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Why (and How) Law Firms Should Embrace Basic TQM Principles

By Scott Brennan and Tom Boster, Lexicon

What is TQM?

Many industries have adopted total quality management (TQM) and similar processes to continually improve internal operations and provide the best possible experience for end-users (i.e., customers). For many reasons, law firms have been slow to take the same approach. However, it would provide significant benefits without requiring an enormous, disruptive effort.

TQM is essentially having policies, procedures, and standards for how a company gets work done, manufactures products, interacts with customers and clients, and resolves disputes. It's a way of ensuring that the end product a company produces meets quality, safety, and other standards and that every customer or client experiences the same level of service. TQM also helps eliminate inefficiencies that lead to lost productivity or unnecessary costs.

There are many different approaches to TQM, including ISO 9000 or Six Sigma, but these are likely more prescriptive than a law firm would require. *In the legal context, TQM is really about maximizing efficiency and productivity while increasing client satisfaction and plugging revenue leaks.*

One of the main reasons to embrace TQM is that it can help a law firm demonstrate strict adherence to ethical practices. It's invaluable to produce procedures and processes devoted to maintaining a firm's ethical obligations in the face of inquiring bar association representatives or a litigation discovery request.

Legal malpractice insurance carriers also look favorably on firms that follow TQM, which can lead to reduced premiums. Firms can shave off millions from malpractice insurance premiums, in part by documenting and maintaining a solid client dispute resolution process.

Above all else, a law firm's clients want to have a seamless experience without any unexpected bumps (or unexplained line items on their invoices). While there are always hiccups with any matter, firms that implement basic processes for some of their most common activities—particularly anything involving a client touchpoint—can increase client satisfaction. That satisfaction, in turn, becomes part of a firm's brand. Clients come to expect a level of professionalism and predictability from the firm—and that can create very valuable referrals.

An Easy
Approach to TQM

Improving ethics, lowering insurance premiums, and building a firm's brand should be the desired outcome for every firm, especially when you consider it may only be a small amount of effort and time to result in big dividends.

01   Identify the repeatable tasks in the firm

These could include the process for handling a particular type of matter from start to finish (i.e., prosecuting a patent, handling a bankruptcy filing, managing a real estate transaction, litigating a dispute) or internal actions such as timekeeping, billing, managing incoming calls, etc. Of course, every matter is different, but there are key milestones and client touchpoints in all of them.

Identifying these repeatable tasks doesn't have to be an exhaustive process that entails going through every single matter handled by the firm. Instead, you use sampling techniques to get a general sense from a representative number of matters.

Another way to gather data is to survey clients at key milestones during a matter or when it is finished. There is no better way to figure out what's important to a client than to ask them. A survey would reveal, for example, the points at which a client would expect to hear from the firm, a sense of how quickly they expect a matter to be handled, and the kind of detail they want in updates. The survey must be appropriately worded; otherwise, the questions may skew the results, becoming an echo chamber for the firm.

An Easy
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02 Develop consistent systems and processes

Once a firm has identified all the repeatable tasks and secured client feedback, it's time to get to work. A firm can determine what's important to clients and how a particular matter type should progress through the firm by reviewing the data. A certain cadence should reveal itself that indicates, for example, when filings should happen, when to update clients, when depositions should be taken, when document review should be done, and so on.

For example, if an attorney and their team are handling an estate matter, the firm can establish benchmarks for when forms should be sent to the client and responses received, what documents need to be filled out and when, and how soon a signing should be scheduled, etc. Having this in place allows attorneys—and those that manage them—to spot potential problems or roadblocks in a matter or see where a client might not be getting the service they should and make a correction.

03 Review processes regularly

TQM is not a "set it and forget it" tool. It's essential to assess how well the new processes are working and make any needed adjustments. This review can be done as issues come up or on a more formal schedule.

TQM Should Be an Essential Part of Running a Firm

Just as firms follow the law when advising clients, they should be adhering to some basic TQM principles to manage their business. As noted above, TQM is one of the best ways to ensure—and prove—ethical compliance, and it also builds the trust and respect of clients.

It also doesn't have to be an arduous process that involves management consultants running around with clipboards and disrupting a firm's day-to-day operations. Even picking a few matters with repeatable tasks and milestones and developing processes for handling them can deliver the benefits of TQM.

Scott Brennan is CEO, and Tom Boster is CFO/COO of Lexicon, a provider of practice management software and legal support services enabling attorneys to maximize the productive use of their time. With expertise in law firm marketing, revenue optimization, billing and collections, virtual paralegal and receptionists, HR support services, and more, Lexicon offers comprehensive support for all legal practice needs.

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