



# Strategies

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**Taking Your Marketing Metrics  
to the Next Level**

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# MARKETING METRICS:

## GETTING TO THE NEXT LEVEL

BY GORDON BRAUN-WOODBURY



**W**ith the shift to digital marketing channels, almost anything is measurable. Every marketing activity, contact, campaign and interaction leaves its own breadcrumb trail that can be analyzed and reported. CRM, marketing automation and social media systems now collect a virtual flood of marketing data. Sophisticated analytics and

dashboard tools are available — often free of charge — to any marketer prepared to invest time in learning them.

Faced with such an array of measurement choices, many marketers adopt a broad activity-based approach to measurement — for example, counting visitors, clicks, likes and email opens. These metrics are generally easy to obtain, and they can generate insights for benchmarking the department's channels and improving overall efficiency. But they don't address the central marketing measurement problem — how to demonstrate that marketing and

business development is fulfilling its purpose of contributing to the firm's revenue growth. In other words, marketing return on investment (ROI).

Demonstrating marketing's ROI is not an easy task in a law firm where lawyers deliver the work, own the client relationships and often take full credit for obtaining new business. To overcome this mindset, you need to be selective and strategic about the data you measure so that it's credible to the professionals you serve. Here are some ideas to get you started on ROI measurement.

## 1. Start With Strategy

Measure data that supports your firm's growth strategy, which can be written or implied. For example:

- If your firm has a relationship growth strategy, such as seeking to sell more services to top clients, concentrate your efforts on the marketing data specifically associated with those clients.
- If your firm is industry focused, align your data collection and analysis on the industries in which your firm wants to grow market share.
- If your firm emphasizes growth via lateral hires, measure the amount of time it takes your team to complete all onboarding tasks for each lateral.

## 2. Focus on Conversions, Not Clicks

A contact's interaction with your marketing material, whether opening an email, clicking on a link or attending an event, is a "conversion step" on an individual's "customer journey" from awareness, to interest, to need, to action on the purchase of your firm's services.

For example, you might set a rule that a contact who clicks on a particular IP topic in three successive issues of your firm's newsletter has shown interest in that topic and has converted from "awareness" to the "interest" step in the journey. Likely, it's time to move that contact into a focused sales campaign for IP services. Rather than measuring email click-through rates, consider designing metrics that show the number or percentage of conversions your marketing messages deliver and track those against individual contacts to isolate patterns.

## 3. Use Cost Metrics

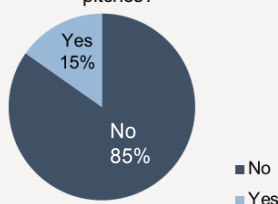
For the sake of credibility, measure marketing activity in financial terms wherever possible. This requires you to understand the total costs associated with each marketing activity, including both budgeted expenditures and the cost of your

team's time. Law firm CMOs are starting to recognize the benefits of tracking their marketers' time against specific projects and types of deliverables. By doing so, you can calculate the total cost to the firm of presenting an event, taking on a sponsorship or competing for a particular proposal. This gives you leverage when determining potential ROI and discussing which activities to support.

## 4. Measure Pitches

In a recent survey of senior law-firm marketers, Calibrate Legal and Intapp found that only 15 percent of respondents currently track ROI on successful pitches and requests for proposal (RFPs). This suggests a missed opportunity to demonstrate marketing and business development's (BD's) contribution to revenue growth because creating winning pitches is an area where many of these teams excel. For example, one marketing team we know measures the success rate of proposals supported by their team versus those for which partners did not seek support. Another tracks the time of both partners and marketing/BD on each pitch. Over time, this department aims to measure how marketing/BD's involvement can reduce the firm's sales costs by reducing the time partners spend on RFPs.

Does your firm track return on investment on successful RFPs and pitches?



## 5. Take Ownership of Business KPIs

To have a voice at the leadership table, senior marketers need to look beyond measuring their department's activities. Today,

the most successful marketing leaders are tracking revenue key performance indicators (KPIs) for the entire firm and focusing their teams on activities that will help move these dials. Here are a few examples:

- **New client ratio:** Number of new clients obtained in the past year divided by number of total active clients
- **Average fee per client:** The firm's annual revenue divided by the number of clients billed
- **Marketing cost ratio:** Total marketing costs (including personnel costs) divided by the firm's total annual revenue
- **Key account growth:** Total fees from key clients (however the firm defines them) compared to the previous period
- **Key account ratio:** Total fees from key clients/the firm's annual revenue
- **Penetration rate:** The average number of practice groups that bill their services to each client

Used well, marketing metrics can be powerful tools to build marketing and BD's credibility and demonstrate business value. When designing your measurement program, it's practical to begin with easy metrics like clicks and email opens, but striving for metrics that connect your team to the firm's revenue will define modern marketing leadership. ■



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