

Case Study: AlixPartners LLC

Company: AlixPartners LL
Industry: Business & Financial Consulting
Product: LexisNexis® Visualfiles®

AlixPartners is keenly aware of the role its relationship network has played in the firm's stupendous growth. Founded in 1981 by Jay Alix, the firm, which specialises in performance improvement, turnaround and restructuring, financial advisory and case management, now boasts nearly 350 employees in nine offices in the US, Europe and UK.

Overview

Consulting firms, like other professional services organisations, are different from traditional corporations. Rather than selling physical products or simple services, a firm's primary marketable assets are the collective skill and expertise of its consultants.

Moreover, gimmicky sales and marketing tactics don't trick clients into engaging one consulting organisation over another. Rather, the collective relationships of individual consultants constitute the firm's most valuable business development asset. Indeed, in this competitive industry, reputation and referrals are far more important to a consulting firm's long-term success than slogans and ad slicks.

Like many consulting outfits, AlixPartners' growth has come through word of mouth across the firm's ever-expanding network of contacts. "Our business is relationship-driven," said Debra Kuptz, AlixPartners' chief marketing officer.

"We probably get 80% of our revenue from referrals and intermediaries. One relationship will give us many referrals over the years."

Against that backdrop, AlixPartners understood that the greater the visibility professionals had into the firm's collective network of relationships, the better chances it would have at leveraging that network to win new engagements. Initially the firm implemented a Microsoft Access database in which to store contact information of strategic relationships. Eventually, however, it reached a size that made the system inflexible to track and manage referral details - critical to understanding who was referring business into the firm, and who was receiving referrals out of the firm.

The Access database also fell short in terms of relationship capital management. "When our professionals are out in the field interacting with people, we like them to be armed with the necessary relationship intelligence - such as the firm's history with that person or company, past activities and meetings, and whether we possess any strategic relationships that might be useful to know about," commented Kuptz.

AlixPartners understood that maximising the firm's relationship capital would provide a critical advantage, especially in competitive situations in which personal relationships can often make the difference. The firm undertook a search for a Client Relationship Management (CRM) solution. Given the focus of most CRM products on sales force automation and managing the sales cycles of products-based manufacturing companies, finding a solution uniquely tailored to AlixPartners' business model would be essential.

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Debra Kuptz, Chief Marketing Officer, Alixpartners LLC



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The firm ultimately chose LexisNexis® InterAction®, the only CRM solution specifically designed for consulting firms and similar relationship-based organisations. “Our objective for InterAction was that we wanted to be “one step away” from anyone who could help us close a new business opportunity,” said Kuptz.

For instance, when a new consulting opportunity arises, often there are as many as 10 firms involved, including legal, banking, accounting, investment banking and others. In addition, these new business situations are often extremely time sensitive, particularly if the company is in crisis. “Once we identify what firms and people are connected to a new business target, we use InterAction to look internally to see if we know any of them. If so, we can also identify who in the firm has the relationship and what the relationship history is,” explained Kuptz.

AlixPartners’ CRM strategy has more than paid off. InterAction has proved critical in helping team members gain the inside edge in competitive situations. In one instance, an investment banker contact of the firm was working with a large worldwide specialty retailer. The banker knew his European-based client could use AlixPartners’ performance improvement services to achieve savings and enhance profitability in operations but, as the firm was unknown to the client (AlixPartners having a relatively new presence in Europe), the investment banker sought additional support from others in the community who also could recommend the firm.

Using InterAction, AlixPartners compared the affiliations of the target client’s board of directors against the firm’s contacts. “A connection popped up between one of the target’s directors and a company that was known to the spouse of one of our UK principals,” said Kuptz. “We discovered that the spouse was actually a friend of the board member.” Upon discovering this relationship in InterAction, the spouse and director had a subsequent conversation about AlixPartners, and the firm obtained a meeting with the

prospect. “We were hired to do a small assignment in one of the company’s European markets; from there we have expanded our work into multiple projects in additional European markets and the U.S. market,” said Kuptz. “To date, billings have been over £6.5 million.”

“connecting the dots that lead to relationships that lead to revenue opportunities”

Moving a company from the status of prospect, to client, to £6.5 million revenue source requires enormous commitment, hard work and talent. But in the beginning, when AlixPartners was unknown to this client and those potential revenues were up for grabs – the firm’s ability to uncover an “inside” relationship was the single most important obstacle between losing to a competitor and winning a multi-million dollar engagement. “In this, and other cases, InterAction demonstrates how very effective and efficient it is at connecting the dots that lead to relationships that lead to revenue opportunities,” concluded Kuptz.



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