

## The LexisNexis® Tips Series -- Number 5:

### *Competitive Intelligence in Law Firms; How Can You Begin?*

Just as lawyers perform due diligence in researching the ins and outs of case law, law firms large and small need to investigate the business landscape to improve market intelligence. A growing number of legal professionals, particularly law librarians and those focused on marketing and business development for their firms, are adding competitive intelligence (CI) to the business development mix.

Not a spy game, CI is information gathered and analyzed to identify ways to improve client service and further develop relationships. Regardless of your role within the firm, adopting CI skills can make you an indispensable member of the client development team:

- 1. Define competitive intelligence.** Simply put, CI is the gathering, analyzing, and managing of large amounts of information about competitors, clients and the business environment in which you operate. When this competitive data is analyzed, firm leaders have an opportunity to enhance client service and influence law firm profitability.
- 2. Define the role competitive intelligence will play in your firm.** Successful competitive intelligence in law firms resides at the intersection of library, marketing, business development, and strategy and planning. With all of the data available, both inside (billing, knowledge management) and outside (news, litigation, financials, relationships) the more departments with varying skill sets working on CI the better.
- 3. Define the context of CI for your firm.** Look within the firm at its structure and organization. Where can competitive intelligence data help identify new areas to secure business and influence client service and retention? A close analysis should uncover common threads among types of companies your firm retains and the industries represented. Look at length of time clients have been with the law firm; compare what's happening in an industry to the clients on your roster. In addition, examine your competitors' client base. Is anyone within your firm targeting what firms across the street are doing? Lastly, look within the firm to draw parallels among each department working on business development. Would a CI function help unify that effort and influence results?
- 4. Start with a SWOT.** Always know your firm's strengths, weaknesses, opportunities and threats. This information is helpful in responding to RFPs for new business. Using competitive intelligence, a firm can anticipate which competitors are also vying for the business, how your firm compares, and how best to position firm strengths while playing up others' weaknesses.

**5. Conduct scenario planning.** Do you know what the legal marketplace will look like in three years, five years and 10 years? No one knows for sure. By going through a planning exercise, however, you may know more than you realize. With a CI function, you can foretell which scenarios are expected to unfold and prepare for a response. By narrowing potential outcomes and building plans for them now, your firm can better prepare for impact of future business.

**6. Self Promote!** Brand, launch and deliver CI within the firm. It doesn't matter whether CI professionals are part of marketing or business development. What's critical is to position the CI function to help grow business development and results. Detail some of the ways CI is expected to make a difference i.e. smarter pitch books, more targeted RFP process, increase in wins, etc.

**7. Match CI with internal data.** CI is often understood as external facing; it's an exploration of market landscape, competition, clients' industries, performance, and other factors that contribute to knowledge intelligence. Match these insights with business intelligence (balance sheets, financial statements, billings, etc.). When considering how both sets of data contribute to firm profitability, more informed analyses can be made for future business growth.

**8. Determine key intelligence topics.** No one can focus on every topic or angle that affects business. As a team, explore the key factors, sources and topical areas that align with your firm's business model. Develop a top-ten list, which can easily be adjusted as time goes on, and then create an action plan to address each category. Analyze and make informed conclusions.

**9. Purchase necessary tech tools.** CI is best conducted with software tools that enable compilation of aggregate data. This type of technology helps monitor, alert, gather and analyze market intelligence. Familiarize yourself with the tools and information resources available on the market and on the Web then explore and test the ones that seem right for you.

**10. Attend key tradeshows and follow bloggers.** The Society for Competitive Intelligence Professionals is an amazing resource on this topic. Law firms are a growing membership category there, and the high-level education and case studies from around the world can only stimulate your own intellectual growth. Lastly, there are key legal bloggers on the CI topic. Follow them, post remarks and get comfortable with this burgeoning professional category.

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