

Winning hearts and minds

“Changing partner perception of the discipline can be the difference between success and failure of CRM in a firm”

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Fiona Jackson outlines the best way to gain law firm buy-in for customer relationship management

Analyst house, IDC, forecasts that the customer relationship management (CRM) applications market will grow by 7.6%, to reach nearly \$18 billion in revenue this year. Clearly, CRM delivers value to businesses. Why is it then, that typically the buy-in of the use of CRM in the legal sector is much less than in other business sectors?

The increasing competitive landscape, especially with the opening-up of the legal services market, will make it important for law firms to explore and use CRM to its full potential to further the aims of business. The instances of lack of take-up of the discipline appear to be due to apathy rather than a concerted effort to block its use.

CRM, as a discipline, facilitates the use of rich relationship intelligence to make critical business decisions. It provides a greater understanding of client requirements and how to build and sustain client loyalty. The use of CRM allows law firms to demonstrate professionalism and commitment to quality service, thereby strengthening client relationships and reducing risk. Well managed key client management programmes enable users at firms to share the rich relationship information stored within the CRM system, which collectively facilitates a higher level of understanding of clients. By understanding client needs, firms can serve them better, enhancing the quality of service provided.

Similarly at a tactical level, having information on how a client has received marketing communications from the firm, which areas and events client contacts have historically demonstrated interest in – all at the click of the mouse – can be very useful for future communication.

In light of these benefits, perhaps the best way for law firms to secure organisations' buy-in into the discipline and thereby adoption of a CRM system, is to “win the hearts and minds” of employees by demonstrating “what’s in it for them” – partner downwards.

Below are some of the key areas to focus on to allow for the successful adoption of CRM in law firms.

Establish relevance and communicate

Most people have a vague understanding of CRM, often seeing it primarily as a database of contacts. People often argue that they prefer to work from their own personal list of contacts based on the rationale that they know their clients and targets best.

However, the reality is that the CRM discipline extends beyond a database in functionality. It is not only relevant to CRM managers, but touches the entire organisation – right from partners to personal assistants, and IT staff to HR professionals. A firm is the sum of the various functional parts so the success of the firm as a whole is dependent on the cumulative achievements of all departments, functions, approaches and efforts. CRM as a discipline harnesses the collective potential of the complete organisation to facilitate business growth by enabling sharing of data, uncovering hidden relationships, seamlessly bringing together internal teams and making it possible for the organisation to work smarter.

Customer relationship management

Top tips for successful CRM buy-in

- Top-down approach – partner buy-in is crucial.
- Ensure the CRM strategy underpins business development and in turn a firm's over-arching business strategy.
- Clearly communicate the benefits to stakeholders at all levels.
- Keep the doors open – cultivate relationships, listen to new ideas and execute where appropriate.
- Regularly communicate successes, and preferably get the partners to communicate them – this top-down approach can peak the interest of other partners too.
- Remove opportunities for duplication – eliminate different data repositories to break the “old ways of working” and counteract the “I'm too busy argument” to adopt the new system.
- Streamline workflows that include CRM processes so that the discipline is embedded into the overall processes of the business.
- Do not confuse what you “can do” with what you “choose” to focus on. Make it relevant for stakeholders.

Having sold the concept in principle to the organisation, the next step should be to convince staff to actually use the CRM system. To this end, all employees from all departments should be shown how the system's use can specifically benefit their respective functions. For instance, for partners the focus must be on illustrating the features that can assist them with creating a CRM strategy that supports the over-arching business development strategy, which will ultimately positively impact the firm's bottom line. This process will allow partners to see the all-encompassing nature of the discipline – ie, that it's not just about marketing, but includes client management processes, identifies cross-selling opportunities, highlights opportunities to expand into other practice areas and markets that may not have previously appeared obvious, allows intermediary management and even reputation management.

Usually, it is partner buy-in that drives firm-wide adoption of new systems, practices and disciplines. Therefore, changing partner perception of the discipline can be the difference between success and failure of CRM in a firm.

At a more functional level, relevance can be demonstrated by illustrating the following:

Reporting

Showing how to generate customised reports for practice group meetings, or partner appraisals, reviewing matters and activities with key clients, identifying key business prospects with a “hot” and “warm” rating, highlighting intermediaries that have been key to business development initiatives, and pinpointing cross-selling opportunities can help make the point.

Many CRM users, for example, find the feature that provides a complete picture of a client, prospect or referrer very useful. A number of firms also use their CRM systems to develop key account plans and cross-selling matrices to enable partners and business development teams to objectively manage the key client management process.

Data management

Demonstrating how to use the data management functionality of a CRM system is always a good idea. It shows how easy it is for users to have business-critical information at their fingertips, such as who the firm's clients are and the sectors they operate in; the strength, breadth and depth of relationships alongside the “at risk” clients can be very persuasive.

Remuneration

Linking the use of the CRM system to remuneration will make the discipline relevant to people across departments, not just partners and business development, but specifically to the human resources department. The department will be able to see how the CRM system can be used to easily create job descriptions, appraise fee earners, and execute expense policies.

Showing how the interconnection between human resources and business development activities via the CRM system can also assist with defining expenses policies based on users' individual requirements and the stage at which they are in the business development process is interesting. Further demonstrating how the success of users' business development efforts, which are stored in the CRM system, can be used as a consideration when ascertaining their remuneration and bonus, can be a motivating factor for its use by staff.

Marketing communications

Generally across firms, the marketing communications teams tend to be the most advanced in terms of the use of CRM systems. Many firms today are producing professional marketing communications campaigns and delivering them through CRM systems, gaining numerous efficiencies.

There is, however, scope to maximise the potential of CRM systems even further. For example, CRM systems provide features that allow marketing teams to communicate timely and relevant information so that client satisfaction is augmented. Also, self-selection features offered to clients means that they can choose the information they wish to receive and can update their preferences on an annual basis.

Partners can contribute to this function too. By sharing their list of contacts and valuable insight on existing relationships, safe in the knowledge that data protection compliance is

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adhered to, partners can significantly bolster the efforts of the marketing team.

Explaining how partners can lose out by not sharing contacts is also always effective. Potentially, not having visibility of their contacts' network, means partners can miss out on opportunities in tender situations – because they don't leverage their network or their fellow partners' networks. The phrase “clients don't have a problem finding lawyers – they have a problem choosing one” is very apt in this situation. A partner who demonstrates a thorough understanding of clients and the relationships within his or her network stands out from the crowd.

Supporting business strategy

At the crux of it all, the CRM discipline supports achievement of the strategic vision of law firms. Therefore, the CRM system should be the tool that underpins a firm's business development efforts as well as the over-arching business strategy.

The business benefit messages of CRM adoption must be regularly reinforced. Once the system is deployed, business development teams will do well to recurrently develop case studies that demonstrate instances where CRM has led to cross-selling opportunities, new business wins, organic growth, new partnerships or the like. Using such events to highlight how the CRM system enabled the team to manage the prospecting and pitch process by inviting prospects to the most appropriate events and sending the most relevant marketing, information is well advised. This will help win the “hearts and minds” of sceptics.

It is imperative that firms always keep an eye on the future – not just from a technology perspective, which is rapidly evolving, but also from users' standpoint. Today's assistants, associates and trainees are tomorrow's partners. Once the change in approach and culture is initiated, the momentum must be, at least sustained, but ideally continuously enhanced. This will help law firms easily adapt and take advantage of changing market conditions, giving them a distinct competitive edge. Positive reinforcement is key.

In conclusion, it is pertinent to highlight that neither partners nor business development and marketing teams can single-handedly achieve firm-wide buy-in for CRM. It has to be consistent, persistent and a joint effort – the principles used for external marketing and selling applies to internal programmes too. Similarly, for business development teams to just underpin their activities with CRM is insufficient to realise the complete benefits of the discipline. They must actively sell in the benefits of CRM to partners to get them on side.

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