

STRATEGIES FOR EVOLVING CRM SYSTEMS IN A COMPETITIVE LANDSCAPE



It's no secret that today's legal landscape requires firms to be efficient, flexible, and responsive if they are to hold onto current clients and develop new business. Much of what makes a successful firm is built upon relationships: who knows whom, how they know them, and the strength of their connection. Along with this reality is the reality of the changing legal market: demand for external legal services is flat, and clients are increasingly requiring alternative fee arrangements (AFAs) or turning to their in-house capabilities for legal expertise. What's more, other legal firms are not standing still: firms looking to grow are likely targeting your clients, looking to get them to switch, just as your firm is always looking for opportunities to add to its own client roster.^[1] In addition, there are indications that the "Big 4," that dominate the accounting world, are once again emerging as major players in the legal sector, at least in the international arena.^[2]

Firms working to address these external realities must also deal with ever-present internal challenges. Efficiency—top to bottom, customer relations to financial management—is key for any firm that strives to stay competitive and profitable, and every section of a firm's business is under scrutiny. Marketing team efforts and campaigns are not exempt from this scrutiny. Marketing teams need to be able to prove their return on investment (ROI) and demonstrate with data from key performance indicators that they are increasing their efficiencies in generating new business for the firm and show how they are contributing to the bottom line. To this end, having up-to-date and accurate contact and client data has never been more important. Whether it's simply keeping up on changes in titles and email and snail-mail addresses, or determining who-knows-whom relationships at your firm for present or prospective clients, out-of-date or inaccurate information can cripple your best efforts.

Fortunately, as the legal environment evolves, technology is evolving as well to help firms meet these complex challenges. Customer relationship management (CRM) systems continue to become more streamlined, user-friendly, and technologically adept at providing information firms can use in their business development efforts. In the meantime, technological advances continue to evolve the overall software environment in which firms and lawyers work. Ideally, the information that firms and their lawyers depend on to grow business—contact data, company profiles, competitive intelligence—is fully integrated within this environment, making for a more seamless, less siloed, more data-accurate experience for the users.

In this evolving world, standing still is no longer an option. A firm's ability to remain agile, meet client needs, and stay ahead of the game in finding new business can be the difference between staying profitable or not. If you have a CRM system that is an early generation product, it behooves you to take a close look at it and see whether it's time for a change.

SIMPLE STEPS TOWARD CHANGE

So, how do you determine whether it's time to upgrade to a new CRM system? It's not a decision to be taken lightly or without careful consideration and evaluation. The first step is to determine "where you are," in other words, to evaluate your current CRM system. What are its strengths? Its weaknesses? Where does it serve you well, and where does it fall short? The second step is to decide where you want to be. If you determine that your system has shortfalls, which ones can you live with, and which ones are standing in the way of profitability and success?

If your current system serves your needs, then your work is done... at least, for now. Given that the world is constantly changing, it is important to revisit and reevaluate your system regularly. If you detect system shortfalls in your evaluation, then consider those areas where a new system could step up to meet present and future challenges. It's important to look ahead, because ideally you want a system in place that handles not only the challenges of today, but can also evolve easily to meet the challenges of tomorrow.

STEP ONE: EVALUATE YOUR CURRENT SYSTEM

The following list of questions can help you determine where you stand with your current system.

1. Is your system focused on providing marketing tactics vs. marketing strategies?

- YES
 NO

If your system is used strictly for tactical execution of marketing plans, email lists, and so on, you are missing out on the benefits that can arise from a system that provides analytics you can use to focus on strategy. A good CRM system should provide data on customers and tactics that can help you look forward and plan future marketing strategies that will help you succeed in reaching your goals.

2. Is your system integrated with other data-intensive systems in your firm?

- YES
 NO

If your system is a standalone, you probably have to update the same information over and over for multiple systems. Besides running the risk of having inaccurate information in one system proliferating elsewhere, you may be missing out on the synergy that arises from combining information across databases. For instance, a system capable of accessing and analyzing a firm's email patterns, calendars, address books, and contact management systems would be in a position to find and update company and contact information automatically. Also, having a solution that allows your firm to easily

1. "The Global Legal Post," Non-traditional firms targeting BigLaw client base. July 29, 2014. <http://www.globallegalpost.com/big-stories/non-traditional-firms-targeting-biglaw-client-base-7812823/>

2. Warren Riddell, "Bloomberg BNA, Big Law Business" The Big 4 Are Putting Down Roots in the Legal Sector. May 12, 2015. <https://bol.bna.com/the-big-4-are-putting-down-roots-in-the-legal-sector/>

fine-tune and change parameters to customize it to your business, without having to call in a vendor to help, can be a time and cost saver. Look through the software/application list below and check off the ones that your firm employs. Next, note whether your CRM system can “talk” easily with each application. If your CRM system is well integrated with the technologies you employ, you are probably in good shape.

- Analytics
- Business intelligence
- Case management
- Centralized databases (such as SQL, Oracle)
- Dictation
- Document management/enterprise content management
- Email systems
- ERM/relationship management
- Financial management
- Knowledge management
- Mobile platforms (smart phones, netbooks, tablets, etc.)
- Time entry
- Time and billing

3. Is your CRM system more than just a repository for electronic mailing lists?

- YES
- NO

If your current CRM system is focused on generating electronic mailing lists and little else, it is very limited in its capabilities. Just as in #2 above, you are missing out on the deep marketing insights that come from being able to combine data and search out connections between existing systems to manage campaigns through every step of the legal marketing lifecycle. In other words, your CRM system should be more than just a source of electronic mailing lists—your system should provide metrics that you can use to find and make connections to grow your business.

4. Does your system automatically update information?

- YES
- NO

If your system requires someone to sit down and plug in updates—changes to addresses, titles, companies, etc.—you are losing out in the efficiency game. Usually, systems that require this sort of manually intensive care and feeding of contact information are little more than electronic Rolodexes®.

5. Can your users enter other systems to find and capture updated information without having to exit from your CRM system?

- YES
- NO

If you find yourself answering NO to two or more of these evaluation questions, it may be time to take a deeper look at what kind of system you will need to stay competitive in the longer term.

STEP TWO: DETERMINE WHERE YOU WANT TO BE

Once you know your current system’s strengths and weaknesses, you can decide whether to stay with what you have or move forward to a new solution.

If your decision is to move forward, focus on what works for you now and be sure your new system can continue to fulfill those needs as well as address any critical shortfalls. For instance, if you have a system that requires manual updating of contact and company information, look for one that can automatically reach into other systems—such as email applications and time and billing solutions—to access and update contact information across all platforms.

In addition, keep in mind that the new technologies that form state-of-the-art CRM systems such as Business Development Premier from Thomson Reuters Elite not only address many of the shortfalls of the earlier generation CRM systems but are also designed to carry you forward into the future. Capabilities you might want to consider when you are researching the latest CRM solutions include the following:

1. Allows you to leverage better client intelligence

Finding a solution that doesn’t just “hold” data, but can integrate information—bringing the worlds of CRM and enterprise relationship management (ERM) together—will provide you with a system that leverages CRM intelligence to its fullest. For instance, Business Development Premier, built on the Microsoft® Dynamics® platform and powered by the patented Thomson Reuters data engine, is a CRM solution enhanced with ERM, marketing automation, experience management tools, and corporate profiles on millions of companies worldwide.

The engine takes data from diverse databases and uses sophisticated algorithms to provide information that is more accurate and complete. Access to so much “big data” and the capability to quickly analyze and make connections allows Business Development Premier to provide instant, data-driven answers to questions such as: Does someone in our firm already have an existing relationship to this person or that company? If so, how “strong” is that relationship?

Business Development Premier allows you to closely analyze the strength of existing relationships by taking into account information such as the frequency of email traffic and calendar meetings with a specific contact throughout a given period of time. Thus, a contact that has been out of touch for a year will be appropriately weighted against a different contact who has been in regular correspondence and meetings with your firm over the last three months. Lawyers are also able to quickly respond to client requests about additional work within the firm by quickly matching someone with a specific expertise with the client’s needs.

2. Provides strategic insights into your accounts, clients, and marketing efforts

A system that has the technology to intelligently tie together all of the information available regarding your clients is positioned to produce a substantial increase in your firm's efficiency, improving profitability and enhancing the way the firm provides client service. By providing your lawyers with a solution that allows them to quickly identify your firm's relationships with any contact, lawyers will gain instant insights into related accounts and maximize client value. Such a system should also have the power to provide you with a holistic, up-to-date view of a client's world, offering insights, for instance, into recent role changes and activities, data on strategic personnel such as board of directors, and company financial performance.

In addition, with Business Development Premier, you have the ability to pull matter information from your experience database so you can plan strategically to meet the needs of current and prospective clients.

3. Delivers greater return on your marketing data

When researching for a new solution, look for a system that addresses every stage of the marketing lifecycle—planning, engagement, conversion, and measurement.

To help with planning, Business Development Premier provides analyses of relationship trends across geographies, practice areas, and industry groups through a combination of sophisticated search tools, relationship monitoring, and advanced reporting. Powerful search capabilities enable you to store, manage, and use all of this information, so you can easily use it for pitches, Web site publishing, newsletters, and advertisements.

Engagement efforts are streamlined, with contact and list management automatically combined with email marketing so you can centralize and streamline the planning and managing of campaigns. Relevant contacts are maintained, giving you the ability to engage with the right people at the right time, while top-tier email distribution from an award-winning provider gives you actionable data to help you build marketing intelligence.

Business Development Premier also covers conversion, providing specific, recent, and relevant details such as client, practice, industry, geography, and financial information that you can use to create compelling messages. In many large law firms, conversion is often the focus of two separate organizations—marketing and finance. If the two organizations work from their own stand-alone systems and databases, it can be difficult, if not impossible, to “connect the dots.” Having a system that can tie financial data to marketing efforts—in other words, a single system that demonstrates how clients respond over the lifecycle of a marketing campaign—can help when it's time to plan where to invest future marketing monies.

A CRM system should be able to provide data-driven measurements of the results of your marketing campaigns so that you can optimize your marketing strategies and tactics. Business Development Premier has built-in metrics capabilities that automatically capture firm contact and relationship data and help drive engagement with both lawyers and firm contacts. Automated tracking and easy-to-use ROI dashboards help you easily determine which activities drive revenue.

4. Offers strategic insights into where your marketing efforts are going and what you (and your firm) are getting from them

When looking for a new CRM solution, look for one that can clearly demonstrate how the money you spend on marketing efforts translates into the business your firm has gained. Business Development Premier automatically tracks and quantifies the results of any marketing effort with regard to any client, and easy-to-use ROI dashboards help you easily determine which activities drive revenue. With intelligent metrics, you can focus on strategy rather than tactical execution, thus optimizing performance.

5. Is quick to install and easy to use

If you choose to move to a new system, be aware of the downtime needed to install the system and bring it up to speed. Typically, CRM installations can take up to 18 to 24 months due to laborious data entry and cleansing. Business Development Premier offers implementation in a fraction of the time, easing what can be a painful process leading up to going live.

Also, keep in mind that whatever CRM system you employ, it should be easy to use. If your lawyers are saddled with a solution that is inefficient, takes away from billable time, or is too difficult to navigate, it doesn't matter how many bells and whistles it has. If you can give your lawyers a system that accesses up-to-date, accurate information on your firm's existing relationships and can couple it with information such as that found on the Thomson Reuters global database of companies, you're more than halfway there. And when you can hand that power and the resultant insights to your lawyers on a tablet, an iPhone®, or other mobile device, in easily understandable and viewable formats, you can consider your CRM system an across-the-board winner.

FINALLY, LOOK TO THE FUTURE

Wayne Gretzky, a great hockey player and leading scorer in the National Hockey League, used to say the thing that made him great was that he skated to where the puck would be, not where it was. Firms need to take that same philosophy to grow and they need a CRM and business development system that will help them get there. Business Development Premier is such a system. As you develop new business and evolve, Business Development Premier, fully supported by Thomson Reuters Elite, will grow and evolve with you. As the legal world and technologies change, Business Development Premier will change as well, so you and your firm can be confident of meeting and besting today's and tomorrow's business development challenges.

