

## **Competitive intelligence an essential component Of better law firm decision-making**

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Important law firm decisions should never be made in a vacuum. Instead, they should be made with an abundance of the right information in hand. For many law firm decisions, “the right information” means competitive intelligence.

Competitive intelligence is defined as a systematic and ethical program for gathering, analyzing and managing information about the external business environment – information that can affect all of a law firm’s plans, decisions and operations.

Competitive intelligence can be information about **organizations** – like your clients, potential clients and adversaries. It can be information about **other law firms** – like collaborators, opposing counsel or even potential merger partners. It can be information about the legal needs in particular **industries or markets**.

Competitive intelligence can also be information about **people** – like the people you will meet in a pitch, in the boardroom, in the courtroom (like opposing counsel or an expert witness) or in a hiring interview.

In any of these settings, knowledge of companies and people is power.

“When gathering competitive intelligence, there is a wrong way and a right way to go about it,” said Wanda McDavid. “The wrong way is typified by computer hackers like Lisbeth Salander in *The Girl with the Dragon Tattoo*. As much as we enjoy the book and the movie, and want Lisbeth to succeed, we cannot condone her tactics. This kind of corporate espionage makes for good entertainment, but bad – and unethical – business.

“The ethical gathering of competitive intelligence complies with all applicable laws – domestic as well as international,” said McDavid. “It is obtained from legitimate online and print sources, in both public and subscription databases. When obtained by interviews (either with targeted competitor staff and customers or as general field

research), the ethical interviewer discloses up front both her identity and the purpose of the interview.”

McDavid and her colleague Judy Goater discussed the ethical gathering and use of competitive intelligence by law firms at the monthly educational program of the Rocky Mountain Chapter of the Legal Marketing Association ([www.legalmarketing.com/rockymountain](http://www.legalmarketing.com/rockymountain)). The program was held Jan. 10 at Maggiano’s Little Italy in downtown Denver.

McDavid is president and Goater is director of services development at Access Information ([www.access-information.com](http://www.access-information.com)), a Denver-based firm that specializes in the discovery and compilation of competitive intelligence for use by law firms. Both have master’s degrees in librarianship and vast experience in the legal industry. The PowerPoint slides from this presentation have been made available on the company website, in the “training” section.

“Before starting any competitive research project,” said McDavid, “it is essential that you have a plan. Thanks to the Internet, there are an almost unlimited number of resources out there. You can waste a lot of time and money searching them all. If we know your goals for a particular research project, we can help you concentrate your resources on the most likely, valid and reliable sources for your purpose.”

### *Competitive intelligence on companies, competitors and adversaries*

Some sources of competitive intelligence about companies, competitors and adversaries are paid and some are free to the public. Because of the nature of their work, many law firms and law librarians already have access to many of the paid resources. These include products offered by industry giants LexisNexis and Thomson West.

“For industry research, I also like to use a product called Profound, offered by MarketReserch.com,” said McDavid. “They offer a wide range of reports for purchase. An entire report can be costly but, if you know exactly what you are looking for, you can order just part of a report for a lesser fee.

“And don’t forget,” said McDavid. “Many of these paid resources are available for you to use free of charge at the Denver Public Library.”

Free resources for company research include [www.llrx.com](http://www.llrx.com) and Zimmerman’s Research Guide (<http://law.lexisnexis.com/infopro/zimmermans>). In its database, Zimmerman’s offers links to both company information and company personnel. “Both of these sites are great places to start if you are trying to get an overview of the kind of research that is out there,” said McDavid.

The Virtual Chase product by Justia.com offers business research as well as county and municipal law resources. Information on companies can be found at Hoovers, Yahoo! Finance, Google Finance, Nexis company information and Valuation Resources.com.

“A lot of good research is available from Google,” said McDavid. “We all know how to do a Google search, but much more refined searches and results are available via the Google Advanced General Search Page. Google Scholar and Google Advanced Scholar Search offer useful results that have been ‘purged’ of casual hits.”

Court and government sites – especially the Secretary of State’s office -- include public records and a wealth of useful information. “If you want to know where a company is headed,” said McDavid, “check the U.S. Patent and Trademark Office Database.”

### *Competitive intelligence profiles*

When preparing to meet with a potential client, lawyers often ask marketers or librarians to prepare a profile of the client. “All too often,” said McDavid, “this is done just a few hours before the scheduled meeting – and we need to scramble.

“Even with very little lead time, you would be surprised at how much information you can turn up by simply visiting and mining the potential client’s website,” said McDavid. “You should also search company or firm pages on social media sites.”

When you have a little more lead time to prepare – like for a proposal or the resulting beauty contest – then you can delve more deeply into client background. Good sources for public companies include SEC filings. Good sources for private companies include Dun and Bradstreet reports.

A good profile addresses some or all (depending on your time and research skills) of these categories:

- Quick facts
- Company overview
- Business segments
- Products/services
- Business partners
- Board of Directors
- Key executives
- Key developments
- Representative clients
- Legal issues and litigation
- Locations
- Case studies
- Patent information
- Marketing strategy

- Competitors
- Sources
- News articles

Armed with this type of information, your lawyers and law firm are well-prepared to make good decisions about how to approach a potential client (or anyone else), and how to make a good impression once the contact takes place.

### *Competitive intelligence on people*

Sometimes you need information about an individual rather than a company. This person could be a client, a prospective client, a competitor, opposing counsel, a potential hire or a potential merger partner. When you know something about the person you are meeting with, you can plan appropriately.

Sometimes, you need other kinds of information about people. For example, you might need to track down a former employee or a potential witness. “When such a person has gone ‘off the grid’ electronically, you might not have much to go on,” said Goater. “This is where creativity comes into play.

“In one such case, a former executive had been gone from a company for five years,” said Goater. “He had a common name, which made the search even more difficult. Someone recalled him saying that he wanted to take over his family’s farm. By using the farm subsidy database and narrowing the search by general geographic area and the man’s age, we were able to locate him for our client.”

Another reason to search for people is to acquire their contact information for use in a marketing database. Good sources of contact information include telephone directories, professional directories and professional licensing agencies (if you know a person’s profession). Online sources include a search on Yahoo! People.

Many of the commercial and general resources mentioned in the “companies” research section in this article work just as well for people.

“We often use a site called Jigsaw, owned by Salesforce” said Goater. “It is a business-to-business contract database populated by marketers and salespeople around the country. By contributing their contacts, users gain access to the database. It includes 30 million contacts. It is an especially good source for the contact information of individuals below the usual c-level executives that show up in most directories.”

If you know a person’s location, you can search local and regional media for mentions of their names and activities. Social media – like Martindale Hubbell, LinkedIn, Facebook, Google+, Twitter and YouTube -- are also good resources. So are blog searches. Social media include contact information, but they also broaden your research with less formal “chat” about people, their activities and the companies they work for.

“In gathering information about people,” said Goater, “you want to use a wide variety of sources – and you want to be very careful to validate any information you find before you act on it. There is a lot of faulty information out there. There are also privacy concerns.”

Today, information about companies and individuals is widely available. In fact, you could easily drown in all the data. The trick is to focus your search in light of your business goals. With this information in hand, you are well-positioned to make good decisions about the future of your law firm – and its work.