PROJECT TITLE

Client Segmentation for a Top 100 Global Law Firm

EXECUTIVE SUMMARY

Given the vast number of clients that the firm has, one of the key management strategies for client prioritization has been to implement dedicated account programs. These programs allow clients to be segmented by priority, so that the appropriate level of time and resource is allocated to each client accordingly. Traditionally, the methodology for establishing which group a given client falls into has been lacking in evidence-based analytics, relying heavily on partner relationships and individual opinion. More recently, the firm considered annual revenue as a more objective indicator of client segmentation.
However, using revenue as the sole metric for allocation is a flawed approach. This project aims to establish a more comprehensive system for client segmentation by combining multiple data points and evaluating each client against a given set of evidence-based criteria which will determine whether they should move upward, downward, or remain the same.

GOALS/BUSINESS OBJECTIVES

To ensure that revenue generating client relationships are maintained amongst the most relevant clients based on current data, and not legacy relationships. This will contribute towards an increase in long term revenue and remove the opportunity costs that are currently being incurred through inefficient client segmentation. Confirming this approach will also create a data driven mindset within the Business Development (BD) function.

BUSINESS REQUIREMENTS DOCUMENT

Liam Williamson
Portfolio Project

PROJECT SCOPE

It has been agreed between the stakeholders that clients will be evaluated against the below criteria to qualify for an upward move, downward move, or to remain as is.

Upward	Downward	Remain As Is
10% or more increase in revenue over last 12 months	Decrease in annual revenue over last 12 months (FY'20-21)	Lack of movement of ALL 4 criteria in either direction
Increase in number of partners/offices over the last 12 months	Decrease in numbers of partner relationships and offices present.	
Expected imminent pitch/opportunity fee of £50k or more.	No expected imminent Pitch/Opportunity Fee of £50k or more	
Engagement from General Counsel or C-Suite individuals on the firm's two most significant marketing campaigns.	Lack of engagement from General Counsel or C-Suite individuals on the firm's two most significant marketing campaigns.	

STAKEHOLDERS

Name	Role	Action
Matthew Madeley	Global Head of Business Development	Review and approve
Thomas Blears	Chief Strategy Officer	Approve
Theresa Smith	Senior Client Development Manager	Liaise with senior partners to confirm approval
Anne Fleming	Finance Systems Support Manager	Approve
Graham Compton	Head of Marketing	Confirm marketing materials
Liam Williamson	Data Analyst	Carry out analysis

SWOT ANALYSIS

STRENGTHS

- New approach to segmentation will be much more evidence based, increasing the probability that higher levels of resources are being directed towards revenue generating activity.
- Multiple data points and a fully integrated data model provides greater context, combining both financial and non-financial insight.
- Approach is agile and can be reviewed regularly.

WEAKNESSES

- There may be mitigating factors that the analysis does not capture. To account for that, the Senior Client Development Manager will liaise with Senior Partners to decide whether any exception should be proposed.

OPPORTUNITIES

- Clients who have experienced upward trends across all data points will be revealed and can become a point of focal agreement.
- Regardless of the results produced by analysis, the approach will help drive a data-driven mindset with the BD function.

THREATS

- Risk that the criteria applied will generate either a lack of or an overly significant level of movement for client groups. An indicator of successful criteria would be a moderate level of movement. Too little movement would suggest that the criteria is too protectionist, whilst too much movement would create significant overhaul at the firms expense.

BUSINESS REQUIREMENTS DOCUMENT

Liam Williamson
Portfolio Project

SCHEDULE & DEADLINES

| Action	Name	Complete By
Confirm main sources of marketing material to be analyzed for criteria	Graham Compton	01/02/2021
Carry out analysis and draw up provisional groups	Liam Williamson	01/03/2021
Liaise with Senior Partners to discuss potential exceptions	Theresa Smith	14/03/2021
Provide sign off on final changes	Matthew Madeley	31/03/2021

BUSINESS REQUIREMENTS DOCUMENT

Liam Williamson
Portfolio Project

APPENDIX

METHODOLOGY FOR ANALYSIS

DATA MODEL
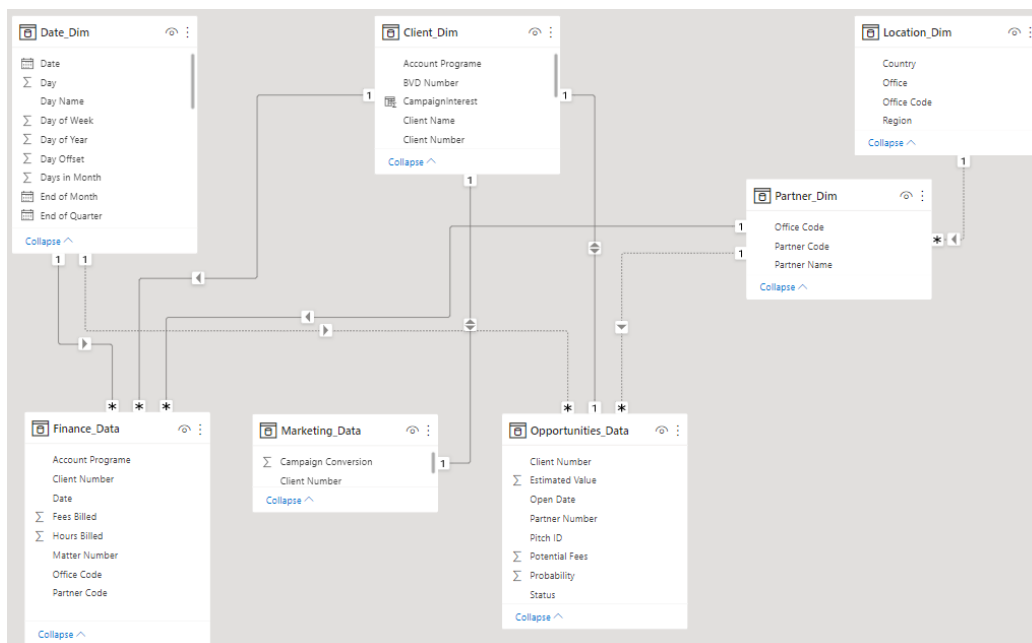
ETL PROCESSES FOR DATA TABLES
ETL FOR DATA TABLES

FINANCE DATA

```sql
1  /*
2  Extract all records for billings from FY'19-20 and FY'20-21 including the matter number, partner number, office number, hours billed, fees billed,
3  client number and account programme that the client currently belongs to.
4  */
5
6  SELECT
7    Matters_Finance.MN AS Matter_Number,
8    Matters_Finance.PC AS Partner_Code,
9    Matters_Finance.OC AS Office_Code,
10   Matters_Finance.HB AS Hours_Billed,
11   Matters_Finance.FB AS Fees_Billed,
12   Matters_Finance.CN AS Client_Number,
13   Matters_Finance.Billing_Date AS Date,
14   Client_Dim.AP AS AccountProgramme
15 FROM
16   Matters_Finance
17 LEFT JOIN Client_Dim ON Matters_Finance.CN = Client_Dim.CN
18 WHERE
19   Matters_Finance.Billing_Date BETWEEN '2019-05-01' AND '2021-04-30'
20 ORDER BY
21   Matter_Number
```

PITCH DATA

```sql
1  /*
2  Extract all pitches for billings from Jan'21 - May'21 including the client number, pitch id, status, open date, partner number, potential fees,
3  probability of success, and estimated value.
4  */
5
6  SELECT
7    Pitches_Opportunities.CN AS Client_Number,
8    Pitches_Opportunities.PI AS Pitch_ID,
9    Pitches_Opportunities.ST AS Status,
10   Pitches_Opportunities.PD AS Open_Date,
11   Pitches_Opportunities.PN AS Partner_Number,
12   Pitches_Opportunities.PF AS Potential_Fees,
13   Pitches_Opportunities.PB AS Probability,
14   Pitches_Opportunities.EV AS Estimated_Value,
15 FROM
16   Pitches_Opportunities
17 WHERE
18   Pitches_Opportunities.ST = "OPEN" AND
19   Pitches_Opportunities.PD BETWEEN '2020-01-01' AND '2021-04-30'
20 ORDER BY
21   Open_Date
22
```

ETL PROCESSES FOR DATA TABLES

ETL FOR DATA TABLES

MARKETING DATA

```sql
1  /*
2  Download row level data from campaign table in marketing database for all clients with the contact email address and related client number.
3  Evaluate whether the contact downloaded 0,1 or both of the significant campaign materials and format as a numerical column, bringing it across.
4  */
5
6  SELECT DISTINCT
7  Campaign_Data.Email AS Contact,
8  Campaign_Data.CN AS Client_Number,
9  CASE
10   WHEN Material1_Downloaded = "NO" AND Material2_Downloaded = "NO" THEN '0'
11   WHEN Material1_Downloaded = "YES" AND Material2_Downloaded = "NO" THEN '1'
12   WHEN Material1_Downloaded = "NO" AND Material2_Downloaded = "YES" THEN '1'
13   WHEN Material1_Downloaded = "YES" AND Material2_Downloaded = "YES" THEN '2'
14   ELSE 'Check Exception'
15  END AS Campaign_Conversion
16
```

DAX EXAMPLES

OFFICE GROWTH

```
1  OfficeGrowth =
2  VAR OfficesY1 =
3  CALCULATE(
4      DISTINCTCOUNT(Finance_Data[Office Code]),
5      Date_Dim[Fiscal Year] = 2020)
6  VAR OfficesY2 =
7  CALCULATE(
8      DISTINCTCOUNT(Finance_Data[Office Code]),
9      Date_Dim[Fiscal Year] = 2021)
10
11 RETURN OfficesY2 - OfficesY1
```

DAX EXAMPLES

% CHANGE FEES BILLED

```
 1  FeesBilled%Change =
 2  VAR FeesBilledY1 =
 3  CALCULATE(
 4      SUMX(
 5          Finance_Data,
 6          Finance_Data[Fees Billed]),
 7          Date_Dim[Fiscal Year] = 2020)
 8
 9  VAR FeesBilledY2 =
10  CALCULATE(
11      SUMX(
12          Finance_Data,
13          Finance_Data[Fees Billed]),
14          Date_Dim[Fiscal Year] = 2021)
15
16  VAR PercentageInc =
17  DIVIDE(
18      (FeesBilledY2 - FeesBilledY1),
19      FeesBilledY1,
20      0)
21
22  Return PercentageInc
```

DAX EXAMPLES

SWITCH/TRUE FUNCTION TO EVALUATE IF CLIENT HAS MET CRITERIA

```
1  GroupMovement =
2  SWITCH(
3      TRUE(),
4      Client_Dim[RevenueGrowth] >= 0.1 &&
5      Client_Dim[CampaignInterest] = 2 &&
6      Client_Dim[OfficeGrowth] > 0 &&
7      Client_Dim[PartnerGrowth] > 0 &&
8      Client_Dim[EstimatedPitchValue] >= 50000, "Upward",
9      Client_Dim[RevenueGrowth] <= -0.1 &&
10     Client_Dim[CampaignInterest] <> 2 &&
11     Client_Dim[OfficeGrowth] <= 0 &&
12     Client_Dim[PartnerGrowth] >= 0 &&
13     Client_Dim[EstimatedPitchValue] < 50000, "Downward",
14     "Maintain")
```

RESULTS

As desired, the results generated a moderate level of group turnover. (The orange bar shows that most clients remained in their original groups).
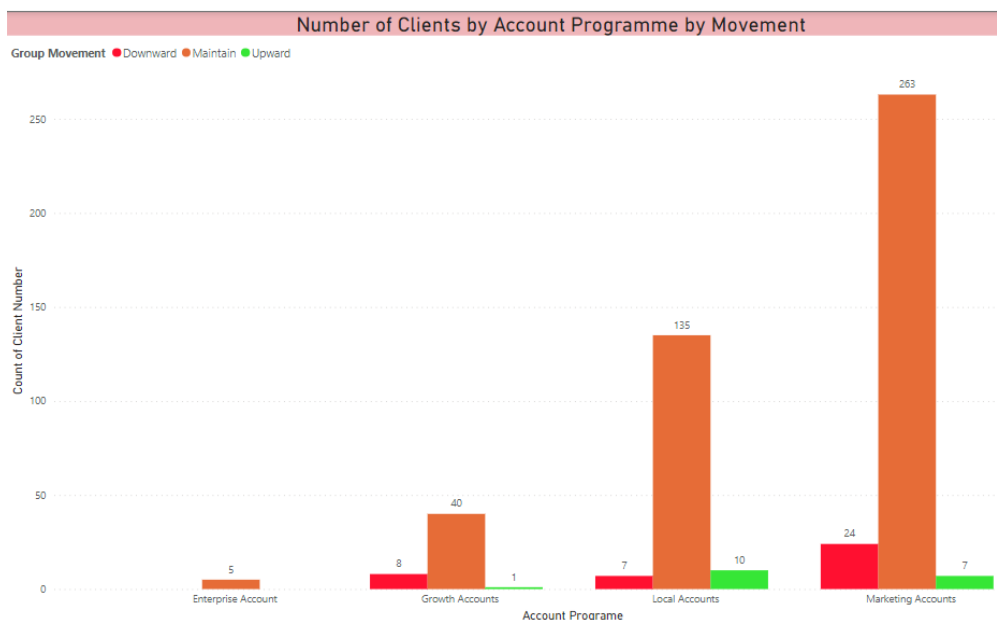
The below matrix shows a sample set of clients who were originally in Tier 2 (Growth Accounts), moved downward to Tier 3. As displayed, this decision can be justified by a decrease in Revenue, a decrease in the number of partners/offices from year 1 to year 2, a lack of imminent pitch fees, and no engagement with the relevant marketing materials.

RESULTS

The below matrix shows a sample set of clients who were originally in Tier 2 (Growth Accounts), moved downward to Tier 3. As displayed, this decision can be justified by a decrease in Revenue, a decrease in the number of partners/offices from year 1 to year 2, a lack of imminent pitch fees, and no engagement with the relevant marketing materials.

Account Programe	19-20FeesBilled	20-21FeesBilled	Est.Pitch Value	Office Growth	Partner Growth
⊟ **Enterprise Account**	£11,571,654	£15,397,966	£386,462	0	-1
⊞ **Maintain**	£11,571,654	£15,397,966	£386,462	0	-1
⊟ **Growth Accounts**	£27,041,308	£25,964,380	£3,729,693	74	83
⊟ **Downward**	£4,757,050	£2,700,569	£30,139	-1	0
Bahringer PLC	£397,522	£130,861		0	0
Bergnaum Inc	£603,236	£389,851		0	0
Eichmann, Marks and Aufderhar	£605,733	£315,766		-1	0
Erdman PLC	£634,011	£319,859	£10,331	0	0
Glover, Von and O'Hara	£581,226	£266,792		0	0
Haley, Luettgen and Corwin	£761,491	£497,418	£19,809	0	0
Legros, Conroy and Schamberger	£612,818	£411,360		0	0
Sauer, Wolf and Heathcote	£561,013	£368,662		0	0
⊞ **Maintain**	£22,140,964	£22,323,009	£3,554,434	61	68
⊞ **Upward**	£143,293	£940,802	£145,119	14	15
⊟ **Local Accounts**	£57,626,178	£58,179,527	£11,391,083	181	212
⊞ **Downward**	£2,976,774	£1,882,834	£30,029	0	4
Total	£136,536,149	£138,403,234	£24,644,662	599	658