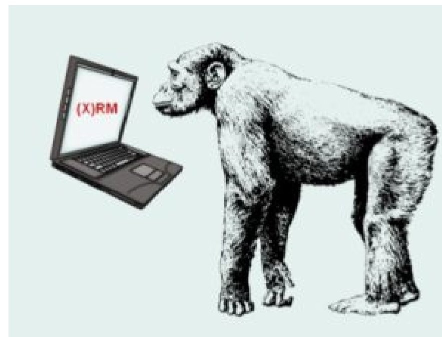
CLIENTSFirst Consulting, LLC
892 Durant Place NE
Atlanta, GA 30309

To Succeed with CRM, Try a Bigger or Better Hammer

The Evolution of (X)RM



To succeed with CRM, it's helpful first to have some background. Law firm business development is all about relationships. So it is not surprising that there has been a continual and ongoing search for technology and tools to assist firms in discovering and leveraging these crucial relationships.

For over a decade, the relationship technology tool of choice for law firms was CRM (Client Relationship Management). A large number of firms attempted to deploy these systems to enhance client communication and service and gain relationship intelligence. But time has shown that it can be challenging to succeed with CRM. In fact, research indicates that over 70% of CRM implementations may have failed to meet expectations.

Then came ERM (Enterprise Relationship Management), a technology that promised to reveal vast numbers of relationships with minimal effort required from attorneys. But as powerful as ERM may be for discovering relationships, it wasn't a complete solution to help firms leverage those relationships.

Lately, social media is all the rage – and we have new and sexy SRM (Social Relationship Management), a technology touted to assist us with monitoring and managing these social networks and relationships in the hopes of increasing 'engagement' and ultimately, revenue. With the advent of all this exciting new technology, it's not surprising that some people have questioned whether CRM is still relevant.

Is CRM Dead?

It might appear that the development of all of this new relationship management technology could make the old CRM seem a little, well… tired. Let's face it, it does seem like CRM has gotten a little long in the tooth. Some people might even say it needs to have some serious work done.

As a result, one question I've often heard asked is, "With all of new products, services and technology that are available for managing relationships, is CRM still relevant?" Taken to the extreme, we could even ask: is CRM dead?

It makes sense that this question would – and should – be asked considering the millions of collective dollars that have been spent on CRM systems over several decades – and the disappointing results that many people have reported as a result. In fact, at one point, pundits had proclaimed that more than 70% of all CRM implementation failed to meet expectations. So this question certainly deserves an answer – and some attention…

CRM on the Shelf?

It's easy to question the relevance of CRM now that there is newer technology on the market or because of the CRM implementations that failed to meet expectations in the past. What is more difficult is to take some responsibility for CRM's past failure.

CRM is about people, process and technology – and when systems failed in the past, it was largely due to people and process issues, not the CRM technology. CRM requires a fundamental change in the way firms think about and manage relationships, and a lot of firms just weren't prepared to deal with the change. CRM also requires significant resources in terms of time, money and people, and many firms weren't ready or willing to dedicate the necessary resources.

Another problem in the past was that people's expectations for CRM were sometimes unrealistic. They tried to do too many things too quickly. Many firms bought CRM systems thinking they would solve all the firm's communication and relationship management problems. Guess what, they didn't.

Some responsibility should also be shared by any of the CRM providers who touted all of CRM's bells and whistles and trotted out the dogs and ponies during demonstrations, or the ones who recommended that firms roll CRM out firm wide as quickly as possible so they could sell the most licenses in the least amount of time. Both of these strategies often backfired, resulting in a lot of CRM systems becoming shelf-ware – and a lot of customers becoming dissatisfied...

CRM is Alive and Kicking

And yet, despite all the past challenges, people are still investing tens or even hundreds of thousands of dollars in CRM systems. In fact, in recent years, the worldwide CRM market revenue has actually grown 12.5 percent, according to leading technology research firm Gartner. Based on this, CRM still seems to be very much alive and kicking.

Why is this? Perhaps it could be because CRM is the essential tool for enhancing communication, coordination and client service. Despite all of the new technological developments, when it comes to managing the myriad relationships that are essential to developing – and growing – your business and practice, there is no better tool for the job. So how exactly do you succeed with CRM?

The Hammer

If we are going to think or talk about CRM as a tool, I think it begs the question: which tool would CRM be? In the wide world of tools, I think a lot of people would say that CRM is most like the hammer. It's been around for a really long time. It can sometimes be big, clunky and even a bit unwieldy. It's definitely not sexy. And if you don't pay attention to how you swing it, you can certainly cause a lot of damage – and with CRM, it can be way worse than just smashing your thumb.

Additionally, since the dawn of the hammer, which is a pretty long time, there have been quite a few new electronic tools invented, like ERM, blogs and social media, to name only a few. So it makes sense to ask, with all this cool new stuff, do we really even still need the hammer?

Frankly, all of these shiny new tools are great problem solvers -- until you are faced with a problem that looks like a nail. This is why none of these new tools have really 'replaced' the CRM hammer as a staple in any first-rate tool kit…

A Bucket of CRM Nails

Law firms often have buckets of issues that are particularly 'pointed' and for which there may simply never be a substitute to address them, i.e., the trusty (or some might argue rusty) old CRM hammer. These types of issues come in many varieties, but they almost always involve communication, coordination, collaboration, Client service or, most importantly, business development.

Over and over again, I hear marketing professionals and attorneys complaining that they invested a significant amount of money in this or that CRM system and all they got was a mailing list or a 'glorified Rolodex'. To address this complaint, I should say that most of the people who make these types of claims have never actually had to do a law firm mailing themselves.

In fact, every single time I discuss CRM success with managing partners of firms of all sizes, from 27 attorneys to more than 1000, the number one frustration that they unanimously articulate involves the inability to communicate effectively with Clients and prospects. They just don't understand why the firm can't seem to compile a current, correct and easily updated list of Clients and other contacts and why they can't seem to effectively execute something as 'simple' as an e-mail campaign. These issues can be a source of tremendous frustration in law firms...

Pounding Out Communications with the CRM Hammer

When it comes to issues with firm communications, the CRM hammer hits these challenges, well... right on the head. CRM is an excellent tool for helping a firm plan and execute marketing campaigns and distribute all types of communications. Here's how it works:

- First, CRM allows all of the professionals' contacts to flow into the system directly from Outlook, which means there are very few changes to their business processes and they don't have to use – or be trained on – new software.
- Then, CRM systems provide tools to allow contacts to be more quickly and easily standardized and de-duplicated. This ensures that contact information is consistent and complete and prevents multiple communications from being sent to the same recipients.
- Contacts can then be easily categorized and added to lists. This allows the firm to segment contacts to make sure, for instance, that the firm's alerts are sent to all Clients and prospects, while at the same time preventing them from being sent to competitors. Contacts can also be sorted by industry or practice to make sure that they get the most relevant communications.

- Additionally, after each e-mail or other communication has been sent, an activity can automatically be associated with each contact so that professionals can simply open their records to see who received what - and when.

And if you think CRM is great for managing communications, wait ‘til you hear how it can improve event management…

Nailing Events with CRM

There is often no better way to develop business than getting face-to-face with Clients and prospects. This may explain why so many law firms spend so much time and dedicate so many resources to events.

While the types of events are diverse – lunches and dinners, cocktail parties, seminars, roundtables, golf outings, sports tickets, political mixers, charity projects, open houses – the challenges are the same: distributing the event details, sending invitations, gathering RSVPs, assembling attendee lists, printing name tags, scheduling follow up and, in a perfect world, tracking business development progress with prospects who attended.

As a result, successfully managing events can be extremely complex and challenging. It requires a significant amount of effective communication and coordination. Hmmm, sound familiar? Yes, you guessed it: exactly the things that CRM does really, really well. Here's how it works:

- As with other types of communications, CRM allows the attorneys to quickly and easily contribute contacts to the firm’s central CRM database, where those contacts can be de-duplicated to prevent sending multiple invitations to one individual.
- Contacts can also be categorized and added to event lists, or lists can be generated by searches of contacts who meet certain criteria such as: people with HR Director titles --for invitation to an employment seminar, or people in the hospitality industry --for invitation to a roundtable on hotel financing options, for example.
- Before an event, invitations can be emailed to relevant lists of contacts directly from the CRM system or the lists can be imported into the firm’s email software for distribution. With advanced analytics, the firm can track who received invitations, who opened them, who RSVP’d and who actually attended. At the event, attendee lists and nametags can be printed for check-in. Activities will then be added to each contact record automatically so that end users can see the status of each invitee.
- After the event, reminders can be set in the system and assigned to individuals who will be tasked with following up with prospects or leads. With additional CRM modules or modifications, these leads can be turned into opportunities that can be assigned to individual attorneys and tracked through the business development cycle or pipeline --all with CRM.

See why there is often no better tool than the CRM ‘hammer' when you need to nail down events?

Roofing Nails

Finally, CRM can help you to identify and leverage the relationships that are so crucial to firm business development and that literally keep a roof over your head. Because attorneys' contact relationships are attributed to them as their contacts enter the CRM system, those relationships can be identified and shared with other professionals in the firm. Key contacts, such as the relationship partner can be identified.

Driving the Nails

For the 'nail-like' problems, there will simply never be a substitute for the trusty old hammer. These types of sharp issues often involve enhancing communication, collaboration and Client service.

Building a Better Hammer Can Help You Succeed with CRM

The hammer however, isn't going to be the tool of choice when faced with a screw. Could you find a way to make it work? Probably. But you may not achieve the desired result – and you'll probably break something (ok, maybe that's just me). Can you improve upon the hammer? Sure.

Anyway, so what does all this really mean for us? A couple things:

First, before grabbing the first tool in the bag, it always makes sense to evaluate the problem and the desired results. If the problem looks like contact management, improved communications, information sharing, basic relationship intelligence or enhanced Client service, that CRM hammer has a lot of experience in getting these jobs done. But if the problem is more screw-like, perhaps we should try something else.

Second, just because we have a shiny new tool in the box, it doesn't mean we should toss aside the ones that have served us well. Ok, I know, this is where some people will protest that in the past CRM Success has been challenging at best, or that it's often only good for creating mailing lists. But frequently, the people who make that statement haven't actually had the joy of trying to manage a law firm mailing list. And, in every firm I have ever worked with,– from under 100 attorneys to over 1000 - if you ask the attorneys about the biggest problems they want CRM to solve, that's always number one.

Maybe the best answer is to build a better hammer. Often, combining tools can make them exponentially more powerful than a single tool alone. Take, for example, the magnetic hammer. It holds the nail so you don't have to, allowing for a more powerful and accurate stroke and keeping the thumb out of harm's way. Or you can even forego the hammer completely and go with a nail gun. But again, while both of these tools are terrific and powerful, they are more suited for specific tasks than for small repairs or tasks around the house like hanging a picture. They can also be more expensive. So before heading out to the hardware store, you should make sure you have the right tool for the job.

The same applies to CRM. You can enhance its core value by reengineering it or integrating it with new features or other tools or services. For instance, combine it with ERM (Enterprise Relationship Management), a tool that mines e-mail traffic patterns, and you will not only be able to identify relationships, but you can also see relationship strength. This is important because when making an introduction or responding to an RFP, you want to make sure you have the strongest possible connection. And while your internal relationships are important, by combining your contacts with the power of social networking platforms such as LinkedIn, you could extend your reach significantly to a whole new level of relationships outside the firm.

Chris Fritsch, J.D. is a CRM Success and Business Development Technology Consultant and President of CLIENTSFirst Consulting LLC. A recognized expert in law firm CRM consulting, Chris works together with leading law firms across the country to help them select and implement the right Client Relationship Management (CRM) and eMarketing solutions to support their marketing and business development efforts and maximize return on their technology investments.

Meghan Van Dalinda leads the Data Quality team at CLIENTSFirst Consulting LLC. With more than 15 years of project management and client relationship management experience, Meghan's role is to promote service and success for the company's Clients. She also oversees operations and training for the company's U.S.-based Data Quality team.