Learning from experience

Elisabet Hardy, vice president, LES global product management and marketing, Thomson Reuters Elite, explains why automation is key to more efficient and profitable business development

Law firms are all in the business of serving their clients, but in a climate where the smart ones are laser-focused on delivering value for those businesses as efficiently as possible, they also need to ensure the relationship can yield a profitable return.

“Firms are increasingly good at being very proactive to bring more value to the client’s table – but how can they ensure new business is really good business for the firm?” says Elisabet Hardy, vice president, LES global product management and marketing at Thomson Reuters Elite. Although firms are pressed for time to make such decisions, it’s vital to take a thoughtful approach as this is one of the most important recurring questions they must manage to answer.

Fortunately, strategic investment in the right technology can facilitate both the efficient delivery of legal work and analysis of its subsequent profitability – notably by removing human effort (and error) from the process.

“With technology today, you can amass many more critical pieces of information to achieve a much more holistic view of a client or prospect,” says Hardy. “That’s not just about the client as a business and their industry, but about previous work with them: how that work has been managed, with what success, and even whether the client has been a 'good client'.”

An important client meeting – or panel pitch – used to need all that information turned into a big, paper-heavy dossier, she says – if it was even available at all. “But when we’re all pressed for time, that isn’t remotely efficient. Today you can literally have client business insight at your fingertips – you don’t even need to search for it – all wrapped up into a single, mobile view.”

Taking contact

That’s the thinking behind Thomson Reuters Elite’s 3E Business Development (formerly Business Development Premier), which is part of the Elite Enterprise Business Management Solution. And it doesn’t only surface opportune client data fast, and automatically. It also addresses a separate challenge faced by firms, which is effectively capturing the information about prospects in the first place, even just their names.

“Client relationship management – and by extension, the organisation – can only be as good as the data it contains,” says Hardy. That seems clear – but firms might still be surprised by a couple of her statistics. For example, 70% of contacts in a database are out-of-date a mere year later – and 50% of a single employee’s contacts probably aren’t on the system at all. If you consider that each of those contacts might just have been turned into a marginally profitable piece of business, it’s a huge avoidable loss.

“It’s not just lawyers who are at fault – frankly, all of us can be very bad at keeping contact databases up-to-date,” says Hardy. That includes recording brand new contacts after any form of
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everything. “By the time you’ve returned to the office, logged on, and then been distracted by something else, you’ve forgotten about it. So, it never makes it into the system at all.

“At Thomson Reuters Elite, we prefer to take that manual work away from the humans, and allow the system to complete it more effectively instead.”

How so? Under 3E Business Development sits Elite’s data engine, which reduces data-entry work to “near zero,” she says. “The power lies in the ability to search and gather contact intelligence from across an employee’s daily activities, such as correspondence.” It will identify things that occur in emails – for example, changes of address, or a sudden new, frequent contact – and update the system accordingly, automatically.

**Good with experience**

But as well as ensuring the data is there to be found, and found efficiently at any time, there’s a third piece to the law firm profitability puzzle. Firms also need to ensure they’re involving the right people from their increasingly dispersed and international operations – whether for the pitch event itself, to demonstrate competitiveness to prospects, or indeed for performing work cost-effectively once won.

“Law firms’ two most valuable assets are their relationships and experience,” says Hardy. “That’s what the business is built on – who knows who, and the work that you’ve done with specific or similar people in the past.

“A firm may have a particularly tight pitch deadline against some big competition, for example, and so it needs a really powerful search across all the firm’s experience data for the best possible fit. It could search by past matters, type of law, practice, post code or seniority to put the perfect team together.” As just one specific example, she explains, the firm might wish to leverage a connection at a particular executive level with another client to demonstrate capabilities in a key area.

In 2018, 3E Business Development was named best law firm proposal automation and experience management solution by the National Law Journal in the US, for the second year in a row. “Some 15 years ago, we released the industry’s very first experience management system, so we have accumulated quite a lot of learning about what works best, not least by working with our clients,” says Hardy. Users today can, for example, not only uncover personal career information – from
education to ongoing board positions – but can also gauge any particular relationship’s cumulative and comparative strength.

**Seize the data**
Perhaps the real trick, however, was the integration of Elite’s financial management datasets with all of the above, so profitability and client insight appear side by side – on demand. “That helps you to determine whether the person you’re about to speak to about future business is a profitable account today,” says Hardy. And of course, you can calculate what that might mean for a negotiation. “Do they pay their bills on time, or do you have a lot outstanding? Should you really be pitching for another tranche of work at all?”

All good questions. On top of that, 3E Data Insights – a new product launched in late 2017 – combines a data warehouse with Microsoft Power BI to create richer visualisations of performance data by categories such as practice or region. This has begun with financial management data, but will expand to take on TRE Business Development soon, says Hardy, with data packs then released as frequently as possible.

Improved graphs are all well and good, but “most valuable is that you can then start to do more predictive analytics,” she explains.

“For a very long time now, law firms have been largely focused on lagging or just-in-time indicators. Now they have an opportunity to use historic trend data to forecast changes in individual or firm performance in six or 12 months’ time.” And of course, they can potentially use that to model the impact of making management changes or process improvements, or introducing any new performance initiatives.

**Cloud control**
Also in late 2017, 3E Business Development became available in the cloud – a clear direction of travel that spans the Thomson Reuters Elite suite. As with the firm’s marketing process automation, part of the rationale for this is a reduction in – and simplification of – human workload. “The cost to law firms is one driver, but it’s also easier for them to manage systems in the cloud,” says Hardy. “It can be a struggle to process software updates as frequently as updates are made available today, but in a cloud application those updates are done for you. You can continuously get the value from your purchase a lot faster.”

Moreover, Thomson Reuters Elite has placed its faith in the cloud not only for BD prospects, but also firms’ financial management – a clear vote of confidence on the question of security. “Any law firm’s investment would pale in comparison to the billions that a business like our partner Microsoft can invest in the security of its Azure data centres,” says Hardy. But firms’ appreciation of that fact has been a journey in itself.

“When we first started our cloud conversations with clients five years ago, almost nobody was interested,” she says. “Today, some firms are saying they have a strategy for every system application to be in the cloud in just two years.”

Perhaps that’s partly guided by the climate surrounding information security risk in the wake of debacles such as the Panama and Paradise Papers leaks – “nobody wants to be tomorrow’s front page,” after all. However, Hardy says it’s also a question of finding options that protect firms’ profitability with a much more efficient delivery model. Introducing a level of business development automation and better predictive analytics is geared toward the same end – at the same time freeing the firm’s people to focus more time and attention on nurturing those all-important human networks.