

# There's no shame in the 's' word

Fiona Jackson discusses how leveraging CRM for new business pipeline management can give your firm a 'leg up'.

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**H**istorically, professional services firms have been reluctant to be seen as 'selling' services, but due to the opening up of the sector globally and new entrants coming into the industry increasing competition, a commercial approach to business is now viewed as essential. A survey of business development professionals across Europe and the US reveals that firms recognise that the strategies required to win new business have changed considerably in the last two years, and they are now becoming comfortable with the 'new normal' state of the industry. There's still work to be done, however, which is reflective of the changes still taking place in the industry.

Senior partners are being encouraged to take sabbaticals to gain MBA degrees or an equivalent commercial education. Many senior associates who are on track for imminent partnerships, are also being evaluated for their business acumen. Project managers are being appointed for clients so that the principles of the discipline are effectively applied to matters across their lifecycle to profitably deliver professional services.

With clients taking control of the market, firms are needing to be more strategic with their business development initiatives. There's a need for a definitive change in a firm's cultural mindset, which in some organisations has already begun. They need to acquire the capability to unabashedly 'sell' to clients. The market place is competitive, and firms need the agility to develop new products and services that will keep them profitable, but



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also give them the ability to meet changing client needs. This is more so as corporate, for example, legal departments are reducing the size of their law firm panels – Barclays is an example. The bank will review the performance of firms for legal advice of course, but also thought leadership, collaboration, value for money and innovation.

A reason for this approach to law firm performance review is the changing role of the General Counsel (GC). They are increasingly taking on the mantle of business advisors and are looking to panel law firms to support them in this much broader and strategic capacity. The sentiment of Steve Jobs' quote rings true for what the GC is expecting of their law firms: "It doesn't make sense to hire smart people and then tell them what to do. We hire smart people, so they can tell us what to do."

Additionally, to better support the business, GCs are bolstering their legal departments with lawyers, who are posing considerable competition to fee earners in law firms. That may be why law firms are beginning to position themselves differently in the market – some examples of messaging include a firm that takes the long view; innovation and best delivery; and ethical, safe and lawful.

Law firms will need to demonstrate an understanding of client requirements, develop the services and then sell them in to clients. Technology can enable firms to manage the sales process across its lifecycle. To this end, and seldom exploited, is the ability of CRM to facilitate pursuits and opportunity/pipeline management, a



function that is fundamental to a sales-led approach to business.

### Diligent pursuit

A scattergun approach to business development involving long target lists and responses to every new business query that comes in, is the traditional approach. Pipeline management on the other hand, enables firms to create a concentrated target list of 'pursuits' based on a detailed understanding of client requirements and the landscape they operate in, scope of professional activity, strength of relationships, availability of resourcing and expertise, and so on. This clarity enables transparency and management of business development activity across the firm so that the organisation as a whole can put its weight behind the prospect in a focussed, diligent and strategic fashion. It also helps spot potential opportunities, hidden relationships and risks, and even indicators that imply that certain relationships may not be as strong as they should be.

Based on relationship insight from the CRM system, firms can identify prospects where potentially the possibility of a win may not be realistic and hence a waste of effort. It may be known that firm X has a strong relationship with a competitor for over six years and so the chances of the client changing the services provider are slim. With CRM analytics, firms can determine 'no go' situations due to potential lack of matter profitability, project scope and such, thereby ensuring focus on areas where it's more likely to succeed or changing their sales approach with challenging prospects.

### New service opportunities

With professional services being commoditised, a pipeline management approach can help firms identify opportunities for productising services based on the intelligence in the CRM system. This is enabling some forward-looking firms to adopt business models that are already prevalent in other commercially-led sectors. For instance, creating offshoots of their legal organisation by employing part-time lawyers to meet client demands in areas that are not core to their business. This is enabling them to tap into a segment of the market that they wouldn't ordinarily do. They don't need to employ the lawyers as fee earners, and yet are able to deliver the expertise required by clients. Also, this provision of ad hoc support for temporary, one-off, short-term matters where long term support isn't required, makes it a very cost-effective way for customers to employ legal advice.

Similarly, firms are productising training on industry and regulatory developments for a professional fee to help clients address evolving issues and challenges. Examples include compliance with the GDPR, modern slavery legislation, AI toolkits and Brexit tools.

### Value of pipeline

Pipeline management via CRM helps secure and manage new business so that it's well resourced. Pipeline can include everything from sales leads and opportunities for business development and pitches for new business through to tenders, panel renewals and cross-sell openings. Firms can pre-empt the peaks

and troughs so that there's consistent business growth. If the pipeline shows that there's a 90 percent chance that new business worth £5million will materialise within the next three months, the firm can take the necessary measures to ensure that the work is well resourced from the beginning.

Likewise, if all the new business is at stage four – ie. the last phase of the sales cycle – with say just two to three opportunities in stage one; it is a clear indication to the firm that the business development and marketing focus needs to be on bolstering the pipeline to avoid a 'feast or famine' scenario. Many larger international firms utilise their CRM systems well to avoid such scenarios.

### De-risking key clients

Most firms will have a core list of clients who are fundamental to the survival of the organisation. Utilising pipeline management to manage these key relationships enables firms to de-risk those associations. If in a client organisation, the firm only has a strong relationship with one decision maker, that business could potentially be a high risk. This insight can enable the firm to expand its reach into the client organisation – at partner, fee earner and business development level – to retain the business for the long term.

The same approach can be applied for succession planning too. If a review of a soon-to-be-retiring partner's client portfolio reveals that for certain organisations, the individual in question is the only key contact; the firm can put measures in place to de-risk the portfolio.

Leveraging CRM for new business pipeline management – combined with relationship management – gives professional services providers a 'leg up' vis a vis competition. It will help optimise relationships across the sales lifecycle to win new business, retain and strengthen it for the long term. Insight from the CRM system can be used to position the firm more smartly against competition, optimise resources, deliver against client requirements, as well as adapt to changing market needs, in a timely, relevant and strategic manner.



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