▸ **INDUSTRY ANALYSIS**

A blissful Brexit?

Dave Harris, principal consultant at LexisNexis Enterprise Solutions, says gaining clients' trust to guide them post-Brexit will highlight the value of deep data insight as never before

One wonders if law firm reactions following the Brexit vote are knee-jerk responses to the economic uncertainty. There have been announcements of pay freezes, potential redundancies, the expectation of revenue losses and withdrawal of investment plans. Many top firms are also funding lawyers to register in Ireland, and even in other EU countries, to minimise the impact of Brexit on their EU law practice. Some are even looking to focus more effort on regions such as Asia and Africa for their growth.

Simultaneously, wishing to benefit from Brexit's potential business opportunity, these same firms are actively displaying their EU law expertise to win and retain clients. But prospects are unlikely to give business to firms using this 'thought leadership' approach purely on the strength of any information and content that's made available.

So what will really instil confidence in a law firm? The answer is trust. A corporate CEO is more likely to appoint a firm that understands his or her business challenges and model, that has existing relationships with the business and its partners, and that knows the organisation's attitude to risk. A firm's understanding of a client's business and marketplace lowers the corporate's risk. It also encourages emotional investment.

Building relationship bliss

This brings us to the next question – how can a firm demonstrate that understanding of a client's business? Firms need to embed continuous, business-driven relationship management into their very psyches. This takes business development away from being a scattergun approach – and toward the goal of 'relationship bliss' (a phrase cleverly coined by Michael B Rynowecer, author of Clientelligence: How Superior Client Relationships Fuel Growth and Profits).

But this requires an extremely target-led approach to prioritising new business targets, underpinned by informed decision-making that draws on accurate and quantifiable historic business data. For example, a firm evaluating its business pipeline by practice group may find its commercial property practice has 40 open opportunities, but a win rate of just 10% – compared to the intellectual property practice, which only has 15 open opportunities but enjoys a much higher win rate of 25%. A more in-depth analysis reveals that even though marketing activities generate initial interest in the commercial property practice, the department lacks relationships with key decision makers to convert that interest to a win. Additionally, the practice tends to lose to a competitor, as the other firm is already offering services in another area of law. This level of insight enables the firm to course-correct and readjust its focus for the future.

It also underscores the need for the firm to understand its own organisation in order to demonstrate an understanding of the client's business – factors such as: the sectors where the firm has most experience; in which regions, the competitors in those industries and geographies the firm tends to win or lose against, the most profitable price for the different types of work, the levels where relationships are strongest, and so on.

It's this kind of business relationship that will enable the firm to demonstrate its understanding of the client's business, markets, challenges and priorities, and so afford it a much higher probability of success. It will also enable the firm to deliver more 'bang for their buck.'

Deepening through data

This style of long-term relationship building – deeply collaborative and insight-driven – isn't easy to execute in a law firm environment, especially if there are only a few individuals spearheading the approach. It requires a deep-rooted, seamless alignment of people and processes, coupled with access to meaningful data that only the right technology can provide.

Firms must adopt technology that collates the data, identifies relationship patterns and trends between lawyers and clients, and provide insights to the business development processes across the firm. In addition, overlaying engagement analytics provides a complete picture of BD efforts, the strength of the relationships, and of course the business outcomes.

For example, if a firm is pursuing company X, the BD team should know how many people in the firm already have relationships with that company, the strength of each individual's relationship, the lawyers most engaged with the prospect, and whether the engagement is with the right decision-makers. This level of visibility allows the BD team to devise a plan over a finite timeframe – one that allows the firm to establish the right connections and clearly illustrates its value.

In a sector where it's hard for expertise and knowledge of the law to be a differentiator, firms must leverage their relationship and business intelligence to create differentiation. Given current market uncertainties, that need is even greater. It's quality, not quantity, that will count. ◣