

Foreword

We may be in the 21st century, but for many law firms, it's 1911.

That was the year that Frederick Winslow Taylor published his seminal work *The Principles of Scientific Management*, marking the dawn of a new age of “scientific” business management. It was around this time that visionaries like Henry Ford used these new management principles to accomplish feats of manufacturing never before seen. Manufacturing changed forever. But not so much for law firms. Even today, more than 100 years later, most law firms are operating as if they were in that time when the *Titanic* was being assembled in a Belfast shipyard and two world wars were still in the future.

Let me offer a bit more insight into this wild claim. When I first started observing the business side of law firms through my work with my software company Rocket Matter, I was struck by the reactionary nature of work in a law firm. It seemed as if the lawyers I observed were in a World War I trench with artillery shells constantly flying overhead. A request would come in from a client, a judge would throw a figurative grenade, or opposing counsel would file a motion requiring an immediate response. The lawyers and staff lurched from crisis to crisis, putting out fires and reacting to one emergency after another. More than 100 years after manufacturing started to really harness the power of systems, most of these lessons had yet to be translated for the legal profession.

Life in a law firm does not have to be utter chaos. As unique as law firms believe themselves to be, they are not unlike most of the business world. Most businesses face complex, long-term projects with uncertain outcomes. As with legal work, errors can result in disasters.

There has to be a better way. Lawyers and their staff deserve better lives, and their clients deserve better service.

Since the day I started my legal technology software company, I've believed that some of the techniques we use to run our operation could apply to the law firms we served. After all, if we in software—a much younger field than law—can leverage techniques from manufacturing industries, why can't a law firm? Isn't law a knowledge-based field like software?

I began my quest to spread the word about improved business processes for law firms, publishing e-books, speaking at continuing legal education (CLE) events around the country, and hosting countless webinars. Along the way I met other people who made the same observation I did and had pursued similar lines of inquiry. One of them was Dave Maxfield, my coauthor, who is a living embodiment of the Lean lawyer. Another, Nashville-based lawyer John McCormack, studies industrial engineering at Vanderbilt University. It was John who remarked to me that law firms were, from a managerial aspect, still stuck in 1911.

When Taylor wrote his seminal work *The Principles of Scientific Management* in that year, he exposed “the great loss which the whole country is suffering through inefficiency in almost all of our daily acts.” As a remedy, he believed in “systematic management, rather than in searching for *some unusual or extraordinary man*.”

In bringing science to the management of labor, Taylor sought to wring efficiencies from the American workforce. He sought to reduce process, and he maintained that it was up to management to identify the best method to complete each task. Today, Taylor is widely considered to be the father of the field of industrial engineering, and industrial management has never been the same.

As my friend John McCormack pointed out in commenting that most law firms exist in a pre-1911 world, most law firms have little to no awareness of **process**. Always running at 100 miles per hour, most firms do not step back to reexamine how they do things and what processes they've adopted over time. Instead, they do what they've always done: perform the client work, react to judges and opposing counsel, and hope for the best. Also, perhaps more than any other business, law firms can become overly reliant on the “unusual or extraordinary man” that Taylor referred to. A firm can be driven by the herculean capabilities of one or a few extraordinary lawyers. The fates of firms depend on these individuals.

Smaller law firms, where the lawyer must (in addition to practicing) wear the marketing and manager hats, suffer acutely from these problems. Lawyers are not taught how to run a business in law school, and there's enough to worry about with following the rules of civil procedure and knowing the law itself.

Here's the good news: The science of management has transitioned from the manufacturing world into knowledge and service industries of all kinds—including your law firm. That's what this book is all about. We will introduce you to methods that will increase your income, grow your law firm (if that's what you want), and allow you to live a less stressful life. We will be taking many of our cues from industrial organizations like Toyota, whose Toyota Production System (TPS) is more generically known as Lean. We also owe a huge debt (as do many modern businesses) to the groundbreaking work of the late Dr. Eliyahu Goldratt, whose Theory of Constraints (as presented in his book *The Goal* and elsewhere) we will reference repeatedly.

Some lawyers (and other business owners) hear the term *Lean* and equate it with the standard definition in the lexicon: being thin with no extra fat. This is a mistake. Becoming a Lean law firm does not have to do with a bare-bones operation or going through cost-cutting exercises. Those things may arise as a matter of consequence from Lean practices, but they do not constitute the practice.

Lean is not about cost cutting. Lean is about creating systems, then finding the constraints and inefficiencies that impede them. Lean lawyers believe in measurement, reducing waste, and producing as much value as they can for their clients. And more than anything else, Lean is about experimentation and continuous improvement. We will talk a lot in this book about measurement and key performance indicators (KPIs) because you cannot improve something if you can't measure it.

All that said, this is not a book of Lean business theory, but a prescriptive, real-world guide to using Lean to streamline your operations. It is also not an “orthodox” presentation of Lean (or Six Sigma, or Theory of Constraints, or anything else). You can find that anywhere. What we present instead is a hybridized system that we know works for actual law firms. If you decide to put what we show you to the test, your business will almost certainly improve.

Whether you apply all of what we present, or just what you think may work for you, the fundamental mindset you need before you embark on this journey is one of awareness. If you are willing to take a step back and contemplate the operations of your firm, you've already won half the battle. So, if you're no longer content to tread water and live in a constant state of reaction and interruption, continue reading.

Larry Port
December 2016

The year 2018 marks my 24th year as a practicing lawyer. Every minute of that time has been spent in a two-lawyer firm or as a solo practitioner. While I lack the perspective I might have gained from being a part of a “professionally managed” firm, I have had almost unfettered opportunity to engage in all kinds of experimentation. Some of my experiments and adventures in law firm management have been abject failures. The ones that have worked have a common root in the Lean methodologies about which you will read.

Along the route of my experimental journey into Lean, I’ve met fascinating, like-minded people like my friend and coauthor, Larry Port, who shares a passion for trying to find the best way, while realizing that there is no best, simply iterations of better.

Through years of experimentation, discussion, and thought, we bring you in this book principles and methods that will almost certainly work better than what you’re doing now. If applied, they will make profound changes in the success of your firm. I hope also that they will profoundly change how you view your firm. If there’s only one thing you take away from this book, it should be this: like any business, *your firm is a system*. When you start to see it that way, all the little levers and buttons that make it run better start to miraculously appear.

This takes us to the disclaimer: Only some of the methods about which you will read are truly original. As Larry says in his foreword, much of what we present comes from the world of manufacturing and industry, where people realized decades ago that all businesses are just systems that convert raw material into money and output. We have tried to attribute these practices to their rightful inventors as much as possible. However, what you will see in the following pages is a mash-up of so many sources that giving full credit everywhere is impossible.

In closing, if I can persuade you to have a second takeaway from this book beyond the realization that your firm is a system, it is this: *do your own experimenting*. Your law firm is a laboratory. Borrow and try ideas not only from other firms, but from different industries entirely. Repurpose. Reinvent. See what works and what does not work for you. Fear not failure, nor change, nor being different. Different begins when you turn the page and realize you just bought a “graphic novel about management science.” So, without further ado, on to our story.

Dave Maxfield
January 2017