EVOLVE TO WIN
THE GROWING ROLE OF TECHNOLOGY IN LAW FIRM BUSINESS DEVELOPMENT

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EXECUTIVE SUMMARY

In an increasingly competitive and consolidated global legal marketplace, the quantity and quality of client relationships—both old and new—is ever more crucial to a firm’s success.

Likewise, technology is playing an increasingly important role in nearly every market around the world and within every type and size of firm as part of the quest to better understand how those crucially important relationships can be identified, maintained and cultivated through marketing, communication and business development (BD) activities. Whether through solutions designed for customer relationship management (CRM), marketing automation or e-communications, technology is rapidly moving front and center in the battle to get ahead, innovate and differentiate.

In order to gain new insights into how law firms are utilizing technology for marketing and BD—and some of the challenges being faced—Thomson Reuters Elite collected the views and experiences of legal business development and marketing leaders across North America, UK and Continental Europe, and Asia Pacific.

In summary, the results indicate that:

• 90% of firms are employing BD and marketing-focused technology solutions in order to get ahead of the competition in the legal services marketplace
• Successful implementation of cross-selling initiatives is the main tangible, measurable benefit from their use of technology in the BD arena
• Firms are planning further investment in technology-based platforms, particularly in relationship management, to help support BD and marketing over the next three years
• There are a number of challenges which stand in the way of fully realizing the potential and power of technology in the BD context, both cultural and technological

GAINING TRACTION, BUT FULL POTENTIAL NOT YET REALIZED

Although the legal sector has been somewhat slower to adopt technology solutions for BD and marketing challenges than other industries, such solutions appear to finally be gaining significant traction.

Among the law firms surveyed, an overwhelming majority (90%) have already adopted some form of technology-based marketing or BD solution, ranging from e-marketing tools to comprehensive CRM systems. Indeed, the prevalence of these solutions is significant throughout many firms, with just over half of respondents (53%) reporting ‘moderate’ or ‘significant’ adoption of technology solutions.

“Any CRM solution must be an integral part of systems [that] attorneys already use.”

IT Director
UK Top 100 law firm

These views may be explained by the fact that a majority of respondents believe that, BD aside, their firms are not yet fully ready—culturally, technologically or operationally—to adopt or utilize new technology-based systems, giving their organization an average rating of only 3.09 (out of 5) in this regard. Interestingly, respondents rated their firms a little higher (3.41 out of 5) when it came to readiness to prioritize and implement strategies for BD more generally, highlighting the distance which exists between overall tech readiness and BD savviness for many law firms.

Still, respondents noted a range of areas where technology could potentially make substantial contributions in terms of BD. More specifically, notable proportions anticipated positive impact in the areas of contact and relationship management (32%), client and account insight (24%) and market and competitive intelligence (19%).
The impact of having a “repository of data”—which technology has now made more accessible and functional—was particularly acute for several firms. As one Chief Marketing Officer at a major global law firm explained, “When looking at conflict between existing and potential clients, CRM can give a key piece of early intelligence. It turns up old relationships—who knows who.” One business development director identified the importance of systems which facilitate easy “knowledge transfer to an unwilling, unable and time-strapped population of salespeople—our lawyers.”

When it comes to how firms are using these systems and data in general to measure and report the success of BD activities and initiatives to management, a majority of respondents believed that performance metrics—such as tender success rates (45%), client feedback (31%) and invitations to tender (17%)—were the most valued and sought after indicators of success. Interestingly, about one-third of respondents said that they were not required to provide any evidence or fixed metrics in this regard.

“The most important thing is to keep the attorney population happy.”

Chief Marketing Officer
Global law firm

In addition, many respondents also noted the role and importance of partner feedback. This more informal—but culturally important—metric underscores the pivotal influence of fee-earners in assessing the value and impact of marketing and BD strategies and activities, and the technology platforms which support them. “The most important thing is to keep the attorney population happy,” noted one CMO of a major global firm.

CULTURAL BARRIERS PROVE CHALLENGING

Despite the benefits already being realized by many law firms, there are still significant challenges which remain when it comes to deploying such platforms, encouraging their utilization and realizing their full potential.

Firstly, nearly a third of respondents indicated that they had been required to redeploy their existing CRM solution at least once, with an additional 15% or so contemplating doing so in the near future. Among the reasons cited were overall lack of adoption, poor implementation, data issues, lack of business support involvement (ie secretarial or administrative staff) or poor system design.

“The lawyer population is immune to technological innovation and has little time nor any interest in understanding it.”

Chief Marketing Officer
Global law firm

TANGIBLE BENEFITS AND NEW MEASURES OF SUCCESS

Even though firms may feel that they have not yet realized the full value of their BD and marketing technology solutions, the benefits (both tangible and intangible) from their deployment and utilization are being felt, according to survey respondents.

Among the top benefits reported were implementation of cross-selling initiatives, identifying and building client relationships, and easier or more customized client communication. In addition, many firms also reported that these solutions had proven useful in spotting untapped opportunities or relationships, and for providing new metrics and data to support BD within their firm.

The following areas were identified as having the greatest contribution to drive marketing and business development for the respondents:

1. Facilitation/implementation of cross-selling initiatives
2. Identifying/building client relationships
3. Easier/improved/more customized client communication
4. Providing metrics and data to support BD
5. Spotting untapped relationships or opportunities

Q: IN WHICH OF THE FOLLOWING AREAS DO YOU FEEL THAT TECHNOLOGY CAN MAKE THE GREATEST CONTRIBUTION TO DRIVE MARKETING AND BUSINESS DEVELOPMENT FOR YOUR FIRM?

TICK THE MOST IMPORTANT AREAS

- Contact/relationship management
- Client & account insight
- Marketing automation (e-marketing, client alerts)
- Market & competitive intelligence
- Experience management

In Table 1, the top benefits observed from BD technology platforms are listed:

<table>
<thead>
<tr>
<th>OVERALL RANK</th>
<th>BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Facilitation/implementation of cross-selling initiatives</td>
</tr>
<tr>
<td>2</td>
<td>Identifying/building client relationships</td>
</tr>
<tr>
<td>3</td>
<td>Easier/improved/more customized client communication</td>
</tr>
<tr>
<td>4</td>
<td>Providing metrics and data to support BD</td>
</tr>
<tr>
<td>5</td>
<td>Spotting untapped relationships or opportunities</td>
</tr>
</tbody>
</table>

TABLE 1

TOP BENEFITS OBSERVED FROM BD TECHNOLOGY PLATFORMS

The lawyer population is immune to technological innovation and has little time nor any interest in understanding it.
When asked about potential reasons why the technology had not been adopted by partners and fee-earners, respondents reported a ‘lack of understanding’ of the individual benefits of using it (34%) or that the lawyers ‘don’t perceive that it delivers value to the attorney role’ (29%). In contrast, only 9% indicated there was a lack of senior management buy-in, and only 3% cited the need for ‘more training’ to understand how to use the system.

Several respondents also referenced perceptions among the attorneys that use of the system would be ‘time consuming’. In the words of one marketing leader, “the lawyer population is immune to technological innovation and has no time nor any interest in understanding it.” This perhaps perfectly underscores the continuing need for and importance of educating the firm about the efficiencies to be gained and individual benefits from system utilization. At the end of the day, “people only use software if there’s something in it for them,” as put by the IT Director of one UK Top 100 law firm.

Some noted a feeling that generational shifts would have a key role to play in overcoming some of these cultural challenges, as more technologically-savvy junior lawyers continue to rise within the ranks of firms. In addition, another respondent felt that the key to adoption lies in making CRM platforms “an integral part of systems attorneys already use,” such as financial management platforms or even Microsoft Outlook.
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STRUCTURAL CHALLENGES REMAIN

Given the relatively recent widespread adoption of technology within the legal sector (and previously limited solutions available), it is perhaps not surprising that a number of firms also report some structural and technological challenges with their existing platforms.

In particular, respondents noted significant difficulties when it came to how integrated or compatible their existing systems were with each other, with a majority (nearly 59%) reporting that their existing array of solutions—CRM-focused or otherwise—were ‘not very’ or only ‘somewhat’ compatible or integrated with one another. No respondents reported ‘seamless’ compatibility, and one law firm Marketing Director noted the ongoing effort required “to get systems to talk to each other and not compete.”

Another significant issue which was reported related to the need for ‘data stewardship’—non fee-earning staff time or even whole teams dedicated to data maintenance—for some existing solutions. The vast majority of marketing leaders surveyed (84%) indicated that ‘moderate’ or ‘significant’ amounts of staff time and resources have been necessary to update and maintain their CRM systems. In contrast, only about 12% said that little or no data stewardship had been required.

Q: FOR YOUR EXISTING CRM SOLUTION, TO WHAT EXTENT HAVE RESOURCES DEDICATED TO ‘DATA STEWARDSHIP’ BEEN REQUIRED?

(ie NON FEE-EARNING STAFF TIME/ROLES DEDICATED TO DATA MAINTENANCE)

- Significantly (large amounts of time or multiple team members): 34%
- Moderately (small amounts of time or a few team members): 50%
- Limited or none (insignificant amounts of time or no team members): 13%
- We don’t use a CRM solution: 3%

It also appears that there are a number of needs which are currently not being met by available technology solutions within the BD and marketing arena. Aside from the growing range of overall platforms designed for CRM, marketing automation, experience management or business intelligence, respondents expressed a desire for new tools to assist with strategic planning and budgeting, quantification of client feedback, and end-to-end event management, to name just a few. However, all indicated that any new capability in the areas above would need to work seamlessly with their existing systems, so as to avoid the challenges and frustrations related to the lack of integration and compatibility noted previously.

WHAT LIES AHEAD

The pace and scope of technological innovation within the legal services market overall continues to grow, and this is also proving true when it comes to the future role that technology will play within the BD and marketing sphere for law firms. Indeed, respondents cited a number of wider trends—both technology-related and overall legal industry dynamics—which they feel will significantly impact the role, function and operation of BD and marketing in the future.

“Integration is key in a law firm.”

IT Director
UK Top 100 law firm

Foremost among these was the impact of legal industry market consolidation and competitiveness, noted by one-third of respondents as having the largest influence. In addition, the ‘growth of big data’ and ‘increased reliance on technology’ were both highlighted by nearly one-fifth of respondents, while nearly 10% cited the impact of mobile and flexible working on the future of the BD function within a law firm. Somewhat surprisingly, only 6% said that they believed cybersecurity and risk would have the biggest impact, indicating that such risks are perhaps viewed as more systemic across the entire firm rather than specific to marketing and BD.

Q: WHICH OF THE FOLLOWING TECHNOLOGY-RELATED TRENDS IS, IN YOUR VIEW, LIKELY TO HAVE THE BIGGEST IMPACT ON YOUR FIRM IN TERMS OF THE ROLE, FUNCTION AND OPERATION OF BUSINESS DEVELOPMENT?

- Growth of big data: 18%
- Increased reliance on technology: 15%
- Mobile/vlexible working: 18%
- Cybersecurity and risk: 9%
- Market consolidation/competitiveness: 6%
- Increased reliance on technology: 15%
- Mobile/vlexible working: 18%
- Cybersecurity and risk: 9%
- Market consolidation/competitiveness: 6%
- Fee pressure from clients: 3%

Encouragingly, firms report that they are planning to continue to invest in new or expanded technology-powered solutions within the marketing and BD area over the next three years. More specifically, most respondents indicated that they particularly plan to invest further in platforms in areas such as relationship management (61%), market and client intelligence (55%) and contact and company (data) management (55%).
This robust level of investment comes despite the many challenges—whether cultural or technological—which exist, and thus appears to underscore overall understanding of the significant potential advantages to be gained by further harnessing the power of technology within the area of legal business development and marketing.

### TABLE 2

**TOP FIVE AREAS OF FUTURE INVESTMENT FOR BD AND TECHNOLOGY (NEXT THREE YEARS)**

<table>
<thead>
<tr>
<th>AREA</th>
<th>RESPONSE</th>
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<tbody>
<tr>
<td>Relationship management</td>
<td>61.3%</td>
</tr>
<tr>
<td>Market/client intelligence</td>
<td>54.8%</td>
</tr>
<tr>
<td>Contact/company (data) management</td>
<td>54.8%</td>
</tr>
<tr>
<td>Experience management</td>
<td>48.4%</td>
</tr>
<tr>
<td>Marketing automation (e-marketing, etc)</td>
<td>41.9%</td>
</tr>
</tbody>
</table>

However, most still feel that law firms have quite a way to go before matching their counterparts in other industries. As one Business Development Manager noted, until BD is led by future trends and truly embraces technology and its full potential, the legal industry is likely to continue to remain “on the back foot.”

With an increasingly pressurized business climate and ever growing demands to demonstrate the value and effectiveness of marketing and business development within law firms, technology clearly has a significant role to play when it comes to improving efficiency, unlocking opportunity and strengthening relationships with clients, both current and prospective. In the words of one seasoned legal marketer, “technology is just such a big part of our lives these days, you either adapt… or get left behind.”

### ABOUT THIS REPORT

For this research, Thomson Reuters Elite commissioned an independent research organisation—UK-based Spada Research (www.spada.co.uk)—to interview and survey a wide range of senior business development and marketing leaders from firms across North America, Europe and Asia-Pacific. A total of 38 survey responses were received, supplemented by four in-depth qualitative interviews from additional firms.

The vast majority of survey respondents (77%) came from firms with a head office located in the US, with the remainder being based in the UK (15%), Europe (6%) or Canada (3%). The size of respondents’ firms ranged broadly from under 50 to over 1,000 fee-earners, with about half of respondents coming from firms with 250 fee earners or fewer. The total annual revenue of the firms surveyed also represented a similarly large range, with the vast majority of respondents (61%) from firms with revenues of between $10 million and $250 million. An additional 6% of respondents came from firms with revenue smaller than $10 million, with 16% representing firms with total revenue of more than $1 billion each year.

### ABOUT THOMSON REUTERS ELITE

Thomson Reuters Elite offers an end-to-end enterprise business management solution that allows law firms and professional services organizations to run all operational aspects of their firms including business development, risk management, client and matter management, and financial management. For over 60 years, we’ve demonstrated we understand the business and financial aspects of firm operations, with proven tools that streamline processes to increase visibility and workflow efficiency across the organization and provide the flexibility to change and grow your business.

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