

## CRM Developments in the Professions

The advertisement from a global law firm in The Economist magazine grabbed my attention. Under a colour photograph of an archetypal psychologist's couch, the headline read "TELL ME ABOUT THE RELATIONSHIP WITH YOUR LAWYER". The copy continued....."It turns out, there was no relationship....".

The reality is that many professional service firms are finding it difficult to replicate the customer relationship management (CRM) successes achieved by service providers in other markets. So I thought firms might find it helpful to have a fresh look at what the critical success factors are.

What follows is based on two CRM projects I've worked on recently and some interviews I've conducted with other professional organisations:

- two top twenty law firms, widely judged to be pioneers in CRM
- two big 4 accounting firm, which have had more than 20 years running international CRM programmes
- two not-for-profit bodies providing qualifications and training to the professional sector
- an international manufacturer of food products which needed to build close relationships within the grocery sector. This one might look odd! I have included it because I believe this more sophisticated and competitive market could offer insights for professional firms

### Choosing the right clients to build relationships with

The point here is that biggest doesn't mean best, though there obviously needs to be good potential. The most important aspect for choosing the right clients is that you have a similar set of values and are in 'rapport' with them. This means that the extra effort you put in is more likely to lead to rewards.

The other finding is that CRM seems to work better when the efforts are channelled on fewer clients.

The grocery manufacturer put it this way:

*Working out which customers we should put particular emphasis on was key to our success. We discovered that it wasn't necessarily the biggest customers. **We had to see signs that we were compatible.** We developed a couple of tests. One involved mapping the current relationship. The other analysed the potential in the relationship.*

One of the law firms added:

*Some of our best successes have been where our partners, frankly, just hit it off with the client! The other thing we discovered was that we were trying to develop relationships with too many clients. When we cut the list down, we could provide more support and things improved.*

## Top-to-Top meetings

Once you've selected the right clients, find out what they are trying to do with their business. What is their vision? How are they proposing to get there? Without this knowledge it will be difficult to manage the relationship in the ways that will support their vision.

The Relationship Partner might be the right person to have this meeting. An alternative would be to invite a more senior representative from the firm (eg senior partner) to meet their counterpart. It might depend on who it is important to meet from the client side.

An additional benefit of top-to-top meetings is that they show real commitment to building a relationship. As seen by the grocery manufacturer:

*Top-to top meetings also helped us demonstrate our commitment to building the relationship and this helped give the relationship some momentum*

Where there is currently a limited relationship with, say, the Board of the client, one of the big 4 accounting firms has found it useful to offer clients useful insights on sector business issues that might provide competitive advantage:

*We find 'thought leadership' programmes work well for us. We might research an industry issue and use this to help us open doors. We have realised that to impress clients, it's important to be clear what your value proposition is. How will you help your clients? We typically spend hours preparing for top-to-top meetings to ensure we get our agenda and insights correct.*

For other clients, perhaps where more transactional work is already underway, the top-to-top meeting might focus on a service review to uncover what aspects of service were going well and what needs to be improved.

## Focusing more on the quality of the relationship than getting a sale

But how do you measure this, I hear you wonder! A big 4 firm uses a checklist and point system:

*We use a 10 point scale. If we haven't met them and we don't think they have heard of us, we're at ground zero. If we've met, they know what we do and think we're good, we'd score them 5 or 6. When they instruct us, it moves them up to 7. Only if they recommend us to others do they score 10.*

A law firm provides a prompt sheet with their client relationship teams to help them consider ways of getting to know their client contacts:

*To encourage our partners to get to know their clients better we have given them a list of areas to explore, including their careers, interests outside work, ambitions, hopes and fears, how their bonus is comprised etc. Some of these topics are safer to talk about than others. Our partners obviously need to build more trusted relationships to comfortably talk about some of the deeper stuff.*

Most partners find these sorts of conversation uncomfortable, so this brings me on to the next idea....

## Developing skills in relationship-building

It's easy suggesting that partners should build closer relationships with clients. It's much harder in practice and firms are starting to address this by providing training and coaching in relationship-building. An important aspect in such training is skills practice (otherwise known by that dreaded word 'role play').

Training can be designed to help answer questions such as:

- How do you pick up the phone and arrange to meet a senior member of the client team who you hardly know?
- What are the best ways of winning work from that rival firm?
- How do you get the associates and your PA to play an increasing role in developing relationships with clients?

One of the big 4 accounting firms has utilised their PA's in their CRM programme:

*I'm not sure how good we are at motivating the back office in our CRM programme. This is an area we need to look at further, though we have recognised some talented PA's/secretaries. So we launched a PA programme. This involves our PA's meeting client PA's. They might have drinks or attend any of our sponsorship events. This has helped improve client relationships enormously. It's like it's oiled the wheels.*

One of the professional bodies has used CRM training throughout their organisation.

*It's made a big difference to have the skills training linked to the Relationship Management project. Our Directors and Heads have all praised the top-to-top training and we're now training our Director PA's.*

One of the law firms added:

*We could probably do more to engage with the support staff who deal with our key clients – I accept that our service is only as good as the weakest link*

Another law firm added:

*We are having great success offering partners and senior associates one-to-one coaching on BD and developing client relationships particularly at important stages of their careers.*

## Making it happen

The firms making most progress with CRM seem to put the most emphasis on making things happen, rather than just talking about it.

One of the law firms said:

*Out of our top 20 clients, the ones that worked best seemed to meet most often (some met weekly for just 10-15 minutes) and chase people to ensure actions were implemented. Support from the BD function was important. We attend meetings and provided checklists for client team meetings and proforma relationship plans. These help give team meetings a focus.*

The grocery manufacturer put more emphasis on joint business plans with the customer and ensuring the customer could see early results:

*Drafting a joint business plan with the customer is important. Without the customer involvement we felt we wouldn't get their commitment. We also put great emphasis on good quality execution. We were aware that little things could spoil the effect of what we were trying to do. We felt it was important to hold monthly meetings to progress the plan and track performance to demonstrate results.*

The joint business plan is interesting. It implies that a conversation has been held where the supplier says that the client is strategically important to them. How many professional firms say this to their client? Producing a plan to develop a client relationship will probably be helpful. Producing, with the client, a plan to add value to both parties is on a different level of commitment and lead to great results.

One of the professional bodies used a relatively sophisticated contact management system. They enabled them to monitor client contacts and produce a report based on a 'traffic light' code, in which no contact over a 3 month period might produce a 'red alert'.

*We have a powerful database in which every interaction with a key organisation is recorded. The database is hugely important to us because our relationships are complex. It's like a big matrix. Everybody is encouraged to contact who they know, regardless of who the Relationship Manager is. We call it a "web of contacts". They just have to tell the Relationship Manager the outcome.*

## **Conclusion**

There are, of course, many systemic challenges in professional service firms with respect to CRM, namely:

- Partners are typically more comfortable with the task of doing their technical work and less comfortable with building client relationships
- The measurement and reward processes used by many professional firms do not encourage the behaviours associated with good CRM (eg spending time deepening and broadening client relationships).

The long term breakthroughs will probably be achieved by addressing these fundamental issues. Meanwhile, I hope you find some useful ideas in this research.

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