"Quality Assurance: Documenting and Improving your Firm's Workflows"
Powered by Lean Six Sigma

FICPI 18th Open Forum, Vienna

By

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Today's Agenda

1) Challenges faced in Law Firm

2) Customer Focus and Quality Assurance

3) Introducing ISO 9001:2015 and Lean in Law Firm

4) How does the quality framework help solve day to day issues ?

5) Improving Customer Experience through
    Lean Implementation

5) Challenges Faced in Implementation

6) Benefits achieved

Challenges Faced by Law Firms

Small Law Firm Challenges

More than three-quarters of firms cite acquiring new business as a <u>significant or moderate challenge</u> for their firm.

Larger firms are more concerned about succession planning and cost control compared with smaller firms

Challenge	Moderate Challenge	Significant Challenge
Challenges acquiring new client business	51%	27%
Spending too much time on admin tasks	54%	15%
Increasing complexity of technology	51%	12%
Cost control and expense growth	49%	13%
Clients demanding more for less or rate pressure from clients	41%	21%
Keeping up with changes in the legal market	50%	6%
Lack of internal efficiency	45%	9%
Information overload from growth in docs	38%	10%
Succession planning	35%	12%
Increasing pace of legal and regulatory change	34%	7%

■ Moderate Challenge   ■ Significant Challenge

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Source : Thomason Reuters

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3,120 — **40%** > **1,248**

hours in a year to make money, based on a 60-hour week

of your time is spent on activities other than the practice of law[1]
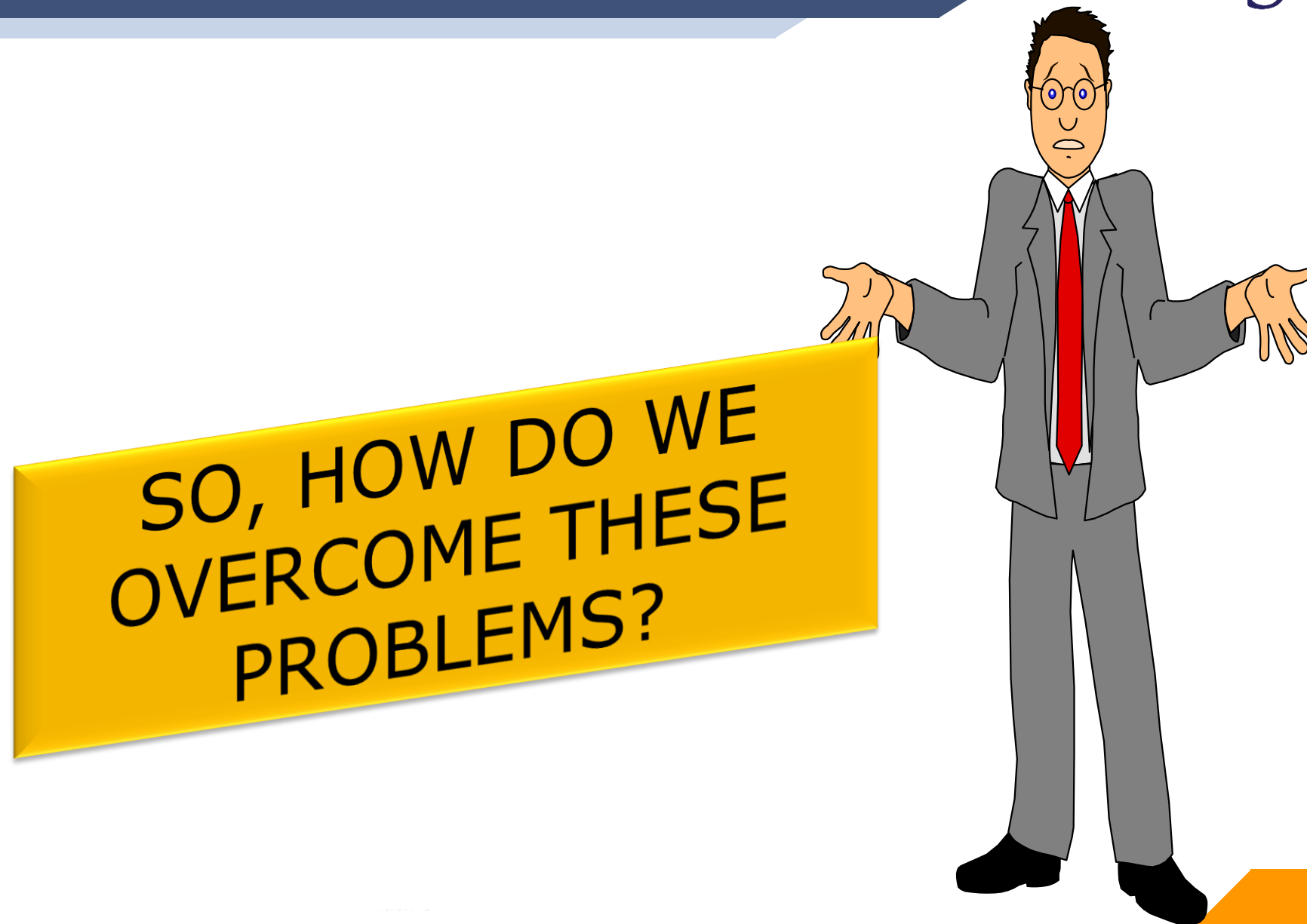
That's 1,248 hours/year spent on activities **other than** the practice of law

Source: 2016 State of the U.S. Small Law Firm Survey, Thomson Reuters

Source : Thomason Reuters

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What are the greatest compliance challenges compliance practitioners expect to face in 2018?

Customer due diligence

Senior management buy-in Regulatory and political uncertainty MiFID II/R Vendor compliance

Sanctions compliance

Enforcement actions

Training staff

Increased regulatory scrutiny Senior management accountability

Greater clarity on regulations

Corporate governance Global reach and consistency Culture

Data privacy and GDPR

Balancing compliance and business needs

Meeting additional licence requirements

Managing workload

Continuing regulatory change Third Party Risk Internal and regulatory investigations

Outsourcing

Cyber resilience AML

Anti-bribery and corruption

More information requests Automation Tone from the top

Product lifecycle management

Enhanced monitoring and reporting requirements

Conflicts management

Fintech/Regtech Adequacy and availability of skilled resources

Conduct Risk framework

Implementation of regulatory change

Coping with limited budget and resources

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SO, HOW DO WE OVERCOME THESE PROBLEMS?

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Define Before Digitize

Process driven Culture

DIGITIZATION

Quality Journey & Process Driven Culture

6σ

Lean Six Sigma
Year 2017-2020

ISO 9001:2015
Quality
Management System
Year 2016-2018

ISO 50001
Energy Management
System
Year 2015-2016

ISO 27001:2013
Information Security
Management System

Year 2012- 2015

Continual Improvement Journey

• ISO International Standards ensure that products and services are safe, reliable and of good quality.

• For business, they are strategic tools that reduce costs by minimizing waste and errors and increasing productivity.

• They help companies to access new markets, level the playing field for developing countries and facilitate free and fair global trade.

Business

+

QMS

➜

QMS of the Business

Information Security Management System

ISO 27001:2013

• **Confidentiality**
• **Integrity**
• **Availability**
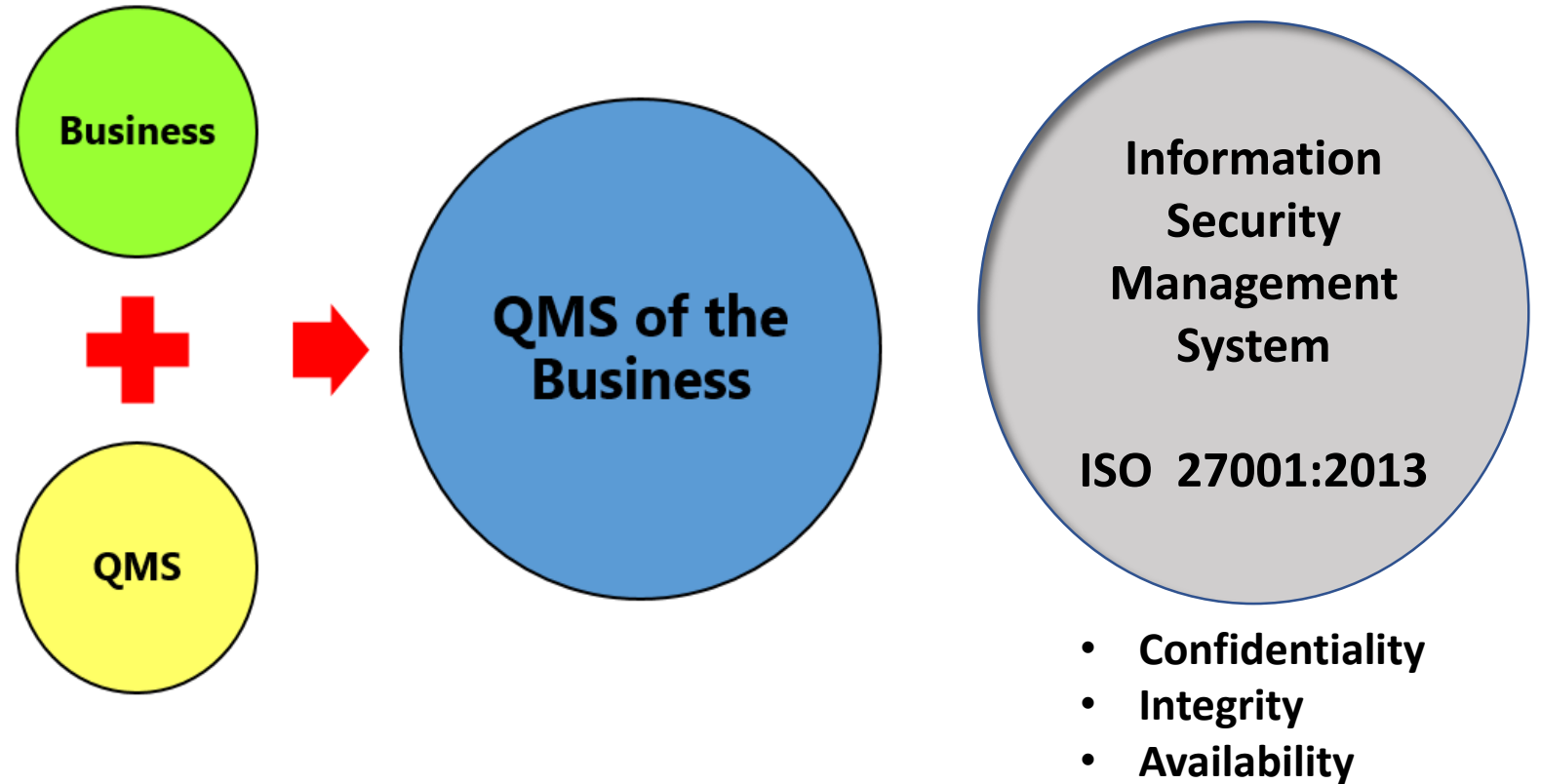
Faster, Cheaper, Reliable and Consistent Quality and Data Protection

Continual Improvement Methods

Names of Continual Improvement Methods

• Six Sigma

• Plan, Do, Check, Act (Deming Cycle)

• Total Quality Management

• Lean

• Kaizen

What is Six Sigma ?

- First, What is **NOT** Six Sigma?
  - Secret Society , a Slogan or a Cliché

- **Six Sigma**

  - Highly disciplined process that helps us focus on developing and delivering "near-perfect" products and services

  - *Sigma* : a statistical term that measures how far a given process deviates from perfection

  - Sigma ('Z value') is a measurement scale which describes the *Capability* of a Process....Any Process!

Started at **Motorola (1982)**
Chief Architects : Mikel J Harry & Bill Smith
Savings of more than 16 billion over 10 years.
Objective : 100% Defect reduction
3.4 Defects per Million Opportunity
Malcolm Baldrige Quality Award

Bill Smith
Father of Six Sigma

Perfected by GE (1996 onwards)
Propagated by Jack Welch

GE Saved more than 12billion over 5 years using Six Sigma

ISO 9001:2015 Roadmap

- Closure of gaps/non--compliances
- 3rd cycle of audit
- 3rd cycle of review
- Readiness for pre-audit

Phase 4 (4 months)

- Closure of gaps
- 2nd Audit cycle
- 2nd Management Review
- Identification of Certification body

Phase 3 (4months)

- Implementation of Processes
- Management Reviews
- Risk Assessment
- MCVA

Phase 2 (3 months)

- Management Council Formation
- Quality Manual Definition
- Documentation of procedures, policies
- Intro to QMS Training
- Risk Assessment at Firm Level

Phase 1 (3 months)

In 3 months
Policy formulation
QMS launch
Quality Objectives & Metrics Formulation
SOPs Documentation
Automation of SOPs in Internal System
Risk Management
Audit Cycle
Management Reviews
Continual improvements

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Six Sigma & ISO – Continual Improvement

Six Sigma

- Methodology
- Talks about HOW to be done
- Process Centric
- Customized by the Organization
- Resources are certified
- Customer focused
- Business Driven

ISO

- Quality Model
- Talks about WHAT to be done
- Organization Centric
- Prescribed by a Global body
- Organization is certified

Six Sigma & ISO complement each other

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LEAN SUCCESS
lies in
finding *Effective Ways*
to eliminate waste

6 Sigma

+

Lean

=

"Lean 6 Sigma"

S.S. Rana & Co. (ISO 9001: 2015 & ISO 27001 : 2013 Certified Law Firm), New Delhi
www.ssrana.in

Lean Methods

Muda = Waste

> "All we are doing is looking at a time line from the moment the customer gives us an order to the point when we collect the cash. And we are reducing that time line by removing the *non-value-added* wastes"
>
> *Taiichi Ohno, Toyota Production System 1978*

Tools

KAI CHANGE + ZEN BETTER = KAIZEN CONTINUOUS IMPROVEMENT
Everybody!
Everyday!
Everywhere!

KAIZEN

5S

5S — Sort, Set in Order, Shine, Standardize, Sustain

Kanban

TO DO | DOING | DONE
How to Use KANBAN to Improve Business Productivity

Value Stream Mapping
Eliminating non value added activities from the flow
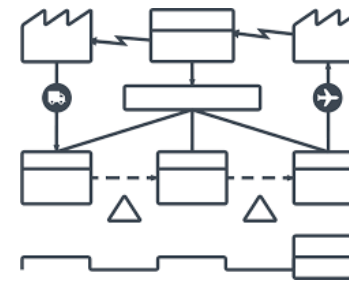
It is all about waste elimination!

PDCA – The Deming Cycle

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QMS/ISMS PROCESS

Interested Parties

Interested Parties

Management Responsibility

PLAN
Establish QMS/ISMS

DO
Implement & Operate the ISMS

ACT
Maintain & Improve

CHECK
Monitor & Review QMS/ ISMS

Quality & Information Security Requirements & Expectations

Managed Information Security & Quality Delivery

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Roadmap for Implementation

- **Quality policy formulation at company level with quality objectives**
- **Documentation of policies, procedures, Standard Operating Procedures for**
  - **Legal teams**
  - **Non Legal teams**

- **Metrics and Measurement**
- **Risk Assessment**
- **Audits**
- **Management Reviews**
- **Effectiveness of Corrective Action Plans**
- **Continual Improvement Projects – Kaizen, Lean Six Sigma**

QMS
High
Level
Policy

Low Level
Policy
Manual

Procedures,
Guidelines,
Templates, Forms,
Checklists

SOPS, Practice specific
documents
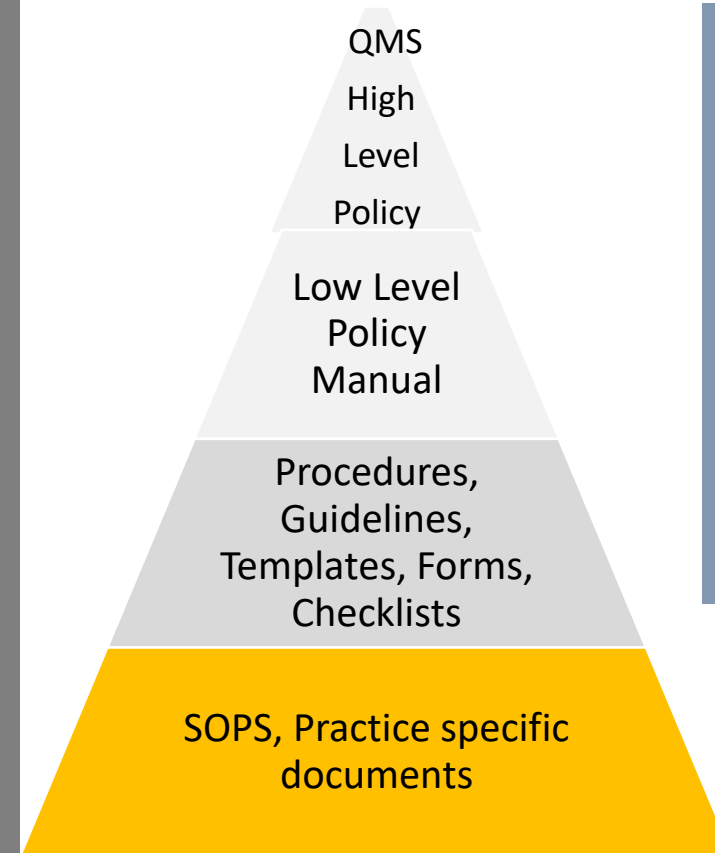
- **The system was automated with quality workflows in 'IMS' IP Management System**
- **System is extended to our clients as Client Portal**

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Action Planning & Continual improvement

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Customer CTQs
VOC Collection

Lean Six Sigma

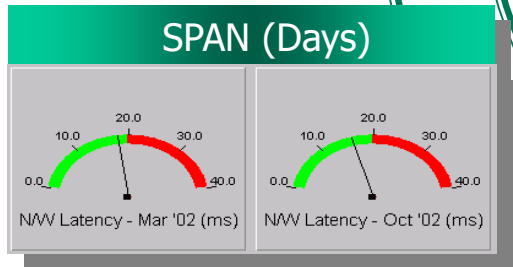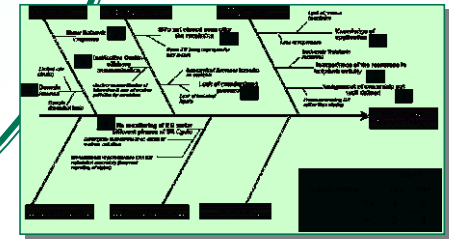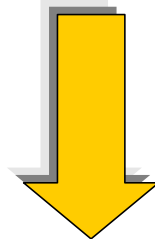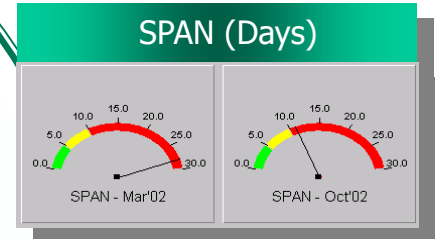**Client goal/ target Specific Process Targets**

SPAN (Days)
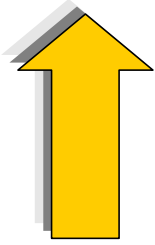
Process Management Provides A Framework Of Process Definition And Performance Against a defined Target

ISO9001 :2015 *

SPAN (Days)

N/W Latency - Mar '02 (ms)   N/W Latency - Oct '02 (ms)

Change in Customer Dashboard

Kaizen/Lean Six Sigma Project Selection And Execution
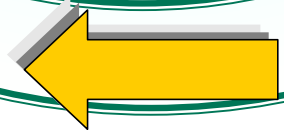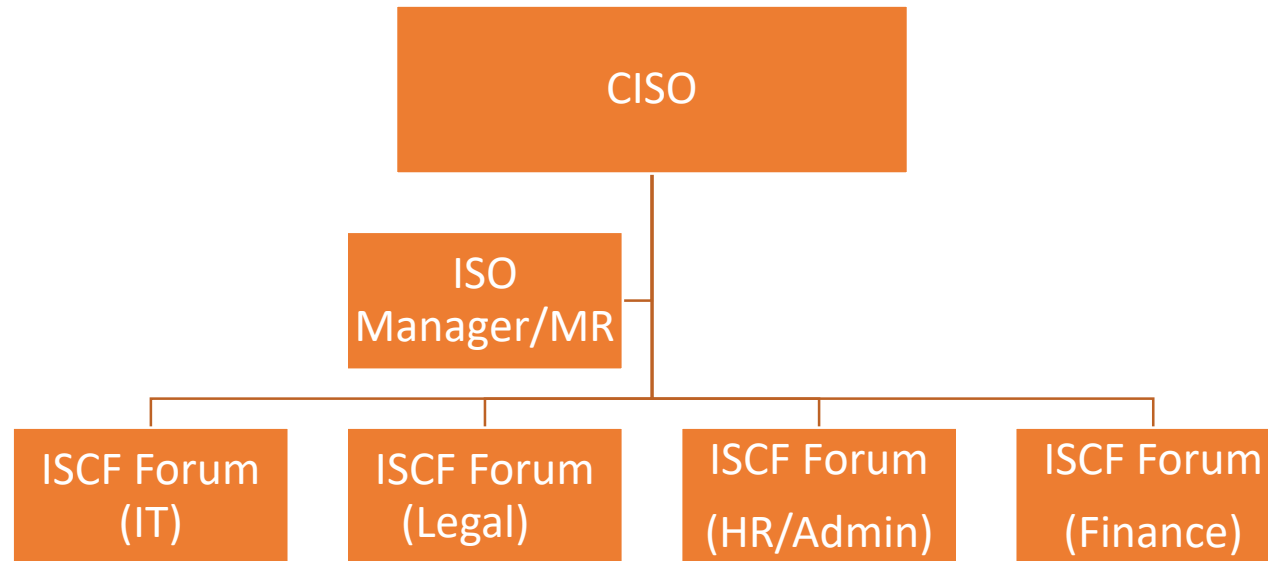
- **Setting up an Internal Project Team.**

- **An ISMS/QMS Steering Committee was formed.**

CISO – Chief Information Security Officer
ISCF - Information Security Co-ordination Forum
MR – Management Representative

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                    ┌──────────────┐
                    │     CISO     │
                    └──────┬───────┘
                    ┌──────┴───────┐
                    │     ISO      │
                    │  Manager/MR  │
                    └──────┬───────┘
     ┌──────────┬──────────┼──────────┬──────────┐
┌─────────┐ ┌─────────┐ ┌─────────┐ ┌─────────┐
│ ISCF    │ │ ISCF    │ │ ISCF    │ │ ISCF    │
│ Forum   │ │ Forum   │ │ Forum   │ │ Forum   │
│ (IT)    │ │ (Legal) │ │(HR/Admin)│ │(Finance)│
└─────────┘ └─────────┘ └─────────┘ └─────────┘
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- Attended a two-day training session.

- The training session also gave the Project Team a valuable insight in exactly what was involved and also the amount of work required to achieve our goal.

Order to Cash Cycle

Problem Statement :

It was observed that the time taken to respond to customer queries and sending quotation was high as much as 5 days and caused loss of business for us. In addition there was no way to validate the bill raised vs quotation shared.

Scope Statement :

**All queries from new or existing clients**

Process Mapping:

Conducted value stream mapping to identify non value added activities

Root Cause Analysis conducted along with brainstorming session and found bottlenecks, over processing of data, redundancy, wait time.

22 steps in the process were reduced to 10 steps

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Lead to Order Workflow – Before Lean

Value Stream Mapping

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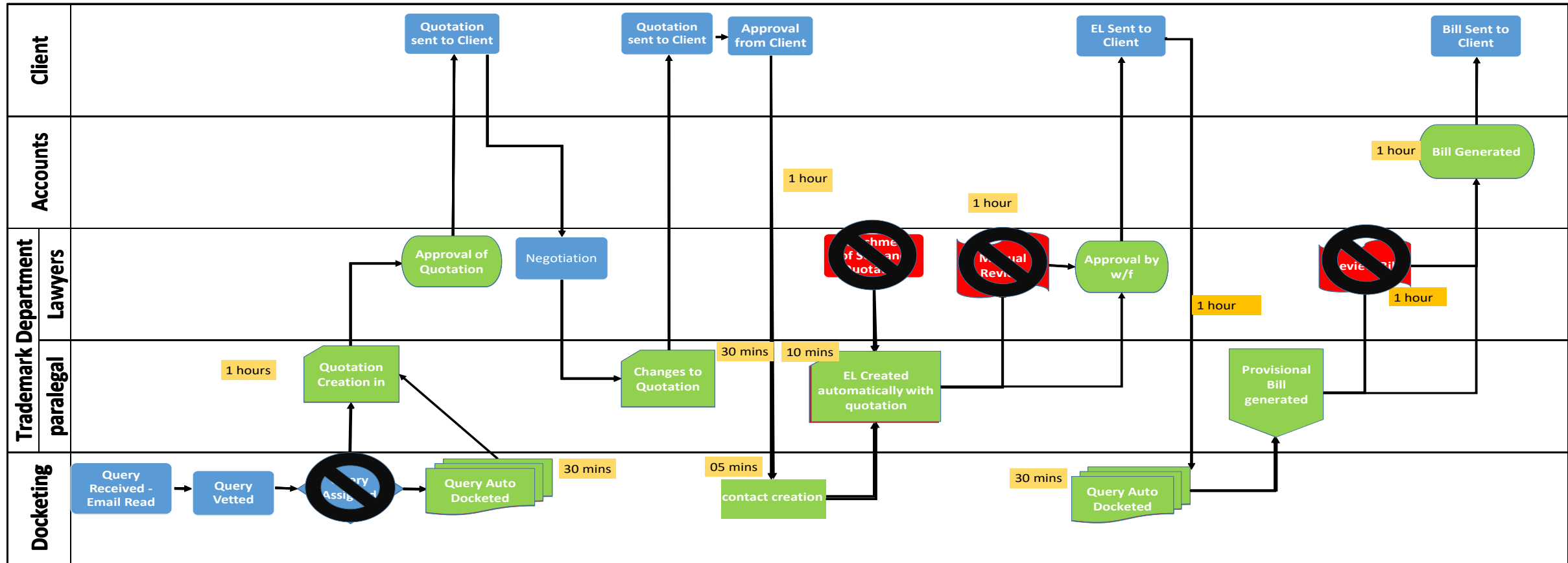
Non-Value- Added Activities – Manual work, Wait Time, Inspection, Movement of Flow
17 hours of non-value-added effort can be reduced

Activities Improved (Automation) – Reduced time in regards to Manual work, Wait Time, Inspection, Movement of Flow. 17 hours of non-value-added effort reduced to 6 hrs approx.

Lead to Order Workflow – Before Lean

Value Stream Mapping

Non Value Add Analysis

	Movement	Operations Itself	Waiting	Inspections	Redundancies
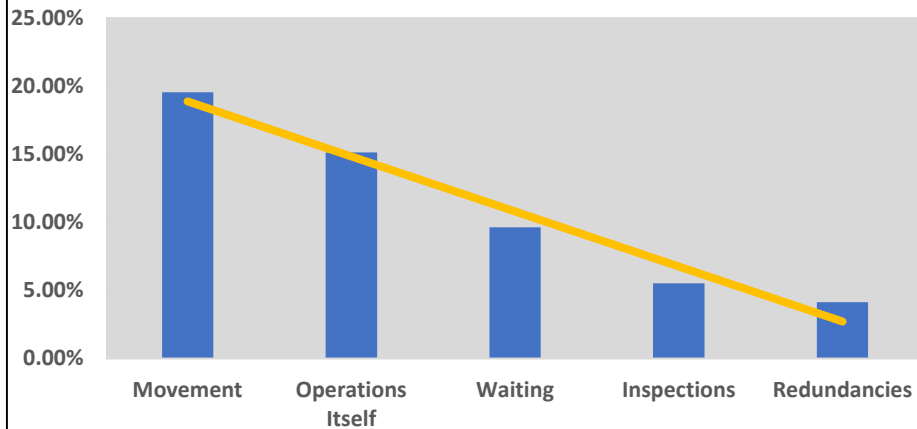
- Error Rate for Quotation was high as there were excels used with no version control
- There was potential revenue leakage as bills could not be validated with the quotation amount
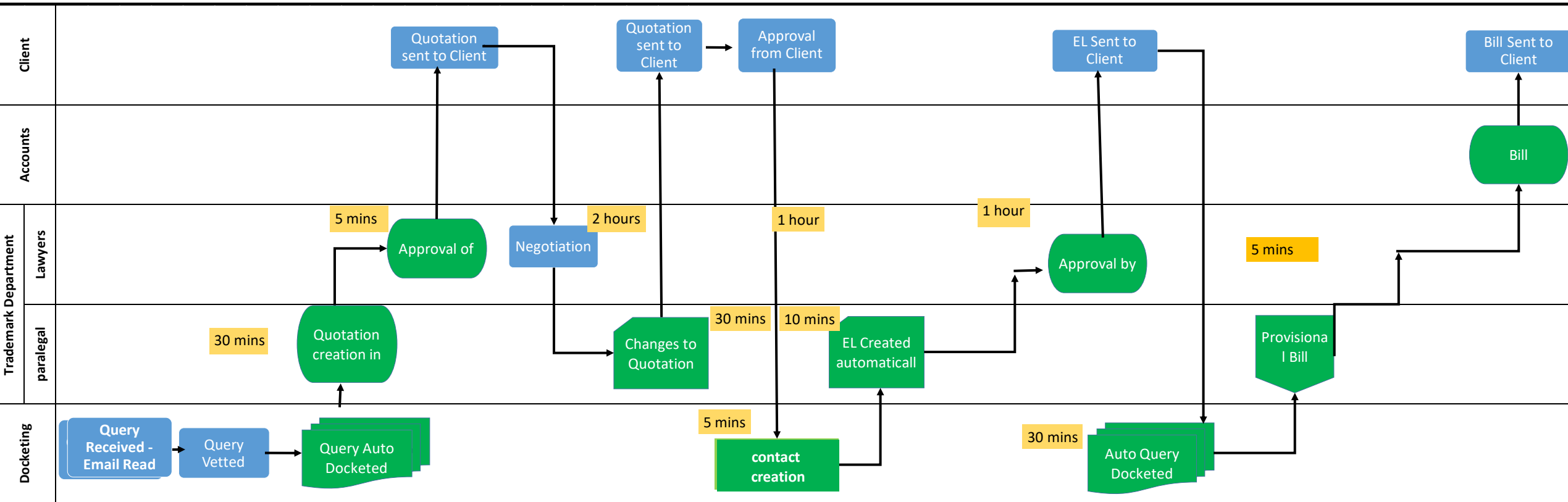
Before

22 steps

- Query mail docketing
- Manual Quotation creation
- Review for Quotation
- Searching for Quotation
- Updates to Quotation
- Approval for Quotation
- Client Creation
- Bill Creation
- Mail docketing

After

10 steps

- Query mail auto docketed
- Quotation is created in system
- Review & approval through workflow
- Easy update for Quotation (system)
- Auto Client master creation
- Auto Bill Creation
- Auto Docketing for emails

Lead to Order Workflow – After Lean

Client: Quotation sent to Client · Quotation sent to Client · Approval from Client · EL Sent to Client · Bill Sent to Client

Accounts: Bill

Trademark Department

Lawyers: 5 mins — Approval of · Negotiation · 2 hours · 1 hour · 1 hour — Approval by · 5 mins

paralegal: 30 mins — Quotation creation in · 30 mins — Changes to Quotation · 10 mins — EL Created automaticall · Provisional Bill

Docketing: Query Received - Email Read · Query Vetted · Query Auto Docketed · 5 mins — contact creation · 30 mins — Auto Query Docketed

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19 hours effort reduced to 6 hours per quotation. There are about 200 plus quotations per month
TAT improved by 12 hours per quotation
Billing Accuracy improved to 99%
Revenue Leakage minimized

- Removed Non -Value- Added Activities
- Automated manual tasks
- Removed opportunity for error
- Removed number of approvals

Status update to Client TAT

Problem Statement :

It was observed from the analysis for data from December to March 2019 that 15% of our clients were not able to get their status on their respective files within 24 hours, and the turnaround was close to 4 days. At the same time there was manual effort spent on status update, wherein 2 paralegals were dedicated for this task and an additional person from docketing was working on docketing of emails.

Scope Statement :

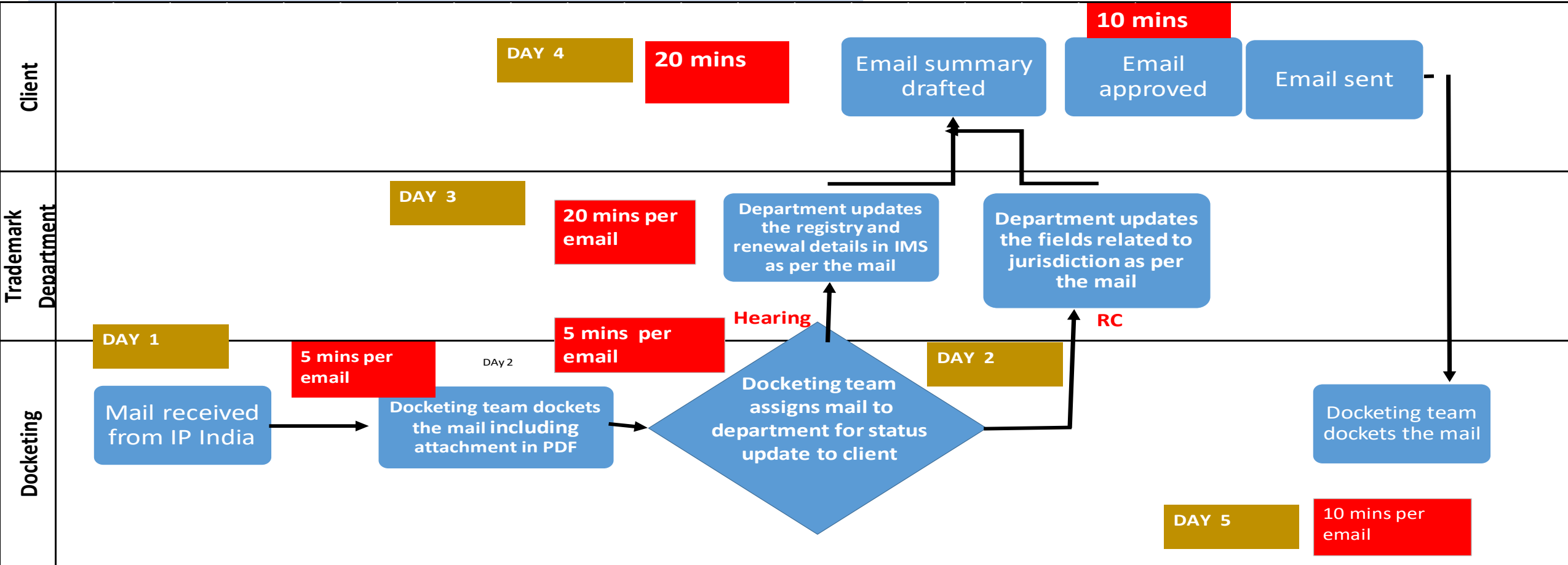**All files and categories for trademark, patents, opposition**

Process Mapping:

Conducted value stream mapping to identify non-value added activities

Root Cause Analysis conducted along with brainstorming session and found bottlenecks, over processing of data, redundancy, wait time.

22 steps in the process were reduced to 10 steps

Status update to Client TAT– Before Lean

Client

DAY 4 | 20 mins

10 mins

Email summary drafted | Email approved | Email sent

Trademark Department

DAY 3 | 20 mins per email

Department updates the registry and renewal details in IMS as per the mail

Department updates the fields related to jurisdiction as per the mail

Hearing | RC

Docketing

DAY 1 | 5 mins per email | DAy 2 | 5 mins per email

DAY 2

Mail received from IP India → Docketing team dockets the mail including attachment in PDF → Docketing team assigns mail to department for status update to client → Docketing team dockets the mail

DAY 5 | 10 mins per email

Non-Value- Added Activities – Manual work, Wait Time, Inspection, Movement of Flow

60 mins per email was spent in getting the status of file to the client. On an average there are 50 emails received from registry, it would take 3000 minutes or 50 person hours and would take 3 full time to update status in 2 days and hence delay in response to customer

Status update to Client TAT– After Lean
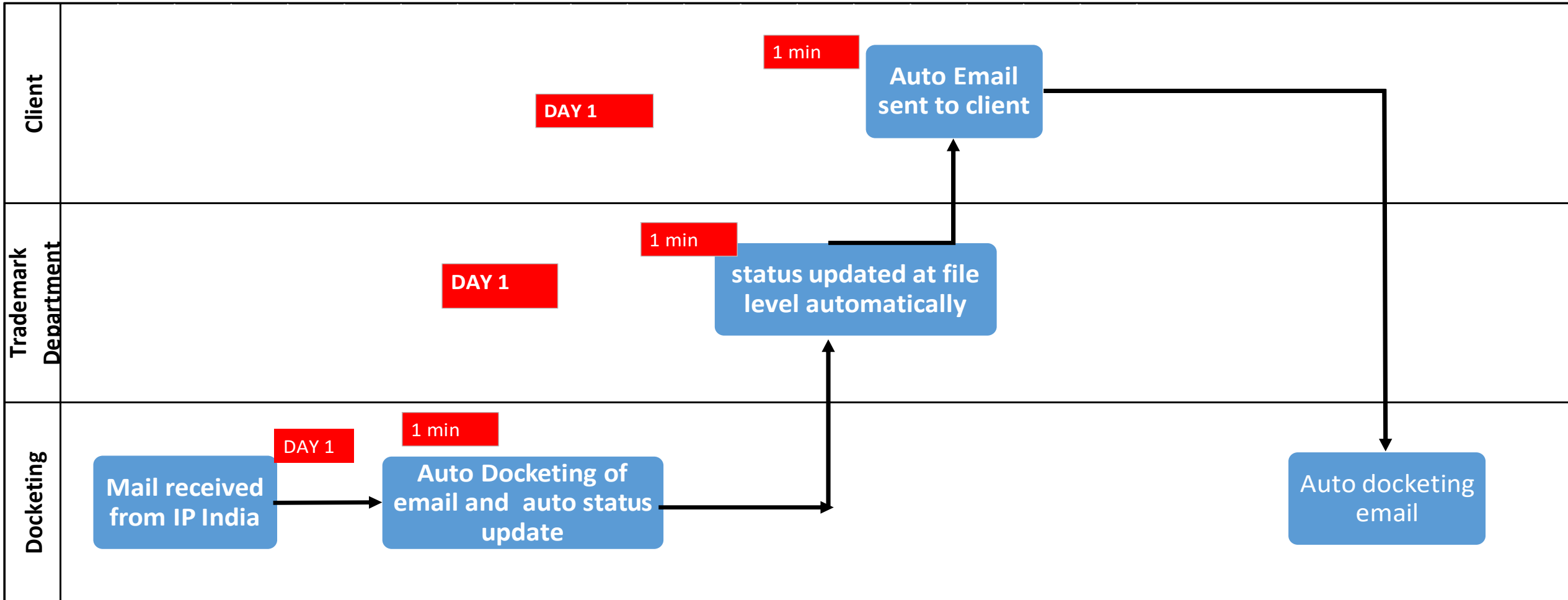
Non-Value- Added Activities – Manual work, Wait Time, Inspection, Movement of Flow
1 hour per email, on an average 30 mails recvd per day – 30 hours of effort reduced to 1 hour,
In addition error rate reduction to 0

Implementation Challenges

- Process driven culture than people driven

- Training on processes and tool

- Adoption to new ways of working

- Kaizen culture of continuous improvement and Quality Council Meet, it was difficult to get attorneys and paralegals who are not IT savvy to make them follow the process

- Failures and Learning

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Key Takeaways

- Define before digitize

- Standard process framework implementation

- Continual improvement culture

- Effective employee communication

- Lean thinking

- Learnings from failure

- Rewarding the people

Questions?