



**“SHOW ME THE
DATA SO WE CAN
TALK ABOUT IT.”**

*What a Refreshing Concept:
Data and the Legal Industry.*

BY PAULA ZIRINSKY

Jan Brady ‘would’ have said it best, “Well all I hear all day long at work is how great Marcia data is at this and how wonderful Marcia data did that. Marcia, Marcia, Marcia. Data, Data, Data.”
(taken from The Brady Bunch: Her Sister’s Shadow)

I stand with Jan Brady. Data is getting a disproportionate amount of our attention today.

Years ago, data was scarce. You had to dig for it. Today we have so much data, we have difficulty handling it. This wealth of information is creating, as the economist and artificial intelligence pioneer Herbert A. Simon coined it, “a poverty of attention.” As the volume of data grows, our attention, or ability to focus on what is important, is strained and challenged.

This lack of attention makes us susceptible to a failure to generate the very insights we seek and need to focus on actionable intelligence. For actionable intelligence, we must turn to technology, albeit thoughtfully.

Brian Solis recently wrote, “Technology won’t solve (all) your problems.” ([Generative AI won’t automate your way to business model innovation | CIO](#)). He went on to tell this story, “When avant-garde artist, composer, musician, and film director Laurie Anderson was named artist-in-residence at Australian Institute for Machine Learning (AIML), she mused about the role of AI in creative problem-solving. She recalled one of her favorite quotes by, of all people, her meditation teacher: ‘If you think technology will solve your problems, you don’t understand technology — and you don’t understand your problems.’”

Amen to that.

Today, generative AI and predictive models, while not new, are front-and-center and actively discussed throughout the legal industry. And for good reason. There is a data goldmine within law firms. Law firms inherently gather vast amounts of data, ranging from case files and client interactions to market trends and industry insights. Yet, this data remains confined within traditional systems, hardly ever being used to its full potential.

While many firms are now actively pursuing an overall AI strategy, where they decide to place their investments in AI and predictive models, how they are used needs to be selective and targeted to have a real impact. In the end, it is what you do with the massive amounts of data that counts. Otherwise, the risk of becoming data-rich and insight-poor will continue to increase. And data will just beget data.

David Durlacher, chief executive officer of Julius Baer International, a global wealth management firm, was recently asked how technology can help wealth managers and advisors. His answer has relevance not just for wealth managers but, yes, lawyers as well: “I think you can do it in three ways, one of which is to free up client-facing people to be able to face clients more rather than being consumed by administrative tasks. The second is to gather deeper and richer insights into clients, and the third is to help you to communicate smarter.” ([Why A Purpose-Driven Approach Is Crucial To Your Wealth Management Business \(forbes.com\)](#)).

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Data, Operations, and Optimizing the Practice of Law.

With digitalization, the vast amounts of data that firms have collected can, should, and are being used to optimize law practices. Toward this end, law firm CFOs, COOs, Data Technologists, and practice heads have been focused on data analytics to assess past performance, resulting in endless dashboards on clients and matters, gross margins, billable rates, billable hours, fees per matter, fees per client, utilization by fee-earner, collections and so on. All toward getting a better grasp on business performance – that of the firm, its offices, its practices, and its lawyers. It is hopefully used to optimize efficiency, performance, and profitability – perhaps by moving underutilized professionals to busier business areas to maintain billing (and revenue stream) during slower cycles or utilizing this data to ‘refocus’ teams from going after low-margin matters or those with a low win rate toward higher-margin matters with higher win rates. Or analyze client matters to see the range of lawyers (and practices) engaged, to optimize or find ‘like-clients’ to do the same. Or analyzing data to track performance as it connects to a firm’s strategic and business plans. All activities related to the business of law.

If this data is outdated, incomplete, slow to be entered, inconsistent, or missing altogether, the analysis will be

subpar, and the decisions based on it will be without relevance. This area – the business of law – is where AI and data collection are needed most. To avoid missteps, helping lawyers track the data related to their matters and performance should be at the forefront of a firm’s data strategy. For efficiency, manual data entry must be replaced with automated, real-time systems. But that does

not mean without input from a firm’s lawyers. Automated data systems still need oversight by legal teams to ensure that what is input is current and correct. Once seamless, these systems lessen the time lawyers need to administrate formerly manually input data. At the same time, it increases their available time to practice law, manage existing clients, and cultivate new clients.

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Data, Marketing, and Client Relationships

But while client matter data is crucial, data collected about the clients is even more so. This is where purposeful collaboration with the legal marketing teams,

business development, client and account-based teams, and so forth, is key. Because it is within the marketing data collection and the marketing technology platforms that client insights and relationship data exist.

You can put me on the record about the importance of customer relationship management, or CRM (call it what you want, but do not call it dead) integrated with marketing automation platforms. The CRM, or central

repository of information about clients, prospects, and referral sources, collects data in an organized fashion that makes it useable across the organization. More than just contact lists, an advanced CRM also gives you the who-knows-who and how strong data is needed by business development, client teams, and lawyers pitching business. Marketing automation platforms house client and prospect information such as leads, interactions, and engagement. Simplistically, what did the client or prospect click on that may indicate need or interest? These actionable insights are then used for personalized, targeted outreach and nurturing to take place. Once again, the marriage between data, technology, and client insights.

Paul Roetzer and Mike Kaput, Marketing AI Institute may have said it best, “Next-gen marketers know that to deliver the personalization and experiences modern consumers expect, marketing must become smarter. It must become marketer + machine.”

Data Drives but Does Not Replace Conversation

But to avoid getting all tangled up in our data underwear, when we look at data, sometimes in the absence of context, we forget that we are dealing with real people. And the importance of building relationships with those real people, since those real people are the clients of the firm. Focusing attention on a data-first strategy, must never

take time, attention, and resources away from what never changes over time: the need to establish strong, personal relationships.

While traditional business development touchpoints (phone calls, emails, lunches, etc.) may seem somewhat obsolete in a digital-first world, these activities are part of relationship building, the importance of which can never be underestimated. Data helps to enrich, target, and direct

personal efforts, but it can never replace these efforts.

“Send me the analytics so we can talk about it,” the client said. Sure, the numbers may drive the story – but clients need to hear, understand, and ask questions via conversations with real people.

This brings me to my point: Data can and must drive a conversation – but data does not replace that conversation. Data helps target not just the development of personas but also real people, sometimes individually.

Let me give you an example. I collect modern Japanese block prints. Each

year at print shows, I visit with two vendors.

The first uses past purchase behavior – data based on the collective buying patterns of customers – to organize their booth. The prints they offer for sale are organized by artist name, theme, and price. You are asked what you are looking for when you enter their stand. Based on their prior knowledge of what people might buy, which has influenced how the merchandise is displayed, they can

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immediately direct you to the specific box that corresponds to your request—making it easy to sift through their wares on your own. Efficient but merely transactional.

The second vendor does something a little bit different. Front-and-center, along the center show aisle, he has a table set up that he stands behind – and on that table sits a large portfolio case. Upon approach, the gallery owner begins to flip through the portfolio, holding up a print, telling the story of his recent trip to Asia, the artists he visited with, and the vision of their most recent works. He nods to familiar faces in the assembled crowd, each person intently listening, learning, and completely engaged. And then I hear him say my name, “Paula, you may be interested in adding this piece to add to your collection.” And then he explains why. At that exact moment, he expanded his use of collected data to drive conversation and to strengthen and validate our relationship. In fact, he strengthened his relationship with every person listening to his presentation as a thought leader. A thought leader who, through the body of their work, ideas, authority, and credibility, can influence thinking and contribute to broader discussion and progress. Guess where I took out my checkbook? To the vendor who proved his authenticity and furthered his engagement with me as my trusted advisor.

Why am I telling this story? The two vendors are each using data to sell their wares and expertise. This is

like the strategy law firms use when sending out client alerts as part of a content marketing strategy. Whether by marketing or a knowledge management team, the topics and themes pushed out in these alerts are based on the firm’s collective data on client needs that have been organized into marketing lists. The data is used to develop personas. But when members of the firm engage with their clients by

articulating the reason specific to them and what they need to know about, they can push that content into the realm of authentic thought leadership. The firm and its lawyers take on the role of trusted advisors. And all of this is also based on data collected by the firm.

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Data Comes in Many Forms. X's. O's. and Client Feedback

Data comes in Xs – experience data – and Os – operational data. In 2005, Bain & Company did a study called Closing the Delivery Gap: How to Achieve True Customer-led Growth. According to their research,

80% of CEOs believed they delivered a superior customer experience. However, only 8% of customers believed this to be true. (“The Xs and Os of a Next-Generation Support Experience,” SAP News Center, Mohammed Ajouz, November 4, 2019). The study notes, “With the experience economy impacting how both business-to-consumer (B2C) and business-to-business (B2B) companies operate, organizations have started to shift from focusing purely on delivering services and products to delivering delightful

experiences.” Simply put, you needed the X’s and the O’s back in 2005. And you still need them today.

For law firms, operational data has always been front and center. It is what is captured in the black binders used to assess law firm performance each quarter. However, often omitted, yet equally important, is the qualitative client feedback data. For the marketing, business development, and practice teams, experience data recounted in client feedback interviews captures what the client is thinking. So why do so few firms include organized client feedback programs in their mix and analysis? After all, according to Thomson Reuters Market Insights research, “data shows that inclusion of a formal feedback program can raise a firm’s share of client legal spend to 34% on average, compared to a baseline of 14% —a significant return on investment for a structured client feedback program.” ([Client Feedback: Trends in client feedback for 2022 and beyond | Reuters](#)). According to BTI Consulting Group’s website, “72% of clients want to give their law firm feedback, BUT only 30% of law firms ask in a meaningful way.”

I maintain that the information gleaned from client feedback interviews helps improve client service and performance and can be helpful in branding, positioning, and thought leadership.

Unlocking Thought Leadership: How Data-Driven Firms Can Shape the Future

For the most part, that data goldmine gathered by law firms remains siloed within different departments and systems. Unlocking the data goldmine is the first step toward unleashing the thought leadership potential hidden within a firm. As my Japanese print dealer did, thought leadership drives the industry conversation and can separate your firm from the one down the street. Toward this end, by fostering a data-driven culture (of both the O’s and the X’s),

and by encouraging attorneys and staff to collect, organize, and analyze data, law firms can identify patterns, extract valuable insights, and gain a deeper understanding of their clients’ needs and expectations. Firms with this culture have started implementing advanced data analytics tools to effectively interpret their data (often combined with external data and reports) to derive actionable insights.

By employing techniques such as predictive analytics and sentiment analysis, firms can anticipate client needs, readjust teams, foresee industry trends, introduce relevant new practices on a timely basis, and proactively address potential challenges. The ability to forecast future developments based on data-driven intelligence is also a hallmark of thought leadership. The insights communicated can and often do significantly elevate a firm’s reputation and market position. Allowing the firm to lead, not follow trends.

To close, here is another quote I have chosen to edit:

A lawyer without books data would be like a workman without tools. – Thomas Jefferson [ILTA](#)



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