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LAW FIRM MARKETING OPERATIONS INDEX: EXECUTIVE SUMMARY

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2017 Law Firm Marketing Operations Index

Executive Summary

The rapidly growing discipline of Marketing Operations seeks to increase marketing efficiency and organizational agility, and to measure, in a continuous and systematic way, how the marketing function helps businesses grow revenue.

Marketing Operations arose more than two decades ago in the technology and consumer goods sectors. Initially, law firms were slow adopters, but today, leading firms are establishing dedicated Marketing Operations functions, led by highly qualified senior professionals in a bid to measure and manage the return on investment (ROI) of their marketing and business development (BD) expenditures.

To measure the progress of Marketing Operations in the law firm sector we surveyed Chief Marketing Officers and equivalents at 280 of the largest law firms in the United States, Canada and the United Kingdom. The 68 respondents included 22% of the world's Top 50 global law firms.

The survey recipients were asked to rate their firms' performance in seven categories of leading business practices demonstrated by the highest-performing marketing/BD organizations across all sectors.

Key Findings

The research suggests that law firm CMOs are not confident that their firms meet best-in-class standards for the operation of a marketing/BD department. Here are some highlights:

Leading Practice Category	Key Findings
 <p>Business Alignment and Accountability</p>	<ul style="list-style-type: none"> • Law firm CMOs generally believe that their teams are well aligned with the business needs of their firms. • However, there is considerable improvement required to fully align Marketing/BD resources with the firms' most important clients – a leading practice in most Business-to-Business (B2B) sectors.
 <p>Marketing Performance Management</p>	<ul style="list-style-type: none"> • CMOs do not believe they are effective in measuring the performance of their marketing/BD function, but surprisingly do not see this as a critical issue. In most sectors the ability to measure marketing/BD's contribution to the business is a priority.
 <p>Marketing Data</p>	<ul style="list-style-type: none"> • CMOs agree that improving marketing data (quality, access, and capability) needs to be a priority for their firms. • Most firms report low ability to leverage "sales funnel" data on pursuits and opportunities. • CMOs agree on the importance of client satisfaction data to their firms, but don't believe these data are being used to inform marketing decisions.

Leading Practice Category	Key Findings
 <p>Business Processes</p>	<ul style="list-style-type: none"> • CMOs are generally confident that marketing/BD processes are in place and working appropriately. • Marketing/BD business processes continue to evolve in law firms, with most respondents reporting that they have improved, outsourced or de-emphasized processes in the past 12 months. • Few law firms report using a formal process improvement methodology – a leading practice in most high-performing marketing organizations.
 <p>Revenue Enablement</p>	<ul style="list-style-type: none"> • While law firm CMOs place a high priority on aligning marketing to support sales, they believe their teams fall short in this area. • CMOs agree that their teams perform well in the tactical areas of revenue enablement, such as creating and maintaining sales collateral. However, performance on the strategic aspects of revenue enablement (including direct revenue accountability) is much lower. • Few of the respondents report that they track the satisfaction of lawyers and business developers with Marketing/BD's services.
 <p>Systems and Technology</p>	<ul style="list-style-type: none"> • CMOs report a very strong business partnership with their firms' CIOs and IT organizations. The CMO-CIO relationship is a critical success factor in Marketing/BD organizations today. • Respondents see poor integration of the various technologies supporting Marketing/BD as a significant pain point. • Improving the Marketing Technology stack is not a major business priority for most responding firms. • Respondents agree that CRM is their top technology investment priority for the next 12 months.
 <p>Talent and Knowledge</p>	<ul style="list-style-type: none"> • CMOs are generally confident that their marketing/BD organizations are getting the fundamentals of people management right: training, performance management and career development. • Most firms have not attempted to inventory skills within their marketing/BD teams, although CMOs acknowledge the importance of doing so. • CMOs recognize the importance of data and analytics to modern marketing/BD departments, and are not confident that their team has these skills in place.

Online Summary of Survey Results

You can view an interactive summary of survey responses at the link below:

https://public.tableau.com/views/JJESSurvey/Dashboard1?:embed=y&:display_count=yes

Our Perspective

The 2017 Law Firm Marketing Operations Index makes it clear that law firms have not fully embraced the principles of Marketing Operations, including:

- increasing marketing efficiency and organizational agility
- aligning marketing activity with revenue growth
- measuring activity and people in a systematic way

Although the survey reveals pockets of excellence and motivation, law firms, as a group, **are not** leaders in adopting the Marketing Operations best practices that have been successful in other sectors.

Does this matter? After all, law firms are very different creatures than the technology and consumer goods companies where Marketing Operations originated. Transaction volumes are much lower, sales cycles are less predictable, and arguably, revenue growth is driven mainly by individual rainmakers rather than the organization. In the law firm environment, is it really worth the effort to measure, align and optimize marketing activity and expenditure?

We believe it is not only worth the effort, but imperative for Marketing/BD departments. The business leaders that marketers serve are motivated to wring the greatest possible value out of the firm's marketing expenditure. If marketers can't prove that value over time, they will find it difficult to argue for a seat at the table. In some cases, the Marketing/BD budget may even be reduced or restructured.

Putting it another way: If we don't have the facts about marketing's business contribution at our fingertips, the opinions and preferences of individual law firm partners will determine our fate. Marshalling those facts is *our* accountability.

How can law firm marketing leaders move toward the goal of demonstrating Marketing/BD's contribution? The answer will be different for each firm, but our research findings suggest the following as viable starting points to consider:

Experiment with Return on Marketing Investment (ROMI) measurement

The survey revealed that law firm CMOs know that ROMI is important, but few are currently applying it. It may not be possible to calculate ROMI for the entire marketing budget, but at the level of an individual program or campaign it is largely feasible. The key is designing the campaign to achieve a quantifiable revenue goal. For example: create a campaign with the objective of capturing leads for a particular type of matter. Determine a value for the average income that each new matter will generate for the firm. Add up all the costs associated with the campaign, including staff time. Estimate the average probability that each lead will come to fruition.

Then apply a formula. For example:

$$\text{ROMI} = \frac{(\text{Net income per matter} \times \# \text{ Leads} \times \text{Success probability \%}) - \text{Total cost of campaign}}{\text{Total cost of campaign}}$$

Your firm may use a different calculation, and that's fine. The point is to get agreement with all stakeholders around one methodology, and apply it consistently for all comparable campaigns. Over time you will build up a picture of which campaigns are most successful, and you'll be able to use that information to plan future marketing budgets – and evaluate requests for new initiatives against their potential return.

Consider adopting Account-Based Marketing (ABM)

The survey shows that most law firms are not organizing their Marketing/BD around their most important clients – those who generate the greatest value for the firm over time. This suggests a possible opportunity for firms to distinguish themselves. Account-Based Marketing (ABM) involves treating individual prospect or client accounts as markets of one, and designing strategies, campaigns and tactics against those markets. ABM has proven a strong connection to revenue growth in many other B2B sectors¹ – perhaps it's time for law firms to investigate the potential, and for CMOs to take the lead.

Tap into your clients – both internal and external – for marketing insight

Few CMOs, according to the survey findings, are using client satisfaction data to inform their marketing plans. Fewer still have an internal client satisfaction metric for their Marketing/BD teams' activity. Again, this is an opportunity for firms and marketers to distinguish themselves from the competition. If your firm is not already using Net Promoter Score² or other recognized client experience metric, advocate for adopting one. If you do have client satisfaction data – interrogate it! Look for patterns and create hypotheses about where dissatisfaction may be coming from. Take ownership of the firm's client experience metric – determine how the Marketing/BD organization can influence it. Finally, hold your team accountable for a client experience standard. If your internal clients are not Net Promoters of your team, find out why and do something about it.

Use metrics to create a data-driven Marketing/BD culture

The survey shows that use of marketing metrics is quite variable at law firms. Historically, measurement has not come naturally to the right-brain world of Marketing/BD. But that is changing rapidly because of the digital transformation that has affected all industries, including law firms. Today, position descriptions like "Director of Marketing Science" are appearing more frequently on job boards. Law firm CMOs need to recognize this trend by considering data and analytics as core marketing competencies, and setting expectations around these competencies for their teams. An excellent way to start is through metrics. Consider holding yourself and your team accountable for a small number of relevant Key Performance Indicators for marketing success. Define those rigorously, produce them on a regular schedule, and make sure they are noticed – ideally through a real-time Marketing Dashboard and/or quarterly scorecard.

Move Marketing/BD up the revenue value chain

The survey clearly shows that law firms are working on improving their marketing business processes. What's less clear are the objectives of those process improvements – are they designed to reduce workload (and potentially headcount) or are they intended to drive greater business value from Marketing/BD? Certainly, there's a place for making current processes more efficient and cost effective – but the priority should be to connect marketing activity with revenue generation. In summary, when we improve a business process, consider how doing so can help the Marketing/BD team move from being obedient executors to strong Revenue Enablers™.

Build the business case for more IT integration

An important survey finding is a strong relationship between law firm CMOs and their CIOs / IT organizations. We believe now is time to leverage those relationships to address a critical pain point – poor integration of marketing systems and data. With over 3,500 marketing technology (martec) vendors in the market today, law firms typically have a proliferation of marketing systems and data sources, which demand a great deal of effort to extract usable information. The martec industry is rapidly developing approaches for producing more integrated data. CMOs should consider partnering with CIOs to

¹ [Account-Based Marketing Benchmark Report](#), (Demand Metric, 2015)

² [What is Net Promoter?](#) (Net Promoter Network)

understand the technologies, envision the future, and create business cases for the investments that will be needed over time.

Map your team's skills so you can grow them.

At a time when the required skill set for successful Marketing/BD is changing so rapidly, it is troubling that so few law firm CMOs maintain an inventory of the skills available within their teams. Without this inventory – as well as knowledge of the skills that will be critical in the future – it is difficult to see how CMOs will be able to develop their organizations to meet the changing needs of their internal clients. Our advice is to start by mapping the competencies that your team requires to be successful – at each level of the organization. Define the technical, interpersonal and organizational skills required for a coordinator, manager and director-level role. Then, assess your current team against this map. This exercise will help you develop your existing team members, and refine roles when it's time to hire.

Contact us

Calibrate Legal and Totum Partners undertook this research to help us better understand our clients' needs, and to help our clients plan their future investments in this domain. We welcome comments and reactions to this research, and we invite you to get in touch with us using the contact information below:

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About the Sponsors



Our mission is to connect the right people, ideas and information to position our law firm clients at the forefront of the next era of the legal industry.

We partner with our law firm clients to help capture and articulate the value of their human capital investments, and to advance the dialogue between law firm leadership and the Revenue Enablers™ who are critical to advancing their strategies.

We are committed to helping law firms position themselves at the forefront of the legal industry's evolution by placing sophisticated talent, leveraging firm leadership and building cultures driven by meaningful data.



Our vision is to be the first port of call for business services recruitment for leading law firms. Clients choose us because we move with the market, understand the legal sector better than anyone else and attract the best talent from inside and outside the profession.

Our long background in legal recruitment gives us the ability to support all sizes of law firms in all parts of the world to create and develop highly effective management teams that drive sustained business growth.

At Totum, we live and breathe law firm management. Nothing is more important to us than sourcing the right and the best management talent to meet the specific needs of every law firm we work with. But it is the way that we work that consistently delivers success.