

DETAILED CASE STUDY

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Overview of client's business:

The client is a mid-size law firm with 21 attorneys and six paralegals on staff. There is also other administrative support. The firm is located in Asheville, North Carolina and handles corporate and business law, wills, trusts, estates and intellectual property law to name a few.

Describe the problem, challenge or need that the client was experiencing:

The client has a "closed file" room in the basement of its office. Boxes with files and loose files were strewn around the room haphazardly with no rhyme or reason.

On a daily basis any number of attorneys request a closed file from the room to refer to for work on a current project.

When a file is requested, an attorney expects the file to be brought to him/her within a short time window. Since the files were put haphazardly in the room on shelves and boxes as they were closed, there was no system to locate a specific file.

Contents of boxes were not clearly identified and empty boxes were put in the room to put files in as they were closed as well. It was near impossible to locate a file quickly if at all.

A team of at least two support staff was typically put together and dispatched to locate a specific file. It was particularly pressing when a Partner requested a file. That's typically when the Partner's paralegal joined the search team. This resulted in the paralegal's inability to bill for her time, and the client lost \$30/hour for every hour a paralegal was on the search team.

This habitual and repetitive process, which played out daily had been taking place since the Firm's inception many years earlier.

Every time an attorney or paralegal requested a file from the closed file room, multiple hours of time, and hourly pay, were wasted looking for a specific file.

Not only was this time and money wasted and lost forever, the usual day-to-day work that had to get done was not getting completed in a timely manner. This affected everyone in the Firm.

Occasionally, overtime pay had to be paid incurring an additional, non-billable expense.

Amazingly, the client was unaware that this repetitive process was a problem causing tens of thousands of dollars a year in profitability leaks until Ellen brought it to their attention.

Business Impact and Loss:

21 attorney law firm estimating

only 2 requests/day for a closed file

ANNUAL FINANCIAL LOSSES DUE TO LACK OF A SYSTEM

TO FIND AND RETRIEVE FILES

\$36,000⁽¹⁾

Annual financial loss of \$24,000/year for 2 staff member search team

Additional financial loss of \$12,000/year if paralegal joins the search team

ANNUAL FINANCIAL LOSSES WERE COMPUTED AS FOLLOWS:

2 staff members on a search team

Financial loss of \$24,000/year

1 staff member X \$15/hour = \$15 X 2 staff members = \$30/hour for 2 staff members

1 request = 2 hours of searching x 2 requests/day = 4 hours searching

4 hours X \$30/hour = \$120/day (for 2 staff members fulfilling 2 requests/day)

20 work days/month X \$120/day = \$2,400/month for one search team of 2 support staff

fulfilling 2 requests/day

10 months/year** X \$2,400/month = \$24,000 annual financial loss to fulfill 2 requests/

day for a closed file with a 2-member team

Figures do not include any amounts for staff overtime pay when regular workloads did not get handled during the normal work day.

Paralegal joining a team every other work day

Additional financial loss of \$12,000/year

1 paralegal X \$30/hour salary

1 request = 2 hours of searching x 2 requests/day = 4 hours searching

4 hours X \$30/hour = \$120/day (1 paralegal on the team fulfilling 2 requests/day)

10 work days/month X \$120/day = \$1,200/month for 1 paralegal on a search team

10 months/year* X \$1,200/month = \$12,000 annual financial loss to fulfill

partner requests

As mentioned earlier, the process the client had been using was for a Partner's paralegal to join the search team if it was a Partner requesting a closed file. There were fewer Partners than the number of staff attorneys.

To take this into account Ellen reduced the number of work days with 2 requests a day to every other work day (10 work days a month) for a paralegal's participation on a team.

This annual loss does not include a paralegal's inability to bill her time when he/she was on a search team. This required the paralegal to work extra hours to make up the billable time to meet his/her quota. Working the extra weekly hours often resulted in a higher level of stress for a paralegal.

Ellen's research found that numerous studies indicate that American companies pay \$300 billion a year in stress-related health care costs. When a paralegal had to put in extra hours to be able to meet her monthly quota of billable hours, this directly affected the client's bottom line.

(1) ALL OF THE ABOVE COMPUTATIONS ASSUME THE FOLLOWING FOR THIS 21 PARTNERS AND STAFF ATTORNEYS FIRM. The following is a typical scenario that occurred when a request for a closed was made:

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- 1 support staff @ \$15/hour X 2 support staff on a team = \$30/hour for a team of 2
- 2 requests a day @ 2 hours search time each = 4 hours search time for 2 requests
- Cost for 2-member search team for 2 requests = \$30/hour X 4 hours = \$120 day
- 20 work days/month X \$120/day = \$2,400/month for search time for 2 requests for a 2 staff member team
- Figures computed on a 10-month average (to account for no requests being made at all for approximately 40 work days/year) = \$24,000 for search time (with a 2-member team for only 2 requests/day)

Totals 400 requests/year for a 21-attorney law firm each with their own case load. This is a reasonable estimate of closed file requests due to the amount of cases being handled by the firm. It also includes some repetitive work requiring reference to the same closed cases.

Describe how the problem was approached:

Ellen's approach began with talking to the attorneys, paralegals, and administrative staff about what they viewed as the main issue and what features they would want from a file location system.

When the interviews were completed, Ellen analyzed everyone's responses to drill down to what they really wanted. Once she had the "big picture", she realized that a system had to be created to locate and retrieve any specific file from the room quickly and using minimum personnel.

Based on Ellen's experience in analyzing and creating systems, she determined that the closed file location system she would design also needed to:

1. Be simple and easy to use and learn regardless of education level
2. Build on skills that everyone already had
3. Use tools everyone was already familiar with
4. Be scalable and accommodate files frequently being added to the system without having to shuffle and move existing files around every time a file was added
5. Take minimal time to teach everyone how to use it
6. Not require additional tools or software to implement
7. Be a system that everyone could learn without undue stress generally caused by having to learn something that was totally new

8. Be time sensitive and quickly responsive to attorneys' requests for files
9. Require very little and easy maintenance to maintain the integrity of the system now and in future years
10. Totally eliminate needless wasted hours of search time

She also realized that the typical file storage and numerical system could not be used because each closed file had a different number. Files were added to the room as they were closed and all of the file numbers were different and non-sequential.

Objectives achieved:

The practical, easy to follow system Ellen created from scratch reduced the time to find a specific 'closed file' from hours -- and sometimes days -- to less than a minute. No longer would there need to be a "search team" to find a specific closed file.

Every need and goal on the project list from those interviewed and those determined by Ellen to be needed were met.

The annual savings for the system Ellen created for the client saved the client approximately \$36,000 annually, and \$360,000 projected over the future ten-year period. If a system that saved so much time, energy and stress had not been created and implemented, the client and

its entire staff and attorneys would most likely have continued with the “search team” approach they had been using.

A support person was chosen to be responsible for maintaining the system (which was easy, practical and repeatable and scalable). Training took about five minutes.

Ellen created a short system training outline on how to use and maintain the system and had it typed up. It outlined the system structure and process for anyone to refer to as needed.

The system was scalable so it could be used regardless of the number of future closed files were brought down to the room without any changes to the system.

The specific outcomes were both quantitative and qualitative. Hours and hours of wasted time were now gained, hourly cost for each team's individual participation was recovered, time could be used to accomplish client work, and stress to locate a closed file was completely eliminated.

Describe three key insights and learning points from the intervention

The client learned that:

1. It did indeed have numerous blind spots and problems that were not readily visible to them that were causing large and unnecessary profitability (and productivity) leaks.
2. All members of the firm did tasks habitually and automatically without much thought to “Is there a better way I can get this done?”
3. The answer to chaos is an awareness and understanding that a problem exists and then hiring an expert to work with them to resolve it.

Describe lasting benefits for the client:

1. The client will save \$24,000-\$36,000 annually.
2. The time and financial savings extend ad infinitum to the tune of over a quarter of a million dollars if you project over the future ten years.
3. There were two bonuses for the client. Morale improved and the client's health care costs will not rise due to avoidable stress-inducing tasks.

Which approach, tools and techniques did Ellen use in this project?

Ellen used her interpersonal communication, analytical and creative thinking skills in collaborating with the end users. The goal was to determine what specific results they were looking for along with what problems they were experiencing that were not readily apparent.

Ultimately, all employees and attorneys with the Firm wanted to be able to put their hands quickly on any requested closed file with ease of use and no stress.

The "technique" Ellen used is actually the way she thinks. She thinks in systems and can create and improve a system for virtually anything.

Who is the client contact? Name, e-mail and phone number.

Client chose to remain anonymous. Ellen's assessment is that the Firm did not want clients or prospective clients to realize that an internal process for a task was dysfunctional in wasting time and money. Ellen can say that the client law firm is located in downtown Asheville, NC.

Who delivered the intervention?

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