

# Business Intelligence and Analytics for Law Firms: Insights for a shifting business ecosystem

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# Executive Summary

We live in an information age. In both our personal and professional lives, we are consistently bombarded with data in various forms; through our interactions with technologies in our homes and workplaces, we are also constantly generating data that will in turn be harvested and displayed to another. Information has arguably become the most valuable resource of all businesses, as technology grows in sophistication and utilization, the world becomes ever more globalized, and economies continue the shift to operating on the acquiring and exchanging of knowledge. With the right data – and the appropriate tools for gathering and processing it – the key to success for any organization seems to be within easy reach. When correctly utilized, data analytics can contribute to the construction of meaningful information patterns, identifying opportunities to boost profitability, and improve product quality and service delivery. However, the essential problem lies in the sheer quantity of available data. With such a tsunami of information, it can be difficult to know where to start. What exactly is the “right” data? Which tools and methodologies can we use to measure it effectively?

For the majority of law firms, these are difficult questions to answer. Cultural norms in the profession and the traditionally risk-averse, occasionally technophobic, nature of many lawyers are both obstacles to the alteration of working practices to encompass data analysis. However, despite the fact that global economies are in recovery and the demand for legal services is picking up, the marketplace remains incredibly tough, and processing of data has become essential for those firms wishing to retain a competitive edge. It is therefore critical for the legal profession as a whole to initiate a cultural change and acquire new skills in order to survive in a dynamic landscape being transformed by technological disruption and economic pressure. *Business Intelligence and Analytics for Law Firms: Insights for a shifting business ecosystem* is the ideal tool to begin the implementation of this development, featuring advice and observations from pioneers in this relatively uncharted territory. Expert guidance is also complemented by examples of best practice – something which is typically difficult to gain access to, considering the frequently sensitive nature of business intelligence processes.

Both practicing lawyers and those who manage law firms and law departments, make decisions and judgments with incomplete information. Faced with such uncertainty, is there a way to improve decision-making? Other industries can provide guidance for the legal profession, with artificial intelligence and machine learning methodologies transforming decision-making practices and improving shareholder value. In chapter 1, Aileen Leventon – a practicing lawyer and management consultant – and Gill Eapen – an engineer and economist – show how those who embrace an analytically driven risk, value and resource management process could gain significant competitive advantages in this age of possibilities and in the presence of high uncertainty.

From pitches and proposals, to deepening client relationships through client targeting and cross-selling, data and technology are changing the way firms operate. In conjunction with this, we are also aware that the sheer amount of information available can be a problem in itself – how can we be sure where is the best place to start? In chapter 2, Jennifer Roberts – data scientist at Intapp – lays out ways in which the power of data can be harvested within your firm for strategic client-centric efforts, and explores ways to initiate the change and areas in which technology can help you and your firm excel.

“Business intelligence” differs from “practice intelligence.” Running a law firm like a practice often comes at the expense of maintaining a business mindset. Law firms are a profit paradise, but the field is changing; new forces that present new challenges are quickly gaining momentum. Pricing pressure and fierce competition have long been a reality in the business world. In chapter 3, Ariela Tannenbaum – principal at Edge International and CEO of Advanced Financial Analytics – delves into the ways that law firms can develop and take full advantage of the financial intelligence that predominates in the world of big business and succeed in the new normal of the legal practice realm.

The right kind of information can contribute to a firm’s success in many different ways. While emotional intelligence may seem an oddity for consideration in the discussion of business analytics for lawyers, well-documented data establishes the importance of these skills in achieving the highest levels of performance. There is also evidence to suggest that a lawyer’s tendency to discount and underperform in these areas can lead to disaster, both on a personal and organizational level. In chapter 4, principal and founder of Law People Management Ronda Muir argues that developing emotional intelligence provides an avenue for improved mental and physical performance, higher personal and organizational profitability, and a better competitive position – all of which is critical at a time where AI robots are nipping at the lawyer’s heels.

The implementation of formal business intelligence and data analytics strategies within law firms continues to increase, including data governance and the use of data visualization dashboards. However, in this relatively new field, direction and real-world examples are sometimes difficult to come across, with many firms unwilling to share their experiences. In chapter 5, Melaina Fireman – senior manager of business intelligence and database services at Goodwin Procter – defies this trend, sharing best practice and lessons learned from the formal BI strategy recently implemented at her firm. Those looking for ways to develop and strengthen a data-driven enhanced culture within their own practice will benefit from the insight into Goodwin Procter’s collaborative and agile approach to business intelligence.

Due to today’s rapidly changing market for legal services, law firms have engaged a myriad of strategies to adapt and compete. One investment many firms are making is in their marketing and business development department. Over the past few years, business development and marketing has become more of a science than an art — largely due to the availability and abundance of data. Litigation and transactional analytics tools allow users to benchmark themselves against their peers, receive alerts about potential new business, and assess litigation and transactions activity by practice area, volume of matters, and significant clients and industries at large. Chapter 6 by Michelle Murray – chief marketing officer at Cahill Gordon & Reindel LLP – explores four ways legal professionals can harness big data to better identify both opportunities and competitive risks.

It is becoming a more accepted fact that law firms have a strong need for data analytics. Taking this into account, examples of best practice are invaluable tools in this emerging sphere. In chapter 7, Kesney Fotes, data analytics manager at WilmerHale, provides an extensive overview of the journey undertaken in creating a modern data platform at his firm, a member of the AmLaw 100 list. Discussed within this chapter are some of the pressing issues facing those seeking to improve their operations using BI and analytics, including considerations on the question of build or buy and the quantification of business value.

Business intelligence tools have been instrumental in analyzing historical and current data to assist law firms in both business and operational decisions. However, many firms have been making successful decisions without the use of business intelligence tools for years. Some law firm leaders

may say they have always relied on “gut instinct”, but sometimes the analysis may suggest that this is not always the best measure for decision making. Chapter 8 by Paige Keith, chief financial officer at Hawkins Parnell Thackston & Young LLP, discusses the challenges law firms face when business intelligence guides them in a direction differing from what they have always done or feel like doing. Furthermore, it will examine ways to reconcile seemingly opposing data with the cultural identity of the firm without undermining either one.

## About the authors

**Gill Eapen** is the founder and CEO of Decision Options, a leader in artificial intelligence applications in business decision-making. He has over 30 years of experience in strategy, finance, machine learning, artificial intelligence, engineering and general management, and has advised clients in a broad range of industries, including aerospace, pharmaceuticals and financial and legal services. Mr Eapen is the author of two textbooks, *Decision Options: The Art and Science of Making Decisions* and *Flexibility: Flexible Companies for the Uncertain World*, which address the theory and practice of real options in economic valuation and investment decision-making and the structure, systems, and strategies needed for companies to survive and succeed in an increasingly uncertain world, respectively. His blog “Scientific Sense” is followed by people in over 150 countries, and he is a frequent speaker at conferences worldwide on subjects of strategy, innovation, economics, and analytics.

**Melaina Fireman** helps organizations make better decisions. As Goodwin Procter's senior manager of business intelligence and database services, she focuses on data management, business intelligence, knowledge management and data governance best practices. She provides technical leadership and serves as a data visualization champion to legal and administrative departments while optimizing data solutions in support of the business strategy. Prior to joining Goodwin in 2003, Ms. Fireman has held database management and data warehouse positions in the United States and Europe.

**Kesney Fontes** is the data analytics manager at WilmerHale. He has over 20 years of experience with enterprise systems, focusing the first part of his career on Document Management Systems (DMS) for large organizations and managing a team of engineers responsible for the implementation and integration of third party applications. His experience ranges from document management, enterprise search, finance and HR, to other legal vertical systems. Most recently, he has created a data warehouse solution, including ETL, reporting and Tabular cubes, leveraging PowerBI. He manages a team of developers maintaining the data analytics infrastructure and partners with business areas such as finance, practice management and legal project management in support of the organization's data solution.

**Paige Keith** is a business executive with extensive experience leading financial and accounting operations of law firms, including planning, reporting, billing, tax compliance, and accounts payable. Before becoming a chief financial officer at Hawkins Parnell Thackston & Young LLP, she spent 15 years in various management roles responsible for developing and implementing strategic initiatives. She has also overseen client relations and the delivery of legal services, emphasizing the design and integration of consumer-centric business models and technology. Paige studied at Southern Methodist University in Dallas, Texas, where she earned an MBA from the Cox School of Business and a BS in mechanical engineering with biomedical specialization.

**Aileen Leventon** is a business counselor to the legal industry and a practicing lawyer with over 35 years of experience. She advises lawyers and legal operations professionals on strategies to manage and sustain sound financial performance and continuously improve the efficiency of legal work. Recognizing the impact of artificial intelligence techniques to improve the quality of decision-making, Aileen launched Predictive Legal Economics in 2017. She collaborates with Gill Eapen, the founder of Decision Options<sup>®</sup> to apply proven techniques from other industries to create value in the legal industry. Now a principal of Edge International, she began her consulting career at PricewaterhouseCoopers LLP after obtaining her MBA. Her work at PwC served as the template for the founding of the General Counsel Roundtable and current approaches to data analytics in the legal profession. As both a project manager, speaker and collaborator, Aileen has actively participated in many pro bono projects for the Bar, CLOC, ACC and the ABA.

**Ronda Muir, Esq.**, principal and founder of Law People Management, is one of the country's leading authorities on lawyer personalities and solutions to both traditional and emerging people management challenges that are unique to the legal industry. Muir draws from years of practicing law in New York and Europe, both as outside counsel and in-house counsel, coupled with advanced study in behavioral science. Nationally recognized for her identification of emerging industry trends, she is a frequent speaker, an award-winning author and publishes [www.LawPeopleBlog.com](http://www.LawPeopleBlog.com), a recognized resource for the legal community. Muir's best-selling book *Beyond Smart: Lawyering with Emotional Intelligence*, published by the American Bar Association, is the first comprehensive guide to understanding, using and raising emotional intelligence in the context of the practice of law.

**Michelle Murray** spent 14 years in institutional fixed income sales on a trading desk before changing paths to become the leader of Cahill Gordon & Reindel LLP's marketing, business development and communications department. At Cahill, Michelle works closely with the firm's executive leadership, management and practice groups to develop and execute strategic business and client-focused initiatives that advance the firm's objectives. She directs all aspects of the firm's branding and marketing strategy, client relations, alumni relations, communications and public relations, digital marketing and social media. Michelle is currently the chair-elect of the LMA's New York Local Steering Committee, and is a certified White Belt in Legal Lean Sigma and Project Management.

**Jennifer Roberts** is a data scientist at Intapp. She is responsible for the analytics and research component that supports thought leadership and new initiatives. Leveraging her skills to advocate, evangelize and build data-fueled products and insight, she examines the legal industry to drive analytical intelligence that informs strategic decisions and solves organizational needs. Prior to joining Intapp, Jennifer was responsible for innovation and development of thought leadership content at Thomson Reuters. Jennifer received her Master's degree from Humphrey School of Public Policy, with an emphasis on statistical methodology and performance measures within various industries.