LATEST TRENDS IN CLIENT RELATIONSHIP MANAGEMENT "CRM" AND LAW FIRMS: FROM DESERT TO THE LAND OF PLENTY

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"CRM", what is it?

The economic world is evolving; the marketing strategies of the traditional companies are changing from the "product" standpoint to that of the "customer". Companies are now taking a proactive approach to the relationship they have with their customers. In response to this shift, "CRM" or "Customer Relationship Management" is being introduced into the modern day business world. "CRM" is a concept used by companies to manage their relationship with customers, including the capture, storage and analysis of customer information. In order to take this proactive step, it is necessary to make the customer a priority and have sufficient information on each individual and their history with the company. Having this information accessible will revitalize this relationship with every interaction. Each person will be then able to observe the clients behaviour, understand it and possibly anticipate reactions. Knowing the customer will enable companies to provide the most applicable and relevant service to each specific client. Specific needs will be met and clients will feel respected. Not only do companies need to understand more about the client, they need to understand more about themselves. Conducting various surveys, interviews and questionnaires to obtain feedback is invaluable. This will reveal even further how the company can evolve and improve to not only attract new clients, but more importantly, sustain the relationship with current customers. When considering all elements of customer loyalty, it is important to know the attitude, psychology and behaviour of the customers. Therefore, introducing a "CRM" strategy into the daily workings and interactions of a company is an outstanding way to improve and grow in a revolutionary way.

What are the benefits?

The aim of "CRM" is to identify and attract the highest quality customers, generating the most sales turnover and benefit. After attracting these high quality customers, it is to sustain a strong and mutually beneficial relationship. The key to success: a faithful and effective client relationship. As it is well known, it is much less expensive to maintain customers than to recruit new ones. Every contact between the law firm and the customer contributes to this perspective and image of the firm. 'Word of Mouth' is extremely powerful among the client population; especially negative. A dissatisfied customer on average tells 10 other people about their negative experience without expressing this to the subject of the complaint (the lawyer). In contrast, a satisfied customer on average only tells 3 other people. Therefore, the negative spreads very quickly and is very influential among the targeted population. "CRM" increases customer satisfaction and ultimately result in customer loyalty, and ultimately customer to customer referrals.

"CRM" and Lawyers

Lawyers today are not properly trained in modern communication. Council services are not enough anymore. It is necessary to offer customers complete and personalized service. Therefore, it is extremely beneficial to set up a "CRM" strategy in order to study the behaviour of customers in order to better understand them; and in turn, better serve them.

Just as traditional companies exist only because of its customers, a law firm must make its customers the centralelement of activity! An increasing number of law firms have realized this fact and have enlisted the help of specialists to help create strategies adapted to their structure, environment and sphere of activity.

This study will also make it possible for the law firm to gain a more effective communication and position in the market taking into account customers and competition. The cabinet has several tools of communication such as Internet sites, newsletters, booklets, brochures, etc. Yet whatever tool is used, it is imperative that the values and position of the cabinet are translated to the client in a comprehensive way. Currently, market competition is such that cabinets must be different and distinct; offering fresh approaches to client relationships.

Before setting up "CRM" strategies, solutions or software, the essential question must be asked: "What are the desired objectives and results?" This question is the first stage of any "CRM" marketing strategy installation. The answers to this question will differ from law firm to law firm and therefore approaches will be established according to differences in service, place of the firm in the market, competition, total objectives, level of integration, remuneration or division of customers with in the law firm, etc. Appropriate strategies can then be derived from the defined objectives.

Company Unity

In order to set up an interactive “CRM” initiative into the daily workings of a company, everyone must be an eager participant. This value must be woven into every level of the law firm, “CRM” must be embraced by all branches and a certain level of partnership must exist in order to get the homogeneity necessary for this policy. This requires modifications by all members of the firm and will therefore ensure quality service. The customer may not always deal with the same people, yet the service must always be consistent and personalized.

Customer Profiles

“CRM” is an information and history profile created on each customer in order to provide the most holistic view of each client in real time. It is imperative to gather substantial data on the customer including in-house (data files in progress, past activity and history) as well as external (information on the customer themselves, sales turnover etc.). This makes it more possible to draw up 'typologies' of customers and to distinguish their needs and adapt services accordingly (start-up, SME, multinational and large companies) to the institutional customers (state, administrative, public) and to specific customers. This will allow various departments such as sales, customer relations or marketing to make fast decisions while taking into account all client knowledge in an efficient manor. These various forms of information all contribute to a comprehensive customer database which will support effective customer management. Having this comprehensive knowledge allows a lawyer know past relations with the client, access a customer profile and therefore understand how to best provide him or her with individualized, effective service. Individualized management of customers makes it possible for the law firm to evolve and improve services along with the customer.

Technological Reliance

Although the technology behind “CRM” is important to support this service, companies rely too heavily on computer based, customer information programs alone. Various "CRM" software and technology exists to provide an easy way to profile customers, yet this is watered-down and does not bare the core values that "CRM" advocates for. Many law professionals have poor knowledge of the desires and needs of their customers, but this is not a technological deficiency; the problem lies at the heart of the issue. “CRM” is a value, an attitude and when embraced by the company as a whole, can result in drastic changes in company to customer relations. In short, the lawyers, just like other professionals, suffer from the syndrome of the doctor who prescribes medicine to sooth the symptoms of a disease and does not try to heal the patient.

Customer Satisfaction and Feedback

Considering that the customer is the central element of the company, this is where knowledge as to how company is perceived can be found. If the image the law firm would like the customers to have is not perceived in this manner, it is necessary to go to this source for answers. The way to test the clients’ perception is through a study of interviews. This can be done through various manners, both written and oral. This type of study is both a time and monetary commitment, but the derived knowledge will enable the company to increase profits by then acquiring a better position in the market.

The first stage toward the development of customer loyalty is reducing the gap between client expectations and perceived results. The objective is to clearly determine what the customer expects of the firm and its members, and how it fails to meet those needs. As previously discussed, it is much more profitable to improve the relationship with an existing customer than to seek new ones. For this reason, it is necessary to always listen to the current customer feedback on services. To understand this, a system must be installed which makes it possible to periodically and reliably measure the expectations, needs and evolution of customers.

There are several methods of gathering data on customer expectations and satisfaction. The two major categories simplified here are quantitative and qualitative analysis. Different methods of gathering data will be used depending on the law firm and type of customers.

The questions asked in the oral and the written interviews will depend on the firms’ objective. The values, objectives and position of the firm must be clearly defined; as well as the message the firm wants to send to it's customers before drafting questions or beginning a study of this magnitude. This will enable the firm to confront the current client perception, translate the desired message to customers and put a strategy of change behind it. Therefore, all aspects of this study must be closely controlled in order to achieve the desired outcome. The most important topics and questions to consider will be: general service, its reception by the customer, deadlines, why they chose that particular firm, the customer’s needs, competition, fees etc. Oral interviews are reserved for the most important and influential customers, seeing as this is the most time consuming and expensive form of interview. The rest of the customers will be sent a concise and clear questionnaire.

A written survey should be carried out for each department and service. These investigations will differ from one department to the next, due to the vast variety of services. Nevertheless, the common objective should be consistent in all interviews and surveys. The customer should also be fully informed about the procedure and objective prior to participation.

In a group session, there is a 'facilitator' who directs the group conversation to keep to the objective and provide useful data. This can take place in the form of 'brainstorming' or debates.

A selection of 'VIP' customers will be questioned face to face, annually by a cabinet member or by an external consultant to know their perception of the services.

Face to face interviewing, although the most expensive and time consuming form, can prove to be the most effective and give the highest return. This can be organized around a group lunch or conducted individually.

Customer interviews make it possible to improve the quality of the service from the law firm by revealing the opinion and perception of the customers. With this feedback, the information can be joined together regarding why customers use the cabinets services, which services are most used, the lawyers and services, competition and the way in which the cabinet is perceived.

Various studies and investigations can show elements of customer dissatisfaction compared to different aspects of services. It can be a question of the legal council, the reception, availability of lawyers, effective response time etc. Once the sources of customer dissatisfaction have been determined, it then must be analyzed as to how the law firm would like to respond. A marketing manager can be present during the installation and implementation of the "Project CRM" and help the firm find and set up the best solutions.

Many law professionals do not implement this policy; the reasons for this are deeply rooted. Measuring the expectations of customers is like inquiring about opinions and satisfaction; the information is desired but also difficult to accept. The results require self-reflection and often times reveal harsh criticism. Although difficult, this is a necessary step toward growth and progression. This is why the culture of “customer feedback" is not often practiced in the law field but is a culture of arrogance; assuming to know what is best for the customer. In fact, generally, less than 10% of collected comments are negative. If this is true, then why are we so scared to collect data? In terms of customer participation, in the law industry, studies show that the rate of participation is higher than in any other sector. Perhaps this explains why customers are seldomly consulted in this matter and with this initiative, they will finally feel validated.

In Conclusion…

Setting up a "CRM" strategy does not happen all at once. It is a step by step process that is integrated into every sector and department of the company. In order to be effective, the various stages must be renewed and tailored to the progress of the company. The portfolio of customers must be continuously supplied with detailed and up to date information. Data should constantly be renewed, and interviews for example conducted annually or every two years. Again, all of this depends on the individual law firm and their objectives.

The professionals who invest in “CRM” strategies and who base their structure on the relationship with the customer benefit immensely. It enables them to refine the quality of their services and to strategically apprehend the operation of their practice. In addition, since this is still seldomly carried out among competitors’, implementing this initiative offers a distinct professional position in the market. In short, professional professionals!

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