

## How to Grow Profits with any CRM System

By Christopher Young, Practice Head of Risk and Compliance, Pinnacle

*Christopher Young, practice head of both Pinnacle's Risk and Compliance and recently launched Business Development teams, offers some practical advice on how firms can drive more value from their CRM investments.*

Having consulted to the legal sector for the last 15 or so years, and spent significant time before then in a senior business development role, it has become clear to me that most firms are underwhelmed with the results from their client relationship management (CRM) tools. Why will another CRM system be different? Why will it excel and over-deliver any business case put forward?

Firms tend to buy or at least tacitly accept the idea that just deploying the software will increase revenue, reduce costs, and enhance profits. This manifests itself in the structure of the projects: the firms have implementation projects and the end date is soon after the software has been deployed. As easy as this would be to believe, this simply isn't the case.

Experience has taught me that systems deliver value by being one element that supports business processes. Within Pinnacle, we have a model we use to understand what supports any given business process: the 3Cs—Content (data), Capabilities (systems and people's skills), and Culture.

### What Are the Business Development Processes?

We would suggest that there are four key business development processes that firms can enhance for significant returns.

- **Opportunity Management:** The work that comes in to firms initially starts as an opportunity; it may or may not be a competitive situation. By improving the opportunity management business process, more opportunities should be converted into work; fewer opportunities will not be closed because they were forgotten; and competitive win rates will improve.
- **Key Account Management:** Most firms generate most of their work from a relatively small percentage of their clients, the 80:20, or in some cases, the 90:10 rule. Many have nominated clients as key accounts. Most of these, however, have not focused on the opportunity; they have selected clients for the program just because they have historically been the large clients. As a partner of a UK firm that was just globalizing said to the key account program steering committee: "Our clients are a function of our past, they

may not necessarily be a function of our future. We need to focus on the opportunity and fit.” With a well-focused key account program, it is possible to increase revenues from the target accounts by 20% over two years. Bird & Bird achieved this.

- **Partner Business Development Plan Delivery:** Many firms ask partners to put together a personal business development plan; for some it is incorporated into annual appraisals. The plans will show revenue growth and identify activities that the partner is going to undertake—all of which would be positive. Universally, it is fair to say that the delivery on these plans is patchy. A small improvement in the delivery of these plans can yield significant results. However, it is harder to achieve because there is a larger, more diverse audience.
- **Relationship Management:** Almost every firm has bought a CRM system. Yet, almost to a firm, they have not helped individuals understand how to manage relationships. There is social science research that shows how to be more effective at this. While it requires working with large swathes of the firm, the rewards and returns are significant, and technology has probably the greatest part to play. Better relationship management will lead to more opportunities, fewer competitive situations, and improved win rates.

## What Is the Magic Sauce?

I have outlined the key business development business processes and have given an overview of how business processes are underpinned by the 3Cs. Just taking opportunity management as an example: there is specific data (Content) that is needed to track and manage opportunities. The data is probably best stored in systems (Capabilities), but the insights and decisions about the next actions are determined by skilled people (Capabilities) deciding how best to proceed. But it also matters whether the

people and organization care about maximizing the opportunities (Culture).

So, it isn't about the technology, although it can help. To our minds, there are two magic ingredients. The first is to relentlessly focus: to focus on activities that will most rapidly grow long-term profitable revenues. The second is to ensure that the leadership of the firm understands and champions this focus. This will then shape the changes throughout the organization in terms of improving the processes and shaping the 3Cs. It is for this reason that Pinnacle's Business Development practice is as much a change management team as it is a technology implementation team.

## Which Is the Most Important?

For different firms there will be a different imperative and there will be different ROIs for introducing or enhancing each of these processes. Pinnacle has developed an ROI calculator that can help firms see the size of the prizes. It also helps to determine the extent to which the technology capabilities are the delivery mechanism as opposed to cultural change and enhancing people skills.

## A Free Offer

**If you would like to be taken through the ROI calculator to help determine the unexploited value that is locked up in your firm, please get in touch with**

**[Christopher.young@pinnacle-oa.com](mailto:Christopher.young@pinnacle-oa.com)**

**[Bryan.austin@pinnacle-oa.com](mailto:Bryan.austin@pinnacle-oa.com)**

*This article was first published in Forefront Issue III 2019*