

Agenda

- Background Information
- Budgeting Process
- Project Selection Process
- Tracking & Reporting Process
- Use of the Information
- Q & A

Background Information

- **Pat Morris**

- Director, Project Implementation
- Torys LLP
- 280 lawyers in 2 offices (1 Canadian + 1 New York)
- Clarity (budgeting software)
- Thomson Elite

- **Jarmila Pencikova**

- Manager, Accounting
- Osler, Hoskin & Harcourt LLP
- 450 lawyers in 5 offices (4 Canadian + 1 New York)
- MPC Infor (budgeting software)
- Aderant

Project Budgeting Process - Torys

- Director of PM maintains ongoing list (Excel) of next year's projects
- List is reviewed by Directors and Managers starting in June - additions/deletions made over the course of the summer
- Timing and costs (\$\$) documented in September - some discussion of resource impact
- Project "owners" assigned
- Budget data entered into Clarity system

Project Budgeting Process - Osler

- Various roles established for each project:
 - Project Sponsor
 - Strategic owner
 - Ultimately responsible in front of the firm
 - Usually a partner or director level
 - Project Owner
 - Day-to-day responsibilities
 - The ‘CEO’ of the project
 - Usually a manager (could also be a PM)

Project Budgeting Process - Osler

- Various roles established for each project:
 - Project Stakeholders
 - Anyone who will have substantial involvement in the project
 - PMO
 - Helps with the process
 - Ensures project request integrity
 - Ensures participation of project stakeholders

Project Budgeting Process - Osler

- Project Owner and/or Project Sponsor submits Project Definition Form to PMO
- Budget prepared by cost type
- Identification of timing and resources
- Budget gets allocated to particular months according to the timing of the project
- Budget data is entered into the OslerPro (Microsoft Office Project Portfolio Server)

Project Selection Process - Torys

- Directors meet with Managing Partner & COO to discuss firm goals (September)
- Project list is refined and projects are allocated to firm goals (October)
 - Projects which address issues of risk or efficiency rise to the top
 - “Middle of the pack” approach to upgrades

Project Selection Process - Torys

- Project list reviewed with Finance Committee (December)
- Approved in January
- Project teams and “steering committees” assembled

Project Selection Process - Osler

- Each Project Sponsor, Project Owner and Project Manager meet with the Advisory Committee (CIO, CFO, PM) (August/September)
- All submitted projects are put into a spreadsheet and assigned priority (September)
- Several meetings among Directors and the CAO to shorten the list (September/October)
- Timing of certain projects may be adjusted if resource conflicts occur (September/October)
- Final meeting with Managing Partner (October)
- Approval by the Executive Committee (November)
- Approval by the Partnership (December)

Priority Establishment - Osler

- Does the project relate to the Firm's Strategic Plan and the Firm's Goals?
- Does the project reduce operational risk?
- Is it a 'must-have' or 'nice-to-have'?
- What's the payback?
- Does it introduce greater efficiencies?

Tracking & Reporting Process - Torys

- Each project is assigned a matter number in Elite
- AP costs are allocated to the matter number; resource time is not
- Project “matter” costs are mapped to various departments
- Reporting includes 2 components:
 - Report from Elite showing hard costs
 - Report from PMO showing project status

Tracking & Reporting Process - Osler

- Each Project is given a matter and department number in Aderant
- Time entries are posted to the matter by all people working on the project
- AP invoices are posted through the matter as well
- The matter is 'mapped' to a project department

Tracking & Reporting Process - Osler

- Reporting can be done 4 different ways:
 - Aderant (Financial Statement Formatter) – departmental details
 - Matter Pages (Intranet) – matter details
 - SSRS (Intranet) – departmental details
 - PPS/OslerPro (in the future)
- Available to Project Owner, Project Manager and PMO. Will be given to Project Sponsor at his/her request.

Aderant FS Formatter

Smith, Smith & Smith LLP

2009 Major Projects Summary

For period ending July 31, 2009

Project Number	Project Name	YTD Actuals	YTD Budget	YTD Variance	Unspent Amount	Annual Budget
100	HR Information System	\$ 180,000	\$ 200,000	\$ 20,000	\$ 70,000	\$ 250,000
101	AV Equipment Replacement	\$ 75,000	\$ 65,000	-\$ 10,000	\$ 25,000	\$ 100,000
102	Online Training Implementation	\$ 1,000	\$ 20,000	\$ 19,000	\$ 49,000	\$ 50,000
103	Litigation Support Upgrade	\$ 18,000	\$ 10,000	-\$ 8,000	\$ 22,000	\$ 40,000
104	Desktop Refresh/Vista Upgrade	\$ 1,100,000	\$ 1,200,000	\$ 100,000	\$ 400,000	\$ 1,500,000
105	DMS Implementation	\$ 50,000	\$ -	-\$ 50,000	\$ 350,000	\$ 400,000
Total 2009 Major Projects		<u>\$ 1,424,000</u>	<u>\$ 1,495,000</u>	<u>\$ 71,000</u>	<u>\$ 916,000</u>	<u>\$ 2,340,000</u>
Summary of Project Expenditures:						
Capital Expenditures		\$ 1,200,000	\$ 1,320,000	\$ 120,000	\$ 600,000	\$ 1,800,000
Operating Expenditures		\$ 224,000	\$ 175,000	-\$ 49,000	\$ 316,000	\$ 540,000
Total 2009 Major Projects		<u>\$ 1,424,000</u>	<u>\$ 1,495,000</u>	<u>\$ 71,000</u>	<u>\$ 916,000</u>	<u>\$ 2,340,000</u>

Aderant FS Formatter

Smith, Smith & Smith LLP

Project #104 - Desktop Refresh/Vista Upgrade

For period ending July 31, 2009

Expense Category	YTD Actuals	YTD Budget	YTD Variance	Unspent Amount	Annual Budget
Capital Expenditures:					
Hardware	\$ 1,000,000	\$ 1,100,000	\$ 100,000	\$ 200,000	\$1,200,000
Software	\$ 5,000	\$ 10,000	\$ 5,000	\$ 15,000	\$ 20,000
Equipment	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Capital Expenditures	<u>\$ 1,005,000</u>	<u>\$ 1,120,000</u>	<u>\$ 115,000</u>	<u>\$ 225,000</u>	<u>\$1,230,000</u>
Operating Expenditures:					
Consulting	\$ 20,000	\$ 30,000	\$ 10,000	\$ 50,000	\$ 70,000
Training Cost	\$ 75,000	\$ 50,000	-\$ 25,000	\$ 125,000	\$ 200,000
Total Operating Expenditures	<u>\$ 95,000</u>	<u>\$ 80,000</u>	<u>-\$ 15,000</u>	<u>\$ 175,000</u>	<u>\$ 270,000</u>
Total for the Project	<u><u>\$ 1,100,000</u></u>	<u><u>\$ 1,200,000</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 400,000</u></u>	<u><u>\$1,500,000</u></u>

Use of the Information - Torys

- PMO provides quarterly updates to Directors on overall project portfolio status - projects can be cancelled during the year
- PMO tracks project expenses as they are received against original budget
- Variances are discussed with the Director(s) responsible and if necessary, additional funding is requested
- PMO reports regularly to the Steering Committee on progress, variances and issues

Use of the Information - Osler

- Aderant Project Summary Report sent to Management (CAO, Managing Partner, Directors)
- Aderant Project Detail Report, Matter Pages, SSRS and PPS/OslerPro available to Project Sponsor and Project Manager
- Time spent on project useful for future planning of other projects

Use of the Information - Osler

- Time details and expenses are available at any time, updated nightly showing information up to last night
- Variances are analyzed and reported on by Project Manager
- All projects get reviewed every quarter and even approved projects can be postponed/cancelled
- Much closer focus this past year

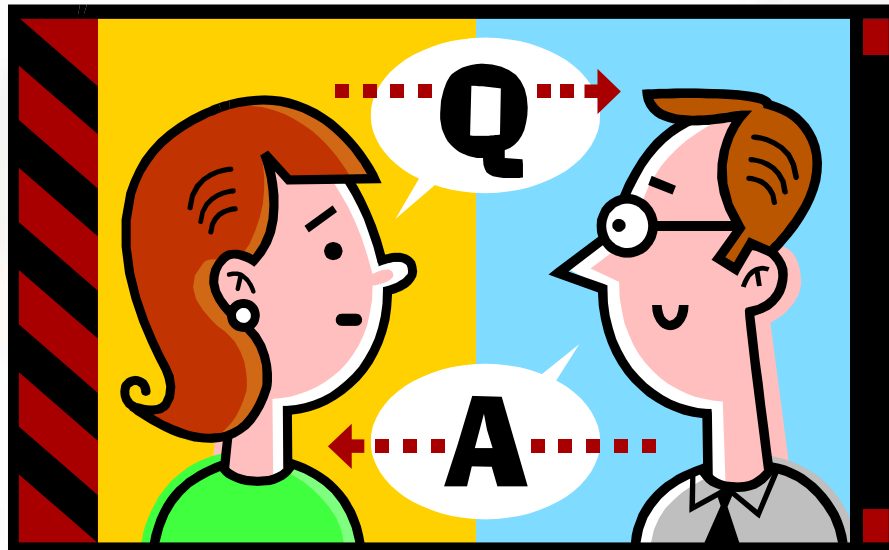
How could the process improve - Torys

- Implement resource tracking to give more accurate picture of project costs
- More consistent/formal project selection process
- Better reporting - easier to read reports and “on demand”

How could the process improve - Osler

- Use the PPS (OslerPro) for the actual spending and resources so that budget and actuals are all in one place (upload data from Aderant into OslerPro)

Questions & Answers



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