

Ballard Spahr lifts partner engagement with plain English profitability reporting dashboard

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At Ballard Spahr—a national US law firm with more than 650 attorneys in 15 offices—an in-house innovation team seeks ways to improve business efficiency and client value. With an eye toward reducing the administrative burden for its lawyers, the team recently embarked on a project to streamline financial reporting that has freed partners from excessive data analysis and given them more time to focus on practicing law and serving clients.

"We wanted to revolutionize the way we talk to our lawyers about how they contribute to the firm's profitability and success," says Daniel Pope, the firm's Director of Practice Economics.

Removing data overload

In the past, the firm issued quarterly profitability reports to partners. It was a printed PDF document with data points reading left to right in rows and columns. It was financially accurate and detailed but not easy to follow. The raw numbers didn't give partners enough context into performance, and when they couldn't extract the insights needed to improve financial performance, the report often would be overlooked or dismissed.

The firm decided to change the conversation. It wanted something that spoke to lawyers and answered questions in a way that numbers couldn't. Pope says the firm's adoption of Microsoft Power BI was a catalyst for change.

"We moved away from printed documents to dashboard-based information using Power BI. We experimented by developing a Power BI version of the profitability reports, trimming unnecessary data, and highlighting key information through graphs and other visuals. That was somewhat better, but the interpretation piece was still missing."

Ballard Spahr took on the challenge of creating a more straightforward dashboard with metrics that could be used to change behavior. It enlisted the help of Harbor's specialist data experts to build a dashboard with a profitability scorecard and narrative that could give partners insight into how they were performing and actions they could take to improve in the future.

Adding easy-to-understand commentary

"It didn't make sense for partners to spend time with financial reports that lack context," says Pope. "We wanted to remove the data overload and focus on critical aspects within their control."

After brainstorming with Harbor, the firm created a process map and enlisted the help of a third party to build a text generation platform that could match appropriate narratives against critical data points. The firm evaluated an early version of GPT but decided on a more rules-based approach. The narrative needed to be specific to the attorney, providing context into the primary drivers of their financial performance, such as the fee arrangements they agree to, billing and collections discipline, and efficient staffing models.

"Having plain English responses and prompts was crucial to making the reporting user-friendly," Pope explains. "We then examined which bits of data would be most relevant."

Through this process, Harbor's team made a valuable contribution, helped by Ballard Spahr's cutting-edge data warehouse, which has a rich store of financial metrics.

Pope says the team had a direct line to leadership, who were clear about what they wanted to communicate. He says the beta version started as an expansive color-coded dashboard with long conditional responses.

"Very wisely, we were counselled to simplify it. The final dashboard—consisting of a profitability scorecard and matching narrative—took a few iterations before we settled on the final design."

Accentuate the positive

The firm was adamant it didn't want another spreadsheet-like solution. Instead, they used constructive commentary to show lawyers how they were performing. The team worked hard to build a library of plain English responses to encourage changes in habit that might hinder productivity or efficiency.

The firm's new scorecard offers partners suggestions

about how they could make positive progress to improve their financial performance and efficiency. They can quickly see how their leverage has been trending to ensure efficient staffing. The scorecard will bring to their attention any material disconnects between fee billings and collections, which could warrant further attention.

"The idea is to encourage good habits and offer ideas that can be worked on incrementally rather than overloading them with data points and KPIs."

Better intelligence, faster decision-making

Pope says implementing the profitability scorecard has been a game-changer. "The lawyers who were interested in the figures previously but lacked the supporting context are now more engaged, informed and actively working to increase efficiency."

The project's success was due to three factors: the vision and creativity of the firm, a direct line to leadership who made judgement calls and helped refine the concept, and sound data.

"Having good data made it easier to tell the stories more compellingly, and we didn't have to spend preparatory time on data engineering. We had a source of truth, which allowed us to communicate more easily what we wanted on the profitability scorecard."

The firm has now adopted the concepts in the scorecard across other financial reporting scenarios. "We are trying to focus people on the levers within their control and not get bogged down in the data."

Added Pope: "Another positive is that it allows our partners and management to make decisions quicker. The metrics are more pronounced, so less time is spent debating the nuances of what profitability should reflect."

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