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The modern CMO: Advancing marketing from reactive to predictive

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Winning business with data-driven insights

In the client-empowered era, revenue growth has become increasingly difficult. Legal clients are scrutinizing their spending and are well informed about prices, value, and competitive alternatives.

These market dynamics require insight-driven business development strategies that create greater value and efficiency. However, marketing organizations can only provide these insights if they have greater transparency into the client lifecycle, along with a seamless process to capture, curate, and access lawyers' expertise to connect data points and predict future client needs with confidence.

There is a large hurdle to cross. Many firms have data in silos, which makes it impossible to derive the necessary insights and collaborate effectively. Business opportunities are being missed as the complexity of engagements continues to increase. Firms are losing market share to competitors who take a more modern approach to data.

Modern law firms employ strategies, initiatives,or investments that enable them to keep pace with rapidly changing client demands, market conditions, and new technologies. These modernization initiatives typically involve unifying people, process, and data.

CMOs who take a modern approach to marketing and transition their organizations from reactive to insight-based will accelerate the firm's ability to win business with both new and existing clients. This shift requires unifying data across the entire client lifecycle, making that data transparent, and developing the insights that drive better decision making across the firm. No doubt it is a challenge to bring all the data together, tell the full story, and integrate data culture into the fabric of a firm.

For those who do, the rewards will be significant. As clients become more demanding and less loyal, investing in ways to identify opportunities, predict client habits, develop market insights, and facilitate client outreach is paramount. With an average return of $47 million on $1 million of marketing and business development spending for an Am Law 200 firm, the investment pays off.

Data Is Locked in Internal and External Silos

FOR AM LAW 200 FIRMS

$1 M

SPENT ON MARKETING & BUSINESS DEVELOPMENT

$47 M

AVERAGE RETURN[1]

[1] Calibrate Legal and ALM Collaborate on "Law Firm Revenue Enabler Compensation Study" (2019, February 02).

CMOs as change agents

Modern firms view their CMOs as strategic collaborators rather than a support function. This dynamic has led to a much more effective go-to-market program for those firms. Despite being viewed as trusted advisors, CMOs often lack the decision-making authority to become strategy drivers. To gain that authority, CMOs need to provide lawyers with actionable insights based on in-depth client knowledge, trigger events, and analysis of market forces. However, marketing teams can only provide these insights if they have a seamless process to access, capture, and curate lawyers' expertise to connect data points and predict future client needs with confidence. Modern CMOs can advance marketing from a supportive function to a strategic partnership by creating data-driven key-client plans underpinned by smart collaboration and technology.

Why are CMOs best positioned to champion a unified data approach in law firms? Marketing organizations have a bird's eye view across the entire client experience. They are stewards of the firm brand, which is heavily influenced by the client experience. They are actively involved in both the pursuit of new clients and growing business with current clients. According to the Pareto rule, 80% of revenue and profit come from only 20% of clients. Furthermore, many law firms now face the "Super Pareto" effect, where 90% to 95% of profit comes from only 5% to 10% of work. If CMOs could see the patterns and anticipate client needs, not only would their firms generate more revenue but they would also have happier clients.

Some CMOs are experimenting with a vast array of innovative marketing and business development strategies to both increase net new business and retain and expand work with current clients. The common dependencies include: transparent access to data and insight and smart collaboration.

PARETO RULE

80%
OF REVENUE & PROFIT

COME FROM ONLY

20%
OF CLIENTS

Innovative Marketing and Business Development Strategies

Baker McKenzie	Global key client program with clearly defined roles and activities
DLA Piper / Womble Bond Dickinson	Sales professionals who are aligned with certain practices develop client relationships and then involve the appropriate lawyers to deliver the work, similar to a Big Four model
Finnegan, Henderson, Farabow, Garrett & Dunner	Lawyer bios adjust dynamically on the website depending on type of legal experience and industry selected by the user
Freshfields Bruckhaus Deringer	Qualitative interviews on the client experience through marketing and business development surveys
Latham & Watkins	Large-scale investments in industry-facing programs to communicate business understanding
Skadden, Arps, Slate, Meagher & Flom	Maximize the strategic value of hosting in-person gatherings

The data divide

While law firms possess significant amounts of data, it is often fragmented by lawyer or practice silo. In fact, 42% of firms do not have a centralized process to collect, store, and analyze data on an ongoing basis.[2] Even when a centralized system or process is implemented, the majority are data legacy systems — e.g., spreadsheets, interaction, CRM, or SharePoint — and are inconsistent or incompatible with the rest of the firm's workflow. It is not surprising that CMOs struggle to get the sponsorship they need to bring organizations up to 21st-century standards of technology after years of using a force-fit generic CRM that was never truly tied into the lawyer's workflow. These tactical marketing tools rely on time-consuming manual entry and do not support firmwide collaboration.

Modern firms recognize that data is a strategic asset and strive to build a data-driven culture enabled by emerging, innovative technologies. They will look at ways to enable data to flow throughout the firm where and when it is needed in order to bring insights and value. Decisions and actions will be driven by data rather than institutional knowledge alone. The firms that advance in this area will compete more effectively and find new sources of growth. Axiom's new CMO exemplifies this approach. According to the firm, "In her role as CMO at Axiom, [Sidra] Berman will drive the overall marketing strategy, which will be informed by data-driven insights, and will be designed with an unrelenting focus on articulating Axiom's value to clients and legal talent."[3]

42%

OF FIRMS

DO NOT HAVE A CENTRALIZED PROCESS

TO COLLECT, STORE, AND ANALYZE DATA ON AN ONGOING BASIS[2]

2 "Intapp Experience Management Survey 2017."
3 "Axiom Announces Appointment of Chief Marketing Officer." (2019, June 19).

Missing intelligence is a missed opportunity

Rather than delivering proactive client insights to become a strategic partner, marketing remains mired in administrative work due to the heavy responsibility of manual data gathering. In a Bloomberg Law study, legal marketeers cited "lack of time" as their number-one challenge.[4] Eliminating the manual data-mining tasks to free up time for strategic consultation is becoming increasingly important. CMOs, in particular, cannot discuss strategy with lawyers and identify business development opportunities without the necessary insights that come from client data and relationship knowledge. Without unifying client data and lawyer experience in a single firmwide system, opportunities will be missed as the complexity of engagements continues to increase.

The collaboration imperative

Lawyers are historically reticent to share information broadly amongst their peers, thus cross-practice collaboration is one of the largest obstacles to strategic business development. CMOs who adopt the right systems and processes can capture lawyer expertise and meet shifting client demands by utilizing data to drive strategic growth, document engagement wins, and demonstrate the positive impact of collaboration. This cross-firm collaboration is just a first step. A unified data approach will spur better collaboration with clients and other firms in the network.

The benefits of collaboration are not strictly for pursuing business, but also affect internal firm perceptions and can be viewed as a growth catalyst. After breaking down traditional barriers between junior associates and senior lawyers and embracing critical new technology, O'Melveny & Myers LLP was ranked top U.S. Law Firm for Culture in 2018 by Vault.com. The firm's openness to new ideas and innovation allowed it to cut costs while income grew by 14%, and the firm achieved its highest-ever per lawyer revenue between 2016 and 2017.[5]

[4] Legal Marketing Association and Bloomberg Law, "Where Are We Now? Revealing the Latest Trends in Legal Marketing and Business Development." (2018, April)
[5] Heidi K. Gardner, "By Failing To Collaborate, Law Firms Are Leaving Money On The Table."

Collaboration in the Modern Firm

"When firms get collaboration right — that is, do complex work for clients that spans practices and offices within the firm — they earn higher margins, inspire greater client loyalty, gain access to more lucrative clients, and attract more cutting-edge work...This form of integrated client service, which often crosses practice groups and other silos, is what I call smart collaboration." [5]

HEIDI GARDNER, DISTINGUISHED FELLOW
AT HARVARD LAW SCHOOL CENTER ON THE LEGAL PROFESSION

Being smart about collaboration

As the complexity of client matters drives the need for more sophisticated business development strategies, law firms that embrace smart collaboration and emerging technologies will accelerate their revenue growth while traditional firms will struggle with both client retention and decreasing market share.

With the right systems and processes in place, CMOs can capture lawyer expertise to meet shifting client demands. They can also utilize data to drive strategic growth while documenting engagement wins and demonstrating the positive impact of collaboration.

However, this cannot be a manual process. According to Bloomberg Law, the way that lawyers are most leveraging their marketing organizations is to cull manual data, such as "gathering company data." On the other hand, the areas in which they are engaging marketing the least are "developing business plans" and "crossselling."[6] Much of this administrative data-gathering can be eliminated today with the right tools and processes, enabling marketers to focus on what they are trained to do — helping law firms sell.

A firmwide collaborative culture not only properly serves clients in their future matters but also institutionalizes their relationships with lawyers. When rooted in key-client plans, collaboration develops firmwide capabilities to make informed decisions and recommendations with confidence.

Smart collaboration in action: Key-client planning

One of the most powerful embodiments of smart collaboration is key-client planning. Key-client plans build the foundation for a better client experience by creating a tailored approach to strategy, origination, and execution of engagements. With the right technology in place, marketing teams can rapidly access client data that allows firms and lawyers to stay ahead of their client demands and anticipate their needs. With this information being leveraged across the client lifecycle, key-client plans foster smart collaboration by utilizing client intelligence to identify lawyers who can best serve them and create cross-selling opportunities.

Following the 1-2-4 rule, it takes lawyers 4 hours to develop work from new clients, 2 hours from former clients, and only 1 hour from current clients. Firms can easily fall behind their competitors as their lawyers are forced to use more of their time pursuing new business, with marketing just supporting proposals rather than pitching opportunities to existing clients with new opportunities using marketing's data-driven insights and recommendations.

Without making the necessary investments in creating a unified data infrastructure, the growth trajectory of law firms can be negatively impacted.

Key-Client Plan Example

Client:

Date:

Relationship owner:

Key-client team:

Client overview and history of the relationship

- Who is the client?
- What matters have we done for this client? (Completed and current)
- How long is the relationship?
- Where are our main opportunities?
- Have we shown value?

Client strategy and industry drivers

- What is **its** strategy?
- Where do client leaders want to be in five years?
- What market-driven problems are they facing (economical, competition, legal)?
- Is the client cost or revenue focused overall?

[6] Legal Marketing Association and Bloomberg Law, "Where Are We Now? Revealing the Latest Trends in Legal Marketing and Business Development." (2018, April)

Effective client account planning lifts revenues by 5% to 10%, improves margins by 3% to 5%, and lowers service costs by 10% to 20% through enhanced client penetration and retention while allocating resources more efficiently.[8] A proactive and sophisticated business development strategy that focuses on the client lifecycle and is grounded in insights and intelligence allows marketing to gain an in-depth knowledge of clients and where potential work is coming from.

When law firms replace their legacy systems with a robust platform that facilitates key-client planning, they are positioning themselves for growth. A modern system eliminates the random acts of marketing and allows CMOs to spend more time, energy, and discipline on enhancing the client experience. Simultaneously, lawyers are free to develop innovative solutions tailored to client needs, resulting in increased satisfaction and retention.

[7] Nixedonia, "The Golden Opportunity Of Legal Cross-Selling."
[8] BCG, "Creating Value In Key Accounts."

The 1-2-4 Rule

IT TAKES LAWYERS 4 HOURS TO DEVELOP WORK FROM NEW CLIENTS, 2 HOURS FROM FORMER CLIENTS, AND ONLY 1 HOUR FROM CURRENT CLIENTS.[7]

Effective Client Account Planning Benefits

Accelerating revenue growth with key-client plans is a priority, since these clients are 60% to 70% more likely to close than a new client and also spend 33% more than new clients.[9] Simultaneously, key-client plans decrease business development and marketing costs, as winning business from a new client is five times more expensive than winning more business from an existing client.[10]

More Complex Projects Lead to Higher Hourly Rates[11]

With key-client plans, cross-selling collaboration results in higher value and more complex work that commands a higher price

Key-client Plans Increase Client Retention[12]

FOR CLIENTS THAT USED ONLY ONE PRACTICE AREA

>35%

LEFT AFTER 3 YEARS

FOR CLIENTS THAT USED THREE PRACTICE AREAS

<15%

LEFT AFTER 3 YEARS

FOR CLIENTS THAT USED FOUR OR FIVE PRACTICE AREAS

<5%

LEFT AFTER 3 YEARS

[9] Raymond, A. (2018, September 11). "What Is The Role Of A Key Account Manager?" | Kapta Software.
[10] Gallo, A. (2014, November 05). "The Value Of Keeping The Right Customers."
[11] Gardner, H. K., Christensen, C. M., Wang, D., & Bever, D. V. (2016, May 03). "When Senior Managers Won't Collaborate."
[12] Freeman, D. "Secrets Of The Masters: The Business Development Guide For Lawyers."

Finnegan experience case study

For Finnegan, it's critical to showcase the ways its lawyers deliver value — by identifying its experts who bring the right skills, knowledge, and technical expertise to client engagements. Clients choose Finnegan because of the firm's highly specialized expertise in diverse industries. In fact, more than 60 of Finnegan's lawyers hold doctorate degrees, and more than 100 hold master's degrees. Leveraging their sophisticated knowledge and insight is paramount in both winning new work and exceeding client expectations in current engagements.

However, the way that marketing was capturing and sharing this expertise was onerous and slow. Finnegan's legacy system required lawyers to send queries through the marketing team rather than accessing data themselves, and the amount of stored data had caused this process to become incredibly slow. It often took up to 30 minutes to fulfill a request. For Finnegan, waiting for data outputs is not an option. The firm needs to showcase its legal experience and technical expertise quickly to meet client expectations.

At Finnegan, the marketing team is a strategic and proactive internal partner. Marketing is responsible for curating the firm's catalog of work experience, technical expertise, and matter profiles while, in turn, creating messaging to reflect the firm's specialist expertise in rapidly evolving industries. In addition, marketing captures key information related to court filings, significant case activity, jurisdiction changes, appeals, decisions, judges, patents, and other involved firms in order to quantify Finnegan's experience to current and prospective clients.

They needed a technology platform that would foster the strategic partnership that marketing maintains with firm leadership, so the CMO, Terra Liddell, turned to Intapp for help.

"By capturing a deeper level of insight via Intapp Experience, we can turn capabilities conversations into outcome- and business-based discussions with clients and prospects."

TERRA LIDDELL, CHIEF MARKETING OFFICER, FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP

By unifying the firm's data and capitalizing on modern technology capabilities such as AI, Finnegan's lawyers are empowered to run searches on their own, independent from marketing. Practice leaders can benefit from insights to reinforce strategic efforts. Overall responses to client inquiries are faster and stronger. And IP professionals are more easily able to review and assess clients to identify cross-selling opportunities.

LEARN MORE

The pivot: From reactive to predictive

Given all of the powerful benefits of unifying data, creating actionable insights, and increasing smart collaboration, why are some marketing organizations primarily responding to RFP requests and compiling spreadsheets to identify areas of specific legal expertise?

Many law firms are currently trapped in a traditional marketing strategy where the team largely responds to lawyer requests. Some firms have moved one step further and employed an insight-based marketing strategy to meet client demands, with varying degrees of success. However, the legal industry is facing increasing disruption from both clients and competitors, and firms are expected to anticipate client needs through predictive marketing.

Modern law firms need to take a new approach. They will ask, "How do we anticipate what clients need next? How can we speed up the process for winning new business? Are we maximizing wallet share and coverage with our major clients? How do we focus on the most lucrative opportunities?"

By leveraging technology and data, CMOs can accelerate the shift to a modern business development strategy that places the client first. However, technology is only one necessary component, and moving from a supportive function to strategic partnership cannot be achieved without having the right people in place to drive the client-focused process.

People

In order for a CMO to be empowered and influence strategic growth plans, they need to hire people with a passion for and understanding of technology. This allows the team to build appreciation and excitement around what is possible with technology and demonstrate the value of what can be achieved.

Process

The business development process is built upon data-driven client marketing and account plans. The creation of these client account plans necessitates a seamless integration of data to properly service clients and future matters. Implementing this modern client-focused business development process aligns the firm's infrastructure with its strategic goals and helps build consensus across the C-suite.

Technology

Technology provides CMOs with the capabilities to make informed and confident decisions and recommendations. Integrating a robust technological platform that better manages client contact points, call lists, and process management needs frees up lawyers to work on high-value, complex matters that deliver outstanding client results. For marketers, centralizing lawyer relationships and experience exposes opportunities to service clients across the entire lifecycle.

With the right technology, data, and people, CMOs can accelerate the shift to a modern business development strategy.

The 3 Stages of Modern Marketing

Accelerate growth, foster collaboration, and increase data transparency

PEOPLE

Marketing in supportive role
Executing events, advertising, developing collateral, responding to RFPs

Marketing in advisory role
Develop account plans, alignment to practices and industry sectors

Marketing in strategic role
Smart collaboration; incorporates key account insights into client engagements and matters

PROCESS

Transactional
Lawyers attract business and execute engagements

Expertise alignment
Opportunity identification based on key client plans and sector-specific knowledge of macro issues

Lifecycle-based marketing approach
Institutionalized program of key client teams with accountability

Identifies business development opportunities across entire client engagement

TECHNOLOGY

Legacy systems
Emails, spreadsheets, point tools, force-fit generic CRM

Manual process
Disjointed data entry

Low adoption
Minimal collaboration, little insight

Greater insight
Influences firm's growth strategy through greater client insights and increased practice collaboration over time

AI-enabled data capture & analytics
Automatic tagging, summaries, and metrics

Firmwide opportunity generation and smart collaboration

On-demand information
Dynamically updated in real time

AI-based zero entry software
Embedded in daily work to leverage multi-dimensional views of complex web of relationships

AI does the heavy lifting

Emerging technology with artificial intelligence capabilities allows law firms to proactively identify client needs at the scale and speed necessary to compete in today's marketplace. Software that is purpose-built for the legal industry easily processes individual data points into larger context and create the necessary actionable insights. Utilizing AI and machine learning minimizes the amount of necessary manual entry work, since data is validated rather than updated and seamlessly collected throughout a partner's routine workflow. By leveraging emerging technologies to reduce data-entry frictions and business development bottlenecks, lawyers are more inclined to partner with CMOs and embrace new strategic growth models.

Rather than spending countless hours on data entry, marketing is now able to dedicate resources to developing sustainable and scalable client-focused strategies focused on driving firm growth, and CMOs are uniquely positioned as the internal voice of the client to create key-client plans. Given their central positions in the business development process, they have the necessary in-depth account knowledge to confidently speak with lawyers and comfortably engage with clients. The development of firmwide key-client plans fosters collaboration across practices by also identifying cross-selling opportunities.

Be the hero of your firm's stor y

To modernize their marketing organizations, CMOs should prioritize the following:

Build a coalition of support. Becoming a data-driven organization starts at the top with identifying forward-thinking senior partners to support the cause. To effectively shift any firm's culture and create change, CMOs need to define a shared vision with their peers around how data insights will inform the business and fuel continuous growth. A senior partner sponsor helps give legitimacy to the need for change and establishes the change as a priority.

Restructure your team and processes to activate around data. Before you can truly leverage data in an impactful way across the firm, you have to evaluate your team structure, roles, and processes. The first step is to assess where in your organization data is already being used effectively, so you can work with those teams as change agents. Similarly, you can look at places where data is not being used to understand why it is not being used. You might find that the leaders are not familiar with how to incorporate data into what they are doing. Perhaps you lack the necessary data scientist resources or skills.

Identify technology gaps. You might discover that the necessary data and tools are not in place. Modern marketing organizations need modern technology. Newer systems available today have zero-entry data capture to promote ease of use and accurate, timely recording of data. They can mine and integrate data from other key systems, creating a single repository — accessible across the firm — of all engagements, credentials, and experience. And these systems facilitate the tagging and coding of data to provide actionable insight, often through automated processes.

Focus. Areas such as key-client programs provide a natural framework to ensure firms are focused in their go-to-market strategies. Leveraging those key client teams to experiment and pilot new ways of embedding data and insight into the business development process will help increase internal enthusiasm as you can demonstrate those quick wins.

Build scalable processes. Driving sustainable and repeatable growth will only come if you build a strong process for experimentation within the firm and your team. As clients provide signals about their needs and intentions through activities, you need to have a methodology in place for how you turn those insights into action with relevant and timely content and experiences based on these triggers.

Intapp for Marketing is purpose-built to help you find and win more new business, develop your key-client plans more strategically, and improve and accelerate collaboration with partners by using automation and today's most powerful technologies.

Contact us to learn more about how Intapp can help.

LEARN MORE

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