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Business Development Driver: Leverage Knowledge Management

By Edward M. Schechter

Knowledge management (KM) has about as many definitions as it does implementations, and in law firms it was recognized early on as a tool to help lawyers in supporting their clients. Lots of paper, information, and knowledge to manage — and robust document management systems emerged as KM solutions. That's fine for the lawyers, but in marketing and business development, it's who you know as much as it is what you know. At Duane Morris, where our Marketing and Business Development Department is only 3 years old, we were able to grow this functional area around the key information and processes needed to be successful.

Our firm has been recognized for its aggressive strategy for legal marketing. We have teams of marketing managers and business development managers assigned to "territories" (practices and offices) and we identify, qualify and pursue leads for new business based on assessments of personal relationships, market growth/potential, and company success. We needed a program to leverage the knowledge required for business

development. We didn't set out to create a KM program per se, but what has evolved (and is still evolving), is a program that is working well for us.

Client Relationship Management: Beyond the Address Book

Two challenges faced by law firms are having lawyers understand the value of building relationships, and turning valuable data gathered from clients into something useful.

Until 3 years ago, our firmwide "marketing" contacts were stored in a simple database that was used for little more than printing labels for our newsletters and invitations. Today, we have implemented InterAction as our CRM system, and we have 230,000 contacts in our database (shared among our 550 attorneys). We can customize mailing lists at the push of a button and personalize our message. Because of our increased use of electronic distribution, we are able to get targeted information to our clients faster than ever.

Going beyond the shared address book, and building on our business development philosophy of the importance of relationships, we have added information about our attorney and staff relationships with contacts (former coworker? went to law school together? brother-in-law?) — to the tune of more than one million identified relationships. When new partners join the firm, they are provided with a list of who in the firm knows some of the same people they know. In turn,

each existing partner is provided with a list of contacts he/she has in common with our newly joining partner. When client opportunities are identified, all it takes is a few quick keystrokes for anyone at our firm to find out "who we know" at any of the 90,000+ companies in our database, as well as which Duane Morris attorney is likely to have the strongest relationship with a contact at the company. We have also built client profiles, populating basic business data about our top clients, including annual revenue, number of employees, company type (partnership, S-corp, private, etc.), corporate structure, primary industry, stock ticker symbol and stock exchange where traded. We obtain this information from various Web sources including the individual company's Web site, Martindale.com and Hoovers.com.

We now have ability to see who the originating attorney for a client or matter is as well as what practice groups provide service to the client. Going forward, we will have the flexibility to connect our CRM system to other databases in the firm, such as accounting and records, which will give our attorneys and business developers instant fingertip access to even more financial data as well as details of our experience and capabilities.

KM as Driven by Marketing: A Developing Story

Early on, we recognized the benefit of working with Information Services. Our Marketing and Business

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Development Department manages the content on the external Web site and maintains attorney profiles in addition to traditional roles of maintaining marketing literature and responding to requests for proposals (RFPs).

One of the first projects we tackled was converting our attorney resumes from separate word-processed documents to database-driven, Web-accessible profiles. Not only did this help in raising the visibility of our lawyers' credentials by posting them online, but it gave us yet another database we could easily search by key word, law school, or even civic and charitable activities. As changes are made in a single database, they are reflected on the Web and in all sources for printing individual profiles.

Proposal support dictated another path for collecting and maintaining content. We needed to organize the thousands of representative matter descriptions we had collected from attorneys via previous proposals, their individual profiles, our Web site, plus general requests. In working closely with our IS department after we had scoped out the data we knew were important to capture, we were able to customize an existing database to fit our needs. Now we have easy access to the data to sort and report it in ways that not only help in responding to proposals, but also in preparing marketing materials and identifying niche practices. We can answer the most frequently asked questions about our attorneys' experience and capabilities in a matter of minutes, not hours or days (the way it was when we sent e-mail queries across the firm, hunted through documents or sorted painfully large excel spreadsheets). And because we had our eye on the big picture, we built in functionality that will enable us to soon "connect" this database to our CRM and accounting knowledge bases.

We also sought a technology solution to streamline our proposal assembly. Keeping a log of RFPs and a file drawer of proposals as a reference is

almost as bad as relying on the memory of the proposal writers to find "that write-up" we could reuse for another project. And yet that's where we were as recently as a year ago. Since then we have purchased Pragmatech's Proposal Automation Suite software and are actively building our own knowledge base for the most frequently asked questions in RFPs. This particular software solution was perfect for us off-the-shelf, and is based on the Microsoft suite of software we already use at our firm. We look forward to the day when sections of proposals can be organized, edited, reviewed and formatted all through Outlook. A bonus of this database is the additional tool for tracking RFPs — we are able to customize the data that are important to us, and soon we will be able to run automated reports of win rates, dollar value of work received, RFP trends, and other data we find helpful in our quest to prove return on investment.

Connecting the Dots

The bottom line is keeping our resources (people and technology) focused on the bigger prize of strategically using all this data. It is who we know, what we know and how we use it.

It's one thing to be able to answer attorney questions or quickly assemble a proposal or presentation (no small feat in and of itself). It's another to connect the dots from industry research to recent billings to attorney contacts and experience — and drive our business development efforts according to that picture.

As law firms start to mimic their clients in terms of providing value-added customer service in addition to expected quality legal work, a quick look at most law firm's lack of technology and knowledge links illustrate the problems firms now face. While legal clients are running their businesses with customer service departments, resolution complaint groups, 800 numbers and proactive marketing departments solicit-

ing customer feedback, law firms have traditionally not seen themselves as needing to provide this level of service. That's all different now.

It would be hard to imagine calling a major company to inquire about your bill or another issue and have them unable to pull up your "account history" with them. Typically every encounter with a customer is recorded so that the company can track problems, resolutions and customer satisfaction with services. It also helps identify potential new selling opportunities or ideas for new products or services.

In addition to the client service side of the equation, most corporations track their large accounts using various software programs. For example, anyone selling to a client has the ability to pull up an account profile or history of the relationship to ensure that they are up to date on what is happening with the customer.

The firm is now working on additional modules for our CRM system that will not only automate our business development process, but will capitalize on existing data to track sales activity, all the way through to new revenue generated. There is no question that marketing and business development is a big investment for our firm, and our focus is as much on showing a return on that investment as it is helping the attorneys expand their business.

One of these add-on modules is driven by our business development managers. We're calling it the Opportunity Module because that is what it is going to help us identify and track. Not only will we be able to see a client profile of work we have done (and attorneys involved), but we will also see logs of personal visits, materials (newsletters, brochures, alerts, etc.) sent, and client satisfaction interviews conducted — plus we will be able to track our progress toward pursuing new business.

This, combined with our KM systems for organizing the details of our

qualifications and experience, have enabled us to build an efficient, results-oriented business development program.

Gaining Acceptance Via Initial Successes

In building our Marketing and Business Development Department essentially from scratch, we had the luxury of planning a strong foundation — and growing our resources and capabilities as we (and the attorneys we serve)

were ready for each new step. We were also lucky to have the resources of a large, in-house technology department.

That's not to say it has been smooth sailing. We have definitely learned from our mistakes, but we couldn't have developed what we have without the support of the firm's management. The firm management has been and continues to be very entrepreneurially minded, and supports the concept that strong marketing and business development, even at considerable cost,

was needed to grow the firm.

But we have had to prove we were on the right track by finding ways to collect and communicate "success stories" along the way. With each success we earn support and acceptance (not to mention budget dollars) from the partners in the firm. Our ability to track our activity — and more importantly connect that activity to results - is helping us to prove the value of business development and KM systems to the firm.

