Freehills

One of the largest and most well respected law firms in Australia and Southeast Asia, Freehills has more than 1000 lawyers and offices in Sydney, Melbourne, Perth and Brisbane. It was also one of the first to establish an Asian practice, with an office in Singapore and correspondent offices in Hanoi, Ho Chi Minh City, Jakarta and Kuala Lumpur.

Freehills

"For [a CRM system] to be used, you need to make it as integrated as possible into the way fee earners work. People instinctively use e-mail and calendars, so we have InterAction integrated into those functions."

LINDSAY O'SULLIVAN, CLIENT RELATIONSHIP MANAGER, FREEHILLS

Previously a federated firm following the state partnership model, in 2000 Freehills merged to form a consolidated national legal partnership. A number of issues arose in the aftermath of that merger, including the prospect of coordinating multiple offices running disparate IT systems.

Post-Merger Consolidation

"To bring everyone up to the same level of service, we needed consistent processes and technology," said Dr. Matthew Durban, Research & Planning Manager at Freehills. "We had different client databases installed in our Sydney, Melbourne and Perth offices and we needed a product that would be capable of tying them all together."

Indeed, basic marketing and business development functions that required little effort suddenly became major undertakings when multiple offices had to be taken into consideration. "The potential for different people calling on the same prospective client about the same subject was enormous," said Durban. "Trying to organise a local or national event or mailing, such as the letter announcing the firm's consolidation, was a huge project."

The firm understood that a centralised CRM system would be essential to facilitate coordinated client service, business development and marketing efforts — key to leverage the combined resources of the international firm. A software selection team was formed to assemble a list of requirements and undertook a formal search process.

It would be critical to find a tool flexible enough to work within the various environments of users. For instance, many lawyers prefer working from within Microsoft® Outlook® and therefore, the CRM system had to be capable of integrating tightly with it. "We have around 200 partners that have particular ways of doing things; their comfort zone is based on output," explained Durban. "They wanted something that they could understand and that would meet their needs. It wouldn't matter how great the technology was if it didn't deliver that output."

After evaluating its options, Freehills ultimately decided to implement InterAction®, developed by LexisNexis Interface Software. InterAction is distributed and supported in Australia through Sydney-based Alphawest.

Client Relationship Management as a Business Strategy

With InterAction in place, Freehills quickly succeeded in consolidating the firm's multiple systems and delivering a sharable repository of Relationship Intelligence. Its initial implementation focused on internal processes — centralised contact management, event management, lists, publications. In this capacity the system quickly streamlined previously cumbersome and time-consuming processes. "InterAction has saved considerable time and money in helping to automate these functions," said Durban.

However, since the initial deployment Freehills' business model continued to evolve. An aggressive new growth strategy would soon test InterAction's ability to accommodate an environment of change.

Recognising that the marketplace for legal services was undergoing an historic transformation marked by consolidation, increased competition and declining client loyalty, a more formal strategy for growing revenues from its existing clients, and finding, winning and keeping new clients would be essential. In 2002 Freehills implemented a comprehensive client team approach in which client relationship managers would assume responsibility for establishing strategies for maximising client service and the firm's representation within the client account.

"Our client strategy is a recognition that the 80-20 rule applies," explained Durban. That rule holds that 80 percent of a firm's revenue is derived from 20 percent of its clients "We needed to put more tailored resources around clients that were going to contribute to the firm's longer term development."

The firm established criteria relating to a client's strategic importance to ensure that key relationships were cultivated. "Some clients can provide leverage into an industry; others are important because of their growth potential; others are strategic because we can deliver services from a number of different practice areas and therefore the potential for cross selling is there," said Durban.

Freehills created an incubator program at a practice group level, which would serve as the client relationship management engine for the firm. "Overall the client strategy is offensive and defensive," explained Lindsay O'Sullivan, a client relationship manager at the firm. "How do we defend clients and revenues?

How do we win more clients? It's also about delivering better quality service to the client in a more tailored approach."

The firm established a team of client relationship managers — non lawyers whose role is to serve as internal consultants to partners. These relationship managers help establish optimum strategies for maximising existing client relationships and winning new clients. "We look at our current client relationships — what are the strengths and structural weaknesses," said O'Sullivan. "During that process we need to evaluate the number of relationships we have, who they're with, the kind of work we're doing and how Freehills fits from a competitive point of view based on what the client values."

Once this analysis is accomplished, the client relationship managers typically enact simple processes such as forming client teams and having regular team meetings, instituting client reviews, or changing the way the firm reports to the client and gives them information. "Each client is unique, so the programme is tailored to their needs," said O'Sullivan.

Adapting InterAction to the Firm's Long Term Strategy

As Freehills' new strategy took form, its InterAction implementation would evolve beyond its initial mission of consolidating and centralising Relationship Intelligence, to play a central role in the firm's long-term growth plan. "Our original purpose for InterAction was different," said Alison Gunn, Freehills' InterAction project manager. "It's a tribute to our internal team, Alphawest which supports our efforts, and to InterAction, which has been able to adapt itself to our client relationship management strategy."

For instance, to ensure that the firm is on track with its programme, the client relationship managers run regular reports in InterAction to measure revenues derived from key clients, profitability and cross-selling successes (how many practice areas are being used by those clients). The system also houses anecdotal information, such as client survey results, client review data, informal feedback and individual client activities and interactions. "This information is reviewed on a regular basis and helps us form a measure of client satisfaction," said Durban. "Anything that happens with clients goes into InterAction."

Relationships have always been a key component of business development in law firms. The ability to identify and leverage existing relationships can often make the difference between winning and losing a new client. InterAction's Who Knows Whom™ feature, which reveals who else within the firm has a relationship with a particular contact, has proven particularly useful as Freehills' client relationship teams focus on new matter opportunities. "Just this week we had a senior associate send us an e-mail about a potential opportunity, inquiring as to whether we knew anyone who has a relationship with that client," recalled O'Sullivan. "I used Who Knows Whom to identify some key relationships and our most recent activities with those clients. InterAction provided a shortcut for identifying how we might approach this particular client."

The system's ability to automatically push important client information to partners and managers has won additional followers within the firm. For instance, InterAction's My Watch List™ alerts a user when a meeting, conversation or interaction is registered in the system pertaining to a contact the user is monitoring. Freehills' partners and relationship managers use My Watch List to track who is interacting with particular clients, when client meetings are being scheduled, and the status of those interactions. "Our CEO, Gavin Bell, uses My Watch List so he can keep track of our strategic clients and who's doing what with them," said Durban.

My Watch List has also proven to be an excellent means to disseminate important information, replacing broadcast e-mails, which are often disregarded. For example, client relationship managers do considerable client research and analysis, the results of which are then entered into InterAction. "If there's a client team that's interested in this particular research, they'll automatically receive the information via their Watch List," explained Durban.

Managing the pipeline of new business is also critical to Freehills' ability to forecast revenues and increase predictability of the firm's prospective business. The firm has just begun to explore the capabilities of InterAction's new Opportunties module, which will enable it to manage new matter opportunities through firm-defined sales stages to closure. "We're working on industry focus groups to tackle sectors of the market, and using InterAction Opportunities to gauge our progress," said O'Sullivan. "We need to collapse our multiple pipelines of information about prospective business, and create real processes, such as identifying the roles of various parties to an engagement, forecasting revenues, etc."

While relationship managers, marketing team members, PA's and certain partners are keen to explore the depths of InterAction's capabilities, Freehills is fully aware that many fee earners neither have the time nor inclination to master CRM technology. Accordingly, critical to InterAction's success at the firm has been its seamless and transparent integration with Microsoft Outlook — an environment that most fee earners are already comfortable using.

InterAction enables fee earners to automatically contribute to the central repository simply by keeping (or having their PA's keep) their Outlook address book up to date. Fee earners can access InterAction Relationship Intelligence, such as client profiles, mailing lists, Who Knows Whom, and My Watch List directly from their toolbar in Outlook, oftentimes not even realising that they are actually viewing information from InterAction.

The system even lets fee earners log incoming and outgoing e-mails and calendar appointments into InterAction, simply by clicking on an Outlook toolbar icon — allowing them to contribute to the system without altering their daily workflow or requiring training on a new product. "You don't want a CRM system to sit on its own," explained O'Sullivan. "For it to be used, you need to make it as integrated as possible into the way fee earners work. People instinctively use e-mail and calendars, so we have InterAction integrated into those functions."

The Perfect Marriage of Business Strategy and Technology

Law firms today increasingly understand that to succeed in the rapidly changing global economy, they must operate more like the businesses that they actually are. Freehills has taken a bold approach to maintain its leadership position by instituting a sophisticated long-term client development initiative, supported by industry-leading CRM technology.

While it may take years before realising all the benefits from the groundwork it is laying today, feedback received from its outside consultants indicate that the firm is on the right track. “We called in Deloitte last year to assess our client services management program, its structure and processes,” said Durban. “They gave Freehills a very high rating in terms of our programme and risk management, and attributed much of this to the strategy and use of enabling technology such as InterAction.”

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