

Six Sigma Solutions

Seyfarth Shaw: Six Sigma Solutions

Managing legal costs and budget predictability are real issues that require real solutions. As the cost of legal services has risen and the pressure on companies has intensified, these issues have become increasingly acute. In 2006, Seyfarth set out to raise the bar in addressing these challenges by adopting Lean Six Sigma methodologies as our approach to providing legal services, with the goal of working with our clients to improve collaboration, communication, and efficiency. The application of this process-driven methodology involved mapping the delivery of services, identifying areas where efficiencies could be gained, and allowed us to better predict costs for our clients. As a result, we can deliver increased value to our clients at a time of increased market pressures and competitive demands.

The result: an innovative approach to partnering with our clients to create a different kind of working relationship; one that integrates efforts from both Seyfarth and our client's organization and drives value.

Examples of the value this has delivered include:

- A clear understanding of client needs and a shared definition of success
- A reduction in average fees from 13% up to 50%
- Elimination of cost variability
- Transparency in the pricing model

The Best Result: A Different Type of Relationship that Leads to Increased Client Satisfaction

This innovative approach is a different way of thinking about and delivering legal services to bring consistent quality while providing budget predictability and value. It is a relationship built upon a shared definition of success, benchmarks, and tangible quantitative and qualitative results. With 50 projects completed, and 75 Seyfarth Green Belts to date, we continue to partner with our clients in using these tools and methodologies to find new ways of delivering quality and value.

Applying Six Sigma: Tools You Can Use

During our session, we discussed a number of simple tools you can use to apply Lean Six Sigma methodologies to address a wide array of issues / inefficiencies / problems.

Finding the Root Cause

According to Six Sigma, identifying the root cause of a problem is a critical step in identifying the right solution. Here are two simple ways of filtering a problem to find its root cause:

1. “Why’s”

“Why’s” is simply a method that keeps the problem solvers asking “why” until an answer is reached for which asking the question “Why” no longer makes sense. When that stage is reached, the root cause has been identified.

Example:

Problem: You find a puddle on your floor.

Why: Water dripped from ceiling

Why: Water dripping from above the ceiling

Why: Water from upstairs bathroom

Why: Bath tub was leaking

Why: Crack in the grout

Why: Old and dry

The root cause: the grout is old and dry. Fix the root cause by re-grouting the tub, and your problem is solved.

2. $Y=f(X)$

(Y is a function of X)

Another simple way to determine root cause is to use the “Y is a function of X” tool. In this formula, Y is the problem and the X’s are the causes of the problem. By breaking out the X’s (causes), you can identify root cause. In this approach, focus on the X’s that you can control.

Example:

Problem: I am late to work.

Y = Being late to work

Causes of being late to work are the X's:

- X: Alarm clock does not go off
- X: I hit the snooze button too many times
- X: Traffic was bad
- X: Weather is bad
- X: Kids didn't get out of bed on time, making me late

From this list of X's, identify one that you believe has the most impact on the problem AND that you can control. This X becomes a new Y (the new problem.) Now we identify the X's to this Y.

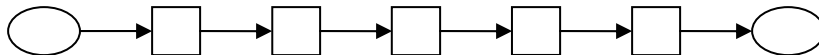
Example:

Y = Alarm clock does not go off

- X: Electricity went off in the middle of the night
- X: Clock set for the wrong time
- X: I hit snooze too many times

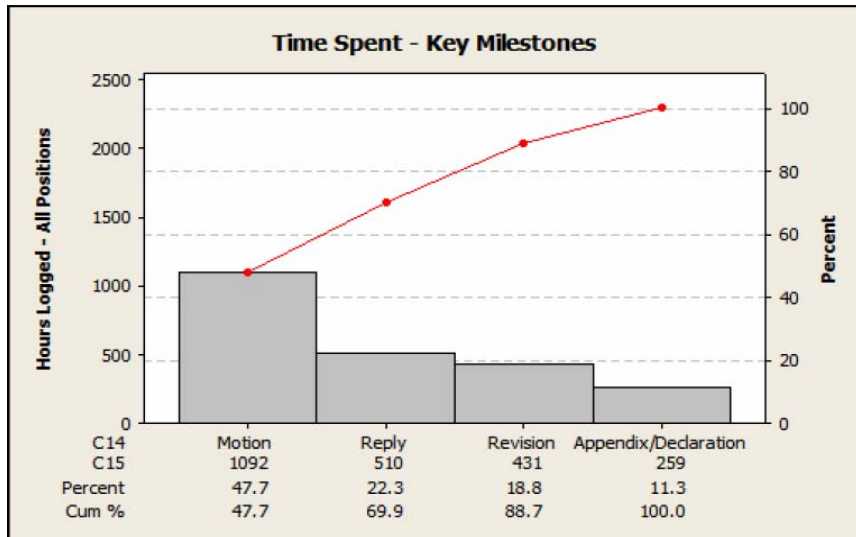
After completing this second level of $Y=f(X)$, it is typically a good time to collect data to determine which X is causing the problem most frequently.

Process Mapping



A process map is a visual depiction of each step in a process.

Pareto Chart



A Pareto Chart is a tool that narrows the focus or scope of the problem to be resolved using the 80/20 rule that 80% of the problem is caused by 20% of the causes. It enables you to focus on the areas that are impacting you the most and keeps you from “boiling the ocean” by trying to tackle too many problems at once.

Voice of the Client

As the name implies, “Voice of the Client” is a tool to understand how the client defines value. This can be done in a variety of ways, including conversations or surveys.

Kano Analysis

A Kano Analysis takes the input collected during the Voice of the Client step and categorizes the information into one of three types of “requirements”:

1. Must-be’s – these are obvious requirements not usually stated (e.g. standard performance, basic quality.)
2. One dimensional – openly stated requirements that need to be met for client satisfaction.
3. Delight’s – items not always articulated by the client, but when delivered, the client is surprised and delighted (e.g. Industry leading quality).

8 Wastes

After mapping a process, use the “8 Wastes” list to identify and eliminate these common inefficiencies.

1. Defects – incorrect data
2. No Value – providing something the client/customer does not care about
3. Trafficking of Information – using an inefficient method to move information/documents from place to place
4. Waiting – information is not transferred in a timely manner
5. Bottleneck – information is stuck or backlog is created
6. Duplication – unnecessarily performing a task more than once
7. Sign-offs – requiring unnecessary approvals
8. Knowledge Management – not utilizing input from subject matter experts, no cross-training

WINs (Work It Now)

WINs are “quick hit” improvements you can make before performing a complete review of a process. These can become apparent after an initial process review, and are items that simply require a tweak to improve and create immediate efficiencies.

Worst of the Worst (WOW’s) and Best of the Best (BOB’s)

These two tools are used during the process mapping activity to identify both best practices as well as practices that are not. The goal is to learn from those that are doing their job in the most efficient way possible and those that are performing their job inefficiently. Analyzing each side permits you to adjust your process accordingly.

A Comprehensive and Executable Plan Includes a Project Manager and Implementation, Communication, Change Management, and Control Components

When implementing the new process, a best practice is to assign someone as the project facilitator (or project manager) to help plan, monitor, and drive the implementation.

A comprehensive plan includes four components: an implementation plan, a communication plan, a change management plan, and a control plan. The implementation, communication, and change management plans typically run parallel to each other, so developing these together is important. Once a

process has been implemented, the control plan is essential to monitor and ensure the new process “sticks.” The control plan includes metrics to track results, a reporting schedule, and an oversight team to monitor and enforce the use of the new process.

Applying Six Sigma Methodologies In-House

Six Sigma methodologies can be used in many areas, but typically identifying areas of a practice that are repetitive and/or a department’s largest pain points are the best places to begin. Below are areas you may wish to consider:

- E-discovery
- Post-closing contract administration and follow-up
- Due Diligence review
- Compilation of discovery materials
- Intellectual Property prosecution or administration
- Area in which you intersect with your outside counsel for certain types of matters

After identifying an area of focus, consider using these tools and approaches to drill further into the problem and identify new processes that drive better efficiency and value:

- Process map
- Look for re-work; appropriateness of staffing; number and level of touches
- Look for ways to utilize knowledge management tools and best practices
- Institutionalize the process with your work group, ensuring consistency in practice and communication
- Take affirmative steps to ensure accuracy of the data

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