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# ***Ensuring the Success of Your CRM Initiative***

*An Interface Software White Paper*

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## Introduction

An investment in a client relationship management (CRM) solution such as Interface Software's InterAction® can provide professional services organizations with enormous benefits. The Relationship Intelligence it delivers reveals the unique and complex connections between people, companies, relationships, experience and expertise. Access to Relationship Intelligence empowers professionals to leverage who and what they know to uncover new business opportunities, differentiate from the competition and enhance client service.

But CRM is more than a technology; it is a business strategy that impacts every facet of the organization – from business processes to firm culture. Therefore, understanding the interrelationship between CRM technology and the firm's overall CRM strategy is critical to realizing its full benefits.

As a software provider, it is our commitment to deliver the highest quality technology in the marketplace. Of equal importance to the technology is the impact that our customers' people, processes and culture have on the technology implementation. Indeed firms that have achieved maximum returns from their CRM initiatives have achieved the delicate

balance between the four critical elements of technology, people, processes and culture.

Figure 1: The Four Critical Elements of a Successful CRM Implementation Strategy



Interface Software has worked with hundreds of professional services organizations on their CRM initiatives. We understand that the technology cannot be separated from the people, processes and culture of the firm in which it is implemented, and we are committed to working with firms to help them prepare internally to ensure they derive the greatest possible value from their initiatives. Many variables impact success, which, in turn, greatly affect the return on investment (ROI) firms can expect. The purpose of this white paper is to extrapolate from the most successful CRM initiatives and provide a general framework to help firms understand what they can do to maximize the return on their InterAction investment.

## Attributes of the Successful Firm

Firms implementing InterAction can experience impressive success with the system. Benefits range from lower operational costs and greater efficiencies on a tactical level, to new client wins and revenue opportunities on a strategic level. Yet some firms are more successful than others despite having implemented identical technology platforms. What attributes do the most successful firms have in common?

### Strong Leadership:

The most successful firms understand that a properly executed CRM initiative can have powerful long-term impact on the firm's competitive position and future. Accordingly, at these organizations CRM is not simply viewed as an IT or marketing initiative, but a firm-wide effort spearheaded at the highest levels of management. The firm's leadership body must take ownership of their CRM initiative, communicate the importance of the initiative to the rest of the firm and then lead by example. As a result, everyone knows and understands their role in the success of the initiative and its overall importance to the firm.

### Alignment of Marketing and IT:

For CRM initiatives, the marketing and IT departments play an integral role in the project's success. Marketing generally is most knowledgeable about the data and is responsible for maintaining it consistently with the firm's overall CRM strategy. IT is responsible for ensuring that the proper infrastructure is in place to facilitate the CRM project and integration with other applications and to provide firm-wide training and support of the system. If the interests of the marketing and IT departments are not properly aligned, they will be working at cross-purposes, which can ultimately blunt the effectiveness of the CRM initiative. Firm's that enjoy the greatest return from their CRM investment generally have a close partnership and ongoing communication between IT and marketing.

### Sufficient Resource Allocation:

Firms ensure the success of their CRM initiatives by carefully studying the total cost of the project beyond technology acquisition and allocating sufficient resources to effectuate their plan. Included in those costs are staffing, process changes, training, communication as well as installation and deployment costs. Some of these costs are ongoing throughout the life of the initiative and must be considered in resource planning. Treating a CRM initiative as solely an IT project and failing to consider the other organizational costs can result in underutilization of the CRM solution and depress the ultimate return the firm realizes from its investment.

### Openness to Change:

As firms undertake their CRM initiatives they will become more intimately familiar with their current business practices and gain greater understanding of those that need to change and evolve to accommodate a truly client-facing strategy. Opportunities for change will present themselves in virtually every area of the business, from culture to processes. Organizations that are committed to their CRM vision and that are willing and able to undertake the firm wide changes necessary to execute on their strategy will reap the greatest rewards from their efforts.

#### Education/Training:

Education and training go hand in hand with change. Firms that have successfully implemented CRM understand that it is simply not enough to be open and willing to change. They must also provide adequate and ongoing education and training on how to accomplish change. Many employees, from professionals to administrative staff, are happy and willing to dedicate themselves to the success of the CRM initiative and reap its rewards – however on their own they will not likely know how to accomplish this. Providing adequate training and education is therefore essential. This commitment must be ongoing in order to initiate new employees into your CRM strategy and reinforce these issues to existing staff.

Certainly firms can enjoy relative success in their CRM initiatives if some of the above factors are not present. However, in our experience those that have enjoyed the greatest results have these attributes in common.

### Success Factors

Technology, people, processes and culture are all essential attributes in the most successful CRM initiatives. How do these elements come together to result in a strong technology implementation? This section examines some of the critical success factors:

#### CRM Vision

The client-focused firm has a clear picture of its unique value proposition and an understanding of what the client-centered organization looks like. This goes beyond simply calling itself client focused. The firm should have a true understanding of how its client orientation is put into practice as a competitive differentiator. The vision must be appealing to clients and created from their viewpoint. Is the firm truly committed to client service? In what way? How does this manifest in client communications? Interactions between professionals, staff and clients? Proposals for new business? Billing practices?

Beyond understanding its unique, client-facing value proposition, the firm will also exhibit strong leadership in communicating this core vision throughout the firm and gaining buy-in at all levels. The responsibility for creating this CRM vision lies with the entire management team of the firm. It should be clear to everyone that the entire leadership of the firm is behind the CRM initiative and expects team effort and cooperation in its success.

Equally important to communicating these core firm values is consensus. The values must be woven into the firm culture. Corporate vision statements will not impact the client unless each individual accepts the firm's vision and assumes accountability for doing his or her part.

#### CRM Strategy

The CRM strategy provides a client-facing road map to help the firm deliver on its business goals. The purpose of the strategy is to help cultivate and maintain a client-base that serves as a long-term asset of the firm.

Departmental strategies, such as the firm's marketing plan, the business development objectives of different practice groups, service areas or individual professionals, and the IT plan should incorporate elements of the CRM strategy.

The strategy should also consider plans to market the new system to internal users and clearly communicate how they will benefit from it. Firms often make the mistake

of treating their CRM software investment similar to back office enterprise software initiatives. When systems are implemented and then simply made available to users without clear communication as to its uses and benefits, projects run a much greater risk of failure. The most successful CRM rollouts are firm wide initiatives that achieve participation from all users.

Further, the strategy should incorporate a thorough understanding of the requirements of the user community. Each type of user – professional, marketing, administrative staff – has different needs. Unless they are taken into consideration in the CRM strategy, obtaining buy-in from each group will be difficult.

Internal rollout initiatives vary from firm to firm according to their cultures. Examples include:

- *Communications tailored to each user contingent outlining the new CRM initiative and the benefits to each respective group*
- *Lunch and learn sessions designed to underscore the benefits professionals can expect to enjoy from the system once it is rolled out*
- *Memos from senior management outlining the CRM initiative and its importance to the firm*
- *Contests, prizes and other incentives designed to encourage use*
- *Rolling out initially to a small pilot group, the members of which can serve as goodwill ambassadors to the rest of the firm when general rollout takes place; pilot group members can also serve as mentors and references to other firm members*
- *Required use of the CRM system for specific campaigns or initiatives; for instance, as part of their rollout strategy some firms will only send holiday cards to the contacts stored in InterAction*

Because of the ever-evolving nature of client relationships, a CRM strategy is an ongoing exercise that changes over time. As a result, the CRM initiative could potentially be an overwhelming undertaking unless it is approached in manageable portions. The CRM strategy should therefore include tactics with realistic and achievable milestones that provide value along the way. This allows firms to maintain a strategic perspective while incorporating milestones that provide incentive and motivation for those participating, and real value to the firm.

### The Client Experience

Less successful CRM implementations tend to be initiated, planned and executed with an inward focus. In these instances, the firm fails to incorporate real-world client experiences, perspective and feedback into their CRM planning. The firm projects onto the client what the firm believes the ideal client experience should be. It then develops its CRM vision and strategy around this insulated vision of the client.

Firms seeking to maximize the success of the CRM initiative will go beyond their own beliefs about the client experience and actually take efforts to ascertain this information directly from the client. For instance, the firm may presume that the lack of complaints and the timely payment of bills are indicative of client satisfaction. However, proactive client outreach and surveys might paint another picture.

The only way to truly understand what clients want is to proactively seek out information about their satisfaction and needs:

- *In what areas is the firm meeting and exceeding client expectations?*
- *In what areas is there room for improvement?*
- *Do the clients' experiences and expectations match the firm's stated vision?*

Laying this groundwork is important to ensure that the CRM strategy will actually provide the results expected. Otherwise great money and expense might be invested in a strategy that provides little impact on the client experience. Once this data is gathered, it becomes an easier task to bring CRM technology into the equation and align its implementation to client expectations.

### Collaboration

As mentioned earlier, successful CRM implementation requires firm wide effort and commitment. To accomplish this, there must be consensus as to the firm's vision with buy-in at all levels.

Regular communications to the stakeholders on the status of the project mark the most successful initiatives. Communicating the benefits of the CRM software or the reasons behind an internal process change must also take into account the message recipient. The benefits that a professional can expect to reap from the CRM initiative will be very different from the benefits to administrative staff. If firm members do not clearly understand what they will get out of the impending changes, the likelihood that they will modify their work habits to accommodate the firm's CRM vision and strategy will be substantially reduced.

Compensation and other rewards can either facilitate or hinder organizational collaboration. A firm must ensure that the internal compensation structure is in alignment with the firm's overall CRM vision and strategy, otherwise professionals and staff will actually be incented to undermine the CRM initiative. For instance, if professionals' bonus compensation plans reward only individual activities and not efforts that support the team (i.e. practice group, service area, etc.), then they will be less inclined to share client information, which might be a critical element to your CRM strategy.

### Processes

After undertaking the above steps, it often becomes clear that the firm has not instituted sufficient internal processes to ensure the success of the CRM initiative. For instance, it may become evident that to serve the client with maximum effectiveness, certain basic profile information must be collected and made readily available to everyone who interacts with the client:

- *What is the client's business?*
- *Who are their spouses and children?*
- *When are their birthdays?*
- *What other milestone information is important that might trigger revenue possibilities?*
- *What work has the firm done for the client in the past?*

Intake as well as other processes must be evaluated and revised to ensure that the appropriate information is collected at the appropriate time.

Firms that examine their client lifecycles will likely uncover many instances in which processes can be put into place that either enrich the firm's Relationship Intelligence knowledge base or enhances the client experience. In either case, CRM software cannot create processes. It can only facilitate them – making it easier to aggregate, manage, and deliver critical Relationship Intelligence to those who need it.

Processes also apply to the Relationship Intelligence, itself. Data, by its very nature, goes bad quickly unless a firm has adequate processes in place to ensure its continued validity. Many firms employ data stewards, who are responsible for the data contained in the system. While InterAction provides the most advanced data quality tools available to help data stewards maintain data quality, processes must be put into place so firms can take advantage of these tools.

#### Relationship Intelligence Data

An analysis of your CRM vision, strategy and processes will also yield valuable clues as to the types of data your firm needs to build its Relationship Intelligence assets. You may need to harvest information from your accounting, HR or financial package. Understanding the data you need and where it comes from, therefore, will be critical to the success of your overall initiative.

For instance, if increasing cross-selling opportunities is one of your firm's business goals, this implies a need for an array of client data that you might not now be collecting or sharing:

- *Are all facets of the client's business adequately profiled so that your professionals can recognize opportunities when they arise?*
- *Will you need information on past matters, deals, engagements or projects?*
- *Will you need experience and expertise data to enable you to match client needs to firm resources?*

Intimate understanding of the information you will need and its purpose will enable you to plan a data integration strategy that will yield a much more effective and powerful implementation.

Moreover, you should not only investigate what data is needed, but also how it will be used to support your CRM vision:

- *Will your professionals need mobile access to Relationship Intelligence?*
- *Will you want to make this available to your clients via an extranet?*
- *How will marketing be using this data in their business development activities?*

When you understand how professionals and staff use Relationship Intelligence, you take much of the guesswork out of implementation planning and thereby increase the likelihood of success. Any data put into the system requires an owner and defined processes to maintain it.

#### Technology Infrastructure:

Once the above steps have been taken, firms will then be in a much better position to understand the technology infrastructure required to support their CRM strategy. If the professionals in your firm are mobile and require remote access to data, you will want to ensure they have access to Relationship Intelligence via their PIM's or the Internet. If Microsoft Outlook is their preferred method of access to Relationship Intelligence, you'll want to ensure they have Outlook-based access to InterAction.



If administrative staff spends much of their time writing letters and sending faxes and emails, they will need easy access to InterAction's Word or WordPerfect integration functionality.

Firms with the most successful CRM implementations know that the technical stage of the project comes at the very end. Once the organizational analysis and fact-finding has been undertaken, the technology infrastructure you will require from InterAction will become much clearer.

### Metrics

Once the rollout of your CRM initiative has commenced, the most successful firms institute metrics to help measure the project's ongoing success and its overall payback to the firm. Metrics serve two primary purposes. First they provide objective data as to the effectiveness of your firm's client-facing strategy. Second, they can provide early warning signals that something in your plan is not working. This would allow you to catch problems early before they threaten the overall success of your implementation.

Metrics should be established to capture information on both the tactical benefits of your initiative as well as the strategic. From a tactical perspective, you will want to capture information on cost-savings and efficiency gains you have derived from the initiative. Examples include:

- *Mailings and direct communications time savings*
- *Increased efficiencies for marketing campaigns and other initiatives*
- *Reduced effort required for professionals to access Relationship Intelligence*
- *Increased data quality and savings from reduced database maintenance*

Baseline metrics should also be established for evaluating the strategic benefits that impact the firm's overall strength, reputation, client satisfaction and revenue. Example metrics include:

- *Increases in new client wins*
- *Increases in cross-selling revenues*
- *Increases in client satisfaction ratings*
- *Increases in the number of RFPs to which the firm can respond*

Establishing these baseline metrics requires that the firm do cost and revenue analysis both before and after the implementation. Doing so provides the comparative data essential to measure the effectiveness in real terms of the CRM initiative.

## Profiles in Success: Osler, Hoskin & Harcourt LLP

A general profile of what successful firms have done to implement their CRM strategies is useful. To provide further depth to this analysis, below is a case study providing details on how one firm, Osler, Hoskin & Harcourt, used the above success factors to their advantage:

### The Firm

Osler, Hoskin & Harcourt LLP is one of Canada's leading law firms, with 380 lawyers located in offices in Toronto, Montreal, Ottawa, Calgary and New York. The firm offers comprehensive services and expertise in both traditional and emerging fields of business law. It has a sustained passion for serving clients fully and well, providing added value through thought provoking publications and seminars. The firm employs intelligent, time-saving technologies, enjoys a solid reputation for nurturing legal talent and has strong commitment to giving back to its communities.

### CRM Vision

At Osler, everything ties back to client service. The firm believes that a client belongs to the firm, and, therefore, the entire organization must be focused on adding value to the relationship. Whether it be information on a new educational seminar that might be of interest, or access to another attorney in the firm with relevant expertise, each client interaction is reflective of a deep understanding of what the client's needs are and how those needs are changing over time. A key element to achieving that vision is being able to effectively track client activities, feedback, and other details of the relationship in a central repository that can be easily accessed by other members of the firm.

### CRM Strategy:

Osler's CRM strategy is centered around the fundamental business principle that clients feel more valued when information and service offerings are proactively delivered to them to fit their needs and interests. They believe that a firm can have the industry's greatest professionals at its disposal, but if it doesn't have a vehicle for understanding and leveraging that expertise in the context of a specific client or prospect, opportunities to bring additional value to an existing relationship or create a new relationship often go by the wayside.

Through basic features within InterAction, like Who Knows Whom™, as well as other knowledge management tools, Osler maintains a focus on ensuring that it can very quickly offer up the kind of expertise that a client might need without having to go through all sorts of organizational gyrations. CRM has become a key part of the delivery mechanism for matching the right expertise to the right requirements.

### The Client Experience:

Client perception is an important success factor in the professional services sector, as reputation often determines a prospect's choice of one firm over another. Once a prospect becomes a client, presenting an organized face becomes key to building trust and establishing a long-term relationship.

To ensure that it understands its client needs from the client perspective, Osler conducts yearly face-to-face interviews with key clients. At these interviews they learn in detail the value-adds that clients are getting from the firm, and what services are important. Often this will lead into a discussion about publications and seminars and the kinds of programs about which clients want more information.

Osler has also been proactive in improving the quality of its client interactions to ensure continued trust and confidence. One example is their annual holiday card mailing.

Prior to embarking on a CRM initiative, the potential existed for Osler to deliver several versions of the same card to a single client, giving the impression that the firm's lawyers weren't communicating with each other. Now, through InterAction, that process has been completely centralized, eliminating the potential for multiple mailings. A subtle improvement in the overall client experience perhaps, but when extrapolated to other areas of firm communication (seminar announcements, newsletters, marketing campaigns), having a central resource in place to manage the accurate and appropriate flow of information sends a very strong message regarding how much the relationship is valued.

#### Collaboration

As noted earlier, Osler believes that clients are assets of the firm, not of individual attorneys. Fundamental to that philosophy is the idea of organizational collaboration, which is most clearly evident in the sharing of Relationship Intelligence throughout the firm.

By sharing information such as who knows whom among all professionals, Osler can leverage its complex webwork of relationships to increase profits and enhance client service.

For instance, when Osler opened a new office in Montreal last year, one of the key points conveyed to the 20 new lawyers who joined the firm was that contacts and relationships are considered a critical corporate resource. After demonstrating to them the security features put in place to ensure no confidential client information would be compromised and illustrating to them the substantial benefits they could receive by connecting their information to other lawyers in the firm, they immediately integrated their Relationship Intelligence into InterAction. With that collaborative mindset in place right from the outset, mining client information on an ongoing basis simply becomes a question of using the technology effectively.

#### Processes

Osler's implementation team recognized that the greatest hurdle the firm would face in implementing a CRM solution was the initial load of data into InterAction. Rather than task the attorneys and their administrative assistants with inputting client information into the system, the team took responsibility for it and identified the marketing department as the functional area to maintain ownership of data going forward.

So process re-engineering really became an issue of educating firm employees on how to take advantage of the tools in InterAction to be more efficient and effective in their work. For administrative staff, that means spending less time sifting through widely dispersed client information to pull out the data needed. For professionals, that means using the system as another research tool in identifying sources of expertise within the firm, developing new business, and other more strategic initiatives.

The other key process issue that Osler proactively addressed was the identification of a data steward within marketing whose primary responsibility is managing and maintaining InterAction data. This is a critical new process that reflects the firm's understanding of how data inevitably goes bad and the risk this causes to an implementation if users start finding bad data.

## Relationship Intelligence Data

Osler recognizes that Relationship Intelligence is sourced in multiple enterprise systems, not just the CRM application. Interface Software's InterAction® Application Collaboration™ tool, has helped provide for a smooth flow of information across different departments and systems. Through this tool, Osler users are able to pull in revenue data from the firm's accounting system, which can be used as an analytical tool for making marketing decisions. HR information is expected to be included in the centralized knowledgebase as well, along with contact data pulled from Microsoft Outlook.

Taken in total, the information from these disparate systems provides a comprehensive, 360-degree view of client relationships. The integration of enterprise Relationship Intelligence extends throughout all of Osler's locations, with each of the satellite offices porting into the central database at the Toronto headquarters.

## Technology Infrastructure

Integration was a principal concern for Osler's implementation team right from the outset of the project. In fact, initially a conscious decision was made to delay the rollout of Outlook and InterAction until InterAction for Outlook Contacts was available.

By providing full, bi-directional synchronization with Outlook, InterAction for Outlook Contacts allows InterAction users to continue to work with the Outlook system as they normally would while behind the scenes they are contributing to the centralized database, ensuring the elimination of duplicates. It also allows professionals to access InterAction Relationship Intelligence directly from Outlook, for a complete, 360-degree view of data.

The combined Outlook/InterAction roll-out ultimately proved to be fortuitous, as the delivery of client information through a common interface put users in an immediate comfort zone and helped speed adoption among a group of professionals who are typically technology averse and don't want to have to access multiple applications to get the information they need. In Osler's case, integration drove the architecture of the CRM system and, in turn, its use by firm employees.

## Metrics

Osler looks at CRM metrics from a variety of perspectives. At a tactical level, the firm has seen the number of contacts included in InterAction jump from 30,000 at the start of the project to more than 70,000 in a little more than a year, providing strong evidence for the rate of user adoption.

In terms of operational and process improvements, Osler has calculated an average time savings of 30 minutes per week for each administrative assistant, which translates into more than 6,500 hours of saved time over the course of a year.

But the most compelling metric comes at the strategic level from a new business standpoint. Since the firm began using InterAction, Osler has been able to more than double the number of RFPs it has responded to from 80 in 1999 to 170 in 2001. At a win rate of 50 percent, which the firm estimates to be its average, that translates into nearly 50 new clients that can be attributed to the CRM system.

## Conclusion

Interface Software is committed to providing the highest quality CRM software available to the professional services marketplace. We continually invest in research and development as well as our human resources to ensure that InterAction continues to meet the evolving needs of the industry.

However, CRM is much more than a technology application – it is a business strategy. Firms that take a methodical approach to their CRM strategy and include technology, people, processes and culture in their planning will net the greatest returns on their CRM investment.