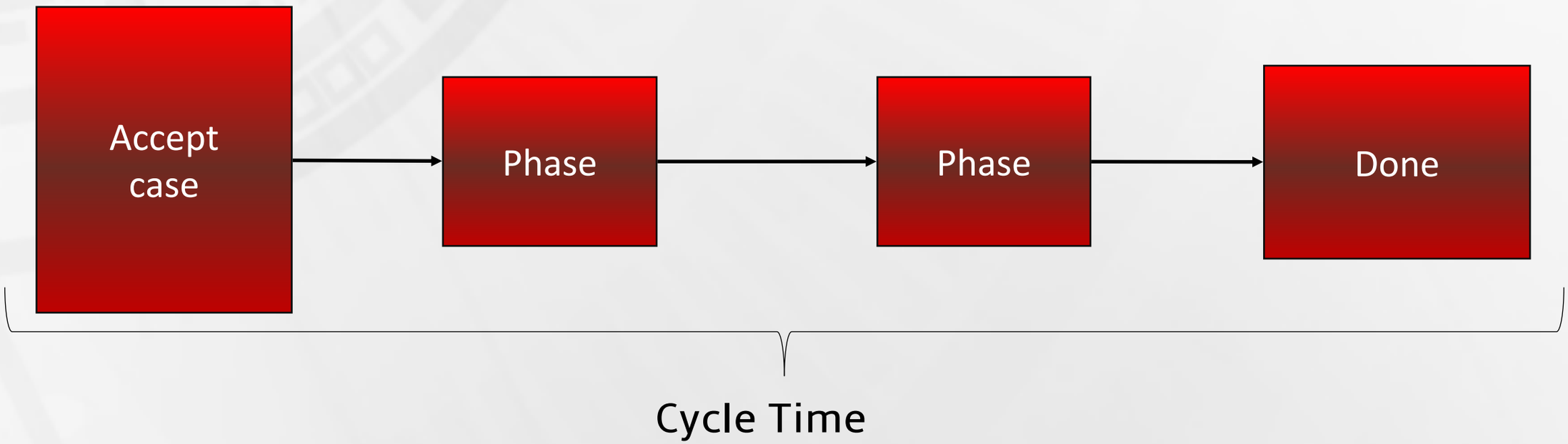
HOW do we increase the number of cases we finish in a year?

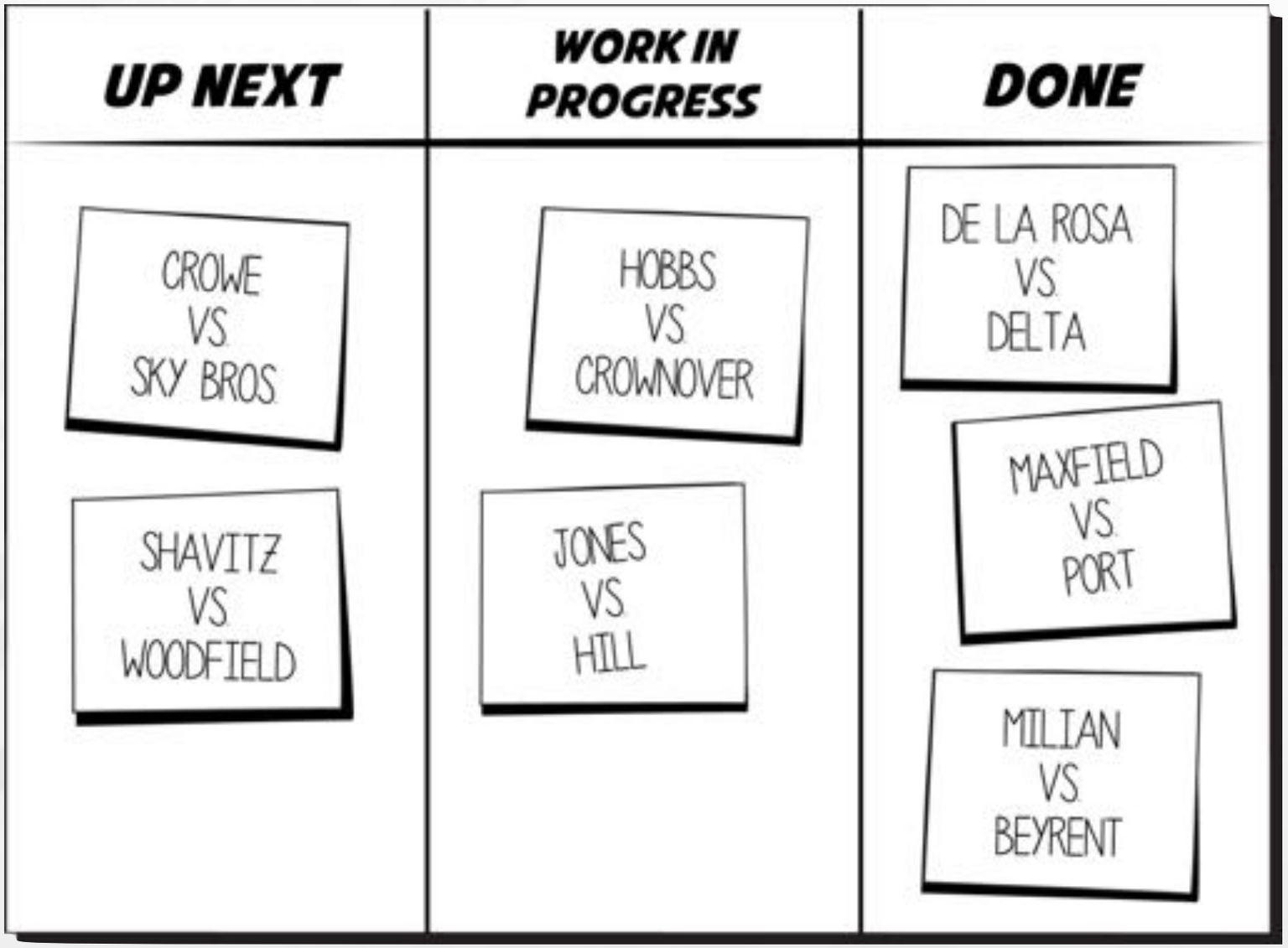
We shorten cycle time.



Cycle Time

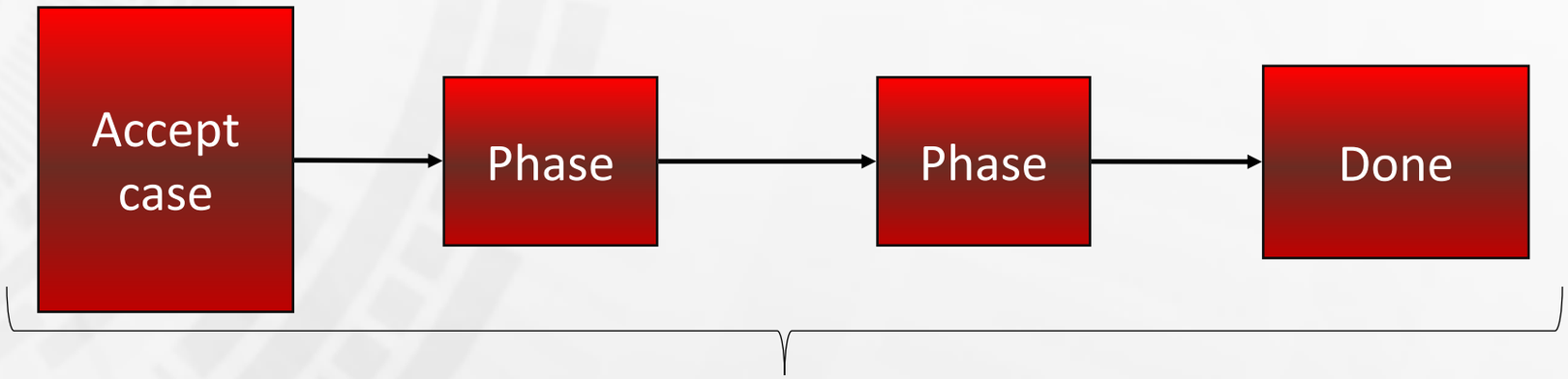
The amount of time a “case unit” spends between the day you accept it formally and the date that case is considered done.




UP NEXT
WORK IN PROGRESS
DONE
CROWE VS SKY BROS
SHAVITZ VS WOODFIELD
HOBBS VS CROWNOVER
JONES VS HILL
DE LA ROSA VS DELTA
MAXFIELD VS PORT
MILIAN VS BEYRENT

Cycle Time

Decreasing Cycle Time



How do we shorten cycle time?

MUDA OR WASTE TYPES

WASTE

TRANSPORT
(moving products that are not actually required to perform the processing)

INVENTORY
(all components, work in process, and finished product not being processed)

MOTION
(people or equipment moving or walking more than is required to perform the processing)

WAITING
(waiting for the next production step)

OVERPRODUCTION
(production ahead of demand)

OVER PROCESSING
(resulting from poor tool or product design creating activity)

DEFECTS
(the effort involved in inspecting for and fixing defects)

Transportation / Motion Waste

How long does it take you to find contacts and documents?

Can you meet clients virtually?

Can you use tools like Docusign?

Inventory & Waiting

Are you closing out cases promptly?
Is anyone at the firm holding up the process?
Are you collecting payments as promptly as possible?
Can filing be faster?

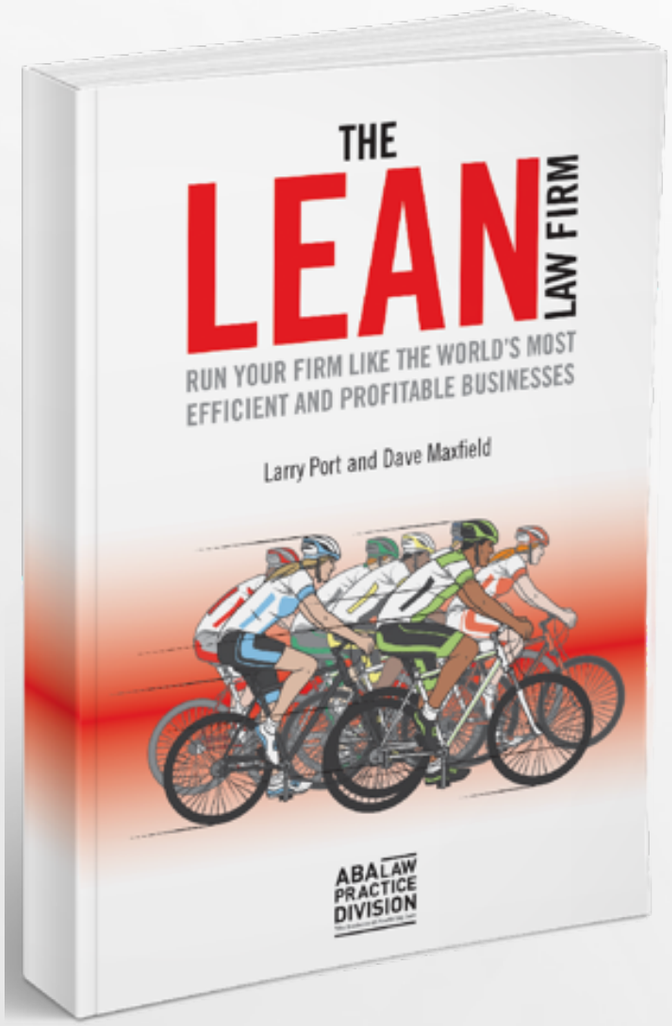
Invoicing & Collections

"There are many reasons for law firms leaving money on the table, ranging from poor billing practices to the unpalatable nature of asking clients for money to a lack of investment in good technology."

-Larry and Dave, *The Lean Law Firm*

Going Paperless

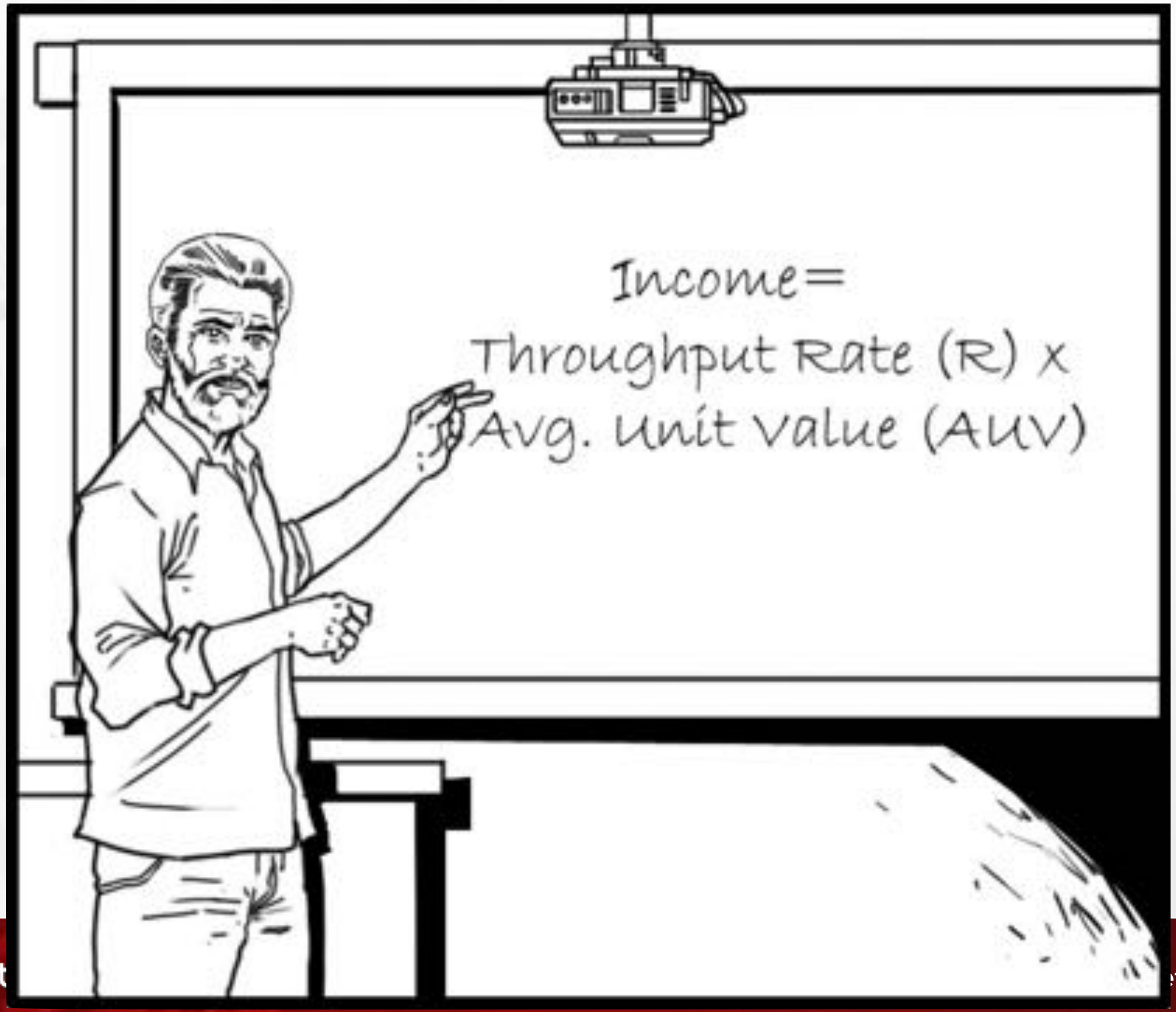
If you're not running a paperless office, you're neck deep in muda (waste).



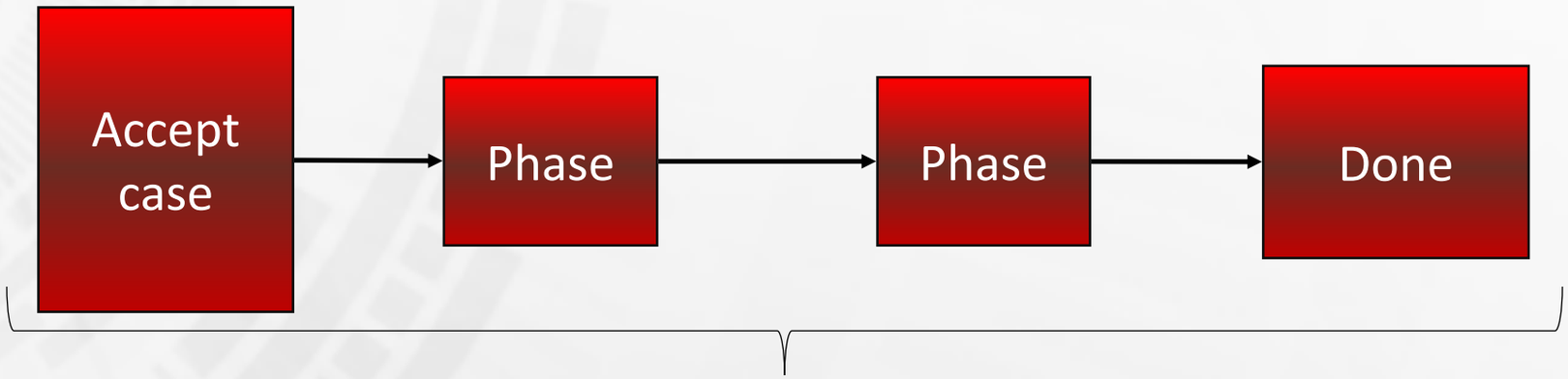
Over Processing

Can some of your processes be simplified?
How do you generate invoices?
How do you create documents?

Let's go big picture again…



How Else?



How do we shorten cycle time?

You Seek Out and Eliminate Constraints

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Thank You!

FL Bar Course #: 5576

.5 Hours General

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