HUMAN RESOURCES

# CAN'T REALLY MISS... WITH LAW FIRM CRM

By Edward Miller

Throughout the years, corporate America has fallen in love with business concepts and techniques with catchy names. There has been TQM (Total Quality Management), Six Sigma (measure of quality that strives for near perfection) and now CRM, which is an acronym for Customer Relationship Management. CRM is a concept that came into existence in the 1990s.

The legal profession has always been slow to catch up to the corporate world (for example, how long did it take for firms to begin to launch "branding" campaigns?). Even with resistance from the establishment and the constraints of outdated ethics rules, the profession of law is slowly morphing into an industry much like other businesses. As such, law firms have begun to adopt traditional corporate management and marketing practices. Although it has taken some time, CRM has finally arrived to the legal industry.

**What does CRM really mean?**

Of course, lawyers would never refer to their clients as customers, and neither would doctors or accountants for that matter. Therefore, in a law firm, CRM actually stands for Client Relationship Management. The ultimate goal of CRM is to have the ability to interact with clients to the point of virtually learning everything there is to know about each of them, understanding and tracking their buying behaviors and motives, and identifying what additional services are needed. By learning all that can be learned about its clients, a firm can work on creating client satisfaction which would, hopefully, lead to client loyalty. A loyal client is around for the long haul and is quite profitable for the firm. Creating loyal clients is more important than ever as there is so much competition in today's legal marketplace.

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CRM is implemented by the use of technology. Technology is essential since the concept relies on the gathering and analysis of an enormous amount of data. The more sophisticated law firms utilize software packages that marry data such as client billings and trends, types of matters or services, industry information, individual attributes and interests, attorney relationships, marketing and sales activities including results of each activity, prospect identification and progress tracking, referral source information, and competitive intelligence.

Less sophisticated firms have various types of CRM systems in place, and they always had them. In truth, these so-called CRM systems are just marketing databases or plain old-fashioned mailing lists. Call me a marketing purist, but unless there is a way for a firm to do a thorough analysis of their clients, prospects and referral sources, and use its findings to improve service, increase sales and create loyalty, they do not have a CRM system. An effective CRM system is hard to create as it takes resources that most firms do not possess. It takes non-billable attorney time, a knowledgeable staff, teamwork and money. It also requires buy-in from management and cooperation from all of the firm's attorneys which can be quite the challenge.

Do not despair. Just because a firm does not have the know-how, resources or commitment, it does not mean it cannot implement some sort of system which will help it produce additional revenue and create a competitive advantage for itself. The trick is to create a system that makes sense for the individual firm, taking its limitations into account, while having reasonable expectations.

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**Law Firm CRM**
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**Getting Started**

Many times, a firm's accounting software will have CRM-like capabilities. These capabilities are already built-in or can be purchased as a separate module. Ask your sales rep to demo what is available.

I have found that Microsoft Access can be used to create a very effective starting point for a CRM system. In fact, with the help of a consultant at minimal cost, I have built a system in Access that serves all of my needs. I can create a snapshot of each client that allows me to see billing information, identify cross-selling opportunities, track marketing/sales successes, plan seminars, create and track individual attorney entertainment budgets, create targeted mailing lists, manage RFPs and so on. From this system, I can tell exactly where every new client comes from, which allows me to allocate resources and create appropriate marketing plans. For example, I can tell exactly how much business we received from a particular referral source. I take this information and work with the relationship attorney to keep the flow of business coming. Our strategy may include looking for opportunities to reciprocate or provide other methods of value. The last thing a referral source wants is to be forgotten. My system also assists me in the creation and implementation of strategic marketing plans for our firm's practice and industry groups. I could not do my job without it. By the way, I call my system a Marketing Database – again, this is just the purist in me.

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There are software programs in the marketplace that are designed specifically for law firm CRM. These products offer a wide range of capabilities and can be quite effective, and quite costly. Without getting into all of the options out there, I will discuss one particular product to illustrate the common features of these products. Cole Valley Software has been serving the legal community since 1991, which makes it a dinosaur in this industry. According to their website, Cole Valley's ContactEase "saves firms valuable time by making it easy to gain and maintain a complete understanding of the firm's relationship with clients and prospects. Multiple touch points are tracked and synchronized including phone, fax, and email communication, event participation, accounting, and documents associated with client matters. The same universal view empowers marketers to make informed decisions and quickly develop and implement automated marketing campaigns – all from the same central database." This description is what I believe CRM should mean to a law firm.

According to Jeff Reade, President of Cole Valley Software, "an effective CRM should allow a firm to have a good picture of its clients – both in knowing details and in being able to see the big picture. For example, it's important to know both how we got this client, and how we are getting the bulk of our clients. Do they typically come in through an Internet search, through references from other clients, or some other means? Which of our marketing expenditures have the best bang for the buck – seminars or taking clients to lunch?"

"The starting point," Reade continues, "is good data, and that is most easily derived from integrating your data sources at the firm - Outlook contacts (or PDAs), and time & billing are the most significant. Once that data can be accumulated and coordinated, the real value of CRM is realized. First, there is one correct record for each contact – something that many firms struggle with (when trying to do mailings, for example). Updates to information get shared with everyone automatically, and in just one place. Second, lawyers can see immediately (in Outlook, typically) if someone else at their firm knows a contact, as well as other contacts at that company. Third, management can use the data to see trends, and make decisions about where marketing is paying off (and where it isn't)."

In the corporate world, many of the alphabet concepts have long disappeared. For your firm, implement a system that will allow you to know and grow your clients. Don't get caught in a trend and hung up on the label.

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***Answers to 45 Years of James Bond***

***1.f.y.; 2.c.x; 3.b.o.; 4.a.s.; 5.b.1.; 6.f.i.; 7.b.o.; 8.a.h.; 9.b.j.; 10.d.q.; 11.f.v.; 12.f.p.; 13.f.t.; 14.b.n.; 15.f.u.; 16.e.o.; 17.d.r.; 18.f.k.; 19.a.z.; 20.b.n.o.; 21.a.m.; 22.b.o.***