

Trim Fat, Not Muscle

Administrators Play Key Role in Client Relationship Management

BY ED POLL

For any law firm today, the survival equation is simple: Profits equal revenue minus expenses. When a recession limits revenue, cutting expenses is the most feasible way to preserve profitability. As administrators know, all law firms (including their own) can always be run more efficiently and economically, but indiscriminate cutting too often eliminates “muscle” – valuable people and resources – as well as “fat.” Ultimately, the best advice is to increase revenue by getting more clients.

MARKETING: WHO’S IN CHARGE?

Here is where an administrator’s services can be especially valuable, yet especially hard to convey. A large firm may have an Executive Director, Chief Operating Officer, Chief Marketing Officer, Director of Business Development, or a number of other, similarly titled positions. A smaller firm may have all these responsibilities wrapped up in one person, the Firm Administrator.” Either way, lawyers typically hold administrators responsible for firm operating efficiency.

It is presumed to be the lawyer’s job to win clients and to do the legal work to keep them satisfied. “Marketing” is supposed to help by providing attractive folders or even advertisements as tools for the lawyers to win clients. But the administrator is typically presumed to have no direct responsibility for bringing in new clients. That presumption makes administrators all the more vulnerable when lawyers decide to “trim the fat.”

In reality, everybody in a law firm is responsible for marketing. That’s because clients, in theory, should be able to connect directly with all the people in a law office who could impact their matters or who might be able to provide answers to their questions. A client who contacts a knowledgeable staff person – and who receives an appropriate answer to a question, even if not from the mouth of the attorney – is generally far more satisfied than he or she would have been with merely having to leave a message seeking a return phone call. The happy client with an answer is a satisfied client, one who will maintain an ongoing relationship with the firm and, in all probability, increase firm revenue.

THE CRM CHALLENGE

Administrators realize this fact and know about one of the most effective tools to accomplish this kind of firm-wide marketing: Client Relationship Management (CRM) software. In a law firm, where organizational business development should be the sum



Properly used in the right environment, CRM will increase the revenues that law firms so greatly need.



For CRM to work, firms must give up the “my client” mentality in favor of an “our client” approach that can increase business in recessionary times. And this is where the firm administrator can play a lead role.

total of each lawyer’s personal contacts, online technology has the potential to bring consistency and efficiency to what used to be a haphazard process. Shared CRM databases on computer desktops can make available to all firm members the personal data and contact history of any prospect – the type of information that used to be stashed away in individual Rolodexes and address books.

In simple terms, a CRM database centralizes a firm’s collective knowledge, wisdom and experience about clients and prospects, and makes it available to all authorized users – from attorneys and marketing professionals to administrators and secretaries. Every relationship interaction by any attorney becomes an opportunity to add information to the database as a means to track marketing activities, cross-refer practice services, expand contact networks and reinforce relationships.

The problem is that the cultures of too many firms do not support the potential that CRM technology offers. In most firms, “partners” jealously guard client information rather than share it, because compensation and governance remain highly individualized. Such firms are basically little more than hotels for lawyers – individuals sharing the same facility, with little stake in each other’s success. For CRM to work, firms must give up the “my client” mentality in favor of an “our client” approach that can increase business in recessionary times. And this is where the firm administrator can play a lead role.

ADMINISTRATORS: THE TRUE TEAM PLAYERS

A successful law office should have a team that creates quality service and work product for the benefit of clients. That is inseparable from the importance of creating a team spirit in the law firm,

one that embraces lawyers and staff with shared perspectives and objectives. Without that sharing, there will be less than satisfactory results for clients and less personal satisfaction for all concerned. Clients and prospects want to do business with firms that will serve them with effective cross-office and cross-disciplinary teams. An effective CRM system will facilitate such service, but the low-trust environment among lawyers in too many firms undercuts it. The administrative professional – whether responsible for the entire firm or the marketing function – can take a strategic position as the impartial facilitator who has only the firm’s success at heart. The administrator’s role in boosting the use of CRM will not, if properly communicated, take billable hours from anyone. The administrator has no axe to grind and is only interested in what’s best for the entire firm.

The logic behind this position can be forceful. A CRM system allows organization of contact information into networks or portfolios. These may include everything from active clients to professional referral sources (bankers, CPAs, consultants) who may not become clients themselves, but who can make referrals to their clients with whom relationships can be built. CRM thus moves business development from “random acts of golf and lunch” to a systematic process that identifies the people most likely to hire the firm and facilitates communication with them to develop close working relationships. Properly used in the right environment, CRM will increase the revenues that law firms so greatly need.

MANAGING THE TECHNICAL CHALLENGE

There is, of course, the technical challenge of getting the CRM system up and running. The typical system is populated by entries into

data templates that often are customized according to each firm's needs, with data fields incorporating information that covers both clients and contacts. All entries would have basic information, including address (postal and e-mail), phone number, individual contacts and industry codes. Client entries would include the name(s) of the responsible firm attorney, fee information and matters performed. Crucial for client and prospect entries is the history of every business development activity undertaken with them by the firm and its attorneys: lunches and golf outings, seminars and newsletters, personal visits and new business pitches. Information can be entered and viewed by anyone authorized to do so. The idea is to free client service and client development from compartmentalization and place the emphasis where it belongs – on the client or prospect.

Several technical questions that must be answered at the start of implementing a CRM system in order for it to function with any degree of success:

- What data will be included?
- What data can be modified (for example, should some fields, such as address, be off limits to change by casual system users in order to maintain data integrity)?
- Who is responsible for seeing that the information is kept up to date?
- Who can access, modify and enter information?

These technical questions must be addressed before CRM implementation begins. You cannot create data fields haphazardly, see how the process works in practice and then try to reorganize the information after the fact. Best practices require every firm, large or small, to create a standard classification system for every item that goes into a client or prospect record. Entering "golf date" does not tell anyone what took place or what it means for the business relationship.

IS THE EFFORT WORTH IT?

In all of this, the firm administrator can be the resource, the go-to person, the guide. To be successful in that role requires an official

commitment by firm leadership that the administrator takes the lead in the process. There must be organizational criteria for participation (for example, making partnership draws contingent on providing information), and it must be clear which ones are considered to be within the administrator's control, and which ones are not. There must also be continuing dialogue and evaluation that allows for reinforcement, modification or expansion of CRM implementation and maintenance responsibilities as the firm's circumstances, performance and expectations evolve.

To be successful at managing this process, the administrator must have documented in advance the specifics of what the lawyer/ employer must do, and what the administrator must do in order to reach the necessary measurements for success. The true definition of success comes when each party understands and focuses on its real areas of responsibility. Spelling them out clearly from the start is the best way to ensure that both sides in the CRM dynamic will achieve success. For the administrator, "success" is defined as being seen as a strategic counselor who helps the firm to survive and grow – rather than being considered "fat" to cut when times get tough. *

about the author

Ed Poll is the Principal of LawBiz Management and an internationally recognized law firm management consultant who recently launched www.LawBizForum.com, an online venue for legal professionals to network and to share best practices. His LawBiz Coach® column appears regularly in *Legal Management*. Contact him at edpoll@lawbiz.com or (800) 837-5880.