

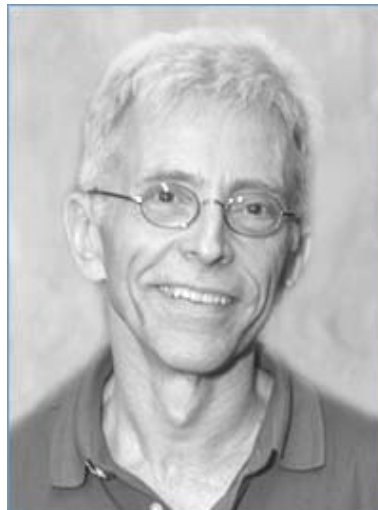
## Get Smart

### ***Conduct Intelligent Business Intelligence***

Once again the legal profession is recognizing a trend already standard in other industries: competitive intelligence (CI). Legal managers are taking a page from their counterparts outside legal organizations to ensure their rims remain ahead of the game.



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#### **What Is It?**

The Society of Competitive Intelligence Professionals defines CI as "the legal collection and analysis of information regarding the capabilities, vulnerabilities, and intentions of business competitors, conducted by using information databases and other 'open sources' and through ethical inquiry."

If you widen the focus to include the overall business environment, the term business Intelligence (BI) is more appropriate. In a legal profession context BI would be defined as the collection, analysis and dissemination of actionable information that is important to the long-term health and success of the firm.

This information will include updates on the capabilities, vulnerabilities, and intentions of many players:

- competitors;
- clients (existing and potential);
- industries of interest to the firm;
- legislative developments; and
- the legal industry.

Note that BI includes keeping current on clients, but is not limited to that issue. For managers in those firms that have already invested heavily in a client-relationship-management system (CRM) there is no suggestion that such systems are becoming obsolete; rather, they will simply become an element of a firm's overall BI program.

#### **Why Should We Set Up a BI Program?**

There are three reasons firm managers need to consider BI programs:

1. *They minimize threats to your existing client/practice base by competitors.*

A critical, and initially at least, primary role of the BI program is to help provide timely, actionable information to minimize threats to your firm's existing client/practice base. For instance, keeping up-to-date on your competitors' marketing messages allows you to counter any threats identified in those messages quickly, thereby reducing any potential impact on your client base.

2. *They prevent blindsiding by new or pending legislation, or changes in your and your clients' industry.*

The intelligence gathered through your BI program can and should be used as a key element in the development of your practice group strategic and tactical plans. It should enable practice leaders to adapt the firm's "mix of offered services" to be in synch with the needs of the firm's marketplace.

For instance, it is one thing to know that the insurance industry is going through serious consolidation. It is much more valuable to have insight into which companies will be left and the potential impact on your firm's insurance practice.

3. *They generate additional revenue.*

The greatest long-term potential value and ROI of a BI program will be achieved if the program is set up and operated as source of revenue generation vs. simply another cost center.

Firm manager can ensure their organizations' BI programs are used to assist in finding new clients and new markets for existing services. Here are some specific examples of revenue opportunities created by an effective BI program:

- Legislative impact on business issues or segments can open or expand markets for existing services - e. g. the impact of privacy legislation such as "No Call" lists on telemarketers, financial services sector, etc.
- It can help set operational performance benchmarks both on a firm/competitor level but also on industry standards for clients/ non-clients and legal strategies that will allow clients/non-clients to make changes enabling them to meet these benchmarks (at the same time transitioning into the "trusted business adviser role").
- It will help with understanding long-term market trends - what legal services are growing and shrinking and how the firm best enters and exits such markets.

### **Developing a Successful BI Program**

It is critical that there is one *commitment to use* the information resulting from the BI program. Administrators are key to reaching firm wide consensus. There should be openness to the various ways in which the program can be used, beyond just checking on what the law firm down the street is doing.

One suggestion for showing commitment and encouraging use of the program is to integrate it into the regular partners' meetings, and at practice level meetings as a "BI briefing".

Remember that *structure* does matter! The value in identifying the structure you will use for the program before you start a formal BI program is that it brings a discipline to the process by forcing you to create a template for future additions to the information structure.

How will you stratify the information in the BI "portal" to make it easy to access? It is critical that the intelligence gathered is in a format conducive to expedient analysis and use. For example, there could be four separate categories of information - individuals, organizations, industries and legal profession.

How will you organize the data? For example you could put it into folders by "targeted company or individual."

1. **Ownership** -- Who is going to maintain the BI program? It could be the marketing department personnel who also maintain the CRM database; knowledge management personnel, administrator, etc.
2. **Ease of access to the information** -- Your first choice as the resource place for all BI information should be your firm's portal. Using the firm's portal reflects the goal of providing a single point of entry through which all information (or knowledge) within a firm can be viewed and accessed in a format that makes it actionable. For those of you who use a CRM structure, you can either opt to have the CRM as a linked but separate resource or have CRM integrated into the BI portal.
3. **Content** -- What sources of information will be included on an ongoing basis, what sources on a less frequent basis, and what will be looked at on an ad-hoc basis, AND how will it all be reported?
4. **Presentation** - What search engine will be used and what types of searches will be available - i.e. key word, source of data, date, full text, etc. This will also effect how the information is collected.

### **BI Programs Are Not Just For the Mega-Firm**

BI programs are not only for larger firms. A BI program can be as simple as having shared files on your network that are accessible.

Simple BI programs are a convenient place to list site locations of various sources of information on organizations. These sources include: EDGAR, Hoover's Online, and Internet Intelligence Index (Fuld Business Intelligence Company). They allow easy access to news databases that access specific news wires and national news sources.

BI programs can include subscriptions to listservs and mailing lists - or even more basic locations of sites which will take the user to various listservs and mailing lists like Liszt, Tile.net, Yahoo's List of Mailing Lists, and Mailing Lists How-to. And, even the simplest structures can serve as a repository where "push services" such as [www.clari.net](http://www.clari.net) deliver their product.

### **Where Should We Start?**

The simplest place to start, whether it is a firm, sole practitioner, partners or associates looking for an edge, is to retain a media watch company (or clipping service) for a test period. You supply the service with the names of individuals, companies, industries and topics that you wish tracked and they will forward you (insist by email) copies of articles containing these criteria from all the media sources they monitor. (It is important when dealing with such organizations to find out both what types of media they draw from i.e. TV, radio, print, Internet and, within these mediums, what specific sources they monitor.)

At the end of the test period you will have a good idea about the value of this approach and, if seen to be beneficial, you will be in a position to refine your criteria. In addition, the exercise will give you a starting point for creating a BI structure because it will give you a tangible example of the kinds of information available for internal use, and how that information should be compiled for easy access.

Here are four final words of advice: Start small and expand slowly. Your BI system will give the edge - over the competition, for clients and for yourself

**Further Reading**

*Jean O'Grady, the Director a Information Services at Wilmer, Cutler & Pickering, in an article titled "The Importance of Targeted Information" published in the September 2003 Legal Times provides some information on some more sophisticated, customizable services for gathering BI.*

**Comments or Questions?**

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