

Don't throwaway that timesheet – it may save your job!



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Whilst there has been much discussion¹ about the merits, (or otherwise), of 'time-costing', the powerful benefits of time-recording have all but been forgotten, particularly where counsel are lured to in-house roles on the promise that such disciplines are, '...a thing of the past'. The thrust of this article is to suggest that you should take great care not to throw out this vital 'productivity baby' with the 'time-costing bathwater'.

Value for money means productivity

Any analysis of productivity in the legal services arena is entirely dependent on you being able to analyse how you, (and your team), use your time. Consider for a moment if you could respond to the following questions, posed by an unsympathetic CFO, or sceptical CEO;

- Where and how does the company benefit from your input?
- What exactly do you do, and how much of it is legal work as opposed to administrative?
- How much time does, (*fill in task*) take you each, (*fill in time period*)?
- Is it more cost effective to use you or external counsel on this type of (*fill in problem*)?
- How cost-effective, are you?
- Why do you need extra help?
- Why can't you devote more time to, (*fill in task*)?
- We haven't had any real issues in, (*fill in blank*) area, have we?
- Why is our legal spend twice as much as, (*fill in CEO/CFO's best friend's company*)?

Even more worrying is that many of these issues are the subject of 'budget' discussions at which you may not even be present and someone else has provided the critical data/anecdotes in the absence of anything more definitive produced by you.

In short, without access to accurate data about what you do, none of these questions can be answered with any degree of precision. It's usually far too late to start collecting such data when the hard questions are raised. From a professional perspective you should of course be able to such questions and actively seek opportunities to publish such data internally.

Software that works

I'm not suggesting that you slavishly enter your time in six minute units; in my experience 20 minute blocks, are more than adequate to give you the data you require. Nor do I suggest that you require expensive software capable of producing the same sophisticated analysis as is often found in many law firms. There are many packages, which can be installed either on a single computer or in your legal department, some of which are very modestly priced and offer all the features that you need. One that I use myself, have used in interim in-house roles and recommended to many in-house counsel over the years is OroLogic's TimeSheet². (If you require email integration, document tracking and more sophisticated functions look to such products as Lexis VisualFiles³).

¹ See 'Six Minute Madness' http://docs.google.com/Doc?id=ddsv6qw8_977d7rm4jhn

² No, I have no connection with, and derive zero benefit from them – it's just a good product!

³ Lexisnexis.com.au

This product can be downloaded readily over the net⁴, costs about A\$200 and has what I believe is one of the most intuitive and easily understood interfaces. Essentially, you initially,

- create a name for the file that means something to you e.g. lease of HQ, employment advice re D. Duck etc.
- designate the business unit or person from which the instructions originate e.g. HR, sales and marketing, CEO etc.
- designate the nature of the work that the file predominately requires e.g., property, intellectual property, trade practices etc.
- allocate a number/year etc and start date for the file
- you can also elect to designate in respect of each of the time entries you make,
 - precisely what you were doing,
 - the nature of the activity by work type e.g., attending meeting, writing opinion, answering e-mail etc.
 - the time that you spend on the activity.

In short, it is entirely flexible to suit your particular situation, and can be customised to capture all the relevant information in as much, or in as little detail as you think is appropriate⁵. I don't suggest you open a file for every enquiry; maintain a 'general advice file' to capture that data. Open an 'general admin. file' to capture those types of activities.

The essential initial task is to decide what the critical metrics that you wish to capture are. Once those characteristics are defined the program has an almost limitless range of reports which enable you to go back over any time period, any work type, or in fact, *any* of the variables that you have entered either collectively or individually and present them in a tabulated or graphical format depending on what you or others prefer. These are all available through selecting from a drop down menu.

What to capture?

As a starting point, I suggest you review your working situation with a view to considering the content of say, a monthly report to the CEO. What sort of information would be useful to present to the CEO? I would suggest that following a brief overview of what you and your staff have been doing in the last four weeks you might like to present additional detail on such topics as;

- what new matters have been opened in the period and who is handling them
- what those new matters involved as far as work type and likely time/cost commitment
- where that work originates by business unit/person
- what non-legal work is being done by you, e.g. administrative type tasks
- matters briefed to external counsel

This can be added to, if desired, to include how your (or your department's) 'cost' to the business is tracking against your overall department or individual budget.

Keeping those business units happy

Because packages such as OroLogic's Timesheet are designed to enable time to be billed the package is eminently suitable for you to configure to enable your cost to be 'billed' to internal business units based for instance on your salary and on-costs.

It also of course enables you to much more accurately report to those business units. Even if it is not your company's policy to allocate your costs to business units, it is very easy to at least demonstrate how much it would have cost them had the matter been referred to external solicitors in comparison to your own 'reasonable costs'.

The broader agenda

My suggestions concerning capturing sufficient data for the purposes of a report to the CEO is but the

⁴ www.oroLogic.com

⁵ You can also allocate time and cost budgets at the outset and monitor them as you go, add expenses incurred etc.

beginning. There is a much wider agenda possible.

Other potential uses of the data are;

- Not only how you are spending your time, but overseeing how your team is managing their time.
- Obtaining a clear understanding of the nature and mix of the work that you are doing, the origin of that work and just as importantly, perhaps highlighting where you are *not* currently receiving instructions from within the organisation.
- Justifying the need to take on additional staff to do specific tasks, changing your workflow, acquiring additional IT support or resources.
- Highlighting where matters may be better outsourced than to retain in-house or vice versa.
- Constructing a realistic budget each year for the CFO.
- Demonstrating cost savings and the benefit of new work practices.
- Capturing critical data for your (or your staff's), evaluation
- Determining appropriate selection criteria for new staff
- Comparison with in-house counsel in comparable situations/industries

For those that are seeking a more strategic or management role⁶ within the company the data you capture enables you to demonstrate how effectively you manage your own workload and also allows you to demonstrate where, if you take on additional management tasks, certain of your activities can be either delegated, outsourced and at what cost.

Publish or perish

In short, it is relatively easy to capture such data. Whilst such data is quite commonly captured in larger organisations smaller companies tend to adopt a more casual approach, which in the end, does no favours to their in-house counsel. It is those companies that often have the least appreciation of what their in-house counsel actually does for them and are the quickest to dispense with such counsel as the in-house/out-house pendulum inevitably swings.

A well fashioned and detailed report, reflecting accurate data you have captured underscores the contribution you are making to the company and is invaluable not only in maintaining your reputation, but perhaps even your job!

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⁶ See 'The Strategic role of In-house Counsel' http://docs.google.com/Doc?docid=ddsv6qw8_691gzbzgtg3&hl=en