

BUILDING A BETTER LAW FIRM

THE IMPORTANCE OF KEY
PERFORMANCE INDICATORS
(KPIs)

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For many small law firms, legal marketing is something of a mystery. Their account representatives and marketing consultants might provide them with data about their clicks, unique visitors, and impressions, but they don't necessarily know what to do with this information. However, in our data-driven world, these types of key performance indicators (KPIs) can provide vital insight into the health of your law firm and its marketing plan. In this guide, we explain the essentials of KPIs and how they can benefit small law firms.

TRACK

Your Law Firm's Marketing Performance and Visibility



Today, you have so much more information than your team's total billable hours and case cost. If you're using a practice management system or data analytic tools, you already have access to valuable KPI data. When it comes to client experience and legal marketing, there are key touchpoints that can help you identify your firm's strengths and its room for potential. KPIs measure your performance at these touchpoints.

Determine What to Measure

While your KPIs might vary depending on your marketing strategies, they typically include:

- ✓ Number of new monthly leads
- ✓ Number of new client consultations per month
- ✓ Number of consultations that converted into clients
- ✓ Average cost per lead/client
- ✓ Monthly revenue and billing
- ✓ Monthly expenses
- ✓ Client satisfaction and engagement
- ✓ Employee engagement

Identify Goals and Potential Weaknesses

When you use and analyze KPI data, you gain insight into your client acquisition costs, your brand awareness, and the effectiveness of your marketing and business plans. And once you create a baseline, you and your partners can set goals and implement systems that help improve your operations.

For example, suppose you discover that 100 leads (or potential clients) are contacting your law firm each month. But only 50 of them are scheduling initial consultations and only 10 are signing on as clients. While there might be myriad reasons for your low conversion rates, KPIs can help you identify potential causes.

Make Decisions Based on Collected Data

You might discover that disconnects in your client journey such as delayed phone calls and long wait times for appointments are causing lead attrition. Or you might find that many of your website and marketing materials aren't clearly expressing your services and value proposition and you're attracting the wrong leads. Based on this data, your firm can then make educated decisions about hiring, marketing, and business development.



MODERN METRICS

for a Changing Legal Industry



In the past, all you had to worry about was your lawyers' profitability. However, today's legal industry is rapidly evolving. With the increasing popularity of online, automated services that offer document completion and other quasi-legal services, your small law firm has to refocus on its value proposition.

Simply put, today's legal consumers have more options and more information than ever before. They're also increasingly willing to shop around for legal services. Today, you need to offer your clients a holistic, branded experience that engages them at every stage of the legal client journey. Do you have metrics that gauge their engagement and activity?

We encourage our attorney clients to consider a series of core data points that can help your law firm grow.

Lead Generation

Many modern clients don't simply call the first law firm they find. Instead, they research their options, look at reviews, and download assets like eBooks and whitepapers. You can track your leads online activity and cultivate increasing brand awareness.

Conversion Rates

Not all your leads will become clients. However, tracking the number of leads that sign a retainer can help you identify issues in your lead cultivation and onboarding processes.

Cost Per Client Acquisition

Savvy law firms are tracking their marketing investments. With a robust data analytic system, you can identify how much you are spending to acquire your clients and assess your marketing plan's efficacy.

This data can take the guesswork out of your marketing, legal business development, and operational strategies.

Employee Satisfaction and Performance

Additionally, your team's efficiency and performance are increasingly vital in your competitive market. Traditional metrics like case costs and billable hour totals provide some of the picture, but you'll also want to look at other performance metrics.

Depending on your practice, these might include attorney and staff members' response times to client and lead queries and time spent on non-billable business development.



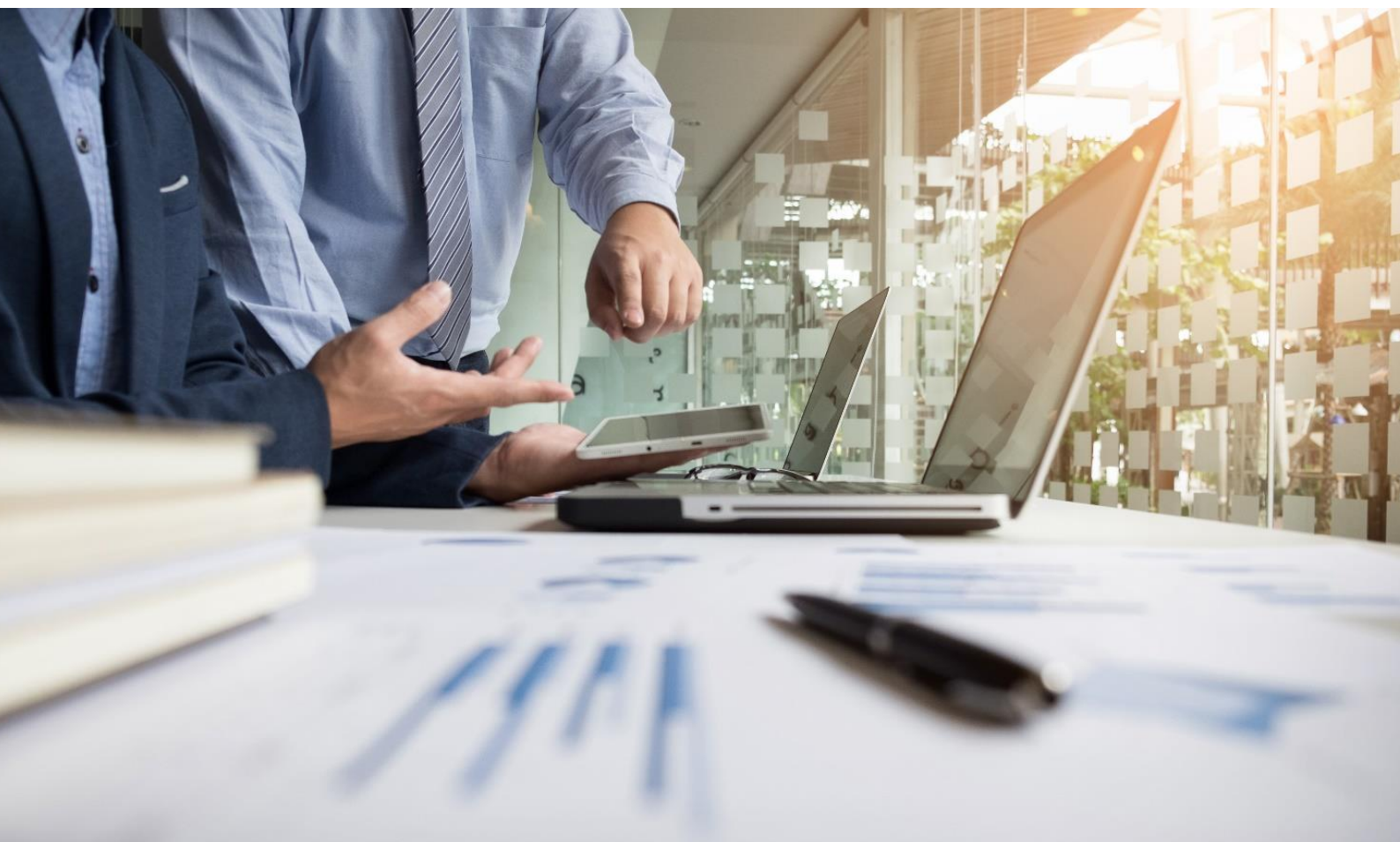
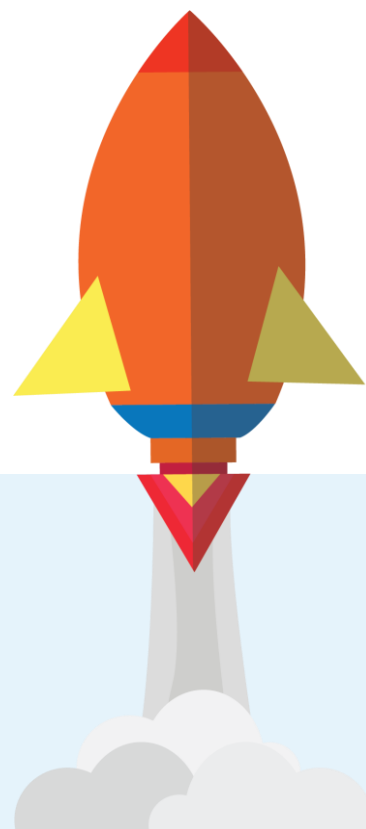
TIPS

for Transitioning to a KPI-Based Strategy

Shifting to a KPI-focused business strategy isn't a quick process. But law firms that have made the transition typically become more efficient and profitable. As you start implementing KPI data, make sure you:

- ✓ Track KPIs that reflect your law firm's operations and culture
- ✓ Dig deep into your baseline data, looking for trends and inefficiencies
- ✓ Set attainable goals and don't expect overnight results
- ✓ Explain the importance of KPIs to both your lawyers and staff
- ✓ Create a regular reporting schedule that encourages transparency

Sometimes, a transition to data-based goal setting can intimidate team members. We encourage our clients to include stakeholders at every level in your KPI transition. Your staff members are the typically the front line in your client journey and have a unique perspective on lead and client generation — ask them about the challenges they face and the trends they observe. And if you need help explaining KPIs to your team or implementing a data analytics strategy, contact us for help.



BUILD

Your Business Strategy With Help From James Attorney Marketing

From call tracking to online reputation management, James Attorney Marketing tracks our clients' digital presence and assess their performance with the help of powerful algorithms.

If you need help understanding your KPI data or want to learn more about our refreshing approach to small law firm marketing, contact James Attorney Marketing today.

Our team would love to get to know you and your business and help you craft a marketing strategy that maximizes your strengths.

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