Practice Innovations
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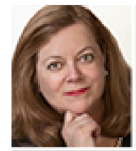

By **Silvia Coulter**, Principal, LawVision Group, Boston, MA

# Is CRM a Dying Resource or Is There a Place for it in Today's Law Firms?

Client Relationship Management programs can be used successfully in law firms for business development when there is support by management, use by key stakeholders, and training by knowledgeable support professionals.

Client Relationship Management (CRM) is a team resource. It's everyone's job. Too many investments have been made in good CRM systems only to have a breakdown within the firms when it comes to implementation. Some will say, "the attorneys aren't entering their contacts." Others will say, "this is a glorified events/list management tool," or "the Marketing team keeps this all to themselves and uses it for mailings but we don't have access to it," or "we were not involved in the planning for this until it became an issue." Some even believe it's time for CRM to go away and be replaced with Enterprise Relationship Management (ERM) or sales tracking tools. Maybe so, maybe not.

As one CIO, a long-time successful user of CRM from the IT side, said, "We assume at our 1,000+ lawyer firm that contacts are part of the firm's intelligence database. Our assistants are all trained in how to use these tools and it is expected that the data will be up to date. It's not simple, but we probably have one of the longest-standing, most successful CRM systems in the law firm world. No sales tool is going to replace CRM anytime soon is our prediction. That is not to say that adding a sales forecasting component to the database system won't be important—we see this as a critical next step."

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A Washington, DC-based Chief Business Development Officer (CBDO) disagrees, adding, "we've dumped our CRM system and we are installing SalesForce-based tools. We have an ERM system that connects to Outlook and shows us who has relationships with whom and how strong those relationships are. Our team never was able to keep mailing lists in the CRM system and we use an event management tool for events and mailings. The Department and Practice leaders are beginning to develop sales forecasts, which roll up to a firm-wide system of sales forecasting. We just don't see the need for CRM, and it didn't work at our firm, and I don't think it's working at other firms."

A partner from a London firm added an interesting perspective on this stating, "as lawyers we are taught to figure out a way around the rules. CRM seems to be filled with rules and I think the problem is we don't like rules."

As firms continue to hire sales professionals, we'll see more firms implementing sales forecasting systems. So is CRM a bygone phenomenon? Not so fast, is what many think. CRM is, in fact, a part of the firm's knowledge management and should be treated as such. Making it work is the real issue and understanding how to implement it is essential to its being a valued resource within the firm.

As it relates to the comments about attorneys entering time, popular CRM expert Chris Fritsch believes "to be effective with CRM you have to have a strategy which includes getting all the key stakeholders on board—and there can be a lot of them. For instance, the assistants can be critical because they often end up entering the contacts and other key information. Attorneys are busy billing time, and at a law firm, time is money—literally. So it usually is not the best use of attorney time to be entering or correcting contact data."

Fritsch adds, "to drive CRM adoption you have to provide real value. For the attorneys, the value is often getting information or reports out of the system to assist with marketing and business development. To enhance this value, it's beneficial to bring information into the system such as business and industry information, competitive intelligence or enhanced relationship intelligence from an ERM system. If the CRM becomes a central repository for this type of valuable information, it will give attorneys a reason to want to use the system."

This perspective sheds a bit of light on how to leverage CRM and perhaps use it more effectively as a resource for driving revenue. Perhaps CRM's fate won't be sealed.

Lisa Gianakos, Director of Knowledge Management at Pillsbury Winthrop Shaw Pittman LLP, sees it this way: "A recent BTI Consulting Group survey showed that most firms rate themselves pretty low on being business development savvy. Their scores are lower than needed to take business away from incumbent firms. But with the trend of the Fortune 1000 spending less money on outside counsel coupled with savvy competitors' sales people going after more client and market share, the ability to focus on and compete for new business is becoming more critical. Enter CRM and the value it can bring."

People and firms are generally resistant to change. The time a law firm client spends listening to partners explain why their firm or they are better when the client is relatively satisfied with its existing law firm and the effort involved in making a change just isn't worth it. It seems to me that putting more effort into demonstrating your expertise through seminars and other programs that are not direct pitches is the better way to go. You hit a larger audience, provide immediate value by sharing knowledge, and demonstrate your expertise, all at the same time and in a less threatening environment. But even the best event, from a content perspective, means nothing if you don't have the correct audience, and that is where CRM comes in. Putting the "buy in" issue aside, the single biggest hurdle is getting and maintaining quality contact information.

Today there are new tools that can drastically improve that problem. Programs that mine e-mail traffic and/or scrape signatures and refer to sources like LinkedIn that are up to date, both improve data quality and at the same time reduce the amount of time it takes to maintain client information. With the correct buy in, best practice implementation, and the right tool set, CRM/ERM does not have to be the painful story it has been historically. So there is hope for CRM.

All this said, successful implementation of CRM, ERM, sales tools, etc., relies on top-down management supporting the initiative, key stakeholders relying on the resources, and well-trained business and support professionals who know how to use the tools. Integrate strong communication about these valuable resources into regular firm meetings and show examples of the outcomes from effectively using the tools, and firms will have a winning combination. If the firm needs to rethink or restart deployment of these tools, it will be essential to call in the aid of the knowledge management team, the library resource team, IT, and Marketing. Combined, these professionals have the ability to make it work and deploy a once-again useful resource to help support the firm goals to capture client and market share. It takes a team. It takes an understanding of the resources, and it takes leadership and communication. Add it all up and CRM is still alive and well.

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