

Why delegate?



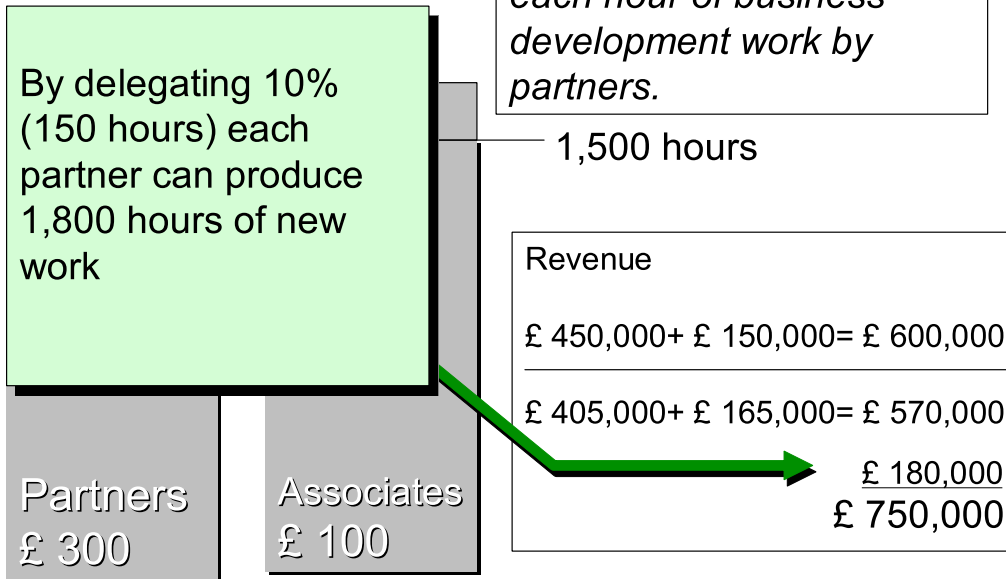
Highly effective lawyers and legal managers delegate. By contrast, as much as 80% of the inefficiency and rework in some law firms is due entirely to poor delegation --- or no delegation at all. The art of delegation clearly provides the greatest potential of all the various management efficiency strategies and tools, especially in smaller firms with limited resources.

Delegation of legal work offers definite and tangible benefits:

- **Improved profitability.** Delegation to lower-paid lawyers and paralegals can dramatically improve profitability, not only in fixed fee work, but also in hourly-rate work.
- **Improved revenue.** When partners delegate to associates and non-lawyers, this gives the partners more time to perform higher value legal work and to develop client relationships and new business.
- **Resource justification.** The improved profitability resulting from better delegation can be quantified to justify additional paralegal or support staff.
- **Better use of lawyer resources.** Delegation provides more time to devote to functions that only a lawyer can perform. With more time to devote to an issue, a lawyer can usually provide a higher quality work product.
- **Improved performance.** “It’s easier to do it myself” is seldom the case. Delegation is one of the most cost-effective ways to improve business performance. Substantial, measurable improvement can occur without significant investment in technology or more staff. By reducing or eliminating bottlenecks that often occur when work is not delegated, the process can work faster and more economically, without compromising quality.

- **Skills development opportunities for support staff.** Most law firms actually have excess work capacity in support staff. The introduction of electronic word processing in the 1980s and early 1990s, for example, dramatically reduced the requirement for traditional secretarial services in law offices in the private and public sectors alike. Delegation often requires that support staff learn new skills. By learning new skills, support staff members can become more valuable members of the organisation, as well as advance their own career prospects.
- **Improved morale.** Reducing anyone's workload definitely improves that person's morale. It also improves the morale of the people to whom functions and tasks are delegated. They feel more like a meaningful part of a professional services team, and less like a "cog in the wheel."

The business case for delegation in law firms



In this model, assume that:

- Partners and associates each bill an average of 1,500 hours annually.
- Hourly fees are £300 for partners and £100 for associates.
- Each partner delegates 10% of his or her billable work, measured in hours, to associates.
- Each partner then uses the resulting non-billable time to develop new business from current clients.
- The return on business development investment is 12 hours of billable work for each hour of business development by the partner. A more typical return would be in the range of 12:1 to 16:1.

This delegation strategy can be expected to produce 1,800 hours of new billable work. Even if all the work is done by associates, at one-third the hourly rate of partners, revenue production still will increase by 25%.

Delegate 10% of the work to produce 25% more fee revenue.