

What makes CRM successful in professional services firms?

Implementing an effective Client Relationship Management (CRM) system has been seen by many firms as a purely technological solution. One IT Director of a leading firm is well known for saying that as soon as any project becomes an “IT Project” he instructs his team to stop work and focus on something else. The reason being? IT projects always fail.

Successfully implementing a CRM system can have significant benefits. However, it is crucial that those involved in CRM projects bear the following things in mind:

- How will their users use the system?
- How will it fit in with the way they work?
- What information is really important to users and how will you maintain it?
- What are the outputs that users are going to want?

My experience in working on CRM projects leads me to conclude that it is possible not just to survive CRM but actually to succeed. However what are the keys to success? This article explores some of them and also some of the pitfalls.

Explicit Management Support

The number one reason why CRM initiatives fail within any organisation, not just professional services, is lack of explicit senior management support. It is not enough to send out emails from the managing partner expressing commitment, it is essential for the entire executive board to “walk the talk” and become the most vocal advocates of CRM.

This has to cascade down to the fee earners. In a market where differentiation is so important, and increasingly difficult to achieve, a well defined and well supported CRM programme enables firms to leverage its relationships effectively. Personal relationships are increasingly one of the only real ways to differentiate yourselves from your competitors and it is for this reason that the entire fee earning community should support it.

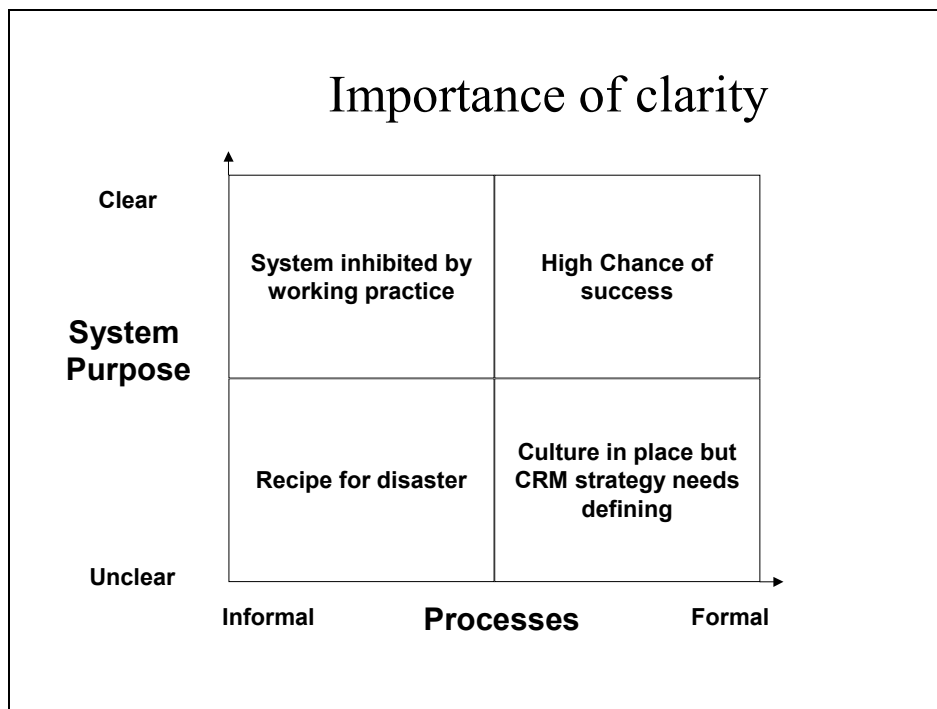
What does CRM mean to your firm?

The second critical success factor is being really clear about what CRM means to your firm?

For some CRM is no more sophisticated than a place to store their business contacts' names and telephone numbers, whereas for others it's about identifying and exploiting the most profitable opportunities. Neither of these is necessarily wrong. However where things tend to go awry is where users expect they are getting the latter and the project team is aiming to achieve only the former in the first 12 months.

Once you have identified and agreed where your firm is aiming to get to on the CRM continuum, then it becomes possible to define the processes that need to be in place to support that objective.

The diagram below aims to show the dynamics that are often in operation in a firm in relation to system purpose and business processes. Generally speaking those firms that are clear about the purpose of the system (and have communicated it effectively) and have well defined business processes to support CRM, are much more likely to succeed than those that lack clarity or have informal processes.



Clear understanding of the role technology plays

Technology is a great facilitator, but it is not a panacea. Those involved in implementing CRM technology must do so with an understanding of how the stakeholder groups within the firm, fee earners, support staff and even potentially clients, will use the system. Too often systems are deployed which require data to be entered in two different places, or require an unnecessary change in existing business processes that already work well. If this is at the heart of your CRM implementation plans then they are destined to fail.

You can sell all the business benefits you like, but at the end of the day fee earners will only use systems if the processes used are at least no more difficult than the way they currently operate. It's also important to bear in mind that if you approach selling the system on the basis of "fixing what fee earners do wrong" you are likely to get a less than positive reception. A much better approach is to explain to fee earners that CRM technology is here to make easier that which they already do well, and enable them to make time for other potentially more important business development tasks.

CRM technology represents a significant investment in technology and time for firms, and this could be wasted unless you determine what the system is for and how it will support your existing business development activity rather than change it for change's sake.

Clearly articulated data management strategy

The last critical success factor is getting the data right. You have to understand what information you will need and what data you currently have. This audit of your information should drive your data strategy.

I would strongly advise against large scale fee earner clean ups, or loading all data from practice management systems into CRM. The former will result in bad will amongst the fee earning community and is likely to take a great deal longer than you expect, after all who wants to spend their nights pouring over list print outs? The latter will mean that the new system is swamped with irrelevant information which will turn users off. Auditing your data is essential to help you strike the right balance.

I work with firms to assist them to identify a methodology by which they can identify those clients and contacts with the greatest potential. This is not as hard as you might think. The starting point is to be clear about what "value" or "importance" means. This might be any of the following (although this list is not exhaustive):

- Number and value of instructions
- Growth potential
- Share of spend
- Strength of relationships
- Attendance at marketing events
- Alignment with service line or industry business plans

The problem with data for most firms is a fear of throwing information away, in case someone needs it again. In my experience this virtually never happens. This makes, therefore, the effort of cleaning up a lot of your data simply not financially viable.

There's a reason why most fee earners can name the "Top 100 Clients of the firm", they mean the most to them. So let's start there.

Summary

Implementing CRM successfully can be very straight forward. There are a 5 key things to remember.

- Get the buy in from senior management. The Board must be totally committed to CRM and communicate this.
- Be clear about the CRM voyage. Ensure that everyone in the firm understands the journey, the destination and the main stops along the way.
- Don't think too much about the tin. CRM is not about the technology. Don't worry too much about the kit, most systems will do most of the things you want them to do.
- Manage your time effectively. Sell the system to stakeholders based on how it will save them time and make their lives easier.
- Get the data right. When it comes to data management less is definitely more!