

# How CLOC is Helping Law Firms Improve Efficiency



*A LegalBizDev white paper  
By Tim Batdorf, Jim Hassett, and Ed Burke  
June 2018*



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## Executive summary

This white paper describes how the Corporate Legal Operations Consortium (“CLOC”) has contributed to the state of the art of Legal Project Management (“LPM”), and how law firms can benefit from the resources CLOC has developed to improve efficiency.

CLOC is primarily focused on supporting in-house staff at corporate legal departments. However, a growing number of law firms are becoming involved with CLOC to better understand their clients’ needs and for marketing purposes. In this paper, several CLOC resources are described including:

1. **The 12 Core Competencies.** Until CLOC created the 12 core competencies, there was no comprehensive definition of legal operations. CLOC’s definition helps legal operations professionals deliver the right quality of legal support at the right cost.
2. **CLOC’s LPM Initiative.** The CLOC website offers a 14-page paper entitled “LPM for Legal Teams” which lists activities, results, and success criteria for each stage in the LPM process, as well as practical LPM templates, checklists, and guidelines. In addition, CLOC offers a useful 16-slide PowerPoint presentation entitled “LPM – The Business Case and Action Plan for Legal Departments.” This presentation educates lawyers on the need for LPM and the benefits of LPM implementation.
3. **The Patent Prosecution Initiative.** This model is aimed at those who are digging into the details of how to implement LPM. It establishes “a common language and framework” for in-house legal departments to use when defining scope. It aims to speed up the process; reduce misunderstandings and miscommunications; design fee schedules; and help manage budgets.

CLOC’s significant impact on the legal industry highlights the need for law firms to accelerate their use of LPM. Law firms also need to become familiar with the CLOC LPM framework, which has been embraced by CLOC’s ever-growing membership – “what is becoming one of the most influential players in legal service delivery.”

## Introduction

How much do you know about CLOC, the Corporate Legal Operations Consortium?<sup>1</sup> If the answer is very little, and if you work at a law firm that cares about LPM, you may be falling behind your competitors.

As suggested by its name, the Corporate Legal Operations Consortium is primarily focused on supporting in-house staff at corporate legal departments. However, a growing number of law firms are becoming involved with CLOC for both substantive reasons (to better understand what clients are looking for) and for marketing purposes (to improve communication with current clients and with potential new ones).

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<sup>1</sup> <https://cloc.org/>

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CLOC's mission is to help legal operations professionals and other core corporate legal industry players (e.g. tech providers, law firms, LPOs, law schools, etc.) optimize the legal service delivery models needed by small, medium and large legal departments to support their clients. As summarized on CLOC's web page:

In a technology and data driven world, when business moves faster than ever, legal is totally out of step. Our industry has been frozen in time, slow to change. We organize all players in the legal ecosystem to help reform and shape our industry.<sup>2</sup>

CLOC's influence has exploded in the last few years. According to a recent Bloomberg Law interview with CLOC's founder Connie Brenton (chief of staff and senior director of legal operations at NetApp Inc.), CLOC started in 2010 as a small discussion group which, at that time, might have best been described as "an information book club" or perhaps as "therapy." In 2016 CLOC became a non-profit, and according to Brenton:

In two years we went from an informal group of 40 to nearly 1,400 legal operations professionals.<sup>3</sup>

That was in February. More have joined since, and at the time of this writing, CLOC had approximately 1,500 members and over 750 member companies, including roughly 30% of the Fortune 500. CLOC membership represents 43 states in the US and 39 countries around the world, and member companies have an estimated combined external legal spend of over \$40 billion.

CLOC's growing influence on the legal profession can also be seen in the fact that attendance doubled at each of its first three US meetings: from about 500 participants in 2016, to 1,000 in 2017, and nearly 2,000 in 2018.

## Law firm involvement with CLOC

Given those numbers, it is clear why law firms are increasingly involved with CLOC. According to Melissa Prince, Ballard Spahr's Chief Client Value Officer, the most important benefit of CLOC involvement is proactive communication.

For years, clients and law firms have had the common goal of transforming the way legal work is done, but until CLOC they were not really talking to each other about it in any meaningful way. The reality is there will never be any *long-term* change in the legal industry until clients and law firms really start talking to each other. CLOC encourages us to tackle tough issues and to be brutally honest with each other about what is – and more importantly what is not – working. This is exactly what we need in the legal industry.

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<sup>2</sup> <https://cloc.org/reform/#reinvent-legal>

<sup>3</sup> <https://www.bna.com/legal-operations-growing-n5798208829/>

After attending CLOC’s meeting in Las Vegas last month, David Clark, LPM Partner at Lathrop Gage, noted that:

CLOC emphasizes how clients and their in-house legal departments want law firms to collaborate with them. This runs counter to a common misconception in law firms that clients are just using things like LPM and alternative fee arrangements to drive down legal fees, without regard for the law firms that represent them. Instead, most clients want to *increase* collaboration with their law firms through LPM and similar tools. While it is true that these tools allow law firms to more efficiently and cost-effectively handle legal work, at the same time, clients are rewarding collaborating law firms by increasing the volume of their work and paying success fees. CLOC helps law firms understand that implementing LPM can foster increased collaboration with clients, resulting in more value for clients and deeper engagement for the law firm.

### The 12 Core Competencies

CLOC conferences are designed primarily for in-house departments, and the first session at each conference provides an overview of the 12 core competencies identified by CLOC and summarized in this graphic:



All remaining sessions at each conference describe how best to execute against those competencies. According to Jeffrey Franke, Assistant General Counsel at Yahoo Inc. and a member of CLOC's Leadership Team:

The core competencies are the reference model for achieving operational excellence by in-house legal teams. Legal operations professionals, working with their GCs and legal leadership teams develop strategic and tactical plans to create service delivery models (in-house, law firm, LSO, and tech solutions) to deliver the right quality of legal support at the right cost by executing against those competencies. Each core competency is comprised of several sub-core competencies. Until CLOC created the 12 core competencies, there was no comprehensive definition of legal operations.

Typically, legal teams focus on the 12 core competencies in a clockwise fashion – representing CLOC's operational maturity model. Franke estimates that 60% of legal departments operate primarily at the foundational level, 35% at the advanced level, and about 5% at the mature level. Franke says there are similar, observable patterns in the way that legal departments evolve over time:

The parallel to operational maturity and the core competencies is functional maturity: we've found that legal ops teams mature (grow in size, scope, talent, and reporting structure) in a similar way over time as legal departments understand what it takes to execute at the highest levels.

## CLOC's LPM Initiative

CLOC's web page lists a number of crowd-sourced initiatives based on the idea that:

When experts from across the legal ecosystem work together to take on the biggest challenges of our industry, almost anything is possible... The CLOC initiatives... each led by a CLOC member, draw on contributions from law firms, alternative legal providers, technology companies, and law schools. The result – best in class solutions that shape the present and the future of our industry.<sup>4</sup>

While some initiatives are of primary interest to in-house law departments (such as the “Legal Ops Career Skills Toolkit”), others are of substantial interest to law firms, starting with CLOC's LPM initiative. According to Amanda Ciccattelli, the author of a 2017 Inside Counsel article about CLOC entitled “The Power of Legal Project Management:”

[One] big challenge around project management in law departments is that legal teams didn't understand it or what was being asked of them. So, a team of over 20 industry professionals... created an executive summary to educate legal leadership teams of what legal project management is, what the benefits are and how they can get started. The CLOC LPM Initiative team also created a playbook that includes a simple checklist for

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<sup>4</sup> <https://cloc.org/achieve/#discover>

each matter stage and templates that can be used and configured by legal teams to easily apply project management in their delivery.<sup>5</sup>

Aileen Leventon, Principal at Edge International, led the group that prepared the resulting 14-page paper, “LPM for Legal Teams.”<sup>6</sup> It begins with CLOC’s definition of LPM, built around four major stages – intake, planning, execution, and review – and is summarized in this diagram:



Naturally, CLOC looks at LPM from the client’s point of view. Their paper provides details for each stage, listing activities, results, and success criteria. It also provides templates such as:

- Matter Complexity Guidelines
- Request for Legal Service Checklist
- LPM External Briefing Checklist
- Monthly Matter Status Report
- Post-Matter Review Form

Some of these tools can be used as-is by law firms; others provide useful insights into the way sophisticated clients look at LPM. (While the paper itself can be downloaded for free by anyone, the internal links to tools are available only to CLOC members. However, joining CLOC is easy and relatively inexpensive.<sup>7</sup>)

<sup>5</sup> <https://www.law.com/insidecounsel/almID/59279783140ba0e62e1756d9/>

<sup>6</sup> <https://cloc.org/legal-project-management-guide-tools/>

<sup>7</sup> <https://cloc.org/become-a-member/>

You don't need to be a CLOC member to download another useful document which was created as part of this initiative: A 16-slide PowerPoint presentation entitled: "LPM – The Business Case and Action Plan for Legal Departments."<sup>8</sup>

Again, as suggested by the title, this presentation is aimed at in-house law department staff, but many of the concepts apply to law firms as well. One of the most interesting slides addresses the myth that project managers "spend lots of time documenting and updating project plans." In reality, LPM is 90% about communication and speaking the client's language:

- Defining and managing the scope of the work
- Making sure all those who need to be involved are in the loop
- Making sure that risks are addressed on time by the right people
- Providing status updates
- Facilitating meetings and discussions
- Communicating meeting minutes and action items

This emphasis on communication is completely consistent with our experience coaching lawyers in LPM for more than a decade. For example, when Bilzin Sumberg COO Michelle Weber was interviewed for our white paper, "A Model for LPM Success: The Case of Bilzin Sumberg," she said: "If I were to distill [our LPM] program into one highlight, one thing that everyone learned and changed, it was improved communication. It sounds so simple but improving communication with clients and within the firm is very hard."<sup>9</sup>

Finally, for people who need to make the case for LPM – whether in a law department or a law firm – the slide "What is driving the need for LPM?" (reproduced below) may be especially useful:

### What is driving the need for Legal Project Management?

Clients	Corporate Legal Departments	Law Firms
We need to eliminate surprise in fees and outcomes wherever possible.		We need to be able to identify and escalate risk faster within the firm and with the clients.
How and when should we get the lawyers involved?	How do we make best use of our staff and resources?	How do we ensure that everyone knows their role and responsibility?

<sup>8</sup> <https://cloc.org/legal-project-management-business-slide-deck/>

<sup>9</sup> <http://www.legalbizdev.com/files/LegalBizDev-Model-for-LPM-Success-Cx.pdf>

Clients	Corporate Legal Departments	Law Firms
We are evaluated and compensated based on our P&L, so we scrutinize the impact of legal costs.	When will business people need to be involved so the legal work does not disrupt their primary job?	The legal team needs a plan to deliver the work on time and with less rework – instead of doing everything ad hoc. That will make us better at client service, teamwork and more efficient.
We need a better understanding of timing that may impact business operations, management reporting and accounting.	We needed to accurately, simply and timely report status of matters to many stakeholders.	
	We need to understand both the business context, objectives and legal objectives before we begin working on a matter.	
	Cost and pricing pressure has caused us to more closely monitor estimated fees and staffing. Visibility on fees and costs throughout the matter is a must.	
	We need better communication on how and why the work will be done, both at the outset and throughout, in order to manage law department resources and outside counsel.	

## The Patent Prosecution Initiative

While the CLOC LPM initiative, described above, was aimed at LPM novices, other CLOC initiatives<sup>10</sup> are aimed at those who already accept the need for LPM and are digging into the details of how to implement it.

For example, the Patent Prosecution Initiative was designed to establish “a common language and framework” for in-house legal departments to use when defining scope for patent prosecution work. This initiative aims to:

- Speed up the process
- Reduce misunderstandings and miscommunications in defining scope
- Design fee schedules, and
- Help manage budgets

<sup>10</sup> <https://cloc.org/achieve/#initiatives>



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According to a May 2017 article in *Corporate Counsel*,<sup>11</sup> this document grew out of the work of May O'Carroll as head of the Legal Operations, Technology and Strategy team at Google, and it incorporated contributions from more than 60 companies, law firms, and other third parties.

The CLOC Patent Prosecution Deliverable Framework<sup>12</sup> can easily be downloaded from CLOC's webpage. It lists 21 core deliverables, from the "Pre-filing Assessment" to "Issuance" and "Appeal." Each is described in detail, along with "add-on options" and suggested UTBMS task codes.

According to Doug Luftman, the Chief Information Officer and General Counsel at Lecorpio:

This approach will provide us all with a way to more effectively manage our budgets. We also will be able to more successfully track how efficient projects are. Further, we will be able to more easily develop new benchmarks (so that we are comparing apples to apples) and gain a better understanding into how we are all performing.<sup>13</sup>

In an interview for this post, James Hannigan, formerly a Project Manager at Fenwick & West and a member of CLOC's core working group for this initiative, argued that if companies begin to adopt this new standard, they will increasingly demand that law firms also adopt project management techniques when they perform work:

Clients will have access to more precise data, which will compel the firms to manage the budget more effectively. Project management will be easier to implement because the data is available to properly do it.

## **CLOC's impact on the legal industry**

According to Aileen Leventon, Principal of Edge International, this and other CLOC initiatives can help law firms take a more sophisticated approach with their clients.

Law firms tend to look at clients as a monolith, whether it's a single point of contact or a full law department. But CLOC takes a supply chain approach, identifying and improving the various handoffs that go on between an internal business client and the law department, within the law department, and with outside counsel.

To the extent that CLOC's approach is embraced by in-house counsel, Leventon believes it will have a significant impact on law firms for many reasons, including:

- Law firms will have to accelerate their use of LPM.
- Law firms that have embraced LPM will need to become familiar with the CLOC framework.

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<sup>11</sup> <http://www.corpcounsel.com/printerfriendly/id=120285234995>

<sup>12</sup> <https://cloc.org/patent-prosecution-toolkit/>

<sup>13</sup> <http://www.lecorpio.com/company/blog/cloc-s-patent-prosecution-framework-all-on-the-same-page?tmpl=1&format=print>

- In-house counsel will become more efficient in serving their internal clients.
- In-house counsel will be better prepared to define a successful outcome, which will result in better formulations for setting objectives and defining scope.
- Budgeting and changes in assumptions will be easier to articulate with a systematic process that in-house lawyers better understand.

On the last day of the first CLOC conference (held in 2016), a panel discussion examined the issue of “why law firms are not responding faster and more fully to their clients’ needs and demands for improved legal service at more reasonable fees.” According to panelist Ralph Baxter, former Chairman and CEO of Orrick and currently Chairman of the Advisory Board of the Thomson Reuters Legal Executive Institute, the panel discussed:<sup>14</sup>

How clients can achieve the change they need *from* their law firms instead of *in spite of* them. . . . The pace of change is painfully slow [because many law firms] lack the motivation and resolve to [change].

Baxter went on to describe how CLOC’s influence is being noticed within the legal industry:

CLOC is quickly becoming one of the most influential players in legal service delivery... CLOC members have an unprecedented opportunity to accelerate change... They have the mandate, they have the motivation and they have the buyers’ power. And, thanks to CLOC, they are organized.

While law firms have made substantial progress in the two years since Baxter wrote these words, there is still a very long way to go.

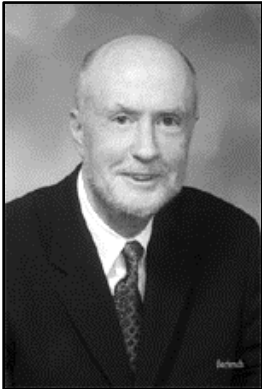
So, if you are committed to meeting client needs through LPM and increased efficiency, and you don’t yet know much about CLOC, it’s time to learn more.

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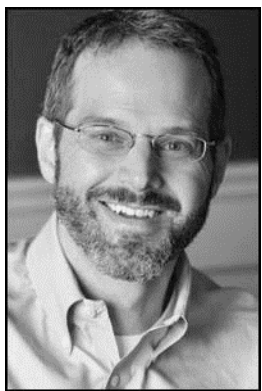
<sup>14</sup> <http://legalexecutiveinstitute.com/cloc-straight-talk-corporate-counsel-clients-law-firms/>

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## About the authors



**Jim Hassett** is the Chairman and founder of LegalBizDev, which helps law firms increase profitability by improving project management, business development, and alternative fees. Before he started working with lawyers, Jim had 20 years of experience as a sales trainer and consultant to companies from American Express to Zurich Financial Services. He is the author of 13 books, including the *Legal Project Management Quick Reference Guide*; *Legal Project Management, Pricing, and Alternative Fee Arrangements*; *Client Value and Law Firm Profitability*; and the *Legal Business Development Quick Reference Guide*. He has also published more than 80 articles in *The New York Times Magazine*; *Bloomberg Law*; *Of Counsel*; *Legal Management*; *Strategies: The Journal of Legal Marketing*; and other publications. Jim has spoken frequently at law firms and at bar associations (including the New York City Bar, the New York State Bar, and the Massachusetts Bar); at institutions such as Harvard Law School, the Association of Corporate Counsel, the Defense Research Institute, and the Ark Group; at the P3 conference; and at Legal Marketing Association meetings in Boston, New York, Philadelphia, Washington, Savannah, and Vancouver. He has conducted webinars through the Ark Group, West LegalEdcenter, the National Law Journal, The International Lawyers Network, TAG Academy, and the Legal Marketing Association. Jim writes the blog “Legal Business Development,” which was featured at the ABA TECHSHOW (in its list of “60 Sites: Latest and Greatest Internet Hits”) and by TechnoLawyer (in its list of “the most influential legal blogs” in BlawgWorld). He received his Ph.D. in psychology from Harvard University.



**Tim Batdorf** is LegalBizDev’s Chief Executive Officer and manages the day-to-day operations of all coaching and training programs. After earning his JD at DePaul University College of Law and an LLM in Taxation from the University of Miami School of Law, Tim worked for a prominent Michigan law firm and later formed a solo law practice. At LegalBizDev, Tim has been certified to coach lawyers in both legal project management and business development, and he has supervised numerous coaching programs conducted by other LegalBizDev coaches. Tim is a contributing author of the *Legal Project Management Quick Reference Guide*, and for the last several years he has worked closely with Jim Hassett to ensure the overall quality of LegalBizDev coaching programs and to develop new and innovative products and services.



**Ed Burke** has worked with law firms for more than 25 years—as director of marketing and communications for Shearman & Sterling, chief marketing officer of Hughes Hubbard & Reed, and with numerous other law firms as a partner at Hildebrandt, Inc. In addition to managing the marketing and communications departments of Shearman and Hughes Hubbard, he has managed major projects that were cited in the *Wall Street Journal*; the *New York Times*; *Corporate Board Member* magazine; the *New York Law Journal*; *Of Counsel*; *California Law & Business*; and *PR Week*. He created and managed an annual two-day symposium on business development in New York and San Francisco for the *New York Law Journal*'s seminar division and served as its Faculty Chair for eight years. His bylined articles have appeared in the *American Lawyer*; the *Boston Globe*; the *National Law Journal*; and the *New York Law Journal*. He is a former monthly columnist for the *ABA Journal* and has completed LegalBizDev's Certified Legal Project Manager® program. In this book, Ed wrote or co-wrote the sections *Problems addressed by the eight issues* (page **Error! Bookmark not defined.**), *The Agile approach* (page **Error! Bookmark not defined.**), *When client goals are uncertain* (page **Error! Bookmark not defined.**), *Summary: The art of client communication* (page **Error! Bookmark not defined.**).

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## About LegalBizDev

LegalBizDev helps law firms increase client satisfaction and profitability. We literally wrote the books that helped start the legal project management movement, and we are also widely recognized as leaders in legal business development.

While many competitors offer educational programs in these important areas, only LegalBizDev has developed proprietary processes to help lawyers change their behavior. LegalBizDev offers coaching, consulting, webinars, workshops, publications, just-in-time training tools, and more to help lawyers and law firms identify the action items that are most likely to produce immediate and practical results.

Through a strategic alliance with Altman Weil, we also offer clients a broad range of management consulting services in related areas, including strategic planning, practice group management, client surveys and custom benchmarking, lawyer compensation systems, marketing strategy, and much more.

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