



Legal Project Management

Budget & Scope Assignment

Overview

We have provided an overview of a new transactional matter, including some assumptions for the matter scope and information related to the budget. This exercise is intended to help you to better understand how the scope of a matter is defined and how that contributes to a budget that is sent to a client. Use the information in the scenario to complete the assignment. The assignment contains a budget template and questions relating to the scope and budget. This assignment should take less than 30-45 minutes to complete.

Assignment

The Matter

Global Corporation has retained the firm to represent them in the potential acquisition of Mega Refinery, Inc. The deal is scheduled to close in 90 days.

We are the principal law firm acting for Global and will be responsible for:

- Helping them assess the risk of the transaction
- Working through transactional due diligence
- Involving necessary specialists
- Negotiating any financing
- Drafting documents
- Making presentations to the board
- Deal closing
- Other post-closing requirements

Additional Information

Global is a long-standing client of the firm, and the firm has agreed to provide a 10% discount from standard hourly rates for the entire team.

The team and standard rates are:

Timekeeper Name	Standard Hourly Rate
Pat Partner	\$650
Sarah Specialist Partner	\$595
Sam Senior Associate	\$525
Matt Mid-Level Associate	\$450
Jill Junior Associate	\$400
Peter Paralegal	\$200

Work Allocation

Task #	Description	Total Hours	Hours Breakdown
1	Prepare the letter of intent and confidentiality agreement	25	Pat: 5, Sam: 10, Jill: 8, Peter: 2
2	Prepare the purchase agreement and ancillary transaction documents	50	Pat: 8, Sarah: 2, Sam: 10, Matt: 12, Jill: 16, Peter: 2
3	Complete due diligence activities and prepare due diligence report	100	Pat: 10, Sarah: 2, Sam: 20, Matt: 20, Jill: 40, Peter: 8
4	Prepare presentation and present findings to board	10	Pat: 3, Sam: 3.5, Jill: 3.5
5	Prepare closing documents and attend closing	25	Pat: 10, Sam: 2, Matt: 8, Jill: 5

Budget Template

Task	Pat	Sarah	Sam	Matt	Jill	Peter	TOTAL
1	\$2,925	\$0	\$4,725	\$0	\$2,880	\$360	\$10,890
2							
3							
4							
5							
TOTAL							

Questions

1. The scenario is highly simplified. What additional questions would you ask to get more detail on the scope?
2. The tasks provided are fairly vague. What approach would you take to better understand who is actually responsible for what work? Who might you ask to confirm?
3. Assume you are Jill Junior Associate, and you are responsible for her tasks. What would you do if you realized it was going to take you more than the budgeted amount of hours to complete your work? What do you do if you uncover something that changes the scope of what you were asked to do originally?
4. If you are responsible for supervising Peter Paralegal's work, what would you do if you realized his work was going to take more than the budgeted amount of hours to complete?
5. What happens to the budget if Pat Partner ends up doing the work that was originally assigned to Jill Junior Associate on Task 2? What happens to the budget generally if work ends up needing to be re-done by Pat Partner or Sam Senior Associate throughout the engagement?