FUTURE-PROOFING YOUR FIRM:
Using Client Intelligence to Manage Risk

2025

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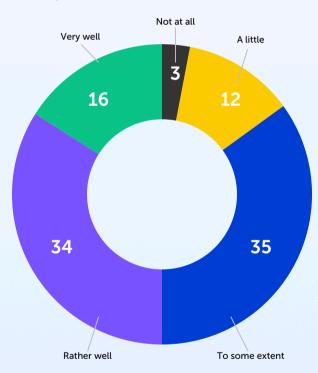# Future-Proofing Your Firm: Using Client Intelligence to Manage Risk

As industry-wide risks continue to evolve, professional services firms must adapt and expand accordingly. Addressing sectoral shifts must be a firm-wide priority. This entails reassessing and transforming business operating models to prioritize clients and enhance resilience. At the same time, there are several core risks that professional services firms are facing, including heightened competition, an economic slowdown, and the failure to innovate or meet client needs, according to management consulting firm **Aon's 2023 Global Risk Management Survey**. If inappropriately managed, these risks could have ripple effects and increase client attrition and revenue loss and therefore, demand firms' attention and willingness to change.

A recent survey **analysis** by consulting firm McKinsey found that many organizations are not prepared to react to future shocks and disruptions. Just **14%** of surveyed organizations reported using flexible operating models, while only **5%** reported having the necessary capabilities to implement technology-driven strategies. Inflexible company cultures expose organizations to business and financial threats, making it important for firms to commit to robust client management and a sound business strategy.

Many business leaders say they feel that their organizations are unprepared to react to future shocks and disruptions.

Organizational preparedness to anticipate and react to external shocks and disruptions, % of respondents (n = 442)

[1] All respondents were asked to select the top 3 trends for their organizations. For these data, an additional question was posed to a subset of respondents: How well is your organization prepared to anticipate and react to external shocks and disruptions?

Source: McKinsey State of Organizations Survey, >2,500 leaders in organizations with ≥1,000 employees across industries in Canada, China, France, Germany, India, Japan, Spain, UK, and US, May–June 2022

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When professional services firms prioritize future-proofing, they not only foster client loyalty, but also ensure consistent revenue growth - bolstering overall business resilience and expansion.

By staying ahead of industry shifts and embracing technological advancements, firms can better meet the evolving needs of their clients. This commitment to adaptability and innovation fosters trust and satisfaction among clients, ultimately leading to increased loyalty. Moreover, sustained revenue growth reinforces the financial stability of the firm, contributing to its overall resilience and long-term growth prospects.

There are several ways that professional services firms can safeguard themselves against client- and revenue-related risks. Top among these are actively monitoring and protecting their existing client relationships, facilitating strong change management procedures, and ensuring their organizations are technologically forward. They can do this by leveraging client intelligence to support their efforts and to strategically address the emerging demands of the shifting landscape.
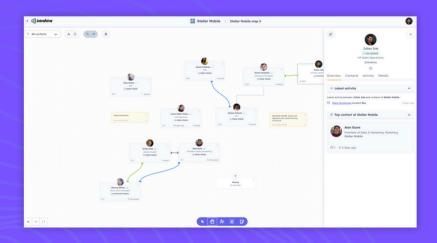
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The Importance of Preserving Client Relationships

Protecting key relationships and staying ahead of clients' needs are critical for professional services firms that are looking to safeguard themselves against existing risks. Clients may be at risk of attrition if they're dissatisfied and look toward competing firms, if their advisors resign and fail to properly transition the relationships, and in cases where there's a merger or acquisition that disrupts existing client connections.

There are a host of benefits associated with client retention and proactively anticipating client needs by staying up-to-date on organizational and personnel changes. For example, **a 5% increase in client retention can help firms generate 25% to 95% more profits.**

To reap the monetary advantages of client loyalty and retention, firms must ensure they're investing in technology that both surfaces and enriches meaningful client data. Without detailed insights, organizations will be less equipped to respond to client needs.

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Using Client Intelligence to Prevent Churn and Drive Transformation

To mitigate client risks and future-proof their organizations, many professional services firms are investing in technology that enriches important client information and distills it into clear, actionable insights. According to a joint **PwC report**, platforms that collect data from across cross-functional teams and practice areas deliver more robust insights to advisors, who then become better informed and equipped to serve clients.

"Everybody sees the same stuff going on in the market," Dan Priest, a principal at PwC, said in the report. "The ability to connect the dots with insight and creativity makes you different and helps you win." Advisors who have access to a firm-wide view of their client relationships are able to more effectively respond to demand signals, make more deliberate, data driven decisions, and collaborate strategically across the firm to increase cross-selling and revenue opportunities.

What Does Good Look Like?

The positive results of maximizing existing client relationships can be seen through annual self-evaluations that global law firm Baker McKenzie requires from its partners. At the end of each year, the firm asks its advisors to report both their wins and instances in which they've successfully collaborated with colleagues. This incentivizes advisors to work across practice lines to offer additional services, build relationships, and maximize revenue. Since implementing a pro-collaboration working model in 2017, Baker North America has seen revenue gains of **more than 40%**, a **Harvard Business Review article** says.

This increase highlights the importance of leveraging collaboration through client intelligence to maintain client loyalty and grow profits.

Fostering A Strong Change Management Culture

Professional services firms occasionally experience rapid changes that have the potential to significantly alter business operations and service delivery. For example, a firm may go through a merger or acquisition, conduct a mass layoff, or introduce a new practice area to the market. These changes have the potential to cause risks and disruptions if they're inappropriately managed. At the same time, facilitating successful and effective change management procedures can be difficult. **Studies** show that two out of every three change management initiatives fail at most organizations, highlighting the need to improve and simplify how these processes are developed and implemented.

There are several reasons why professional services firms struggle with **change management**. Organizations may implement short-sighted or incomplete strategies that fail to account for the unique needs of different departments and their clients. At the same time, employees and advisors may be resistant to changes, and there may be a lack of buy-in from senior or middle managers. Possible resistance and internal divisions paired with an insufficient strategy could lead to poor and fragmented change management, which has the potential to affect service delivery and damage valuable client relationships. Additionally, clients often have expectations from the firms they work with and may have concerns over how changes will affect their treatment and service. This makes prioritizing the client experience critical at every stage.

> "
> Professionals in accounting firms are not taught how to manage client data and maximize their time to scale strategically. As a result, the presence of change agents who can demonstrate the impact of such practices throughout the firm, coupled with individuals crafting narratives on ROI and case studies, necessitates a growth-oriented culture characterized by transparency, alignment between growth and leadership goals, and a willingness to innovate through risk-taking and experimentation. With so much data in our firms, those that can figure out how to activate, leverage and make it actionable will be able to scale faster, and in a more intentional way, to attract ideal clients."
>
> **DAVID M. TOTH**
> *Chief Growth Officer, Winding River Consulting*

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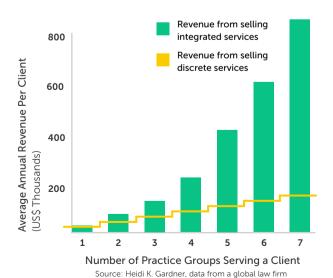# Ensuring Client-Centricity as a Firm-Wide Priority

Firms that put clients at the center of decisions will minimize possible risks associated with change management and future-proof their organizations for the long-term. When clients' unique needs and preferences are placed at the forefront of decision-making, organizations are able to develop comprehensive strategies that are resilient to internal or external pushback. This gives clients and advisors a clear roadmap of how to proceed so the client experience is never sacrificed. A client-centric business model also helps firms respond to client feedback appropriately and establish trust — the basis for long-term, meaningful relationships.

To prioritize the client experience, firms can leverage the power of internal collaboration to meet client needs and boost retention. Collaboration also has a host of other benefits, specifically allowing law firms to increase their billable hours, work billed, and originations, according to a recent Thomson Reuters **report**. However, many say there's still barriers when it comes to collaborating with colleagues and advisors, with **69%** of lawyers surveyed reporting obstacles.
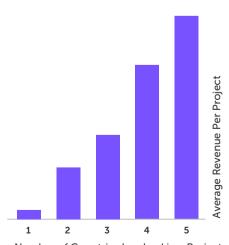
More Collaborators, More Revenue

As more practice groups collaborate to serve a client, the average annual revenue from the client increases, over and above what each practice would have earned from selling discrete services.

Source: Heidi K. Gardner, data from a global law firm

More Countries, More Revenue

As the number of countries involved in a client project increases, so does revenue.

Source: Heidi K. Gardner, data from a global law firm

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Detailed client insights are paramount when it comes to properly understanding customer needs, but firms need to ensure this data is accurate and timely for it to be effective.

According to software company Salesforce, roughly **91%** of data stored in client relationship management (CRM) repositories is incomplete, and **70%** of that data becomes inaccurate every year. To address these issues, many firms are using additive relationship intelligence software that automatically enriches data and helps them develop a client-centric business model.

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USE CASE:

LBMC leverages client data to drive change management

LBMC

LBMC, a US-based Top 50 professional services firm with more than 10,000 clients across various industries, implemented the client intelligence platform Introhive as part of its digital transformation roadmap. Three months after using Introhive, LBMC reported a **567%** return on investment in time savings and increased adoption of the CRM system, highlighting the platform's positive impact on LBMC's wider organizational change initiatives. Introhive made LBMC's change management process headache-free by automatically syncing and enriching key client details, saving busy advisors the manual time and effort that could be spent on other high-value activities.

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Driving Firm-Wide Transformation Through Technology

Professional services firms increasingly need to adjust to shifting digital trends and adopt new technologies, including software that uses artificial intelligence (AI). However, many organizations struggle with effectively implementing new tools into their technology stacks and workflows. While nearly **90%** of US professional services firms have a CRM platform, less than **60%** of their 'seller-doers' — advisors focused on both billable work and business development efforts — use it. What's worse is that many of these advisors don't regularly use CRM for sales pipeline management. Instead, more than half of seller-doers use Word documents, while 40% use Excel spreadsheets, and 33% use paper notes. Firms that lag on technology adoption are exposed to significant risks when it comes to employee productivity, client retention, and revenue growth.

If advisors spend several hours a week manually keeping track of prospect and client data, they have less time for high-value, billable tasks. At the same time, if advisors have a fragmented view of their firm's client relationships, they may miss important signals that could help them improve their rapport with clients. While AI technologies can accelerate a firm's competitive advantage, their successful adoption is contingent on robust data foundations. A recent **survey** from Harvard Business Review Analytic Services found **81%** of executives said their organizations have increased their data and analytics investments over the past two years. Professional services firms need to keep pace with this move so they can leverage AI to maximize their client relationships.

> "Fragmented data leads to errors, inconsistencies, and bad information. Centralizing data helps to ensure consistency and gives those at the firm more confidence in the data in place. Firms will also see a boost in efficiency as a result of data centralization. Efficiency is often a money saver when it comes to firms. Analyzing centralized data provides firms with key insights into the way the firm runs and can be a money maker for law firms. Ultimately, cleaner centralized data increases firm brand awareness; it also helps firms gain new business and ensure strong client satisfaction. Everyone wins, clients, attorneys, and law firm support staff."

MIKE ANASTASIADES
Director, Legal Solutions
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Using Client Data and Technology to Unite as One Firm

Organizations that prioritize investment in AI, data, and analytics are more likely to drive firm-wide value and transformation.

76% of leaders said having **access to quality data** played an important role in business performance.

This is essential in a world where **77%** of sellers report **challenges** with their productivity.

Organizations face a wide technology gap around digital and analytics capabilities

Technology capability gaps, by role, % of respondents (n = 489) [1]

Role	%
Digital and analytics, overall	40
Software development	32
Customer insights	26
Data science	25
Product management	24
Digital marketing	21

[2] All respondents were asked to select the top 3 trends for their organizations. For these data, an additional question was posed to respondents: For which roles are you about to face or already facing capability gaps? The response options displayed are the top options selected, have the largest gaps compared with other roles, and represent a sufficient number of responses to be meaningful.

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To obtain the full value of data and analytics, firms are investing in client intelligence software that helps them gather objective insights so they can develop robust strategies and risk-proof their organizations for the long term. These types of AI-powered platforms help maximize employee productivity by automatically syncing and enriching important client information and by delivering regular client updates to advisors so they're always on the pulse. By leveraging data and analytics and centralizing a firm's CRM efforts, professionals are empowered to collaborate and more effectively respond to client needs. This ultimately helps organizations become more technologically-forward, boost client retention, and increase revenue growth.

From the Data

Organizations that leverage the relationship intelligence platform Introhive saw a 495% return on investment within six months of using the platform, an independent study by research and advisory firm Forrester shows. More specifically, firms using Introhive saw cross-selling improve by up to **30%** and found both revenue-generating and non-revenue-generating professionals boosted their productivity by **over 2.5% and 7.5%** respectively. Introhive has helped firms achieve these gains by discovering **300** contacts per user on average and reducing outdated contacts by **125%**.

30%

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Unlocking Revenue Growth: Cultivating Activator Behaviors in Professional Services Firms

To help future-proof their organizations, firms need to understand the characteristics that lead to individual advisors' success. This is because professional services firms' value and profitability is dependent on their people, making it imperative to recognize what high-earners do differently. A recent *Harvard Business Review* **article** analyzed five advisor profiles and found that only one showed positive results tied to performance and revenue. On the other hand, the rest of the profiles correlated negatively to performance. *Harvard Business Review* dubbed the high-performing profile as an 'activator,' who commits to business development as a key part of the job, actively builds and leverages their relationship network, and searches for ways to collaborate and create value.

Activators pursue a few different routes to achieve success. To begin with, they use social platforms and attend events to expand their networks. They also work to educate clients on important topics and trends and proactively reach out to them for future work opportunities. Finally, activators leverage their network to introduce clients to other partners and practice areas, building sustained loyalty and trust.

Firms can support activator-like behaviors through various means. Beyond hiring and training professionals to exhibit these traits, firms can invest in client intelligence technology that helps to facilitate activator behaviors. Giving advisors access to relevant and up-to-date relationship insights allows them to more easily assess client health, identify demand signals, leverage referrals and warm introductions, and capitalize on cross-selling opportunities. This ultimately gives firms a competitive edge and helps them risk-proof their firms by fostering increased client retention and revenue growth.

Achieving Long-Term Success as One Firm

Professional services firms are dealing with a number of pressing risks that call for data-driven solutions. If firms fail to adequately manage existing threats, they could face a host of detrimental consequences, like client attrition and revenue loss. These potential perils call for organizations to embrace holistic business strategies that are centered around protecting client relationships, facilitating strong change management practices, and ensuring their cultures are digital-first. To help future-proof their organizations, firms should leverage client data and insights through relationship intelligence software to ensure their strategies are resilient against potential shocks.

Data that's automatically gathered and augmented through client intelligence software empowers firms to prevent client churn, develop client-centric change management strategies, and enable greater technology and CRM adoption. When organizations leverage client intelligence to risk-proof their organizations, they're better enabled to strengthen their client retention, maximize cross-selling and revenue opportunities, streamline operations, and boost client loyalty. Detailed relationship insights also empower individual advisors to exhibit high-performing behaviors — such as network-building and collaboration — which have the potential to generate increased revenue and new business opportunities. Client intelligence software is the antidote to potential business risks, empowering

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Why Introhive?

Introhive is a Client Intelligence Platform that empowers professional services firms to future-proof their organizations and to build strategies that lead to sustained growth and success.

Relationship Health

45%

It's been 45 days since your last interaction with this contact.

SEND MESSAGE →

1 Protect and nurture your firm's client relationships through detailed and timely insights that help advisors better identify demand signals and respond to client needs.

2 Simplify and strengthen your firm's change management strategies by leveraging relationship intelligence to help you develop a firm-wide, client-centric culture.

3 Support firm-wide technology adoption and centralize your CRM so advisors can capitalize on new cross-selling and revenue opportunities.

4 Enable your firm's advisors to exhibit high-performing behaviors so they can build client loyalty and generate new business.

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