

# Why CRM Fails to Meet Expectations (and What to Do About It)

Insights from the Latest Study on Law Firm CRM



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# Presenter

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**DAVID ACKERT**

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**David Ackert** is the President of Ackert Inc. and business development mentor to thousands of high achievers in the professional services sector. Over the past two decades, he has developed and implemented revenue acceleration programs for hundreds of firms around the globe, many hailing from the top of the Am Law list and the Big Four. Widely recognized as a pioneer in business development innovation, David is the founder of the PipelinePlus suite of software products, which have won the Legal Marketing Association's "Your Honor Award" in the US and Canada and are featured among NLJ's "Technologies on the Rise."

David has authored dozens of white papers and articles on the topic of business development. His work has been published and quoted in numerous business books and media, including the Los Angeles Times, the National Review, the Daily Journal, the Wall Street Journal, Voice America, Attorney at Work, The Recorder, the Los Angeles Business Journal and many other outlets. His Market Leaders Podcast is a multiple winner of JD Supra's Reader's Choice Award with over 250,000 downloads and counting.

David regularly keynotes at partner retreats and industry trade conferences. He serves as a guest lecturer at USC's Marshall School of Business, Carnegie Mellon University, and at the UCLA School of Law. He holds degrees from Carnegie Mellon University, Ithaca College, and University of Santa Monica, from which he earned a Master's in Psychology.

# Presenter

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Chris Fritsch and her team at CLIENTSFirst Consulting have helped hundreds of law firms select and implement the right Client Relationship Management and eMarketing solutions to support their marketing and business development efforts and maximize return on investment. Her team of almost 100 data quality professionals helps firms clean and enhance data and maintain ongoing quality.

A recognized authority on marketing and business development technologies, Chris writes and speaks nationally on topics including CRM, eMarketing and data quality. She was named among the top 10 Marketing and Business Development thought leaders in the JD Supra Readers' Choice Awards. She was also inducted as Fellow of the College of Law Practice Management for her consulting contributions to the profession. Chris received her law degree from Emory University School of Law in Atlanta, GA.

# CRM & eMarketing Technology

- The annual worldwide CRM market is more than \$56 billion
  - It's growing at more than 15% per year
- Investing has never been more critical
  - Because in-person 'live' business development is dead right now
    - This means that targeted and eMarketing will be critical
  - If attorneys can't communicate and share their experience and knowledge, they can't effectively develop business
  - It will be imperative (and challenging) to access information and collaborate in a coordinated way on BD while working remotely
  - Technology can help with efficiencies and saves billable time
  - This is why so many smart firms are investing in this technology now



# And Yet...

- According to respected business research organizations, up to 70% of CRM implementations failed to meet expectations
  - Resulting in a tremendous loss of money, time, resources – and credibility

# The Real Challenge

- The lawyers
  - ☐ Unwillingness to share
  - ☐ Leadership support
  - ☐ Lack of buy-in
  - ☐ Not enough time
  - ☐ Bad contact data







# Agenda



- Setting the stage: Why CRM and why now?
- Examining CRM trends as a reflection of law firm sales culture
- Insights from the latest market-wide survey on law firm CRM
- An overview of PipelinePlus, which addresses several of today's BD challenges
- Strategies firms are using to overcome CRM adoption obstacles and transforming sales culture

But first, an audience poll about BD culture...





# The State of CRM at Law Firms

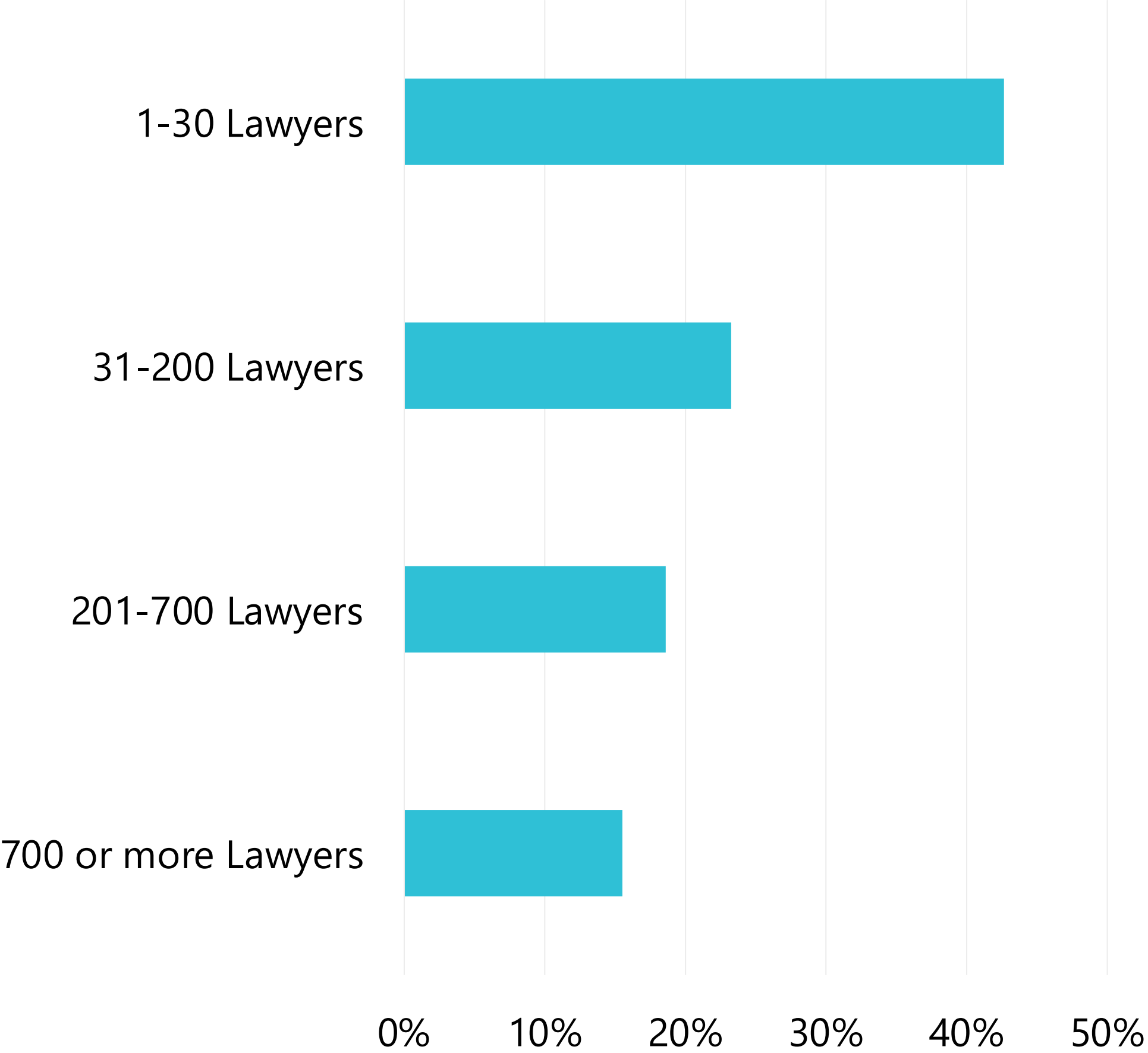
RESULTS FROM 2020 INDUSTRY SURVEY

ACKERT.



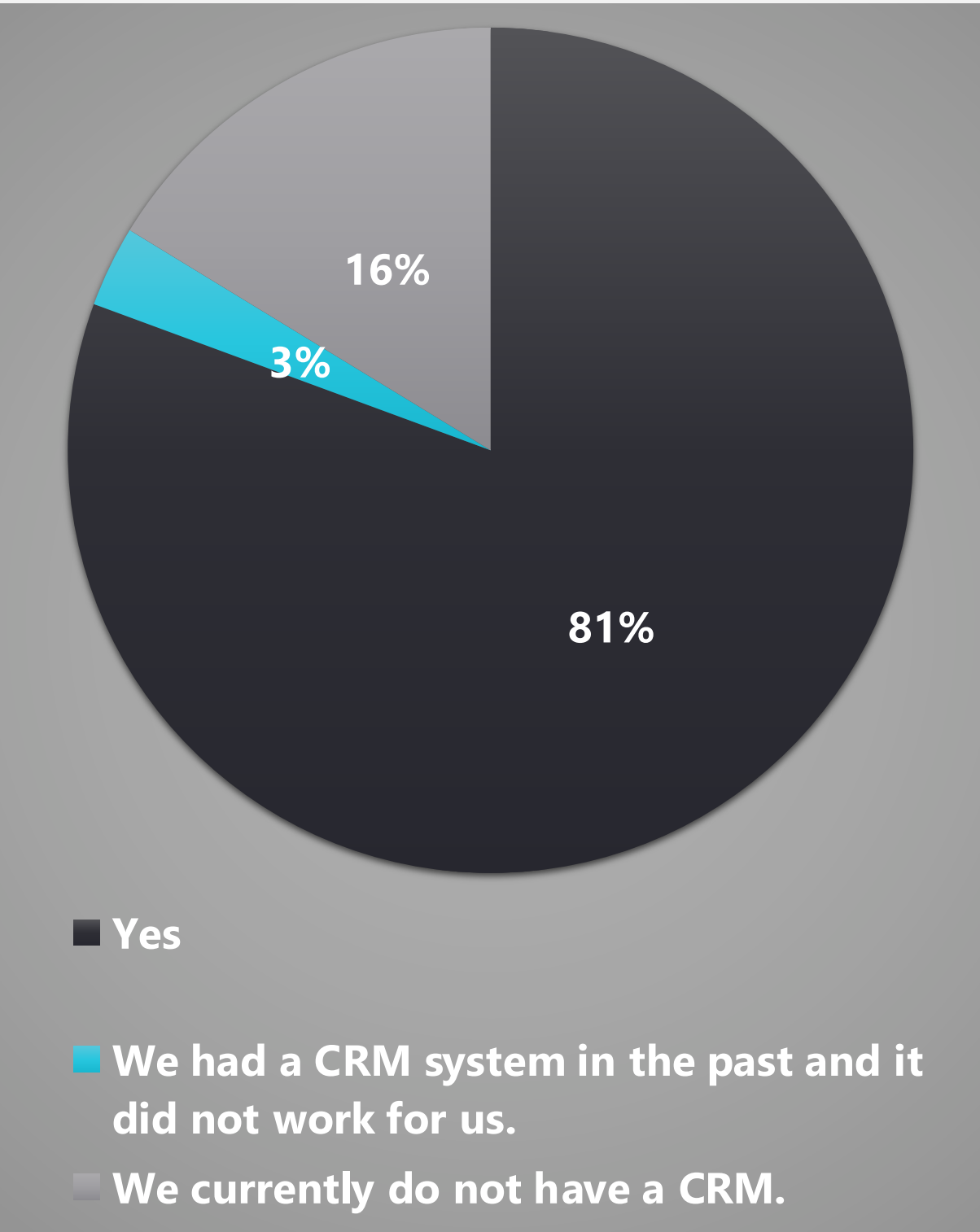
# Survey

- 323 Respondents Based in North America and UK
- Survey ran May-July of 2020
- M/BD Professionals & Lawyers
- Representing 134 Law Firms of Various Sizes



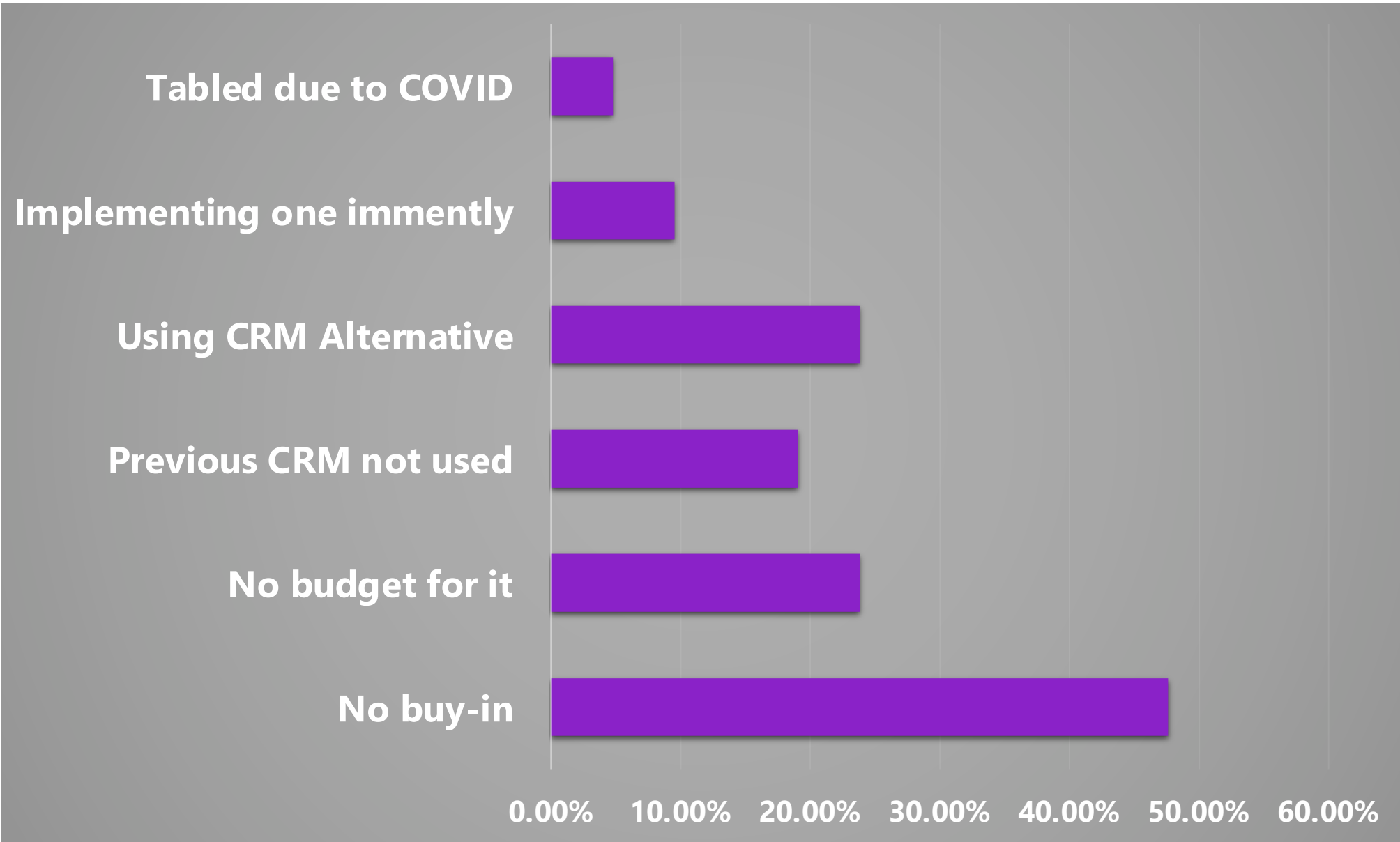


# Does your firm use CRM?



## CRM is 2% more prevalent than 79% in 2019

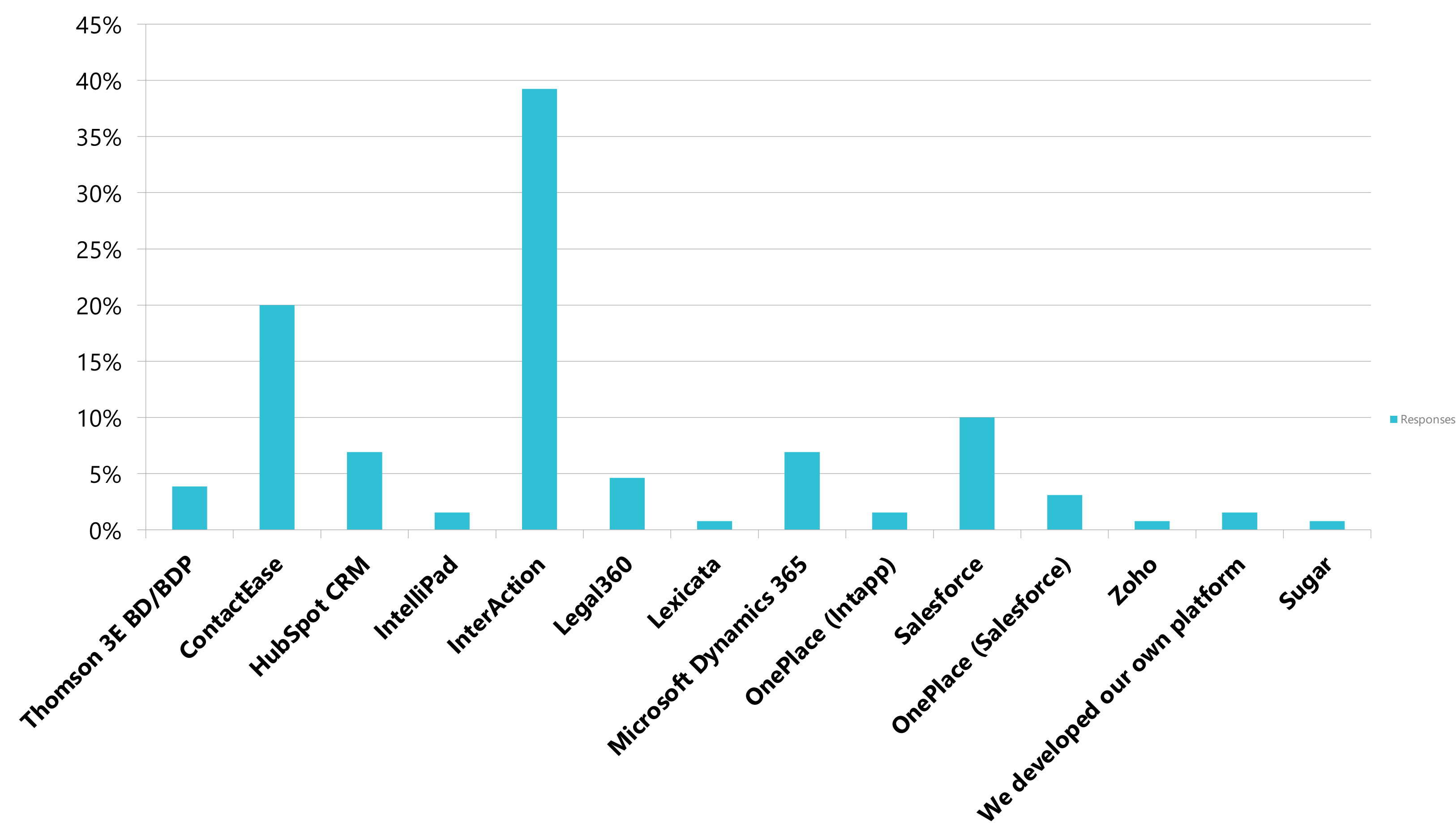
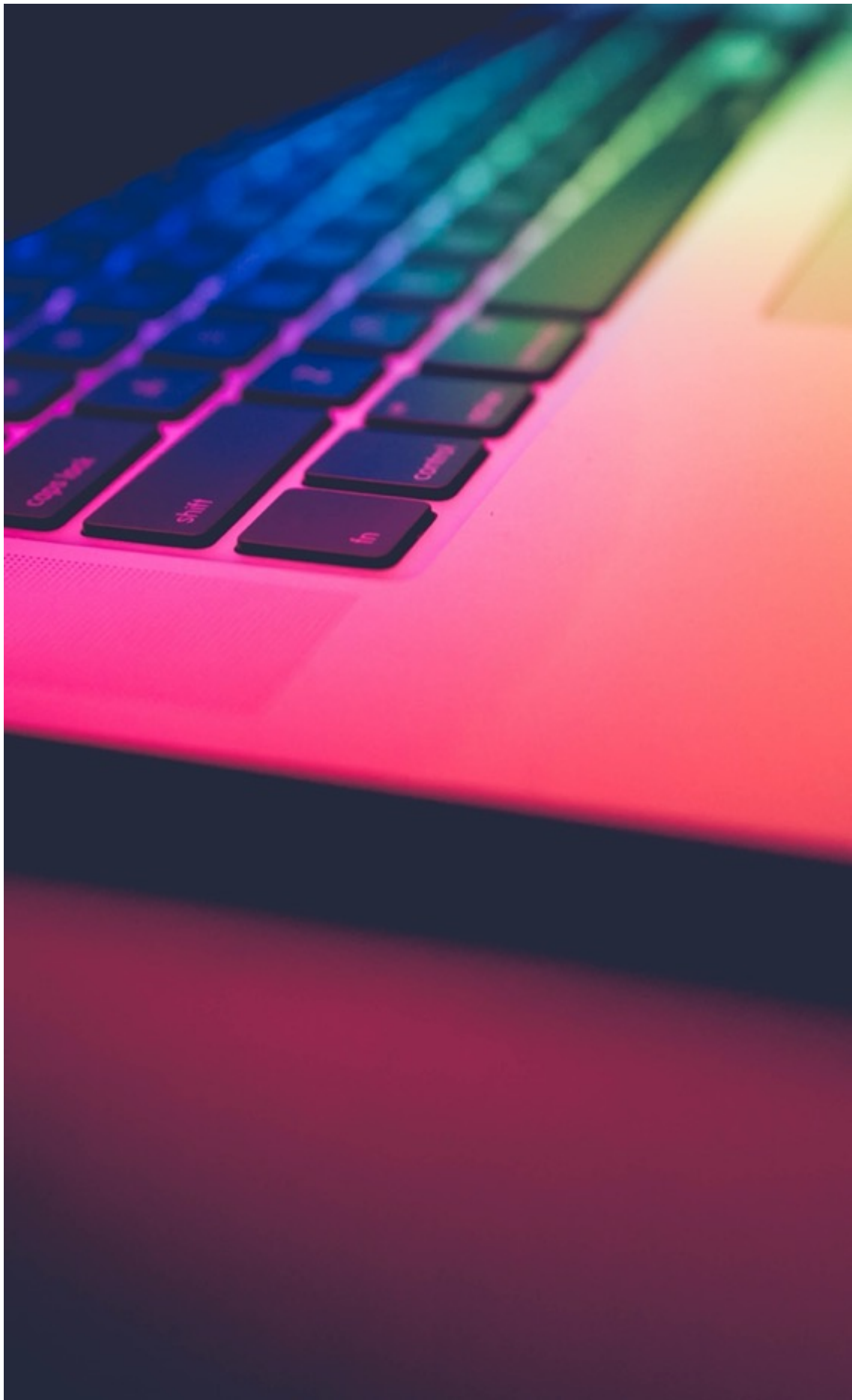
### If no CRM, why not?



Overwhelmingly, the reason law firms don't yet have CRM is a lack of buy-in.



# CRM Platforms in Play

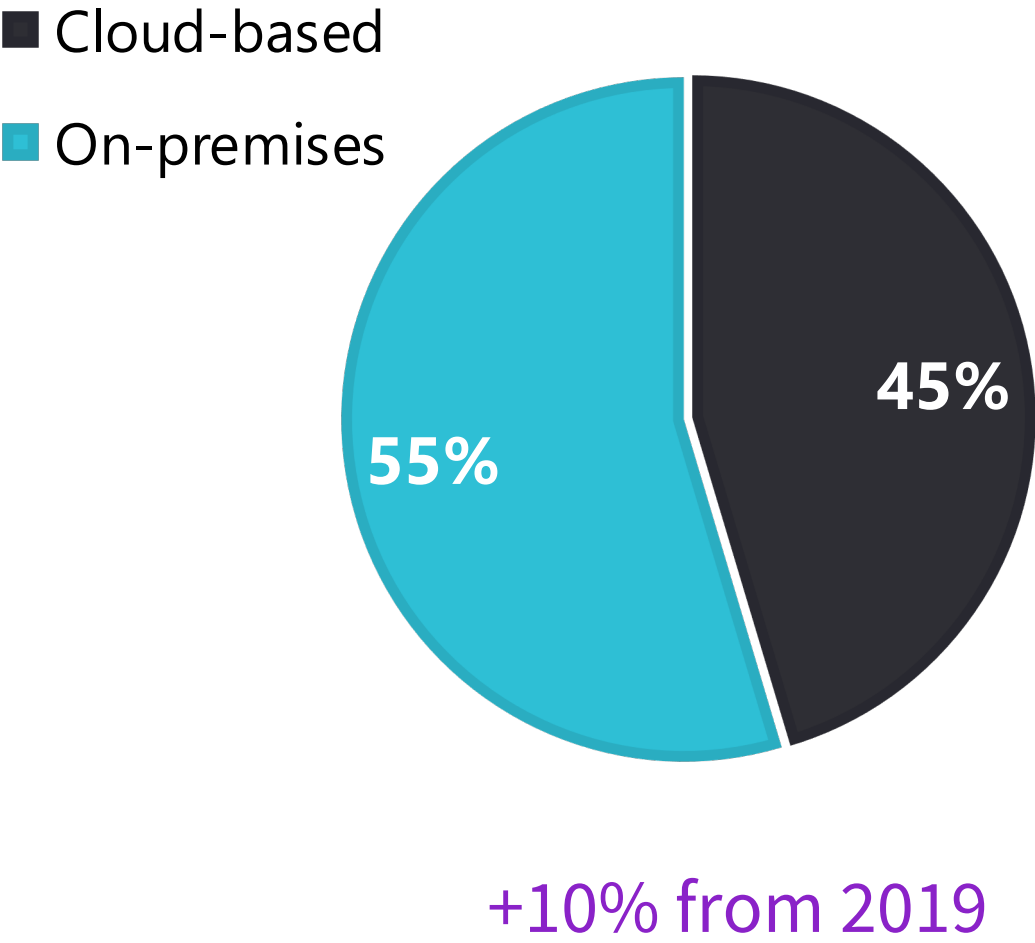
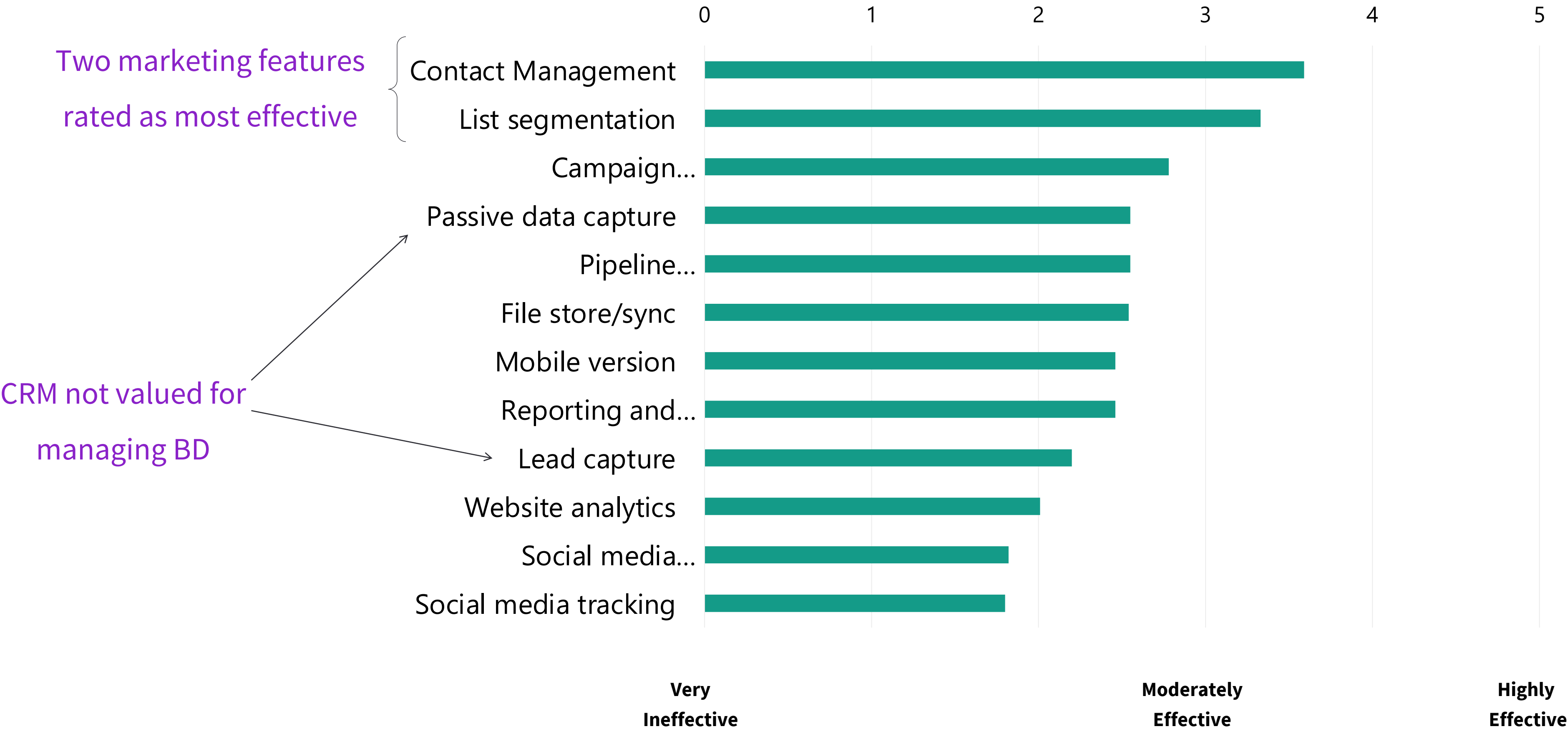


\*This may not be a perfect representation of market shares – it is just a representation of the 134 firms who took our survey.



# CRM is Favored as a Marketing Tool

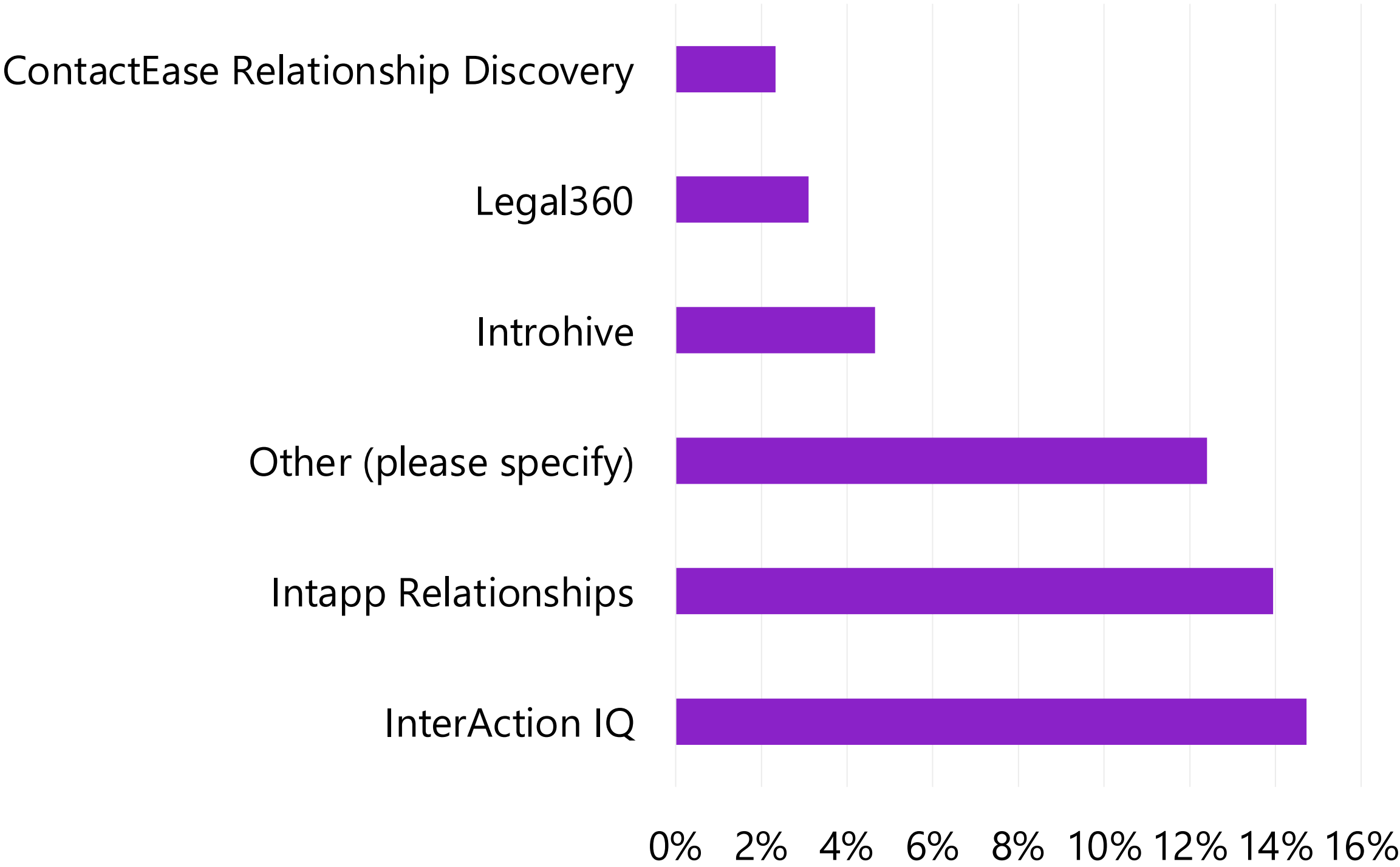
Please rate the effectiveness of your CRM as a tool for the following activities



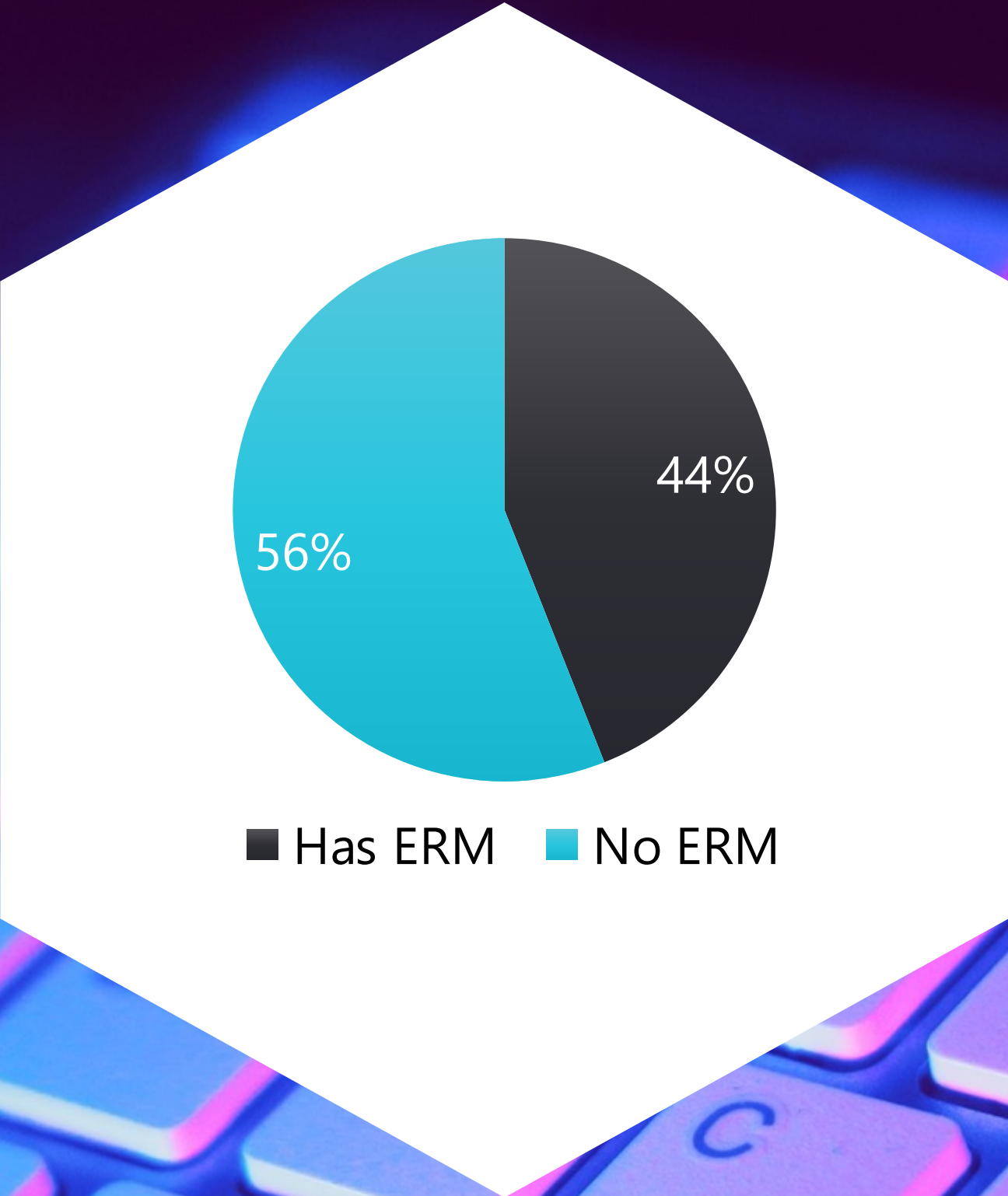


# What about ERM?

ENTERPRISE RELATIONSHIP MANAGEMENT



ERM is less widely-adopted than CRM  
but has grown 3% since last year.



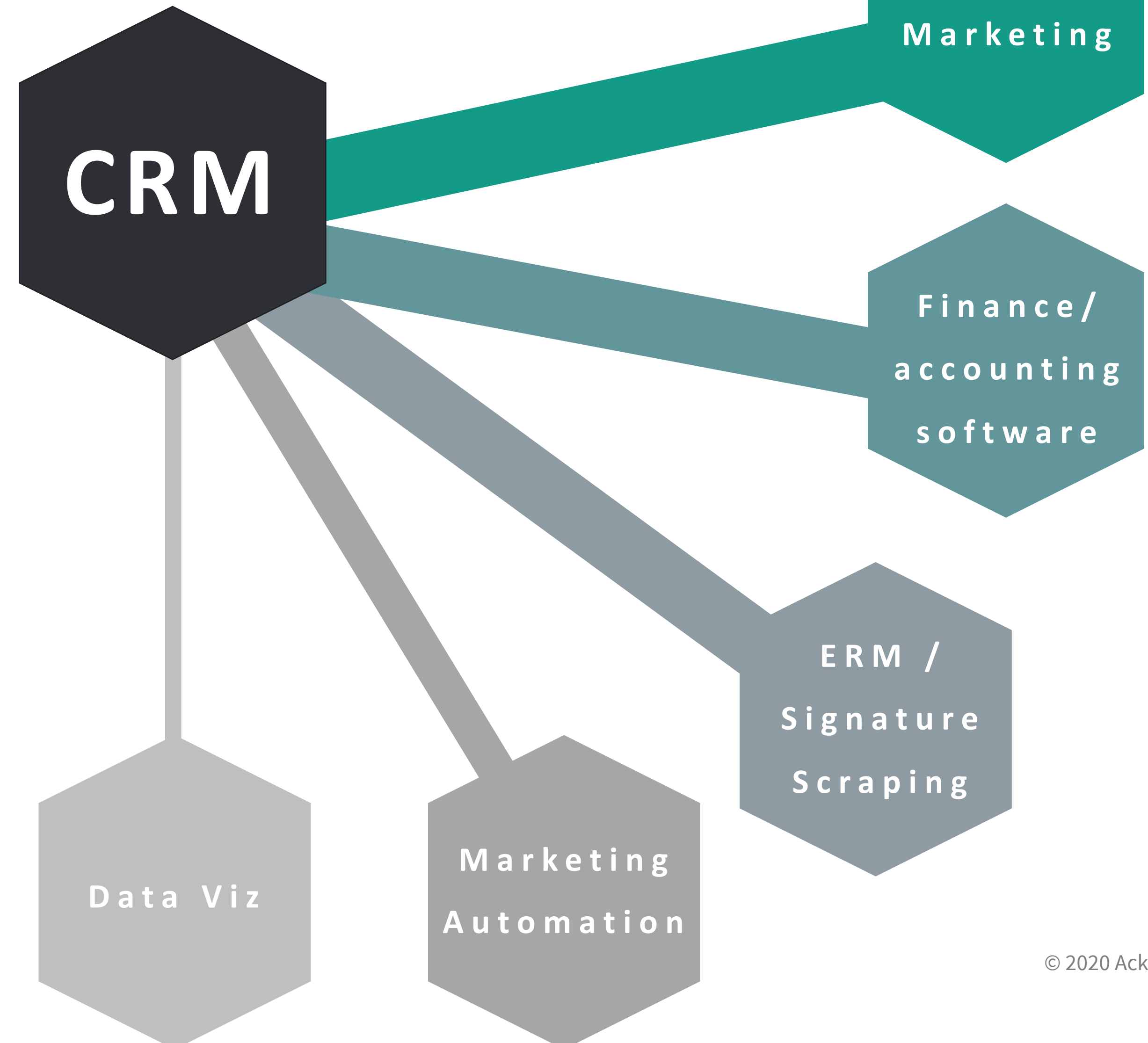
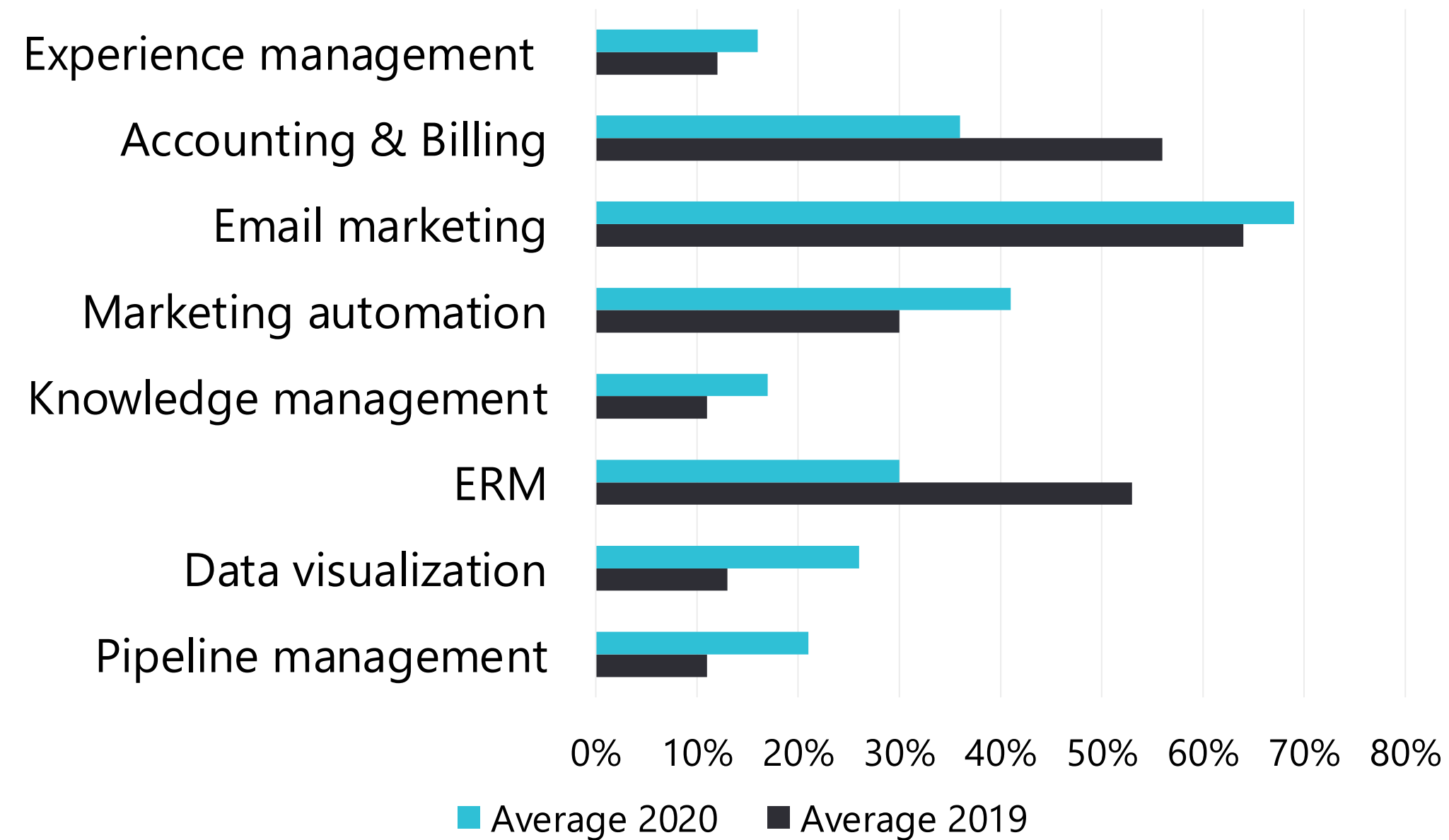


# Integration

WITH CRM

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**More firms are turning to all-in-one solutions or integrating platforms with custom APIs (or syncing data manually through CSV imports/exports). In certain areas (Billing, ERM) firms are relying more on dedicated software.**





# Firms are making significant advancements in driving lawyers to use CRM.

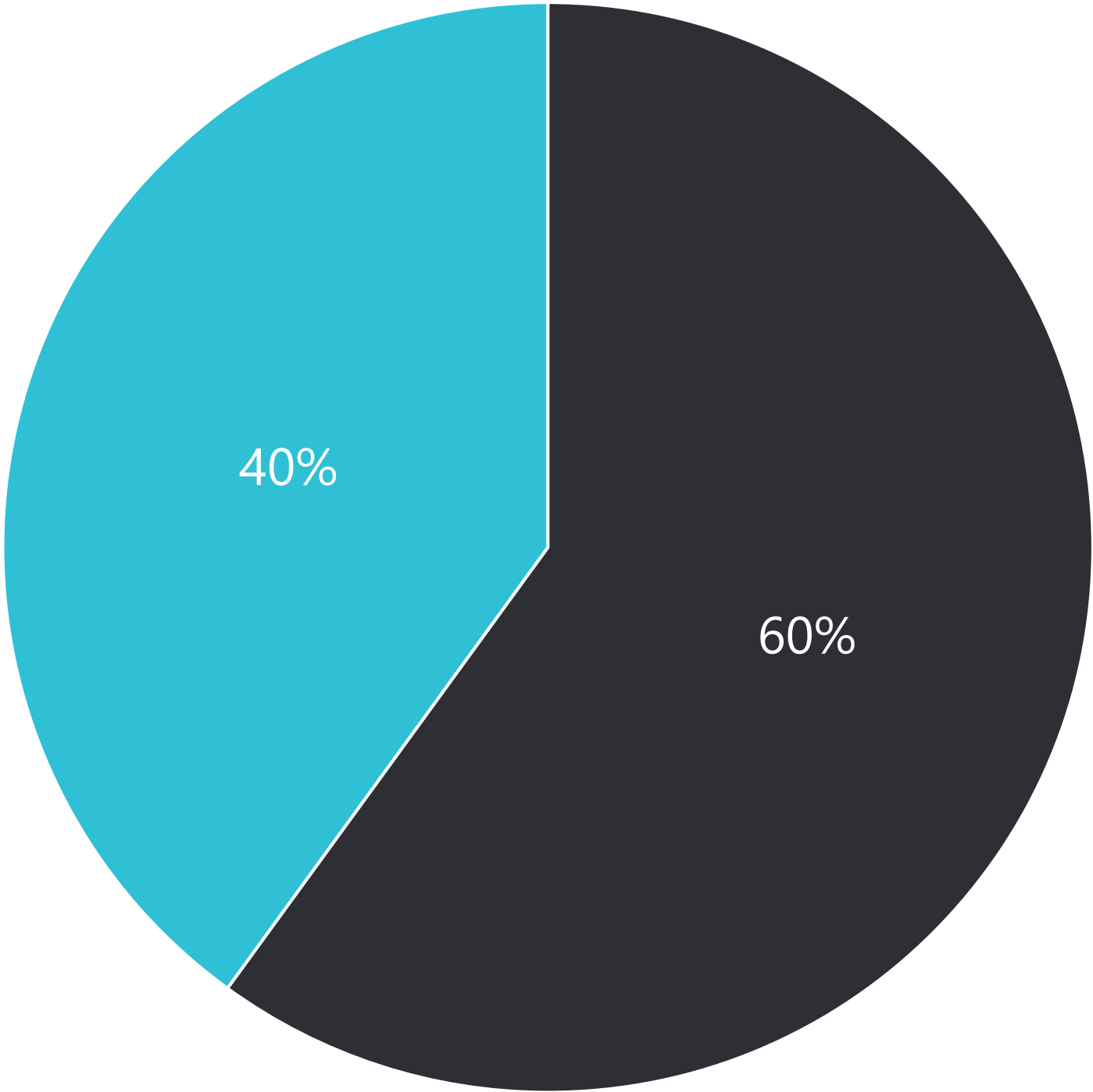
What level of accountability are lawyers held to when it comes to using CRM?



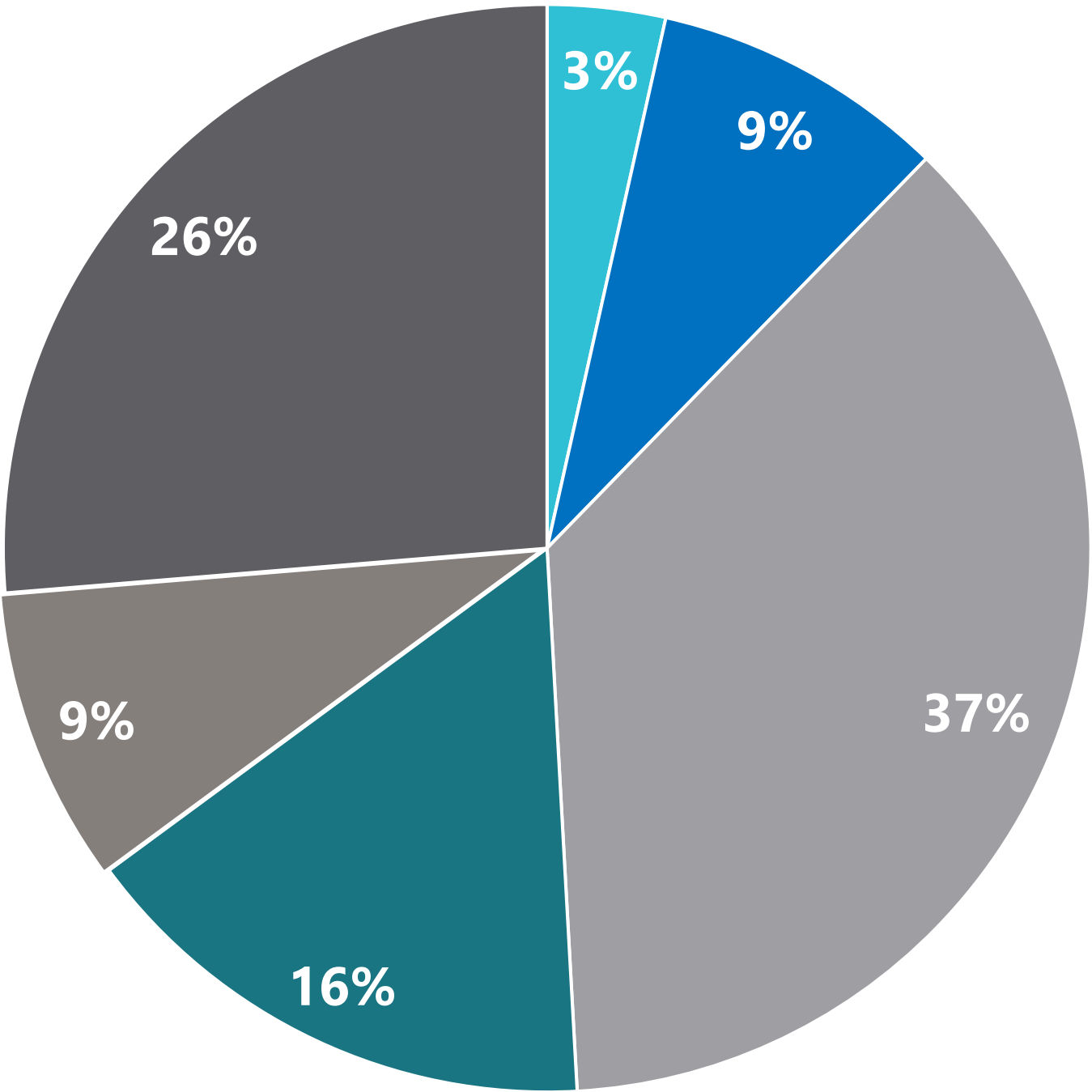


# Firms are Adding Opportunity Pipeline Management to the Tech Stack

40% of firms have some form of pipeline management system, up from 11% in 2019.



■ No Pipeline management tool    ■ Uses Pipeline management tool



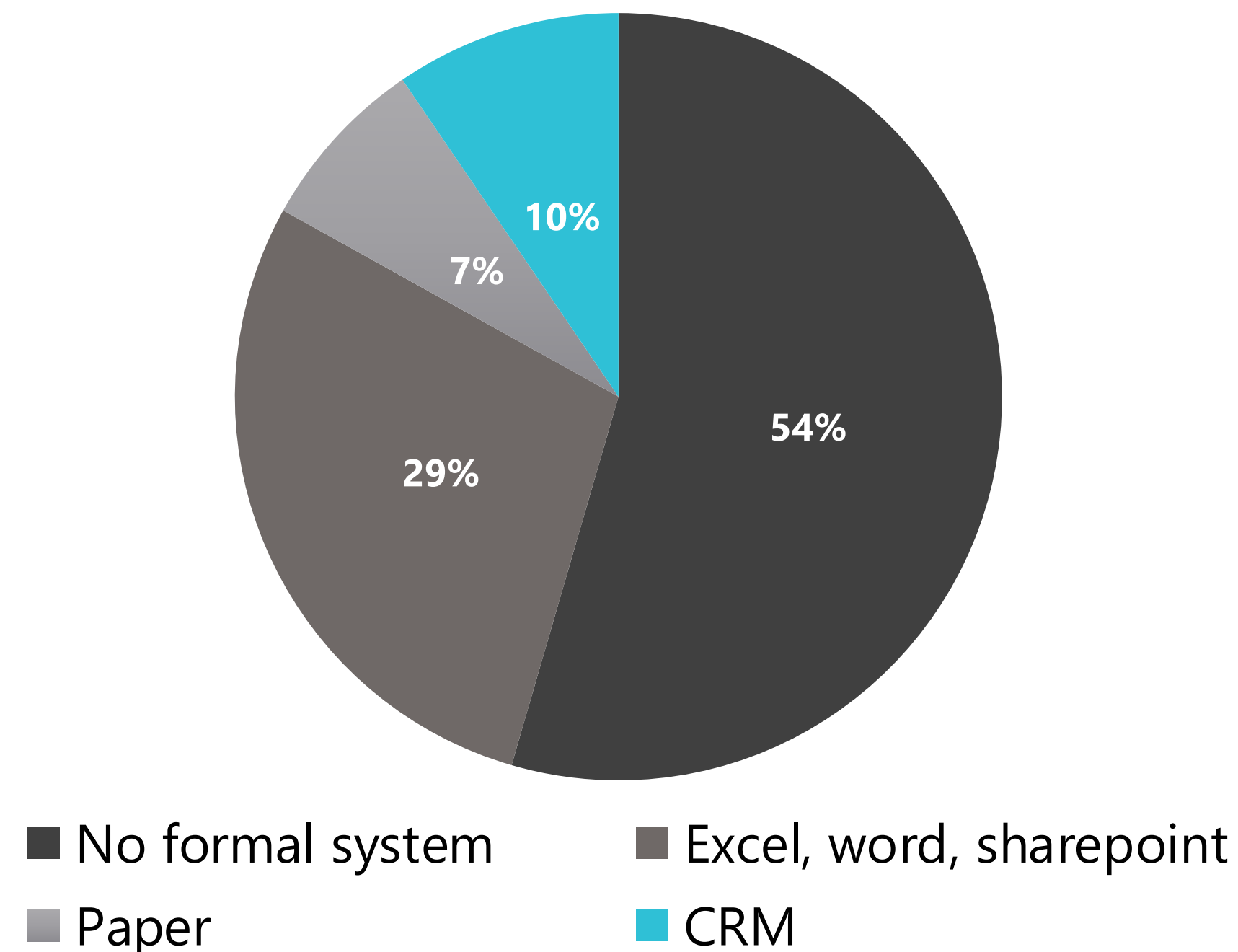
- InterAction Business Edge/Opportunity Module
- Practice Pipeline (PipelinePlus)
- We use Excel as a pipeline management tool.
- We use Salesforce as a pipeline management tool.
- We use HubSpot as a pipeline management tool.
- Other (please specify)

# But lawyers are reluctant to use a formal system for opportunity tracking.

Only 10% of lawyers use CRM or a dedicated Opportunity Pipeline Management System to track their key BD opportunities.

54% have no formal system for opportunity tracking.

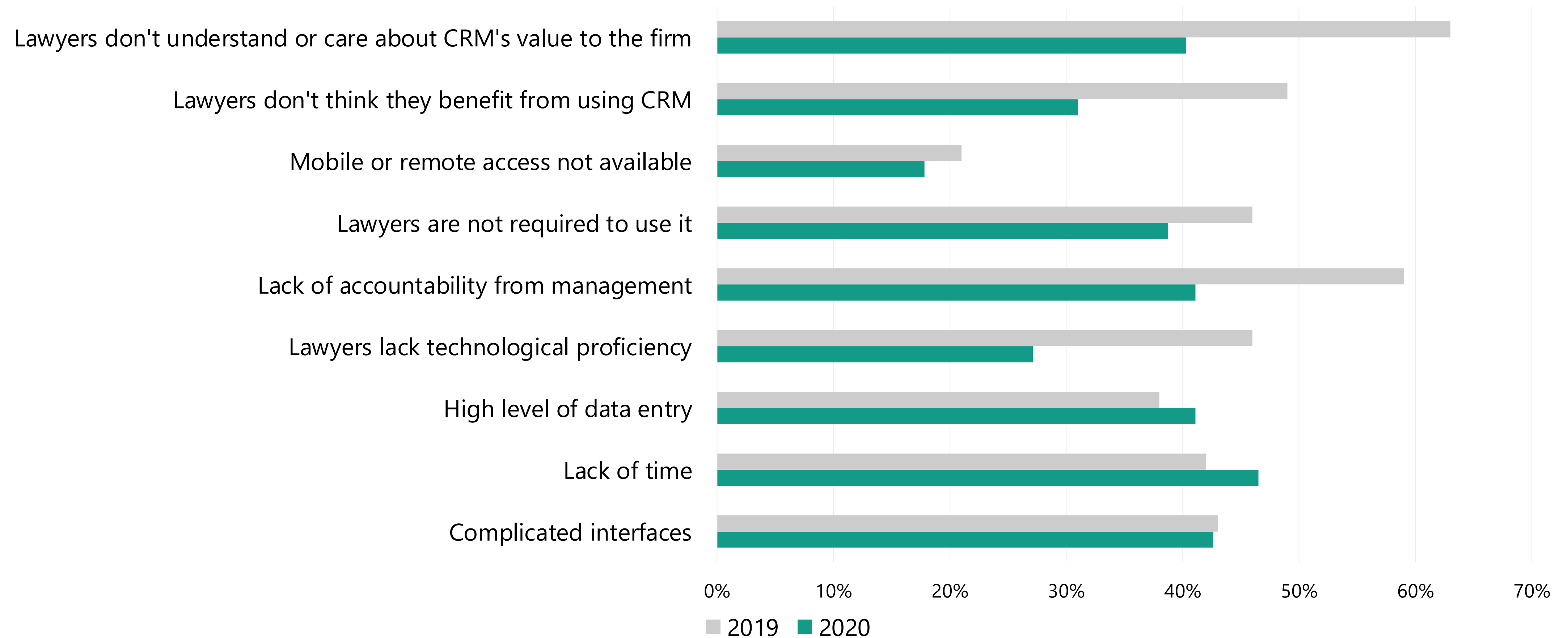
The rest are using Excel, Word, SharePoint or a legal pad.





# There is hope.

Firms are largely doing a much better job of communicating CRM's importance to lawyers.



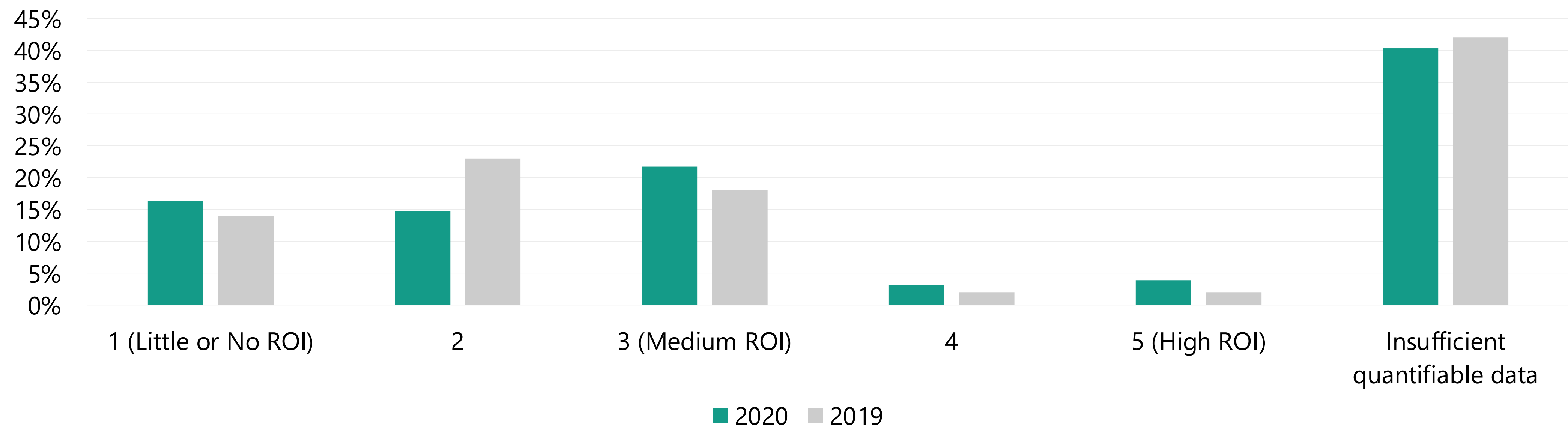
\*Respondents could select more than 1 answer

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# ROI is still an unclear proposition.

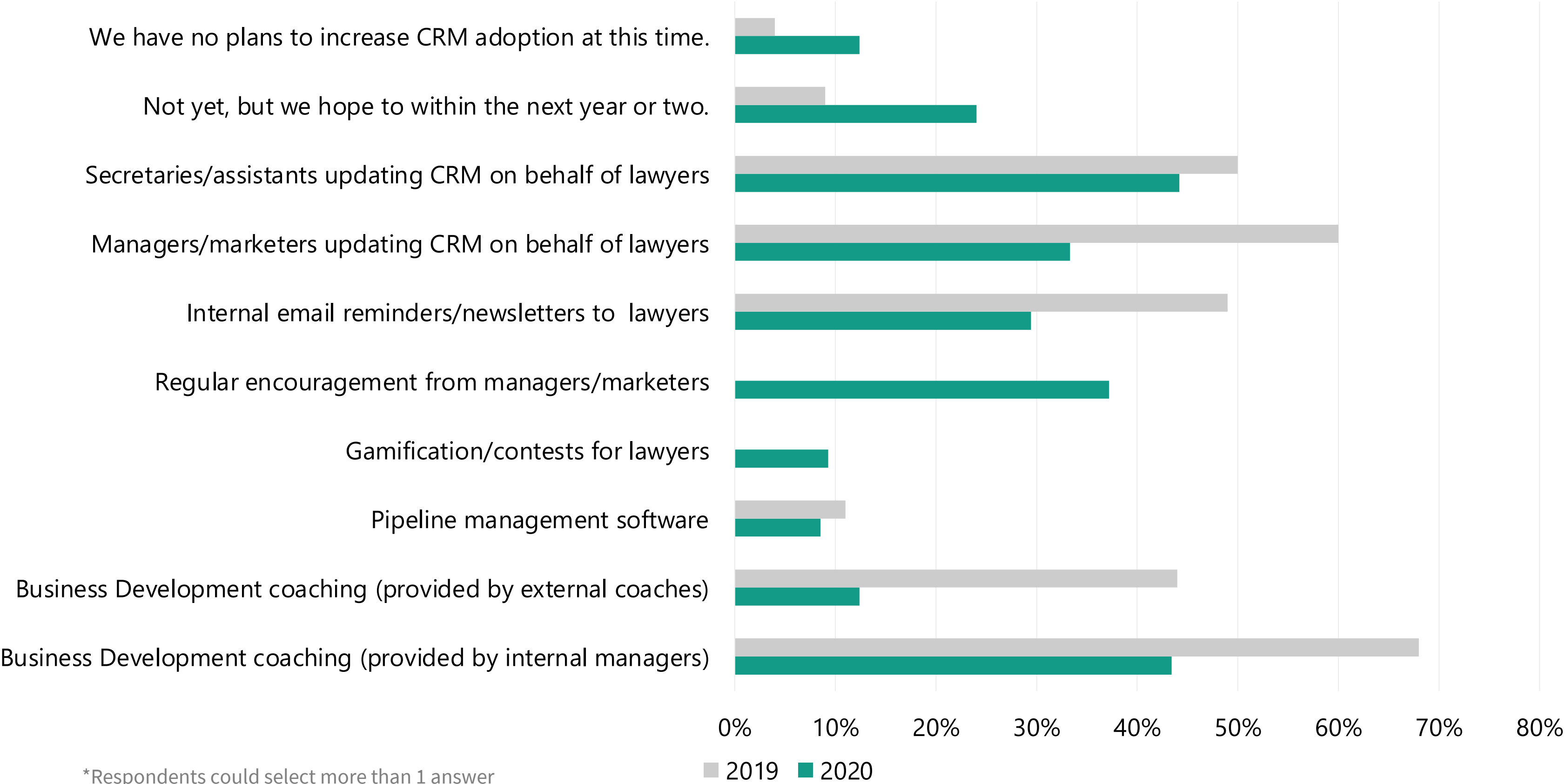
## What level of quantifiable ROI has your CRM delivered?



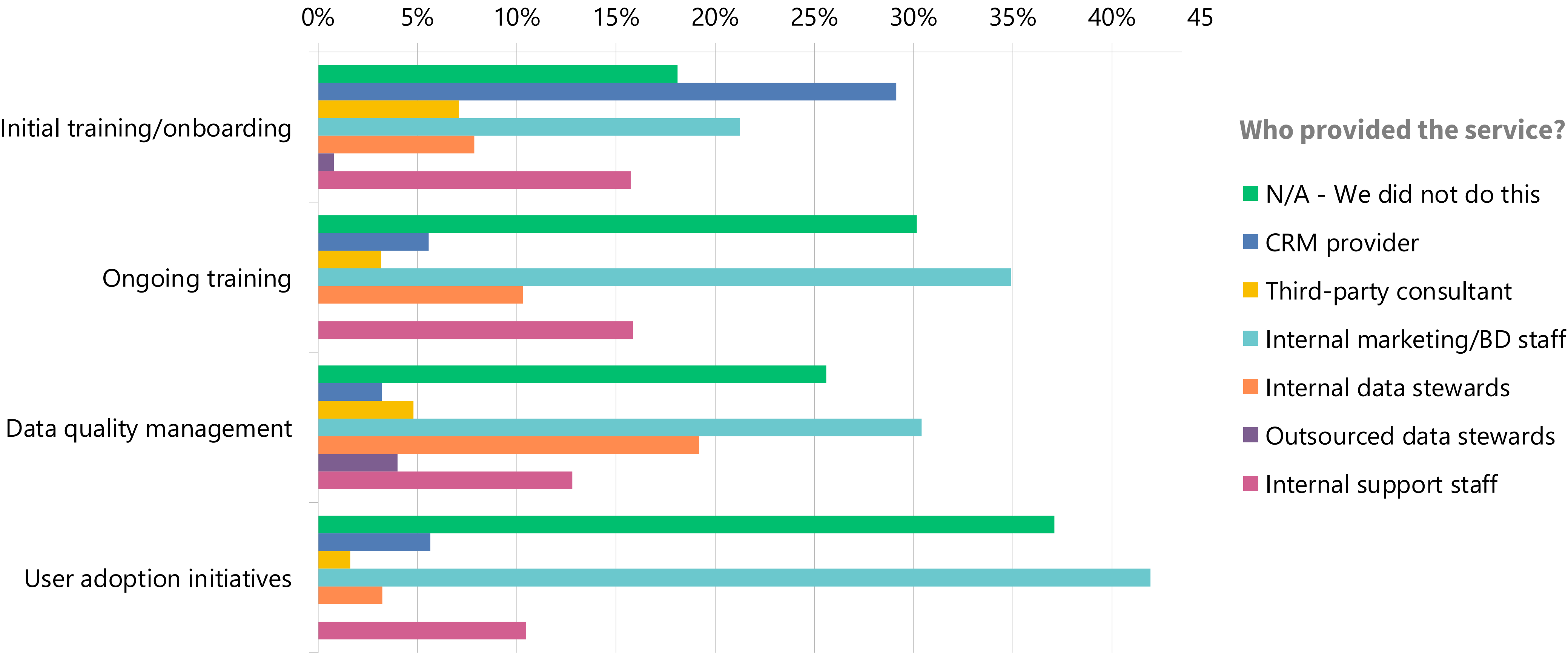


**During COVID, marketers have taken a step back from CRM adoption initiatives.**

**Has your department implemented any tools or initiatives aimed at tracking lawyer business development activity?**



# But marketers still shoulder most CRM support responsibilities.

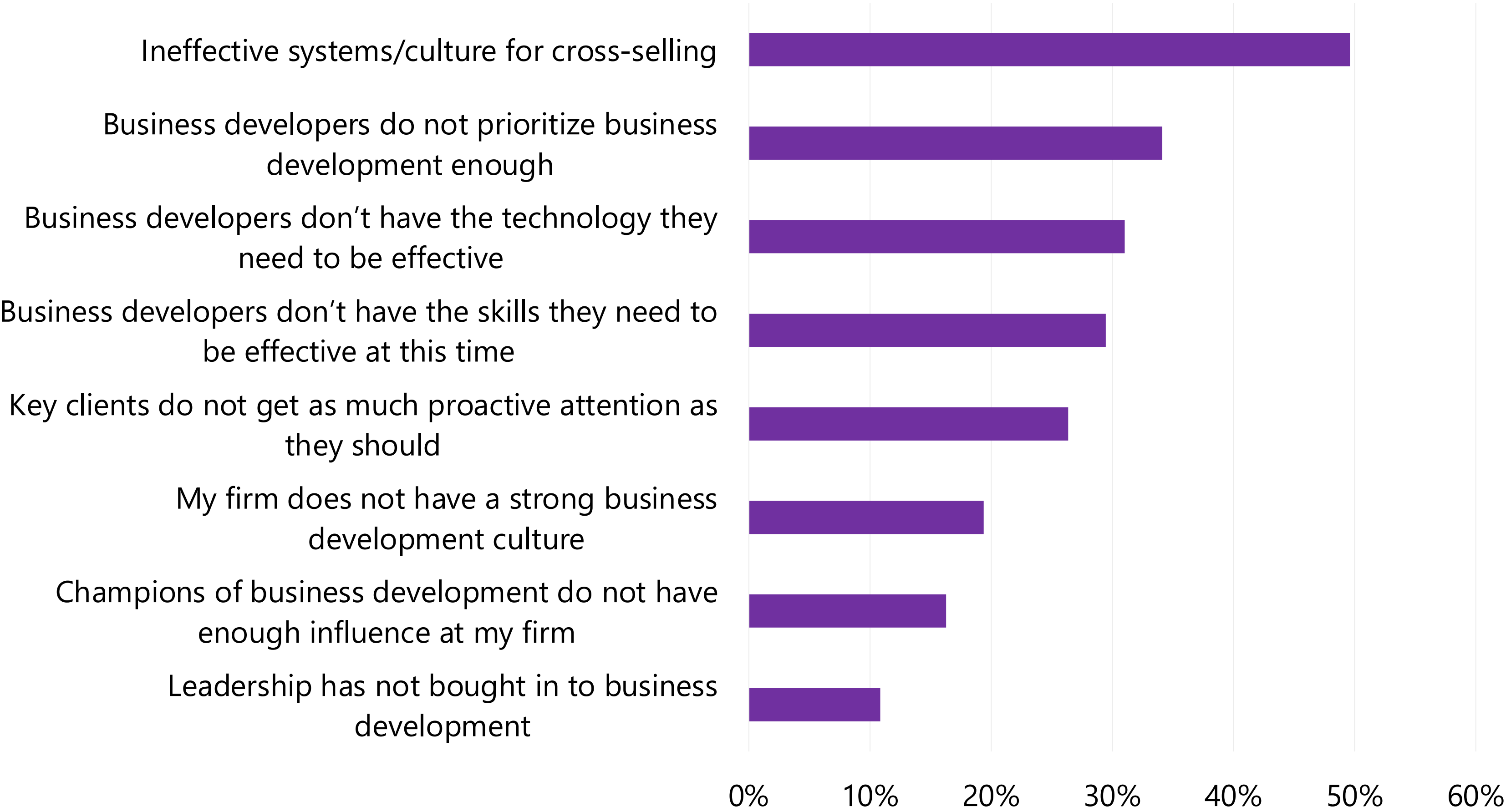


Outsourcing data stewarding is an underutilized strategy for marketing departments



# The state of CRM reflects our ongoing business development challenges as an industry.

During normal market conditions, what is the biggest business development challenge?



How do your challenges compare?



# Insights



The CRM landscape has become significantly more dynamic in the past two years with new entrants battling for second place behind InterAction and a significant uptick in general CRM utilization.



Law firms have a greater appreciation for the importance of business development. Lawyers are expected to use the tool and accountability measures are increasing.



However, most firms struggle to get their lawyers to adopt opportunity pipeline management systems. The few firms who are successful in this regard are tracking leading indicators.

- Number of prospects pursued
- Number of client expansions pursued
- Number of cross-sells initiated
- Potential opportunity value
- Number of actions taken on each opportunity
- Close rates

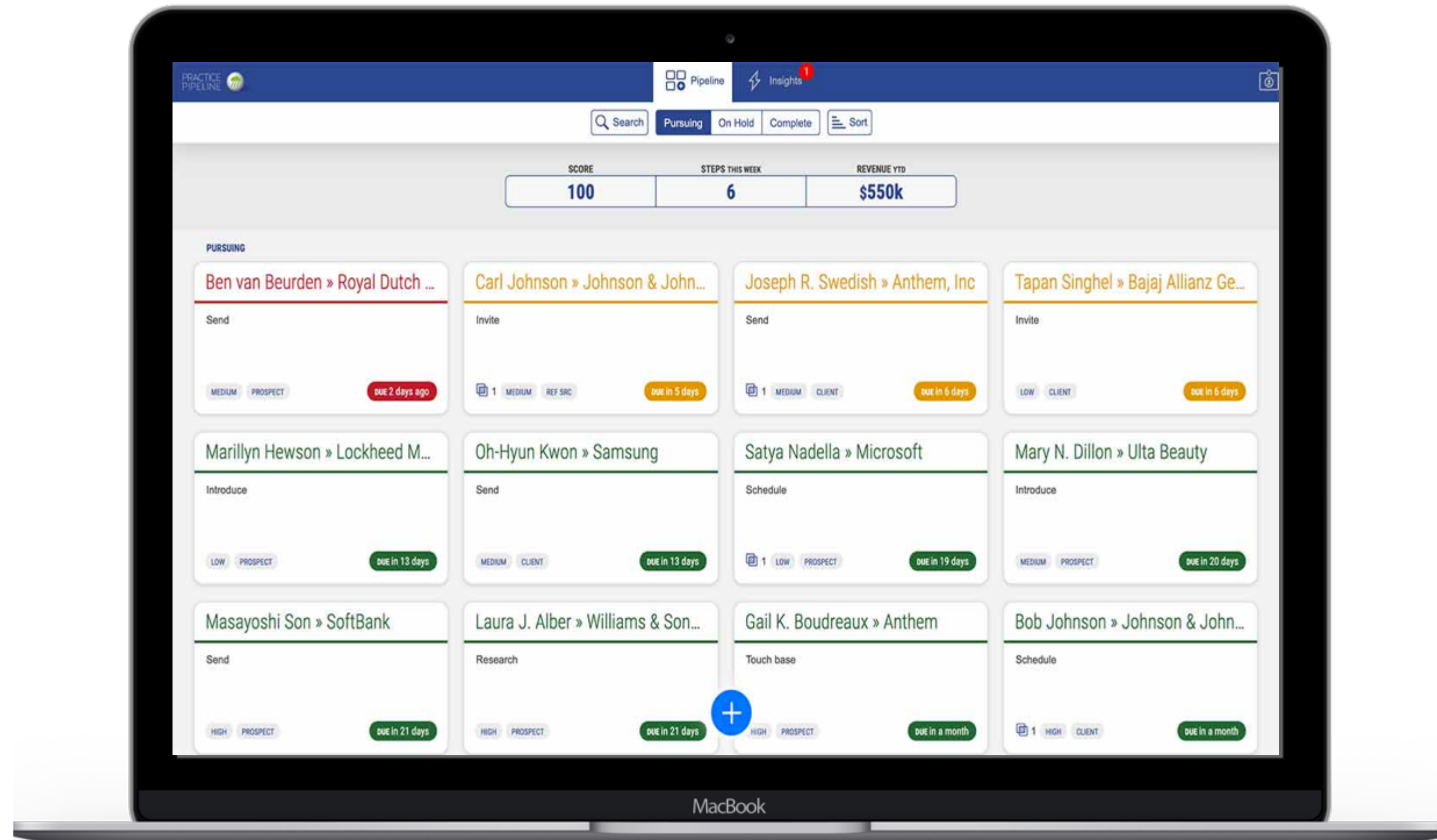
With this data, firms can identify top performers and forecast revenue.



Complicated CRM platforms

Simple, easy pipeline tool





A platform that solves fundamental business development challenges



**How do we better understand and motivate our reluctant sales force?**





# The Good News

- Success is possible!
  - It can often be accomplished without having to spend a lot of money
  - But it involves focusing on the right things





# Success Essentials

- Attorney / group needs assessment
- Management / leadership support
- Configuration of system to meet needs
- Automation of... as much as you can to minimize attorney effort
- Staff participation to support attorneys
  - Assistants
  - Business development professionals
- Metrics to measure results
- Ongoing communication and training
- Dedication of resources – time, money and people
  - Consider outsourcing projects or tasks that free your staff to focus on strategic initiatives
- Ongoing data quality

# CRM/Pipeline Adoption Initiatives: Incentives

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There are a number of ways to drive attorney adoption of CRM and pipeline management systems. Sticks are often hard to find in law firms so instead try some carrots instead such as:

- Bonuses
- Awards
- Contests
- Articles
- Recognition
- Praise
- Gift cards

*\* Additional ideas on the CLIENTSFirst website*

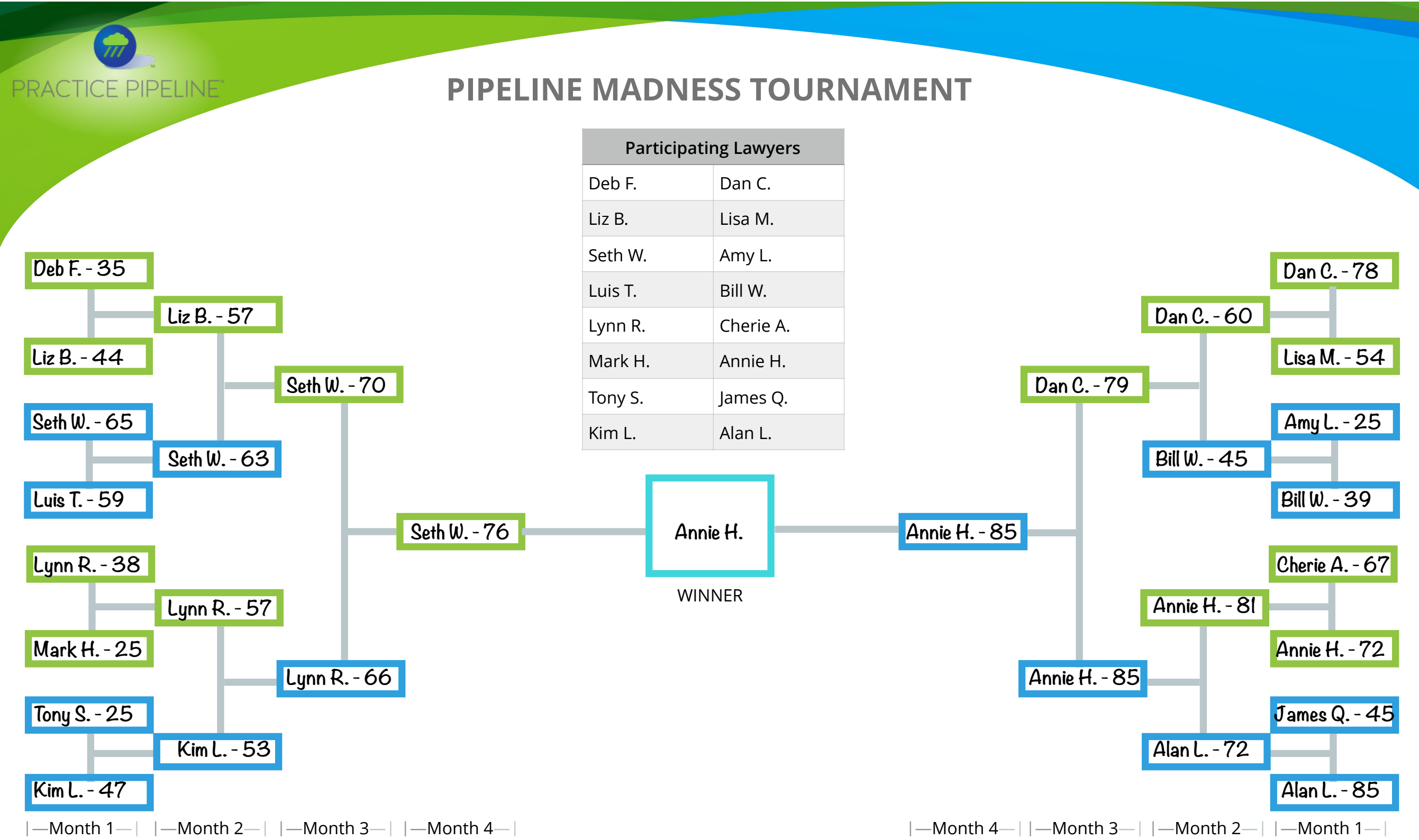




# CRM/Pipeline Adoption Initiatives: Contests

Gamification initiatives are popular and consistently effective for bursts of engagement.

Prizes can be monetary or symbolic, but internal announcements are key.



# CRM/Pipeline Adoption Initiatives: Culture

Acknowledgment from leadership of goals set and goals met signal to the firm that CRM initiatives are being taken seriously, and are considered part of the conditions for “fitting in.” While it will take time for some to fall in line, buy-in and communication from leadership will advance the slow march of culture change.





# Final Thoughts / Tips for Success

- A CRM implementation is never 'over'
  - It's not a project, initiative or rollout
    - It's a fundamental change – and improvement in how the firm manages its most important assets – relationships
- Don't do it alone
  - Reach out to consultants, providers and peers
- Subscribe to CRMSuccess.net

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# Q&A

