

LEGAL PROJECT MANAGEMENT

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What is project management?

The application of active processes, methods and systems to achieve a project's objectives.

How does that differentiate from everyday work?

- A temporary endeavour undertaken to create a unique project, service or result
- A project often involves people who don't usually work together – often from different organisations, different professions and different locations

So what is legal project management and why does it matter?

- 1) Organisational needs (shareholders, directors)
- 2) Project team members requirements
- 3) Project manager (and in house counsel!)

Different stakeholders have different objectives, and failing to understand these, and deliver against them, will ultimately lead to the impression of project failure in one or more metrics – even if that is not the case.

CORE PRINCIPLES OF ALL PM FRAMEWORKS:

(1) Engagement

(2) Planning

(3) Management and Execution

(4) Close out

Case Study 1: Complex Multi Party Litigation in a Foreign Jurisdiction

What was the problem to be solved by the Project?

- The concrete slab at Accolade Park began cracking and sinking irregularly causing the racking to lean and issues with operating the site
- The main cause was badly constructed piles (which support the slab) but there were also issues with the construction of the slab itself, the fill used on site and the design of both the piles and slab.
- The complexity of both the physical problem and the legal rights and responsibilities of the parties – and the cost of solutions – meant this became an intractable dispute requiring legal team involvement.

What was at stake for the business?

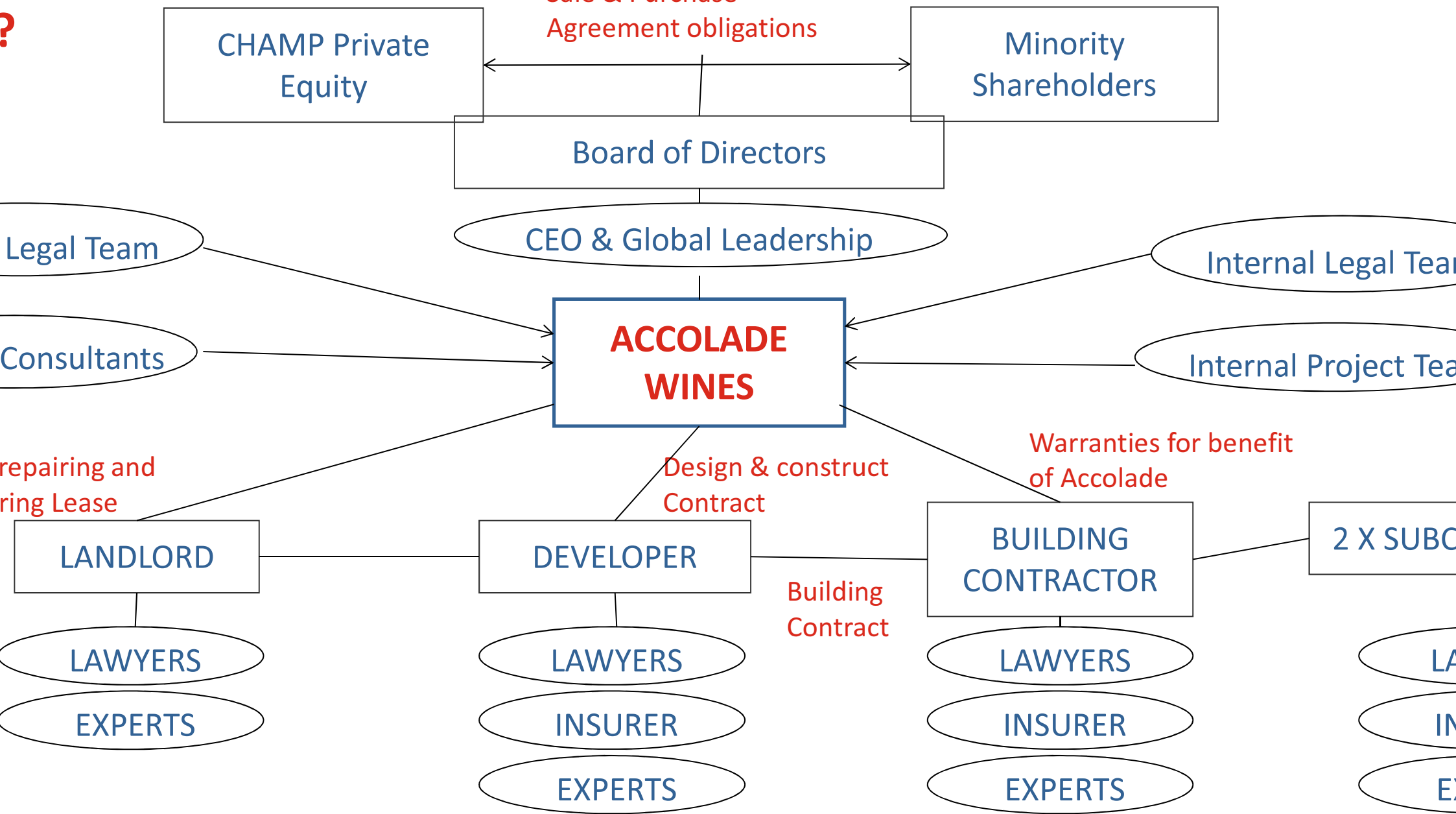
In the absence of a solution the problem presented business continuity risk for the entire UK business as well as significant OH&S risks. Doing nothing was not an option.

What is “Accolade Park”?

- Located at Avonmouth, Bristol, United Kingdom
- An annual packaging capacity of currently 25m 9 Litre equivalents (50m 6 bottle cases)
- A site which is 868,000 ft², which would cover over 86 rugby pitches
- Multi award winning facility including World Class Manufacturer of the Year for the UK
- Sustainable initiatives including rainwater harvesting and sensor controlled lighting



Who in



Stakeholders in the dispute for the Legal Team

Australian Based	UK Based	USA Based
CHAMP Private Equity/ Majority Shareholder	Operations Project Team	Minority Shareholder
Board of Directors	APark Based staff	
CEO	Local management	
CFO		

Project Team

	Internal / External	Role / Firm
	Internal	GC, Deputy GC and UK Based Leg
	External	External firm (disputes partner lead property team), 3 barristers including
Commercial	Internal	GM for supply chain, local manager responsible for Apark operations, de full time contractor
	External	Range of consultants including geo soil, water, slab construction, piling construction, financial, property, sur

Review of the timeline for the dispute

July 2008 – practical completion at Accolade Park

June 2009 – first issues with the warehouse floor identified

2010 - 2013 – commercial negotiations, minor remediation and testing

June 2011 – Legal team assumed lead of project

February 2012 – commenced legal proceedings (issued claim letters)

September 2014 – heads of agreement for negotiated solution

November 2014 – collapse of compromise

February 2015 – High Court UK proceedings commence

February 2015 – revised settlement documents signed and trial
continued

Handover of management of issues to local management by legal team

Project Management Learnings

1. Communication with project team
2. Stakeholder management
3. Team Structure – selecting and changing
4. Planning and strategy setting through the project
5. Navigating the legal and non legal aspects of the project

Takeaways from the experience

GC / lead lawyer in a dispute project will often need to manage the non
jects (and be confident doing so)

le you will be thinking about the dispute on a daily basis your stakeholder
o in and out and your communications have to take that into account

ing the right team – not being afraid to change the team members, dilig
external team members

need for vigilance when managing a project which is open ended and wi
certainty

importance of regular and structured communication with a project team
ed overseas – email, phone and face to face where possible

ation is just one aspect of the wider project and can be used tactically w
best outcome may not be one a court can provide

Study 2 (“Legal” project): ZBB and the development al Strategy

o you have a legal strategy?

Why/Why not?

Based Budgeting

In the most literal sense ZBB implies constructing a budget for everything with a direct reference to what happened yesterday.

ZBB is based on reappraisal of purposes, methods and resources.

It is difficult to not consider what has happened before but you must constantly challenge the old/current way to be sure it is giving the company what it needs (and nothing more) to be successful.

Features to ZBB

Budgets are not connected to prior year spending

Budgets are tied to specific activities and levels of service

Spending increases or cuts are not simply spread evenly

Funding is targeted to activities that align with strategy

Reasons organizations use ZBB

Confront conventional thinking and resource allocation by challenging every single line item and assumption

Help organizations that are complex due to mergers and acquisitions

Fund key strategic imperatives while removing large non-value adding costs

Aligning all resources with the mission of the enterprise

Justifying proposed activities and resources

Attributes of the ZBB process:

Creates simplicity – There is no silver bullet you must do the work necessary to really understand what the activity is, why are we doing it and how much value (objective/subjective) is being created by the activity.

Allows the organisation to gain complete understanding and control of every dollar spent.

The expenditure/process has a defined job to do. **If the job and value it creates cannot be defined the expenditure/process is removed.**

Provides flexibility because no budget for anything is perfect.

Instills discipline and backbone to say yes and no to needed and unneeded processes and expenses.

Process begins by asking/answering these questions

What is the reason for each activity?

What are the KPIs for the activity and are the stakeholders of the process aligned with those KPIs?

Are the stakeholders getting what they want and need?

Are there better ways to provide the intel or service?

If you were to rebuild from scratch what would the minimum level of service be to make the activity worth doing and is that minimum level really all the stakeholder need?

Following sequence is applied:

1. Define the purpose

2. Identify who the stakeholders are and their relevance

3. Focus on internal stakeholders

4. Define what success means to each stakeholder

5. Define the critical measurements (KPIs) for determining success

6. Define the work streams that must be performed in your process or department

7. Define the minimum to the stakeholder

8. Define an org chart with defined jobs including the job description and cost

9. Determine how much to pay to get each job done.

10. Assign the people onto the team matching skills with the task.

Base Model: Accolade Wines strategy (redacted)

**To be the leading provider
of new world wines**

Low cost producer of scale
Top 5 wine company globally
38 M cases across 140 countries

Customer intimacy
[metrics deleted]

Product leadership
[metrics deleted]

Operational excellence
[metrics deleted]

Create Shareholder Value
[metrics deleted]

People & Culture
[metrics deleted]

Team – Supporting Accolade Wines Strategy



VISION

To be the leading provider of new world wines

Review of legal commercial and business units

Allocate resources based on risk and strategic priorities

Enhance and promote good governance and internal legal controls

Actively manage litigation and disputes to minimise cost to business and reputational risk

Develop and brand and brand strategy

GROWTH STRATEGY

Customer Intimacy

Identified priority geographies channels Australia and China: sales support Core branded business Support to Joint business planning with scale Support shopper and category insights Understanding of commercial objectives

Product Leadership

- Core branded business: focus TM protection and watches on core brands led by Hardy's
- Protect and defend 51 brands
- Defined TM strategy and cost transparency
- Core team members on M&A activity
- Proactive monitoring of TM activity in market

Operational Excellence

- Diversified global long term grape NZ, US, Chile, South Africa
- Winery production, Bottling and distribution
- Speed to market at low cost – create to use precedents, clear understanding and commercial objectives
- Train staff to better understand legal processes

CREATE SHAREHOLDER VALUE

- Support corporate activity and M&A Board reporting and shareholder management

- Litigation management and brand/reputation protection
 - Contract management software and reporting

PEOPLE AND CULTURE

HR and employment law support multi market Agility to react to changing market conditions Behaviour of team to shift focus quickly to reflect business needs and priorities Contract management by business to facilitate a clear brief and understanding of commercial objectives

- Embedded commitments and values
- Build trust of character and capability
- Proactively manage capacity (meeting management, email)
- Online and face to face training for all areas of the business

comes:

on of contract management software globally

on of online compliance desktop to manage ABC and regulatory DD checks

tion of headcount in UK and adoption of consultant for specialised EU work

se of headcount in AU tailored to priority global projects and junior overflow to whole t

ation of online legal training and allocation of priority back to face to face training

on and reduction in global panel providers (including tender in specific markets)

for:

ion of entirely new business unit with no incremental headcount or spend globally

service delivery in key strategic areas

c allocation to legal projects which are business critical but previously resource/budget

't be spared to progress

engaged, business unit aligned and intimate, strategically focused and with clear direction

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Study 3: Multi-party M&A

AC M&A

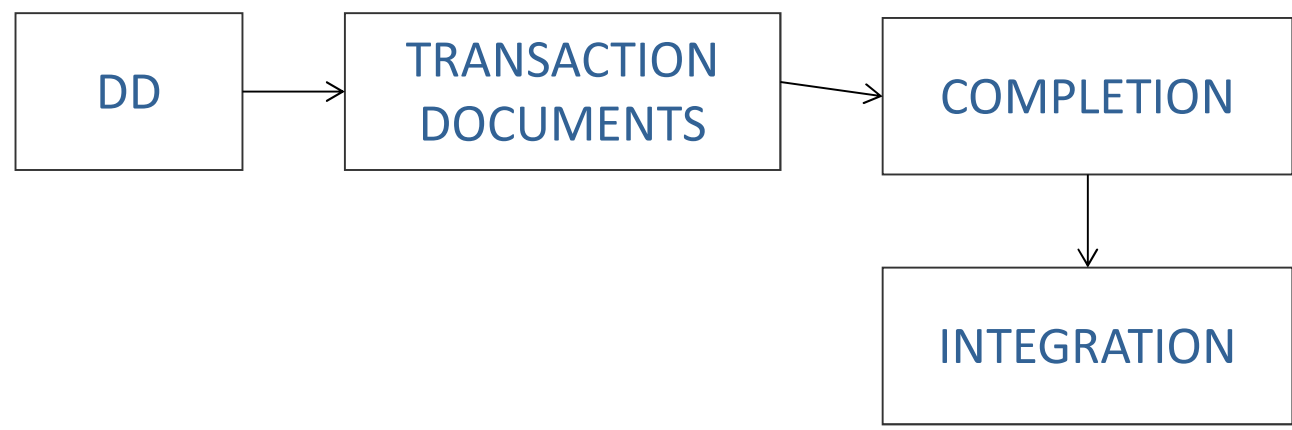
MANAGEMENT

or MOU

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financial

MANAGE / EXECUTE



CLOSE OUT

- DD

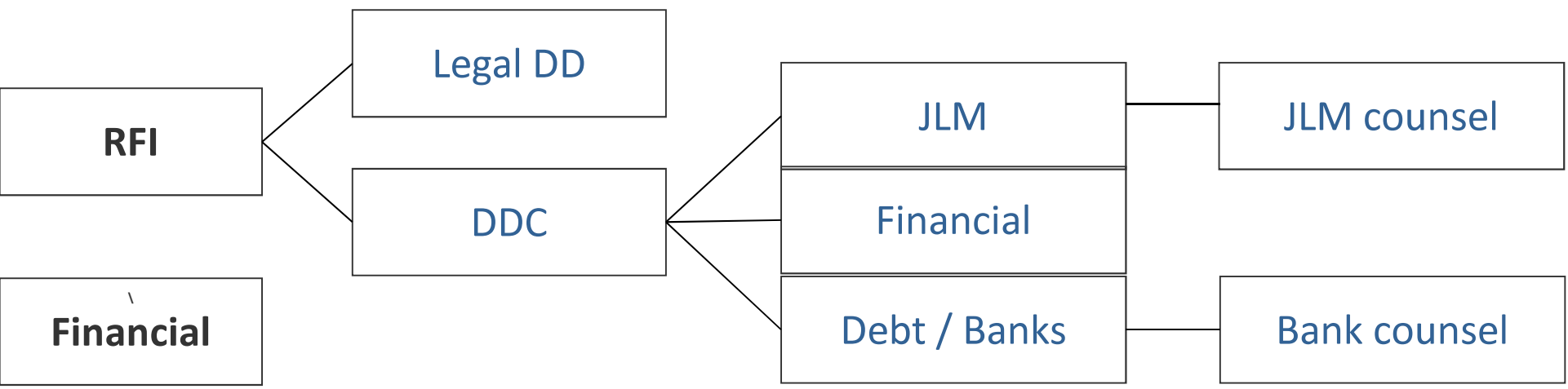
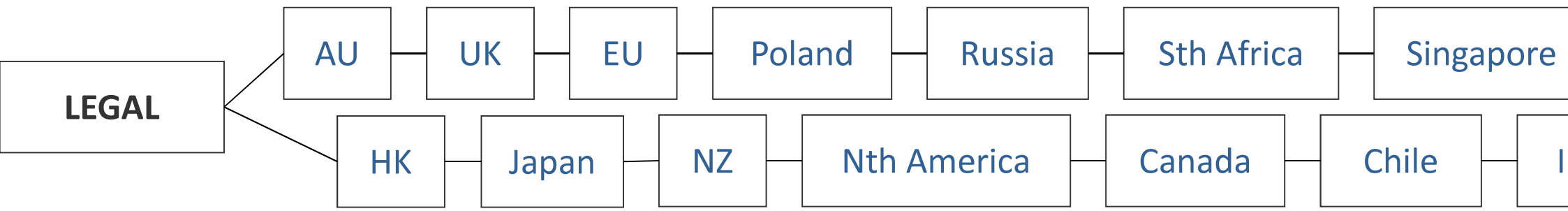
- learnings mistakes

m

- full team
- risk & issues reporting
- change management
- communications protocols

- application
- integration
- reporting

Complex M&A: learning the lessons!



Financial

TAX

Transactions Structure 1

+

Transactions Structure 2

=

- 30 DD Reports
- 36 RFI requests

Day 4: Creation of a Global Risk Management Framework

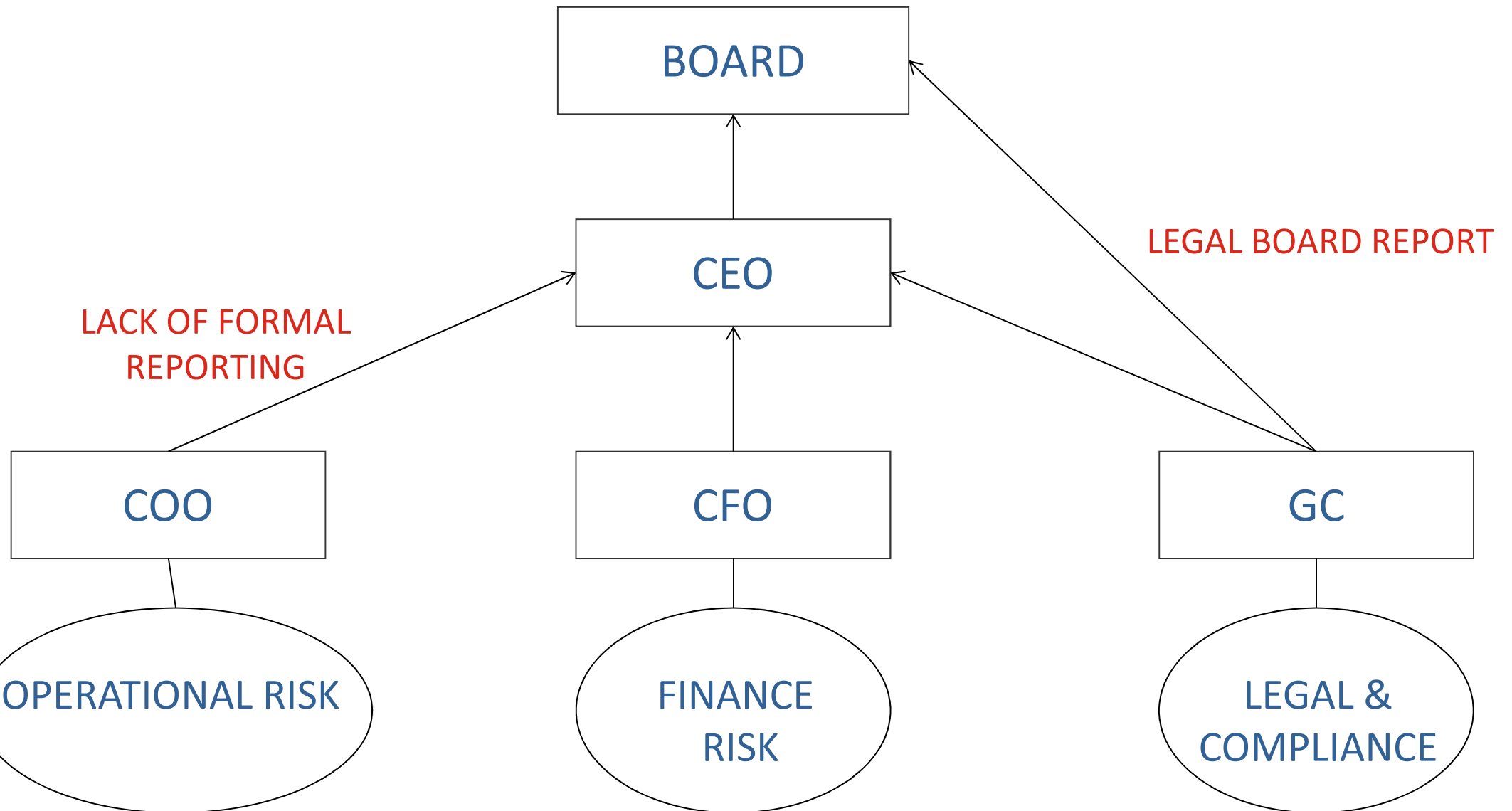
What was the problem to be solved by the Project?

Some of the corporate functions for Accolade Wines were previously provided by the former parent and fell away on the sale to CHAMP Private Equity. Risk management was one of those. Risks within the business continued to be managed on a local basis but the business lacked central oversight and reporting which impacted the business's awareness of key risks and also on ensuring continuous improvement.

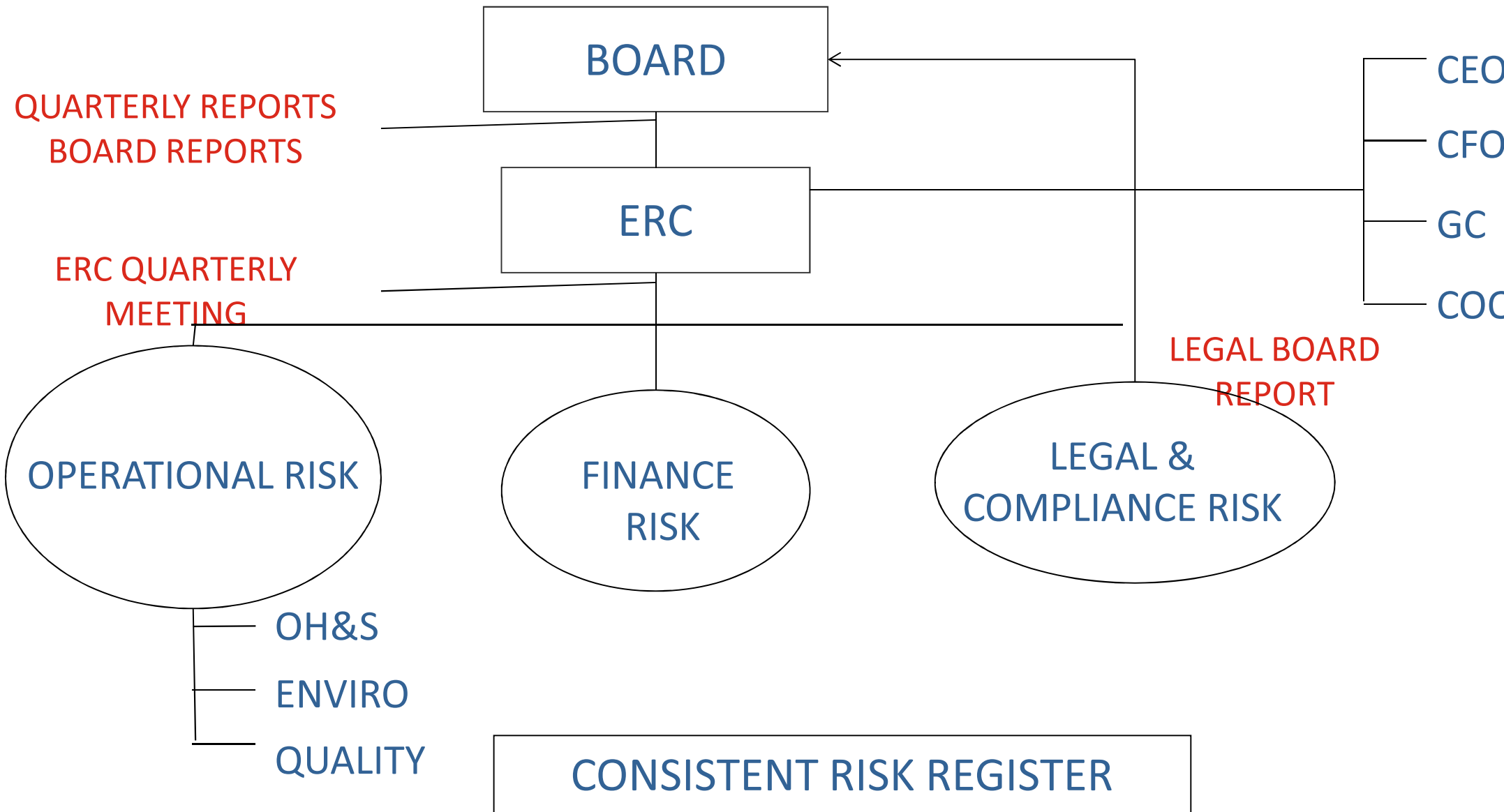
What was at stake for the business?

Given the scale and complexity of Accolade Wines needs good risk management. Further, the Board was not able to fulfil its risk management oversight properly.

Management Structure before the project



Management Structure after the project



Steps in the process

Get buy in for the need for change from the Board and the senior executives

Review alternatives in light of operating model for Accolade (eg hire of a Chief Risk Officer)

Develop a policy framework for risk management using ISO 31000:2009

Establishing the Executive Risk Committee including charter, meetings, reports

Undertake a comprehensive review of operational, financial and legal risks across the entire global business using consistent methodology to build risk register

ERC undertake review risk register and then initiate Board reporting on material risks

Focus on embedding the new structure and approach

Project Management Learnings

Change management can be a big part of project management, especially when seeking to embed a new process or procedure

Allowance should be made for initial resistance to broad business structure initiatives driven by Legal, but it's a great thing for Legal to do and stretching to risk is a natural extension for the Legal team

Extra time and effort should be spent on embedding the new process and ensuring full buy in and ongoing support from stakeholders