

# Customer intimacy as a competitive strategy

A firm's IT system needs to reflect the fact that it is prioritising clients' needs, says **Stu Gooderham**



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**T**he concept of 'customer intimacy' was coined over 20 years ago by Harvard Business Review, but is still as relevant today. In the legal sector, with tight budgets and ever-increasing competition, there is merit in law firms adopting customer intimacy as their core competitive strategy.

Customer intimacy requires developing deep, long-term client relationships to better understand and address their business requirements in a way that delivers 'value' – value not as 'perceived' by the law firm, but as 'defined' by its clients.

## Marked shift

There are a number of barriers that prevent law firms from delivering value. Technology can enable firms to execute a customer intimacy strategy, but a marked shift in approach to IT adoption is required.

Historically, the driver for technology adoption has revolved around process and business efficiency – to reduce administrative costs and increase profits. However, this only delivers value to the law firm, not its clients. A traditional practice management system is a case in point. It's essentially a back-end technology that is neither visible to a firm's clients nor delivers value to them.

Top of clients' 'value' list is responsiveness. A firm's technology system must support the organisation in understanding client requirements. Fundamental to this is access to a 360-degree client view. Only then can a firm demonstrate its appreciation of the client's challenges and devise solutions that deliver against expectation.

For instance, the business management system must make visible the client organisation's priorities, how they impact the overall business, what significance they have for specific individuals working in the client organisation, and so on. Such an understanding enables the firm to identify who else in the company – and externally – individuals should be building relationships with, how they should be communicating with stakeholders, and to what level of detail. All this cumulatively enables the firm – as a business adviser – to deliver pre-emptive advice based on a commercial approach.

Lack of transparency is often the cause of fractured trust between client and law firm. Technology systems exist today that allow firms to create customisable dashboards/portals whereby the fee-earner and client alike have visibility of how

matter-execution maps against the agreed action plan, resource utilisation, expenses incurred, collections and such. Openly providing clients with information supports a partnership approach and encourages confidence.

## Strategic investment

Poor resource management by firms drives a wedge between them and their clients. At the onset of an engagement, it's important that a partner is able to access historical information on similar matters to cost, budget and provision the new task.

The HR system within the overarching business management system should help determine the best qualified team for the job, or identify a gap in expertise that the firm can work on closing. Similarly, firms need to be able to easily create new workflows to accommodate changing regulation, better manage projects and access business-critical data to deliver timely service.

To achieve customer intimacy, law firms need to strategically invest in single, extensible technology systems that support flexibility, agility and dynamism in the organisation. Such capability is critical to 'operationalising' customer intimacy.

Picture this: a partner meeting a client clicks on the customer's tab through a customised dashboard on a laptop to provide a high-level performance report on current matters. The client highlights a problem with a specific matter, so the partner drills down and spots a course of action that may have led to the issue. During discussions, the partner provides a solution to correct the situation and even suggests an approach to pre-empt another potential issue from arising.

This dynamic, real-time decision-making is possible because the firm's technology system connects all the functions of the firm and stores a single instance of accurate data that can be sliced and diced to provide a complete view of the business/client/matter.

Now more than ever, building trusted relationships and maintaining a solid reputation depends on delivery of outstanding and increasingly distinctive experiences – not just for a single project or at executive levels, but consistently across every client interaction with the firm.

Harmonised, flexible systems can help law firms exceed client expectations and fulfil their own growth objectives. **SJ**



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