

Contact management

In the list of odd things about CRM, it is worth noting that the name does not fit in with the set of products law firms use. Nearly everyone is familiar with the various acronyms: PMS, DMS, KMS, RMS and even HRMS (practice, document, knowledge, records and human resources management systems). So let us bring this system into line, and look at what a *contact management system* (CMS) will do for your firm.

Simplifying the drudgery

One of the most important features of the actual software is its ability to take a lot of the work out of maintaining contact details. Creating a shared list of contacts with appropriate controls should save everyone a lot of time, as most contacts will be known to more than one person in the firm. Removing the duplication of entry as the first person with new information updates the system saves a lot of work and helps with the accuracy of information, as there is a much higher chance of changes being known about. If alerts are used the changes can be double checked by everyone else who knows that contact, catching errors very quickly. Maintaining accurate data has always been important but changes to data protection rules have now made this vital.

A common mistake made with the introduction of a centralised system is telling all the partners that their contacts do not belong to them, but that they belong to the firm and they must give them up. Not only is this inaccurate, this message achieves nothing except increasing resistance to the change. Individual contacts are personal, and will always belong to the lawyer who has them. All that the new system does is store them in a central place so other people who have the same contacts can share the load of keeping the records up to date.

One thing to look at here is who is doing the entering of the information. Are new contacts added by the fee earner themselves, or are by passing business cards to their secretary or to marketing. Whatever method is used, the question of Outlook normally comes up. People like to have their contact details easily accessible in Outlook alongside their calendar and email. This often gets confused with the requirement that the information must be entered into Outlook, which is not the case. Except for very simple lists, Outlook is not easy to use to record contact data as it is essentially a flat file. You cannot link many individuals to a common employer. A more sophisticated CMS will allow this, and can provide many tools to help, such as checking against existing records, postcode lookup and other validation techniques, all of which will speed up the entry and increase the accuracy of information.

For contact management, this is also the time to gather important extra information. Where did this contact come from? Was any other information found out about them when you met them? If it is a new organisation, what sector are they in? Are they just a useful contact or a

potential new client? This is all extremely valuable data that can be collected as the contact is entered, but much of this information is normally lost entirely let alone shared.

Once quality lists are in place with supporting information it should also be simpler to achieve tasks such as maintaining mailing lists and preparing invitation lists for events, with much of this work being delegated from the partner to secretarial or marketing staff.

Coordination

Once a central system is in place, coordinating the firm's activities with regard to any contact is also much simpler. Viewing the 'contact' in CMS as a verb rather than a noun sums up what should be happening. Every time there is a meeting or exchange of information with the contact, a brief note should be recorded of what happened, and what new information about them was gathered at the time. This can be an invaluable reference for people about to meet the contact, who can get a quick history of the firm's dealings, and importantly can present a coordinated impression to the prospective client.

This level of detail is not required for active clients, where it is not practical or useful to record every meeting. However meetings with new people or marketing and event activities should be recorded.

New clients

The client inception procedure is one of the most important administrative tasks done in a law firm. It is a great missed opportunity that in many cases it is a set of discrete activities, as partners get them on the PMS system, go through money laundering procedures and update marketing data as separate activities. With so much to do (and at this point the focus of a partner has shifted from winning work to doing work), the last of these often gets missed off.

A good law firm must integrate its systems for this exercise so client inception flows as a single activity to gather all the information required at the time. This should include adding more formal sector and industry classifications against the client, both for the work the firm is engaged for *and for activities the client does that the firm is **not** engaged for*. This last information is absolutely vital for supporting cross selling and increasing the amount of work from the client, which usually increases the strength of the relationship.

Analysis

A good CMS implementation will also provide a basis for reporting on business activity over and above that provided by the practice management system. It is crucial that the two systems are linked in order to be able to produce the valuable kind of analysis that is possible. Examples of this would be tracking fees back to formal and informal referrals, seeing how many new clients were driven by staff moving from existing clients. Another useful feature is that the CMS system can provide a real world view of organisations, and layer this on top of the financial information in the PMS. For example, a large group of companies may

have many client numbers, especially when dealing with international entities, but it may be useful to be able to report on revenues across all of these in a more flexible way.

The other area where analysis in the CMS system is of great help is in identifying future work. The finance system will not normally hold any information until time starts being recorded, but linked to the CMS system it should be possible to record estimates of future billings for new clients and matters, and also a longer term prediction of likely work from clients not yet signed. This element of forward analysis rather than looking at why billing targets were missed after the event is part of the modern working practice yet to be adopted in the legal sector.

Summary

Law firms are not sales based organisations requiring large CRM systems. They do however require high quality contact management procedures, which in turn require good software (a CMS) behind them.

The interface between the CMS and the lawyer should always be as part of the process of their normal work. Recording contact details as they meet new people, updating information as clients make requests for more or less information, and entering new facts about them as they are learnt should all be second nature, and not seen as add on work with an add on system. Ideally, there is no requirement for lawyers to see the system at all, just elements of it appearing as part of existing processes.

If this happens, the information available to everyone for managing the firm and gaining new work will be immense.

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