

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 specializes in 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 requested a closed file from the room to refer to for work on a current case.

When a closed file was requested, an attorney expected 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 in boxes as they were closed, there was no system to locate a specific file.

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

A team of at least 2 support staff was typically put together and dispatched to locate a specific closed file from the room. It was particularly pressing when a Partner requested a file. That's generally when the Partner's paralegal joined the search team. This resulted in the paralegal's inability to bill for his/her time in a timely manner while he/she was on a search team.

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

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

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

Occasionally, overtime pay was required so the staff member could catch up on the work that needed to get done. This incurred 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 LOSS DUE TO LACK OF A SYSTEM

TO FIND AND RETRIEVE CLOSED FILES **\$36,000⁽¹⁾**

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

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

ANNUAL FINANCIAL LOSS WAS COMPUTED AS FOLLOWS:

**2 staff members on a search team resulted in a 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 of searching 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

*Financial loss does not include any amounts for staff overtime pay when their usual work load did not get completed during the typical 8-hour work day.

**Figures were computed on a 10-month period basis rather than a 12-month time frame. The reason for this was to account for the possibility that no requests at all for closed files were made for an estimated 40 work days/year).

Paralegal joining a search team every other work day (10 work days a month*) resulted in an 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

Partners' 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 so there would be less daily requests for a closed file. Ellen had to take this into account when calculating Partners' numbers of requests. To compensate, Ellen reduced the number of work days that a paralegal might be on a search team to every other work day (10 work days a month).

**This annual loss is only for a paralegal joining a search team. It does not include a paralegal's inability to bill her time during a normal work day when he/she was on a search team. This required the paralegal to work extra hours to make up the billable time in order to meet his/her monthly 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 meet her monthly quota of billable hours, this could directly affect the client's bottom line due to possible use of the client's health care coverage.

(1) ALL OF THE ABOVE COMPUTATIONS ASSUME THE FOLLOWING TYPICAL SCENARIO WHEN A REQUEST FOR A CLOSED FILE WAS MADE BY AN ATTORNEY IN THIS 21-ATTORNEY LAW FIRM.

- 1 support staff @ \$15/hour X 2 support staff on a team = \$30/hour for a team of 2 support staff
- 2 requests a day @ 2 hours search time each = 4 hours search time for 2 requests/day
- 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 a 2-member search time fulfilling 2 requests/ day
- Figures calculated based on a 10-month period (to account for no requests being made at all for approximately 40 work days/year) = \$24,000 (for hourly pay lost to pay a 2-member search team to fulfill only 2 requests/day)

The total average number of requests/year for a closed file is 400 for this 21-attorney law firm.

This is a reasonable estimate of closed file requests due to the number of cases being handled by the Firm.

400 requests/year also takes into account more than one attorney requesting the same closed file, each at a different time. When the first attorney was done referencing a closed file the file would be returned to an arbitrary location in the closed file room.

So, if another attorney requested the same closed file at a different time, it would still have to be searched for, generally by a different search team than originally used.

Describe how the problem was approached:

Ellen's approach began with talking to the attorneys, paralegals, and administrative staff that were involved in requesting, and searching for, a closed file. Her intention was to gather input on what each of them needed from a file location and retrieval system.

When the interviews were completed, Ellen analyzed everyone's responses to drill down to the essence of what was needed. 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 using minimum personnel. That appeared to be the crux of the problem.

Based on Ellen's experience in analyzing, improving and creating systems, she determined that the closed file location system she would design also had to meet specific requirements. She put together a System Requirements Checklist that took into account current and future needs of the system. The system that Ellen had to create would need 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 files already in the room every time a closed file was added
5. Take minimal time to teach everyone how to use the system
6. Not require additional tools, software, resources or cost to implement
7. Be a system that everyone could learn without undue stress generally caused by having to learn something new
8. Be time sensitive and quickly responsive to attorneys' requests for closed 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 to recapture time lost searching
11. Reduce the number of staff needed to find a specific closed file thereby saving the Firm money that was now being wasted

Objectives achieved:

Every goal and objective on the System Requirements Checklist was met.

1. The annual savings because of the system Ellen created for the client saved them approximately **\$36,000 annually, and \$360,000 projected over a ten-year period.**
2. The practical, easy to follow system that Ellen created from scratch reduced the time to find a specific closed file in the room from **an average of 2 hours to less than one minute.**
3. The system Ellen created also resulted in a more effective use of resources. The number of staff members and time required to fulfill 2 requests/day was **reduced from 2-3 staff for a 2-hour period twice a day to only five minutes of one employee's time twice a day.**
4. The system was simple and easy to use and learn regardless of the education level of the person using it.
5. The system Ellen created built on skills that the average person would possess.

6. The tools required for using the system were the same tools that everyone in the Firm were already using on a daily basis. No additional tools, software, resources or costs were incurred to implement or maintain the system.
7. The system created was stable and easy to maintain. It was also scalable so it could be kept “as is” and accommodate any number of future closed files that were brought down to the room. The system could also be used “as is” even if an additional room was added to store an overflow of closed files. One support person was chosen to be the go-to person responsible for adding files to the system and maintaining it.
8. No shuffling or moving around of closed files already stored in the room was needed to accommodate any new closed files being added and stored in the room.
9. The time required to learn how to use the file location and retrieval system was only a few minutes. The system was so easy to learn and use that it did not cause stress generally felt by someone when they have to learn something new in the workplace.
10. Since the time required to locate and retrieve a closed file was drastically reduced, attorneys could now expect and receive a closed file in a matter of minutes. They could even find a specific file themselves if they were working in the evening or on a weekend when no staff member was available to help.

11. The system totally eliminated needless wasted hours of search time that was previously required. This resulted in a recapture of time that would have been lost if the system had not been created.

Ellen put together a short system training outline on how to use and maintain the system. It was to be kept in an obvious place in the closed file room for anyone to refer to as needed.

If a system that saved so much money, time, energy and stress had **not** been created and implemented by Ellen, the client and its entire staff and attorneys would most likely have continued with the “search team” approach that they had been using.

The specific outcomes of Ellen’s services for the Firm could be calculated both quantitatively and qualitatively:

- the money saved by eliminating the need for “search teams” (\$24,000-\$36,000) could now be used for investment, expansion or for any other use that the client desired to build on the bottom line gain
- hundreds of hours of wasted time were now recaptured and would not be wasted in the future
- recaptured time could be utilized to accomplish client work or a day-to-day normal workload of a staff member
- overtime pay was no longer required to get day-to-day work completed by a staff member who had participated for hours on a search team

- employee morale increased because it was easier and faster to complete the task of locating and retrieving a closed file from the closed file room
- stress and tension created from being a member of a search team attempting to locate a specific closed file was now completely eliminated
- no health care-related costs would be incurred because of stress-related illnesses that could come up from participating on a search team

Describe three key insights and learning points resulting from the intervention:

The client learned that:

1. It did indeed have numerous blind spots and problems that were not readily visible to them. The unseen blind spots and problems were causing large, costly and unnecessary profitability (and productivity) leaks.
2. All members of the Firm performed tasks in a habitual and automatic manner without ever questioning the process they were using. (NOTE: It was also possible that no one in the Firm had the skills required to create a system using analysis and creativity.)

3. The answer to chaos is an awareness and understanding that a problem may exist and then hiring an expert to work with them to resolve it.

Describe the lasting benefits that the client received:

1. The client will save \$24,000-\$36,000 annually.
2. The time and yearly financial savings was \$360,000 if projected over a 10-year period.
3. There were also two bonuses that the client gained. Employee morale improved and the client's health care costs did not rise due to the avoidable stress-inducing process they were using.

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

Ellen used her interpersonal communication, analytical and creative thinking skills in interacting and collaborating with the end users. The goal was to determine what specific results they wanted and needed from the system along with Ellen identifying the sub-goals of the Project.

Thinking ahead about what requirements the new system must meet, and the challenges that had to be overcome to eliminate the profitability leak, Ellen created a System Requirements Checklist.

The Checklist outlined 11 goals and objectives that, when met, would result in an easy system that would be effective, efficient, save time and money and free up personnel from an arduous task.

The "technique" Ellen used is actually the way her thinking processes are "wired". She thinks in systems and can see both the "big picture" (context) and the details (content) that make up a system and its related processes.

Her natural skills, combined with her professional experience, enables her to improve or create a system for virtually anything.

Ellen always works with a client-centered focus for both **her** clients AND her client's customers. She believes in surpassing a client's expectations and helping her clients do the same for their customers.

Who was the client for this project?

The client does not want to be identified. Ellen's assessment is that the Firm does not want its clients or prospective clients to know that an internal process for a task was dysfunctional and wasted time and money. Ellen can say that the client law firm is located in Asheville, North Carolina.

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