

Customer Relationship Management: What They Didn't Tell You at Law School

Written by Stewart Walchli, Co-Founder of Introhive

Law firms face a massive customer relationship management challenge. Getting the right information to the right people is key if business development and marketing activities are to be successful. To address this issue, many law firms have invested in Customer Relationship Management (CRM) systems. But too often, these systems are just not delivering the expected benefits. The main reasons for this are that law firms are struggling with getting the right information into their CRM systems and keeping them up-to-date – and time pressured lawyers or support staff are simply failing record accurate information.

In fact, around three quarters of law firms have a CRM system, but only a third are actually using it. The overwhelming majority (93%) of respondents to Ackert's January 2017 survey, 'The State of CRM at Law Firms - A Market-Wide Study'¹ estimated that less than a third (31%) of the lawyers at their firms actively use CRM – and a staggering 58% of respondents estimated that fewer than 5% of lawyers at their firms actively use them.



Delivering Usable Relationship Insight

If firms are dependent on client data, but less than a third of the lawyers are inputting data or recording data in a central repository, then there will not be a reliable source of information and the firm will lack any real intelligence that can be used for business insight. As a result, more often than not, lawyers do not have any usable relationship insight before they go into meetings with new or existing clients.

Law firms are fighting for a shrinking slice of the pie in an increasingly commoditised marketplace. Against this backdrop, the ability

to understand clients and forecast future client requirements is of the utmost importance.

There are three steps to getting law firms to be smarter with their customer data collection and analysis. This includes:

1 Take the lawyer out of the equation. It is vital to bridge the data gap when it comes to marketing. Most firms collect useful client data in some form or another – often stranded in a multitude of disparate spreadsheets. To get the value from that data, the first and most important step is to take the lawyer out of the equation. Law firms are too reliant on staff inputting useful

client or prospect information into databases or spreadsheets. Firms who continue to depend on lawyers participating as data creators are unlikely to succeed in the long term. Lawyers need to be data consumers rather than data producers. But as the sector becomes ever more competitive and rivals get better at using technology, the impact of ineffective customer relationship management will soon start to show.

2 Step back from the technology.

Despite heavy investment in IT solutions, law firms are not getting the results they hope for. Commissioning and implementing a truly useful new CRM system is not easy – understandably, people take the view of "better the devil I know than the devil I don't". Rather than considering whether you want an InterAction, Dynamics or Salesforce solution, consider instead what data and information your firm really needs to improve its client service or to grow its business.

3 Dig for gold. Identify the best sources of key data and the best ways to produce the output so that it is useful for lawyers. CRM solutions are very rarely providing lawyers with actionable ideas based on relationship data and information held in the system. For example, many firms and their clients face the challenge of complying with incoming GDPR regulations. They may be basing email marketing campaigns on a list containing a client or contact who has not given their explicit approval to receive email marketing. If the CRM solution is able to flag this up to a lawyer ahead of their meeting with the client, they will be in a good position to request that permission during the meeting. In this case, the system needs to join the dots



between data indicating that the lawyer is meeting a particular client and data showing that that client has not yet given email marketing approval.

CRM systems, if used correctly, can also be a goldmine of data about client activities. If partners can see information about the conferences and meetings that major clients have been attending and who else in the firm has been communicating with the client, they will be so much better briefed ahead of their next meeting.

Boosting Your Existing IT Investment

An effective CRM solution can be the source of data that underpins useful reports for lawyers, giving them competitive intelligent and actionable ideas in a format that they will use at the time they need it. However, the way in which many systems are set up is doomed to fail because they are not intuitive or a one-click task. If your current CRM solution does not do this, while it may not be necessary to refresh the solution,

law firms may need to reboot their approach to it.

Innovative software tools that sit on top of existing CRM systems can cleverly address the firm's reliance on lawyers as data creators and enable law firms to disseminate useful business intelligence. For example, they can provide a pre-meeting briefing digest containing information about each individual, news about the client, related matters that are being worked on and the two or three latest events and meetings that the clients have attended. This kind of briefing can be far more effective than a 100-page end of month report. For prospecting, this can mean better tracking of changes in relationship strength with new contacts and intelligent assessment of which activities are likely to drive change. Smarter integration of relationship data into your marketing automation platform also means that CRM can become a revenue-generating solution, rather than an expensive white elephant. **LM**

References

¹<http://info.ackertinc.com/crm-for-law-firms> (registration required)



About Stewart Walchli

Stewart Walchli is the co-founder of Introhive. Before co-founding Introhive worked as VP BlackBerry Messenger and Social Media. Stewart joined BlackBerry via the acquisition of Chalk Media where he served as CEO. Stewart has also worked as a technology investment banker for CIBC World Markets and began his career as Corporate Finance Specialist at KPMG.

Firm Profile

Introhive is a relationship data science platform for CRM that helps law firms drive user adoption and consumption of CRM data. Relationship intelligence helps firms better leverage their relationships with clients and partners to drive more business. Visit www.introhive.com or follow on Twitter @Introhive or LinkedIn