# A Single Source of Truth

## How Law Firms Leverage Data to Win Business and Exceed Client Expectations

LITERA

# Introduction

Data is the most essential asset law firms can put to work to win new business and improve the experience for those clients already won.

The availability and use of data is transforming virtually every industry, supporting and streamlining business development decisions. Now it's the legal industry's turn to see the benefits of that transformation.

Data is valuable to many law firm functions, but this white paper focuses on two areas where leaders of law firm marketing and business development teams, and leaders of knowledge management teams, can make the most difference: Winning more business and enabling lawyers to exceed client expectations with superior legal service delivery.

Becoming a data-driven organization is not a single event or even a series of tactical steps. It's more of a mindset or a strategic approach to how a firm handles its data. We call this "A Single Source of Truth" because its ultimate goal is to ensure that all available data support every decision and that people in the firm can rely on that data as the most current, accurate basis for those decisions.

# Removing Barriers that Separate Data into Silos

Much of the data held by a law firm is spread out over many separate systems - business intake systems, CRM systems, HR systems, document management systems, and KM systems.

These systems store and generate data that is the result of many separate processes and inputs.  Today's challenge is normalizing and integrating all that data because lawyers and firm management ask questions that often require data from more than one system.

Law firms are only recently starting to catch up with other industries in figuring out how to get data from those systems to work together. Removing the walls between systems and harmonizing data is a matter of data governance, and this practice of good data governance needs to engage the entire firm. By its very nature, it requires multidisciplinary solutions, with expertise coming from lawyers, technologists, operational staff, and business experts.

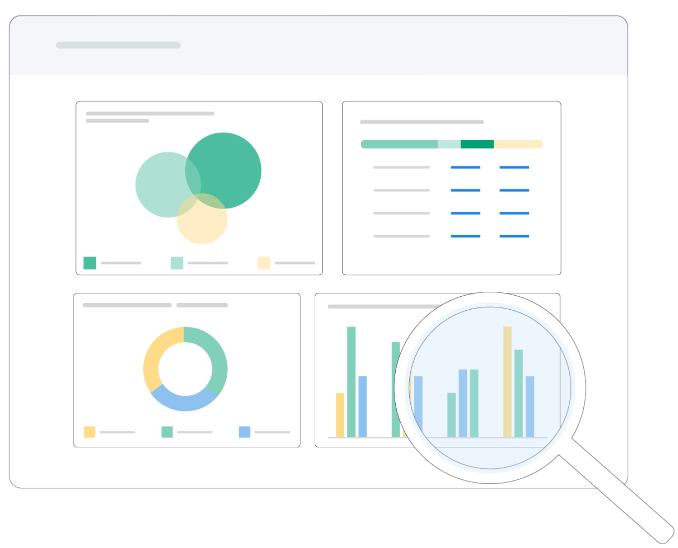
So broadly speaking, that problem of creating a single source of truth permeates many different functions in today's law firms. It is a central challenge that underlies all efforts to leverage data for better decisions and more effective business development activity for marketing, business development, and knowledge management professionals.

# A Single Source of Truth for Marketing and Business Development

Law is a knowledge-intensive industry; firms need to be able to communicate about the intangibles that differentiate their expertise and service delivery from other firms and engage clients in new ways.

Technology and data have revolutionized marketing, and law firm marketing and business development functions are growing in importance.  A recent survey by recruiting firm Calibrate Legal found that the ratio of law firm partners to marketing and BD professionals was 12:1 in North America and 5:1 in the UK. That same study found that firm spending on sponsorships and in-person events is down (partly due to the Covid-19 pandemic). Still, a very high percentage of larger firms (89%) intend to increase digital marketing technology and program spending.

It is essential to understand how law firm marketing differs from other industries and how industry-specific software best fits the needs of those new professionals.



## THE ROLE OF DATA IN MARKETING STRATEGY AND COMMUNICATIONS

Law firms operate in a knowledge-based industry where expertise is the product; establishing a firm's thought leadership and brand attributes, and building trusted relationships, are critical in that context. The challenge for law firm marketing and business development is differentiating a firm from others and demonstrating the superior expertise and experience of its lawyers.

### So how does a having a single source of truth support marketing and business development functions in legal?

On the business development side, it means that teams have a complete profile for each client (derived from data about billing, matters, behaviors, content, events, industries, and markets) in a single location. Having that data aggregated and at hand enables BD professionals1 to spend less time tracking down the data and more time tailoring the conversations it wants to have and strengthening those relationships to win more business.

Today's firms can do so much more to tell their stories in terms that potential clients will respond to. And the most significant difference between yesterday's firm and today's is the availability of data that can tell that story.

Software tailored to the marketing needs of law firms supports that work in two ways. First, bringing critical data together provides the most accurate view of clients and enables marketing and business development teams to develop strategies to drive engagement and brand. Second, automating many of the motions it takes to deliver content and marketing messages conserves resources for the higher-value work of thought leadership and relationship building.

## BIOGRAPHY CONTENT MANAGEMENT

Despite the new technology-enabled marketing capabilities that firms now enjoy, the firm's greatest asset is still the expertise of its lawyers. The lawyer biography is still one of the most valuable marketing tools available.

Traditional lawyer bios have been seen as relatively static, text-based pieces of content. At best, firms could maintain current bios with a manual update and cut-and-paste as needed for various uses. Many firms are turning to software to leverage lawyer bios into a much more dynamic and flexible marketing asset, something much easier to maintain and distribute than with manual methods. According to a recent ILTA Marketing Technologies Survey2, about 30% of firms actively seek to acquire new experience management technology.

## PRICING AND PITCH DEVELOPMENT

With robust data about clients, and software-based processes to maintain and deliver up-to-date lawyer biographies, law firms have the essential components they need to put that data to work in pricing and pitch development workflows.

The best of these systems pull data from multiple sources across a firm and integrate it with critical applications. Software can help law firms with every step of those processes:

- **Enhancing pricing analysis.** Firms with a single source of truth about their past work can identify similar matters to facilitate pricing, staffing, and budgeting estimates.
- **Identifying the firm's expertise.** The data captured in a firm's system enables marketing and business development teams to win business and better serve clients. Gone are the days of searching for lawyers with specific expertise through a broadcast email or relying on memory. Data-driven experience management unlocks the power of the data already in the firm's systems to locate expertise across practices and geographies.
- **Finding relevant experience.** In addition to helping identify legal expertise, establishing a single source of truth about past matters, clients, and project types allows firms to identify lawyers with very granular experiences that can be extremely valuable in targeted pitches and proposals.
- **Transforming the pitch itself.** Technology also plays a significant role in managing the process of generating pitches and proposals. Templates with firm-branded output and carefully curated boilerplate content such as practice group and industry descriptions, answers to common RFP questions, and standard charts and infographics all enhance the output for the benefit of clients – and make the process easier and more efficient for business development teams.

With a single source of truth about their lawyers' collective expertise, law firms can spend less time chasing down biographical data, credentials, publications, and the like and more time leveraging that material to build client relationships through tailored communications and proposals.

## COLLABORATION: IDENTIFYING AND ADDRESSING THE WHITE SPACE

Collaboration is key to setting and executing strategic plans. But collaboration across the firm in serving specific clients is a crucial success factor.

Dr. Heidi Gardner, Dr. Heidi Gardner Distinguished Fellow at Harvard Law School and head of her research and advisory firm, studies collaboration in organizations like law firms.  Her research shows that collaboration is increasingly important in a world where complex legal matters require law firms to respond with lawyer resources from more than one practice group.

Law firms can measure the revenue effect of that collaboration by grouping and examining the average revenues received from clients served by similar numbers of practice groups. In one firm, she found that revenues from clients served by three practice groups were 5.7 times higher than those from clients served by only one practice group. For clients served by five practice groups within the firm, revenues were 17.6 times higher than those served by only one practice group.

That's the multiplier effect of better collaboration – but how do firms get there? Technology and access to good data are essential. And there are signs that firms are investing more in collaboration, especially since the onset of the Covid-19 pandemic.

In a pair of surveys in 2020, the Bloomberg Law Legal Operations Survey and the Bloomberg Law Legal Tech Survey5, the number of law firms found to have implemented software-based collaboration tools jumped from 27% to 44% in just a few months between the surveys in March and July 2020.

### How might technology enable more collaboration across the firm?

First, law firms can create a central platform to manage firm, sector, practice, and client plans. But the platform must be designed for transparently sharing plans across the business, allowing individuals to align their objectives and enabling easy collaboration among colleagues.

Second, firms can use data to identify clients served by fewer practice groups than the firm's expertise could deliver – this is the "white space" opportunity that Gardner's research identified. A single source of truth approach, which proactively monitors client and matter data, analyses it, and highlights the opportunities to focus on, can keep firms ahead of those opportunities and enable them to reach out and cross-sell to the right clients.
A software-based approach replaces the manual process of collecting that kind of data and turns a reactive process into a proactive one.

# A Single Source of Truth for Service Delivery Excellence

Once the work is won and the budget set, the focus turns to execution: deploying lawyers with the best-matched experience and expertise profiles and delivering work on time, within budget, and within scope.

Ideally, well-planned implementation will reduce write-downs and write-offs and improve client transparency. Three broad types of software tools are helping law firms improve their execution:

## EXPERIENCE MANAGEMENT FOR STAFFING

Good data on past matters is not just crucial for pricing legal work. It's essential to the efficient and optimal employment of a firm's human resources at its disposal. It's also necessary to staffing discussions with clients. In Altman Weil's Law Firms in Transitions study, 72.5 % of firms report "conversations about project staffing" as a critical strategy for understanding client needs. An experience management system provides factual data to support decisions around talent and staffing in those conversations. Experience management helps firms identify not just the "what?" and "how much?" components of a project proposal but also the "who?"

Knowing who has successfully worked on specific matters is an essential component of a data-driven approach to optimally staffing new matters. In the past, a partner's instincts, relationships, and anecdotal experience might have been the best basis for choosing the team to work on new matters. Now, firm data can be tapped to identify expertise in areas of law, practice-specific skills, bar admissions, and languages, and rich user profiles can track the relevant skills and expertise of each lawyer – but even where better data to support those decisions is available, pulling it all together can require a lot of effort from legal teams.

Firms can ensure that experience profiles are accurate and up to date with built-in approval processes and control with the right software platform. But software goes beyond aggregating and standardizing lawyer profiles and expertise data; with the right industry-specific software, built-in intelligence can surface the profiles of the most appropriate people to work on a matter or even recommend the best team given the project's parameters.

## A SINGLE SOURCE OF TRUTH FOR IMPROVING SERVICE DELIVERY AND CLIENT EXPERIENCE

Once the pieces are in place, and a firm has access to updated sources of data about its talent, past matters, and clients, the data can be put to work in the areas that make the most difference to client relationships. Here are just some of the ways maintaining a single source of truth can enhance service delivery:

- **Mitigating attrition risk** by tracking partner engagement and a client's ongoing activity across practice groups.
- **Expanding business relationships** by segmenting clients based on firm-defined criteria. Firms can quickly identify the clients and segments most likely to deliver the greatest opportunity.
- **Discovering Who Knows What** by accessing a combination of experience, client, and people information to learn who knows whom, who knows what, and who has done what type of work.
- **Drilling Down for Insights** by examining relationships from every angle to pivot across industries, markets, companies, lawyers, third parties, and more and then dig into the relevant details.
- **Assessing Client Health & Performance** by tracking key client analytics that provide indicators to assess relationship health and inform client strategy at a glance.
- **Targeting Cross Selling Opportunities** by looking for the "white space" – with reporting that identifies clients who have engaged the firm in one area but not another.
- **Prepping for Client Briefings** by giving client and practice teams access to rich client profiles summarizing the critical touch points of a client's relationship with the firm.
- **Tracking Portfolio Companies** by unlocking the direct and indirect relationships and potential opportunities within holding companies, private equity firms, investment funds, and other interconnected clients.

All these tactics have always been theoretically available to law firms if only they had easy and standardized access to the data that flows through their systems. The digitization and management of all that data will power enhancements to client service delivery and make the best use of the information already there.

# A Single Source of Truth as the Engine for Strategic Growth

Law firms sit on top of a large amount of valuable data that can be leveraged across many firm practices, functions, and processes.

They typically find that data is locked away in a dizzying array of systems in many firms. In building up their technology stack, many firms have added layer upon layer of critical systems: financial and billing systems, strategic planning applications, expertise databases, document management systems, matter and client systems, CRM systems, and various digital marketing tools.

Those systems were put in place for good reasons and maybe yielded excellent results. But how to get to the next level? Software is helping some of the most successful firms to bring the data in those systems together in a manner where the whole becomes more significant than the sum of the parts.

Most importantly, leading law firms are transforming their data resources into a consistent and standard single source of truth that is being put to work in the areas most essential to a firm's growth and profitability: winning new business and better client service for existing clients.

# Maximize your firm's use of data, wherever it lives

Wherever your data is now – centralized, siloed, or somewhere in-between – and wherever it will live in the future, Foundation is the layer which makes it actionable for people in your firm.

- Partner with a market-leading vendor who has proven success with customers like you, understands the legal profession, and is low-risk
- Simplify your architecture and your approach to data, its management, security, and access
- Free up your resources for other priorities with configuration, not customization

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