

# A MERGER IS A GREAT OPPORTUNITY TO OPTIMISE CRM



Getting all your IT ducks in a row. Gina O'Connell explains how a law firm merger offers IT opportunities

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## Introduction

The merger and consolidation trend in the legal sector continues unabated. According to accountancy firm, Wilkins Kennedy, in the last year the number of law firm mergers grew by 65 per cent.

Many firms view a merger as an opportunity to competitively position themselves against Alternative Business Structures and expand across borders.

The smaller to mid-sized firms believe that a bigger entity is in a stronger position to exploit new business opportunities and grow.

So if business growth is a key driver for mergers, merging firms would do well to take a strategic approach to amalgamating their marketing and business development machineries early on in the merger.

In the last 18 months, I have personally been involved with numerous projects to help law firms merge the contents of their CRM (Customer Relationship Management) systems to establish a structured and coherent function.

I find that those firms that take a premeditated approach are the ones whose marketing and business development teams hit the ground running, capitalising on their strengthened position faster.

## Different ideas

A merger situation requires different ideas, culture and capabilities to come together seamlessly, driven by a fresh set of business goals for the new entity. To enable the CRM function to support business objectives, a meticulous approach is necessary.

First and foremost, there is a need to define the firm's post-merger CRM requirement. This entails determining how many staff members need access to the solution, does CRM need to be centralised and if so, in which location, what level of functionality the firm will need for marketing and business development, and the like.

Similarly, it's critical that the CRM project is properly scoped. Most firms use multiple business systems and a merger is a good time to integrate the CRM system with the new entity's practice management, e-billing, e-marketing, business analytics, news, conflict checking and human resource management systems.

This will allow the firm to leverage CRM for strategic business development – an integrated business environment coupled with powerful intelligence on clients, prospects and contacts provides insight into the firm's most profitable clients,

which clients offer opportunity for organic growth, and even an analysis of existing unexplored expertise for new focus areas.

Such integration is not always easy to do as it depends on the IT infrastructure the new entity has. IT infrastructure incompatibilities often need to be resolved in order to properly combine two CRM systems.

For example, the individual firms may have been using different versions of Microsoft Outlook and different business and CRM systems too.

So prior to merging the CRM function, determine which systems and version will stay, whether new workflows need to be created and if any of the systems need to be re-engineered. This is the perfect opportunity to make such modifications for long-term gains.

If substantial IT-related activity is required, there is value in outsourcing key aspects of the project to external parties. Often, third parties and suppliers are more cost-effective in the long run.

Technology suppliers and integration consultants have the expertise, experience and manpower to undertake such projects more efficiently – after all, it is the mainstay of their business.

This then allows the CRM team to focus on the more strategic aspects of



the merger such as scoping the business development tactics, determining the data strategy and articulating data entry guidelines.

Secure a budget for the CRM project based on a solid business case, clearly outlining how the function will support the achievement of the firm's objectives. Make the budget comprehensive – include all the resources that the team needs to implement, track and support the firm's marketing and business development goals.

This means that things like cost of professional IT services, outsourcing costs, data cleaning, system health checks, new hardware and software, staff training and contingency expenses must be included.

In fact, don't hesitate to speak to your Client Advisor at your CRM solution provider to help determine a realistic budget and activity timeline. The solution provider knows the system best.

By undergoing a detailed budgetary process, firms often find that post the implementation they are able to demonstrate ROI for the activity in quantifiable terms, which in turn helps in securing future spend too.

Fundamental to all the above is a clearly structured CRM project team. A dedicated project leader with the freedom to select a dedicated team is more likely to deliver good results.

## Focus a fair amount of effort, budget and time on data quality and the database

The project leader then also takes on the responsibility to deliver the work, on time and to budget.

Crucial to any CRM project is that it's not treated as a technology project, but a business assignment. In addition to IT personnel, include professionals across all levels of marketing, business development, fee-earners, support, personal assistants and finance.

### CRM's lifeblood: data

Focus a fair amount of effort, budget and time on data quality and the database.

The quality of the relationship intelligence and insight that a CRM system throws up hinges on these. The ideal scenario is of course a single database for the entire firm, but there are challenging decisions to be made.

For example, which database must become the master? This will depend on the version numbers in use, and which of those database versions are most customisable and easily integrated with other systems such as Microsoft Outlook, practice management system, news and content, etc.

Furthermore, this is also a good time to think about any new elements that should be incorporated into the merged database, such as mobile CRM.

Even well maintained CRM systems require periodic data cleaning. Prior to merging systems, undertake data



de-duplication and database re-configuration to reflect the requirements of the new organisation.

You will be rewarded with user adoption, which among other things also depends on the usability and quality of data residing in the CRM system. Winning back users post poor experiences of using the CRM system can be an arduous task.

When merging the CRM systems, think about the data structure that best meets the requirements of the new firm. Plan this from the start.

Similarly, clearly define the new data entry guidelines on which contacts (based on the new entity's business focus areas) should be added to the CRM system, how new contacts should be added and how future edits to contact must be made.

Most importantly, ensure that a Data Protection compliance policy is in place for the new entity. Mishandled data can have serious repercussions for the firm and employees, but also for clients.

Privacy breaches can lead to financial penalties of up to £500,000, damaged reputation and loss of client trust. Only recently, the Information Commissioner's Office (ICO) issued a warning to barristers and solicitors to keep personal information secure, following a number of data breaches reported to the ICO involving the legal profession.

### Swiss Verein

Many multinational professional services firms follow a decentralised Swiss Verein structure to limit their accountability.

This means that their operation/contracts are only bound by local regulators and any issues arising in one region does not impact business in others.

However, from a CRM standpoint, such an approach impacts data sharing – diminishing the benefits of a centralised CRM function to support the achievement of business goals.

In a merger situation, it is advisable that the new entity revises its contract for its CRM solution that extends across the firm. The CRM vendor can then provide new licence keys for usage across the geographies in which the merged firm operates and the contract can be strategically optimised for business expansion.

### Win over users

Firms that incorporate change management, communications and training as key elements of the CRM project during a merger, see most successful adoption of the discipline. Also, many CRM projects fail due to a lack of understanding on the part of the user base as to why or how the new software should be used.

Engage with staff right through the implementation of the merged system to secure their buy-in. From the start, let them know 'what's in it for them' and how the CRM system will help them perform their roles more efficiently, enabling them to meet their professional goals or KPI's (Key Performance Indicators).

Devise an internal training programme that addresses the requirements of users by department and role type. The usage requirement of a partner will be different to that of a marketing professional and a data steward.

Also, use different training formats. For example, a 45 minute demo focussed on relevant functionality for fee-earners may be suitable for partners, but data stewards will better benefit from a full-day, hands-on training to give them a real feel for the system.

Access to training materials such as eLearning modules, FAQs, WebEx sessions and the like is a good way to support the system's adoption. 'Walking the floors' when the merged system goes live always works well. It also allows the project team to gain valuable feedback to fine-tune the system.

Given the current competitive business environment, there is almost impatience among law firms to grow. A merger is seen by many firms as providing a near-instant fix (metaphorically speaking), but thereafter, they must be quick to capitalise on their new position to achieve business goals.

A well-structured, well-resourced and well-executed CRM discipline poises newly merged entities to undertake marketing and new business initiatives alongside proactive client management to quickly consolidate their position and grow.

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