

CRM – The Truth in Professional Services

March 2010

A survey by Professional Marketing Forum
and The Thriving Company



This report was compiled in association with:



THE WINNING FIRM ALLIANCE



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Contributing to the health of the firm



Richard Chaplin

It gives me great pleasure to introduce the latest *CRM – The Truth in Professional Services* study, which once again is in conjunction with The Thriving Company.

Now in its third edition, the study continues to evolve and to capture the imagination of participants. Well over 500 responses have now been captured in the life of the benchmark. I believe it to be the most significant survey of client relationship management activities – and results – specific to the professional services sector.

Sometimes it is tempting to think of CRM as a ‘bolt on’ activity. However, the reality is that, done effectively, it contributes hugely to the health of a firm. Any firm should focus on building more robust, less volatile revenue streams. Building the capability to deliver the value and service that clients need, and managing this throughout the firm, is the core

route. But our report confirms that the abilities of firms to be client focused and to do this well remains very variable.

This report should be of value not only to marketers in professional services, but also to management team members, and to anyone who cares about, and has the appetite to contribute to, the success of their firm. The results provide a compelling case for senior management to engage more heavily in setting the direction for CRM.

The study focuses entirely on activities taking place today, at professional services firms worldwide. The vast majority are achieving some financial and strategic benefits – but few are achieving their potential. This report articulates what needs to be done to generate improved performance.

In addition to a summary from Robin Dicks of The Thriving Company, the report also includes expert commentary and advice on ways to improve CRM performance. The PM Forum thanks all contributors.

Richard Chaplin
Founder & Executive Director
PM Forum
Managing Partners’ Forum

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Achieving critical business objectives

Many firms have invested in, or are evaluating CRM technology, but questions still arise as to whether CRM is a fundamental component to the health of a firm and whether they are getting as much out of their systems as they should. Paul Tilling from LexisNexis explores these and other questions looking at the success factors common to any CRM project.



Paul Tilling

The results of the PM Forum survey into the uptake and deployment of Client Relationship Management (CRM) within the professional services sector, suggest that CRM is increasingly viewed as a business critical project that can deliver almost immediate benefits. The technology is of course a vital ingredient that needs consideration when implementing a CRM solution, but it is not the only factor to take into account. Due to the far reaching ramifications of such projects, other elements are also pivotal including the level of ongoing internal support from senior personnel within the firm, the availability of best practice documentation from your CRM supplier and a broad and mature user community that your firm can regularly share experiences and ideas with.

Many firms have already invested in CRM technology, however, as the survey suggests, most are not fully realising the potential that CRM offers. As an example only 27% of firms are tracking key success criteria for their deployments, a remarkable statistic when compared to other areas of investment such as marketing activities where variables such as lead conversion would be closely monitored. All firms should focus their attention on how to use CRM systems more strategically, in effect using CRM to better position themselves in the minds of clients and prospective clients. Done well a CRM solution can help the firm to accomplish several critical management processes. Ideally therefore a CRM project would begin with the creation of a strategic framework for action. This would essentially aim to clarify the firm's CRM vision, gain consensus, set and communicate the firm's CRM goals, set targets and allocate resources and facilitate strategy review and learning. The objective of this framework would be to set the CRM project on the right course, monitor it as it develops and amend its objectives as commercial objectives change.

As a basic guide there are some

overarching success factors common to any CRM deployment or project. The CRM strategy should be simple, it should be communicated to everyone in the firm, focused on protecting key clients and on helping your firm to find more clients that fit the firm's pre-defined 'ideal client profile'. It is not only essential business practice to regularly review and update the data you hold on your clients but it is also crucial if your clients are to be convinced that you are genuinely interested in them, and keenly aware of the commercial environment in which they operate. A Think Tank of law firm executives recently identified that key clients typically account for 90% of a firm's revenue, any additional effort expended on gathering key client information, including more sophisticated ways of monitoring the ongoing strength of the firm's relationships with them, is therefore time and effort wisely invested. The addition of sophisticated reporting tools such as LexisNexis Redwood Analytics can help your firm to develop a deeper appreciation of your clients changing requirements and of their personnel, helping you to manage key relationships more effectively and provide better

“Vision, alignment with the firm’s strategic goals and effective measurement are all related to the achievement of measureable benefits with CRM.”

analysis of your future business pipeline. Furthermore, these sophisticated reporting tools can help you monitor trends, identify opportunities for future cross selling initiatives and develop better ways of managing and realising revenue from referrals.

Many of the firms we speak to would experience significant medium and long term benefits by focussing more on Strategic Account Management (SAM). At a basic level this can be achieved by implementing stricter segmentation of prospective clients, clients and key clients within the CRM solution. Considerably more effort should of course be devoted to the smaller number of contacts you will have defined as key clients. By imposing a more sophisticated segmentation model you ensure that no client account penetration opportunity is missed and that greater key client care is managed appropriately throughout the client’s relationship with the firm. Regardless of which approach is selected each category must be clearly defined according to strict criteria which helps to avoid the CRM database becoming the firms ‘contact dustbin’ and also ensures that the CRM database does not grow to the point where it becomes

impossible for the firm to manage well.

Reviewing the PM Forum results it was interesting to note that 94% of firms that had implemented CRM achieved at least one benefit. This statistic is encouraging and it indicates that many of these firms are now well placed to further extend their CRM programmes, continuing their CRM journey toward the achievement of even greater success. It is also encouraging to see that the two key goals of cross selling and lower client attrition score well, as these goals should be considered fundamental CRM objectives for any professional service firm considering investing in CRM. The key message from the analysis of the results is that vision, alignment with the firm’s strategic goals and effective measurement are all related to the achievement of measureable benefits with CRM. Of course where there is a lack of vision from the senior personnel or a lack of focus on strategic objectives it becomes increasingly difficult for the firm to fully realise its CRM goals. Professional firms are often accused of ‘walking into the future backwards’ relying almost exclusively on lagging financial indicators,

however providing they approach implementing CRM as a journey rather than as a destination InterAction CRM can provide them with leading indicators and more confidently look ahead.

As the PM Forum results show many CRM implementations in the professional services sector are still in their early stages of development. The emergence of social media, ‘Software as a Service’ and mobile working will all continue to challenge currently held perceptions of relationship management and communication. Those firms that emerge from the recession with a strong business model will embrace these market shifts and behave in a leaner more client centric manner. By partnering with a professional services specialist that understands the impact of these market shifts on individual firms and their business development efforts, professional firms can achieve breakthrough performance without huge technology projects or excessive investments of what would otherwise be valuable billable time.

Paul Tilling is a client advisor at LexisNexis. He has over 20 years experience working with law firms across the UK and Europe.

The people performance issues

Phil Gott and Peter Scott believe that to achieve significant and lasting improvements in performance, firms must look beyond the immediate CRM processes. After all, professional services is a people business.



Phil Gott & Peter Scott

This CRM benchmarking survey highlights some important people performance issues firms may need to address to translate good CRM processes into improved business performance.

To put our comments in context it may be appropriate to state that we see CRM as: 'a systematic, managed approach for sustaining and growing loyal and profitable client relationships'. Furthermore, we see CRM processes as not only any IT system that is used, but all of the allied systems and practices that are applied in the pursuit of effective CRM.

With this in mind, it is striking that whilst 94% of firms surveyed report they have achieved some benefits from CRM, far fewer have addressed a broad range of CRM issues. Only one in three firms report that they have achieved major benefits in two or more key objectives as a result of CRM. It reinforces our view that to achieve significant and

lasting improvements in performance means looking beyond the immediate CRM processes, recognising the inter-relationships between the many facets of a firm. Too often CRM initiatives are piecemeal and not part of a co-ordinated firm-wide plan. Whilst they may provide a useful starting point, on their own they are likely to have only limited success in achieving better business results.

For professional service firms, building and enhancing client satisfaction is the only route to competitive success, and competitive success can only be achieved through high performing and well managed people. Professional firms are, after all, people businesses.

It therefore makes sense that client-side processes such as CRM will be more successful when a firm's people are first equipped with the skills and attitudes to build strong client relationships and turn opportunities into fee-paying work. Looked at the other way, when people management processes (such as performance management, training and reward) are focused on the areas of most value to a firm's clients and markets, the firm can achieve a higher return on its investment, and reduce wasted cost. For example, how do firms which say they value building strong client relationships reward such efforts?

CRM should always be looked at

from a client's angle. But this also requires it to be looked at from the people-management side. Effective people management involves, among other things:

- **Setting clear standards of performance that define what is expected.** Performance standards should cover all important aspects of performance. For client-facing staff, performance standards relating to client service need to be closely aligned with the firm's strategy and desired business outcomes. But the survey shows that only 46% of firms describe in measurable ways how they expect key front line-staff (partners, client relationship managers, project managers) to behave when servicing clients.
- **Attracting and recruiting the right people.** Setting performance standards means also defining the service qualities required (and valued by clients) and then recruiting people who demonstrate those qualities. Yet this benchmarking survey reveals that 62% of firms recruit, completely or to large extent, on the basis of technical skill. Is that really the only, or even the main, quality your clients value? It is unlikely. Surely high technical competence should be a 'given' and a more balanced approach is required which also recognises a commit-

“Introducing CRM processes without giving people the ability to effectively apply them could lead to poorer client service.”

ment to building and sustaining strong client relationships and service delivery.

- **Providing meaningful feedback.** Feedback needs to be provided on important aspects of performance. Feedback should be aligned to what is expected of the individual in contributing to the firm's desired business outcomes and it should help individuals to manage their own performance. Yet only 37% of firms measure externally facing partners and staff by the value they provide to clients. Providing partners and staff with feedback from clients is a relatively simple and effective way to improve client service.
- **Training and development.** Training should help individuals improve their performance in areas critical to business performance. Yet the survey shows that only 40% of firms train people in service delivery. In only 37% of firms do marketing and HR/training departments work together to define the training on client delivery, relationship and service issues. Leading service organisations invest heavily in client service training. Professional service firms should follow their lead.
- **Recognising and rewarding high performance.** Whilst financial rewards are not the only way to recognise and reward perform-

ance, they are an important way. If professionals are being financially rewarded for one set of behaviours it is likely that they will direct their efforts in that way. Where firms do have performance-related rewards they are commonly centred on easy to measure chargeable hours and billings. The benchmarking survey indicates that only 34% of firms use measures of client service or satisfaction to judge performance and only 19% internally publish partner or team performance in satisfying client needs. To get the best out of their people, firms need to define metrics that are closely aligned with their chosen strategy, and then measure and reward staff on that basis.

It seems clear to us from this benchmarking survey that there is some way to go in aligning CRM processes with existing people processes.

This is one of the reasons we developed the Performance Management Cube, a new approach to tackle performance management in professional service firms. It views a firm's main processes as like the faces of a Rubik's cube. Client processes and people processes represent two of the faces. They are joined by innovative service development, overseen by good leadership & management, and underpinned by

effective measurement, risk management & compliance. Aligning each of these facets with each other, and with the firm's strategic objectives, can be expected to deliver better business performance

When all sides are properly aligned, these processes will together deliver high performance. But looking at it from only one angle can give a distorted view, and making changes in one area can have unforeseen consequences in others. For example, introducing CRM processes without giving people the incentive and ability to effectively apply them could demotivate and lead to poorer client service – exactly the opposite of what was intended.

Professional service firms are people businesses – perhaps the ultimate people businesses – in which all value stems from people. It stands to reason that, to be successful, initiatives to manage client relationships will also need to involve managing the performance of people. The two are inextricably linked.

Phil Gott (www.philgott.com) specialises in people and performance in professional service firms and is founder of Firm Academy. Peter Scott (www.peterscottconsult.co.uk) acts as an advisor, trainer and coach in relation to financial, strategic, management and risk / compliance issues.

The route to gaining a competitive edge

This year, 273 people took part in the third CRM – *The Truth in Professional Services* survey, nearly three times as many as the first benchmark we undertook in late 2007. This issue isn't going away. Robin Dicks summarises the results.



Robin Dicks

Managing Client Relationships effectively is now not solely a 'marketing' issue but one that defines a firm's competitive performance. Tracking average market performance over the next few years will mean at best, very limited growth in revenue and profit. So a firm's ability to manage client relationships effectively has become more important as a means of competing and succeeding. That's because firms are differentiated by clients on the way that they understand needs and deliver to the key areas that are expected and valued by those clients. Less than effective CRM performance reduces the likelihood of successful growth and healthy profitability.

This report focuses on the effort and processes that firms are using to

manage the delivery of their services to their clients and the development of relationships with those clients. It is based on an extensive survey completed by hundreds of firms worldwide that examines the extent to which professional firms are benefitting from CRM activities – viewed from both theory and experience. Critically, the report provides practical findings on where to place effort to improve performance (see page 10). It also includes insight into the constraints experienced.

The report aims to be of assistance to all those responsible for CRM, in particular MPs, account management and marketing leaders.

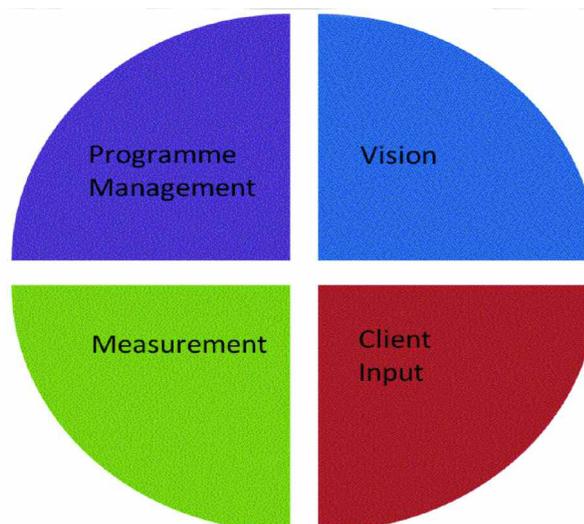
DRIVERS FOR CRM SUCCESS

Four 'macro' drivers stand out: gaining robust and objective understanding of what clients need and value; having a clear CRM vision; effective programme management; and a system of measurement that works. These drivers are considered in the chart below.

Those responsible for driving their firms forward recognise these drivers:

"The next two or three years are likely to be patchy. The key will be building and sustaining strong client relationships."

David Stewart,
Olswang Managing Partner



Drivers for success

“CRM isn’t an isolated ‘project’. It is clear from all participants that a key is getting an understanding of this across the firm.”

“Clients are taking advantage of basic supply and demand.”

Bryan Hughes,
Eversheds Chief Executive

THE IMPORTANCE OF ACHIEVING MAJOR BENEFITS

A key result of this year’s survey – one which is remarkably consistent with previous years – is that there is a clear distinction between those firms that achieve some benefit and those that achieve major benefits. Although 94% of respondents report that CRM activities are producing some benefit in the form of better relationships with clients, increased revenue, increased ability to cross-sell, efficiency and better returns on marketing activity, only one in three firms are reporting major benefits across two or more areas. Many objectives are being achieved to a major extent by only 15% of firms.

It is interesting that the proportion of firms reporting that they have achieved major benefits has declined since the last survey in late 2008:

- An increased focus on projecting the firm’s messages, and on measuring staff performance has been accompanied by a decline in focus on CRM vision, understanding what clients value, and

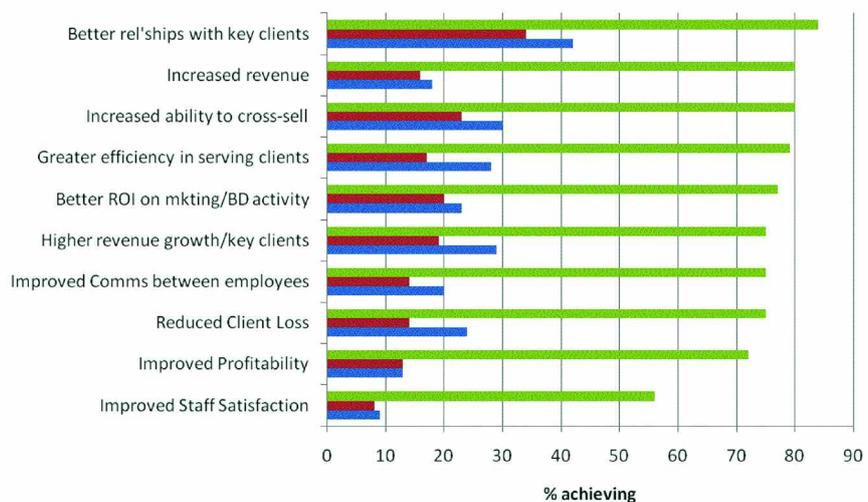
effective programme management. Why? Our view is that these activities are interconnected. You don’t have to get everything absolutely perfect – no firm in the study has done that – but getting a critical mass right across each area pays dividends.

- It may be that economic travails have put a dent in the level of return firms believe they have achieved. Thus driving greater efficiency in serving clients is even more important in this environment – but few firms have successfully focused and achieved this.

CRM isn’t an isolated ‘project’. It is clear from all participants that a key is getting an understanding across the firm, in part through sheer persistence, championing and clear communication. Where this is happening, participants are reporting results and progress (see graph 1).

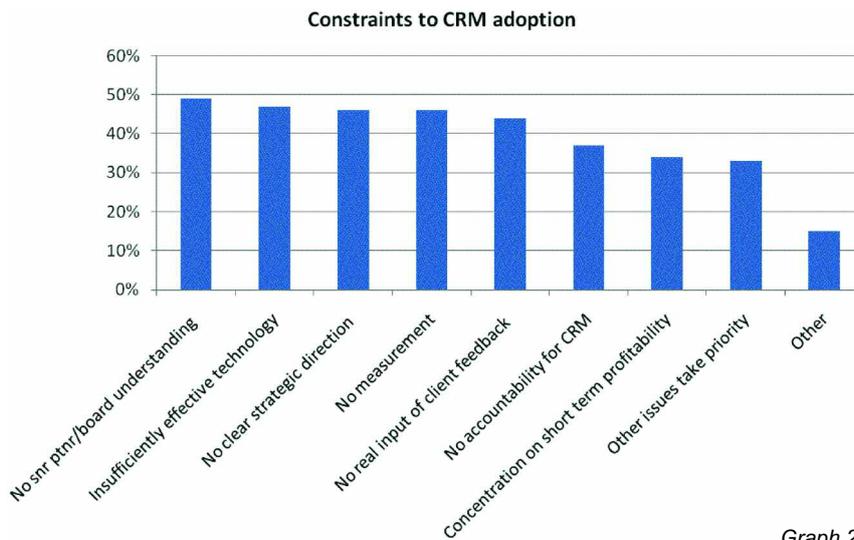
DO DIFFERENCES IN ACTIVITIES UNDERTAKEN MAKE A DIFFERENCE?

A minority of firms are achieving major improvements in performance, so what aspects are driving this difference in results? Are firms that say they are achieving major benefits taking a different approach to CRM?



Graph 1

■ at least some benefit ■ major benefit 2010 ■ major benefit 2008



Graph 2

Analysing the overall benefits reported by each participant (and the level to which they are being achieved) gives the following insights:

- The activities most highly correlated with generating benefits are about consistently tracking and inputting client expectations into what the firm does; using appropriate measures; training; and running real change programmes around what the firm does.
- Conversely, more effectively pushing a message to clients or recruiting based predominantly on technical excellence are among the least effective activities.
- Firms achieving major benefits are significant users of CRM technology. The key issue is that the

technology ‘fits’ within an overall vision and programme. Technology in isolation is not a magic solution.

- Designing and communicating exact levels of service seems to have limited impact.
- While specifying exact levels of service and distinguishing different levels appears regularly in academia, its impact based on these findings is relatively weak. This may reflect the bespoke nature of services provided and client needs within professional services.
- Not all firms achieving major benefit do exactly the same things. There is though a relationship between the number of activities undertaken and overall

benefit. Many of the firms not currently achieving a high level of benefit undertake activities which are useful, but not sufficient to generate significant benefits in isolation. The recommended approach is to run a range of key activities in a consistent and parallel way, under one coherent and strategic programme.

CONSTRAINTS UPON PERFORMANCE

Respondents report difficulty in making some key levers work, and in bringing efforts together into a coherent programme. Lack of senior partner understanding is seen as a key constraint, together with technology. Other factors reported by over 40% of participants include lack of strategic direction, effective measurement and management and a lack of real use of client feedback.

The key to success is the way that the firm and its management view priorities. The firm’s direction, understanding of market needs, programme management, measurement and having a clear vision are all interconnected. Many firms are not rigorously setting a clear direction or using the programme management tools and approach to successfully implement (see graph 2).

The following verbatim comments give a flavour of the challenges faced by participants:

- “Getting management buy in that to change behaviour/culture you need to align to measure activity and provide reward/recognition”
- “Lack of partner engagement and accountability... refusal to recognise glaring facts regarding client expectations...”
- “Convincing partners to focus on the CRM tools available and to actually use them... takes a lot of convincing but once they use them they are usually converted”
- “... issues with data integrity have clouded... our CRM tool’s ability to better manage our client rela-

SURVEY PARTICIPANTS

A total of 273 participants took part in the 2010 survey. Most responses came from the legal and accountancy sectors, though the survey as a whole includes responses from a range of professional services disciplines. The table below shows an analysis by firm size and location.

Employees	Quantity	% of total	Location	Quantity	% of total
10,000+	34	12%	UK	131	48%
1,001-10,000	62	23%	Global Firms	77	28%
251-1,000	77	28%	US	40	15%
1-250	100	37%	Rest of Europe	20	7%
			Other/NA	5	2%

- relationships and increase revenue”
- “(lack of) strategic guidance on how CRM should be managed across the firm”
- “... Persuading HR to put measures relating to key accounts into performance appraisals and getting finance to help track profitability of key accounts as a separate report”
- “Firm will not mandate process to collect client feedback”
- “Our focus has been on cost-cutting & streamlining, not on the client”

CURRENT STATE OF PLAY

While there are minor shifts in the activities professional services firms undertake around CRM, few are gaining the results that they could.

The good news is that most participants believe that CRM activities are delivering some benefits that otherwise would not have occurred. But the most common extent of benefit is ‘some’ rather than ‘major’. It’s a fallacy to say that firms need to get absolutely every element 100% right to achieve substantial benefits. However, the minority of firms that generate major benefits are the ones that do more of the things that make a difference and to a much greater extent.

More firms recognise the importance of measurement and this is feeding through into expectations about what employees do. Greater emphasis is being placed on how well employees communicate in alignment with the firm’s brand positioning, and how consistently they can do this. But on their own these efforts create little impact. However, there is an overall decrease in the benefits firms are reporting from CRM activity due to declines in the critical activities that drive major benefits from CRM in professional services firms.

The firms that get it right should enjoy a big competitive edge.

THE MODEL

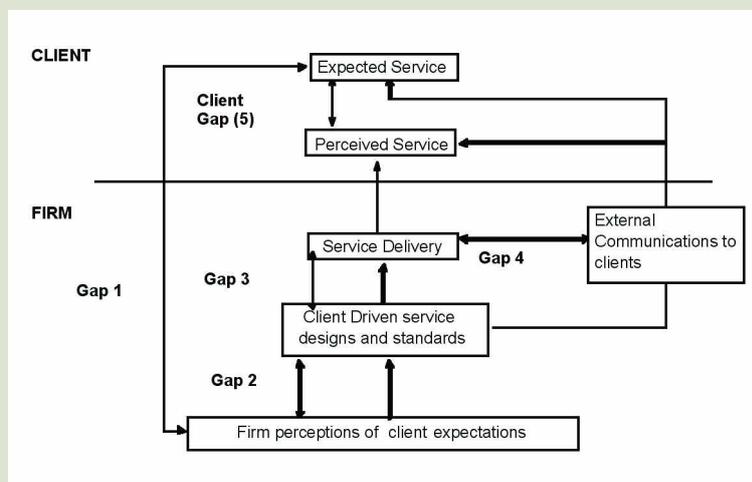
The research questions were based on two key pillars – the gaps model of service quality and aspects of effective programme and change management.

The model suggests there are four root causes of clients becoming dissatisfied, therefore being less likely to use a firm again, and certainly less likely to use it for a broader range of services. These are risks which any strategic CRM effort should identify, and resolve:

- 1 Is there a gap between what clients expect and your firm’s current knowledge and understanding of what they expect?
- 2 Is there a gap between your firm’s knowledge of your client expectations and the way you design your service to clients?
- 3 Is there a gap between the service you design and intend to provide, and what fee earners and front line staff actually deliver day to day?
- 4 Is there a gap between what your firm can deliver (as a result of 1-3 above) and what the client has understood will be delivered (based on communication, marketing, promises made by fee-earners, etc)?

Reviewing the extent to which these risks are being managed enables firms to answer four top-level questions:

- Do we have a thorough and objective understanding about what our clients and markets really want and value from us – and what they expect from service?
- Do we use this understanding to determine what types of advice we provide, how we deliver it, and how working with us feels for a client?
- Do we ensure that our people are able, equipped, and motivated to actually deliver the service we want to provide?
- Do our communications with clients – through marketing, account management and day to day contact – set clear and appropriate expectations of what we will deliver?



GAINING RESULTS FROM CRM

Our detailed analysis of the activities firms undertake, correlated with the level of benefits they report, suggests that the most successful firms undertake some key activities much more consistently. The panel below shows the activities that seem to have the biggest – and smallest – impact. Any firm wanting to successfully maintain and extend relationships should review its efforts against this list.

WHERE TO PLACE EFFORT TO IMPROVE PERFORMANCE

Most effective activities

- Specific identification of client expectations through research processes
- Critical expectations impact how the firm defines what it does
- Expectations on front line staff (re. client delivery) described and measured
- Results of client surveys consistently tracked
- Firm trains in service delivery, based on key elements of client expectations
- Marketing and HR/Training work together to define training on client delivery, relationship and service issues
- Internal staff are measured by the support they give those with client contact

Least effective activities

- All staff with significant client contact understand commercial pressures faced by key contacts
- Firm recruits predominantly on technical skill
- Line manager visibly focuses on delivering great client service
- Fee earners can communicate consistently with firm's external messages
- Different levels of service are offered based on client importance
- Expectations explicitly set on what firm does not do for clients
- Firm communicates to clients exactly what is expected of them

MANAGING PROGRAMMES AND TECHNOLOGY

But there is another key point. As well as the individual activities, firms must MANAGE programmes and view them as important if they want to succeed. ALL of the activities included in managing CRM programmes were highly correlated with the level of benefits reported. Relatively few firms do this completely or to a large extent (as shown in the percentages below).

- Definition of who is accountable for external client relationships and how the system shows this (48%)
- The CRM strategy is integrated and aligned with the firm's overall business objectives (45%)
- A clear CRM vision has been defined which describes the beneficial impact it will have on the business; Senior Management have bought into this (42%)
- We get formal and informal feedback from heads of functions and key users of CRM (37%)
- Users are included in ongoing requirements gathering (36%)
- We have designed key sales, relationship management and marketing processes (34%)
- We have defined a clear process to identify, prioritise and implement requested system changes (32%)
- Key business managers and sponsors have defined the reports & management information they need (31%)
- Does your CRM technology / system effectively support your CRM / BD initiatives? (31%)
- Key success metrics of CRM programmes have been defined and are tracked (28%)
- Performance standards have been set for the system; these are also tracked (27%)
- Is your CRM solution tightly integrated with other core systems such as Accounting? (27%)
- Does your firm use the CRM solution to improve its management of strategic accounts? (25%)

While implementing technology is part of this, the key is to be clear about what the firm wants to achieve and then to robustly and vigorously execute on it.

Detailed results

GAP ONE: Gain a thorough and objective understanding about what clients and markets really want and value

Overall, slightly fewer firms report that they undertake activities which provide a thorough understanding of client expectations than in previous years. The exceptions to this are uncovering why pitches were won and lost, and greater effort to understand the commercial and strategic pressures clients face. Understanding client expectations is still not being undertaken rigorously across many professional services firms. The impact is that many other efforts taken to manage and improve the service or value to clients are based on internal views in a firm, rather than the elements that really do drive value and choice.

Percentages of participants undertaking activity “completely” or “to a large extent”	2010	2008
Is someone accountable for following up in every case where clients report concerns during a formal feedback process?	55%	63%
Do you systematically and objectively uncover why pitches to strategic clients were won or lost?	52%	44%
Do all your staff with significant client contact fully understand the commercial and strategic pressures faced by their key contacts?	47%	44%
Do you regularly review how your clients feel after major transactions, or on a regular basis through an ongoing relationship, in a way which allows lessons to be learnt?	42%	43%
Do you have a robust approach to gather objective information about the key factors driving the choice between you & competitors?	29%	59%
Do you develop strategic account plans jointly with your key clients?	28%	31%

GAP TWO: Use that understanding to determine what types of advice are provided, how it is delivered, and how working with the firm feels for a client

Most firms are not specifically identifying expectations or tracking the results of surveys (and hence not using this as part of measurement). It is thus a matter of chance, for most, if the way of delivering service is designed to meet what clients need and value. Only about one in three firms say that they explicitly use measures in client service or satisfaction to judge the performance of the firm, individuals or teams. So the question must arise – are firms indeed measuring the right things which will enable them to improve financial and strategic performance? A comparison between the numbers of participants reporting the achievement of major benefits from CRM in 2008 and 2010 suggests that increased measurement, in isolation, has had no beneficial impact.

Percentages of participants undertaking activity “completely” or “to a large extent”	2010	2008
Do you specifically identify what customers' expectations are through research processes?	33%	34%
Do the critical expectations impact on how you define or deliver what you do?	46%	44%
Are specific standards quantified – eg. exactly how quickly you will respond to client requests, or time taken to complete an analysis?	39%	41%
Are the results of customer surveys regularly and consistently tracked?	40%	43%
Do you describe, in measurable ways how you expect your key front-line staff (partners, client relationship managers, project managers) to behave, and then measure this?	46%	32%
Are measures in client service or satisfaction used to judge the performance or the firm and individual practices/teams?	34%	42%

GAP THREE: Ensure that employees are able, equipped, and motivated to actually deliver the service that has been designed

The appetite for measurement may have increased. Progressively more firms are measuring the value provided by external staff to their clients but client input itself is rarely used, and the appetite to publish this internally seems to be diminishing. Three-fifths of firms either don't focus on service issues within training, or train on things which may not be critical to clients. Training could make a much bigger impact on the ability to manage relationships effectively, extend relationships, improve service and to grow value to (and revenue from) the client. Views of client expectations and needs do get discussed in team meetings in most firms, and a slim majority of line managers do focus on customer service. These seem to be among the aspects of good performance most commonly undertaken by firms, but they do not produce significant benefits on their own.

Percentages of participants undertaking activity "completely" or "to a large extent"	2010	2008
Does your firm recruit people predominantly on the basis of technical skill?	62%	59%
Does your firm train people in service delivery, based on the key elements of client value or expectations uncovered?	40%	41%
Are externally facing staff measured by the value they provide to clients?	37%	26%
Are internal staff measured by the support they give to those with client contact?	40%	37%
Are client needs and expectations discussed in team or other key meetings?	63%	65%
Is partner or team performance on satisfying client needs published internally?	19%	25%
Does your line manager visibly focus on delivering great customer service?	58%	56%

GAP FOUR: Use communications with clients – through marketing, account management and day to day contact – to set clear and appropriate expectations of what we will deliver

There is slightly increased confidence that fee earners communicate in a way which is consistent with the brand, service offerings, and external messages being used. However, in the delivery to clients, if anything performance may be slightly worsening. Marketing and HR/training work together to define training in only the minority of cases. Fewer participants are confident in the ability of professional staff to consistently deliver. Reduced confidence may emanate from less effective training, but equally it may be a result of resources being stretched and delivery being more difficult. There may be unused opportunities for firms to manage resource more effectively. In times of stretched resources, more could be done to make delivery more efficient by weeding out areas of little value to clients.

Percentages of participants undertaking activity "completely" or "to a large extent"	2010	2008
Do your partners and client facing staff consistently communicate in accordance with what your brand and service offering is?	53%	47%
Is this communication consistent with your external messages?	60%	54%
Do Marketing and HR/Training work together to define the training on client delivery, relationship and service issues?	37%	40%
Can your professional staff consistently deliver what you are offering?	63%	68%
Do you communicate to clients exactly what is expected of them (eg. provision of info,time by which they need to respond etc?)	54%	55%
Do you intentionally offer different levels of service depending on the importance of the client to the firm?	30%	42%
Do you explicitly tell clients what you will NOT do?	34%	42%

Robin Dicks is founder of The Thriving Company Limited, a consultancy focused on client research, CRM, and improving marketing and BD performance.

Cirquent Consulting

Devon House
58-60 St Katharine's Way
London E1W 1LB
Tel: +44 (0)20 7977 1000



Creating customer value by credible consulting

With expertise in client management, Cirquent provides business consulting, solutions delivery and aftercare to improve your operational effectiveness and enhance your client experience.

Our consultancy expertise includes:

- Business consulting
- IT consulting
- Management consulting

Allowing our clients to concentrate on their core business, we deliver fully integrated business and organisational solutions, tailored to need, and underpinned by leading edge technology. This includes:

Client Management

- CRM strategy
- Client experience transformation
- Process improvement
- Business Case and Benefits Realisation
- Programme management

Marketing

- Operational marketing strategy
- Marketing effectiveness
- Real-time campaign management
- eMarketing
- Client analytics

Client Service

- Contact centre design and build
- Client service optimisation
- Client self-service including speech, web and email solutions

We provide comprehensive aftercare services including training, support and maintenance, technical health checks and application management.

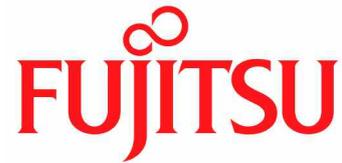
By applying industry knowledge and aligning business processes, people and technology, we can help firms to achieve measurable

- Increased client satisfaction, loyalty and retention
- Increased revenue
- Reduced costs
- Optimised balance between service level and cost
- Alignment of sales, marketing and client service processes

For more information, contact:

Malcolm White
Head of Business Development and Marketing
Mobile: +44 (0)7768 455046

Fujitsu
22 Baker Street
London
W1U 3BW



Fujitsu's SaaS Practice aims to be the leading global System Integrator, specialising in the delivery of SaaS-based solutions across an array of business verticals.

This includes:

- Marketing Best Practice and Advice
- Service and Support Best Practice and Advice
- Sales Best Practice and Advice
- Business Process Management
- Business Intelligence
- Content, Collaboration and Communication: eg. email, information management and knowledge management
- Data, Systems and Process Integration
- IT Service Management
- Eco-governance

We work across many sectors, including financial services, professional services, high-tech, higher education, utilities, government and not-for-profit. Fujitsu has a global CRM capability where the SaaS practice operates across EMEA, USA and Asia-Pacific.

Our core services include:

- Strategy and Assessments – providing expert guidance to help organisations formulate the right CRM strategy to meet their needs
- Programme Management and Implementation – providing end-to-end management of a client's CRM deployment
- Business Process Analysis and Improvement – aligning business processes to maximise the value of the new solution
- Application Development – design and build on SaaS platforms, such as Salesforce.com and ServiceNow.com
- XRM (Extended Relationship Management) enablement – ensuring integration to manage transactional relationships
- Training – ensuring users, administrators and developers have the skills and know-how to fully utilise the new technology
- Platform as a Service delivery – delivering the client's entire solution stack as a service
- Cloud consulting – advising clients how best to leverage cloud based computing as part of their wider IT strategy

While in the US many SaaS vendors work directly with clients, in Europe many organisations prefer to engage with a system integrator, recognising our value in ensuring integration of CRM technologies with their existing IT environment. Through our vendor relationships, we have developed unrivalled skills and experience, which we marry with our sector expertise, to enable clients to take full advantage of their technology. Fujitsu prides itself on providing boutique consultancy levels of service with established enterprise scale delivery capability and quality.

For more information, contact:

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LexisNexis InterAction

Halsbury House
35 Chancery Lane
London WC2A 1EL
Tel: +44 (0)20 7347 3720



InterAction® is the only CRM solution developed exclusively for the professional services market with a proven track record of successful implementations allowing firms to maximise their relationship intelligence to uncover new business opportunities, create sustainable competitive advantage and protect existing revenue streams.

- Exclusive features including Who Knows Whom™ and My Watch List™ powering relationship intelligence
- Easy to use with seamless Microsoft Outlook Integration, Lotus Notes and Novell GroupWise and the latest 'Mobile CRM' capabilities
- Innovative and unrivalled data quality and data change management tools
- Extensive reporting tools and out of the box reports including 'Taxi reports'
- Industry-specific modules to track matters, engagements, opportunities and deals
- Proven ROI: Forrester research concluded that LexisNexis InterAction delivers Return on Investment of 210% and a positive Net Present Value of £2.9million
- 50% of the UK Legal 100 and 82% AMLaw

InterAction has over 500 clients globally and a presence across multiple professional services, including:

- Accounting – Grant Thornton, KPMG, Greenwoods & Freehills, Vantis PLC
- Financial Services – 3i, Terra Firma, Nicholas Applegate, Silverfleet Capital Partners,
- Legal – BLP, Eversheds, Osborne Clarke, Clayton Utz, Freehills, Baker & McKenzie, Lewis Silkin
- Management Consulting – PA Consulting, Booz & Co
- Professional Markets – Hill & Knowlton, Maitland, The Berkeley Partnership Ltd, Maple-Brown Abbott

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Paul has over 20 years experience working with law firms across the UK and Europe. He has a Law degree from London and studied for the Bar before changing course and joining a City Law firm. Paul is currently with LexisNexis as a Client Advisor (international). Paul is also a member of the CIPD.

Darryl Cross

Vice President, Client Profitability

Darryl Cross joined LexisNexis in 2004 and visits over 300 professional services firms a year around the world to collect and share best practices in firm profitability and growth strategies. Previously, he directed strategy for all of the LexisNexis client development offerings including client relationship management (CRM) and competitive intelligence systems.

Darryl's direct experience in professional service organisations includes his service as the Chief Marketing Officer and member of the Executive Committee of a law firm. He can be contacted through Laura Whitehead on laura.whitehead@lexisnexis.co.uk or 0207 3473736

The Winning Firm Alliance

www.winningfirmalliance.com

All members of the Winning Firm Alliance work with professional service firms across all areas of the UK to help transform their performance.

We enable firms to truly understand, then meet and overcome, today's challenges. With the capability to deliver strategic solutions as well as quick performance wins we have both senior "hands on" experience, and a passion for bringing about positive change.

All our members have extensive experience as CEO, Managing Partner or functional heads. We provide not only technical expertise but genuine understanding of the nuances of professional service firms and partnerships. Being supportive, trusted and reliable while delivering the key objectives of projects is a key aspect of what we do.

Our core areas of capability include the following:

Strategy – we help firms create and execute strategies to truly enhance competitiveness and profitability. We ensure strategies are realistic and guide partners and management through the challenges of implementation, including merger advice.

People and Performance – we advise on and implement performance management systems at partner level and throughout a firm. Our development programmes and training cover a full range of skills development to deliver step changes in business performance.

Strategic Marketing and Business Development – we provide strategic marketing planning, actionable client and market research, client relationship management strategy & implementation, and service development.

Financial Management and Measurement – we work alongside clients to implement fast and effective measures to improve profit, cash, financial controls and forecasting. This includes benchmarking and KPIs, profitability analysis, integrated forward operational and financial planning. We assist with funding projects and successfully overcome challenging situations.

IT Strategy and Project Management – we can ensure IT meets the strategic needs of the firm from new systems through to effective use of current systems with targeted 'quick wins'. We help select and implement software packages to deliver business benefit, and can manage IT teams or projects to deliver success.

Risk and Quality Management – we have considerable experience in helping firms to address their risk management issues, often in relation to Code of Conduct compliance, and in doing, add real value to their businesses. We also help firms achieve and then maintain quality standards accreditation (e.g. the Lexcel quality standard.)

For more information, see www.winningfirmalliance.com or contact:

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The Thriving Company Limited specialises in helping professional services firms improve their marketing, business development, and overall business performance.

We operate across professional and financial services so that clients can benefit from the best of practices across all sectors, not just one. We are expert in strategic marketing, business development, CRM, and client and market research. It is the core of what we do.

We help clients who:

- need to clarify marketing strategy
- need to enhance sales or service performance
- wish to maintain and develop more extensive relationships with key clients
- need to respond to increased competitive pressure
- need to improve ROI from key initiatives or new markets
- want to reduce client loss

More detailed findings from this benchmark study, and more information on the impact of activities on specific strategic and financial results are available. If you'd like more information, or if you would like to benchmark your own firm, and identify gaps in current performance, please contact Robin Dicks:

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