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Big Data, Big Opportunity

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Source: Array

Big Data technologies and analytics are changing how law firms innovate and compete in big ways. Smart firms are employing analytics to recognize leading indicators and make data-informed decisions.

Big Data refers to the technologies involved in processing large volumes of data, often unstructured and rapidly changing, garnered from a variety of sources. Analyzing this data and making connections between disparate data sets require nontraditional database processing tools and new data analysis skills. Innovative law firms are using Big Data analytics to their strategic advantage in areas including:

Pricing & staffing: Examining invoice data can help firms better understand the profitability of alternative fee arrangements, identify the characteristics of successful matters, and recognize risk. Detailed data from past engagements can guide firms in the budgeting and staffing of new matters and identify attorneys who are most effective in specific types of matters.

Client and industry Intelligence: Products and services that "listen" to news, blogs, events, social media, and other resources give law firms strategic advantage. Understanding industry trends early can guide firms in growing practice areas and industry focus teams.

Client service: Clients expect their outside counsel to understand their business and industries. Big Data tools can deliver timely and targeted insights that law firms can leverage to help their clients understand competition and risk. Proactively sharing these insights with clients can demonstrate your firm's expertise and strengthen client bonds.

Competitive intelligence: What are competitive firms focusing on? What practices or industries are growing or shrinking? Big Data competitive intelligence tools help firms analyze the competitive landscape in potential markets and geographic areas.

Client relationship management: Integration of Big Data analytics into firm CRM systems could help direct business developers to focus energy on the prospects most likely to convert, or those who are likely to have the biggest revenue impact.

Talent analytics: The next hot area may be "talent analytics," crunching data to uncover the success factors of high performing individuals and teams, effectively staff projects and departments, and predict who's likely to leave. Corporations are starting to employ methodologies to combine the large volumes of data generated by and about employees everyday to identify patterns of behavior that lead to success.

CHALLENGES

Big Data also presents some big challenges, including storage, security, privacy, disposition, fragmentation, data quality, and governance, to name a few. Big Data projects require a new mindset, the ability to experiment and evolve and learn from failure, with the flexibility to try new approaches and methodologies, yet meet the defined business objectives.

IT leaders should be at the center of this unfolding data driven revolution. IT is in the unique position to identify sources of data and ensure the right systems are connected. Working closely with business leaders and other administrative management, IT leaders can and should drive this transformation. The days of siloed data and departments are gone. Big Data is real, it's exciting and it's changing our world.