

# Get Smart: The Future of CRM, and the CRM of the Future

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The client relationship management (CRM) sector has been undergoing rapid growth and major change recently. Respected research organization Gartner reports that the sector has been growing at a rate of over 13 percent, making it one of the fastest growing types of business software. This year, the market for CRM is expected to reach \$36 billion.

Since some of the leading law firm CRM systems have been around for more than 20 years, it might be easy to jump to the conclusion that the law firm CRM space has not been experiencing this recent growth and innovation. Nothing could be further from the truth. Recently, a variety of new CRM systems have entered the market, and many new features have been developed to enhance existing system value and adoption. In addition, some providers are finally offering firms new options for hosting their systems and data in the cloud. With so much change taking place, now is an excellent time to explore where all this change could be heading.

## Challenges of the Past

Many of the recent innovations in CRM technology for law firms have been developed to help deal with common CRM frustrations. For almost as long as there have been CRM systems, these systems have been notorious for their challenges. In fact, Gartner estimated up to 70 percent of CRM implementations fail to meet expectations. What they don't mention, however, is that one of the most common reasons for this is that expectations are frequently wrong. (But that's an article for another day.)

One of the most common challenges has always been attorney adoption. In the past, CRM systems had to deal with a "chicken and egg" problem: attorneys wouldn't use the system because there wasn't enough valuable information in it, and information wasn't put into the system because no one was using it. To overcome this issue, some systems now offer a variety of features to capture and enhance information about attorney contacts and relationships with little or no effort required from attorneys.

Another past challenge was the time and expense required to deploy systems on-premises, which required regular updates and ongoing IT support. Now some cloud-based systems are being deployed that allow firms to benefit from enhanced system functionality with limited IT time and maintenance required.

## Features and Functions of the Future

The main goals of a law firm CRM implementation should be to solve problems, automate processes, improve communication and enhance business development. To help accomplish these goals, in the last few years a variety of new features, functions and complementary technologies have been developed, such as:

**Emarketing:** One of the primary reasons almost all law firms initially purchase a CRM system is to manage lists and events. While some people suggest this relegates the CRM to the status of "glorified rolodex," those people might not appreciate that in a law firm, time is money — literally. Having all attorneys wasting hundreds of collective billable hours reviewing lists can be incredibly costly. Even more expensive is the time spent creating articles, presentations and other information that, without a good contact list, might never reach the target audiences. To respond to this challenge, a variety of emarketing tools have been developed that can integrate with a firm's CRM system to facilitate list and event management. These



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tools allow firms to quickly and easily build and review lists, distribute email communications or invitations, manage recipient subscriptions and RSVPs, create related activities, track success metrics, and encourage follow-up.

**Mobile Access:** Attorneys today are highly mobile. Even when they are in the office, they are often accessing information on a variety of mobile devices. This need to consume information on the fly while on the go has prompted CRM companies to design new apps and mobile interfaces that allow attorneys to access the CRM data anywhere, anytime. Some mobile applications only allow attorneys to search and view contact information, while others allow mobile entry of contact details, activities and opportunities.

**Relationship Intelligence:** Law firms are in the relationship business. But capturing and capitalizing on these relationships can be challenging. Enterprise relationship management (ERM) technology mines email traffic patterns to identify who-knows-whom relationships between attorneys and key contacts. Algorithms allow the strength of relationships to be scored based on a variety of factors, such as the number and timing of email messages flowing back and forth, all while maintaining the privacy of the information in the communications.

**Signature Capture:** Some firms struggle with getting attorneys to share their contacts and relationships (it's those other firms, of course, not yours). The reason could be the effort required or what some firms call a "my client" mentality. Regardless of the reason, there are now CRM systems and other tools that can overcome the sharing issue by capturing information directly from the signature blocks of attorney emails. This information can then be used to create new contact records in the database or validate the data quality of existing contacts in the system, under the assumption that a signature block likely is one of the best sources of current and correct contact information.

**Opportunity Pipelines:** For years, other types of professional services firms have purchased CRM systems to track sales and business development opportunities. Law firms have been late to the game on adopting this functionality. Only in the last few years have firms been interested in acquiring this type of pipeline software to allow them to track details related to pitches, proposals and request for proposals (RFPs). These tools can capture key data such as opportunity types, related offices and practices, responsible

attorneys, and relevant activities. They can also keep track of important dates and set reminders for follow-up tasks. With the right information input, pipelines can also allow firms to evaluate success rates and predict revenue.

**Business Card Scanning:** Due to the competitive nature of today's legal market, many attorneys now also focus on business development. Any tool that will allow them to enter contact details more quickly and easily can enhance adoption. Built-in business card scanners allow attorneys to add contacts via a mobile device while they are at a conference or business meeting with a client or prospect.

**Company and Industry Data Enhancement:** As competition for business has become extreme, it has also become crucial for lawyers to really get to know their clients and prospects. They have to gain a deeper understanding of their clients' businesses and industries. To facilitate this, some CRM providers have begun enhancing the data in their systems with business and industry information on key companies and individuals. As an added benefit, enhancing the CRM information with competitive intelligence can also drive system utilization by attorneys.

### The Future of CRM

While there have been many advancements in CRM tools and technology, CRM success is also about people and process. In addition, almost no other technology in a law firm requires such a high level of change management. While the future of CRM might be uncertain, it is clear that future success will depend on law firms effectively dealing with the following issues and challenges:

**Planning:** The beauty of a CRM tool is that it can do a thousand things. The problem with a CRM tool is that it can do a thousand things — but it probably should do only three or four, and those might vary by firm, practice group or attorney. This means CRM success requires a plan. Planning should begin with an assessment of firm and attorney needs before the selection or implementation of the technology. Long-term planning is essential after the rollout because a CRM system should be a core component of the firm's ongoing marketing and business development strategy.

**Securing Buy-In:** Until recently, attorneys sharing contacts was essential to CRM success, so getting their buy-in was critical. To gain buy-in, attorneys needed to be convinced there was value in the system — not just for the firm, but also for them personally. Participation



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from assistants was also important because they frequently manage the contacts. Nowadays, key system users should be involved in the CRM project early and often. Their ideas and feedback should be solicited, and the system should be configured to meet their needs.

**Communication:** Because of the change management required to successfully implement a CRM system in a law firm, ongoing communication is essential to create a positive atmosphere for adoption. Communication should focus on the system benefits that will accrue to the firm, to users and to clients.

**Training:** For attorneys to value the system, they need to know how to use it. But the real goal of training should be to get attorneys to want to use the system. Training should focus on things they care about, but different people care about different things, so training also must be customized to the needs of individual users. To get optimal results, provide attorneys with brief training sessions in their offices utilizing their own contacts and work scenarios to demonstrate the value of the system.

**Dealing with Data Quality:** Research indicates that up to 30 percent of a firm's CRM data can degrade each year. Companies move and change addresses, open and close locations, go through mergers and acquisitions, and go out of business. Similarly, people move and change addresses, change jobs and roles, get married and divorced, retire, and die. All of this leads to bad data. In addition, many attorneys know the same people, which can create many duplicate records. This poor data quality not only hinders attempts to communicate effectively with clients and prospects, it can also erode user trust in the CRM. If attorneys think the data are bad, they will likewise conclude that the system is bad and will be hesitant to use it. Attention to data quality is essential.

**Dedication of Resources:** When putting together the budget for CRM, firms must consider the software, professional services expenses and essential resources including time, money and people. These investments must be long term, taking into consideration that CRM is not a project or initiative, but rather a fundamental change — and improvement — in how the firm manages its most important assets: its relationships.

**CRM of the Future**

While it may be an interesting exercise to try to predict what the future of law firm CRM will hold, what is ultimately more important is to ensure the future success of your law firm — and you don't need a crystal ball to see that for firms that want to be more effective and successful in marketing and business development, a well-implemented CRM system can certainly help. **ILTA**



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