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CRM in Law Firms: Changing for Success

By Robert Beach, Tony Pullman and Christopher Young

Starting a project or undertaking financial commitment to buy and implement some software without being clear about your end goal or what you expect to get by return on investment, feels like a crazy way to run a business or a sure-fire way to failure. Does it happen?

Yes. All too often we see a lack of thought, definition and collective agreement at project or especially firm level in what the purpose is of implementing software and what the desired outcome is of the project when delivered. Rarely do we see project teams defining how their new world should look or change when they have implemented a project that allows them to know if the project has succeeded.

This is particularly prevalent in the case of CRM systems. All too often cheques for CRM projects are signed without any definition of and subsequent understanding of whether they will be or have been successful. Putting in technology alone does not make a project successful.

What Does Success Look Like?

This question, or one of its variants[1] , is the first question asked by Pinnacle consultants during CRM project kick-off meetings with our clients. Understanding the stakeholder(s) view of success is critical for us to be able to steer the project towards the desired outcomes and achieve the greatest value possible. Unfortunately, we often find that project leaders and champions are unable to answer much beyond 'deliver on-time' or 'don't exceed budget' or 'replace the old system with better technology', if they even have an answer at all. We joke that a sure-fire way to stop the conversation cold is to ask for their definition of success!

If this lack of success definition is surprising, considering the following points:

Defining real CRM success is hard. It requires thoroughly thinking about the project in ways that are not always comfortable or even familiar. How will behaviours have to change and what are we requiring from lawyers and staff? Can we train and support them? Will they care? What new processes are necessary and how do we go about mapping these out? Do they span business and/or legal departments? How do we get buy in from the partnership? What about system integration and where will that data come from? It's a lot easier to 'just do it' because we need a new CRM system anyway.

Defining real CRM success requires making a commitment. Setting objective, quantifiable goals for the project – whether around user adoption or productivity improvements or ROI or (gasp!) PPP – immediately places an objective, quantifiable measure on the back of the project stakeholder. It's certainly a lot easier to just deploy the system and not bear the responsibility of driving value.

Defining real CRM success is often not required by the Executive Committee. In most scenarios, the project champion – usually the CMO or Director of Business Development – will prepare a business case that outlines a high-level, predictive return on investment analysis to gain approval to move forward with the project. However, once approved, this is usually the last look at CRM success and value measurement from either the sponsor or the EC.

While we can't help CMOs make big commitments nor can we demand that the EC require positive economic impacts from the CRM initiative, we can make CRM success planning easier.

A Model for Measuring CRM Success and Value

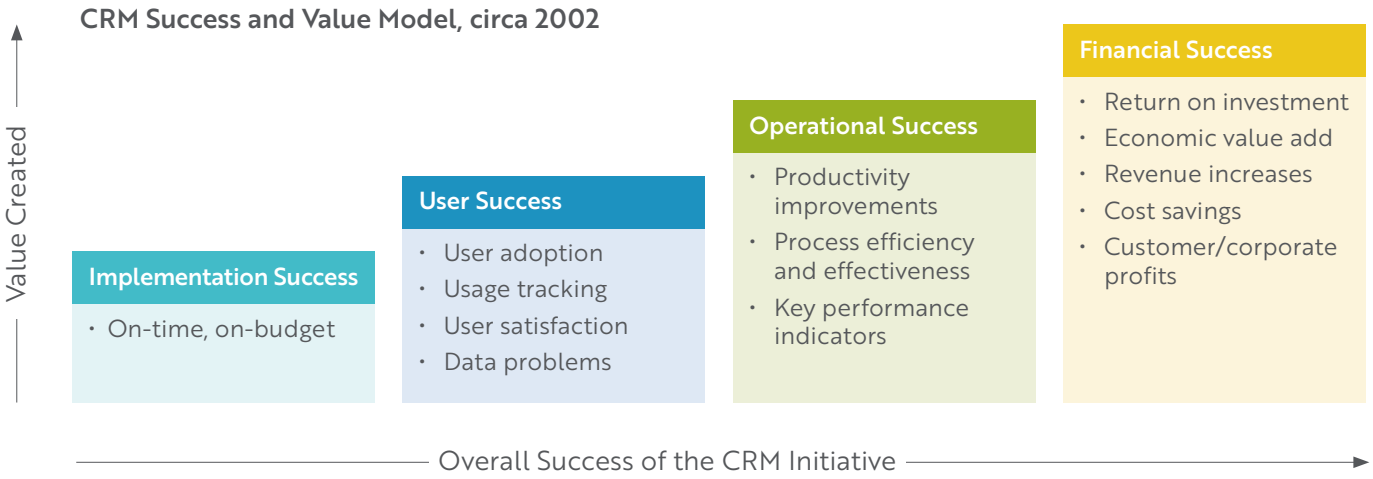
Nearly 20 years ago, while with a different consultancy implementing a different technology in an entirely different industry, our colleague, Robert Beach, developed a model to help business leaders think about and better understand CRM success and value. At the time, he wrote:

'A fundamental management capability that is often neglected is a formal and continuous process for measuring the success achieved and value derived from CRM initiatives... After the technology has been implemented, they [2] are left to guessing as to whether or not they have been successful and if any value has been created.' [3]

The model was simple, showing 'four pillars' of CRM success, with the intent of helping stakeholders clarify project goals and identify appropriate success and value metrics.

Moving from left to right, we begin our CRM success journey by successfully implementing the solution[4]. This is followed by gaining high levels of usage and adoption, successfully navigating the change curve[5] to achieve measurable productivity improvements. Lastly, with our newly found efficiency and effectiveness, the CRM solution starts to deliver positive financial impacts to the business. As a CRM project goes through several phases, measuring its success and value follows this phased approach, building upon the prior phases. With each pillar, overall success and value is achieved.

Over the years, we've seen this model used – sometimes with slight modifications, sometimes verbatim – to further the idea of defining and measuring CRM success and value. CRM platforms come and go, but this framework continues to be relevant with any technology in any industry. However, we continue to consider why we haven't seen more CRM successes as a result.



From Change Management to Success Management

It is widely recognised that, when it comes to CRM success, it's not really about the technology. As CRM platforms have improved, the barriers to success – from a technical perspective – have largely been broken down. It's the organisational change related issues that have been and continue to be a significant reason why CRM initiatives have not achieved expected results.

We hear countless examples of Managing Partners or CMOs talking about an expensive CRM system implementation that no one understands and nobody uses CRM implementations only fully realise benefits if the implementation recognises and prepares the users to change their behaviour to achieve the success that the firm needs.

By putting in changes to process and day-to-day practices surrounding the system use, and focusing on expected ways of working with measures and incentives to change people's working methods alongside the technical implementation, then success can be realised and measured. CRM systems of today are significantly more intelligent and allow data to be garnered from end users through their every-day activity without them realising it is being collected; but what they don't do is directly drive changes in behaviour automatically in a way that can always be measured and assessed.

From Change Management to Success Management continued...

Lawyers are highly intelligent and understand the end goal of their work and what their clients need. They do however need support (people and process) to allow them to leverage the functionality in a CRM system. Rarely do project managers spend time identifying the areas where lawyers and their Marketing and BD support teams can change the way they work or look at instilling cultural changes to the way work is done, managed and reported and the incentives for people to do so. This is a lost opportunity albeit a tough one to achieve. Being very specific about the expectations for change (and driving them from a client needs or a financial incentive perspective helps) at the outset of a project is critical and then plotting a path or the approach to achieving those changes aligns directly with achieving success.

The model above only hints at the need for a focus on change management. For sure, any reference of 'user adoption' suggests a need for change management, if only user training and support. But the model left it up to stakeholders to connect the dots between the success pillars and the change management activities required at each pillar. While the model did an effective job of introducing a new way of thinking about CRM success, it neglected to show anyone how to actually get there.

Characteristics, Measures and Drivers of Success

	Implementation Success	User Success	Operational Success	Financial Success
Characterized by	• Delivered the project • Replaced old 'system' • New features and functions available	• People are using it • Old 'system' can be retired	• Increased productivity • Improved processes • People working 'better'	• Economic value add • Resource optimization
Success Measures	• On-time • On-budget • To specifications • Delivery quality	• Usage tracking • User satisfaction	• Key performance indicators • Lawyer satisfaction	• Return on investment • Revenue Increases • Cost savings • PPP
Success Drivers	• Well defined requirements • Right technology • Right skills • Project management • Scope management • Risk/issue management	• Tool matches need • Data quality • Early engagement • Communication and behaviour expectations • Training and support • Ongoing measurement	• Process mapping and redesign • Systems integration • Cross department engagement • Continuous improvement	• Alignment with firm/ department goals • Executive/senior sponsorship

To address that failing, we have developed the 'model v2.0', which can be used as an effective roadmap on the path towards CRM success.

The pillars are the same, as is the 'phased' success concept, requiring success at each stage before advancing to the next. The differences, and what makes this a better roadmap, are:

1. It more clearly describes what success at each pillar looks like
2. It provides better examples of what can and should be objectively measured at each stage
3. It includes a list of drivers of success at each pillar, which ultimately should help in project planning.

While it's important to think of success in terms of the CRM project as a whole, we recommend starting with individual processes. For example, for Opportunity Management you might have the following:

	Implementation Success	User Success	Operational Success	Financial Success
Characterized by	The capability to capture and manage opportunities and related data to their logical conclusion	The solution being used easily and effectively by users to manage ALL opportunities with clients and prospective clients	Opportunity lifecycles actively managed and nothing falls through the cracks; better ability to identify the best opportunities; ability to forecast accurately; efficiently intake new business	We win more of the 'right' business and have better alignment of resources, client service and delivery
Success Measures	All required objects/ fields and relationships to capture opportunity data available; ability to create and update as required; reporting and analysis on opportunities	Number of opportunities created by user over time period; opportunities updated regularly and by whom; time required to create new opportunity; able to shutdown old system or approach	Opportunity activity tracking; time-to-close analysis by opportunity owner; competitive analysis; accuracy of new business forecasts; opportunity aging analysis	Client/matter profitability; resource leverage; win/loss rates with outcome reason analysis; client satisfaction
Success Drivers	Draft opportunity management specification and gain approval; select and procure technology platform suitable for requirements; acquire necessary skills to develop/implement; Prepare detailed project plan and assign project 'owner'	Involve users early in the process; clearly define expectations related to opportunity management and new business development; develop and deliver end user training; minimise data entry requirements; continuous improvement based on user feedback	Engage lawyers, especially practice leader(s); Embed opportunity management process in practice operations; business development skills training for lawyers and BD team; define/ agree on forecasting process; integration with intake, conflicts, and finance systems	Include cost of 'sales' in client/ matter profitability calculations; incorporate pricing analysis and decisions in opportunity management process; develop post-close client interview process

Complete a similar review for all other relevant CRM processes – key client management, relationship management, lead generation and event/mailing management, etc. – and then join these up into a comprehensive CRM success plan.

In developing 'model v2' we've revised our thinking from 'change management' to 'success management'. Organisational change activities of course continue to underpin CRM success, but we've realised that the point isn't simply to change, it's to be successful.

It Don't Mean a Thing...

CRM is often used as a noun, referenced as a thing. We've lost track of the number of times we've heard the question 'What is your CRM?' or the statement 'We need a new CRM.' I'm reminded of Inigo Montoya whose other famous quote was 'You keep using that word...I don't think it means what you think it means.'[6]

CRM is a client-focused strategy for optimising relationships with clients, and aligning service and service delivery for the purpose of driving profitable revenues. It is not a technology, though technology does play an important role. While neglecting success management activities will lead to suboptimal results, not having a client strategy is a recipe for CRM disaster. The best roadmap is worthless when it's missing the desired destination.

Sadly, projects continue to fail or miss the target due to a lack of success and change management planning and the thinking that technology alone will win the day. You can force projects through and try to force people to change, but our advice would be to take the time at the outset to lay out what success really looks like for your firm when embarking on a CRM project - and use the success model to work through the detail and make, agree, communicate, implement and reinforce plans to get to those outcomes.

As projects progress, people ultimately lose sight of what they set out to achieve whilst day-to-day 'getting it done' takes over. Being able to refer to what you wanted to achieve and measure the achievements (and likely amending as you go) becomes a very powerful tool to ensuring you achieve success. It's not easy but it's vital. Start by setting strategy and then defining your measures of success and then plan the detail to get there and the measures by which you can show success.

Using this approach to guide the project and indeed guide the outcomes allows you to set the rails by which you can drive the project and its outcomes and then drive a subsequent programme of iterative change beyond the initial go-live. Without these rails, how do you know if you have really succeeded?

About the Authors

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About Pinnacle

Pinnacle is an international business and technology consultancy serving the legal industry, with locations throughout the United Kingdom, United States, and Europe. The firm advises its clients on practice management systems, risk and new business intake, and marketing and business development solutions, with the overriding aim always to help them extract maximum value out of their technology investments. Pinnacle is increasingly the 'go-to' partner for business development projects built around the TRE and Intapp suites, with expertise across CRM, experience, pricing and master data management.

Footnotes

1. 'How will you know this project has been a success?' or 'How do you define the success of this project?' or 'How will the firm or your department be different as a result of this project?', etc.
2. Executive sponsors, project champions, project managers and so on.
3. Taken from 'A Model for Measuring Success and Value' – Inforte, 2002.
4. We have since revised our thinking around Implementation Success. While necessary to move on to the following success pillars, there is little to no value created by technology implementation alone. Because the cost base has increased as a result of software and implementation costs (including time invested by internal resources), value at technology delivery is essentially negative – though the potential realization of value has certainly increased.
5. Understanding the Kubler-Ross Change Curve, 2015.
6. From the book and film The Princess Bride.